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**URBAN RENEWAL AGENCY MEETING AGENDA**

**MONDAY, NOVEMBER 14, 2016**

**8:30 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  
Richard G. Kidd II  
Victoria J. Lowe

Ronald C. Thompson  
Elena Uhing  
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](mailto: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](mailto:aruggles@forestgrove-or.gov), 503-992-3235, at least 48 hours prior to the meeting.

- 8:30**
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 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.*
  4. **ADDITIONS/DELETIONS:**
  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**
  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**
  8. **ADJOURNMENT:**

(PowerPoint Presentation) 8:40  
Dan Riordan, Senior Planner  
Jon Holan, Community Development Director  
Jeff King, Economic Development Manager  
Jesse VanderZanden, City Manager

Paul Downey, Administrative Services Director 8:50  
Jesse VanderZanden, City Manager

**9:00**

***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 6:59 p.m.

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

**STAFF PRESENT:** Jesse VanderZanden, Executive Director; Ashley Driscoll, City Attorney; Paul Downey, Administrative Services Director; and Bev Maughan, Executive Assistant to City Manager. **STAFF ABSENT:** Anna Ruggles, City Recorder, excused.

**2. CITIZEN COMMUNICATIONS:** None.

**3. CONSENT AGENDA:**

- A. Approve Urban Renewal Agency Executive Session (Real Property) Meeting Minutes of February 22, 2016.
- B. Approve Urban Renewal Agency Meeting Minutes of February 22, 2016.

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

**4. ADDITIONS/DELETIONS:** None.

**5. PRESENTATIONS:** None.

**6. PUBLIC HEARING AND URA RESOLUTION NO. 2016-04 ADOPTING THE BUDGET, MAKING APPROPRIATIONS, AND DECLARING THE TAX INCREMENT FOR FISCAL YEAR COMMENCING JULY 1, 2016, AND ENDING JUNE 30, 2016**

**Staff Report:**

Downey presented the above-proposed resolution for Urban Renewal Agency (URA) Board consideration, noting the URA Budget Committee approved at its meeting of

May 12, 2016, a proposed budget of \$1,041,726 and declared the tax increment to be collected for Fiscal Year commencing July 1, 2016, and ending June 30, 2017. Downey reported this is the second operating budget for the URA, noting the principal revenues that will be available in Fiscal Year 2016-17 are the taxes collected on the incremental increase in the assessed value of the URA and a loan from the City's Capital Project Fund to permit the URA to help pay for development costs of development planning to commence construction in September 2016. Downey added the projected property taxes on the increase in incremental assessed value for the URA will be sufficient to repay the interest for the loans for the property purchase and development costs, noting funds available for other URA projects will depend upon the amount of taxes generated above the debt repayments. In conclusion of the above-noted staff report, Downey advised staff is recommending no changes to the proposed budget approved by the URA Budget Committee in the amount of \$1,041,726 for Fiscal Year 2016-17.

Before proceeding with Public Hearing and Board discussion, Director Chair Truax asked for a motion to adopt URA Resolution No. 2016-04.

VanderZanden read URA Resolution No. 2016-04 by title.

**MOTION:** Director Kidd moved, seconded by Director Vice Chair Johnston, to adopt URA Resolution No. 2016-04 Adopting the Budget, Making Appropriations, and Declaring the Tax Increment for Fiscal Year Commencing July 1, 2016, and Ending June 30, 2016.

**Public Hearing Opened:**

Director Chair Truax opened the Public Hearing and explained hearing procedures.

**Testimony Heard:**

No one testified and no written comments were received.

**Public Hearing Closed:**

Director Chair Truax closed the Public Hearing.

**Board of Directors Discussion:**

Hearing no further discussion 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, Uhing, Wenzl, and Director Chair Truax. NOES: Director Lowe. ABSENT: Director Thompson.  
**MOTION CARRIED 5-1.**

7. **ADJOURNMENT:**

Director Chair Truax adjourned the URA regular meeting at 7:04 p.m.

Respectfully submitted,

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Anna D. Ruggles, CMC, City Recorder

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***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 URA work session to order at 5:32 p.m.

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

**URA BOARD DIRECTOR ABSENT:** Richard Kidd, 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; and Bev Maughan, Executive Assistant to City Manager (in the audience); and Anna Ruggles, City Recorder.

**2. WORK SESSION: STOREFRONT REVITALIZATION PROGRAM:**

Holan, Riordan, King, Downey and VanderZanden facilitated the work session, noting the purpose of the work session was to seek input from the Board regarding implementing an URA storefront improvement program in the Town Center utilizing tax increment funds. Holan reported the objective of the program is to address Council Goal 1.11 identified in Fiscal Year 2016-17; specifically, drafting a storefront revitalization program, noting staff examined 18 urban renewal assistance programs in nine jurisdictions, including eight façade improvement programs. Holan referenced Attachment 1, proposed storefront improvement program; Attachment 2, summary of programs from other jurisdictions; and Attachment 3, URA tax increment flow chart showing estimated net cash, and presented a PowerPoint presentation overview of the proposed storefront improvement program and proposed Town Center zoning map, noting the program is proposed as follows:

A storeowner can request financial assistance from the URA to improve the exterior of their store. Requirements include:

- Must be located within the URA project area in the Town Center;
- The applicant applying for the grant must be either the property owner or business owner;
- Property owner must be current on taxes;
- The project must be designed, constructed and maintained to compliment the

- architectural features of the building;
- The project shall contribute to the historical nature of the Town Center;
- The project complies with all applicable city standards and requirements;
- Must be eligible work that provides exterior improvements or rehabilitation intended to restore facades and exteriors.

