



URBAN RENEWAL AGENCY

City of Forest Grove

Monday, June 22, 2015
Meeting Agenda

7:00 PM – Urban Renewal Agency Meeting

Community Auditorium
1915 Main Street
Forest Grove, OR 97116

PETER B. TRUAX, CHAIR

Thomas L. Johnston, Vice Chair
 Richard G. Kidd III
 Victoria J. Lowe

Ronald C. Thompson
 Elena Uhing
 Malynda H. Wenzl

All meetings of the Urban Renewal Agency (URA) 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 URA 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 URA 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 URA Board action.

➔ **Citizen Communications** – Anyone wishing to address the URA 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 URA 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 URA Board, please contact the City Recorder at 503-992-3235.

The URA Board 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 at 503-992-3235, at least 48 hours prior to the meeting.



URBAN RENEWAL AGENCY AGENDA
JUNE 22, 2015
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- | | |
|---|---|
| 7:00 | <ol style="list-style-type: none"> 1. <u>URBAN RENEWAL AGENCY (URA) MEETING:</u> Roll Call 2. <u>CITIZEN COMMUNICATIONS:</u> Anyone wishing to speak to Urban Renewal Agency Board on an item <u>not on the agenda</u> may be heard at this time. <i>Please sign-in before the meeting on the Citizen Communications form posted in the foyer.</i> In the interest of time, please limit comments to two minutes. Thank you. 3. <u>CONSENT AGENDA:</u> <ol style="list-style-type: none"> A. <i>Approve Urban Renewal Agency Meeting Minutes of May 11, 2014.</i> B. <i>Approve Urban Renewal Agency and City Council Joint Executive Session (Real Property) Meeting Minutes of June 8, 2015.</i> 4. <u>ADDITIONS/DELETIONS:</u> 5. <u>PRESENTATIONS:</u> None. |
| Paul Downey, Administrative Services Director
Matthew Brown, Senior Management Analyst
Tom Gamble, City Manager Pro Tem | 7:05 <ol style="list-style-type: none"> 6. <u>URA RESOLUTION NO. 2015-03 OF THE CITY OF FOREST GROVE URBAN RENEWAL AGENCY ADOPTING THE BUDGET, MAKING APPROPRIATIONS, AND DECLARING THE TAX INCREMENT FOR FISCAL YEAR COMMENCING JULY 1, 2015, AND ENDING JUNE 30, 2016</u> |
| Dan Riordan, Senior Planner
Jon Holan, Community Development Director
Paul Downey, Administrative Services Director
Tom Gamble, City Manager Pro Tem | 7:10 <ol style="list-style-type: none"> 7. <u>URA RESOLUTION NO. 2015-04 OF THE CITY OF FOREST GROVE URBAN RENEWAL AGENCY APPROVING A MINOR AMENDMENT TO THE FOREST GROVE URBAN RENEWAL PLAN TO IDENTIFY THE TIMES LITHO SITE FOR POTENTIAL ACQUISITION BY THE AGENCY</u> |
| 7:15 | <ol style="list-style-type: none"> 8. <u>ADJOURNMENT:</u> |

**FOREST GROVE URBAN RENEWAL AGENCY MEETING
MAY 11, 2015 – 7:00 P.M.
COMMUNITY AUDITORIUM
PAGE 1**

Minutes are unofficial until approved by Urban Renewal Agency.

1. ROLL CALL:

Peter Truax, Urban Renewal Agency (URA) Chair, called the regular URA meeting to order at 7:00 p.m. **ROLL CALL: URA BOARD**

MEMBERS PRESENT: Thomas Johnston, Vice-Chair; Richard Kidd; Victoria Lowe; Camille Miller; Ronald Thompson; and Peter Truax, Chair.

URA BOARD MEMBERS ABSENT: Elena Uhing, excused. **STAFF**

PRESENT: Thomas Gamble, City Manager Pro Tem; Paul Downey, Administrative Services Director; and Anna Ruggles, City Recorder.

2. CITIZEN COMMUNICATIONS: None.

3. CONSENT AGENDA: Items under the Consent Agenda are considered routine and will be adopted with a single motion, without separate discussion. Urban Renewal Agency Board Members who wish to remove an item from the Consent Agenda may do so prior to the motion to approve the item(s). Any item(s) removed from the Consent Agenda will be discussed and acted upon following the approval of the Consent Agenda item(s).

