



Legislation Details (With Text)

File #: 22-209 **Version:** 1

Type: Informational Report **Status:** Filed

In control: City Council

On agenda: 5/16/2022 **Final action:** 5/16/2022

Title: Infrastructure Bond Engagement Steering Committee recommendation for November 2022 Community Improvement Bond.

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: 1. Funding for each Community Improvement Bond category.pdf, 2. Steering Committee recommended project list, 3. Public Comments received by 5:00 p.m., 5-11-22.pdf, 4. Public Comments received by 1:30 p.m., 5-16-2022.pdf, 5. Public Comments received by 4:00 p.m., 5-16-2022.pdf, 6. Public Comments received by 5:00 p.m., 5-16-2022.pdf

Date	Ver.	Action By	Action	Result
5/16/2022	1	City Council	received and filed	

TO: Mayor and City Council

FROM: Kristin Retherford, Interim City Manager

SUBJECT:

Infrastructure Bond Engagement Steering Committee recommendation for November 2022 Community Improvement Bond.

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SUMMARY:

The purpose of this Work Session is to discuss the Infrastructure Bond Engagement Steering Committee recommendation for the Community Improvement Bond proposal. The City of Salem has

pressing needs for fire engines and equipment, for improvements to streets and sidewalks, for parks, for affordable housing and shelter, and other projects to improve the community. The City Council is looking at paying for these critical needs through a \$300 million bond measure for voters to consider in November 2022. Without raising tax rates, bond-funded projects would take care of what we have, prepare us for the future, saving money currently spent on repairs and maintenance of outdated facilities and equipment.

Specifically, the recommended \$300 million package includes ten years of community-scaled fixes to our streets, sidewalks, and in our parks, with investments in new mixed-use affordable housing with a branch library at two sites, much-needed fire engines and equipment, earthquake safety improvements for the Civic Center, and cybersecurity to protect residents and our services relying on technology.

ISSUE:

Discussion of Steering Committee's recommendation for November 2022 Community Improvement Bond.

RECOMMENDATION:

Information only.

FACTS AND FINDINGS:

The Materials summarized in this report are derived from materials presented to the Infrastructure Bond Engagement Steering Committee. All material, in its original form, is featured on the [Infrastructure Bond Engagement Steering Committee](https://www.cityofsalem.net/Pages/infrastructure-bond-engagement-steering-committee.aspx) <<https://www.cityofsalem.net/Pages/infrastructure-bond-engagement-steering-committee.aspx>> web page on the City of Salem's website. Recordings of the meetings are available on the 'City of Salems public meeting channel on YouTube <https://www.youtube.com/channel/UCQLj9RKZNHu4wfYcs_TC0TA>.

Bond Engagement Steering Committee. On October 25, 2021, the Salem City Council adopted the Council's Finance Committee recommendation for an infrastructure bond measure and approved a City Council subcommittee to guide outreach and engagement strategy for the bond, recommend a bond package to the City Council, and recommend strategies for accountability on bond spending after November 2022. The Infrastructure Bond Engagement Steering Committee is comprised of Mayor Bennett and Councilors Gonzalez, Hoy, Lewis, and Stapleton. Councilor Varney was appointed in March 2022 to fill the position vacated by Councilor Lewis.

Since December 2021, the Steering Committee held seven meetings, receiving testimony in writing and virtually, before developing a recommendation for the Salem Community Improvement Bond in

April 2022. Project ideas came from community outreach with neighborhood associations, advisory boards and commissions, and civic interest groups. Some ideas came from public testimony during Steering Committee

<https://www.cityofsalem.net/Pages/infrastructure-bond-engagement-steering-committee.aspx>

meetings, others from earlier community outreach in planning park areas or safety in travel corridors. In building the recommended package, Steering Committee members considered capital improvement program scoring, geographic spread of benefit from bond projects, and equity and impact on the climate. The Committee also considered the potential impact on operations of new infrastructure investment, looking for ways to decrease and not add to maintenance costs. For example, the majority of the investment is about taking care of what we have - not building, for example, a new park that would add to day - to - day operating cost.

Public Opinion Research. In mid-January, Salem’s contractor DHM Research, completed a statistically valid sampling or poll of registered voters in Salem to assess voter priorities for a potential community improvement bond to fund public infrastructure. Survey respondents were contacted from a voter list, and was administered in both English and Spanish - on cell or land lines - and respondents could complete the survey by phone and online. Survey respondents were set by age, gender, race, area of the city, education, homeownership status, and party affiliation to match the demographics of voters in Salem.

