

City of Salem

North Waterfront Urban Renewal Area Update

May 18, 2026



Purpose of Today's Work Session

URA Overview

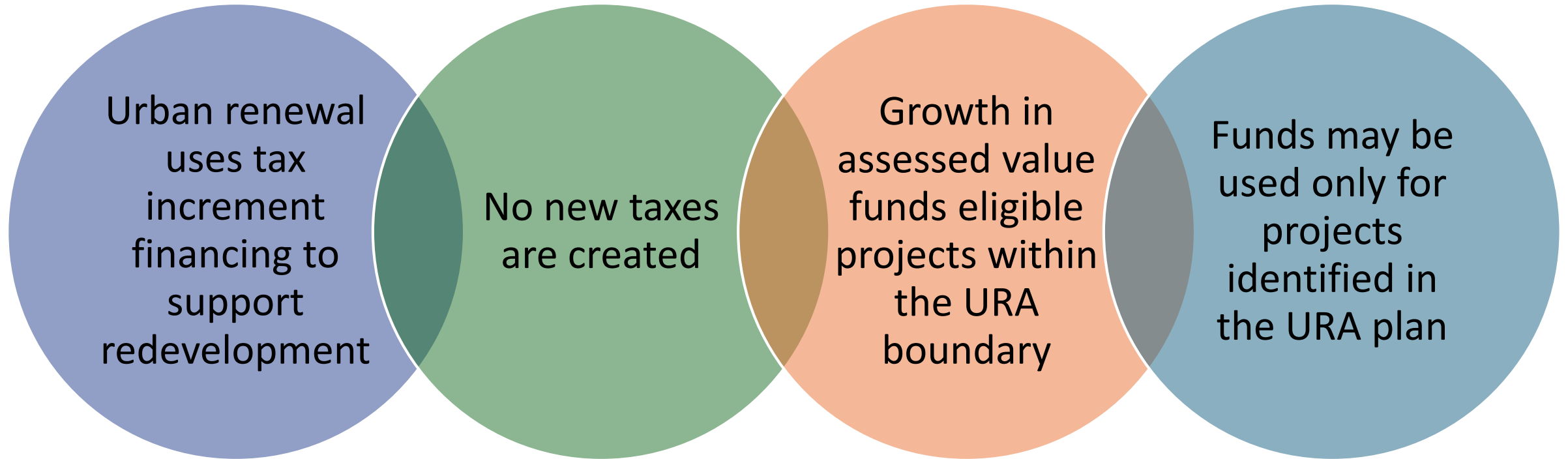
Provide update on evaluation work

Discuss proposed direction

Receive Agency feedback

Discuss next steps

Urban Renewal Overview



Salem's Urban Renewal Capacity

Approximately 3.7% of Salem acreage is within active URAs

Approximately 1.7% of property value is within active URAs

State statute allows up to 15% acreage and 15% property value

Several existing URAs have reached maximum indebtedness

What Tax Increment Financing Is Not

Cannot Be Used To Fund:

Police Operations

Fire Operations

Maintenance

Repairs

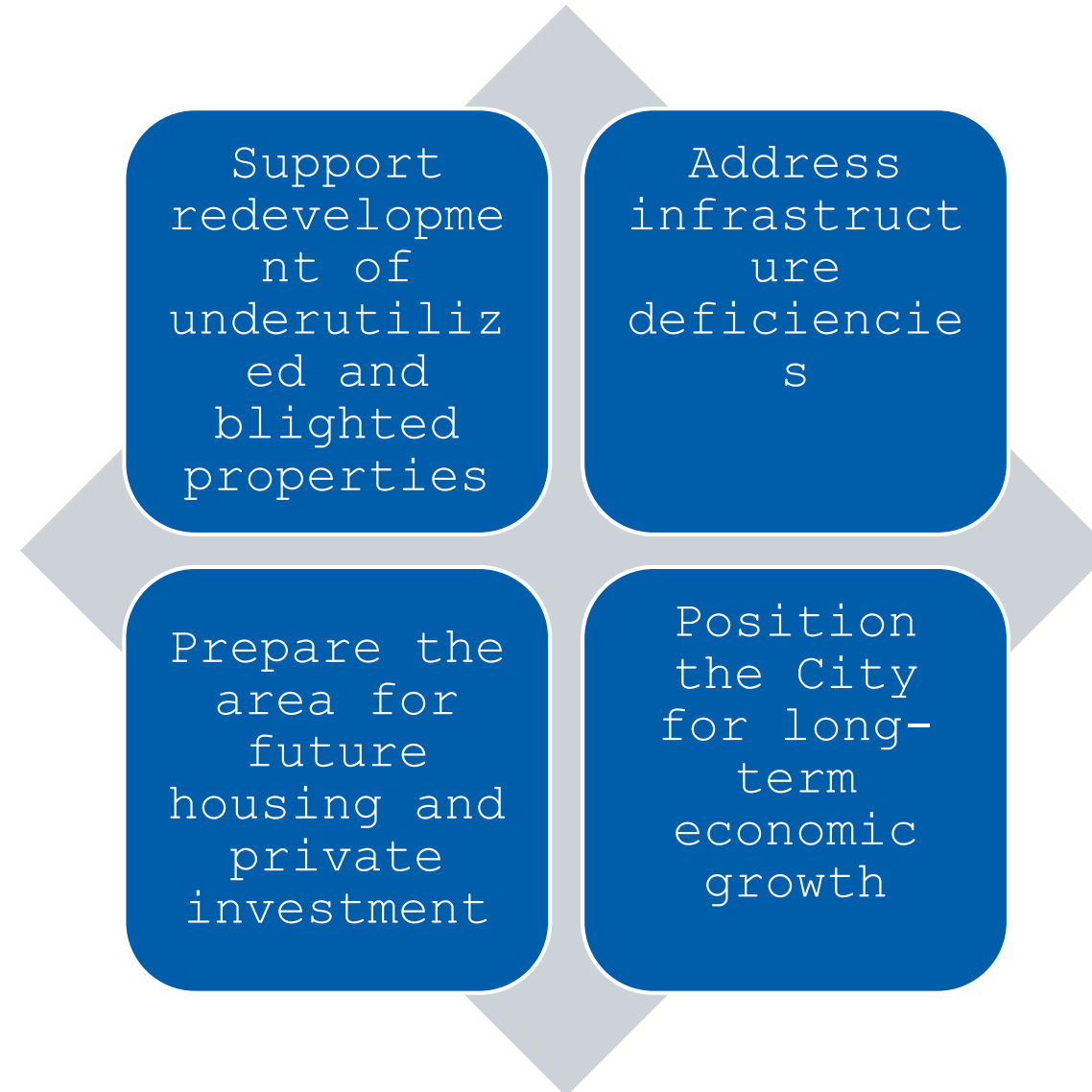
Services (i.e. Security)