URA's contribution of up to \$10,000 grant (one application per parcel)

- 50 percent match of total project cost or at least 25 percent contribution if other funding sources are being used, i.e., Metro grant;
- Applicant shall provide two bids for each portion of the project;
- Staff shall review and evaluate each application based on evaluation criteria;
- If approved, the URA and property owner would enter into a contractual agreement for the proposed improvements.

Holan reported the determination of the amount of available funds for a fiscal year would be determined through the URA's annual budget process, noting the URA would review grants throughout the year and approve grants until funds are expended for that specific fiscal year. In addition, Holan summarized similar programs from other jurisdictions, noting funding levels range from \$4,000 up to \$40,000.

Board Discussion:

Director Chair Truax opened the floor and roundtable discussion ensued pertaining to the above-noted proposed storefront improvement program. Holan, Riordan and VanderZanden responded to various concerns, inquiries and scenarios the Board presented pertaining to the following policy questions and concerns:

- Should non-storefront improvements be eligible, (i.e., asbestos removal, kitchen installation): *The Board concurred limiting the program to storefront improvements.*
- Is the \$10,000 amount for each grant appropriate: *The Board discussed tiered funding ranging from \$5,000, \$7,500 with a maximum amount of up to \$10,000 per structure per fiscal year and concurred starting small with the potential to expand program to larger amounts and different improvements for assistance in the future.*
- Is the 50 percent match appropriate: *The Board concurred having a required 50 percent private match eligibility.*
- Should the program be in the form of a grant or a loan: *The Board concurred a grant was appropriate for smaller amounts and a loan for larger amounts, such as \$10,000, similar to the City's sidewalk improvement program; however, staff voiced concerns regarding offering a relatively simple grant program versus a loan program, noting it may require formation of a new review board,*

*composed of persons with banking and/or lending expertise, to oversee and decide loan applications and would require substantial amount of staff time to monitor the loan application process and providing administration support for the new review board.*

- Should funds be expended “as you go” basis or should applications be collected over a specific period and be determined: *The Board concurred funds should be allocated on an “as you go” basis.*

In addition, the Board discussed the tax increment chart, administrative fees and newly-adopted historic design guidelines, to which Holan advised the Town Center is not within a historic district so the historic design guidelines would not apply; however, the project shall contribute to the historical nature of the Town Center. King reported he is holding a kickoff workshop with businesses and key agencies in October, noting he will come back with more data after the workshop is held. In conclusion of the above-noted Board discussion, VanderZanden advised he would have staff bring back a proposed storefront improvement grant program with proposed tiered funding for Board consideration.

The URA Board took no formal action nor made any formal decisions during the work session.

**3. ADJOURNMENT:**

Director Chair Truax adjourned the URA regular meeting at 6:18 p.m.

Respectfully submitted,

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Anna D. Ruggles, CMC, City Recorder

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**Urban Renewal Agency Work Session  
Storefront Revitalization Program**

**Monday, October 10, 2016  
5:30 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 URA work session to order at 5:33 p.m.

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

**2. WORK SESSION: STOREFRONT REVITALIZATION PROGRAM:**

Holan, Riordan, King, Downey and VanderZanden facilitated the work session, noting the purpose of the work session was to seek input from the Board regarding implementing an URA storefront improvement program in the Town Center utilizing tax increment funds. Holan reported staff met with the Board in work session on September 26, 2016, to review the proposed storefront improvement program, noting various policy issues were discussed and the following key points emerged from that discussion:

- The Board concurred limiting the program to storefront improvements;
- The Board concurred starting small with potential to expand program to larger amounts and different areas of financial assistance in the future; and
- The Board concurred the program should be on an “as you go” basis.

Holan added based on discussions heard at the work session, the Board concurred having staff develop a tiered funding approach as follows:

Tiered Program:

- Up to \$2,500 grants – public to private ratio: 2 to 1;
- Over \$2,500 to \$7,500 grants – public to private ratio: 1 to 1; and
- Over \$7,500 to \$10,000 grants – public to private ratio: 1 to 2;

Holan indicated staff voiced concerns of offering a loan program versus a grant program, noting a loan program would increase information needed to be provided by the applicant and may require formation of a new review board, composed of persons with banking and/or lending expertise, to oversee and decide loan applications as well as requiring a substantial amount of staff time to monitor the loan application process and providing administrative support to the new review board. In conclusion of the above-noted staff report, Holan presented a PowerPoint presentation overview of the proposed storefront improvement program and proposed Town Center zoning map, noting staff recommends the Board discuss whether the program should be a grant and/or loan program and provide appropriate direction.

Board Discussion:

Director Chair Truax opened the floor and roundtable discussion ensued pertaining to the above-noted proposed storefront improvement program. Holan, Riordan, Downey and VanderZanden responded to various concerns, inquiries and scenarios the Board presented pertaining to design standards contributing to the historic character of the Town Center; nonprofits eligibility; projected cash flows; and property liens for non-payment if the URA provides a loan for higher funding amounts, to which Downey advised ORS allows property liens for "public" improvement districts (LID) but may not allow property liens for loan-related programs, such as storefront improvement programs. Holan explained the approval criteria requires compliance with applicable city standards and guidelines and contribution to the historic character of the Town Center; applicant's demonstrated ability to complete the project; and need for financial assistance, noting the program would be based on funding available within each fiscal year as allocated during the URA's budget process. Holan affirmed nonprofits would be eligible to apply for program assistance, noting the overall objective is to provide a simple, straightforward program with adequate incentives for property owners in the Town Center to want to seek assistance. King reported he held a kickoff workshop on October 6 with businesses, noting 12 or more expressed interest in the program and two or three had larger improvements. In conclusion of the above-noted Board discussion, the Board collectively concurred at this time it was appropriate to offer a grant program with tiered funding of up to \$10,000 and perhaps consider a loan program later in the future, to which VanderZanden advised he would have staff bring back a proposed storefront improvement "grant" program with tiered funding as proposed above for Board consideration.

