

Fiscal Year 2025/26 PROPOSED BUDGET



ROCKWOOD-WEST GRESHAM URBAN RENEWAL AREA

GRESHAM
REDEVELOPMENT COMMISSION

CITY OF
GRESHAM
OREGON



Adopted Budget for Fiscal Year 2025/26
for the
Rockwood-West Gresham Urban Renewal Area

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GRESHAM

REDEVELOPMENT COMMISSION

TABLE OF CONTENTS

Budget Message Fiscal Year 2025/26	1
Fiscal Year 2025/26 Property Tax Projection.....	9
Total Tax Revenue Proceeds -Actual and Projected	10
Incremental Assessed Value - Year-to-Year Percentage Change	11
Budget Development Process	12
Rockwood-West Gresham Urban Renewal Area Map	14

PROPOSED BUDGET FISCAL YEAR 2025/26

Fiscal Year 2025/26 Budget by Fund	15
Resources and Requirements by Fund: All Funds.....	16
Resources and Requirements by Fund: Rockwood Capital Improvement Fund...	17
Resources: Rockwood Capital Improvement Fund.....	18
Requirements: Rockwood Capital Improvement Fund.....	19
Resources and Requirements by Fund: Rockwood Debt Service Fund.....	20
Resources: Rockwood Debt Service Fund.....	21
Requirements: Rockwood Debt Service Fund.....	22

CAPITAL IMPROVEMENT PROGRAM FISCAL YEARS 2025/26 TO 2029/30: FUNDED PROJECTS

Cover Page	23
Funded Projects Overview and Highlights.....	24
Urban Renewal Expenditure Graph by Fiscal Year.	25
Urban Renewal Funded Summary	26
Urban Renewal Projects: Five Year View	27
Funded Project CIPUR00001: Catalyst Site/Downtown Rockwood	28
Funded Project CIPUR00004: POIC Campus	29
Funded Project CIPUR00006: Property Acquisition Fund.....	30
Funded Project CIPUR00007: Yamhill Corridor Improvement.....	31
Funded Project CIPUR00008: Public Safety Facility: Fire Station 74	32
Funded Project CIPUR00009: B184 Site Improvements.....	33

GRESHAM

REDEVELOPMENT COMMISSION

BUDGET MESSAGE

FISCAL YEAR 2025/26

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) 2025/26 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 2025/26 - 2029/30 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 the Urban Renewal Fund and the Urban Renewal Capital Improvement Fund.

FY 2024/25 Highlights

Highlights of the significant project and program accomplishments of FY 2024/25 are provided below.

Downtown Rockwood (formerly Rockwood Rising Catalyst Site)

- Construction has been completed on Aviva Apartments, a 5-story commercial and residential building. 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 Downtown Rockwood and is currently leasing residential and retail spaces.
- Downtown Rockwood also hosted a number of events over the year in partnership with the GRDC. This included Schools Out for Summer in June, Rock the Block in August, and Reindeer in Rockwood in December.

POIC Campus (formerly known as Sunrise/B188 Site)

- Project planning and design has proceeded on the new POIC campus. Staff has worked closely with the development team on the site plan and program which is ready to proceed with land use approvals and permitting. This new mixed-use campus will include commercial and retail, a school, plaza, gymnasium, administrative offices and business incubation space.
- The GRDC executed a Disposition and Development Agreement (DDA) with the POIC project in late 2024 and meet regularly to advance project schematic design and programming.

Fire Station 74 Design

- Architects have completed the schematic design, and will look to advance design work, cost estimates and master planning for the construction of a new fire station at 1520 NE 192nd Avenue. Fire Station 74 is located within the Rockwood-West Gresham URA and one of five fire stations within the City of Gresham. It serves much of the urban renewal district, including commercial and industrial businesses located adjacent to I-84.

Stark Street Redevelopment

- Construction was completed 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. The building opened in early 2025.

Small Business Grants

In 2024-25, the Gresham Redevelopment Commission provided 5 grants to help support small businesses within the Rockwood Market Hall through an incubator grant program. The total amount of grant funding was \$67,900.

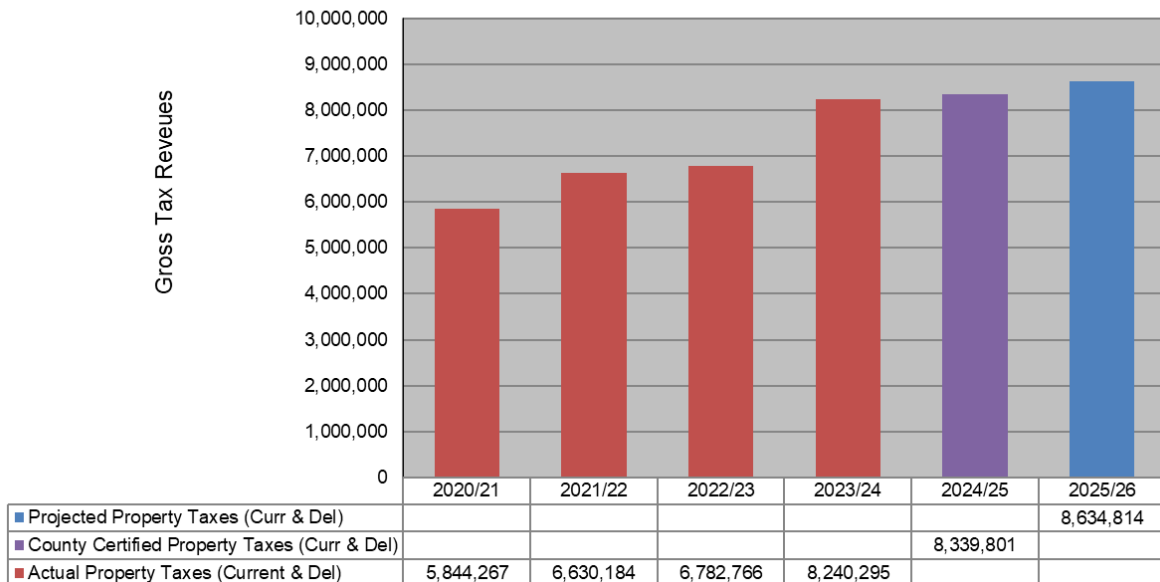
Other Accomplishments

- In partnership with robust community engagement, staff began implementing the 2029 Community Investment Framework, which identifies priorities for future GRDC spending. Key investments are consistent with the Renewal Plan and include projects for community safety, economic opportunity, housing, transportation, and community development.
- As part of the Property Acquisition Fund, the GRDC completed the purchase of the former Lydia's Restaurant located at 18330 E Burnside. This acquisition, which is directly adjacent to two previously acquired GRDC properties, will be incorporated into future redevelopment plans. The GRDC-acquired property at 18450 SE Stark was formerly used as a custom cabinet and wood shop, and staff is exploring opportunities to utilize the property for community education and workshop space.

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 fluctuate, 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 2019/20 and FY 2023/24 show an average increase of nine percent. This growth, during notable economic times, was affected by a decrease in the URA's tax rate in FY 2020/21 due to the expiration of bonds. 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 2024/25 is expected to be approximately \$8.3 million. This amount is a decrease in anticipated revenues over what was outlined in the FY 2024/25 budget, as there was significant depreciation of personal property investment within the URA beyond what was forecast.

