

URA RESOLUTION NO. 2019-09

**RESOLUTION OF THE CITY OF FOREST GROVE URBAN RENEWAL AGENCY
APPROVING AN AMENDMENT TO THE FOREST GROVE URBAN RENEWAL
PLAN TO ADD TERRITORY OF LESS THAN ONE PERCENT TO THE
FOREST GROVE URBAN RENEWAL AREA BOUNDARY**

WHEREAS, The Urban Renewal Agency of the City of Forest Grove ("Agency") as the duly designated urban renewal agency for the City of Forest Grove ("City") is implementing the Forest Grove Urban Renewal Plan ("Plan") which plan was approved on April 28, 2014 by Ordinance 2014-05; and

WHEREAS, the Agency desires to promote a vibrant Forest Grove Urban Renewal Area and Town Center through strategic urban renewal investments including designing and constructing streetscape and façade improvements; and

WHEREAS, the Plan provides the legal authority to the Agency to approve certain minor amendments to the Plan including amendments to the urban renewal boundary of less than one percent; and

WHEREAS, the Agency desires to add territory north of 21st Avenue between Main Street and College Way to the Forest Grove Urban Renewal Area; and

WHEREAS, the Agency prepared a report on the plan amendment (Exhibit A) describing the proposed boundary amendment; and

WHEREAS, the Agency considered the report on plan amendment on October 28, 2019.

NOW, THEREFORE, BE IT RESOLVED BY THE URBAN RENEWAL AGENCY OF THE CITY OF FOREST GROVE AS FOLLOWS:

Section 1. The Board does hereby approve the amendment to Plan to add territory to the Forest Grove Urban Renewal Area as described by Exhibit A and shown on Exhibit B.

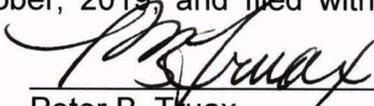
Section 2. This resolution is effective immediately upon its enactment by the Urban Renewal Agency Board of Directors.

PRESENTED AND PASSED this 28th day of October, 2019.



Jesse VanderZanden
Urban Renewal Executive Director

APPROVED by the Urban Renewal Agency of the City of Forest Grove at a regular meeting thereof this 28th day of October, 2019, and filed with the Forest Grove City Recorder this date.



Peter B. Truax
Urban Renewal Agency Chair

**URA RESOLUTION NO. 2019-09
EXHIBIT A**

**THIRD AMENDMENT TO THE FOREST GROVE URBAN RENEWAL PLAN TO AMEND
THE BOUNDARY OF THE FOREST GROVE URBAN RENEWAL AREA BY LESS THAN
ONE PERCENT**

SECTION 1: INTRODUCTION

The owner of property located at 2007 21st Avenue requested the boundary of the Forest Grove Urban Renewal Area be amended to include the subject property. The property is located on the north side of 21st Avenue between Main Street and College Way. The north side of 21st Avenue was not included in the original urban renewal area boundary because the majority of land and buildings are tax exempt. The area includes the tax exempt American Legion building, a vacant restaurant and attached apartment, and buildings owned by the Pacific University (Milky Way and Old Rogers City Library) buildings.

Since adoption of the Forest Grove Urban Renewal Plan (Plan) in May 2014, the Plan was amended in 2019 to include a Town Center streetscape project. A component of the streetscape project is a shared use “festival street” from College Way to A Street. Adding the north side of 21st Avenue between College Way and Main Street provides the opportunity for the Urban Renewal Agency to work with property owners through the Agency’s Storefront Improvement Grant Program to design building façade improvements complementary with future streetscape including the festival street concept. The south side of 21st Avenue between Main Street and A Street is currently within the urban renewal area.

SECTION 2: PROPOSED AMEDEMMENT

An amendment to the boundary of the Forest Grove urban renewal area is necessary to add approximately 0.52 acres to the urban renewal area as shown on Exhibit B. The current urban renewal area is approximately 248.3 acres. The proposed amendment will increase the urban renewal area by .21%. Under Section VII of the Forest Grove Urban Renewal Plan a boundary amendment adding less than one percent to the urban renewal area is classified as a minor plan amendment. The Plan stipulates that minor plan amendments be adopted by resolution of the Urban Renewal Agency.

