

DEVELOPMENT PLAN FOR THE DALLESFORT INDUSTRIAL PARK

MRI PROJECT NO. 8736-D
January 1987

FINAL REPORT



U.S. DEPARTMENT OF COMMERCE
ECONOMIC DEVELOPMENT ADMINISTRATION

Technical Assistance Program

Prepared for:

Office of Planning, Technical Assistance,
Research, and Evaluation
Economic Development Administration
U.S. Department of Commerce
Washington, D.C. 20230

and

Klickitat County Port District
P.O. Box 1429
White Salmon, Washington 98672

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PREFACE

Dallesport, Washington, is one of 10 rural communities to receive technical assistance in a national project aimed at increasing the utilization of rural industrial parks. Through this project, Klickitat County can expand and diversify its economic base by fully utilizing the Dallesport industrial park. The goal of the project is to promote job creation and long-term development of the area.

The preparation of this report was financed through a grant from the Department of Commerce, Economic Development Administration (EDA). Midwest Research Institute (MRI), contractor to EDA, prepared this technical report.

A second report accompanies this one. It was developed by MRI through a separate EDA project. A Rural Economic Development Source Book contains the best available training and technical assistance materials for preparing rural economic development strategies.

MRI would like to thank the staff of Klickitat County Port District and the Mid-Columbia Economic Development District for their assistance in the preparation of this report.

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EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

A. Introduction

In September 1986 the Economic Development Administration (EDA) contracted Midwest Research Institute (MRI) to technically assist ten underutilized rural industrial parks. The industrial park developed in the Klickitat County Port District was selected as one of the sites for assistance. The park, developed with EDA assistance some years ago, remains underutilized. The objectives of the project are to:

- Provide results-oriented technical assistance to the industrial parks.
- Develop strategies to increase job creation opportunities in rural communities and small towns.
- Formulate a development plan and strategies that are pragmatic and can be implemented by professional economic developers or community leaders.

MRI will provide follow-up technical assistance with a 1-day training program for representatives from all of the industrial parks, which will give additional information on park development, management, and marketing.

EDA and MRI staff conducted an on-site review of the Dallesport industrial park and Klickitat County development efforts. Information was obtained during the on-site visit and also from data requested by MRI from various agencies and organizations in the area. The data provided the background for the situation analysis that was one of the major tasks of the project. Other tasks were preparation of the recommendations and strategies that grew out of the situation analysis and development of the action plan.

B. Summary of Situation Analysis

The potential for growth and diversification in Klickitat County is limited. For the Dallesport industrial park to be successful, the Klickitat County Port District will have to market aggressively and systematically. There are some assets that can provide the basis for this effort. There is currently an aggressive, positive attitude in the area with an organization and staff in place to promote development. There is money committed to implement an economic development program. The strong determination to be successful will be assisted by a marketing plan if the plan is realistic in terms of the area's assets and limitations.

Major limitations to growth are the location of the park, which is distant from markets and population centers, competition from the Portland/Vancouver area and the four other ports in the general area, a limited industrial base, and some basic infrastructure problems. Several of these limitations cannot be affected since location cannot be changed. However, there are some limitations that can be addressed such as poor coordination among area economic development organizations and a lack of current planning, marketing strategy, and existing industry program.

Additional assets include an available work force, with a good work ethic that needs upgrading in skills. There is a program for training available throughout the state. A good data book and site map materials already exist. There is access to an interstate highway system and rail transportation.

The most important immediate step will be the coordination among the various organizations so that a comprehensive effort can be undertaken with the different agencies participating towards a common goal and pooling their scarce resources.

C. Summary of Strategies for Economic Expansion

The strategies developed as a result of the situation analysis are grouped in five categories: organizational, financing, existing industry retention and expansion, new business development, and marketing. There are various tasks in each category that are outlined specifically in the report. A summary of the major thrust of each category follows.

1. MRI recommends, as a result of the analysis of the Port District's organizational structure and staffing patterns, that the current organization be maintained. Other recommended strategies in the general area of organization are:

- Hold an organizational summit of the various economic development groups to define responsibilities and identify areas of overlaps and gaps.
- Consider the possibility of making the Port District a county-wide organization.
- Participate in all regional development and promotional efforts.
- Become involved in legislative issues.
- Become familiar with and follow state guidelines for industrial development preparedness.
- Conduct a comparative analysis of area strengths and limitations.

In addition, MRI recommends that an opportunity be provided for staff members to have training in industrial development. A professional, knowledgeable approach to economic development planning and marketing will be essential.

2. Financing of the various activities of the economic development effort and providing funding assistance to businesses and industries that might locate or could expand from a present position is a key factor in the potential for success. MRI recommends that the staff of the Port:

- Become familiar with traditional financing mechanisms.
- Identify and pursue creative financing opportunities.

3. Existing industry and business retention and expansion is the most important part of economic growth in a community. Approximately 70 percent of all new industrial jobs are created from existing industry. MRI recommends that the Port District establish a program to assist existing industries in providing technical expertise where required and in helping existing industries to expand where possible. The program should have several start-up activities:

- Identifying volunteers who can assist in interview visits.
- Training the volunteers.
- Conducting the industry interviews.

4. Strategies recommended to assist in new business development are:

- Creating a climate that fosters business development.
- Assessing the potential for incubator development.

5. Marketing strategies have been developed by MRI based on the assumption that a commitment has been made to promote the Dallesport industrial park as a site for industrial development. Specific tasks of the marketing strategies are outlined in the report. These tasks are recommended in six thrust areas:

- Industrial park site.
- Target industries.
- Development of marketing materials.
- Implementation of marketing program.
- Developing linkages with other groups involved in economic development.
- Financing.

An action plan outlining each strategy and identifying the person or group responsible for implementation completes the report. Recommendations have been made recognizing that time, money, and substantial effort will be needed to complete the tasks.

I. INTRODUCTION

A. Scope and Purpose of EDA Project

In September 1986 the Economic Development Administration (EDA) contracted Midwest Research Institute (MRI) to technically assist 10 underutilized rural industrial parks. MRI has provided technical assistance for over 20 years to rural communities wanting to diversify their economic base. We are enthusiastic about our involvement in this particular project since it could affect a large number of rural communities and improve the quality of life for many rural Americans. MRI is also pleased to have this opportunity to work with the Klickitat County Port District and other area economic development organizations.

EDA is aware of the problems faced by struggling rural communities including the depressed agricultural economy and a lack of economic diversification. In the 1970s many of these communities (and EDA) invested in the development of industrial sites and parks with the hope that the parks would create new jobs and promote economic prosperity. Many of the urban parks proved to be quite successful. But in the more rural areas of the county, many parks are sitting underutilized more than a decade later. Some of the reasons for problems in rural industrial park development include inadequate financing to support complete park development, lack of staff to assume responsibility for marketing activities, uncoordinated or poorly focused marketing efforts, or lack of a development plan.

This project therefore was funded by EDA to directly assist communities in need of economic rejuvenation. The purpose of the project is to directly assist 10 parks and develop models and strategies that will increase the use of rural industrial parks nationwide.

More specifically, the objectives of the study are to:

- Provide results-oriented technical assistance to 10 industrial parks.

- Develop strategies to increase job creation opportunities in rural communities and small towns.
- Formulate a development plan and strategies that are pragmatic and can be implemented by professional economic developers or community leaders.
- Provide follow-up technical assistance with a 1-day training program.
- Write a guidebook that will help community planners develop an industrial park or rejuvenate an underutilized one.

EDA and MRI staff conducted an on-site review of the Dallesport industrial park and Klickitat County economic development efforts. The Klickitat County Port District was contacted before the visit for background information. Factors examined include the following:

- The park's preliminary feasibility plan.
- Existing development and/or marketing plans.
- Description of the park and surrounding area.
- Park tenants.
- Ownership and occupancy of other local industrial parks.
- Ownership, management, and leasing information.
- Existing marketing materials.
- Information describing the city's and county's industrial base.
- Area population trends.

- Area employment/unemployment trends.
- Information describing local job training and retraining programs.
- Information describing community economic development organizations and programs.
- Financing for local economic development efforts as well as financing incentives for industrial growth.

After visiting Klickitat County, MRI staff prepared the recommendations and strategies in this report.

In the fall of 1987 (after all 10 sites have received technical assistance), MRI and EDA will host a 1-day training program for representatives of each industrial park. The program will be conducted at MRI in Kansas City. This training program will provide a posttechnical assistance assessment of the Dallesport park and additional information on park development, management, and marketing.

After the training, MRI will develop a guidebook describing strategies for optimum utilization of underutilized industrial parks for local leaders and professional economic developers.

Upon completion of this technical assistance effort, the Klickitat County Port District will have an objective assessment of their economic development activities and a pragmatic plan to guide further development of the Dallesport industrial park.

MRI considers the involvement and commitment of local leadership to this project the most crucial factors influencing future success. Only local support can ensure long-term resource investment and the best chance for success.

B. Why Economic Development?

Before embarking on a comprehensive development strategy, it is important to identify the benefits of an economic development program, trends in economic development, and the factors critical to its success.

Economic development has become a priority issue with states, cities, and small communities. States are spending large sums of money to attract new business and promote local business development. Metropolitan areas and mid-sized towns have been doing this for many years and are competing effectively with their counterpart communities across the nation. But many smaller communities and rural areas have only recently joined the effort. The downturn in the agriculture, mining, and timber industries has pushed smaller communities into expanding or diversifying their local economic base. But often communities initiate programs without a clear understanding of the essential factors of success, resulting in almost certain failure.

But economic development also fails because of unfounded fears. Many people associate economic development with large numbers of strange faces and families infiltrating their familiar town. They also fear that strangers will strain existing services and facilities. These same people, however, worry that young people leave the area after graduating from high school or college because there are no jobs. And, they worry about their friends and neighbors who no longer have jobs or are underemployed because of the downturn in the agricultural, mining, or timber industries. These undecided citizens--if great enough in number--can hinder the community zeal and commitment needed to make the plan work.

Economic development needs the support of an entire community. Therefore, it is crucial that everyone in a community be made aware of the basic principles of economic development--the benefits, trends, and key factors of success.

The benefits of a comprehensive and successful economic development program can be substantial:

- Provide jobs for young people so that they can stay in the community; for workers who have been displaced as a result of decline in another industry sector; and for those underemployed persons who do not have an opportunity to use the skills and talents they possess.
- Additional income to the community in the form of salaries, which, when spent in the community, will strengthen the community's retail and service sectors.
- Additional tax revenues that are needed by local governments to maintain and improve local infrastructures and facilities.