Cleaning

It is not an additional tax.

URA closures will not result in lower property tax bill.

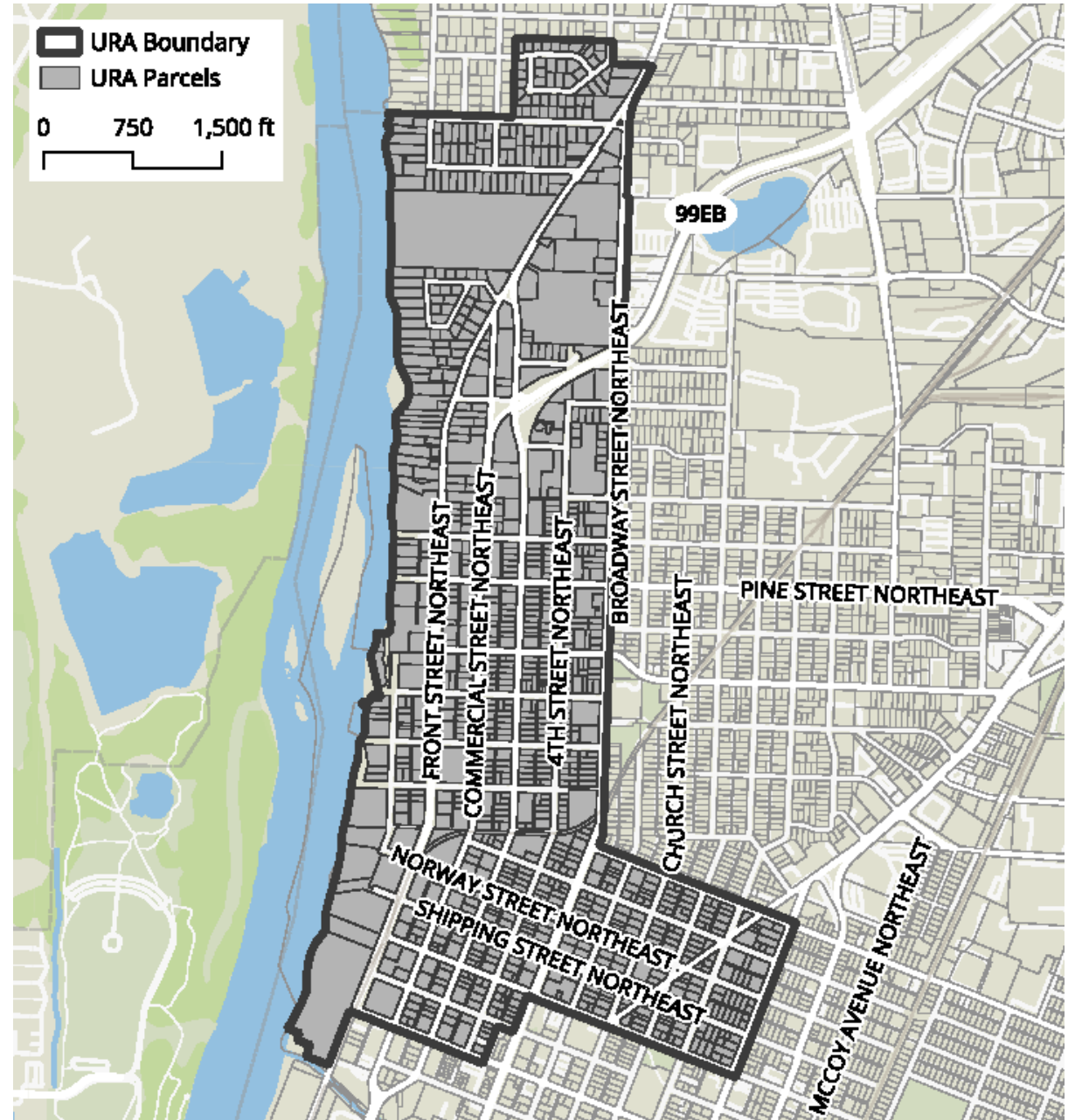
Why Urban Renewal & Why Now?



