

Legislation Details (With Text)

File #: 20-517 **Version:** 1

Type: Action Item **Status:** Agenda Ready

In control: Urban Renewal Agency

On agenda: 1/11/2021 **Final action:** 1/11/2021

Title: Fifth Amendment to the Development Agreement between the Urban Renewal Agency of the City of Salem and Salem LTC Properties, LLC.

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

Sponsors:**Indexes:****Code sections:**

Attachments: 1. Agreement, 2. Proposed Fifth Amendment

Date	Ver.	Action By	Action	Result
1/11/2021	1	Urban Renewal Agency	approved	Pass

TO: Urban Renewal Agency Board

THROUGH: Steve Powers, Executive Director

FROM: Kristin Retherford, Urban Development Dept. Director

SUBJECT:

Fifth Amendment to the Development Agreement between the Urban Renewal Agency of the City of Salem and Salem LTC Properties, LLC.

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

ISSUE:

Shall the Agency Board authorize the Executive Director to execute the attached Fifth Amendment to the Development Agreement between the Urban Renewal Agency of the City of Salem and Salem LTC Properties, LLC?

RECOMMENDATION:

Authorize the Executive Director to execute the attached Fifth Amendment to the Development Agreement between the Urban Renewal Agency of the City of Salem and Salem LTC Properties, LLC.

SUMMARY:

Salem LTC Properties, LLC, (Developer) has requested the Development Agreement (Agreement) (Attachment 1) be amended to extend the construction commencement and completion dates for a post-acute rehabilitation center (Project) at the corner of Front Street SE and Commercial Street SE.

FACTS AND FINDINGS:

The proposed Fifth Amendment (Attachment 2) will revise the Project commencement date from January 1, 2021, to October 1, 2021, and completion date from October 1, 2022, to December 31, 2022. The City asked Salem LTC Properties to postpone plans for the 2019 construction season to accommodate the Pringle Creek restoration work. The site is located on the north bank of Pringle Creek at the former Boise Cascade site and within the South Waterfront Urban Renewal Area.

BACKGROUND:

On March 9, 2015, the Agency Board authorized the Executive Director to execute a Development Agreement (Agreement) with the Developer, principals L. Charles Bloom, Kathleen Le Vee, and Silver Gardens Real Estate, LLC (Steve Fogg, Manager), for development of the Project. The Agreement was previously amended to extend the deadlines on February 27, 2017, April 9, 2018, February 8, 2019, and April 27, 2020. The first three amendments were due to market changes, construction costs, financing challenges, or a combination of the factors, the fourth amendment and proposed fifth amendment were due to the City's daylighting and reconstruction of Pringle Creek adjacent to the Project site.

Salem LTC Properties granted construction access across their site at no cost for the Pringle Creek work and allowed no-cost access to Riverfront Park for construction of the Gerry Frank Rotary Amphitheatre.

Clint Dameron
Real Property Services Manager

Attachments:

1. Agreement
2. Proposed Fifth Amendment