

**COMPREHENSIVE ECONOMIC
DEVELOPMENT STRATEGY
FOR THE
COLUMBIA-PACIFIC REGION**

Prepared by:

**Columbia-Pacific Resource Conservation & Economic Development
District**

**Grays Harbor Economic Development Council
Grays Harbor Council of Governments
Economic Development Council of Mason County
Pacific County Economic Development Council
Lower Columbia Economic Development Council**

June 2007

**Comprehensive Economic Development Strategy
for Columbia-Pacific Resource Conservation &
Economic Development District
(Mason, Grays Harbor, Pacific, and Wahkiakum Counties)**

Prepared by:

Columbia-Pacific Resource Conservation & Economic Development District
330 Pioneer Ave. W. Montesano, Washington 98563 (360) 249-2267

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PREFACE

This document is a complete revision of the 2006 *Comprehensive Economic Development Strategy for the Columbia-Pacific Region* (CEDS). The CEDS serves as a comprehensive statement of plans for district-wide economic growth and development over the next twenty years. The CEDS is organized to address requirements of the U.S. Economic Development Administration (EDA) consistent with local economic development priorities in Grays Harbor, Mason, Pacific and Wahkiakum Counties.

This revision reflects changes to economic development planning requirements set forth by the Economic Development Administration Reform Act of 1998.

Activities of the four county-wide economic development councils over the last year have been included in this CEDS. Population, housing, agriculture and industry data has also been updated.

Contents of this 2007 CEDS are organized into five major sections:

- I. Organization And Staffing For Economic Development
- II. Analysis: Where Are We?
- III. Vision: Where Do We Want To Be?
- IV. Action Plan: How Do We Get There?
- V. Evaluation: How Are We Doing?

As with previous CEDS documents, this 2007 CEDS has been prepared under the direction of the Columbia-Pacific CEDS Review Committee in conjunction with input from other public and private entities in the region through a public process. Staffing support is provided through the Columbia-Pacific Resource Conservation and Economic Development District (RC&EDD). The Columbia-Pacific Resource Conservation & Economic Development District has approved this CEDS document for submittal to the U.S. Economic Development Administration.

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SUMMARY

The Columbia-Pacific Economic Development District, comprising Mason, Grays Harbor, Pacific and Wahkiakum Counties and the American Indian reservations within that area, has long been

dependent on its wealth of natural resources to support its population. In the 1970s and 1980s, with the onset of technology and more stringent environmental regulations, employment and income in the District dropped dramatically. Also, in the early 1980s, a major source of high-wage employment, the Satsop nuclear power plant, was halted because of bankruptcy. For many years, the economy of the District languished, until efforts to diversify the economy took hold.

In 1998, Columbia-Pacific RC&D became the economic development district organization, focusing primarily on diversifying the economy. Since then, it has been the lead agency in developing an annual comprehensive economic development strategy for the region, forming collaborations to get things accomplished.

In the last couple of years, housing developments and proposed developments have loomed large. These developments are increasing the population throughout the district. The population in many communities has remained stable for decades, and this new influx of people has benefits and shortcomings. Some of the new housing arises from a demand created by increased employment, but much of it is due to a boom in retirement homes. Baby boomers are beginning to retire, and the region's natural beauty is attracting many of them. This sudden demand for higher-end housing (comparatively) places a strain on the ability to provide services and maintain amenities, and places a strain on keeping housing affordable for working families.

Recent Progress

Since the last CEDS, regional progress has been made on alternative wastewater treatment efforts, small business assistance and support of entrepreneurs, and building the capacity of community organizations. Funding for the proposed alternative wastewater treatment project continues to be a challenge, although progress has been made with regulatory agencies seeing its importance. Columbia-Pacific RC&EDD may next look at helping a select few, most needy communities in these efforts.

A small business/virtual incubator feasibility study was completed in June of 2006. Two interns stayed with this project throughout the year. Funds were found to send the interns to the National Business Incubation Association conference, where they learned much about what is necessary for a successful incubation program. The results of the small business/virtual incubator feasibility study will be posted on the Columbia-Pacific RC&EDD website in the near future.

Efforts to build the capacity of organizations to benefit community development took off with the awarding of a three-year, \$300,000 Rural Community Development Initiative (RCDI) grant from USDA Rural Development in October. Now in its second year, this project, collaboration between Columbia-Pacific RC&EDD, the Grays Harbor Council of Governments, and the Wahkiakum Community Foundation, will help build the capacity of nine organizations, affecting communities throughout Grays Harbor County, the City of Raymond, and all of Wahkiakum County.

In Grays Harbor County, tourism continues to grow with Ocean Shores surpassing 4.2M visitors, a 3% increase over 2005. Across the county, retirement housing also continues to grow. To help meet the demands of a growing and aging population, Grays Harbor Hospital added a new emergency care facility and Grays Harbor College is building a new instructional/vocational facility. Grays Harbor Transit and Coastal Community Action Program are collaborating at helping low-wage workers keep their jobs by providing adequate transportation to and from work. The Port of Grays Harbor is planning for the continued expansion of Paneltech and

Imperium Renewables a new biodiesel plant will begin production of 100M gallons/year beginning the summer of 2007.

In Mason County, the Port of Shelton continues its pace of erecting at least one new building a year to meet the demands of tenants. Sims Vibration added 80 employees in 2005, bringing total employment at the Port to over 550. Port of Allyn tourist facilities received important upgrades in the last year, and water and sewer services in the north end of the county continue to improve.

Pacific County's economic development efforts continue to focus on their industry clusters identified in 2003. Through PCEDC's continued technical support four shellfish processors of North and South County were successful in land application renewals for a two-year period for the disposal of crab and shrimp by-products. Through a strong partnership with Grays Harbor College PCEDC developed business course offerings to meet the needs of small business. Other efforts include development of brochures on value-added agricultural products, seafood processors, and commercial/industrial land use and art community new business growth to bring awareness to the strengths of Pacific County. Pacific County continues to see an increase in tourism activities and an increase in second home development. To meet residential and business needs, the Public Utilities District continues to expand fiber into the County connecting many businesses with high-speed access. New investments into the cities and county exceeded \$10 Million.

Wahkiakum County continues to see an investment in buildings for tourism and businesses. An historic trolley was purchased and restored by the Wahkiakum Community Foundation, and is a welcome addition to the county for providing tours to increase visitors to the area. The historic Julia Butler Hansen home renovation has been completed and is open for tours. As a result of the USDA Rural Communities Development Initiative (RCDI) Grant and through collaboration with Columbia-Pacific RC&EDD and the Wahkiakum Community Foundation, a full time County Marketing Director was hired to bring more positive attention to the county.

Economic Profile

The most important economic sector of the District continues to be natural resources. Four natural resources related industrial clusters are integral to Columbia-Pacific's economy and way of life: forest products, fishing and related aquaculture (including clams and oysters), agriculture, and food products. Timber harvests have decreased since the 1970s, and forest-products jobs even more dramatically. Nevertheless, because the district is heavily forested, forest products are still the single most important cluster in the District. Woody biomass presents an excellent opportunity for the biomass to energy industry and is being investigated for future economic development.

Fishing has experienced severe set backs beginning in the mid 1980s as a result of fishing curtailments, declines in salmon and ground fish and other regulatory issues. Under management of the ground fish fishery led to the over-harvest of several rockfish species, prompting drastic harvest reductions in ground fish.

Slight increases in the last three years are a sign of improving conditions in the industry, but catches are still well below historical averages and increases are uneven. Washington State's coast has the largest of four worldwide zones for hake, the preferred white fish for processed fish products. The aquaculture industry continues to grow, although regulatory issues and an increase in production elsewhere in the country loom as threats.

Agriculture saw a significant increase in the value of products over the last five years, particularly

in Mason County, and with the introduction of new products (e.g., nursery, vegetable and dairy specialty products) in Grays Harbor County. Organic farming, which adds value to agricultural products, is growing throughout the District. Farmer's Markets are playing a significant role in providing locally grown food products throughout the District. This value-added agriculture products market has the potential for positive economic growth and will be pursued in each of our 4-county areas.

High tech industry, especially at the Port of Shelton and Satsop Development Park, continues to grow, thanks to the abundant availability of broadband throughout the district. The Columbia-Pacific District is one of the best-wired rural areas in the country.

Tourism and retirement homes continue to grow by leaps and bounds. It is no surprise that visitors enjoy the beautiful and varied recreational activities available, from deep-sea sport fishing to mountaineering. Tourism and vacation homes are a driving force in the district's economy.

Achieving Goals

Opportunities outweigh weaknesses as long as economic development organizations throughout the district work together with municipalities and organizations to:

- 1 Continue taking immediate action to mitigate effects of declining employment in natural resource-based industries.
- 2 Sustain and diversify the natural resource-based industries for which the Columbia-Pacific district has a competitive advantage and makes our region unique.
- 3 Retain and encourage the expansion of existing businesses, and develop new business taking advantage of local resources.
- 4 Maintain and expand commercial retail and service businesses
- 5 Enhance the availability of education, health, human, and social services throughout the Columbia-Pacific region to help make communities more attractive to business.
- 6 Foster partnerships between organizations, communities and counties of the Columbia-Pacific region, and with state and federal agencies, to effect long-term economic development and diversification.

Columbia-Pacific RC&EDD, as the most broad-based regional organization in the area, will be looked upon to facilitate and coordinate these efforts.

Regional projects are selected to reach economic development goals. They include meeting clean water requirements affordably, collaboration between agencies, workforce development, support of entrepreneurs, value-added natural resource based products, and building stronger, more livable communities. In addition, each of the four counties within the Columbia-Pacific region has separately identified county-level implementation plan projects.

