



Staff Report

File #: 19-175

Version: 1

Date: 4/22/2019

Item #: 7.2a.

TO: Mayor and City Council

THROUGH: Steve Powers, City Manager

FROM: Kristin Retherford, Urban Development Director

SUBJECT:

North Gateway Urban Renewal Area Substantial Amendment

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 a second reading of Ordinance Bill No. 4-19 and adopt a Substantial Amendment to the North Gateway Urban Renewal Area?

RECOMMENDATION:

Conduct a second reading of Ordinance Bill No. 4-19 adopting a Substantial Amendment to the North Gateway Urban Renewal Area.

SUMMARY:

The North Gateway URA is approaching the end of its funding availability with approximately \$6 million remaining of its \$75 million maximum indebtedness (total amount the URA is allowed to collect from property taxes and spend on projects). The North Gateway Advisory Board recommends increasing the maximum indebtedness by \$25,466,402 from \$75 million to \$101,466,402.

The proposed projects for the indebtedness increase include grant program continuance, development infrastructure, affordable housing development, site redevelopment, bicycle and pedestrian connections, transportation infrastructure, and additional streetscape enhancement projects.

FACTS AND FINDINGS:

On September 10, 2018, the Agency Board directed staff to begin the process of increasing the maximum indebtedness for the North Gateway URA. Consultants completed the necessary financial analysis. City departments and the North Gateway Advisory Board provided information and input 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 is:

- 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.)*
- 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).
- Public Hearing by City Council (held on April 8, 2019).
- First Reading of Ordinance 4-19 (conducted April 8, 2019).

If Ordinance 4-19 is adopted by City Council, a resolution to adopt the proposed amendment will also be considered by the Urban Renewal Agency.

New projects are being added to the Plan that align with the goals and objectives of the existing North Gateway URA Plan and conform to the Salem Comprehensive Plan. The new projects being added to the North Gateway URA Plan are:

- North Gateway Building Rehabilitation/Restoration Grant Program
A match grant program to assist property owners with renovation, new construction, infrastructure, and equipment needs for development projects. This is an existing project in the plan.
- Development Infrastructure Assistance Program
Purpose: To coincide with the Grant Program and specifically target properties that lack necessary city infrastructure.

- Establish Left Turn Lane from Silverton Road to 17th Street
To improve traffic flow and safety at the intersection, a traffic signal would be included.
- Pine Street Redevelopment
Costs associated with site preparation and potentially contributing to construction.
- Gateway Streetscape Enhancements
Additional funding to continue enhancing the streetscape for future development including lighting, sidewalks, landscaping, street furnishings, murals, and sculptures, and other improvements.
- Niles Avenue Infrastructure
Provide full street improvements (lights, sidewalks) and 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
Construction of bicycle and pedestrian paths to provide alternatives to the Portland Road Underpass and Salem Industrial Drive path connections.
- Environmental Site Clean Up
Remediate any environmental contamination of sites for potential acquisition and redevelopment.

BACKGROUND:

The North Gateway URA is a 900-acre urban renewal area established in 1990 with a maximum indebtedness of \$75 million. A variety of projects have been completed including infrastructure improvements, community developments (Hollywood Station, Center 50+), affordable housing, and business development assistance. In the past three years, \$6.5 million in URA funds has combined with over \$23 million of private investment.

The proposed Amendment will increase the maximum indebtedness by \$25,466,402 from \$75 million 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)

Projects would be approved for implementation on an annual basis as part of the 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