



Economic Development Advisory Board

Wednesday March 15, 2017

3:30pm – 5:00pm

555 Court St NE Salem – Commissioners' Board Room

AGENDA

3:30	Welcome, Introductions, and Announcements	Angie Morris
3:35	February Meeting Minutes – Action	Angie Morris
3:40	Economic Development Conference - Discussion	Sarah Cavazos
3:45	Grant Review - Action	Sarah Cavazos
4:15	GROW EDC Report - Information	Allison McKenzie
4:25	SEDCOR Report - Information	Chad Freeman
4:35	Travel Salem Report	Angie Morris
4:45	Quarterly Land Use Cases - Information	Brandon Reich
4:55	New Business, Comments and Closing	Angie Morris

Future Meetings

- April Date and Time Change April 19th 11:30-1:00 CTEC Lunch/Tour
- May 10th @ 3:00-5:00 Business Grant reviews
- June 7th @ 3:00-5:00 *Note date & time change for Community Project Grant reviews
- July 12th *Note extended time TBD for Detroit Lake Tour

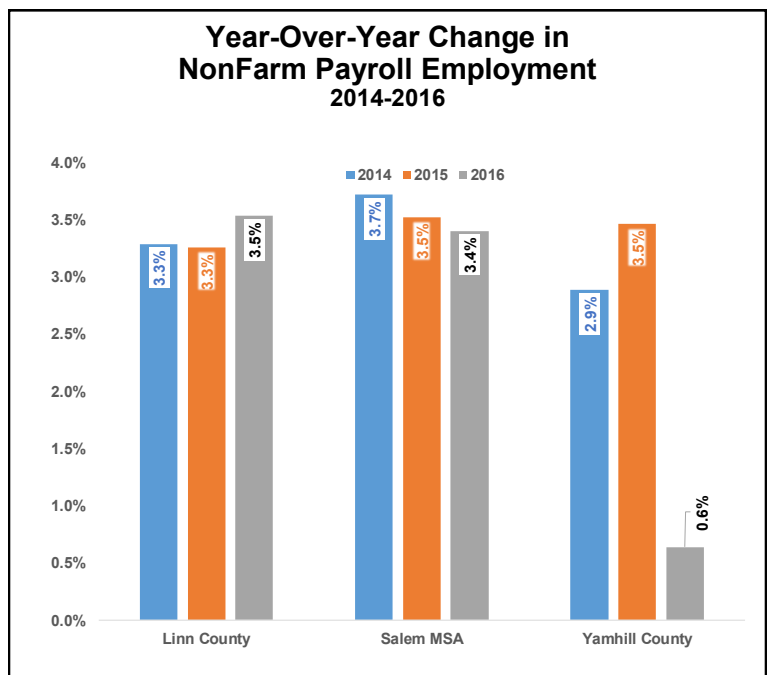
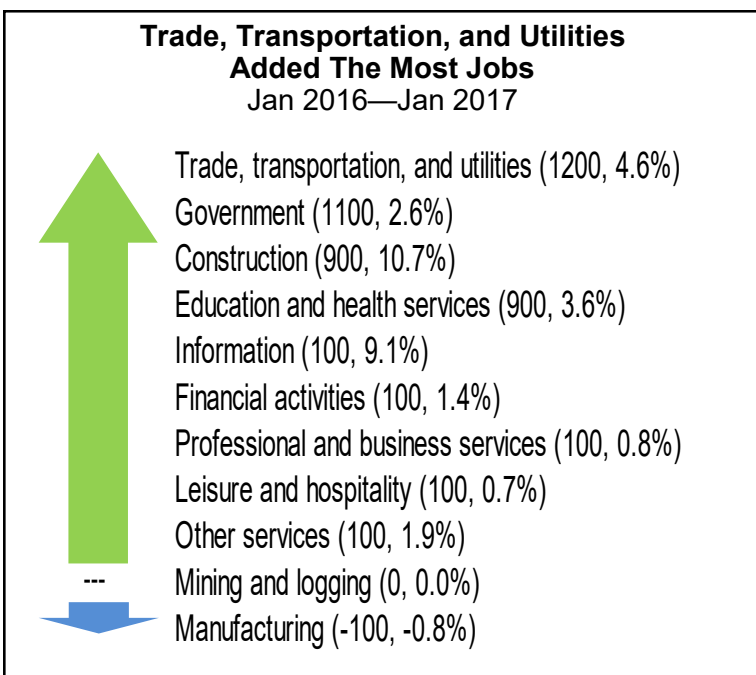
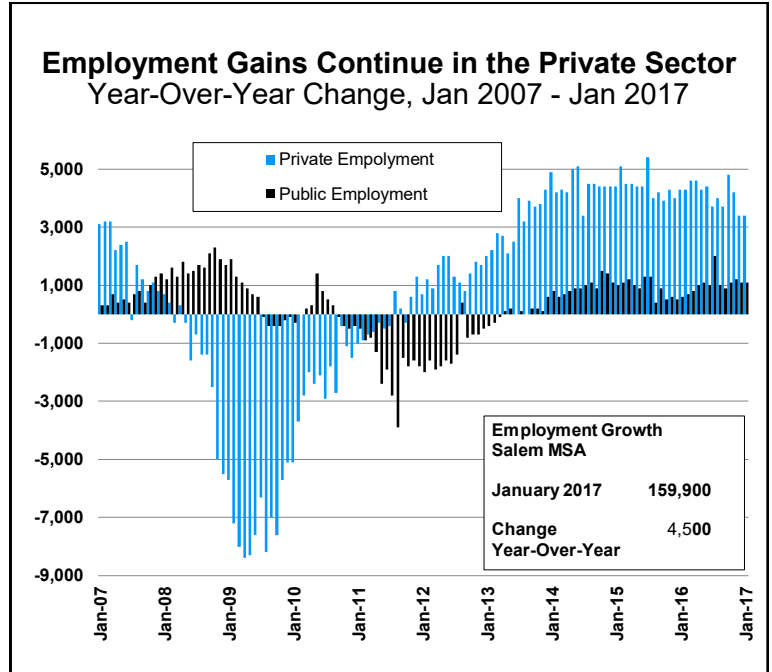
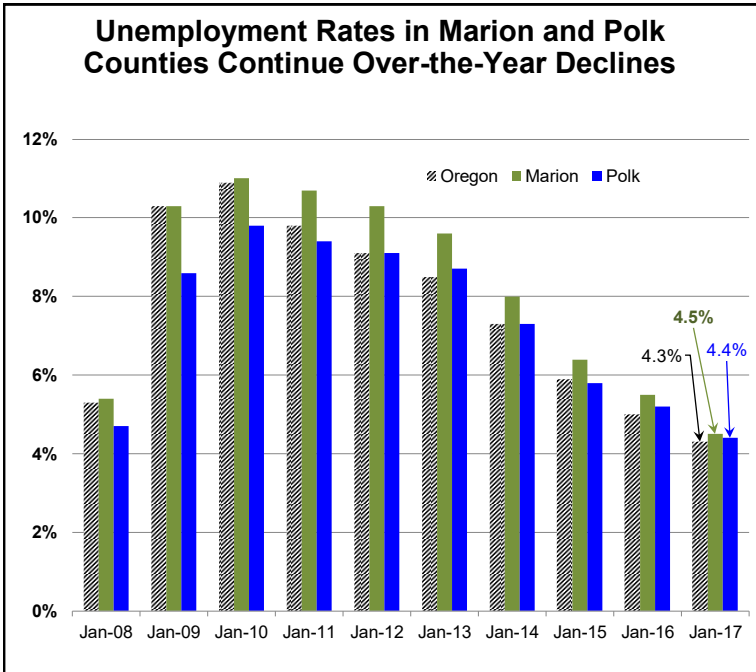
Attachments & Handouts

