



URBAN RENEWAL AGENCY City of Forest Grove

**Monday, August 11, 2014
Meeting Agenda**

6:30 PM – Urban Renewal Agency

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

PETER B. TRUAX, CHAIR

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

Camille Miller
Ronald C. Thompson
Elena Uhing

All meetings of the Urban Renewal Agency (URA) are open to the public and all persons are permitted to attend any meeting except as otherwise provided by ORS 192. The public may address the URA Board as follows:

➔ **Public Hearings** – Public hearings are held on each matter required by state law or City policy. Anyone wishing to testify should sign in for any Public Hearing prior to the meeting. The presiding officer will review the complete hearing instructions prior to testimony. The presiding officer will call the individual or group by the name given on the sign in form. When addressing the URA Board, please use the witness table (center front of the room). Each person should speak clearly into the microphone and must state his or her name and give an address for the record. All testimony is electronically recorded. In the interest of time, Public Hearing testimony is limited to three minutes unless the presiding officer grants an extension. Written or oral testimony is heard prior to any URA Board action.

➔ **Citizen Communications** – Anyone wishing to address the URA Board on an issue not on the agenda should sign in for Citizen Communications prior to the meeting. The presiding officer will call the individual or group by the name given on the sign in form. When addressing the URA Board, please use the witness table (center front of the room). Each person should speak clearly into the microphone and must state his or her name and give an address for the record. All testimony is electronically recorded. In the interest of time, Citizen Communications is limited to two minutes unless the presiding officer grants an extension.

The public may not address items on the agenda unless the item is a public hearing. Routinely, members of the public speak during Citizen Communications and Public Hearings. If you have questions about the agenda or have an issue that you would like to address to the URA Board, please contact the City Recorder at 503-992-3235.

The URA Board meetings are handicap accessible. Assistive Listening Devices (ALD) or qualified sign language interpreters are available for persons with impaired hearing or speech. For any special accommodations, please contact the City Recorder at 503-992-3235, at least 48 hours prior to the meeting.

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- 6:30 1. **URBAN RENEWAL AGENCY (URA) 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 Meeting Minutes of May 27, 2014.*
4. **ADDITIONS/DELETIONS:**
- Jon Holan, Community Development Director
Dan Riordan, Senior Planner
Michael Sykes, City Manager
- 6:35 5. **URA RESOLUTION NO. 2014-04 ACKNOWLEDGING URBAN RENEWAL AGENCY RECEIPT OF CITY OF FOREST GROVE ORDINANCE NO. 2014-07 APPROVING THE FOREST GROVE URBAN RENEWAL PLAN**
- Jon Holan, Community Development Director
Dan Riordan, Senior Planner
Michael Sykes, City Manager
- 6:40 6. **URA RESOLUTION NO. 2014-05 AUTHORIZING URBAN RENEWAL AGENCY OF THE CITY OF FOREST GROVE (AGENCY) CHAIR AND EXECUTIVE DIRECTOR TO EXECUTE AN INTERGOVERNMENTAL AGREEMENT (IGA) BETWEEN THE AGENCY AND CITY OF FOREST GROVE (CITY) FOR THE PROVISION OF ADMINISTRATIVE AND DEVELOPMENT SERVICES**
- 6:50 7. **ADJOURNMENT:**

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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 6:20 p.m. **ROLL CALL: URA BOARD MEMBERS PRESENT:** Thomas Johnston, Vice-Chair; Richard Kidd; Victoria Lowe; Camille Miller; Ronald Thompson; Elena Uhing; and Peter Truax, Chair. **STAFF PRESENT:** Michael Sykes, City Manager; Paul Downey, Administrative Services Director; Jon Holan, Community Development Director; Dan Riordan, Senior Planner; and Anna Ruggles, City Recorder.

2. **CITIZEN COMMUNICATIONS:** None.

3. **CONSENT AGENDA:** None.

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

5. **URA RESOLUTION NO. 2014-01 APPROVING AND ADOPTING BYLAWS FOR THE URBAN RENEWAL AGENCY OF THE CITY OF FOREST GROVE**

Staff Report:

Holan and Riordan presented the above-proposed resolution requesting to adopt the proposed Urban Renewal Agency (URA) Bylaws, noting the Bylaws govern the conduct and business of the URA as outlined in Exhibit A of the resolution. Riordan reported Section 1 of the proposed Bylaws identifies the governance of the Agency; Section 2 identifies the Mayor and City Council as the Agency Board and addresses terms of office and process for filling vacancies; Section 3 designates the Mayor as Agency Board Chair, Council President as Vice-Chair and City Manager as Executive Director, and also grants authority to the Agency to retain legal and bond counsel; Section 4 describes when the Agency convenes, general order of business and meeting requirements; Section 5 addresses the Agency's fiscal matters, including preparing an annual budget, keeping books and records and conducting an annual audit; Section 6 addresses procedures for establishing advisory committees; Section 7 describes procedures for adopting Agency Resolutions; and Section 8 recognizes the ability to amend the Agency Bylaws in the

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future.

Before proceeding with Board discussion, Chair Truax asked for a motion to adopt URA Resolution No. 2014-01.

Sykes read URA Resolution No. 2014-01 by title.

MOTION: Board Member Kidd moved, seconded by Board Member Miller, to approve URA Resolution No. 2014-01 Adopting the Bylaws for the Urban Renewal Agency of the City of Forest Grove.

Public Hearing Opened:

Chair Truax opened the Public Hearing and explained hearing procedures.

Written Testimony:

No written testimony was received prior to the Public Hearing date of May 27, 2014, 6:15 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:

In response to Lowe's inquiry pertaining to citizen appointments, Riordan explained no citizens serve on the Board because the Agency Board is comprised of City Council members only.

Hearing no further 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,

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Kidd, Lowe, Miller, Thompson, Uhing, and Chair Truax. NOES: None. ABSENT: None. MOTION CARRIED 7-0.

6. **URA RESOLUTION NO. 2014-02 CONFIRMING THE APPOINTMENT OF OFFICERS OF THE URBAN RENEWAL AGENCY OF THE CITY OF FOREST GROVE**

Staff Report:

Holan and Riordan presented the above-proposed resolution requesting to confirm the appointment of the URA officers, noting the Bylaws designate appointing the Mayor as Agency Board Chair, Council President as Vice-Chair, and City Manager as Executive Director.

Before proceeding with Board discussion, Chair Truax asked for a motion to adopt URA Resolution No. 2014-02.

Sykes read URA Resolution No. 2014-02 by title.

MOTION: Board Member Kidd moved, seconded by Board Member Lowe, to approve URA Resolution No. 2014-02 Confirming the Appointment of Officers of the Urban Renewal Agency of the City of Forest Grove.

Public Hearing Opened:

Chair Truax opened the Public Hearing and explained hearing procedures.

Written Testimony:

No written testimony was received prior to the Public Hearing date of May 27, 2014, 6:15 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.

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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, Miller, Thompson, Uhing, and Chair Truax. NOES: None. ABSENT: None. MOTION CARRIED 7-0.

7. URA RESOLUTION NO. 2014-03 PROPOSING THE FOREST GROVE URBAN RENEWAL PLAN TO THE FOREST GROVE CITY COUNCIL FOR ADOPTION UNDER OREGON REVISED STATUTES CHAPTER 457

Staff Report:

Holan and Riordan presented the above-proposed resolution requesting to submit the Forest Grove Urban Renewal Plan to City Council for consideration as required by State law. Riordan reported ORS requires the URA to submit the Plan to Council for formal adoption, noting the Council public hearings are tentatively scheduled to occur on June 9 and June 23, 2014.

Before proceeding with Board discussion, Chair Truax asked for a motion to adopt URA Resolution No. 2014-03.

Sykes read URA Resolution No. 2014-03 by title.

MOTION: Board member Kidd moved, seconded by Vice-Chair Johnston, to approve URA Resolution No. 2014-03 Proposing the Forest Grove Urban Renewal Plan to the Forest Grove City Council for Adoption under Oregon Revised Statutes Chapter 457.

Public Hearing Opened:

Chair Truax opened the Public Hearing and explained hearing procedures.

Written Testimony:

No written testimony was received prior to the Public Hearing date of May

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27, 2014, 6:15 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, Miller, Thompson, Uhing, and Chair Truax. NOES: None. ABSENT: None. MOTION CARRIED 7-0.

8. ADJOURNMENT:

Chair Truax adjourned the URA regular meeting at 6:41 p.m.

