



NORTHWEST OREGON
Clatsop, Columbia, Tillamook and Western Washington Counties

**COMPREHENSIVE ECONOMIC DEVELOPMENT
STRATEGY (CEDS)**

2014—2018
Approved March 13, 2014

Columbia-Pacific Economic Development District of Oregon
NW Oregon Economic Alliance
NW Oregon Area Commission on Transportation
NW Oregon Workforce Investment

NWOregon.org

COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY

EXECUTIVE SUMMARY

What is the NW Oregon Comprehensive Economic Development Plan?

NW Oregon's Comprehensive Economic Development Strategy (CEDS) is a collaborative Plan that combines and coordinates the economic development activities of the Columbia-Pacific Economic Development District (Col-Pac), NW Oregon Economic Alliance (NOEA), NW Oregon Area Commission on Transportation (NWACT), NW Oregon Workforce Investment Board (NW-WIB), NW Oregon Regional Solutions Team (NWRST) and Clatsop, Columbia, Tillamook and western Washington Counties economic development councils.

The CEDS provides a regional framework and overview to NW Oregon's economic development landscape, drawing upon the needs, issues, goals and strategies of the region's local, regional, state and federal partners and private industry.

How is the CEDS Developed?

The NW Oregon CEDS is a flexible and dynamic planning document that is updated annually, with a full economic review every five years. Drafting of the CEDS is a collaborative effort, with input through public meetings with all of the public partners and private stakeholders. This 2014–2018 CEDS includes a full regional economic analysis, updated with the most current census, employment and business trending data. Another key addition in this update is the inclusion of the NW Oregon Regional Solutions Team mission and priorities, which mirror those of Col-Pac's, while providing direct connections to the region's state agencies.

Why Does NW Oregon have a CEDS? How is it Used?

NW Oregon's CEDS provides guidance and context for implementing specific economic development activities and project investments. The economic development goals, strategies and performance measures in NW Oregon's CEDS are a composite of the region's local economic development service delivery system. Based on their own identified needs and issues, local partners identify key projects that meet their economic development goals, which are then matched with potential funding or collaborative partners using the CEDS platform. The regional approach allows for cross-pollination of projects, development expertise and regulatory agency involvement so critical in our time of limited resources.

VISION STATEMENT

Committed to coordinated economic development planning and investment, NW Oregon envisions a future of balanced growth, and involvement of all communities within the region. NW Oregon describes itself as:

“Promoting Retention, Diversification and Expansion of the Region’s Economic Base while Being Responsible Stewards of the Region’s Natural Resources.”

Principal characteristics of this vision include new and enhanced family wage jobs; diversification and expansion of employment opportunities through retention and expansion of existing businesses, and support for new business development.

Diverse employment opportunities for the current population, based on value-added, export-oriented business activity and effective work force training, will provide increased entry and family wage jobs. Support for business development includes improving access to infrastructure such as transportation, moving industrial sites to building-ready status, streamlining the permitting process and linking those interested in business development with local economic and financial resources.

The Governor’s NW Oregon Regional Solutions Team (NWRST) brings State agency support to the region’s economic development. NWRST’s Mission and Priorities work in concert with and mirror that of NW Oregon’s CEDS.

NW Oregon Regional Solutions Team Mission and Priorities

Promote and sustain healthy communities through retention, diversification and expansion of the economic base. Job creation is paramount with the goal of expanding the region’s economic base while being responsible stewards of the region’s natural resources.

- Sustain and grow NW Oregon’s businesses by exploiting opportunities in areas such as marine based industry, tourism, small manufacturing, forest products, agriculture and aviation.
- Encourage innovation, business incubation and the manufacturing of new product technologies. Assist business start-ups and entrepreneurs. Encourage the creation of quality industrial flex-space.
- Improve the readiness of industrial land by addressing wetlands, transportation access, infrastructure and other impediments on prime industrial land in the region. Work to increase the number of sites that have building-ready status.
- Review, streamline and address regulatory and permitting impediments to economic development.
- Work with rural communities to plan, coordinate, fund and install needed infrastructure. (Priority 4)
- Bring regional support to ongoing Oregon Solutions projects. (Priority 5)

NW Oregon Economy—Where We Plan to Be Long Term

A. Mission Statement

Achieving NW Oregon’s overall vision for the region requires a measured, multi-partner, long-term stepped approach to economic development. Looking ahead, the CEDS mission focuses on the economic development component of NW Oregon’s vision:

*Promote and Sustain Healthy Communities in the Region
through Retention, Diversification and Expansion of the Economic Base*

The ultimate goal is healthy and thriving communities. A strong and diversified economic base that provides family wage jobs is a significant component and contributor to healthy communities. It is also important to emphasize that NW Oregon’s aim is to blend the region’s core industries with new economic development opportunities. Finally, economic development in NW Oregon must remain nimble and flexible, while maintaining an overall vision and consistent foundation for investment decision-making.

B. NW Oregon Regional Development Goals and Strategies

GOAL 1: Sustain and Retain NW Oregon’s Current Businesses

Strategies to support the region’s existing businesses face significant economic, natural disaster and changing industry/technology challenges include:

- a) Providing/Packaging small business financing;
- b) Identifying opportunities to network or “cluster” businesses for specific business development activity;
- c) Supporting implementation of business training technical assistance, such as LEAN techniques, use of new technologies for marketing and operations, and upgraded workforce training.
- d) Supporting dissemination of business disaster-preparedness information and resources;
- e) Investing in existing and new capital assets that lead to the creation of jobs and add value to local economies;
- f) Supporting the region’s local community Main St programs.

GOAL 2: Develop Public Services Infrastructure to Support Business Development

A modern and efficient infrastructure is a key element for NW Oregon's economic and community health. It is also necessary in order for several other goals included in this CEDS to be reached. Impacting infrastructure in this region in past years have been natural disasters such as flooding and landslides. Thus hazard mitigation efforts are also part of restoring the infrastructure system. Key is developing an inventory of NW Oregon's current infrastructure system: Where modern infrastructure is in place, failing infrastructure, and systems which will need replacement within the next decade.

Strategies supporting the planning, coordinating and implementing of public services infrastructure in NW Oregon include:

- a) Compiling a regional infrastructure inventory including current infrastructure condition and timeline for replacement/updating;
- b) Compiling a regional inventory of prioritized infrastructure projects from county lists;
- c) Supporting funding and implementation of top ranked projects leveraging funding from a variety of agencies/sources to encourage a broad level of support for specific projects, including federal and state agencies;
- d) Supporting and promoting the modernization of infrastructure technologies such as broadband Internet, and green energy throughout the region;
- e) Working with NW Oregon entities to support implementation of Hazard Mitigation Plans and Disaster Resistant Communities strategies in each county and city

GOAL 3: Diversify and Expand NW Oregon's Regional Economy

Diversification of NW Oregon's economy must be done in a way that creates livable wage jobs for a range of skill levels in a balance of different business sectors while maintaining important community values and environmental health. Results will be the creation of new income and increased tax base. Keys to rebuilding a vibrant, diverse regional economy include planning, adequate organization and staff capacity, resources and marketing. Strategies to achieve this goal are:

- a) Expanding the supply of building-ready industrial land and supporting industrial land development projects;
- b) Marketing the region's commercial and industrial land;
- c) Identifying and supporting new economic development opportunities for the region that create family wage jobs, build existing economic activity, export sales outside the region, and/or encourage entrepreneurial, minority, small and emerging businesses
- d) Supporting and strengthening County Economic Development Councils or other similar county and local organizations

GOAL 4: Support the Region’s Efforts to Have Sufficient Resources, Facilities and Programs to Provide Trained Workers for Existing and Future Needs of Business

NW Oregon needs to work with the region’s regional employment training provider organizations, community colleges and others to train or re-train disadvantaged populations, the unemployed with good work histories and current incumbent workers who need new skills in order for their employer companies to remain competitive or to expand. A well-trained workforce will also attract new business to the region as well as encourage business expansion. The region needs to support the development of adequate resources and facilities as well as strong links between workforce development providers, employers and economic development organizations, including:

- a) Increasing coordination with Pacific NW Works and the Oregon Employment Department to integrate with economic development activities
- b) Advocating for strong, well-coordinated community college programs, including continuation and expansion of combined local Economic Development Councils and Small Business Development Centers, and college curriculum supporting business cluster development.

GOAL 5: Support the Region’s Transportation System

When determining priority projects, the NW Oregon Area Commission on Transportation (NWACT), staffed by Col-Pac EDD, looks for projects that focus on regionally significant industrial, local industrial and employment areas. Priority economic and community development projects are those that retain, leverage or complement the creation of jobs. Projects are encouraged which benefit distressed communities (as defined by Oregon’s Business Development Department). Another important element of the regional transportation system for economic and community development is the ability to respond to a disaster and support development of certified building sites. Strategies for NWACT include:

- a) Providing a local public forum for information, discussion and coordination of transportation issues, projects and funding procedures affecting the region;
- b) Recommending state transportation investment priorities based on local transportation system plans (TSPs) and addressing identified needs in the region
- c) Advocating Northwest Oregon transportation issues to neighboring regions and other organizations;
- d) Advising the Oregon Transportation Commission on policies and project priorities for the region’s transportation system.