Proposed North Waterfront URA

- Agency Authorized Preliminary Review Spring 2024
- Agency Update September 2025
- 421 Acres (1.3% total city acres*)

**Based on City of Salem GIS Information March 2026*



Proposed North Waterfront URA History

2010 Sustainable Cities Initiative

2011 Downtown Strategic Action Plan

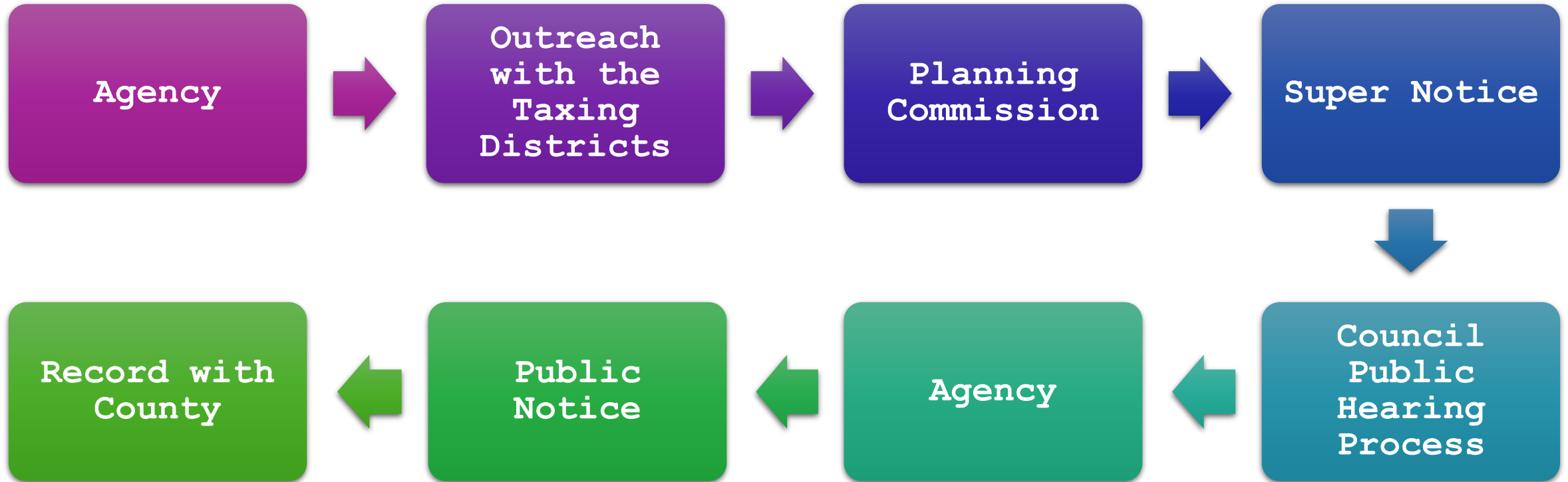
2016 Revisited Downtown Strategic Action
Plan

2025 Housing Production Strategy

2026 City of Salem Strategic Plan

Proposed North Waterfront URA

State Statute Approval Process



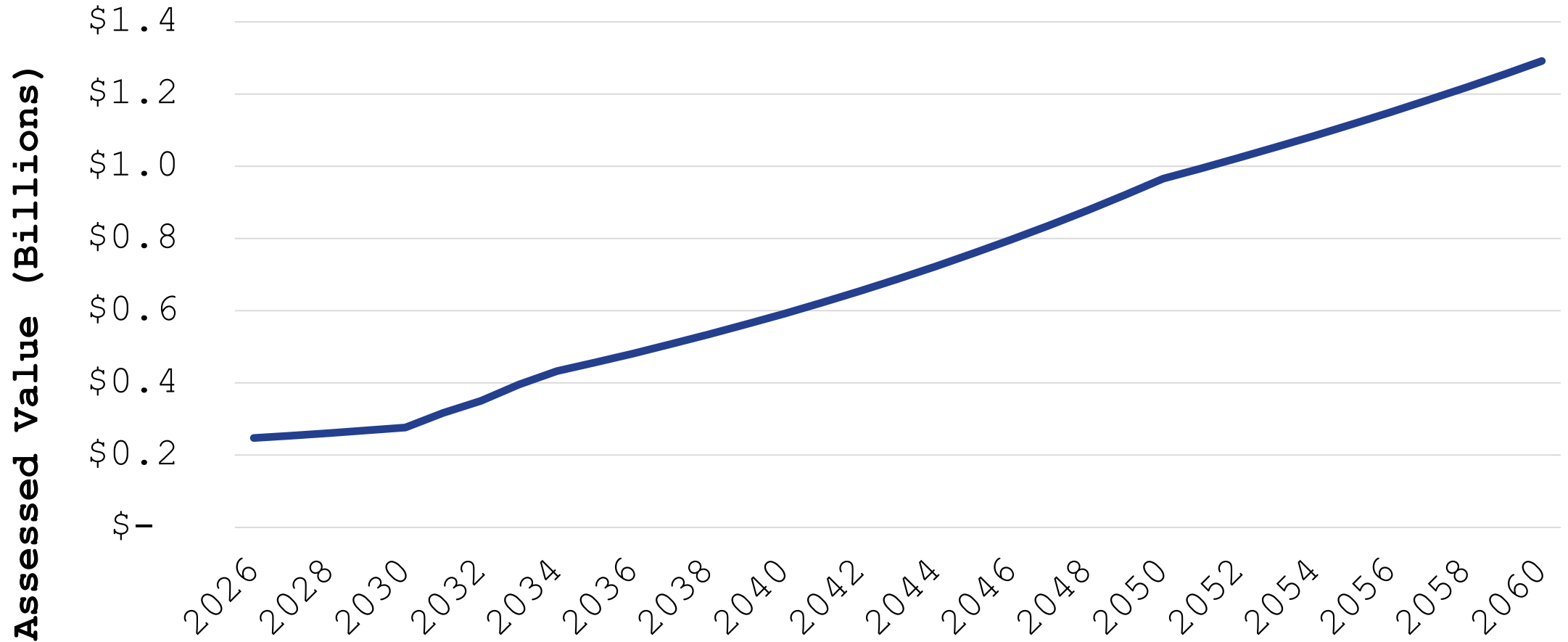
Proposed North Waterfront URA

A photograph of a street with a concrete median and a white truck driving away. The street is lined with trees and utility poles. The sky is blue with some clouds. The image is slightly blurred, suggesting motion or a shallow depth of field.

