



CITY OF *Salem*

Urban Development Department

Annual Report 2017



The Urban Development Department Mission

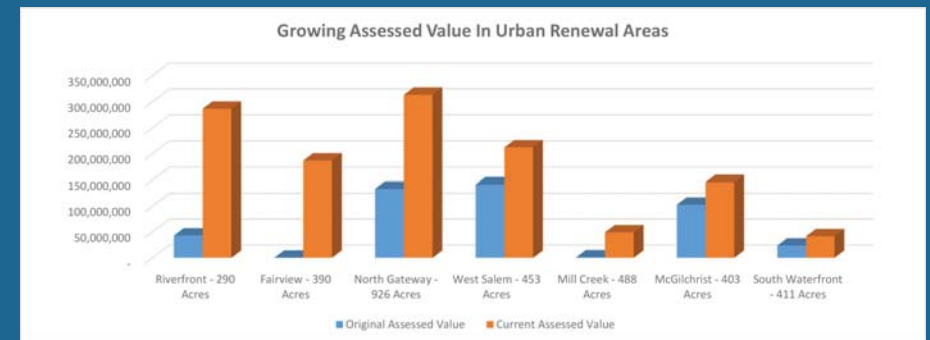
To provide for the sustainable expansion of the community's prosperity, measured in terms of jobs and income growth, economic and human development, education, health and environmental sustainability.

The Urban Development Department administers and oversees a variety of programs and services aimed at strengthening Salem's economy including Salem's **seven** urban renewal areas. In addition, the Department provides loans and grants to finance activities that create emergency, transitional and permanent affordable rental housing for low and moderate income families in Salem and Keizer; allocates funds to non-profits to provide emergency services to homeless and families at-risk of being homeless; facilitates economic opportunities and reinvestment; invests in economic empowerment for individual prosperity and small business growth; issues commercial loan and grant programs; performs real property management, acquisition, sales and leasing services for the City; manages downtown parking services and revitalization; manages Salem's Municipal Airport; and functions as the liaison to community organizations, businesses, and City Council and Agency Board appointed advisory groups.

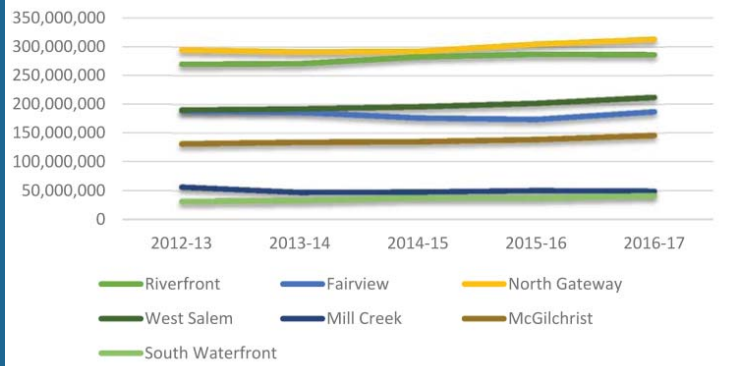
What is Urban Renewal?

Urban Renewal or Tax Increment Financing is a tool used by municipalities to finance improvements and redevelopment in specific areas of a city by reinvesting the increase in the area's property taxes. When the district is created, the assessed value of property within the district is set (or "frozen") and those taxes continue to go to the government (city, county, and school districts throughout the State). Any property value increase above that frozen amount is called the "increment." The amount of taxes on the increased value (or "increment") is what is collected for the urban renewal district to use for redevelopment projects. The State of Oregon created the legislation that allows for urban renewal; districts are created by local municipalities. In Salem, the City Council decides what areas should be included in urban renewal districts. The Council also creates a Plan for improving the area.

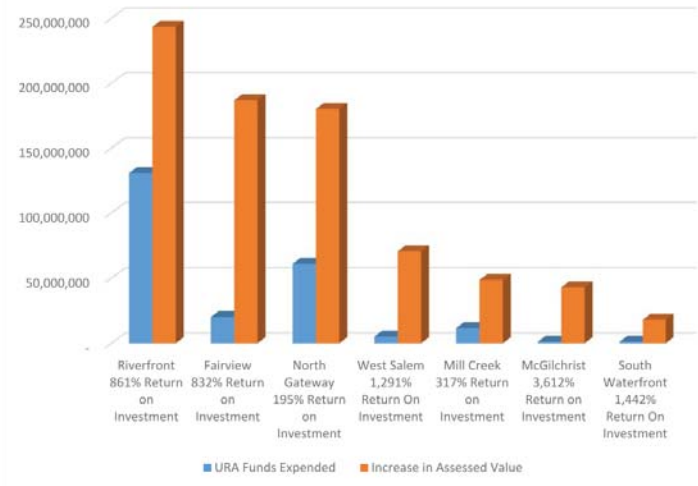
There are seven Urban Renewal Areas in Salem and each area's Plan includes a list of specific projects that were approved by the City Council.



Five Year History of Assessed Value



URA Funds Expended and Increases in AV



**City of Salem Urban Renewal Areas
Maximum Indebtedness
As of June 30, 2017**

	Maximum Indebtedness	Borrowed to Date	Borrowing Capacity Remaining
Riverfront/Downtown Urban Renewal Area	315,000,000	85,664,345	229,335,655
North Gateway Urban Renewal Area	75,000,000	54,572,084	20,427,917
West Salem Urban Renewal Area	31,000,000	6,227,425	24,772,575
Mill Creek Industrial Park Urban Renewal Area	26,000,000	10,983,380	15,016,620
McGilchrist Urban Renewal Area	11,000,000	3,200,000	7,800,000
South Waterfront Urban Renewal Area	24,000,000	1,627,000	22,373,000

Examples of Urban Renewal Investment in Salem



Park Front



Henningsen Cold Storage Co.