GOAL 6: Maintain High Level of Economic Development Cooperation, Coordination and Communication among NW Oregon Organizations and Leaders

Over the past ten years, NW Oregon has effectively built alliances and partnerships coordinating and collaborating on regional economic development. However, as new partners and individuals participate in these collaborative efforts, it will be important to carry forward the institutional experiences of the region, and to be open

to new opportunities for partnering. Another component of this goal is advocating NW Oregon's interests to state, federal and other entities having an impact on the region's economic development. Strategies to achieve this goal include:

- a) Maintaining regional participation in economic development from local economic development councils, ports, cities, counties, private institutions and state and federal agencies including EDA and USDA.
- b) Establishing/Enhancing local economic development service delivery capacity
- c) Providing public information and education on the regional resources such as the NW Oregon Regional Solutions Team, NW Oregon Economic Alliance, NW Oregon Area Commission on Transportation, NW Oregon Connector (Transit) Alliance, Oregon Association of Economic Development Districts and Oregon Economic Development Association.
- d) Using technology to disseminate information and facilitate coordination, including NW Oregon's website and newsletter
- e) Coordinating NW Oregon and other entities to identify, plan and implement priority projects
- f) Advocating for the economic development interests of the region
- g) Providing support, staff and coordination to Northwest Oregon regional entities and assist in implementing regional priorities

C. 2014–2018 Actions and Evaluation Measures

Goal 1: Sustain and Retain NW Oregon's Current Businesses

Actions: Provide/Package small business financing

Support business cluster development activity

Support training to the region's businesses including LEAN operations practices, new technologies for marketing and operations, and upgraded workforce skills

Support local business disaster recovery and preparation activity

Evaluation Measures:

Number of small businesses retained through involvement with Col-Pac, and/or the region's local economic development councils.

Job retention

Participation of the local lending community—Number of loans to local businesses by local lenders, Economic Development Council of Tillamook County and Col-Pac EDD.

Completion of Vernonia's California Avenue industrial park, siting of tenants at the Port of Tillamook Bay's flex space and North Coast Industrial Park in Warrenton.

Number of communities with self-sustaining Main St programs.

Goal 2: Develop Public Services Infrastructure to Support Business Development

Actions: Compile an inventory of NW Oregon's public infrastructure, including current status (condition) and local priorities for updating

Support funding of top ranked projects, including working with potential federal and state funding agencies

Maintain the current status of NW Oregon's public infrastructure inventory on the NWOregon.org website, including status of project funding

Evaluation Measures:

Priority infrastructure projects funded and implemented

Failing systems addressed

Goal 3: Diversify and Expand NW Oregon's Regional Economy

Actions: Support business cluster development activity

Participate in the identification and implementation of new industry development activity, such as aviation, alternative energy, sustainable fisheries, marine services, destination tourism and specialty manufacturing.

Evaluation Measures:

Business expansions

Business start-ups

New Family wage jobs

Goal 4: Support the Region's Efforts to Provide Trained Workers for Existing and Future Needs of Business

Actions: Provide technical feedback to the region's employment training provider on needed workforce training information and training to local businesses

Include workforce training in business recruitment efforts

Support/Advocate for community college curricula and services for NW Oregon's existing and incoming workforce, with classes provided within the region

Evaluation Measures:

Number of workers provided upgraded skills

Number of workers going through local community college and/or small business development center classes or trainings

Goal 5: Support the Region's Transportation System

Actions: Staff NW Oregon's Area Commission on Transportation

Staff NW Oregon's Connector Alliance, providing an interconnected transit system throughout the region

Compile an inventory of current conditions and a list of unmet needs from local Transportation System Plans

Identify what corresponding facilities and activities are needed to support transportation throughout NW Oregon

Evaluation Measures:

Needed improvements funded through state and/or federal resources

Goal 6: Maintain a High Level of Economic Development Cooperation, Coordination, and Communication with NW Oregon

Actions: Provide public information on regional economic development resources and activities through regular, ongoing electronic communication: Col-Pac EDD Newsletter, website, and email

Support/Advocate for established/enhanced economic development service delivery capacity throughout NW Oregon

Evaluation Measures:

Number of projects successfully directed to funding opportunities

Col-Pac EDD and County Economic Development Councils operational and sustained including having staff, adequate operations and resources to make progress on their guiding goals and plans; and having strong board leadership and all board positions filled

Number of communities covered by an active business retention program

NW OREGON COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY

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SECTION I—REGIONAL CONDITIONS

A. Natural Resources

NW Oregon has a strong natural resource base of forests, water, farmland and fisheries. A high percentage of private land holds productive forests and farms. The accessible forests, beaches and rivers are attractive to a growing tourism industry. The region's resource base is reasonably diversified and prime for economic development growth. Resource gaps are primarily a lack of access or a problem with under-utilization.

Historically associated with abundant natural resources, NW Oregon's employment and investment in timber, wood products, fisheries and agriculture have declined over the years. Recent interest from China and the Pacific Rim has triggered a resurgence in log exports. Growth in renewable energy is also fueling interest in logging waste for bio-fuel. Fisheries is still important to the region's coastal communities, but federal and state regulations limit the industry's future growth.

As the resident labor force seeks employment outside the region, there is an increasing need to expand and/or develop skilled jobs locally and in non-natural resource dependent industries.

B. Population Characteristics

While a sparsely populated region of 164,500 residents, compared to the State, NW Oregon is more considerably more densely populated—48 persons per square mile vs the State average of 10 persons/square mile. Similar to overall population growth estimates, population density is expected to generally increase, primarily in the populated areas of the region.

NW Oregon's population continues to increase, growing 12% from 2000 to 2012, with the majority of the growth in Western Washington County. Much of the population growth Columbia and Washington counties have experienced is a result of people choosing to relocate outside of the growing Portland metropolitan area and commute further to their jobs.

The Northwest Oregon region is expected to grow 53% in population between 2000 and 2040, a rate slightly under that of the State of Oregon's expected 58% growth rate. Clatsop County is estimated to have the least population growth over the next 30 years (10%), Tillamook County's growth rate is expected to be at 32% and Columbia County's is pegged for a 47% increase. Only western Washington County is expected to exceed the statewide population average (105%) growth, underscoring the trend that the fastest growth continues to be those areas closest to Portland.

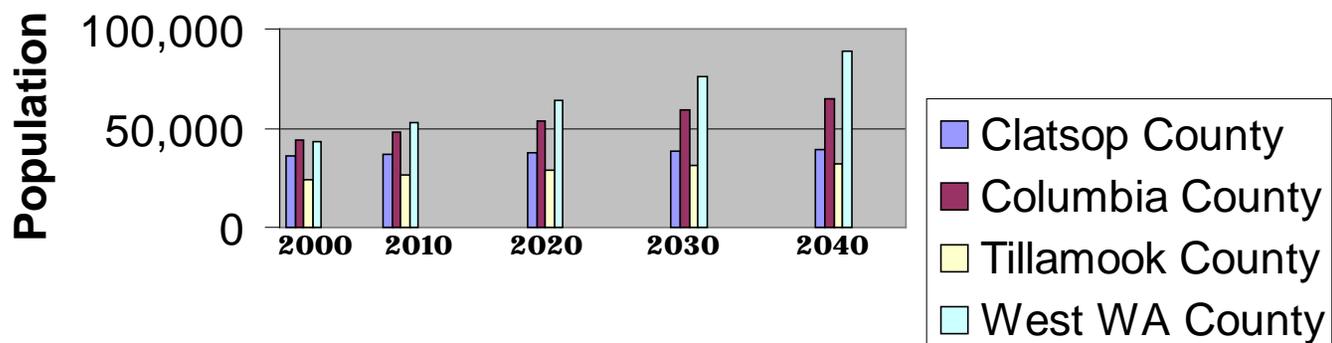
Lack of population growth, coupled with the aging of the population, will have a significant impact on the size of the labor force available for sustained business development.

II.A Forecasts of Northwest Oregon's County Populations 2000 - 2040

Source: PSU Population Research Center

	2,000		2,010	+		2,020	+		2,030	+		2040	+		Total Increase
Oregon Total	3,436,750		3,843,900	12%		4,359,258	13%		4,891,225	12%		5,425,408	11%		58%
Clatsop County	35,700		37,162	4%		37,939	2%		38,643	2%		39,368	2%		10%
Columbia County	43,700		48,292	11%		53,562	11%		59,024	10%		64,411	9%		47%
Tillamook County	24,300		26,589	9%		29,097	9%		30,887	6%		32,146	4%		32%
West Washington Co	43,445		52,480	21%		63,861	22%		76,219	19%		89,062	17%		105%
NW Oregon Totals	147,145		164,522	12%		184,460	12%		204,773	11%		224,988	10%		53%

Forecasts of NW Oregon's County Populations 2000--2040



Age Characteristics: Based on data compiled from the 2010 Census, NW Oregon’s population generally has the same proportion of children (ages 0 through 19) as the State, but relatively fewer early-career adults (ages 20 to 44) and relatively more late career (ages 45-64) and retirement-age adults. The exception is western Washington County, with higher percentages of youth and working age residents. Median ages from the 2010 Census were 36.4 years for Oregon, 40.0 years for Clatsop County, 37.7 years for Columbia County, 43.5 years for Tillamook County and 32.0 years for western Washington County.

