

September 11, 2017



Urban Renewal Agency Board
City of Salem/Urban Development Department
350 Commercial St. NE
Salem, OR 97301

Re: CTEC/North Gateway Urban Renewal Area Grant Program Exceptions

Dear Urban Renewal Agency Board:

Mountain West is extremely grateful for the \$2 million awarded to Phases 4/5 of the Salem-Keizer Career Technical Education Center (CTEC) project by the City of Salem and the Urban Renewal Agency Board. Your significant contribution will allow us to complete the 150,000 square-foot center and launch four more dynamic Career Technical Education (CTE) programs that will strengthen our economy and workforce.

As background, the total project budget for Phases 1-5 is \$16,858,852, with \$10,819,466 spent to-date on the building purchase, general construction, and phases 1-3. The total budget for the final two phases—4 and 5 is \$6,039,385. We have secured an additional \$1 million from the State of Oregon and \$900,000 from Regional Solutions that are already committed to Phase 5. Additional private donations ensure that we have met the 50% match required for Phases 4/5 and we are actively fundraising for the remainder.

With \$1.9 million from State sources already under contract for Phase 5, we would like to apply the majority of the \$2 million awarded by the City of Salem to Phase 4. Although we have the 50% match requirement met if we combine the final two phases of the project, we do not have a full 50% match for just Phase 4 alone because the budget for this phase is \$2,895,536.

We are asking the Urban Renewal Agency Board for two exceptions: 1) an exception to the 50% match requirement for Phase 4 (we have met the match for Phase 4/5 combined); 2) an exception to the condition that the "agency shall not reimburse more than 50 percent of all submitted receipts" – we are asking for a 70/30 split for Phase 4.

By granting these exceptions, CTEC will be able to draw 70% of the cost of all submitted receipts, up to \$2 million for Phase 4 and have the flexibility to use the remaining funds for Phase 5. Splitting the public sector support more evenly across Phases 4/5 also puts us in a stronger position to fundraise and leverage the City's investment.

Please call me at 503-581-4654 or email jason@mwinv.com if you have any further questions.

Sincerely,

A handwritten signature in dark ink, appearing to read "Jason Tokarski", is written over a horizontal line.

Jason Tokarski

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