

## ***Priority Project Data Sheets***

# Circulation and Access

## ***Improve Circulation and Access into and throughout Downtown***

Downtown Salem is challenged by its role as both a destination and a place drivers pass through on their way to West Salem and elsewhere. This dual role makes it challenging for streets to serve the local needs of people working, living, and shopping downtown with high volumes of regional travelers passing through. Traffic volumes and speeds impact bicycle and pedestrian safety as well as on-street parking opportunities, both of which impact the viability and location of development opportunities. The current transportation framework creates areas within downtown where retail and residential uses are less viable due to traffic speeds and volumes, pedestrian connectivity, and parking access. Until a comprehensive solution is defined, the opportunities to attract investment will be reduced.

### ***Recommended Actions:***

- Circulation, Parking, Access and Transportation Mobility Study
- Downtown Shuttle/Circulator
- Downtown Transportation and Access Fund

### ***Measures of Success:***

- Increased bicycle and pedestrian counts
- Increased transit ridership
- Improved utilization of parking facilities
- Improved financial performance of Parking District
- Increased attendance and participation at events/activities
- Increased business sales
- Reduction in accidents and violations attributed to all modes of transit



# Circulation and Access

## ***Circulation, Access, and Transportation Mobility Study***

### ***Project Description:***

A multimodal transportation circulation study would evaluate the full spectrum of transportation issues affecting downtown Salem, including preferred vehicular circulation routes, street design, bicycle and pedestrian circulation, sidewalk connectivity, alleyways, bridge connections, on-street parking, transit circulation, and other issues. This comprehensive analysis is a high priority because it will identify and define a scope for many potential subsequent projects. The Circulation, Access, and Transportation Mobility Study (“Mobility Study”) will identify and prioritize needed infrastructure improvements and urban renewal revenues will be set aside to assist with the financing of these improvements, which are anticipated to be implemented beginning in the short term (2 to 5 years) and extending into the long term (10 to 20 years). The Mobility Study needs to achieve a clearly stated vision supported by all the planning and visioning efforts that have occurred to date. It should be undertaken as a joint project by Urban Development and Public Works staff and will help achieve several important objectives. These include:

- Remove access barriers and improve access to opportunity areas;
- Promote pedestrian access and safety; and
- Make downtown an appealing a place to live, work, shop, and play while preserving function of facilities for the movement of people and goods.

Parking is an integral piece of the downtown transportation infrastructure. Through another funding source, a comprehensive downtown parking management and capital facilities plan will be developed, which will include policies, costs, and implementation to better manage the existing parking supply and to ensure that parking serves as an appropriate tool to make downtown a vital place to live, work, shop, and play. The plan will build upon the Downtown Salem Parking Study recently completed by Rick Williams. (While a first step in identifying key issues of concern and some preliminary recommendations, the parking management study is not a parking management plan.) The parking management and capital facilities plan should include the following steps:

- Establish a task force to guide the study and analysis;
- Define a performance-based system to pay for parking facilities;
- Evaluate existing parking standards;
- Develop a capital facilities plan;
- Evaluate a fee-in-lieu program; and
- Evaluate the bulk parking pass program.

### ***Benefits/Impact:***

During stakeholder interviews, several ideas were presented that explored potential solutions and changes to the street network such as the introduction of landscaped medians, mid-block pedestrian crossings, and more angled parking – these ideas need to be explored further through the Mobility Study to test their viability, impact on the transportation system as a whole, cost, and ability to enhance the business climate downtown.

The recent Downtown Salem Parking Study recommends several significant changes to the downtown parking system. Developing and implementing an effective parking management plan is vital to the long-term vitality of downtown Salem. As the downtown revitalizes and attracts more development, ensuring an adequate and efficiently managed public parking inventory will be critical to attracting visitors to support downtown businesses, cultural, entertainment and recreational uses, and to addressing the parking needs of downtown workers. Indeed, during stakeholder interviews, several business owners and other stakeholders indicated that the current supply of parking, location of garages, and the time limits of on-street parking are not functioning well for the needs of businesses or shoppers.

Upon completion of the Mobility Study, specific improvements can be funded for later years. These improvements will help attract investment and meet other goals for downtown Salem by enabling certain streets to better function as retail streets, by improving the access and function of both on-street and off-street parking, and by reducing the impact of through traffic on areas targeted for housing development.

**Location:** The Study should cover the greater downtown area, which extends beyond the RDURA boundary.

**Project lead:** Public Works/Urban Development will provide joint oversight of the Study.

**Partners:** Public Works Department. Outreach during the Mobility Study should include a broad spectrum of downtown organizations, business owners, property owners, residents, major employers, City and State agencies, and other stakeholders.

**Cost estimate:**  
Up to \$300,000 to complete the Mobility Study in Year 1.

**Urban renewal share:**

- Up to 60 percent (\$180,000).
- Public Works Department will help fund the Mobility Study.

**Timing:** Year 1.

# Circulation and Access

## Downtown Shuttle/Circulator

### Project Description:

Contingent upon the completion of the Mobility Study and the inclusion of a downtown Shuttle/Circulator as a recommended project, establish a downtown shuttle, consisting of at least two or three buses or rubber tire trolleys, to transport people from major employment and activity centers in and around downtown Salem to key retail, entertainment, and visitor attractions and other downtown destinations. While no major capital infrastructure improvements are anticipated, improvements such as bus shelters, signage, etc. may be part of the project. Explore an organizational partnership with Cherriots and create a funding plan for shuttle operations.

### Benefits/Impact:

While downtown Salem is fairly compact, the location of major employers and destinations in and around downtown (e.g., State Capitol, Willamette University, Salem Hospital) are far enough away from the downtown core that it is not always convenient for those workers and visitors to utilize the downtown core. Bringing these workers and visitors into downtown is an important strategy for economic development, as a downtown worker can support from between seven and 10 square feet of retail space through lunchtime and after work spending. According to employment data gathered during the Vision 2020 initiative, an estimated 33,336 workers were employed within a half-mile radius of Salem's downtown core in 2005. These workers could support between 233,000 and 333,000 square feet of retail space in the downtown core. By 2030, the downtown employment base is projected to increase to 39,442 workers with the potential to support between 276,000 and 394,000 square feet of retail space in the core.

