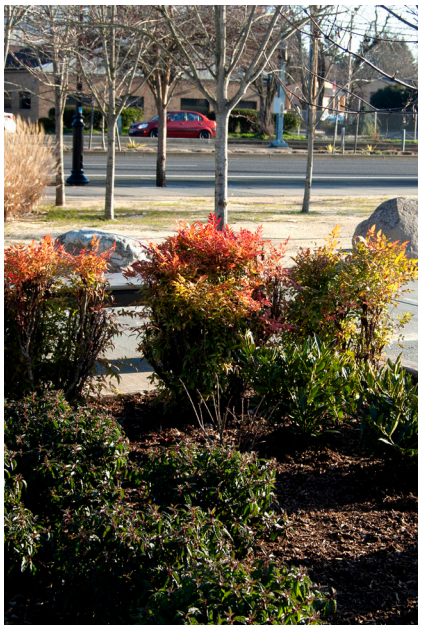

PROPOSED BUDGET

Fiscal Year 2020/21

ROCKWOOD-WEST GRESHAM URBAN RENEWAL AREA

GRESHAM
REDEVELOPMENT COMMISSION

CITY OF
GRESHAM
OREGON

GRESHAM
REDEVELOPMENT COMMISSION

Proposed Budget for Fiscal Year 2020/21

for the

Rockwood-West Gresham Urban Renewal Area

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BUDGET MESSAGE

FISCAL YEAR 2020/21

Urban renewal is a public funding mechanism for capital projects and programs that stimulate private investment, create jobs, and revitalize the condition of the community. The Rockwood-West Gresham Urban Renewal Area (URA) is the first urban renewal area in the City of Gresham (City). The 1,200-acre URA was established through a citywide vote in November 2003 and is governed by the 20-year Rockwood-West Gresham Renewal Plan (Renewal Plan).

The proposed Fiscal Year (FY) 2020/21 budget supports the Gresham Redevelopment Commission (GRDC) goals and objectives and is consistent with the Renewal Plan. The proposed budget for the URA describes the planned appropriations and supports the adopted GRDC 2020 Work Plan and the FY 2020/21 - 2024/25 Urban Renewal Capital Improvement Program. Because the GRDC contracts with the City to carry out projects and programs on its behalf, operational revenue and expenditures are summarized in the City's budget under Funds 290, 390, and 490.

FY 2019/20 Highlights
Highlights of the significant project and program accomplishments of FY 2019/20 through March 2020 are provided below.

<u>Rockwood Rising Catalyst Site</u>

- Last May, executed final closing and finance documents for both the first building to be constructed on the Catalyst Site, the "Innovation Hub," and the former Rockwood Community Office (RCO) building located across the street from the Innovation Hub.
- On June 12th, celebrated the official groundbreaking for the project. Over 250 community members, community partners, project stakeholders, project staff, and elected officials attended this milestone. Speakers were Gresham Mayor Shane Bemis, Multnomah County Commissioner Lori Stegmann, State Senator Laurie Monnes-Anderson, former GRDC Executive Director Josh Fuhrer and project developer Roy Kim, owner of RKm Development, Inc.
- On June 20th, began construction of the Innovation Hub and remodeling of the RCO building. Framing of the Innovation Hub and remodel of the RCO were completed in December.
- Began concentrated outreach to potential tenants of the Market Hall, including both grocery and micro-restaurant businesses.
    - Conducted the first of two public meetings outlined in the project's land development agreements, wherein RKm staff met with more than 50 local entrepreneurs to discuss leasing, community benefits and project design.
    - Began receiving preliminary applications from potential tenants of the Market Hall, to be vetted by partners at MicroEnterprise Services of Oregon (MESO) and brought before the selection committee.
    - Completed the leasing structure for the Market Hall, including affordability provisions for Minority-owned, Woman-owned, or Emerging Small Business (MWESB) tenants.

    - Continued facilitation between potential tenants, RKm and partners at MESO to ensure continued capacity building and business readiness for Rockwood businesses.

- Designed the project's tenant selection committee, a five-seat committee that will allow community members to provide input into the tenant selection process for the Market Hall.
    - Solicitation for applications opened on January 2nd and procured selection committee members began reviewing prospective tenants on March 26th.

- Continued outreach to Rockwood community members to provide community participation throughout the construction process.
    - On August 12th, community members were invited to "leave their mark" and sign portions of the framing in celebration of the first cement pour on the project's foundation.
    - On December 5th, community members were invited to celebrate the completion of framing or "topping out" of the Innovation Hub, which also allowed community members to "leave their mark" or sign one of the final beams for the building.

- Secured Oregon Tradeswomen, Inc. as leaseholders of the RCO building. The Oregon Tradeswomen promote education, training and mentorship for women seeking employment in the construction, manufacturing, mechanical and utility trades while helping and encouraging the trades industry to build an equitable workforce. Operations and programming for Oregon Tradeswomen began in January.

- Awarded and received the Racial & Ethnic Approaches to Community Health (REACH) 2.0 Grant from the Centers for Disease Control. The grant has provided $120,000 to date, with potential funding to come over the next two years to focus on improving access to culturally relevant food products and economic opportunities through the market and food incubator components of the project. With grant partner Multnomah County, we are using these funds for capacity building, strategic planning, and pursuit of additional grant resources to bring healthy, affordable food options to Rockwood via food businesses on the Catalyst Site.

- Received formal financing commitments for phase two of the project (Market Hall and public plaza), including bank loan and New Markets Tax Credits. The closing process for this phase is dependent upon a redesign of the Market Hall, which is expected to be completed no later than June 2020, with closing of financing scheduled for that same month. Construction is expected to begin in July.

- On February 10th, received a $300,000 Business Oregon Regional Infrastructure Grant to support workforce development.

- Development partners created a public survey for a community-led effort to choose a new name for the project. The survey garnered over 500 responses and a clear majority in favor of the project's new name "Downtown Rockwood." This name will eventually replace the former name "Rockwood Rising," and branding and communications will begin to transition to this new title in 2020.

<u>Other Accomplishments</u>

- Supported the first Juneteenth celebration event in the City of Gresham held at Vance Park on June 19th. The event was organized by community partner Beyond Black and focused on

training and capacity building. The event drew over 1,000 attendees over the course of the day. Participants enjoyed a day of music, food, and access to culturally specific resources. Speakers were Mayor Shane Bemis and Multnomah County Commissioner Lori Stegmann.

- Donated 130 "Rockwood" t-shirts to children at the Rockwood Boys and Girls Club. These t-shirts were designed as part of the groundbreaking celebration, and were designed via community input by Grafletics, Inc. Largely due to the efforts of the staff at LMC construction, the general contractors for the Rockwood Rising project, the students received the free t-shirts at the Club's annual family night.

- Co-sponsored the first annual "I ❤ Rockwood" event held at Nadaka Nature Park on Saturday, August 17th. The event drew over 2,500 attendees and was organized by partners at KNOVA Learning and Friends of Nadaka. With the combined resources of both the annual Nadaka Community Festival and Rock The Block, those events were merged for this new festival, which offered free services and giveaways by local organizations.

- Continued communication with the community through rockwoodrising.com and the Rockwood Rising newsletter list serve, each of which draws over 750 individual users each month.

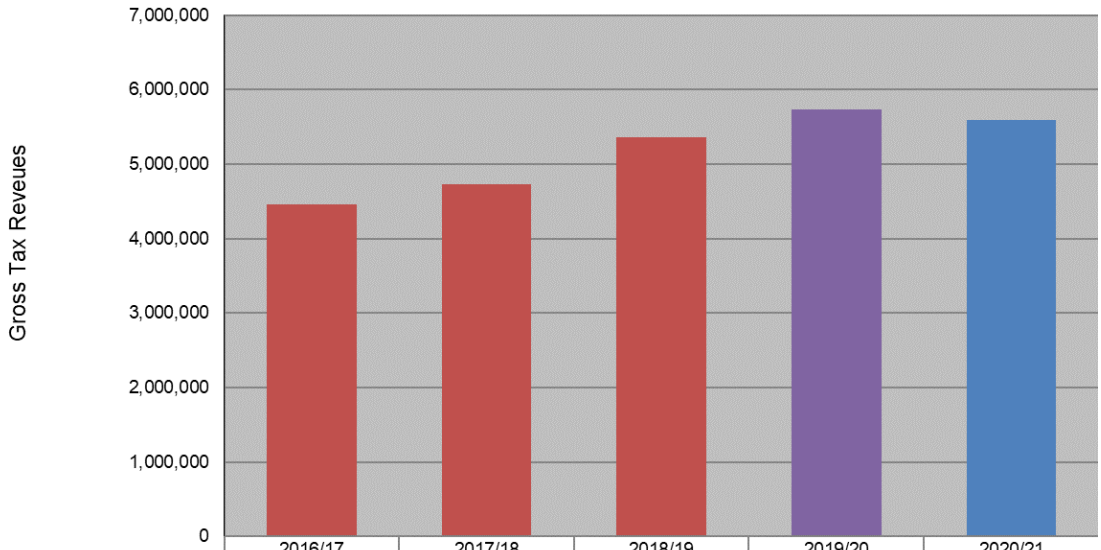
- GRDC awarded one New Industries Grant to Owens Corning at $75,000 for new construction to be built and machinery and equipment to be installed at 18456 NE Wilkes Road. The grant is anticipated to leverage $5,800,000 in private investment.