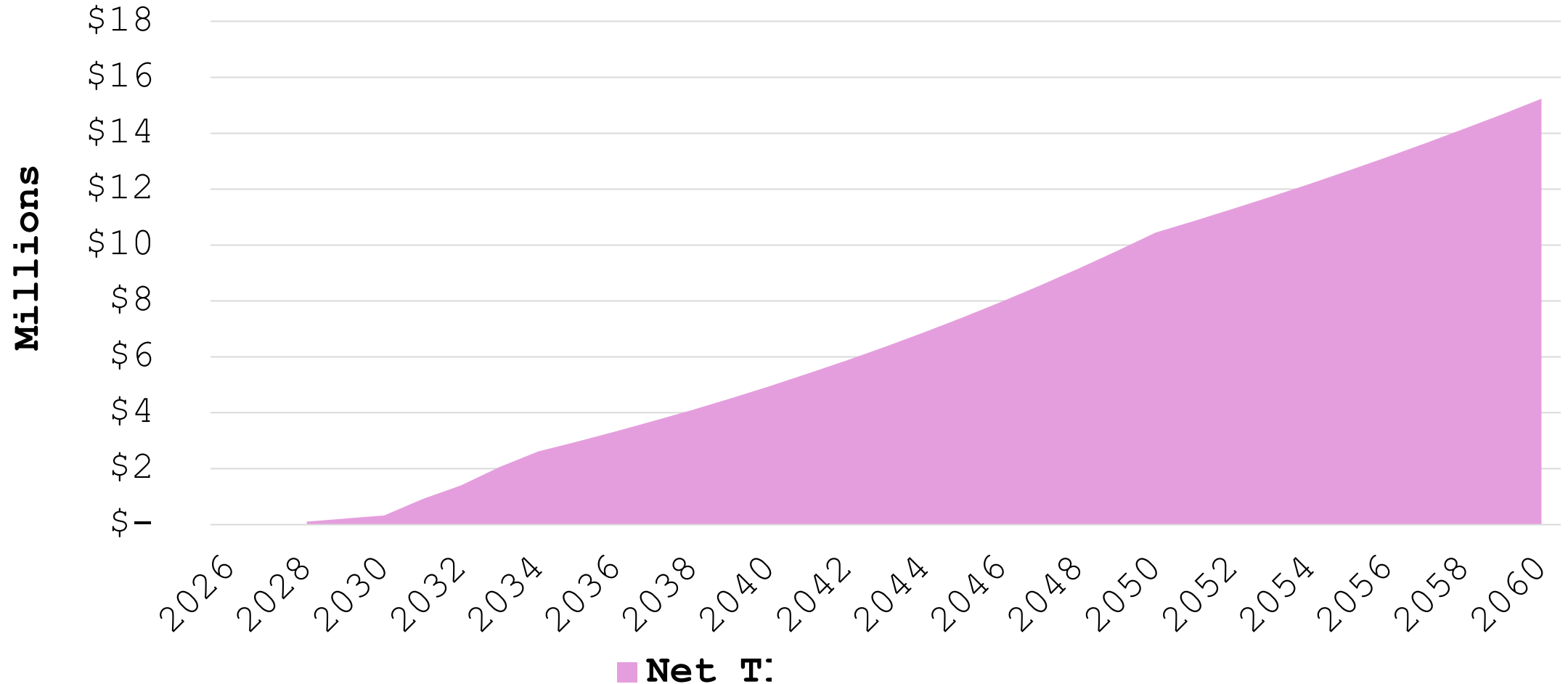
- **Proposed Projects:**

- Front Street Infrastructure
- Creek Improvements
- Rail Crossing Improvements
- Environmental Remediation
- Grant Program for Capital Development
- Multi-Family Housing