A. *Approve Urban Renewal Agency Meeting Minutes of August 11, 2014.*

B. *Approve Urban Renewal Agency Executive Session (Real Property) Meeting Minutes of March 16, 2015.*

MOTION: Board Member Kidd moved, seconded by Board Member Lowe, to approve the Consent Agenda as presented. **ABSENT:** Board Member Uhing. **MOTION CARRIED 6-0 by voice vote.**

4. ADDITIONS/DELETIONS: None.

5. URA RESOLUTION NO. 2015-01 ESTABLISHING THE CITY OF FOREST GROVE URBAN RENEWAL AGENCY BUDGET COMMITTEE

Staff Report:

Downey presented the above-proposed resolution to fulfill the legal requirements of ORS 294.414, which requires the Urban Renewal Agency (URA) to establish a Budget Committee. Downey reported Article 5.2 of the URA Bylaws states the Agency shall establish a Budget

**FOREST GROVE URBAN RENEWAL AGENCY MEETING
MAY 11, 2015 – 7:00 P.M.
COMMUNITY AUDITORIUM
PAGE 2**

Committee, consisting of the members of the Council and Forest Grove Budget Committee, for adopting annual budget for the operation and administration of the URA. In conclusion of the above-noted staff report, Downey advised the proposed resolution is establishing the Agency's Budget Committee, which will require designating a Budget Officer (refer below).

Before proceeding with Board discussion, Chair Truax asked for a motion to adopt URA Resolution No. 2015-01.

Gamble read URA Resolution No. 2015-01 by title.

MOTION: Board Member Lowe moved, seconded by Board Member Thompson, to adopt URA Resolution No. 2015-01 Establishing the City of Forest Grove Urban Renewal Agency Budget Committee.

Board Discussion:

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

ROLL CALL VOTE: AYES: Board Members Vice Chair Johnston, Kidd, Lowe, Miller, Thompson, and Chair Truax. NOES: None. ABSENT: Board Member Uhing. MOTION CARRIED 6-0.

6. URA RESOLUTION NO. 2015-02 DESIGNATING THE EXECUTIVE DIRECTOR OF THE CITY OF FOREST GROVE URBAN RENEWAL AGENCY TO SERVE AS BUDGET OFFICER OF THE URBAN RENEWAL AGENCY

Staff Report:

Downey presented the above-proposed resolution to fulfill the legal requirements of ORS 294.331, which requires the Urban Renewal Agency (URA) to designate one person to serve as Budget Officer. Downey reported Article 3.6 of the URA Bylaws designates the City Manager as the Executive Director of the Agency and the City Manager currently serves as the City's Budget Officer. In conclusion of the above-noted staff report, Downey advised the proposed resolution is designating the Executive Director to serve as the Agency's Budget Officer.

**FOREST GROVE URBAN RENEWAL AGENCY MEETING
MAY 11, 2015 – 7:00 P.M.
COMMUNITY AUDITORIUM
PAGE 3**

Before proceeding with Board discussion, Chair Truax asked for a motion to adopt URA Resolution No. 2015-02.

Gamble read URA Resolution No. 2015-02 by title.

MOTION: Board Member Lowe moved, seconded by Board Vice-Chair Johnston, to adopt URA Resolution No. 2015-02 Designating the Executive Director of the City of Forest Grove Urban Renewal Agency to Serve as Budget Officer of the Urban Renewal Agency.

Board Discussion:

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

ROLL CALL VOTE: AYES: Board Members Vice Chair Johnston, Kidd, Lowe, Miller, Thompson, and Chair Truax. NOES: None. ABSENT: Board Member Uhing. MOTION CARRIED 6-0.

7. ADJOURNMENT:

Chair Truax adjourned the URA regular meeting at 7:08 p.m.

Respectfully submitted,

Anna D. Ruggles, CMC, City Recorder

**FOREST GROVE URBAN RENEWAL AGENCY & CITY COUNCIL
JOINT EXECUTIVE SESSION
ORS 192.660(2)(E) REAL PROPERTY TRANSACTION
JUNE 8, 2015 – 5:30 P.M.
COMMUNITY AUDITORIUM – CONFERENCE ROOM
PAGE 1**

Minutes are unofficial until approved by Urban Renewal Agency.

