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Title: City Council Steering Committee for Infrastructure Bond Engagement

Ward(s): All Wards
 Councilor(s): All Councilors
 Neighborhood(s): All Neighborhoods
 Result Area(s): All Result Areas - Good Governance; Natural Environment Stewardship; Safe Community; Safe, Reliable and Efficient Infrastructure; Strong and Diverse Economy; Welcoming and Livable Community.

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
11/8/2021	1	City Council	received and filed	

TO: Mayor and City Council

FROM: Steve Powers, City Manager

SUBJECT:

City Council Steering Committee for Infrastructure Bond Engagement

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SUMMARY:

The City Council is considering an infrastructure bond measure for the November 2022 ballot that would provide up to \$300 million without increasing the City’s tax levy rate for bonds. The Steering Committee will provide guidance on developing the ballot measure that will be before City Council in August 2022 for action.

ISSUE:

City Council Steering Committee for infrastructure bond engagement

RECOMMENDATION:

Information only.

FACTS AND FINDINGS:

The City has approximately \$2 billion of infrastructure assets that need routine maintenance, improvements and expansion. Due to previous bonds expiring over the next several years, the City is in a unique position to issue \$300 million in general obligation bonds over the next ten years **without** increasing the estimated FY 2022 bonded tax levy rate of \$1.28 per \$1,000 of property assessed value. The general obligation bond measure requires voter approval.

The long-term bonding strategy, as recommended by the Finance Committee and approved by the City Council in October 2022, addresses four basic premises:

- Maintain a consistent levy rate for taxpayers over a set period.
- Issue debt in a timely and strategic manner.
- Decrease ongoing expenses related to deferred maintenance.
- Provide new investment for community benefit, with City Council and community oversight.

The most urgent need is replacement of the City's fire trucks and apparatus. Following the investment in fire protection, project categories are streets, bridges, and sidewalks; parks and recreation facilities; affordable housing and shelter; and public facilities and information technology infrastructure. Many of these priority spending areas can the need defined through community engagement.

Community engagement on the proposal and potential projects is needed. The City is currently soliciting proposals for a community engagement plan. The steering committee will help guide engagement and the criteria to include projects in the building of the bond package. The steering committee will make recommendations to the City Council regarding the bond measure scope.

Council Steering Committee. Mayor Bennett has appointed Councilors Gonzalez, Hoy, Lewis, and Stapleton to serve with him on this committee of the City Council. The Council Steering Committee will conduct open, public meetings beginning in December 2022 to:

- Guide outreach and engagement strategy
- Make recommendations to City Council regarding the bond measure scope and criteria for prioritization
- Consider and recommend strategies on how best to provide accountability on bond spending, should measure be successful in November 2022

Major milestones

December 2021/January 2022

- Steering Committee meets to consider principles to guide prioritization of projects and criteria for inclusion in the measure. These criteria may include:
 - Readiness - can it be accomplished within the timeframe
 - Scale-ability
 - Distribution across City
 - Relative funding among project categories

January/February 2022

- Community engagement on priorities for inclusion in bond measure, to create community-inspired project list, followed by polling. DHM Research is already under contract to gauge public opinion on the proposal before the measure is placed on the ballot.

March 7, 2022 or March 21, 2022

- City Council Work Session on community feedback for bond priorities.
- City Council direct staff to prepare for November 2022 ballot measure for City Council's consideration.

March, April, May and June

- Community engagement and information sharing about measure

June 2022

- Submit materials for Oregon Department of Justice review

July 2022

- Final ballot title

August 2022

- Present to Council for action

September 2022

- File with Marion County in September for November 2022 election, if approved by City Council

September, October, November

Campaign

November 2022

- Election

January 2023

- If successful, debt service timing managed through Capital Improvement Program
- Support accountability and reporting out to community on progress.

Feedback To-Date

Two focus groups of likely Salem voters were conducted on September 1st and September 2nd.