Revenue Trends

Urban renewal tax resources repay debt issued for capital projects and programs in the URA.

(Chart A)

Rockwood-West Gresham Urban Renewal Area
Property Tax Revenues



	2016/17	2017/18	2018/19	2019/20	2020/21
Projected Property Taxes (Curr & Delinquent)					5,598,800
County Certified Property Taxes (Curr & Del)				5,733,743	
Actual Property Taxes (Current & Del)	4,455,108	4,736,373	5,356,124		

As we enter into the final few years of the URA's life span, the URA's Property Tax Revenue growth is expected to moderate, in part due to the impact of various tax incentives, such as enterprise zone overlays, which previously had not applied to the URA. Actual revenues between FY 2018/19 and the expected resources for FY 2020/21 show an increase of 4.5 percent. This sluggish growth, during satisfactory economic times, is noticeably affected by an expected decrease in the URA's tax rate in 2020/21. Previous expectations for growth over the final years could possibly be changed by the impact of the COVID-19 pandemic and related economic shutdown currently underway. As it is too soon to know long-term effects, no changes in assumptions have been incorporated into this document.

The current year's tax revenue (for FY 2019/20), which is now certified and levied by the County, is expected to be approximately $5.6 million. This levy is greater than the current budget of $5.4 million. The unexpected revenue appears to be a one-time assessment and is unlikely to continue into 2020/21. Other construction activity and normal assessed value (AV) growth came in as forecasted for the year.

Tax resources for the upcoming year, FY 2020/21, are expected to continue the upward trend seen during the last few years. Gains are expected to be modest in comparison to prior years due to the lack of major new developments on the horizon. New developments are detected by construction permits, which can give advanced notice about assessed value growth. Any increase in resources supports the capital program as proposed. Revenue is expected to increase $171,100 in FY 2020/21 over the current year budget, a three percent gain.

Assessed values, and therefore tax resources, have steadily improved over the past decade. As we enter the first year of the new decade, signs suggest that the future will be more unpredictable. Changes in assessed values tend to be volatile, and the effect on tax revenue is equally dynamic. For the URA, tax revenue growth has widely ranged from less than 1.5 percent in FY 2011/12 to over 16.5 percent in FY 2016/17. As the remaining time for the URA grows short, the past trend of sizable increases in AV becomes less likely to continue. This is, in part, due to the lack of major development in the URA on the horizon, as well as expected enterprise zone overlays. Development permit activity is moderate in the near term, with the Rockwood Rising development being the major initiative.

Periodic substantial construction has added new AV to the URA, in addition to normal AV growth. Normal growth percentage revenue growth in the range of 2.0 to 2.5 is assumed to now be the ordinary pattern of growth, based on typical AV increases for existing properties, with the effects of the current economic shutdown being a major unknown.

Overall, the URA's total 20-year tax increment revenue is expected to be significantly less than originally forecasted. This outcome is due to a number of factors, including the effect and lengthy recovery period of the Great Recession of 2008.

Fiscal Year 2020/21 Budget

The proposed budget consists of two funds: a Capital Improvement Fund (Fund 930) for investment in capital projects and programs, and a Debt Service Fund (Fund 940) that accounts for tax revenues and repayment of debt.

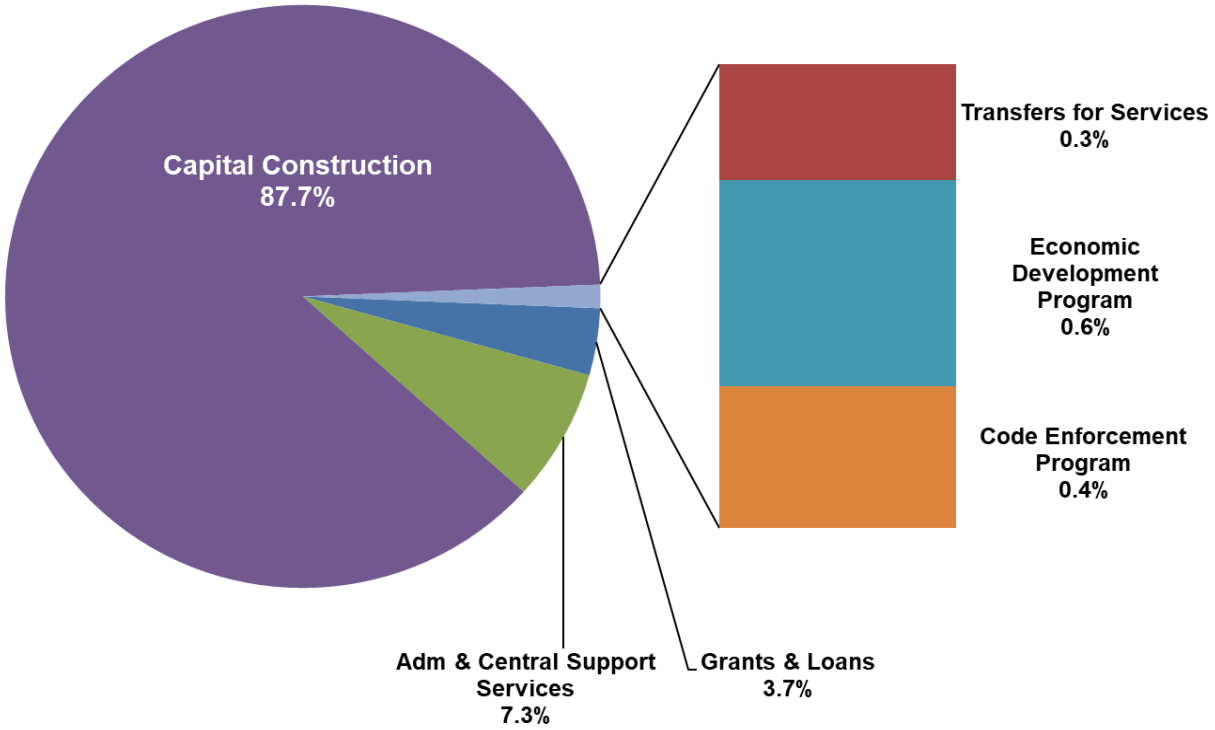
$9.7 million in resources are available for the Capital Improvement Fund and approximately $16.7 million is available for the Debt Service Fund. Barring an unexpected windfall, all available resources have been allocated to adopted projects or debt repayment.

Fund 930: Rockwood Capital Improvement Fund

The Capital Improvement Fund accounts for expenditures related to managing, designing, and constructing URA projects. All Urban Renewal expenditures, except for debt service, flow through Fund 930. These costs include construction projects, Urban Renewal grants, and administrative costs.

(Chart B)

City of Gresham
Rockwood-West Gresham Urban Renewal
UR-Funded Capital Program & Public Services
Fiscal Year 2020/21



Total resources proposed for the capital fund are approximately $9.7 million. Loan proceeds from GRDC-issued debt of approximately $7.45 million are programmed. In addition, $2 million in Intergovernmental Revenue from a State of Oregon Lottery reimbursement style grant related to the Rockwood Rising site is reflected. The fund also includes $155,600 in estimated beginning fund balance carried forward from FY 2019/20, and other minor revenues.

Expenditures for City contractual services are $1.9 million. Expenditures for capital construction projects are $7.4 million. The majority of the URA-funded construction budget is funding programmed for the Rockwood Rising site.

No contingency is included in this fund this year due to lack of further assured resources. An anticipated ending balance of $373,500 is expected. Reimbursement timing is contingent upon completion of the construction on the site. Total fund requirements are approximately $9.7 million.