Tax resources for FY 2025/26 are expected to continue an upward trend. Gains are projected 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 \$300,000 in FY 2025/26 relative to the current FY 2024/25 projection, a 3.7 percent gain.

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 percent is assumed for forecasting purposes, based on typical AV increases for existing properties.

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 gave the district the necessary flexibility to utilize all dollars laid out in the original tax increment estimate.

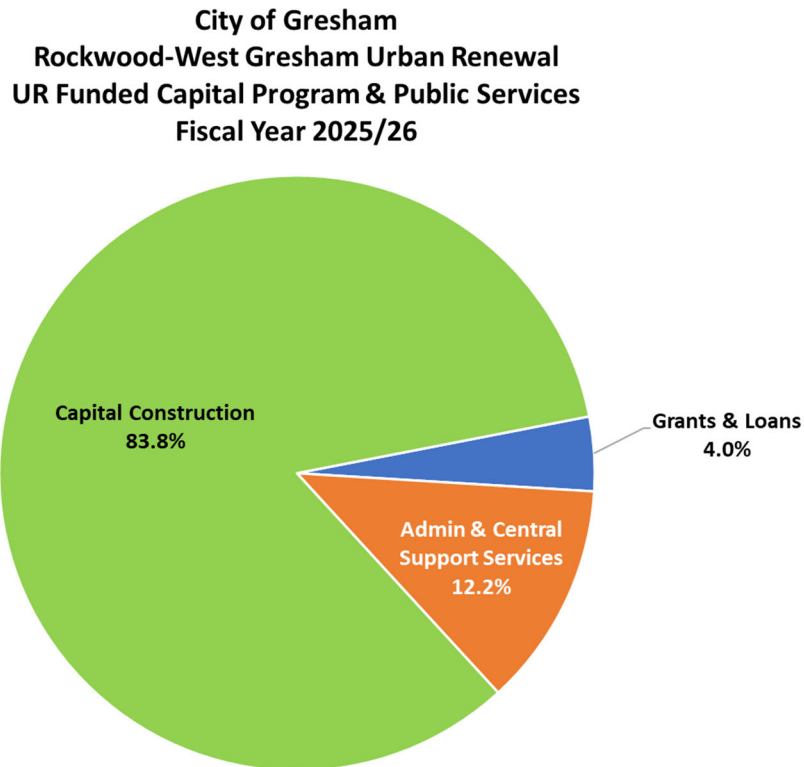
Fiscal Year 2025/26 Budget

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

Resources of \$19.0 million are budgeted in the Capital Improvement Fund and approximately \$10.3 million are budgeted in the Debt Service Fund. Most of these resources have been allocated to adopted 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 GRDC.

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 this fund. These costs include construction projects, Urban Renewal grants, and administrative costs.



Total resources for the capital fund are approximately \$19.0 million. Loan proceeds from GRDC-issued debt of approximately \$8.7 million are programmed to be expended. The fund also includes a beginning fund balance and minor revenues that will be carried forward from FY 2024/25.

Expenditures for City contractual services are \$2.1 million. Expenditures for capital construction projects are \$10.1 million. The URA-funded construction budget is funding programmed primarily for projects prioritized in the URA 5-year CIP for 2025/26 (See the projects section for more detail).

Total fund requirements are approximately \$12.1 million. A total of \$6.9 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's 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 2025/26 capital expenditures in the City's Budget, the UR Capital Improvement Fund, are approximately \$8.1 million. This figure consists of new projects in FY 2025/26 plus any projects carried over from FY2024/25. Of the new project allocations for FY 2025/26, \$2.0 million is allocated to property acquisition within the URA, approximately \$3.9 million is allocated to work on the Yamhill Street Improvements, \$500,000 is allocated for a gymnasium on the B188 site, \$250,000 is allocated to site improvements for the B184 site, and approximately \$691,000 is allocated for planning and design work related to a new Fire Station.

An additional \$2 million is budgeted over and above the amounts allocated to projects and staffing in the current CIP program. This provides flexibility within FY 2025/26 should GRDC identify additional priorities to be implemented within the fiscal year. 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's Urban Renewal Fund. City contractual expenses are approximately \$2.1 million. Staff support, including employees, is supplied by the City.

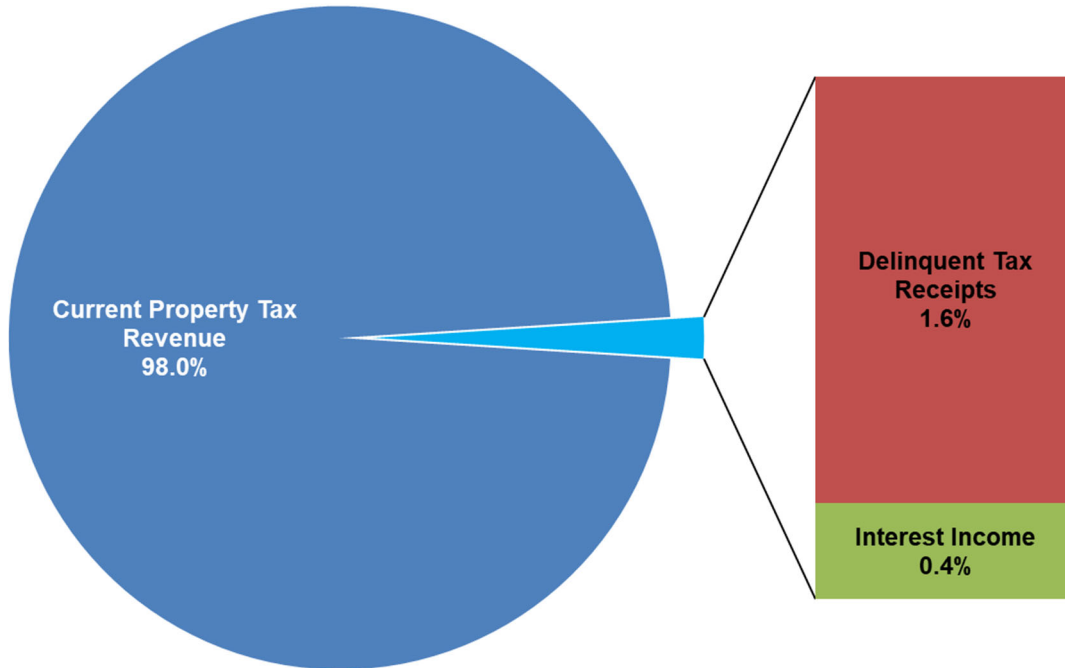
Rockwood Debt Service Fund

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 \$10.3 million. The budget anticipates approximately \$8.7 million in property tax revenues, and interest income of \$32,000, with \$1.6 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. Repayment of all long-term installment debt service was accomplished in FY 2022/23.

