



URBAN RENEWAL AGENCY

Urban Development Department

Si necesita ayuda para comprender esta información, por favor llame 503-588-6178.

Disability-related modification or accommodation, including auxiliary aids or services, in order to participate in this meeting or event, are available upon request. Sign language and interpreters for languages other than English are also available on request. To request accommodations or services, please contact the ADA Liaison at 503-588-6178 or Urbandev@cityofsalem.net at least two business days in advance (TTD/TTY 503-588-6439).**

Downtown Advisory Board

Board Members

Aaron Terpening
Linda Nishioka, Vice-Chair
Brad Compton
Tyson Giza
Joshua Kay, Chair
Summer Keightley
Vincenzo Meduri
Allan Pollock
Quandary Robertson
Jordan Truitt
Charles Weathers

City Staff

Sheri Wahrgren, Downtown Revitalization
Rebecca Ziegler, Project Manager
Anita Sandoval, Supervisor

www.cityofsalem.net

Next Meeting:

January 27, 2022

It is the City of Salem's policy to assure that no person shall be discriminated against on the grounds of race, religion, color, sex, marital status, familial status, national origin, age, mental or physical disability, sexual orientation, gender identity, and source of income, as provided by Salem Revised Code 97. The City of Salem also fully complies with Title VI of the Civil Rights Act of 1964, Americans with Disabilities Act of 1990, and related statutes and regulations, in all programs and activities.

Meeting Agenda

Tuesday, December 14, 2021
12:00 p.m. – 1:30 p.m.

**Due to the COVID-19 Pandemic, this meeting is being conducted virtually, with remote attendance by the governing body. No in-person attendance is possible. Interested persons may view the meeting online on [YouTube](https://www.youtube.com). Please submit written comments on agenda items by 5:00 p.m., or earlier, one day prior to the day of the meeting at DAB@cityofsalem.net.

1. Opening exercises
2. Approval of Agenda
3. Approval of Minutes from October 28, 2021
4. Action Items –
 - a. None
5. Information Reports-
 - a) YTD – Parking Fund Budget Update
 - b) Downtown Strategic Action Plan Overview
6. What's Happening Downtown
7. Adjournment

MINUTES
Downtown Advisory Board
Thursday, October 28, 2021–12:00 P.M.
Virtual Meeting
[YouTube](#)

1. CALL TO ORDER

Call to Order and Roll Call: 12:03 PM

Roll Call: Tyson Giza; Joshua Kay-Chair; Summer Keightley; -Vice Chair; Allan Pollock; Quandary Robertson; Aaron Terpening; Jordan Truitt; Linda Nishioka; Vincenzo Meduri

Excused: Charles Weathers; Scott McLeod

Staff: Tory Banford, Michael Miller, Anita Sandoval, Sheri Wahrgren; Rebecca Ziegler

2. APPROVAL OF AGENDA

Motion: Move to approve the agenda for October 28, 2021, as presented.

Motion by: Board Member Terpening

Seconded by: Board Member Keightley

Action: Approved the agenda for October 28, 2021, as presented.

Vote: Aye: Unanimous **Motion PASSES**

3. APPROVAL OF MINUTES

Motion: Move to approve the Minutes from September 23, 2021, as presented

Motion by: Board Member Terpening

Seconded by: Board Member Keightley

Action: Approved the Minutes from September 23, 2021, as presented.

Vote: Aye: Unanimous **Motion PASSES**

4. ACTION ITEMS -

a. November and December meeting schedule

Comments/Questions: Wahrgren

Motion: Move to combine the November and December meetings to December 14, 2021

Motion by: Board Member Nishioka

Seconded by: Board Member Terpening

Action: Approved combining the November and December meetings to December 14, 2021.

Vote: Aye: Unanimous **Motion PASSES**

5. INFORMATION REPORTS

a. Union Street Bike Friendly Project – Michael Miller

Presentation attached

Comments/Questions: Kay, Nishioka, Wahrgren

b. Salem Main Street Association Downtown Business Survey Results – Linda Nishioka

Survey Results attached

Comments/Questions: Wahrgren, Kay, Meduri

c. West Salem Urban Land Institute Project – Tory Banford

Presentation Attached

Comments/Questions: Kay, Wahrgren

6. What's Happening Downtown!

a. Truitt Bros cannery plant on Ferry Street is for sale, hoping to find a developer to do mixed use on the waterfront.


b. Charles Weathers has won the Oregon Main Street “Best Outstanding Mixed-Use Project” award.

- c. The Salem Urban Renewal Agency approved the purchase of the ABC Music Co. building on Chemeketa which will add to the lots for redevelopment on Saffron/UGM site.
- d. The Marquis project on the old Boise site is now underway.
- e. The Statesman-Journal building is under contract.
- f. The YMCA construction is expected to be complete by Summer 2022.
- g. Q Robertson is planning to build a 3-story mixed-use building with a café and barbershop on the first floor; a boxing school on the 2nd; and residential on the 3rd.
- h. A new Thai restaurant is opening adjacent to the Grand Theatre.
- i. *Annie* will be the December presentation at the Grand.
- j. A new French restaurant is going in where Table Five 08 use to be.

7. **ADJOURN** – 1:22 p.m.

Next Meeting: December 14, 2021

Memo

To: Downtown Advisory Board
From: Sheri Wahrgren 
Date: December 14, 2021
Re: Downtown Parking Fund Update

During the development of the FY 2021-22 Parking Fund budget, early budgets reflected an estimated \$200,000 shortfall in revenue to cover actual costs in FY 2020-2021 and an estimated budget deficiency of \$300,000+ for FY 2021-22.

Because the initial draft FY 2021-22 Parking Fund budget was not balanced, DAB indicated to budget staff that they would not approve a budget until it was reconciled. In order to balance the Parking Fund budget for this year, Federal Grant Funds were used to fill a portion of the gap, along with removal of discretionary items and deferral of capital projects.

To help inform FY 2022-2023 budget discussions staff is providing you with early information on Parking Fund revenue and expense trends.

As you can see, parking tax revenue came in lower than budgeted, along with year-to-date parking permit revenue from the parkades. However, construction permit revenue has been trending higher than originally budgeted. Expenses are running higher, mostly a result of higher trash hauling costs and increase in Garten annual cleaning contract.

	<u>Adopted</u>	<u>YTD Annualized</u> Thru 10/2021	<u>Difference</u>
Other Permits	\$ 24,830	\$ 69,768	\$ 44,938
Parking Tax	\$ 365,840	\$ 276,541	\$(89,299)
Garage/Meters	<u>\$ 737,890</u>	<u>\$ 600,744</u>	\$(137,146)
	\$1,128,560	\$ 947,053	\$(181,507)
Federal Grant Funds	\$ 253,510	\$ 253,510	
Total Revenue	\$1,382,070	\$1,200,563	\$181,507
Expenses	\$1,137,310	\$1,178,352	\$ 41,042

It has been the goal of the Downtown Advisory Board to have the Parking Fund generate sufficient revenue to cover the costs of operating the downtown parking district. Facilities staff prepared a schedule of anticipated capital projects and costs for the parkades for budget planning purposes. Historically, there has not been sufficient revenue to cover operating and parkade capital costs in the downtown parking district. Last year there was parkade capital projects identified for a total of \$1.075M and for next fiscal year another \$945,000 in capital costs. Staff has outreached to Facilities regarding these projects to better understand the timing of when they need to be completed and potential impact to the overall condition of the parkade if they are deferred so they can bring back additional details to share with board members during the budget discussions. That information may result in the board discussing allocations of Riverfront-Downtown Urban Renewal Funds to cover the costs of parkade capital improvements in the next budget year.

The parking fund challenges have been the result of many things, including restrictions on how much the parking tax can be increased each year, inconsistent increases in parking garage permit costs and increased internal cost allocations. In most recent years parking revenue has decreased due to the impacts from the pandemic.

Each year the following items are discussed as possible options for increasing revenue. In addition, DAB has considered other activities/projects that they would like funded and had to make hard decisions on prioritizing projects based on limited resources.

- Increase Parking Permit Fee
- Move forward process to remove parking tax increase limitation

Projects/Activities that DAB has indicated an interest in supporting through the parking fund but has been unable to do so based on insufficient resources.

- Downtown Hanging Flower Baskets
- Downtown Banners
- Additional funding for cleaning
- Security
- Events
- Downtown Association
- Holiday Activities
- Downtown Promotions

Over the last several years DAB has submitted a memorandum to City Council regarding the challenges of the Downtown Parking Fund and their recommendation for implementation of a paid parking system which would provide a consistent source of revenue with early financial projections reflecting monies to fund discretionary activities in downtown as well.

Attached to this memorandum staff has provided the following additional historical resource documentation:

- a. Parking Structure Capital Project List
- b. City Council Budget Communications

**Downtown Parking Structures
Major Maintenance (Capital Needs)
FY 2022-23 through FY 2026-27**

CIP# Structure / Project	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	Total
<i>Chemeketa Parkade</i>						
739 Exterior painting	450,000					450,000
528 Deck maintenance/repair and expansion joint replacement			190,000			190,000
ADD North and south fire riser/valve replacement (25% Parking, 75% Leasehold)					62,400	62,400
ADD Egress lighting uninterrupted power supply (UPS) replacement					20,000	20,000
<i>Chemeketa Subtotal</i>	\$ 450,000	\$ -	\$ 190,000	\$ -	\$ 82,400	\$ 722,400
<i>Liberty Square Parkade</i>						
262 Deck maintenance/repair various locations						-
740 Exterior painting		320,000				320,000
883 Chiller/air handler replacement (Leasehold)			240,000			240,000
ADD Egress lighting uninterrupted power supply (UPS) replacement					20,000	20,000
<i>Liberty Subtotal</i>	\$ -	\$ 320,000	\$ 240,000	\$ -	\$ 20,000	\$ 580,000
<i>Marion Square Parkade</i>						
742 Repaint interior CMU walls	50,000					50,000
744 Storefront and glass canopy replacement (Ph 1 design, Ph 2 construction)	75,000	625,000				700,000
745 Deck coating/sealing roof level				185,000		185,000
884 Roof deck joint replacement			140,000			140,000
ADD Egress lighting uninterrupted power supply (UPS) replacement					20,000	20,000
<i>Marion Subtotal</i>	\$ 125,000	\$ 625,000	\$ 140,000	\$ 185,000	\$ 20,000	\$ 1,095,000
Parking Structures Total	\$ 575,000	\$ 945,000	\$ 570,000	\$ 185,000	\$ 122,400	\$ 2,397,400

NOTES: Additional improvements may be necessary after further investigation. Amounts listed reflect inflationary factor. Projects listed may not align with CIP database nor DAB 30-yr cost spreadsheet due to changing priorities and costing requirements for CIP entry. Projects listed reflect funding by both Downtown Parking and Leasehold funds. All projects previously listed in FY 21-22 were pushed out by one year to due to reduced parking tax revenue (Covid-19 and governor's mandates).

Memo

To: Mayor and City Council

From: Downtown Advisory Board

Date: May 2020

Re: Fiscal Year 2020-21 Parking Fund recommendations

Each year during the budget process, the Downtown Advisory Board discusses the challenges of not having sufficient revenue in the Parking Fund to cover all of the items necessary to meet the goals of downtown promotion/beautification, as well as, funding operational costs including a reserve to cover capital costs in the parking structures. The adoption in 2013 of the 2% cap on the parking tax has impacted the amount of revenue available each year, to cover increased parking operation costs.

At the March 12, 2020 Downtown Advisory Board meeting, the board approved a Fiscal Year 2020-2021 Parking Fund recommendation for Council consideration. This recommendation was based on revenue projections prior to the implementation of the Governor's Order to Stay Home, Stay Healthy which resulted in closures of retail/restaurant and other businesses within downtown.

DAB's FY 20-21 budget recommendations included the following:

- 5% increase in Parking Permit Costs.
- \$25,000 in contractual services for downtown promotion and beautification
- \$10,000 in contractual services for Holiday Security services in Marion and Chemeketa parkades

On April 6th Urban Development staff provided the Downtown Advisory Board members with updated Parking Fund financial revenue projections for FY 2019-2020 and FY 2020-21 based on the potential impacts from the COVID19 restrictions. The differences in the DAB budget recommendations and UD Department are based on decreased revenue projections. The UD Department budget recommendations address the decreased revenue projections by a reduction in the contribution to police, elimination of marketing and promotion funds, elimination of capital fund contribution and reduction of contingencies.

The Downtown Advisory board recognizes that we are in an unprecedented time with no historical information to inform the potential financial impacts to the Parking Fund. With that said, the board would like to have Council consideration of the budget line item they are recommending for marketing and promotion to help promote downtown businesses and support the economic recovery

For numerous years the Downtown Advisory Board has discussed the benefits of implementing an on-street paid parking system. Historical parking utilization studies have indicated that the demand for on-street parking in downtown has reached the capacity to implement a paid system on-street, while maintaining free customer parking in the downtown parkades. Initial revenue projections reflect a paid system would be feasible to support the parking resources in downtown, with a goal of funding stabilization by the paid system and phasing out of the parking tax model that is paid for by the downtown businesses. The concept would have the users of the high-demand on-street parking spaces, pay to use a space. This model would also remove the common complaints regarding some downtown parking regulations.

As a board we understand that a decision to move forward paid on-street parking in downtown and any role DAB may play in the process, would be a Council policy decision.

Thank you for the opportunity of sharing this information as part of the budget review process.

Memo

To: Mayor and City Council
From: Downtown Advisory Board
Date: March 14, 2019
Re: Fiscal Year 2019-20 Parking Fund recommendations

Each year during the budget process, the Downtown Advisory Board discusses the challenges of not having sufficient revenue in the Parking Fund to cover all of the items necessary to meet the goals of downtown promotion/beautification, as well as, funding operational costs including a reserve to cover capital costs in the parking structures. The adoption in 2013 of the 2% cap on the parking tax has impacted the amount of revenue available each year, to cover increased parking operation costs.

The Downtown Advisory Board recognizes that in order to be sensitive and equitable in proposing changes that would result in increased parking costs to a downtown business or property owner several items tied to parking fund revenue need to be addressed.

Until recent years, there has not been sufficient funds to cover the capital costs necessary to maintain the parking structures in good condition. The goal has always been to put aside reserves each year through the budget process to cover capital projects going forward. Based on the revenue and capital project projections, there will not be sufficient funds starting in year FY 21-22 to cover capital costs.

This year the Downtown Advisory Board is recommending a combination of actions, that if approved, would increase the revenue available in the parking district to cover the costs to operate and maintain the parking district, and to have more flexibility in funding downtown promotions/marketing along with hanging flower baskets, cleanliness, banners, etc.

The following is a summary of the Downtown Advisory Board recommendations:

- \$3.00 increase in Parking Permit Costs. The last increase was in 2014.
- Council removal of the 2% parking tax cap, replacing it with the CPI as the index for parking tax increases.
- DAB support of a parkade permit requirement for residents.

Thank you for the opportunity of sharing this information as part of the budget review process.

Memo

To: Downtown Advisory Board
From: Sheri Wahrgren
Date: December 14, 2021
Re: Riverfront-Downtown Urban Renewal Area (RDURA)

The following information is being shared to provide some background information on determining the project recommendations presented by DAB to the Urban Renewal Agency Board during the budget process each year.

Background

In 2007 a group of Salem's large employers initiated a discussion about the future of the downtown area. Out of this discussion arose Vision 2020, a collaborative effort involving key community stakeholders, public officials, and leaders in the creation of a long-term community-defined vision for Salem's City Center. The Vision 2020 Action plan resulted in the identification of 24 projects under five broad themes: Create Places for People to Live and Gather; Preserve and Enhance the Look and Feel; Create a Vibrant Destination; Expand Options to Get About City Center; and Improve Connections to Parks, Creeks and River.

In 2011 a Downtown Strategic Action was created that identifies activities/projects that support these themes and their ability to leverage investment to achieve these goals. The Plan outlined a project and funding recommendation strategy based on tax increment projections over a defined time period which tied to the bond debt repayment for the Salem Convention Center. Each year the DAB would review the projects in the Plan and also Central Salem Mobility Study to inform annual project recommendations.

In 2016 staff initiated 12 Focus Group Discussions with community stakeholders to revisit the goals of Vision 2020 and priorities outlined in the Downtown Strategic Action Plan. The results of that outreach identified these priority projects:

- Streetscape
- Toolbox Funding
- Housing
- Targeted Property Acquisition

With the retirement of the Convention Center bond debt in 2018, RDURA has been able to increase its annual budget to support key projects within the RDURA. Based on those priorities, a Downtown Streetscape Design Plan was created, which has been implemented in two locations in downtown, along with the acquisition of the UGM/Saffron properties, which are scheduled for demolition and to be redeveloped into a mix of uses for downtown.

Take a look at the Strategic Action Plan and Central Salem Mobility Study that are provided in the board packet in preparation for budget discussions. Staff looks forward to DAB members insightful and thoughtful contributions to the budget recommendations.



SALEM, OREGON



PREPARED FOR
Salem Urban Development Department
City of Salem
Salem Urban Renewal Agency
Downtown Advisory Board

TEAM
Leland Consulting Group
Otak

DOWNTOWN STRATEGIC ACTION PLAN



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Appendices

- A. Priority Project Data Sheets
- B. Project Evaluation Matrix
- C. Existing Conditions Report
- D. Plan Review Summary
- E. Summary of Interviews with Historic Downtown Core Stakeholders

Acknowledgments

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Other Community Stakeholders:

Jim Bauer, Willamette University, DAB
Warren Bednarz, West Salem Urban Renewal Advisory Board (WSRAB)
Chrissie Bertsch, Salem Conference Center
Suzi Bicknell, Go Downtown Salem
Garth Brandaw, CB2 Architects
Mark Burnham
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Randy Compton, Pioneer Trust Bank
Maggie Crawford, Grand Vines
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David Truitt, Truitt Brothers
Dana Vugteveen, General Growth, DAB
Roger Yost, Go Downtown Salem

Introduction

Downtown Salem is one of Oregon's healthiest downtowns and is home to a diverse range of civic, commercial, residential, and institutional uses. Over the past five years, several new housing developments have been built, numerous new retailers and restaurants have opened, and major improvements have been made to streets, parks, and other public spaces. The success of downtowns requires constant efforts in terms of planning, management, and funding. The City of Salem and the Salem Urban Renewal Agency (the "City/Agency"), the Urban Development Department of the City and Salem, and many business and community groups have worked together over the years to ensure that Downtown Salem stays vibrant and active and continues as a desirable place for investment.

This Strategic Action Plan (the Action Plan) is a tool to guide public investments through the Riverfront-Downtown Urban Renewal Area (RDURA), which provides tax increment funding for capital improvements in downtown Salem. Managed by the City's Urban Development Department and guided by the Downtown Advisory Board (DAB) and the Urban Renewal Agency Board, the RDURA is a powerful tool for removing the barriers to investment and funding important public and private projects to enhance the success of downtown Salem. Through strategic public investments combined with private sector leadership, the Action Plan is intended to support the leverage of over \$1 billion in private investment in downtown Salem over the next 20 years. In addition to leveraging new investment, the Action Plan will build upon past urban renewal investments in public infrastructure and capital facilities, land acquisition and assembly, financial/technical assistance programs, and other activities that have leveraged private investment throughout the RDURA. Examples of key investments supported by urban renewal include recent catalyst developments in the North Broadway area, the Salem Conference Center and hotel development and a wide range of building rehabilitation and storefront improvement projects, as well as investments in key public facilities (e.g., structured parking garages or "parkades," parks and open space, etc.) that enable downtown to support a variety of business, retail, and entertainment activities.

This Action Plan confirms the vision for the downtown and identifies a short-term investment strategy for the RDURA. It is based on several research efforts completed throughout the summer of 2010:

- An existing conditions analysis of the downtown that catalogs physical, social, and economic opportunities and constraints;
- Numerous interviews with downtown stakeholders, including property owners, business owners, residents, City of Salem civic leaders and City staff, and representatives of major institutions;
- A market analysis that evaluates current economic conditions in Salem and describes short- and long-term national economic trends and their impact on Salem; and
- A review of existing planning regulations in downtown Salem.

Based on this research and multiple meetings and work sessions with members of the DAB Subcommittee, several key strategies emerged that guide the specific projects and actions recommended in this Action Plan.

Leveraging Downtown Revitalization

The health of a community can quickly be diagnosed by observing the health of its downtown. A downtown is the heart of a community and its condition reflects community pride, civic leadership and willingness to invest in the central place. A healthy downtown is a highly visible statement about the community's belief in itself and in the future. Downtown revitalization is primarily about economic development. Healthy downtowns attract the interest of discerning employers who recognize that quality of life, a vibrant downtown, housing options, and a healthy community combine to attract quality employees.

Downtown has become a more important economic development tool for several reasons. People are more mobile now than ever and they are increasingly able to choose where they want to live, whereas in earlier decades they migrated to where jobs were located. This creates opportunities to attract new residents, retirees, and employers. Cities seek to revitalize their downtowns in order to improve the local quality of life and attract new people, create vibrancy, and lure investment. For example, in early 2009, IBM stunned much of the Midwest by choosing small Dubuque, Iowa as a new headquarters for 1,400 employees, in part because of its vibrant central city and commitment to sustainable development—a value very much in harmony with IBM's corporate philosophy.

Thus, the investments detailed in the Action Plan are intended to leverage private investment by making Salem a more attractive place to live, which, in turn, will encourage employers to locate here, creating a virtuous cycle of investment. Over the next 20 years, this strategy will help the downtown area (including the adjacent Capitol Mall, Salem Hospital, and Willamette University areas) attract and accommodate over 6,100 new jobs.

Because tax increment is the RDURA's source of funds and private development is the primary means by which increment is produced, the City/Agency must focus on how to stimulate private development if it is to have the resources it needs for revitalization projects. Past experience also teaches that private investment follows public commitment. In order to be successful, the City/Agency must actively pursue development opportunities rather than merely passively wait for projects. To this end, the Action Plan includes numerous projects that will position the City/Agency for success, including strategic land assembly, transportation improvements that will enhance access and connectivity throughout the downtown, projects that will improve existing parks and provide new recreational facilities, programs to support housing development and improve the function and appearance of existing buildings, planning initiatives to identify and prioritize investments in key areas, and other projects designed to facilitate private investment. Taking an active role helps to ensure success of the financial model that drives the RDURA's revenues. Furthermore, taking an active role helps to redefine the market – possibly taking the district in a direction that the market would not have otherwise gone without intervention. This is a fundamental purpose of urban renewal – to shape the marketplace to facilitate development that supports adopted public goals and policies.

Vision 2020

During the past 35 years, downtown Salem has been the subject of a broad range of planning and policy making activities. Each of the plans, policies and guiding documents created through these activities serves as a resource that identifies established community visions and expectations for how downtown Salem should develop and evolve in the future. These plans provide a robust starting point for the identification of specific projects and actions that are included in the Action Plan.

In 2007, a group of Salem's large employers initiated a discussion about the future of the downtown area, which encompasses or overlaps with multiple districts, such as the RDURA, the West Salem Urban Renewal Area, and the Pringle Creek Urban Renewal Area, as well as several planning areas such as the North Downtown and Historic District, both of which are located within the RDURA, and the Edgewater/Wallace area of West Salem. Out of this discussion arose Vision 2020, a collaborative effort

involving key community stakeholders, public officials, and leaders in the creation of a long-term community-defined vision for Salem's City Center.

Vision 2020 encompasses 24 projects under five broad themes:

- Create Places for People to Live and Gather
- Preserve and Enhance the Look and Feel
- Create a Vibrant Destination
- Expand Options to Get About City Center
- Improve Connections to Parks, Creeks, and River

Throughout the Action Plan process, these visions and themes were confirmed with stakeholders, the DAB Subcommittee, and the Vision 2020 Action Team, and the projects and actions identified have been chosen for their direct ability to leverage investment and achieve these goals. In the years ahead, there is an opportunity for the Vision 2020 Action Team to play an ongoing and vital role in the implementation of the Action Plan through advocacy, leadership and continued participation in planning projects and activities that will achieve the desired outcomes of the Vision 2020 effort.

