

2025-26 Funding Priorities

State Funding Priorities

1. Safe, Clean and Health Capital City. The **Safe, Clean and Healthy**

Salem initiative aims to improve the Capital City's safety, livability and cleanliness in two areas experiencing higher volumes of requests for police support and emergency medical response: Downtown and Northeast Salem.

Key efforts of the initiative include:

- **Safe:** Funding Homeless Services Team police officers seven days per week to better connect people living unsheltered in our community to available services and shelter. The HST officers provide proactive policing and have familiarity working with Salem's unsheltered populations.
- **Clean.** Funding cleaning services in high-response areas to further improve health and safety seven days each week, to provide more consistent sanitation and hygiene efforts in public areas. The SoS team works in response to community reports to ensure health and livability of our outdoor spaces.
- **Healthy.** Pilot Salem Fire Department Community Health – Co-Response model consisting of a paramedic, EMT with Marion County mental health clinician to incidents involving emotional disturbances, overdoses and other health emergencies while also conducting proactive outreach to prevent emergencies before they occur.

This on-going and direct funding support for the Capitol City from the State of Oregon supports public safety services to the Capitol Mall area's critical facilities of statewide importance. The City of Salem estimates a loss of at least \$7.6 million in property taxes each year which pay for public services, due to prevalence of State government buildings and facilities. *Program cost estimate of \$2,750,000 for fiscal year 2027. This an ongoing cost that will increase each year.*

2. Airport resiliency and emergency power. Currently, in the event of power loss Salem cannot operate its airfield lights, air traffic control tower, terminal, or fueling facilities. In the event of a major natural disaster or other catastrophic event, the Salem-Willamette Valley Airport would become a regional base for emergency functions and resiliency efforts. Emergency power would allow FEMA, the United States Air Force, the National Guard, and other emergency rescue and response aircraft to operate to and from the Salem Airport. *Purchase of emergency power equipment estimate \$600,000 one-time cost.*

3. Airport Terminal master plan. The Terminal Area Plan is the next immediate, critical path step to access allocated federal dollars for terminal expansion capital projects. The City of Salem has received federal funds to: improve passenger occupancy and efficiency at the terminal, including adding one additional gate and seating, doubling the size of the passenger boarding area, expand the baggage claim area and build additional restroom facilities. Master Plan includes future Oregon Department of Aviation offices and provides a formal, FAA-approved roadmap for terminal area improvements to bridge to a larger facility, as commercial air service grows to serve the Salem community and the larger Willamette Valley. *Completing the Airport Terminal Master Plan estimate \$750,000 one-time cost.*

4. **Commercial Air Service Minimum Revenue Guarantee Fund.** The City of Salem is seeking a State of Oregon contribution to attract commercial air service to the Salem-Willamette Valley Airport. A Minimum Revenue Guarantee serves as an industry-standard incentive to attract and sustain commercial air service during its initial operations. Contributors to the Minimum Revenue Guarantee to-date include private businesses and community members, Marion County, and the City of Salem. As the State Capitol, members of the Legislature would benefit from having commercial air service operating out of the Salem-Willamette Valley Airport. *Funding the Minimum Revenue Guarantee to attract commercial air service is an estimated \$1,500,000 one-time cost.*

Federal Funding Priorities

- **South River Road slide mitigation.** South River Road is a vital thoroughfare and emergency evacuation route with access for residents of south Salem, Independence, Monmouth, and other areas of Polk County to the I-5 corridor and downtown Salem. More than 12,000 vehicles per day travel the route. A quarter-mile stretch of the roadway is susceptible to rockslides, creating public safety hazards and causing periodic road closures. The adjacent BNSF-owned railroad tracks face similar risks from large slides. A preliminary design is needed to make the roadway more resilient against seismic risk and wet weather slides. This work will include: 1) analyses and **predesign** studies to determine the extent of these vulnerabilities and develop mitigation measures, such as retaining walls; and 2) preparation of **design** plans for the first phase of improvements at two active landslide areas. *Preliminary design estimate \$2,180,000 one-time cost.*
- **Willamette Valley Communications Center.** The Willamette Valley Communications Center serves 32 agencies and supports 425,000 people across 2,000 square miles and three counties. The Center processes more than 450,000 calls annually. Despite its crucial role in regional public safety, the existing facility is at its operational limit and lacks robust security measures. The proposal is to relocate the communications center to a site that provides strong physical security, operational efficiency, and room for future growth. Options include the Department of Public Safety Standards and Training campus, where WVCC could serve as a statewide training model, or a preexisting building that meets these needs. *Project cost estimate to include feasibility study, land or site acquisition, design and construction: \$18-\$20 million.*

