

ORDINANCE NO. 2014-05

AN ORDINANCE DECLARING THAT BLIGHTED AREAS EXIST WITHIN THE CITY OF FOREST GROVE, RECOGNIZING THE NEED FOR AN URBAN RENEWAL AGENCY TO FUNCTION WITHIN THE CITY OF FOREST GROVE AND PROVIDING FOR THE EXERCISE OF THE AGENCY'S POWERS BY THE CITY COUNCIL OF THE CITY OF FOREST GROVE; AMENDING FOREST GROVE CITY CODE, CHAPTER 2, BY ADDING NEW CODE SECTIONS 2.10.005 THROUGH 2.10.009, TITLED "URBAN RENEWAL AGENCY"

WHEREAS, there exists within the City of Forest Grove, blighted areas as defined in ORS 457.010; and

WHEREAS, such blighted areas impair economic values and ad valorem tax revenues; and

WHEREAS, there is a need for an urban renewal agency as authorized under ORS 457.035 to function in the City of Forest Grove; and

WHEREAS, ORS 457.035 authorizes the creation of a public body to be known as the "Urban Renewal Agency of the City of Forest Grove"; and

WHEREAS, the City Council held a duly-noticed Public Hearing on the proposed ordinance on April 14 and continued the hearing on April 28, 2014.

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

Section 1. Based on the findings of blight, attached hereto as Exhibit A and incorporated by reference, the City Council of the City of Forest Grove, Oregon, hereby finds and declares that blighted areas, as defined in ORS 457.010, exist within the City of Forest Grove.

Section 2. Due to the presence of blight the City Council hereby declares and recognizes that there is a need for an Urban Renewal Agency to function within the City of Forest Grove.

Section 3. The City Council further declares, pursuant to ORS 457.045(3), that all rights, duties, privileges and immunities granted to and vested in an Urban Renewal Agency by the laws of the State of Oregon shall be exercised by and vested in the City Council of the City of Forest Grove, provided, however, that any act of the governing body acting as the Urban Renewal Agency shall be considered the act of the Urban Renewal Agency only and not of the City Council pursuant with ORS 457.045(3).

Section 4. The corporate name of the agency provided by this ordinance shall be, and said agency shall be known as the "Urban Renewal Agency of the City of Forest Grove".

Section 5. The term of office of each member of the Urban Renewal Agency shall be concurrent with each member's individual term of office as a member of the City Council of the City of Forest Grove.

Section 6. Chapter 2 of the Forest Grove Municipal Code (Government and Administration) is amended as follows:

Urban Renewal Agency of the City of Forest Grove

- 2.10.005 Establishment and Need for Urban Renewal Agency
- 2.10.006 Board of Directors
- 2.10.007 Power and Limitations
- 2.10.008 Bylaws
- 2.10.009 Termination of Urban Renewal Agency

2.10.005 Establishment and Need for Urban Renewal Agency.
There exist within the City blighted areas and such areas impair economic values and property tax revenues. The Urban Renewal Agency of the City of Forest Grove is established to carry out conservation, rehabilitation, redevelopment and planning activities necessary to stimulate private property investment in order to reduce the presence of blight and improve property values and tax revenues within the City.

2.10.006 Board of Directors.
The membership of the board of directors of the Urban Renewal Agency of the City of Forest Grove shall consist of the City Council members.

2.10.007 Powers and Limitations.
The Urban Renewal Agency shall have all powers, duties, privileges and immunities granted to and vested in an urban renewal agency by the laws of the State of Oregon, provided however, that any act of the governing body acting as the Urban Renewal Agency Board of Directors shall be considered an act of the Board of Directors only and not the City Council.

2.10.008 Bylaws
The Urban Renewal Agency shall adopt rules of procedure to govern the conduct Agency business.

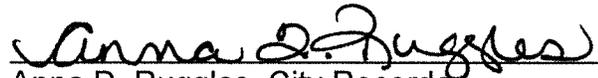
2.10.009 Termination of Urban Renewal Agency.
If the City Council finds that a need for an urban renewal agency no longer exists, the City Council shall provide, by ordinance, for a termination of the agency and a transfer of the urban renewal agency facilities, files and personnel, if any to the City. The termination of the urban renewal agency shall not affect any

outstanding legal actions, contracts or obligations of the urban renewal agency and the City shall be substituted for the agency in these matters. The urban renewal agency shall not be terminated unless all indebtedness to which a portion of taxes is irrevocably pledged for repayment of indebtedness is satisfied.

