



URBAN RENEWAL AGENCY

Urban Development Department

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Downtown Advisory Board

Board Members

Jill Munger, Chair
Aaron Terpening, Vice-Chair
Hillary Banks
Brad Compton
Chip Conrad
Jesse Hayes
Vincenzo Meduri
Laurie Miller
Maria Palacio
Ron Welter
Dana Vugteveen

City Staff

Sheri Wahrgren, Downtown Revitalization
Rebecca Ziegler, Project Manager
Anita Sandoval, Supervisor

Next Meeting: June 28, 2018

www.cityofsalem.net

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Meeting Agenda

Thursday, May 24, 2018

12 p.m. – 1:30 p.m.

UD Conference Room
350 Commercial St NE

1. Call to Order
 - a. Approval of Agenda
2. Approval of Minutes
 - a. March 22, 2018
3. Board Member Comment
4. Public Comment
(Appearance of persons wishing to address the Board on any matter other than those which appear on this Agenda.)
5. Action Items –
 - a. None
6. Discussion Item
 - a. North Downtown
7. Old Business
 - a. Downtown Streetscape Design Plan Update
 - b. Project Updates
8. Adjourn

MINUTES
Downtown Advisory Board
Thursday, March 22, 2018–12:00 P.M.
Urban Development Conference Room
350 Commercial St NE

This Action Agenda/Minutes complements the **MP3** and WMA recording of the meeting, which may be reviewed at <http://www.cityofsalem.net/Pages/downtown-advisory-board.aspx>

1. CALL TO ORDER

Call to Order and Roll Call: 12:04 PM

Roll Call: Hillary Banks; Chip Conrad; Vincenzo Meduri; Laurie Miller; Jill Munger; Maria Palacio; Aaron Terpening; Dana Vugteveen; Ronald Welter

Absence: Brad Compton; Jesse Hayes

Staff: Patricia Farrell; Kristin Retherford; Anita Sandoval; Sheri Wahrgren; Rebecca Ziegler

Guests: Saumya Kini, Walker Macy; Lisa Herzog; Charles Weathers

2. APPROVAL OF AGENDA

Motion: Move to approve the agenda for March 22, 2018, modifying #6a to allocate \$294,000 from Opportunity Fund Budget line item to Loans line item

Motion by: Board Member Vugteveen

Seconded by: Board Member Terpening

Action: Approved the agenda for March 22, 2018, as amended.

Vote: Aye: Unanimous **Motion PASSES**

3. APPROVAL OF MINUTES

Motion: Move to approve the Minutes from February 22, 2018, as presented.

Motion by: Board Member Terpening

Seconded by: Board Member Vugteveen

Action: Approved the Minutes from February 22, 2018, as presented.

Vote: Aye: Unanimous **Motion PASSES**

4. BOARD MEMBER COMMENT

5. BOARD MEMBER COMMENT on items not on the agenda

Lisa Herzog – interested citizen, in particular is interested in information on the Salem Center Mall plans.

Comments/Questions: Wahrgren, Conrad, Palacio

6. ACTION ITEMS

- a. Allocation of \$294,000 from 2018-19 Riverfront URA Budget Opportunity Fund Budget line item to Loans line item**

Handout: Plans for improvements to 440 State St

Comments/Questions: Wahrgren, Weathers, Miller

Motion: Move to recommended to the Urban Renewal Agency the allocation of \$294,000 from FY 2018-19 Riverfront Downtown Urban Renewal Opportunity Fund Budget Line item to the Loans line item

Motion by: Board Member Vugteveen

Seconded by: Board Member Conrad

Action: Approved recommendation to the Urban Renewal Agency to allocate \$294,000 from FY 2018-19 Riverfront Downtown Urban Renewal Opportunity Fund Budget Line item to the Loans line item.

Vote: Aye: Unanimous **Motion PASSES**

7. OLD and/or NEW BUSINESS-

- a. Riverfront Park Master Plan Update – Patricia Farrell

Handout: *Open House Flyer*

Next open house will be held at Pringle Hall, April 24

- b. Downtown Salem Streetscape Design Plan Presentation – Saumya Kini, Walker Macy

Handout: *Streetscape Update Staff Report 3/12/18*

Next Open House will be held on April 18, at 5:30 PM at the Courthouse Square Building

