

PROPOSED BUDGET

Fiscal Year 2023/24



ROCKWOOD-WEST GRESHAM URBAN RENEWAL AREA

GRESHAM
REDEVELOPMENT COMMISSION



Proposed Budget for Fiscal Year 2023/24
for the
Rockwood-West Gresham Urban Renewal Area

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BUDGET MESSAGE

FISCAL YEAR 2023/24

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 1,211-acre URA was established through a citywide vote in November 2003 and is governed by the Rockwood-West Gresham Renewal Plan (Renewal Plan). Gresham voters extended the district to the year 2029 through city-wide vote in May 2022.

The Fiscal Year (FY) 2023/24 budget supports the Gresham Redevelopment Commission (GRDC) goals and objectives and is consistent with the Renewal Plan. The budget for the URA describes the planned appropriations and supports the FY 2023/24 - 2027/28 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, and 390.

FY 2022/23 Highlights

Highlights of the significant project and program accomplishments of FY 2022/23 are provided below.

Downtown Rockwood (formerly Rockwood Rising Catalyst Site)

- In August the GRDC completed the financial closing for Phase 3 of Downtown Rockwood. Construction is proceeding for Aviva Apartments, the final building on the Downtown Rockwood site. Construction is anticipated to be complete in spring of 2024.
- August also included the construction completion of the Rockwood Urban Plaza at Downtown Rockwood. This plaza includes a splash pad and children's playground.
- The Rockwood Market Hall opened in May 2022, and FY 2022/23 represents the first year of operation. The property includes a rich diversity of food and retail tenants, and leasing is anticipated to be nearly complete at the end of FY 2022/23.
- Downtown Rockwood also hosted a number of events over the year in partnership with the GRDC. This includes I Heart Rockwood in August and Reclaiming Black Joy in partnership with Multnomah County in October.

Sunrise Site

- Disposition of the Sunrise Site to a private developer partner has been a primary focus of the GRDC over the last several years, and in May 2022, the GRDC directed the Executive Director to negotiate a non-binding Exclusive Negotiation Agreement (ENA) with HMS Development for redevelopment of the Sunrise Site.
- The Executive Director entered into the ENA on September 26, 2022. During this initial phase, the project team is conducting due diligence on the site including environmental analysis, financial assessments and market analysis. The project team is refining the project program and site plan, with three alternatives under review in the spring of 2023.
- The GRDC has been working with existing tenants on the Sunrise Site, including their current and future plans for continuing their operations within the Rockwood Community. GRDC staff and HMS Development have been conducting interviews with tenants and subtenants

since the fall of 2022.

Stark Street Redevelopment

- The GRDC completed the sale of 312 NE 165th to Latino Network on November 29, 2022. Latino Network is breaking ground in the spring of 2023 on La Plaza Esperanza, which includes community spaces, staff workspaces, a drop-in lounge and a preschool with indoor and outdoor play areas. This is the final development for the Stark Street Redevelopment, which includes Open School East, Boys & Girls Club, New Avenues for Youth and other organizations.

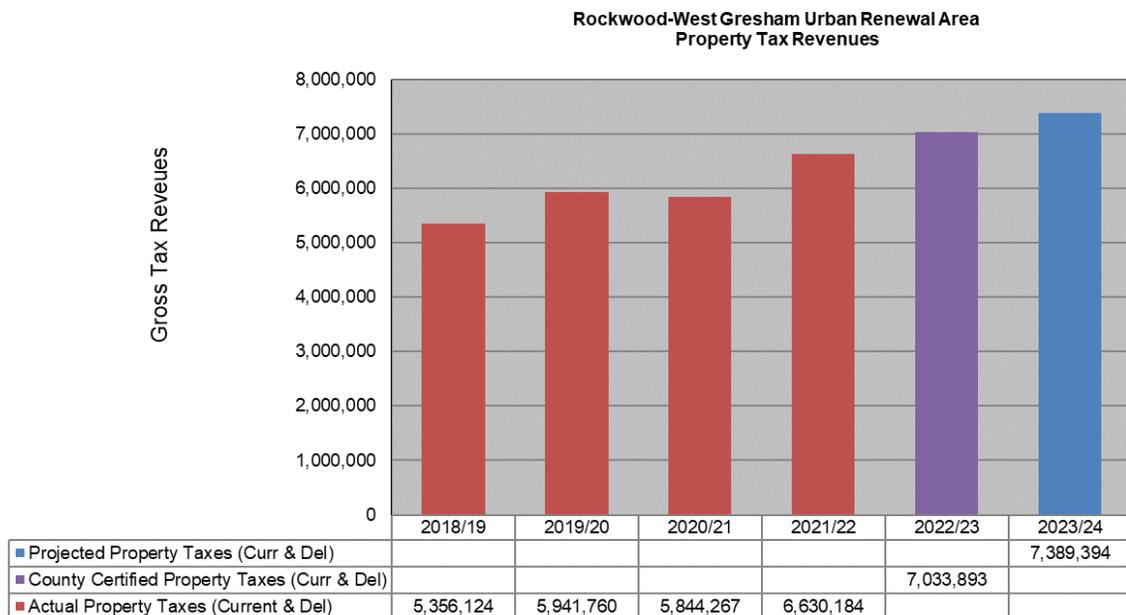
Other Accomplishments

- Staff continued with the grant activities related to Racial & Ethnic Approaches to Community Health (REACH) from the Centers for Disease Control and Multnomah County Public Health. Funding supports the Portland Opportunities Industrialization Center/Rosemary Anderson High School (POIC+RAHS) culinary kitchen planning and program development at the Downtown Rockwood Market Hall.
- Staff initiated public engagement work related to future GRDC spending priorities. Staff is developing the 2029 Community Investment Framework, a plan which will assist the GRDC in future investments between now and 2029. A consulting team is conducting community engagement in spring of 2023, including focus groups with cultural communities through community liaisons.

Revenue Trends

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

**Rockwood-West Gresham Urban Renewal Area
Property Tax Revenues**



In recent years, the URA’s Property Tax Revenue growth has tended 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 FY 2021/22 show an average increase of just below 9 percent. This growth, during notable economic times, was affected by a decrease in the URA's tax rate in FY 2020/21. The COVID-19 pandemic and resulting economic shifts have also likely influenced revenues, although it is not feasible to isolate or quantify the impacts.

The tax revenue for FY 2022/23, portion is now certified and levied by the County, is expected to be approximately \$6.8 million. This amount is in line with anticipated revenues outlined in the FY 2022/23 budget.

