



Staff Report

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Item #:

TO: Mayor and City Council

THROUGH:

FROM: Steve Powers, City Manager

SUBJECT:

Salem Strategic Plan Goals

Ward(s): All Wards

Councilor(s): All Councilors

Neighborhood(s): All Neighborhoods

ISSUE:

Shall the City Council adopt the goal recommendations prepared by City Council Work Groups for inclusion in the Salem Strategic Plan?

RECOMMENDATION:

Adopt the goal recommendations prepared by City Council Work Groups for inclusion in the Salem Strategic Plan.

SUMMARY AND BACKGROUND:

As part of the Fiscal Year 2016-17 Budget development, the Budget Committee and City Council discussed the need for an overarching plan to guide future decision making as the community and organization change. In mid-October 2016, this citywide strategic planning effort began. The strategic planning effort includes:

- A **citywide strategic plan** stating the mission, vision, values, and goals for the community, and the actions that the government can take to achieve those goals;
- An **annual work plan** detailing the actions the City will take in the first year of the strategic plan; and
- A set of measures by which the City Council and the community can **gauge progress**.

The first phase of the project, the Situation Assessment, is complete. The Situation Assessment includes existing data and performance measures for City services; economic and demographic trends; results of a statistically valid survey to assess resident satisfaction with City services and interviews with community members and civic partners, Mayor and Councilors, and department heads; and input from employees.

In the March 6, 2017 Work Session, City Council reached consensus on mission, vision and values statements for the organization.

Vision

A safe and livable capital city with a sustainable economy and environment that is open to all.

Mission

The City of Salem provides fiscally sustainable and quality services to enrich the lives of present and future residents, the quality of our environment and neighborhoods, and the vitality of our economy.

Values

- *Opportunity* - Salem is proactive and forward-thinking
- *Compassion* - Salem is fair, equitable, and safe
- *Responsiveness* - Salem is at your service, with capacity and partnerships to prepare for the future
- *Accessibility* - Salem is open and inclusive

FACTS AND FINDINGS:

Council Work Groups

Based on input outlined in the Situation Assessment, City Council identified six priority topics. The topics were developed through City Council Work Groups. All Work Groups met in April to define the scope of the topic's issues, desired outcomes, and ideas for actions. Meetings were publicly noticed and comments were taken. Work Groups met on the following topics:

- *Vision for Growth and Development* Council Work Group includes Councilors McCoid, Cook, Lewis, and Nanke. Lisa Anderson-Ogilvie, Interim Community Development Director, serves as the lead staff person.
- *Affordable Housing, Social Services, Homelessness* Council Work Group includes Councilors McCoid, Andersen and Cook. Andy Wilch, Housing Administrator, serves as the lead staff person.
- *Economic Development and Downtown* Council Work Group includes Mayor Bennett and Councilors Nanke, Hoy and Kaser. Kristin Retherford, Urban Development Department Director, serves as the lead staff person.
- *Critical Infrastructure* Council Work Group includes Councilors Ausec, Lewis, Nanke and Kaser. Peter Fernandez, Public Works Director serves as the lead staff person.
- *Sustainable Service Delivery* Council Work Group includes Councilors McCoid, Andersen, Ausec and Cook. Kacey Duncan, Deputy City Manager, serves as the lead staff person.
- *Public Transportation* Council Work Group includes Mayor Bennett and Councilors Kaser, Lewis, Hoy. Julie Warncke, Transportation Planning Manager, serves as the lead staff person.

Work Groups will report on their progress at a May 6 City Council Work Session and seek Council consensus on the recommended goals for each of the six topics. Summaries from each Work Group are included as attachments.

Recommended Goals

Vision for Growth and Development

Issue, as defined by Work Group

Salem's existing vision for growth and development, as encompassed by the Salem Area Comprehensive Plan, is out of date and has been developed over the years in a piecemeal fashion that has resulted in disconnected ideas for how the city should grow. The existing vision also lacks awareness and ownership by the community.

Vision for Growth and Development Goal

Develop a comprehensive long-term vision for future growth and development in Salem that has buy in and ownership by the community.

Work Group Recommendation

- Conduct citywide visioning to determine the community's goals and priorities for future growth and development
- Use the results of the visioning project to update the Salem Area Comprehensive Plan

Affordable Housing, Social Services, Homelessness

Issue, as defined by the Work Group

More than half of Salem's households are rent-burdened, paying more than 30% of their income toward housing costs. A minimum wage worker can afford a rent of \$563/month. However, the average Salem apartment rents for \$700 for 1 bedroom units and \$871 for 2 bedroom units; and rents are increasing at a rate of more than 10% annually. Salem's housing stock is currently missing at least 6,400 affordable units for its residents. As demand for all types of rental housing continues to outpace development, the vacancy rate in Salem declines. It is currently below 1.3%.

There is greater community need for social services, specifically for homeless shelters and food assistance, than there are currently services and funding to address. There is also a lack of service coordination, strategic funding and accurate, comprehensive data to fully understand the true nature of the needs and gaps in social services.

Affordable Housing Goals

- Increase the affordable rental housing stock in the Salem area.
- Create a sustainable, substantial funding stream for affordable housing.
- Enhance neighborhood livability and resident engagement through thoughtful affordable housing site selection, development and design, which prioritizes access to transit, proximity to services and the creation of a sense of community.