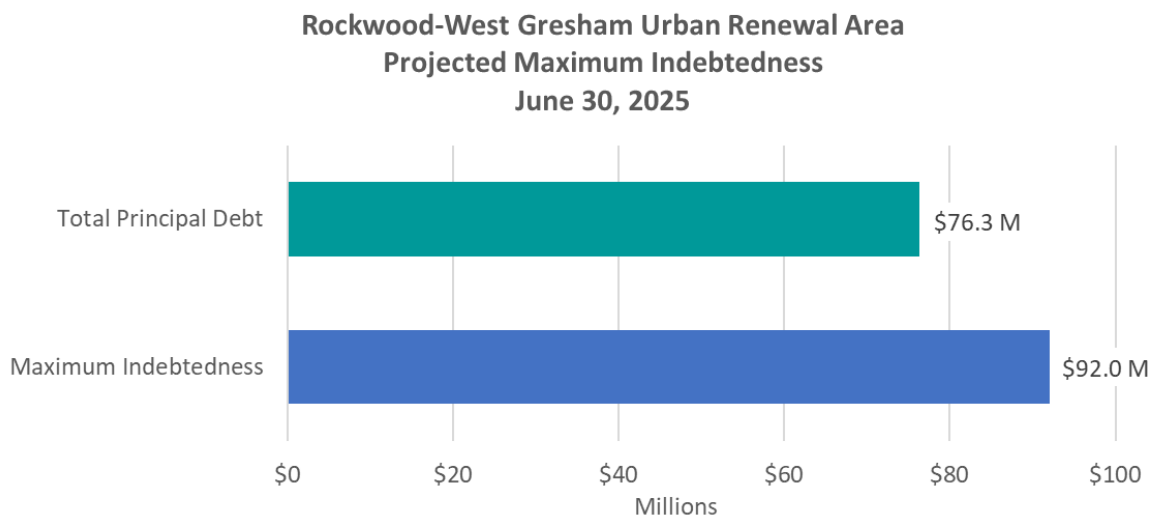
**Rockwood-West Gresham Urban Renewal
Debt Service Resources
Fiscal Year 2025/26**



In past 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 allows for overnight borrowing from the City. The amount to be borrowed cannot exceed the TIF cash balance on hand. For FY 2025/26, this is estimated to be approximately \$8.7 million.

Total fund requirements are approximately \$10.3 million. A total of \$1.6 million is designated as unappropriated.



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

As of the end of FY 2023/24, the remaining indebtedness for the URA was \$24.0 million. Over the course of FY 2024/25, GRDC plans to utilize \$8.3 million in short-term borrowing. The URA is projected to start FY 2025/26 with a remaining indebtedness of \$15.7 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 2025/26 estimated borrowing is \$8.7 million, which would leave the URA with a remaining indebtedness of \$7.0 million on June 30, 2026.

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 2025/26 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, 2024/25 Adopted Budget, 2025/26 Director Proposed, 2025/26 Budget Committee Approved, and 2025/26 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 2025/26 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,

A handwritten signature in black ink, appearing to read "Eric Schmidt", written in a cursive style.

Eric Schmidt
GRDC Budget Officer
City of Gresham City Manager

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

2024/25 Tax Assessed Value Base and Growth

URA Frozen Base TAV	\$ 437,507,294	
URA Incremental TAV Current Fiscal Year 2024/25	\$ 583,802,466	
URA Total Taxable Assessed Value end of current year	\$ 1,021,309,760	From Multnomah County Tax Assessor

Projected Growth in Tax Assessed Value

URA Incremental TAV 2024/25	\$ 583,802,466	
Normal Growth in TAV	\$ 32,039,242	Estimated at 3.1%
Estimated New Development TAV	\$ (10,000,000)	Based on known development projects
Projected Incremental TAV Fiscal Year 2025/26	\$ 605,841,708	

2025/26 Tax Assessed Value Base and Growth

URA Frozen Base TAV	\$ 437,507,294	
Projected Incremental TAV Fiscal Year 2025/26	\$ 605,841,708	
URA Total Estimated TAV as of Fiscal Year 2025/26	\$ 1,043,349,002	Forecast

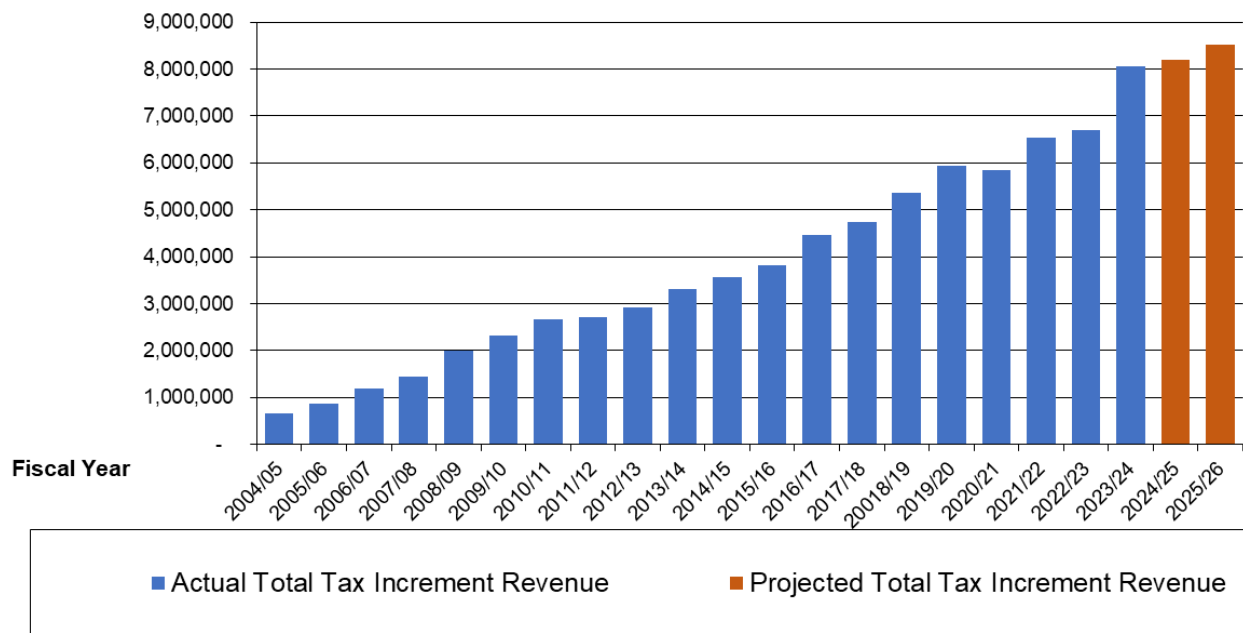
Projected URA Tax Revenue

Projected URA Tax Rate	\$ 14.83	
Calculated URA Tax (before Adjustments)	\$ 8,987,602	
Less: Discounts and Delinquencies	\$ (478,248)	Uncollected taxes estimated as a Percent of Tax
Plus: Delinquent Collections and Penalties	\$ 142,460	A projection based on a percent of the average actual collections, plus interest penalty
Projected URA Tax Revenue Fiscal Year 2025/26	\$ 8,651,814	

