

**DRAFT**

**CITY OF FOREST GROVE  
URBAN RENEWAL REPORT**

**PART 2**

**APRIL 2014**

Prepared For:  
CITY OF FOREST GROVE, OREGON

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## **I. INTRODUCTION**

The City of Forest Grove Urban Renewal Report has been prepared to provide the essential background information on the urban renewal area to the Urban Renewal Agency, the City of Forest Grove Planning Commission City Council, and the citizens of the community. The report has been prepared to comply with State law regarding Urban Renewal (ORS 457.085). It is intended to be used in conjunction with the Forest Grove Urban Renewal Plan (Part 1). The capitalized headings at the beginning of each major section of this report directly correspond to the information required by ORS 457.

## **II. DESCRIPTION OF EXISTING CONDITIONS**

### **A. Physical Conditions**

#### **1. Topography**

The urban renewal area is characterized by generally flat terrain ranging in elevation from about 170 feet on the eastern edge of the area to about 210 feet on the western boundary. The area does not include significant water courses and is not located within the 100 year floodplain.

The most prevalent soil type within the urban renewal area is Woodburn Silt Loam (0% to 3% slope). This soil type is moderately well drained. The depth to water table is generally 25 inches to 32 inches.

#### **2. Seismic Risk**

Seismic risk is an inherent risk in the Pacific Northwest including Forest Grove. There is potential risk to life and property due to seismic shaking and in some cases soft soil/liquefaction hazard. The urban renewal area is within a zone classified as being a severe earthquake risk area due to seismic shaking. Given the age of buildings within the urban renewal area and type of construction (unreinforced masonry) substantial investment is needed to withstand potential seismic risk. Adaptive reuse of structures within the Town Center will require costly improvements to meet current seismic mitigation standards.

### 3. Building Stock

- Town Center

The urban renewal area includes the City's historic core. As such, some of the oldest buildings in the community are found within the urban renewal area. Buildings in the Town Center were generally constructed between 1890 and 1948. Many of these structures are not suitable for current retail, office, or residential needs. Interior improvements are needed to divide large space not suitable for contemporary retailing. Residential use of upper floors is often precluded due to the expense associated with accessibility improvements and upgrades necessary to comply with building codes.

The former Times-Litho site is a specific example of a single story industrial building in the Town Center of poor physical construction with faulty interior arrangement of space not suitable for uses complementary of a town center location. The presence of this structure creates a stagnant and unproductive condition on a site that is potentially useful and valuable for contributing to the public health, safety and welfare of the community. The Times-Litho building was added to over time and the quality of physical construction is now poor and does not meet current building code requirements. The building also exhibits a faulty interior arrangement of space that is not suitable for contemporary retail or residential use. This site is underutilized and contributes to a stagnant and unproductive condition that left unchecked could impact surrounding properties.

Several key underutilized and vacant development sites exist within the Town Center area. In addition, to the Times-Litho building, the vacant lots owned by Woodfold-Marco and the surface parking lots owned by the City of Forest Grove provide opportunities for redevelopment. The presence of shopping and cultural amenities and a good pedestrian environment in the Town Center should encourage further redevelopment of the area.

Significant opportunity also exists for adaptive re-use of under-utilized second and third floor space contained in many of the historic buildings along Main Street. Much of this space is unsuitable for current retail, office or residential needs due to the interior arrangement of improvements. Impediments to adaptive re-use of these structures include meeting contemporary building codes associated with accessibility, seismic mitigation and general code compliance.

A summary of potential redevelopment candidate sites is included as an Appendix to this report. The properties included may or may not develop during Plan period, and no implication of public funding for these projects is implied here. Also, this list is illustrative and not meant to be exhaustive.

- Mid-Town Corridor Area

The mid-corridor area includes the Pacific Avenue/19<sup>th</sup> Avenue corridor from about Cedar Street to Maple Street. The area is generally characterized by single story retail buildings, single family residences, small multiple family structures, and some single family homes converted to office space. This area also includes the Ballard Towne Shopping Center - a traditional strip commercial retail complex. The Ballard Towne Shopping Center includes the city's only grocery store. This property includes multiple main buildings and outbuildings, which may have partial or full redevelopment potential during the life of the Plan.

- Quince/Pacific Avenue Gateway

The Quince Avenue/Pacific Avenue intersection is characterized by large vacant tracts intended for future large format retail development. This area exhibits substandard streets, and other rights-of-way including Poplar Street and Oak Street. Poplar Street has substandard pavement width as well as no sidewalks, curbs or gutters. Oak Street has no sidewalks. It is expected that these streets will be improved when the area is redeveloped.

In general, the urban renewal area has remained stagnant for many years. Due to the lack of redevelopment in this area there is a growing lack of proper utilization of the area resulting in a stagnant and unproductive condition of land. The land area could contribute to the public welfare including providing jobs and necessary services for residents, workers, and visitors to the community.

- Historic and Cultural Resources

The urban renewal area includes several historic and cultural resources. Historic resources included on the City's register of historic resources include are shown on Figure 1 below.

**Figure 1: Historic and Cultural Resources**

<u>Address</u>	<u>Property Name</u>	<u>Year</u>	<u>Exterior Material</u>	<u>Exterior Condition</u>
2004 Main Street	1 <sup>st</sup> National Bank of Oregon Building	c. 1910	Brick/Concrete	Good
2008 Main Street	Haines and Bailey Building	c. 1890	Brick	Good
2016 Main Street	Nixon Building	c. 1912	Brick	Fair
2019 Main Street	Holbrook Lodge #30	c. 1923	Concrete	Good
2020 Main Street	Woods and Caples Building	c. 1893	Brick	Good
2030 Main Street	Ingles and Pope Building	c. 1892	Brick	Fair
2036 Main Street	Ingles and Porter Building	c. 1892	Brick	Good
2038 Main Street	Wagner Building	c. 1890	Brick	Fair
1810 Pacific Avenue	Via House	c. 1928	Stucco	Good
1904 Pacific Avenue	Christian Science Church Building	c. 1916	Brick	Good
1926 Pacific Avenue	Knights of Pythias Building	c. 1909	Brick	Good
2028 Pacific Avenue	Star Theater (Theater in the Grove)	c. 1914	Stucco/Tile	Fair

Source: City of Forest Grove Planning Division and Peter J. Edwards, Columbia Historical Research

Cultural resources within the urban renewal area include Main Street, between Pacific Avenue and 21<sup>st</sup> Avenue which serves as the location for the Forest Grove Farmers Market held on Wednesday evenings during late-spring and summer. The urban renewal area also includes the Forest Grove Library, Theater in the Grove, and the Forest Grove Senior Center which serve as cultural resources for the community. In addition, several religious organizations are located within the area.

#### **4. Utilities**

The urban renewal area is generally served with water, sewer, sanitary sewer, storm drainage, electricity, natural gas, and telephone. Service deficiencies exist within the urban renewal area as described in Section D: Condition of Utilities. The following providers provide utility services within the urban renewal area:

- Water: City of Forest Grove Public Works
- Storm Drainage: City of Forest Grove Public Works, Washington County Clean Water Services
- Sanitary Sewer: City of Forest Grove Public Works, Washington County Clean Water Services
- Electricity: Forest Grove Light and Power
- Natural Gas: Northwest Natural

- Telephone: Frontier Communications, Comcast, various wireless providers

## 5. Transportation

Several major transportation corridors serve the urban renewal area. The functional classifications are shown below.

**Figure 3: Major Transportation Facilities**

<u>Street</u>	<u>Classification</u>
Oregon Highway 8(TV Highway)	Arterial
Oregon Highway 47	Principal Arterial
19 <sup>th</sup> Avenue	Arterial
B Street (north of Pacific)	Collector
B Street (south of Pacific)	Arterial
Pacific Avenue	Arterial
Quince Street	Arterial
Elm Street	Collector
Hawthorne Street	Collector
Main Street (north of 19 <sup>th</sup> Avenue)	Collector
Maple Street	Collector
Oak Street (north of Pacific Avenue)	Collector

Forest Grove Transportation System Plan 2010

In general, most streets within the urban renewal are in satisfactory condition with routine maintenance and periodic repaving required. Poplar Street south of Pacific Avenue is the notable exception. Poplar Street is in poor condition with potholes. Poplar Street also lacks sidewalks, curbs and gutters.

The Pacific Avenue/Quince intersection has the highest number of reported accidents between 2002 and 2006 at 30. During that same time period the B Street at Pacific Avenue had 12 reported accidents.