In very realistic terms, economic development for many communities means life. Economic development results in a viable, healthy community that can maintain and improve the quality of life for its residents. Not all small communities and rural towns are going to survive the changes occurring in our country. Some of the major trends that have made an impact include:

- An average of about 70 percent of all economic growth across the United States is attributed to the expansion of existing industry.
- A large number of the new jobs being generated in the American economy are from independent small businesses.
- Manufacturing industries are expected to lose ground in proportion to some of the faster growing service industries; however, the importance of manufacturing industries to a community's economy still remains vital.

- High-technology industries will grow rapidly; however, these will not become major sources of employment because their base is smaller (e.g., although jobs for computer service technicians are expected to double by 1995, the percent of total employment is expected to be less than 1 percent). These jobs are generally low-paying.
- Production facilities may continue to move overseas; but, movement of production from overseas to this country is expected to continue as well.
- Increased attention to quality and costs of production and the corresponding need for an evermore competent work force will be the focal point for years to come.
- Mastering technological change will increase in importance. All workers, no matter what their occupation and position, will have to learn to do some things or will have to learn to do some of the same things in new ways.
- Technology does not necessarily require higher skills; in many cases it just requires different and, in some instances, lesser skills.
- Two of the most important factors emerging for location are worker attitudes and general living conditions for incoming management, although labor costs also are high on the list.
- Availability of training programs for new jobs and retraining the existing work force will become increasingly important location criteria of companies.
- Creative financing mechanisms and tax abatement are becoming increasingly important as attractors--as well as any other incentives a community can offer that makes it a more attractive place to do business.

In looking at both large and small communities across the country, it is clear that about half a dozen factors are critical to success. These key factors of success are:

- Commitment to a long-term process. Economic development does not occur overnight. It takes community support, both in terms of time and money.
- Leadership. Some person or organization has to be willing to take responsibility for moving the effort forward.
- Cooperation between public and private sector groups. No longer is development only government's business but that of all private businesses dependent on a healthy, growing economy. A coordinated effort is a must, with each group taking the lead in its area of expertise.
- Linkages with other communities in the region as well as state government, utilities, railroads, etc. It is almost impossible to promote economic development in isolation. It is imperative that the community tie itself to existing marketing programs and resources.
- Funding. It takes money! An economic development program must be adequately funded to support capable staff and marketing efforts.
- A plan. Many economic development efforts are not successful because there is no plan. Specific goals, objectives, and strategies must be established and followed. If you don't have a plan (measuring stick), you can't tell whether or not you have been successful.

C. Public and Private Partnerships

The private sector has emerged as a key player in economic development in states, cities, and towns across the country. While some might think this is a new role for the private sector, there has always been at least limited involvement by banks, utilities, railroads, and of course, chambers of commerce. Private sector efforts were often seen by the general citizenry and frequently by public officials as vested interest involvement. Many organizations, however, that took part in development in the 1950s and 1960s became less active in the 1970s as federal programs and funding took precedence. The impact of regulations on some industries, such as utilities, also limited expenditures to promote growth. Recently, however, the role of the private sector in economic development has changed.

A new strategy is evolving that has been termed "new localism" by Ernest N. Morial, former mayor of New Orleans. This new localism is built on a coalition between local governments and local private sector interests to make an area more attractive for economic development. There are several reasons for the increasing number of partnerships between public and private sector groups.

- First, the need for job opportunities has heightened public officials' interest in economic development. This interest grew as the sources and levels of funding for economic development activities from the federal sector have diminished, and the initiative has been passed from the federal level to states and local areas. An example of this can be seen in the decreasing funds for Community Development Block Grants (CDBG), which were a primary funding source for economic development activities in the past. Local governments and private sector organizations have also assumed many of the planning and implementation efforts as well.
- Budget constraints have prevented assistance by state organizations to local areas. Thus, local groups have had to step up their own efforts if they intend to participate in

development. Since public funding at all levels has tightened, private sector groups have led the charge in many instances. Local chambers of commerce are rejuvenating their programs and returning to their former role as the key player in economic development activities in many communities. Utilities and railroads are also increasing their activities. Individual businesses, local industries, banks, or others, in some instances, have been at the forefront of significant economic development.

- The need to survive in economically depressed areas can impel public and private sector efforts to merge. Stronger ties with business, working with investors to provide incentives through local government channels, and using development to support social needs such as training and education can all cultivate a partnership. This type of effort is far from the traditional public sector thinking that concentrated on traditional government tasks and considered economic development the result of privately developed business and industry. It also is a change for the private sector in that the efforts are not tailored to a particular industry or business but are broadened to encompass the entire community's needs. Local government is moving beyond what had become a supportive role (e.g., fiscal climate, physical infrastructure) to provide money, leadership, and a pro-business climate. Private sector efforts are moving beyond the immediate profit-driven motivation to a longer view of economic growth.

The real key to economic vitality is a dynamic, innovative, and committed private sector. Private sector leaders should act as full partners with government leaders and help achieve common goals. This involvement not only includes support of broad economic development goals but management and technical expertise, political influence, leadership, and direct financial

support as well. Government officials need to ensure that the policies facilitate change and support innovation in the private sector. These public-private cooperative efforts can foster a constant interchange of information and economic health in the community.

There are several steps a community can take to promote the relationship between the public and private sectors in economic development efforts:

- Identify who has the initiative currently, if indeed any particular group does.
- Determine what other groups, individuals, or businesses could be involved.
- Examine the role of the local government.
- Assign each group an appropriate task.

No one model of private-public cooperation will work for every community. The plan should be tailored to the community. What is important is that any organization should include the key "players" in the community: the DECISION MAKERS.

D. Report Outline

This report, developed for Klickitat County Port District, is composed of four chapters and six appendices. In addition to this chapter, other chapters include:

Chapter II. Klickitat County Situation Analysis.

Chapter III. Strategies for Economic Expansion.

Chapter IV. Action Plan.

Report appendices include:

Appendix A. Situation Analysis Evaluation Summary.

Appendix B. Industrial Site Evaluation Summary.

Appendix C. Growth Industries.

Appendix D. Resource Directory.

Appendix E. Sample Industry Profile.

Appendix F. Contact List.

II. SITUATION ANALYSIS

The first step in preparing a strategic plan for the development of the Dallesport industrial park is to analyze the area's resources that could be used to promote economic growth. A situation analysis is important because it provides a baseline assessment of the existing situation. The data gathered and analyzed can also be used to create materials and documents for marketing. This chapter contains an analysis of the basic components of the area:

- Organizations and development efforts
- Business structure
- Industrial park and marketing efforts
- Community infrastructure

Appendix A contains the work sheet used by EDA/MRI to assess the area's strengths and limitations, and Appendix B contains the industrial park evaluation summary.

For the Dallesport industrial park to be successful, the Klickitat County Port District will have to market it aggressively and systematically. This will require a long-term commitment to development and adequate money to sustain the effort. Strong competition for industrial growth from the Portland/Vancouver area and from the four surrounding ports coupled with the recent passage of the Columbia Gorge National Scenic Area legislation are important considerations that will impact local efforts. The organizational structure, staff, and financing are in place for an economic development program; so is strong determination to be successful. What is needed is a marketing plan developed with a clear understanding of the area's assets as well as limitations.

Major limitations to economic growth are location and a lack of coordination and cohesion among the various groups promoting economic development. Marketing the area is a challenge and will require the coordinated concentrated effort of all groups. Table 1 shows Klickitat County's assets and limitations. An analysis of key factors follows.

TABLE 1

KLICKITAT COUNTY'S ASSETS AND LIMITATIONS FOR
SUSTAINING AND PROMOTING ECONOMIC GROWTH

<u>Assets</u>	<u>Limitations</u>
• Organization with financial resources to promote efforts	• Location; distant from markets and population centers
• Aggressive attitude	• Columbia Gorge National Scenic Area Legislation
• Large, well-developed industrial site (largest parcel of flat land in the area)	• Poor public and private sector coordination
• Available unskilled/semiskilled work force	• Poor coordination among area economic development organizations
• Good work ethic	• No economic development plan
• Available resources for job/skill training through the State of Washington	• Poor signage
• Access to interstate highway system	• No marketing strategy and team
• Rail transportation	• No formal existing industry assistance program
• Adjacent airport (local)	• No business development program
• Dock on Columbia River	• Waste disposal limitations at industrial park
• Outdoor recreational opportunities	• Dock in poor location
• Abundant, relatively low-cost utilities	• Class 10 fire district that requires sprinkler systems in all buildings
• Good statistical data book and site map	• Lack of skilled, technical, or professional labor
• Promotional film is being developed	• New professionally prepared marketing brochure needed
• Timber, lumber, and wood resources	• Limited financing for business development or expansion
• Local agricultural crops and fruits	• Minimal postsecondary or continuing education opportunities

Source: Midwest Research Institute, December 1986.

A. Organizational Structure and Development Efforts

The Dallesport industrial park is owned and managed by the Klickitat County Port District. The current port manager is the third person to hold this position in the past 18 months, which has made it difficult to sustain a marketing effort. Additional factors related to organizational structure and development efforts are:

- Recent economic development efforts have focused on recreation/tourism development. While these economic sectors are certainly important to the overall economy of the area, industrial development recruitment efforts must not be overlooked.
- Private sector involvement is not evident in the Port District's activities or in economic development in general.
- Numerous organizations are involved in various aspects of economic development planning in Klickitat County and the surrounding area. These include the Port District, Klickitat Economic Development Organization, Mid-Columbia Economic Development District, Columbia River Gorge Marketing, and the Klickitat County Planning Department. Team Washington (Klickitat Economic Development Organization) was created as an umbrella organization but has not had enough time to make an impact. As a result, there appears to be a great deal of conflict among the various agencies. It is extremely important for each agency to identify its specific areas of responsibility but also to coordinate activities with the other agencies. The common goal of all organizations is to improve the quality of life of residents through economic growth, retention of existing industry, and recruitment of new industry. They can accomplish this by focusing their attention and scarce resources on this goal.

- There appears to be resistance from the Port District to coordinate or participate in regional promotion activities or planning efforts. The economic survival of Klickitat County is dependent on the economic health of the surrounding area. A regional approach must be fully supported; otherwise, the entire area will suffer.
- The Port District, as currently structured, does not have a mechanism for community involvement.
- The Port has the financial resources to initiate and maintain an aggressive marketing outreach program.

B. Existing Business Structure

The patterns of employment and the structure of business firms throughout Klickitat County have not shown much strength over the past 5 years in the manufacturing or construction sectors. Like many isolated areas lacking a large population center, Klickitat County depends chiefly on retail and service establishments. About the only established base of labor in the manufacturing sector is found in wood products (sawmills and millworks) and primary nonferrous metals. The nonferrous metal sector has declined in recent years and could possibly experience additional loss of employment in the future. Surprisingly, there is little evidence of employment in the agricultural services area. Table 2 shows the latest data on business establishments for Klickitat County.

Within Klickitat County in 1984, many workers were employed as precision production and craft workers, machine operators, technicians, and in related occupations. The total of these types of workers is smaller, however, than the total for services, transport, farm, fishing and forestry, sales, and clerical occupations. Table 3 shows the distribution of county employment by occupation in 1980.

The economic and business environment immediately surrounding the industrial park is less favorable for industrial growth than any area in the entire county or region. The unincorporated community of Dallesport has virtually no stake in the economic success of the industrial park. Local inhabitants transact much of their business in other communities--chiefly Goldendale, White Salmon, Trout Lake, or The Dalles, Oregon. While there is rivalry between Washington and Oregon, The Dalles is the closest viable community to the park. The prospects for new businesses by local entrepreneurs are not especially promising but are one of the only viable opportunities for economic growth.

The Dallesport industrial park possesses few distinguishing locational advantages that would attract large employers in most manufacturing industries. Table 4 summarizes some of the positive and negative factors likely to affect the location decisions of industries involved in medium to light manufacturing.

TABLE 2

KLICKITAT COUNTY BUSINESS ESTABLISHMENTS (1984)

<u>Sector</u>	<u>Total Establishments</u>	<u>>10 Employees</u>
Agricultural Services	4	0
Construction	26	1
Manufacturing	45	10
Wood Products	31	8
Sawmills	6	4
Millworks	1	1
Primary Metals	2	1
Transportation and Public Utility	27	0
Wholesale	17	1
Retail	88	13
F.I.R.E. (Finance, Insurance, and Real Estate)	23	4
Services	80	9

Source: Midwest Research Institute, December 1986. U.S. Department of
Commerce, Bureau of the Census, County Business Patterns, 1984.

TABLE 3

KLICKITAT COUNTY OCCUPATIONS (1980)

	<u>Total</u>	<u>Percent</u>	<u>Male</u>	<u>Female</u>
Executive and Managerial	514	7.5	331	183
Professional Specialty	497	7.3	241	256
Technicians and Related	153	2.2	92	61
Sales	360	5.3	173	187
Clerical	808	11.8	138	670
Service Occupations	1,000	14.6	327	673
Farm, Fish, Forestry	839	12.3	712	127
Precision Production and Crafts	939	13.7	874	65
Machine Operators	618	9.0	426	192
Transport Workers	626	9.2	556	70
Laborers and Helpers	<u>485</u>	<u>7.1</u>	<u>407</u>	<u>78</u>
Total	6,839	100.0	4,277	2,562

Source: Midwest Research Institute, December 1986. U.S. Department of
Commerce, Census of the Population, 1980.

TABLE 4

KLICKITAT COUNTY PORT DISTRICT LOCATIONAL FACTORS
RELATED TO MEDIUM AND LIGHT MANUFACTURING INDUSTRIES

<u>Advantages</u>	<u>Limitations</u>
Timber, lumber, and wood resources	Location
Local agricultural crops and fruits	Distant from markets and population
Abundant, relatively low-cost electricity	Remote from airports of <u>significant size</u>
Adjacent rail transportation	Climate less than favorable
Access to river transportation	Waste disposal limitations
Good, level site for park	Minimal educational opportunities
Recreation, tourism, scenic area	Columbia Gorge National Scenic Area Legislation

Source: Midwest Research Institute, December 1986.

The preferred prospects for attracting tenants to industrial sites are those industries that are experiencing the most rapid growth and expansion in employment and shipments. MRI derived, from Department of Commerce statistics, a list of four-digit SIC code industries that show the highest growth in value added, value of industry shipment, and total employment. The top-ranked industries from this list are presented in the appendix. The list is restricted to those industries posting 5-year growth in value added in excess of 10 percent annually, plus three industries that had 8-10 percent growth in value added accompanied by annual growth in value of industry shipments substantially higher than 10 percent (13-24 percent was typical).

It is anticipated that between 1986 and 1995 the best opportunities for industrial employment will be found in service industries and in manufacture of nondurable goods. A number of these high-growth industrial sectors are not likely to locate plant facilities in less populated or rural areas unless the area can offer unique raw material resources. Examples of such industries include paper, cigarettes, missile and space R&D, wet corn milling, cheese, and hosiery manufacture.

A full-scale target industry analysis was not conducted; however, the industries shown in Table 5 are considered by MRI as good candidates for further analysis and refinement. Industry identification was based on the analysis of the county's existing business structure and resources available to promote industrial development. Port District staff should review both the list of target industries prepared by MRI and the recommendations provided by Pacific Power and Light Company.

TABLE 5

PRIMARY TARGET INDUSTRIES FOR KLICKITAT COUNTY

- 2035 Food specialties (e.g., sauces, pickled products, dressings, flavorings)
- 2099 Vinegar
- 2084 Wine and brandy
- 2082 Malt beverages (mini breweries)
- 2951 Paving mixtures and blocks
Concrete products NEC; burial vaults, irrigation drain, precast slabs for nonbuilding
- 3679 Electronic components NEC; chokes, resistors
- 3678 Electrical connectors, switches, relays
- 3841 Medical instrumentation and equipment
- 3482 Small arms ammunition and cartridge components
- 3449 Miscellaneous metalwork; fabricated rebar, metal buildings
- 3534 Materials handling equipment; conveyors and storage
- 3463 Nonferrous forgings (aluminum)
- 2521 Wood office furniture
- 3944 Games, toys, and children's vehicles
- 3699 Electrical equipment NEC; electric furnaces, Christmas tree lights, etc.
- 3731 Shipbuilding and repair

Source: Midwest Research Institute, December 1986.

C. Industrial Park and Marketing Efforts

The Dallesport industrial park consists of approximately 360 acres of which approximately 40 acres is completely leveled land serviced with a potable water system, rail spur, natural gas, paved roads, and electrical service.

- Existing park businesses are Pellisier Trucking Operation (10-15 employees), BMI storage building, Dalles Cherry Growers (3-5 seasonal employees), R. A. Barnes secondary aluminum recovery process (10 employees), Golden G, Inc., fertilizer application (2 seasonal employees), and S. J. Groves, Inc., for equipment storage and repair (1 full-time employee).
- Dow Chemical Company has purchased 11.5 acres with the intent of building a magnesium reduction factory, but these plans have been put on hold. At present, the land is vacant.
- Approximately 20 acres are available for immediate development. The port also has approximately 300 acres of undeveloped land served with roads that is available for development.
- The industrial park's master plan was originally prepared in 1977 and needs to be updated.
- Septic tanks service the site. It is a Class 10 fire district.
- The Port District's tax rate is .23824 per \$1,000 of assessed valuation based on an assessed valuation in the district of \$222,463,512. Property rental and sales also provide income to the district. In addition, the Port District can issue industrial revenue bonds for new industrial construction.

- A Klickitat County databook prepared by the Klickitat County Planning Department provides data on employment, demographics, economic development and business, utilities, transportation and media, natural resources, government and taxes, land use regulations, public services and facilities, and community profiles.
- Comparative data describing Klickitat's advantages need to be developed for marketing purposes.
- The existing marketing brochure needs to be improved and updated.
- The Port District has just contracted with a firm to develop a video for use in marketing efforts.
- There is no formal development plan, formalized marketing strategy or team, or industry retention program.
- Efforts have recently been initiated to establish linkages with groups outside the area that can provide marketing assistance.
- Financing is limited for business development and expansion. As a result of the depressed economy, banks have become very cautious.
- Several industrial real estate brokers in Portland/Vancouver (whom MRI contacted) were unfamiliar with the area but considered it too far from Portland/Vancouver and too small to provide necessary support services.
- Signage on site is inadequate as well as at the Port District's offices.

D. Community Infrastructure

- There is no area community college to provide vocational technical training or adult learning opportunities.
- The work force is considered to be intelligent and hardworking but to have limited industrial, technical, and professional training.
- Financial resources are available for job training and re-training; however, there are so few jobs in the area that it is done on a one-to-one basis. Many people who receive this training will leave the area.

III. STRATEGIES FOR ECONOMIC EXPANSION

Based on the situation analysis of the area's resources, MRI has identified five areas that need to be developed. These are:

- Organizational
- Finance
- Industry Retention
- New Business Development
- Marketing

A. Organizational Strategies

1. Maintain existing organizational structure of the Klickitat County Port District: MRI's analysis of the Port District's organizational structure and staffing patterns did not indicate any need to change the situation. The Port District board members indicated support for an aggressive marketing program and were confident the existing staff could implement such a program.

2. Consider future possibility of making the Port District a countywide organization: The Port of Klickitat has been given the responsibility of promoting area economic growth through development of its properties, one of which is the Dallesport industrial park. Other port properties have been targeted for retail commercial and tourism development. All of these activities are directed at creating jobs and diversifying the economy. Once the Port of Klickitat has proven itself through continuity of staff and consistent marketing and has earned a track record, then consideration should be given to establishing the district as a countywide organization. Revenue would be increased, and a more comprehensive plan could be implemented.

3. Hold an organizational summit: As previously stated, many organizations in the area are responsible for some aspect of economic planning or promotion. An organizational analysis is outside the scope of this

project, but there certainly is a need for a clearer definition of responsibility. This meeting should define areas of responsibility and identify areas of overlaps and gaps. It should have the support of the Klickitat County commissioners and be mediated by someone "outside" the area so that the meeting will be considered fair and objective. Washington State University Cooperative Extension should be contacted as a source of assistance.

From a prospect's point of view, poor organizational coordination evidenced at an initial visit implies that the community will be no better organized to respond when a problem arises once the business has been established.

4. Participate in all regional development and promotion efforts: Staff and elected officials of Klickitat County must become actively involved in all regional development and promotional efforts. The area must be considered as one economic unit. A new plant in the Dalles will provide jobs for White Salmon residents just as a plant expansion in Goldendale will provide jobs for Dalles residents. An incredible amount of competition exists for industry location or expansion and new business development. It will be even more difficult for Klickitat County and surrounding areas to compete because of their location. This necessitates a cooperative coordinated approach.

This does not imply that the Port of Klickitat should rely only on group marketing efforts. Rather, it should participate in regional efforts. Once a prospect is "sold" on the area, then every effort should be made to entice the prospect to the Dallesport site.

5. Become involved in legislative issues: Port of Klickitat commissioners and staff should become involved in state organizations and lobbying efforts. This will serve two purposes: first, the area will not be overlooked when policy is being made. And second, it is an excellent networking tactic. The more visible an organization is, the more people that are aware of its interest in economic development.

6. Become familiar with and follow state guidelines for industrial development preparedness: State departments of economic development are one of a community's best resources, both for technical assistance and prospects. The more closely activities are coordinated with them, the better. This is especially true for following specific guidelines that have been established for industrial development preparedness.

7. Provide opportunity for training courses in industrial development: To strengthen staff capability, MRI recommends that the port manager participate in industrial/economic development training courses, workshops, seminars, etc. A professional, knowledgeable approach to economic development planning and marketing will increase the port's opportunity for additional development. In addition to the basic foundations of economic development, these courses will provide information on financing and marketing and the new trends. Initially, these courses should focus on industrial development since manufacturing jobs are critical to Klickitat County's economic vitality. It is also a good way to begin networking with other professionals.

8. Conduct a comparative analysis of area strengths and limitations: Industry will locate in the park if it is to their advantage, if they can be more profitable in Dallesport than anywhere else. The Port District staff must be prepared to show industry prospects a qualitative and quantitative analysis of area resources--assets as well as limitations. This analysis should also be used in general marketing activities. Four or five competitive communities should be selected for comparative analysis. Factors reviewed would include:

- Utility rates
- Transportation costs (rail, air, and truck)
- Labor costs
- Education
- Union activity
- Housing
- Cost of living
- Taxes
- Incentives

As stated, factors that show Dallesport at a disadvantage must be included in the analysis. Most business persons already have an idea of a community's competitive advantage, so it is important to be honest. A good economic development plan promotes area assets and seeks solutions to area limitations.

B. Financing Strategies

Financing strategies are becoming increasingly important as a location determinant. Geographic location, competition from other ports, and passage of Gorge legislation are significant limitations to economic development promotion in Klickitat County. Therefore, the Klickitat County Port District must find a way to give itself the competitive edge. Being a cheaper place to do business can provide this advantage. This section presents a discussion of available financing mechanisms. It is important to remember that creative financing should always be done with fiscal responsibility.

There are a number of financial incentives available to developers and industries, both through legislation at the state level and local actions of various cities and towns across the country. Some are designed to attract new business, while others are suited for expansion or speculative/incubator-type efforts. One type of incentive gives a tax break, while another directly funds equipment and buildings. Two types of financing mechanisms (traditional and creative) are discussed in this section.

Most of the financial mechanisms used in local areas originated in state legislation or federal programs. Local areas need to become familiar with what is permissible under state law and apply for grants under existing federal programs that may provide support for creating loan funds and capitalization efforts. Federal programs offering assistance are the Urban Development Action Grants, the Community Development Block Grants, National Rural Development Loan Fund, and more recently the Department of Health and Human Services Community Development grants. The Local Initiatives Support Corporation (LISC), which is a national organization based in New York City, mobilizes and orchestrates regional foundation and corporate support for community economic development projects. Some areas create financial assistance pools through grants and interest-free loans from national church organizations as well as local and regional religious organizations.

Traditional financing mechanisms through the federal programs and state level programs can be sources of some funding capability for local areas. Traditional funding mechanisms are described in the following paragraphs.

1. Leveraging of public funds: Frequently used financing mechanisms such as the leveraging of public funds (e.g., UDAG and CDBG) can fund multiple projects and recycle funds; however, these funds are diminishing at the federal level and in many instances are used almost solely for larger cities. However, some CDBG allocations have funded economic development projects in rural areas.

2. Small business programs: A number of states have appropriated funds to assist small businesses and have promoted the operation of the SBA efforts. Some of the funding from these programs could be leveraged to assist businesses locating in the industrial parks. The SBA Contractors Program permits loans to contractors for a maximum of 18 months. The SBA Local Development Corporation Law provides the benefits of a low down payment, SBA guarantees, and lower interest rates on loans to small businesses. And the SBA Regular Loans allows making loans up to certain amounts to small businesses. Money is more restricted for this type of loan now.

3. Industrial revenue bonds (IRBs): IRBs, sometimes known by other names, are bonds issued by a governmental entity under legislation that permits certain amounts to be floated for projects. The bonds are issued by the industrial development corporation of either a municipality or, in some cases, a countywide authority. They are tax-exempt, have lower interest rates, and have a per project IRS limitation. The federal authority for this type of financing may soon be withdrawn; limitations are already in place.

Other types of incentives include tax abatement, which is a deduction from tax bill or forgoing of taxes for a period of time, and tax credit, which is a straight tax deduction for various purposes.

The State of Washington provides the authorization for industrial revenue bond financing for various types of projects; however, office buildings, medical facilities, and retail merchandise establishments are not eligible. The state also provides services for industrial development in several ways but in a much more limited fashion than many other states. Tax incentives for industry tend to be somewhat more limited also. Washington does not provide tax exemptions on land and capital improvements, nor on equipment and machinery. Accelerated depreciation on industrial equipment allowed in a number of states is not permissible in Washington. Sales tax and use tax exemption, another common tax incentive for encouraging new equipment purchase, is not allowed in Washington.

Overall, Washington offers fewer tax incentives than many other states and has a somewhat limited use of IRBs. In overall assistance to industry through various financial incentives, Washington is one of the more restricted states.

There are also a number of other ways in which state laws permit incentives, usually through tax credits of some type, to encourage business. Many states have implemented exemplary programs.

Colorado's enterprise zone program proposed to have six of the zones located in rural areas. Incentives in the zones would include annual sales tax exemption on up to \$3 million worth of equipment purchases or building costs, investment tax credits, and income tax credits of \$500 for each newly created job.

Virginia has a working capital loan guaranty program to help small business owners obtain badly needed operating funds. The program provides a 50 percent guaranty of a bank loan up to \$50,000 for a maximum term of 36 months to businesses with less than 250 employees and fewer than \$10 million in annual sales or \$2 million in net worth.

Minnesota Power Company proposed to cut large companies' rates to encourage firms to extend their contracts. The lowered rates could save the companies \$20 million a year and will help stabilize the northeastern

Minnesota communities. The decline in domestic steel production lessened demand for power, thus prompting the company's action.

Minnesota repealed 10 percent surcharge on personal income tax, which returned \$325 million in tax relief to residents in 1984. The \$950 million tax reduction in 1985 reduced personal income taxes an additional 17 percent. These two reductions on personal income, combined with business assistance programs of targeted financial and tax incentives, have assisted in bringing about an overall improvement in Minnesota's economic picture. There have been 203 business expansions, combining \$17.6 million in public funds with \$182 million in private sector financing. An estimated 21,000 jobs were created or retained through these various efforts.

Mississippi has created a development bank that loans money to municipalities and districts. The development bank can issue bonds to finance the loans to the local areas.

And, Missouri has a provision for income tax credits of \$75 for each \$100,000 in new investment and \$75 for each new job created along with customized job training programs. These incentives helped attract the Japanese firm, Optic Dai-ichi Denko, which will build a magnetic wire plant in Mexico, Missouri. The plant is expected to create 50 jobs in the first 2 years.

The staff and commissioners of the Klickitat County Port District must become aware of what other states are doing and become involved in state lobbying for legislative changes if needed.

4. City vested interest: This unique method for assisting businesses provides the land and facilities to a company while the government retains ownership, much as the industrial park concept may provide. However, if a company wants to buy the land and buildings, the city or other government entity will transfer the title in return for stock in the company. The city can receive some funds to reinvest in other projects through this arrangement and divest itself of property it does not want to own.

5. Leaseback: This is a transaction whereby the buyer of real property leases it back to the seller, thus providing working capital for the seller. A variation of this is being explored in some areas where public bodies are transferring title to a private corporation and then leasing back the facility. The private corporation assumes the improvements and can float bonds and make investments without the restrictions imposed on public bodies. Another variation of ownership/lease is where the potential occupant constructs a building to his specifications, then sells the structure to developers, and then leases it back at an agreed-upon price. The developer makes a profit; the occupant has a building built to his specifications without tying up his working capital.

6. Lease-purchase: This is a transaction where a lessee may at some time purchase property being occupied under lease. Some arrangements allow rental or lease payments to apply toward the purchase price.

7. Percentage lease: This is the lease of a property in which rental is based upon volume of sales on the leased premises.

8. Direct transfer of ownership: This is a transfer of ownership of a publicly funded facility to a private sector organization. Some school districts have transferred buildings to private corporations for \$1; some governmental entities have transferred facilities to private ownership so that a profit-making operation can assume control and bring the necessary components into active roles in making a success. For an industrial park this might mean a corporation would assume control of the land and buildings in terms of ownership; however, the marketing, all development, and costs would also move to the corporation. Most corporations have the staff and the knowledge to market successfully. They also can delay the return of their investments or absorb initial losses more easily than public bodies.

9. Tax increment financing: This mechanism has been used extensively in some areas and is increasing in use across the country. In most instances the funds can be used for general infrastructure improvement as well as facility and land improvements for local employers. The financing

of redevelopment projects in blighted areas is supported by making bond payments in an amount equal to the tax bill for the total property valuation in lieu of taxes. There is a maximum number of years attached to this type of tax payment. The extent to which this financing mechanism can be used should be determined.

There are numerous examples of successful and creative ways to get funding, promote business, and turn a community around. Members of the financing committee need to investigate the possibilities and learn from other successful ventures such as those listed in the following.

The Northern Community Investment Corporation located in St. Johnsbury, Vermont, was formed in 1975 as a private, nonprofit corporation to help develop six rural, impoverished counties of Vermont and New Hampshire. Originally, the majority of the investment capital was received from the Community Services Administration. Since 1981 over \$4 million has been received from the Discretionary Grant Program of the Department of Health and Human Services. Financing also has been obtained from other federal sources and local municipalities. Initially the corporation was primarily involved in equity investment activity; now its role is primarily that of a venture capitalist, providing a range of financial services together with management and technical assistance to increase the potential for success of its investments. Today the corporation has a net worth of \$8 million and has generated or sustained 1,461 jobs.

Impact Seven, Inc., was created in 1970 by a group of residents in rural northwestern Wisconsin to offset the lack of manufacturing and overall business opportunities. In one case, Impact Seven wrote and administered a \$270,000 Community Development Block Grant application for the Cumberland community to improve housing opportunities. The grant allowed for the acquisition of blighted property in the downtown area, demolition of unsuitable existing structures, relocation of the site for construction of a 40-unit apartment complex for senior citizens as well as renovation and repair work for low- and moderate-income homeowners. The organization's programs include efforts to locate labor-intensive business ventures and the provision of technical services to small businesses in addition to housing programs.

Its business development division concentrates on venture capital investments, fixed assets financing, industrial development, and technical assistance to area businesses. Impact Seven estimates its business investment and lending activity have created 746 jobs, with another 721 jobs created by its other programs.

Impact Seven has acquired a newly constructed engineering building for Cray Research, Inc., through a wholly owned subsidiary, Impact Properties, Inc. The building was acquired through a purchase leaseback arrangement with Cray Research. This arrangement allowed Cray Research to continue expansion at its location and increase its staff.