In addition to getting people to and around downtown from major employment areas, a (free) shuttle would also help get people from remote parking lots to downtown and, in doing so, may help reduce the need for additional downtown parking (new above-ground parking costs a minimum of \$16,000 per stall to build). This would enhance the feasibility of redevelopment of historic buildings (e.g., activating second floor spaces) in parts of downtown where new garages are not practical or feasible. Finally, transit is a housing amenity, particularly in downtowns and urban areas where transit accessibility is more likely to factor into people's housing decisions. For example, people who currently work in downtown Salem but don't live there may decide to move downtown if they can use transit to commute to work. In addition to the potential economic benefit of increased property tax revenues from new housing development near transit, local-serving retail and commercial services businesses will benefit from increased patronage as the number of downtown residents grows.

**Location:** TBD. The shuttle is anticipated to follow a fixed route that includes stops at major employment and activity centers in and around downtown (e.g., Capitol Mall area, Willamette University, Salem Hospital, Convention Center, Salem Center, etc.). Thus, the shuttle route would extend beyond the RDURA boundaries.

**Project lead:** Public Works Department.

**Partners:** Cherriots, Public Works Department, State of Oregon, Willamette University, Salem Hospital. Because the scope of this project extends beyond the RDURA, consider engaging the leadership of Vision 2020 to build the necessary partnerships.

**Cost estimate:** TBD. Further research needed to estimate cost (no operating expenses).

**Urban renewal share:** TBD. Note: Urban renewal could fund the development of a service plan, the purchase of buses, and ancillary infrastructure costs (e.g., bus shelters, etc.) but not operating expenses.

### Timing:

- Year 1: Begin building organizational partnerships with key employers and stakeholders as well as with Cherriots, who would likely be the operator. Begin developing a funding plan for operations.
- Year 2: Upon completion of the Mobility Study, begin developing a shuttle operations/design plan and, if necessary, retain consultant to complete the plan.
- Years 2 to 5: Complete shuttle operations/design plan; purchase shuttle vehicles; and begin shuttle service operations.



# Circulation and Access

## *Downtown Transportation Access Fund*

### ***Project Description:***

Fund to implement capital and infrastructure improvements recommended in the Mobility Study. Specific investments will be defined during the course of that study.

### ***Benefits/Impact:***

In order to realize the benefits of improved multimodal access, circulation, safety and mobility in the downtown area, it will be necessary to set aside funds to finance critical infrastructure and capital improvements.

**Location:** The Fund will support improvements located within the RDURA boundary.

**Project Lead:** Public Works Department.

**Partners:** Public Works Department, State of Oregon, Marion County. Because the scope of this project extends beyond the RDURA, consider engaging the leadership of Vision 2020 to build the necessary partnerships.

**Cost estimate:** The amount of funds to be allocated to transportation improvements will be determined after the Mobility Study is completed and infrastructure and capital improvements needs are identified. As a placeholder, until specific needs are identified, allocate \$300,000 annually to a transportation infrastructure and capital facilities fund in Years 5 to 10.

**Urban renewal share:** 100 percent / \$300,000 per year.

**Timing:** Ongoing, beginning in Year 5 or sooner if funding is available.

# Activate City Streets

## ***Generate Activity on City Streets***

A sign of a healthy downtown is activity: storefronts and buildings that create interest and draw people to the area and outdoor public spaces that support events and encourage walking and shopping. Active streets are critical to making downtown retail work and it helps to develop character and identity in the various sub-districts that make up downtown Salem. The greatest threat to active city streets is dead space – blank walls, unattractive blocks, and empty storefronts. Success depends on having uninterrupted corridors of activity that link the various parts of downtown. When gaps exist, even as small as 60 to 100 feet, pedestrians and shoppers are more likely to turn around, depriving merchants further down the street from potential business. This category of programs includes several projects that will combine to create a dynamic street environment, both in the public realm and in private buildings. In addition to the direct revitalization impact that these projects will have, these projects will contribute to the marketing and branding of downtown Salem since they will be highly visible and will send a strong signal to the community that new investment is taking place.

### ***Recommended Actions:***

- Demonstration Block Program
- Streetscape Improvement Design Program
- Toolbox Program

### ***Measures of Success:***

- Annual business development activity, including:
  - New business openings
    - New jobs created
    - Square footage of occupied space
  - Growth/expansion of existing businesses:
    - New jobs created
    - Square footage of additional occupied space
  - Number of grants and loans awarded to property owners for building rehabilitation, storefront improvements and other physical improvements through the Demonstration Block and Toolbox Programs.
  - Number of vacant storefronts filled
- Value of new development
- Increased property values
- Increased bicycle and pedestrian counts



# Activate City Streets

## Demonstration Block Program

**Location:** The criteria for selection of a demonstration block should include several factors, such as the need for improvements, the willingness of property owners to participate, and the potential to leverage known or anticipated private investments. Potential candidate locations include, but are not necessarily limited to, the following. The DAB should evaluate each block and make a final recommendation.

- Liberty Street (Chemeketa to Court) – this would support and leverage the redevelopment of the Wells Fargo site development opportunity.
- State Street (Front to Liberty) – this block would support and leverage the future redevelopment of the McMahon property.
- Liberty Street (Ferry to State) – this would address the need to enhance the connection from the Conference Center to the historic district and retail core.
- Courthouse Square – this would address the need to redevelop the transit mall site

**Project Lead:** Urban Development Department.

**Partners:** Downtown business and property owners, downtown business/leadership organizations, Community Development Department.

**Cost estimate:** \$500,000 annual allocation in Years 1 to 7, which can fund up to 10 grants (five each in two Demonstration Blocks).

**Urban renewal share:**

- Similar to existing Toolbox program, require 50 percent private match for grants.
- Target grant award = \$50,000, depending on type of building.

**Timing:**

- Year 1: Identify demonstration blocks, explore potential challenges (e.g., obstacles to second story renovation) and solutions, and conduct outreach to property owners to evaluate interest in participating in the program.
- Year 2: Begin program implementation. Continue program through Year 7 or until such time that the program's desired outcomes have been achieved.

### Project Description:

Identify demonstration blocks within the historic core and Salem Center areas and target grant and loan programs and other financial and technical assistance programs to these blocks with a target of at least five loans or grants within any given block. Blocks to be considered could be either the properties on the two street faces of a one-block stretch of a street or a square city block of properties. Types of projects would include building rehabilitation loans/grants (including second story rehabilitation), storefront improvement, and the coordination of streetscape improvements.

