



**NORTHWEST OREGON**  
**Clatsop, Columbia, Tillamook and Western Washington Counties**

**COMPREHENSIVE ECONOMIC DEVELOPMENT  
STRATEGY (CEDS)**

**2009—2013**

Approved: September 3, 2009

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

NWOregon.org

# REGIONAL ECONOMIC DEVELOPMENT PLAN

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## **INTRODUCTION**

NW Oregon's Regional Economic Development Plan updates the region's Comprehensive Economic Development Strategy (CEDS), and is a culmination of a three-year process combining and coordinating economic development and planning efforts of the Columbia-Pacific Economic Development District (Col-Pac), NW Oregon Economic Alliance (NOEA), NW Oregon Area Commission on Transportation (NWACT), NW Oregon Workforce Investment Board (NWIB), NW Oregon Economic Revitalization Team (NWERT) and Clatsop, Columbia, Tillamook and western Washington Counties.

Meetings with public and private stakeholders over the last three years were held to identify and work on economic development issues. The significant weather events and economic recession brought additional urgency to the Plan update. The following Plan describes a region of resiliency, recovery and re-invention. In addition to updated Goals, Objectives and Action Plan, NW Oregon's Regional Economic Development Plan now includes a component on Disaster Planning and Recovery.

This Plan is intended to serve as the Comprehensive Economic Development Strategy (CEDS), a required element of the federal Economic Development Administration regional economic development program.

## SECTION I—REGIONAL CONDITIONS

### A. Natural Resources

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

Historically associated with abundant natural resources, NW Oregon's employment and investment in lumber, wood products, seafood and agriculture have declined significantly in recent years. Job cuts have continued in timber and wood products, seafood, fishing and processing and certain agricultural products such as berries. The current economic recession has put further pressure on timber and wood products and the limited high-tech industry located in the region.

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

### B. Population Characteristics

While a sparsely populated region of 164,500 residents, NW Oregon's population continues to increase, growing 12% from 2000 to 2010, with majority of the growth in Western Washington County. Much of the population growth Columbia and Washington counties have experienced is a result of people choosing to relocate outside of the growing Portland Metropolitan area and commute further to their jobs. Population growth in Clatsop and Tillamook counties has partly resulted from increases in the number of retirees moving to the coast.

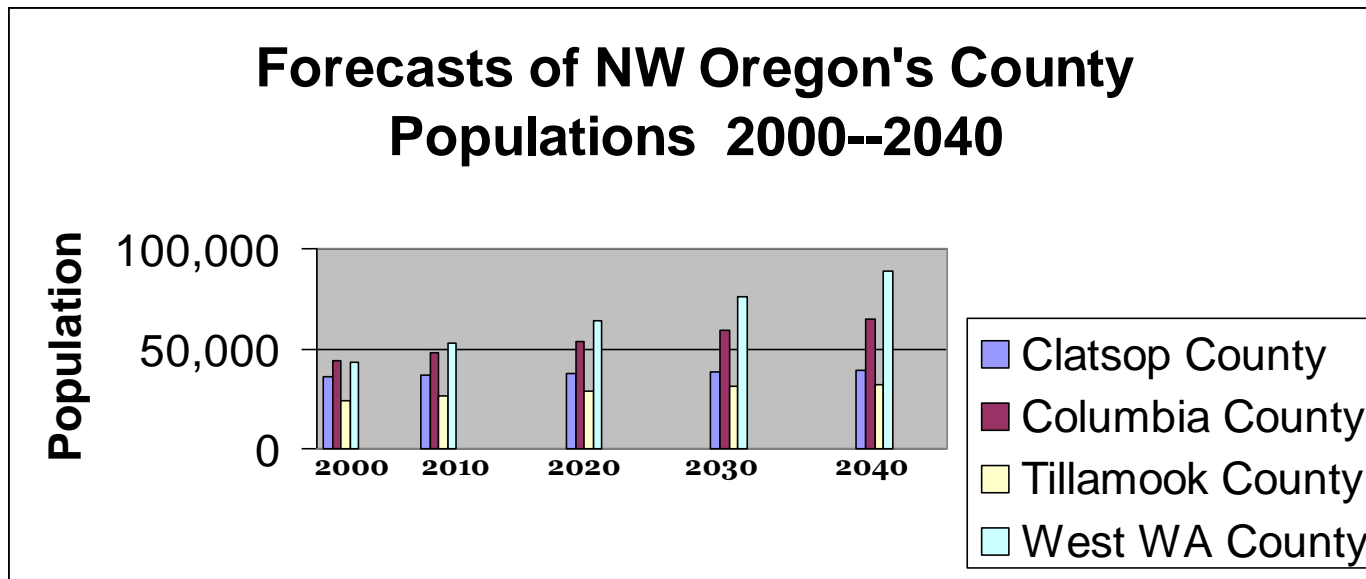
The Northwest Oregon region is expected to grow 53% in population between 2000 and 2040, a rate slightly under that of the State of Oregon's expected 58% growth rate. Clatsop County is estimated to have the least population growth over the next 30 years (10%), Tillamook County's growth rate is expected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

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

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

*Source: PSU Population Research Center*

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



Population Density: Compared to the State, NW Oregon is more considerably more densely populated—47.9 persons per square mile vs the State average of 9.9 persons/square mile. Western Washington County, with the largest population is most densely populated, followed by Columbia, Clatsop and Tillamook counties. Similarly to overall population growth estimates, population density is expected to generally increase, primarily in the populated areas of the region.

Age Characteristics: Based on data compiled from the 2004 Census estimates, NW Oregon's population generally has the same proportion of children (ages 0 through 19) as the State, but relatively fewer early-career adults (ages 20 to 44) and relatively more late career (ages 45-64) and retirement-age adults. The exception is western Washington County, with higher percentages of youth and working age residents. Median ages from the 2000 Census were 36.4 years for Oregon, 40.0 years for Clatsop County, 37.7 years for Columbia County, 43.5 years for Tillamook County and 32.0 years for western Washington County.