Tax resources for FY 2023/24 are expected to continue the upward trend, though not as noticeable as the previous year. Gains are anticipated to be more 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 (AV) growth. Tax revenue is expected to increase by around \$494,000 in FY 2023/24 relative to the current FY 2022/23 projection, a 7.2 percent gain. This projection anticipates the completion of construction projects currently underway.

Assessed values, and therefore tax resources, have steadily improved over the past decade. As we enter the current extension of the district, there is the potential for more growth in the assessed value as more projects are completed. 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.

Periodic substantial construction has added new AV to the URA, in addition to normal AV growth. Normal percentage revenue growth in the range of 3.0 to 3.5 is assumed to now be an ordinary pattern of growth, based on typical AV increases for existing properties. The lingering effects of the pandemic and resultant economic turbulence continue to be uncertain.

Overall, the URA's total 20-year tax increment revenue was expected to be significantly less than originally forecasted. This outcome was due to several factors, including the effect and lengthy recovery period of the Great Recession of 2008. However, the passing of the URA extension in 2022 will give the district the necessary flexibility to utilize all dollars laid out in the original tax increment estimate.

Fiscal Year 2023/24 Budget

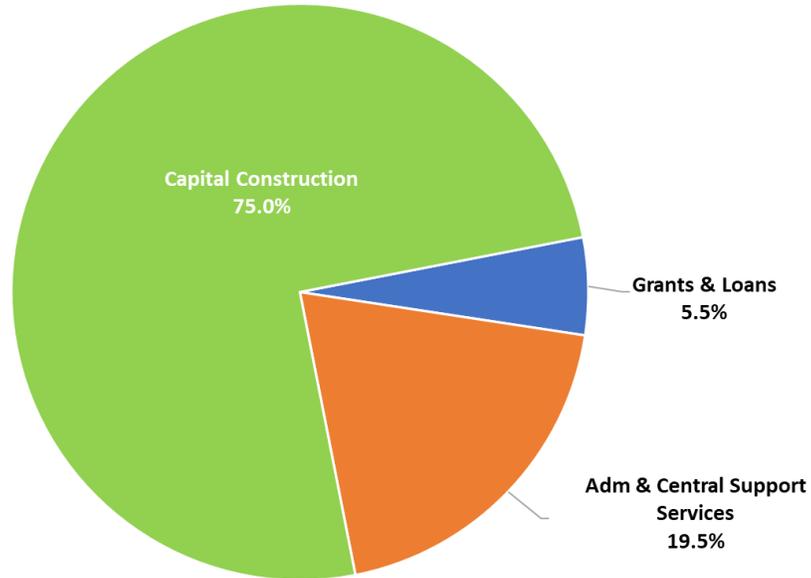
The budget consists of two funds: a Capital Improvement Fund (Fund 930) for investment in capital projects and programs, and a Debt Service Fund (Fund 940) that accounts for tax revenues and repayment of debt.

Resources of \$10.82 million are budgeted in the Capital Improvement Fund and approximately \$8 million are budgeted in the Debt Service Fund. Most of these resources have been allocated to projects or debt repayment, as detailed in the City's budget. Appropriation is set slightly more than the adopted project and debt allocations shown within the City's budget, to allow for usage during the fiscal year, pending guidance and directions from the GRDC.

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 gants, and administrative costs.

**City of Gresham
Rockwood-West Gresham Urban Renewal
UR Funded Capital Program & Public Services
Fiscal Year 2023/24**



Total resources for the capital fund are approximately \$10.82 million. Loan proceeds from GRDC-issued debt of approximately \$7.39 million are programmed to be expended. The fund also includes a beginning fund balance and minor revenues that will be carried forward from FY 2022/23 and expended.

Expenditures for City contractual services are \$2.41 million. Expenditures for capital construction projects are \$5.25 million. Most of the URA-funded construction budget is funding programmed for potential property acquisition.

Total fund requirements are approximately \$7.39 million. A total of \$3.17 million is designated as unappropriated.

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 the City budget in the 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.

The FY 2023/24 capital expenditures in the City's budget are approximately \$6.87 million. This figure consists of new projects in FY 2023/24 plus any projects carried over from FY2022/23. Of the new project allocations for FY 2023/24, \$2.58 million is allocated to property acquisition within the URA, while approximately \$670,000 is allocated to work on the Sunrise site.

\$2 million is budgeted over and above the amounts allocated to projects and staffing in the current CIP program are expected to be available for FY 2023/24 to provide flexibility should GRDC identify additional priorities to be implemented within FY 2023/24. Usage would require a supplemental budget action by the City.

Grant Programs

The budget includes \$500,000 in grant funds for a future potential yet to be determined grant program.

City Contractual Services

Administrative costs are budgeted and accounted for in the City's Budget. URA program services appear in the City budget in the Urban Renewal Support Fund. City contractual expenses are approximately \$1.9 million. Staff support, including employees, is supplied by the City.

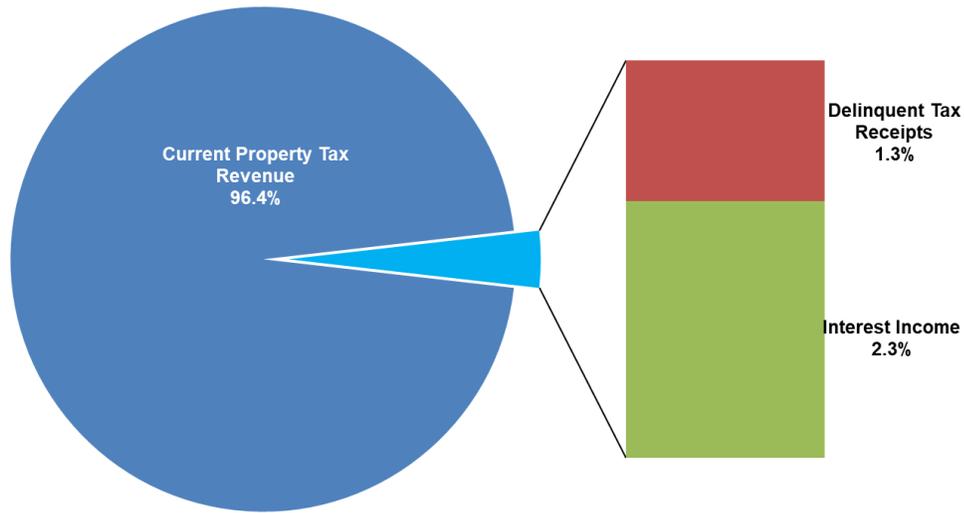
Fund 940: Rockwood Debt Service Fund

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.

Total resources in this fund are \$8 million. The budget anticipates approximately \$7.39 million in property tax revenues, and interest income of \$176,900, with \$439,200 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. Repayment of all installment debt service will be accomplished within FY 2022/23.