Under state law (Oregon Revised Statutes (ORS) Chapter 457) urban renewal areas within a City may not comprise more than 25% of the City’s total land area. The current Forest Grove Urban Renewal Area makes up about 7% of the City’s total land area. The Forest Grove Urban Renewal Area will remain in compliance with ORS 457 after the boundary amendment since the urban renewal area will stay well below the 25% maximum threshold.

SECTION 3: LEGAL AUTHORITY

The legal authority for urban renewal plan amendments is found in state law and the adopted urban renewal plan. State law only defines substantial plan amendments. Under Oregon Revised Statutes Chapter 457, substantial amendments include: adding land to the urban renewal area, except for addition of land that totals not more than one percent of the existing urban renewal plan area (ORS

457.085(2)(i)). Cumulatively, urban renewal plan boundary amendments may not exceed more than 20% of the total land area of the original boundary (ORS 457.220(3)). Substantial amendments under state law also include increasing the maximum amount of indebtedness authorized by the urban renewal plan. State law requires adoption of substantial amendments in the same manner as the original plan. That is, adopted by City Council ordinance. State law is silent with respect to minor or major plan amendments. What constitutes a major or minor plan amendment is described in the Forest Grove Urban Renewal Plan.

The Forest Grove Urban Renewal Plan defines substantial, major and minor plan amendments. Under the Plan, substantial amendments include those described in ORS 457. In addition, adding a new project that exceeds \$500,000 in project cost and extending the term of the Plan are substantial amendments under the Plan. Such amendments must be and approved and recorded in the same manner as the original plan as required by ORS 457.085. The proposed boundary amendment to add the territory north of 21st Avenue does not meet the definition of what is a substantial Plan amendment.

In contrast to substantial amendments, the Plan defines major amendments as being identification of property for an infrastructure project requiring the use of eminent domain. Major amendments to the plan must be approved by the City Council by adoption of an ordinance similar to substantial amendments. The proposed boundary amendment to add the territory north of 21st Avenue does not meet the definition of what is a major amendment.

The Plan also defines minor amendments as those amendments or changes to the Plan which are not substantial or major amendments. The Plan stipulates that minor amendments be approved by resolution of the Urban Renewal Agency. Since the proposed boundary amendment to add the territory north of 21st Avenue does not qualify as a substantial or major amendment it is classified as a minor amendment to the Plan.

SECTION 4: CONSISTENCY WITH THE COMPREHENSIVE PLAN AND URBAN RENEWAL PLAN

The proposed urban renewal area boundary amendment is consistent with and supports the following Comprehensive Plan and Urban Renewal Plan goals and policies:

- Forest Grove Comprehensive Plan Economic Development Goal 7: Promote the Forest Grove Town Center as the focal point of the community.

Discussion: Adding the territory north of 21st Avenue to the urban renewal boundary promotes the Forest Grove Town Center as the focal point of the community by making financial resources available to assist property owners in making improvements to building facades. In addition, adding the subject territory to the urban renewal area provides an opportunity for the Urban Renewal Agency to work with property owners to ensure building improvements complement public streetscape enhancements such as the 21st Avenue festival street.

- Forest Grove Comprehensive Plan Community Sustainability Goal 10: Promote the preservation and reuse of historic resources, including buildings, structures, sites, neighborhood districts and cultural landscapes to assist in the retention of local, regional and national history and heritage, reinforcement of community character, and conservation of material resources.

Discussion: The territory north of 21st Avenue between College Way and Main Street includes two buildings on the local historic resource register. This includes the American Legion Building and the Old Rogers City Library. The Exterior Building Improvement Program project in the Urban Renewal Plan authorizes funding for improvements intended to return historic buildings to their original historic character. Adding the territory north of 21st Avenue between College Way and Main Street to the urban renewal area would make the American Legion and Old Rogers City Library building eligible for urban renewal funding for such projects if and when resources area budgeted by the Agency Board.

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

Discussion: Adding the territory north of 21st Avenue, between College Way and Main Street, promotes a vibrant Forest Grove Town Center by making the area eligible for strategic urban renewal investments authorized by the Urban Renewal Plan and budgeted by the Agency Board. This includes storefront improvement grants and funding for building improvements intended to return historic resources to their original character.

