The Department of Administrative Services hopes to recoup its costs on the $8.3 million, with the sale of the property.

State officials have shot down a bid to save the buildings on the Oregon State to demolish all but two of them is set to start early next year.

A group of business owners in the Willamette Valley had come together to see on the 47-acre lot could be reused. The state has since denied that proposal.

Oregon’s Department of Administrative Services, which oversees the site, said the plan wasn’t feasible for the city and state but declined to comment on how they were pushing a plan to demolish the buildings and his group proposed their plan too late.

Under his group’s proposal, the state would not have had to pay demolition costs, he said. "That was the carrot," he said.

His group would have taken over remediation costs to make the buildings usable again.

Now, DAS is preparing for the possibility that it may run over an $8.3 million budget set by the Legislature (https://olis.leg.state.or.us/liz/2015R1/Downloads/MeasureDocument/HB5006/Enrolled) and is trying to break even with Shannon Ryan, administrator for the department’s division of asset management.

While DAS will have a clearer picture of how high expenses will run after this week, the department is aware that current over budget. DAS is not forecasting an exact number for the possible overage at this point, but "we are bracing ourselves (one)," she said.

At this point, she said, the project is still on budget.

Because DAS wasn’t given cash to work on this project, money for the Oregon State Hospital revamp is currently coming maintaining its other sites around the state, from Portland to Pendleton, said Ryan.

"Eight-point-three million is a pretty healthy divot out of that," she said.

Right now, removal of hazardous materials is underway to ready the site for demolition. Ryan said a renewed call for process take place early next year.

There are six larger buildings on the old north campus (https://www.oregon.gov/das/Facilities/Pages/OshncProfile.aspx) the Dome building, aren't scheduled for demolition.

State may go over budget on State Hospital revamp

Different groups have vied for the space in recent years. In 2014, three locals had proposed a community land trust option that would move ownership of the site away from the state and give the neighborhood a la used in the future. That proposal was denied, too.

The state and city have been working together as they figure out what to do with the land. An option for the city would be townhouses and other homes, said Kristin Retherford, Salem's Urban Development Director. The city is facing a shortage on such a great corridor," she said.

The land would have to be rezoned to put up houses, but the site is right near downtown Salem and could ostensibly be used for parks.

The city has also not forgotten about plans to redevelop some of the land for parks. One local group with more than 100 pushing for a 6-acre plot of the land to be turned into a city park, according to member Carol Snyder.

Send questions, comments or news tips to jbach@statesmanjournal.com or 503-399-6714. Follow him on Twitter @Jon

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