II.B Forecasts of Northwest Oregon's County Populations by Age 2000–2040								
		Age Group						
Year 2000	Totals	0-19		20-64		65+		
Oregon Total	3,436,750	953,809	28%	2,043,181	59%	439,760	13%	
Clatsop County	35,700	9,600	27%	20,530	58%	5,570	16%	
Columbia County	43,700	12,990	30%	25,635	59%	5,075	12%	
Tillamook County	24,300	5,951	24%	13,545	56%	4,804	20%	
West Washington Co	43,445	12,816	29%	26,719	62%	3,910	9%	
NW Oregon Totals	147,145	41,357	28%	86,429	59%	19,359	13%	
		Age Group						
Year 2020	Totals	0-19		20-64		65+		
Oregon Total	4,359,258	1,075,241	25%	2,550,261	59%	733,756	17%	
Clatsop County	37,939	8,737	23%	20,973	55%	8,229	22%	
Columbia County	53,562	12,776	24%	30,695	57%	10,091	19%	
Tillamook County	29,097	5,726	20%	15,675	54%	7,696	26%	
West Washington Co	63,861	17,881	28%	37,678	59%	8,302	13%	
NW Oregon Totals	184,460	45,120	24%	105,021	57%	34,318	19%	
		Age Group						
Year 2040	Total	0-19		20-64		65+		
Oregon Total	5,425,408	1,280,481	24%	3,047,408	56%	1,097,519	20%	
Clatsop County	39,368	8,540	22%	20,651	52%	10,177	26%	
Columbia County	64,411	14,940	23%	34,814	54%	14,657	23%	
Tillamook County	32,146	5,857	18%	17,032	53%	9,257	29%	
West Washington Co	89,062	23,156	26%	50,765	57%	15,141	17%	
NW Oregon Totals	224,988	52,493	23%	123,262	55%	49,232	22%	
<i>Base population of July 1, 2000: Totals estimated by PRC, PSU and age details estimated by OEA based on Census Bureau's distributions.</i>								

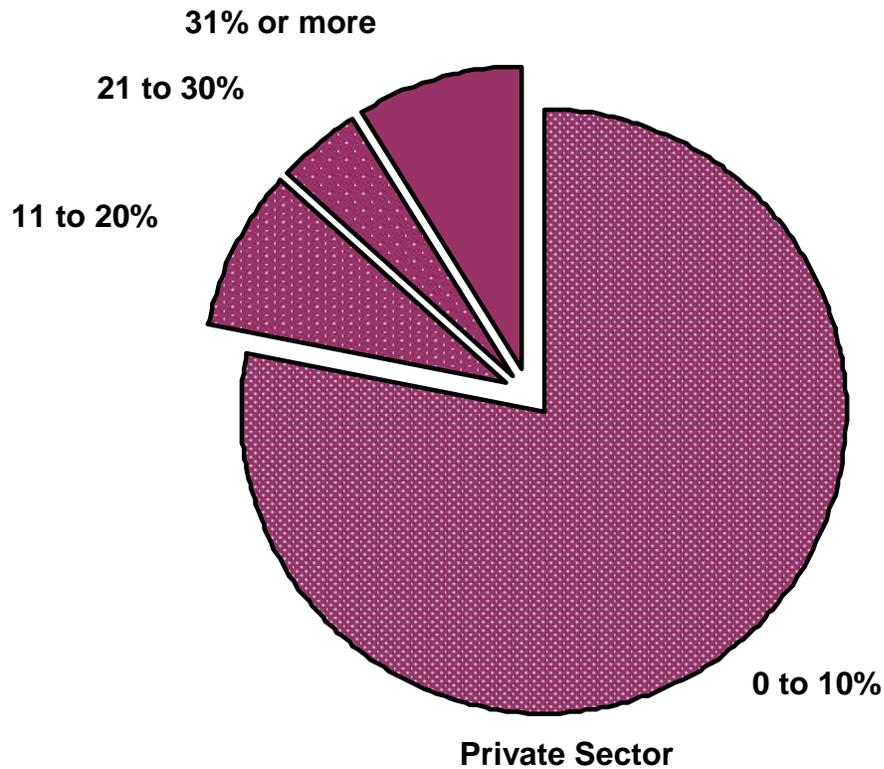
The different age distributions between Clatsop, Columbia, Tillamook, and western Washington counties reflect their locations and economies. Many choose to live in NW Oregon for the quality of life. But for the past several decades, the region has had difficulty generating a sufficient number of high wage jobs to retain workers with dependents. Many such families have moved to areas where these jobs are in greater abundance. This trend has been especially true for residents of Clatsop and

Tillamook counties. At the same time, older people have moved to the Coast to enjoy their retirement or pursue a different career later in life.

Many of Columbia’s residents take advantage of job opportunities in the nearby Portland and Longview-Kelso labor market areas. In 2010, over half of the working residents of Columbia County reporting their employment location had jobs outside the county. Most of these worked in another Oregon county, mainly in the Portland area, but about 10% worked at jobs outside the state, mostly in adjacent Cowlitz County in Washington. The rural setting and generally lower housing prices relative to the rest of the Portland metropolitan area, has resulted in many workers with families moving to lower Columbia County.

22% of NW Oregon Employers Expect More than Ten percent of Their Workforce to Retire in the Next Five Years

Region 1 - Share of Employers' Workforce Retiring In 5 Years



Worker Dependency Ratio: Another measure of economic resiliency and sustainability is the ratio of potential workers to non-working residents. For comparison purposes, Chart II.C combines residents 19 and under with residents over 65 years of age and compares that population with the 20 – 64 year population. By 2040, it is projected that there will only be approximately 1.2 workers for every non-working resident in NW Oregon. This ratio ranges from 1.1 workers per non-worker in Clatsop and Tillamook counties to 1.3 workers per non-worker in western Washington County.

II.C Worker Dependency Ratio 2000–2040			
2000	Non-Working Population*	Working Population*	Dependency Ratio*
Oregon Total	1,393,569	2,043,181	1.5
Clatsop County	15,170	20,530	1.4
Columbia County	18,065	25,635	1.4
Tillamook County	10,755	13,545	1.3
West Washington Co	16,726	26,719	1.6
NW Oregon Totals	60,716	86,429	1.4
2010			
Oregon Total	1,486,638	2,357,262	1.6
Clatsop County	14,758	22,404	1.5
Columbia County	18,991	29,301	1.5
Tillamook County	11,074	15,515	1.4
West Washington Co	19,942	32,538	1.6
NW Oregon Totals	64,765	99,758	1.5
2020			
Oregon Total	1,808,997	2,550,261	1.4
Clatsop County	16,966	20,973	1.2
Columbia County	22,867	30,695	1.3
Tillamook County	13,422	15,675	1.2
West Washington Co	26,183	37,678	1.4
NW Oregon Totals	79,438	105,021	1.3
2040			
Oregon Total	2,378,000	3,047,408	1.3
Clatsop County	18,717	20,651	1.1
Columbia County	29,597	34,814	1.2
Tillamook County	15,114	17,032	1.1
West Washington Co	38,297	50,765	1.3
NW Oregon Totals	101,725	123,262	1.2
* Non-Working population = Those 0-19 and those 65+ years of age. Working population = 20-64 years of age. Dependency ratio is number of potential workers for every projected non-working person. <i>Source: PSU Population Research Center</i>			

Minority Population: While the population base in the three and a half counties is generally homogenous in nature, a significant population trend in the region is the increasing minority population. The 2007 US Census estimates show a minority population of approximately 9% for Clatsop, Columbia and Tillamook counties and 28% in western Washington County.

The largest minority population, Hispanics, account for 3.7% of the population in Columbia County, 6.3% in Clatsop County, 7.8% in Tillamook County and 14.7% in western Washington County. Some of the largest growth has occurred in agriculture-heavy western Washington County. In the city of Cornelius, Hispanics account for 37.4% of the population and in Forest Grove they account for 17.3%. For minority populations, about 25% live below poverty level, twice the region's average. Minorities have a low representation region wide in the labor force, ranging from 3.4% in Tillamook County to just under 10% in western Washington County.

C. Transportation and Infrastructure

NW Oregon has a multi-modal transportation system to support economic development. The region has a well-developed highway system that follows logical, well-defined corridors, with three major routes connecting to the Portland metropolitan area. The proximity to Portland means access to rail and airport facilities for much of the region. Local airports in Astoria, Scappoose and Tillamook are available for general aviation. Industrial and transportation opportunities are available at each of the airports.

NW Oregon also has deep-water draft ports in Astoria and St Helens, and commercial fishing access at the Port of Garibaldi, Port of Astoria, and marinas along the Nehalem and Columbia Rivers. Freight grade rail transportation is available between Clatskanie and Portland.

The Oregon Transportation Commission has chartered the NW Oregon Area Commission on Transportation, (staffed by Col-Pac) which is charged with:

- Providing a local public forum for information, discussion and coordination of transportation issues, projects and funding procedures affecting the region;
- Recommending state transportation investment priorities based on local transportation system plans (TSPs) and addressing identified needs in the region
- Advocating Northwest Oregon transportation issues to neighboring regions and other organizations;
- Advising the Oregon Transportation Commission on policies and project priorities for the region's transportation system.

Transportation System Planning

Almost all communities in NW Oregon either have Transportation System Plans or are included in their County's Transportation System Plan. These plans outline the existing transportation systems and conditions, and identify enhancements needed to accommodate future development. The local system plans tie into Oregon's State Transportation Investment Plan (STIP) which is updated and funded every two years.

NW Oregon, when determining priority projects for the STIP and Connect Oregon (Oregon's Multi-Modal Program), includes economic criteria: Transportation access for regionally significant industrial, local industrial and employment areas, projects that retain, leverage or complement the creation of jobs, and contribute to enhancing the region's overall transportation system. Addressing transportation safety is also critical as infrastructure ages and/or becomes outdated to meet the modern mobility demands of local communities. Finally, an increasingly important element of the regional transportation system for economic and community development is the ability to prepare for and response to disasters.

