



# Portland Road Corridor Action Plan

## Winter 2016

# Acknowledgments

## Advisory Committee

North Gateway Redevelopment Advisory Board

## Contributing Organizations and Individuals

Catholic Community Services

Don Pedro Time

Latino Business Alliance, with special thanks to Jose Gonzales

Marion Polk Food Share, with special thanks to Kim Hanson

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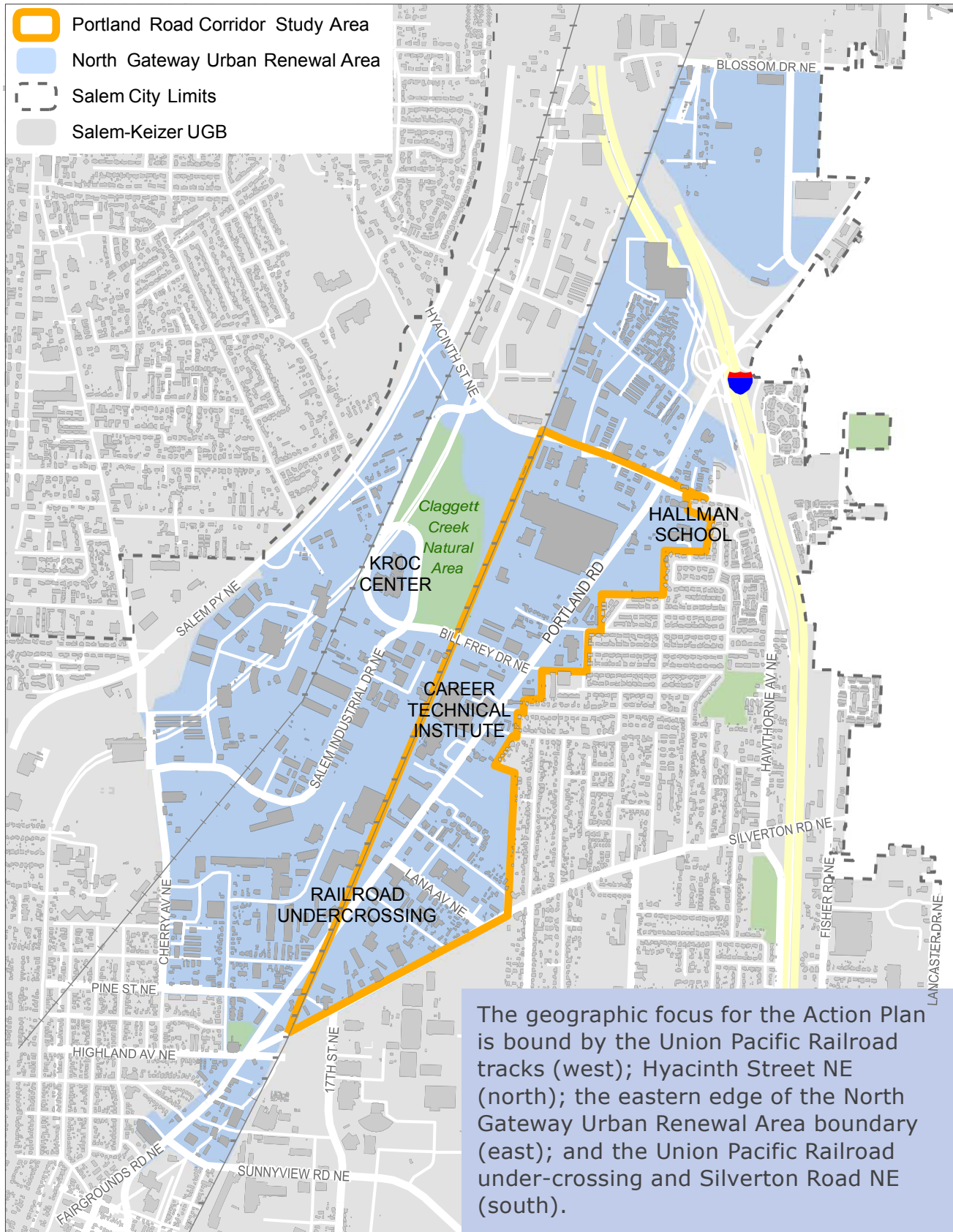
On the web @

<http://www.cityofsalem.net/northgatewayplan>

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## Exhibit 1. Study Area



# Overview

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

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

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

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



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

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

## Action Plan Process

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



The Action Plan process included several opportunities for stakeholders to weigh in on project priorities.

### Public Outreach

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

#### Exhibit 2. Outreach Process Overview

	Outreach Goal	Timing
Round 1	Raise awareness of the Action Plan's purpose and timeline and solicit initial input on priorities.	January-April 2015
Round 2	Solicit more detail on potential project ideas and funding priorities.	July-September 2015
Round 3	Rank and refine project ideas.	November-December 2015

### Opportunities and Needs Analysis

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

Key findings from this analysis include:

- **The Corridor has low industrial vacancy rates and there is demand for more industrial/flex space.** The area includes a larger concentration of manufacturing, construction, and transportation jobs than the City as a whole.
- **Household incomes in the Corridor are significantly lower than Salem as a whole, and the area has higher percentage of Latino residents than Salem as a whole** (about 42% of residents are Latino).
- **There is a lack of urban amenities for those living and working in the area.** Residents leave the Corridor for most of their daily needs for goods and services. There is untapped demand

for restaurants and new retail, including retailers that sell fresh, affordable food. There are only a few retail outlets that cater to the area’s sizable Latino population. Many opportunities remain to create a more functional corridor for residents.

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

**70%**  
of the area’s housing stock  
was built prior to 1980.

### Business Needs and Project Development

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

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



Vagabond Brewing is located in the Hyacinth 2195 Building, which was renovated to accommodate several flex space uses.

### Transportation Analysis

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



In many cases, the Corridor lacks sidewalks and sufficient pedestrian and bicycle connections.

## Goals, Strategies, and Project Evaluation Criteria

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

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

**Exhibit 3. Portland Road Investment Framework: Goals, Strategies, and Evaluation Criteria**

<b>Goals</b> <i>Primary outcomes desired for the Portland Road Corridor</i>	<b>Strategies</b> <i>The approach the City and its partners can take to achieve the goals</i>	<b>Prioritization Criteria</b> <i>How potential projects are evaluated</i>
<b>Meet the needs of residents and businesses within the Corridor.</b>	Seek input from area stakeholders in identifying and prioritizing future investments.	<ul style="list-style-type: none"> <li>• Does the project/action have stakeholder support, as evidenced by the three online surveys and other outreach conducted in 2015?</li> </ul>
<b>Support development and job creation within the Corridor.</b>	<ul style="list-style-type: none"> <li>• Identify opportunities to provide innovative, flexible, affordable workspaces that foster the region’s small businesses.</li> <li>• Attract retail and services that serve residents and employees.</li> <li>• Increase the area’s marketability for development of future housing and (when opportunities arise) other supportive uses that make housing development successful.</li> </ul>	<ul style="list-style-type: none"> <li>• Does it generate tax increment?</li> <li>• Does it support development on an underutilized or vacant site?</li> <li>• Does it eliminate blight?</li> <li>• Does it encourage job creation?</li> <li>• Is it located in the Corridor study area?</li> </ul>
<b>Achieve the URA’s Plan, transportation, safety, and streetscape goals for the Corridor.</b>	Support strategic infrastructure investments along the corridor that improve economic vitality, livability, and safety for residents and employees.	<ul style="list-style-type: none"> <li>• Does it improve transportation amenities?</li> <li>• Does it improve neighborhood connectivity?</li> <li>• Does it improve multi-modal travel?</li> <li>• Does it enhance the City’s north gateway?</li> </ul>



### Recommended Projects and Actions

The culmination of the Action Plan process is the identification and recommendation of projects and actions that form the “next steps” in making positive change in the Corridor. Exhibit 4 and Exhibit 5 show the projects that are recommended to implement the goals, strategies, and criteria listed in Exhibit 3.

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

Project	Initial Implementation Action	Estimated Cost
<b>Restructure financial incentives to better serve businesses, developers, and property owners.</b>	<ul style="list-style-type: none"> <li>Conduct additional business/stakeholder roundtable discussions to seek input on amendments to the Toolbox Program.</li> <li>Modify existing Program to focus on business needs, including adding fixed equipment as an eligible expense.</li> </ul>	<b>\$500,000–\$1,000,000</b> to capitalize programs; possible reallocation in future years.
<b>Business outreach and technical assistance.</b>	Pursue targeted pilot North Gateway URA business retention program in partnership with SEDCOR and other partners.	City staff time and existing resources.
<b>Public market, “Farm-to-Table” food incubator and food hub.</b>	Initiate a feasibility study to confirm demand and financial viability of concept elements; and establish an advisory group to oversee the work.	Up to <b>\$80,000</b> for outreach and initial feasibility.
<b>Support development of industrial flex space and/or mixed-use development.</b>	<ul style="list-style-type: none"> <li>Explore the development of an RFP or “call for projects” in FY 16-17 to target North Gateway URA funding for projects meeting Action Plan goals/strategies.</li> <li>Pursue development of URA loans/grants for pre-development assistance for catalytic projects.</li> <li>Monitor “property for sale” within the Corridor; establish an “opportunity fund” in FY 16-17 to respond to opportunities as they arise.</li> </ul>	<b>\$200,000–\$500,000</b> for “opportunity purchases;” possible additional allocation in future years.
<b>Portland road streetscape improvement (North).</b>	Implementation of this project will likely require a design exception or Transportation System Plan amendments for interim street standards. Pursue funding in FY 16-17 for initial design.	\$1.7 million (east side) \$1.6 million (west side) \$1.2 million (Bill Frey) <hr/> <b>\$4.5 million (Total)</b>

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

Project	Initial Implementation Action	Estimated Cost
<b>Workforce and affordable housing support.</b>	<ul style="list-style-type: none"> <li>Develop outreach material that highlights key vision/priorities from the Action Plan and depth of financial programs available. Initiate outreach that includes key affordable housing partners and developers in the region as well as owners of existing multi-family housing in the Corridor.</li> <li>Participate in the anticipated affordable housing sub-committee to track needs, issues, and recommendations.</li> <li>Ensure housing is eligible (and listed as a priority) for any new grants/loans developed following the approval of the Action Plan.</li> </ul>	City staff time and funding associated with restructuring the North Gateway URA loan and grant programs.
<b>Strengthen the corridor identity.</b>	<ul style="list-style-type: none"> <li>Identify Corridor working group that represents key businesses and community interests.</li> <li>Develop project work plan and key elements (in coordination with a working group).</li> </ul>	TBD

# Existing Conditions

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

## Portland Road’s Competitive Advantage

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

- **The Corridor has relatively affordable housing with good proximity to job centers.** New private investment could help fill many of the “gaps” that residents recognize in this area. For example, there is an opportunity to capitalize on the community’s desire for restaurants, retail, and affordable, fresh food.
- **This area is an important employment corridor for the City, especially for businesses who do not require large parcels of land.** A common theme in outreach feedback was that the City should position this area as an employment corridor, especially for small and minority-owned industrial businesses. Commercial brokers and economic development professionals indicate a number of factors that could positively influence it as a business location:
  - » Its location near I-5 and existing housing make this area prime for future development.
  - » The area’s competitive purchase price/rent could be attractive to tenants, and available parcels are lower in price than other areas to the south and west.
  - » For the majority of sites, existing infrastructure is adequate and is not limiting new business or development.
  - » Salem continues to have low industrial vacancy rates and a demand for industrial flex space. Flex space could be designed to accommodate a variety of uses, including combining retail and light manufacturing. These could be associated with “maker” spaces and nearby industrial uses.



Above: The Portland Road Corridor is home to both multifamily and single-family housing types.

Below: Flex space is a key employment use for the Corridor.

- **The Corridor has a mix of residents and business owners from many backgrounds.** Support from the Agency could help strengthen economic development efforts in this area, including working with the City’s economic development partners to support small and minority-owned businesses as they grow.
- **Portland Road has a strong foundation of neighborhood stewardship.** The broad response to the public outreach opportunities shows that the community cares about the success of Portland Road.



Numerous Latino owned businesses are located on Portland Road, reflecting the ethnic makeup of the surrounding neighborhood they serve.

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

## Residential

There has been little new housing investment in the Corridor over the past 25 years. **More than 70% of housing units were built before 1980 and more than half of the units in the Corridor are multifamily.** Rents in the area are lower than most other neighborhoods in Salem, with correspondingly low vacancy rates.

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

The City’s 2014 Housing Needs Assessment cites the need for an additional **8,000 multifamily units** in the City by 2035.



Built in 2007, Hollywood Station has 24 townhomes and a two-story, 23,000 square foot retail/office building.

## Commercial

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

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

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



Several large industrial employers are located on the corridor, including Ventura Foods and Americold.

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

### Industrial

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

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

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

- **Small-scale flex space.** There is high demand for industrial/flex spaces that are 1,000-2,000 square feet with good freeway access and a grade-level loading door.
- **Commercial kitchen space.** There is interest in commercial kitchen space that can be rented out by food entrepreneurs. The space could also include a retail component.
- **Cold storage and distribution.** The local agricultural industry is interested in more cold storage opportunities. Portland Road's highway access also makes it a desirable location for distribution businesses, especially since the trucking hour regulations recently changed to require shorter trips and more frequent breaks for drivers. Good access to main trucking routes (I-5) and population centers reduces travel times and costs.

## Agency Financial Situation

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

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

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

### Current Status (2016)

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

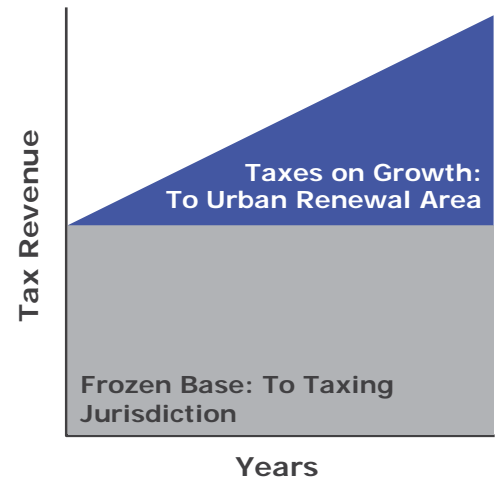
While the URA investments to-date have contributed to new assessed value and therefore increased taxes, they have not spurred the level of private investment anticipated when the URA Plan was initially implemented.

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

North Gateway URA’s assessed value (1990):  
**\$133 million**

URA’s assessed value (2013-14):  
**\$291 million**

This is an increase of **118%**  
in nominal dollars.



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

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

# Investment Framework

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



The Corridor has several sites that could accommodate new development, many of which are around one acre in size. The largest vacant site on the Corridor comprises 13.5 acres near the Career Technical Institute.

## Purpose and Goals

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

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

## Prioritization Process

The project team used the following process to evaluate projects:

- 1. Compile a list of potential projects.** These ideas were based on community feedback from focus groups, one-on-one interviews, technical analysis, and the summer 2015 survey.
- 2. Determine a methodology for weighting.** Each criteria topic was given a weight of one point. The evaluation scores for all criteria were summed to determine the overall evaluation score.
- 3. Run criteria through evaluation exercise and compile a list of prioritized projects.** The project team used the methodology outlined in Step 2 to evaluate projects and develop a list of prioritized projects.

**Exhibit 6. Portland Road Goals, Strategies, and Evaluation Criteria**

<b>Goals</b> <i>Primary outcomes desired for the Portland Road Corridor</i>	<b>Strategies</b> <i>The approach the City and its partners can take to achieve the goals</i>	<b>Prioritization Criteria</b> <i>How potential projects are evaluated</i>
<b>Meet the needs of residents and businesses within the Corridor.</b>	Seek input from area stakeholders identifying and prioritizing future investments.	Does the project/action have stakeholder support, as evidenced by the three online surveys and other outreach conducted in 2015?
<b>Support development and job creation within the Corridor.</b>	<ul style="list-style-type: none"> <li>• Identify opportunities to provide innovative, flexible, affordable workspaces that foster the region’s small businesses.</li> <li>• Attract retail and services that serve residents and employees.</li> <li>• Increase the area’s marketability for development of future housing and (when opportunities arise) other supportive uses that make housing development successful.</li> </ul>	<ul style="list-style-type: none"> <li>• Does it generate tax increment?</li> <li>• Does it support development on an underutilized or vacant site?</li> <li>• Does it eliminate blight?</li> <li>• Does it encourage job creation?</li> <li>• Is it located in the Corridor study area?</li> </ul>
<b>Achieve the URA’s Plan, transportation, safety, and streetscape goals for the Corridor.</b>	Support strategic infrastructure investments along the corridor that improve economic vitality, livability, and safety for residents and employees.	<ul style="list-style-type: none"> <li>• Does it improve transportation amenities?</li> <li>• Does it improve neighborhood connectivity?</li> <li>• Does it improve multi-modal travel?</li> <li>• Does it enhance the City’s north gateway?</li> </ul>

## Geography of Investment

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

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

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

### Exhibit 7. Portland Road Opportunity Sites

**Corridor Total: 46.5 acres**

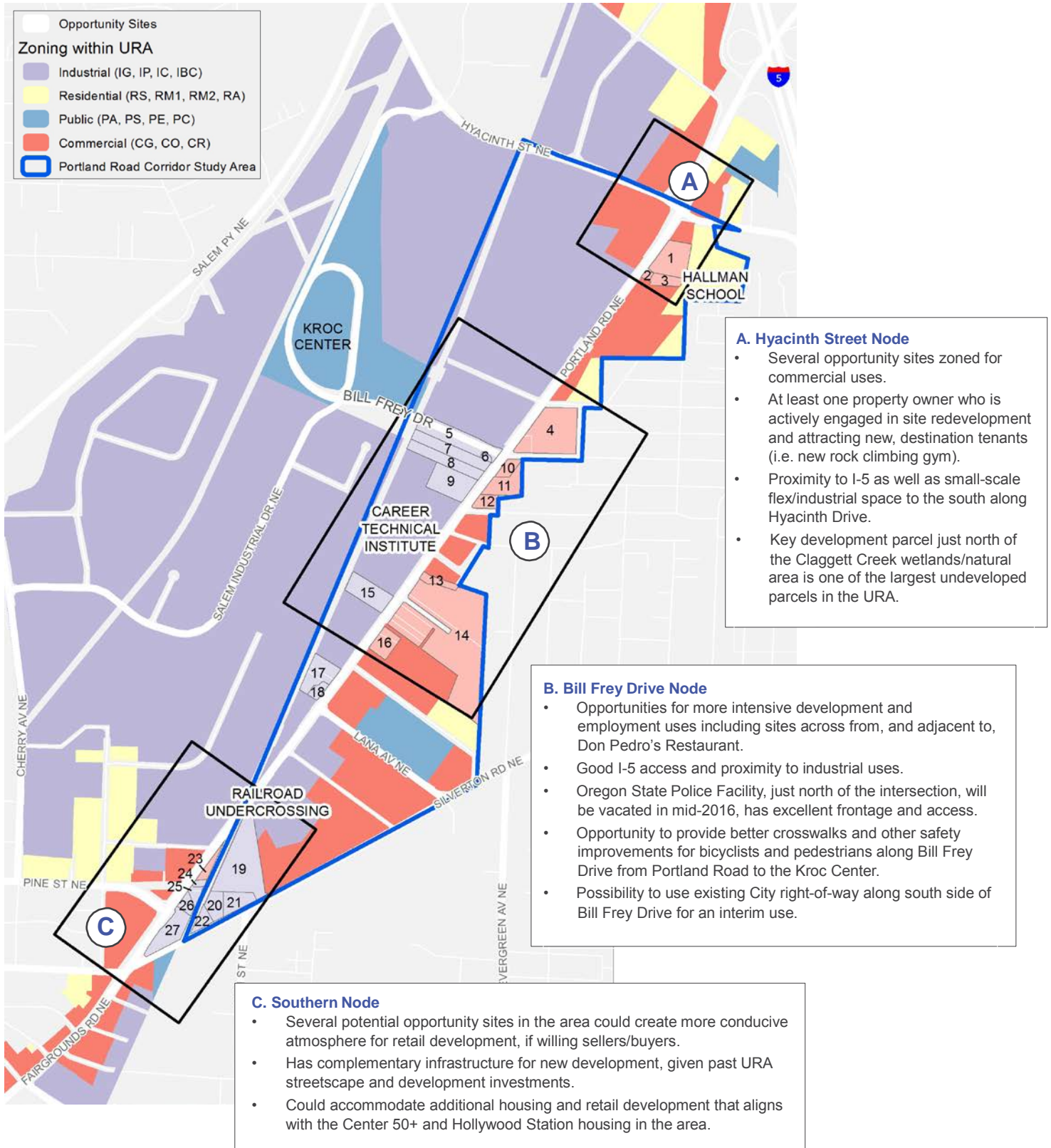
A. Hyacinth Street Node Sites	
1	2.1 acres
2	0.1 acres
3	0.6 acres
<b>Node Total</b>	<b>2.8 acres</b>

B. Bill Frey Drive Node Sites	
4	4.2 acres
5	2.6 acres
6	0.1 acres
7	1.7 acres
8	1.6 acres
9	2.1 acres
10	0.5 acres
11	1.4 acres
12	0.6 acres
13	0.5 acres
14	13.5 acres
15	1.8 acres
16	1.0 acres
17	1.5 acres
18	0.4 acres
<b>Node Total</b>	<b>33.5 acres</b>

C. Southern Node Sites	
19	4.9 acres
20	0.8 acres
21	1.0 acres
22	0.5 acres
23	0.4 acres
24	0.2 acres
25	0.3 acres
26	0.4 acres
27	1.7 acres
<b>Node Total</b>	<b>10.2 acres</b>



**Exhibit 8. Portland Road Opportunity Nodes and Possible Opportunity Sites Map**



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

# Action Plan

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

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

- **Short-term projects.** These projects were ranked highest through the community prioritization process and are likely to have the biggest short-term benefits. The City plans to take steps to implement these projects in the near-term (0-5 years).
- **Mid-term projects, or as opportunities arise.** These projects will likely take at least five years to come to fruition and require complex partnerships. The City plans to take the first implementation actions on these steps in the short-term, but more extensive implementation will not occur for several years (5-10 years). Some projects require the engagement of one or more partners to come to fruition and will do so as opportunities arise. The City will explore these partnerships in the near-term, but exact timing is unknown.