Comments/Questions: Meduri, Wahrgren, Banks, Conrad, Terpening, Welter, Farrell

8. ADJOURN

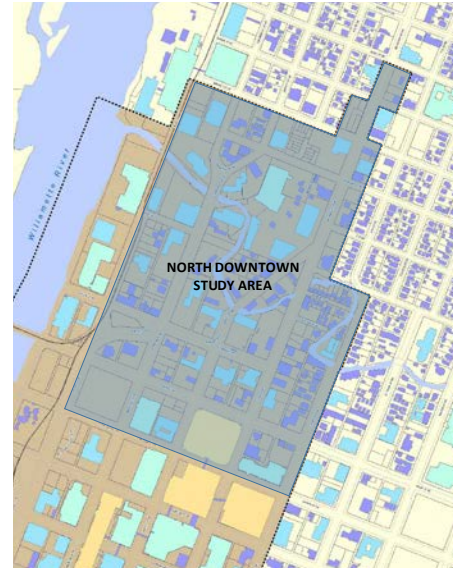
Chair Munger adjourned the meeting at 1:19 PM. Next meeting April 26, 2018.

NORTH DOWNTOWN HOUSING INVESTMENT STRATEGY

I. EXECUTIVE SUMMARY

Project Overview

Salem's Urban Renewal Agency is actively seeking to encourage infill and higher density housing and supportive commercial uses in the northern portion of the Riverfront Downtown Urban Renewal Area (URA). This North Downtown Housing Investment Strategy (Investment Strategy) report is intended to assess current and anticipated market dynamics, identify barriers and challenges to developing housing, and define a clear implementation strategy to accommodate and encourage residential development, as recommended in the 2011 Downtown Strategic Action Plan. The North Downtown Study Area (Study Area) is roughly bound by Union, Front, Market, and High Streets.



Johnson Reid's analysis included

- physical inventory of the area
- quantitative analysis of market trends and conditions
- input from potential buyers/renters and the development community including surveys and focus groups
- financial modeling to determine the viability of different types of residential development with varying degrees of public subsidy
- analysis of relevant portions of the City's zoning code to identify barriers to implementing Investment Strategy recommendations
- identification of key opportunity sites for Agency acquisition and/or targeted support, in the short, mid, and long term.

Key Findings

Physical Assessment

From a physical perspective, the Study Area offers a number of prospective development sites, which are currently either undeveloped or underdeveloped. The Study Area is bisected by both the Broadway and Commercial Street corridors, which carry significant traffic loads. While the regional transportation function through the Study Area increases visibility, and can be helpful for retail commercial development, it represents a challenge to the creation of a pedestrian-friendly residential environment. Central Salem Mobility Study recommendations, including improvements on Union and Winter Streets, will improve pedestrian and bicycle circulation and access to and through Downtown, and make the area more attractive for housing. Additional improvements to the Liberty Street corridor, between Division and High, to reduce through vehicle traffic, and a new traffic signal at D and Commercial Streets, are recommended in the future but will depend on how the area redevelops. The City's North

NORTH DOWNTOWN HOUSING INVESTMENT STRATEGY

Downtown Condition Report identified additional physical challenges, including an active railroad along Front Street, large block sizes, and aging infrastructure, including sidewalks, sewer, water, and storm facilities.

There is a need for more retail, entertainment, and food services to support more housing in the Study Area. Until there is additional housing density, attracting large commercial-retail tenants, including a grocer, will be challenging without financial subsidy.

Zoning Analysis

Within the Study Area there are seven base zones and ten overlay zones, which allow housing as an outright permitted use. The overlay zones set forth development standards that guide development, redevelopment, and changes in land use within the Study Area, including encouraging pedestrian orientation and mixed-use in the Riverfront Area, Broadway/High Area, and Commercial/High Density Residential overlay districts.

Although the Study Area zoning does not prohibit any of the Investment Strategy recommendations there may be opportunities to simplify the code structure to promote understanding and confidence among property owners and developers. This could be achieved through a reduction of overlay zones, a standardization of how requirements are presented for each overlay, or other simplification measures. Some efforts are already underway through the update to Salem's Unified Development Code.

Opportunity Sites

The High Street/Broadway corridor, specifically the nodes surrounding the intersection of High Street and Union and the area surrounding the Broadway Town Square development, represent the best short-term opportunities. Both areas have the combination of proximity to existing amenities and multiple short and long-term sites with redevelopment potential. Longer term, the focus should include access to and redevelopment of properties along the riverfront. Several additional opportunity sites are identified later in this report.

Market Assessment

Market dynamics in the Salem metro area are improving, but achievable pricing for both rental apartments and ownership housing is limited. While current pricing can marginally support garden style rental apartments, it is insufficient to support more diverse urban development forms without public intervention.

