



CITY OF *Salem*

Urban Development Department

# Annual Report 2018



## 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.

## Urban Development and the Strategic Plan

Urban Development plays an integral role in implementing many of the initiatives in the City's Strategic Plan.



### Welcoming and Livable Community

HUD funded programs that support affordable housing  
Funding and oversight of social services programs



### Strong and Diverse Economy

Business retention and recruitment efforts  
High speed internet downtown



### Safe, Reliable and Efficient Infrastructure

Acquisition of property to support infrastructure projects  
Urban renewal funding for needed infrastructure



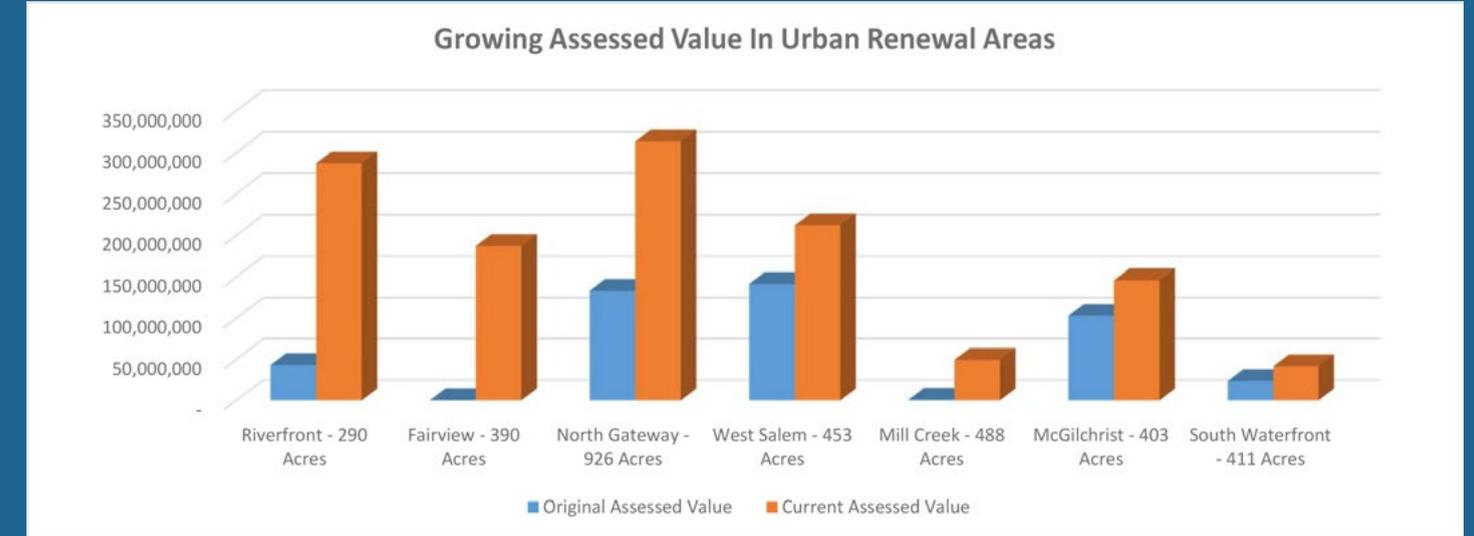
### Natural Environment Stewardship

Facilitate Phase I and Phase II environmental reviews on local properties to remove barriers to redevelopment

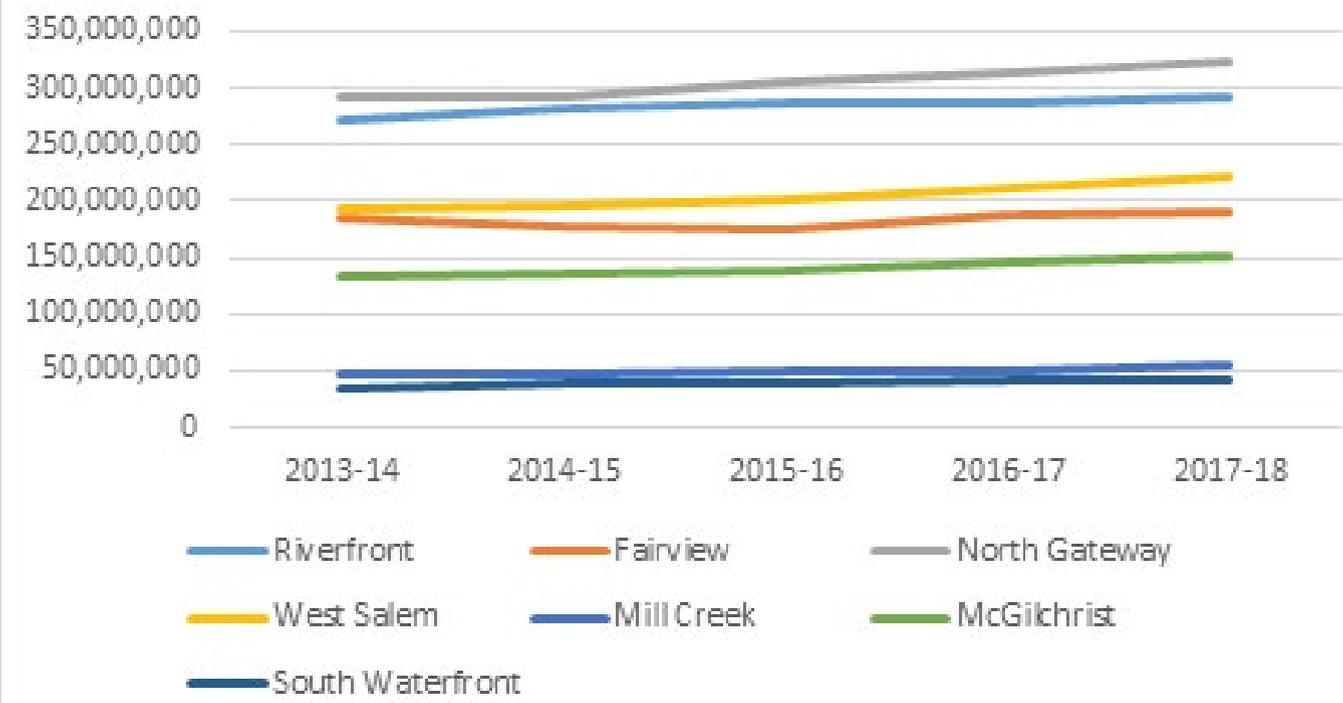
## What is Urban Renewal?