### Benefits/Impact:

A principle of downtown revitalization and a theme recurring throughout this Action Plan is that concentrating as many investments as possible in close proximity maximizes the impact of those investments, which in turn maximizes their leverage. There are already a variety of redevelopment tools in place to support revitalization. A Demonstration Block Program would establish a strategy and policy to focus those tools in one or more targeted blocks in order to maximize leverage, create an immediate and highly visible impact, and send a positive signal to the market. The Demonstration Block Program would address several concerns that were noted during the Action Plan research phase including that storefront grants (Toolbox program) alone do not necessarily lead to filled storefronts when there are other structural issues that need to be fixed and that the historic district has conditions that make it uniquely difficult to activate empty spaces, especially second floors.

Targeting grant and loan programs to a focused block area will enhance the critical mass of development (including retail, office, and housing) and preserve and strengthen the historic retail core. By making five or more improvements in a one-block area, the impact of each project will be amplified by the other projects and a strong and visible signal will be sent to the investment community that this area is an area with development momentum.



# Activate City Streets

## Streetscape Improvement and Design Program

**Location:** The Program will be targeted to key streets identified as having the greatest potential to create strong connections between key locations in and around downtown. During the Action Plan development, the DAB identified several important connections that should be considered for special treatment:

- Liberty Street (“Creek to Creek”)
- State Street (“Willamette to Willamette”).
- Court or Chemeketa Street (“Park to Park”).

**Project Lead:** Urban Development Department.

**Partners:** Downtown business and property owners, downtown organizations and leaders; Community Development Department, Public Works Department.

**Cost estimate:**

- Year 2: Up to \$200,000 for Program development.
- Years 3 to 6: Annual allocation of up to \$400,000 to implement recommended streetscape treatments identified in the Program.

**Urban renewal share:**

- Up to 75 percent / \$150,000 for Program development.
- Up to 75 percent / \$300,000 annually for Program implementation in Years 3 to 6.
- Explore potential to acquire funding assistance from the Community Development or Public Works Department as well as through state and federal grant programs.

**Timing:**

- Year 1: Identify target streets and develop work scope for Program.
- Year 2: Develop Program (including identification of priority routes).
- Years 3 to 6: Apply recommended streetscape treatments identified in the Program to target routes. Potential improvements could also include the development of a Festival Streets for public events.

### Project Description:

Prepare a Streetscape Improvement Program to enhance the downtown retail and entertainment experience and to facilitate ease of walking around downtown Salem and between different districts within the downtown. The Program will identify specific improvements that can be made to improve the pedestrian environment and the public realm in that critical area between the curb and building front and between activity centers. Suggested improvements may include street furniture, lighting, trees and plantings, improvements associated with creation of a permanent Festival Street for public events and gatherings, artwork, signage and other physical design changes that improve pedestrian comfort and safety, as well as providing an enhanced business address. Since urban renewal revenues may not be used to finance ongoing operations costs associated with maintaining streetscape improvements, identifying funding sources to support maintenance of these enhanced streets should be a component of this project. Likewise, since it will likely be appropriate that some improvements extend beyond the boundaries of the RDURA, it will be important to engage broader implementing groups such as Vision 2020.

### Benefits/Impact:

Streets are more than just a way to get somewhere – they are an important public space. An attractive streetscape is one of the things that attract shoppers to downtown retail areas. Streetscapes not only create an ambiance, they provide a context and an identity for an area. They create places to pause and linger and provide safe and pleasant environments for walking and strolling. Great streetscapes provide a sense of arrival, and serve a “way-finding” function...connecting destinations and centers of activity. As downtown Salem is made up of several districts with different identities, a streetscape program can help activate the key linkages between each district. The quality of the streetscape environment throughout downtown Salem varies widely by street and area. Without a plan in place, and one that is coordinated with potentially new circulation patterns identified in the Circulation, Parking, Access, and Transportation Mobility Study, private property owners may face too much uncertainty to take on significant redevelopment work.

Streetscape improvements can provide a variety of economic, social and environmental benefits, including but not limited to the following:

- Improved bicycle and pedestrian access and safety and, therefore, increased bicycle and pedestrian counts.
- Increased retail activity and retail sales receipts resulting from increased foot traffic (from visitors, a growing population of downtown residents and nearby workers) and improved visibility/exposure of downtown businesses.
- New development, redevelopment, and increased property values. People want to shop, live and work in an attractive environment. Streets with a flourishing retail and business climate will attract private real estate investment in the form of building rehabilitation/redevelopment, infill development and larger-scale new construction projects where permissible. Over the long-term, as private real estate investment and the demand for business and residential addresses in downtown Salem increase, property values will increase.
- Improved community livability, interaction and cohesion.
- Improved public health due to increased walking and cycling. (As described above, people are more likely to walk and bike on streets that offer a pleasant, visually appealing, accessible and safe streetscape environment.)
- Enhanced wayfinding and ease of getting about (special directional signage and displays)
- Improved traffic safety and traffic calming.





# Activate City Streets

## Toolbox Program

### Project Description:

Continue to provide storefront improvement grants and commercial loans to downtown business and property owners to support storefront improvements and building rehabilitation projects. In the short-term, the majority of Toolbox funds will be channeled through the Demonstration Block Program, but a separate pool of Toolbox funds should be allocated for areas outside of the Demonstration Blocks.

Projects that open up blank walls and activate inactive storefronts should be the highest funding priority. Examples of such improvements may include, but are not limited to the following:

- Create display windows for anchor/department stores and other major retailers.
- Create shallow storefronts along building exteriors. This strategy will need to explore ways to address internal building circulation, storage, and delivery access.
- Create additional building entrances.

### Benefits/Impact:

Salem's Midtown area features multiple retail buildings with largely blank/brick walls along the sidewalk. As with interior malls, retail success depends on an environment with few or no breaks in continuity. Retail research has shown that even short breaks in retail continuity (60 feet or less) can cause shoppers to turn around. Thus, in order to maintain the vitality of Salem's retail streets, activating its blank building facades will not only help to activate those locations directly, but it can enhance the opportunity for pedestrians to shop at other businesses farther down the sidewalk. A trend that has been amplified by the current recession is the shrinking of retail spaces. The creation of smaller sidewalk-oriented retail spaces will provide more opportunities for retailers to downsize, allowing existing retailers to resize their operations and creating lower cost opportunities for new businesses. Similarly, improving the physical appearance of storefronts is a cost-effective strategy for strengthening district identity and increasing retail patronage. Storefront improvements have a fairly immediate and visible impact and multiple projects can be funded in a single year. Based on comments received during stakeholder interviews, the Toolbox program is a valuable and effective tool for encouraging business and property owners to enhance their businesses.