Overall, the poll showed a positive response to the Community Improvement Bond proposal. The survey showed that voters understood the need, viewing the condition of the City’s infrastructure to be poor and believing it is getting worse. Support for the proposal increased to 60% when voters learned they could approve the bond without increasing current tax rates (from 49% at the outset of the poll, without information about the measure). Voters prioritized maintenance and repair of existing streets, bridges and sidewalks over any other portion of the bond package. Second tier priorities included purchasing of land for affordable housing, building new streets and sidewalks, and replacing aging fire engines and equipment.

The multi-purpose bond concept was compelling because there will be independent oversight, require no increased in current tax rates, and will allow the City to make a long-range plan for infrastructure investment over the next ten years. When voters heard more about the projects, most responded positively, especially when it comes to improving streets and sidewalks, upgrading data security, purchasing new fire engines and life-saving equipment, and buying land for two new fire stations. It is important to note; however, voter sentiment about the direction of the City is generally negative and, while affordable housing is a high priority for most voters, one in three voters also consider it a very low priority which suggests it is one of the most controversial of potential projects proposed in bond. For those who do view it as a high priority, there is no consensus of how to address the affordable housing need. Specific projects help voters see alignment to their priorities.

Experience of Other Communities. Community livability measures have been successful in other communities such as Denver, Albuquerque and Las Cruces, Seattle, and El Paso. All the ballot measures studied in these communities represent multi-objective “asks” for voters to consider presented by projects and topics in individual measures or combined measures. Each of these capital measures were branded as a package. Voters approved most of the measures, usually by

wide margins. Best practice includes: branding, describing projects well to ensure voters are aware of what they are buying, engaging partners and community members in developing the project list, ensuring the list has community-wide benefits, and providing assurance of accountability and transparency after the measure passes.

Community Interviews. As an early step in community engagement, the City of Salem's consultant - Barney & Worth, Inc. - interviewed a cross-section of 20 community leaders including business and community leaders, neighborhood associations, employee union representatives and others who are involved or have a possible interest in a funding measure. Participants were interviewed by phone and asked about their involvement in the capital funding discussions, and invited to share their views on project priorities, the proposed amount, election timing and effective voter communications. The report reflects the advice, feelings and attitudes of the individuals interviewed.

In summary, community leaders confirmed the need for capital improvements and that raising up to \$300 million without increase the property tax rate is compelling. The menu of community improvements was described by some observers as "too long" and complicated, possible making explanation of the measure more challenging and reflecting a concern that none of the funding categories may enjoy uniform support. A multi-faced communication program is viewed as essential to reach voters. While support appears strong and many community leaders are on-board with the concept, the question of who will contribute public endorsements and financial support to a future campaign remains open and undecided.

Community Input Shapes Bond Recommendation. In developing the recommendation, Steering Committee members considered input from community members provided in testimony at Committee meetings and gathered in community briefings at Neighborhood Associations, advisory boards and commissions, and other civic organizations. Members discussed information and findings gathered from public opinion research, community interviews, bonding experience of other communities.

As initially envisioned, in December 2021 as the Steering Committee began its deliberations, the bond package included categories of funding. Some of the project categories of need were considered to be "fixed" with known costs such as investments in fire trucks and equipment, technology and cybersecurity, Civic Center earthquake safety, and acquiring property and constructing future fire stations. In the other categories, community need of a category exceeds available funding. These "scalable" categories of community need include streets and sidewalks, parks and recreation facilities, and affordable housing and sheltering. Through March 2022, the purpose of community engagement and outreach was to gather ideas for community projects of interest in the scalable categories.

- **Briefings at Neighborhood Associations and Advisory Boards and Commissions.** Staff participated in briefings at Salem's Neighborhood Associations and Salem's Boards and Commissions who are advisory to the Salem City Council. After a concise overview of the proposal and funding categories, staff solicited input on whether the funding categories were

relatively appropriate and sought specific project ideas for the streets and sidewalks, park upgrades, and affordable housing categories. Specific project suggestions reflect a deep knowledge of current conditions in neighborhoods and area parks. The majority of project suggestions, included in each Steering Committee packet, cited specific sidewalk repairs in older neighborhoods, missing sidewalk and bicycle pathway connections in others, adding high priority bicycle and pedestrian projects from Bike & Walk Salem plan, repairing streets, replacing outdated park equipment and facilities, and incorporating projects from recently approved park master plans.