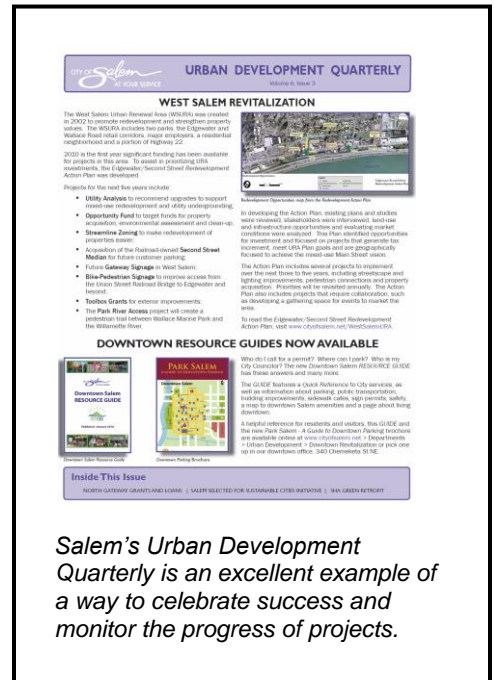
Updating and Measuring Success

While this Action Plan provides detailed project and action recommendations for the short-term timeframe (next three to five years), it also provides guiding recommendations for the longer term. The Action Plan is intended to be a “living” document that will be updated annually in order to reevaluate the progress of projects, adjust for changing economic and market conditions, and reconfirm the strategy with the community. As a part of this updating process, it will be important to set benchmarks against which progress can be measured. Thus, the recommended projects in this Action Plan include descriptions of key metrics that can be tracked to evaluate the effectiveness of the investments towards the goal of downtown revitalization.

Each year, beginning in November as part of the annual budget process, staff and the DAB should evaluate current conditions against those metrics to evaluate progress and the effectiveness of the programs. The results of the evaluation should be reported back to the Salem Urban Renewal Agency Board in January. This will aid in identifying projects that should remain an ongoing priority in the coming year and new projects that may be necessary. Progress against the benchmarks should be celebrated and communicated broadly. This not only helps tell the story of urban renewal, but it helps to build market momentum by summarizing for the development community the dynamic progress and new investments that are taking place.

The individual project sheets in Appendix A describe types of information that should be tracked for each project. Since many projects have a catalytic effect on the surrounding area, it is important to evaluate economic indicators on the broader downtown area as well. Appropriate indicators to summarize include:

- Overall property value appreciation (real market and assessed value);
- New housing units built;
- Net square footage of new development;
- New businesses, business expansions, and job creation;
- Visitor attendance at the Conference Center, parks, and other key venues and events;
- Pedestrian counts on key retail streets; and
- Vacancy, rent, and other real estate indicators.



Salem's Urban Development Quarterly is an excellent example of a way to celebrate success and monitor the progress of projects.

Analysis

The Existing Conditions Report (see Appendix B), describes several findings about the current landscape in downtown Salem and the outlook for future investment. Gathered through stakeholder interviews, a market analysis, a review of previous plans and zoning, a review of infrastructure conditions, and multiple meetings with DAB Subcommittee representatives and City staff, the following opportunities and challenges emerged:

Traffic and Transportation

Opportunities

- New investments in downtown's streets through the paving program.
- Ample, albeit not evenly distributed, public parking.

Challenges

- Traffic and circulation challenges, particularly in regards to through traffic and rush hour.
- Bicycle and pedestrian access/safety improvements are needed.
- Uncertainty of the "third bridge" alignment and its impacts on downtown streets and development opportunities.

Financing and Market

Opportunities

- Downtown is centrally located; at the crossroads to West Salem and other parts of the City.
- Upwards of \$200 million in tax increment revenues is available to spend on public capital improvements and other revitalization and development projects and programs.
- An EID is in place downtown and supports the events and marketing efforts of Go Downtown!
- The 13-acre former Boise Cascade property has the potential to serve as a catalyst for investment and to promote connections between downtown and the waterfront.
- Salem Center has major anchor stores (Nordstrom, Macy's, JC Penney, Kohl's) that attract shoppers to the downtown.
- New businesses have opened up during the past year despite the poor economy.
- "Restaurant Row" is a success story that proves there is a demand for quality, independent restaurants/dining in downtown Salem.
- Downtown has a relatively limited supply of quality rental housing. Opportunities exist to develop higher quality rental housing and attract more residents, including students and State workers.
- The City of Salem and the Salem-Keizer UGB are projected to experience steady population growth over the next 20 years.

Challenges

- There is limited access to capital and financing for private development.
- Rents throughout downtown Salem are generally too low to support new office, commercial, and housing development.
- Recent downtown housing projects have struggled.
- Retail has struggled throughout the recession and it would be devastating to downtown's retail environment if any of the anchor stores were to close or relocate outside of the downtown.

Physical Conditions

Opportunities

- Salem has a significant inventory of historic buildings.
- The Willamette River, Mill Creek, and Pringle Creek are important natural amenities.
- Riverfront Park, the Union Street Bridge, and Minto Brown Island create valuable open space and recreational amenities.
- Infrastructure is generally in good shape.
- Outside of the historic core, there are numerous development opportunity sites.

- Marion Park is an underutilized asset.

Challenges

- Retrofitting historic buildings for modern uses is expensive and not supported by current economic and market conditions without financial support.
- The railroad on Front Avenue needs replacement and is a barrier in its current location to the redevelopment of the area into a mixed-use neighborhood with residential, employment and commercial uses.

Regulations

Opportunities

- The Historic District designation helps create a special brand and identity for downtown.

Challenges

- While zoning codes are generally consistent with the visions for development, there are too many different codes and overlay districts, which create a confusing and difficult environment for development.
- Modern building codes make it difficult to occupy upper floors in historic buildings.

People and Organizations

Opportunities

- Downtown Salem benefits from a strong employment and student population base.
- Vision 2020 is creating support and momentum for investment.
- Many different organizations and interest groups are active in promoting and supporting downtown.

Challenges

- The sheer number of organizations active in downtown sometimes creates overlapping and/or conflicting responsibilities.
- Stakeholders indicated that there are several landlords who are difficult to engage in a discussion about revitalization and who do not reinvest in their properties.

Action Plan Strategy

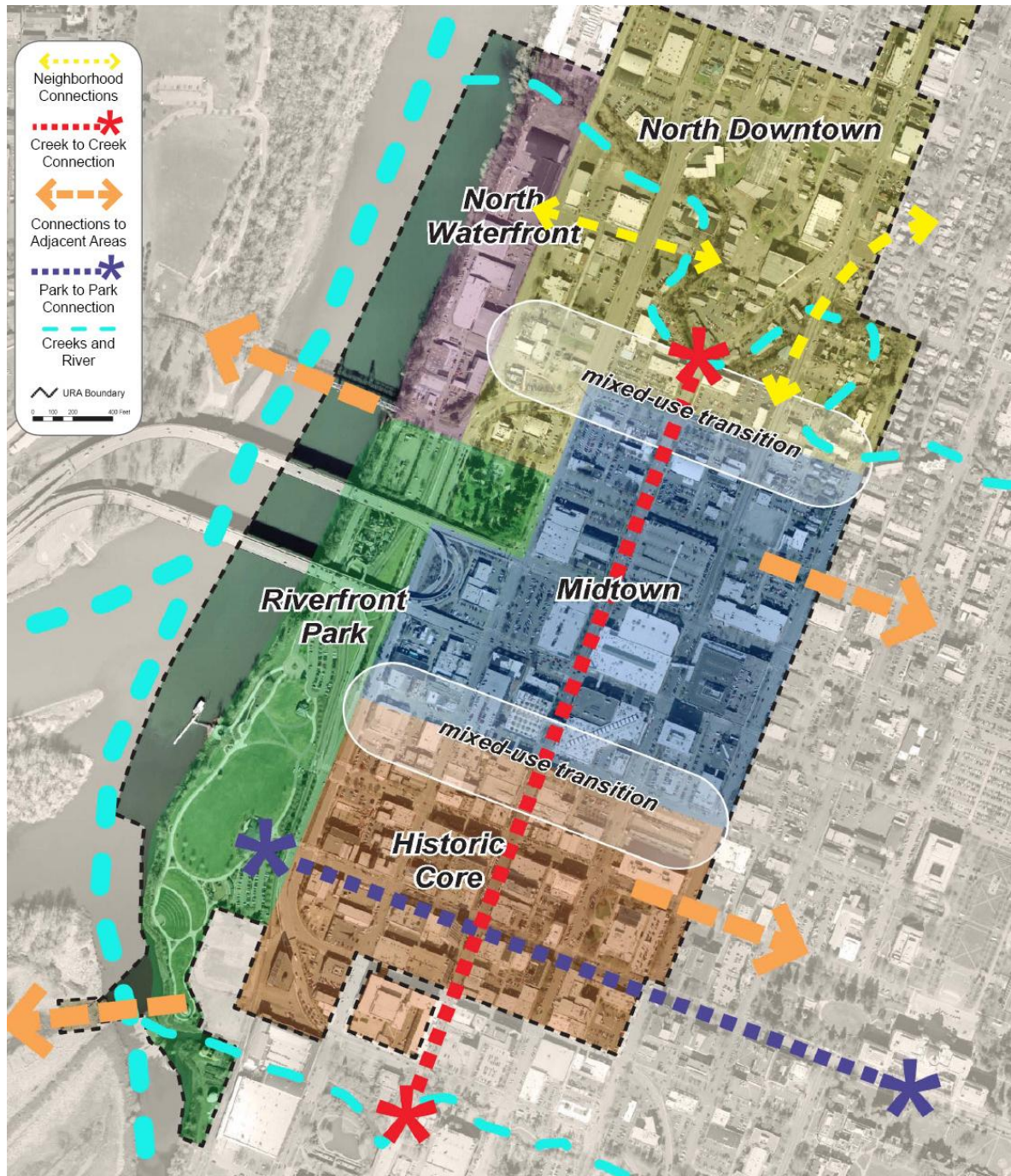
The analysis of existing conditions, in combination with the incorporation of the goals and visions expressed in Vision 2020 and other planning efforts, led to the development of a framework for defining and prioritizing projects. First among those findings was that the RDURA is a diverse area and that the needs and opportunities for investment vary throughout the district. To better define the unique needs and opportunities, the concept of “Investment Areas” was developed to define the character of individual areas in downtown, describe the unique role that urban renewal should play in each, and identify types of investments which may uniquely benefit the individual investment area. Those areas, as shown in Figure 1, below, are:

- The Historic Core is a mostly built out area with few infill opportunities and characterized by a collection of historic structures. Reflecting the unique economic challenges of historic buildings, RDURA investments will focus on rehabilitation of second floor uses and continued Toolbox grant and loan program investments in historic buildings.
- The Midtown area is characterized by the Salem Center mall, large retail anchors, and underutilized parking capacity in the Marion Parkade. RDURA investments in this area will focus on preserving and enhancing retail vitality through building rehabilitation grant and loan programs and enhancing circulation and connectivity to the rest of downtown.
- The Riverfront Park area leverages the amenity of Riverfront Park by focusing on the creation of activity-generating uses that will draw more people to the downtown and that will support connectivity between the Park, Marion Park, and the downtown.
- The North Downtown area has the largest amount of underutilized and redevelopable land in the downtown and is an opportunity to create the critical mass needed for housing development to be successful. Investments in this area will support the assembly of development opportunity sites and the enhancement of amenities in the area, such as Mill Creek, that will create an environment attractive to residential development.
- Access to the North Waterfront area is constrained by the railroad on Front Street and uncertainty of the location for a third Willamette River bridge landing. The highest and best use for this area may not be realized until the economy rebounds in several years. As such, short-term investments in this area will be limited and will focus on accommodating transitional uses that can occupy existing buildings, such as research opportunities in partnership with area universities.

Figure 1 also highlights several key connections that intersect multiple investment areas in the RDURA as well as areas outside the RDURA boundary. The RDURA boundary is in many respects an artificial boundary in that the jobs, housing, and services that make downtown vital occur both inside and outside the boundary. These connections include:

- Creek to Creek: Create a strong pedestrian connection between Mill Creek on the north and Pringle Creek on the south. A stronger link will better connect these two water amenities and will help draw future residents from North Downtown south to the Historic Core.
- Park to Park: Create a similar pedestrian connection between Capitol Park and Riverfront Park. This will connect two of downtown Salem’s biggest assets – the large employment base in State offices just west of downtown and the riverfront, one of the City’s greatest natural amenities.
- Connections to adjacent areas and neighborhoods: Other important connections include those to residential areas to the north and east of the RDURA, to the revitalization taking place in West Salem, and to the south of the RDURA, where the redevelopment of the Boise Cascade site will create a new gateway to the residential neighborhoods to the south.

Figure 1. Downtown Salem Investment Areas



Source: Otak, Inc. and Leland Consulting Group.

Project Identification

The Investment Areas help to define the unique character and opportunities in different areas of downtown. Supporting the Investment Area concepts are project evaluation criteria that were used to identify and screen potential projects to arrive at a final list of projects as recommended in the Action Plan. Criteria are important because they ensure that the projects in the Action Plan have been included because they support guiding principles and help the community achieve desired goals. In an era of constrained public resources, it is vital that projects be evaluated and prioritized to ensure that the community's limited resources are spent in a way that maximizes their impact on the downtown. Working closely with City staff and the DAB Subcommittee, the Action Plan projects were evaluated using the following criteria:

Leverage Investments

Fundamentally, an urban renewal district's purpose is to revitalize struggling areas through targeted public investments that will attract private investment. Indeed, this is a financial requirement in order for tax increment financing to work. The degree to which the public investments results in private investment is called leverage. Over the course of the life of the RDURA, Salem should expect to realize private investments of between four and five dollars for every public dollar (a ratio of 4:1 or 5:1). With approximately \$200 million in potential tax increment revenues remaining to be spent, this should result in a total leverage of up to \$1 billion in private investment in the RDURA. Not every public investment will be able to achieve this ratio, as catalyst projects in early years may need additional public support in order to overcome market barriers, but in the long run, many cities have been able to achieve this leverage.

Therefore, as a project screening criterion, the ability of a project to directly or indirectly attract private investment is an important consideration. Direct leverage occurs when a public investment is directly linked to a commensurate private investment, such as the private match of a Toolbox grant or the private development of housing or commercial space as the result of a loan or other subsidy. Indirect leverage occurs when public investments such as public parking, streetscape improvements, or parks remove blighted conditions and create an environment attractive to new investment. In these cases, leverage may be realized over a period of several years, as private development responds to the catalytic effect of the public improvements.

An important component of leverage is that there be the proper amount of "getting ready" before making capital commitments. Thus, the recommended priority projects include planning studies to further define the scope of the problem to be solved and identify specific capital investments to take place in later years of the Plan. However, the cost of planning studies is relatively low and the priority projects in the first five years put 93 percent of spending into capital investments that will directly result in private investment and/or physical projects on the ground.

Support Housing

Urban housing is a key component of successful downtowns. Downtown residents provide additional buying power to support local merchants, where every resident can support up to 20 square feet of retail space. Similarly, downtown residents provide vitality and eyes on the street seven days a week. Also, as described in the market analysis in the Existing Conditions Report (see Appendix B), there is a large and growing market of consumers who seek out urban housing environments. Although the housing market is struggling in the current recession, demographic trends indicate that there will be a large demand for the type of smaller, urban housing products that would be suitable in downtown Salem. As such, housing is one of the largest investment opportunities in downtown Salem and one of the best

Recent Examples of Leverage in Salem

North Broadway Area

Broadway Town Square

Public: \$1.9 million

Private: \$12 million

YWCA

Public: \$2.5 million (includes \$2.1 million loan)

Private: \$12.1 million

Broadway Commons

Public: \$491,000

Private: \$11 million

Salem Conference Center

Public: \$32 million

Private: \$18 million

330,000 guests in 2,600 events since

ways to leverage urban renewal investments. Indeed, at full build out, the North Downtown Neighborhood would increase the assessed value of that area by approximately \$136 million.

Preserve and Enhance Retail

For a city of its size, Salem is unique in the broad array of quality retail anchors present in its downtown (see sidebar). These retailers combine to create a critical mass that draws shoppers from throughout the region to downtown on an ongoing basis. However, over the past two years, many retailers across the country have gone out of business and those that remain continually struggle to meet changing consumer preferences and economic conditions. Much like when many downtowns emptied out in the 1970s and 1980s after the development of suburban malls, if any of Salem's downtown anchors were to close or relocate, it would send a negative signal to the marketplace and it could take 10 years or more for downtown to recover. Therefore, a core part of the strategy is to protect the retail that exists and to strengthen it so that downtown remains the region's premier shopping and entertainment destination. Growing the residential base and creating stronger ties to adjacent neighborhoods is a key part of the retail strategy – increasing the number of “rooftops” that will support downtown merchants.

Salem Center Mall: A Retail Asset

Total retail space: 650,000 square feet, including anchor retailers and some parking

Anchor department stores: Kohl's, JC Penney, Macy's, and Nordstrom

\$90 million: Estimated annual sales generated by anchor department stores

\$70 million: Estimated annual sales generated by 200,000 square feet of inline retailers (average sales volume = \$350/SF)

Foster Partnerships

The ongoing development of downtowns is never the responsibility of any one entity. Although the City/Agency of Salem, through the RDURA, has significant financial resources to implement the visions for downtown, it should not, and cannot, be the only player in implementation. For one, urban renewal can only fund capital investments and many of the needs of downtown will require ongoing operating funding that must come from elsewhere. Secondly, the needs of downtown often extend beyond the boundaries of the RDURA. Therefore, ongoing support and leadership from groups such as the Vision 2020 Action Team will be critical to achieving project concepts and activities that extend beyond the scope of urban renewal capital investments and impact an area that is broader than the literal boundary of the RDURA. The impact of urban renewal is amplified, or leveraged, when public-private and public-public partnerships are formed to combine resources to implement projects. Salem benefits from having many active organizations, institutions, and citizens. Projects should emphasize opportunities to leverage these partnerships to achieve results that are greater than the sum of their parts.

Priority Projects

The attached priority project description sheets (see Appendix A) describe the recommended projects for the RDURA. These projects have been selected based on ongoing discussions with the DAB Subcommittee and staff and are based on an analysis of costs and their ability to meet the above selection criteria. Although the RDURA will have up to \$200 million to spend on projects over the life of the plan, only a limited amount of money is available in the short term to spend on projects. Thus, the Action Plan focuses primarily on short-term priority projects over the next three years (FY 2011-2012 through FY 2013-2014) while giving broader guidance on priorities for the subsequent timeframe. As a living document, this Action Plan will be reviewed and updated annually to account for projects that are completed and to adjust future project priorities based on changing market conditions and community objectives.

The priority project sheets describe in detail the recommended priority projects. For each project, the sheets provide:

- An introduction to the overall project category, describing how the projects will address the challenges and opportunities in that category and measures of success to track the effectiveness of projects over time;

- A detailed description of each project or action;
- An analysis describing benefits and impacts of that project to downtown; and
- Project details such as location, timing, partners, and budget.

The priority projects have been organized into five categories. Each category contains one or more related projects. Measures of success for determining project success are included within each category. In several cases, there is a direct and sequential relationship between projects – those relationships are described in detail in the project sheets. In summary, the project categories and underlying projects are:

Circulation and Access

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

Activate City Streets

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

Create a North Downtown Residential Neighborhood

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

Leverage Underutilized Assets

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

Prepare North Waterfront Area for New Uses (mid-term)

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

Table 1 below summarizes the funding timeline of the recommended projects. For near-term projects in years one to five, the table identifies detailed annual funding allocations. Beyond that, for selected projects, a preliminary combined funding allocation for years six to 10 is identified. The project allocations have been calibrated to funding estimates provided by the City of Salem. Specifically, projects in the first four years should be able to be funded using annual tax increment receipts. Beyond that, several large expenditures are recommended, which will exceed the annual revenues. At that time, the City/Agency should explore the issuance of a bond to finance those projects. Through the annual Action Plan update process, these financial assumptions will be updated to reflect actual tax increment receipts and new forecasts.

The total urban renewal share of projects recommended in Years 1 to 10 is \$20.96 million. This includes \$12.16 million for projects to be implemented in Years 1 to 5 and \$8.8 million for projects to be implemented in Years 6 to 10. It is important to note that cost estimates and, thus, the urban renewal contribution, have not been identified for some of the recommended projects in Years 6 to 10. Further, projects may be added to the program and certain projects may be funded earlier or later than projected, depending on the availability of funding.

Table 1. Recommended Projects Budget Summary: Near Term

Projects by Project Category	Target Area(s) ^{1/}	Year 1 FY 11-12	Year 2 FY 12-13	Year 3 FY 13-14	Year 4 FY 14-15	Year 5 FY 15-16	Years 6 to 10 FY 16-17 to 20-21	Total 10-Year Allocation
Circulation and Access								
Circulation, Access, and Transportation Mobility Study	All	\$180,000						\$180,000
Downtown Shuttle/Circulator	HC, M, All						TBD	TBD
Downtown Transportation Access Fund	All					\$300,000	\$1,500,000	\$1,800,000
Activate City Streets								
Demonstration Block Program	HC, M	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$1,000,000	\$3,500,000
Streetscape Improvement and Design Program	All		\$150,000	\$300,000	\$300,000	\$300,000	\$300,000	\$1,350,000
Toolbox Program	All	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$2,100,000	\$3,600,000
North Downtown Neighborhood								
North Downtown Investment Strategy	ND	\$200,000						\$200,000
Targeted Property Acquisitions	ND	\$500,000	\$250,000	\$250,000				\$1,000,000
Housing Opportunity Fund	ND, All				\$500,000	\$500,000	\$2,500,000	\$3,500,000
Leverage Underutilized Assets								
Riverfront Recreation/Commercial Facility	RP			\$500,000	\$750,000	\$750,000		\$2,000,000
Minto Island Bicycle and Pedestrian Bridge	RP		\$1,080,000	\$1,080,000				\$2,160,000
Marion Parkade Investment Strategy	M, ND						TBD	TBD
Marion Square Park Improvements	RP				\$120,000		\$1,400,000	\$1,520,000
North Waterfront Investment Area								
North Waterfront Redevelopment Strategy	NW			\$150,000				\$150,000
Targeted Property Acquisition Fund	NW						TBD	TBD
Infrastructure Improvement Fund	NW						TBD	TBD
Total Project Cost		\$1,680,000	\$2,280,000	\$3,080,000	\$2,470,000	\$2,650,000	\$8,800,000	\$20,960,000
Beginning Balance							n/a	n/a
Available Funds for New Projects		\$4,800,000	\$1,550,000	\$1,200,000	\$750,000	\$1,500,000	n/a	n/a
Unallocated Opportunity Funds		\$1,225,000						
Carryover Funds for New Projects		\$4,345,000	\$3,615,000	\$1,735,000	\$15,000	-\$1,135,000	n/a	n/a

^{1/} Target areas indicate priority investment areas each project/program will serve and include: Historic Core (HC), Midtown (M), North Downtown (ND), Riverfront Park (RP) and North Waterfront (NW). Some project/programs may support activities in all areas but focus primarily on one or more target areas.

Notes:

- 1 There is sufficient funding in the projected budget to pay for recommended projects in Years 1 to 3.
- 2 The total cost of recommended projects in Years 4 and 5 exceeds projected available funds for new projects cited in the RDURA financial model. It may be possible to fund all the recommended projects if the Agency can issue a bond in Year 4.
- 3 This is a planning tool and is intended to be somewhat flexible in order to respond to changing conditions, policies, and goals. Annually, the Agency should evaluate the extent to which recent urban renewal investments have facilitated urban renewal goals and objectives, including leveraging private development, creating jobs and economic opportunities and

Source: Leland Consulting Group.

Conclusion

Although the U.S. economy in 2010 has shown few signs of emerging from the recession, the recession presents a strategic opportunity for Salem to prepare for the eventual recovery so that downtown Salem is ready to attract investment when capital markets open up. While employment and retail growth are likely to be slow to recover, there are many indicators that housing will be in demand, particularly for apartments and other types of urban housing. Removing barriers to investment and investing in amenities that will serve and attract residents is at the heart of the Action Plan. Combined with targeted actions that will preserve Salem’s retail core and strengthen partnerships with other implementing partners, the Action Plan provides clear and unified guidance to ensure that the RDURA’s funds are invested where they will maximize leverage, fulfill community visions, and increase the attractiveness of downtown Salem as a place to live, work, and play. A successful downtown will help make Salem attract new employers and help existing employers grow faster.

