

**URBAN RENEWAL AGENCY OF THE CITY OF FOREST GROVE, OREGON**

**URA RESOLUTION NO. 2018-02**

**RESOLUTION AMENDING URA RESOLUTION NO. 2016-05 ESTABLISHING  
THE STOREFRONT IMPROVEMENT (GRANT) PROGRAM AND  
MAKING CHANGES TO ADD DESIGN ASSISTANCE FUNDING GUIDELINES  
AND TO CLARIFY PROGRAM INTENT**

**WHEREAS**, The Urban Renewal Agency of the City of Forest Grove adopted Resolution No. 2016-05, establishing a storefront improvement program (Program) consistent with the Forest Grove Urban Renewal Plan; and

**WHEREAS**, The Urban Renewal Agency Board of Directors desire to amend Resolution 2016-05 to clarify wording and intent; and

**WHEREAS**, The Urban Renewal Agency Board of Directors also desire to include design assistance funding as an element of the Program to improve the quality of applications.

**NOW, THEREFORE, THE URBAN RENEWAL AGENCY OF THE CITY OF FOREST GROVE RESOLVES AS FOLLOWS:**

**Section 1.** Resolution No. 2016-05 is hereby amended as shown on Exhibit A.

**Section 2.** This resolution is effective immediately upon its enactment by the Urban Renewal Agency of the City of Forest Grove.

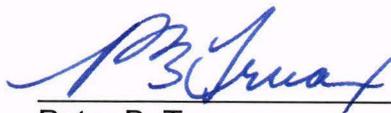
**PRESENTED AND PASSED** this 29<sup>th</sup> day of May, 2018.



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Jesse VanderZanden  
Urban Renewal Agency Executive Director

**APPROVED** by the Urban Renewal Agency of the City of Forest Grove at a regular meeting therefor this 29<sup>th</sup> day of May, 2018, and filed with the Forest Grove City Recorder this date.



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Peter B. Truax  
Urban Renewal Agency Chair

## Exhibit A

### Urban Renewal Agency

#### Storefront Improvement Program

Storefront Improvement Program (“Program”) Levels of Assistance – A ~~store owner~~ An applicant can request financial assistance from the Urban Renewal Agency to improve the exterior of ~~their store~~ a building or area adjacent to the public right-of-way. Program Rrequirements are as follows:

- The work ~~M~~ust be located within the Urban Renewal project area in the Town Center (see Exhibit B);
- The applicant must be either the property owner or business owner with property owner consent.
- The Property owner must be current on taxes;
- Grant funds ~~m~~ust be used to make improvements ~~on the exterior of~~ to the store building façade facing a public street, storefront, or area adjacent to the public right-of-way;
- The project must be designed, constructed and maintained to complement the architectural features of the building. All accessories, signs, awnings, etc. shall also complement the overall character of the building.
- The project shall contribute to the historical nature of the Town Center if the building is a contributing resource or shall complement the historical nature of the area if not a contributing resource.
- The project complies with all applicable City standards and requirements. These include, but not limited to:
  - City Downtown design standards and guidelines,
  - Sidewalk standards, and
  - Relevant building codes.
- The work ~~M~~ust ~~be eligible work that~~ provides exterior improvements or rehabilitation intended to restore facades and exteriors. The following are examples of eligible work:
  - Replacement, repair or alteration of building exteriors (facades) or elements such as doors or windows;
  - Exterior lighting improvements;
  - Repair or replacement of awnings, cornices or decorative details;
  - Masonry repair or cleaning;
  - Sign repair, replacement, installation or removal;
  - Sidewalk repair or replacement;
  - Purchase and installation of street furniture;

Examples of Ineligible Activities:

- Property maintenance;
- Building acquisition;
- Inventory or other working capital;
- Administrative costs or payments to borrower;
- New development or construction;
- Non-storefront related exterior structural improvements or exterior improvements not visible from the public right-of-way as determined by the Urban Renewal Agency's grant manager.