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- 2016/17 Meeting Schedule
 - February Minutes
 - Gilgamesh Application
 - GROW EDC Report
 - SEDCOR Report
 - Travel Salem
 - Quarterly Land Use Cases
 - Mid-Valley Economic Indicators Salem MSA

Executive Committee	Full Board
July – No Meeting	July – No Meeting
Monday, August 1, 2016 at 11:00 am Location: Travel Salem 181 High St NE, Salem	Wednesday, August 10, 2016 at 3:30 pm-5:00 pm Location: Courthouse Square - 555 Court Street NE, Salem – 5 th Floor, BOC Board Room
Thursday, September 1, 2016 at 11:30 am Location: Travel Salem 181 High St NE, Salem	Wednesday, September 14, 2016 at 3:30pm-5:00 pm Location: Courthouse Square - 555 Court Street NE, Salem – 5 th Floor, BOC Board Room
Monday, October 3, 2016 at 11:00 am Location: Travel Salem 181 High St NE, Salem	Wednesday, October 12, 2016; 3:30 pm – 5:00 pm Location: Courthouse Square - 555 Court Street NE, Salem – 5 th Floor, BOC Board Room <i>*Date change due to Community Projects Grant review</i>
Monday, October 31, 2016 at 1:30 pm Location: Travel Salem 181 High St NE, Salem	Wednesday, November 9, 2016; 3:30pm - 5:00pm Location: Courthouse Square - 555 Court Street NE, Salem – 5 th Floor, BOC Board Room
December – No Meeting	December – No Meeting
Tuesday, January 3, 2017 at 11:00 am Location: Travel Salem 181 High St NE, Salem	Wednesday, January 11, 2017; 3:30 pm-5:00 pm Location: Courthouse Square - 555 Court Street NE, Salem – 5 th Floor, BOC Board Room
Monday, January 30, 2017 at 11:00 am Location: Travel Salem 181 High St NE, Salem	Tuesday, February 8, 2017; 3:30 pm-5:00 pm Location: Courthouse Square - 555 Court Street NE, Salem – 5 th Floor, BOC Board Room
Monday, February 27, 2017 at 11:00 am Location: Travel Salem 181 High St NE, Salem	Wednesday, March 15, 2017; 3:30 pm-5:00 pm Location: Courthouse Square - 555 Court Street NE, Salem – 5 th Floor, BOC Board Room
Monday, April 3, 2017 at 11:00 am Location: Travel Salem 181 High St NE, Salem	Wednesday, April 19, 2017 – 11:30-1:00 Location: 3501 Portland Rd NE, Salem, OR
Monday, May 1, 2017 at 11:00 am Location: Travel Salem 181 High St NE, Salem	Wednesday, May 10, 2017; 3:00 pm-5:00 pm Location: Courthouse Square - 555 Court Street NE, Salem – 5 th Floor, BOC Board Room
Monday June 5, 2017 at 11:00 am Location: Travel Salem 181 High St NE, Salem	Wednesday, June 7, 2017; 3:00 pm-5:00 pm Location: Courthouse Square - 555 Court Street NE, Salem – 5 th Floor, BOC Board Room

Mid-Valley Economic Indicators—Marion & Polk Counties (Salem MSA)

From January 2016 to January 2017, the Salem MSA's private sector gained 3,400 jobs and the public sector also gained jobs. The trade, transportation, and utilities industry led private-sector employment gains over the year. Employment gains in the public sector were led by local education. Year-over-year total non-farm payroll employment gains have been over 3 percent for Linn County, the Salem Metropolitan Statistical Area (Marion and Polk counties), and Yamhill County in 2014 and 2015. In 2016, Linn County and the Salem MSA continued to see gains, but Yamhill County grew less than 1 percent. What happened here? Manufacturing and transportation industries each had a large business close. Finance saw merger activity with a large national company.



