



URBAN RENEWAL AGENCY BOARD MEETING

Monday, April 14, 2025
Community Auditorium, 1915 Main Street

Malynda Wenzl, Chair

Angel Falconer, Director
Donna Gustafson, Director
Michael Marshall, Director

Karen Martinez, Director
Brian Schimmel, Director
Mariana Valenzuela, Director

[TVCTV Livestream](#)

[Zoom Webinar](#) Meeting ID: 850 7572 2488 Passcode: 97116

Americans with Disabilities Act (ADA) Notice: The City is committed to providing equal access to public meetings. Requests for accommodation can be submitted to the City Recorder at least 48 hours before the meeting at: mwoods@forestgrove-or.gov or 503-992-3235

A. 8:45 Call to Order

1. Roll Call

B. Public Comment: Time provided for anyone wishing to speak to the Board on an item not on the agenda or on the agenda but not scheduled for a public hearing. Comments are limited to 2 minutes unless additional time is granted by the Presiding Officer. The public comment period shall not exceed 30 minutes unless a majority of Directors present vote to extend the time. Zoom attendees may use the “Raise Hand” option to be called on.

C. Consent Agenda: Items under the Consent Agenda are considered routine and will be adopted with a single motion, without separate discussion. Directors who wish to remove an item from the Consent Agenda may do so prior to the motion. Any item(s) removed will be discussed and acted upon following the approval of the remaining item(s).

1. Approve URA Minutes of 11.12.2024

D. Additions/Deletions

1. Executive Director
2. Board Members

E. Presentations: The Board will hold questions until the end of each presentation. A two-minute reminder will be given to the presenter to conclude remarks.

F. Resolutions

1. 8:55 **URA RESOLUTION 2025-02 AWARDING BUILDING IMPROVEMENT GRANTS**
Staff: Bryan Pohl, Community Development Director

2. 9:00 **URA RESOLUTION 2025-03 MODIFYING THE BUILDING IMPROVEMENT GRANT PROGRAM**
Staff: Bryan Pohl, Community Development Director
3. 9:10 **URA RESOLUTION 2025-04 APPOINTING THE URA AUDITOR FOR THE FISCAL YEAR ENDING JUNE 30, 2025 THROUGH THE FISCAL YEAR ENDING JUNE 30, 2027**
Staff: Paul Downey, Assistant City Manager/Finance Director

G. 9:15 Adjournment



A place where families and businesses thrive.

Urban Renewal Agency Regular Meeting Minutes

Monday, November, 2024
Community Auditorium

Minutes are unofficial until approved by City Council.

A. Call to Order

Acting Chair Timothy Rippe called the regular Urban Renewal Agency meeting to order at 9:13pm. via in-person and Zoom Webinar Video Conference. The meeting was held in a “hybrid” format allowing the public to attend both virtually and in-person in the Community Auditorium. Members of the public could observe the meeting **LIVE** on **Zoom Webinar** or on television on Tualatin Valley Community Television (TVCTV) Government Access Programming.

1. **ROLL CALL: BOARD PRESENT:** Directors Donna Gustafson; Michael Marshall; Karen Martinez; Timothy Rippe; and Mariana Valenzuela. **BOARD ABSENT:** Malynda Wenzl, Chair.
2. **STAFF PRESENT:** Jesse VanderZanden, City Manager; Paul Downey, Assistant City Manager/Finance Director; Mariah Woods, City Recorder.

B. Public Comment: None.

C. Consent Agenda:

1. Information: Assigning Corrected Number to URA Resolution 2024-02

MOTION: Director Gustafson moved, seconded by Director Valenzuela, to approve the Consent Agenda. **VOICE VOTE: AYES:** Directors Gustafson, Marshall, Martinez, Rippe, Uhing, Valenzuela. **NOES:** None. **ABSENT:** Chair Wenzl. **ABSTAIN:** None.
PASSED: 6-0

D. Additions/Deletions:

1. City Manager:

URA RESOLUTION 2024-06 AUTHORIZING THE PURCHASE OF PROPERTY LOCATED AT 1911-1923 PACIFIC AVENUE AND AUTHORIZING THE EXECUTIVE DIRECTOR OR DESIGNEE TO THE COMPLETE PURCHASE OF THE PROPERTY