The Action Plan and the projects that emerge and evolve from it, will help catalyze over \$136 million in new investment in the emerging North Downtown Residential Neighborhood alone. This, in turn, will help support the growth of over 6,100 jobs in downtown Salem and its adjacent employment districts. With other projects that build upon existing assets such as Riverfront Park, the Marion Parkade, and Salem Center, downtown Salem will continue to serve as the Mid-Willamette Valley’s premier urban, commercial, cultural, educational, and recreational center.

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.

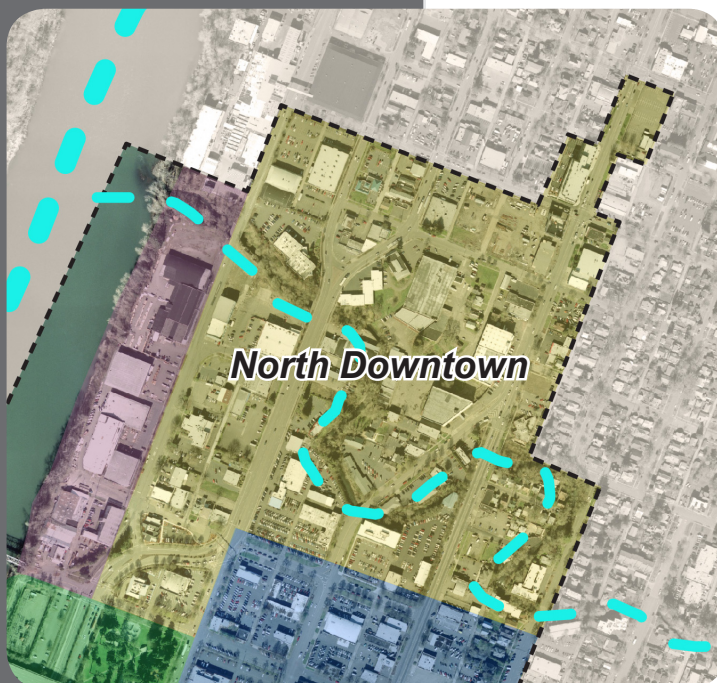


North Downtown Neighborhood

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.

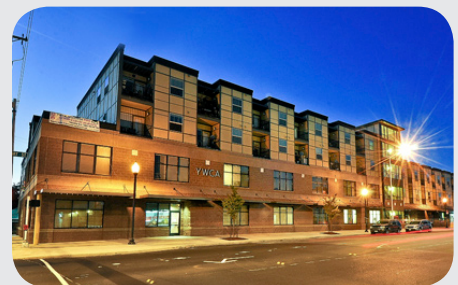
Urban renewal share: 100 percent / Up to \$1 million in sum.

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 facility¹. 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.

¹ 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.



Project Evaluation Matrix

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Project Memorandum

Date 10 January 2011

To Courtney Knox, Salem Urban Development Department

From Chris Zahas, Leland Consulting Group

Subject Project Evaluation Matrix

Project No. 5048

Introduction

With the recent completion and anticipated adoption of the Downtown Salem Strategic Action Plan, the Downtown Advisory Board (DAB) and the City of Salem's Urban Development Department (Agency) will soon begin implementing the Year 1 projects recommended in the Action Plan. While the Action Plan sets out a framework for projects in subsequent years, these recommendations are not set in stone. Market conditions may change, community goals may evolve, and new ideas may emerge that will cause the DAB and the Agency to reevaluate future projects. This evaluation is called for in the annual budgeting process that begins each November and ends in the form of a recommended budget to the Urban Renewal Agency Board.

This memorandum supplements the Action Plan by providing a tool for Agency staff and the DAB to use in the evaluation of new projects. The evaluation tool can be useful in confirming existing priorities, comparing projects against one another when funding is inadequate to support them all, and screening new projects that community partners may bring to the DAB with funding requests. This evaluation serves two key functions:

1. **Objectivity:** It provides for a rational and methodical analysis, allowing the DAB and the Agency to move forward confidently.
2. **Transparency:** Because of the steps involved in project evaluation, it ensures a documented process that clearly communicates to the community the rationale and justification for the DAB's and Agency's decisions.

This evaluation tool does not, and is not intended to, give a definitive "answer" in and of itself as to whether a project should be funded. Whether a project is funded is the subject of thorough discussion and deliberation by the Agency with the input and guidance of the DAB, and approval of the Agency Board. This tool helps this process

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by focusing the discussion on measurable criteria so that projects can be analyzed in an apples-to-apples manner.

The evaluation process is based on the criteria used to develop recommended projects in the 2011 Action Plan. In summary, the Action Plan was developed using the following key project criteria:

- Leverage investments: Focus on the financial function of urban renewal by seeking out projects that leverage private investment to increase the tax base in downtown.
- Support housing: Provide opportunities and develop amenities that will increase the amount of people living in downtown Salem (critical mass).
- Preserve and enhance retail: Strengthen existing retailers and support the growth of downtown Salem as the region's primary retail destination.
- Foster partnerships: Strengthen the organizational capacity of downtown by building partnerships with organizations that will leverage the financial tool of urban renewal with the leadership and implementation skills of a range of groups.

Evaluation Process

The evaluation process begins by building project sheets much like those included in the Action Plan Appendix. These projects sheets provide a concise (ideally one page) format for documenting each project's attributes. Completing the project sheets may require some research and analysis in order to develop the required information. At all stages of the evaluation process, the Agency and DAB should reflect on the latest budget forecasts for the district to ensure discussions are calibrated to the timing and capacity of the district to fund projects.

Each project sheet should be organized as follows:

- **Description:** Provide a full narrative description of the project, including details about the program (land use components, quantities, character, etc.), history, and a discussion about the opportunity that is captured by the project or the barrier that is addressed by it. If photographs or conceptual plans are relevant, attach them.
- **Benefits analysis:** Provide a description of why the project should be selected for funding. The analysis should consider things such as:
 - Relationship to the Action Plan goals of protecting retail, supporting housing, increasing tax increment, and fostering partnerships. If appropriate and possible, quantify the impacts in terms of new housing, new jobs, or property value increase;
 - Relationship to existing plans (i.e., is this a project that has been planned for a long time?);
 - Relationship to other projects. Does this project support reaching a "critical mass" of development in an area that will strengthen the opportunity for other projects? For example, does it support the creation of a cluster of housing in the North Downtown or does it build additional amenities to increase activity at Riverfront Park?
 - Relationship to market conditions. How does the project capitalize on a known market opportunity? How does it help address a known economic or financial barrier?

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- Overall contribution of the project to downtown health and vitality;
- Discussion of the project's leveraging capacity. This can include a discussion of the direct relationship of public to private money in the project itself, and it can also include a broader discussion of how the project will serve as a catalyst for other projects.
- Key project facts: Where possible, provide information about the following data points:
 - Location
 - Total project cost (from all sources)
 - Requested/required urban renewal contribution
 - Timing/time frame
 - Owner/project lead
 - Other partners

Once the project sheets are complete, the DAB and Agency can begin a discussion around the relative merits of each project. For this exercise, the following matrix can be helpful to record the findings. The matrix is intended to be somewhat unscientific and allow for a consensus to emerge from discussions. This allows for the decision making process to weigh each criterion differently (that is, a low rating in one column may be less significant than a similar ranking in another column).

The matrix has the following columns:

- Project name.
- Location. The purpose of the location column is to help sort projects by sub-area in downtown. This helps in discussions about leveraging projects to achieve critical mass (multiple projects in the same area) as well as in discussions about ensuring that annual investments are distributed to each geographical area. For the purposed of the matrix, the locations should be the same as those in the Action Plan (Historic Core, Riverfront Park, Midtown, North Waterfront, and North Downtown).
- Jobs/housing. Quantify the number of jobs or housing units directly created by this investment (if applicable).

The remaining criteria should be evaluated using a simple three or five-point scale (or using symbols – “Consumer Reports” style). Scoring of projects should be done on each project without comparing it to other projects. That is, the scores are not intended to be relative. It is quite possible that several or all projects under consideration will rate highly under one or more criteria.

- Leverage investments. Consider the project's ability to achieve direct private leverage (and corresponding tax increment generation) as well as its short and long-term opportunity to catalyze adjacent and nearby investment.
- Support housing. Evaluate how well the project supports the Action Plan goal of increasing the amount of housing in the downtown. Does the project directly or indirectly support the construction of a specific housing development? Does it create or improve a key amenity that will attract residents, such as a park?
- Preserve and enhance retail. Evaluate how well the project supports the Action Plan goal of preserving and strengthening downtown Salem's retail environment. Does the project increase the downtown population (workers,





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visitors, or residents), who, in turn, will become patrons of downtown retailers? Does it increase storefront vitality and attractiveness? Does it directly involve bringing in new retailers to the area? Does it improve key infrastructure such as parking?

- Foster partnerships. Downtown projects are enhanced not only when there are multiple financial sources, but also when there are strong organizations collaborating together. Does this project involve multiple organizations (public, private, and/or nonprofit)? Are they well organized and have effective leadership? If it is a public-private partnership or a private development, does the private partner have a track record of success?

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Project Data			Evaluation Criteria			
Project name	Location	Jobs/Housing units	Leverage Investments, Generate Tax Increment	Preserve and Enhance Retail	Support Housing	Foster Partnerships
Sample project	North Downtown	40 units of housing 3,000 s.f. of retail space 10 jobs				
Sample project 2						

***Existing Conditions
Report***



Downtown Salem Action Plan

Existing Conditions Report
Salem, Oregon

August 2010

LISTENING TO COMMUNITY
GATHERING PERSPECTIVE



CITY OF *Salem*
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610 SW Alder Street Suite 1008 Portland Oregon 97205



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Introduction

This Existing Conditions Report will serve as an Appendix to the future Downtown Salem Strategic Action Plan (the “Action Plan”). The Action Plan will identify specific actions and projects to guide spending priorities in the Riverfront-Downtown Urban Renewal Area (RDURA) over the immediate, short- and long-term timeframes and may identify priorities outside the RDURA for other actors to consider.

Projects, actions and conditions described in this report that pertain specifically to the RDURA will be identified as such. However, the report also examines market and conditions and development trends in the context of the broader Downtown Salem, a geographic area that extends beyond the boundary of the RDURA.

There are several reasons for evaluating and reporting on existing conditions in the study area:

- To learn from the past – namely the many studies and plans relevant to Downtown Salem that have already been completed and Vision 2020 activities that are currently underway;
- To confirm and validate existing visions for the future; and
- To create a solid baseline of information on which to build project and program recommendations, which will be integrated into the Action Plan. This information will be utilized extensively during the Action Plan workshop to be held in mid-August and early September 2010.

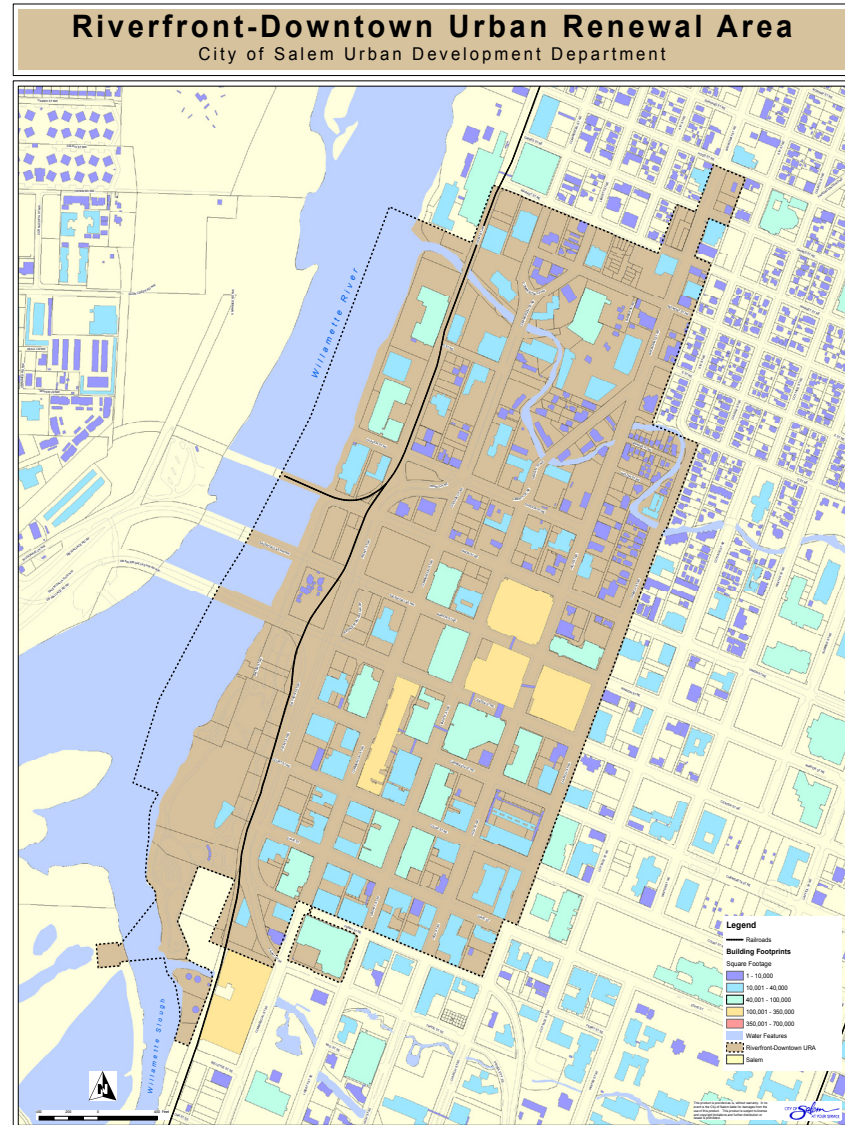
The report is organized into several sections:

- Policy Framework Review – A summary of existing plans, studies, and regulatory conditions;
- Stakeholder Interview Summary – A summary of comments and visions heard during the stakeholder interview process;
- Infrastructure Analysis – A summary of existing physical conditions related to utilities and transportation;
- Market Reconnaissance – Key demographic and market indicators affecting future opportunities; and
- Opportunities and Challenges – A summary of the implications of the findings from the preceding sections.

Riverfront-Downtown Urban Renewal Area

The Riverfront-Downtown Urban Renewal Area boundary is shown in Figure 1. Originally adopted in 1976 and most recently amended in 2009, the Riverfront-Downtown Urban Renewal Plan and accompanying report identify revitalization goals and objectives for the RDURA as well as capital projects and programs that can be financed using increment revenues generated in the RDURA. The Downtown Salem Action Plan process will help identify and prioritize short-term, mid-range and long-range urban renewal project and program priorities.

Figure 1. Riverfront-Downtown Urban Renewal Area



Source: City of Salem

Policy Framework Review

Overview

During the past 35 years, Downtown Salem has been the subject of a broad range of planning and policy making activities. Each of the plans, policies and guiding documents created through these activities serves as a resource that identifies established community visions and expectations for how Downtown Salem should develop and evolve in the future. This section of the report evaluates the goals and objectives expressed through those plans so as to incorporate existing knowledge and not start anew from scratch. Moreover, these plans provide a robust starting point for the identification of specific projects and actions that should be included in the Action Plan.

Vision 2020

In 2007, a group of Salem's large City Center employers initiated a discussion about the future of the City Center area, which includes several districts and planning areas such as the RDURA, North Downtown and the Edgewater/Wallace area of West Salem. Out of this discussion arose Vision 2020, a collaborative effort involving key community stakeholders, public officials, and leaders in the creation of a long-term community-defined vision for Salem's City Center.

Vision 2020 encompasses 24 projects under five broad themes:

- Create Places for People to Live and Gather.
- Preserve and Enhance the Look and Feel
- Create a Vibrant Destination
- Expand Options to Get About City Center
- Improve Connections to Parks, Creeks, and River

Downtown Plans Review Summary

Vision 2020 activities set the stage for a 2009 effort, led by City of Salem Staff, to examine 20 existing plans and policies applicable to Downtown Salem. This review identified 11 planning goals for Downtown related to the vision described by Vision 2020. These include:

- Vibrant
- Array of Activities at All Hours
- Reliable Transportation
- Visually Appealing
- Connected to Bicycle and Pedestrian
- Unique/Easy to Find Gathering Place
- Historic/Artistic Character
- Year-Round Destination
- Safe for All Incomes
- Distinct Districts
- Accessible for All Ages

Figure 3 on the following page illustrates the extent to which existing plans and policies, related to the Downtown or a smaller geographic area within the Downtown, support Vision 2020 goals.

Figure 2. Vision 2020 - Vision Statement



In the year 2020, the City Center is a vibrant, regional, year-round destination for employees, visitors, and residents. The City Center is known for its historic and artistic character, and its unique and easy to find alley ways, plazas, and gathering places. A diverse array of shopping, dining, cultural activities, and entertainment attract people at all hours of the day.

The Salem City Center is welcoming, visually appealing, and accessible for all ages. Pedestrian walkways, bicycle paths and streets connect the adjoining neighborhoods to and from the City Center, Willamette River, meandering waterways, parks, green spaces, trails, and play spaces.

Served by high-quality and reliable transportation, the City Center is its own distinct neighborhood and a safe home to people of all income levels.

Figure 3. Vision 2020 Downtown Plans Review Summary

Downtown Plans Review Summary - Alignment to Vision 2020 Goals		Pringle Creek URA Plan (1971)	Riverfront Downtown Urban Renewal Plan (RDURA Plan) (1979)	CANDO Neighborhood Plan (1983)	Grant Neighborhood Plan (1986)	Salem Riverfront Master Plan (1989)	Core Area Housing Study (1999)	Broadway District Mixed-Use Development Project (1996)	Capitol Mall Area Plan (1997)	Riverfront-Downtown Core Area Master Plan (1998)	North Downtown Plan (1999)	Salem Transportation System Plan (Salem TSP) (2001)	Downtown Salem Parking Study (2001)	Parking Management Plan (2001)	Riverfront Park/Front Street Master Plan (2001)	Salem Core Area Housing Market Study (2002)	Central Salem Parking Study (2003)	Central Salem Streetcar Feasibility Study (2005)	Urban Land Institute (ULI) Report (2006)	South Waterfront Urban Renewal Area Plan (SWURA) (2007)	Salem Area Comprehensive Plan (amended 2009)	
Vibrant	●	●	●	●	●	●	●		●	●		●	●	●	●	●	●	●	●	●	●	●
Array of Activities at All Hours	●		●				●	●		●	●				●	●						
Reliable Transportation					●			●		●	●	●					●	●			●	
Visually Appealing			●		●				●			●	●		●							●
Connected to Bicycle and Pedestrian		●			●										●						●	
Unique/Easy to Find Gathering Place		●			●			●	●						●						●	
Historic/Artistic Character		●			●			●	●	●												
Year-Round Destination					●				●						●							
Safe for All Incomes											●											
Distinct Districts							●		●													
Accessible for All Ages*																						

*There were no projects aligning to this goal in the plans reviewed

Source: City of Salem and Leland Consulting Group

Findings

As shown in Figure 2 above, several goals identified through Vision 2020 activities are well supported by plans guiding development in Downtown Salem and the RDURA. These include:

- **Vibrant.** A vibrant, invigorated Downtown is a common vision expressed in the vast majority of plans governing Downtown Salem. With the exception of the Salem Transportation System Plan (TSP) and the Capitol Mall Area Plan, all of the plans support projects intended to enhance vibrancy in Downtown Salem. Such projects include but are not limited to:
 - Housing development
 - Property rehabilitation/façade improvement programs
 - Enhanced parking
 - Wayfinding/signage and provision of public open spaces
 - Pedestrian oriented development and amenities
 - Encourage redevelopment with gap financing and rezoning where necessary
- **Array of Activities at All Hours.** Several plans include projects intended to encourage people to live, work, shop and recreate in Downtown Salem.
- **Reliable Transportation.** Several plans include projects that will promote convenient, multimodal access and circulation, including increased access to transit and a focus on alternative modes of transportation to the automobile.

- **Visually Appealing.** Seven plans include projects that will facilitate ongoing efforts to create a visually appealing atmosphere that is conducive to shopping, entertaining, living and working in Downtown Salem.

Zoning

The RDURA features multiple zones, overlay zones, and planning districts, each subject to distinct land use and development provisions, design guidelines, and streetscape and lighting standards.

Land use and development policies and plans reviewed by the consultant team include:

- Salem Revised Code – General Zoning Provisions
- Development Design Handbook – Elements of the Handbook relevant to Downtown Salem include:
 - Core Area Development Design Guidelines and Standards
 - Historic Resources
 - North Downtown Planning District
 - Broadway/High Street Overlay Zone
 - Riverfront Overlay Zone

Development in areas subject to multiple layers of regulatory requirements can be costly and challenging.

Specifically, the following zoning designations are present in the RDURA.

- Central Business District
- General Commercial
- Neighborhood Commercial
- Commercial Office
- Retail Commercial
- South Waterfront Mixed Use
- Public Service
- Duplex Residential
- Multiple Family High-Rise Residential
- Multiple Family Residential 2
- Single Family Residential

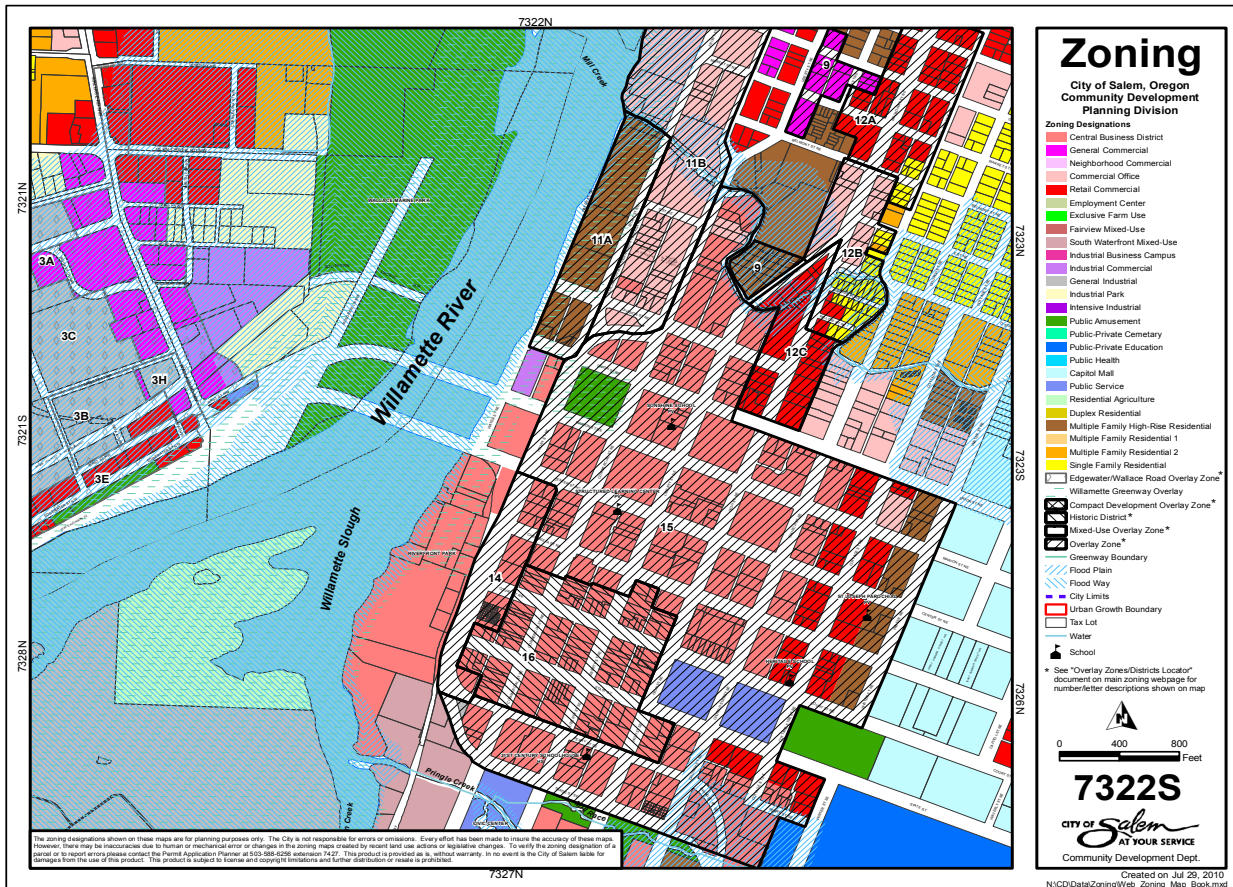
Additionally, the following overlay zone designations are present in the RDURA.