General Outlook

Overall, although improvements are needed, the District continues to have abundant available natural resources, a ready workforce, and plenty of entrepreneurial spirit. The transportation opportunities that exist (seaports, rail and highways) are being improved. Workforce education is

increasing and becoming better focused. Community organizations are building their capacity to make their communities better places to live while maintaining a rural quality of life. The economy has stabilized, and is beginning to show visible signs of improvement, due largely to diversification. The main text below provides more detailed information about the District's resources (natural, human, and capital), recent accomplishments, and economic goals and how to achieve them.

I. ORGANIZING AND STAFFING FOR ECONOMIC DEVELOPMENT

This 2007 Comprehensive Economic Development Strategy (CEDS) is a comprehensive review of the Columbia-Pacific Economic Development District and its regional economy. It provides a long-term strategic statement of plans for regional economic growth and development over the next five to ten years. This 2007 CEDS is organized to reflect local priorities in Grays Harbor, Mason, Pacific, and Wahkiakum Counties and requirements of the U.S. Economic Development Administration (EDA). It was developed with considerable input from Columbia-Pacific Resource Conservation and Economic Development District (RC&EDD) Council members, regional economic development professionals, and interested citizens. It reflects the changes the region is experiencing through efforts to promote the economic vitality while preserving the environmental quality of the region.

The goals and strategies outlined in this 2007 CEDS will guide the Columbia-Pacific RC&EDD and its members in its economic development efforts. The plan will also facilitate the coordination of efforts between the various economic entities in the region.

Economic Development is described as the process of creating wealth through the mobilization of human, financial, physical, and natural resources to generate marketable goods and services. Through comprehensive strategic planning, it is possible to maximize utilization of local resources while minimizing local constraints in order to achieve a healthier local economy. Funding for this report and Columbia-Pacific RC&EDD professional staff is made available through a planning grant (07-83-05918) awarded by the U.S. Department of Commerce, Economic Development Administration (EDA). EDA funds are matched by contributions made by Columbia-Pacific RC&EDD.

WHAT IS THE CEDS?

The Comprehensive Economic Development Strategy (CEDS) is a locally-initiated planning process designed to create employment opportunities and foster a more stable and diversified local economic community. The CEDS aims to improve local economic conditions and to alleviate persistent unemployment and underemployment where such conditions exist. It identifies opportunities for creating and retaining jobs, raising income levels, diversifying the economy, and improving the quality of life to attract jobs.

History of Regional Economic Development Planning

The original Overall Economic Development Plan (OEDP) for the Columbia-Pacific Region, prepared in 1994, was intended as an initial comprehensive assessment of the regional economy together with a complete statement of economic development goals and objectives, development strategy, and implementation plan consistent with guidelines of the U.S. Economic Development

Administration (EDA). Because of the unique role that this Columbia-Pacific regional planning document plays, both as a framework for local comprehensive planning on a regionally-coordinated basis, and as a means for identifying economic development projects, subsequent OEDP updates and CEDS were more extensive than is typical for many local jurisdictions. Comprehensive OEDP updates were prepared in 1996 and 1997. In 1998, Columbia-Pacific Resource Conservation and Development Council was designated the Economic Development District. Mason County joined the three other counties during this process, and the organization changed its name. A complete CEDS has been prepared annually since.

The CEDS is the result of a local planning process designed to guide the economic growth of the Columbia-Pacific district. The purpose is to establish a process that will help create jobs, foster more stable and diversified economies, and improve the economic and environmental well being of residents of our communities. It provides a mechanism for coordinating the efforts of individuals, organizations, local governments, and private industry concerned with economic development. This 2007 CEDS:

- 1 Describes the resources, needs, problems, and potentials of the Columbia-Pacific district;
- 2 Presents the district’s vision and goals;
- 3 Sets the strategic direction for an action plan;
- 4 Establishes priority programs and projects for implementation; and
- 5 Outlines the standards for the annual evaluation and update of the process.

CEDS committee representation for each county is constituted in accordance with EDA guidelines. In addition, separate CEDS documents are prepared by the Quinault Indian Nation (Grays Harbor County), Shoalwater Indian Tribe (Pacific County), and the Squaxin Island and Skokomish Indian Tribes (Mason County).

The CEDS Committee

Columbia-Pacific RC&EDD Council members, in addition to representing the public jurisdictions of the District, also represent the primary economic sectors of the region. The Council is comprised of 45 members, representing the counties, municipalities, port districts, tribes, public development authorities, several private nonprofit organizations and a few private business people. All Council members are all actively involved in leadership positions throughout the District.

A list follows of Columbia-Pacific RC&EDD Council members. The RC&EDD Council members also serve as the CEDS Committee in the Columbia-Pacific District. Additional information on the CEDS Committee may be found in Appendix B.

Figure 1. Columbia-Pacific Region CEDS Committee,

Member	Representative
Business Development Services	Jay Hupp
City of Aberdeen	Lisa Scott
City of Cosmopolis	Loren Williams
City of Hoquiam	Brian Shay

City of Long Beach	Ken Ramsey
City of McCleary	Wally Bentley
City of Ocean Shores	Richard W. McEachin
City of Raymond	Bob Jungar
City of South Bend	Norty Grant
City of Westport	Randy Lewis
Coastal Community Action Program	Troy Colley
EDC of Mason County	Matt Matayoshi
Grays Harbor Chamber of Commerce	LeRoy Tipton
Grays Harbor County	Albert Carter
Grays Harbor College	Ed Brewster
Grays Harbor Conservation District	Terry Neilsen
Grays Harbor Council of Governments	Vickie Cummings
Grays Harbor EDC	Roger Milliman
Grays Harbor Historical Seaport Authority	Les Bolten
Grays Harbor Public Development Authority	Jim Eddy
Grays Harbor Public Utility District	Doug Smith
Habitat for Humanity of Grays Harbor	Jonathan Fischer
Lower Columbia EDC	Richard Erickson
Mason County	Lynda Ring-Erickson
Mason County Conservation District	John Bolender
Mason County PUD #3	Joel Myer
Mason County Transit	Kathy Cook
Pacific Aging Council Endeavors	Cathy Bannister
Pacific County	Pat Hamilton
Pacific County EDC	Cathy Russ
Pacific Transit System	Tim Russ
Port of Grays Harbor	Diane Souron
Port of Peninsula	Mary DeLong
Port of Willapa Harbor	Rebecca Chaffee
Quinalt Indian Nation	Crystal Sampson
Shoalwater Bay Indian Tribe	Gary Burns
Shorebank Enterprise Group	John Berdes
Town of Cathlamet	Richard Swart
Wahkiakum Community Foundation	Karen Bertroch
Wahkiakum County	Richard Erickson
Wahkiakum Port District #2	Carlton Appelo
Westport Maritime Museum	T. J. Barcelona
Willapa Bay Fisheries Enhancement Group	Ron Craig
	Tim Sheldon
	Dean Takko

Source: Columbia-Pacific RC&EDD, May 2007

Working Partnership for Economic Development

The Columbia-Pacific Resource Conservation & Economic Development District (RC&EDD) is a non-profit, nonpartisan association of counties, cities, towns, ports, Indian tribes, conservation districts, economic development councils, public development authorities, and other non-profits

in the Washington counties of Grays Harbor, Mason, Pacific, and Wahkiakum. The purpose of the association is to preserve the rural quality of life and promote the economic vitality in Grays Harbor, Mason, Pacific and Wahkiakum Counties.

The Columbia-Pacific Resource Conservation and Development (RC&D) Council was authorized by the Governor of Washington in 1972. The organization is governed by the full Council and an executive board, pursuant to adopted articles of incorporation and by-laws under section 501(c)(3) of the Internal Revenue Code of 1954.

A multi-county CEDS process is utilized because the four counties share many economic conditions, strengths, and weaknesses. While the CEDS recognizes the unique characteristics of each county, it also represents an opportunity to forge a new economic direction for the entire district on a cooperative, coordinated basis. This opportunity has been furthered by formal EDA recognition of the four-county Columbia-Pacific region as an Economic Development District (EDD). The Columbia-Pacific Economic Development District was formally approved by the Economic Development Administration of the Department of Commerce in August of 1998.

Staff Support

Jesus (Jesse) Cardenas, Executive Director for Columbia-Pacific RC&EDD and Maya Dillard Administrative Assistant, provided staff support for this 2007 CEDS.

Prior to publication, issues are discussed and input is consolidated at the local level, primarily through normal Economic Development Council business in each of the four counties. Oversight and direction is provided by the boards of directors for each EDC. Input and concerns from the other organizations that represent Columbia-Pacific RC&EDD are added.

II. ANALYSIS: WHERE ARE WE?

Background Information

Location, Topography, & Climate

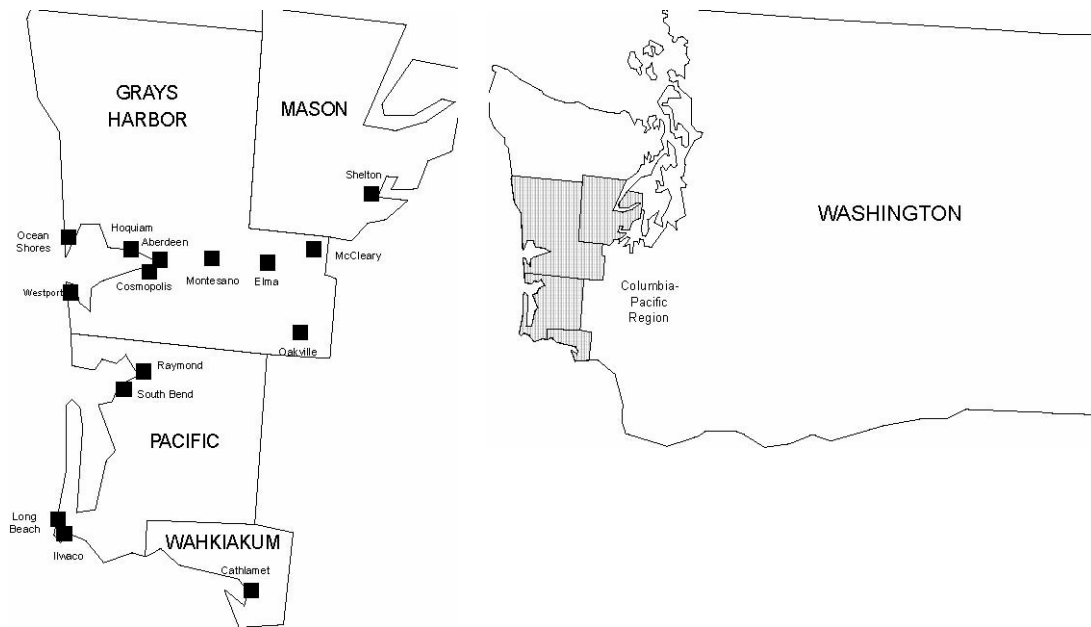
The Columbia-Pacific region consists of Grays Harbor, Mason, Pacific, and Wahkiakum Counties. The region is situated on the Pacific Coast moving inland to the southwest portion of the Puget Sound region in Washington State. It is bordered on the north by Jefferson County; the south by the Columbia River; the east by the Puget Sound and the five county region of Kitsap, Pierce, Thurston, Lewis, and Cowlitz; and the west by the Pacific Ocean.