1. ROLL CALL:

Peter Truax, Urban Renewal Agency (URA) Chair, called the Joint Executive Session with City Council to order at 5:32 p.m. **ROLL CALL:** **URA BOARD MEMBERS PRESENT:** Thomas Johnston, Vice-Chair; Victoria Lowe; Ronald Thompson; Elena Uhing, Malynda Wenzl, and Peter Truax, Chair. **BOARD MEMBERS ABSENT:** Richard Kidd, excused. **STAFF PRESENT:** Thomas Gamble, City Manager Pro Tem; Paul Downey, Administrative Services Director; Jon Holan, Community Development Director; and Anna Ruggles, City Recorder.

2. EXECUTIVE SESSION:

The Urban Renewal Agency Board and City Council met in joint Executive Session in accordance with:

ORS 192.660(2)(E) to deliberate with persons designated by the governing body to negotiate in real property transactions.

3. ADJOURNMENT:

Chair Truax adjourned the Executive Session at 6:10 p.m.

Respectfully submitted,

Anna D. Ruggles, CMC, City Recorder



6.

June 22, 2015

**REPORT ON A RESOLUTION OF THE CITY OF FOREST GROVE URBAN
RENEWAL AGENCY ADOPTING THE BUDGET, MAKING APPROPRIATIONS, AND
DECLARING THE TAX INCREMENT FOR FISCAL YEAR COMMENCING JULY 1,
2015, AND ENDING JUNE 30, 2016**

Project Team: Paul Downey, Finance Director
Matthew Brown, Senior Management Analyst
Tom Gamble, Executive Director

ISSUE STATEMENT: The Forest Grove Urban Renewal Budget Committee approved on May 28, 2015, the Proposed FY 2015-16 Budget of \$43,071 and declared the tax increment to be collected. The Urban Renewal Agency Board now needs to adopt the FY 2015-16 Approved Budget, declare the tax increment to be collected for FY 2015-16, and make the appropriations that set the legal expenditure level. Staff has prepared a resolution that includes all three actions for the Board's consideration.

DISCUSSION: This is the first operating budget for the Urban Renewal Agency. The revenue that will be available in FY 2015-16 is the taxes collected on the incremental increase in the assessed value of the Urban Renewal Agency. The Agency's budget for the first year of operation is focused on acquisition of the Times Litho property from the City. The Urban Renewal Agency and the City are in discussions with a potential developer for the site. Staff has not proposed any changes to the Approved Budget.

STAFF RECOMMENDATION: The Urban Renewal Agency Board should adopt the attached resolution to adopt the FY 2015-16 Budget, declare the tax increment for FY 2015-16, and set the legal appropriations for FY 2015-16.



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 Phone: 503-684-0360 Fax: 503-620-3433
 E-mail: legals@commnewspapers.com

AFFIDAVIT OF PUBLICATION

State of Oregon, County of Washington, SS I, Charlotte Allsop, being the first duly sworn, depose and say that I am the Accounting Manager of the *Forest Grove News-Times*, a newspaper of general circulation, published at Forest Grove, in the aforesaid county and state, as defined by ORS 193.010 and 193.020, that

**Forest Grove Urban Renewal Agency
 Notice of Budget Hearing – UR-1
 FGNT7507**

a copy of which is hereto attached, was published in the entire issue of said newspaper for

1
 week in the following issue:
June 10, 2015

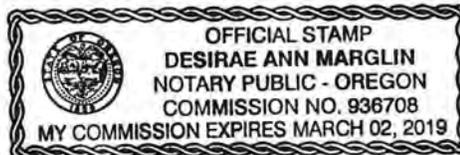
Charlotte Allsop

Charlotte Allsop, Accounting Manager
 Subscribed and sworn to before me this
 June 10, 2015.

Desirae A Marglin
 NOTARY PUBLIC FOR OREGON
 My commission expires *March 02, 2019*

Acct #298024
 PO #: #: 20145076
Attn: Beverly Maughan
 City of Forest Grove
 PO Box 326
 Forest Grove, OR 97116

Size: 3 x 5.5"
 Amount Due: \$157.58*
 *Please remit to the above address.