For more information and/or to be added to the monthly e-mail distribution list, contact:

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Marion County Economic Development Advisory Board
February 08, 2017 Meeting Minutes
555 Court St NE, 5th Floor Salem, OR

Members Present: Nate Brown, Thomas Chambers, Bill Cummins, Bob Hill, Jay Kemble, Nate Levin, Angie Morris, A.J. Nash, Evann Remington, Dave Tibbetts, and Renata Wakeley.

Staff and Guests Present: Sarah Cavazos, Tamra Goettsch, Brandon Reich, Mark Christiansen, James LaBar and Annie Gorski.

Agenda Item: Welcome, Introductions & Announcements

Information/Discussion: Morris welcomed attendees, and requested self-introductions.

Action: *None.*

Agenda Item: January Minutes

Information/Discussion: Morris presented the minutes and called for comment; no discussion was held.

Action: *A motion was brought forth by Morris to approve the January minutes; a second was made by Kemble. The motion was voted on and approved unanimously.*

Agenda Item: FY 17-18 Lottery Budget

Information/Discussion: Cavazos noted that a work session with the Board of Commissioners has been scheduled for February 21st to present the budget draft. The FY 16-17 approved budget and the FY17-18 proposed budget was presented for review. Items in red in the FY17-18 budget are subject to change and may impact the proposed contingency balance. . Cavazos reviewed line items that increased or decreased compared to FY16-17.

Clarification on the purpose of the Good Neighbor Program was provided: resources dedicated for nuisance projects where there is no ownership and no way to enforce upkeep. The county commissioners have discretion over this program in which projects are typically brought forward by the Sheriff or Public Works. Unused funds are redistributed the following year.

The budgeted contingency amount for FY17-18 is essentially the sum of the contingency and ending fund balance in FY16-17. Since the Oregon Garden bond payments will end after December 2017, an ending fund balance is no longer critical. Placing the funds in contingency allows EDAB and the county to access resources as needed in the upcoming fiscal year. However, it was noted that settlement payments from the Oregon Garden Foundation are currently projected to be a resource for the next 80+ years – based on receivership court documents and agreements. The county is pursuing other options for an earlier pay off plan, but no details are known at this time. Goettsch invited EDAB to provide feedback for staff to take to the Board of Commissioners at the Work Session and invited members to attend if desired.

There was discussion of leaving the funds in contingency and concerns of those resources going unspent if viable grant applications weren't submitted. Some felt that low submission of applications is partly due to limited amount of funds available and the amount of work it takes to submit an application; a larger grant budget could attract more applicants. Hill felt that businesses are busy and not out actively soliciting applications. A comment was made that EDAB has the option to make adjustments to the budget throughout the year.

Action: Cummins moved that the FY 17/18 Lottery Budget be moved from an informational item to an action item. A second was made by AJ. The motion was voted on and approved unanimously.

Action: Nash moved that a portion of the monies that are not being spent on Bond payment be added to the FY 17/18 business development grants -- understanding of why they were placed in contingency -- given they were originally taken from the grant program and believes they should be put back into business grants. A second was made by Remington. The motion was voted on and approved unanimously.

Agenda Item: Economic Development Conference

Information/Discussion: Cavazos noted that the Economic Development Conference is March 7, 2017 and inquired who would be attending or available to volunteer. An email will be sent out with a registration code for free registration for EDAB members. Reich noted the conference is still three weeks away and there are around 65 registered guests, of which about two-thirds represent cities within Marion County and eight cities in the surrounding counties. There are still a few comped spots available for cities representatives so registration is expected to go up. Flyers were made available for distribution for those interested.

Action: None

Agenda Item: Grant Reviews

Information/Discussion: Cavazos confirmed all members had submitted their scores and provided a quick overview of the group review process. Renata acknowledged a conflict of interest on two proposals and recused herself from the meeting during the review of the applications from the cities of Donald and Detroit. Cavazos facilitated the group discussion outlined below.

- **Butteville Landing Restoration Project** (phase I) grant request of \$14,000 will fund a topographical survey of the historic Butteville Landing and development of the engineering site plan and landscape architecture plan. The plans provided foundational information and data needed to solicit bids for actual improvement work on the landing. The project goal is to provide safe public river access, as well as shoreline enhancement and upland interpretive opportunities. The average Score was 77.2, discussion included: Positives – Additional recreational opportunities and potential to increase tourism. Negatives – Unclear who will be responsible for sustainability and managing ongoing improvements and operations.
- **City of Detroit Development Code Amendment for Tiny Homes** project grant request of \$5,715 expands housing choices through city development code amendments to allow for tiny homes. If awarded, the city of Detroit will contract with a planner to coordinate County and State planning code officials to write an amendment to Detroit's code. The changes would allow for the siting of tiny homes (stick-built, manufactured homes, and RVs) on individual lots, cluster communities, and in RV parks. The resultant code would be offered as a model for other cities in Marion County that wish to allow for tiny homes in its communities. The average score was 76.8, discussion included: Positives – Potential to create a template code that can be used by other jurisdictions. Negatives – None provided. However, a concern was raised that grants should not be funding routine operations and/or backfilling city budgets with grant funds. LaBar noted that as public revenues get tighter due to revenue constraints, cities will need to be more creative in where they get their funding to move projects like this forward.
- **City of Donald UGB Expansion Study** project grant requested \$14,000 to complete a public planning process where community members, citizen/technical advisory committee, affected agencies, and its planning commission to review land needs, evaluate priorities for inclusion of land within the urban growth boundary (UGB), analyze relative advantages and disadvantages of alternative UGB expansion areas, and provide feedback and recommendations for its city council when considering an expansion of Donald's UGB. Average Score: 87.1 Discussion included: Positives – Addressed need of growing community and provided potential for residential growth to support growth of local industries.

