

## Staff Report

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**File #:** 17-11**Version:** 1**Date:** 2/13/2017**Item #:** 3.3a.

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**TO:** Mayor and City Council**THROUGH:** Steve Powers, City Manager**FROM:** Kristin Retherford, Director, Urban Development Department**SUBJECT:**

Traffic signal at the intersection of Cordon Road SE and Gaffin Road SE

Ward(s): Ward 3

Councilor(s): Councilor Nanke

Neighborhood(s): Southeast Mill Creek Neighborhood Association (SEMCA)

**ISSUE:**

Shall the City Council authorize the use of an additional \$180,000 of Mill Creek Corporate Center Development District infrastructure fees to complete installation a new traffic signal at the intersection of Cordon Road SE and Gaffin Road SE?

**RECOMMENDATION:**

Authorize the use of an additional \$180,000 of Mill Creek Corporate Center Development District infrastructure fees to complete installation a new traffic signal at the intersection of Cordon Road SE and Gaffin Road SE (Attachment 1).

**SUMMARY AND BACKGROUND:**

In May 2005, the Mill Creek Industrial Park Urban Renewal Area (URA) was established following the March 2005 Intergovernmental Agreement (IGA) between the Urban Renewal Agency (Agency), the City of Salem (City), and the State of Oregon (State). The URA was created as a means to convert vacant underutilized property owned by the State into development ready industrial land to overcome the shortage of vacant, large lot industrial zoned property and create economic opportunities that benefit local and regional residents. A significant up-front investment was necessary to mitigate for environmental constraints, extend public utilities, and improve area transportation so the property could develop. The IGA defines the responsibilities of the parties and it establishes an Implementation Committee comprised of two members representing the State, one member representing the City, and one from the URA empowered to make contracting, financing, and marketing decisions by unanimous consent. The IGA also permits the creation of a development

district wherein infrastructure fees, similar to System Development Charges, are retained and utilized for the construction of public infrastructure at the Mill Creek Corporate Center. Infrastructure fees paid by developers of property at the Mill Creek Corporate Center are used to pay for public utilities that support the development.

In November 2005, the City approved the Mill Creek Industrial Park Development District Order and the associated infrastructure fee. In July 2005, the City and State entered into an infrastructure agreement identifying the sewer, storm water, water, waste water, and transportation projects that would be funded with infrastructure fees, land sale proceeds, and URA tax increment.

In January of this year, the Implementation Committee agreed to utilize an additional \$180,000 in fees to pay for the traffic signal improvements at the intersection of Cordon Road SE and Gaffin Road SE.

### **FACTS AND FINDINGS:**

The project to improve the intersection of Cordon Road SE and Gaffin Road SE is identified in the infrastructure agreement, with infrastructure fees identified as the funding source. It is also identified in the 2013 traffic impact analysis for the Mill Creek Corporate Center and the Salem Renewable Energy and Technology Center, which found this intersection did not meet City standards at the time of the study, and traffic was anticipated to worsen by 2017 without the signal and left turn lane. Improving the intersection of Cordon and Gaffin will assist with traffic flow for the Salem Renewable Energy and Technology Center and the Mill Creek Corporate Center and fulfills this requirement in the traffic impact analysis.

The total cost for the project is estimated at \$680,000. The City approved funding \$400,000 in infrastructure fees for the signal project in the fiscal year 2016-2017 budget. To date, there has been \$400,000 in infrastructure fees and \$100,000 in developer contributions dedicated to the signal project. The proposed \$180,000 in infrastructure fees will be applied for completion. Private development occurring adjacent to the intersection will be responsible for the left turn lane; with a dedicated right turn lane and curb and gutter construction occurring at a future date based on additional new development that would warrant the improvement.

Tory Banford  
Project Manager

### **Attachments:**

1. Intersection Project Location