

City Council – Action Request Form

Date: October 14, 2019

To: Mayor, Mayor Pro Tempore, and Members of the City Council

From: Evan Raleigh, Assistant City Manager
Ken Millett, Office of Business Inclusion and Advancement Director

Council Action Requested:
Resolution Authorizing the Allocation of Additional Revitalizing Urban Commercial Area (RUCA) Funds for a Project in the West Salem Area

Strategic Focus Area: Economic Vitality and Diversity
Strategic Objective: Promote Commercial Development in Economically Disadvantaged Areas
Strategic Plan Action Item: No
Key Work Item: No



Summary of Information:
 In 2006, City Council established the Revitalizing Urban Commercial Areas (RUCA) Program to help revitalize some of the city’s declining urban commercial areas. The general obligation bonds approved in 2014 designated an additional \$2 million for a third round of RUCA projects. City Council has authorized RUCA III funding totaling \$1,487,620. Financial assistance is available in the form of both RUCA low interest loans and RUCA matching loans.

The owner of West Salem Shopping Center, Academy, Inc., plans improvements to the parking lot and internal sidewalks, as well as tenant improvements for a retail location of Harvest Market, a grocery co-op. The business will be operated by SHARE, a non-profit dedicated to providing food and nutrition education/advice in underserved areas of the community.

The property is located within the West Salem RUCA. Academy, Inc. engaged an architect for site plan drawings that have been approved by Inspections. The parking lot/internal sidewalk portion of the project was competitively bid by the owner and is estimated to cost \$405,130, including contingency. City staff has reviewed the bid information and deemed the cost reasonable.

Committee Action:

Committee	Finance 10/14/19 CDHGG 10/15/19	Action	Approval
For	Unanimous	Against	

Remarks:

Construction drawings for the improvements directly related to the Harvest Market space are in development. Academy, Inc. is requesting a line item total of \$330,000, including contingency for the preparation of the vanilla shell and subsequent upfit of the space. If the request for this project is approved, any funds related to the Harvest Market space will be disbursed only once construction drawings have been approved and the work competitively bid.

As part of RUCA phase II, the shopping center owner was approved for assistance totaling \$269,377 in the form of a RUCA Matching Loan for interior and exterior improvements including roof replacement, HVAC replacement, and site work. The owner provided the other 50% of the project cost. Terms of the loan were met per the program guidelines, and the Matching Loan was forgiven in 2017.

The owner is requesting additional RUCA assistance totaling \$735,130 to be split evenly between RUCA Low Interest Loan (\$367,565) and RUCA Matching Loan (\$367,565). The source would be funds previously allocated for RUCA projects that never moved forward during RUCA phases II and III (\$289,507), as well as 2014 bond funds designated for RUCA III (\$445,623).