Legend

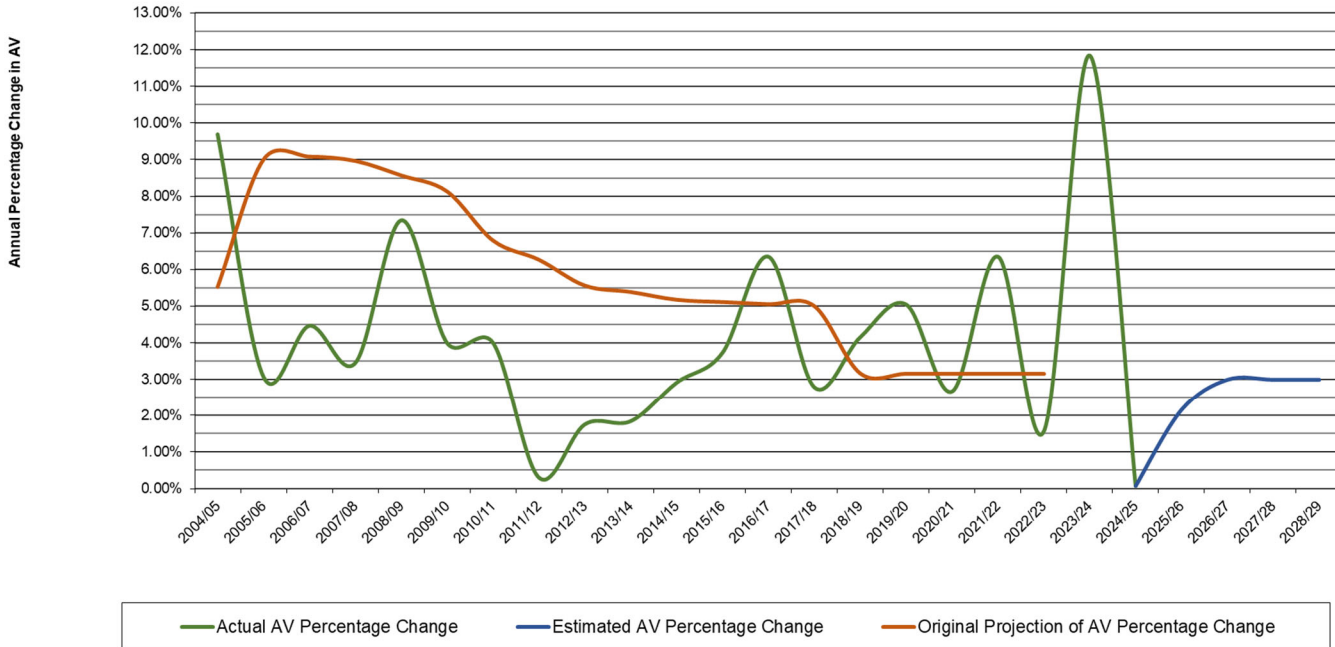
URA = Rockwood-West Gresham Urban Renewal Area
TAV = URAs Taxable Assessed Value

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. 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 increase in development activity in fiscal year 2021/22 was driven by the Downtown Rockwood project. In fiscal year 2023/24 significant investments in personal property within the district increased the projected amount of property taxes received. For fiscal year 2025/26 the development trend is expected to be moderate. This trend will likely result in resources growing moderately along with statutory increases in property taxes.

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



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 debt. The robust annual upward trend of assessed value (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. Analysis of property tax data in 2023/24 shows larger than anticipated personal property additions within the URA. Personal property is harder to predict as it is not always correlated with building permit data, which is the main tool for predicting new AV growth within the URA. The depreciation of large personal property investments can also apply downward pressure on AV growth, evidenced by the slower growth in 2024/25.

A moderate estimate of new development and personal property is included in the property tax forecast, however, there is no evidence that a large-scale private 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), significant 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 moderate, and in line with new construction city and region wide. A spike of AV growth that would generate significant tax resources, like what we saw in 2023/24, is not expected in the timing remaining on the district. The current long-term assumption of growth is about 3.0 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 the seven members of the Gresham Redevelopment Commission Advisory Committee who reside in Gresham
- Budget Committee meets over the course of one evening to consider and approve the proposed budget
- Public invited to attend meeting and provide comment on the proposed budget
- Budget Committee may make revisions to proposed budget
- Budget Committee reviews the first year of the 5-year CIP
- Budget Committee approves the 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
- A 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

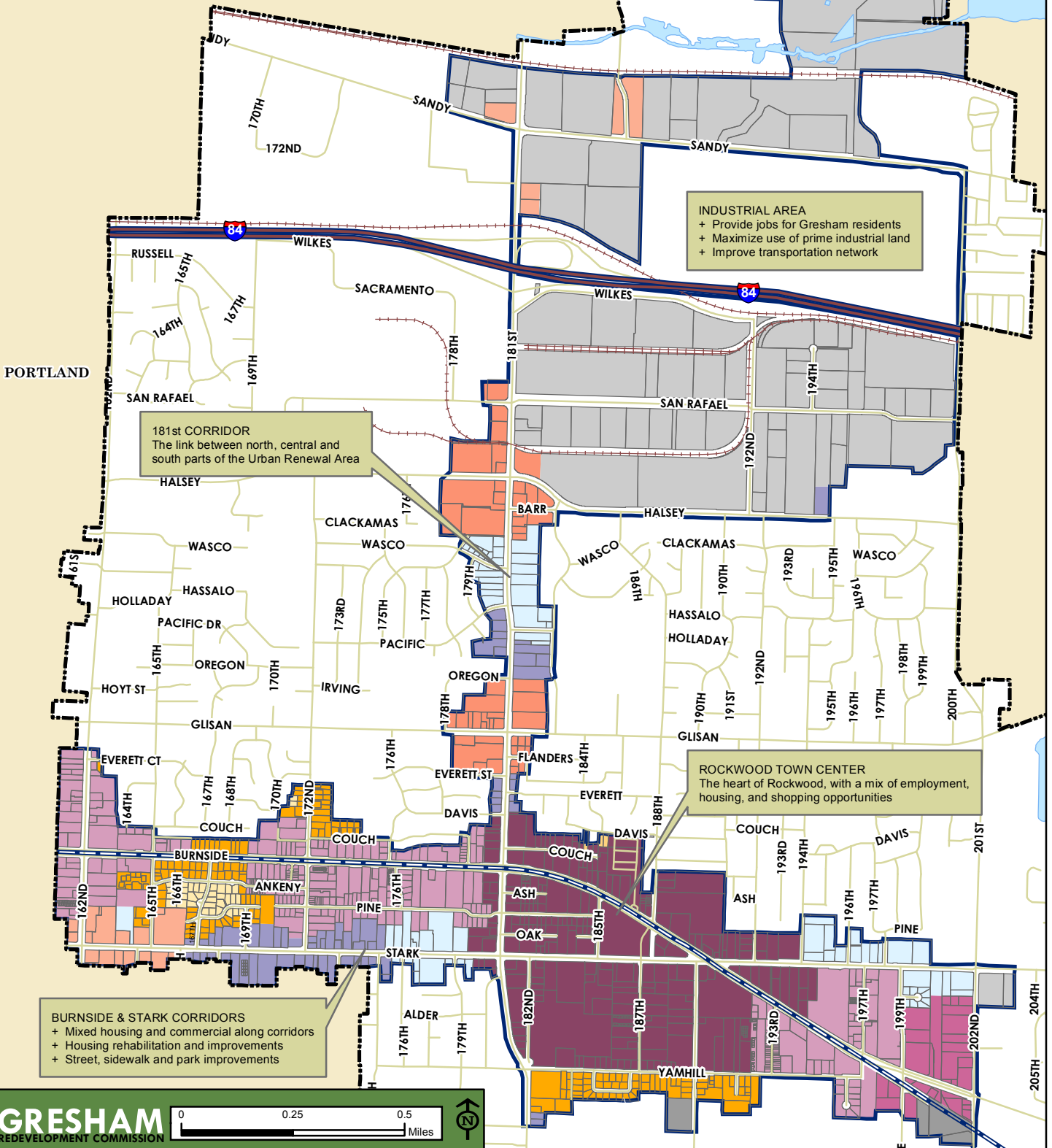
- Low Density Residential - 5
- Transition Residential
- Transit Low Density Residential