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

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

**Exhibit 9. Recommended Projects: Short-Term (Continued)**

Project	Rationale	Initial Implementation Action	Estimated Cost
<b>Support development of industrial flex space and/or mixed-use development.</b>	The Corridor has a low vacancy rate for existing industrial space. The City’s Housing Needs Analysis indicates that the supply of multi-family housing is insufficient to meet future needs. Targeted investment of URA resources could address these needs.	<ul style="list-style-type: none"> <li>• Explore the development of an RFP or “call for projects” in FY 16-17 to target North Gateway URA funding for projects meeting Action Plan goals/strategies.</li> <li>• Pursue development of URA loans/grants for pre- development assistance for catalytic projects.</li> <li>• Monitor “property for sale” within the Corridor; establish an “opportunity fund” in FY 16-17 to respond to opportunities as they arise.</li> </ul>	<b>\$200,000–\$500,000</b> for “opportunity purchases;” possible additional allocation in future years.
<b>Portland Road streetscape improvement (North).</b>	Community feedback suggested a desire for transportation enhancements to address areas with lack of sidewalks, crossings, and street trees.	Implementation of this project will likely require a design exception or Transportation System Plan amendment for interim street standards. Pursue funding in FY 16-17 for initial design.	\$1.7 million (east side) \$1.6 million (west side) \$1.2 million (Bill Frey) <hr/> <b>\$4.5 million (Total)</b>

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

Project	Rationale	Initial Implementation Action	Estimated Cost
<b>Workforce and affordable housing support.</b>	Given the lower incomes in this area, there will continue to be a need for housing at affordable price points.	<ul style="list-style-type: none"> <li>• Develop outreach material that highlights key vision/priorities from the Action Plan and depth of financial programs available. Initiate outreach that includes key affordable housing partners and developers in the region as well as owners of existing multi-family housing in the Corridor.</li> <li>• Participate in the anticipated affordable housing sub-committee to track needs, issues, and recommendations.</li> <li>• Ensure housing is eligible (and listed as a priority) for any new grants/ loans developed following the approval of the Action Plan.</li> </ul>	City staff time and funding associated with restructuring the North Gateway URA loan and grant programs.
<b>Strengthen the Corridor identity.</b>	A concerted branding effort could help the the Corridor overcome its existing perception that stems from past public safety and livability challenges.	<ul style="list-style-type: none"> <li>• Identify Corridor working group that represents key businesses and community interests.</li> <li>• Develop project work plan and key elements (in coordination with a working group)</li> </ul>	TBD

## Project Highlights

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



Above: The Portland Mercado is one example of a small-scale public market featuring retail goods, fresh foods, and walk-up eateries on-site. Image: Portland Tribune, David F. Ashton, May 1, 2015.

Below: Nationwide, public markets and food hubs allow local farmers to directly market their produce to the public, restaurants, schools and other institutions.

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

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

- **A public market place/Mercado concept** can help to foster entrepreneurship, generate a sense of community, and respond to the needs of existing residents. The Corridor has a disproportionately higher number of Latino residents than other areas in Salem. The 2013 American Community Survey shows 42% of residents living in the Corridor are Latino, compared to 19% City-wide. The Corridor is home to several Latino food vendors and small shops.
- **This area lacks grocery stores and restaurants.** The project’s assessment of retail needs in the Corridor showed an unmet need for the types of services that a food hub could provide. Specific opportunities identified include a deficit in supermarkets and limited-service restaurants (in which patrons generally order and pay before eating). Many food hubs are more than wholesale aggregation and distribution centers. They are regional attractions that host farmers market style grocery stores, community events, provide educational experiences, are venues for sampling unique locally-grown food products.

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

## Support Development of Industrial Flex Space and/or Mixed-Use Development

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

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

- **Target URA grant/loan funding.** URA funds could support investors and owners in redeveloping properties to provide new jobs, housing, and/or retail amenities. In particular, the Agency should look for opportunities to leverage other resources to upgrade underutilized buildings that no longer serve existing business needs or are suitable for workspace conversion.
- **Track opportunities to pursue property acquisition and/ or targeted financial support in one of three key activity and/or employment nodes.** As suitable opportunities arise, the Agency would help prepare parcels for sale/redevelopment; or master plan the site for new retail and services destinations. If URA-led, the City could release an RFP to identify developer and partners and create a framework or master plan for the site, or address other key development barriers.
- **Provide/fund pre-development assistance.** The City could work with developers or property owners to assist with typical due diligence issues (site design or engineering, property consolidation, market analysis, permitting, financial analysis) to help catalyze projects that align with the goals of the Action Plan.
- **Explore partnerships** to attract new retail, housing, services, and employment that fulfills needs in the area and improves economic conditions.



Financial assistance would target opportunities to support the development of industrial flex-space, housing, and mixed-use.

# Conclusion

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

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



The Career Technical Education Center, opened in 2015, serves as a development catalyst for the Corridor.

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

# Appendices

- A. Detailed Project Sheets
- B. Opportunities and Needs Report
- C. Public Process Summary

The documents listed below provide additional information concerning the Action Plan. These may be found online at the Portland Road Corridor Action Plan website:

<http://www.cityofsalem.net/northgatewayplan>

Transportation Background Summary  
Project Prioritization Process  
Business Needs Summary

**For more information, please contact:**  
Salem Urban Development Department  
503-588-6178  
E-mail: [Urbandev@cityofsalem.net](mailto:Urbandev@cityofsalem.net)  
On the web @  
<http://www.cityofsalem.net/northgatewayplan>

# Appendix A: Detailed Project Sheets



## Public Market, "Farm-to-Table" Food Incubator, and Food Hub

Project Description	Lead
<p>A Food Incubator and/or Food Hub on the Portland Road Corridor could serve as a development catalyst, a regional destination for accessing unique and local food products, and an incubator for small businesses. This concept supports multiple goals identified in the community outreach process and responds to needs and opportunities identified in the economic analysis for the Action Plan. Potential benefits include:</p> <ul style="list-style-type: none"> <li>• support for small food business development;</li> <li>• increased access to fresh, healthy, affordable food;</li> <li>• support for the local food economy by aggregating product and providing access to larger retail and institutional markets; and</li> <li>• creation of a regional attraction for sampling unique, locally grown food products.</li> </ul> <p>Possible functions for this facility include: a farmer's market-style grocery store; commercial kitchen for food entrepreneurs; and a food hub that aggregates products for sale to retail and institutional buyers and provides a venue for sampling local food products. There may be alignment with the Career Technical Education Center's Agricultural Science program, planned for 2017. Incubators, public marketplaces, and food hubs can take many forms to support local and regional economic development goals. Examples to explore include: The Mercado (Portland, OR), Boise International Market (Boise, ID), The REDD (Portland, OR), Sprout (Springfield, OR), Mad River Food Hub (Waitsville, VT), Local Food Hub (Charlottesville, VA), and the Mercado Central and Midtown Global Market (Minneapolis, MN).</p> <p>The City's role in implementation could include property acquisition, targeted financial incentives, or other development support.</p>	<p>City of Salem</p>
Rationale	
<ul style="list-style-type: none"> <li>• Many Summer and Fall 2015 survey respondents expressed a desire for a grocery store, central food marketplace, or other unique food-related destination along Portland Road.</li> <li>• A base of food production industries and entrepreneurs already exist in the area, given its excellent local and regional access. A successful marketplace/food hub could draw local residents and employees and benefit from pass-through traffic to downtown as well as the proximity to I-5.</li> <li>• The 2013 American Community Survey (U.S. Census) shows that 42% of residents living in the Corridor are Latino compared to 19% citywide. The Corridor is also home to several Latino food vendors and small shops.</li> <li>• There is an opportunity for creative partnerships to improve access to fresh food, add restaurants, aggregate produce and other local farm products for retail and institutional sales, and cluster food-related businesses. Potential partners include MERIT, the Career and Technical Education Center, Marion-Polk Food Share, the Latino Business Alliance, and many more.</li> </ul>	
Implementation Steps/Key Issues	<p>Two recent studies were commissioned that provide background for elements of this project concept, including a 1) Preliminary Analysis for a Regional Food Hub, initiated by the Mid-Willamette Valley Council of Governments in 2013 and 2) City of Salem Regional Accelerator Feasibility Analysis. Potential next steps include:</p> <ul style="list-style-type: none"> <li>• <b>Convene Meetings with Interest Groups.</b> Schedule meetings with groups that might be interested in taking part in the Incubator/Food Hub concept. <ul style="list-style-type: none"> <li>- Local organizations: Food Innovation Center, Career Technical Education Center, Marion-Polk Food Share, SEDCOR, Latino Business Alliance, Incite, Merit</li> <li>- Agricultural Groups: OSU Extension, Friends of Family Farmers</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>- Financing Institutions: Maps Credit Union, Key Bank</li> <li>- Ongoing Research: PDC (John Jackley), National Association For Latino Community Asset Builders (NALCAB), Business Oregon</li> <li>- Elected Officials, locally and beyond</li> <li>- Local Investors</li> </ul> <ul style="list-style-type: none"> <li>• <b>Form a Working Group.</b> This group should be composed of partner organizations, City staff, potential funders, etc.</li> <li>• <b>Conduct Outreach with the Hispanic Community.</b> Seek support/partnership to conduct business needs outreach and work with the City to develop findings on vendor interest and consumer preferences.</li> <li>• <b>Complete a Targeted Feasibility Study.</b> Armed with a set of more detailed development concepts for evaluation, the City should commission a feasibility study. This study would continue involvement from area stakeholders and possible leadership/facilitation from planning and/or business students at Willamette University, University of Oregon, or Portland State. The study deliverable would engage appropriate stakeholders and partners to confirm demand and create a business plan and concept layout.</li> </ul>
<b>Phasing</b>	Short-term.
<b>Public or Stakeholder Outreach Needed</b>	Significant work with local stakeholders and potential partners.
<b>Internal Partners</b>	<b>External Partners</b>
Economic Development	Explore partnerships with Marion-Polk Food Share, MERIT, Latino Business Alliance, Willamette Valley Council of Governments, NEDCO, area farmers and restaurants, property owners, CTEC, and area caterers and food trucks.
<b>Estimated Cost</b>	<b>Funding Considerations</b>
Outreach and Initial Feasibility Study: Up to \$80,000	Pursuing grants and/or partnering with university students may reduce the cost for the feasibility work. Potential partners may have access to use-specific grant dollars.

## Support Development of Industrial Flex Space and/or Mixed-Use Development

Project Description	Lead
<p>The City and the Agency should continue to target property acquisition opportunities and identify financial incentives to support uses identified with high need/demand in the Corridor, including flex/industrial space, mixed use, and workforce housing. In addition to ensuring these project types are eligible for North Gateway URA grant and loan funding, the City could complete the following:</p> <ul style="list-style-type: none"> <li>• <b>Target NGURA Grant/Loan Funding with the Following Possible Approaches:</b> <ul style="list-style-type: none"> <li>- Support potential investors or property owners as they consider redevelopment of their properties with uses that provide new jobs, housing, and/or retail amenities. The Agency should look for opportunities to leverage resources to upgrade underutilized buildings that no longer serve existing business needs or are suitable for workspace conversion.</li> <li>- Release a solicitation, request for proposals, or “call for projects” to identify investors that are interested in pursuing projects with identified demand/need, but who might need predevelopment or development support.</li> </ul> </li> <li>• <b>Track Opportunities to Pursue Property Acquisition and/or Targeted Financial Support in a Key Activity and/or Employment Node.</b> The Action Plan identified parcels in the Bill Frey Drive vicinity as good candidates for renewed attention. If suitable opportunity arises, the Agency can help prepare the parcel for sale/redevelopment and/or master plan for new retail and services destinations. If appropriate, the Agency could release an RFP to identify developer and partners, develop a framework or master plan for the site, and address other site-specific development barriers.</li> </ul>	<p>City of Salem / NGURA</p>
<p><b>Rationale</b></p>	
<p>The Portland Road Corridor’s real estate market and existing building/site conditions create challenges for development that a targeted predevelopment program could help overcome:</p> <ul style="list-style-type: none"> <li>• <b>Opportunity to Add Value to Development Projects.</b> The Agency should be available to assist with expansion or transition activities for businesses along Portland Road. The City/URA could play a supporting role for several important properties in the area, including the State Police Facility site, the site adjacent to Claggett Creek (east side), the Americold site, and property on Hyacinth (just north of Claggett Creek wetlands area).</li> <li>• <b>Address a Mismatch Between Housing Demand and Available Land.</b> Demand for additional multi-family housing remains strong (as documented in the City’s Housing Needs Analysis), the supply of land zoned for multifamily development is insufficient, and survey respondents identified a need for new housing in the Corridor.</li> <li>• <b>Attract a Critical Mass of Small Industrial Employers.</b> Many stakeholders identified the need for more “flex space” (up to 2,000 SF) that could be available for small startup businesses that need office space and/or small-scale manufacturing or production space. The Opportunity and Needs Analysis (prepared by ECONorthwest) identified a low vacancy rate for existing industrial space in the area as of late 2015. Currently, many businesses that need these types of spaces are locating in other areas of Salem or outside of Salem. With the right spaces and/or incentives, these businesses could locate within the Corridor and help to build the area’s employment base.</li> </ul>	
<p><b>Implementation Steps/Key Issues</b></p>	<ul style="list-style-type: none"> <li>• Explore the development of an RFP or “call for projects” to target North Gateway URA funding for projects meeting Action Plan goals.</li> <li>• Reconfigure URA loans/grants to better meet the needs of catalytic projects.</li> </ul>

	<ul style="list-style-type: none"> <li>• Monitor properties for sale and pursue establishment of an “Opportunity Fund” for property acquisition.</li> <li>• Maintain regular communication with real estate brokers, property owners, and other partners in this area to track development opportunities.</li> <li>• Cultivate relationships with developers who use creative, lower cost development models.</li> </ul>
<b>Phasing</b>	Short-term, to capitalize on emerging opportunities.
<b>Public or Stakeholder Outreach Needed</b>	Outreach with property owners with buildings that could be adaptively re-used as well as outreach to developers with expertise in this market and development type.
<b>Internal Partners</b>	<b>External Partners</b>
Economic Development	Developers, property owners, development financiers throughout the Willamette Valley, including Portland and Eugene.
<b>Estimated Cost</b>	<b>Funding Considerations</b>
\$200,000-\$500,000 to capitalize programs; possible reallocation in future years	TBD

## Workforce and Affordable Housing Support

Project Description	Lead
<p>According to the American Community Survey, 65% of households in the Corridor are cost-burdened (they pay more than 30% of their household income on housing). This compares with just 32% of households citywide. The Portland Road Corridor's real estate market and building/site conditions create challenges for site development that targeted funding for housing could help to overcome. New models for affordable and/or mixed-income multi-family housing are needed. The following actions would incentivize innovation in developing new workforce and affordable housing:</p> <ul style="list-style-type: none"> <li>• Expand outreach to housing developers outside of the Salem area; connect developers to a range of housing development incentives, such as housing rehabilitation grants/loans, partnerships, and opportunities to leverage other sources (e.g. LIHTC, HOME, CDBG). Explore new models for affordable housing provision without federal or state subsidy and connect with developers using those models.</li> <li>• Continue ongoing coordination with the City's Community Development Department, Salem Housing Authority, Urban Development's Federal Programs Division, and regional housing partners to ensure housing goals and strategies are reflected in the City and Agency's actions and, where possible, implemented in the Portland Road Corridor. A recent recommendation by Salem's Housing Development Commission elevates the urgency of addressing the citywide need for affordable housing and suggests forming a sub-committee to focus on strategies.</li> </ul>	<p>City of Salem</p>
<p><b>Rationale</b></p>	
<p>Almost 50% of households in the Corridor have an annual income of less than \$25,000 (American Community Survey, U.S. Census 2013). Seventy-five percent earn less than \$50,000. Given the relatively lower incomes in this area, there will continue to be a need for housing at affordable price points along the Corridor. Among the affordable housing developers who provided input through the Action Plan process, there was little interest and/or capacity to develop new projects along Portland Road in the near term. In a focus group, these providers identified several barriers to development in this area, including the existing concentration of private, but relatively affordable housing and the lack of suitable sites for housing development. URA funding could help to incentivize developers to explore new models of affordable and/or mixed-income multi-family housing that are currently used outside of the Salem market.</p>	
<p><b>Implementation Steps/Key Issues</b></p>	<ul style="list-style-type: none"> <li>• Outreach material that highlights key vision/priorities from the Action Plan and financial programs available. Urban Development staff created a marketing piece to highlight downtown housing opportunities that could be re-tooled for this purpose. Outreach should include key affordable housing partners and developers in the region as well as owners of existing multi-family housing in the Corridor.</li> <li>• Participate in the anticipated affordable housing sub-committee to track needs, issues, and recommendations.</li> <li>• Ensure housing is eligible (and listed as a priority) for any new grants/loans developed following the approval of the Action Plan.</li> </ul>
<p><b>Phasing</b></p>	<p>Mid-term</p>
<p><b>Public or Stakeholder Outreach Needed</b></p>	<p>Communicate to the development community the vision for the area, including reaching out to Portland-area developers about incentives available in the area. The City can create a "buzz" about its commitment to the Corridor, including the successful implementation of other Action Plan projects.</p>

Internal Partners	External Partners
Economic Development	Developers, property owners, development financiers, Salem Housing Authority, Community Development, and Urban Development's Federal Programs Division
Estimated Cost	Funding Considerations
City staff time and funding associated with restructuring the North Gateway URA loan and grant programs	Staff time to conduct outreach. Funding associated with restructuring North Gateway URA loan and grant programs.

## Restructure Financial Incentives to Better Serve Businesses, Developers, and Property Owners

Project Description	Lead
<p>Expand the financial incentives and funding available within the North Gateway Urban Renewal Area by modifying existing North Gateway Toolbox Grant and Loan Programs and offering new programs targeted for:</p> <ul style="list-style-type: none"> <li>▪ Small business start-up and expansion</li> <li>▪ Existing manufacturing businesses</li> <li>▪ Façade and tenant improvements for targeted properties</li> <li>▪ Construction of flex/industrial Space, housing, and/or mixed use, including possible funding for pre-development activities</li> </ul> <p>The current Toolbox Program allows for up to \$50,000 in grant and \$100,000 in loan funding per applicant; grants require a 20 to 50 percent match. Housing and fixed assets (manufacturing equipment) are not currently eligible grant expenses. Changes could include targeting properties geographically, issuing a “call for projects” to raise awareness of funding, waiving match requirements for small businesses, and partnering with the Oregon Manufacturing Extension Partnership (OMEP) to provide matching funds for participation in their Lean Manufacturing Program.</p> <p>Adjustments to grant programs in the West Salem and Riverfront Downtown Urban Renewal areas have proved effective in stimulating redevelopment and expansion of existing businesses. The approach could include revolving loans to help new businesses with start-up costs and established businesses with expansion. This work would also require the City stay current on the breadth of other local, state, and federal incentives available in order to connect businesses with other applicable programs where possible.</p>	City of Salem
<b>Rationale</b>	
<ul style="list-style-type: none"> <li>• There has not been significant private investment within the Corridor for many years and several parcels remain vacant and underutilized.</li> <li>• The funding for grants and loans within the North Gateway URA has not kept pace with the West Salem and Riverfront Downtown URA.</li> <li>• The majority of businesses within the Corridor are small and family owned. Support for small and emerging businesses is important to achieving job growth in the Corridor.</li> <li>• Feedback from business focus groups suggested the need for additional services and incentives. Strengthening businesses located on the Corridor and creating an environment for newer independent businesses to locate on the Corridor is the focus of this project. Nearly 70 percent of job growth in Oregon is the result of business expansion.</li> </ul>	
<b>Implementation Steps/Key Issues</b>	<ul style="list-style-type: none"> <li>• Work with existing businesses, property owners, and development professionals to evaluate new and modified financial programs, possibly by working through an advisory committee.</li> <li>• Further define what gaps exist and streamline the URA's offerings to fill those gaps.</li> <li>• This work will be strengthened by business retention efforts focused in the Corridor starting in the spring of 2016.</li> </ul>
<b>Phasing</b>	Short-Term

<b>Public or Stakeholder Outreach Needed</b>	Several partners that currently support small business start up/growth include MERIT (KIVA fund), the Chemeketa Small Business Development Center, Interface, Key Bank, Maps Credit Union (ISAs), and Latino Business Alliance. City will identify gaps in existing resources for small businesses, property owners, and targeted development types identified above.
<b>Internal Partners</b>	<b>External Partners</b>
Economic Development	Partner with real estate brokers and other stakeholders to obtain feedback on new and modified financial programs.
<b>Estimated Cost</b>	<b>Funding Considerations</b>
\$ 500,000 - \$1,000,000 in FY 2016-17	The current maximum grant amount available in the West Salem and Riverfront Downtown URA is \$300,000. Staff would seek budget authority from Salem's Urban Renewal Agency for new and modified programs in late summer/early fall 2016.



## Business Outreach & Technical Assistance

Project Description		Lead
<p>Identify the City's role in providing assistance to businesses, including the following possible actions:</p> <ul style="list-style-type: none"> <li>• <b>Technical Assistance.</b> Help businesses understand the permitting process as it relates to business expansion, site reuse and redevelopment. Provide improved coordination with property owners on the enforcement of code-related building upkeep regulations. This is part of a City-wide task.</li> <li>• <b>Business Networking.</b> Establish methods to strengthen communication among business owners and tenants along Portland Road. Identify possible partnerships, including with the North Salem Business Association and Latino Business Alliance. This is likely an ongoing project that will require a partnership to assist with implementation.</li> <li>• <b>Support Technical Assistance Programs.</b> Work in partnership with existing programs to connect businesses with programs for startup, marketing, and operational challenges.</li> <li>• <b>Code Compliance Liaison.</b> Maintain active communication with Police and Compliance Services staff to ensure that problematic sites are kept to code.</li> </ul>		City of Salem
Rationale		
<p>In any city, navigating the development and permitting process can be complicated, especially for new business owners. This action responds to the City's commitment to support business growth, and in particular, to support start-up and minority-owned business growth. Specific examples of code enforcement arose during outreach associated with this project, and key issues have been resolved following coordination among City Departments. While the City does not control all of the available resources, it can work with the Salem Chamber, Latino Business Alliance, SEDCOR, and other partners to link small businesses to needed resources and increase communication.</p>		
Implementation Steps/Key Issues	<p>Possible next steps for outreach include:</p> <ul style="list-style-type: none"> <li>• Meet with stakeholders to formalize approach, identify staff support and partners</li> <li>• Create a flyer and associated web page featuring resources and contact information. Coordinate the business support web page content with the new citywide website design.</li> </ul>	
Phasing	Short-term	
Stakeholder Outreach Needed	Targeted discussions with existing owners and tenants regarding need. Discussions with North Salem Business Association, SEDCOR, Chamber, Latino Business Alliance, and others.	
Internal Partners	External Partners	
Economic Development Police, Compliance Services Staff	Area colleges and universities, business groups, existing organizations, and property owners	
Estimated Cost	Funding Considerations	
City staff time and potential General Fund-Eco. Dev.	City staff time and additional resources.	

