



A place where families and businesses thrive.

**URBAN RENEWAL AGENCY AGENDA
WORK SESSION: URA UPDATES**

MONDAY, JANUARY 8, 2018

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

8:45 PM – Urban Renewal Agency Work Session

PETER B. TRUAX, DIRECTOR BOARD CHAIR

Thomas L. Johnston, Vice Chair
Timothy A. Rippe
Ronald C. Thompson

Elena Uhing
Adolph “Val” Valfre, Jr.
Malynda H. Wenzl

All meetings of the Urban Renewal Agency Board 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 Urban Renewal Agency 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 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 Board action.

➔ **Citizen Communications –** Anyone wishing to address the 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 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 Urban Renewal Agency Board, please contact the City Recorder, aruggles@forestgrove-or.gov, 503-992-3235.

All 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, aruggles@forestgrove-or.gov, 503-992-3235, at least 48 hours prior to the meeting.

(PowerPoint Presentation)
Dan Riordan, Senior Planner
Bryan Pohl, Community
Development Director
Paul Downey, Administrative
Services Director

8:45:

URBAN RENEWAL AGENCY (URA) WORK SESSION:
URA UPDATES

The Forest Grove Urban Renewal Agency Board will convene in the Community Auditorium to conduct the above work session(s). The public is invited to attend and observe the work session(s); however, no public comment will be taken. The Urban Renewal Agency Board will take no formal action during the work session(s).

9:15

ADJOURNMENT:



URA Update – January 8, 2018

Paul Downey, Director of Administrative Services

Bryan Pohl, Director of Community Development

Dan Riordan, Senior Planner

Jeff King, Economic Development Project Manager

Purpose of Work Session

- Provide a financial update
- Provide an update of the storefront improvement grant (SIG) program
- Ask Board to consider increasing funding for SIG program
- Next steps to consider

Financial Review - Revenues

		2016-17	2016-17	2017-18	2017-18
RESOURCES		Adopted	Actual	Adopted	Estimated
PROPERTY TAXES					
440225	Property Taxes	75,231	114,067	117,789	162,400
	Prior Years Property Taxes	0	569	1,100	1,100
TOTAL PROPERTY TAXES		75,231	114,636	118,889	163,500
MISCELLANEOUS REVENUE					
470003	Proceeds from Debt Issuance	965,000	962,561	0	
470105	Interest	50	1,631	2,000	2,000
	Other Financing Souces	0		0	
TOTAL MISCELLANEOUS REVENUE		965,050	964,192	2,000	2,000
FUND BALANCE AVAILABLE					
495005	Fund Bal Avail For Approp.	5,924	8,410	77,847	90,807
TOTAL RESOURCES		1,046,205	1,087,238	198,736	256,307

Financial Review – Expenses & Fund Balance

EXPENDITURES		2016-17 Adopted	2016-17 Actual	2017-18 Adopted	2017-18 Estimated
MATERIALS & SERVICES					
520270	Miscellaneous	2,500	0	0	-
520506	Memberships	250	250	250	250
520557	Intergovernmental Services	836,616	825,636	5,000	5,200
521113	Attorney Services	8,000	4,632	3,000	1,500
521150	Professional Services	0	2,000	0	-
521171	Financial Services, Auditing, Invest	5,000	6,342	3,200	3,200
523020	Storefront Improvement Grants	0		20,000	20,000
523030	Undesignated Projects	0		126,034	-
TOTAL MATERIALS & SERVICES		852,366	838,860	157,484	30,150
550000 CAPITAL OUTLAY					
	550760 Construction Projects	136,945	136,945	0	
DEBT SERVICE					
562085	Interest	52,365	20,626	41,252	41,252
UNAPP FUND BALANCE					
590304	Unapp Fund Balance	4,529	0	0	-
TOTAL EXPENDITURES		1,046,205	996,431	198,736	71,402
ENDING FUND BALANCES			90,807	-	184,905