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

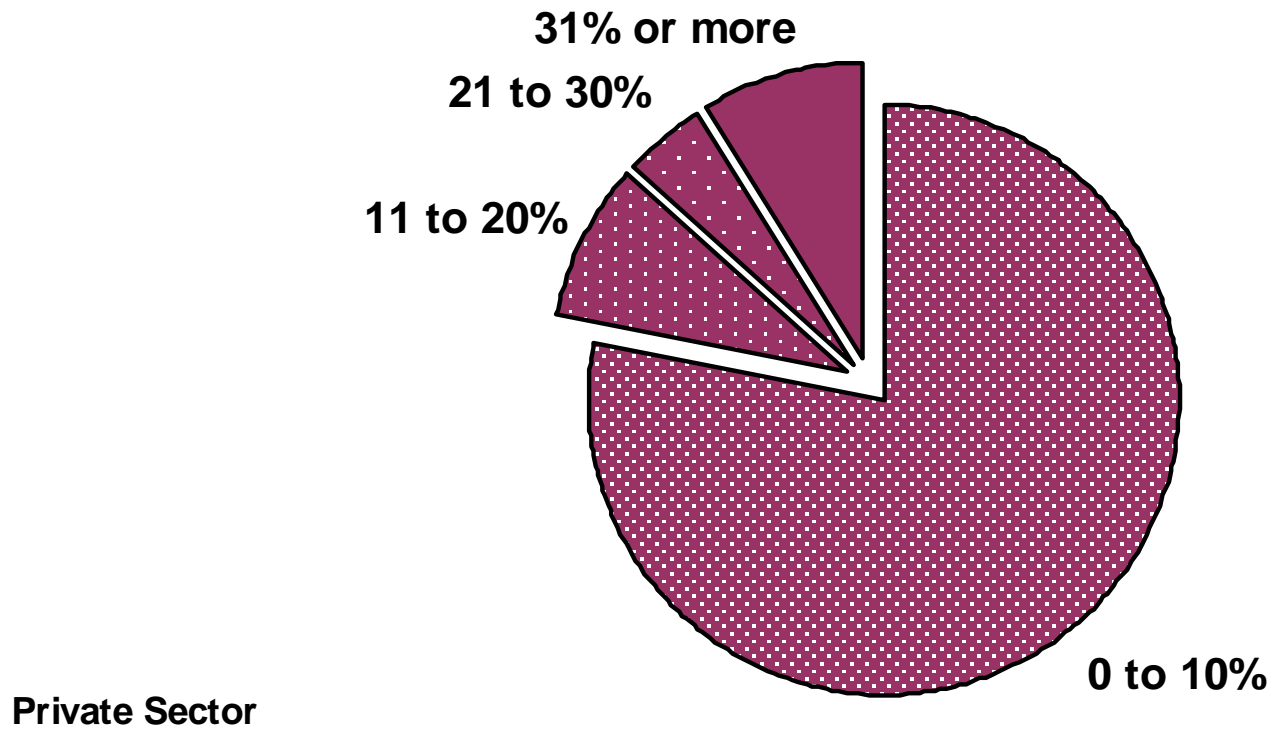
Many of Columbia's residents take advantage of job opportunities in the nearby Portland and Longview-Kelso labor market areas. In 2000, of the 19,726 working residents of Columbia County reporting their employment location, about one-half had jobs outside the county. Most of these worked in another Oregon county, mainly in the Portland area, but about 10% worked at jobs outside the state, mostly in adjacent Cowlitz County in Washington. The rural setting and generally lower housing prices relative to the rest of the Portland metropolitan area, has resulted in many workers with families moving to lower Columbia County.

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

<b>II.B Forecasts of Northwest Oregon's County Populations by Age 2000–2040</b>								
		<b>Age Group</b>						
<b>Year 2000</b>	<b>Totals</b>	<b>0-19</b>		<b>20-64</b>		<b>65+</b>		
Oregon Total	3,436,750	953,809	28%	2,043,181	59%	439,760	13%	
Clatsop County	35,700	9,600	27%	20,530	58%	5,570	16%	
Columbia County	43,700	12,990	30%	25,635	59%	5,075	12%	
Tillamook County	24,300	5,951	24%	13,545	56%	4,804	20%	
West Washington Co	43,445	12,816	29%	26,719	62%	3,910	9%	
<b>NW Oregon Totals</b>	<b>147,145</b>	<b>41,357</b>	<b>28%</b>	<b>86,429</b>	<b>59%</b>	<b>19,359</b>	<b>13%</b>	
		<b>Age Group</b>						
<b>Year 2010</b>	<b>Totals</b>	<b>0-19</b>		<b>20-64</b>		<b>65+</b>		
Oregon Total	3,843,900	984,694	26%	2,357,262	61%	501,944	13%	
Clatsop County	37,162	8,862	24%	22,404	60%	5,896	16%	
Columbia County	48,292	12,428	26%	29,301	61%	6,563	14%	
Tillamook County	26,589	5,480	21%	15,515	58%	5,594	21%	
West Washington Co	52,480	15,219	29%	32,538	62%	4,723	9%	
<b>NW Oregon Totals</b>	<b>164,522</b>	<b>41,989</b>	<b>26%</b>	<b>99,758</b>	<b>61%</b>	<b>22,776</b>	<b>14%</b>	
		<b>Age Group</b>						
<b>Year 2020</b>	<b>Totals</b>	<b>0-19</b>		<b>20-64</b>		<b>65+</b>		
Oregon Total	4,359,258	1,075,241	25%	2,550,261	59%	733,756	17%	
Clatsop County	37,939	8,737	23%	20,973	55%	8,229	22%	
Columbia County	53,562	12,776	24%	30,695	57%	10,091	19%	
Tillamook County	29,097	5,726	20%	15,675	54%	7,696	26%	
West Washington Co	63,861	17,881	28%	37,678	59%	8,302	13%	
<b>NW Oregon Totals</b>	<b>184,460</b>	<b>45,120</b>	<b>24%</b>	<b>105,021</b>	<b>57%</b>	<b>34,318</b>	<b>19%</b>	
		<b>Age Group</b>						
<b>Year 2040</b>	<b>Total</b>	<b>0-19</b>		<b>20-64</b>		<b>65+</b>		
Oregon Total	5,425,408	1,280,481	24%	3,047,408	56%	1,097,519	20%	
Clatsop County	39,368	8,540	22%	20,651	52%	10,177	26%	
Columbia County	64,411	14,940	23%	34,814	54%	14,657	23%	
Tillamook County	32,146	5,857	18%	17,032	53%	9,257	29%	
West Washington Co	89,062	23,156	26%	50,765	57%	15,141	17%	
<b>NW Oregon Totals</b>	<b>224,988</b>	<b>52,493</b>	<b>23%</b>	<b>123,262</b>	<b>55%</b>	<b>49,232</b>	<b>22%</b>	
<i>Base population of July 1, 2000: Totals estimated by PRC, PSU and age details estimated by OEA based on Census Bureau's distributions. Release date: April 2004</i>								

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

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





## II.C Population Density 2000–2040

*Source: PSU Population Research Center*

<b>County</b>	<b>Land Area (sq mi)</b>	<b>Population Estimates 2000</b>	<b>Persons per square mile</b>
Oregon Total	95,997	953,809	9.9
Clatsop County	827	35,700	43.2
Columbia County	657	43,700	66.5
Tillamook County	1,102	24,300	22.1
West Washington Co	484	43,445	89.8
<b>NW Oregon Totals</b>	<b>3,070</b>	<b>147,145</b>	<b>47.9</b>
<b>County</b>	<b>Land Area (sq mi)</b>	<b>Population Estimates 2010</b>	<b>Persons per square mile</b>
Oregon Total	95,997	984,694	10.3
Clatsop County	827	37,162	44.9
Columbia County	657	48,292	73.5
Tillamook County	1,102	26,589	24.1
West Washington Co	484	52,480	108.4
<b>NW Oregon Totals</b>	<b>3,070</b>	<b>164,522</b>	<b>53.6</b>
<b>County</b>	<b>Land Area (sq mi)</b>	<b>Population Estimates 2020</b>	<b>Persons per square mile</b>
Oregon Total	95,997	1,075,241	11.2
Clatsop County	827	37,939	45.9
Columbia County	657	53,562	81.5
Tillamook County	1,102	29,097	26.4
West Washington Co	484	63,861	131.9
<b>NW Oregon Totals</b>	<b>3,070</b>	<b>184,460</b>	<b>60.1</b>
<b>County</b>	<b>Land Area (sq mi)</b>	<b>Population Estimates 2040</b>	<b>Persons per square mile</b>
Oregon Total	95,997	1,280,481	13.3
Clatsop County	827	39,368	47.6
Columbia County	657	64,411	98.0
Tillamook County	1,102	32,146	29.2
West Washington Co	484	89,062	184.0
<b>NW Oregon Totals</b>	<b>3,070</b>	<b>224,988</b>	<b>73.3</b>