URA RESOLUTION 2024-07 AUTHORIZING THE PURCHASE OF PROPERTY
LOCATED AT 2024 19TH AVENUE AND AUTHORIZING THE EXECUTIVE
DIRECTOR OR DESIGNEE TO COMPLETE THE PURCHASE OF THE PROPERTY

2. Proposed by Directors: None.

E. Presentations: None

F. Public Hearings, Ordinances, and Resolutions

**1. URA RESOLUTION NO. 2024-05 AUTHORIZING INDEBTEDNESS FOR
PROJECTS DESCRIBED IN THE URBAN RENEWAL PLAN**

Staff: Paul Downey, Assistant City Manager/Finance Director

Paul Downey presented the staff report.

There were no questions from the Board.

**Director Gustafson moved, seconded by Director Marshall, to approve URA
Resolution 2024-05.**

There was no discussion.

The City Manager read the Resolution by title.

**ROLL CALL VOTE: AYES: Directors Gustafson, Marshall, Martinez, Rippe,
Uhing, Valenzuela. NOES: None. ABSENT: Chair Wenzl. ABSTAIN: None.
PASSED: 6-0**

**2. URA RESOLUTION NO. 2024-06 AUTHORIZING THE PURCHASE OF
PROPERTY LOCATED AT 1911-1923 PACIFIC AVENUE AND AUTHORIZING
THE EXECUTIVE DIRECTOR OR DESIGNEE TO THE COMPLETE PURCHASE
OF THE PROPERTY**

Staff: Paul Downey, Assistant City Manager/Finance Director

Paul Downey presented the staff report.

Director Gustafson disclosed a possible perceived bias, because she is friends
with two of the owners of the property. She has no financial interest in the property,
and so did not recuse herself.

Director Martinez moved, seconded by Director Marshall, to approve URA Resolution 2024-06.

There was no discussion from the Board.

The City Manager read the Resolution by title.

ROLL CALL VOTE: AYES: Directors Gustafson, Marshall, Martinez, Rippe, Uhing, Valenzuela. NOES: None. ABSENT: Chair Wenzl. ABSTAIN: None. PASSED: 6-0

3. URA RESOLUTION NO. 2024-07 AUTHORIZING THE PURCHASE OF PROPERTY LOCATED AT 2024 19TH AVENUE AND AUTHORIZING THE EXECUTIVE DIRECTOR OR DESIGNEE TO COMPLETE THE PURCHASE OF THE PROPERTY

Staff: Paul Downey, Assistant City Manager/Finance Director

Paul Downey presented the staff report.

There were no questions from the Board.

Director Gustafson moved, seconded by Director Martinez, to approve URA Resolution 2024-07.

There was no discussion.

The City Manager read the Resolution by title.

ROLL CALL VOTE: AYES: Directors Gustafson, Marshall, Martinez, Rippe, Uhing, Valenzuela. NOES: None. ABSENT: Chair Wenzl. ABSTAIN: None. PASSED: 6-0

H. Adjournment

Chair Rippe adjourned the regular Urban Renewal Agency meeting at 9:27 p.m.



A place where families and businesses thrive.

CITY RECORDER USE ONLY:

AGENDA ITEM #: _____

MEETING DATE: _____

FINAL ACTION: _____

URBAN RENEWAL AGENCY STAFF MEMORANDUM

TO: *Urban Renewal Agency Board of Directors*

FROM: *Jesse VanderZanden, Executive Director*

PROJECT TEAM: *Miles Glowacki, Economic Development Coordinator
Bryan Pohl, Community Development Director*

MEETING DATE: *April 14, 2025*

SUBJECT TITLE: *URA Resolution 2025-02 Awarding Building Improvement Grants*

ACTION REQUESTED:

Ordinance

Order

X

Resolution

Motion

Informational

X all that apply

BACKGROUND

The Forest Grove Urban Renewal Plan includes and encourages the establishment of a building improvement grant program within the Urban Renewal Area. The purpose of a building improvement grant program is to increase assessed value, stimulate private investment, create jobs, improve property values, increase the desirability for leasing, increase the functionality of the space, and improve sustainable building practices.

