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URBAN RENEWAL AGENCY MEETING AGENDA

MONDAY, FEBRUARY 22, 2016

**6:00 PM – URA Executive Session (Real Property)
7:45 PM – Urban Renewal Agency Meeting**

**Community Auditorium
1915 Main Street
Forest Grove, OR 97116**

PETER B. TRUAX, EXECUTIVE BOARD CHAIR

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

Ronald C. Thompson
Elena Uhing
Malynnda 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, 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, 503-992-3235, at least 48 hours prior to the meeting.

Paul Downey, Administrative Services Director
 Jon Holan, Community Development
 Dan Riordan, Senior Planner
 Jesse VanderZanden, City Manager

6:00

URBAN RENEWAL AGENCY EXECUTIVE SESSIONS ARE CLOSED TO THE PUBLIC.

Representatives of the news media and designated staff may attend Executive Sessions. Representatives of the news media are specifically directed not to report on any of the deliberations during the Executive Session, except to state the general subject of the session as previously announced. No Executive Session may be held for the purpose of taking final action or making any final decision.

The Urban Renewal Agency Board will convene in the Community Auditorium – Conference Room to hold the following executive session(s): **In accordance with ORS 192.660(2)(E)** to deliberate with persons designated by the governing body to negotiate in real property transactions.

Please note: The Urban Renewal Agency Board will adjourn the Executive Session and reconvene into open session immediately following the close of the Regular City Council Meeting at 7:45 p.m. in the Community Auditorium. The actual start time may differ.

7:45

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 Board Meeting Minutes of June 22, 2015.*
 - B. *Approve Urban Renewal Agency Board Meeting Minutes of August 10, 2015.*
4. **ADDITIONS/DELETIONS:**

This notice includes a potential list of principal subjects anticipated to be considered during the Urban Renewal Agency Meeting and anticipated Public Hearings; however, this requirement shall not limit the ability of the Board to remove and/or consider additional subjects (ORS 192.640).

 1. **PUBLIC HEARING: CONSIDER A DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN TOKOLA PROPERTIES AND THE FOREST GROVE URBAN RENEWAL AGENCY FOR FOREST GROVE MIXED-USE PROJECT LOCATED NORTH OF PACIFIC AVENUE AND WEST OF A STREET**
 URA Resolution No. 2016-02 (next available)
 2. **PUBLIC HEARING: CONSIDER THE SALE OF FOREST GROVE URBAN RENEWAL AGENCY-OWNED REAL PROPERTY LOCATED NORTH OF PACIFIC AVENUE AND WEST OF A STREET**
 URA Resolution No. 2016-03 (next available)

Paul Downey, Administrative Services Director
 Jon Holan, Community Development
 Dan Riordan, Senior Planner
 Jesse VanderZanden, City Manager

5. **PRESENTATIONS:**

Paul Downey, Administrative
Services Director
Jon Holan, Community Development
Jesse VanderZanden, City Manager

7:50

5. A.

- *Staff Presentation: Financial Projections on Times Litho; Disposition and Development Agreement (DDA)*

8:20

5. B.

- *ECO Northwest - Public-Private Partnership Tokola Properties*

Dan Riordan, Senior Planner
Jon Holan, Community Development

8:45

6.

PUBLIC HEARING AND URA RESOLUTION NO. 2016-01 AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A DEVELOPMENT AGREEMENT BETWEEN TOKOLA PROPERTIES AND FOREST GROVE URBAN RENEWAL AGENCY FOR THE FOREST GROVE MIXED-USE PROJECT LOCATED NORTH OF PACIFIC AVENUE AND WEST OF A STREET. FILE NO. 311-15-000022-PLNG

Paul Downey, Administrative
Services Director
Jesse VanderZanden, City Manager

7. **PUBLIC HEARING LISTED UNDER AGENDA ITEM 4. 1.**

8. **PUBLIC HEARING LISTED UNDER AGENDA ITEM 4. 2.**

9:30

9. **ADJOURNMENT:**

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**FOREST GROVE URBAN RENEWAL AGENCY MEETING
AUGUST 10, 2015 – 8:00 P.M.
COMMUNITY AUDITORIUM
PAGE 1**

Minutes are unofficial until approved by Urban Renewal Agency.

1. ROLL CALL:

Peter Truax, Urban Renewal Agency (URA) Chair, called the regular URA meeting to order at 8:36 p.m. **ROLL CALL: URA BOARD MEMBERS PRESENT:** Thomas Johnston, Vice-Chair; Richard Kidd; Victoria Lowe; Ronald Thompson; Malynda Wenzl; and Peter Truax, Chair. **URA BOARD MEMBERS ABSENT:** Elena Uhing, excused. **STAFF PRESENT:** Thomas Gamble, City Manager Pro Tem; Paul Elsner, City Attorney; Paul Downey, Administrative Services Director; George Cress, Light and Power Director; Jon Holan, Community Development Director; Jeff King, Economic Development Manager; Dan Riordan, Senior Planner; Rob Foster, Public Works Director (in the audience); Michael Kinkade, Fire Chief (in the audience); J. F. Schutz, Police Chief (in the audience); and Anna Ruggles, City Recorder.