Negatives – None provided. However, a concern was raised that the county is funding the preparation of a study/UGB request that it will be responsible to make a determination on at a later time; Reich did not see a conflict of interest - the same rules and regulations apply to all when considering requests.

- **City of Turner Mill Creek Phased Flood Mitigation Analysis and Implementation** project (phase I) grant request of \$10,000 will provide quantitative analysis in order to select a detention project location on Mill Creek to mitigate downstream flooding. The project will include data collection, analysis and site assessment for a flood detention structure to help mitigate flood risk and damage. The study would allow for a phase II application to FEMA to be submitted for the construction of this facility. The average Score was 91.4, discussion included: Positives – Number of partners, match funds committed (leverage), and addresses flood control concerns. Negatives – None provided.
- **City of Woodburn Downtown Alleyway Beautification** project grant requested \$10,000 to create a safe, clean, walkable, pedestrian-friendly alleyway system, and improving the overall appearance of downtown. Key project elements include installation of security lighting, enclosing trash receptacles, painting over graffiti and vandalism, and providing a visually appealing pedestrian area. This project will improve the overall appearance of downtown and support the revitalization and economic development efforts of the city, businesses, and property owners. The average score was 79.4, discussion included: Positives – Private investment and the city's investment. Negatives – None provided.
- **Cascade Community Railway** project grant requested \$30,000 to provide an economic feasibility analysis to restore service to the rail line between Silverton and Stayton. The final report to include an economic impact analysis, cost/benefit analysis, and a operations and capital planning analysis.

The application was not considered for funding. This proposal duplicates a study to be conducted by Community Services through a contracted consultant. Community Services will work with Cascade Community Railway and other stakeholders to incorporate relevant questions into the scope of work, as appropriate.

- **Salem Keizer Education Foundation** project grant requested \$25,000 for the repair and preservation of the Starkey-McCully building, which is on the National Register of Historic Buildings, to serve as a regional college and career readiness center. The project benefits the cities of Salem and Keizer. Discussion: The application was scores by the reviewers; consensus of the group was that the project aligns with another grant program area: Trade Skills/Workforce Training. The application does not align with the intent of the Community Project Grant (CPG) program.

It was also noted that funding for this type of project can typically be found elsewhere, where many projects funded under the CPG program are less likely to obtain funding from traditional sources. There was concern that funding this proposal may set precedence for other education and workforce training applications to come forward. Some members expressed interest in discussing the proposal at the March EDAB meeting to explore if the Workforce Training funds could be used to provide support for this project.

Action: Hill moved to approve applications from the Friends of Historic Butteville, City of Detroit, City of Donald, City of Turner, and City of Woodburn at the amounts requested, a second was made by Chambers. A voted was taken and approved by majority vote; Cummins and Kemble did not support the vote and Nash was not present at the time of the motion.

Action: A motion was made by Cummins to reconsider the previous motion to approve grants; a second was made by Kemble. A vote was put forth and was denied.

Agenda Item: New Business, Comments and Closing

Information/Discussion: In the future, when reviewing more than one application, the EDAB meeting time should be extended to two hours to allow for discussion.

Meeting adjourned: 5:15 PM

DRAFT

EXHIBIT D – QUARTERLY REPORT



Economic Development Allocations Quarterly Report

Organization:	GROW EDC		
Quarter Ending:	December 31, 2016		
Allocation:	\$60,000	Received YTD:	\$30,000

Instructions: Provide an update on the following objectives, including brief overview of activities to date, successes, challenges or anticipated challenges, and/or any changes made to the objective.

1. Objective – Launch a regional tourism initiative

In the second quarter of FY 2016-17 we continued work on our regional tourism initiative as identified in our Travel Oregon Rural Tourism Studio Accelerator in Spring 2016. The purpose of this tourism initiative is to help our North Santiam River region, from Aumsville/Scio to Marion Forks/Breitenbush, build a compelling outdoor product and brand, build relationships between tourism businesses and attractions, and create high value authentic experiences for visitors to Oregon. Our aim is to become a visitor destination in our own right, thereby deepening and strengthening the role that tourism plays in our local economy.

We expect this tourism initiative to be a primary focus of GROW-EDC activities at least through the eclipse in August 2017.

The following is updated info about the projects our three tourism action teams are working on:

1. **Creating a regional tourism marketing strategy that will help attract visitors to our area.** This group finished reworking our regional asset inventory that will be used to help populate Travel Salem and Travel Oregon's websites as well as inform future printed material. This team discussed how to begin capturing photos that can be used on tourism websites, and is preparing to market eclipse and River Fusion 22 events (see below) starting in February 2017. Next up: populating Travel Salem's new interactive Discovery Map with North Santiam River region data and pushing out the asset inventory to Travel Oregon for their website and materials; gathering information from River Fusion 22 presenters for websites, social media and printed marketing pieces.

2. **Building a local tourism network that will create/strengthen relationships between those working in and interested in the hospitality/outdoor rec industries** throughout our region, making it easier to package products, refer business to each other and help make the visitor experience meaningful and memorable.

This team is hosting a networking event that will focus on the eclipse in the first quarter of 2017, after the Feb meetings of the River Fusion 22 and regional marketing strategy groups. The focus of this event will be to introduce businesses to each other across the region, discuss the upcoming marketing opportunity and logistical issues that the eclipse will create for local businesses (i.e. staffing), and brainstorm re: how individual businesses can specifically capitalize on the many people who will be in town for the Great American Eclipse in August 2017. As with all of our teams, original meeting dates were moved due to Dec/Jan snow/ice issues. Next up:

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Rescheduling the networking event for late Feb/early March and using the asset inventory to invite key participants.

