

ORDINANCE NO. 2014-07

**ORDINANCE MAKING CERTAIN DETERMINATIONS AND
ADOPTING THE FOREST GROVE URBAN RENEWAL PLAN**

WHEREAS, the Urban Renewal Agency of the City of Forest Grove ("Agency"), as the duly authorized and acting urban renewal agency of the City of Forest Grove, is proposing to undertake certain redevelopment activities in a designated area of the City of Forest Grove pursuant to ORS Chapter 457 (Urban Renewal); and

WHEREAS, the Agency, pursuant to ORS Chapter 457, prepared an urban renewal plan ("Plan") which is attached to this Ordinance as Exhibit 1, and incorporated herein by this reference; and

WHEREAS, the Plan authorizes urban renewal projects to be undertaken by the Agency within the Forest Grove Urban Renewal Area as described therein and by Exhibit 2; and

WHEREAS, the Plan provides an outline for accomplishing the urban renewal projects described in the Plan pursuant to ORS Chapter 457.085; and

WHEREAS, the Agency prepared a report ("Report") accompanying the Plan as required by ORS 457.085, attached to this Ordinance as Exhibit 3 and incorporated herein by this reference; and

WHEREAS, opportunities for public involvement were provided during development of the Plan through community open houses in September 2012 and May 2014, and a stakeholder advisory committee that included property owners, business owners and other interested persons; and

WHEREAS, the City Council forwarded the Plan and Report to the governing body of each overlapping taxing district potentially affected by the plan on May 2, 2014, and the City provided opportunities for consultation and comment with the taxing districts pursuant to ORS Chapter 457.085(5); and

WHEREAS, the City Council and Agency received written comments from Portland Community College and Metro; and

WHEREAS, Portland Community College requested clarification regarding the Plan adoption process and proposed maximum amount of indebtedness; and

WHEREAS, staff responded to Portland Community College's request for clarification on May 15, 2014; and

WHEREAS, Metro provided a letter dated May 20, 2014 supporting adoption of the proposed Forest Grove Urban Renewal Plan; and

WHEREAS, On May 5, 2014, the City Council forwarded the Plan and Report to City of Forest Grove Planning Commission for recommendation and determination of

Plan's conformance with the Forest Grove Comprehensive Plan and Economic Development Strategy (Exhibit 4); and

WHEREAS, on May 5, 2014, the City of Forest Grove Planning Commission adopted a motion finding the Plan to be in conformance with the Forest Grove Comprehensive Plan and Economic Development Strategy; and

WHEREAS, on May 5, 2014, the City of Forest Grove Planning Commission also adopted a motion and recommended that the City Council adopt the Plan; and

WHEREAS, during May 2014, the City provided notice of the hearings to be held before the City Council on the Plan, including the required statements of ORS 457.120(3), to all City utility billing customers pursuant to 457.120(1)(c); and

WHEREAS, on June 9 and June 23, 2014, the City Council held duly-noticed public hearings to review and consider the Plan, Report, recommendation of the Planning Commission, and the public testimony received; and

WHEREAS, the City Council finds the Plan complies with all requirements of ORS Chapter 457 including ORS Chapter 457.095(1) through ORS Chapter 457.095(7):

1. The area identified in the Plan as the Plan Area meets the statutory definition of "blight" as defined by ORS 457.010(1) and is therefore eligible for inclusion in the Plan due to: depreciated land and improvements values, obsolescence, deterioration, mixed character and shifting of uses, the existence of inadequate streets and other rights of way, open spaces and utilities, and a growing lack of proper utilization of land resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to the public health, safety and welfare of the City;
2. The rehabilitation and redevelopment described in the Plan to be undertaken by the Agency is necessary to address the conditions identified above by removing barriers to private property investment, improving general economic conditions and promoting increases in property values;
3. The Plan provides an outline for accomplishing the urban renewal projects described in the Plan;
4. The Plan conforms to the Forest Grove Comprehensive Plan generally and the policies, goals and objectives of the Land Use, Housing, Economic Development, Urbanization, and Sustainability chapters specifically. The Plan also conforms to the Forest Grove Economic Development Strategy including recommendations to promote development on vacant land and establishing an urban renewal area;
5. The Plan does not include provisions to acquire real property, and therefore no residential displacement is anticipated as the result of real property acquisition or disposition and redevelopment activities proposed in the Plan;

6. Adoption and carrying out the Plan is economically sound and feasible; and
7. The City shall assume and complete any activities prescribed to it by the Plan; and

WHEREAS, the City has complied with all notice and hearing requirements and the City Council has considered comments received on the Plan and Report and findings of fact.

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

Section 1. The City Council approves the Forest Grove Urban Renewal Plan attached hereto as Exhibit A, and it incorporates that Plan by reference.

Section 2. The City Council adopts as its determinations and findings in support of the Ordinance the Report accompanying the Plan attached hereto as Exhibit B and the staff report dated June 9, 2014 attached hereto as Exhibit C.

Section 3. The City Recorder shall forward to the Agency and Washington County Recorder's Office certified copies of this Ordinance and the Plan upon adoption by City Council to be recorded into the Deed Records of Washington County, Oregon.

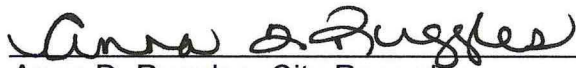
Section 4. In accordance with ORS 457.095 and ORS 457.115, the City Recorder shall place a notice of the adoption of this Ordinance and the provisions of ORS 457.135, in the *Forest Grove NewsTimes* no later than four days following the adoption of this ordinance.

Section 5. In accordance with ORS 457.135, the Plan has been adopted in conformance with all applicable legal requirements and shall be conclusively presumed valid for all purposes 90 days after adoption of this ordinance. No direct or collateral attack on the action may thereafter be commenced.

Section 6. This ordinance is effective 30 days following its enactment by the City Council.

PRESENTED AND PASSED the first reading this 9th day of June, 2014.

PASSED the second reading this 23rd day of June, 2014.



Anna D. Ruggles, City Recorder

APPROVED by the Mayor this 23rd day of June, 2014.



Peter B. Truax, Mayor

10/09/2014 03:35:12 PM

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\$370.00 \$5.00 \$11.00 \$20.00 \$5.00 - Total = \$411.00



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I, Richard Hobernicht, Director of Assessment and Taxation and Ex-Officio County Clerk for Washington County, Oregon, do hereby certify that the within instrument of writing was received and recorded in the book of records of said county.

Richard Hobernicht, Director of Assessment and Taxation, Ex-Officio County Clerk

**After Recording Return to:**

City of Forest Grove

City Recorder

PO Box 326

Forest Grove, OR 97116-0326

PER ORS 205.234:

THIS COVER SHEET HAS BEEN PREPARED BY THE PERSON PRESENTING THE ATTACHED INSTRUMENT FOR RECORDING. ANY ERRORS IN THIS COVER SHEET DO NOT AFFECT THE TRANSACTION(S) CONTAINED IN THE INSTRUMENT ITSELF.

STATE OF OREGON
County of Washington
City of Forest Grove

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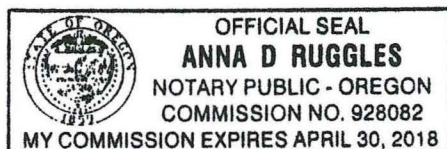
I, Anna D. Ruggles, the duly appointed and qualified City Recorder of the City of Forest Grove, Washington County, Oregon, do hereby certify that I have compared the attached copy of

ORDINANCE NO. 2014-07

**An Ordinance Making Certain Determinations and
Adopting the Forest Grove Urban Renewal Plan
In accordance with ORS 457**

With the original now on file in my office, of which I am the legal custodian, and the attached copy is a true, correct, and complete copy of the whole thereof.

IN WITNESS whereof, I have hereunto set my hand and affixed my official Notary seal this 22nd day of September, 2014.



Anna D. Ruggles
Anna D. Ruggles, CMC, City Recorder
Commission No. 928082
Expires April 30, 2018

CITY OF FOREST GROVE

URBAN RENEWAL PLAN

PART 1

MAY 2014

Prepared For:
CITY OF FOREST GROVE, OREGON

By:
THE BENKENDORF ASSOCIATES
JOHNSON REID, LLC



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Appendix 1 – Oregon Revised Statutes Chapter 457 (Urban Renewal)

Appendix 2 – Legal Description

I. INTRODUCTION

The Oregon Legislature created a tool for use by cities and counties to strengthen local economies and improve the general investment climate. This tool is often referred to as urban renewal or redevelopment. Urban renewal provides a dedicated source of revenue, called tax increment financing, to fund capital improvement projects in defined areas of a community needing focused investment.

This urban renewal plan is foremost a financing strategy for capital projects intended to stimulate private investment, create jobs, and strengthen property values within the Forest Grove Urban Renewal Area. In general, this urban renewal plan establishes the policy framework for implementing community goals and objectives for the urban renewal area including encouraging business retention and recruitment, job creation, housing, and promoting desirable land use along the Pacific Avenue corridor and within the Town Center. The plan also establishes the guiding goals and objectives for the urban renewal area and identifies potential projects to address needs and opportunities for public and private investment.

The following Urban Renewal Plan (Part 1) and Report (Part 2) have been prepared to implement the desires of the community to establish an Urban Renewal District. The plan has been prepared to comply with State law regarding urban renewal (ORS 457). The plan is to be used in conjunction with the accompanying urban renewal report. The report provides additional detail about existing conditions within the urban renewal area, reasons for selecting the urban renewal area, relationship between the projects identified and existing conditions, project cost and timing and financial analysis including potential impact to overlapping taxing districts.

The urban renewal plan implements the Forest Grove Town Center Plan (1997), Commercial Corridor Plan (2005), Downtown Resource Team Report (2006), Forest Grove Community Vision Statement (2007), and the City's 2009 general economic development strategy. In addition, the urban renewal plan supports the Forest Grove Comprehensive Plan including the goals and objectives for housing, economic development and land use. The area of the district illustrated in Figure 1 (Section II) was selected to achieve the following purpose.

A. Statement of Purpose

The City of Forest Grove Urban Renewal Plan has been prepared to establish an Urban Renewal program within the City. The primary purpose of the Plan is to:

- Further eliminate blight and blighting influences,
- Improve the utilization of land within the Urban Renewal Area,
- Encourage private investment and job creation and,
- Increase the taxable value of property within the City benefitting all overlapping taxing districts.

The Plan is designed to be consistent with the Comprehensive Plan and zoning and development regulations adopted by the Forest Grove City Council. The Renewal Plan is intended to promote public and private investments and activities within the urban renewal area resulting in the efficient use of land and utilization of existing infrastructure capacity. Through implementation of the Plan, economic development will be stimulated by the elimination of blighting conditions, provision of supporting public facilities, and general improvements in the overall appearance, condition, and function of the Town Center, Commercial Corridor and the urban renewal area in its entirety.

The Forest Grove Urban Renewal Plan presented in this document meets the requirements of Chapter 457 of the Oregon Revised Statutes (Appendix 1). The Plan also complies with other federal, state and local laws pertaining to urban renewal plans including Section 1c, Article IX of the Oregon Constitution and the Forest Grove City Charter.

B. Need for Urban Renewal

The success of the urban renewal program is predicated on stimulating private investment within the urban renewal area to eliminate blight and blighting influences, improve the utilization of land and increase the taxable value of property within the City.

The lack of private investment within certain areas may arise from several factors:

- Limited or no available private financing for desired development meeting local objectives;
- High degree of financial risk perceived by lenders and developers;
- Risk/reward relationship is out of balance;
- Project includes significant public benefits without commensurate private financial return; and
- The cost to construct the project exceeds the market value of the project

The public sector, through an adopted urban renewal plan, could help remove some of the obstacles described above to encourage private investment and higher property values within and around the urban renewal area. The projects and programs included in the plan strive to address this need.

The need for urban renewal, including description of existing conditions and reasons for selecting the urban renewal area, are more fully explained in the accompanying Urban Renewal Report (Part 2).

C. Goals and Objectives

The following Goals and Objectives are envisioned for improving the economic health, residential character and aesthetic appearance of the Urban Renewal Area.

Goal 1: Provide opportunities for public participation in the preparation and adoption of urban renewal plans, plan amendments and policies.

Objective 1.1: At the discretion of the Agency establish an urban renewal advisory committee with broad representation to assist the Agency Board of Directors with implementation of the urban renewal program.

Goal 2: Adopt a prudent annual budget to minimize financial risk to the Urban Renewal Agency and the City of Forest Grove.

Objective 2.1: Establish Urban Renewal Agency policies to guide strategic financial investments in the urban renewal area based on public benefit, documented financial need, and scale of the project and accepted underwriting principles.

Objective 2.2: Evaluate tax increment revenue collections annually to minimize long term impacts to overlapping taxing districts.

Objective 2.3: Secure grant funding from regional, state, federal agencies, and private organizations to implement the urban renewal program and supplement tax increment revenue.

Goal 3: Improve the local investment climate by reducing financial barriers to development and redevelopment within the urban renewal area.

Objective 3.1: Capitalize a program to reduce development costs to the extent necessary to encourage private investment for projects proving a public benefit and resulting in appreciation of property values and efficient use of vacant and underutilized land. Development costs could be reduced through techniques such as land write downs, off-site public improvements, direct loans and grants or offset of system development charges, permit fees, or development hard or soft costs.

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

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.

Objective 4.2: In conjunction with the Economic Development Commission, assist business retention and expansion efforts in the Forest Grove Town Center.

Objective 4.2: Identify a location and assist with funding construction of a public gathering place in the Town Center.

Objective 4.3: Purchase property from willing sellers to implement the urban renewal program.

Objective 4.4: Encourage the construction of needed housing and mixed use development in the Town Center.

Objective 4.5: Encourage uses and amenities that support increased residential uses in the Town Center.

Goal 5: Promote commercial and mixed-use redevelopment of sites along the Pacific Avenue corridor.

Objective 5.1: Establish incentives to encourage a mixture of land uses including retail, office, and housing at strategic locations along the Pacific Avenue corridor through the creation of nodal development.

Objective 5.2: Work with the Economic Development Commission to market redevelopment opportunity sites to prospective developers.

C. Plan Administration

The City of Forest Grove Urban Renewal Plan consists of the text and exhibits contained in this document and the attached Report. The Plan applies to the specific area outlined in Exhibit 1 and further described in Section II. The Plan has been prepared with the assistance of an Urban Renewal Working Group for adoption by the Forest Grove City Council. The Urban Renewal

Agency of the City of Forest Grove shall administer the Plan in accordance with ORS 457, the Oregon Constitution, and all other applicable laws and ordinances. All such applicable laws are made a part of this Plan by reference.

The members of the Forest Grove City Council will serve as the Board of Directors of the Urban Renewal Agency of the City of Forest Grove as allowed by ORS 457.045.

D. Effective Period of the Plan

The Plan projects will be completed in twenty years or 2033 from the date of adoption by the City Council. If the projects in this Plan, and any additional projects, added to the Plan, are completed earlier, and all indebtedness is paid, the Urban Renewal Agency and the City Council will take action to terminate the Plan at that time.

If the City Council finds a need for an urban renewal agency no longer exists, the City Council, by ordinance, may dissolve the urban renewal agency. Terminating the urban renewal agency shall not affect any outstanding legal actions, contracts, or obligations of the agency and the City shall be considered a continuation of the agency. The urban renewal agency may not be dissolved unless all indebtedness to which a portion of taxes is irrevocably pledged for payment is fully paid.

E. Definitions

1. **Agency** means the Urban Renewal Agency of the City of Forest Grove, Oregon as authorized by ORS 457.035.
2. **Blighted Areas** are areas which, 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 health, safety or welfare of the community. **Blight** shall have the same meaning in this Plan as defined in ORS 457.010(1).
3. **Boundary** means the geographic and legal limits which encompass the Forest Grove Urban Renewal Area.
4. **Certified Statement** means the statement prepared and filed pursuant to ORS 457.430, or an amendment to the certified statement prepared and filed pursuant to ORS 457.430, establishing the total taxable assessed value of property within the urban renewal area.
5. **City** means the City of Forest Grove Oregon.
6. **City Council** means the Forest Grove City Council.
7. **Comprehensive Plan** means the Forest Grove Comprehensive Plan including the coordinated map and policy statements, implementing ordinances, supporting public facility mater plans, and development standards.
8. **County** means Washington County, Oregon.

9. **Disposition and Development Agreement** means an agreement between the Urban Renewal Agency and a redeveloper which sets forth the terms and conditions which govern the transfer, use and development of land.
10. **Fair Reuse Value** means the value of property established by the Urban Renewal Agency taking into account the condition of the property, cost of development, type of development desired and conditions imposed by the Urban Renewal Agency.
11. **Lot** means a unit of land that is created by a subdivision or platting of land and recorded in the land records of Washington County
12. **ORS** means the Oregon Revised Statutes (State Law and. specifically, Chapter 457. thereof.
13. **Maximum indebtedness** means the amount of the principal amount of indebtedness authorized by the urban renewal plan pursuant to ORS 457.190 and described in Section VI(B).
14. **Public Improvement Plan** means drawings, development standards and/or objectives designed to guide the improvement of public facilities and services in the Forest Grove Urban Renewal Area.
15. **Persons** means any individual, family, business, firm association, or corporate entity.
16. **Plan** means the Forest Grove Urban Renewal Plan consisting of the text and accompanying exhibits.
17. **Project** means any work or undertaking carried out under ORS 457.170 in an Urban Renewal Area.
18. **Projects or Activities** means the development or improvement projects described in Section III herein.
19. **Property Owner** means any individual who owns property within the Forest Grove Urban Renewal Area.
20. **Redeveloper** means any individual or group acquiring property from the Urban Renewal Agency or receiving financial assistance for the physical improvement of privately or publicly held structures and land.
21. **Renewal Area** means the Forest Grove Urban Renewal Area.
22. **Report** means the report accompanying the Plan prepared pursuant to ORS 457.085(3).
23. **State** means the State of Oregon.
24. **Taxing District** means the state, city, county or any other taxing unit which has the power to levy a tax.
25. **Tax Increment Revenue** means that portion of ad valorem property tax proceeds attributable to any increase in the taxable assessed value of property located in an urban renewal area, or portion thereof, over the taxable assessed value specified in the certified statement.

26. **Text** means the Forest Grove Urban Renewal Plan Text for the Forest Grove Urban Renewal Area.
27. **Urban Renewal Advisory Committee** means an advisory body appointed by the Urban Renewal Agency Board of Directors to make recommendations on the urban renewal program including amendments to the urban renewal plan.

II. GENERAL DESCRIPTION OF LAND USE PLAN

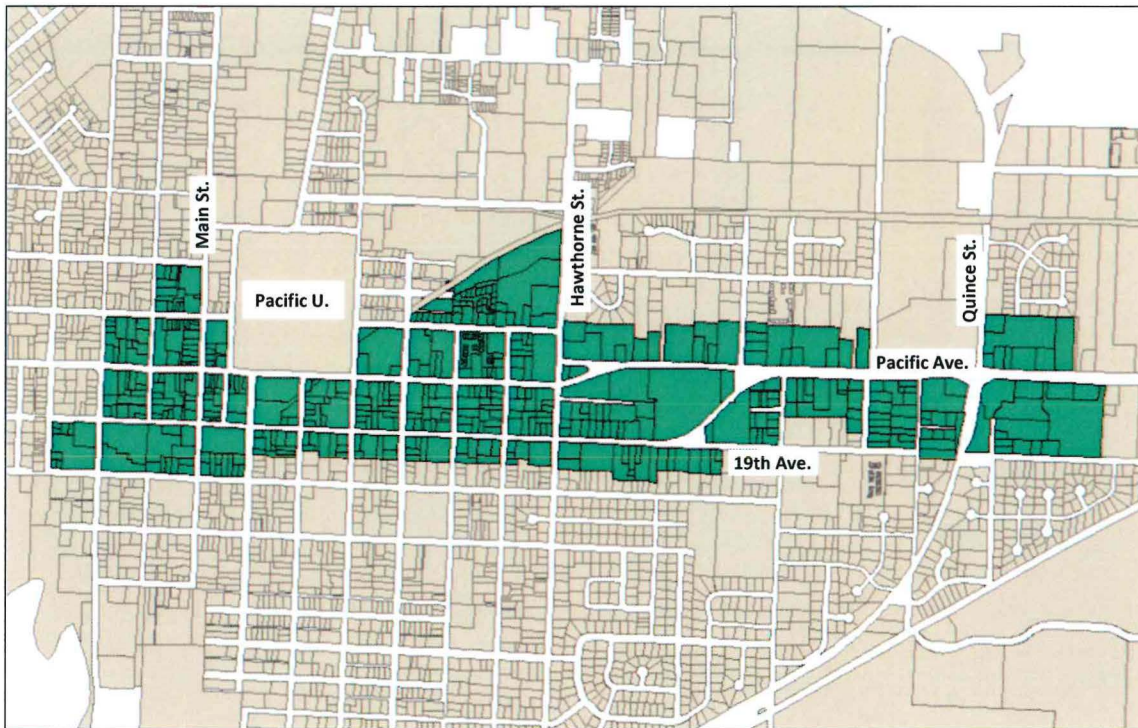
A. Boundary

The City of Forest Grove Urban Renewal District includes land within the City of Forest Grove, only. A legal description is included in Appendix 1.

The Renewal Area encompasses 525 tax lots and a total of 202.1 acres including existing public street rights of way.

The Urban Renewal area is a linear area generally including the tax lots with frontage on Pacific Avenue and 19th Avenue beginning at the Rose Grove manufactured home park in the east and terminating at C Street on the west. The district extends north to the existing rail corridor between Hawthorne Street and Douglas Street. The Pacific University campus is immediately west of the area previously described and is not part of the project area.. The McMenamin's Grand Lodge property from Quince to Oak on the west is also not included in the district. The primary Town Center area west of the university between 22nd on the north and C Street to the south is within the district. **See Figure 1.**

Figure 1: Forest Grove Urban Renewal Area

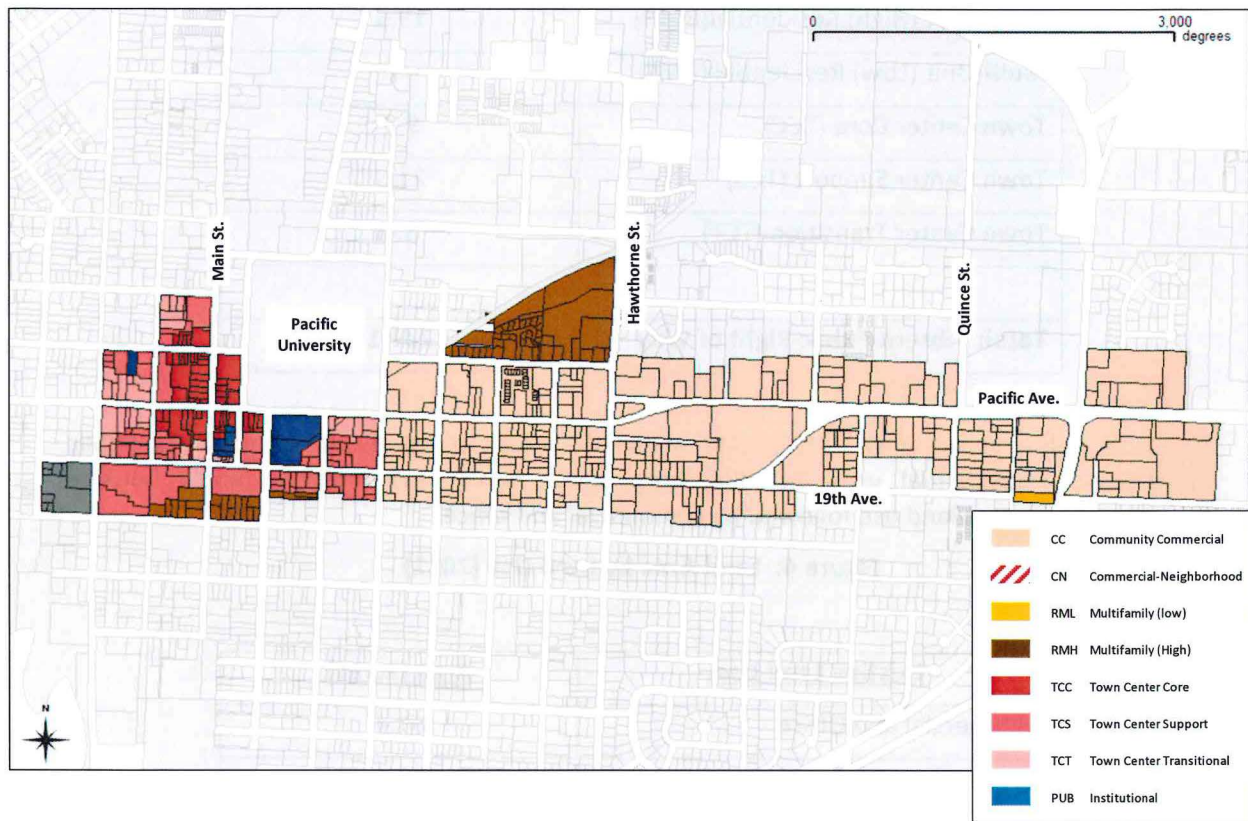


Source: RLIS, City of Forest Grove

B. Land Use Plan, Zoning, Development Standards

The Land Use Plan for the District is based on the City of Forest Grove Comprehensive Plan Map and Zoning Map. (See Figure 2). The proposed land uses within the Forest Grove Urban Renewal District are consistent with the City's Zoning Maps.

Figure 2: Zoning Map, Urban Renewal Area



Source: RLIS, City of Forest Grove

The following table compares the acreage of currently zoned lands within the Urban Renewal Area not including public rights of way.

Figure 3: Land Area by Zoning Designation

<u>Existing Zoning</u>	<u>Area (acres)</u>
Community Commercial (CC)	134.6
Commercial Neighborhood (CN)	0.2
General Industrial (GI)	3.8
Institutional (INST)	4.3
Multi-Unit (High) Residential(RMH)	19.5
Multi-Unit (Low) Residential (RML)	0.6
Town Center Core (TCC)	9.2
Town Center Support (TCS)	21.5
Town Center Transition (TCT)	8.4
Total: Absent Public Right of Way	202.1

The table below shows how land is used within the urban renewal area exclusive of public rights-of-way. Residential uses including both single family and multiple family housing represents the largest land use followed by commercial and office.

Figure 4: Land Area by Land Use (2011)

<u>Existing Land Use</u>	<u>Area (acres)</u>
Commercial and Office	61.4
Industrial	12.1
Institutional	15.3
Multiple Family Residential	34.5
Single Family Residential	36.8
Vacant	42.0
Total: Absent Public Right of Way	202.1

The use and development of the land within the Forest Grove Urban Renewal District shall be governed by the City of Forest Grove Comprehensive Plan and Development Code.

The following text includes the purpose of the zoning districts as well as the uses permitted by the specific zoning district definitions. All of the Forest Grove Urban Renewal Area is located

within the City limits and within the Forest Grove portion of the Portland Regional Urban Growth Boundary (UGB). The City of Forest Grove has designated the land uses for the entire Forest Grove planning area within the UGB in its Comprehensive Plan.

The land areas within the Urban Renewal District boundary are zoned for nine separate districts. The purpose of each district and a summary of the existing development standards follows:

1. **Residential RML** – The RML zone is intended for development of housing at a target density of 12 dwelling units per net acre. Small-lot single family housing, duplexes, attached dwellings and small multi-dwelling residences will be permitted housing types, subject to the density limitations of the zone. A limited range of compatible non-residential uses such as parks and schools are also permitted or allowed with a conditional use permit approval. The RML zone functions as a transition zone between the lower density residential zones and the higher intensity residential and non-residential zones.
2. **Residential RMH** – The RMH zone is intended for development at a target density of 20.23 dwelling units per net acre. Multi-unit residential buildings will be the predominant housing type in this zone. RMH zoning is generally applied near transit streets and adjacent to commercial districts. The RMH zone also allows a limited range of non-residential uses to help provide services for residents and enhance the quality of the higher density neighborhood.

Residential Zone Development Standards – The City of Forest Grove regulates residential development primarily by density rather than minimum lot size. Density is calculated based on net site area. Within the density limits of each of the five residential zones, a variety of housing types and lot sizes are permitted. This approach allows more sites to be developed with the flexibility of a Planned Development.

All residential subdivisions and multi-family developments are required to develop at a minimum of 80% of the targeted density. (10.3.130 – City Development Standards)

3. **Institutional Zone** – The City of Forest Grove has established an institutional zone (INST) to implement the Public and Semi-Public/Institutional facilities such as campuses, public school sites and associated playgrounds, hospitals, corporation yards, sewer and water treatment facilities and cemeteries. The district is for uses such as governmental services, education facilities, public parks and open space, and other similar activities. Smaller facilities can be found within other appropriate zone districts.

Institutional Zone Development Standards – The development standards for the institutional zone are intended to promote efficient site planning, control the overall scale of buildings, and promote streetscapes that are consistent with the desired character of the neighborhood. (10.3.220 – City Development Code)

4. **Neighborhood Commercial (CN)** – The CN zone is established to provide for small to medium sized shopping and service facilities adjacent to residential neighborhoods. The district is intended to meet the convenience shopping and service needs of the immediate neighborhood and to have minimal negative impacts on surrounding residential uses. NC zones should be located on arterial or collector streets, preferably at an intersection. NC zones should be spaced at approximately one-half (1/2) mile intervals and each zoned area should be limited to a total size of approximately two (2) acres.
5. **Community Commercial (CC)** – The CC zone is established to promote a concentration of mixed uses – including retail, service, office and residential uses – along the regional transit corridor. The link between land use and transit is intended to result in an efficient development pattern that supports the regional transit system and makes progress in reducing traffic congestion, air pollution and regional greenhouse gas reduction targets. The location, mix and configuration of land uses are designed to encourage convenient alternatives to the auto, a safe and attractive streetscape, and a more livable community.

Commercial Zone Development Standards – The development standards for the commercial zones are intended to promote efficient site planning, control the overall scale of buildings, and promote streetscapes that are consistent with the desired character of the two zones. (10.3.330 – City Development Code)

6. **Town Center Core (TCC)** – The Town Center Core zone encompasses the traditional downtown core along Main Street. The purpose of this zone is to provide a concentration of retail and office uses in a defined area. Retail, service uses are required on the ground floor with an emphasis on those uses that serve a walk-in clientele. Office and/or residential uses are allowed on upper floors. The design standards for this zone require a continuous storefront facade featuring streetscape amenities for the pedestrian.
7. **Town Center Transition (TCT)** – The Town Center Transition zone is established to increase employment and housing opportunities in close proximity to the Town Center Core. A mix of retail, office, light industrial and residential uses are allowed in the TCT zone, but ground floor retail uses are permitted but not required. Consistent streetscape improvements such as street lighting, street trees and sidewalks will link the Town Center Transition zone with the Town Center Core.
8. **Town Center Support (TCS)** – The Town Center Support zone is established to increase employment and housing opportunities that support the Town Center Core. A mix of office, light industrial and residential uses are allowed in the TCS zone. Ground floor retail uses are permitted but not required. Pedestrian and bicycle improvements will link the Town Center Support zone with the Town Center Core.

Town Center Zone Development Standards – The development standards are intended to promote efficient use of land and more intensive development. The standards establish minimum and maximum building heights and maximum building setbacks to reinforce the scale and storefront character of existing historic buildings and to support a pedestrian-oriented environment. (10.3.430 - City Development Code)

9. **General Industrial (GI)** – The GI zone is intended for industrial uses that are generally not compatible with residential development because of their operational characteristics. This district is also intended for uses that may require extensive outdoor areas to conduct business activities or for product storage or display. General industrial uses include those involved in the processing of raw materials into refined products and or/industrial uses that have external impacts. The purpose of this district is to permit the normal operations of any industry that can meet and maintain compliance with established state and federal performance standards. The district is intended to contain supportive retail development. Commercial or retail uses that do not primarily serve the needs of people working or living in the employment and industrial areas are prohibited in this district. New residential uses are not permitted in the GI zone.

The development standards listed in the code are applicable to all development within the Light Industrial and General Industrial zones. Development within these zones shall also comply with all other applicable requirements of this Code, including the general development standards in Article 8. (10.3.530 - City Development Code)

The City of Forest Grove is currently conducting a Periodic Review of the City's Comprehensive Plan. The updated Comprehensive Plan is expected to be reviewed by the Planning Commission and adopted by the City Council by December 2013.

III. OUTLINE OF PROJECTS & REDEVELOPMENT ACTIVITIES

A. General Redevelopment Outline

The City of Forest Grove is establishing an urban renewal agency and adopting an Urban Renewal Plan to promote private and public investment within the urban renewal area. The plan area is focused on the Forest Grove Town Center and Pacific Avenue/19th Avenue corridor. The area includes the Town Center, Pacific Avenue/19th Avenue corridor and the area surrounding the Quince Street/Oregon Highway 8 intersection.

Urban renewal has been an effective tool for stimulating public and private investment in areas in need of revitalization throughout Oregon. The most effective urban renewal programs are focused with clearly defined goals, objectives and project outcomes. Several policy documents prepared by the City, including the Town Center Plan, Downtown Resources Team Report, and Commercial Corridor Study, identify urban renewal as an appropriate tool for creating a strong and vibrant Forest Grove.

An initial assessment of the financial feasibility of a Forest Grove urban renewal program was recently completed by the Benkendorf Associates Corp. and Johnson Reid, LLC. The assessment was based on very conservative assumptions regarding growth in the taxable value of property. Two scenarios were initially evaluated for feasibility. The first scenario was based on a 2.4% annual increase in the taxable value of property. This growth rate of 2.4% is consistent with the historical average increase within Forest Grove over the past few years. The second scenario reflected a 3.0% annual increase in the taxable value of property. A growth rate of 3.0% is consistent with the typical maximum rate of growth applied to the taxable assessed value of property permitted under state law. The final scenario assumed higher growth of 4.5% per year, to reflect the impact of the urban renewal area in generating greater private investment over time.

Based on the assumptions described above, an urban renewal area including the Forest Grove Town Center and Pacific Avenue corridor could likely generate approximately \$7.5 million to \$16.2 million in tax increment revenue over a twenty year period. Substantial new development and redevelopment will be necessary to generate tax increment revenue in excess of this amount. Expanding the urban renewal boundary or increasing the duration of the urban renewal program are options for potentially increasing tax increment revenue during the life of the Urban Renewal Plan.

The urban renewal plan must identify anticipated projects including estimated cost and timeline for completion. See Section VII of the Urban Renewal Report. The projects include acquisition of redevelopment opportunity sites for purposes meeting the goals and objectives of the urban renewal plan, redevelopment project assistance, a sustainability incentive program, set-aside

program for matching funds needed for grants benefitting the urban renewal area and project administration.

The following is a description of each of the possible projects. Unless otherwise stated, the project activities may be undertaken throughout the entire urban renewal district. The Urban renewal agency may undertake projects directly or may provide funding for projects to be undertaken by other public or private parties. The agency may fund projects in part or in whole.

B. Acquisition of Redevelopment Opportunity Sites from Willing Sellers

Under State law an urban renewal agency may purchase property for urban renewal projects including redevelopment of sites or infrastructure improvements. Property acquired by the Agency for private development must be acquired from willing sellers. The use of eminent domain is not authorized by this plan for the purchase of property for private development or redevelopment. The identification of property for acquisition by the Urban Renewal Agency from a willing seller requires a minor plan amendment as outlined in Section VII.

Under state law, the urban renewal agency could redevelop the property, acquired by a willing seller, or dispose of the property to a third party for redevelopment. Methods of acquisition include fee-simple or less-than-fee simple purchases such as easements or leaseholds. Redevelopment opportunity sites for purchase must be identified in the urban renewal plan. At this time the urban renewal plan does not identify any property for acquisition. The urban renewal plan may be amended in the future to identify property for potential acquisition by the Urban Renewal Agency.

The urban renewal report provides examples of development types consistent with the urban renewal plan. Property may be acquired by the Agency for a Town Center plaza, mixed-use development where permitted in the urban renewal area, and off-site infrastructure improvements necessary to support development and redevelopment.

Potential projects on land acquired by the Agency include:

- **Town Center Public Plaza**
- **Transit-Oriented Development**
- **Mixed-Use Development** incorporating housing, retail or office uses
- **Stand Alone Residential Development** addressing document housing needs
- **Stand Alone Commercial Development** addressing retail and service needs

- **Building Rehabilitation**
- **Site Clearance and Preparation**
- **Environmental Remediation**

C. Redevelopment Project Assistance

Another available tool is urban renewal agency participation in projects meeting the goals and objectives of the adopted urban renewal plan. Urban renewal agency participation could be focused on reducing hard project costs, paying for certain soft costs or reducing financing expenses. The idea is that lowering development costs to induce private investment to pursue a project.

Project hard costs include site preparation, construction expenses, and on- and Off-site infrastructure improvements. Soft costs include pre-development activities such as preparation of market feasibility studies, engineering reports, environmental analysis or traffic impact assessments. Soft costs may also include fees and charges such as Systems Development Charges (SDCs). SDC waivers or write downs are effective ways to reduce project costs through urban renewal participation. Reducing project financing costs could also be achieved through direct low interest loans or grants provided to the project.

D. Exterior Building Improvement Program

The program category would provide funding for improvements to building exteriors such as awnings and canopies, exterior lighting, and exterior improvements intended to generally improve buildings and return historic buildings to their original historic character. This category would also fund seismic upgrades and ADA accessibility improvements up to established per project funding limits.

E. Interior Building Improvement Program

This program category is intended to assist property owners with costs associated with meeting contemporary building code requirements and hard and soft costs related to building rehabilitation/restoration, environmental remediation, ADA accessibility improvements, seismic upgrades, energy efficiency, HVAC, electrical, plumbing, and tenant improvements subject to an executed lease and per project funding limits. Funding for tenant improvements should focus on filling vacant space and creating jobs.

F. Sustainability Incentive Program

Sustainability is a public objective cited in planning documents including urban renewal plans. Sustainability initiatives are often intended to increase the use of raw materials for building and energy production that are developed through sustainable practices. Sustainable practices include features such as bio-swales, green roofs, and pervious surfaces to name a few. Other examples of sustainable practices include the use of wind or solar power for energy generation, purchase of raw materials from local sources, or wood using sustainable timber harvesting practices. In addition, Sustainability initiatives that encourage or support transit may encourage reductions in greenhouse gas production. Meeting these public objectives may increase project costs. Higher costs may be associated with compliance procedures or acquisition of new technologies. A set aside for partial funding of sustainability improvements could encourage meeting sustainability standards. For example, funds could be used for specific sustainability elements such as installing solar panels, adaptive reuse of existing buildings, or building low or net zero energy buildings.

G. Funds for Matching Grant Opportunities

Many grants are available from private and public sources. Having this funding available would provide the opportunity to leverage urban renewal funds with other sources to complete needed projects. Grant opportunities tend to focus on specific planning activities or capital improvements. Grants typically require a match from the grant award recipient. This program would establish a funding set aside to provide required match for projects meeting urban renewal goals and objectives.

H. Program Administration

This program includes funding for administration of the urban renewal program. Administration includes project management, regulatory compliance, bond issuance expenses and legal expenses.

IV. COMPREHENSIVE PLAN CONSISTENCY

The Forest Grove Urban Renewal Plan was prepared in conformance with the Forest Grove Comprehensive Plan as described below. The urban renewal plan establishes a financing framework to implement key elements of the Comprehensive Plan. As such, there is a direct relationship between the projects identified in the Urban Renewal Plan and applicable Comprehensive Plan goals and policies.

Forest Grove Comprehensive Plan Land Use Element

The Forest Grove Comprehensive Plan Land Use Element, adopted in January 2014, establishes guiding principles, goals, objectives and policies for the use of land within the City's planning area.

Guiding Principles:

Guiding principles relevant to the proposed urban renewal plan include:

- Efficient Use of Land; and
- Strengthen Downtown Forest Grove

The finding below shows how the urban renewal plan conforms to the land use guiding principles.

Finding: The proposed urban renewal plan for the Forest Grove Town Center and Pacific Avenue/19th Avenue corridor conforms to the Land Use Element Guiding Principles contained in the Comprehensive Plan. The urban renewal promotes the efficient use of land by establishing a framework for removing financial barriers to the reuse of buildings, development of vacant land, and redevelopment of underutilized property within the proposed urban area already served by the full array of City services. The proposed urban renewal plan also promotes a strong and vibrant downtown by providing a funding mechanism for and encouraging new housing construction in the Town Center supportive of current and future businesses.

Commercial Land Use Policies and Objectives

The Land Use chapter of the Forest Grove Comprehensive Plan contains policies and objectives for future development in the City. Many of these policies and objectives are supported by the urban renewal plan as described below:

Land Use Objective #4: Designate commercial/mixed-use nodes along the Pacific Avenue/19th Avenue Corridor consistent with the findings contained in the 2005 Commercial Corridor Study.

Finding: The urban renewal area includes the Pacific Avenue/19th Avenue corridor and provides a framework for implementing recommendations contained in the 2005 Commercial Corridor Study. These recommendations include establishing an urban renewal district and promoting mixed-use nodes along the commercial corridor. The following urban renewal plan goal and objectives conform to and support Comprehensive Plan Land Use Objective #4:

Urban Renewal Plan Goal 5:

- Promote commercial and mixed-use redevelopment of sites along the Pacific Avenue corridor.

Urban Renewal Plan Objective 5.1:

- Establish incentives to encourage a mixture of land uses including retail, office, and housing at strategic locations along the Pacific Avenue corridor through the creation of nodal development.

Land Use Objective #8: Priority should be given to retrofitting single use commercial and retail developments into walkable, mixed-use areas.

Finding: The urban renewal area includes the Pacific Avenue/19th Avenue corridor. The commercial portion of the corridor is characterized by several auto-oriented commercial and retail developments and two large development sites at the Pacific Avenue/Quince Street intersection that are zoned for commercial uses. The urban renewal plan provides a framework for promoting mixed-use development redevelopment intended to create walkable mixed-use areas by encouraging housing, retail and office uses in proximity. This is supported by the following urban renewal plan goals and objectives:

Urban Renewal Plan Goal 5:

- Promote commercial and mixed-use redevelopment of sites along the Pacific Avenue corridor.

Urban Renewal Plan Objective 5.1:

- Establish incentives to encourage a mixture of land uses including retail, office, and housing at strategic locations along the Pacific Avenue corridor through the creation of nodal development.

Land Use Implementation Action #1: The City of Forest Grove will adopt a land use concept that promotes the efficient use of land within the urban growth boundary. Measures to promote the efficient use of land will take into account local land economics and market feasibility.

The urban renewal plan provides a financial framework for encouraging land uses that support the efficient use of land within the urban growth boundary (specifically within the Town Center and along the Pacific Avenue/19th Avenue corridor). The urban renewal plan also establishes financial incentives to improve local land economics and the market feasibility of development in projects consistent with the urban renewal plan.

Land Use Implementation Action #2: The City of Forest Grove will support policies that promote the continued viability of the Forest Grove Town Center as the focal point of the community.

The urban renewal plan establishes a framework for promoting the continued viability of the Forest Grove Town Center as the focal point of the community. This includes establishing financial incentives to encourage the construction of housing units to support Town Center businesses. The urban renewal plan also identifies several projects geared toward improving the Town Center. This includes a building rehabilitation program to assist property owners with improving building facades, converting unused second floor space for residential purposes, dividing large ground floor space for current retailing needs, and upgrading buildings to meet contemporary building codes.

Land Use Implementation Action #3: The City of Forest Grove will support policies that encourage locating complementary land uses in proximity to reduce demand on transportation system and improve overall quality of life of the community.

The urban renewal plan establishes a framework for promoting complementary land uses in proximity. The following urban renewal plan goals and objectives support these efforts:

Urban Renewal Plan Goal 5:

- Promote commercial and mixed-use redevelopment of sites along the Pacific Avenue corridor. This goal promotes developing complementary land uses in proximity including mixed-use developments.

Urban Renewal Plan Objective 5.1:

- Establish incentives to encourage a mixture of land uses including retail, office, and housing at strategic locations along the Pacific Avenue corridor through creation of nodal development. This objective encourages locating complementary land uses in proximity. Such development supports reducing trip lengths which reduces demand on the transportation system.

Forest Grove Comprehensive Plan Sustainability Element

The Forest Grove Comprehensive Plan includes a sustainability element to promote compact and complete communities and interconnected land uses among other objectives. The urban renewal plan supports the principles, goals and objectives of the Forest Grove Sustainability Element.