The URA Board took no formal action nor made any formal decisions during the work session.

3. **ADJOURNMENT:**

Director Chair Truax adjourned the URA regular meeting at 6:00 p.m.

Respectfully submitted,

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Anna D. Ruggles, CMC, City Recorder

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***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 URA work session to order at 8:55 p.m.

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

**STAFF PRESENT:** Jesse VanderZanden, Executive Director; Paul Downey, Administrative Services Director; Jon Holan, Community Development Director; Dan Riordan, Senior Planner; and Anna Ruggles, City Recorder.

**2. WORK SESSION: STOREFRONT REVITALIZATION PROGRAM:**

Holan, Riordan, Downey and VanderZanden facilitated the work session, noting the purpose of the work session was to present the draft URA storefront improvement program for the Town Center utilizing tax increment funds. Holan reported staff met with the Board in work sessions on September 26 and October 10, 2016, and has completed the storefront improvement funding program and grant application guidelines as summarized in Attachment 1, Urban Renewal Storefront Improvement Grant Program Description; Attachment 2, Map of Eligibility Area; Attachment 3, Urban Renewal Cash Flow Analysis; and Attachment 4, Urban Renewal Storefront Improvement Grant Program Application.

Holan added based on discussions heard at the work sessions, the Board concurred establishing a tiered grant funding program 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 grand 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 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 (may include multiple addresses on the same tax lot parcel).

Downey referenced Attachment 3, Cash Flow Analysis, noting to assure adequate cash flow, i.e., tax increment revenues vary and unanticipated expenditures can occur, it is staff’s recommendation the URA adopt the following guidelines:

- Where net Urban Renewal funds after obligations for a fiscal year are anticipated to be \$5,000 to \$15,000, the maximum individual grant would not exceed \$2,500;
- Where net Urban Renewal funds after obligations for a fiscal year are anticipated to be more than \$15,000 to \$30,000, the maximum individual grant would not exceed \$7,500; or
- Where net Urban Renewal funds after obligations for a fiscal year are anticipated to be more than \$30,000 to \$50,000, the maximum individual grant would not exceed \$10,000.

Downey advised the amount of available funds for a fiscal year would be determined through the annual URA budget process, noting the model indicates that until Year 2023, the URA could provide \$30,000 total in grant assistance. Holan added the

application would be submitted to staff for review for program compliance and funding decision. In conclusion of the above-noted staff report, Holan advised staff recommends the URA Board provide consensus to bring back a proposed resolution adopting the storefront improvement program at the next URA meeting scheduled for November 14, 2016.

Board Discussion:

Director Chair Truax opened the floor and roundtable discussion ensued pertaining to the above-noted proposed storefront improvement program. Holan, Riordan, Downey and VanderZanden responded to various concerns, inquiries and scenarios the Board presented pertaining to the proposed tiered funding approach and funding limitations noted above and public education timeline and program start date, to which Downey referenced the proposed Urban Renewal Cash Flow Analysis, Attachment 3, and explained to assure adequate budgeted cash flow, staff is recommending to start the program with \$10,000 in funding assistance for the first two years, FY 2017 and 2018, and in FY 2019 and 2020, funding assistance available be limited to \$5,000; in Fiscal Year 2021 and 2022, no funding be available; and beginning in Fiscal Year 2023, funding assistance be increased by \$10,000 each year thereafter ending in FY 2035. Holan explained once the program starts, the application process will be ongoing on a "first come, first serve" basis until funding for each year is allocated, noting the URA Board would establish the amount of available funds each fiscal year through the annual URA budget process. Downey added 12-13 businesses have expressed interest in the program, noting the education process has already begun and will continue if the Board approves the program. VanderZanden advised once the Board adopts its budget for FY 2017-18 and determines program fund allocations, the schedule for submitting applications will likely begin July 1, 2017, through June 30 each fiscal year thereafter as funds are allocated. In conclusion of the above-noted Board discussion, the Board collectively concurred having staff bring back a proposed resolution adopting the storefront improvement grant program at the next URA meeting scheduled for November 14, 2016.

The URA Board took no formal action nor made any formal decisions during the work session.

**3. ADJOURNMENT:**

Director Chair Truax adjourned the URA regular meeting at 9:16 p.m.

Respectfully submitted,

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Anna D. Ruggles, CMC, City Recorder

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CITY RECORDER USE ONLY:	
AGENDA ITEM #:	6.
MEETING DATE:	
FINAL ACTION:	

**URBAN RENEWAL AGENCY STAFF REPORT**

**TO:** Urban Renewal Agency Board

**FROM:** Jesse VanderZanden, City Manager

**MEETING DATE:** November 14, 2016

**PROJECT TEAM:** Jon Holan, Community Development Director; Dan Riordan, Senior Planner, Jeff King, Economic Development Coordinator

**SUBJECT TITLE:** Resolution Adopting Proposed Storefront Improvement Grant Program

<b>ACTION REQUESTED:</b>	<input type="checkbox"/> Ordinance	<input type="checkbox"/> Order	<input checked="" type="checkbox"/> Resolution	<input type="checkbox"/> Motion	<input type="checkbox"/> Informational
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X all that apply

**ISSUE STATEMENT:** Attached is an Urban Renewal Agency Resolution to establish a Storefront Improvement Program for the Agency Board to consider for adoption.

**BACKGROUND:** City Council Objective 1.11 for Fiscal Year 2016-17 includes development of a storefront revitalization program. To meet this objective, staff researched and prepared a draft storefront improvement program. This program was further refined through two work sessions with the Agency Board on September 26<sup>th</sup> and October 10<sup>th</sup> as well as a presentation on October 24<sup>th</sup>. Adoption of Urban Renewal Agency Resolution would establish this program and authorize the Executive Director to implement consistent with the funding guidelines and requirements provided in Exhibit A of the resolution.

