



URBAN RENEWAL AGENCY MEETING

Tuesday, May 13, 2025

Forest Grove Light & Power Conference Room,
1818 B Street

Malynda Wenzl, URA Chair
David Andersen, Committee Chair

Rachael Bateman
Tom Cook
Angel Falconer, Director
Teresa Galvan
Donna Gustafson, Director
Mallory Hiefield

Carla Kimzey
Michael Marshall, Director
Karen Martinez, Director
Brian Schimmel, Director
Mariana Valenzuela, Director

Zoom: <https://us06web.zoom.us/j/87391825509?pwd=7fXnHkjJGr7r0etWkvBCS1QKb7kDlu.1>

Meeting ID: 873 9182 5509 **Passcode:** 202527

A. Call to Order

1. Roll Call

B. Election of Chair

C. Public Comment Time provided for anyone wishing to speak to the Urban Renewal Agency Budget Committee 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 Chair. The public comment period shall not exceed 30 minutes unless a majority of Commissioners present vote to extend the time. Zoom attendees may use the "Raise Hand" option to be called on.

D. Consent Agenda Items under the Consent Agenda are considered routine and will all be adopted with a single motion, without separate discussion. Commissioners/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. None.

E. Additions/Deletions

F. Budget Message for FY 2025-27 Proposed URA Budget

G. Review and Discussion of FY 2025-27 URA Proposed Budget

1. FY 2025-27 URA Proposed Budget

H. Public Comment on FY 2025-27 URA Proposed Budget

1. Chair, please open the meeting for Public Comment on the FY 2025-27 Proposed URA Budget

I. Announcement of Next Meeting

1. Wednesday, May 28, 2025, 6:00 p.m.

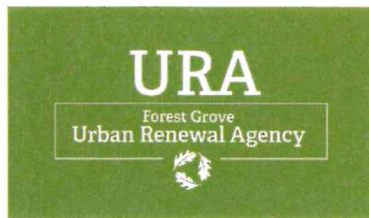
J. Adjournment

Americans with Disabilities Act (ADA) Notice: The City of Forest Grove will make reasonable accommodations for participation in the meeting. Requests for assistance can be made by contacting the City Recorder's Office, 503-992-3235, mwoods@forestgrove-or.gov, at least 48-hours in advance of the meeting.



City of Forest Grove Urban Renewal Agency FY 2025-27 Proposed Budget





FY 2025-27 Budget Message
Urban Renewal Agency of the City of Forest Grove
May 13, 2025

To: The Budget Committee and the Residents of Forest Grove:

It is my pleasure to present the first biennial budget for the Urban Renewal Agency of the City of Forest Grove. This budget will cover the period from July 1, 2025, through June 30, 2027. The Urban Renewal Agency (URA) is overseen by the Mayor and the City Councilors, who act in the capacity of the Chair and Directors for the URA.

The URA was established in July 2014 and is slated to expire June 30, 2035. The URA area comprises 6% of the total area of the city and includes the Forest Grove Town Center and the Pacific Avenue/19th Avenue corridor to just East of the Quince Street/Pacific Avenue intersection. The principal revenue for the URA is the property tax increment between when the Agency was established and the property tax today.

The URA is authorized under state law and is charged with increasing taxable assessed value through urban revitalization within the URA area for the future benefit of City services that depend on property taxes such as police, fire, parks, and library. The URA accomplishes this through property purchases and incentive programs to improve property and buildings located in the URA area. By reinvesting in the future, the assessed value in the URA area increases faster than it otherwise would have without the investment – yielding more revenue to the general fund when the URA expires.

Regarding incentive programs, the URA reached an inflexion point this past year in that it implemented the Building Improvement Grant Program and funded this program, along with the Storefront and Design Grant Programs, to the point where annual expenses for these programs, combined with debt requirements, closely approximate annual revenues. In other words, at least for this biennium, the URA has planned itself to capacity and will turn its focus from developing to implementing these programs.

Regarding property purchases, with the help of a leading commercial real estate agent, the URA also performed an exhaustive and strategic review of eligible commercial properties for redevelopment. After several work sessions, the Board opted to borrow \$4.25 million or approximately 50% of its annual revenues over a 10-year period. This allowed the URA to purchase strategic properties while also fully funding the above grant programs with the remaining revenues.

These revenues are being used to purchase two strategic properties – the theater property on Pacific and the large gravel lot owned by Woodfold on 19th St. The loan is scheduled to be repaid on June 30, 2035. Once these purchases are finalized, the URA will have three properties for redevelopment in the coming years, including Site B on Pacific Avenue.

The next step regarding the properties will be to conduct an economic concept analysis for each property and specifically for a boutique hotel/commercial at the theater property. This information will be used to engage the community and the URA Board on what types of development for each property will best meet the goals of the URA.