The Forest Grove Transportation System Plan identifies specific projects within or near the urban renewal area. These projects include:

- Extend 19<sup>th</sup> Avenue to E Street
- Improve Pacific Avenue and E Street Intersection
- Extend 19<sup>th</sup> Avenue to Strasburg Drive

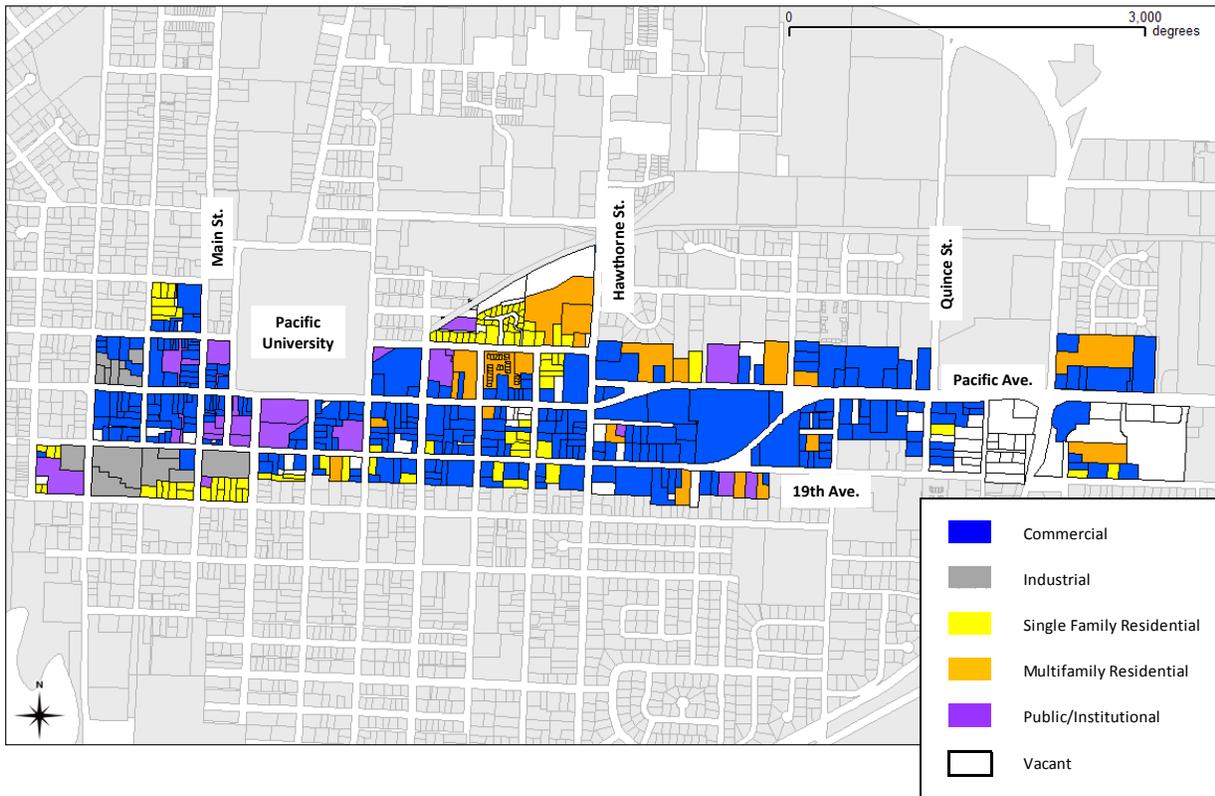
- Improve the Quince/Highway 47 intersection
- Traffic signal at Oak Street and Pacific Avenue

**6. Vacant Lots**

Based on the 2011 land use inventory there are 69 vacant lots within the urban renewal area. This amounts to 13.3% of total lots. The 69 vacant lots include approximately 32.28 acres of land or approximately 16% of the land within the urban renewal area exclusive of rights-of-way.

Approximately 201 parcels within the urban renewal area could be considered underutilized based on the value of improvements. These parcels contain approximately 86.09 acres or about 43% of the total land area within the urban renewal area excluding rights-of-way.

**Figure 4: Existing Land Uses, Urban Renewal Area**



**B. Social and Economic Conditions**

Based on the City’s 2011 land use inventory there are approximately 940 dwelling units within the urban renewal area. This represents about 12% of the total number of dwelling units in the City. Based on the number of dwelling units, the City estimates the population within the urban renewal area to be approximately 2,538 or approximately 11.8 percent of the City’s total population.

**Figure 5: Demographic Characteristics, Urban Renewal Area**

Forest Grove Population (2011)	21,275
Urban Renewal Area Population (2011)	2,538
Forest Grove Housing Units	7,600
Urban Renewal Housing Units	940

The land use inventory indicates there are approximately 195 single family residential housing units within the Forest Grove urban renewal area. Based on Washington County tax assessment records, the average value of these housing units is approximately \$185,188. This is well below the average value of \$236,100 for housing units within the City as a whole.

The urban renewal area includes a mixture of single family detached structures and smaller multifamily apartments. According to Washington County Assessor data, most of the housing stock was constructed between 1900 and 1950. The oldest residential structure within the urban renewal area was built in 1859 (2117 A Street). Given the age of the structures many of the homes are in need of repair. The most common visible deferred maintenance item is degraded exterior painting.

The urban renewal area has a high percentage of renter-occupied housing units compared with the City as a whole. Based on a review of ownership address data there are approximately 75 single family rental units within the urban renewal area. The City’s land use inventory indicates there area approximately 745 multiple family rental units within the urban renewal area.

The estimated median income in the Census Tracts which include the Urban Renewal Area was \$43,290 in 2011. This was roughly 7% lower than the citywide median income of \$50,400 in Forest Grove (US Census, American Community Survey).

There are an estimated 1,350 jobs in the Urban Renewal Area, or roughly 20% of the employment in Forest Grove. Retail, health care, and public administration are the sectors with the most employment in the area, together representing 60% of jobs. The manufacturing and

educational sectors have much lower representation in the Urban Renewal Area than in the city itself, though the area is adjacent to large industrial areas and Pacific University.

**C. Urban Renewal Area Qualifications**

ORS 457.420 specifies that the Urban Renewal Area identified in the Plan along with other urban renewal areas in the City may not exceed 25% of the City’s land area or 25% of the City’s assessed value.

The following table provides a comparison of taxable assessed value and acreage between the city as whole and the urban renewal area. The City of Forest Grove contains approximately 3,816.8 acres within its City limits. Based on the county assessor’s tax lot data, the total acreage in the boundary is approximately 251 acres. The area in the urban renewal district boundary represents 6.6% of the total area in Forest Grove and is within ORS 457’s 25% acreage limitation for urban renewal areas.

	City	Urban Renewal Area	Legal Limit (ORS 457)
Taxable Assessed Value (TAV)	\$1,137,119,200	\$107,793,530	
Land Area	3,816.8 acres	251 acres	
Percent of TAV	100%	9.5%	25%
Percent of Land Area	100%	6.6%	25%

As noted above, the total assessed valuation within an urban renewal area is limited to no more than 25% of the total municipal assessed value. A review of the Washington County 2012/2013 Assessor records indicates the City of Forest Grove comprised a total taxable assessed value (TAV) of \$1,137,119,200. The proposed urban renewal district comprises a total TAV of \$107,793,530. The resulting Urban Renewal District’s share of City taxable assessed value is 9.5%. The plan meets the Oregon State law requirement since the urban renewal TAV is below the 25% limit.

**D. Condition of Area Infrastructure**

Transportation

Pacific Avenue and the Pacific Avenue/19<sup>th</sup> Avenue couplet are the major east-west transportation connections serving the urban renewal area. Significant north-south connections include B Street, Main Street, Elm Street, Hawthorne, Maple Street, and Oregon Highway 47. Overall, the street system appears to be in satisfactory condition with routine maintenance required. Poplar Street, south of Pacific Avenue, is substandard with very poor pavement condition, no curbs and no sidewalks.

The Town Center includes a higher level of streetscape than found elsewhere in the community. Streetscape within the Town Center includes wide sidewalks, trash receptacles, decorative

street lighting, benches and decorative crosswalk markings. In general the streetscape within the Town Center is in good condition. Streetscape improvements are needed in certain locations within the Town Center where none currently exists. This includes the area between Cedar Street and Elm Street, and Main Street north of 21<sup>st</sup> Avenue.

The Pacific Avenue/19<sup>th</sup> Avenue corridor is identified for boulevard improvements in the Forest Grove Transportation System Plan. The boulevard improvements would include enhanced streetscape elements similar to the Town Center.

### Water Distribution

The urban renewal area includes some of the oldest water and sewer lines in the community. The condition of the water and sewer lines varies based on age and material used. General waterline improvements are needed within the urban renewal area to improve flow and pressure at specific points in the system. These improvements are necessary for better fire protection and to replace old deteriorated pipe.

The Water Master Plan, completed in 2010, documents the locations where there is insufficient flow or residual pressure at fire hydrant locations. The amount of water required for fire emergencies is related to the local building type and the land use of the specific location in the distribution system. Insufficient fire flow is a consideration within the urban renewal area. Locations with insufficient flow or residual hydrant pressure within the urban renewal area include:

- Pacific Avenue at Ash Street
- 21<sup>st</sup> Avenue at College Way
- 19<sup>th</sup> Avenue at B Street
- 19<sup>th</sup> Avenue at C Street
- 21<sup>st</sup> Avenue at Cedar Street
- 19<sup>th</sup> Place at Hawthorne Street
- 19<sup>th</sup> Way between Pacific Avenue and 19<sup>th</sup> Avenue
- 19<sup>th</sup> Place at Maple Street
- Quince Street north of Pacific Avenue

The Water Master Plan includes the following distribution and piping improvement projects for the urban renewal area:

- Upsize from 6" to 8" line in 21<sup>st</sup> Avenue and Cedar Street area
- Upsize from 6" to 8" line near 19<sup>th</sup> Place and Maple Street
- Looping from 19<sup>th</sup> Place to Pacific Avenue 8" line

- Upsize from 6" to 8" line near 2900 19<sup>th</sup> Avenue
- Looping from Pacific Avenue to 21<sup>st</sup> Avenue on College Way with an 8" line

### Sewer

Overall the sewer system serving the urban renewal area is generally adequate. The City of Forest Grove Wastewater Master Plan completed in 2007 identifies specific improvements within the urban renewal area. The master plan recommends increasing the 8-inch and 10-inch diameter lines to 15 inches along 19<sup>th</sup> Avenue from A Street to Birch Street to meet a 2030 design flow of approximately 1,500 gallons per minute. The master plan also recommends increasing the size of the Maple Street sanitary sewer line from 12-inches to 18-inches to meet a design flow of approximately 1,550 gallons per minute. In addition, the master plan recommends upgrading the existing sanitary sewer line from the Pacific Avenue/Quince Street intersection and along Fir Road to a 15-inch line.