- **Project Suggestions from Community Survey.** From December 2021 to April 2022, the City received 225 responses to the community survey seeking ideas for streets and sidewalks, parks and recreation facilities, and affordable housing and shelter projects. Write-in priorities echoed other community feedback and included specific requests for branch libraries, pools, and sports courts (upgrade to all season fields, add tennis and futsal courts).
- **Testimony at Steering Committee.** At Steering Committee meetings, members took testimony and heard directly from Neighborhood Associations, Advisory Boards, and community members with specific ideas and suggestions for the Community Improvement Bond.
- **Suggestions from Schools and Transit.** Additionally, suggestions for ADA improvement projects were contributed by the Salem Keizer Mass Transit District and safe route to school project ideas projects which exceed available grant funded were offered by the Salem Keizer School District.
- **Ideas Included in Recommended Package.** Many of the ideas and suggestions were included such as:
 - New or missing sidewalk connections, replacing sidewalks in older neighborhoods, and safer crossings for school and park access. Specifically, sidewalks along Fisher Road.
 - Connecting bike lanes in the east/west direction.
 - Adding branch libraries.
 - In parks, adding play or sport courts, shelters, and restrooms.
 - Building more affordable housing.
 - Improving McGilchrist Street SE, Pringle Road SE, and State Street Corridor.
 - Completing the Pringle Creek Trail Connection, under Commercial Street from Civic Center to Riverfront Park.
 - Constructing new street, Marine Drive, to relieve some congestion on Wallace Road associated with local trips.

Some project ideas can also be sourced from existing infrastructure plans. Existing infrastructure plans, like Bike & Walk Salem and Transportation Systems Plan, contain project ideas resulting from previous community engagement and outreach.

Steering Committee Recommendation

The Steering Committee adjusted its recommendation based on community input, as noted below. In particular, the portion of funding for streets and sidewalks was increased, while funding for Civic Center earthquake safety was decreased. New projects were added such as mixed-use branch library locations with affordable housing, and an affordable housing opportunity fund.

Recommended funding for each Community Improvement Bond category is summarized in a chart found in Attachment 1.

Of note, most of the street improvement projects improve bicycle and pedestrian facilities. River Road slide mitigation is not included at this time; however, staff will seek other funding sources, such as State of Oregon grants, due to the potential regional transportation benefit as an alternative access to communities west of Salem during an emergency.

Selection of Projects. Recognizing the need for street and sidewalk improvements, parks upgrades, and construction of new affordable housing far exceed available funds, the Steering Committee, considered overall community need, whether projects were eligible for bond funding, a project's readiness and whether it could be completed within the bond time period, whether one project would use a disproportionate amount of funding for the category, area or of the proposed bond measure overall, whether it could reduce operating cost or improvement efficiency, and how it scored against existing Capital Improvement Program evaluation criteria. In building the recommended package, Steering Committee members considered equity and our impact on the climate. Projects recommended for funding are summarized below and listed in detail in Attachment 2.

Streets and Sidewalks: \$157 million to provide safer pedestrian crossings and install and complete sidewalks and safe bicycle routes; construct new streets and replace or add signals that improve traffic flow; and rehabilitate and repair bridges throughout the community. River Road, McGilchrist St SE, Doaks Ferry Rd NW, Battle Creek Rd SE, Browning Ave S, Fischer Rd NE, and Sunnyview Ave NE are some key roadways targeted for improvement.

- **Sidewalks** The Steering Committee dedicated funding to address three priorities for (1) safer pedestrian crossings, (2) sidewalk infill or construction of missing sidewalks for pedestrian connectivity, and (3) sidewalk replacement. For these improvements, specific locations will be identified as a result of additional neighborhood-scale and community outreach, after November 2022.
 - Safer Pedestrian Crossings (\$7.5 million) to include median islands, lighting, rapid flashing beacons (as needed), and new curb ramps and sidewalks to meet ADA requirements.
 - Sidewalk infill or construction of missing sidewalks (\$7.5 million) for pedestrian connectivity.
 - Sidewalk replacement of sidewalk panels that are failing (\$10 million).
- **Bicycle / Pedestrian Improvements:**
 - **State Street:** 13th St NE to 17th St NE Bike Lanes and Pavement; pavement rehabilitation and striping reconfiguration to provide one travel lane in each direction with a center turn lane and bike lanes. The work will include a pedestrian crossing at 15th Street and streetscape features. A new traffic signal at the 17th Street intersection will be also be included with northbound and southbound right turn lanes on 17th Street.
 - **Pringle Creek Path - Civic Center to Riverfront Park.** Construct a pedestrian bridge crossing of Pringle Creek under the Commercial Street bridge, construct a new path along Pringle Creek

from Commercial Street under the existing railroad bridge to the Riverfront Park. The work also includes creek overlooks and art wall. The bond includes funding for half the total cost of this project. The Steering Committee anticipates the remaining half of the project will be funded with South Waterfront Urban Renewal resources within the bond period.