The four-county Columbia-Pacific district encompasses a total of 4,048 square miles or 6% of the land area of the state of Washington. Grays Harbor County ranks 15th in geographic size among the 39 Washington State counties, while Mason, Pacific, and Wahkiakum Counties rank 29th, 30th, and 37th in geographic size, respectively.

Elevations range from sea level at its coastal edges to 6,255 feet at Mt. Washington in the northern portion of Mason County, in the Olympic Mountains, a World Heritage Site. Geographically, the district can be characterized as consisting of several distinct areas based on topography: sandy beaches along its coastal edges, the rolling Willapa Hills, the Puget Sound-Willamette Depression Basin, and the Olympic Peninsula consisting of

heavily forested lands and the Olympic Mountains.

Figure 2. Columbia-Pacific County & Community Locations



As is highlighted in Figure 2, the four-county area has 15 incorporated cities and towns. Shelton and Cathlamet are the only incorporated communities in Mason and Wahkiakum Counties, respectively. There are eight designated growth centers in the District (see page 12).

The Columbia-Pacific district has a varied climate reflecting its diverse topography. Climatic conditions range from marine coastal conditions consisting of mild, wet winters and comfortably warm, drier summers to an inland climate consisting of colder, wet, sometimes snowy winters with comfortably warm, but somewhat wet summers. Influences affecting the region's climate include the Pacific Ocean, the Olympic Mountains, and the Quinault Temperate Rain Forest.

Prevailing winds generally flow from the southwest, but during summer months are more out of the north and northwest. Average annual precipitation ranges from about 52 inches in Grapeview (Mason County) to 186 inches at Lake Quinault (Grays Harbor County).

Regional Economic History

The Columbia-Pacific region was once part of King, Lewis, Pacific, and Thurston Counties. In 1854, Grays Harbor and Mason Counties were partitioned from King and Thurston Counties.

Pacific County was separated from Lewis and Thurston Counties, and Wahkiakum County was partitioned from Pacific and Lewis Counties.

Grays Harbor County was named in honor of Captain Robert Gray in 1915, after changing its name from Chehalis County. In 1864, Mason County was renamed from Sawamish to Mason in honor of Charles Mason, the first secretary of Governor Stevens and the Washington Territorial Legislature. Pacific County is named after its ocean boundary. Wahkiakum County derived its name from the chief of a local Cathlamet Indian tribe. Native Americans who inhabited much of the Columbia-Pacific region consisted of fishers and hunters. They were also fur traders who traded with one another, other Indians in the Washington and Oregon Territories, and white traders who came later to the area.

In 1805, the first American explorers ventured through much of the region. Meriwether Lewis and William Clark, under orders from President Thomas Jefferson, attempted to chart a navigable commercial waterway from the Mississippi River to the Pacific Ocean.

While Lewis and Clark never found the so-called Northwest Passage, they did discover abundant rich resources (e.g. beavers, sea otters, etc.) near and around the Columbia River. As a result of this exploration, four major fur trade companies were soon established: the Boston Fur Company, John Astor's Pacific Fur Company (which later was sold to the Northwest Company), The Northwest Company (which later merged with the Hudson's Bay Company), and the Hudson's Bay Company. The Hudson's Bay Company became the dominant company throughout the region and the Pacific Northwest, until about the late 1830s when most of the region had been over-trapped and fashions began to change.

As fur trade prospects declined, settlers and traders sought out other economic opportunities such as fishing and logging. Fishing consisted of salmon, steelhead, sturgeon, and shellfish. The fish were consumed locally as well as sent to the East Coast and Europe via established trade routes.

Logging was not a major industry early on because state-of-the-art equipment could not handle the huge old growth trees. As new innovations were created within the industry (e.g. greased skids, steam railroad, etc.), the logging industry emerged to become the economic backbone of the region. By the turn of the century forest products constituted the dominant industry throughout most of the Columbia-Pacific region.

Fishing and logging industries stimulated other value-added activities such as food processing, saw mills, and agriculture (namely dairy and livestock). While these industries were lucrative, forest products remained the dominant industry.

During the twentieth century, the logging industry experienced a number of cyclical ups and downs. For example, during World War I, the demand for logs surged when wooden steam ships were mass-produced in Grays Harbor. This was perhaps the greatest period of economic growth in the Grays Harbor area. On the other hand, the Great Depression of the 1930s led to the bankruptcy of many companies.

At present, logging on federal lands is nearly non-existent due to policies regarding Spotted Owl and Marbled Murrelet habitats (Endangered Species Act), timber set-asides, and export bans on raw timber. Changing economic conditions and technology have resulted in high unemployment rates for the Columbia-Pacific region relative to the State of Washington, and have resulted in

continuing designation of this region as an economically-distressed area in regard to employment levels.

To illustrate, in 1979, according to U.S. Census Bureau Historical Data, the district's average median household income was 91% of the state average. However, by 1989, the district's median household income average had dropped to 77% of the state average. A slight improvement on that figure came about by 1999 with an increase to 79% of the state average. Recovery for all four counties since can only be described as slight. However, there are encouraging signs and significant economic diversification efforts in progress.

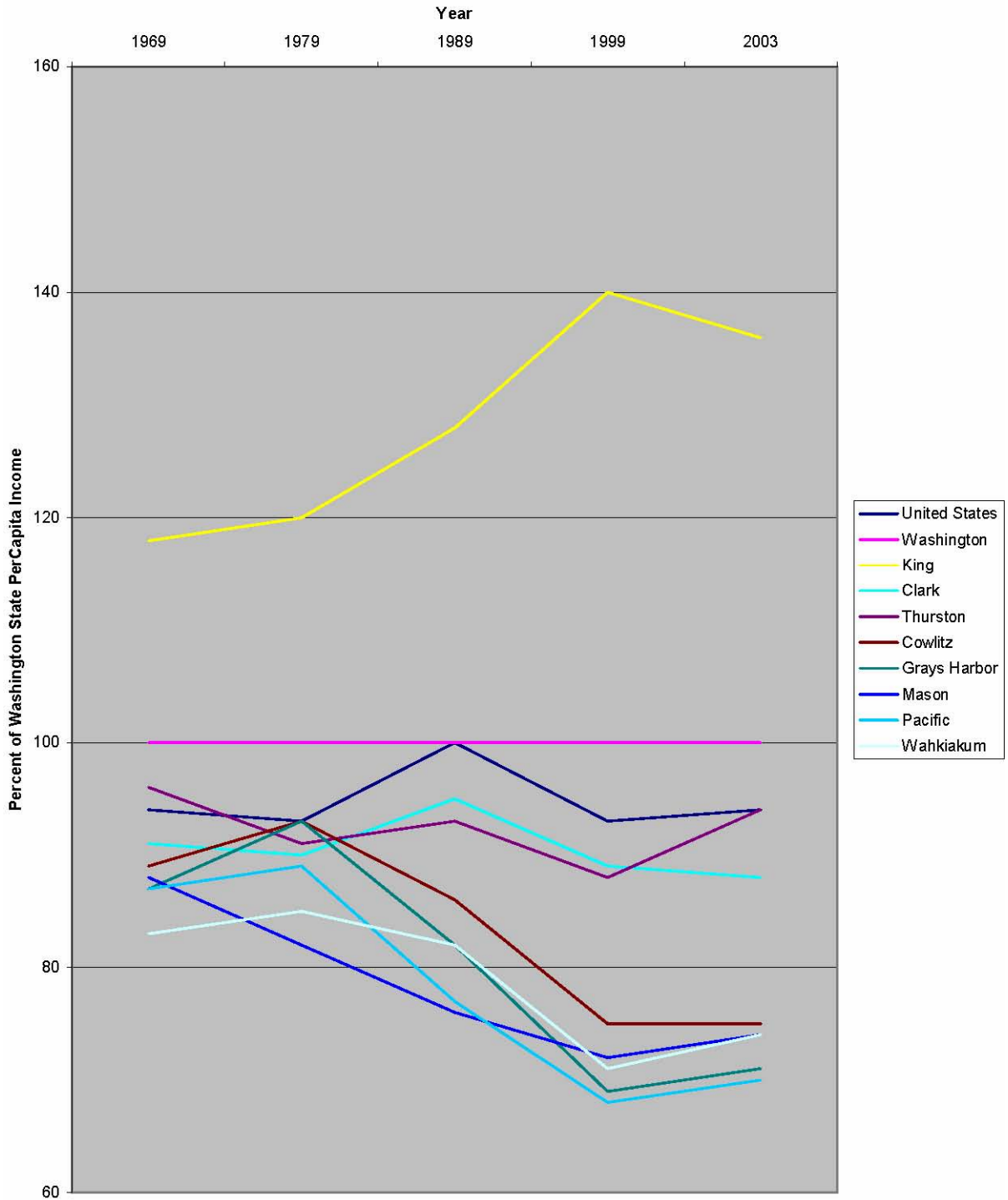
The seriousness of the situation is illustrated by Figure 3. The economic devastation that impacted all four of the counties in the district is undeniable. Per capita income dropped dramatically in the 1980s in three of the four counties (it began dropping in the 1970s in Mason County). Per capita income is just beginning to stabilize or rise slightly, but is still far below the state average. Per the Bureau of Economic Analysis, U.S. Department of Commerce, per capita income for the Columbia-Pacific region averages 73.4% of the national average and 71.3% of the Washington State average.

