



Staff Report

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Date: 2/26/2024

Item #:

TO: Urban Renewal Agency Board

THROUGH: Keith Stahley, Executive Director

FROM: Kristin Retherford, Director of Community Planning and Development

SUBJECT:

Execution of the Memorandum of Understanding with Edlen & Co. and deChase Miksis for redevelopment of the Agency-owned site known as Block 50.

Ward(s): Ward 1

Councilor(s): Stapleton

Neighborhood(s): CANDO

Result Area(s): Strong and Diverse Economy

SUMMARY:

Agency Board action is needed to authorize the Executive Director of the Urban Renewal Agency of the City of Salem to execute a Memorandum of Understanding memorializing the selection of Edlen & Co. and deChase Miksis as the development team to redevelop the Agency site known as Block 50.

ISSUE:

Shall the Urban Renewal Agency authorize the Executive Director of the Urban Renewal Agency to execute a Memorandum of Understanding between the Urban Renewal Agency of the City of Salem and Edlen & Co. and deChase Miksis to redevelop the Agency owned site known as Block 50?

RECOMMENDATION:

Urban Renewal Agency authorize the Executive Director of the Urban Renewal Agency to execute a Memorandum of Understanding between the Urban Renewal Agency of the City of Salem and Edlen & Co. and deChase Miksis to redevelop the Agency owned site known as Block 50.

FACTS AND FINDINGS:

Between 2019 and 2021, the Urban Renewal Agency purchased with tax increment funds (TIF) the underutilized buildings formerly owned by UGM of Salem, Saffron Building Supply and ABC Music to

address the following objectives in Section 400 of the Riverfront-Downtown Urban Renewal Plan:

- To maintain the central core area as the dominant center for regional retail and office development
- To encourage the development of new housing
- To increase the total housing supply adjoining the core
- To encourage and support the project goals of Affordable Housing, Economic Development

In addition, Section 600 of the Plan outlines activities that may be used to achieve the Plan, which include:

- Acquisition of real property for sale or lease for redevelopment
- Entering into agreements for owner participation in rehabilitation and/or redevelopment

Section 1105, Core Area Redevelop, allows tax increment funds to be used for a combination of activities, including acquisition of real property and site clearance.

Demolition of the former UGM, Saffron Supply and ABC Music Buildings was completed in 2023.

All historic and archeological conditions required on the site to this point in the redevelopment process have been completed.

Edlen & Co. and deChase Miksis were selected for redevelopment of Block 50 through a process that included two separate evaluation committees where the combined scores of the committee members in both reviews scored Edlen & Co. and deChase Miksis as the top scorer and recommendation for development team for Block 50.

BACKGROUND:

When acquiring the properties known as Block 50, the goal was to develop a vision for the property and then solicit interest from the development community on what type of a project concept they would implement to achieve these goals. The terms of an acquisition would be memorialized in a Disposition and Development Agreement once a development team was selected.

In August 2020, the Downtown Advisory Board recommended eight redevelopment goals for Block 50. Examples of those goals include: 1) Serve as a catalyst and model for the revitalization and redevelopment of key formerly underutilized sites in downtown and 2) Serve as a model of mixed-use, mixed income housing development in downtown Salem that takes into consideration its proximity to Downtown Historic District, Riverfront Park and Capitol. A goal to include public space was added later.

The process to select the development team was as follows:

- Community outreach for interested parties to submit information was posted online, noticed in

a press release and/or emailed out in early July 2023. Development team responses were due by 3 p.m. on August 31 and could be submitted online, emailed to staff, delivered in person at UD offices or US mail. An evaluation committee comprised of Downtown Advisory Board Members and City Staff reviewed seven submittals received within the required timeline and based on the development team responses, the top three highest scored development teams moved on through the selection process.

Edlen & Co. and deChase Miksis, along with two other development teams, were invited to participate in an in-person interview opportunity and were asked to share more details on their project vision and answer six additional questions. The evaluation committee for the in-person interviews included two councilors, executive director of Salem Housing Authority and City staff. The results of the second evaluation committee scoring concluded that the project concept/vision, and development experience provided by Edlen & Co. best aligned with the redevelopment goals for the site.

The execution of the Memorandum of Understanding will formally memorialize the results of the evaluation process to select Edlen & Co. and deChase Miksis as this development team for Block 50. At a future date, the terms of a Disposition and Development Agreement will be presented to the Agency Board for consideration.

Sheri Wahrgren
Assistant Director, Urban Development Division

Attachments:

1. Memorandum of Understanding