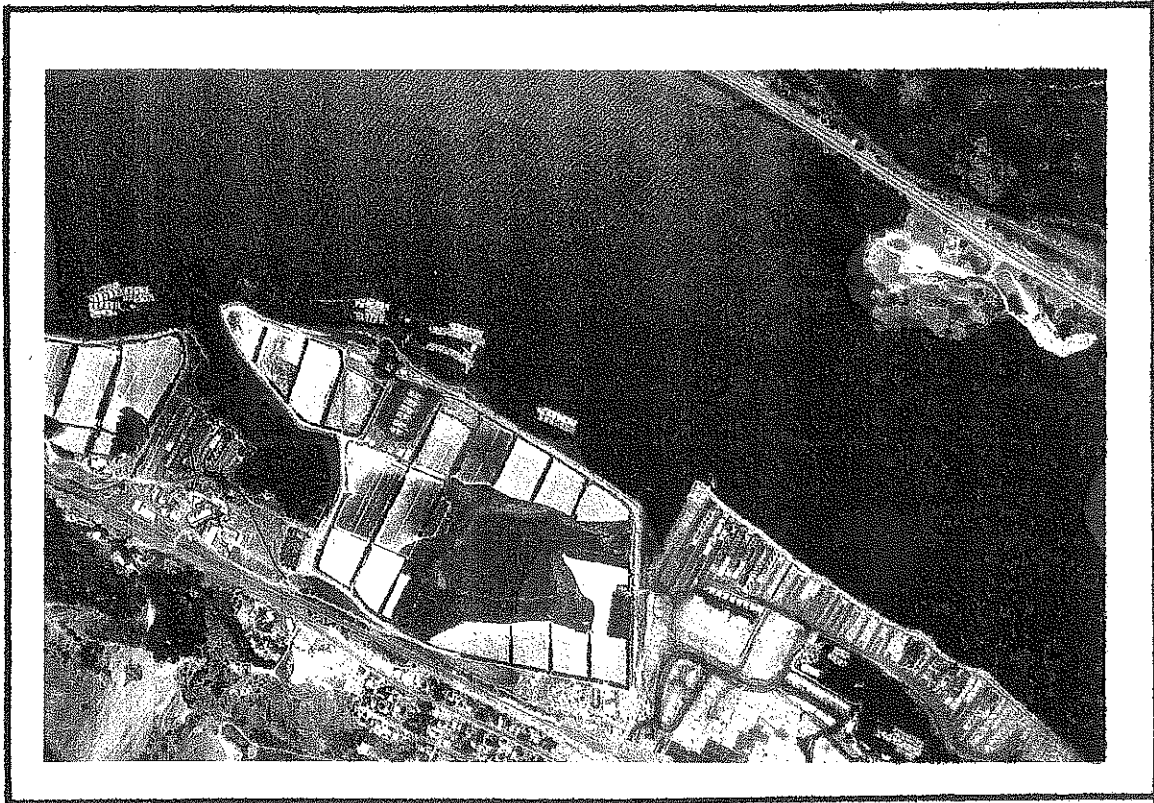


# ECONOMIC DIVERSIFICATION PILOT STUDY AT KLICKITAT POINT



Prepared For The Port of Klickitat, Washington  
& The USDA Forest Service



Prepared By The Leland Consulting Group  
Economic Development & Real Estate Advisors

November 1991



LELAND CONSULTING GROUP  
REAL ESTATE ADVISORS

28 January 1992

Mr. Daniel Spatz  
Acting Director  
CLICKITAT PORT DISTRICT  
P.O. Box 1429  
White Salmon, WA 98672

Dear Mr. Spatz:

We are pleased to transmit 50 copies of the final edition of our report entitled "Klickitat Point Economic diversification Pilot Study."

The project staff for this study included:

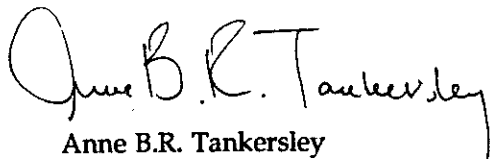
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We would like to thank everyone who contributed to this study. In particular, we would like to give special appreciation to : the members of the Citizen Advisory Group; the Port Commissioners; Brian Short, former Port Director; Art Carroll, James Hulbert and Bill Von Segen of the U.S. Forest Service; Dan Spatz, Acting Director and Dixie Walker, Director of Finance and Administration for the Klickitat Port District.

We have enjoyed working with all of you on this project and look forward to assisting you on future assignments.

Sincerely,

LELAND CONSULTING GROUP

  
Anne B.R. Tankersley  
Senior Associate

  
David C. Leland  
President

Enclosure

# KLICKITAT POINT ECONOMIC DIVERSIFICATION PILOT STUDY

JANUARY 1992

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*This report presents the results of our research for this Economic Diversification Pilot Study for the Klickitat Point property. It is the first step in evaluating the property, its opportunities and constraints. Included within the report is a conceptual plan for the property which illustrates how the property might be developed. The plan communicates ideas about the range of desired land uses and activities as seen by the consultants and the Citizen Advisory Group that worked on the project. It is important for the reader to understand that the conceptual plan will necessarily adjust and be modified as the project is subjected to further planning, financial analysis, review by public agencies and citizens and other factors that will ultimately influence the details of the final plan.*

## EXECUTIVE SUMMARY

This executive summary identifies the principal findings from the "Klickitat Point Economic Diversification Pilot Study."

1. The purpose of this study was to identify a direction for economic development attraction and retention efforts and from this research, to design a development program for the Klickitat Point property.
2. A principle objective for this project was to establish a Citizen Advisory Group to assist in identifying target industries and potential land uses for attraction and development on the property.
3. From the Citizen Advisory Group meetings and discussions, the following Mission Statement and project objectives were developed:

**Mission Statement:** The mission for the Klickitat Point Economic Diversification project is to establish a quality public-private mixed development that provides long-term employment in growth industries, establishes an education and research center for future economic diversification and stabilization, and provides a range of public facilities for the enjoyment of the citizens of Klickitat County and the Columbia Gorge.

Objectives in support of the Mission Statement include:

- Design a comprehensive implementation program that attracts jobs as quickly as possible to replace lost employment in the lumber and wood products industry while planning and training residents for future changes in the economy.
- Address some of the key community needs by providing for a community center, swim center, public park, marina and other facilities that will serve all citizens of the County.
- Establish a leadership role on the part of the Port of Klickitat for local and regional business development and job formation through the establishment and operation of a Columbia Gorge Trade Association at Klickitat Point.



- Maintain a high quality of development at Klickitat Point through careful planning, strong design standards, well conceived operating guidelines and experienced project management.
  - Attract private capital into the Klickitat Point project by providing a quality environment and infrastructure and by identifying profitable business opportunities.
  - Address the needs of the growing senior population in Klickitat County by providing public facilities and programs (i.e., senior activities at a community center and swim center).
  - Encourage spending in Klickitat County by area residents, tourists, etc. through a variety of retail opportunities and quality lodging options.
4. Klickitat Point comprises 103.3 acres of prime real estate located next to the City of Bingen in Klickitat County, Washington within the Columbia River Gorge Scenic Area. This Port-owned property has more than 2,000 lineal feet of waterfront, representing 20 percent of Washington State's developable waterfront lands within the National Scenic Area.
  5. The City of Bingen is located approximately 60 miles east of Portland, Oregon and approximately 220 miles southeast of Seattle, Washington. Both Portland and Seattle are the centers of trade and commercial activity for their respective states. The property's proximity to both of these business centers is well positioned to benefit from potential expansion opportunities within the Pacific Northwest.
  6. The property is accessible via Interstate 84 (I-84), on the Oregon side of the Columbia River. I-84 is a major east/west thoroughfare providing direct access to Portland. The property is approximately 60 miles west of Portland. State Highway 14, an east/west thoroughfare provides access throughout Southern Washington.
  7. The project's primary market area encompasses Klickitat County. The competitive markets -- those which the County is in direct competition for relocating or expanding companies, include Skamania, Hood River, Sherman and Wasco Counties.
  8. Klickitat County, with 16,787 people, maintains a population base similar in size to Hood River, and more than twice as large as Skamania County. The County also has nearly twice the housing stock that Skamania County does and reports a per capita income figure of \$13,003, over Skamania county's \$12,647.
  9. Klickitat County's population tends to be concentrated in the 25 to 44 age group, as is the case with Skamania County. Historical population estimates reflect that a shift in the age distribution from the 16 to 24 group to the 25 to 44 group is indicative of a depleted job supply for area youth.

10. The unemployment rate in Klickitat and Skamania Counties was 16.8% and 22.5%, respectively in 1991. These double-digit unemployment rates reflect the impact of cutbacks in the Timber and Wood Products Industry. The unemployment rates among the Oregon Counties of Hood River, Sherman and Wasco are significantly lower, due to a more diverse economic base within these communities.
11. As a percent of total employment, the largest industry employers in Klickitat County are manufacturing (lumber and wood products), trade, services and government.
12. The "Business and Operating Conditions" among the identified markets, including Klickitat County and the State of Washington provide a competitive environment for new and expanding businesses.
13. As a potential location for new business, the Klickitat Point project offers accessibility to a variety of transportation sources, lower taxes, competitive lease rates and an outstanding quality-of-life.
14. The entire region of the Columbia Gorge, including each of the competitive communities, is serviced by all of the primary modes of transportation. Major air passenger carriers are located at Portland International Airport, approximately 60 miles west of the project.
15. Particularly competitive among the business operating characteristics is the taxing climate in Washington versus Oregon. While imposed tax categories vary among the two states, as do their rates, Washington provides a more favorable tax environment for business and industry.
16. A lack of available industrial land ready for development, or vacant industrial space, throughout the Columbia Gorge presents an important disadvantage to the region when marketing to major industrial users looking for existing infrastructure. An exception to this is the Dallesport Industrial Park. The park has an ample supply of land, paved roads, and is served by water, rail, natural gas and electrical services. However, there are currently a limited number of existing structures, with virtually no vacant space.
17. Many of the Port Districts throughout the Gorge report a 0 to 5 percent vacancy rate within their industrial space.
18. Quality-of-life within the Bingen-White Salmon market represents a critical advantage for attracting new business to the area, particularly urban-based industries seeking a rural location.
19. Quality education programs in the area provide for a favorable quality-of-life. Advanced learning facilities are available to the region, but tend to be located outside the competitive market areas. There are no four-year institutions within either Skamania or Klickitat Counties in Washington, but Ellensburg, Washington and Portland, Oregon provide two and four year programs to residents of both states.

20. In recent years, Washington schools, particularly in the White Salmon School District, have won academic awards for achievement. A recent article in a major Seattle newspaper highlighted the academic achievements of students within the White Salmon School District.
21. Winds, which once were considered a locational disadvantage, now contribute to one of the area's primary industries -- windsurfing. Winds along the Columbia Gorge make the Hood River/White Salmon area North America's boardsailing capital (second only to Hawaii) with sailing conditions ranging from beginner-level to professional.
22. Weather conditions, community efforts to maintain an outstanding educational system and a variety of cultural events throughout the summer and winter months make this an extremely attractive area to both the employed and retirement segments of the community.
23. While the cost and availability of the County's housing inventory is comparable to communities on the Oregon side of the river, taxation levels are significantly less in Washington.
24. While the Klickitat Point project as planned is expected to compete favorably in attracting tenants, the following limiting factors need to be addressed prior to any marketing efforts: limited available industrial space, limited sewage services to major developments within the County, and limited potential for retail sales in Washington due to the absence of a sales tax in Oregon.
25. The recommended planning concept for Klickitat Point is to develop a mixed-use project that involves a number of different land uses and activities.
26. The most dominant recommended land use is light industrial sites to accommodate manufacturing and other industrial development -- industrial development offers the best opportunity for stabilizing increasing unemployment.
27. Based on the Consultant's research of future growth opportunities in terms of target industries and land use options, the following list represents those identified industries and uses which provide a framework for the Port's marketing efforts for business attraction and retention.

**TARGET INDUSTRIES AND LAND USES**

**POTENTIAL EMPLOYMENT LEVELS**

<b>Target Industry</b>	
Sanitary Food Containers	178
Paper Industry Machinery	62
Hardwood Veneer and Plywood	68
Leather Tanning and Finishing	43
Manufacture Windsurfing Equipment	32
Manufacture Snow Boards	32
Seafood Products	36 - 60
Processed Fruits, Vegetables and Specialties	70
Measuring and Controlling Instruments	69
Surgical and Medical Instruments	68

<b>Land Uses</b>	
Limited Service Lodging	20 - 40
Public Marina w/ Support Services	11
Office Space	24 - 36
Columbia Gorge Trade Association	5 - 8
Community Center	24 - 36
Employment Training Center	13
Research & Education Center	13

It should be noted that while each industry identified represents a growth opportunity for the region, some industries, because of their utility requirements, space needs, and operating characteristics, may be better suited for the Dallesport Industrial Park.

28. While each use is in direct response to the mission statement and objectives set forth by the Citizen Advisory Group, each one also addresses a market opportunity. Research of the market within which the project will compete for tenants revealed several unimproved industrial sites available for purchase or lease, but very few sites readied for development. Office space is virtually non-existent with the exception of space within the United Telephone building in Hood River, Oregon. Recreation resources including marina facilities and houseboats are primarily concentrated along the Oregon-side of the river and most are operating at capacity. Finally, the research and education facilities and services proposed do not exist within the Columbia River Gorge area and would therefore, service residents of the entire region, not just the County.
29. The current distribution of land uses at Klickitat Point is shown in the following table:

**SUMMARY OF EXISTING LAND USES AT KLICKITAT POINT**

<u>Use Classification</u>	<u>Acres</u>	<u>Percent</u>
Lake and Wetlands	30.6	29.6
Point Tract	15.6	15.1
Log Storage Area	4.4	4.3
Undeveloped	<u>52.7</u>	<u>51.0</u>
<b>Sub-Total</b>	<b>103.3</b>	<b>100.0</b>
Marina and Basin	21.6	
<b>Total</b>	<b>124.9</b>	

Source: Mayer/Reed and Leland Consulting Group.

30. The proposed distribution of land uses at Klickitat Point is shown in the following table:

**SUMMARY OF RECOMMENDED LAND USES AT KLICKITAT POINT**

<u>Use Classification</u>	<u>Sq. Ft./Units</u>	<u>Acres</u>	<u>Percent</u>
Light Industrial	343,000 sf	35.12	34.0
Research Technology, Office and Training Campus	140,000 sf	6.00	5.8
Public Marina and Support Services	110 slips	4.82	4.7
Houseboats	21		
Boat Houses	21		
Office and Commercial Space	55,500 sf	3.44	3.3
Log Storage Area	--	4.40	4.3
Lake and Wetlands	--	30.60	29.6
Natural Area/Interpretive Center	--	(1.00)	--
Klickitat Point Park	--	5.00	4.8
Roadway	--	7.75	7.5
Other	--	6.25	6.0
<b>Sub-Total</b>		<b>103.3</b>	<b>100.0</b>
Marina and Basin		21.6	
<b>Total</b>		<b>124.9</b>	

Source: Mayer/Reed and Leland Consulting Group.

31. As currently planned, the project will not require relocation of the project entrance. Therefore, vehicular access through the project will be provided by the existing roadway, entering from its northwest corner. While two traveling lanes is adequate to serve the development, this roadway will need to be improved to accommodate increased traffic levels. The truck access road along the western boundary will continue to stay in place and serve only log trucks. With this design, the log truck traffic and all other vehicles are separated by way of distinct vehicle circulation systems.
32. The availability of all utilities to the property are in abundance, with the exception of sewer services. The lack of available sewage hook-ups is a major constraint to moving ahead with development of the project in a timely manner. The City of Bingen's sewage treatment plant needs to be expanded and permits issued at the project in order to accommodate development at Klickitat Point.
33. Industry siting representatives will look at the educational system, the climate, cultural events and local media sources in order to evaluate citizen commitment to the community. In addition, they need the assurance that as their company grows, the physical, political and social infrastructure is in place to accommodate this

34. With recent and continuing changes in the banking laws and the demise of the savings and loan industry as a real property lender, real estate financing in the 1990s can be expected to result in an increased awareness by lenders to concentrate capital into projects that offer long-term potential for appreciation. Quality will be a practical business necessity in order to attract the right kind and amount of capital.
35. Facilities planned for the project including industrial, office and commercial space will operate on land leases. The Port of Klickitat will maintain ownership of the property and facility users will make lease payments for use of the land.
36. Management of any large-scale project, particularly one as diverse as that planned for Klickitat Point will require a centralized system of management. As planned, the Port of Klickitat will be primary manager for the project.
37. The land plan for Klickitat Point was prepared by the firm of Mayer/Reed, Landscape Architects and Planners, and illustrates the location of the various land uses and access to those uses.
38. The industrial areas of the plan are designed to provide fully services (with utilities) industrial sites located on attractive roadways. Actual site sizes will not be determined until specific tenants are identified. The industrial sites can be made smaller or larger along the access roads depending on the needs of the individual companies seeking to develop on the property.
39. Approximately 35 acres of the property have been identified for light industrial uses. Possible uses for these sites were identified through an analysis of target industries which would be appropriate for the local economic and employment base. These possible industries include: value-added wood products manufacturing, leather finishing, sporting goods equipment manufacturing (i.e., windsurfing, snow boarding), fish and food product processing and high-tech instrument production.
40. A campus of approximately four, two-story-buildings are proposed for that part of the site between the Marina and the Columbia River, adjacent to Klickitat Point Park. The campus will accommodate approximately 140,000 square feet of building space and can share surplus parking areas with residents of houseboats and visitors to the public park.
41. The Bingen Marina will be expanded to accommodate 110 slips for sail and motor boats. Slips will be leased on a monthly, yearly and overnight basis. As presently conceived, additional facilities within the Marina will include a launching ramp, dry dock facility, tour boat and fuel docks. Public restrooms with showers and concessionaire operations will be housed within the same building as the Port offices.
42. A series of small buildings constructed around the Marina would include public offices, a trade association center, community center and commercial space to carry various sundry items for residents and employees of the property. Total square footage for these buildings (leased to area organizations and businesses) is estimated at approximately 55,500 square feet.

43. Approximately 15,500 square feet of office space would be constructed to accommodate public service organizations including the Port (which will serve as Harbor Master for the Marina), County offices, a trade association and other public or quasi-public agencies.
44. The Columbia Gorge Trade Association (a yet-to-be-formed organization) will combine government and community resources to assist area business with national and international marketing of Gorge-produced goods and services.
45. A 20,400 square foot community center is proposed to accommodate several alternative uses including space for: public meetings, performing arts presentations and possibly an indoor swimming pool.
46. Approximately 11.6 acres on the site are presently used for a log dump and storage operation.
47. 21 one and two-story houseboats, constructed on floats in the water and moored to a common system of docks are suggested for location in the Bingen Marina. The houseboats will be owned by individuals, however a moorage fee will be paid to the Port.
48. In response to concern over preservation of the wetlands on the property, an interpretive center is proposed on approximately one acre, north of and adjacent to Lake Bingen. 4 to 5 acres will be reserved in open-space for use by the community and visitors to the community, i.e., windsurfers, picnickers, etc.
49. Market conditions, cost of capital, expenditures, available financing and community support will all influence the schedule of phased development of various components of the project. As planned, there will be four phases of development. The phasing schedule proposed is intended to deliver public investment dollars as quickly as possible to the components of the project that produce employment.
50. The financial analysis prepared for this study provides an overview of financial issues associated with development of Phase I of Klickitat Point. The Citizen Advisory Group identified job creation as the first priority of any plan for economic diversification within the District. Since industrial development provides the greatest opportunity for short-term job creation, Phase I will include improving that portion of the property identified for industrial land uses.
51. Development of Klickitat Point involves a number of assumptions, summarized as follows:
  1. The Port will have primary responsibility for development of the property. This includes master planning, preparation of all necessary documents that guide and govern development, processing through all regulatory changes (i.e., zoning, subdivision, etc.), preparing a detailed master plan for development, actual land development and related tasks.

2. The land within Klickitat Point will continue to remain in the ownership of the Port. Private and public sector users will lease land from the Port under long-term land leases.
3. The Port will also have primary responsibility for acquiring necessary capital for investment in the project. This means maintaining a relationship with all potential funding sources - local, state, regional and national governmental agencies -- and applying for appropriate grants and loans to facilitate development at Klickitat Point.
4. The Port will need the assistance and commitment of other nearby governmental agencies including Klickitat County, the Cities of Bingen and White Salmon, the Columbia Gorge Commission, and others. This project is a major undertaking and will require a unified effort on the part of these neighboring governmental jurisdictions.
5. Leadership from the community will be required to see this plan to fruition. Components of the plan, such as the community center, will necessarily require citizen leadership and citizen support, particularly if local bond measures or other local financing mechanisms are required.
52. It will be the Port's responsibility (either directly or through contracts) to develop the property including site grading, installation of utilities and access roads, landscaping and other land-related improvements.
53. Those that develop on the property will include private firms, private individuals, institutions and public agencies including the Port of Klickitat. The Port will need to develop buildings such as the Port headquarters and marina complex.
54. It is the stated intent of the Port of Klickitat that all land at Klickitat Point will be developed on leases. The Port will need to provide leases that are attractive to potential tenants.
55. Another "hat" to be worn by the Port is that of project administrator and operator. The Port will have the responsibility of running Klickitat Point on a day-to-day basis -- assuring that the utilities are operable, maintaining roads, collecting rents, supervising use of public facilities, maintaining the marina, and other "landlord" duties.
56. Funds for infrastructure, marina development, Port buildings and other public sector improvements will have to come from blending pools of loans and grants from a variety of public financing sources.
57. Land development costs for Phase I were prepared by the firm of Tenneson Engineering Corporation, Consulting Engineers. The costs are preliminary and are based on the pilot study level of detail.
58. Total investment for the plan, if built-out, is estimated to range between \$26.7 and \$33.5 million.