2. CITIZEN COMMUNICATIONS: None.

3. CONSENT AGENDA: None.

4. ADDITIONS/DELETIONS: None.

5. PRESENTATIONS: None.

6. URA RESOLUTION NO. 2015-05 OF THE CITY OF FOREST GROVE URBAN RENEWAL AGENCY AUTHORIZING THE AGENCY'S EXECUTIVE DIRECTOR TO EFFECT THE PURCHASE OF THE TIMES LITHO PROPERTY FROM THE CITY OF FOREST GROVE AND ENTER INTO A PURCHASE AND SALE AGREEMENT (AND OTHER AGREEMENTS AS NECESSARY) WITH THE CITY

Staff Report:

Downey, Holan and Riordan presented the above-proposed resolution for Urban Renewal Agency (URA) Board consideration, noting the proposed resolution is authorizing the Executive Director to effect the purchase of the Times Litho property from the City (seller) to the URA (purchaser) for the purchase price of \$1.1 million. The property is located north of Pacific Avenue between A Street and B Street and includes the following tax lots: 1S306BB03400, 1S306BB03700, 1S306BB03702,

**FOREST GROVE URBAN RENEWAL AGENCY MEETING
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1S306BB03800, 1S306BB04100, 1S306BB04200, 1S306BB04300, 1S306BB04301, 1S306BB04400, 1S306BB04500). Staff reported a joint work session was held June 8, 2015, with URA and Council to discuss the possibility of transferring the property as the URA is better suited, due to tax increment resources, to achieve development of the Times Litho site, noting the payoff arrangements will be staged in a way to allow the URA to reimburse the City over time but allow a sufficient cash flow for the URA to meet other obligations and pursue other programs as established in the URA Plan. Downey advised staff considered several options to structure the repayment note, noting staff is proposing to begin immediate repayment with interest only payments (proposed interest rate of 2.5 percent) for the first three years and principal and interest payments with the note being fully paid in ten years. Downey explained if no development occurs within the urban renewal area within the first three years, staff may recommend to the URA and Council that the repayment terms be modified to allow the URA ability to do other projects within the URA boundary. In conclusion of the above-noted staff report, Downey advised the City Attorney drafted the proposed Purchase and Sale Agreement, attached as Exhibit A, and staff is recommending the URA Board approve the proposed resolution.

Before proceeding with Public Hearing and Board discussion, Chair Truax asked for a motion to adopt URA Resolution No. 2015-05.

Gamble read URA Resolution No. 2015-05 by title.

MOTION: Board Vice Chair Johnston moved, seconded by Board Member Wenzl, to adopt URA Resolution No. 2015-05 Authorizing the Agency's Executive Director to Effect the Purchase of the Times Litho Property from the City of Forest Grove to the Urban Renewal Agency (URA) and to Enter into a Purchase and Sale Agreement (and other agreements as necessary) with the City.

Public Hearing Opened:

Chair Truax opened the Public Hearing and explained hearing procedures.

Written Testimony Received:

No written testimony was received prior to the published deadline of August 10, 2015, 7:00 p.m.

**FOREST GROVE URBAN RENEWAL AGENCY MEETING
AUGUST 10, 2015 – 8:00 P.M.
COMMUNITY AUDITORIUM
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Proponents:

No one testified and no written comments were received.

Opponents:

No one testified and no written comments were received.

Others:

No one testified and no written comments were received.

Public Hearing Closed:

Chair Truax closed the Public Hearing.

Board Discussion:

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

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

7. ADJOURNMENT:

Chair Truax adjourned the URA regular meeting at 8:40 p.m.

Respectfully submitted,

Anna D. Ruggles, CMC, City Recorder

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**FOREST GROVE URBAN RENEWAL AGENCY MEETING
JUNE 22, 2015 – 7:00 P.M.
COMMUNITY AUDITORIUM
PAGE 1**

Minutes are unofficial until approved by Urban Renewal Agency.

1. ROLL CALL:

Peter Truax, Urban Renewal Agency (URA) Chair, called the regular URA meeting to order at 7:00 p.m. **ROLL CALL: URA BOARD MEMBERS PRESENT:** Thomas Johnston, Vice-Chair; Richard Kidd; Victoria Lowe; Ronald Thompson; Elena Uhing; Malynda Wenzl; and Peter Truax, Chair. **STAFF PRESENT:** Thomas Gamble, City Manager Pro Tem; Paul Downey, Administrative Services Director; Jon Holan, Community Development Director; Dan Riordan, Senior Planner; and Bev Maughan, Executive Assistant to City Manager.