SECTION 5: EXISTING CONDITIONS ANALYSIS

Oregon Revised Statutes (ORS) Chapter 457 addresses urban renewal plan requirements. ORS 457.085(3) states an urban renewal plan shall be accompanied by a report addressing the requirement of ORS 457.085(3). The report must address the following factors:

- A. Description of the physical, social and economic conditions in the area and expected impact, including the fiscal impact in light of added services and increased population;
- B. Reason for selecting of each urban renewal area;
- C. Relationship between each project to be undertaken and existing conditions;
- D. Estimated total cost of each project and sources of money to pay such costs;
- E. Estimated project completion date;
- F. Amount of money required and anticipated year debt will be retired;
- G. Financial analysis of the plan;
- H. Fiscal impact analysis and impact on taxing districts; and
- I. Relocation report.

It is a generally accepted best practice to address ORS 457.085(3) when the Plan is amended. The discussion below provides the basis for this plan amendment.

A. Description of physical, social and economic conditions in the area and expected impact, including the fiscal impact in light of added services and increased population.

Discussion: The area proposed for addition into the urban renewal area is about ½ acre in area and is comprised of five parcels under separate ownership. The subject area is developed with a building occupied by the American Legion, vacant former restaurant and attached apartment, and buildings occupied by Pacific University. One of the buildings occupied by Pacific University is listed on the City's local historic resource register and once was the City library. The American Legion building is also listed on the local historic resource inventory.

A visual assessment of the subject area indicates the exteriors of the buildings are in generally good repair and are being maintained. The building facades could be improved through repair or replacement of awnings, power washing, or repainting. Such improvements would enhance the public streetscape and enrich the Forest Grove Town Center.

B. Reason for selection of each urban renewal area.

Discussion: There are several reasons for adding the subject property into the urban renewal area. First, the subject properties are zoned Town Center Core (TCC). The urban renewal area currently contains all property zoned TCC except for the subject territory north of 21st Avenue between College Way and Main Street.

Furthermore, adding the subject territory into the urban renewal area supports Goal 4 of the Plan which states: “Promote a vibrant Forest Grove Town Center through strategic urban renewal investments.” In addition, 21st Avenue between College Way and A Street is being considered for conversion into a shared use “festival street” for community events and gatherings. Adding the subject territory into the urban renewal area provides an opportunity to make urban renewal program investments such as storefront façade improvements that complement the festival street concept.

Although the subject area is largely exempt from property taxation due to current ownership and use by non-profit and educational entities, there are two historic structures in the subject area. Objective 4.1 of the Plan promotes adaptive reuse of historic structures:

“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 through improvements to the exterior and interior of buildings.”

Adding the subject territory to the urban renewal area is consistent with the intent of Objective 4.1 to preserve historic resources.

C. Relationship between each project to be undertaken and existing conditions.

Discussion: The proposed urban renewal plan amendment does not add to or change projects identified in Plan Section III: Outline of Projects & Redevelopment Activities. Therefore, Factor C is not applicable to the proposed amendment.

D. Estimated total cost of each project and sources of money to pay such costs.

Discussion: The proposed Plan amendment does not add to or change projects identified in Urban Renewal Plan Section III: Outline of Projects & Redevelopment Activities. Therefore, Factor D is not applicable to the proposed amendment.

E. Estimated completion date.

Discussion: The proposed Plan amendment does not add to or change projects identified in Urban Renewal Plan Section III: Outline of Projects & Redevelopment Activities. Therefore, Factor E is not applicable to the proposed amendment.

F. Amount of money required and anticipated year debt is retired.

Discussion: The proposed amendment does not affect the amount of money required to complete identified urban renewal projects or the anticipated year that debt incurred by the Urban Renewal Agency is retired. Therefore, Factor F is not applicable.

G. Financial analysis of plan.

Discussion: Adding the subject area to the urban renewal boundary does not change the assumptions underlying the financial analysis of the urban renewal plan. Urban renewal projects benefitting the territory added to the urban renewal area will be made on a case-by-case basis within adopted budgetary constraints as approved through the annual budget process. The expected tax increment revenue is expected to be low given the modest taxable value of property proposed for addition to the urban renewal area as explained under Factor H below.

H. Fiscal impact analysis and impact on taxing districts.

Discussion: State law also limits the amount of taxable assessed value allowed within an urban renewal area to no more than 25% of the City's total taxable assessed value (ORS Chapter 457). The City's total taxable value is about \$1.66 billion (Summary of Assessment and Taxation Roll 2018-2019, Washington County Department of Assessment and Taxation, p.49). In contrast, the taxable assessed value within the Forest Grove Urban Renewal Area is about \$159 million according to Washington County. Based on current information, the taxable assessed value in the urban renewal area is about 9.6% of the City's current tax assessed value.

