



MINUTES
WEST SALEM REDEVELOPMENT ADVISORY BOARD
 Wednesday, March 3, 2010 - 7:30 A.M.
 West Salem Public Library
 395 Glen Creek Road NW



Members Present

Alan Chen - Chair
 Warren Bednarz – Vice
 EM Easterly
 Paul Gehlar
 Dwayne Hilty
 Tim Klarr

Members Present

Lyle Mordhorst
 Kris Nelson
 Tyson Pruett
Members Absent
 Teresa Campbell -U
 Jennie Reisch - U

Staff Present

Tim Padden – UD
 Therese Van Vleet – UD
 Renee Frazier-UD
 John Wales - UD

Guests

Joan Bennett – Truitt Bros
 Dave Weston
 Dan Clem-Councilor

1. CALL TO ORDER

Chair Chen called the meeting to order at 7:30 AM, noting a quorum of appointed members was present.

Chair Chen **MADE A MOTION** to approve the agenda as presented. The seconded **MOTION CARRIED** unanimously.

2. APPROVAL OF MINUTES

Ms Nelson **MADE AMOTION** to approve the minutes of February 3, 2009. The **seconded motion CARRIED** unanimously.

3. APPEARANCE OF INTERESTED CITIZENS

Mr Weston, candidate for Polk County Commissioner, introduced himself.

Councilor Clem, congratulated the Board on the completion of the Edgewater/Second Street Action Plan, and thanked the Board for the work they have undertaken. He encouraged the Board to create a Master Plan (Plan) during Fiscal Year (FY) 2010-11, to provide a vision and to assist in redevelopment. And suggested a Plan should allow for maximum flexibility, be business friendly, and keep main street pedestrian friendly. He requested staff draft information for a Plan proposal. He assured the Board a Plan would help protect future budgets. The Plan would apply to the area between Patterson to Rosemont. He opined, development of Second Street could resolve parking and business space challenges. With interest rates at an all time low, businesses are in a position to make redevelopment decisions now.

Mr Easterly asked staff for firm budget figures for actual income and expenditures from the time the urban renewal area was formed in 2002 to the present fiscal year.

4. ITEMS FOR BOARD INFORMATION

FY 2010-11 Budget - Ms Frazier, Urban Development, Management Analyst

Handout: West Salem URA Draft Revenue/Expenditure Projections

Ms Frazier noted the Polk County Assessor projects \$670,000 tax increment for FY 2009-10, an increase over the projection. The increase is due to a combination of new developments which came onto the tax rolls, as well as a new valuation method for franchises. The projected income will cover planned projects in FY 2010-11 utilizing a short term bond. The projected revenue will likely support the issuance of \$4 million dollars in bonds in FY 2011-12 to fund future projects.

Q. Where is the urban renewal area in terms of its maximum indebtedness?

A. The WS URA has a maximum indebtedness of \$31 million. If the \$4 million is bonded in FY 2011-12, staff estimated approximately twenty five million would remain. The \$4 million figure for FY 2011-12 reflects the estimated “capacity” to spend on projects, not an actual commitment to spend.

Q. How soon can funds be borrowed?

A. Borrowing could occur after the budget has been approved. But, the actual amount borrowed and timing of the debt issuance is influenced by a variety of factors.

Q. When does an urban renewal area close? What happens to the tax increment?

A. An urban renewal area (URA) can close once the maximum indebtedness has been reached and the bonds have been paid. The tax increment would then be returned to the other taxing districts, instead of being collected for the URA.

Q. What are the assumptions on the debt service?

A. For purposes of estimating 6.5% interest was used, which is in between the current taxable and tax exempt rates.

Q. Once funds are bonded, will that affect pay-as-you-go projects?

A. Yes, once funds are bonded the tax increment will be used to pay the debt on the bond, which will limit funds on hand. The capacity for short term projects may be limited.

Q. Is compression a factor in tax increment?

A. Tax assessed values are capped at a 3% increase per year, although real market value can fluctuate. For purposes of estimating tax increment, staff uses 2.75 % increase in assessed value, and then reduces that revenue estimate by 7% to account for delinquencies. Estimating conservatively, in this way, takes into account compression as well.

Mr Easterly **MADE A MOTION** that the numbers on the provided version of the West Salem URA Draft Revenue/Expenditure Projections be adopted. The seconded **MOTION CARRIED** unanimously.