**Rockwood-West Gresham Urban Renewal
Debt Service Resources
Fiscal Year 2023/24**

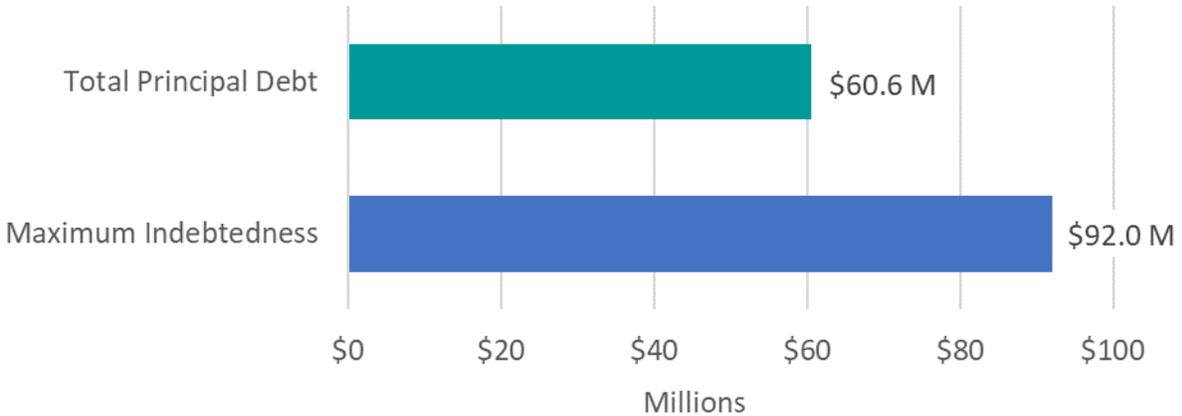


In recent years, the GRDC has arranged financing through the City of Gresham. The GRDC issued, and the City purchased, revolving Urban Renewal Tax Increment Revenue Notes, which were repaid with URA tax revenues. This arrangement has been mutually beneficial to both parties.

Beginning in FY 2023/24, a new Intergovernmental Agreement for credit facility services between the GRDC and the City will allow for overnight borrowing from the City. The amount to be borrowed cannot exceed the Tax Increment Financing (TIF) cash balance on hand. For FY 2023/24, this is estimated to be approximately \$7.39 million.

Total fund requirements are approximately \$7.39 million. A total of \$616,100 is designated as unappropriated.

**Rockwood-West Gresham Urban Renewal Area
Projected Maximum Indebtedness
June 30, 2023**



The Rockwood-West Gresham URA was established with a \$92 million limit on the amount of indebtedness.

As of the end of FY 2021/22, the remaining indebtedness for the URA was \$34.4 million. Over the course of FY 2022/23, \$3 million in short-term borrowing is expected. The URA is projected to start FY 2023/24 with a remaining indebtedness of \$31.4 million.

Due to the nature of the short-term overnight borrowing, the GRDC must have cash on hand to repay the interagency loans from the City. Therefore, the annual amount of indebtedness that can be utilized is capped by the amount of property tax collections in any given year.

The FY 2023/24 estimated borrowing is \$7.39 million, which would leave the URA with a remaining indebtedness of \$24 million on June 30, 2024.

The City and GRDC staff work closely to project and track remaining indebtedness to ensure annual borrowing conforms with forecasted revenue, and subsequently will be consumed in full by the end of the URA in 2029.

Budget Document

As required by State law, the FY 2023/24 budget is balanced, meaning the projected resources are sufficient to meet allocated expenditures. Please note the six columns of data: two prior FYs of audited data, the 2022/23 Adopted Budget, the 2023/24 Director Proposed, 2023/24 Budget Committee Approved, and 2023/24 Commission Adopted as 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 budget presents a spending plan for FY 2023/24 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,



Brian Monberg
GRDC Executive Director

**Rockwood-West Gresham Urban Renewal Area
Fiscal Year -Budgeting Year- Property Tax Projection**

2022/23 Tax Assessed Value Base and Growth

URA Frozen Base TAV	\$ 437,507,294	
URA Incremental TAV Current Fiscal Year 2022/23	\$ 475,131,906	
URA Total Taxable Assessed Value end of current year	\$ 912,639,200	From Multnomah County Tax Assessor

Projected Growth in Tax Assessed Value

URA Incremental TAV 2022/23	\$ 475,131,906	
Normal Growth in TAV	\$ 35,639,213	Estimated at 3.9%
Estimated New Development TAV	\$ -	Based on an estimate for known projects from Permit Records
Projected Incremental TAV Fiscal Year 2023/24	\$ 510,771,119	

2023/24 Tax Assessed Value Base and Growth

URA Frozen Base TAV	\$ 437,507,294	
Projected Incremental TAV Fiscal Year 2023/24	\$ 510,771,119	
URA Total Estimated TAV as of Fiscal Year 2023/24	\$ 948,278,413	Forecast for AV growth for Budget

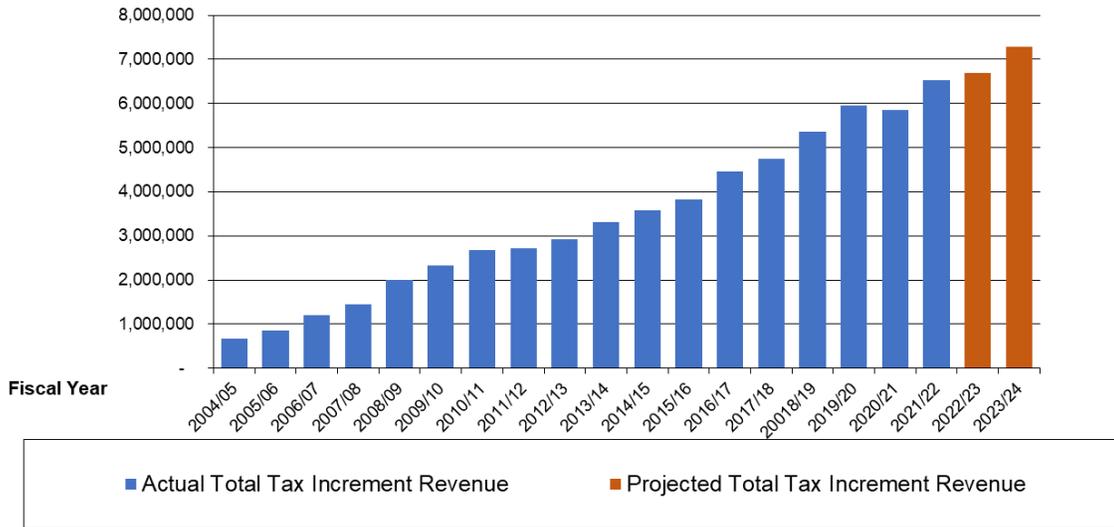
Projected URA Tax Revenue

Projected URA Tax Rate	\$ 14.84	
Calculated URA Tax (before Adjustments)	\$ 7,582,346	
Less: Discounts and Delinquencies	\$ (289,479)	Uncollected taxes estimated as a Percent of Tax
Plus: Delinquent Collections and Penalties	\$ 97,027	A projection based on a percent of the average actual collections, plus interest penalty
Projected URA Tax Revenue Fiscal Year 2023/24	\$ 7,389,894	