**Location:** RDURA, with potential to prioritize grants to target areas.

**Project Lead:** Urban Development Department.

**Partners:** Downtown business and property owners, downtown business/leadership organizations, Community Development/Planning Department.

#### Cost estimate:

- Annual allocation of up to \$300,000 in Years 1 to 7 (for areas outside the Demonstration Block Program).
- Annual allocation of up to \$500,000 in Years 8 to 10 (after completion of Demonstration Block Program).

#### Urban renewal share:

- Maximum grant award = \$50,000, depending on type of building.

**Timing:** Ongoing.

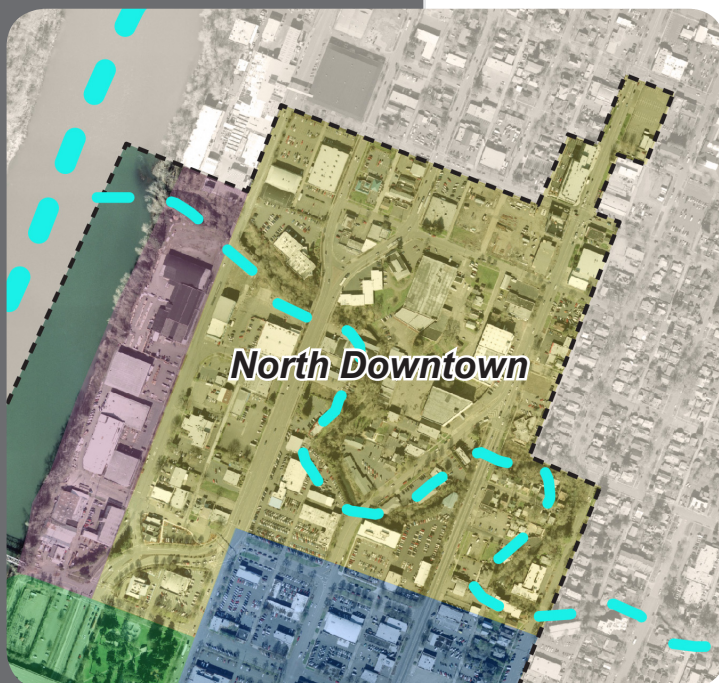


# North Downtown Neighborhood

## **Create a North Downtown Residential Neighborhood**

Increasing the residential population in downtown Salem is a goal that has been established through many prior planning processes. A strong residential base is a critical factor to success and helps create a safer and more active “24-hour” environment for retail, recreational, entertainment, and cultural activities. While several downtown housing developments have been built in recent years, many of them have struggled for various reasons. One key reason is that they are somewhat scattered throughout the downtown. Urban housing succeeds when communities of housing are developed instead of standalone projects. By clustering a range of housing types in close proximity to each other, a sense of neighborhood can be created and a critical mass of residents can be achieved that results in increased foot traffic, an active streetscape, and support for commercial services (where each resident can support up to 20 square feet of downtown retail space). With approximately 44 acres of developable land for housing, the North Downtown area could support up to 880 new housing units in a range of product types and densities. This could potentially represent up to \$175 million in new investment, representing an increase of almost \$136 million from the area’s current assessed value of approximately \$39 million.

North Downtown a prime location for new housing investment. Relative to other parts of the RDURA, such as the Historic Core and Midtown, the North Downtown has a large inventory of unconstrained, redevelopable property and is one of the few places in the RDURA where multiple housing developments could be built in proximity to one another. Further, it will build upon the recent investments in housing along North Broadway and will create better connections between downtown and adjacent neighborhoods to the north and east. Research conducted by organizations such as the Urban Land Institute (ULI) and the International Council of Shopping Centers (ICSC), which monitor consumer behavior and spending habits, has proven that people will walk as much as ¼-mile to ½-mile to retail and commercial services. North Downtown is within a half-mile walk of the waterfront and retail opportunities in the Midtown area. Further, North Downtown is adjacent to existing, well established residential neighborhoods to the east and north. Investing in projects and programs that support housing development will benefit downtown retailers by increasing the number of people who walk or bike downtown for shopping, entertainment, and recreation. In early years of implementation, when there will be few residents and even fewer commercial services, Mill Creek could serve as an outdoor amenity that provides a sense of place and creates value to attract pioneering developers.



### **Recommended Actions:**

- North Downtown Housing Investment Strategy
- Targeted Property Acquisitions
- Housing Opportunity Fund

### **Measures of Success:**

- Establishment of short- mid- and long-term housing targets as part of the North Downtown Housing Investment Strategy project
- Number of new housing units built through new construction and the conversion/rehabilitation of existing non-residential buildings to housing
- New business openings:
  - New jobs created
  - Square footage of occupied space
- Growth/expansion of existing businesses:
  - New jobs created
  - Square footage of additional occupied space
- Value of new development
- Increased property values
- Increased bicycle and pedestrian counts

# North Downtown Neighborhood

## North Downtown Housing Investment Strategy

**Location:** North Downtown Investment Area.

**Project lead:** Urban Development Department.

Partners: Private developers, public housing agencies, nonprofit housing/community development corporations, Grant Neighborhood Association, CAN-DO, Public Works and Community Development Departments.

**Cost estimate:** Up to \$200,000 for Investment Strategy.

**Urban renewal share:**

- Up to 100 percent / \$200,000 in year 1.
- The cost of other actions and improvements will be determined once the Investment Strategy is completed.

**Timing:**

- Year 1:
  - Developer and community outreach.
  - Develop scope of work for and initiate Investment Strategy.
  - Explore potential property acquisition/assembly opportunities for catalyst sites.
- Years 2 and beyond (to be undertaken after completion of Investment Strategy):
  - Ongoing assembly of key opportunity sites.
  - Explore a pedestrian easement along Mill Creek to ensure that it can serve as a neighborhood open space amenity.
  - Implement/build improvements to Mill Creek as recommended in Investment Strategy.
  - Issue developer RFQs/solicitations for publicly-owned catalyst sites (including market rate, senior, workforce, and other housing types).