- Riverfront Overlay Zone
- Commercial/High Density Residential Overlay Zone
- Broadway/High Overlay Zone
- Front Street District
- General Office/Retail District
- Salem Downtown Historic District

Downtown Zoning

Figure 4 shows existing zoning designations within Downtown Salem. As previously noted, the downtown area contains property within multiple zoning and overlay zone designations.

Figure 4. Downtown Zoning Map



Source: City of Salem

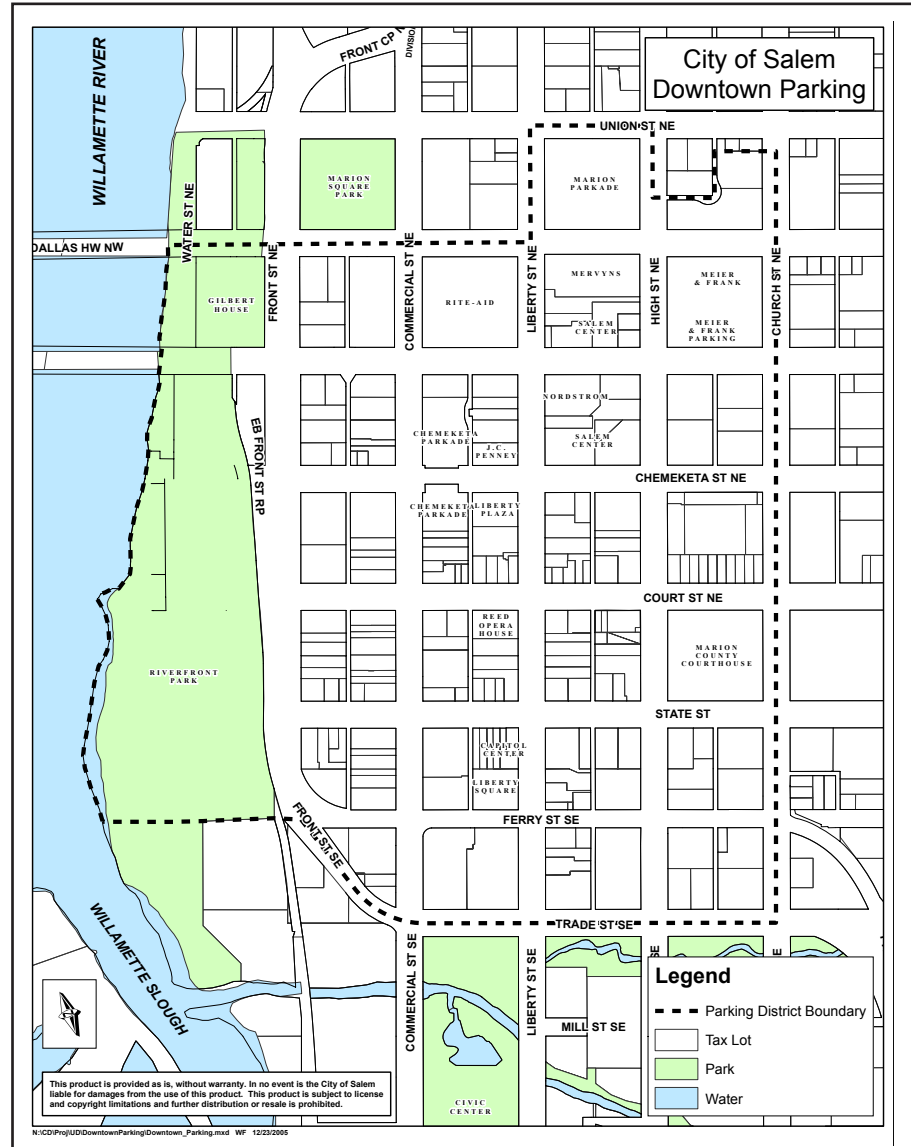
Special Downtown Districts

The RDURA encompasses or overlaps with a range of special districts. Planning and development in these districts is subject to multiple layers of regulations and guidelines.

Downtown Parking District

The Downtown Parking District is a special taxing district managed by the City of Salem. The District is designed to provide free customer parking in the three City-owned parking structures by assessing a size and use-based fee on businesses and permitting employees parking for a fee. Its boundary is significantly smaller than that of the RDURA - the focus of this effort. For the most part, however, the two districts share the eastern boundary of Church Street.

Figure 5. Downtown Parking District Map

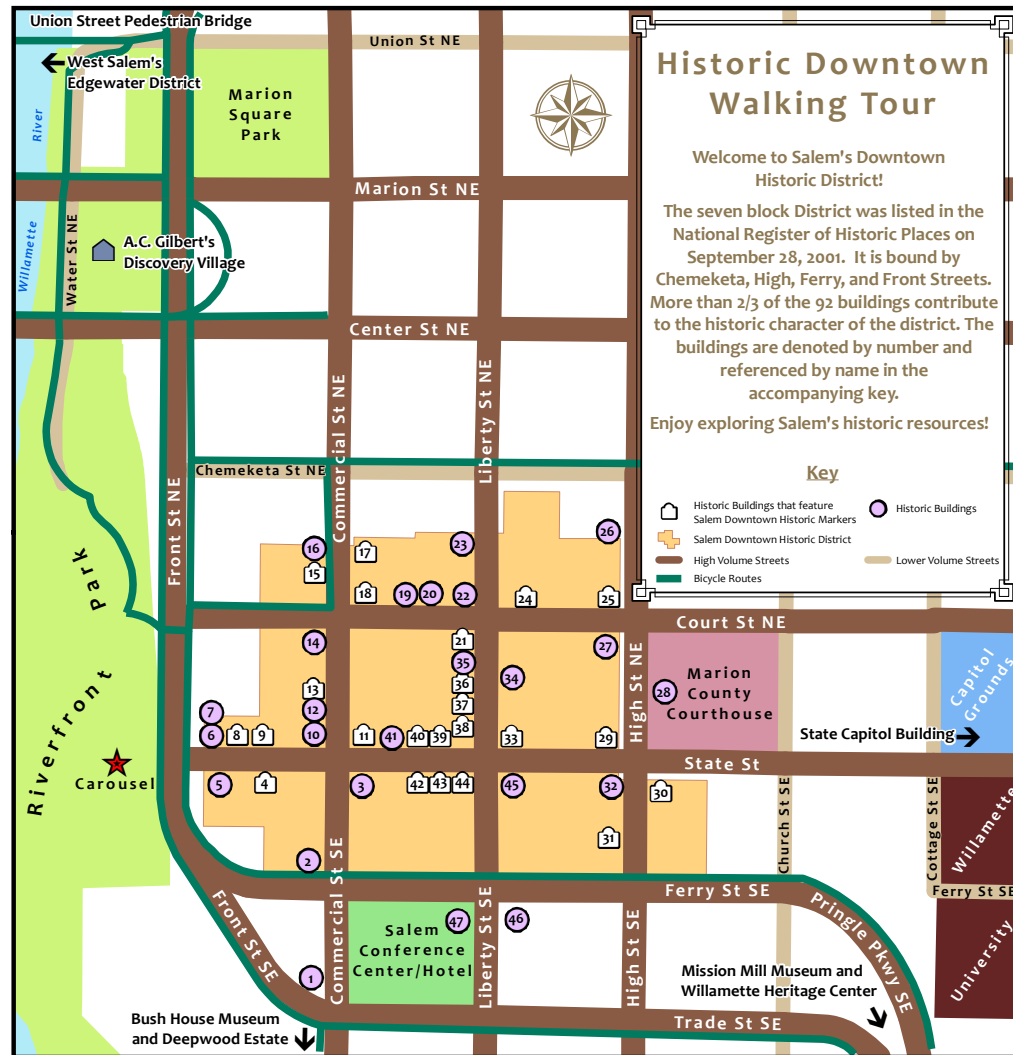


Source: City of Salem

Historic District Boundary

The Salem Downtown Historic District is shown in Figure 6. The Historic District occupies the southern most portion of the RDURA and is largely contained within a nine-block area bounded by Chemeketa Street to the north, Front Street to the west, Ferry Street to the south and High Street to the east. Several historic buildings listed in the National Register of Historic Places are located in the District, as shown in Figure 5, the Historic Downtown Walking Tour Map. Modification to these buildings is restricted by the National Park Service in an effort to maintain the historic character of the District.

Figure 6. Historic Downtown Walking Tour Map

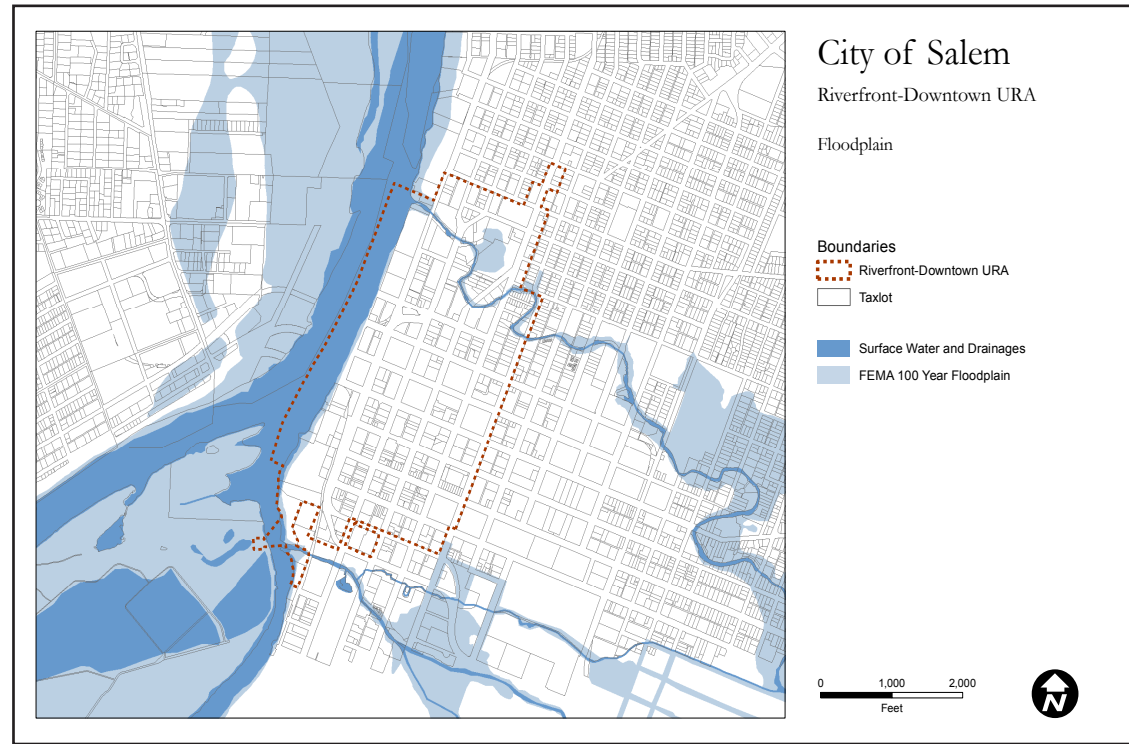


Source: City of Salem

Flood Plain Map

A map identifying the location of the flood plain and flood way is shown in Figure 7. Development in the flood plain and flood way is restricted. Some parcels in northern part of the RDURA, primarily on the north side of Mill Creek, are located in the flood plain. Therefore, the uses and types of development that may occur on these parcels may be constrained.

Figure 7. Flood Plain and Flood Way Map



Source: City of Salem

Stakeholder Interview Summary

Overview

The consultant team conducted confidential stakeholder interviews with a broad range of community stakeholders. Selected with input from City staff, the interviewees included development and real estate professionals, business and property owners, major employers and institutions, business and political leaders, residents, Neighborhood Association chairs, and others. The interviews, which included one-on-one interviews as well as small group interviews, were primarily conducted on site at the City of Salem's Urban Development offices in May 2010.

A summary of preliminary findings and key issues and ideas that arose during the stakeholder interviews was presented to Downtown Advisory Board (DAB) members on June 24, 2010. After the presentation, DAB members were invited to comment and provide additional input. The following is a summary of the key findings and themes heard during the interviews. The comments are organized into broad categories and are further broken down within each category. This summary represents strictly what was heard – some of these ideas may be accurate while others may merely be perceptions.

Stakeholder interviews confirmed the Vision 2020 views and desires for Downtown Salem, including the desire to attract more housing, entertainment, retail and restaurants and ensure convenient access to parking. The role of the Historic District as a brand/identity for

Downtown Salem and the need to continue to promote and enhance downtown marketing efforts were also confirmed through the interviews.

Housing

Housing is a central theme that arose during the stakeholder interviews and is generally recognized as a key element of a healthy downtown. However, there is some variation among interviewees' opinions regarding specific housing market opportunities.

Existing Conditions

- Existing rental housing in Downtown Salem has a low vacancy rate, but supply is fairly limited.
- Recent condominium projects in Downtown Salem have fared poorly and experienced low absorption rates. Possible reasons for poor performance may include:
 - Lack of quality design and development standards and inadequate attention to detail.
 - Poor location.
 - Unfavorable market timing (i.e., completed during the height of the recession).

Market Potential

- There is market potential for multifamily housing in Downtown Salem, which should be the focus early on.

- Converting vacant/underutilized upper stories to apartments is a good strategy for creating new multifamily units and reducing blight.
- The cost to build multifamily is lower than ownership housing.
- Wait until after the multifamily rental market builds momentum and “proves” the housing market before building condos and other types of for sale housing.
- Ownership housing must meet the highest standards and quality to succeed.
- Parking is critical: adequate parking must be provided for residential projects to succeed.
 - Several interviewees noted that “self parked” housing projects in Downtown Salem won't pencil without financial assistance from the City.
- There is a strong consensus that workforce housing is a critical need.
- State workers, Salem Hospital workers, and students and staff of Willamette University are target groups for housing.
- Community education about the assets and benefits of living downtown is needed.

Location

- Interviewees expressed strong support for housing in the North Downtown area and along the north riverfront (north of the Marion/Center Bridges).
 - The North Broadway development (David Glennie’s project) is widely viewed as a success and a good prototype for future housing and mixed use development in the North Downtown.
 - Proximity to the railroad is a barrier for riverfront housing along Front Street due to potential noise and safety issues.
 - Some interviewees feel zoning along the north riverfront, which requires ground floor retail, will inhibit development.

Retail

Like housing, a thriving retail environment is viewed as one of the essential elements of a successful downtown. Several key themes, including the desire for more diverse restaurant/entertainment options and the notion that Downtown Salem has a relatively healthy retail market today, arose from the interviews.

Existing Conditions

- A relatively successful restaurant cluster has emerged at the south end of Downtown on State and High; home to La Capitale, Pita Pit, a sushi restaurant, and a tapas restaurant.
- Downtown features a number of successful

“mom and pop” and boutique retailers. These independent retailers and stores with a local flavor make downtown shopping a unique experience.

- A lot of Salem residents have never shopped Downtown – there is a lack of public awareness of retail opportunities Downtown.
 - The City should do a better job of promoting Downtown retail.
 - Some interviewees feel organized events should have stronger connections to retail/shopping opportunities Downtown. Others feel that events are not a direct retail promotion and are intended to promote interest in Downtown and draw more visitors, which should result in increased sales.
 - There appears to be a disconnect between retailers and groups organizing Downtown events.

Challenges and Key Issues

- Parking: convenient access to parking is critical for retail. Some stakeholders believe the two-hour parking limit is too short.
- National retailers and credit tenants don’t typically locate in Downtown Salem; the market is not there. Most nationals prefer to locate on the I-5 corridor:
 - Do not lose Nordstrom – one of few national retail anchors located in Downtown Salem.
 - Competition: Woodburn Company Stores and Lancaster Mall.

- Most businesses don’t “need” to be Downtown; there needs to be a compelling reason for them to want to locate there.
- Suitable space: older real estate and historic buildings can be difficult and costly to renovate for retail use.
- Hours of operation: limited and/or inconsistent hours of operation were cited as a problem by several interviewees. Most retailers, including many restaurants, close at 6:00 p.m. on weekdays and many are open limited hours on the weekend and closed on Sundays. Downtown business owners need to be better educated on the importance of staying open later and on the weekend.



A desire for more late night dining and entertainment options Downtown was expressed by several interviewed stakeholders. This theme was echoed in Vision 2020.

North Waterfront

The north waterfront area, which includes riverfront property between the Marion/Center Bridges and Mill Creek, and is currently in industrial use, was cited as an area with long-term redevelopment potential by many interviewees.

- Mill Creek and the riverfront are significant amenities that development could play off of.
- Multiple interviewees suggested the City should acquire the riverfront property (property north of Marion/Center Bridges up to Mill Creek) with urban renewal funds and expand the riverfront park to the north, creating an open space amenity that is similar to Portland's Naito Parkway. This expansive riverfront park, which could connect to Minto Brown Park and to Wallace Marine Park in West Salem (via the Union Street Railroad Bridge) could become a great place for events, such as marathons. It would also be a destination for bikers and other recreational users, and would serve as an amenity to development that occurs in the area adjacent and east of the railroad (e.g., the O'Brien property), where a large catalyst development could thrive.
 - Strategic view: create waterfront district master plan (from slough to creek) – use the creek as a unifying theme to frame future development of O'Brien property and property to the north of the creek.
- Other interviewees feel the riverfront should be redeveloped to accommodate

mixed use development, including high quality market-rate apartments, condominiums, and offices as well as limited retail uses, such as a restaurant or brew pub. Some suggested office (as opposed to housing) may be the most appropriate use option given the area's proximity to the railroad.

- The railroad is a significant barrier to development. The railroad bed is failing and will have to be reconstructed soon. (Some interviewees suggested the City should aggressively lobby to bring high-speed commuter rail Downtown along Front Street.)
- Several interviewees noted that the current zoning and overlay, which requires ground floor retail, will discourage redevelopment in the short- to mid-term. Zoning should be flexible enough to accommodate a range of uses.

Opportunity Sites

- The Ketih Brown site (currently for sale), the Saffron property (also for sale), and the Truitt Brothers property are all opportunity sites.
- Marion Square Park is not effective as a public space; the majority of interviewees feel it is unsafe and uninviting.

North Downtown

Most interviewees feel the North Downtown is ripe for redevelopment and would be a good place for the City to invest in a larger-scale public-private partnership development project.

Characteristics that contribute to the area's development potential include:

- A large supply of vacant and underutilized property;
- At least one major landowner (O'Brien); and
- It is easier to acquire and redevelop a larger site in North Downtown than other parts of Downtown. The complexities and cost of tearing down or renovating historic buildings do not come into play in North Downtown.

Potential Projects

- Encourage more housing development and projects like the North Broadway development, which is widely viewed as a successful project.
- Prepare a targeted plan for the O'Brien property and auto area (public investment, public/private opportunity) and capitalize on proximity to the north waterfront and Union Street Railroad Bridge. Make sure there are strong synergies between these areas.
- Opportunity for a major catalyst development; may require upfront investment from the Urban Renewal Agency.
- Marion Parkade has lots of unused capacity to help serve future development to the north.
- Enhance multimodal connections to the riverfront and to Mill Creek, an underappreciated/untapped amenity in North Downtown.

Historic District

While many interviewees felt strongly that the historic core is the heart of Downtown Salem, there was not a consensus on how much urban renewal spending should be focused there. Some commented that a redevelopment strategy that focuses major investments in adjacent areas (North Downtown, riverfront, etc.) will have spillover effects that benefit and bring up the historic district. Some interviewees feel the historic core is functioning fairly well and doesn't need a lot of help. However, it is also true that some Downtown retailers have low rents that enable them to survive with relatively low sales in some cases.

Issues

- Many small, independent retailers cannot afford to renovate/retrofit historic properties to suit their needs.
- Some buildings are owned outright and owners don't have a strong motivation to invest/upgrade; lots of absentee property owners.
- Some people fear that development at the edge of Downtown and in other parts of Downtown will eclipse the historic core and Salem Center Mall area.

Potential Projects

- Make the historic core a "heritage district" with historic plaques.
- Improve signage/gateways/wayfinding.
- Activate underutilized and vacant second stories of older buildings; market them to small business owners or convert them to apartments; use URA Toolbox grant dollars to encourage investment in rehabilitation.

- Redevelop the Ferry/High/Liberty/State block.
- Improve connections to Willamette University and to the Capitol Mall area – potential Downtown patrons/residents.

Assets

- Elsinore Theater (1,200 seats) is an asset – \$3 million raised by community to restore.
- Historic character; some well maintained historic buildings.
- Proximity to Willamette University campus and South Waterfront, two areas from which to capture potential visitors/customers.

Parking

Maintaining ample, affordable and convenient parking is a critical issue in Downtown Salem. While the majority of interviewees don't feel there is a parking problem today (with the exception of during major events), some feel that the City could do a better job of managing public parking – both on-street parking and off-street parking inventory in parkades owned and operated by the City.

- Some business owners feel that the two-hour parking minimum is insufficient and that three hours may be the minimum needed for shopping.
- Employee parking is a problem. Employees should not take up prime on-street and off-street parking spaces; paid parking in garages is too expensive for a lot of employees working in small retail

shops. Some interviewees suggested creating employee parking areas.

- New development needs to provide adequate parking – however, this makes most projects financially infeasible.
- Several interviewees feel the City should not be providing parking for private development; however, others feel financial assistance is needed to encourage redevelopment/development.



Court Street features an eclectic mix of retailers, including coffee shops, restaurants, boutique clothing stores and more.

Downtown Marketing/Organization

Issues around the organizations that work to promote and market Downtown Salem were discussed in many of the interviews. While some people commented that most organizations are working well, several noted conflicts, overlaps, and gaps among the many groups responsible for various functions.

- The Vision 2020 effort has been positive and fairly effective.
- Some interviewees noted there is dysfunction and a lack of unity, cohesion and vision among Downtown entities trying to lead and market Downtown Salem:
 - DAB
 - Travel Salem
 - Go Downtown
 - Chamber of Commerce
 - City of Salem
- Apply “mall management” philosophy to downtown; need one targeted group to focus on a central vision and direction for Downtown Salem.
- Go Downtown is doing a pretty good job with its limited budget and emphasis on streetscape and promotions. However, some interviewees feel Go Downtown is not very visible or effective.
- There is a need for more organized events, such as First Wednesday, pub crawls, etc., and more seasonal events throughout the year to get people to come Downtown.
- Downtown needs a better marketing/branding strategy; focus on “destination marketing” – e.g., have nearby vineyards open a wine tasting venue Downtown and make stronger linkages to the area’s strong agricultural/wine industry.

Priority Projects

The following projects were cited as key investments that should be financed by urban renewal:¹

- Put urban renewal dollars into catalyst projects that leverage private development. Don’t be afraid to spend big on a good idea with strong market potential.
- Increase signage, wayfinding, and gateways to the historic district and other key locations/areas.*
- Improve streetscape environment/identity (lighting, sidewalks, street furniture, public art, etc.).*
- Bicycle/Pedestrian improvements – strengthen bike/ped connectivity in general; improve connections to waterfront, Union Street Railroad Bridge and Willamette University.*
- Build a bridge from Minto Brown Island to the South Waterfront.*
- Assist with site acquisition and development of Audubon Nature Center (South Waterfront area).*
- Create a town square (suggested locations include the corner of Chemeketa and Liberty and the McMahon site).*
- Finance public infrastructure improvements – sewer, water, stormwater, utilities, streets.*

¹ Projects that align with Vision 2020 goals are denoted with an asterisk (*)

Other

In addition to the issues described above, other ideas and issues that were raised in the stakeholder interviews, but that do not fit into any of the previous categories, include:

- Community education is needed and will be critical to gaining interest and support for Downtown development. People need to be made aware of the assets of Downtown Salem.
- Insufficient public transit, particularly at night and on weekends, is a challenge to getting people Downtown to shop/recreate/entertain and encouraging people to live Downtown.
- A lot of uncertainty about the future of the Boise Cascade property.
- One-way streets are a problem.
- Uncertainty about the location for the third vehicular bridge across the Willamette River, which may land in the vicinity of the RDURA, makes it difficult to plan for the future.