Legend

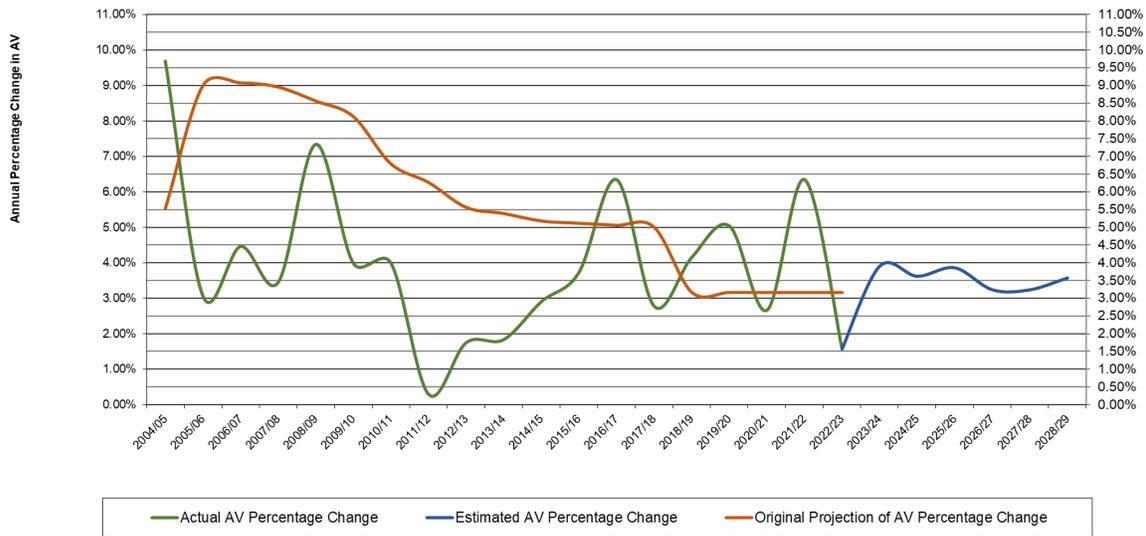
URA = Rockwood-West Gresham Urban Renewal Area
TAV = URAs Taxable Assessed Value

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



It is important to note that property tax revenue trends tend to lag relative to changes in economic conditions. For example, tax proceeds languished starting in FY 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. By mid-decade, spikes in 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. More recently, fiscal year 2019/20 showed higher than anticipated revenue due to a one-time assessment. Revenue in fiscal year 2020/21 was impacted negatively by the expiration of an existing bond, which resulted in a permanent lower tax rate for the URA. The noticeable increase in development activity in fiscal year 2021/22 was driven by the Downtown Rockwood project. Development activity in the area has been expected to moderate in fiscal year 2022/23. This trend will likely result in resources growing more consistent with statutory increases in property taxes. New construction activity is not expected to generate a large amount of assessed value growth.

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



Assessed value (AV) changes year to year are dependent on the economics of development. As demonstrated during most of the life of the URA (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 equity or debt. The robust annual upward trend of AV growth experienced as the area recovered from the Great Recession (green line: 2011/12 through 2016/17) then drifted to a more typical state of oscillating volatility. The addition of the Downtown Rockwood development AV value in fiscal year 2021/22 is likely the primary cause of the spike in AV that year. The development did not generate the revenue originally forecast for the URA due to unexpected tax waivers and a later than originally assumed construction start.

There is no evidence that a large-scale development is on the horizon in the last years of the Urban Renewal Area (URA). Without evidence in the form of building permits (which denotes confirmed development), sizeable AV growth for a particular geographical area is not assumed. The average longer-term trend for economic growth in the metro region is thought to be lower than pre-recession times. A spike of AV growth that would generate significant tax resources in the time remaining for the UR area is not expected. Currently, there is not a sign of large-scale development activity on the near horizon for the UR's geographic area. The current assumption of growth is about 3.5 percent (blue line).

The red line demonstrates the assumption of the original forecast for AV growth. It ends in FY 2022/23 because the original end date for the URA was 2023. The 2022 extension approved by voters will continue the URA for several more years. This will allow for the full realization of the URA's Maximum Indebtedness, that was previously unachievable due to the slowing during the Great Recession and years of recovery.

BUDGET DEVELOPMENT PROCESS

Key steps related to the Gresham Redevelopment Commission budget development process are described below.

Process Design – *July/August*

- Review and evaluate prior year's process
- Establish outline of process for the upcoming year

Fund Evaluation and Financial Forecasting – *September/October*

- Review year-end close information
- Evaluate financial status of Urban Renewal
- Develop revenue forecasts for Urban Renewal funding

Develop Budget Proposal – *November/December/January*

- Urban Renewal staff completes their estimates of next year's operating costs
- Budget proposal supports adopted Gresham Redevelopment Commission Work Plan
- Budget proposal adjusted based on revenue forecast and other funding constraints
- Capital Improvement Program (CIP) projects for the Rockwood-West Gresham Urban Renewal Area are developed based on the goals set forth in the Rockwood-West Gresham Renewal Plan approved by Gresham voters in November 2003

Balance Funds and Finalize Proposed Budget – *March/April*

- CIP reviewed by City of Gresham Planning Commission, Gresham Redevelopment Commission Advisory Committee, and Gresham Redevelopment Commission
- Proposed budget prepared
- First year of 5-year CIP is incorporated into annual budget

Gresham Redevelopment Commission Budget Committee Deliberates on Proposed Budget – *May*

- Budget Committee composed of the seven-member Gresham City Council serving as the Gresham Redevelopment Commission, and seven members of the Gresham Redevelopment Commission Advisory Committee who reside in Gresham
- Budget Committee meets one evening to consider and approve proposed budget
- Public invited to attend meeting and provide comment on proposed budget
- Budget Committee may make revisions to proposed budget
- Budget Committee reviews the first year of the 5-year CIP
- Budget Committee approves budget, which may include revisions