## II.D Worker Dependency Ratio 2000–2040

*Source: PSU Population Research Center*

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

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

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

### **C. Transportation and Infrastructure**

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

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

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

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

### **Transportation System Planning**

Almost all communities in NW Oregon either have Transportation System Plans or are included in their County's Transportation System Plan. These plans outline the existing transportation systems and conditions, and identify enhancements needed to

accommodate future development. The local system plans tie into Oregon's State Transportation Investment Plan (STIP) which is updated and funded every two years.

NW Oregon, when determining priority projects for the STIP, includes economic criteria: Projects should focus on regionally significant industrial, local industrial and employment areas. Economic and community development projects will retain, leverage or complement the creation of jobs. Projects are encouraged which benefit distressed communities (as defined by OECDD) to retain or complement development of jobs. An important element of the regional transportation system for economic and community development is the ability to respond to a disaster and support development of certified building sites.

### **Transportation Work Plan**

During 2009—2010, the NW Oregon Area Commission on Transportation will be looking at the existing Transportation System Plans, and compiling an inventory of current conditions and a list of unmet needs. This data will then be used to determine:

- What is needed to maintain NW Oregon's transportation system
- What is needed to accommodate community and economic development growth
- What are the potential pressure or "choke" points, for prioritizing improvement projects

Second phase of the planning will take the current and projected system data, and identify what corresponding facilities and activities are needed to support transportation throughout NW Oregon. Examples include:

- Rail crossings, downtown rail safety improvements
- Maintenance of commercial air service
- Dredge disposal facility near the mouth of the Columbia River
- Transit facilities
- Dike restoration to carry rail track
- Culverts/Flood gates to allow passage of water during storm events

## SECTION II—PROBLEMS, NEEDS AND DEVELOPMENT OPPORTUNITIES

### A. Employment

Job Development: NW Oregon lags the State in job growth and wages in three of the region’s four counties. From 1976 to 2008, the number of covered payroll jobs grew 106% in Oregon. During that same time, the number of jobs in Clatsop County increased 72%, Columbia County—60% and Tillamook County—87%. Western Washington County jobs increased 323%.

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

Looking at the major industries within the region, changes from 1976 to 2008 are equally significant. In all counties, manufacturing jobs (highest wage) have decreased significantly, while leisure and hospitality and health service jobs are growing.

Average wages in Clatsop, Columbia and Tillamook counties have fallen behind the State’s average wages since 1976. In Clatsop County, 2008 average wage is 74% of the State’s average, as compared to 94% of the State’s average in 1976. Columbia County’s average wage as a percentage of the State’s average fell from 111% in 1976 to 82% in 2008. Tillamook County’s average wage went from 87% in 1976 to 75%.

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

	Clatsop	Columbia	Tillamook	NW Oregon
Jobs Not Realized	3,381	7,156	898	11,435
Wage Growth Not Realized (2008)	\$36M	\$53M	\$9M	\$98M
Wages Not Realized (2008)	\$101 M	\$290M	\$27M	\$418M
Total Wage Impacts (2008)	\$137M	\$343M	\$36M	\$516M

<b>II.A. Economic Diversification Historical Data: Employment Trends</b>					
	<b>1976</b>			<b>2008</b>	
	<b>Employment</b>			<b>Employment</b>	<b>% Growth</b>
State of Oregon	831,216			1,716,008	106%
Clatsop County	10,056			17,334	72%
Columbia County	6,751			10,812	60%
Tillamook County	4,709			8,802	87%
West Washington Co	6,202			26,254	323%
<b>NW Oregon Totals</b>	<b>27,718</b>			<b>63,202</b>	<b>128%</b>
	<b>Employment</b>	<b>% of Total</b>		<b>Employment</b>	<b>% of Total</b>
<b>Clatsop County</b>	10,056	100%		17,334	100%
Manufacturing	3,237	32%		2,124	12%
Government	1,892	19%		2,693	16%
Leisure/Hospitality	1,280	13%		3,924	23%
Retail	1,097	11%		2,518	15%
Health Services	545	5%		1,883	11%
	<b>Employment</b>	<b>% of Total</b>		<b>Employment</b>	<b>% of Total</b>
<b>Columbia County</b>	6,751	100%		10,812	100%
Manufacturing	2,599	38%		1,981	18%
Government	1,349	20%		2,129	20%
Retail	661	10%		1,412	13%
Leisure/Hospitality	484	7%		1,120	10%
Health Services	170	3%		922	9%
	<b>Employment</b>	<b>% of Total</b>		<b>Employment</b>	<b>% of Total</b>
<b>Tillamook County</b>	4,709	100%		8,802	100%
Manufacturing	1,341	28%		1,414	16%
Government	1,195	25%		1,899	22%
Retail	545	12%		979	11%
Leisure/Hospitality	420	9%		1,252	14%
Health Services	274	6%		754	9%
	<b>Employment</b>	<b>% of Total</b>		<b>Employment</b>	<b>% of Total</b>
<b>West WA County</b>	6,202	100%		26,254	100%
Manufacturing	2,125	34%		5,776	22%
Government	686	11%		788	3%
Retail	968	16%		2,625	10%
Leisure/Hospitality	490	8%		1,050	4%
Health Services	402	6%		3,413	13%

*Sources: Oregon Employment Department, PSU Population Research Center*

<b>II.B. Economic Diversification Historical Data: Wage and Salary Trends</b>					
	<b>1976</b>			<b>2008</b>	
	<b>Ave Wage</b>	<b>% OR Ave</b>		<b>Ave Wage</b>	<b>% OR Ave</b>
<b>State of Oregon</b>	\$10,691	100%		40,486	100%
<b>Clatsop County</b>	10,056	94%		29,864	74%
Manufacturing	12,819	120%		52,135	129%
Government	10,665	100%		33,939	84%
Retail	7,801	73%		24,034	59%
Health Services	6,318	59%		36,056	89%
Leisure & Hospitality	4,320	40%		15,706	39%
	<b>Ave Wage</b>	<b>% OR Ave</b>		<b>Ave Wage</b>	<b>% OR Ave</b>
<b>State of Oregon</b>	\$10,691	100%		40,486	100%
<b>Columbia County</b>	11,850	111%		33,117	82%
Manufacturing	14,777	138%		49,784	123%
Government	10,688	100%		39,063	96%
Retail	7,641	71%		23,086	57%
Health Services	4,868	46%		26,099	64%
Leisure & Hospitality	3,687	34%		12,223	30%
	<b>Ave Wage</b>	<b>% OR Ave</b>		<b>Ave Wage</b>	<b>% OR Ave</b>
<b>State of Oregon</b>	\$10,691	100%		40,486	100%
<b>Tillamook County</b>	9,250	87%		30,488	75%
Manufacturing	12,859	120%		39,240	97%
Government	10,553	99%		36,901	91%
Retail	7,032	66%		22,073	55%
Health Services	6,370	60%		39,474	98%
Leisure & Hospitality	3,729	35%		14,408	36%
	<b>Ave Wage</b>	<b>% OR Ave</b>		<b>Ave Wage</b>	<b>% OR Ave</b>
<b>State of Oregon</b>	\$10,691	100%		40,486	100%
<b>West WA County</b>	6,927	65%		34,260	85%
Manufacturing	7,983	75%		47,790	118%
Government	8,012	75%		38,436	95%
Retail	6,727	63%		27,030	67%
Health Services	8,547	80%		30,172	75%
Leisure & Hospitality	3,789	35%		16,551	41%
<i>Sources: Oregon Employment Department, Western WA estimates from the PSU Population Research Center</i>					