Priority transportation issues include:

- Rail safety including crossings, downtown and freight corridor rail improvements
- Highway and business road safety
- Dredging to maintain access to NW Oregon's ports and waterways
- Transit system upgrades, including enhancement of the Connector regional transit system
- Diking/Levee certification and restoration
- Culverts/Flood gates to allow passage of water during storm events

SECTION II—PROBLEMS, NEEDS AND DEVELOPMENT OPPORTUNITIES

A. Employment

Job Development: NW Oregon lags the State in job growth and wages in three of the region’s four counties. From 1976 to 2012, the number of covered payroll jobs grew 98% in Oregon. During that same time, the number of jobs in Clatsop County increased 66%, Columbia County—43% and Tillamook County—75%. Western Washington County jobs increased 303%.

Historically, throughout NW Oregon, manufacturing has been the largest industry sector and has paid the highest average wages. In 1976, manufacturing jobs in NW Oregon averaged 20%—38% above the State’s average wage. This trend has changed dramatically in the last decade, with manufacturing no longer the leading industry sector, and significant increases in leisure and hospitality on the coast, and health services in all four counties.

Looking at the major industries within the region, changes from 1976 to 2012 are equally significant. In all counties, manufacturing jobs (highest wage) have decreased significantly, while leisure and hospitality and health service jobs are growing.

Average wages in Clatsop, Columbia and Tillamook counties have fallen behind the State’s average wages since 1976. In Clatsop County, 2012 average wage is 74% of the State’s average, as compared to 94% of the State’s average in 1976. Columbia County’s average wage as a percentage of the State’s average fell from 111% in 1976 to 76% in 2012. Tillamook County’s average wage went from 87% in 1976 to 73% in 2012. Western Washington County average wages in 2012 also were approximately 25% less than the State average, but rose from 65% of the State average in 1976.

The economic impacts per year of these trends versus the 1976 status quo is staggering :

2012 Compared to 1976	Clatsop	Columbia	Tillamook	NW Oregon
Jobs Not Realized	3,215	3,723	1,100	8,036
Wage Growth Not Realized	\$37M	\$40M	\$13M	\$98M
Wages Not Realized	\$106M	\$125M	\$36M	\$267M
Total Wage Impacts (2008)	\$143M	\$165M	\$49M	\$357M
<i>Jobs and Wage Data: Oregon Employment Department</i>				

II.A. Historical Comparison of Covered Payroll Jobs by County and Industry					
	1976			2012	
	Employment			Employment	% Growth
State of Oregon	831,216			1,642,434	98%
Clatsop County	10,056			16,696	66%
Columbia County	6,751			9,644	43%
Tillamook County	4,709			8,224	75%
West Washington Co	6,202			24,973	303%
NW Oregon Totals	27,718			59,537	115%
	Employment	% of Total		Employment	% of Total
Clatsop County	10,056	100%		16,696	100%
Manufacturing	3,237	32%		2,083	12%
Government	1,892	19%		2,690	16%
Leisure and Hospitality	1,280	13%		3,748	22%
Retail	1,097	11%		2,458	15%
Health Services	545	5%		2,071	12%
	Employment	% of Total		Employment	% of Total
Columbia County	6,751	100%		9,664	100%
Government	2,599	38%		1,931	20%
Manufacturing	1,349	20%		1,346	14%
Health Services	661	10%		989	10%
Retail	484	7%		1,304	13%
Leisure and Hospitality	170	3%		995	10%
	Employment	% of Total		Employment	% of Total
Tillamook County	4,709	100%		8,224	100%
Government	1,341	28%		1,761	21%
Manufacturing	1,195	25%		1,106	13%
Health Services	545	12%		847	10%
Retail	420	9%		936	11%
Leisure and Hospitality	274	6%		1,251	15%
	Employment	% of Total		Employment	% of Total
West WA County	6,202	100%		24,973	100%
Government	2,125	34%		2,176	9%
Manufacturing	686	11%		4,179	17%
Health Services	968	16%		2,459	10%
Retail	490	8%		2,860	11%
Leisure and Hospitality	402	6%		2,061	8%
<i>Sources: Oregon Employment Department, Western WA estimates from the PSU Population Research Center. Leisure and Hospitality is a combination of Arts and accommodations.</i>					

II.B Historical Comparison of County Industry Average Wages to State Average Wage

	1976			2012	
	Ave Wage	% OR Ave		Ave Wage	% OR Ave
State of Oregon	\$10,691	100%		\$44,426	100%
Clatsop County	10,056	94%		32,859	74%
Manufacturing	12,819	120%		51,845	117%
Government	10,665	100%		57,338	129%
Retail	7,801	73%		24,693	56%
Health Services	6,318	59%		43,125	97%
Leisure & Hospitality	4,320	40%		20,394	46%
	Ave Wage	% OR Ave		Ave Wage	% OR Ave
State of Oregon	\$10,691	100%		\$44,426	100%
Columbia County	11,850	111%		33,578	76%
Manufacturing	14,777	138%		49,723	112%
Government	10,688	100%		55,341	125%
Retail	7,641	71%		23,603	53%
Health Services	4,868	46%		29,243	66%
Leisure & Hospitality	3,687	34%		12,863	29%
	Ave Wage	% OR Ave		Ave Wage	% OR Ave
State of Oregon	\$10,691	100%		\$44,426	100%
Tillamook County	9,250	87%		32,297	73%
Manufacturing	12,859	120%		42,205	95%
Government	10,553	99%		54,955	124%
Retail	7,032	66%		23,231	52%
Health Services	6,370	60%		43,215	97%
Leisure & Hospitality	3,729	35%		18,145	41%
	Ave Wage	% OR Ave		Ave Wage	% OR Ave
State of Oregon	\$10,691	100%		\$44,426	100%
West WA County	6,927	65%		34,260	77%
Manufacturing	7,983	75%		47,790	108%
Government	8,012	75%		38,436	87%
Retail	6,727	63%		27,030	61%
Health Services	8,547	80%		30,172	68%
Leisure & Hospitality	3,789	35%		16,551	37%

Sources: Oregon Employment Department, Western WA estimates from the PSU Population Research Center. Arts is a combination of Arts and accommodations

II.C: Comparison of County Industry Mean Annual Wages to Oregon Industry Mean Annual Wages

	Mean Annual Wage	Mean OR Annual Wage for Industry	% of Mean Total for Specific Industry
Clatsop County			
Government	\$57,338	\$61,450	93%
Manufacturing	51,845	62,191	83%
Health Services	43,125	44,754	96%
Retail	24,693	26,843	92%
Leisure and Hospitality	20,394	21,153	96%
Columbia County			
Government	\$55,341	\$61,450	90%
Manufacturing	49,723	62,191	80%
Health Services	29,243	44,754	65%
Retail	23,603	26,843	88%
Leisure and Hospitality	12,863	21,153	61%
Tillamook County			
Government	\$54,955	\$61,450	89%
Manufacturing	42,205	62,191	68%
Health Services	43,215	44,754	97%
Retail	23,231	26,843	87%
Leisure and Hospitality	18,145	21,153	86%
<i>Sources: Oregon Employment Department, November 2013</i>			

Although not commanding the average wages found in the Statewide averages, NW Oregon workers generally do not experience above average unemployment.

Unemployment Rates over the Last 7 Years*
(Oregon Employment Department)

Year	2006	2007	2008	2012	Aug 2013
US	4.5	5.0	5.8	7.3	7.3
Oregon	5.0	5.3	6.4	8.7	8.1
Clatsop	6.0	5.4	5.1	7.7	7.0
Columbia	5.8	5.7	6.9	9.5	8.2
Tillamook	5.6	4.9	5.4	8.5	7.5
Region	5.5	5.3	5.8	8.6	7.6
US Difference	+1.0	+3	-	+1.3	+3

*Seasonally adjusted

In 2010, there were 35,580 payroll covered jobs in NW Oregon according to the Oregon Employment Department. The US Census American Community Survey shows 49,190 employed residents 16 years of age or older, a gap of 10,000 to 15,000 jobs (not all jobs in the region are payroll covered.) The majority of that discrepancy is in Columbia County which lacks enough jobs to support the resident workforce. Over 60% of the workforce commutes employment outside of the County.

Out commuter data is an additional indicator of the economic strength and sustainability of an area. A high number of out-commuters is usually an indication of a lack of job and/or that the area serves as a bedroom community to a larger nearby urban center.

Related to lower average wages, NW Oregon also lags the State in per capita income.

Per Capital Income (PCI)
(BEA 2011)

	PCI	% of US Average	% of Oregon Average
US Average	\$41,560	100%	111%
Oregon Average	\$37,524	90%	100%
Clatsop County	\$35,021	84%	93%
Columbia County	\$33,907	82%	90%
Tillamook County	\$34,194	82%	91%
West Washington	\$34,111*	82%	91%

* Western Washington County is the rural component of the county with a PCI of approximately 80% of the County's rate

Oregon categorizes its cities and counties on series of characteristics to identify areas of highest "distress" or need. The key "threshold" indicators used are:

- Percentage of the population 25+ years without a Bachelor's degree or higher
- Unemployment rate
- Percentage of the population below poverty
- Per capita income

In 2009, the Oregon Economic and Community Development Department added a temporary criterion to the distressed area indicators: Unemployment rate above 8%. As of August 2013, Columbia County qualified as distressed.

Most workers in the coastal and interior mountains live beyond the commuting range of metropolitan labor markets. Seasonal unemployment continues to play a major role in the region's economy. Lumber and wood products, construction, fishing and processing, visitor-related activities and agriculture typically have seasonal components based principally on weather conditions. The seasonal nature of employment in this natural resource-based economy impacts job quality, wages and career opportunities for entry level workers and second-generation residents looking to stay in the region.