BUDGET DEVELOPMENT PROCESS

Gresham Redevelopment Commission Recommends 5-Year CIP to the Gresham City Council – *May*

- Proposed CIP projects for the Rockwood-West Gresham Urban Renewal Area (URA) are included in the City of Gresham's 5-year CIP
- Gresham Redevelopment Commission recommends proposed 5-year CIP to Gresham City Council

CIP Adoption – *May/June*

- Gresham City Council public hearing and enactment reading for final adoption of 5-year CIP

Budget Adoption – *June*

- Gresham Redevelopment Commission holds public hearing to receive public comment on approved budget prior to their deliberations and adoption of budget
- Commission may choose to revise the budget within statutory restrictions prior to adoption

Budget Implementation – *July*

- All local governments in Oregon begin their fiscal year on July 1
- Budget is implemented as adopted

Budget Amendments - *During fiscal year, as needed*

- Amendments may occur if authorized by action of the Gresham Redevelopment Commission or, depending on the requested amendment, by action of the Gresham City Council, as dictated by Oregon budget law
- Supplemental budget is required to spend unanticipated revenues or to create a transfer between funds
- Adjustments may require a public hearing, authorization by the Gresham Redevelopment Commission and/or authorization by the Gresham City Council, as dictated by Oregon budget law

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

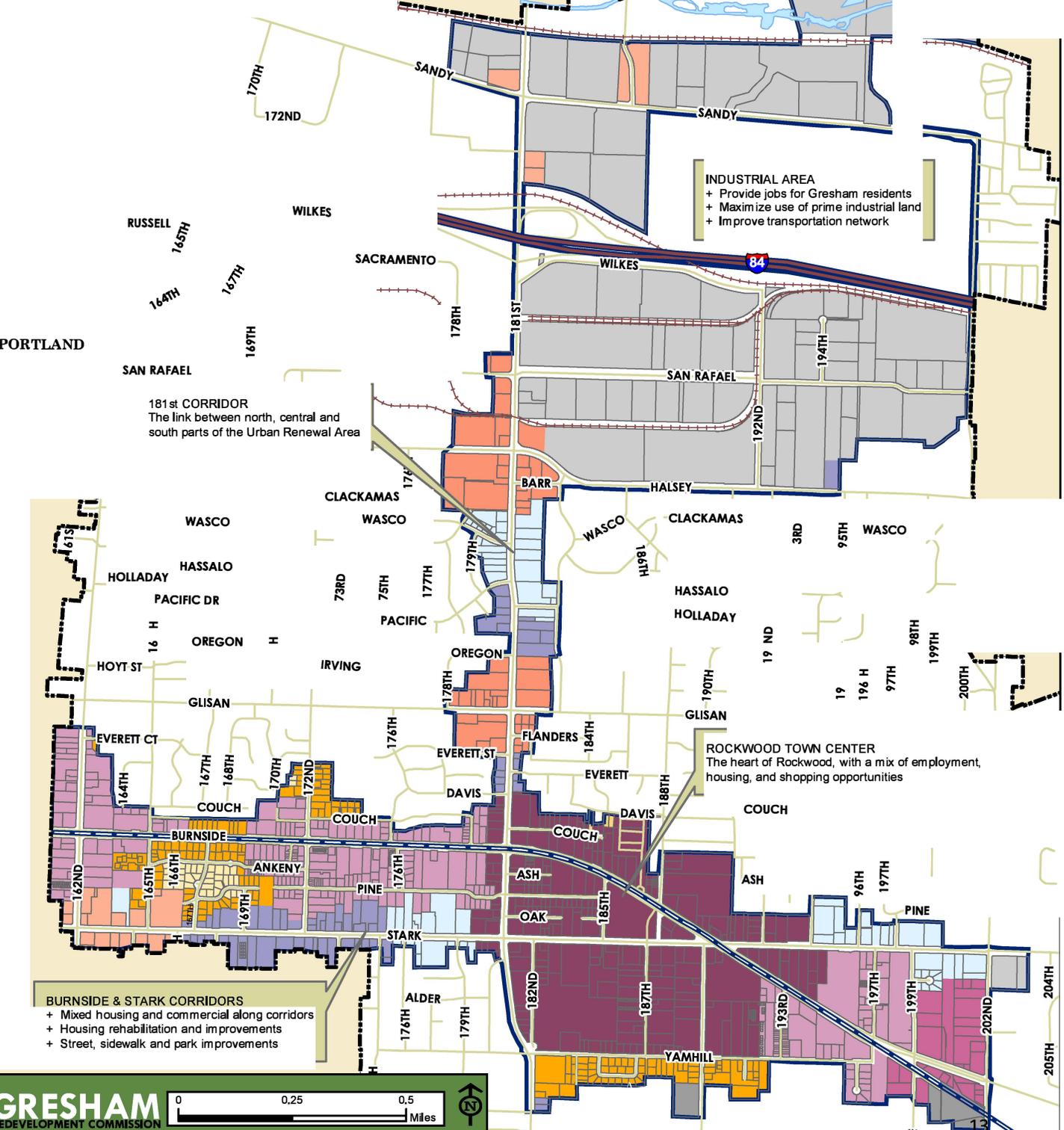
- Low Density Residential - 5
- Transition Residential
- Transit Low Density Residential

UR Area Boundary

Gresham City Limits

MAX Light Rail

Rail Line



GRESHAM
REDEVELOPMENT COMMISSION

0 0.25 0.5 Miles

Rockwood-West Gresham Urban Renewal Adopted Budget

Fiscal Year 2023/24 Budget by Fund

	<u>2023/24 Appropriations</u>
Operating Funds	
Rockwood Capital Improvement Fund	
Materials & Services	7,653,800
Unappropriated	3,167,200
Total Fund Requirements	<u>10,821,000</u>
Non-Operating Funds	
Rockwood Debt Service Fund	
Debt Service	7,389,900
Unappropriated	616,100
Total Fund Requirements	<u>8,006,000</u>
FY 2023/24 Budget in Aggregate:	<u><u>18,827,000</u></u>

