



# URBAN RENEWAL AGENCY

## Urban Development Department

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### Downtown Advisory Board

#### Board Members

Aaron Terpening, Chair  
Linda Nishioka  
Brad Compton  
Tyson Giza  
Hilary Holman-Kidd  
Joshua Kay, Vice-Chair  
Vincenzo Meduri  
Scott McLeod  
Dana Vugteveen  
Laurie Miller

#### City Staff

Sheri Wahrgren, Downtown Revitalization  
Rebecca Ziegler, Project Manager  
Anita Sandoval, Supervisor  
[www.cityofsalem.net](http://www.cityofsalem.net)

#### Next Meeting:

TBD

It is the City of Salem’s policy to assure that no person shall be discriminated against on the grounds of race, religion, color, sex, marital status, familial status, national origin, age, mental or physical disability, sexual orientation, gender identity, and source of income, as provided by Salem Revised Code 97. The City of Salem also fully complies with Title VI of the Civil Rights Act of 1964, Americans with Disabilities Act of 1990, and related statutes and regulations, in all programs and activities.

### Meeting Agenda

Thursday August 27, 2020  
12:00 p.m. – 1:30 p.m.

\*\*Due to the COVID-19 Pandemic, this meeting is being conducted virtually, with remote attendance by the governing body. No in-person attendance is possible. Interested persons may view the meeting online on [YouTube](https://www.youtube.com). Please submit written comments on agenda items by 5:00 p.m., or earlier, one day prior to the day of the meeting at [DAB@cityofsalem.net](mailto:DAB@cityofsalem.net).

1. Opening exercises
2. Approval of Agenda
3. Approval of Minutes from June 25, 2020
4. Action Items –
  - A. Shall the DAB recommend Agency Board approval of revisions to the Capital Improvement Grant Exception Criteria?
5. Information Reports
  - a. Downtown Café Dining Program
  - b. Our Salem Update
6. What’s Happening Downtown
7. Adjournment

# MINUTES

## Downtown Advisory Board

Thursday, June 25, 2020–12:00 P.M.

Virtual Meeting

[YouTube](#)

### 1. CALL TO ORDER

**Call to Order and Roll Call:** 12:02 PM

**Roll Call:** Brad Compton; Tyson Giza; Joshua Kay; Hilary Holman- Kidd, Vincenzo Meduri; Laurie Miller  
Linda Nishioka; Aaron Terpening; Dana Vugteveen; Charles Weathers

**Absent:** Joshua Kay; Scott McLeod

**Staff:** Renee Frazier; Kristin Retherford; Anita Sandoval; Sheri Wahrgren

**Guest:** Mayor Bennett; Councilor Hoy, Councilor Kaser, Jimmy Jones

The board welcomed newest member, Charles Weathers.

### 2. APPROVAL OF AGENDA

**Motion:** Move to approve the agenda for June 25, 2020, as presented

**Motion by:** Board Member Vugteveen

**Seconded by:** Board Member Nishioka

**Action:** Approved the agenda for June 25, 2020, as presented.

**Vote:** Aye: Unanimous **Motion PASSES**

### 3. APPROVAL OF MINUTES

**Motion:** Move to approve the Minutes from March 12, 2020, as presented

**Motion by:** Board Member Vugteveen

**Seconded by:** Board Member Nishioka

**Action:** Approved the Minutes from March 12, 2020; as presented.

**Vote:** Aye: Unanimous **Motion PASSES**

### 4. ACTION ITEMS - None

### 5. INFORMATION REPORTS

#### a. Homelessness update – Mayor Bennett and Councilors Hoy and Kaser

Mayor Bennett gave a brief overview of the City’s efforts in response to the homeless crisis during the pandemic and how the programs might move forward. Councilor Hoy, Chair of the Salem Housing Authority Commission and Vice-Chair of the Mid-Willamette Valley Homeless Initiative Alliance, explained some of the opportunities available to the alliance that may benefit the local issues.

**Comments/Questions:** Terpening, Retherford, Vugteveen, Kaser, Nishioka

#### b. Arches Services – Jimmy Jones, Director

Director Jones provided an update on the homeless crisis, outlined their services and future plans including the Navigation Center.

**Comments/Questions:** Meduri, Hoy, Terpening, Nishioka, Giza

#### c. Saffron/UGM redevelopment opportunity

Sheri Wahrgren discussed the process to develop a scope of work for the sites. A Subcommittee was established to bring ideas back to the DAB for review. Volunteers include members Terpening, Meduri, Nishioka, and Giza.

**Comments/Questions:** Terpening

### 6. “WHAT’S HAPPENING DOWNTOWN?”

a. Summer Streets: The City has approved weekend closers of select streets downtown throughout the Summer to allow businesses to move into the streets to accommodate social distancing. The program begins Friday, July 3. **Comments/Questions:** Terpening, Wahrgren, Hoy

- b. Downtown vacancy updates
- c. Azuls Taco House is now open
- d. Bentley's Coffee will open July 3
- e. Recent closures include Ranch Records, Rapid Relief, Bella Vista

7. **ADJOURN** – 1:42 p.m. Next Meeting: July 23, 2020



## MEMORANDUM

*Urban Development Department*

**DATE:** August 27, 2020

**TO:** Downtown Advisory Board

**FROM:** Sheri Wahrgren, Downtown Revitalization Manager

**SUBJECT:** Should DAB approve the recommendation for Capital Improvement Grant Program Exception Criteria to the Agency Board?

