



Staff Report

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

SUBJECT:

Economic Development Quarterly Report

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

ISSUE:

Information report on economic development activities for the fourth 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.

FACTS AND FINDINGS:

Economic development activity for the fourth quarter of FY 17-18 includes:

Building Permit Activity

New development and redevelopment projects are active citywide. According to the June 2018 report on building permit data from the City of Salem Community Development Department, there were 590 permits issued this quarter with a valuation of \$94,269,751. Among the total permits, there were 12 new commercial/industrial permits. During the same time period last year the value of permitted

projects was \$71,535,121.

Business Recruitment

Development continues ahead of schedule at the Mill Creek Corporate Center, and there is growing market interest at the Salem Business Campus (SBC). Staff is working closely with the Strategic Economic Development Corporation (SEDCOR), the owners of the building previously owned by Panasonic, and their broker, to assist with development planning and coordination for new uses. SEDCOR is actively marketing the SBC vacant lots and the Urban Development Department is changing its marketing approach to target traded sector uses, consistent with Council's recent change to the SBC covenants, conditions, and restrictions (CC&Rs).

Business Retention

Staff met with more than 23 small businesses as part of the City's Small Business Retention and Expansion Program. This outreach resulted in applications for the City's Site Reuse and Revitalization grant program, one urban renewal area loan, one urban renewal area grant, and direct facilitation to assist a growing company with navigating site permitting and planning requirements.

Business Start-up Support - Alignment with the City's Strategic Plan

Collaboration with regional partners is ongoing in order to support and promote entrepreneurial activity in the Mid-Willamette Valley via a new joint program in development entitled, "Launch: Mid Valley." Partners currently include SEDCOR, the Oregon Technology and Business Center (OTBC), Business Oregon, City of Dallas, City of Independence, Marion County, McMinnville Economic Development Partnership, City of Salem, and the Small Business Development Center. Planned activities include supporting entrepreneurs in entering OTBC's Virtual Accelerator Program, pursuing funding to enhance start-up programming for Mid-Valley businesses and investors, and fostering expansion of investment offerings and expertise for Mid-Valley startups.

Site Reuse and Revitalization Program - Brownfields Assessment and Planning

There is approximately \$85,000 available to assist private and publically owned sites with environmental assessment and re-use planning. During the last quarter one project was completed and another is underway to help a property owner work through onsite contamination issues. Outreach continues to ensure that the remaining funding gets utilized prior to September 30, 2018. Outreach efforts this quarter included presentations to more than 150 realtors at two events, direct mail to property owners, advertising, social media, coordinating across city departments to share information, and coordinating externally with other government entities to identify contaminated sites that could use assistance. These efforts have resulted in three new potential projects.

Urban Renewal Area (URA) Grants

URA grants continue to encourage private investment in development and redevelopment for the benefit of the community. Since the last report, the Riverfront-Downtown URA has issued five grants where the total commitment is \$472,400 and total project costs are expected to be \$2.3 million.

North Gateway URA grant funds were fully committed by the end of the third quarter. An additional \$1 million was approved by the City of Salem Urban Renewal Agency and the majority of that funding was committed this quarter. The 2018-2019 fiscal year is anticipated to remain as active as

the last year.

The grant funded projects in West Salem are nearing completion and will soon be providing building space and additional services to the community. Since the last report, a new redevelopment project is under construction on the corner of Wallace Rd NW and Glen Creek Rd NW. Development plans show three new buildings; one for a medical service provider, another for a restaurant, and the third for retail and offices. The project value is estimated at over \$12 million for which there is a \$300,000 grant commitment.

Next Steps

Staff will continue to report to Council on economic development activities quarterly.

Tory Banford
Project Manager

Attachments:

1. None.