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Title: Fiscal year 2016-2017 economic development update

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 Councilor(s): All Councilors
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12/5/2016	1	City Council	received and filed	

TO: Mayor and City Council

THROUGH: Steve Powers, City Manager

FROM: Kristin Retherford, Director, Urban Development Department

SUBJECT:

Fiscal year 2016-2017 economic development update

Ward(s): All Wards
 Councilor(s): All Councilors
 Neighborhood(s): All Neighborhoods

ISSUE:

Quarterly update on economic development activities for the first quarter of fiscal year 2016-17, July 2016-September 2016.

RECOMMENDATION:

Information only.

SUMMARY AND BACKGROUND:

A vibrant economy that creates “the environment and opportunity for smaller traded sector businesses and local companies to retain and expand in Salem and foster strategic partnerships to grow jobs and income, attract visitors, and conduct strategic recruitment of traded sector employers” is one of many goals set by City Council for 2015-2017. In an effort to track progress on that goal, City Council and the Urban Renewal Agency (Agency) have requested quarterly progress reports from the Urban Development Department on economic development activities.

FACTS AND FINDINGS:

Urban Renewal Area (URA) efforts

Riverfront Downtown URA - The Central Salem Mobility Study was completed in 2013, and it included project recommendations to provide adequate traffic flow while improving multi-modal accessibility. Among the recommendations is a traffic signal at Union Street NE and Commercial Street NE. The project is in the design phase with the notice to proceed anticipated for January 2017 and project completion by the fall of 2017. Another recommendation was the removal of a travel lane along High Street and Church Street NE and the restriping of these streets to include a dedicated bicycle lane. This project was completed in September 2016 (<http://www.cityofsalem.net/mobilitystudy>). The Riverfront Downtown URA Capital Improvement Grant program continues to encourage improvements to area buildings. Since its inception nearly \$1.4 million has been committed to eleven projects totaling \$12.3 million in private investment.

North Gateway URA - Efforts to implement the recommendations from the Portland Road Corridor Action Plan continue. The Community Food Study is underway to research the feasibility of a public market, commercial kitchen, and other opportunities to support new food related businesses and catalyze development in the area. Research is also underway to identify two locations for new pedestrian crossings between Lana Avenue NE and Hyacinth Street NE and associated streetscape improvements (<http://www.cityofsalem.net/northgatewayplan>). The North Gateway URA Grant Program is helping area businesses improve their facilities. Pending grant applications total approximately \$2.7 M and include funding for the build out of the Salem-Keizer Career and Technical Education Center (CTEC) and a proposed 180 unit affordable housing development planned on Portland Road NE.

West Salem URA - In December 2015 the Agency advanced the West Salem Business District Action Plan to a feasibility study of the transportation recommendations. Since April 2016, staff have been working with consultants, a project advisory committee, and area stakeholders to determine the project feasibility and associated costs and impacts. On November 28, 2016 the Urban Renewal Agency Board received an update on the feasibility study and considered an amendment to the West Salem URA Plan to add reference to a grade separated crossing of Wallace Road at 2nd Street. The crossing will enable blighted industrial properties on the west side of Wallace Road to redevelop (<http://www.cityofsalem.net/westsalempplan>). The West Salem URA Grant Program aids property owners and tenants to construct new buildings and building additions. To date, around \$175,000 has been committed with \$1.3 million in private investment anticipated upon completion.

Mill Creek Industrial Park URA - Oregon State Department of Administrative Services (DAS), the City of Salem Urban Development Department, and Strategic Economic Development Corporation are

actively marketing the vacant development land at the Mill Creek Corporate Center. Henningsen Cold Storage initiated the construction of its 166,000 square foot refrigerated warehouse facility in August 2016, and the project should be complete by spring 2017. When complete, Henningsen Cold Storage estimates investing approximately \$27 million and increasing job opportunities in the area (<http://www.cityofsalem.net/millcreeksalem>). Work continues with several other potential users to locate at the Mill Creek Corporate Center.

State Street Corridor Plan

The State Corridor Plan project started in August 2015 and aims to revitalize State Street SE from 12th Street SE to 25th Street SE by recommending land use and transportation improvements.

Community Development Department staff are working with a consultant team led by Parsons Brinckerhoff to refine and analyze proposed land use and street design changes based on input from the public and the project's stakeholder advisory committee. (<http://www.cityofsalem.net/statestreetcorridorplan>).

Business retention and marketing

An effort to engage small businesses through the pilot small business retention program commenced in April 2016. Over sixty businesses were contacted in the North Gateway URA, and it has since expanded to West Salem URA and Fairview Industrial URA. The intent is to establish a relationship with the businesses in order to understand their needs as they expand or encounter challenges and inform them of the business development services available from the City of Salem and its regional and state economic development partners. Staff are partnering with Startup Salem and other local partners to launch a monthly networking series, *Startup Salem Brew Talks*, modeled after similar efforts in Portland and Bend. The event serves as a networking and information sharing forum for startup businesses, investors, and others. The next event is planned on December 8, 2016, from 6-8 pm. Additional information has been added to the City's website to assist with business recruitment and retention, including to assist property owners with understanding permitting requirements and highlighting Salem's positive attributes (<http://www.cityofsalem.net/economicdevelopment>).

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Attachments:

1. None

11/18/2016