UR Area Boundary

Gresham City Limits

MAX Light Rail

Rail Line



Rockwood-West Gresham Urban Renewal Proposed Budget

Fiscal Year 2025/26 Budget by Fund

	2025/26 <u>Appropriations</u>
Operating Funds	
Rockwood Capital Improvement Fund	
Materials & Services	12,109,000
Unappropriated	6,887,000
Total Fund Requirements	<u>18,996,000</u>
 Non-Operating Funds	
Rockwood Debt Service Fund	
Debt Service	8,652,000
Unappropriated	1,609,000
Total Fund Requirements	<u>10,261,000</u>
 FY 2025/26 Budget in Aggregate:	 <u><u>29,257,000</u></u>

Resources and Requirements - All GRDC Funds

	2022/23 Actual	2023/24 Actual	2024/25 Adopted Budget	2025/26 Director Proposed	2025/26 Budget Committee Approved	2025/26 Commission Adopted
Resources						
Taxes	6,791,550	8,270,102	9,127,200	8,653,000	-	-
Intergovernmental	5,685	2,871	-	-	-	-
Charges for Services	54,000	54,000	-	-	-	-
Miscellaneous Income	595,086	269,259	185,600	235,000	-	-
Financing Proceeds	3,000,000	7,389,900	9,127,200	8,652,000	-	-
Beginning Balance	13,246,594	4,165,143	6,932,700	11,717,000	-	-
Total Resources	23,692,914	20,151,275	25,372,700	29,257,000	-	-
Requirements						
GRDC	1,416,720	4,515,000	7,457,000	12,109,000	-	-
<i>Operating Total</i>	<i>1,416,720</i>	<i>4,515,000</i>	<i>7,457,000</i>	<i>12,109,000</i>	-	-
Debt Service	18,111,051	7,389,900	9,127,200	8,652,000	-	-
Unappropriated	4,165,143	8,246,375	8,788,500	8,496,000	-	-
<i>Non-Operating Total</i>	<i>22,276,194</i>	<i>15,636,275</i>	<i>17,915,700</i>	<i>17,148,000</i>	-	-
Total Requirements	23,692,914	20,151,275	25,372,700	29,257,000	-	-

Resources and Requirements by GRDC Fund

GRDC - Rockwood Capital Impr Fund

	2022/23 Actual	2023/24 Actual	2024/25 Adopted Budget	2025/26 Director Proposed	2025/26 Budget Committee Approved	2025/26 Commission Adopted
Resources						
Charges for Services	54,000	54,000	-	-	-	-
Miscellaneous Income	345,245	198,702	6,900	203,000	-	-
Financing Proceeds	3,000,000	7,389,900	9,127,200	8,652,000	-	-
Beginning Balance	1,591,959	3,574,483	5,209,300	10,141,000	-	-
Total Resources	4,991,203	11,217,085	14,343,400	18,996,000	-	-
Requirements						
GRDC	1,416,720	4,515,000	7,457,000	12,109,000	-	-
<i>Operating Total</i>	<i>1,416,720</i>	<i>4,515,000</i>	<i>7,457,000</i>	<i>12,109,000</i>	<i>-</i>	<i>-</i>
Unappropriated	3,574,483	6,702,085	6,886,400	6,887,000	-	-
<i>Non-Operating Total</i>	<i>3,574,483</i>	<i>6,702,085</i>	<i>6,886,400</i>	<i>6,887,000</i>	<i>-</i>	<i>-</i>
Total Requirements	4,991,203	11,217,085	14,343,400	18,996,000	-	-

Resources

GRDC - Rockwood Capital Impr Fund

	2022/23 Actual	2023/24 Actual	2024/25 Adopted Budget	2025/26 Director Proposed	2025/26 Budget Committee Approved	2025/26 Commission Adopted
Resources						
<u>Charges for Services</u>						
Other Charges for Service	54,000	54,000	-	-	-	-
Total Charges for Services	54,000	54,000	-	-	-	-
<u>Miscellaneous Income</u>						
Interest Income	37,497	97,338	6,900	203,000	-	-
Leases & Subleases	47,748	101,363	-	-	-	-
Sale of Fixed Assets	260,000	-	-	-	-	-
Total Miscellaneous Income	345,245	198,702	6,900	203,000	-	-
<u>Financing Proceeds</u>						
Financing Proceeds	3,000,000	7,389,900	9,127,200	8,652,000	-	-
Total Financing Proceeds	3,000,000	7,389,900	9,127,200	8,652,000	-	-
<u>Beginning Balance</u>						
Beginning Balance	1,591,959	3,574,483	5,209,300	10,141,000	-	-
Total Beginning Balance	1,591,959	3,574,483	5,209,300	10,141,000	-	-
Total Resources	4,991,203	11,217,085	14,343,400	18,996,000	-	-

Requirements

GRDC - Rockwood Capital Impr Fund

	2022/23 Actual	2023/24 Actual	2024/25 Adopted Budget	2025/26 Director Proposed	2025/26 Budget Committee Approved	2025/26 Commission Adopted
Requirements						
<u>Prof & Tech Services</u>						
City Contractual Services	1,416,720	965,000	2,389,500	2,056,000	-	-
City Construction Services	-	3,550,000	5,067,500	10,053,000	-	-
Total Prof & Tech Services	1,416,720	4,515,000	7,457,000	12,109,000	-	-
<u>Unappropriated</u>						
Unappropriated	3,574,483	6,702,085	6,886,400	6,887,000	-	-
Total Unappropriated	3,574,483	6,702,085	6,886,400	6,887,000	-	-
Total Requirements	4,991,203	11,217,085	14,343,400	18,996,000	-	-

Resources and Requirements by GRDC Fund

GRDC - Rockwood Debt Service Fund

	2022/23 Actual	2023/24 Actual	2024/25 Adopted Budget	2025/26 Director Proposed	2025/26 Budget Committee Approved	2025/26 Commission Adopted
Resources						
Taxes	6,791,550	8,270,102	9,127,200	8,653,000	-	-
Intergovernmental	5,685	2,871	-	-	-	-
Miscellaneous Income	249,841	70,557	178,700	32,000	-	-
Beginning Balance	11,654,636	590,660	1,723,400	1,576,000	-	-
Total Resources	18,701,711	8,934,190	11,029,300	10,261,000	-	-
Requirements						
Debt Service	18,111,051	7,389,900	9,127,200	8,652,000	-	-
Unappropriated	590,660	1,544,290	1,902,100	1,609,000	-	-
<i>Non-Operating Total</i>	<i>18,701,711</i>	<i>8,934,190</i>	<i>11,029,300</i>	<i>10,261,000</i>	-	-
Total Requirements	18,701,711	8,934,190	11,029,300	10,261,000	-	-