The Forest Grove Capital Improvement Program (CIP) includes a project to rehabilitate the public sanitary sewer line and the private sanitary sewer laterals in the area around Pacific Avenue and Cedar Street. The purpose of the project is to minimize inflow and infiltration of ground water into the existing sanitary sewer system. The CIP also identifies a need to improve the capacity of the Maple Street Sewer Trunk Line.

The Sewer Master Plan also recommends annual replacement/rehabilitation of portions of the old collection piping. Projects are generally selected to coincide with paving projects to minimize cutting trenches through good roads.

### Storm Drainage

Localized storm drainage problems exist within the urban renewal area. The lack of adequate storm drainage has precluded redevelopment of a vacant parcel of land located at 2617 Pacific Avenue. The lack of adequate storm drainage at this site will be addressed as part of site redevelopment. The City of Forest Grove Storm Drainage Master Plan completed in 2007 recommends improvements to the storm drainage system within and near the urban renewal area. Improvements include Construction of a 24-inch storm pipe from Cedar Street and 24<sup>th</sup> Avenue to 26<sup>th</sup> Avenue and Open channel restoration from Douglas Street to about Hawthorne Street near the railroad corridor.

### Electricity

Forest Grove Light and Power provides electricity to customers within and near Forest Grove. Electrical lines are generally overhead within the urban renewal area. The Forest Grove Light and Power Substation Master Plan completed in 2013 recommends improvements to electrical substations to improve system reliability and capacity. These improvements will benefit the urban renewal area and support potential redevelopment.

## **E. Impacts on City Services and Costs**

The Forest Grove Urban Renewal Plan establishes a framework for encouraging private development and redevelopment of land and rehabilitation of buildings within the urban renewal area. The Forest Grove Comprehensive Plan and Development Code govern development and redevelopment activities throughout the City including within the urban renewal area. Service needs and costs are based on the land use designations contained in the Comprehensive Plan. Therefore, the urban renewal program is not expected to result in service demands or costs beyond what is already projected by the City.

In general, the urban renewal program should have a positive impact on the cost-effective delivery of municipal services. Development within the urban renewal area will take advantage of prior public investment in infrastructure and excess capacity. Removing financial barriers for the construction of housing in areas already served by public infrastructure may reduce the need for the costly extension of public services elsewhere in the planning area to support development. Furthermore, private development and redevelopment supported by the urban renewal program could result in infrastructure improvements benefitting the City such as water and sewer lateral replacement where needed.

Development and redevelopment within the urban renewal area will increase the taxable value of property. As a result, the City of Forest Grove will receive additional property tax revenue from the City's local option levy based on this increased value. Proceeds from the local option levy will be allocated through the annual budget process for general city services including police and fire protection. Therefore, if service demand increases due to urban renewal projects, the City will receive additional tax revenue to help fund required services. Overlapping taxing districts will also benefit from higher property tax collections due to the higher taxable value during the latter years of the urban renewal program which will depend on the level of tax increment revenue collections and completion of the urban renewal program.

### III. REASONS FOR SELECTION OF THE URBAN RENEWAL AREA INVOLVED IN THE PROGRAM

The City of Forest Grove has initiated a strong interest in improving the Town Center since at least 1997. Following the Town Center Plan, a Commercial Corridor Plan was completed in 2005. These two planning areas of the City are the primary parts of the City included in the proposed Urban Renewal District. To date, the following planning studies and documents provide direction for the proposed District. These include:

- Comprehensive Plan Goals and Policies 1980- 2007
- Town Center Plan 1997
- Commercial Corridor Plan 2005
- Downtown Resource Team Report 2006
- Forest Grove Vision Statement 2007
- Storm Drainage Master Plan 2007
- Wastewater Master Plan 2007
- Economic Dev. Commission Strategic Plan 2009/10
- Water Master Plan Update 2010
- Transportation System Plan 2010 -2013
- Successful Downtowns and Main Streets 2012

Six amendments were made to the Comprehensive Plan from 1987 through 2007 that recognized the changes to the City in the past 30 years. The City is in the process of a major update to the Plan which will be reviewed by the City Planning Commission during 2013.

All of these plans proposed specific goals, objectives, projects and creative ideas for improving the Town Center and Commercial Corridor areas which now make up the proposed Urban Renewal District. This area was selected because an Urban Renewal program can provide the tools necessary to implement the visions and strategies expressed in these plans.

#### **Town Center Plan (TCP)**

The Town Center Plan offered the following policies and actions in the areas of Design and Land Use:

- Enhancing the Pedestrian Experience
- Reinforcing the Downtown as a Civic, Financial and Business Center,
- Preserving, restoring and benefiting from historic architecture.

#### Management and Implementation:

- Ensuring that the TCP moves forward as an ongoing improvement effort.
- Managing the Retail
- Encouraging building (new construction) in the Town Center.

The actual Plan is comprised of 12 major improvements intended to implement the policies and actions of the TCP – See Page 7 of the Plan.

#### **Commercial Corridor Plan (CCP)**

The CCP is a follow up to the Forest Grove Town Center Plan to better implement the land use, economic development and transportation goals for the Corridor, consistent with Metro's Functional Plan designation. The plan focuses commercial and residential development in the Corridor to create a more pedestrian, bicycle and transit supportive development environment.

The Corridor contains a significant amount of vacant land, and vacant or under-utilized structures. The project area has a mix of piecemeal and auto-dependent development with development occurring mostly along the arterial roadway with direct driveway access. The current comprehensive plan and zoning map designations could support a mixed-use pattern of development or a multi-modal transportation system. This will improve efficiency of the transit system and reduce congestion.

The Corridor Plan is a strategy on efficient land use arrangements and economic development opportunities through the identification of master planned commercial nodes at key locations along the corridor. It also forms a program for future City improvements to the streetscape and surrounding environs.

The Action Plan is a document that delineates the responsibilities, funding sources and phasing for implementation of elements of the Corridor Plan. The Action Plan is intended to be implemented by public and private partners.

#### **Downtown Resource Team Report**

In 2006, the Forest Grove Downtown Resource Team initiated a project to better understand and deal with the dynamics, issues and opportunities facing the downtown. The final report addresses the economic, physical, and organizational components critical to successfully moving the downtown revitalization efforts forward. In addition to downtown issues, the project also addressed the need to better connect downtown with the lodging opportunities.

The recommendations of the Resource Team report fall into the following seven categories. These categories can serve as a framework for implementing the Urban Renewal Plan.

Strategic Initiative 1: Downtown Organization

Building the capacity of existing groups to pull together private sector efforts is of primary importance in Forest Grove. This initiative addresses necessary changes in “who does what” to carry out the goals of Strategic Initiative 2.

Strategic Initiative 2: Business Development

There are a number of business mix and clustering opportunities that can be put into motion in Forest Grove in the near-term. Utilizing the findings and conclusions of the market assessment and business analysis, the action items will move the economics for downtown in the right direction.

Strategic Initiative 3: Redevelopment Tool Kit

The specific elements of redevelopment are packaged in one convenient strategy. This group of incentives looks at existing and potential strategies that will assist local efforts at infill and rehabilitation.

Strategic Initiative 4: Redevelopment

Encouraging infill and facade rehabilitation efforts is a significant part of this report’s recommendations. Providing the right climate and right incentives for desirable redevelopment is a hallmark of successful downtowns.

Strategic Initiative 5: Housing Development

A critical strategy in downtown commercial development is the creation of additional housing. Time and time again, housing has shown to contribute to the demand for additional shops, services, entertainment and restaurants.

Strategic Initiative 6: Historic Preservation

Historic preservation and rehabilitation can be an ideal economic development strategy for attracting and retaining small business. Exploring elements of the creation of an Historic District could be key to the future of downtown Forest Grove.

Strategic Initiative 7: Visitor Development

Many of the same techniques and businesses that are important to the local market, will draw a wider consumer audience.

## **Forest Grove Vision Statement & 2007 Action Plan**

Over 100 residents and interested citizens participated in developing the Forest Grove Vision statement and Action Plan in 2007. The vision statement serves as the foundation for the update of the Forest Grove Comprehensive Plan and provides a framework for the Urban Renewal Plan. It includes the following objectives and actions:

Historic Preservation Objective 2 – Achieve an activity-filled, vital downtown that attracts residents and non-residents while maintaining the historic authenticity of buildings and landscape.

Arts & Culture Long Term Actions 2 & 5 – Find ways to encourage and support the development of art galleries downtown.

Create a covered meeting space in downtown Forest Grove for public gatherings and events.

Economic Development Objectives 2 and 3 – Attract investment and development of the Quince/Highway 47 node on Pacific and 19<sup>th</sup> Avenues.

- Revitalize downtown leading to stronger sales, increased activity and reduced vacancies.

Actions (Short Term) 5, 7, 9 and 10 – Support establishment of a book store and high-end restaurant in downtown.

