

Urban-renewal funder project hopes to grow green food processing

by Angela Webber

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When **Evann Remington** started her business four years ago, she rented a 2,000-square-foot kitchen and ran the whole operation by herself. Remington's Salem-based company, **Organic Fresh Fingers**, makes locally sourced healthy meals for schools and day care facilities. When the business outgrew its first space, she started renting an office as well – and then used cold and dry storage facilities in other locations.

"We were operating pretty inefficiently," Remington said.

But a recent move to a new location will allow her business to keep growing. Since moving into the **East Pringle Innovation**

Center, Organic Fresh Fingers has added seven employees. Now, it is serving 6,000 meals for Head Start programs, Boys and Girls Clubs and charter schools around the city.

Organic Fresh Fingers and the building's other tenant, **Wandering Aengus Ciderworks**, are both small, local businesses that specialize in green food production, an industry that developer **Wildwood Inc.** wants to incubate in the center. The companies' owners say that the specialized development, and urban renewal money from the city, will help grow their capital-intensive businesses and keep them local.

"The approach we've decided to take with this development, rather than building a speculative building and trying to attract tenants, is that we're trying to grow the tenants," said Wildwood Vice President **Travis Henry**.

A consolidated facility will let Wandering Aengus grow, according to co-owner **James Kohn**. The company was renting space in multiple locations and had been searching for a new building for more than two years. It was a challenging process, Kohn said.

"When we talk to investors for getting capital – they have to understand the alcohol industry and how it works, and there's not a lot of people who understand the market," he said.

Remington brought Kohn onto the project, and had been working with Wildwood for a few years, she said.

The key to the project was a loan program through Salem's urban renewal program.

"We as a city have been focused and successful at attracting new businesses," Salem Director of Urban Development **John Wales** said. "But we were hearing from smaller local businesses that programs for helping them grow didn't exist."

Wales and city staffers worked with business owners like Remington and Kohn to create a \$1 million pilot loan program with money left over from the Fairview urban renewal district. Remington used her \$289,000 loan to build out her space, and Kohn employed a similar strategy. If the businesses were to create jobs, up to 70 percent of their loans would be forgiven.

Wales said that a successful pilot program could lead to it being expanded to other urban renewal districts.

"We're investing in our entrepreneurs; we would like to keep them in Salem," he said. "We're

looking for the next Kettle Chips here.”

For Wildwood, the goal of the project is to create a campus of buildings on the East Pringle Innovation Center site. The 12-acre site once was part of **Sunwest Management**'s portfolio, before the senior living management company collapsed in the economic crash. The building housing the two food companies was used by Sunwest for carpet storage when Wildwood purchased it.

The warehouse was renovated by **CD Redding Construction**. Architect **Michael Flowers** said the facility is designed for growth – an open second floor could be used as a mezzanine facility for offices, to open up ground-floor space as tasting areas.

Wildwood's vision is to create a green food and beverage incubator similar to one it manages for biodiesel companies on a 10-acre parcel less than three miles away from the center, Henry said.

Remington said that her company expects to grow soon, because it is already using its full 6,000 square feet of the 14,000-square-foot building.

“The idea is, over the next few years, we grow out of this space and the next round of food processors at an earlier stage can move into our space. Then we can build a facility on the campus,” Remington said.

Henry said another option for the site would be to establish shared cold storage or distribution centers for the businesses in different buildings.

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