Resources

GRDC - Rockwood Debt Service Fund

	2022/23 Actual	2023/24 Actual	2024/25 Adopted Budget	2025/26 Director Proposed	2025/26 Budget Committee Approved	2025/26 Commission Adopted
Resources						
<u>Taxes</u>						
Property Taxes - Current	6,691,687	8,058,039	9,029,200	8,510,000	-	-
Property Taxes - Delinquent	91,080	182,256	97,500	126,000	-	-
Property Taxes - Interest	2,830	23,177	500	17,000	-	-
Property Taxes - Other	5,954	6,630	-	-	-	-
Total Taxes	6,791,550	8,270,102	9,127,200	8,653,000	-	-
<u>Intergovernmental</u>						
Federal Interest Subsidy	5,685	2,871	-	-	-	-
Total Intergovernmental	5,685	2,871	-	-	-	-
<u>Miscellaneous Income</u>						
Interest Income	249,841	70,557	178,700	32,000	-	-
Total Miscellaneous Income	249,841	70,557	178,700	32,000	-	-
<u>Beginning Balance</u>						
Beginning Balance	11,654,636	590,660	1,723,400	1,576,000	-	-
Total Beginning Balance	11,654,636	590,660	1,723,400	1,576,000	-	-
Total Resources	18,701,711	8,934,190	11,029,300	10,261,000	-	-

Requirements

GRDC - Rockwood Debt Service Fund

	2022/23 Actual	2023/24 Actual	2024/25 Adopted Budget	2025/26 Director Proposed	2025/26 Budget Committee Approved	2025/26 Commission Adopted
Requirements						
<u>Debt</u>						
Interest	412,428	-	-	-	-	-
Principal	17,697,627	7,389,900	9,127,200	8,652,000	-	-
Sale Costs/Loan Fees	996	-	-	-	-	-
Total Debt	18,111,051	7,389,900	9,127,200	8,652,000	-	-
<u>Unappropriated</u>						
Unappropriated	590,660	1,544,290	1,902,100	1,609,000	-	-
Total Unappropriated	590,660	1,544,290	1,902,100	1,609,000	-	-
Total Requirements	18,701,711	8,934,190	11,029,300	10,261,000	-	-

Fiscal Years 2025/26 to 2029/30

PROPOSED CAPITAL IMPROVEMENT PROGRAM



CITY OF GRESHAM

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.

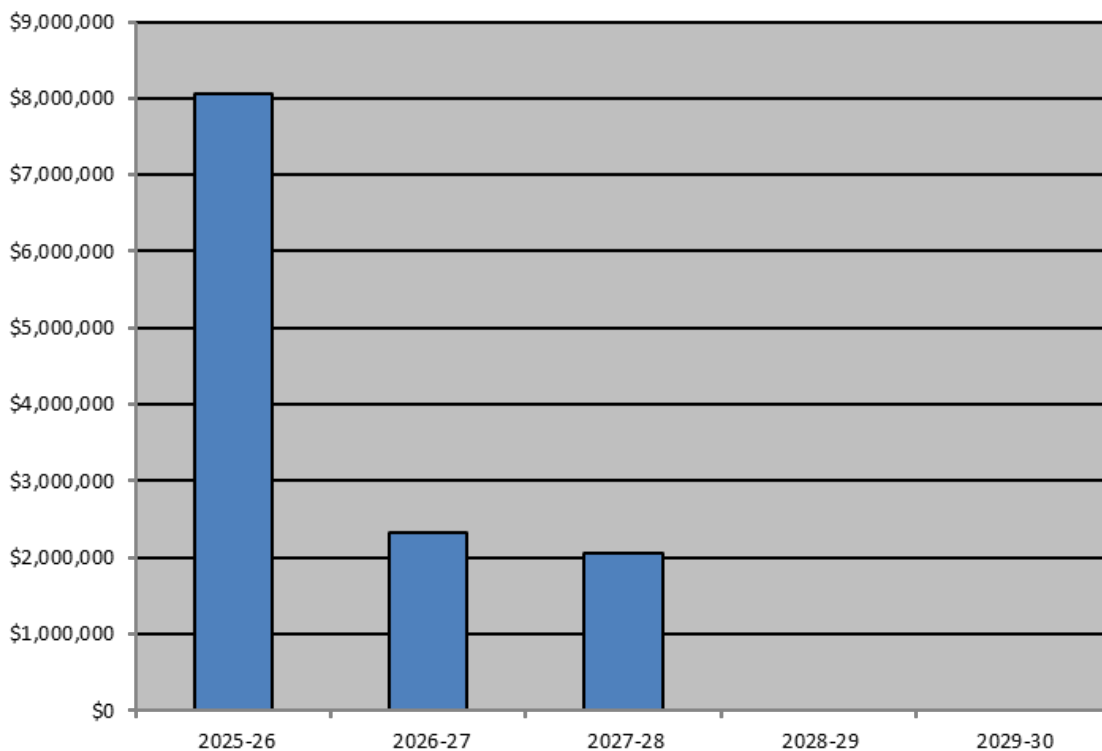
Highlights

Significant capital improvement projects include:

1. Complete ground floor tenant improvements of the Catalyst Site/Downtown Rockwood project – the Rockwood Market Hall and the 5-story Aviva mixed-use commercial/residential building (#CIPUR00001).
2. Work with private developer on the redevelopment of the POIC Campus (#CIPUR00004) into a new mixed-use campus that will include commercial and retail, a school, gymnasium, plaza, administrative offices and business incubation.
3. Staff will explore opportunities through the Property Acquisition Fund (#CIPUR00006) to respond to redevelopment opportunities within the Urban Renewal Area (URA).

4. Upgrade Yamhill Corridor (#CIPUR00007) to collector standards. This project infills Yamhill Street between 182nd Ave and 197th Ave with many safety and street improvements.
5. Advance design work and cost estimates for the development of a new public safety building to replace Gresham Fire Station 74 (#CIPUR00008).
6. Tenant improvements to the current properties on the B184 Site (#CIPUR00009) and demolition of the former Lydia's building.

Urban Renewal Expenditure Graph by Fiscal Year



Urban Renewal Capital Improvement Fund
Urban Renewal Projects - Funding Sources

			Project Funding Consists of
Project	Project Name	Project Budget for FY25/26	Urban Renewal
CIPUR00001	Catalyst Site/Downtown Rockwood	373,603	373,603
CIPUR00004	POIC Campus	754,241	754,241
CIPUR00006	Property Acquisition Fund	2,777,854	2,777,854
CIPUR00007	Yamhill Corridor Improvement	4,925,000	4,925,000
CIPUR00008	Public Safety Facility: Fire Station 74	1,302,950	1,302,950
CIPUR00009	B184 Site Improvements	257,500	257,500
Grand Total		10,391,148	10,391,148

Note:

The numbers shown include carryover from FY24/25.