B. NW Oregon Economic Development Assets

While NW Oregon's assets may not be unique to other regions in the State and nationally, the abundance, availability and access to these assets provides a competitive advantage.

- **Natural Resources**—NW Oregon has over 400 private timber owners and companies, with the ability to log over 100 million board feet of timber annually. These logs are available for export and domestic milling, with the cut waste available for use as pellets and other bio-fuel. Oregon's North Coast has a thriving fisheries industry, with over 100 million pounds of crab caught annually. Export overseas of live fish is growing. Netarts Oregon is home to one of the largest oyster larvae producers in the world. The Coast range, near Mist Oregon contains a large natural gas field. Oregon's natural and scenic beauty is easily accessible to metropolitan populations and a draw for entrepreneurs.
- **Growth Opportunities in the Region's Industry Clusters**—In addition to the natural resource industries, NW Oregon's agriculture, marine services, energy, aviation, historic preservation, tourism, and specialty manufacturing have the expertise and capacity to expand.
- **Strong, Integrated Economic Development Service Delivery System**—Clatsop, Columbia and Tillamook counties have established, well-funded and supported economic development councils, which ensures timely,

coordinated, and consistent support for business retention, expansion and recruitment. Clatsop and Tillamook counties economic development entities have co-partnered with their respective community colleges and manage the Small Business Development Centers, providing small business education, training, and counseling. Columbia County works closely with Portland Community College and the Micro-Enterprise Services of Oregon (MESO). Col-Pac, as the regional economic development district participates with all the local service delivery providers, including seeking and managing regional and local grants for economic development projects.

- **Economic Development Infrastructure**—NW Oregon has available, move-in and building-ready commercial, light industrial and industrial lands. Power rates are some of the lowest in the country. Water and sewer infrastructure is in place in most of the key industrial development areas. Redundant high-speed Internet access is also available to most parts of the region.
- **Multi-Modal Transportation System**—NW Oregon has commercial airports in each county, unit train capacity rail from Portland to Clatskanie, deep water draft marine capacity along the Columbia River, Port access to the Pacific Ocean, and is criss-crossed by three State highway freight corridors.
- **Cohesive Regional Connectivity**—NW Oregon’s regional and local economic development work links to that of the NW Oregon Regional Solutions Team priorities and activities. Both the State and Federal legislative delegations are fully engaged in the region’s economic development. The strong working relationship between the partners goes back decades, and results in a high degree of mutual trust and productive working relationships.

C. Challenges

Issues currently facing NW Oregon are both specific and esoteric in nature:

- Geographic, seasonal, and harvesting limits to salmon fishing
- Loss of federal timber revenues from State managed forests in Columbia and Tillamook counties
- Complexity of business permitting and difficulties in expanding developable land for economic growth
- Diking and levee certification
- Expansion of FEMA mapping flood plains/Increases in required flood insurance
- Workforce trained in emerging industries skills
- Readiness/agreement regarding economic development affecting local communities.
- Lack of critical mass to attract new business development

D. Industry Development Opportunities

Northwest Oregon's Clusters

NW Oregon's has four core clusters that provide the foundation for the region's economy, each of which faces immediate development opportunities:

- Timber and Value-Added Forest Products—Log exporting to China and the Pacific Rim is a growing market, as the Asian building trades utilize wood in their construction of buildings. Wood mills in the region are also experiencing a comeback following the 2008–2011 home construction slowdown. Hawaii is providing to be a new market for wood home kits, milled and packaged in the region and then barged across the Pacific.
- Fisheries and Seafood Processing—Expansion opportunities have been identified in cold storage and export of live seafood to Asian markets. As the ocean acidification issues get worked out, oyster larvae production and oyster farming expect to grow over the next 5 years. Specialty ocean-related products such as sea salt manufacturing are attracting the attention of high end storefront and e-commerce retailers.
- Agriculture and Food Processing—Growth opportunities are expected in the Farm to Market program, specialty crops such as wild rice, and specialty foods including cheeses, fruit preserves and mint candy.
- Tourism—An immediate opportunity in Tillamook County was passage of a county-wide transient room tax, which is expected to provide over \$1 million in annual revenue for tourism development. Conversion of the western and eastern portals of the Port of Tillamook Bay's damaged rail line over the Coast Range to Banks Oregon into a multi-use rails and trail will occur over the next decade.

These clusters do not exist in isolation and some sectors are part of multiple clusters. For instance, the food processing cluster includes significant crossover companies in the fishing cluster and vice versa. Transportation is part of the value chain of all of NW Oregon's industry clusters, although individual companies may specialize in certain industries.

“Emerging” Clusters

Recognizing the need to diversify the regional economy beyond the traditional industries, NW Oregon's economic development community and stakeholders have been and will continue to target four emerging industry clusters:

- Aviation—Northwest Oregon's aviation businesses located at the Astoria, Scappoose and Tillamook Bay Airport Industrial Parks are steadily growing, and as a result are increasing looking for additional opportunities for expansion. The growth of these companies is expected to attract new aviation-related businesses: Astoria: Airplane handling equipment; Scappoose: Airplane component and experimental plane manufacturing; and Tillamook: Testing platforms for aviation equipment used in “near space” above earth.

- **Energy**—One of the fastest growing, and potentially most transformational for the region’s rural communities, NW Oregon’s energy cluster is poised to take advantage of multiple development opportunities in the next five years. Traditional energy sources, electricity, natural gas, and access to crude oil are plentiful in the region. Renewable energy sources such as ethanol and bio-fuel are attracting private investment interest. And two potential sites for renewable “wave” energy platforms have been identified on the North Oregon Coast.
- **Marine Services**—The Port of Garibaldi’s recent wharf renovation and the Port of Astoria’s potential for expanding pier-related business activity is expected to result in significant growth in the provision of marine services in the region. Projects already planned include cold storage, boat repair and maintenance, log export handling support services and expanded seafood processing.
- **Specialty Manufacturing**—While not a traditional industry cluster, NW Oregon has several growing specialty manufacturers that have the potential to become a nucleus for attracting specialty manufacturing entrepreneurial development to the region. These manufacturers include materials handling equipment, photo electronics, custom stainless steel fabrication, and truck liners, all with sales outside the region. Craft brewing, a sub-set of specialty manufacturing is rapidly approaching critical mass with nearly a dozen breweries operating in the region. State-wide and Pacific Northwest distribution (sales exports) are now far exceeding sales within the region. The growth of craft brewing in NW Oregon is also benefiting the region’s tourism industry, providing an attractive amenity for visitors to the area.

Entrepreneurial Development

The most critical factor contributing to a strong local economy is having a core of healthy businesses. No economic development strategy or any amount of government or private funding will help an economy succeed without the efforts of business owners within the region.

In particular, the subset of businesses that begin with fewer than 5 employees typically has the greatest stake in the progress of the region. The Kauffman Foundation, in a 2010 study, found that firms with 1 to 4 employees accounted for about 20% of new job growth in America over the last 30 years. The following table displays the proportion of businesses in each of NW Oregon’s major industry sectors with 1-4 employees. The table is ranked with the highest proportion of small businesses at the top.

NW Oregon Entrepreneurs

Industry Sector	# of Businesses with 1—4 Employees	% of Businesses in Industry Sector
Industries not classified	23	100%
Real estate and rental and leasing	207	78%
Construction	502	74%
Professional, scientific, and technical services	247	73%
Other services (except public administration)	303	68%
Transportation and warehousing	138	64%
Forestry, fishing, hunting, and Agriculture Support	156	63%
Finance and insurance	155	59%
Wholesale trade	75	55%
Arts, entertainment, and recreation	34	54%
Manufacturing	123	53%
Administrative Support and Waste Management and Remediation Services	101	52%
Health care and social assistance	320	50%
Information	33	47%
Educational services	19	44%
Retail trade	354	44%
Accommodation and food services	214	36%
Management of companies and enterprises	5	36%
Mining, quarrying, and oil and gas extraction	5	33%
Utilities	6	32%
Total for all sectors	3020	57%

SECTION III—VISION STATEMENT

Committed to coordinated economic development planning and investment, NW Oregon envisions a future of balanced growth, and involvement of all communities within the region. NW Oregon describes itself as:

“Promoting Retention, Diversification and Expansion of the Region’s Economic Base while Being Responsible Stewards of the Region’s Natural Resources.”

Principal characteristics of this vision include new and enhanced family wage jobs; diversification and expansion of employment opportunities through retention and expansion of existing businesses, and support for new business development.

Diverse employment opportunities for the current population, based on value-added, export-oriented business activity and effective work force training, will provide increased entry and family wage jobs. Support for business development includes improving access to infrastructure such as transportation, moving industrial sites to building-ready status, streamlining the permitting process and linking those interested in business development with local economic and financial resources.

The Governor’s NW Oregon Regional Solutions Team (NWRST) brings State agency support to the region’s economic development. NWRST’s Mission and Priorities work in concert with and mirror that of NW Oregon’s CEDS.

NW Oregon Regional Solutions Team Mission and Priorities

Promote and sustain healthy communities through retention, diversification and expansion of the economic base. Job creation is paramount with the goal of expanding the region’s economic base while being responsible stewards of the region’s natural resources.