FORM UR-1 NOTICE OF BUDGET HEARING

A public meeting of the Forest Grove Urban Renewal Agency will be held on June 22, 2015, at 7:00 p.m. at the Forest Grove City Hall, Forest Grove, Oregon. The purpose of this meeting is to discuss the budget for the fiscal year beginning July 1, 2015, as approved by the Agency Budget Committee. A summary of the budget is presented below. A copy of the budget may be inspected or obtained at the City of Forest Grove, 1000 N. Street, Forest Grove, Oregon, between the hours of 9:00 a.m. and 5:00 p.m. or online at www.forestgrove-or.gov. This budget is the first budget for the Forest Grove Urban Renewal Agency as it is a newly created agency so no prior years' budget information is available.

Contact: Paul Downey, Director of Administrative Services Telephone: 503-982-3200 Email: pdowney@fgnt.com

FINANCIAL SUMMARY - RESOURCES		
TOTAL OF ALL FUNDS	Actual Amount	Adopted
	2015	This Year 2015
Beginning Fund Balance/Net Working Capital		
Federal, State and All Other Grants		
Revenue from Bonds and Other Debt		
Interfund Transfers		
All Other Resources Except Division of Tax & Special Levy		
Revenue from Division of Tax		
Revenue from Special Levy		
Total Resources	0	0

FINANCIAL SUMMARY - REQUIREMENTS BY OBJECT CLASSIFICATION		
Personnel Services		
Materials and Services		
Capital Outlay		
Debt Service		
Interfund Transfers		
Contingencies		
All Other Expenditures and Requirements		
Unappropriated Ending Fund Balance		
Total Requirements	0	0

FINANCIAL SUMMARY - REQUIREMENTS AND FULL-TIME EQUIVALENT EMPLOYEES (FTE) BY ORGANIZATION		
Name of Organizational Unit or Program		
FTE for that unit or program		
FTE		
Non-Departmental / Non-Program		
FTE		
Total Requirements	0	0
Total FTE	0	0

STATEMENT OF CHANGES IN ACTIVITIES and SOURCES OF FINANCING *
 This is the first budget for the Forest Grove Urban Renewal Agency. There are no FTE for the Urban Renewal Agency as City of Forest Grove is providing staff time. There is a debt service payment budgeted but as of the date of this budget has not been authorized by the Urban Renewal Agency.

STATEMENT OF INDEBTEDNESS		
LONG TERM DEBT	Estimated Debt Outstanding July 1	Estimated Debt Outstanding July 1
General Obligation Bonds		
Other Bonds		
Other Borrowings		
Total		

* If more space is needed to complete any section of this form, insert lines (rows) on this sheet or add sheets. You may delete lines if not needed.

Publish 06/10/2015.



URBAN RENEWAL AGENCY OF THE CITY OF FOREST GROVE

URA RESOLUTION NO. 2015-03

**RESOLUTION ADOPTING THE BUDGET, MAKING APPROPRIATIONS, AND
DECLARING THE TAX INCREMENT FOR FISCAL YEAR
COMMENCING JULY 1, 2015, AND ENDING JUNE 30, 2016**

WHEREAS, the Budget Committee of the City of Forest Grove Urban Renewal Agency has approved a budget and the collection of the tax increment for the Urban Renewal Agency for the fiscal year commencing July 1, 2015, pursuant to the provisions of the Oregon Local Budget Law; and

WHEREAS, staff has not proposed any change to the Budget approved by the Budget Committee, and

WHEREAS, a hearing has been held before the Urban Renewal Agency Board of Directors as required by law, and

WHEREAS, it appears to the Board that the Budget approved by the Budget Committee and the tax increment set by the Budget Committee should be adopted.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF FOREST GROVE AS FOLLOWS:

Section 1. That the City of Forest Grove Urban Renewal Agency Board hereby adopts the FY 2015-16 Budget in the total amount of \$43,071. The Budget is on file with City Recorder's Office.