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In May 2014 the Urban Renewal Agency Board approved the Capital Improvement Grant Program, and on March 13, 2017, Capital Improvement Grant Program Exception Criteria.

The approval of the Capital Improvement Grant Program Exception Criteria established the parameters for grant requests that exceeded the maximum grant funding of \$300,000, which includes Agency Board approval. To date the following six projects have received approvals for maximum grant exceptions. The combined grant total for all of these projects is \$4.66M, and they have generated private investment of \$53.68M for a leverage ratio of 10.52:1. They have also benefited downtown by increasing new housing options, restaurant/commercial businesses, and increased tax increment revenue by making investments in new construction on land that had been vacant for a long period of time.

Park Front (Office Building)	Nishioka Building (Mixed-Use/Housing)
PDQ Investments (Mixed Use/Housing)	UGM (Men's Facility)
990 Broadway St. NE (Mixed-Use/Housing)	MWVCAA – Arches (Building to support Homeless services)

At the June 25th Downtown Advisory Board meeting, staff shared a memo regarding the increased vacancy in downtown in existing large buildings. One of the financial incentives that could help with adaptive reuse of one of the vacant buildings identified, would be access to a grant that exceeds the \$300,000 grant maximum. As currently represented, it would be difficult for an existing large building that wasn't historic or including housing as one of its uses, to qualify for a grant exception. We have also seen an increased need for property owner support due to the impacts resulting from COVID-19.

In order to broaden the opportunity for meeting the grant exception criteria as a tool to incentive redevelopment of an existing building, and to add clarification to language in existing criteria in order to make it easier to administer, staff is proposing the following changes to the Capital Improvement Grant Program Exception Criteria:

### **Current Capital Improvement Grant Program Exception Criteria (current guidelines attached)**

#### Mandatory Requirements

- 1) Project must meet a minimum of two Capital Improvement Grant Objectives<sup>i</sup>,
- 2) 4:1 Leverage of Private/Public Funds, and
- 3) Project must meet one of the following “Other” criteria,
  - Grant payback analysis of increased tax increment reflects payback over 7-10 year period or sooner, or
  - Project is characterized as blight due to obsolescence, deterioration, dilapidation, mixed character or shifting of uses, or
  - Affordable Housing

### **Proposed Revisions to Capital Improvement Grant Program Criteria**

#### Mandatory Requirements

- 1) No Change Proposed –Project must meet a minimum of two Capital Improvement Grant Objectives
- 2) No Change Proposed – 4:1 Leverage of Private/Public Funds
- 3) Proposed changes in *bold* – Project must meet one of the following “Other” criteria,
  - **Third-party** Grant payback analysis of increased tax increment **that** reflects payback **of grant** over 7-10 year period or sooner, or
  - Project is characterized as blight **as followings; 1) raw land or building that has been vacant for more than 5 years; or building has been designated as a derelict building by the City of Salem, or**
  - Affordable Housing, **change to Housing, or**
  - **Adaptive reuse of existing building where grant eligible project costs are in excess of \$3M**

The proposed Capital Improvement Grant Program Exception Criteria supports multiple goals and provides transparency to potential grant applicants, DAB and Agency Board members when exceptions are requested for consideration.

Attachment: Capital Improvement Grant Program Exception Guidelines

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ATTACHMENT

**CAPITAL IMPROVEMENT GRANT PROGRAM EXCEPTION GUIDELINES**

Mandatory Requirements

- 1) Project must meet a minimum of two Capital Improvement Grant Program Objectives listed below:
  - a. New construction
  - b. Mixed-use, including housing
  - c. Alley improvements
  - d. Historic preservation projects that require Historic Landmarks Review
  - e. Expansion of existing business, retention or recruitment of new business that results in creating new jobs
  - f. Upper floor renovations - improvements that make currently un-leasable space to a level it can be occupied.
- 2) 4:1 Leverage of Private/Public Funds; and
- 3) Project must meet one of the following "Other" criteria,

Other Criteria:

- a. Grant pay back analysis of increased tax increment reflects payback over 7-10 year period or sooner, or
- b. Project is characterized as blight due to obsolescence, deterioration, dilapidation, mixed character or shifting of uses,
- c. Affordable Housing



## **MEMORANDUM**

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*Urban Development Department*

**DATE:** August 27, 2020

**TO:** Downtown Advisory Board

**FROM:** Sheri Wahrgren, Downtown Revitalization Manager

**SUBJECT:** Information Sharing

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During the Downtown Streetscape Design Plan outreach, the concept of a parklet was proposed. A Parklet provides an opportunity to increase outdoor dining, public seating, bike parking, and more. A parklet in many cases is a platform that is level with the sidewalk, that meets design standards. Other cities, such as Portland, have programs that are available for businesses to expand their outside seating area. Because a parklet generally replaces on-street parking spaces, the public input received during the final phase of the Streetscape Plan development reflected opposition for removal of on-street parking spaces; so it was identified as a Future Project For Consideration in the final Downtown Streetscape Design Plan.