- City Contribution

~~The City's contribution is as follows:~~

- ~~○ Up to \$2,500 grant at a 2:1 ratio of public to private funding (i.e. \$2 of public funds for every \$1 of private funds);~~
- ~~○ Over \$2,500 to \$7,500 grant at a 1:1 ratio of public to private funding (i.e. \$1 of public funds for every \$1 of private funds); or~~
- ~~○ Over \$7,500 to \$10,000 grant at a 1:2 ratio of public to private funding (i.e. \$1 of public funds for every \$2 of private funds).~~
- ~~○ The property owner may obtain other grant funding, but must contribute at least 25% of their own funds for any project.~~

- General Funding Guidelines

To assure adequate funding available to provide for storefront assistance while preserving sufficient funds to pay for other URA obligations, the following funding guidelines for Storefront funding assistance are adopted by the Urban Renewal Agency:

- Where net Urban Renewal funds after obligations for a fiscal year are anticipated to be between \$5,000 to \$15,000, the maximum individual grant would not exceed \$2,500;
- Where net Urban Renewal funds after obligations for a fiscal year are anticipated to be more than \$15,000 to \$30,000, the maximum individual grant would not exceed \$7,500; or
- Where net Urban Renewal funds after obligations for a fiscal year are anticipated to be more than \$30,000 ~~to \$50,000~~, the maximum individual grant would not exceed \$10,000.
- The determination for the amount of available funds for a fiscal year shall be determined when tax increment revenue is received from the County.
- The minimum grant applicant match is \$1 of grant applicant funds for every \$1 of Urban Renewal Agency grant funds awarded to the project.
- The grant applicant may obtain other grant funding, but must contribute at least 25% of their own funds for any project.

- Design Assistance Funding Guidelines

The grant applicant may request funds for project design assistance subject to the following guidelines:

- Grant applicants may apply for up to \$500 in Program funds for an initial design consultation using the Urban Renewal Agency's selected design professional of record.

- An additional \$500 may be provided by the Urban Renewal Agency beyond the initial \$500 Urban Renewal Agency contribution provided the grant applicant matches the additional Urban Renewal Agency funds dollar for dollar.
- A grant applicant may use a design professional of their own choosing, however no Urban Renewal Agency funding will be provided.
- Urban Renewal Agency funding for design assistance will be made on a case-by-case basis considering the likelihood the project as proposed could be constructed based on adopted Program guidelines. Funding decisions will be made administratively by the Executive Director or designee.
- The total amount for design assistance is limited to 10% of the total amount allocated to the Storefront Improvement Program.

## GRANT PROCEDURE

- Grant applicants must submit a completed grant application on forms provided by the Urban Renewal Agency with property owner information and signature. Only completed applications will be considered for funding review and possible funding. Applications for any fiscal year can be submitted July 1 for that fiscal year. Determinations on any application will not be made until the tax increment revenue is received for that fiscal year (about mid-November).
- Only one application per parcel.
- Applicant will provide two (2) bids at least one bid for each portion of the project unless additional bids are required the Urban Renewal Agency's grant manager.

Staff-The Executive Director or designee will review and evaluate each application. The evaluation will be based on:

- Compliance with applicable City standards and guidelines;
- Contribution or complement to the historic character of the Town Center;
- Applicant's demonstrated ability to complete the project;
- Need for assistance has been demonstrated to the satisfaction of the Executive Director or designee;
- If approved, the Urban Renewal Agency and the property owner grant applicant shall enter into a contractual agreement for the proposed improvements.
- Items needed for final payment reimbursement:
  - Contractor's final invoice (detailed and itemized description of scope of work performed and materials used during project).
  - Proof of Payment to Contractor (copy of check, bank statement, etc.)
  - Pictures of Completed Project
  - Site Inspection (conducted by City staff)