- Support and strengthen First Wednesday, Main Course and Holiday Light Parade events that showcase and increase activity in downtown.
- Establish urban renewal district to encourage commercial investment in downtown.
- Work to support commercial redevelopment on large sites at Quince/Pacific Avenues.

Actions (Long Term) 1 – Create “festival Street” on 21<sup>st</sup> Avenue between College and Main Streets on 21<sup>st</sup> Avenue in downtown to support events and activities.

People and Community Building - Actions (Long Term) 2 – Develop an outdoor community gathering place downtown that provides a multi-use area for various community functions.

## **Successful Downtowns and Main Streets**

A recent report titled Successful Downtowns and Main Streets was recently presented to the City of Forest Grove by Civilis Consultants. Some of the lessons offered for successful Downtowns and Main Streets are noted below. Several of these may be helpful to the Urban Renewal Agency as implementation of the Urban Renewal Plan is initiated.

1. Destination versus Impulse Businesses – Emerging and transition districts need a solid base of active destination businesses.
2. Restaurants – Food service is key to making a district a destination, particularly staples that become neighborhood hang-outs: baker, breakfast/lunch dining options, pizza place and a coffee shop are all good examples.
3. Strengthen Nodes – Focus improvement on areas that are already active and engaging, then work to connect them.
4. Tenant for Value – Tenanting to create place and ground floor activation results in long-term value for all downtown stakeholders. Lowering rent initially to get the correct tenant use in the door is a proven strategy that works.
5. Walkability – Every business and every building should contribute to a vibrant and active environment for pedestrians.
6. Space Size and Finish – High ceilings, wood floors, exposed brick, dramatic window lines and old world charm are all valuable. Don't make spaces too big. Flexibility is a must to appeal to the widest possible tenant pool. Spaces divisible down to about 900 square feet are ideal.
7. Connectivity – “Blanks” in a downtown or main street, whether they be vacancies, empty lots, or inward facing office or industrial uses, kill a retail district and lower its ability to generate sales and foot traffic.
8. Promote, Promote, Promote – Event planning, large and small, is a huge part of creating civic identity and driving traffic to the expertise offered by passionate local business owners.
9. Wide Stakeholder Involvement – Active and connected building owners, property owners, public sector officials, and residents can develop and implement strategies to effectively plan events, promote the district and create place. Strong relationships are the key to tenanting, to creating community fabric, and to spurring successful revitalization.

### **Economic Development Commission - 2009/2011 Strategic Plan**

The Forest Grove Economic Development Commission began work on an economic development strategic plan in 2008. The recommendations of the plan help position the City to strengthen the Forest Grove area economy. The Strategic Plan includes several strategies pertinent to the Forest Grove urban renewal district.

Strategy 15 – Inventory and redevelop vacant and underutilized commercial/retail sites. Identify and inventory underutilized or vacant sites and develop tools and tactics to encourage redevelopment.

- Establish Urban Renewal Districts in key commercial redevelopment areas.

Strategy 16 – Improve public infrastructure in downtown. Expand and upgrade public infrastructure amenities in and leading to the downtown to support business growth, shopping and livability.

- Site and build a gathering location such as an urban park
- Develop a festival street on 21<sup>st</sup>
- Ensure adequate parking in downtown
- Improve signage

### **Comprehensive Plan Goals and Policies**

The Comprehensive Plan was adopted in 1980. As noted above, the City is in the process of updating the plan which is intended for adoption by the Planning Commission and City Council in the Spring, 2013. While the Plan is 34 years old, six amendments to the Plan have been executed from 1987 through 2007. There are several Plan goals and policies that are supportive of improving the Town Center. These include:

#### *Related Local Policies from other Elements of the Comprehensive Plan*

3. Encourage and cooperate with the development of a central business district study which would generate a plan for the CBD by December, 1981, addressing major issues confronting the area with particular attention to the historic character of the existing CBD (Commercial Element). The Town Center Plan was adopted in 1997.

#### *Commercial Land Use – Goals*

2. Encourage the opportunity for revitalization of the central business district.

3. Provide for a mix of commercial uses and multi-family housing in the commercial core area.

Commercial Land Use – Policies

3. Encourage improvement of the central Business District by cooperating with the Downtown Business Association and the Oregon Downtown Development Association in their Main Street Program. (Amended by Ord. 87-7)
4. Multi-family dwellings shall be permitted in the Central Business District. (Amended by Ord. 87-7.
5. Sufficient land shall be included in the Central Business District to allow the opportunity for growth and expansion (Amended by Ord. 87-7)
6. Off-street parking for new uses in the Central Business District shall be provided in the best manner possible, provided that it may not be located at the front of buildings. (Amended by Ord. 87-7)
16. Refer to the Forest Grove Town Center Plan for guidance on all downtown-area policies and strategies. (Ord. 99-17, 12/13/99)

Historic Preservation and Scenic Areas – Policies

2. Encourage the use of tax and other financial incentives to individuals who wish to preserve and/or rehabilitate historically significant sites or structures.
5. Encourage utilization of historical structures in designated commercial zones through building adaptation and rehabilitation.

**Conclusion**

The seven planning studies summarized above illustrate Forest Grove’s long term interest in improving the Town Center and the Commercial Corridor to the east. Many of the ingredients of the Town Center Plan completed in 1997 remain valid today. Those most relevant to this new century and the current community desires have been extracted from these plans to demonstrate that an Urban Renewal District is the best tool necessary for them to finally come to fruition.

The other major reason for selecting the proposed Urban Renewal Area are the conditions of “blight” As defined by ORS 457.101(1).

In the commercial areas of the Town Center, there are several vacant storefronts, second and third floor vacancies and completely vacant buildings. In addition, some of the buildings require moderate to major renovation. These conditions reflect a degree of obsolescence and deterioration (ORS 457(1)(a)(E). These conditions demonstrate a growing lack of proper

utilization of the area resulting in a stagnant and unproductive condition of land. These conditions, impact the public health, safety and welfare of the community.

There are also vacant light industrial buildings and associated land areas including the vacant land owned by Woodfold-Marco and the Times Litho property. Within the Town Center, there are vacant lots, residences requiring renovation and several under-utilized properties. The Light and Power Department yard, located at B Street and 18<sup>th</sup> Avenue, is an excellent example of an incompatible use with the existing and planned uses in the Town Center area.

The Mid-Town Corridor is comprised of a variety of land uses, many on under-sized lots. These also include older residences and vacated commercial uses such as Tualatin Chevrolet. This area represents conditions of “blight” associated with obsolescence and mixed character or transitional uses.

The Gateway area at the eastern end of the proposed Urban Renewal District is also a mix of commercial and older residential uses. However, there are also a considerable number of vacant lots including two large parcels which have been land-banked by the owners. Similar to the Mid-Town Corridor, this area represents conditions of “blight” associated with obsolescence and mixed-character of uses. In addition, the large amount of vacant land shows a stagnant and unproductive condition of several land areas potentially useful and valuable for contributing to the public health, safety and welfare of the community.

## **IV. RELATIONSHIP BETWEEN THE PROJECTS TO BE UNDERTAKEN IN THE PROGRAM AND THE EXISTING CONDITIONS IN THE AREA**

There are five project categories that are specifically designed to address the existing conditions in the Urban Renewal Area. These include:

- Acquisition of Redevelopment Opportunity Sites from willing sellers
- Redevelopment Project Assistance
- Sustainability Incentive Program
- Grant Project Matching Funds
- Program Administration

### **Acquisition of Redevelopment Opportunity Sites**

As described in Section III above there are existing site conditions in all three sub-areas of the Urban Renewal District that invite redevelopment. The Town Center Area has existing former industrial properties that are either vacant or underutilized. These sites are suited for acquisition and clearance, as necessary, for redevelopment consistent with the character of the Town Center as a mixed-use retail and residential area. There are also smaller sites where in-fill at an urban scale is consistent with the existing retail and office uses.

The mid-town area also has vacant and underutilized properties where medium density residential uses and automobile oriented commercial could strengthen the existing land use pattern and improve property values.

### **Redevelopment Project Assistance**

The Quince/Pacific Avenue Gateway area has large vacant parcels adjacent to the Gateway intersection. As the economy is strengthening, these larger parcels offer unique opportunities for new development by their owners/developers. Based on past experience, they may need assistance from the Urban Renewal Agency with their project development soft costs such as market feasibility studies, engineering reports and environmental or traffic impact assessments.

This type of project assistance may also be needed in the Mid-Town area and Town Center but the scope of the assistance may be more limited.

### **Sustainability Incentive Program**

The Sustainability Incentive Program isn't proposed to address specific "blighting" conditions in the Urban Renewal Area but rather to promote sustainability practices by business owners and

project developers. This can include some of the techniques described in Section VII of the Report. The Sustainability Incentive Program responds to Metro's desire to encourage sustainable development practices through redevelopment activities.

### **Grant Project Matching Funds**

There are many state, federal and Metro grant programs available to communities for specific projects. One of the values of an urban renewal program is that the agency's funds can be utilized as a "local match" to increase the funds available for specific projects. There are many needs in the proposed Urban Renewal Area where loan and grant programs would be very beneficial.

### **Program Administration**

The Urban Renewal Agency will be responsible for managing the projects and programs throughout the Urban Renewal District. At the beginning of the program, the agency should initiate projects in all of the three sub-areas which have high visibility in the community.