2. CITIZEN COMMUNICATIONS: None.

3. CONSENT AGENDA:

- A. Approve Urban Renewal Agency Meeting Minutes of May 11, 2014.
- B. Approve Urban Renewal Agency and City Council Joint Executive Session (Real Property) Meeting Minutes of June 8, 2015.

MOTION: Board Member Lowe moved, seconded by Board Member Kidd, to adopt the Consent Agenda as presented. **MOTION CARRIED 7-0 by voice vote.**

4. ADDITIONS/DELETIONS: None.

5. PRESENTATIONS: None.

6. URA RESOLUTION NO. 2015-03 OF THE CITY OF FOREST GROVE URBAN RENEWAL AGENCY ADOPTING THE BUDGET, MAKING APPROPRIATIONS, AND DECLARING THE TAX INCREMENT FOR FISCAL YEAR COMMENCING JULY 1, 2015, AND ENDING JUNE 30, 2016

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 21, 2015, a proposed budget of \$43,071 for Fiscal Year commencing July 1, 2015, and ending June 30, 2016. In conclusion of the above-noted staff report, Downey advised staff is

**FOREST GROVE URBAN RENEWAL AGENCY MEETING
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COMMUNITY AUDITORIUM
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recommending no changes to the proposed budget in the amount of \$43,071 for Fiscal Year 2015-16.

Before proceeding with Public Hearing and Board discussion, Chair Truax asked for a motion to adopt URA Resolution No. 2015-03.

Gamble read URA Resolution No. 2015-03 by title.

MOTION: Board Vice Chair Johnston moved, seconded by Board Member Thompson, to adopt URA Resolution No. 2015-03 of the City of Forest Grove Urban Renewal Agency Adopting the Budget, Making Appropriations, and Declaring the Tax Increment for Fiscal Year Commencing July 1, 2015, and Ending June 30, 2016.

Public Hearing Opened:

Chair Truax opened the Public Hearing and explained hearing procedures.

Written Testimony Received:

No written testimony was received prior to the published deadline of June 22, 2015, 7:00 p.m.

Proponents:

No one testified and no written comments were received.

Opponents:

No one testified and no written comments were received.

Others:

No one testified and no written comments were received.

Public Hearing Closed:

Chair Truax closed the Public Hearing.

Board Discussion:

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

ROLL CALL VOTE: AYES: Board Members Vice Chair Johnston, Kidd, Lowe, Thompson, Uhing, Wenzl, and Chair Truax. NOES:

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None. MOTION CARRIED 7-0.

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

Staff Report:

Downey, Holan and Riordan presented the above-proposed resolution for Urban Renewal Agency (URA) Board consideration, noting a minor amendment is necessary to the Forest Grove Urban Renewal Plan to identify the Times Litho Site for potential acquisition by the URA. Staff reported the intended is for private redevelopment consistent with the URA Plan goals and objectives. The property is located north of Pacific Avenue between A Street and B Street and includes the following tax lots: 1S306BB03400, 1S306BB03700, 1S306BB03702, 1S306BB03800, 1S306BB04100, 1S306BB04200, 1S306BB04300, 1S306BB04301, 1S306BB04400, 1S306BB04500). In conclusion of the above-noted staff report, staff recommended the URA Board approve the proposed resolution making the first amendment to the Forest Grove Urban Renewal Plan to identify the Times Litho Site for potential acquisition by the URA.

Before proceeding with Public Hearing and Board discussion, Chair Truax asked for a motion to adopt URA Resolution No. 2015-04.

Gamble read URA Resolution No. 2015-04 by title.

MOTION: Board Member Uhing moved, seconded by Board Member Kidd, to adopt URA Resolution No. 2015-04 of the City of Forest Grove Urban Renewal Agency Approving a Minor Amendment to the Forest Grove Urban Renewal Plan to Identify the Times Litho Site for Potential Acquisition by the Agency.

Public Hearing Opened:

Chair Truax opened the Public Hearing and explained hearing procedures.

Written Testimony Received:

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No written testimony was received prior to the published deadline of June 22, 2015, 7:00 p.m.

Proponents:

No one testified and no written comments were received.

Opponents:

No one testified and no written comments were received.

Others:

No one testified and no written comments were received.

Public Hearing Closed:

Chair Truax closed the Public Hearing.

Board Discussion:

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

ROLL CALL VOTE: AYES: Board Members Vice Chair Johnston, Kidd, Lowe, Thompson, Uhing, Wenzl, and Chair Truax. NOES: None. MOTION CARRIED 7-0.

8. ADJOURNMENT:

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

Respectfully submitted,

Anna D. Ruggles, CMC, City Recorder

4.1
4.2.