Section 2. That the amounts shown below are hereby appropriated for the fiscal year beginning July 1, 2015, and for the following purposes are hereby appropriated as follows:

<u>General Fund</u>	
Materials and Services	\$22,446
Debt Service	<u>20,625</u>
Fund Total	<u>\$43,071</u>

Section 3. The City of Forest Grove Urban Renewal Agency certifies to the Washington County Assessor's Office a request for the Forest Grove Urban Renewal Plan Area for the maximum amount of revenue that may be raised by dividing the taxes under Section 1c, Article IX, of the Oregon Constitution.

Section 4. This resolution is effective immediately upon its enactment by the Urban Renewal Agency of the City of Forest Grove.

PRESENTED AND PASSED this 22nd day of June, 2015.

Thomas E. Gamble, Executive Director

APPROVED by the Urban Renewal Agency of the City of Forest Grove at a regular meeting thereof this 22nd day of June, 2015, and filed with the Forest Grove City Recorder this date.

Peter B. Truax, Chairman



Date: June 22, 2015

7.

RESOLUTION OF THE URBAN RENEWAL AGENCY OF THE CITY OF FOREST GROVE APPROVING A MINOR AMENDMENT TO THE FOREST GROVE URBAN RENEWAL PLAN TO IDENTIFY THE "TIMES-LITHO" SITE FOR POTENTIAL ACQUISITION BY THE AGENCY

PROJECT TEAM:

Daniel Riordan, Senior Planner
Jon Holan, Community Development Director
Thomas E. Gamble, Executive Director Pro Tem

ISSUE STATEMENT: Request for Urban Renewal Agency Board consideration of a resolution approving a minor amendment to the Forest Grove Urban Renewal Plan to identify the "Times-Litho" site for acquisition by the Urban Renewal Agency.

BACKGROUND: The City of Forest Grove purchased the Times-Litho site in 2012 to promote future redevelopment. Former use of the site included a printing enterprise that ceased operations several years prior to acquisition by the City.

In 2014, City Council established the Urban Renewal Agency of the City of Forest Grove and adopted the Forest Grove Urban Renewal Plan. The City Council adopted an Intergovernmental Agreement with the Urban Renewal Agency to clarify roles and responsibilities related to redevelopment activities and implementation of the Forest Grove Urban Renewal Plan. Under the IGA it is a responsibility to the Urban Renewal Agency to promote and undertake redevelopment efforts within the Forest Grove Town Center and Pacific Avenue/19th Avenue corridor between the Town Center and just east of Highway 47. Acquisition of property for redevelopment is a fundamental activity of Urban Renewal Agencies.

The Times-Litho site was identified as redevelopment opportunity site in the background report on the Urban Renewal Plan dated May 2014. The Times-Litho site was included in the background report since it meets the requirements for "blight" under state law (ORS Chapter 457). The site is considered blighted due to the deteriorated condition of the existing buildings, disuse of the buildings due to obsolescence, and the current platting pattern.

Acquisition of the Times-Litho site is consistent with the goals and objectives of the Forest Grove Urban Renewal Plan including:

Goal 4: Promote a vibrant Forest Grove through strategic urban renewal investments.

Objective 4.3: Purchase property from willing sellers to implement the urban

renewal program.

Objective 4.4: Encourage the construction of needed housing and mixed-use development in the Town Center.

Objective 4.5: Encourage the construction of uses and amenities that support increased residential uses in the Town Center.

The urban renewal plan includes acquisition of redevelopment opportunity sites from willing sellers as a redevelopment activity.

Under Section VII.C of the Urban Renewal Plan an amendment to the Forest Grove urban renewal plan is necessary to designate specific sites for acquisition by the Urban Renewal Agency. Approval of a minor plan amendment requires adoption of a resolution approved by the Urban Renewal Agency Board.

Attachment A provides more detail supporting the proposed plan amendment. This information includes an assessment of consistency with the Forest Grove Comprehensive Plan, description of the property, and proposed redevelopment activities.

FISCAL IMPACT: Amendment to the Urban Renewal Plan has no direct fiscal impact on either the Urban Renewal Agency or the City of Forest Grove. However, amendment to the Urban Renewal Plan, to identify the Times-Litho site for acquisition, authorizes the use of tax increment funds for the purchase. Staff's estimate of the purchase price is approximately \$1.1 million. This includes the initial purchase price paid by the City and subsequent holding costs including building demolition.