Infrastructure Analysis

Overview

Otak, Inc. reviewed utility and transportation conditions in order to understand whether existing infrastructure can accommodate the desired scale and type of uses envisioned by the community. Mitigation of public infrastructure deficiencies is one of the most common uses of urban renewal revenues.

The infrastructure analysis was based on a review of existing plans and documents, supplemented with meetings with key departmental staff. The infrastructure issues evaluated include transportation infrastructure and utilities. The analysis in this section summarizes planned projects in the RDURA and identifies any constraints that may exist in relation to the development envisioned by existing Downtown plans.

Reference Documents

The assessment of infrastructure conditions and potential needs that follows is based on a review of the following existing plans and studies.

- Salem 2008/09-2012/13 adopted Capital Improvement Program (CIP)
- Salem Transportation System Plan (TSP), amended July 9, 2007
- City of Salem GIS data
- City of Salem utility grid maps
- Downtown Area Water Capacity Analysis, October 22, 2009

Streets

- Right of way: owned and maintained by City of Salem, 100 foot width for most major streets in the study area. Mid-block alleys are typically less than 20 feet of right of way.
- Street classifications:
 - Front Street – Parkway
 - Commercial Street – Major Arterial
 - Liberty Street – Major Arterial (Ferry to Union); Minor Arterial (Union to Market)
 - High Street – Major Arterial (Ferry to Union); Minor Arterial (Union to Market)
 - High Street and Liberty Street join to become Broadway, also a Minor Arterial
 - Church Street – Major Arterial (Ferry to Marion); Collector (Marion to D Street); not classified north of D Street
 - Market Street – Minor Arterial (Front to Capitol)
 - Union Street, Chemeketa Street – Collector
 - Marion Street, Center Street, Court Street, State Street – Major Arterial
 - Ferry Street – Parkway

Congestion

The following locations are at or near capacity during evening peak hours:

- Marion Street / Front Street ramps
- Center Street / Front Street ramps

- Front Street between Marion and State
- Liberty Street / High Street 'Y' intersection
- Broadway Street – from the 'Y' to Fairgrounds Avenue

By the year 2030, traffic is expected to increase and congestion will expand along these corridors and also include Commercial Street and most of Front Street. This condition will occur even if all of the projects in the Regional Plan are constructed. Over the long term, the goal of the City of Salem is to find other means of accommodating peak hour travel demand in addition to constructing street capacity.

Priority Projects

The following high priority projects are included in the 2007 Salem TSP:

- **Market Street NE (at Broadway Street NE) (#62).** Construct eastbound and westbound left-turn pockets on Market Street NE at Broadway Street NE. This project is a part of the High Priority Transportation Corridor. ***Completed project.**
- **Broadway Street NE (Belmont Street NE to Shipping Street NE) (#262).** This project will construct streetscape improvements to facilitate the movement of transit through this portion of the High Priority Transportation Corridor. The project will need to accommodate other modes of transportation and the needs of the adjacent RDURA.

- **Commercial Street NE at Marion/Center Bridges (#49).** Provide two right-turn-only lanes for southbound Commercial Street NE movements onto the westbound Marion/Center Bridges entrance. Northwest corner of the intersection would be improved to facilitate truck turning movements. Provide bulb-out at corners on the south side of the intersection to improve pedestrian environment. This project came from the 1998 Willamette River Bridgehead Engineering Study. ***Project underway and nearing completion.**
- **Front Street NE (Norway Street NE to Division Street NE) (#66).** Reconstruct Front Street NE to a modified Minor Arterial standard and realign the railroad tracks down the center. Construct wide travel lanes as well as curbs, gutters, and sidewalks. The project includes the reconstruction of Mill Creek Bridge.
- **Hood Street NE (at Broadway Street NE) (#259).** Construct both eastbound and westbound left-turn pockets at Broadway Street NE.

In addition to the projects identified in the TSP, as part of the \$100 million voter-approved Streets and Bridges bond measure, multiple streets in the RDURA are being repaved in the next three years. The repaving projects also include pedestrian improvements such as curb bulb outs and sidewalks.

Constraint: Some streets in the RDURA are currently at or near capacity. New development will need to consider methods to reduce or mitigate impacts to the existing street network.

Public Utilities

Water

- In 2009, the City completed a Downtown Area Water Capacity Analysis to assess the performance of the existing water system based on future redevelopment at higher densities than currently exist. The results of the analysis showed several pipe systems that should be upgraded, in addition to new lines that should be installed.
- The following improvements were identified due to aging pipes or fire flow restrictions:
 - 12-inch line in High Street from Broadway to Union Street; 24-inch line in High Street from Union Street to State Street²; 24-inch line in State Street from High Street to Liberty Street; and 24-inch line in Liberty Street from State Street to Ferry Street (CIP #61133)
 - 12-inch line in Liberty Street from Ferry Street to Union Street (future)
 - 24-inch line in Union Street from Front Street to Church Street (future)
 - 8-inch line in alley east of Front Street between Ferry Street and Court Street (future)
 - 8-inch line in Belmont Street from Commercial Street to Broadway Street (future)
- In general the recommended minimum pipe sizes in Downtown Salem are:
 - Supply pipes – 24-inch minimum size from separate transmission sources
 - Backbone pipes – 18-inch or larger

² The design of the 24-inch line in High Street from Union Street to State Street has been funded.

- size and 12-inch as the base pipe grid
- Fire lines – 8-inch size
- Smaller pipes are only allowed when they serve domestic with no fire fighting capability.
- With the exception of CIP #61133, the proposed improvements are not listed on the current 5-year CIP. The timing of waterline replacement will depend on other construction near the waterlines to be replaced. If the streets containing the subject lines are reconstructed or repaved, it would make economic sense to replace waterlines at the same time. Redevelopment activity that directly utilizes these lines would likely be required to replace the aging pipes.
- New development in the area of deteriorating or undersized pipes would be required to improve the existing system to the recommended standard.

Constraint: Water lines will need to be replaced to meet the City's minimum standard for waterline size. Fire flow will need to be met at all hydrants. Water lines will need to be upgraded to the recommended standard if currently undersized.

Sanitary Sewer

- The sanitary sewer system has ample capacity to handle redevelopment activities. The age of the existing system dictates which pipes need to be replaced. Redevelopment may require replacing the existing system if the pipes are old enough that new connections may affect the integrity of the pipe. In general the

sanitary sewer runs down the back alleys between buildings. Replacements will generally need to be completed using trenchless technology.

- The Salem 2009-2013 CIP identifies a project to replace several 8-inch and 10-inch sewer lines and install a new 8-inch line from the alley west of Front Street to Church Street. This would allow the Union Pump Station to be taken out of service. (CIP #60671)
- There are two other pump stations within the study area: the Larmer pump station (located near the intersection of the E Street and 4th Avenue blocks), and the Ferry pump station near the intersection of Ferry Street and Front Street.
- The City would also like to relocate the Ferry pump station and eventually reduce the size of the Larmer pump station. These projects are not contingent upon redevelopment, nor would new development be required to participate in these projects.
- The timing of sewer line replacements would coincide with redevelopment activities that would either impact or seek to connect to the existing pipes. No specific timeline for replacement is targeted.

Constraint: The sanitary sewer network has ample capacity to service new development and redevelopment in the Action Plan area. Selected existing pipes may need to be replaced due to the age of the pipe rather than capacity.

Storm Sewer

- The northern half of the RDURA is in the Mill Creek drainage basin. The majority of the southern portion is a tributary to the Willamette River. The extreme southeastern corner of the RDURA is in the Pringle Creek Basin.
- The 2000 Salem Stormwater Master Plan identifies two sections of storm pipe that need to be replaced due to capacity constraints:
 - The 18-inch pipe in Ferry Street from High Street to the alley and in the alley from Ferry Street to Trade Street.
 - The 18-inch pipe in Union Street from High Street to Church Street and in Church Street from Union Street to the Mill Creek discharge.
- The City does not currently have a funding source for projects that address capacity needs and no timeline has been set for these replacements.
- Development will need to comply with the Bureau of Environmental Services standards for both for water quality treatment and quantity control. Discharges to the Willamette River are exempt from quantity control. Water quality treatment will need to fit into the overall site redevelopment strategy. Stormwater directed to Mill Creek will be subject to quantity control.
- The minimum pipe size for conveyance is 10 inches. Existing pipes that are undersized will need to be replaced to meet the minimum size.

- Treatment techniques may include low impact development or mechanical treatment devices due to space constraints.

Constraint: There are two sections of storm sewer pipe that will need to be upsized to accommodate future development. Stormwater management requirements include both treatment and detention in the Mill Creek Basin and treatment only in the Willamette River Basin.

Conclusion

Although some of the existing infrastructure is showing signs of aging, much of the infrastructure in the RDURA is in place to support higher density redevelopment. Relatively minor upgrades of selected pipe systems will provide flexibility in redevelopment options and sequencing.

Market Reconnaissance

Overview

This section of the report reviews existing market conditions and trends, including local, regional, and national demographic, economic, and market trends that will influence planning and development patterns in Downtown Salem. This information will help to ensure that projects recommended in the Action Plan respond to actual market opportunities and reflect the realities of today's economy while anticipating long-term trends.

Demographic Profile

A summary of key sociodemographic metrics is provided in the pages that follow. There are significant differences between the demographic and socioeconomic profiles of RDURA residents and that of residents in the three comparison geographies: the City of Salem, the Salem-Keizer Urban Growth Boundary (UGB), and the Salem-Keizer Area Transportation Study (SKATS) region.

Demographic and Economic Findings:

Figures 8 and 9 highlight important sociodemographic attributes of the RDURA:

- With a median household income of \$35,986, RDURA households are, on average, less prosperous households in the other comparison areas, where the median household income ranges from \$51,000 to \$52,000.
- Eighty-five (85) percent of the households in the RDURA are comprised of one- and two-person households compared to just over 60 percent within the City, the Salem-Keizer UGB and the SKATS region.
- The RDURA has a much greater percentage of renters – over 65 percent compared to the other areas, where renter households comprise 37 to 39 percent of households.

Figure 8. Demographic and Economic Attributes of Salem

Sociodemographic Metric	Downtown Riverfront URA	Salem, City	Salem-Keizer UGB	SKATS
Population, 2009 (estimate)	611	152,684	228,553	241,126
Households, 2009 (estimate)	190	55,808	84,710	88,973
Average Household Size, 2009	2.3	2.6	2.6	2.6
Group Quarters*, 2000	176	8,884	8,484	9,383
Percent 1 and 2 Person Households, 2000	85.0%	61.9%	60.3%	60.2%
Demographics and Economics				
Median Household Income, 2009 (estimate)	\$35,986	\$51,300	\$51,613	\$52,098
Per Capita Income, 2009 (estimate)	\$22,499	\$23,600	\$23,411	\$23,641
Population's Median Age, 2009 (estimate)	40.1	35.2	34.7	35.1
Education				
Bachelors or Advanced Degree, 2009 (estimate)	27.2%	27.0%	24.0%	24.3%
Housing				
Median Home Value, 2009 (estimate)	\$200,000	\$218,351	\$193,102	\$195,455
Housing Tenure, 2009 (estimate)				
Owner Occupied Housing Units	17.5%	53.7%	54.9%	56.0%
Renter Occupied Housing Units	65.8%	39.6%	38.2%	37.3%
Vacant Housing Units	16.7%	6.7%	6.8%	6.8%
Median Year Structure Built, 2000	1949	1973	1974	1974

*Group quarters include such places as college residence halls, residential treatment centers, skilled nursing facilities, group homes, military barracks, correctional facilities, and workers' dormitories.

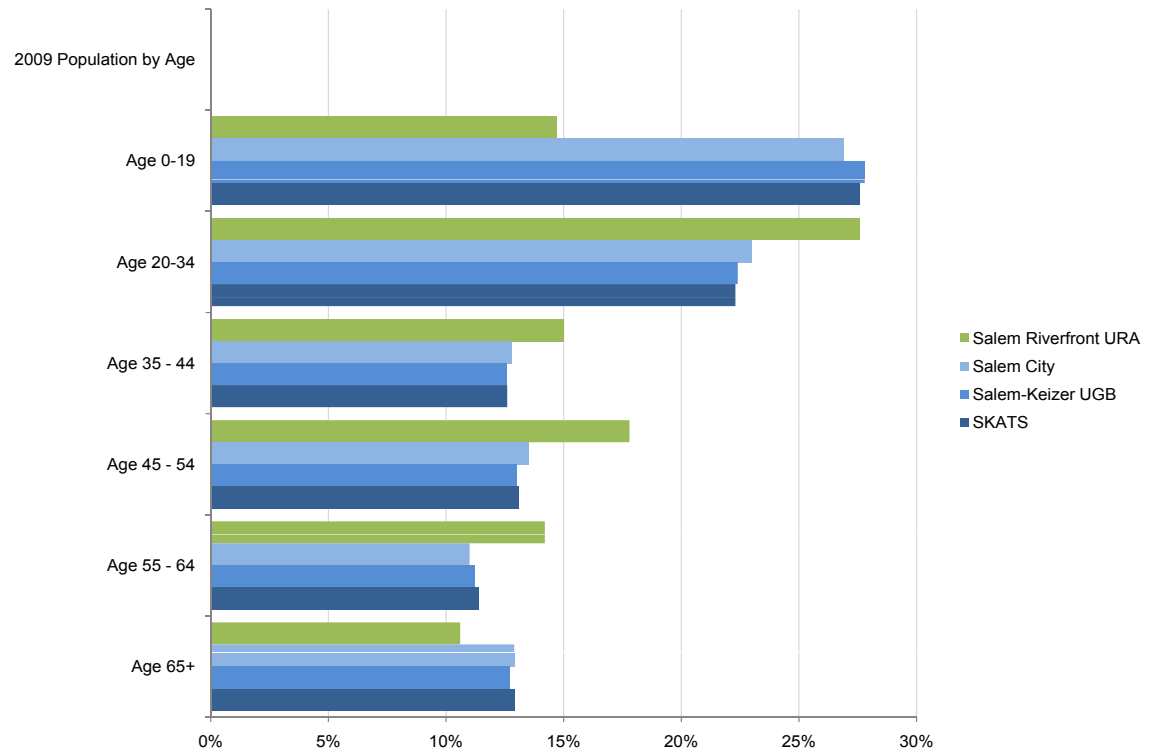
Source: ESRI, Leland Consulting Group

The SKATS region

As the designated Metropolitan Planning Organization (MPO), Salem-Keizer Area Transportation Study (SKATS) coordinates the regional transportation planning process and investments for the Salem-Keizer area. Adopted in May 2007, the SKATS 2031 Regional Transportation System Plan identifies 24-year population, employment and land use forecasts for the Salem-Keizer area and provides a comprehensive, long-range plan for meeting the area's transportation needs.

- The percentage of RDURA residents with a bachelors or advanced degree is similar to that of City of Salem and slightly higher than residents of the other geographic comparison areas. Research has proven that there is a strong connection between the educational attainment and the success of downtown retail. Downtowns with a strong pool of college educated individuals and households are more likely to support and sustain a vibrant retail core.
- At \$200,000, the RDURA's 2009 median home value is lower than the City of Salem's, but higher than median home values in the Salem-Keizer UGB and the SKATS region. However, this home value applies only to the relatively small amount of ownership housing that currently exists in the RDURA.
- There are also more vacant housing units in the RDURA – 16.7 percent compared to 6.7 to 6.8 percent in the City, the UGB and the SKATS region. This may reflect a lack of new housing options, as the median year the structure was built in the RDURA is 1949 as opposed to 1973 to 1974 within the City, the UGB and the SKATS region.
- In 2009, as shown in Figure 8, relative to the other geographic comparison areas, the RDURA was home to a significantly lower percentage of children and youth ages 0 to 19 and a higher percentage of young adults ages 20 to 34. Further, the RDURA has fewer seniors ages 65 and older than the other geographic comparison areas.

Figure 9. Population Distribution



Source: ESRI, Leland Consulting Group

Population and Housing Forecast Findings

Figures 10 and 11 identify long-term population and housing forecasts that will impact residential and commercial development trends in Downtown Salem. These forecasts are not available at the RDURA level, but can be informative in understanding how the region will grow, which can be an indicator of the future market for downtown residents.

- As shown in Figure 9, according to the Salem-Keizer 2031 Regional Transportation Systems Plan (RTSP), the population within the Salem-Keizer UGB is projected to grow by 50,518 – a 22 percent increase – from 2010 to 2030, reaching a total of 282,755 by the year 2030. The RTSP estimates that the Salem UGB will capture 47,832 of that population increase during that time period.³
- As shown in Figure 10, an increase of 29,666 housing units is forecasted in the Salem UGB between 2000 and 2030, 5,710 of which have already been developed or committed to development since 2000. Of those units, 11,558 are forecasted to be developed on vacant residential land and another 7,129 on underutilized residential land.
- There is a stark difference between the potential number of housing units that could be realized through redevelopment in the Salem UGB (12,866 units) and the number of housing units that the RTSP forecast has allocated to redevelopment between 2000 and 2030 – only 1,736 units.

³ A report published by Portland State University's Population Research Center forecasts slightly more robust population growth within the Salem-Keizer UGB than the RTSP. The report forecasts population growth of 66,166 (28 percent) within the Salem-Keizer UGB from 2010 to 2030, resulting in a total population of 299,980 by the year 2030.

Figure 10. Population Projections for the Salem-Keizer Area, 2000 to 2030

Year	Total Salem UGB	Total Keizer UGB	Total Salem-Keizer UGB	Total SKATS Population
2000	171,072	32,203	203,275	214,583
2005	183,497	35,364	218,861	230,871
2010	194,929	37,308	232,237	244,828
2015	205,863	38,404	244,268	257,558
2020	218,976	39,338	258,314	272,157
2025	231,985	39,767	271,752	286,149
2030	242,761	39,994	282,755	297,608

Source: Salem-Keizer 2031 Regional Transportation Systems Plan, Appendix A - SKATS Population and Employment Forecasts

Figure 11. Forecast of Potential and Allocated Housing Units for Salem UGB

Development Category	Potential Number of Housing Units	Housing Units Allocated between 2000 and 2030
Known Development after year 2000 ("lots & committed")	5,710	5,710
Vacant Residential	15,629	11,558
Underutilized Residential	11,696	7,129
Redevelopment	12,866	1,736
Partitions	915	915
Forecast for Other Special Areas	2,619	2,619
Total	49,433	29,666

Source: Salem-Keizer 2031 Regional Transportation Systems Plan, Appendix A - SKATS Population and Employment Forecasts

Employment Findings

Figures 12 and 13 identify long-term employment forecasts for the Salem UGB and the SKATS region.

- As shown in Figure 13, employment within the Salem UGB is expected to increase from 94,199 jobs in 2010 to 115,932 jobs in 2030.

- As shown in Figure 12, the two industry sectors forecasted to provide the greatest number of new jobs within the SKATS region from 2015 to 2030 are the Services sector, which is anticipated to create 6,482 new jobs, and the Retail sector, which is anticipated to create 5,165 new jobs.

Figure 12. 2015 to 2030 SKATS Employment Forecast Options and Recommended Targets

Sector	2000	2015	Recommended Forecast	2015- 2030 Change	Percent change
Agriculture	1,993	1,600	1,284	-316	-20%
Mining	160	160	160	-	0%
Construction	4,173	4,954	5,882	928	19%
Manufacturing	8,746	10,000	11,254	1,254	13%
Trans., Comm., and Utilities	2,775	4,352	6,626	2,274	52%
Wholesale Trade	2,638	2,813	3,000	187	7%
Retail Trade	17,505	21,676	26,841	5,165	24%
Finance, Insurance and Real Estate	4,712	4,891	5,077	186	4%
Services	23,100	28,377	34,859	6,482	23%
Total Government	26,087	29,104	32,470	3,366	12%
Total SKATS	91,888	107,927	127,454	19,527	18%

Source: Salem-Keizer 2031 Regional Transportation Systems Plan, Appendix A - SKATS Population and Employment Forecasts

Figure 13: Salem UGB Employment Forecast

Year	Total Employment	Increase
2000	85,309	
2005	89,895	4,586
2010	94,199	4,304
2015	99,404	5,205
2020	105,324	5,920
2025	110,297	4,973
2030	115,932	5,635

Source: Salem-Keizer 2031 Regional Transportation Systems Plan, Appendix A - SKATS Population and Employment Forecasts

Recent Development

Similar to many downtowns across the United States, Downtown Salem has witnessed a mix of new development and rehabilitation projects in recent years. These projects have created new rental and for sale housing units, including both market rate and affordable housing, as well as high quality commercial office and retail space and new institutional uses. Figure 14 provides a map of development projects completed in the RDURA since 2005.

Project Highlights

- Chemeketa Center for Business and Industry (626 High Street NE). Finished in late 2009, this 60,000 square feet development owned and operated by Chemeketa Community College, in partnership with Linfield College, Portland State University and SEDCOR, is a new Downtown center for education, job development, and leadership training. The Center, which houses nursing, dental hygiene and pharmacy technology programs, has given Chemeketa Community College a long awaited presence in Downtown Salem and is anticipated to serve as a catalyst for further redevelopment in the North Broadway area.

Figure 14. Development Since 2005



Source: City of Salem and Leland Consulting Group

- WaterPlace: completed in March 2010, this new development on the south side of Downtown, across from City Hall, features 34,000 square feet of Class A office space and 3,000 square feet of ground floor retail space. Currently, the office space is 90 percent occupied and achieves rents ranging from \$1.50 to \$1.85 per square foot triple net. The retail space is currently under construction and an established local restaurant will open there in Fall 2010. The building is anticipated to achieve LEED Gold certification.
- Housing: an estimated 179 new housing units, including market rate and affordable, rental and for sale units were added to Downtown Salem's residential inventory between 2005 and 2010. The largest housing development contains 55 affordable housing units owned and operated by the YMCA.
- Since 2005, the Salem Urban Renewal Agency has awarded 20 Downtown Toolbox grant and/or loan projects. The purpose of the Toolbox program is to increase downtown vibrancy, decrease vacancy and increase property values by providing grants and low interest loans to historic property and business owners to make improvements to commercial or mixed-use buildings located in the RDURA.⁴ Figure 15 shows the location of properties that have participated in the Downtown Toolbox program since 2005.

Figure 15 Downtown Toolbox Grant /Loan Projects Since 2005



Source: City of Salem and Leland Consulting Group

⁴ More information on the Toolbox program is available on the City of Salem's web site: <http://www.cityofsalem.net/Departments/UrbanDevelopment/FinancialResources/Pages.DowntownToolbox.aspx>.

Planned Development

Multiple development projects are planned within and adjacent to the RDURA. Figure 16 identifies the location of these projects.

Project Highlights

- A mix of commercial, office, residential, lodging and entertainment uses are planned for the 13-acre Pringle Creek LLC/former Boise Cascade site. While the property is within the adjacent South Waterfront Urban Renewal Area, given its close proximity to Downtown, development at this location will serve as a catalyst for development Downtown and within the broader RDURA.

Pringle Square LLC plans to develop the site in three phases: (1) South Block - south of Pringle Creek along Commercial Street; (2) North Block - north of Pringle Creek; and (3) Waterfront Block - five-acre parcel adjacent to Riverfront Park. Structured parking, office and residential uses and a gym are planned for the South Block. A hotel with a restaurant and an office tower are planned for the North Block. Plans for the Waterfront Block are on hold pending a successful application for a new public rail crossing.

- Development projects are also planned for four sites within the RDURA: the McMahon property, the Wells Fargo property, the northern half of the Transit Mall property and the Marion Parkade.

Figure 16. Planned Development



Source: City of Salem and Leland Consulting Group

Vacant and Underutilized Property

A GIS analysis was conducted to identify vacant and underutilized properties with strong redevelopment potential in the RDURA and vicinity.

