

New City of Salem Police Station Issues

A new Police Facility is clearly needed by the City of Salem, but it needs to be accomplished in the most cost effective manner to minimize the financial impact (increased taxes) on the citizens and businesses in the Community.

With an existing major City of Salem Bond measure reaching maturity the City of Salem should not be seeking to add another \$70-80 Million in new debt while ignoring other potentially needed projects such as the upgrading of City Hall/ Library, the Third Bridge, School Facility upgrades, Storm water system upgrades, Roadway repair and upgrading, etc. The spending on the Police Facility needs to be evaluated as one component of a list of all projects projected over the next 10 years, so proper priority and spending levels can be assigned.

While we have the typical Government rush to have business and taxpayers fund their pet projects there are other factors which need to be considered:

The growth of downtown Salem can reasonably only occur to the North.

- Blocked by the Water Front Park and the Willamette River to the West.
- Blocked by the State of Oregon campus, Hospital, Willamette Univ. and North/South Rail Line to the East
- Blocked by City Hall and other existing Commercial properties to the South
- The property north of the Delon property was down zoned in 1998-2000 from CG to Residential High Rise/Mixed Use to promote urban housing and encourage business growth to the North.

The Delon parcel is the only remaining large block of property remaining for expansion of Commercial/Retail development in downtown Salem.

The Delon parcel is designated as an Urban Renewal area so funds are available to encourage the development of more private sector jobs and subsequent property tax revenue for the city. Use of Urban Renewal funds to build a Government building or its associated infrastructure is not the appropriate use of these funds.

Development of this property by the private sector will generate many ongoing private sector jobs and an estimated \$500,000 to \$750,000 in new annual property tax revenue. When used for a Police Facility the property is taken off the tax rolls forever with no growth of new private sector jobs and the corresponding tax revenue.

Why is it essential that the Police Facility be located in the central downtown area? Is it the proper entree to the downtown shopping area?

The City of Salem shops are currently located on 20 acres of city owned property between 12th

and 13th St, East of the downtown area. With prudent reorganization and consolidation five acres could easily be set aside for a Police Facility. This saves the cost of purchasing a premium piece of CR zoned property (\$500,000+) and the property is already off the tax rolls. The proposed Police Facility plan also expands the De Lon property with the acquisition of more Commercial property to the North, which results in more front end cost and more property off the tax rolls.

Will the existing space in City Hall occupied by the Police Dept. be leased out to a private sector tenant? Not likely! Most likely the space will be back filled by more city government at additional operating cost to be paid by the taxpayers.

A prudent business would never expand a capital facility to meet its projected needs for the next 40 years. They would design a facility to meet their needs for the next 5-10 years, not going from 50,000SF to 115,000 SF overnight. They would build with provisions in the design for future expansion when appropriate.

The projected cost of \$544 per square foot** is way out of line with what is currently being paid to build state of the art office buildings (\$200+) or medical office buildings (\$300+). Is it reasonable to ask the taxpayers to fund this level of cost per Square Foot?

In Salem the cost of real property taxes, water/sewer, electricity, and other services continue to escalate at a rate which cannot be supported by city residents and the modest increase in lease rates which Salem business's can afford to pay. Salem is not Portland, Lake Oswego, or Eugene! Without change, this trend discourages private sector investment and future growth.

** Based on proposed \$63.9 Million for 115,000SF