



CITY OF SALEM

585 Liberty St SE
Salem, OR 97301

Staff Report

File #: 17-69

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Date: 2/21/2017

Item #: 5. a.

TO: Mayor and City Council

THROUGH: Steve Powers, City Manager

FROM: Dan Atchison, City Attorney

SUBJECT:

May 16, 2017 Public Safety General Obligation Bond Measure

Ward(s): All Wards

Councilor(s): All Councilors

Neighborhood(s): All Neighborhoods

ISSUE:

Shall Council direct staff to present to Council at the February 27, 2017 council meeting, the following:

- 1) A resolution calling for a measure election to be held on May 16, 2017, in an amount to be determined by Council, to finance the development of a new public safety facility, and structural and building safety improvements to the Library, or
- 2) A resolution calling for a measure election to be held on May 16, 2017, in an amount to be determined by Council, to finance only the development of a new public safety facility, and a separate resolution declaring Council's intent to call for a measure election at the November 7, 2017 election, in an amount to be determined by Council, to finance structural and building system improvements to City facilities that may include the Library, the Civic Center, and City shops?

RECOMMENDATION:

Attached to this report are three resolutions providing three different options for bond measures related to the public safety facility and seismic improvements to the Library. Also attached is Resolution No. 2017-18, that declares Council's intent to submit a bond measure related to seismic improvements to the Library, Civic Center, and improvements to the city shops facilities at the November 7, 2017 election.

Council may choose any of the options, selection another option, or defer action to a future council meeting.

SUMMARY AND BACKGROUND:

On February 6, 2017, Council held a work session and accepted public comment to consider whether to refer a proposal for a new public safety facility to the voters at the May 16, 2017 election. Council's discussion centered on three options:

- 1) A \$69.1 million bond measure that included only a 127,000 gross square foot (GSF) public safety facility,
- 2) A \$79.3 million bond measure that included an 115,000 GSF public safety facility that would cost approximately \$64 million, and seismic and building systems improvements to the Salem Public Library that would cost approximately \$15.3 million.
- 3) A \$64 million bond measure that included only an 115,000 GSF public safety facility.

At Council's February 13, 2017 meeting, council discussed the issues, and directed staff to respond to a series of questions, and prepare another option; to present a resolution for council consideration proposing a \$64 million bond measure for the May 2017 election for a 115,000 GSF public safety facility (option 3), and a separate resolution declaring council's intent to call for a measure election in November 2017 for a bond measure to finance seismic improvements to city facilities, that could include the Library, Civic Center and city shops.

FACTS AND FINDINGS:

Attachment 1 contains questions raised by Council at the February 13, 2017 meeting and staff responses. Attachment 6 contains questions raised by Councilor Ausec after the council meeting, and staff's responses.

Below is a summary of the three resolutions for the different bond measure options:

Resolution No. 2017-19 (Attachment 2):

- \$69.1 million bond measure,
- 127,000 GSF public safety facility,
- Does not include funds for Library improvements, but provides that any excess funds may be used for Civic Center improvements, including the Library,
- FY 2018-2019 City tax rate: \$0.31 per \$1,000 of assessed value,
- Effect on a \$200,000 home:
 - \$62.00 per year, or
 - \$5.17 per month.

Resolution No. 2017-20 (Attachment 3):

- \$79.3 million bond measure,
- 115,000 GSF public safety facility,
- Include \$15.3 million for Library seismic and building systems improvements,
- FY 2018-2019 City tax rate: \$0.38 per \$1,000 of assessed value,
- Effect on a \$200,000 home:

- \$76.00 per year, or
- \$6.33 per month.

Resolution No. 2017-21 (Attachment 4):

- \$64 million bond measure,
- 115,000 GSF public safety facility,
- Does not include funds for Library improvements, but provides that any excess funds may be used for Civic Center improvements, including the Library,
- FY 2018-2019 City tax rate: \$0.28 per \$1,000 of assessed value,
- Effect on a \$200,00 home:
 - \$56.00 per year, or
 - \$4.67 per month.

Resolution No. 2017-18 (Seismic Improvements Resolution), declares Council's intent to submit a bond measure to the voters that could fund;

Library

- Structural improvements to the Salem Public Library to allow the facility to better withstand a large earthquake;
- Building systems improvements to the Library that could include a new roof, HVAC, plumbing and electrical systems, windows, and other improvements.
- Staff has estimated that these improvements to the Library would cost approximately \$15.3 million and would extend the life of the Library and the adjacent parking garage another 30 years.

Civic Center

- Structural improvements to allow city hall and the council chambers to better withstand a large earthquake,
- Building system improvements to city hall and the council chambers that could include removal of the atrium roof, replacement of windows, HVAC, plumbing and electrical systems, renovation of the space currently occupied by the Police, and other improvements,
- Staff has estimated that these improvements to the civic center would cost approximately \$29.2 million and would extend the life of the civic center and adjacent parking garage another 30 years.

City Shops

- Replacement of selected structures at the city shops facility located near the Salem Airport according to the Shops Complex Master Plan currently under update,
- Funds to pay for some portion of the cost of the improvements could be obtained from other sources aside from bond proceeds.

Inclusion of Building System Improvements in a Seismic Bond Measure.

Staff is recommending that, at the same time the seismic improvements are undertaken to the Library and Civic Center, the City undertake building systems improvements. Building systems improvements includes items such as HVAC, plumbing and electrical systems, the Library roof, windows and other items. These improvements are recommended to be undertaken at the same time as the seismic improvements for several reasons;

- Many of these systems are at the end of their useful life and need replacement.
- Many of these systems will be damaged as part of the seismic improvements, and will need to be repaired as part of the seismic work. It will be much more cost-efficient to replace these systems while the building is being seismically reinforced, than to replace them at a later date.
- Practically, it makes little sense to seismically reinforce a building, if the roof will fail or the windows will shatter during an earthquake.
- Improving the building systems along with the seismic improvements will extend the useful life of the Library and the Civic Center complex by 30 years.

Other Information Included in the Resolutions referring the bond measure question to the voters.

The location of the proposed public safety facility, as determined by Council, is included in the measures and explanatory statements. This is not required under the law, but was an important consideration throughout this process, and was included in the November 2016 measure.

Including the location of the proposed facility in the measure has the effect of excluding other potential locations for the public safety facility, and reducing the City's flexibility in choosing a different location, if for unforeseen reasons the preferred location cannot be used. However, given that Council has selected the specific location, and the community's interest in identifying the specific location prior to the vote on the bond measure, the specific location was included in the measures.

Next Steps

If Council desires to place a measure on the May 16, 2017 ballot, Council will need to adopt a resolution referring the question to the voters no later than its February 27, 2017 meeting. Once the resolution is adopted, the City Attorney will draft the ballot title, and the City Recorder will publish the ballot title in the *Statesman Journal*. Members of the public may file an objection to the form of the ballot title with the Municipal Court. When the ballot title is in final form, it, along with the measure and other election documents will be submitted to the Clerks of Marion and Polk Counties, which certify the Measure for election.

At that point, the Measure will appear on the ballot for the May 16, 2017 election. March 16, 2017 is the final day a measure may be placed on the ballot, and after that date, the City will not be able to withdraw it from the ballot.

Dan Atchison
City Attorney

Attachments:

1. Response to Council Questions
2. Resolution No. 2017-19

- 3. Resolution No. 2017-20
- 4. Resolution No. 2017-21
- 5. Resolution No. 2017-18 (Seismic Improvements to City Facilities)