



Clatsop
Columbia
Tillamook and
Western Washington
Counties

Columbia-Pacific Economic Development District

Scope of Work—Progress to Date

Consistent with the Oregon Business Plan’s priorities on education, natural resources and infrastructure, Col-Pac’s activities to date on its 2014–2015 Scope of Work has included:

- I. **Public Infrastructure Development Technical Assistance.** Project funding for public infrastructure supporting business retention and expansion has been the primary focus. Two major business development collaboration initiatives are moving to fruition:
 - A. **North/Central Coast WealthWorks NW (WWNW) Small Farming/Fishing Value Chain Development.** If successful, this \$750,000 project will provide needed industry infrastructure allowing small farmers and fishers to cold store their produce and fish, and expand their sales seasons and markets. A new collaboration between Col-Pac EDD and Lincoln County, the regional effort to link the farming, fishing and tourism industries is not only identifying new business development opportunities, but providing the region a means to proactively address poverty and disadvantaged populations in Northwest Oregon.

In October, the North/Central Coast WWNW submitted a \$375,000 application to Rural Development Initiatives to explore the feasibility of expanding the small farming and fishing value chain, from supply through market demand. A unique, broad-based approach to economic development, the WWNW model addresses increasing all types of “wealth” within a region, including income, and intellectual, social and political capital. The net result is that the entire region benefits, not just the individual businesses targeted for development. \$375,000 in matching funds for industry infrastructure was included in the NW Oregon Regional Solutions recommendations for the Governor’s 2015–2017 budget.

Preliminary market research from the North/Central Coast’s Exploratory Phase of the value chain identified three to four immediate scalable opportunities to increase sales and wages, retain and create jobs, improve nutrition, provide more employment opportunities for the region’s youth and marginalized populations, and add new spin-off business development.

Value Chain Proposition: Enhancing sales and distribution opportunities for North/Central Coast small farmers and fishers will result in increased wealth for small agriculture, fishing and tourism/hospitality businesses, and increase the health and well-being of the region’s lowest income and most vulnerable populations.

Value Chain Description and Viability: Four significant converging Agriculture/Fishing and Tourism industry market trends are driving the North/Central Coast’s interest and sense of urgency to work collectively on a WWNW Small Farmers and Fishers Value-Chain Initiative:

- ❖ Increased demand for locally grown and sourced food (farm and fish) products, ones with known origins, freshness and superior quality;

- ❖ Increased sophistication of the market, more health-conscious, more interest in specialty foods, more interest in supporting local producers, stores and restaurants
- ❖ Increased interest in reducing the environmental impacts producing food/catching fish, and transporting to market
- ❖ Looming issue of dealing with agriculture and fish waste. In rural Oregon, landfills are close to capacity, with few alternatives being identified.

Components of the North/Central Coast's Small Farmers and Fishers Value Chain:

From those components identified in the Exploratory Phase as being the most scalable and having the most immediate opportunity, the following value chain components were prioritized for potential implementation:

1. **Increased local agricultural production and fish catch.** Identified opportunities to date include hoop houses for year-round growing, ice and cold storage for bait and fish catch, and potentially hybrid cold storage for fish/produce/food processors. A principal tenet of the restaurant and retail markets is having a reliable supply of food. While the proposed value chain will aggregate supply and thus mitigate against individual grower or fisher shortages, long run, consistent farm and fish supply must be sustainable if this value chain is to succeed.

2. **Collaborative distribution and storage hubs connecting farmers and fishers with local and Willamette Valley markets.** Secondary to having enough production/catch to supply demand for small farmers and fishers, is managing the connection with potential buyers. Currently, small fishers are resorting to social media, such as Facebook, to let followers know what they have available and when they will be arriving dockside. Small farmers, to get retail prices for their produce, take time to go to the myriad of farmers markets.

Matching farm/fish supply and restaurant/market demand will require more efficient communication – like a virtual food-hub – and increased traceability and transparency in the supply chain (possibly through use of bar-coding). But getting the produce and fish to buyers will also require centralized storage and transportation. Cold storage of produce and fish, whether combined (hybrid) or segregated has been identified as a need and at least one North Coast port (Garibaldi) has indicated interest in siting a facility. At a minimum, one refrigerated truck running a route from a central cold storage facility, and possibly additional local hubs, is needed. Construction Phase research will look at the feasibility and scalability of one or more cold storage facilities.

3. **Collaborative marketing.** Nearest to the largest Willamette Valley metropolitan centers, the North/Central Coast attracts a significant urban visiting population. Research by the Oregon Tourism Division already shows a high level of visitor interest in experiencing local foods and having healthy travel. The North/Central Coast Small Farmers and Fishers Value Chain Initiative offers both. Larger commercial fishers are already taking advantage of bar-coding their catch, a simple technology innovation that could directly benefit small fishers as well. The more sophisticated visitors coming to the North/Central Coast can already use their cell phones to access bar code applications. Travel Oregon also has a comprehensive Oregon Bounty marketing program. A cooperative effort of small farmers and fishers would make this program accessible.

4. **Institutional market development.** This component, while not ranked as high as the others, may end up providing the longest term sustainability of the value chain. Market research outreach in the Exploratory phase revealed the Tillamook Regional Medical Center is interested in providing more local, healthy foods to their patients. School districts, assisted living centers, and the community college system are

starting to look at ways to incorporate local foods into their food service programs, and nutrition/cooking classes. The Oregon Food Bank system, already set up to take local food products, will be looking at ways to utilize “dead-heading” delivery trucks with North Coast food products to take back to Willamette Valley metro areas.

5. Agricultural and fish waste management. Another secondary component may be the opportunity to repurpose fish waste into agriculture fertilizer. North/Central Coast port marinas servicing fishing fleets generate approximately 80,000 lbs of fish waste annually, with no programs for recycling or reuse. The high nitrate content of the fish waste could mean a natural fit for organic fertilizer, if the waste can be captured, stored and delivered to local farmers. Cold storage is critical for safely accumulating volumes of fish wastes to batch for composting or other processing (daily volumes are not commercially viable – weekly could be). Additional research is required to determine the viability of this value chain component. North Coast ports would take the lead on this activity.

The North/Central Coast WWNW Small Farming and Fishing Value Chain Initiative was recommended for \$375,000 in funding, pending the successful outcome of RDI’s foundation and USDA applications. Until construction funding is secured, RDI has committed 50% of a Resource Assistance for Rural Environments (RARE) participant and part-time hours of one of their staff, to work on the feasibility of the business development infrastructure being proposed. A final funding budget will be confirmed by the end of June 2015.

- B. AGORA—Central Resource for Matching Priority Projects with Potential Funding Resources. Over the last two years, the Mid-Columbia County Economic Development District (MCEDD), along with Meyer Memorial Trust and Business Oregon has been piloted a centralized platform for organizing philanthropic, public and private funding of community and economic development projects. Capital providers input information on their relevant funding resources, and local community leadership identify priorities and projects. Via the database platform, projects are matched with potential funders. The MCEDD pilot project has proven to be successful, and the platform sponsors are now looking to add three more economic development district regions to the program. Col-Pac has been selected as one of the three regions for the next roll-out.

Over the last six months, Col-Pac has been working with MCEDD, Business Oregon and the other two regions to secure funding for the additional roll-out. A funding application has been submitted to USDA for funding the staffing component of the roll-out, with funding for the platform technology already secured.

- C. Grant Writing Technical Support.

- ❖ For the past two years, Col-Pac has been providing administrative management services to the NW Oregon Transit Alliance, a consortium of five county transit operations in Benton, Clatsop, Columbia, Lincoln and Tillamook counties. The first two years have focused on coordinating schedules and routes to provide seamless transit within the region. However, to continue to attract new riders, and to ensure long term relevance and value to transit users, issues and opportunities related to the Alliance’s ability to provide coordinated, high-quality interregional transit service must be identified and defined. For example, filling gaps in organizational capacity related to maintaining and expanding services and implementing opportunities to share services where resource surplus exists, are essential next steps.

Col-Pac assisted with drafting an ODOT Rural Transportation Planning grant that was awarded \$60,000 in grant funding to identify and address these issues and

opportunities. Col-Pac is currently drafting a Consultant Scope of Work to start the project.

- ❖ **City of St Helens EPA Brownfields Applications**—The City is undergoing extensive re-development of the industrial land adjacent to its historic downtown, and has submitted two applications to EPA. Col-Pac reviewed one of their applications and provided letters of support for both applications. Previously, Col-Pac provided a modest grant to underwrite some of the travel costs for staff to attend one of Oregon's Main St conferences.

D. **Project Support Services**—NW Oregon's public entities have been fortunate over the last couple of years to be the recipients of significant infrastructure funding: The Port of Tillamook Bay has received \$44 million in FEMA related to the December 2007 storm and loss of their rail line over the Coast range, and the Port of Garibaldi has received over \$6 million for improvements to its wharf and road leading into their docks. Rather than staff up to manage the financial accounting for these grants, both Ports have contracted with Col-Pac to provide grant management services.

II. **Business Development Technical Assistance**. Over the last six months, focus has been on retaining businesses that will contribute to NW Oregon's Main St programs, and to assist with siting of businesses in the region's new industrial parks.

A. **Tillamook Coliseum Theater**. Located in downtown Tillamook, the Tillamook Coliseum Theater had not operated since January 2014 when it was purchased by a local business family. The new owners renovated and upgraded the building, and converted to digital movie projection. The theater re-opening occurred at the end of October 2014. Financing was required for this project. Col-Pac coordinated a funding package for the interior improvements, including loan financing. In addition, Col-Pac funding was coordinated with financing secured through the Tillamook Urban Renewal Agency (TURA).

B. **One Source Industries**. A start-up company, OSI manufactures a superior polymer seal and other products involved in the oil and natural gas industry. The owner, a Tillamook County resident, has leveraged his contacts to develop a selling relationship with two major suppliers of these parts. Subcontractors in three separate locations had been operating equipment owned by One Source Industries in the various production processes. Due to limitation of the sub-contractors, OSI was having difficulty meeting the product demands of their clients. This production arrangement was expensive due to the additional middlemen, transportation and handling costs. These limitations were holding back the growth of this business by missing potential sales to existing clients, as well as limiting marketing to potential new clients. Col-Pac provided a financing package that allows OSI to house all of the equipment at a location at the Port of Tillamook Bay's Airport Industrial Park. Production costs will be reduced dramatically and the owner will have more control over the production process.

III. **Business Cluster Development Technical Assistance**. Activities over the last six months have included working with the region's workforce and local economic development partners:

A. **Port-Related**. Agriculture and Fishing cold storage potentially at the Port of Garibaldi. Hoop houses at the Port of Tillamook Bay to extend the growing season in Tillamook County. Both projects are components of Col-Pac's WWNW Agriculture/Fishing/Tourism Value Chain initiative. Clatsop Community College is expanding its welding program to include boat building and marine fabrication.

B. **Unmanned Aerial Vehicles (UAVs)**. One of Col-Pac's clients, Near Space, is at the forefront of a rapidly evolving industry that is connecting diverse industry sectors such

as aviation, advanced manufacturing, high tech, software development, education, and natural resources. The City of Pendleton, Confederated Warm Springs Tribe and Near Space are collaborating with the State of Alaska as one of NASA's testing centers for unmanned aerial systems. Col-Pac's role over the last six months is to assist Near Space find gap financing as it ramps up to meet the new aerospace testing contracts.

IV. Implement NW Oregon's CEDS. Col-Pac updated CEDS approved in March 2014 includes six goals or areas of primary work activity:

- A. CEDS Goal 1: Sustaining and Retaining NW Oregon's Current Businesses. Goal is a minimum of 8 business expansions. To date: Over the last six months, Col-Pac has provided financing to Tillamook Theater and One Source Industries, and has been working on finding financing for a technology company and an assisted living facility in Tillamook, and an aquaponic operation in Columbia County.
- B. CEDS Goal 2: Develop Public Services Infrastructure to Support Business Development. Goal is a minimum of 4 applications that are awarded funding. Primary focus over the last 6 months has been the North/Central Coast WWNW Small Farming and Fishing Initiative, which will likely include critical ice-making, cold storage and flexible growing facility infrastructure. Col-Pac has also been providing grant management services to the Port of Garibaldi on its TIGER funding for Commercial St project. To date: 1 application has been funded (\$60,000 Rural Transportation Planning grant) and the WWNW \$375,000 application and corresponding \$375,000 NW Oregon Regional Solutions matching funds are in progress.
- C. CEDS Goal 3: Diversify and Expand NW Oregon's Regional Economy. One of the largest constraints for NW Oregon's rural economy is lack of critical mass, both in terms of concentration of industry and large enough local demand to sustain business growth. Col-Pac's Small Farming and Fishing WWNW initiative will provide the infrastructure for farmers and fishers to store and distribute their production beyond the typical harvest/fishing season, and to markets other than local wholesalers. One Source Industries with their new polymer seals and rings for the energy (oil and gas) industry, is bringing new manufacturing jobs to the region and exporting product outside Oregon.
- D. CEDS 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. Goal is to have a minimum of 5 businesses participate in workforce training and/or certification programs. To date:
- ✓ One Source Industries has begun training of their employees for its start-up operation at the Port of Tillamook Bay;
 - ✓ Clatsop Community College is expanding its welding program to include boat building and marine fabrication.
- E. CEDS Goal 5: Support the Region's Transportation System. Focus for the last six months has been planning for implementation of the 2015–2018 Statewide Transportation Improvement Program (STIP) and planning for the 2018–2021 STIP. With a transportation a priority for the Oregon Business Plan, NW Oregon will be working on updating its list of immediate, mid-term and long term transportation needs. Col-Pac is assisting ODOT's Region 2 Area staff develop the updated list.
- Col-Pac's administrative management services for the NW Oregon Transit Alliance has included board management, and grant writing technical assistance over the last six months.

F. CEDS Goal 6: Maintain a High Level of Economic Development Cooperation, Coordination and Communication among NW Oregon Organizations and Leaders. Col-Pac participated in Business Oregon's August 2014 Regional Forum, that re-confirmed priorities in the NW Oregon Comprehensive Economic Development Strategy (CEDS):

- Dike-levee certification
- Side channel dredging
- Tillamook Bay jetty repair
- Rail safety
- Improved highway and bridge capacity and maintenance
- Disaster preparedness—NW Oregon, which includes one of Oregon's federally-declared disaster counties eligible for the upcoming HUD National Disaster Resilience competition, is working with the Governor's office on the application process. Col-Pac's Small Farm/Fishing WWNW initiative will also support disaster preparedness by providing a local food supply system, particularly of importance to disadvantaged populations during emergency times.

Col-Pac also participated with the NW Oregon Regional Partnership Solutions Advisory Committee identifying projects for funding in the Governor's 2015—2017 budget, all of which were consistent with NW Oregon CEDS.

V. Provide Staff, Management and Coordinating Services to Col-Pac's Regional Partners. Col-Pac continues to staff the NW Oregon Economic Alliance, NW Oregon Area Commission on Transportation and NW Oregon Transit Alliance. In addition, Col-Pac has been providing loan management services for the Tillamook County Economic Development Council and the Tillamook County's Soil and Water Conservation District. Col-Pac also provides accounting and administrative support for Columbia County's Economic Team (CCET). In November and December, Col-Pac participated in the recruitment, screening, and interviewing of Tillamook County's new Economic Development Executive Director.

VI. Work with Oregon's EDA's Oregon Economic Development Representative to develop future economic development projects with long term job retention/creation and outside investment leverage potential.