**Project Description:**

Develop a comprehensive strategy to transition the North Downtown area from the mixed industrial and commercial area it is today into a vibrant mixed-use residential district in the future. The North Downtown Investment Strategy will: 1) identify the appropriate range and mix of housing types at varying affordability levels (through a market analysis), 2) identify access, circulation, and parking improvements necessary to serve the neighborhood for vehicles, cyclists, and pedestrians, 3) identify locations for open space amenities such as small parks and trails, 4) identify catalyst development opportunity sites, 5) recommend zoning changes to encourage market-supportable development, and 6) develop an implementation strategy to guide public actions and to create incentives for development. Incentives may include the public funding of parks and open space, the construction of critical infrastructure (roads and utilities), policy tools (development fee structure, tax abatement, expedited permitting), and coordinated marketing.

Targeted education and outreach to key groups, including those identified below, will be a critical component of the planning process and will help ensure that the investment strategy is realistic, achievable and supported by the community and prospective investors. In support of this strategy, the City should build relationships with developers to generate interest in the area and to solicit input on the types of incentives and programs that will attract new housing investment. Involve local/regional developers and nonprofit housing providers throughout the process and continue to reach out in the future through work sessions, presentations, and one-on-one communications:

- Developers (e.g., private developers, nonprofit housing agencies, etc.)
- Property owners: Discuss opportunities and generate interest in redevelopment.
- Other key stakeholders, including residents of North Downtown and adjacent neighborhoods, neighborhood associations and community organizations

The Investment Strategy will be a precursor to other actions in the North Downtown and will help prioritize urban renewal investments.

**Benefits/Impact:**

The Investment Strategy is a necessary precursor to the coordinated development of housing in the North Downtown area. However, it is more than just a plan and will have the following immediate benefits:

- Involve the development community at Day One and begin to generate a “buzz” about the future housing opportunities. This turns the Investment Strategy into both a planning project as well as a marketing effort.
- Defining development targets to measure success on an annual basis and over time.

# North Downtown Neighborhood

## Targeted Property Acquisition

### Project Description:

Acquire property in the North Downtown, including catalyst opportunity sites identified in the Investment Strategy as well as other properties with the potential to leverage private investment.

### Benefits/Impact:

The need to assemble property from willing sellers over a period of several years can be a significant deterrent to redevelopment, as a private developer may not be able to finance the considerable expense and holding costs associated with land assembly. By assembling land, the City can then offer larger properties to developers with greater flexibility in design. Similarly, through public ownership, the City can control (through a public-private partnership) the quality, scale, and type of housing that is developed and can provide financial incentives to developers through the write-down in the value of the land at transfer.

Indeed, the land purchase price is one of the most important factors to the economic feasibility of a development. The write-down of the land value can ensure that the land price to the developer is at a level that allows for a risk adjusted rate of return without compromising on the quality, quantity, or other characteristics of the project.

As evidenced by past projects in the RDURA, property acquisition can be one of the most successful uses of urban renewal money. Money from the sale of land to developers can be returned to the fund to support future land purchases or other urban renewal programs. In addition to full property acquisition, the City can also pursue purchase options on properties, which can subsequently be assigned to private developers. This can maximize the leverage of public funds since the development opportunity is preserved without the full expense of acquisition.

**Location:** North Downtown Investment Area.

**Project lead:** Urban Development Department.

**Partners:** Consider partnerships with local nonprofit housing providers for joint projects as well as other public-private partnerships.

**Cost estimate:** Up to \$1 million in Years 1 to 5. Expand fund as resources become available.

**Urban renewal share:** 100 percent / Up to \$1 million in sum.

**Timing:** Initial property assembly can begin immediately (2011) even before completion of the Investment Strategy. As properties become available on a willing seller basis, make targeted acquisitions in the future.

### North Broadway Investment: A Local Success Story

Downtown Salem's North Broadway area offers a prime example of how an effective public land acquisition and disposition strategy can leverage significant private investment. The Salem Urban Renewal Agency acquired three sites in the North Broadway area for \$4.9 million. Through strategic development partnerships, the Agency used its property assets to leverage over \$35 million in private investment, achieving an overall leverage ratio of 7:1 (\$7 of private investment for every \$1 of public investment).

- Site A – Broadway Town Square
  - URA Investment - \$1.915 million
  - Private Investment - \$12 million
  - Leverage Ratio - 6:1
- Site B – YWCA Building
  - URA Investment - \$2.5 million (includes \$2.1 million loan)
  - Private Investment - \$12.1 million
  - Leverage Ratio - 5:1
- Site C – Broadway Commons
  - URA Investment - \$491,734
  - Private Investment - \$11M
  - Leverage Ratio – 22:1



# North Downtown Neighborhood

## Housing Opportunity Fund

### Project Description:

Continue to provide low interest loans (currently offered through the Special Housing Opportunity Fund) to encourage housing development in the RDURA. While loans may continue to be offered throughout the RDURA, consider creating two separate funding pools. The majority of funds should be allocated to a pool that will fund housing in the North Downtown, an area with the potential to support a critical mass of housing given existing land use and development patterns and its proximity to Mill Creek. A smaller proportion of funds should be allocated to a pool that serves other locations, including the Historic Core. As part of this project, develop criteria for selecting strong projects (e.g., projects that meet design guidelines, provide on-site amenities, incorporate sustainable development techniques and materials, etc.) and give preference to projects that best meet selected criteria and objectives.

### Benefits/Impact:

Continuing and expanding the existing Housing Opportunity Fund will support new housing development in the North Downtown by providing direct financial assistance to projects that are consistent with the vision, development and design guidelines identified early on during the Investment Strategy process. Often times, particularly in relatively untested or emerging markets such as the North Downtown, home prices and rents are not high enough to support new construction. Therefore, programs such as the Housing Opportunity Fund, which can help bridge the financial gap, are invaluable incentives for encouraging housing investment.

**Location:** Prioritize the funds in the North Downtown area (bounds to be refined during Investment Strategy process), but also set aside a pool of money for funding anywhere in the RDURA).

**Project lead:** Urban Development Department.

**Partners:** Private developers, Salem Housing Authority, Marion County Housing Authority, Oregon Housing and Community Services, nonprofit housing and community development agencies serving Salem and the downtown area, Salem Community Development Department.

**Cost estimate:** \$500,000 annual allocation to start.

**Urban renewal share:** Up to 100 percent or \$50,000 loan per housing unit.

**Timing:** Beginning in Year 4. This allows time for the completion of the Investment Strategy and reflects the reality that, due to the recession, little new housing development may be possible for at least two to three years.