Since the Council decision of June 8<sup>th</sup> to close Court, State, and High Streets on the weekends, City staff and representatives from Salem Chamber of Commerce, Salem Main Street, and Travel Salem have been meeting on a regular basis to review and adjust downtown street closures in response to business and property owner input. Streets such as Liberty and Commercial, due to their high traffic volumes and traffic impacts, were not closed.

On July 13, Council amended their motion to allow on-street parking space removal as an opportunity area for expanded outside seating. Since that time parking spaces have been removed on Liberty Street, Court, and High.

To date, the feedback received from businesses who have been able to expand their outdoor seating capacity has been positive. Because the interest has become more focused on utilization of on-street parking for expanded dining rather than street closures, a draft policy was created in order to provide some parameters for requesting space removal and expectations to expedite implementation. A copy of the draft policy is attached.

Because of the on-going uncertainty regarding social distancing requirements, there may be a need to extend expanded seating beyond the summer. In response to this, staff is working on a Downtown Café Dining Platform program that will include guidelines for the design of the platforms and review process for approval. The approval will probably be for a 12-month term and include outreach to adjacent businesses and a processing fee.

The program, associated guidelines, and any fees will require Council review and approval.

As the development of this program moves forward, staff will provide DAB with updates and an opportunity to review the program proposed.

Attachment: Draft Downtown Café Dining Program Policy



## DRAFT

### Downtown Café Dining Program Policy

The City of Salem has undertaken a number of initiatives to assist with the challenges our residents and businesses are facing due to COVID-19. The City understands that all downtown businesses are facing unprecedented times. Restaurants, in particular, face additional challenges due to state safety mandates. Social distancing and space requirements mean that about half of the space restaurants could use in the past to serve customers and generate sales is no longer available.

Restaurants are a key attraction in any downtown and critical to downtown vibrancy. However, in the downtown environment, there is limited space for outdoor dining expansion on private property. In recognition of the role restaurants play in the overall economic health of a downtown and survival risks being faced by downtown restaurants, on June 8, 2020, Salem City Council approved a motion to implement expanded outdoor dining through downtown street closures. On July 13, 2020, this was clarified by City Council to include the option of closing parking spaces rather than streets.

Within the boundaries of the Downtown Parking District there are 1,130 on-street parking spaces and 2,083 off-street spaces in the Chemeketa, Liberty, and Marion parking structures which provide free customer parking and permit parking, plus an additional 268 surface parking lot spaces. It is anticipated that this program could result in approximately 50 spaces being taken offline temporarily to support the survival of downtown restaurants in response to the COVID19 emergency. This program will remain in place for the duration of state mandates impacting restaurant use of dining space.

With over 2,000 spaces available for free customer parking, customers have multiple parking options. Our restaurants do not have other options. To survive, they need space to serve customers. The anticipated impact of the Downtown Café Dining Program on parking resources is temporary loss of 1-2% of total capacity.

The City acknowledges that there will be impacts to customer convenience, and that not every restaurant will be able or want to participate in this program. To address some of these concerns and clarify the process for the community, the City has developed a Downtown Cafe Dining Program policy.

Downtown restaurants

1. Complete and submit the City's Café Dining application (Link) to the City's Public Works Department.
2. After the Café Dining application has been submitted, contact the City's Urban Development department.
3. Participants must follow program guidelines.
  - a. City of Salem Public Works Department will set up approved barricades in parking spaces that correspond to the restaurant's frontage, unless there is agreement from adjacent businesses for an expanded footprint.
  - b. A maximum of four on-street spaces may be taken offline per restaurant, without the agreement of adjacent businesses.
  - c. On-street parking removal barricades will remain in place 24/7. Intermittent closures of parking spaces will not be allowed due to the type of barricades required for diner safety.

- d. Planters and other reasonable aesthetic enhancements will be allowed unless they create a safety issue or code violation.
- e. Travel lane closures will be considered and reviewed on a case by case basis in locations where there is parallel parking rather than diagonal parking, due to the limited foot print available for expanded dining in parallel parking spaces.
- f. Dining platforms (framed and built to meet the sidewalk grade) will be considered and reviewed on a case by case basis as the City undertakes development of a formal dining platform policy.
- g. The removal or tampering with the City of Salem barricades is prohibited.
- h. Business vehicles cannot park within the expanded seating barricades.
- i. The expectation is that the restaurants participating in the program work closely with adjacent businesses to reduce impacts that may result from the removal of parking spaces.
- j. If a restaurant fails to operate in the space for more than five consecutive days, the barricades will be removed.
- k. A participating restaurants failure to comply with laws, codes, and regulations may result in the removal of barricades and the restoration of on-street parking.