



Staff Report

File #: 16-094

Version: 1

Date: 7/25/2016

Item #: 6. a.

TO: Mayor and City Council

THROUGH: Steve Powers, City Manager

FROM: Kristin Retherford, Director, Urban Development Department

SUBJECT:

Fiscal year 2015-16 economic development update: urban renewal area efforts, State Street corridor plan, business retention and marketing efforts, Salem Airport taxiway "C" rehabilitation, and Oregon State approval of the enterprise zone boundary change and industrial site certifications.

Ward(s): All Wards

Councilor(s): All Councilors

Neighborhood(s): All Neighborhoods

ISSUE:

A quarterly update on economic development activities for the fourth quarter of fiscal year 2015-2016.

RECOMMENDATION:

Information only.

SUMMARY AND BACKGROUND:

A vibrant economy is one of many goals identified by City Council for 2015-2017; specifically focused on creating "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."

City Council and the Urban Renewal Agency Board (Agency Board) have directed the Urban Development Department to provide economic activity reports quarterly. The last report was March 14, 2016. This fourth quarter report focuses on grants, loans, and projects in the urban renewal areas; the conversion of brownfields to productive uses; progress on the State Street corridor plan; business retention and marketing efforts; Salem Airport taxiway "C" rehabilitation; and state approval to increase the enterprise zone area and industrial site certifications.

FACTS AND FINDINGS:

Economic development activities for April 2016 through June 2016

Urban Renewal Area (URA) efforts - The Riverfront Downtown URA Capital Improvement Grant program continues to be successful. By June 2016, more than \$1.1 million had been committed to seven projects totaling \$11.8 million in private investment. Projects receiving grant funds will preserve historic buildings and create space for new businesses. The central Salem mobility study recommendation to remove a travel lane and restripe it as a bicycle lane on High Street and Church Street has commenced. When the project is complete, circulation and safety will improve for bicyclists traveling to and throughout downtown Salem. [cityofsalem.net/mobilitystudy](http://www.cityofsalem.net/mobilitystudy)
<<http://www.cityofsalem.net/mobilitystudy>>

The North Gateway URA Portland Road Corridor Action Plan was approved by the Agency Board. Subsequently both the Agency Board and City Council adopted resolutions to amend sections of the North Gateway URA Plan to reflect the Action Plan recommendations to strengthen the identity of the Portland Road corridor through 1) the restructuring of financial incentives for real estate development; 2) creation of workforce housing, public market, food hub, and commercial and industrial flexible user space; and 3) the organization of a business outreach and technical assistance program. The Agency Board and City Council also approved changes to the North Gateway URA grant program to permit funding for larger projects. [cityofsalem.net/northgatewayplan](http://www.cityofsalem.net/northgatewayplan)
<<http://www.cityofsalem.net/northgatewayplan>>

The Agency Board advanced the Business District Action Plan for the West Salem URA to conduct an engineering feasibility study and refined cost estimates for the transportation recommendations. The transportation recommendations include the extension of 2nd Street under Wallace Road NW to increase multi-modal transportation throughout West Salem around to a proposed Marine Drive to Glen Creek Road and to Wallace Marine Park by Musgrave Lane. It also considers a dedicated right turn ramp from Wallace Road to the extension of 2nd Street. The feasibility study commenced in April 2016 and is midway through the project. Preliminary findings have been discussed with Oregon Department of Transportation, stakeholder and technical advisory groups, the West Salem Redevelopment Advisory Board (WSRAB), and small group meetings with Agency Board members. The small group meetings will continue through July, and staff will work with WSRAB to share information to the community and encourage them to participate in an open house tentatively scheduled for mid-August. A redevelopment grant has been issued for 1395 Edgewater and construction is progressing. There will likely be additional grant applications in the next quarter. [cityofsalem.net/westsalempplan](http://www.cityofsalem.net/westsalempplan) <<http://www.cityofsalem.net/westsalempplan>>

Silt screens were erected on a lot at the Mill Creek Industrial Park URA to encourage the endangered streak horned lark to nest elsewhere. Staff are working with Oregon Department of Administrative Services, Strategic Economic Development Corporation (SEDCOR), Business Oregon, and other partners to sell the northwestern parcels that are ready for development. One particular project adjacent to Kuebler Boulevard anticipates constructing this summer. SEDCOR, Urban Development,

and IT have worked together to update the stand alone Mill Creek Corporate Center webpage to include a Salem Maps Online web application that allows site selectors, real estate agents, and others to visualize the corporate center, its lot configuration, utility locations, topography, vicinity to major roadways, and other information. millcreeksalem.com
<<http://saalem.maps.arcgis.com/apps/Viewer/index.html?appid=3645b99ddfdf4fd08fbf4e3891664da2>>