Former Wells Fargo Site



PDQ LLC Mixed Use Project



Cornerstone Apartments



Downtown Revitalization

On June 8, 2017, the City of Salem's Public Art Commission approved two new murals for downtown Salem. "We are thrilled to have two new mural projects starting in downtown Salem," said Rick Yurk, Chair of the Salem Public Art Commission. "Both artists, Damien Gilley and Blaine Fontana, are highly regarded with regional, national, and international reputations."

The murals, located in the alley between Commercial and Liberty Streets NE and on the Chemeketa Parkade's east stairwell were completed this summer.

Affordable Housing

Site work began this summer to prepare a 14-acre Portland Road property for 180 units of multi-family housing, and later, a commercial development. The \$24,412,676 construction project, located at 2450 Rose Garden Street NE (adjacent to Portland Road), is being led by Community Resource Trust, a local 501(c)3 organization, with development support from Mountain West Investment Corporation, a local developer. The project has received \$1,799,000 in North Gateway Urban Renewal Area (URA) and City HOME funding, as well as funding from Oregon Housing and Community Services (OHCS) because the project addresses multiple URA, City, and OHCS priorities.

Cornerstone Apartments will target individuals and families earning 60 percent or less of Salem's median income (equivalent to \$33,900 or less per year). Encouraging construction and/or rehabilitation of affordable housing units in Salem continues to be a high priority for the City and Urban Renewal Agency of the City.





Salem Municipal Airport

There are 700 acres of land at the Salem Municipal Airport.

Over 37,000 operations are completed each year at the Salem Municipal Airport.

17 businesses are located on the Airport, employing over 500 people.

Accomplishments

Business Retention and Recruitment: Help local companies create or retain jobs; attract new companies to Salem.

- Committed \$4.1 million in grants to help businesses locate and expand in the City's West Salem, North Gateway, and Riverfront Downtown Urban Renewal Areas.
- Expanded the small business retention and expansion program to include all urban renewal areas, as well as traded sector businesses outside of urban renewal areas. Made 100 retention visits to local businesses.
- Responded to 46 inquiries from site selectors with information about locating businesses in Salem and the region.
- Expanded the boundary of the City's Enterprise Zone Program by 57 acres. Three companies in Marion County claimed the Enterprise Zone benefit for business expansion totaling \$5,722,230 in private investment and 58 new jobs.

- Re-certified 115 acres of the Mill Creek Corporate Center as state certified, shovel ready parcels.
- Provided microenterprise training and technical assistance to 40 businesses.
- Provided job training for 22 individuals; 15 were in the welding field.

Public Improvements:

Support public improvement projects.

- Completed construction of the Peter Courtney Bicycle and Pedestrian Bridge.
- Completed 14 public right-of-way acquisitions to support infrastructure projects.
- Completed the acquisition of 26 acres of the former State of Oregon Fairview Training Center for use as a new community park.
- Completed the acquisition of a 4,844 square foot building for use by Capital Community Television.
- Completed the surplus sale of two vacant parcels of land to return them to the tax rolls.

Public Improvements: (continued)

- Replaced 333 coin operated parking meters with new parking technology accepting credit/debit cards.
- Converted one traffic lane into a bike lane on Church and High Streets.
- Installed one art pedestal in Downtown Salem.

Environmental Best Practices:

Promote environmental best practices for City and Agency projects

- Committed grant funding for four Phase I and Phase II Environmental Site Assessments to help facilitate the sale, purchase, and/or re-use of underutilized properties in Salem.

Affordable Housing:

Create and preserve affordable housing.

- Assisted 2,016 persons receive case management through tenant based rental assistance and security deposit.
- Assisted 55 households with housing subsistence support.

- Committed \$1.8 million in North Gateway Urban Renewal and Federal HOME funds to a 180-unit affordable multi-family housing development.

Social Services:

Provide critical emergency services to low income individuals.

- Provided funding for over 31,000 emergency food baskets for low income families in Salem.
- Provided crisis hotline assistance to 23,728 persons in need of general reassurance, crisis intervention, suicide assessment, and support.
- Provided case management services to over 100 homeless individuals, connecting clients to housing, employment, and other social service programs.
- Assisted 1,570 homeless – or at risk of becoming homeless – youth with education, food, shelter, and family counseling.

Investing in Salem

PacTrust began construction on their first two buildings at the Mill Creek Corporate Center in Salem. Work will begin on two more buildings in the fall. The investments provide much needed industrial space for companies looking for expand or locate in Salem. When completed, the six buildings will total 395,000 square feet of commercial and industrial space.

This summer, Amazon.com, Inc. announced plans to open its second Oregon fulfillment center in Salem, which will create more than 1,000 full-time positions.

“We’re excited to welcome Amazon to Oregon’s capital,” Salem Mayor Chuck Bennett said. “This is great news for our local economy and small businesses. Salem is looking forward to partnering with Amazon to create innovative jobs and develop a lasting relationship with our vibrant community.”

Associates at the one million square foot facility will pick, pack, and ship larger customer items, such as sports equipment, gardening tools, and pet food.

Full-time employees at Amazon receive competitive hourly wages and a comprehensive benefits package, including healthcare, 401(k), and company stock awards starting on day one.



Salem Urban Development

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