The urban renewal plan provides incentives to develop vacant property in the established part of the City. The urban renewal plan also promotes the reuse of buildings within the historic core including unused upper floor space in existing buildings. This infill development supports reducing the long term costs for providing municipal services by encouraging development where services are already in place. This reduces the need to extend services to outlying areas.

The urban renewal plan promotes a compact and land efficient development pattern by encouraging development and redevelopment in the established, historical core, of the community. This type of development promotes financial sustainability by reducing the need to extend city services such as water and sewer to peripheral areas.

Sustainability Goal #1: Support the function and identity of neighborhoods by encouraging communication, strengthening community bonds, local participation and interaction, and encouraging a sense of place through design.

The urban renewal plan provides a framework for supporting the function and identity of an important City neighborhood: The Forest Grove Town Center. The urban renewal plan encourages maintaining the Forest Grove Town Center sense through context

sensitive development and redevelopment actions. This is exemplified through the following urban renewal plan goals and objectives:

Urban Renewal Plan Goal 4:

- Promote a vibrant Forest Grove Town Center through strategic urban renewal investments.

Urban Renewal Plan 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.

Sustainability Goal #3: Promote financial feasibility through a compact and land efficient development pattern intended to reduce the long term costs for providing municipal services.

The urban renewal plan establishes a financing framework for promoting compact and land efficient development patterns intended to reduce the long term costs for providing municipal services. The following urban renewal plan goal addresses financial feasibility:

Urban Renewal Plan Goal 2:

- Adopt a prudent annual budget to minimize financial risk to the Urban Renewal Agency and the City of Forest Grove.

The following urban renewal plan goal promotes compact and land efficient development patterns intended to reduce the long term costs for providing municipal services:

Urban Renewal Plan Goal 5:

- Promote commercial and mixed-use redevelopment of sites along the Pacific Avenue corridor.

Sustainability Goal #7: Promote interconnected land uses that encourage diverse, accessible and proximate that promote active living and access to vital services including employment, education, and healthy food.

Urban Renewal Plan Goal 5 conforms to Comprehensive Plan Sustainability Goal #7:

Urban Renewal Plan Goal 5

- Promote commercial and mixed-use redevelopment of sites along the Pacific Avenue corridor.

Urban Renewal Plan Goal 5 encourages interconnected land uses in proximity. By definition mixed-use development includes a variety of activities such as housing, places of employment and services. Such development is consistent with Sustainability Goal #7.

Sustainability Goal #9: Foster the preservation, construction, and maintenance of an adequate supply of healthful, affordable, resource-efficient, and inclusive housing.

Urban Renewal Plan Objective 4.4 fosters the preservation, construction, and maintenance of an adequate supply of healthful, affordable, resource-efficient, and inclusive housing:

Urban Renewal Plan Objective 4.4:

- Encourage the construction of needed housing and mixed-use development in the Town Center.

Projects supportive of Sustainability Goal #9 includes:

- Acquisition of Redevelopment Opportunity Sites from Willing Sellers
- Redevelopment Project Assistance; and
- Interior Building Improvement Program

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.

The urban renewal plan promotes the preservation and reuse of historic resources through Urban Renewal Plan Objective 4.1:

Urban Renewal Plan 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.

The urban renewal plan also includes two projects related to building improvements. One project promotes exterior building improvements such as installation of awnings and canopies, exterior lighting and improvements intended to return buildings to their original historic character. The other building improvement program focuses on interior building improvements to meet contemporary building code requirements, tenant

improvements focusing on filling vacant space and creating jobs and ADA accessibility improvements as examples.

Sustainability Goal #21: Promote efforts to improve access to housing meeting household needs.

The urban renewal plan supports efforts to improve access to housing meeting household needs. Specifically Urban Renewal Plan Objective 4.4 states:

Urban Renewal Objective 4.4:

- Encourage the construction of needed housing and mixed-use development in the Town Center.

Several projects contained in the urban renewal plan also support efforts to improve housing access. These projects include acquisition of redevelopment opportunity sites from willing sellers and redevelopment project assistance. These projects support housing since housing is an eligible activity for urban renewal funding on property acquired by the Urban Renewal Agency. In addition, urban renewal funding may be used to improve the financial feasibility of housing projects through system development charge reductions and offsets, loans, or grants.

Sustainability Goal #22 Promote a balanced transportation system increasing opportunities for bicycling and walking throughout the community.

The urban renewal plan does not address transportation directly. However, the urban renewal plan promotes development and redevelopment supportive of a balanced transportation system including increasing opportunities for bicycling and walking. For example, the urban renewal plan promotes mixed-use and nodal development with complementary uses placed in proximity. Such development patterns reduce travel distances increasing opportunities for walking or bicycling to destinations.

Sustainability Policy Measure #5: Establish a program to provide incentives for use of low impact design techniques such as bio-swales, rain gardens, porous pavement, green streets, or other generally accepted techniques in new developments.

The urban renewal plan provides a framework for promoting the use of low impact design techniques. This is accomplished through the “Sustainability Incentive Program” described in the plan. This program would provide financial resources for use of sustainable building practices such as the techniques described above. Urban renewal funding may also be used for solar energy enhancements for energy generation or constructing low or net zero energy buildings.

Forest Grove Comprehensive Plan Housing Element

The Housing Element of the Forest Grove Comprehensive Plan includes several policies related to the urban renewal plan for the Town Center and Pacific Avenue/19th Avenue corridor. The Comprehensive Plan policies and findings supporting conformance of the urban renewal plan with the Comprehensive Plan are summarized below:

Housing Policy 10.1.5: Implement codes and ordinances to encourage the development of passed-over and underutilized land for residential development.

The urban renewal plan includes goals, objectives, and projects to encourage the development of passed-over and underutilized land for residential development as identified below:

Urban Renewal Plan Goal 3:

- Improve the local investment climate by reducing financial barriers to development and redevelopment within the urban renewal area.

Urban Renewal Plan Objective 3.1:

- Capitalize a program to reduce development costs to the extent necessary to encourage private investment for projects proving a public benefit and resulting in appreciation of property values and efficient use of vacant and underutilized land. Development costs could be reduced through techniques such as land write downs, off-site public improvements, direct loans and grants or offset of system development charges, permit fees, or development hard or soft costs.

Urban Renewal Plan Objective 4.4:

- Encourage the construction of needed housing and mixed use development in the Town Center.

Urban Renewal Plan Objective 4.5:

- Encourage uses and amenities that support increased residential uses in the Town Center.

Housing Policy 10.2.1: Establish incentive programs to leverage local resources with private investments. Incentives may take the form of direct financial participation (grants or loans), or indirect participation such as land write-downs.

The urban renewal plan includes financial incentive programs to leverage local resources with private investments through direct public participation, low interest loan and grant programs and land write-downs. Urban Renewal Plan goals and objectives support Housing Policy 10.2.1 including:

Urban Renewal Plan Goal 3:

- Improve the local investment climate by reducing financial barriers to development and redevelopment within the urban renewal area.

Urban Renewal Plan Objective 3.1:

- Capitalize a program to reduce development costs to the extent necessary to encourage private investment for projects providing a public benefit and resulting in appreciation of property values and efficient use of vacant and underutilized land. Development costs could be reduced through techniques such as land write downs, off-site public improvements, direct loans and grants or offsets of system development charges, permit fees, or development hard or soft costs.

Housing Policy 10.2.2: Evaluate the feasibility of establishing a tax increment financing district or Vertical Housing Development Zone to promote residential and mixed-use development within the Forest Grove Town Center, identified high capacity transit station areas, and mixed-use target areas along the Pacific Avenue commercial corridor.

Adoption of the urban renewal plan will establish a tax increment financing district including the Forest Grove Town Center and Pacific Avenue commercial corridor between the Town Center and just east of Quince Street. Several urban renewal plan goal and objectives support Housing Policy 10.2.2 as described below:

Urban Renewal Plan Objective 4.4:

- Encourage the construction of needed housing and mixed use development in the Town Center.

Urban Renewal Plan Goal 5:

- Promote commercial and mixed-use redevelopment of sites along the Pacific Avenue corridor.

Urban Renewal Plan Objective 5.1:

- Establish incentives to encourage a mixture of land uses including retail, office, and housing at strategic locations along the Pacific Avenue corridor through the creation of nodal development.

Housing Policy 10.4.1: Develop and implement programs to offset the increasing cost of new housing construction. Programs may include, but are not limited to, reductions in building permit fees, development impact fees, or property taxes for affordable housing meeting US Department of Housing and Urban Development Low Income Housing Tax Credit program requirements.

Urban Renewal Plan Goal 3 and Objective 3.1 support Housing Policy 10.4.1 by providing opportunities to reduce development costs for new housing:

Urban Renewal Goal 3:

- Improve the local investment climate by reducing financial barriers to development and redevelopment within the urban renewal area.

Urban Renewal Objective 3.1:

- Capitalize a program to reduce development costs to the extent necessary to encourage private investment for projects proving a public benefit and resulting in appreciation of property values and efficient use of vacant and underutilized land. Development costs could be reduced through techniques such as land write downs, off-site public improvements, direct loans and grants or offset of system development charges, permit fees, or development hard or soft costs.

Forest Grove Comprehensive Plan Urbanization Element

The urban renewal plan is consistent with the Urbanization Element of the Forest Grove Comprehensive Plan. Specifically the urban renewal plan addresses the following urbanization goals and policies:

Urbanization Goal 1: Land shall be made available within the urban growth boundary to meet all local urban land use needs.

The urban renewal plan promotes Comprehensive Plan Urbanization Goal 1 by encouraging the productive use of land that is currently vacant or underutilized within the urban renewal district. The following urban renewal goals support this objective:

Urban Renewal Plan Goal 5:

- Promote commercial and mixed-use redevelopment of sites along the Pacific Avenue corridor.

The urban renewal plan also supports Comprehensive Plan Urbanization Policy 10. Urbanization Policy 10 is stated below:

Urbanization Policy 10: The City of Forest Grove will continue to promote the efficient use of land within the Forest Grove Town Center and any areas designated as transit station communities on the Forest Grove Comprehensive Plan land use map.

The urban renewal plan supports Urbanization Policy 10 by establishing financial incentives intended to encourage the development of vacant sites within the urban renewal area for housing, retail and mixed-use development. The urban renewal plan also supports Urbanization Policy 10 by encouraging the redevelopment of underutilized sites and buildings.

Forest Grove Comprehensive Plan Economic Development Element

The Forest Grove Comprehensive Plan includes several guiding principles related to the local economy and economic development. The urban renewal plan supports the following guiding principles as described below:

Guiding Principles

- Strengthen Forest Grove’s economic competitiveness;
- Improve job opportunities for current and future residents; and
- Promote local shopping opportunities

The urban renewal plan supports the guiding principles identified above by reducing financial risk and barriers to redevelopment. Reducing financial risk and barriers to development in turn helps improve Forest Grove’s economic competitiveness. Improving economic competitiveness will improve job opportunities for current and future residents through new private investment in the community. The urban renewal plan also promotes private investment in housing and non-residential construction in the Town Center and along the Pacific Avenue corridor. Additional housing opportunities will result in a larger population base and more jobs in the urban renewal area thereby supporting local shopping opportunities consistent with the guiding principle identified above.

Urban Renewal Plan Goal 3 and Objective 3.1, identified below, also support the Economic Development Guiding Principles identified above:

Urban Renewal Plan Goal 3:

- Improve the local investment climate by reducing financial barriers to development and redevelopment within the urban renewal area.

Urban Renewal Objective 3.1:

- Capitalize a program to reduce development costs to the extent necessary to encourage private investment for projects proving a public benefit and resulting in appreciation of property values and efficient use of vacant and underutilized land. Development costs could be reduced through techniques such as land write downs, off-site public improvements, direct loans and grants or offset of system development charges, permit fees, or development hard or soft costs.

Economic Development Goal 9.7: Promote the Forest Grove Town Center as the focal point of the Community.

The urban renewal plan supports the Economy Goal 9 to promote the Forest Grove Town Center as the focal point of the community. The following urban renewal plan goal and objectives address Economic Development Goal 9.7:

Urban Renewal Plan Goal 4:

- Promote a vibrant Forest Grove Town Center through strategic urban renewal investments.

Urban Renewal Plan 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.

Urban Renewal Plan Objective 4.2:

- Identify a location and assist with funding construction of a public gathering place in the Town Center.

Economic Development Policy 9.7.3: Identify key properties that are underutilized in the Town Center and assist owners with marketing these assets.

The urban renewal plan establishes incentives for redevelopment of key underutilized properties within the Town Center. To this end the urban renewal plan contains several goals and objectives related to the redevelopment of underutilized sites in the Town Center.

Urban Renewal Goal 4:

- Promote a vibrant Forest Grove Town Center through strategic urban renewal investments.

Urban Renewal Goal 5:

- Promote commercial and mixed-use redevelopment of sites along the Pacific Avenue corridor.

Urban Renewal Objective 5.1:

- Establish incentives to encourage a mixture of land uses including retail, office, and housing at strategic locations along the Pacific Avenue corridor through the creation of nodal development.

Urban Renewal Objective 5.2:

- Work with the Economic Development Commission to market redevelopment opportunity sites to prospective developers.

Economic Development Policy 9.7.5: Evaluate the feasibility of establishing a tax increment financing (urban Renewal) district to encourage commercial investment, building rehabilitation and mixed-use development in the Town Center.

Adoption of the urban renewal plan will establish a tax increment financing district including the Forest Grove Town Center and Pacific Avenue commercial corridor between the Town Center and just east of Quince Street.

Urban Renewal Objective 4.4:

- Encourage the construction of needed housing and mixed use development in the Town Center.

Urban Renewal Goal 5:

- Promote commercial and mixed-use redevelopment of sites along the Pacific Avenue corridor.

Urban Renewal Objective 5.1:

- Establish incentives to encourage a mixture of land uses including retail, office, and housing at strategic locations along the Pacific Avenue corridor through the creation of nodal development.

Economic Development Policy 9.7.6: Develop an outdoor community gathering place in the Town Center that provides a multi-use area for various community functions.

The urban renewal plan reinforces the need for an outdoor community gathering place in the Town Center through urban renewal plan Objective 4.2.

Urban Renewal Objective 4.2:

- Identify a location and assist with funding construction of a public gathering place in the Town Center.

Economic Development Policy 9.7.11 Promote investment in urban living infrastructure amenities to enhance livability in the Town Center.

The urban renewal plan supports Comprehensive Plan Economic Development Policy 9.7.11 that promotes investment in urban living infrastructure amenities to enhance livability in the Town Center. Specifically, urban renewal plan Objective 4.2 supports the concept of a public gathering place in the Town Center as an amenity to enhance livability in the Town Center. In addition, the urban renewal plan authorizes the use of funds for on- and off-site infrastructure improvements to assist development and redevelopment projects.

Urban Renewal Objective 4.2:

- Identify a location and assist with funding construction of a public gathering place in the Town Center.

Economic Development Policy 9.7.12 Encourage uses in the Town Center to bring residents from throughout the City into the Town Center.

Urban renewal plan Goal 4 promotes investments in the Town Center to bring residents from throughout the City into the Town Center. Specifically, urban renewal plan Goal 4 promotes a vibrant Town Center through strategic urban renewal investments. Urban renewal plan Objective 4.2 encourages construction of a public gathering place in the Town Center. A well-designed gathering place will encourage residents from throughout the City, and elsewhere, to visit the Town Center.

Urban Renewal Goal 4:

- Promote a vibrant Forest Grove Town Center through strategic urban renewal investments.

Urban Renewal Objective 4.2:

- Identify a location and assist with funding construction of a public gathering place in the Town Center.
-

Consistency with Forest Grove Comprehensive Plan Designations

The urban area is designated with several Comprehensive Plan classifications. These classifications include:

- Town Center Core;
- Town Center Support;
- Town Center Transition; and
- Community Commercial

The urban renewal plan promotes mixed-use, retail and housing development within the urban renewal area. This type of development is consistent with the Comprehensive Plan designations. Therefore, the urban renewal plan conforms to and is supportive of the Comprehensive Plan designations.

V. PROPERTY ACQUISITION AND RELOCATION PLAN

A. Property Acquisition

The establishment of the Forest Grove Urban Renewal Plan provides the opportunity for property in the District to be acquired and redeveloped. In the future, if properties are identified for acquisition by the Urban Renewal Agency, the Plan will be amended to specifically indicate which properties will be acquired and the intended use.

Acquisition and redevelopment may result in the displacement of businesses and possibly residents. In the event of displacement, the Agency will establish a Relocation Policy which will call for the Agency's assistance to those residents and businesses displaced. Such assistance may include providing information regarding suitable locations, payments of moving expenses and other reimbursements, as deemed necessary.

Property acquired by the Agency for private development must be obtained from willing sellers. The use of eminent domain is not authorized by this plan for the purchase of property for private development or redevelopment from unwilling sellers. The identification of property for acquisition by the Urban Renewal Agency from a willing seller requires a minor plan amendment as outlined in Section VII.

The Urban Renewal Agency reserves the right to acquire property for public infrastructure improvements, from willing sellers or unwilling sellers, through eminent domain if necessary and allowed by ORS 35.015. Purchase of property from unwilling sellers will be processed as a major amendment to the plan as outlined in Section VII.

All relocation activities will be undertaken and payments made in accordance with the requirements specified in the ORS 35.500 et seq.

B. Property Disposition

The Urban Renewal Agency is authorized to sell, lease, exchange, subdivide, transfer, assign or otherwise dispose of any interest in real property which has been acquired in accordance with the urban renewal plan and State law.

The urban renewal agency is authorized to make land available at its "fair reuse value" as allowed by ORS 457.230(1). The fair reuse value is set by the urban renewal agency in order so that the land may be developed, redeveloped, cleared, conserved, or rehabilitated for specific uses to be permitted on the real property. The Agency will adopt policies and procedures for disposing of Agency property.

State law requires that an urban renewal agency, upon sale or lease of land for redevelopment, require that the redeveloper use the land for purposes called for in the plan and begin the improvements within a reasonable amount of time. Such requirements will be outlined in a Disposition and Development Agreement for Agency approval.

VI. METHODS OF FINANCING

A. General Description of Financing Methods

In keeping with ORS 457.190, the designated Urban Renewal Agency may borrow money and accept advances, loans, grants and any other form of financial assistance from the federal government, the state, the county or other public body, or from any sources, public or private, for the purposes of undertaking and carrying out the projects and intents of this Plan. This Plan also authorizes any other financing methods, public or private, allowed to an Urban Renewal Agency under ORS 457.

The primary anticipated source of funding for carrying out this Plan and its projects, in part or in whole, is Tax Increment Financing as authorized in Section 1c, Article IX of the Oregon Constitution and ORS 457. This Plan allows for a division of ad valorem taxes under ORS 457.420 to 458.460. The division of ad valorem taxes does not reduce or otherwise impact property tax revenue collected as the result of the City of Forest Grove's local option levy or to repay bonded indebtedness approved by taxing districts.

Revenues obtained by the Agency will be used to pay or repay costs, expenses, advancements and indebtedness incurred in planning or undertaking project activities or otherwise exercising any of the powers granted by ORS Chapter 457 in connection with the implementation of this Plan.

B. Maximum Indebtedness

The maximum indebtedness as set in this Plan shall be \$15,000,000. This amount is the principal of such indebtedness necessary for project activities identified in the plan. The maximum indebtedness is based on good faith estimates of the scope and costs of projects including but not limited to increases in costs due to reasonably anticipated inflation. The maximum indebtedness amount does not include interest or indebtedness incurred to refund or refinance existing indebtedness.

In keeping with ORS 457.190(4)(d) the total maximum indebtedness may be increased annually on July 1 of each year to reflect inflation of construction and other costs involved in the Plan projects. The amount of inflation which has occurred since initial adoption shall be calculated using the Consumer Price Index.

C. Prior Indebtedness

Any indebtedness permitted by law and incurred by the City or the Urban Renewal Agency in connection with preplanning for this Plan may be repaid from tax increment revenues from the Area when and if such funds are available.

VII. URBAN RENEWAL PLAN AMENDMENTS

The Plan anticipates the possibility of plan amendments becoming necessary in response to future changes in economic conditions, land use, and other factors. The three types of plan amendments are described below.

A. Substantial Amendments

In accordance with ORS 457.220, any substantial amendment to the Plan shall, before being carried out, be approved and recorded in the same manner as called for in the original urban renewal plan adopted under the requirements of ORS 457.085.

For the purposes of the document, “substantial amendment” means:

- Adding land to the urban renewal area, except for an addition of land that totals not more than one (1) percent of the existing area of the Forest Grove Urban Renewal Area.
- Increasing the maximum amount of indebtedness that can be issued or incurred under the Urban Renewal Plan.
- Additions of a project, other than those specifically listed, that exceed an estimated \$500,000 in project cost.
- Extending the term of the Urban Renewal Plan for the District.

B. Major Amendments

- Identification of property for an infrastructure project requiring the use of eminent domain.

Major amendments to the plan shall be approved by the City Council by adoption of an ordinance.

C. Minor Amendments

All amendments or changes in this Plan which are not Substantial Amendments or Major Amendments as specified above shall be considered Minor Amendments. Minor amendments to the Plan shall be approved by Resolution of the Urban Renewal Agency.

Presentation of any amendment to the Urban Renewal Agency or City Council shall be accompanied by the recommendations of staff and/or the Forest Grove Urban Renewal Advisory Committee. Any amendments to planned uses which result from amendment of the underlying Comprehensive Plan designations or Zoning District standards will be considered minor amendments to the Renewal Plan. They are designated minor because the City's process for Zoning District Code Text and Comprehensive Plan Map amendments requires analysis, public involvement and adoption by Ordinance in a Council public hearing.

APPENDIX 1

Chapter 457 — Urban Renewal
2013 EDITION

URBAN RENEWAL

PUBLIC HEALTH AND SAFETY

GENERAL PROVISIONS

457.010 Definitions

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GENERAL PROVISIONS

457.010 Definitions. As used in this chapter, unless the context requires otherwise:

(1) "Blighted areas" means 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. A blighted area is characterized by the existence of one or more of the following conditions:

(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 a 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 of uses;

(b) An economic dislocation, deterioration or disuse of property resulting from faulty planning;

(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;

(d) The laying out of property or lots in disregard of contours, drainage and other physical characteristics of the terrain and surrounding conditions;

- (e) The existence of inadequate streets and other rights of way, open spaces and utilities;
- (f) The existence of property or lots or other areas that are subject to inundation by water;

(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;

(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; or

(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.

(2) "Certified statement" means the statement prepared and filed pursuant to ORS 457.430 or an amendment to the certified statement prepared and filed pursuant to ORS 457.430.

(3) "City" means any incorporated city.

(4)(a) "Existing urban renewal plan" means an urban renewal plan that provides for a division of ad valorem property taxes as described under ORS 457.420 to 457.460 adopted by ordinance before December 6, 1996, that:

(A) Except for an amendment made on account of ORS 457.190 (3) and subject to paragraph (b) of this subsection, is not changed by substantial amendment, as described in ORS 457.085 (2)(i)(A) or (B), on or after December 6, 1996; and

(B) For tax years beginning on or after July 1, 1998, includes the limit on indebtedness as described in ORS 457.190 (3).

(b) If, on or after July 1, 1998, the maximum limit on indebtedness (adopted by ordinance before July 1, 1998, pursuant to ORS 457.190) of an existing urban renewal plan is changed by substantial amendment, then "indebtedness

issued or incurred to carry out the existing urban renewal plan” for purposes of ORS 457.435 includes only the indebtedness within the indebtedness limit adopted by ordinance under ORS 457.190 (3)(c) before July 1, 1998.

(5) “Fiscal year” means the fiscal year commencing on July 1 and closing on June 30.

(6) “Governing body of a municipality” means, in the case of a city, the common council or other legislative body thereof, and, in the case of a county, the board of county commissioners or other legislative body thereof.

(7) “Housing authority” or “authority” means any housing authority established pursuant to the Housing Authorities Law.

(8) “Increment” means that part of the assessed value of a taxing district attributable to any increase in the assessed value of the property located in an urban renewal area, or portion thereof, over the assessed value specified in the certified statement.

(9) “Maximum indebtedness” means the amount of the principal of indebtedness included in a plan pursuant to ORS 457.190 and does not include indebtedness incurred to refund or refinance existing indebtedness.

(10) “Municipality” means any county or any city in this state. “The municipality” means the municipality for which a particular urban renewal agency is created.

(11) “Taxing body” or “taxing district” means the state, city, county or any other taxing unit which has the power to levy a tax.

(12) “Urban renewal agency” or “agency” means an urban renewal agency created under ORS 457.035 and 457.045.

(13) “Urban renewal area” means a blighted area included in an urban renewal plan or an area included in an urban renewal plan under ORS 457.160.

(14) “Urban renewal plan” or “plan” means a plan, as it exists or is changed or modified from time to time for one or more urban renewal areas, as provided in ORS 457.085, 457.095, 457.105, 457.115, 457.120, 457.125, 457.135 and 457.220.

(15) “Urban renewal project” or “project” means any work or undertaking carried out under ORS 457.170 in an urban renewal area. [Amended by 1957 c.456 §1; 1969 c.225 §1; 1979 c.621 §10; 1991 c.67 §128; 1991 c.459 §330; 1997 c.541 §442; 1999 c.21 §76; 1999 c.579 §25; 2001 c.477 §1; 2003 c.621 §106; 2007 c.884 §1; 2009 c.700 §11; 2013 c.579 §1]

Note: The amendments to 457.010 by section 1, chapter 579, Oregon Laws 2013, apply to the division of ad valorem property taxes under 457.420 to 457.460 for tax years beginning on or after July 1, 2014. See section 4, chapter 579, Oregon Laws 2013. The text that applies for tax years beginning before July 1, 2014, is set forth for the user’s convenience.

457.010. As used in this chapter, unless the context requires otherwise:

(1) “Blighted areas” means 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. A blighted area is characterized by the existence of one or more of the following conditions:

(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 a 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 of uses;

(b) An economic dislocation, deterioration or disuse of property resulting from faulty planning;

(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;

(d) The laying out of property or lots in disregard of contours, drainage and other physical characteristics of the terrain and surrounding conditions;

(e) The existence of inadequate streets and other rights of way, open spaces and utilities;

(f) The existence of property or lots or other areas that are subject to inundation by water;

(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;

(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; or

(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.

(2) “Certified statement” means the statement prepared and filed pursuant to ORS 457.430 or an amendment to the certified statement prepared and filed pursuant to ORS 457.430.

(3) “City” means any incorporated city.

(4) “Consolidated billing tax rate” means:

(a) If the urban renewal plan is an existing urban renewal plan (other than an existing urban renewal plan designated as an Option Three plan under ORS 457.435 (2)(c)), an urban renewal plan that was an existing urban renewal plan on October 6, 2001, (other than an existing urban renewal plan designated as an Option Three plan under ORS 457.435 (2)(c)) and that was substantially amended as described in ORS 457.085 (2)(i)(A) or (B) on or after October 6, 2001, or an urban renewal plan adopted on or after October 6, 2001, the total of all district tax rates used to extend taxes after any adjustment to reflect tax offsets under ORS 310.105, but does not include any rate derived from:

(A) Any urban renewal special levy under ORS 457.435.

(B) A local option tax, as defined in ORS 280.040, that is approved by taxing district electors after October 6, 2001.

(C) A tax pledged to repay exempt bonded indebtedness (other than exempt bonded indebtedness used to fund local government pension and disability plan obligations that, until funded by the exempt bonded indebtedness, were described in section 11 (5), Article XI of the Oregon Constitution), as defined in ORS 310.140, that is approved by taxing district electors after October 6, 2001.

(D) The increase in the rate of ad valorem property tax allowable under section 11 (5)(d), Article XI of the Oregon Constitution, for a school district with a statutory rate limit on July 1, 2003, that is greater than \$4.50 per \$1,000 of assessed value, to the extent that the increase is excluded from local revenues, as that term is used in ORS chapter 327, and provided that the school district notifies the county assessor of the rate to be excluded for the current fiscal year not later than July 15.

(b) In the case of all other urban renewal plans, the total of all district ad valorem property tax rates used to extend taxes after any adjustments to reflect tax offsets under ORS 310.105, except that "consolidated billing tax rate" does not include any urban renewal special levy rate under ORS 457.435.

(5)(a) "Existing urban renewal plan" means an urban renewal plan that provides for a division of ad valorem property taxes as described under ORS 457.420 to 457.460 adopted by ordinance before December 6, 1996, that:

(A) Except for an amendment made on account of ORS 457.190 (3) and subject to paragraph (b) of this subsection, is not changed by substantial amendment, as described in ORS 457.085 (2)(i)(A) or (B), on or after December 6, 1996; and

(B) For tax years beginning on or after July 1, 1998, includes the limit on indebtedness as described in ORS 457.190 (3).

(b) If, on or after July 1, 1998, the maximum limit on indebtedness (adopted by ordinance before July 1, 1998, pursuant to ORS 457.190) of an existing urban renewal plan is changed by substantial amendment, then "indebtedness issued or incurred to carry out the existing urban renewal plan" for purposes of ORS 457.435 includes only the indebtedness within the indebtedness limit adopted by ordinance under ORS 457.190 (3)(c) before July 1, 1998.

(6) "Fiscal year" means the fiscal year commencing on July 1 and closing on June 30.

(7) "Governing body of a municipality" means, in the case of a city, the common council or other legislative body thereof, and, in the case of a county, the board of county commissioners or other legislative body thereof.

(8) "Housing authority" or "authority" means any housing authority established pursuant to the Housing Authorities Law.

(9) "Increment" means that part of the assessed value of a taxing district attributable to any increase in the assessed value of the property located in an urban renewal area, or portion thereof, over the assessed value specified in the certified statement.

(10) "Maximum indebtedness" means the amount of the principal of indebtedness included in a plan pursuant to ORS 457.190 and does not include indebtedness incurred to refund or refinance existing indebtedness.

(11) "Municipality" means any county or any city in this state. "The municipality" means the municipality for which a particular urban renewal agency is created.

(12) "Taxing body" or "taxing district" means the state, city, county or any other taxing unit which has the power to levy a tax.

(13) "Urban renewal agency" or "agency" means an urban renewal agency created under ORS 457.035 and 457.045.

(14) "Urban renewal area" means a blighted area included in an urban renewal plan or an area included in an urban renewal plan under ORS 457.160.

(15) "Urban renewal project" or "project" means any work or undertaking carried out under ORS 457.170 in an urban renewal area.

(16) "Urban renewal plan" or "plan" means a plan, as it exists or is changed or modified from time to time for one or more urban renewal areas, as provided in ORS 457.085, 457.095, 457.105, 457.115, 457.120, 457.125, 457.135 and 457.220.

457.020 Declaration of necessity and purpose. It hereby is found and declared:

(1) That there exist within the state blighted areas.

(2) That such areas impair economic values and tax revenues.

(3) That such areas cause an increase in and spread of disease and crime and constitute a menace to the health, safety, morals and welfare of the residents of the state and that these conditions necessitate excessive and disproportionate expenditures of public funds for crime prevention and punishment, public health, safety and welfare, fire and accident protection and other public services and facilities.

(4) That certain blighted areas may require acquisition and clearance since the prevailing condition of decay may make impracticable the reclamation of the area by conservation or rehabilitation, but other areas or portions thereof may be susceptible of conservation or rehabilitation in such manner that the conditions and evils mentioned in subsections (1), (2) and (3) of this section may be eliminated, remedied or prevented and that such areas should, if possible, be conserved and rehabilitated through appropriate public action and the cooperation and voluntary action of the owners and tenants of property in such areas.

(5) That the acquisition, conservation, rehabilitation, redevelopment, clearance, replanning and preparation for rebuilding of these areas, and the prevention or the reduction of blight and its causes, are public uses and purposes for which public money may be spent and private property acquired and are governmental functions of state concern.

(6) That there are also certain areas where the condition of the title, the diverse ownership of the land to be assembled, the street or lot layouts or other conditions prevent a proper development of the land, and that it is in the public interest that such areas, as well as blighted areas, be acquired by eminent domain and made available for sound and wholesome development in accordance with a redevelopment or urban renewal plan, and that the exercise of the power of eminent domain and the financing of the acquisition and preparation of land by a public agency for such redevelopment or urban renewal is likewise a public use and purpose.

(7) That redevelopment and urban renewal activities will stimulate residential construction which is closely correlated with general economic activity; that undertakings authorized by this chapter will aid the production of better housing and more desirable neighborhood and community development at lower costs and will make possible a more stable and larger volume of residential construction, which will assist materially in maintaining full employment.

(8) That the necessity in the public interest for this chapter is a matter of legislative determination. [Amended by 1957 c.456 §2; 1979 c.621 §11]

457.025 Powers supplemental to other laws. The powers conferred by this chapter are in addition and supplemental to the powers conferred by any other law. [Formerly 457.110]

457.030 [Amended by 1957 c.456 §18; repealed by 1979 c.621 §28]

URBAN RENEWAL AGENCIES; PLANS; ACTIVITIES

457.035 Urban renewal agencies; creation; ordinance to exercise powers; jurisdiction. (1) In each municipality, as defined in ORS 457.010, there hereby is created a public body corporate and politic to be known as the "urban renewal agency" of the municipality. However, the urban renewal agency shall not exercise its powers until or unless the governing body of the municipality, by nonemergency ordinance, declares that blighted areas exist in the municipality and that there is need for an urban renewal agency to function in the municipality and elects to have the powers of an urban renewal agency exercised in any of the three ways provided in ORS 457.045.

(2) An urban renewal agency, upon activation under subsection (1) of this section, shall have authority to exercise its powers within the same area of operation given a housing authority of the municipality under ORS 456.060. [Formerly 457.130]

457.040 [Repealed by 1979 c.621 §28]

457.045 Election of method of exercise of urban renewal agency's powers. The governing body of a municipality shall, in the ordinance adopted under ORS 457.035, elect to have the powers of an urban renewal agency under this chapter exercised in one of the following ways:

(1) By a housing authority of the municipality established pursuant to the Housing Authorities Law in which case the name of the body corporate and politic shall be the "housing authority and urban renewal agency" of the municipality.

(2) By appointing a board or commission composed of not less than three members.

(3) By the governing body, itself, provided, however, that any act of the governing body acting as the urban renewal agency shall be, and shall be considered, the act of the urban renewal agency only and not of the governing body. [Formerly 457.140]

457.050 [Amended by 1953 c.230 §3; 1957 c.456 §19; repealed by 1979 c.621 §28]

457.055 Transfer of agency powers. At any time following adoption of the ordinance under ORS 457.035, or for urban renewal agencies activated before October 3, 1979, at any time following adoption of a proper resolution or ordinance of the governing body of the municipality, the governing body of a municipality may, by ordinance, transfer the authority to exercise the powers of the urban renewal agency to any other body authorized to exercise those powers under ORS 457.045. All duties and obligations of the urban renewal agency shall thereafter be assumed by the body to which those powers are transferred. [1979 c.621 §16 (enacted in lieu of 457.145)]

457.060 [Repealed by 1979 c.621 §28]

457.065 Advisory board for housing authority acting as urban renewal agency. For the purpose of coordinating its activities and undertakings under this chapter with the needs and undertakings of other local organizations and groups, a housing authority exercising the powers of an urban renewal agency under ORS 457.045 shall establish an advisory board consisting of the chairperson of the authority, who shall be chairperson of the advisory board, and of sufficient members, to be appointed by the chairperson, to represent as far as practicable:

- (1) The general public and consumers of housing.
- (2) General business interests.
- (3) Real estate, building and home financing interests.
- (4) Labor.
- (5) Any official planning body in the locality.
- (6) Church and welfare groups. [Formerly 457.100]

457.070 [Repealed by 1979 c.621 §28]

457.075 Termination of urban renewal agency. If the governing body of a municipality which has an urban renewal agency under ORS 457.035 finds that there no longer exists a need for an urban renewal agency in the municipality, the governing body shall provide, by ordinance, for a termination of the agency and a transfer of the agency's facilities, files and personnel to the municipality. The termination of an urban renewal agency shall not affect any outstanding legal actions, contracts or obligations of the agency and the municipality shall be substituted for the agency and, for the purpose of those legal actions, contracts or obligations, shall be considered a continuation of the urban renewal agency and not a new entity. No urban renewal agency shall be terminated under this section unless all indebtedness to which a portion of taxes is irrevocably pledged for payment under ORS 457.420 to 457.460 is fully paid. [1979 c.621 §6; 1991 c.459 §331; 1997 c.541 §443]

457.080 [Repealed by 1979 c.621 §28]

457.085 Urban renewal plan requirements; accompanying report; contents; approval required. (1) An urban renewal agency shall provide for public involvement in all stages in the development of an urban renewal plan.

- (2) An urban renewal plan proposed by an urban renewal agency shall include all of the following:
 - (a) A description of each urban renewal project to be undertaken.
 - (b) An outline for the development, redevelopment, improvements, land acquisition, demolition and removal of structures, clearance, rehabilitation or conservation of the urban renewal areas of the plan.
 - (c) A map and legal description of the urban renewal areas of the plan.
 - (d) An explanation of its relationship to definite local objectives regarding appropriate land uses and improved traffic, public transportation, public utilities, telecommunications utilities, recreational and community facilities and other public improvements.
 - (e) An indication of proposed land uses, maximum densities and building requirements for each urban renewal area.
 - (f) A description of the methods to be used for the temporary or permanent relocation of persons living in, and businesses situated in, the urban renewal area of the plan.
 - (g) An indication of which real property may be acquired and the anticipated disposition of said real property, whether by retention, resale, lease or other legal use, together with an estimated time schedule for such acquisition and disposition.
 - (h) If the plan provides for a division of ad valorem taxes under ORS 457.420 to 457.460, the maximum amount of indebtedness that can be issued or incurred under the plan.
 - (i) A description of what types of possible future amendments to the plan are substantial amendments and require the same notice, hearing and approval procedure required of the original plan under ORS 457.095 as provided in ORS 457.220, including but not limited to amendments:
 - (A) Adding land to the urban renewal area, except for an addition of land that totals not more than one percent of the existing area of the urban renewal area.
 - (B) Increasing the maximum amount of indebtedness that can be issued or incurred under the plan.
 - (j) For a project which includes a public building, an explanation of how the building serves or benefits the urban renewal area.
- (3) An urban renewal plan shall be accompanied by a report which shall contain:
 - (a) A description of physical, social and economic conditions in the urban renewal areas of the plan and the expected impact, including the fiscal impact, of the plan in light of added services or increased population;
 - (b) Reasons for selection of each urban renewal area in the plan;
 - (c) The relationship between each project to be undertaken under the plan and the existing conditions in the urban renewal area;
 - (d) The estimated total cost of each project and the sources of moneys to pay such costs;

- (e) The anticipated completion date for each project;
 - (f) The estimated amount of money required in each urban renewal area under ORS 457.420 to 457.460 and the anticipated year in which indebtedness will be retired or otherwise provided for under ORS 457.420 to 457.460;
 - (g) A financial analysis of the plan with sufficient information to determine feasibility;
 - (h) A fiscal impact statement that estimates the impact of the tax increment financing, both until and after the indebtedness is repaid, upon all entities levying taxes upon property in the urban renewal area; and
 - (i) A relocation report which shall include:
 - (A) An analysis of existing residents or businesses required to relocate permanently or temporarily as a result of agency actions under ORS 457.170;
 - (B) A description of the methods to be used for the temporary or permanent relocation of persons living in, and businesses situated in, the urban renewal area in accordance with ORS 35.500 to 35.530; and
 - (C) An enumeration, by cost range, of the existing housing units in the urban renewal areas of the plan to be destroyed or altered and new units to be added.
- (4) An urban renewal plan and accompanying report shall be forwarded to the planning commission of the municipality for recommendations, prior to presenting the plan to the governing body of the municipality for approval under ORS 457.095.
- (5) An urban renewal plan and accompanying report shall be forwarded to the governing body of each taxing district affected by the urban renewal plan and the agency shall consult and confer with the taxing districts prior to presenting the plan to the governing body of the municipality for approval under ORS 457.095. Any written recommendations of the governing body of each taxing district shall be accepted, rejected or modified by the governing body of the municipality in adopting the plan.
- (6) No urban renewal plan shall be carried out until the plan has been approved by the governing body of each municipality pursuant to ORS 457.095 and 457.105. [1979 c.621 §2; 1983 c.544 §1; 1987 c.668 §1; 1987 c.447 §130; 1991 c.459 §332; 1997 c.541 §444]

457.090 [Repealed by 1979 c.621 §28]

457.095 Approval of plan by ordinance; required contents of ordinance; notice. The governing body of the municipality, upon receipt of a proposed urban renewal plan and report from the municipality's urban renewal agency and after public notice and hearing and consideration of public testimony and planning commission recommendations, if any, may approve the urban renewal plan. The approval shall be by nonemergency ordinance which shall incorporate the plan by reference. Notice of adoption of the ordinance approving the urban renewal plan, and the provisions of ORS 457.135, shall be published by the governing body of the municipality in accordance with ORS 457.115 no later than four days following the ordinance adoption. The ordinance shall include determinations and findings by the governing body that:

- (1) Each urban renewal area is blighted;
- (2) The rehabilitation and redevelopment is necessary to protect the public health, safety or welfare of the municipality;
- (3) The urban renewal plan conforms to the comprehensive plan and economic development plan, if any, of the municipality as a whole and provides an outline for accomplishing the urban renewal projects the urban renewal plan proposes;
- (4) Provision has been made to house displaced persons within their financial means in accordance with ORS 35.500 to 35.530 and, except in the relocation of elderly individuals or individuals with disabilities, without displacing on priority lists persons already waiting for existing federally subsidized housing;
- (5) If acquisition of real property is provided for, that it is necessary;
- (6) Adoption and carrying out of the urban renewal plan is economically sound and feasible; and
- (7) The municipality shall assume and complete any activities prescribed it by the urban renewal plan. [1979 c.621 §3; 1989 c.224 §121; 2007 c.70 §263]

457.100 [Amended by 1979 c.621 §12; renumbered 457.065]

457.105 Approval of plan by other municipalities. In addition to the approval of a plan by the governing body of the municipality under ORS 457.095, when any portion of the area of a proposed urban renewal plan extends beyond the boundaries of the municipality into any other municipality and, in the case of a proposed plan by a county agency, when any portion of such area is within the boundaries of a city, the governing body of the other municipality may approve the plan and may do so by resolution, rather than by ordinance. A proposed plan for an urban renewal area which is wholly within the boundaries of a city, or which is wholly within the boundaries of a county and does not include any area within the boundaries of a city, must be approved only by the governing body of the municipality in accordance with ORS 457.095. [1979 c.621 §3a; 1987 c.668 §2]

457.110 [Renumbered 457.025]

457.115 Manner of newspaper notice. Notice of adoption of an urban renewal plan required under ORS 457.095 and notice of filing of an annual financial statement required under ORS 457.460 shall be published in the newspaper, as defined in ORS 193.010, having the greatest circulation in the municipality and which is published within the municipality. If no newspaper is published within the municipality, the required notice shall be published in the newspaper having greatest circulation within the municipality published nearest to the municipality. [1979 c.621 §3b]

457.120 When additional notice required; to whom sent; content; notice by publication. (1) In addition to any required public notice of hearing on a proposed urban renewal plan or substantial amendment or change to a plan, as described in ORS 457.085 (2)(i) and 457.220, the municipality shall cause notice of a hearing by the governing body on a proposed plan for a new urban renewal area or on a proposed change containing one of the types of amendments specified in ORS 457.085 (2)(i) to be mailed to each individual or household in one of the following groups:

- (a) Owners of real property that is located in the municipality;
- (b) Electors registered in the municipality;
- (c) Sewer, water, electric or other utility customers in the municipality; or
- (d) Postal patrons in the municipality.

(2) If the urban renewal area governed by the plan or substantial amendment thereof extends beyond the boundaries of the municipality, notice shall also be sent to each individual in the selected group who is located in the urban renewal area.

(3) The notice required by this section shall contain a statement in plain language that:

(a) The governing body, on a specified date, will hold a public hearing and consider an ordinance adopting or substantially amending an urban renewal plan;

(b) The adoption or amendment may impact property tax rates;

(c) States the proposed maximum amount of indebtedness that can be issued or incurred under the plan or amendment;

(d) The ordinance, if approved, is subject to referendum; and

(e) A copy of the ordinance, urban renewal plan and accompanying report can be obtained by contacting a designated person within the municipality.

(4) If the municipality which activated the urban renewal agency is a county:

(a) The notice required by subsection (1) of this section shall be sent to each individual or household in one of the groups listed in subsections (1)(a) to (d) of this section, except that the notice need be sent only to those individuals or households located in a school district with territory affected or to be affected by the tax increment financing for the new urban renewal area or proposed change.