The Mountain Association for Community Economic Development in central Appalachia formed the Rockcastle Lumber Company in 1984 as a joint venture with a father-son team, each of whom has 30 years' experience in the small sawmill business. Rockcastle serves as market manager for small sawmills in the area and provides technical assistance to area sawmills. Over 20 small mills benefit from this effort with at least 40 new jobs created in the first 3 years of the program. Rockcastle Lumber Company also operates as a business itself and expects to add employees to its current staff of 40. The company was capitalized with equity funded by a venture capital grant from the U.S. Department of Health and Human Services and through a capital grant from the Mott Foundation, other investments, and from the Local Initiatives Support Corporation.

The Southern Cooperative Development Fund, headquartered in Lafayette, Louisiana, is a widely recognized development bank that finances small cooperative businesses to help them become viable enterprises. It also technically assists small, struggling businesses in areas such as management and accounting training. In addition to providing venture capital, the development organization also has a Rural Development Loan Fund Program that can directly help very small, low-income rural businesses. There are public sector supporters through the Health and Human Services federal department and private sector supporters through several corporations.

The Corporation for New Enterprise Development, founded in rural Natchitoches, Louisiana, came to the aid of Colvin, Inc., a soybean seed cleaning facility, when the original owner declared bankruptcy because of illness. The Corporation, along with a local financial institution and several individuals, formed a company to own and operate the almost-completed plant. They sought permanent financing to finish the plant, and it has become a viable venture. The organization has recently been involved in assisting two new industries raise financing through the Louisiana Industrial Development Bond Program. The Corporation's own loans have totaled over \$300,000 and have assisted in the creation or retention of about 100 jobs. Board members are all skilled; a banker, a lawyer, and an accountant serve on the board.

The Economic Development Corporation of Shasta County, California, exemplifies an organization with strong leadership. The director started with an intensive campaign to prepare the community before new investment was attempted. Relationships with local banks and business leaders were cultivated. After a 2 1/2-year lead-up time, \$250,000 worth of no-interest, nonguaranteed 15-year notes were sold to local residents and businesses. This money was supplemented with an EDA grant, and the first phase of an industrial park was built. While some of the credit for the success of the park, which has 60 tenants and 1,200 employees with more than \$12 million in sound loans, must be attributed to the area's natural potential as a regional center, the careful planning, vision, and commitment of local business played a significant role.

Another innovative funding approach is used by the Maine Development Corporation, which solicits annual contributions from corporations, towns, and other public and private entities, who in return for their contributions become voting members of the foundation. This is a statewide effort but can be replicated locally.

It is critical that staff and commissioners of the Klickitat County Port District become thoroughly knowledgeable about each of these financing mechanisms, have a financial incentive plan in place, and be willing to use the incentives.

C. Existing Industry Retention and Expansion

Emphasis must be put on retaining and expanding existing industries. Approximately 70 percent of all new industrial jobs are created from existing industry, and in many communities existing industry programs take priority over recruiting new industry. Other reasons why a retention and expansion program is important are:

- Successful existing businesses are the best marketing tool a community has to attract new business. Local plant managers can speak from experience about the community as a place to do business.
- It usually takes less money to help an existing business expand than it does to recruit a new business.
- The chances of successfully helping an existing firm are greater than attracting a new firm because of the intense competition of new industry recruitment.
- An aggressive retention and expansion program is a good way to show the community is pro-business.
- The closing of a business and the corresponding loss of jobs devastates a community's morale.

MRI recommends that the community establish an existing industry retention and expansion program. The importance of a retention and expansion program has already been discussed. The model approach for this has been developed by the Ohio Cooperative Extension Service - The Ohio State University. A complete educational program explains the approach including video cassettes that can be rented. Basic steps are:

- Identify volunteers who are willing to participate in industry interview visits. Volunteers should be highly respected members of the community.

- Train volunteers. The Ohio Cooperative Extension Service program has been suggested, but if a similar program is available through the Washington State Department of Economic Development, it would also be appropriate. Stress the importance of keeping findings confidential.
- Conduct interviews. Explore linkages that could be developed with existing industry and import substitution possibilities.
- Analyze results.
- Respond to problems that have been identified or to possible linkages that could be further developed.

D. New Business Development Strategies

Despite the growing importance of industry retention and expansion, communities still prefer attracting new industries to create jobs. The reasons attracting new business and industry is so important are:

- A new establishment is very visible--announcement in the local paper, groundbreaking, a new building, new people, etc.
- New industry can help diversify the community's economic base and provide different types of jobs.
- New industry attraction is the established approach to job creation with large sums of money being spent by state governments and private businesses such as railroads and utilities.

To attract new businesses, a community must create a climate that promotes development. One way is to provide a program that allows small businesses to develop and engage in a marketing program so that those outside the area realize Klickitat County wants to grow. Section E, Marketing Strategies, presents specific tasks that must be undertaken by marketing. The following describes how Klickitat County can create a pro-business climate and suggests ways to assess the potential for incubator development.

1. Create a climate that fosters business development: The word must go out that Klickitat County is pro-business and wants additional development. The county's industry expansion and retention program, coupled with the marketing strategies in the next section, play an integral role in this effort. Other ways in which this climate is established are:

- Working with the prospective business in cutting through the "red tape" that is associated with establishing a business.
- Offering financing incentives that are more attractive than other communities (while at the same time maintaining fiscal responsibility).

- Providing and maintaining needed infrastructure.
- Supporting the retention and expansion of existing industry.
- Having the general community show its support for business development.

2. Assess potential for incubator development: A development in the ongoing search for innovative approaches to industry expansion and job creation is the small business incubator. Small businesses, particularly new start-ups, often have difficulty competing in today's marketplace. Forced to spend most of their human and financial resources on staying afloat, they cannot direct energies toward innovative processes, research and development, skill training, or other need areas. The purpose of the incubator is to provide facilities and services to these vulnerable businesses, creating a "safe" environment for them to become established and decrease the chances of failing.

Communities with particular needs are becoming more active in the development of small business incubators. By creating and supporting an incubator, a community can accomplish many of its economic development goals, including:

- Promote businesses in industries that have been targeted as promising candidates.
- Provide industries that are necessary manufacturing or service linkages for existing industries.
- Activate or retrain local labor skills that are not used.
- Retain or foster innovative businesses and ideas that might otherwise leave the community.

- Generate activity in unused space, such as vacant warehousing, office buildings, or industrial parks.

In practical application, the small business incubator takes almost as many forms as there are facilities. Success stories exist for urban, suburban, and rural communities; for growing as well as declining areas; for firms in emerging and well-established fields; for light and heavy manufacturing, service, and distribution industries.

Incubators fall into three categories. The public--not-for-profit incubator is sponsored by government and nonprofit corporations. Their primary interest is in creating jobs. They are also concerned with economic diversification, tax base expansion, building rehabilitation and reuse, creating positive development image, and securing income to sustain the organization.

Private incubators are run by venture and seed capital investment groups or by corporations and real estate development partnerships. They are primarily concerned with high economic reward for investment in tenant firms, new technology applications, and added value through development of real estate.

And finally there are academic-related incubators. They share some of the preceding concerns with the added responsibility of faculty research. New firms by alumni, faculty, and associated groups create employment/consulting opportunities and help attract quality researchers.

No matter what type of incubator it is, all business incubators should have three key components. Entrepreneurs should be located physically near each other so that they may benefit from each other's knowledge and experience. Incubators should have access to shared, centralized services, commonly required by all tenant businesses because shared services reduce the working capital needs of start-up businesses. And, incubators should offer their tenants common business assistance services such as plan development, financing, and marketing assistance.

And, incubators must always share one of two goals, either job creation or generation of income. Those incubators with the first of the goals focus on labor-intensive tenants, resulting in increased employment opportunities. Those with the latter goal focus on getting a return on investments through rental income, royalties on new products, equity in tenant's company, or consulting fees.

To a large extent, the ultimate success or failure of an incubator will rest upon the planning process rather than the external structure of the incubator. The planning process for such a facility is an extensive one, requiring a well-considered, long-term approach and substantial background analysis and preparation. There are, however, five basic steps to the process:

1. Determine objectives and feasibility of facility: The most successful incubators are those that meet specific objectives of the plan. For a community, those objectives usually center around predetermined economic development goals--job creation, tax base expansion, building reuse. Tenant businesses must supply the required jobs, provide the appropriate services to other existing firms, or otherwise fit with overall economic development goals of the community. If the incubator is not meeting those needs, the community may be creating an ongoing problem, rather than solving one.

2. Develop operating plan: Once an objective has been defined and the feasibility determined, a specific operating plan must be developed. Such a plan in general will cover the same basic elements of any management plan such as legal considerations, organizational structure, responsibilities of Board of Directors or other similar entity. Since it applies to the incubator case, the management plan should identify:

- Criteria for tenant selection and development of application processes (tenant selection must be made by persons knowledgeable about business operations and existing incubator tenants).

- A guide for the daily management of facility.
- The tenant services to be offered.
- The policies for the graduation of tenant firms out of facility.
- The financial involvement of incubator with tenant firms.

Incubator management will ask to see operation plans from all prospective tenants. This aspect of the screening process is certain to help management choose the most viable applicant. But it will also motivate the incubator management to create their own clear-cut practical plan and better determine which business will harmonize best with their own.

The daily management of the facility is one of the more integral parts of the management plan. The ultimate success of the facility often depends on this factor above all others. If the Board of Directors is not involved in daily management, it is crucial that the staff understand the purpose of the incubator, can support it, and are effective in promoting and marketing the facility.

3. Identify funding needs and resources: Funding considerations for the incubator range from predevelopment costs, operational costs, and funding services for the tenants. While funding appears as a major obstacle to many, generally a variety of sources are available.

Funding can be obtained from within the local community, either through public or private sources. The small business incubator is both a private investment and an investment in the community. Contributions can also be made with in-kind services or resources. Federal funding is also available from a variety of sources, including EDA grants and Community Development Block Grants.

4. Determine physical requirements of the facility: The structure and layout of the facility should be determined by the types of firms that will locate there and the services they will require. If a facility already exists, the tenants may be selected to fit the facility. But even in this case, it is advisable to review the structure to ensure that all requirements are met. Transportation access, loading dock facilities, utility and communication connections, laboratory facilities, environmental controls, and security may be needed, and should be of the quality and type required by the tenant.

5. Identify and involve appropriate people: The single most important element of a successful incubator is people--of the quality and quantity needed. The incubator manager and staff, as mentioned earlier, are keys to the ongoing success. But, it is also important that individuals who can provide ongoing support to the tenant firms be available, such as lawyers, accountants, marketing specialists, engineers, and scientists. Representatives from area educational institutions can also provide assistance. And, community leaders provide support and bring credibility to the incubator. Local and state economic development staff should recognize the facility as another tenant referral source as well as provide ongoing assistance.

A small business incubator is not an easy solution for a troubled community or a problem site. With careful planning, however, it can instigate home-grown industrial expansion that might not otherwise occur. To increase the chances for success, a comprehensive review of the current trends in small business incubators should be made. A wide variety of references and resources are available; a sampling is included in Appendix D.

The Klickitat County Port District should immediately evaluate the potential of a business incubator. Products that have a "tie-in" to area recreation development may be good candidates for incubator development.

E. Marketing Strategies

Marketing strategies for the Klickitat County Port District have been based on the assumptions that a commitment has been made to promote the Dallesport industrial park as a site for industrial development. The port will be involved in regional efforts, and the aggressive, positive attitude will continue.

Several components of the marketing strategy must be available to make it work. The most important factors are the site, target industries, marketing, materials, implementation, linkages, and financing.

Table 6 shows the specific steps that must be taken. Chapter IV, Action Plan, provides information on responsibility and time frame for each task.

TABLE 6

MARKETING STRATEGIES

1. Site
 - a. Enforce existing restrictions and covenants.
 - b. Protect against vandalism.
 - c. Respond quickly to problems that may arise with existing tenants (i.e., trash, safety, code enforcement).
 - d. Consider future possibility of extending utility services (water and electricity) to the Port's dock sites to allow for further development.
 - e. Update Master Plan.
 - f. Do limited landscaping with low-maintenance (drought-resistant) trees and shrubs.
 - g. Consider moving S. J. Groves, Inc., equipment storage to a less visible part of the park.
2. Target Industries
 - a. Review industry targets identified by Columbia River Gorge Marketing, Pacific Power and Light, and MRI.
 - b. Conduct research on preliminary target industries. Use Washington and surrounding states as a base to determine number of firms, employment, average number of employees, etc.
 - c. Match local resources with industry requirements.
 - d. Select those industries which have the best potential for locating in the area.
 - e. Identify specific companies.
3. Marketing Materials
 - a. Construct larger more visible sign at park entrances (including telephone number and contact agency).
 - b. Place signs on U.S. 197 in both directions indicating entrance to park. Also, place signs on State Highway 14.
 - c. Place billboards advertising park on I-84.

- d. Place a sign to indicate Port of Klickitat offices.
- e. Prepare comparative business statistics.
- f. Prepare locational advantage data for targeted industries.

4. Implementation

- a. Contact each business industry in Klickitat County every 6 months to identify problems, assess where the Port could be of assistance, and identify industrial linkages.
- b. Contact trade associations for target industries to get on their mailing list so as to be knowledgeable of latest industry trends and dates and location of trade shows.
- c. Attend four (4) trade shows a year.
- d. Plan two (2) marketing trips each year based on interest from trade shows and origination of prospects.
- e. Use local festivals and sports and tourism events as an opportunity to market industrial development.
 - Sponsor a booth or set up a booth to distribute marketing material.
 - Consider holding an event of some kind in the park so that people become familiar with it.
 - Distribute marketing materials at all recreation/tourism meetings, conventions, shows, etc.
- f. Sponsor an industry appreciation dinner/luncheon.
- g. Request a simulated prospect visit. This can be arranged through the state, railroad, utility companies, or the Washington Professional Developers Association.
- h. Train all people who could be a prospect's first contact in the county (chamber of commerce, county commissioners and staff, other economic development organizations).

5. Linkages

- a. Be visible--be involved.
 - Develop linkages with utility companies and railroads.
 - Develop linkages with state of Washington Department of Economic Development.
 - Join professional developers association.

- b. Identify realtors in the Portland/Vancouver area who handle industrial property; make a personal contact and provide them with brochures, site maps, etc.
6. Financing
- a. Continue to seek additional revenue sources through development of a countywide Port District.

IV. ACTION PLAN

The following action plan shows each strategy and its specific tasks with the identification of the person or groups responsible for implementation and the time frame in which implementation should occur.

ACTION PLAN

<u>Strategies and Tasks</u>	<u>Responsibility</u>	<u>Time Frame</u>
A. Organizational Strategies (pages 25-28)		
1. Maintain existing organizational structure.	1. Klickitat County Port District Commissioners	1. Ongoing
2. Consider future possibility of making the Port District a countywide organization.	2. Port District commissioners; Klickitat County Board of Supervisors	2. January 1988
3. Hold an organizational summit.	3. Klickitat County supervisors with assistance from Washington State University Cooperative Extension or State Department of Economic Development	3. March 1987
4. Participate in all regional development and promotion efforts.	4. Staff; Klickitat County Port District Commissioners	4. Ongoing
5. Become involved in legislative issues.	5. Staff; Klickitat County Port District Commissioners	5. Immediately
6. Become familiar with and follow state guidelines for industrial preparedness.	6. Staff	6. February 1987
7. Provide opportunity for staff to participate in training courses.	7. Klickitat County Port District Commissioners	7. Immediately
8. Conduct a comparative analysis of area strengths and limitations.	8. Staff with assistance from Washington State University Cooperative Extension and State Department of Economic Development	8. May 1987
B. Financing Strategies (pages 29-36)		
1. Become knowledgeable about State of Washington incentives and financing mechanisms	1. Staff	1. Ongoing
2. Become familiar with traditional financing mechanisms.	2. Staff	2. February 1987
3. Identify creative financing mechanisms.	3. Staff	3. March 1987
C. Existing Industry Retention and Expansion Strategies (pages 37-38)		
1. Establish a countywide industry retention and expansion program.	1. Staff	1. April 1987
D. New Business Development Strategies (pages 39-44)		
1. Create climate which fosters business development.	1. All organizations	1. Immediately
2. Consider development of an incubator program.	2. Staff; Klickitat County Port District Commissioners	2. September 1987

(CONTINUED ON NEXT PAGE)

ACTION PLAN (Continued)

Strategies and Tasks	Responsibility	Time Frame
E. Marketing Strategies (pages 45-48)		
1. Site		
a. Enforce existing restrictions and covenants.	a. Staff; Klickitat County Port District Commissioners	a. Ongoing
b. Protect against vandalism.	b. Area law enforcement officials	b. Ongoing
c. Respond quickly to problems that may arise with existing tenants (i.e., trash, safety, code enforcement).	c. Staff	c. Immediately
d. Consider future possibility of extending utility services (water and electricity) to the Port's dock sites to allow for further development.	d. Staff; Port District engineer; Klickitat County Port District commissioners	d. September 1988
e. Update master plan.	e. Staff; Klickitat County Port District Commissioners	e. January 1988
2. Target Industries		
a. Review industry targets identified by Columbia River Gorge Marketing, Pacific Power and Light, and MRI.	a. Staff	a. February 1987
b. Conduct research on preliminary target industries. Use Washington and surrounding states as a base to determine number of firms, employment, average number of employees, etc.	b. Staff	b. March 1987
c. Match local resources with industry requirements.	c. Staff	c. April 1987
d. Select those industries which have the best potential for locating in the area.	d. Staff	d. May 1987
e. Identify specific companies.	e. Staff	e. June 1987
3. Marketing Materials		
a. Construct larger more visible sign at park entrances (including telephone number and contact agency).	a. Staff; Klickitat County Port District Commissioners	a. Immediately
b. Place signs on U.S. 197 in both directions indicating entrance to park. Also place signs on State Highway 14.	b. Staff; Klickitat County Port District Commissioners	b. Immediately
c. Place billboards advertising park on I-84.	c. Staff; Klickitat County Port District Commissioners	c. Immediately

(CONTINUED ON NEXT PAGE)

ACTION PLAN (Continued)

Strategies and Tasks	Responsibility	Time Frame
d. Place a sign to indicate Port of Klickitat offices.	d. Staff; Klickitat County Port District Commissioners	d. Immediately
e. Prepare comparative business statistics.	e. Staff	e. March 1987
f. Prepare locational advantage data for targeted industries.	f. Staff	f. July 1987
4. Implementation		
a. Contact each business industry in Klickitat County every 6 months to identify problems, assess where the Port could be of assistance, and identify industrial linkages.	a. Staff	a. Immediately
b. Contact trade associations for target industries to get on their mailing list so as to be knowledgeable of latest industry trends and dates and location of trade shows.	b. Staff	b. July 1987
c. Attend four (4) trade shows a year.	c. Staff	c. July 1987-Ongoing
d. Plan two (2) marketing trips each year based on interest from trade shows and origination of prospects.	d. Staff	d. July 1987-Ongoing
e. Use local festivals and sports and tourism events as an opportunity to market industrial development.	e. Staff	e. Immediately
• Sponsor a booth or set up a booth to distribute marketing material.		
• Consider holding an event of some kind in the park so that people become familiar with it.		
• Distribute marketing materials at all recreation/tourism meetings, conventions, shows, etc.		
f. Sponsor an industry appreciation dinner/luncheon.	f. Local economic development organizations.	f. June 1987
g. Request a simulated prospect visit. This can be arranged through the state, railroad, utility companies, or the Washington Professional Developers Association.	g. Staff	g. Immediately

(CONTINUED ON NEXT PAGE)

ACTION PLAN (Concluded)

Strategies and Tasks	Responsibility	Time Frame
<p>h. Train all people who could be a prospect's first contact in the county (chamber of commerce, county commissioners and staff, other economic development organizations).</p>	<p>h. Staff; economic development organizations</p>	<p>h. Immediately</p>
<p>5. Linkages</p>	<p>a. Staff</p>	<p>a. February 1987</p>
<p>a. Be visible--be involved.</p>		
<p>• Develop linkages with utility companies and railroads.</p>		
<p>• Develop linkages with state of Washington Department of Economic Development.</p>		
<p>• Join professional developers association.</p>		
<p>b. Identify realtors in the Portland/Vancouver area who handle industrial property; make a personal contact and provide them with brochures, site maps, etc.</p>	<p>b. Staff</p>	<p>b. May 1987</p>
<p>6. Financing</p>	<p>a. Staff</p>	<p>a. Ongoing</p>
<p>a. Continue to seek additional revenue sources by making the Port District a countywide organization.</p>		

ACTION PLAN

CHRONOLOGICAL

IMMEDIATELY

- Provide opportunity for staff to participate in training courses.
- Become involved in legislative issues (ongoing).
- Create climate that fosters business development.
- Respond quickly to problems that may arise with existing tenants (i.e., trash, safety, code enforcement) (ongoing).
- Construct larger, more visible sign at park entrances (including telephone number and contact agency).
- Place signs on U.S. 197 in both directions indicating entrance to park; also place signs on State Highway 14.
- Place billboards advertising park on I-84.
- Place a sign to indicate Port of Klickitat office.
- Contact each business/industry in Klickitat County every 6 months to identify problems, assess where Port could be of assistance, and identify industrial linkages (ongoing).
- Use local festivals and sports and tourism events as an opportunity to market industrial development; sponsor a booth or set up a booth to distribute marketing material; consider holding an event of some kind in the park so that people become familiar with it; distribute marketing materials at all recreation/tourism meetings, conventions, shows, etc. (ongoing).
- Request a simulated prospect visit. This can be arranged through the state, railroad, utility companies, or the Washington Professional Developers Association.
- Train all people who could be a prospect's first contact in the county (Chamber of Commerce, county commissioners and staff, other economic development organizations).