- 3. Create an annual river festival to celebrate the North Santiam River as the connecting link between communities and outdoor recreation assets on the river, in our foothills and in our towns.** This action team is launching River Fusion 22 during the August 2017 eclipse weekend, and has covered significant ground in helping key event producers create compelling experiences for visitors. Rather than produce every event themselves, River Fusion 22 is linking key local events together to create the first regional festival. Here are some of the events planned for that weekend:
- a. Aumsville Corn Festival & Parade on Saturday morning; eclipse viewing party on Monday morning
 - b. Friends of Old Town Stayton – hosting music event in historic downtown Stayton on Friday night; this event is in the early planning stages
 - c. Santiam Harvest Festival Grounds has partnered with the Ingalls Agency to offer RV and tent camping on site, and will host a fireside celebration and s'mores party on Sunday evening
 - d. Camp Taloali – our only lodging facility of size along the North Santiam River, Camp T is opening its grounds and cabins to the public, including RV and Tent Camping. This camp has many facilities for guests, including a swimming pool, onsite dining, walking trails, a nursing station, a games room, ropes courses and a large field that will be used for eclipse viewing on Monday morning. They have not yet decided whether they will open the grounds for day passes or to campers only. At least one river outfitter plans to run raft trips between Mehama and Camp T throughout the weekend.
 - e. The North Santiam Chamber of Commerce and Santiam Hearts to Arts are partnering to produce the first ever River City Music and Art Jamboree in Kimmel Park from 12pm – 8pm on Sunday, featuring live music, local art, and local food and beverage vendors.
 - f. DLRABA is planning to host a small microbrew event in downtown Detroit on Saturday.
 - g. River Fusion 22 is coordinating a geocaching event that will extend throughout the region, connecting key assets that we want to highlight to visitors
 - h. Scio is in the very early stages of planning a Covered Bridges bike tour for eclipse weekend

Travel Salem is a key partner in the regional marketing strategy group and the River Fusion 22 team. We are leveraging their expertise and marketing horsepower to help make this a successful weekend.

The goal of River Fusion 22 in this year is to showcase our region to visitors and create enough positive experiences that they will want to return; increase spend for our local businesses; and help our events create a positive experience for themselves so that they will want to continue participating in River Fusion 22 when it moves to the shoulder season next year.

Next up: bringing event presenters together with the River Fusion 22 team so the key players in the region can hear firsthand what is being planned by their neighbors; participating in the second Eclipse Agencies meeting hosted by Travel Salem so we all understand when visitors are expected to arrive in the area, the kinds of logistics we're expected to face, etc.

2. Objective – Youth engagement/workforce development.

As part of this objective, GROW has been looking for a way to bring **essential life skills training and greater access to the business community to student populations in a pilot project based in Mill City.**

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In September OSU Extension and GROW developed a fledgling concept to run a multi-week program (with OSU Extension as lead) during the “down time” in the junior master gardener program, starting in January. As of the day of this report, this program is in its second week and is meeting with all high school freshmen in Mill City during two class periods each week until spring break, and is involving some of our North Santiam Young Professionals and local businesspeople/leaders. We expect to adjust the content of this program as we get to know these students better. Next up: scheduling speakers for the next several weeks; coordinating business visits for students who have expressed interest in particular industries. These small field trips will be held through the end of the school year.

GROW is proud to be the fiscal sponsor and behind-the-scenes support for the United Way-sponsored **Aumsville Partners in Education**, whose signature event is the summer reading and literacy program, now augmented by year-round after-school student and parenting events, an August Academy to help prepare returning students for school, a Science Fair, a Safety Day and other special events and programs. This project is spearheaded by the Aumsville PARC board and city staff in conjunction with Aumsville Elementary, Trillium Services, Aumsville police and fire, plus several other local businesses and organizations. This project is expected to continue receiving funding from United Way as they use it as a template for improving literacy at the 3rd grade level. GROW’s board voted in December to continue acting as fiscal sponsor for this program.

Next up: continuing after-school homework and parenting classes, including families who need extra help from Trillium Services; discussing how to capture the new metrics United Way needs to assess success so this program can be duplicated in other communities.

3. Objective – Launch a community-based lending program.

This quarter we met with Community Lending WORKS about their program based in Springfield, and are planning a funding workshop for local businesses and aspiring entrepreneurs later in the first quarter that will include Community Lending Works and possibly MESO (Microenterprise Services of Oregon). Both programs could provide a source of capital for businesses that are not quite strong enough for traditional lenders.

Next up: Scheduling a workshop and location for March; identifying entrepreneurs who could benefit from this process.

4. Objective – Apply value chain methodology to the natural resources industry.

Freres Lumber Co., the largest private employer in the canyon communities, is making a major investment in our area with their new Mass Plywood Panel (MPP) product. With this major project underway, we do not plan to pursue any additional work in the forest products industry at this time.

5. Other – Individual and small business consulting.

One hundred and ten clients received direct services from GROW in the second quarter of FY 2016-17, of whom 96 were returning clients. We served far more clients than usual this quarter, which we attribute to the interest so many clients are expressing in tourism-related activities. Two of these existing clients continued to require unusually extensive help through this quarter, a situation that has been ongoing since fall 2015. One of these clients is not expected to access services as frequently going forward, with the second continuing to work with GROW intensively for the foreseeable future.

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We began offering one of our signature workshops, *Small Steps, Big Results*, in a virtual format this fall, with five people choosing to participate in this pilot project. Since this format is easy to offer and requires little prep time or travel, we have decided to continue to offer this class virtually in the coming months for those who cannot participate in person. We held 5 workshops this quarter (a sixth was cancelled due to snow) with 44 participants.