(b) In addition to the notice under paragraph (a) of this subsection, the county shall cause notice to be published in a paper of general circulation throughout the county. The published notice shall contain the information described in subsection (3) of this section, be published in an advertisement not less than three inches in height and three inches in width and be located in a general interest section of the newspaper other than the classified advertisement section. [1991 c.459 §335f; 1997 c.541 §445]

Note: 457.120 was added to and made a part of ORS chapter 457 by legislative action but was not added to any smaller series therein. See Preface to Oregon Revised Statutes for further explanation.

457.125 Recording of plan upon approval. A copy of the ordinance approving an urban renewal plan under ORS 457.095 shall be sent by the governing body of the municipality to the urban renewal agency. A copy of the resolution approving an urban renewal plan under ORS 457.105 shall be sent by the governing body of a municipality to the urban renewal agency. Upon receipt of the necessary approval of each municipality governing body, the urban renewal plan shall be recorded by the urban renewal agency with the recording officer of each county in which any portion of an urban renewal area within the plan is situated. [1979 c.621 §4]

457.130 [1957 c.456 §§4,5; 1979 c.621 §13; renumbered 457.035]

457.135 Conclusive presumption of plan validity. After October 3, 1979, any urban renewal plan purported to be adopted in conformance with applicable legal requirements shall be conclusively presumed valid for all purposes 90 days after adoption of the plan by ordinance of the governing body of the municipality. No direct or collateral attack on the action may thereafter be commenced. [1979 c.621 §5]

457.140 [1957 c.456 §6; 1975 c.246 §1; 1979 c.621 §14; renumbered 457.045]

457.145 [1967 c.311 §2; repealed by 1979 c.621 §15 (457.055 enacted in lieu of 457.145)]

457.150 [1957 c.456 §8; repealed by 1979 c.621 §28]

457.160 Exception to plan requirements for disaster areas. Notwithstanding any other provisions of ORS chapters 455 and 456 or this chapter and ORS 446.515 to 446.547, where the governing body of a municipality certifies that an area is in need of redevelopment or rehabilitation as a result of a flood, fire, hurricane, earthquake, storm or other catastrophe respecting which the Governor has certified the need for disaster assistance under federal law, the governing body may declare a need for an urban renewal agency, if necessary, and may approve an urban renewal plan and an urban renewal project for such area without regard to the provisions requiring:

- (1) That the urban renewal plan conform to the comprehensive plan and economic development plan, if any, for the municipality as a whole.
- (2) That the urban renewal area be a blighted area. [1957 c.456 §15; 1979 c.621 §18; 1993 c.18 §114]

457.170 Urban renewal agency's powers in planning or undertaking an urban renewal project. An urban renewal agency may plan or undertake any urban renewal project to carry out an approved urban renewal plan. In planning or undertaking an urban renewal project, the urban renewal agency has the power:

- (1) To carry out any work or undertaking and exercise any powers which a housing authority is authorized to perform or exercise under ORS 456.055 to 456.235, subject to the provisions of this chapter provided, however, that ORS 456.155 and 456.160 do not limit the power of an agency in event of a default by a purchaser or lessee of land in an urban renewal plan to acquire property and operate it free from the restrictions in those sections.
- (2) To carry out any rehabilitation or conservation work in an urban renewal area.
- (3) To acquire real property, by condemnation if necessary, when needed to carry out the plan.
- (4) To clear any areas acquired, including the demolition, removal or rehabilitation of buildings and improvements.
- (5) To install, construct or reconstruct streets, utilities and site improvements in accordance with the urban renewal plan.
- (6) To carry out plans for a program of the voluntary repair and rehabilitation of buildings or other improvements in an urban renewal area in accordance with the urban renewal plan.
- (7) To assist in relocating persons living in, and property situated in, the urban renewal area in accordance with the approved urban renewal plan and to make relocation payments.
- (8) To dispose of, including by sale or lease, any property or part thereof acquired in the urban renewal area in accordance with the approved urban renewal plan.
- (9) To plan, undertake and carry out neighborhood development programs consisting of urban renewal project undertakings in one or more urban renewal areas which are planned and carried out on the basis of annual increments in accordance with the provisions of this chapter for planning and carrying out urban renewal plans.
- (10) To accomplish a combination of the things listed in this section to carry out an urban renewal plan. [1957 c.456 §7; 1969 c.225 §2; 1969 c.539 §1; 1979 c.621 §19; 1995 c.79 §268]

457.180 Powers of urban renewal agencies in general. An urban renewal agency, in addition to its other powers, may:

- (1) Make plans for carrying out a program of voluntary repair and rehabilitation of buildings and improvements.
- (2) Make plans for the enforcement of laws, codes and regulations relating to:
 - (a) The use of land.
 - (b) The use and occupancy of buildings and improvements.
 - (c) The repair, rehabilitation, demolition or removal of buildings and improvements.
- (3) Make plans for the relocation of persons and property displaced by an urban renewal project.
- (4) Make preliminary plans outlining urban renewal activities for neighborhoods to embrace two or more urban renewal areas.
- (5) Conduct preliminary surveys to determine if the undertaking and carrying out of an urban renewal project is feasible.
- (6) Develop, test and report methods and techniques and carry out demonstrations and other activities for the prevention and the elimination of urban blight.
- (7) Engage in any other housing or community development activities specifically delegated to it by the governing body of the municipality including but not limited to land acquisition and disposition, conservation and rehabilitation, residential or business relocation, construction, leasing or management of housing, and the making of grants and loans from any available source. [1957 c.456 §10; 1975 c.382 §1]

457.190 Acquisition of funds by urban renewal agency; maximum amount of indebtedness. (1) An urban renewal agency may borrow money and accept advances, loans, grants and any other form of financial assistance from the federal government, the state, county or other public body, or from any sources, public or private, for the purposes of undertaking and carrying out urban renewal projects.

- (2) An urban renewal agency may do all things necessary or desirable to secure such financial aid, including obligating itself in any contract with the federal government for federal financial aid to convey to the federal government the project to which the contract relates upon the occurrence of a substantial default thereunder, in the same

manner as a housing authority may do to secure such aid in connection with blighted area clearance and housing projects under the Housing Authorities Law.

(3)(a) Each urban renewal plan adopted by ordinance on or after July 14, 1997, that provides for a division of taxes pursuant to ORS 457.440 shall include in the plan the maximum amount of indebtedness that may be issued or incurred under the plan. Notwithstanding subsection (1) of this section, if a maximum amount of indebtedness is not included in the plan, the urban renewal agency may not issue indebtedness for which taxes divided under ORS 457.440 are to be pledged to carry out the plan.

(b) Each urban renewal plan adopted by ordinance on or after December 6, 1996, and before July 14, 1997, that provides for a division of taxes pursuant to ORS 457.440 but does not include a maximum amount of indebtedness that may be issued or incurred under the plan shall be changed, by substantial plan amendment pursuant to ORS 457.220, to include the maximum amount of indebtedness that may be issued or incurred under the plan before July 1, 2000. Notwithstanding subsection (1) of this section, if a maximum amount of indebtedness is not included in the plan on or before July 1, 2000, the urban renewal agency may not on or after July 1, 2000, issue indebtedness for which taxes divided under ORS 457.440 are to be pledged to carry out the plan.

(c)(A) Each existing urban renewal plan that provides for a division of taxes pursuant to ORS 457.420 to 457.460 may be changed by substantial amendment no later than July 1, 1998, to include a maximum amount of indebtedness that may be issued or incurred under the plan determined as described in subparagraph (B) of this paragraph. The additional notices required under ORS 457.120 are not required for an amendment adopted pursuant to this paragraph.

(B) The maximum amount of indebtedness that may be issued or incurred under the plan, as determined for purposes of meeting the requirements of this paragraph, shall be based upon good faith estimates of the scope and costs of projects, including but not limited to increases in costs due to reasonably anticipated inflation, in the existing urban renewal plan and the schedule for their completion as completion dates were anticipated as of December 5, 1996. The maximum amount of indebtedness shall be specified in dollars and cents.

(C) Notwithstanding subsection (1) of this section, if a maximum amount of indebtedness is not adopted for an existing urban renewal plan as described in this paragraph before July 1, 1998, the urban renewal agency may not collect funds under ORS 457.435.

(4) For an urban renewal plan initially approved on or after January 1, 2010, other than for a large metropolitan plan as defined in ORS 457.470, the initial maximum indebtedness that may be issued or incurred under the plan shall be established as follows:

(a) If the total assessed value in the certified statement under ORS 457.430 is less than or equal to \$50 million, the initial maximum indebtedness may not exceed \$50 million.

(b) If the total assessed value in the certified statement is more than \$50 million and less than or equal to \$150 million, the initial maximum indebtedness may not exceed \$50 million plus 50 percent of the total assessed value in the certified statement that is over \$50 million.

(c) If the total assessed value in the certified statement exceeds \$150 million, the initial maximum indebtedness may not exceed \$100 million, plus 35 percent of the total assessed value in the certified statement that is over \$150 million.

(d) Beginning July 1, 2010, the dollar limits set forth in this subsection may be increased on July 1 of each year by the index used in the urban renewal report to compute the future costs of projects that will be financed under the plan.

(e) The limits in this subsection do not apply if the agency obtains concurrence as provided in ORS 457.470. [1957 c.456 §14; 1991 c.459 §333; 1997 c.541 §446; 2007 c.606 §12; 2009 c.700 §1]

Note: Section 335e, chapter 459, Oregon Laws 1991, provides:

Sec. 335e. Bonded indebtedness for project agreed to prior to September 29, 1991. Notwithstanding ORS 457.190, an urban renewal agency may issue bonded indebtedness to undertake an urban renewal project to carry out an urban renewal plan if, prior to September 29, 1991, a written contract or other written agreement for the project was made, the instrument setting forth the contract or agreement was executed and the parties were bound. The urban renewal agency of the municipality may use any of the money available to it from the issuance of the bonds for carrying out the project in accordance with the contract or agreement. [1991 c.459 §335e; 1997 c.541 §446a]

457.210 Applicability of housing cooperation law to urban renewal projects; delegation of powers and functions. (1) Any state public body, as defined in ORS 456.305, shall have the same rights and powers to cooperate with and assist urban renewal agencies with respect to urban renewal projects that such state public body has pursuant to ORS 456.305 to 456.325 to cooperate and assist housing authorities with respect to housing projects in the same manner as though those sections were applicable to urban renewal agencies and projects under this chapter.

(2) Any state public body, as defined in ORS 456.305, hereby is authorized to enter into agreements with any other public body, including an urban renewal agency, respecting action to be taken pursuant to any of the powers granted by this chapter, including, but not limited to, the furnishing of funds or other assistance in connection with an urban renewal plan or urban renewal project.

(3) An urban renewal agency hereby is authorized to delegate any of its powers or functions to the municipality or other state public body, as defined in ORS 456.305, with respect to the planning or undertaking of an urban renewal project in the area in which such municipality or other state public body is authorized to act. The municipality, or other

state public body to which the powers or functions are delegated hereby is authorized to carry out or perform such powers or functions. [1957 c.456 §11]

457.220 Plan amendment; limit on additional land and increased maximum indebtedness. (1) Except for the provisions of subsections (2) and (4) of this section, an urban renewal agency shall carry out the urban renewal plan approved under ORS 457.095.

(2) Any substantial change made in the urban renewal plan shall, before being carried out, be approved and recorded in the same manner as the original plan.

(3) No land equal to more than 20 percent of the total land area of the original plan shall be added to the urban renewal areas of a plan by amendments.

(4) On or after January 1, 2010, the urban renewal agency may amend a plan that is not a large metropolitan plan as defined in ORS 457.470 to increase the maximum indebtedness, provided that:

(a) The aggregate of all amendments under this subsection may not exceed 20 percent of the plan's initial maximum indebtedness, as adjusted pursuant to paragraph (b) of this subsection.

(b) For purposes of computing the 20 percent limit on increases in maximum indebtedness, the initial maximum indebtedness may be increased annually on the anniversary date of initial approval of the plan by the index used in the urban renewal report to compute the future costs of projects that will be financed under the plan, beginning on the later of July 1, 1999, or the first anniversary of plan approval. This increase may be applied only to the first amendment to the maximum indebtedness that is made on or after January 1, 2010.

(5) The limits in subsection (4) of this section do not apply if the agency obtains concurrence as provided in ORS 457.470. [1957 c.456 §9; 1979 c.621 §20; 2009 c.700 §2]

457.230 Disposition of land in urban renewal project; determination of value; obligations of purchaser or lessee; recordation. (1) The urban renewal agency shall, in accordance with the approved urban renewal plan, make land in an urban renewal project available for use by private enterprise or public agencies. Such land shall be made available at a value determined by the urban renewal agency to be its fair reuse value, which represents the value, whether expressed in terms of rental or capital price, at which the urban renewal agency in its discretion determines such land should be made available in order that it may be developed, redeveloped, cleared, conserved or rehabilitated for the purposes specified in such plan.

(2) To assure that land acquired in an urban renewal project is used in accordance with the urban renewal plan, an urban renewal agency, upon the sale or lease of such land, shall obligate purchasers or lessees:

(a) To use the land for the purposes designated in the urban renewal plan.

(b) To begin the building of their improvements within a period of time which the urban renewal agency fixes as reasonable.

(3) Any obligations by the purchaser shall be covenants and conditions running with the land where the urban renewal agency so stipulates.

(4) Any contract for the transfer of any interest in land by the urban renewal agency may be recorded in the land records of the county in which the land is situated in the same manner as any other contract for the transfer of an interest in land is recorded. [1957 c.456 §12; 1965 c.571 §1; 1967 c.312 §1]

457.240 Tax status of land leased under an urban renewal plan. Any property which the urban renewal agency leases to private persons as defined in ORS 174.100 under an urban renewal plan shall have the same tax status as if such leased property were owned by such private individuals or corporations. [1957 c.456 §13; 1983 c.327 §11]

457.310 [1957 c.456 §16; repealed by 1979 c.621 §28]

457.320 Municipal assistance under plan; assumption by agency of general obligation bond payments of municipality. In addition to the other powers granted a municipality under this chapter, a municipality may exercise any of its powers otherwise provided by law to assist in the planning or the carrying out of an urban renewal plan. Without limiting the powers granted by the preceding sentence, a municipality may issue its general obligation bonds for the purpose of assisting in the planning or the carrying out of an urban renewal plan. The urban renewal agency of the municipality may assume payment of the general obligation bonds and may use any of the moneys available to it for that purpose. [1957 c.456 §17; 1979 c.621 §21]

457.410 [1961 c.554 §2; repealed by 1979 c.621 §28]

TAX INCREMENT FINANCING OF URBAN RENEWAL INDEBTEDNESS

457.420 Plan may provide for division of property taxes; limits on land area. (1) Any urban renewal plan may contain a provision that the ad valorem taxes, if any, levied by a taxing district in which all or a portion of an urban renewal area is located, shall be divided as provided in section 1c, Article IX of the Oregon Constitution, and ORS

457.420 to 457.460. Ad valorem taxes shall not be divided if there is no provision in the urban renewal plan for the division.

(2) No plan adopted after October 3, 1979, shall provide for a division of ad valorem taxes under subsection (1) of this section if:

(a) For municipalities having a population of more than 50,000, according to the latest state census:

(A) The assessed value for the urban renewal areas of the plan, when added to the total assessed value previously certified by the assessor for other urban renewal plans of the municipality for which a division of ad valorem taxes is provided, exceeds a figure equal to 15 percent of the total assessed value of that municipality, exclusive of any increased assessed value for other urban renewal areas and without regard to adjustments made pursuant to ORS 457.435 (2)(c), 457.455 or 457.470 (2) to (5); or

(B) The urban renewal areas of the plan when added to the areas included in other urban renewal plans of the municipality providing for a division of ad valorem taxes, exceed a figure equal to 15 percent of the total land area of that municipality.

(b) For municipalities having a population of less than 50,000, according to the latest state census:

(A) The assessed value for the urban renewal areas of the plan, when added to the total assessed value previously certified by the assessor for other urban renewal plans of the municipality for which a division of ad valorem taxes is provided, exceeds a figure equal to 25 percent of the total assessed value of that municipality, exclusive of any increased assessed value for other urban renewal areas and without regard to adjustments made pursuant to ORS 457.435 (2)(c), 457.455 or 457.470 (2) to (5); or

(B) The urban renewal areas of the plan, when added to the areas included in other urban renewal plans of the municipality providing for a division of ad valorem taxes, exceed a figure equal to 25 percent of the total land area of that municipality.

(3) Property may not be included in more than one urban renewal area. [1961 c.554 §3; 1969 c.539 §2; 1971 c.544 §4; 1979 c.621 §24; 1991 c.459 §334; 1997 c.541 §447; 2009 c.700 §3]

457.430 Certification of assessed value of property in urban renewal area; amendment. (1) As soon as practicable after the approval of a plan containing a provision authorized by ORS 457.420, the county assessor of each county in which an urban renewal area is located shall prepare, in duplicate, a certified statement of the total assessed value, as shown on the county assessment roll last certified prior to the effective date of the ordinance approving the plan, of all of the taxable real and personal property contained in the urban renewal area in the county.

(2) Wherever only a part of an urban renewal area is located in a taxing district, the assessor also shall show in the statement required by subsection (1) of this section the assessed value of the real and personal property in the part of the urban renewal area located in the taxing district.

(3) One copy of the certified statement shall be filed by the assessor with the agency and the other copy shall constitute a part of the public records of the county assessor's office.

(4) Whenever a part of an urban renewal area comes within the territory of a taxing district either by annexation, incorporation of a new taxing district or consolidation, after the approval of a plan containing a provision authorized by ORS 457.420, the county assessor shall in the same manner as under subsection (3) of this section file a certified statement or an amendment to a certified statement to show the assessed value of the real and personal property in that part of the urban renewal area incorporated by annexation or consolidation into the taxing district. The assessed value of the real and personal property so incorporated shall be determined in the same manner and as of the same date as provided in subsections (1) and (2) of this section.

(5) When a certified statement is filed as required by subsection (1) of this section, if the law provides a reduction or increase of the valuation for tax purposes of the taxable property contained in the urban renewal area at the time of the filing, the assessor shall state the total assessed value as it is so reduced or increased. After a certified statement has been filed as required by subsection (1) of this section, if a law is enacted which provides a reduction or increase of the valuation for tax purposes of the taxable property contained in the urban renewal area at the time the certified statement was filed, the assessor shall amend the certified statement annually or as otherwise required to reduce or increase the stated total assessed value of the real and personal property accordingly. An amendment to the certified statement shall be filed in the manner provided by subsections (3) and (4) of this section.

(6)(a) Subject to subsections (4) and (5) of this section and paragraph (b) of this subsection, all certified statements and amendments thereto filed under this section before July 14, 1997, shall continue to remain in effect.

(b) Effective as of the tax year beginning on July 1, 1997, the assessor shall amend the amount of assessed value included in a certified statement by applying to the certified assessed value of each tax code area located within an urban renewal area the percentage obtained by dividing the total assessed value within the tax code area, including growth in assessed value over the certified assessed value, by the total real market value within the tax code area. [1961 c.554 §4; 1969 c.539 §3; 1979 c.621 §25; 1981 c.804 §105; 1983 s.s. c.5 §24; 1991 c.459 §335; 1997 c.541 §448]

457.435 Property tax collection methods for existing plans; special levies. (1) For each existing urban renewal plan that includes a provision for a division of ad valorem taxes under ORS 457.420 to 457.460, the municipality that activated the urban renewal agency that is carrying out the plan shall adopt an ordinance choosing one of the options

listed in subsection (2) of this section as the method of collecting ad valorem property taxes sufficient to pay, when due, indebtedness issued or incurred to carry out the plan as permitted by section 11 (16), Article XI of the Oregon Constitution.

(2) The options referred to in subsection (1) of this section are as follows:

(a) Option One: To collect amounts sufficient to pay the obligations, as budgeted for the plan, from ORS 457.440, and if the amount estimated to be received from ORS 457.440 is not sufficient to meet the budgeted obligations of the plan for the tax or fiscal year, to make a special levy in the amount of the remainder upon all of the taxable property of the municipality that activated the urban renewal agency and upon all of the taxable property lying outside the municipality but included in an urban renewal area of the plan.

(b) Option Two: To make a special levy in the amount stated in the notice given under ORS 457.440 (2) upon all of the taxable property of the municipality that activated the urban renewal agency, and upon all of the taxable property lying outside the municipality but included in an urban renewal area of the plan.

(c) Option Three: To collect an amount equal to the amount stated in the ordinance adopted as provided in subsection (1) of this section by dividing the taxes pursuant to ORS 457.440, and to make a special levy upon all of the taxable property of the municipality that activated the urban renewal agency and upon all of the taxable property lying outside the municipality but within an urban renewal area of the plan. The county assessor shall adjust the amount of the total assessed value included in the certified statement filed under ORS 457.430 so that the amount collected by dividing the taxes pursuant to ORS 457.440 does not exceed the amount stated in the ordinance to be collected by dividing the taxes pursuant to ORS 457.440.

(3)(a) The total amount obtained under an option listed in subsection (2) of this section for any plan shall not exceed the maximum amount that could have been certified to the assessor for the plan under ORS 457.440 (1995 Edition) for the tax year beginning July 1, 1997.

(b) For each tax year beginning after the 1997-1998 tax year, the limitation of paragraph (a) of this subsection shall be adjusted by a percentage change equal to the percentage change in the increment within the urban renewal area from the preceding year.

(4)(a) The ordinance choosing the option referred to in subsection (1) of this section shall be adopted no later than July 1, 1998, and shall be applicable for tax years beginning on or after July 1, 1998. If not so adopted, the municipality shall be considered to have chosen Option One as its method of collection of ad valorem property taxes sufficient to pay, when due, indebtedness issued or incurred to carry out the existing urban renewal plan. An option, once chosen, may not be changed to another option. In addition, if Option Three is chosen, the amount specified in the ordinance choosing the option to be collected by dividing the taxes pursuant to ORS 457.440 shall not be changed by subsequent ordinance or amendment to the certified statement.

(b) The option chosen, together with the particulars of the option, including but not limited to any limit on the amount to be received from ORS 457.440, shall be reflected in the notice filed by the urban renewal agency with the county assessor.

(5)(a) The county assessor, or county assessors if the taxable property is in more than one county, shall extend the special levy against all of the taxable property of the municipality that activated the urban renewal agency and all of the taxable property lying outside the municipality but included in an urban renewal area of the plan.

(b) Any amounts collected from special levies made under this section shall be paid into the special fund or funds of the urban renewal agency referred to in ORS 457.440 (6) and shall be used to pay the principal and interest to finance or refinance the existing urban renewal plan or plans of the urban renewal agency.

(6) This section applies to existing urban renewal plans with respect to principal and interest on indebtedness until the indebtedness is fully paid or it is found that deposits in the special fund are sufficient to pay the principal and interest on the indebtedness issued or incurred under the existing urban renewal plan.

(7) Nothing in this section shall prevent the funding of urban renewal indebtedness as provided under ORS 457.440. [1997 c.541 §454; 1999 c.579 §32]

457.437 Consultation with municipalities; resolution requirements. (1) Prior to the establishment of a maximum amount of indebtedness for an urban renewal plan under ORS 457.190 and before an option is adopted under ORS 457.435, the urban renewal agency that is carrying out the plan shall meet with the governing bodies of the municipality that activated the urban renewal agency and other municipalities affected by the urban renewal plan and review the proposed maximum amount of indebtedness for the plan and the agency's recommended option under ORS 457.435.

(2) After the meeting described in subsection (1) of this section, the governing bodies shall adopt resolutions in support of or opposition to the recommended option under ORS 457.435.

(3) If an affected municipality adopts a resolution in opposition to the recommended option, then the agency's recommendations may be adopted only by the adoption of a separate resolution by the municipality that activated the urban renewal agency. [1997 c.541 §454a]

457.440 Computation of amounts to be raised from property taxes; notice; rules. During the period specified under ORS 457.450:

(1) The county assessor shall determine the amount of funds to be raised each year for urban renewal within the county levied by taxing districts in accordance with Article IX, section 1c, of the Oregon Constitution, and ORS 457.420 to 457.460.

(2) Not later than July 15 of each tax year, each urban renewal agency shall determine and file with the county assessor a notice stating the amount of funds to be raised for each urban renewal area as follows:

(a) If the municipality that activated the urban renewal agency has chosen Option One as provided in ORS 457.435 (2)(a), the notice shall state that the maximum amount of funds that may be raised by dividing the taxes under Article IX, section 1c, of the Oregon Constitution, shall be raised for the agency.

(b) If the municipality that activated the urban renewal agency has chosen Option Two as provided in ORS 457.435 (2)(b), the notice shall state the amount of funds to be raised by the special levy.

(c) If the municipality that activated the urban renewal agency has chosen Option Three as provided in ORS 457.435 (2)(c), the notice shall state the amount of funds to be raised by special levy in addition to the amount to be raised by dividing the taxes as stated in the ordinance adopted under ORS 457.435 (1).

(d) For plans that are initially approved or substantially amended to increase maximum indebtedness on or after January 1, 2010, the notice must comply with ORS 457.470.

(e) If the agency limits the amount that may be raised by the division of taxes, as provided in ORS 457.455 (1), the notice shall comply with ORS 457.455 (1).

(f) If the plan is not described in paragraph (a), (b), (c), (d) or (e) of this subsection, the notice shall state that the maximum amount of funds that may be raised by dividing the taxes under Article IX, section 1c, of the Oregon Constitution, shall be raised for the agency.

(3) If a municipality has chosen Option Three pursuant to ORS 457.435, the maximum amount of funds that may be raised for an urban renewal agency by dividing the taxes as provided in Article IX, section 1c, of the Oregon Constitution, may be limited by the municipality in which the urban renewal agency is located. The decision of the municipality to limit the amount of funds to be included in the notice filed under subsection (2) of this section shall be reflected in the certified statement filed by the urban renewal agency with the county assessor.

(4) Not later than September 25 of each tax year, the assessor of any county in which a joint district is located shall provide, to the assessor of each other county in which the joint district is located, the assessed values of the property in the joint district that is located within the county, including the certified statement value and the increment for each code area containing any urban renewal area located within the joint district, and a copy of the notice filed by the urban renewal agency for the area located within the joint district under subsection (2) of this section.

(5) The maximum amount of funds that may be raised for an urban renewal plan by dividing the taxes as provided in Article IX, section 1c, of the Oregon Constitution, shall be computed by the county assessor as follows:

(a) The county assessor shall compute, in the manner required under ORS 457.445, the total consolidated billing tax rate for each code area in which an urban renewal area of the plan is located.

(b) The assessor shall determine the amount of taxes that would be produced by extending the tax rate computed under paragraph (a) of this subsection against the increment of each code area.

(c) The total amount determined for all code areas containing urban renewal areas included within the urban renewal plan is the maximum amount of funds to be raised for the urban renewal plan by dividing the taxes.

(6)(a) The county assessor shall certify to the tax collector the amount of funds to be raised for an urban renewal agency as determined under subsection (2) of this section. The tax collector shall include the amount so certified in the percentage schedule of the ratio of taxes on property prepared under ORS 311.390 and filed with the county treasurer. Notwithstanding ORS 311.395 (6), the county treasurer shall credit the amount to the urban renewal agency and shall distribute its percentage amount to the urban renewal agency as determined by the schedule at the times other distributions are made under ORS 311.395 (7).

(b) The county assessor shall notify the urban renewal agency of the amounts received under subsection (5) of this section or amounts received pursuant to the notice provided in subsection (2) of this section for each urban renewal plan area. Any amounts received by the urban renewal agency under paragraph (a) of this subsection shall be attributed to the urban renewal plan in which the urban renewal area is included, shall be paid into a special fund of the urban renewal agency for the urban renewal plan and shall be used to pay the principal and interest on any indebtedness issued or incurred by the urban renewal agency to finance or refinance the urban renewal plan.

(7) Unless and until the total assessed value of the taxable property in an urban renewal area exceeds the total assessed value specified in the certified statement, all of the ad valorem taxes levied and collected upon the taxable property in the urban renewal area shall be paid into the funds of the respective taxing districts.

(8) The agency may incur indebtedness, including obtaining loans and advances in carrying out the urban renewal plan, and the portion of taxes received under this section may be irrevocably pledged for the payment of principal of and interest on the indebtedness.

(9) The Department of Revenue shall by rule establish procedures for giving notice of amounts to be raised for urban renewal agencies and for determination of amounts to be raised and distributed to urban renewal agencies.

(10) The notice required under this section shall serve as the notice required under ORS 310.060 for the special levy described under ORS 457.435.

(11) Notwithstanding any other provision of this chapter, a city with a population of more than 500,000 on January 1, 2010, may, in lieu of its urban renewal agency, take any actions that an urban renewal agency is authorized to take under this section and any other actions that are required to certify, collect, receive, hold and apply tax revenues raised for the urban renewal agency under Article IX, section 1c, of the Oregon Constitution, and taxes authorized for the urban renewal agency by Article XI, section 11 (16), of the Oregon Constitution. [1961 c.554 §5; 1979 c.621 §26; 1981 c.804 §106; 1983 s.s. c.5 §25; 1985 c.613 §17; 1987 c.158 §87; 1991 c.459 §335a; 1997 c.541 §449; 1999 c.579 §26; 2003 c.190 §§16,17; 2007 c.537 §7; 2009 c.700 §4; 2013 c.579 §3]

Note: The amendments to 457.440 by section 3, chapter 579, Oregon Laws 2013, apply to the division of ad valorem property taxes under 457.420 to 457.460 for tax years beginning on or after July 1, 2014. See section 4, chapter 579, Oregon Laws 2013. The text that applies for tax years beginning before July 1, 2014, is set forth for the user's convenience.

457.440. During the period specified under ORS 457.450:

(1) The county assessor shall determine the amount of funds to be raised each year for urban renewal within the county levied by taxing districts in accordance with section 1c, Article IX of the Oregon Constitution, and ORS 457.420 to 457.460.

(2) Not later than July 15 of each tax year, each urban renewal agency shall determine and file with the county assessor a notice stating the amount of funds to be raised for each urban renewal area as follows:

(a) If the municipality that activated the urban renewal agency has chosen Option One as provided in ORS 457.435 (2)(a), the notice shall state that the maximum amount of funds that may be raised by dividing the taxes under section 1c, Article IX of the Oregon Constitution, shall be raised for the agency.

(b) If the municipality that activated the urban renewal agency has chosen Option Two as provided in ORS 457.435 (2)(b), the notice shall state the amount of funds to be raised by the special levy.

(c) If the municipality that activated the urban renewal agency has chosen Option Three as provided in ORS 457.435 (2)(c), the notice shall state the amount of funds to be raised by special levy in addition to the amount to be raised by dividing the taxes as stated in the ordinance adopted under ORS 457.435 (1).

(d) For plans that are initially approved or substantially amended to increase maximum indebtedness on or after January 1, 2010, the notice must comply with ORS 457.470.

(e) If the agency limits the amount that may be raised by the division of taxes, as provided in ORS 457.455 (1), the notice shall comply with ORS 457.455 (1).

(f) If the plan is not described in paragraph (a), (b), (c), (d) or (e) of this subsection, the notice shall state that the maximum amount of funds that may be raised by dividing the taxes under section 1c, Article IX of the Oregon Constitution, shall be raised for the agency.

(3) If a municipality has chosen Option Three pursuant to ORS 457.435, the maximum amount of funds that may be raised for an urban renewal agency by dividing the taxes as provided in section 1c, Article IX of the Oregon Constitution, may be limited by the municipality in which the urban renewal agency is located. The decision of the municipality to limit the amount of funds to be included in the notice filed under subsection (2) of this section shall be reflected in the certified statement filed by the urban renewal agency with the county assessor.

(4) Not later than September 25 of each tax year, the assessor of any county in which a joint district is located shall provide, to the assessor of each other county in which the joint district is located, the assessed values of the property in the joint district that is located within the county, including the certified statement value and the increment for each code area containing any urban renewal area located within the joint district, and a copy of the notice filed by the urban renewal agency for the area located within the joint district under subsection (2) of this section.

(5) The maximum amount of funds that may be raised for an urban renewal plan by dividing the taxes as provided in section 1c, Article IX of the Oregon Constitution, shall be computed by the county assessor as follows:

(a) The county assessor shall compute the total consolidated billing tax rate for each code area in which an urban renewal area of the plan is located.

(b) The assessor shall determine the amount of taxes that would be produced by extending the tax rate computed under paragraph (a) of this subsection against the increment of each code area.

(c) The total amount determined for all code areas containing urban renewal areas included within the urban renewal plan is the maximum amount of funds to be raised for the urban renewal plan by dividing the taxes.

(6)(a) The county assessor shall certify to the tax collector the amount of funds to be raised for an urban renewal agency as determined under subsection (2) of this section. The tax collector shall include the amount so certified in the percentage schedule of the ratio of taxes on property prepared under ORS 311.390 and filed with the county treasurer. Notwithstanding ORS 311.395 (6), the county treasurer shall credit the amount to the urban renewal agency and shall distribute its percentage amount to the urban renewal agency as determined by the schedule at the times other distributions are made under ORS 311.395 (7).

(b) The county assessor shall notify the urban renewal agency of the amounts received under subsection (5) of this section or amounts received pursuant to the notice provided in subsection (2) of this section for each urban renewal plan area. Any amounts received by the urban renewal agency under paragraph (a) of this subsection shall be attributed to the urban renewal plan in which the urban renewal area is included, shall be paid into a special fund of the urban renewal

agency for the urban renewal plan and shall be used to pay the principal and interest on any indebtedness issued or incurred by the urban renewal agency to finance or refinance the urban renewal plan.

(7) Unless and until the total assessed value of the taxable property in an urban renewal area exceeds the total assessed value specified in the certified statement, all of the ad valorem taxes levied and collected upon the taxable property in the urban renewal area shall be paid into the funds of the respective taxing districts.

(8) The agency may incur indebtedness, including obtaining loans and advances in carrying out the urban renewal plan, and the portion of taxes received under this section may be irrevocably pledged for the payment of principal of and interest on the indebtedness.

(9) The Department of Revenue shall by rule establish procedures for giving notice of amounts to be raised for urban renewal agencies and for determination of amounts to be raised and distributed to urban renewal agencies.

(10) The notice required under this section shall serve as the notice required under ORS 310.060 for the special levy described under ORS 457.435.

(11) Notwithstanding any other provision of this chapter, a city with a population of more than 500,000 on January 1, 2010, may, in lieu of its urban renewal agency, take any actions that an urban renewal agency is authorized to take under this section and any other actions that are required to certify, collect, receive, hold and apply tax revenues raised for the urban renewal agency under section 1c, Article IX of the Oregon Constitution, and taxes authorized for the urban renewal agency by section 11 (16), Article XI of the Oregon Constitution.

457.445 Consolidated billing tax rate; election of alternative. (1)(a) The consolidated billing tax rate of the following urban renewal plans shall be determined under paragraph (b) of this subsection:

(A) An existing urban renewal plan (other than an existing urban renewal plan designated as an Option Three plan under ORS 457.435 (2)(c));

(B) An urban renewal plan that was an existing urban renewal plan on October 6, 2001, (other than an existing urban renewal plan designated as an Option Three plan under ORS 457.435 (2)(c)) and that was substantially amended as described in ORS 457.085 (2)(i)(A) or (B) on or after October 6, 2001; and

(C) An urban renewal plan adopted on or after October 6, 2001.

(b)(A) The consolidated billing tax rate of an urban renewal plan described in paragraph (a) of this subsection equals the total of all district tax rates used to extend taxes after any adjustment to reflect tax offsets under ORS 310.105.

(B) Notwithstanding subparagraph (A) of this paragraph, the consolidated billing tax rate of an urban renewal plan described in paragraph (a) of this subsection excludes any rate derived from:

(i) An urban renewal special levy under ORS 457.435.

(ii) A local option tax, as defined in ORS 280.040, that is approved by taxing district electors after October 6, 2001.

(iii) A tax pledged to repay exempt bonded indebtedness (other than exempt bonded indebtedness used to fund local government pension and disability plan obligations that, until funded by the exempt bonded indebtedness, were described in Article XI, section 11 (5), of the Oregon Constitution), as defined in ORS 310.140, that is approved by taxing district electors after October 6, 2001.

(iv) The increase in the rate of ad valorem property tax allowable under Article XI, section 11 (5)(d), of the Oregon Constitution, for a school district with a statutory rate limit on July 1, 2003, that is greater than \$4.50 per \$1,000 of assessed value, to the extent that the increase is excluded from local revenues, as that term is used in ORS chapter 327, and provided that the school district notifies the county assessor of the rate to be excluded for the current fiscal year not later than July 15.

(2)(a) The consolidated billing tax rate of all other urban renewal plans equals the total of all district ad valorem property tax rates used to extend taxes after any adjustments to reflect tax offsets under ORS 310.105.

(b) Notwithstanding paragraph (a) of this subsection, the consolidated billing tax rate of urban renewal plans referred to in paragraph (a) of this subsection excludes:

(A) An urban renewal special levy rate under ORS 457.435.

(B) A new local option tax.

(3)(a) Notwithstanding subsection (2)(b)(B) of this section, the consolidated billing tax rate of urban renewal plans referred to in subsection (2)(a) of this section includes a new local option tax imposed in a fiscal year for which the urban renewal agency files with the county assessor an impairment certificate in the manner described in paragraph (b) of this subsection not later than the May 1 immediately preceding the beginning of the fiscal year.

(b) An impairment certificate must:

(A) Identify the urban renewal plan to which it relates;

(B) Instruct the county assessor to include the new local option tax in the consolidated billing tax rate for the urban renewal plan for the ensuing fiscal year;

(C) State that the urban renewal agency has reasonably determined that excluding the new local option tax from the consolidated billing tax rate for the fiscal year under this subsection would impair contracts that the agency has entered into with owners of indebtedness incurred before October 7, 2013, to carry out an urban renewal plan described in subsection (2) of this section; and

(D) Be signed by an authorized representative of the agency.

(4)(a) Notwithstanding subsection (2) of this section, the governing body of a municipality that adopted an urban renewal plan before December 5, 1996 (other than an existing urban renewal plan designated as an Option Three plan under ORS 457.435 (2)(c)), that would otherwise be required to use a consolidated billing tax rate determined under subsection (2) of this section may, by resolution or ordinance, irrevocably elect to have amounts collected by dividing the taxes for the urban renewal plan pursuant to ORS 457.440 be determined under subsection (1)(b) of this section.

(b) An election made pursuant to this subsection applies first to the assessment roll next following if the assessor has received notice of the election from the urban renewal agency before January 1.

(5) As used in this section, "new local option tax" means a local option tax, as defined in ORS 280.040, that is approved by taxing district electors after January 1, 2013. [2009 c.317 §2; 2013 c.579 §2]

Note: The amendments to 457.445 by section 2, chapter 579, Oregon Laws 2013, apply to the division of ad valorem property taxes under 457.420 to 457.460 for tax years beginning on or after July 1, 2014. See section 4, chapter 579, Oregon Laws 2013. The text that applies for tax years beginning before July 1, 2014, is set forth for the user's convenience.

457.445 The governing body of a municipality that adopted an urban renewal plan before December 5, 1996 (other than an existing urban renewal plan designated as an Option Three plan under ORS 457.435 (2)(c)), that would otherwise be required to use a consolidated billing tax rate as defined in ORS 457.010 (4)(b) may, by resolution or ordinance, irrevocably elect to have amounts collected by dividing the taxes for the urban renewal plan pursuant to ORS 457.440 be determined instead by using the consolidated billing tax rate as defined in ORS 457.010 (4)(a). This election applies first to the assessment roll next following if the assessor has received notice of the election from the urban renewal agency before January 1.

Note: 457.445 was added to and made a part of ORS chapter 457 by legislative action but was not added to any smaller series therein. See Preface to Oregon Revised Statutes for further explanation.

457.450 Notice to tax assessor; provision for debt retirement; distribution of remaining tax increment funds. (1)(a) ORS 457.440 shall first apply to the assessment roll next following the tax roll referred to in ORS 457.430 if the assessor is provided notice of a plan adoption or amendment changing area boundaries by the agency prior to January 1 before the tax year to which the plan first applies.

(b) If the assessor is not provided notice of plan adoption or amendment changing area boundaries by the agency prior to January 1 before the tax year to which ORS 457.440 would otherwise first apply, then ORS 457.440 shall first apply to the assessment roll next following the assessment roll described in paragraph (a) of this subsection.

(2) When the principal and interest on the maximum indebtedness of an urban renewal plan to which the portion of taxes is irrevocably pledged for payment under ORS 457.435 or 457.440 is fully paid, or it is found that deposits in the special fund are sufficient to fully pay principal and interest on the maximum indebtedness either through direct payment of the indebtedness or by payment of principal and interest on bonds or notes issued to finance the indebtedness, the agency shall notify the assessor of that fact.

(3) All moneys remaining unexpended from the special fund provided for in ORS 457.435 or 457.440, after payment of all the principal and interest on indebtedness is provided for, shall be turned over to the county treasurer by the agency and prorated by the treasurer back to the taxing districts in which the area, or part thereof, is located, in proportion to the amount of money in the fund attributable to each taxing district for the last fiscal year in which tax levy moneys were paid into the special fund of the agency under ORS 457.435 or 457.440. [1961 c.554 §6; 1971 c.426 §1; 1979 c.621 §27; 1991 c.459 §335b; 1997 c.541 §450; 2009 c.700 §5]

457.455 Limiting collections; notification; consultation with taxing districts. (1) If the maximum amount of funds under ORS 457.440 is not required to pay the principal and interest on indebtedness incurred for an urban renewal plan, the urban renewal agency may take formal action to limit collections under a plan for a single fiscal year, and may notify the county assessor pursuant to ORS 457.440 (2)(e) to compute the division of taxes for the urban renewal area using an assessed value that is equal to the amount specified by the agency. The assessor may not use an amount that is greater than the increment.

(2) If the maximum amount of funds under ORS 457.440 is not required to pay the principal and interest on indebtedness incurred for an urban renewal plan, the urban renewal agency may limit future collections under a plan by notifying the county assessor to permanently increase the amount of the total assessed value included in the certified statement filed under ORS 457.430. The assessed value included in the certified statement may not be subsequently decreased except in connection with boundary changes.

(3) Before taking formal action under this section, the urban renewal agency shall consult and confer with each taxing district affected by the urban renewal plan. [2009 c.700 §7]

Note: 457.455 was added to and made a part of ORS chapter 457 by legislative action but was not added to any smaller series therein. See Preface to Oregon Revised Statutes for further explanation.

457.460 Financial report required for agency; contents; notice. (1) Not later than January 31 of each year, an urban renewal agency shall prepare a statement on the same basis on which its financial statements are prepared containing:

(a) The amount of money received during the preceding fiscal year under ORS 457.420 to 457.460 and from indebtedness incurred under ORS 457.420 to 457.460;

(b) The purposes and amounts for which any money received under ORS 457.420 to 457.460 and from indebtedness incurred under ORS 457.420 to 457.460 were expended during the preceding fiscal year;

(c) An estimate of moneys to be received during the current fiscal year under ORS 457.420 to 457.460 and from indebtedness incurred under ORS 457.420 to 457.460;

(d) A budget setting forth the purposes and estimated amounts for which the moneys which have been or will be received under ORS 457.420 to 457.460 and from indebtedness incurred under ORS 457.420 to 457.460 are to be expended during the current fiscal year; and

(e) An analysis of the impact, if any, of carrying out the urban renewal plan on the tax collections for the preceding year for all taxing districts included under ORS 457.430.

(2) The statement required by subsection (1) of this section shall be filed with the governing body of the municipality. Notice shall be published that the statement has been prepared and is on file with the municipality and the agency and the information contained in the statement is available to all interested persons. The notice shall be published once a week for not less than two successive weeks before March 1 of the year in which the statement is filed, in accordance with ORS 457.115. The notice shall summarize the information required under subsection (1)(a) to (d) of this section and shall set forth in full the information required under subsection (1)(e) of this section. [1979 c.621 §23; 1991 c.459 §335c; 1997 c.541 §451; 2009 c.700 §8]

457.470 Modification of assessed value; indexing; concurrence of taxing districts; rules. (1) As used in this section, unless the context requires otherwise:

(a) "Assumed increment" means the assessed value of the increment in the prior year, increased by the average percentage increase of the increment, if any, during the three prior years.

