



Annual Financial Impact Report Fiscal Year 2024-2025 Required by ORS 457.460

Table of Contents

Analysis of Impact on Taxing Districts.....	Page 1
Agency Contact.....	Page 1
Maximum Indebtedness Analysis.....	Page 3
Statement of Purposes and Amounts of Moneys Received.....	Page 4
Fiscal Year 2025-2026 Adopted Budget.....	Page 5
Debt Service Schedule.....	Page 6

Introduction

The City of Forest Grove adopted the Forest Grove Urban Renewal Plan principally to promote public and private investment within the City’s downtown area and along the Pacific Avenue/19th Avenue commercial corridor. The Urban Renewal Plan authorizes projects intended to increase property tax revenue to the benefit of all taxing districts after completion of the urban renewal plan.

Urban renewal agencies in Oregon receive revenue for projects through the division of property taxes. When an urban renewal plan is adopted, the county assessor tallies the taxable assessed value for property within the urban renewal area. This is called the “Frozen Base.” The urban renewal agency receives most property tax revenue from the taxable value of property above the frozen base. This is called the division of taxes and continues until the urban renewal plan is completed. The revenue received from the division of taxes is used to repay bonded indebtedness and contractual obligations incurred to complete the urban renewal projects.

Oregon Revised Statutes Chapter 457.460(1)(e) requires an annual “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” subject to the division of taxes. This report fulfills this requirement.

Agency Contact

Please direct questions about this report to: Daniel Riordan, Senior Planner
Forest Grove Community Development Department
(503) 992-3226 / driordan@forestgrove-or.gov

Analysis of Impact on Taxing Districts

In Fiscal Year 2024-2025 the Forest Grove Urban Renewal Plan had a total property tax levy impact on affected taxing districts of \$928,980. Table 1 below shows the impact of the division of taxes for Fiscal Year 2024-2025 on each taxing district overlapping the Forest Grove Urban Renewal Area based on the taxing districts permanent tax rate. The division of taxes for the Forest Grove Urban Renewal area is based on the permanent tax rate only. The Forest Grove Urban Renewal Agency received revenue from the issuance of debt during Fiscal Year 2024-2025 in the amount of \$4,250,000.

**Table 1: ORS 457.460(1)(a)
Division of Property Taxes for Urban Renewal
Analysis of Impact to Overlapping Taxing Districts
FY 2024-2025**

Taxing District	Permanent Tax Rate ¹	Permanent Tax Rate as Percentage of Total Rate	Urban Renewal Taxes Divided ²
Forest Grove School District	\$4.9142	41.63%	\$386,789.49
City of Forest Grove	\$3.9554	33.51%	\$311,312.63
Washington County	\$2.2484	19.05%	\$176,818.05
Portland Community College	\$0.2828	2.40%	\$22,102.66
NW Educational Service District	\$0.1538	1.30%	\$11,991.65
Metro	\$0.0966	0.82%	\$7,503.73
Tualatin Soil and Water Conservation District	\$0.0836	0.70%	\$7,053.90
Port of Portland	\$0.0701	0.59%	\$5,408.00
Clean Water Services	\$0.0000	0.00%	\$0.00
Tri Met	\$0.0000	0.00%	\$0.00
Total	\$11.8038	100.00%	\$928,980.11

The amount of property tax divided results from the incremental taxable assessed value of property within the urban renewal area. Table 2 below shows the annual taxable assessed value of property within the urban renewal area since the Forest Grove Urban Renewal Plan was adopted in 2014.

Table 3 shows the actual amount of tax increment revenue divided annually since adoption of the urban renewal plan.

¹ The permanent tax rate is imposed by Measure 5 and does not include the tax rate computed for bonded indebtedness. The permanent tax rate is used for division of taxes.

² Based on Tax Rate percentage

**Table 2
Incremental Taxable Assessed Value
Forest Grove Urban Renewal Area**

	FY 2014-2015	FY 2015-2016	FY 2016-2017	FY 2017-2018	FY 2018-2019	FY 2019-2020
Incremental Taxable Assessed Value	\$0	\$2,087,388	\$8,969,352	\$12,685,207	\$18,475,184	\$33,399,932

	FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024	FY 2024-2025	FY 2025-2026
Incremental Taxable Assessed Value	\$39,952,570	\$46,689,570	\$58,186,330	\$73,520,624	\$78,738,316	\$85,547,270

**Table 3
Amount of Tax Increment Revenue Divided
FY 2015-2016 to FY 2025-2026**

Fiscal Year	Amount of Tax Increment Revenue Divided
2015-2016	\$27,917
2016-2017	\$119,764
2017-2018	\$170,067
2018-2019	\$246,872
2019-2020	\$437,429
2020-2021	\$506,158
2021-2022	\$533,934
2022-2023	\$664,046
2023-2024	\$866,254
2024-2025	\$928,980
Total	\$4,501,421

Maximum Indebtedness Analysis

ORS 457.460(1)(e) requires a statement of maximum indebtedness included in the adopted urban renewal plan and indebtedness incurred through the preceding fiscal year. As shown on Table 4 below, the maximum indebtedness for the Forest Grove Urban Renewal Plan is \$15 million. Proceeds from debt issued through Fiscal Year 2024-2025 is \$7,275,062.

Table 4

Maximum Indebtedness	Principal Indebtedness	Remaining Indebtedness
\$15,000,000	\$7,275,062	\$7,724,938

Statement of Purposes and Amounts for Moneys Received

ORS 457.460(1) (b) requires a statement of purposes and amounts for which any money received under ORS 457.420 to 457.470 and from indebtedness incurred under ORS 457.420 to 457.470 were expended during the preceding fiscal year. The table below shows estimated expenses for activities undertaken by the Urban Renewal Agency for the preceding Fiscal Year.

