

Explanatory Statement: (Max 500 words).

The City of Salem is asking Salem voters to approve a \$300 million bond measure to fund a variety of projects for sidewalks, bike facilities, streets, fire engines and equipment, parks upgrades, new sites for two fire stations and future branch libraries, affordable housing, and seismic improvements to City Hall. If approved by voters, the bonds would be paid off over 30 years, and are not expected to increase current City of Salem bonded tax rates.

City of Salem voters approved bonds from 2007 through 2018 for transportation improvements and repairs, a police station, and seismic improvements to the Salem Public Library. These funds allowed the City to build and develop projects that will serve residents for many years. Since 2010, the population of Salem has increased from approximately 154,637 to 177,694 in 2021.

Due to expiring bonds, refinancing current debt to lower rates, and an increase in assessed value of properties in Salem, the issuance of new bonds for the proposed projects would maintain the City's current tax rates, and would not increase tax rates. The City Council led a community engagement effort to gather information about projects that should be included in the proposed bond measure. Project ideas came from community outreach with neighborhood associations, advisory boards and commissions, civic interest groups, and public testimony.

Projects include street upgrades, sidewalk construction and repair, construction of bicycle facilities, replacement of old and declining fire engines and equipment, libraries, and affordable housing; updating information technology and cybersecurity tools, acquiring property for future fire stations, and providing earthquake safety to City Hall. Bond proceeds would also pay for capitalized interest and costs of issuance.

Some specific projects include construction of Marine Drive NW, upgrades to McGilchrist Street SE, Pringle Road SE and Fisher Road NE, upgrades to Davis Road SE, reconstruction of State Street, construction of the Pringle Creek Trail Connection. Four bridges in the City are proposed for repair/replacement that have weight restrictions due to their age and condition. Several parks would receive playground equipment replacement. Coverings would be implemented at the reservable shelters at Bush's Pasture Park, Geer Park, Orchard Heights Park, and McKay School Park. Approximately \$14.7 million would be dedicated to completing missing sections of sidewalks as well as sidewalk repair or replacement throughout the city. The pedestrian crossings category would include approximately 7 pedestrian crossings, depending on cost.

Bond principal would not exceed \$300,000,000. Bonds would mature in 30 years or less from the date of issuance, and may be issued in one or more series. If approved, the total average annual tax rate is estimated to be up to \$1.20 per \$1,000 of assessed value. For a home assessed at \$200,000, the estimated property tax for the bonds for fiscal year 2022-2023 would be \$240 per year, or \$20.00 per month. Actual rates may

vary based upon interest rates incurred and changes in assessed value. The City's total assessed rate would not change.