- Sustain and grow NW Oregon’s businesses by exploiting opportunities in areas such as marine based industry, tourism, small manufacturing, forest products, agriculture and aviation.
- Encourage innovation, business incubation and the manufacturing of new product technologies. Assist business start-ups and entrepreneurs. Encourage the creation of quality industrial flex-space.
- Improve the readiness of industrial land by addressing wetlands, transportation access, infrastructure and other impediments on prime industrial land in the region. Work to increase the number of sites that have building-ready status.
- Review, streamline and address regulatory and permitting impediments to economic development.
- Work with rural communities to plan, coordinate, fund and install needed infrastructure. (Priority 4)
- Bring regional support to ongoing Oregon Solutions projects. (Priority 5)

SECTION IV—COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDS)

NW Oregon Economy—Where We Plan to Be Long Term

A. Mission Statement

Achieving NW Oregon’s overall vision for the region requires a measured, multi-partner, long-term stepped approach to economic development. Looking ahead, the CEDS mission focuses on the economic development component of NW Oregon’s vision:

Promote and Sustain Healthy Communities in the Region through Retention, Diversification and Expansion of the Economic Base

The ultimate goal is healthy and thriving communities. A strong and diversified economic base that provides family wage jobs is a significant component and contributor to healthy communities. It is also important to emphasize that NW Oregon’s aim is to blend the region’s core industries with new economic development opportunities. Finally, economic development in NW Oregon must remain nimble and flexible, while maintaining an overall vision and consistent foundation for investment decision-making.

B. NW Oregon Regional Development Goals and Strategies

GOAL 1: Sustain and Retain NW Oregon’s Current Businesses

Strategies to support the region’s existing businesses face significant economic, natural disaster and changing industry/technology challenges include:

- g) Providing/Packaging small business financing;
- h) Identifying opportunities to network or “cluster” businesses for specific business development activity;
- i) Supporting implementation of business training technical assistance, such as LEAN techniques, use of new technologies for marketing and operations, and upgraded workforce training.
- j) Supporting dissemination of business disaster-preparedness information and resources;
- k) Investing in existing and new capital assets that lead to the creation of jobs and add value to local economies;
- l) Supporting the region’s local community Main St programs.

GOAL 2: Develop Public Services Infrastructure to Support Business Development

A modern and efficient infrastructure is a key element for NW Oregon's economic and community health. It is also necessary in order for several other goals included in this CEDS to be reached. Impacts on infrastructure in this region in past years have been natural disasters such as flooding and landslides. Thus hazard mitigation efforts are also part of restoring the infrastructure system. Key is developing an inventory of NW Oregon's current infrastructure system: Where modern infrastructure is in place, failing infrastructure, and systems which will need replacement within the next decade.

Strategies supporting the planning, coordinating and implementing of public services infrastructure in NW Oregon include:

- f) Compiling a regional infrastructure inventory including current infrastructure condition and timeline for replacement/updating;
- g) Compiling a regional inventory of prioritized infrastructure projects from county lists;
- h) Supporting funding and implementation of top ranked projects leveraging funding from a variety of agencies/sources to encourage a broad level of support for specific projects, including federal and state agencies;
- i) Supporting and promoting the modernization of infrastructure technologies such as broadband Internet, and green energy throughout the region;
- j) Working with NW Oregon entities to support implementation of Hazard Mitigation Plans and Disaster Resistant Communities strategies in each county and city

GOAL 3: Diversify and Expand NW Oregon's Regional Economy

Diversification of NW Oregon's economy must be done in a way that creates livable wage jobs for a range of skill levels in a balance of different business sectors while maintaining important community values and environmental health. Results will be the creation of new income and increased tax base. Keys to rebuilding a vibrant, diverse regional economy include planning, adequate organization and staff capacity, resources and marketing. Strategies to achieve this goal are:

- e) Expanding the supply of building-ready industrial land and supporting industrial land development projects;
- f) Marketing the region's commercial and industrial land;
- g) Identifying and supporting new economic development opportunities for the region that create family wage jobs, build existing economic

activity, export sales outside the region, and/or encourage entrepreneurial, minority, small and emerging businesses

- h) Supporting and strengthening County Economic Development Councils or other similar county and local organizations

GOAL 4: Support the Region's Efforts to Have Sufficient Resources, Facilities and Programs to Provide Trained Workers for Existing and Future Needs of Business

NW Oregon needs to work with the region's regional employment training provider organizations, community colleges and others to train or re-train disadvantaged populations, the unemployed with good work histories and current incumbent workers who need new skills in order for their employer companies to remain competitive or to expand. A well-trained workforce will also attract new business to the region as well as encourage business expansion. The region needs to support the development of adequate resources and facilities as well as strong links between workforce development providers, employers and economic development organizations, including:

- c) Increasing coordination with Pacific NW Works and the Oregon Employment Department to integrate with economic development activities
- d) Advocating for strong, well-coordinated community college programs, including continuation and expansion of combined local Economic Development Councils and Small Business Development Centers, and college curriculum supporting business cluster development.

GOAL 5: Support the Region's Transportation System

When determining priority projects, the NW Oregon Area Commission on Transportation (NWACT), staffed by Col-Pac EDD, looks for projects that focus on regionally significant industrial, local industrial and employment areas. Priority economic and community development projects are those that retain, leverage or complement the creation of jobs. Projects are encouraged which benefit distressed communities (as defined by Oregon's Business Development Department). Another important element of the regional transportation system for economic and community development is the ability to respond to a disaster and support development of certified building sites. Strategies for NWACT include:

- e) Providing a local public forum for information, discussion and coordination of transportation issues, projects and funding procedures affecting the region;
- f) Recommending state transportation investment priorities based on local transportation system plans (TSPs) and addressing identified needs in the region
- g) Advocating Northwest Oregon transportation issues to neighboring regions and other organizations;

- h) Advising the Oregon Transportation Commission on policies and project priorities for the region's transportation system.

GOAL 6: Maintain High Level of Economic Development Cooperation, Coordination and Communication among NW Oregon Organizations and Leaders

Over the past ten years, NW Oregon has effectively built alliances and partnerships coordinating and collaborating on regional economic development. However, as new partners and individuals participate in these collaborative efforts, it will be important to carry forward the institutional experiences of the region, and to be open to new opportunities for partnering. Another component of this goal is advocating NW Oregon's interests to state, federal and other entities having an impact on the region's economic development. Strategies to achieve this goal include:

- h) Maintaining regional participation in economic development from local economic development councils, ports, cities, counties, private institutions and state and federal agencies including EDA and USDA.
- i) Establishing/Enhancing local economic development service delivery capacity
- j) Providing public information and education on the regional resources such as the NW Oregon Regional Solutions Team, NW Oregon Economic Alliance, NW Oregon Area Commission on Transportation, NW Oregon Connector (Transit) Alliance, Oregon Association of Economic Development Districts and Oregon Economic Development Association.
- k) Using technology to disseminate information and facilitate coordination, including NW Oregon's website and newsletter
- l) Coordinating NW Oregon and other entities to identify, plan and implement priority projects
- m) Advocating for the economic development interests of the region
- n) Providing support, staff and coordination to Northwest Oregon regional entities and assist in implementing regional priorities

C. 2014–2018 Actions and Evaluation Measures

Goal 1: Sustain and Retain NW Oregon’s Current Businesses

Actions: Provide/Package small business financing

Support business cluster development activity

Support training to the region’s businesses including LEAN operations practices, new technologies for marketing and operations, and upgraded workforce skills

Support local business disaster recovery and preparation activity

Evaluation Measures:

Number of small businesses retained through involvement with Col-Pac, and/or the region’s local economic development councils.

Job retention

Participation of the local lending community—Number of loans to local businesses by local lenders, Economic Development Council of Tillamook County and Col-Pac EDD.

Completion of Vernonia’s California Avenue industrial park, siting of tenants at the Port of Tillamook Bay’s flex space and North Coast Industrial Park in Warrenton.

Number of communities with self-sustaining Main St programs.

Goal 2: Develop Public Services Infrastructure to Support Business Development

Actions: Compile an inventory of NW Oregon’s public infrastructure, including current status (condition) and local priorities for updating

Support funding of top ranked projects, including working with potential federal and state funding agencies

Maintain the current status of NW Oregon’s public infrastructure inventory on the NWOregon.org website, including status of project funding

Evaluation Measures:

Priority infrastructure projects funded and implemented

Failing systems addressed

Goal 3: Diversify and Expand NW Oregon's Regional Economy

Actions: Support business cluster development activity

Participate in the identification and implementation of new industry development activity, such as aviation, alternative energy, sustainable fisheries, marine services, destination tourism and specialty manufacturing.

Evaluation Measures:

Business expansions

Business start-ups

New Family wage jobs

Goal 4: Support the Region's Efforts to Provide Trained Workers for Existing and Future Needs of Business

Actions: Provide technical feedback to the region's employment training provider on needed workforce training information and training to local businesses

Include workforce training in business recruitment efforts

Support/Advocate for community college curricula and services for NW Oregon's existing and incoming workforce, with classes provided within the region

Evaluation Measures:

Number of workers provided upgraded skills

Number of workers going through local community college and/or small business development center classes or trainings

Goal 5: Support the Region's Transportation System

Actions: Staff NW Oregon's Area Commission on Transportation

Staff NW Oregon's Connector Alliance, providing an interconnected transit system throughout the region

Compile an inventory of current conditions and a list of unmet needs from local Transportation System Plans

Identify what corresponding facilities and activities are needed to support transportation throughout NW Oregon

Evaluation Measures:

Needed improvements funded through state and/or federal resources

Goal 6: Maintain a High Level of Economic Development Cooperation, Coordination, and Communication with NW Oregon

Actions: Provide public information on regional economic development resources and activities through regular, ongoing electronic communication: Col-Pac EDD Newsletter, website, and email

Support/Advocate for established/enhanced economic development service delivery capacity throughout NW Oregon

Evaluation Measures:

Number of projects successfully directed to funding opportunities

Col-Pac EDD and County Economic Development Councils operational and sustained including having staff, adequate operations and resources to make progress on their guiding goals and plans; and having strong board leadership and all board positions filled

Number of communities covered by an active business retention program

SECTION V—NW OREGON DISASTER ECONOMIC RECOVERY

Introduction

In December 2007, NW Oregon incurred the largest natural disaster in over a decade: Sustained hurricane winds and typhoon rains resulted in \$133 million in wind and flood damage in Clatsop, Columbia and Tillamook counties. In late December 2008 and early January 2009, NW Oregon was hit with severe winter snow storms that shut down power to some of the region's rural communities for over a week. This was followed by flooding as the snows melted off the Coast Range. Oregon's Emergency Management predicts storm events affecting NW Oregon will continue to increase in frequency and ferocity over the next two decades.