(b) "Large metropolitan plan" means a plan for an urban renewal area by a city with a population of more than 500,000 on January 1, 2010, that is either first approved on or after January 1, 2010, or is substantially amended to increase maximum indebtedness on or after January 1, 2010.

(c) "Maximum division of taxes" means the maximum amount of funds that may be raised for an urban renewal plan by dividing the taxes as provided in section 1c, Article IX of the Oregon Constitution, as described in ORS 457.440 (5), without regard to notices to assessors under this section or ORS 457.455 (1) or adjustments made pursuant to ORS 457.435 (2)(c).

(d) "Transition amount" means the maximum division of taxes for a plan in the year in which the plan is first substantially amended to increase maximum indebtedness on or after January 1, 2010.

(2)(a) Except as provided in paragraphs (b) and (c) of this subsection, an urban renewal agency may notify the assessor to collect the maximum division of taxes for a plan, other than a large metropolitan plan, that is first approved on or after January 1, 2010.

(b) Beginning with the later of the 11th year after the initial approval of the plan or the first year after the year in which the maximum division of taxes equals or exceeds 10 percent of the initial maximum indebtedness in the plan, the agency shall notify the assessor pursuant to ORS 457.440 (2)(d) to compute the division of taxes for the urban renewal area using an assessed value that is not greater than the sum of:

(A) The amount of assessed value the agency estimates will produce division of tax revenues equal to 10 percent of the initial maximum indebtedness in the plan; and

(B) 25 percent of the amount by which the assumed increment exceeds the assessed value of the increment the agency estimates will produce division of tax revenues equal to 10 percent of the initial maximum indebtedness in the plan.

(c) Beginning with the first year after the year in which the division of taxes equals or exceeds 12.5 percent of the initial maximum indebtedness in the plan, the agency shall notify the assessor pursuant to ORS 457.440 (2)(d) to compute the division of taxes for the urban renewal area using an amount of assessed value that the agency estimates will produce division of tax revenues that does not exceed 12.5 percent of the initial maximum indebtedness in the plan.

(d) After computing the assessed value as required under paragraph (b) or (c) of this subsection, an urban renewal agency shall further modify the value if, for reasons other than use of the assumed increment, the value included in the prior year's notice to the assessor resulted in division of tax revenues different from the respective target amounts under paragraphs (b) and (c) of this subsection. The modification under this paragraph may not exceed an amount that would result in the difference between the actual revenues and the target amounts.

(3)(a) Except as provided in paragraphs (b) and (c) of this subsection, an urban renewal agency may notify the assessor to collect the maximum division of taxes for a plan, other than a large metropolitan plan, that is substantially amended on or after January 1, 2010, to increase maximum indebtedness.

(b) Beginning with the later of the year after the year in which the plan is substantially amended or the 11th year after the plan was initially approved, when the maximum division of taxes exceeds 10 percent of the initial maximum

indebtedness in the plan, the agency shall notify the assessor pursuant to ORS 457.440 (2)(d) to compute the division of taxes for the urban renewal area using an assessed value that is not greater than the sum of:

(A) The amount of assessed value the agency estimates will produce division of tax revenues equal to the greater of:

(i) 10 percent of the initial maximum indebtedness in the plan; or

(ii) The transition amount; and

(B) 25 percent of the amount by which the assumed increment exceeds the assessed value of the increment the agency estimates will produce division of tax revenues equal to the greater of:

(i) 10 percent of the initial maximum indebtedness in the plan; or

(ii) The transition amount.

(c) Beginning with the first year after the year in which the division of taxes equals or exceeds the greater of 12.5 percent of the initial maximum indebtedness in the plan or the transition amount, the agency shall notify the assessor pursuant to ORS 457.440 (2)(d) to compute the division of taxes for the urban renewal area using an amount of assessed value that the agency estimates will produce division of tax revenues that does not exceed the greater of 12.5 percent of the initial maximum indebtedness in the plan or the transition amount.

(d) After computing the assessed value as required under paragraph (b) or (c) of this subsection, an agency shall further modify the value if, for reasons other than use of the assumed increment, the value included in the prior year's notice to the assessor resulted in division of tax revenues different from the respective target amounts under paragraphs (b) and (c) of this subsection. The modification under this paragraph may not exceed an amount that would result in the difference between the actual revenues and the target amounts.

(4)(a) Except as provided in paragraphs (b) to (d) of this subsection, an urban renewal agency may notify the assessor to impose the maximum division of taxes for a large metropolitan plan that is initially approved on or after January 1, 2010.

(b) In the first year after the year in which the maximum division of taxes equals or exceeds three percent of the initial maximum indebtedness in the plan, the agency shall notify the assessor pursuant to ORS 457.440 (2)(d) to compute the division of taxes for the urban renewal area using an assessed value that is not greater than the sum of:

(A) The amount of assessed value the agency estimates will produce division of tax revenues equal to three percent of the initial maximum indebtedness in the plan; and

(B) 75 percent of the amount by which the assumed increment exceeds the assessed value of the increment the agency estimates will produce division of tax revenues equal to three percent of the initial maximum indebtedness in the plan.

(c) Except as provided in paragraph (d) of this subsection, beginning with the year after the year described in paragraph (b) of this subsection, the agency shall notify the assessor pursuant to ORS 457.440 (2)(d) to compute the division of taxes for the urban renewal area using an assessed value that is not greater than the sum of:

(A) The amount of assessed value the agency estimates will produce division of tax revenues equal to the greatest amount of division of tax revenues the agency was permitted to use in any prior year to compute assessed value under this paragraph or paragraph (b) of this subsection; and

(B) 75 percent of the amount by which the assumed increment exceeds the assessed value of the increment the agency estimates will produce division of tax revenues equal to the greatest amount of division of tax revenues the agency was permitted to use in any prior year under this paragraph or paragraph (b) of this subsection.

(d) Beginning with the first year after the year described in paragraph (c) of this subsection in which the division of tax revenues equals or exceeds 10 percent of the initial maximum indebtedness in the plan, the agency shall notify the assessor pursuant to ORS 457.440 (2)(d) to compute the division of taxes for the urban renewal area using an amount of assessed value the agency estimates will produce division of tax revenues that does not exceed 10 percent of the initial maximum indebtedness in the plan.

(e) After computing the assessed value as required under paragraph (b), (c) or (d) of this subsection, an agency shall further modify the value if, for reasons other than use of the assumed increment, the value included in the prior year's notice to the assessor resulted in division of tax revenues different from the respective target amounts under paragraphs (b) to (d) of this subsection. The modification under this paragraph may not exceed an amount that would result in the difference between the actual revenues and the target amounts.

(5)(a) As used in this subsection, "substantial amendment" refers to the first substantial amendment to increase maximum indebtedness for the urban renewal plan after January 1, 2010.

(b) This subsection applies to an urban renewal plan that becomes a large metropolitan plan because it is substantially amended to increase its maximum indebtedness on or after January 1, 2010. This subsection applies beginning in the first year after the year in which the urban renewal plan is first amended to increase its maximum indebtedness on or after January 1, 2010. Except as provided in paragraphs (c) to (e) of this subsection, an urban renewal agency may notify the assessor to impose the maximum division of taxes.

(c) In the first year following a year that the maximum division of taxes exceeds three percent of the maximum indebtedness in effect for the plan immediately before the substantial amendment, the agency shall notify the assessor pursuant to ORS 457.440 (2)(d) to compute the division of taxes for the urban renewal area using an assessed value that is not greater than the sum of:

(A) The amount of assessed value the agency estimates will produce division of tax revenues equal to the greater of:

(i) The transition amount; or
(ii) Three percent of the maximum indebtedness in the plan immediately before the substantial amendment; and
(B) 75 percent of the amount by which the assumed increment exceeds the assessed value of the increment the agency estimates will produce division of tax revenues equal to the greater of:

- (i) The transition amount; or
(ii) Three percent of the maximum indebtedness in the plan immediately before the substantial amendment.

(d) Except as provided in paragraph (e) of this subsection, beginning with the year after the year described in paragraph (c) of this subsection, the agency shall notify the assessor pursuant to ORS 457.440 (2)(d) to compute the division of taxes for the urban renewal area using an assessed value that is not greater than the sum of:

(A) The amount of assessed value the agency estimates will produce division of tax revenues equal to the greatest amount of division of tax revenues the agency was permitted to use in any prior year to compute assessed value under this paragraph or paragraph (c) of this subsection; and

(B) 75 percent of the amount by which the assumed increment exceeds the assessed value of the increment the agency estimates will produce division of tax revenues equal to the greatest amount of division of tax revenues the agency was permitted to use in any prior year under this paragraph or paragraph (c) of this subsection.

(e) Beginning with the first year after the year in which the division of tax revenues equals or exceeds the greater of the transition amount or 10 percent of the maximum indebtedness in effect for the plan immediately before the substantial amendment, the agency shall notify the assessor pursuant to ORS 457.440 (2)(d) to compute the division of taxes for the urban renewal area using an amount of assessed value that is not greater than an amount the agency estimates will produce division of tax revenues equal to the greater of the transition amount or 10 percent of the maximum indebtedness in effect for the plan immediately before the substantial amendment.

(f) After computing the assessed value as required under paragraph (c), (d) or (e) of this subsection, an agency shall further modify the value if, for reasons other than use of the assumed increment, the value included in the prior year's notice to the assessor resulted in division of tax revenues different from the respective target amounts under paragraphs (c) to (e) of this subsection. The modification under this paragraph may not exceed an amount that would result in the difference between the actual revenues and the target amounts.

(6)(a) The initial maximum indebtedness for a large metropolitan plan that is initially approved after January 1, 2010, shall be established as provided in ORS 457.190 (4)(a) to (c).

(b) Beginning in 2010, the dollar amounts in this subsection may be increased on July 1 of any year by the percent change in average construction costs since July 1, 2009, according to the Engineering News-Record Northwest (Seattle, Washington) Construction Cost Index. The adjusted dollar amounts may be used only when a large metropolitan plan is initially approved.

(c) The maximum indebtedness may not be increased by more than 20 percent of the initial maximum indebtedness of the plan.

(d) The maximum indebtedness for a plan that becomes a large metropolitan plan because it is substantially amended on or after January 1, 2010, to increase its maximum indebtedness may not be increased above 20 percent of the maximum indebtedness in effect for the plan immediately before the first substantial amendment to increase maximum indebtedness that was made on or after January 1, 2010.

(7) Limitations imposed under this section and ORS 457.190 (4), 457.220 (4) and 457.455 do not apply to the extent the municipality approving a plan obtains the written concurrence of taxing districts imposing at least 75 percent of the amount of taxes imposed under permanent rate limits in the urban renewal area. For plans that are initially approved or substantially amended on or after January 1, 2010, compliance with this section is determined based on the amount of taxes imposed under permanent rate limits in the fiscal year prior to the fiscal year in which the plan is approved or amended, as applicable.

(8) For purposes of this section, a plan is treated as approved or amended on the day on which the municipality took final action to enact the nonemergency ordinance approving or amending the plan.

(9) The amounts shown in the certified statement filed under ORS 457.430 are not affected by subsections (2) to (5) of this section. If the increment for an area is less than the assessed value that the assessor is directed to use under subsections (2) to (5) of this section, the division of taxes shall be computed based on the increment and the assessor shall impose the maximum division of taxes for the plan.

(10)(a) Notwithstanding subsection (1) of this section, as used in this subsection, "transition amount" means the maximum division of taxes for the plan in the fiscal year that the first amendment made after June 1, 2008, to increase maximum indebtedness takes effect.

(b) Notwithstanding any provisions in this section to the contrary, an urban renewal plan that was first approved in 1998 and had an initial maximum indebtedness of \$224,780,350 may be substantially amended after June 1, 2008, to increase maximum indebtedness by not more than \$343,719,650.

(c) Except as provided in paragraph (d) of this subsection, an urban renewal agency may notify the assessor to collect the maximum division of taxes for an urban renewal plan described in paragraph (b) of this subsection that is substantially amended to increase its maximum indebtedness after June 1, 2008.

(d) Beginning with the first fiscal year after the fiscal year in which the first amendment made after June 1, 2008, to increase maximum indebtedness in the plan described in paragraph (b) of this subsection takes effect that the maximum

OF THAT PROPERTY DESCRIBED IN WARRANTY DEED TO FOREST MANOR APARTMENTS, RECORDED JANUARY 7, 1972 IN BOOK 849, PAGE 900, WASHINGTON COUNTY RECORDS; THENCE ALONG THE SOUTH LINE OF SAID WARRANTY DEED AND FORESTMEADE, WASHINGTON COUNTY PLAT RECORDS S88°09'47"E 829.01 FEET TO THE SOUTHEAST CORNER OF SAID FORESTMEADE AND THE NORTHEAST CORNER OF THAT PROPERTY DESCRIBED IN BARGAIN AND SALE DEED TO CRYSTAL WATERS, LLC, AN OREGON LIMITED LIABILITY COMPANY, RECORDED OCTOBER 5, 2007 AS DOCUMENT NO. 2007-107290, WASHINGTON COUNTY RECORDS; THENCE ALONG THE EAST LINE OF SAID BARGAIN AND SALE DEED S02°21'01"W 570.35 FEET TO THE INTERSECTION OF THE PROJECTION SOUTHERLY EXTENSION OF THE EAST LINE OF SAID BARGAIN AND SALE DEED AND THE SOUTH RIGHT OF WAY LINE OF TUALATIN VALLEY HIGHWAY (RIGHT OF WAY WIDTH OF 105 FEET); THENCE ALONG SAID SOUTH RIGHT OF WAY LINE OF TUALATIN VALLEY HIGHWAY S88°10'24"E 310.03 FEET TO THE NORTHEAST CORNER OF THAT PROPERTY DESCRIBED IN STATUTORY WARRANTY DEED TO MGP X REIT, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, RECORDED OCTOBER 26, 2012 AS DOCUMENT NO. 2012-090742, WASHINGTON COUNTY RECORDS; THENCE ALONG THE EAST LINE OF SAID STATUTORY WARRANTY DEED OF THE FOLLOWING COURSES: A POINT OF CURVE LEFT; THENCE ALONG THE CURVE LEFT (CENTRAL ANGLE = 46°48'53", RADIUS = 20.00 FEET, LONG CHORD BEARS S25°21'49"W 15.89 FEET) 16.34 FEET TO A POINT; THENCE S01°57'22"W 11.06 FEET TO A POINT OF CURVE RIGHT; THENCE ALONG THE CURVE RIGHT (CENTRAL ANGLE = 19°12'27", RADIUS = 100.00 FEET, LONG CHORD BEARS S11°33'36"W 33.37 FEET) 33.52 FEET TO A POINT OF CURVE LEFT; THENCE ALONG THE CURVE LEFT (CENTRAL ANGLE = 19°12'26", RADIUS = 80.00 FEET, LONG CHORD BEARS S11°33'37"W 26.69 FEET) 26.82 FEET TO A POINT; THENCE S01°57'24"W 40.01 FEET TO A POINT OF CURVE RIGHT; THENCE ALONG THE CURVE RIGHT (CENTRAL ANGLE = 87°58'13", RADIUS = 5.18 FEET, LONG CHORD BEARS S45°56'23"W 7.19 FEET) 7.95 FEET TO A POINT; THENCE S01°57'24"W 500.76 FEET TO THE NORTH RIGHT OF WAY LINE OF 19TH AVENUE (RIGHT OF WAY WIDTH OF 60 FEET); THENCE ALONG SAID NORTH RIGHT OF WAY LINE OF 19TH AVENUE N87°55'57"W 330.00 FEET TO A POINT ON A LINE BETWEEN THE EAST 1/2 AND THE WEST 1/2 OF THE WILLIAMS CATCHING DLC NO. 38 AND AN ANGLE POINT OF NORTH RIGHT OF WAY LINE OF 19TH AVENUE ; THENCE ALONG SAID DLC S01°57'24"W 5.00 FEET TO THE NORTH RIGHT OF WAY LINE OF 19TH AVENUE (RIGHT OF WAY WIDTH OF 50 FEET); THENCE ALONG SAID NORTH RIGHT OF WAY LINE OF 19TH AVENUE N88°21'24"W 672.08 FEET TO THE SOUTHWEST CORNER THAT PROPERTY DESCRIBED IN REAL ESTATE CONTRACT M. JAMES DOYLE AND CECILE A. DOYLE, RECORDED JANUARY 8, 1981 AS DOCUMENT NO. 81000839, WASHINGTON COUNTY RECORDS; THENCE N72°22'03"W 31.14 FEET TO THE NORTHEAST CORNER OF THAT PROPERTY DESCRIBED IN RELINQUISHMENT OF TITLE DEED TO THE CITY OF FOREST GROVE, RECORDED MARCH 20, 1978 AS DOCUMENT NO. 78-13548, WASHINGTON COUNTY RECORDS; THENCE ALONG THE NORTH LINE OF SAID RELINQUISHMENT OF TITLE DEED N88°12'24"W 312.13 FEET TO A POINT OF INTERSECTION OF PROJECTED WESTERLY EXTENSION OF SAID NORTH LINE OF RELINQUISHMENT OF TITLE DEED AND THE WEST RIGHT OF WAY LINE OF TUALATIN VALLEY HIGHWAY (RIGHT OF WAY WIDTH VARIES) ; THENCE ALONG SAID WEST RIGHT OF WAY LINE OF TUALATIN VALLEY HIGHWAY S13°21'25"W 81.88 FEET TO THE SOUTHEAST CORNER OF THAT PROPERTY DESCRIBED IN WARRANTY DEED TO NEW ALBERTSONS, INC., RECORDED JUNE 12, 2006 AS DOCUMENT NO. 2006-069418, WASHINGTON COUNTY RECORDS; THENCE ALONG THE SOUTH LINE OF SAID WARRANTY DEED N87°52'39"W 311.25 FEET TO THE SOUTHWEST CORNER OF SAID WARRANTY DEED AND THE EAST RIGHT OF WAY LINE OF POPLAR STREET (RIGHT OF WAY WIDTH OF 40 FEET); THENCE



ALONG THE WEST LINE OF SAID PARCEL 1, N02°02'02"E 39.84 FEET TO THE NORTHWEST CORNER OF SAID PARCEL 1; THENCE ALONG THE NORTH LINE OF SAID PARCEL 1, S88°13'43"E 225.16 FEET TO A POINT ON THE WEST LINE OF LOT 32, VANDERVELDEN TRACTS-NO.2, WASHINGTON COUNTY PLAT RECORDS; THENCE ALONG THE WEST LINE OF SAID LOT 32, N01°53'18"E 18.90 FEET TO THE NORTHWEST CORNER OF SAID LOT 32; THENCE ALONG THE NORTH LINE OF SAID LOT 32 AND LOT 23 OF SAID VANDERVELDEN TRACTS-NO.2, S88°03'51"E 451.01 FEET TO THE NORTHEAST CORNER OF SAID LOT 23; THENCE ALONG THE EAST LINE OF SAID LOT 23, S01°57'09"W 19.73 FEET TO THE SOUTHWEST CORNER OF CONDONETT CONDOMINIUM, WASHINGTON COUNTY PLAT RECORDS; THENCE ALONG THE SOUTH LINE OF SAID CONDONETT CONDOMINIUM AND ALONG THE SOUTH LINE OF THE FOLLOWING PROPERTIES: STATUTORY WARRANTY DEED TO EVENS ENTERPRISES, LLC, AN OREGON LIMITED LIABILITY COMPANY, RECORDED JULY 22, 2005 AS DOCUMENT NO. 2005-086138, WASHINGTON COUNTY RECORDS, QUITCLAIM DEED TO MEYER M. SOROUDI AND JUDITH L. SOROUDI, RECORDED MARCH 2, 2010 AS DOCUMENT NO. 2010-015975, WASHINGTON COUNTY RECORDS, PERSONAL REPRESENTATIVE'S DEED TO LOUIS D. PECKHAM AND ADELLE H. PECKHAM, THE PECKHAM TRUST, RECORDED JULY 29, 2011 AS DOCUMENT NO. 2011-052269, WASHINGTON COUNTY RECORDS S88°04'19"E 667.31 FEET TO THE NORTHWEST CORNER OF PARCEL 4 OF THAT PROPERTY DESCRIBED IN BARGAIN AND SALE DEED TO LL&S HEALTHCARE, LLC, AN OREGON LIMITED LIABILITY COMPANY, RECORDED AUGUST 11, 2005 AS DOCUMENT NO. 2005-095864, WASHINGTON COUNTY RECORDS; THENCE ALONG THE WEST LINE OF SAID PARCEL 4 IN BARGAIN AND SALE DEED S01°56'08"W 105.27 FEET TO THE MOST WESTERLY SOUTHWEST CORNER OF PARCEL 4 OF SAID BARGAIN AND SALE DEED; THENCE ALONG THE PROJECTED EASTERLY EXTENSION OF THE SOUTH LINE (BEING 250 FEET NORTH OF THE MOST SOUTH LINE OF SAID PARCEL 4) IN BARGAIN AND SALE DEED S88°04'17"E 170.61 FEET TO A POINT ON THE EAST LINE OF SAID PARCEL 4 IN BARGAIN AND SALE DEED; THENCE ALONG SAID EAST LINE N02°11'32"E 104.86 FEET TO AN ANGLE POINT IN SAID BARGAIN AND SALE DEED; THENCE ALONG THE SOUTH LINE OF SAID BARGAIN AND SALE DEED S88°19'57"E 112.90 FEET TO THE SOUTHEAST CORNER THEREOF AND THE WEST RIGHT OF WAY LINE OF OAK STREET (RIGHT OF WAY WIDTH IS 66 FEET); THENCE ALONG SAID WEST RIGHT OF WAY LINE S01°59'24"W 345.43 FEET TO THE INTERSECTION OF THE WEST RIGHT OF WAY LINE OF OAK STREET (RIGHT OF WAY WIDTH OF 66 FEET) AND THE NORTH RIGHT OF WAY LINE OF THE TUALATIN VALLEY HIGHWAY (RIGHT OF WAY WIDTH OF 120 FEET) ; THENCE ALONG SAID NORTH RIGHT OF WAY LINE OF THE TUALATIN VALLEY HIGHWAY S88°09'46"E 17.30 FEET TO A POINT OF CURVE LEFT; THENCE ALONG THE CURVE LEFT (CENTRAL ANGLE = 4°46'00", RADIUS = 3759.70 FEET, LONG CHORD BEARS N89°27'14"E 312.69 FEET) 312.78 FEET TO A POINT; THENCE CONTINUING ALONG SAID NORTH RIGHT OF WAY LINE N87°04'14"E 163.71 FEET TO A POINT OF CURVE RIGHT; THENCE ALONG THE CURVE RIGHT (CENTRAL ANGLE = 4°44'59", RADIUS = 3893.12 FEET, LONG CHORD BEARS N89°26'43"E 322.64 FEET) 322.73 FEET TO A POINT; THENCE CONTINUING ALONG SAID NORTH RIGHT OF WAY LINE S88°10'47"E 223.58 FEET TO THE INTERSECTION OF THE EAST RIGHT OF WAY LINE OF QUINCE STREET (RIGHT OF WAY WIDTH OF 63 FEET) AND THE NORTH RIGHT OF WAY LINE OF THE TUALATIN VALLEY HIGHWAY (RIGHT OF WAY WIDTH VARIES) ; THENCE ALONG SAID EAST RIGHT OF WAY LINE N03°01'54"E 115.64 FEET TO AN ANGLE POINT IN THE EAST RIGHT OF WAY LINE; THENCE S86°58'06"E 3.00 FEET (RIGHT OF WAY WIDTH OF 66 FEET); THENCE ALONG SAID EAST RIGHT OF WAY LINE N03°01'54"E 192.02 FEET; THENCE N86°58'06"W 3.00 FEET TO (RIGHT OF WAY WIDTH OF 63 FEET); THENCE ALONG SAID EAST RIGHT OF WAY LINE N03°01'54"E 153.23 FEET TO THE SOUTHWEST CORNER



CEDAR STREET AND THE SOUTH RIGHT OF WAY LINE OF 21ST AVENUE (BOTH RIGHT OF WAY WIDTHS ARE 66 FEET BY PLAT); THENCE ALONG SAID SOUTH RIGHT OF WAY LINE OF 21ST AVENUE S87°52'43"E 468.60 FEET THE NORTHWEST CORNER OF BLOCK 11, TOWN OF FOREST GROVE, AND THE INTERSECTION OF SAID SOUTH RIGHT OF WAY LINE OF 21ST AVENUE AND THE EAST RIGHT OF WAY LINE OF DOUGLAS STREET (BOTH RIGHT OF WAY WIDTHS ARE 66 FEET BY PLAT); THENCE LEAVING THE NORTH LINE OF THE TOWN OF FOREST GROVE ALONG SAID EAST RIGHT OF WAY LINE OF DOUGLAS STREET N02°07'17"E 120.02 FEET TO THE SOUTHERLY RIGHT OF WAY LINE OF THE BURLINGTON NORTHERN RAILROAD (SAID RIGHT OF WAY WIDTH IS 60 FEET); THENCE ALONG SAID SOUTHERLY RIGHT OF WAY LINE OF THE BURLINGTON NORTHERN RAILROAD N57°45'20"E 846.15 FEET TO A POINT OF CURVE RIGHT; THENCE ALONG THE CURVE RIGHT (CENTRAL ANGLE=15°09'37", RADIUS=2834.93 FEET, LONG CHORD BEARS N65°20'09"E 747.93 FEET) 750.11 FEET TO A POINT OF INTERSECTION OF SAID SOUTHERLY RIGHT OF WAY LINE OF THE BURLINGTON NORTHERN RAILROAD AND THE WEST RIGHT OF WAY LINE OF HAWTHORNE STREET BOTH RIGHT OF WAY (WIDTHS ARE 60 FEET); THENCE ALONG SAID WEST RIGHT OF WAY LINE OF HAWTHORNE STREET S02°19'03"W 365.10 FEET TO AN ANGLE POINT AND THE BEGINNING OF A (VARIABLE RIGHT OF WAY WIDTH); THENCE CONTINUING ALONG SAID WEST RIGHT OF WAY LINE OF HAWTHORNE STREET S05°08'03"W 428.07 TO A POINT OF INTERSECTION OF SAID WEST RIGHT OF WAY LINE OF HAWTHORNE STREET AND THE PROJECTION WESTERLY EXTENSION OF THE SOUTH LINE OF THAT TRACT OF LAND DESCRIBED IN WARRANTY DEED TO WILLIAM F. GULACY AND TRACY A. GULACY, RECORDED JULY 20, 1998 AS DOCUMENT NO. 98079019, WASHINGTON COUNTY RECORDS; THENCE ALONG SAID WESTERLY EXTENSION OF THE SOUTH LINE AND THE SOUTH LINE OF SAID WARRANTY DEED S88°21'35"E 283.45 FEET TO A POINT ON THE WEST LINE OF LOT 5, BLOCK 4, MAYWOOD PARK, WASHINGTON COUNTY PLAT RECORDS; THENCE ALONG SAID WEST LINE OF LOT 5, S01°27'05"W 20.00 FEET TO THE SOUTHWEST CORNER OF SAID LOT 5; THENCE ALONG THE SOUTH LINE OF SAID MAYWOOD PARK S88°21'35"E 411.44 FEET TO THE SOUTHEAST CORNER OF SAID MAYWOOD PARK; THENCE ALONG THE WEST LINE OF THAT PROPERTY DESCRIBED IN WARRANTY DEED TO WILLOW PARK LIMITED PARTNERSHIP, AN OREGON LIMITED PARTNERSHIP, RECORDED NOVEMBER 8, 1997 AS DOCUMENT NO. 97104598, WASHINGTON COUNTY RECORDS, S02°02'01"W 111.42 FEET TO THE NORTHWEST CORNER OF THAT PROPERTY DESCRIBED IN STATUTORY WARRANTY DEED TO MUNE LOUIE AND ANGELA LOUIE, RECORDED JULY 12, 2006 AS DOCUMENT NO. 2006-082350, WASHINGTON COUNTY RECORDS; THENCE ALONG THE NORTH LINE OF SAID STATUTORY WARRANTY DEED S88°03'11"E 133.57 FEET TO A POINT ON THE WEST LINE OF THAT PROPERTY DESCRIBED IN BARGAIN AND SALE DEED TO HAMPTON CENTER, LLC, AN OREGON LIMITED LIABILITY COMPANY, RECORDED APRIL 7, 2008 AS DOCUMENT NO. 2008-031222, WASHINGTON COUNTY RECORDS; THENCE ALONG THE WEST LINE OF SAID BARGAIN AND SALE DEED N02°02'01"E 32.80 FEET TO THE NORTHWEST CORNER OF SAID BARGAIN AND SALE DEED; THENCE ALONG THE NORTH LINE OF SAID BARGAIN AND SALE DEED S88°03'11"E 163.57 FEET TO A POINT ON THE WEST LINE OF THAT PROPERTY DESCRIBED IN STATUTORY WARRANTY DEED TO GOODWILL INDUSTRIES OF THE COLUMBIA WILLAMETTE, AN OREGON NON-PROFIT CORPORATION, RECORDED APRIL 30, 1998 AS DOCUMENT NO. 98045010, WASHINGTON COUNTY RECORDS; THENCE ALONG THE WEST LINE OF SAID STATUTORY WARRANTY DEED N02°02'01"E 86.69 FEET TO THE NORTHWEST CORNER OF SAID STATUTORY WARRANTY DEED; THENCE ALONG THE NORTH LINE SAID STATUTORY WARRANTY DEED S87°57'43"E 267.15 FEET TO A POINT ON THE WEST LINE OF PARCEL 1, PARTITION PLAT NO. 1999-041, WASHINGTON COUNTY PLAT RECORDS; THENCE





Harper
Houf Peterson
Righellis Inc.

ENGINEERS ♦ PLANNERS
LANDSCAPE ARCHITECTS ♦ SURVEYORS

LEGAL DESCRIPTION

CITY OF FOREST GROVE URBAN RENEWAL BOUNDARY

A TRACT OF LAND IN THE CITY OF FOREST GROVE, WASHINGTON COUNTY, OREGON, BEING PART OF THE RECORDED PLAT OF THE "TOWN OF FOREST GROVE" AND OTHER LANDS, IN SECTION 31, TOWNSHIP 1 NORTH, RANGE 3 WEST, SECTION 36, TOWNSHIP 1 NORTH, RANGE 4 WEST, SECTION 6, TOWNSHIP 1 SOUTH, RANGE 3 WEST AND SECTION 1, TOWNSHIP 1 SOUTH, RANGE 4 WEST, WILLAMETTE MERIDIAN, THE BOUNDARY OF WHICH IS MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF BLOCK 3, TOWN OF FOREST GROVE, WASHINGTON COUNTY PLAT RECORDS, BEING SOUTH 33.00 FEET FROM THE NORTHWEST CORNER HARVEY CLARK DONATION LAND CLAIM NO. 37, SAID POINT BEING THE INTERSECTION OF SAID EAST RIGHT OF WAY OF "B" STREET AND THE SOUTH RIGHT OF WAY OF 21ST AVENUE (BOTH RIGHT OF WAY WIDTHS ARE 66 FEET BY PLAT); THENCE ALONG SAID SOUTH RIGHT OF WAY LINE OF 21ST AVENUE, S87°52'43"E 458.04 FEET TO THE NORTHWEST CORNER OF BLOCK 2, OF SAID TOWN OF FOREST GROVE SAID POINT BEING THE INTERSECTION OF THE SOUTH RIGHT OF WAY OF 21ST AVENUE AND THE EAST RIGHT OF WAY OF "A" STREET (BOTH RIGHT OF WAY WIDTHS ARE 66 FEET BY PLAT); THENCE ALONG THE EAST RIGHT OF WAY OF "A" STREET N02°07'17"E 468.60 FEET TO A POINT 19.8 FEET EAST OF THE NORTHWEST CORNER OF BLOCK 2, WALKER'S ADDITION, WASHINGTON COUNTY PLAT RECORDS, SAID POINT BEING THE INTERSECTION OF THE EAST RIGHT OF WAY LINE OF "A" STREET AND THE SOUTH RIGHT OF WAY LINE OF 22ND AVENUE (BOTH RIGHT OF WAY WIDTHS ARE 66 FEET BY PLAT); THENCE ALONG SAID SOUTH RIGHT OF WAY LINE OF 22ND AVENUE S87°52'43"E 402.60 FEET TO THE NORTHEAST CORNER OF BLOCK 2, OF SAID WALKER'S ADDITION AND THE INTERSECTION OF SAID SOUTH RIGHT OF WAY LINE OF 22ND AVENUE AND THE WEST RIGHT OF WAY LINE OF MAIN STREET (BOTH RIGHT OF WAY WIDTHS ARE 66 FEET BY PLAT); THENCE ALONG SAID WEST RIGHT OF WAY LINE OF MAIN STREET, S02°07'17"W 402.60 FEET TO THE SOUTHEAST CORNER OF SAID BLOCK 2, WALKER'S ADDITION AND THE INTERSECTION OF SAID WEST RIGHT OF WAY LINE OF MAIN STREET AND THE NORTH RIGHT OF WAY LINE OF 21ST AVENUE (BOTH RIGHT OF WAY WIDTHS ARE 66 FEET BY PLAT); THENCE ALONG SAID NORTH RIGHT OF WAY LINE OF 21ST AVENUE S87°52'43"E 267.30 FEET TO THE SOUTHEAST CORNER OF BLOCK 1, WALKER'S ADDITION AND THE INTERSECTION OF SAID NORTH RIGHT OF WAY LINE OF 21ST AVENUE AND THE WEST RIGHT OF WAY LINE OF COLLEGE WAY (BOTH RIGHT OF WAY WIDTHS ARE 66 FEET BY PLAT); THENCE ALONG SAID WEST RIGHT OF WAY LINE OF COLLEGE WAY S02°07'17"W 468.60 FEET TO THE SOUTHEAST CORNER OF BLOCK 1, TOWN OF FOREST GROVE, AND THE INTERSECTION OF SAID WEST RIGHT OF WAY LINE OF COLLEGE WAY AND THE NORTH RIGHT OF WAY OF PACIFIC AVENUE (BOTH RIGHT OF WAY WIDTHS ARE 66 FEET BY PLAT); THENCE ALONG SAID NORTH RIGHT OF WAY LINE OF PACIFIC AVENUE S87°52'43"E 1204.50 FEET TO THE SOUTHWEST CORNER OF BLOCK 10, TOWN OF FOREST GROVE AND THE INTERSECTION OF SAID NORTH RIGHT OF WAY LINE OF PACIFIC AVENUE AND THE EAST RIGHT OF WAY LINE OF CEDAR STREET (BOTH RIGHT OF WAY WIDTHS ARE 66 FEET BY PLAT); THENCE ALONG SAID EAST RIGHT OF WAY LINE OF CEDAR STREET N02°07'17"E 402.60 FEET TO THE NORTHWEST CORNER OF SAID BLOCK 10 AND THE INTERSECTION OF SAID EAST RIGHT OF WAY LINE OF

APPENDIX 2

division of taxes exceeds three percent of the maximum indebtedness in effect for the plan immediately after the first amendment made after June 1, 2008, to increase maximum indebtedness takes effect, the agency shall notify the assessor pursuant to ORS 457.440 (2)(d) to compute the division of taxes for the urban renewal area using an assessed value that is the sum of:

(A) The amount of assessed value the agency estimates will produce division of tax revenues equal to the greater of:

(i) The transition amount; or

(ii) Three percent of the maximum indebtedness in effect for the plan immediately after the first amendment made after June 1, 2008, to increase maximum indebtedness takes effect; and

(B) 75 percent of the amount by which the assumed increment exceeds the assessed value of the increment the agency estimates will produce division of tax revenues equal to the greater of:

(i) The transition amount; or

(ii) Three percent of the maximum indebtedness in effect for the plan immediately after the first amendment made after June 1, 2008, to increase maximum indebtedness takes effect.

(e)(A) To the extent permitted by law, a plan amendment described in this subsection shall provide direct economic benefits to the county in which the plan's urban renewal area is located in the following amounts:

(i) If the plan is substantially amended to increase maximum indebtedness by \$343,719,650 or more, at least \$35,000,000.

(ii) If the plan is amended to increase maximum indebtedness by less than \$343,719,650, no less than 10.18 percent of any increase in maximum indebtedness.

(B) Benefits required under subparagraph (A) of this paragraph shall be paid as follows:

(i) \$10,000,000 no later than June 30, 2014; and

(ii) The balance no later than June 30, 2021.

(11)(a) The Director of the Department of Revenue shall adopt rules necessary to apportion assessed value among tax code areas in an urban renewal area for which the urban renewal agency has notified the assessor pursuant to this section or ORS 457.440 (2)(d) or 457.455 to compute the division of taxes.

(b) The director may adopt any rule necessary or convenient for the imposition and collection of taxes under this section or ORS 457.455.

(12) The taxing districts affected by the urban renewal plan and the urban renewal agency are not liable for any amount by which amounts intended to be collected pursuant to this section differ from the targeted amounts in subsections (2) to (5) of this section. The sole remedy for any difference is the agency's modification of assessed value in subsequent years' notices as provided in subsections (2)(d), (3)(d), (4)(e) and (5)(f) of this section. [2009 c.700 §10]

ALONG SAID EAST RIGHT OF WAY LINE OF POPLAR STREET N02°02'55"E 78.86 FEET TO THE INTERSECTION OF SAID EAST RIGHT OF WAY LINE OF POPLAR STREET (RIGHT OF WAY WIDTH OF 40 FEET) AND THE PROJECTED EASTERLY EXTENSION OF NORTH RIGHT OF WAY LINE OF 19TH AVENUE (RIGHT OF WAY WIDTH OF 60 FEET); THENCE ALONG SAID NORTH RIGHT OF WAY LINE OF 19TH AVENUE N88°06'07"W 444.00 FEET TO THE SOUTHWEST CORNER OF LOT 6, ERBVALE, WASHINGTON COUNTY PLAT, RECORDS AT THE INTERSECTION OF THE NORTH RIGHT OF WAY LINE OF 19TH AVENUE AND THE EAST RIGHT OF WAY LINE OF OAK STREET (BOTH RIGHT OF WAY WIDTHS 60 FEET); THENCE ALONG SAID EAST RIGHT OF WAY LINE OF OAK STREET N02°01'53"E 116.80 FEET TO THE NORTHWEST CORNER OF LOT 7 OF SAID PLAT; THENCE THE PROJECTED EASTERLY EXTENSION OF SOUTH LINE OF LOT 4 OF SAID PLAT AND CROSSES OAK STREET N88°06'07"W 190.00 FEET TO THE SOUTHWEST CORNER OF SAID LOT 4 AND THE WEST BOUNDARY OF ERBVALE; THENCE ALONG THE WEST LINE OF SAID LOT 4 N02°01'53"E 120.00 FEET TO THE SOUTHEAST CORNER OF THAT PROPERTY DESCRIBED IN STATUTORY WARRANTY DEED TO FOREST GROVE MINI STORAGE, LLC, RECORDED NOVEMBER 1, 2012 AS DOCUMENT NO. 2012-093012, WASHINGTON COUNTY RECORDS; THENCE ALONG THE SOUTH LINE OF SAID STATUTORY WARRANTY DEED N88°03'13"W 335.38 FEET TO THE NORTHEAST CORNER OF RUBY'S ADDITION (VACATED), WASHINGTON COUNTY PLAT RECORDS; THENCE ALONG SAID NORTH LINE OF RUBY'S ADDITION (VACATED) N88°50'17"W 343.51 FEET TO THE WEST RIGHT OF WAY LINE OF MAPLE STREET BEING THE INTERSECTION OF THE PROJECTION WESTERLY EXTENSION OF THE NORTH LINE OF RUBY'S ADDITION (VACATED) AND THE WEST RIGHT OF WAY LINE OF MAPLE STREET (RIGHT OF WAY WIDTH OF 60 FEET); THENCE S02°25'04"W 232.68 FEET ALONG SAID WEST RIGHT OF WAY LINE OF MAPLE STREET TO THE SOUTHEAST CORNER OF LOT 17, VANDERVELDEN TRACTS, WASHINGTON COUNTY PLAT RECORDS, AND THE INTERSECTION OF THE WEST RIGHT OF WAY LINE OF MAPLE STREET (RIGHT OF WAY WIDTH OF 60 FEET) AND THE NORTH RIGHT OF WAY LINE OF 19TH AVENUE (RIGHT OF WAY WIDTH OF 66 FEET); THENCE ALONG SAID NORTH RIGHT OF WAY LINE OF 19TH AVENUE N88°06'07"W 518.98 FEET TO THE INTERSECTION OF THE PROJECTED NORTHERLY EXTENSION OF THE EAST LINE OF THAT PROPERTY DESCRIBED IN STATUTORY WARRANTY DEED TO ELLIOTT D. HORNE AND MELISSA D. HORNE, RECORDED JANUARY 29, 1999 AS DOCUMENT NO. 99011958, WASHINGTON COUNTY RECORDS, AND SAID NORTH RIGHT OF WAY LINE OF 19TH AVENUE; THENCE S02°06'50"W 284.24 FEET ALONG SAID EAST LINE OF SAID STATUTORY WARRANTY DEED AND THE EAST LINE OF THAT PROPERTY DESCRIBED IN QUITCLAIM DEED TO FOREST GROVE VILLA LLC, RECORDED OCTOBER 29, 2007 AS DOCUMENT NO. 2007-113946, WASHINGTON COUNTY RECORDS, TO THE SOUTHEAST CORNER OF SAID QUITCLAIM DEED; THENCE ALONG THE SOUTH LINE OF THE FOLLOWING PROPERTIES: IN QUITCLAIM DEED TO FOREST GROVE VILLA LLC, RECORDED OCTOBER 29, 2007 AS DOCUMENT NO. 2007-113946, STATUTORY BARGAIN AND SALE DEED JOSE ARCIGA APARTMENTS, LIMITED PARTNERSHIP, RECORDED AUGUST 22, 2000 AS DOCUMENT NO. 2000067461 AND QUITCLAIM DEED TO DEAN CHAPMAN AND RENEE M. WRIGHT, RECORDED APRIL 20, 2012 AS DOCUMENT NO. 2012-031689, ALL IN THE WASHINGTON COUNTY RECORDS, N88°06'09"W 294.43 FEET TO THE SOUTHWEST CORNER OF SAID QUITCLAIM DEED; THENCE ALONG THE WEST LINE OF SAID QUITCLAIM DEED N01°53'51"E 14.75 FEET TO THE SOUTHEAST CORNER OF THAT PROPERTY DESCRIBED IN STATUTORY WARRANTY DEED TO JOSE ARCIGA APARTMENTS LTD., PARTNERSHIP, RECORDED AUGUST 15, 2000 AS DOCUMENT NO. 2000065026, WASHINGTON COUNTY RECORDS; THENCE ALONG THE SOUTH LINE OF THE FOLLOWING PROPERTIES: STATUTORY WARRANTY DEED TO JOSE ARCIGA APARTMENTS LTD., PARTNERSHIP, RECORDED AUGUST