Other industries have experienced employment growth to offset some of the decline in forest products. Diversified business activity encompasses industries such as printing & publishing, rubber & miscellaneous plastics, aerospace components, and machinery. Tourism is a growing source of income to the area. Hi-tech business is the newest activity in the district poised to develop and expand. The forest products industry itself has diversified, and value-added wood manufacturing businesses are popping up throughout the region. Although not generally recognized as a cluster, the growing number of retirees, and the health-related support businesses and leisure activities they bring with them, add capital and knowledge resources to the district.

A minor clustering development is becoming evident in Mason County as well, where food processing job growth is occurring at Stretch Island Fruit, Olympic Mountain Ice Cream, Taylor Shellfish and Hoodspout Winery.

Figure 3. Per Capita Income

Selected Counties As a % of State Per Capita Income



Population & Demographic Characteristics

Characteristics of the population that could affect development prospects for the Columbia-

Pacific district include: population trends and forecasts, demographic characteristics, and housing availability.

Selected Growth Centers

A multi-county Comprehensive Economic Development Strategy calls for identification of one or more growth centers. Growth centers serve as focal points for development and generation of employment opportunities. The intent is to concentrate economic development projects in viable locations — places that have strong potential for economic growth. A total of eight growth centers have been identified.

Criteria

Significant factors identified by the U.S. Economic Development Administration (EDA) as important in considering and selecting growth centers are:

- 1 a) *Proximity and accessibility to redevelopment areas.* The center should be located in an area central to the district's highway network and within commuting distance of the distressed redevelopment areas.
- 2 b) *Size.* A center's maximum size (250,000 population) is limited by statute, but the law is silent on minimum size. An economic development center must be big enough to attract job generation activities, and geographically and economically related to the district, so that its economic growth will contribute significantly to the alleviation of distress.
- 3 c) *Regional services.* The center should have medical, financial, and service facilities.
- 4 d) *Participation in the district program.* Local leaders must commit to have their community become a growth center. Evidence must exist that the entities represented by the district participate in and support the district's economic development program.

Consideration of Columbia-Pacific Communities

Eight growth centers have been identified as appropriate *growth centers* in the Columbia-Pacific district:

Grays Harbor County: Aberdeen-Hoquiam-Cosmopolis

Mason County: Shelton

Pacific County: Raymond-South Bend Ilwaco/Chinook, Long Beach/Ocean Park

Wahkiakum County: Cathlamet-Skamokawa

Grays Harbor County: The Aberdeen-Hoquiam-Cosmopolis area represents the region's largest contiguous urban area, and is the focus of most industrial and commercial activity in the county, with the exception of tourism which is promoted countywide.

Mason County: Shelton is the only incorporated city in Mason County. With immediately adjoining unincorporated areas, Shelton accounts for the largest share of industrial and commercial activity. Belfair was added as an urban growth area in 1997. Belfair is approximately 36 miles northwest of the Tacoma metropolitan area. While not incorporated, the community is designated as an urban growth area (UGA) in the Comprehensive Plan (adopted April 1996), and community infrastructure such as water and sewer provision are in the planning stages. Mason County will begin the construction of a much needed sewer system for Belfair that will be completed in 2010. The Belfair community accounted for approximately 13% of the county's population in 1990. More recent population estimates for Belfair show that the community has experienced strong growth since 1990, now accounting for more than 15% of the county's population. As a result, the community has been selected by the county as a second growth center. The community of Allyn was added as the third Mason County Growth Center in 2000. That community is located approximately five miles south of Belfair on State Highway 3, and has completed installation of a sewer system as well as other major infrastructure improvements. In 2006 the Port of Allyn began a major expansion of their water system to facilitate growth in the Allyn area. The Port has completed this project that will add capacity for additional water hookups in Allyn.

Pacific County: Located just 3 miles apart, Raymond and South Bend are the largest communities in Pacific County. Both of these communities are experiencing residential, commercial and industrial growth. The Ilwaco-Chinook area is located at the mouth of the Columbia. With the recent status change to Fort Columbia and Fort Canby's to the Lewis & Clark National Park, Ilwaco-Chinook anticipates growth through tourism activities, residential home growth, and has the potential for small business growth. Chinook is an unincorporated community and located nine miles to the east of Ilwaco. In 1997, the county added Long Beach and adjoining Ocean Park as a growth center. Like the Ilwaco-Chinook area (located two miles to the south), Long Beach and the surrounding unincorporated area, includes a significant portion of the county's population, and its inclusion as a growth center is to promote tourism potentials. The County continues to experience a growth in the number of building permits being issued, 484 in 2006. This appears to be a trend for many years to come.

Wahkiakum County: Cathlamet-Skamokawa is recommended as a growth center in Wahkiakum County. There was another record number of building permits for new home construction in 2006, and that number is expected to increase in 2007. Cathlamet is the county's only incorporated community. Skamokawa is the largest unincorporated community only seven miles west of Cathlamet along the Columbia River and SR-4 highway corridor. Skamokawa's new sewer and water district has completed the community's first sewer system. This will allow and encourage growth.

Population Trends & Forecast

As of the 2000 census, the Columbia-Pacific region had a population of 141,387 residents. According to 2006 population estimates from the Office of Financial Management Forecasting

Division the population figure has increased to 148,900. The region experienced an average annual growth rate of 1.4% since 1990. This reflects a significant increase over the 0.5% average annual growth rate in the 1980s.

Rates of population growth for the region were well below statewide levels in the 1980s. From 1990 to 2000, some areas of the region continued to experience population growth rates below statewide levels, but the gap narrowed significantly. Mason County experienced a population increase of 28.9% over the decade, outpacing the statewide average of 21.1%. The Mason County trend reflects the increasing movement of residents from more populated metropolitan areas back to relatively rural communities. Some of them are telecommuters, some are retirees, while some commute back to more populated areas to work. The high statewide average shows the influence that the high tech industries have had on the State of Washington. However, the overall average district trend masks some important differences between individual counties. Grays Harbor is the most populous of the four Columbia-Pacific counties, with 70,400 residents in 2006. It also had the slowest rate of growth from 1990-2000, averaging an annual 0.5% increase, for a total increase of 4.7%.

Mason County is the second most populated of the four counties, with 54,752 residents as of 2006. Located closer to Puget Sound’s major metropolitan areas, Mason County experienced the greatest rate of population growth over the 2000-2003 period, averaging 5.5% annual growth. The Washington Office of Financial Management, which makes population projections for the state, projects Mason County’s population to grow to more than 75,000 by the year 2025.

As of the 2006 Office of Financial Management projections, Pacific County had 21,500 residents. According to Washington State’s Office of Financial Management, Pacific County experienced a population increase by 12.6% over the decade, growing from 1990 to 1997, and then decreased at an average annual rate of 0.4% from 1997 to 2000. Between the years 2000-2005, Pacific County experienced a slight increase of 0.3%. With proposed new housing developments in the North and South County, Pacific County anticipates rapid population growth in the near future. Most of these developments are second higher-end homes marketed to people from other areas. This trend is making decent affordable housing a growing concern for those who already live and work here.

Wahkiakum County is the least populated among the four counties, with a 2006 population estimate of 4,000 residents. The county experienced population growth at an average of 2% per year between 1990 and 1998. The population decreased slightly in 1999 and 2000, with the current total population count remaining very near 4,000. The population over the past five years has increased, exhausting the county’s inventory of available homes. Currently, four new subdivisions are under construction to handle the growth in population.

Figure 4. Columbia-Pacific Regional Population Trends (1980-2000)

Jurisdiction	1980	1990	2000	2004*	Percent Change in Population	
					1980-	1990-

					1990	2000
Grays Harbor County	66,314	64,175	67,194	70,335	-3.23%	4.70%
Aberdeen	18,739	16,565	16,461	16,364	-	-0.62%
					11.60%	
Cosmopolis	1,575	1,372	1,595	1,632	-	16.25%
					12.89%	
Elma	2,720	3,011	3,049	3,154	10.69%	1.26%
Hoquiam	9,719	8,972	9,097	9,036	-7.68%	1.39%
McCleary	1,419	1,473	1,454	1,477	3.80%	-1.28%
Montesano	3,247	3,060	3,312	3,366	-5.75%	8.23%
Oakville	537	529	675	674	-1.48%	27.60%
Ocean Shores	1,777	2,301	3,836	4,314	29.48%	66.71%
Westport	1,954	1,892	2,137	2,281	-3.17%	12.95%
Mason County	31,184	38,341	49,405	53,110	22.95%	28.86%
Shelton	7,629	7,241	8,442	8,946	-5.08%	16.59%
Pacific County	17,237	18,882	20,984	21,209	9.54%	11.03%
Ilwaco	604	838	950	952	38.74%	13.37%
Long Beach	1,243	1,236	1,283	1,360	-0.56%	3.80%
Raymond	2,991	2,901	2,975	2,965	-3.00%	2.55%
South Bend	1,686	1,551	1,807	1,811	-8.00%	16.51%
Wahkiakum County	3,832	3,327	3,824	3,773	-	14.94%
					13.17%	
Cathlamet	635	508	565	540	-	11.22%
					20.00%	
Columbia-Pacific Area	118,567	124,725	141,407	148,327	5.19%	13.38%
State of Washington	4,132,353	4,866,663	5,894,121	6,207,046	17.76%	21.11%

Notes: * Estimates for July 1, 2004.
Source: U.S. Census Bureau

The Washington Office of Financial Management forecasts population growth for the state and counties through 2025. It revised its forecasts downward since the last estimate done in 2002. The Columbia-Pacific district is forecast to experience growth in population at a rate just below the statewide average. Given the number of new housing developments in Grays Harbor and Pacific Counties within the last several years, these growth estimates are likely low. These two counties have suddenly been recognized for their relatively low new housing costs by people from the Puget Sound area and other states, especially by people beginning their retirement years.