Resources and Requirements - All GRDC Funds

All Funds	2020/21 Actual	2021/22 Actual	2022/23 Adopted Budget	2023/24 Director Proposed	2023/24 Budget Committee Approved	2023/24 Commission Adopted
Resources						
Taxes	5,854,371	6,641,557	6,792,800	7,389,900	-	-
Intergovernmental	35,670	22,269	8,400	-	-	-
Charges for Services	-	-	-	120,000	-	-
Miscellaneous Income	324,492	258,190	181,000	183,800	-	-
Financing Proceeds	3,780,000	6,000,000	5,591,900	7,389,900	-	-
Beginning Balance	16,034,617	15,171,549	15,699,400	3,743,400	-	-
Total Resources	26,029,150	28,093,565	28,273,500	18,827,000	-	-
Requirements						
GRDC	6,087,000	4,875,000	6,045,400	7,653,800	-	-
<i>Operating Total</i>	<i>6,087,000</i>	<i>4,875,000</i>	<i>6,045,400</i>	<i>7,653,800</i>	-	-
Debt Service	4,770,601	9,971,971	22,228,100	7,389,900	-	-
Unappropriated	15,171,549	13,246,594	-	3,783,300	-	-
<i>Non-Operating Total</i>	<i>19,942,150</i>	<i>23,218,565</i>	<i>22,228,100</i>	<i>11,173,200</i>	-	-
Total Requirements	26,029,150	28,093,565	28,273,500	18,827,000	-	-

Resources and Requirements by GRDC Fund

GRDC - Rockwood Capital Impr Fund

	2020/21 Actual	2021/22 Actual	2022/23 Adopted Budget	2023/24 Director Proposed	2023/24 Budget Committee Approved	2023/24 Commission Approved
Resources						
Charges for Services	-	-	-	120,000	-	-
Miscellaneous Income	80,807	93,584	6,700	6,900	-	-
Financing Proceeds	3,780,000	6,000,000	5,591,900	7,389,900	-	-
Beginning Balance	2,599,568	373,375	446,800	3,304,200	-	-
Total Resources	6,460,375	6,466,959	6,045,400	10,821,000	-	-
Requirements						
GRDC	6,087,000	4,875,000	6,045,400	7,653,800	-	-
<i>Operating Total</i>	<i>6,087,000</i>	<i>4,875,000</i>	<i>6,045,400</i>	<i>7,653,800</i>	-	-
Unappropriated	373,375	1,591,959	-	3,167,200	-	-
<i>Non-Operating Total</i>	<i>373,375</i>	<i>1,591,959</i>	-	<i>3,167,200</i>	-	-
Total Requirements	6,460,375	6,466,959	6,045,400	10,821,000	-	-

Resources

GRDC - Rockwood Capital Impr Fund

	2020/21 Actual	2021/22 Actual	2022/23 Adopted Budget	2023/24 Director Proposed	2023/24 Budget Committee Approved	2023/24 Commission Approved
Resources						
<u>Charges for Services</u>						
Other Charges for Service	-	-	-	120,000	-	-
Total Charges for Services	-	-	-	120,000	-	-
<u>Miscellaneous Income</u>						
Interest Income	16,194	30,924	6,700	6,900	-	-
Leases & Subleases	60,883	62,660	-	-	-	-
Miscellaneous Income	3,730	-	-	-	-	-
Total Miscellaneous Income	80,807	93,584	6,700	6,900	-	-
<u>Financing Proceeds</u>						
Financing Proceeds	3,780,000	6,000,000	5,591,900	7,389,900	-	-
Total Financing Proceeds	3,780,000	6,000,000	5,591,900	7,389,900	-	-
<u>Beginning Balance</u>						
Beginning Balance	2,599,568	373,375	446,800	3,304,200	-	-
Total Beginning Balance	2,599,568	373,375	446,800	3,304,200	-	-
Total Resources	6,460,375	6,466,959	6,045,400	10,821,000	-	-

Requirements

GRDC - Rockwood Capital Impr Fund

	2020/21 Actual	2021/22 Actual	2022/23 Adopted Budget	2023/24 Director Proposed	2023/24 Budget Committee Approved	2023/24 Commission Approved
Requirements						
<u>Prof & Tech Services</u>						
City Contractual Services	996,000	1,175,000	2,420,300	2,407,300	-	-
City Construction Services	5,091,000	3,700,000	3,625,100	5,246,500	-	-
Total Prof & Tech Services	6,087,000	4,875,000	6,045,400	7,653,800	-	-
<u>Unappropriated</u>						
Unappropriated	373,375	1,591,959	-	3,167,200	-	-
Total Unappropriated	373,375	1,591,959	-	3,167,200	-	-
Total Requirements	6,460,375	6,466,959	6,045,400	10,821,000	-	-

Resources and Requirements by GRDC Fund

GRDC - Rockwood Debt Service Fund

	2020/21 Actual	2021/22 Actual	2022/23 Adopted Budget	2023/24 Director Proposed	2023/24 Budget Committee Approved	2023/24 Commission Approved
Resources						
Taxes	5,854,371	6,641,557	6,792,800	7,389,900	-	-
Intergovernmental	35,670	22,269	8,400	-	-	-
Miscellaneous Income	243,685	164,607	174,300	176,900	-	-
Beginning Balance	13,435,049	14,798,174	15,252,600	439,200	-	-
Total Resources	19,568,775	21,626,606	22,228,100	8,006,000	-	-
Requirements						
Debt Service	4,770,601	9,971,971	22,228,100	7,389,900	-	-
Unappropriated	14,798,174	11,654,636	-	616,100	-	-
<i>Non-Operating Total</i>	<i>19,568,775</i>	<i>21,626,606</i>	<i>22,228,100</i>	<i>8,006,000</i>	-	-
Total Requirements	19,568,775	21,626,606	22,228,100	8,006,000	-	-

Resources

GRDC - Rockwood Debt Service Fund

Resources	2020/21 Actual	2021/22 Actual	2022/23 Adopted Budget	2023/24 Director Proposed	2023/24 Budget Committee Approved	2023/24 Commission Approved
<u>Taxes</u>						
Property Taxes - Current	5,746,404	6,534,242	6,697,200	7,292,800	-	-
Property Taxes - Delinquent	97,863	95,942	95,100	96,600	-	-
Property Taxes - Interest	2,707	1,858	500	500	-	-
Property Taxes - Other	7,397	9,515	-	-	-	-
Total Taxes	5,854,371	6,641,557	6,792,800	7,389,900	-	-
<u>Intergovernmental</u>						
Federal Interest Subsidy	35,670	22,269	8,400	-	-	-
Total Intergovernmental	35,670	22,269	8,400	-	-	-
<u>Miscellaneous Income</u>						
Interest Income	243,685	164,607	174,300	176,900	-	-
Total Miscellaneous Income	243,685	164,607	174,300	176,900	-	-
<u>Beginning Balance</u>						
Beginning Balance	13,435,049	14,798,174	15,252,600	439,200	-	-
Total Beginning Balance	13,435,049	14,798,174	15,252,600	439,200	-	-
Total Resources	19,568,775	21,626,606	22,228,100	8,006,000	-	-

