



Project Profile

At a Glance

Location: Pacific Avenue and A Street in downtown Forest Grove

Total Cost: \$15.5 million

Mixed Uses:

Residential: 78 market-rate apartments ranging in size from studio to three bedrooms. It also includes 5 live-work units.

Commercial: 2,500 square feet of floor level retail space on the corner of Pacific and A Street.

Building Area: 86,550 square feet comprised of 4 stories.

Site Area (Phase 1): 1.52 acres

Features: Publicly accessible plaza adjacent to retail, rooftop terrace, community garden, bicycle storage/repair area, off-street covered parking.

Development Team: Tokola Properties, Studio C Architecture

Public Partners: City of Forest Grove, Forest Grove Urban Renewal Agency, Metro, State of Oregon

Expected Completion (Phase 1): 2017

Forest Grove Urban Renewal Agency (URA) Downtown Mixed-Use Project Part 1: Project Introduction and Overview



View looking north from Pacific and A Street

VISION: In 2014 the City Council formed an Urban Renewal Agency (URA) to stimulate and revitalize downtown. URA's utilize public-private partnerships to reduce financial barriers to development. Many communities of similar size to Forest Grove have formed URA's to help revitalize their downtown including Sherwood, Redmond, Tualatin, and others.

One effort to achieve this revitalization was the City's purchase of the 2.66 acre abandoned factory called the Times-Litho site for \$800,000 in 2012. The City subsequently sold the property to the URA. To determine the use of the site, an Ad-Hoc Committee was formed. The Committee met seven times over seven months and their recommendations were adopted by a 6-0 vote by the City Council in January, 2014. The recommendations were that any project on the site should be a destination, stimulate downtown development, be developed as a public-private partnership, and, in an effort to revitalize downtown businesses such as restaurants, boutiques, and retail stores, be comprised of market-rate housing. Of three development proposals considered by the City Council, Tokola was chosen to proceed.

PROJECT DESCRIPTION: Although this project is the first of its kind in Forest Grove, similar mixed-use projects in Gresham, Hillsboro, and Milwaukie have been successful in revitalizing downtown. Phase I would provide housing for 120-140 downtown residents. The increase in downtown residency is expected to add activity and vibrancy to downtown, helping to attract and sustain local businesses. The project respects the character of downtown by using design elements and architectural details found in many historic downtown buildings in Forest Grove such as vertical windows, flat roofs and placing the building near the sidewalk. Tokola has indicated the potential for a Phase II along B Street, consisting of one of two options. One option is a 59,000 square foot complex with 50 market-rate apartments. The other option is a 59,000 square foot hotel with 55 rooms.



The red dotted line depicts the scale of the project.

COMPATIBLE USES: The Downtown Mixed Use Project seeks sustainability through high-density (55 units per net acre), transit, bike and pedestrian-oriented development. It includes a rain garden, community garden and vegetative green roof over a portion of the parking area, as well as bike storage and repair.

When completed, the project will provide studios, one, two and three bedroom housing for persons wishing to live downtown in an urban-style setting close to restaurants, cultural institutions, and shopping. The project will be an alternative to single family homes for households wishing to downsize and remain in the community. As has been seen in similar projects, these new

residents will shop and dine downtown, serving as a catalyst for development. In fact, the City has already received inquiries for off-site development as a result of this project.

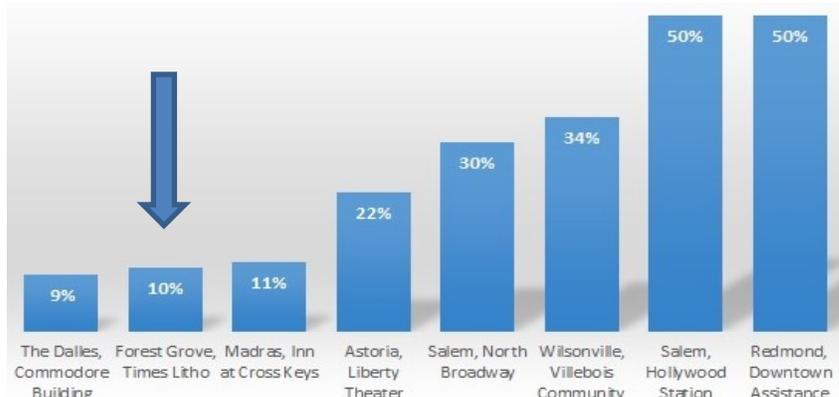
ECONOMIC IMPACTS: ECONorthwest, a firm specializing in urban renewal projects, estimated that over a 20 year period, Phase I would generate a direct benefit to the community of approximately 165 construction jobs, 15 long-term jobs, \$28 million in total economic benefit, and \$1.18 million in additional tax revenue.

WHAT IS THE APPROVAL PROCESS? The project requires two separate approvals to move forward. The first is City Council approval of the land-use permits. The second is URA approval of a Disposition and Development Agreement (DDA), which defines financial terms such as URA financial assistance.

IS THE PROJECT VIABLE WITHOUT HELP FROM THE URA? ECONorthwest took a detailed look at Tokola’s project finances, concluded the assumptions behind them were reasonable, and the project does require URA assistance to assure its development. They also conclude that even with URA assistance, the projected return to the developer and its investors is in the low range compared to similar projects.

HOW MUCH WOULD THE URA CONTRIBUTE? Of the \$15.5 million project cost, Tokola is seeking a 10% contribution from the URA or approximately \$1.5 million. This assistance would likely be in the form of a land write down and paying fees and system development charges associated with the project. The \$1.5 million is the maximum amount of URA assistance, even if project costs exceed \$15.5 million.

HOW DOES THIS PROJECT COMPARE TO PROJECTS IN OTHER CITIES? Favorably. The chart compares the percentage of URA money to the total project cost. For example, the URA is funding 10% of this project’s cost whereas the Salem URA funded 50% of the Hollywood Mixed-Use Station.



ARE THERE OTHER PUBLIC PARTNERS IN THE PROJECT?

Yes. Metro and the State of Oregon are investing in this project in the form of Transit-Oriented Development (TOD) grants and Vertical Housing Tax Credits (VHTC), respectively.

WHAT ABOUT AFFORDABILITY?

Concern was expressed about affordable housing at a recent City Council meeting. The City shares these concerns and is pleased that Tokola accepts U.S. Housing and Urban Development Section 8 vouchers at their other complexes and has stated they would do so with this project. Additionally, as shown on the chart below, Forest Grove has the highest number of per capita subsidized units in Washington County. The data is from Washington County, Metro and the US Census Bureau.

Jurisdiction	Subsidized Units (2011)	Total Units (2010)	Percent of Total Units	Population (2010)	Subsidized Per Capita (per 1000 persons)
Forest Grove	604	7,946	7.6%	21,083	28.8
Hillsboro	2,200	34,639	6.4%	91,611	24.0
Tualatin	604	9,465	6.4%	26,054	23.2
Wash Co. (uninc.)	2,118	85,979	2.5%	190,260	11.1
Tigard	642	20,257	3.2%	48,035	13.4
Beaverton	512	38,957	1.3%	89,803	5.7
Cornelius	10	3,474	0.3%	11,869	0.8