Social Services and Homelessness Goals

- Implement a "Housing First" strategy to create permanent supportive housing.
- Maximize resources for and coordination of local social services.
- Support programs that house and serve the most vulnerable, at-risk homeless individuals.

Economic Development and Downtown

Downtown Revitalization Goals

- Increase Assessed Value
- Fill vacant second stories

- Create a vibrant downtown destination
- Create jobs and housing downtown
- Mobility/Walkability/Connections
- Traffic reduction (freight)
- Improve alley activity
- Increase downtown housing types and options
- Encourage redevelopment in North Waterfront and North Downtown

Economic Development Goals

- Job creation
- Business Recruitment
- Business Retention and Expansion
- Start-ups and Entrepreneurialism
- Land Supply and Site Readiness
- Quality jobs
- Workforce Development

Critical Infrastructure

Issue, as defined by the Work Group

The City of Salem owns and operates a vast and valuable network of infrastructure. Infrastructure in Salem generally includes buildings, streets and appurtenances, pipes, dams, properties, parking garages, recreation facilities, runways and taxiways, equipment, and trees. Well-maintained and operated infrastructure is required for the efficient provision of services, the economic vitality of the community, and quality of life experienced by residents and visitors.

Salem funds the operation and maintenance of its infrastructure through a variety of sources. These include: the General Fund, Streetlight Fund, Transportation Services Fund, Transient Occupancy Tax, and Utility Fund. Capital construction is funded by Utility Rates, Urban Renewal Funds, System Development Charges, General Obligation Bonds, and Grants.

The *Situation Assessment Report* provided two findings regarding infrastructure.

Finding 12: The City has deferred maintenance on critical infrastructure

Finding 13: Big capital projects will continue to be a challenge

While the current version of the *Capital Improvement Program* identifies \$164 million in infrastructure construction projects, 95 percent of the project funding is dedicated to the City's utility and transportation system. A large number of critical infrastructure projects are known-most are listed in the City's Infrastructure Master Plans-but are not yet funded. These are listed below (not in priority order):

- Shops complex upgrade and rehabilitation
- Streets and bridges deferred maintenance and expansion
- Civic Center rehabilitation
- Salem Fire Department rolling stock
- IT enterprise application upgrades and expansions
- Parks rehabilitation and expansion
- Sidewalk repair and construction

- Wallace Marine softball complex
- Utility deferred maintenance and expansion
- Airport runway extension
- Parking garage maintenance and security

Critical Infrastructure Goal

Simplify and streamline the City's infrastructure master planning process to better align Council and community goals to infrastructure funding. Map Strategic Plan strategies and goals to appropriate adopted master plans.

Work Group Recommendations

1. Develop criteria for infrastructure maintenance prioritization that is reviewed and endorsed by Council.
2. Utilize the criteria to prioritize infrastructure maintenance needs, by available funding sources.
3. Develop a budget process that specifically identifies maintenance activities.
 - a. Should budget reserves be considered for addressing deferred maintenance needs?
4. Develop a general obligation bonding strategy that:
 - a. Sets project priorities;
 - b. Includes a public involvement strategy for its development;
 - c. Addresses follow up actions in the event a bond election fails, or capital priorities change; and
5. Considers requirement of an operations budget set-aside for maintaining the improved facility, perhaps as a percent of the capital cost.
6. Explore alternative funding for capital projects. Examples include, but are not limited to:
 - a. Business registration fee;
 - b. New utility fees;
 - c. Local improvement districts; and/or
 - d. Local option gas tax.

Sustainable Service Delivery

Issue, as defined by the Work Group

The City's General Fund has a structural imbalance between revenues and expenditures, precluding the City's ability to sustain current or new services

Sustainable Services Goal

- Ensure fiscal sustainability and provide for improved services by aligning resources with the cost of services and maintaining an adequate fund balance.

Work Group Recommendation

- Assign a revenue committee to explore new, potential funding mechanisms and revenue sources
- Review fees charged for services and the adequacy of recovered costs
- Determine whether services can be conducted in a more cost effective or efficient manner

Public Transportation

The Public Transportation Work Group met to define the issue and identify a range of options to

address the issue. The group is scheduled to meet again on Monday, May 1 to refine the initial options for City Council consideration at the May 6 work session..

Issue, as defined by the Work Group

Transit Service in Salem does not meet the needs of the community; particularly, the lack of weekend service.

Initial Options Identified to Address the Issue

- Continue to address transit needs in project and land use planning (status quo)
- Review development requirements (such as those relating to sidewalks, transit stops/shelters, pedestrian access)
- Revisit employee incentives (such as bus passes)
- Renew agreement with Cherriots regarding operations in the right-of-way
- Identify/fund transit-supportive capital projects (future bond measure, grant applications)
- Support transit funding (local proposals and state/federal lobbying)

Council will consider feedback on the goals at a June 1 Community Open House and continue to develop a draft Strategic Plan over the summer, in preparation for a September 19 Community Open House.

Courtney Knox Busch
Strategic Initiatives Manager

Attachments:

1. *Vision for Growth and Development* Council Work Group discussion summary
2. *Affordable Housing, Social Services, and Homelessness* Council Work Group discussion summary
3. *Economic Development and Downtown* Council Work Group discussion summary
4. *Sustainable Service Delivery* Council Work Group discussion summary