

Project Evaluation Matrix

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Project Memorandum

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To Courtney Knox, Salem Urban Development Department

From Chris Zahas, Leland Consulting Group

Subject Project Evaluation Matrix

Project No. 5048

Introduction

With the recent completion and anticipated adoption of the Downtown Salem Strategic Action Plan, the Downtown Advisory Board (DAB) and the City of Salem's Urban Development Department (Agency) will soon begin implementing the Year 1 projects recommended in the Action Plan. While the Action Plan sets out a framework for projects in subsequent years, these recommendations are not set in stone. Market conditions may change, community goals may evolve, and new ideas may emerge that will cause the DAB and the Agency to reevaluate future projects. This evaluation is called for in the annual budgeting process that begins each November and ends in the form of a recommended budget to the Urban Renewal Agency Board.

This memorandum supplements the Action Plan by providing a tool for Agency staff and the DAB to use in the evaluation of new projects. The evaluation tool can be useful in confirming existing priorities, comparing projects against one another when funding is inadequate to support them all, and screening new projects that community partners may bring to the DAB with funding requests. This evaluation serves two key functions:

1. **Objectivity:** It provides for a rational and methodical analysis, allowing the DAB and the Agency to move forward confidently.
2. **Transparency:** Because of the steps involved in project evaluation, it ensures a documented process that clearly communicates to the community the rationale and justification for the DAB's and Agency's decisions.

This evaluation tool does not, and is not intended to, give a definitive "answer" in and of itself as to whether a project should be funded. Whether a project is funded is the subject of thorough discussion and deliberation by the Agency with the input and guidance of the DAB, and approval of the Agency Board. This tool helps this process

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by focusing the discussion on measurable criteria so that projects can be analyzed in an apples-to-apples manner.

The evaluation process is based on the criteria used to develop recommended projects in the 2011 Action Plan. In summary, the Action Plan was developed using the following key project criteria:

- **Leverage investments:** Focus on the financial function of urban renewal by seeking out projects that leverage private investment to increase the tax base in downtown.
- **Support housing:** Provide opportunities and develop amenities that will increase the amount of people living in downtown Salem (critical mass).
- **Preserve and enhance retail:** Strengthen existing retailers and support the growth of downtown Salem as the region's primary retail destination.
- **Foster partnerships:** Strengthen the organizational capacity of downtown by building partnerships with organizations that will leverage the financial tool of urban renewal with the leadership and implementation skills of a range of groups.

Evaluation Process

The evaluation process begins by building project sheets much like those included in the Action Plan Appendix. These projects sheets provide a concise (ideally one page) format for documenting each project's attributes. Completing the project sheets may require some research and analysis in order to develop the required information. At all stages of the evaluation process, the Agency and DAB should reflect on the latest budget forecasts for the district to ensure discussions are calibrated to the timing and capacity of the district to fund projects.

Each project sheet should be organized as follows:

- **Description:** Provide a full narrative description of the project, including details about the program (land use components, quantities, character, etc.), history, and a discussion about the opportunity that is captured by the project or the barrier that is addressed by it. If photographs or conceptual plans are relevant, attach them.
- **Benefits analysis:** Provide a description of why the project should be selected for funding. The analysis should consider things such as:
 - Relationship to the Action Plan goals of protecting retail, supporting housing, increasing tax increment, and fostering partnerships. If appropriate and possible, quantify the impacts in terms of new housing, new jobs, or property value increase;
 - Relationship to existing plans (i.e., is this a project that has been planned for a long time?);
 - Relationship to other projects. Does this project support reaching a "critical mass" of development in an area that will strengthen the opportunity for other projects? For example, does it support the creation of a cluster of housing in the North Downtown or does it build additional amenities to increase activity at Riverfront Park?
 - Relationship to market conditions. How does the project capitalize on a known market opportunity? How does it help address a known economic or financial barrier?

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- Overall contribution of the project to downtown health and vitality;
- Discussion of the project's leveraging capacity. This can include a discussion of the direct relationship of public to private money in the project itself, and it can also include a broader discussion of how the project will serve as a catalyst for other projects.
- Key project facts: Where possible, provide information about the following data points:
 - Location
 - Total project cost (from all sources)
 - Requested/required urban renewal contribution
 - Timing/time frame
 - Owner/project lead
 - Other partners

Once the project sheets are complete, the DAB and Agency can begin a discussion around the relative merits of each project. For this exercise, the following matrix can be helpful to record the findings. The matrix is intended to be somewhat unscientific and allow for a consensus to emerge from discussions. This allows for the decision making process to weigh each criterion differently (that is, a low rating in one column may be less significant than a similar ranking in another column).

The matrix has the following columns:

- Project name.
- Location. The purpose of the location column is to help sort projects by sub-area in downtown. This helps in discussions about leveraging projects to achieve critical mass (multiple projects in the same area) as well as in discussions about ensuring that annual investments are distributed to each geographical area. For the purposes of the matrix, the locations should be the same as those in the Action Plan (Historic Core, Riverfront Park, Midtown, North Waterfront, and North Downtown).
- Jobs/housing. Quantify the number of jobs or housing units directly created by this investment (if applicable).

The remaining criteria should be evaluated using a simple three or five-point scale (or using symbols – “Consumer Reports” style). Scoring of projects should be done on each project without comparing it to other projects. That is, the scores are not intended to be relative. It is quite possible that several or all projects under consideration will rate highly under one or more criteria.

- Leverage investments. Consider the project's ability to achieve direct private leverage (and corresponding tax increment generation) as well as its short and long-term opportunity to catalyze adjacent and nearby investment.
- Support housing. Evaluate how well the project supports the Action Plan goal of increasing the amount of housing in the downtown. Does the project directly or indirectly support the construction of a specific housing development? Does it create or improve a key amenity that will attract residents, such as a park?
- Preserve and enhance retail. Evaluate how well the project supports the Action Plan goal of preserving and strengthening downtown Salem's retail environment. Does the project increase the downtown population (workers,





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visitors, or residents), who, in turn, will become patrons of downtown retailers? Does it increase storefront vitality and attractiveness? Does it directly involve bringing in new retailers to the area? Does it improve key infrastructure such as parking?

- Foster partnerships. Downtown projects are enhanced not only when there are multiple financial sources, but also when there are strong organizations collaborating together. Does this project involve multiple organizations (public, private, and/or nonprofit)? Are they well organized and have effective leadership? If it is a public-private partnership or a private development, does the private partner have a track record of success?

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Project Data			Evaluation Criteria			
Project name	Location	Jobs/Housing units	Leverage Investments, Generate Tax Increment	Preserve and Enhance Retail	Support Housing	Foster Partnerships
Sample project	North Downtown	40 units of housing 3,000 s.f. of retail space 10 jobs				
Sample project 2						