Next up: We have several other classes and events coming up, many of which have been pushed out further into the first and second quarters of 2017 due to so many snow and ice events this winter. These include a yearly planning workshop, the lending workshop mentioned above, a Main Street field trip to Independence, an Airbnb/VRBO workshop, a Main Street talk by Michael Held to discuss experiences in The Dalles, and a business networking event focused on tourism (see above).

6. Other – Please provide a brief narrative of other items of importance not identified above.

* Cheerlots held a meeting at the request of Mill City & Gates residents in October, where it was announced that at least two of the routes between the canyon communities and Stayton will be retained. Cheerlots has asked for feedback about the new route plan and is presenting it to their board in January.

- GROW joined Oregon Festivals & Events Association to access event planning expertise for River Fusion 22. Four people from the River Fusion 22 team attended a 3-hour workshop in Albany, which provided such valuable information that GROW is recommending that all River Fusion 22 presenters join the organization.
- GROW participated in Marion County’s regional wastewater meeting at Trexler Farm this fall, where canyon community elected officials and other key stakeholders were invited to comment on the proposed wastewater options. The in-depth study also corroborated that tourism remains a valuable potential growth industry for the area, which will be helpful in pursuing other funding sources for our tourism initiatives.
- GROW hosted a field trip to Dayton, OR so local communities interested downtown redevelopment could see and hear firsthand how this tiny town has transformed itself into a robust tourism destination. Twelve stakeholders participated in the trip, including folks from Aumsville, Stayton, Scio, Mill City and Detroit.

7. Activity and Output Metrics. Complete the following for each quarter.

Number of Clients	Q1	Q2	Q3	Q4	Total
# of new clients		14			
# of returning clients		96			
Total Active Clients					
Type of Clients	Q1	Q2	Q3	Q4	Total
# of clients with existing businesses		106			
# of clients with prospective/new businesses		4			
Services Provided	Q1	Q2	Q3	Q4	Total
# of clients that received counseling		110			
• # of individual counseling sessions provided		393			

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# of workshops/ events held	5			
# of individuals participating in workshops				
Total # of workshop attendees	44			
# Tourism planning meetings/events	6			
Total attendance – tourism planning meetings/events (does not include participation by email)	32			
# individuals participating in tourism meetings (plus 7 new people involved in separate site visits)	19			

Total client contact hours (all activities) 5,157 hours

EXHIBIT D – QUARTERLY REPORT



Economic Development Allocations Quarterly Report

Organization:	SEDCOR		
Quarter Ending:	December 31, 2016		
Allocation:	\$175,000.00	Received YTD:	\$80,000

Instructions: Provide an update on the following objectives, including brief overview of activities to date, successes, challenges or anticipated challenges, and/or any changes made to the objective.

1. Available industrial space

The inventory for industrial buildings in Marion County and the region continues to be extremely low. While Marion County has some of the best industrial land in the state, very few buildings are available. In the last quarter we have a less than two percent vacancy rate in the industrial market, which indicates a significant shortage of available space.

This shortage is not limited to the Mid-Willamette Valley, thus we are beginning to see the market react. New industrial buildings are being built or proposed in Woodburn, Hubbard, Donald, Aurora, as well as in Salem. We currently have over 500,000 sf of industrial buildings under construction in the region, with double that in process. Due to the shortage of buildings in we are we are beginning to see rents in the valley increase.

One new project is the **Wilco/ Oregon Hazelnut** plant, which broke ground on a new 230,000 square foot facility in Donald, Oregon. The facility will serve as both a processing center for Hazelnuts in the valley as well as a new distribution center for Wilco. This project adds not only new jobs and investment to the region but also brings in new support for our farmers.

SEDCOR is working with developers and the state to find a way to build additional capacity, and we believe that this will improve in the coming year. It should be noted that this is a statewide issue, especially along the I-5 corridor.

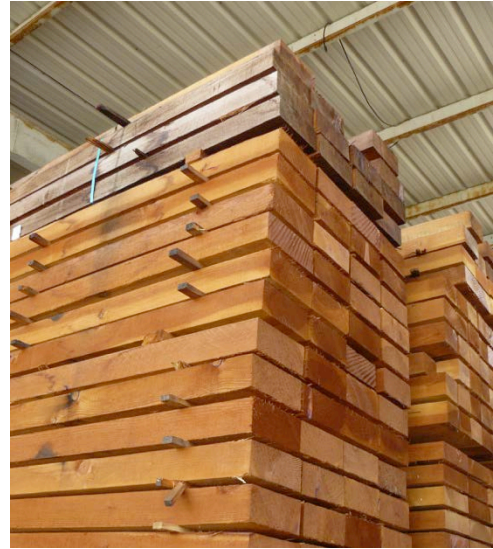
2. Industries with potential growth

Existing firms have continued to lead the recovery in our region. In recent months we have worked with several firms that have made significant investments in our region. These include the following projects:

- **Oregon Hazelnut/ Wilco** has begun work on a 230,000 sf facility in Donald, Oregon. This will work to add jobs in Donald and the region as well as to support our farmers. It will also increase operating efficiencies for Wilco without detracting from their Mt. Angel offices and operations.
- **Henningsen Cold Storage**- broke ground in July on a first phase, 200,000 s.f. cold storage facility at Mill Creek. This facility will help to support the agricultural community in the region.
- **Littau Harvester** purchased an additional facility in Stayton and has continued to grow and expand their trucking, leasing and manufacturing businesses.