NOTICE OF PROPOSED SALE
OF
REAL PROPERTY
OWNED BY THE FOREST GROVE URBAN RENEWAL AGENCY
ORS 221.725

THIS IS TO GIVE NOTICE THAT THE FOREST GROVE URBAN RENEWAL AGENCY (AGENCY), IS CONSIDERING THE SALE OF AGENCY-OWNED REAL PROPERTY LOCATED AT 1811-1837 PACIFIC AVENUE & 2014-2022 A STREET, WASHINGTON COUNTY, FOREST GROVE, OREGON.

THE AGENCY BOARD WILL HOLD A PUBLIC HEARING ON MONDAY, FEBRUARY 22, 2016, AT 7:00 P.M. OR THEREAFTER, IN THE COMMUNITY AUDITORIUM, 1915 MAIN STREET, FOREST GROVE, OR, TO ALLOW INTERESTED RESIDENTS AN OPPORTUNITY TO PRESENT WRITTEN AND ORAL TESTIMONY ON THE PROPOSED SALE.

THE PROPERTY IS CURRENTLY VACANT AND IS APPROXIMATELY 107,926 SQUARE FEET OR 2.45 ACRES IN SIZE AND LOCATED IN THE FOREST GROVE URBAN RENEWAL AREA. THE RENEWAL AGENCY IS CONSIDERING THE SALE OF THE PROPERTY TO TOKOLA PROPERTIES, LLC 1700 NW CIVIC DRIVE, SUITE 220, GRESHAM, OREGON 97030, IN TWO PHASES. PHASE ONE IS APPROXIMATELY 66,590 SQUARE FEET OR 1.53 ACRES IN SIZE AND TOKOLA HAS PROPOSED REDEVELOPMENT OF THIS PORTION OF THE PROPERTY WITH A MIXED-USE DEVELOPMENT INCLUDING 78 APARTMENTS, 2,500 SQUARE FEET OF COMMERCIAL SPACE AND 94 OFF-STREET PARKING SPACES. PHASE TWO IS APPROXIMATELY 41,336 SQUARE FEET OR 0.92 ACRES. CITY STAFF BELIEVES THIS IS A GOOD-FAITH OFFER PROPOSAL.

THE AGENCY PROPOSES TO SELL ITS INTEREST IN THE PROPERTY BY STATUTORY BARGAIN AND SALE DEED.

AT THIS HEARING, THE AGENCY BOARD WILL BE READY TO HEAR FROM CITY RESIDENTS ON THE PROPRIETY OF THE PROPOSED SALE. STAFF WILL HAVE EVIDENCE OF THE VALUE OF THE PROPERTY AVAILABLE FOR EXAMINATION AT THE TIME OF THE HEARING.

ANY QUESTIONS CONCERNING THE HEARING OR THIS NOTICE SHOULD BE ADDRESSED TO THE FOREST GROVE URBAN RENEWAL AGENCY EXECUTIVE DIRECTOR, 1924 COUNCIL STREET, P. O. BOX 326, FOREST GROVE, OR 97116, OR CONTACTED BY TELEPHONE AT 503.992.3200, OR AT THE FOREST GROVE CITY HALL, WHICH IS LOCATED AT THE ADDRESS LISTED BELOW.

IN THE EVENT A RESIDENT WISHES TO MAKE WRITTEN COMMENTS AND WILL BE UNABLE TO ATTEND THE HEARING, THEY MAY MAIL THEIR COMMENTS IN ADVANCE OF THE HEARING (SO AS TO REACH THE CITY PRIOR TO THE START OF THE HEARING) TO:

FOREST GROVE URBAN RENEWAL AGENCY EXECUTIVE DIRECTOR
1924 COUNCIL STREET
P. O. BOX 326
FOREST GROVE, OREGON 97116
503-992-3200

ANNA D. RUGGLES, CMC, CITY RECORDER

TO BE PUBLISHED: Wednesday, February 17, 2016

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<i>CITY RECORDER USE ONLY:</i>	
AGENDA ITEM #:	6.
FINAL ACTION:	

URBAN RENEWAL AGENCY STAFF REPORT

TO: Urban Renewal Agency Board of Directors

FROM: Jesse VanderZanden, Executive Director

MEETING DATE: February 22, 2016

PROJECT TEAM: Jon Holan, Community Development Director; Paul Downey Administrative Services Director; and Daniel Riordan, Senior Planner

SUBJECT TITLE: Approval of URA Resolution authorizing the Executive Director to enter into a Development Agreement between Tokola Properties and Urban Renewal Agency for the Forest Grove Mixed-Use Project Located North of Pacific Avenue and West of A Street affecting Agency owned property.

ACTION REQUESTED:

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

ISSUE STATEMENT: Consider adopting a resolution of the Urban Renewal Agency authorizing the Executive Director to enter into a Development Agreement affecting Agency-Owned property.