Requirements

GRDC - Rockwood Debt Service Fund

	2020/21 Actual	2021/22 Actual	2022/23 Adopted Budget	2023/24 Director Proposed	2023/24 Budget Committee Approved	2023/24 Commission Approved
Requirements						
<u>Debt</u>						
Interest	699,356	567,829	413,800	-	-	-
Paying Agent/Registrar Fee	104	-	-	-	-	-
Principal	4,069,377	9,404,063	21,797,500	7,389,900	-	-
Sale Costs/Loan Fees	1,764	79	16,800	-	-	-
Total Debt	4,770,601	9,971,971	22,228,100	7,389,900	-	-
<u>Unappropriated</u>						
Unappropriated	14,798,174	11,654,636	-	616,100	-	-
Total Unappropriated	14,798,174	11,654,636	-	616,100	-	-
Total Requirements	19,568,775	21,626,606	22,228,100	8,006,000	-	-

CITY OF GRESHAM



Fiscal Years
2023/24 to 2027/28

PROPOSED CAPITAL IMPROVEMENT PROGRAM

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, extended to the year 2029 through city-wide vote in 2022, is 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

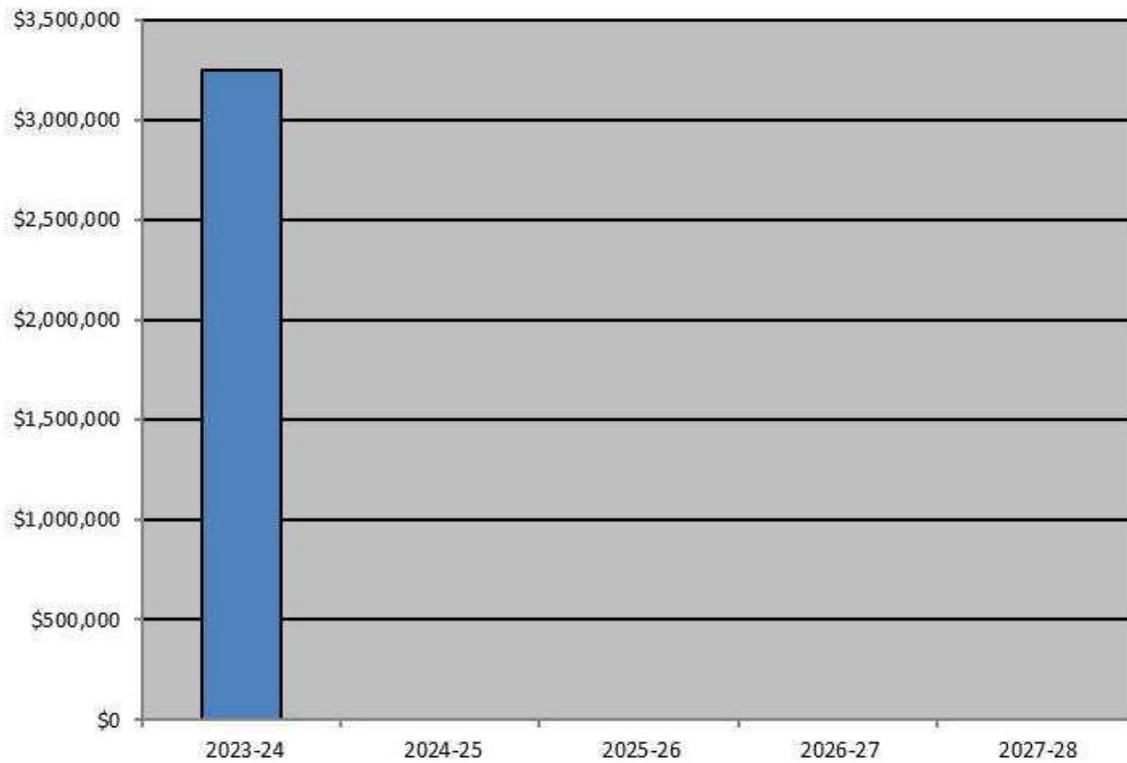
Significant capital improvement projects include:

1. Construction of the third and final phase of the Catalyst Site/Downtown Rockwood project – the 5-story mixed-use commercial/residential building is continuing construction (#CIPUR00001). This mixed-use development is focused on supporting economic stability and improving access to community services, retail, housing, and public space. This is the final construction project for the Catalyst Site/Downtown Rockwood and is anticipated to be complete in spring 2024.
2. Disposition of the Sunrise Site, a 2-acre site located adjacent to the E 188th MAX light rail station, has been a primary focus of the Gresham Redevelopment Commission (#CIPUR00004). In 2022, the Commission directed the Executive

Director to proceed with a non-binding Exclusive Negotiation Agreement with a private partner to prepare the site for development. Site planning and design is proceeding on the site.

3. Staff will be exploring future development opportunity through the Property Acquisition Fund (#CIPUR00006). The Property Acquisition Fund was created to better position the Gresham Redevelopment Commission to respond to development opportunities within the Urban Renewal Area (URA). The Gresham Redevelopment Commission can buy property or team on development with willing private partners within the URA.

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 FY23/24	Urban Renewal
CIPUR00001	Catalyst Site/Downtown Rockwood	3,147,466	3,147,466
CIPUR00004	Sunrise Site	1,150,090	1,150,090
CIPUR00006	Property Acquisition Fund	2,577,400	2,577,400
Grand Total		6,874,956	6,874,956

Note:

The numbers shown include carryover from FY22/23.

"Urban Renewal" = Funds from the Urban Renewal program area.

Urban Renewal Capital Fund
Urban Renewal Projects - Five Year View

Project	Project Name	Total Project Budget for FY23/24					FY27/28	Total
		Carryover from FY22/23	+	New FY23/24	FY24/25	FY25/26		
CIPUR00001	Catalyst Site/Downtown Rockwood	3,147,466		0	0	0	0	3,147,466
CIPUR00004	Sunrise Site	479,990		670,100	0	0	0	1,150,090
CIPUR00006	Property Acquisition Fund	0		2,577,400	0	0	0	2,577,400
Grand Total		3,627,456		3,247,500	0	0	0	6,874,956
		=						
				Total Budget for FY23/24				
				6,874,956				