59. Economic development, including the attraction and retention of select entities to locations within a community is an extremely competitive industry. The Port and project representatives will need to assemble an aggressive and results-oriented marketing program which emphasizes the unique character of the project, while utilizing data presented in this report, focusing on the competitive cost environment and skilled labor force available within the region.
60. Building upon the research completed to-date, the Port should consider the following actions as priorities in its strategic planning effort to both attract and retain business within the region:
- Establish a cooperative consortium of economic development agencies to coordinate regional and national marketing efforts;
  - Establish a foundation of community leadership that forges a partnership among elements of the public and private sectors in the community;
  - Continue to involve key community leaders in the strategic planning process;
  - Design an organizational framework for the strategic plan and expand the list of resources for implementation;
  - Continue to evaluate what types of business incentives are necessary to attract new investment;
  - Support and encourage the area's infrastructure needs to encourage future growth;
  - Market the high quality-of-life that the area offers as a strategic competitive advantage to the area for business attraction and retention;
  - Analyze the statewide issues and initiatives that affect local efforts to either attract, retain or develop new business;
  - Leverage information sources among members of the consortium for effective marketing;
  - Design a marketing program for the project which can process inquiries, gather marketing intelligence, forecast market potential and serve prospective companies.

## Section I

### **INTRODUCTION**

In May of 1991, the Port of Klickitat, Washington received a grant from the USDA Forest Service to study employment-generating opportunities for a 103.3-acre waterfront property owned by the Port and referred to as Klickitat Point. This study, entitled "Klickitat Point Economic Diversification Pilot Study," has been prepared by the Leland Consulting Group, Economic Development and Real Estate Advisors (LCG). LCG was commissioned by the Port of Klickitat, Washington with funding from the USDA Forest Service, Washington State Department of Transportation and the Port District to identify a direction for economic development attraction and retention efforts and from this research, to design a development program for the Klickitat Point property.

#### **PURPOSE OF THE PILOT STUDY**

The purpose of this study was to first identify the economic and demographic resources and opportunities available which will encourage growth and development in the area. The second task was to evaluate the competitive strengths and weaknesses of the area's economic base and determine those markets with which the County most frequently competes for new business. The final objective was to work in conjunction with a Citizen Advisory Group to identify target industries and potential land uses for attraction and development on the property. (A description of the Citizen Advisory Group is presented later in this section.) Upon completion of these objectives, the Leland Consulting Group, the land planning firm of Mayer/Reed and Tenneson Engineering designed a preliminary development and land plan for the project, as well as preliminary cost estimates for the proposed plan.

The scope of services include the following:

- Evaluation of Klickitat County's competitive position in relation to national and regional economic development trends, as well as the area's potential for growth and investment based on corporate facility location trends;
- Identification of target business opportunities for the project based upon preliminary research of industry conditions and interviews with representatives of the target industries and business groups;

- In collaboration with a Citizen Advisory Group, identify viable land uses for the property which respond to the community's vision, while fulfilling the economic development objective of job growth;
- Design of a preliminary development and land plan which responds to the research;
- Preparation of a preliminary financial analysis based on the development program and land plan; and
- Preparation of a report that defines Klickitat Point's target business opportunities and identifies strategic priorities for stimulating investment in those opportunities.

The analysis conducted by the Leland Consulting Group provides an objective, unbiased assessment of the County's competitive position with surrounding counties within the bi-state region. The perspective taken in the research is one of the corporate site seeker since the property's potential is assessed in terms of those factors that are important in the facility location decision. It is important to note that the facility location decision is usually made without perfect information, and often perceptions are more important than reality. Therefore, the following assessment documents specific resources for growth based upon quantitative and qualitative analyses.

The data within this report are presented as a guide for use by the Port for future development and marketing efforts. The report and its contents are intended for use as an analytical document, as well as an action program. And while the information can be used to develop marketing and sales material, the report itself is not intended to be a sales document.

## **ROLE OF THE CITIZEN ADVISORY GROUP**

*Citizen Advisory Group (CAG): a body of citizens, appointed by officials of the local government, who are considered to be representative of all geographic, economic and ethnic groups in the community and who share the common goal to improve community life and the local environment. The role of a CAG is to assist government in settling the goals and objectives of community planning and policy determination. (The Citizen's Guide to Planning, 1979)*

A 12-member board of Klickitat County residents was selected by the Port of Klickitat Commission to form a Citizen Advisory Group for the study. The Group members represent a diverse cross-section of the population and were selected for their expressed concern for the future of the community.

The citizen representatives' role was to assist the Consultants by generating ideas for potential land uses at the Klickitat Point property. It was the Consultant's role to analyze the Group's ideas and determine which were viable for the site given market, economic and development conditions, as well as the goals of the community to generate jobs while maintaining the existing quality-of-life. Throughout the Economic Diversification Pilot Study process, the citizens met and discussed community values, their vision for the community and concerns about issues and preferences for uses and activities that might be accommodated on the Klickitat Point property.

From the Group meetings and discussions, the following Mission Statement and project objectives were developed:

Mission Statement: The mission for the Klickitat Point Economic Diversification project is to establish a quality public-private mixed development that provides long-term employment in growth industries, establishes an education and research center for future economic diversification and stabilization, and provides a range of public facilities for the enjoyment of the citizens of Klickitat County and the Columbia Gorge.

Objectives in support of the Mission Statement:

- Design a comprehensive (or holistic) implementation program that attracts jobs as quickly as possible to replace lost employment in the lumber and wood products industry while planning and training residents for future changes in the economy.
- Address some of the key community needs by providing for a community center, swim center, public park, marina, and other facilities that will serve all citizens of the County.
- Establish a leadership role on the part of the Port of Klickitat for local and regional business development and job formation through the establishment and operation of a Columbia Gorge Trade Association at Klickitat Point.
- Maintain a high quality of development at Klickitat Point through careful planning, strong design standards, well conceived operating guidelines and experienced project management.
- Attract private capital into the Klickitat Point project by providing a quality environment and infrastructure and by identifying profitable business opportunities.
- Address the needs of the growing senior population in Klickitat County by providing public facilities and programs (i.e., senior activities at a community center and swim center).
- Encourage spending in Klickitat County by area residents, tourists, etc. through a variety of retail opportunities and quality lodging options.

While the Group clearly placed job growth for area residents as the number one priority of the economic diversification project, they endorse a comprehensive perspective that views economic recovery as part of a bigger process of change in which short-term and long-term job growth, community facilities, recreation, tourism, housing and other components of the community are addressed simultaneously. Given the competitive environment for economic development, communities recruiting new businesses have become more sophisticated in their efforts, going beyond simply sales and promotion. Communities are creating and maintaining an environment attractive to potential industries. Specific issues which need to be addressed in defining this environment include community attitudes, community commitment to infrastructure and facilities, standards for development and others. The corporate site seeker places a tremendous

value on not only facility costs, wage rates and affordable and available utilities, but on quality-of-life. Quality-of-life in terms of affordable housing, recreation and cultural events, a temperate climate, quality schools and a community spirit that promotes efforts to maintain this quality-of-life. Soundly planned areas achieve a desirable degree of stabilization. Development of a mixed-use project at Klickitat Point will create an environment attractive to new businesses.

*The basic principles of planning have to do with improving the general amenities of societal life and making our towns and regions better places in which to live. (The Citizen's Guide to Planning, 1979)*

## **SITE DESCRIPTION**

Klickitat Point comprises 103.3 acres of prime real estate located adjacent to the City of Bingen, in Klickitat County, Washington within the Columbia River Gorge Scenic Area. This Port owned property has more than 2,000 lineal feet of waterfront, representing 20 percent of Washington State's developable waterfront lands within the National Scenic Area. The Columbia River National Scenic Area is a center for major tourism and economic activity in the Gorge.

In its current condition, the site contains a 12.5-acre lake, an 18.4-acre boat basin and 18.1 acres of wetlands. Proximate to the property's southern and eastern boundary is the Columbia River with State Highway 14 bordering the property on its northern edge. Along the western portion of the property is its only access road and the SDS Lumber Company mill.

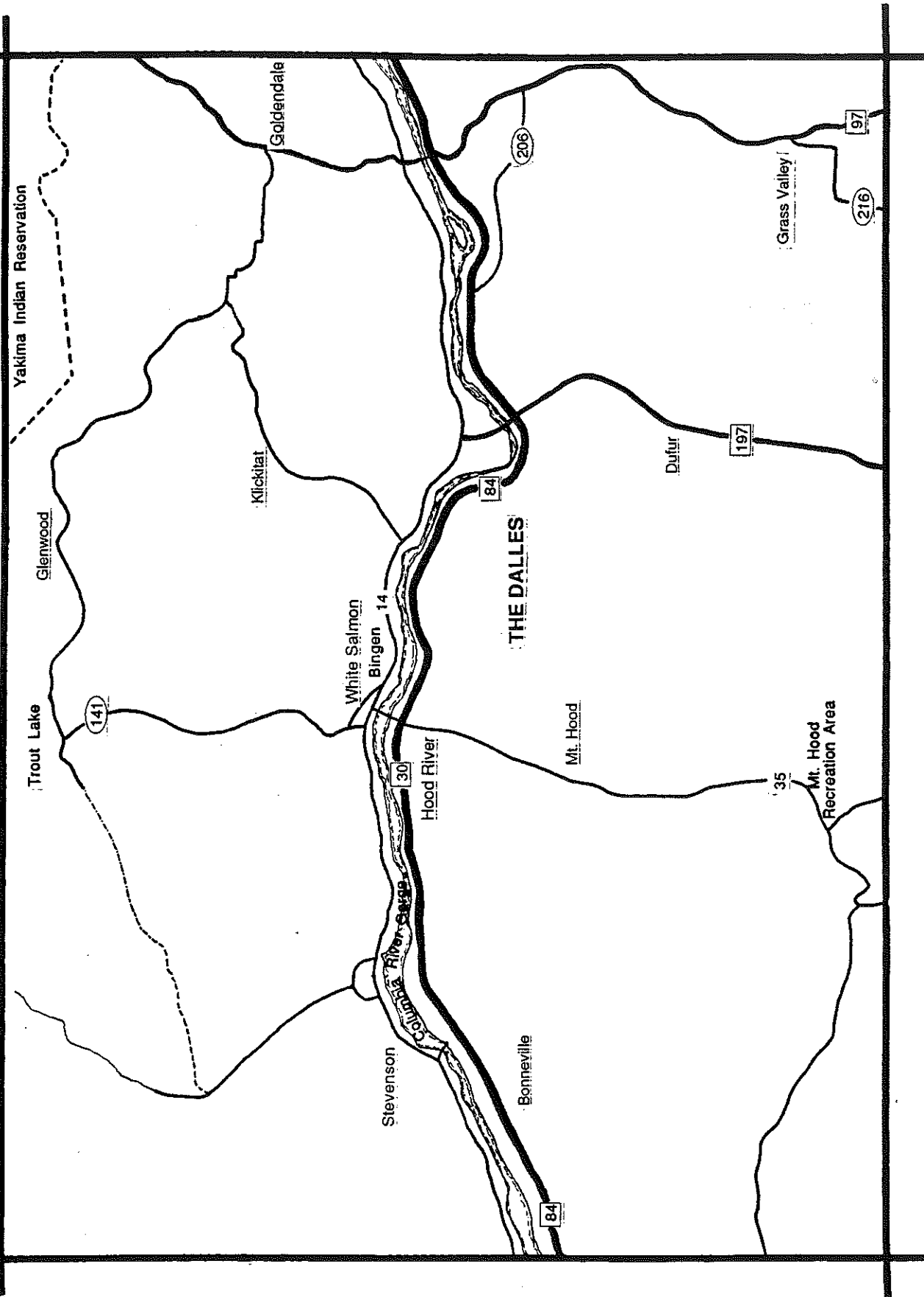
### **Accessibility**

The property is accessible via Interstate 84 (I-84), on the Oregon side of the Columbia River. I-84 is a major east/west thoroughfare providing direct access to Portland, Oregon, located approximately 60 miles west of the property. State Highway 14, an east/west thoroughfare provides access throughout Southern Washington. The site's current access road is located along the western edge of the property. However, a possible new entrance, located in the middle of the site, is being researched by the Intergovernmental Resource Center. This new entrance to the project would provide direct access to the main facilities on the property.

### **Geographic Reference**

Klickitat Point's location within the City of Bingen places it in the extreme western portion of Klickitat County. Klickitat County is fronted by the Columbia River along its southern boarder. A significant portion of Klickitat County is located within the Columbia River Gorge Scenic Area. (See map on the following page). The Columbia River Gorge Scenic Area was created through Federal legislation in November 1986 for the preservation of natural resources, consisting of more than ten small communities along the Columbia River.

**FIGURE 1**



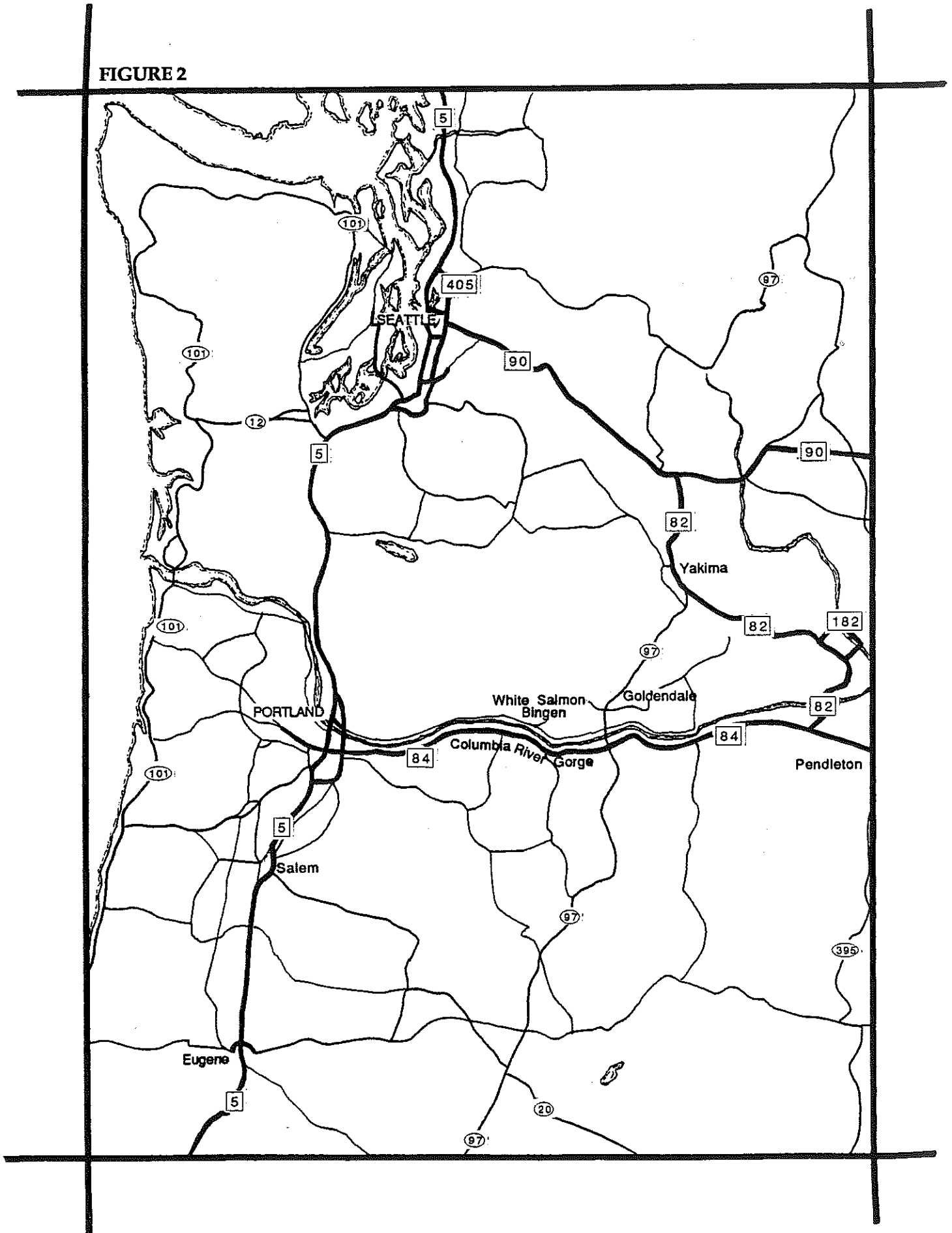
The City of Bingen is located approximately 60 miles east of Portland, Oregon and approximately 220 miles southeast of Seattle, Washington. Both Portland and Seattle are the centers of trade and commercial activity for their respective states. The property's proximity to both of these business centers is well positioned to benefit from potential expansion opportunities within the Pacific Northwest. (See map on the following page.)

Other communities within a two-mile radius of the property are White Salmon, Washington and Hood River, Oregon. The area is commonly referred to as the Columbia River Gorge, which begins approximately 75 miles east of the Oregon Pacific Ocean Coast and continues for approximately 85 miles along the Columbia River. The Gorge has long been a traditional tourist destination, but has recently gained recognition as a world-class location for the sport of windsurfing.

## CONCLUSION

The primary purpose behind economic development is to achieve new gains in the economic growth of the community. This most often means creating business activity and jobs that reduce unemployment, as well as increase the earnings of residents which will in turn be reinvested into the community. However, initiatives in economic development today must go beyond simply trying to attract new industry through promotional activities such as personal sales, promotions, and advertising and publicity, although these are still viable marketing tools. Marketing is more comprehensive in scope and now includes activities to improve the "product" being marketed. The product is not only the particular site, but the economic development infrastructure that supports business expansion, retention and creation, as well. The entire project area, as well as the communities of White Salmon and Bingen, will be the economic infrastructure for this product.

FIGURE 2





## Section II

# REGIONAL BUSINESS CLIMATE ANALYSIS

## INTRODUCTION

It is important to fully understand the demographic, economic and business characteristics of a community as the basis of any program for change and development. Also, understanding a community within its regional context can assist in determining the future growth potential of that community. Therefore, characteristics of the local economy have been placed within the context of broader regional and national economic development trends as a basis for comparison. An analysis of these characteristics with respect to the area's competitive position for the retention and attraction of employment generating opportunities has been conducted and is presented as follows.

The information presented in this section can be used by the Port and its representatives when marketing the project to prospective tenants.

## Description of Comparative Analysis

The purpose of this phase of the analysis is twofold. First, it is necessary to determine which markets Klickitat County most commonly competes against. For this analysis, the term "competition" is defined as those areas with which the County is in direct competition for relocating or expanding companies. The second objective is to describe how the market within which the property is located, compares with these other communities in its potential to attract new businesses, as well as retain a local employment base.

Working with the Port and County staff, and based on the Consulting Team's experience with similar studies in the region, the competitive markets were determined. To complete this analysis, it was necessary to analyze not only those markets which Klickitat County consistently outperforms, or conversely those with which Klickitat County seems to lack the competitive edge, but rather to provide a representative mix of

communities so that Klickitat County's comparative competitive position could be determined.

With this understanding, it is necessary to define two markets: a) the support market from which each land use will draw its residents, tenants, etc., and b) the competitive market within which each use will compete for new development and industry growth. Both the market support and competitive markets will be different for each land use as presented in the following table:

<u>LAND USES</u>	<u>SUPPORT MARKET</u>	<u>COMPETITIVE MARKET</u>
Residential	Portland, United States & International	Gorge Waterfront
Support Retail	Local and 20-minute radius	Local
Lodging	Portland and Gorge Tourism	Local and 30-minute radius
Community Center	Local and 30-minute radius	Local and 30-minute radius
Light Industrial	Portland, SW Washington & Pacific NW	Skamania, Hood River, Wasco, Klickitat Counties
Research/Training	Pacific NW	Port Communities, Pacific NW
Marina/Recreation	Local, Portland and Gorge Tourism	Gorge Waterfront

Due to Klickitat Point's location within an unincorporated area of Klickitat County, the project's market area is referred to as Klickitat County. The competitive markets include Skamania, Hood River, Sherman and Wasco Counties.

The next task in this analysis was to compare Klickitat County with the selected competitive markets using a number of development and site location criteria. Analysis of Klickitat County's competitive position for new investment focused on the operating factors typically used by developers and corporate site seekers in analyzing alternative locations. Particular emphasis was placed on those factors critical to the industrial relocation specialist since an industrial use on the property provides the greatest opportunity for substantial employment. For each factor, a common criteria and time frame were used across each of the competitive communities based upon the most recent data available.

What follows is a comparative analysis of the site's competitive position within the region. Data within three principle categories was gathered, primarily from state and regional sources. The three categories include:

- Economic/Demographic Conditions
- Business Operating Conditions
- Support Services and Conditions

## ECONOMIC/DEMOGRAPHIC CONDITIONS

Demographic and economic characteristics of a market are indicators of overall trends and economic health which may affect both a project's performance, as well as the site seeker's impressions of the region. As noted above, the markets in which the project will compete were defined as Klickitat, Skamania, Hood River, Sherman and Wasco Counties. The following discussion summarizes key figures of economic and demographic indicators within the identified counties.

### Population, Housing and Income

As reflected in the following table, Klickitat County, with 16,787 people, maintains a population base similar in size to Hood River, and more than twice as large as Skamania County. Housing unit information was available in the Washington Counties of Klickitat and Skamania for 1988, only. As the following table shows, Klickitat has nearly twice the housing stock that Skamania County does. Finally, the 1988 per capita income for Klickitat County was \$13,003. This figure lagged behind the other counties, with the exception of Skamania County.

Table 1

#### DEMOGRAPHICS BY COUNTY

	<u>Klickitat</u>	<u>Skamania</u>	<u>Hood River</u>	<u>Sherman</u>	<u>Wasco</u>
Population (1990)	16,787	7,992	17,000	2,000	21,100
Housing Units (1988)	7,559	3,870	-	-	-
1988 Per Capita Income	\$13,003	\$12,647	\$14,218	\$22,938	\$14,790

Source: Klickitat & Skamania County Profile, State of Oregon, Employment Division and Leland Consulting Group.

Table 2 shows the age distribution for each of the Counties. Klickitat County's population tends to be concentrated in the 25 to 44 year age group, as is the case with Skamania County. Historical population estimates reflect that this concentrated shift in the age distribution from the 16 to 24 group to the 25 to 44 group is indicative of a depleted job supply for area youth.