Respectfully submitted,

Anna D. Ruggles, CMC, City Recorder

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Date: August 11, 2014

**RESOLUTION ACKNOWLEDGING URBAN RENEWAL AGENCY RECEIPT OF CITY
OF FOREST GROVE ORDINANCE 2014-07 APPROVING THE FOREST GROVE
URBAN RENEWAL PLAN**

PROJECT TEAM:

Daniel Riordan, Senior Planner
Jon Holan, Community Development Director
Michael J. Sykes, Executive Director

ISSUE STATEMENT: This agenda item fulfills a legal requirement related to formal acceptance of an adopted urban renewal plan by an urban renewal agency. Under ORS 457.125 a copy of the ordinance (Attachment A) approving an urban renewal plan (Attachment B) shall be sent by the governing body of the municipality to the urban renewal agency. Once the urban renewal plan is filed with urban renewal agency the plan may be recorded with the recording office of the County as required by ORS Chapter 457.

BACKGROUND: On June 23, 2014, City Council approved Ordinance 2014-07 adopting the Forest Grove Urban Renewal Plan. Under state law (ORS Chapter 457) the last steps in the adoption process include filing the urban renewal plan with the urban renewal agency and recording the plan with the county recorder. This agenda items fulfills the requirement of urban renewal agency acceptance of the urban renewal plan. Subsequent to the urban renewal agency's acceptance of the plan on August 11th the plan will be recorded with the Washington County Recorder's office.

FISCAL IMPACT: None

STAFF RECOMMENDATION: Staff recommends the Urban Renewal Agency accept receipt of the Forest Grove Urban Renewal Plan as adopted by the City Council through Ordinance 2014-07.

ATTACHMENTS:

A: Urban Renewal Agency Resolution 2014-04
Exhibit A: City of Forest Grove Ordinance 2014-07
Exhibit B: Forest Grove Urban Renewal Plan

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URBAN RENEWAL AGENCY OF THE CITY OF FOREST GROVE**URA RESOLUTION NO. 2014-04****RESOLUTION ACKNOWLEDGING URBAN RENEWAL AGENCY RECEIPT OF CITY OF FOREST GROVE ORDINANCE 2014-07 APPROVING THE FOREST GROVE URBAN RENEWAL PLAN**

WHEREAS, on June 23, 2014, the Forest Grove City Council adopted Ordinance 2014-07 adopting the Forest Grove Urban Renewal Plan; and

WHEREAS, Oregon Revised Statutes Chapter 457.125 requires that a copy of the Ordinance (Attachment A) approving an urban renewal plan be sent by the governing body of the municipality to the urban renewal agency; and

WHEREAS, this resolution fulfills the legal requirement of urban renewal agency receipt of the Ordinance approving the Forest Grove Urban Renewal Plan.

NOW, THEREFORE, BE IT RESOLVED BY THE URBAN RENEWAL AGENCY AS FOLLOWS:

Section 1: The Urban Renewal Agency of the City of Forest Grove hereby acknowledges receipt of the ordinance adopted by the City Council approving the Forest Grove Urban Renewal Plan on June 23, 2014.

Section 2: This resolution is effective immediately upon its enactment by the Urban Renewal Agency of the City of Forest Grove.

PRESENTED AND PASSED this 11th day of August, 2014.

Michael J. Sykes,
Urban Renewal Agency Executive Director

APPROVED by the Urban Renewal Agency of the City of Forest Grove at a regular meeting thereof this 11th day of August, 2014, and filed with the Forest Grove City Recorder this date.

Peter B. Truax,
Urban Renewal Agency Chair

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ORDINANCE NO. 2014-07

**ORDINANCE MAKING CERTAIN DETERMINATIONS AND
ADOPTING THE FOREST GROVE URBAN RENEWAL PLAN**

WHEREAS, the Urban Renewal Agency of the City of Forest Grove ("Agency"), as the duly authorized and acting urban renewal agency of the City of Forest Grove, is proposing to undertake certain redevelopment activities in a designated area of the City of Forest Grove pursuant to ORS Chapter 457 (Urban Renewal); and

WHEREAS, the Agency, pursuant to ORS Chapter 457, prepared an urban renewal plan ("Plan") which is attached to this Ordinance as Exhibit 1, and incorporated herein by this reference; and

WHEREAS, the Plan authorizes urban renewal projects to be undertaken by the Agency within the Forest Grove Urban Renewal Area as described therein and by Exhibit 2; and

WHEREAS, the Plan provides an outline for accomplishing the urban renewal projects described in the Plan pursuant to ORS Chapter 457.085; and

WHEREAS, the Agency prepared a report ("Report") accompanying the Plan as required by ORS 457.085, attached to this Ordinance as Exhibit 3 and incorporated herein by this reference; and

WHEREAS, opportunities for public involvement were provided during development of the Plan through community open houses in September 2012 and May 2014, and a stakeholder advisory committee that included property owners, business owners and other interested persons; and

WHEREAS, the City Council forwarded the Plan and Report to the governing body of each overlapping taxing district potentially affected by the plan on May 2, 2014, and the City provided opportunities for consultation and comment with the taxing districts pursuant to ORS Chapter 457.085(5); and

WHEREAS, the City Council and Agency received written comments from Portland Community College and Metro; and

WHEREAS, Portland Community College requested clarification regarding the Plan adoption process and proposed maximum amount of indebtedness; and

WHEREAS, staff responded to Portland Community College's request for clarification on May 15, 2014; and

WHEREAS, Metro provided a letter dated May 20, 2014 supporting adoption of the proposed Forest Grove Urban Renewal Plan; and

WHEREAS, On May 5, 2014, the City Council forwarded the Plan and Report to City of Forest Grove Planning Commission for recommendation and determination of

Plan's conformance with the Forest Grove Comprehensive Plan and Economic Development Strategy (Exhibit 4); and

WHEREAS, on May 5, 2014, the City of Forest Grove Planning Commission adopted a motion finding the Plan to be in conformance with the Forest Grove Comprehensive Plan and Economic Development Strategy; and

WHEREAS, on May 5, 2014, the City of Forest Grove Planning Commission also adopted a motion and recommended that the City Council adopt the Plan; and

WHEREAS, during May 2014, the City provided notice of the hearings to be held before the City Council on the Plan, including the required statements of ORS 457.120(3), to all City utility billing customers pursuant to 457.120(1)(c); and

WHEREAS, on June 9 and June 23, 2014, the City Council held duly-noticed public hearings to review and consider the Plan, Report, recommendation of the Planning Commission, and the public testimony received; and

WHEREAS, the City Council finds the Plan complies with all requirements of ORS Chapter 457 including ORS Chapter 457.095(1) through ORS Chapter 457.095(7):

1. The area identified in the Plan as the Plan Area meets the statutory definition of "blight" as defined by ORS 457.010(1) and is therefore eligible for inclusion in the Plan due to: depreciated land and improvements values, obsolescence, deterioration, mixed character and shifting of uses, the existence of inadequate streets and other rights of way, open spaces and utilities, and a growing lack of proper utilization of land resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to the public health, safety and welfare of the City;
2. The rehabilitation and redevelopment described in the Plan to be undertaken by the Agency is necessary to address the conditions identified above by removing barriers to private property investment, improving general economic conditions and promoting increases in property values;
3. The Plan provides an outline for accomplishing the urban renewal projects described in the Plan;
4. The Plan conforms to the Forest Grove Comprehensive Plan generally and the policies, goals and objectives of the Land Use, Housing, Economic Development, Urbanization, and Sustainability chapters specifically. The Plan also conforms to the Forest Grove Economic Development Strategy including recommendations to promote development on vacant land and establishing an urban renewal area;
5. The Plan does not include provisions to acquire real property, and therefore no residential displacement is anticipated as the result of real property acquisition or disposition and redevelopment activities proposed in the Plan;

6. Adoption and carrying out the Plan is economically sound and feasible; and
7. The City shall assume and complete any activities prescribed to it by the Plan; and

WHEREAS, the City has complied with all notice and hearing requirements and the City Council has considered comments received on the Plan and Report and findings of fact.

NOW, THEREFORE, THE CITY OF FOREST GROVE ORDAINS AS FOLLOWS:

Section 1. The City Council approves the Forest Grove Urban Renewal Plan attached hereto as Exhibit A, and it incorporates that Plan by reference.

Section 2. The City Council adopts as its determinations and findings in support of the Ordinance the Report accompanying the Plan attached hereto as Exhibit B and the staff report dated June 9, 2014 attached hereto as Exhibit C.

Section 3. The City Recorder shall forward to the Agency and Washington County Recorder's Office certified copies of this Ordinance and the Plan upon adoption by City Council to be recorded into the Deed Records of Washington County, Oregon.

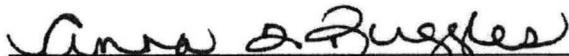
Section 4. In accordance with ORS 457.095 and ORS 457.115, the City Recorder shall place a notice of the adoption of this Ordinance and the provisions of ORS 457.135, in the *Forest Grove NewsTimes* no later than four days following the adoption of this ordinance.