On June 10, 2024, The Urban Renewal Agency Board of Directors passed Resolution 2024-01, establishing a Building Improvement Grant Program that established the program and made \$5,000 design grants available to interested businesses and property owners, as well as up to \$100,000 in construction funds eligible to be awarded.

The program application period was from July 1, 2024, to December 31, 2024. At the close of the application acceptance period, there were nine applications for eight different properties. The Economic Development Commission met on February 13 to score the proposals, and recommended that the URA Board fund six of the nine proposals. Subsequently, the URA Board met to score the proposals at their February 24, 2025, meeting and their March 17, 2025, meeting.

At the conclusion of this meeting, the URA Board reached consensus to award grant funds to the following seven projects:

- 1940 Pacific Avenue (\$100,000)
- 1900 A Street (\$3,000)
- 2004 Main Street (\$22,500)
- 1936 A Street (\$8,500)

- 1922 21st Avenue (\$20,600)
- 3224 Pacific Avenue (\$20,700)
- 2007 21st Avenue (\$250 – door project only)

Attached Resolution 2025-02 reflects these properties and amounts.

STAFF RECOMENDATION

Staff recommends the Board approve Resolution 2025-02 awarding grant funds from the Building Improvement Grant Program.

FISCAL IMPACT

\$350,000 of funding was budgeted for the Building Improvement Grant Program in the FY24/25 budget for the Urban Renewal Agency. The total of grants awarded under this Resolution is \$175,550.

ATTACHMENT

URA Resolution 2025-02

URA RESOLUTION NO. 2025-02

RESOLUTION AWARDING BUILDING IMPROVEMENT GRANTS

WHEREAS, the Urban Renewal Agency Board of Directors adopted the Urban Renewal Plan for the Forest Grove Town Center and Pacific Avenue/19th Avenue Corridor from C Street to just east of Quince beginning June 9, 2014; and

WHEREAS, the primary purpose of the Urban Renewal Plan is to eliminate blight and blighting influences within the urban renewal area; improve land utilization; encourage private investment and job creation and increase the value of real estate within the urban renewal area; and

WHEREAS, the City of Forest Grove's Urban Renewal Plan calls for the establishment of a building improvement program; and

WHEREAS, a well-planned and executed building improvement program can have a transformative impact on a city, leading to economic growth, job creation, increased property values, and enhanced livability for residents and business alike; and

WHEREAS, the building improvement program has the potential to achieve two of the Urban Renewal Agency Goals including, Goal 3: To improve the local investment climate by reducing financial barriers to development and redevelopment within the Urban Renewal area; and, Goal 4: To promote a vibrant Forest Grove Town Center through strategic urban renewal investments; and

WHEREAS, the Forest Grove Economic Development Commission met to score proposals on February 13, 2025, and recommended six applications to be funded; and

WHEREAS, the Urban Renewal Agency Board of Directors held a work session February 24, 2025, and on March 17, 2025, to review the submitted grant applications and recommended seven applications to be funded;

NOW, THEREFORE, BE IT RESOLVED BY THE FOREST GROVE URBAN RENEWAL AGENCY BOARD OF DIRECTORS AS FOLLOWS:

Section 1. Building Improvement Grant funds will be awarded for the amount below for the following projects:

- 1940 Pacific Avenue (\$100,000)
- 1900 A Street (\$3,000)
- 2004 Main Street (\$22,500)
- 1936 A Street (\$8,500)
- 1922 21st Avenue (\$20,600)
- 3224 Pacific Avenue (\$20,700)
- 2007 21st Avenue (\$250 – door project only)

Section 2. This resolution is effective immediately upon its enactment by the Urban Renewal Agency Board of Directors.

PRESENTED AND PASSED this 14th day of April, 2025.

Jesse VanderZanden
Urban Renewal Executive Director

APPROVED by the Urban Renewal Agency of the City of Forest Grove at a regular meeting this 14th day of April, 2025, and filed with the Forest Grove City Recorder this date.

