

Staff Report

File #: 23-164**Version:** 1**Date:** 5/8/2023**Item #:** 3.3a.

TO: Urban Renewal Agency Board**THROUGH:** Keith Stahley, Executive Director**FROM:** Kristin Retherford, Director, Community and Urban Development**SUBJECT:**

Establish exception criteria to the maximum grant amount for the West Salem Urban Renewal Area Redevelopment Grant Program.

Ward(s): Ward 1

Councilor(s): Board Member Stapleton

Neighborhood(s): WSNA

Result Area(s): Welcoming and Livable Community

SUMMARY:

Establish exception criteria whereby the Urban Renewal Agency may consider issuing grant funds greater than the maximum \$300,000 grant amount for the West Salem Urban Renewal Area Redevelopment Grant Program in order to be consistent with the City's other urban renewal grant programs.

ISSUE:

Shall the Urban Renewal Agency (Agency) approve exception criteria for the maximum grant amount for the West Salem Urban Renewal Area Redevelopment Grant Program (WSURA Grant Program)?

RECOMMENDATION:

Approve the exception criteria to the maximum grant amount for the WSURA Grant Program.

FACTS AND FINDINGS:

The West Salem Urban Renewal Plan project list includes grants and financial assistance to encourage infill, reuse, and development (Sections 709 and 710). The Agency established the WSURA Grant Program in April 2014 as an incentive for new building construction and investments in manufacturing production. These grants support new commercial, office, and industrial spaces,

services, and jobs to the local area of West Salem. Since the program's creation, ten grants have been issued with an average grant amount of around \$140,000 matched by \$1.6 Million in private investment.

There is a maximum grant amount of \$300,000 in the WSURA Grant Program. To navigate the likelihood of an exception request, Urban Development Department staff worked with area developers and the West Salem Redevelopment Advisory Board (WSRAB) to draft exception criteria to the maximum grant amount. As an advisory board to the Agency, WSRAB voted to recommend exception criteria to the maximum grant amount at its meeting on April 5, 2023. Each exception will require approval from the Agency on a case-by-case basis where the applicant meets all three exception criteria:

- 1) Adaptive reuse
 - Transition from industrial uses to multi-family housing of four or more dwellings or mixed-use or commercial retail uses
 - Increased density where the building will include more than one story
- 2) Greater investment
 - Eligible project costs exceed \$3 million
- 3) Visual change
 - Ground floor pedestrian oriented main street style project enhancements (windows, building articulation, entry treatment, weather protection), as listed in the design review guidelines and design review standards of the Edgewater/Second Street Mixed-Use Corridor Zone (Salem Revised Code Title X Unified Development Code 537.020) regardless of the level of building alteration

BACKGROUND:

Some of the food processing businesses located along Edgewater Street NW and 2nd Street NW have relocated in Salem closer to Interstate 5. The vacant buildings are blighted and will be challenging to redevelop. Local developers have acquired some of these sites and there is an opportunity to further incentivize this change sooner than later through grants that may be greater than \$300,000.

Tory Banford
Project Manager

Attachments:
None