

Legislation Details (With Text)

File #: 21-460 **Version:** 1
Type: Resolution **Status:** Agenda Ready
In control: Urban Renewal Agency
On agenda: 10/25/2021 **Final action:** 10/25/2021
Title: Fairview Urban Renewal Area grant program
Ward(s): Ward 2
Board Member(s): Andersen
Neighborhood(s): SESNA
Result Area(s): Strong and Diverse Economy

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

Attachments: 1. Resolution 21-10 URA, 2. Exhibit 1 to the resolution

Date	Ver.	Action By	Action	Result
10/25/2021	1	Urban Renewal Agency		
10/25/2021	1	Urban Renewal Agency	adopted	Pass

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

SUBJECT:

Fairview Urban Renewal Area grant program

Ward(s): Ward 2
Board Member(s): Andersen
Neighborhood(s): SESNA
Result Area(s): Strong and Diverse Economy

SUMMARY:

The Fairview Urban Renewal Area grant program will provide financial incentives to promote investments in building improvements and manufacturing equipment that add jobs and increase property value.

ISSUE:

Shall the Urban Renewal Agency (Agency) adopt Resolution No. 21-10 URA to implement the

Fairview Urban Renewal Area Grant Program (FURA Grant) and authorize the Urban Development Department Director (UDD Director) to utilize \$600,000 of available, unallocated FY 21-22 Fairview Urban Renewal Area (FURA) funds to fund the program?

RECOMMENDATION:

Adopt Resolution No. 21-10 URA to implement the FURA Grant and authorize the UDD Director to utilize \$600,000 of available, unallocated FY 21-22 FURA funds to fund the program.

FACTS AND FINDINGS:

The FURA Grant Program is new and modeled after similar grant programs in the Riverfront Downtown, West Salem, and North Gateway urban renewal areas. The FURA Grant will provide 20 percent of funds for eligible project costs, matched by 80 percent private investment, up to a maximum grant amount of \$300,000. Some key program requirements are listed below. The FURA Grant guidelines (exhibit 1 to the resolution) provide the full details on program definitions, requirements, and conditions.

- Applies to for-profit commercial and industrial businesses located in the FURA making permanent improvements to buildings and fixed manufacturing equipment investments.
- Taxable investment must remain in the FURA for at least 10 years or be replaced by something of equal or greater value.
- Project must commence within six months of the grant commitment and be complete within two years.
- Applicants must describe the project, financial need for the grant, and public benefit; including the estimated number of jobs to construct or install the project as well as any increase in jobs when the project is complete.
- Inability to perform, or falsification on the application, will result in the repayment of grant funds and possible disqualification from eligibility for other City of Salem or Agency grants or loans.
- Urban Development Department staff will include FURA Grant details in regular economic development reports to City Council.

The FURA no longer collects tax increment. All property tax growth benefits the applicable taxing districts. The FY 21-22 budget includes \$2.2 million in unallocated funding that can be allocated to other projects in the boundary. Section III.D in the FURA Plan identifies loan and grants for rehabilitation and development to eliminate blight and add jobs as an eligible expense.

BACKGROUND:

The FURA Plan was adopted on June 25, 1984. Since that time, the Agency has invested approximately \$18 million in the FURA on infrastructure, wetland mitigation, road improvements, and other projects. This investment has resulted in an assessed property value of around \$170 million. It also benefited the community through the location and expansion of multiple businesses which added hundreds of jobs.

The FURA small business forgivable loan program was created in 2011 and funded expansion of three businesses. In 2020, the Agency approved loan forgiveness of the remaining loan balances for these businesses as economic relief during the pandemic. The loan program closed following this Agency action.

Tory Banford
Project Manager

Attachments:

1. Resolution No. 21-10 URA
2. Exhibit 1 to the resolution