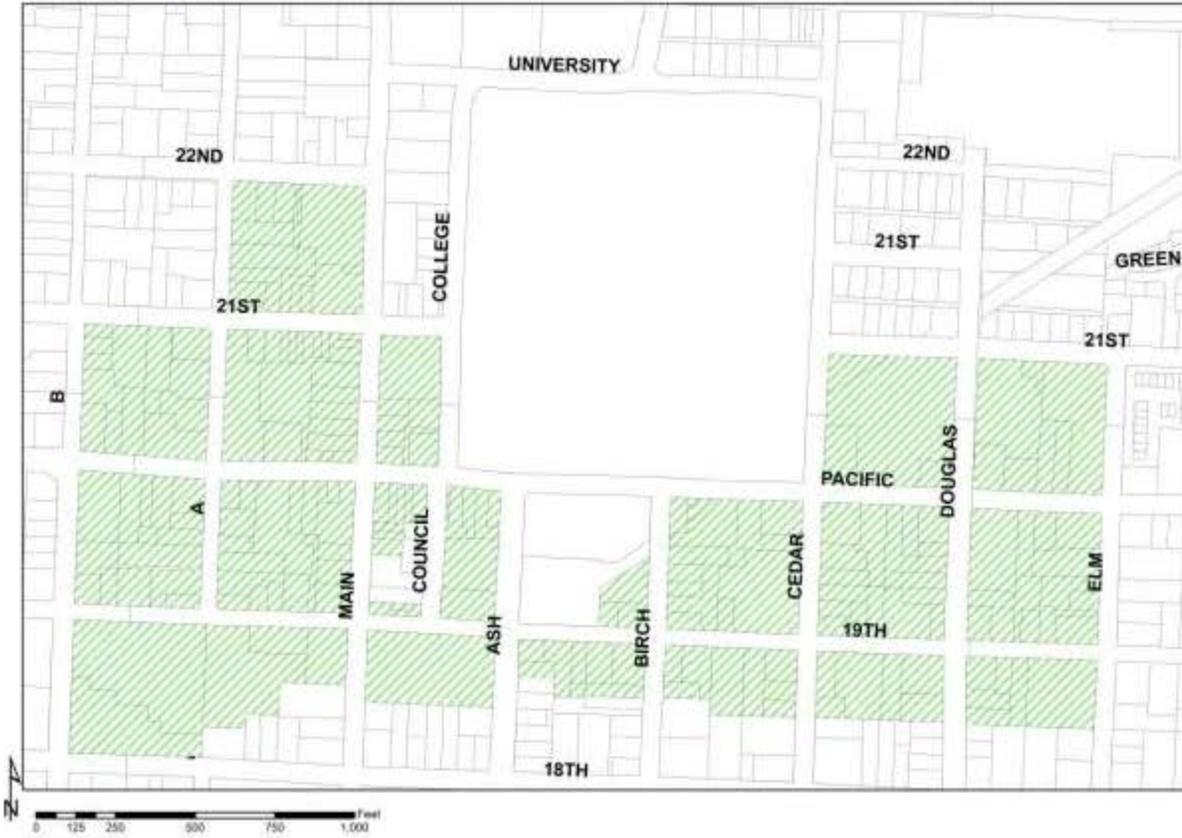
The Agency Executive Director or designee shall review grants throughout the year and approve grants until funds are expended for the fiscal year.

If the application is not funded due to the commitment of available funds for the fiscal year, the applicant may request the application be considered for the next fiscal year. If the application is continued to the next fiscal year provided the application is deemed complete by the Executive Director or designee, it shall have the first priority over new applications received for the next fiscal year. If more than one application is rolled over to the next fiscal year, the priority shall be established by the date the application is deemed completed. ~~is received with the earliest date having the highest priority.~~ Any application can only be rolled over for one year. A new application must be filed if beyond that time frame.

# Exhibit B



## Storefront Improvement Grant Program Eligibility Area





A place where families and businesses thrive.