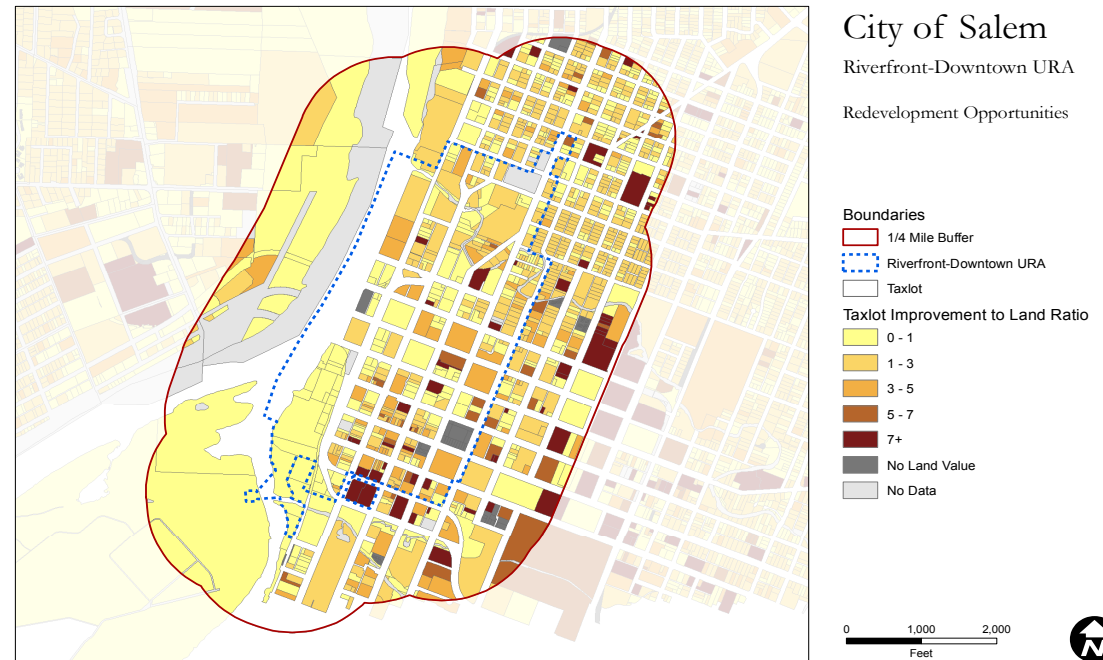
The degree or “intensity” of development is typically measured in terms of an improvement value to land value ratio (“I:L”). The values used are real market values. For example, a property with a building value of \$200,000 and a land value of \$100,000 would have an I:L ratio of 2.0. Where the value of improvements is less than the value of land the ratio is less than 1.0.

I:L ratios for healthy properties in the RDURA could range between 7.0 to 10.0 or more. For instance, a property on a 20,000 square foot lot would have a land value of \$200,000, at \$10.00 per square foot. A three-story commercial property valued at \$70.00 per square foot would have an improvement value of \$1,600,000. The I:L ratio for this property would be 8.0.

Figure 17 shows the improvement to land ratios for properties within the RDURA and within a 1/4-mile buffer of the RDURA.

As detailed in Figure 18, I:L ratios for property within the RDURA are varied. However, while the RDURA contains a limited supply of property with high I:L ratios – less than eight percent of its total acreage has an I:L ratio of 5.0 or greater – nearly 60 percent of property within the RDURA is vacant or significantly underutilized, with an I:L ratio of less than 3.0.

Figure 17. Improvement Value to Land Value Ratios, Downtown-Waterfront Urban Renewal Area and Vicinity



Source: Marion County Assessor, City of Salem, Otak, Inc., Leland Consulting Group

The highest concentration of property with low I:L ratios is found in the northern part of the RDURA whereas the majority of property with higher I:L ratios is centrally located within the RDURA and within the historic district and the southern portion of the RDURA. Note that these areas include public facilities such as Riverfront Park.

Figure 18. Improvement to Land Value Ratios, Downtown-Riverfront URA

I:L	Acres	% of Total Acres
0 to 1	71.28	42.13%
1 to 3	46.21	27.31%
3 to 5	28.16	16.65%
5 to 7	3.76	2.22%
7+	8.36	4.94%
No Data	7.12	4.21%
No Land Value	4.28	2.53%
TOTAL	169.19	100.00%

Source: Marion County Assessor, City of Salem, Otak, Inc., Leland Consulting Group

Big Picture National Trends

What Trends Are Driving Downtown Housing Markets?

An analysis of downtown population, household, and income trends in 44 selected cities from 1970 to 2000 found that downtown population grew by 10 percent during the 1990s – a marked resurgence following 20 years of overall decline.⁵ The growing popularity of downtown living has not happened by accident but reflects the cumulative effect of several trends. These include:

- **Individuals working longer hours and more families with both adults working.** A study published by the Massachusetts Budget and Policy Center found that the average Idaho family worked 2,959 hours in 2001, 355 more hours than in 1980.⁶ Households spending more time at work need convenient access to jobs, restaurants and other services, and may not have time to care for a detached house.
- **Average family sizes are getting smaller.** In most American cities, 60 to 70 percent of households are comprised of only one or two people. The percentage of one- and two-person households in a market area is a key indicator of the potential demand for higher density residential (e.g., condominiums, apartments, townhomes, etc.).
- **A growing number of households**

⁵ Birch, Eugenie L. "Who Lives Downtown." Brookings Institute November 2004 Living Cities Census Series.

⁶ "The State of Working Massachusetts 2002," Massachusetts Budget and Policy Center.

without children. Nationally, just 32.8 percent of households contain children. The "empty nester" population is predicted to be the fastest growing demographic segment of the population for the next 20 years.⁷ Downtown living offers these households reduced home maintenance hassles and increased access to shopping, culture, and entertainment.

- **Aging population.** As people age, their housing needs change and suburban detached housing may not be the ideal housing type. The National Association of Homebuilders found that 17 percent of the general population, but 24 percent of those over age 55, would prefer a \$150,000 townhouse in an urban center over a similarly priced detached house in a suburban area.⁸
- **Presence of 25 to 34 year olds and 55+ populations.** Two age groups, 25 to 34 year olds and seniors over age 55, are the largest consumers of higher density urban housing. Within the 25 to 34 year old age group, singles and couples without children (or with very young children) comprise a high percentage of households. Similarly, the over 55 age group includes baby boomers, "empty

⁷ U.S. Census and Leland Consulting Group.

⁸ Myers, Dowell and Elizabeth Gearing. "Current Preferences and Future Demand for Denser Residential Environments." Housing Policy Debate Volume 12, Issue 4. Citing National Association of Homebuilders 1999 Smart Growth Survey.

nesters," retirees, and pre-retirees, groups where one- and two-person households are dominant. The desire to lead a simpler life, with less time spent on home maintenance and more time spent in active pursuits such as hobbies, travel, and other leisure activities, draws many within this aging demographic to smaller homes in attractive urban settings with amenities and basic neighborhood services within walking distance.

- **Use Conversion.** Public policies have encouraged conversion of disused commercial and industrial buildings space to residential use.

Changing Lifestyle Preferences

The nation's changing demographics – embodied in an evolving set of lifestyles and preferences – will have a dramatic impact on retailing today and in the future.

The lifestyles and preferences of the three primary shopping generations are described on the following page.

The Baby Boomers offer one example of how demographic changes will affect downtown residential and retail markets.

As they have in the past, Baby Boomers will exert a considerable influence on the next generation of retail, due in part to the sheer

size of the cohort. By 2030, approximately 80 million, or one in five Americans, will be at or past the age of retirement – the largest senior population the country has ever seen. Studies indicate that as many as a third of this boomer population is at least somewhat likely to relocate to a more urban setting – for the arts, convenience, excitement, and to continue participating part-time in the workforce. Their preferences for comfortable, convenient, meaningful and experiential retail, community connections, and other amenities, should be taken into account in Downtown Salem.

Figure 19 below identifies the major generations and their share of the national population.

Figure 19. Major Generations and Their Share of National Population

Generation	Born	Age Today (2010)	Percent of National Population (2006)	Total National Population in Millions (2006)
Eisenhowers	Before 1946	65+	16%	48
Baby Boomers	1946 - 1964	46 - 64	26%	76
Generation X	1965 - 1980	30 - 45	21%	62
Gen Y / Echo Boomers	1981 - 1999	11 - 29	28%	83
Post Echo	After 2000	0 - 10	9%	28

Source: RCLCo., Claritas, Inc.; National Center for Health Statistics, Leland Consulting Group

Boomers, Gen X, Gen Y Profiles

Baby Boomers



- First experimentation and idealism, then hedonism; boomers see themselves as “forever young.” “Baby Boomers have made it pretty clear that 1) they’re not ready for the rocking chairs yet and 2) they’re not planning to scrimp along the way.” (PlainVanillaShell)
- “The quest for sensuous gratification has long since shifted its focus to products like artisanal cheese and single-malt Scotch... [Their energy] has been diverted into aerobics and yoga.” (Newsweek)
- Many downsizing and urbanizing, seeking residential and thus retail choices close to home.
- Appreciate implicit nods to aging bodies: scattered seating; less stooping for items; clear aisles, easy-to-read signage.
- **Target Retailers:** Whole Foods; wine tasting rooms; art galleries.

Generation X



- Young, peak earning years still ahead; more than two thirds are college educated.
- Diversity and tolerance are facts of life; accepting of a wide variety of lifestyle choices.
- Early stereotype: slackers, disillusioned by divorce, drugs, and gangs.
- Now: entrepreneurs, resilient, involved, responsible. Two thirds volunteered recently in their communities (compared with 56 percent of the population at large); majority favor “green.”
- **Target Retailers:** Anthropologie, Urban Outfitters; edgy, “authentic,” and green; “A visit to one of these stores gives a clear picture of the environmentally concerned and slightly misanthropic view of Gen Xers.”

Generation Y



- Most ethnically diverse generation: one third are minorities.
- Technology: never experienced life without the internet, acquired credit cards, cell phones, and other gizmos early.
- Shopping is entertainment, seek places to gather.
- Shop and socialize online, when they arrive in the store, they know what they want.
- Beliefs: education is good; integrity is admirable; parents are role models.
- “The line between work and home doesn’t really exist. They just want to spend their time in meaningful and useful ways, no matter where they are.” (Time magazine)
- **Target Retailers:** Apple Store, Sony Store, Hollister; H&M, interactive shopping experiences

Sources: ULI, Deloitte, Leland Consulting Group

Amenities Desired by Downtown Residents

People live in downtowns in order to carry out their daily activities with ease and convenience. Downtowns have a natural appeal in that they offer many residents close proximity to jobs. Successful downtowns cannot, however, rely on this advantage alone. Downtown residents seek convenience in all aspects of their lives. In Boise, Portland, and elsewhere, more than half of downtown residents actually work outside the downtown.

Residential surveys from other cities (Figures 20 to 22) indicate that downtown residents want proximity to shopping and dining opportunities. Of these, grocery stores and restaurants are most important. In addition, downtown residents must feel safe in their neighborhoods. Safety and security was cited by 82 percent of Philadelphia workers as an important factor in choosing their neighborhood within the downtown (Figure 21).

As residents age, their preferences shift. Younger households require fewer neighborhood amenities. Older residents, however, seek a more developed retail environment and greater assurance of safety.

Figure 20. Survey of Downtown Kansas City Residents “Undersupplied” Neighborhood Amenities

Rank	Downtown Amenity
1	Grocery Store
2	Movie Theatre
3	Convenience Store
4	Restaurants
5	Museums and Art Galleries
6	Parks and Outdoor Sport Facilities
7	Dry Cleaning Facilities

Source: “Downtown Housing Study 2001-2002,” The Kansas Council of Kansas City Missouri, January 2002.

Figure 21. Survey of Center City Philadelphia Workers Living Downtown: “Important” or “Most Important” Factors in Neighborhood Decision

Factor Impacting Neighborhood Decisions	Percentage Ranked “Important” or “Most Important”
Proximity to Work	87%
Safety and Security	82%
Neighborhood Quality	81%
Access to Shopping and Dining	75%
Affordability	75%
Access to Public Transit	71%
Size and Amenities of Home	64%
Access to Parks, Playgorunds and Recreation	47%
Quality and Location of Schools	44%
Proximity to Friends and Family	41%

Source: “1997 Residential Preference Survey of Center City Employees” Center City District, Philadelphia 1997.

Figure 22. Survey of Downtown Lexington, Kentucky Workers “Important” or “Most Important” Downtown Neighborhood Amenities

Downtown Amenity	Percent Ranked “Important”	Percent Ranked “Most Important”
Restaurants	72%	37%
Grocery Store	68%	33%
Bookstore	60%	28%
Park/Greenspace	60%	28%
Farmer’s Market	57%	26%
Coffee Shop	51%	25%
Dry Cleaner	49%	26%
Hardware Store	48%	15%
Arts and Galleries	45%	18%
Drug Store	39%	20%
Movie Theater	37%	27%

Source: “Downtown Housing Survey,” Bluegrass Tomorrow, Lexington Kentucky, February 2003.

National Retail Trends

- The role of entertainment, art, and culture in downtown retail has been strong and growing.
- Large downtown populations lure national retailers and box stores.
- Bricks *and* clicks: online and in-person sales combine rather than compete for success.
- Visitor dollars in major metro centers are 40 to 60 percent of anchor retail sales.

Retail Emphasizes Experience

- Lifestyle centers seek to replicate the downtown experience – authenticity, quality urban realm, mixed use environment, and entertainment.
- Nationwide in 2006, 144 new or renovated lifestyle centers were built, zero shopping malls.



A strong retail environment with a diverse mix of shopping, dining and entertainment opportunities is a key component of a successful downtown.



Downtown Salem Market Trends

A summary of existing conditions and key retail and office market trends in Downtown Salem is provided below. The information was gathered during interviews with local real estate brokers.

Retail Market

According to local brokers, there are two primary types of retail space in Downtown Salem:

- Smaller space ranging from 2,000 to 3,000 square feet, and
- Larger space ranging from 5,000 to 10,000 square feet.

Figure 23 provides a comparative description of both of these retail space types. Since most downtown retailers are small, independent operators, there is a high demand for smaller space and very limited demand for larger space.

While the majority of retail space available for lease in Downtown Salem falls into the two retail types described above, it is important to note that the Salem Center Mall, which is managed by General Growth, Inc., is a retail category all its own with unique lease structures and requirements.

Figure 23. Downtown Salem Retail Market Conditions

Type of Space	Downtown Retail (smaller)	Downtown Retail (larger)
Size Range (square feet)	2,000 to 3,000	5,000 to 10,000
Average Annual Rent (per square foot)	\$16.00	\$9.00 to \$10.00
Standard Lease Type	Triple Net	Triple Net
Standard Lease Terms	3 to 5 years	5 years
Tenant Improvement (TI) Allowance	\$0 to \$25.00/square foot ^{1/}	
Average Time on Market	6 to 12 months	36 to 60 months
Overall retail vacancy rate	22 percent ^{2/}	

^{1/} The TI allowances for smaller retail space range from \$20 to \$25 for a five-year lease term. Typically, the shorter the lease term, the lower the TI allowance.

^{2/} An estimated 75 percent of overall downtown retail vacancy is attributable to larger retail spaces, which are harder to lease than smaller spaces, which attract the boutique retailers commonly found in Downtown Salem.

Source: Broker interviews and Leland Consulting Group.

Office Market

Interviewed brokers cited two primary types of office space in Downtown Salem:

- Newer, amenitized space ranging from 1,000 to 5,000 square feet, and
- Older, functionally obsolete space ranging from 1,000 to 3,000 square feet.

Figure 24 provides a comparative description of these office space types, including common building features and amenities.

WaterPlace, the newest office building in Downtown Salem has achieved above market rents of around \$2.00/square foot and has set a new high mark for Downtown office rents. However, the performance of this project is not representative of general Downtown office trends and some members of the Downtown real estate and business community cautioned that WaterPlace cost the owner/developer more to build than is secured in rents.

Figure 24. Downtown Salem Office Market Conditions

Type of Space	Downtown Office (newer, amenitized)	Downtown Office (older, obsolete)
Size Range (square feet)	1,000 to 5,000	1,000 to 3,000
Average Annual Rent (per square foot)	\$19.00 to \$20.00 ^{1/}	\$12.00
Standard Lease Type	Full service	Full service
Average Time on Market	n/a	12 months
Common features		
Close to a parking structure or reserved parking	Yes ^{2/}	Usually not
Modern elevator	Yes	Usually not - most buildings are two to three-story 'walkups'
Concierge	Yes	No
Overall retail vacancy rate	24 percent	

^{1/} The supply of newer, professional office space Downtown is very limited. Therefore average annual rents are based on a small sample and there is no valid "average time on market" statistic.

^{2/} Monthly parking is typically an additional cost of \$40 to \$55 per space.

Source: Broker interviews and Leland Consulting Group.

Impact of Downtown Office Workers

According to a report produced by the Urban Land Institute, the average downtown office worker spends \$130 a week (or an estimated \$6,500 a year based on a 50-week calendar) on a range of downtown retail goods and services, including lunch, groceries, drugstore and convenience items, drinks/dinner and items typically purchased at shopping malls. Several key findings from the study offer valuable context when examining market opportunities in Downtown Salem.

- “Regardless of retail offerings, office workers are more likely to shop close to home (66 percent) than work (34 percent).
- However, superior retail opportunities can shift this balance – in markets with strong retail, nearly 40 percent of non-grocery shopping trips are made closer to work, versus only 24 percent among those working areas with weaker retail opportunities.
- One third (30 percent) of downtown workers with limited retail opportunities never shop closer to work, compared to 10 to 15 percent of suburban and downtown ample retail office workers.
- Workers in downtown areas with ample retail are twice as likely to shop over lunch, compared to those in downtown areas with limited retail.
- A stronger presence of hospitality-type retail also appears to influence where office workers socialize. “When stopping for drinks/dinner after work, office workers in suburban areas or downtown areas with

ample retail are much more likely to stop closer to their office than are those working in limited retail areas.”⁹

Impact of State Workers on Downtown Salem

In 2007, according to the State of Oregon Department of Administrative Services (DAS), an estimated 15,581 state employees worked in the Capitol Mall area, adjacent to Downtown Salem. Clearly, this sizeable demographic has the potential to have a significant positive economic impact on the Downtown. Currently, however, based on what we heard during stakeholder interviews and meetings with City staff and community leaders, State workers don’t shop, dine and entertain Downtown as often as one might expect given their close proximity. Some stakeholders attribute this failure to attract State workers (and their spending potential) Downtown to the Downtown business community, which they feel has not made sufficient attempts to reach out to State workers and make them feel welcome Downtown. In fact, several interviewed stakeholders feel that a negative attitude towards State workers is pervasive among Downtown business owners and leaders. This points to a significant opportunity for Downtown businesses to expand and strengthen their marketing efforts to capture a greater share of State employees’ spending potential moving forward.

⁹ Office Worker Retail Spending Patterns: A Downtown and Suburban Area Study, 2003, International Council of Shopping Centers.



An estimated 15,600 State workers are employed in the Capitol Mall area, which abuts Downtown Salem. This group has the potential to boost Downtown’s economy, in particular the retail and housing markets.

Opportunities and Challenges

Overview

This section of the report summarizes opportunities and constraints related to achieving the community’s vision for Downtown Salem and is based on findings from all of the previous sections.

The discussion of opportunities and challenges is divided into the following categories:

- Traffic and Transportation
- Financing and Market
- Physical Conditions
- Regulations
- People and Organizations

The opportunities and challenges summarized here will be the starting point for the identification and prioritization of actions and investments that will make up the Downtown Salem Action Plan.



La Capitale Brasserie, located at the corner of State and High Streets, is part of Downtown’s successful “restaurant row.”

Traffic and Transportation

Opportunities

- **Paving program.** The voter-approved bond, which allocated \$100 million for street repaving throughout the City, has financed several major repaving projects that will improve street conditions in Downtown Salem.
- **Availability of public parking.** Downtown Salem has an ample supply of public parking – including on-street and off-street parking in publicly owned and managed parkades. There does not appear to be a parking problem/shortage in Downtown Salem.

Challenges

- **Traffic and circulation challenges.** Despite the fact that infrastructure is generally in good condition, Downtown Salem has its fair share of traffic and circulation challenges. In certain Downtown locations, poorly configured streets and intersections that don’t function efficiently as certain times of day hamper the smooth and safe flow of traffic.
- **Bicycle and pedestrian access/safety improvements are needed.** Improvements are needed to increase safety and access to bicyclists and pedestrians travelling both within and through Downtown Salem.
- **Uncertainty of the “third bridge” alignment.** The lack of certainty regarding the third bridge alignment creates an unstable and uncertain environment for investment. More than one of the

proposed alignments would impact development in the northwestern part of Downtown, close to the riverfront.

Financing and Market

Opportunities

- **Location.** Downtown is centrally located; at the crossroads to West Salem and other parts of the City.
- **Well financed district.** The Downtown-Riverfront Urban Renewal Area is a successful, well financed district. Upwards of \$200 million in tax increment revenues is available to spend on public capital improvements and other revitalization and development projects and programs in the DTURA.
- **Economic Improvement District (EID).** An EID is in place Downtown.
- **Boise site.** The Boise site is an important development opportunity along the riverfront with the potential to serve as a catalyst for investment and to promote connections between Downtown and the waterfront.
- **Presence of retail anchors/mall.** Salem Center Mall’s tenant mix includes a variety of national retailers and anchors such as Nordstrom and Macy’s. The presence of anchor retailers such as these attracts shoppers to the Downtown and it is therefore critical that these types of retailers be retained.
- **Low retail vacancy.** There are relatively few retail vacancies in Downtown Salem and new businesses have opened up

during the past year despite the poor economy.

- **“Restaurant Row.”** Restaurant row is a success story that proves there is a demand for quality, independent restaurants/dining in Downtown Salem.
- **Multifamily residential development.** Downtown has a relatively limited supply of quality rental housing. Opportunities exist to develop higher quality rental housing and attract more residents, including students and State workers,
- **Forecasted population growth.** The City of Salem and the Salem-Keizer UGB are projected to experience steady population growth. Between 2010 and 2030, the Salem Keizer UGB is projected to add 80,000 people.

Challenges

- **Limited access to capital/financing.** Under current conditions, restrictive lending practices have made it difficult for businesses and private investors to acquire financing and capitalization for real estate and development ventures.
- **Low rents.** Rents in Downtown Salem are generally too low to support new office, commercial and housing development.
- **Failed housing projects.** Recent Downtown housing projects, in particular for sale condominium projects such as the Rivers and the Meridian, have struggled and had very low absorption. While a combination of factors, including market timing, location, quality of materials and design, have impacted the success of these projects, there is a broad public perception that ownership housing is not a viable use for the foreseeable future.

- **Marketing/promotions needs improvement.** As evidenced by perceptions conveyed in stakeholder interviews, awareness/promotion of Downtown businesses, events and amenities still needs work.

Physical Conditions

Opportunities

- **Historic buildings.** Historic buildings and the presence of a historic district are an important asset to Downtown Salem. Preservation and restoration of these assets provides opportunities to attract more tourists and residents Downtown and to increase the economic viability of buildings that are, in many cases, underutilized, particularly on the upper floors.
- **Natural amenities.** The character and livability of Downtown Salem are greatly enhanced by natural amenities, such as the Willamette River and Mill Creek. These natural amenities can serve as focal points for development and provide a sense of interconnectedness between different parts of the district.
- **Parks/open space and recreational amenities.** Similar to the natural amenities, parks/open space and recreational amenities such as Riverfront Park, the Union Street Railroad Bridge, and Minto Brown Island (which will be more accessible to the public if the proposed bike/ped bridge is constructed) are assets that make Downtown a more desirable place to live and work.
- **Infrastructure is in good shape.** No

major infrastructure deficiencies have been identified in the Downtown. The current street repaving initiative will improve the condition of streets throughout the Downtown.

- **Ample development opportunity sites.** While there are limited development opportunity sites in certain parts of Downtown – the historic district in particular – overall, there is no shortage of development opportunity sites Downtown. Areas like North Downtown, which is less intensely developed and has few historic buildings, feature a multitude of development opportunity sites.
- **Marion Park is underutilized.** Based on what we heard during the stakeholder interviews, Marion Park is an underutilized city park. Many interviewees perceive the park as unsafe, especially for children, due to the presence of homeless people. Further, its utility as a public recreational area is compromised by its proximity to the Marion/Center Bridges, which create a noisy backdrop.



Mill Creek is a natural amenity with the potential to serve as a focal point for development in the northern part of Downtown.