# Leverage Underutilized Assets

## ***Strengthen Current Assets***

Downtown Salem has many assets that are already in place yet do not live up to their full potential to serve as catalysts for activity and investment. These assets reflect many millions of dollars of public investments that have occurred in the past. Because they are already in place and paid for, the assets also represent an opportunity to leverage new investment. These assets range from Salem's riverfront, other existing parks, and parking garages with unused capacity. Projects that build upon these existing investments will leverage past investments and strengthen these locations as catalyst areas.

As described in the subsequent projects, these underutilized assets include:

- **Riverfront Park:** Salem is a riverfront community yet there is little activity at the riverfront that draws downtown users across Front Street to the river. Riverfront Park is a key green amenity and community parks and open space asset with potential linkages to key destinations and activity centers in the surrounding area, including the Historic Downtown, Midtown, the former Boise Cascade property, the North Waterfront, and West Salem. Building on recent park improvements, it has the potential to be an even greater community attractor and gathering place if programmed with the right mix of uses that will bring people to the area on an ongoing basis. If activated more frequently, people attending activities and events at the waterfront will be more likely to patronize downtown merchants and restaurants. Likewise, having active uses at the Riverfront Park will enhance the viability of downtown Salem as a residential and business location.
- **Marion Parkade:** The Marion Parkade currently has an excess supply of parking, which could be used to attract development nearby.
- **Marion Square Park:** Although it is difficult to access given the streets surrounding it, Marion Square Park is over three acres in size – an amount of land that would be virtually impossible to assemble elsewhere in downtown Salem.

### ***Projects:***

- Riverfront Recreation/Commercial Facility
- Minto Island Bridge
- Marion Parkade Investment Strategy
- Marion Square Park Improvements

### ***Measures of Success:***

- Increased bicycle and pedestrian counts
- Increased property values
- Value of new development
- Higher utilization of assets, including
  - Parking (structured, surface and on-street)
  - Parks and open space facilities
  - Other civic and cultural facilities/institutions
- Increase in number of annual events/activities
- Increased attendance and participation at events/activities
- Reduction in crime rates

# Leverage Underutilized Assets

**Location:** South end of Riverfront Park – Specific location TBD.

**Project lead:** TBD, potential for joint partnership between Urban Development Department, Public Works Department and community partner(s) such as Vision 2020.

**Partners:** Public Works Department, Willamette University, Salem Audubon Society and other community partners identified in Year 1 outreach efforts. Additionally, explore working with Vision 2020.

**Cost estimate:** \$8,000,000 for construction of a new boat dock facility with an adjacent building for commercial services.

**Urban renewal share:** Up to 25 percent / \$2,000,000 for development of the facility and associated infrastructure improvements. Seek other funding from a wide range of sources including local institutions and public and private grants.

## **Timing:**

- Year 1: Identify potential business and community partners (such as Vision 2020), establish partnership agreements and/or MOU(s) with potential partner(s).
- Year 2: Complete a design study and set aside funds for development.
- Years 3 to 5: Set aside funds for development and begin construction of the facility.

## **Riverfront Recreation/Commercial Facility**

### **Project Description:**

Through a partnership agreement with the City of Salem and other organizations and entities, support the construction of a new multiuse riverfront recreational facility<sup>1</sup>. Potential components of this multiuse facility could include but are not limited to:

- A new public/community boathouse with Willamette University access;
- Salem Audubon Society interpretive center, with convenient connections over the Minto Island Bridge to Audubon's 22-acre reserve on the Island;
- Access/storage for dragon boats;
- A commercial rental facility (for boats, bikes and/or other recreational equipment);
- A restaurant or other food vendor; and
- Public restrooms and, potentially, locker facilities.

### **Benefits/Impact:**

Research conducted by the Trust for Public Land's Center for City Park Excellence in 2003 identified seven attributes of city park systems that provide economic value and are measurable. While not all benefits of an urban park system can be enumerated, including the mental health value of a walk in the park or the carbon offset value of open space areas such as Minto Island, seven key factors—property value, tourism, direct utilization, health, community cohesion, clean water, and clean air—provide quantifiable benefits.

Two factors that provide a city direct economic benefit include increased property tax revenues attributed to the increased value of property within close proximity of parks (also referred to as “hedonic value” by economists) and increased sales tax revenues generated by tourists who visit primarily because of the city's parks and open space areas. These factors also boost the collective wealth of area residents, property owners and businesses through property appreciation and tourism revenue.

In addition to direct economic gains, public parks, open space and recreational facilities benefit downtown residents and workers through direct savings in three areas. First, use of the city's free parks and open space facilities and free (or low-cost) recreation opportunities saves them from having to pay fees to access private gyms and recreational facilities. Second, engaging in exercise and fitness activities in public parks results in health and wellness gains and reductions in medical expenses associated with improved vitality. Third, the “community cohesion” benefit of people joining together to improve, maintain and preserve their neighborhood provides opportunities for neighbors to get to know each other and generates invaluable social capital that can reduce the incidence of antisocial behaviors that would otherwise cost the city more to provide public safety, fire protection, prison, counseling and rehabilitation services.

The Riverfront Recreation/Community Facility will increase public access to the river and provide additional recreational opportunities at Riverfront Park and adjacent areas. It will draw a greater number and diversity of visitors to the area and downtown businesses will benefit directly from increased visibility and enhanced linkages, which will draw more people downtown to shop and entertain. It will also support downtown housing development (and the generation of additional tax revenues) by providing recreational amenities that area residents can access by a short walk or bike ride. Finally, this project has the potential to raise the value of nearby property by increasing the overall attraction and appeal of Riverfront Park as a neighborhood amenity.

<sup>1</sup> Further refinement and community outreach will be required prior to moving this project forward.

# Leverage Underutilized Assets

## Minto Island Bicycle and Pedestrian Bridge

### Project Description:

Construct a new bicycle and pedestrian bridge to Minto Island at the south end of Riverfront Park.

