



Staff Report

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Date: 4/24/2023

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TO: Mayor and City Council

THROUGH: Keith Stahley, City Manager

FROM: Kristin Retherford, Director, Community and Urban Development

SUBJECT:

Economic development quarterly report.

Ward(s): All Wards

Councilor(s): All Councilors

Neighborhood(s): All Neighborhoods

Result Area(s): All Areas (Good Governance; Natural Environment Stewardship; Safe Community; Safe, Reliable and Efficient Infrastructure; Strong and Diverse Economy; Welcoming and Livable Community)

SUMMARY:

City Council requested economic development reports from the Urban Development Department. This report includes activity for quarter one of calendar year 2023.

ISSUE:

Information report on economic development activities.

RECOMMENDATION:

Information only.

FACTS AND FINDINGS:

Urban Renewal Area (URA) Activity

In the Riverfront-Downtown, demolition of the former Union Gospel Mission/Saffron and ABC Music buildings was completed in February. The Holman Hotel opened in March and is a beautiful and vibrant contribution to downtown lodging and meeting options. The Rivenwood Apartment upper

floor framing is underway and the project is moving forward. Downtown streetscape construction on Commercial Street NE and Chemeketa Street NE is close to completion.

In West Salem, the design of 2nd Street NW is complete and out to bid. Construction is planned to start in spring 2023. City Council (Council) approved the vacation of 1st Street NW with conditions for utilities and access. This will aid in redevelopment where property is vacant and blighted.

A strategic project grant was issued to Ventura Foods off Portland Road NE in the North Gateway Urban Renewal Area. Construction continues at the Mill Creek Corporate Center where multiple new buildings constructed by PacTrust will provide spec industrial space to new tenants. New sewer lines are under construction in order to abandon old lines that conflict with development. Construction preparations are also being made for the Dollar General building and Logistics Street SE.

The Salem Business Campus, located in southeast Salem off Gaffin Road SE, is not an Urban Renewal Area, but it is employment land that was rendered development ready through City efforts. Wetlands and sensitive natural habitat lands have been mitigated and secured. All the development lots have sold, with one remaining, which is in the final stages of wetland mitigation. The construction of Gaia Street SE from Gaffin Road SE to Culver Drive SE is complete and the emergency only access gates are installed. All City obligations tied to the intergovernmental agreement with Marion County have been satisfied.

Further south at the Fairview URA where the Urban Renewal Agency directed changes to the Urban Renewal Area boundary and Urban Renewal Plan have been prepared for Urban Renewal Agency consideration. If approved, remaining project cost savings from completed infrastructure improvements may be applied as matching funds to improve the Salem Airport for commercial air service and to provide grants.

Salem Airport

Required terminal modifications to accommodate Transportation Security Administration (TSA) baggage and passenger screening equipment are underway. Demolition and construction started in February, and is scheduled to be complete in mid-May. Airport staff are working with TSA on the development of a new airport security plan, which must be completed and approved before commercial air service can begin. That effort should be completed sometime late spring. TSA is procuring their equipment and staff to serve the Salem Airport. All ground service equipment has been purchased and delivered. The target is to be ready for air service launch early summer 2023.

The Airport Master Plan, which was last updated in 2012, is being updated again. The kickoff meetings with stakeholders occurred in mid-December 2022 and the first three chapters have been drafted. The Federal Aviation Administration (FAA) is reviewing the proposed aviation forecast models, including the introduction of commercial air service in 2023. The first Planning Advisory Committee meeting is scheduled for late May, and a progress report and presentation to the Airport Advisory Commission and Council are also planned for May. The master plan update is expected to be complete mid-2024 and will guide development of the airport over the next 20 years.

Tory Banford
Project Manager

Attachments:
1. None