CITY RECORDER USE ONLY:	
AGENDA ITEM #:	6
MEETING DATE:	5-29-18
FINAL ACTION:	URIA

R. 200 201802

**URBAN RENEWAL AGENCY STAFF REPORT**

**TO:** Urban Renewal Agency Board

**FROM:** Jesse VanderZanden, Executive Director

**MEETING DATE:** May 29, 2018

**PROJECT TEAM:** Daniel Riordan, Senior Planner, Jeff King, Economic Development Manager, Bryan Pohl, Community Development Director

**SUBJECT TITLE:** Resolution Amending the Storefront Improvement Grant Program

**ACTION REQUESTED:**

<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Ordinance	Order	X	Resolution	Motion	Informational

X all that apply

**ISSUE STATEMENT:** The Urban Renewal Agency Board established the Storefront Improvement Grant Program (Program) in 2016 to provide small grants to business and property owners interested in making improvements to building exteriors in the Town Center. Fourteen grant applications have been submitted since the Program began on July 1, 2017. Three applications have been approved and three more are near final approval.

On April 23, 2018, the Board held a work session to consider possible program improvements to clarify intent and improve efficiency. During the work session the Board also considered authorizing funds for small initial design assistance grants to improve the quality of applications and help applicants overcome design challenges. The attached resolution identifies staff recommend changes to Resolution 2016-05 establishing the Storefront Improvement Program for Board consideration. Resolution Exhibit A shows recommended changes to clarify intent and include funding guidelines for design assistance into the Storefront Improvement Program (SIP).

**BACKGROUND:** City Council adopted the Forest Grove Urban Renewal Plan (Plan) in 2014 (Ordinance 2014-07). The Urban Renewal Plan includes several project funding categories for use of tax increment funds. One category is the *Exterior Building Improvement Program*. As described in the Plan this funding category allows 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 funding category also allows for seismic upgrades and ADA accessibility improvements.

On November 14, 2016, the Board approved URA Resolution 2016-05 establishing the storefront improvement grant program to implement the exterior building improvement project category contained in the Plan. The resolution included SIP requirements, examples of eligible and ineligible activities, funding guidelines, and grant application procedures. The SIP was rolled out on July 1,

2017. As noted above, there has been considerable interest in the program. Unfortunately, almost all applications were incomplete providing only vague project descriptions at best. Four applications provided no cost estimates at all and many applicants did not provide basic information about the proposed project such as materials, colors, dimensions, etc. As a result, considerable effort has been required to work with applicants to develop the information needed for complete applications and evaluation.

As discussed during the April 23<sup>rd</sup> work session, many urban renewal agencies provide small design assistance grants to business or property owners interested in applying for larger storefront capital improvement grants. The Board discussed the benefits of small design assistance grants including higher quality applications and reducing the amount of staff time needed for follow-up with applicants to get information necessary for a complete application. As a result of the work session the Board asked staff to return with a resolution to include guidelines for small design assistance grants as part of the Storefront Improvement Program consistent with the Board's discussion. Guidelines include:

- Allocating up to 10% of Storefront Improvement Program funds for design assistance
- Limiting initial design assistance to \$500 with the option for an additional \$500 provided the applicant matches the additional funding dollar for dollar.
- Requiring applicant to use the URA design professional(s) of record if design assistance is requested. Project sponsors could use their own design professional however the entire cost would be at the sponsor's expense.

In addition to adding funding guidelines for there is an opportunity to make changes to URA Resolution 2016-05 establishing the SIP to clarify program intent. This includes specifying that funding priority will be given to complete applications rather than priority based on grant application submittal. Another proposed change includes streamlining match requirements for efficiency and to remove disincentives for larger projects. This is explained further in the fiscal impact section below.

**FISCAL IMPACT:** Adoption of the resolution will continue the Storefront Improvement Program with modifications to clarify intent and improve program efficiency. Proposed modifications include streamlining match requirements to a straight 1:1 rather than current tiered approach based on grant amount. The maximum grant amount would remain at \$10,000 but the tiered maximum would be removed. The current match requirement under the tiered approach is based on grant amount and the amount of funds the Board allocates to the Storefront Improvement Program. Under current Program guidelines the maximum grant amount is based on how much the Board allocates to the SIP:

- The maximum grant amount is \$2,500 when \$5,000 to \$15,000 is allocated to the SIP
- The maximum grant amount is \$7,500 when \$15,000 to \$30,000 is allocated to the SIP
- The maximum grant amount is \$10,000 when \$30,000 to \$50,000 is allocated to the SIP

To provide flexibility for allocating more than \$50,000 to the SIP the resolution (Attachment A) strikes the \$50,000 reference above in the third bullet. Grants would still be capped at \$10,000 when the Board allocates more than \$30,000 to the program.