Johnson Reid's housing forecast estimates nearly 5,700 new renter households in Salem over the next 20-years. The analysis assumes that between 80 percent and 90 percent of demand for rental housing will be from modest income individuals. An estimated 9,100 owner occupied households are expected in Salem over the 20-year forecast, the majority of which will be from higher income individuals.

Market and demographically driven assessment was supplemented by an internet based survey to gauge housing preferences of Salem residents and employees. Of the 560 responses received, over 60

NORTH DOWNTOWN HOUSING INVESTMENT STRATEGY

percent of individuals would consider housing in a Downtown Salem location. When asked what would improve their perception of the Study Area, respondents indicated improvements to public safety, affordability, and neighborhood appearance were most important.

Recommendations

The Salem/Keizer area market has historically been characterized by relatively low rent and sales prices. Without financial subsidy the achievable rents/ sales prices in the area limit the diversity of housing type to low density wood frame construction with surface parking. Over the next several years, the focus of Riverfront Downtown URA investments and other City resources should aim to create a more marketable residential development environment in the Study Area, which will in turn increase achievable pricing and encourage more urban housing types.

The URA has a number of programs in place that address these areas of impact and should continue to be capitalized, including:

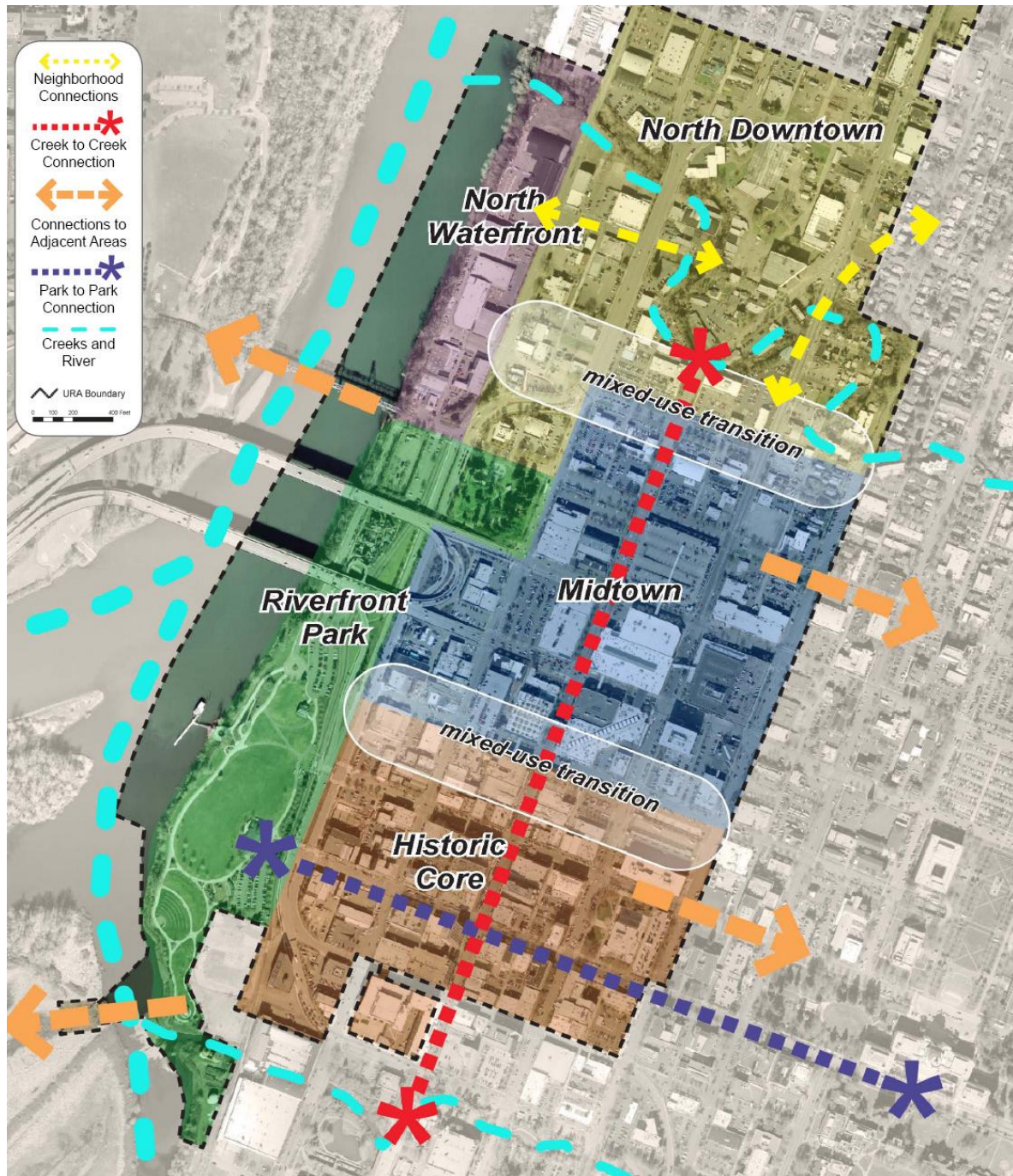
- *“Tool Box” Loan Program* – Provides low cost, subordinated loans for commercial or mixed-use property located within the URA. This program is primarily targeted towards rehabilitation/restoration.
- *Special Housing Opportunity Fund* – Up to \$50,000 per unit in subordinated, low cost debt for new construction of rental and/or for sale housing units in the Riverfront-Downtown URA. The program has not been funded in recent years. Renewing funding to this program should be considered in the future.
- *“Toolbox” Interior and Exterior Grant Program* – Grants up to \$50,000, with a 50 percent match requirement for permanent building improvements and new construction, including façade, tenant improvements, and more.
- *Multiple Unit Housing Tax Incentive Program* – A 10-year property tax abatement on new or renovated units constructed within the designated boundary and providing one or more defined public benefits.
- *Federal Community Development Block Grant and HOME Investment Partnership* – Housing units developed with these federal programs are eligible for System Development Charge waivers.