Financial Review

- Property Taxes from the incremental value increase from existing property is higher than initially projected
- The property taxes from the Jesse Quinn development will start coming in November 2019
- New property tax revenue, not included in the original cash flow projections, from the Cedar Manor (28 unit apartment) and Forest Place (192-unit apartment) development, and the commercial property under construction by Ace Hardware will also begin coming in November 2019 and have not been included in the cash flow estimate. Staff will come up with an estimate of property taxes over the next few months.
- Next slide is a cash flow estimate through 2027 not including any development other than Jesse Quinn

Cash Flow Estimate

URA Cash Flow Estimates (Using Original Increment and Jesse Quinn Development)

Fiscal Year	Project Area, No Devlpmt	Tokola Phase I	Annual Total Increment	Loan from City	Interest	Annual Revenue	Expenses Paid with Loan	Admin Costs	Combined Loan Payoff	Storefront	Total Annual Costs	Annual Increment - Net Revenue	Year-End Estimated Net Cash Balance
2016	27,101	-	27,101		130	27,231		5,071	13,750		18,821	8,410	8,410
2017	114,636	-	114,636	962,561	1,631	1,078,828	962,581	13,224	20,626		996,431	82,397	90,807
2018	163,500	-	163,500		2,000	165,500		11,450	41,252	20,000	72,702	92,798	183,605
2019	177,002	26,512	203,514		3,305	206,819		11,679	41,252	10,000	62,931	143,888	327,493
2020	230,272	27,312	257,584		5,895	263,479		11,913	333,068	10,000	354,980	(91,501)	235,992
2021	285,126	28,135	313,261		4,248	317,509		12,151	312,442	10,000	334,592	(17,084)	218,908
2022	300,139	25,461	325,600		3,940	329,540		12,394	312,442	10,000	334,835	(5,295)	213,613
2023	351,254	26,224	377,478		3,845	381,323		12,642	312,442		325,083	56,240	269,853
2024	403,901	27,011	430,912		4,857	435,769		12,895	312,442		325,336	110,433	380,286
2025	458,129	27,821	485,950		6,845	492,795		13,152	312,442		325,594	167,201	547,487
2026	513,982	28,656	542,638		9,855	552,493		13,415	312,442		325,857	226,636	774,123
2027	571,512	29,515	601,027		13,934	614,961		13,684			13,684	601,277	1,375,400

Storefront Improvement Grants (SIG)

- Eleven SIG grant applications totaling \$76,100 have been received.
- URA Board has approved \$20,000 in FY 17-18 for SIG grants.
- Applications are processed in the order received. The applicant is required to provide matching funds depending on grant amount.
- Two grants have been awarded:
 - Valley Art - \$7,500
 - Heirloom Antiques - \$5,857
- Other applications are being processed.

Storefront Improvement Grants

- The SIG Program has been well received and many businesses are requesting URA to improve their storefronts.
- The improvements can have a immediate benefit in the downtown core area as the looks of the downtown are improved making the area more appealing.
- Staff recommends to the URA Board that the funding for the SIG program be increased by an additional \$20,000 in the current fiscal year to accelerate the pace of the improvements.
- A budget adjustment is not required as funds can be used from the Undesignated Projects budgeted line item.

Next Steps

- Now that development other than Jesse Quinn is occurring in the URA area that will result in additional property taxes, the Board needs to consider how this additional revenue will be spent by the URA based on the Urban Renewal Plan.
- Staff needs to estimate the additional property taxes from this additional development.
- URA funds are currently being used to:
 - Repay the loans from the City
 - Fund the Storefront Improvement Grant program

Next Steps (Continued)

- Staff is recommending another work session that will include discussion concerning:
 - Does the URA Board want to limit programs to the repayment of the debt and the storefront grant improvement program and increase the funding available to both.
 - This policy decision would pay off the debt to the City faster and make those funds available for other uses by the City.
 - What other program elements that exist in the adopted URA Plan, if any, does the Board want to fund?
 - Does the URA Board want to review the adopted URA Plan to see if it includes items the Board may want to fund but are not currently included in the Plan?