Malynda H. Wenzl
Urban Renewal Agency Chair



A place where families and businesses thrive.

CITY RECORDER USE ONLY:

AGENDA ITEM #: _____

MEETING DATE: _____

FINAL ACTION: _____

URBAN RENEWAL AGENCY STAFF MEMORANDUM

TO: *Urban Renewal Agency Board of Directors*

FROM: *Jesse VanderZanden, Executive Director*

PROJECT TEAM: *Miles Glowacki, Economic Development Coordinator
Bryan Pohl, Community Development Director*

MEETING DATE: *April 14, 2025*

SUBJECT TITLE: *URA Resolution 2025-03 Modifying the Building Improvement Grant Program*

ACTION REQUESTED:	Ordinance	Order	X	Resolution	Motion	Informational
--------------------------	------------------	--------------	----------	-------------------	---------------	----------------------

X all that apply

BACKGROUND

The Forest Grove Urban Renewal Plan includes and encourages the establishment of a building improvement grant program within the Urban Renewal Area. The purpose of a building improvement grant program is to increase assessed value, stimulate private investment, create jobs, improve property values, increase the desirability for leasing, increase the functionality of the space, and improve sustainable building practices.

On October 9, 2023, the Urban Renewal Agency Board (Board) conducted a work session to review a draft Building Improvement Grant Program (Program). The Program consists of two parts: 1) a Design Grant program and 2) a Building Improvement Grant program. The Board referred the program to the Economic Development Commission (EDC) for further evaluation.

The EDC reviewed a draft Program on January 11, 2024. The EDC reached a consensus and recommended to the Board that the Agency establish a Building Improvement Grant Program. On January 22, 2024, staff presented the draft Program to the Board. The Board provided feedback on the Programs design, eligibility, requirements, approval process, and scoring rubric.

This feedback was incorporated into the Program and another work session was held with the Board on April 22, 2024. The Board came to a consensus on remaining issues and the Building Improvement Grant opened for applications on July 1, 2024, with applications being accepted until December 31, 2024.

At the close of the application acceptance period, there were nine applications for eight different properties. The Economic Development Commission met on February 13 to score the proposals and recommended the URA Board fund six of the nine proposals. Subsequently, the URA Board met to score the proposals at their February 24, 2025, meeting and at their March 17, 2025, meeting.

During this process, the URA Board expressed concern that the scoring criteria did not adequately reflect the goals of the grant program and of the URA itself. Thus, the URA discussed, and consensus was reached, on modifying the scoring criteria for the 2025 program. Those changes are reflected in the attached Resolution and Exhibit A.

In the modified grant program, staff has condensed the eligibility requirements into one section and modified the scoring criteria to reflect the consensus of the URA Board of Directors, as discussed at its March 17 meeting.

STAFF RECOMENDATION

Staff recommends the Board consider, amend if needed, and approve Resolution 2025-03 establishing the Building Improvement Grant Program.

FISCAL IMPACT

Funding for the program will be discussed during the Urban Renewal Agency budget process.

ATTACHMENTS

- Resolution 2025-03
- Exhibit A: Building Improvement Grant Program

URA RESOLUTION NO. 2025-03

RESOLUTION MODIFYING THE BUILDING IMPROVEMENT GRANT PROGRAM

WHEREAS, the Urban Renewal Agency Board of Directors adopted the Urban Renewal Plan for the Forest Grove Town Center and Pacific Avenue/19th Avenue Corridor from C Street to just east of Quince beginning June 9, 2014; and

WHEREAS, the primary purpose of the Urban Renewal Plan is to eliminate blight and blighting influences within the urban renewal area; improve land utilization; encourage private investment and job creation and increase the value of real estate within the urban renewal area; and

WHEREAS, the City of Forest Grove's Urban Renewal Plan calls for the establishment of a building improvement program; and

WHEREAS, a well-planned and executed building improvement program can have a transformative impact on a city, leading to economic growth, job creation, increased property values, and enhanced livability for residents and business alike; and

WHEREAS, the building improvement program has the potential to achieve two of the Urban Renewal Agency Goals including, Goal 3: To improve the local investment climate by reducing financial barriers to development and redevelopment within the Urban Renewal area; and, Goal 4: To promote a vibrant Forest Grove Town Center through strategic urban renewal investments; and

WHEREAS, on June 10, 2024, The Urban Renewal Agency Board of Directors passed Resolution 2024-01, establishing a Building Improvement Grant Program; and

WHEREAS, the Urban Renewal Agency Board of Directors held a work session on March 17, 2025, to discuss changes to the program for 2025 and reached consensus on eligibility and scoring criteria for the 2025 Building Improvement Grant Program.