Based on current information available from the Washington County Department of Assessment and Taxation, the taxable assessed value of property in the subject area is approximately \$120,000. Property taxes generated from the taxable assessed value in the subject area is approximately \$2,100, as reported by the Washington County Assessment and Taxation Department. Future tax increment revenue is expected to be small (about \$60 per year to start) given the modest amount of land and improvement value subject to property taxation. Furthermore, the taxable assessed value is negligible in relation to the existing tax base. As such, there will be a negligible impact on affected taxing districts if the subject territory is added to the urban renewal area.

I. Relocation report.

Discussion: The proposed amendment to the urban renewal plan does not involve the relocation of any persons or businesses. Therefore, Factor I is not applicable and a relocation report is not required.



EXHIBIT B

 URA Boundary

**PROPOSED
URA
ADDITION**

22ND

21ST

PACIFIC

MAIN

COLLEGE

A





<i>CITY RECORDER USE ONLY:</i>	
AGENDA ITEM #:	<u>6.</u>
MEETING DATE:	<u>10/28/2019</u>
FINAL ACTION:	<u>URA RESO 2019-06</u>

URBAN RENEWAL AGENCY STAFF REPORT

TO: *Urban Renewal Agency Board of Directors*

FROM: *Jesse VanderZanden, Executive Director*

MEETING DATE: *October 28, 2019*

PROJECT TEAM: *Daniel Riordan, Senior Planner; and Bryan Pohl, Community Development Director*

SUBJECT TITLE: *Resolution Amending the Forest Grove Urban Renewal Plan to Add Territory of Less than One Percent to the Forest Grove Urban Renewal Area Boundary*

ACTION REQUESTED:

	Ordinance		Order	X	Resolution		Motion		Informational
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X all that apply

ISSUE STATEMENT: The owner of property located at 2007 21st Avenue requested the boundary of the Forest Grove Urban Renewal Area be amended to include the subject property. The property is located on the north side of 21st Avenue between Main Street and College Way.

BACKGROUND: The area north of 21st Avenue between Main Street and College Way includes the American Legion hall, a vacant restaurant building and attached apartment and buildings owned by Pacific University. This area was not included in the original urban renewal area boundary to minimize properties exempt from property taxation in the urban renewal area.

The Forest Grove Urban Renewal Plan was adopted in 2014. Since adoption of the Forest Grove Urban Renewal Plan (Plan) in May 2014, the Plan was amended in 2019 to include a Town Center streetscape project. A component of the streetscape project is a shared use “festival street” from College Way to A Street. Adding the entire north side of 21st Avenue between College Way and Main Street, including the subject property, provides the opportunity for the Agency to participate with property owners, through the Agency’s Storefront Improvement Grant Program, to design building façade improvements complementary with future streetscape.

An amendment to the boundary of the Forest Grove urban renewal area is necessary to add the approximately one-half acre territory to the urban renewal area as shown on Exhibit B. The current urban renewal area is approximately 248 acres. The proposed amendment will increase the urban renewal area by .21%. Under Section VII of the Forest Grove Urban Renewal Plan a boundary amendment adding less than one percent to the urban renewal area is classified as a minor plan amendment. The Plan stipulates that minor plan amendments be adopted by resolution of the Urban Renewal Agency.

Under state law (Oregon Revised Statutes (ORS) Chapter 457) urban renewal areas within a city may not comprise more than 25% of the City's total land area. The current Forest Grove Urban Renewal Area makes up about 7% of the City's total land area. Therefore, it's permissible under state law to add the one-half acre of land to the existing urban renewal area.

State law also limits the amount of taxable assessed value allowed within an urban renewal area to no more than 25% of the City's total taxable assessed value (ORS Chapter 457). The City's total taxable value is about \$1.66 billion (Summary of Assessment and Taxation Roll 2018-2019, Washington County Department of Assessment and Taxation, p.49). In contrast, the taxable assessed value within the Forest Grove Urban Renewal Area is about \$159 million according to Washington County. Based on current information, the taxable assessed value in the urban renewal area is about 9.6% of the City's current tax assessed value.

