
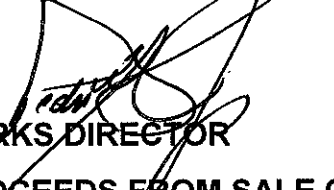


FOR COUNCIL MEETING OF:
AGENDA ITEM NO.:
PUBLIC WORKS FILE NO.:

September 27, 2010
8 (d)

TO: MAYOR AND CITY COUNCIL
THROUGH:  LINDA NORRIS, CITY MANAGER
FROM:  PETER FERNANDEZ, P.E., PUBLIC WORKS DIRECTOR
SUBJECT: SPENDING ALLOCATION PLAN OF PROCEEDS FROM SALE OF FLOODPLAIN RESTORATION EASEMENT ON MINTO-BROWN ISLAND PARK

ISSUE:

Shall City Council approve the proposed spending allocation plan, as contained in Table 1 of this report, for the disposition of \$680,000 in proceeds from the sale of a floodplain restoration easement in Minto-Brown Island Park?

RECOMMENDATION:

Staff recommends that Council approve the proposed spending allocation plan, as contained in Table 1 of this report, for the disposition of \$680,000 in proceeds from the sale of a floodplain restoration easement in Minto-Brown Island Park.

BACKGROUND:

In early 2010, the City of Salem received \$680,000 in proceeds from the sale of approximately 198 acres in Minto-Brown Island Park for a floodplain restoration easement to the Natural Resource Conservation Service (NRCS) of the U.S. Department of Agriculture. The purpose of the floodplain restoration easement is to allow the 198 acres in the park to be restored to a mix of native habitats, replacing a portion of the commercial farming that has occurred in the park. Restoration work began in the late fall of 2009 and continues to date.

As part of its approval of the sale of the floodplain restoration easement, City Council directed staff to bring back a recommended spending allocation plan for the use of the easement proceeds. A proposed plan was presented to City Council for approval on July 26, 2010. Council delayed consideration of most of the spending allocation plan until after a public hearing was held in order for the public to have sufficient time and opportunity to study the plan and provide comment.

Council did take action on one portion of the proposed spending allocation plan when it approved spending up to \$125,000 in proceeds toward completing the Lower Lefelle parking lot improvement project at Bush's Pasture Park. That project is expected to cost a total of \$491,000 and be constructed during FY 2011-12.

FACTS AND FINDINGS:

The City of Salem received a total of \$680,000 from the sale of the floodplain restoration easement in Minto-Brown Island Park. The funds currently reside in the Parks Construction Fund pending approval of a spending allocation plan for their disposition. These funds come to the City without any stipulations or limitations to their use.

Staff recommends that City Council use these funds within the parks system, with \$515,000 (76 percent) proposed to be used for studies, maintenance, and improvements to Minto-Brown Island Park. An amount of \$40,000 (6 percent) is proposed to be reimbursed to the Parks Construction Fund – Unspecified for reimbursement of costs incurred by the City in preparing the sale of the easement and pre-restoration work completed prior to closing. The remaining \$125,000 (18 percent) is to be used to provide the missing funding needed to undertake the parking lot and environmental improvements to Bush's Pasture Park's Lower Lefelle area.

Staff recommends that the proceeds be allocated in the manner shown in Table 1.

Table 1: Proposed Spending Allocation Plan

Purpose	Amount	Timeframe
A. Reimburse Parks Construction Fund for pre-restoration expenses incurred prior to close of sale	\$40,000	FY 2010-11
B. University of Oregon Sustainable Cities Initiative: Minto-Brown Island Interpretative Trails Study – City Match amount	\$20,000	FY 2010-11
C. Minto-Brown Island Cherry Orchard Area restoration activities	\$100,000	FY 2011-12
D. Lower Lefelle Parking Lot Improvement and Stormwater Enhancement Project at Bush's Pasture Park	\$125,000	FY 2011-12
E. Improvements to Minto-Brown Island Park (To be Determined)	\$95,000	FY 2011-12
F. Post-establishment maintenance of Minto-Brown Island Park Floodplain Restoration Areas (\$30,000 per year, for 10 years, beginning in FY 2012-13)	\$300,000	FY2012-13+
Total Amount	\$680,000	

A. Reimbursement to Parks Construction Fund – Unspecified

The City incurred costs related to preparation of the sale of the easement, as well as pre-restoration work at Minto-Brown Island Park prior to the closing of the easement sale. The amount of these costs total approximately \$40,000. All restoration costs incurred since the closing of the easement sale have been paid by the NRCS. Unspecified Parks Construction Funds are used as a fund contingency and are also available for matching opportunity grants and emergency parks construction projects.

B. University of Oregon Sustainable Cities Initiative (UO SCI) Interpretive Trails Study – Local Match

One of the UO SCI studies to be undertaken in FY 2010-11 is to develop a plan to improve the existing trail system in Minto-Brown Island Park to be more educational and provide additional information on native habitats and species. The local match needed for the Interpretive Trails Study is \$20,000.