1987

FEBRUARY

- Become familiar with and follow state guidelines for industrial preparedness.
- Become familiar with traditional financing mechanisms.
- Review industry targets identified by Columbia River Gorge Marketing, Pacific Power and Light, and MRI.
- Be visible-be involved; develop linkages with utility companies and railroads; develop linkages with State of Washington Department of Economic Development; join professional developers' association.

MARCH

- Hold an organizational summit.
- Identify creative financing mechanisms.
- Conduct research on preliminary target industries. Use Washington and surrounding states as a base to determine number of firms, employment, average number of employees, etc.
- Prepare competitive business statistics.

APRIL

- Establish a countywide industry retention and expansion program.
- Match local resources with industry requirements.

MAY

- Conduct a comparative analysis of area strengths and limitations.
- Select those industries that have the best potential for locating in the area.
- Identify realtors in the Portland/Vancouver area who handle industrial property; make a personal contact and provide them with brochures, site maps, etc.

JUNE

- Identify specific companies.
- Sponsor an industry appreciation dinner/luncheon.

JULY

- Prepare locational advantage data for targeted industries.
- Contact trade association for target industries to get on their mailing list so as to be knowledgeable of latest industry trends and dates and locations of trade shows.
- Attend four (4) trade shows a year (July 1987-ongoing).
- Plan two (2) marketing trips each year based on interest from trade shows and origination of prospects (July 1987-ongoing).

SEPTEMBER

- Consider development of an incubator program.

1988

JANUARY

- Update master plan.
- Consider future possibility of making the Port District a countywide organization.

SEPTEMBER

- Consider future possibility of extending utility services (water and electricity) to the Port's dock sites to allow for further development.

ONGOING

- Maintain existing organizational structure.
- Participate in all regional development and promotion efforts.
- Become knowledgeable about State of Washington incentives and financing mechanisms.
- Enforce existing restrictions and covenants.
- Protect against vandalism.
- Continue to seek additional revenue sources by making the Port District a countywide organization.

APPENDIX

APPENDIX A

COMMUNITY SITUATION ANALYSIS

MIDWEST RESEARCH INSTITUTE/ECONOMIC DEVELOPMENT ADMINISTRATION

COMMUNITY SITUATION ANALYSIS SUMMARY

Port of Klickitat

The following summary highlights Klickitat County's assets and limitations related to their ability to promote economic growth. This information will be used by MRI/EDA in the formulation of a strategic development plan.

	<u>Yes</u>	<u>No</u>	<u>Good</u>	<u>Fair</u>	<u>Poor</u>
Local organization for promoting economic development	<u>X</u>	<u> </u>	<u> </u>	<u>X</u>	<u> </u>
Widespread participation	<u> </u>	<u>X^a</u>	<u> </u>	<u> </u>	<u> </u>
City participation	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
County participation	<u>NA</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
City/county cooperation	<u>NA</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Public and private sector cooperation	<u> </u>	<u>X^b</u>	<u> </u>	<u> </u>	<u> </u>
Adequate funding for development program	<u>X</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Coordination among agencies and organizations promoting job creation	<u> </u>	<u>X^c</u>	<u> </u>	<u> </u>	<u> </u>
Existing plan for economic development	<u> </u>	<u>X</u>	<u> </u>	<u> </u>	<u> </u>
Publicly controlled and developed industrial sites	<u>X</u>	<u> </u>	<u> </u>	<u>X</u>	<u> </u>
Available industrial building	<u>X</u>	<u> </u>	<u> </u>	<u>X</u>	<u> </u>
Marketing materials					
Data sheets	<u>X</u>	<u> </u>	<u>X</u>	<u> </u>	<u> </u>
Site maps	<u>X</u>	<u> </u>	<u>X</u>	<u> </u>	<u> </u>
Brochures	<u>X</u>	<u> </u>	<u> </u>	<u>X</u>	<u> </u>
Film	<u> </u>	<u>X^d</u>	<u> </u>	<u> </u>	<u> </u>
Signage	<u>X</u>	<u> </u>	<u> </u>	<u> </u>	<u>X</u>
Marketing strategy and team	<u> </u>	<u>X</u>	<u> </u>	<u> </u>	<u> </u>
Existing industry assistance program	<u> </u>	<u>X</u>	<u> </u>	<u> </u>	<u> </u>

	<u>Yes</u>	<u>No</u>	<u>Good</u>	<u>Fair</u>	<u>Poor</u>
Business development program	_____	<u>X</u>	_____	_____	_____
Public infrastructure					
Water supply	<u>X</u>	_____	<u>X</u>	_____	_____
Wastewater treatment	_____	<u>X</u>	_____	_____	_____
Electricity	<u>X</u>	_____	<u>X</u>	_____	_____
Natural gas	<u>X</u>	_____	<u>X</u>	_____	_____
Roads and transportation	<u>X</u>	_____	_____	<u>X</u>	_____
Labor availability	<u>X</u>	_____	<u>X</u>	_____	_____
Capabilities for technical skills training	<u>X</u>	_____	<u>X</u>	_____	_____
Cooperation among various providers of job training and retraining programs	<u>X</u>	_____	_____	_____	_____
Labor-management relations	<u>X</u>	_____	<u>X</u>	_____	_____
Community services, facilities, and livability					
Education	_____	_____	_____	_____	_____
Health	_____	_____	_____	_____	_____
Recreation	_____	_____	_____	_____	_____
Appearance	_____	_____	_____	_____	_____
Housing	_____	_____	_____	_____	_____
Police and fire	_____	_____	_____	_____	_____
Dining and lodging	<u>X</u>	_____	_____	<u>X</u>	_____
Financing for business and industrial expansion	<u>X</u>	_____	_____	_____	<u>X</u>

What are Klickitat County's major assets that could encourage economic development?

<u>Developed industrial park</u>	<u>Outdoor recreation opportunities</u>
<u>Large parcel of flat land</u>	<u>Unskilled labor pool</u>
<u>Interstate highway adjacent to industrial park</u>	<u>Availability of support services</u>
<u>Access to Columbia River (dock)</u>	<u>in The Dalles, Oregon</u>
<u>Utilities</u>	<u>Intense interest in promoting</u>
<u>Available financial resources for job training</u>	<u>economic development</u>

What are the most serious problems facing Klickitat County that may hinder the area's economic growth potential?

Location, location, location	Lack of a skilled labor force
Lack of cultural amenities	Lack of regional cooperation
Severe weather problems in winter	

What are the most significant unresolved social issues that may hinder the economic growth potential of Klickitat County?

What is the issue of highest priority facing the area?

Jobs

-
- a Port District--three commissioners.
 - b Little public sector involvement.
 - c Too many players--very confusing.
 - d Port of Klickitat has hired a firm to prepare video--should be completed in 6 months.
 - e Very unskilled-existing industry and job training representatives all were in agreement as to work force's positive attitude toward work.
 - f Area has adequate money to train; however, there are no jobs or on-the-job training opportunities; "export" their trainees.
 - g There is only one organization.

APPENDIX B

INDUSTRIAL SITE EVALUATION SUMMARY

MIDWEST RESEARCH INSTITUTE/ECONOMIC DEVELOPMENT ADMINISTRATION

INDUSTRIAL SITE DATA

COMMUNITY: Klickitat County Port District No. 1 - White Salmon, Washington

1. NAME or other designation of site:

Dalles Industrial Park

2. ACREAGE: 586 acres

3. LOCATION: Dallesport, Klickitat County, Washington

Use and character of land adjoining site: Agriculture

Is land located in a flood plain?

Yes

No

4. ZONING:

a. Zoning of site: M-2 Heavy Industrial

b. Zoning of adjacent properties: AF - (Ag.) and M-2 (Heavy Industrial

c. Difficulty in obtaining zoning change: Not required for Industrial Use
Down zone for Commercial easily

d. Community long-range plan is compatible with park plan, i.e.,
land use, highways, service, etc.: Yes

5. OWNER/MANAGEMENT:

a. Present owner (name and address) Klickitat County Port District No. 1

b. Option held by development company: None

c. Type of option: _____

d. Option expires: _____

e. Manager: Brian Shortt, Klickitat County Port District Manager

f. Maintenance requirements: Water system, road system, rail spurs

6. COST:

- a. Per acre (developed): Varies with rail and other services up to
\$25,000/acre
- b. Total (developed): Approximately 20 acres that are not currently
leased
- c. Per acre (undeveloped): Varies with size, location - \$3000 - \$5000/
acre
- d. Total (undeveloped): Approximately 300 acres unsold and available

7. ENGINEERING ISSUES: one major draw north to south behind boat company

- a. Gentle topography (3-5% slopes) Yes No
- b. Soil is suitable for building
(test being conducted) Yes No
- c. Land is primarily dry with adequate
site drainage Yes No

8. UTILITIES:

Location, capacity, and supply of each utility is adequate to support the park:

- Water Yes No
- Gas Yes No
- Electricity Yes No
- Sanitary Yes No
- Storm drainage system Yes No

If utilities are not at the park, the cost to extend to the site:

Water: _____

Gas: _____

Electricity: _____

Sanitary: Require full treatment plant and collection system - \$1 M.

Cost of utilities to operate: _____

Water: \$0.80/1000 gal. normal potable use - special rate for high user

Gas: Northwest Natural Gas Co., 309 E. 2nd St., The Dalles, Oregon -
rate schedule depends on usage

Electricity: 0.038/kwh. \$1.50/mo. demand over 50 kw.

9. TRANSPORTATION:

- a. Roadway access to site (designation of location):
U.S. Highway No. 197
 - (1) Type of road: Washington State Highway
 - (2) Surface: Paved
- b. Cost of providing road access if not yet available:
\$N/A
- c. Distance of site from major highway access: Abuts U.S. Highway 197 -
1 mile to Interstate I-84
- d. Name of railroad adjoining site: B.N.
 - (1) If no railroad adjoins site, name of railroad within
1 mile and accessibility to site: _____
 - (2) Cost of providing spur to site: \$ on site
- e. Navigable waterway adjoining site: Columbia River
 - (1) If no navigable waterway adjoins site, name of waterway within
1 mile of site: _____
 - (2) Barge dock available: Yes
- f. Commercial airport serving site: No
 - (1) Distance: _____
 - (2) Airlines serving airport: _____
- g. Municipal or other airport(s) serving site: City of The Dalles Airport
 - (1) Distance: 2 miles
 - (2) Type and length of runway: 3 paved. 2 @ 4000 ft.; 1 @ 4400 ft.