2025-26 Legislative Policy Statements

Standing Principles: Cities are responsible for solving day-to-day public problems and responding directly to the needs of their residents. City officials should be allowed flexibility to exercise the full range of their local decision-making authority to make appropriate decisions for their communities. Because cities must determine their priorities and set their budgets through public process that reflects local choices and priorities, Salem opposes legislation that creates unfunded state mandates, increases existing costs or reduces current revenues to local governments, restricts local revenues, or otherwise preempts local government authority. Salem supports revenue reform that provides budget stability for municipalities and better enables cities to meet the service demands of the community.

Positions on Similar Bills: To make the most efficient use of staff, Legislative Committee and Council time, the City Council allows legislative positions and priorities approved by the City Council during the course of the Legislative Session to apply to future bills with substantially similar language and intent during the same Legislative Session.

Policy Areas

Economic Development: The ability of cities to provide municipal services and maintain community viability depends on a healthy local economy. Cities need economic development tools that assist in maintaining, expanding, and diversifying local economies. These tools must include appropriate state infrastructure financing programs and flexible local options.

- **Mill Creek Infrastructure:** Support continued State investment in the Mill Creek Corporate Center, which would make available much needed industrial land for future development and regional job creation.
- **Job Creation and Incentive Programs:** Oppose cuts to, or elimination of, Business Oregon's economic development programs that create and retain jobs. Oppose legislation that would include these or other similar local sources as "funds of a public agency" or alter the minimum threshold for prevailing wage requirements (on projects of more than \$750,000 in value).
- **Enterprise Zones:** Renew and preserve existing Enterprise Zone authority in order to maintain the program's effectiveness as a tool for cities to encourage business recruitment and expansion.
- **Opportunity Zones:** Support the State-designated opportunity zones via the federally designated program, and the continued linkage of State capital gains tax provisions to the federal provisions to incentivize redevelopment opportunities.
- **Urban Renewal:** Preserve urban renewal statutory authority in order to maintain the State-wide program as a tool for cities to encourage business recruitment and retention through capital infrastructure investments. Oppose legislation which may hinder municipal appointment and decision-making authority in matters related to use of urban renewal.
- **Redevelopment of Abandoned, State Owned Properties:** Support legislation that encourages the speed of redevelopment of the North Campus, Hillcrest Youth Correctional Facility, and other surplus State-owned properties, including providing

funding for selected demolition of buildings and site preparation for potential redevelopment to enhance both the livability and economic vitality of adjoining neighborhoods.

- **Economy:** Oppose cuts that disproportionately affect Salem's State workforce, or programs and services that disproportionately affect Salem businesses and residents.
- **Salem – Willamette Valley Airport:** Preserve our local municipal airport through supporting activities which allow for increased revenue options and/or grant opportunities. Advance master planning for terminal expansion, including support for Oregon Department of Aviation Master Plan and incorporating recently acquired property at Airport.
- **Commercial Air Service:** Supporting commercial aviation service and funding opportunities consistent with Council direction regarding commercial air service at Salem – Willamette Valley Airport.
- **Brownfields Redevelopment Proposal:** Support and participate in developing legislation that encourages assessment, cleanup and re-use or redevelopment of brownfields and other underutilized sites, including incentives for cleaning up and redeveloping brownfield properties.
- **Statewide Infrastructure Funds:** Support capitalization of the Special Public Works Fund and programs to provide municipalities with the incentives necessary to make industrial sites ready for development.
- **Infrastructure Investment:** Support increased state investment in local water, wastewater, stormwater, transportation, and parks infrastructure to reduce local costs and expedite construction of necessary facilities.
- **Oregon Industrial Site Readiness and Assessment Programs:** Support program implementation and funding to advance industrial sites to market-ready status and create traded sector jobs, and of grant funding to bring regionally significant industrial lands to market-ready status.