West Salem Toolbox Grant and Project Updates

Mr Padden noted of the \$250,000 allocated to the Toolbox project for FY 09-10 only \$112,000 has been utilized. Two applications are currently in process.

Q. What percentage of a project does the grant cover and was the program advertised?

A. The grant covers up to 50% of the project. Staff canvassed door to door with information about the program.

Q. Can derelict buildings be purchased, demolished, and the property used for development?

A. Yes, Urban renewal funds can be used to purchase property and remove blighted buildings, but not Toolbox funds.

Action Plan Project Schedules

Mr Padden presented a project tracking tool, Microsoft Project, which may be helpful in monitoring the Action Plan projects.

5. ITEMS FOR BOARD ACTION

Edgewater/Second Street Action Plan Edits – Tim Padden, Urban Development, Project Manager

The Sub-committee, Mr Bednarz, Mr Klarr, and Mr Gehlar, met and submitted the following edits to the Action Plan.

Sub-committee edits: **page 4**, fourth bullet: “from Rosemont to Gerth” was added; **page 5**, “Pulse Points” were clarified; **page 6**, the caption now matches the photo; **page 8**, the last bullet point title changed from “Avoid third bridge uncertainty” to “Recognize third bridge uncertainty” and the last two sentences were changed to read: “As such, the Edgewater Action Plan needs to take the location of the new bridge, and any alternatives, into consideration in the development of the area. Therefore, the Action Plan recommends earliest investments in projects west of Gerth.” **Page 11**, under Selection Criteria, add: “Proximity to a Pulse Point.” **Page 13**, a bullet was added: “**Financing:** Events cannot be funded with urban renewal funds. However, urban renewal can fund capital improvements to facilitate events.” **Page 16**, first bullet, changes the word “purchase” to “acquire.” **Page 17**, under the category *Year 2 and Beyond* add: “Complete Second Street site control acquisition.” **Page 18**, the photo was

changed to reflect a mixed-use development. **Page 19**, references to “pulse points” to focus development in the body text and the text under the photo.

Two additional changes, by the consultant, were e-mailed to the Board March 2, 2010. Board members received the latest version via e-mail and copies were available at the Board meeting.

- **Page 4**, the first bullet was clarified to read: “**East end uncertainty**: The timing and final design of the planned third bridge across the Willamette River have not yet been finalized. Several of the design alternatives could significantly impact existing structures and open space along the south side of Edgewater Street, particularly east of Gerth. Further, redevelopment plans for several large properties near the east end of Edgewater Street at Wallace Road are unknown.”
- **Page 19**, first sentence: “In keeping with the principle of using pulse points to focus development to achieve a critical mass at the strongest locations, redevelopment is initially targeted for the block bounded by Edgewater, Kingwood, Second, and Rosemont (see map at right), adjacent to the pulse point at Kingwood and Edgewater.”

Mr Bednarz **MADE A MOTION** to approve the Edgewater/Second Street Action Plan per the changes mentioned above. The seconded **MOTION CARRIED** unanimously.

The Edgewater/Second Street Action Plan work session with the Agency Board will be held Monday March 8, from 5:30 PM to 6:30PM in Council chambers. Board members are encouraged to attend.

6. NEW BUSINESS

Mr Easterly encouraged members to attend the mixed-use ordinance discussion March 9, 2010.

Mr Bednarz asked the status of the West Salem Park Lighting project. Mr Padden said it would go out for bid next week and remain open for two weeks. Public Works will provide a project schedule.

Mr Mordhorst requested, that when a Master Plan is created, building requirements be reduced to alleviate overlay code restrictions.

Chair Chen requested all members e-mail Master Plan ideas for the entire Board to review, with a focus on the area between Rosemont and Patterson. Mr Padden said staff will refine a scope of work with Leland to develop a Master Plan for the Edgewater/Second Street area.

Chair Chen noted he’s been working with the Polk County Historical Society Museum, to propose a museum annex in West Salem. He requested staff speak with the legal department to discover how to contribute funds to that type of project.

Chair Chen suggested partnering with businesses to build parking above first floor retail.

Mr Bednarz said he attended a commercial real estate meeting and West Salem was the only area in Salem where vacancies decreased.

7. ADJOURNMENT

Chair Chen adjourned the meeting at 8:42 AM. The next meeting is scheduled for April 7, 2009.

Visit the Department web page at www.cityofsalem.net > Departments > Urban Development.

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Reviewed by: Anita Sandoval. | Edited by: Tim Padden, Annie Gorski and Renee Frazier | tape recorded.