Capital Improvements
Individual GRDC projects are budgeted and accounted for in the City's Budget, and Capital Improvement Program (CIP). The City's CIP program is a 5-year forecasted estimate for all major capital projects requiring the expenditure of public funds over and above routine operating expenses. URA construction activity appears in Fund 390: City UR Capital Improvement Fund. The CIP is updated annually to ensure that projects are aligned with community priorities and available resources. The updating process engages stakeholders in setting priorities and ensures that the GRDC is transparent and accountable in the delivery of those projects. Additional URA resources over and above the amounts allocated to projects in the current CIP program are not currently expected to be available in the foreseeable future.

The proposed FY 2020/21 capital expenditures in the City's Budget, the UR Capital Improvement Fund, are approximately $13.9 million. This figure includes unfinished projects carried over from the current FY and re-budgeted in FY 2020/21. URA funding provides approximately $7.4 million, with the Catalyst Site being the primary share of URA-funded projects. Major funding also includes grants of $2.8 million, and $3.7 million in City Transportation and Utility resources allocated to URA Capital Improvements.

Grant Programs
The Urban Renewal program awarded grants to provide direct incentives to support investment in the URA. New Industries and Predevelopment Services grants have been effective tools for promoting private investment in the industrial area, and for creating new jobs. Grant funding to support industrial and commercial development was discontinued on July 1, 2019 due to the upcoming expiration of the URA, and the need to reduce expenditures in the remaining years to facilitate retirement of URA liabilities by 2023. Grant applications received by June 30, 2019 were eligible for grant funding.

The proposed budget includes $575,000 in grant funds. However, this amount is contingent upon resource availability. Specifically, the lottery grant reimbursement must be received and adequate property tax resources will need to continue to occur.

City Contractual Services
Administrative costs are budgeted and accounted for in the City's Budget. URA program services appear in Fund 290: Urban Renewal Support Fund. City contractual expenses are approximately $1.9 million. Staff support, including three employees, is supplied by the City. The Garage to Storefront Program is funded at $40,000, the same level as in the past.

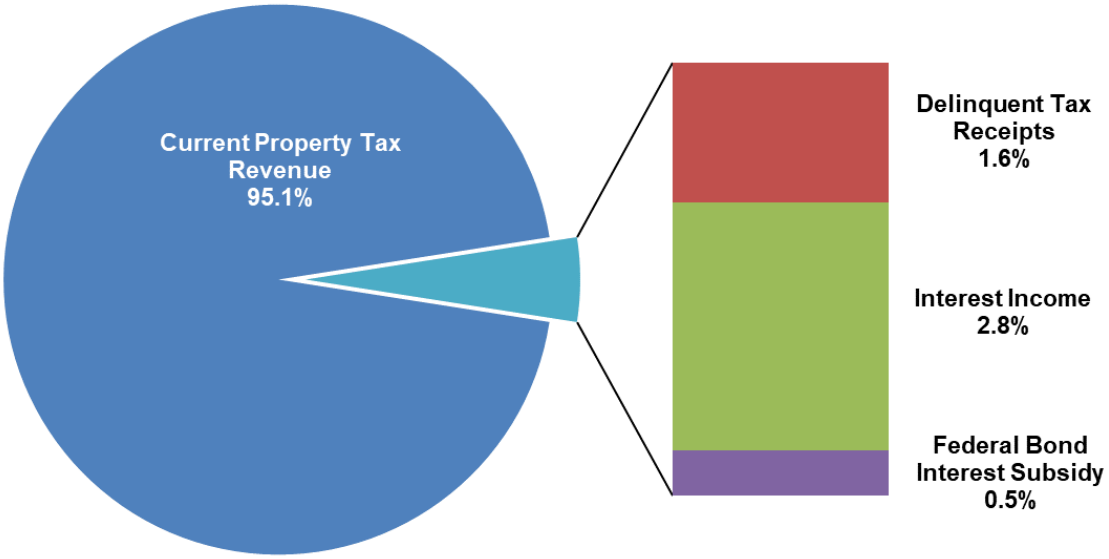
<u>Fund 940: Rockwood Debt Service Fund</u>
The Debt Service Fund accounts for the URA property tax revenue. Urban renewal statutes dictate property tax resources be limited to debt repayment. The GRDC primarily finances its expenses through debt, as required by State law.

Over the life of the URA, the GRDC has, and continues to use, a mix of short-term and long-term debt to cover expenses. Total proposed resources in this fund are $5.8 million. The budget anticipates approximately $5.6 million in property tax revenues, a federal bond interest subsidy of approximately $30,000, and interest income of just under $163,600, with approximately $10.9 million in beginning fund balance.

Expenditures from this fund pay the principal, interest, and debt issuance costs. The GRDC has routinely issued debt, using various lending arrangements over the years, including short-term and long-term contracts from banking firms and the City of Gresham. Current annual short-term and installment debt service of approximately $7.4 million is anticipated.

(Chart C)

Rockwood-West Gresham Urban Renewal
Debt Service Resources
Fiscal Year 2020/21



The GRDC currently arranges financing through the City of Gresham. The GRDC issues, and the City purchases, revolving Urban Renewal Tax Increment Revenue Notes, which are repaid with URA tax revenues. This arrangement is mutually beneficial to both parties.

$9.3 million in unappropriated ending fund balance is reserved for future debt payments; primarily comprised of contractual installment debt. Total fund requirements are $16.7 million.

Budget Document
As required by State law, the proposed FY 2020/21 budget is balanced, meaning the projected resources are sufficient to meet allocated expenditures. Please note the four columns of data: 2020/21 Director Proposed, 2019/20 Adopted Budget, and two prior FYs of audited data, also required by law.

Relationship between the Gresham Redevelopment Commission and the City of Gresham
The GRDC oversees the URA. The URA is a distinct legal entity that is separate from the municipality of the City of Gresham. On February 26, 2004, the GRDC bylaws were adopted and officers were elected. The bylaws state that the GRDC is composed of the Gresham City Council. The URA is administered through an intergovernmental agreement with the City of Gresham.

Conclusion
The proposed budget presents a spending plan for FY 2020/21 that reflects the goals and priorities of the Renewal Plan. I would like to acknowledge and thank all involved for their efforts in developing this budget.