Finance, Revenue and Cost of Service: Cities continue to experience substantial difficulty in maintaining basic services and meeting the service demands of their residents, despite the slow but steady economic growth at state and national levels. Residents desire quality services and deserve to have tax dollars spent efficiently and effectively on services they deem most important. City officials must be allowed to work with their communities to determine revenue sources and service priorities.

- **Property Tax Reform:** Support the League of Oregon Cities' efforts to mitigate the tax inequities and negative fiscal impacts created by Measures 5 and 50.
- **State Shared Revenues:** Oppose any effort that violates the historic agreement between the State and local governments regarding shared revenues from liquor, cigarettes, marijuana, and 9-1-1 taxes.
- **Preemption of Local Government Taxing Authority:** Oppose legislation that restricts or pre-empts local decision making and local control over revenues, including urban renewal. Maintain local government authority to adopt revenue raising measures.
- **Modification of the Tax Structure:** Encourage and participate in efforts to evaluate changes to Oregon's current tax structure. Local government should be at the table to protect local interests.

- **Municipal Tax-Exempt Bonding:** Protect municipal tax-exempt bonds and maintain the local government's ability to issue tax-exempt debt.
- **Transportation Funding:** Diversify and increase transportation funding to support efficient and effective operations and maintenance of existing infrastructure. Support a strong transportation funding package to raise available funding for transportation system maintenance in response to reduced buying power from gas tax tied to inflationary pressures, use of higher mileage vehicles, shift to electric vehicles, and changes in work commute patterns. A transportation package should be a statewide investment that includes local governments as a full partner – including continued allocation of State Highway Fund to support maintenance of City transportation infrastructure.
- **Transient Occupancy Taxes:** Protect transient occupancy tax and preserve flexibility of the resource for local governments, including extending permissible uses of net revenue from a new or increased local transient lodging tax to include public safety services and certain costs related to community infrastructure.
- **System Development Charges:** Oppose attempts to limit or otherwise dilute the ability of cities to charge system development fees that fund infrastructure improvements for community growth and to mitigate deficiencies created by future growth.
- **Public Contracting Policy:** Oppose legislation that restricts local authority in public contracting policy. Support legislation that preserves the right of local government to select most appropriate service delivery method.
- **Public Records Requests and Responses.** Oppose legislation which creates unreasonable public records request response timelines, caps fees or limits recovery of expenses associated with records requests, increases the City's defensible cost to produce or retain the public record, or expands the definition of public records.
- **Public Employee Retirement System (PERS):** Oppose legislation that creates unreasonable increases to the cost of PERS for employers. Support efforts to reduce the long-term cost of PERS for employers while maintaining the benefits previously earned by employees.

Human Resources: Personnel-related expenses account for a substantial portion of municipal expenditures. Cities should be given broad discretion to manage their work forces.

- **Employee Benefits:** Oppose legislation that requires specified benefit levels for public employees, eliminates or reduces the City's ability to continue to provide a self-insured health plan or requires the City to enter into a broad health insurance pool.
- **Operational Need, Management Right, and Collective Bargaining:** Support and preserve management right to meet operational needs, including staffing or scheduling levels. Support efforts to provide cities with broad latitude to provide services and programs in the most efficient and cost-effective manner. Oppose legislation that requires mid-term bargaining be subject to binding arbitration or that increases the scope of binding arbitration.
- **Workers' Compensation:** Oppose legislation that erodes exclusive remedy protections; or increases benefit levels for public employees; or mandates certain illness to be presumptive and narrows self-insured rights of public employers.

- **Liability:** Oppose legislation that erodes the Oregon Tort Claims Act, increases employer liability and legal defense costs, or narrows recreational or discretionary immunity.
- **Recreational Liability:** Support legislation that strengthens and broadly defines the application of recreational immunity, protecting cities and other landowners who open their property for recreational purposes from tort liability claims.
- **Personnel Administration:** Oppose legislation that creates duplicate regulations currently mandated by federal legislation. Support legislation to streamline and clarify current contradictory legislative mandates.