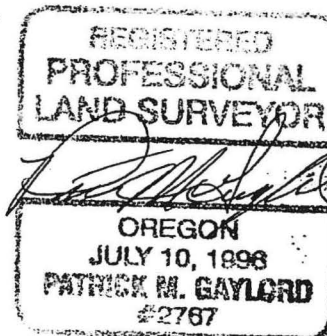


15, 2000 AS DOCUMENT NO. 2000065026, SPECIAL WARRANTY DEED TO RENE CHANCO AND CARLA ANN CHANCO, RECORDED NOVEMBER 13, 1991 AS DOCUMENT NO. 91063013 AND WARRANTY DEED TO ROY MATEO, RECORDED JUNE 29, 1993 AS DOCUMENT NO. 93051230, ALL IN THE WASHINGTON COUNTY RECORDS, N88°06'09"W 289.31 FEET TO THE SOUTHWEST CORNER OF SAID WARRANTY DEED AND A POINT ON THE EAST LINE OF PARCEL 1, PARTITION PLAT NO. 1998-066, WASHINGTON COUNTY PLAT RECORDS; THENCE ALONG THE EAST LINE SAID PARCEL 1, S02°23'03"W 105.00 FEET TO THE SOUTHEAST CORNER OF SAID PARCEL 1; THENCE ALONG THE SOUTH LINE OF SAID PARCEL 1, N88°06'20"W 75.00 FEET TO THE SOUTHWEST CORNER OF SAID PARCEL 1; THENCE ALONG THE WEST LINE OF SAID PARCEL 1, N02°23'03"E 21.00 FEET TO THE SOUTHEAST CORNER OF THAT PROPERTY DESCRIBED IN , QUITCLAIM DEED TO FULTEN FAMILY PARTNERSHIP, LIMITED PARTNERSHIP, RECORDED SEPTEMBER 1, 1995 AS DOCUMENT NO. 95062473, WASHINGTON COUNTY RECORDS; THENCE ALONG THE SOUTH LINE OF SAID QUITCLAIM DEED AND THE SOUTH LINE OF THAT PROPERTY DESCRIBED IN BARGAIN AND SALE DEED TO SUPERIOR BARON PROPERTIES, LLC AN OREGON LIMITED LIABILITY COMPANY, RECORDED SEPTEMBER 28, 2009 AS DOCUMENT NO. 2009-086797, WASHINGTON COUNTY RECORDS N88°06'09"W 324.17 FEET TO THE SOUTHWEST CORNER OF SAID BARGAIN AND SALE DEED; THENCE ALONG THE WEST LINE OF SAID BARGAIN AND SALE DEED N02°23'03"E 70.04 FEET TO THE SOUTHEAST CORNER OF THAT PROPERTY DESCRIBED IN BARGAIN AND SALE DEED TO FOREST GROVE REAL ESTATE, LLC, RECORDED DECEMBER 8, 2007 AS DOCUMENT NO. 2007-125457, WASHINGTON COUNTY RECORDS; THENCE ALONG THE SOUTH LINE OF SAID BARGAIN AND SALE DEED AND THE SOUTH LINE OF THAT PROPERTY DESCRIBED IN BARGAIN AND SALE DEED TO MAYGER ALLIANCE GROUP LLC AND JUSTIN TIRET, RECORDED SEPTEMBER 3, 2009 AS DOCUMENT NO. 2009-080673, WASHINGTON COUNTY RECORDS N88°10'20"W 499.44 FEET TO THE SOUTHWEST CORNER OF SAID DOCUMENT NO. 2009-080673 AND A POINT ON THE EAST RIGHT OF WAY LINE OF HAWTHORNE STREET (RIGHT OF WAY WIDTH OF 66 FEET); THENCE CROSSING HAWTHORNE STREET N73°43'41"W 68.07 FEET TO THE SOUTHEAST CORNER OF LOT 2, BLOCK 17, OF SAID TOWN OF FOREST GROVE; THENCE ALONG THE SOUTH LINE OF SAID LOT 2, N87°52'43"W 201.30 FEET TO THE SOUTHWEST CORNER OF SAID LOT 2; THENCE ALONG THE WEST LINE OF SAID LOT 2, N02°07'17"E 50.00 FEET TO THE NORTHEAST CORNER OF THAT PROPERTY DESCRIBED IN WARRANTY DEED TO KEVIN J. STUDER AND MARY E. STUDER, RECORDED OCTOBER 3, 1988 AS DOCUMENT NO. 88-43847, WASHINGTON COUNTY RECORDS; THENCE ALONG THE NORTH LINE OF SAID WARRANTY DEED N87°52'43"W 101.30 FEET TO THE NORTHWEST CORNER OF SAID WARRANTY DEED; THENCE ALONG THE WEST LINE OF SAID WARRANTY DEED S02°07'17"W 50.00 FEET TO A POINT ON THE SOUTH LINE OF LOT 3, BLOCK 17, OF SAID TOWN OF FOREST GROVE; THENCE ALONG THE SOUTH LINE OF SAID LOT 3, N87°52'43"W 100.00 FEET TO THE SOUTHWEST CORNER THEREOF AND THE EAST RIGHT OF WAY LINE OF FILBERT STREET (RIGHT OF WAY WIDTH OF 66 FEET); THENCE ALONG THE SOUTH LINE OF LOTS 2 AND 3 IN EACH OF BLOCKS 18, 19, AND 20 OF SAID TOWN OF FOREST GROVE, N87°52'43"W 1471.80 FEET TO THE SOUTHEAST CORNER OF LOT 2, BLOCK 21 OF SAID TOWN OF FOREST GROVE, SAID POINT BEING THE WEST RIGHT OF WAY LINE OF CEDAR STREET (RIGHT OF WAY WIDTH OF 66 FEET); THENCE ALONG SAID WEST RIGHT OF WAY LINE N02°07'17"E 2.20 FEET TO THE NORTHEAST CORNER OF THAT PROPERTY DESCRIBED IN WARRANTY DEED TO RONALD A. WATSON AND CLAUDIA J. WATSON, RECORDED JANUARY 12, 2007 AS DOCUMENT NO. 2007-005127, WASHINGTON COUNTY RECORDS; THENCE ALONG THE NORTH LINE OF SAID IN WARRANTY DEED N87°54'36"W 164.07 FEET TO THE NORTHWEST CORNER OF SAID IN WARRANTY DEED; THENCE ALONG



THE WEST LINE OF SAID WARRANTY DEED S02°08'59"W 2.20 FEET TO THE NORTHEAST CORNER OF PARCEL 2, PARTITION PLAT NO. 1991-079, WASHINGTON COUNTY PLAT RECORDS; THENCE ALONG THE NORTH LINE OF SAID PARCEL 2 N87°52'43"W 99.95 FEET TO THE NORTHWEST CORNER OF SAID PARCEL 2 AND A POINT ON THE EAST LINE OF THAT PROPERTY DESCRIBED IN WARRANTY DEED TO MIRACLES INC. A NEVADA CORPORATION, RECORDED OCTOBER 20, 2005 AS DOCUMENT NO. 2005-131074 WASHINGTON COUNTY RECORDS; THENCE ALONG SAID EAST LINE, N02°07'17"E 51.30 FEET TO THE NORTHEAST CORNER OF THAT PROPERTY DESCRIBED IN SAID DOCUMENT NO. 2005-131074; THENCE ALONG THE NORTH LINE OF SAID DOCUMENT NO. 2005-131074, N87°52'43"W 138.60 FEET TO THE NORTHWEST CORNER OF SAID WARRANTY DEED AND A POINT ON THE EAST RIGHT OF WAY LINE OF BIRCH STREET (RIGHT OF WAY WIDTH OF 66 FEET BY PLAT); THENCE CROSSING BIRCH STREET, S89°44'08"W 66.06 FEET TO THE NORTHEAST CORNER OF PARCEL 1, PARTITION PLAT NO. 1991-019, WASHINGTON COUNTY PLAT RECORDS; THENCE ALONG THE WEST RIGHT OF WAY LINE OF BIRCH STREET S02°07'17"W 59.85 FEET TO THE SOUTHEAST CORNER OF PARCEL 2 OF SAID PLAT NO. 1991-019; THENCE ALONG THE SOUTH LINE OF SAID PARCEL 2, N87°52'43"W 283.50 FEET TO THE SOUTHWEST CORNER THEREOF; THENCE ALONG THE WEST LINE OF SAID PARCEL 2, N02°07'17"E 11.30 FEET TO A POINT ON THE SOUTH LINE OF LOT 3, BLOCK 22, OF SAID TOWN OF FOREST GROVE; THENCE ALONG THE SOUTH LINE OF SAID LOT 3 AND ITS WESTERLY EXTENSION, N87°52'43"W 185.10 FEET TO THE SOUTHEAST CORNER OF SAID LOT 2, BLOCK 23, OF SAID TOWN OF FOREST GROVE AND THE WEST RIGHT OF WAY LINE OF ASH STREET (RIGHT OF WAY WIDTH OF 66 FEET); THENCE S02°07'17"W 201.30 FEET TO THE SOUTHEAST CORNER OF SAID BLOCK 23 AND SAID POINT BEING AT THE INTERSECTION OF THE EAST RIGHT OF WAY LINE OF ASH STREET AND THE NORTH RIGHT OF WAY LINE OF 18TH AVENUE (BOTH RIGHT OF WAY WIDTHS ARE 66 FEET BY PLAT); THENCE ALONG THE SAID NORTH RIGHT OF WAY LINE OF 18TH AVENUE, N87°52'43"W 1798.74 FEET TO THE SOUTHWEST CORNER OF LOT 15, PROSPECT PARK, WASHINGTON COUNTY PLAT RECORDS, SAID POINT BEING AT THE INTERSECTION OF THE NORTH RIGHT OF WAY LINE OF 18TH AVENUE AND THE EAST RIGHT OF WAY LINE OF "C" STREET (BOTH RIGHT OF WAY WIDTHS ARE 66 FEET BY PLAT); THENCE ALONG SAID EAST RIGHT OF WAY LINE OF "C" STREET N02°07'17"E 402.60 FEET, TO THE INTERSECTION OF THE EAST RIGHT OF WAY LINE OF "C" STREET AND THE SOUTH RIGHT OF WAY LINE OF 19TH AVENUE (BOTH RIGHT OF WAY WIDTHS ARE 66 FEET BY PLAT); THENCE ALONG SAID SOUTH RIGHT OF WAY LINE OF 19TH AVENUE, S87°52'43"E 200.00 FEET TO A POINT ON THE EAST LINE OF LOT 10 OF SAID PROSPECT PARK; THENCE ALONG SAID EAST LINE OF LOT 10, N02°07'17"E 10.00 FEET TO A POINT ON THE SOUTH RIGHT OF WAY LINE OF 19TH AVENUE BEING A (RIGHT OF WAY WIDTH OF 56 FEET); THENCE CONTINUING ALONG SAID RIGHT OF WAY LINE OF 19TH AVENUE, S87°52'43"E 269.50 FEET TO THE INTERSECTION OF THE SOUTH RIGHT OF WAY LINE OF 19TH AVENUE (RIGHT OF WAY WIDTH OF 56 FEET) AND THE EAST RIGHT OF WAY LINE OF "B" STREET (RIGHT OF WAY WIDTH OF 66 FEET BY PLAT); THENCE ALONG SAID EAST RIGHT OF WAY OF "B" STREET, N02°07'17"E 927.20 FEET TO THE POINT OF BEGINNING.

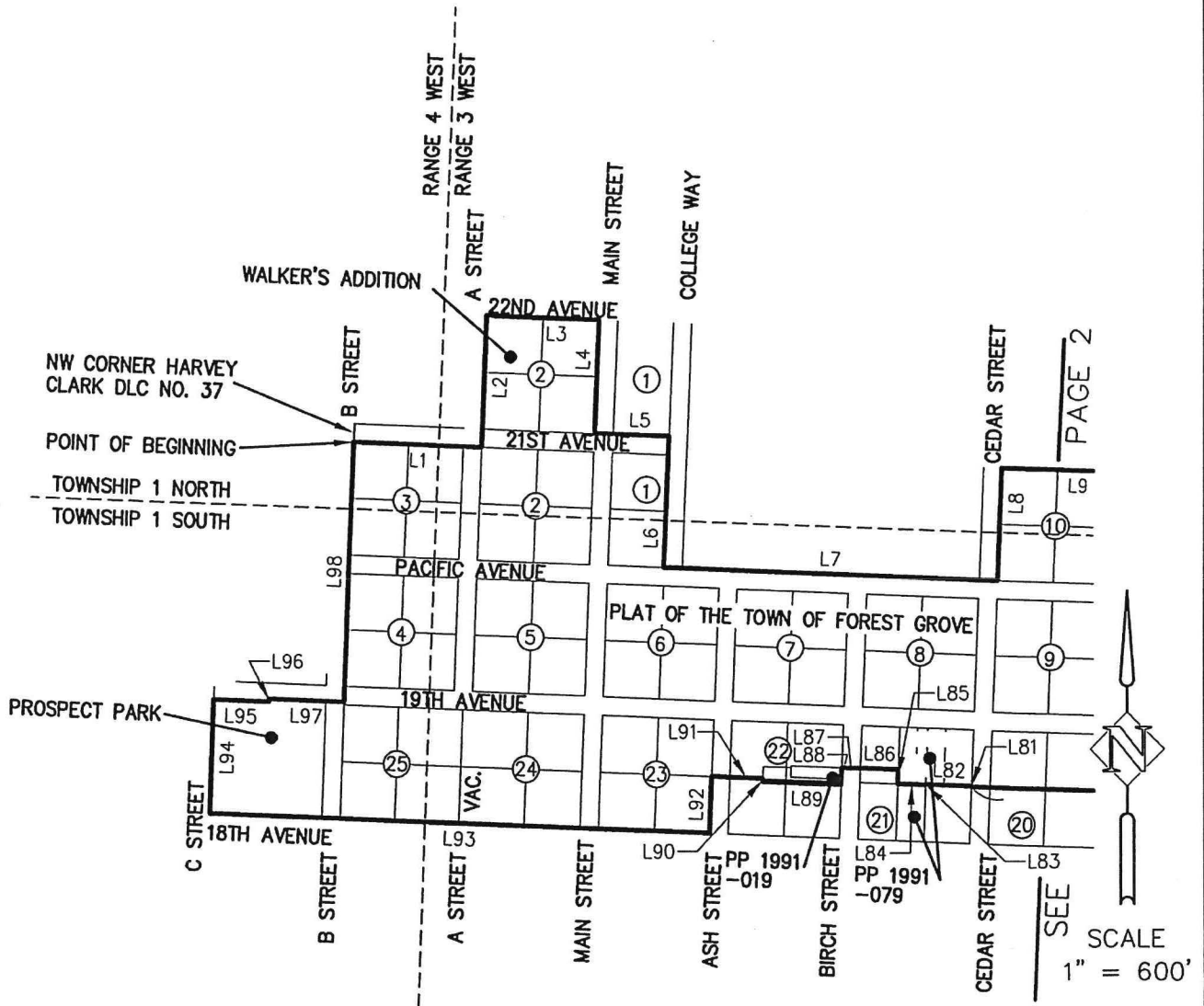
CONTAINING 248.3 ACRES MORE OR LESS.

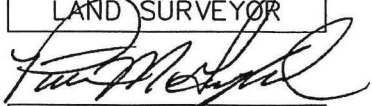


Renewed Through 6/30/2013



EXHIBIT "B"
THE CITY OF FOREST GROVE
URBAN RENEWAL BOUNDARY



REGISTERED
 PROFESSIONAL
 LAND SURVEYOR

 OREGON
 JULY 10, 1996
 PATRICK M. GAYLORD
 2767

EXPIRES 06-30-13

SEE ATTACHED
 LEGAL DESCRIPTION



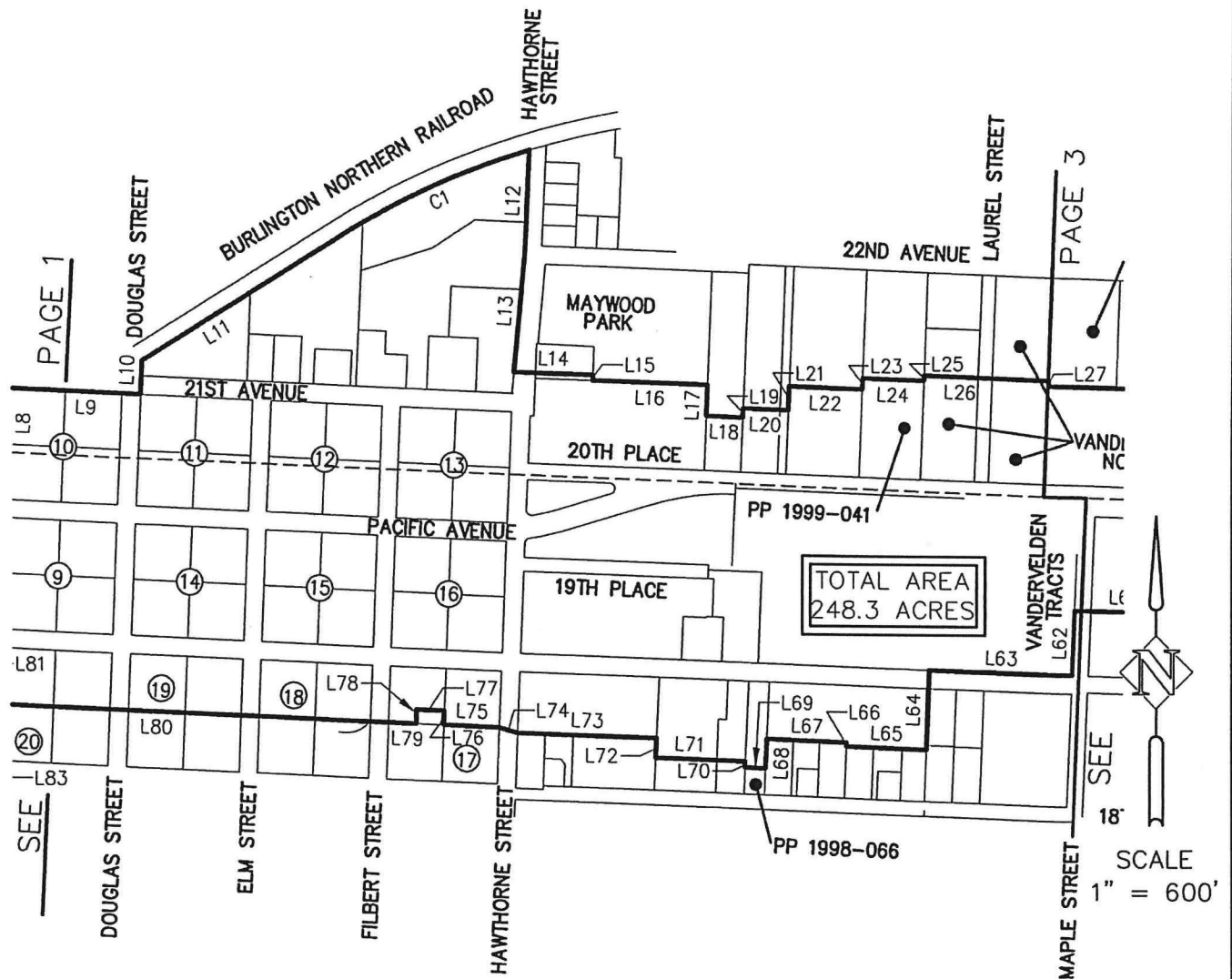
**Harper
 Houf Peterson
 Righellis Inc.**

ENGINEERS • PLANNERS
 LANDSCAPE ARCHITECTS • SURVEYORS

205 SE Spokane Street, Suite 200, Portland, OR 97202
 phone: 503.221.1131 www.hhpr.com fax: 503.221.1171

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EXHIBIT "B"
THE CITY OF FOREST GROVE
URBAN RENEWAL BOUNDARY



Harper
Houf Peterson
Righellis Inc.

ENGINEERS • PLANNERS
 LANDSCAPE ARCHITECTS • SURVEYORS

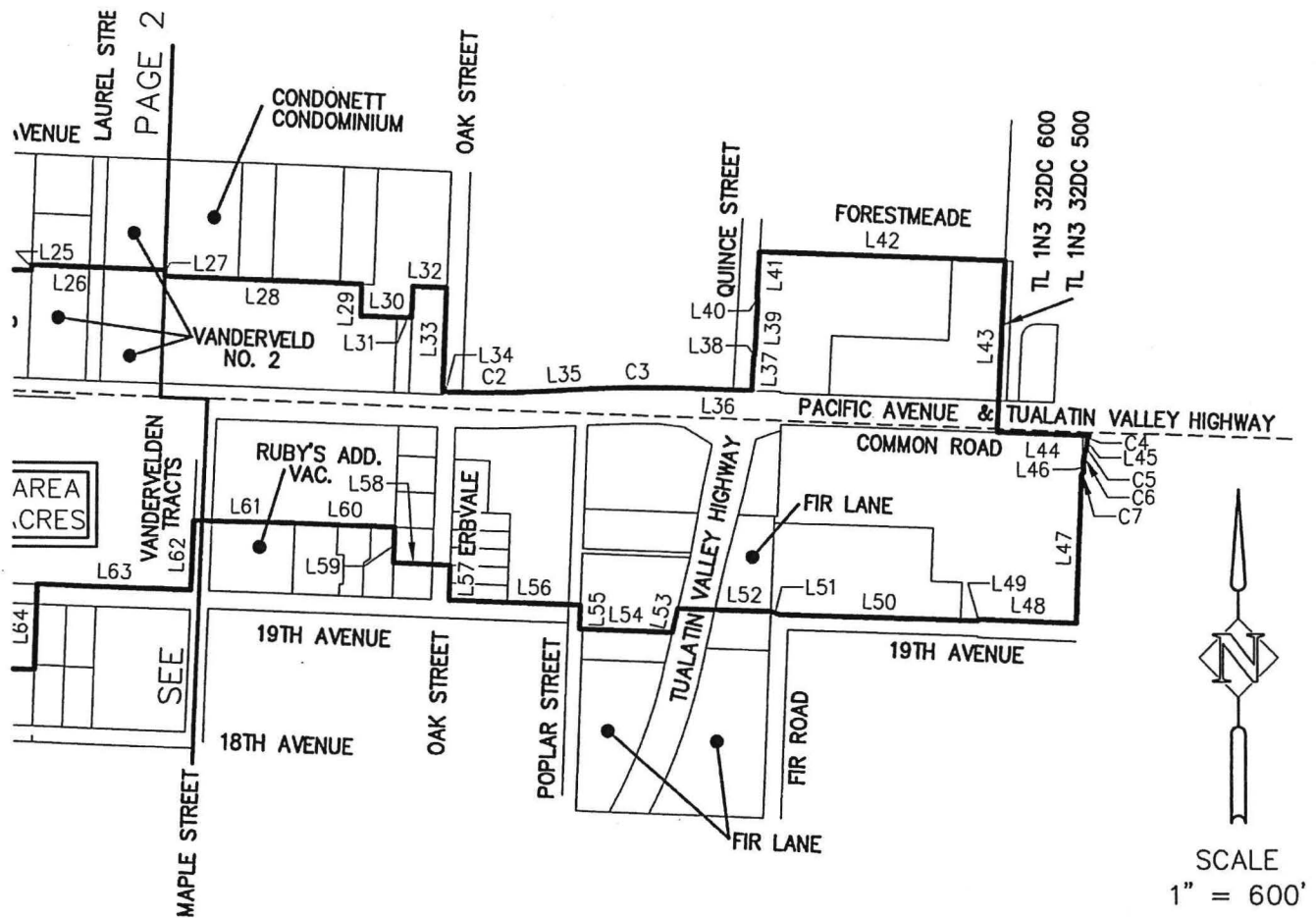
205 SE Spokane Street, Suite 200, Portland, OR 97202
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SEE ATTACHED
 LEGAL DESCRIPTION

EXHIBIT "B"

THE CITY OF FOREST GROVE URBAN RENEWAL BOUNDARY



HHPR Harper Houf Peterson Righellis Inc.

ENGINEERS • PLANNERS
LANDSCAPE ARCHITECTS • SURVEYORS

205 SE Spokane Street, Suite 200, Portland, OR 97202
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SEE ATTACHED
LEGAL DESCRIPTION



Harper
Houf Peterson
Righellis Inc.

ENGINEERS • PLANNERS
LANDSCAPE ARCHITECTS • SURVEYORS

LEGAL DESCRIPTION

CITY OF FOREST GROVE URBAN RENEWAL BOUNDARY

A TRACT OF LAND IN THE CITY OF FOREST GROVE, WASHINGTON COUNTY, OREGON, BEING PART OF THE RECORDED PLAT OF THE "TOWN OF FOREST GROVE" AND OTHER LANDS, IN SECTION 31, TOWNSHIP 1 NORTH, RANGE 3 WEST, SECTION 36, TOWNSHIP 1 NORTH, RANGE 4 WEST, SECTION 6, TOWNSHIP 1 SOUTH, RANGE 3 WEST AND SECTION 1, TOWNSHIP 1 SOUTH, RANGE 4 WEST, WILLAMETTE MERIDIAN, THE BOUNDARY OF WHICH IS MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF BLOCK 3, TOWN OF FOREST GROVE, WASHINGTON COUNTY PLAT RECORDS, BEING SOUTH 33.00 FEET FROM THE NORTHWEST CORNER HARVEY CLARK DONATION LAND CLAIM NO. 37, SAID POINT BEING THE INTERSECTION OF SAID EAST RIGHT OF WAY OF "B" STREET AND THE SOUTH RIGHT OF WAY OF 21ST AVENUE (BOTH RIGHT OF WAY WIDTHS ARE 66 FEET BY PLAT); THENCE ALONG SAID SOUTH RIGHT OF WAY LINE OF 21ST AVENUE, S87°52'43"E 458.04 FEET TO THE NORTHWEST CORNER OF BLOCK 2, OF SAID TOWN OF FOREST GROVE SAID POINT BEING THE INTERSECTION OF THE SOUTH RIGHT OF WAY OF 21ST AVENUE AND THE EAST RIGHT OF WAY OF "A" STREET (BOTH RIGHT OF WAY WIDTHS ARE 66 FEET BY PLAT); THENCE ALONG THE EAST RIGHT OF WAY OF "A" STREET N02°07'17"E 468.60 FEET TO A POINT 19.8 FEET EAST OF THE NORTHWEST CORNER OF BLOCK 2, WALKER'S ADDITION, WASHINGTON COUNTY PLAT RECORDS, SAID POINT BEING THE INTERSECTION OF THE EAST RIGHT OF WAY LINE OF "A" STREET AND THE SOUTH RIGHT OF WAY LINE OF 22ND AVENUE (BOTH RIGHT OF WAY WIDTHS ARE 66 FEET BY PLAT); THENCE ALONG SAID SOUTH RIGHT OF WAY LINE OF 22ND AVENUE S87°52'43"E 402.60 FEET TO THE NORTHEAST CORNER OF BLOCK 2, OF SAID WALKER'S ADDITION AND THE INTERSECTION OF SAID SOUTH RIGHT OF WAY LINE OF 22ND AVENUE AND THE WEST RIGHT OF WAY LINE OF MAIN STREET (BOTH RIGHT OF WAY WIDTHS ARE 66 FEET BY PLAT); THENCE ALONG SAID WEST RIGHT OF WAY LINE OF MAIN STREET, S02°07'17"W 402.60 FEET TO THE SOUTHEAST CORNER OF SAID BLOCK 2, WALKER'S ADDITION AND THE INTERSECTION OF SAID WEST RIGHT OF WAY LINE OF MAIN STREET AND THE NORTH RIGHT OF WAY LINE OF 21ST AVENUE (BOTH RIGHT OF WAY WIDTHS ARE 66 FEET BY PLAT); THENCE ALONG SAID NORTH RIGHT OF WAY LINE OF 21ST AVENUE S87°52'43"E 267.30 FEET TO THE SOUTHEAST CORNER OF BLOCK 1, WALKER'S ADDITION AND THE INTERSECTION OF SAID NORTH RIGHT OF WAY LINE OF 21ST AVENUE AND THE WEST RIGHT OF WAY LINE OF COLLEGE WAY (BOTH RIGHT OF WAY WIDTHS ARE 66 FEET BY PLAT); THENCE ALONG SAID WEST RIGHT OF WAY LINE OF COLLEGE WAY S02°07'17"W 468.60 FEET TO THE SOUTHEAST CORNER OF BLOCK 1, TOWN OF FOREST GROVE, AND THE INTERSECTION OF SAID WEST RIGHT OF WAY LINE OF COLLEGE WAY AND THE NORTH RIGHT OF WAY OF PACIFIC AVENUE (BOTH RIGHT OF WAY WIDTHS ARE 66 FEET BY PLAT); THENCE ALONG SAID NORTH RIGHT OF WAY LINE OF PACIFIC AVENUE S87°52'43"E 1204.50 FEET TO THE SOUTHWEST CORNER OF BLOCK 10, TOWN OF FOREST GROVE AND THE INTERSECTION OF SAID NORTH RIGHT OF WAY LINE OF PACIFIC AVENUE AND THE EAST RIGHT OF WAY LINE OF CEDAR STREET (BOTH RIGHT OF WAY WIDTHS ARE 66 FEET BY PLAT); THENCE ALONG SAID EAST RIGHT OF WAY LINE OF CEDAR STREET N02°07'17"E 402.60 FEET TO THE NORTHWEST CORNER OF SAID BLOCK 10 AND THE INTERSECTION OF SAID EAST RIGHT OF WAY LINE OF

EXHIBIT 2

CEDAR STREET AND THE SOUTH RIGHT OF WAY LINE OF 21ST AVENUE (BOTH RIGHT OF WAY WIDTHS ARE 66 FEET BY PLAT); THENCE ALONG SAID SOUTH RIGHT OF WAY LINE OF 21ST AVENUE S87°52'43"E 468.60 FEET THE NORTHWEST CORNER OF BLOCK 11, TOWN OF FOREST GROVE, AND THE INTERSECTION OF SAID SOUTH RIGHT OF WAY LINE OF 21ST AVENUE AND THE EAST RIGHT OF WAY LINE OF DOUGLAS STREET (BOTH RIGHT OF WAY WIDTHS ARE 66 FEET BY PLAT); THENCE LEAVING THE NORTH LINE OF THE TOWN OF FOREST GROVE ALONG SAID EAST RIGHT OF WAY LINE OF DOUGLAS STREET N02°07'17"E 120.02 FEET TO THE SOUTHERLY RIGHT OF WAY LINE OF THE BURLINGTON NORTHERN RAILROAD (SAID RIGHT OF WAY WIDTH IS 60 FEET); THENCE ALONG SAID SOUTHERLY RIGHT OF WAY LINE OF THE BURLINGTON NORTHERN RAILROAD N57°45'20"E 846.15 FEET TO A POINT OF CURVE RIGHT; THENCE ALONG THE CURVE RIGHT (CENTRAL ANGLE=15°09'37", RADIUS=2834.93 FEET, LONG CHORD BEARS N65°20'09"E 747.93 FEET) 750.11 FEET TO A POINT OF INTERSECTION OF SAID SOUTHERLY RIGHT OF WAY LINE OF THE BURLINGTON NORTHERN RAILROAD AND THE WEST RIGHT OF WAY LINE OF HAWTHORNE STREET BOTH RIGHT OF WAY (WIDTHS ARE 60 FEET); THENCE ALONG SAID WEST RIGHT OF WAY LINE OF HAWTHORNE STREET S02°19'03"W 365.10 FEET TO AN ANGLE POINT AND THE BEGINNING OF A (VARIABLE RIGHT OF WAY WIDTH); THENCE CONTINUING ALONG SAID WEST RIGHT OF WAY LINE OF HAWTHORNE STREET S05°08'03"W 428.07 TO A POINT OF INTERSECTION OF SAID WEST RIGHT OF WAY LINE OF HAWTHORNE STREET AND THE PROJECTION WESTERLY EXTENSION OF THE SOUTH LINE OF THAT TRACT OF LAND DESCRIBED IN WARRANTY DEED TO WILLIAM F. GULACY AND TRACY A. GULACY, RECORDED JULY 20, 1998 AS DOCUMENT NO. 98079019, WASHINGTON COUNTY RECORDS; THENCE ALONG SAID WESTERLY EXTENSION OF THE SOUTH LINE AND THE SOUTH LINE OF SAID WARRANTY DEED S88°21'35"E 283.45 FEET TO A POINT ON THE WEST LINE OF LOT 5, BLOCK 4, MAYWOOD PARK, WASHINGTON COUNTY PLAT RECORDS; THENCE ALONG SAID WEST LINE OF LOT 5, S01°27'05"W 20.00 FEET TO THE SOUTHWEST CORNER OF SAID LOT 5; THENCE ALONG THE SOUTH LINE OF SAID MAYWOOD PARK S88°21'35"E 411.44 FEET TO THE SOUTHEAST CORNER OF SAID MAYWOOD PARK; THENCE ALONG THE WEST LINE OF THAT PROPERTY DESCRIBED IN WARRANTY DEED TO WILLOW PARK LIMITED PARTNERSHIP, AN OREGON LIMITED PARTNERSHIP, RECORDED NOVEMBER 8, 1997 AS DOCUMENT NO. 97104598, WASHINGTON COUNTY RECORDS, S02°02'01"W 111.42 FEET TO THE NORTHWEST CORNER OF THAT PROPERTY DESCRIBED IN STATUTORY WARRANTY DEED TO MUNE LOUIE AND ANGELA LOUIE, RECORDED JULY 12, 2006 AS DOCUMENT NO. 2006-082350, WASHINGTON COUNTY RECORDS; THENCE ALONG THE NORTH LINE OF SAID STATUTORY WARRANTY DEED S88°03'11"E 133.57 FEET TO A POINT ON THE WEST LINE OF THAT PROPERTY DESCRIBED IN BARGAIN AND SALE DEED TO HAMPTON CENTER, LLC, AN OREGON LIMITED LIABILITY COMPANY, RECORDED APRIL 7, 2008 AS DOCUMENT NO. 2008-031222, WASHINGTON COUNTY RECORDS; THENCE ALONG THE WEST LINE OF SAID BARGAIN AND SALE DEED N02°02'01"E 32.80 FEET TO THE NORTHWEST CORNER OF SAID BARGAIN AND SALE DEED; THENCE ALONG THE NORTH LINE OF SAID BARGAIN AND SALE DEED S88°03'11"E 163.57 FEET TO A POINT ON THE WEST LINE OF THAT PROPERTY DESCRIBED IN STATUTORY WARRANTY DEED TO GOODWILL INDUSTRIES OF THE COLUMBIA WILLAMETTE, AN OREGON NON-PROFIT CORPORATION, RECORDED APRIL 30, 1998 AS DOCUMENT NO. 98045010, WASHINGTON COUNTY RECORDS; THENCE ALONG THE WEST LINE OF SAID STATUTORY WARRANTY DEED N02°02'01"E 86.69 FEET TO THE NORTHWEST CORNER OF SAID STATUTORY WARRANTY DEED; THENCE ALONG THE NORTH LINE SAID STATUTORY WARRANTY DEED S87°57'43"E 267.15 FEET TO A POINT ON THE WEST LINE OF PARCEL 1, PARTITION PLAT NO. 1999-041, WASHINGTON COUNTY PLAT RECORDS; THENCE



ALONG THE WEST LINE OF SAID PARCEL 1, N02°02'02"E 39.84 FEET TO THE NORTHWEST CORNER OF SAID PARCEL 1; THENCE ALONG THE NORTH LINE OF SAID PARCEL 1, S88°13'43"E 225.16 FEET TO A POINT ON THE WEST LINE OF LOT 32, VANDERVELDEN TRACTS-NO.2, WASHINGTON COUNTY PLAT RECORDS; THENCE ALONG THE WEST LINE OF SAID LOT 32, N01°53'18"E 18.90 FEET TO THE NORTHWEST CORNER OF SAID LOT 32; THENCE ALONG THE NORTH LINE OF SAID LOT 32 AND LOT 23 OF SAID VANDERVELDEN TRACTS-NO.2, S88°03'51"E 451.01 FEET TO THE NORTHEAST CORNER OF SAID LOT 23; THENCE ALONG THE EAST LINE OF SAID LOT 23, S01°57'09"W 19.73 FEET TO THE SOUTHWEST CORNER OF CONDONETT CONDOMINIUM, WASHINGTON COUNTY PLAT RECORDS; THENCE ALONG THE SOUTH LINE OF SAID CONDONETT CONDOMINIUM AND ALONG THE SOUTH LINE OF THE FOLLOWING PROPERTIES: STATUTORY WARRANTY DEED TO EVENS ENTERPRISES, LLC, AN OREGON LIMITED LIABILITY COMPANY, RECORDED JULY 22, 2005 AS DOCUMENT NO. 2005-086138, WASHINGTON COUNTY RECORDS, QUITCLAIM DEED TO MEYER M. SOROUDI AND JUDITH L. SOROUDI, RECORDED MARCH 2, 2010 AS DOCUMENT NO. 2010-015975, WASHINGTON COUNTY RECORDS, PERSONAL REPRESENTATIVE'S DEED TO LOUIS D. PECKHAM AND ADELLE H. PECKHAM, THE PECKHAM TRUST, RECORDED JULY 29, 2011 AS DOCUMENT NO. 2011-052269, WASHINGTON COUNTY RECORDS S88°04'19"E 667.31 FEET TO THE NORTHWEST CORNER OF PARCEL 4 OF THAT PROPERTY DESCRIBED IN BARGAIN AND SALE DEED TO LL&S HEALTHCARE, LLC, AN OREGON LIMITED LIABILITY COMPANY, RECORDED AUGUST 11, 2005 AS DOCUMENT NO. 2005-095864, WASHINGTON COUNTY RECORDS; THENCE ALONG THE WEST LINE OF SAID PARCEL 4 IN BARGAIN AND SALE DEED S01°56'08"W 105.27 FEET TO THE MOST WESTERLY SOUTHWEST CORNER OF PARCEL 4 OF SAID BARGAIN AND SALE DEED; THENCE ALONG THE PROJECTED EASTERLY EXTENSION OF THE SOUTH LINE (BEING 250 FEET NORTH OF THE MOST SOUTH LINE OF SAID PARCEL 4) IN BARGAIN AND SALE DEED S88°04'17"E 170.61 FEET TO A POINT ON THE EAST LINE OF SAID PARCEL 4 IN BARGAIN AND SALE DEED; THENCE ALONG SAID EAST LINE N02°11'32"E 104.86 FEET TO AN ANGLE POINT IN SAID BARGAIN AND SALE DEED; THENCE ALONG THE SOUTH LINE OF SAID BARGAIN AND SALE DEED S88°19'57"E 112.90 FEET TO THE SOUTHEAST CORNER THEREOF AND THE WEST RIGHT OF WAY LINE OF OAK STREET (RIGHT OF WAY WIDTH IS 66 FEET); THENCE ALONG SAID WEST RIGHT OF WAY LINE S01°59'24"W 345.43 FEET TO THE INTERSECTION OF THE WEST RIGHT OF WAY LINE OF OAK STREET (RIGHT OF WAY WIDTH OF 66 FEET) AND THE NORTH RIGHT OF WAY LINE OF THE TUALATIN VALLEY HIGHWAY (RIGHT OF WAY WIDTH OF 120 FEET) ; THENCE ALONG SAID NORTH RIGHT OF WAY LINE OF THE TUALATIN VALLEY HIGHWAY S88°09'46"E 17.30 FEET TO A POINT OF CURVE LEFT; THENCE ALONG THE CURVE LEFT (CENTRAL ANGLE = 4°46'00", RADIUS = 3759.70 FEET, LONG CHORD BEARS N89°27'14"E 312.69 FEET) 312.78 FEET TO A POINT; THENCE CONTINUING ALONG SAID NORTH RIGHT OF WAY LINE N87°04'14"E 163.71 FEET TO A POINT OF CURVE RIGHT; THENCE ALONG THE CURVE RIGHT (CENTRAL ANGLE = 4°44'59", RADIUS = 3893.12 FEET, LONG CHORD BEARS N89°26'43"E 322.64 FEET) 322.73 FEET TO A POINT; THENCE CONTINUING ALONG SAID NORTH RIGHT OF WAY LINE S88°10'47"E 223.58 FEET TO THE INTERSECTION OF THE EAST RIGHT OF WAY LINE OF QUINCE STREET (RIGHT OF WAY WIDTH OF 63 FEET) AND THE NORTH RIGHT OF WAY LINE OF THE TUALATIN VALLEY HIGHWAY (RIGHT OF WAY WIDTH VARIES) ; THENCE ALONG SAID EAST RIGHT OF WAY LINE N03°01'54"E 115.64 FEET TO AN ANGLE POINT IN THE EAST RIGHT OF WAY LINE; THENCE S86°58'06"E 3.00 FEET (RIGHT OF WAY WIDTH OF 66 FEET); THENCE ALONG SAID EAST RIGHT OF WAY LINE N03°01'54"E 192.02 FEET; THENCE N86°58'06"W 3.00 FEET TO (RIGHT OF WAY WIDTH OF 63 FEET); THENCE ALONG SAID EAST RIGHT OF WAY LINE N03°01'54"E 153.23 FEET TO THE SOUTHWEST CORNER



OF THAT PROPERTY DESCRIBED IN WARRANTY DEED TO FOREST MANOR APARTMENTS, RECORDED JANUARY 7, 1972 IN BOOK 849, PAGE 900, WASHINGTON COUNTY RECORDS; THENCE ALONG THE SOUTH LINE OF SAID WARRANTY DEED AND FORESTMEADE, WASHINGTON COUNTY PLAT RECORDS S88°09'47"E 829.01 FEET TO THE SOUTHEAST CORNER OF SAID FORESTMEADE AND THE NORTHEAST CORNER OF THAT PROPERTY DESCRIBED IN BARGAIN AND SALE DEED TO CRYSTAL WATERS, LLC, AN OREGON LIMITED LIABILITY COMPANY, RECORDED OCTOBER 5, 2007 AS DOCUMENT NO. 2007-107290, WASHINGTON COUNTY RECORDS; THENCE ALONG THE EAST LINE OF SAID BARGAIN AND SALE DEED S02°21'01"W 570.35 FEET TO THE INTERSECTION OF THE PROJECTION SOUTHERLY EXTENSION OF THE EAST LINE OF SAID BARGAIN AND SALE DEED AND THE SOUTH RIGHT OF WAY LINE OF TUALATIN VALLEY HIGHWAY (RIGHT OF WAY WIDTH OF 105 FEET); THENCE ALONG SAID SOUTH RIGHT OF WAY LINE OF TUALATIN VALLEY HIGHWAY S88°10'24"E 310.03 FEET TO THE NORTHEAST CORNER OF THAT PROPERTY DESCRIBED IN STATUTORY WARRANTY DEED TO MGP X REIT, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, RECORDED OCTOBER 26, 2012 AS DOCUMENT NO. 2012-090742, WASHINGTON COUNTY RECORDS; THENCE ALONG THE EAST LINE OF SAID STATUTORY WARRANTY DEED OF THE FOLLOWING COURSES: A POINT OF CURVE LEFT; THENCE ALONG THE CURVE LEFT (CENTRAL ANGLE = 46°48'53", RADIUS = 20.00 FEET, LONG CHORD BEARS S25°21'49"W 15.89 FEET) 16.34 FEET TO A POINT; THENCE S01°57'22"W 11.06 FEET TO A POINT OF CURVE RIGHT; THENCE ALONG THE CURVE RIGHT (CENTRAL ANGLE = 19°12'27", RADIUS = 100.00 FEET, LONG CHORD BEARS S11°33'36"W 33.37 FEET) 33.52 FEET TO A POINT OF CURVE LEFT; THENCE ALONG THE CURVE LEFT (CENTRAL ANGLE = 19°12'26", RADIUS = 80.00 FEET, LONG CHORD BEARS S11°33'37"W 26.69 FEET) 26.82 FEET TO A POINT; THENCE S01°57'24"W 40.01 FEET TO A POINT OF CURVE RIGHT; THENCE ALONG THE CURVE RIGHT (CENTRAL ANGLE = 87°58'13", RADIUS = 5.18 FEET, LONG CHORD BEARS S45°56'23"W 7.19 FEET) 7.95 FEET TO A POINT; THENCE S01°57'24"W 500.76 FEET TO THE NORTH RIGHT OF WAY LINE OF 19TH AVENUE (RIGHT OF WAY WIDTH OF 60 FEET); THENCE ALONG SAID NORTH RIGHT OF WAY LINE OF 19TH AVENUE N87°55'57"W 330.00 FEET TO A POINT ON A LINE BETWEEN THE EAST 1/2 AND THE WEST 1/2 OF THE WILLIAMS CATCHING DLC NO. 38 AND AN ANGLE POINT OF NORTH RIGHT OF WAY LINE OF 19TH AVENUE ; THENCE ALONG SAID DLC S01°57'24"W 5.00 FEET TO THE NORTH RIGHT OF WAY LINE OF 19TH AVENUE (RIGHT OF WAY WIDTH OF 50 FEET); THENCE ALONG SAID NORTH RIGHT OF WAY LINE OF 19TH AVENUE N88°21'24"W 672.08 FEET TO THE SOUTHWEST CORNER THAT PROPERTY DESCRIBED IN REAL ESTATE CONTRACT M. JAMES DOYLE AND CECILE A. DOYLE, RECORDED JANUARY 8, 1981 AS DOCUMENT NO. 81000839, WASHINGTON COUNTY RECORDS; THENCE N72°22'03"W 31.14 FEET TO THE NORTHEAST CORNER OF THAT PROPERTY DESCRIBED IN RELINQUISHMENT OF TITLE DEED TO THE CITY OF FOREST GROVE, RECORDED MARCH 20, 1978 AS DOCUMENT NO. 78-13548, WASHINGTON COUNTY RECORDS; THENCE ALONG THE NORTH LINE OF SAID RELINQUISHMENT OF TITLE DEED N88°12'24"W 312.13 FEET TO A POINT OF INTERSECTION OF PROJECTED WESTERLY EXTENSION OF SAID NORTH LINE OF RELINQUISHMENT OF TITLE DEED AND THE WEST RIGHT OF WAY LINE OF TUALATIN VALLEY HIGHWAY (RIGHT OF WAY WIDTH VARIES) ; THENCE ALONG SAID WEST RIGHT OF WAY LINE OF TUALATIN VALLEY HIGHWAY S13°21'25"W 81.88 FEET TO THE SOUTHEAST CORNER OF THAT PROPERTY DESCRIBED IN WARRANTY DEED TO NEW ALBERTSONS, INC., RECORDED JUNE 12, 2006 AS DOCUMENT NO. 2006-069418, WASHINGTON COUNTY RECORDS; THENCE ALONG THE SOUTH LINE OF SAID WARRANTY DEED N87°52'39"W 311.25 FEET TO THE SOUTHWEST CORNER OF SAID WARRANTY DEED AND THE EAST RIGHT OF WAY LINE OF POPLAR STREET (RIGHT OF WAY WIDTH OF 40 FEET); THENCE