## V. CITIZEN PARTICIPATION

The citizen participation program included work sessions with the City Council and Planning Commission, a community open house, and an urban renewal working group made up of property owners and representatives from the City Council, Planning Commission, Budget Committee and Economic Development Commission. During the plan preparation process five City Council work sessions were held. An additional work session was held with the Planning Commission. The urban renewal working group met four times over a two month period. Comments and suggestions received from the citizen participation meetings were considered as part of preparing the urban renewal plan. Specifically, comments influenced the proposed urban renewal boundary, project categories and cost allocations.

Approximately 28 persons attended the community open house held on September 12, 2012. The open house provided information on urban renewal, the concept of tax increment financing, and feasibility of establishing an urban renewal program in Forest Grove.

### Meeting Dates

City Council Work Sessions:

October 10, 2011;

February 6, 2012;

August 13, 2012;

September 24, 2012; and

February 11, 2013

Planning Commission Work Session: December 5, 2011

Community Open House: September 12, 2012

Working Group Meeting #1: April 4, 2013;

Working Group Meeting #2: April 11, 2013;

Working Group Meeting #3: May 2, 2013; and

Working Group Meeting #4: May 16, 2013

In accordance with ORS 457.120, all utility customers in the City were notified in writing of the City Council's intent to adopt the urban renewal plan and report.

## **VI. RELOCATION REPORT**

According to ORS 457.085 (3)(i) A Relocation Report shall include:

- (A) An Analysis of existing residents or businesses required to relocate permanently or temporarily as a result of agency actions under ORS 457.170;
- (B) A description of the methods to be used for the temporary or permanent relocation of persons living in, and businesses situated in, the urban renewal area in accordance with ORS 35.500 to 35.530; and
- (C) An enumeration, by cost range, of the existing housing units in the urban renewal areas of the plan to be destroyed or altered and new units to be added.

No relocation of existing residences or businesses is planned for the Urban Renewal District. Therefore, no Relocation Report is included in the Urban Renewal Report.

## **VII. PROJECT COSTS & TIMING**

### **A. Introduction**

The City of Forest Grove is establishing an urban renewal agency and adopting an urban renewal plan. The plan area is focused on the Forest Grove Town Center and Pacific Avenue corridor. The area includes the Town Center, Pacific Avenue/19<sup>th</sup> Street corridor and area surrounding the Quince Street/Oregon Highway 8 intersection.

Urban renewal has been an effective tool for stimulating public and private investment in areas in need of revitalization throughout Oregon. The most effective urban renewal programs are focused with clearly defined goals, objectives and project outcomes.

An initial assessment of the financial feasibility of a Forest Grove urban renewal program was recently completed by the Benkendorf Associates Corp. and Johnson Reid, LLC. The assessment was based on very conservative assumptions regarding growth in the taxable value of property. Two scenarios were evaluated for feasibility. The first scenario was based on a 2.4% annual increase in the taxable value of property. This growth rate of 2.4% is consistent with the historical average increase within Forest Grove over the past few years. The second scenario reflected a 3.0% annual increase in the taxable value of property. A growth rate of 3.0% is consistent with the typical maximum rate of growth applied to the taxable assessed value of property permitted under state law.

Based on the assumptions described above, an urban renewal area including the Forest Grove Town Center and Pacific Avenue corridor could likely generate approximately \$9.7 million in tax increment revenue over a twenty year period. Substantial new development and redevelopment will be necessary to generate tax increment revenue in excess of this amount. Expanding the urban renewal boundary or increasing the duration of the urban renewal program are potential options for increasing tax increment revenue during the life of the Urban Renewal Plan.

The allocation of revenue to potential project categories is based on the 20-year tax increment revenue projections prepared by Johnson-Reid and presented to the urban renewal working group on April 11, 2013.

The Urban Renewal Plan must identify anticipated projects including estimated cost and timeline for completion. Possible urban renewal projects are described below. These projects reflect the modest amount of tax increment funds expected during a twenty-year period. The projects include acquisition of redevelopment opportunity sites, redevelopment project assistance, a sustainability incentive program, set-aside program for matching funds needed for grants benefitting the urban renewal area and project administration.

The following is a description of each of the possible projects, with estimated completion date. The projects proposed for this Urban Renewal Area are programmatic in nature and expected to last through the 20-year life of the district. Therefore the expected completion date is 2033 for most of these projects. The only exception is the first project involving acquisition of sites, which is not a program. However, acquisition activities may extend to the end of the 20-year period, and therefore the listed completion date remains 2033.

## **B. Planned Projects**

### **1. Acquisition of Redevelopment Opportunity Sites**

An urban renewal agency may purchase property for urban renewal projects including redevelopment of sites or infrastructure improvements. Under state law, the urban renewal agency could redevelop the property or dispose of the property to a third party for redevelopment. Acquisition could be fee-simple or less-than-fee simple purchases such as easements or leaseholds. Redevelopment opportunity sites for purchase must be identified in the urban renewal plan. The urban renewal plan could authorize the purchase of property from willing sellers for redevelopment projects. In addition, the urban renewal plan could authorize use of eminent domain powers for infrastructure projects. The use of eminent domain is a policy question for City Council consideration. The City Council could decide to use eminent domain when necessary for urban renewal projects or forego the use entirely if desired.

To spur development, the urban renewal agency may sell land at below market cost. The sale price of the property should be determined based on fair reuse value. Fair reuse value is simply the value of the property, set by the Urban Renewal Agency, taking into account the condition of the property, cost of development, type of development desired and conditions imposed by the urban renewal agency. Typically as-is and as-developed appraisals are prepared to help determine fair reuse value.

Estimated Tax Increment Allocation: \$3,000,000

Estimated Time of Completion: 2033

#### Potential Acquisition Sites:

- a) Gravel parking lot north of 19<sup>th</sup> Avenue, east of City Hall
- b) Parking lot north of 19<sup>th</sup> and west of Main Street
- c) Gravel parking lot south of 19<sup>th</sup> Avenue east of Council Street
- d) Times-Litho Site, A Street, between Pacific and 2st Avenues
- e) Albertson Site (southwest of Pacific Avenue and Quince Street intersection)
- f) Haggen Site (southeast corner of Pacific Avenue and Quince Street intersection)

Potential Uses:

- Town Center Public Plaza.
- Transit-Oriented Development
- Mixed-Use Development incorporating housing, retail or office uses
- Stand Alone Residential Development addressing document housing needs
- Building Rehabilitation
- Site Clearance and Preparation
- Environmental Remediation

**2. Redevelopment Project Assistance**

Another tool that is available is urban renewal agency participation in projects meeting the goals and objectives of the adopted urban renewal plan. Urban renewal agency participation could be focused on reducing hard project costs, paying for certain soft costs or reducing financing expenses. The idea is that lowering development costs would induce private investment to pursue a project.

Project hard costs include site preparation and construction expenses. Soft costs include pre-development activities such as preparation of market feasibility studies, engineering reports, environmental analysis or traffic impact assessments. Soft costs may also include fees and charges such as System Development Charges (SDCs). SDC waivers or write downs are effective ways to reduce project costs through urban renewal participation. Reducing project financing costs could also be achieved through direct low interest loans or grants provided to the project.

Estimated Tax Increment Allocation: \$5,000,000

Estimated Time of Completion: 2033

Purpose

Encourage development of vacant property and redevelopment of underutilized property. Promote use of prior investments in infrastructure and increase the tax base. Redevelopment project assistance could include direct loans and grants for construction of physical improvements, system development charge reductions or offsets, funding of pre-development activities such as market feasibility studies, engineering reports, environmental analysis, or traffic impact assessments. Redevelopment project assistance could also include write-downs, participation in funding and constructing off-site improvements and building upgrades to meet building and development code requirements for mixed-use development.

### Typical System Development Charges (SDC)

A description of current system development charges applicable to new development is provided below. System development charges reflect the impact that development has on existing systems including excess capacity previously publicly funded. In some instances the amount of system development charges create a barrier to the financial feasibility of new development meeting public objectives for land-efficient development, needed housing and mixed-use projects.

TDT<sup>1</sup> (Apartment) \$4,325

TDT (Condo) \$3,976

TDT (Office) \$6,869 TSFGFA<sup>2</sup>

TDT (Quality Restaurant) \$19,280 TSFGFA

TDT (High Turnover Restaurant) \$16,573 TSFGFA

Water SDC \$4,212 per unit

Sanitary SDC \$4,800

Park SDC \$3,000

### **3. Exterior Building Improvement Program**

The project category would provide funding for improvements to building exteriors including façade improvements, awnings and canopies, exterior lighting, and exterior improvements intended to generally improve buildings, return historically designated buildings to their original historic character or meet design standards and guidelines applicable to new construction. This category would also fund seismic upgrades and ADA accessibility improvements up to established per project funding limits.

Estimated Tax Increment Allocation: \$1,000,000

Estimated Time of Completion: 2033

### **4. Interior Building Improvement Program**

This project category is intended to assist property owners with costs associated with meeting contemporary building code requirements and hard and soft costs related to building rehabilitation/restoration, environmental remediation, ADA accessibility

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<sup>1</sup> TDT: Transportation Development Tax

<sup>2</sup> TSFGFA: Thousand Square Feet of Gross Floor Area

improvements, seismic upgrades within buildings, energy efficiency, HVAC, electrical, plumbing, and tenant improvements subject to an executed lease and per project funding limits. Funding for tenant improvements should focus on filling vacant space and creating jobs.