Strengthen Corridor Identity	
Project Description	Lead
Work with partners to develop materials, signage, or other marketing that promotes the unique and positive characteristics of the Corridor. This could include branding, such as a tagline, logo, and/or targeted marketing material that highlights the area’s strengths, key businesses, and opportunities.	TBD
Rationale	
The Portland Road Corridor suffers from the perception of past public safety and livability challenges. At this point, it is primarily seen as an auto-oriented “pass-through” area and lacks identity. Advertising the area’s unique identity will help develop it as a distinct place. Distinction will be created with the implementation of key/catalyst development projects that create a “buzz” and attract people to the area.	
Implementation Steps/Key Issues	<ul style="list-style-type: none"> <li>• Identify a working group that represents key businesses and community interests on the corridor.</li> <li>• Develop project work plan and key elements (in coordination with a working group)</li> </ul>
Phasing	Partnership project, as opportunities arise.
Public or Stakeholder Outreach Needed	Public outreach must continue to be authentic to be successful. Input from local as well as citywide partners will be beneficial.
Internal Partners	External Partners
Economic Development	Area residents and businesses, Travel Salem, North Salem Business Association, Latino Business Alliance, and others.
Estimated Cost	Funding Considerations
TBD	TBD

## Portland Road Streetscape Improvements (North)

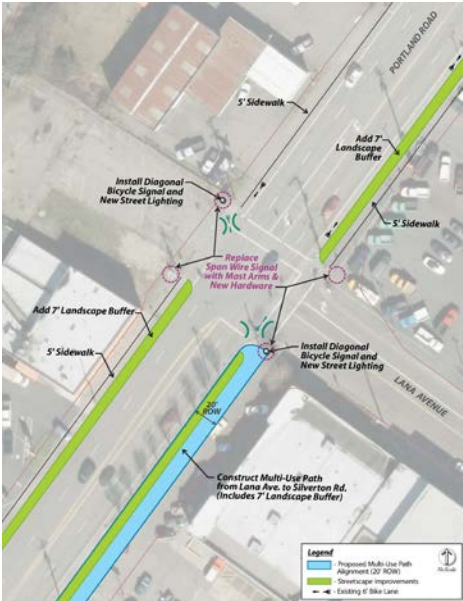
Project Description	Lead
<p>The north Portland Road improvements extend from Hyacinth Street to south of Northgate Avenue/Bill Frey Drive. The main focus of this project is to improve pedestrian facilities along the corridor, including the replacement of existing sidewalk and construction of new sidewalk to provide continuous pedestrian facilities that are ADA compliant. In addition to sidewalks, the project also includes a “Rapid Flashing Beacon” mid-block pedestrian crossing (location TBD), transit stop upgrades, and streetscape improvements. These improvements can support development at opportunity sites at the Bill Frey Drive Development node, including the State Police site on the northeast corner of the intersection of Portland Road/Bill Frey Drive. For details regarding specific improvements at this location, see Appendix E: Transportation Background Summary.</p>	<p>City of Salem</p>
Rationale	
<p>General feedback suggested a desire for improved streetscape with more trees connected to transportation enhancements. This action could be tied to the implementation of district or area branding. These targeted improvements align with URA plan objectives and account for current employment and activity node patterns.</p>	
Implementation Steps/Key Issues	<p>The limited width of the Claggett Creek crossing will pose a challenge for completing streetscape improvements in the vicinity. Significant right-of-way has been purchased for streetscape improvements. Stormwater improvements will be a key consideration and may be able to be incorporated into a stormwater treatment planter. Implementation of this project will likely require a design exception or amendment of the interim street standards found in the City of Salem Transportation System Plan.</p>
Phasing	<p>Short-term. The highest priority improvement is the sidewalk replacement and construction on the east side of Portland Road, followed by the west side sidewalk improvements. Improvements south of Wayside Terrace could be a short term project if URA funds are available.</p>
Public or Stakeholder Outreach Needed	<p>Meetings with private landowners and stakeholders will be necessary to advance this project.</p>
Internal Partners	External Partners
City Public Works	Property owners, bicycle and pedestrian stakeholders
Planning Level Cost	Funding Considerations
<p>\$1.7M (east side) \$1.6M (west side) <u>\$1.2M (Bill Frey)</u> \$4.5M (all)</p>	<p>Potential URA funding, a future streets and bridge bond, and/or grants or other sources.</p>

# Portland Road Streetscape Improvements (South)-ON HOLD

Project Description	Lead
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*Costs and other issues associated with land acquisition, has prompted staff to recommend revisiting this project when adjacent parcels are redeveloped.*

The south Portland Road improvements are focused around the intersection at Lana Avenue. Proposed improvements at Lana Avenue include streetscape improvements along Portland Road, replacing the traffic signal, and providing a diagonal bicycle signal for bicyclists to safely access the proposed multi-use path. Additionally, a “Rapid Flashing Beacon” mid-block pedestrian crossing (location TBD) is proposed between Bill Frey Drive and Lana Avenue. Significant right-of-way has already been purchased that can be used for streetscape improvements. More detailed information on this project can be found in Appendix E: Transportation Background Summary.



City of Salem

## Rationale

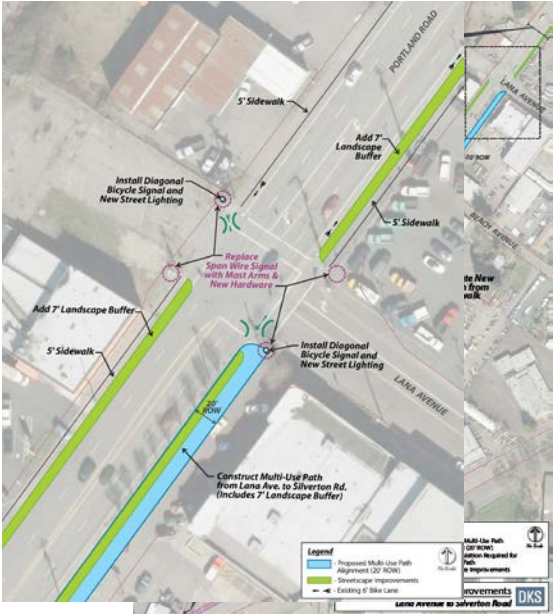
General feedback received suggested a desire for more trees and improved streetscape connected to transportation enhancements. These improvements should be coordinated with the construction of the desired pedestrian and bicycle improvements in conjunction with the “Alternative Bike Connection for Portland Road at the Railroad Undercrossing” project. These targeted improvements align with URA plan objectives.

<b>Implementation Steps/Key Issues</b>	<ul style="list-style-type: none"> <li>• Identify stormwater management needs, including possibilities for stormwater improvements to be incorporated into planters.</li> <li>• Pursue partnerships with Friends of Trees and others who are already active in the area to target plantings in the area.</li> <li>• Implementation of this project may also require a design exception or amendment to the City of Salem Transportation System Plan.</li> </ul>
<b>Phasing</b>	<p>On hold. Long-term, as needed to support redevelopment. Because of costs and other issues associated with land acquisition, this project should be revisited when adjacent parcels are redeveloped, in conjunction with the multi-use path.</p>
<b>Public or Stakeholder Outreach Needed</b>	<p>Meetings with private land owners and stakeholders will be necessary to advance this project.</p>
<b>Internal Partners</b>	<b>External Partners</b>
City Public Works	TBD

Planning Level Cost	Funding Considerations
\$900,000	Potential URA funding, a future streets and bridges bond, and/or grants or other sources.

# Alternate Bike Connection at Railroad Overcrossing –ON HOLD

Project Description	Lead
<p><i>Costs and other issues associated with land acquisition, has prompted staff to recommend revisiting this project when adjacent parcels are redeveloped and when additional information is available on the potential usage of the facility (to better understand the benefits versus costs).</i></p> <p>The Portland Road Railroad Undercrossing is a significant barrier to pedestrian and bicycle travel. A proposed multi-use path would provide pedestrians and cyclists with an alternative to riding or walking with traffic on Portland Road or traveling through the narrow pathway. The project would entail purchasing right-of-way from private properties and building a mixed-use path parallel to Portland Road and the railroad tracks that connects to Silverton Road just north of the Portland Road/Silverton Road intersection. More detail on this proposal can be found in Appendix E: Transportation Background Summary. Due to the significant cost and unknown number of users, the project is not recommended at this time.</p>	<p>City of Salem</p>



## Rationale

The Railroad Undercrossing continues to limit pedestrian and bike connectivity in the North Gateway area. Stakeholders requested that the City to consider an alternative route to avoid the undercrossing. An alternative bicycle/pedestrian connect is consistent with URA Plan objectives.

<p><b>Implementation Steps/Key Issues</b></p>	<ul style="list-style-type: none"> <li>• The shared use path would require right of way acquisition from private properties and approval from the railroad operator.</li> <li>• Investigate creative solutions to minimize impacts to adjacent businesses.</li> <li>• Explore whether implementation of this project requires a design exception or amendment to the City of Salem Transportation System Plan.</li> </ul>
<p><b>Phasing</b></p>	<p>On hold. Long-term, after redevelopment and further study. Because of costs and other issues associated with land acquisition, this project should be revisited when adjacent parcels are redeveloped or when additional information is available on the potential usage of such a facility (to better understand the potential benefits vs. costs).</p>
<p><b>Public or Stakeholder Outreach Needed</b></p>	<p>Meetings with private land owners, the railroad, and stakeholders will be necessary to advance this project.</p>
<p><b>Internal Partners</b></p>	<p><b>External Partners</b></p>
<p>City Public Works</p>	<p>Union Pacific Railroad, property owners, bicycle and pedestrian stakeholders</p>
<p><b>Planning Level Cost</b></p>	<p><b>Funding Considerations</b></p>

\$5.0M	Potential URA funding, a future streets and bridges bond, and/or grants or other sources.
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# Appendix B: Opportunities and Needs Report



DATE: May 19, 2015

ECO Project #: 21497

TO: Annie Gorski, City of Salem

FROM: Lorelei Juntunen and Emily Picha

SUBJECT: PORTLAND ROAD CORRIDOR - OPPORTUNITIES AND NEEDS ASSESSMENT

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## Background and Purpose

The Portland Road Corridor Action Plan is an approximately nine month-long process that will identify implementation actions for the Portland Road Corridor (the Corridor) that can help to support new development, including funding and financing techniques, public-private partnerships, and strategic use of urban renewal dollars. On October 10, 2014, Agency Board member Dickey initiated a motion directing staff to create an investment strategy for the Corridor, "that prioritizes the use of funds on opportunities that maximize private investment, job creation, and economic vitality in the area and leverages other local, state, and federal resources."

Salem's Urban Renewal Agency adopted *the North Gateway Urban Renewal Area Plan* in 1990. Since its adoption, it has been amended 13 times for the purpose of adding and modifying projects listed in the Plan. The mission for the North Gateway URA, as identified in the Plan, is to: *Eliminate blight and depreciating property values and in the process, attract aesthetically pleasing, job producing private investments and public improvements that will improve and stabilize property values and create a healthy and visually attractive northern gateway to Salem, without creating a net loss of housing units over the life of the Plan.*

The purpose of this memorandum is to provide an assessment of the existing market base and potential opportunities for redevelopment in the Corridor. The assessment is based on existing research and new analysis and describes the competitive advantages and disadvantages of the area. The research and analysis will help identify strategies for overcoming major barriers to the area's redevelopment. The report has two parts:

### *Part 1: Market Assessment*

- **Identify future demographic trends** in the City of Salem that will affect market feasibility for different development types in the study area (over the next 20 years).
- **Describe current development trends**, including market conditions for different uses and retail concentration in the study area.

### *Part 2: Opportunities and Needs*

- **Assess development opportunities** within the Corridor in light of changing or anticipated future development conditions in the area, including specific focus areas.
- **Outline specific barriers** that the City and local stakeholders need to address before new development can happen in the area and tie to next steps in the action plan process.

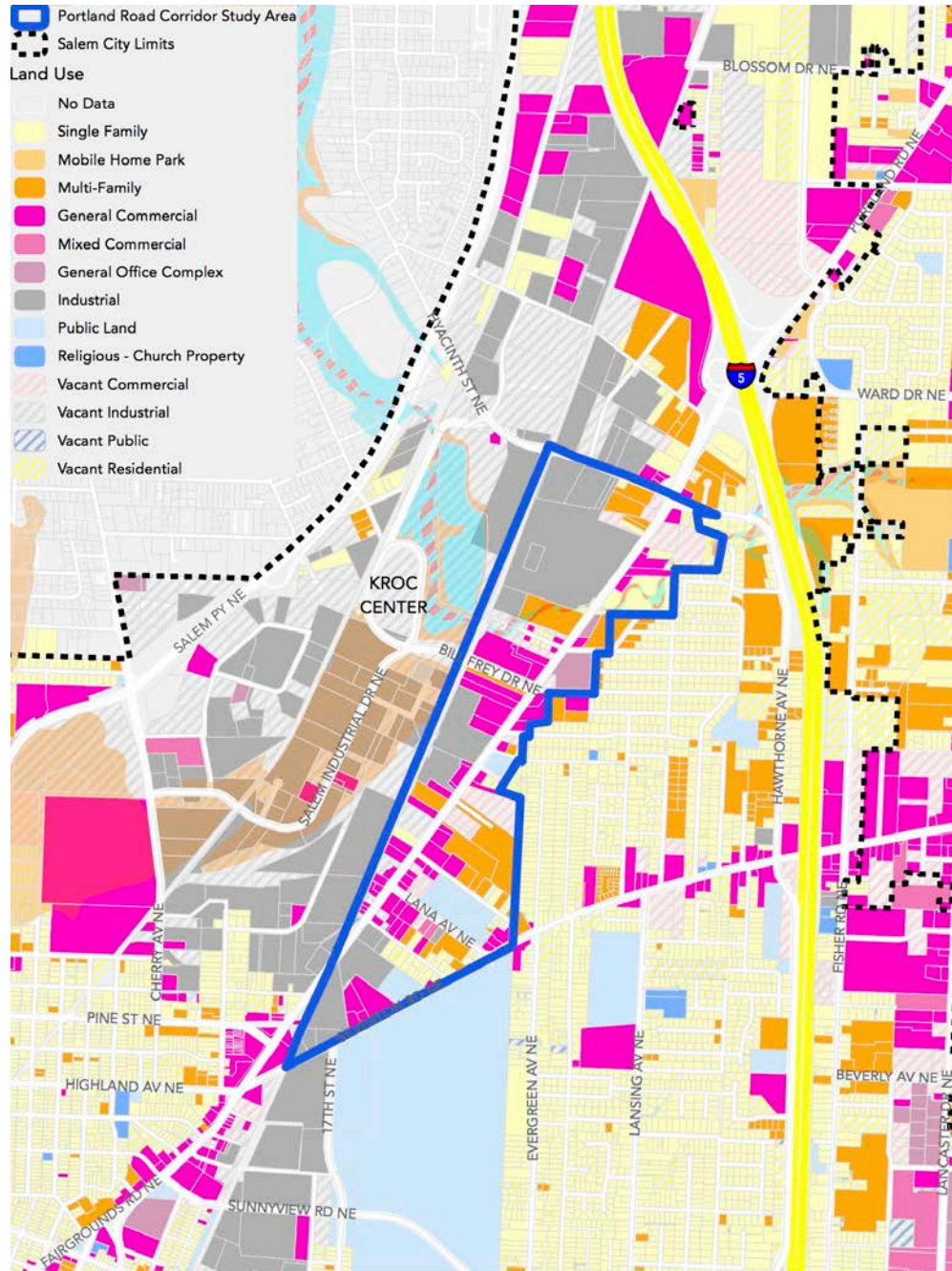
## Part 1: Market Assessment

As the key arterial road in the North Gateway Urban Renewal Area, the Portland Road Corridor (shown in Exhibit 1) runs from Highland Avenue (to the south) to Hyacinth (at the north). The area has a mix of arterial commercial businesses, industrial uses, multifamily units, and vacant land (shown in Exhibit 2). Commercial uses are concentrated near the intersections of Silverton Road and Bill Frey Drive, and include two-story office structures and personal service and retail businesses. The northern end of the study area, near Hyacinth Street, has more multifamily housing development.

EXHIBIT 1. PORTLAND ROAD CORRIDOR STUDY AREA



## EXHIBIT 2. PORTLAND ROAD CORRIDOR LAND USE

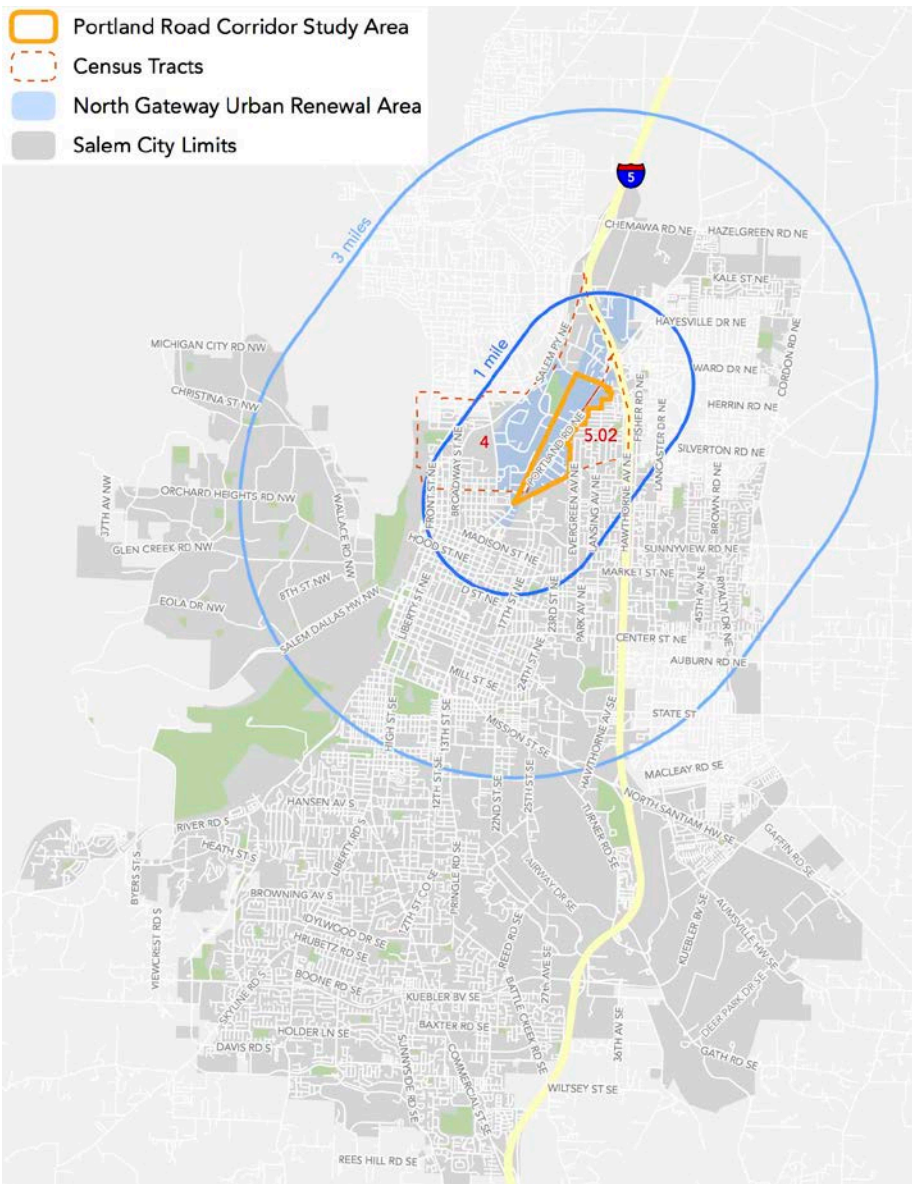


## Research boundaries

In this analysis, we describe the primary study area and compare it to other, larger geographies (shown in Exhibit 3). ECONorthwest used different levels of geography for different components of the market analysis, as shown in the table below.

Section	Boundary Used	Map identification
Demographic conditions analysis	Census tracts that overlapped most closely with the Portland Road Corridor Study area, providing the narrowest description of the study area.	Heavier dashed line encircling the primary study area.
Market conditions analysis	One and three mile buffers around the corridor	Blue lines
	Market areas (from Powell Banz)	Not shown

EXHIBIT 3. STUDY AREA CONTEXT



## Demographic and Socioeconomic Conditions

This section provides an overview of major demographic trends for the study area and comparison geographies. These trends affect demand for different uses in the study area. Unless otherwise noted, this section uses Census American Community Survey (ACS) 5-year estimates (2009-2013) for the Portland Road Corridor and ACS 1-year estimates (2013) for other geographies.

### Population

About 6% of the City's population lives in the Portland Road Corridor.

#### POPULATION, 2013

Source: Census Bureau

<b>10,206</b>	<b>157,770</b>	<b>322,880</b>	<b>3,919,020</b>
Portland Road Corridor	Salem	Marion Co.	Oregon

The Portland Road Corridor's population growth has not kept pace with the City, County, or State.

#### AVERAGE POPULATION GROWTH PER YEAR, 2000-2010

Source: Portland State University, Population Research Center

<b>0.1%</b>	<b>1.1%</b>	<b>1.0%</b>	<b>1.1%</b>
Portland Road Corridor	Salem	Marion Co.	Oregon

Marion County is expected to grow faster than the State of Oregon.

The County will capture 10% of Oregon's population growth by 2035.

#### FORECASTED AVERAGE ANNUAL GROWTH RATE, 2015-2035

Source: City of Salem Housing Needs Assessment, 2014. Population Research Center, Portland State University

<b>Not available</b>	<b>1.25%</b>	<b>1.25%</b>	<b>1.10%</b>
Portland Road Corridor	(59,239 people) Salem	(99,110 people) Marion Co.	(993,600 people) Oregon

### Demographic Trends

The Corridor's population is younger than the City of Salem.

#### POPULATION YOUNGER THAN 30 YEARS, 2013

Source: Census Bureau

<b>54%</b>	<b>44%</b>	<b>43%</b>	<b>38%</b>
Portland Road Corridor	Salem	Marion Co.	Oregon

The Corridor has more Hispanic residents than both Salem and Marion County.

#### PERCENT HISPANIC OR LATINO, 2013

Source: Census Bureau

<b>42%</b>	<b>19%</b>	<b>25%</b>	<b>12%</b>
Portland Road Corridor	Salem	Marion Co.	Oregon

**Education levels are lower in the Corridor.**

**PERCENT OF RESIDENTS 25 YEARS AND OVER WITH A BACHELOR'S DEGREE OR HIGHER, BY GEOGRAPHY, 2013**

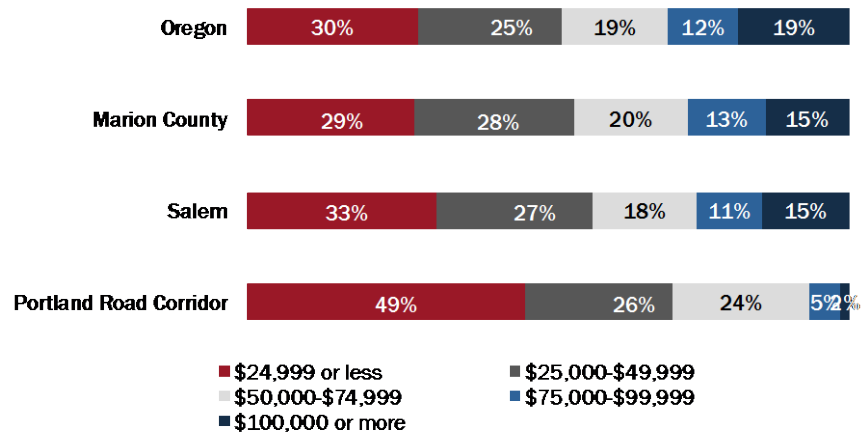


**Incomes are lower and poverty rates are higher.**

Almost half of Corridor residents earn less than \$25,000. 18% of households do not own a car, which is double the City's rate.

**HOUSEHOLD INCOME, 2013**

Source: Census Bureau



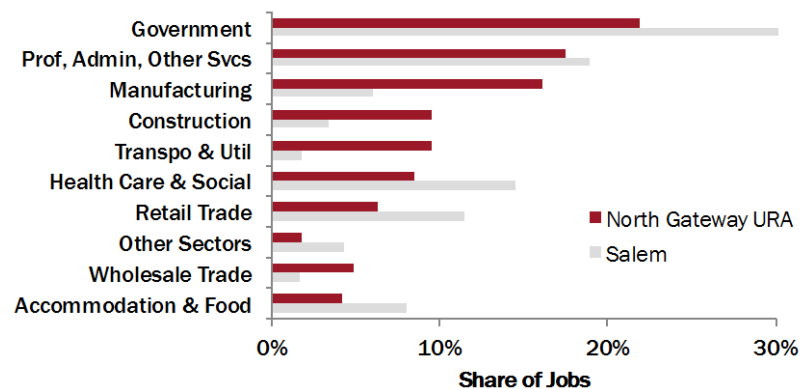
## Employment

**Like other areas of Salem, the largest share of jobs located in the North Gateway Urban Renewal Area are in the government sector.**

Major government employers include the Department of Motor Vehicles and the State Division of Child Support.