Challenges

- **High cost of historic retrofits.** Historic building renovation is an expensive and challenging undertaking. Bringing buildings up to code, including compliance with seismic requirements, while preserving their historic character requires significant financial resources and, as already described, Downtown rents are generally too low to make such investments pencil.
- **Railroad on Front Avenue.** The railroad that runs along the median on Front Avenue is a significant barrier to development. The existing railroad bed is failing and will need to be improved in the near-term future. Further, freight traffic is anticipated to increase in the future. While the presence of the railroad is complementary to certain uses, such as the existing industrial uses that line Front Avenue today, its compatibility with other uses, such as the residential development for which the area is zoned, is uncertain.



Students and staff of Willamette University have the potential to support downtown housing and retail.

Regulations

Opportunities

- **Historic District.** The presence of a designated Historic District in Downtown Salem provides an opportunity to preserve and enhance the unique, historic character that many people perceive as the “brand/ identify” of Downtown Salem. Although the Historic District is not on the National Register of Historic Places, attaining this designation is a potential future project that would benefit Downtown Salem.

Challenges

- **Zoning.** Zoning and zoning overlays are complicated and not feasible; often inflexible. For example, the overlay zones that apply to many parts of Downtown are overly prescriptive, requiring land uses that are unlikely to be feasible for many years to come given market demand and financial realities.
- **Historic 2nd floor and building codes.** Building codes make it challenging and costly for property owners to renovate the upper stories of older buildings, many of which are vacant or underutilized.
- **Too many plans.** Planning and development in Downtown Salem is governed by many plans. While there is significant overlap among the goals, objectives and vision elements of these plans, there are also differences and varied priorities, which can make planning and policy-making decisions a challenge.



The building that houses Wild Pear, an independent restaurant, is an example of a URA toolbox investment and the historic character of the downtown core.

People and Organizations

Opportunities

- **Strong employment and student population base.** The presence of the State Capitol and Willamette University in Downtown's "backyard" provides a large and stable employment and student population base within a short walking distance of Downtown. These two groups represent a significant market opportunity for downtown housing and retail.
- **Willamette University.** The University is actively engaged in downtown development activities that will strengthen connections between the University campus, Downtown Salem and the riverfront. In addition, the University is an active participant in Downtown planning processes.
- **State Capitol.** As already noted, the State is a major employer within close proximity to Downtown and is developing the mall into park grounds. Therefore, the State's participation in and support for Downtown planning efforts will be critical to the success of Downtown moving forward.
- **Vision 2020 momentum.** Vision 2020 activities engaged and unified a broad range of Action Team partners representing varied interests. Through these activities, the visions, goals and objectives and projects identified in the numerous plans and studies guiding planning and development in Downtown Salem have been cross examined and woven together to come up with an overarching vision and set of planning goals for the area.

- **Multiple downtown organizations.** The presence of multiple active downtown organizations (e.g., Go Downtown Salem, Travel Salem, Salem Conference Center, CAN-DO, Salem Area Chamber of Commerce) is an opportunity. Multiple organizations can translate to broader leadership and involvement, and a more diverse representation of viewpoints.

Challenges

- **Overlapping/conflicting organizations.** Not all downtown organizations share the same vision, goals and priorities. This can result in the conveyance of "mixed messages" to Downtown businesses and residents.
- **Inactive landlords.** While some landlords and property owners are actively involved in improving and maintaining Downtown buildings, during the stakeholder interviews, some interviewees noted that absentee and/or inactive and negligent landlords are a challenge to downtown revitalization.

***Plan Review
Summary***

Memorandum



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To: Chris Zahas, AICP
From: Brad Kilby, AICP
Copies: Dave Siegel, FAICP
Date: November 2, 2010
Subject: Salem Downtown Zones – Code Review
Project No.: 15791

Introduction

Otak and Leland Consulting Group are working with the City of Salem on a Downtown Action Plan to identify and recommend a program of projects, improvements, and actions that will help energize and leverage future public and private investment in Downtown, particularly within the downtown Urban Renewal Area. Through the Salem Downtown Action Plan effort, the project area has been organized into “investment areas,” districts with a distinct identity or character, for the purpose of providing an identity and focusing ideas. The purpose of this memorandum is to review the City’s zones and code requirements applicable to the Downtown with regard to the following:

- What the various base zones and overlay zones are intended to achieve;
- Inconsistencies that may exist between the base and overlay zones;
- Potential challenges that requirements within these zones may pose to development;
- A determination of whether the current regulations enable or inhibit the realization of future development and redevelopment in the identified investment areas within the Downtown; and
- Suggestions for potential improvements to the zoning code for resolving inconsistencies and conflicts, and for helping to enable the realization of envisioned development and redevelopment.

Summary of Vision for Investment Areas

Through the Salem Downtown Action Plan effort, the project area has been organized into “investment areas,” districts with a distinct identity or character, for the purpose of providing an identity and focusing ideas. The following five investment areas have been identified:

- **Historic Core:** This is a mostly built-out area characterized by a collection of historic structures with limited infill and some redevelopment opportunity. The overall vision for this area is to

maintain its historic character while stimulating second-story uses, and improving access to and through the area.

- **North Downtown:** Currently comprised of larger parcels with auto-related uses, this area provides an opportunity for land assembly and redevelopment into a close-in urban residential neighborhood, using Mill Creek as a valuable amenity.
- **Downtown Retail Core (Mid Town):** This area is the downtown's main commercial core, characterized by the Salem Center mall and large retail anchors. Maintaining and bolstering the vitality of the area's retail uses is the focus of future investments.
- **Central Riverfront:** This area is comprised of Salem's Riverfront Park, one of the community's most valuable assets.
- **North Riverfront:** Currently the location of a number of industrial uses, North Riverfront presents both short and long-term opportunities for mixed use development. Given that the highest and best use for this area may not be realized until the market rebounds, investments in this area may be focused upon transitional uses or unique opportunities that may arise.

Purpose and Intent of Base Zones and Overlay Zones

The Downtown Urban Renewal Area is covered by the following base zoning districts:

- Single-Family Residential
- Multiple Family Residential
- High Rise Multiple Family Residential
- Retail Commercial
- General Commercial
- Central Business (with the following subdistricts)
 - Front Street sub-district
 - Historic Core District
 - General Retail/Office Core District
- Industrial Commercial
- Public Service
 - Public Amusement and Recreation
- South Waterfront Mixed-Use

With the exception of the South Waterfront Mixed Use zone, none of the base zones include a purpose statement; however, their purposes are fairly intuitive given the types of allowed uses that are listed in each zone. For example, the Single-Family Residential base zone allows single-family

homes, duplexes, and other uses that are supportive of single-family neighborhoods. The multi-family zones primarily allow for higher density housing with allowances for community facilities, and limited retail uses that could be expected to serve the needs of large multi-family developments in the relative vicinity. The commercial districts allow a wider mix of uses that could be expected in any downtown setting. The Industrial Commercial zone allows for a mix of industrial uses such as manufacturing, large retail, and similar type uses that would be supportive of an industrial zone. The Public Amusement and Recreation zone allows for entertainment-oriented uses such as amusement parks and golf courses that are intended to become destinations in the downtown setting.

With regard to the South Waterfront Mixed Use (SWMU) zone, the code indicates that the “intent and purpose of the SWMU zone is to further economic development and support the creation of a vibrant downtown within the City of Salem. Development within the SWMU zone should contribute to a visually stimulating public realm and an active and lively pedestrian environment by locating uses which attract pedestrians and by creating visual interest along key streets and intersections. The SWMU zone is intended to strike an appropriate balance between certainty and flexibility, and to promote a mix of land uses to link with and support existing downtown and waterfront uses.”

The Urban Renewal District area is also covered by the following overlay zones:

- Riverfront Overlay Zone
- Broadway High Street Overlay Zone Area
- General Retail/Office District
- Front Street District
- Commercial/High Density Residential
- Downtown Historic District
- Willamette River Greenway Overlay
- Floodplain/Floodway Overlay
- Floodway Fringe Overlay

The overlay zones were created as a result of a more specific goal or objective that the City wanted to achieve. Each of the overlay zones includes a clear purpose statement. The purpose statement for each overlay zone is provided below.

Riverfront Overlay Zone

“The Riverfront Overlay Zone sets forth development standards for development, redevelopment, and changes in land use to establish a mixed-use residential and commercial district with emphasis on pedestrian access to and along the riverfront. High Density residential development is the focus west of Front Street with office and commercial uses east of Front Street...”

In addition to some of the underlying zone uses, the Riverfront Overlay Zone allows for a variety of mixed uses subject to meeting some limited design guidelines.

Broadway High Street Overlay Zone

“The Broadway/High Street Overlay Zone sets forth development standards to guide development, redevelopment, and changes in land use to establish a pedestrian oriented mixed-use residential and commercial district and provide a transition from lower density development to the east and higher density development to the west.”

The uses allowed in the Broadway/High Street Overlay Zone are the uses allowed in the underlying base zones, with some additions such as multi-family housing, parking structures, and a variety of typically small-scale retail and service uses in certain sub-areas. The allowed retail, office, and service uses are limited in size and are limited to the first floor of buildings. Drive-through uses are specifically prohibited throughout the overlay district.

Commercial/High Density Residential

“The purpose of the Commercial/High Density Residential zone is to implement the Broadway District high density residential land use concept contained in the North Downtown Plan. The intent of this chapter is to accommodate commercial, office, and small warehouse uses while promoting high density residential development...”

The Commercial/High Density Residential Overlay district includes development standards to minimize conflicts between commercial, wholesaling, and residential activities.

Downtown Historic District

A specific purpose statement for this zone is not provided within the Code. Based on discussions with City staff, the provisions governing development within this District are found in the *Salem Development Design Handbook*. A portion of the URA is designated as the Downtown Historic Overlay District. In addition, several other individual properties in other portions of the URA are designated as individual historic resources. The Historic preservation section of the Salem Revised Code requires that historic resources or contributing properties within a historic district require special public review prior to issuance of a demolition permit. In addition, development proposals for individual historic resources and all properties within a historic district are required to undergo Historic Design Review utilizing standards and guidelines within the *Development Design Handbook* as well as the Secretary of Interior’s *Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings*, published by the U.S. Department of the Interior, National Park Service. There are no specific provisions in either of those documents or within the Historic preservation chapter of the

Salem Revised Code which specifically modify the uses permitted or prohibited by the underlying zoning districts or which specifically modify the development standards of those zones.

Willamette River Greenway

“The intent and purpose of the provisions of this chapter are:

- (a) To protect and enhance the natural, scenic, recreational, historical, and economic resources of the Willamette River corridor;
- (b) To implement the goals and policies of the comprehensive plan, the Greenway Plan, and Goal 15 of the Land Conservation and Development Commission Statewide Planning Goals;
- (c) To establish standards and requirements for the use of lands within the Willamette River Greenway of Salem;
- (d) To provide for the review of any intensification of use, change of use, or development of properties located within the Willamette River Greenway of Salem;
- (e) To allow for use and development consistent with the underlying land use designation while preserving, protecting, and enhancing the scenic qualities of the river and the riparian area;
- (f) To allow and encourage a variety of water-dependent, water-related and river-oriented uses, recreational developments and public access to and along the river while preserving, protecting, and enhancing the scenic qualities of the river and the riparian area;
- (g) To insure that land use and activities which make use of the riparian area are limited to moderate impact on that environment, and do not endanger it;
- (h) To insure that the intensification, development, or change of use on a site is in keeping with the function of the Greenway Plan, and preserves and enhances the scenic qualities or economic function of the river, the site, and adjacent riparian lands;
- (i) To insure that the proposed development is in harmony with existing and proposed adjoining land uses;
- (j) To protect and improve water quality in the Willamette River in order to support designated beneficial water uses, and to protect the functional value of the riparian area and provide a riparian buffer to separate the Willamette River from development.”

The primary purpose of the Willamette Greenway overlay is to protect and enhance the natural, scenic, recreational, historical, and economic resources of the Willamette River corridor. The Willamette Greenway overlay zone sets forth development standards for uses and development in areas adjacent to the Willamette River. The uses allowed in the Willamette Greenway overlay zone are generally those same uses allowed in the underlying base zones. Applications for development approval must receive Willamette Greenway Permit approval which ensures that the proposed development is sensitive to achieving the objectives of the zone. Developments within the overlay must satisfy development standards that regulate landscaping, native vegetation removal, grading activities, and activities which may affect water quality.

Aside from the regulations intended to protect the greenway, the code includes provisions that require, “all buildings and structures, including supporting members, and all exterior mechanical equipment shall be screened, colored, or surfaced so as to blend with the riparian area. Colors shall be natural earth or leaf tones. Surfaces shall be nonreflective. Screening shall be sight-obscuring.”

Floodplain/Floodway and Floodway Fringe Overlay Zones

The Floodplain Overlay Zone does not list a specific purpose. Most people understand that the purpose of floodplain, floodway, and floodway fringe regulations is to minimize the loss of human life or damage to physical property by imposing restrictions on development within those areas subject to annual or regular flooding. The Floodplain Zones set forth development standards for development in different areas of the Willamette River floodplain depending upon the area’s propensity to flood. Basically, no development is allowed within the Floodway overlay due to hazards related to the likelihood that these areas are frequently inundated with floodwaters and high velocity flows. Surface parking lots, landscaping, some utilities, parks, agriculture, resource uses, and water-related structures such as docks and bridges are allowed in floodways. Other uses in the underlying zone are not permitted. The Floodway Fringe Overlay areas allow most uses allowed within underlying zoning districts with the addition of a requirement that the lowest habitable floor be at least one foot above the base flood elevation.

Inconsistencies between Base and Overlay Zones

For the most part, the provisions of the overlay zones defer to either the base zone or the *Salem Development Design Handbook* where a specific regulation is not addressed within the overlay (i.e., uses, height, etc.). A review of the zones and base zones did not reveal any apparent inconsistencies between the zones.

Development Challenges

One of the purposes of this memo is to help identify challenges to development in downtown Salem that might be overcome through changes to the Code. In reviewing the Code, we looked for inconsistencies, processes that may inhibit development downtown, and provisions that may be cumbersome or difficult for the developer to satisfy.

There are two clear opportunities to make changes in the Development Code to improve the City’s chances of achieving the visions put forward within the Salem Downtown Action Plan. First, the Salem Comprehensive Plan and the Salem Downtown Action Plan both envision higher densities of housing a more mixed use development strategy within the North Riverfront investment area, but

the development code is slanted towards the continuation of industrial uses. The Code does allow other uses that are not industrial, but only as conditional or limited uses. Given that both plans call for a mixed use strategy for the area, the City should reevaluate what uses would be permitted under the new vision, and consider rezoning the area. The new zone should be a zone that achieves the objectives of encouraging high density housing and mixed use developments. Preferred uses such as housing should be permitted outright as opposed to conditionally, and the list of land uses permitted within the district should be expanded to include those uses that are conducive to the adaptive reuse of some of the existing developments within the area. Some ideas could include artist studios, incubator businesses, service oriented uses, and a broad range of retail uses.

The second obstacle is neither with the process or the provisions in the code, but with the overall structure of the code, and the presentation of the information in the development code, and online. Many of the provisions related to buildings, site improvements, and parking are not much different than what is expected in other communities in Oregon. Basically, the development community is interested in regulatory certainty, meaning that they can easily access the information in a user friendly format, and expect consistent answers from staff when they are seeking interpretations of the specific language.

On the surface, the development code and process does not inhibit the realization of the vision for future development and redevelopment in the identified investment areas within the Downtown area. The zoning and design standards are similar, and in some cases, more liberal than standards in other cities.

Suggested Improvements

The Salem Code may be clear and objective, but it is not user friendly. This is compounded by the fact that a developer must refer to a separate document for the design guidelines. In the case of the High Rise Multiple Family Residential (RH) zone, there is not a maximum building height listed nor does the code refer to the Development Design Handbook. Does this mean that a maximum height is determined only by other dimensional requirements (i.e., FAR, setbacks, lot coverage, parking)? If it is not intuitive to a professional planner, then imagine what a layperson with no or little development experience must feel like when they try to navigate the Code. With these thoughts in mind, it should be noted, that the City of Salem is currently undertaking a process to create a unified development code, which should assist in helping to mitigate some of the issues that are related to the current structure of the Code. It is recommended that the following improvements to the Code be made, or incorporated into the unified development code project to help spur private investment and development within the study area:

1. Centralize the definitions;
2. Provide a purpose statement within each zone to provide some initial guidance as to what is expected within the zone;
3. Reduce the number of Base Districts, sub districts, and overlay zones where possible;
4. Codify the *Salem Development Design Handbook*;
5. Establish a consistent framework for each zone, so that the public as well as the development community can navigate the document;
6. Review of the internal permit process and service standards; and
7. Centralize the code, application forms, brochures, fee schedule, and maps on the website.

Summary of Interviews with Historic Downtown Core Stakeholders

LELAND CONSULTING GROUP



Project Memorandum

Date September 19, 2010

To Courtney Knox, City of Salem

From Tina Mosca, Leland Consulting Group

CC Dave Siegel, Otak, Inc.
Jenn Mannhard, Otak, Inc.

Subject Summary notes: September 16, 2010 meeting/interviews with Historic Downtown Core Stakeholders

Project No. 5048

Summary of Meeting Notes

OPENING DIALOGUE

- Salem hasn't had a clear vision for Downtown in many years. Downtown Salem's identity should reflect the beauty and uniqueness of the Willamette Valley, our unique, distinctive history and local climate.
- "Revitalization" strategy infers that Salem is not vibrant. It's a term that insults the many successful businesses Downtown. "Enhancement" strategy is preferable.
- In the past Downtown Salem was more vibrant. People used to shop downtown on the weekends.
- Over the years Downtown hasn't changed that much. It's the other areas around Downtown that have grown. There are many more options now. Downtown hasn't done anything wrong.
- Downtown buildings/stores haven't changed or been updated to reflect how people's shopping and lifestyle choices have changed.
- Two-hour parking limits are wrong! Bad for the environment and an inconvenience that is bad for business. (2)
- Parking is not a big issue. You pay a lot more to park in Downtown Portland. Salem's loss of the uniqueness and availability of an interesting and unique shopping experience is the biggest challenge. There is lots of duplication in stores today and it's hard to find a unique shopping experience. People don't think there are unique places to shop Downtown – so they travel to Portland.
- Would like to see more than coffee shops and bars Downtown. We don't want to be like everyone else, with all the same chains.
- There should be a limit on the number of franchises in Downtown (e.g., two Starbucks on the same street). We need to attract more unique, independent stores.
- It might not be good to limit or exclude certain franchises.
- People are looking for something different.

People Places Prosperity

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- You need to find ways to support small businesses Downtown – businesses that can't afford to market/brand like the larger chains and franchises.
- We don't have an organization that bands small businesses together. No joint marketing effort in place.

PROJECT IDEAS

- Work with the City to get rid of the code that permits parking lots on the ground floor. This creates a dead zone.
- Develop more pocket parks – small parks that serve as green spaces and places for people to drink coffee, dine, etc.
- Develop a venue like Seattle's Pike Street Market, a permanent facility with indoor and outdoor vendor spaces. It's got to be more than your typical farmer's market.
- Install more benches, street furniture, drinking fountains and other streetscape amenities (x 4).
- Nonprofits could enhance the vibrancy of Downtown. Involve nonprofits in planning/hosting of events on weekends and after hours, and at times when it is difficult for small shop owners to be involved. They could also provide important education and social services.
- Nonprofits have a hard time paying Downtown rents. Is there a way to subsidize rents so that nonprofits can have a stronger presence Downtown?
- Would it be possible to create a facility that houses multiple nonprofits under one roof – a one-stop shop of sorts?
- Create a streamline permitting process to enable rapid entitlement and promote the redevelopment of vacant or underutilized second floors. Create a guidebook to educate property owners on how to get through the permitting process.
- To encourage growth, widen streets and increase sidewalks widths. Create an environment where people want to visit/live/work.
- Signage: identify different districts/sub districts and connect them with signage (e.g., the cultural district, the North End, etc.).
- Create and enhance connections to adjacent neighborhoods. Focus on linkages - common design features, multimodal access improvements and bike/ped amenities.
- Two-way streets are important for retail.
- A new community boat/dock facility would enhance connections to the Riverfront and appeal to a variety of community groups (dragon boats, Willamette University, etc.).

OTHER THOUGHTS

- Mixed feelings about the kiosks that used to be Downtown.
- There used to be a more coordinated effort (including a tax imposed) to fund the upkeep of flower boxes, kiosks and other streetscape features.
- The City has not been very helpful about planning Downtown.
- The City has good intentions and wants to improve Downtown.
- Parking meters are not conducive to business activity.
- The City's decision to close one of the entrances to the Riverfront Park (near Boise Cascade site) will create negative economic growth and have a negative impact on

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Downtown businesses, especially those in the historic core (concern echoed by several stakeholders).

- The City has closed (or is planning to close?) the connection to Riverfront Park at the Carousel and needs to keep that connection open.
- The City doesn't care about the negative impacts that the closure of the park entrance and moving of the access point will impact Downtown businesses.
- The City prevents a lot of good things from happening because of codes that are too complicated.
- Downtown needs to be the center of the most dense activity center. The cultural core should be more vibrant than it is today.
- There is huge potential to draw students to Downtown. Students have dollars to spend. Focus on projects that enhance the "Town/Gown" connection.
- There are not many connections to the African American cultures, although African Americans played a significant role in the development of the State of Oregon and major cities such as Portland and Salem. There is a group working to open an African American cultural center and museum in Downtown Salem, to share the history of African Americans in Oregon. The facility would ideally be a multi-use facility. No site has been identified yet.
- There is a dysfunctional relationship between the City and Downtown businesses. So, perhaps it is not a good time to spend urban renewal dollars until the relationship becomes more functional. The City should take the time to create a more meaningful dialogue with business owners before moving ahead with major public investments.
- The Downtown Action Plan is viewed as a placating of small businesses by the City.
- We need a true organization that represents Downtown businesses.
- Most business owners don't believe Go Downtown represents their interests.
- Don't forget about the core. Even though it may be easier to redevelop the North Downtown area, it's important that investments be made in the historic core, too.
- Salem has no community radio station. It would be create if the City could find a way to create a space that could house small nonprofits on a limited budget.



The Central Salem Mobility Study evaluated a range of multimodal transportation issues affecting downtown Salem, including circulation, access, and safety for people traveling to, through, and within central Salem.

Recommendations were prepared based on two tiers of transportation analysis and feedback from the project’s Stakeholder Advisory Committee, Technical Advisory Committee, and the public at three public forums. While several options for improving connectivity between downtown and north downtown were evaluated, final recommendations will depend on how that area redevelops. Projects were only recommended if they were able to provide adequate traffic flow while improving multimodal accessibility. Recommendations were designed to minimize parking impacts in the short term, with the understanding that management of the parking system may change over time.

To aid in implementation, the recommendations have been separated into three phases:

- Short-Term (Within 10 years)
- Medium-Term (Within 15 years)
- Long-Term (Within 25 years)

Transportation Improvements Considered:

- *One-Way/Two-Way Street Conversions*
- *Family-Friendly Bikeways*
- *Dual Turn Lane Removal and Crosswalk Openings*
- *North Downtown Street Connectivity*



Header photo courtesy of Ron Cooper.