The proposed storefront improvement program with pertinent provisions is summarized below:

- Tiered Grant Program as follows:
  - \$1 to \$2,500. Public to private match: 2 to 1. This tier would apply when net URA funds are between \$5,000 to \$15,000 for the fiscal year.
  - \$2,501 to \$7,500. Public to private match: 1 to 1. This tier would apply when net URA funds are between \$15,001 to \$30,000 for the fiscal year.
  - \$7,501 to \$10,000. Public to private ratio: 1 to 2. This tier would apply when net URA funds are between \$30,001 to \$50,000 for the fiscal year.
- The property owner may obtain other grant funding, but must contribute at least 25% of their own funds for any project;
- Grants are on a "first come, first serve" basis until the money for that fiscal year is allocated;

- Applications can be submitted starting July 1<sup>st</sup> of any fiscal year with applications being approved after receiving the tax increment for the fiscal year in mid-November.
- Grants are only available to property or business owners (with owner consent) in the Town Center Area;
- Grants are for exterior improvements only; and
- Approval Criteria:
  - 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.

If an application cannot be funded for any fiscal year, the applicant may request the application be rolled over to the next fiscal year. It would have the first priority for the next fiscal year. If more than one application is rolled over, then the priority would be established by the earliest date received. Any application can only be rolled over for one year. After that, the applicant must file a new application.

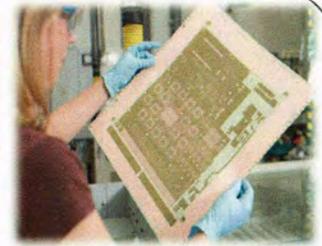
If the Storefront Improvement Program is approved, staff will initiate a public outreach effort to inform prospective property and business owners. Staff will also hold at least one work shop for interested parties to learn about the program and how to apply. Staff would begin accepting applications July 1, 2017.

**FISCAL IMPACT:** Adoption of the resolution would obligate future tax increment revenues consistent with the guidelines described above.

**STAFF RECOMMENDATION:** Staff recommends the Agency Board adopt the attached resolution as may be amended to establish the Storefront Improvement Program and authorize the Executive Director to implement the program.

**ATTACHMENT(s):**

Urban Renewal Agency Resolution



# Proposed Storefront Improvement Program

Forest Grove Urban Renewal Board  
November 14, 2016

*A place where businesses and families thrive.*

## Previous Work Sessions on September 26<sup>th</sup>, October 10<sup>th</sup> and October 24<sup>th</sup>

- Consensus on following key points were:
  - Limit to storefront improvements;
  - Start small with potential to expand program to larger amounts and different areas for assistance in the future as URA funds allow;
  - Applications should be considered on an “as you go” basis;
  - Grant only program;
  - Pay attention to annual expenditures so the URA does not over extend; and
  - Allow for applications to roll over

# Proposed Program

- Tiered Grant Program as follows:
  - \$1 to \$2,500. Public to private match: 2 to 1. This tier would apply when net URA funds are between \$5,000 to \$15,000 for the fiscal year.
  - \$2,501 to \$7,500. Public to private match: 1 to 1. This tier would apply when net URA funds are between \$15,001 to \$30,000 for the fiscal year.
  - \$7,501 to \$10,000. Public to private ratio: 1 to 2. This tier would apply when net URA funds are between \$30,001 to \$50,000 for the fiscal year.
- The property owner may obtain other grant funding, but must contribute at least 25% of their own funds for any project.
- Grants are on "first come, first serve" basis
- The determination for the amount of available funds for a fiscal year shall be determined through the annual budget process.
- If funding is not available for a fiscal year, the applicant may roll over the application for the next fiscal year. If more than one grant is rolled over, then the priority will be based on the date received. Any application can only be rolled over for one year. After that, a new application must be submitted.

# Proposed Program

## Storefront Improvement Grant Program Eligibility Area



# Proposed Program

- To apply:
  - The applicant for assistance must be either the property owner or business owner with property owner consent.
  - Property owner must be current on taxes;
  - Grant must be used to make improvements on the exterior of the store;
  - The project must be designed, constructed and maintained to compliment the architectural features of the building. All accessories, signs, awnings, etc. shall also compliment to the overall character of the building.
  - 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 resource.
  - Project complies with all applicable City standards and requirements. Of 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. The Agency will accept applications as of July 1<sup>st</sup> for that fiscal year. Applications will not be approved by the Agency until the tax increment payment is received in mid-November.

## Proposed Program

- The following are examples of eligible work:
  - Replacement, repair or alteration of building exteriors (facades) or elements such as doors or windows;
  - Exterior lighting improvements;
  - Repair or replacement of awnings, cornices or decorative details;
  - Masonry repair or cleaning;
  - Sign repair, replacement, installation or removal;
  - Sidewalk repair or replacement;
  - Installation of street furniture;

