



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 2017-2018 economic development update.

Ward(s): All Wards

Councilor(s): All Councilors

Neighborhood(s): All Neighborhoods

ISSUE:

Information report on economic development activities for the second quarter of fiscal year 2017-2018

RECOMMENDATION:

Information only.

SUMMARY AND BACKGROUND:

City Council (Council) has requested quarterly economic development reports from the Urban Development Department associated with the goal to create a vibrant economy. This quarterly update concentrates on the preparation and progress of urban renewal projects, public and private investment at the Salem Municipal Airport, and efforts to help local businesses.

FACTS AND FINDINGS:

Community

Preparations are underway for streetscape improvements to Portland Rd NE between Hyacinth St NE and Bill Frey Dr. NE. As part of the North Gateway Urban Renewal Area, funds will be used to construct sidewalks, curbs, stormwater facilities, street lights, and transit stop upgrades, along with other amenities. The project will also include three crosswalks with rapid flashing beacons at key

areas to help people safely cross Portland Road. Construction is anticipated to begin in spring 2018.

Streetscape improvements are also envisioned for downtown Salem. The effort is in its beginning stages, with the first of several community meetings held in November 2017 where the room was filled with enthusiastic residents participating in the conversation to help steer the design plan. The next community meeting is scheduled for January 18, 2018.

West Salem residents and businesses have participated in the framing of three proposed zoning code concepts intended to further enhance the character of the West Salem Business District area through architectural design standards. The effort also simplifies the zoning rules and process to broaden the range of land uses and encourage redevelopment. The draft code language may be reviewed on the project website and community outreach will continue in early 2018. The formal adoption process is planned for winter 2018.

On the topic of new development activity, May Trucking and Bonaventure Senior Living continue with the construction of their corporate hangars at the Salem Municipal Airport (Airport). A business plan for the Airport is in its beginning stages with the help of Willamette University undergraduate interns who conducted some initial market research. A graduate student intern will use the data and work with a project advisory committee to further evaluate the market for new buildings that could house industrial or commercial uses, additional corporate hangars, and other development options for the roughly 80 acres of available land.

Business

Southeast of the Airport, there is a great deal of interest in the available property at the Mill Creek Corporate Center (Corporate Center). Construction of the Amazon building and two PacTrust buildings continue and should be complete by late summer 2018. PacTrust is also preparing for the construction of the next phase of two buildings adjacent to those currently under construction. The campus will ultimately have six total buildings with a range of lease options for industrial and office tenants. City of Salem and Oregon Department of Administrative Services staff are focusing on the next priority infrastructure projects to render the remaining vacant property development ready.

Local businesses continue to grow with the assistance of urban renewal grants. These grants are available in the Riverfront Downtown, North Gateway, and West Salem Urban Renewal Areas where multiple projects are underway. The Urban Development Department (UD) also coordinates with the Strategic Economic Development Corporation (SEDCOR) in the pursuit of business retention, recruitment, and expansion. Several contacts with area businesses were made over the last quarter in an effort to connect them to the resources and incentives available to help them be successful. Since the last report, SEDCOR and UD responded to 12 requests for information for new businesses considering the Salem region. Representatives from the City of Salem and SEDCOR also participated with Team Oregon in business recruitment meetings in Japan.

Visits with area businesses are expected to increase next quarter, and staff will attend two trade shows with Team Oregon promoting opportunities in Salem for existing and new food and beverage companies.

Tory Banford
Project Manager

Attachments:
1. None.