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**

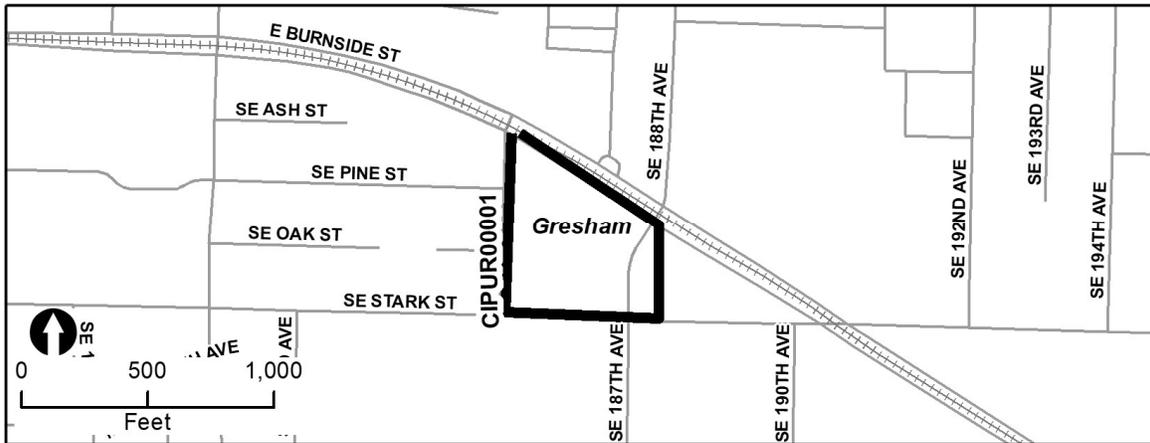
CIPUR00001: Catalyst Site/Downtown Rockwood

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	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	Total
Resources	Urban Renewal	3,354,999	0	0	0	0	0	3,354,999
Resources Total		3,354,999	0	0	0	0	0	3,354,999
Expenses	Construction	3,257,299	0	0	0	0	0	3,257,299
	Admin (3%)	97,700	0	0	0	0	0	97,700
Expenses Total		3,354,999	0	0	0	0	0	3,354,999

FUNDED PROJECT
Urban Renewal

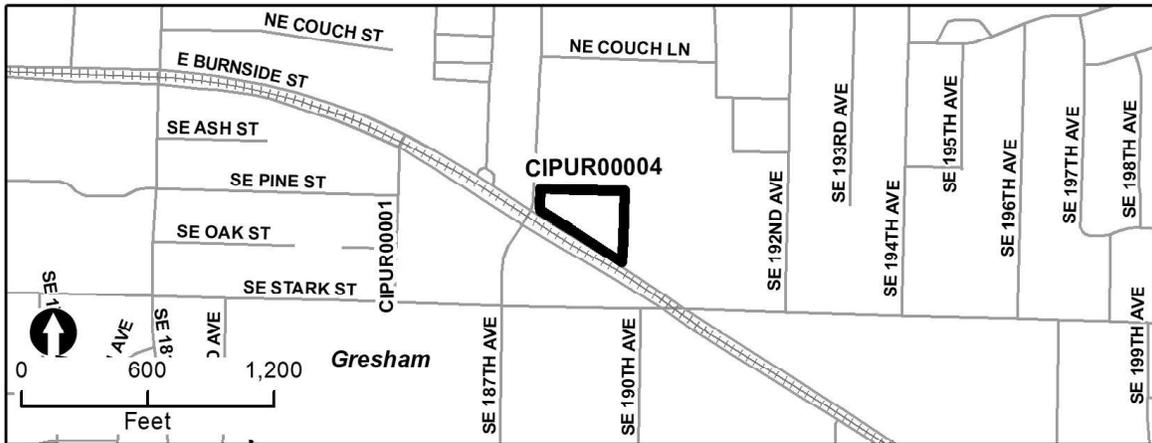
CIPUR00004: Sunrise Site

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	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	Total
Resources	Urban Renewal	515,000	670,100	0	0	0	0	1,185,100
Resources Total		515,000	670,100	0	0	0	0	1,185,100
Expenses	Construction	500,000	650,600	0	0	0	0	1,150,600
	Admin (3%)	15,000	19,500	0	0	0	0	34,500
Expenses Total		515,000	670,100	0	0	0	0	1,185,100

FUNDED PROJECT
Urban Renewal

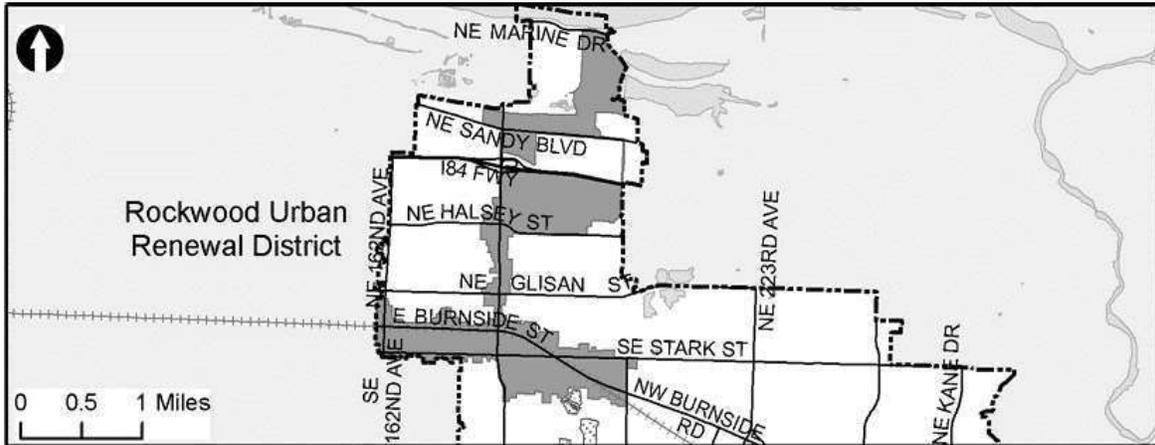
CIPUR00006: Property Acquisition Fund

Description: This Property Acquisition Fund was created to better position the Gresham Redevelopment Commission to respond to development opportunities within the Urban Renewal Area (URA). Its purpose is to provide a financial means for the Gresham Redevelopment Commission to implement the Rockwood West Gresham Renewal Plan Goals.

Justification: This project will help renew and revitalize the Rockwood/West Gresham Urban Renewal Area, making it more appealing to private investment.

Type of project: Property Acquisition.

Partners: Typical partners will be from the private sector interested in selling property or teaming on a development project.



Estimated Dollars:

Funds	Description	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	Total
Resources	Urban Renewal	0	2,577,400	0	0	0	0	2,577,400
Resources Total		0	2,577,400	0	0	0	0	2,577,400
Expenses	Property Acq	0	2,502,300	0	0	0	0	2,502,300
	Admin (3%)	0	75,100	0	0	0	0	75,100
Expenses Total		0	2,577,400	0	0	0	0	2,577,400