Land Use: A core function of cities is planning for, managing and protecting land use and municipal services within their borders. These fundamental activities are frequently the subject of considerable community interest and are undertaken within an increasingly complex array of state and federal laws governing land use and environmental protection.

- **Local Planning Priorities:** Oppose measures that limit or pre-empt local authority to plan for and manage land uses or that hinder local decision-making in land use matters. Support measures that increase funding and other support for local planning activities, and support measures that align with land use priorities that have been established locally.
- **Annexation:** Support legislation that removes the difficulties of annexing property to create a logical and efficient City boundary supportive of urban growth, and oppose legislation that creates additional barriers to achieving land use goals under existing annexation laws—particularly in unincorporated urbanized areas located outside of city limits but within urban growth boundaries. Preserve local annexation authority and oppose measures that would be contrary to our City Charter, which emphasizes voter approval of proposed annexations.
- **Historic Preservation:** Oppose measures that limit, dilute, or pre-empt local authority to protect our historic resources. Support legislation that preserves local authority to protect our historic resources and programs that provide municipalities with additional incentives to assist with the development and implementation of our Historic Preservation Program.

Public Safety: Municipal Police, Fire, and Public Works departments are best positioned to direct emergency response efforts. These departments ensure response strategies align with the community's values and standards, leveraging their specialized expertise and deep understanding of their jurisdictions' specific needs. Cities need adequate resources, tools and authority for this localized command structure, which is essential for effective and coordinated emergency response.

- **Immigration Enforcement.** Encourage Oregon's federal delegation to sponsor legislation for: (a) a comprehensive approach to solve our broken immigration system in order to provide a realistic pathway to citizenship for all aspiring Americans, and (b) protect our immigrant and other vulnerable communities from the unlawful and unnecessary actions being taken by federal agents in the name of immigration enforcement, such as imposing a mask ban or imposing identification requirements. Seek support and resources to community partners from the State of Oregon to enhance services and aid to residents impacted by federal immigration

enforcement.

- **Autonomy of Public Safety Answering Points (PSAP or 9-1-1 Call Centers):** Oppose legislation that preempts municipalities' authority to select their own PSAPs or forces regional consolidation.
- **Impact on Response Times and Coordination:** Oppose legislation which may result in disruption to the PSAP system. Disruption to communication provided by local PSAPs, the backbone of emergency response, would result in could lead to severe consequences for public safety during emergencies.
- **Interoperability:** Support cost effective solutions that leverage partnerships to achieve interoperability within the public safety communications system.
- **Technology and Equipment:** Support legislation that will enable police agencies to gather and retain data from electronic devices to investigate and solve crimes.
- **Mental Health Services, Co-Response:** Support increased resources across the state for persons with mental health issues and those who assist them, particularly in crisis situations, including opportunities to expand co-response models which offer behavioral health integration with Fire or Police response.
- **Support Making More Prevention and Treatment Resources Available.** Maintain existing and expand opportunities for detoxification, addiction, and substance abuse treatment; and for deterring public use of controlled substances.
- **Oregon Resilience Plan:** Support the implementation of an ongoing, long-term resilience plan aimed at reducing risk and improving recovery from a major seismic event.
- **Hazardous Materials Transportation:** Support continuation of requiring enhanced reporting of hazardous materials transportation by rail, and funding for first responder training and equipment to enhance local emergency response capabilities to hazardous materials incidents.
- **Public Safety Staffing Capacity.** Seek dedicated state and federal funding for fire apparatus replacement, EMS equipment upgrades, and fire station improvements, and support wildfire preparedness and wildland–urban interface protection programs with funding for training and equipment.
- **Enhance Capacity for Data-Informed Decision-Making.** Participate in studies, projects, or other opportunities to enhance our data analysis.

Right of Way Management: In addition to water, wastewater, and stormwater services provided by the City, modern public utilities encompass a range of services including electric, gas, wireless and wireline telecommunications, cable, and broadband. Businesses and residents consider access to these services essential. Cities play an important role in ensuring that infrastructure is safely and economically placed to serve their communities by allowing carefully managed access to the public right-of-way that all cities hold in trust for their residents.

