



Adopt Resolution No. 2018-26 to declare the City's policy to protect the stand of Oregon white oaks at the Salem Business Campus, and authorize the Director of Urban Development to submit an application to the City's Planning Division to reconfigure lots within the Salem Business Campus to implement the policy.

### **SUMMARY AND BACKGROUND:**

Adopting the resolution will declare the City's policy to protect the stand of Oregon white oaks located at the Salem Business Campus (formerly the Salem Renewable Energy and Technology Center), and authorize the Director of Urban Development to submit an application to the City to reconfigure City-owned lots within the Campus to implement the policy to protect a majority of the Oaks.

The proposed lot configuration will protect a majority of the 114 Oregon white oaks (Oaks) located on 54 acres of city-owned property zoned as Industrial Business Campus on Gaffin Road SE in southeast Salem (Attachment 1).

Currently, proposed development, and potentially oak removal, on this property is subject to City Council (Council) review prior to approval of development plans. This adds complexity and uncertainty to the site plan review and permitting process. To provide greater certainty to potential developers, the proposed lot configuration will create two lots that will be platted and retained under City of Salem (City) ownership to protect the majority of Oaks on the property (Attachment 2). The City land use process will be followed to modify the existing approved subdivision for the property to create three large lots available for development.

Development at this property began in 2006 with the City of Salem extending public infrastructure to approximately 80 acres of City owned land to attract manufacturing businesses and grow family wage jobs. By 2008, the property was master planned (Attachment 3) and certified development ready by Business Oregon and CC&RS were established to set design standards and ensure that future uses would align with the objectives for the property.

SANYO Solar purchased 20 acres at the SRETC and opened in November 2009. Around the same time, Portland General Electric built a 25 megawatt substation on a five-acre lot north of SANYO Solar to serve the property as well as future development at the Mill Creek Corporate Center (MCCC). Construction of the substation required the removal of three Oaks. Oaks (Attachment 4) are protected as significant trees in the City of Salem Unified Development Code. However, oak removal is allowed where it is deemed necessary for the construction of commercial or industrial facilities.

Subsequently, the solar industry experienced changes and the SANYO Solar property was acquired by Panasonic, which closed operations in 2017. Following these changes, Council approved rebranding the park to the "Salem Business Campus" in November 2017 and agreed to changes to the CC&Rs to allow additional uses beyond renewable energy and technology manufacturing.

### **FACTS AND FINDINGS:**

The proposed lot configuration will create three large lots for development that have relatively few Oaks, reserving the majority of the Oaks in the newly created lots, which will be protected under City ownership. This reconfiguration will remove the complexity and uncertainty currently encountered through the marketing and sale of the development lots at the Campus. Final approval of sale of any lots at the Campus will continue to be subject to Council approval.

The changes balance the community benefits of investment in City owned industrial land and protection of Oaks, which are designated for protection under the City's code. At an estimated \$131,000 per acre, the City will be investing \$1.3 million to protect the Oaks.

As future development occurs, the surrounding roads (Gaffin Road SE, Gaia Street SE, and Culver Drive SE) will need to be improved to accommodate additional traffic and meet City standards. If all remaining lots develop and all road improvements are constructed, it is likely that the City will need to enter into a cost sharing agreement with Marion County for improvements to Gaffin Road SE and/or secure state or federal grants to pay for the public infrastructure improvements. Staff will continue to monitor the industrial property market and evaluate increasing the land sale price to offset this cost.

The Urban Development Department (UD) will continue to market the property with the help of Strategic Economic Development Corporation (SEDCOR) and Business Oregon. UD will also update the Council quarterly through economic development information reports.

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Project Manager

Attachments:

1. Proposed lot configuration (with trees)
2. Resolution No. 2018-26
3. Original lot configuration (with trees)
4. Site photo