Respectfully submitted,

Emily Bower
Interim GRDC Executive Director

Rockwood-West Gresham Urban Renewal Area

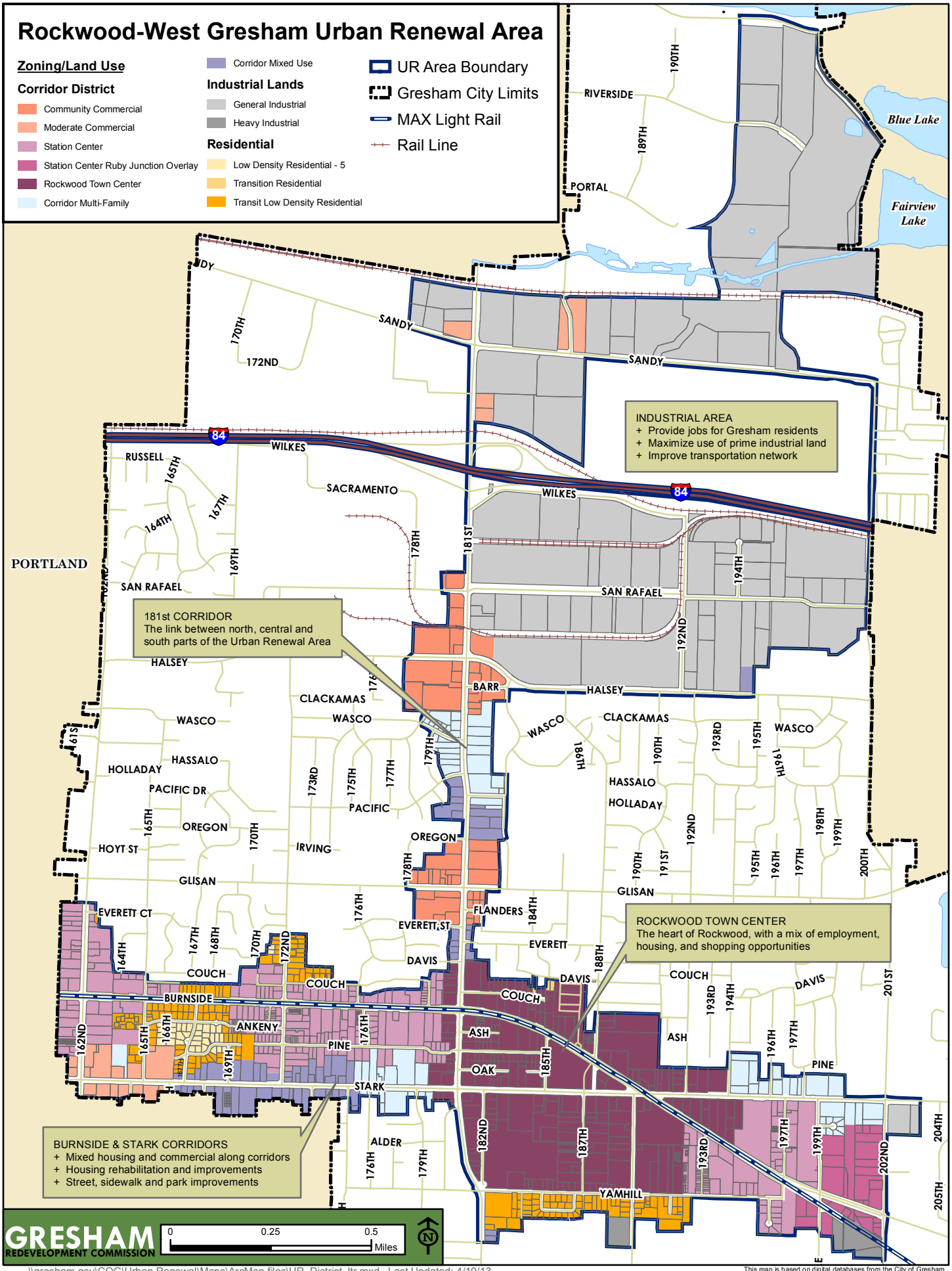
Zoning/Land Use

Corridor District
- Community Commercial
- Moderate Commercial
- Station Center
- Station Center Ruby Junction Overlay
- Rockwood Town Center
- Corridor Multi-Family
- Corridor Mixed Use

Industrial Lands
- General Industrial
- Heavy Industrial

Residential
- Low Density Residential - 5
- Transition Residential
- Transit Low Density Residential

- UR Area Boundary
- Gresham City Limits
- MAX Light Rail
- Rail Line



\\gresham.gov\COG\Urban Renewal\Maps\ArcMap files\UR_District_ltr.mxd Last Updated: 4/10/13

This map is based on digital databases from the City of Gresham. There are no warranties, expressed or implied.

Rockwood-West Gresham Urban Renewal Proposed Budget

Fiscal Year 2020/21 Budget by Fund

	2020/21 Appropriations
Operating Funds	
Rockwood Capital Improvement Fund	
Materials & Services	9,298,300
Unappropriated	373,500
Total Fund Requirements	9,671,800
Non-Operating Funds	
Rockwood Debt Service Fund	
Debt Service	7,356,600
Unappropriated	9,336,900
Total Fund Requirements	16,693,500
FY 2020/21 Budget in Aggregate:	**26,365,300**

Resources and Requirements All Funds

All Funds	2017/18 Actual	2018/19 Actual	2019/20 Adopted Budget	2020/21 Director Proposed	2021/21 Budget Committee Approved	2021/21 Commission Adopted
Resources						
Taxes	4,736,373	5,356,124	5,461,700	5,598,800	-	-
Intergovernmental	59,626	50,435	2,090,000	2,029,800	-	-
Charges for Services	33,766	61,261	550,000	65,100	-	-
Interest Income	209,132	293,400	-	-	-	-
Miscellaneous Income	32,704	-	129,200	166,400	-	-
Financing Proceeds	1,000,000	7,700,000	14,457,000	7,448,300	-	-
Beginning Balance	11,183,409	11,807,969	8,636,800	11,056,900	-	-
Total Resources	**17,255,010**	**25,269,189**	**31,324,700**	**26,365,300**	**-**	**-**
Requirements						
GRDC	1,705,600	8,314,000	14,507,000	9,298,300	-	-
Total Operating	*1,705,600*	*8,314,000*	*14,507,000*	*9,298,300*	-	-
Debt Service	3,741,441	5,808,571	8,180,000	7,356,600	-	-
Contingency	-	-	500,000	-	-	-
Unappropriated	11,807,969	11,146,618	8,137,700	9,710,400	-	-
Total Non-Operating	*15,549,410*	*16,955,189*	*16,817,700*	*17,067,000*	-	-
Total Requirements	**17,255,010**	**25,269,189**	**31,324,700**	**26,365,300**	**-**	**-**

Resources and Requirements by Fund

Rockwood Capital Improvement Fund	2017/18 Actual	2018/19 Actual	2019/20 Adopted Budget	2020/21 Director Proposed	2021/21 Budget Committee Approved	2021/21 Commission Adopted
Resources						
Intergovernmental	-	-	2,050,000	2,000,000	-	-
Charges for Services	33,766	61,261	550,000	65,100	-	-
Interest Income	14,847	21,702	-	-	-	-
Miscellaneous Income	32,704	-	9,800	2,800	-	-
Financing Proceeds	1,000,000	7,700,000	14,457,000	7,448,300	-	-
Beginning Balance	1,246,142	621,859	680,100	155,600	-	-
Total Resources	**2,327,459**	**8,404,822**	**17,746,900**	**9,671,800**	**-**	**-**
Requirements						
GRDC	1,705,600	8,314,000	14,507,000	9,298,300	-	-
Operating Total	*1,705,600*	*8,314,000*	*14,507,000*	*9,298,300*	-	-
Contingency	-	-	500,000	-	-	-
Unappropriated	621,859	90,822	2,739,900	373,500	-	-
Non-Operating Total	*621,859*	*90,822*	*3,239,900*	*373,500*	-	-
Total Requirements	**2,327,459**	**8,404,822**	**17,746,900**	**9,671,800**	**-**	**-**

Resources

Rockwood Capital Improvement Fund	2017/18 Actual	2018/19 Actual	2019/20 Adopted Budget	2020/21 Director Proposed	2021/21 Budget Committee Approved	2021/21 Commission Adopted
Resources						
Intergovernmental						
State Grants	-	-	2,050,000	2,000,000	-	-
Total Intergovernmental	-	-	2,050,000	2,000,000	-	-
Charges for Services						
CIP Reimbursement	33,766	61,261	500,000	-	-	-
Other Charges for Services	-	-	50,000	65,100	-	-
Total Charges for Services	33,766	61,261	550,000	65,100	-	-
Miscellaneous Income						
Interest Income	14,847	20,469	9,800	2,800	-	-
Miscellaneous Income	32,704	1,233	-	-	-	-
Total Miscellaneous Income	47,551	21,702	9,800	2,800	-	-
Financing Proceeds						
Financing Proceeds	1,000,000	7,700,000	14,457,000	7,448,300	-	-
Total Financing Proceeds	1,000,000	7,700,000	14,457,000	7,448,300	-	-
Beginning Balance						
Beginning Balance	1,246,142	621,859	680,100	155,600	-	-
Total Beginning Balance	1,246,142	621,859	680,100	155,600	-	-
Total Resources	**2,327,459**	**8,404,822**	**17,746,900**	**9,671,800**	**-**	**-**

Requirements

Rockwood Capital Improvement Fund	2017/18 Actual	2018/19 Actual	2019/20 Adopted Budget	2020/21 Director Proposed	2021/21 Budget Committee Approved	2021/21 Commission Adopted
Requirements						
Prof & Technical Services						
City Contractual Services	1,197,600	1,400,000	2,109,400	1,914,900	-	-
City Construction Services	508,000	6,914,000	12,397,600	7,383,400	-	-
Total Prof & Technical Services	1,705,600	8,314,000	14,507,000	9,298,300	-	-
Contingency						
Contingency	-	-	500,000	-	-	-
Total Contingency	-	-	500,000	-	-	-
Unappropriated						
Unappropriated	621,859	90,822	2,739,900	373,500	-	-
Total Unappropriated	621,859	90,822	2,739,900	373,500	-	-
Total Requirements	**2,327,459**	**8,404,822**	**17,746,900**	**9,671,800**	**-**	**-**

Resources and Requirements by Fund

Rockwood Debt Service Fund	2017/18 Actual	2018/19 Actual	2019/20 Adopted Budget	2020/21 Director Proposed	2021/21 Budget Committee Approved	2021/21 Commission Adopted
Resources						
Taxes	4,736,373	5,356,124	5,461,700	5,598,800	-	-
Intergovernmental	59,626	50,435	40,000	29,800	-	-
Interest Income	194,285	271,698	-	-	-	-
Miscellaneous Income	-	-	119,400	163,600	-	-
Beginning Balance	9,937,267	11,186,110	7,956,700	10,901,300	-	-
Total Resources	**14,927,551**	**16,864,367**	**13,577,800**	**16,693,500**	**-**	**-**
Requirements						
Debt Service	3,741,441	5,808,571	8,180,000	7,356,600	-	-
Unappropriated	11,186,110	11,055,796	5,397,800	9,336,900	-	-
Non-Operating Total	*14,927,551*	*16,864,367*	*13,577,800*	*16,693,500*	-	-
Total Requirements	**14,927,551**	**16,864,367**	**13,577,800**	**16,693,500**	**-**	**-**

Resources

Rockwood Debt Service Fund	2017/18 Actual	2018/19 Actual	2019/20 Adopted Budget	2020/21 Director Proposed	2021/21 Budget Committee Approved	2021/21 Commission Adopted
Resources						
Taxes						
Property Taxes - Current	4,636,703	5,167,522	5,373,200	5,506,600	-	-
Property Taxes - Delinquent	84,771	89,096	88,000	91,700	-	-
Property Taxes - Interest	2,576	5,552	500	500	-	-
Property Taxes - Special Assmt	12,323	93,954	-	-	-	-
Total Taxes	4,736,373	5,356,124	5,461,700	5,598,800	-	-
Intergovernmental						
Federal Interest Subsidy	59,626	50,435	40,000	29,800	-	-
Total Intergovernmental	59,626	50,435	40,000	29,800	-	-
Miscellaneous Income						
Interest Income	194,285	271,698	119,400	163,600	-	-
Total Miscellaneous Income	194,285	271,698	119,400	163,600	-	-
Beginning Balance						
Beginning Balance	9,937,267	11,186,110	7,956,700	10,901,300	-	-
Total Beginning Balance	9,937,267	11,186,110	7,956,700	10,901,300	-	-
Total Resources	**14,927,551**	**16,864,367**	**13,577,800**	**16,693,500**	**-**	**-**

Requirements

Rockwood Debt Service Fund	2017/18 Actual	2018/19 Actual	2019/20 Adopted Budget	2020/21 Director Proposed	2021/21 Budget Committee Approved	2021/21 Commission Adopted
Requirements						
Debt						
Principal	-	-	7,047,000	6,414,000	-	-
Interest	-	-	1,132,000	940,600	-	-
Sale Costs/Loan Fees	-	-	1,000	2,000	-	-
Total Debt	-	-	8,180,000	7,356,600	-	-
Contracts						
Principal	1,546,405	4,636,110	-	-	-	-
Interest	418,493	674,395	-	-	-	-
Total Contracts	1,964,898	5,310,505	-	-	-	-
Bonds						
Principal	1,369,387	393,554	-	-	-	-
Interest	407,156	104,512	-	-	-	-
Total Bonds	1,776,543	498,066	-	-	-	-
Unappropriated						
Unappropriated	11,186,110	11,055,796	5,397,800	9,336,900	-	-
Total Unappropriated	11,186,110	11,055,796	5,397,800	9,336,900	-	-
Total Requirements	**14,927,551**	**16,864,367**	**13,577,800**	**16,693,500**	**-**	**-**

Rockwood-West Gresham Urban Renewal Area
Fiscal Year 2020/21 Property Tax Projection

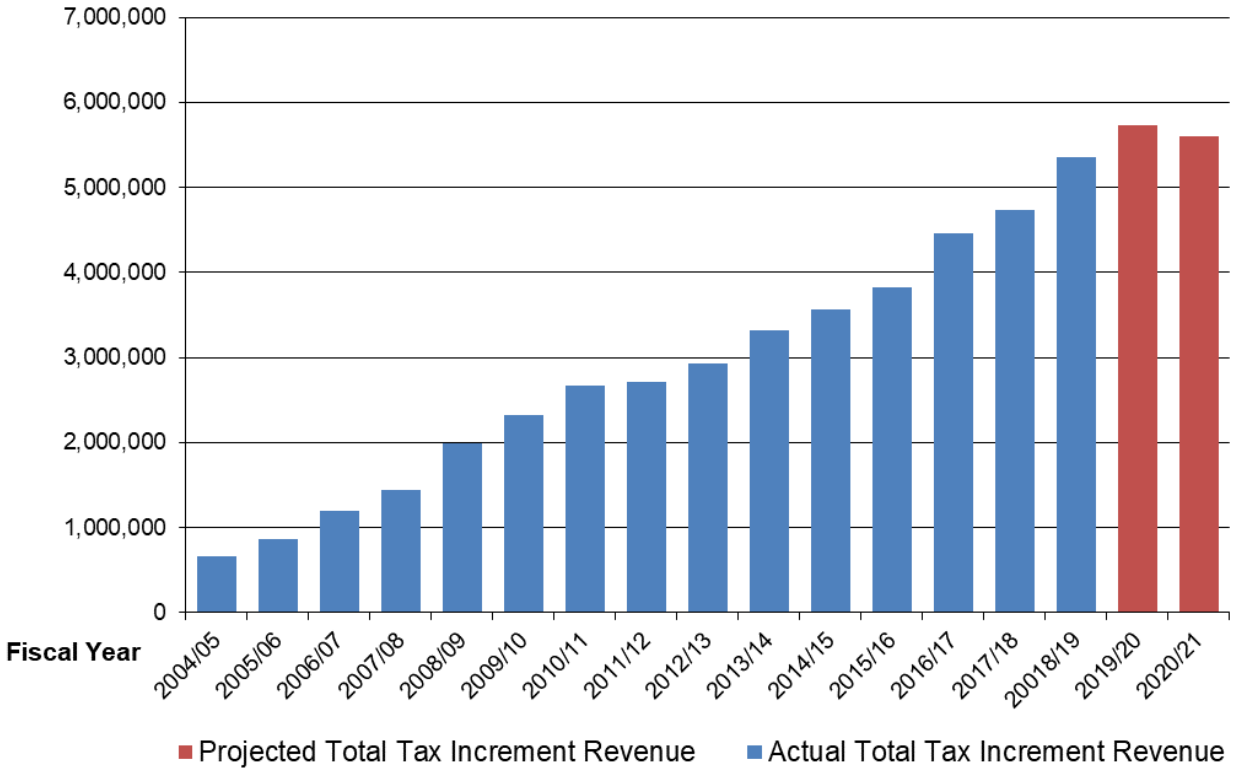
	AMOUNT	EXPLANATION
2019/20 Tax Assessed Value Base and Growth		
URA Frozen Base TAV	$ 437,507,294	
URA Incremental TAV: Current Fiscal Year 2019/20	$ 385,490,788	
URA Total TAV: End of Fiscal Year 2019/20	**$ 822,998,082**	**From Multnomah County Tax Assessor**
Projected Growth in Tax Assessed Value		
URA Incremental TAV: Current Fiscal Year 2019/20	$ 385,490,788	
Normal Growth in TAV:	$ 8,229,981	Estimated at 0.01%
Estimated New Development TAV:	$ -	Based on an estimate for known projects from permit records
Projected Incremental TAV: Fiscal Year 2020/21	**$ 393,720,769**	
2020/21 Tax Assessed Value Base and Growth		
URA Frozen Base TAV	$ 437,507,294	
Projected Incremental TAV:	$ 393,720,769	
URA Total Estimated TAV: Fiscal Year 2020/21	**$ 831,228,063**	**Forecast for AV growth for budget**
Projected URA Tax Revenue		
Projected URA Tax Rate	$ 14.81	
Calculated URA Tax (before Adjustments)	$ 5,833,000	
Less: Discounts and Delinquencies	$ (326,400)	Uncollected taxes estimated as a percent of tax
Plus: Delinquent Collections and Penalties	$ 92,200	A projection based on a percent of the average actual collections, plus interest penalty
Projected URA Tax Revenue: Fiscal Year 2020/21	**$ 5,598,800**	

Legend

URA = Rockwood-West Gresham Urban Renewal Area

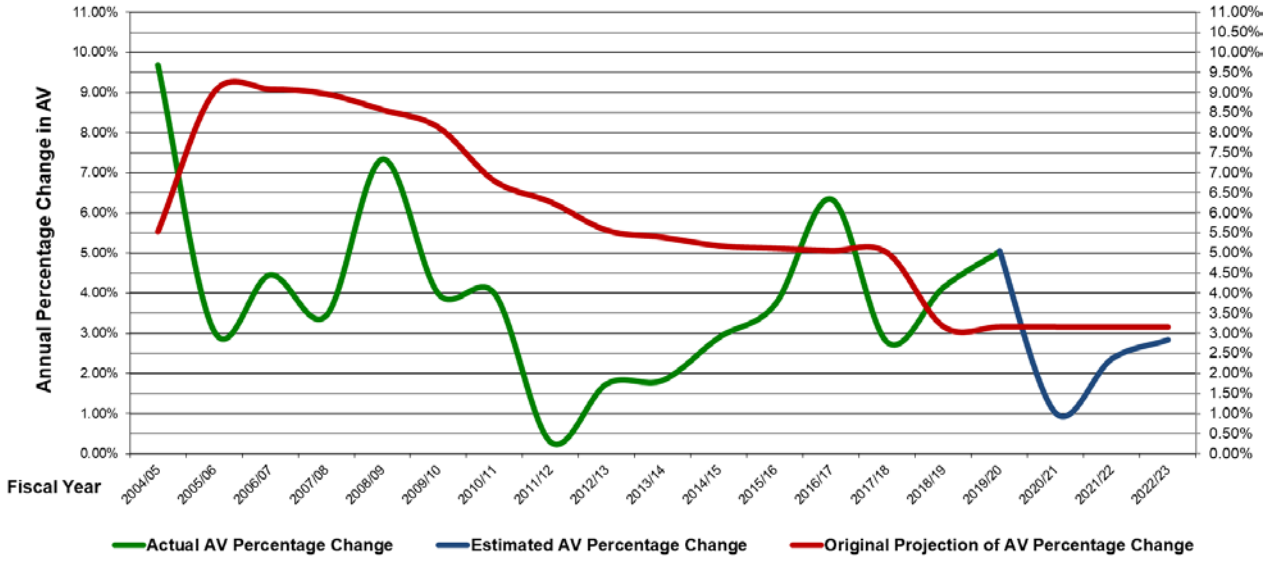
TAV = URAs Taxable Assessed Value

Rockwood-West Gresham Urban Renewal Area
Total Tax Revenue Proceeds
Actual and Projected



The noticeable uptick in development activity in the last years of the Rockwood-West Gresham URA is expected to moderate after fiscal year 2019/20. Recent tax resources reflected the region's robust economy with an upward trend of real growth from both an increase in assessed value of existing properties, and construction activity coming on the assessment rolls. Fiscal year 2019/20 shows higher than anticipated revenue due to a one-time assessment that is not anticipated to continue into future years. Projected revenues in fiscal year 2020/21 also are impacted by the expiration of an existing bond, which results in a lower tax rate for the URA. The economy, which was starting to show signs of slowing, is expected to flatten, which is also reflected in the lower revenue growth outlook. Tax proceeds languished starting in fiscal year 2010/11 in the aftermath of the great recession. The recession flattened and declined assessed values, as well as stalled development-related assessed value growth for a number of years. The upward trend in assessed value over the past few years is no longer expected to continue. New construction activity is not expected to generate significant assessed value growth into the near future. Future revenue projections may also be impacted by the current COVID-19 pandemic, however, no changes to assumptions have been incorporated at this time, as circumstances are still unfolding.

Rockwood-West Gresham Urban Renewal Area
Incremental Assessed Value
Year-to-Year Percentage Change
Comparison of Original to Current Projections



The recent robust annual upward trend of assessed value (AV) growth (green line: fiscal years 2011/12 through 2016/17) has drifted to a state of flux. Future predictions of AV growth are presently more difficult than normal to make with accuracy. The predictions noted in this graphic do not take into account the pandemic currently underway. The recent sustained trend in AV growth, a steady increase each year in AV growth as the economy recovers from the Great Recession, is unusual. AV change year to year is generally quite volatile, depending as it does on the opportunities of development. Without evidence in the form of building permits (which denote only the near future), long-term growth in construction-generated AV for a particular geographical area is difficult to predict with accuracy. As demonstrated during the last decade (green line in the graphic above), actual AV percentage change is generally quite volatile, with a wide percentage change from year to year. Explosive growth is fueled by episodes of capital spending, productivity improvements, and infusions of private debt. The “new normal” average percentage long-term trend for economic growth in the region is thought to be lower than pre-recession times. Currently, there is little large-scale development activity on the near horizon for the URA's geographic area. The current assumption is routine growth in the neighborhood of 2.5 percent (blue line). A decrease in the URA's tax rate, and the discontinuation of what is likely a one-time assessment in fiscal year 2019/20, is expected to lower the URA's AV next fiscal year, which explains the drop in the AV percentage (blue line: fiscal year 2020/21). The addition of the Rockwood Rising development is not expected to generate the revenue originally forecast due to tax waivers and a later than assumed construction start. The chance of an additional major spike in AV when a large development is added to the assessment rolls is becoming less likely as the URA’s time grows short. The red line demonstrates the assumption of the original forecast for AV growth. The full financial potential of the URA originally forecast will not be reached by fiscal year 2022/23. The single most identifiable reason would be the Great Recession and the lost years during the recovery.

Funded Projects

Overview

The 1,211-acre Rockwood-West Gresham Urban Renewal Area (URA) was established by city-wide vote in November 2003. The Rockwood-West Gresham Renewal Plan is a 20-year plan aimed at improving public infrastructure, attracting private investment, adding quality jobs, housing and services to the area. The Gresham Redevelopment Commission (GRDC) is made up of members of Gresham's City council and serves as the final decision-making body. A citizen advisory committee also reviews proposed projects and policies and makes recommendations to the GRDC.

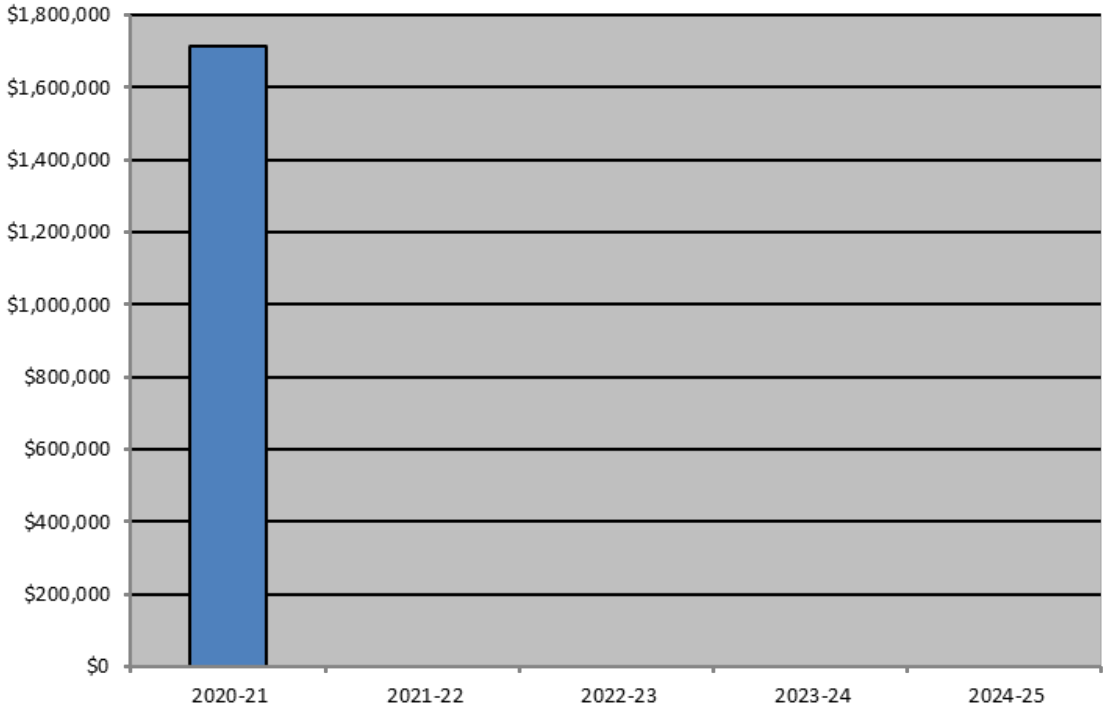
The following capital improvement projects implement the goals of the Rockwood-West Gresham Renewal Plan. To carry out the capital projects the GRDC entered into an agreement with the City of Gresham. Thus, the URA projects are included in the City's CIP and are subject to the same review process as all other City CIP projects.