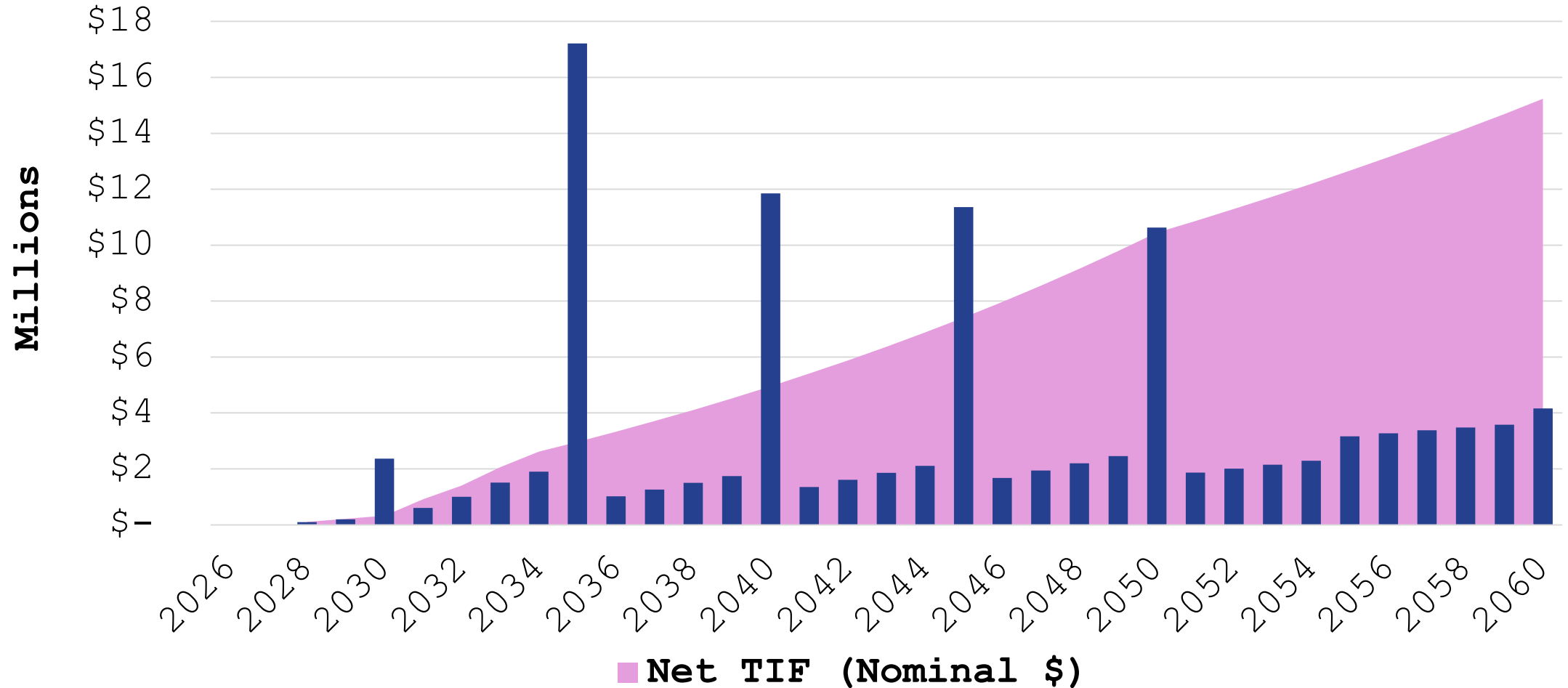
Assessed Value



Tax Increment Financing(TIF) Revenue



TIF Revenue & Project Capacity



URA Capacity

Years of TIF	33 Years
Net TIF	\$238,700,000
Maximum Indebtedness	\$199,400,000
Capacity (2026\$)	\$109,800,000
Years 1-5	\$4,300,000
Years 6-10	\$23,200,000
Years 11-15	\$18,300,000
Years 16-20	\$19,100,000
Years 21-25	\$19,300,000
Years 26-30	\$14,300,000
Years 31-33	\$11,200,000

Conclusions

Maximum indebtedness of \$199M could be achieved with an estimated 33 years of TIF revenue

With future inflation, purchasing power of maximum indebtedness in today's dollars is estimated to be \$109M

TIF revenue starts slow but grows over time. Zero revenue in FYE 2027, and only \$100,000 in FYE 2028. Potential for millions per year in the future.

Slow start and long timeframe for TIF provides an incentive to start early, allowing capacity to build up before development opportunities arise.

Relationship to Riverfront Downtown URA



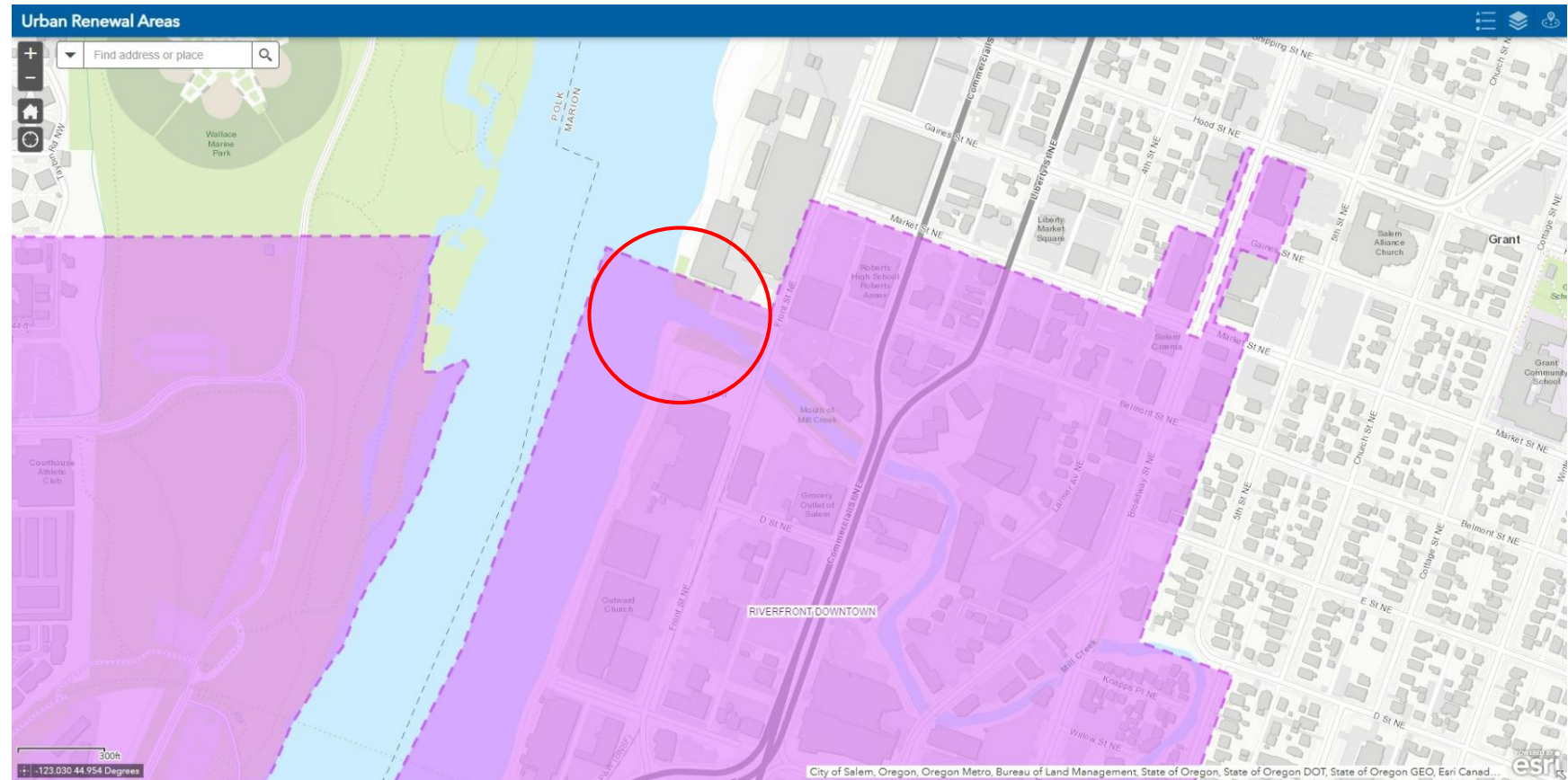
Builds upon prior Riverfront
Downtown investments