Section 5. In accordance with ORS 457.135, the Plan has been adopted in conformance with all applicable legal requirements and shall be conclusively presumed valid for all purposes 90 days after adoption of this ordinance. No direct or collateral attack on the action may thereafter be commenced.

Section 6. This ordinance is effective 30 days following its enactment by the City Council.

PRESENTED AND PASSED the first reading this 9th day of June, 2014.

PASSED the second reading this 23rd day of June, 2014.



Anna D. Ruggles, City Recorder

APPROVED by the Mayor this 23rd day of June, 2014.



Peter B. Truax, Mayor

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CITY OF FOREST GROVE

URBAN RENEWAL PLAN

PART 1

MAY 2013

Prepared For:
CITY OF FOREST GROVE, OREGON

By:
THE BENKENDORF ASSOCIATES
JOHNSON REID, LLC



Exhibit B

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Appendix 1 – ORS Requirements

Appendix 2 – Legal Description

I. INTRODUCTION

The Oregon Legislature created a robust tool for use by cities and counties to strengthen local economies and improve the general investment climate. This tool is often referred to as urban renewal or redevelopment. Urban renewal provides a dedicated source of revenue, called tax increment financing, to fund capital improvement projects in defined areas of a community needing focused investment.

This urban renewal plan is foremost a financing strategy for capital projects intended to stimulate private investment, create jobs, and strengthen property values within the Forest Grove Urban Renewal Area. In general, this urban renewal plan establishes the policy framework for implementing community goals and objectives for the urban renewal area including encouraging business retention and recruitment, job creation, housing, and promoting desirable land use along the Pacific Avenue corridor and within the Town Center. The plan also establishes the guiding goals and objectives for the urban renewal area and identifies potential projects to address needs and opportunities for public and private investment.

The City of Forest Grove residents recently approved a charter amendment to streamline the process for establishing an Urban Renewal Program in the City. The following Urban Renewal Plan (Part 1) and Report (Part 2) have been prepared to implement the desires of the community to establish an Urban Renewal District. The plan has been prepared to comply with State law regarding urban renewal (ORS 457). The plan is to be used in conjunction with the accompanying urban renewal report. The report provides additional detail about existing conditions within the urban renewal area, reasons for selecting the urban renewal area, relationship between the projects identified and existing conditions, project cost and timing and financial analysis including potential impact to overlapping taxing districts.

The area of the district illustrated in Figure 1 (Section II) was selected to achieve the following purpose.

A. Statement of Purpose

The City of Forest Grove Urban Renewal Plan has been prepared to establish an Urban Renewal program within the City. The purpose of the Plan is to:

- Further eliminate blight and blighting influences,
- Improve the utilization of land within the urban Renewal district,

- Encourage private investment and,
- Increase the taxable value of property within the City.

The Plan is designed to be consistent with the Comprehensive Plan and Zoning Regulations adopted by the Forest Grove City Council. The Renewal Plan is intended to guide the provision of public and private investments and activities necessary for the orderly and proper improvement and redevelopment of the District. Through implementation of the Plan, economic development will be stimulated by the elimination of blighting conditions, provision of supporting public facilities, and general improvements in the overall appearance, condition, and function of the Town Center, Commercial Corridor and the District in its entirety.

The Forest Grove Urban Renewal Plan presented in this document meets the requirements of Chapter 457 of the Oregon Revised Statutes. The Plan also complies with other federal, state and local laws pertaining to urban renewal plans including section 1c, Article IX of the Oregon Constitution and the Forest Grove City Charter.

B. Need for Urban Renewal

The success of the urban renewal program is predicated on stimulating private investment within the urban renewal area to eliminate blight and blighting influences, improve the utilization of land and increase the taxable value of property within the City. .

The lack of private investment within certain areas may arise from several factors:

- Limited or no available private financing for desired development meeting local objectives;
- High degree of financial risk perceived by lenders and developers;
- Risk/reward relationship is out of balance
- Project includes significant public benefits without commensurate private financial return
- The cost to construct the project exceeds the market value of the project

The public sector, through an adopted urban renewal plan, could help remove some of the obstacles described above to encourage private investment and higher property values within and around the urban renewal area. The projects and programs included in the plan strive to address this need.

The need for urban renewal, including description of existing conditions and reasons for selecting the urban renewal area, are more fully explained in the accompanying Urban Renewal Report.

C. Goals and Objectives

The following Goals and Objectives are envisioned for improving the economic health, residential character and aesthetic appearance of the Urban Renewal Area.

Goal 1: Provide opportunities for public participation in the preparation and adoption of urban renewal plans, plan amendments and policies.

Objective 1.1: At the discretion of the Agency establish an urban renewal advisory committee with broad representation to assist the Agency Board of Directors with implementation of the urban renewal program.

Goal 2: Adopt a prudent annual budget to minimize financial risk to the Urban Renewal Agency and the City of Forest Grove.

Objective 2.1: Establish Urban Renewal Agency policies to guide strategic financial investments in the urban renewal area based on public benefit, documented financial need, and scale of the project and accepted underwriting principles.

Objective 2.2: Evaluate tax increment revenue collections annually to minimize long term impacts to overlapping taxing districts.

Objective 2.3: Secure grant funding from regional, state, federal agencies, and private organizations to implement the urban renewal program and supplement tax increment revenue.

Goal 3: Improve the local investment climate by reducing financial barriers to development and redevelopment within the urban renewal area.

Objective 3.1: Capitalize a program to offset system development charges for projects providing a public benefit and to encourage private investment, appreciation in property values and efficient use of vacant and underutilized land.

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

Objective 4.1: Establish a program to encourage the preservation, conservation, and adaptive reuse of designated and contributing historic resources in the urban renewal district.

Objective 4.2: In conjunction with the Economic Development Commission, assist business retention and expansion efforts in the Forest Grove Town Center.

Objective 4.2: Identify a location and assist with funding construction of a public gathering place in the Town Center.

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

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

Goal 5: Promote commercial and mixed-use redevelopment of sites along the Pacific Avenue corridor.

Objective 5.1: Establish incentives to encourage a mixture of land uses including retail, office, and housing at strategic locations along the Pacific Avenue corridor.

Objective 5.2: Work with the Economic Development Commission to market redevelopment opportunity sites to prospective developers.

C. Plan Administration

The City of Forest Grove Urban Renewal Plan consists of the text and exhibits contained in this document and the attached Report. The Plan applies to the specific area outlined in Exhibit 1 and further described in Section II. The Plan has been prepared with the assistance of an Urban Renewal Working Group for adoption by the Forest Grove City Council. The Urban Renewal Agency of the City of Forest Grove shall administer the Plan in accordance with ORS 457, the Oregon Constitution, and all other applicable laws and ordinances. All such applicable laws are made a part of this Plan by reference.

The members of the Forest Grove City Council will serve as the Board of Directors of the Urban Renewal Agency of the City of Forest Grove as allowed by ORS 457.045.

D. Effective Period of the Plan

The Plan projects will be completed in twenty years or 2033 from the date of adoption by the City Council. If the projects in this Plan, and any additional projects, added to the Plan, are completed earlier, and all indebtedness is paid, the Urban Renewal Agency and the City Council will take action to terminate the Plan at that time.

If the City Council finds a need for an urban renewal agency no longer exists, the City Council, by ordinance, may dissolve the urban renewal agency. Terminating the urban renewal agency shall not affect any outstanding legal actions, contracts, or obligations of the agency and the City shall be considered a continuation of the agency. The urban renewal agency may not be dissolved unless all indebtedness to which a portion of taxes is irrevocably pledged for payment is fully paid.

E. Definitions

1. **Agency** means the Urban Renewal Agency of the City of Forest Grove, Oregon as authorized by ORS 457.035.

2. **Blighted Areas** are areas which, by reason of deterioration, faulty planning, inadequate or improper facilities, deleterious land use or the existence of unsafe structures, or any combination of these factors, are detrimental to the health, safety or welfare of the community. **Blight** shall have the same meaning in this Plan as defined in ORS 457.010(1).

3. **Boundary** means the geographic and legal limits which encompass the Forest Grove Urban Renewal Area.

4. **Certified Statement** means the statement prepared and filed pursuant to ORS 457.430, or an amendment to the certified statement prepared and filed pursuant to ORS 457.430, establishing the total taxable assessed value of property within the urban renewal area.

5. **City** means the City of Forest Grove Oregon.

6. **City Council** means the Forest Grove City Council.

7. **Comprehensive Plan** means the Forest Grove Comprehensive Plan and its implementing ordinances, policies and development standards.

8. **County** means Washington County, Oregon.

9. **Disposition and Development Agreement** means an agreement between the Urban Renewal Agency and a redeveloper which sets forth the terms and conditions which govern the transfer, use and development of land.

10. **Fair Reuse Value** means the value of property established 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.

