



*A place where families and businesses thrive.*

# URBAN RENEWAL AGENCY BOARD

**Thursday, January 19, 2023**  
**Community Auditorium, 1915 Main Street**

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Malynda Wenzl, Chair

Donna Gustafson, Director  
Karen Martinez, Director  
Elena Uhing, Director

Michael Marshall, Director  
Timothy A. Rippe, Director  
Mariana Valenzuela, Director

Zoom Webinar Link:

<https://us06web.zoom.us/j/85957611358?pwd=d1JFaHdJeFVXcjNXMzFzR2NXWFRYUT09>  
Zoom Meeting ID: 859 5761 1358 and Passcode: 01232022

## URBAN RENEWAL AGENCY BOARD WORK SESSION

No public comment will be taken. The URA Board will take no formal action.

### 7:45 **Urban Renewal Agency Board Work Session:** Status and Update

Staff (PPT): Paul Downey, Assistant City Manager/Finance Director; Dan Riordan, Senior Planner

### **A. 8:45 Adjournment**

The public can observe the meetings live on Zoom Webinar or on Tualatin Valley Community Television (TVCTC) Government Access Programming channel 30 on their website:  
<http://201.71.205.11/CablecastPublicSite/?channel=15>.

ADA Notice: In accordance with the Americans with Disabilities Act (ADA), 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, [jzaik@forestgrove-or.gov](mailto:jzaik@forestgrove-or.gov), 503-992-3234, at least 48-hours in advance of the meeting.

# Urban Renewal Overview

## Work Session January 23, 2023



# Work Session Purpose

- ❑ Provide an overview of the City's urban renewal program including goals and objectives included in the City's urban renewal plan.
- ❑ Update City Council on current urban renewal projects.
- ❑ Establish context for upcoming FY 2023-2024 budget process.