Given expected tax increment revenue over the life of the Urban Renewal Plan, staff believes the Agency could fund the \$1.1 million acquisition cost, plus interest, over a ten year period. Staff estimates that the property acquisition cost, including interest, could amount to approximately \$1.4 million. Staff projects that the urban renewal area will generate approximately \$2.7 million in tax increment revenue during the next ten years. This is a conservative estimate since it does not assume property taxes from the redevelopment of the Times-Litho site. This amount of tax increment revenue is sufficient to finance the purchase of the Time-Litho site and provides enough tax increment revenue to fund other urban renewal projects if desired by the Agency.

The details of the financing agreement between the City and Agency will be documented in a purchase and sale agreement executed between the Agency and City. This agreement will be placed on subsequent City Council and Urban Renewal Agency Board agendas. The agreement will include an agreed to purchase price, rate of interest, amount of interest and principal payment and financing term.

STAFF RECOMMENDATION: Staff recommends the Urban Renewal Agency Board of Directors approve the attached resolution amending the Forest Grove Urban Renewal Plan to identify the Times-Litho site for acquisition by the Urban Renewal Agency.

ATTACHMENTS:

- A. Report on the first amendment to the Forest Grove Urban Renewal Plan

URBAN RENEWAL AGENCY OF THE CITY OF FOREST GROVE

URA RESOLUTION NO. 2015-04**RESOLUTION APPROVING A MINOR AMENDMENT TO THE FOREST GROVE
URBAN RENEWAL PLAN TO IDENTIFY THE "TIMES-LITHO" SITE
FOR POTENTIAL ACQUISITION BY THE AGENCY**

WHEREAS, The Urban Renewal Agency of the City of Forest Grove ("Agency") as the duly designated Urban Renewal Agency for the City of Forest Grove ("City") is implementing the Forest Grove Urban Renewal Plan ("Plan") which Plan was approved on April 28, 2014, by Ordinance 2014-05; and

WHEREAS, the Plan requires under Section VII that the Agency Board of Directors ("Board") approve certain minor amendments to the Plan; and

WHEREAS, identification of real property for acquisition by the Agency from a willing seller is deemed a minor amendment to the Plan under Plan Section VII; and

WHEREAS, the real property known as the "Times-Litho" site (as described in the attached Exhibit A) located within the Urban Renewal Plan area, is identified by the Board as a key redevelopment site, consistent with the Report on the Plan dated May 2014; and

WHEREAS, acquisition of the property by the Agency is deemed financially feasible based on projected estimates of future tax increment revenue; and

WHEREAS, the property is intended for private redevelopment consistent with Plan Section I(C) (Goals and Objectives) and Plan Section III (Outline of Projects and Redevelopment Activities).

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

Section 1. The Forest Grove Urban Renewal Agency Board hereby approves the amendment to the Urban Renewal Plan, Section III(B), to add property for acquisition, property known and described as the "Times-Litho" site (Exhibit A) in the Forest Grove Urban Renewal Plan area.

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 22nd Day of June, 2015.

Thomas E. Gamble, City Manager Pro Tem
Urban Renewal Agency Executive Director

APPROVED by the Urban Renewal Agency of the City of Forest Grove at a regular meeting thereof this 22nd Day of June, 2015, and filed with the Forest Grove City Recorder this date.

Peter B. Truax, Urban Renewal Agency Chair

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URA RESOLUTION NO. 2015-04**EXHIBIT A****REPORT****FIRST AMENDMENT TO THE FOREST GROVE URBAN RENEWAL PLAN
TO IDENTIFY THE "TIMES-LITHO" SITE FOR POTENTIAL ACQUISITION
JUNE 2015****INTRODUCTION**

An amendment to the Forest Grove Urban Renewal Plan is necessary to designate property within the urban renewal for acquisition by the Urban Renewal Agency of the City of Forest Grove. This site is approximately 2.5 acres in gross land area. The subject property is located north of Pacific Avenue between A Street and B Street as shown on Attachment A. The site is developed with several light industrial buildings and associated parking and loading areas. The Washington County Assessor's Offices places the real market value of the land at \$1,054,600. Since the property is owned by the City the taxable assessed value is zero. When the property is transferred to a private owner it will be taxable with revenue going to the Urban Renewal Agency through the reallocation of property taxes and to the City from the local option levy.

