

Staff Report

File #: 23-161**Version:** 1**Date:** 4/24/2023**Item #:** 6. f.

TO: Mayor and City Council**FROM:** Bond Oversight Steering Committee**SUBJECT:**

Summary of recent activity and progress on 2022 voter-approved Safety and Livability Bond measure.

Ward(s): All Wards

Councilor(s): All Councilors

Neighborhood(s): All Neighborhoods

Result Area(s): Safe, Reliable and Efficient Infrastructure; Strong and Diverse Economy; Welcoming and Livable Community.

SUMMARY:

The City has established an oversight committee for the spending and projects to be funded with the voter-approved Safety and Livability Bond measure. The first of three bond sales has occurred and several critical infrastructure projects are underway including acquisition of fire trucks and equipment, paving two parking lots at Minto Brown Island Park, and initial conversations about potential priorities for future investment in sidewalks, safer pedestrian crossings, and mixed use paths and trails.

ISSUE:

Receive a progress report on the 2022 Salem Safety and Livability Bond measure.

RECOMMENDATION:

Information only.

FACTS AND FINDINGS:

Voters approved [Salems safety and livability measure <https://www.cityofsalem.net/government/shaping-salem-s-future/2022-community-infrastructure-bond>](https://www.cityofsalem.net/government/shaping-salem-s-future/2022-community-infrastructure-bond) in November 2022, setting in motion a ten-year plan for \$300 million in infrastructure investment in Salem. As part of the community conversation about the

measure, voters were assured the City would establish a committee to provide oversight and accountability about spending proposed in the measure.

The [Salem's Bond Oversight Committee <https://www.cityofsalem.net/government/boards-commissions/other-advisory-groups/bond-oversight-steering-committee>](https://www.cityofsalem.net/government/boards-commissions/other-advisory-groups/bond-oversight-steering-committee) includes Mayor Chris Hoy, Councilors Stapleton and Varney, community members Bob Cortright and Mike Herron. Councilor Nishioka serves as an alternate. The Oversight Committee met, for the first time, on February 24, 2023 and is meeting monthly to receive updates and begin developing criteria to prioritize future projects to construct missing sidewalks, repair sidewalks, improve pedestrian crossings, and construct mixed use path and trail projects. Funding available, through the 2022 voter-approved Safety and Livability Bond, for these types of projects is approximately \$22.4 million.

To-date the following has been accomplished:

- **Bond Sales.** In a competitive bid, on February 9, 2023, the City of Salem received 13 bids for its tax exempt series and nine bids for the taxable series. The all-in true interest cost for the combined sale was 3.63%. Prior to the bond sale, the City and their financial advisor had anticipated a more conservative 4.27% interest cost. This lower rate means, the City will have long-term savings for taxpayers through the life of the bond. Like a house sale, the bond sale closes two to four weeks after agreement to terms is reached. The City's bond sale closes February 23, 2023. At closing, the City has received \$7 million in premium, or additional funding. These funds will be available to support completion of the bond projects as costs may continue to increase over the course of the next ten years.
- **Fire Trucks and Equipment Purchase.** In March 2023, the City of Salem ordered Fire engines and life-saving equipment with proceeds from the voter-approved Safety and Livability Bond. The new equipment will be arriving in Salem and in service to our community as early as winter 2024 and no later than early 2025. Salem's first purchase with bond sale proceeds, secured \$19.89 million in fire trucks and equipment, including:
 - 16 fire engines
 - 2 ladder trucks
 - 1 heavy rescue vehicle
 - 1 air rescue vehicle
 - 2 wildland fire engines
 - 2 ambulances
 - 1 aircraft rescue and firefighting truck

In the 2022 voter-approved Salem Safety and Livability bond, \$26 million was envisioned to replace 15-year old fire engines, ladder trucks, and other equipment to save lives. The remaining nearly \$7 million of funds for fire trucks and equipment will be used to purchase additional equipment spelled out in the bond measure including: command vehicles, tow rigs, trailers, and other rescue tools like the "jaws of life" and defibrillators.

- **Paving Minto Parking Lot.** This month, visitors to Minto Brown Island Park's dog park and primary parking area at the end of park road will see evidence of some preparation for upcoming parking lot paving projects. With proceeds from the voter-approved Safety and Livability Bond, the City will begin paving at these two lots. The paving projects, at Parking Lot #2 (dog park

area) and Parking Lot #3 (main lot), include needed storm drainage for retaining and treating stormwater, ADA upgrades to the lots with connections to trails and pathways, landscaping around the new perimeter of the lots, and bicycle parking. Construction will begin in earnest Fall 2023, with goal of avoiding major impacts to park users.

The storm drainage work is important because paving creates an impermeable or hard surface that water cannot penetrate. Water that collects on the new paved parking areas will need a place to collect, drain, and filter a bit for water quality.

- **Evaluating Priority for Sidewalk, Pedestrian Crossings, and Mixed Use Paths and Trails.** The 10-year program of improvements that passed in the Salem Safety and Livability Bond in 2022 included some funding for sidewalk, pedestrian crossing, and multi-use path and trail projects that would be determined at a later date, with community engagement, and approved for funding by the City Council. These four types of project areas and amounts of investment include:
 - construct missing sidewalks: \$6 million
 - repair sidewalks: \$8.71 million
 - improve pedestrian crossings: \$3.54 million
 - rehabilitate and replace mixed use path and trail projects: \$4.11 million

The Committee will next focus on building priorities to guide future investments in these areas.

BACKGROUND:

The City plans to issue two more bond sales within the next ten years to support [Salem's safety and livability measure](https://www.cityofsalem.net/government/shaping-salem-s-future/2022-community-infrastructure-bond) <<https://www.cityofsalem.net/government/shaping-salem-s-future/2022-community-infrastructure-bond>>, passed by voters in November 2022. In addition to fire trucks and equipment, the bond includes investments in Salem's streets, sidewalks, parks, two new fire stations to improve response times, affordable housing, purchase of sites for affordable housing and branch libraries, cybersecurity for City operations, and Civic Center seismic improvements. Because payments for existing bonds are decreasing in the future, and refinancing opportunities, the measure is not expected to increase Salem's bond tax rate above the current rate of \$1.20/\$1,000 of assessed value.

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Attachments:

1. None.