Focuses on adjacent
redevelopment opportunities
north of the existing URA

Supports long-term
connectivity, infrastructure,
and redevelopment goals

RDURA Connections

- **On-Going Streetscape Phases**
 - \$4 Million Per Year
 - Approximately 8 Years Remaining
- **On-Going Capital Grant Program**
- **Mill Creek Bridge**



RDURA FY26-27 Budgeted Projects

Mill Creek Path Planning Study \$100,000	Downtown Traffic Study \$100,000	Front Street Multi-Modal Study \$130,760	Streetscape Furniture \$422,370
Chemeketa Leasehold Imp. \$1,000,000	Union Street NE Buffered Bike Lane \$898,020	Marion Parkade Improvement \$4,410,000	Redevelopment Planning (50,45) \$1,500,000
Property Acquisition \$4,785,840	Capital Grant Program \$5,000,000	Next Phase Streetscape Design \$800,000	Streetscape Construction \$4,000,000

RDURA Long-Term Projects (Plan Specific)

Mill Creek Bridge

Streetscape

- 8 additional years (*\$4M per year*)

Opportunity Site Purchases

Circulation, Access, Mobility

- Continued Transportation, Bike/Ped Related Projects

North Downtown Redevelopment

Capital Grant Projects

Parking Structure

- Improvements, new construction, or partnership on new construction



Note: Photo taken by Otak from south bank of Mill Creek looking north

Other Projects

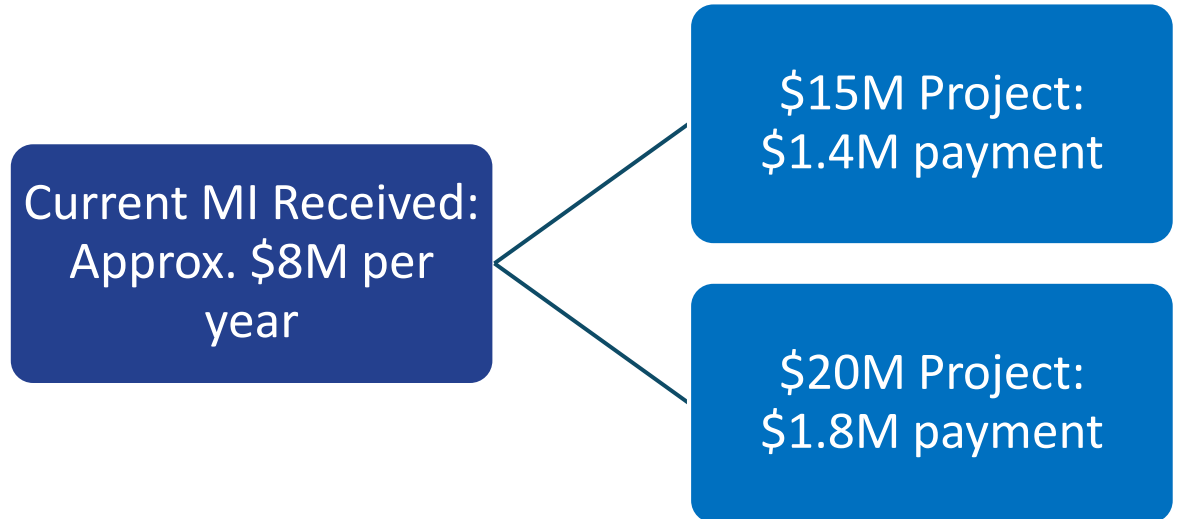


Amphitheater



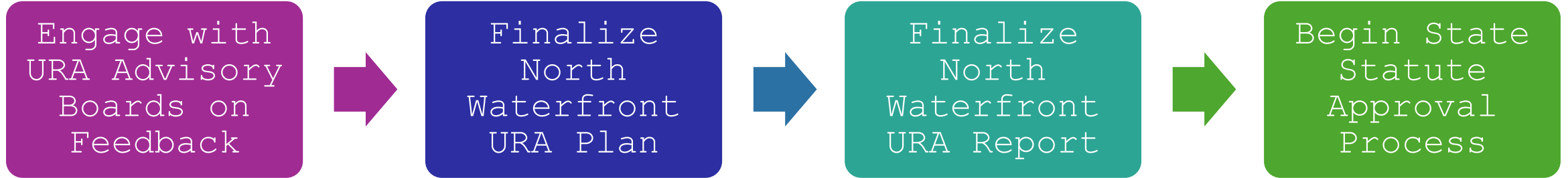
Salem Convention Center Expansion

15-Year Bond Impact (*example*)