Achieving the desired change in residential investment patterns will take time. Early interventions are likely to be more limited as the market area is emerging and will have difficulty attracting large scale investments. Over time, improving market conditions and greater resources at the City and Urban Renewal Agency level can be utilized to encourage more significant development projects. The following table includes key recommendations.

NORTH DOWNTOWN HOUSING INVESTMENT STRATEGY

Period	Actions/Programs	Comments
Short-Term 0-5 Years	<ul style="list-style-type: none"> ▪ Continue to capitalize existing URA Programs ▪ Pursue Mobility Study recommendations ▪ Pursue code refinement to reduce complexity and clarify intent ▪ Pursue partnerships, projects, and funding that address the need for more low-moderate income rental housing, including Low Income Housing Tax Credits (LITC) ▪ Work in conjunction with the Salem Housing Authority to apply Project Based Rental Assistance to a project or projects 	Residential development will be limited in scale, with the market still in recovery and limited area amenities. Short term opportunities include LIHTC projects and limited infill.
Mid-Term 6-10 Years	<ul style="list-style-type: none"> ▪ Pursue New Market Tax Credits to support an urban grocer and/or other supportive commercial uses ▪ Monitor and pursue acquisition and/or targeted support for key opportunity sites ▪ Continue outreach with the development community and property owners, regarding opportunities and possible URA/City financial support ▪ Increase funding of URA financial incentives ▪ Continue to pursue funding for Mobility Study recommendations, as well as other public improvements ▪ Identify ways to encourage increased development density over time, including via “shadow platting” 	Leverage New Market Tax Credits to enhance the local amenity base. As the area matures and improvements are made, a higher level of redevelopment is expected to be viable.
Long Term 11-20 Years	<ul style="list-style-type: none"> ▪ Key property acquisition 	Increased focus on redevelopment, with ongoing interventions and public realm improvements

Figure 1. Downtown Salem Investment Areas



Source: Otak, Inc. and Leland Consulting Group.

Staff Report

File #: 18-158

Version: 1

Date: 4/9/2018

Item #: 4.3d.

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

SUBJECT:

Funding For Offsite Police Facility Improvements

Ward(s): Ward 1
Board Member(s): Kaser
Neighborhood(s): CANDO

ISSUE:

Shall the Agency Board authorize the use of \$150,000 of Riverfront Downtown Urban Renewal Area funds to fund offsite police facility improvements within the Riverfront Downtown Urban Renewal Area?

RECOMMENDATION:

Authorize the use of \$150,000 of Riverfront Downtown Urban Renewal Area funds to fund offsite police facility improvements within the Riverfront Downtown Urban Renewal Area.

SUMMARY AND BACKGROUND:

Adoption of the recommendation will authorize funding for offsite police facility improvements within the Riverfront Downtown Urban Renewal Area.