NOW, THEREFORE, BE IT RESOLVED BY THE FOREST GROVE URBAN RENEWAL AGENCY BOARD OF DIRECTORS AS FOLLOWS:

Section 1. To modify the Building Improvement Grant Program composed of a Design Grant program and a Building Improvement Grant as outlined in Exhibit A.

Section 2. This resolution is effective immediately upon its enactment by the Urban Renewal Agency Board of Directors.

PRESENTED AND PASSED this 14th day of April, 2025.

Jesse VanderZanden
Urban Renewal Executive Director

APPROVED by the Urban Renewal Agency of the City of Forest Grove at a regular meeting this 14th day of April, 2025, and filed with the Forest Grove City Recorder this date.

Malynda H. Wenzl
Urban Renewal Agency Chair

CITY OF FOREST GROVE – URBAN RENEWAL AGENCY
BUILDING IMPROVEMENT GRANT PROGRAM

Section 1: Purpose

~~1.1 — The purpose of the Building Improvement Grant Program (Program) is to provide financial assistance to projects within the urban renewal area that increase assessed value, stimulate private investment, create jobs, improve property values, increase the desirability for leasing, increase the functionality of the space, and improve sustainable building practices.~~

1.1 The purpose of the Building Improvement Grant Program (Program) is to provide financial assistance to projects within the urban renewal area that:

- increase the assessed value
- stimulate private investment
- create jobs
- improve property values
- increase the desirability for leasing
- increase the functionality of the space
- promote sustainable building practices
- encourages the preservation of historic resources
- provide needed housing and mixed-use development
- encourage uses and amenities that promote increased residential uses
- encourage the construction of public gathering spaces

Section 2: Programs

2.1 Building Improvement Design Grant: A grant of up to \$5,000 for architectural, design, and engineering services.

2.2 Building Improvement Grant: A matching grant (1:1) up to \$100,000 for project costs that meet the above purpose. This includes interior and exterior improvements, excluding storefront facades which are covered under the Storefront Façade Grant Program.

2.3 There is a cap of \$105,000 in funding from the Building Improvement Grant Program per business or property in a five year period.

Section 3: Eligibility

~~3.1 — Properties located within the Urban Renewal Area.~~

~~3.2 — Properties must be used in whole or in part for commercial purposes.~~

~~3.3 — Program is open to building owners and tenants. Improvements by a tenant require a signed and notarized authorization letter from the building owner.~~

Section 4: Requirements and Restrictions

~~4.1 — Locally owned franchises are eligible. National franchises not locally owned are ineligible.~~

~~4.2 — Approval of grant applications is dependent on available funds.~~

~~4.3 — Non-profits that receive a city property tax exemption are ineligible.~~

~~4.4 — The maximum amount of funding a single property can receive in a five-year cycle is \$105,000.~~

- ~~4.6 Applicants are prohibited from reimbursement for their own labor.~~
- ~~4.7 Permits, system development charges (SDCs) and application fees are not reimbursable.~~
- ~~4.8 The application and project must comply with all local, state, and federal rules and regulations.~~
- ~~4.9 Additional requirements and restrictions as outlined in the grant agreement letter.~~

Section 3: Eligibility Requirements – Applicants must meet all of the following requirements to be eligible for consideration by the Economic Development Commission and Urban Renewal Agency Board of Directors:

- 3.1 Property must be located within the Urban Renewal Area.
- 3.2 The project will likely increase the taxable assessed value.
- 3.3 Property must be used in whole or in part for commercial purposes.
- 3.4 Applicant must be a building owner or tenant and must provide a signed and notarized authorization letter from the building owner.
- 3.5 Business must be locally owned or a locally owned franchise. National franchises not locally owned are ineligible.
- 3.6 Business must be for profit or a non-profit that does not receive a city property tax exemption.
- 3.7 The total project cost must not exceed the maximum amount of funding a single property can receive in a five-year cycle of \$105,000.
- 3.8 Applicant must attest they will not use grant funds for their own labor.
- 3.9 Applicant must attest they will not use grant funds for any governmental permit, system development charge (SDCs), and/or application fee.
- 3.10 Project must comply with all local, state, and federal rules and regulations.
- 3.11 Applicant must provide a signed and notarized Hold Harmless Letter.
- 3.12 Applicant must answer all questions on the application to be eligible for consideration.

Section 4: Application and Approval Process

- 4.1 Building Improvement Design Grant: applications are reviewed and approved by staff if the application demonstrates the project is consistent with the purpose of the program and the applicant is prepared to implement building improvements that meet or exceed \$25,000.
- 4.2 Building Improvement Grant Program: applications are screened by staff for completeness and program eligibility consistent with the purpose, requirements, and restrictions of the program. If the project application is eligible and complete, a conference is scheduled with the applicant to review the project and clarify any questions. The application is then forwarded to the Economic Development Commission (EDC) to be scored using the Scoring Rubric in Section 7. Pending scoring, the EDC will make recommendations to the Urban Renewal Agency Board (Board) who will make the final decision on each application. All grantees will be required to enter into a Grant Acceptance Agreement outlining the roles and responsibilities of each party.
- 4.3 Award of grant monies is contingent upon funding availability.

Section 5: Distribution of Funds

- 5.1 Both the Design Grant and Building Improvement Grant are reimbursable upon submittance of qualifying and certified receipts.
- 5.2 Design Grant reimbursements are one-time and upon submittance of final design.
- 5.3 Building Improvement Grant reimbursements:

- 5.3.1 For projects less than \$25,000 in grant funds, payments will be made upon completion of the project.
- 5.3.2 For projects exceeding \$25,000 in grant funds, payments will be made semi-annually upon certification of qualifying receipts or upon completion of the project.

Section 6: Scoring Rubric

Criteria	Eligible Points	Score
Application is complete with all required information	0-5	
Project increases assessed value of the building	0-25	
Project stimulates private investment	0-20	
Project creates jobs	0-10	
Project improves property values	0-10	
Project increases the desirability for leasing	0-10	
Project increases the functionality of the space	0-10	
Project improves sustainable business practices	0-10	
	Total Score:	

Criteria	Eligible Points	Score
<u>Project stimulates private investment</u> <u>Applications with a higher ratio of match to grant and potential impact to assessed value would receive a higher score.</u>	<u>5</u>	
<u>Project would create or retain jobs</u> <u>Applications are scored based on type and number of jobs created.</u>	<u>5</u>	
<u>Project would increase the desirability of the space for leasing or increase gathering spaces</u> <u>Projects that increase desirability for leasing or increase the use of the space as a "third place" (public gathering space) would receive a higher score.</u>	<u>5</u>	
<u>Project would increase the functionality of the space for leasing</u> <u>Projects that increase the functionality of the space, i.e., HVAC/plumbing/electrical improvements, for current or future tenants, including aesthetics, access, and ADA compliance, would receive a higher score.</u>	<u>5</u>	

<u>Project would improve the environmental sustainability of the space</u> <i><u>Projects that improve the environmental efficiency of the building would receive a higher score.</u></i>	<u>5</u>	
	<u>Total Score:</u>	



A place where families and businesses thrive.

CITY RECORDER USE ONLY:

AGENDA ITEM #: _____

MEETING DATE: _____

FINAL ACTION: _____

CITY COUNCIL / URBAN RENEWAL AGENCY STAFF REPORT

TO: *City Council*

FROM: *Jesse VanderZanden, City Manager*

MEETING DATE: *April 14, 2025*

PROJECT TEAM: *Paul Downey, Assistant City Manager/Finance Director*

SUBJECT TITLE: *Resolutions to Appoint City and URA Auditor for Fiscal Years Ending June 30, 2025, through June 30, 2027*

ACTION REQUESTED:

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

X all that apply

ISSUE STATEMENT

This staff report will cover this topic for the City and the Urban Renewal Agency (URA).