ALONG SAID EAST RIGHT OF WAY LINE OF POPLAR STREET N02°02'55"E 78.86 FEET TO THE INTERSECTION OF SAID EAST RIGHT OF WAY LINE OF POPLAR STREET (RIGHT OF WAY WIDTH OF 40 FEET) AND THE PROJECTED EASTERLY EXTENSION OF NORTH RIGHT OF WAY LINE OF 19TH AVENUE (RIGHT OF WAY WIDTH OF 60 FEET); THENCE ALONG SAID NORTH RIGHT OF WAY LINE OF 19TH AVENUE N88°06'07"W 444.00 FEET TO THE SOUTHWEST CORNER OF LOT 6, ERBVALE, WASHINGTON COUNTY PLAT, RECORDS AT THE INTERSECTION OF THE NORTH RIGHT OF WAY LINE OF 19TH AVENUE AND THE EAST RIGHT OF WAY LINE OF OAK STREET (BOTH RIGHT OF WAY WIDTHS 60 FEET); THENCE ALONG SAID EAST RIGHT OF WAY LINE OF OAK STREET N02°01'53"E 116.80 FEET TO THE NORTHWEST CORNER OF LOT 7 OF SAID PLAT; THENCE THE PROJECTED EASTERLY EXTENSION OF SOUTH LINE OF LOT 4 OF SAID PLAT AND CROSSES OAK STREET N88°06'07"W 190.00 FEET TO THE SOUTHWEST CORNER OF SAID LOT 4 AND THE WEST BOUNDARY OF ERBVALE; THENCE ALONG THE WEST LINE OF SAID LOT 4 N02°01'53"E 120.00 FEET TO THE SOUTHEAST CORNER OF THAT PROPERTY DESCRIBED IN STATUTORY WARRANTY DEED TO FOREST GROVE MINI STORAGE, LLC, RECORDED NOVEMBER 1, 2012 AS DOCUMENT NO. 2012-093012, WASHINGTON COUNTY RECORDS; THENCE ALONG THE SOUTH LINE OF SAID STATUTORY WARRANTY DEED N88°03'13"W 335.38 FEET TO THE NORTHEAST CORNER OF RUBY'S ADDITION (VACATED), WASHINGTON COUNTY PLAT RECORDS; THENCE ALONG SAID NORTH LINE OF RUBY'S ADDITION (VACATED) N88°50'17"W 343.51 FEET TO THE WEST RIGHT OF WAY LINE OF MAPLE STREET BEING THE INTERSECTION OF THE PROJECTION WESTERLY EXTENSION OF THE NORTH LINE OF RUBY'S ADDITION (VACATED) AND THE WEST RIGHT OF WAY LINE OF MAPLE STREET (RIGHT OF WAY WIDTH OF 60 FEET); THENCE S02°25'04"W 232.68 FEET ALONG SAID WEST RIGHT OF WAY LINE OF MAPLE STREET TO THE SOUTHEAST CORNER OF LOT 17, VANDERVELDEN TRACTS, WASHINGTON COUNTY PLAT RECORDS, AND THE INTERSECTION OF THE WEST RIGHT OF WAY LINE OF MAPLE STREET (RIGHT OF WAY WIDTH OF 60 FEET) AND THE NORTH RIGHT OF WAY LINE OF 19TH AVENUE (RIGHT OF WAY WIDTH OF 66 FEET); THENCE ALONG SAID NORTH RIGHT OF WAY LINE OF 19TH AVENUE N88°06'07"W 518.98 FEET TO THE INTERSECTION OF THE PROJECTED NORTHERLY EXTENSION OF THE EAST LINE OF THAT PROPERTY DESCRIBED IN STATUTORY WARRANTY DEED TO ELLIOTT D. HORNE AND MELISSA D. HORNE, RECORDED JANUARY 29, 1999 AS DOCUMENT NO. 99011958, WASHINGTON COUNTY RECORDS, AND SAID NORTH RIGHT OF WAY LINE OF 19TH AVENUE; THENCE S02°06'50"W 284.24 FEET ALONG SAID EAST LINE OF SAID STATUTORY WARRANTY DEED AND THE EAST LINE OF THAT PROPERTY DESCRIBED IN QUITCLAIM DEED TO FOREST GROVE VILLA LLC, RECORDED OCTOBER 29, 2007 AS DOCUMENT NO. 2007-113946, WASHINGTON COUNTY RECORDS, TO THE SOUTHEAST CORNER OF SAID QUITCLAIM DEED; THENCE ALONG THE SOUTH LINE OF THE FOLLOWING PROPERTIES: IN QUITCLAIM DEED TO FOREST GROVE VILLA LLC, RECORDED OCTOBER 29, 2007 AS DOCUMENT NO. 2007-113946, STATUTORY BARGAIN AND SALE DEED JOSE ARCIGA APARTMENTS, LIMITED PARTNERSHIP, RECORDED AUGUST 22, 2000 AS DOCUMENT NO. 2000067461 AND QUITCLAIM DEED TO DEAN CHAPMAN AND RENEE M. WRIGHT, RECORDED APRIL 20, 2012 AS DOCUMENT NO. 2012-031689, ALL IN THE WASHINGTON COUNTY RECORDS, N88°06'09"W 294.43 FEET TO THE SOUTHWEST CORNER OF SAID QUITCLAIM DEED; THENCE ALONG THE WEST LINE OF SAID QUITCLAIM DEED N01°53'51"E 14.75 FEET TO THE SOUTHEAST CORNER OF THAT PROPERTY DESCRIBED IN STATUTORY WARRANTY DEED TO JOSE ARCIGA APARTMENTS LTD., PARTNERSHIP, RECORDED AUGUST 15, 2000 AS DOCUMENT NO. 2000065026, WASHINGTON COUNTY RECORDS; THENCE ALONG THE SOUTH LINE OF THE FOLLOWING PROPERTIES: STATUTORY WARRANTY DEED TO JOSE ARCIGA APARTMENTS LTD., PARTNERSHIP, RECORDED AUGUST

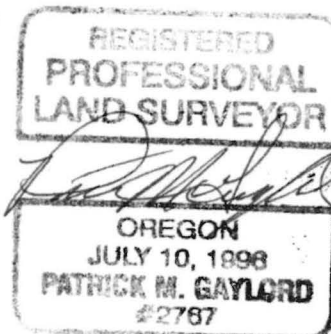


15, 2000 AS DOCUMENT NO. 2000065026, SPECIAL WARRANTY DEED TO RENE CHANCO AND CARLA ANN CHANCO, RECORDED NOVEMBER 13, 1991 AS DOCUMENT NO. 91063013 AND WARRANTY DEED TO ROY MATEO, RECORDED JUNE 29, 1993 AS DOCUMENT NO. 93051230, ALL IN THE WASHINGTON COUNTY RECORDS, N88°06'09"W 289.31 FEET TO THE SOUTHWEST CORNER OF SAID WARRANTY DEED AND A POINT ON THE EAST LINE OF PARCEL 1, PARTITION PLAT NO. 1998-066, WASHINGTON COUNTY PLAT RECORDS; THENCE ALONG THE EAST LINE SAID PARCEL 1, S02°23'03"W 105.00 FEET TO THE SOUTHEAST CORNER OF SAID PARCEL 1; THENCE ALONG THE SOUTH LINE OF SAID PARCEL 1, N88°06'20"W 75.00 FEET TO THE SOUTHWEST CORNER OF SAID PARCEL 1; THENCE ALONG THE WEST LINE OF SAID PARCEL 1, N02°23'03"E 21.00 FEET TO THE SOUTHEAST CORNER OF THAT PROPERTY DESCRIBED IN , QUITCLAIM DEED TO FULTEN FAMILY PARTNERSHIP, LIMITED PARTNERSHIP, RECORDED SEPTEMBER 1, 1995 AS DOCUMENT NO. 95062473, WASHINGTON COUNTY RECORDS; THENCE ALONG THE SOUTH LINE OF SAID QUITCLAIM DEED AND THE SOUTH LINE OF THAT PROPERTY DESCRIBED IN BARGAIN AND SALE DEED TO SUPERIOR BARON PROPERTIES, LLC AN OREGON LIMITED LIABILITY COMPANY, RECORDED SEPTEMBER 28, 2009 AS DOCUMENT NO. 2009-086797, WASHINGTON COUNTY RECORDS N88°06'09"W 324.17 FEET TO THE SOUTHWEST CORNER OF SAID BARGAIN AND SALE DEED; THENCE ALONG THE WEST LINE OF SAID BARGAIN AND SALE DEED N02°23'03"E 70.04 FEET TO THE SOUTHEAST CORNER OF THAT PROPERTY DESCRIBED IN BARGAIN AND SALE DEED TO FOREST GROVE REAL ESTATE, LLC, RECORDED DECEMBER 8, 2007 AS DOCUMENT NO. 2007-125457, WASHINGTON COUNTY RECORDS; THENCE ALONG THE SOUTH LINE OF SAID BARGAIN AND SALE DEED AND THE SOUTH LINE OF THAT PROPERTY DESCRIBED IN BARGAIN AND SALE DEED TO MAYGER ALLIANCE GROUP LLC AND JUSTIN TIRET, RECORDED SEPTEMBER 3, 2009 AS DOCUMENT NO. 2009-080673, WASHINGTON COUNTY RECORDS N88°10'20"W 499.44 FEET TO THE SOUTHWEST CORNER OF SAID DOCUMENT NO. 2009-080673 AND A POINT ON THE EAST RIGHT OF WAY LINE OF HAWTHORNE STREET (RIGHT OF WAY WIDTH OF 66 FEET); THENCE CROSSING HAWTHORNE STREET N73°43'41"W 68.07 FEET TO THE SOUTHEAST CORNER OF LOT 2, BLOCK 17, OF SAID TOWN OF FOREST GROVE; THENCE ALONG THE SOUTH LINE OF SAID LOT 2, N87°52'43"W 201.30 FEET TO THE SOUTHWEST CORNER OF SAID LOT 2; THENCE ALONG THE WEST LINE OF SAID LOT 2, N02°07'17"E 50.00 FEET TO THE NORTHEAST CORNER OF THAT PROPERTY DESCRIBED IN WARRANTY DEED TO KEVIN J. STUDER AND MARY E. STUDER, RECORDED OCTOBER 3, 1988 AS DOCUMENT NO. 88-43847, WASHINGTON COUNTY RECORDS; THENCE ALONG THE NORTH LINE OF SAID WARRANTY DEED N87°52'43"W 101.30 FEET TO THE NORTHWEST CORNER OF SAID WARRANTY DEED; THENCE ALONG THE WEST LINE OF SAID WARRANTY DEED S02°07'17"W 50.00 FEET TO A POINT ON THE SOUTH LINE OF LOT 3, BLOCK 17, OF SAID TOWN OF FOREST GROVE; THENCE ALONG THE SOUTH LINE OF SAID LOT 3, N87°52'43"W 100.00 FEET TO THE SOUTHWEST CORNER THEREOF AND THE EAST RIGHT OF WAY LINE OF FILBERT STREET (RIGHT OF WAY WIDTH OF 66 FEET); THENCE ALONG THE SOUTH LINE OF LOTS 2 AND 3 IN EACH OF BLOCKS 18, 19, AND 20 OF SAID TOWN OF FOREST GROVE, N87°52'43"W 1471.80 FEET TO THE SOUTHEAST CORNER OF LOT 2, BLOCK 21 OF SAID TOWN OF FOREST GROVE, SAID POINT BEING THE WEST RIGHT OF WAY LINE OF CEDAR STREET (RIGHT OF WAY WIDTH OF 66 FEET); THENCE ALONG SAID WEST RIGHT OF WAY LINE N02°07'17"E 2.20 FEET TO THE NORTHEAST CORNER OF THAT PROPERTY DESCRIBED IN WARRANTY DEED TO RONALD A. WATSON AND CLAUDIA J. WATSON, RECORDED JANUARY 12, 2007 AS DOCUMENT NO. 2007-005127, WASHINGTON COUNTY RECORDS; THENCE ALONG THE NORTH LINE OF SAID IN WARRANTY DEED N87°54'36"W 164.07 FEET TO THE NORTHWEST CORNER OF SAID IN WARRANTY DEED; THENCE ALONG



THE WEST LINE OF SAID WARRANTY DEED S02°08'59"W 2.20 FEET TO THE NORTHEAST CORNER OF PARCEL 2, PARTITION PLAT NO. 1991-079, WASHINGTON COUNTY PLAT RECORDS; THENCE ALONG THE NORTH LINE OF SAID PARCEL 2 N87°52'43"W 99.95 FEET TO THE NORTHWEST CORNER OF SAID PARCEL 2 AND A POINT ON THE EAST LINE OF THAT PROPERTY DESCRIBED IN WARRANTY DEED TO MIRACLES INC. A NEVADA CORPORATION, RECORDED OCTOBER 20, 2005 AS DOCUMENT NO. 2005-131074 WASHINGTON COUNTY RECORDS; THENCE ALONG SAID EAST LINE, N02°07'17"E 51.30 FEET TO THE NORTHEAST CORNER OF THAT PROPERTY DESCRIBED IN SAID DOCUMENT NO. 2005-131074; THENCE ALONG THE NORTH LINE OF SAID DOCUMENT NO. 2005-131074, N87°52'43"W 138.60 FEET TO THE NORTHWEST CORNER OF SAID WARRANTY DEED AND A POINT ON THE EAST RIGHT OF WAY LINE OF BIRCH STREET (RIGHT OF WAY WIDTH OF 66 FEET BY PLAT); THENCE CROSSING BIRCH STREET, S89°44'08"W 66.06 FEET TO THE NORTHEAST CORNER OF PARCEL 1, PARTITION PLAT NO. 1991-019, WASHINGTON COUNTY PLAT RECORDS; THENCE ALONG THE WEST RIGHT OF WAY LINE OF BIRCH STREET S02°07'17"W 59.85 FEET TO THE SOUTHEAST CORNER OF PARCEL 2 OF SAID PLAT NO. 1991-019; THENCE ALONG THE SOUTH LINE OF SAID PARCEL 2, N87°52'43"W 283.50 FEET TO THE SOUTHWEST CORNER THEREOF; THENCE ALONG THE WEST LINE OF SAID PARCEL 2, N02°07'17"E 11.30 FEET TO A POINT ON THE SOUTH LINE OF LOT 3, BLOCK 22, OF SAID TOWN OF FOREST GROVE; THENCE ALONG THE SOUTH LINE OF SAID LOT 3 AND ITS WESTERLY EXTENSION, N87°52'43"W 185.10 FEET TO THE SOUTHEAST CORNER OF SAID LOT 2, BLOCK 23, OF SAID TOWN OF FOREST GROVE AND THE WEST RIGHT OF WAY LINE OF ASH STREET (RIGHT OF WAY WIDTH OF 66 FEET); THENCE S02°07'17"W 201.30 FEET TO THE SOUTHEAST CORNER OF SAID BLOCK 23 AND SAID POINT BEING AT THE INTERSECTION OF THE EAST RIGHT OF WAY LINE OF ASH STREET AND THE NORTH RIGHT OF WAY LINE OF 18TH AVENUE (BOTH RIGHT OF WAY WIDTHS ARE 66 FEET BY PLAT); THENCE ALONG THE SAID NORTH RIGHT OF WAY LINE OF 18TH AVENUE, N87°52'43"W 1798.74 FEET TO THE SOUTHWEST CORNER OF LOT 15, PROSPECT PARK, WASHINGTON COUNTY PLAT RECORDS, SAID POINT BEING AT THE INTERSECTION OF THE NORTH RIGHT OF WAY LINE OF 18TH AVENUE AND THE EAST RIGHT OF WAY LINE OF "C" STREET (BOTH RIGHT OF WAY WIDTHS ARE 66 FEET BY PLAT); THENCE ALONG SAID EAST RIGHT OF WAY LINE OF "C" STREET N02°07'17"E 402.60 FEET, TO THE INTERSECTION OF THE EAST RIGHT OF WAY LINE OF "C" STREET AND THE SOUTH RIGHT OF WAY LINE OF 19TH AVENUE (BOTH RIGHT OF WAY WIDTHS ARE 66 FEET BY PLAT); THENCE ALONG SAID SOUTH RIGHT OF WAY LINE OF 19TH AVENUE, S87°52'43"E 200.00 FEET TO A POINT ON THE EAST LINE OF LOT 10 OF SAID PROSPECT PARK; THENCE ALONG SAID EAST LINE OF LOT 10, N02°07'17"E 10.00 FEET TO A POINT ON THE SOUTH RIGHT OF WAY LINE OF 19TH AVENUE BEING A (RIGHT OF WAY WIDTH OF 56 FEET); THENCE CONTINUING ALONG SAID RIGHT OF WAY LINE OF 19TH AVENUE, S87°52'43"E 269.50 FEET TO THE INTERSECTION OF THE SOUTH RIGHT OF WAY LINE OF 19TH AVENUE (RIGHT OF WAY WIDTH OF 56 FEET) AND THE EAST RIGHT OF WAY LINE OF "B" STREET (RIGHT OF WAY WIDTH OF 66 FEET BY PLAT); THENCE ALONG SAID EAST RIGHT OF WAY OF "B" STREET, N02°07'17"E 927.20 FEET TO THE POINT OF BEGINNING.

CONTAINING 248.3 ACRES MORE OR LESS.

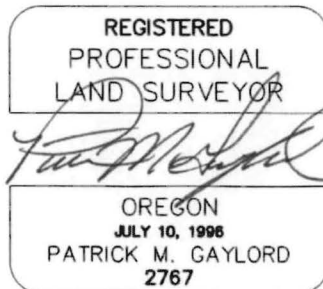
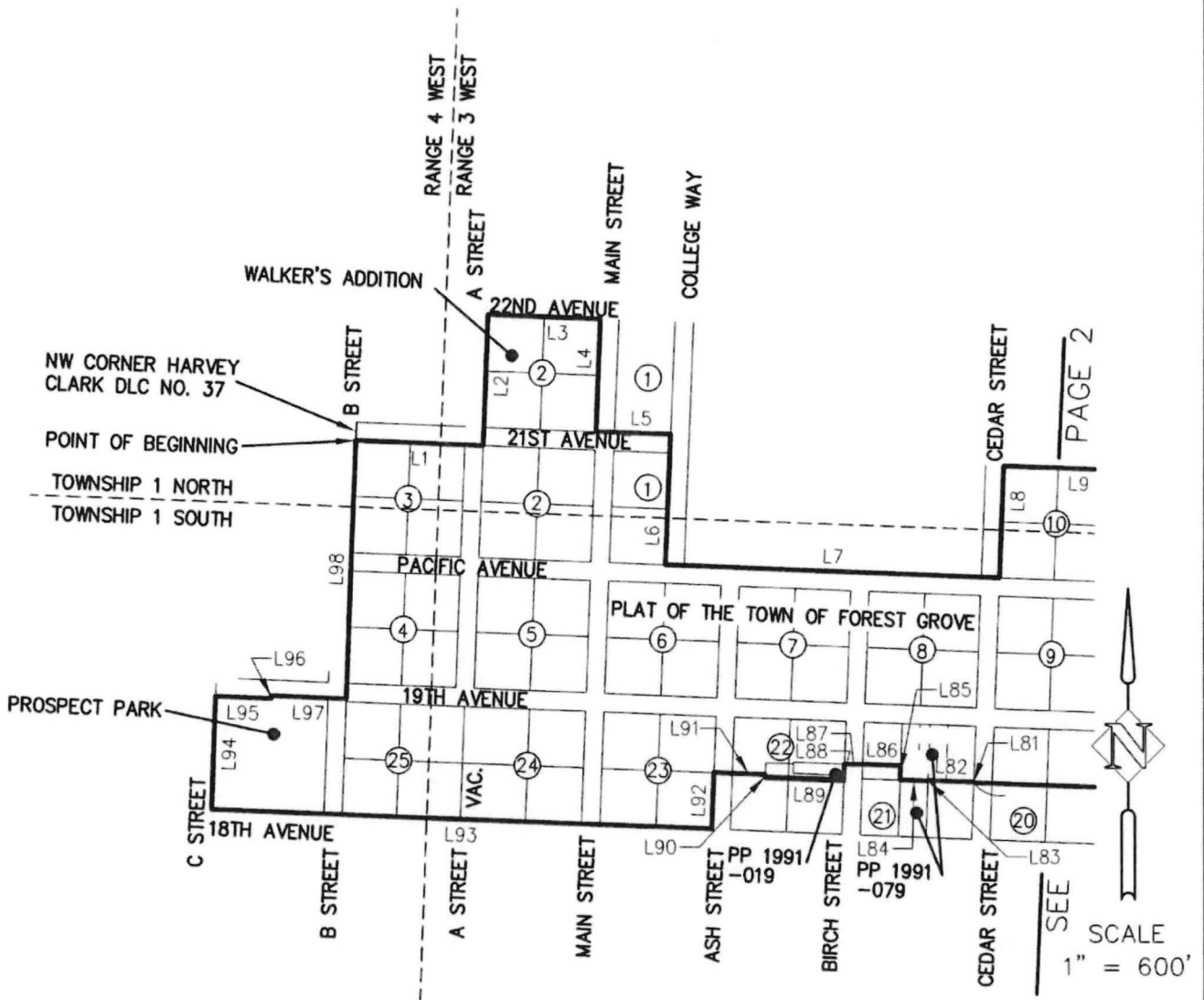


Renewed through 6/30/2013



EXHIBIT "B"

THE CITY OF FOREST GROVE URBAN RENEWAL BOUNDARY



EXPIRES 06-30-13

SEE ATTACHED
LEGAL DESCRIPTION



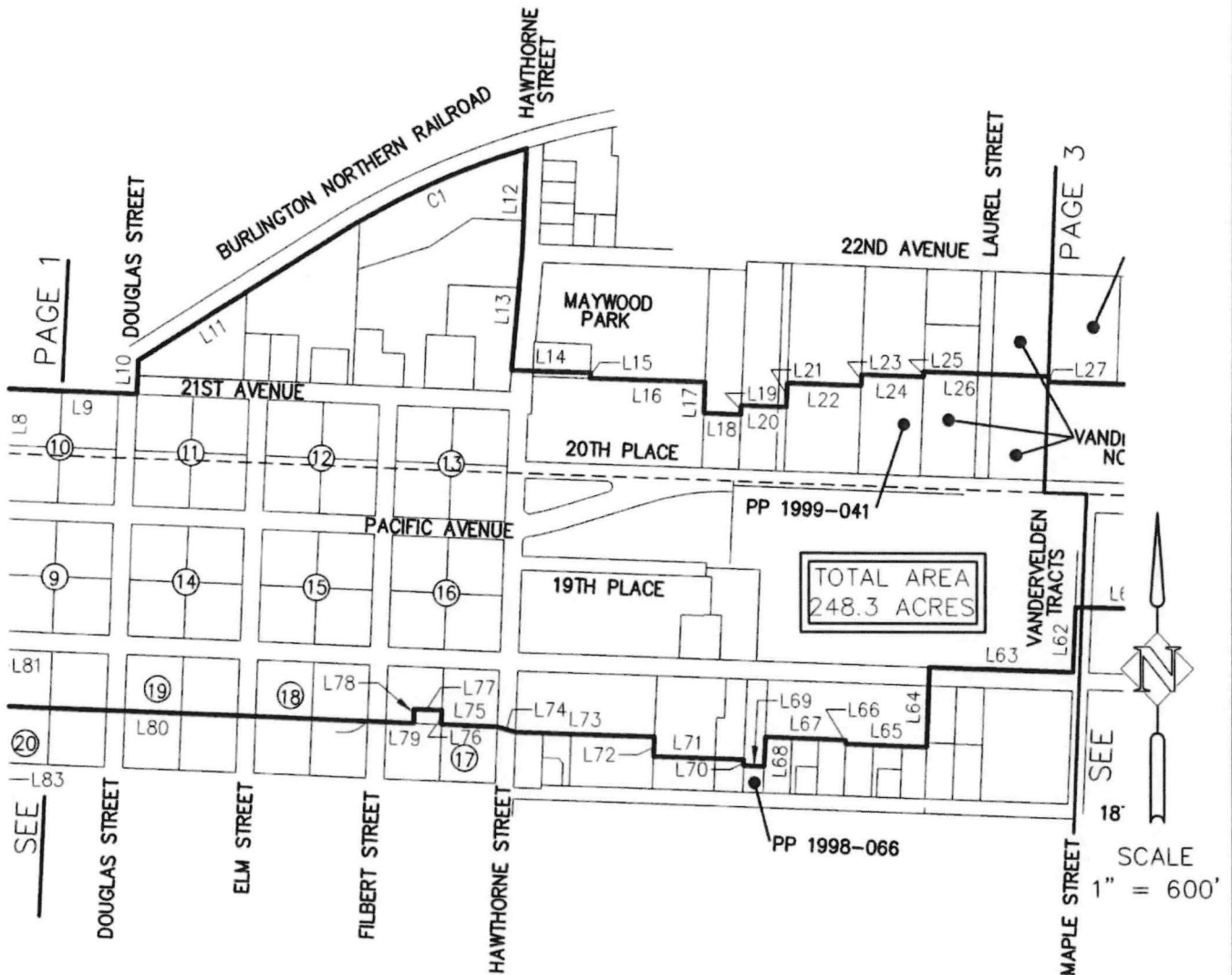
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JRL-01 RLC 05/31/2013 PAGE 1 OF 3

EXHIBIT "B"
 THE CITY OF FOREST GROVE
 URBAN RENEWAL BOUNDARY



**Harper
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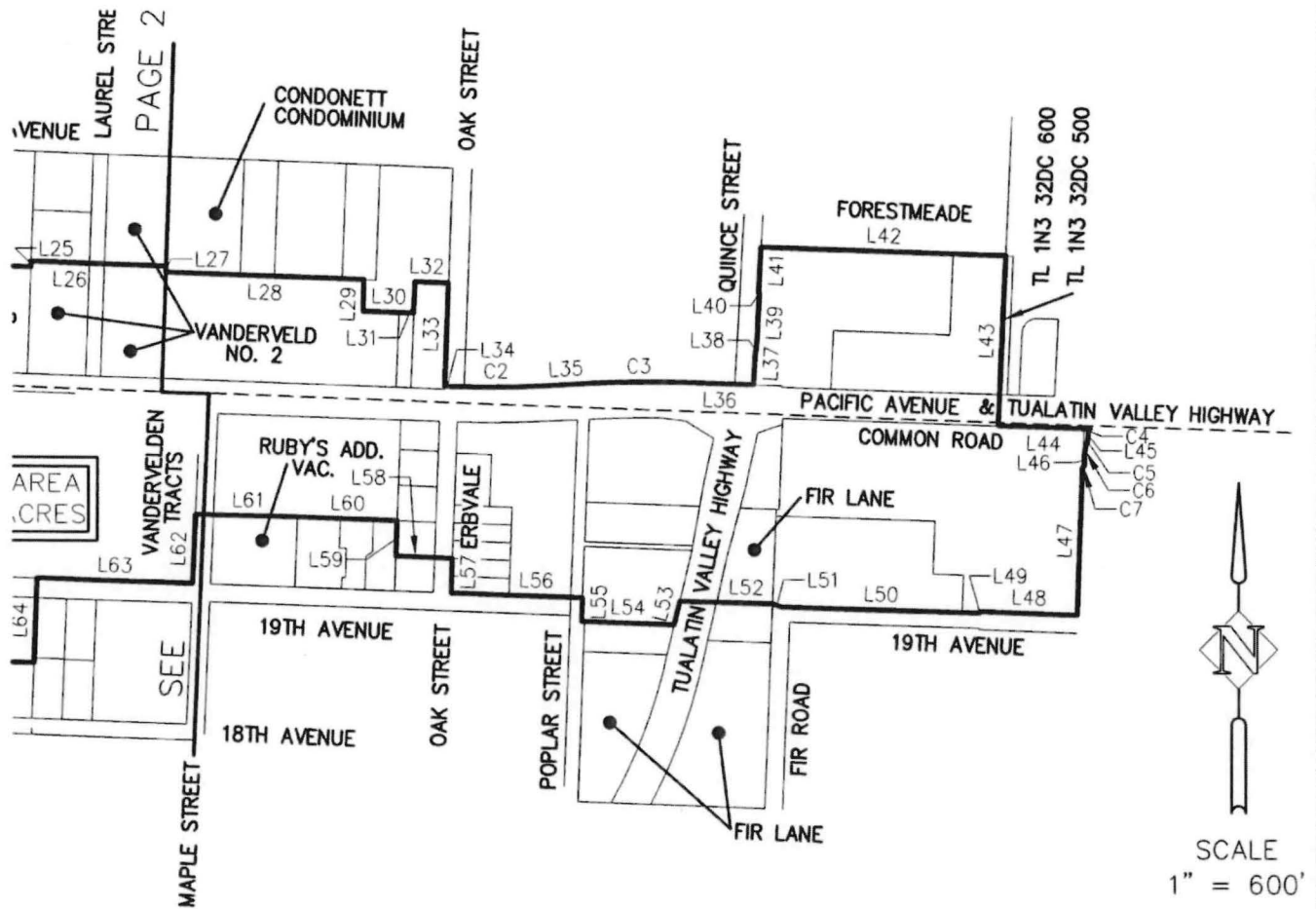
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SEE ATTACHED
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JRL-01 RLC 05/31/2013 PAGE 3 OF 3

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CITY OF FOREST GROVE

URBAN RENEWAL REPORT

PART 2

MAY 2014

Prepared For:
CITY OF FOREST GROVE, OREGON

By:
THE BENKENDORF ASSOCIATES
JOHNSON REID, LLC

T B A C



EXHIBIT 3

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I. INTRODUCTION

The City of Forest Grove Urban Renewal Report has been prepared to provide the essential background information on the urban renewal area to the Urban Renewal Agency, the City of Forest Grove Planning Commission City Council, and the citizens of the community. The report has been prepared to comply with State law regarding Urban Renewal (ORS 457.085). It is intended to be used in conjunction with the Forest Grove Urban Renewal Plan (Part 1). The capitalized headings at the beginning of each major section of this report directly correspond to the information required by ORS 457.

II. DESCRIPTION OF EXISTING CONDITIONS

A. Physical Conditions

1. Topography

The urban renewal area is characterized by generally flat terrain ranging in elevation from about 170 feet on the eastern edge of the area to about 210 feet on the western boundary. The area does not include significant water courses and is not located within the 100 year floodplain.

The most prevalent soil type within the urban renewal area is Woodburn Silt Loam (0% to 3%) slope. This soil type is moderately well drained. The depth to water table is generally 25 inches to 32 inches.

2. Seismic Risk

Seismic risk is an inherent risk in the Pacific Northwest including Forest Grove. There is potential risk to life and property due to seismic shaking and in some cases soft soil/liquefaction hazard. The urban renewal area is within a zone classified as being a severe earthquake risk area due to seismic shaking. Given the age of buildings within the urban renewal area and type of construction (unreinforced masonry) substantial investment is needed to withstand potential seismic risk. Adaptive reuse of structures within the Town Center will require costly improvements to meet current seismic mitigation standards.

3. Building Stock

▪ Town Center

The urban renewal area includes the City's historic core. As such, some of the oldest buildings in the community are found within the urban renewal area. Buildings in the Town Center were generally constructed between 1890 and 1948. Many of these structures are not suitable for current retail, office, or residential needs. Interior improvements are needed to divide large space not suitable for contemporary retailing. Residential use of upper floors is often precluded due to the expense associated with accessibility improvements and upgrades necessary to comply with building codes.

The former Times-Litho site is a specific example of a single story industrial building in the Town Center of poor physical construction with faulty interior arrangement of space not suitable for uses complementary of a town center location. The presence of this structure creates a stagnant and unproductive condition on a site that is potentially useful and valuable for contributing to the public health, safety and welfare of the community. The Times-Litho building was added to over time and the quality of physical construction is now poor and does not meet current building code requirements. The building also exhibits a faulty interior arrangement of space that is not suitable for contemporary retail or residential use. This site is underutilized and contributes to a stagnant and unproductive condition that left unchecked could impact surrounding properties.

Several key underutilized and vacant development sites exist within the Town Center area. In addition, to the Times-Litho building, the vacant lots owned by Woodfold-Marco and the surface parking lots owned by the City of Forest Grove provide opportunities for redevelopment. The presence of shopping and cultural amenities and a good pedestrian environment in the Town Center should encourage further redevelopment of the area.

Significant opportunity also exists for adaptive re-use of under-utilized second and third floor space contained in many of the historic buildings along Main Street. Much of this space is unsuitable for current retail, office or residential needs due to the interior arrangement of improvements. Impediments to adaptive re-use of these structures include meeting contemporary building codes associated with accessibility, seismic mitigation and general code compliance.

A summary of potential redevelopment candidate sites is included as an Appendix to this report. The properties included may or may not develop during Plan period, and no implication of public funding for these projects is implied here. Also, this list is illustrative and not meant to be exhaustive.

- Mid-Town Corridor Area

The mid-corridor area includes the Pacific Avenue/19th Avenue corridor from about Cedar Street to Maple Street. The area is generally characterized by single story retail buildings, single family residences, small multiple family structures, and some single family homes converted to office space. This area also includes the Ballard Towne Shopping Center - a traditional strip commercial retail complex. The Ballard Towne Shopping Center includes the city's only grocery store. This property includes multiple main buildings and outbuildings, which may have partial or full redevelopment potential during the life of the Plan.

- Quince/Pacific Avenue Gateway

The Quince Avenue/Pacific Avenue intersection is characterized by large vacant tracts intended for future large format retail development. This area exhibits substandard streets, and other rights-of-way including Poplar Street and Oak Street. Poplar Street has substandard pavement width as well as no sidewalks, curbs or gutters. Oak Street has no sidewalks. It is expected that these streets will be improved when the area is redeveloped.

In general, the urban renewal area has remained stagnant for many years. Due to the lack of redevelopment in this area there is a growing lack of proper utilization of the area resulting in a stagnant and unproductive condition of land. The land area could contribute to the public welfare including providing jobs and necessary services for residents, workers, and visitors to the community.

- Historic and Cultural Resources

The urban renewal area includes several historic and cultural resources. Historic resources included on the City's register of historic resources include are shown on Figure 1 below.

Figure 1: Historic and Cultural Resources

<u>Address</u>	<u>Property Name</u>	<u>Year</u>	<u>Exterior Material</u>	<u>Exterior Condition</u>
2004 Main Street	1 st National Bank of Oregon Building	c. 1910	Brick/Concrete	Good
2008 Main Street	Haines and Bailey Building	c. 1890	Brick	Good
2016 Main Street	Nixon Building	c. 1912	Brick	Fair
2019 Main Street	Holbrook Lodge #30	c. 1923	Concrete	Good
2020 Main Street	Woods and Caples Building	c. 1893	Brick	Good
2030 Main Street	Ingles and Pope Building	c. 1892	Brick	Fair
2036 Main Street	Ingles and Porter Building	c. 1892	Brick	Good
2038 Main Street	Wagner Building	c. 1890	Brick	Fair
1810 Pacific Avenue	Via House	c. 1928	Stucco	Good
1904 Pacific Avenue	Christian Science Church Building	c. 1916	Brick	Good
1926 Pacific Avenue	Knights of Pythias Building	c. 1909	Brick	Good
2028 Pacific Avenue	Star Theater (Theater in the Grove)	c. 1914	Stucco/Tile	Fair

Source: City of Forest Grove Planning Division and Peter J. Edwards, Columbia Historical Research

Cultural resources within the urban renewal area include Main Street, between Pacific Avenue and 21st Avenue which serves as the location for the Forest Grove Farmers Market held on Wednesday evenings during late-spring and summer. The urban renewal area also includes the Forest Grove Library, Theater in the Grove, and the Forest Grove Senior Center which serve as cultural resources for the community. In addition, several religious organizations are located within the area.

4. Utilities

The urban renewal area is generally served with water, sewer, sanitary sewer, storm drainage, electricity, natural gas, and telephone. Service deficiencies exist within the urban renewal area as described in Section D: Condition of Utilities. The following providers provide utility services within the urban renewal area:

- Water: City of Forest Grove Public Works
- Storm Drainage: City of Forest Grove Public Works, Washington County Clean Water Services
- Sanitary Sewer: City of Forest Grove Public Works, Washington County Clean Water Services
- Electricity: Forest Grove Light and Power
- Natural Gas: Northwest Natural

- Telephone: Frontier Communications, Comcast, various wireless providers

5. Transportation

Several major transportation corridors serve the urban renewal area. The functional classifications are shown below.

Figure 3: Major Transportation Facilities

<u>Street</u>	<u>Classification</u>
Oregon Highway 8(TV Highway)	Arterial
Oregon Highway 47	Principal Arterial
19 th Avenue	Arterial
B Street (north of Pacific)	Collector
B Street (south of Pacific)	Arterial
Pacific Avenue	Arterial
Quince Street	Arterial
Elm Street	Collector
Hawthorne Street	Collector
Main Street (north of 19 th Avenue)	Collector
Maple Street	Collector
Oak Street (north of Pacific Avenue)	Collector

Forest Grove Transportation System Plan 2010

In general, most streets within the urban renewal are in satisfactory condition with routine maintenance and periodic repaving required. Poplar Street south of Pacific Avenue is the notable exception. Poplar Street is in poor condition with potholes. Poplar Street also lacks sidewalks, curbs and gutters.

The Pacific Avenue/Quince intersection has the highest number of reported accidents between 2002 and 2006 at 30. During that same time period the B Street at Pacific Avenue had 12 reported accidents.

The Forest Grove Transportation System Plan identifies specific projects within or near the urban renewal area. These projects include:

- Extend 19th Avenue to E Street
- Improve Pacific Avenue and E Street Intersection
- Extend 19th Avenue to Strasburg Drive

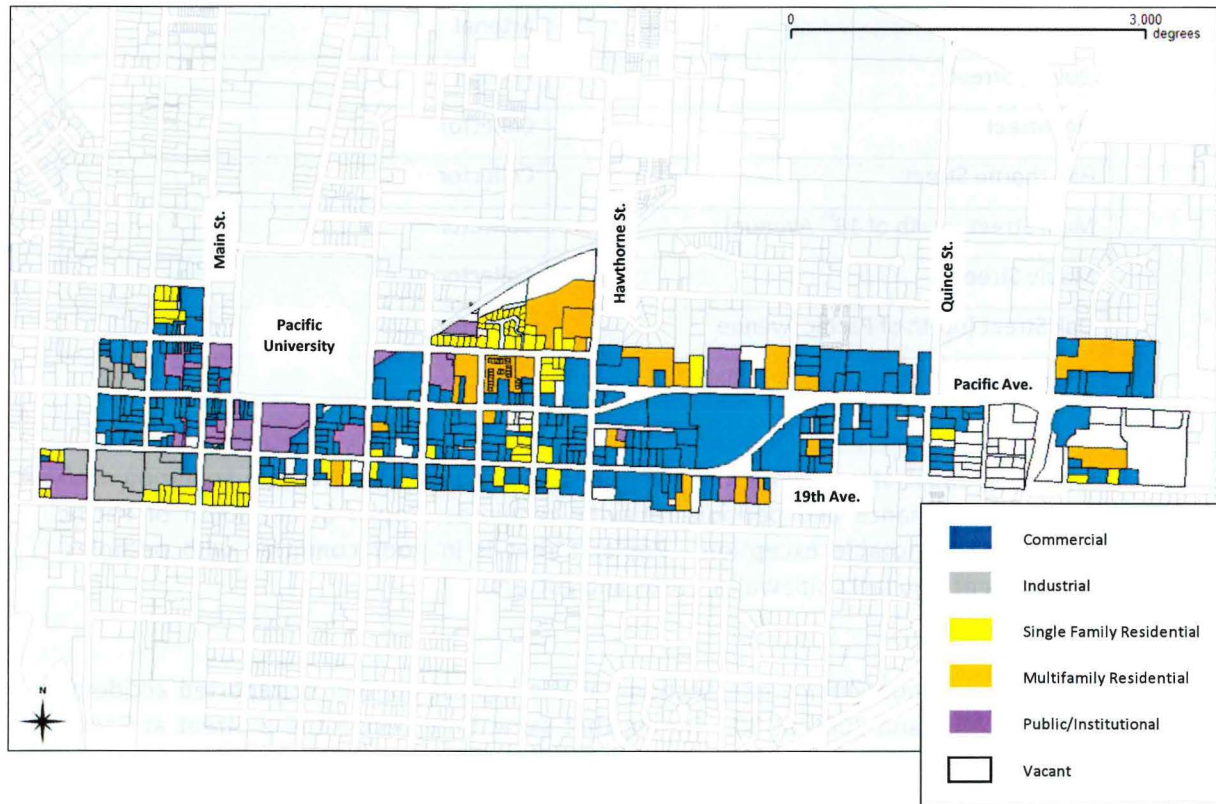
- Improve the Quince/Highway 47 intersection
- Traffic signal at Oak Street and Pacific Avenue

6. Vacant Lots

Based on the 2011 land use inventory there are 69 vacant lots within the urban renewal area. This amounts to 13.3% of total lots. The 69 vacant lots include approximately 32.28 acres of land or approximately 16% of the land within the urban renewal area exclusive of rights-of-way.

Approximately 201 parcels within the urban renewal area could be considered underutilized based on the value of improvements. These parcels contain approximately 86.09 acres or about 43% of the total land area within the urban renewal area excluding rights-of-way.

Figure 4: Existing Land Uses, Urban Renewal Area



B. Social and Economic Conditions

Based on the City's 2011 land use inventory there are approximately 940 dwelling units within the urban renewal area. This represents about 12% of the total number of dwelling units in the City. Based on the number of dwelling units, the City estimates the population within the urban renewal area to be approximately 2,538 or approximately 11.8 percent of the City's total population.

Figure 5: Demographic Characteristics, Urban Renewal Area

Forest Grove Population (2011)	21,275
Urban Renewal Area Population (2011)	2,538
Forest Grove Housing Units	7,600
Urban Renewal Housing Units	940

The land use inventory indicates there are approximately 195 single family residential housing units within the Forest Grove urban renewal area. Based on Washington County tax assessment records, the average value of these housing units is approximately \$185,188. This is well below the average value of \$236,100 for housing units within the City as a whole.

The urban renewal area includes a mixture of single family detached structures and smaller multifamily apartments. According to Washington County Assessor data, most of the housing stock was constructed between 1900 and 1950. The oldest residential structure within the urban renewal area was built in 1859 (2117 A Street). Given the age of the structures many of the homes are in need of repair. The most common visible deferred maintenance item is degraded exterior painting.

The urban renewal area has a high percentage of renter-occupied housing units compared with the City as a whole. Based on a review of ownership address data there are approximately 75 single family rental units within the urban renewal area. The City's land use inventory indicates there area approximately 745 multiple family rental units within the urban renewal area.

The estimated median income in the Census Tracts which include the Urban Renewal Area was \$43,290 in 2011. This was roughly 7% lower than the citywide median income of \$50,400 in Forest Grove (US Census, American Community Survey).

There are an estimated 1,350 jobs in the Urban Renewal Area, or roughly 20% of the employment in Forest Grove. Retail, health care, and public administration are the sectors with the most employment in the area, together representing 60% of jobs. The manufacturing and

educational sectors have much lower representation in the Urban Renewal Area than in the city itself, though the area is adjacent to large industrial areas and Pacific University.

C. Urban Renewal Area Qualifications

ORS 457.420 specifies that the Urban Renewal Area identified in the Plan along with other urban renewal areas in the City may not exceed 25% of the City's land area or 25% of the City's assessed value.

The following table provides a comparison of taxable assessed value and acreage between the city as whole and the urban renewal area. The City of Forest Grove contains approximately 3,816.8 acres within its City limits. Based on the county assessor's tax lot data, the total acreage in the boundary is approximately 251 acres. The area in the urban renewal district boundary represents 6.6% of the total area in Forest Grove and is within ORS 457's 25% acreage limitation for urban renewal areas.