Highlights

Significant capital improvement projects include:

1. The Rockwood Rising project on the Catalyst Site at 18535 SE Stark Street is now under construction (CIPUR00001). Improvements include a planned neighborhood urban plaza that will provide a neighborhood urban space for events and passive recreation (CIPUR00005). Efforts related to community engagement and tenant recruitment will continue.
2. Leverage grant funding to improve and upgrade Sandy Boulevard, a major arterial in the industrial area (CIPUR00002).

Urban Renewal Expenditure Graph by Fiscal Year



Urban Renewal Capital Fund

Urban Renewal Projects - Funding Sources

			Project Funding Consists of						
Project	Project Name	Total Project Budget for FY20/21	Grant	Urban Renewal	Streetlight	Transportation	SDC	Debt-SDC	Dev/SDC Credit
CIPUR00001	Catalyst Site	5,891,921	0	5,891,921	0	0	0	0	0
CIPUR00002	Sandy Boulevard Improvements	6,239,213	2,816,855	675,266	105,428	59,000	361,900	2,220,764	0
CIPUR00003	Stark Street Property Redevelopment	20,000	0	20,000	0	0	0	0	0
CIPUR00004	Sunrise Site	796,165	0	796,165	0	0	0	0	0
CIPUR00005	Rockwood Urban Plaza	910,423	0	0	0	0	525,797	0	384,626
Grand Total		**13,857,722**	**2,816,855**	**7,383,352**	**105,428**	**59,000**	**887,697**	**2,220,764**	**384,626**

Note:
The numbers shown include carryover from FY19/20.
"Grant" = Funds awarded from federal, state or local sources.
"Urban Renewal" = Funds from the Urban Renewal program area.
"Streetlight" = Funds from the City's Streetlight Fund.
"Transportation" = Transfer from Transportation Fund.
"SDC" = Stormwater and Parks system development charges.
"Debt-SDC" = Transportation loans to be repaid by SDC funds. Used when the project is SDC eligible, but SDC funds are not currently on hand.
"Dev/SDC Credit" = SDC credits issued to private developers when they construct qualifying public infrastructure.

Urban Renewal Capital Fund

Urban Renewal Projects - Five Year View

Project	Project Name	Total Project Budget for FY20/21: Carryover from FY19/20	+	New FY20/21	FY21/22	FY22/23	FY23/24	FY24/25	Total
CIPUR00001	Catalyst Site	5,091,921		800,000	0	0	0	0	5,891,921
CIPUR00002	Sandy Boulevard Improvements	6,091,213		148,000	0	0	0	0	6,239,213
CIPUR00003	Stark Street Property Redevelopment	20,000		0	0	0	0	0	20,000
CIPUR00004	Sunrise Site	46,165		750,000	0	0	0	0	796,165
CIPUR00005	Rockwood Urban Plaza	894,325		16,098	0	0	0	0	910,423
Grand Total		**12,143,624**		**1,714,098**	**0**	**0**	**0**	**0**	**13,857,722**
			=						
	Total Budget for FY20/21	**13,857,722**							

Carryover = Existing budget authority being rebudgeted in the following fiscal year to ensure projects can proceed uninterrupted at the fiscal year change.

FUNDED PROJECT
Urban Renewal

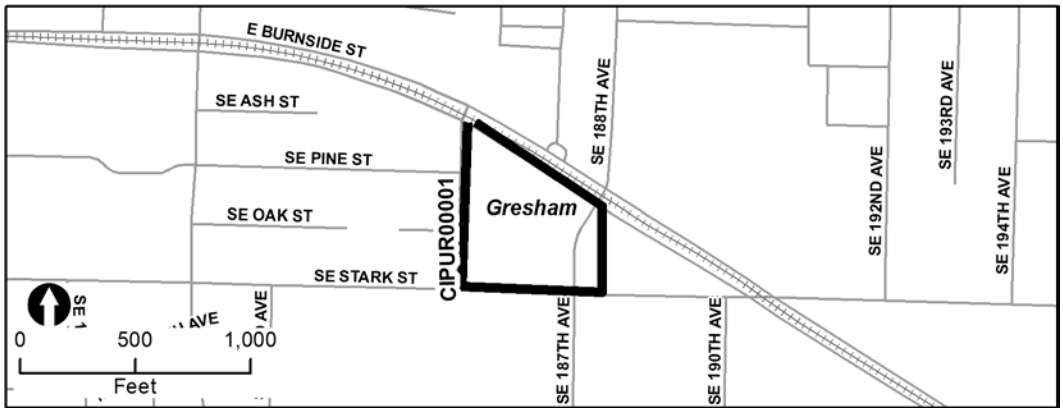
CIPUR00001: Catalyst Site

Description: Located in the heart of the Rockwood Town Center, the Gresham Redevelopment Commission purchased this 6.5 acre site for redevelopment. Formerly the home of Rockwood Fred Meyer, the site is now called the Catalyst Site. This project will cover capital costs associated with site redevelopment.

Justification: This project will help renew and revitalize the Rockwood Town Center, making it more appealing to private investment.

Type of project: Construction and renovation of facilities and supporting utilities.

Partners: Private development.



Estimated Dollars:

Funds	Description	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Total
Resources	Grant	300,000	0	0	0	0	0	300,000
	Urban Renewal	4,804,196	800,000	0	0	0	0	5,604,196
Resources Total		**5,104,196**	**800,000**	**0**	**0**	**0**	**0**	**5,904,196**
Expenses	Design/Const Admin	510,364	80,000	0	0	0	0	590,364
	Construction	4,445,132	696,700	0	0	0	0	5,141,832
	Admin (3%)	148,700	23,300	0	0	0	0	172,000
Expenses Total		**5,104,196**	**800,000**	**0**	**0**	**0**	**0**	**5,904,196**

FUNDED PROJECT
Urban Renewal

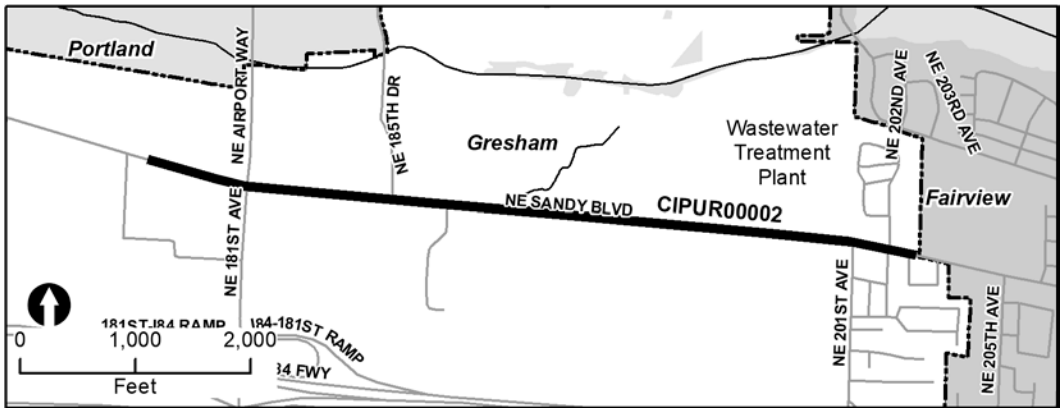
CIPUR00002: Sandy Boulevard Street Improvements

Description: Sandy Boulevard is a major arterial through prime industrial land in the urban renewal area. To improve the function of the street network through the area, the project will update the road to current arterial standards. New and upgraded traffic signals may also be included. This project includes a grant from ODOT. SDC is stormwater (SDC project #WG-6) and Debt-SDC is transportation (SDC projects #32, #33, #PATHWAYS, and #SIGNAL OPS).

Justification: Attract new capital intensive industrial development to the urban renewal area.

Type of Project: Construction of facilities and utilities for growth.

Partners: City of Gresham Department of Environmental Services & future industrial development.