11. **Lot** means a unit of land that is created by a subdivision or platting of land and recorded in the land records of Washington County
12. **ORS** means the Oregon Revised Statutes (State Law and. specifically, Chapter 457. thereof.
13. **Maximum indebtedness** means the amount of the principal amount of indebtedness authorized by the urban renewal plan pursuant to ORS 457.190 and described in Section VI(B).
14. **Public Improvement Plan** means drawings, development standards and/or objectives designed to guide the improvement of public facilities and services in the Forest Grove Urban Renewal Area.
15. **Persons** means any individual, family, business, firm association, or corporate entity.
16. **Plan** means the Forest Grove Urban Renewal Plan consisting of the text and accompanying exhibits.
17. **Project** means any work or undertaking carried out under ORS 457.170 in an Urban Renewal Area.
18. **Projects or Activities** means the development or improvement projects described in Section III herein.
19. **Property Owner** means any individual who owns property within the Forest Grove Urban Renewal Area.
20. **Redeveloper** means any individual or group acquiring property from the Urban Renewal Agency or receiving financial assistance for the physical improvement of privately or publicly held structures and land.
21. **Renewal Area** means the Forest Grove Urban Renewal Area.
17. **Report** means the report accompanying the Plan prepared pursuant to ORS 457.085(3).
22. **State** means the State of Oregon.
23. **Taxing District** means the state, city, county or any other taxing unit which has the power to levy a tax.

24. **Tax Increment Revenue** means that portion of ad valorem property tax proceeds attributable to any increase in the taxable assessed value of property located in an urban renewal area, or portion thereof, over the taxable assessed value specified in the certified statement.

25. **Text** means the Forest Grove Urban Renewal Plan Text for the Forest Grove Urban Renewal Area.

26. **Urban Renewal Advisory Committee** means an advisory body appointed by the Urban Renewal Agency Board of Directors to make recommendations on the urban renewal program including amendments to the urban renewal plan.

II. GENERAL DESCRIPTION OF LAND USE PLAN

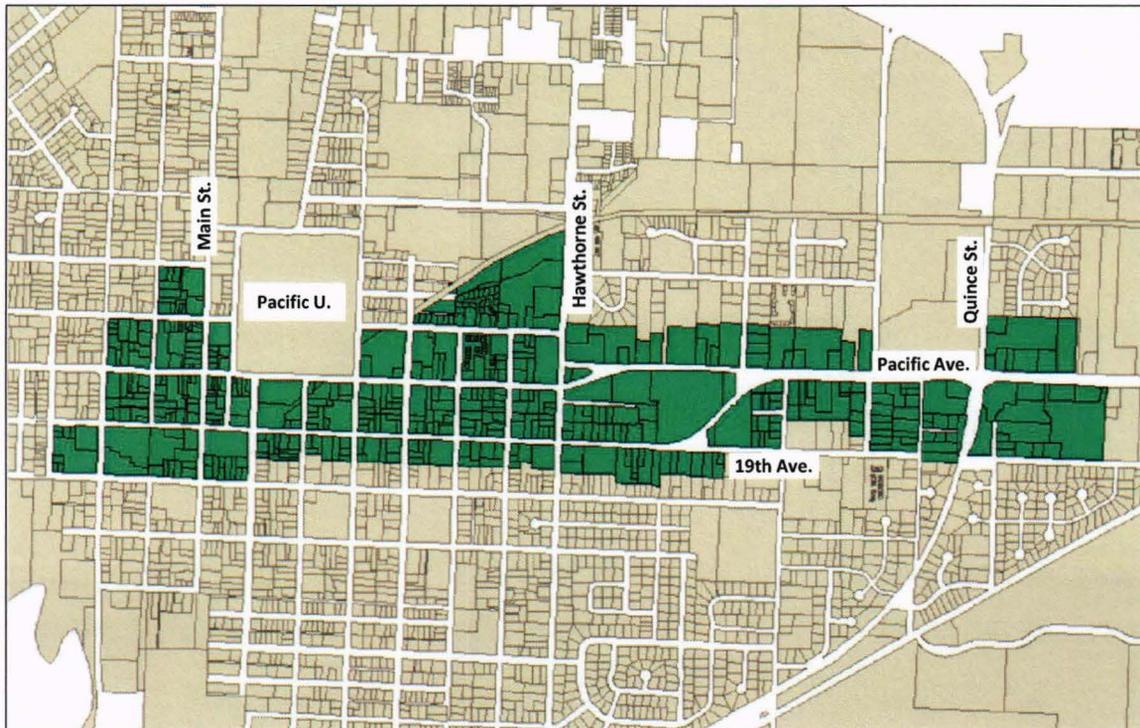
A. Boundary

The City of Forest Grove Urban Renewal District includes land within the City of Forest Grove, only. A legal description is included in Appendix 1.

The Renewal Area encompasses 525 tax lots and a total of 202.1 acres including existing public street rights of way.

The Urban Renewal area is a linear area generally including the tax lots with frontage on Pacific Avenue and 19th Street beginning at the manufactured home park in the east and terminating at C Street on the west. The district extends north to the existing rail corridor between Hawthorne Street and Douglas Street. The Pacific University campus is immediately west of the area previously described.. The McMenamín's property from Quince to Oak on the west is also not included in the district. The primary Town Center area west of the university between 22nd on the north and C Street to the south is also included in the district. **See Figure 1.**

Figure 1: Forest Grove Urban Renewal Area

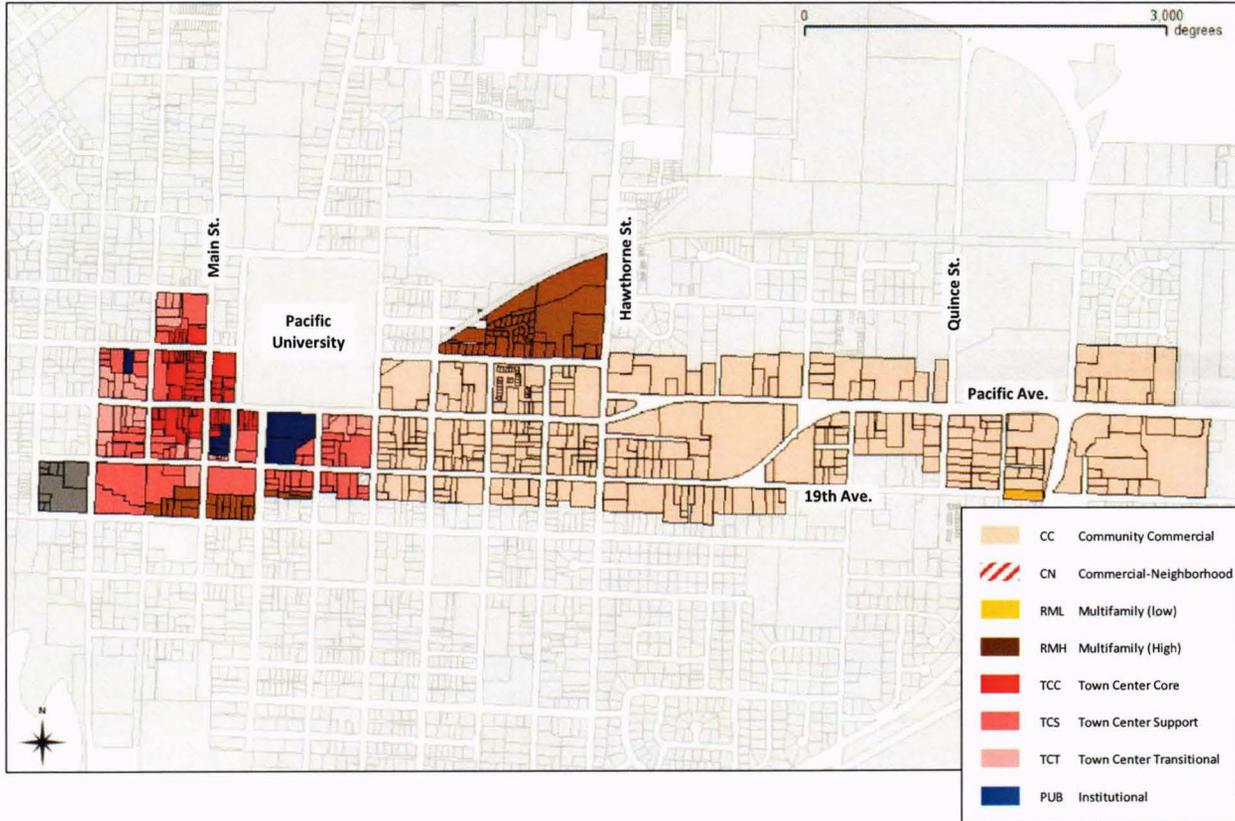


Source: RLIS, City of Forest Grove

B. Land Use Plan, Zoning, Development Standards

The Land Use Plan for the District is based on the City of Forest Grove Comprehensive Plan Map and Zoning Map. (See Figure 2). The proposed land uses within the Forest Grove Urban Renewal District are consistent with the City's Zoning Maps.