Under current guidelines grant applicants are required to match URA grant funds based on the amount of grant provided as follows:

- Grant up to \$2,500: \$1 of grant applicant funds for every \$2 of URA funds;
- Grants over \$2,500 to \$7,500: \$1 of grant applicant funds for every \$1 of URA funds;
- Grants over \$7,500 to \$10,000: \$2 of grant applicant funds for every \$1 of URA funds.

The tiered match approach combined with the tiered maximum grant amount creates a situation where an applicant is better served when the URA allocates less funding to the Program. For example, if grant amounts are capped \$7,500 because the URA only allocates \$29,000 to the SIP. In this example an applicant would be required to match \$7,500 for a \$15,000 project. However, if the Agency allocates \$31,000 to the SIP the maximum grant amount is increased to \$10,000. Under current guidelines a \$10,000 grant requires an applicant match of \$2 for every \$1 provided by the URA. For the same \$15,000 project the applicant must provide a match of \$10,000. With a \$10,000 match the URA contribution would be \$5,000 rather than \$7,500 in the initial example. Removing the tiered match removes this situation and makes the program easier to understand for applicants and streamlines program administration.

**STAFF RECOMMENDATION:** Staff recommends the URA Board adopt the attached resolution amending the Storefront Improvement Grant Program as shown in Exhibit A.