The subject property is blighted due to the deteriorated condition of the existing buildings, disuse of the buildings due to obsolescence, and the current platting pattern. The site is comprised of ten tax lots. This platting pattern poses a challenge to redevelopment since buildings cannot be constructed over property lines. Acquisition of the subject property by the Urban Renewal Agency will facilitate redevelopment of the site by assistance to remove these blighted conditions. This will in turn help catalyze development in the area thereby increasing property values.

The specific tax lots comprising the site are not currently identified for acquisition by the Urban Renewal Agency in the Urban Renewal Plan. As such, the plan must be amended to identify the site for acquisition and subsequent redevelopment. The plan must also be amended to include a general description of the anticipated redevelopment concept.

As mentioned above, acquisition of the subject property by the Urban Renewal Agency will facilitate future redevelopment. Anticipated redevelopment will be consistent with the Forest Grove Urban Renewal Plan, City of Forest Grove Comprehensive Plan and City of Forest Grove Development Code. It is expected the subject property will accommodate household living and/or commercial uses consistent with the site's Town Center zoning designation.

Legal Authority

Oregon Revised Statutes (ORS) Chapter 457 (Redevelopment) establishes the parameters for undertaking an urban renewal project initiated by an urban renewal agency. This authority includes acquiring real property when needed to carry out an urban renewal plan. In addition, ORS Chapter 457 grants authority to urban renewal

agencies to dispose of property, including the sale or lease in accordance with an approved urban renewal plan. Furthermore, an urban renewal agency may initiate the repair, rehabilitation, demolition or removal of buildings and improvements. The proposed amendment to the urban renewal plan is consistent with ORS Chapter 457.

In addition to ORS Chapter 457, the adopted Forest Grove Urban Renewal Plan also addresses property acquisition as outlined below.

Urban Renewal Plan Section III. Outline of Projects and Redevelopment Activities
Subsection B: Acquisition of Redevelopment Opportunity Sites from Willing Sellers

Potential projects on land acquired by the Agency include:

- Mixed-Use Development incorporating housing, retail or office uses;
- Stand Alone Commercial Development addressing retail and service needs;
- Town Center Public Plaza; or
- Site Clearance and Preparation

The proposed amendment to the Urban Renewal Plan identifies the subject property for acquisition and subsequent redevelopment consistent Section III(B) above. Acquisition of the property will allow the Urban Renewal Agency to oversee and guide redevelopment of the site for potential mixed-use development or stand-alone commercial development addressing service needs such as lodging.

Urban Renewal Plan Section V(A) also addresses property acquisition which states if properties are identified for acquisition by the Urban Renewal Agency, the urban renewal plan will be amended to specifically indicate which properties will be acquired and their intended use. Under Plan section VIII(C) the identification of property for acquisition requires a minor plan amendment.

CONSISTENCY WITH THE COMPREHENSIVE PLAN AND URBAN RENEWAL PLAN

The proposed Times-Litho Redevelopment Project is consistent with goals and policies contained in the Forest Grove Comprehensive plan. These goals and policies include:

Economic Development Policy 5.3: Promote opportunities for mixed-use development, including retail, near major transportation intersections (nodes) within the City including the Forest Grove Town Center. The Urban Renewal Plan provides authority to the Urban Renewal Agency to acquire and redevelop property within the urban renewal area including the Town Center. Therefore, the amendment identifying the site for acquisition and redevelopment is consistent with Economic Development Policy 5.3.

Housing Goal 3: Promote mixed-use development opportunities throughout the community. The Urban Renewal Plan identifies a variety of tools to promote mixed use opportunities within the urban renewal area. Such tools include acquisition of property, and direct financial assistance for mixed-use redevelopment projects. Such assistance could include reducing construction costs, funding on- or off-site infrastructure

improvements, offsetting system development charges and/or writing down the cost of land.