Short-Term (Within 10 Years) Improvement Recommendations

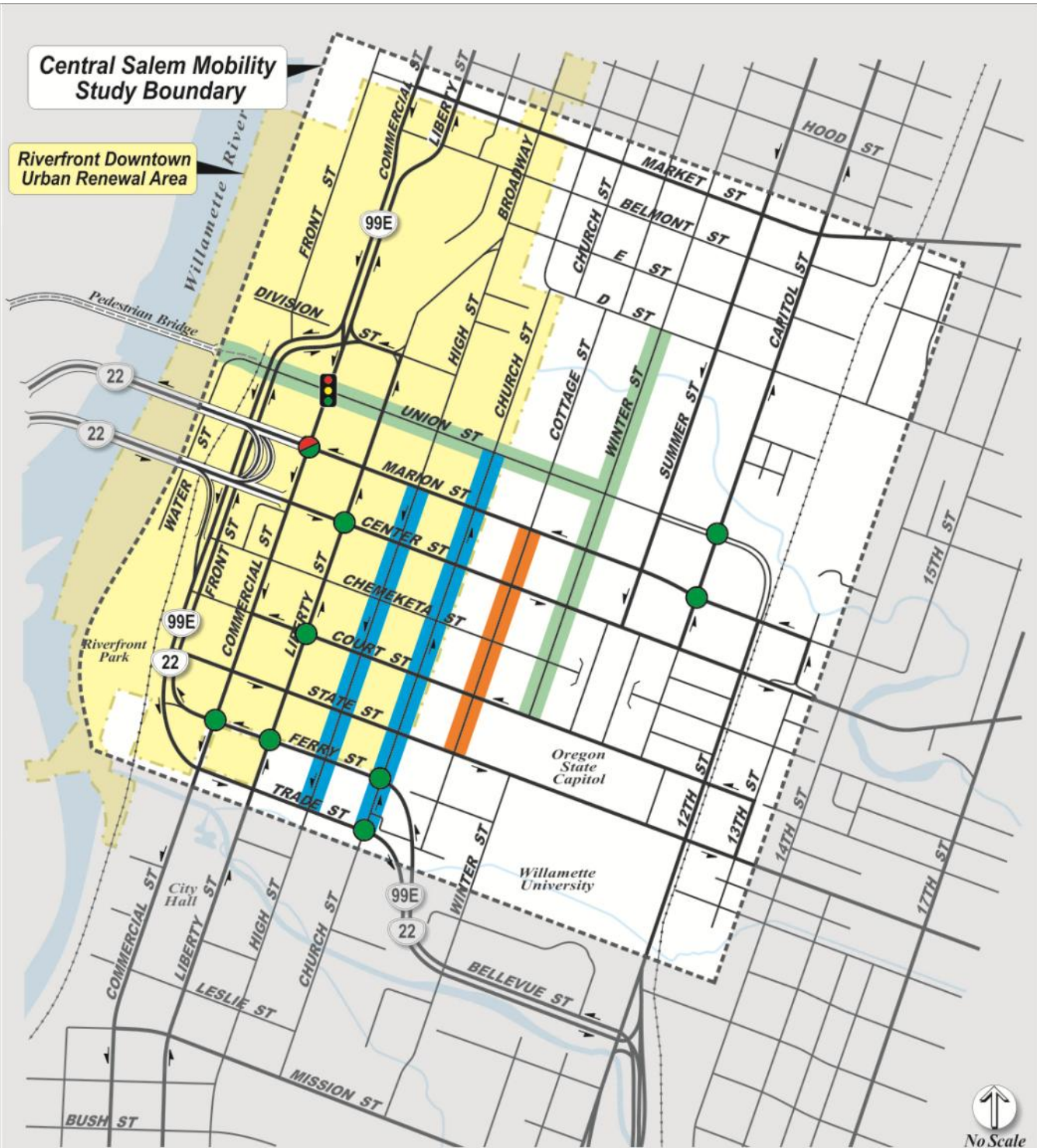
Location	Recommendation	Comments	Cost
One-Way/Two-Way Street Conversions			
High St and Church St	Phase 1: Remove a travel lane and restripe as bike lane (Alternative 1: One-Way, Bike Lane)	<ul style="list-style-type: none"> May be future candidates for two-way conversion (long-term) 	\$600,000
Cottage St	Phase 1: Convert to two-way with sharrows (Alternative 1: Two-Way, Sharrows)	<ul style="list-style-type: none"> Requires modification to traffic signals Curb extensions included in long-term Consider removal of Chemeketa St signal 	\$700,000
Family-Friendly Bikeway Improvements			
Union St	Phase 1: Install traffic signal at Commercial St to facilitate crossings and provide sharrows from the railroad bridge to Winter St	<ul style="list-style-type: none"> Addresses most critical bicycle/pedestrian barrier (i.e., crossing Commercial St) Reevaluate traffic control (i.e., stop signs) 	\$1,300,000
Winter St	Phase 1: Add sharrows (Alternative 1)		\$25,000
Dual Turn Lane Removal and Crosswalk Openings			
Commercial St/ Marion St	Remove westbound left-turn movement from shared lane (restriping)	<ul style="list-style-type: none"> Do not remove southbound dual turns (volumes too high) 	\$20,000
Liberty St/ Center St	Remove eastbound left-turn and northbound right-turn movements from shared lanes (restriping)	<ul style="list-style-type: none"> May increase eastbound queuing for left-turn (impacts isolated to one lane) Coordination needed with ODOT on eastbound left turns Could consider curb extension on northeast corner (cost not included) 	\$20,000
Capitol St/ Marion St	Remove northbound left-turn movement from shared lane (restriping)		\$20,000
Union St/ Capitol St	Remove westbound right-turn movement from shared lane (restriping)		\$20,000
Court St/ Liberty St	Remove westbound right-turn movement from shared lane and extend curb on northwest corner across from westbound right-turn lane		\$120,000
Ferry St/ Commercial St	Remove westbound left-turn movement from shared lane and extend curb on southwest corner		\$120,000
Liberty St/ Ferry St	Extend curb on southwest corner by approximately one lane to shorten pedestrian crossing distance (results in reduction from four to three receiving lanes on west leg)	<ul style="list-style-type: none"> Requires change in which receiving lanes serve the northbound turn movements 	\$120,000
Ferry St/ Church St	Remove westbound right-turn movement from shared lane and add bicycle lane (restriping)		\$20,000
Trade St/ Church St	Remove eastbound left-turn movement from shared lane and open north leg crosswalk (restriping)		\$20,000
TOTAL			\$3,105,000

Short-Term Improvement Notes

- Short-term dual turn lane removals and crosswalk openings could be funded with a variety of sources, including possible Riverfront Downtown Urban Renewal Area (URA) funding. These projects should be coordinated with the next repaving project or implemented as standalone projects. Ongoing coordination is needed with ODOT for intersections within their jurisdiction.
- The short-term alternatives have negligible impacts to parking.
- The first phase of the Union St family-friendly bikeway addresses the most critical barrier (i.e., crossing Commercial St).
- Costs are planning level estimates in current (2013) dollars and will need to be reviewed and refined when projects advance to design and construction.

Central Salem Mobility Study Boundary

Riverfront Downtown Urban Renewal Area



No Scale

Recommended Transportation Improvements

-  Two-Way Traffic Conversion
-  Bike Lanes (Remove a Travel Lane)
-  Family Friendly Bikeway (Phase 1: Sharrows)
-  Traffic Signal Installation
-  Dual Turn Lane Removal, Crosswalk Openings, and/or Curb Modifications



Central Salem Mobility Study

Short-Term (Within 10 Years) Transportation Improvement Recommendations

Medium-Term (Within 15 Years) Improvement Recommendations

Location	Recommendation	Comments	Cost
One-Way/Two-Way Street Conversions			
Court St	Convert to two-way without bike facilities (Alternative 1: Two-Way)	<ul style="list-style-type: none"> Requires modification to traffic signals Adjacent streets (the signed bike route on Chemeketa St and the proposed improvements on State St) would be better bike facilities May require modification of curb extension at Court/Liberty as recommended in short-term projects 	\$850,000
State St	Phase 1: Convert to two-way with bike lanes (Alternative 2: Two-Way, Bike Lane)	<ul style="list-style-type: none"> Requires modification to traffic signals Reduces parking by 25% Requires adjustments to curb extensions 	\$1,400,000
Family-Friendly Bikeway Improvements			
Union St	Phase 1B: Provide family-friendly bicycle facilities on Union Street between Commercial Street and Winter Street. Options may include one-way or two-way cycle tracks, buffered bike lanes, shared-use paths, or other facility types	<ul style="list-style-type: none"> Consider based on success of other bicycle improvements and community support Reduces parking (varies by roadway section and enhancement alternative) Additional parking could be added within right-of-way for additional cost but would impact trees 	\$1,500,000
Dual Turn Lane Removal and Crosswalk Openings			
Summer St/ Marion St	Remove southbound right-turn movement from shared lane and remove fourth westbound lane east of Summer St and start it as an add lane for the southbound right-turn movement (instead of starting the lane about a block east as it currently does)		\$120,000
Summer St/ Center St	Add exclusive pedestrian phase for crossing east crosswalk that is push-button actuated and includes a variable "No Turn on Red" sign that lights up to inform southbound vehicles when pedestrian phase is active		\$25,000
TOTAL			\$3,895,000

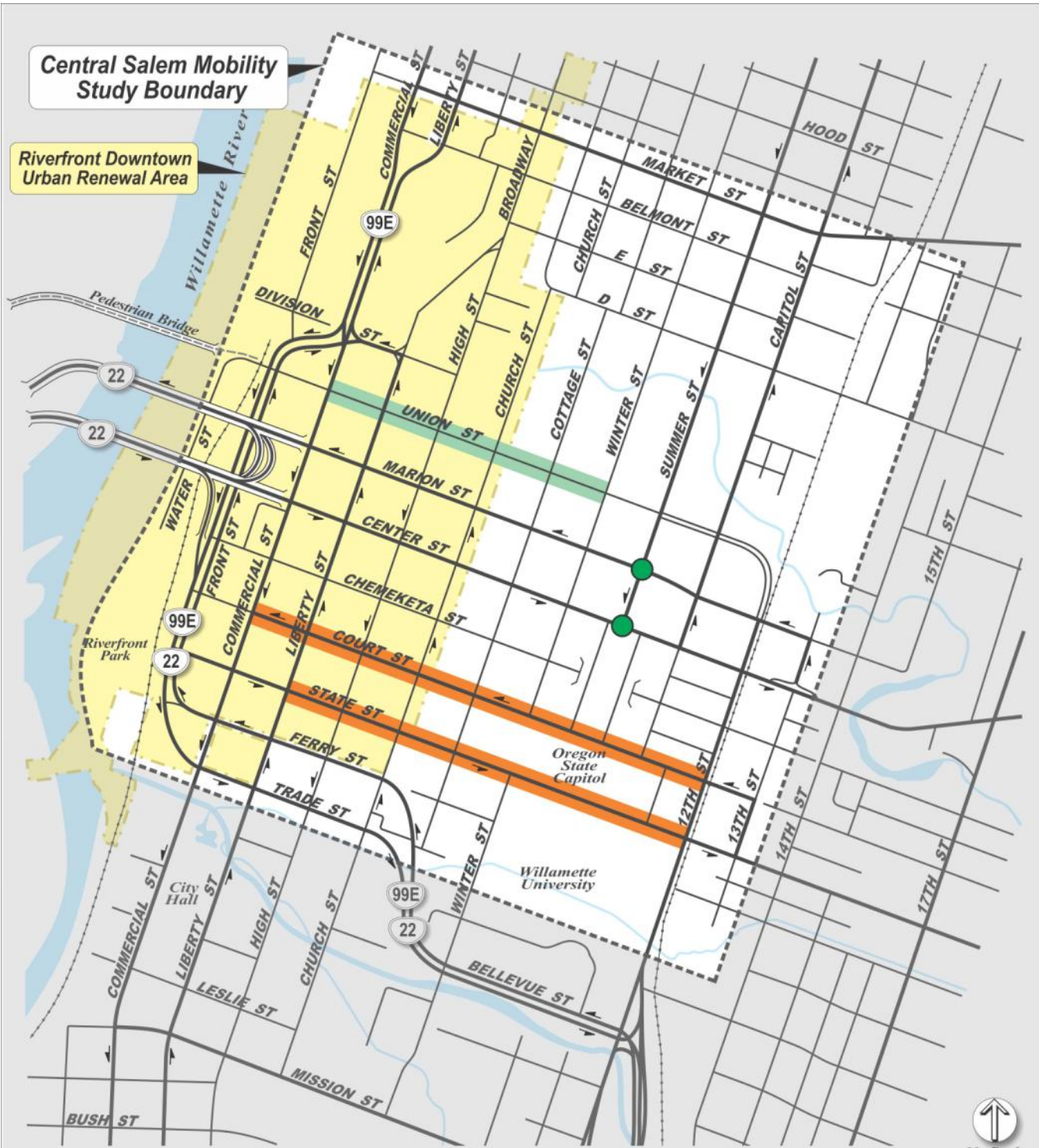
Medium-Term Improvement Notes

- The inclusion of bike facilities on State St and Union St would reduce parking because it would require either conversion of diagonal parking to parallel parking (State St) or removal of existing on-street parking (Union St). These would be the only significant short-term or medium-term parking reductions throughout the study area.

- The dual turn lane removal at Summer St/Marion St is outside the URA and requires curb extensions.
- Costs are planning level estimates in current (2013) dollars and will need to be reviewed and refined when projects advance to design and construction.
- Projects and phasing should be reevaluated in future years to ensure they continue to address City and Urban Renewal Agency priorities.

Central Salem Mobility Study Boundary

Riverfront Downtown Urban Renewal Area



Recommended Transportation Improvements

- Two-Way Traffic Conversion (with Bike Lanes on State Street)
- Family Friendly Bikeway (Phase 1: Sharrows)
- Dual Turn Lane Removal, Crosswalk Openings, Curb Modifications, and/or Signal Phasing Changes



Central Salem Mobility Study

Medium-Term (Within 15 Years) Transportation Improvement Recommendations

Long-Term (Within 25 Years) Improvement Recommendations

Location	Recommendation	Comments	Cost
One-Way/Two-Way Street Conversions			
High St and Church St	Phase 2: Consider converting to two-way with bike lanes (Alternative 2: Two-Way, Bike Lanes)	<ul style="list-style-type: none"> Consider based on success of additional bike facilities in downtown and impacts to access in/out of transit mall Requires modification to traffic signals Reduces parking by 30% Requires adjustments to curb extensions 	\$3,000,000
Cottage St	Phase 2: Add curb extensions (Alternative 1: Two-Way, Sharrows with Curb Extension Design Option)	<ul style="list-style-type: none"> Construct curb extensions 	\$1,200,000
Family-Friendly Bikeway Improvements			
Union St: (Winter St to Marion St) and Winter St	Phase 2: Provide family-friendly bicycle facilities that provide important multimodal connections to the Union St Bridge, Willamette University, and other locations around downtown. Options may include one-way or two-way cycle tracks, buffered bike lanes, shared-use paths, or other facility types	<ul style="list-style-type: none"> Consider based on success of other bicycle improvements and community support Reduces parking (varies by roadway section and enhancement alternative) Requires adjustments to curb extensions Some sections would require coordination with the State or Willamette University Union St connection to 12th St Promenade should consider feasibility of adding railroad undercrossing at Mill Creek and opening the undercrossing near North High School 	\$1,200,000 (Union St) ^a \$800,000 (Winter St)
Enhanced Bikeway Improvements			
State St	Phase 2: Provide enhanced bicycle facility that provides important multimodal connections to Willamette University, intersecting facilities, and other locations around downtown. Options may include one-way or two-way cycle tracks or buffered bike lanes	<ul style="list-style-type: none"> Consider based on success of other bicycle improvements and community support Reduces parking (varies by roadway section and enhancement alternative) Requires adjustments to curb extensions Some sections would require coordination with the State or Willamette University 	\$1,000,000
TOTAL			\$7,200,000

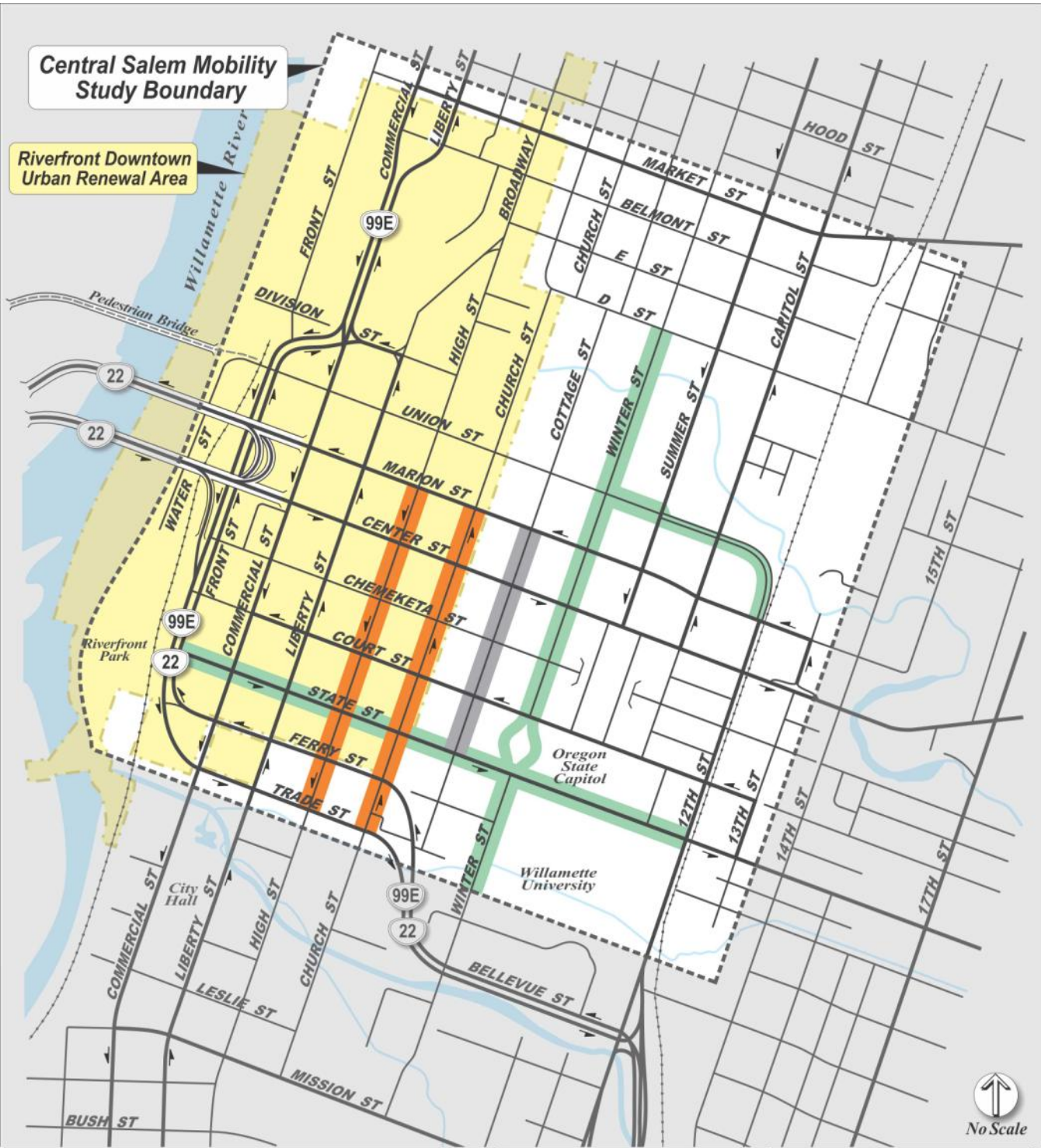
^a Union St cost assumes a mix of buffered bike lanes and cycle track as shown on the Union Street Family-Friendly Bikeway Conceptual Drawing

Long-Term Improvement Notes

- One-way bicycle facilities on Union St would extend from Commercial St to Summer St and then transition to a two-way facility on the south side of the roadway. The two-way bicycle facility would follow the Union St -12th St curve and end at Marion St.
- There are no long-term recommendations related to the dual turn lane removals and crosswalk openings.
- Costs are planning level estimates in current (2013) dollars and will need to be reviewed and refined when projects advance to design and construction.
- Projects and phasing should be reevaluated in future years to ensure they continue to address City and Urban Renewal Agency priorities.

Central Salem Mobility Study Boundary

Riverfront Downtown Urban Renewal Area



Recommended Transportation Improvements

-  Two-Way Traffic Conversion
-  Family Friendly Bikeway Improvements
-  Curb Extensions



Central Salem Mobility Study

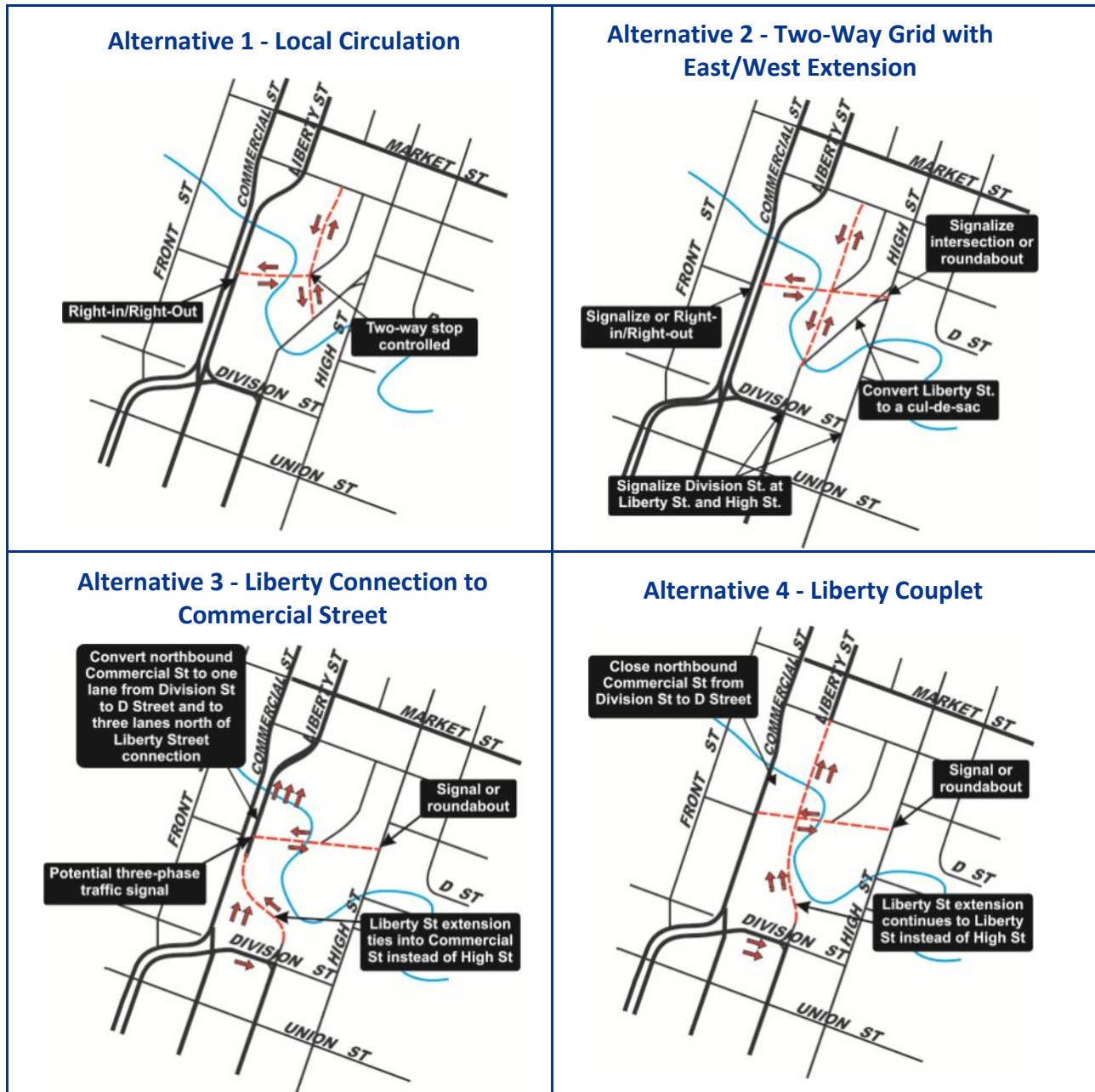
Long-Term (Within 25 Years) Transportation Improvement Recommendations

North Downtown Street Connectivity - Preliminary Analysis

One important transportation issue considered by the Central Salem Mobility Study was the north downtown street connectivity. The purpose of the analysis was to identify recommendations to support redevelopment of the area and improve connectivity between North Downtown and the Downtown Core.

During the initial screening phases of this study, four general connectivity alternatives were identified, as

shown below. These alternatives were presented to City staff, stakeholders, and consultants working on the current North Downtown Housing Study. Based on this coordination, it was recommended that the City wait until there is greater certainty regarding redevelopment (such as land use types and general locations) before selecting a recommended alternative. Future analysis should build off of the work performed in this study.



Note: Alternative 1 expected to most benefit residential redevelopment. Alternatives 2, 3, and 4 also considered a potential D Street extension, but various obstacles exist that would make this extension problematic and unlikely to gain community support.