Table 2

**AGE DISTRIBUTION BY COUNTY**

Age	(1990)				(1988)			
	Klickitat		Skamania		Age	Hood River	Sherman	Wasco
	Population	% of Total	Population	% of Total				
0 - 15	4,365	26.0	2,078	26.0	0 - 9	2,673	273	2,912
16 - 19	839	5.0	400	5.0	10 - 19	2,343	287	3,057
20 - 24	839	5.0	400	5.0	20 - 29	2,316	288	2,819
25 - 44	5,372	32.0	2,717	34.0	30 - 39	2,748	308	3,167
45 - 64	3,022	18.0	1,519	19.0	40 - 49	1,964	213	2,436
65+	2,350	14.0	878	11.0	50 - 59	1,514	175	1,746
					60 - 69	1,362	217	1,998
					70+	1,580	239	2,465

Source: Klickitat & Skamania County Profile, Oregon Center for Population Research, Portland State University, U.S. Census Bureau and Leland Consulting Group.

**Employment**

The unemployment rate in Klickitat and Skamania Counties was 16.8% and 22.5%, respectively in 1990. These double-digit unemployment rates reflect the impact of cutbacks in the Timber and Wood Products Industry. The unemployment rates among the Oregon Counties of Hood River, Sherman and Wasco are significantly lower, due to a more diverse economic base within these communities.

Table 3

**EMPLOYMENT BY COUNTY, APRIL 1991**

	Klickitat*	Skamania	Hood River	Sherman	Wasco
Labor Force	7,540	2,180	10,010	870	9,780
Unemployment Rate	16.8%	22.5%	8.6%	5.7%	7.7%

\*1990 Estimate

Source: Klickitat & Skamania County Profile, State of Oregon, Employment Division and Leland Consulting Group.

Table 4 presents Spring 1991 employment estimates for each of the Counties. As a percent of total employment, the largest industry employers in Klickitat County are manufacturing (lumber and wood products), trade, services and government. In

number of employees, Hood River and Wasco Counties employ the greatest number of residents in the non-manufacturing industries.

Table 4

LABOR DISTRIBUTION BY INDUSTRY GROUP BY COUNTY, MARCH/APRIL 1991

	<u>Klickitat*</u>	<u>Skamania*</u>	<u>Hood River</u>	<u>Sherman</u>	<u>Wasco</u>
Manufacturing	1,600	490	1,240	5	1,020
Durable Goods	-	-	1,090	-	630
Lumber and Wood	-	-	570	-	250
Other Durable Goods	-	-	520	-	380
Nondurable Goods	-	-	150	-	390
Non-Manufacturing	3,200	1,350	6,270	540	6,350
Construction and Mining	100	90	260	10	100
Transp., Comm. and Utilities	200	30	600	25	270
Trade	800	170	2,010	190	2,010
Finance, Insurance & RE	100	20	200	10	300
Service & Miscellaneous	600	120	1,990	30	1,720
Government	1,400	920	1,210	275	1,950

\*1990 estimate

Source: Klickitat County Data Book , State of Oregon, Employment Division and Leland Consulting Group.

### Summary

Among the competitive Counties total population figures in Klickitat County most closely resemble those in Hood River. However, the age distribution among these Counties varied significantly. Klickitat reflects large concentrations of residents within the 0-15 and 25-44 age group. Hood River, on the other hand, shows a fairly even distribution among all of the age groups. A declining number of residents between the ages of 16 and 24 are considered to be reflective of a declining number of jobs for area youth, forcing them to leave the area for employment.

Income estimates among the markets differ, with higher income figures reported within the Oregon Counties. This pattern is indicative of the labor base in both states. The Washington Counties of Klickitat and Skamania are based, heavily, in the Lumber and Wood Products Industry. The Oregon Counties, while timber dependent, benefit from trade, service or government opportunities, driving the overall income figures up.

### BUSINESS OPERATING CONDITIONS

Business operating conditions include those criteria considered by industry space users when expanding and/or relocating their facilities. These business conditions are also

critical to the decision-making process by developers. Following is a comparative analysis of business operating conditions within each of the competitive markets.

### Transportation Services and Facilities

The availability of transportation resources is a critical factor in the siting consideration process. The entire region of the Columbia Gorge, including each of the competitive communities, is serviced by all of the primary modes of transportation. However, levels of service vary, particularly among the air service providers.

#### Air Passenger & Cargo

The following table provides an outline of facility and capacity information among the major airports within the Columbia Gorge and Portland, Oregon.

Table 5

#### CHARACTERISTICS OF AIRPORTS WITHIN THE REGION

<u>Facility</u>	<u>Owner</u>	<u>No. of Runways/ Description</u>	<u>Comments</u>
Goldendale Public Airport	City of Goldendale	1 asphalt runway; 3,580' by 40'	Lights on runway threshold; over 2,300 takeoffs and landings per year; 10 base aircraft; FAA certified.
The Dalles Municipal Airport	City of The Dalles	3 asphalt runways; the longest runway 5,097' by 150'	Lights on runway threshold; fuel and mechanic available; 20 - 50 takeoffs and landings per day; all weather charter service; 40 base aircraft; FAA certified.
Hood River Airport	Port of Hood River	1 asphalt runway; 3,100' in length	All weather charter service; FAA certified.
Portland International Airport	Port of Portland		Located approximately 60 miles west of Klickitat County; services the entire Oregon and Southern Washington region with 17 major passenger carriers and cargo service.

## **Rail**

Both passenger and freight service is available to the region on both sides of the Columbia River. Amtrak passenger trains make daily stops going both directions in Hood River, The Dalles and Bingen-White Salmon. Burlington Northern Railroad provides freight service to Klickitat County with eight stations and 19 spurs within the County limits. Union Pacific Railroad operates on the Oregon side of the Columbia River.

## **Barge**

All of the competitive markets are located along the Columbia River, therefore, all have access to barge services. However, barge dock locations and their services are limited. Klickitat County Port District owns one barge dock at the Dallesport Industrial Park. Typical cargoes include wheat, seed and gravel. Additional barge dock locations include the Ports of Hood River and Cascade Locks. However, the Cascade Locks dock lacks the land area that the Dallesport Industrial Park offers and the Hood River dock is being marketed as more of a recreational than industrial facility.

## **Freeway/Trucking**

Major roadways servicing the region include U.S. Route 97 and State Routes 14, 141, and 142. Freeway access is provided along Interstate 84, I-82, I-5 and I-90. While there are currently no trucking companies located in either the City of Bingen or White Salmon, several national and multi-national firms serve the area. There are 23 trucking firms registered in Klickitat and Skamania Counties, all of which are local operators. Primary products moved include logs, lumber, gravel and dirt.

## **Taxes**

The four primary tax categories considered by the corporate site seeker include: state business, property, personal and sales taxes. The analysis which follows compares the taxing environment in the State of Washington to that in Oregon.

### **State Business Taxes**

Business taxes are assessed through different instruments in Washington and Oregon. Washington has a State Business & Operating (B&O) tax which ranges from 0.00138% to 0.15%, depending upon the type of business. However, Washington does not have a corporate tax, while Oregon has a corporate tax of 6.6% of net income.

An additional business-related tax is the transit tax. Washington State has no public transit tax, it is included in the sales tax. The public transit tax in Oregon is only charged

in two areas of the State -- the Tri-County Area in Metropolitan Portland and Lane County near Eugene.

**Local Property Taxes**

Table 6 reflects the property tax rates among each of the competitive counties:

Table 6

**COMPARATIVE ANALYSIS OF PROPERTY TAX RATES**

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<u>Market</u>	<u>Rate*</u>
Klickitat County	\$8.28338 - \$16.83759
Goldendale	\$15.34695
Bingen-White Salmon	\$15.34695
Skamania County**	\$8.1584 to \$13.56356
Hood River County	\$18.0870 to \$23.0334
Wasco County	\$20.0890 to \$42.8987

\* Per \$1,000 of assessed 1989 valuation

\*\* 1987 Rate

Source: County Assessors and Leland Consulting Group

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**Personal Taxes**

There is no personal income tax in the State of Washington. Oregon's personal income tax depends on individual earnings but tops out at 9%.

**Sales Tax**

Oregon has no sales tax, while Washington's base sales tax is 6.5%, with municipalities permitted to levy an additional percentage to a maximum rate of 7% to 8.2%.

**Site and Building Availability**

A major land use component within the project will be industrial space. Office and commercial space is limited, therefore our analysis of site and building availability was restricted to industrial uses.

A lack of available industrial land readied for development, or vacant industrial space, throughout the Columbia Gorge presents an important disadvantage to the region when marketing to major industrial users looking for existing infrastructure. An exception to



this is the Dallesport Industrial Park. Although the Park has a limited number of structures, with virtually zero percent vacancy among existing buildings, the Park has an ample supply of land, leveled with paved roads, and served by water, rail, natural gas and electric services. Unimproved acreage within the Park totals approximately 300 undeveloped acres and more than 150 acres with road and utility infrastructure, but no buildings.

Most of the Port Districts throughout the Gorge report either a 0 or 1 percent vacancy rate within their industrial space. Existing buildings will periodically become available as leases terminate, however, most are released shortly after. Representatives of the Mid-Columbia Economic Development District report a waiting list of tenants for new construction projects. Of the existing space that is available, it provides limited expansion opportunities for area businesses.

In general, competitive lease rates average approximately \$0.20 to \$0.25 per square foot, with a few exceptions. Yet, the Port of The Dalles reports a greater emphasis being placed on attracting tenants which will provide employment and less on higher lease rates.

## **Utilities**

The following discussion presents utility rates for Klickitat County. The four categories of utilities examined include:

- Electricity
- Gas
- Sewer
- Water

### **Electricity**

Electricity in Klickitat County is provided by the Klickitat County Public Utility district No. 1 and in Skamania County by Skamania County Public Utility District No. 1. Interruptible electric service is provided by the Bonneville Power Administration to direct service industries. Electricity to Oregon Counties is delivered by Pacific Power and Light Company.

The table which follows presents a comparative analysis of electrical utility costs among residential and business clients in Klickitat and Hood River Counties.

Table 7

**ELECTRICAL RATES FOR KLICKITAT COUNTY**

	<u>Minimum Charge</u>	<u>All kWh @</u>	<u>Demand Charge*</u>
Residential	\$10.60	\$0.0421	
Industrial	\$95.00	\$0.0195 - \$0.0184	\$4.50/kW

\* Monday through Saturday, 7:00 a.m. through 10:00 p.m.

Source: Klickitat County P.U.D., No. 1 and Leland Consulting Group

**Natural Gas**

Table 8

**NATURAL GAS RATES FOR KLICKITAT COUNTY**

	<u>Base rate for first 10 therms</u>	<u>Next 290 therms</u>	<u>Next 1,700 therms</u>	<u>All additional therms</u>
Commercial-Industrial	\$7.70	61.598¢	55.075¢	51.468¢
	<u>Rate for first 4,000 therms</u>	<u>Next 6,000 therms</u>	<u>All additional therms</u>	
Large Firm	49.801¢	45.778¢	44.668¢	

Source: Northwest Natural Gas Company and Leland Consulting Group

**Sewer**

Sanitary sewer service to the property will be provided by the City of Bingen. The type of treatment is activated sledge with a total capacity of 600,000 gpd. The commercial-industrial rate ranges from \$9.00 to \$61.50 depending on the type of business.

## Water

Table 9

### WATER RATES FOR KLICKITAT COUNTY

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<u>Line Size</u>	<u>First 7,000 gallons (Minimum/month)</u>	<u>Each Additional 1,000 gallons</u>
3/4"	\$11.25	\$0.80
6"	\$53.15	\$0.80

Source: City of White Salmon

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## **Summary**

To summarize the Business and Operating Conditions among the competitive markets, Klickitat County and the State of Washington provide a competitive environment for new and expanding businesses. Air, rail, barge and freeway transportation services are available either within the Columbia Gorge or within a reasonable distance of the property.

Space availability among either, sites readied for development or existing buildings, is extremely limited along the Washington shore of the Columbia Gorge. Although there is some space available within the competitive Oregon communities, it is limited and does not provide for future expansion. This is a significant disadvantage to the Port's attraction efforts and needs to be addressed.

Particularly competitive among the business operating characteristics is the taxing climate in Washington versus Oregon. While imposed taxes vary among the two States, as do their rates, Washington provides a favorable environment for business and industry.

## **SUPPORT SERVICES AND CONDITIONS**

In addition to the physical and economic factors which influence the relocation decisions of industry space users and the planning decisions of real estate developers, "quality-of-life" issues play a significant role in this process as well. Several of these issues, which we refer to as support services are presented in this section. The following criteria additionally define the context within which the project will operate.

## Education

Klickitat County fares well among standards by which education is compared within the State. In fact, several of the statistics which apply to students in grades Kindergarten through 12th in the County are either at or above state averages.

There are seven school districts in Klickitat County and one in Skamania County with 19 primary, secondary and complete schools in Klickitat County and seven in Skamania County. Klickitat County schools, in 1987, reported an 89.1% high school graduation rate, while Skamania County reported an 80% graduation rate in this same year. The State average graduation rate in 1987 was 86%. In 1987, 15.4% of the high school graduates entered a four-year college or university in the fall term of the same year. This figure was 10% in Skamania County and 18.7% for the State.

Advanced learning facilities are available to the region, but tend to be located outside the competitive market areas. There are no four-year institutions within either of the competitive Washington Counties, but both are within a reasonable distance of colleges and universities in Ellensburg, Washington and Portland, Oregon. Vocational and community colleges servicing the area are located in Clark & Yakima Counties, The Dalles and Portland, Oregon. A reciprocity agreement exists between the two States for tuition purposes.

The outlook for Washington versus Oregon schools tends to favor the Washington school system. In recent years, Washington schools, particularly in the White Salmon School District, have won academic awards for achievement. A recent article in a major Seattle paper highlighted the academic achievements of students within the White Salmon School District. The Oregon school system, on the other hand, is about to experience extreme financial cutbacks due to the passage of Measure 5, an action which is expected to affect the quality of schools in Oregon.

## Recreation

In addition to windsurfing, other recreational resources within the region include winter and spring skiing at Mt. Hood Meadows (approx. 30 mile outside of Hood River). Also, hiking, mountain climbing, fishing, whitewater rafting, waterskiing, jetboating, and mountain biking are popular sports among residents and visitors to the area. Tourism is quickly becoming a primary industry for both States, due primarily to the abundance of recreational resources available to sports enthusiasts.

## Culture

A direct result of the growing tourism industry in the region is an increase in the number of cultural events featured on both sides of the river. Cultural events include: symphony performances, an annual bluegrass festival and weekly performances by some of the most talented blues, rock, R&B and folk musicians in the Pacific NW. Hood River features dramatic presentations and two art galleries. Additional museums

include the Maryhill Museum, as well as historical museums in The Dalles, Bingen, Stevenson and Hood River. Community festivals include the annual Celilo Wy'am Festival held east of The Dalles, which honors the returning salmon runs at the oldest continually-inhabited site in North America.

## Climate

Bingen-White Salmon and Hood River are located on the "climatic dividing line" which straddles the Cascade Mountain Range. Due to this location, there are more sunny days while rainy days dominate communities within 10 miles of the area.

Winds, which once were considered a locational disadvantage, now contribute to one of the area's primary industries -- windsurfing. Winds along the Columbia Gorge make the Hood River/White Salmon area North America's boardsailing capital second only to Hawaii with sailing conditions ranging from beginner-level to professional.

The following table reflects the various climatic conditions among each of the competitive counties:

Table 10

### CLIMATIC CONDITIONS

	<u>Bingen/ White Salmon</u>	<u>Goldendale</u>	<u>Hood River</u>	<u>Sherman</u>	<u>Wasco</u>
Annual Precipitation (in.)	31.6	17.4	30.9	11.4	13.3
Ave. January Temp. (F)	33.0	30.0	33.6	30.1	33.4
Ave. July Temp. (F)	67.0	67.0	66.7	68.3	73.1

Source: Washington State Standard County/City Profile, Oregon Blue Book, 1989 - 1990 and Leland Consulting Group.

## Summary

Quality-of-life within the Bingen-White Salmon market represents a critical advantage for attracting new business to the area, particularly urban-based industries seeking a rural location. Among the four primary categories analyzed for this analysis, the County compares favorably. Although there are no four-year colleges or universities within Klickitat County, a number of reputable institutions are within a reasonable distance of the project. Vocational training programs are provided at various community colleges throughout the region.

Climatic conditions in the Bingen-White Salmon area are among the best in the State, due to its location on the "climatic dividing line" straddling the Cascade Mountain Range. This, combined with an abundance of recreational resources, most notably

world-class windsurfing in the Columbia Gorge, make this area extremely attractive to residents and tourists alike.

## CONCLUSION

In evaluating Klickitat County's competitive position on the numerous factors listed above it becomes apparent that the County has many things to offer new businesses, not the least of which is a large number of available workers. As a potential location for new business, the Klickitat Point project offers accessibility to a variety of transportation sources, lower taxes, competitive lease rates and an outstanding quality-of-life.

To summarize the County's specific strengths, Klickitat is centrally located within the State of Washington with easy access to Oregon. Weather conditions, community efforts to maintain an outstanding educational system and a variety of cultural events throughout the summer and winter months make this an extremely attractive area to both the employed and retirement segments of the community. While the cost and availability of the County's housing inventory is comparable to communities on the Oregon side of the river, taxation levels are significantly less in Washington. Utility rates are also slightly less in Washington. For the industrial site seeker, as well as the private developer, these attributes are considered essential as relocation criteria.

While the project, as planned, is expected to compete favorably in attracting tenants, the following limiting factors need to be addressed prior to any marketing efforts. Klickitat County is less competitive than, specifically Hood River, Oregon, in the availability of office and industrial space. There is basically no industrial space available for new businesses entering the Southern Central Washington market. In fact, real estate professionals familiar with the market report a waiting list of companies looking for space. In addition, the availability of sewage services to major developments within the County is severely limited. Finally, Klickitat County is somewhat penalized in retailing due to the absence of a sales tax in communities across the river in Oregon.

Although these are important factors in site selection, aggressive marketing of the property's attributes, as well as the business climate in Washington should compensate for several of these weaknesses. However, the competitive disadvantages need to be dealt with through concerted public actions to mitigate their impacts. For example, the area needs to expand financial assistance to companies interested in investing in the area. In addition, educational programs for customized and ongoing vocational training need to be available to these industries. The capacity of utilities to the property needs to be expanded and the housing stock diversified to include more affordable alternatives. A more detailed discussion of incentives and ideas for implementation will be presented for each land use in the "Blue Prints for Action" section of the report.

### Section III

## **TARGET INDUSTRY IDENTIFICATION ANALYSIS**

### **INTRODUCTION**

An important component of the Port's economic development marketing program is the identification of future growth opportunities in terms of target industries and land use options. By focusing its efforts on these opportunities, the Port will make the most efficient use of available resources since the identified opportunities can be carefully scrutinized to ensure that they have a strong potential for local investment. These target industries and land uses then provide a framework to prioritize local and regional efforts for business attraction, expansion and development. In summary, the steps are:

- Establish Original Universe of Potential Industries
- Identify Export Intensive Industries
- Determine Geographic Distribution by Industry
- Define Current Industry Conditions

The previous analysis of the economic, demographic and locational characteristics of Klickitat County provides a basis for defining overall competitive strategies with which to guide countywide development efforts. In addition, the County characteristics define the overall context in which target industries and business sectors should be selected.

Since industrial development has the greatest potential for significant job creation, the target industry analysis focuses on the industrial manufacturing and agricultural-related sectors of the economy. Warehousing, distribution and other trade activities are not considered at this time because they are primarily market driven and difficult to influence through economic development activities.

The results of the analysis identifies target industries and business sectors that are suitable for the Port's business attraction, retention and development efforts. The discussion which follows presents an overview of the methodology used to identify the target industries.

## TARGET INDUSTRY SCREENING METHODOLOGY

The approach used in selecting the target industries combines computer technology with Leland Consulting Group's practical experience in corporate real estate and economic development. The overall process of target industry identification consists of a series of sequential screening steps designed to eliminate all but the most favorable industries and business sectors. Evaluation criteria include the following:

- Development impact - relative to job creation, diversification and other local objectives;
- Growth potential - based on national and regional economic trends and conditions;
- Timing - of potential pay-off in terms of new jobs and investment; and
- Locational fit - with the resources, and competitive advantages and disadvantages of the area and its component subregions.

The location decision tends to place the greatest emphasis on market, operational and personal linkages with the finally selected site. Many new location projects are initiated because of dissatisfaction with operating conditions in an existing location rather than the need for additional space. This trend adds credibility to a geographic targeting approach.

The results of the analysis identified target industries and business opportunities that reflect the competitive advantages of the area and relate to the availability of local resources. A four step approach is used to guide the selection of the industries. The following discussion describes the specific analytical steps taken to identify each target industry.

### 1. Original Universe of Potential Industry Groups and Business Sectors

The growth performance of an industry is a key factor in target industry analysis because business expansion and new market development are two of the most common reasons underlying the need for additional production or service capacity. Therefore, the initial universe of industries selected for the analysis were derived from research of the fastest growing industries in the United States for the period 1990 - 1991. Data collected and interpreted were taken from reports published by the U.S. Department of Commerce.

The 50 fastest growing industries, on a national scale, are listed in Exhibit 1 in Appendix A. In terms of manufacturing activities, chemicals (including agricultural, manufacturing and medical), printing, industrial machinery production and related industries present the greatest variety of growth opportunities on a national level.



Other industries that have historically performed well at the state and regional level include the following list. These industries are highlighted due to their potential for continued growth.

- Lumber and Wood Products
- Furniture and Fixtures
- Fishing, Hunting and Trapping
- Agricultural Production

## 2. Export Intensive Industries

The industries identified in step one were then evaluated to determine the level and type of business opportunity available in the Pacific Northwest Region. In general, each industry group, presented by 2-digit SIC code, was analyzed in order to identify those whose locational patterns favor this region. Location criteria for businesses located in the Pacific Northwest include: availability of resources such as agriculture and timber products and proximity to transportation export services.

The top 20 export commodities, listed by 2-digit SIC code, which were produced in either Washington or Oregon were identified. Exhibit 2 in Appendix A presents these export industries. The primary information sources for this analysis were derived from data produced by the International Trade Institute, Bureau of the Census - Foreign Trade Division and the U.S Department of Commerce.

