



## Staff Report

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**File #:** 19-222

**Version:** 1

**Date:** 5/28/2019

**Item #:** 3.3c.

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**TO:** Urban Renewal Agency Board  
**THROUGH:** Steve Powers, Executive Director  
**FROM:** Kristin Retherford, Urban Development Director

### **SUBJECT:**

REPORT REVISED to correct Ward number and Councilor information.

Airport Site Readiness in Fairview Industrial Park Urban Renewal Area

Ward(s): 2  
Board Member(s): Andersen  
Neighborhood(s): SEMCA  
Result Area(s): Strong and Diverse Economy

### **ISSUE:**

Shall the Urban Renewal Agency Board authorize the use of \$115,000 from unallocated Fairview Industrial Park Urban Renewal Area funds for site readiness work at the Salem Municipal Airport?

### **RECOMMENDATION:**

Authorize the use of \$115,000 of unallocated Fairview Industrial Park Urban Renewal Area funds for site readiness work at the Salem Municipal Airport.

### **SUMMARY:**

Use of \$115,000 will begin preparing vacant Airport property within the Fairview Urban Renewal Area boundary for development of industrial and aviation uses.

### **FACTS AND FINDINGS:**

The Salem Municipal Airport includes about 70 acres of vacant land, including area for hangars, aviation, and industrial development. Land uses generated from improvements of private development on Airport land is the Airport's main source of revenue for operations and infrastructure. Airport development is guided by an adopted Master Plan (2013) with approval from the Federal Aviation Association (FAA).

There is approximately 20 acres of vacant Airport land that the City would like to develop for industrial and aviation uses at the southeast end of the Airport (Attachment 1) to generate additional lease revenue and respond to the continued demand from businesses looking for smaller acreage. The FAA requires that several studies be completed and any impacts mitigated prior to development. The expected studies:

- Wetlands delineation
- Phase I Environmental Assessment
- Archeological study
- Analysis of fill needed to bring a portion of the property above flood elevation

Implementation of the project is consistent with the Fairview Industrial Park URA Plan that encourages business expansion opportunities and development within the area.

Sufficient budget authority exists within the FY 2018-19 adopted budget for the Fairview Industrial Park URA to fund the project. The \$115,000 of funds would come from \$1,963,780 currently allocated for future, unspecified projects.

If the City is successful in securing a grant from Business Oregon, \$60,000 of the costs will be reimbursed. In addition to Agency funds, \$25,000 of Airport funds will be used for the work outside the Fairview URA boundary. The Airport has sufficient budget authority to fund those expenses.

## **BACKGROUND:**

The Salem Municipal Airport includes 751 acres and more than 130 tenant leases and businesses. Recent infrastructure improvements include a new airfield electrical system, runway, and taxiway rehabilitation. In 2014, the Oregon Aviation Department estimated that airport business contributes to 1,289 local jobs and \$54,318,000 in local wages.

Renee K. Frazier  
Financial Services Manager

## **Attachments:**

1. Airport Map