**PERCENT OF TOTAL EMPLOYMENT BY EMPLOYMENT SECTOR, 2013**

Source: Quarterly Census of Employment, 2013

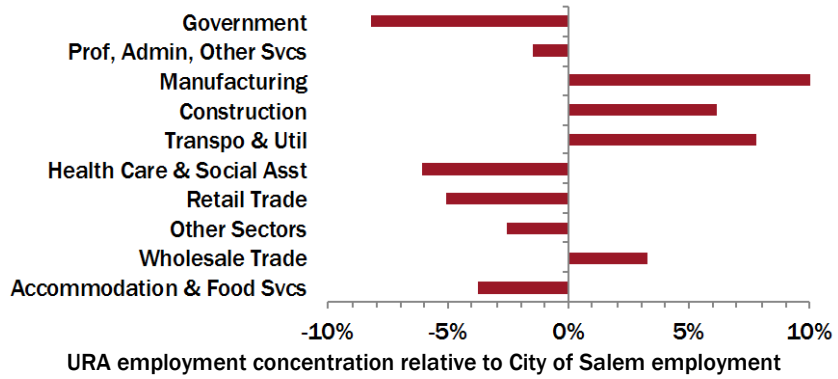


**The Corridor is a key industrial area for the City of Salem.**

The Corridor has a larger concentration of manufacturing, construction, transportation, and wholesale trade jobs than the City of Salem. Manufacturing makes up 16% of the area's employment.

**PERCENT OF TOTAL EMPLOYMENT BY EMPLOYMENT SECTOR RELATIVE TO SALEM, NGURA, 2013**

Source: Quarterly Census of Employment, 2013



**NORTH GATEWAY URA EMPLOYMENT SUMMARY, 2013**

Source: Quarterly Census of Employment, 2013

	Establishments	Number	% of Total	Avg Pay per Employee
Accommodation & Food Svcs	22	190	4%	\$14,173
Wholesale Trade	23	220	5%	\$52,239
Other Sectors	13	267	6%	\$33,623
Retail Trade	36	285	6%	\$29,401
Health Care & Social Assistance	17	383	8%	\$27,071
Transportation & Utilities	18	430	9%	\$42,439
Construction	23	431	9%	\$46,369
Manufacturing	32	727	15%	\$33,287
Prof, Admin, Other Services	61	787	17%	\$35,226
Government	13	989	21%	\$45,114
<b>TOTAL</b>	<b>252</b>	<b>4,523</b>	<b>100%</b>	<b>\$172,574,759</b>

# Market Conditions

In this section, we describe the existing conditions for residential, industrial, and commercial uses in and near the study area. The analysis provides insight into existing supply and potential demand for different land uses and redevelopment opportunities.

## Real Estate Terms

- Vacancy rate** All the available space for lease divided by the total space in the defined market. This gives a quick sense of whether it is a landlord or tenant’s market. It is often an indicator for developers of when to enter or exit a market. Higher vacancy rates means it takes longer for property owners to lease-up buildings.
- Absorption** The number of properties that have been leased or sold (absorbed) within a defined period. The absorption rate divides available properties by the absorbed properties.
- Asking rent** The dollar amount the lessor is asking for in order to lease their building/space/land. It is represented as an annual or monthly amount depending on the area where the property is located. Most markets reflect an annual amount while some markets use a monthly amount.

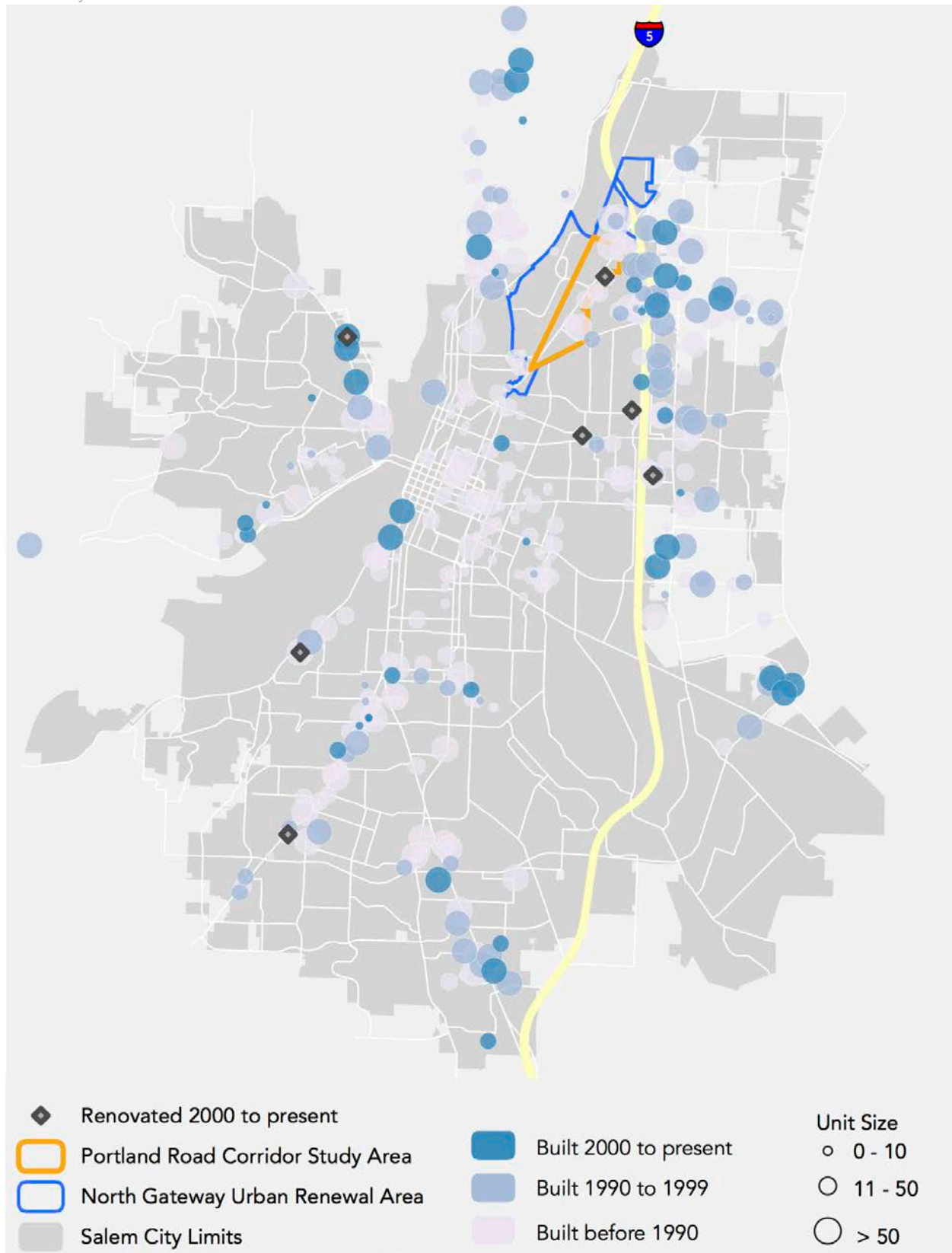
## Multifamily Residential

Most new development of multifamily residential in north Salem has occurred east of the study area close to Lancaster Road. Development trends in multifamily are shown in Exhibit 4.



### EXHIBIT 4. MULTIFAMILY APARTMENTS BY YEAR BUILT, CITY OF SALEM

Source: City of Salem GIS and CoStar.

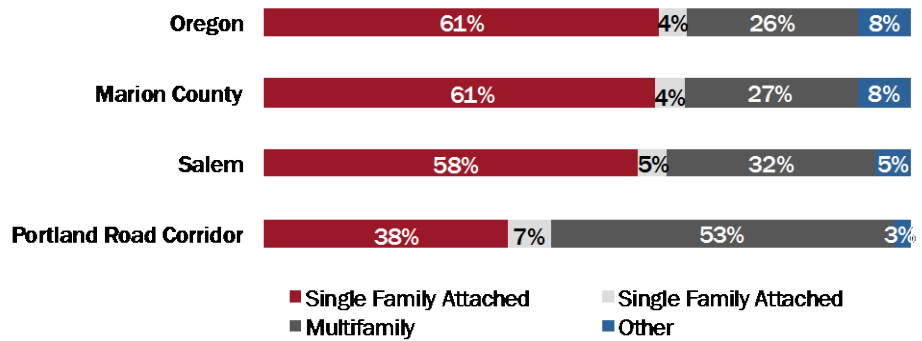


**The Corridor has a greater mix of unit types than elsewhere in Salem.**

There are 2,000 multifamily units in the area, comprising over half of the Corridor's units.

**MIX OF EXISTING HOUSING TYPES, 2009-2013**

Source: U.S. Census



**Only about a quarter of residents in the Corridor own their homes.**

**PERCENT OF HOMES THAT ARE OWNER-OCCUPIED, 2013**

Source: U.S. Census

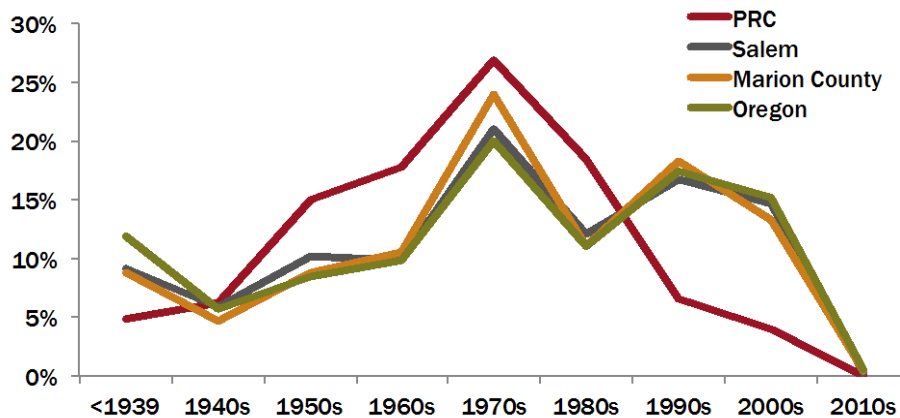


**The area has seen little new housing investment over the past 25 years.**

Over 70% of housing units were built before 1980, compared with 56% of the City of Salem's housing stock.

**HOUSING STOCK BY YEAR BUILT, EXISTING UNITS, 2013**

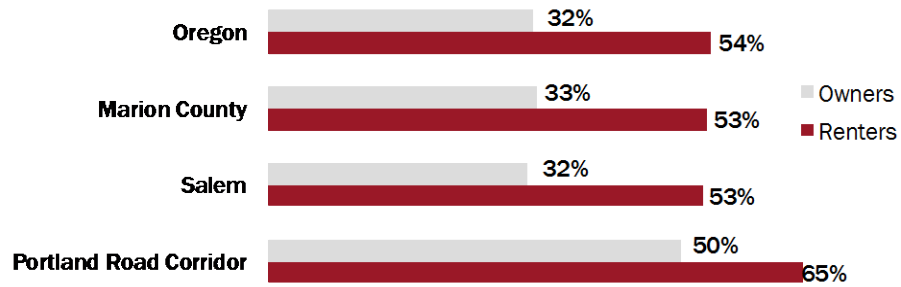
Source: U.S. Census



Almost two thirds of renters in the Corridor are cost burdened.

**PERCENT OF OWNERS AND RENTERS PAYING MORE THAN 30% OF THEIR INCOME IN HOUSING COSTS, 2013**

Source: U.S. Census



Multifamily properties within a mile of the Corridor have a lower vacancy rate than Salem averages.

**MULTIFAMILY INDICATORS, 1<sup>ST</sup> QUARTER OF 2015**

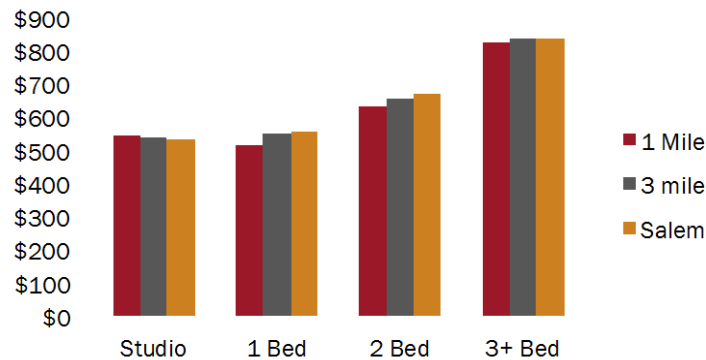
Source: Costar

	1 mile	3 mile	Salem
Existing units	4,375	14,665	19,553
Vacancy rate	3.2%	3.4%	4.0%
Under Construction	0	100	180
<b>Asking Rents</b>			
Studio Asking Rent	\$607	\$585	\$581
1 Bed Asking Rent	\$562	\$605	\$610
2 Bed Asking Rent	\$693	\$723	\$734
3+ Bed Asking Rent	\$908	\$917	\$931

Average asking rents are lower in or near the Corridor.

**AVERAGE RENTAL RATES BY UNIT TYPE (5-YEAR AVERAGE 2009-2014)**

Source: Costar

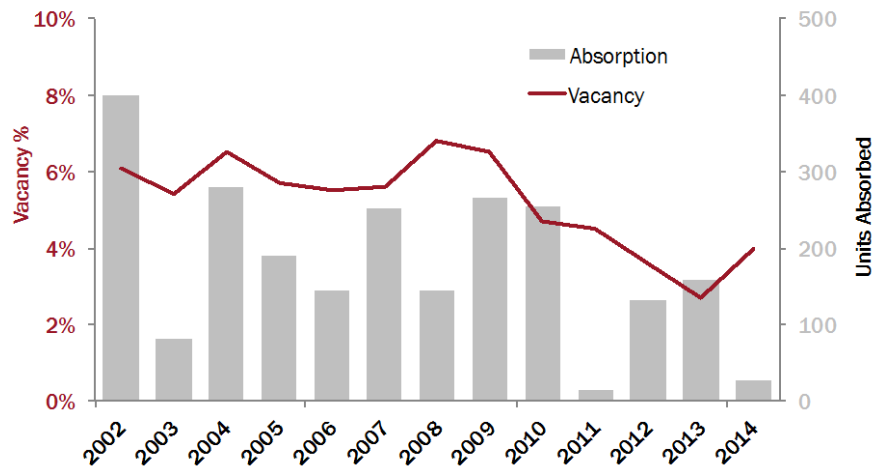


**Apartment vacancy rates in Salem decreased to 4% in 2014.**

Low vacancy rates have triggered apartment construction. Marion County has grown by 2.4% since 2010, which contributes to the steady decrease in vacancy rates.

**MULTIFAMILY ABSORPTION AND AVERAGE ASKING RENT IN SALEM MARKET, 2002-2014**

Source: Costar

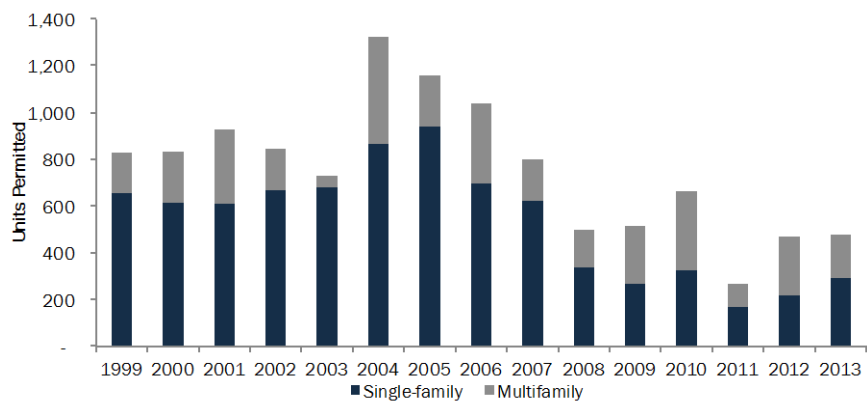


**Housing development has slowed since the peak in 2004.**

In 2013, 474 units were permitted within the City.

**UNITS PERMITTED IN THE CITY OF SALEM, 1999-2013**

Source: City of Salem



**Short-Term Outlook**

The recent decrease in apartment vacancies may reflect the more stringent lending practices that banks must now follow, and the overall increase in renters after the housing bubble in 2008. However, given the potential new development in the Salem area, Chris Fischer from Sperry Van Ness estimated between 600 to 900 apartment units were in the construction pipeline, denoting that they were in the design or permitting phase.<sup>1</sup>

**Long-Term Outlook**

The projected population growth in the City of Salem between 2015 and 2035 is just under 60,000, according to the City’s 2013 Housing Needs Assessment. In the same period, Salem will need to find land to accommodate over 8,000 multifamily units, which will comprise over one-

<sup>1</sup> Salem Real Estate Market Gains Momentum. Feb. 2, 2014. Statesman Journal. <http://www.statesmanjournal.com/story/news/2014/02/20/salem-real-estate-market-gains-momentum-in-2013/5666823/>

third of new housing units by 2035. The 2013 HNA estimates that Salem has a deficit of land in the multifamily residential zoning designation. The City will need to find strategies to accommodate an additional 207 acres of multifamily housing, including by re-zoning land.

There is currently one large, vacant 14-acre site on Portland Road. Given its size, the site could accommodate new multifamily development in addition to other uses. Beyond this property, there are limited large-scale vacant lands that could accommodate new multifamily development. New housing in the area is likely to be located in the southern portion of the corridor closer to downtown. There will likely also be renovation or redevelopment of existing multifamily complexes along the corridor, especially if demand remains strong for multifamily housing. Given the relatively lower incomes in this area, there will be a need for housing at affordable price points along the Portland Road Corridor.

## Commercial

Portland Road is home to several strip commercial uses, including car dealerships, retail businesses, and office buildings. Exhibit 5 shows that the commercial development (office and retail) on the Corridor is concentrated along Portland Road and is older than development in other areas of Salem.

## Office

Salem’s office development is concentrated in South and East Salem. These areas contain over 40% of the total office space within the City, according to Powell Banz, a Salem-based valuation firm.<sup>2</sup> The Portland Road Corridor does not have a strong competitive advantage for new office development that is not already associated with industrial uses. Office developments are divided into three classes that attract different types of tenants with different levels of rent.

### OFFICE CLASSIFICATIONS

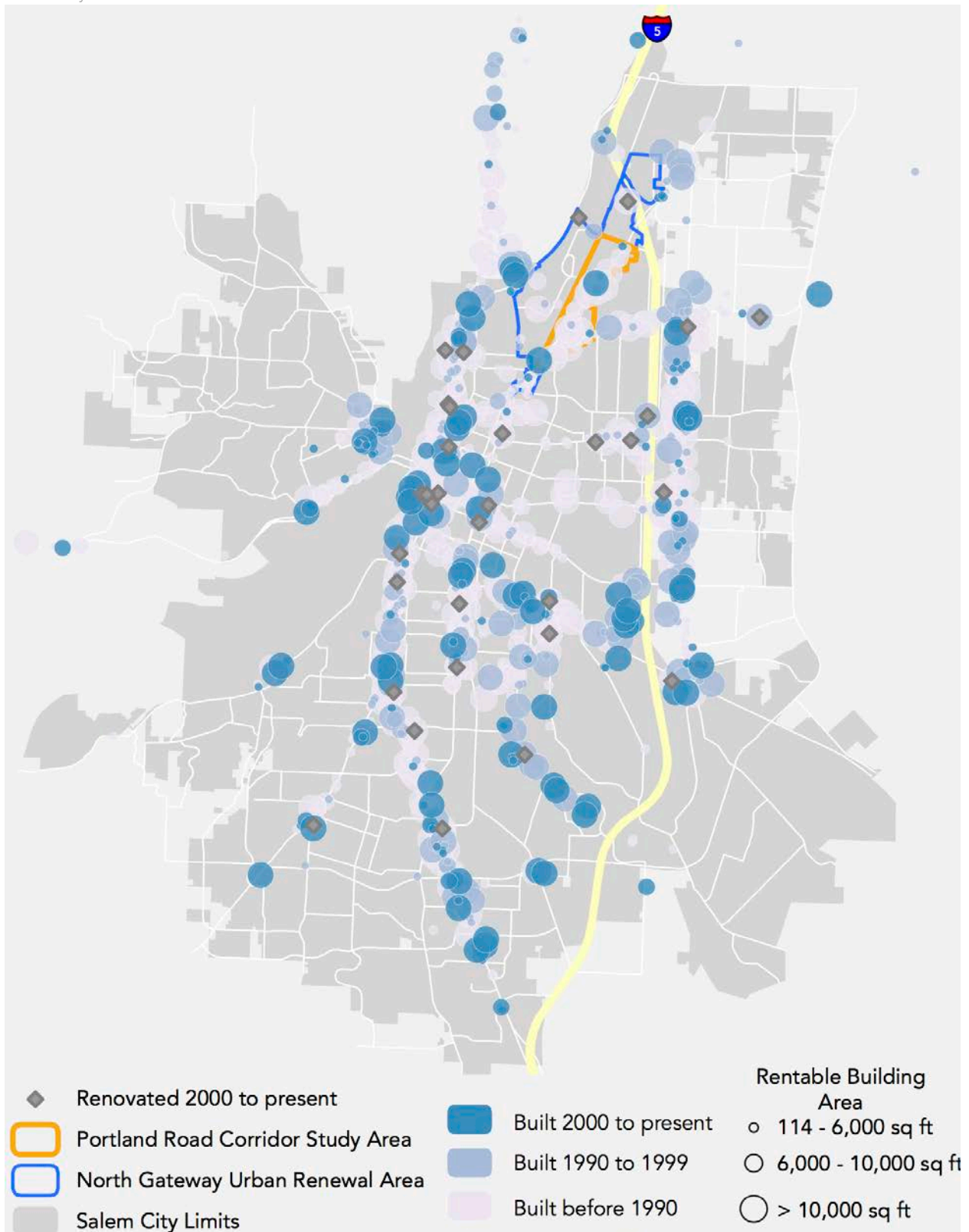
Source: BOMA. <http://www.boma.org/research/Pages/building-class-definitions.aspx>

	Class A	Class B	Class C
Tenants	Premier office users with rents.	Range of users	Require low-cost, functional space
Amenities	High-quality standard finishes; state-of-the-art systems; exceptional location.	Fair to good finishes and systems for the area.	Usually no elevator and older finishes; often less desirable location.
Rents	Above average	Average	Below average

<sup>2</sup> Due to the challenges associated with data collection, the analysis of office market trends included in this report is based on data from CoStar and Powell Banz Valuation. These companies offer separate surveys of market conditions in the commercial real estate market, but do not have consistent geographies. ECONorthwest used Costar data for existing rent data and absorptions, but the vacancy data were not reliable. ECONorthwest used Powell Banz Valuation survey data from 2014 to illustrate recent office vacancies in different Salem submarkets.

**EXHIBIT 5. COMMERCIAL (RETAIL/OFFICE) DEVELOPMENT BY YEAR BUILT, CITY OF SALEM**

Source: City of Salem GIS and CoStar.



Office rents are lower within one mile of the corridor, at \$11.92 PSF.