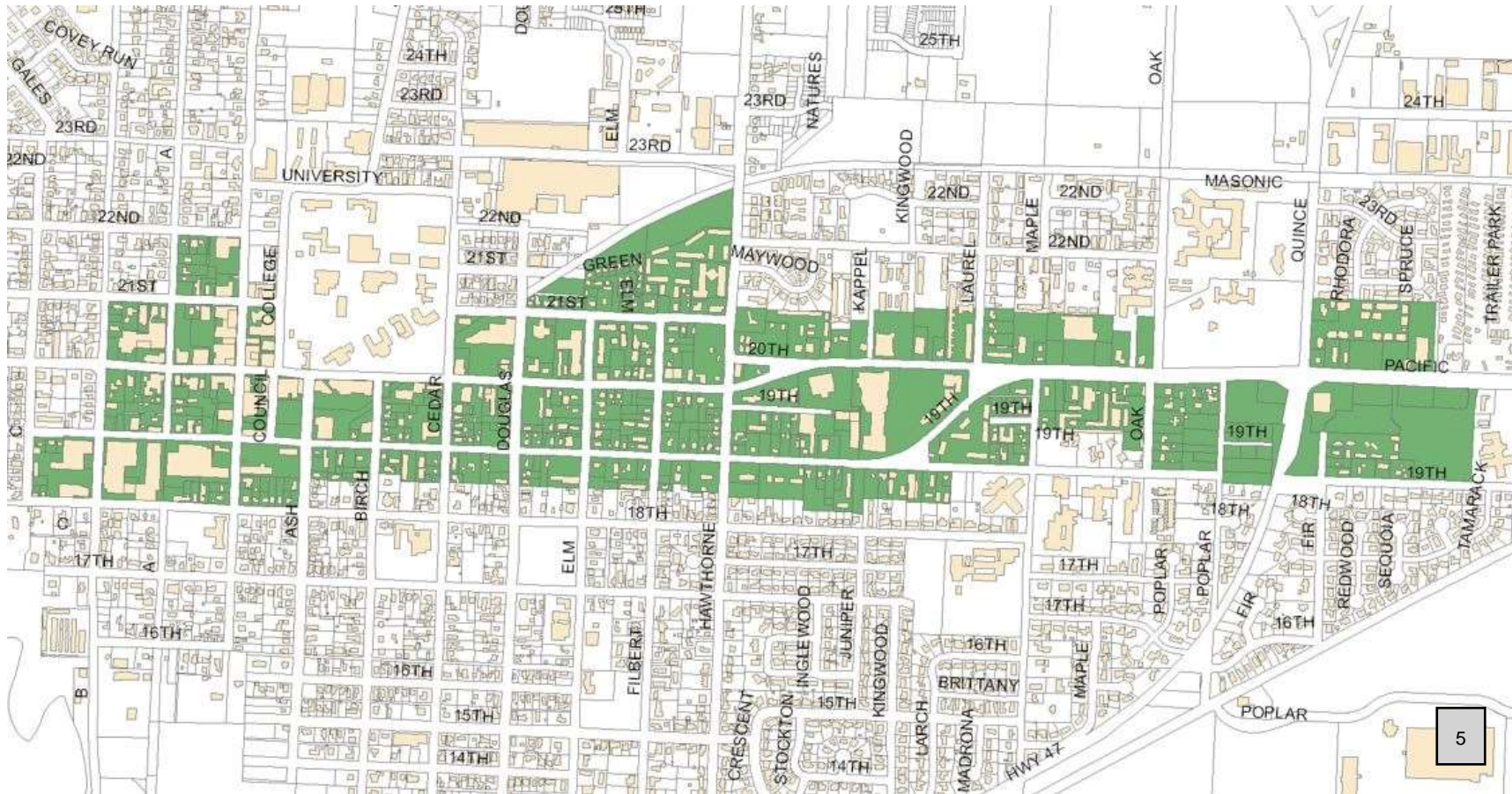
# Background

- ❑ Urban renewal is authorized by state law (ORS 457) and focuses on reducing “blight” and “blighting” influences in defined areas of a city.
- ❑ Blight is broadly defined by ORS 457 and includes underutilized land and buildings, lack of infrastructure needed for development and areas lacking private investments.



# Background

- ❑ The Forest Grove Urban Renewal Plan was adopted by Council in 2014 and establishes goals and objectives for redevelopment in downtown Forest Grove and the Pacific Avenue / 19<sup>th</sup> Avenue Corridor to just east of Quince Street.



# Goals

## URBAN RENEWAL AGENCY

GOALS AND OBJECTIVES  
ADOPTED 2014



### GOAL 1



Provide Opportunities For Public Participation in the Preparation and Adoption of Urban Renewal Plans, Plan Amendments, and Policies.

### GOAL 2



Adopt a Prudent Annual Budget to Minimize Financial Risk to the Urban Renewal Agency and the City of Forest Grove.

### GOAL 3



Improve the Local Investment Climate by Reducing Financial Barriers to Development and Redevelopment Within the Urban Renewal Area.

### GOAL 4



Promote a Vibrant Forest Grove Town Center Through Strategic Urban Renewal Investments.

### GOAL 5



Promote Commercial and Mixed-Use Redevelopment of Sites Along the Pacific Avenue Corridor.

URA Resolution 2019-01

# Project Categories

- ❑ The Plan also identifies project categories:
  - ❑ Redevelopment Project Assistance;
  - ❑ Exterior Building Improvement /Storefront Façade Program;
  - ❑ Interior Building Improvement Program;
  - ❑ Sustainability Incentive Program;
  - ❑ Funds for Matching Grants;
  - ❑ Streetscape Improvement Project; and
  - ❑ Program Administration (funding to the City for staff services provided and required auditing and legal assistance).