BACKGROUND: In December 2012, the City of Forest Grove purchased approximately 2.5 acres of land located west of A Street and north of Pacific Avenue. The subject property is commonly known as the "Times-Litho Site" as shown on Attachment A. In December 2015 the property was transferred from City ownership to Agency ownership consistent with the terms of a purchase and sale agreement between the City Council and Urban Renewal Agency Board of Directors approved by URA Resolution 2015-05. URA Resolution authorized Agency purchase of the Times-Litho site from the City for redevelopment consistent with the Forest Grove Urban Renewal Plan including acquisition of redevelopment opportunity sites for mixed-use development incorporating housing retail or office uses.

After a competitive and open project proposal solicitation process the City entered into an exclusive negotiating agreement (ENA) with Tokola properties in 2015 for redevelopment of the Times-Litho property. The ENA provided an opportunity to refine the proposed development concept for use of the property. The redevelopment concept includes mixed use incorporating 78 apartment units (including five live-work units), 2,500 square feet of retail space and 94 on-site parking spaces. The redevelopment concept is consistent with the Forest Grove Urban Renewal Plan which encourages mixed use development in the Town Center on Agency owned land as described in Forest Grove Urban Renewal Plan, Section III (B)).

On November 20, 2015, Tokola Properties submitted a complete land use application for project approval. Project approval included a Development Agreement, site development review and

design review. City Council approved the land use application, including the Development Agreement on January 25, 2016. The Development Agreement will allow the redevelopment project to move forward by establishing maximum development density and clarifying the method for calculating "net acre" for purposes of calculating density. The Development Agreement is necessary since proposed amendments to the Development Code affecting permissible development density are not in effect.

The Agency is party to the Development Agreement since the project will occur on Agency owned land. As such, the Urban Renewal Agency Board of Directors must approve a resolution authorizing the Urban Renewal Agency Executive Director to enter into a Development Agreement with the City and Tokola Properties, LLC. The resolution with the Development Agreement is attached (Attachment B).

FISCAL IMPACT: None. Approval of the resolution does not obligate the expenditure of Agency funds.

STAFF RECOMMENDATION: Staff recommends the Urban Renewal Agency approve the attached resolution authorizing the Executive Director to enter into a Development Agreement necessary for the Forest Grove Mixed-Use Project.

ATTACHMENT(s):

- A. Subject Property Vicinity Map
- B. URA Resolution (Authorizing the Executive Director to enter into a Development Agreement with Tokola Properties for the Forest Grove Mixed Use Project)



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NOTICE OF PUBLIC HEARING FOR THE URBAN RENEWAL AGENCY OF THE CITY OF FOREST GROVE

NOTICE IS HEREBY GIVEN that the Urban Renewal Agency of the City of Forest Grove will hold a Public Hearing on **Monday, February 22, 2016**, at 7:00 PM or thereafter, at the Forest Grove Community Auditorium, 1915 Main Street, to consider a proposed resolution authorizing the Agency's Executive Director to enter a Development Agreement for the following proposal:

Proposal: Development agreement between Tokola Properties and Urban Renewal Agency of the City of Forest Grove for the Forest Grove Mixed Use Project on land owned by the Agency on Agency owned land located west of A Street and north of Pacific Avenue (former Times-Litho property). The proposed project includes 78 apartment units including 5 live-work apartment units, approximately 2,500 square feet of commercial space, a public plaza of approximately 2,900 square feet, and 94 parking stalls.

Applicant: Tokola Properties (Applicant/Developer Representative Jim Walker Studio C Architects), City of Forest Grove (Property Owner)

Locations: 1837 Pacific Avenue, 1811 Pacific Avenue, 1817 Pacific Avenue, 2014 A Street, 2022 A Street, 2025 B Street.

File Number: 311-15-00022-PLNG

All persons will be given reasonable opportunity to give testimony about this proposal responding to the review criteria. If an issue is not raised in the hearing (by person or by letter) or if the issue is not explained in sufficient detail to allow the Agency Board to respond to the issue, then that issue cannot be used for an appeal to the Land Use Board of Appeals. If additional documents or evidence are provided in support of the application, any party shall be entitled to a continuance of the hearing. Unless there is a continuance, if a participant so requests before the conclusion of the initial evidentiary hearing, the record shall remain open for at least seven days after the hearing. Information pertaining to this request may be obtained from Senior Planner Daniel Riordan at the Community Development Department, PO Box 326, 1924 Council Street, (503) 992-3226 between 9 a.m. and 5 p.m. (driordan@forestgrove-or.gov). The staff report will be available seven days prior to the hearing; copies will be available at cost.