Over the long-term (2003-2025), the district is expected to grow by about 1.1% per year, while the state is forecast to experience population increases at a 1.5% average annual rate.

By the year 2025, the Columbia-Pacific district's population is forecast to be over 180,000 residents, a gain of 27.4% over 2000. Mason County is projected to nearly equal Grays Harbor County as the district's most populous county with over 75,000 residents in 2025; Grays Harbor

County is expected to have over 77,000 residents. Pacific County and Wahkiakum County are forecast to have over 22,000 and 5,000 residents respectively.

In 2000, the Columbia-Pacific district represented 2.4% of the total statewide population. This proportion is expected drop slightly to 2.2% by the year 2025.

A growing economy will require additional growth in local job markets to absorb increases in the labor force — the alternatives are an increase in out-commuting or higher rates of unemployment. In addition, increased demand for retail and service businesses as well as housing and essential community services is likely to follow.

In the case of Mason County, out-commuting is already a significant issue. The County has gone from 30% of the workforce commuting daily elsewhere in the early 1990's to conditions today where 43% are on the road each day. Much of the traffic congestion in the I-5 Corridor today is a direct result of rural residents commuting to urban job locations. Easing restrictions on rural business development would significantly reduce traffic congestion problems.

Figure 5. Columbia-Pacific Regional Population Projections (1990-2025)

Jurisdiction	Forecast			Average Annual Population Growth	
	1990	2000	2025	1990-2000	2000-2025
Grays Harbor County	64,175	67,194	77,269	0.5%	0.6%
Mason County	38,341	49,405	75,088	2.9%	2.1%
Pacific County	18,882	20,984	22,678	1.1%	0.3%
Wahkiakum County	3,327	3,824	5,072	1.7%	1.3%
Columbia-Pacific Region	124,725	141,407	180,107	1.4%	1.1%
Washington State	4,866,663	5,894,121	8,150,920	1.8%	1.5%

Sources: U.S. Census Bureau (July 2004) and Washington Office of Financial Management (June 2005).

PROJECTIONS OF THE TOTAL RESIDENT POPULATION FOR THE GROWTH MANAGEMENT ACT

INTERMEDIATE SERIES: 2000 TO 2025 (Released January 2002)

	2000	2005	2010	2015	2020	2025
State	141,407	6,233,345	6,648,112	7,096,501	7,545,269	7,975,471
Grays Harbor	67,194	66,490	68,878	71,761	74,605	77,269
Mason	49,405	53,789	58,604	64,007	69,635	75,088
Pacific	20,984	20,957	21,257	21,725	22,228	22,678
Wahkiakum	3,824	3,906	4,169	4,406	4,745	5,072

Demographic Characteristics

Compared to the state, the Columbia-Pacific region has historically had an above average proportion of the population in the age categories of 45 and up. The region has been underrepresented among younger adults from ages 20-44. As in all rural areas without a four-year post-secondary educational institution, youth tend to leave, making for a smaller proportion

of young people in the area.

Between 1990 and 2000, the proportion of the population aged 45 and up has continued to increase, reflecting a trend that is taking place across the nation with the aging of the large baby boom population born in the post World War II era (from 1946 to 1964). In the Columbia-Pacific district, the median age is older than expected, due to the general population aging, youth leaving for better opportunities and the settlement of retirees into the area.

Between 2000 and the year 2010, the proportion of the population in the age group of 45-64 is expected to continue to increase, while the proportion of younger adults of age 25-44 will continue to decline.

Figure 6. 2000 Age Distribution of Columbia-Pacific Region Population

Jurisdiction	Age 0-4	Age 5-19	Age 20-24	Age 25-44	Age 45-64	Total Age 20+
Washington State	394,306	1,288,713	390,185	1,816,217	1,342,552	4,211,102
Grays Harbor County	4,185	14,922	3,467	17,486	16,813	48,087
Mason County	2,663	10,245	2,507	13,080	12,761	36,497
Pacific County	963	4,020	768	4,439	6,059	16,001
Wahkiakum County	202	763	133	848	1,172	2,959

Source: U.S. Census Bureau

The aging of the population presents an even greater challenge to the Columbia-Pacific region than it might in areas with more diversified or more innovative economies. As the number of jobs in the high technology and retail and service sectors increase, older people who want to work must be offered training in order to participate in employment opportunities in the changing labor market. Opportunities exist also to transfer knowledge from older and retired workers to younger people entering the employment market.

As of the 2000 Census, the population of the Columbia-Pacific region was predominantly white but growing more diverse. Persons of other races (including Native Americans and Blacks) represented 11.2% of the region's population, up from 6.3% in 1990. Persons of Hispanic background accounted for 4.8% of total population, up from 2.1% in 1990.

Figure 7. 2000 Race/Ethnic Characteristics of the Population

County/Region	White	Other	Total	Hispanic
Grays Harbor County	88.3%	11.7%	100.0%	5.3%
Mason County	88.5%	11.5%	100.0%	4.8%
Pacific County	90.5%	9.5%	100.0%	5.0%

Wahkiakum County	93.5%	6.5%	100.0%	2.6%
Columbia-Pacific Region	88.8%	11.2%	100.0%	4.8%
Washington State	81.8%	18.2%	100.0%	7.5%

Source: U.S. Census Bureau.

As is typical for non-metro areas of the state, educational levels of the adult population tend to be below comparable statewide figures. Approximately 81.8% of Columbia-Pacific adults completed high school, according to the 2000 Census. By comparison, 87.1% of all Washington residents had completed high school.

However, changing economic conditions and job expectations have led to major changes in educational efforts. Between 1980 and 2000, the share of Columbia-Pacific adults who had some college training or are graduates increased from 27% to 48.6% of the adult population. In Washington State as a whole, 62.2% of adults had at least some college education in the 2000 Census. In the Columbia-Pacific district, only 14.1% of adults have a bachelor’s degree or higher, compared to 27.7% of all Washington adults. It should be noted that this figure is skewed by the approximately 49% of adults with bachelor degrees in Seattle.

In Grays Harbor County, 81.1% of adults have completed high school, 46.8% have some college education, and 12.7% have a bachelor’s degree or higher. In Mason County, 83.7% of adults have completed high school, 51.3% have some college education, and 15.6% have a bachelor’s degree or higher. In Pacific County, 78.9% of adults have completed high school, 47.4% have some college education, and 15.2% have a bachelor’s degree or higher. In Wahkiakum County, 84.2% of adults have completed high school, 52.0% have some college education, and 14.8% have a bachelor’s degree or higher.

Housing Availability & Cost

As of the 1990 U.S. Census, both homeowner and rental housing were considerably more affordable in the Columbia-Pacific district than in the Puget Sound area or statewide. Although still more affordable, since 1990 the cost of housing has increased significantly in the Columbia-Pacific district.

In 2005, the median-selling price for a home in the Columbia-Pacific district ranged from \$125,000 in Pacific County to \$180,000 in Wahkiakum County, compared to a statewide median value of \$260,900. It should be noted that, due to the small market in Wahkiakum County, the median selling price for a resale home in that county historically fluctuates dramatically, but in the last two years has been more stable, although steadily rising.

In five years, from 2000 to 2005, housing prices increased 56.9% in Grays Harbor, 64.1% in Mason, 80.0% in Pacific, and 83.3% in Wahkiakum County. (It should be noted that housing prices took a dip throughout the Columbia-Pacific district in 2000, but not so statewide.) This compares to an increase of 48.0% in the median home price statewide in the last five years. While this is good for those who purchased and held homes prior to the turn of the century, because the value of their homes generally outpaced inflation, it makes it more difficult for new home owners to enter the market, as most people’s income has not kept pace with housing prices.

In 2005, median housing prices ranged from 47.9% (Pacific County) to 69.0% (Wahkiakum

County) of the statewide average. Although housing prices saw a significant jump in the last year in all counties (22.17% in Grays Harbor, 24.5% in Mason, 25% in Pacific, and 7.8% in Wahkiakum), the Washington Center for Real Estate Research identified counties in the Columbia-Pacific district as still having some of the state’s most affordable housing. This increases the likelihood of in-migration.

Figure 8. Comparative Housing Costs (2000-2005)

County	2000 Median Home Price	2003 Median Home Price	2004 Median Home Price	2005 Median Home Price
Grays Harbor County	\$81,400	\$99,900	\$104,000	\$127,700
Mason County	\$104,800	\$126,000	\$138,100	\$172,000
Pacific County	\$69,500	\$85,000	\$100,000	\$125,000
Wahkiakum County	\$98,200	\$128,000	\$167,000	\$180,000
Subtotal Columbia-Pacific Region	\$69,500 - \$104,800	\$85,000 - \$128,000	\$100,100 - \$167,000	\$125,000 – \$180,000
State of Washington	\$176,300	\$203,800	\$225,000	\$260,900

Source: Washington Center for Real Estate Research, Washington State University, May 2006

Labor Force & Employment

Labor force, unemployment, and employment data reveal significant changes in the character of industrial and occupational activity in the Columbia-Pacific region over the last decade.

The unemployment rate in Grays Harbor and Pacific Counties dropped nearly one full percentage point in 2005 over 2004, and more than one full percentage point in Mason County. The unemployment rate for the district fell 1.2 percentage points. This has not happened in a decade, when the unemployment rate fell nearly 2 full percentage points.

As of the end of 2005, total labor force of the Columbia-Pacific region was 67,900, an increase of 21.8% over 1995. In spite of a much larger work force, there are fewer unemployed in the district than ten years ago.