- Liberty Street SE and Church Street Bridge SE railings - replacement concrete railings, matching historic style at bridges over Pringle Creek.
- **Pavement Repair and Rehabilitation.** Repave existing streets and improve curb ramps to meet ADA requirements at:
 - Commercial Street SE: Fabry Rd SE to Interstate 5 Ramp, and 12th St Cutoff to Boone Rd SE;
 - Center Street NE: 17th St NE to 24th St NE
 - 12th Street SE: Mill St SE to Hoyt St SE
 - Silverton Road NE: 17th St NE to Williams Ave NE, and Beacon St NE to Fisher Rd NE
 - Doaks Ferry Rd NW: Brush College Dr NW to Emerald Dr NW
 - Portland Road NE: Beach Ave NE to Northgate Ave NE
 - Liberty Street SE: Mill St SE to Trade St SE
 - Madrona Avenue SE: Peck Ave SE to Commercial St SE
- **Urban Upgrades.** Includes new curb, sidewalks, multi-use path and/or bike lanes, stormwater treatment, streetlights, and pedestrian crossings
 - McGilchrist Street SE: 12th St SE to 25th St SE (includes realignment and a new traffic signal at 22nd Street, upgrades to two creek crossings, and rail crossing improvements.)
 - Fisher Road NE: Silverton Rd NE / East-West Curve (includes a traffic signal replacement at Sunnyview Road and pedestrian crossings at Beverly Avenue and Devonshire Avenue)
 - Pringle Road SE: McGilchrist St SE to Georgia St SE (includes four pedestrian crossings near transit stops)
- **New Street: Marine Drive NW.** This first part of Marine Drive will go from Harritt Drive to Taybin and include a new multi-use pedestrian path connected to Wallace Marine Park. To help draw some of the local traffic from Wallace Road, this new road will be built to a 'collector street standard' with two travel lanes, including new curb, a sidewalk on the westerly side, 12' multi-use path on the easterly side, stormwater treatment, and streetlights. The work also includes connector streets at Harritt Drive, Beckett Street, and 5th Avenue. This work is estimated to be \$23 million of the \$157 million for transportation in the current bond package and has been scaled to be equitable for needs Citywide.
- **Bridge Rehabilitation.** Strengthen existing bridges to remove load restriction at:
 - Liberty Street NE Bridge over Mill Creek
 - 17th Street NE Bridge over Mill Creek
 - Mission Street SE Bridge over Pringle Creek
 - 15th Street NE Bridge over Mill Creek

Sites for Future Development: Branch Libraries and Affordable Housing: \$7.5 million. As we plan for the next ten years, building two branch libraries and more affordable housing will be critical to livability in our community. Funds are to acquire properties and begin development of

branch libraries on same sites with affordable housing. We know a new fire station needs to be sited in north Salem and another in south Salem to improve our response. These are also locations that have come up, through community dialogue, as locations where branch libraries may also be needed.

Park Upgrades: \$28.5 million. Salem has an excellent and well-used park system, but its aging facilities need updates. Replacing restrooms at Marion Square and Wallace Marine Parks and developing new trails, covered areas, playgrounds, pickleball courts and dog parks are among the projects identified for community priority-setting. The goal is to make up-to-date park facilities available in all parts of the City for all ages. The Steering Committee looked to maximize Bond funds by exploring the use of other funds such as SDCs. Bond funds allocated to Fisher Road Park development were reduced, due to the expectation that the remainder of the improvements could be funded with Parks SDCs during the bond period.

- **Replace playground equipment** at Royal Oaks, Livingston, McKay, Morningside, Aldrich, Riverfront, Woodmansee, Brush College, Minto Brown Island, and Clark Creek parks.
- **Add and replace restroom Facilities.** Add new four-stall restrooms at McKay School Park and Northgate Park; replace four-stall restroom at Cascades Gateway Park and eight-stall restrooms at Bush's Pasture Park and Wallace Marine Park.
- **Add and replace athletic courts.** Add new tennis/pickleball courts at Highland, Hoover, and River Road parks and replace multi-use athletic courts at Hoover, Morningside and Sumpter parks.
- **Add paths and Trails.** Park paths and trails throughout parks system. Locations will be determined, after outreach and Council approval.
- **Improve sport fields** at Geer Park, McKay School Park, and Orchard Heights Park.
- **Add shelters** at Bush's Pasture Park, Geer Park, Orchard Heights Park, and McKay School Park.
- **Pave Parking Lots** at Minto-Brown Island Park in Parking Lot 2 (dog park area) and Parking Lot 3 (river access area).