Anna D. Ruggles, CMC, City Recorder



URBAN RENEWAL AGENCY OF CITY OF FOREST GROVE, OREGON

URA RESOLUTION NO. 2016-01

RESOLUTION AUTHORIZING AGENCY'S EXECUTIVE DIRECTOR TO ENTER INTO A DEVELOPMENT AGREEMENT BETWEEN TOKOLA PROPERTIES AND URBAN RENEWAL AGENCY OF THE CITY OF FOREST GROVE FOR FOREST GROVE MIXED-USE PROJECT LOCATED NORTH OF PACIFIC AVENUE AND WEST OF A STREET (FILE NO. 311-15-000022-PLNG)

WHEREAS, the Urban Renewal Agency of the City of Forest Grove ("Agency") owns approximately 1.5 acres of land as shown on Exhibit 1 (Property); and

WHEREAS, on November 5, 2015, Tokola Properties filed a land use application with the City of Forest Grove (City) for approval of a 78-unit apartment project including 5 live-work units, approximately 2,500 square feet of commercial space, a privately-constructed plaza adjacent to the Pacific Avenue right-of-way comprising approximately 2,900 square feet, and a 94-space parking lot (the Project) on the Property; and

WHEREAS, the Project requires approval of a Development Agreement pursuant to ORS 94.504 et. seq. and DC Section 10.2.800 et. seq.; and

WHEREAS, the Development Agreement will authorize the construction of 78 dwelling units on the Property at a maximum density of 55 units per acre; and

WHEREAS, the land use application was deemed complete by the City on November 20, 2015; and

WHEREAS, the Planning Commission held a duly-noticed public hearing on the land use application on December 7, 2015; and

WHEREAS, the Planning Commission's decision No. 15-05 recommends approval of the Development Agreement; and

WHEREAS, the City Council held duly-noticed public hearings on January 11, 2016 and January 25, 2016 to consider the Development Agreement; and

WHEREAS, the City Council adopted Ordinance 2016-01 authorizing the City Manager to sign the Development Agreement on the City's behalf; and

WHEREAS, the Agency held a duly-noticed public hearing on February 22, 2016, to consider the Development Agreement.

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

Section 1. The Agency makes the following findings supporting the Development Agreement:

- 1) The Development Agreement, attached as Exhibit 1 to this Ordinance, addresses all of the requirements of ORS 94.504 et. seq.
- 2) The Project includes 78 apartments including 5 live-work units, approximately 2,500 square feet of commercial space, a privately-constructed plaza area adjacent to the Pacific Avenue right-of-way comprising approximately 2,900 square feet, and a 94-space parking lot.
- 3) Pursuant to ORS 94.518, the Development Agreement modifies the maximum allowed density from 20.28 dwellings per net acre to 55 units per acre based on the land area of the development site. This modification is necessary to implement certain goals and policies of the Comprehensive Plan including: Sustainability Goal 7, Economic Development Goal 7, Economic Development Policy 7.10, Economic Development Policy 7.11, and Urbanization Policy 10.
- 4) Except for project density, the Project is consistent with applicable regulations governing development as modified through Track 2 Design Review approval pursuant to Forest Grove Development Code Section 10.2.300 et. seq.

Section 3. Based on the findings set forth in Section 1 approves the Development Agreement.

Section 4. The Agency authorizes the Executive Director to execute the Development Agreement attached as Exhibit 1.

Section 5. This Resolution shall be effective upon the effective date of City Ordinance 2016-01.

PRESENTED AND PASSED this 22nd day of February 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 22nd day of February 2016 and filed with the Forest Grove City recorder this date.

Peter B. Truax
Urban Renewal Agency Chair

EXHIBIT 1

DEVELOPMENT AGREEMENT FOREST GROVE MIXED-USE PROJECT

THIS DEVELOPMENT AGREEMENT (Agreement) is effective this _____ day of _____, 2016 between the Urban Renewal Agency of the City of Forest Grove (Agency), a public body corporate and politic created under ORS 457.035 and 457.045, City of Forest Grove (City), an Oregon municipal corporation, and Tokola Properties, Inc. (Tokola) a domestic business corporation, collectively, the "Parties".

Recitals

- A. The Urban Renewal Agency of the City of Forest Grove is the owner of certain real property located in the City of Forest Grove and described in Attachment A attached (Property). The Property is approximately 1.5 acres in total area. The property is zoned Town Center Support and Town Center Transition.
- B. Tokola filed applications for City land use approval on November 5, 2015 and November 20, 2015, for a mixed-use development project, generally comprised of 75 market-rate apartment units, 5 market-rate live-work units, approximately 2,500 square feet of commercial space, a plaza area adjacent to the Property's Pacific Avenue public right-of-way comprising approximately 2,900 square feet, and a surface parking area including approximately 94 parking spaces.
- C. The City deemed the land use applications complete on November 20, 2015 for purposes of public hearing.
- D. Tokola desires to privately develop the Property, after transferred by the Agency to Tokola, consistent with the Forest Grove Comprehensive Plan, any decision on the City land use application and the terms and conditions of this Agreement and any Disposition and Development Agreement (DDA) affecting the Property. The land use application is appended hereto as Exhibit B.
- E. This Agreement is entered into under authority of and in compliance with ORS 94.504 et. seq. to allow private development of the Property consistent with anticipated new provisions of the Forest Grove Development Code intended to implement the Forest Grove Comprehensive, including increasing maximum density.
- F. The City of Forest Grove Planning Commission held a public hearing and considered the land use applications on December 7, 2015 and adopted a motion recommending City Council approval of the land use applications with conditions.
- G. The Forest Grove City Council held public hearings and considered the land use applications and Planning Commission recommendations on January 11, 2016 and January 25, 2016 and approved the land use applications with conditions.

