



Staff Report

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Item #: 3.3a.

TO: Urban Renewal Agency Board
THROUGH: Steve Powers, Executive Director
FROM: Kristin Retherford, Urban Development Director

SUBJECT:

Exception to the Riverfront-Downtown Urban Renewal Area (RDURA) Grant Program guidelines to fund 100% of demolition costs for removing the skybridge between Salem Center South Building and former Nordstrom building.

Ward(s): Ward 1
Board Member(s): Stapleton
Neighborhood(s): CANDO
Result Area(s): Strong and Diverse Economy.

SUMMARY:

Exception to RDURA grant guidelines to fund 100% of demolition costs for removing the skybridge between Salem Center South Building and former Nordstrom building.

ISSUE:

Shall the Urban Renewal Agency approve an exemption to the grant funding guidelines to allow a grant of up to \$200,000 to pay 100% of the costs to remove the skybridge between Salem Center south building and former Nordstrom building?

RECOMMENDATION:

Approve an exemption to grant funding guidelines to pay up to \$200,000 and 100% of the costs to remove the skybridge between Salem Center and former Nordstrom building.

FACTS AND FINDINGS:

The skybridge has been under the ownership of the Salem Center Mall since 1979 and connects the mall to the former Nordstrom Building. The owner (DD Center Two, Steve Deacon) of the former Nordstrom's Building (420 Center Street NE) is redeveloping the site into Center City Apartments,

162 rental housing units that will strengthen surrounding businesses and be an additional catalyst for downtown renewal. DD Center Two has provided a letter of intent to the mall ownership to terminate the skybridge agreement.

The current ownership of the Salem Center Mall is a bank receivership, Wells Fargo Bank National Association, that will only fund capital expenses directly related to tenant leases or operations. Removal of the skybridge is not directly related to tenant operations or leases. The receivership, SCL, LLC is supportive of the removal of the skybridge to facilitate redevelopment of the former Nordstrom building and is requesting consideration for a grant to cover the full costs of the skybridge demolition. (Attachment 1)

For the demolition of the former Nordstrom building and the construction of City Center Apartments to move forward, the skybridge should be removed at the same time. If not entirely removed, the skybridge would remain attached only to the Salem Center and result in a bridge to nowhere. The grant will ensure all the demolition and associated impacts resulting from the demolition are completed at one time.

Grant guidelines allow grant funds to partially pay for grant eligible project costs; funding 100% of the costs estimated to be \$200,000 to remove the skybridge is an exemption to the grant guidelines. The grant program funding guidelines are to leverage public funds with private sector funds as an incentive for new construction and redevelopment projects within the RDURA. The grant exception will not negatively impact the RDURA budget.

BACKGROUND:

The 1970s vision for downtown included skybridges to provide weather protection and easy access for customers between large retailers and parking garages. One of the skybridge connections was between the former Nordstrom Building and the South Building of Salem Center. The 1970s vision has been updated in response to national changes to retail and increased demand for downtown residential and mixed uses. The Nordstrom and Penney buildings have been sold, with the new owners reinvigorating their properties with new construction and/or significant building improvements.

Sheri Wahrgren
Downtown Revitalization Manager

Attachments:

1. January 6, 2022, grant request letter from Salem Center