Disaster Economic Recovery Needs of the Region

Over 6,100 people are employed in flood zones in Clatsop, Columbia and Tillamook counties. Analysis of employment at risk in a flood zone is helping businesses and public officials better prepare for the next severe storm. Part of the economic damage of the storm has been lost employment and wages when businesses were forced to close or restrict operations. Numerous businesses closed temporarily due to electricity outages or as they cleaned up flood and water damage. The Port of Tillamook Bay Railroad ceased operations and 11 railroad employees were laid off. Over half of Col-Pac's loans to businesses located in hard hit storm areas had to temporarily restructure their re-payment schedules.

In order to gauge employment at risk from the storm, the Oregon Employment Department combined digital flood-zone maps with 2006 employment records to assess employment and the number of businesses in flood plains in Clatsop, Columbia and Tillamook counties. Roughly 17 percent of the total employment in these counties was in the 100 and 500 year floodplains. Clatsop County had the largest number of employees in the flood plain.

Two broad industries had relatively large percentages of employment in flood zones in the three counties. Accommodation and food service businesses had roughly 24 percent of their employment in flood zones and utilities had about 19 percent. About 19 percent of communications businesses were in flood zones, accounting for about 9 percent of the industry's employment. Some potentially critical businesses are in flood zones. Although only a small percentage of general government employment was in flood zones it included five fire stations and Tillamook General Hospital.

Employment in NW Oregon Flood Zones

County	2006 Covered Employment	Flood Zone Employment	Percent in Flood Zone
Clatsop	16,556	3,599	21.7%
Tillamook	8,750	1,649	18.8%
Columbia	10,680	889	8.3%
Total	35,986	6,137	17.1%

Industry Employment in the Three-County Flood Zone (2006)

Industry	Percent in Flood Zones
Leisure and hospitality	21.3%
Manufacturing	12.9%
Trade, transportation, and utilities	10.8%
Educational and health services	6.4%
Natural resources and mining	15.6%
Construction	9.8%
Other services	14.3%
Professional and business services	6.5%
Financial activities	10.3%
Public administration	2.7%
Information	9.3%
Total	11.6%

Col-Pac EDD Disaster Recovery Program

Public meetings, workshops and roundtable discussions with affected stakeholders resulted in four key points that need to be addressed in NW Oregon's Disaster Recovery Plan:

- NW Oregon's future economic survival must plan for ongoing weather disasters—climatic changes are ramping up storm frequency and severity. The 100-year and even 50-year timeframes are no longer accurate;
- Rebuilding to pre-disaster conditions is not enough. Limited resources following storm events must be used to make communities even more resilient to future storm events;
- Pro-active “storm-proofing,” not just recovery is critical. This is especially true as aging infrastructure is replaced—new technologies and replacement options need to be considered that will withstand storm events;
- Natural disaster recovery and economic downturn counseling go hand-in-hand. The cash flow, business management and marketing techniques employed following a natural disaster are not unlike what businesses need to do to survive an economic recession.

Disaster Economic Recovery

NW Oregon cities and counties are the first responders to natural disaster events. Clatsop, Columbia, Tillamook and Washington counties have Hazard Mitigation Plans detailing the activities needed and service provider responsibilities. These plans are required to receive FEMA funding. For the business community, SBA and Col-Pac have disaster recovery loan funds at reduced interest rates.

Longer term disaster recovery continues to involve primarily local cities and counties for federal and state funding. Col-Pac has some resources to assist with disaster recovery coordination and providing business recovery counseling.

Mitigating the Impacts of Future Storm Events on NW Oregon's Economy

Meetings with stakeholders identified three types of activities need to “storm-proof NW Oregon’s economy. Key to effective and efficient mitigation is widespread communication regarding these activities to ensure the best service delivery and avoid duplication of services.

“Storm-proofing” NW Oregon’s economy will include:

- Identifying and inventorying storm preparedness, response, and mitigation activities already in place that have proven to be effective
- Addressing the unmet needs identified by local stakeholders from their disaster recovery efforts
- Identifying opportunities to be pro-active.

Community Planning/Preparedness

- Inventory of existing disaster mitigation plans and identifying common components, and those not included in each plan. List equipment needed at the local level from each mitigation plan
- Inventory and communication of emergency storage for public supplies, private sector goods. The Red Cross pre-stages emergency food, getting supplies out to communities prior to an actual storm event
- Dedicated shelters throughout each county
- Neighborhood Emergency Preparedness—Programs where neighbors contact and stay in touch through a loop of neighbors. Manzanita, Nehalem and Wheeler have also combined to form a regional Fire District.
- Inventory of existing emergency responder (fire, police, medical) facilities: Where located, useful condition of facility, ability to reach remote areas of each county
- Light Detection and Ranging (LIDAR) mapping to identify flood and erosion prone areas, to avoid when building new facilities

Infrastructure Planning

- Undergrounding of utilities where feasible and possible: power, fiber optic

- Relocate water lines off bridges, run pipes under rivers and streams
- Back up power generation to run water and waste water treatment systems
- Redundant communications: Radio, Cell, Land and Internet
- Opening culverts to allow water to flow under roads, rather than dam up behind and eventually flood streets
- Back-up power generation for the region's three airports: Astoria/Warrenton, Scappoose and Tillamook, needed not only for emergencies, but to attract increased business air traffic
- Long term solution to river dredging so that flood events don't silt out the deeper draft ships and fishing vessels

Business Recovery/Storm-Proofing

- Disaster Planning Workshops utilizing emergency management specialists on subjects such as Business Continuity Planning During/Following Storm Events
- Partnering community college small business development center counseling with local economic development council technical assistance providing "One Stops"
- Incorporate disaster planning into all business counseling provided
- Work with local cities to include disaster preparedness for business assets/facilities information on business licenses, as appropriate
- Emergency electrical generation co-op for clusters of business activity such as cold storage for the fishing industry, restaurants and groceries.
- Cooperative marketing program encouraging visitor traffic to the area
- Clustered business development utilizing local contractors experienced in storm repair and protection

Examples of Innovative Approaches to Mitigating the Impacts of Future Storm Events

While NW Oregon is susceptible to significant storm events, the result has been development of multiple innovative solutions to mitigate future disasters:

- Co-Locating Elementary, Middle, and High Schools. Because of the flooding, all three schools in Vernonia needed to be rebuilt and/or moved to a location outside of the floodplain. Co-locating the facilities made sense, and allowed the inclusion of: a) construction of a new compact education campus built as "green" as possible; b) extension of sewer and water lines to serve the new schools; c) reconstruction of Texas and Missouri Streets (curbs, gutters, sidewalks, bike paths, and travel lanes) to serve the new campus; and d) acquire additional services that support these changes. A school bond election passed by voters provided the

opening catalyst to a successful \$25 million “Rebuild Vernonia’s Schools” campaign.

- **Constructing New Infrastructure Facilities Utilizing Alternative, Renewable, Energy Efficiency and Sustainable Technologies.** Those water and waste water facilities impacted by storm events or in need of replacement, will be designed to take advantage of state-of-the-art sustainable technology.
- **Rebuilding Downtowns Utilizing Urban Renewal and Main Street Programs.** Piecemeal, ad-hoc development no longer provides long term economic recovery. Local economic development groups are being engaged in most of NW Oregon’s communities to identify key Main Street development opportunities designed to attract and retain sustained business and commerce. Urban Renewal, Business Investment Districts and Enterprise Zones, while not new financing options, are being considered for the first time in several communities to provide long term financing of local economic development.
- **Taking Advantage of the Need to Elevate and Relocate Flood-Damaged Businesses.** Again, while not being an innovative approach on its own, communities are looking at co-locating or clustering relocated businesses into business centers and mixed-use developments. This will assist smaller communities develop critical mass of services, attract new businesses with related services, eg, Medical Mall. Attracting residential development above storm fronts will provide a customer base for retail establishments such as restaurants and stores. Given that businesses need to relocate or rehabilitate their buildings in several of the flood prone communities, this is an opportunity to grow rather than just replace local commerce.
- **Building in 21st Century Needs into the Replacement/Repair of Electrical and Internet Infrastructure.** As the Tillamook PUD repairs its electrical transmission lines damaged in storm events, they have not only upgraded the towers to withstand the sustained, high winds projected for the Coast over the next 50 years, but they are also adding transmission grid capacity to carry the expected new energy generated by future wind and wave projects. Expansion of high speed Internet will be a component of replacing and upgrading fiber damaged during storm events. Wi-Max technology will now allow widespread high speed transmission, potentially using “anchor tenants” such as hospitals, schools and city/county buildings to underwrite the cost of broadband to a community.
- **Reduction of Future Flooding.** The Oregon Solution project has identified over a dozen projects that will significantly reduce the impacts of flood events in Tillamook, and have implemented tidal gate and diking projects to date. Light Detection and Ranging (LIDAR) mapping will identify historic geographic patterns of flooding and erosion, allowing better planning of future developments. A notable success to date have been Project Exodus in the City of Tillamook, which has implemented a series of

flood gates that open and close to allow the flow of flood water vs incoming tidal influences. In Spring of 2013, ODOT and the North Coast Land Conservancy opened up a wetlands area abutting a stretch of Hwy 101 south of Seaside that perennially floods during heavy rain events. The first test of the flood mitigation came in October, 2103 and while there was standing water, the highway remained passable.