Figure 2: Zoning Map, Urban Renewal Area



Source: RLIS, City of Forest Grove

The following table compares the acreage currently planned for each land use within the Urban Renewal Area not including public rights of way.

Figure 3: Land Area by Zoning Designation

<u>Existing Zoning</u>	<u>Area (acres)</u>
Community Commercial (CC)	134.6
Commercial Neighborhood (CN)	0.2
General Industrial (GI)	3.8
Institutional (INST)	4.3
Multi-Unit (High) Residential(RMH)	19.5
Multi-Unit (Low) Residential (RML)	0.6
Town Center Core (TCC)	9.2
Town Center Support (TCS)	21.5
Town Center Transition (TCT)	8.4
Total: Absent Public Right of Way	202.1

The use and development of the land within the Forest Grove Urban Renewal District shall be governed by the City of Forest Grove Comprehensive Plan and Development Code.

The following text includes the purpose of the zoning districts as well as the uses permitted by the specific zoning district definitions. All of the Forest Grove Urban Renewal Area is located within the City limits and within the Forest Grove portion of the Portland Regional Urban Growth Boundary (UGB). The City of Forest Grove has designated the land uses for the entire Forest Grove planning area within the UGB in its Comprehensive Plan.

The land areas within the Urban Renewal District boundary are zoned for nine separate districts. The purpose of each district and a summary of the existing development standards follows:

1. **Residential RML** – The RML zone is intended for development of housing at a target density of 12 dwelling units per net acre. Small-lot single family housing, duplexes, attached dwellings and small multi-dwelling residences will be permitted housing types, subject to the density limitations of the zone. A limited range of compatible non-residential uses such as parks and schools are also permitted or allowed with a conditional use permit approval. The RML zone functions as a transition zone between the lower density residential zones and the higher intensity residential and non-residential zones.

2. **Residential RMH** – The RMH zone is intended for development at a target density of 20.23 dwelling units per net acre. Multi-unit residential buildings will be the predominant housing type in this zone. RMH zoning is generally applied near transit streets and adjacent to

commercial districts. The RMH zone also allows a limited range of non-residential uses to help provide services for residents and enhance the quality of the higher density neighborhood.

Residential Zone Development Standards – The City of Forest Grove regulates residential development primarily by density rather than minimum lot size. Density is calculated based on net site area. Within the density limits of each of the five residential zones, a variety of housing types and lot sizes are permitted. This approach allows more sites to be developed with the flexibility of a Planned Development.

All residential subdivisions and multi-family developments are required to develop at a minimum of 80% of the targeted density. (10.3.130 – City Development Standards)

- 3. Institutional Zone** – The City of Forest Grove has established an institutional zone (INST) to implement the Public and Semi-Public/Institutional facilities such as campuses, public school sites and associated playgrounds, hospitals, corporation yards, sewer and water treatment facilities and cemeteries. The district is for uses such as governmental services, education facilities, public parks and open space, and other similar activities. Smaller facilities can be found within other appropriate zone districts.

Institutional Zone Development Standards – The development standards for the institutional zone are intended to promote efficient site planning, control the overall scale of buildings, and promote streetscapes that are consistent with the desired character of the neighborhood. (10.3.220 – City Development Code)

- 4. Neighborhood Commercial (CN)** – The CN zone is established to provide for small to medium sized shopping and service facilities adjacent to residential neighborhoods. The district is intended to meet the convenience shopping and service needs of the immediate neighborhood and to have minimal negative impacts on surrounding residential uses. NC zones should be located on arterial or collector streets, preferably at an intersection. NC zones should be located on arterial or collector streets, preferably at an intersection. NC zones should be spaced at approximately one-half(1/2) mile intervals and each zoned area should be limited to a total size of approximately two (2) acres.
- 5. Community Commercial (CC)** – The CC zone is established to promote a concentration of mixed uses – including retail, service, office and residential uses – along the regional transit corridor. The link between land use and transit is intended to result in an efficient development pattern that supports the regional transit system and makes progress in reducing traffic congestion and air pollution. The location, mix and configuration of land uses are designed to encourage convenient alternatives to the auto, a safe and attractive streetscape, and a more livable community.

Commercial Zone Development Standards – The development standards for the commercial zones are intended to promote efficient site planning, control the overall scale of buildings, and promote streetscapes that are consistent with the desired character of the two zones. (10.3.330 – City Development Code)

6. **Town Center Core (TCC)** – The Town Center Core zone encompasses the traditional downtown core along Main Street. The purpose of this zone is to provide a concentration of retail and office uses in a defined area. Retail, service uses are required on the ground floor retail, with an emphasis on those uses that serve a walk-in clientele. Office and/or residential uses are allowed on upper floors. The design standards for this zone require a continuous storefront facade featuring streetscape amenities for the pedestrian.
7. **Town Center Transition (TCT)** – The Town Center Transition zone is established to increase employment and housing opportunities in close proximity to the Town Center Core. A mix of retail, office, light industrial and residential uses are allowed in the TCT zone, but ground floor retail uses are permitted but not required. Consistent streetscape improvements such as street lighting, street trees and sidewalks will link the Town Center Transition zone with the Town Center Core.
8. **Town Center Support (TCS)** – The Town Center Support zone is established to increase employment and housing opportunities that support the Town Center Core. A mix of office, light industrial and residential uses are allowed in the TCS zone. Ground floor retail uses are permitted but not required. Pedestrian and bicycle improvements will link the Town Center Support zone with the Town Center Core.

Town Center Zone Development Standards – The development standards are intended to promote efficient use of land and more intensive development. The standards establish minimum and maximum building heights and maximum building setbacks to reinforce the scale and storefront character of existing historic buildings and to support a pedestrian-oriented environment. (10.3.430 - City Development Code)

9. **General Industrial (GI)** – The GI zone is intended for industrial uses that are generally not compatible with residential development because of their operational characteristics. This district is also intended for uses that may require extensive outdoor areas to conduct business activities or for product storage or display. General industrial uses include those involved in the processing of raw materials into refined products and or/industrial uses that have external impacts. The purpose of this district is to permit the normal operations of any industry that can meet and maintain compliance with established state and federal performance standards. The district is intended to contain supportive retail development. Commercial or retail uses that do not primarily serve the needs of people working or living in the employment and industrial areas are prohibited in this district. New residential uses are not permitted in the GI zone.

The development standards listed in the code are applicable to all development within the Light Industrial and General Industrial zones. Development within these zones shall also comply with all other applicable requirements of this Code, including the general development standards in Article 8. (10.3.530 - City Development Code)

The City of Forest Grove is currently conducting a Periodic Review of the City's Comprehensive Plan. The updated Comprehensive Plan is expected to be reviewed by the Planning Commission and adopted by the City Council by December 2013.

III. OUTLINE OF PROJECTS & REDEVELOPMENT ACTIVITIES

A. General Redevelopment Outline

The City of Forest Grove is establishing an urban renewal agency and adopting an Urban Renewal Plan to promote private and public investment within the urban renewal area. The plan area is focused on the Forest Grove Town Center and Pacific Avenue/19th Avenue corridor. The area includes the Town Center, Pacific Avenue/19th Street corridor and the 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. Several policy documents prepared by the City, including the Town Center Plan, Downtown Resources Team Report, and Commercial Corridor Study, identify urban renewal as an appropriate tool for creating a strong and vibrant Forest Grove.

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 initially 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 \$7.5 million to \$16.2 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 options for potentially increasing tax increment revenue during the life of the Urban Renewal Plan.

The urban renewal plan must identify anticipated projects including estimated cost and timeline for completion. See Section VII of the Urban Renewal Report. The projects include acquisition of redevelopment opportunity sites for purposes meeting the goals and objectives of the urban renewal plan, 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. Unless otherwise stated, the project activities may be undertaken throughout the entire urban renewal district. The Urban renewal agency may undertake projects directly or may provide funding for projects to be undertaken by other public or private parties. The agency may fund projects in part or in whole.

B. Acquisition of Redevelopment Opportunity Sites from Willing Sellers

Under State law an urban renewal agency may purchase property for urban renewal projects including redevelopment of sites or infrastructure improvements. Property acquired by the Agency for private development must be acquired from willing sellers. The use of eminent domain is not authorized by this plan for the purchase of property for private development or redevelopment. The identification of property for acquisition by the Urban Renewal Agency from a willing seller requires a minor plan amendment as outlined in Section VII.

Under state law, the urban renewal agency could redevelop the property, acquired by a willing seller, or dispose of the property to a third party for redevelopment. Methods of acquisition include 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. At this time the urban renewal plan does not identify any property for acquisition. The urban renewal plan may be amended in the future to identify property for potential acquisition by the Urban Renewal Agency.

The urban renewal report provides examples of development types consistent with the urban renewal plan. Property may be acquired by the Agency for a Town Center plaza, mixed-use development where permitted in the urban renewal area, and off-site infrastructure improvements necessary to support development and redevelopment.

Potential projects on land acquired by the Agency include:

- **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**

C. Redevelopment Project Assistance

Another available tool 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 to 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 Systems 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.

D. Exterior Building Improvement Program

The program category would provide funding for improvements to building exteriors such as awnings and canopies, exterior lighting, and exterior improvements intended to return buildings to their original historic character. This category would also fund seismic improvements and ADA accessibility improvements up to established per project funding limits.

E. Interior Building Improvement Program

This program 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 improvements, seismic upgrades, 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.

F. 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.

G. 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.

H. Program Administration

This program includes funding for administration of the urban renewal program. Administration includes project management, regulatory compliance, bond issuance expenses and legal expenses.

IV. COMPREHENSIVE PLAN CONSISTENCY

The Forest Grove Urban Renewal Plan was prepared in conformance with the Forest Grove Comprehensive Plan as described below. The urban renewal plan establishes a financing framework to implement key elements of the Comprehensive Plan. As such, there is a direct relationship between the projects identified in the Urban Renewal Plan and applicable Comprehensive Plan goals and policies.

Land Use Goals

Commercial Goal # 9.1: Strengthen Forest Grove's position as a commercial center of Western Washington County, and encourage shopping by residents of that area.

The urban renewal district includes the Forest Grove Town Center and the Pacific Avenue commercial corridor. The urban renewal area includes underutilized buildings and vacant/underutilized sites suitable for retail purposes. Encouraging use of underutilized building and development of vacant/underutilized parcels with retail uses encourage shopping by residents of Forest Grove and nearby western Washington County areas.

Commercial Goal #9.2: Encourage the opportunity for revitalization of the central business district.

The urban renewal plan identifies projects and establishes a dedicated funding source intended to encourage the revitalization of the Forest Grove central business district.

Commercial Goal #9.3: Provide for a mix of commercial uses and multifamily housing in the commercial core area.

The urban renewal program promotes the redevelopment of property consistent with the Forest Grove Comprehensive Plan and zoning land use designations. The Comprehensive Plan and zoning designations encourage a mixture of commercial uses and multi-family housing in the commercial core area by reducing barriers to development.

Residential Goal #9.4: Multifamily housing shall be permitted in commercial areas.

The urban renewal program encourages the construction of housing along the Pacific Avenue/19th Avenue commercial corridor and within the Town Center. The commercial corridor and Town Center are commercial areas.

Land Use Policies

Residential Policy #9.1: Adopt land use map designations for all land use categories based on the findings goals and policies in the Comprehensive Plan. Where redevelopment of an existing residential neighborhood is deemed necessary to accommodate other uses, standards shall allow mixing of uses when combined with the appropriate plan review for setbacks, screening, landscaping and compatibility with existing residential uses.

The urban renewal program encourages the mixing of uses, where appropriate, within the urban renewal area.

Residential Policy #9.14: Higher density housing shall be encouraged near transit, employment, and shopping areas.

The urban renewal program encourages high density housing within the Forest Grove Town Center and along the Pacific Avenue corridor. Both the Town Center and Pacific Avenue corridor are near transit, employment and shopping areas.

Residential Policy #9.3: Multi-family development shall be near the commercial core of major arterials.

The urban renewal program encourages housing, including multi-family housing near the commercial core.

Commercial Policy #9.16: Refer to the Forest Grove Town Center Plan for guidance on all downtown-area policies and strategies.

The urban renewal plan is consistent with the Forest Grove Town Center Plan implementation strategy Public/Private Partnerships: Set up a renewal district.

Parks and Recreation Goal #9.1: Provide facilities that are attractive, well maintained, and easily accessible in relation to the population as well as geography.

The urban renewal program promotes a variety of projects intended to strengthen the Town Center such as a Town Center public plaza.

Housing Goals

Housing Goal #13.1: Encourage the provision of affordable, good quality housing in adequate numbers to all segments of Forest Grove's population including but not limited to people of all races, age, sex, religion, national origin, mental and physical handicaps, income, marital status, or family size.

The urban renewal program promotes the construction of new housing units within the urban renewal area by removing barriers to development and establishing programs to reduce the cost of construction. The urban renewal program will expand housing choice within the community based on community needs.

Housing Goal #13.2: Provide for an adequate supply of new housing to meet demand, thus avoiding shortages and adverse impacts on price, rents, and choice of housing.

The urban renewal program promotes the construction of new housing units by removing barriers to development and establishing programs to reduce the cost of construction.

Housing Goal# 13.3: The City shall take actions and make recommendations which will assist and encourage the reduction of housing costs.

The urban renewal plan allocates funding for programs intended to reduce housing costs by reducing the cost of land and some fees associated with development. Housing costs could be reduced through land write downs, SDC fee reductions, and other financial incentives.

Economy Goals

Economy Goal #5.1: Maintain and improve the economic independence and identity of the community by strengthening and diversifying the economic base.

The urban renewal plan identifies specific projects intended to complement the identity of the Forest Grove Town Center as the historic retail core of the community. Such projects include land acquisition for redevelopment, redevelopment project assistance, and building improvement program. Urban renewal projects will help diversify the economic base of the community by encouraging business expansion and recruitment and job creation.

Economy Goal #5.5: Strengthen Forest Grove's position as a commercial center of Western Washington County, and encourage shopping by residents of that area.

The urban renewal district includes the Forest Grove Town Center and the Pacific Avenue commercial corridor. The urban renewal area includes underutilized buildings and vacant/underutilized sites suitable for retail purposes. Encouraging use of underutilized building and development of vacant/underutilized parcels with retail uses encourage shopping by residents of Forest Grove and nearby western Washington County areas.

Historic Preservation Goals

Historic Preservation Goal #9.1: Establish a community development program to promote the economic vitality of the historic business core through recognition and preservation. (Historic Preservation Element)

The urban renewal area includes the Forest Grove Town Center; the historic business core of the community. The urban renewal plan includes programs to promote the economic vitality of the historic business core by encouraging the preservation of the existing building stock including designated historic buildings.

Historic Preservation Policies

Historic Preservation Policy #9.2: Encourage the use of tax and other financial incentives to individuals who wish to preserve and/or rehabilitate historically significant sites or structures.

The urban renewal plan includes a dedicated source of funding that could be used to capitalize a program to fund certain exterior and interior building improvements. Such a program could be used to preserve and rehabilitate structures including historically significant buildings.

Historic Preservation Policy #9.5: Encourage utilization of historical structures in designated commercial zones through building adaptation and rehabilitation.

The urban renewal plan provides a dedicated source of funding, through tax increment financing, to encourage the preservation and rehabilitation of building stock including historically significant structures within the Forest Grove Town Center.

V. PROPERTY ACQUISITION AND RELOCATION PLAN

A. Property Acquisition

The establishment of the Forest Grove Urban Renewal Plan provides the opportunity for property in the District to be acquired and redeveloped. In the future, if properties are identified for acquisition by the Urban Renewal Agency, the Plan will be amended to specifically indicate which properties will be acquired and the intended use.

Acquisition and redevelopment may result in the displacement of businesses and possibly residents. In the event of displacement, the Agency will establish a Relocation Policy which will call for the Agency's assistance to those residents and businesses displaced. Such assistance may include providing information regarding suitable locations, payments of moving expenses and other reimbursements, as deemed necessary.

Property acquired by the Agency for private development must be obtained from willing sellers. The use of eminent domain is not authorized by this plan for the purchase of property for private development or redevelopment from unwilling sellers. The identification of property for acquisition by the Urban Renewal Agency from a willing seller requires a minor plan amendment as outlined in Section VII.

The Urban Renewal Agency reserves the right to acquire property for public infrastructure improvements, from willing sellers or unwilling sellers, through eminent domain if necessary and allowed by ORS 35.015. Purchase of property from unwilling sellers will be processed as a major amendment to the plan as outlined in Section VII.

All relocation activities will be undertaken and payments made in accordance with the requirements specified in the ORS 35.500 et seq.

B. Property Disposition

The Urban Renewal Agency is authorized to sell, lease, exchange, subdivide, transfer, assign or otherwise dispose of any interest in real property which has been acquired in accordance with the urban renewal plan and State law.

The urban renewal agency is authorized to make land available at its "fair reuse value" as allow by ORS 457.230(1). The fair reuse value is set by the urban renewal agency in order so that the land may be developed, redeveloped, cleared, conserved, or rehabilitated for specific uses to be permitted on the real property. The Agency will adopt policies and procedures for disposing of Agency property.

State law requires than an urban renewal agency, upon sale or lease of land for redevelopment, require that the redeveloper use the land for purposes called for in the plan and begin the improvements within a reasonable amount of time. Such

requirements will be outlined in a Disposition and Development Agreement for Agency approval.

VI. METHODS OF FINANCING

A. General Description of Financing Methods

In keeping with ORS 457.190, the designated Urban Renewal Agency may borrow money and accept advances, loans, grants and any other form of financial assistance from the federal government, the state, the county or other public body, or from any sources, public or private, for the purposes of undertaking and carrying out the projects and intents of this Plan. This Plan also authorizes any other financing methods, public or private, allowed to an Urban Renewal Agency under ORS 457.

The primary anticipated source of funding for carrying out this Plan and its projects, in part or in whole, is Tax Increment Financing as authorized in Section 1c, Article IX of the Oregon Constitution and ORS 457. This Plan allows for a division of ad valorem taxes under ORS 457.420 to 458.460. The division of ad valorem taxes does not reduce or otherwise impact property tax revenue collected as the result of the City of Forest Grove's local option levy or to repay bonded indebtedness approved by taxing districts.

Revenues obtained by the Agency will be used to pay or repay costs, expenses, advancements and indebtedness incurred in planning or undertaking project activities or otherwise exercising any of the powers granted by ORS Chapter 457 in connection with the implementation of this Plan.

B. Maximum Indebtedness

The maximum indebtedness as set in this Plan shall be \$15,000,000. This amount is the principal of such indebtedness necessary for project activities identified in the plan. The maximum indebtedness is based on good faith estimates of the scope and costs of projects including but not limited to increases in costs due to reasonably anticipated inflation. The maximum indebtedness amount does not include interest or indebtedness incurred to refund or refinance existing indebtedness.

In keeping with ORS 457.190(4)(d) the total maximum indebtedness may be increased annually on July 1 of each year to reflect inflation of construction and other costs involved in the Plan projects. The amount of inflation which has occurred since initial adoption shall be calculated using the Consumer Price Index.

C. Prior Indebtedness

Any indebtedness permitted by law and incurred by the City or the Urban Renewal Agency in connection with preplanning for this Plan may be repaid from tax increment revenues from the Area when and if such funds are available.

VII. URBAN RENEWAL PLAN AMENDMENTS

The Plan anticipates the possibility of plan amendments becoming necessary in response to future changes in economic conditions, land use, and other factors.

A. Substantial Amendments

In accordance with ORS 457.220, any substantial amendment to the Plan shall, before being carried out, be approved and recorded in the same manner as called for in the original plans adopted under the requirements of ORS 457.085.

For the purposes of the document, “substantial amendment” means:

- Adding land to the urban renewal area, except for an addition of land that totals not more than one (1) percent of the existing area of the Forest Grove Urban Renewal Area.
- Increasing the maximum amount of indebtedness that can be issued or incurred under the Urban Renewal Plan.
- Additions of a project, other than those specifically listed, that exceed an estimated \$500,000 in project cost.
- Extending the term of the Urban Renewal Plan for the District.

B. Major Amendments

- Identification of property for an infrastructure project requiring the use of eminent domain.

Major amendments to the plan shall be approved by the City Council by adoption of an ordinance.

C. Minor Amendments

All amendments or changes in this Plan which are not Substantial Amendments or Major Amendments as specified above shall be considered Minor Amendments. Minor amendments to the Plan shall be approved by Resolution of the Urban Renewal Agency.

Presentation of any amendment to the Urban Renewal Agency or City Council shall be accompanied by the recommendations of staff and/or the Forest Grove Urban Renewal Advisory Committee.

D. Comprehensive Plan and Development Code Amendments

Any amendments to planned uses which result from amendment of the underlying Comprehensive Plan designations or Zoning District standards will be considered minor amendments to the Renewal Plan. They are designated minor because the City's process for Zoning District Code Text and Comprehensive Plan Map amendments requires analysis, public involvement and adoption by Ordinance in a Council public hearing.

Date: August 11, 2014

**RESOLUTION AUTHORIZING URBAN RENEWAL AGENCY CHAIR AND
EXECUTIVE DIRECTOR TO EXECUTE AN INTERGOVERNMENTAL AGREEMENT
BETWEEN THE URBAN RENEWAL AGENCY AND CITY FOR THE PROVISION OF
ADMINISTRATIVE AND DEVELOPMENT SERVICES**

PROJECT TEAM:

Daniel Riordan, Senior Planner
Jon Holan, Community Development Director
Paul Downey, Administrative Services Director
Michael J. Sykes, Executive Director

ISSUE STATEMENT: Under state law, the City and Urban Renewal Agency are separate legal entities. A common best practice among cities and urban renewal agencies in Oregon is to clarify the roles and responsibilities related to implementing the urban renewal plan through an intergovernmental agreement (IGA). The IGA (Attachment A) fulfills this purpose by clarifying the provision of administrative services by the City to the Agency, reimbursement of City costs by the Agency related to the undertaking the urban renewal plan and procedures for the advancement of funds by the Agency and City if desired.

BACKGROUND: On April 28, 2014, City Council adopted Ordinance 2014-05 establishing the Urban Renewal Agency of the City of Forest Grove. Subsequently on June 23, 2014, the City Council adopted Ordinance 2014-07 adopting the Forest Grove Urban Renewal Plan. A commonly accepted best practice among urban renewal agencies in Oregon is to clarify the formal relationship between an urban renewal agency and the municipality related to implementation of the urban renewal plan and redevelopment activities through an intergovernmental agreement. The attached IGA clarifies the relationship, role and responsibilities incumbent upon the Urban Renewal Agency and City with respect to carrying-out the urban renewal plan and undertaking redevelopment activities.

Policy issues related to the IGA include: term of the agreement (10 years is recommended for administrative efficiency and continuity), costs to be reimbursed by the Agency, procedure for reimbursement of costs by the Agency and the role of the City's auditor with respect to Agency audits. It also provides for the City to loan funds to the Agency, if so directed by the City Council. This may be particularly important if a significant project is proposed before sufficient tax increment has been built up. The IGA addresses these issues and reflects the staff recommendation.

FISCAL IMPACT: The intergovernmental agreement obligates the Urban Renewal Agency to reimburse the City for costs incurred related to provision of staff services, furnishings and equipment required for Urban Renewal Agency activities. As such, the IGA has a potential fiscal impact on both the Agency and City. The IGA is considered to be a debt instrument and as such tax increment revenue may be used by the Agency for the reimbursement of costs incurred by the City related to implementation of the urban renewal plan.

STAFF RECOMMENDATION: Staff recommends the Urban Renewal Agency Board approve the Intergovernmental Agreement.

ATTACHMENTS:

A: Urban Renewal Agency Resolution 2014-05
Exhibit A: Intergovernmental Agreement



URBAN RENEWAL AGENCY OF THE CITY OF FOREST GROVE

URA RESOLUTION NO. 2014-05

RESOLUTION AUTHORIZING URBAN RENEWAL AGENCY OF THE CITY OF FOREST GROVE (AGENCY) CHAIR AND EXECUTIVE DIRECTOR TO EXECUTE AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE AGENCY AND CITY OF FOREST GROVE (CITY) FOR THE PROVISION OF ADMINISTRATIVE AND DEVELOPMENT SERVICES

WHEREAS, on June 23, 2014, the Forest Grove City Council adopted Ordinance 2014-07 adopting the Forest Grove Urban Renewal Plan; and

WHEREAS, the Agency and City desire to clarify roles and responsibilities related to redevelopment activities and implementation of the Forest Grove Urban Renewal Plan through an Intergovernmental Agreement (IGA).

NOW, THEREFORE, BE IT RESOLVED BY THE URBAN RENEWAL AGENCY AS FOLLOWS:

Section 1: The Urban Renewal Agency Board hereby approves the IGA (Exhibit A) necessary to clarify Agency and City roles and responsibilities related to redevelopment activities and implementation of the Forest Grove Urban Renewal Plan including the provision of administrative and development services by the City and reimbursement of costs.

Section 2: The Agency Chair and Executive Director are hereby authorized to sign the IGA.

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

PRESENTED AND PASSED this 11th day of August, 2014.

Michael J. Sykes,
Urban Renewal Agency Executive Director

APPROVED by the Urban Renewal Agency of the City of Forest Grove at a regular meeting thereof this 11th day of August, 2014, and filed with the Forest Grove City Recorder this date.

Peter B. Truax,
Urban Renewal Agency Chair

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**INTERGOVERNMENTAL AGREEMENT
FOR THE PROVISION OF ADMINISTRATIVE AND DEVELOPMENT SERVICES**

THIS INTERGOVERNMENTAL AGREEMENT ("Agreement") entered into between the City of Forest Grove, an Oregon municipal corporation established under ORS Chapter 221 ("City"), and the Urban Renewal Agency of the City of Forest Grove, an Oregon quasi-municipal corporation ("Agency"), established under ORS Chapter 457 and duly activated by the City.