	City	Urban Renewal Area	Legal Limit (ORS 457)
Taxable Assessed Value (TAV)	\$1,137,119,200	\$107,793,530	
Land Area	3,816.8 acres	251 acres	
Percent of TAV	100%	9.5%	25%
Percent of Land Area	100%	6.6%	25%

As noted above, the total assessed valuation within an urban renewal area is limited to no more than 25% of the total municipal assessed value. A review of the Washington County 2012/2013 Assessor records indicates the City of Forest Grove comprised a total taxable assessed value (TAV) of \$1,137,119,200. The proposed urban renewal district comprises a total TAV of \$107,793,530. The resulting Urban Renewal District's share of City taxable assessed value is 9.5%. The plan meets the Oregon State law requirement since the urban renewal TAV is below the 25% limit.

D. Condition of Area Infrastructure

Transportation

Pacific Avenue and the Pacific Avenue/19th Avenue couplet are the major east-west transportation connections serving the urban renewal area. Significant north-south connections include B Street, Main Street, Elm Street, Hawthorne, Maple Street, and Oregon Highway 47. Overall, the street system appears to be in satisfactory condition with routine maintenance required. Poplar Street, south of Pacific Avenue, is substandard with very poor pavement condition, no curbs and no sidewalks.

The Town Center includes a higher level of streetscape than found elsewhere in the community. Streetscape within the Town Center includes wide sidewalks, trash receptacles, decorative

street lighting, benches and decorative crosswalk markings. In general the streetscape within the Town Center is in good condition. Streetscape improvements are needed in certain locations within the Town Center where none currently exists. This includes the area between Cedar Street and Elm Street, and Main Street north of 21st Avenue.

The Pacific Avenue/19th Avenue corridor is identified for boulevard improvements in the Forest Grove Transportation System Plan. The boulevard improvements would include enhanced streetscape elements similar to the Town Center.

Water Distribution

The urban renewal area includes some of the oldest water and sewer lines in the community. The condition of the water and sewer lines varies based on age and material used. General waterline improvements are needed within the urban renewal area to improve flow and pressure at specific points in the system. These improvements are necessary for better fire protection and to replace old deteriorated pipe.

The Water Master Plan, completed in 2010, documents the locations where there is insufficient flow or residual pressure at fire hydrant locations. The amount of water required for fire emergencies is related to the local building type and the land use of the specific location in the distribution system. Insufficient fire flow is a consideration within the urban renewal area. Locations with insufficient flow or residual 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" 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

Sewer

Overall the sewer system serving the urban renewal area is generally adequate. The City of Forest Grove Wastewater Master Plan completed in 2007 identifies specific improvements within the urban renewal area. The master plan recommends increasing the 8-inch and 10-inch diameter lines to 15 inches along 19th Avenue from A Street to Birch Street to meet a 2030 design flow of approximately 1,500 gallons per minute. The master plan also recommends increasing the size of the Maple Street sanitary sewer line from 12-inches to 18-inches to meet a design flow of approximately 1,550 gallons per minute. In addition, the master plan recommends upgrading the existing sanitary sewer line from the Pacific Avenue/Quince Street intersection and along Fir Road to a 15-inch line.

The Forest Grove Capital Improvement Program (CIP) includes a project to rehabilitate the public sanitary sewer line and the private sanitary sewer laterals in the area around Pacific Avenue and Cedar Street. The purpose of the project is to minimize inflow and infiltration of ground water into the existing sanitary sewer system. The CIP also identifies a need to improve the capacity of the Maple Street Sewer Trunk Line.

The Sewer Master Plan also recommends annual replacement/rehabilitation of portions of the old collection piping. Projects are generally selected to coincide with paving projects to minimize cutting trenches through good roads.

Storm Drainage

Localized storm drainage problems exist within the urban renewal area. The lack of adequate storm drainage has precluded redevelopment of a vacant parcel of land located at 2617 Pacific Avenue. The lack of adequate storm drainage at this site will be addressed as part of site redevelopment. 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.

Electricity

Forest Grove Light and Power provides electricity to customers within and near Forest Grove. Electrical lines are generally overhead within the urban renewal area. The Forest Grove Light and Power Substation Master Plan completed in 2013 recommends improvements to electrical substations to improve system reliability and capacity. These improvements will benefit the urban renewal area and support potential redevelopment.

E. Impacts on City Services and Costs

The Forest Grove Urban Renewal Plan establishes a framework for encouraging private development and redevelopment of land and rehabilitation of buildings within the urban renewal area. The Forest Grove Comprehensive Plan and Development Code govern development and redevelopment activities throughout the City including within the urban renewal area. Service needs and costs are based on the land use designations contained in the Comprehensive Plan. Therefore, the urban renewal program is not expected to result in service demands or costs beyond what is already projected by the City.

In general, the urban renewal program should have a positive impact on the cost-effective delivery of municipal services. Development within the urban renewal area will take advantage of prior public investment in infrastructure and excess capacity. Removing financial barriers for the construction of housing in areas already served by public infrastructure may reduce the need for the costly extension of public services elsewhere in the planning area to support development. Furthermore, private development and redevelopment supported by the urban renewal program could result in infrastructure improvements benefitting the City such as water and sewer lateral replacement where needed.

Development and redevelopment within the urban renewal area will increase the taxable value of property. As a result, the City of Forest Grove will receive additional property tax revenue from the City's local option levy based on this increased value. Proceeds from the local option levy will be allocated through the annual budget process for general city services including police and fire protection. Therefore, if service demand increases due to urban renewal projects, the City will receive additional tax revenue to help fund required services. Overlapping taxing districts will also benefit from higher property tax collections due to the higher taxable value during the latter years of the urban renewal program which will depend on the level of tax increment revenue collections and completion of the urban renewal program.

III. REASONS FOR SELECTION OF THE URBAN RENEWAL AREA INVOLVED IN THE PROGRAM

The City of Forest Grove has initiated a strong interest in improving the Town Center since at least 1997. Following the Town Center Plan, a Commercial Corridor Plan was completed in 2005. These two planning areas of the City are the primary parts of the City included in the proposed Urban Renewal District. To date, the following planning studies and documents provide direction for the proposed District. These include:

▪ Comprehensive Plan Goals and Policies	1980- 2007
▪ Town Center Plan	1997
▪ Commercial Corridor Plan	2005
▪ Downtown Resource Team Report	2006
▪ Forest Grove Vision Statement	2007
▪ Storm Drainage Master Plan	2007
▪ Wastewater Master Plan	2007
▪ Economic Dev. Commission Strategic Plan	2009/10
▪ Water Master Plan Update	2010
▪ Transportation System Plan	2010 -2013
▪ Successful Downtowns and Main Streets	2012

Six amendments were made to the Comprehensive Plan from 1987 through 2007 that recognized the changes to the City in the past 30 years. The City is in the process of a major update to the Plan which will be reviewed by the City Planning Commission during 2013.

All of these plans proposed specific goals, objectives, projects and creative ideas for improving the Town Center and Commercial Corridor areas which now make up the proposed Urban Renewal District. This area was selected because an Urban Renewal program can provide the tools necessary to implement the visions and strategies expressed in these plans.

Town Center Plan (TCP)

The Town Center Plan offered the following policies and actions in the areas of Design and Land Use:

- Enhancing the Pedestrian Experience
- Reinforcing the Downtown as a Civic, Financial and Business Center,
- Preserving, restoring and benefiting from historic architecture.

Management and Implementation:

- Ensuring that the TCP moves forward as an ongoing improvement effort.
- Managing the Retail
- Encouraging building (new construction) in the Town Center.

The actual Plan is comprised of 12 major improvements intended to implement the policies and actions of the TCP – See Page 7 of the Plan.

Commercial Corridor Plan (CCP)

The CCP is a follow up to the Forest Grove Town Center Plan to better implement the land use, economic development and transportation goals for the Corridor, consistent with Metro's Functional Plan designation. The plan focuses commercial and residential development in the Corridor to create a more pedestrian, bicycle and transit supportive development environment.

The Corridor contains a significant amount of vacant land, and vacant or under-utilized structures. The project area has a mix of piecemeal and auto-dependent development with development occurring mostly along the arterial roadway with direct driveway access. The current comprehensive plan and zoning map designations could support a mixed-use pattern of development or a multi-modal transportation system. This will improve efficiency of the transit system and reduce congestion.

The Corridor Plan is a strategy on efficient land use arrangements and economic development opportunities through the identification of master planned commercial nodes at key locations along the corridor. It also forms a program for future City improvements to the streetscape and surrounding environs.

The Action Plan is a document that delineates the responsibilities, funding sources and phasing for implementation of elements of the Corridor Plan. The Action Plan is intended to be implemented by public and private partners.

Downtown Resource Team Report

In 2006, the Forest Grove Downtown Resource Team initiated a project to better understand and deal with the dynamics, issues and opportunities facing the downtown. The final report addresses the economic, physical, and organizational components critical to successfully moving the downtown revitalization efforts forward. In addition to downtown issues, the project also addressed the need to better connect downtown with the lodging opportunities.

The recommendations of the Resource Team report fall into the following seven categories. These categories can serve as a framework for implementing the Urban Renewal Plan.

Strategic Initiative 1: Downtown Organization

Building the capacity of existing groups to pull together private sector efforts is of primary importance in Forest Grove. This initiative addresses necessary changes in “who does what” to carry out the goals of Strategic Initiative 2.

Strategic Initiative 2: Business Development

There are a number of business mix and clustering opportunities that can be put into motion in Forest Grove in the near-term. Utilizing the findings and conclusions of the market assessment and business analysis, the action items will move the economics for downtown in the right direction.

Strategic Initiative 3: Redevelopment Tool Kit

The specific elements of redevelopment are packaged in one convenient strategy. This group of incentives looks at existing and potential strategies that will assist local efforts at infill and rehabilitation.

Strategic Initiative 4: Redevelopment

Encouraging infill and facade rehabilitation efforts is a significant part of this report’s recommendations. Providing the right climate and right incentives for desirable redevelopment is a hallmark of successful downtowns.

Strategic Initiative 5: Housing Development

A critical strategy in downtown commercial development is the creation of additional housing. Time and time again, housing has shown to contribute to the demand for additional shops, services, entertainment and restaurants.

Strategic Initiative 6: Historic Preservation

Historic preservation and rehabilitation can be an ideal economic development strategy for attracting and retaining small business. Exploring elements of the creation of an Historic District could be key to the future of downtown Forest Grove.

Strategic Initiative 7: Visitor Development

Many of the same techniques and businesses that are important to the local market, will draw a wider consumer audience.

Forest Grove Vision Statement & 2007 Action Plan

Over 100 residents and interested citizens participated in developing the Forest Grove Vision statement and Action Plan in 2007. The vision statement serves as the foundation for the update of the Forest Grove Comprehensive Plan and provides a framework for the Urban Renewal Plan. It includes the following objectives and actions:

Historic Preservation Objective 2 – Achieve an activity-filled, vital downtown that attracts residents and non-residents while maintaining the historic authenticity of buildings and landscape.

Arts & Culture Long Term Actions 2 & 5 – Find ways to encourage and support the development of art galleries downtown.

Create a covered meeting space in downtown Forest Grove for public gatherings and events.

Economic Development Objectives 2 and 3 – Attract investment and development of the Quince/Highway 47 node on Pacific and 19th Avenues.

- Revitalize downtown leading to stronger sales, increased activity and reduced vacancies.

Actions (Short Term) 5, 7, 9 and 10 – Support establishment of a book store and high-end restaurant in downtown.

- Support and strengthen First Wednesday, Main Course and Holiday Light Parade events that showcase and increase activity in downtown.
- Establish urban renewal district to encourage commercial investment in downtown.
- Work to support commercial redevelopment on large sites at Quince/Pacific Avenues.

Actions (Long Term) 1 – Create “festival Street” on 21st Avenue between College and Main Streets on 21st Avenue in downtown to support events and activities.

People and Community Building - Actions (Long Term) 2 – Develop an outdoor community gathering place downtown that provides a multi-use area for various community functions.

Successful Downtowns and Main Streets

A recent report titled Successful Downtowns and Main Streets was recently presented to the City of Forest Grove by Civilis Consultants. Some of the lessons offered for successful Downtowns and Main Streets are noted below. Several of these may be helpful to the Urban Renewal Agency as implementation of the Urban Renewal Plan is initiated.

1. Destination versus Impulse Businesses – Emerging and transition districts need a solid base of active destination businesses.
2. Restaurants – Food service is key to making a district a destination, particularly staples that become neighborhood hang-outs: baker, breakfast/lunch dining options, pizza place and a coffee shop are all good examples.
3. Strengthen Nodes – Focus improvement on areas that are already active and engaging, then work to connect them.
4. Tenant for Value – Tenancing to create place and ground floor activation results in long-term value for all downtown stakeholders. Lowering rent initially to get the correct tenant use in the door is a proven strategy that works.
5. Walkability – Every business and every building should contribute to a vibrant and active environment for pedestrians.
6. Space Size and Finish – High ceilings, wood floors, exposed brick, dramatic window lines and old world charm are all valuable. Don't make spaces too big. Flexibility is a must to appeal to the widest possible tenant pool. Spaces divisible down to about 900 square feet are ideal.
7. Connectivity – “Blanks” in a downtown or main street, whether they be vacancies, empty lots, or inward facing office or industrial uses, kill a retail district and lower its ability to generate sales and foot traffic.
8. Promote, Promote, Promote – Event planning, large and small, is a huge part of creating civic identity and driving traffic to the expertise offered by passionate local business owners.
9. Wide Stakeholder Involvement – Active and connected building owners, property owners, public sector officials, and residents can develop and implement strategies to effectively plan events, promote the district and create place. Strong relationships are the key to tenancing, to creating community fabric, and to spurring successful revitalization.

Economic Development Commission - 2009/2011 Strategic Plan

The Forest Grove Economic Development Commission began work on an economic development strategic plan in 2008. The recommendations of the plan help position the City to strengthen the Forest Grove area economy. The Strategic Plan includes several strategies pertinent to the Forest Grove urban renewal district.

Strategy 15 – Inventory and redevelop vacant and underutilized commercial/retail sites. Identify and inventory underutilized or vacant sites and develop tools and tactics to encourage redevelopment.

- Establish Urban Renewal Districts in key commercial redevelopment areas.

Strategy 16 – Improve public infrastructure in downtown. Expand and upgrade public infrastructure amenities in and leading to the downtown to support business growth, shopping and livability.

- Site and build a gathering location such as an urban park
- Develop a festival street on 21st
- Ensure adequate parking in downtown
- Improve signage

Comprehensive Plan Goals and Policies

The Comprehensive Plan was adopted in 1980. As noted above, the City is in the process of updating the plan which is intended for adoption by the Planning Commission and City Council in the Spring, 2013. While the Plan is 34 years old, six amendments to the Plan have been executed from 1987 through 2007. There are several Plan goals and policies that are supportive of improving the Town Center. These include:

Related Local Policies from other Elements of the Comprehensive Plan

3. Encourage and cooperate with the development of a central business district study which would generate a plan for the CBD by December, 1981, addressing major issues confronting the area with particular attention to the historic character of the existing CBD (Commercial Element). The Town Center Plan was adopted in 1997.

Commercial Land Use – Goals

2. Encourage the opportunity for revitalization of the central business district.

3. Provide for a mix of commercial uses and multi-family housing in the commercial core area.

Commercial Land Use – Policies

3. Encourage improvement of the central Business District by cooperating with the Downtown Business Association and the Oregon Downtown Development Association in their Main Street Program. (Amended by Ord. 87-7)
4. Multi-family dwellings shall be permitted in the Central Business District. (Amended by Ord. 87-7.
5. Sufficient land shall be included in the Central Business District to allow the opportunity for growth and expansion (Amended by Ord. 87-7)
6. Off-street parking for new uses in the Central Business District shall be provided in the best manner possible, provided that it may not be located at the front of buildings. (Amended by Ord. 87-7)
16. Refer to the Forest Grove Town Center Plan for guidance on all downtown-area policies and strategies. (Ord. 99-17, 12/13/99)

Historic Preservation and Scenic Areas – Policies

2. Encourage the use of tax and other financial incentives to individuals who wish to preserve and/or rehabilitate historically significant sites or structures.
5. Encourage utilization of historical structures in designated commercial zones through building adaptation and rehabilitation.

Conclusion

The seven planning studies summarized above illustrate Forest Grove's long term interest in improving the Town Center and the Commercial Corridor to the east. Many of the ingredients of the Town Center Plan completed in 1997 remain valid today. Those most relevant to this new century and the current community desires have been extracted from these plans to demonstrate that an Urban Renewal District is the best tool necessary for them to finally come to fruition.

The other major reason for selecting the proposed Urban Renewal Area are the conditions of "blight" As defined by ORS 457.101(1).

In the commercial areas of the Town Center, there are several vacant storefronts, second and third floor vacancies and completely vacant buildings. In addition, some of the buildings require moderate to major renovation. These conditions reflect a degree of obsolescence and deterioration (ORS 457(1)(a)(E). These conditions demonstrate a growing lack of proper

utilization of the area resulting in a stagnant and unproductive condition of land. These conditions, impact the public health, safety and welfare of the community.

There are also vacant light industrial buildings and associated land areas including the vacant land owned by Woodfold-Marco and the Times Litho property. Within the Town Center, there are vacant lots, residences requiring renovation and several under-utilized properties. The Light and Power Department yard, located at B Street and 18th Avenue, is an excellent example of an incompatible use with the existing and planned uses in the Town Center area.

The Mid-Town Corridor is comprised of a variety of land uses, many on under-sized lots. These also include older residences and vacated commercial uses such as Tualatin Chevrolet. This area represents conditions of “blight” associated with obsolescence and mixed character or transitional uses.

The Gateway area at the eastern end of the proposed Urban Renewal District is also a mix of commercial and older residential uses. However, there are also a considerable number of vacant lots including two large parcels which have been land-banked by the owners. Similar to the Mid-Town Corridor, this area represents conditions of “blight” associated with obsolescence and mixed-character of uses. In addition, the large amount of vacant land shows a stagnant and unproductive condition of several land areas potentially useful and valuable for contributing to the public health, safety and welfare of the community.

IV. RELATIONSHIP BETWEEN THE PROJECTS TO BE UNDERTAKEN IN THE PROGRAM AND THE EXISTING CONDITIONS IN THE AREA

There are five project categories that are specifically designed to address the existing conditions in the Urban Renewal Area. These include:

- Acquisition of Redevelopment Opportunity Sites from willing sellers
- Redevelopment Project Assistance
- Sustainability Incentive Program
- Grant Project Matching Funds
- Program Administration

Acquisition of Redevelopment Opportunity Sites

As described in Section III above there are existing site conditions in all three sub-areas of the Urban Renewal District that invite redevelopment. The Town Center Area has existing former industrial properties that are either vacant or underutilized. These sites are suited for acquisition and clearance, as necessary, for redevelopment consistent with the character of the Town Center as a mixed-use retail and residential area. There are also smaller sites where in-fill at an urban scale is consistent with the existing retail and office uses.

The mid-town area also has vacant and underutilized properties where medium density residential uses and automobile oriented commercial could strengthen the existing land use pattern and improve property values.

Redevelopment Project Assistance

The Quince/Pacific Avenue Gateway area has large vacant parcels adjacent to the Gateway intersection. As the economy is strengthening, these larger parcels offer unique opportunities for new development by their owners/developers. Based on past experience, they may need assistance from the Urban Renewal Agency with their project development soft costs such as market feasibility studies, engineering reports and environmental or traffic impact assessments.

This type of project assistance may also be needed in the Mid-Town area and Town Center but the scope of the assistance may be more limited.

Sustainability Incentive Program

The Sustainability Incentive Program isn't proposed to address specific "blighting" conditions in the Urban Renewal Area but rather to promote sustainability practices by business owners and

project developers. This can include some of the techniques described in Section VII of the Report. The Sustainability Incentive Program responds to Metro's desire to encourage sustainable development practices through redevelopment activities.

Grant Project Matching Funds

There are many state, federal and Metro grant programs available to communities for specific projects. One of the values of an urban renewal program is that the agency's funds can be utilized as a "local match" to increase the funds available for specific projects. There are many needs in the proposed Urban Renewal Area where loan and grant programs would be very beneficial.

Program Administration

The Urban Renewal Agency will be responsible for managing the projects and programs throughout the Urban Renewal District. At the beginning of the program, the agency should initiate projects in all of the three sub-areas which have high visibility in the community.

V. CITIZEN PARTICIPATION

The citizen participation program included work sessions with the City Council and Planning Commission, a community open house, and an urban renewal working group made up of property owners and representatives from the City Council, Planning Commission, Budget Committee and Economic Development Commission. During the plan preparation process five City Council work sessions were held. An additional work session was held with the Planning Commission. The urban renewal working group met four times over a two month period. Comments and suggestions received from the citizen participation meetings were considered as part of preparing the urban renewal plan. Specifically, comments influenced the proposed urban renewal boundary, project categories and cost allocations.

Approximately 28 persons attended the community open house held on September 12, 2012. The open house provided information on urban renewal, the concept of tax increment financing, and feasibility of establishing an urban renewal program in Forest Grove.

Meeting Dates

City Council Work Sessions:

October 10, 2011;

February 6, 2012;

August 13, 2012;

September 24, 2012; and

February 11, 2013

Planning Commission Work Session: December 5, 2011

Community Open House: September 12, 2012

Working Group Meeting #1: April 4, 2013;

Working Group Meeting #2: April 11, 2013;

Working Group Meeting #3: May 2, 2013; and

Working Group Meeting #4: May 16, 2013

In accordance with ORS 457.120, all utility customers in the City were notified in writing of the City Council's intent to adopt the urban renewal plan and report.

VI. RELOCATION REPORT

According to ORS 457.085 (3)(i) A Relocation Report shall include:

- (A) An Analysis of existing residents or businesses required to relocate permanently or temporarily as a result of agency actions under ORS 457.170;
- (B) A description of the methods to be used for the temporary or permanent relocation of persons living in, and businesses situated in, the urban renewal area in accordance with ORS 35.500 to 35.530; and
- (C) An enumeration, by cost range, of the existing housing units in the urban renewal areas of the plan to be destroyed or altered and new units to be added.

No relocation of existing residences or businesses is planned for the Urban Renewal District. Therefore, no Relocation Report is included in the Urban Renewal Report.

VII. PROJECT COSTS & TIMING

A. Introduction

The City of Forest Grove is establishing an urban renewal agency and adopting an urban renewal plan. The plan area is focused on the Forest Grove Town Center and Pacific Avenue corridor. The area includes the Town Center, Pacific Avenue/19th Street corridor and area surrounding the Quince Street/Oregon Highway 8 intersection.

Urban renewal has been an effective tool for stimulating public and private investment in areas in need of revitalization throughout Oregon. The most effective urban renewal programs are focused with clearly defined goals, objectives and project outcomes.

An initial assessment of the financial feasibility of a Forest Grove urban renewal program was recently completed by the Benkendorf Associates Corp. and Johnson Reid, LLC. The assessment was based on very conservative assumptions regarding growth in the taxable value of property. Two scenarios were evaluated for feasibility. The first scenario was based on a 2.4% annual increase in the taxable value of property. This growth rate of 2.4% is consistent with the historical average increase within Forest Grove over the past few years. The second scenario reflected a 3.0% annual increase in the taxable value of property. A growth rate of 3.0% is consistent with the typical maximum rate of growth applied to the taxable assessed value of property permitted under state law.

Based on the assumptions described above, an urban renewal area including the Forest Grove Town Center and Pacific Avenue corridor could likely generate approximately \$9.7 million in tax increment revenue over a twenty year period. Substantial new development and redevelopment will be necessary to generate tax increment revenue in excess of this amount. Expanding the urban renewal boundary or increasing the duration of the urban renewal program are potential options for increasing tax increment revenue during the life of the Urban Renewal Plan.

The allocation of revenue to potential project categories is based on the 20-year tax increment revenue projections prepared by Johnson-Reid and presented to the urban renewal working group on April 11, 2013.

The Urban Renewal Plan must identify anticipated projects including estimated cost and timeline for completion. Possible urban renewal projects are described below. These projects reflect the modest amount of tax increment funds expected during a twenty-year period. The projects include acquisition of redevelopment opportunity sites, redevelopment project assistance, a sustainability incentive program, set-aside program for matching funds needed for grants benefitting the urban renewal area and project administration.

The following is a description of each of the possible projects, with estimated completion date. The projects proposed for this Urban Renewal Area are programmatic in nature and expected to last through the 20-year life of the district. Therefore the expected completion date is 2033 for most of these projects. The only exception is the first project involving acquisition of sites, which is not a program. However, acquisition activities may extend to the end of the 20-year period, and therefore the listed completion date remains 2033.

B. Planned Projects

1. Acquisition of Redevelopment Opportunity Sites

An urban renewal agency may purchase property for urban renewal projects including redevelopment of sites or infrastructure improvements. Under state law, the urban renewal agency could redevelop the property or dispose of the property to a third party for redevelopment. Acquisition could be fee-simple or less-than-fee simple purchases such as easements or leaseholds. Redevelopment opportunity sites for purchase must be identified in the urban renewal plan. The urban renewal plan could authorize the purchase of property from willing sellers for redevelopment projects. In addition, the urban renewal plan could authorize use of eminent domain powers for infrastructure projects. The use of eminent domain is a policy question for City Council consideration. The City Council could decide to use eminent domain when necessary for urban renewal projects or forego the use entirely if desired.

To spur development, the urban renewal agency may sell land at below market cost. The sale price of the property should be determined based on fair reuse value. Fair reuse value is simply the value of the property, set by the Urban Renewal Agency, taking into account the condition of the property, cost of development, type of development desired and conditions imposed by the urban renewal agency. Typically as-is and as-developed appraisals are prepared to help determine fair reuse value.

Estimated Tax Increment Allocation: \$3,000,000

Estimated Time of Completion: 2033

Potential Acquisition Sites:

- a) Gravel parking lot north of 19th Avenue, east of City Hall
- b) Parking lot north of 19th and west of Main Street
- c) Gravel parking lot south of 19th Avenue east of Council Street
- d) Times-Litho Site, A Street, between Pacific and 2st Avenues
- e) Albertson Site (southwest of Pacific Avenue and Quince Street intersection)
- f) Haggen Site (southeast corner of Pacific Avenue and Quince Street intersection)

Potential Uses:

- Town Center Public Plaza.
- Transit-Oriented Development
- Mixed-Use Development incorporating housing, retail or office uses
- Stand Alone Residential Development addressing document housing needs
- Building Rehabilitation
- Site Clearance and Preparation
- Environmental Remediation

2. Redevelopment Project Assistance

Another tool that is available is urban renewal agency participation in projects meeting the goals and objectives of the adopted urban renewal plan. Urban renewal agency participation could be focused on reducing hard project costs, paying for certain soft costs or reducing financing expenses. The idea is that lowering development costs would induce private investment to pursue a project.

Project hard costs include site preparation and construction expenses. Soft costs include pre-development activities such as preparation of market feasibility studies, engineering reports, environmental analysis or traffic impact assessments. Soft costs may also include fees and charges such as System Development Charges (SDCs). SDC waivers or write downs are effective ways to reduce project costs through urban renewal participation. Reducing project financing costs could also be achieved through direct low interest loans or grants provided to the project.

Estimated Tax Increment Allocation: \$5,000,000

Estimated Time of Completion: 2033

Purpose

Encourage development of vacant property and redevelopment of underutilized property. Promote use of prior investments in infrastructure and increase the tax base. Redevelopment project assistance could include direct loans and grants for construction of physical improvements, system development charge reductions or offsets, funding of pre-development activities such as market feasibility studies, engineering reports, environmental analysis, or traffic impact assessments. Redevelopment project assistance could also include write-downs, participation in funding and constructing off-site improvements and building upgrades to meet building and development code requirements for mixed-use development.

Typical System Development Charges (SDC)

A description of current system development charges applicable to new development is provided below. System development charges reflect the impact that development has on existing systems including excess capacity previously publicly funded. In some instances the amount of system development charges create a barrier to the financial feasibility of new development meeting public objectives for land-efficient development, needed housing and mixed-use projects.

TDT¹ (Apartment) \$4,325

TDT (Condo) \$3,976

TDT (Office) \$6,869 TSFGFA²

TDT (Quality Restaurant) \$19,280 TSFGFA

TDT (High Turnover Restaurant) \$16,573 TSFGFA

Water SDC \$4,212 per unit

Sanitary SDC \$4,800

Park SDC \$3,000

3. Exterior Building Improvement Program

The project category would provide funding for improvements to building exteriors including façade improvements, awnings and canopies, exterior lighting, and exterior improvements intended to generally improve buildings, return historically designated buildings to their original historic character or meet design standards and guidelines applicable to new construction. This category would also fund seismic upgrades and ADA accessibility improvements up to established per project funding limits.

Estimated Tax Increment Allocation: \$1,000,000

Estimated Time of Completion: 2033

4. Interior Building Improvement Program

This project category is intended to assist property owners with costs associated with meeting contemporary building code requirements and hard and soft costs related to building rehabilitation/restoration, environmental remediation, ADA accessibility

¹ TDT: Transportation Development Tax

² TSFGFA: Thousand Square Feet of Gross Floor Area

improvements, seismic upgrades within buildings, energy efficiency, HVAC, electrical, plumbing, and tenant improvements subject to an executed lease and per project funding limits. Funding for tenant improvements should focus on filling vacant space and creating jobs.

Purpose: Expand housing options and create jobs

Estimated Tax Increment Allocation: \$1,000,000

Estimated Time of Completion: 2033

Examples

- ADA accessibility improvements
- Seismic upgrades
- Tenant improvements to support business retention and expansion

5. Sustainability Incentive Program

Sustainability is a public objective cited in planning documents including urban renewal plans. Sustainability initiatives are often intended to increase the use of raw materials for building and energy production that are developed through sustainable practices. Sustainable practices include features such as bio-swales, green roofs, and pervious surfaces to name a few. Other examples of sustainable practices include the use of wind or solar power for energy generation, purchase of raw materials from local sources, or wood using sustainable timber harvesting practices. In addition, Sustainability initiatives that encourage or support transit may encourage reductions in greenhouse gas production. Meeting these public objectives may increase project costs. Higher costs may be associated with compliance procedures or acquisition of new technologies. A set aside for partial funding of sustainability improvements could encourage meeting sustainability standards. For example, funds could be used for specific sustainability elements such as installing solar panels, adaptive reuse of existing buildings, or building low or net zero energy buildings.

Estimated Tax Increment Allocation: \$300,000

Estimated Time of Completion: 2033

6. Grant Project Matching Funds

Many grants are available from private and public sources. Having this funding available would provide the opportunity to leverage urban renewal funds with other sources to

complete needed projects. Grant opportunities tend to focus on specific planning activities or capital improvements. Grants typically require a match from the grant award recipient. This program would establish a funding set aside to provide required match for projects meeting urban renewal goals and objectives. Supplementing tax increment proceeds with grant funds could be especially useful during the early years of the urban renewal program when tax increment proceeds are expected to be minor.

Estimated Tax Increment Allocation: \$300,000

Estimated Time of Completion: 2033

Typical match is 10%. Therefore, this set aside could leverage an addition \$3,000,000 for urban renewal programs.

7. Program Administration

This project includes funding for administration of the urban renewal program. Administration includes project management, regulatory compliance, bond issuance expenses and legal expenses. Program administration is estimated to require approximately 3.6% of program revenue during the duration of the urban renewal program.

Estimated Tax Increment Allocation: \$400,000 (\$20,000 per year)

Estimated Time of Completion: 2033

The table below shows funding allocations for the projects identified above. The table also shows the percentage of total resources allocated to the project. The estimated total allocation of \$11,000,000 would be funded through bond proceeds and tax increment revenue not required for debt service.

Figure 6: Summary of Estimated Project Costs

Project	Estimated Allocation	Percent
Land Acquisition	\$3,000,000	27.3%
Redevelopment Project Assistance	\$5,000,000	45.5%
Sustainability Incentive Program	\$300,000	2.7%
Exterior Building Improvement Program	\$1,000,000	9.1%
Interior Building Improvement Program	\$1,000,000	9.1%
Grant Project Matching Funds	\$300,000	2.7%
Program Administration (20-years)	\$400,000	3.6%
Total	\$11,000,000.00	100%

VIII. FINANCIAL ANALYSIS OF THE PLAN

A. Anticipated Tax Increment Revenues

The following table presents the estimated projection of Tax Increment Financing (TIF) revenues to the Urban Renewal District over the 20-year period beginning tax year 2013/14 and ending tax year 2032/33.

The tax increment is the difference between the total assessed value in the district in a given year, and the total assessed value in the district at the time the plan is approved. At the time of approval, ad valorem tax revenue from all applicable taxing jurisdiction is “frozen” at current levels, and all additional revenue which results from growth of assessed value in the district provides TIF revenue to the Urban Renewal District to fund its plans and activities.

The following table assumes an annual growth rate in assessed value of 3%. 3% is the automatic assessed value escalation allowed under Oregon law stemming from the passage of Measure 50 in 1997. The actual growth rate in assessed value in the district may be more or less than this assumed rate, but 3% is assumed to be a conservative rate.

The projected revenue under a higher rate of 4.5% is included here for reference to indicate the potential for higher revenue from urban renewal activities, but the official rate assumed in this Plan and Report, and reflected in the subsequent tables is 3%.

Figure 7: Projected Tax Increment Revenue

Forest Grove Urban Renewal Area, 20-Year Forecast

Tax Year	Planning Area Levy Rate (per \$1,000 TAV)	
	15.4527	15.4527
	Medium Growth (M50) 3.0%	High Growth 4.5%
2012-13	\$0	\$0
2013-14	\$49,971	\$74,957
2014-15	\$77,811	\$117,578
2015-16	\$118,475	\$180,365
2016-17	\$160,360	\$245,977
2017-18	\$203,501	\$314,541
2018-19	\$247,936	\$386,191
2019-20	\$293,704	\$461,065
2020-21	\$340,846	\$539,308
2021-22	\$389,402	\$621,072
2022-23	\$439,414	\$706,516
2023-24	\$490,927	\$795,805
2024-25	\$543,985	\$889,112
2025-26	\$598,635	\$986,617
2026-27	\$654,924	\$1,088,510
2027-28	\$704,981	\$1,181,711
2028-29	\$764,035	\$1,291,745
2029-30	\$824,860	\$1,406,730
2030-31	\$887,510	\$1,526,889
2031-32	\$952,040	\$1,652,456
2032-33	\$1,018,506	\$1,783,673
20-Year Revenue	\$9,761,821	\$16,250,815

Source: Washington County Assessor, Johnson Reid LLC

B. Forecast of Revenue and Indebtedness

The following table presents the anticipated schedule of TIF revenue and indebtedness (bonding) of the Urban Renewal district. The Urban Renewal Agency reserves the right to change this anticipated bonding schedule to adapt to facts on the ground within the district during its lifetime. The Urban Renewal Agency reserves the right to take on new indebtedness until the 20th year (2032/33) if necessary to complete the projects as described in the Plan and this Report, which may extend the period of debt repayment beyond what is shown in the following table. (Further explanation is provided following the table.)

Figure 8: Forecast of Urban Renewal Program Revenue and Indebtedness

1	2	3	4	5	6	7	8	9	10
Program Year	Tax Year	Total Annual TIF Revenue	Bond Issuance (Year 3) /Principal	Bond Issuance (Year 8) /Principal	Bond Issuance (Year 15) /Principal	Total Annual Debt Service	Annual TIF Revenue (Minus Debt Service)	Projected Annual Program Revenues	Revenue to Other Taxing Jurisdictions (Year 21 +)
	2012-13	\$0				\$0	\$0	\$0	
1	2013-14	\$49,971				\$0	\$49,971	\$49,971	
2	2014-15	\$77,811				\$0	\$77,811	\$77,811	
3	2015-16	\$118,475	\$918,714			\$78,983	\$39,492	\$958,206	
4	2016-17	\$160,360	\$893,739			\$78,944	\$81,416	\$81,416	
5	2017-18	\$203,501	\$867,266			\$78,903	\$124,597	\$124,597	
6	2018-19	\$247,936	\$839,204			\$78,862	\$169,074	\$169,074	
7	2019-20	\$293,704	\$809,459			\$78,819	\$214,885	\$214,885	
8	2020-21	\$340,846	\$777,928	\$2,032,224		\$253,489	\$87,357	\$2,119,581	
9	2021-22	\$389,402	\$744,506	\$1,976,979		\$253,357	\$136,045	\$136,045	
10	2022-23	\$439,414	\$709,079	\$1,918,419		\$253,221	\$186,193	\$186,193	
11	2023-24	\$490,927	\$671,526	\$1,856,346		\$253,082	\$237,845	\$237,845	
12	2024-25	\$543,985	\$631,720	\$1,790,548		\$252,939	\$291,046	\$291,046	
13	2025-26	\$598,635	\$589,526	\$1,720,802		\$252,793	\$345,842	\$345,842	
14	2026-27	\$654,924	\$544,800	\$1,646,872		\$252,643	\$402,281	\$402,281	
15	2027-28	\$704,981	\$497,390	\$1,568,505	\$3,508,842	\$554,150	\$150,831	\$3,659,673	
16	2028-29	\$764,035	\$447,136	\$1,485,437	\$3,413,456	\$553,842	\$210,192	\$210,192	
17	2029-30	\$824,860	\$393,866	\$1,397,385	\$3,312,346	\$553,526	\$271,334	\$271,334	
18	2030-31	\$887,510	\$337,400	\$1,304,049	\$3,205,170	\$553,203	\$334,308	\$334,308	
19	2031-32	\$952,040	\$277,547	\$1,205,114	\$3,091,563	\$552,871	\$399,169	\$399,169	
20	2032-33	\$1,018,506	\$214,102	\$1,100,242	\$2,971,140	\$552,532	\$766,840	\$766,840	
21	2033-34	\$1,086,965	\$146,850	\$989,078	\$2,843,492	\$552,185			\$534,781
22	2034-35	\$1,157,479	\$75,564	\$871,244	\$2,708,185	\$551,829			\$605,649
23	2035-36	\$1,230,107		\$746,340	\$2,564,759	\$473,485			\$756,623
24	2036-37	\$1,304,915		\$613,942	\$2,412,728	\$473,175			\$831,740
25	2037-38	\$1,381,967		\$473,600	\$2,251,575	\$472,859			\$909,108
26	2038-39	\$1,461,330		\$324,838	\$2,080,752	\$472,536			\$988,794
27	2039-40	\$1,543,075		\$167,150	\$1,899,680	\$472,206			\$1,070,869
28	2040-41	\$1,627,271			\$1,707,744	\$299,372			\$1,327,899
29	2041-42	\$1,713,994			\$1,504,292	\$299,166			\$1,414,828
30	2042-43	\$1,803,318			\$1,288,633	\$298,955			\$1,504,363
31	2043-44	\$1,895,322			\$1,060,034	\$298,739			\$1,596,583
32	2044-45	\$1,990,086			\$817,719	\$298,519			\$1,691,567
33	2045-46	\$2,087,693			\$560,866	\$298,295			\$1,789,398
34	2046-47	\$2,188,228			\$288,601	\$298,066			\$1,890,162
35	2047-48	\$2,291,779							\$2,291,779
TOTAL Projected Revenue:								\$11,036,308	

Source: City of Forest Grove, Johnson Reid LLC

All figures in this table are projections based on a number of assumptions. Actual district performance in terms of revenue and bonding schedule may differ significantly from the above projections. This table is meant to demonstrate that the Plan and projects are feasible.

- Column 3 of the table presents the total anticipated TIF revenue by year.
- Columns 4, 5 and 6 present the anticipated revenue of three bond issues, the first in the 3rd year of the plan, the second in the 8th year, and the last in the 15th year. The estimated bond amounts are based on the estimated debt payment supportable by TIF revenue in that year. The calculation assumes a conservative debt coverage ratio of 1.5, meaning that the total allowable debt payment would be the total TIF revenue of the year of debt issuance, divided by 1.5. This means that a cushion exists between the expected revenue and the debt service payment, in case revenues are lower than projected. The calculation also assumes a conservative rate of 6% over a 20-year term.
- In Columns 4 through 6, the highlighted top number represents the amount of debt taken on, while the trailing numbers below represent the amount of principal left on the debt over the 20-year payment period.
- Column 7 presents the anticipated total debt service of the two bonds over the total repayment period.
- Column 9 presents the total revenue by year, including TIF revenues and bond proceeds. It is projected that annual TIF revenues will accrue to the district after debt service is accounted for. Therefore total district revenue is a mixture of TIF revenue and debt.
- Column 10 presents the projected return of property tax revenue to the other taxing jurisdictions, once remaining debt service payments are accounted for, beginning in the 21st year.

The projected annual program revenue in Column 9 is the sum total of bond proceeds from the three bond issues (Columns 4, 5, and 6) and annual tax increment revenue minus debt service (Column 8). The total amount shown Column 9 (Projected Annual Program Revenues) of approximately \$11 million is consistent with the total estimated allocation of revenue for all projects shown on Figure 6 on Page 30. Therefore, project funding requirements are met based on projected program revenue during the duration of the urban renewal plan and the urban renewal program is financially feasible,

C. Anticipated Year in Which Indebtedness Will Be Retired

According to the above projections, subject to all assumptions, the final year of indebtedness would be the 34th year (2046/47). Increment revenue (minus remaining debt service payments) is returned to taxing jurisdictions beginning in the 21st year. As noted above, the Urban Renewal Agency reserves the right to assume new indebtedness until the 20th year, which may extend debt payment beyond that shown in the above table.

D. Statement of Fiscal Impact on Other Jurisdictions Under ORS 457.420-440

The use of tax increment financing creates a fiscal impact on the taxing districts (e.g. the City, the County, community college) that levy taxes within the Area. This impact consists of those districts foregoing the taxes that would have been levied on the increase in assessed value within the Area while tax increment financing is in effect. Figure 10 (on the following page) shows projected impacts on other taxing jurisdictions until the final year of indebtedness. After the 20th year, some incremental tax revenues begin to be returned to the jurisdictions (minus that needed for ongoing debt service payments).

The City's revenue from its local option levy is not included in the division of taxes for Urban Renewal and therefore is not impacted. Based on the incremental increase in the value of taxable property within the urban renewal area the City will collect approximately \$1.3 million from the special levy. This analysis is based on a 3% annual increase in the taxable value of property within the urban renewal area and continuation of the special levy during the duration of the urban renewal plan at the current rate of \$1.60 per \$1,000 in taxable assessed value. The table below shows the estimated annual revenue from the special levy based on the incremental increase in the taxable assessed value of property within the urban renewal area.

Figure 9: Estimated 20-Year Special Levy Revenue

Program Year	Incremental Value	Special Levy Revenue
2013-14	\$3,233,806	\$5,174
2014-15	\$6,564,626	\$10,503
2015-16	\$9,995,371	\$15,993
2016-17	\$13,529,038	\$21,646
2017-18	\$17,168,715	\$27,470
2018-19	\$20,917,582	\$33,468
2019-20	\$24,778,915	\$39,646
2020-21	\$28,756,089	\$46,010
2021-22	\$32,852,577	\$52,564
2022-23	\$37,071,961	\$59,315
2023-24	\$41,417,925	\$66,269
2024-25	\$45,894,269	\$73,431
2025-26	\$50,504,903	\$80,808
2026-27	\$55,253,856	\$88,406
2027-28	\$60,145,277	\$96,232
2028-29	\$65,183,442	\$104,294
2029-30	\$70,372,751	\$112,596
2030-31	\$75,717,739	\$121,148
2031-32	\$81,223,077	\$129,957
2032-33	\$86,893,576	\$139,030
Total		\$1,323,961

School district ad valorem tax revenue is included in the division of taxes, however, due to the fact that school funding in Oregon is aggregated at the state level and redistributed to the local districts per pupil, the diminishment of revenue will be felt at the much larger level of the state pool, and the actual impacts to the Forest Grove School District will be minimal.