- **Authority to Manage Right-of-Way:** Salem supports policies that protect cities' local authority to manage the use of the public's right-of-way that all cities hold in trust for their residents. Salem opposes attempts at local, state, and federal levels to pre-empt or dilute this authority, including cities' right to determine the party responsible for relocation of facilities in the right-of-way.

- **Compensation for Use of Right-of-Way:** Salem supports policies that protect cities' local authority to determine and receive fair and reasonable compensation for use of the public's right-of-way. Salem opposes attempts at local, state and federal levels to pre-empt or dilute this authority, to cap compensation, or to direct use of compensation. This applies to existing technology, as well as new technology such as the deployment of wireless small cell and 5G facilities.
- **Authority to Provide Municipal Broadband:** Salem supports policies that protect and enhance local government authority to provide municipal broadband without creating barriers to private investment in the telecommunications industry. Salem opposes attempts at local, state, and federal levels to pre-empt or limit cities' option and authority to provide these services.

Homelessness and Affordable Housing: Local governments are working with partners to reduce hardships that lead to homelessness and chronic homelessness within our communities, and to provide affordable housing in concert with our local development community, non-profits, and other public sector partners. Many of our unsheltered neighbors are living out of doors with untreated mental illness, addiction, and chronic health conditions worsened by long periods of homelessness.

- **Homelessness and Sheltering Support:** Support additional funding for local community organizations and governments to provide more rental assistance, intensive case management, mental and behavioral health treatment, respite care, short-term sobering services and longer-term recovery programs, transitional and permanent housing programs for people experiencing homelessness, funding to prevent homelessness, and funding to reduce barriers to housing for those chronically unsheltered in our communities. Seek continued funding from the State of Oregon for Salem area non-profits and service organizations who make shelter beds available in our community.
- **Affordable Housing:** Support legislation to create more affordable housing, keep housing affordable, and provide local governments additional funding for affordable housing and incentives for private sector participation in affordable housing. Oppose legislation that increases cost of planning, acquisition, rehabilitation, development, or construction of affordable housing projects. Support legislation that seeks to preserve existing affordable housing supply, stabilizing our communities and lowering negative impact to our most vulnerable community members.
- **Preserve affordability and long-term stability of mobile home parks.** Support legislation to provide financial assistance to help preserve mobile home parks at risk of closing or being redeveloped; gives tenants first right of refusal to purchase property prior to selling to a third party; and provides more protections to tenants if the property is being considered for redevelopment into another use.
- **Affordable homeownership.** Secure funds to provide grants to purchase affordable housing to first-time home buyers. In 2027, Salem Housing Authority hopes to convert 79 scattered homes into affordable homeownership opportunities. Starting with a "pilot" program is a great place to build into a permanent source

Environment: City officials place high importance on protecting and enhancing the environment in order to maintain the quality of life for both current and future generations.

- **Municipal Water Rights:** Support protection and preservation of municipal water rights and drinking water sources, and affirm the needs of growing communities to have sufficient resources to efficiently serve expanding populations within federal and state regulations, and the Three-Basin Rule.
- **Climate Action:** Support the Salem Climate Action Plan through programs to reduced greenhouse gas emissions and to support a carbon reduction framework:
 - Preserve transportation revenues available to local governments and retain flexibility in use of the revenues for local community needs.
 - Allow investment in evidence-based technologies to reduce emissions from regulated sectors and help these sectors become more efficient over time and less carbon intensive.
 - Dedicate additional revenues to support local governments in climate adaption and resilience, programs to further reductions in greenhouse gas emissions, and efforts to incent clean energy job creation and economic development opportunities.

Federal Funding Opportunities

Water Infrastructure

- Bridge access to water treatment plant at Geren Island
- Center Street Water Line: In 2025, ODOT is moving forward with its seismic reinforcement of the Center Street bridge over the Willamette River. Salem's water line crosses the River under the bridge.
- Upper Bennett and Lower Bennett Dams. This project impacts Salem's water intake and could be an opportunity for future funding with NOAA funds available for fish passage, Bureau of Reclamation, and/or Santiam Water Control District.
- Ensure security of our drinking water facilities.
- New water storage wells to mitigate impacts of anticipated deep drawdown at Detroit reservoir for downstream fish passage. The drawdown will also result in high levels of suspended sediments — fine particles of clay, silt and other matter — in the North Santiam River downstream of the dam. High levels of suspended sediment over an extended period of time present a significant risk to the operation of the City's water treatment plant, which draws water from the North Santiam River at its location on Geren Island. New water storage wells will help the City continue to provide drinking water should the deep drawdown proceed.