Statewide, NW Oregon also lags in per capita income. NW Oregon’s economy has doubled the unemployment rate in the last year, and now has the second highest rate in the nation. Rebuilding the regional economy from this major recession is facing four major challenges: Low commodity prices for timber and lack of demand for finished lumber, closure of salmon fishing and extension of marine reserves, loss of Federal timber revenues, and continued recovery by some communities from the December 2007 and January 2009 storms.

Unemployment Rates over the Last 5 Years\*  
(Oregon Employment Department)

Year	2005	2006	2007	2008	July 2009
US	5.1	4.5	5.0	5.8	9.4
Oregon	6.6	5.0	5.3	6.4	11.9
Clatsop	6.6	6.0	5.4	5.1	10.2
Columbia	8.5	5.8	5.7	6.9	14.3
Tillamook	6.6	5.6	4.9	5.4	10.1
Region	7.2	5.5	5.3	5.8	11.5
US Difference	+2.1	+1.0	+.3	-	+2.1

\*Seasonally adjusted

Per Capital Income (PCI)  
(BEA 2007)

	PCI	% of US Average	% of Oregon Average
US Average	\$38,615	100%	109%
Oregon Average	\$35,143	91%	100%
Clatsop County	\$31,108	81%	89%
Columbia County	\$31,828	82%	90%
Tillamook County	\$30,862	80%	87%
West Washington	\$30,697*	79%	73%

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

Distressed Areas and Associated Index Values  
(OECD, 2009)

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

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



In 2009, the Oregon Economic and Community Development Department added a temporary criterion to the distressed area indicators: Unemployment rate above 8%. As of June 2009, all counties within Oregon qualify as distressed.

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

## **B. Challenges**

Issues currently facing NW Oregon include:

- Closure of Chinook salmon fishing south of the Columbia River will significantly impact the commercial fishing industry
- Loss of federal timber revenues from State managed forests in Columbia and Tillamook counties
- Complexity of business permitting and difficulties in expanding developable land for economic growth

## **C. NW Oregon's "New Economy"**

As NW Oregon recovers from two years of natural disasters and the economic recession affecting the nation, several "New Economy" trends are emerging:

- Emphasis on improving business operations rather than just returning to the status quo. Successful businesses are implementing LEAN techniques, utilizing the Internet to connect with new markets and stimulate sales to current customers, and training workers on new technologies;
- Implementing green technology in existing businesses and recruiting/starting up green/alternative energy activity;
- Clustering of business development activity to provide critical mass and attract new businesses
- Natural disaster and economic preparedness

## D. Industry Development Opportunities

### Northwest Oregon's Clusters

In 2007, Col-Pac, contracted with KeyLinks, an industry cluster consulting firm, to assess NW Oregon's regional industry cluster development potential.

**Table II.C.1: Clatsop County: Top 10 Concentration in Sectors  
(at least 75 employees and 4 establishments)**

Sector	Employment	LQ	Establishments	LQ	Self-employed
Fishing, Hunting and Trapping	80*	60.04	27	25.98	300*
Forestry and Logging	332	5.27	24	3.02	40*
Accommodation	812	4.18	68	6.52	47
Social Assistance	481	2.40	27	1.63	82
Food Services and Drinking Places	2110	2.25	162	2.39	24
Clothing & Clothing Accessories Stores	283	2.08	44	3.42	17
Machinery Manufacturing	191	2.03	6	1.06	**
Miscellaneous Store Retailers	201	2.00	59	3.68	99
Food Manufacturing	314	1.99	14	3.66	**
Sporting Goods, Hobby, Book, and Music Stores	168	1.87	32	3.47	18

**Table II.C.2: Columbia County: Top 10 Concentration in Sectors  
(at least 75 employees and 4 establishments)**

Sector	Employment	LQ	Establishments	LQ	Self-employed
Paper Manufacturing	1767*	42.73	4	11.20	0
Forestry and Logging	309*	6.32*	28	4.55	82
Utilities	148	3.19	4	2.85	**
Wood Product Manufacturing	516	2.58	10	3.04	**
Gasoline Stations	184	2.31	16	2.25	0
General Merchandise Stores	154	1.86	7	2.50	**
Social Assistance	263	1.69	31	2.42	**
Health and Personal Care Stores	87	1.59	7	1.25	11
Nursing and Residential Care	376	1.58	17	1.52	**
Truck Transportation	221	1.53	40	3.58	103

\*Estimated    \*\*Data suppressed    Source: 2004 County Business Patterns

**Table II.C.3: Tillamook County: Top 10 Concentration in Sectors  
(at least 75 employees and 4 establishments)**

Sector	Employment	LQ	Establishments	LQ	Self-employed
Food Manufacturing	812	10.52	8	4.27	13
Forestry and Logging	194	6.29	21	5.40	48
Support for Agriculture & Forestry	119*	5.05*	4	2.21	20*
Accommodation	277	2.91	41	8.03	24
Social Assistance	192*	1.95*	19	2.35	**
Truck Transportation	171	1.87	20	2.83	48
Food and Beverage Stores	284	1.87	28	3.31	**
Religious, Grantmaking, Civic	235	1.80	36	2.17	14
Construction of Buildings	143	1.76	49	2.57	138
Gasoline Stations	86	1.71	17	3.79	**

**Table II.C.4: Western Washington County: Top 10 Concentration in Sectors  
(at least 4 establishments)**

Sector	Establishments	LQ
Beverage and Tobacco	6	5.53
Furniture and Related Product Manufacturing	11	3.08
Nursing and Residential Care Facilities	41	2.90
Wood Product Manufacturing	12	2.80
Food Manufacturing	9	2.32
Fabricated Metal Product Manufacturing	18	2.28
Specialty Trade Contractors	116	1.83
Computer and Electronic Product Mfg	4	1.81
Printing and Related Support Activities	7	1.60
Waste Mgmt and Remediation Services	4	1.50

\*Estimated      \*\*Data suppressed      Source: 2004 County Business Patterns  
Note: Self-Employment data is not available at the zip code level

### Existing Clusters

An analysis of industry sectors both at the county and regional level, supplemented by discussions with officials in the region and a review of previous studies, reveals four clusters in the Northwest Oregon region that merit closer attention. Although these clusters are analyzed as independent, they do not exist in isolation and some sectors can be part of multiple clusters. For instance, the food processing cluster includes significant crossover companies in the fishing cluster and vice versa. Transportation is part of the value chain of many clusters, although individual companies may specialize in certain industries. Understanding the specializations

within and interactions among companies in each cluster and their positions in the value chains is a key to understanding the region's economy.