Purpose: Expand housing options and create jobs

Estimated Tax Increment Allocation: \$1,000,000

Estimated Time of Completion: 2033

#### Examples

- ADA accessibility improvements
- Seismic upgrades
- Tenant improvements to support business retention and expansion

### **5. Sustainability Incentive Program**

Sustainability is a public objective cited in planning documents including urban renewal plans. Sustainability initiatives are often intended to increase the use of raw materials for building and energy production that are developed through sustainable practices. Sustainable practices include features such as bio-swales, green roofs, and pervious surfaces to name a few. Other examples of sustainable practices include the use of wind or solar power for energy generation, purchase of raw materials from local sources, or wood using sustainable timber harvesting practices. In addition, Sustainability initiatives that encourage or support transit may encourage reductions in greenhouse gas production. Meeting these public objectives may increase project costs. Higher costs may be associated with compliance procedures or acquisition of new technologies. A set aside for partial funding of sustainability improvements could encourage meeting sustainability standards. For example, funds could be used for specific sustainability elements such as installing solar panels, adaptive reuse of existing buildings, or building low or net zero energy buildings.

Estimated Tax Increment Allocation: \$300,000

Estimated Time of Completion: 2033

### **6. Grant Project Matching Funds**

Many grants are available from private and public sources. Having this funding available would provide the opportunity to leverage urban renewal funds with other sources to

complete needed projects. Grant opportunities tend to focus on specific planning activities or capital improvements. Grants typically require a match from the grant award recipient. This program would establish a funding set aside to provide required match for projects meeting urban renewal goals and objectives. Supplementing tax increment proceeds with grant funds could be especially useful during the early years of the urban renewal program when tax increment proceeds are expected to be minor.

Estimated Tax Increment Allocation: \$300,000

Estimated Time of Completion: 2033

Typical match is 10%. Therefore, this set aside could leverage an addition \$3,000,000 for urban renewal programs.

**7. Program Administration**

This project includes funding for administration of the urban renewal program. Administration includes project management, regulatory compliance, bond issuance expenses and legal expenses. Program administration is estimated to require approximately 3.6% of program revenue during the duration of the urban renewal program.

Estimated Tax Increment Allocation: \$400,000 (\$20,000 per year)

Estimated Time of Completion: 2033

The table below shows funding allocations for the projects identified above. The table also shows the percentage of total resources allocated to the project. The estimated total allocation of \$11,000,000 would be funded through bond proceeds and tax increment revenue not required for debt service.

**Figure 6: Summary of Estimated Project Costs**

<b>Project</b>	<b>Estimated Allocation</b>	<b>Percent</b>
Land Acquisition	\$3,000,000	27.3%
Redevelopment Project Assistance	\$5,000,000	45.5%
Sustainability Incentive Program	\$300,000	2.7%
Exterior Building Improvement Program	\$1,000,000	9.1%
Interior Building Improvement Program	\$1,000,000	9.1%
Grant Project Matching Funds	\$300,000	2.7%
Program Administration (20-years)	\$400,000	3.6%
<b>Total</b>	<b>\$11,000,000.00</b>	<b>100%</b>

## VIII. FINANCIAL ANALYSIS OF THE PLAN

### A. Anticipated Tax Increment Revenues

The following table presents the estimated projection of Tax Increment Financing (TIF) revenues to the Urban Renewal District over the 20-year period beginning tax year 2013/14 and ending tax year 2032/33.

The tax increment is the difference between the total assessed value in the district in a given year, and the total assessed value in the district at the time the plan is approved. At the time of approval, ad valorem tax revenue from all applicable taxing jurisdiction is “frozen” at current levels, and all additional revenue which results from growth of assessed value in the district provides TIF revenue to the Urban Renewal District to fund its plans and activities.

The following table assumes an annual growth rate in assessed value of 3%. 3% is the automatic assessed value escalation allowed under Oregon law stemming from the passage of Measure 50 in 1997. The actual growth rate in assessed value in the district may be more or less than this assumed rate, but 3% is assumed to be a conservative rate.

The projected revenue under a higher rate of 4.5% is included here for reference to indicate the potential for higher revenue from urban renewal activities, but the official rate assumed in this Plan and Report, and reflected in the subsequent tables is 3%.

**Figure 7: Projected Tax Increment Revenue  
Forest Grove Urban Renewal Area, 20-Year Forecast**

Tax Year	Planning Area Levy Rate (per \$1,000 TAV)	
	15.4527	15.4527
	Medium Growth (M50) 3.0%	High Growth 4.5%
2012-13	\$0	\$0
2013-14	\$49,971	\$74,957
2014-15	\$77,811	\$117,578
2015-16	\$118,475	\$180,365
2016-17	\$160,360	\$245,977
2017-18	\$203,501	\$314,541
2018-19	\$247,936	\$386,191
2019-20	\$293,704	\$461,065
2020-21	\$340,846	\$539,308
2021-22	\$389,402	\$621,072
2022-23	\$439,414	\$706,516
2023-24	\$490,927	\$795,805
2024-25	\$543,985	\$889,112
2025-26	\$598,635	\$986,617
2026-27	\$654,924	\$1,088,510
2027-28	\$704,981	\$1,181,711
2028-29	\$764,035	\$1,291,745
2029-30	\$824,860	\$1,406,730
2030-31	\$887,510	\$1,526,889
2031-32	\$952,040	\$1,652,456
2032-33	\$1,018,506	\$1,783,673
<b>20-Year Revenue</b>	<b>\$9,761,821</b>	<b>\$16,250,815</b>

Source: Washington County Assessor, Johnson Reid LLC

## B. Forecast of Revenue and Indebtedness

The following table presents the anticipated schedule of TIF revenue and indebtedness (bonding) of the Urban Renewal district. The Urban Renewal Agency reserves the right to change this anticipated bonding schedule to adapt to facts on the ground within the district during its lifetime. The Urban Renewal Agency reserves the right to take on new indebtedness until the 20<sup>th</sup> year (2032/33) if necessary to complete the projects as described in the Plan and this Report, which may extend the period of debt repayment beyond what is shown in the following table. (Further explanation is provided following the table.)

**Figure 8: Forecast of Urban Renewal Program Revenue and Indebtedness**

1	2	3	4	5	6	7	8	9	10
Program Year	Tax Year	Total Annual TIF Revenue	Bond Issuance (Year 3) /Principal	Bond Issuance (Year 8) /Principal	Bond Issuance (Year 15) /Principal	Total Annual Debt Service	Annual TIF Revenue (Minus Debt Service)	Projected Annual Program Revenues	Revenue to Other Taxing Jurisdictions (Year 21 +)
	2012-13	\$0				\$0	\$0	\$0	
1	2013-14	\$49,971				\$0	\$49,971	\$49,971	
2	2014-15	\$77,811				\$0	\$77,811	\$77,811	
3	2015-16	\$118,475	\$918,714			\$78,983	\$39,492	\$958,206	
4	2016-17	\$160,360	\$893,739			\$78,944	\$81,416	\$81,416	
5	2017-18	\$203,501	\$867,266			\$78,903	\$124,597	\$124,597	
6	2018-19	\$247,936	\$839,204			\$78,862	\$169,074	\$169,074	
7	2019-20	\$293,704	\$809,459			\$78,819	\$214,885	\$214,885	
8	2020-21	\$340,846	\$777,928	\$2,032,224		\$253,489	\$87,357	\$2,119,581	
9	2021-22	\$389,402	\$744,506	\$1,976,979		\$253,357	\$136,045	\$136,045	
10	2022-23	\$439,414	\$709,079	\$1,918,419		\$253,221	\$186,193	\$186,193	
11	2023-24	\$490,927	\$671,526	\$1,856,346		\$253,082	\$237,845	\$237,845	
12	2024-25	\$543,985	\$631,720	\$1,790,548		\$252,939	\$291,046	\$291,046	
13	2025-26	\$598,635	\$589,526	\$1,720,802		\$252,793	\$345,842	\$345,842	
14	2026-27	\$654,924	\$544,800	\$1,646,872		\$252,643	\$402,281	\$402,281	
15	2027-28	\$704,981	\$497,390	\$1,568,505	\$3,508,842	\$554,150	\$150,831	\$3,659,673	
16	2028-29	\$764,035	\$447,136	\$1,485,437	\$3,413,456	\$553,842	\$210,192	\$210,192	
17	2029-30	\$824,860	\$393,866	\$1,397,385	\$3,312,346	\$553,526	\$271,334	\$271,334	
18	2030-31	\$887,510	\$337,400	\$1,304,049	\$3,205,170	\$553,203	\$334,308	\$334,308	
19	2031-32	\$952,040	\$277,547	\$1,205,114	\$3,091,563	\$552,871	\$399,169	\$399,169	
20	2032-33	\$1,018,506	\$214,102	\$1,100,242	\$2,971,140	\$552,532	\$766,840	\$766,840	
21	2033-34	\$1,086,965	\$146,850	\$989,078	\$2,843,492	\$552,185		\$534,781	
22	2034-35	\$1,157,479	\$75,564	\$871,244	\$2,708,185	\$551,829		\$605,649	
23	2035-36	\$1,230,107		\$746,340	\$2,564,759	\$473,485		\$756,623	
24	2036-37	\$1,304,915		\$613,942	\$2,412,728	\$473,175		\$831,740	
25	2037-38	\$1,381,967		\$473,600	\$2,251,575	\$472,859		\$909,108	
26	2038-39	\$1,461,330		\$324,838	\$2,080,752	\$472,536		\$988,794	
27	2039-40	\$1,543,075		\$167,150	\$1,899,680	\$472,206		\$1,070,869	
28	2040-41	\$1,627,271			\$1,707,744	\$299,372		\$1,327,899	
29	2041-42	\$1,713,994			\$1,504,292	\$299,166		\$1,414,828	
30	2042-43	\$1,803,318			\$1,288,633	\$298,955		\$1,504,363	
31	2043-44	\$1,895,322			\$1,060,034	\$298,739		\$1,596,583	
32	2044-45	\$1,990,086			\$817,719	\$298,519		\$1,691,567	
33	2045-46	\$2,087,693			\$560,866	\$298,295		\$1,789,398	
34	2046-47	\$2,188,228			\$288,601	\$298,066		\$1,890,162	
35	2047-48	\$2,291,779						\$2,291,779	
<b>TOTAL Projected Revenue:</b>								<b>\$11,036,308</b>	

Source: City of Forest Grove, Johnson Reid LLC

All figures in this table are projections based on a number of assumptions. Actual district performance in terms of revenue and bonding schedule may differ significantly from the above projections. This table is meant to demonstrate that the Plan and projects are feasible.