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- **Turner Lumber** continues to invest in their facility. The company is currently in the process of purchasing additional property adjacent to their current operation for expansion. They have also added equipment, improved energy efficiency, and improved production processes.
- **Wilcox Farms** is in the process of an expansion in Marion County, and has expanded through the purchase of another operation in Linn County.
- **Metal Innovations** is also located at the Aurora airport and intends to expand into another 30,000 square feet for production.
- **Pro-Cure** is a fishing bait company and is expanding to increase production. They are going to produce product they previously had to ship from the East coast.
- **Pacific Coast Avionics** is located at the Aurora airport and is the largest Garmin Avionics dealer in the world. One of their Aurora employees is on the Dealer Advisory Council for Garmin. They will initially employ ten more people with a new expansion.
- **West Coast Seed Mill Supply** is expanding their Salem operation.
- **Marion Ag** is expanding in the northern portion of Marion County, which will include a 100-car rail siding for their new seed and fertilizer processing plant.
- **Forest River/Cargo** in Silverton continues to grow as employee recruitments allow.
- **Willamette Valley Pie** has continued to expand in their new facility in Silverton.



On the recruitment side of SEDCOR's work we have noticed some key trends in companies looking at moving into our region. This interest growth has been led by four different categories: Food Processing, Distribution, Manufacturing and Value Added Wood Products. In the last year we have seen more interest from Food Processing and Distribution.

3. Make It In the Willamette Valley / BR&E Update

We continue our work on the Make it in the Willamette Valley initiative, in partnership with the Mid-Willamette Valley Council Of Governments and supported by a three-year federal grant.

This work has helped SEDCOR continue to build one-on-one relationships with employers, to build the Business Retention & Expansion program in communities across the county, and to host events that bring new resources to manufacturers. In addition, the initiative finalized its supply chain study, which has highlighted a number of the vertical supply opportunities in the region. BR&E is helping create industry-driven data that helps communities make informed decisions for present and future growth.

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In addition to federal support, this notable project is supported by Business Oregon, Marion County, Yamhill County, PGE and Pacificorp.

4. Other

Large Lot Study: SEDCOR is working with owners and representatives of large lots of industrial land (over 50 acres) to ascertain the industries and companies who need this size of parcel for their next expansion, and learn what these firms need to be successful. This project has helped give nationwide exposure to Mill Creek Corporate Center, and it has helped identify our role in the larger regional market. We are currently reaching out to companies who we identified to explore their interest in large projects on the West Coast.

Career & Technical Education: SEDCOR continued its work with local school districts in Marion County to connect schools with private employers and to form a best practice framework for developing skills that meet the needs of employers. SEDCOR hosts quarterly meetings with school district superintendents to advance these objectives. Canyon and Mt Angel school districts have hired vocational teachers, and North Santiam School District has begun a student-built house to develop construction skills. Salem is building its third home using CTEC students. SEDCOR serves on the advisory committee for this efforts. These efforts follow the fundamental skills identified by SEDCOR working with industry.

5. Activity and Output Metrics. Complete the following for each quarter.

Number of Clients	Q1	Q2	Q3	Q4	Total
# of new recruitments	18	4			22
# of active recruitments	10	11			11
# of new expansions	0	2			2
# of active expansions	20	20			20
Total Active Clients					

	Year To Date			YTD Total
	Recruit	Retain	Expand	
No. Companies	2	5	5	7
Retained Jobs		30		30
New Jobs	5		76	76
Capital Ex	12,000,000		30,000,000	42,000,000

EXHIBIT D – QUARTERLY REPORT



Economic Development Allocations Quarterly Report

Organization:	TRAVEL SALEM		
Quarter Ending:	December 2016		
Allocation:	\$100,000.00	Received YTD:	\$50,000

Instructions: Provide an update on the following objectives, including brief overview of activities to date, successes, challenges or anticipated challenges, and/or any changes made to the objective.

1. Objective – Regional Public Relations

Travel Salem generated **243 published articles** and references during the second quarter of 2016-17 with a **reach of 17,647,700** and an **advertising equivalence of \$390,905**. Please refer to the attached PR Addendum for details.

2. Objective – Visitor Information Network

Travel Salem's Visitor Information Network **assisted 28,419 visitors** during the first quarter. The network includes: Travel Café, BEST WESTERN PLUS Mill Creek Inn, Red Lion Hotel, Phoenix Inn South, Willamette Heritage Center, Salem Convention Center, Lancaster Mall, Amtrak, Salem AAA, Salem Airport and Aurora Airport.

3. Objective – Marketing Support for Marion County Communities

Quarterly highlights include:

- **Google adwords campaign** underway with 3,950 click-thrus to date
- **Completed Phase 2 of the redesign of TravelSalem.com** including: reorganization of site navigation; a Members video section with aggregated content pulled from listings; a 2017 Eclipse feed of events and links; advertising placement on sidebars throughout categories; a standard blog with dynamic content; and user interface improvements for the events calendar; booking engine and online forms.
- Completed a **Thanksgiving social media campaign** (3 weeks), encouraging people to experience Mid-Willamette Valley wine country during the holiday. It featured 6 rotating ads designed for Facebook (both desktop & mobile versions) as well as Instagram promoted posts. **Results:** reached more than 253,000 people in 31 states & 2 countries; 542,000 impressions; roughly 6,000 "Book Now" click-thrus.
- **Completed a Holiday Season social media campaign** (4 weeks) encouraged people to experience Salem during seasonal festivities. The campaign featured 2 interactive Facebook ads for mobile users, 11 Facebook ads for both desktop & mobile users, and 4 Instagram promoted posts. Results: 390,000+ Facebook impressions & 7,000+ likes on promoted Instagram posts.
- Hosted members of **Travel Oregon's PR & content teams** in the Silverton area for a one-day fam tour (part of the annual RDMO tour). Toured Silver Falls, Seven Brides Brewing and downtown Silverton.
- Hosted freelance writer Kurt Jacobson for a 2-day fam tour of Salem
- Hosted writers and editors from 50 Campfires for a 2-night stay at Silver Falls State Park.
- Hosted freelance writer Chad Walsh for an overnight fam tour for a Travel Oregon article about visiting the Willamette Valley by train and bike.