**ATTACHMENT(s):**

PowerPoint Presentation

URA Resolution and Exhibit A

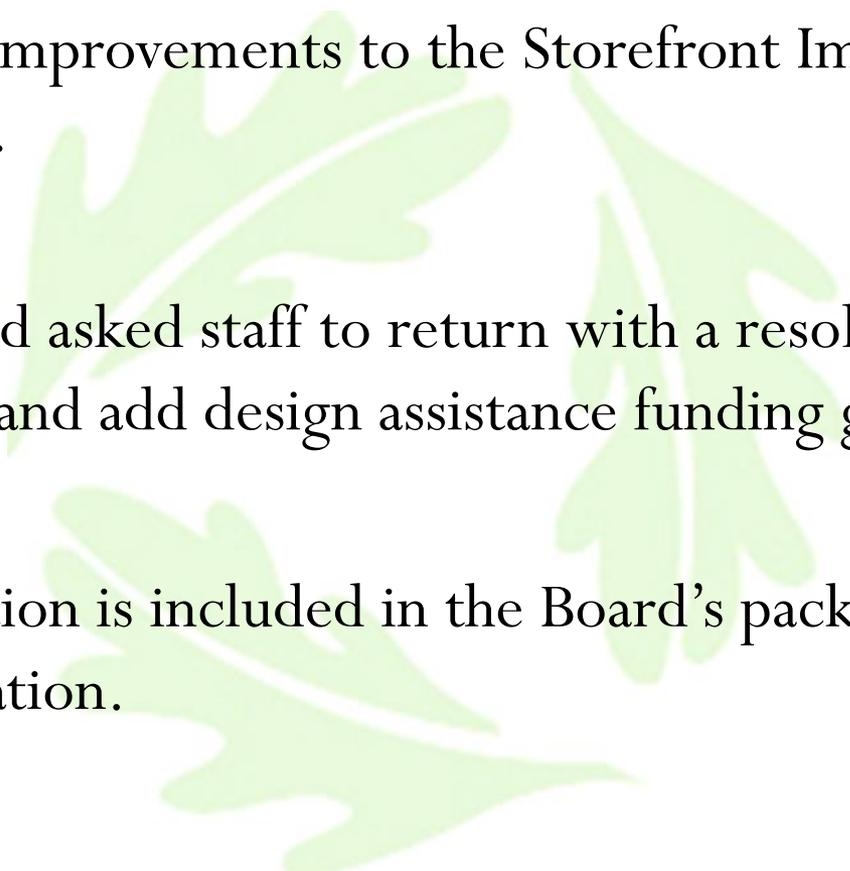


# Storefront Improvement Grant Program

Forest Grove Urban Renewal Agency Board  
May 29, 2018

*A place where businesses and families thrive.*

# Purpose

- On April 23<sup>rd</sup> the Board held a work session to discuss possible improvements to the Storefront Improvement Grant Program.
  - The Board asked staff to return with a resolution to clarify wording and add design assistance funding guidelines.
  - A resolution is included in the Board's packet for consideration.
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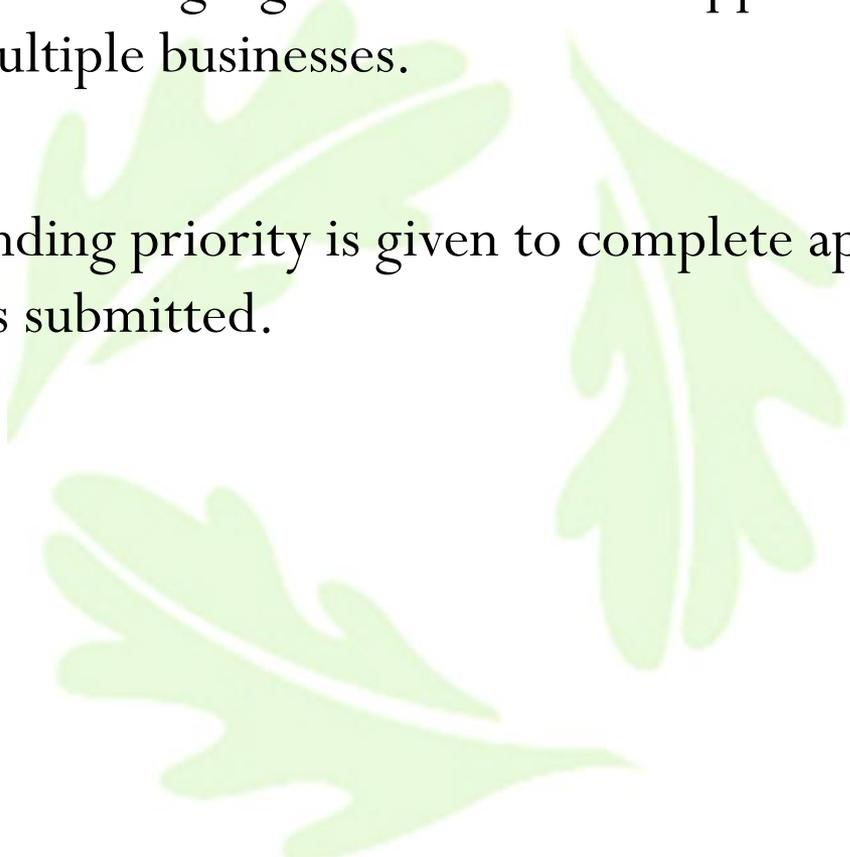
# Overview of Resolution

- Remove tiered match requirements:
  - All grants would require a match of one applicant dollar for each URA dollar.
  - Tiered grant maximum remains based on the grant program budget.
  - The largest grant amount of \$10,000 remains.

# Overview of Resolution

- Add design assistance funding guidelines:
  - Up to \$500 for an initial design consultant.
  - Must use the URA's selected design professional.
  - Allow for an additional \$500 in URA funding if the applicant matches the additional amount dollar for dollar.
  - An applicant could use their own design professional at the applicant's expense.
  - Design assistance would be provided on a case-by-case basis considering likelihood that project will be completed.

# Overview of Resolution

- Clarifies that the program applies to one application per business, per fiscal year. Current language limits it to one application per parcel, which may contain multiple businesses.
  - Specify that funding priority is given to complete applications, not when application was submitted.
- 



The End