Agreement

The Parties agree as follows:

1. Tokola Obligations

- 1.1. Land Use Approval. Tokola agrees to comply with the City's approval of the site plan, design review decision and final project conditions as approved by the City Council.
- 1.2. Compliance with Laws, Codes and Regulations. Tokola agrees to make all improvements to the Property as generally described in the project proposal dated, November 20, 2015, in compliance with the City's land use approval, any DDA approved by the Agency pertaining to the transfer of real property from the Agency to Tokola, and applicable City Codes and regulations affecting the Property consistent with ORS 94.518. Tokola will construct all required improvements as required by the applicable laws and regulations of the City, Washington County, and the State of Oregon.
 - 1.2.1. Development Fees. Tokola agrees to pay any applicable systems development charges (SDCs) and other applicable development fees, including Washington County Transportation Development Tax, in effect at the time of issuance of any building permits as required under any DDA pertaining to the transfer of real property from Agency to Tokola.
 - 1.2.2. Construction. Tokola is required to file for all required building and development permit applications and pay required fees to the City as described in the DDA between the Agency and Tokola. Tokola will construct all required improvements to City Public Works standards and its applicable service providers commensurate with type of improvement. All plans will be reviewed and approved by the City Engineer and the appropriate service provider.
 - 1.2.3. Construction Schedule; Phasing. The construction schedule will be specified and agreed to in the DDA pertaining to the transfer of real property from the City to Tokola necessary to construct the project.
 - 1.2.4. Indemnification. Tokola agrees to indemnify, hold harmless and defend the Agency, City, it's officers, agents and employees, from and against any and all claims, actions, or suits, including damages and attorney fees, which may be incurred by the Agency or City or its officers, agents or employees as a result of entering into this Agreement and as a result of the execution and performance of this Agreement.
 - 1.2.5. Waiver of Claims pursuant to ORS 195.305. Tokola waives any claims it may have as of the date of execution of this Agreement, whether identified or not, pursuant to ORS 197.352 ("Measure 37"). This waiver further extends to any claims arising as a result of the City's decision on the land use applications and its amendments to the Forest Grove Development Code.

2. City Obligations

- 2.1. The City agrees to take all actions necessary to process and reach a final decision on the land use applications affecting the property.
- 2.2. The City agrees to take all actions necessary to adopt Forest Grove Development Code Amendments pertaining to increasing development densities affecting the property. The City does not commit to a particular decision or outcome from the land use process.

3. Agency Obligations

- 3.1. The Agency agrees to take all actions necessary to process and reach a final decision on a Disposition and Development Agreement pertaining to transfer Agency-owned property to Tokola for development consistent with this agreement, the City's land use approval and DDA.

4. Assignment

- 4.1. Tokola may not assign its responsibilities and obligations under this Agreement to any other person or entity without express written approval of the City which approval will not be unreasonably withheld.

5. Compliance with ORS 94.504

5.1. Compliance with Code Requirements. Under ORS 94.518, the effective Comprehensive Plan, zoning ordinances and other rules and policies of the City (land use and development regulations) governing permitted uses of land and density applicable to development of the Property, are the Comprehensive Plan and the ordinances, rules, and policies of the City of Forest Grove, and as applicable Washington County, in effect at the time of approval of this Agreement, subject to the terms and conditions of this Agreement with respect to amendments to the Forest Grove Development Code pertaining to maximum permissible densities.

5.2. Assumptions, Provisions of Services and Changes in Circumstances. For purposes of complying with ORS 94.504(6), the Parties acknowledge that the assumptions underlying this Agreement relating to the ability of the City to serve development of the Property are those set forth in the land use applications, the decision on those applications, and any conditions of approval.

5.3. Statutorily Required Provisions. For purposes of complying with ORS 94.504(2), the Parties further agree as follows:

5.3.1. Duration of Agreement. The duration of this Agreement is three years, or until modified or mutually terminated upon adoption of City Development Code amendments referenced in Section 2.2.