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.

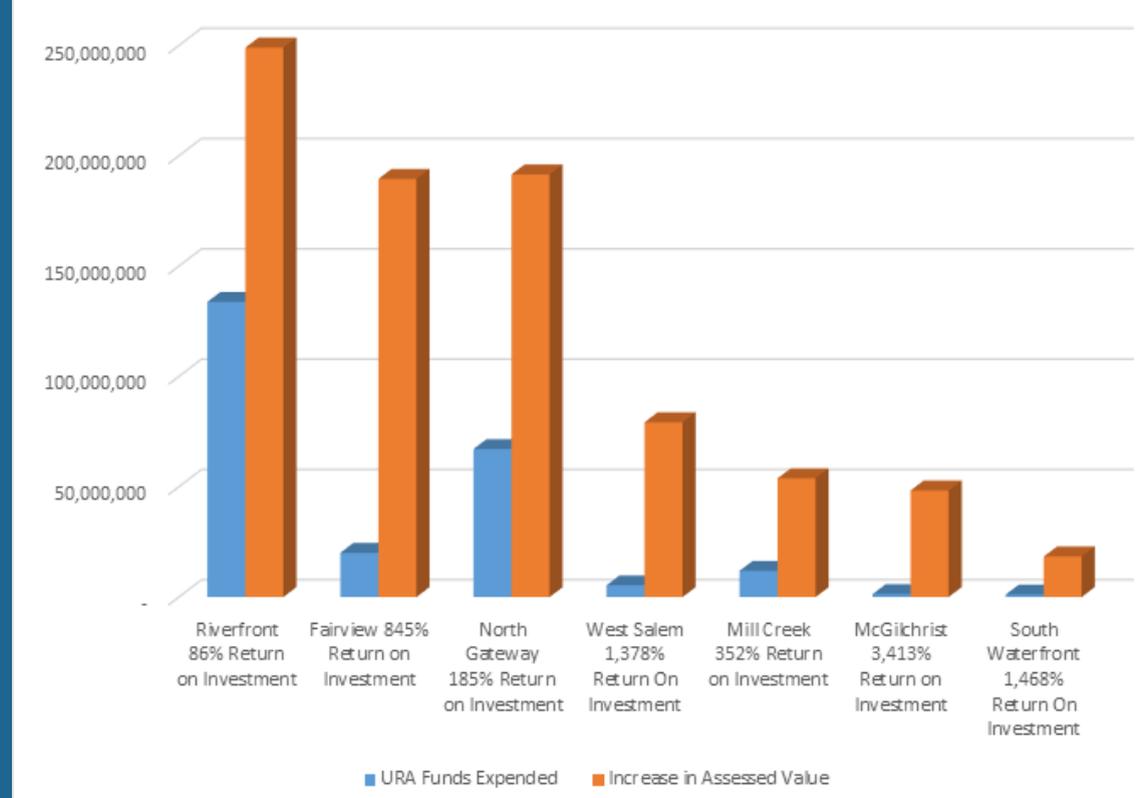
There are seven Urban Renewal Areas in Salem and each area's Plan includes a list of specific projects that were approved by the City Council.



### 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, 2018**

	Maximum Indebtedness	Borrowed to Date	Borrowing Capacity Remaining
Riverfront/Downtown Urban Renewal Area	\$315,000,000	\$ 98,964,345	\$216,035,655
North Gateway Urban Renewal Area	\$ 75,000,000	\$ 67,572,084	\$ 7,427,917
West Salem Urban Renewal Area	\$ 31,000,000	\$ 6,227,425	\$ 24,772,575
Mill Creek Industrial Park Urban Renewal Area	\$ 26,000,000	\$ 12,283,380	\$ 13,716,620
McGilchrist Urban Renewal Area	\$ 11,000,000	\$ 4,700,000	\$ 6,300,000
South Waterfront Urban Renewal Area	\$ 24,000,000	\$ 1,827,000	\$ 22,173,000

**Urban Renewal Grant Programs...  
Leveraging Private Investment**

Three of Salem’s Urban Renewal Areas have grant programs aimed at assisting property owners with new construction, building renovation, and capital equipment purchases. Our URA grants encourage private investment in development and redevelopment for the benefit of the community.