The taxable assessed value north of 21st Avenue, between Main Street and College Way is about \$120,000 as reported by the Washington County Department of Assessment and Taxation. Adding the subject area to the urban renewal area is a negligible increase to the taxable assessed value of the urban renewal area. As such, the Forest Grove Urban Renewal Area will remain well below the 25% limit on taxable assessed value within an urban renewal area.

FISCAL IMPACT: Adding the subject area to the urban renewal boundary does not change the assumptions underlying the financial analysis of the urban renewal plan. Urban renewal projects benefitting the territory added to the urban renewal area will be made on a case-by-case basis within adopted budgetary constraints as approved through the annual budget process. The expected tax increment revenue is expected to be low given the modest taxable value of property proposed for addition to the urban renewal area as explained below.

Based on current information, the taxable assessed value of property in the subject area is approximately \$120,000. Property taxes generated from the taxable assessed value in the subject area is approximately \$2,100, as reported by Washington County. Future tax increment revenue is expected to be small, about \$60 per year to start, given the modest amount of land and improvement value subject to property taxation. Since the taxable assessed value is negligible in relation to the existing tax base there will be a negligible impact on affected taxing districts if the subject territory is added to the urban renewal area.

STAFF RECOMMENDATION: That the Board approve the attached resolution adopting a minor amendment to the Forest Grove Urban Renewal Plan boundary to add the property fronting 21st Avenue between Main Street and College Way.

ATTACHMENT(s):
PowerPoint Presentation
Resolution

URA

Forest Grove
Urban Renewal Agency



URBAN RENEWAL PLAN THIRD AMENDMENT



DAN RIORDAN, Senior Planner

BRIAN POHL, Community
Development Director

10/28/19

PUBLIC HEARING PURPOSE

Board consideration of a resolution to:

- Add Territory of Less than 1% to the Forest Grove Urban Renewal Area.**
- The subject area is north of 21st Avenue between Main Street and College Way.**
- This is a Minor Plan Amendment requiring approval by the Board only.**

URBAN RENEWAL AREA

- ❑ The current URA is about 250 acres.
- ❑ This represents about 7% of City land area.
- ❑ The maximum URA allowed by law is 25% of the City's land area.
- ❑ About 10% of City Taxable Assessed Value (TAV) is within the current URA.
- ❑ Maximum TAV allowed by law is 25% of City TAV.

BACKGROUND

- ❑ The owner of a vacant former restaurant, located north of 21st Avenue between Main Street and College Way, is interested in being included in the URA boundary.

- ❑ This area was not originally included in the URA because the majority of the property in the area is owned by non-profit entities that do not pay property taxes:
 - ❑ American Legion Hall
 - ❑ Pacific University

BACKGROUND

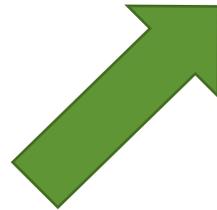
- ❑ Since the UR Plan was adopted the Board added a streetscape project including a possible festival street on 21st Avenue between A Street and College Way.
- ❑ Adding the area north of 21st Avenue between Main Street and College Way provides an opportunity for the Agency to participate in façade improvements, through the Storefront Program, to complement the streetscape project.

BACKGROUND

- The area also includes two historic buildings:



- American Legion hall



- Old Rogers City Library



BACKGROUND

- ❑ The UR Plan allows funding for improvements to historic buildings.
- ❑ Adding the area north of 21st Avenue between Main Street and College Way would make these buildings eligible for funding budgeted by the Board for such projects.

PROPOSED AMENDMENT



PROPOSED AMENDMENT

- ❑ Would add about ½ acre to the URA boundary.
- ❑ This is an increase of about 0.2% to the current URA
- ❑ The Taxable Assessed Value in the addition area is about \$120,000.
- ❑ The current annual tax revenue is about \$2,100.
- ❑ Tax increment revenue would be about \$60 per year to start.

STAFF RECOMMENDATION

Given the modest land area proposed for addition to the URA and the opportunity to work with property owners to complement future streetscape improvements along 21st Avenue staff recommends...

STAFF RECOMMENDATION

The Board approve a resolution adopting a minor amendment to the Forest Grove Urban Renewal Plan boundary to add the property fronting 21st Avenue between Main Street and College Way.