5.3.2. Permitted Uses. The property may be used for any use permitted under the land use regulations in effect at the time of the Agreement and consistent with the City's land use approval and further described in any Disposition and

To Tokola Properties: Dwight Unti
 President
 Tokola Properties, Inc.
 PO Box 1620
 Gresham, OR 97030

Copies of all notices will be sent to the above addresses. Notice will be deemed given on the date placed in the U.S. Mail, and sent by facsimile to counsel, whether actually received by the addressee or not. The parties will send each other a courtesy copy of each notice by facsimile or electronic means, or by courier, Federal Express, or similar service, but such notice will not be deemed the required "notice". The Parties may from time to time amend the above addresses and names by written notice given to the other party in the same manner as the required "notice".

7. Authority and Enforceability The Agency, City and Tokola represent and warrant that each has the full right, power, legal capacity and authority to enter into and perform the Parties' respective obligations and that no approval or consents of any other persons are necessary except as identified in this Agreement. Each Party represents and warrants to the other that this Agreement is valid, binding, and enforceable in accordance with its terms. Each Party also represents and warrants that this Agreement and performance under it does not violate any contract, law, plan, ordinance rule, regulation or policy binding each Party.
8. Severability Nothing in this Agreement will be construed to require the commission of any act contrary to law, and wherever there is any conflict between any provision contained and any present or future statute, law, ordinance, or regulation contrary, then the latter prevails. Any affected provision of this Agreement will be curtailed and limited only to the extent necessary to bring it within the requirements of law.
9. Further Assurances and Additional Documents Each Party will execute and deliver any additional papers, documents, or other assurances, and do any action necessary to perform their obligations and carry out the intent of the Parties identified in this Agreement. The Parties will execute and deliver all supplemental agreements and other instruments and take any other action necessary to make this Agreement fully and legally effective, binding, and enforceable as between the Parties, and as against third parties. This Agreement requires the Parties to agree upon various items at different times in the future. The Parties will cooperate in good faith, and will deal fairly with one another, in an attempt to fulfill the obligations of the Parties as reflected in this Agreement and to facilitate full performance of this Agreement.
10. Attorney Fees If a suit, action, arbitration or other proceeding of any nature whatsoever, including without limitation any proceeding under the U.S. Bankruptcy Code, is instituted, or the services of any attorney are retained to interpret or enforce any provision of this Agreement or with respect to any dispute relating to this Agreement, the prevailing Party is entitled to recover from the losing Party its attorney fees, paralegal fees, accountant fees, and other expert fees, and all other fees, costs and expenses actually incurred and reasonably necessary. The amount of fees will be determined by the judge or arbitrator and include fees and expenses incurred on any appeal or review.
11. Survival The warranties, representations, covenants, and agreements made in this Agreement by each Party survive the delivery of any deed or bill of sale and shall be and

remain in full force and effect for the term specified in this Agreement as may be amended in the future.

12. Waiver Failure of any Party at any time to require performance of any provision of this Agreement does not limit the Party's right to enforce the provision. No waiver of any breach of any provision is a waiver of any succeeding breach of the provision or a waiver of the provision itself or any other provisions.
13. Time Time is of the essence in the performance of the duties and obligations of this Agreement.
14. Counterparts This Agreement may be executed in several counterparts, each of which is an original, but all of which constitute the same Agreement.
15. Captions and Headings The captions and headings of this Agreement are for convenience only and will not be construed or referred to in resolving questions of interpretation or construction. The recitals at the beginning of this Agreement are contractual and are considered or referred to in resolving questions of interpretation or construction.
16. Modification or Amendments No amendment, change, or modification of this Agreement is valid, unless in writing and signed by the Parties.
17. Successor and Assigns All of the terms and provisions inure to the benefit of and are binding upon the Parties and their respective heirs, legal representatives, successors and assigns.
18. Standard of Review The City standard of review for any documents required to execute this Agreement is as provided in the City Code. In the absence of an applicable standard, the standard of review will be one of reasonableness.
19. Runs with Land. This Agreement runs with the Property. This Agreement will be recorded with the Washington County Records Division.

TOKOLA PROPERTIES

By: _____

Its: _____

Approved as to form:

CITY OF FOREST GROVE

By: _____

Its: _____

Approved as to form:

**URBAN RENEWAL AGENCY
OF THE CITY OF FOREST GROVE**

By: _____

Its: _____

Approved as to form:

STATE OF OREGON)

County of Washington) ss.

This instrument was acknowledged before me on _____, 2016 by
_____ as _____ of Tokola Properties

NOTARY PUBLIC FOR OREGON
My Commission Expires: _____

STATE OF OREGON)

County of Washington) ss.

This instrument was acknowledged before me on _____, 2016 by
_____ as _____ of the City of Forest Grove

NOTARY PUBLIC FOR OREGON
My Commission Expires: _____

STATE OF OREGON)

County of Washington) ss.

This instrument was acknowledged before me on _____, 2016 by
_____ as _____ of the Urban Renewal Agency of the City of
Forest Grove

NOTARY PUBLIC FOR OREGON
My Commission Expires: _____

ATTACHMENT A PROPERTY