### ***1- Food Processing***

Examining counties strictly according to the broad industry classifications reveals a substantial presence of NAICS code of 311 (Food Processing) in the region. Nearly 1,400 individuals are employed in this food processing sector in the three counties of Tillamook, Clatsop and Columbia, producing an employment location quotient of over 3.0. The region also has a high number of establishments in this sector with 24 establishments, producing a location quotient of 1.8. Tillamook County, as shown above, has a particularly large presence in Food Processing, with 812 individuals directly employed.

Further, the cluster very likely includes other sectors not classified as food processing but essential to its success. For instance, a strong transportation industry is vital to get the perishable product to market in a timely fashion. The region has relative strength in transportation, with an employment location quotient compared to all of Oregon of 1.6 and an establishment location quotient of 1.9. The numbers of firms with employees only tell part of the story. The three counties for which self-employment data is available have 150 individuals who operate their own general freight trucking business.<sup>1</sup> Proportionally, this is a higher concentration of independent truck drivers than is found elsewhere in the state. Similarly, a nearby natural resource base is a necessary ingredient of most a food processing clusters. The presence of fisheries (discussed more below) in the region may explain the presence of at least two seafood processing plants in the region.

### ***2 - Fishing***

Fishing and related industries is one of the oldest clusters in the Northwest region of the state. In terms of employment, the region's fishing industry has a location quotient of almost 30, meaning that the region has 30 times the relative employment of the entire state of Oregon. Even though most of the state is not coastal, this LQ suggests a major industry cluster. The three counties for which non-employer statistics are available combined have 433 individuals who own and operate a fishing business without employees, accounting for 22 percent of all such businesses in the state—in a region with only 3 percent of the state's population.

### ***3 - Wood Products***

The region is particularly strong in the production of primary wood products. A 2003 study by Impresa Consulting showed that the wood products industry consists of several leading sectors,<sup>2</sup> as shown in the table below. It details the concentrations of leading sectors in the three counties.

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<sup>1</sup> Non-employer statistics are not available below the county level.

<sup>2</sup> "Oregon Industry Clusters: A Statistical Analysis" Impresa, Inc. 2003

The location quotients show that the region is far outstripping the rest of the state, both in terms of relative employment and establishments. Its strength lies in harvesting the wood products and the primary manufacturing associated with it—primarily pulp and paper production. Secondary wood products, while demonstrating some concentration, are not nearly as prominent in the region.

**Table II.C.5: Wood Products Cluster**

NAICS	Industry	Employment	Employment LQ	Firms	Firms LQ
1131	Logging	856*	52.52	70	50.47
1153	Support Activities for Forestry	146	40.81	4	5.41
3211	Sawmills and Wood Preservation	718	26.89	10	5.89
3221	Pulp, Paper, and Paperboard Mills	1752	49.39	3	11.16
3219	Other Wood Product Manufacturing	198*	2.71	7	1.51

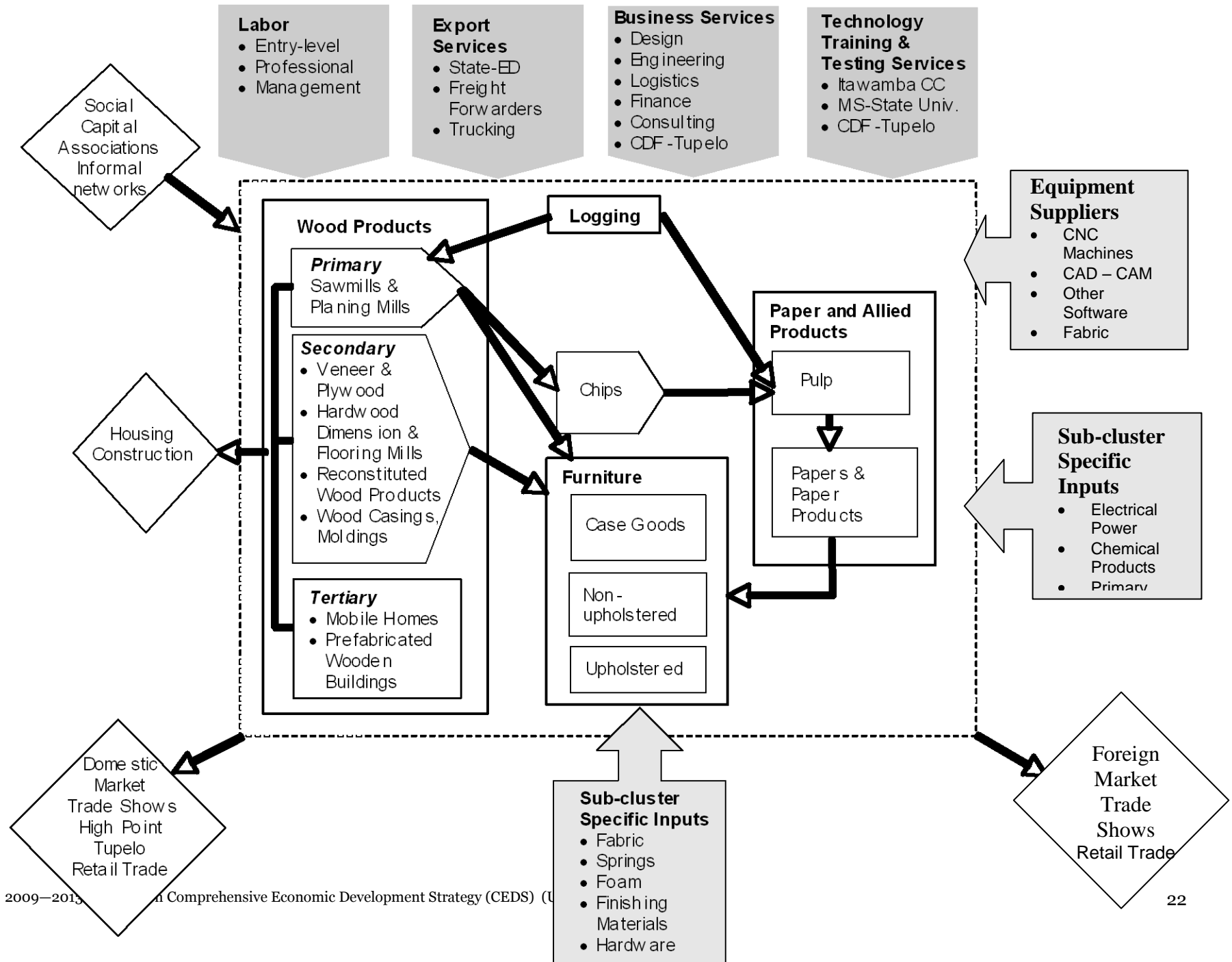
The wood products cluster, however, should not be limited to just those firms with employees. The logging and forestry industry has a reported 260 individuals without employees in the four county region accounting for nearly 14 percent of all individuals who are self employed in logging or forestry in the state. It also adds another 30 percent to the employment total.

The quantitative industry data only present the engine of any wood products cluster. To fully understand the full cluster and its economic impacts, one needs to look at the complete value chain and support system as well as the relationships among firms.

One way to do so is by describing the cluster as a system and mapping the connections among the various parts of the system. Although not enough research has been done to suggest just how the Northwest Oregon’s wood products cluster functions, Figure 1, based on a secondary woods products cluster in Mississippi, illustrates how it might function.

The cluster in Northwest Oregon, of course, consists of primary wood products, and therefore elements such as furniture included in this map are not—at least yet—important in the region. It is important to note that the support structure for the companies is also part of the cluster—the educational and training institutions, business and trade associations, cooperative extension, and technical assistance agencies.

Figure 1: Sample Wood Products Cluster



#### **4 - Tourism and Hospitality**

Northwest Oregon, one of the most beautiful spots of the state and indeed the nation, has developed a strong concentration in what might be considered a cluster of businesses serving the hospitality and tourism industry. The table below shows some of the leading sectors in the cluster highlighting their relative concentration in the region.

**Table II.C.6: Tourism and Hospitality Cluster in Northwest Oregon**

NAICS	Industry	Employment	Employment LQ	Firms	Firms LQ
4511	Sporting Goods, Hobby, and Musical Instrument Stores	232*	1.55	41	1.74
45322	Gift, Novelty, and Souvenir Stores	106*	2.19	32	2.28
7121	Museums, Historical Sites, and Similar Institutions	70	2.44	7	2.19
7212	Traveler Accommodation	1,085*	2.44*	101	3.51
7213	RV (Recreational Vehicle) Parks and Recreational Camps	119*	7.79*	15	2.64
7222	Full Service Restaurants	2275	2.16	168	1.70
7223	Limited Service Eating Places	1,135	1.16	110	1.05
7212	Drinking Places (Alcoholic Beverages)	139	1.33	32	1.61

\*Estimated

Further analysis is needed to see just what companies drive this cluster (businesses that are or attractions or contribute directly to the experiences that attract tourists) and how the cluster functions and has grown over time. But clearly the cluster is important to all three counties. Indeed, 19 percent of the region is employed in jobs related to tourism. While typically many of these jobs have not paid high wages, they can have spillover impacts in other better paying occupations and professions and they can lead to entrepreneurial opportunities.

Self-employment is also important to this cluster. More than 50 individuals offer traveler accommodations in the region. Self-employed individuals also can be found running many of the amenities that attract to people to the region, as guides, consultants, or trainers. In addition, some individuals come to the region to take advantage of the creative economy that continues to grow in the region. Understanding how single artists contribute to the cluster will be key as economic analysis moves forward.

Tourism also influences the location of those companies that produce gear or accessories to support a particular type of experience, whether fishing, hunting, climbing, or walking. For instance, the large presence of outdoor sports often leads to the development of an outdoor apparel industry or links with the established apparel industry elsewhere in the state.

The tourism cluster in Northwest Oregon is not limited just to the firms and individuals that operate businesses. The region has resources that provide support instrumental to the region's growth as a destination. One such resource is Tillamook Bay Community College (TBCC), which offers degrees and certificates in "Hospitality, Tourism, and Recreation Management." The college prepares students for jobs and careers in this industry and provides education at both entry level and management.

### **"Emerging" Clusters**

The clusters previously identified are those that are most readily apparent using available data and conventional statistical analyses. Discussions with economic development practitioners in the region coupled with examinations of concentrations of firms without employees reveals at least two emerging clusters, aviation and creative enterprises, that could impact the region's economic future.

#### **1 – Historic Preservation**

Organized and led by the private and academic sectors, a committed group is implementing a multi-tiered historic cluster involving local craftspeople and college students. The group has successfully applied for grant funding to cover the start up costs of cluster development, management and marketing. Activities underway include:

- Inventorying Clatsop County's historic assets and identifying potential buildings for demonstration and training renovation;
- Fall 2009 Clatsop Community College curriculum on historic preservation
- Exploring opportunities to work with Clatsop Community Action Team with their window weatherization program
- Setting up a Guild Building with work areas for different crafts, that would be open or visible to the public for tours and cruise ship visits. Given the high level of interest in developing this cluster
- Completion of a business plan, marketing materials, and website
- Fundraising

#### **2 - Aviation**

The Northwest region is fortunate to have an emerging aviation industry centered on the Scappoose Industrial Air Park in Columbia County. Businesses located around that airport are showing increasing strength and have the potential to build what is already a strong statewide industry.

The airport is currently home to four companies that all serve the "experimental aircraft" market. Experimental aircraft reflect a designation developed by the Federal Aviation Administration for categories of aircraft that do not meet the rigid regulatory standards and are thus ineligible to be used for hire. In other words,



these aircraft are geared more to the individual flyer that is pursuing aviation as a hobby.

### **3 - Construction**

Although especially hard hit during the current economic recession, residential construction in Tillamook County may benefit from networking or clustering local contractors. Re-starting the local homebuilders association has been discussed, to encourage use of local contractors and subs.

### **4 – Marine Services**

An emerging cluster, some activity has commenced around building out the Port of Astoria’s Pier 3. Concept elements include: Boat building and repair (anchor tenant), boat ramp and parking, sand blasting and paint facility, work shelters (rentals), boat storage, and retail marine supplies. Also under consideration is expansion of this cluster to include yacht building and related business activity under Port management at Tongue Point.

Tillamook County also has an opportunity to build a marine cluster. Two boat building companies reside in the county, and the Port of Garibaldi has an extensive commercial fishing fleet in residence. With the renovation of the North Jetty, safety of the commercial fleet will be greatly enhanced.

### **5 - Energy**

With NW Oregon’s abundant forests (source of bio-fuel), wind, and oceans (wave), there is significant opportunity for clustered energy industry development. Existing energy business activity includes the MEAD project in Tillamook and PGE’s coal gasification plant at Port Westward.

### **6 - Creative Enterprises**

As Northwest Oregon grows as a destination for creative and talented people, it has the potential to develop a strong creative enterprise cluster. But this cluster, more than any others, is dominated by self- and part-time employment. According to the US Census, the region has 250 independent artists, performers and musicians. Of course, that figure only begins to tell part of the story. The story of the Tillamook County Arts Network (TCAN) illustrates the reach of the creative economy in one place in the region. The council divides its membership into three main types: 1) the ‘creatives’ (the artists themselves); 2) galleries and arts related businesses; and 3) arts organizations. The table below details the breakdown.

**Table II.C.7: Arts in Tillamook County**

<b>Type of Organization</b>	<b>Number</b>
Arts Organizations	22
Galleries Arts related businesses	77
“Creatives”	278
Total	377

In addition to the arts councils that exist in the area, the region also is home to institutions that allow the arts to flourish. For example, Pacific University in Forest Grove offers degrees in music, theater, and creative writing attracting more than 2,500 students from around the country. The university is also home to many cultural events that bring individuals from around the state and region and cement this part of Oregon as a creative spot.