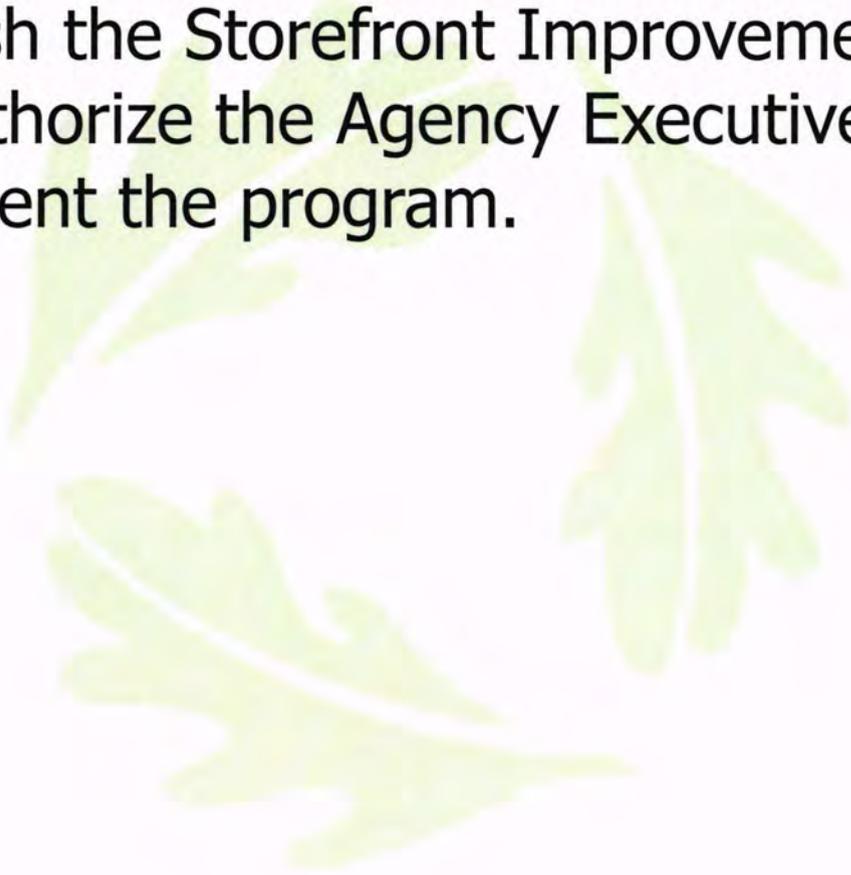
# Proposed Program

- Approval Criteria
  - 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.

# Program Implementation

- Once approved, staff will begin an informational program for interested parties.
  - Create a brochure describing the program
  - Announcement and distribution of the program through:
    - Notice to Chamber of Commerce
    - Notice to City Club
    - Notice by direct mail to situs (business owner) and property owner (if different)
    - Notice in Utility Billing
    - Notice on City Website
  - Conduct work shop(s) on the program
  - First applications will be received July 1, 2017

## Recommendation

- Approve the Resolution as it may be amended to establish the Storefront Improvement Program and authorize the Agency Executive Director to implement the program.
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**URBAN RENEWAL AGENCY OF CITY OF FOREST GROVE, OREGON**

**URA RESOLUTION NO. 2016-05**

**RESOLUTION ESTABLISHING STOREFRONT IMPROVEMENT PROGRAM  
AND AUTHORIZING THE DIRECTOR TO IMPLEMENT SUCH PROGRAM**

**WHEREAS**, the Urban Renewal Agency of the City of Forest Grove ("Agency") adopted the Urban Renewal Plan on June 24, 2014; and

**WHEREAS**, City Council Objective 1.11 for Fiscal Year 2016-17 includes development of a storefront revitalization program; and

**WHEREAS**, a proposed Storefront Improvement Program has been proposed and is intended to provide financial assistance to property and business owners to improve the exterior of their establishments; and

**WHEREAS**, the Urban Renewal Board conducted three work sessions on September 26, October 10, and October 24, 2016 providing direction to staff on the development of the Storefront Improvement Program; and

**WHEREAS**, the Urban Renewal Agency Board considered the adoption of the Storefront Improvement Program at a public meeting on November 14, 2016.

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

**Section 1:** The Agency finds that:

- A. The Urban Renewal Plan as adopted authorizes the use of urban renewal funds for establishing and implementing an exterior building improvement program.
- B. The proposed Storefront Improvement Program is intended to provide financial assistance to property and business owners with property owner approval to improve the exterior of their establishments.
- C. The proposed Storefront Improvement Program is consistent with the exterior building improvement program as authorized by the Urban Renewal Plan.
- D. The allocation of funds for the program will be made on an annual basis considering the guidelines provided in the program and other Agency obligations.

**Section 2:** The Urban Renewal Agency Board does hereby adopt the Storefront Improvement Program as provided in Exhibits A and B, and hereby authorizes

the Agency Executive Director to implement the program consistent with the guidelines and requirements provided in the program.

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

**PRESENTED AND PASSED** this 14<sup>th</sup> day of November 2016.

---

Jesse VanderZanden  
Urban Renewal Agency Executive Director

**APPROVED** by the Urban Renewal Agency of the City of Forest Grove at a regular meeting thereof this 14<sup>th</sup> day of November 2016, and filed with the Forest Grove City Recorder this date.

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Peter B. Truax  
Urban Renewal Agency Chair

**URA RESOLUTION NO. 2016-05**

**Exhibit A**

**Urban Renewal Agency**

**Storefront Improvement Program**

Program Levels of Assistance – A store owner can request financial assistance from the Urban Renewal Agency to improve the exterior of their store. Requirements are as follows:

- Must be located within the Urban Renewal project area in the Town Center (see Exhibit B);
- The applicant must be either the property owner or business owner with property owner consent.
- Property owner must be current on taxes;
- Must be used to make improvements on the exterior of the store;
- The project must be designed, constructed and maintained to compliment the architectural features of the building. All accessories, signs, awnings, etc. shall also compliment the overall character of the building.
- The project shall contribute to the historical nature of the Town Center if the building is a contributing resource or shall complement the historical nature of the area if not a contributing resource.
- The project complies with all applicable City standards and requirements. These include, but not limited to:
  - City Downtown design standards and guidelines,
  - Sidewalk standards, and
  - Relevant building codes.
- Must be eligible work that provides exterior improvements or rehabilitation intended to restore facades and exteriors. The following are examples of eligible work:
  - Replacement, repair or alteration of building exteriors (facades) or elements such as doors or windows;
  - Exterior lighting improvements;
  - Repair or replacement of awnings, cornices or decorative details;

- Masonry repair or cleaning;
- Sign repair, replacement, installation or removal;
- Sidewalk repair or replacement;
- Purchase and installation of street furniture;

Examples of Ineligible Activities:

- Property maintenance;
- Building acquisition;
- Inventory or other working capital;
- Administrative costs or payments to borrower;
- New development or construction.