### Benefit/Impacts:

Under existing conditions, there is no direct access to Minto Island Park, a 900-acre natural park with a variety of pedestrian, bicycle and recreational facilities and open space areas, from Riverfront Park. Salem citizens have long envisioned a foot bridge connecting these two popular parks along the Willamette River and downtown. The Minto Island Bicycle and Pedestrian Bridge, planned to span the Willamette Slough from the south end of Riverfront Park to Minto Island Park, will connect users to existing trail systems and downtown Salem via a multi-use path. Together, this bridge and the recently completed Union Street Railroad Bridge at the northern edge of Riverfront Park will connect more than 1,300 acres of popular downtown parks and about 26 miles of trails. This project is identified as a priority action in the Riverfront-Downtown Urban Renewal Plan, the Salem Transportation System Plan, and the Salem Comprehensive Park System Master Plan. Completing the bridge is also a City Council goal and is included as an important connectivity element in the Salem Vision 2020 Action Plan. The City recently secured an easement from Boise Cascade, owners of more than 300 acres of the Island, that will permit the construction of a bridge landing and is currently negotiating with existing slough users to acquire waterway rights necessary to build the bridge.

As described in the Riverfront Recreation/Community Facility Benefits/Impact description, using urban renewal revenues to expand recreational opportunities available downtown Salem benefits area residents, businesses, property owners and the city as a whole by giving visitors and residents more reasons to come downtown, supporting new housing development (and generation of additional tax revenues) by providing free or low-cost public recreational amenities that downtown residents can access by a short walk or bike ride, increasing the value of nearby properties, and providing valuable health benefits and savings to downtown residents, workers and other users.

**Location:** South end of Riverfront Park, adjacent to Boise Cascade Redevelopment property.

**Project lead:** Public Works Department.

**Partners:** Public Works Department, Friends of Two Bridges, US Coast Guard, Vision 2020.

### Cost estimate:

- \$700,000 for environmental permitting and final design.
- \$5.2 million (mid range estimate) for construction.

### Urban renewal share:

- 100 percent / \$700,000 for design study (cost programmed into FY 2010-11 budget).
- 40 percent / \$2.16 million for bridge construction.

### Timing:

- Year 1: Initiate bridge design study.
- Years 2 to 3: Set aside funds for construction in Year 3 and complete bridge design and environmental and regulatory review process. This process is anticipated to be completed by January 2013.
- Year 3: Begin bridge construction. The anticipated start date for construction is January 2013.





# Leverage Underutilized Assets

## Marion Parkade Investment Strategy

### Project Description:

Facilitate opportunities to leverage the unused parking capacity in the Marion Parkade, a 1,060 space above-ground public parking structure owned and operated by the City. Projects could include the conversion of ground floor space to active storefronts, the development of uses above the garage, or the development of uses across the street or near the Parkade, allowing users to use the Parkade for parking. Specific projects or actions should be developed through a combination of the North Downtown Housing Investment Strategy, Mobility Study, and ongoing discussions with nearby property owners and developers.

### Benefits/Impact:

Parking is a key component to successful urban development. However, in many downtowns and urban centers, the high cost of building structured parking can render a project financially infeasible. Under current conditions, the Marion Parkade has excess/unused parking capacity that could be used to leverage private development in the immediate area. Examples of such development could include the redevelopment/expansion of the Parkade to include upper story housing or the development of private housing or mixed-use development on vacant and/or underutilized sites on surrounding blocks in the Midtown area and the southern edge of North Downtown. This mid-term project could be incorporated into the Create North Downtown Residential Neighborhood and/or the Activate City Streets project category.

A 2008 analysis prepared for the City by ECONorthwest analyzed the cost-benefit and public return on investment of redeveloping Marion Parkade. The study concluded that, over a period of 10 years, a new privately operated development that would fully utilize the garage, incorporating additional uses such as housing and retail, could generate a total positive economic impact of up to \$165,000 per parking space (\$187 million benefit, less \$6.1 million in costs, divided by 1,060 spaces) or a total positive fiscal impact to the city of up to \$1,027 per parking space (\$1,088,827 from Table 4 of the study divided by 1,060 spaces). Without access to the Parkade, nearby development might need to build its own above-ground parking, which, as of 2010, costs approximately \$16,167 per stall. Underground parking can cost two to three times this amount. This represents the direct value to the developer of contributing parking to a redevelopment project.

**Location:** Marion Parkade and immediate area.

**Project lead:** Urban Development Department.

**Partners:** Adjacent and nearby property owners.

**Cost estimate:** TBD.

**Urban renewal share:** TBD.

#### Timing:

- Year 1: Coordinate with ongoing planning efforts and initiate discussions with nearby property owners to evaluate redevelopment opportunities.
- Years 2+: Dependent upon findings from planning studies and discussions with property owners.



# Leverage Underutilized Assets

## Marion Square Park Improvements

### Project Description:

Make Marion Square Park an amenity for the opportunity sites around it by redesigning portions of the Park. Key project elements are anticipated to include:

- Phase 1: Complete design study/plan that will make Marion Square Park less of a passive recreation park and makes it more of a redevelopment amenity for areas around it, including the North Downtown area.
- Phase 2: Implement improvements recommended in the design study/plan.

### Benefit/Impacts:

Marion Square Park is a strategically located existing green asset, yet many citizens consider it unattractive and unsafe, as noted during stakeholder interviews. Further, because it is surrounded by busy streets and the bridge ramp, pedestrians must cross those streets in order to get to the park. Located adjacent to the Union Street Bridge, North Downtown, and connecting to Riverfront Park, Marion Square Park could serve as a foundation for investment in the surrounding area, including new housing development in the North Downtown.

Several studies that examined the value of parks in cities around the nation, including Boston, Baltimore, Chicago, San Diego and Philadelphia, have found that proximity to a park typically has a significant positive impact on the value of land. Depending on the quality of the park, proximity to a park can raise the assessed value of homes within 500 to 2,000 feet by five to 15 percent. On the other hand, problematic parks, including those with high crime rates, can be a liability and have been shown to reduce the value of nearby homes by as much as five percent. Beyond parks, even small projects, such as the greening of nearby streets, can have a significant effect on property values.

Parks and trail systems generate significant tax revenue for cities, as they are relatively inexpensive public investments compared to road infrastructure and are a big draw for residents and visitors. Finally, as described in the Riverfront Recreation/Community Facility project benefits/impacts discussion, parks and open spaces also have important health benefits for residents, as well as for the city as a whole by providing opportunities to increase activity levels and thereby improving the health of neighbors and visitors. In addition, with issues of climate change and energy efficiency gaining international attention, the ecological value of parks is a key consideration.

**Location:** Marion Square Park.

**Project lead:** Public Works Department.

**Partners:** Public Works Department, CAN-DO, Marion County.

### Cost estimate:

- Up to \$200,000 for design study/plan in Year 4.
- Up to \$2.8 million to implement park improvements in Years 6 to 9.

