



**FOR COUNCIL MEETING OF:
AGENDA ITEM NO: _**

October 8, 2007
4.3 (h)

TO: MAYOR AND CITY COUNCIL
THROUGH:  ROBERT G. WELLS, CITY MANAGER
FROM:  RICK L. SCOTT, DIRECTOR
URBAN DEVELOPMENT DEPARTMENT
SUBJECT: GRANT AMENDMENT FOR CONSTRUCTION OF NEW
SALEM SENIOR CENTER

ISSUE:

Should the City Council approve an amendment to the existing grant agreement with the Urban Renewal Agency of the City of Salem for construction of the new Salem Senior Center, increasing the amount of the grant provided to the City from \$4,090,000 to \$6,130,000?

RECOMMENDATION:

Staff recommends the City Council approve an amendment to the existing grant agreement with the Urban Renewal Agency of the City of Salem for construction of the new Salem Senior Center, increasing the amount of the grant provided to the City from \$4,090,000 to \$6,130,000.

BACKGROUND:

The City plans to construct a new Senior Center on the Hollywood Station property, at the corner of Portland Road and Highland Avenue, to help spur redevelopment of the North Gateway Urban Renewal Area. Funding for the project includes proceeds from the sale of the existing Senior Center and a grant from the Urban Renewal Agency.

On December 11, 2006, the Agency approved a grant to the City of Salem in the amount of \$4,090,000. Funds were granted to the City out of the total funding allocated to the Hollywood Station Redevelopment Project.

On May 14, 2007, the Agency authorized up to an additional \$2,500,000 for the Hollywood Station Redevelopment project to include, primarily, additional funds to support the construction of the Senior Center.

FACTS AND FINDINGS:

The City of Salem recently received construction bids on the Salem Senior Center project. At this time, staff is estimating \$2,013,000 of the \$2,500,000 authorized in May 2007 will be required to complete construction of the new Senior Center.

The Agency has previously allocated funds to the redevelopment of Hollywood Station with the intent of providing funds to the City of Salem for the construction of a new Senior Center. In order to transfer Agency funds to the City, it is necessary for the Council to authorize the amended grant agreement (Attachment A).

Attachment A: Amended Grant Agreement

Report Prepared by: Renee Frazier, Management Analyst

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FIRST AMENDMENT TO THE GRANT AGREEMENT BETWEEN THE CITY OF SALEM AND THE URBAN RENEWAL AGENCY FOR THE CITY OF SALEM, OREGON RELATED TO CONSTRUCTION OF A SENIOR CENTER

WHEREAS, the City of Salem, an Oregon municipal corporation ("City") and the Urban Renewal Agency of the City of Salem, Oregon, a public body corporate and politic ("Agency") (collectively the "Parties") entered into a Grant Agreement on December 19, 2006, related to the construction of a new Senior Center at Hollywood Station; and

WHEREAS, the City expects that additional funds will be necessary to pay for the construction of the Senior Center; and

WHEREAS, the Agency desires to provide additional funds for construction of the Senior Center;

NOW, THEREFORE: for other good and valuable consideration and the foregoing mutual covenants of the parties, the Parties agree as follows:

1. The Award Amount Section is amended as follows:

Award Amount: ~~\$4,090,000~~ \$6,130,000.

2. Section B is amended as follows:

B. Agency shall provide Grantee a maximum of ~~\$4,090,000~~ \$6,130,000.

Except as modified by this Amendment, the terms and conditions of the Agreement, which this modifies, remain in full force and effect.

IN WITNESS WHEREOF the parties have caused this Amendment to be signed in their respective names by their duly authorized representatives as of the dates set forth below:

Robert G. Wells, Executive Director
Urban Renewal Agency
City of Salem, Oregon

Date

Robert G. Wells, City Manager
City of Salem, Oregon

Date

ATTACHMENT A