The creative enterprise cluster also has several spill-over effects on the existing clusters identified earlier. For instance, while food processing may seem like a fairly uncreative endeavor, many communities have developed niches in marketing indigenous food products. The creativity in these sectors is embodied in the packaging, display, and advertising of the products. For example, there are eight food manufacturers in Tillamook County with no employees. These manufacturers are likely specialty food manufacturers that could be marketing their product using creative packaging or simply attempting to take advantage of a regional culinary specialty.

### SECTION III—VISION STATEMENT

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

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

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

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

## SECTION IV—COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDS)

### NW Oregon Economy—Where We Plan to Be Long Term

#### A. Mission Statement

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

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

Though this mission appears to be an all-encompassing approach to offsetting significant and structural market changes in the region’s basic industries, it also provides flexibility in responding to major losses in family wage jobs that were the mainstay of the region for years. The ultimate goal is healthy and thriving communities. A strong and diversified economic base that provides family wage jobs is a significant component and contributor to healthy communities. It is also important to emphasize the NW Oregon’s aim is to blend the remaining basic industries in the region with new economic development opportunities.

#### B. NW Oregon Regional Development Goals and Strategies

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

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

- a) Providing/Packaging small business financing;
- b) Identifying opportunities to network or “cluster” businesses for specific business development activity;
- c) Supporting implementation of business training technical assistance, such as LEAN techniques, use of new technologies for marketing and operations, and upgraded workforce training.
- d) Supporting dissemination of business disaster-preparedness information and resources;

## GOAL 2: Develop Public Services Infrastructure to Support Business Development

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

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

- a) Compiling a regional inventory of prioritized infrastructure projects from county lists;
- b) Supporting funding and implementation of top ranked projects, including working with potential federal and state funding agencies;
- c) Supporting and promoting the modernization of infrastructure technologies such as broadband Internet, and green energy throughout the region;
- d) Working with NW Oregon entities to support implementation of Hazard Mitigation Plans and Disaster Resistant Communities strategies in each county and city

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

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

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

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

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

- a) Increasing coordination with Workforce Investment Boards to integrate with economic development activities
- b) Advocating for strong, well-coordinated community college programs, including continuation and expansion of combined local Economic Development Councils and Small Business Development Centers, and college curriculum supporting business cluster development.

**GOAL 5: Support the Region’s Transportation System**

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

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

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

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

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

C. 2009—2010 Work Plan: Actions and Evaluation Measures

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

- Actions: Provide/Package small business financing
- Support business cluster development activity
  - Support training to the region’s businesses including LEAN operations practices, new technologies for marketing and operations, and upgraded workforce skills
  - Support local business disaster recovery and preparation activity

Evaluation Measures:

- Number of small businesses retained through involvement with Col-Pac, and/or the region’s local economic development councils.
- Job retention
- Participation of the local lending community—Number of loans to local businesses by local lenders, Economic Development Council of Tillamook County and Col-Pac EDD.
- Completion of Vernonia’s Rose Avenue development planning

**Goal 2: Develop Public Services Infrastructure to Support Business Development**

- Actions: Compile an inventory of NW Oregon’s public infrastructure, including current status (condition) and local priorities for updating
- Develop an objective project priority ranking system
  - Support funding of top ranked projects, including working with potential federal and state funding agencies
  - Maintain the current status of NW Oregon’s public infrastructure inventory on the NWOregon.org website, including status of project funding

Evaluation Measures:

- Priority infrastructure projects funded and implemented
- Failing systems addressed



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

**Actions:** Add ZoomProspector to NW Oregon's commercial and industrial lands database.

Support business cluster development activity

Participate in the identification and implementation of new industry development activity, such as, alternative energy, sustainable fisheries, historic preservation, marine services, aviation, construction, agriculture and wood products.

**Evaluation Measures:**

Business expansions

Business start-ups

New Family wage jobs

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

**Actions:** Serve on NW Oregon's Workforce Investment Board and Employer Workforce Response Team to provide workforce training information and training to local businesses

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

**Evaluation Measures:**

Number of workers provided upgraded skills

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

**Goal 5: Support the Region's Transportation System**

**Actions:** Staff NW Oregon's Area Commission on Transportation

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

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

**Evaluation Measures:**

Needed improvements funded through state and/or federal resources

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

**Actions:** Provide public information on regional economic development resources and activities through regular, ongoing electronic communication: Col-Pac EDD Newsletter, website, and email  
Support/Advocate for established/enhanced economic development service delivery capacity throughout NW Oregon

**Evaluation Measures:**

Number of projects successfully directed to funding opportunities  
Col-Pac EDD and County Economic Development Councils operational and sustained including having staff, adequate operations and resources to make progress on their guiding goals and plans; and having strong board leadership and all board positions filled  
Number of communities covered by an active business retention program

## **SECTION V—NW OREGON DISASTER ECONOMIC RECOVERY**

### **Introduction**

In December 2007, NW Oregon incurred the largest natural disaster in over a decade: Sustained hurricane winds and typhoon rains resulted in \$133 million in wind and flood damage in Clatsop, Columbia and Tillamook counties.

Emergency relief efforts took care of the most immediate shelter, utilities and food needs, but recovery to pre-storm living and business conditions continues in 2009, 15 months later. While FEMA and SBA are providing significant resources, it is estimated that 10%—25% of the businesses impacted by the storm either don't qualify for these funds or will have recovery needs that exceed the allowable limits.

In late December 2008 and early January 2009, NW Oregon was hit with severe winter snow storms that shut down power to some of the region's rural communities for over a week. This was followed by flooding as the snows melted off the Coast Range. The impacts of these natural disasters have been exacerbated by the recent tightened credit environment which has slowed recovery efforts for businesses that employ local residents, and contribute substantially to the local economies.

### **Disaster Economic Recovery Needs of the Region**

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

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

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

general government employment was in flood zones it included five fire stations and Tillamook General Hospital.

### Employment in NW Oregon Flood Zones

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

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

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

### Col-Pac EDD Disaster Recovery Program

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

- NW Oregon's future economic survival must plan for ongoing weather disasters—climatic changes are ramping up storm frequency and severity. The 100-year and even 50-year timeframes are no longer accurate;
- Rebuilding to pre-disaster conditions is not enough. Limited resources following storm events must be used to make communities even more resilient to future storm events;
- Pro-active “storm-proofing,” not just recovery is critical. This is especially true as aging infrastructure is replaced—new technologies and replacement options need to be considered that will withstand storm events;

- Natural disaster recovery and economic downturn counseling go hand-in-hand. The cash flow, business management and marketing techniques employed following a natural disaster are not unlike what businesses need to do to survive an economic recession.

### Disaster Economic Recovery

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

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

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

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

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

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

### Community Planning/Preparedness

- Inventory of existing disaster mitigation plans and identifying common components, and those not included in each plan. List equipment needed at the local level from each mitigation plan
- Inventory and communication of emergency storage for public supplies, private sector goods. The Red Cross pre-stages emergency food, getting supplies out to communities prior to an actual storm event
- Dedicated shelters throughout each county
- Neighborhood Emergency Preparedness—Programs where neighbors contact and stay in touch through a loop of neighbors. Manzanita, Nehalem and Wheeler have also combined to form a regional Fire District.

