

**Col-Pac EDD**  
**EDA Partnership Planning Grant**  
**March 2018—September 2018 Performance Report Narrative**

The following report documents the work completed on the first year (2017—2018) of Col-Pac’s Workplan as well as the preliminary work done from July—September 2018 on Year 2:

- I. Business Development Technical Assistance. In coordination with the Governor’s NW Oregon Regional Solutions Team and the local economic development entities, Col-Pac progress through September 2018 included:
  - A. Oregon Manufacturing Innovation Center/Applied Manufacturing Facility. OMIC is one of Col-Pac’s signature projects and cluster initiatives because of its regional and local economic impact. All three outcomes targeted for this project for the 2017-2018 work year were met:
    - Secure financing for needed facility and infrastructure improvements. \$13.9 million in funds was secured through the 2017 Oregon Legislature. Funding for OMIC operations capital, access road construction and real property acquisition or improvements was included in the legislation.

EDA approved a \$3 million grant for facility upgrades, which will leverage over \$3 million in private investment.

OMIC received over \$1 million in manufacturing equipment for use testing out new manufacturing designs and processes. Columbia County’s Enterprise Zone was extended to include OMIC, which will provide tax incentives for future private investment into the facility and surrounding area.
    - Recruit additional business activity. Since launching in the summer of 2017 with seven industry members and three universities, OMIC R&D has more than doubled its industry members to eighteen and now includes ATI; Blount International; Boeing; CG Tech; Daimler Trucks North America; HAIMER, Hangsterfer’s Laboratories, Inc.; IMS Software; Kennametal; Mitsubishi Materials Corporation; OSG USA, Inc; Sandvik Coromant; Seco Tools; Silver Eagle Manufacturing; Summit Manufacturing Inc.; Vigor; Walter Tools; and WFL Millturn Technologies.
    - Commence operation of the Innovation Center. In the first year, university researchers completed three general R&D projects, are currently working on two new projects, and the Tech Board of OMIC R&D has approved RFPs for an additional six general projects anticipated to begin this Fall. Additionally, there are several specific projects conducting proprietary research for individual members currently underway.
    - Year 2 Planned Outcome: Expand Operations at the Innovation Center. In April 2018, the R & D facility hired its first Executive Director. Sophisticated manufacturing machinery is filling the floor of the almost 34,000 square foot facility, including a WFL M80 Millturn, the Okuma 3-Axis machine, and other equipment used to complete a variety of research projects that test and improve the performance of key components of members’ manufacturing lines.

The Robert J. and Leona DeArmond Public Foundation is providing \$200,000 in “full-ride” scholarships to five manufacturing and mechanical engineering

students at Oregon Institute of Technology (Oregon Tech) who will be participating in paid internships at OMIC R&D.

B. Strategic Planning. Col-Pac has been working with the Ports of Astoria and Tillamook Bay on updating their Strategic Business Plans, on a parallel track with updating NW Oregon's CEDS. Completed 2017–2018 work and progress to date on year two (2018–2019) includes:

➤ The Port of Astoria is facing multiple development challenges as well as substantive opportunities for business development. Updating of NW Oregon's CEDS has also identified collaborative development opportunities with Clatsop County, and the cities of Astoria and Warrenton. To date, progress has included:

- Updating the Port of Astoria's Strategic Business Plan. Developments have included the sale of Tongue Pt, which the Port of Astoria had been leasing. Tongue Point is now developing as a marine repair and construction hub. The Port's \$300,000 annual lease payment is now freed up to address maintenance needs on its own piers, while opening up opportunities for expansion of a marine/boat repair hub that will utilize suppliers located at the Port. A win-win for both the Port and the new private owner of Tongue Point. This new development is being factored into drafting of the Strategic Business Plan will go out for public review in early 2019.

- Business Development at the Astoria Regional Airport and Clatsop County North Coast Business Park Strategic Plans. Both the Port and the County are working with a private developer who has an option to purchase 65 acres of land at the North Coast Business Park for a data center. Phase 1 will be a \$200 million project. Concurrently, the Port will be looking at developing a fiber optic hub at its Airport Industrial Park to provide redundant broadband capacity.