### OFFICE INDICATORS, FEBRUARY 2015

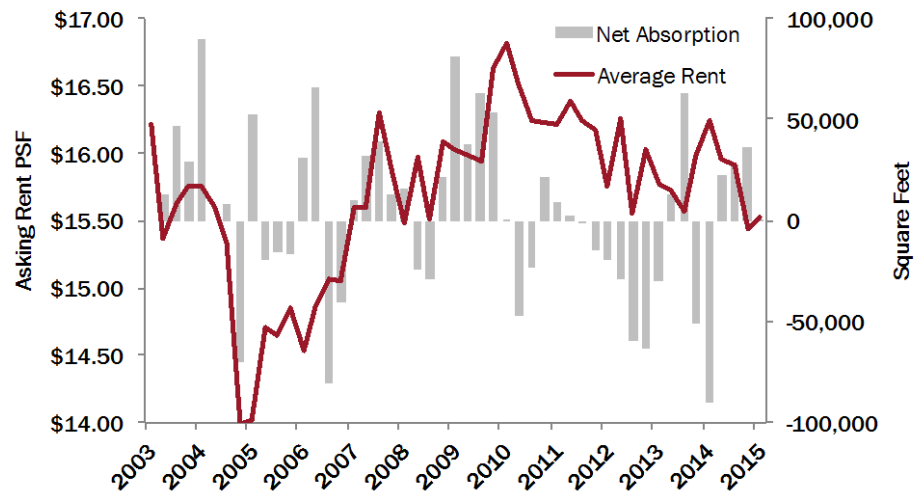
Source: CoStar

	1 mile	3 mile	Salem
Existing SF	1,429,257	7,115,446	8,744,420
Vacant SF	223,445	745,732	856,256
Asking Rents	\$11.92	\$14.87	\$15.43

Since 2011, average office rents in the City of Salem have fluctuated between \$15.50 and \$16.25 PSF.

### ABSORPTION AND AVERAGE ASKING RENT IN SALEM OFFICE MARKET, 2003-2015

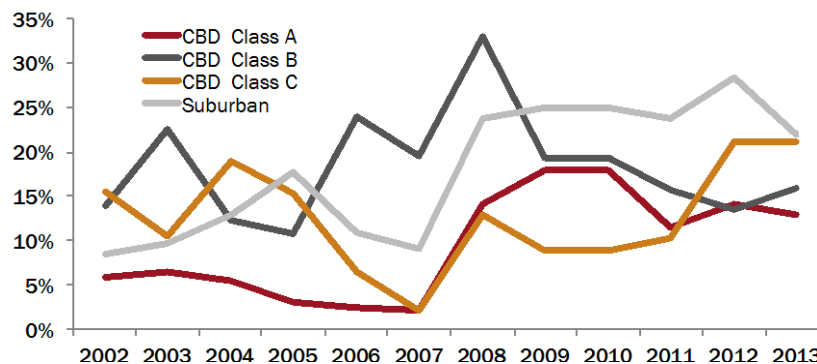
Source: CoStar



Class B and C spaces have had higher vacancy rates than Class A spaces in the Salem Market. Since 2011, Class A and B vacancy rates have decreased.

### VACANCIES IN SALEM OFFICE MARKET, 2003-2015

Source: Powell Banz Valuation Annual Report (2013). <http://www.powellbanz.com/>



### Short-Term Outlook

New office development is not likely to occur in these areas in the short term. Between the first quarter of 2013 and the first quarter of 2015, the total square feet of rentable building area in the City of Salem has only increased by 85,000 square feet, according to Costar.

### Long-Term Outlook

The Portland Road Corridor is not likely to be a growth area for office development, since there are competing areas that offer more amenities and better proximity to downtown Salem. The area could accommodate office users who wish to be close to existing or future industrial uses.

### Retail

There are around 2 million square feet of retail space within one mile of the Portland Road Corridor, which is the equivalent of about three Salem Centers (650,000 square feet).

**Average asking rents are lower than Salem averages near the Corridor.**

There are 93,000 vacant square feet.

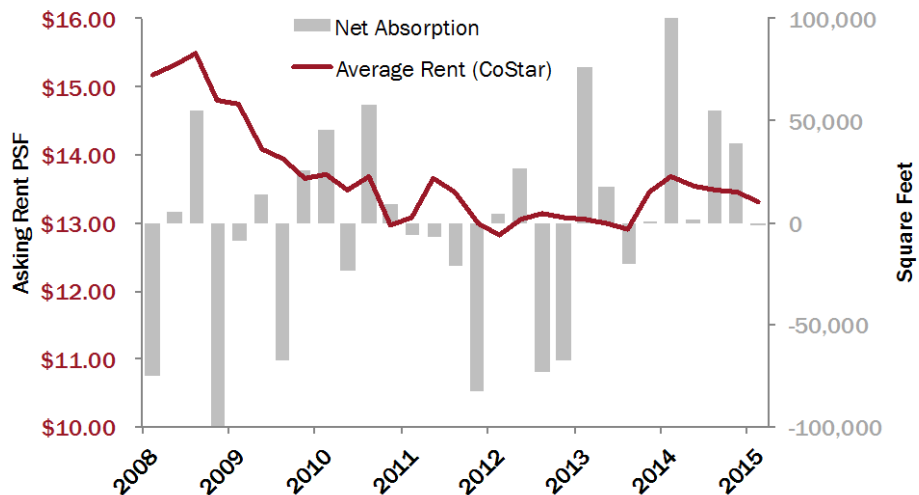
RETAIL INDICATORS, FEBRUARY 2015

	1 mile	3 mile	Salem
Existing SF	2,100,000	11,700,000	13,500,000
Vacant SF	92,831	595,606	662,189
Asking Rent PSF	\$10.93	\$12.80	\$13.45

**Retail rents in Salem peaked in 2008 and have since leveled off at \$13.30 PSF.** Rents in the 1-mile study area were lower at \$10.90 PSF.

ABSORPTION AND AVERAGE ASKING RENT IN SALEM RETAIL MARKET, 2003-2015

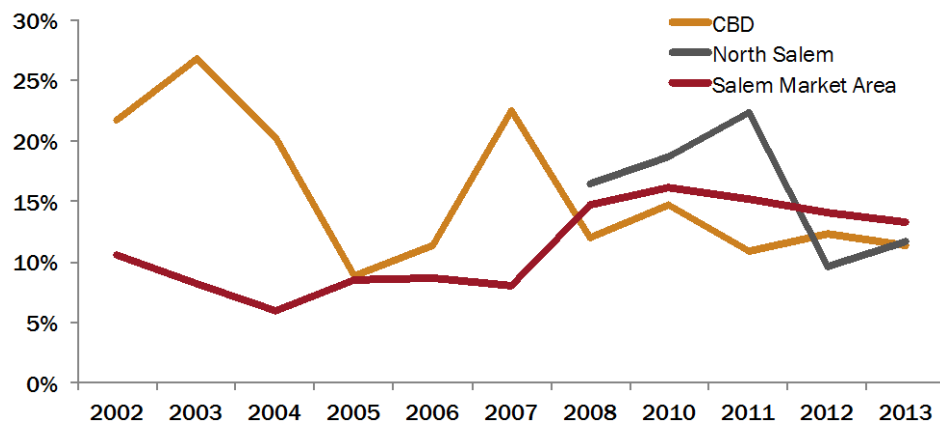
Source: CoStar



**Retail vacancies have increased in the Salem market area since 2004.** In 2013, vacancies were 13.2%, above a healthy vacancy rate of 8-10%.

VACANCIES IN SALEM RETAIL MARKET, 2003-2015

Source: Powell Banz Valuation Annual Report (2013). <http://www.powellbanz.com/>





### Retail Leakage analysis

A retail leakage analysis can provide some limited information about the types of new businesses and services the area could support. Within one mile of the Portland Road Corridor, retailers have around \$336 million in sales, more than half of which is focused on motor vehicles/parts and building materials. Residents of the Corridor spend about \$147 million on goods and services. Exhibit 6 shows the local demand as a percent of local sales. The Portland Road Corridor has a deficit in supermarkets, general merchandise stores (i.e. Fred Meyer), and limited-service restaurants (in which patrons generally order and pay before eating). In addition, specialty foodservices (i.e., bakeries) and full-service (sit down) restaurants have very small gaps. At the same time, the area has more bars and liquor stores than local residents demand.

**EXHIBIT 6. RETAIL OPPORTUNITIES WITHIN ONE MILE OF PORTLAND ROAD, 2015**

Source: Nielsen Claritas

Retail Stores	Local Demand as a % of Local Sales	Opportunity Gap (Expenditures-Sales)	
<b>Motor Vehicle &amp; Parts Dealers</b>	<b>17%</b>	<b>(113,232,552)</b>	
<b>Furniture &amp; Home Furnishings</b>	<b>53%</b>	<b>(2,135,183)</b>	
<b>Electronics &amp; Appliances</b>	<b>40%</b>	<b>(3,853,790)</b>	
<b>Building Material, Garden Equipment</b>	<b>22%</b>	<b>(45,517,467)</b>	
<b>Food &amp; Beverage</b>	<b>63%</b>	<b>(13,594,067)</b>	
Supermarkets	139%	4,024,708	
Convenience Stores	8%	(12,125,083)	Red denotes where people are leaving the corridor to shop.
Specialty Food	112%	205,541	
Beer, Wine & Liquor	49%	(5,699,234)	
<b>Health &amp; Personal Care</b>	<b>89%</b>	<b>(872,438)</b>	
<b>Gasoline Stations</b>	<b>73%</b>	<b>(5,904,627)</b>	
<b>Clothing &amp; Clothing Accessories</b>	<b>77%</b>	<b>(1,946,617)</b>	
<b>Sporting Goods, Hobby, Book, Music</b>	<b>47%</b>	<b>(3,267,722)</b>	
<b>General Merchandise</b>	<b>302%</b>	<b>13,053,650</b>	
<b>Miscellaneous Retailers</b>	<b>75%</b>	<b>(1,258,150)</b>	
<b>Foodservice &amp; Drinking</b>	<b>127%</b>	<b>3,293,403</b>	
Full-Service Restaurants	107%	438,281	
Limited-Service Eating Places	209%	3,246,284	Black denotes where people are coming to the corridor to shop.
Specialty Foodservices	145%	532,921	
Drinking Places (bars)	39%	(924,083)	
<b>Total Retail Sales &amp; Eating, Drinking</b>	<b>44%</b>	<b>(188,957,743)</b>	

Note: Research boundaries for this table were limited to one mile radius of the Epping Property at 3350 Portland Rd. NE.

### Short-Term Outlook

Retail demand in the Portland Road Corridor comes from existing market area households, employees, and those that pass through the area on a regular basis. There are some opportunities for new retail in the area if it can be clustered strategically and build upon existing investments. Local real estate professionals said that the biggest gap that this area could fill would be space priced at \$6-8 PSF with more amenities than industrial spaces (\$4 PSF) but without the higher rents of retail commercial spaces (\$13 PSF). Low rent uses often choose between locating in a retail storefront or an industrial space. These includes uses such as gyms, workshops, and small-scale food manufacturing with a retail component.

## Long-Term Outlook

According to Salem’s 2013 Economic Opportunities Analysis, there is a 271-acre deficit of land for expected commercial growth. There have not been discussions to date about converting land to commercial uses, but there are currently users within the Portland Road area who use industrial buildings for non-industrial purposes. The City could allow limited flexibility for an expanded set of uses in certain industrial areas, especially those with good access to transit. With additional population growth, the Portland Road Corridor could see new opportunities for small-scale retail businesses, especially to the south closer to Silverton Road. The community has expressed interest in seeing a grocery store along Portland Road, as the closest grocery stores are a few miles away (across I-5 or closer to downtown). Though the 14-acre Epping Property in particular saw some interest from grocery stores in the early 2010s, there has been little activity since, according to the broker. Without additional population growth and street traffic, new food retailers are unlikely to locate in the Portland Road Corridor without new incentives. Part 2 will discuss potential strategies for attracting more food retailers.

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The EOA recommends the following strategies for meeting future commercial land needs: zoning land for retail uses in or near neighborhoods; encouraging the redevelopment of existing commercial areas; encouraging higher density office or mixed-use development in downtown or other employment areas; redesignating some lands to commercial designations.

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## Industrial/Flex

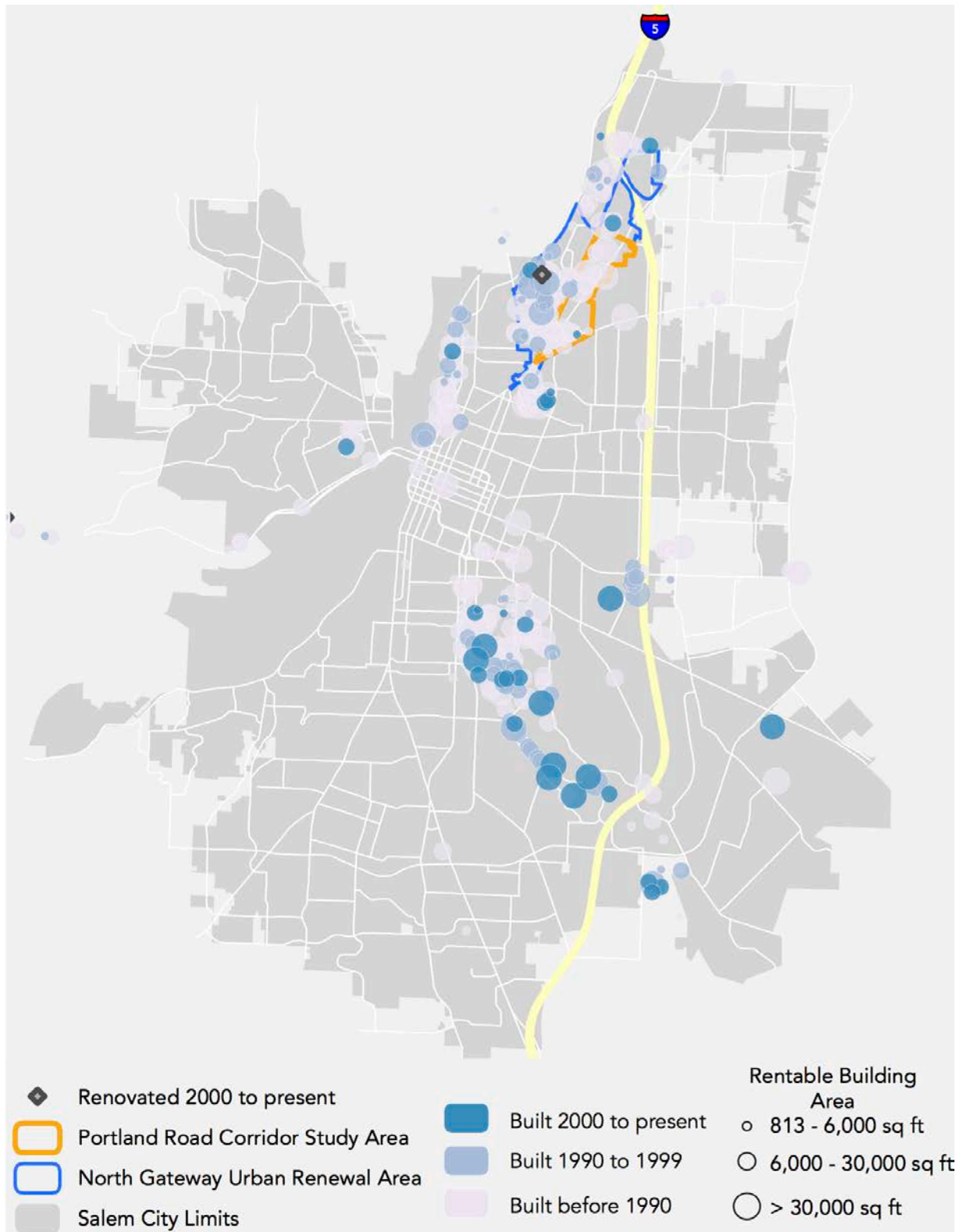
Industrial firms have particular needs that make some sites more suitable than others. The relative importance of each need depends on the firm, but the basic needs include the following:

- **Transportation access.** Access to major transportation routes is essential for distribution facilities as well as firms that see trucks bringing inputs to the facility and shipping product out of the facility.
- **Utilities.** Industrial facilities require consistent delivery of electricity, water, sanitary sewer, and stormwater services. Many firms also need good telecommunications service.
- **Topography.** Industrial firms typically prefer level sites with adequate drainage to avoid standing water.
- **Lot size.** Many firms need large parcels.
- **Zoning.** An industrial facility must locate where it is legally allowed. Appropriately zoned land ensures the firm can be a good neighbor and conflicts of use can be minimized.

Exhibit 7 shows the pattern of industrial development in the City of Salem. Most spaces in the Portland Road Corridor and North Gateway Urban Renewal Area were built before 1999. Newer industrial/flex development and business expansions have occurred south of downtown near the Salem Airport, including in the Fairview Urban Renewal Area.

## EXHIBIT 7. INDUSTRIAL DEVELOPMENT BY YEAR BUILT

Source: Costar



Rental rates are higher closer to the study area.

#### INDUSTRIAL INDICATORS, FEBRUARY 2015

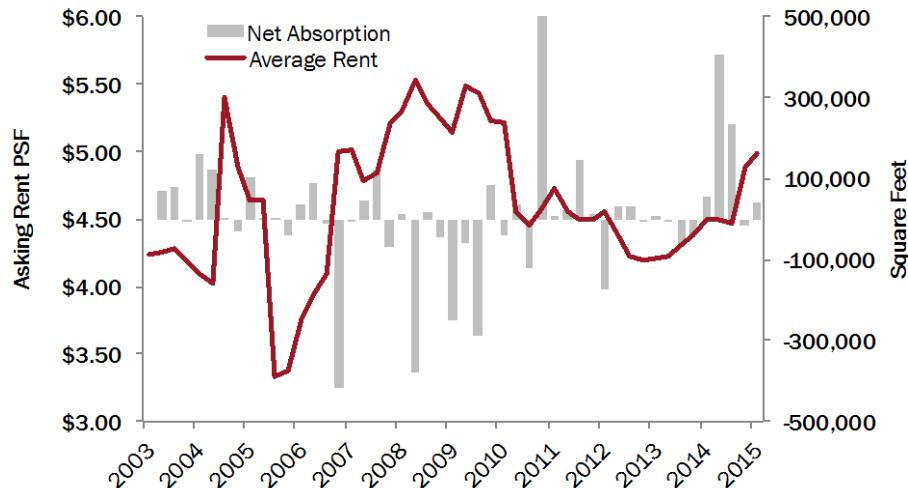
Source: Costar

	1 mile	3 mile	Salem
Existing SF	5,623,039	9,816,411	15,186,287
Available SF	403,368	911,740	978,442
Asking rents PSF	\$5.60	\$4.84	\$4.89

Many spaces vacated between 2007 and 2010, but the area has seen recent absorption in 2014 that has led to an uptick in rental rates.

#### ABSORPTION AND AVERAGE ASKING RENT IN SALEM INDUSTRIAL/FLEX MARKET, 2003-2015

Source: Costar



#### Short-Term Outlook

With more limited available land, the Portland Road Corridor has not seen the same level of new investment in industrial spaces as other areas of Salem. At the same time, rents in the area remain competitive with the rest of the region, a sign that the area has desirable spaces with good access to major transportation routes.

#### Long-Term Outlook

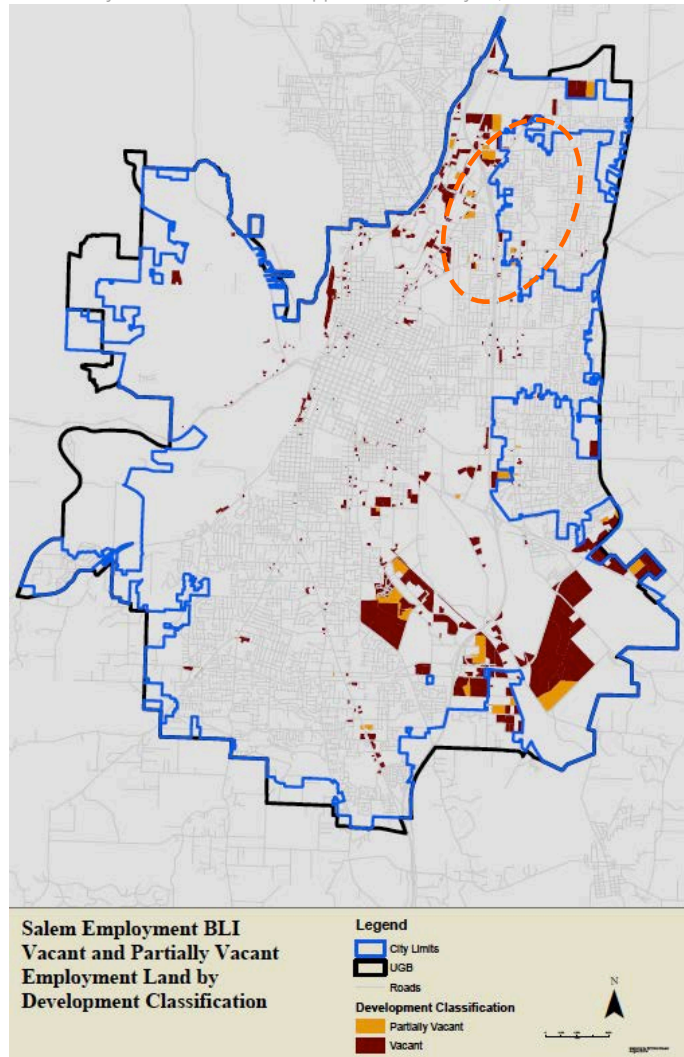
According to Salem’s 2013 Economic Opportunities Analysis (EOA), the City has enough land for industrial growth over the next 20 years. Industrial sites within the Portland Road Corridor will continue to provide critical land for employment uses within the City.

While most of the larger industrial sites that would be attractive to traded sector companies are concentrated in South Salem, the Portland Road Corridor has a number of smaller vacant or underutilized employment lands, shown in the hashed orange circle in Exhibit 8. These sites could accommodate smaller-scale industrial uses that value the area’s location and access. The EOA recommended that Salem “manage its high value industrial land base to ensure future opportunities for high wage employment growth and to protect against conversion of high value industrial land to other uses.” Conversations with local real estate professionals about industrial space indicated that Portland Road could accommodate the following industrial development types:

- **Small-scale flex space.** There is high demand for industrial/flex spaces that are 1,000-2,000 square feet with good freeway access and a grade-level loading door. Going rates for these spaces are \$0.35 to \$0.55 per square foot (\$4.20-\$6.60 per year, higher for smaller spaces).
- **Commercial kitchen space.** There is interest in commercial kitchen space that can be rented out on a monthly basis by food entrepreneurs that could also include a retail component. An example of this type of space is the Pitman Building in Portland’s Central Eastside Industrial Area, where there are seven commercial kitchens occupied by commercial food production companies with 3 to 10 employees each.
- **Cold storage and distribution.** Local agricultural economy is interested in more cold storage opportunities than are divisible. Portland Road’s highway access also makes it a desirable location for distribution businesses, especially since the trucking hour regulations recently changed.

**EXHIBIT 8. VACANT AND PARTIALLY VACANT LAND, CITY OF SALEM**

Source: City of Salem Economic Opportunities Analysis, 2013.



## Part 2: Opportunities/Needs

The section summarizes opportunities, challenges, and development needs for the Portland Road Corridor for residential, commercial, and industrial development types.

### Policy Context

This area has been the subject of numerous planning efforts in the past. Exhibit 9 summarizes related plans for the area. **Appendix B** has a full description of these relevant planning efforts.