As part of the upcoming budget process for FY 2018-19, staff will be recommending the use of Riverfront Downtown Urban Renewal funds for the design and construction of street and intersection improvements associated with construction of the new Salem Police Station. Improvements include traffic lane modifications, traffic signal improvements, additional on-street parking, stormwater, and pedestrian and bicycle improvements on Division St NE from Commercial St NE to High St NE and on Liberty St NE from Marion St NE to the Mill Creek bridge.

As design and development of the new Police Station begins, work on the offsite improvements needs to begin as well. These efforts include traffic analysis, survey work, and initial design. Staff is

recommending an allocation of \$150,000 in the current fiscal year to fund these costs.

FACTS AND FINDINGS:

Implementation of the project is consistent with the Riverfront Downtown Urban Renewal Area Plan, Section 600.

Sufficient budget authority exists within the FY 2017-18 adopted budget for the Riverfront Downtown URA to fund the project. The \$150,000 funding allocation would come from \$4,516,480 currently allocated for future, unspecified projects.

Renee K Frazier
Financial Services Supervisor

Attachments: None



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State Street Corridor Plan

Planning Commission Votes on State Street Plan

The Planning Commission held a continued public hearing on the [State Street Corridor Plan project](#) on Tuesday and voted to recommend that the City Council adopt two new mixed-use zones for the State Street corridor and keep four vehicle lanes on State Street.

Specifically, the Planning Commission voted to recommend:

- A new street design called the [Improved Four Lane alternative](#), which is different than the proposal recommended by staff, and
- New [Mixed Use-1 and Mixed Use-2 zones](#) on State Street with the following revisions to the [proposed amendments](#): 1) Remove a requirement in the Mixed Use-1 zone that ground-floor residential uses be separated from the sidewalk by a setback, and 2) Reduce the parking requirement for retail uses in the Mixed Use-1 and Mixed Use-2 zones from 1 space per 250 square feet to 1 space per 400 square feet.

You can read the staff reports on the proposed amendments on the [project website](#). The City Council will hold a public hearing on the proposed amendments at a date to be determined and will make the final decision.

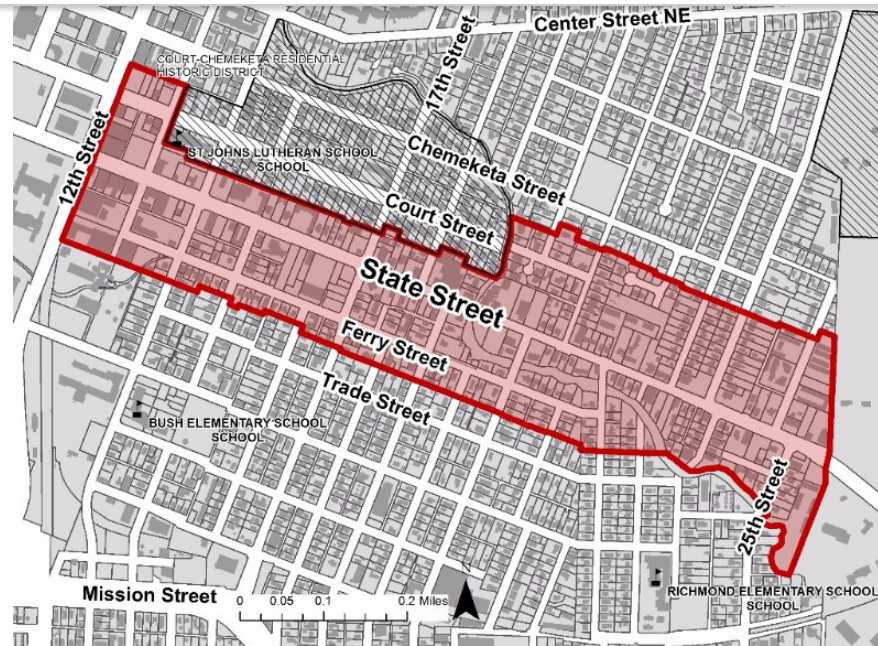
Background

The State Street Corridor Plan project builds off of the work done by Northeast Neighbors (NEN) and Southeast Salem Neighborhood Association (SESNA) in the adopted [NEN-SESNA Neighborhood Plan](#). It also advances City Council's economic development goal and strategies. The project seeks to revitalize State Street between 12th and 25th Street into a vibrant, walkable, mixed-use corridor.

If you have questions or comments, please contact Eunice Kim at ekim@cityofsalem.net.

LEARN MORE

www.cityofsalem.net/Pages/state-street-corridor-plan-to-revitalize-the-street.aspx



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CONTACT US

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