

North Gateway Urban Renewal Area Proposal – September 2018

Project: Salem-Keizer Career Technical Education Center (CTEC)

CTEC Project Contacts:

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North Gateway Urban Renewal Area Funding Request: The Salem-Keizer Career Technical Education Center (CTEC) is asking the North Gateway Urban Renewal Area (NGURA) Advisory Board and the Urban Renewal Agency Board to move project cost savings of \$400,000 to CTEC to help us complete Phase 5 by 2019. Phase 5 includes the final two of ten Career Technical Education programs—Culinary Arts Management and Agriscience—and once built will complete the full build-out of the 150,000 square-foot facility and the CTEC vision.

We are incredibly grateful for the grant awards that were already given to CTEC and did not plan to come back for additional support. However, as we work diligently to raise the final \$1.5 million needed to complete the project on-time and with cost efficiencies, we are limited in terms of those who can contribute at this level and within a short time-frame. Given available project cost savings within the Urban Development Department, our strong partnership with the City, and the positive impact of CTEC on multiple NGURA and City of Salem goals, we are seeking this final investment to help us successfully complete CTEC on-time by 2019.



North Gateway Funding Background: In April 2016, Salem’s Urban Renewal Agency Board committed \$1 million in North Gateway Urban Renewal Area grant funding for the “design, engineering and construction of building and site improvements that support expansion of CTEC programs.” Urban Renewal Agency funding was leveraged with \$1.9 million from the State of Oregon and Oregon Regional Solutions for Phase 5. We anticipated funding Phase 4 (programs 7/8) with New Market Tax Credits (NMTC), working diligently from 2015-16 to secure an anticipated \$4 million that would have provided the support needed to complete the build out of CTEC. Unfortunately, in 2016, Federal program criteria changed and our projected partners did not receive an allocation of tax credits. As a result, we regrouped and asked the City of Salem for an additional \$1 million in NGURA grant funding. The combined \$2 million has since been allocated to Phase 4 (\$1.5 million) and Phase 5 (\$500,000). See chart below for CTEC funds (secured/pending) from the City of Salem.

Amount	Source	Status	Use of Funds
\$50,000	Toolbox Grant	Secured	Exterior Improvements
\$2,000,000	NGURA Grant Program	Secured	Phase 4 build-out (\$1.5M); Phase 5 build-out (\$500,000)
\$400,000	Project Cost Savings	Pending Request	Phase 5 (specifically Ag program)
Total: \$2.45 million			

We have leveraged a total of \$13.5 million in additional funds (\$8.96 million from Mountain West), and still have approximately \$1.5 million to raise to reach our \$17 million goal. Another investment of \$400,000 from the City of Salem would put us close to the \$1 million mark to close the project, which we feel is achievable. With the

additional investment from the City of Salem, we can complete the project on-time and keep the final two programs on track to open in September 2019. Without the additional investment, there could be program delays and we could lose valuable cost efficiencies if contractors are brought back on-site at a later date.

CTEC Program Update: Located at 3501 Portland Rd. NE in the NGURA, CTEC includes a 150,000 square-foot building residing on 7.83 acres. Formerly Neilsen Manufacturing, the building sat vacant for many years until Mountain West purchased it in 2014 with the vision to transform it into CTEC. As an innovative public-private partnership, CTEC's mission is to: "prepare students for high-skill, high-wage, high-demand careers, while developing the professional skills, technical knowledge, academic foundation and real-world experience to assure their success upon graduation." By exposing youth to career pathways, providing links to industry certifications and college credit, and motivating students to stay in school and get their diploma before entering the workforce or going on to college, CTE programs increase graduation rates, while developing a strong workforce for our City.

Currently 600 students are enrolled for the 2018-19 school year in eight CTEC programs—Residential Construction, Manufacturing, Welding and Engineering; Cosmetology; Video and Game Design Animation; Autobody Repair and Painting; Drone Technology and Robotics; Law Enforcement; and, Business Development and Leadership. When fully built out by the 2019-20 school year, CTEC will house ten CTE programs, serving 1,000 11th/12th graders from Salem-Keizer each year. CTEC students work with two on-site Salem Area Chamber of Commerce Business Liaisons to link with area companies for job shadows, internships and jobs.

Key CTEC Impacts:

- Ten Career Technical Education programs open by September 2019
- 1,000 11th and 12th grade students to be enrolled by 2019-2020 school year
- 98% Graduation Rate (compared to 73% District average)
- All students connected to post-graduation job/college/training – goal: 100% positive placement

Project Budget: Total capital budget of \$17 million—over \$15.5 million has been raised to-date including:

- \$8.96 million Mountain West Investment Corporation
- \$2 million City of Salem—North Gateway Urban Renewal Grant + \$50,000 2015 Toolbox Grant
- \$1 million State of Oregon—Capital Construction
- \$900,000 State of Oregon—Regional Solutions
- Other key support: \$510,000 Epping Family Fdtn; \$250,000 Sodexo; \$250,000 Salem New Car Dealers; \$250,000 (x2) major donors; \$175,000 OCF; \$135,000 New Tek; \$125,000 Columbia Bank; \$100,000 OR Youth Dev. Council; \$75,000 PGE Fdtn; \$50,000 US Bank; \$50,000 Spirit Mountain; \$50,000 Marion County Econ. Dev; \$12,500 Wells Fargo; and other donations in the \$500-\$50,000 range from individuals.

Pending Requests: We are working hard to raise the final funding needed, including weekly meetings and/or fundraising lunches with foundations, businesses and major donors; over \$150,000 in pending foundation requests, with more to be submitted; and, regular strategizing about new asks. However, there are few sources in our community and state that can provide major gifts over \$100,000 and our goal is to raise the final \$1.5 million in additional funds by early 2019 to keep build-out efficient and on track. A final investment of \$400,000 from the City of Salem would provide critically needed support to CTEC and ensure successful project completion.

Conclusion: CTEC provides a solution-oriented response that is full of hope for the future. CTEC will measurably increase student opportunities for success, create a skilled labor force, and significantly boost health and economic vitality in our community, and specifically in the North Gateway Urban Renewal Area.

