

Amy Johnson

From: Brian Hines <brianhines1@gmail.com>
Sent: Monday, January 22, 2018 3:12 PM
To: citycouncil
Cc: CityRecorder
Subject: Testimony about Lone Oak Road reimbursement district

I just finished a blog post about this item on tonight's City Council agenda.

<http://hinessight.blogs.com/salempoliticalsnark/2018/01/city-council-poised-to-make-public-pay-for-improvements-not-developers.html>

I've copied it in below. Please consider this advance testimony for the public hearing on the Lone Oak Road reimbursement district.

City Council poised to make public pay for improvements, not Larry Tokarski

Tonight the Salem City Council is having a public hearing on forming a [Lone Oak Road Reimbursement District](#) in the Creekside area.

Basically, as I understand it, a developer (Garrett and Alice Berndt) has requested that buyers and owners of lots in the area be saddled with a total of \$7,347,000 in fees to pay for needed improvements to an extension of Lone Oak Road.

This is a complicated subject, and I don't pretend to be familiar with all of the details surrounding this issue, which has been festering for many years.

Arguments have gone back and forth about who should be responsible for road improvements in the area, which is in part a safety issue, since some current and proposed home sites only are served by one road, so if it were to be inaccessible emergency vehicles can't reach those homes.

What's most interesting to me is that Larry Tokarski was the developer of the Creekside neighborhood, and back in the early 1990's he was required to pay for improvements to Lone Oak Road. See:

[Download UGA90-09Pages1-43](#)

Here's a screenshot of one of the pages in that document.

April 10, 1991



Larry Tokarski
615 Commercial NE
Salem, OR 97301

RE: Urban Growth Permit 90-9
SUNNYSIDE, MILDRED, LONE OAK

Dear Mr Tokarski:

At their meeting of April 8, 1991, the City Council considered Resolution No 91-35 adopting the preliminary declaration for Urban Growth Area Permit No. 90-9UG, for property located in the area of SUNNYSIDE ROAD, MILDRED LANE AND LONE OAK ROAD.

It was the action of the Council to approve the resolution. A copy is enclosed. The action is effective as of the passage date.

If you have any further questions, you may contact the Planning Division, 588-6173.

My understanding is that in 2003 the City of Salem and Tokarski had an agreement that after 300 homes were built in the Creekside development, the improvements to Lone Oak Road would be made by Tokarski. However, as noted below, in 2007 these improvements were put on hold.

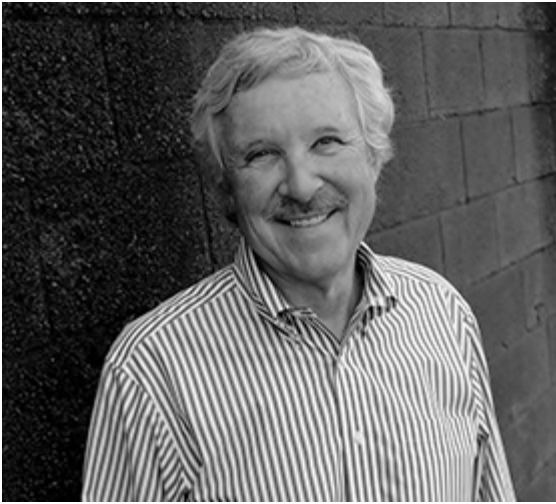
At two City Council meetings last year (March 27 and June 26), this issue came up for discussion. I've made a short video of comments made by councilors Steve McCoid, who represents the Creekside area, and Chris Hoy.

[video not included, but here is a link to it: <https://www.youtube.com/watch?v=Wmjh-oqGXuA&feature=youtu.be>]

It's sort of surprising that in both these comments, and also elsewhere in discussion of the issue, I never heard anyone mention the name of the developer. I'm pretty sure Larry Tokarski is the developer being referred to, hence I titled the video "Salem City Council on Tokarski development screw-up."

Chris Fry, another Salem developer, spoke about this issue during the public comment period at the March 27, 2017 City Council meeting. Following Fry's remarks about the Lone Oak bridge, which supposedly would cost around \$6 million, Public Works Director Peter Fernandez said: "The project was the responsibility of the Creekside developer and over time they simply never built it."

Now, unless there is a statute of limitations on commitments by developers to build roads and bridges needed for their development, it sure seems like Larry Tokarski and his firm, Mountain West Investment, should be the ones on the hook for the Lone Oak Road improvements.



What makes this issue even more interesting politically is that Tokarski is the biggest contributor to conservative causes in Salem, people running for office and ballot measures. Last April Salem Weekly ran a story, "[The Man Whose Money Talks in Salem.](#)"

Larry Tokarski began his real estate career in Salem in 1973. Since then he has founded and managed Mountain West Investment Corporation through which he has influenced the development and building of over a billion dollars of real estate. This includes over 1,000,000 square feet of commercial and residential facilities and more than 30 subdivisions. Tokarski has also been involved in the development and building of 47 retirement communities in Oregon, Washington, Idaho, Colorado, and Nevada.

Not a Salem resident (Tokarski lives in Wilsonville) the developer has invested a minimum of three-quarters of a million dollars in local political campaigns since 2009.

For example, Mountain West Investment Corp contributed 75 percent of the Salem Area Chamber of Commerce's Build Jobs PAC funding for the May 2016 election. Below you see, Tokarski paid \$10,000 to support the campaigns opposing progressive candidates for spring 2016 Salem City Council election, Sally Cook and Cara Kaser.

Well, someone who has been involved in over a billion dollars in real estate apparently should be able to pay for about \$7 million in road improvements for the Creekside area, especially since this was agreed to by Tokarski.

Before the City Council asks another developer to pay for those improvements through a Lone Oak Road Reimbursement District, it sure seems like the agreement(s) made by Tokarski should be carefully examined. I didn't see any sign of this in tonight's [staff report](#), since the history of the Lone Oak Road improvements only begins with a 2008 requirement that Garrett and Alice Berndt make those improvements.

Somewhere along the line Tokarski appears to have been relieved of the necessity of making those promised improvements. An earlier 2017 staff report does detail how the "Creekside developer" (Tokarski) failed to complete the improvements:

Lone Oak Road SE is functionally-classified as a collector street in the Salem Transportation System Plan. From its northern terminus at Browning Avenue SE, Lone Oak Road SE runs north-south parallel to, and roughly mid-point, between Liberty Road SE on the west and Sunnyside Road SE to the east, to its current southern terminus at Jory Creek. Attachment 6 contains photos taken on April 6, 2017, at various locations along the missing segment of Lone Oak Road SE.

In 2007, the Creekside developer initiated construction of the missing segment of Lone Oak Road. Construction plans were prepared by a private engineering consultant and permits were issued by the City. A box culvert was installed over Jory Creek and some preliminary earth grading along the alignment of Lone Oak Road was completed. Work on the project was halted by the developer and no additional work has occurred since 2007. At present, there is no timetable for constructing the bridge and remaining sections of Lone Oak Road SE.

So as Councilor McCoid asked in the video above, who let Tokarski off the hook for constructing the Jory Creek bridge and remaining sections of Lone Oak Road? And could it have been someone who benefitted from Tokarski's political contributions?

Brian Hines
10371 Lake Drive SE, Salem OR

Brian Hines
Salem, Oregon USA
brianhines1@gmail.com
<https://www.facebook.com/OregonBrian>
<https://www.facebook.com/StrangeUpSalem>
<https://www.facebook.com/SalemPoliticalSnark/>
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