

OEDA

2021 Excellence in Economic Development Submission

BUSINESS DEVELOPMENT SUCCESS

AWARD NOMINEE:

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Business Development Success

DON FROYLAN CREAMERY'S EXPANSION IN SALEM, OREGON

The City of Salem's Economic Development Division staff began working with Francisco Ochoa in 2017 to find sites and funding for the expansion of the Don Froylan Creamery in Salem. Francisco wanted a location in North Salem to be close to retail customers in the Portland and Seattle area, and be a neighborhood destination.

"The City of Salem helped connect me with lenders and resources to help streamline the layout of the site and building, and provided the North Gateway URA grant to help fill my funding gap. They had a problem-solving approach and wanted to help me succeed. I felt that Salem would be a good fit for my business because of its central location and proximity to I-5 and diverse cultural population. Lastly, I am very grateful for the opportunity to be a part of Salem and looking forward to growing on Portland Road." - Francisco Ochoa, Owner, Don Froylan Creamery



EXTENT OF ECONOMIC IMPACT IN THE COMMUNITY

The site chosen by Don Froylan was vacant for nearly 10 years, contributing to neighborhood blight. This long-vacant site is now home to a growing business. Customers can purchase one of the dozen cheeses they produce, including hand stretched Queso Oaxaca, as well as ice cream, and quesadillas.

- Originally an approximately 12-acre vacant site, the Cornerstone Apartments was developed in 2019, adding 180 affordable housing units to the area and nearly \$33M in private/public investment.
- Don Froylan came next, expanding their creamery and adding a tasting room, ice cream, and restaurant, employing 22 individuals, including 6 new hires from the surrounding neighborhood.
- Don Froylan's approximately \$2.5M investment in the area, was matched by a \$300,000 grant from the North Gateway Urban Renewal Area, funding for site due diligence from the City's Site Reuse and Revitalization Grant Program (funded through a U.S.



EPA community-wide assessment grant), as well as U.S. SBA loan funding. The City also connected Don Froylan with Oregon Manufacturing Extension Partnership (OMEP) for assistance with the layout of their new facility.

- Other URA investments, including \$4M in streetscape improvements and enhanced safety and connectivity.

ACHEIVEMENT & MEASUREABLE RESULTS

In 1990, the North Gateway Urban Renewal Area was established, a roughly 900-acre section of North Salem that includes the Portland Road Corridor. Learn more about North Salem's Urban Renewal program on the [City's website](#).

- In the last 30 years, urban renewal funding has built new roads, improved area intersections, and facilitated the development and redevelopment of public facilities and mixed-use properties.
- [Salem's North Gateway Urban Renewal Area grant program](#) has assisted businesses establish and grow in this area.
- Recent infrastructure improvements in the area assist existing and future businesses including pedestrian crossings, new sidewalks, and curbs along the Portland Road Corridor. Grant funds through the urban renewal area continue to provide financial assistance for infrastructure projects which accommodate future growth in the Portland Road area.



DEVELOPMENT OF STRONG RELATIONSHIP & COMMUNITY SUPPORT

- [Don Froylan Creamery](#) is the most recent company to invest and expand North Salem and utilize the [North Gateway URA grant program](#). They join a series of nationally-recognized manufacturing companies who

have chosen to invest in this area including [Ventura Foods](#), [Advanced Tower Components \(ATC\)](#), [Don Poncho/Reser's Foods](#), [Watershed/High Impact Technology \(HIT\)](#), and [Power Equipment Systems \(PES\)](#).

- The Urban Renewal Agency also invested \$2 million toward the Salem-Keizer School District's [Career and Technology Education Center \(CTEC\)](#). CTEC opened in North Salem to address the need for a trained workforce in the Mid-Willamette region and provides workforce development and educational opportunities for Salem residents including auto mechanics, construction, agricultural science, culinary, and design programs.

INNOVATION, ORIGINALITY, COST-EFFECTIVENESS

- Use of prefabricated metal panels in the building construction saved costs and construction schedule.
- Don Froylan and faculty at Salem's Career and Technical Education Center (CTEC) have discussed partnering to grow Don Froylan's social media marketing presence. This would provide CTEC's high school business class students an opportunity to plan and implement marketing for the business, utilizing what they've learned in the classroom, and in turn provide the business with free marketing support and ideas.

RELEVANCE, TRANSFERABILITY TO OTHER COMMUNITIES

- Maintaining relationships with local lenders and understanding their programs is helpful when supporting small businesses. The City helped introduce Don Froylan to the local lender that financed the project. City staff coordinated closely with the lender in the pre-financing phase to ensure urban renewal grant funds could contribute to the borrower's match.
- Involvement of the Mid-Willamette Valley COG early on, prior to bank involvement, was key to securing SBA loan for the project. COG staff knew the SBA programs and requirements, helped facilitate and underwrite the loan.