#### EXHIBIT 9. PORTLAND ROAD CORRIDOR PLANNING CONTEXT

Source: City of Salem

Plan	Year Adopted	Outcome
Kroc Center Access Study	2013	Near-term recommendation for the construction of a new bridge over Claggett Creek and a new bike/pedestrian path through a conservation easement.
Safe Routes to School Action Plan for Hallman Elementary	2009	Helps to assist in the application for grant funding, identifies four sidewalk projects to increase students' ability to safely walk to school.
City's Sewer/Stormwater Master Plan	2000, update pending	Does not identify many needs in the area, but it identifies upgrades to main water pipelines that distribute water through the area but would not result in service improvement to water users. The plan also includes an upgrade of an area's private water supply and septic system.
Goodwill Master Plan	2003	Identified a vision for mixed-use redevelopment of the former 6-acre Goodwill site. This resulted in the Hollywood Station Development, with 10,000 square feet of commercial uses and 12 townhomes.
Salem Industrial/Northgate Area Local Area Circulation Study (SINALACS)	1999	Goals included improvement to circulation and access in industrial areas and land uses that encourage compact, mixed-use neighborhoods surrounding commercial areas. Recommendations included rezoning and enhancing retail, employment, and neighborhoods.
Highland Neighborhood Plan	1980	Goals and policies related to land use, transportation, and parks. Highlights include improved transit, pedestrian access to the Willamette River, northern gateways, redevelopment of industrial and commercial corridors, and improved recreational opportunities.

The Transportation System Plan and Bike/Walk Plan propose several large transportation projects for the corridor, but few have come to fruition. Exhibit 10 shows investments proposed in the 2014 Transportation System Plan<sup>3</sup> and the 2011 Bike/Walk Plan.<sup>4</sup>

<sup>3</sup> Salem Transportation System Plan, July 2014.

<sup>4</sup> City of Salem Bike/Walk Plan, 2011.

## EXHIBIT 10. TRANSPORTATION SYSTEM PLAN PROJECTS, PORTLAND ROAD

Source: City of Salem

Location of Project	Description	Timeline
<b>Salem Parkway</b> from Hyacinth Street to Cherry Avenue	Provide upgrades at both intersections in order to provide safety. Partially complete.	Funds committed
<b>Hyacinth Street</b> (Portland Road to Salem Parkway)	Widen Hyacinth Street and improve to serve as major north-south arterial for NE Salem. Widen Hyacinth Street to four (4) travel lanes, a center turn lane, curbs, sidewalks and bike lanes.	Low priority, 25 years
<b>Portland Road</b> from Beach Avenue to Claxter Road NE	Extend streetscape improvements along Portland Road.	High priority, 10 years
<b>Silverton Road</b> from east of Railroad to Pine Street/Portland Road	Realign Silverton Road westward to connect with Portland Rd at Pine Street, allowing for the removal of the awkward existing Silverton/Portland Road intersection.	High priority, 10 years
<b>Cherry Avenue</b> from Pine Street to Johnson Street	Increase effective capacity of Cherry Avenue by widening the roadway to add a center turn lane and removing on-street parking.	Low priority, 25 years
<b>Salem Industrial Drive</b> from Cherry Avenue to Bill Frey Drive	Improve the southbound and westbound side to urban collector standards, including travel lane with curb, gutter, sidewalk, bike lane and storm drainage.	Funds committed
<b>Portland Road to Blossom</b>	New sidewalks or sidewalk infill (Salem Bike/Walk Plan)	TBD
<b>Kroc Center to Hyacinth</b>	New sidewalks or sidewalk infill from the (Salem Bike/Walk Plan)	TBD
<b>Pine Street to City Limits</b>	New sidewalks or sidewalk infill from (Salem Bike/Walk Plan)	TBD

## Needs and Opportunities

As the first task for the project, the City solicited feedback on the Corridor, including concerns brought forward by residents and members of the North Gateway Redevelopment Advisory Board (NGRAB) prior to beginning the Action Plan scope. Survey and discussion questions were designed to understand whether businesses, property owners, and residents, identified similar needs/opportunities for the Corridor. The City conducted a survey of residents, business owners, and visitors that received 108 responses. This section categorizes the area's needs and opportunities (based on interview findings, community outreach, and market analysis) into three categories:

- Market Barriers
- Neighborhood Livability: Physical Amenities/Infrastructure
- Economic Development

**Market barriers: What is keeping this area from redeveloping?**

### *Housing*

Portland Road faces an enduring image as a lower-end, auto-oriented strip without a distinct identity. The Corridor generally has lower incomes than other areas of Salem. The area faces several challenges in attracting new residents and investment in housing. Salem's housing needs have changed and will continue to evolve, leading to more demand for affordable rental

and ownership options. The residential neighborhoods near Portland Road will likely need to accommodate additional housing over the next 20 years.

However, opportunities for new housing development are available, and will be driven by regional growth and demand for infill housing, as explained in Salem’s HNA:

*A balanced mix of housing for the Corridor could include a mix of townhomes, courtyard apartments, and mid-rise apartments. This mix of housing responds to housing demand forecasts for the region which point to increased demand for multi-family and specialized housing types. New development in this area should encourage a variety of housing options that can enhance a mixed-use development concept but also not impact surrounding neighborhoods in a negative way.*

### Needs

#### **Poor urban amenities and perception of crime.**

Despite new investment particularly at the south end of the Corridor, the area has not been able to shed its negative reputation related to crime. Over half of survey respondents said they did not feel safe living or conducting business in the area. The Salem Police Department tracks crime by neighborhood association boundary. In 2014, the majority of crimes reported in the Northgate Neighborhood Association area were graffiti related. Between 2013-2014, there was an increase in crimes reported but this may be due to a number of factors, including increased engagement/involvement from businesses along the Corridor (resulting in more crimes reported).

This area has high speeds and poor urban amenities to support existing and future housing. The railroad underpass (north of Pine Street) remains a real obstacle for bikes and pedestrians.

#### **Lack of housing choice**

Rents in the area are generally lower than other areas of Salem due to the age of the housing stock. New investment in market-rate and affordable housing projects is happening elsewhere in Salem. The corridor’s relatively affordable housing is not particularly desirable because of its age, condition, and location. In addition, there are not enough affordable units to meet the demand for affordable housing. Salem lacks a significant non-profit housing developer with the capacity and mission to help fill this gap. Addressing affordable housing will require a strategy that includes private/public partnerships, incentives, and the Agency/City playing a larger role.

For those willing to pay higher rents for more building level or unit level amenities, there are few options for upscale housing in the corridor.



## Opportunities

<b>Central location and ability to make strategic investments.</b>	The Corridor is a fairly close-in area that has relatively affordable housing with good proximity to jobs centers. It also has available land that is lower in price than other areas to the south and west. Targeted public infrastructure investments could help to address critical infrastructure needs. Specific nodes identified in the outreach included Bill Frey to Hyacinth (sidewalk investments) and intersection improvements near the planned Career and Technical Institute and/or Kroc Center.
<b>Growth in Hispanic households</b>	Nationwide, the Hispanic/Latino population is predicted to be the fastest growing racial/ethnic group over the next few decades. The share of Hispanic/Latino residents within Salem grew from 15% in 2000 to 20% in 2010.
<b>Continuing demand for rental housing</b>	Over the next decade, many Millennials may continue to rent. Salem has a deficit of land in the Multifamily Residential designation. It needs land for 2,897 dwelling units, which will require about 207 acres of land.
<b>Aging of the Millennials (born between 1980 and 2000)</b>	Millennials' incomes will increase as they age, likely leading to demand for low-cost home ownership options. Millennials' ability to afford housing will impact the type of housing available.

## Retail

Portland Road used to be a main access corridor into Central Salem with a variety of retail offerings. However, the character of the corridor has changed since the construction of Salem Parkway in the 1980s, which now serves as the main northern access to Downtown Salem from Interstate 5. As a key north-south route, Portland Road remains an important corridor. Currently, there are few retail and service destinations, and new development is challenging given competing retail nodes, infrastructure needs, declining traffic counts, and relatively low incomes (and thus purchasing power) in the immediate area. At the same time, the character at the southern end of the corridor has improved, as a result of recent improvements in Hollywood Station, Walgreens, Salem Clinic, etc.

Participants strongly expressed the need for more shopping in the area, particularly grocery stores, and for more cafes and full-service restaurants. Other community services such as a community center were suggested. These updates could create a more livable place that will be more attractive to current and future residents. People in the area want places to walk, pick up groceries, and dine.

## Needs

<b>Relatively lower site visibility and suboptimal street configuration.</b>	Sites that have the strongest potential for new shopping centers are at an intersection of two major arterials. There are no large redevelopable sites within the corridor that are at the intersection of two major arterials. The area lacks any kind of a grid to support smaller scale retail and walkability. Without major investment, the Corridor is going to have competitive advantages for auto-oriented retail only, and even that is not
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	ideal given the spacing between major arterial streets and lack of east-west connections.
<b>Business capacity among minority-owned businesses</b>	Minority-owned businesses often do not have the same access to traditional sources of funding or investment as other businesses and could use technical support to obtain resources.
<b>Relatively low buying power.</b>	About 13,600 people live within one mile of the center of the study area, which could be enough to support a small retail center (see Exhibit 11) if other factors align, such as business mix and site desirability. However, demographics often drive the types of retail that can locate in an area, and incomes and associated buying power in the area are relatively low.
<b>Competing retail nodes.</b>	Developers and other stakeholders indicate that there are sites within the region that can better capture retail sales. The area faces competition for retail from the major retail node at the intersection of Silverton Road NE and Lancaster that includes three major grocery stores/general merchandise stores (Walmart, Food4Less, and Safeway) as well as other smaller grocers (Grocery Outlet, Wing Wa Oriental Market, El Ranchero Meat Market and Mexican Food. In addition, Roth's is located at the intersection of Portland Road and Hayesville Drive NE.
<b>“Retail loves retail”/ Lack of retail concentration.</b>	The low density of retail near this site will likely present a significant challenge for potential retailers. A critical mass of retail is critical to retail success, and fragmentation of retail districts is problematic. This area has not seen much new development or significant building upgrades, especially along Portland Road itself and in the surrounding neighborhoods.
<b>Lack of alignment between neighborhood goals and market reality.</b>	A 1999 Local Circulation Study identified mixed-use retail nodes along Portland Road at Hyacinth, Northgate Avenue, and Pine Street. Mixed-use overlays were put in place in these areas, which in some cases hindered potential retail development proposals, according to local brokers.

*Opportunities*

<b>Retail that serves the existing neighborhood.</b>	The Portland Road Corridor is unique because of its large proportion of Hispanic/Latino residents and businesses. Major retail nodes are located far enough away from the corridor that it is difficult for residents to reach stores without a car. The area could likely capture new retail if other investments in housing and infrastructure can coincide. Retail could be focused at targeted nodes such as the Central Corridor and the area near Center 50+ (see next section on “Development Nodes.”) A low-cost grocery, limited service restaurants, and the incubation of locally owned businesses offering unique products could help to encourage a critical mass of new retail development in the area.
<b>Retail that serves existing employees.</b>	The area could potentially accommodate food carts or micro restaurants as a way to spark a food scene on Portland Road, especially for local employees. Area stakeholders cite the need for more lunchtime destinations, particularly for industrial employees located off Portland Road. Food carts could be an option to provide more options to the area's residents and employees, especially as an interim step as the area

changes. In 2014, Salem changed its regulations related to mobile food units to allow units to remain in one place and to cluster in any zones that allow eating and drinking establishments.

**Retail component for businesses that wish to sell from their workspace.**

There is the potential to create spaces that have a retail component as well as a working component. These could be associated with “makers” spaces and nearby industrial uses.

**Retail rehabilitation**

Residents and employees would like to see retail tenants improve the appearance of the area by making investments in their own spaces. Another option would be to identify building owners with willingness/commitment to invest in the area.

Exhibit 11 shows the three retail center typologies that are applicable to this area with the average size of the complex, households needed, location considerations, and trade area. The Portland Road Corridor would be most likely to attract a convenience center or a neighborhood center that specialized in the types of goods that are lacking in this area.

**EXHIBIT 11. RETAIL CENTER TYPOLOGIES, FEBRUARY 2015**

Source: Gibbs, Robert. Principles of Urban Retail Planning and Development. 2012.

	Stores	Average Square Feet	Households Needed	Trade Area	Location Considerations
Convenience Centers	Dry cleaner, bakery, bank, coffee shop, deli, food market, laundry center, pharmacy	10,000-30,000	2,000	1.5-2 miles	On major road between two neighborhoods
Neighborhood Center	Full size anchor supermarket (45-60K SF) with 10-15 smaller personal service and food businesses	50,000-70,000	6,000-8,000	1-2 miles	Homebound side of two major crossroads
Community Shopping Center	Multiple large 10,000-20,000 SF anchor tenants anchored by a 100,000-200,000 SF home improvement or supercenter, etc.	250,000-350,000	50,000+	4-6 miles	Major road intersections, close to regional mall

Exhibit 12 translates the retail opportunities derived from local residents found in Exhibit 6 into square footage assumptions that could be accommodated in the corridor. None of the uses alone is feasible, based on this rough calculation. However, it is possible that the area could combine two or more of these retail types into one facility that attracts local clientele as well as through travelers along Portland Road.

**EXHIBIT 12. RETAIL OPPORTUNITIES WITHIN ONE MILE OF PORTLAND ROAD, 2015**

Source: Nielsen Claritas, CRE, ECNorthwest

<b>Retail Stores</b>	<b>Opportunity Gap (\$)</b>	<b>Average Sales per Square Foot<sup>5</sup></b>	<b># of Square Feet</b>
Supermarkets	4,000,000	\$507	7,890
Family Clothing	2,300,000	\$304	7,566
Full-Service Restaurants	400,000	\$582	687
Limited-Service Eating Places	3,200,000	\$582	5,498
Special Foodservices	500,000	\$582	859

**Industrial**

A common theme in the initial stage of outreach was that the City should position this area as an employment corridor. Commercial brokers in the area indicate that the area has a number of factors that could positively influence business location, including proximity to I-5, competitive purchase price/rent, available land, and low tax rates (if north of I-5 and outside the City).

**Needs**

**Spaces may not meet current needs**

The area has a large supply of older buildings that house a variety of businesses. However, some of these spaces may not be meeting the needs of current or future tenants. A more detailed look at space needs for existing businesses will be the purpose of future analyses.

Conversations with local brokers indicate that the area has buildings that do not have adequate access, are undersized, or have aging or undersized utilities.

**Poor transition to neighboring uses**

Some industrial uses lack an adequate buffer from neighborhood/commercial uses to mitigate conflicts. Vacant lots, large surface parking areas, and conflicting uses prevent the development of a common identity to strengthen the development potential of the area.

**Opportunities**

**Adaptable business/industrial space**

In the winter 2015 survey, some business owners called for buildings and spaces that were convertible depending on the size needed, or open-floor plans to encourage interaction between businesses and flexibility to accommodate a range of uses that may change as the market evolves. Some emphasized a focus on manufacturing as it has a higher concentration of employees and higher-paying jobs.

**Reinvestment in aging buildings**

Redevelopment will play an important role in addressing the commercial land deficit. Rehabilitation of existing buildings could include the redevelopment large surface parking lots into buildings built up to the sidewalk to foster a greater mix of transportation modes.

**Target industry needs**

Though the Corridor does not have many large sites for industrial uses, sites within the Corridor may be desirable for smaller businesses within Salem’s target industries that do not need a large site. Potential uses

<sup>5</sup> [http://www.cre.org/memberdata/pdfs/Retail\\_Sales\\_Set\\_Rent\\_Levels.pdf](http://www.cre.org/memberdata/pdfs/Retail_Sales_Set_Rent_Levels.pdf)

could include equipment manufacturing, technology manufacturing, and specialty food and beverage manufacturing. Attracting employment uses that are compatible with surrounding neighborhoods (or focus in clusters or corridors, i.e. west side of Portland Road) and provide a more active street edge could help bring additional jobs and jobs to the Corridor, which would help to spur new retail and housing activity.

## Neighborhood Livability: Physical Amenities/Infrastructure

Many residents desire improvements to the northern part of the Portland Road Corridor, as envisioned in the 2003 Phase II road design. Themes for infrastructure needs in the area include:

### Needs

#### **Lack of community spaces**

A number of service-oriented non-profits and community organizations exist within the Corridor. Many are located in underutilized, dilapidated spaces that may not be well suited to the residents they serve, including individuals reliant on transit or other non-auto related modes. These organizations (and their clients) may benefit from sharing a central space that can serve as a “hub” of activity, reduce operating costs (by sharing admin staff and other common elements), and clearinghouse of information/services.

One example of this model is The Barn, located in downtown Portland, which contains 45,000 square feet of office space offered at below market lease rates geared toward non-profit organizations.<sup>6</sup> The challenges to these models include the need for a “champion” funder or organization that can participate in project conception, subsidize construction costs and operations, and provide active property management.

#### **Poor pedestrian environment**

Despite declining traffic volumes, Portland Road has fast-moving traffic, few opportunities for pedestrians and cyclist travel along a dedicated or protected facility, and a very limited number of crossings. The road’s width, design, and speeds hinder pedestrian connections and economic activity. Winter 2015 survey respondents expressed a desire to bike and walk more on this corridor and to do so in a safe, welcoming environment. Specifically, the railroad underpass continues to pose a challenge north-south bike/pedestrian travel and will require thoughtful transportation planning. A separate task will explore these issues in further detail.

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<sup>6</sup> The Barn Information Sheet. February 2015. <http://motivespace.org/wp-content/uploads/2015/02/Barn-Fact-Sheet-02.15.pdf>

## Opportunities

### **Community gathering spaces and social support networks**

The availability of community space could help organizations in the area to support families and small businesses. Participants in public workshops mentioned potential destinations in the area such as a farmers market or community center. Survey respondents indicated the Corridor should celebrate and build upon the area's strong Hispanic population by encouraging uses, streetscapes, and business types that help to create that identity and "energy" for the area.

### **Street environment that responds to the context of the area**

Residents indicate that the lack of pedestrian and bicycle infrastructure remains one of the area's biggest barriers. In the longer-term, pedestrian access and connectivity should be prioritized. This is accomplished by ensuring multiple locations for pedestrians to cross Portland Road, clear way-finding, internal pathways and sidewalks within the sites, and well-marked crossings of any parking lots or streets.

## Economic Development

### Needs

#### **Lack of connections with recent immigrant populations to support business development**

There is a little representation of minority populations on City boards, commissions, and other community engagement. Although the City has worked to establish relationships with the Salem Latino Business Alliance and to expand its minority outreach efforts, there is still work to do. Addressing this issue is complex because of a multitude of factors, including individuals' experience with government in their country of origin (may be a lack of trust in government). It will be important to continue to foster relationships with organizations like the Latino Business Alliance, the Chemeketa Center for Business and Industry, Incite, and other business-focused resources.

#### **Lack of visible upkeep**

Respondents to the winter 2015 survey indicated that the amount of vacant parcels and buildings in the area has led to an atmosphere of disinvestment. Respondents wanted property owners/tenants to take pride in the area and illustrate this by maintaining storefronts, sidewalks, and vegetation around businesses. Overall, reuse of vacant buildings was a highly desired outcome of this planning effort on Portland Road. The belief from some tenants along the Corridor is that the lack of ownership/caring of one property owner has an effect on the overall atmosphere in the area. This effect is described in the Broken Windows Theory, "If a window is broken and left unrepaired, people walking by will conclude that no one cares and no one is in charge." This theory implies that small efforts related to upkeep matter.

To address this issue, the URA's Toolbox Grant and Loan Program was created to encourage business and property owners to improve their commercial and industrial properties anywhere within the URA. Because of the size of the URA and broad nature of qualifying activities (interior and exterior building improvements, including building systems) the grants have not made a visible impact along the Corridor.

## Opportunities

### Improved communication about City programs

The SCI report suggested that the City create alliances “with religious and business leaders in the Latino community [which] could improve services and outreach.” Specific recommendations included creating culturally specific programs to empower microbusinesses and taking a personal and targeted approach.

### Branding to create a unique identity

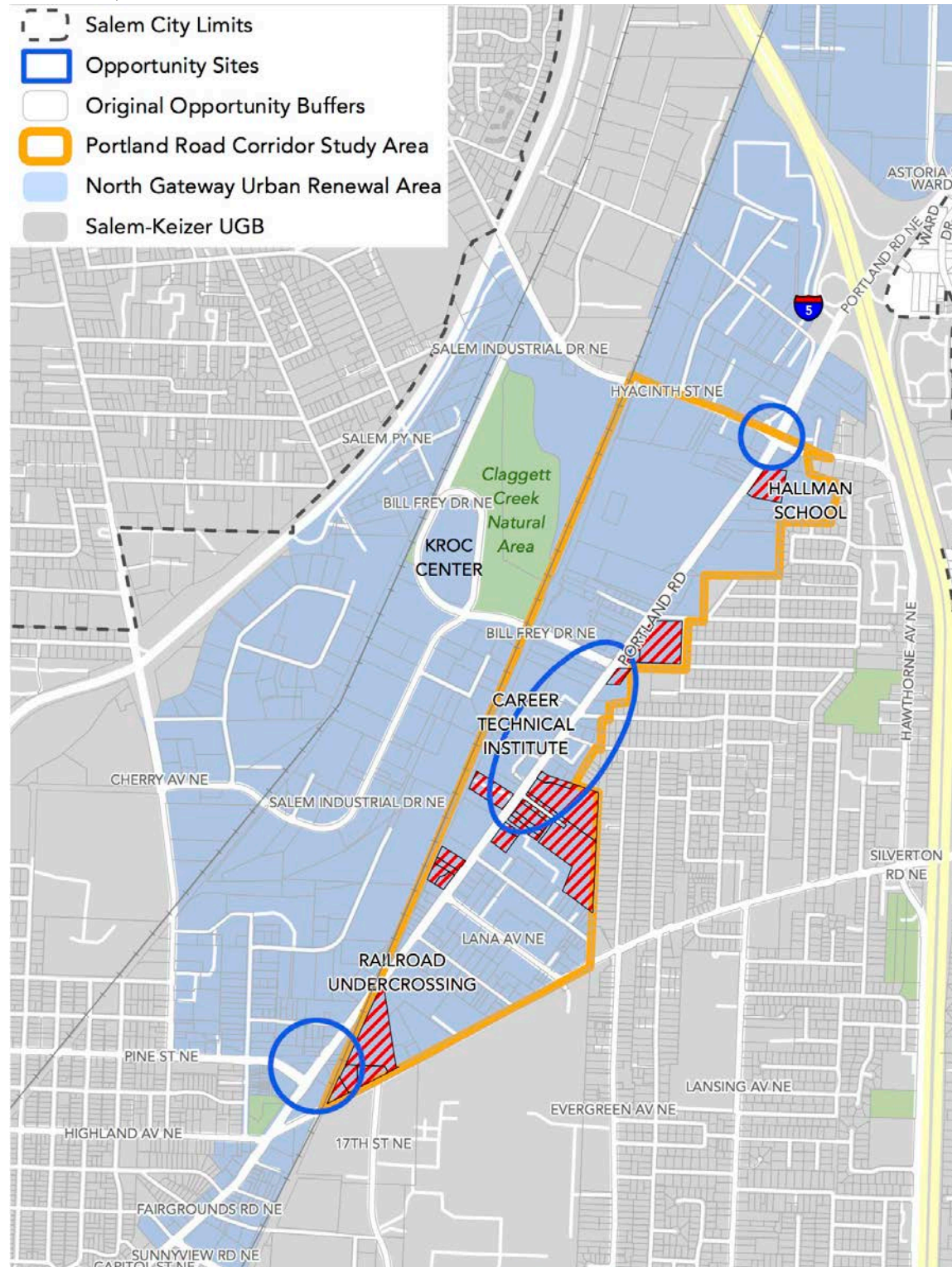
The local community should be directly involved in the naming and branding effort to promote a strong sense of ownership and community pride. This could include way-finding/entrance way signage, public art, and a variety of other methods. Physical improvements such as these could be eligible for urban renewal funding whereas more traditional programmatic approaches to marketing, developing messaging, and branding would be led by community groups or other outside agencies.