Subsequent to the retirement of all debt in the 34th year, the other taxing jurisdictions would share an increase in total revenue of \$2.29 million in the 35th year, at the growth rate assumed in this analysis. The distribution in that year of what was formerly the tax increment would provide additional revenues to the jurisdictions as follows:

Figure 10: Forecasted Annual Revenue to Taxing Jurisdictions

35th Year

Taxing Jurisdiction	Frozen Base	New Revenue	Total
Washington County	\$242,400	\$439,600	\$682,000
Metro	\$10,400	\$18,900	\$29,300
Port of Portland	\$7,600	\$13,700	\$21,300
City of Forest Grove	\$426,400	\$773,400	\$1,199,800
Portland Community College	\$30,500	\$55,300	\$85,800
Forest Grove School District #15	\$529,700	\$960,800	\$1,490,500
NW Regional ESD	\$16,600	\$30,100	\$46,700
Totals:	\$1,263,600	\$2,291,800	\$3,555,400

Figure 11: Forecast of Revenue Impacts on Taxing Jurisdictions
Until First Year After Indebtedness

Program Year	Tax Year	Washington County		Metro		Port of Portland		City of Forest Grove		Portland Community College		Forest Grove School District #15		NW Regional ESD	
		Divisible		Divisible		Divisible		Divisible		Divisible		Divisible		Divisible	
		Tax Rate	Revenue	Tax Rate	Revenue	Tax Rate	Revenue	Tax Rate	Revenue	Tax Rate	Revenue	Tax Rate	Revenue	Tax Rate	Revenue
	2012-13	2.3801	\$0	0.2621	\$0	0.0701	\$0	3.9554	\$0	0.4853	\$0	8.1459	\$0	0.1538	\$0
1	2013-14	2.3801	\$7,700	0.0966	\$300	0.0701	\$200	3.9554	\$12,800	0.2828	\$900	4.9142	\$15,900	0.1538	\$500
2	2014-15	2.3801	\$15,600	0.0966	\$600	0.0701	\$500	3.9554	\$26,000	0.2828	\$1,900	4.9142	\$32,300	0.1538	\$1,000
3	2015-16	2.3801	\$23,800	0.0966	\$1,000	0.0701	\$700	3.9554	\$39,500	0.2828	\$2,800	4.9142	\$49,100	0.1538	\$1,500
4	2016-17	2.3801	\$32,200	0.0966	\$1,300	0.0701	\$900	3.9554	\$53,500	0.2828	\$3,800	4.9142	\$66,500	0.1538	\$2,100
5	2017-18	2.3801	\$40,900	0.0966	\$1,700	0.0701	\$1,200	3.9554	\$67,900	0.2828	\$4,900	4.9142	\$84,400	0.1538	\$2,600
6	2018-19	2.3801	\$49,800	0.0966	\$2,000	0.0701	\$1,500	3.9554	\$82,700	0.2828	\$5,900	4.9142	\$102,800	0.1538	\$3,200
7	2019-20	2.3801	\$59,000	0.0966	\$2,400	0.0701	\$1,700	3.9554	\$98,000	0.2828	\$7,000	4.9142	\$121,800	0.1538	\$3,800
8	2020-21	2.3801	\$68,400	0.0966	\$2,800	0.0701	\$2,000	3.9554	\$113,700	0.2828	\$8,100	4.9142	\$141,300	0.1538	\$4,400
9	2021-22	2.3801	\$78,200	0.0966	\$3,200	0.0701	\$2,300	3.9554	\$129,900	0.2828	\$9,300	4.9142	\$161,400	0.1538	\$5,100
10	2022-23	2.3801	\$88,200	0.0966	\$3,600	0.0701	\$2,600	3.9554	\$146,600	0.2828	\$10,500	4.9142	\$182,200	0.1538	\$5,700
11	2023-24	2.3801	\$98,600	0.0966	\$4,000	0.0701	\$2,900	3.9554	\$163,800	0.2828	\$11,700	4.9142	\$203,500	0.1538	\$6,400
12	2024-25	2.3801	\$109,200	0.0966	\$4,400	0.0701	\$3,200	3.9554	\$181,500	0.2828	\$13,000	4.9142	\$225,500	0.1538	\$7,100
13	2025-26	2.3801	\$120,200	0.0966	\$4,900	0.0701	\$3,500	3.9554	\$199,800	0.2828	\$14,300	4.9142	\$248,200	0.1538	\$7,800
14	2026-27	2.2484	\$124,200	0.0966	\$5,300	0.0701	\$3,900	3.9554	\$218,600	0.2828	\$15,600	4.9142	\$271,500	0.1538	\$8,500
15	2027-28	2.2484	\$135,200	0.0966	\$5,800	0.0701	\$4,200	3.9554	\$237,900	0.2828	\$17,000	4.9142	\$295,600	0.1538	\$9,300
16	2028-29	2.2484	\$146,600	0.0966	\$6,300	0.0701	\$4,600	3.9554	\$257,800	0.2828	\$18,400	4.9142	\$320,300	0.1538	\$10,000
17	2029-30	2.2484	\$158,200	0.0966	\$6,800	0.0701	\$4,900	3.9554	\$278,400	0.2828	\$19,900	4.9142	\$345,800	0.1538	\$10,800
18	2030-31	2.2484	\$170,200	0.0966	\$7,300	0.0701	\$5,300	3.9554	\$299,500	0.2828	\$21,400	4.9142	\$372,100	0.1538	\$11,600
19	2031-32	2.2484	\$182,600	0.0966	\$7,800	0.0701	\$5,700	3.9554	\$321,300	0.2828	\$23,000	4.9142	\$399,100	0.1538	\$12,500
20	2032-33	2.2484	\$195,400	0.0966	\$8,400	0.0701	\$6,100	3.9554	\$343,700	0.2828	\$24,600	4.9142	\$427,000	0.1538	\$13,400
21	2033-34	2.2484	\$105,921	0.0966	\$4,551	0.0701	\$3,302	3.9554	\$186,337	0.2828	\$13,323	4.9142	\$231,505	0.1538	\$7,245
22	2034-35	2.2484	\$105,853	0.0966	\$4,548	0.0701	\$3,300	3.9554	\$186,217	0.2828	\$13,314	4.9142	\$231,356	0.1538	\$7,241
23	2035-36	2.2484	\$90,825	0.0966	\$3,902	0.0701	\$2,832	3.9554	\$159,779	0.2828	\$11,424	4.9142	\$198,510	0.1538	\$6,213
24	2036-37	2.2484	\$90,765	0.0966	\$3,900	0.0701	\$2,830	3.9554	\$159,675	0.2828	\$11,416	4.9142	\$198,381	0.1538	\$6,209
25	2037-38	2.2484	\$90,705	0.0966	\$3,897	0.0701	\$2,828	3.9554	\$159,568	0.2828	\$11,409	4.9142	\$198,248	0.1538	\$6,205
26	2038-39	2.2484	\$90,643	0.0966	\$3,894	0.0701	\$2,826	3.9554	\$159,459	0.2828	\$11,401	4.9142	\$198,113	0.1538	\$6,200
27	2039-40	2.2484	\$90,579	0.0966	\$3,892	0.0701	\$2,824	3.9554	\$159,348	0.2828	\$11,393	4.9142	\$197,974	0.1538	\$6,196
28	2040-41	2.2484	\$57,426	0.0966	\$2,467	0.0701	\$1,790	3.9554	\$101,024	0.2828	\$7,223	4.9142	\$125,513	0.1538	\$3,928
29	2041-42	2.2484	\$57,386	0.0966	\$2,466	0.0701	\$1,789	3.9554	\$100,955	0.2828	\$7,218	4.9142	\$125,426	0.1538	\$3,925
30	2042-43	2.2484	\$57,346	0.0966	\$2,464	0.0701	\$1,788	3.9554	\$100,883	0.2828	\$7,213	4.9142	\$125,338	0.1538	\$3,923
31	2043-44	2.2484	\$57,305	0.0966	\$2,462	0.0701	\$1,787	3.9554	\$100,811	0.2828	\$7,208	4.9142	\$125,248	0.1538	\$3,920
32	2044-45	2.2484	\$57,262	0.0966	\$2,460	0.0701	\$1,785	3.9554	\$100,737	0.2828	\$7,202	4.9142	\$125,155	0.1538	\$3,917
33	2045-46	2.2484	\$57,219	0.0966	\$2,458	0.0701	\$1,784	3.9554	\$100,661	0.2828	\$7,197	4.9142	\$125,061	0.1538	\$3,914
34	2046-47	2.2484	\$57,176	0.0966	\$2,456	0.0701	\$1,783	3.9554	\$100,584	0.2828	\$7,191	4.9142	\$124,965	0.1538	\$3,911
35	2047-48	2.2484	\$0	0.0966	\$0	0.0701	\$0	3.9554	\$0	0.2828	\$0	4.9142	\$0	0.1538	\$0
Total Revenue Foregone:			\$2,970,611		\$125,717		\$91,148		\$5,148,937		\$368,131		\$6,397,094		\$200,247
2013 Dollars (3% Inflation):			\$1,764,700		\$74,400		\$53,900		\$3,045,500		\$217,700		\$3,783,800		\$118,400

APPENDIX

The following is a summary of potential redevelopment candidate projects within the Urban Renewal Area. Most feature some element of blight as discussed in Section II of this report. The properties included may or may not develop during Plan period, and their inclusion here does not imply the use of public funding for any development that occurs. This list is illustrative and not meant to be exhaustive.

APPENDIX A

Potential Redevelopment Opportunity Sites

	Site	Zoning	Taxlot Number	Acreage
1	Woodfold (1821 Main Street)	TCS	1S306BB13800	2.04
2	Gravel Parking Lot	TCS	1S306BB10500	0.36
3	Former Service Station	TCS	1S306BA06500	0.31
4	Albertson's Site	CC	Various	8.32
5	Haggen Site	CC	Various	9.91
6	Cain Petroleum	CC	1S306BA03400	0.48
7	Poppio's	CC	1S306AB00700	0.38
8	Main/21st Parking Lot	INST	1S306BB01900	0.82
9	Wells Fargo Parking Lot	TCS	1S306BB01700	0.99
10	Main/19 th Avenue Parking Lot	INST	1S306BB07800	0.21
11	1917 19 th Avenue	TCS	1S306BB07700	0.11
12	Times Litho	TCS/TCT	Various	2.55
13	Schlegel Property (19 th Avenue)	TCS	Various	0.98

Area #1
Woodfold
1821 Main Street

Zoning: Town Center Support
Acreage: 2.04 acres
Current Use: Warehouse and
underutilized land



Area #2
Gravel Parking Lot

Zoning: Town Center Support
Acreage: 0.36 acres
Current Use: Parking for downtown
employees and visitors



Area #3
Former Service Station
2134 19th Avenue

Zoning: Town Center Support
Acreage: 0.31

Current: Vacant former service station
and underutilized land



Area #4
Albertson's Site

Zoning: Community Commercial
Acreage 8.32

Current Use: Vacant land



Area #5
Haggen Site

Zoning: Community Commercial
Acreage: 9.91

Current Use: Vacant Land



Area #6
Cain Petroleum
2624 Pacific Avenue

Zoning: Community Commercial
Acreage: 0.48

Current Use: Vacant buildings and underutilized land



Area #7
Poppio's Site
2617 Pacific Avenue

Zoning: Community Commercial
Acreage: 0.38

Current Use: Vacant Land



Area #8
Main and 21st Parking Lot

Zoning: Institutional
Acreage: 0.82

Current Use: Surface parking



Area #9
Wells Fargo Parking Lot

Zoning: Town Center Support
Acreage: 0.99

Current Use: Surface parking

City of Forest Grove, Urban Renewal Report



Area #10
Main and 19th Avenue Parking Lot

Zoning: Institutional

Acreage: 0.21

Current Use: Surface parking



Area #11
1917 19th Avenue (parking lot)

Zoning: Town Center Support

Acreage 0.11

Current use: Surface parking



Area #12
Times-Litho Site

Zoning: Town Center Support
Town Center Transition

Acreage: 2.55

Current use: vacant industrial buildings and
vacant single family residential building



Area #13
Schlegel Property

Zoning: Town Center Support

Acreage: 0.98

Current use: convenience store, bicycle shop,
single family residences



Urban Renewal Plan Conformance Analysis Forest Grove Comprehensive Plan (2014) and Economic Development Strategic Plan (2009 – 2011)

Oregon Revised Statutes Chapter 457 requires conformance of an urban renewal plan with the local comprehensive plan and economic development plan, if any (ORS 457.095(3)). This document demonstrates how the proposed urban renewal plan for the Forest Grove Town Center and Pacific Avenue/19th Avenue corridor conforms to the Forest Grove Comprehensive Plan, Forest Grove Economic Development Strategy and other City of Forest Grove policy documents. Furthermore, this document satisfies the requirements of ORS 457.095(3).

Forest Grove Comprehensive Plan Land Use Element

The Forest Grove Comprehensive Plan Land Use Element, adopted in January 2014, establishes guiding principles, goals, objectives and policies for the use of land within the City's planning area.

Guiding Principles:

Guiding principles relevant to the proposed urban renewal plan include:

- Efficient Use of Land; and
- Strengthen Downtown Forest Grove

The finding below shows how the urban renewal plan conforms to the land use guiding principles.

Finding: The proposed urban renewal plan for the Forest Grove Town Center and Pacific Avenue/19th Avenue corridor conforms to the Land Use Element Guiding Principles contained in the Comprehensive Plan. The urban renewal promotes the efficient use of land by establishing a framework for removing financial barriers to the reuse of buildings, development of vacant land, and redevelopment of underutilized property within the proposed urban area already served by the full array of City services. The proposed urban renewal plan also promotes a strong and vibrant downtown by providing a funding mechanism for and encouraging new housing construction in the Town Center supportive of current and future businesses.

Commercial Land Use Policies and Objectives

The Land Use chapter of the Forest Grove Comprehensive Plan contains policies and objectives for future development in the City. Many of these policies and objectives are supported by the urban renewal plan as described below:

Land Use Objective #4: Designate commercial/mixed-use nodes along the Pacific Avenue/19th Avenue Corridor consistent with the findings contained in the 2005 Commercial Corridor Study.

Finding: The urban renewal area includes the Pacific Avenue/19th Avenue corridor and provides a framework for implementing recommendations contained in the 2005 Commercial Corridor Study. These recommendations include establishing an urban renewal district and promoting mixed-use nodes along the commercial corridor. The following urban renewal plan goal and objectives conform to and support Comprehensive Plan Land Use Objective #4:

Urban Renewal Plan Goal 5:

- Promote commercial and mixed-use redevelopment of sites along the Pacific Avenue corridor.

Urban Renewal Plan Objective 5.1:

- Establish incentives to encourage a mixture of land uses including retail, office, and housing at strategic locations along the Pacific Avenue corridor through the creation of nodal development.

For the reasons stated above, the urban renewal plan conforms to Land Use Objective #4.

Land Use Objective #8: Priority should be given to retrofitting single use commercial and retail developments into walkable, mixed-use areas.

Finding: The urban renewal area includes the Pacific Avenue/19th Avenue corridor. The commercial portion of the corridor is characterized by several auto-oriented commercial and retail developments and two large development sites at the Pacific Avenue/Quince Street intersection that are zoned for commercial uses. The urban renewal plan provides a framework for promoting mixed-use development redevelopment intended to create walkable mixed-use areas by encouraging housing, retail and office uses in proximity. This is supported by the following urban renewal plan goals and objectives:

Urban Renewal Plan Goal 5:

- Promote commercial and mixed-use redevelopment of sites along the Pacific Avenue corridor.

Urban Renewal Plan Objective 5.1:

- Establish incentives to encourage a mixture of land uses including retail, office, and housing at strategic locations along the Pacific Avenue corridor through the creation of nodal development.

For the reasons stated above, the urban renewal plan conforms to Land Use Objective #8.

Land Use Implementation Action #1: The City of Forest Grove will adopt a land use concept that promotes the efficient use of land within the urban growth boundary. Measures to promote the efficient use of land will take into account local land economics and market feasibility.

Finding: The urban renewal plan provides a financial framework for encouraging land uses that support the efficient use of land within the urban growth boundary (specifically within the Town Center and along the Pacific Avenue/19th Avenue corridor). The urban renewal plan also establishes financial incentives to improve local land economics and the market feasibility of development in projects consistent with the urban renewal plan. For these reasons the urban renewal plan conforms to Forest Grove Comprehensive Plan Land Use Implementation Action #1.

Land Use Implementation Action #2: The City of Forest Grove will support policies that promote the continued viability of the Forest Grove Town Center as the focal point of the community.

Finding: The urban renewal plan establishes a framework for promoting the continued viability of the Forest Grove Town Center as the focal point of the community. This includes establishing financial incentives to encourage the construction of housing units to support Town Center businesses. The urban renewal plan also identifies several projects geared toward improving the Town Center. This includes a building rehabilitation program to assist property owners with improving building facades, converting unused second floor space for residential purposes, dividing large ground floor space for current retailing needs, and upgrading buildings to meet contemporary building codes.

For the reasons stated above, the urban renewal plan conforms to Land Use Implementation Action #2.

Land Use Implementation Action #3: The City of Forest Grove will support policies that encourage locating complementary land uses in proximity to reduce demand on transportation system and improve overall quality of life of the community.

Finding: The urban renewal plan establishes a framework for promoting complementary land uses in proximity. The following urban renewal plan goals and objectives support these efforts:

Urban Renewal Plan Goal 5:

- Promote commercial and mixed-use redevelopment of sites along the Pacific Avenue corridor. This goal promotes developing complementary land uses in proximity including mixed-use developments.

Urban Renewal Plan Objective 5.1:

- Establish incentives to encourage a mixture of land uses including retail, office, and housing at strategic locations along the Pacific Avenue corridor through creation of nodal development. This objective encourages locating complementary land uses in proximity. Such development supports reducing trip lengths which reduces demand on the transportation system.

For the reasons stated above, the urban renewal plan conforms to Land Use Implementation Action #3.

Forest Grove Comprehensive Plan
Sustainability Element

The Forest Grove Comprehensive Plan includes a sustainability element to promote compact and complete communities and interconnected land uses among other objectives. The urban renewal plan supports the principles, goals and objectives of the Forest Grove Sustainability Element.

Finding: The urban renewal plan provides incentives to develop vacant property in the established part of the City. The urban renewal plan also promotes the reuse of buildings within the historic core including unused upper floor space in existing buildings. This infill development supports reducing the long term costs for providing municipal services by encouraging development where services are already in place. This reduces the need to extend services to outlying areas.

The urban renewal plan promotes a compact and land efficient development pattern by encouraging development and redevelopment in the established, historical core, of the community. This type of development promotes financial sustainability by reducing the need to extend city services such as water and sewer to peripheral areas.

Sustainability Goal #1: Support the function and identity of neighborhoods by encouraging communication, strengthening community bonds, local participation and interaction, and encouraging a sense of place through design.

Finding: The urban renewal plan provides a framework for supporting the function and identity of an important City neighborhood: The Forest Grove Town Center. The urban renewal plan encourages maintaining the Forest Grove Town Center sense through context sensitive development and redevelopment actions. This is exemplified through the following urban renewal plan goals and objectives:

Urban Renewal Plan Goal 4:

- Promote a vibrant Forest Grove Town Center through strategic urban renewal investments.

Urban Renewal Plan 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.

For the reasons stated above the urban renewal plan conforms to Sustainability Goal #1.

Sustainability Goal #3: Promote financial feasibility through a compact and land efficient development pattern intended to reduce the long term costs for providing municipal services.

Finding: The urban renewal plan establishes a financing framework for promoting compact and land efficient development patterns intended to reduce the long term costs for providing municipal services. The following urban renewal plan goal addresses financial feasibility:

Urban Renewal Plan Goal 2:

- Adopt a prudent annual budget to minimize financial risk to the Urban Renewal Agency and the City of Forest Grove.

The following urban renewal plan goal promotes compact and land efficient development patterns intended to reduce the long term costs for providing municipal services:

Urban Renewal Plan Goal 5:

- Promote commercial and mixed-use redevelopment of sites along the Pacific Avenue corridor.

For the reasons identified above the urban renewal plan conforms to Sustainability Goal #3.

Sustainability Goal #7: Promote interconnected land uses that encourage diverse, accessible and proximate that promote active living and access to vital services including employment, education, and healthy food.

Finding: Urban Renewal Plan Goal 5 conforms to Comprehensive Plan Sustainability Goal #7:

Urban Renewal Plan Goal 5

- Promote commercial and mixed-use redevelopment of sites along the Pacific Avenue corridor.

Urban Renewal Plan Goal 5 encourages interconnected land uses in proximity. By definition mixed-use development includes a variety of activities such as housing, places of employment and services. Such development is consistent with Sustainability Goal #7.

For the reasons stated above the urban renewal plan conforms to Sustainability Goal #7.

Sustainability Goal #9: Foster the preservation, construction, and maintenance of an adequate supply of healthful, affordable, resource-efficient, and inclusive housing.

Finding: Urban Renewal Plan Objective 4.4 fosters the preservation, construction, and maintenance of an adequate supply of healthful, affordable, resource-efficient, and inclusive housing:

Urban Renewal Plan Objective 4.4:

- Encourage the construction of needed housing and mixed-use development in the Town Center.

Projects supportive of Sustainability Goal #9 include:

- Acquisition of Redevelopment Opportunity Sites from Willing Sellers
- Redevelopment Project Assistance; and
- Interior Building Improvement Program

For the reasons stated above the urban renewal plan conforms to Sustainability Goal #9.

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.

Finding: The urban renewal plan promotes the preservation and reuse of historic resources through Urban Renewal Plan Objective 4.1:

Urban Renewal Plan 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.

The urban renewal plan also includes two projects related to building improvements. One project promotes exterior building improvements such as installation of awnings and canopies, exterior lighting and improvements intended to return buildings to their original historic character. The other building improvement program focuses on interior building improvements to meet contemporary building code requirements, tenant improvements focusing on filling vacant space and creating jobs and ADA accessibility improvements as examples. For the reasons stated above the urban renewal plan conforms to Sustainability Goal #10.

For the reasons stated above the urban renewal plan conforms to Sustainability Goal #10.

Sustainability Goal #21: Promote efforts to improve access to housing meeting household needs.

Finding: The urban renewal plan supports efforts to improve access to housing meeting household needs. Specifically Urban Renewal Plan Objective 4.4 states:

Urban Renewal Objective 4.4:

- Encourage the construction of needed housing and mixed-use development in the Town Center.

Several projects contained in the urban renewal plan also support efforts to improve housing access. These projects include acquisition of redevelopment opportunity sites from willing sellers and redevelopment project assistance. These projects support housing since housing is an eligible activity for urban renewal funding on property acquired by the Urban Renewal Agency. In addition, urban renewal funding may be used to improve the financial feasibility of housing projects through system development charge reductions and offsets, loans, or grants. For the reasons stated above, the urban renewal plan conforms to Sustainability Goal #21.

For the reasons stated above, the urban renewal plan conforms to Sustainability Goal #21.

Sustainability Goal #22 Promote a balanced transportation system increasing opportunities for bicycling and walking throughout the community.

Finding: The urban renewal plan does not address transportation directly. However, the urban renewal plan promotes development and redevelopment supportive of a balanced transportation system including increasing opportunities for bicycling and walking. For example, the urban renewal plan promotes mixed-use and nodal development with complementary uses placed in proximity. Such development patterns reduce travel distances increasing opportunities for walking or bicycling to destinations.

For the reasons stated above, the urban renewal plan conforms to Sustainability Goal #22.

Sustainability Policy Measure #5: Establish a program to provide incentives for use of low impact design techniques such as bio-swales, rain gardens, porous pavement, green streets, or other generally accepted techniques in new developments.

Finding: The urban renewal plan provides a framework for promoting the use of low impact design techniques. This is accomplished through the “Sustainability Incentive Program” described in the plan. This program would provide financial resources for use of sustainable building practices such as the techniques described above. Urban renewal funding may also be used for solar energy enhancements for energy generation or constructing low or net zero energy buildings.

For the reasons stated above, the urban renewal plan conforms to Sustainability Policy Measure #5.

Forest Grove Comprehensive Plan

Housing Element

The Housing Element of the Forest Grove Comprehensive Plan includes several policies related to the urban renewal plan for the Town Center and Pacific Avenue/19th Avenue corridor. The Comprehensive Plan policies and findings supporting conformance of the urban renewal plan with the Comprehensive Plan are summarized below:

Housing Policy 10.1.5: Implement codes and ordinances to encourage the development of passed-over and underutilized land for residential development.

Finding: The urban renewal plan includes goals, objectives, and projects to encourage the development of passed-over and underutilized land for residential development as identified below:

Urban Renewal Plan Goal 3:

- Improve the local investment climate by reducing financial barriers to development and redevelopment within the urban renewal area.

Urban Renewal Plan Objective 3.1:

- Capitalize a program to reduce development costs to the extent necessary to encourage private investment for projects proving a public benefit and resulting in appreciation of property values and efficient use of vacant and underutilized land. Development costs could be reduced through techniques such as land write downs, off-site public improvements, direct loans and grants or offset of system development charges, permit fees, or development hard or soft costs.

Urban Renewal Plan Objective 4.4:

- Encourage the construction of needed housing and mixed use development in the Town Center.

Urban Renewal Plan Objective 4.5:

- Encourage uses and amenities that support increased residential uses in the Town Center.

For the reasons stated above the urban renewal plan conforms to Housing Policy 10.1.5.

Housing Policy 10.2.1: Establish incentive programs to leverage local resources with private investments. Incentives may take the form of direct financial participation (grants or loans), or indirect participation such as land write-downs.

Finding: The urban renewal plan includes financial incentive programs to leverage local resources with private investments through direct public participation, low interest loan and grant programs and land write-downs. Urban Renewal Plan goals and objectives support Housing Policy 10.2.1 including:

Urban Renewal Plan Goal 3:

- Improve the local investment climate by reducing financial barriers to development and redevelopment within the urban renewal area.

Urban Renewal Plan Objective 3.1:

- Capitalize a program to reduce development costs to the extent necessary to encourage private investment for projects providing a public benefit and resulting in appreciation of property values and efficient use of vacant and underutilized land. Development costs could be reduced through techniques such as land write downs, off-site public improvements, direct loans and grants or offsets of system development charges, permit fees, or development hard or soft costs.

For the reasons stated above, the urban renewal plan conforms to Housing Policy 10.2.1.

Housing Policy 10.2.2: Evaluate the feasibility of establishing a tax increment financing district or Vertical Housing Development Zone to promote residential and mixed-use development within the Forest Grove Town Center, identified high capacity transit station areas, and mixed-use target areas along the Pacific Avenue commercial corridor.

Finding: Adoption of the urban renewal plan will establish a tax increment financing district including the Forest Grove Town Center and Pacific Avenue commercial corridor between the Town Center and just east of Quince Street. Several urban renewal plan goal and objectives support Housing Policy 10.2.2 as described below:

Urban Renewal Plan Objective 4.4:

- Encourage the construction of needed housing and mixed use development in the Town Center.

Urban Renewal Plan Goal 5:

- Promote commercial and mixed-use redevelopment of sites along the Pacific Avenue corridor.

Urban Renewal Plan Objective 5.1:

- Establish incentives to encourage a mixture of land uses including retail, office, and housing at strategic locations along the Pacific Avenue corridor through the creation of nodal development.

For the reasons stated above the urban renewal plan conforms to Housing Policy 10.2.2.

Housing Policy 10.4.1: Develop and implement programs to offset the increasing cost of new housing construction. Programs may include, but are not limited to, reductions in building permit fees, development impact fees, or property taxes for affordable housing meeting US Department of Housing and Urban Development Low Income Housing Tax Credit program requirements.

Finding: Urban Renewal Plan Goal 3 and Objective 3.1 support Housing Policy 10.4.1 by providing opportunities to reduce development costs for new housing:

Urban Renewal Goal 3:

- Improve the local investment climate by reducing financial barriers to development and redevelopment within the urban renewal area.

Urban Renewal Objective 3.1:

- Capitalize a program to reduce development costs to the extent necessary to encourage private investment for projects proving a public benefit and resulting in appreciation of property values and efficient use of vacant and underutilized land. Development costs could be reduced through techniques such as land write downs, off-site public improvements, direct loans and grants or offset of system development charges, permit fees, or development hard or soft costs.

For the reasons stated above the urban renewal plan conforms to Housing Policy 10.4.1

Forest Grove Comprehensive Plan
Urbanization Element

The urban renewal plan is consistent with the Urbanization Element of the Forest Grove Comprehensive Plan. Specifically the urban renewal plan addresses the following urbanization goals and policies:

Urbanization Goal 1: Land shall be made available within the urban growth boundary to meet all local urban land use needs.

Finding: The urban renewal plan promotes Comprehensive Plan Urbanization Goal 1 by encouraging the productive use of land that is currently vacant or underutilized within the urban renewal district. The following urban renewal goals support this objective:

Urban Renewal Plan Goal 5:

- Promote commercial and mixed-use redevelopment of sites along the Pacific Avenue corridor.

The urban renewal plan also supports Comprehensive Plan Urbanization Policy 10. Urbanization Policy 10 is stated below:

Urbanization Policy 10: The City of Forest Grove will continue to promote the efficient use of land within the Forest Grove Town Center and any areas designated as transit station communities on the Forest Grove Comprehensive Plan land use map.

Finding: The urban renewal plan supports Urbanization Policy 10 by establishing financial incentives intended to encourage the development of vacant sites within the urban renewal area for housing, retail and mixed-use development. The urban renewal plan also supports Urbanization Policy 10 by encouraging the redevelopment of underutilized sites and buildings.

For the reasons stated above the urban renewal plan conforms to the Urbanization Element of the Forest Grove Comprehensive Plan.

Forest Grove Comprehensive Plan Economic Development Element

The Forest Grove Comprehensive Plan includes several guiding principles related to the local economy and economic development. The urban renewal plan supports the following guiding principles as described below:

Guiding Principles

- Strengthen Forest Grove's economic competitiveness;
- Improve job opportunities for current and future residents; and
- Promote local shopping opportunities

Finding: The urban renewal plan supports the guiding principles identified above by reducing financial risk and barriers to redevelopment. Reducing financial risk and barriers to development in turn helps improve Forest Grove's economic competitiveness. Improving economic competitiveness will improve job opportunities for current and future residents through new private investment in the community. The urban renewal plan also promotes private investment in housing and non-residential construction in the Town Center and along the Pacific Avenue corridor. Additional housing opportunities will result in a larger population base and more jobs in the urban renewal area thereby supporting local shopping opportunities consistent with the guiding principle identified above.

Urban Renewal Plan Goal 3 and Objective 3.1, identified below, also support the Economic Development Guiding Principles identified above:

Urban Renewal Plan Goal 3:

- Improve the local investment climate by reducing financial barriers to development and redevelopment within the urban renewal area.

Urban Renewal Objective 3.1:

- Capitalize a program to reduce development costs to the extent necessary to encourage private investment for projects proving a public benefit and resulting in appreciation of property values and efficient use of vacant and underutilized land. Development costs could be reduced through techniques such as land write downs, off-site public improvements, direct loans and grants or offset of system development charges, permit fees, or development hard or soft costs.

For the reasons identified above, the urban renewal plan conforms to the Forest Grove Comprehensive Plan Economic Development Element Guiding Principles.

Economic Development Goal 9.7: Promote the Forest Grove Town Center as the focal point of the Community.

Finding: The urban renewal plan supports the Economy Goal 9 to promote the Forest Grove Town Center as the focal point of the community. The following urban renewal plan goal and objectives address Economic Development Goal 9.7:

Urban Renewal Plan Goal 4:

- Promote a vibrant Forest Grove Town Center through strategic urban renewal investments.

Urban Renewal Plan 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.

Urban Renewal Plan Objective 4.2:

- Identify a location and assist with funding construction of a public gathering place in the Town Center.

For the reasons stated above, the urban renewal plan conforms to the Economic Development Goal 9.7.

Economic Development Policy 9.7.3: Identify key properties that are underutilized in the Town Center and assist owners with marketing these assets.

Finding: The urban renewal plan establishes incentives for redevelopment of key underutilized properties within the Town Center. To this end the urban renewal plan contains several goals and objectives related to the redevelopment of underutilized sites in the Town Center.

Urban Renewal Goal 4:

- Promote a vibrant Forest Grove Town Center through strategic urban renewal investments.

Urban Renewal Goal 5:

- Promote commercial and mixed-use redevelopment of sites along the Pacific Avenue corridor.

Urban Renewal Objective 5.1:

- Establish incentives to encourage a mixture of land uses including retail, office, and housing at strategic locations along the Pacific Avenue corridor through the creation of nodal development.

Urban Renewal Objective 5.2:

- Work with the Economic Development Commission to market redevelopment opportunity sites to prospective developers.

For the reasons stated above, the urban renewal plan conforms to Economic Development Policy 9.7.3 of the Forest Grove Comprehensive Plan.

Economic Development Policy 9.7.5: Evaluate the feasibility of establishing a tax increment financing (urban Renewal) district to encourage commercial investment, building rehabilitation and mixed-use development in the Town Center.

Finding: Adoption of the urban renewal plan will establish a tax increment financing district including the Forest Grove Town Center and Pacific Avenue commercial corridor between the Town Center and just east of Quince Street.

Urban Renewal Objective 4.4:

- Encourage the construction of needed housing and mixed use development in the Town Center.

Urban Renewal Goal 5:

- Promote commercial and mixed-use redevelopment of sites along the Pacific Avenue corridor.

Urban Renewal Objective 5.1:

- Establish incentives to encourage a mixture of land uses including retail, office, and housing at strategic locations along the Pacific Avenue corridor through the creation of nodal development.

For the reasons stated above, the urban renewal plan conforms to Forest Grove Comprehensive Plan Economic Development Policy 9.7.5.

Economic Development Policy 9.7.6: Develop an outdoor community gathering place in the Town Center that provides a multi-use area for various community functions.

Finding: The urban renewal plan reinforces the need for an outdoor community gathering place in the Town Center through urban renewal plan Objective 4.2.

Urban Renewal Objective 4.2:

- Identify a location and assist with funding construction of a public gathering place in the Town Center.

For the reasons stated above, the urban renewal plan conforms to Comprehensive Plan Economic Development Policy 9.7.6.

Economic Development Policy 9.7.11 Promote investment in urban living infrastructure amenities to enhance livability in the Town Center.

Finding: The urban renewal plan supports Comprehensive Plan Economic Development Policy 9.7.11 that promotes investment in urban living infrastructure amenities to enhance livability in the Town Center. Specifically, urban renewal plan Objective 4.2 supports the concept of a public gathering place in the Town Center as an amenity to enhance livability in the Town Center. In addition, the urban renewal plan authorizes the use of funds for on- and off-site infrastructure improvements to assist development and redevelopment projects.

Urban Renewal Objective 4.2:

- Identify a location and assist with funding construction of a public gathering place in the Town Center.

For the reasons stated above, the urban renewal plan conforms to Comprehensive Plan Economic Development Policy 9.7.11.

Economic Development Policy 9.7.12 Encourage uses in the Town Center to bring residents from throughout the City into the Town Center.

Finding: Urban renewal plan Goal 4 promotes investments in the Town Center to bring residents from throughout the City into the Town Center. Specifically, urban renewal plan Goal 4 promotes a vibrant Town Center through strategic urban renewal investments. Urban renewal plan Objective 4.2 encourages construction of a public gathering place in the Town Center. A well-designed gathering place will encourage residents from throughout the City, and elsewhere, to visit the Town Center.

Urban Renewal Goal 4:

- Promote a vibrant Forest Grove Town Center through strategic urban renewal investments.

Urban Renewal Objective 4.2:

- Identify a location and assist with funding construction of a public gathering place in the Town Center.

For the reasons stated above, the urban renewal plan conforms to Comprehensive Plan Economic Development Policy 9.7.12.

Consistency with Forest Grove Comprehensive Plan Designations

Finding: The urban area is designated with several Comprehensive Plan classifications. These classifications include:

- Town Center Core;
- Town Center Support;
- Town Center Transition; and
- Community Commercial

The urban renewal plan promotes mixed-use, retail and housing development within the urban renewal area. This type of development is consistent with the Comprehensive Plan designations. Therefore, the urban renewal plan conforms to and is supportive of the Comprehensive Plan designations.

Forest Grove
Economic Development Strategic Plan

The Forest Grove Economic Development Commission prepared an endorsed an Economic Development Strategic Plan for the City. This plan establishes a strategy for job creation, business retention and business recruitment.

Finding: The urban renewal plan is consistent with the Forest Grove Economic Development Strategic Plan. The urban renewal plan recognizes the need to redevelop vacant and underutilized commercial/retail businesses in Forest Grove consistent with the Economic Development Strategic Plan.

The urban renewal plan supports the following Economic Development Strategic Plan objectives:

Strategic Plan Objective: Inventory and redevelop vacant and underutilized commercial/retail sites

- Identify and inventory underutilized or vacant sites and develop tools and tactics to encourage redevelopment.
- Establish urban renewal district in key commercial redevelopment areas

Finding: The urban renewal plan establishes a financing framework for development and redevelopment of vacant and underutilized commercial/retail sites. The urban renewal plan

includes specific projects to encourage redevelopment consistent with the Economic Development Strategic Plan. These projects include:

- Acquisition of Redevelopment Opportunity Sites from Willing Sellers: Purchase of real property for mixed-use development, stand-alone residential development, and stand-alone commercial development projects.
- Redevelopment Project Assistance: Funding for redevelopment activities including hard and soft project costs to promote private investment within the urban renewal area.

Strategic Plan Objective: Market redevelopment of vacant/underutilized sites

- Identify sites for development/redevelopment
- Support urban renewal, vertical housing tax tools

Finding: The urban renewal plan provides a potential source of funding for marketing redevelopment sites consistent with the Economic Development Strategic Plan. The urban renewal plan includes a specific project supportive of marketing redevelopment of vacant/underutilized sites:

Redevelopment Project Assistance: Funding for redevelopment activities including hard and soft project costs. Soft costs include pre-development activities such as preparation of market feasibility studies, engineering reports, environmental analysis or traffic impact assessments. These pre-development activities support marketing redevelopment of vacant/underutilized sites.

For the reasons stated above, the urban renewal plan conforms to the Economic Development Strategic Plan.

Consistency with Other City Policy Documents

The local urban renewal program is consistent with many adopted community goals and objectives. Many of the goals and objectives come from prior plans and studies including the Forest Grove Comprehensive Plan, Town Center Plan, Downtown Resource Team Report, and Commercial Corridor Study. An urban renewal program also addresses a key City Council goal.

Relevant City Goals and Objectives

City Council Goal 1

Promote safe, livable and sustainable neighborhoods and a prosperous dynamic green city.

Finding: An urban renewal district provides a dedicated funding source to strengthen neighborhoods, improve the taxable value of property, encourage use of prior public investments in infrastructure and promote adaptive reuse of existing buildings. Promoting the

adaptive re-use of buildings in the Town Center is a sustainable and green development practice. Re-use of such buildings, however, may be costlier than new construction. As such the urban renewal program could step in and offset some of these higher costs.

The urban renewal program also implements key elements of the Forest Grove Community Vision Statement. This Vision Statement was created through the efforts of over 100 citizen volunteers.

Vision Statement

Planning that considers and accommodates both the desires and needs of all community members to ensure their quality of life and prosperity

Finding: Tax increment financing is a tool that can help improve community prosperity by promoting business expansion to provide jobs, and goods and services to help meet citizen needs. In addition, by supporting more investments, urban renewal promotes higher property values in areas needing investment and job creation through construction activities.

Economic development that encourages innovative diverse and ecologically sound enterprises that provide ample opportunities for employment and ensures the vitality of the community.

Action: establish an urban renewal district to encourage commercial investment in downtown.

Finding: The proposed urban renewal district includes the Forest Grove Town Center. The Town Center represents the heart and soul of the community. A strong and vibrant Town Center demonstrates a commitment to civic life and community interaction. The urban renewal program can assist with efforts already underway related to encouragement of commercial investment in downtown. For instance, the urban renewal program could fund economic development efforts such as marketing vacant commercial space, funding tenant improvements, improving the appearance of building facades and retaining the historical integrity of the Town Center.

Action: work to support commercial redevelopment of large sites at Quince/Pacific Avenues.

Finding: The proposed urban renewal area includes the large redevelopment sites south of Pacific Avenue on either side of Highway 47. These sites remain vacant and have development challenges. The sites are large and the scale of development may be too large for one developer. The urban renewal program could provide incentives to encourage desired development by constructing streetscape improvements or providing system development charge offsets to reduce the impact of the transportation development tax.

Commercial Corridor Study (2005)

The Commercial Corridor examined development and redevelopment concepts for the area along Pacific Avenue from E Street to the Forest Grove/Cornelius boundary. The financing strategy element of the Commercial Corridor Study identifies urban renewal as a potential tool for realizing the development potential of the corridor.

Finding: The urban renewal plan is consistent with and supportive of the Commercial Corridor Study (2005).

Downtown Resource Team Report (2007)

The Downtown Resource Team Report includes many objectives related to urban renewal efforts. These objectives include:

- Downtown revitalization should be both a public and private effort, with everyone working off the same plan;
- Strategic Initiative 3: The specific elements of redevelopment are packaged in one convenient strategy, the Redevelopment Toolkit. This group of incentive looks at existing and potential strategies that will assist local efforts at infill and rehabilitation;
 - Goal 1: Create broad range of tools through various agencies that fit the entire spectrum of downtown development opportunities; and
 - Goal 2: Consider the feasibility of Urban Renewal Agency to fill the role of many of these actions
 - Action 3.2: Provide free design assistance for redevelopment projects;
 - Action 3.3: Implement a Façade Improvement Program;
 - Action 3.4: Establish a signage Grant Program;
 - Action 3.5: Consider waiving, reducing or deferring system development charges;
 - Action 3.6: Provide Grants to help fill funding gaps. This tool should be used only in very special cases to help fill a small project gap, where no other funding sources are available;
 - Action 3.7: Consider forgiving development debt in special cases;
 - Action 3.8: Provide grants or loans for required seismic or ADA upgrades;
 - Action 3.9: Streetscape improvements as part of a specific redevelopment project; and
 - Action 3.10: Optioning downtown “opportunity site” property for redevelopment.
- Strategic Initiative 4 Redevelopment: Encouraging infill and façade rehabilitation efforts is a significant part of this report’s recommendations, in addition to public infrastructure projects. Providing the right climate and right incentives for desirable redevelopment is a hallmark of successful downtowns;
- Strategic Initiative 5 Housing Development: A critical strategy in downtown commercial development is the creation of additional housing. Time and time again, housing has shown to contribute to the demand for additional shops, service, entertainment and restaurants.

Finding: The urban renewal plan is consistent with and supportive of the Downtown Resource Team Report (2007) and incorporates the above strategies as part of the plan.

Forest Grove Town Center Plan (1997)

The potential benefits of an urban renewal districts have been discussed since at least 1997 when the Forest Grove Town Center Plan was completed. Specifically, the Forest Grove Town Center Plan recommended:

- Identify, institute, and promote grant and loan programs and use of incentives to assist/encourage reinvestment in downtown and Town Center properties;
- Public/Private Partnerships;
- Loan programs for private investments; and
- Set up a renewal district

Finding: An urban renewal/tax increment financing district is a tool that could help realize these objectives from the 1997 plan. Tax increment financing is used throughout the State to fund grant and low interest loan programs design to encourage private investment. Urban renewal programs also establish partnerships between the private and public sectors to undertake redevelopment projects.

Conclusion and Recommendation

Given the findings, facts and conclusions as stated above, the Planning Commission determines the urban renewal plan to be consistent with the Forest Grove Comprehensive Plan, Forest Grove Economic Development Strategy and other City policy documents. Furthermore, the Planning Commission recommends that the Forest Grove City Council adopt an ordinance approving the urban renewal plan.



May 20, 2014

Michael Sykes
City Manager
City of Forest Grove
PO Box 326
Forest Grove, OR 97116

Dear Mr. Sykes:

Thank you for providing Metro the opportunity to review Forest Grove's proposed Urban Renewal Plan and Report on the Plan. As an impacted taxing district we appreciate the thorough analysis and engaged public process the city completed in developing this urban renewal plan. We support its use as a redevelopment tool in and around the Forest Grove Town Center.

As you know, Metro's Community Planning and Development Grant Program provided funding for the city's feasibility study and urban renewal plan. Thus, we anticipated that the City would move forward using urban renewal as a financing strategy for capital projects intended to stimulate private investment, create jobs and strengthen property values while promoting the efficient use of land in the downtown and commercial areas.

Please submit this letter into the record for the June 9, 2014, City Council meeting. We look forward to supporting the City in its redevelopment efforts in the future.

Sincerely,

Martha Bennett
Chief Operating Officer

c: Tom Hughes, Metro Council President
Councilor Kathryn Harrington, District No. 4
Tim Collier, Chief Financial Officer
Elissa Gertler, Director, Planning and Development
Tim O'Brien, Land Use Planning

ATTACHMENT B