### Urban renewal share:

- Up to 60 percent / \$120,000 for design study/plan.
- Up to 50 percent / \$1.4 million for park improvements.

### Timing:

- Year 3: Scope project and retain consultant to explore redesign options.
- Year 4: Complete Phase 1 design study/plan.
- Years 6 to 9: Set aside funds for Phase 2 implementation and begin to implement improvements recommended in the Phase 1 design plan/study.



# North Waterfront Investment Area

## ***Prepare the North Waterfront Investment Area for New Uses***

The North Waterfront Investment Area is envisioned as a mixed-use residential and employment district. In the future, this Area could be a vibrant community of housing, commercial, employment, and institutional uses, all in a riverfront setting. However, no short-term priority projects have been identified for the Area since existing real estate market conditions, transportation connectivity issues, and various uncertainties (e.g., the potential impact of the “third bridge” alignment, the future location of the existing rail line on Front Street, and the possibility of a high-speed commuter rail line) create an uncertain development climate. As market conditions improve and some of these issues begin to be resolved, the area’s capacity to support private investment, including urban riverfront housing, office, and mixed-use projects, is anticipated to increase. In the interim, however, urban renewal could support a variety of mid to long-term actions that will pave the way for future development opportunities.



### ***Recommended Actions:***

- North Waterfront Redevelopment Strategy
- Targeted Property Acquisition Fund
- Infrastructure Improvement Fund

### ***Measures of Success:***

Establish short- mid- and long-term development targets (e.g., for housing, retail, office and other uses) as part of the North Waterfront Investment Area Master Plan process.

- Achievement of development targets through the collection of key data on an annual basis, including but not limited to:
  - Number of new housing units built through new construction and the conversion/rehabilitation of existing non-residential buildings to housing
  - New business openings:
    - New jobs created
    - Square footage of occupied space
  - Growth/expansion of existing businesses:
    - New jobs created
    - Square footage of additional occupied space
- Value of new development
- Increased property values
- Increased bicycle and pedestrian counts

# North Waterfront Investment Area

## ***North Waterfront Redevelopment Strategy***

### ***Project Description:***

Develop a master plan for the North Waterfront Investment Area. The master plan should address the following: appropriate land uses for the area, pedestrian and vehicular access and circulation, parking, riverfront open space and trails, catalyst development sites, infrastructure conditions, and regulatory and design guidelines.

### ***Benefits/Impact:***

Despite the current economic downturn, the demand for urban housing, office and mixed-use development envisioned for the North Waterfront Investment Area is anticipated to increase gradually during the next 5 to 10 years as the market recovers, current lending restrictions ease, and access to capital/financing improves, enabling private developers to start building again. A master plan that defines a clear vision, goals and objectives, and desired uses for the North Waterfront Investment Area, that identifies opportunity sites for land acquisition, development, and other priority investments, and that provides an organized framework for achieving desired outcomes, will help ensure that future opportunities are preserved and that development and uses that are inconsistent with the master plan vision are avoided. Such a plan can build upon the work completed in fall 2010 by the Sustainable Cities Initiative and can address some of the challenges that were noted in the Existing Conditions report such as poor pedestrian connectivity.

**Location:** North Waterfront Investment Area.

**Project lead:** Urban Development Department.

**Partners:** Private developers, public housing agencies, nonprofit housing/community development corporations, educational institutions, and other stakeholder groups.

**Cost estimate:** Up to \$150,000 for Plan.

**Urban renewal share:** Up to 100 percent / \$150,000.

**Timing:** Year 4.



# North Waterfront Investment Area

## **Targeted Property Acquisition Fund**

### **Project Description:**

As previously noted, while the market will not support the near-term redevelopment of the North Waterfront Investment Area, the acquisition of targeted properties is an activity the Agency should undertake as part of its long-term investment strategy.

### **Benefits/Impact:**

The need to assemble property from willing sellers over a period of several years can be a significant deterrent to redevelopment, as a private developer may not be able to finance the considerable expense and holding costs associated with land assembly. By assembling land, the City can then offer larger properties to developers with greater flexibility in design. Similarly, through public ownership, the City can control (through a public-private partnership) the quality, scale, and type of development and can provide financial incentives to developers through the write-down in the value of the land at transfer. As evidenced by past projects in the RDURA, property acquisition can be one of the most successful uses of urban renewal money. Money from the sale of land to developers can be returned to the fund to support future land purchases or other urban renewal programs. In addition to full property acquisition, the City can also pursue purchase options on properties, which can subsequently be assigned to private developers. This can maximize the leverage of public funds since the development opportunity is preserved without the full expense of acquisition. Although the market may not be ready for redevelopment in the North Waterfront Area for several years, land assembly now can preserve sites for future redevelopment, ensuring that interim uses do not create future impediments to development. Once the market improves, the Agency can leverage its property assets and support private development that is consistent with the vision for the North Waterfront Investment Area.

Location: North Waterfront Investment Area.

Project lead: Urban Development Department.

Partners: Potential partners could include employers or institutional users who might want to locate in the North Waterfront area.

Cost estimate: TBD.

Urban renewal share: TBD.

Timing: Mid-term and long-term or as opportunities arise.

# North Waterfront Investment Area

## *Infrastructure Improvement Fund*

### **Project Description:**

Fund for infrastructure improvements in the North Waterfront Investment Area. Specific infrastructure deficiencies and needs will be determined as part of multiple planning efforts, including the North Waterfront Investment Area Master Plan and the Mobility Study. Examples of potential improvements include the realignment of the rail line that currently runs along the Front Street median and the undergrounding of high voltage power lines on Front Street that may be a deterrent to residential development envisioned for the Area in the future.

### **Benefit/Impacts:**

Without an upfront investment of public funds into infrastructure improvements and capital facilities projects (e.g., the realignment of the rail line and undergrounding of high voltage power lines on Front Street) that are needed to make the North Waterfront Investment Area an attractive place for private investment but are too costly for private development to bear in an unproven market, the Area will not redevelop. Strategic investments into infrastructure improvements identified during the Master Plan process and other districtwide planning processes will significantly reduce financial barriers to private investment and facilitate private investment that would otherwise not be feasible.

**Location:** North Waterfront Investment Area.

**Project lead:** Public Works Department.

**Partners:** Union Pacific Railroad, Portland and Western Railroad, and Salem Public Works Department.

**Cost estimate:** TBD.

**Urban renewal share:** TBD.

**Timing:** Mid-term or long-term project.

