



Staff Report

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TO: Mayor and City Council
THROUGH: Steve Powers, City Manager
FROM: Kristin Retherford, Urban Development Department Director

SUBJECT:

Fiscal year 2016-2017 economic development update: urban renewal efforts, business expansion, retention, and marketing.

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

ISSUE:

Quarterly update on economic development activities for the third quarter of fiscal year 2016-2017.

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. To track progress on economic development activities, the City Council and the Urban Renewal Agency (Agency) have requested quarterly reports from the Urban development Department. The January 2017-March 2017 report focuses on urban renewal grants, loans, and projects; business expansion and retention, and marketing.

FACTS AND FINDINGS:

Urban Renewal Areas (URA)

Mill Creek Corporate Center - Henningsen Cold Storage is mid-construction of their 186,000 square

foot refrigerated warehouse. The project should be complete this summer. Mill Creek Drive SE will be improved with new street trees, plants, and striping along with the installation of a traffic signal at the intersection of Kuebler Boulevard SE and Mill Creek Drive SE to provide safe access to and from the site. Portland based real estate developer PacTrust has also been working with Strategic Economic Development Corporation (SEDCOR), Oregon Department of Administrative Services, and the City of Salem to acquire property west of FedEx. PacTrust intends to begin construction this summer on multiple buildings for several commercial and industrial tenants.

[Mill Creek Corporate Center. <http://millcreeksalem.com/>](http://millcreeksalem.com/)

North Gateway URA - The City of Salem is working with consultant ECONorthwest, Oregon State University Extension Service, and local Latino agency Mano a Mano to organize a community food study that will help determine opportunities for food business incubation, a public market, food hub, and other items. The North Gateway Grant program continues to aid small businesses and property owners in the construction of new investments in the area.

[North Gateway URA. <http://www.cityofsalem.net/Pages/north-gateway-urban-renewal-area.aspx>](http://www.cityofsalem.net/Pages/north-gateway-urban-renewal-area.aspx)

Riverfront Downtown URA - The Capital Improvement Grant program continues to encourage improvements to downtown buildings. The program guidelines were approved by the Agency in May 2014. Since that time, there have been 21 grant commitments issued totaling \$3.1 million for projects valued over \$24 million. Projects partially funded with grant funds include the recruitment of new restaurant and commercial retail tenants, expansion of existing downtown commercial retail and restaurant users, and the construction of forty new rental housing units.

[Riverfront Downtown URA Capital Grant Program. <http://www.cityofsalem.net/Pages/riverfront-downtown-capital-grant-program.aspx>](http://www.cityofsalem.net/Pages/riverfront-downtown-capital-grant-program.aspx)

West Salem URA - Several interviews have been held with City Councilors and area stakeholders to understand their perspectives on proposed zoning changes related to the West Salem Business District Zoning Code Clean-Up Project that would help increase the flexibility of land uses and reduce complexity in the permitting process. The next steps are to develop specific zoning code language concepts that will be shared and discussed in a work session format with these stakeholders and the West Salem Redevelopment Advisory Board. The West Salem URA Redevelopment Grant program is being utilized by several businesses and property owners to construct new buildings and install new manufacturing equipment in the area.

[West Salem URA. <http://www.cityofsalem.net/Pages/west-salem-urban-renewal-area.aspx>](http://www.cityofsalem.net/Pages/west-salem-urban-renewal-area.aspx)

Business Retention, Expansion, and Marketing

The majority of economic growth post the 2008 recession has been local and Oregon based businesses. These companies are utilizing urban renewal grants and loans to expand and construct new buildings on development ready land at the Fairview Industrial Park and the Mill Creek Corporate Center. The Small Business Retention and Expansion Program has been instrumental in connecting growing businesses with these resources. The City also works with Startup Salem on their monthly Salem Brew Talks networking socials where entrepreneurs interact, expand on ideas, and capitalize on the opportunities represented in the Salem area.

The new City of Salem website also creates an opportunity for businesses to find the information they need in a quicker and easier way. Several city departments have collaborated to make as much information available in a simple fashion on a single page. Through the Business Resources page, permit applications are in one place, as well as the financial resources and business assistance organizations to help them be successful.

[Business Resources. <http://www.cityofsalem.net/Pages/business-resources.aspx>](http://www.cityofsalem.net/Pages/business-resources.aspx)

Tory Banford
Project Manager

Attachments:

May 25, 2017