



City of Forest Grove Urban Renewal Agency 2021-22 Proposed Budget





FY 2021-22 Budget Message
Urban Renewal Agency of the City of Forest Grove

To: The Budget Committee and the Residents of Forest Grove

It is my pleasure to present the seventh budget for the Urban Renewal Agency of the City of Forest Grove. The Urban Renewal Agency (URA) is overseen by a board of directors made up of the Mayor and the six city councilors. The URA is charged with increasing taxable assessed value through urban revitalization within the URA area for the future benefit of City services such as police, fire, parks, and library.

The URA was established in July 2014 and includes the Forest Grove Town Center and the Pacific Avenue/19th Avenue corridor to just past the Quince Street/Pacific Avenue intersection, or about 6% of the total area of the City. The principal revenue for the URA is the property tax increment between the property tax when the Agency was established and the property tax today.

The FY 2021-22 Proposed Budget for the Forest Grove URA is \$1,022,787, a 31% increase from the FY 2020-21 Budget of \$778,830. The reason for the increase is the increasing property tax revenues as development is happening within the URA boundary.

Proposed expenditures include: 1) an decrease in professional services of \$35,000 as the festival street concept design project is almost complete; 2) an increase in governmental services of \$23,822 as the City is proposing an overhead charge of 6% of operating revenues to pay for staff work for the URA; and 3) the undesignated projects line item, where the accumulated unallocated funds for the URA are located, is increasing from \$321,161 to \$588,496.

The main focus of the URA for this coming year is working with a developer to complete a proposed project on Site B. The current proposed project is the construction of a 20,000 square foot grocery store and 20 affordable-housing apartment units. The developer hopes to begin construction in late 2021. The URA will negotiate a Disposition and Development Agreement which would outline all financial, construction, and property disposition terms and conditions. That agreement requires URA Board approval.

The other focus of the URA in the coming year will be determining the next steps in the festival street project after the concept design is completed. The ongoing art, storefront improvement, and parklet programs have received funds to continue in FY 2021-22.

Respectfully submitted,

Jesse VanderZanden, Executive Director

850 URBAN RENEWAL AGENCY

URA RESOURCES		2018-19	2019-20	2020-21	2020-21	2021-22	% Change
		Actual	Actual	Adopted	Estimated YE	Proposed	
PROPERTY TAXES							
4000	Property Taxes	236,546	418,895	434,963	501,740	560,000	29%
4020	Prior Years Property Taxes	2,646	6,110	2,750	4,800	5,000	82%
TOTAL PROPERTY TAXES		239,192	425,005	437,713	506,540	565,000	29%
INTERGOVERNMENTAL REVENUE							
4123	CARES Reimb. - Washington County	0	127,519	0	0	0	
TOTAL INTERGOVERNMENT REVENUE							
MISCELLANEOUS REVENUE							
4700	Sale of Property	0	0	0	0	0	
4700	Interest	7,433	9,015	2,200	3,494	3,500	59%
4716	Proceeds from Debt Issuance	0	0	0	0	0	
TOTAL MISCELLANEOUS REVENUE		7,433	9,015	2,200	3,494	3,500	59%
FUND BALANCE AVAILABLE							
4900	Fund Bal Avail For Approp.	190,461	346,190	338,917	382,667	453,787	34%
TOTAL URA RESOURCES		437,086	907,729	778,830	892,701	1,022,287	31%

URA EXPENDITURES		2018-19	2019-20	2020-21	2020-21	2020-21	% Change
		Actual	Actual	Adopted	Estimated YE	Proposed	
MATERIALS & SERVICES							
6080	Miscellaneous	0	0	0	0	0	
6125	Public Information	197	563	0	0	0	
6135	Memberships	0	0	250	0	250	0%
6200	Intergovernmental Services	5,078	9,727	10,028	10,126	33,850	238%
6295	Attorney Services	0	0	15,000	3,135	12,500	-17%
6305	Professional Services	3,300	0	60,000	58,674	25,000	-58%
6325	Financial Services, Auditing, Invest	3,622	3,350	3,700	3,450	3,500	-5%
6425	Storefront Improvement Grants	36,758	40,229	20,000	12,500	20,000	0%
6426	Public Art and Other Projects	0	8,000	30,000	32,338	20,000	-33%
6430	Undesignated Projects	689	0	321,161	0	588,496	83%
6900	Emergency Assistance	0	127,519	0	0	0	
TOTAL MATERIALS & SERVICES		49,644	189,388	460,139	120,223	703,596	53%
DEBT SERVICE							
8014	Principal	0	294,421	282,988	282,988	282,988	0%
8114	Interest	41,252	41,252	35,703	35,703	35,703	0%
TOTAL DEBT SERVICE		41,252	335,673	318,691	318,691	318,691	0%
UNAPP FUND BALANCE							
8450	Unapp Fund Balance	0	0	0	0	0	0%
TOTAL URA EXPENDITURES		90,896	525,061	778,830	438,914	1,022,287	31%