

Holiday corporate office to leave Salem

By Michael Rose

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One of Salem's most successful, homegrown businesses is headed to the Portland area with 180 good paying jobs in tow.

Holiday Retirement, the owner and operator of retirement communities founded by the late Bill Colson, is moving its corporate office from Salem to Lake Oswego by the spring. Based in Salem since its inception in the 1970s, the company ranks among the nation's largest providers of senior housing.

Scott Wood, general counsel for Holiday Retirement, confirmed that the company was relocating its headquarters when contacted by the Statesman Journal. He refused to comment on the company's reasons for leaving Salem.

The exodus of Holiday Retirement's headquarters to a Portland suburb reflects a persistent problem for Salem. The City of Roses is viewed as the state's business and cultural hub. Executives with the money and means often chose Portland over Salem for their homes. Even the governor lives in Portland and commutes to Salem. When businesses and their employees flee Salem for Portland, money and community leadership go north as well.

Dick Withnell, a Salem community leader known as a champion for children and families, said the departure of Holiday Retirement follows a discouraging pattern.

"That's a wet blanket for business. We should be celebrating somebody from Lake Oswego coming here, or a start-up company here," said Withnell, a resident of Salem for 40 years and founder of Withnell Motor Company. The preference of corporate professionals for the Portland area is "part of the culture" of the Willamette Valley, he said.

Some business insiders had known for months that Holiday Retirement was leaving town. The company's plans only became widely known after the Portland Business Journal reported that it had leased space for its new headquarters office.

Company officials told the Business Journal that it wanted to be in a metropolitan area, close to a major airport as well as its vendors and investors. They also noted that many of Holiday Retirement's employees already lived in the Portland area.

Holiday Retirement prospered under Colson's leadership by delivering an appealing product



Danielle Peterson / Statesman Journal
Holiday Retirement is moving from McGilchrist Street SE in Salem to Lake Oswego.

for people 80 or older. After building what was often described as the world's largest retirement-home empire, Colson, 66, died in 2007 of natural causes.

The founder's death came months after a deal to sell 299 senior-living communities, totaling more than 35,000 living units, to a New York investment firm. The transaction's reported value was \$7.5 billion.

Ray Burstedt, president of the Strategic Economic Development Corp., said the local economic development agency had been aware for sometime that Holiday Retirement intended to leave Salem.

"There really wasn't anything for us to do," Burstedt said. "If their needs aren't being met here, they aren't going to stay because we think they should."

Business owners who have put down roots in Salem say the mid-sized city offers advantages, such as a good quality of life, being within driving distance of the coast, and proximity to several universities. Economic development officials, such as Burstedt, note the availability of industrial land, an ample workforce, and local governments' eagerness to bring new employers to the area.

For others, however, Salem doesn't outshine Portland.

"We talk about it all the time. It's the hard-to-put-your-finger-on cool factor," said Peter Fernandez, Salem's interim deputy city manager. Many corporate "big shots" — especially those who are newcomers to Oregon — will pick Portland, he said.

John Wales, urban development director for the city of Salem, said he wasn't aware of discussions between the city and Holiday Retirement to reconsider the move to Lake Oswego. He didn't know the company intended to relocate until contacted by the Statesman Journal.

"I wasn't aware of it, and disappointed that we didn't know," Wales said. Sometimes corporations make their plans known to the city, but that's not always the case, he said.

Salem Mayor Anna Peterson said she was sorry to see Holiday Retirement leave. The company has been a "great partner" to have in the city for many years, the mayor said.

Salem, like all cities, needs professionals with management skills to step up and become involved in their communities, she said. The number of well-educated business people who commute to Salem from the Portland area and never participate in the Cherry City outside of work hours is disheartening, she said.

"We don't have them on our boards and committees and commissions. We don't have them leading our Cub Scout groups, or neighborhood associations," Peterson said.

Statesman Journal reporter Timm Collins contributed to this story.

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Holiday Retirement

The late Salem businessman Bill Colson founded Holiday Retirement in 1971. The company grew into one of the world's largest owners and operators of retirement housing.

Source: Statesman Journal staff reports