## Development Nodes

Through community conversations and an analysis of available and underutilized land, the project team recommends three nodes for further investment. The opportunities and barriers present on these sites are not unique to these intersections, but apply all along Portland Road. Investment can reshape nodes along this Corridor, providing a template for development at other sites along Portland Road. Exhibit 13 shows a preliminary illustration of potential focus areas along the Corridor, as well as sites that are vacant or underutilized that could potentially accommodate additional development.

- **Bill Frey Drive.** There are several sites that could accommodate more intensive development and employment uses. With its good I-5 access and proximity to industrial uses, the opportunity in this area relates to the cluster of underutilized sites across from and adjacent to Don Pedro. The development opportunities on these sites could be small-size flex space with limited retail, especially on the west side of Portland Road. In addition, there is an opportunity to provide better crosswalks and other safety improvements for bicyclists and pedestrians along Bill Frey Drive from Portland Road to the Kroc Center.
- **Central Corridor.** This area serves as an important development opportunity for the Corridor. There are several underutilized parcels and buildings in this area that could be converted to retail or flex uses, including the Epping property. The Salem-Keizer Career and Technical Institute could help to change the perception and drive demand.
- **South Corridor (near Center 50+).** This area has the most complementary infrastructure for new development, given past URA streetscape and development investments. This area could accommodate additional housing and retail development that aligns with the Center 50+ and Hollywood Station housing in the area. There are several potential opportunity sites in the area that could create more conducive atmosphere for retail development, but they likely could not accommodate a large grocery store.

**EXHIBIT 13, FOCUS AREAS AND OPPORTUNITY SITES**





## Next Steps

The initial outreach found differing views on how to spend the remaining URA funding. Some participants thought the City should invest in improving the identity and appearance of the area (i.e. “Build it and the businesses and private investment will come.”) Others thought the City should wait to invest in infrastructure improvements and instead focus initial funding on actions that will bring new businesses to the area (i.e. property acquisition, private/public partnerships to assist development of new housing and employment) and focus those initial investments geographically to have a catalyzing effect. The next step in this process will be to set the stage for investment by exploring a set of potential actions that the URA can take to contribute to redevelopment through funding and project implementation that address community priorities and have the greatest ability to leverage additional funding.

### *1. Get greater detail on industrial business opportunities, constraints, and needs to help inform actions.*

This task will look at how the Corridor can best support existing and future employment. Questions to be addressed include:

- Are there conflicting uses or access issues?
- Which infrastructure issues are most important to business owners?
- What are the space needs and how could the Urban Renewal Area support those needs?
- To help support minority businesses, are there new partnerships that could be forged as part of this process, such as with business organizations (such as the Latino Business Alliance)?

### *2. Revisit area goals and needs, in light of outreach, planning analysis, and market analysis.*

The goal of this task will be to confirm whether community and business goals have changed for the area. If so, the projects proposed should be geared toward those goals. Exhibit 14 shows a set of possible goals and strategies for the area (to be refined as part of further stakeholder outreach), based on the findings from this report.

**EXHIBIT 14. POSSIBLE GOALS, STRATEGIES, AND ACTIONS**

Goals	Possible Strategies
<b>Accommodate new residents and make investments to stabilize existing housing stock.</b>	<ul style="list-style-type: none"> <li>• Provide quality affordable housing that blends well into existing neighborhoods.</li> <li>• Provide rehabilitation tools that can support existing residents.</li> <li>• Encourage market-rate housing development in targeted areas.</li> </ul>
<b>Provide innovative, affordable workspaces that foster the region’s small businesses.</b>	<ul style="list-style-type: none"> <li>• Help bridge the development gap to create employment spaces for local businesses that are interested in being a part of an incubator community.</li> <li>• Upgrade underutilized buildings that no longer serve existing business needs.</li> </ul>
<b>Attract retail and services that serve residents and employees</b>	<ul style="list-style-type: none"> <li>• Explore partnerships to attract new retail and services.</li> </ul>
<b>Support strategic investments along the corridor improve community perceptions and safety.</b>	<ul style="list-style-type: none"> <li>• Work with transportation planning firm (in separate task) to evaluate and prioritize improvements based on community needs.</li> <li>• Make improvements at specific nodes that will have more intensive pedestrian and bicycle use.</li> </ul>

### *3. Develop list of potential projects with associated prioritization criteria.*

The entire Corridor would benefit from a variety of measures to help establish a stronger identity, attract new active uses, and bolster its overall image as an attractive place for investment. The actions should build on the opportunities, overcome the barriers, and focus on the nodes. The first step of this process will be to develop a set of prioritization criteria that the residents and businesses can consider in the next round of outreach. Staff and the Urban Renewal Agency can use project sheets to solicit input on each potential project. A template for those sheets is included in **Appendix A**.

Based on the findings from this report, we anticipate that this task will identify projects such as:

- Redevelopment projects, such as infill housing, flex spaces, and retail on catalyst sites.
- Economic development strategies, such as reconfiguration of capital improvement loans for small or start up businesses which can be linked to family-wage jobs.
- Building rehabilitation programs, such as a reconfiguration of the Toolbox Program to possibly focus on the Corridor or portions of the Corridor (versus the entire URA) and increased incentives for housing rehabilitation.
- Land assembly for public as well as private reuse linked to desired uses in the area.
- Transportation enhancements, including intersection improvements.
- Opportunities to provide space for community groups.
- Street improvements, including new lighting, sidewalks, and crossings (to be identified in a separate task).
- Neighborhood improvement programs (likely not funded by the URA but in partnership with a neighborhood or nonprofit group).
- Partnerships with public and private organizations.

### *4. Identify possible funding sources*

The existing \$21 million in urban renewal funds can be used to leverage additional funding to have a broader impact. In addition to the urban renewal funds, there are a variety of tools/incentives that can attract private investment to the area depending on the objective, as shown in Exhibit 15.

**EXHIBIT 15. POSSIBLE FUNDING TOOLS, BEYOND URBAN RENEWAL FUNDS**

<b>Goals</b>	<b>Examples</b>	
<b>Local Financing – Development Driven</b>	Local Improvement District Business Improvement District	Systems Development Charge Financing/Credits
<b>Local Financing – Publicly Generated</b>		Fees or other dedicated revenue from services, directed into an enterprise fund
<b>Tax Abatements and Credits</b>	Vertical Housing Tax Abatement Affordable Housing Property Tax Abatement (Locally Managed, enabled by State)	Affordable Housing Tax Credit (State) Low Income Housing Tax Credit New Market Tax Credits
<b>Low Interest Loans, Subsidies, and Grants</b>	EB-5 Foreign Investor Visa Community Development Block Grants 221d4 Housing Program	Land Assembly Property Price Buy Down Section 108 Loans Transportation Grants/Loans
<b>Other Incentives</b>	Waived SDC’s fees for those using CDBG/HOME funding to develop projects for low income individuals Phased SDC payments Brownfields grant assistance for Phase I and II Environmental Assessments	Predevelopment assistance Enterprise Zone incentives Job training and/or assistance for existing employers through state and local programs (Incite, Merit, etc.)

**Attachments**

- B-1. Winter 2015 Outreach Summary
- B-2. Action Plan Project Sheet Template
- B-3. North Gateway URA Context Documents
- B-4. Additional Market Analysis Maps

# Attachment B-1. Winter 2015 Outreach Summary

## Background

The Urban Renewal Agency adopted the scope for the Portland Road Corridor Strategic Action (Action Plan) Plan in November 2014 and in January 2015 the North Gateway Redevelopment Advisory Board approved of an outreach strategy for the Action Plan.

## Goal/Purpose

The initial phase of outreach aimed to solicit feedback on broad areas of focus/concern within the Portland Road Corridor, including concerns brought forward by residents and members of the North Gateway Redevelopment Advisory Board (NGRAB) prior to beginning the Action Plan scope. Survey and discussion questions were designed to understand whether businesses, property owners, and residents, identified similar needs/opportunities for the Corridor, including the importance of:

- Bicycle and pedestrian access and amenities
- Building improvements
- Improvements to roads and other public facilities
- Appearance of the area
- Business creation/expansion
- Safety (real or perceived)

## Outreach Methods

From January – April 2015, a variety of outreach methods were used to solicit community input on the priorities identified above, including:

- Distribution of more than 2,000 postcards, notifying residents, tenants, and property owners of the Action Plan and of opportunities for public feedback
- Dissemination of press releases, social media posts, radio announcements (KWIP, 880 AM, Spanish radio), and articles in neighborhood and business publications
- Presentations to and discussions with eight neighborhood and business groups; hosting four public meetings, including two focus groups for business owners/property owners
- Distribution of an online survey which generated responses from 108 individuals

Outreach materials were presented in Spanish and English. Additional detail regarding the outreach is documented in the outreach strategy developed for the Action Plan. Although the focus of meetings and the survey were similar, there were some variations. Survey questions solicited more detail whereas meeting attendees were asked to identify the “top two” priorities (of the categories above) for the area and then locate them on a map.

## Feedback Summary

The following represents feedback from approximately 200 individuals who provided feedback via the initial phase of outreach, the majority from the survey. Key themes included:

- Strong interest in the Urban Renewal Agency fulfilling a large role in economic development of the area. Although conditions in the area have improved over time many still perceive the area as unsafe and as such they are unwilling to invest in the area.
- Desire from retail tenants to improve the overall appearance of the area, including by making investments in their own spaces or identifying building owners with willingness/commitment to invest in the area
- Interest in more destinations along the Corridor, including restaurants, coffee shops, grocery, farmers market, food carts, and other amenities; desire to transition away from people “driving through” the area rather than stopping to shop and enjoy
- Focus urban renewal area investments on key nodes within the Corridor (southern, middle, and northern edge of the Action Plan boundary) and build off of other private existing or planned investments (i.e. Salem Keizer Career and Technical Institute)
- Target public infrastructure dollars on critical needs, including pedestrian safety (lack of sidewalks along Portland Road from Bill Frey to Hyacinth) and intersection improvements near planned CTI and/or Kroc or other major amenities and/or employment nodes.
- The Railroad Underpass (north of Pine Street) remains an obstacle for bikes and pedestrians. There should be a strategy developed to address this barrier, even if long term.
- Celebrate and build upon the area’s strong Hispanic population by encouraging uses, streetscape, and business types that help to create that identity and “energy” for the area (food vendors, public art, etc.)
- Outreach participants understood the importance of using the remaining URA funding wisely and as such were passionate about their strong desire on where to begin: 1) invest in improving the identity and appearance of the area (i.e “build it. The businesses and private investment will come.”) Or 2) wait on the public infrastructure and instead focus initial funding on actions that will bring new businesses to the area, (i.e property acquisition, private/public partnerships) to assist development of new housing and employment, and focus those initial investments geographically to have a catalyzing effect.

The online survey asked respondents to rank the importance of the categories identified above. The majority of all respondents ranked attracting **new businesses and jobs or encouraging the reuse of empty buildings and property** as most important and **improvements to road access and conditions** as least important. Many of the rankings were very closely tied.

## Attachment B-2. Project Sheet Template

A.1 PROJECT TITLE	
<b>Project Description</b>	<b>Lead/Sponsor Organization</b>
text	text
<b>Rationale</b>	
Text: Why this project is needed or important	
<b>Implementation steps</b>	Text: could include issues to overcome, additional research needed, steps to further secure funding or fill gaps, etc.
<b>Phasing, and reason for phasing</b>	'Do Now', 'Do If', or 'Do When' and why
<b>Public or stakeholder outreach needed</b>	[if any]
<b>Internal Partners</b>	<b>External Partners</b>
<b>Estimated Cost</b>	<b>Funding Sources</b>
\$	

# Attachment B-3. North Gateway URA Context Documents

This appendix provides information about plans that relate to the North Gateway URA.

## North Gateway Urban Renewal Area Plan

Salem City Council adopted the Plan on December 10, 1990. Since its adoption it has been amended 13 times for the purpose of adding and modifying projects listed in the Plan. **The mission of the North Gateway URA, as identified in the Plan, is to:**

*Eliminate blight and depreciating property values and in the process, attract aesthetically pleasing, job-producing private investments and public improvements that will improve and stabilize property values and create a healthy and visually attractive northern gateway to Salem, without creating a net loss of housing units over the life of the Plan.*

### Original NGURA Plan objectives included but are not limited to:

- Enhancing opportunities for residential, civic, cultural, business and tourist-related property to be developed, redeveloped, improved, rehabilitated and conserved
- Upgrading the amenities of public and private streets serving industrial, commercial, and residential sectors of the Urban Renewal Area
- Protecting the livability of the residential neighborhoods
- Placing underground overhead utilities that are located in areas of maximum pedestrian and vehicular traffic, with emphasis on the Portland Road Corridor
- Improving the visual appearance, capacity and traffic flow of streets
- Cooperating and assisting owner participants in the rehabilitation of their buildings and property

## Goodwill Master Plan

The plan identified a vision for redevelopment of the six acre former Goodwill site at the corner of Pine and Portland Road which the Urban Renewal Agency acquired in 2000. It confirmed the vision for a mixed-use development which later became the Hollywood Station Development and the home of the Center 50+, approximately 10,000 of commercial uses, and 12 Townhomes at the north end of the site. The Master Plan was complimented by market analysis and site design.

## **Kroc Center Access Study**

The report was finalized in summer 2013 and includes a near-term recommendation from the final study report<sup>7</sup> that would construct a new bridge over Claggett Creek and a bicycle and pedestrian path through the conservation easement. The path would connect Hyacinth Street with Bill Frey Drive where the Salvation Army Kroc Community Center is located. Bill Frey Drive has sidewalks and bike lanes that connect to the businesses and industries along Portland Road and Salem Industrial Drive. The Burlington Northern Santa Fe railroad tracks are on the right of the image. The Claggett Creek Wetlands area is seen in the middle of the image. The blue dashed line shows the proposed pedestrian path that would provide additional access to the Wetlands area.

## **City's Sewer/Stormwater Master Plan**

The plan does not identify a lot of needs in the area with the exception of upgrades to the main water pipelines running through the area to serve other parts of the City system. These do not result in any improvement to service to water users in NGURA. Improvements are also identified for sewer/water on Niles Avenue, which is served by a private water supply (not recognized by the City or other authority) and private septic system, which could pose a public health concern. The cost to upgrade is likely more than \$20 million and not expected to result in overall benefits to other users in the area. Other infrastructure needs have been identified for specific parcels as a result of evaluation by Planning and Public Works.

## **Highland Neighborhood Plan**

The North Gateway URA touches two active neighborhood associations, the Highland N.A. and the Northgate N.A. Highland adopted a neighborhood plan in 1980. Northgate N.A. does not have an adopted neighborhood plan. The Highland N.A. Plan includes goals and policies related to land use, transportation, and parks. Highlights of the Plan that relate to the North Gateway URA Plan include:

- Reference to the Northgate extension between Salem Parkway and Portland Road (Pine Street)
- Importance of transit; improved service
- Pedestrian access to the Willamette River
- Importance of the northern gateways – Parkway and Portland Road
- Emphasis on redevelopment industrial and commercial corridors in the area; emphasis on becoming “lively, interesting, and convenient” commercial centers residents
- Improved recreational opportunities



## **Pre-Application notes for specific properties in NGURA**

Several vacant parcels that are actively being marketed for sale or lease have been evaluated by Public Works and Community Development. Several public infrastructure deficiencies have been identified, including for: 1351 and 1430 Tandem, 1922 Hyacinth, and 3501 Portland Road. In 2015, the Urban Renewal Agency and City Council approved up to \$1,000,000 in funding to support public stormwater improvements in the vicinity of the Cherry Avenue Industrial Center (Tandem Avenue) to support future redevelopment and address Oregon DEQ requirements. Completion of improvements is expected in 2016 and will address the public stormwater drainage issues identified for the system in the vicinity of Tandem Avenue. The private stormwater system will also need to be upgraded by property owners in the area to realize the full benefit. Upgrades to these properties are likely very specific and not expected to result in benefits to other users in the area. Improvements could be eligible for a future grant/loan incentives offered through the NGURA.

## **SINALACS Study (Salem Industrial/Northgate Area Local Area Circulation Study)**

To improve the circulation and access in the industrial areas and to recommend land uses that encourage a compact, mixed use neighborhood surrounding the residential and commercial areas. (Substantial outreach included regular newsletters discussing this and Fairgrounds Rd/Portland Rd updates - copies in hard file). Key recommendations included:

- Reduce conflicts between industrial and residential uses – rezoning isolated pockets of residential zoning and consolidate industrial zoning districts to create consistent development standards
- Enhance retail along Portland Road – focus new retail into mixed use nodes along Portland Road, including at Hyacinth, Northgate Avenue, and Pine Street. Mixed use overlays were created to achieve this. This result has been realized at the Pine Street node, with the Hollywood Station redevelopment.
- Enhance employment along Portland road – limit new retail development to the mixed use nodes identified above and encourage light industrial and office employment in other areas on Portland Road.
- Neighborhood enhancements – develop and enhance neighborhood parks and provide increased opportunities for compatible neighborhood commercial uses

## **Safe Routes to School Action Plan for Hallman Elementary**

The school was built in 2001 and designated as a “walk only” school, yet some students living outside of a one-mile limit and those living along Hawthorne Avenue NE (considered dangerous for walking) are bused. At the time of the plan development in 2009, 29% of students walked to school, none biked, 41% took a school bus, 27% came via family vehicle, and 3% carpooled.

The Action Plan was developed in 2009 as a tool to assist in the application for grant funding. The plan identified four projects within the area adjacent to Hallman Elementary.

1. Widen sidewalk on the east side of Deerhaven Drive NE from 5ft to 8ft between Felina Avenue NE and Hallman Elementary School. Project has no additional right-of-way needs, but will require that a short stone retaining wall in the existing right-of-way be moved back several feet. The cost for this project was estimated at \$34,500.
2. Construct a 180-foot missing section of curb and sidewalk along the north side of Felina Avenue NE starting at Hawthorne Avenue NE. This is the only missing sidewalk along Felina Avenue in the vicinity of the school. There is a public transit stop on Hawthorne less than half a block from the missing sidewalk section. The cost for this project was estimated at \$19,000.
3. Reconstruct faulty sidewalk panels along Felina Avenue NE near Hallman Elementary School and rebuild sidewalk around mailboxes at four locations. Need to widen sidewalks. The cost for this project was estimated at \$13,500.
4. Construct a three-quarter street improvement, including curb, gutter, and sidewalk on one side along a 440-foot section of Carlton Street NE from 200 feet east of Abrams Avenue NE to Williams Avenue NE. There is no sidewalk on either side of the street. The improvement will likely be on the north side of the street because the Northgate Wesleyan Church, a pedestrian destination, is located on that side. The cost for this project was estimated at \$300,000.

## **Salem Transportation System Plan**

The City, with the assistance of various stakeholders developed a 25-year plan that identified transportation system projects and policies. The plan was adopted in 1998 and amendments to the plan have been made in 2000, 2001, 2005, 2007, 2010, and 2012. The plan speaks to the entire City; however several projects were identified specific to the North Gateway vicinity of Salem in the areas of streets, bike, pedestrian, transit and freight. The bike and pedestrian portion of the TSP were in updated in 2012 as their own separate plan and are identified below as part of the Salem Bike/Walk Plan.

It was anticipated that NE Salem, including the North Gateway URA would continue to experience growth from development. Issues identified included how best to bring the east arterial streets to full urban standards with necessary system capacity and how to provide sufficient east-west system capacity without severely impacting inner neighborhoods.

Several transit amenities were identified within the area including public transit routes, freight railway system, and freight supportive roadways (Hyacinth, Salem Parkway, Portland Road, Cherry).

Specific projects identified within the North Gateway URA:

1. Salem Parkway at Hyacinth Street NE and at Cherry Avenue NE: Provide upgrades at both intersections in order to provide safety.

*Timeframe for completion: Funds had been committed.*

2. Hyacinth Street NE (Portland Road NE to Salem Parkway NE): Widen Hyacinth Street and improve to serve as major north-south arterial for NE Salem. Widen Hyacinth Street to four travel lanes, a center turn lane, curbs, sidewalks, and bike lanes.

*Timeframe for completion: Low Priority, construct within 25 years*

3. Portland Road NE (Beach Avenue NE to Claxter Road NE): Extend streetscape improvements along Portland Road NE.

*Timeframe for completion: High Priority, construct within 10 years*

4. Silverton Road Realignment (East of Railroad to Pine Street/Portland Rd Interchange): Realign Silverton Road westward to connect with Portland Rd at Pine Street, allowing for the removal of the awkward existing Silverton/Portland Road intersection.

*Timeframe from completion: High Priority, construct within 10 years*

5. Cherry Avenue NE (Pine Street NE to Johnson Street NE): Commuter traffic may increase on Cherry; if traffic volumes increase it may be necessary to increase the effective capacity of this portion of Cherry Avenue, by widening the roadway to add a center turn lane and removing on-street parking.

*Timeframe for completion: Low priority, construct within 25 years.*

6. Salem Industrial Drive (Cherry Avenue to Bill Frey Drive): Funds were committed to improve the southbound and westbound side of this street to urban collector standards, including travel lane with curb, gutter, sidewalk, bike lane and storm drainage.

*Timeframe for completion: Funds had been committed*

## **Salem Bike/Walk Plan**

This plan is an update to the Salem TSP developed in 1996 and adopted in 1998. The Bike/Walk Plan began in 2010 and was completed in 2012. It provides the City with projects and policies necessary to create a balanced multi-modal, transportation system that connects users to everyday places, increased convenience and availability of non-motorized transport.

There are not very many specific projects targeted within the North Gateway Area, however a few are mentioned:

1. New sidewalks or sidewalk infill from Portland Rd to Blossom (estimated cost \$404,000)
2. New sidewalks or sidewalk infill from the Kroc Center to Hyacinth (estimated cost \$1,967,000)
3. New sidewalks or sidewalk infill from Pine Street to City Limits (estimated cost \$832,000)

## Analysis of Railroad Bridge Underpass Issues and Alternatives

The City evaluated several options for improving the underpass in 2008, consulted with Union Pacific Railroad (UPRR) to obtain feedback, and determined there is one feasible solution (identified as Option #2 below).

**Option 1: Replace the RR Bridge.** This option is complicated and costly because construction involves significant disruption to area businesses, rail users, and roadway users. It is not a cost effective option.

**Option 2: Overpass.** This option is possible, but the anticipated cost (\$25 Million) exceeds available funds within the URA. This project could be eligible for federal funding in the future, if designed first, but would remain separate from the Portland Road improvement project.

The current bridge was built in 1936 and met the bridge standards at that time. It is unlikely the bridge meets current seismic standards given it was built before earthquake design standards were established in Oregon. Maintenance of the underpass is the City's responsibility (since 1985). The City and URA have funded numerous repairs to the underpass over the last several years including lead abatement, lighting, and enhanced walkways. The only work the railroad has done, to the City's knowledge, is to the railroad track, ties, and ballast.

## NGRAB FAQ/Discussion Questions-Portland Road Improvement Project (1/16/2014)

1. What is the current scope of the project?

The project was designed in 2003, following significant input. The 2003 design assumes a full street improvement, including new/improved sidewalks, curb, customized streetlights, street trees, medians, waterlines, and utility undergrounding. The 2003 scope does not address new storm water requirements, changes to best practices for utility undergrounding, changes to ownership, or additional improvements to the railroad underpass. Given the 2003 design exceeds the anticipated available URA funding and in light of new federal, state, and local regulations and best practices, the project will need to be updated and redesigned.

2. Can the project be scaled back to include a smaller segment of roadway?

Yes, there are several options for reducing the scope of the project. We are looking for NGRAB input on this to inform the update and redesign process.