**Xicha Brewing**

**Riverfront Downtown Urban Renewal Area**

FY 2017-18 Total Committed to Grants \$ 1.5 million  
 FY 2017-18 Private Funds Committed to Projects \$ 6.3 million

**North Gateway Urban Renewal Area**

FY 2017-18 Total Committed to Grants \$ 2.05 million  
 FY 2017-18 Private Funds Committed to Projects \$ 3.6 million

**West Salem Urban Renewal Area**

FY 2017-18 Total Committed to Grants \$ .7 million  
 FY 2017-18 Private Funds Committed to Projects \$17 million



## Amazon

Amazon stated construction on its new 1 million square foot fulfillment center at Mill Creek Corporate Center in July 2017; it is nearing completion. The project is an example of how the City of Salem, State of Oregon, Marion County and SEDCOR worked together to bring investment and jobs to the region.

## Downtown Revitalization

Pacific Office Automation, an Oregon-headquartered company and the largest office equipment dealer in the U.S., opened a new downtown Salem location in 2018. The company purchased long-term vacant buildings at 260 and 280 Liberty St. NE. The company will employ approximately 50 staff at the new location. Additional jobs will come to the site as additional businesses lease the remaining 22,000 square feet of tenant space.



**Pacific Office Automation**



## 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 \$3.4 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 47 retention visits to local businesses.
- Responded to 45 inquiries from site selectors with information about locating businesses in Salem and the region.
- Four companies in Marion County claimed their first year of the Enterprise Zone benefit for business expansion totaling \$5,500,000 in private investment and 172 new jobs

- Re-certified 115 acres of the Mill Creek Corporate Center as state certified, shovel ready parcels.
- Assisted 32 low to moderate income entrepreneurs seeking to start or expand microenterprise business in Salem.
- Purchased and installed recycling equipment that modernized an aging facility and retained 12 jobs.

### Public Improvements:

#### Support public improvement projects.

- Completed 12 public right of way acquisitions to support infrastructure projects.
- Completed the acquisition of 45 acre Hazelgreen Park for use as a future Community Park.
- Completed the acquisition of property on Fisher Road for future sale to the Salem Housing Authority to create 35 housing units for homeless individuals.
- Completed the surplus sale of two vacant parcels of land to return them to the tax rolls.

### **Public Improvements (continued):**

- Executed purchase and sale agreements for two downtown parcels for future redevelopment.
- Completed the acquisition of property for future City shops expansion.
- Installed 37 new coin operated parking meters with new parking technology accepting credit/debit cards.

### **Environmental Best Practices:**

#### **Promote environmental best practices for City and Agency projects**

- Completed 9 Phase I and Phase II environmental site assessment projects to help facilitate the sale, purchase and/or re-use of underutilized properties in Salem.

### **Affordable Housing:**

#### **Create and preserve affordable housing.**

- Assisted 200 persons receive case management through tenant based rental assistance and security deposit.

- Assisted 40 households with housing subsistence support.
- Committed over \$1.3 in federal funding to assist in new construction and rehabilitation of over 200 units of affordable multi-family housing in three communities.

### **Social Services:**

#### **Provide critical emergency services to low income individuals.**

- Provided funding for over 30,000 emergency food baskets for low income families in Salem.
- Provided crisis hotline assistance to 2,004 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.

## **Investing in Salem**

In February 2018, Oregon Fruit announced their purchase of a 26 acre property and 165,000 square-foot food processing facility in Salem. Since 1935, Oregon Fruit Products has operated at the same West Salem location. The company currently employs 85 people and 100 additional seasonal workers during the fresh fruit harvest. With the processing plant and office space reaching capacity, Oregon Fruit had been searching for a new facility; even considering relocation outside of Salem. After the sale of NORPAC Foods' canned vegetable business to Seneca, Oregon Fruit was enticed by the existing food manufacturing capabilities at the former NORPAC site and its easy I-5 access. In addition, the proximity to the current Oregon Fruit location will help maximize the continuity of employment for the team. The newly-purchased Oregon Fruit expansion property is located in Salem's McGilchrist Urban Renewal Area (URA). The McGilchrist URA Plan, adopted in September 2006, was created to stimulate the development of a broad mix of compatible employment uses within the area—including work with property owners to promote beneficial development of properties within the area and increasing the supply of buildable industrial land within the city.

Oregon Fruit received a \$300,000 grant from the McGilchrist Urban Renewal Area to assist with the modernization of the vacant NORPAC Plant #7 facility, including an estimated \$5 million in new equipment, building renovations, and site improvements.



## Salem Urban Development

[www.cityofsalem.net/URA](http://www.cityofsalem.net/URA)

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