The industries that survived this aspect of the screening process remain potential targets for business attraction and small business development opportunities.

## 3. Geographic Distribution by Industry

A high concentration of an industry in a specific market justifies marketing that geographic location since there are enough representative companies to target. It also represents an existing presence and a common linkage with the industry and justifies relocation or location of a regional office. In order to identify specific markets from which to attract investment opportunities, select areas in the Western United States with similar resource characteristics and proximity to waterways and import/export facilities were evaluated

Those states which most closely resembled the resource characteristics of the subject area, as well as being compatible with the County's "Business Climate Profile," included: other areas within the State of Washington, Oregon, Idaho and California. Employment and payroll information for each of the surviving industries, by state, are presented in Exhibit 3 in Appendix A.

## 4. Current Industry Conditions

Finally, prospective target industries, identified through the previous three steps, were analyzed further to document current industry conditions and identify regional market opportunities. This analysis relied on published data sources

such as the U.S. Industrial Outlook, trade journals and interviews with industry trade association executives. This research serves to update analyses in previous steps and build a practical business perspective to the target industry selection process.

The recommended target industries for Klickitat County are listed below. Each business opportunity is categorized by broad industry category. A detailed profile of the recommended industries is presented in the "Blue Prints for Action" section of the report.

**Paper and Allied Products**

Converted Paper Products

**Industrial Machinery**

Paper Industry Machinery

**Wood Products**

Hardwood Veneers and Plywood

**Sporting Goods**

Windsurfing Equipment Manufacturers

Snowboard Manufacturers

**Agriculture and Food Products**

Processed Fruits, Vegetables and Specialties

Canned and Frozen Fishing Products

**High Technology**

Surgical and Medical Instruments

Measuring and Controlling Instruments

**Leather Products**

Leather Tanning and Finishing

Within each industry group, a list of key contacts was generated through the Dun & Bradstreet Market Identifier system, U.S. Manufacturer's Directory On-Line Service and discussions with industry experts. Leland Consulting Group has begun to contact a select number of these businesses in an effort to attract investment opportunities to the area. However, the list of prospective business opportunities is lengthy and contact with each goes beyond the scope of this pilot study. (Names generated, but not yet contacted are presented in Appendix B.) However, prior to further contact with these businesses, the Port needs to develop a carefully designed marketing program with a supervising entity that has the resources to respond assertively to suspect companies.

## Section IV

# BLUEPRINTS FOR ACTION

## INTRODUCTION

The information contained within this section of the report is presented in the form of "Blue Print for Action" sheets. Since the purpose of this assignment was to develop the framework for an implementable program for development on the property, the action sheets were designed to address issues of market support, industry growth, implementation and potential funding sources. Rather than produce a pedantic report of facts without direction, the "Blue Prints" are the first component of a developable program for action.

Since a mix of uses for the property are proposed, the report format allows the reader to select a variety of land uses and industry opportunities to test total employment alternatives for the project.

What follows is a description of each category within the action sheets (presented in alphabetical order).

### Blue Print Components

**Alternative Principal Interests:** possible themes for research-driven activities within the research/education center.

**Annual Revenue:** reflects preliminary estimates of annual gross revenue receipts.

**Average Wage Rate:** includes the major grouping for the industry and primary products manufactured within the classification.

**Benefit to the Community:** potential monetary and social benefit to the community resulting from development of the land use component on the property.

**Business Description:** includes the major grouping for the industry and primary products manufactured within the classification.

**Business Opportunity:** potential industry category for production within the County.

**Center Function:** description of services and programs provided within the Center.

**Components:** alternative facilities featured within a specific land use.

**Employment:** reflects the national average size of the employment base per establishment for each respective industry and land use, as determined by the U.S. Department of Commerce and industry specialists.

- **Permanent:** estimated year-round employment base.
- **Seasonal:** additional employment to support increased demand during peak summer months.

**Existing Training Resources:** existing programs for apprenticeship and vocational training.

**Implementation:** suggested method for development of land uses and/or attraction of industries.

**Industry Trend:** provides an overview of economic issues such as trends in product manufacturing, shipments and consumption; international trade (imports, exports); new product research and the industry potential for growth.

**Land Use:** use of a portion of the land within the project by potential name; land uses suggested by Citizen Advisory Group.

**Map:** outline of Klickitat Point and location of specific land use on the property.

**Market Opportunities:** includes number of establishments within the region by Standard Industrial Classification (SIC), bi-state (Washington, Oregon) export trends, geographic concentration of establishments and potential growth areas.

**Market Support:** includes existing supply in the area, potential user groups and sale and lease rates.

**No. Of:** number of product type to be developed (applicable to land use alternatives).

**Physical Description:** description of land use component including limited design suggestions and ownership structure.

**Potential Funding Sources:** federal, state and private financing sources for economic development and related projects.

**Product Type:** specific development opportunity.

**SIC:** Standard Industrial Classification (SIC) by industry.

## COLUMBIA GORGE PAPER PRODUCTS PLANT

**BUSINESS OPPORTUNITY:** Sanitary Food Containers

**SIC:** 2656

**EMPLOYMENT:** 178

(Average)

<b>AVERAGE WAGE:</b>	Managerial:	\$ 19.75
(Hourly)	Production:	\$ 13.45
	Administrative:	\$ 8.40

**BUSINESS DESCRIPTION:** The major industry group for converted paper products, including food containers, is Paper and Allied Products. Within this group are two major sub-groups: pulp, paper and paperboard mills and converting operations. The first group processes wood fibers from owned timberlands or from virgin and recycled fibers. The latter purchase paper and paper board from primary producers and converts it into finished product. While paper mills tend to be more capital intensive, paper converting operations tend to be more labor intensive. The largest concentration of converting establishments are located near urban centers.

**INDUSTRY TRENDS:** The environmental impact of paper production facilities is a major issue surrounding the industry. Because of a growing emphasis on reducing waste in land fills, as well as conserving natural wood resources, the industry has set a goal of 40 percent waste recovery by 1991. The Environmental Protection Agency (EPA) is developing regulations to control dioxin contamination in rivers caused by chlorine bleaching of pulp and paper. The new equipment necessary to comply with these regulations is estimated to cost \$20 million per plant. Value of exports of sanitary food containers increased approximately 21 percent between 1990 and 1991. The European Community (EC) is the principal export market for U.S. paper products. Japan has also become a major market for U.S. paper products since passage of tariff and non-tariff concessions obtained by the U.S.

**MARKET OPPORTUNITIES:** Major market opportunities include production of aseptic containers used for fruit. Possible opportunities exist for a cooperative agreement between fruit growers of the Yakima Valley, food (juice) processors and food container manufacturers. An increasing importance is being placed on the use of recycled material within this industry. As environmental issues continue to surround the industry, more money will be spent on paper recycling facilities and equipment. Potential also exists for idle paper mills. According to industry experts, limited capital improvements are necessary to convert existing wood processing facilities to paper recycling plants.

**IMPLEMENTATION:** The Port needs to explore, further, the food container industry, identifying actual businesses for contact. Advantages for the area include its location within the Columbia-Snake River Customs District for export of these goods, the availability of water for production and accessibility to paper products. These factors need to be highlighted in the marketing process. The potential for a bilateral agreement between fruit juice producers and potential container manufacturers should be further investigated through discussions with representatives from both industries. Possible joint venture arrangements with foreign enterprises should be explored with the assistance of representatives of the International Trade Institute.

**POTENTIAL FUNDING SOURCES:**

- Department of Community Development - Community Revitalization Team: contact for several grant programs targeting timber-dependent and rural areas.
- Department of Trade and Economic Development - Industrial Revenue Bonds: tax-exempt bonds for new industrial construction.

## COLUMBIA GORGE PAPER PRODUCT MACHINES

**BUSINESS OPPORTUNITY:** Paper Industry Machinery

**SIC:** 3554

**EMPLOYMENT:** 62

(Average)

<b>AVERAGE WAGE:</b>	Managerial:	\$ 19.75
(Hourly)	Production:	\$ 14.15
	Administrative:	\$ 8.40

**BUSINESS DESCRIPTION:** The Industrial Machinery category includes machinery manufactured for the construction, air and heating, farm, mining, oil and gas, paper, printing, food products, packaging and textile markets. Paper industry machines are used primarily in wood preparation, pulp and paper mills and paper converting operations.

**INDUSTRY TRENDS:** Shipments of industrial machinery during the period 1990 to 1991 rose 2.4 percent with production of paper machinery at the top of the market, reporting an annual increase of 7 percent. Growth of exports in the machinery industry are attributed to increased participation by the United States in foreign trade shows. Paper industry machines have experienced record levels of production since 1986 as they continue to fill orders from previous years. Shipments include new production and replacement equipment. Approximately 70 percent of new orders are for replacement equipment while most new investment is in the area of research and development.

**MARKET OPPORTUNITIES:** A number of opportunities exist within this market. Numerous states throughout the country have adopted legislation requiring the paper industry to process paper recyclables. Equipment required to do this includes de-inking systems, currently in short supply. Foreign-based companies continue to expand manufacturing operations in the U.S., but are also looking for joint venture agreements with U.S. assembly and production facilities. Demand, in Canada, for recycled newsprint has placed a strain on the only two mills that process recycled paper. Many U.S. paper machinery firms (primarily in the South) have made major investments in parts stocking facilities. Having them centrally located to provide parts and service minimizes equipment downtime.

**IMPLEMENTATION:** The Port should explore the research and development activities within the industry and possibly tie them into the proposed research and education component within the project. Port representatives need to contact representatives of regional paper machinery production facilities regarding co-venturing a parts stocking facility. The Port should work with industry experts at the World Trade Center and International Trade Institute regarding foreign joint-venture opportunities. When contacting businesses within this industry, the State's proximity to Canada and their current demand for paper recycling equipment needs to be highlighted. The Port should contact the owners of idle paper mills regarding possible conversion to recycling facilities.

**POTENTIAL FUNDING SOURCES:**

- Department of Community Development - Community Revitalization Team: contact for several grant programs targeting timber-dependent and rural areas.
- Department of Trade and Economic Development - Industrial Revenue Bonds: tax-exempt bonds for new industrial construction.
- Private industry joint-venture opportunities.

## COLUMBIA GORGE WOOD PRODUCTS

**BUSINESS OPPORTUNITY:** Hardwood Veneer and Plywood

**SIC:** 2435

**EMPLOYMENT:** 68

(Average)

<b>AVERAGE WAGE:</b>	Managerial:	\$ 19.75
(Hourly)	Production:	\$ 12.15
	Administrative:	\$ 8.40

**BUSINESS DESCRIPTION:** The hardwood veneer and plywood industry manufactures panel products used in new construction, repair/remodeling applications, mobile homes, kitchen cabinets and furniture. While this market is rather labor-intensive, large-scale establishments dominate the industry, performing more effectively due to the benefits of economies of scale. Major export markets for U.S. wood products are Japan and Canada (approximately 60 percent of all exports). Of the hardwood veneer and plywood exports, veneers represent approximately 87 percent of the market.

**INDUSTRY TRENDS:** The wood products industry is directly tied to the new private residential construction market and for the past two consecutive years, housing starts have been down. However, the Pacific Northwest has just recently been impacted by this national trend. Factors contributing to the trend are rising home prices, increasing tax rates and diminishing cash supplies available by lending institutions for new construction. Conversely, the factors which have caused a decline in new starts have contributed to growth in the repair and remodeling market. The repair/remodeling market in West Germany, referred to as the DIY market (Do-It-Yourself), though more than 20 years old, has recently experienced new growth. With the advent of unification in Eastern Europe, an increasing number of immigrants have begun migrating to the West, placing a strain on an already insufficient housing supply. Demand is estimated at approximately 400,000 new single-family homes and 250,000 apartments in 1991. In addition to new construction, a substantial amount of renovation is required for the existing supply. West Germany is the leading U.S. hardwood veneer export market. Previous restrictions on imports of U.S. forest products into Japan were suspended in mid-June 1990.

**MARKET OPPORTUNITIES:** The Customs and Trade Act of 1990 restricts exports of logs harvested from federal and state public land in the Western United States. However, Washington is exempted and may continue to export up to 25 percent of its harvest. Demand for U.S. hardwood by foreign markets is increasing due to worldwide concern over deforestation of tropical hardwood forests, particularly in Malaysia, Indonesia and the Philippines, the world's major providers. There is estimated to be a 10 to 15 year supply of Red Alder in Oregon alone. The Alder, Maple, Madrone and Tanoak are the principal providers of hardwood in the Pacific Northwest.

**IMPLEMENTATION:** The Port should continue to explore potential markets within the hardwood products industry (i.e. value-added products, windows, furniture). The Red Alder and other hardwoods have historically been considered weed species, therefore the Port, together with industry experts, may need to educate lumber and wood products processors in order to take advantage of existing facilities. The availability of hardwood needs to be marketed to potential business opportunities.

### POTENTIAL FUNDING SOURCES:

- Department of Community Development - Community Revitalization Team: contact for several grant programs targeting timber-dependent and rural areas.
- Department of Trade and Economic Development - Community Economic Revitalization Board - through revolving grants/loans supports infrastructure improvements to create and retain jobs.

## PACIFIC NORTHWEST LEATHERS

**BUSINESS OPPORTUNITY:** Leather Tanning and  
Finishing

**SIC:** 3111

**EMPLOYMENT:** 43

(Average)

<b>AVERAGE WAGE:</b>	Managerial:	\$ 19.75
(Hourly)	Production:	\$ 9.40
	Administrative:	\$ 8.40

**BUSINESS DESCRIPTION:** This category includes establishments primarily engaged in tanning, currying and finishing raw or cured hides and skins into leather. Cattle hides are a by-product of the meat-packaging industry and their supply depends solely on demand for meat. Despite a downward shift in the consumption of red meat in recent years, this trend has begun to level off. Shipments of leather and leather products increased less than 1 percent in 1990, however, one segment, leather tanning and finishing, was the fastest growing industry among all manufacturing Standard Industrial Classifications.

**INDUSTRY TRENDS:** Production employment by leather tanners rose 1.5 percent between 1989 and 1990, an indicator of growth within the industry. The shoe market consumed approximately 50 percent of all domestic leather shipments in 1990. Another major product group includes upholstery leather for automobiles and furniture. Japan is the largest importer of U.S. leather products. 84 percent of the exports were for automotive upholstery leather which is exempt from the tariff-rate quota Japan imposes on other leather imports. Almost 20 percent of furniture in the U.S. is upholstered with leather. Major increases within the tanning market include wet-blue (semi-processed, chrome-tanned) cattle hide leather.

**MARKET OPPORTUNITIES:** Livestock and poultry represent approximately 27 percent of the Oregon agricultural industry. Washington estimates are approximately equal to this. However, the states with the largest number of hide processing facilities are located in New York, Massachusetts, California, Wisconsin, Pennsylvania, New Jersey and Texas. Relocation opportunities from California represent the most realistic target group for Klickitat Point. Given Japan's steady demand for U.S. upholstery leather, a manufacturer of cattle hides located in Klickitat County could greatly benefit from its location within the Columbia-Snake River Customs District.

**IMPLEMENTATION:** Identifying states and companies with heavy concentrations of these facilities within them will be an effective method for targeting key contacts within the industry. When contacting potential tenants, the Port needs to market the availability of quality water, ample utilities, lower wages and other major relocation criteria.

### POTENTIAL FUNDING SOURCES:

- Department of Trade and Economic Development - Business Assistance Center: direct access to state government business assistance for new and expanding companies; market place program stimulates purchases of goods and services produced in Washington.
- U.S. Department of Commerce - Economic Development Administration: (Title II Business Loans) for entrepreneurs who are in or planning to locate in a designated depressed area. Much of Southern Washington qualifies under this designation.



## COLUMBIA GORGE SPORTS

**BUSINESS OPPORTUNITY:** Manufacture Windsurfing  
Equipment

**SIC:** 3949

**EMPLOYMENT:** 32  
(Average)

<b>AVERAGE WAGE:</b>	Managerial:	\$ 19.75
(Hourly)	Production:	\$ 8.15
	Administrative:	\$ 8.40

**BUSINESS DESCRIPTION:** Production of windsurfing boards are classified within the Sporting and Athletic Goods industry. Manufacturing sporting goods equipment is labor intensive and primarily concentrated in Far Eastern countries with lower labor costs. However, being a low volume manufacturer, U.S. production in smaller markets is viable. Currently, U.S. production of windsurfing boards are primarily concentrated in California with a growing market in the Hood River area.

**INDUSTRY TRENDS:** Shipments of sporting and athletic goods declined slightly in 1990, while consumption rose approximately 1 percent. A decline in shipments was attributed to the onset of the recession, by which individuals chose to save rather than spend. Traditionally, discretionary items like sporting goods are among the first items postponed in a tight economy. Conversely, when consumer spending increases, this category experiences the fastest growth. Sporting good purchases during the past two decades have been primarily attributed to the fitness boom. That segment of the population which enjoys the sport of windsurfing tends to be concentrated within the 25 to 35 year age group; a group excessively concerned with health and fitness.

**MARKET OPPORTUNITIES:** The Columbia Gorge is considered a World Class location for windsurfing, second only to Hawaii. Klickitat Point's location along the Columbia River makes it an ideal location for manufacturing and testing windsurfing equipment. The growing concentration of board manufacturers across the river in Hood River, Oregon, provides an additional market fit.

**IMPLEMENTATION:** So as not to compete with existing manufacturers of windsurfing boards currently in the market, the Port should target manufacturers of windsurfing equipment and components. Interviews with local manufacturers should reveal market opportunities for the property, i.e., suppliers to the industry. Additionally, these interviews should address the potential for a distribution facility within the project. An additional business opportunity is attraction of existing manufacturers through an aggressive incentive program. Given Washington's lower property tax and business tax structure, Klickitat Point provides an attractive alternative location for businesses currently within the Oregon market.

### POTENTIAL FUNDING SOURCES:

- Department of Community Development - Community Development Finance Program: technical assistance and loan packaging program designed to create jobs and stimulate private investment; Small Business Administration Loans, Development Loan Fund.
- Venture Capital Firms - firms which are prepared to invest in promising businesses in return for a share of the ownership.

## COLUMBIA GORGE SPORTS

**BUSINESS OPPORTUNITY:** Manufacture Snow Boards

**SIC:** 3949

**EMPLOYMENT:** 32

(Average)

<b>AVERAGE WAGE:</b>	Managerial:	\$ 19.75
(Hourly)	Production:	\$ 8.15
	Administrative:	\$ 8.40

**BUSINESS DESCRIPTION:** Production of snow boards are classified within the Sporting and Athletic Goods industry. Manufacturing sporting goods equipment is labor intensive and primarily concentrated in Far Eastern and European countries with lower labor costs. Individual U.S. producers of snow boards are primarily concentrated along the East Coast. However, the majority of U.S. board manufacturers also manufacture skies and other winter sports equipment.

**INDUSTRY TRENDS:** Shipments of sporting and athletic goods declined slightly in 1990, while consumption rose approximately 1 percent. A decline in shipments was attributed to the onset of the recession, by which individuals chose to save rather than spend. Traditionally, discretionary items like sporting goods are among the first items postponed in a tight economy. Conversely, when consumer spending increases, this category experiences the fastest growth. Sporting good purchases during the past two decades have been primarily attributed to the fitness boom. That segment of the population which enjoys the sport of snow boarding tends to be concentrated within the 12 to 19 year age group; an active group with high discretionary spending patterns.

**MARKET OPPORTUNITIES:** Two of the largest export markets for U.S. sporting equipment are Japan and Canada, both of which will benefit a manufacturer located on the West Coast, given accessibility to the Port for shipments to Japan and Canada. Klickitat Point's minimal distance from Mount Hood, one of the few year-round snow skiing facilities, provides an excellent test market for snow products manufactured within the region.

**IMPLEMENTATION:** A number of downhill skiing locations throughout the country restrict the use of snow boards on their hills due to excessive insurance costs. Identification of these states and manufacturers within them provides an obvious target market from which to attract business opportunities. Since the major U.S. ski manufacturers, which also produce snow boards, are K2 and Rossignol, these companies should be contacted regarding expansion opportunities within the Gorge. The Port needs to market the property's proximity to Mount Hood. Additional leads may result from conversations with local retailers carrying snow board equipment and apparel.

**POTENTIAL FUNDING SOURCES:**

- Department of Community Development - Community Development Finance Program: technical assistance and loan packaging program designed to create jobs and stimulate private investment; Small Business Administration Loans, Development Loan Fund.
- Venture Capital Firms - firms which are prepared to invest in promising businesses in return for a share of the ownership.

## PACIFIC NORTHWEST FISH PRODUCTS

### BUSINESS OPPORTUNITY: Seafood Products

SIC: 2091 and 2092

EMPLOYMENT: 36 - 60

(Average)

AVERAGE WAGE:	Managerial:	\$ 19.75
(Hourly)	Production:	\$ 10.20
	Administrative:	\$ 8.40

**BUSINESS DESCRIPTION:** The seafood products category falls within the Food and Beverages sector, an industry which has experienced steady growth in recent years. The seafood products category represents all processed fish products, commercial landings and exports.

**INDUSTRY TRENDS:** Contributing to growth within the food industry, especially fish products, are increases in population growth within the 35 to 54 year age group. This group maintains the highest discretionary spending patterns and are thus, the more frequent purchasers of high value-added food products. This segment also leads the group in health consciousness. Declines in red meat consumption have resulted in increases in fish and poultry consumption. Canned tuna alone accounts for 25 percent of per capita consumption of seafood products. U.S. food exports tend to be low value-added foods while imports are generally high value-added foods including gourmet fruit and vegetable products. Japan, Korea, Canada and Mexico, account for nearly two-thirds of all U.S. food exports.

**MARKET OPPORTUNITIES:** Surimi, a manufactured fish product made from a fish paste, is becoming popular domestically as well as in Japan. The fish component of surimi is shipped primarily from Alaska (shrimp and crab) and then manufactured into a paste. The largest concentrations of U.S. surimi manufacturers are located along the West Coast. Although Japan uses surimi extensively in a variety of foods, production is less expensive in the U.S. Therefore, Japanese entities are frequently looking for domestic locations to establish production facilities. According to industry experts, the facilities need not be specialized and can be constructed anywhere. Other fish production facilities could be established in collaboration with the area Indian tribes.

**IMPLEMENTATION:** The Port needs to contact representatives of the Oregon and Washington Departments of Agriculture who are frequently contacted by foreign companies interested in establishing fish production facilities in the U.S. Other opportunities may be possible with local Indian Tribes. Given the current trend by American retailers and wholesalers to import high value-added foods, the Port should further explore the potential for attracting a start-up or expanding company interested in producing upscale food products, such as surimi.

### POTENTIAL FUNDING SOURCES:

- Department of Community Development - Washington State Development Loan Fund: revolving fund that provides loans to private businesses in distressed areas to create or retain jobs.
- U.S. Department of Agriculture - Farmer's Home Administration: provides loan guarantees up to 90% of the lender's losses made for the purpose of developing or financing business or industry; Priority given to communities under 25,000 population.

# NORTHWEST FOOD PRODUCTS

**BUSINESS OPPORTUNITY:** Processed Fruits,  
Vegetables and  
Specialties

**SIC:** 2032-5

**EMPLOYMENT:** 70

(Average)

<b>AVERAGE WAGE:</b>	Managerial:	\$ 19.75
(Hourly)	Production:	\$ 10.20
	Administrative:	\$ 8.40

**BUSINESS DESCRIPTION:** The processed fruits, vegetables and specialties market includes two major categories: canned and frozen foods. Canning includes canning, packaging dry fruits and vegetables and soup mixes and processing dressings. The frozen food segment includes juices and vegetables, and manufactured specialty foods.

**INDUSTRY TRENDS:** Trends in the food products industry reveal canned food consumption is down, while frozen food consumption is up. Changing demographics have had a significant impact on the food industry. To the health conscious American, fresh fruits and vegetables are preferred over frozen foods and frozen preferred over canned. While a large segment of the population struggles to get away from processed foods, the two-person working family needs the convenience frozen foods provide. A growing segment of this industry is boxed juices, primarily for children. The box packaging is being attributed with revitalization of the canned juice industry, of which this is a part.

**MARKET OPPORTUNITIES:** The property's proximity to the Yakima and Hood River Valleys, major producers of fruits and vegetables domestically and overseas, provides a natural fit for potential food processing operations. Production of the fruit juice containers and production of the juice provides an economy-of-scale not available in other areas of the country. With the increase in exports of food products to Japan and Canada, the site benefits from its accessibility to the Port of Portland for servicing these markets. Other food and vegetation production and processing opportunities include mushrooms and flower bulbs. Japan can not satisfy its demand for Shiitake Mushrooms which are sold in the United States for \$5.50 per pound and \$22.50 per pound in Japan. With farm land prices in the Pacific Northwest averaging approximately \$2,000 to \$4,000 per acre and \$30,000 to \$35,000 per acre in Japan, Japanese mushroom growers are looking for locations to set up growing facilities in the U.S. The mushroom growing industry is labor intensive employing as many as 150 people per farm. The Pacific Northwest is a major provider of flower bulbs to Holland.

**IMPLEMENTATION:** There is increasing concern among residents of Asia that their financial market is going to crash. Therefore, increasing numbers of investors are looking for opportunities in the United States. Representatives of the World Trade Center and International Trade Institute will be able to provide foreign contacts with potential investor opportunities. In addition, the Port should continue discussions with area paper manufacturers regarding expansion opportunities for food containment products.

## POTENTIAL FUNDING SOURCES:

- Department of Community Development - Washington State Development Loan Fund: revolving fund that provides loans to private businesses in distressed areas to create or retain jobs.
- U.S. Department of Agriculture - Farmer's Home Administration: provides loan guarantees up to 90% of the lender's losses made for the purpose of developing or financing business or industry; Priority given to communities under 25,000 population.

## COLUMBIA GORGE HI-TECH

**BUSINESS OPPORTUNITY:** Measuring and Controlling  
Instruments

**SIC:** 3822-4

**EMPLOYMENT:** 69

(Average)

<b>AVERAGE WAGE:</b>	Managerial:	\$ 19.75
(Hourly)	Production:	\$ 13.60
	Administrative:	\$ 8.40

**BUSINESS DESCRIPTION:** Major product areas within this industry include laboratory instruments and apparatus, measuring and controlling instruments and instruments to measure electricity. Primary sources for distribution comprise purchases under Research and Development (R&D) programs and investment in new plants and equipment. Shipments of these goods closely parallel capital investment and R&D funding. Direct applications include network and data management systems, i.e., thermostats and heating/air conditioning system controls, instruments to measure liquid levels and pressure gauges.

**INDUSTRY TRENDS:** Companies which support design and production of instruments in this industry include computers, software, office-equipment and biotechnology. Growing trends towards more accuracy in measurements and augmenting computer networks provide the impetus for growth within this industry. Stronger environmental requirements are forcing manufacturers to improve the quality of their production processes through such instrumentation. Additional markets which rely heavily upon production of these devices include the pharmaceutical, food processing, petroleum and chemical industries. While product shipments for this category rose to \$10.2 billion, an increase of approximately 2 percent, exports apparently grew 30 percent to \$1.9 billion. Canada became the leading market for U.S. exports.

**MARKET OPPORTUNITIES:** Tektronix, Inc., a Fortune 500 company, and Portland's largest employer, designs and manufactures a broad range of design, test and measurement equipment, visualization and communications products and technologies covering a substantial portion of all electronics technology today. Production of components which support their operations provide a natural fit. Foreign opportunities include unification of the European Communities (EC). With 325 million people and a \$4.5 trillion economy, EC will be the world's largest market. Located within the region, as of 1988, were 182 establishments representing approximately 24 percent of those within the nation.

**IMPLEMENTATION:** The Port should research the Electronic Components and Equipment (SIC367) industry which produces memory circuits of value to Tektronix's operations. Discussions by the Pacific Advanced Communications Consortium (a University of Oregon based group) continue regarding location of a research facility addressing the communications needs (including medical) of rural America. The Port needs to continue these and other discussions with educational institutions regarding growth opportunities which could locate in the Gorge and affiliate with the state education system.

### POTENTIAL FUNDING SOURCES:

- Department of Trade and Economic Development - Business Assistance Center: direct access to state governmental business assistance for new and expanding companies; market place program stimulates purchases of goods and services produced in Washington.
- Small Business Investment Companies - firms licensed under the SBIC Act of 1958 provide a source of equity investment for small businesses.
- Tektronix Development Company - division of Tek Labs: sponsor or invest in start-up projects or companies of strategic interest to Tektronix.

## COLUMBIA GORGE HI-TECH

**BUSINESS OPPORTUNITY:** Surgical and Medical  
Instruments

**SIC:** 3841

**EMPLOYMENT:** 68

(Average)

<b>AVERAGE WAGE:</b>	Managerial:	\$ 19.75
(Hourly)	Production:	\$ 12.20
	Administrative:	\$ 8.40

**BUSINESS DESCRIPTION:** The major grouping for these products are Medical and Dental Instruments. Primary products manufactured within this industry include non-electric diagnostic and therapeutic devices, fueled primarily by concern over the spread of infectious diseases. Total employment within this industry increased 3.5 percent from 1989 to 1990. 61 percent of industry employees are production workers.

**INDUSTRY TRENDS:** Manufacturers of these products are forecasted to increase their shipments by 7.3 percent in 1991 with the largest increases within the surgical and medical instruments market. Approximately 21 percent of all shipments are exports. Increases in this industry are attributed, in large part, to governmental pressure to reduce health care expenditures. Production of high-quality medical devices that reduce or eliminate costly surgery and long hospital stays are growing, i.e., in-home health care devices for the senior population and individuals who have contracted infectious diseases. The spread of AIDS in the U.S. and abroad has intensified demand for disposable products such as test kits and disposables used in blood transfusions.

**MARKET OPPORTUNITIES:** As of 1988, there were 289 establishments in this Standard Industrial Classification located within the region. 245 were located in California. Given governmental pressure to reduce costs, coupled with the expensive operating conditions in California, relocation to Washington presents a low-cost alternative to manufacturers. The presence of this facility would provide additional opportunities for manufacturing businesses within the industry. Additionally, Klickitat County's rural location provides an ideal setting for the production of devices for in-home health care needed in rural communities. The proportion of Klickitat County's population 55 years and older, a direct service market for these products, represents approximately 23 percent of the resident base.

**IMPLEMENTATION:** Discussions by the Pacific Advanced Communications Consortium (a University of Oregon based group) continue regarding location of a research facility addressing the communication needs (including medical) of rural America. The Port should continue discussions with educational institutions regarding growth opportunities which could locate in the Gorge and affiliate with the state education system. The Port should explore additional contacts, focusing on manufacturers within the California market. Industry manufacturers located within the California markets are expanding out in search of lower operating costs.

### POTENTIAL FUNDING SOURCES:

- Department of Trade and Economic Development - Business Assistance Center: direct access to state governmental business assistance for new and expanding companies; market place program stimulates purchases of goods and services produced in Washington.
- Small Business Investment Companies - firms licensed under the SBIC Act of 1958 provide a source of equity investment for small businesses.

## RESIDENCES @ THE POINT

**PRODUCT TYPE:** Rental and Investor-User Houseboats

**NO. OF HOUSEBOATS:** 30

**EMPLOYMENT:** Permanent: 3  
Seasonal: 8

**PHYSICAL DESCRIPTION:** Houseboats are one and two-story structures, constructed on floats in the water and moored to a common system of docks. While the units are sold to individual investor-users, they pay a rental fee to the Port for the houseboats' moorage. The proposed location for the houseboats is in the Bingen Marina.

**MARKET OPPORTUNITIES:** The houseboats can be sold to individual investor-users as either their primary residence or as a second home. Since second homes are typically occupied about 60 days per year by the owner, it may be leased to visitors throughout much of the year. It is recommended that reservations for rental units within the townhome complex and houseboat development be centralized. A centralized reservation system will allow some control over renters and ensure collections, as well as compliance with rules for use of the property. A fee for the reservation service, housekeeping, maintenance, marketing, security and management of the homes will be paid by the renters (and owners).

**IMPLEMENTATION:** The Port needs to contact the Army Corp of Engineers regarding Section 10 permits for construction of the houseboats within the marina. The permissibility of such a use within the marina has already been verified. The Port will want to establish design and height guidelines for the houseboats in order to maintain quality control, to preserve views, and to assure overall compliance with property standards. Actual construction of the units will be undertaken by a private developer, selected by the Port.

### POTENTIAL FUNDING SOURCES:

- U.S. Department of Agriculture - Farmer's Home Administration: provides loan guarantees up to 90% of the lender's losses made for the purpose of developing or financing business or industry; Priority given to communities under 25,000 population.
- Farmer's Home Administration: Recreation Facility Loans.
- Private developer and lender.

## RESIDENCES @ THE POINT

**PRODUCT TYPE:** Rental and Investor-User Townhomes

**NO. OF UNITS:** 75

**EMPLOYMENT:** Permanent: 3.5  
Seasonal: 9.5

**PHYSICAL DESCRIPTION:** A total of 75 townhome dwellings would be developed and sold to investor-users. Owners interested in being part-time residents may rent their units through a centralized reservation system operated from a management office located within the community center. Townhomes should not exceed three-stories and should be positioned on the property to take advantage of views of the Columbia River. A Homeowner's Association, comprised of residents of the project, as well as a Port representative, will establish operating and maintenance standards in order to maintain the highest quality-of-life for year-round residents and guests. Despite the fact that the units will be part-time residences for a portion of the project community, all owners will be assessed for property taxes and land leases which translates into revenue for the Port.

**MARKET SUPPORT:** Total housing stock in the County as of April 1990 was estimated at 7,213 units. 63% of the units are single-family, 24% mobile homes and 13% multi-unit buildings. In the period from 1980 to 1990, Klickitat County experienced a 5% growth rate. According to estimates by the Klickitat County Planning Department, the White Salmon/Bingen area population will grow from 3,600 to 5,100 units by 2010. Area professionals familiar with the local real estate market estimate a vacancy rate of less than 5% in rental housing and 0% in single-family homes. Therefore, there is no existing housing stock to satisfy new demand. While various attached housing projects have been proposed for the County, most have failed due to inadequate financing. Virtually no transitional housing options are currently available to area residents looking for a low-maintenance alternative to single-family detached home ownership. Primary market opportunities lie within the senior segment of the population who have equity in their existing home and desire a low-maintenance housing alternative and second-home investors which will originate from outside the area.

**IMPLEMENTATION:** The Port will want to establish design and height guidelines and density restrictions for the townhome development, in order to maintain quality control. The Port needs to become actively supportive in overcoming the existing moratorium of the area sewer district. With the area at 85% of capacity, the system needs to be expanded in order to lift the current moratorium on sewer connections. Townhomes constructed on the Point will command a high price due to water views.

**POTENTIAL FUNDING SOURCES:**

- U.S. Department of Agriculture - Farmer's Home Administration: provides loan guarantees up to 90% of the lender's losses made for the purpose of developing or financing business or industry; Priority given to communities under 25,000 population.
- Farmer's Home Administration: Recreation Facility Loans.
- Private developer and lender.

THIS LAND USE, ALTHOUGH NOT REFLECTED IN THE LAND PLAN FOR THE PROJECT, WAS PROPOSED BY THE CITIZEN ADVISORY GROUP AND HAS, THEREFORE, BEEN INCLUDED IN THIS SECTION OF THE REPORT.



KLICKITAT POINT ECONOMIC DIVERSIFICATION PILOT STUDY  
**THE LODGE @ KLICKITAT  
POINT**

**PRODUCT TYPE:** Limited-Service Lodging

**NO. OF ROOMS:** 50 - 100

**EMPLOYMENT:** Permanent: 7 - 15  
Seasonal: 13 - 25

**PHYSICAL DESCRIPTION:** A limited-service lodging facility featuring casual dining room serving breakfast and dinner, no bar, no in-house valet, 1 meeting room accommodating approximately 35 people, and limited banquet space (less than 1,000') is recommended. Facilities should include swimming pool, exercise room, jacuzzi, sauna and possibly a gift shop featuring crafts and food preparations (jellies, breads, etc.) prepared by residents. Weekend packages should be offered year-round for area residents and Sunday Brunch. Meeting room space will be limited due to similar space proposed within the Community Center.

**MARKET SUPPORT:** As of a 1987 study of tourism activity throughout the Gorge, there were approximately 21 lodging facilities in the cities of Hood River, Oregon and White Salmon, Washington featuring approximately 430 rooms. With closures and new construction, this base is virtually unchanged. Lodging facilities includes Bed & Breakfasts, Motels and Hotels. Three of the 21 lodging facilities are located in White Salmon and an additional two in Bingen. Construction of the Skamania Conference Center will increase the region's supply by 195 rooms. Room rates at the conference center will more than likely average approximately \$85 at completion. Room rates currently charged in White Salmon average approximately \$35 to \$40/per night for a single room. There is significantly higher demand for lodging facilities throughout the Gorge during the summer months, however many establishments are now marketing their proximity to Mount Hood in order to attract increased winter business. The principle segment of the summer tourist market is windsurfers. Many of the windsurfing enthusiasts move to the Gorge for the summer and rent either apartments or houses. Weekend surfers tend to utilize the camping facilities, however, a significant number occupy lodging facilities. Surveys of tourists, including the windsurfing crowd, reflect a significant interest in more lodging options on the Washington side of the river. A facility with access to the water would be a particularly attractive concept.

**IMPLEMENTATION:** The Port should solicit bids from hotel developer/operators for the property. The Port should work with the identified developer throughout the planning process to guarantee compliance with project design standards, as well as product which will be compatible with the other uses on the property.

**POTENTIAL FUNDING SOURCES:**

- Farmer's Home Administration - Recreation Facility Loans.
- Private developer and lender.

**THIS LAND USE, ALTHOUGH NOT REFLECTED IN THE LAND PLAN FOR THE PROJECT, WAS PROPOSED BY THE CITIZEN ADVISORY GROUP AND HAS, THEREFORE, BEEN INCLUDED IN THIS SECTION OF THE REPORT.**

## KLICKITAT POINT MARINA

**PRODUCT TYPE:** Public Marina w/ Support Services

**NO. OF SLIPS:** 110

**PROJECTED ANNUAL REVENUE:** \$48,200

**EMPLOYMENT:** Permanent: 2  
Seasonal: 9

**PHYSICAL DESCRIPTION:** The existing Bingen Marina will be expanded to include a launching ramp and 110 boat slips (possibly constructed in phases). Additional facilities will include public restrooms with showers, concessionaires, fuel dock and parking to accommodate 115 cars and trailers. The Klickitat Port District will maintain authority over the marina operations and will serve as Harbor Master. Slips should accommodate both sail and motor boats. Approximately 25 to 30 percent of the slips should be designed to accommodate boats in excess of 50'. Rentals will be yearly or monthly. The marina should also provide transient slips for overnight rental. Additional moorage facilities should be constructed to accommodate larger vessels -- the Columbia River Sternwheeler and cruise ships. The Bingen Marina should consider selling marina gas and diesel on the property.

**MARKET SUPPORT:** There are currently 234 recreation boat slips at the Hood River, Port of the Dalles and Cascade Locks marina facilities. The Port of the Dalles facility also provides 59 boat houses, of which only one is vacant. The only vacant slips are located at the Port of the Dalles and all accommodate boats under 19'. Port employees report expressed interest by boat owners with vessels larger than 19'. Therefore, the Port is considering expanding these slips to accommodate the larger boats. Based on discussions with marina operators, the majority of the boat owners have their primary residence within the county where their boat is moored, with the exception of Washington residents who do not have any Washington-based facilities available within a reasonable distance of the Central Gorge. The remaining 30 to 40% of renters originate from around the state. Hood River recently completed an additional 42 slips and still has a waiting list.

**IMPLEMENTATION:** The Port needs to contact the Army Corp of Engineers regarding Section 10 permits for construction of the project. The permissibility of such a use within the marina has already been verified.

### POTENTIAL FUNDING SOURCES:

- Department of Trade and Economic Development - Tourism Development Group: helps communities develop tourism assets through direct assistance and financial grants.
- Department of Natural Resources - Aquatic Land Enhancement Account: provides grants requiring local match for aquatic enhancement projects; funding for public access and recreational water related projects.
- Interagency Committee for Outdoor Recreation - Grants to Public Agencies: provides grants and technical assistance for planning, acquisition, development and rehabilitation of outdoor recreation resources including boating facilities.

KLICKITAT POINT ECONOMIC DIVERSIFICATION PILOT STUDY  
**KLICKITAT COMMUNITY  
CENTER**

**COMPONENT:** Office Space

**EMPLOYMENT:**       Managerial: 4 - 8  
                          Administrative: 8 - 12  
                          Accounting: 4 - 6  
                          Computer Operator: 4  
                          Maintenance: 4 - 6

**PROPOSED TENANTS:** Port of Klickitat  
                          Harbor Master for the Marina  
                          Local businesses

**PHYSICAL DESCRIPTION:** In order to limit necessary financing for the project and maximize efficiency of the property space, specific facilities will be designed to accommodate multiple uses. As presently proposed, the Center will include meeting space, exhibition space, possibly an indoor community swimming pool and supporting facilities for all of these uses. Office space would provide a support function to the other components of the Center, as well as provide an additional source of revenue from leases.

**MARKET OPPORTUNITIES:** An obvious component of a community center is office space to house management of the center, maintenance supervisors, etc. Given the Port's role as property owner, it is appropriate for them to occupy space within the Center. Space for the Harbor Master is necessary given the necessity for proximity to the marina operations. Additional space would be occupied by employees of the central reservation and management services for the lodging component on the property. Professionals familiar with the market report a seriously limited supply of marketable office space. Of the office space that is available in the area, most of it is located in Hood River, Oregon. Therefore, surplus space could be leased to other public agencies and local businesses, providing additional revenue to the Port.

**IMPLEMENTATION:** Implementation of the office component will be combined with implementation of the entire center. Community centers tend not to be money-making ventures. However, they do add to the quality-of-life and should, therefore, be marketed as such when applying for public funding of the project. Additional monetary support can be derived from contributions by on-site developers whose businesses stand to benefit from the Center, i.e., use of the meeting facilities by the research and education center, meeting and banquet facilities by the lodge, etc.

**POTENTIAL FUNDING SOURCES:**

- Department of Community Development - Public Works Trust Fund Programs: provides low-interest loans to help local government finance public works projects or planning.
- Department of Community Development - Community Development Block Grant: benefits low and moderate-income people with federal funds to small counties and cities for community and economic development projects.
- Department of Trade and Economic Development - Market and Targeted Industry Development Group: markets statewide locations to encourage growth of in-state film and video production.

KLICKITAT POINT ECONOMIC DIVERSIFICATION PILOT STUDY  
**KLICKITAT COMMUNITY  
CENTER**

**COMPONENT:** Columbia Gorge Trade Association

**EMPLOYMENT:** Permanent: 2 - 3  
Seasonal: 3 - 5

**PHYSICAL DESCRIPTION:** The Columbia Gorge Trade Association is an additional office use within the project. The Association will be located within the Community Center in conjunction with the Port of Klickitat offices. Physically, the facility will require a reception area, shared meeting room (with the Port) and two offices. The operation can begin by using Port facilities.

**MARKET OPPORTUNITIES:** The Columbia Gorge Trade Association is a yet-to-be-formed organization. It is best described as a non-profit association of governments, businesses, individuals and organizations within the Gorge (and beyond) who share a common interest in marketing Gorge-produced goods and services. By forming a relationship with the International World Trade Centers Association (WTCA) and the International Trade Institute (New York), the association will provide on-going information to its members on specific market opportunities, as well as provide education in how to do business on a regional, national and international basis. Through a world-wide computer link, the Association will be aware of immediate market opportunities for its member's products and services.

**IMPLEMENTATION:** The Port of Klickitat is a member of the International WTCA and thereby, is in a position to serve as the sponsoring agency within the Gorge. Affiliation with the WTCA requires that the Columbia Gorge Trade Association must be non-political and non-religious in nature and purpose. Its purpose is business and by its non-political nature, it is able to cross over most international barriers to trade. Implementation will require a commitment by the Port of Klickitat to set up and staff the organization during the initial period before member dues can support the operation. State and federal assistance will be required for initial funding. Location of the Association within the project will provide a variety of internship positions for high school and college students.

**POTENTIAL FUNDING SOURCES:**

- Department of Community Development - Public Works Trust Fund Programs: provides low-interest loans to help local government finance public works projects or planning.
- Department of Community Development - Community Development Block Grant: benefits low and moderate-income people with federal funds to small counties and cities for community and economic development projects.
- Department of Trade and Economic Development - Market and Targeted Industry Development Group: markets statewide locations to encourage growth of in-state film and video production.

## KLICKITAT COMMUNITY CENTER

**COMPONENTS:** Community Swimming Pool  
Performing Arts Center  
Meeting Space

**EMPLOYMENT:** Managerial: 4 - 8  
Administrative: 8 - 12  
Accounting: 4 - 6  
Computer Operator: 4  
Maintenance: 4 - 6

**PHYSICAL DESCRIPTION:** In order to limit necessary financing for the project and maximize efficiency of the property space, specific facilities will be designed to accommodate multiple uses. Meeting space within the Community Center will include rooms for meetings of less than 50 people, an exhibition hall for several hundred people and associated service areas. The Community Center will accommodate banquets, performing arts, meetings, workshops and trade shows. The high school graduation ceremony is currently held in the Park Center which accommodates approximately 300 people. The Community Center will be an ideal location for ceremonies such as this with the benefit of ample stage space and proper acoustics.

**COMMUNITY SWIMMING POOL:** An additional component of the Community center may be an indoor community swimming pool. There are currently four community swimming pools and two private clubs with pools that are open to the public. Of the four community pools, the Skamania County pool is the only indoor pool servicing the area. The other community pools are located in Hood River, The Dalles and White Salmon (which just reopened). The Skamania County pool is the only six lane pool, all of the others are four lanes. All of the pools, with the exception of The Dalles Community Pool, which is 50 meters, are 25 yard pools. All of the public pools charge a fee from \$1.00 to \$2.00 per person, while the Hood River Club charges \$5.00 per person. The Klickitat pool will provide services and facilities for every age group and will coordinate special programs with area schools and hospitals.

**PERFORMING ARTS CENTER:** There are currently an extremely limited number of facilities in the Gorge appropriate for performing arts. A performing arts center within the project would facilitate the presentation needs of area schools and arts groups. The space will also be designed to be appropriate for exhibition and trade shows.

**MEETING SPACE:** There are currently almost 240 organizations and associations based in the Columbia River Gorge. Groups of fewer than 30 people based in the White Salmon area typically meet in the Klickitat Valley Bank or Security Pacific Bank Buildings, or the basement of the Methodist Church. The City of White Salmon owns a single free-standing building called the "Community Center" where social events for elderly citizens are held. This building accommodates approximately 50 people. The largest meeting facility is the Park Center which will hold approximately 300 people. None of the locations have kitchen facilities sufficient for banquet food preparation and none were designed for performing arts presentations.

### POTENTIAL FUNDING SOURCES:

- Department of Community Development - Public Works Trust Fund Programs: provides low-interest loans to help local government finance public works projects or planning.
- Department of Community Development - Community Development Block Grant: benefits low and moderate-income people with federal funds to small counties and cities for community and economic development projects.

## **COLUMBIA RIVER TRAINING CENTER**

**EMPLOYMENT:**      Managerial: 2  
                          Administrative: 3  
                          Accounting: 1  
                          Computer Operator: 6  
                          Maintenance: 1

**CENTER FUNCTION:** As presently envisioned, the "Columbia River Training Center" would coordinate the delivery of unmet vocational and apprenticeship training and retraining resources to residents of Klickitat and Skamania Counties. The immediate purpose for the Center would be to address the short-term training needs of the displaced timber-industry worker. A secondary role would be to provide training to the youth of the area who are forced to leave the region to find employment opportunities. Finally, the Center could evolve into a facility for the provision of on-going worker education that keeps pace with manufacturing advancements applicable to the region. The latter component would be an attractive feature for potential businesses interested in relocation to the area.

**EXISTING TRAINING RESOURCES:** Job service resources currently available in the market include a variety of programs for the senior and disadvantaged segments of the community, the Mid-Columbia Council of Governments (serving primarily Oregon residents) and its Washington counterpart, the Bingen Job Service Center, a division of the Washington State Employment Security Department. The Mid-Columbia and Bingen Job Center provide services to both employers and employees with regard to job placement and training through limited available resources. Technical training resources include the Columbia Gorge Community College (offering advanced course training through a satellite downlink), Hood River Community Education, and Yakima Valley and Clark Colleges.

**IMPLEMENTATION:** The Port needs to further explore the retraining needs of the local area, as well as the region, including Washington, Oregon and Idaho. Reductions in the employment base of timber-related industries has impacted many communities throughout the region and Klickitat Point provides an ideal centralized location for establishment of a retraining center. The State Board for Vocational Education (SBVE) offers an 8% Education Coordination and Grant Program: 8% of funds (through the Job Partnership Training Act) can be used to support local projects which provide work-related basic skills training to economically disadvantaged youths and adults. If the project is deemed necessary for the region, additional funding from participating states may be available.

**POTENTIAL FUNDING SOURCES:**

- Department of Trade and Economic Development - Community Economic Revitalization Board: through revolving grants/loans, supports infrastructure improvements to create and retain jobs.
- Department of Community Development - Community Revitalization Team: supports revitalization by providing training and coordinating delivery of state financial and technical assistance.

## COLUMBIA GORGE RESEARCH & EDUCATION CENTER

### ALTERNATIVE

**PRINCIPAL INTERESTS:** Salmon Research Facility  
Lumber/Wood Products Lab  
Advanced Communications

**EMPLOYMENT:** Managerial: 2  
Administrative: 3  
Research Staff: 5  
Maintenance: 3

**CENTER FUNCTION:** There are several environmental, sociological and physical pressures being placed on rural communities in the Pacific Northwest, as well as throughout the United States. With the creation of fax machines, satellite communication systems, etc., more Americans are being given the flexibility to improve their quality-of-life without the congestion of city living. However, this migration out of urban centers is having an impact on limited services and resources within rural communities. Many areas of research, i.e., communications, environmental impacts, etc., are researching various applications within rural America. Locating in a rural community provides an immediate test market. Specific issues facing Southern Washington include: protection of salmon in area rivers, deforestation mitigation and limited communication services to urban trade centers.

**BENEFIT TO THE COMMUNITY:** The presence of a research/education facility within a rural community provides numerous benefits to both the community and its residents, as well as the center. While it is true that most of the research staff is brought in from outside the area, i.e., major universities and colleges, some employees are hired from within the region and many provide internship positions for students. In addition, many of the research positions are temporary, approximately three to six months sabbaticals. Therefore, the researcher will frequently bring his/her family with them. In a development such as that proposed at Klickitat Point, they may lease a townhome, shop in area stores, eat at local restaurants and swim in the community swimming pool -- generating revenue for the community. The primary benefit to the center is the quality-of-life a rural location affords, a requirement by many research center administrators. Additional benefits include less expensive space for development and lower wage rates for support staff.

**IMPLEMENTATION:** The Port needs to identify and work with the research & development arms of major corporations throughout the United States that may be interested in funding and implementing a research center in the Columbia River Gorge. In addition, the Port needs to work with its university and college resources to identify their needs for a research center. There are many benefits within the Gorge and the Port needs to market these attributes.

### POTENTIAL FUNDING SOURCES:

- Department of Trade and Economic Development - Community Economic Revitalization Board: through revolving grants/loans, supports infrastructure improvements to create and retain jobs.
- Department of Community Development - Community Revitalization Team: supports revitalization by providing training and coordinating delivery of state financial and technical assistance.
- Private and/or institutional investment.

## Section V

# **ECONOMIC DEVELOPMENT PRIORITIES**

## **INTRODUCTION**

The pilot study is the logical first step in the development of an integrated economic development strategy which can succeed in attracting new business to the area. The next step is preparation and implementation of a strategic action plan. The Port of Klickitat, together with the numerous governmental entities of Klickitat County, the State of Washington and selected federal agencies, need to combine their technical and financial efforts to prepare a Strategic Economic Development Action Plan.

Klickitat County, like many counties in the Pacific Northwest States of Washington and Oregon, are at a critical point in their economic development efforts. Klickitat County has long benefited from its geographic location within a timber rich region of the country. Historically, the County has maintained a steady rate of growth, relying extensively upon the lumber and wood products industry for its economic and employment base. However, recent changes in public policy, as well as increased modernization of existing wood products related facilities have had a severe impact on employment levels. Reductions in harvestable timber land have resulted in unemployment levels nearly three times the State and more than twice the national rate. In an effort to counter the effects of the new legislation and changes within this industry, impacted communities have begun to seek out resources to attract new industries to diversify their local economies.

Klickitat County, and specifically the cities of White Salmon and Bingen, have benefited from their proximity along the Columbia Gorge. The Gorge continues to gain world recognition for its scenic beauty and idyllic weather conditions for the sport of windsurfing. Tourists traveling through the area purchase goods and services such as food, lodging, clothing and recreation related items, thus generating revenue for local business owners. The tourism industry is becoming a major staple in the local economy, providing numerous service-related jobs. However, tourism alone will not sustain the region and communities must begin to structure a comprehensive economic development strategy that pursues multiple opportunities for job growth and diversification of the economic base.



## PRIORITIES FOR ACTION

Building upon research completed to-date, the Port should consider the following actions as priorities in its strategic planning effort:

- **Cooperative Consortium** -- The communities, economic development councils, chambers of commerce, business associations and others need to form a cooperative consortium in an effort to coordinate regional and national marketing efforts. While each entity may have their own economic development objectives, all share the belief that the downturn in the region's economy needs to be reversed. In addition, a coalition of various entities will stand a better chance of accessing limited public resources available for economic development, while all will benefit from the efforts.
- **Community Leadership** -- In order for a comprehensive economic development strategy to be implemented in Klickitat County, it must be based on a solid foundation of community leadership that forges a partnership among elements of the public and private sectors in the community.
- **Strategic Planning Process** -- The strategic planning process that is established is as important, if not more important than the final document. The desired emphasis on a creative, yet implementable strategic action plan requires that the planning process continue to involve key community leaders. The study process should be designed to build consensus for action, thereby laying the foundation for implementation.
- **Organizational Framework** -- In addition to specific action plans, the strategy should include recommendations on an organizational framework and expand the list of resources for implementation presented herein. Combined with effective community leadership, these factors are the most important component of an implementable strategic action plan.
- **Business Incentives** -- While its many advantageous environmental and cost characteristics make the County an attractive location for facility relocation, the area must continually seek to refine its business attraction efforts. An increasingly competitive economic development environment is placing pressure on local and state governments to offer incentives and other enticements to new industries. The Port of Klickitat, together with Klickitat County, need to continue to identify new and emerging business recruitment opportunities and evaluate what types of economic development resources and tools are necessary to attract new investment.
- **Infrastructure Growth** -- The Port should support and encourage the area's infrastructure needs to support future growth. Past growth has strained existing infrastructure to its limits and declining levels of service, as represented by the sewer moratorium, are adversely affecting the County's operating environment. With identification of potential industries for the project, there is an increased sense of urgency in taking action to complete this and other public works projects.

- **Quality-of-Life** -- The importance of expanding White Salmon, specifically, and the County's infrastructure lies not only in the direct services to business and support of private investment, but also in the impact on the area's quality-of-life. The attractive living environment in the County is the one locational advantage that is common to all types of facilities and industries. It represents a strategic competitive advantage to the area for business attraction and retention. Many business owners can influence the location decision process, typically choosing an attractive community with an inviting environment where they can operate their business effectively.
- **Statewide Attraction Efforts** -- An analysis of statewide issues and initiatives that affect local efforts to either attract, retain or develop new business needs to be conducted. For example, limits on the State's ability to invest or lend money to private enterprises, as well as cumbersome public offering requirements may be critical to the County's small business development efforts.
- **Information Sources** -- Through the cooperation of the consortium, information resources should be leveraged to provide the most effective use for marketing purposes. Building upon the information provided in this report from area sources, the Port needs to maintain an active database of local economic, demographic and business characteristics. Information from this database can be used to answer questions by prospective tenants of Port properties, as well as be incorporated into marketing information.
- **Marketing Program** -- A carefully designed marketing program for the Klickitat Point and other developable properties throughout the County should be designed and implemented. Specific issues to be addressed within the context of the marketing program include: marketing, sales, market research and planning, promotion and inquiry services. The supervising entity, whether the Port or other designated organization, should have the information system to process inquiries, gather marketing intelligence, forecast market potential and serve suspect companies.

## CONCLUSION

These economic development priorities are designed to provide a bridge between the Port's market research efforts and strategic planning considerations. They address aspects of the area's locational attributes and weaknesses that can be influenced through local action. These priorities need to be further developed into a strategy that includes goals, objectives and programs to address these issues and to conduct business attraction and recruitment campaigns.

Since the primary purpose of a strategic plan is to increase the effectiveness of the area's development activities, emphasis should be placed on an intensive interaction between an appropriate staff of local economic development organizations and the Port. Rather than producing merely a written report, the group should work closely to achieve the most appropriate overall development strategy for the area.

## Section VI

### **KLICKITAT POINT DEVELOPMENT PROGRAM**

This section of the report outlines a development program for Klickitat Point. A development program is a narrative description of a physical plan. It provides the basis for planners and architects to prepare drawings of the proposed development. The program begins with a discussion of the overall strategy for the property, followed by the objectives and priorities identified by the Citizen Advisory Group. Included are discussions of site conditions, quality levels, project operations and other details.

#### **DEVELOPMENT CONCEPT**

The recommended concept for Klickitat Point is to develop a mixed-use project that involves a number of different land uses and activities. This development concept is recommended for several reasons:

- A mixed development is required in order to accomplish the mission and objectives outlined by the Citizen Advisory Group;
- The property is large enough and has enough distinct areas within its boundaries to accommodate a range of uses and activities.
- The property is also large enough and the individual markets are competitive enough to necessitate addressing multiple markets at the same time. This should be done for the purpose of increasing land leases and development activity, and recapturing front-end investment dollars as early as possible.
- The suggested land uses will fit with the mixed-use activities presently existing on the site including the marina, public park windsurfing beach and log-dump and storage operations.
- The plan as presented provides for a comprehensive approach to development, including immediate jobs through industrial development, long-term jobs through education, research and training facilities and development of public facilities to serve residents of the area.

The most dominant recommended land use are light industrial sites to accommodate manufacturing and other industrial development -- the use category most likely to generate significant job creation. Rising unemployment levels has become a primary concern within the community and therefore, identified as an immediate need. Industrial development offers the best opportunity for stabilizing increasing unemployment. For these reasons, a project involving multiple land uses and activities is the development concept recommended for Klickitat Point.

## CITIZEN ADVISORY GROUP DIRECTIVES

The Citizen Advisory Group gave strong direction to the Consultant Team in terms of a project mission statement and objectives. The citizen's mission statement -- the single most important guide to decision-making -- is stated again as an introduction to the development program.

*The mission for the Klickitat Point Economic Diversification project is to establish a quality public-private mixed development that provides long-term employment in growth industries, establishes an education and research center for future economic diversification and stabilization, and provides a range of public facilities for the enjoyment of the citizens of Klickitat County and the Columbia Gorge.*

The objectives in support of the mission include:

- Design a comprehensive implementation program that attracts jobs as quickly as possible to replace lost employment in the lumber and wood products industry while planning for and training residents for future changes in the economy.
- Address some of the key community needs by providing a community center, swim center, public park, marina and other public facilities that will serve all citizens of the County.
- Establish a leadership role for the Port of Klickitat to assist local and regional business development and job formation through the establishment and operation of a Columbia Gorge Trade Association at Klickitat Point.
- Maintain a high quality of development at Klickitat Point through careful planning, strong design standards, well conceived operating guidelines and experienced project management.
- Attract private capital onto Klickitat Point by providing a quality environment and infrastructure, and by identifying profitable business opportunities.
- Address the needs of the growing senior population in Klickitat County by providing public facilities and programs (i.e., senior activities at a community center and swim center).

- Encourage spending in Klickitat County by area residents, tourists, etc. through a variety of retail opportunities.

These objectives can only be accomplished with a mixed-use development. The citizens also stated that their number one priority is job creation, which means opening up industrial sites as soon as possible.

## SITE CONDITIONS

Klickitat Point is a 103.3-acre site located on the Columbia River, immediately east of the City of Bingen within the Columbia River Gorge Scenic Area. It is located in unincorporated Klickitat County, but receives urban services from the cities of Bingen and White Salmon, Washington. This Port owned property has more than 2,000 lineal feet of waterfront. The 103.3 acres represents 20 percent of Washington State's developable waterfront lands within the National Scenic Area.

### Existing Use of the Property

The current distribution of land uses at Klickitat Point is shown in the following table:

Table 11

#### SUMMARY OF EXISTING LAND USES AT KLICKITAT POINT

<u>Use Classification</u>	<u>Acres</u>	<u>Percent</u>
Lake and Wetlands	30.6	29.6
Point Tract	15.6	15.1
Log Storage Area	4.4	4.3
Undeveloped	<u>52.7</u>	<u>51.0</u>
<b>Sub-Total</b>	<b>103.3</b>	<b>100.0</b>
Marina and Basin	21.6	
<b>Total</b>	<b>124.9</b>	

Source: Mayer/Reed and Leland Consulting Group.

## Utilities and Services

Services at Klickitat Point will be provided by the following entities:

Water:	City of White Salmon
Sewer:	City of Bingen
Electricity:	Klickitat County Public Utility District No. 1
Telephone:	United Telephone Company
Natural Gas:	Northwest Natural Gas
Fire Protection:	Bingen Volunteer Fire Department / DNR*
Police Protection:	Klickitat County Sheriff, Washington State Police <sup>o</sup>

\* Department of Natural Resources

The availability of all utilities to the property are in abundance, with the exception of sewer services. The lack of available sewage hook-ups is a major constraint to moving ahead with development of the project in a timely manner. The City of Bingen's sewage treatment plant needs to be expanded and permits issued at the project in order to accommodate development at Klickitat Point.

## Accessibility

The property is accessible via Interstate 84 (I-84), on the Oregon side of the Columbia River. I-84 is a major east/west thoroughfare providing direct access to Portland. The property is approximately 60 miles west of Portland. State Highway 14, an east/west thoroughfare provides access throughout Southern Washington.

The site's current access road is located along the northern edge of the property. A possible new entrance, located in the middle of the site, has been researched by the Intergovernmental Resource Center. This new entrance to the project, would provide direct access to the community center, marina and research and education facilities on the property.

As currently planned, the project will not require relocation of the project entrance. Therefore, vehicular access through the project will be provided by the existing roadway, entering from its northwest corner. While two traveling lanes is adequate to serve the development, this roadway will need to be improved to accommodate increased traffic levels. The truck access road along the western boundary will continue to stay in place and serve only log trucks. With this design, the log truck traffic and all other vehicles are separated by way of distinct vehicle circulation systems.

## Community Cohesiveness

Economic development is more than creating a physical and financial environment for industry growth. It involves establishing a community spirit that is attractive to the

corporate site seeker. Managers of relocating facilities will not only be operating a business which requires public assistance in terms of permitting, taxing and hiring, but they will be transplanting their families. Siting representatives will look at the educational system, the climate, cultural events and local media sources in order to evaluate citizen commitment to the community. They will look for the assurance that as their company grows, the physical, political and social infrastructure is in place to accommodate this growth and that it will be perceived as a positive addition to the local economy.

Economic development -- the attraction and retention of employment generating resources -- is more competitive than ever before. What will set Klickitat Point apart from the competition will be its unique development environment involving community facilities, research and educational infrastructure and recreation resources all within the same project. However, this will only entice the siting professional to visit the property and meet with community and project representatives. The commitment to locate within the project will require a social environment which reflects positive attitudes towards growth and diversification and resident concern for protection of their quality-of-life.

### **Market Opportunity**

As presented in Table 12, the recommended project land uses include research and education and recreation-oriented facilities, a community center with ancillary services, industrial and commercial space and housing. While each use is in direct response to the mission statement and objectives set forth by the Citizen Advisory Group, each one also addresses a market opportunity.

Research of the market within which the project will compete for tenants revealed several unimproved industrial sites available for purchase or lease, but very few sites are readied for development. Office space is virtually non-existent with the exception of space within the United Telephone building in Hood River, Oregon. Recreation resources including marina facilities and houseboats are primarily concentrated along the Oregon-side of the river and most are operating at capacity. Finally, the research and education facilities and services proposed do not exist within the Columbia River Gorge area and would therefore, service residents of the entire region, not just the County. As stated in the Citizen Advisory Group mission statement, Klickitat Point will service citizens of Klickitat County and the Columbia Gorge.

### **QUALITY LEVEL**

More and more, the real estate development industry is financed through participation involving developers and lenders. With recent and continuing changes in the banking laws and the demise of the savings and loan industry as a real property lender, real estate financing in the 1990s can be expected to have much lower loan to value ratios, thus, loans requiring greater amounts of equity than in the past. There will be an increasing number of joint ventures involving developers of real property in partnership with lending institutions. Syndications and equity pools will increase.

Lending as we have known it will change -- many lenders think forever.

As a result of these changes, there is an increased awareness by lenders to concentrate capital into projects that offer long-term potential for appreciation. To accomplish this goal (and attract discriminating equity and debt capital), a number of considerations need to be addressed in project planning and implementation including provision for:

- An attractive environment, affordable, yet superior to local competition.
- A master plan that provides flexibility, as well as high quality in terms of design, landscaping, circulation, site amenities and materials for structures.
- Effective management.
- Provision of appropriate covenants, conditions and restrictions (CC&R) with consistent enforcement and maintenance requirements compatible with quality development.

Development of Klickitat Point will be a long-term commitment by the citizens of the area and will represent a significant and visible development on the landscape for many years to come. Therefore, quality is not only desirable visually and environmentally, but as a necessary contribution to the region. It is a practical business necessity in order to attract the right kind and amount of capital.

## **PROJECT IMPLEMENTATION AND OPERATIONS**

### **Land Leases**

Facilities planned for the project including industrial, office and commercial space will operate on land leases. The Port of Klickitat will maintain ownership of the property and facility users will make lease payments for use of the land.

### **Marketing**

Economic development, including the attraction and retention of select entities to locations within a community is an extremely competitive industry. Klickitat Point will be one of several projects within the Columbia River Gorge vying for tenants. What will be unique about the project, as currently planned, will be the mix of land uses and facilities available to both the community and tenants of the property. The Port and project representatives will need to assemble an aggressive and results-oriented marketing program which emphasizes the unique character of the project, while utilizing data presented in this report, focusing on the competitive cost environment and skilled labor force available within the region.



In order to design and implement a successful marketing program for Klickitat Point, the Port should work with the Consulting Team to further identify industry opportunities and target markets and to establish: marketing, sales, market research and planning, promotion and inquiry services.

## **Management**

Management of any large-scale project, particularly one as diverse as that planned for Klickitat Point will require a centralized system of management. As planned, the Port of Klickitat will be primary manager for all entities of the project.

## **CONCLUSION**

A mixed development of land uses has been proposed for Klickitat Point. As outlined herein, the program is designed to address short and long-term job creation, as well as public facility needs for residents of the entire Columbia River Gorge region.

The most intensive land use proposed is industrial development, as it provides the greatest opportunity for immediate job creation. Other uses include an education, research and training facility, housing, recreation and a community center for public meetings and office space. It is this unique development environment which will set Klickitat Point apart from other competitive projects within the region.

Several recommendations regarding design, implementation and operation of Klickitat Point have been outlined. As described, proposed industrial and commercial facilities will operate on land leases. This will allow the Port to maintain ownership of the land and control over development and management of the project. A quality development will be critical to its success in terms of its ability to attract tenants, as well as capital. Klickitat Point will be the gateway to the Cities of Bingen and White Salmon, as well as Klickitat county, and as such should reflect the community's commitment and vision for the future.

## Section VII

### **LAND PLAN**

This section of the report presents a graphic interpretation of the preliminary land plan proposed for Klickitat Point. The land plan is the result of both research of market and site conditions and working meetings with the members of the Citizen Advisory Group. It reflects their vision for the property -- a mixed development involving several different land uses and activities.

#### **DESCRIPTION OF THE PLAN**

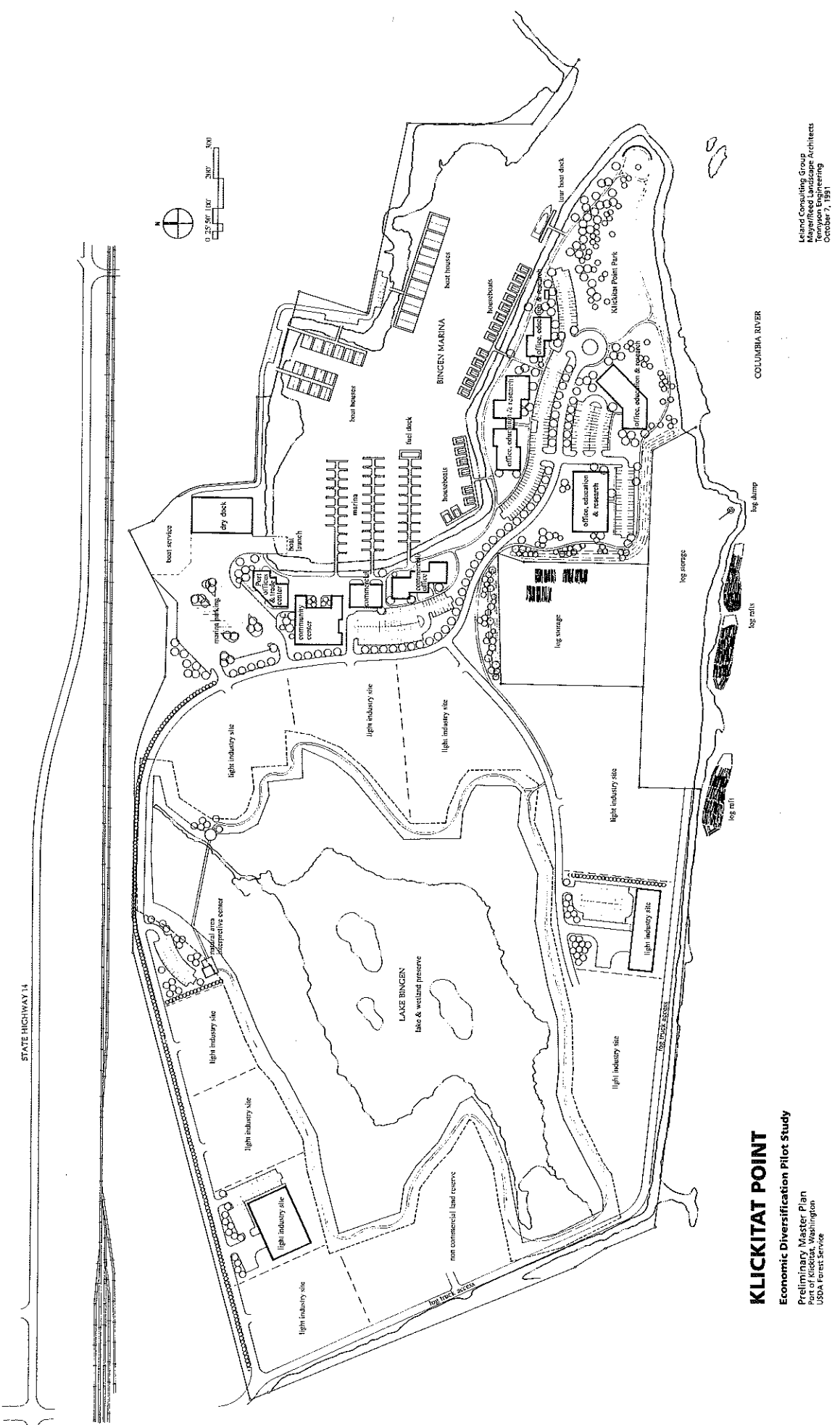
The land plan for Klickitat Point is shown in Figure 3 on the following page. The plan was prepared by the firm of Mayer/Reed, Landscape Architects and Planners, and illustrates the location of the various land uses and access to those uses.

Practically speaking, the plan shows a higher level of detail than is appropriate for a pilot study. In effect, a pilot study is designed to focus up the project, identify major opportunities and obstacles and serve as a basis for preliminary costing. The building shapes, parking areas, and other details are provided for the purpose of communicating the concept. Subsequent planning phases will examine each of the uses and activities on the property in more detail. This is particularly true for areas such as the marina, public park, Port buildings, and other public and quasi-public uses.

#### **Light Industrial**

The industrial areas of the plan are designed to provide fully serviced (with utilities) industrial sites located on attractive roadways. Most of the industrial sites will face Lake Bingen. Actual site sizes will not be determined until specific tenants are identified. The industrial sites can be made smaller or larger along the access roads depending on the needs of the individual companies seeking to develop on the property.

Approximately 35 acres of the property have been identified for light industrial uses. Possible uses for these sites were identified through an analysis of target industries which would be appropriate for the local economic and employment base. These



Leland Consulting Group  
 Mayer/Hoff Landscapes Architects  
 Tenyson Engineering  
 October 7, 1991

**KLICKITAT POINT**  
 Economic Diversification Pilot Study  
 Preliminary Master Plan  
 Port of Klickitat, Washington  
 USDA Forest Service

possible industries include: value-added wood products manufacturing, leather finishing, sporting goods equipment manufacturing (i.e., windsurfing, snow boarding), fish and food product processing and high-tech instrument production. Other uses will be identified in the next phase of planning. Site locations were selected based on compatibility with existing uses on the property (i.e., log truck access and log storage), as well as the ability to implement the Phase I development program.

### **Research, Technology, Office and Training Campus**

A campus of approximately four, two-story-buildings are proposed for that part of the site between the Marina and the Columbia River, adjacent to Klickitat Point Park. The campus will accommodate approximately 140,000 square feet of building space and can share surplus parking areas with residents of houseboats and visitors to the public park. Buildings will have a view of the river and the Marina -- an important consideration when leasing space to tenants.

### **Public Marina and Support Services**

The Bingen Marina will be expanded to accommodate 110 slips for sail and motor boats. Slips will be leased on a monthly, yearly and overnight basis. As presently conceived, additional facilities within the Marina will include a launching ramp, dry dock facility, tour boat and fuel docks. Public restrooms with showers and concessionaire operations will be housed within the same building as the Port offices. 21 boat houses to accommodate mid-size and large vessels (50+ feet) can be constructed and leased. Parking adjacent to the Marina will accommodate approximately 115 cars and trailers.

### **Office and Commercial Space**

A series of small buildings constructed around the Marina would include public offices, a trade association center, community center and commercial space to carry various sundry items for residents and employees of the property. Total square footage for these buildings (leased to area organizations and businesses) is estimated at approximately 55,500 square feet.

#### **Public Offices**

Approximately 15,500 square feet of office space would be constructed to accommodate public service organizations including the Port (which will serve as Harbor Master for the Marina), County offices, a trade association and other public or quasi-public agencies.

#### **Trade Center**

The Columbia Gorge Trade Association (a yet-to-be-formed organization) will combine government and community resources to assist area business with national and

international marketing of Gorge-produced goods and services. As proposed, the organization will occupy space in the same building as the Port. Total space requirements include two offices, a reception area and shared meeting rooms with the Port.

### **Community Center**

A 20,400 square foot community center is proposed to accommodate several alternative uses including space for: public meetings, performing arts presentations and possibly an indoor swimming pool.

### **Log Dump and Storage**

Approximately 4.4 acres on the site are presently used for a log dump and storage operation. An additional portion of the property is leased by the Mount Adams Logger's Association with the balance leased to area logging firms. This existing employment-generating activity will remain in force as is. Berms (planted earth mounds) will be established between the log dump and offices to reduce noise conflicts.

### **Houseboats**

21 one and two-story houseboats, constructed on floats in the water and moored to a common system of docks are suggested for location in the Bingen Marina. The houseboats will be owned by individuals, however a moorage fee will be paid to the Port.

### **Natural Area/Interpretive Center**

In response to concern over preservation of the wetlands on the property, an interpretive center is proposed on approximately one acre, north of and adjacent to Lake Bingen.

### **Klickitat Point Park**

4 to 5 acres will be reserved in open-space for use by the community and visitors to the community, i.e., windsurfers, picnickers, etc.

**Table 12**

**SUMMARY OF RECOMMENDED LAND USES AT KLICKITAT POINT**

<u>Use Classification</u>	<u>Sq. Ft./Units</u>	<u>Acres</u>	<u>Percent</u>
Light Industrial	343,000 sf	35.12	34.0
Research Technology, Office and Training Campus	140,000 sf	6.00	5.8
Public Marina and Support Services	110 slips	4.82	4.7
Houseboats	21		
Boat Houses	21		
Office and Commercial Space	55,500 sf	3.44	3.3
Log Storage Area	--	4.40	4.3
Lake and Wetlands	--	30.60	29.6
Natural Area/Interpretive Center	--	(1.00)	--
Klickitat Point Park	--	5.00	4.8
Roadway	--	7.75	7.5
Other	--	6.25	6.0
<b>Sub-Total</b>		<b>103.3</b>	<b>100.0</b>
Marina and Basin		21.6	

Source: Mayer/Reed and Leland Consulting Group.

## Section VIII

# **FINANCIAL ANALYSIS & ECONOMIC CONSIDERATIONS**

This section of the report presents a preliminary evaluation of the economics of development of Phase I of Klickitat Point. As stated previously, the Citizen Advisory Group identified job creation as the first priority of any plan for economic diversification within the District. Since industrial development provides the greatest opportunity for short-term job creation, Phase I will include improving that portion of the property identified for industrial land uses. Additional planning for subsequent phases of the project can parallel the development activity of Phase I.

Also explained in an earlier section of this report is the purpose of this report as a pilot study. As such, it is not intended to answer questions about the proposed plan in great detail. Rather, it is designed to provide an overview of major opportunities and constraints, as well as give direction for ongoing analysis -- refining the plan, implementing the marketing strategy, and preparing necessary and detailed technical and financial documents leading to actual development.

Given this explanation, the analysis which follows provides an overview of financial issues associated with development of Phase I of Klickitat Point including discussions pertaining to public assistance, project phasing, development costs and project investment and revenue. Although the research conducted for a pilot study does not provide enough detail to prepare a cash flow, we have estimated possible levels of investment for the project at total build-out.

## **ASSUMPTIONS**

Development of Klickitat Point involves a number of assumptions, summarized as follows:

1. The Port will have primary responsibility for development of the property. This includes master planning, preparation of all necessary documents that guide and govern development, processing through all regulatory changes (i.e., zoning, subdivision, etc.), preparing a detailed master plan for development, actual land development and related tasks.

2. The land within Klickitat Point will continue to remain in the ownership of the Port. Private and public sector users will lease land from the Port under long-term land leases.
3. The Port will also have primary responsibility for acquiring necessary capital for investment in the project. This means maintaining a relationship with all potential funding sources - local, state, regional and national governmental agencies -- and applying for appropriate grants and loans to facilitate development at Klickitat Point.
4. The Port will need the assistance and commitment of other nearby governmental agencies including Klickitat County, the Cities of Bingen and White Salmon, the Columbia Gorge Commission, and others. This project is a major undertaking and will require a unified effort on the part of these neighboring governmental jurisdictions.
5. Leadership from the community will be required to see this plan to fruition. Components of the plan, such as the community center, will necessarily require citizen leadership and citizen support, particularly if local bond measures or other local financing mechanisms are required.

The Port of Klickitat will have to wear "several different hats" during the development of Klickitat Point. The first, and perhaps most significant role, will be as land developer. It will be the Port's responsibility (either directly or through contracts) to develop the property including site grading, installation of utilities and access roads, landscaping and other land-related improvements. The land development portion of the project provides the physical opportunity for others to invest in the site and develop buildings.

Those that develop on the property will include private firms, private individuals, institutions and public agencies including the Port of Klickitat. In that regard, another "hat" to be worn by the Port will be development of buildings such as the Port headquarters and marina complex. Again, this may be done directly by the Port or contracted out to technical service organizations which will work on behalf of the Port.

It is the stated intent of the Port of Klickitat that all land at Klickitat Point will be developed on leases. That is, no land will be sold, but rather, will be retained in long-term ownership for the public by the Port. While this creates some difficulties in the sense that some companies will insist upon owning their sites and will not occupy leased land, it also has benefits by providing a site to companies who are short on cash and prefer to "pay for the land as they go" rather than face the financial obligation of purchasing the land up front. The key issue here will be for the Port to provide leases that are long enough in duration to satisfy the concerns of the marketplace at rates that are attractive to potential tenants.

Another "hat" to be worn by the Port is that of project administrator and operator. The Port will have the responsibility of running Klickitat Point on a day-to-day basis -- assuring that the utilities are operable, maintaining roads, collecting rents, supervising use of public facilities, maintaining the marina, and other "landlord" duties.



## **PUBLIC ASSISTANCE**

Klickitat and Skamania Counties make up most of the Washington State side of the Columbia Gorge. They are both economically impacted areas experiencing extremely high unemployment resulting from major changes in the lumber and wood products industry. This situation is discussed in detail earlier in this report.

Further, there has been very little economic development activity on the Washington side of the Columbia Gorge -- most development has historically occurred in Oregon. Therefore, development of Klickitat Point represents a pioneering effort in several respects:

1. Development during a recession within an economically impacted county.
2. The first mixed development to occur on the Washington side of the Columbia Gorge within the Scenic Area.
3. The largest single project on the Washington side of the Columbia Gorge in the Scenic Area.

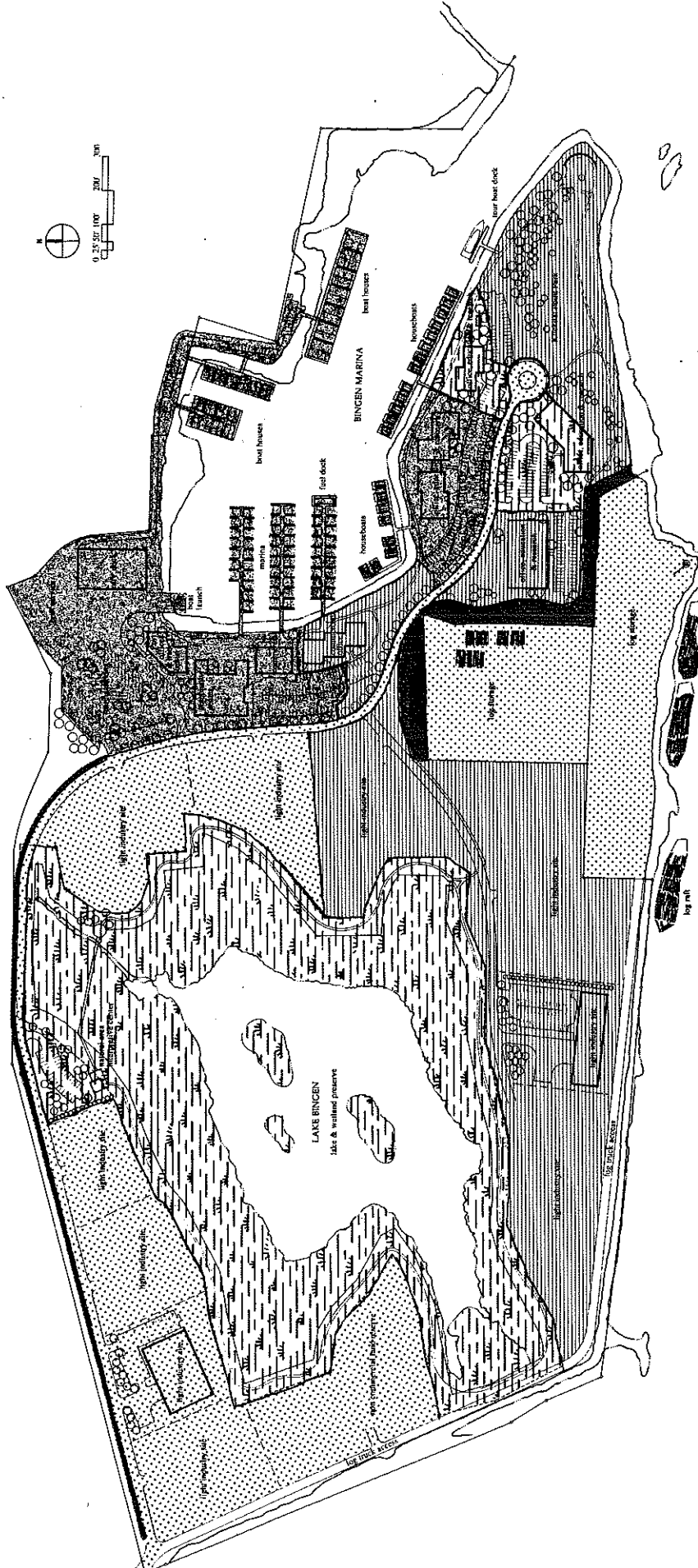
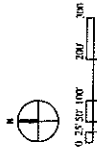
These notable factors add up to significant hurdles. Nonetheless, it is necessary for Klickitat County to begin to turn around its substantially negative economic situation and build new employment opportunities to retain the labor force and members of the community.

Unlike industrial projects in well-established metropolitan areas (i.e., Portland, Oregon and Vancouver, Washington), development of Klickitat Point must rely on public financial support. While the project is not without equity -- the Port owns the 103.3-acre property outright with no mortgage debt -- an asset worth approximately \$1.5 to \$2 million. Funds for infrastructure, marina development, port buildings, and other public sector improvements will have to come from blending pools of loans and grants from a variety of public financing sources. A list of state and federal economic development financial and technical resources have been identified and are presented in the Appendix.

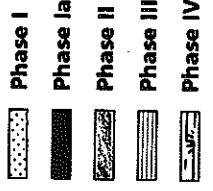
## **PHASING**

Market conditions, cost of capital, development expenditures, revenues, and community support will all influence the schedule of phased development of various components of the project. The phasing program responds to these criteria (see Figure 4). As preliminarily planned, there will be four phases of development which will address the following project components:

STATE HIGHWAY 14



Leiland Consulting Group  
Mayer/Field Landscape Architects  
Pomport Engineering  
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## **Phase I**

Phase I of the development will include an upgrade and extension of the entry road into the project with necessary utilities and traffic carrying capacity to permit marketing and occupancy of industrial sites as quickly as possible. As clearly stated by the Citizen Advisory Task Force, opening up industrial activity on the property is the number one priority. Continuation of the log dump operation is, of course, a Phase I activity.

## **Phase II**

Phase II of the development will install the marina and the Port headquarters building, the houseboat development and initial elements of the office and technology park. Phase II is perhaps the most intensive development phase of the project. In subsequent and more detailed planning studies, Phase II will be broken down into a series of sub-phases.

## **Phase III**

Phase III will include changes to the Klickitat Point Park, as well as opening up additional industrial sites on the southern portion of the property adjacent to the log dump and the river.

## **Phase IV**

Phase IV of the project will be the completion of the office technology park and additional improvements to the wetlands.

The phasing schedule described is intended to deliver public investment dollars as quickly as possible to the components of the project that produce employment. Therefore, improvements to the park and to the wetlands, as well as other public areas are scheduled for later phases. In the event that public funds become available to implement these public open space components at an earlier date, these improvements are encouraged. They are encouraged, because they add to the overall quality and attractiveness of the Klickitat Point property.

## **DEVELOPMENT COSTS**

Land development costs for Phase I have been prepared by the firm of Tenneson Engineering Corporation, Consulting Engineers. These costs are preliminary and are based on the pilot study level of detail. Further refinement of the Phase I costs are necessary and will be addressed in the next round of planning.

## **Sanitary Sewer**

The initial installation of services necessary to serve the development includes extension of an eight-inch gravity sewer main from the pumping station along the Bingen Marina Road to the proposed interpretive center and light industrial area immediately south of the road. A second eight-inch gravity sewer main will be extended along the proposed new road out to Klickitat Point Park. Individual developers of each site will extend sewer service from the eight-inch line to their particular building. The estimated cost of these sewer improvements is \$131,550.

