



CITY OF SALEM

585 Liberty St SE
Salem, OR 97301

Staff Report

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Version: 3

Date: 6/12/2017

Item #: 4.3b.

TO: Urban Renewal Agency Board
THROUGH: Steve Powers, Executive Director
FROM: Kristin Rutherford, Urban Development Director

SUBJECT:

Improvement and Reimbursement Agreement between the City of Salem, Oregon Department of Administrative Services, and the Urban Renewal Agency for infrastructure at the Mill Creek Corporate Center

Ward(s): Ward 3

Board Member(s): Nanke

Neighborhood(s): Southeast Mill Creek Association

ISSUE:

Shall the Urban Renewal Agency Board (Board) authorize the Executive Director to execute the attached Improvement and Reimbursement Agreement with the Oregon Department of Administrative Services seeking reimbursement for up to \$400,000 in Mill Creek Industrial Park Urban Renewal Area funding for construction of Mill Creek Drive improvements and silt-fence installation, in support of development at the Mill Creek Corporate Center?

RECOMMENDATION:

Authorize the Executive Director to execute the attached Improvement and Reimbursement Agreement with the Oregon Department of Administrative Services seeking reimbursement for up to \$400,000 in Mill Creek Industrial Park Urban Renewal Area (MCIP URA) funding, for construction of Mill Creek Drive improvements and silt-fence installation in support of development at the Mill Creek Corporate Center.

SUMMARY AND BACKGROUND:

The Oregon Department of Administrative Services (DAS), City, and Urban Renewal Agency executed an Intergovernmental Agreement (IGA) in 2005 to coordinate implementation of the Mill Creek Corporate Center, including financing of required on and off-site infrastructure.

The IGA states that the City and Agency are responsible for funding off-site infrastructure and that a

Master Developer or DAS is responsible for on-site infrastructure consistent with a master project list. The master project list is updated as project costs and conditions change. Updates to the master project list were included in a 2012 amendment to the Mill Creek Corporate Center Infrastructure Agreement (Exhibit B of the IGA).

The projects that the Urban Renewal Agency is seeking reimbursement for are eligible for funding under the MCIP Plan. On March 13, 2017, the Board authorized Resolution 17-1 URA, amending the MCIP Plan by expanding the list of eligible infrastructure projects to include minor infrastructure improvements that are needed to support development in the URA and will not cost more than 10 percent of the total indebtedness identified in the URA Plan (equal to \$2,600,000).

FACTS AND FINDINGS:

The City and Agency are seeking reimbursement from DAS for two infrastructure improvements contained in the 2012 master project list and a project added to the MCIP URA in 2016 (Attachment 1). If the proposed Improvement and Reimbursement Agreement is approved by the Council and Board tonight, staff will execute the agreement before July 1, 2017, (Attachment 2). All requested DAS funding is anticipated before June 30, 2018. Reimbursement projects include:

- (City) Waterline installation - installation of approximately 3,500 linear feet of S-1 water main from Aumsville Highway to the Henningsen Cold Storage site; up to \$1,100,000 is included in the recommended FY 17-18 Public Works construction budget for this project; first phase of waterline from Mill Creek Drive to Henningsen Cold Storage completed in 2016; construction start is expected in August 2017
- (MCIP URA) Mill Creek Drive - completion of striping, construction of stormwater management facilities, and required landscaping to meet City standards; a total of \$335,000 is included in the adopted FY 16-17 and recommended FY 17-18 MCIP URA budget for these improvements; construction planned in fall 2017
- (MCIP URA) Silt fence installation - reimbursement for up to \$42,000 in MCIP URA funding for installation of silt fencing to deter the presence of streak horned larks on and adjacent to the Henningsen Cold Storage site and adjacent property, prior to construction the Agency approved up to \$85,000 in FY 16-17 MCIP URA funding and amended the MCIP Plan to add the project in March 2016;

On January 20, 2017, the Mill Creek Corporate Center Implementation Committee (IC) recommended the City and Agency initiate final design and bid preparation for the waterline and Mill Creek Drive improvements and that DAS reimburse the City for costs associated with these projects.

City and Agency oversight of these projects is expected to generate cost savings because the projects can be coordinated with other planned improvements in summer 2017 and be completed prior to final paving of a pedestrian/bicycle access road in the vicinity of the waterline. Because initial funding for these projects is coming from the City and Agency, a separate item is on the Council agenda tonight seeking authority from the Council to enter into the proposed Improvement and Reimbursement Agreement.

Annie Gorski
Economic Development Manager

Attachments:

1. Site Map Showing Project Locations
2. Draft Improvement and Reimbursement Agreement

May 24, 2017