The Port is also looking at the feasibility/potential for establishing a Center for Environmental Studies. The Center could address two challenges facing NW Oregon: 1) Provide new, modern, technologically advanced office space with access to high speed data that does not exist in the local market to attract high caliber businesses to the region, and 2) Provide workforce training and research and development opportunities to NW Oregon area employers, labor force, and research institutions.

➤ The Port of Tillamook Bay Strategic Plan Update. Having recently completed significant improvements to its properties, and selling their digester to a private company, the Port is now looking at how to most strategically move forward with their business retention, expansion and recruitment activities. Factors being reviewed and prioritized for their 2019–2024 include:

- Use of Net Revenues: Considerations include the amount of set asides for short term operating capital, renovation of existing facilities, development of new facilities, and potentially accelerating debt repayment.

- Highest and Best Use of Port Property. As the primary industrial landowner in Tillamook County, the Port has a responsibility to utilize Port property for the betterment (jobs) for the resident population. At the same time, the Port has a fiduciary responsible to sustain the Port's current and future financial well-being.

- Retention (Leasing) vs Selling Port Property to Generate Capital Improvement Funds. The Port is at a disadvantage because of its low tax rate,

making it difficult to generate the capital to develop new income generating facilities and infrastructure to support and attract new development. Improvements can be built into lease-rates, but this only works for tenants willing to commit to a lease and then wait for the improvements or facility to be built. At the same time, retention of property provides the Port with ongoing lease revenues. An analysis of the Port's outlying properties may indicate land sales opportunities that will generate more revenue for the Port than is currently projected.

- New Construction vs Updating Property to Market Lease Rate Caliber. Approximately 50% of the Port's buildings and facilities are leasable, but in need of updating to command market lease rates. A facilities analysis will determine what is needed to update these properties and the return on investment of doing so, including the (increasing) costs to maintain the buildings in leasable condition. With most of these marginal properties fully depreciated, finding the cash to invest is a challenge.

➤ Other Strategic Planning—City of Banks. Key areas identified for strategic development include:

- **Adequate Housing:** Banks housing supply adequately serves and is planned to serve the high-tech employment base. More focus and attention will be placed on smaller, multi-family or cottage units that can serve employees in the timber, agriculture and retail industries as well as retirees wanting a smaller home with less maintenance.
- **Local Jobs:** Banks will continue to support the timber and agriculture industry ecosystems as well as welcome the high-tech growth in Hillsboro. Adequate industrial land for small manufacturers is necessary to meet emerging demand in both industries. Enhanced broadband service is necessary to host independent high-tech workers desiring a home-based business.
- **Vibrant Main Street:** The Banks retail market will not support a new retail "lifestyle" center concept due to market conditions and a small retail market area. The city is underserved by approximately four restaurants. However, such uses require significant startup costs at approximately \$200,000. They therefore desire existing buildings with minimal rents that are closely grouped in one area. The city is planning to focus these restaurants in clustered districts on Main St to create a destination and higher chance of success. Presently, ideal locations are at the north end near the trail head to additionally capture the tourism spend from the Banks—Vernonia Trail bike trail visitors, and at the southern end serving auto-oriented uses such as the raceway and tourists embarking for the beach or wineries.
- **Thriving Tourism:** Banks has a solid foundation for more robust tourism, which would include the development of a hotel, however the market is not strong enough yet. A new small boutique hotel could occur in approximately 10 years. As the new Plaza area off Main Street emerges, the City will keep a hotel use in mind as a viable anchor to support surrounding uses.