10. IMPROVEMENTS ON SITE:

- a. Industrial buildings: Yes No
- b. Who owns: Klickitat County Port District #1
- c. Other improvements to site: Paved road system, rail spurs, water supply, storage and distribution system
- d. How was building financed: Revenue bonds and EDA grant funds

11. TAXES:

- a. * On land: Klickitat County \$11.6385/\$1000 @ 100% true value
- b. On improvements: Klickitat County
- c. On inventory: Depends on whether trans shipped out of state (none) or not
- d. Abatement policy: Advantages for new business. Port-owned land and improvements exempt. State of Washington charges a floating percentage rate app. 10-12% on leases of exempt property and improvements based upon lease rate.

12. REGULATORY ISSUES:

Land is free from extraordinary permit/ approval requirements affecting park development; i.e., waste disposal, plan review, environmental, etc. Yes No

If No, what are problems?

Must meet State of Washington Department of Ecology Regulations.
Exempt area of Columbia Gorge Scenic Area.

13. COVENANTS/RESTRICTIONS:

Yes No

If yes, what are they?

- 1. Klickitat County Port District development standards.
- 2. Living residences on site prohibited.
- 3. Acquiring deed from U.S. Army Corps of Engineers has restrictions to industrial and accessory use only.
- 4. River frontage area must remain in Port ownership.

14. MARKETING MATERIALS:

Recent fact sheet (within 1 year): (CIPS)	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Brochure:	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
date published: _____				
Signs:	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
well-maintained:	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Film/video:	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
date completed _____				
Site maps:	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
date <u>1985</u> _____				

APPENDIX C

HIGH GROWTH INDUSTRIES

HIGH GROWTH INDUSTRIES

(Ranked by Annual Growth Rate in Value Added, 1980-1985)

3769	Missile and Space Parts R&D
3679	Electronic Components NEC
3832	Optical and Analytical Instruments
3533	Oil Field Machinery
3795	Military Tanks
3568	Power Transmission Equipment NEC
3573	Computers and Auxiliaries
3324	Steel Investment Castings
2831	Biological Products
3674	Semi-Conductor Devices
3841	Medical Instruments and Equipment
3825	Testing and Measuring Equipment
3483	Ammunition and Small Arms
3955	Carbon Paper and Ribbons
2879	Pesticides and Ag Chemicals
3693	X-Ray Equipment
2131	Chewing Tobacco
3842	Medical Appliances and Supplies
3678	Connectors
2522	Metal Office Furniture
3482	Small Arms Ammunition
3662	Communications Equipment Except Telephone
2843	Surface Active Agents
2111	Cigarettes
3728	Aircraft Parts
3449	Miscellaneous Metalwork, Rebar, and Metal Buildings
3724	Aircraft Engines and Parts
2752	Commercial Lithographic Printing
3534	Materials Handling Equipment
3574	Calculators and Accounting Equipment
2771	Greeting Cards
2387	Apparel and Leather Belts

2017	Poultry and Egg Processing
2754	Commercial Gravure Printing
3823	Process Instruments, Controls
3463	Nonferrous Forgings (Al)
2647	Sanitary Paper Products
3761	Missiles and Spacecraft
2397	Schiffli Embroideries
2046	Wet Corn Milling
2099	Food Products NEC, Potato Chips, Vinegar
2082	Beer and Other Malt Beverages
2521	Wood Office Furniture
2251	Female Hosiery Except Socks
2599	Miscellaneous Furniture and Fixtures
3944	Games and Toys and Children's Vehicles
2642	Envelopes
3952	Lead Pencils and Crayons
3586	Measuring and Dispensing Equipment
2361	Children's and Girls' Dresses
2086	Canned and Bottled Soft Drinks
3699	Electrical Equipment NEC, Electrical Furnaces, Christmas Tree Lights
2761	Business Forms
2791	Typesetting
3731	Shipbuilding and Repair
2841	Soaps and Detergents
2621	Paper
3661	Telecommunications Equipment
3644	Non Current-Carrying Wiring Equipment
3489	Other Ordnance (Nuclear Weapons)
3721	Aircraft
2084	Wine and Brandy
3599	Nonelectrical Machinery NEC (Cylinders and Bellows)
2753	Commercial and Engraved Plate Printing
2022	Cheese

2782 Blank Books and Binders
3677 Coils, Transformers, and Chokes
3829 Measuring and Control Equipment
2087 Flavoring Extracts
2795 Lithographic Platemaking
2951 Paving Mixtures and Blocks
2721 Periodicals
2037 Frozen Fruits and Vegetables
2021 Butter
2043 Cereal Preparations
2067 Chewing Gum
3646 Commercial and Industrial Lighting
2833 Bulk Medicinals and Botanicals
2992 Lube Oils and Greases
3861 Photographic Equipment
3569 Miscellaneous Industrial Equipment
2834 Pharmaceutical Preparations
3554 Paper Industry Machinery
3692 Primary Batteries
3622 Industrial Controls
2731 Book Publishing
3269 Ceramic Products NEC
2911 Oil Products (Refining)
3339 Nonferrous Metals NEC, Gold, Precious Metals, Exotic
Metals

APPENDIX D

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Smilor, R. W., New Business Incubators: The American Experience, IC2 Institute, University of Texas, Austin, TX.

Smilor, R. W., and Gill, M. D., Jr., The New Business Incubator: Linking Talent, Technology, Capital, and Know-How, Lexington, MA: Lexington Books, 1986.

Temali, M., "Incubating Business: Good CED Strategy," Economic Development and Law Center Report, National Economic Development and Law Center, Berkeley, CA, pp. 51-55, May/August 1984.

Temali, M., and Campbell, C., Business Incubator Profiles: A National Survey, Hubert H. Humphrey Institute, Minneapolis, MN, 1984.

Weinberg, M., and Erdy, L., "Business Incubator Development in Rural Areas," Ohio University, Political Sciences Department, Athens, OH.

INCUBATOR RESOURCES

U.S. Small Business Administration
Office of Private Sector Initiatives
1441 L Street, N.W., Suite 720-A
Washington, DC 20146

Council for Urban Economic Development
1730 K Street, N.W., Suite 1009
Washington, DC 20006

United States Department of Commerce
Economic Development Administration
14th and Constitution, N.W.
Washington, DC 20230

National Urban Coalition
Community Information Exchange
1120 G Street, N.W., No. 900
Washington, DC 20005

IC2 Institute
University of Texas at Austin
2815 San Gabriel
Austin, TX 78705

National Business Incubation Association
P.O. Box 882
Fairfax, VA 22030

Department of Housing and Urban Development
451 Seventh Street, S.W.
Washington, DC 20410

Development Finance Corporation
1025 Thomas Jefferson Street, N.W.
Suite 400-E
Washington, DC 20007

APPENDIX E

SAMPLE INDUSTRY PROFILE

SIC CODE: 3714

NAME: Motor Vehicle Parts and Accessories

FULL DESCRIPTION: Manufacture of motor vehicle parts and accessories but not engaged in manufacturing complete motor vehicles or passenger car bodies.

PRESENT WASHINGTON BASE: Source: Directory of Washington Manufacturers

KEY FIRMS IN WASHINGTON: Source: Directory of Washington Manufacturers

This industry's primary market is the manufacture and sale of original equipment parts to motor vehicle manufacturers. Replacement parts are a smaller, secondary market. The majority of the more than 2,800 companies producing parts and stampings in the United States are small to medium-sized businesses. The increasing emphasis on cost-reduction and quality improvement by vehicle manufacturers will open up sales opportunities for independent original equipment suppliers with innovative product designs. Also, these improvements will better equip domestic manufacturers to compete with foreign manufacturers in supplying parts to the growing number of Japanese cars sold and produced in the United States.

INDUSTRY PROFILE: (Source: Industry Outlook, U.S. Department of Commerce and F&S Index)

- From 1980 to 1984 auto parts sales increased by 89 percent.
- Imported autos are creating a parts aftermarket that will be worth \$23.9 billion by 1990.

INDUSTRY LINKAGES: Foundries
Plating and anodizing
Fasteners
Air transport
Truck transport
Warehousing
Switching and electrical components
Scrap dealers

Source: Existing business interviews.

INDUSTRY/COMMUNITY CONNECTS AND DISCONNECTS:

Source: Industry specialists, existing businesses, and economic developers.

INDUSTRY ASSOCIATIONS: Source: Directory of Associations

Automotive Parts and Accessories Association
5100 Forbes Boulevard
Lanham, MD 20706
Phone: (301) 459-9110
Julian C. Morris, President

Publications: (1) Report (newsletter), monthly
(2) Membership Directory, annual
(3) Show Directory, annual
(4) Annual Report, etc.

Convention/Meeting: Annual trade show
1986, August 20-22, Atlanta, GA
1987, August 24-26, Chicago, IL
1988, August 29-31, Las Vegas, NV

International Truck Parts Association
7127 Braeburn Place
Bethesda, MD 20817
Phone: (202) 544-3090
Venlo Wolfsohn, Executive Director

Convention/Meeting: Annually
1986, October 23-26, Boca Raton, FL
1987, October 8-11, Litchfield Park, AZ

APPENDIX F

CONTACT LIST

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(doing Port video)

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(509) 773-4612
(County Commissioner)

Mr. Steven Anderson
Klickitat County Planning Div.
County Courthouse
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(509) 773-5703

Commonwealth Aluminum
Mr. Don Bradford, Assistant Manager
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Goldendale, WA 98620
(509) 773-5811

S.D.S. Lumber Company
Mr. Bruce R. Stevenson
Bingen, WA 98605
(509) 493-2155

Mr. Tom Kennedy
Washington State Employment Security
Bingen, WA 98605
(509) 493-1210

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Pellissier Trucking
Mr. Bob Pellissier
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The Dalles, OR 97058
(509) 767-1161

S. J. Groves and Sons
Max McNary (company security)
Head office: 6140 Horseshoe Bar Road
Loomis, CA 95650
(916) 652-9243

R. A. Barnes
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P.O. Box 108
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(509) 493-1467

Mid-Columbia Economic Dev. District
Mr. Keith Sutton, Executive Director
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The Dalles, OR 97058 (503) 296-2266

Columbia River Gorge Marketing
Ms. Mary Harper, Director
P.O. Box 118
Hood River, OR 97031 (503) 386-6262

Klickitat County Public Utility District
Mr. Bob Havig, Engineering
White Salmon, WA 98672
(509) 493-2255

Mr. Bob Blades, Broker
Pacific Rim Brokers, Inc.
Box 1097
White Salmon, WA 98672
(509) 493-1783

Mr. Bob Semmens, Ass't Mgr.
Klickitat Valley Bank
(509) 493-2500