- Column 3 of the table presents the total anticipated TIF revenue by year.
- Columns 4, 5 and 6 present the anticipated revenue of three bond issues, the first in the 3<sup>rd</sup> year of the plan, the second in the 8<sup>th</sup> year, and the last in the 15<sup>th</sup> year. The estimated bond amounts are based on the estimated debt payment supportable by TIF revenue in that year. The calculation assumes a conservative debt coverage ratio of 1.5, meaning that the total allowable debt payment would be the total TIF revenue of the year of debt issuance, divided by 1.5. This means that a cushion exists between the expected revenue and the debt service payment, in case revenues are lower than projected. The calculation also assumes a conservative rate of 6% over a 20-year term.
- In Columns 4 through 6, the highlighted top number represents the amount of debt taken on, while the trailing numbers below represent the amount of principal left on the debt over the 20-year payment period.
- Column 7 presents the anticipated total debt service of the two bonds over the total repayment period.
- Column 9 presents the total revenue by year, including TIF revenues and bond proceeds. It is projected that annual TIF revenues will accrue to the district after debt service is accounted for. Therefore total district revenue is a mixture of TIF revenue and debt.
- Column 10 presents the projected return of property tax revenue to the other taxing jurisdictions, once remaining debt service payments are accounted for, beginning in the 21<sup>st</sup> year.

The projected annual program revenue in Column 9 is the sum total of bond proceeds from the three bond issues (Columns 4, 5, and 6) and annual tax increment revenue minus debt service (Column 8). The total amount shown Column 9 (Projected Annual Program Revenues) of approximately \$11 million is consistent with the total estimated allocation of revenue for all projects shown on Figure 6 on Page 30. Therefore, project funding requirements are met based on projected program revenue during the duration of the urban renewal plan and the urban renewal program is financially feasible,

### **C. Anticipated Year in Which Indebtedness Will Be Retired**

According to the above projections, subject to all assumptions, the final year of indebtedness would be the 34<sup>th</sup> year (2046/47). Increment revenue (minus remaining debt service payments) is returned to taxing jurisdictions beginning in the 21<sup>st</sup> year. As noted above, the Urban Renewal Agency reserves the right to assume new indebtedness until the 20<sup>th</sup> year, which may extend debt payment beyond that shown in the above table.

**D. Statement of Fiscal Impact on Other Jurisdictions Under ORS 457.420-440**

The use of tax increment financing creates a fiscal impact on the taxing districts (e.g. the City, the County, community college) that levy taxes within the Area. This impact consists of those districts foregoing the taxes that would have been levied on the increase in assessed value within the Area while tax increment financing is in effect. Figure 10 (on the following page) shows projected impacts on other taxing jurisdictions until the final year of indebtedness. After the 20<sup>th</sup> year, some incremental tax revenues begin to be returned to the jurisdictions (minus that needed for ongoing debt service payments).

The City’s revenue from its local option levy is not included in the division of taxes for Urban Renewal and therefore is not impacted. Based on the incremental increase in the value of taxable property within the urban renewal area the City will collect approximately \$1.3 million from the special levy. This analysis is based on a 3% annual increase in the taxable value of property within the urban renewal area and continuation of the special levy during the duration of the urban renewal plan at the current rate of \$1.60 per \$1,000 in taxable assessed value. The table below shows the estimated annual revenue from the special levy based on the incremental increase in the taxable assessed value of property within the urban renewal area.

**Figure 9: Estimated 20-Year Special Levy Revenue**

Program Year	Incremental Value	Special Levy Revenue
2013-14	\$3,233,806	\$5,174
2014-15	\$6,564,626	\$10,503
2015-16	\$9,995,371	\$15,993
2016-17	\$13,529,038	\$21,646
2017-18	\$17,168,715	\$27,470
2018-19	\$20,917,582	\$33,468
2019-20	\$24,778,915	\$39,646
2020-21	\$28,756,089	\$46,010
2021-22	\$32,852,577	\$52,564
2022-23	\$37,071,961	\$59,315
2023-24	\$41,417,925	\$66,269
2024-25	\$45,894,269	\$73,431
2025-26	\$50,504,903	\$80,808
2026-27	\$55,253,856	\$88,406
2027-28	\$60,145,277	\$96,232
2028-29	\$65,183,442	\$104,294
2029-30	\$70,372,751	\$112,596
2030-31	\$75,717,739	\$121,148
2031-32	\$81,223,077	\$129,957
2032-33	\$86,893,576	\$139,030
Total		\$1,323,961

School district ad valorem tax revenue is included in the division of taxes, however, due to the fact that school funding in Oregon is aggregated at the state level and redistributed to the local districts per pupil, the diminishment of revenue will be felt at the much larger level of the state pool, and the actual impacts to the Forest Grove School District will be minimal.

Subsequent to the retirement of all debt in the 34<sup>th</sup> year, the other taxing jurisdictions would share an increase in total revenue of \$2.29 million in the 35<sup>th</sup> year, at the growth rate assumed in this analysis. The distribution in that year of what was formerly the tax increment would provide additional revenues to the jurisdictions as follows:

**Figure 10: Forecasted Annual Revenue to Taxing Jurisdictions**

**35<sup>th</sup> Year**

<b>Taxing Jurisdiction</b>	<b>Frozen Base</b>	<b>New Revenue</b>	<b>Total</b>
Washington County	\$242,400	\$439,600	\$682,000
Metro	\$10,400	\$18,900	\$29,300
Port of Portland	\$7,600	\$13,700	\$21,300
City of Forest Grove	\$426,400	\$773,400	\$1,199,800
Portland Community College	\$30,500	\$55,300	\$85,800
Forest Grove School District #15	\$529,700	\$960,800	\$1,490,500
NW Regional ESD	\$16,600	\$30,100	\$46,700
<b>Totals:</b>	<b>\$1,263,600</b>	<b>\$2,291,800</b>	<b>\$3,555,400</b>

