

SUMMARY:

City Council (Council) requested quarterly economic development reports from the Urban Development Department associated with the goal of creating a vibrant economy. This report includes activity from April 1 through June 30, 2020.

FACTS AND FINDINGS:

Economic Indicators

New development and redevelopment projects were active citywide. According to City of Salem (City) permit reports, there were 564 issued during the quarter with a total valuation of \$194,759,964. During the same period last year, there were 630 permits with a valuation of \$210,275,968. Included in the total permits for the quarter were 51 new commercial/industrial permits with a total valuation of \$30,368,786. During the same period last year, there were 31 commercial/industrial permits with a total valuation of \$63,751,729.

COVID-19 Business Assistance

In June, Council allocated \$25,000 for grants to local cultural and historic non-profit organizations. There were 16 applicants; 12 of which were determined to be complete and met the requirements. In total, seven organizations will be funded or partially funded and include: Willamette University Theater 33, Straub Outdoors, Salem Art Association, Gilbert House Children's Museum, The Verona Studio, Pentacle Theater, and Enlightened Theatrics. Awardees will have until mid-November to use the funds, submit a summary report, and request reimbursement.

The Urban Development Department will be administering the third round of Oregon Business Development Department (Business Oregon) COVID-19 Emergency Business Grant Applications. Grant amounts will range from \$2,500 to \$25,000 based on the number of employees. Outreach to businesses will begin in September, and the funds must be disbursed within 45 days of receipt from Business Oregon. Businesses who have obtained federal relief funding like Paycheck Protection Program (PPP) and Economic Injury Disaster Loans (EIDL) are eligible for the third round of funding, unlike the first two rounds. Demand is expected to be high for the program.

Business Retention and Recruitment

The Urban Development Department Economic Development Division (ED) continues to check in and meet with local businesses. ED maintains regular contact with over 60 small businesses to provide information on COVID resources and serve as a connection to help them through the process. ED has helped businesses meet with lenders still accepting PPP applications and connected businesses with the Oregon Employment Department Rapid Response technical resources for unemployed community members, and supported many individuals exploring a business startup idea after becoming unemployed.

During the quarter, the City and SEDCOR responded to six requests for information from site selectors or brokers with interest in developing at Mill Creek Corporate Center and the Salem Business Campus. Negotiations are ongoing related to new development on two sites at the Salem Business Campus.

The City also worked with SEDCOR, a conglomeration of other local governments, the Oregon Entrepreneurs Network, and Oregon Technology Business Center to organize the Launch Mid-Valley Angel Fund (Angel Fund). The Angel Fund has aided two businesses. One is a Salem based hot sauce company called Hoss Soss that is owned by Chef Mat Kuerbis and Catharine Sutherland. They plan to use the investment to boost inventory and meet with grocery stores interested in their product. The other company is SiliPrin, Inc. which is a 3D printing company started by Dogan Yirmibesoglu, an Oregon State University doctoral student, who will use the funds to bring his products to market.

The Angel Fund is working with a third company, and the organization intends to raise money for their second fund this fall.

Urban Renewal Area (URA) Grants

URA grants continue to encourage private investment in development and redevelopment for the benefit of the community.

In the West Salem Urban Renewal Area, work has completed at West Salem Machinery and Truitt Bros, and the new office building on 3rd St NW is almost finished. In the Riverfront-Downtown URA, during the quarter more than \$800,000 of combined Capital Improvement and Strategic Grant funds were committed to five projects totaling around \$4.5 million. Funds were used to leverage private investment for new construction of a mixed-use building, including 23 rental housing units, interior building improvements, and projects to assist with crime prevention.

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Attachments:
None.