4. Objective – Recreational Sports Marketing

Events during the quarter:

- Oregon Racquetball Association, 120 attendees, 90 room nights, \$49,920
- Washington State Football, 103 attendees, 60 room nights, \$36,846 EEI
- Capital City Classic Basketball- 20,000 attendees, 1,050 room nights, \$1,459,500 EEI

EXHIBIT D – QUARTERLY REPORT

- The Sports and Events Sales Manager attended the Annual ASA/USA Council meeting in Shreveport, Louisiana with the City of Salem Softball Coordinator. Managed a tradeshow booth during the event to promote the 2017 ASA/USA National 18U tournament.
- Attended the Oregon Sports Tourism meeting, met with regional DMOs and members of Travel Oregon and Oregon Sports Authority.

5. Objective – Destination Development

- Multiple projects in development; projects will be reported once completed.

6. Other

See detailed report for more results during the quarter.

7. Performance Measurements. Complete the following for each quarter.


Metric	Q1	Q2	Q3	Q4	Total
Estimated Economic Impact*	\$553,200,000 for 2015	See Q1			\$553,200,000 for 2015
Transient Occupancy Tax**	\$852,317	\$925,334			\$1,777,651
Leverage	\$540,957	\$613,187			\$1,154,144

*Latest information available via Travel Oregon

**Salem only (July through November based on available data)

Travel Salem
PUBLIC RELATIONS ADDENDUM
National & Regional Media – Marion County
16-17 Second Quarter

Secured 243 published references/articles with a reach of 17,647,700 and an advertising equivalency of \$390,905.

	Media/Headline	Value	Reach	Key Messages/Content
	<i>Travelsquire.com</i> Food, Wine & Gardens in Salem, Oregon Published: 10/2016 Pitched: 7/2016	\$19,700	300,000	The Oregon Garden, Silver Falls State Park, Cubanisimo Winery, Legacy Estate Vineyards, Bentley's Grill and the Capitol building were highlighted in an article by writer Linda Kissam.
	<i>The Register Guard</i> Waterfall Splendor Published: 10/2016 Pitched: 5/2016	\$8,500	125,000	Silver Falls State Park was highlighted in a feature article by Eugene Register Guard's travel writer John Gottberg Anderson.
	<i>Portland Monthly</i> A Pocket Guide to Pacific Northwest Hot Springs Published: 10/2016 Pitched: 6/2016	\$11,693	193,000	Breitenbush Retreat & Conference Center was included in a round-up article about best hot springs to visit within a 2-hour drive of Portland.
	<i>50 Campfires</i> Camping Silver Falls State Park, Oregon Published: 10/2016 Pitched: 8/2016	\$11,000	200,000	A feature article about Silver Falls State Park and its many amenities was published on this popular camping/travel website and blog.

	<p><i>Willamette Valley Life Magazine</i> The Best Fall Festivals</p>	<p>\$2,756</p>	<p>28,000</p>	<p>The Aurora Colony Quilt Show and Aurora were highlighted in an article about best places in the Willamette Valley to enjoy fall activities.</p>
	<p><i>WanderWithWonder.com</i> Zippping Around Portland, Oregon</p>	<p>\$3,190</p>	<p>110,000</p>	<p>Camp Dakota in Scotts Mills was included in an article about best places to find ziplines in Oregon on this national travel blog/website.</p>
	<p><i>Travel Oregon e-newsletter</i> Hike, Eat, Repeat</p>	<p>\$8,400</p>	<p>300,000</p>	<p>The Detroit Lake Recreation Area, Rosie's Mountain House Café, Butte Creek Falls Loop Trail, the Silver Grille and Gather Restaurant were included in this feature article about great hikes and corresponding places to grab a bite.</p>

Completed Land Use Cases – October through December, 2016

Administrative Reviews

16-024. Mark W. Smith Trust - establish a farm stand on a 200 acre parcel in an EFU (Exclusive Farm Use) zone located at 7358 Champoeg Road NE, St Paul. Approved.

Conditional Uses

16-037. Janell L. Norris - establish a farm building insulation business and seed storage warehouse as a commercial activity in conjunction with farm use on a 6.45 acre portion of a 70.35 acre parcel, and a partition to divide a 70.35 acre parcel into two parcels of 63.90 acre and 6.45 acres each, and a property line adjustment to adjust the resulting 63.90 acre parcel and a 49.17 acre parcel into two parcels containing 106.97 acre and 6.1 acres each in an EFU (Exclusive Farm Use) zone located at 8162 State Street SE, Salem. Approved.

16-035. Labish Solar, LLC - establish a photovoltaic solar power generating facility on a 46.55 acre parcel in an EFU (Exclusive Farm Use) zone located in the 7,200 block of 35th Avenue NE, Salem. Approved.

16-032. Black & Maguren, LLC - establish a self-storage warehouse business on a 4.3 acre parcel in an IG-LU (General Industrial – Limited Use) zone located at 4345 Silverton Road NE, Salem. Approved.

16-028. Dustin Moul - operate a contractor's warehousing business on a 0.48 acre parcel in an ID (Interchange District) zone at 2484 Delaney Road SE, Salem. Approved.

16-027. Elizabeth Adels - operate an auto dealer business as a home occupation on a 1.65 acre parcel in an EFU (Exclusive Farm Use) zone located at 11034 Mill Creek Rd SE, Aumsville. Approved.

Zone Change/Comprehensive Plan

16-002. Lancaster Opportunities LLC - change the zone from CR (Commercial Retail) to CG (Commercial General) on a 0.79 acre parcel located at 250 Lancaster Drive NE, Salem. Approved.