



Staff Report

File #: 21-394
Version: 1

Date: 9/13/2021
Item #:

TO: Mayor and City Council
THROUGH: Steve Powers, City Manager
FROM: Peter Fernandez, PE, Public Works Director

SUBJECT:

Reimburse a Portion of the Street, Sidewalk, and Storm Improvement Costs to the Developer Constructing Reed Road SE

Ward(s): 3
Councilor(s): Phillips
Neighborhood(s): Morningside
Result Area(s): Safe, Reliable, and Efficient Infrastructure.

SUMMARY:

Council approval of a new project for street improvements in the FY 2021-22 construction budget will allow City staff to reimburse the developer for additional street, sidewalk, and storm improvements needed to complete Reed Road SE between Fairview Industrial Drive SE and a point approximately 1000 feet north of Battle Creek Road SE. Developers within the Fairview Development District have collaborated to construct street, sidewalk, storm, and water improvements along Reed Road SE. A portion of the proposed street and storm improvements are eligible for partial funding from DDFs as specified in the Fifth Administrative Change to the Infrastructure Agreement between the City and the original Fairview Development District.

ISSUE:

Shall City Council authorize the creation of a new street project - "Reed Road SE Street Improvements - Developer Reimbursement" in the FY 2021-22 Fairview Development District to be funded with Development District Infrastructure Fees?

RECOMMENDATION:

Authorize the creation of a new street project - "Reed Road SE Street Improvements - Developer Reimbursement" in the FY 2021-22 Fairview Development District to be funded with Development District Infrastructure Fees.

FACTS AND FINDINGS:

Reed Road SE is classified as a Minor Arterial street in the *Salem Transportation System Plan*. Reed Road SE in its current configuration does not meet Minor Arterial street standards. Developments occurring within the Fairview Development District require the construction of street improvements along portions of Reed Road SE. City staff has been coordinating with the current developer to improve additional sections of Reed Road SE by using Development District Fees (DDFs) and System Development Charges (SDCs).

The total estimated cost for the improvements is \$4,265,000. Staff is recommending that the project costs will be funded as follows:

\$925,000 of Development District Funds authorized in this project request for street, sidewalk, and storm improvements.

\$1,440,000 of Development District Funds credited to the developer at the time building permit applications are received. This is in lieu of the City collecting the fees and then returning them to the developer when street costs are reimbursed.

\$650,000 of Water SDCs for the 18-inch water line required in conjunction with the street work.

The remaining \$1,250,000 are unreimbursed costs borne by the developers as their proportional share of the overall expenses.

There is sufficient budget and expenditure authority in the Development District Fund for this work. Construction is expected to begin this fall.

The following land use approvals require construction of portions of Reed Road SE as a condition of development:

Preliminary Declaration for Urban Growth Area Development Permit No. 04-8, which applies to most of the original 275-acre Fairview Development District.

Fairview Refinement Plan Major Amendment / Class 1 Design Review / Class 3 Site Plan Review / Class 2 Adjustment / Class 1 Adjustment / Class 2 Driveway Approach Permit Case No.: FRPA-DR-SPR-ADJ-DAP21-02 for a 183-unit multifamily development abutting Reed Road SE between Strong Road SE and Lindburg Road SE.

Urban Growth Preliminary Declaration Modification / Subdivision / Adjustment Case No. SUB-ADJ19-08 & UGA17-03MOD1 for a 209-lot subdivision located on the east side of Reed Road SE and north of Battle Creek Road SE.

Construction of the 18-inch water main is required in conjunction with the Reed Road SE improvements. The water main is a qualified public improvement that is eligible for SDC reimbursements, and funding is already included in the FY2021-22 construction budget.

BACKGROUND:

The Fairview Development District is a 275-acre area abutting Reed Road SE, Battle Creek SE, Pringle Road SE, and Old Strong Road SE that was adopted by Council to pay Development District Fees (DDFs) in lieu of System Development Charges.

The Fairview Development District was formed to fund infrastructure improvements within the District boundary. Recent examples of projects fully or partially funded with District funds include the right-turn lane at the intersection of Madrona Avenue SE and Commercial Street SE; street and intersection improvements at 25th Street SE and Madrona Avenue SE; and street improvements adjacent to Fairview Park.

Brian D. Martin, PE
City Engineer

Attachments:

1. Attachment 1, Project Location Map