



## 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

Result Area(s): Strong and Diverse Economy

### **ISSUE:**

Information report of economic development activities for the fourth quarter of fiscal year 2018-2019.

### **RECOMMENDATION:**

Information only.

### **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, 2019.

### **BACKGROUND:**

#### ***Economic Indicators***

New development and redevelopment projects are active citywide. According to the City's June 2019 report, there were 630 permits issued during the quarter with a total valuation of \$210,275,968.

During the same period last year, there were 590 permits with a valuation of \$94,269,750. Included in the total permits for the quarter were 31 new commercial/industrial permits with a total valuation of \$63,751,729. During the same period last year, there were 12 commercial/industrial permits with

a total valuation of \$6,929,235.

### ***Business Recruitment***

The City and SEDCOR responded to 15 requests for information from site selectors or brokers with interest in developing at Mill Creek Corporate Center, the Salem Business Campus, or other locations.

### ***Business Retention and Expansion and Startup Business Programs***

Staff outreached to more than 97 businesses, including more than 30 startup businesses. Staff also attended more than ten business-related networking events and more than six meetings with business-related partner organizations. Outreach continued to focus on strengthening relationships between businesses and the City, connecting businesses with available resources, as well as receiving feedback to inform future programs and events.

In April, staff hosted an event for Salem's food and beverage companies to update them on the City's water treatment methods and to listen to their concerns/answer questions. Staff have been sharing periodic updates with this group since last summer.

Due to the combined efforts of local and regional partners, two new events were offered in the area for emerging startups, "Techstars Startup Weekend" and "Startup 411."

Staff hosted an international fellow from Vietnam for four weeks during the quarter. The fellow was interested in economic development and bringing back ideas to her city.

### ***Site Reuse and Revitalization Program***

The City completed its final disbursement of grant funding allocated to supporting site-related projects. The City also began grant closeout activities in-line with U.S. E.P.A. requirements. Over the course of the Program, 27 Phase I and Phase II Environmental Site Assessments and cleanup/redevelopment planning projects were completed to assist property owners with property re-use, sale, and redevelopment.

### ***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, construction is complete on the buildings off Glen Creek Rd NW, and tenants are preparing their spaces to open this fall. Northwest Rehabilitation Associates opened their high tech RE\_Building on Patterson St NW in July, adding jobs as well as specialized physical therapy and athletic training services to West Salem. West Salem Machinery also completed the installation of their milling center and are preparing for the next phase of manufacturing equipment installation. The West Salem URA Redevelopment Grant program has been instrumental in these redevelopment projects, and the Urban Development Department is working closely with the next prospective applicants and projects.

At the Mill Creek Corporate Center, PacTrust is constructing the next phase of their campus. The grading of the south 141 acres of development land and 26 acres of centrally-located mitigated

wetlands is underway off Kuebler Blvd SE and Turner Rd SE. The wetland construction project is funded through the Mill Creek Industrial Park URA at a cost of \$2.4 million. Construction will continue through summer 2020, with the majority of earthwork complete by winter 2019 and wetland planting installation next spring. This effort follows the successful establishment of over 70 acres of wetland to the north of the current site also located at the Mill Creek Corporate Center. Combined with investments in public infrastructure, the mitigated wetlands will render the south development sites shovel-ready for new business growth, thereby balancing job growth and environmental stewardship for the benefit of the community.

In the Riverfront-Downtown URA, more than \$933,536 of Capital Improvement Grant funds were committed to six projects valued at \$13.1 million. Funds were used to leverage private investment for improvements to support business recruitment, upper floor building renovations, and business expansion. Additionally, five Strategic Project Grants totaling \$100,656 were awarded to address homelessness within the Riverfront-Downtown URA by providing funds for building and property improvements that assist with crime prevention, security, and safety.

There was no available grant funding in the North Gateway URA during this fiscal quarter and therefore no new activity to report. Additional funds were approved for FY 19-20, and an update is expected for 1Q FY 19-20.

Christopher Drobnicki  
Program Manager I

Attachments:  
None