Unemployment in the region averaged 6.8% in 2005, remaining above the average statewide rate of 5.5%, but coming in significantly lower than the 1995 regional average of 9.2%, and the 2004 average of 8.0%.

Per State of Washington Employment Security Department estimates Columbia-Pacific region 2007 labor force stands at 66,190. This is a decrease of 0.97% from the 2005 labor force of 67,900. The following table shows that unemployment in the Columbia-Pacific region is greater than one percentage point, and in some cases two percentage points higher than the Washington State average.

Figure 9. Comparative Labor Force and Unemployment Data (Annual Averages)

Geographic Area	Labor Force		% Change in Labor Force (2005-2007)	Unemployment Rate	
	2005	2007		2005	2007

Grays Harbor County	31,850	30,830	-0.97%	7.4%	6.9%
Mason County	24,820	24,660	-0.99%	6.1%	5.5%
Pacific County	9,520	9,170	-0.96%	6.6%	6.6%
Wahkiakum County	1,710	1,530	-0.89%	7.0%	6.4%
Subtotal/Averages Columbia-Pacific District	67,900	66,190	- 0.97%	6.8%	6.35%
State of Washington	3,292,200	3,370,400	+ 0.98%	5.5%	4.4%

Source: State of Washington Employment Security Department.

After peaking at 15.5% in 1982, regional unemployment rates declined through 1990 to 8.2%. They increased again throughout the early 1990s, and declined again in the mid- and late 1990s. Unemployment rates climbed slightly during the most recent recession, but not nearly as much as statewide.

Through about the mid-1980s, Pacific County experienced the region's highest rates of unemployment. Since 1986 (about the time of the end of construction at the Satsop Power facility), however, the highest unemployment rates in the region have been experienced in Grays Harbor County, although the unemployment rate in that county have been trending downward toward the rates of the other counties.

With the nearby hubs of Olympia (to the south) and Bremerton (to the north), Mason County, as expected, has a high proportion of commuters. Wahkiakum County also has a high proportion of commuters, due more to the lack of family-wage job opportunities in the county. Both Pacific and Wahkiakum Counties, lying along the Oregon border, have a relatively high percentage of residents who work out of state. It is interesting to note that, in spite of efforts to promote work at home options in the district, relatively few opportunities have developed.

Figure 10. Commute Patterns and Travel Times To Work

Geographic Area	% working in county	% working at home	% working outside county	% working out of state	Mean travel time to work
Grays Harbor	87.4	4.2	12.6	0.7	22.4 min.
Mason	56.7	4.2	43.3	0.9	30.8 min.
Pacific	82.6	5.7	17.4	6.5	20.7 min.
Wahkiakum	54.4	3.6	45.6	10.4	28.1 min.

Source: U. S. Census Bureau.

Columbia-Pacific Employment Trends

Lower rates of unemployment combined with increased labor force participation reflect a turnaround that has been occurring in the region's economic base. These changes have occurred due to a leveling off of the decline in natural resource-based industries, as well as success in re-training of the labor force and diversification of the employment base.

In the last five years, the Columbia-Pacific district has experienced a net gain of nearly 7,000 employees (full- and part-time). More than 3,000 manufacturing jobs were lost in the last twenty years. That has started to turn around, but the district is far from the number of manufacturing jobs available in the past. Construction jobs dropped dramatically in the early 1980s, with the

termination of construction at the Satsop nuclear power plant site, but have increased steadily in the last twenty years.

The service-related sectors have experienced employment increases, reflecting the increased tourism trade and retirement services. The wages at these jobs average less than manufacturing, typically, resulting in a lower multiplier effect.

Figure 11. Columbia-Pacific Employment Trends by Industry

Employment Sector	1984	1994	2004	Employment Change 1984-2004
Agriculture	2,889	2,555	2,700	- 189
Forestry, fishing and other	2,484	2,918	1,412*	N/A
Mining	143	55*	54*	N/A
Construction	2,332	3,211*	3,556	+ 1,224
	*			
Manufacturing	10,195	8,377	6,844	- 3,351
Transportation, warehousing, util.	1,989	1,898	473*	N/A
Wholesale trade	964*	1,243	1,482*	+ 518
		*		
Retail Trade	8,169	10,590	8,077*	N/A
Fire, insurance & real estate	2,703	1,729	3,837	+ 1,134
		*		
Services	9,977	12,397	14,738	N/A
	*		*	
Federal government, civilian	403*	484	363	- 40
Military	901	728	675	- 226
State government	1,608	1,922	2,560*	+435
Local government	5,601	7,792	9,901	+ 4,300
Total Employment	49,255	56,597	63,567	+ 14,312

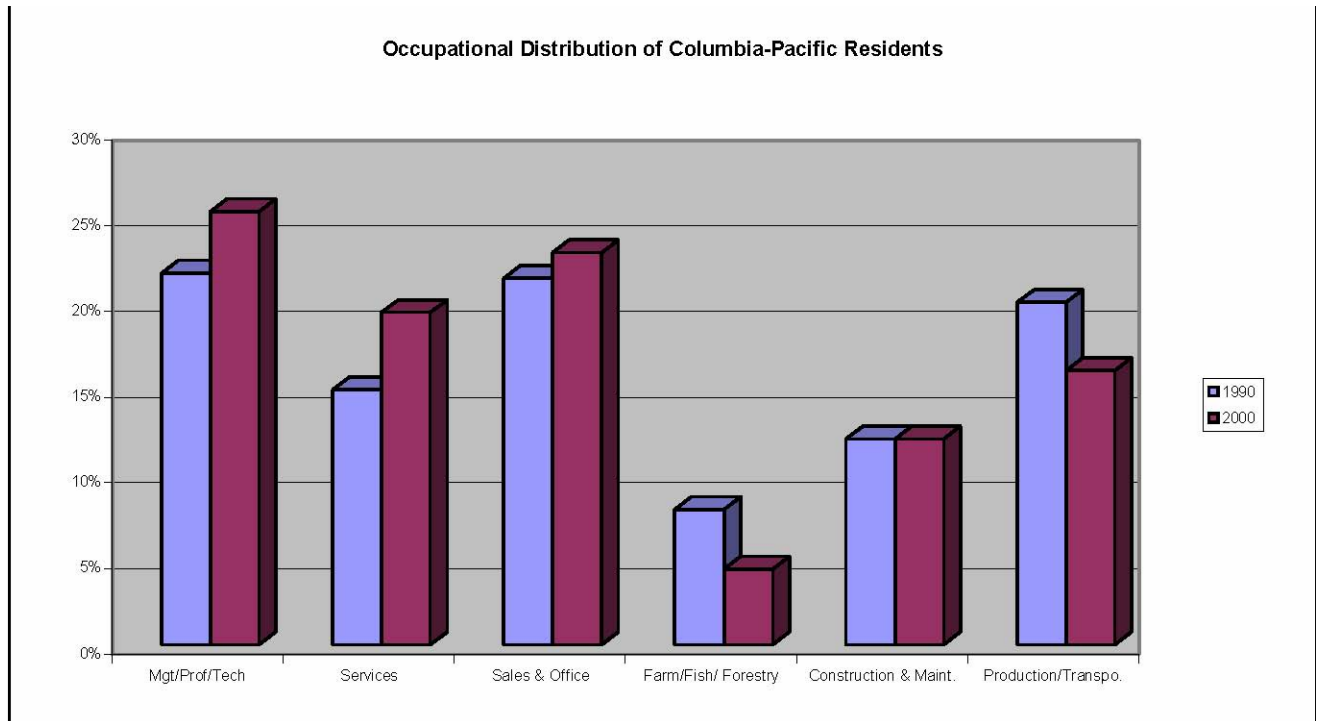
*Some data not included in sub-categories to avoid disclosure of confidential information, less than 10 jobs, or not available for year.

Source: Bureau of Economic Analysis. Data is for proprietors and wage & salary employment.

Between 1984 and 2004, manufacturing declined from 20.7% to just 10.8% of the region's total employment. This has occurred as employment in natural resource based industries declined in absolute numbers as well as relative to the region's total employment base. Manufacturing tends to have higher-wage jobs than many other sectors.

As the industrial mix of the region's employment has changed, so too has the occupational mix. Census data indicate that managerial and service workers constitute an increasing share of the region's labor force. In contrast, traditional agricultural, craft/repair and operator/fabricator occupations make up a declining proportion of the region's workforce.

Figure 12. Employment by Occupation (1990-2000)



Source: U. S. Census Bureau

Income Trends

Sources of income data evaluated for the Columbia-Pacific district include the: 2000 Census and U.S. Bureau of Economic Analysis data.

Bureau of Economic Analysis data illustrates changing sources of personal income. On average, wages and salaries account for approximately 56% of personal income in the Columbia-Pacific district versus about 69% statewide. Other relatively important sources of income in the Columbia-Pacific region are: proprietor’s income; dividends, interest and rent; and transfer payments.

In the last 10 years transfer payments increased from a regional average of 24.7% to 25.9% of personal income. This reflects conditions of high unemployment as well as a growing base of retirees; since the unemployment rate is dropping, the increase can be largely attributed to the increasing retirement population. It should be noted that the percent of income from transfer payments in the Columbia-Pacific district is twice that of the state. This is a sign of a high percent of retirees in the population.

Figure 13. Comparative Sources of Personal Income

	Columbia-Pacific District*		State of Washington*	
	1994	2004	1994	2004
Wages & Salaries	55.2%	56.3%	68.2%	68.9%
Dividends, Interest & Rent	20.1%	17.8%	18.6%	17.9%
Transfer Payments	24.7%	25.9%	13.2%	12.9%

* Percentages may not total 100% of income due to other minor income sources not included in this table or rounding.
Source: U.S. Bureau of Economic Analysis

The 1990s were a good decade for increasing income and bringing families out of poverty. As of 2000, Washington State per capita income was \$22,973, an increase of 53.9% from the 1990 figure of \$14,420. High figures in metropolitan areas compared to more abundant non-metro areas skews statewide per capita income figures.