The anticipated redevelopment project is also consistent with several urban renewal plan goals and objectives. These goals and objectives include:

Goal 4: Promote a vibrant Forest Grove Town Center through strategic urban renewal investments. Objective 4.3 Purchase property from willing sellers to implement the urban renewal program. Objective 4.4 Encourage the construction of needed housing and mixed-use development in the Town Center. Acquisition of the Times-Litho site promotes a vibrant Forest Grove Town Center by directly controlling a key redevelopment opportunity site. Direct control gives the Urban Renewal Agency oversight as to how the property is used. Control over the property also provides the Urban Renewal Agency the ability to more directly encourage the construction of need housing and mixed-use development in the Town Center.

The next section of this report identifies the proposed amendment to the Forest Grove Urban Renewal Plan including specific text to be added.

PROJECT DESCRIPTION

This section of the report identifies the specific property to be designated for acquisition by the Urban Renewal Agency. A general description of the intended use is also provided below.

The subject tax lots identified for acquisition by the Urban Renewal Agency include:

1S306BB03400, 1S306BB03701, 1S306BB03702, 1S306BB03800, 1S306BB04100, 1S306BB04200, 1S306BB04300, 1S306BB04301, 1S306BB04400, 1S306BB04500.

The subject tax lots are shown on Attachment A.

Redevelopment of the subject site is expected to include stand-alone commercial and/or mixed-use development comprising housing and retail uses. The project will be primarily privately funded; however, limited public participation may be necessary to ensure the project is financially feasible. Public participation will be limited to activities authorized in the urban renewal plan. Any amount of public funds allocated to the project will be determined by the Urban Renewal Agency Board, at the Board's discretion, based on the accepted development program, analysis of funding gap, the nature of the gap, available and anticipated Urban Renewal Agency financial resources, and community benefit including but not limited to potential future tax increment revenue accruing from the project. It is expected redevelopment of the site will be completed two years from the date the Urban Renewal Agency acquires the property.

Total estimated cost for redevelopment of the site is estimated to range between \$10,000,000 and \$19,000,000 depending on the actual development program. Public participation, including site acquisition costs, could be approximately 10% to 15% of total

estimated project costs. This amount of public participation is within funding limits established by the urban renewal plan.

PROPOSED AMENDMENT

The following sections of the Forest Grove Urban Renewal Plan are amended as shown below in the underlined italics text:

SECTION III: OUTLINE OF PROJECTS AND REDEVELOPMENT ACTIVITIES

B. Acquisition of Redevelopment Opportunity Sites from Willing Sellers

To facilitate redevelopment within the Forest Grove Urban Renewal Area and to address the presence of blight, the Urban Renewal Agency of the City of Forest intends to acquire the following properties from willing seller(s). The use of the property will be consistent with the Forest Grove Urban Renewal Plan, Forest Grove Comprehensive Plan and Forest Grove Development code. Anticipated uses include household living and/or commercial uses.

FOREST GROVE URBAN RENEWAL PLAN-LIST OF PROPERTIES TO BE ACQUIRED

<u>Tax Map Number</u>	<u>Tax Lot Number</u>
<u>1S306BB</u>	<u>03400</u>
<u>1S306BB</u>	<u>03701</u>
<u>1S306BB</u>	<u>03702</u>
<u>1S306BB</u>	<u>03800</u>
<u>1S306BB</u>	<u>04100</u>
<u>1S306BB</u>	<u>04200</u>
<u>1S306BB</u>	<u>04300</u>
<u>1S306BB</u>	<u>04301</u>
<u>1S306BB</u>	<u>04400</u>
<u>1S306BB</u>	<u>04500</u>

C. Redevelopment Project Assistance

The following project reference is added to Urban Renewal Plan Section III(C):

Times-Litho Block Redevelopment

Redevelopment of this downtown opportunity site may include the demolition of the existing structures, site preparation and assistance to redeveloper(s) with reduction to project hard and soft costs. Any amount of public funds allocated to the project will be determined by the Urban Renewal Agency Board at their discretion based on the accepted development program, analysis of funding gap, the nature of the gap available Urban Renewal Agency financial resources, and community benefit including but not limited to potential future tax increment revenue accruing from the project.

Forest Grove Urban Renewal Plan Amendment #1 Acquisition and Redevelopment of Property

ATTACHMENT A



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