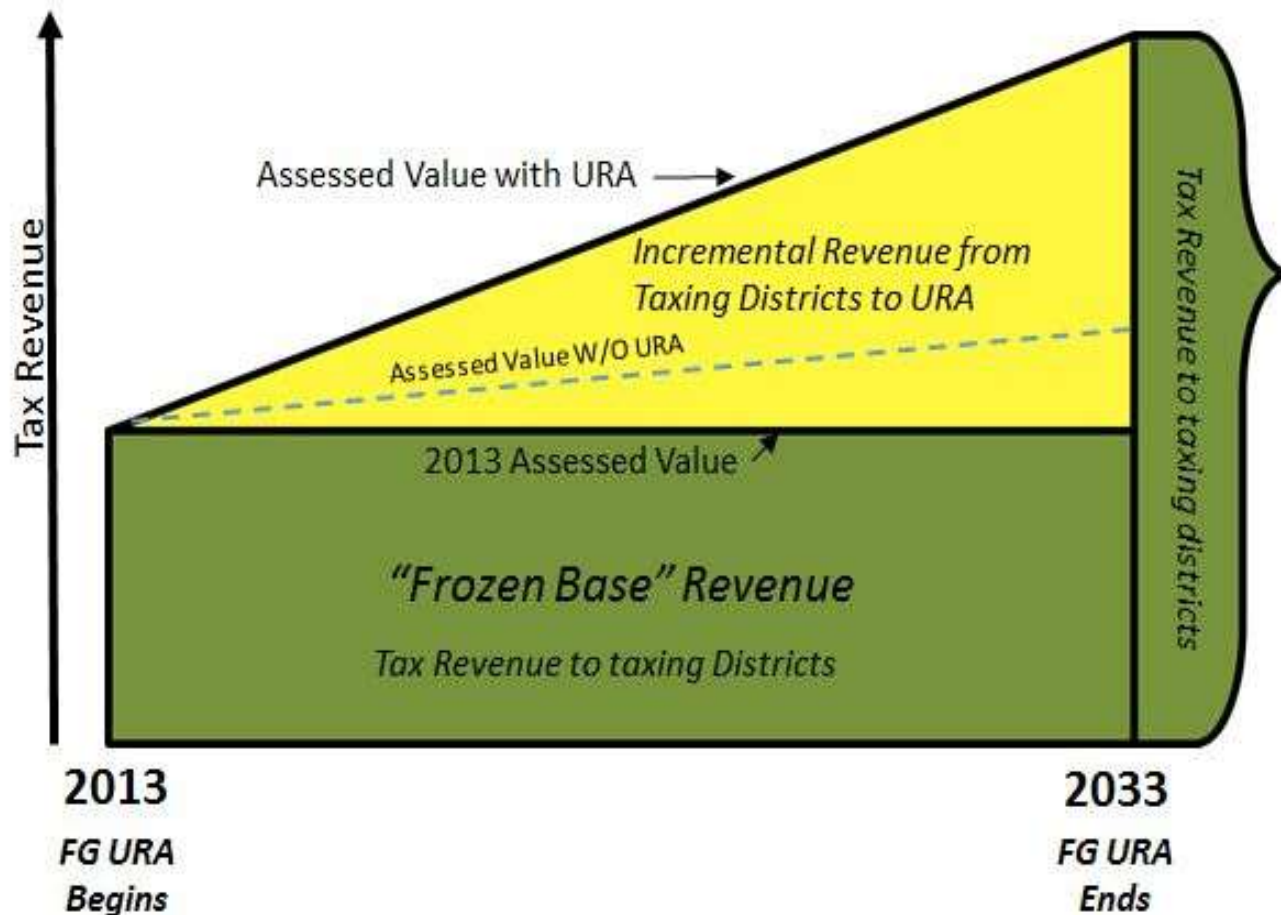
# Funding

- ❑ Projects are funded through what is called “tax increment financing (TIF)”
- ❑ TIF is a reallocation of property tax revenue for urban renewal projects.
- ❑ Property values are expected to increase in the urban renewal area after the urban renewal plan is adopted.
- ❑ The property taxes from this incremental increase in property values is reallocated from “overlapping” taxing districts to the urban renewal program to fund projects authorized by the urban renewal plan.