RECITALS

1. The Agency is a public body, corporate and politic, duly activated by the City, exercising its powers to engage in urban renewal activities as authorized under ORS 457 (Urban Renewal), the City of Forest Grove Municipal Code and the Forest Grove Urban Renewal Plan ("Plan").
2. The Agency prepared an Urban Renewal Plan as defined by ORS 457.010(16) (the "Plan").
3. The Plan was approved by the Forest Grove City Council on June 23, 2014, pursuant to ORS 457.095.
4. The Agency will undertake redevelopment activities to carry out the Plan.
5. The City has experience in the provision of administrative services for local governmental activities including the areas of budgeting, financial reporting, planning, project management, engineering, and constructing public improvements, and desires, pursuant to ORS 457.320, to assist the Agency in the planning and carrying out the Plan by providing all administrative and development services necessary and proper for carrying out the Agency's duties and responsibilities related to administering and implementing the Plan.
6. ORS 190.010 and ORS 457.320 authorize the City and the Agency, and the City and Agency desire, to enter into an Agreement whereby the City provides administrative and development services to the Agency.
7. The City and the Agency desire to clarify the relationship between them with respect to administrative services provided by the City to the Agency, the Agency's obligation to pay for those services, and various other issues related to their relationship as separate legal entities working towards common goals.

NOW, THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

Article 1: Term and Termination.

Section 1.1: Term and Termination. This Agreement becomes effective upon the date of the last signature hereon, and continues in full force and effect until 11:59:59 PM on June 30, 2024, unless sooner terminated as provided herein. This Agreement automatically renews for additional terms of 10 years each unless one party gives written notice of its intent not to renew this Agreement and it does so not less than 30 days prior to the termination date of this Agreement. This Agreement may be terminated at any time by either party by giving the other party not less than 30 days' written notice of that party's intent to terminate this Agreement.

Article 2: Duties of the City

Section 2.1: Employees Provided by the City. The City shall provide administrative and development services on an as-needed basis to the Agency to undertake urban renewal activities as set forth in adopted urban renewal plans, including but not limited to: staff support for public meetings including the preparation of meeting notices, agendas, minutes and mailings; maintaining a presence for the Agency on the City's Internet site and other electronic media platforms used by the City; record keeping including filing Agency resolutions; budget preparation, accounting, and financial reporting; contract procurement and administration; real estate procurement and property management; project engineering and project management services; planning related to plan administration and implementation, project development; and economic development services and other duties and functions as may from time to time be required by the Agency. In so doing, the City shall provide such services in compliance with the laws of the State of Oregon, and in accordance with the Plan and this Agreement. Nothing herein shall be construed as prohibiting the Agency from contracting with third parties to provide all or a portion of staff services.

Section 2.2: Consideration. The Agency shall reimburse the City for all reasonable costs incurred by the City in providing administrative and development services pursuant to this Agreement. The City shall provide to the Agency on at least a semi-annual basis, a statement of expenditures made by the City in providing administrative and development services pursuant to this Agreement. Personnel costs shall be determined according to the City's cost allocation plan, annual budget or such other documentation deemed acceptable to the City and Agency. Payments shall be made by the Agency semi-annually with final payment no later than June 30th or otherwise agreed upon in writing.

Section 2.3: City Staff Time. City staff time spent on providing services to the Agency shall be separately recorded and specifically documented for purposes of determining the appropriate reimbursement to the City in accordance with Section 2.2. It is the intent of the parties that the services performed by City employees on behalf of the Agency shall not interfere with the ability of such employees to carry out their duties and responsibilities for the City.

Section 2.4: City Facilities and Equipment. City staff working on behalf of the Agency are authorized to utilize City office space, furnishings and equipment, including but not limited to telephones, fax machines, printers, photocopiers, computers, office supplies and similar equipment (collectively "Furnishings and Equipment"), to carry out Agency business. A prorated share of the expenses associated with use of Furnishings and Equipment shall be charged to the Agency in accordance with Section 2.2.

Section 2.5 Audit. The City auditor will perform the Agency's annual audits or any special financial audits using the same procedures as are used for all other funds of the City and in accordance with State of Oregon audit laws. The City will pay all costs of any such audit or financial services, subject to reimbursement by the Agency as provided in Section 2.2.

Section 2.6: Invoices. The City shall submit to the Agency, at least semi-annually, one or more invoices detailing the specific services rendered by the City and other expenses incurred by the City on behalf of the Agency. The invoices shall identify a specific time period covered by the invoice and shall include salaries, benefits, insurance and other costs incurred by the City on a prorated basis, and shall sufficiently state the service performed by the City so that the Agency may properly determine the accuracy of the invoices.

Section 2.7: Employee Status of City Staff. The parties agree that City Staff assigned to perform services and duties for the Agency as part of this Agreement are employees of the City only and that the City has final and exclusive authority over decisions to hire, terminate and discipline City Staff employed by the City and assigned to support and implement the Agency Plan. The parties agree that the Agency retains the right to hire its own employees. If the Agency chooses to hire its own employees, it will provide the City with at least 30 days' written notice of its intent to do so in order to avoid any duplication of services or duties.

Article 3: Duties of the Agency

Section 3.1: Agency Reimbursement of City Costs. The Agency shall reimburse the City for all reasonable costs incurred by the City in providing services and Furnishings and Equipment pursuant to this Agreement. At such time the City's Administrative Services Director determines that the Agency has sufficient revenue source(s), the Agency shall compensate the City for costs reasonably incurred by the City in providing services, Furnishings and Equipment, as described herein. Unless the Agency objects to an invoice submitted by the City within 30 days of the date of the invoice, the Agency shall be deemed to approve the invoice for payment to the City and the Agency must make payment to the City as required in Section 2.2.

Article 4: City Advance of Funds

Section 4.1: Agreement Required. If requested by the Agency, the City may, from time to time, advance funds to the Agency in support of Agency activities. Any such advance

of funds shall be evidenced in writing in the form of a loan or other appropriate legal instrument, which agreement shall not be valid until first having been approved by both the City Council and Agency Board.

Article 5: Agency Advance of Funds

Section 5.1: Agreement Required. If requested by the City, the Agency may, from time to time, advance funds to the City in support of Agency activities. Any such advance of funds shall be evidenced in writing in the form of a loan or other appropriate legal instrument, which agreement shall not be valid until first having been approved by both the Agency Board and City Council.

Article 6: Indemnification

Section 6.1: Indemnification. The City agrees to save and hold harmless the Agency against all claims, suits, or actions whatsoever which arise out of the or result from the negligent or intentional acts of the City's officials, employees and agents as providing the services pursuant to this Agreement.

Article 7: Insurance

Section 7.1: Insurance. Each party shall maintain in force, at its own expense, worker compensation insurance for all covered workers of that party in compliance with Oregon law, and general liability insurance in amounts not less than the limits of the Oregon Tort Claims Act as it may be amended from time to time.

Article 8: Modification

Section 8.1: Modification. This Agreement may not be altered, modified, supplemented, or amended in any manner whatsoever except by mutual Agreement of the parties in writing. Any such alteration, modification, supplementation, or amendment, if made, shall be effective only in the specific instance and for the specific purpose given, and shall be valid and binding only if signed by the parties.

Article 9: Waiver

Section 9.1: Waiver. No provision of this Agreement may be waived except in writing by the party granting a waiver of compliance with this Agreement. A waiver of a provision of this Agreement shall not constitute a waiver of any other provision, whether similar or not, nor shall any one waiver constitute a continuing waiver. Failure to enforce any provision of this Agreement shall not operate as a waiver of such provision of any other provision.

Article 10: Severability

Section 10.1: Severability. The parties agree that if any term or provision of the Agreement is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular term or provision held to be invalid.

Article 11: Entire Agreement

Section 11.1: Entire Agreement. This Agreement sets forth the entire understanding between the parties with respect to the subject matter of this Agreement, and supersedes any and all prior understandings and agreements, whether written or oral, between the parties with respect to such subject matter.

Article 12: Non-Agency Relationship

Section 12.1: Non-Agency Relationship. Nothing in this Agreement is to be interpreted as creating or constituting an agency relationship between the parties. Each party remains separate and neither assumes the debts or obligations of the other by entering into this Agreement. Each party is solely responsible for carrying out its duties and functions in accordance with all applicable laws and regulations.

IN WITNESS WHEREOF, the execution of which having been first duly authorized according to law.

CITY OF FOREST GROVE

Peter B. Truax, Mayor

Date

Michael J. Sykes, City Manager

Date

THE URBAN RENEWAL AGENCY OF THE CITY OF FOREST GROVE

Peter B. Truax, Chair

Date

Michael J. Sykes, Executive Director

Date

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