- Inventory of existing emergency responder (fire, police, medical) facilities: Where located, useful condition of facility, ability to reach remote areas of each county
- Light Detection and Ranging (LIDAR) mapping to identify flood and erosion prone areas, to avoid when building new facilities

#### Infrastructure

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

#### Business Recovery/Storm-Proofing

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

#### Examples of Innovative Approaches to Mitigating the Impacts of Future Storm Events Currently Being Considered

While hitting a couple of NW Oregon's communities very hard, the aftermath of the recent storm events is resulting in several innovative solutions to mitigate future disasters:

- Co-Locating Elementary, Middle, and High Schools. Because of the flooding, all three schools in Vernonia needed to be rebuilt and/or moved to a location outside of the floodplain. Co-locating the facilities makes sense, and will allow the inclusion of: a) construction of a new compact education campus built as “green” as possible; b) extension of sewer and water lines to serve the new schools; c) reconstruction of Texas and Missouri Streets (curbs, gutters, sidewalks, bike paths, and travel lanes) to serve the new campus; and d) acquire additional services that support these changes. Grants are needed to complete the work. A school bond election will likely be held in November, 2009 to provide a local share.
- Constructing New Infrastructure Facilities Utilizing Alternative, Renewable, Energy Efficiency and Sustainable Technologies. Those water and waste water facilities impacted by storm events or in need of replacement, will be designed to take advantage of state-of-the-art sustainable technology.
- Rebuilding Downtowns Utilizing Urban Renewal and Main Street Programs. Piecemeal, ad-hoc development no longer provides long term economic recovery. Local economic development groups are being engaged in most of NW Oregon’s communities to identify key Main Street development opportunities designed to attract and retain sustained business and commerce. Urban Renewal, Business Investment Districts and Enterprise Zones, while not new financing options, are being considered for the first time in several communities to provide long term financing of local economic development.
- Taking Advantage of the Need to Elevate and Relocate Flood-Damaged Businesses. Again, while not being an innovative approach on its own, communities are looking at co-locating or clustering relocated businesses into business centers and mixed-use developments. This will assist smaller communities develop critical mass of services, attract new businesses with related services, eg, Medical Mall. Attracting residential development above storm fronts will provide a customer base for retail establishments such as restaurants and stores. Given that businesses need to relocate or rehabilitate their buildings in several of the flood prone communities, this is an opportunity to grow rather than just replace local commerce.
- Building in 21<sup>st</sup> Century Needs into the Replacement/Repair of Electrical and Internet Infrastructure. As the Tillamook PUD repairs its electrical transmission lines damaged in storm events, they have not only upgraded the towers to withstand the sustained, high winds projected for the Coast over the next 50 years, but they are also adding transmission grid capacity to carry the expected new energy generated by future wind and wave projects. Expansion of high speed Internet will be a component of replacing and upgrading fiber damaged during storm events. Wi-Max technology will now allow widespread high speed transmission, potentially

using “anchor tenants” such as hospitals, schools and city/county buildings to underwrite the cost of broadband to a community.

- Reduction of Future Flooding. The Oregon Solution project has identified over a dozen projects that will significantly reduce the impacts of flood events in Tillamook, and have implemented tidal gate and diking projects to date. Light Detection and Ranging (LIDAR) mapping will identify historic geographic patterns of flooding and erosion, allowing better planning of future developments.



## **SECTION VI—NW OREGON REGIONAL PARTNERSHIP**

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

### NW Oregon Regional Partnership

In 1998, the counties, cities, ports, economic development groups and private sector communities within Clatsop, Columbia, Tillamook and western Washington counties joined together with the state departments of transportation, land conservation and development, environmental quality, housing and community services, and economic and community development to form the Northwest Oregon Regional Partnership. The Regional Partnership provides a forum for coordination of local, state, federal and private community development planning and investments. The goal is to work together to improve coordination, so that strategies and processes for community development are leveraged to the highest extent possible to meet the agreed upon priority issues, challenges and goals.

Typically, the Partnership meets twice a year, at Spring and Fall Forums. A Steering Committee comprised of all members of Col-Pac EDD, the NW Oregon Economic Alliance (NOEA) and NW Oregon Area Commission on Transportation generally meets in conjunction with the Col-Pac and NOEA Board meetings.

### Columbia-Pacific Economic Development District (Col-Pac)

Col-Pac was incorporated in 1994 and serves as the mechanism for channeling federal monies to the region. Col-Pac's 2005 – 2007 goals are to:

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

Col-Pac has a seventeen member board, comprised similarly to that of the Regional Partnership: four county, four city, three port, four private sector, one minority and one workforce member plus an alternate for each position. Members are appointed by their respective jurisdiction, a caucus of their stakeholders, or appointed by their County Commission. Col-Pac and the NW Oregon Economic Alliance meet jointly once a month, rotating the meetings throughout the region.

### NW Oregon Economic Alliance (NOEA)

NOEA was created in 1994 to meet the requirements of the Oregon Regional Investment and Rural Investment Fund programs for the distribution of lottery dollars for economic development programs in Clatsop, Columbia and Tillamook counties. (Note, Washington County partners with Multnomah County for their

Regional and Rural Investment Fund monies.) Each county has three members on the nine-member governing board. NOEA manages the Regional and Rural Investment funds received by the three-county region.

Regional and Rural Investment funds are used to support those projects and activities that create or lead to family-wage or above industry average wage jobs, diversify the local and regional economy and add value or involve secondary uses of the region's nature-based industries. Funding is targeted toward, but not limited to: agriculture, communication, fisheries, forest products, small manufacturing, services, technology and tourism.

#### NW Oregon Area Commission on Transportation (NWACT)

To encourage greater local participation in the state's transportation planning and project development process, regionally based advisory bodies called "area commissions on transportation" have been established throughout Oregon. Chartered in 1999, the NWACT addresses Columbia, Clatsop, Tillamook and western portion of Washington counties' transportation issues. NWACT serves as a standing committee of the Northwest Oregon Regional Partnership. Membership also parallels that of the NW Oregon Regional Partnership and Col-Pac, with a 22 member board: four county, eight city, four private sector, two port, two transit district, and two ODOT members.

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

#### NW Oregon Regional Partners

Partners include all public and private sector entities and individuals involved in NW Oregon's economic development and the NW Oregon Economic Revitalization Team (State departments of: Economic and Community Development, Housing and Community Services, Environmental Quality, Transportation, Land Conservation and Development, Oregon Fish and Wildlife and Division of State Lands.

#### NW Oregon Regional Partnership Management and Staffing

A Steering Committee of the Regional Partnership is responsible for convening, setting agendas and soliciting participation and representation of community stakeholders at regional forums and other topical meetings based on subjects under consideration. All meetings of the Steering Committee are open to the public and advance public notice is given of Steering Committee deliberations.

The Columbia-Pacific Economic Development District, Inc (Col-Pac) and NW Oregon Economic Alliance are designated by the partners to provide staffing for the Partnership and are authorized to accept local, regional, state or federal grants for staffing, technical assistance and projects as appropriate.

## **Appendices**