C. Minto-Brown Island Cherry Orchard Area Restoration Activities

A portion of the acreage originally intended to be included in the floodplain restoration easement, known as the Cherry Orchard Area, did not qualify for federal funding due to previous obligations under the Federal Land and Water Conservation Program. However, the City can use its own or other non-federal funding to either restore the area consistent with the adjacent restoration areas or make other improvements allowed per federal floodplain regulations. Staff recommends allocating \$100,000 toward restoration activities in the Cherry Orchard Area. A proposed restoration plan would be developed and brought to Council for consideration in FY 2011-2012.

D. Bush's Pasture Park Lower Lefelle Parking Lot Improvement and Stormwater Enhancement Project

The Lower Lefelle Parking Lot and Stormwater Enhancement Project involves paving and landscaping the existing gravel parking lot, paving a portion of street right-of-way, and installing a number of natural stormwater treatment measures. The total cost of the project is estimated to be \$491,000. The project's design phase is currently 60 percent complete. Construction is proposed for FY 2011-12.

E. Improvements to Minto-Brown Island Park

Staff recommends that \$95,000 of the proceeds be used to fund general improvements to Minto-Brown Island Park. Improvements could include, but are not limited to, improving and repaving trails, improvements and paving of parking lots, interpretive signs, and rehabilitation of existing picnic and playground facilities. Staff would seek Council approval of these projects prior to undertaking construction.

F. Post-Establishment Maintenance of Minto-Brown Island Park Floodplain Restoration Areas

Per the requirements of the easement sale agreement, the City shall be responsible for the on-going maintenance of the floodplain restoration areas after a three-year establishment period. Staff recommends that the largest portion (\$300,000) of the proceeds be used to capitalize a long-term maintenance fund for the restoration areas.

It is estimated that it will require approximately \$30,000 per year to adequately maintain the restoration areas. As the plantings mature, it is anticipated that the maintenance costs will gradually decrease over time. It is estimated that this allocation of funds would allow for a ten-year maintenance program to be funded, beginning in FY 2012-13.


Salem Parks and Recreation Advisory Board Recommendation

At its July 15, 2010, meeting, the Salem Parks and Recreation Advisory Board recommended to Council approval of the staff recommended spending allocation plan for the use of the Minto-Brown Island Floodplain Restoration Easement proceeds, with two additional recommendations (See Attached Action Sheet):

- That the \$125,000 in easement proceeds proposed for the Lower Lefelle Parking Lot and Stormwater Enhancement Project be considered a loan and repaid over time through other City funds. This reflects the desire of the Board to have all of the easement proceeds used to the benefit of Minto-Brown Island Park.
- That the \$300,000 of easement proceeds proposed to be set aside for restoration area maintenance be held in an investment account where the amount of interest earned can be maximized over the long term. This reflects the Board's concern that the amount of funding allocated for long-term maintenance of the restoration areas may not be sufficient to meet the needs of the park.

Public Hearing Notification

The public hearing notice on the spending allocation plan was published per the City Recorder's normal process. Signs containing the hearing notice and Table 1 of this report were posted in several locations in Minto-Brown Island Park beginning September 15, 2010.



Mark Bectel, AICP
Parks and Transportation Services Manager

Attachment: Salem Parks and Recreation Advisory Board Action Sheet, July 15, 2010
Ward 7
September 17, 2010

SALEM PARKS AND RECREATION ADVISORY BOARD Action Sheet

July 15, 2010

BOARD MEMBER ATTENDEES:

Barbara Castleman, Kelvin Dettwyler, David Fridenmaker, Carl Goodwin, Gordon Johnson, Wendy Pyper

ISSUE:

Shall the Salem Parks and Recreation Advisory Board recommend to City Council approval of the proposed spending allocation plan for the proceeds of the sale of the Minto-Brown Island Floodplain Restoration Easement?

DATE OF DECISION:

July 15, 2010

BACKGROUND:

The Salem Parks and Recreation Advisory Board received a staff report and presentation on the proposed spending allocation plan for the proceeds of the sale of the floodplain restoration easement in Minto-Brown Island Park. A total of \$680,000 is available to be spent. Board discussion centered on the desire to use the easement proceeds for the improvement and maintenance of Minto-Brown Island Park. There were concerns raised over whether the amount proposed to be allocated for maintenance of the restoration easement areas would be sufficient to adequately maintain these areas over the long-term.

ACTION TAKEN:

Board Member Carl Goodwin moved to recommend to City Council approval of the staff recommended spending allocation plan with the addition that the \$125,000 to be allocated towards the Lower Lefelle Parking Lot Project at Bush's Pasture Park be considered a loan and be repaid from other City funds over several years, with the repayment going towards Minto-Brown Island Park floodplain restoration easement maintenance. He further moved that the \$300,000 proposed to be allocated for Minto-Brown floodplain restoration easement maintenance be invested in a high-yield investment account to gain the maximum amount of interest possible. Barbara Castleman seconded the motion and all members were in favor of the motion.

VOTE:

6 YES 0 NO