State Street corridor plan - The plan began in August 2015 and is intended to revitalize State Street from 12th Street SE to 25th Street SE by recommending land use and transportation improvements. The project will result in: 1) proposed land use regulations that encourage pedestrian friendly mixed-use development; and 2) proposed alternative street designs that are intended to create a safer, more welcoming environment for pedestrians and bicyclists. Community Development staff have been working with a consultant team, led by Parsons Brinckerhoff, to review public input received from the March 8 kickoff meeting, community survey, and other outreach activities. The consultant team is using the input to develop options for a new mixed-use zone and street design for the State Street corridor. These will be presented to the community at the next public meeting later this summer. cityofsalem.net/StateStreetCorridorPlan
<<http://www.cityofsalem.net/StateStreetCorridorPlan>>

Business retention and marketing efforts - The business retention and expansion program was launched in April 2016 to identify local business needs and connect them with the appropriate resources. The effort integrates with economic development partners SEDCOR, MERIT, Incite Works, the Latino Business Alliance, and Chemeketa's Center for Business and Industry to help Salem companies continue to grow in the area. Staff have contacted over 60 businesses from which there have been 31 follow-up visits that identified seven companies that anticipate expanding their existing site or relocating to another site that would accommodate their growth. The businesses have responded well to the grants and other programs available through the city and the urban renewal areas to help meet their expansion demands. Accordingly, there have been four new applications for the North Gateway URA grant program. Power Equipment Systems is one of the several businesses that have benefitted from the North Gateway URA assistance, and they were featured in the City of Salem video series titled "Growing Business in North Salem" [PES YouTube Video](https://www.youtube.com/watch?v=0HxpxmsIRt8)
<<https://www.youtube.com/watch?v=0HxpxmsIRt8>>.

The Urban Development Department also recently completed a full color booklet entitled "Grow in Salem, Oregon" that creatively illustrates how the City has helped businesses expand locally and communicates that these programs and contacts are available to help others do the same. Businesses like NORPAC Foods, Inc., Gilgamesh Brewing, Garmin AT, and others have graciously contributed information and testimonials as a direct reference on what it has been like working with the City and its economic development partners.

Grant funds from the Make It in America challenge have resulted in a regional economic development resource map as a colorful marketing tool to help businesses know where to get help with finance, networking, expansion, workforce development, and trade. Mid-Willamette Valley Council of Governments, SEDCOR, Incite Works, Business Oregon, Chemeketa Community College,

and others worked to consolidate the information into an easy to use guide for growing businesses. [midvalleymade.com](http://www.midvalleymade.com) <<http://www.midvalleymade.com>>.

Salem Airport taxiway "C" rehabilitation - The improvement project commenced in May and should be complete in September 2016. The Federal Airport Improvement Program grant is funding the majority of the \$2.5 million project to remove and replace the taxiway to ensure safe airplane connections and mobility.

Oregon State approvals - Business Oregon has agreed to permit the expansion of the City of Salem enterprise zone to include the additional 57 acres of the Mill Creek Corporate Center along Kuebler Boulevard that was supported by Council through Resolution No. 2016-11. This will serve as a temporary property tax abatement incentive for eligible businesses considering to locate in the area. Business Oregon has also granted shovel ready certification for 40 acres of the Salem Renewable Energy and Technology Center and 192 acres of the Mill Creek Corporate Center. Shovel ready certification informs interested businesses and site selectors that the public infrastructure investments have been made and development can occur on the vacant green field site within 90 days, pending local city building permits. Shovel ready status requires evidence that the environmental, archeological, geological, hydrological, endangered species, and other items have been sufficiently studied and mitigated so development may occur without these challenges. [orinfrastructure.org](http://www.orinfrastructure.org/Infrastructure-Programs/Certified-Sites/) <<http://www.orinfrastructure.org/Infrastructure-Programs/Certified-Sites/>>

Tory Banford
Management Analyst II

Attachments:
None

07/08/2016