Section 7. This ordinance is effective 30 days following its enactment by the City Council.

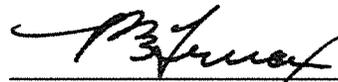
PRESENTED AND PASSED the first reading the 14th day of April, 2014.

PASSED the second reading the 28th day of April, 2014.



Anna D. Ruggles, City Recorder

APPROVED by the Mayor this 28th day of April, 2014.



Peter B. Truax, Mayor

ORDINANCE NO. 2014-05
EXHIBIT A

FINDINGS OF BLIGHT
ORS 457.010(1)

Under ORS Chapter 457, "Blighted Areas" means those areas that, 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 safety, health, or welfare of the community. Under state law, a blighted area is characterized by the existence of one or more of the following conditions:

Criteria A: The existence of buildings and structures, used or intended to be used for living, commercial, industrial or other purposes, or any combination of those uses, that are unfit or unsafe to occupy for those purposes because of any one or a combination of the following conditions:

- a. Defective design and quality of physical construction;
- b. Faulty interior arrangement and exterior spacing;
- c. Overcrowding and high density of population;
- d. Inadequate provision for ventilation, light, sanitation, open spaces and recreation facilities; or
- e. Obsolescence, deterioration, dilapidation, mixed character or shifting uses.

Findings for Criteria A:

Condition (a)

The identified urban renewal study area exhibits poor physical construction generally due to the age of structures within the Town Center area and along the Pacific Avenue/19th Avenue corridor. Based on information from the Washing County Office of Assessment and Taxation, buildings within the Town Center were constructed between 1890 and 1948. The Pacific Avenue/19th Avenue corridor is characterized by older residential buildings. The Pacific Avenue/19th Avenue corridor also exhibits commercial storefronts many of which appear to have been built in the 30 to 40 years. The structures visually show need for upgrades and general improvement.

According to the Oregon Department of Geology and Mineral Industries, the urban renewal study area is located within a zone classified as being within a severe earthquake risk area due to seismic shaking. Given the age of structures within the study area and inferior quality of physical construction (unreinforced masonry) there is a need for interior and exterior building improvements to bring structures up to current seismic standards to improve safety.

Given the age of construction of buildings within the Town Center many of these structures are not suitable for contemporary retail, office, or residential needs. As such,

older buildings are need of interior improvements to divide large spaces no longer suitable for contemporary retailing. In addition, residential use of upper floors in older buildings is often precluded due to the expense associated with building code compliance.

Condition (b)

The Times Litho site also provides an example of a building with faulty interior arrangement and exterior spacing. The Times Litho building(s) are single story industrial/warehouse structures in the Town Center characterized by poor physical construction and arrangement of interior space not suitable for uses complementary of a town center location such as residential, office and retail space. The Times Litho building was added onto over time and the quality of physical construction is poor. Furthermore, the buildings do not generally meet contemporary building code requirements. The presence of these structures creates a stagnant and unproductive condition on a critical site in the Town Center that is potentially useful and valuable for contributing to the public health, safety and welfare of the community.

For these reasons buildings within the Town Center exhibit faulty interior arrangement and exterior spacing. Condition (b) is met.

Condition (c)

The urban renewal area does not exhibit overcrowding and high density of population. This condition is not applicable to the urban renewal area.

Condition (d)

The urban renewal area generally lacks open space and recreation facilities. The Town Center has no public open space/plaza for community events and public gathering. Given this condition, the urban renewal area exhibits an inadequate provision for light ventilation, light, sanitation, open spaces and recreation facilities. Therefore, Condition (d) is met.

Condition (e)

The urban renewal area includes obsolete warehouse and industrial buildings, as stated above, that are vacant or underutilized. This includes the former Times-Litho site located along B Street and A Street between and the Woodfold-Marco site located south of 19th Avenue at the terminus of Council Street. These vacant and underutilized sites demonstrate obsolescence, deterioration, dilapidation, mixed character or shifting uses.

In addition to the sites identified above, the urban renewal study area also includes vacant and underutilized areas as shown on the table below. Many of the obsolete

buildings are along Main Street with interior retail spaces too large for contemporary businesses.