# Funding

## ❑ Tax Increment Financing



# Funding

## ❑ Estimated Impact to Taxing Districts

**Division of Property Taxes for Urban Renewal  
Analysis of Impact to Overlapping Taxing Districts  
FY 2021-2022**

<b>Taxing District</b>	<b>Total Property Taxes Imposed<sup>2</sup></b>	<b>Permanent Tax Rate<sup>3</sup></b>	<b>Permanent Tax Rate as Percentage of Total Rate</b>	<b>Estimate of Urban Renewal Taxes Divided</b>
City of Forest Grove	\$7,541,565.27	\$3.9554	33.51%	\$184,383.90
Washington County	\$163,791,859.90	\$2.2484	19.05%	\$104,819.86
Forest Grove School District	\$14,936,022.89	\$4.9142	41.63%	\$229,063.02
Portland Community College	\$20,495,689.34	\$0.2828	2.40%	\$13,205.65
NW Educational Service District	\$11,032,239.11	\$0.1538	1.30%	\$7,153.06
Port of Portland	\$5,106,152.73	\$0.0701	0.59%	\$3,246.39
Metro	\$6,593,889.27	\$0.0966	0.82%	\$4,511.93
Tualatin Soil and Water Conservation District	\$6,001,173.49	\$0.0825	0.70%	\$3,851.65
<b>Total</b>	<b>\$235,498,592.00</b>	<b>\$11.8038</b>	<b>100.00%</b>	<b>\$550,235.46</b>

# Funding

- ❑ ORS 457 requires a statement of maximum indebtedness in the adopted urban renewal plan.
- ❑ The maximum indebtedness = total amount of indebtedness (debt and other obligations) the urban renewal program can incur.
- ❑ The adopted maximum indebtedness in the FG Urban Renewal Plan is \$15 million.
- ❑ This amount is expected to be reached by FY 2033/2034.

# Urban Renewal Activities

- ❑ Jesse Quinn Mixed-Use Project Loan Repayment
- ❑ Storefront Improvement Program
- ❑ Installation Public Art Program
- ❑ Site B
- ❑ 21<sup>st</sup> Avenue Festival Street
- ❑ Parklet Program



# Urban Renewal Activities

## ❑ Obligations Since Plan Adoption

Urban Renewal Plan Projects	Amount Obligated Through June 30, 2022
Jesse Quinn Project (Loan Repayment)	\$2,062,561.00
Program Administration	\$73,171.00 <sup>4</sup>
Town Center Storefront Improvement Grant Program	\$99,006.00
Town Center Streetscape: 21 <sup>st</sup> Avenue Festival Street	\$72,276.02
Town Center Public Art Installation Program and Banner Poles	\$36,989.00
Town Center Parklet Program	\$2,500.00
Redevelopment Project Assistance (Site B)	\$9,955.00
Interior Building Improvement Project	\$0.00
Land Acquisition <sup>5</sup>	\$0.00
Sustainability Incentive Program	\$0.00
Funds for Matching Grant Opportunities	\$0.00
<b>TOTAL</b>	<b>\$2,356,458.02</b>

<sup>4</sup> Includes attorney fees, auditing expenses and membership in the Oregon Economic Development Association

<sup>5</sup> The Urban Renewal Agency borrowed funds from the City to purchase the former Times-Litho site. The Times-Litho site includes the Jesse Quinn Apartments property and adjacent Site B. This cost is included in the debt repayment line item.



# Site B



# Site B Vision

- ❑ Prior to issuing a Request for Proposals, the Board agreed on the following vision for Site B:
  - ❑ Enhance the downtown and adjacent neighborhood.
  - ❑ Provide a tangible benefit such as needed retail, services, housing and employment.
  - ❑ Maximize taxable assessed value.
  - ❑ Encourage new investment that brings people downtown.
  - ❑ Housing is not required, but if included at least 30% of the units must be affordable to households earning up to 60% of Washington County's median household income.
  - ❑ If a commercial project is proposed then ground level retail uses are required.

# Site B

- ❑ The URA issued a Request for Proposals based on the vision.
- ❑ One proposal was received. The proposal conceptually included a downtown grocery store on the ground level and affordable housing on the upper levels.
- ❑ The URA entered into an Exclusive Negotiating Agreement (ENA) to further refine the proposal.
- ❑ If successful, the ENA would lead to a Disposition and Development Agreement (DDA) that would define the financial terms and disposition of the property.
- ❑ The ENA has expired and the developer has informed the city they are not a position to enter into a DDA. This opens the question about what the URA would like to do with Site B.

# Site B Options

- ☐ Hold the property until more favorable development conditions.
- ☐ Re-issue an RFP with the same vision.
- ☐ Issue an RFP with a revised vision.
- ☐ Appraise and sell the property.

# Conclusion

- ❑ This concludes the overview of the City's urban renewal program.
- ❑ Are there any questions?