



# CITY OF SALEM

585 Liberty St SE  
Salem, OR 97301

## Staff Report

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File #: 19-128

Version: 1

Date: 4/8/2019

Item #: 7.1b.

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**TO:** City Council  
**THROUGH:** Steve Powers, City Manager  
**FROM:** Kristin Rutherford, Urban Development Director

**SUBJECT:**

Substantial Amendment to the North Gateway Urban Renewal Area

Ward(s): 5

Board Member(s): Ausec

Neighborhood(s): North Gate

Result Area(s): Strong and Diverse Economy; Welcoming and Livable Community; Safe, Reliable and Efficient Infrastructure

**ISSUE:**

Shall the City Council conduct first reading and proceed to second reading of Ordinance Bill No. 4-19, adopting a Substantial Amendment to increase the maximum indebtedness to the North Gateway Urban Renewal Area?

**RECOMMENDATION:**

Conduct first reading and proceed to second reading of Ordinance Bill No. 4-19, adopting a Substantial Amendment to increase the maximum indebtedness to the North Gateway Urban Renewal Area.

**SUMMARY:**

The North Gateway Urban Renewal Area (URA) is approaching the end of its funding availability. There is approximately \$6 million remaining to be allocated towards future projects, out of the approved \$75 million. Due to the current projects and opportunities occurring in the North Gateway URA and expected future growth and development, the North Gateway Advisory Board recommends increasing the maximum indebtedness (amount available to spend on projects) by \$25,466,402 from \$75 million to \$101,466,402.

Proposed projects determined the indebtedness increase. The projects include the building

rehabilitation/restoration grant program, development infrastructure, affordable housing development, site redevelopment, bicycle and pedestrian connections, transportation infrastructure, and additional streetscape enhancements.

## **FACTS AND FINDINGS:**

On September 10, 2018, the Urban Renewal Agency Board directed staff to begin the process of increasing the maximum indebtedness for the North Gateway URA. Staff worked with consultants to conduct the necessary financial analysis. Staff also worked with City departments and the North Gateway Advisory Board to determine the projects and project costs to be included within the proposed Amendment.

The process of adopting a Substantial Amendment to the Urban Renewal Plan consist of the following steps:

- Preparation of an Amendment, including the opportunity for citizen involvement. (*The North Gateway Advisory Board has been involved in the decision making, and information was shared with the Northgate Neighborhood Association as the amendment was being finalized. In addition, staff met with taxing district representatives early in the process to vet funding levels and proposed project lists.*)
- Provide a copy of the Amendment (Attachment 2 - Exhibit A of Resolution No. 4-19) and the January 4, 2019, Plan Report (Attachment 3- Exhibit B of Resolution No. 4-19) to the governing body of each taxing district. (*Notification was sent via certified mail on February 21, 2019*)
- Notice to all citizens of a Public Hearing before City Council. (*Notice was provided via postal mail through both direct and utility mailers beginning on February 22, 2019*).
- Review and Recommendation by the Planning Commission (Attachment 4). (*Meeting was held on March 5, 2019, with a recommendation to approve*).

If the proposed Amendment is adopted by City Council, a follow up staff report will be taken to the Urban Renewal Agency on April 22, 2019, with a resolution to finalize the Amendment.

## **BACKGROUND:**

The North Gateway URA is a 900 acre urban renewal area established in 1990 with a maximum indebtedness (total amount the URA is allowed to collect from property taxes) of \$75 million. Since its establishment, a variety of projects have been completed including infrastructure improvements, community developments (Hollywood Station Mixed Use Project/Center 50+), affordable housing, and business development assistance. In the past three years, \$6.5 million in public funds have combined with over \$23 million of private investment.

The proposed Amendment will increase the maximum indebtedness by \$25,466,402 from \$75,000,000 to \$101,466,402 and update the following Sections;

- Section 600-Urban Renewal Activities
- Section 1200- Maximum Indebtedness
- Exhibit 8 (update Report of the Plan)

The new projects being proposed in Ordinance Bill No. 4-19 for addition to the Plan align with the goals and objectives of the existing North Gateway URA Plan while also confirming to the Salem Comprehensive Plan and are outlined below.

- North Gateway Building Rehabilitation/Restoration Grant Program

*Purpose: A match grant program to assist property owners with renovation, new construction, infrastructure, and equipment needs for development projects. The grant program is included in an existing project in the Plan. Separating the grant program will more clearly identify funding availability for building rehabilitation and restoration.*

- Development Infrastructure Assistance Program

*Purpose: In coordination with the Grant Program to specifically target those properties that lack necessary city infrastructure such as water, sewer, etc.*

- Establish Left Turn Lane from Silverton Road to 17<sup>th</sup> Street

*Purpose: A traffic signal will be included to improve traffic flow and safety at the intersection.*

- Pine Street Redevelopment

*Purpose: Costs associated with site preparation and potentially contributing to construction as it aligns with the goals of the North Gateway URA for redevelopment of 2640 Portland Road NE and other adjacent sites in the corridor.*

- Gateway Streetscape Enhancements

*Purpose: Additional funding to continue enhancing the streetscape in order to complement future development including; lighting, sidewalks, landscaping, street furnishings, murals, sculptures, and other associated enhancements.*

- Niles Avenue Infrastructure

*Purpose: Provide full street improvements (lights, sidewalks), in addition to necessary upgrades to the water and storm systems along Niles Avenue. Project would be completed in conjunction with funding from Public Works.*

- Bicycle and Pedestrian Paths

*Purpose: Construction of bicycle and pedestrian paths within the NGURA,*

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*including alternatives to the Portland Road Underpass and Salem Industrial Drive path connections.*

- Environmental Site Clean Up

*Purpose: Remediate any environmental contamination of sites.*

A proposed list of future projects has been identified. Projects would continue to be approved for implementation on an annual basis as part of the City and URA budget process.

Sara Long  
Project Manager

Attachments:

1. Ordinance Bill No. 4-19
2. Exhibit A - North Gateway URA Plan Amendment
3. Exhibit B - North Gateway URA Report
4. Salem Planning Commission Recommendation