



City of Forest Grove Urban Renewal Agency 2020-2021 Proposed Budget





FY 2020-21 Budget Message
Urban Renewal Agency of the City of Forest Grove

To: The Budget Committee and the Citizens of Forest Grove

It is my pleasure to present the sixth 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 2020-21 Proposed Budget for the Forest Grove URA is \$652,302, a small decrease from the FY 2019-20 Budget of \$674,564. The reason for the decrease is the use of URA reserves for emergency small business assistance payments due to the effects of COVID-19 on small businesses within the URA.

Proposed expenditures include: 1) an increase in attorney fees for potential legal work related to Site B (the rest of the block that the Jesse Quinn apartments are located on); 2) \$20,000 for storefront improvement grants; 3) \$50,000 for a festival street concept design; 4) \$10,000 for up to two parklets in the central downtown area; 5) \$20,000 for installation public art; and 6) \$318,691 in principal and interest repayment for the loan from the City for costs related to the Jesse Quinn project.

The main focus of the URA this coming year is the potential disposition of Site B. After advertising an RFP, the URA received a proposal to construct a 20,000 square foot grocery store and 12 apartments, including affordable housing. The URA Board authorized staff to initiate an Exclusive Negotiating Agreement with the proposer to outline general terms. If approved, the next step would be to negotiate a Disposition and Development Agreement which would outline all financial, construction, and disposition terms and conditions. Both agreements require Board approval and will be reviewed by the recently established Urban Renewal Advisory Committee.

The URA is projected to have limited funding until 2026 when the loan to the City is repaid. Until this time, the URA continues to develop lesser cost programs such as parklets, installation art, and storefront facades; in addition to Site B; to make use of the limited funding and continue to improve the downtown area.

Respectfully submitted,

Jesse VanderZanden, Executive Director

850 URBAN RENEWAL AGENCY

		2017-18	2018-19	2019-20	2019-20	2020-21	
URA RESOURCES		Actual	Actual	Adopted	EST. YE	Proposed	% Change
PROPERTY TAXES							
4000	Property Taxes	162,099	236,546	320,000	414,250	434,963	136%
4020	Prior Years Property Taxes	1,329	2,646	2,750	2,175	2,750	100%
TOTAL PROPERTY TAXES		163,428	239,192	322,750	416,425	437,713	136%
MISCELLANEOUS REVENUE							
4700	Sale of Property	100	0	0	0	0	0%
4700	Interest	3,121	7,433	9,000	9,250	2,200	24%
4716	Proceeds from Debt Issuance	0	0	0	0	0	0%
TOTAL MISCELLANEOUS REVENUE		3,221	7,433	9,000	9,250	2,200	24%
FUND BALANCE AVAILABLE							
4900	Fund Bal Avail For Approp.	90,807	190,461	342,814	346,190	212,389	62%
TOTAL URA RESOURCES		257,456	437,086	674,564	771,865	652,302	97%

		2017-18	2018-19	2019-20	2019-20	2020-21	
URA EXPENDITURES		Actual	Actual	Adopted	EST. YE	Proposed	% Change
MATERIALS & SERVICES							
6080	Miscellaneous	176	0	0	0	0	0%
6125	Public Information	222	197	0	400	0	0%
6135	Memberships	0	0	250	0	250	100%
6200	Intergovernmental Services	5,238	5,078	9,683	9,728	10,028	104%
6295	Attorney Services	708	0	6,000	0	15,000	250%
6305	Professional Services	0	3,300	54,000	0	60,000	111%
6325	Financial Services, Auditing, Invest	3,090	3,622	3,700	3,350	3,700	100%
6425	Storefront Improvement Grants	16,309	36,758	20,000	53,108	20,000	100%
	Public Art and Other Projects		0	30,000	30,000	30,000	100%
6430	Undesignated Projects	0	689	55,258	689	194,633	352%
6900	Emergency Assistance	0	0	0	126,528	0	0%
TOTAL MATERIALS & SERVICES		25,743	49,644	178,891	223,803	333,611	186%
DEBT SERVICE							
8014	Principal	0	0	294,421	294,421	282,988	96%
8114	Interest	41,252	41,252	41,252	41,252	35,703	87%
TOTAL DEBT SERVICE		41,252	41,252	335,673	335,673	318,691	95%
UNAPP FUND BALANCE							
8450	Unapp Fund Balance	0	0	160,000	0	0	0%
TOTAL URA EXPENDITURES		66,995	90,896	674,564	559,476	652,302	97%