Wahkiakum County had the highest per capita income in the region in 2000 at \$19,063. Mason County came in second with \$18,056, followed by \$17,322 in Pacific County and \$16,799 in Grays Harbor County. Growth in per capita income in the Columbia-Pacific district ranged from 42.5% in Grays Harbor County to 58.2% in Pacific County over 1990 figures.

Figure 14. Per Capita Personal Income

County	1990	2000	% Change 1990-2000
Grays Harbor County	\$11,787	\$16,799	42.5%
Mason County	\$12,050	\$18,056	49.8%
Pacific County	\$10,952	\$17,322	58.2%
Wahkiakum County	\$12,332	\$19,063	54.6%
State of Washington	\$14,923	\$22,973	53.9%
United States	\$14,420	\$21,587	49.7%

Source: U.S. Census Bureau

The latest figures from the Bureau of Economic Analysis (2005) show a significant increase to the Columbia-Pacific region per capita personal income with Mason County being the highest at \$26,645 followed by Wahkiakum County at \$25,529, Grays Harbor County at \$24,701 and Pacific County at \$24,366. Although encouraging these figures are still less than 74% of the national average of \$34,471.

As of the 2000 census, median household incomes in the four counties of the region ranged from 68% to 86.5% of the statewide median figure of \$45,776. Incomes in all four counties have increased at a slightly faster rate than statewide.

With the exception of Wahkiakum County, significant gains were made in the 1990s in decreasing the rate of families living in poverty. Three of the counties are comparable to the U.S. level, and Wahkiakum County has a rate of families living below poverty well below that of the state level.

Although the percent has decreased, Grays Harbor County still has a relatively high proportion of families living below poverty level. This may account for the lower per capita and household incomes in that county.

Figure 15. Percent of Families Living Below Poverty

County	1990	2000
Grays Harbor County	12.9%	11.9%
Mason County	9.6%	8.8%
Pacific County	13.3%	9.1%
Wahkiakum County	5.5%	5.9%
State of Washington	7.8%	7.3%
United States	10.0%	9.2%

Source: U.S. Census Bureau

Within the Columbia-Pacific region, Wahkiakum County has the highest percentage of residents owning and occupying their homes. In addition, Wahkiakum has the lowest percentage of residents paying more than 20% of their income for housing.

It is important to note that because of a large concentration of high salary households in the Puget Sound region of Washington State, the overall state median income level becomes somewhat skewed; only 6 of 39 counties in the state meet the state median household income level.

Figure 16. Comparative Median Household Incomes

Jurisdiction	Median Household Income	% Change 1990-2000	% Individuals Below Poverty Level
Grays Harbor County	\$34,160	48.3%	16.1%
Mason County	\$39,586	50.5%	12.2%
Pacific County	\$31,209	55.8%	14.4%
Wahkiakum County	\$39,444	46.3%	8.1%
Washington State	\$45,776	46.8%	10.6%
United States	\$41,944	39.6%	12.4%

Source: U.S. Census Bureau.

Retail Sales & Travel Trends

A useful measure of retail activity is provided by taxable retail sales data. Between 2000 and 2005, taxable sales increased in all four counties at more than the rate of inflation over the same period.

Figure 17. Taxable Retail Sales Trends

County	2000 Taxable Retail Sales	2005 Taxable Retail Sales
Grays Harbor	\$594,821,337	\$807,922,711
Mason	\$278,508,528	\$463,562,468
Pacific	\$145,271,261	\$189,760,173
Wahkiakum	\$14,817,777	\$20,255,043
Region Total	\$1,033,418,903	\$1,481,500,395

Note: Taxable retail sales include manufactured, wholesale, contractor and other items subject to retail sales tax as well as sales directly from retail stores.

Source: State of Washington Department of Revenue

Two useful indicators of travel-related activity are hotel/motel receipts and highway traffic counts. Lodging tax distributions are based on receipts, and the distributions made have increased dramatically in all four counties since 2000.

Figure 18. Hotel/Motel Tax Trends

County	2000 Lodging Tax Distributions	2005 Lodging Tax Distributions
Grays Harbor	\$616,556.81	\$1,636,350.25
Mason	\$55,172.46	\$212,442.24
Pacific	\$219,455.14	\$630,831.13
Wahkiakum	\$756.53	\$8,772.36
Region Total	\$896,940.94	\$2,488,395.98

Source: State of Washington Department of Revenue

Traffic counts on major regional roads have also generally shown steady increases. The need for highway infrastructure improvements to keep pace with traffic increases is well documented in the project section of this 2007 CEDS. Transportation improvement needs are also documented in local and regional Transportation Improvement Programs for each county.

Figure 19. Highway Traffic Counts (Average Daily Traffic)

Highway/Location	ADT in 1990	ADT in 2000	ADT in 2004	ADT in 2005
SR 105 East of Westport – ADC R043	4,329	5,500	5,800	5,700
US 101 after Heron Street (Aberdeen)	16,000	19,000	18,000	18,000
US 101 Naselle – ADC R074	2,065	2,300	2,400	2,500
US 101 – Oregon State Line	4,165	6,200	7,100	7,000
SR 4 Wahkiakum-Cowlitz County Line	1,800	3,200	3,000	3,000
SR 6 Raymond (after US 101 junction)	5,400	5,900	6,000	5,900
SR 8 Elma (US 12/SR 8 junction)	11,700	16,000	15,000	15,000
US 12 Aberdeen (after US 101 junction)	12,500	15,000	16,000	16,000
SR 103 Ilwaco (after US 101 junction)	7,800	8,000	7,900	8,100
SR 115 Ocean Shores (before junc. SR 109)	5,300	6,800	6,800	6,700
SR 3 Shelton (at US 101 junction)	11,000	11,000	12,000	11,000
US 101 Shelton (before SR 3 junction)	9,400	14,000	17,000	17,000

Source: Washington State Department of Transportation

Major Columbia-Pacific Employers

The following chart lists major employers in each of the region’s four counties. In Grays Harbor County a forest products firm is the largest employer, although that is expected to change later this year. In Pacific County, two of the five largest employers are seafood processing-related firms. In Mason County, the government jobs available account for 35% of the total positions accounted for at the 50 largest private and public employment locations. In Wahkiakum County, the county government is the largest employer and a forest products firm is second largest.

Forest products, health care, service-related businesses, and construction provide the majority of private sector employment. The Columbia-Pacific region remains largely dependent on natural resource industries for the bulk of industrial employment.

Figure 20. Major Columbia-Pacific Region Employers by County

Grays Harbor County:

<u>Employer</u>	<u>Category</u>	<u>Employees</u>
Westport Shipyard	Manufacturing	863
Weyerhaeuser	Forestry & Manufacturing	807
Simpson Door Plant	Manufacturing	410
Ocean Gold	Fish Processing	400
Sierra Pacific Industries	Manufacturing	220
Grays Harbor Paper	Manufacturing	214
Briggs Nursery	Farming	183
Public Utility District	Utility	170

Figure 20. Major Columbia-Pacific Region Employers by County (continued)

Grays Harbor County:

Employer	Category	Employees
Hoquiam Plywood	Manufacturing	131
Washington Crab Producers	Food Processing	130
Quigg Brothers	Construction	120
Pacific Veneer	Manufacturing	115
Mary's River Lumber	Manufacturing	108
Rognlin's	Construction	101
Ocean Spray	Food Processing	70
Rohm and Haas	Manufacturing	65
Lakeside Industries	Construction	60
Ovalstrapping	Manufacturing	50
Pettit Oil	Utility	40

Secondary Industries:

G.H. Community Hospital	Medical	629
Quinault Beach Resort	Hospitality	319
Wal-Mart	Retail	229
Bank of the Pacific	Banking	192
Safeway Foods	Retail	160
Swanson Foods	Retail	145
Anchor Bank	Banking	136
Five Star Dealerships	Retail	141
Home Depot	Retail	124
SafeHarbor Technology	Call Center	104
McDonald's Restaurants	Hospitality	100
Timberland Savings Bank	Banking	90
The Daily World	Media	87
Lake Quinault Lodge	Hospitality	75
Evergreen Counseling	Medical	69
Duffy's Restaurants	Hospitality	65
Top Foods	Retail	51
Harbor Home & Hospice	Medical	51
JC Penney	Retail	51

Social, Educational & Governmental:

Grays Harbor County	Government	443
Stafford Creek Prison	Corrections	424
Aberdeen School District	Education	379
Grays Harbor College	Education	385
Quinault Indian Nation	Government	320
Hoquiam School District	Education	285
City of Aberdeen	Government	176
Coastal Community Action	Social Service	125
Dept of Social and Human Svcs	Government	104
City of Hoquiam	Government	104

Figure 20. Major Columbia-Pacific Region Employers by County (continued)

Grays Harbor County:

Employer	Category	Employees
Port of Grays Harbor	Government	82

Source: Survey of area employers (April 2006)

Mason County:

Employer	Category	Employees
Little Creek Casino	Casino/Hotel	696
Shelton School District	Educational facility	675
Wash. Corrections Center	Correctional	581
Mason General Hospital	Medical facility	495
Wal-Mart	Retail store	420
Mason County	Government	411
Simpson Timber Company	Lumber	400
Taylor Shellfish, Inc.	Shellfish	400
Olympic Panel Products	Plywood, veneer	360
N. Mason School District	Educational	350
Squaxin Indian Tribe	Tribal facility	237
Mason County Forest Products	Lumber	170
Fir Lane Health & Rehab.	Care provider	135
Alderbrook Inn	Resort	125
Skokomish Indian Tribe	Tribal facility	121
City of Shelton	Government	114
Island Enterprises (inc. subsid cos.)	Tribal companies	117
Mason County PUD No. 3	Utilities	114
Pioneer School District	Educational	110
Stretch Island Fruit	Fruit leather	106
Fred Meyer Marketplace	Groceries	105
Safeway	Groceries	104
Sims Vibration Laboratory	Vibration control	101
Welco - Skookum Lumber Co.	Lumber	99
Alpine Way Retirement	Care provider	96
Exceptional Foresters, Inc.	Recycling	96
Green Diamond Resource Co.	Lumber	91
Manson Transit	Transportation	84
Catholic Community Services	Care provider	82
Our Community Credit Union	Credit Union	81
Manke Lumber Company	Logging & trucking	80
Shelton Health & Rehab.	Care provider	76
Techwood	Wood products	68
Pen. Comm. Fed. Credit	Union Credit Union	65
Washington DSHS	Social services	63
QFC	Groceries	62
Belco Forest Products	Lumber	60