Address	Status	Improvement	Acreage	Res. Capacity
1918 Main Street	Partially Vacant	1 story	0.184	0
2020 Main Street	Underutilized	2 story	0.180	3
2030 Main Street	Vacant	2 story	0.264	5
1921 21 st Avenue	Vacant	1 story	0.134	0
Wells Fargo Lot (1905 Pacific Ave.)	Underutilized		0.620	12
Times Litho Site	Vacant/Underutilized	1 story	2.2	44
Barnes and Noble	Relocating	1 story	N/A	N/A
Ruralite Bldg.	Relocating	2 story	N/A	N/A
Woodfold Marco	Vacant/Underutilized	1 story	2.04	33
Albertson's site	Vacant		9.04	146
Haggen site	Vacant		9.87	160
2134 19 th Avenue	Vacant Building	1 story	0.31	5
2323 19 th Avenue	Vacant lot		0.44	8
2617 Pacific Avenue	Vacant lot		0.38	7
2933 Pacific Avenue	Vacant lot		0.93	15
2518 Pacific Avenue	Vacant lot		0.25	4
TOTAL			26.8	442

The identified developable/redevelopable sites within the urban renewal area amount to approximately 27 acres. In total, these sites have the potential to support approximately 440 housing units if developed/redeveloped for residential purposes.

The urban renewal area exhibits vacant storefronts along Main Street, second and third floor building vacancies and several completely vacant buildings including several buildings at the Times-Litho site and a building located at 1921 21st Avenue. Several buildings require moderate to major renovation. These conditions also reflect a degree of obsolescence and deterioration. Many of the buildings along Main Street were originally constructed in the late-19th and early 20th centuries. As such the quality of physical construction is lacking due to age and deterioration. Left unchecked this deterioration could spread resulting in further deterioration within the urban renewal area.

Based on the findings above the urban renewal area exhibits obsolescence, deterioration, dilapidation, mixed character or shifting uses. Condition (e) is met.

Criteria B: An economic dislocation, deterioration, or disuse of property resulting from faulty planning.

Finding: An identifiable economic dislocation is occurring within the Forest Grove Town Center. This is exhibited by traditional light industrial activities leaving the Town Center. Examples include the closure of the Time-Litho printing operation in 2007/2008 and underutilization of the Woodfold-Marco site along 19th Avenue.

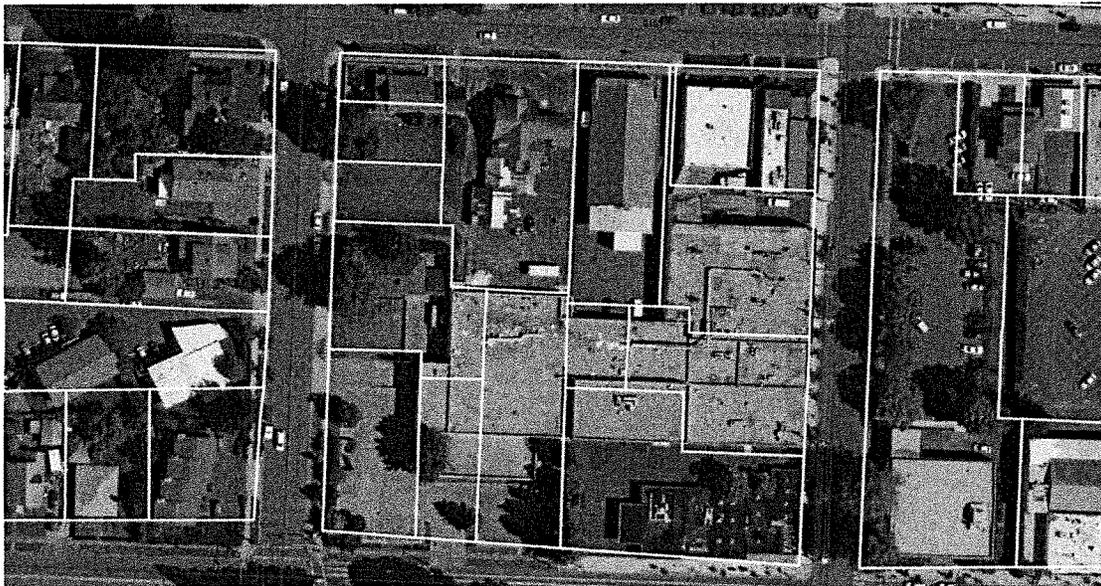
After the closure of the Times Litho operation the property became distressed and was subsequently acquired by Bank of the West. The building now exhibits roof leaks in older sections, inadequate electrical system with approximately 40% of the lighting and outlets operational, and nonfunctioning plumbing and HVAC systems. The office portion of the building does not meet code requirements due to lack of adequate HVAC systems. These conditions, if left unchecked, could negatively impact surrounding property values and capacity to pay tax revenue need for municipal services.