The Forest Grove City Charter specifies the Council will by resolution approve contracts for annual audits of City accounts and fiscal affairs as required by State Law. The City's and the URA's current auditors, Clear Trails CPAs, formerly, Pauly, Rogers, and Co., P.C., has completed its first three-year contract. Staff is recommending that Clear Trails CPAs be appointed auditor for the City and for the URA for another three-year term for the audits of fiscal years ending June 30, 2025, through June 30, 2027.

BACKGROUND

The City Council and URA Board appointed Pauly, Rogers, and Company. P.C. as auditor for fiscal years ending June 30, 2022, through June 30, 2024. During the audit for the year ended June 30, 2024, the firm divided and the part of the firm that performed municipal audits formed the firm of Clear Trails CPAs. The audit contract was assigned to Clear Trails CPAs who only does municipal auditing.

The current three-year term has expired so an Auditor needs to be appointed by the City Council and URA Board. It is standard practice among government entities to appoint auditors who perform well for another three-year term. Additionally, qualified municipal auditors are becoming harder to find as some of the large CPA firms have stopped performing municipal audits and other firms have reduced the number of audits they perform as qualified staff is more difficult to hire.

Clear Trails CPAs have done excellent work and have developed an understanding of how the City and URA function and are able to look deeper into the City's processes and practices now. A new audit firm has a large learning curve for at least the first year. Staff recommends that the audit services go through an RFP process at the end of this appointment.

FISCAL IMPACT

The City budgets annually for the audit fees. Clear Trails CPA is proposing the following fees for the City's audit: 1) FY 24-25 - \$49,500; 2) FY 25-26 - \$51,100; and 3) FY 26-27 - \$52,600. For the URA audit, the following fee are being proposed: 1) FY 24-25 - \$6,750; 2) FY 25-26 - \$6,950; and 3) FY 26-27 - \$7,150.

For comparison, the City's audit fees for the FY 23-24 were \$51,500, and the URA audit fees for FY 23-24 were \$6,800.

RECOMMENDATION

Staff recommends the City Council approve the attached City resolution appointing Clear Trails CPAs as the City Auditor for the fiscal years ending June 30, 2025, through 2027.

Staff also recommends the URA Board approve the attached URA resolution appointing Clear Trails CPAs as the URA's Auditor for the fiscal years ending June 30, 2025, through 2027.

URA RESOLUTION NO. 2025-04

**RESOLUTION APPOINTING THE URA AUDITOR FOR
THE FISCAL YEAR ENDING JUNE 30, 2025 THROUGH
THE FISCAL YEAR ENDING JUNE 30, 2027**

WHEREAS, State law requires the URA's financial statements to be audited by a qualified independent auditor; and

WHEREAS, the current auditors, Clear Trails CPAs, formerly, Pauly, Rogers, and Co., P.C., has completed its first three-year contract, and

WHEREAS, it has been URA practice to appoint auditors who perform well to another three-year term; and

WHEREAS, the current audit firm has performed well over the three-year term; and

WHEREAS, staff is recommending the URA Board appoint Clear Trails CPAs to another three-year term as the URA Auditor.

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

Section 1 To appoint Clear Trails CPAs to be the URA Auditor for the fiscal years ending June 30, 2025, through June 30, 2027.

Section 2 To authorize the Executive Director or designee to sign a contract for services to perform the URA's annual audit to comply with State law.

Section 3 This resolution is effective immediately upon its enactment by the Urban Renewal Agency Board of Directors of the City of Forest Grove.

PRESENTED AND PASSED this 14th day of April, 2025.

Jesse VanderZanden
Urban Renewal Executive Director

APPROVED by the Urban Renewal Agency of the City of Forest Grove at a regular meeting this 14th day of April, 2025, and filed with the Forest Grove City Recorder this date.

Malynda H. Wenzl
Urban Renewal Agency Chair