Table 5
Forest Grove Urban Renewal Agency
FY 2024-2025 Expenses³

Expense Code	Description	Estimated Expenses
6080	Miscellaneous	\$0
6125	Public Information	\$743
6135	Memberships (OEDA)	\$0
6200	Intergovernmental Services	\$137,943
6295	Attorney Services	\$9,925
6305	Professional Services	\$8,081
6325	Financial Services/Auditing	\$6,900
6328	Bond Issuance Costs	54,000
6425	Storefront Improvement Grants	\$15,450
6426	Public Art and Other Projects	\$6,000
6427	Building Improvement Program	\$15,000
6428	Land Purchase Program	\$3,540,069
6430	Undesignated Projects	\$0
	Debt Service	\$124,958
	Total	\$3,919,069

³ City of Forest Grove Finance Department

FY 2025-2026 Adopted Budget

ORS 457.460(1)(c) requires an estimate of money received during the current fiscal year through the division of taxes and from indebtedness. The adopted Forest Grove Urban Renewal Agency budget for the Fiscal Year 2025-2026 is shown below. Total Urban Renewal Agency resources are estimated to total \$921,260. The Urban Renewal Agency does not intend to issue additional long-term debt during Fiscal Year 2025-2026.

**Table 6
Adopted 2025-2026 Budget**

850 URBAN RENEWAL AGENCY								
FISCAL YEARS 2025-2027 PROPOSED BUDGET								
URA RESOURCES	2022-23	2023-24	2024-25	2024-25	2025-26	2026-27	2025-2027	
	Actual	Actual	Budgeted	Estimated YE	Proposed	Proposed	Biennium Total	
PROPERTY TAXES								
4000 Property Taxes	655,674	828,945	851,681	886,889	915,269	944,558	1,859,827	
4020 Prior Years Property Taxes	8,372	6,493	6,000	8,054	6,000	6,000	12,000	
TOTAL PROPERTY TAXES	664,046	835,438	857,681	894,943	921,269	950,558	1,871,827	
MISCELLANEOUS REVENUE								
4700 Interest	17,180	32,397	19,000	124,154	48,000	42,000	90,000	
4716 Proceeds from Debt Issuance			4,250,000	4,250,000	0	0	0	
TOTAL MISCELLANEOUS REVENUE	17,180	32,397	4,269,000	4,374,154	48,000	42,000	90,000	
FUND BALANCE AVAILABLE								
4900 Fund Bal Avail For Approp.	622,702	845,592	625,529	639,225	1,989,254	0	1,989,254	
TOTAL URA RESOURCES	1,303,928	1,713,427	5,752,210	5,908,322	2,958,523	992,558	3,951,081	
URA EXPENDITURES								
MATERIALS & SERVICES	2022-23	2023-24	2024-25	2024-25	2025-26	2026-27	2025-2027	
	Actual	Actual	Adopted	Estimated YE	Proposed	Proposed	Biennium Total	
6125 Public Information	1,443	342	600	743	600	600	1,200	
6135 Memberships	0	0	250	0	250	250	500	
6200 Intergovernmental Services	88,574	113,789	137,943	137,943	135,518	141,660	277,178	
6295 Attorney Services	0	0	15,000	9,925	15,000	15,000	30,000	
6305 Professional Services	3,029	0	15,000	8,081	15,000	15,000	30,000	
6325 Financial Services, Auditing, Invest	5,500	5,700	5,700	6,900	6,000	6,000	12,000	
6328 Bond Issuance Costs			54,000	54,000	0	0	0	
6425 Storefront Improvement Grants	1,248	4,398	20,000	15,450	20,000	20,000	40,000	
6426 Public Art and Other Projects	39,850	0	350,000	6,000	0	0	0	
6427 Building Improvement Program	0	0	0	15,000	510,550	350,000	860,550	
6428 Land Purchase Program	0	0	4,421,042	3,540,069	100,000	0	100,000	
6430 Undesignated Projects	0	0	607,717	0	0	1,445,788	1,445,788	
TOTAL MATERIALS & SERVICES	139,644	124,229	5,627,252	3,794,111	802,918	1,994,298	2,797,216	
DEBT SERVICE								
8014 Principal	294,421	919,066	0	0	325,000	340,000	665,000	
8114 Interest	24,270	18,382	124,958	124,958	254,150	234,715	488,865	
TOTAL DEBT SERVICE	318,691	937,448	124,958	124,958	579,150	574,715	1,153,865	
UNAPP FUND BALANCE								
8450 Unapp Fund Balance	0	0	0	0	0	0	0	
TOTAL URA EXPENDITURES	458,335	1,061,677	5,752,210	3,919,069	1,382,068	2,569,013	3,951,081	

Table 7
Forest Grove Urban Renewal Agency
Debt Service Schedule

BOND DEBT SERVICE

Forest Grove Urban Renewal Agency
Urban Renewal Bond, Series 2024 (Federally Taxable)

Fiscal Year	Principal	Coupon	Interest	Debt Service
2025-26	325,000	5.980%	254,150	579,150
2026-27	340,000	5.980%	234,715	574,715
2027-28	365,000	5.980%	214,383	579,383
2028-29	385,000	5.980%	192,556	577,556
2029-30	405,000	5.980%	169,533	574,533
2030-31	430,000	5.980%	145,314	575,314
2031-32	455,000	5.980%	119,600	574,600
2032-33	485,000	5.980%	92,391	577,391
2033-34	515,000	5.980%	63,388	578,388
2034-35	545,000	5.980%	32,591	577,591
	4,250,000		1,518,621	5,768,621