The FY 2025-27 Proposed Budget for the URA is \$3,951,08 including property tax revenue of \$1.859 million. Proposed expenditures for FY 2025-27 include \$700,000 for a building improvement program, \$80,000 for the Storefront Improvement Program, \$30,000 for a consultant, and \$1,153,865 for debt service payments on the new loan.

Importantly, the URA will also have \$1,445,788 in undesignated funds over the upcoming budget period that could be used to assist in the development of the URA-owned properties. The focus of the URA over the next couple years will be to fully implement the grant programs and engage the community and Board on the development of URA owned properties.

Respectfully submitted,

Jesse VanderZanden
Executive Director, Forest Grove Urban Renewal Agency

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FISCAL YEARS 2025-2027 PROPOSED BUDGET

URA RESOURCES	2022-23 Actual	2023-24 Actual	2024-25 Budgeted	2024-25 Estimated YE	2025-26 Proposed	2026-27 Proposed	2025-2027 Biennium Total
PROPERTY TAXES							
4000 Property Taxes	655,674	828,945	851,681	886,889	915,269	944,558	1,859,827
4020 Prior Years Property Taxes	8,372	6,493	6,000	8,054	6,000	6,000	12,000
TOTAL PROPERTY TAXES	664,046	835,438	857,681	894,943	921,269	950,558	1,871,827
MISCELLANEOUS REVENUE							
4700 Interest	17,180	32,397	19,000	124,154	48,000	42,000	90,000
4716 Proceeds from Debt Issuance			4,250,000	4,250,000	0	0	0
TOTAL MISCELLANEOUS REVENUE	17,180	32,397	4,269,000	4,374,154	48,000	42,000	90,000
FUND BALANCE AVAILABLE							
4900 Fund Bal Avail For Approp.	622,702	845,592	625,529	639,225	1,989,254	0	1,989,254
TOTAL URA RESOURCES	1,303,928	1,713,427	5,752,210	5,908,322	2,958,523	992,558	3,951,081

URA EXPENDITURES	2022-23 Actual	2023-24 Actual	2024-25 Adopted	2024-25 Estimated YE	2025-26 Proposed	2026-27 Proposed	2025-2027 Biennium Total
MATERIALS & SERVICES							
6125 Public Information	1,443	342	600	743	600	600	1,200
6135 Memberships	0	0	250	0	250	250	500
6200 Intergovernmental Services	88,574	113,789	137,943	137,943	135,518	141,660	277,178
6295 Attorney Services	0	0	15,000	9,925	15,000	15,000	30,000
6305 Professional Services	3,029	0	15,000	8,081	15,000	15,000	30,000
6325 Financial Services, Auditing, Invest	5,500	5,700	5,700	6,900	6,000	6,000	12,000
6328 Bond Issuance Costs			54,000	54,000	0	0	0
6425 Storefront Improvement Grants	1,248	4,398	20,000	15,450	20,000	20,000	40,000
6426 Public Art and Other Projects	39,850	0	350,000	6,000	0	0	0
6427 Building Improvement Program	0	0	0	15,000	510,550	350,000	860,550
6428 Land Purchase Program	0	0	4,421,042	3,540,069	100,000	0	100,000
6430 Undesignated Projects	0	0	607,717	0	0	1,445,788	1,445,788
TOTAL MATERIALS & SERVICES	139,644	124,229	5,627,252	3,794,111	802,918	1,994,298	2,797,216
DEBT SERVICE							
8014 Principal	294,421	919,066	0	0	325,000	340,000	665,000
8114 Interest	24,270	18,382	124,958	124,958	254,150	234,715	488,865
TOTAL DEBT SERVICE	318,691	937,448	124,958	124,958	579,150	574,715	1,153,865
UNAPP FUND BALANCE							
8450 Unapp Fund Balance	0	0	0	0	0	0	0
TOTAL URA EXPENDITURES	458,335	1,061,677	5,752,210	3,919,069	1,382,068	2,569,013	3,951,081

BOND DEBT SERVICE

Forest Grove Urban Renewal Agency Urban Renewal Bond, Series 2024 (Federally Taxable)

Fiscal Year	Principal	Coupon	Interest	Debt Service
2025-26	325,000	5.980%	254,150	579,150
2026-27	340,000	5.980%	234,715	574,715
2027-28	365,000	5.980%	214,383	579,383
2028-29	385,000	5.980%	192,556	577,556
2029-30	405,000	5.980%	169,533	574,533
2030-31	430,000	5.980%	145,314	575,314
2031-32	455,000	5.980%	119,600	574,600
2032-33	485,000	5.980%	92,391	577,391
2033-34	515,000	5.980%	63,388	578,388
2034-35	545,000	5.980%	32,591	577,591
	4,250,000		1,518,621	5,768,621