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

Urban Renewal Capital Improvement Fund
Urban Renewal Projects - Five Year View

Project	Project Name	Total Project Budget for FY25/26					FY28/29	FY29/30	Total
		Carryover from FY24/25	+	New FY25/26	FY26/27	FY27/28			
CIPUR00001	Catalyst Site/Downtown Rockwood	373,603		0	0	0	0	0	373,603
CIPUR00004	POIC Campus	239,241		515,000	0	0	0	0	754,241
CIPUR00006	Property Acquisition Fund	717,854		2,060,000	0	0	0	0	2,777,854
CIPUR00007	Yamhill Corridor Improvement	492,500		4,432,500	0	0	0	0	4,925,000
CIPUR00008	Public Safety Facility: Fire Station 74	515,000		787,950	2,317,500	2,060,000	0	0	5,680,450
CIPUR00009	B184 Site Improvements	0		257,500	0	0	0	0	257,500
Grand Total		2,338,198		8,052,950	2,317,500	2,060,000	0	0	14,768,648
		=							
		Total Budget for FY25/26							
		10,391,148							

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

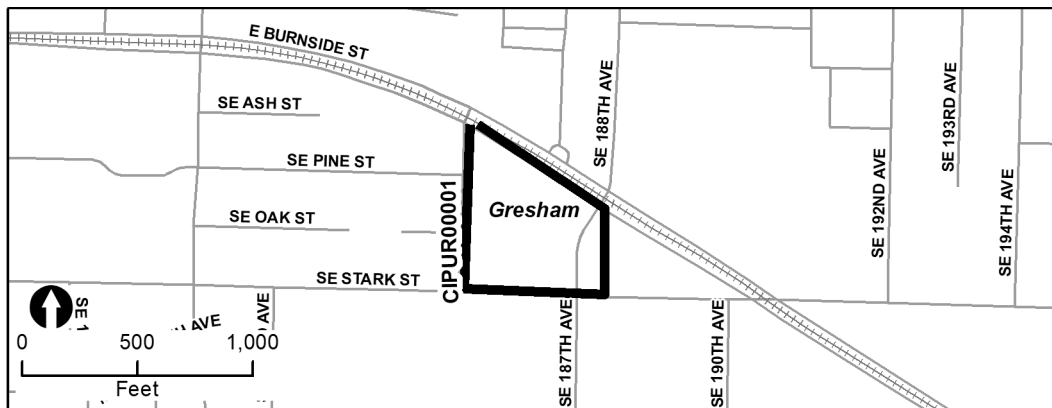
CIPUR00001: Catalyst Site/Downtown Rockwood

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 commonly referred to as Downtown Rockwood. This project will cover capital costs associated with site redevelopment and improvements.

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	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	Total
Resources	Urban Renewal	819,886	0	0	0	0	0	819,886
Resources Total		819,886	0	0	0	0	0	819,886
Expenses	Construction	795,986	0	0	0	0	0	795,986
	Admin (3%)	23,900	0	0	0	0	0	23,900
Expenses Total		819,886	0	0	0	0	0	819,886

FUNDED PROJECT
Urban Renewal

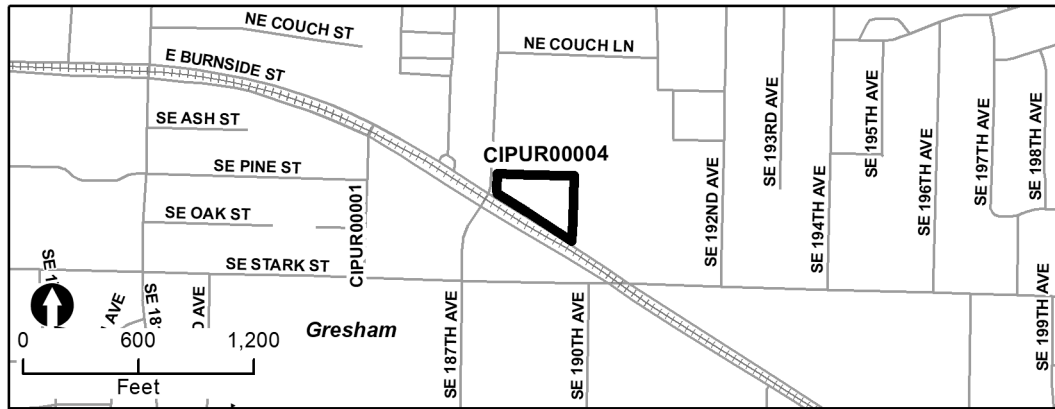
CIPUR00004: POIC Campus

Description: This POIC (Portland Opportunities Industrialization Center) Campus project will cover capital costs associated with site redevelopment, including on-going maintenance prior to redevelopment. The site will include a multi-story mixed-use building with a large gymnasium, a landscaped outdoor open area, and on-site parking. The parcel of property is located at 18901 E. Burnside, to the northeast of the Rockwood Rising Catalyst Site and immediately east of the Rockwood/E. 188th Ave. MAX light rail station.

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	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	Total
Resources	Urban Renewal	284,618	515,000	0	0	0	0	799,618
Resources Total		284,618	515,000	0	0	0	0	799,618
Expenses	Construction	276,318	500,000	0	0	0	0	776,318
	Admin (3%)	8,300	15,000	0	0	0	0	23,300
Expenses Total		284,618	515,000	0	0	0	0	799,618

FUNDED PROJECT
Urban Renewal

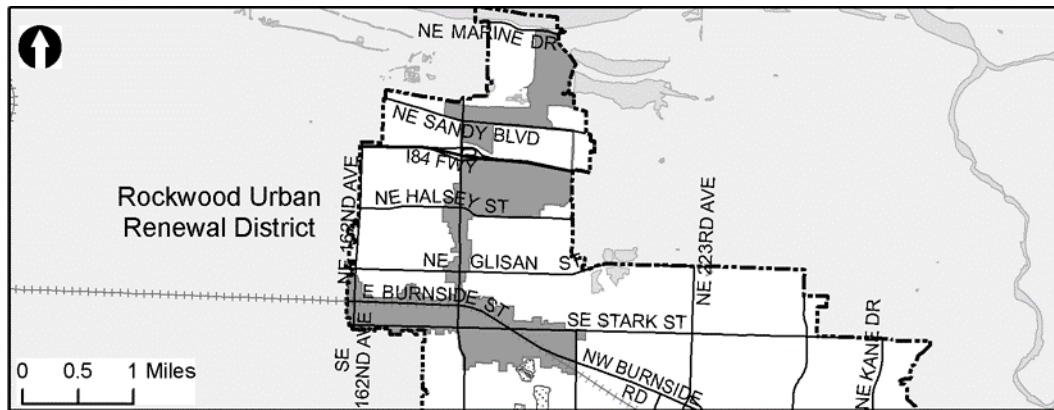
CIPUR00006: Property Acquisition Fund

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	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	Total
Resources	Urban Renewal	2,246,198	2,060,000	0	0	0	0	4,306,198
Resources Total		2,246,198	2,060,000	0	0	0	0	4,306,198
Expenses	Property Acq	2,180,798	2,000,000	0	0	0	0	4,180,798
	Admin (3%)	65,400	60,000	0	0	0	0	125,400
Expenses Total		2,246,198	2,060,000	0	0	0	0	4,306,198

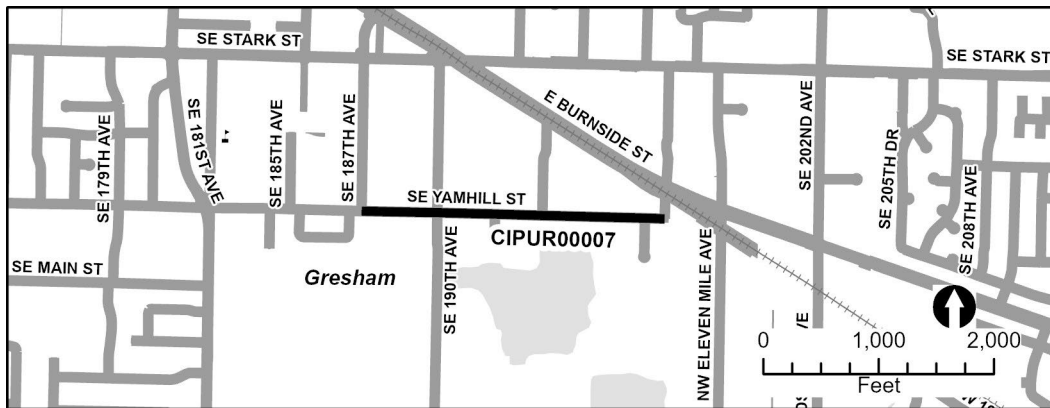
FUNDED PROJECT
Urban Renewal

CIPUR00007: Yamhill Corridor Improvement

Description: This project infills Yamhill Street between 182nd Avenue and 197th Avenue with curb and sidewalk where they do not exist, replaces non-compliant driveways and curb ramps with new accessible driveways and curb ramps, provides streetlighting on both sides of the street, provides new Americans with Disabilities Act (ADA)-compliant midblock pedestrian crossings, adds traffic calming features in the form of curb extensions and high visibility crosswalks, and uses rectangular rapid flashing beacons (RRFBs) to improve pedestrian crossing safety.

Justification: Yamhill Street is a minor collector street within the Rockwood Design District that serves growing volumes of pedestrian and vehicular traffic. This improvement will result in a more complete roadway cross-section that improves pedestrian safety and reduces vehicle speeds.

Type of project: Construction of facilities and utilities to correct deficiencies.



Estimated Dollars:

Funds	Description	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	Total
Resources	Urban Renewal	492,500	4,432,500	0	0	0	0	4,925,000
Resources Total		492,500	4,432,500	0	0	0	0	4,925,000
Expenses	Design/Const Admin	200,000	150,000	0	0	0	0	350,000
	Construction	232,000	3,738,200	0	0	0	0	3,970,200
	Admin (14%)	60,500	544,300	0	0	0	0	604,800
Expenses Total		492,500	4,432,500	0	0	0	0	4,925,000

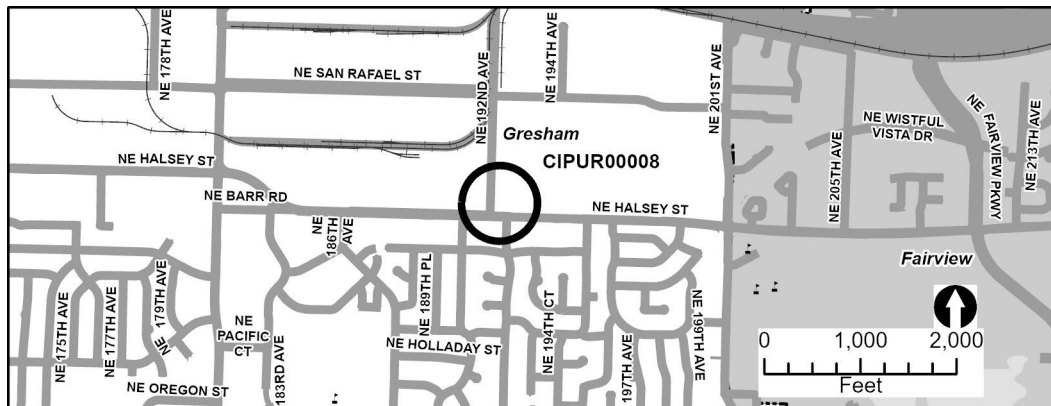
FUNDED PROJECT
Urban Renewal

CIPUR00008: Public Safety Facility: Fire Station 74

Description: This project will prepare initial design, cost estimates and finance projections for the development of a new fire station to replace Gresham Fire Station 74, located at 1520 NE 192nd Avenue. This project does not reflect the full cost of the construction project, which is being determined. The Urban Renewal funds will comprise a portion of the total capital funding for construction. Additional funds will be required to complete construction.

Justification: Gresham Fire Station is located within the Rockwood-West Gresham URA and one of five fire stations within in the City of Gresham. It serves much of the urban renewal district, including commercial and industrial businesses located adjacent to I-84. The current facility does not meet Federal American with Disabilities Act (ADA) accessibility regulations and predates earthquake resistant construction standards. New construction promotes a safe environment for residents and business activity.

Type of project: Construction of facilities and utilities to correct deficiencies.



Estimated Dollars:

Funds	Description	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	Total
Resources	Urban Renewal	515,000	787,950	2,317,500	2,060,000	0	0	5,680,450
Resources Total		515,000	787,950	2,317,500	2,060,000	0	0	5,680,450
Expenses	Design/Const Admin	500,000	764,950	2,250,000	2,000,000	0	0	5,514,950
	Admin (3%)	15,000	23,000	67,500	60,000	0	0	165,500
Expenses Total		515,000	787,950	2,317,500	2,060,000	0	0	5,680,450

FUNDED PROJECT
Urban Renewal

CIPUR00009: B184 Site Improvements

Description: This project will cover capital costs associated with tenant improvements, site prep and redevelopment opportunities at the commercial properties located within the Rockwood Town Center. The parcels are located on E. Burnside Street to the west of the Downtown Rockwood catalyst site and immediately east of the TriMet Rockwood Park & Ride. The former Lydia's Restaurant will be demolished as part of this site improvement plan and pave the way for future redevelopment opportunities.

Justification: This project will help renew and revitalize the Rockwood/West Gresham Urban Renewal Area, making it more appealing to private investment. Capital costs will help fund tenant improvements to recently acquired commercial properties for future leasing opportunities. Additionally, the demolition of the former Lydia's Restaurant will help prepare the property for redevelopment opportunities.

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



Estimated Dollars:

Funds	Description	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	Total
Resources	Urban Renewal	0	257,500	0	0	0	0	257,500
Resources Total		0	257,500	0	0	0	0	257,500
Expenses	Admin (3%)	0	7,500	0	0	0	0	7,500
	Other	0	250,000	0	0	0	0	250,000
Expenses Total		0	257,500	0	0	0	0	257,500