These groups were composed of eight to 10 people with a moderator. Discussion lasted at least two hours. Preliminarily, there is general support for the concept of a bond measure and evidence that additional outreach and education to the community will be needed to make a bond measure successful. John Horvick of DHM reviewed the results at the October 25, 2021 City Council Work Session.

BACKGROUND:

On October 25, 2021, the City Council’s Finance Committee recommended the City submit to Salem voters a long-term, comprehensive bonding strategy for the November 2022 ballot. The ballot measure would be for up to \$300 million in General Obligation bonds issued over ten years.

Proposed Priority Spending Categories

Many of the amounts shown for each category are flexible and projects within the categories can be scaled to community need.

Result Area	Category	Amount (in millions)	Fixed or Scalable
Safe Community	Fire Apparatus and Equipment	\$ 26	Fixed
Strong and Diverse Economy; Welcoming and Livable Community	Housing and Sheltering Investments	\$ 15	Scalable
Safe, Reliable, and Efficient Infrastructure	Streets, Bridges, and Sidewalks	\$ 150	Scalable
Welcoming and Livable Community; Natural Environment Stewardship	Parks and Recreation	\$ 35	Scalable
Good Governance	Information Technology Investments	\$ 15	Fixed
Good Governance	Public Building Improvements	\$ 12	Fixed
Safe Community	Fire Stations	\$ 14	Fixed
	Total	\$300	

- **Fire apparatus and equipment** is the first priority for this potential bond funding. Last purchased following the successful November 2006 bond, Salem’s fire engines, ladder trucks, and other specialized response vehicles are in dire need of replacement. If one of these

pieces of equipment requires maintenance, it is taken out of service - potentially delaying our response to a community member in need.

- **Housing and sheltering investments.** The intent with this funding would be to continue property acquisition and/or construction for additional affordable housing and emergency or temporary shelter for those in need.
- **Streets, bridges and sidewalks.** Transportation infrastructure projects tend to be larger in scope and scale of investment. Salem's needs exceed the full scope of the proposed bond. With input from the community, the City can develop a project list to improve streets to include sidewalks and bicycle facilities, construct new streets, replace and rehabilitate bridges, advance safer pedestrian crossing projects, and replace or add traffic signals. Initial ideas may include improvements to McGilchrist Street SE, Doaks Ferry Road NW, Battle Creek Road SE, Browning Avenue S, Fisher Road NE, and Sunnyview Ave NE.

In 2008 Salem voters approved a "Keep Salem Moving" \$100 million bond to pay for more than 40 street and bridge projects to relieve congestion, improve safety, and rebuild or maintain pavement and bridges in Salem. Using savings and leveraging other fund sources, the City was able to address additional transportation needs in our community, such as neighborhood sidewalk improvements, quiet zones, signal modifications, pedestrian crossings, and buffered bike lanes.

- **Parks and recreation.** Major investments in Salem's parks and recreation facilities are needed. Investments would include things like replacement of restroom facilities at Marion Square and Wallace Marine parks; and developing new shelters, tennis or pickleball courts, playgrounds, splash pads, dog parks and trails. Parks with master plans, derived from community engagement in priorities for park facilities, would be good candidates for initial project lists.
- **Information technology.** Security upgrades are needed to the infrastructure the City relies on to provide services in our community. The types of investments would be redundant fiber and data warehouse, with replacement of aging enterprise technology for which there are no other funding sources.
- **Public building improvements.** Much like the recently rehabilitated Salem Public Library, the City's Civic Center needs rehabilitation and repair to address seismic, safety, accessibility and system improvements. Windows require replacement. The skylight in the courtyard requires removal or replacement. The parking garage is no longer structurally sound. The Civic Center lacks back-up power generation. This category may also include a portion of a new Willamette Valley Communications Center, a City service providing 9-1-1 dispatch to 29 police and fire agencies.
- **Future fire stations.** Planning now for future service needs in growing areas of our community, the City would look to acquire property for two new fire stations within next ten years.

Courtney Knox Busch
Strategic Initiatives Manager

Attachments: