Acknowledgments

Advisory Committee
North Gateway Redevelopment Advisory Board

Contributing Organizations and Individuals
Catholic Community Services
Don Pedro Time
Latino Business Alliance, with special thanks to Jose Gonzales
Marion Polk Food Share, with special thanks to Kim Hanson
MERIT, with special thanks to Forrest Peck
Salem-Area Realtors, including First Commercial Real Estate, Sperry Van Ness, and Hancock Real Estate
Salem-Keizer Center for Equality

City Staff
Marilyn Daily and Center 50+ staff
Keith Kuenzi, Public Works
Ralph Lambert, Public Works
Annie Gorski, Urban Development
Jill Corcoran, Urban Development
Mark Metzger, Urban Development
Kristin Retherford, Urban Development
John Wales and Doug Rux, (formerly of) Urban Development

Consultants
Lacy Brown and Scott Mansur, DKS Associates
Emily Picha and Lorelei Juntunen, ECONorthwest
Tom Walsh, Walsh Consulting Group

For more information, please contact:
Salem Urban Development Department
503-588-6178
E-mail: Urbandev@cityofsalem.net
On the web @
http://www.cityofsalem.net/northgatewayplan
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The geographic focus for the Action Plan is bound by the Union Pacific Railroad tracks (west); Hyacinth Street NE (north); the eastern edge of the North Gateway Urban Renewal Area boundary (east); and the Union Pacific Railroad under-crossing and Silverton Road NE (south).
Overview

After more than 20 years of active public investments, the North Gateway neighborhood in North Salem is at a crossroads. Portland Road was once a segment of Oregon Highway 99E, the major north-south route connecting Salem to Portland and the rest of the Willamette Valley. The mix of industrial and commercial development along Portland Road reflects its history as an important freight route that predates Interstate 5. The Portland Road Corridor (Corridor), shown in Exhibit 1, continues to be an important gateway and employment node for the City of Salem. Many residents and business owners in the area would like to see new public and private investment that reflects the Corridor’s importance as a transportation spine to the City and contributes to the area’s economic well-being.

Since the City of Salem’s Urban Renewal Agency (Agency) adopted the North Gateway Urban Renewal Area Plan (North Gateway URA Plan) in 1990, approximately $53 million in Urban Renewal funding has been invested in the North Gateway Urban Renewal Area (URA). While the funding has contributed to new roads, intersections, mixed-use development, and public facilities, it has not spurred new private investment and improved economic conditions to the degree anticipated.

In November 2014, the Agency approved the Portland Road Corridor Action Plan (Action Plan), to revisit priorities within the URA and identify strategies that “maximize private investment, job creation, and economic vitality in the area, and leverage other local, state, and federal resources.” The Action Plan solicited significant input from the community, businesses, and the North Gateway Redevelopment Advisory Board (NGRAB), emphasizing continued needs and opportunities within the Corridor. This Action Plan revisits community priorities from previous planning efforts and provides a roadmap for the Agency Board’s work within the URA in coming years.

Since 1990, approximately $53 million has been invested in the North Gateway URA.

Located at the southern end of the URA, the Center 50+ serves as a catalyst for redevelopment. The North Gateway URA provided a $9+ million dollar grant for site preparation and development.

Given limited new investment and increasing costs, the anticipated $21 million in available resources falls short of the funding needed to complete the remaining projects identified in the original North Gateway URA Plan.
Action Plan Process

Throughout 2015, the City conducted extensive planning and outreach activities to develop the Action Plan. This section provides an overview of that process. The community outreach process is further described in Appendix C: Public Process Summary.

Public Outreach

To determine existing needs for the area, the City developed an outreach strategy to solicit input on priorities within the Corridor. The City led three rounds of outreach involving the general public, Corridor residents, businesses, and other stakeholders in the URA. Outreach efforts included: numerous public meetings and presentations; two direct mailings to the more than 1,400 property owners and tenants within the URA; postings on social media and a project website; and email communication to interested parties. Outreach was conducted in Spanish and English.

Exhibit 2. Outreach Process Overview

<table>
<thead>
<tr>
<th>Round</th>
<th>Outreach Goal</th>
<th>Timing</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Raise awareness of the Action Plan’s purpose and timeline and solicit initial input on priorities.</td>
<td>January-April 2015</td>
</tr>
<tr>
<td>2</td>
<td>Solicit more detail on potential project ideas and funding priorities.</td>
<td>July-September 2015</td>
</tr>
<tr>
<td>3</td>
<td>Rank and refine project ideas.</td>
<td>November-December 2015</td>
</tr>
</tbody>
</table>

Opportunities and Needs Analysis

Beginning in December 2014, the City worked with ECONorthwest on an assessment of market conditions, needs, and opportunities in the Corridor (Appendix B: Opportunities and Needs Report).

Key findings from this analysis include:

- **The Corridor has low industrial vacancy rates and there is demand for more industrial/flex space.** The area includes a larger concentration of manufacturing, construction, and transportation jobs than the City as a whole.

- **Household incomes in the Corridor are significantly lower than Salem as a whole, and the area has higher percentage of Latino residents than Salem as a whole** (about 42% of residents are Latino).

- **There is a lack of urban amenities for those living and working in the area.** Residents leave the Corridor for most of their daily needs for goods and services. There is untapped demand...
for restaurants and new retail, including retailers that sell fresh, affordable food. There are only a few retail outlets that cater to the area’s sizable Latino population. Many opportunities remain to create a more functional corridor for residents.

- **The area’s housing stock is predominantly multifamily and these units have not seen new investment since the 1970s.** The majority of housing units (70%) were built prior to 1980.

---

**Business Needs and Project Development**

The City met with area businesses and economic development organizations to assess existing utilization of Urban Renewal programs and identify business needs in the area. Key recommendations from these meetings include:

- Expand North Gateway URA financial incentives to meet business needs, particularly for small and emerging businesses.
- Identify opportunities to formalize business-to-business networking.
- Create a more proactive strategy for the City to engage property owners and tenants in the area.
- Target infrastructure investments to those areas that best leverage improvements for future development.

**Transportation Analysis**

Early Action Plan analysis confirmed that roads and other major infrastructure in the Corridor are likely adequate to meet future development needs. However, this analysis also identified several opportunities to enhance key intersections for all travel modes to support redevelopment. In September 2015, DKS Associates refined the City’s initial list of potential transportation recommendations (based on review of the Salem Transportation System Plan, North Gateway URA Plan, and input obtained through public outreach. DKS produced descriptions and cost estimates for potential transportation projects (**Appendix A: Detailed Project Sheets**) that the City used in the final round of outreach.
OVERVIEW

Goals, Strategies, and Project Evaluation Criteria

The Action Plan process identified a set of streamlined goals, strategies, and projects/actions for the Corridor. These are based on the needs and opportunities identified through public outreach and technical analysis. Many of the goals and strategies in the Action Plan echo language found in the original North Gateway URA Plan.

Exhibit 3 is a framework for investment in the Corridor showing the primary investment outcomes desired (Goals) and the strategies to achieve the goals (Strategies). To evaluate and recommend potential projects, the project team developed criteria for comparing them (Prioritization Criteria). The prioritization criteria combine the community priorities reflected in the online surveys with benchmarks found in the North Gateway URA Plan and other relevant criteria acquired through the course of the planning process.


<table>
<thead>
<tr>
<th>Goals</th>
<th>Strategies</th>
<th>Prioritization Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meet the needs of residents and businesses within the Corridor.</td>
<td>Seek input from area stakeholders in identifying and prioritizing future investments.</td>
<td>• Does the project/action have stakeholder support, as evidenced by the three online surveys and other outreach conducted in 2015?</td>
</tr>
<tr>
<td>Support development and job creation within the Corridor.</td>
<td>• Identify opportunities to provide innovative, flexible, affordable workspaces that foster the region’s small businesses. • Attract retail and services that serve residents and employees. • Increase the area’s marketability for development of future housing and (when opportunities arise) other supportive uses that make housing development successful.</td>
<td>• Does it generate tax increment? • Does it support development on an underutilized or vacant site? • Does it eliminate blight? • Does it encourage job creation? • Is it located in the Corridor study area?</td>
</tr>
<tr>
<td>Achieve the URA’s Plan, transportation, safety, and streetscape goals for the Corridor.</td>
<td>Support strategic infrastructure investments along the corridor that improve economic vitality, livability, and safety for residents and employees.</td>
<td>• Does it improve transportation amenities? • Does it improve neighborhood connectivity? • Does it improve multi-modal travel? • Does it enhance the City’s north gateway?</td>
</tr>
</tbody>
</table>
Recommended Projects and Actions
The culmination of the Action Plan process is the identification and recommendation of projects and actions that form the “next steps” in making positive change in the Corridor. Exhibit 4 and Exhibit 5 show the projects that are recommended to implement the goals, strategies, and criteria listed in Exhibit 3.

Exhibit 4. Recommended Projects: Short-Term (1-5 years)

<table>
<thead>
<tr>
<th>Project</th>
<th>Initial Implementation Action</th>
<th>Estimated Cost</th>
</tr>
</thead>
</table>
| Restructure financial incentives to better serve businesses, developers, and property owners. | • Conduct additional business/stakeholder roundtable discussions to seek input on amendments to the Toolbox Program.  
• Modify existing Program to focus on business needs, including adding fixed equipment as an eligible expense. | $500,000–$1,000,000 to capitalize programs; possible reallocation in future years. |
| Business outreach and technical assistance.                           | Pursue targeted pilot North Gateway URA business retention program in partnership with SEDCOR and other partners. | City staff time and existing resources.                                        |
| Public market, “Farm-to-Table” food incubator and food hub.          | Initiate a feasibility study to confirm demand and financial viability of concept elements; and establish an advisory group to oversee the work. | Up to $80,000 for outreach and initial feasibility.                             |
| Support development of industrial flex space and/or mixed-use development. | • Explore the development of an RFP or “call for projects” in FY 16-17 to target North Gateway URA funding for projects meeting Action Plan goals/strategies.  
• Pursue development of URA loans/grants for pre-development assistance for catalytic projects.  
• Monitor “property for sale” within the Corridor; establish an “opportunity fund” in FY 16-17 to respond to opportunities as they arise. | $200,000–$500,000 for “opportunity purchases;” possible additional allocation in future years. |
| Portland road streetscape improvement (North).                        | Implementation of this project will likely require a design exception or Transportation System Plan amendments for interim street standards. Pursue funding in FY 16-17 for initial design. | $1.7 million (east side)  
$1.6 million (west side)  
$1.2 million (Bill Frey)  
$4.5 million (Total) |

Exhibit 5. Recommended Projects: Mid-Term and Partnership (5+ Years) or as Opportunities Arise

<table>
<thead>
<tr>
<th>Project</th>
<th>Initial Implementation Action</th>
<th>Estimated Cost</th>
</tr>
</thead>
</table>
| Workforce and affordable housing support.                              | • Develop outreach material that highlights key vision/priorities from the Action Plan and depth of financial programs available. Initiate outreach that includes key affordable housing partners and developers in the region as well as owners of existing multi-family housing in the Corridor.  
• Participate in the anticipated affordable housing sub-committee to track needs, issues, and recommendations.  
• Ensure housing is eligible (and listed as a priority) for any new grants/loans developed following the approval of the Action Plan. | City staff time and funding associated with restructuring the North Gateway URA loan and grant programs. |
| Strengthen the corridor identity.                                      | • Identify Corridor working group that represents key businesses and community interests.  
• Develop project work plan and key elements (in coordination with a working group). | TBD |
Existing Conditions

This Action Plan seeks to identify and foster competitive advantages for the Portland Road Corridor by strategically targeting investments. This chapter describes the current competitive advantages of the area, existing development conditions within the URA, and the financial capacity of the Agency. Additional information on existing conditions in the Corridor can be found in Appendix B: Opportunities and Needs Report.

Portland Road’s Competitive Advantage

Positioning this area for growth will require fostering a mix of uses that serve neighborhood needs for retail as well as broader regional employment and housing goals. In addition to the technical findings in the Opportunities and Needs Report (Appendix B), the following themes emerged from the public outreach as being key assets for public investments in the area.

- **The Corridor has relatively affordable housing with good proximity to job centers.** New private investment could help fill many of the “gaps” that residents recognize in this area. For example, there is an opportunity to capitalize on the community’s desire for restaurants, retail, and affordable, fresh food.

- **This area is an important employment corridor for the City, especially for businesses who do not require large parcels of land.** A common theme in outreach feedback was that the City should position this area as an employment corridor, especially for small and minority-owned industrial businesses. Commercial brokers and economic development professionals indicate a number of factors that could positively influence it as a business location:
  - Its location near I-5 and existing housing make this area prime for future development.
  - The area’s competitive purchase price/rent could be attractive to tenants, and available parcels are lower in price than other areas to the south and west.
  - For the majority of sites, existing infrastructure is adequate and is not limiting new business or development.
  - Salem continues to have low industrial vacancy rates and a demand for industrial flex space. Flex space could be designed to accommodate a variety of uses, including combining retail and light manufacturing. These could be associated with “maker” spaces and nearby industrial uses.
• **The Corridor has a mix of residents and business owners from many backgrounds.** Support from the Agency could help strengthen economic development efforts in this area, including working with the City’s economic development partners to support small and minority-owned businesses as they grow.

• **Portland Road has a strong foundation of neighborhood stewardship.** The broad response to the public outreach opportunities shows that the community cares about the success of Portland Road.

**Development Conditions in the URA**

This section includes information on the existing conditions for residential, industrial, and commercial uses in and near the study area.

**Residential**

There has been little new housing investment in the Corridor over the past 25 years. **More than 70% of housing units were built before 1980 and more than half of the units in the Corridor are multifamily.**

Rents in the area are lower than most other neighborhoods in Salem, with correspondingly low vacancy rates.

While there are few sites directly along Portland Road that are suitable for new residential development, this area will continue to play a role in housing provision. New housing in the area is likely to be located in the southern portion of the corridor, closer to downtown. There will likely also be renovation or redevelopment of existing multifamily complexes along the Corridor, especially if demand remains strong for multifamily housing. Accommodating those units as part of a mix of uses along Portland Road in suitable locations could be part of the City’s long-term strategy to supply land for multifamily development.

**Commercial**

Portland Road is home to several strip commercial uses, including car dealerships, retail businesses, and office buildings. Average asking rents for these uses are lower than other areas of Salem. The Corridor is not likely to be a growth area for office development, since there are competing areas that offer more amenities and better proximity to downtown Salem. Office users with interest in co-locating with industrial businesses may be the one office segment with potential demand that the City pursues.

Moving forward, the Corridor is likely to accommodate additional retail offerings, assuming continued growth in employment and/or housing in the area. A retail leakage analysis conducted as part of this project found that the Corridor has a deficit in supermarkets, general merchandise
EXISTING CONDITIONS

stores (i.e., Fred Meyer), and limited-service restaurants (in which patrons generally order and pay before eating). In addition, this analysis showed that there may be less demand for specialty food services (i.e., bakeries) and full-service (sit-down) restaurants.

Industrial

Most industrial spaces in the Corridor and URA were built before 1999. Some of these spaces may not meet the needs of current or future tenants. Conversations with local brokers indicate the area has buildings with inadequate access, limited footprint for expansion, or in some cases, aging or undersized utilities. Some industrial uses lack an adequate buffer from neighborhood/commercial uses to mitigate conflicts. Vacant lots, large surface parking areas, and conflicting uses prevent the development of a common identity to strengthen the development potential of the area.

With more limited available land, the Corridor has not seen the same level of new investment in industrial spaces as other areas of Salem. Most of the newer industrial/flex development and business expansions have occurred south of downtown near the Salem Airport, including in the Fairview Industrial Park and surrounding McGilchrist Street. Rents in the area remain competitive with the rest of the region, a sign that the area has desirable spaces with good access to major transportation routes.

As described in Appendix A, conversations with local real estate professionals about industrial space indicate that the area could accommodate the following industrial development types:

- **Small-scale flex space.** There is high demand for industrial/flex spaces that are 1,000-2,000 square feet with good freeway access and a grade-level loading door.

- **Commercial kitchen space.** There is interest in commercial kitchen space that can be rented out by food entrepreneurs. The space could also include a retail component.

- **Cold storage and distribution.** The local agricultural industry is interested in more cold storage opportunities. Portland Road’s highway access also makes it a desirable location for distribution businesses, especially since the trucking hour regulations recently changed to require shorter trips and more frequent breaks for drivers. Good access to main trucking routes (I-5) and population centers reduces travel times and costs.

Current rates (2015) for industrial/flex spaces are **$0.35 to $0.55** per square foot ($4.20-$6.60 per year, higher for smaller spaces) as of 2015.
**Agency Financial Situation**

Urban renewal is a community revitalization tool that cities and counties are authorized to use through Oregon state statutes (ORS 457). Tax increment financing (TIF) is the primary mechanism used to generate funding in URAs.

The North Gateway URA Plan (Plan), established in 1990, identifies many infrastructure projects, loan/grant programs, and other programs aimed at improving the area’s economic conditions. The costs to complete all identified projects exceeds the financial capacity of the URA.

At the time the URA was created, a financial model for the area assumed tax increment revenue based on the property owners and tax generation in 1990. In 2003-04, SUMCO, the largest employer in the URA, left the area, taking both valuable equipment and tax value. This reduced the URA’s tax generation capabilities and its ability to take on additional debt to fund projects. The URA Plan specifies that the maximum indebtedness that can be issued or incurred to complete projects over the life of the Plan is $75 million. Any changes require an amendment to the Plan.

**Current Status (2016)**

To-date, the Agency has invested more than $53 million in public streets, water and sewer upgrades, environmental cleanup to prepare properties for redevelopment, and partnerships to promote redevelopment (including the Hollywood Station development). The remaining $21 million of debt capacity falls short of what is needed to complete all remaining projects identified in the URA Plan, including the next planned major infrastructure project: the second phase of the Portland Road improvements from Pine Street to Hyacinth Street.

While the URA investments to-date have contributed to new assessed value and therefore increased taxes, they have not spurred the level of private investment anticipated when the URA Plan was initially implemented.

For many years, the Agency has retained funding for the next phase of Portland Road improvements. There is significant funding available for new projects, including those being recommended by this Action Plan. There is currently $4 million of unallocated cash on-hand to fund projects, with an additional $12 million available by Fiscal Year 2017-18.

North Gateway URA’s assessed value (1990): $133 million
URA’s assessed value (2013-14): $291 million
This is an increase of 118% in nominal dollars.

As shown in the diagram above, TIF revenues are generated when a URA is established and the assessed value of all property in the area is “frozen.” The taxing jurisdictions that overlap the URA continue to collect tax revenue from the frozen base, but revenue generated from the incremental assessed value goes to the URA.

There is currently $4 million of unallocated cash on-hand to fund projects, with an additional $12 million available by Fiscal Year 2017-18.
INVESTMENT FRAMEWORK

Investment Framework

Based on the objectives outlined in Chapter 1, this chapter establishes a framework for investments in public improvements that can be coordinated with private investments to accelerate development that aligns with the community’s vision for the area.

Purpose and Goals

In the extensive outreach conducted as part of the Action Plan development, residents and business owners in the area reiterated the importance of improving economic conditions for the community.

As part of the Action Plan process, the City developed a set of streamlined goals and strategies specifically relating to the Corridor, drawing upon extensive public outreach. Many of these goals echo language in the original NGURA Plan, including 18 specific objectives that are primarily focused on promoting economic development in the area: enhancing opportunities for future development or redevelopment, improving the appearance, capacity, and traffic flow of streets, and improving the security and beauty of the City’s northern gateway. Exhibit 6 shows the relationship between the primary outcomes desired, the strategies the City will support to achieve the goals, and prioritization criteria that the City used to create a list of potential projects.

Prioritization Process

The project team used the following process to evaluate projects:

1. **Compile a list of potential projects.** These ideas were based on community feedback from focus groups, one-on-one interviews, technical analysis, and the summer 2015 survey.

2. **Determine a methodology for weighting.** Each criteria topic was given a weight of one point. The evaluation scores for all criteria were summed to determine the overall evaluation score.

3. **Run criteria through evaluation exercise and compile a list of prioritized projects.** The project team used the methodology outlined in Step 2 to evaluate projects and develop a list of prioritized projects.
Exhibit 6. Portland Road Goals, Strategies, and Evaluation Criteria

<table>
<thead>
<tr>
<th>Goals</th>
<th>Strategies</th>
<th>Prioritization Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Meet the needs of residents and businesses within the Corridor.</strong></td>
<td>Seek input from area stakeholders identifying and prioritizing future investments.</td>
<td>Does the project/action have stakeholder support, as evidenced by the three online surveys and other outreach conducted in 2015?</td>
</tr>
</tbody>
</table>
| **Support development and job creation within the Corridor.** | • Identify opportunities to provide innovative, flexible, affordable workspaces that foster the region’s small businesses.  
• Attract retail and services that serve residents and employees.  
• Increase the area’s marketability for development of future housing and (when opportunities arise) other supportive uses that make housing development successful. | • Does it generate tax increment?  
• Does it support development on an underutilized or vacant site?  
• Does it eliminate blight?  
• Does it encourage job creation?  
• Is it located in the Corridor study area? |
| **Achieve the URA’s Plan, transportation, safety, and streetscape goals for the Corridor.** | Support strategic infrastructure investments along the corridor that improve economic vitality, livability, and safety for residents and employees. | • Does it improve transportation amenities?  
• Does it improve neighborhood connectivity?  
• Does it improve multi-modal travel?  
• Does it enhance the City’s north gateway? |
INVESTMENT FRAMEWORK

Geography of Investment

Given that the Portland Road Corridor is two miles long, URA investments should be targeted geographically. Three distinct nodes have been identified as areas where development potential is highest due to proximity to key employers or other major amenities (Kroc Center), street frontage, access, visibility, or other factors. Exhibit 8 contains a map showing the three nodes (Hyacinth Street, Bill Frey Drive and Southern) and the opportunity sites identified within each.

Exhibit 7 summarizes the acreage and zoning for the opportunity sites within each node. The largest site in the Corridor is a vacant, 13.5 acre area composed of 5 tax lots. It is zoned Retail Commercial (RC). Most of the parcels are much smaller. The average lot size is 1.25 acres.

The opportunity sites depicted in Exhibit 8 are vacant or have underutilized buildings, but are not necessarily for sale or lease. The Agency is interested in supporting redevelopment within the opportunity nodes on these sites with public-private partnerships, if there is property owner interest. Appendix B: Opportunities and Needs Report provides greater detail on these nodes.

Exhibit 7. Portland Road Opportunity Sites

<table>
<thead>
<tr>
<th>Corridor Total: 46.5 acres</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Hyacinth Street Node Sites</td>
</tr>
<tr>
<td>1 2.1 acres</td>
</tr>
<tr>
<td>2 0.1 acres</td>
</tr>
<tr>
<td>3 0.6 acres</td>
</tr>
<tr>
<td>Node Total 2.8 acres</td>
</tr>
<tr>
<td>B. Bill Frey Drive Node Sites</td>
</tr>
<tr>
<td>4 4.2 acres</td>
</tr>
<tr>
<td>5 2.6 acres</td>
</tr>
<tr>
<td>6 0.1 acres</td>
</tr>
<tr>
<td>7 1.7 acres</td>
</tr>
<tr>
<td>8 1.6 acres</td>
</tr>
<tr>
<td>9 2.1 acres</td>
</tr>
<tr>
<td>10 0.5 acres</td>
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<tr>
<td>11 1.4 acres</td>
</tr>
<tr>
<td>12 0.6 acres</td>
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<tr>
<td>13 0.5 acres</td>
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<tr>
<td>14 13.5 acres</td>
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<tr>
<td>15 1.8 acres</td>
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<tr>
<td>16 1.0 acres</td>
</tr>
<tr>
<td>17 1.5 acres</td>
</tr>
<tr>
<td>18 0.4 acres</td>
</tr>
<tr>
<td>Node Total 33.5 acres</td>
</tr>
<tr>
<td>C. Southern Node Sites</td>
</tr>
<tr>
<td>19 4.9 acres</td>
</tr>
<tr>
<td>20 0.8 acres</td>
</tr>
<tr>
<td>21 1.0 acres</td>
</tr>
<tr>
<td>22 0.5 acres</td>
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<tr>
<td>23 0.4 acres</td>
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<tr>
<td>24 0.2 acres</td>
</tr>
<tr>
<td>25 0.3 acres</td>
</tr>
<tr>
<td>26 0.4 acres</td>
</tr>
<tr>
<td>27 1.7 acres</td>
</tr>
<tr>
<td>Node Total 10.2 acres</td>
</tr>
</tbody>
</table>
Exhibit 8. Portland Road Opportunity Nodes and Possible Opportunity Sites Map

A. Hyacinth Street Node
- Several opportunity sites zoned for commercial uses.
- At least one property owner who is actively engaged in site redevelopment and attracting new, destination tenants (i.e. new rock climbing gym).
- Proximity to I-5 as well as small-scale flex/industrial space to the south along Hyacinth Drive.

B. Bill Frey Drive Node
- Opportunities for more intensive development and employment uses including sites across from, and adjacent to, Don Pedro’s Restaurant.
- Good I-5 access and proximity to industrial uses.
- Oregon State Police Facility, just north of the intersection, will be vacated in mid-2016, has excellent frontage and access.
- Opportunity to provide better crosswalks and other safety improvements for bicyclists and pedestrians along Bill Frey Drive from Portland Road to the Kroc Center.
- Possibility to use existing City right-of-way along south side of Bill Frey Drive for an interim use.

C. Southern Node
- Several potential opportunity sites in the area could create more conducive atmosphere for retail development, if willing sellers/buyers.
- Has complementary infrastructure for new development, given past URA streetscape and development investments.
- Could accommodate additional housing and retail development that aligns with the Center 50+ and Hollywood Station housing in the area.

Note: The zoning and the allowed uses within each zone may change over time. Please verify the current zoning and the allowed uses with the City of Salem’s Community Development Department.
Action Plan

This chapter summarizes the recommended projects/actions and puts them into perspective with time frames and estimated costs. These projects were the subject of community prioritization through an online survey. Subsequent to the prioritization, initial cost estimates and feasibility assessments for the streetscape and transportation projects became available. Two of these projects are no longer included in the recommended projects listed below, due to cost and feasibility issues. A complete list of prioritized projects is contained in Appendix A.

Exhibits 9 and 10 provide an overview of the projects that emerged from the Action Plan process. The projects are grouped in three categories according to the timing for implementation:

- **Short-term projects.** These projects were ranked highest through the community prioritization process and are likely to have the biggest short-term benefits. The City plans to take steps to implement these projects in the near-term (0-5 years).

- **Mid-term projects, or as opportunities arise.** These projects will likely take at least five years to come to fruition and require complex partnerships. The City plans to take the first implementation actions on these steps in the short-term, but more extensive implementation will not occur for several years (5-10 years). Some projects require the engagement of one or more partners to come to fruition and will do so as opportunities arise. The City will explore these partnerships in the near-term, but exact timing is unknown.

### Exhibit 9. Recommended Projects: Short-Term (0-5 years)

<table>
<thead>
<tr>
<th>Project</th>
<th>Rationale</th>
<th>Initial Implementation Action</th>
<th>Estimated Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restructure financial incentives to better serve businesses, developers,</td>
<td>Feedback from businesses in the Corridor suggests that restructuring the North Gateway Grant and Loan Toolbox to increase the allowed amounts is needed.</td>
<td>Conduct additional business/stakeholder roundtable discussions to seek input on amendments to the Toolbox Program. Modify existing Program to focus on business needs, including adding fixed equipment as an eligible expense.</td>
<td>$500,000-$1,000,000 to capitalize programs; possible reallocation in future years.</td>
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<td>and property owners.</td>
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<td>Business outreach and technical assistance.</td>
<td>The City is committed to playing a role in business retention and expansion through proactive outreach with businesses to connect them to resources.</td>
<td>Pursue targeted pilot North Gateway URA business retention program in partnership with SEDCOR and other partners.</td>
<td>City staff time and potential budget support from General Fund—Economic Development.</td>
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<tr>
<td>Public market, “farm-to-table” food incubator and food hub.</td>
<td>The Corridor lacks fresh food options. A new facility could capitalize on the Corridor’s existing local demand, good access to major roads, and the existing base of food-production industries. This concept addresses a need for aggregating produce and other local farm products for retail and institutional sales.</td>
<td>Initiate a feasibility study to confirm demand and financial viability of concept elements; and establish an advisory group to oversee the work.</td>
<td>Up to $80,000 for outreach and initial feasibility.</td>
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### Exhibit 9. Recommended Projects: Short-Term (Continued)

<table>
<thead>
<tr>
<th>Project</th>
<th>Rationale</th>
<th>Initial Implementation Action</th>
<th>Estimated Cost</th>
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</table>
| **Support development of industrial flex space and/or mixed-use development.** | The Corridor has a low vacancy rate for existing industrial space. The City’s Housing Needs Analysis indicates that the supply of multi-family housing is insufficient to meet future needs. Targeted investment of URA resources could address these needs. | • Explore the development of an RFP or “call for projects” in FY 16-17 to target North Gateway URA funding for projects meeting Action Plan goals/strategies.  
• Pursue development of URA loans/grants for pre-development assistance for catalytic projects.  
• Monitor “property for sale” within the Corridor; establish an “opportunity fund” in FY 16-17 to respond to opportunities as they arise. | $200,000–$500,000 for “opportunity purchases;” possible additional allocation in future years. |
| **Portland Road streetscape improvement (North).** | Community feedback suggested a desire for transportation enhancements to address areas with lack of sidewalks, crossings, and street trees. | Implementation of this project will likely require a design exception or Transportation System Plan amendment for interim street standards. Pursue funding in FY 16-17 for initial design. | $1.7 million (east side)  
$1.6 million (west side)  
$1.2 million (Bill Frey)  
$4.5 million (Total) |

### Exhibit 10. Recommended Projects: Mid-Term (5+ Years) or as Opportunities Arise

<table>
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<tr>
<th>Project</th>
<th>Rationale</th>
<th>Initial Implementation Action</th>
<th>Estimated Cost</th>
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</table>
| **Workforce and affordable housing support.** | Given the lower incomes in this area, there will continue to be a need for housing at affordable price points. | • Develop outreach material that highlights key vision/priorities from the Action Plan and depth of financial programs available. Initiate outreach that includes key affordable housing partners and developers in the region as well as owners of existing multi-family housing in the Corridor.  
• Participate in the anticipated affordable housing sub-committee to track needs, issues, and recommendations.  
• Ensure housing is eligible (and listed as a priority) for any new grants/loans developed following the approval of the Action Plan. | City staff time and funding associated with restructuring the North Gateway URA loan and grant programs. |
| **Strengthen the Corridor identity.** | A concerted branding effort could help the Corridor overcome its existing perception that stems from past public safety and livability challenges. | • Identify Corridor working group that represents key businesses and community interests.  
• Develop project work plan and key elements (in coordination with a working group) | TBD |
Project Highlights

Two projects stand out as potential catalysts for improving the Portland Road Corridor. These projects have community support and scored the highest when the criteria were applied. Both projects respond to needs identified in Appendix B: Opportunities and Needs Report.

Public Market, “Farm-to-Table” Food Incubator, and Food Hub

This project would support small-scale retail development that addresses the need for more fresh and affordable food and supports new/small businesses in the Corridor. A Marketplace/Food Hub could incubate and support small food business development; increase access to fresh, healthy affordable food; support the local food economy by aggregating product and providing access to larger retail and institutional markets; and providing a food cart/restaurant destination to serve the neighborhood and draw more Salem residents to the Corridor. There are several reasons why a food hub or public marketplace concept may be suitable for this Corridor:

- A public marketplace/Mercado concept can help to foster entrepreneurship, generate a sense of community, and respond to the needs of existing residents. The Corridor has a disproportionately higher number of Latino residents than other areas in Salem. The 2013 American Community Survey shows 42% of residents living in the Corridor are Latino, compared to 19% City-wide. The Corridor is home to several Latino food vendors and small shops.

- This area lacks grocery stores and restaurants. The project’s assessment of retail needs in the Corridor showed an unmet need for the types of services that a food hub could provide. Specific opportunities identified include a deficit in supermarkets and limited-service restaurants (in which patrons generally order and pay before eating). Many food hubs are more than wholesale aggregation and distribution centers. They are regional attractions that host farmers market style grocery stores, community events, provide educational experiences, are venues for sampling unique locally-grown food products.

The City’s role could include property acquisition, targeted financial incentives, or other development support, as well as transportation improvements. Possible functions include: a farmers market-style grocery store and/or small business incubator; commercial kitchen or “tasting center” available for use by food entrepreneurs; food hub that promotes Mid-Valley food and aggregates product for sale to retail and institutional buyers; and multiple food carts and/or small restaurants.
Support Development of Industrial Flex Space and/or Mixed-Use Development

Input gained through the Action Plan outreach identified several challenges to development in the area including older buildings may not meet the needs of the current or future businesses, including insufficient access, aging infrastructure, and limited footprint for expansion.

Redevelopment of certain sites in this area can play an important role in addressing City-wide employment and housing needs. This project would revamp URA financial incentives to make them more flexible and adaptable to support redevelopment in the Corridor. The policy changes could include:

- **Target URA grant/loan funding.** URA funds could support investors and owners in redeveloping properties to provide new jobs, housing, and/or retail amenities. In particular, the Agency should look for opportunities to leverage other resources to upgrade underutilized buildings that no longer serve existing business needs or are suitable for workspace conversion.

- **Track opportunities to pursue property acquisition and/or targeted financial support in one of three key activity and/or employment nodes.** As suitable opportunities arise, the Agency would help prepare parcels for sale/redevelopment; or master plan the site for new retail and services destinations. If URA-led, the City could release an RFP to identify developer and partners and create a framework or master plan for the site, or address other key development barriers.

- **Provide/fund pre-development assistance.** The City could work with developers or property owners to assist with typical due diligence issues (site design or engineering, property consolidation, market analysis, permitting, financial analysis) to help catalyze projects that align with the goals of the Action Plan.

- **Explore partnerships** to attract new retail, housing, services, and employment that fulfills needs in the area and improves economic conditions.
Conclusion

Successful implementation of the actions in this Plan will require the collective and coordinated investments of many individuals and organizations. As a summary, the actions described in this plan seek to build on the Portland Road Corridor’s many advantages: its existing stock of businesses, its proximity to Interstate 5, the active neighborhood involvement, its diversity, and the investments that the URA has already made. To do so, it must overcome the key development challenges identified in the analysis.

At the highest level, here’s how the Plan does that:

<table>
<thead>
<tr>
<th>Identified Development Barrier or Need</th>
<th>Action Plan Response</th>
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<tr>
<td>Lack of a “heart” for the Corridor</td>
<td>Concentrates proactive investment in identified “development nodes.”</td>
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<td>High speed traffic and arterial character creates challenging conditions for pedestrians and cyclists</td>
<td>Address transportation enhancements in specific areas of the corridor that can help to catalyze new development and support greater connectivity along the Corridor.</td>
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<td>Lack of awareness of resources available for businesses</td>
<td>New partnerships with local economic development organizations to leverage existing business assistance funds. Adjustments to the URA’s existing storefront programs to better capture business interest.</td>
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<td>Weak market</td>
<td>Recognition of the need to support new development in a weak market through targeted incentives and new partnerships with developers.</td>
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<td>Need to target “missing” retail market opportunities segments to reduce retail leakage</td>
<td>Actions include a focus on creating opportunities to keep local dollars local through projects like the Food Hub/Market Concept.</td>
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The Career Technical Education Center, opened in 2015, serves as a development catalyst for the Corridor.