- C. Port of Garibaldi Small Commercial Fisheries Supply Chain Business Development. A two-year project, much has been accomplished since July 2017. Col-Pac successfully applied for a \$116,000 The Ford Family Foundation grant to fund a coordinator to manage and implement the project. EcoTrust, nationally—recognized

in food and fisheries supply chain development, has been working on the project for approximately 10 months. Outcomes to date:

- Improved Efficiencies and Opportunities for Storage and Distribution Systems for Seafood Products—Two uses for cold storage have been identified: 1) To store product on its way to the market; 2) to store bait. Planned are further discussions between the Port and Tillamook Bay Seafoods on cold storage and ice. To realize the need and demand (size, type, and utility) and avoid conflicts, a deeper analysis is being initiated with those who have interest building cold storage facilities and those who plan to use it.
  - Garibaldi Seafood Branding and Marketing—There is collective interest in making Garibaldi more of an “Oregon coast seafood hotspot.” Common marketing assets such as professional images of the fleet, better signage on the way into town, and a humanities-type “Meet Our Fleet” project could provide an array of tangible and intangible benefits and would likely garner broad support. Visit Tillamook has received a grant for assisting in assessing food-hub and distribution challenges and opportunities. As well, the grant will support the process to begin creating branding opportunities for Tillamook and Garibaldi. This grant has direct ties to cold storage and marketing Garibaldi caught seafood. Food & Tourism: Garibaldi Days, Crave the Coast, Garibaldi Farmers Market, and “Shop the Dock” program, are all occurring this year.
  - Value-Added Local Business Activity—Continuing to confirm demand for ice and a good ice machine. The one machine currently running on the dock owned by Garibaldi Landing is unreliable and cannot serve all the users in the Port. There is interest from stakeholders, such as Tillamook Bay Seafoods, in working with the port to create solution to access a more reliable and sufficient source of ice.
  - Assisting with securing financing, as needed, for new business development. Col-Pac has been working with the Port of Garibaldi on their BUILD application to fund marina and seawall infrastructure rehabilitation. Visit Tillamook Coast, one of the Garibaldi Small Fishing Supply Chain Development Initiative partners, was awarded \$45,000 in funding to develop a Tillamook Coast brand for local foods to increase market awareness and to conduct a feasibility study on creating a food hub for greater efficiency in food distribution. Col-Pac helped the Port of Garibaldi apply for and is currently managing a USDA Rural Business Development Grant to help underwrite analyzing the feasibility of a cold storage facility for the small commercial fishing fleet.
- II. Infrastructure Development Technical Assistance. Col-Pac’s updated CEDS process has identified areas where inadequate or lack of infrastructure is a barrier to business development. Accomplishments from July 2017—September 2018 include:
- A. Coordinate with NW Oregon’s Regional Solutions Team (NW RST) on identifying funding for priority public infrastructure that supports new business development and/or provides economic resiliency. Over the past year, sixty-five (65) business development infrastructure projects were identified. Col-Pac and the NW RST were able to direct 70% of them to potential funding resources, with applications submitted. Outcomes: Planned: 5 infrastructure projects matched with potential funders and applications submitted, minimum of 2 infrastructure projects successful in receiving funding. Actual: 45 projects matched with potential funders and applications submitted. Nine (9) projects successful in receiving a total of over \$6.3 million in funding. (Rainier Diking, OMIC Facility Improvements, OMIC Road

Access, Garibaldi Small Commercial Fishing Supply Chain Development Coordinator, Garibaldi Seafood Hub, Columbia County Expanded Broadband, Scappoose Water Master Plan, Nestucca Ridge Development Workforce Housing, Westport Dredging.)

- B. Provide workforce housing informational and advisory regional coordination and convening. All four counties within Col-Pac's district boundaries have moved forward on addressing workforce housing over the last year: Clatsop County is currently going through public review of its comprehensive housing study. Columbia County completed their housing study and residential building is increasing. Tillamook County, which completed their housing study in 2016, supported Nestucca Ridge Development in Pacific City with their successful application to the State of Oregon for construction of 12 homes. Six of the homes will be preleased to their local employees, over half of whom currently commute from outside of the County. Western Washington County continues its housing boom.
- C. Continue to implement the Agora platform, a central resource for matching priority projects with potential funding resources. Col-Pac added sixty-five (65) projects to the database over the last year. In addition to the nine business development infrastructure projects mentioned above that were funded, a community development project listed on the platform, relocation of the St Helens Food Bank, was also funded. Funding for two more projects, Tongue Point Road Truck Access and the Westport Slough Dredging is being finalized.
- D. Provide grant writing technical support. Col-Pac worked with the Oregon Institute of Technology (OIT) on its successful EDA application for facility improvements for their Oregon Manufacturing Innovative Center (OMIC) in Scappoose, including meetings with EDA in Seattle and on site in Scappoose. Col-Pac also worked with the Port of Garibaldi on their successful application to USDA's Rural Business Development Grant (RBDG) program for evaluating the feasibility of a seafood hub. As staff for the NW Connector transit system, this past year, Col-Pac wrote and submitted a Travel Oregon grant application for bicycle stations at key transit stops. Also over the past year, Col-Pac wrote support letters for grant applications by the Port of Garibaldi for its commercial access improvements, St Helens for their waterfront development improvements and Tillamook County's Food Roots for a small producer development project. In progress is an application for Columbia County's Disaster Resiliency.
- E. Provide project leadership/support services. During 2017—2018, Col-Pac provided grant management services for the community of Cascade Head Ranch near Otis in south Tillamook County for a Business Oregon grant to replace their two water tanks. Ongoing is Col-Pac's grant management services the City of Vernonia's Rose Ave Senior Center and Food Bank Community Development Block Grant. Two additional projects managed grants to the City of Warrenton for the rebuild of the Pacific Coast Seafood processing plant, with management of a third grant underway. Col-Pac has also taken the lead on distributing Notices of Funding Opportunity (NOFO) for USDA, EDA and Business Oregon grants.

III. Update NW Oregon Comprehensive Economic Development Strategy (CEDS). Col-Pac's updated CEDS was completed in September 2018, taken out for public review, and approved by the Board of Directors. The 2018–2019 Work Plan is focusing on:

- A. Supporting manufacturing industry in NW Oregon
  - Funding (Federal, Col-Pac loan fund)
  - Assess to resources
  - Shovel-ready sites/buildings
  - Development capacity (leadership, facilitation)
  - Connecting like businesses
  - Identify common issues, eg, needed infrastructure and services, commonalities
- B. Connect the region's economic resiliency activities:
  - Conduct/Participate in (Oregon Resiliency Plan) workshops throughout NW Oregon to help coordinate cross-county/jurisdiction activities and plans
  - Continue to develop database of information on: Diversity of jobs for residents with varied skill sets and income levels, dependency of economy on external markets, degree of business continuity planning should there be a natural or economic disaster.
- C. Establish a central resource for matching priority projects with potential funding resources.

Performance Measures: Inventory of priority projects for enhancing economic resiliency.

IV. Implement NW Oregon's CEDS. Included in the 2018–2019 Work Plan are six goals or areas of primary work activity:

- CEDS Goal 1: Sustain and Retain NW Oregon's Current Businesses. Annual goal is a minimum of 8 business expansions. Lead: County Economic Development Councils. Col-Pac role: Ongoing technical assistance to the county efforts.

2017–2018 Outcomes: Over the last year, Col-Pac worked with Sports People NW and Pelican Brewing regarding potential business expansions; Bull Run Cider on re-starting its business activity; and the Bergerson and WCT Marine expansions at Tongue Point. Most recently, Col-Pac has been working with FroYo, a retailer in the City of Tillamook, on their purchase of a portion of a downtown building.

- CEDS Goal 2: Develop Public Services Infrastructure to Support Business Development. Annual goal is a minimum of 4 applications awarded funding, including at least one projects that provides enhanced resilience to climate change-induced natural disasters. Lead: Public entities. Col-Pac role: Ongoing advisory, grant writing oversight, project management as needed.

2017–2018 Outcomes: Nine projects (as noted early in the report) were funded in 2017–2018. All of these projects were and/or remain priorities in NW Oregon's CEDS.

- CEDS Goal 3: Diversify and Expand NW Oregon's Regional Economy. Annual goal is enhance/further develop a minimum of 3 of the district's collaborative development activities. Lead: Col-Pac.

2017–2018 Outcomes: Col-Pac worked Clatsop County on seeking a consultant for its workforce/affordable housing study and participated in the public review of the

draft plan. For the NW Connector regional transit system, Col-Pac managed development of their new award-winning website which includes a travel planner, places to visit, an event calendar and visitor travel passes. Col-Pac's work with Columbia County is identifying ways in which to connect activities and resources throughout NW Oregon in the event of a natural disaster.

- CEDS Goal 4: Support the Region's Efforts to Provide Trained Workers for Existing and Future Needs of Business. Annual goal is having a minimum of 5 businesses participate in workforce training and/or certification programs. Lead: County Economic Development Councils, Oregon Employment Department and NW Oregon's 3 community colleges. Col-Pac role: Ongoing technical assistance to the county efforts.

2017–2018 Outcomes: Last Summer, Clatsop Economic Development Resources (CEDR) implemented a new internship program. In the first year, 11 employers hosted 17 high school interns (out of 56 applicants). The program is designed to provide local youth not only on-the-job training, but an understanding of the jobs available to them within the County. CEDR will be scaling up this program to other NW Oregon counties in future years. Responding to a shortage of commercial truck drivers, Tillamook Bay Community College initiated a truck driver certification program this Fall. If demand for the certification remains high, Col-Pac is available to help underwrite some of the truck driving simulation equipment.

- CEDS Goal 5: Support the Region's Transportation System. In addition to staffing the NW Oregon Area Commission on Transportation and NW Oregon Connector Transit Alliance, Col-Pac will provide grant management technical assistance as needed. Provide leadership helping the State of Oregon develop a long-term transportation funding mechanism.

2017–2018 Outcomes: Completion of NW Oregon's Area Commission on Transportation Biennial Report for presentation to the Oregon Transportation Commission in July 2018. Continued ongoing staffing of the NW Oregon Transit Alliance, including expansion of its public outreach efforts.

- CEDS Goal 6: Maintain a High Level of Economic Development Cooperation, Coordination and Communication among NW Oregon Organizations and Leaders. Col-Pac will continue to produce newsletters, and public information.

2017–2018 Outcomes: In addition to attendance at and participation in local Economic Development Council meetings, Col-Pac participated in Clatsop Economic Development Resources (CEDR) update of their Strategic Plan, and was interviewed on a local Columbia County radio talk show. Col-Pac is also a primary distributor of Notices of Funding Opportunity (NOFO) to NW Oregon stakeholders interested in economic development and transportation grants.

- V. Provide Staff, Management and Coordinating Services to Col-Pac's Regional Partners. In addition to staffing the NW Oregon Area Commission on Transportation and NW Oregon Connector Transit Alliance, Col-Pac provides business retention, expansion and recruitment services and accounting support for the Columbia County Economic Team on a fee-for-service basis.

2017–2018 Outcomes: Col-Pac assisted the Columbia County Economic Team establish their county's Keep It Local In Columbia County as an independent 501(c)6, an indicator of the local community support for the initiative, and ongoing sustainability. Mary McArthur, Col-Pac's Executive Director was elected President of Oregon's Association of

Economic Development Districts and also serves on the Association of Oregon Counties Community and Economic Development Committee.

- 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. This year, Col-Pac hosted a tour for David Porter, EDA’s Oregon representative, in Clatsop County—Port of Astoria Airport Industrial Park and North Coast Business Park. The following day, Porter attended a funder gathering at the Port of Garibaldi. Col-Pac also traveled to EDA’s Seattle office with David Porter and two OMIC representatives to participate in a discussion on OMIC’s public works application. Currently underway is follow up with Columbia County on projects for potential EDA Disaster Supplemental Funding.