Bicycle and Pedestrian Infrastructure, safety for all modes

- Support for implementation of Vision Zero Plan and Neighborhood Traffic Management Plan.
- Safe pedestrian crossings, safe routes to schools, parks, and transit, and bicycle infrastructure investments.

Road, Air, and Multi-Modal transportation infrastructure

- South River Road Slide Mitigation State funding opportunity
- Terminal expansion and Improvements for Commercial Air Service
- Airport improvements for sustainable operations, and for emergency preparedness including reinforcement, strengthening, and hardening of runway for resiliency and to allow for regional shipment of emergency supplies
- Kuebler multi-modal safety and capacity project between I -5 and the Mill Creek Corporate Center, specifically at the bridges over Mill Creek and UPRR

Parks Trails Infrastructure

- Park path rehabilitation. Continue to seek funding for parks paths and trails system-wide, bond funds could serve as match

Potential future funding opportunities

- Pedestrian overcrossing at Highway 22, after refinement plan is complete in 2027
- Waller Dam feasibility study
- Front Street NE – roadway and rail modifications between Division Street NE and South Street NE. Specifics would be based on outcome of refinement plan.

Policy Areas

- Direct financial support for affordable housing projects
- Behavioral health support (such as more funding to Federally Qualified Health Center, Northwest Human Services)
- Medicare/Medicaid reimbursement eligibility for our support services to our unsheltered community
- Greater flexibility with CDBG (timelines for projects and/or restrictions on use so can get funding to social services)
- Expand available funding sources for Public Education Government access eligible services to account for changes in use of cable television to streaming. Consider adding streaming services to PEG framework and franchising.
- Restore tax-exempt bonds advanced refunding's: <https://www.gfoa.org/advance-refunding-overview>
- Maintain the State and Local Taxes (SALT) deduction for taxpayers - <https://www.gfoa.org/salt>
- Community Oriented Policing (COPS)
 - Continued support for Salem's participation in National Ballistic Technology Network
 - Support for our reduction in gun violence initiative
 - Funding for more officers, larger COPS grants to cover cost of officers at local market salaries; more capacity for procedural justice and community policing
- Advocate for funding opportunities that recognize the public health and community benefits of parks, recreation facilities and programs, senior centers, and libraries—including support for increased physical activity, lifelong learning, mental health and wellness, and opportunities for social connection.

Ideas, Candidates for Grants (Capital and Program)*Transportation*

- Funding to construct street improvements on State Street from 17th to 25th Street to complete the State Street Corridor vision
- Marine Drive
- Funding to develop conceptual plans for key east-west and north-south bicycle and pedestrian corridors
- Pedestrian Crossing Improvements
- Green paint for bike lanes
- Salem Industrial Drive – Extension from Bill Frey Drive to Hyacinth with multi-use path connection along southwest side of Hyacinth to MLK Parkway; tied to development, possible URA funds for future match
- Bike/ped facility for Portland road
- 25th Street SE – Multi-use path from Mission to Madrona along airport frontage

Water/Wastewater

- Transmission line at Geren Island
- West Salem Wastewater Pump Station

Parks/Natural Spaces

- Fairgrounds Area Park Property Acquisition
- Dock enhancement/replacement at Riverfront and Wallace
- Replacing aging or failing park infrastructures, especially pedestrian bridges
- Restore degraded public open spaces, park natural areas, and riparian corridors, with targeted resources to address the expected impacts of Emerald Ash Borer on Oregon ash trees.

Cybersecurity/Information technology/Innovation

- Cybersecurity
- Replacing aging and obsolete technology and systems (particularly in public safety)
- Smart Cities initiatives
- Using data for decision-making

Resiliency

- Generators for (possible) resiliency hubs
- Generator for Airport

Public Safety

- Join larger crime analysis and data gathering studies