An economic dislocation due to faulty planning is also exhibited in the urban renewal study area by the “Albertsons” and “Haggen” sites located at the intersection of Quince Street and Pacific Avenue. These two sites are zoned for community commercial and remain vacant. To some extent the lack of commercial development reflects an over-supply of commercially zoned land in the City and lack of demand for large scale retailers. Promoting other forms of development, such as residential uses, could improve the current disuse of these properties.

For the reasons cited above, Criteria B is met.

Criteria C: The division or subdivision and sale of property or lots of irregular form and shape and inadequate size or dimensions for property usefulness and development.

Finding: The urban renewal area includes lots of irregular form and shape creating a barrier to development. The approximately 2.6 acre Times-Litho site is made-up of several tax lots of irregular shape and size some of which traverse building improvements as shown below.



The current lot configuration, as shown above, is a potential barrier to development since the Forest Grove Development Code does not allow building over property lines.

The “Albertsons” site also includes many individual tax lots as shown on the map below.



For these reasons cited above Criteria C is met.

Criteria D: The laying out of property or lots in disregard of contours, drainage and other physical characteristics of the terrain and surrounding conditions.

Finding: The urban renewal area is not constrained by topography, drainage and other physical characteristics. Therefore, this criterion does not apply within the urban renewal area.

Criteria E: The existence of inadequate streets and other rights-of-way, open spaces and utilities.

Finding: The urban renewal area includes the oldest parts of the City. As such, utilities are aging and need of repair. The Water Master identifies areas with inadequate fire flow pressure within the urban renewal area. Locations with insufficient water flow or residual fire hydrant pressure within the urban renewal area include:

- Pacific Avenue at Ash Street
- 21st Avenue at College Way
- 19th Avenue at B Street
- 19th Avenue at C Street
- 21st Avenue at Cedar Street
- 19th Place at Hawthorne Street
- 19th Way between Pacific Avenue and 19th Avenue
- 19th Place at Maple Street
- Quince Street north of Pacific Avenue.

The Water Master Plan includes the following distribution and piping improvement projects for the urban renewal area:

- Upsize from 6" to 8" line in 21st Avenue and Cedar Street area
- Upsize from 6" line to 8" line near 19th Place and Maple Street
- Looping from 19th Place to Pacific Avenue 8" line
- Upsize from 6" to 8" line near 2900 19th Avenue
- Looping from Pacific Avenue to 21st Avenue on College Way with an 8" line

These Water Master Plan projects establish a need and reflect localized inadequacy regarding the water distribution system.

The Forest Grove Sanitary Sewer Master Plan recommends annual replacement or rehabilitation of portions of old collection piping throughout the City including the urban renewal area. In addition, the Sewer Master Plan recommends specific improvements to inadequacies to the sewer system. Such improvements include increasing the 8-inch and 10-inch diameter lines to 15-inches along 19th Avenue from A Street to Birch Street to meet design flow requirements. The Master Plan also identifies a need to upgrade the existing sanitary sewer line from the Pacific Avenue/Quince Street intersection to a 15-inch line.

Localized storm drainage problems exist within the urban renewal area. Specifically, the lack of adequate storm drainage has precluded redevelopment of a vacant parcel of land located at 2617 Pacific Avenue. The City of Forest Grove Storm Drainage Master Plan completed in 2007, recommends improvements to the storm drainage system within and near the urban renewal area. Improvements include construction of a 24-inch storm pipe from Cedar Street and 24th Avenue to 26th Avenue and open channel restoration from Douglas Street to about Hawthorne Street near the railroad corridor.

Areas of the Town Center and Pacific Avenue/19th Avenue corridor lack streetscape improvements including deteriorated narrow sidewalks. This is most notable along 19th Avenue and Pacific Avenue. In addition, the urban renewal area lacks adequate open space including a public plaza gathering place within the Town Center.