Affordable Housing Opportunity Fund: \$10 million. Provides gap funding to public and private developers to fund affordable housing. "Gap" funding refers to funds needed to offset project cost increases due to supply chain impacts, inflation, rising interest rates, or other cost increases that can occur over the 2-3 year project development cycle. These funds are only for those projects that will meet affordability criteria for developed units. While the criteria has not yet been established for this program, many programs incentivizing affordable housing target rents at the 80% Average Median Income level for the county.

Fire Engines and Equipment: \$26 million. Purchased with bond funds in 2006, Salem's fire engines are already 15 years old and have reached the threshold of 450,000 "motor miles". Despite excellent maintenance, the fire engines and other life-saving equipment are in urgent need of replacement. Investing in this life saving equipment will also save maintenance costs and time being spent on the current fleet.

Civic Center Earthquake Safety: \$39.4 million. The Civic Center - the City's busiest, most visited public building - was built 50 years ago. It needs to meet current earthquake standards that keep the community safe and ensure public accessibility. The Library was completed in 2021 - on-time and on-budget - to safeguard our children and other library users. Our next priority is to protect community members and staff who access City services and attend meetings next door at the Civic Center. This funding reinforces all three buildings to a life-safety standard, allowing for a higher probability of a safe exit during an earthquake. The buildings currently do not meet modern earthquake standards. Funds replace and reinforce skylight, windows, roof and other systems, with abatement of hazardous materials and restoration of areas impacted by structural work.

Technology and Cybersecurity: \$17.6 million. Every aspect of City services to residents and businesses relies on technology. Lessons learned from other cities underscore the need for up-to-date and fail-safe cybersecurity that protects personal data and makes it easier for the community to access services and programs. This funding replaces out-of-date financial reporting and accounting systems, provides for a second data center for recovery after a disaster, and redundant fiber ring for resiliency.

Future Fire Stations: \$14 million. Salem is planning ahead to meet growing community needs. It is clear the City will need two new fire stations to provide timely response during emergencies. The goal is to respond to every emergency within just five minutes.

A Note about Ongoing Community Investment. There are a number of infrastructure projects underway and funded in the City's five-year Capital Improvement Program (CIP). A public hearing on the 2023-2027 Proposed CIP (Capital Improvement Plan) occurred at the April 27, 2022 Budget Committee meeting. The [CIP is on a map <https://www.cityofsalem.net/Pages/capital-improvement-project-map.aspx>](https://www.cityofsalem.net/Pages/capital-improvement-project-map.aspx), too. Only items that have funding appear on the CIP. City leaders remain committed to exploring alternative funding sources, such as federal and state grants, to help support community improvement needs which may not be included in the 2022 Community Improvement Bond proposal. Other sources may include federal and state grants for larger-scale investments. When pooled for several years, other locally generated sources like System Development Charges from new development, can help pay for future infrastructure.

Next Steps

The City Council will be discussing this proposal and taking testimony at a May 16, 2022 Work Session. As early as May 23, 2022, Council may adjust the package and direct staff to solicit more public opinion research on the bond package recommendation. The Steering Committee will meet in early June to review the polling results, take further testimony, and consider any recommended changes to the bond package to the City Council. The measure needs to be formally referred by the City Council's August 8, 2022 meeting for the November ballot.

BACKGROUND:

Through the City Council Policy Agenda in 2018, the City Council addressed the need for a general obligation bonding strategy. After a recommendation from the City's Finance Committee, the Mayor appointed five Councilors for the Infrastructure Bond Engagement Steering Committee. The bond will total \$300 million, which will be issued strategically over a 10-year period. Due to expiring bonds, refinancing of current debt to lower rates, and an increase in assessed value of properties in Salem, the bond would not increase tax rates. Bond funded projects would save money currently spent on repairs and maintenance of outdated facilities and equipment, and improve energy efficiency.

Courtney Knox Busch
Strategic Initiatives Manager

Attachments:

1. Funding for each Community Improvement Bond category
2. Steering Committee recommended project list