Dear Mr. Cantrall –

Leith Parson from Governor Brown’s office contacted us to share with us your interest in the North Campus property. I understand that you are seeking locations for homeless shelters and transitional housing.

We have had some discussions with the Salem Housing Authority, who is also seeking locations to site affordable housing in Salem. Recently, SHA toured Yaquina Hall, and is exploring that building as an option.

The buildings east of 25th Street, which are currently scheduled for demolition, would be prohibitively expensive to retrofit for housing use. They have been vacant for four years, so any use requires a new certificate of occupancy from the City of Salem. This requires renovating them to meet modern building codes.

Seismic stability is a concern in these older structures, along with antiquated plumbing and electrical systems. These would all have to be brought up to code. Hazardous material abatement is another significant factor in building safety. In some buildings, removing the hazardous materials will do significant damage to the interiors (ceiling and wall coatings, flooring, asbestos-wrapped pipes within walls, asbestos-containing window caulking and glazing compounds, etc.). This damage would then have to be repaired.

Our 2013 estimate to renovate these vacant buildings was $200 per square foot; it would likely be closer to $225 now, due to inflation. New buildings designed for housing would actually cost less, thus providing more units per dollar spent.

Background:

In 2012, the Oregon Health Authority vacated the North Campus. This property was transferred into the ownership of the Oregon Department of Administrative Services (DAS).

DAS contracted for an analysis of the property, which was completed by Leland Consulting Group in 2013. The consultant indicated that the buildings on the campus, with the exception of the Dome Building, were functionally obsolete and of zero economic value, and recommended demolition of all buildings except the Dome Building.

The community indicated a desire to find productive uses for both the Dome Building and neighboring Yaquina Hall.

During the 2015 Regular Session, the Oregon State Legislature directed DAS to spend up to $8.3M from its existing capital construction and repair budget to remove hazardous materials (asbestos, lead paint, etc.) from the tunnels and all buildings except for the occupied office space (floors 1-3) in the Dome Building, and to demolish all buildings and tunnels except for the Dome Building and Yaquina Hall. The Legislature’s instruction to DAS is to prepare the property for sale for redevelopment, and use sale proceeds to fund the capital construction and repair projects which have been postponed.
DAS has completed hazardous materials and geotechnical testing (soil structure and bearing capacity). Consultants are now developing abatement and demolition plans. DAS expects to start hazardous material abatement in the late summer of 2016 with demolition to follow.

Sales Process:

DAS is currently awaiting the results of an appraisal of the property. We are generally not permitted under statute to sell State property without having an appraisal.

DAS expects to begin marketing the property for sale later this year. We are required by statute to publish a notice in the newspaper alerting the public to the offering of the property, including the asking price, before we can legally consider offers of purchase from anyone other than certain state agencies, political subdivisions, and non-profit housing developers.

Statutes governing the sale of State property are found in ORS (Oregon Revised Statutes) 270, and administrative rules (which give more detail) are in OAR (Oregon Administrative Rules) chapter 125, Division 45, Disposition and Acquisition of Real Property Interests.

Upcoming Meetings:

We will be happy to add you to our email list for those interested in the property, so you receive any notices we send about public meetings or other activities, if you like. We will also send you a copy of the public offering notice, when that goes out for publication.

The only public meeting DAS currently has scheduled will be held April 21, and is an opportunity for neighbors and concerned citizens to comment on measures proposed as mitigation for the removal of buildings in the Oregon State Hospital National Historic District. The only matter for discussion at that meeting is whether the proposed historic mitigation measures are appropriate, given the impact of the building removal on the historic district. The decision to remove the specified buildings was already made in 2015 by the Legislature.

I’ve attached the meeting notice and information for you. These were sent out late last week by the City of Salem to neighbors of the property.

Please let me know if you have any questions.

Thanks!

Darrin Brightman, AICP, OPMA
Real Estate Project Manager