SECTION VI—NW OREGON ECONOMIC DEVELOPMENT REGIONAL PARTNERS

Because Clatsop, Columbia, Tillamook and western Washington counties share similar geography, demographics, industries and community development needs, they have joined together as a region since the early 1990's. To address and coordinate the region's economic and community development activities, specific regional organizations have been established, with membership from all four counties:

Columbia-Pacific Economic Development District (Col-Pac)

Col-Pac was incorporated in 1994 and serves as the mechanism for channeling federal monies to the region. Col-Pac's economic development goals are to:

- 1) Retain and diversify the region's employment base to ensure a stable economy;
- 2) Build capacity of communities to be economically self-reliant;
- 3) Strengthen the regional economic identity through encouraging regional coordination, communication and cooperation.

Col-Pac has a twenty-four member board, comprised of: four county, eight city, three port, four private sector, one minority and one workforce members plus an alternate for each position. Members are appointed by their respective jurisdictions, a caucus of their stakeholders, or appointed by their County Commission. Col-Pac and the NW Oregon Economic Alliance meet jointly once every two months, rotating the meetings throughout the region.

NW Oregon Economic Alliance (NOEA)

NOEA was created in 1994 to meet the requirements of the Oregon Regional Investment and Rural Investment Fund programs for the distribution of lottery dollars for economic development programs in Clatsop, Columbia and Tillamook counties. (Note, Washington County partnered with Multnomah County for their Regional and Rural Investment Fund monies.) Each county has three members on the nine-member governing board. While NOEA no longer receives lottery funding, it often serves as the contracting entity for State contracts to NW Oregon.

NW Oregon Regional Solutions Team (NWRST)

The NWRST is State agency counterpart to Col-Pac Economic Development District. Comprised of State agencies, the NWRST focuses on high priority projects requiring multiple state agency involvement to be successful. NWRST members include Business Oregon, ODOT, DEQ, Land Conservation and Development, Division of State Lands, Oregon Business Codes Division, Water Resources and Housing. NWSRT serves as one-stop streamlining for priority economic development projects requiring State permitting and/or State agency reviews.

NW Oregon Area Commission on Transportation (NWACT)

To encourage greater local participation in the state's transportation planning and project development process, regionally based advisory bodies, "area commissions on transportation" have been established throughout Oregon. Chartered in 1999, the

NWACT addresses Columbia, Clatsop, Tillamook and western portion of Washington counties' transportation issues. Membership also parallels that of Col-Pac, with a 23 member board: four county, eight city, four private sector, three port, three transit district, one State Parks, one Forestry and one ODOT member.

Members are appointed by their respective jurisdiction, a caucus of their stakeholders, or appointed by their County Commission. The Commission meets once a month, rotating the meetings throughout the region.

NW Oregon Economic Development Projects

The following pages include the priority economic development projects within NW Oregon, as of March 2014. All of the projects listed in the “Short Term” timeframe are underway and have work plans and timelines for completion. “Medium” and “Long Term” projects typically have a lead agency identified and general timelines for completion.

Projects may be added to NW Oregon’s CEDS at any time, by contacting Col-Pac at colpac@nworegon.org. Once a year, jurisdictions within Col-Pac are asked to review their projects and adjust their priorities as needed. Highest priority projects are included in Col-Pac’s Annual Workplan.

Roles of NW Oregon’s Economic Development Partners:

Limited resources has meant the NW Oregon must work collaboratively on the implementation of projects. This means involving the region’s economic development partners. While there is considerable overlap between the roles, generally:

- Regional Solutions Team—Lead on public infrastructure projects and complex projects involving multiple regulatory agencies and permitting.
- Col-Pac—Align projects of common interest into regional industry cluster development; provide regional economic development services—business secondary financing, project management, regional marketing; connect projects with Federal/State/philanthropic (AGORA) funding resources for NW Oregon economic development funding; provide administrative support for regional economic development programs.
- NW Oregon’s County Economic Development Entities—Private sector business development, retention and recruitment; business counseling; industry cluster development; economic development incentives management; and commercial and industrial land inventories.
- NW Oregon’s Ports and Cities—Business retention and recruitment, development of business-ready commercial and industrial sites.
- Community Colleges and Workforce Training Providers—Core workforce training, emerging industry training, specific industry/employer workforce training.

CLATSOP COUNTY Needs/Issues/Projects

		Short Term	Medium Term	Long Term	Regional Solutions	Comments
County	Astoria Marine EPA listing		X	X	X	
	North Coast Business Park	X	X	X	X	
	Westport Ferry Expansion	X	X	X		
	North Coast Business Incubator	X	X	X		
	Clatsop Cmty College Cmty Center		X			
	Clatsop Plains Planning		X	X	X	
	Clatsop Plains—Shoreline Sanit				X	
City of Astoria	Downtown Revitalization	X	X			
	Tongue Point Access Rd		X			
	Rail Rehabilitation to Astoria		X	X		
Cannon Beach						
Gearhart						
Seaside	Hwy 101 Flooding	X			X	First phases complete
	Seaside Wastewater Plant		X		X	
Warrenton	Pacific Seafood Rebuild	X				
	Dredge Spoils Site	X			X	
	Dredging		X		X	
Port of Astoria	Pier 2 Rehabilitation	X	X			
	Pier 3 Rehabilitation	X	X			
	East Mooring Basin	X	X			
	Airport Cluster Development	X	X	X		
	Dredging		X		X	

COLUMBIA COUNTY Needs/Issues/Projects						
		Short Term	Medium Term	Long Term	Regional Solutions	Comments
County	Public Transit Funding	X	X			
	Small Business Development Center (Cmty Col)		X			
	Manufacturers Consortium	X	X			
	Hwy 30 Safety Corridor					
	South County alternate rail siding		X	X	X	
Clatskanie	Port Westward Development	X	X		X	
	IOOF Building Restoration	X				
	Port Incubator Project	X				
Columbia City	Industrial Park Development					
Rainer	Rail Safety Improvements	X	X		X	
	Right Line Expansion					
Scappoose	UGB Expansion	X				
	Airport Cluster Development	X	X		X	
St Helens	Downtown Revitalization	X	X			
	Cascades Tissue	X				
	McNulty Creek Re-Certif	X			X	
	OR Pet Phase 2	X			X	
	St Helens Corridor Refinement Plan					
	Waterfront Development		X	X		
Vernonia	Photo Solutions Retention/California Ave Development	X	X		X	
	Senior Center/Food Bank	X	X		X	
	Health Clinic	X	X		X	
	School Funding	X				
	Storm Recovery		X	X	X	
Port of St Helens	Columbia City Industrial Park	X	X			
	Scappoose Airport Business Expansion	X	X	X		
	Port Westward Industrial Development	X	X	X		
	Recertification of McNulty Ck Industrial Site		X		X	

TILLAMOOK COUNTY Needs/Issues/Projects						
		Short Term	Medium Term	Long Term	RST	Comments
County	Transient Room Tax		X	X		Passed TRT, implementing
	Road Improvements	X	X	X		Passed \$15 m Bond measures
	Habitat Restoration Job Development					Jobs for local construction workers, local plant coop
	South Jetty Rehabilitation	X				Highest County priority
	Watseco-Barview Water District		X		X	
	Address Industrial Land Service Deficiencies		X	X		
	Grow Overnight Tourism		X	X		
	Project Exodus		X		X	Largest wetland restoration on West Coast. \$10 m in funding committed.
Bay City						
Garibaldi	Commercial Ave Improvements	X				Received 2014 Tiger Grant
	Water Line	X				
Manzanita	New Visitor Center		X			Dedicated January 2014
Nehalem						
Rockaway Beach	Water quality and land use impacts on local environment	X				
Tillamook	Downtown Revitalization	X	X	X	X	
	Main St Program	X	X			
	Grow Manufacturing Clusters	X	X			
	Address Industrial Land Service Deficiencies		X	X		
	Identify Opportunities for Commercial Land Infill and Redevelopment	X	X			
	Grow Overnight Tourism		X	X		
		Project Exodus		X		X
Wheeler	Botts Marsh		X		X	
Port of Garibaldi	Wharf Rehabilitation	X			X	Commercial Ave received Tiger grant
	Wharf Business Development		X			
	RV Park Development	X	X			
	South Jetty Rehabilitation	X				
	Dredging	X			X	
Port of Nehalem	Dredging		X		X	
Port of Tillamook Bay	Industrial Business Park Lease Out	X			X	
	Bio-Digester Completion/Cluster Business Development	X	X		X	
	Near Space Business Development/ Cluster Business Development	X	X		X	January 2014 included in Federal award for testing of UAVs
	Food Roots Hoop Gardens	X				
	Salmonberry Corridor Rails/Trails	X	X	X	X	ConnectOregonV application submitted
	Blimp Hangar		X			
		Commercial Food Processing Kitchen			X	

WASHINGTON COUNTY Needs/Issues/Projects

		Short Term	Medium Term	Long Term	Regional Solutions	Comments
County						
Banks	Establishment of an EDC					
Cornelius	Council Creek Trail		X			
Forest Grove						
North Plains						