3. Can the City Council advocate to Union Pacific Railroad to address the health and safety hazard posed by the underpass?

The City has communicated concerns to the UPRR regarding the safety and appearance of the underpass (via letter) numerous times over the last several years. The City has not received responses to the letters.

4. Who tracks funding for repair of the bridge after accidents occur? When will current damage to the bridge be repaired?

This is the responsibility of the City's Public Works Department. There is a small area a few feet above the roadway pavement, on the southwesterly support of the railroad roof entrance to the under-crossing where a vehicle may have impacted the retaining wall. Some concrete was scraped off, exposing a little of the concrete, reinforcing steel, and making a small chip in the corner of the support column. The City has not received any notice or insurance regarding the damage; since it is not a structural issue and no insurance funds were received, it is listed as a low priority item.

5. Are there other funding sources for Portland Road or the railroad underpass?

There are no other likely sources of funding for Portland Road improvements. Designing the project to meet federal standards would add significant cost to the project. Improvements to the railroad underpass could be eligible for future federal funding, including a possible future US Federal Highway TIGER grant, following initial design and approval by the City Council.

6. Is the road improvement expected to attract new investment to the area or are there other development barriers that need to be addressed?

No, feedback from area realtors indicates the road improvement alone is not expected to achieve the objectives identified, including attracting new investment. Preliminary discussions with real estate professionals familiar with the area identify other challenges beyond the condition and appearance of the road including:

- Perceived lack of safety; lack of cleanliness, general appearance and lack of upkeep in the buildings in the area.
- Aging or undersized utilities; gaining building stock that does not meet current industry needs; property owners need assistance to make these improvements.
- Limited access to rail lines/spurs for industrial uses
- A catalyst tenant is needed in the area; focus should be concentrated possibly beginning with the I-5 interchange
- Demographics of the area and vehicle traffic are not strong enough to support national/large anchor tenants; financial incentives are needed to draw major uses to the area.

7. If the URA provides additional investments to attract businesses to the area how are those expected to benefit residents of the area?

Any new URA investments in infrastructure, buildings, or other direct support to existing or new manufacturing businesses would be designed to maintain and/or grow jobs and private investment (equipment, buildings, etc.) and property tax revenues in the area. These goals are consistent with the goals of the north Gateway URA and with

City Council economic development goals and are expected to benefit all Salem residents by providing the following:

- Local, family wage job opportunities
- Increased property values
- Improved image/safety/public perception

8. How do you determine if investments really encourage people to live in the neighborhood and how do you address blight?

The first strategy is typically to stabilize the neighborhood. There are a variety of URA tools that can be used to address blight. We are looking for direction from the NGRAB, to determine what URA investments would provide the greatest benefit to North Gateway.

9. Please show cost breakdowns for the various components of the Portland Road project? What options do we have for scaling back the project?

The design for Phase II of Portland Road was completed in 2003 and does not reflect current standards and best practices. Providing a cost breakdown would be misleading because it would be based on a road design that cannot be constructed with the available funding. The Agency Board has not asked for details on the design of Portland Road, only if Phase II of the road is recommended. There will be an opportunity to review/discuss costs and design options in the future.

10. What other tools/incentives can be used to attract private investment to the area, including acquisition/development of key catalyst sites?

There are a variety of tools/incentives that can attract private investment to the area, depending on the objective, including:

- Toolbox loans and grants
- Project bonding
- Acquisition and redevelopment
- Public/private partnership
- Other incentives

11. Can the maximum indebtedness in the URA be increased to accommodate the increase in cost for the Portland Road Project?

Yes, there is a process, as provided for in the Oregon Revised Statute 457, but it is complex and time consuming. ORS 457 requires the City obtain 75% approval from the other taxing jurisdictions before proceeding. It may also have other negative implications which we can discuss in more detail, including:

- May not capture the anticipated revenue
- Revenue sharing with other taxing jurisdictions

- Eliminates the special levy

12. Do we know why new businesses have located on Portland Road?

The majority of new businesses in the area have located in close proximity to I-5. In speaking with commercial brokers in the area there are likely a number of factors influencing business location, including proximity to I-5, competitive purchase price/rent, available land, and low tax rates (if north of I-5 and outside the City).

13. Did the new businesses on Portland Road, north of I-5 agree to be annexed to the City in exchange for a zoning variance?

Property on the east side of Portland Road was not annexed to the City in exchange for a zoning variance. It appears a portion of the property may have been outside the City limits, but within the urban Growth Boundary. We believe the owner wanted to annex to receive City water, as the City system is generally less expensive and more reliable.

14. Will the project address traffic flows and circulation?

Current traffic volumes on Portland Road do not exceed City or State traffic standards for capacity or delay. Recent recorded traffic volumes on Portland road do not warrant changes to traffic circulation or access as part of the scope of Portland Road Improvements.

The most recent available traffic counts on Portland Road were conducted in 2008 are included below. Additional traffic counts on Portland Road are planned in January. For comparison, the 2008 traffic counts on Salem Parkway are provided.

- Salem Parkway- Between Hyacinth St. and Cherry Ave – 25,100 vehicles per day (2008 count)
- Portland Road- Between Hyacinth St and Bill Frey Dr – 18, 150 vehicles per day (2008 count)
- Portland Road – Between Bill Frey Dr and Lana Ave – 17,150 vehicles per day (2008 count)

15. What are the traffic counts on Portland Road, north of Hyacinth? Can you provide traffic counts over the last 10 year period, to illustrate trends on Portland Road and Salem Parkway?

Since 1998, traffic counts on Portland Road have been trending downward.

<b>Location</b>	<b>1993</b>	<b>1998</b>	<b>2005</b>	<b>2008</b>
Portland Road (north of Lana)	23,455	18,433	17,910	17,150
Portland Road (north of Hyacinth)	27,495	28,600	29,100	25,300
Salem Parkway (north of Cherry)	20,830	22,400	26,400	25,100
Salem Parkway (south of Hyacinth)	24,000	20,900	22,700	22,800

\*Additional FAQs were included regarding the Railroad Underpass; those were omitted from the FAQ as they are included in a specific item above.



## **Attachment B-4. Additional Market Analysis Maps**

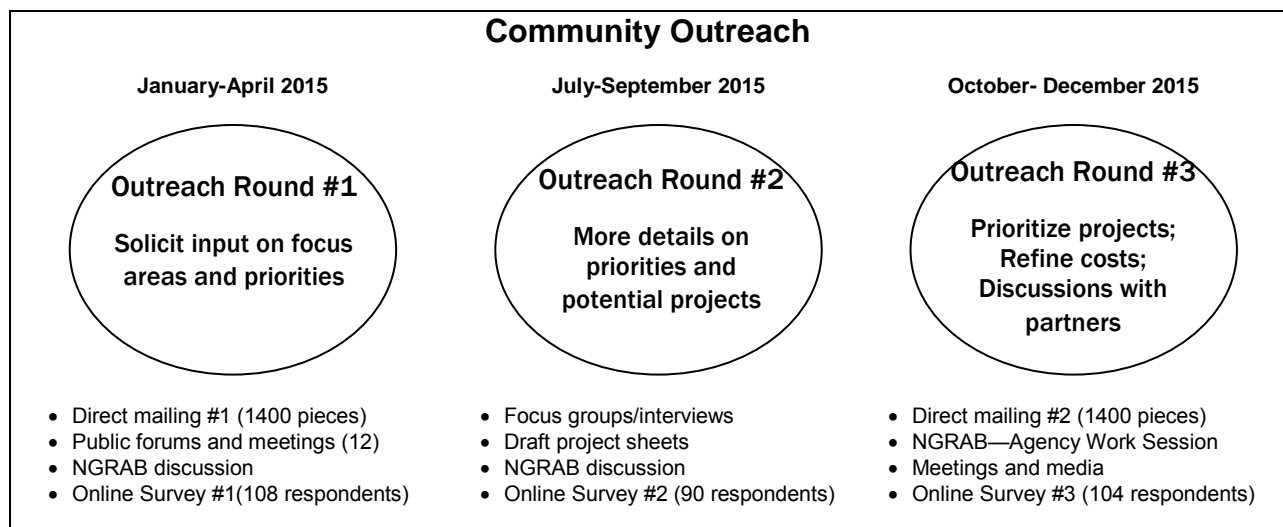
1. Context map of the study area
2. Commercial Development in the study area
3. Industrial Development in the study area
4. Multifamily Development in the study area
5. Improvement to Land Value Ratio of parcels in the area
6. Zoning and flood plain in the study area
7. Zoning in the study area

# Appendix C: Public Process Summary

# Appendix C: Public Process Summary

As part of the scope for the Portland Road Strategic Action Plan, an outreach strategy was developed to identify opportunities and needs within the Corridor. The strategy focused on the general public, Corridor residents, property owners and businesses.

Three rounds of public outreach were conducted. Each round of outreach was designed to involve the general public, Corridor residents, businesses, and other stakeholders in the North Gateway Urban Renewal Area. These outreach efforts included public meetings, direct mailings, social media, the internet and e-mail communications. A key element of each round of outreach was the use of a community online survey that served to identify needs, and then to shape and prioritize potential projects for the Corridor. The outreach strategy was conducted in both Spanish and English. The illustration below summarizes the process.



## Public Outreach—Round One

Round One of the outreach occurred between January and April 2015. It focused on raising awareness of the Action Plan's purpose and time line and soliciting initial input on priorities for the area. Feedback was generated through the following:

- Distribution of more than 2,000 postcards to individuals and organizations, including 1,400 direct mail pieces to property owners and tenants located in the North Gateway URA;
- Presenting to eight neighborhood and business organizations and hosting four public meetings; information was distributed via the radio (880 AM, KWIP, Spanish language radio), print, and social media; and
- An online survey that solicited responses from 108 individuals.



Nearly 200 individuals participated in the online survey and in public meetings. Based on the input received, staff concluded there is strong interest in the Urban Renewal Agency playing a more active role in generating economic activity in the area, including improving the appearance of the area (lighting, sidewalks, and buildings) and by facilitating property purchase and redevelopment. When asked to rank the importance of factors such as appearance, safety, building improvements, roads/public facilities, and business creation, participants ranked many of these of nearly equal importance.

Round One of public outreach was completed in April 2015 and analyzed by staff and the project consultant. Findings were presented to the NGRAB at their May 5th and June 4th meetings and with the Salem Chamber on July 2nd.

### Opportunities and Needs Analysis

In December 2014, ECONorthwest was contracted to complete an assessment of market conditions, needs, and opportunities in the Corridor area. The market analysis paralleled and informed the public outreach campaign and the community needs that were identified. The initial market analysis was completed in March 2015 and identified an increasing demand for more industrial/flex space and restaurants in the area. In May 2015, ECONorthwest completed the Opportunities and Needs Analysis report, utilizing information from the market analysis and the initial outreach. The May report identified development opportunities in the area and potential barriers that may need to be addressed to encourage development.

Over the summer, the project team led outreach with stakeholders representing several of the key businesses and organizations in the Portland Road Corridor to learn about opportunities for the urban renewal area to support existing businesses as they grow, and to attract new development and businesses to the Corridor. In October 2015, ECONorthwest provided a report summarizing business needs that were identified through their interviews and research.

Staff shared their report with NGRAB. ECONorthwest made the following recommendations in their report:

#### ***Recommendations:***

- *Expand existing NGURA financial incentives to target specific needs and increase funding availability and access, in particular for business location and expansion* ○ *Identify opportunities to formalize business to business communication in the area; increase awareness among business/property owners of resources available to assist;*
- *Track for sale opportunities; pursue opportunity to facilitate or support a new mixed use development, possibly with an employment and/or food hub focus; and*
- *Focus infrastructure investments on those that improve connectivity to key activity and employment nodes (Bill Frey Drive area); incorporate streetscape enhancements where possible, including street trees, landscape buffers, etc.*

## Public Outreach—Round Two

The second round of outreach occurred between July and September 2015. While Round One focused on raising awareness of the purpose of the Action Plan, time line, and soliciting initial input on priorities for the area, Round Two focused on soliciting more detail on potential project ideas and funding priorities in the Corridor. Input was solicited through a variety of methods including a second online survey (89 respondents) , focus group discussions, and interviews with area businesses, real estate brokers, developers, bicycle and pedestrian advocates, and other stakeholders. A summary of feedback was shared with the NGRAB on September 10 and October 1, 2015. Key findings and feedback from Round Two are shown below.

**Key Findings:**

- *Existing infrastructure is adequate and is not limiting new business or development*
- *There is demand for restaurants and retail and for affordable, fresh food.*
- *There are low industrial vacancy rates and a specific demand for industrial flex space.*

*Investments should be focused on key nodes within the corridor.*

From these findings staff prepared a series of initial project ideas that fall within three categories; 1) redevelopment, 2) business support, and 3) appearance and infrastructure. These project ideas were presented in joint work session to the NGRAB and the Agency Board on October 26, 2015. The work session affirmed that the project ideas were consistent with the desired direction of these bodies. The project ideas are shown below.

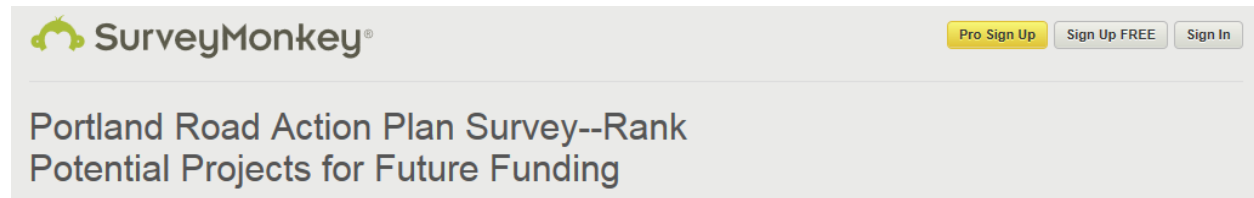
Project Ideas—Categories		
Redevelopment	Business Support	Appearance and Infrastructure
<ul style="list-style-type: none"> <li>• <i>Support retail development/food hub concept (small scale wholesale distribution and retail sales of fresh foods)</i></li> <li>• <i>Track for-sale opportunities; acquisition</i></li> <li>• <i>Predevelopment assistance programs</i></li> <li>• <i>Encourage housing development</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Financial assistance for start ups and expansion</i></li> <li>• <i>Business outreach and technical assistance</i></li> <li>• <i>Area-wide business networking</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Streetscape enhancements at key nodes</i></li> <li>• <i>Facade improvement program</i></li> <li>• <i>Bike/ped connection to Silverton Road</i></li> <li>• <i>Salem Industrial Drive upgrades</i></li> </ul>

## Public Outreach—Round Three

Round Three of the staff outreach efforts occurred between November 2015 and January 2016. The focus during this time period was on finalizing the project priorities of the public through a third online survey and through additional consultation with key stakeholders including the Chamber of Commerce’s Policy Board. As with the previous online surveys, the public and interested parties were encouraged to participate through a direct mailing to more than 2,000

persons and organizations. In addition, the City’s Urban Development website, press releases, and an e-mail campaign to stakeholders and interested parties were used to solicit participation in the survey. Extra mailing pieces were hand distributed to businesses in the Corridor, the Kroc Center and to the Center 50+. The online community survey was posted for 32 days and concluded on December 18<sup>th</sup>. A total of 104 participants completed the survey which was available in both English (96 respondents) and Spanish (8 respondents).

The survey grouped the project ideas into three categories similar to those used in Round Two. The project descriptions were refined by the project team and placed online for participant access. The survey asked participants to prioritize the project ideas listed within three categories: 1) Redevelopment; 2) Business Support; 3) Street and Sidewalk Infrastructure.



Survey results may be found online at the following web links:

English <https://www.surveymonkey.com/results/SM-YYNP66FJ/>

Spanish <https://www.surveymonkey.com/results/SM-TR5ZH6FJ/>

### Online Survey Results—Ranking Potential Projects

The table below lists the project descriptions by category that were used for respondent ranking. Participants were asked to rank the projects within each category. The “Priority Ranking” in the right-hand column is the weighted average of the ranking assigned to each project. Since the number of projects within each category differed, the weighted average among categories cannot be compared accurately. **Note: the lower the number, the higher the priority ranking.**

Round Three Prioritization Results	
<p><b>Redevelopment Projects</b></p> <ul style="list-style-type: none"> <li>• <b>Small-Scale Retail Development-</b> Support development that includes fresh and affordable food and restaurants, and supports new/small businesses. Concept may also include a Food Hub (small scale wholesale distribution and retail sales of fresh foods) and/or a commercial kitchen for preparing and packaging food. City support may be through property acquisition and/or financial incentives for potential developers.</li> <li>• <b>Focus on New Housing</b> - Collaborate with other agencies and developers to encourage new housing that is affordable to those who live and work in the area.</li> <li>• <b>Mixed Retail and New Housing-</b> Provide financial incentives and/or purchase sites to encourage new businesses and jobs, retail development, and/or housing in the Corridor. Expand the funding available for grants and loans that support eligible projects.</li> </ul>	<p><b>Priority Ranking 1 to 3 (1 highest priority)</b></p> <p>1.87</p> <p>2.38</p> <p>1.59</p>
<p><b>Business Support Projects</b></p> <ul style="list-style-type: none"> <li>• <b>Focus on Financing</b> - Re-configure the City’s business loan and grant programs to better serve start-up businesses and existing small businesses.</li> </ul>	<p><b>Priority Ranking 1 to 4 (1 highest priority)</b></p> <p>2.34</p>

<b>Round Three Prioritization Results</b>	
<ul style="list-style-type: none"> <li>• <b>Focus on Technical Assistance</b> - Partner with organizations to strengthen outreach and technical assistance for businesses and property owners in the Corridor. This may also include business networking and improved enforcement of existing City Codes related to property upkeep.</li> </ul>	2.74
<ul style="list-style-type: none"> <li>• <b>Improve Look of Buildings</b> - Improve run-down building facades with a package of grants and loans for business/property owners.</li> </ul>	1.95
<ul style="list-style-type: none"> <li>• <b>Promote the Positive</b> - Work with area businesses and organizations to develop materials that promote the positive characteristics of the Corridor.</li> </ul>	2.85
<b>Street and Sidewalk Infrastructure Projects</b>	<b>Priority Ranking 1 to 5 (1 highest priority)</b>
<ul style="list-style-type: none"> <li>• <b>Connect to the Kroc Center</b> - Provide connections from the Kroc Center area to Hyacinth Street and adjacent residential neighborhoods.</li> </ul>	3.66
<ul style="list-style-type: none"> <li>• <b>Make Bike and Sidewalk Improvements</b> - Make street and sidewalk improvements to Salem Industrial Drive from Cherry Avenue to just south of Bill Frey Drive.</li> </ul>	3.19
<ul style="list-style-type: none"> <li>• <b>Develop New Bike Connections</b> - Develop a new connection that would allow cyclists and pedestrians an alternative to the Portland Road railroad under-crossing.</li> </ul>	3.01
<ul style="list-style-type: none"> <li>• <b>Add Landscaping, Lighting and/or Sidewalks to Portland Road North</b> - Make streetscape improvements to sections of Portland Road (North) between Bill Frey Drive and Hyacinth Street, in areas with the greatest need.</li> </ul>	2.57
<ul style="list-style-type: none"> <li>• <b>Add Landscaping, Lighting and/or Sidewalks to Portland Road South</b> - Make streetscape improvements to sections of Portland Road (South) between Bill Frey Drive and Lana Avenue, in areas with the greatest need.</li> </ul>	2.48

Among all three project categories, the survey showed the strongest support for the development of mixed retail and new housing, and for façade improvement programs to improve the appearance of the Corridor.

Within the category of “Redevelopment,” the survey showed a preference for supporting: 1) mixed retail and new housing, and 2) for small scale retail development including a Food Hub concept (small scale wholesale distribution and retail sales of fresh foods).

Within the “Business Support” category, the survey showed support for: 1) facade improvement programs and other efforts to improve the appearance of buildings in the Corridor, and 2) the reconfiguration of the City’s business loan program to better serve start-up businesses and existing small businesses.

Within the “Street and Sidewalk Infrastructure” category, support was expressed for: 1) adding landscaping, lighting and or sidewalks along Portland Road in areas with the greatest need, and 2) developing an alternative to the bike/pedestrian railroad undercrossing on Portland Road.

### About the Outreach Participants

The public outreach process employed a broad array of media and methodologies to connect with residents, businesses, property owners and other interested stakeholders in the Corridor as

well as the general public. While there were many meetings, targeted interviews, and publications sent out, the online surveys provide the most definitive record of public participation through the process.

<b>Online Survey Respondents</b>		
	<b>Have a business in the area</b>	<b>Resident in the area</b>
<b>Round One (108 surveys)</b>	11 (10%)	49 (45%)
<b>Round Two (89 surveys)</b>	10 (11%)	24 (27%)
<b>Round Three (104 surveys)</b>	19 (18%)	31 (30%)
<b>Total</b>	<b>40 (13%)</b>	<b>104 (35%)</b>

More than 300 online surveys were completed in Rounds One, Two and Three. About half of those participants responding to the online survey for Round Three participated in the surveys for Round One or Two, meaning that a significant number of persons were tracking and participating in the process.

More than 13% of the respondents to the combined surveys indicated that they were business owners or managers. About 35% of the respondents are residents of the area. Keep in mind that a separate effort was made to target business needs apart from the online surveys.

### Confidence the Projects/Actions will Improve the Corridor

The final online survey asked, “Will these projects improve the Corridor according to the Action Plan Goals?” Just over 57% percent of respondents indicated that the projects would significantly improve the Corridor. More than 87% said that the projects would somewhat or significantly improve the area.



## Opportunities

<b>Improved communication about City programs</b>	The SCI report suggested that the City create alliances “with religious and business leaders in the Latino community [which] could improve services and outreach.” Specific recommendations included creating culturally specific programs to empower microbusinesses and taking a personal and targeted approach.
<b>Branding to create a unique identity</b>	The local community should be directly involved in the naming and branding effort to promote a strong sense of ownership and community pride. This could include way-finding/entrance way signage, public art, and a variety of other methods. Physical improvements such as these could be eligible for urban renewal funding whereas more traditional programmatic approaches to marketing, developing messaging, and branding would be led by community groups or other outside agencies.

## Development Nodes

Through community conversations and an analysis of available and underutilized land, the project team recommends three nodes for further investment. The opportunities and barriers present on these sites are not unique to these intersections, but apply all along Portland Road. Investment can reshape nodes along this Corridor, providing a template for development at other sites along Portland Road. Exhibit 13 shows a preliminary illustration of potential focus areas along the Corridor, as well as sites that are vacant or underutilized that could potentially accommodate additional development.

- **Bill Frey Drive.** There are several sites that could accommodate more intensive development and employment uses. With its good I-5 access and proximity to industrial uses, the opportunity in this area relates to the cluster of underutilized sites across from and adjacent to Don Pedro. The development opportunities on these sites could be small-size flex space with limited retail, especially on the west side of Portland Road. In addition, there is an opportunity to provide better crosswalks and other safety improvements for bicyclists and pedestrians along Bill Frey Drive from Portland Road to the Kroc Center.
- **Central Corridor.** This area serves as an important development opportunity for the Corridor. There are several underutilized parcels and buildings in this area that could be converted to retail or flex uses, including the Epping property. The Salem-Keizer Career and Technical Institute could help to change the perception and drive demand.
- **South Corridor (near Center 50+).** This area has the most complementary infrastructure for new development, given past URA streetscape and development investments. This area could accommodate additional housing and retail development that aligns with the Center 50+ and Hollywood Station housing in the area. There are several potential opportunity sites in the area that could create more conducive atmosphere for retail development, but they likely could not accommodate a large grocery store.