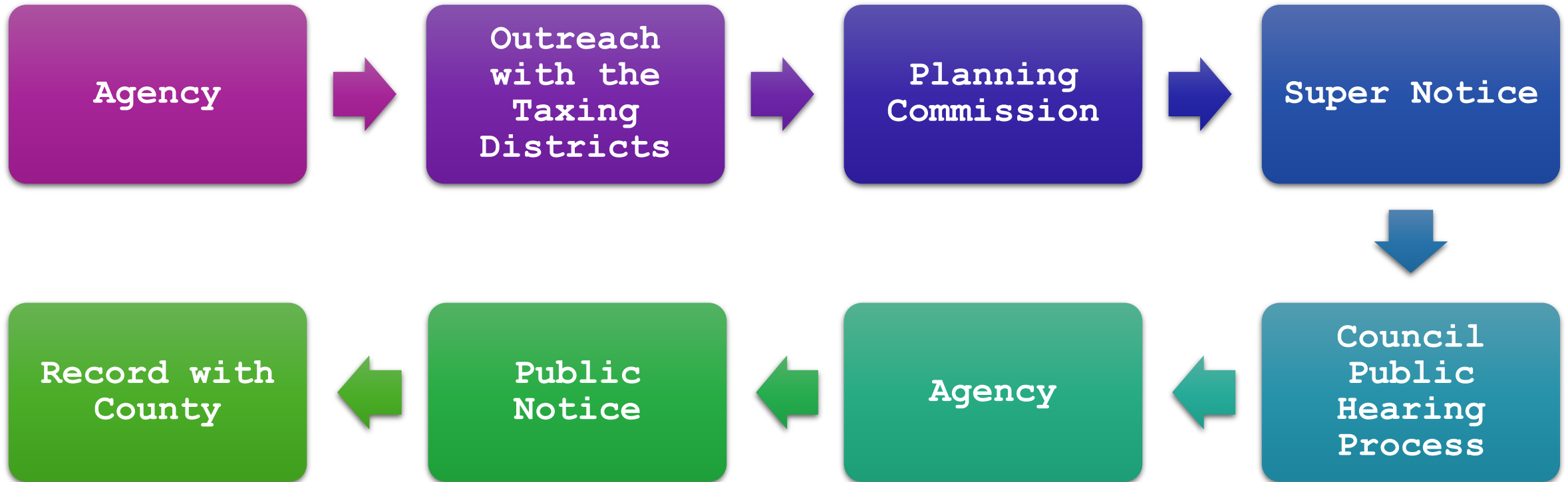
Next Steps

Summer 2026



Next Steps

State Statute Approval Process





When Will Each URA Reach Maximum Indebtedness?

All Status of MI Information is based on FY 26-27 Budget Documents*

Riverfront URA

Total MI Allowed: \$315,000,000

Status of MI: \$153,614,655 remains to be collected

Estimated Closure: March 2044

North Gateway URA

Total MI Allowed: \$101,466,402

Status of MI: \$0 remains to be collected

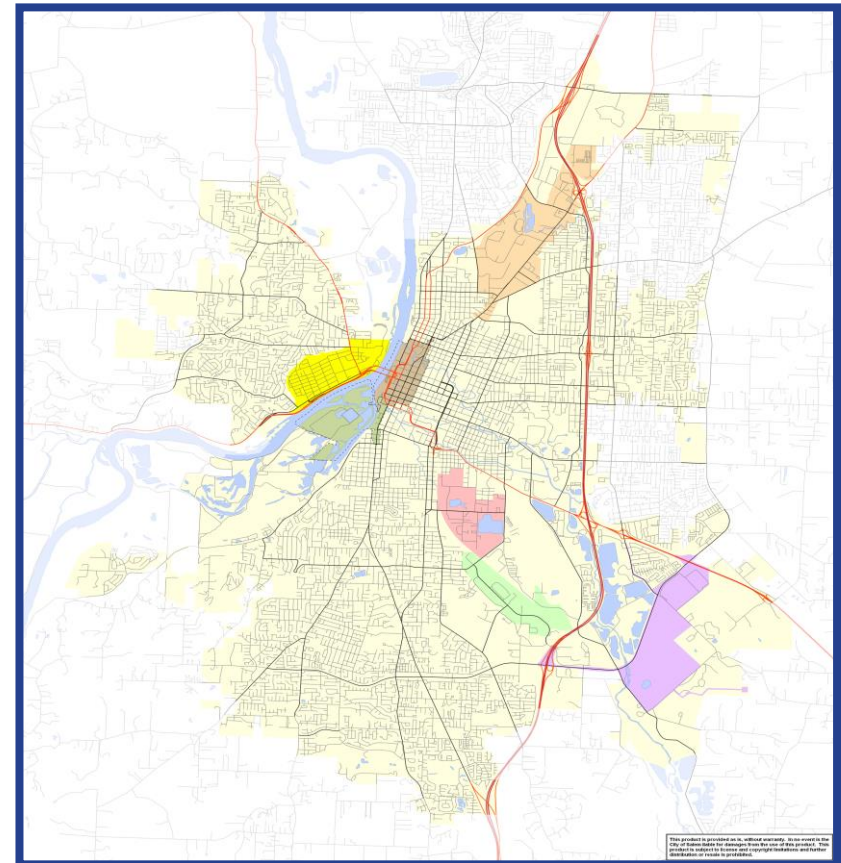
Return to Taxing Districts: 2027

West Salem URA

Total MI Allowed: \$31,000,000

Status of MI: \$6,747,575 remains to be collected

Estimated Closure: March 2029



When Will Each URA Reach Maximum Indebtedness?