**Figure 11: Forecast of Revenue Impacts on Taxing Jurisdictions  
Until First Year After Indebtedness**

Program Year	Tax Year	Washington County		Metro		Port of Portland		City of Forest Grove		Portland Community College		Forest Grove School District #15		NW Regional ESD	
		Divisible Tax Rate	Revenue	Divisible Tax Rate	Revenue	Divisible Tax Rate	Revenue	Divisible Tax Rate	Revenue	Divisible Tax Rate	Revenue	Divisible Tax Rate	Revenue	Divisible Tax Rate	Revenue
			\$0		\$0		\$0		\$0		\$0		\$0		\$0
1	2013-14	2.3801	\$7,700	0.0966	\$300	0.0701	\$200	3.9554	\$12,800	0.2828	\$900	4.9142	\$15,900	0.1538	\$500
2	2014-15	2.3801	\$15,600	0.0966	\$600	0.0701	\$500	3.9554	\$26,000	0.2828	\$1,900	4.9142	\$32,300	0.1538	\$1,000
3	2015-16	2.3801	\$23,800	0.0966	\$1,000	0.0701	\$700	3.9554	\$39,500	0.2828	\$2,800	4.9142	\$49,100	0.1538	\$1,500
4	2016-17	2.3801	\$32,200	0.0966	\$1,300	0.0701	\$900	3.9554	\$53,500	0.2828	\$3,800	4.9142	\$66,500	0.1538	\$2,100
5	2017-18	2.3801	\$40,900	0.0966	\$1,700	0.0701	\$1,200	3.9554	\$67,900	0.2828	\$4,900	4.9142	\$84,400	0.1538	\$2,600
6	2018-19	2.3801	\$49,800	0.0966	\$2,000	0.0701	\$1,500	3.9554	\$82,700	0.2828	\$5,900	4.9142	\$102,800	0.1538	\$3,200
7	2019-20	2.3801	\$59,000	0.0966	\$2,400	0.0701	\$1,700	3.9554	\$98,000	0.2828	\$7,000	4.9142	\$121,800	0.1538	\$3,800
8	2020-21	2.3801	\$68,400	0.0966	\$2,800	0.0701	\$2,000	3.9554	\$113,700	0.2828	\$8,100	4.9142	\$141,300	0.1538	\$4,400
9	2021-22	2.3801	\$78,200	0.0966	\$3,200	0.0701	\$2,300	3.9554	\$129,900	0.2828	\$9,300	4.9142	\$161,400	0.1538	\$5,100
10	2022-23	2.3801	\$88,200	0.0966	\$3,600	0.0701	\$2,600	3.9554	\$146,600	0.2828	\$10,500	4.9142	\$182,200	0.1538	\$5,700
11	2023-24	2.3801	\$98,600	0.0966	\$4,000	0.0701	\$2,900	3.9554	\$163,800	0.2828	\$11,700	4.9142	\$203,500	0.1538	\$6,400
12	2024-25	2.3801	\$109,200	0.0966	\$4,400	0.0701	\$3,200	3.9554	\$181,500	0.2828	\$13,000	4.9142	\$225,500	0.1538	\$7,100
13	2025-26	2.3801	\$120,200	0.0966	\$4,900	0.0701	\$3,500	3.9554	\$199,800	0.2828	\$14,300	4.9142	\$248,200	0.1538	\$7,800
14	2026-27	2.2484	\$124,200	0.0966	\$5,300	0.0701	\$3,900	3.9554	\$218,600	0.2828	\$15,600	4.9142	\$271,500	0.1538	\$8,500
15	2027-28	2.2484	\$135,200	0.0966	\$5,800	0.0701	\$4,200	3.9554	\$237,900	0.2828	\$17,000	4.9142	\$295,600	0.1538	\$9,300
16	2028-29	2.2484	\$146,600	0.0966	\$6,300	0.0701	\$4,600	3.9554	\$257,800	0.2828	\$18,400	4.9142	\$320,300	0.1538	\$10,000
17	2029-30	2.2484	\$158,200	0.0966	\$6,800	0.0701	\$4,900	3.9554	\$278,400	0.2828	\$19,900	4.9142	\$345,800	0.1538	\$10,800
18	2030-31	2.2484	\$170,200	0.0966	\$7,300	0.0701	\$5,300	3.9554	\$299,500	0.2828	\$21,400	4.9142	\$372,100	0.1538	\$11,600
19	2031-32	2.2484	\$182,600	0.0966	\$7,800	0.0701	\$5,700	3.9554	\$321,300	0.2828	\$23,000	4.9142	\$399,100	0.1538	\$12,500
20	2032-33	2.2484	\$195,400	0.0966	\$8,400	0.0701	\$6,100	3.9554	\$343,700	0.2828	\$24,600	4.9142	\$427,000	0.1538	\$13,400
21	2033-34	2.2484	\$105,921	0.0966	\$4,551	0.0701	\$3,302	3.9554	\$186,337	0.2828	\$13,323	4.9142	\$231,505	0.1538	\$7,245
22	2034-35	2.2484	\$105,853	0.0966	\$4,548	0.0701	\$3,300	3.9554	\$186,217	0.2828	\$13,314	4.9142	\$231,356	0.1538	\$7,241
23	2035-36	2.2484	\$90,825	0.0966	\$3,902	0.0701	\$2,832	3.9554	\$159,779	0.2828	\$11,424	4.9142	\$198,510	0.1538	\$6,213
24	2036-37	2.2484	\$90,765	0.0966	\$3,900	0.0701	\$2,830	3.9554	\$159,675	0.2828	\$11,416	4.9142	\$198,381	0.1538	\$6,209
25	2037-38	2.2484	\$90,705	0.0966	\$3,897	0.0701	\$2,828	3.9554	\$159,568	0.2828	\$11,409	4.9142	\$198,248	0.1538	\$6,205
26	2038-39	2.2484	\$90,643	0.0966	\$3,894	0.0701	\$2,826	3.9554	\$159,459	0.2828	\$11,401	4.9142	\$198,113	0.1538	\$6,200
27	2039-40	2.2484	\$90,579	0.0966	\$3,892	0.0701	\$2,824	3.9554	\$159,348	0.2828	\$11,393	4.9142	\$197,974	0.1538	\$6,196
28	2040-41	2.2484	\$57,426	0.0966	\$2,467	0.0701	\$1,790	3.9554	\$101,024	0.2828	\$7,223	4.9142	\$125,513	0.1538	\$3,928
29	2041-42	2.2484	\$57,386	0.0966	\$2,466	0.0701	\$1,789	3.9554	\$100,955	0.2828	\$7,218	4.9142	\$125,426	0.1538	\$3,925
30	2042-43	2.2484	\$57,346	0.0966	\$2,464	0.0701	\$1,788	3.9554	\$100,883	0.2828	\$7,213	4.9142	\$125,338	0.1538	\$3,923
31	2043-44	2.2484	\$57,305	0.0966	\$2,462	0.0701	\$1,787	3.9554	\$100,811	0.2828	\$7,208	4.9142	\$125,248	0.1538	\$3,920
32	2044-45	2.2484	\$57,262	0.0966	\$2,460	0.0701	\$1,785	3.9554	\$100,737	0.2828	\$7,202	4.9142	\$125,155	0.1538	\$3,917
33	2045-46	2.2484	\$57,219	0.0966	\$2,458	0.0701	\$1,784	3.9554	\$100,661	0.2828	\$7,197	4.9142	\$125,061	0.1538	\$3,914
34	2046-47	2.2484	\$57,176	0.0966	\$2,456	0.0701	\$1,783	3.9554	\$100,584	0.2828	\$7,191	4.9142	\$124,965	0.1538	\$3,911
35	2047-48	2.2484	\$0	0.0966	\$0	0.0701	\$0	3.9554	\$0	0.2828	\$0	4.9142	\$0	0.1538	\$0
Total Revenue Foregone:			<b>\$2,970,611</b>		<b>\$125,717</b>		<b>\$91,148</b>		<b>\$5,148,937</b>		<b>\$368,131</b>		<b>\$6,397,094</b>		<b>\$200,247</b>
2013 Dollars (3% Inflation):			<b>\$1,764,700</b>		<b>\$74,400</b>		<b>\$53,900</b>		<b>\$3,045,500</b>		<b>\$217,700</b>		<b>\$3,783,800</b>		<b>\$118,400</b>

## **APPENDIX**

The following is a summary of potential redevelopment candidate projects within the Urban Renewal Area. Most feature some element of blight as discussed in Section II of this report. The properties included may or may not develop during Plan period, and their inclusion here does not imply the use of public funding for any development that occurs. This list is illustrative and not meant to be exhaustive.

## APPENDIX A

### Potential Redevelopment Opportunity Sites

	Site	Zoning	Taxlot Number	Acreage
1	Woodfold (1821 Main Street)	TCS	1S306BB13800	2.04
2	Gravel Parking Lot	TCS	1S306BB10500	0.36
3	Former Service Station	TCS	1S306BA06500	0.31
4	Albertson's Site	CC	Various	8.32
5	Haggen Site	CC	Various	9.91
6	Cain Petroleum	CC	1S306BA03400	0.48
7	Poppio's	CC	1S306AB00700	0.38
8	Main/21st Parking Lot	INST	1S306BB01900	0.82
9	Wells Fargo Parking Lot	TCS	1S306BB01700	0.99
10	Main/19 <sup>th</sup> Avenue Parking Lot	INST	1S306BB07800	0.21
11	1917 19 <sup>th</sup> Avenue	TCS	1S306BB07700	0.11
12	Times Litho	TCS/TCT	Various	2.55
13	Schlegel Property (19 <sup>th</sup> Avenue)	TCS	Various	0.98

**Area #1**  
**Woodfold**  
**1821 Main Street**

Zoning: Town Center Support  
Acreage: 2.04 acres  
Current Use: Warehouse and underutilized land



**Area #2**  
**Gravel Parking Lot**

Zoning: Town Center Support  
Acreage: 0.36 acres  
Current Use: Parking for downtown employees and visitors



**Area #3**  
**Former Service Station**  
**2134 19<sup>th</sup> Avenue**

Zoning: Town Center Support  
Acreage: 0.31

Current: Vacant former service station and underutilized land



**Area #4  
Albertson's Site**

Zoning: Community Commercial  
Acreage 8.32

Current Use: Vacant land



**Area #5  
Haggen Site**

Zoning: Community Commercial  
Acreage: 9.91

Current Use: Vacant Land



**Area #6  
Cain Petroleum  
2624 Pacific Avenue**

Zoning: Community Commercial  
Acreage: 0.48

Current Use: Vacant buildings and underutilized land



**Area #7**  
**Poppio's Site**  
**2617 Pacific Avenue**

Zoning: Community Commercial  
Acreage: 0.38

Current Use: Vacant Land



**Area #8**  
**Main and 21<sup>st</sup> Parking Lot**

Zoning: Institutional  
Acreage: 0.82

Current Use: Surface parking



**Area #9**  
**Wells Fargo Parking Lot**

Zoning: Town Center Support  
Acreage: 0.99

Current Use: Surface parking

City of Forest Grove, Urban Renewal Report



**Area #10**  
**Main and 19<sup>th</sup> Avenue Parking Lot**

Zoning: Institutional  
Acreage: 0.21

Current Use: Surface parking



**Area #11**  
**1917 19<sup>th</sup> Avenue (parking lot)**

Zoning: Town Center Support  
Acreage 0.11

Current use: Surface parking



**Area #12**  
**Times-Litho Site**

Zoning: Town Center Support  
Town Center Transition

Acreage: 2.55

Current use: vacant industrial buildings and  
vacant single family residential building



**Area #13  
Schlegel Property**

Zoning: Town Center Support

Acreage: 0.98

Current use: convenience store, bicycle shop,  
single family residences