- City Contribution

The City's contribution is as follows:

- Up to \$2,500 grant at a 2:1 ratio of public to private funding (i.e. \$2 of public funds for every \$1 of private funds);
- Over \$2,500 to \$7,500 grant at a 1:1 ratio of public to private funding (i.e. \$1 of public funds for every \$1 of private funds); or
- Over \$7,500 to \$10,000 grant at a 1:2 ratio of public to private funding (i.e. \$1 of public funds for every \$2 of private funds).
- The property owner may obtain other grant funding, but must contribute at least 25% of their own funds for any project.

- Funding Guidelines

To assure adequate funding available to provide for storefront assistance while preserving sufficient funds to pay for other URA obligations, the following funding guidelines for Storefront funding assistance are adopted by the Urban Renewal Agency:

- Where net Urban Renewal funds after obligations for a fiscal year are anticipated to be between \$5,000 to \$15,000, the maximum individual grant would not exceed \$2,500;
- Where net Urban Renewal funds after obligations for a fiscal year are anticipated to be more than \$15,000 to \$30,000, the maximum individual grant would not exceed \$7,500; or
- Where net Urban Renewal funds after obligations for a fiscal year are anticipated to be more than \$30,000 to \$50,000, the maximum individual grant would not exceed \$10,000.
- The determination for the amount of available funds for a fiscal year shall be determined when tax increment revenue is received from the County.

## **GRANT PROCEDURE**

- Submit completed grant application with property owner information and signature. Only completed applications will be considered for funding. Applications for any fiscal year can be submitted July 1 for that fiscal year. Determinations on any application will not be made until the tax increment revenue is received for that fiscal year (about mid-November).
- Only one application per parcel.
- Applicant will provide two (2) bids for each portion of the project.

Staff will review and evaluate each application. The evaluation will be based on:

- Compliance with applicable City standards and guidelines;
- Contribution or complement to the historic character of the Town Center;
- Applicant's demonstrated ability to complete the project;
- Need for assistance has been demonstrated;
- If approved, the Urban Renewal Agency and the property owner shall enter into a contractual agreement for the proposed improvements.
- Items needed for final payment reimbursement:
  - Contractor's final invoice (detailed and itemized description of scope of work performed and materials used during project).
  - Proof of Payment to Contractor (copy of check, bank statement, etc.)
  - Pictures of Completed Project
  - Site Inspection (conducted by City staff)

The Agency shall review grants throughout the year and approve grants until funds are expended for the fiscal year.

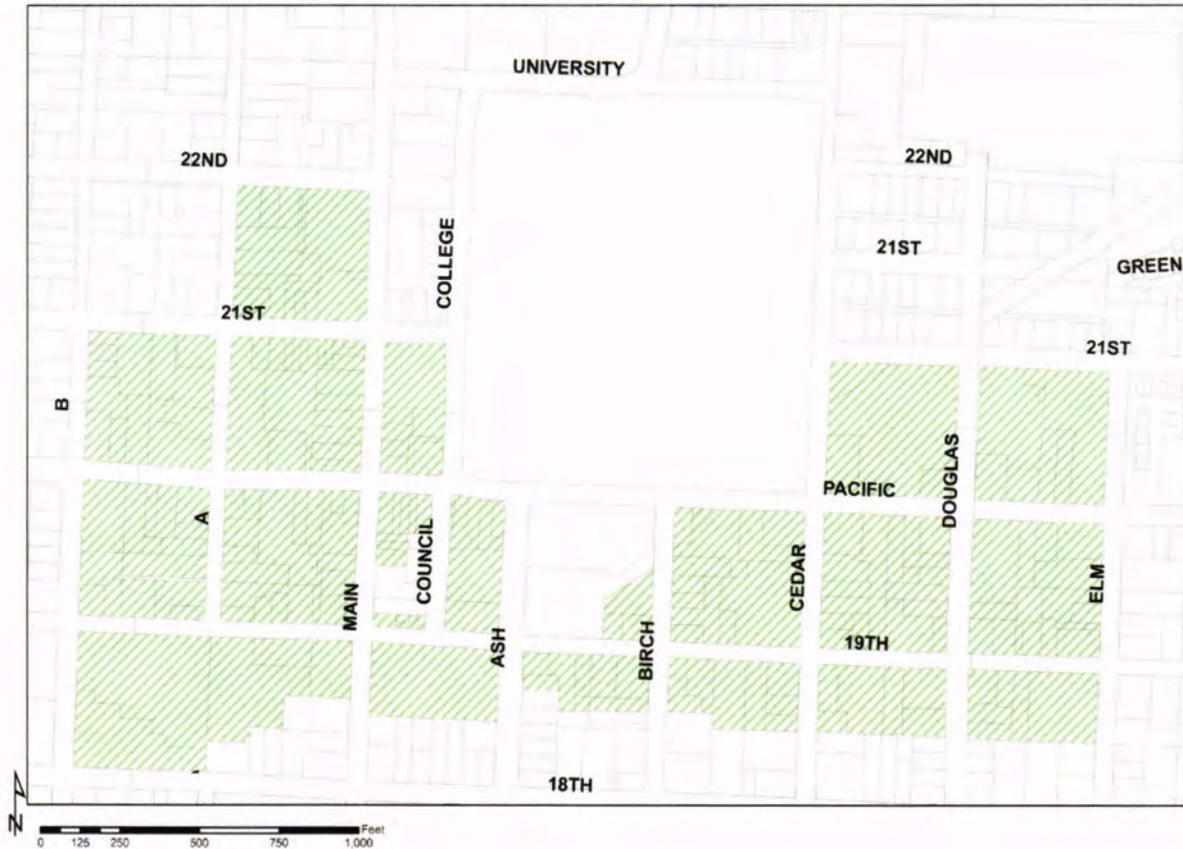
If the application is not funded due to the commitment of available funds for the fiscal year, the applicant may request the application be considered for the next fiscal year. If the application is continued to the next fiscal year, it shall have the first priority over new applications received for the next fiscal year. If more than one application is rolled over to the next fiscal year, the priority shall be established by the date the application is received with the earliest date having the highest priority. Any application can only be rolled over for one year. A new application must be filed if beyond that time frame.

URA RESOLUTION NO. 2016-05

Exhibit B



Storefront Improvement Grant  
Program Eligibility Area





A place where families and businesses thrive.

CITY RECORDER USE ONLY:	
AGENDA ITEM #:	7.
MEETING DATE:	
FINAL ACTION:	

**CITY COUNCIL/URBAN RENEWAL AGENCY STAFF REPORT**

**TO:** City Council/Urban Renewal Board of Directors

**FROM:** Jesse VanderZanden, City Manager

**MEETING DATE:** November 14, 2016

**PROJECT TEAM:** Paul Downey, Director of Administrative Services

**SUBJECT TITLE:** Loan Between City and FG Urban Renewal Agency

<b>ACTION REQUESTED:</b>	<input type="checkbox"/> Ordinance	<input type="checkbox"/> Order	<input checked="" type="checkbox"/> Resolution	<input type="checkbox"/> Motion	<input type="checkbox"/> Informational
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X all that apply

**ISSUE STATEMENT:** The Jessie Quinn development on the former Times Litho site is ready to begin construction once a few final steps are completed. One of those steps is the loan from the City of Forest Grove to the Forest Grove Urban Renewal Agency (URA) so the URA can fund the project costs that it agreed to fund in the Disposition and Development Agreement (DDA) that the URA Board of Directors authorized in URA Resolution No. 2016-02 on February 22, 2016. Staff and the City Attorney's Office have prepared the resolutions and promissory note necessary for the loan to be approved.

**BACKGROUND:** The DDA with Tokola Properties (now Jessie Quinn LLC) stated the URA and City agreed to do three things: 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 fees and public improvements. The property sale is ready to complete and building permits are ready to issue. The URA needs to pay the system development fees when the building permits are issued so the City needs to loan the URA the \$962,561 as previously approved. The FY 2016-17 Adopted Budgets for the City and URA reflect the loan being made to the URA and the URA paying those costs.

The City will loan the funds from the Capital Project Funds for a 10-year period which is the maximum period allowed by statute for these loans. For the first three years, the repayment on the loan to the City will be interest only. In years 4 through 10, the repayment will be principal and interest. The loan repayments will go into the Capital Projects Fund. The promissory note which is attached to the resolution contains the repayment schedule. The loan repayments have been reflected in the projected cash flow for the URA.

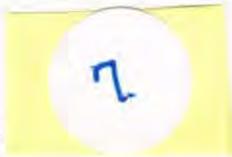
**FISCAL IMPACT:** Loaning the funds from the Capital Projects Fund means that Fund will not have the up-front cash to purchase property while the loan is being repaid. There were no specific property purchases that had been identified for this Fund in the next few years.

**STAFF RECOMMENDATION:** Staff recommends the City Council/Urban Renewal Agency approve the attached resolutions adopting the resolutions loaning the funds and that the URA Board of Directors approve the resolution to borrow the funds and to repay the loan over the next ten years.

**ATTACHMENT(s):**

City Resolution  
URA Resolution  
Promissory Note 2

URBAN RENEWAL AGENCY OF THE CITY OF FOREST GROVE, OREGON



RESOLUTION NO. 2016-06

**RESOLUTION AUTHORIZING URBAN RENEWAL AGENCY OF THE CITY OF FOREST GROVE ACCEPT A LOAN FROM THE CITY OF FOREST GROVE (CITY) 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 FORM OF PROMISSORY NOTE FROM THE AGENCY IN FAVOR OF THE CITY FOR SAID TOTAL LOAN**

**WHEREAS**, the Forest Grove City Council (Council) adopted Ordinance No. 2014-05 (April 28, 2014) creating the Urban Renewal Agency of the City of Forest Grove (Agency) to act as the authorized urban renewal agency for Forest Grove consistent with ORS Chapter 457;

**WHEREAS**, the City of Forest Grove (City) wishes to loan Agency Two Million Sixty Two Thousand Five Hundred Sixty One dollars (2,062,561.00) to fund certain expenses Agency is contractually obligated to pay relative to the Agency's project with Jesse Quinn, LLC which loan is to be paid back over a ten (10) year period by Agency consistent with the terms of a promissory note attached to and to be approved by this resolution from revenues generated from its tax increment funds.

**WHEREAS**, Agency is willing to accept said loan and authorize the Agency's Executive Director sign, on behalf of the Agency, the aforementioned promissory note for repayment of the loan.

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

**Section 1.** The Executive Director is authorized to accept from the City of Forest Grove a loan 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) to be repaid City over ten years at two percent (2%) interest and to execute a promissory note from Agency in favor of city substantially in the form attached hereto as Exhibit A.

**Section 2.** The Executive Director is authorized to execute such additional documents as may be necessary to ensure repayment of said loan.

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

**PRESENTED AND PASSED** this 14<sup>th</sup> day of November, 2016.

---

Jesse VanderZanden  
Forest Grove Urban Renewal Agency Executive Director

**APPROVED** by the Urban Renewal Agency of the City of Forest Grove at a regular meeting thereof this 14<sup>th</sup> day of November, 2016, and filed with the City Recorder this date.

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Peter B. Truax  
Urban Renewal Agency Chair

## PROMISSORY NOTE 2

November 14, 2016

Principal amount: **TWO MILLION SIXTY TWO THOUSAND FIVE HUNDRED SIXTY ONE DOLLARS (\$2,062,561.00)**

**WHEREAS**, the Forest Grove Urban Renewal Agency, an Oregon municipal corporation duly organized and existing consistent with ORS Chapter 457 (Agency), and the City of Forest Grove, an Oregon home rule municipal corporation (City), agreed and entered into a Promissory Note (Note) which Note was effective on and after August 24, 2015; and

**WHEREAS**, said Note reflected the terms and conditions of a principal loan from City to Agency of One Million One Hundred Thousand Dollars (\$1,100,000.00) with interest thereon at the per annum rate of two and one-half percent (2.5%); and

**WHEREAS**, Agency is currently fully compliant with the terms and conditions relative to the repayment under the Note and is not otherwise in default or violation thereof; and

**WHEREAS**, City and Agency wish to revise and supplant said Note with a new Promissory Note (Note 2) reflecting terms and conditions for repayment of a loan by City to Agency of an additional Nine Hundred Sixty Two Thousand Five Hundred Sixty One Dollars (\$962,561.00) which brings the total principal loan amount from City to Agency to Two Million Sixty Two Thousand Five Hundred Sixty One Dollars (\$2,062,561.00).

**NOW THEREFORE**, in consideration of the foregoing, City and Agency agree to the following:

1. FOR VALUE RECEIVED, Agency promises to pay City out of funds derived from Agency's tax increment funds the principal sum of TWO MILLION SIXTY TWO THOUSAND FIVE HUNDRED SIXTY ONE DOLLARS (\$2,062,561.00) in lawful United States money with interest thereon at two percent (2.0%) per annum consistent with the following:
  - (a) Bi-annual payments (due not later than June 1 and December 1 of each year) for a period of three (3) years (36 months) commencing with an initial payment on or before June 1, 2017, and the second bi-annual payment due on or before December 1, 2017, (and on or before the same dates for years 2018 and 2019):
    - Year 1 / 1<sup>st</sup> Bi-annual payment (June 1, 2017): Twenty Thousand Six Hundred Twenty Six Dollars (\$20,626.00)
    - Year 1 / 2<sup>nd</sup> Bi-annual payment (December 1, 2017): Twenty Thousand Six Hundred Twenty Six Dollars (\$20,626.00)

- Year 2 / 1<sup>st</sup> Biannual payment (June 1, 2018) : Twenty Thousand Six Hundred Twenty Six Dollars (\$20,626.00)
- Year 2 / 2<sup>nd</sup> Bi-annual payment (December 1, 2018): Twenty Thousand Six Hundred Twenty Six Dollars (\$20,626.00)
- Year 3 / 1<sup>st</sup> (1<sup>st</sup> Bi-annual payment (June 1, 2019): Twenty Thousand Six Hundred Twenty Six Dollars (\$20,626.00)
- Year 3 / 2<sup>nd</sup> Bi-annual payment (December 1, 2019): Twenty Thousand Six Hundred Twenty Six Dollars (\$20,626.00)

(b) Annual Interest and principal payments for Years 4 (on or before June 1, 2020) through and including Year 9 (on or before June 1, 2025) in the Amount of Three Hundred Twelve Thousand Four Hundred Forty One Dollars and <sup>50</sup>/<sub>100</sub> (\$312,441.50) with a final payment of interest and principal due not later than June 15, 2026, of Three Hundred Twelve Thousand Four Hundred Forty One Dollars and <sup>54</sup>/<sub>100</sub> (\$312,441.54).

(c) Agency covenants with City to annually appropriate and place into an account for City's benefit not less than 110% of the amounts due City and identified in (a) and (b) above.

(d) In the event Agency is unable to make payments to City consistent with the schedule set out above in (a) and (b) such that there remains amounts owed City, the obligation for repayment of both principal and interest reflected by this Note shall without further action of either City or Agency extend automatically in three (3) year increments until fully paid.

Payments are deemed paid only upon City's receipt of cash or negotiable instrument. Any payment tendered but not honored by the applicable financial institution upon presentation will be deemed not paid.

Time is of the essence under this note. Should Agency fail to timely make each bi-annual or annual payment City in its sole discretion may then declare Agency in default and either accelerate payment thereof by demanding Agency immediately pay the full outstanding unpaid principal balance and interest.

This Promissory Note may be prepaid in full or in part at any time without penalty by paying City the portion of the outstanding balance that is to be prepaid plus accrued interest on that amount to the date of prepayment. Prepayments of less than all the outstanding principal amount of this Promissory Note shall first be applied to outstanding interest and then to principal.

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// // //

Jesse VanderZanden represents to City that he/she is authorized to sign this promissory note on behalf of Agency.

AGENCY MAY NOT ASSIGN, DELEGATE OR NOVATE THIS NOTE WITHOUT CITY'S PRIOR WRITTEN CONSENT WHICH CITY MAY WITHHOLD IN ITS SOLE DISCRETION.

Forest Grove Urban Renewal Agency

\_\_\_\_\_ Date: \_\_\_\_\_, 2016

ACCEPTED BY:  
City of Forest Grove, Oregon

\_\_\_\_\_ Date: \_\_\_\_\_, 2016  
By: Peter Truax, Mayor

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