All Status of MI Information is based on FY 26-27 Budget Documents*

Mill Creek URA

Total MI Allowed: \$26,000,000

Status of MI: \$0 remains to be collected

Return to Taxing Districts: 2027

McGilchrist URA

Total MI Allowed: \$11,000,000

Status of MI: \$0

TIF Collected Ended: FY24-25

South Waterfront URA

Total MI Allowed: \$24,000,000

Status of MI: \$17,978,000 remains to be collected

Estimated Closure: March 2054

Jory URA

Total MI Allowed: \$20,725,125 or 41 rebates

Status of MI: \$19,346,335 remains to be collected or 37 rebates to be issued

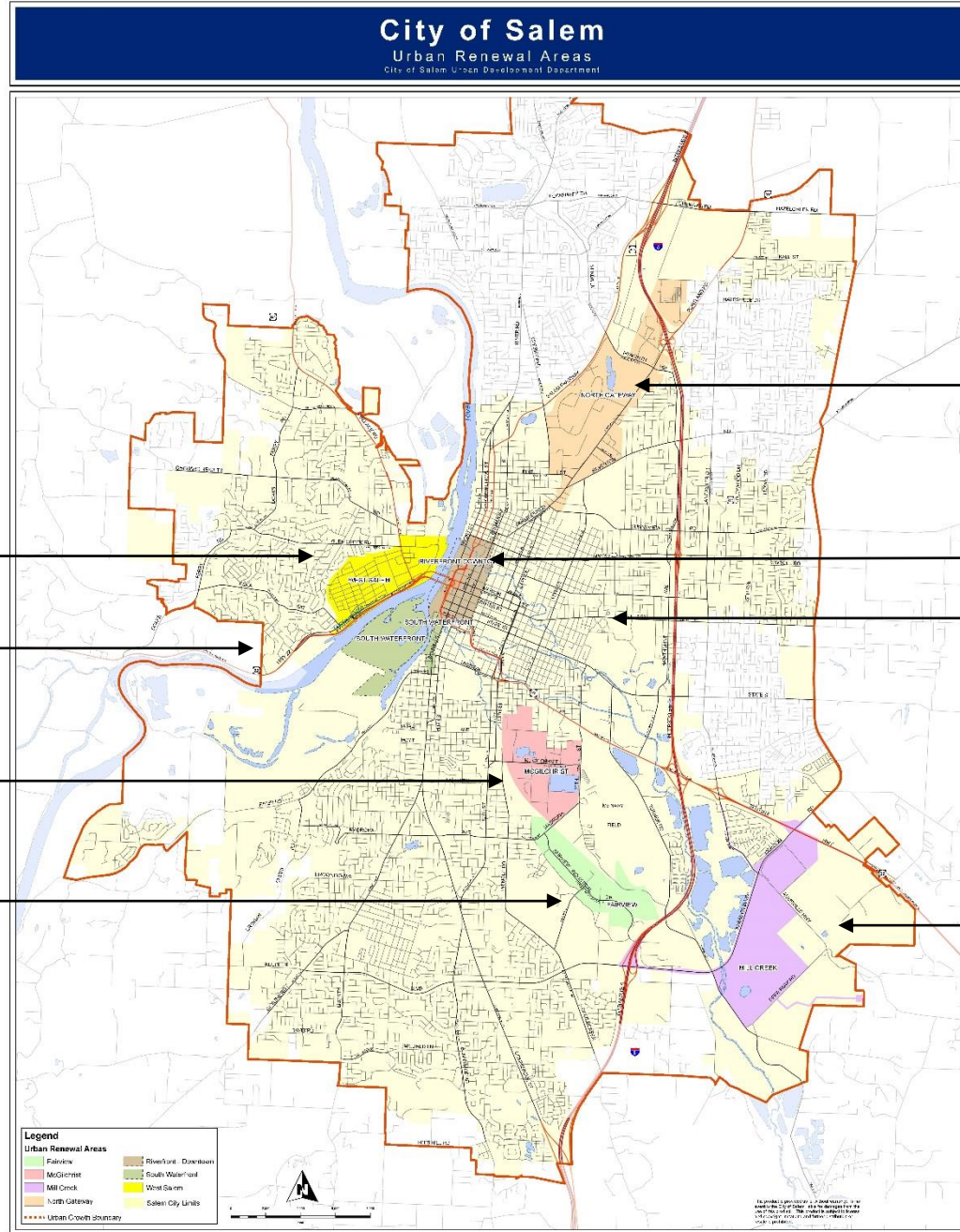
Estimated Closure: March 2052

Annual Distribution of Funds When URA is Closed

	Riverfront Downtown URA	North Gateway URA	West Salem URA	Mill Creek URA	South Waterfront URA	Jory URA
Total Annual Distribution	\$6M	\$4.2M	\$2.25M	\$4.97M	\$400,000	\$360,000
City Annual Distribution	\$1.65M	\$1.5M	\$844,000	\$645,000	\$190,000	\$66,000

Based on FY 26-27 Budget Documents- *actual FY 25-26 collections

Urban Renewal Areas



How URAs are Created