## **Domestic Water**

There is currently a six-inch City of Bingen water main running along Marina Road across the entire property. The new line will tap into the existing line and will run along the new road out to the Park and to the southwest light industrial area. Fire hydrants will be installed at 500-foot intervals. The light industrial area at the northwest corner of the site will be served directly from the existing water main. All main extensions for this area will be eight-inches in size in order to provide adequate fire flow. The estimated cost of domestic water lines and fire hydrants is \$38,600.

## **Road System**

It is intended that Maple Avenue and Marina Road will be used in the new plan. These roads will be accessible up to the point of the proposed new road adjacent to the marina and through to the Park. The road standard envisioned for the property is a two lane 28-foot paved roadway with rolled curbs and gutters (with no on-street parking allowed). The estimated cost of extending the roadway is \$81,000.

## **Other Utilities**

Other utilities, such as telephone, will be provided at no cost or installed under ground in common with either the water line or the sewer ditches. Klickitat Public Utility District #1 can provide the required electrical service on a minimum annual fee contract to service users -- requiring no capital outlay for the Port District. Northwest Natural Gas will provide gas service, at their cost, if such service is requested.

**Table 13**

**SUMMARY OF PRELIMINARY COSTS FOR PHASE I OF DEVELOPMENT AT  
KLUCKITAT POINT**

	<u>Costs</u>
<b>Hard Costs</b>	
Sanitary Sewer	131,550
Domestic Water	38,600
Road System	81,000
Other Utilities (estimated)	25,000
Project Entry/Landscaping	30,000
Fill and Grading	<u>1,500,000</u>
Subtotal	1,806,150
Contingency at 20 Percent	<u>361,230</u>
Total Hard Costs	2,167,380
Soft Costs at 20 Percent of Hard Costs	<u>433,476</u>
Total Project Cost	2,600,856

Source: Leland Consulting Group and Tenneson Engineering Corporation.

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**PROJECT INVESTMENT AND REVENUE**

If the plan is built-out as shown, total investment (public and private) is estimated to range between the following amounts:

**Industrial**

35 acres @ 22.5% coverage  
343,000 square feet @ \$30.00 to \$40.00 per sq. ft.                      \$10.3 to \$13.7million

**Office/Technology**

140,000 square feet @ \$65.00 to \$75.00 per sq. ft.                      \$9.1 to \$10.5 million

**Port Offices/Commercial**

55,500 square feet @ \$65.00 to \$85.00 per sq. ft.                      \$3.6 to \$4.7 million

**Marina**

110 slips and 21 boathouses    \$2.0 to \$2.5 million

**Houseboats**

21 houseboats @ \$80,000 to \$100,000 each                      \$1.7 to \$2.1 million

**TOTAL INVESTMENT**

**\$26.7 to \$33.5 million**

Revenue for the project will be generated from the following sources:

	<u>Annual Revenue</u>
Industrial Land Leases 35 acres @ \$1.25 per square foot, 10% annual yield	\$193,000
Office (Technology Park) Land Leases 6 acres @ \$3.50 per square foot, 10% annual yield	\$91,500
Marina Boat Slips and Boat House Rentals	\$60,000
Houseboat Moorage Fee	\$50,400

Additional revenue will come from office and meeting space leases and rental charges within the community center and Port offices, as well as any fees for use of recreation facilities.

Section IX

**APPENDICES**

## APPENDIX A



**EXHIBIT 1**

**TOP 50 MANUFACTURING GROWTH INDUSTRIES 1990-91**

SIC CODE	INDUSTRY	GROWTH RATE
		1990 - 1991
3111	Leather tanning and finishing	9.40%
3674	Semiconductors and related devices	9.00%
3841	Surgical and medical instruments	8.60%
3842	Surgical appliances and supplies	7.60%
2833	Medicinals and botanicals	7.10%
2835	Diagnostic substances	6.90%
2015	Poultry slaughtering and processing	6.80%
2836	Biological products except diagnostic	6.20%
3721	Aircraft	6.00%
3843	Dental equipment and supplies	5.90%
287A	Agricultural chemicals, except fertilizer mixing (2873, -74, -79)	5.90%
357A*	Computers and peripherals (3571, -2, -5, -7)	5.60%
3845	Electromedical equipment	5.50%
2843	Surface active agents	5.20%
2796	Platemaking services	5.20%
354A	Machine tools (3541, -2)	5.00%
3533	Oil and gas field machinery	5.00%
3844	X-ray apparatus and tubes	4.90%
2791	Typesetting	4.70%
367A	Electronic parts ex. semicon. (3671 - 72, 75 - 79)	4.20%
2844	Toilet preparations	4.00%
2672	Paper coated and laminated, nec	4.00%
3544	Special dies, tools, jigs and fixtures	4.00%
3724	Aircraft engines and engine parts	3.90%
2086	Bottled and canned soft drinks	3.80%
382A	Laboratory instruments (3821, -26, -27, -29)	3.70%
3554	Paper industries machinery	3.50%
3552	Textile machinery	3.50%
275	Commercial printing	3.50%
2834	Pharmaceutical preparations	3.50%
2052	Cookies and crackers	3.50%
2741	Miscellaneous publishing	3.40%
2782	Blankbooks and looseleaf finders	3.20%
3548	Welding apparatus	3.00%
203B	Frozen foods (2037-8)	3.00%
2731	Book publishing	3.00%
3651	Household audio and video equipment	3.00%
281A	Industrial inorganic chemicals except pigments (2812, -13, -14)	2.90%
2841	Soap and other detergents	2.70%
2842	Polishes and sanitation goods	2.50%
2676	Sanitary paper products	2.50%
26PM	Paper and paperboard mills (262, 263)	2.50%
2891	Adhesives and sealants	2.50%
2677	Envelopes	2.50%
2732	Book printing	2.50%
3531	Construction machinery	2.00%
3052	Rubber and plastic hose and belting	2.00%
3069	Fabricated rubber products, nec	2.00%
366A	Radio comm. and det. equip. (3663, 3669, 3812)	2.00%
2679	Converted paper products	2.00%

## EXHIBIT 2

TWO DIGIT SIC CODE	INDUSTRY DESCRIPTION	TOTAL VALUE OF EXPORTS FROM OREGON	RANK AMONG ALL EXPORTS	TOTAL VALUE OF EXPORTS FROM WASHINGTON	RANK AMONG ALL EXPORTS	ACTUAL DOLLARS 1990 IMPORTS TO/ THROUGH OREGON	RANK
24	Lumber and Wood Products/Except Furniture	1,218,057,591	1	2,109,308,000	3	39739000	13
1	Agricultural Production Crops	1,185,738,001	2	2,844,860,000	2	57998000	12
35	Industrial/Commercial Machinery/Computer Equipment	779,861,483	3	646,647,000	7	446610000	4
36	Electronic/Electrical Equipment/Components except Computers	419,283,713	4	357,254,000	10	569255000	3
38	Measuring Instruments; Photo/Medical/Optical Goods; Clocks	348,554,418	5	434,151,000	8	63779000	11
20	Food and Kindred Products	255,006,103	6	832,253,000	5	38064000	14
37	Transportation Equipment	201,044,981	7	17,769,868,000	1	2806760000	1
26	Paper/Allied Products	122,886,298	9	813,579,000	6	22756000	17
31	Leather Products	43,910,908	12	5,142,000	28	282905000	5
28	Chemicals	32,167,895	13	401,359,000	9	627724000	2
27	Printing/Publishing/Allied Industries	24,375,829	16	86,602,000	17	4633000	20
30	Rubber/Miscellaneous Plastics Products	21,419,992	17	60,494,000	19	102517000	9
9	Fishing/Hunting and Trapping	19,299,063	18	293,949,000	11	265000	24
25	Furniture and Fixtures	9,328,447	19	13,369,000	24	29099000	15

Source: Int'l Trade Institute, U.S. Department of Commerce, U.S. Census Bureau - Foreign Trade Data Services Division and Leland Consulting Group

EXHIBIT 3  
(SIC) STANDARD  
INDUSTRIAL

CLASSIFICATION	INDUSTRY CATEGORY	OREGON	WASHINGTON	IDAHO	CALIFORNIA	REGIONAL TOTAL	NATIONAL TOTAL	REGION AS A % TOTAL
<b>NUMBER OF ESTABLISHMENTS:</b>								
20	Food and kindred products	375	545	134	2529	3583	20323	17.63%
2091	Canned and cured fish and seafoods	6	35	1	12	54	187	28.88%
2092	Fresh or frozen prepared fish	19	72	2	43	136	635	21.42%
2435	Hardwood veneer and plywood	12	4	1	25	42	307	13.68%
26	Paper and allied products	66	105	8	611	790	6328	12.48%
2671	Paper coated and laminated packaging	1	1	2 **	10	14	128	10.94%
2679	Converted paper products	10	13	1	76	100	754	13.26%
28	Chemicals and allied products	129	170	32	1443	1774	12027	14.75%
2833	Medicinals and botanicals	3	4	1	41	49	223	21.97%
31	Leather and leather products	23	23	11	221	278	2123	13.09%
311	Leather tanning and finishing	2	4	0	21	27	349	7.74%
35	Industrial machinery and equipment	661	831	123	7178	8793	51101	17.21%
3554	Paper industries machinery	6	10	0	14	18	272	17.63%
38	Instruments and related products	157	197	23	2043	2420	10196	23.73%
3823	Process control instruments	8	10	2	162	182	757	24.04%
3841	Surgical and medical instruments	17	24	3	245	289	1137	25.42%
3949	Sporting and athletic goods	53	66	12	310	441	1718	25.67%
<b>NUMBER OF EMPLOYEES:</b>								
20	Food and kindred products	19039	28701	15094	156433	219267	1438668	15.24%
2091	Canned and cured fish and seafoods	84	750	60 ***	1243	2137	6792	31.46%
2092	Fresh or frozen prepared fish	1602	4531	60 ***	3102	9295	37894	24.53%
2435	Hardwood veneer and plywood	1338	58	10 ***	1630	3036	20981	14.47%
26	Paper and allied products	7866	16114	1750 ***	37614	63344	625238	10.13%
2671	Paper coated and laminated packaging	60 ***	175 ***	375 ***	635	1245	16210	7.68%
2679	Converted paper products	257	395	10 ***	2030	2692	31596	8.52%
28	Chemicals and allied products	2714	11460	3181	58451	75806	831621	9.12%
2833	Medicinals and botanicals	60 ***	60 ***	10 ***	1050	1180	11859	9.95%
31	Leather and leather products	544	615	184	7500 ***	8843	129561	6.83%
311	Leather tanning and finishing	60 ***	60 ***	0	750 ***	870	15004	5.80%
35	Industrial machinery and equipment	17583	20233	4614	221088	263518	1924409	13.69%
3554	Paper industries machinery	218	500	0	317	1035	16946	6.11%
38	Instruments and related products	14310	12235	691	195199	222435	1002522	22.19%
3823	Process control instruments	45	125	60 ***	7930	8160	52339	15.59%
3841	Surgical and medical instruments	288	373	60 ***	13993	14714	77575	18.97%
3949	Sporting and athletic goods	1750 ***	2065	60 ***	7771	11646	54669	21.30%
<b>ANNUAL PAYROLL (\$1,000):</b>								
20	Food and kindred products	400510	639307	278007	3951493	5269317	31961362	16.49%
2091	Canned and cured fish and seafoods	895	18052	0 D	16762	35709	127277	28.06%
2092	Fresh or frozen prepared fish	19836	77803	0 D	51199	148838	590390	25.21%
2435	Hardwood veneer and plywood	33613	763	0 D	34749	69125	369774	18.69%
26	Paper and allied products	296310	575825	0 D	1083311	1955446	18109060	10.80%
2671	Paper coated and laminated packaging	0 D	0 D	0 D	19565	19565	469121	4.17%
2679	Converted paper products	6492	8154	0 D	63116	77762	726271	10.71%
28	Chemicals and allied products	73715	405698	121291	1808699	2409403	26906026	8.95%
2833	Medicinals and botanicals	0 D	0 D	0 D	27954	27954	394617	7.08%
31	Leather and leather products	10559	9336	3122	0 D	23017	1891582	1.22%
311	Leather tanning and finishing	0 D	0 D	0	0 D	0	317064	0.00%
35	Industrial machinery and equipment	496938	536272	139897	7389270	8562377	56601634	15.13%
3554	Paper industries machinery	6364	15029	0	11287	32680	537719	6.08%
38	Instruments and related products	400602	396659	12941	6706920	7517122	30752721	24.44%
3823	Process control instruments	953	2598	0 D	251989	255540	1518707	16.83%
3841	Surgical and medical instruments	7260	11276	0 D	462030	480566	2065383	23.27%
3949	Sporting and athletic goods	0 D	41360	0 D	154624	195984	1024243	19.13%
<b>AVERAGE ANNUAL SALARY*:</b>								
20	Food and kindred products	21,036	22,275	18,418	25,260	24,032	22,216	
2091	Canned and cured fish and seafoods	10,655	24,069	0	13,485	16,710	18,739	
2092	Fresh or frozen prepared fish	12,382	17,171	0	16,505	16,013	15,580	
2435	Hardwood veneer and plywood	25,122	13,155	0	21,318	22,768	17,624	
26	Paper and allied products	37,670	35,734	0	28,801	30,870	28,963	
2671	Paper coated and laminated packaging	0	0	0	30,811	15,715	28,940	
2679	Converted paper products	25,261	20,643	0	31,092	28,886	22,986	
28	Chemicals and allied products	27,161	35,401	38,130	30,944	31,784	32,354	
2833	Medicinals and botanicals	0	0	0	26,623	23,690	33,276	
31	Leather and leather products	19,410	15,180	16,967	0	2,603	14,600	
311	Leather tanning and finishing	0	0	0	0	0	21,132	
35	Industrial machinery and equipment	28,262	26,505	30,320	33,422	32,493	29,412	
3554	Paper industries machinery	29,193	30,058	0	35,606	31,575	31,731	
38	Instruments and related products	27,995	32,420	18,728	34,359	33,795	30,675	
3823	Process control instruments	21,178	20,784	0	31,777	31,316	29,017	
3841	Surgical and medical instruments	25,208	30,231	0	33,019	32,660	26,624	
3949	Sporting and athletic goods	0	20,029	0	19,898	16,828	18,735	

Source: U.S. Department of Commerce, Bureau of the Census and Leland Consulting Group

\*Figures may vary if seasonal adjustments in employment levels

\*\*Reflects three-digit code figure

\*\*\*Reflects an average range

(D): not available

**APPENDIX B**

**ADDITIONAL TARGET INDUSTRY  
CONTACTS BY STANDARD  
INDUSTRIAL CLASSIFICATION (SIC)  
AND STATE**

**SIC: 2671 FLEXIBLE PACKAGING MATERIALS**

**California**

Hambrecht & Quist  
San Francisco, California  
1-415-576-3300

**SIC: 2679 CONVERTED PAPER PRODUCTS**

**Oregon**

Down River Forest Products  
White City, Oregon  
1-503-656-3140

Seattle Packaging Corporation (Beaverton Division)  
Beaverton, Oregon  
1-503-641-9227

Bay City Designs  
Florence, Oregon  
1-503-547-3015

Minnesota Mining and Manufacturing Company  
White City, Oregon  
1-503-826-4511

**Washington**

Champion International  
Tacoma, Washington  
1-206-572-8300

**California**

American Sales & Distribution  
Rhonert Park, California  
1-707-586-1191

(Converted Paper Products continued)

**Idaho**

Dixon Paper Company  
Idaho Falls, Idaho  
1-208-522-6200

**SIC: 2621 PAPER AND PAPERBOARD MILLS**

**Oregon**

Smurfit Newsprint Corporation  
Oregon City, Oregon  
1-503-656-5211

**SIC: 2435 HARDWOOD VENEER AND PLYWOOD**

**Oregon**

Alpine Veneers  
Portland, Oregon  
1-503-221-0440

Ellstrom Manufacturing  
Seattle, Washington  
1-206-789-3000

**California**

Perfect Plank Company  
Oroville, California  
1-916-533-7606

**Idaho**

Johnson Bros. Planning Mill  
Idaho Falls, Idaho  
1-208-522-3674

**SIC: 3111 LEATHER TANNING AND FINISHING**

**Oregon**

J&J Leather Refinishers  
Portland, Oregon  
1-503-761-8059

**Washington**

Indian Harness & Sadlery  
Spokane, Washington  
1-509-535-3400

**California**

KleenMaster Products  
Oceanside, California  
1-619-433-4565

**Idaho**

Couer d'Alene  
Couer d'Alene, Idaho  
1-208-664-6859

**SIC: 3949 SPORTING AND ATHLETIC GOODS**

**California**

CON Surfboards  
Santa Monica, California  
1-213-452-3824

**SIC: 2091 SEAFOOD PRODUCTS**

**Oregon**

Jack's Seafood  
Newport, Oregon  
1-503-265-5442

**Washington**

Coast Oyster  
Quilcene, Washington  
1-206-765-3474

(Seafood Products continued)

**California**

Jess Ranch  
Apple Valley, California  
1-619-247-7281

**SIC: 2092 SEAFOOD PRODUCTS**

**Oregon**

Astoria Seafood Company  
Astoria, Oregon  
1-503-325-2831

**Washington**

Alaska Fresh Seafoods  
Seattle, Washington  
1-206-285-2412

**Idaho**

Blue Lake Trout Farm  
Twin Falls, Idaho  
1-208-733-4631

**SIC: 3823 MEASURING AND CONTROLLING INSTRUMENTS**

**Oregon**

Addtronics, Inc.  
Springfield, Oregon  
1-503-747-3387

**Washington**

Control House, Inc.  
Bellevue, Washington  
1-206-641-3080

**California**

ACS, Inc.  
Los Angeles, California  
1-213-257-0878



(Measuring and Controlling Instruments continued)

**Idaho**

Boise Country Electric  
Boise, Idaho  
1-208-343-1473

**SIC: 3841 SURGICAL AND MEDICAL INSTRUMENTS**

**Oregon**

Everett Manufacturing  
Lake Oswego, Oregon  
1-503-636-4673

**Washington**

HR, Inc.  
Bellevue, Washington  
1-206-881-7761

First Medical Devices  
Bellevue, Washington  
1-206-882-3770

**California**

EJAY, International  
Glendora, California  
1-818-914-3287

## APPENDIX C

# DIRECTORY OF ECONOMIC DEVELOPMENT FINANCIAL AND TECHNICAL RESOURCES

*The following list of governmental agencies represents potential funding, technical and incentive programs for communities and new business enterprises in the State of Washington.*

<u>Department/Division</u>	<u>Telephone Number</u>
<b><u>STATE AGENCIES</u></b>	
<b>Department of Trade and Economic Development (DTED)</b>	
Business Assistance Center	1-800-237-1233
	1-206-441-5472
Local Development Assistance Group	1-206-464-6282
Office of Industrial Retention	
Community Economic Revitalization Board (CERB)	
Industrial Revenue Bonds	1-206-753-3065
Business Expansion	
Market and Targeted Industry Development Group	1-206-464-7143
Film and Video	1-206-464-6282
Tourism Development Group	1-206-653-5600
<b>Department of Community Development (DCD)</b>	
Community Revitalization Team (CRT)	1-206-586-1965
Community Development Block Grant (CDBG)	1-206-586-1243
Community Development Finance Program (CDF)	1-206-753-0325
Washington State Development Loan Fund (DLF)	1-206-586-8976
Public Works Trust Fund Programs	1-206-493-2889
<b>Employment Security Department (ESD)</b>	
Job Training Partnership Act - Title III Dislocated Workers Program and Trade Act Assistance (TAA)	1-206-438-4615
Shared Work Program	1-800-752-2500
	1-206-753-7075
Business Resource Network	1-800-233-6267
	1-206-753-5211
<b>Washington State Community Colleges</b>	1-206-753-0878
<b>Department of Labor and Industries (L&amp;I)</b>	
Apprenticeship and Training Program	1-206-753-3501
<b>Department of Natural Resources (DNR)</b>	
Aquatic Land Enhancement Account (ALEA)	1-206-586-9033

<b>Interagency Committee for Outdoor Recreation (IAC)</b> Grants to Public Agencies	1-206-753-7140
<b>Superintendent of Public Instruction (SPI)</b> Washington State Vocational - Technical Institutes (VTIs)	1-206-753-2567
<b>State Board for Vocational Education</b> Job Skills Program	1-206-586-8679
<b>Washington State Employment Security</b> Targeted Jobs Tax Credit (TJTC)	1-800-537-3396 1-206-438-4119

**FEDERAL AGENCIES**

<b>Small Business Administration</b> Regular SBA Loan Programs	1-503-221-3441
<b>U.S. Department of Agriculture</b> Farmers Home Administration (FmHA) Business Loan Program Recreation Facility Loans	1-509-662-4369
<b>U.S. Department of Commerce</b> Economic Development Administration (EDA)	1-206-442-4730 1-512-482-5461
<b>Small Business Investment Companies (SBIC)</b> Small Business Development Center	1-509-335-1576
<b>Venture Capital Firms</b> Small Business Development Center	1-509-335-1576
<b>Community Development Corporations (CDC)</b> Small Business Development Center	1-509-335-1576
<b>U.S. Department of Housing and Urban Development</b> Community Development Block Grants  Urban Development Action Grants	1-800-562-5677 1-206-586-8974 1-800-562-5677 1-206-586-2274

LOCAL AGENCIES

**Associate Development Organizations (ADOs)**

Klickitat County Economic Development Organization	1-509-493-1467
<b>Business Associations</b>	
Association of Washington Business	1-800-521-9325
	1-206-943-1600
Independent Business Association	1-206-453-8621
National Federation of Independent Business	1-206-786-8675
Washington Retail Association	1-800-752-9552
	1-206-943-9198

**Economic Development Councils**

Klickitat County Economic Development Organization	1-509-493-1467
Klickitat-Skamania Development Council	1-509-493-14670

**Private Industry Councils**

Tri-Valley Consortium	1-509-575-4252
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**Small Business Development Centers**

**Tourism Regions**

Yakima Chamber of Commerce	1-509-248-2021
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