Estimated Dollars:

Funds	Description	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Total
Resources	Debt-SDC	2,307,837	30,000	0	0	0	0	2,337,837
	Grant	3,080,265	0	0	0	0	0	3,080,265
	SDC	434,634	0	0	0	0	0	434,634
	Streetlight	48,805	60,000	0	0	0	0	108,805
	Transportation	1,000	58,000	0	0	0	0	59,000
	Urban Renewal	725,457	0	0	0	0	0	725,457
Resources Total		**6,597,998**	**148,000**	**0**	**0**	**0**	**0**	**6,745,998**
Expenses	Design/Const Admin	831,500	13,500	0	0	0	0	845,000
	Construction	4,256,198	116,300	0	0	0	0	4,372,498
	Property Acq	700,000	0	0	0	0	0	700,000
	Admin (14%)	810,300	18,200	0	0	0	0	828,500
Expenses Total		**6,597,998**	**148,000**	**0**	**0**	**0**	**0**	**6,745,998**

FUNDED PROJECT
Urban Renewal

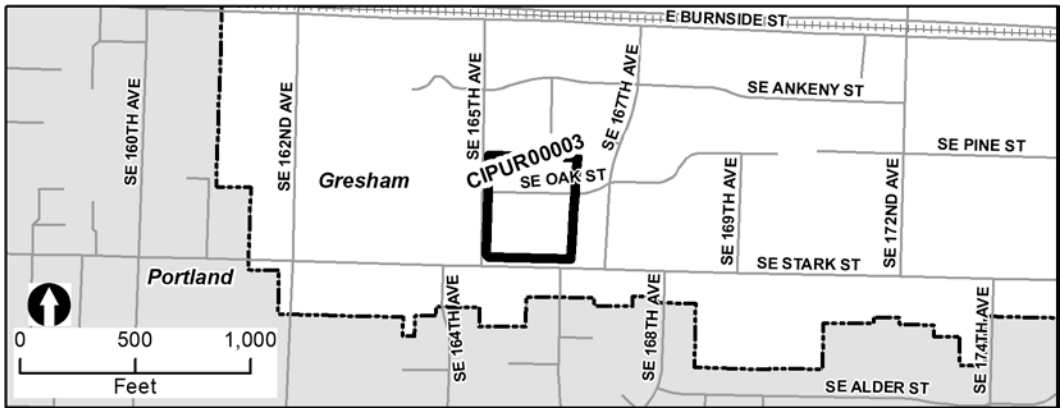
CIPUR00003: Stark Street Property Redevelopment

Description: The Gresham Redevelopment Commission purchased this 3.8 acre site to accommodate the proposed Rockwood Boys and Girls Club (BGC) and Open Meadow School (OMS). Together, BGC and OMS occupy approximately 75% of the property, and the remainder will be redeveloped at a later date.

Justification: This project allows Boys and Girls Club and Open Meadow School to bring expanded youth services to Rockwood, as well as help renew and revitalize the Stark Street corridor, enhancing property values and attracting additional private investment.

Type of project: Construction and renovation of facilities and supporting public infrastructure.

Partner: Boys and Girls Club of Portland Metropolitan Area, Open Meadow School, Latino Network



Estimated Dollars:

Funds	Description	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Total
Resources	Urban Renewal	20,000	0	0	0	0	0	20,000
Resources Total		**20,000**	**0**	**0**	**0**	**0**	**0**	**20,000**
Expenses	Design/Const Admin	1,000	0	0	0	0	0	1,000
	Construction	16,500	0	0	0	0	0	16,500
	Admin (14%)	2,500	0	0	0	0	0	2,500
Expenses Total		**20,000**	**0**	**0**	**0**	**0**	**0**	**20,000**

FUNDED PROJECT
Urban Renewal

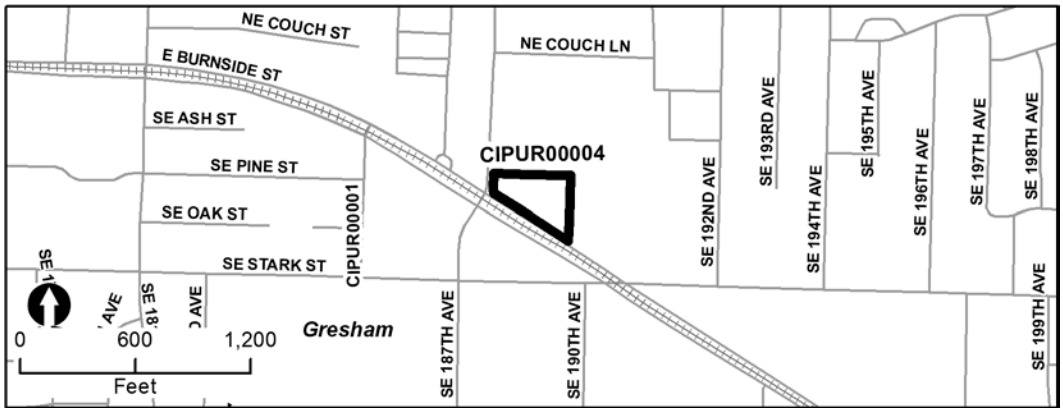
CIPUR00004: Sunrise Site

Description: This project will cover capital costs associated with site redevelopment, including on-going maintenance prior to redevelopment. In September 2016, the Gresham Redevelopment Commission purchased the 0.59-acre Asia Kitchen Chinese Restaurant property at 18801 E. Burnside St. and the adjacent 1.40-acre Sunrise Community Center parcel at 18901 E. Burnside St. The purchase will ensure quality redevelopment in a manner consistent with the goals of the Rockwood-West Gresham Renewal Plan and the Commission, as well as complement redevelopment of the Commission's adjacent Rockwood Rising Catalyst Site. The parcels are located to the northeast of the Rockwood Rising Catalyst Site and immediately east of the Rockwood/E. 188th Ave. MAX light rail station and together, they constitute one of the largest sites in the Rockwood Town Center.

Justification: This project will complement the adjacent Rockwood Rising Catalyst Site and help renew and revitalize the Rockwood Town Center, making it more appealing to private investment.

Type of project: Construction and renovation of facilities and supporting utilities.

Partner: Private development.



Estimated Dollars:

Funds	Description	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Total
Resources	Urban Renewal	49,213	750,000	0	0	0	0	799,213
Resources Total		**49,213**	**750,000**	**0**	**0**	**0**	**0**	**799,213**
Expenses	Construction	47,813	728,200	0	0	0	0	776,013
	Admin (3%)	1,400	21,800	0	0	0	0	23,200
Expenses Total		**49,213**	**750,000**	**0**	**0**	**0**	**0**	**799,213**

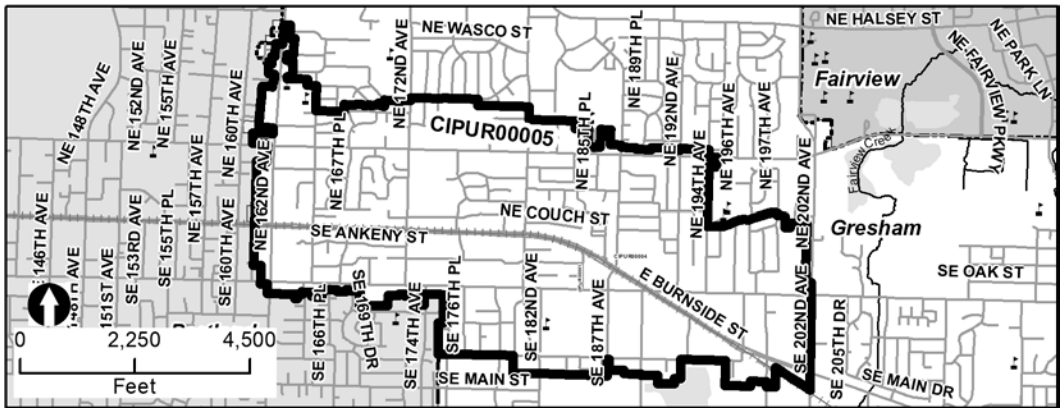
FUNDED PROJECT
Urban Renewal

CIPUR00005: Rockwood Urban Plaza

Description: This project will design and construct up to a 1-acre neighborhood urban plaza in the Rockwood Plan District. SDC Park project #19.

Justification: Development is needed to provide a neighborhood urban space for events and passive recreation.

Type of project: Design and construction of a neighborhood urban plaza for growth.



Estimated Dollars:

Funds	Description	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Total
Resources	Dev/SDC Credit	377,825	6,801	0	0	0	0	384,626
	SDC	516,500	9,297	0	0	0	0	525,797
Resources Total		**894,325**	**16,098**	**0**	**0**	**0**	**0**	**910,423**
Expenses	Construct/Reimburse	894,325	16,098	0	0	0	0	910,423
Expenses Total		**894,325**	**16,098**	**0**	**0**	**0**	**0**	**910,423**