The area south of Pacific Avenue and west of Quince Street is characterized by substandard streets and sidewalks. Poplar Street and Oak Street are notable examples. Poplar Street exhibits substandard pavement width as well as no sidewalks, curbs or gutters. Oak Street has no sidewalks.

Based on the factors identified above Criteria E is met.

Criteria F: The existence of property or lots or other areas that are subject to inundation by water.

Finding: The urban renewal area is above the flood plain elevation and is not subject to inundation by water. However, some development may be constrained due to inadequate off-site drainage and the relatively high seasonal water table. Inadequate drainage is known to exist along Pacific Avenue west of Hawthorne Street. The drainage issue has created an obstacle to property development.

Based on the identified drainage issues within the urban renewal study area, Criteria F is met.

Criteria G: A prevalence of depreciated values, impaired investments and social and economic maladjustments to such an extent that the capacity to pay taxes is reduced and tax receipts are inadequate for the cost of public services rendered.

Finding: The urban renewal area includes the historic core area and commercial corridor along Pacific Avenue and 19th Avenue. The urban renewal has an estimated total taxable assessed value of \$107,793,530. In contrast, the City's total assessed value is approximately \$1,137,119,200. The urban renewal area is not developed to full potential based on the existing land use pattern and zoning designations. The prevalence of depreciated values within the urban renewal area is due to a lack of private investment in new structures, general building upkeep, and vacant land suitable for development. This condition impairs investment prospects within the urban renewal area. This in turn reduces potential tax receipts for upkeep of the aging infrastructure in the urban renewal area. As such tax receipts are lower than could be achieved to support the true cost of public services rendered within the area.

Based on the prevalence of depreciated property values due to lack of private investment, obsolete and deteriorated buildings, and vacant/underutilized land within the urban renewal study area, Criteria G is met.

Criteria H: A growing or total lack of proper utilization of areas, resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to the public health, safety and welfare.

Finding: There is a growing lack of proper utilization of land within the Town Center and along the Pacific Avenue/19th Avenue corridor. The underutilized Woodfold-Marco property at Ash Street and 19th Avenue, the former Times-Litho property at B Street and Pacific Avenue, the former Cain Petroleum site on Pacific Avenue, the vacant Albertson's site at Quince and Pacific Avenue, and the vacant Hagggen's site at Quince and Pacific Avenue are examples of the lack of proper utilization of the land within the urban renewal area. The land area encompassed by these sites is approximately 27 acres. If redeveloped for residential purposes the sites could accommodate up to 440 housing units. Based on this assessment these sites are potentially useful and valuable for contributing to the public health, safety and welfare of the community once developed/redeveloped.

Based on the growing lack of proper utilization of the urban renewal study area and prevalence of land potentially useful and valuable for contributing to the public health, safety and welfare of the community, Criteria H is met.

Criteria I: A loss of population and reduction of proper utilization of the area, resulting in its further deterioration and added costs to the taxpayer for the creation of new public facilities and services elsewhere.

Finding: Although the resident population in the urban renewal area has held relatively constant, there has been a loss in daytime population meaning the employment base in the Town Center. This has resulted in a reduction of the proper utilization of the area exemplified by vacant buildings and underutilized property formerly used by light industry and office. The closure of the Times-Litho facility and Ruralite operation are examples of this reduction in proper utilization of the urban renewal area. Furthermore, buildings in the Town Center are characterized by unused second and third-floor space. Adaptive reuse of this space provides an opportunity to reduce costs to the taxpayer for the creation of new public facilities and services needed elsewhere to support business and residential development.

Based on the 2011 land use inventory, there are 69 vacant lots within the urban renewal area. This amounts to approximately 13% of the total lots in the urban renewal area. The 69 lots comprise approximately 32.3 acres of land or approximately 16% of the total land within the urban renewal area excluding rights-of-way. Development or redevelopment of these sites will improve the proper utilization of the area resulting in additional property tax revenue available to support public services.

Based on the information identified above, Criteria I is met.

Conclusion: For the reasons identified in this exhibit including the attached supporting materials, the City Council finds and hereby declares that there exist within the City blighted areas and that such areas impair economic values and tax revenues. Given the presence of blight within the community there is a need for an urban renewal agency as authorized under ORS 457.035 to function in the City of Forest Grove.