

URBAN RENEWAL AGENCY OF THE CITY OF FOREST GROVE

URA RESOLUTION NO. 2021-02

**RESOLUTION AUTHORIZING APPROVAL OF AMENDMENT NO. 1
TO THE EXCLUSIVE NEGOTIATING AGREEMENT WITH WELSHCORP, D.B.A.
FRESHFOODS AND MFF PROPERTIES, LLC, (DEVELOPER), FOR THE PROPERTY
KNOWN AS SITE B AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE
THE AGREEMENT ON BEHALF OF THE URBAN RENEWAL AGENCY**

WHEREAS, the developer has proposed a concept development on the Urban Renewal Agency (URA)-owned property known as Site B; and

WHEREAS, City staff and developer have signed an Exclusive Negotiating Agreement (ENA) on July 28, 2020, in order for the developer to do pre-development design with the ultimate goal of negotiating a Disposition and Development Agreement (DDA) between the developer and the URA; and

WHEREAS, the URA Executive Director granted the developer an extension of time until May 28, 2021, to negotiate a DDA with the URA as permitted by the ENA; and

WHEREAS, due to timing of funding availability for the project, the developer and the URA need more time to enter into the DDA; and

WHEREAS, staff is recommending an extension of time until October 31, 2021, when the last element of funding will be available.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF FOREST GROVE
URBAN RENEWAL AGENCY AS FOLLOWS:**

Section 1. The URA approves Amendment No. 1 to the Exclusive Negotiating Agreement granting an extension of time for the ENA until October 31, 2021.

Section 2. That the URA Board of Directors authorize the URA Executive Director to sign the amendment in a form substantially akin to that attached to this resolution as Exhibit A.

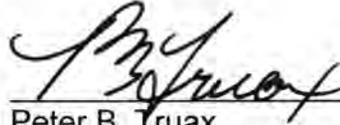
Section 3. This resolution is effective immediately upon its enactment by the Urban Renewal Agency Board.

PRESENTED AND PASSED this 24th day of May, 2021.



Jesse VanderZanden
Urban Renewal Agency Executive Director

APPROVED by the Urban Renewal Agency of the City of Forest Grove at a regular meeting on this 24th day of May, 2021, and filed with the Forest Grove City Recorder this date.

A handwritten signature in black ink, appearing to read "Peter B. Truax", written over a horizontal line.

Peter B. Truax
Urban Renewal Agency Board Chair

Exclusive Negotiating Agreement Amendment #1

Amendment #1 to Exclusive Negotiation Agreement (the "Agreement") between Forest Grove Urban Renewal Agency ("Agency") and WelshCorp, d.b.a. FreshFoods and MFF Properties, LLC (together the "Developer").

Original Agreement Dated July 28, 2020

Amendment #1 to the Agreement – Developer is working to finalize the project on Site B at the corner of Pacific Avenue and "B" Street in Forest Grove. Developer will have to wait until October 2021 for affordable housing funding from Washington County. Developer received an automatic 120-day extension as provided by Article 2 of the Agreement which expires on May 28, 2021. Developer has requested additional timing to finalize the project including approval of the affordable housing component of the project. Agency is agreeable to an additional extension of time to complete the Disposition and Development Agreement (DDA) as the project has a good probability of success.

Agency hereby agrees to grant an extension of time for the Agreement until October 31, 2021, for the parties to complete the DDA. All other terms of the original agreement remain in effect.

SIGNED AND DATED THIS 24th day of May 2021, by

FOREST GROVE URBAN RENEWAL AGENCY

DEVELOPER

BY: 

Title: Executive Director

BY: _____
Title: President and Owner, WelshCORP

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<i>CITY RECORDER USE ONLY:</i>	
AGENDA ITEM #:	<u>6.</u>
MEETING DATE:	<u>05/24/2021</u>
FINAL ACTION:	<u>URA RESO</u> <u>2021-02</u>

URBAN RENEWAL AGENCY STAFF REPORT

TO: *Urban Renewal Agency Board of Directors*

FROM: *Jesse VanderZanden, Executive Director*

MEETING DATE: *May 24, 2021*

PROJECT TEAM: *Paul Downey, Administrative Services Director*

SUBJECT TITLE: *Approve ENA Amendment #1 and Authorize Executive Director to Execute*

ACTION REQUESTED:

<input type="checkbox"/>	<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 Forest Grove Urban Renewal Agency (URA) signed an Exclusive Negotiating Agreement (ENA) with WelshCORP LLC (Developer) to give the Developer time to explore developing a project for the URA-owned Site B on the corner of “B” Street and Pacific Avenue which is the vacant property next to the Jesse Quinn Apartments. The current proposed project is an approximate 20,000 square-foot grocery store with up to 20 affordable-housing apartments above the grocery store. Half of the units are projected to be for up to 60% of the County’s Area Median Income (AMI) with the other half of the units for up to 80% of AMI.

The Executive Director gave WelshCORP an automatic 120-day extension of time as allowed by the ENA. The Developer needs additional time to put the project together as affordable housing project funding from Washington County, if approved, will not available until October 2021. More information is needed on the affordable housing funding before the URA and the Developer can negotiate a Disposition and Development Agreement (DDA). The Developer feels the project has a good probability of success and hopes to begin construction before the end of 2021.

Staff has drafted an amendment to extend the ENA through October-31, 2021, to give the Developer and City staff sufficient time to do their due diligence on the project. The DDA will probably need to be completed before that date but staff did not want to have to come back to the Board for another extension.

FISCAL IMPACT: There is no fiscal impact to the URA by granting the extension.

STAFF RECOMMENDATION: Staff recommends the URA Board of Directors approve the attached resolution to approve the amendment to the ENA and authorize the Executive Director to execute the agreement.

ATTACHMENT: Resolution Authorizing Approval Of Amendment No. 1 To The Exclusive Negotiating Agreement With WelshCORP, D.B.A. Freshfoods And MFF Properties, LLC, (Developer), For The Property Known As Site B And Authorizing The Executive Director To Execute The Agreement On Behalf Of The Urban Renewal Agency