Figure 20. Major Columbia-Pacific Region Employers by County (continued)

Mason County:

Employer	Category	Employees
Hood Canal School District	Educational	60
Olympic Fabrication	Machine products	59
Shelton Family Medicine	Medical clinic	58
Brady Trucking	Trucking	51
Sensaria Natural Bodycare	Bodycare products	40
Lumbermen's	Hardware	45
Shelton Post Office	Communications	45
Gerbings Heated Clothing	Heated clothing	43
Hiawatha Corporation	Floral evergreens	42
Gillis Auto Center	Auto sales & repair	41
Mary M. Knight School	Educational	37
Shelton-Mason County Journal	Newspaper	36
Camco, Inc.	Wood products	34

Pacific County:

Employer	Category	Employees
Pacific County	County Government	210
Weyerhaeuser	Logging	193
Coast Seafoods	Food Processor	181
Ocean Beach Hospital	Healthcare	154
Jessie's Ilwaco Fish	Food Processor	159
Naselle Youth Camp	Juvenile Detention	122
Willapa Harbor Hospital	Healthcare	112
South Bend School District	Educational Facility	101
Dennis Company	Retail	95
Raymond School District	Educational Facility	95
Shoalwater Bay Casino	Tribal Gaming	93
Dungeness Development	Food Processor	80
Shoalwater Tribe	Tribal	75
Seaport Lumber	Wood Products	71
Pacific County P.U.D. #2	Utility	53
Jolly Rogers	Food Processor	50
Bell Buoy Crab Co., Inc.	Food Processor	49
Okies Sentry	Retail	48
Ekone Oyster	Food Processor	48
Nelson Crab Inc.	Food Processor	43

Figure 20. Major Columbia-Pacific Region Employers by County (concluded)

Wahkiakum County:

<u>Employer</u>	<u>Category</u>	<u>Employees</u>
Wahkiakum County	County Government	100
Jerry DeBriae Logging Co.	Logging	100
Wahkiakum School District	Educational Facility	60
Sunbridge Care & Rehab Center	Care Provider	48
St. James Family Center	Day Care	30
Dandy Digger & Supply Inc.	Light Manufacturer	23
Wahkiakum West Telephone & TV	Communications	20
Elochoman Millwork	Cabinet Manufacturer	19
Wahkiakum Family Practice Clinic	Medical Facility	15
Wahkiakum County P.U.D. #1	Utilities	12
Hancock Forest Management	Timber Management	7
Cathlamet Timber Co.	Timber Management	6

Source: Information provided by county economic development councils.

Economic Development Accomplishments

The following describes economic development accomplishments that have taken place since the last CEDS was completed in 2006.

Columbia-Pacific Resource Conservation & Economic Development District Satsop Demonstration Forest

The *Satsop Demonstration Forest* effort was made possible through a contract with the University of Washington to develop a Landscape Management Plan on the 1,100 acres of forest at the Satsop Public Development Authority site. The plan will show that harvesting can be allowed at the site, while enhancing habitat values and protecting wildlife species listed under the original no-harvest mitigation plan. The plan will scientifically track all timber, wildlife, and economic values on the site, allowing us to demonstrate the ecological and economic benefits of this type of management. Implementation of the plan can finally be allowed with the completion of the Grays Harbor Public Development Authority's (owner of the Satsop Development Park) master planning process, expected in 2006 - 2007.

Free Market Carbon Credit System

A second major forestry effort is our plan to develop a *Carbon Sequestration Program for Forestlands* and system to sell carbon credits for managing forests to up-take additional carbon dioxide. This is a system that, whereby carbon credits will be sold on the commodity market. We will assist landowners in contracting and certifying their forests. A Carbon Credit component was added to the Landscape Management System developed by the University of Washington School of Forestry and thirteen other universities in the United States and Canada. This process will eventually generate a reliable source of income for timberland owners, and at the same time achieve positive improvements to the environment. Columbia-Pacific RC&EDD is monitoring The Pacific Forest Trust's and Chicago Climate Exchange's efforts to develop a carbon sequestration market, and is working with the Northwest Cooperative Development Council to form a carbon sequestration cooperative, allowing small forest landowners to take advantage of this opportunity.

Wastewater Treatment

An issue of major concern to most of our district's communities is water and wastewater treatment systems. All of our communities are small, and have difficulty finding the funds to build, upgrade or sometimes even maintain these systems, but are often required to in order to meet environmental regulations. Consultants familiar with our district's communities are often limited in their experience of different types of systems, and the regulators' experience, particularly at the county level, seem tied to the consultants' limitations. More and more small communities in the District are being advised, sometimes pressured, into building or expanding expensive full-blown sewage treatment facilities when other, more affordable alternatives exist.

The National Environmental Training Center for Small Communities (NETCSC) has developed a program for the Columbia-Pacific RC&EDD District to address the need for education related to wastewater management and drinking water issues. The education plan includes elements designed to achieve two broad objectives:

Increase the awareness of differing options for development and management of wastewater and water services and assist appropriate water and wastewater professionals, municipal and county decision makers, and local and state regulators in planning and implementing processes for managing wastewater and water problems.

Contact and select appropriate water and wastewater professionals to assist them in planning and implementing processes for managing alternative wastewater and water problems.

This project will enable community leaders to make more informed decisions and it will help regulators become more comfortable monitoring them. Columbia-Pacific RC&EDD may begin applying this information on a community-by-community basis. This project can serve as a model to be used in other rural areas of the country.

Hybrid Poplar Solid Wood

Since developing the solid wood business plan for Hybrid Poplar in 1993, the acres of hybrid poplar have increased to over 2,000 in the district. Since that first plan there have been corporations outside of the area that have developed solid wood plans, but none in the RC&EDD area. We continue to work with investors and companies towards the goal of establishing a solid wood poplar industry within the area.

Entrepreneur Revolving Loan Fund

In 1995, Columbia-Pacific RC&EDD created the Entrepreneurial Revolving Loan Fund to assist small businesses through microloans. The fund was soon turned over to the Cascadia Revolving Fund to manage. Cascadia Revolving Fund built on the Entrepreneurial Revolving Loan Fund to create the Olympic Microloan Fund, serving nine counties, including all four counties in the Columbia-Pacific Economic Development District. Over 800 jobs have been created or retained as a result of this program. Loan size has ranged from \$6,600 to \$50,500. Shore Bank Enterprise Pacific based in Ilwaco, WA acquired the assets and administration of these funds while maintaining key personnel and marketing resources.

Virtual Small Business Incubator

Small business incubation is a dynamic process of business enterprise development. Incubators

nurture young firms, helping them to survive and grow during the start-up period when they are most vulnerable. Incubators provide an array of business support resources and services, such as hands-on management assistance, access to financing and orchestrated exposure to critical business or technical support services. Most also offer shared office services (e.g., reception, answering service, web page maintenance, marketing assistance), access to equipment, flexible leases and expandable space.

A small business incubator reduces the risk of small business failures. Startup firms in the over 800 small-business incubators which are members of the National Business Incubation Association (NBIA) increase sales and add an average of 3.7 full-time and part-time jobs per firm. Eighty-four percent of incubator graduates stay in their communities and continue to provide a return to their investors.

The most common goals of incubation programs are creating jobs in a community, enhancing a community's entrepreneurial climate, retaining businesses in a community, building or accelerating growth in a local industry, and diversifying local economies.

Columbia-Pacific RC&EDD conducted an investigation of the feasibility of serving small businesses in their communities, to help grow businesses locally, by creating a virtual small business incubator. If services (such as bookkeeping, marketing, telephone answering service, web site maintenance, etc.) can be offered electronically, communities throughout the district may benefit by growing businesses. The 12-month feasibility study was made possible from an Economic Development Administration grant as well as a grant from the Washington State Community Trade and Economic Development Department. Eight municipalities and local governmental agencies also joined together to support the feasibility study financially.

The feasibility study was completed in June of 2006. The intention was to determine whether market-based fees to client businesses can keep the incubator operating on a self-sustaining basis. This meant identifying the number of potential clients, and projecting the future use of incubator services as businesses graduate from the incubator program.

The feasibility study was designed to provide answers to the following questions:

- Are there enough businesses that would use the services to justify a profitable incubator?
- What types of businesses would most likely use an incubator in our district?
- Can some client businesses be served remotely through a "virtual" incubator? If so, how many?
- What kind of management system will work best?
- What size facility would be optimal?
- What services and facilities should be offered?
- How does the entrepreneurial climate in our district affect the outcomes of a small business incubation program?

The feasibility study work was accomplished by two interns under the supervision of Columbia-Pacific RC&EDD's Director and encompassed the District's four county area. The study began on July 1, 2005 and concluded on June 30, 2006.

The two interns took ownership of the project and stayed on through the end of the project. Interviews were conducted in Grays Harbor County, Mason County, Pacific County and Wahkiakum County with small business owners, banks, Economic Development Council

Directors, Public Development Authority CEO, WorkSource, Chambers of Commerce, and Port District Directors. In summary the concept of a small business virtual incubator was, for the most part, thought of as a good idea with future potential for development. However; for sustainable success within our rural region businesses as well as communities would require education on the concept of virtual incubators. A great deal has to do with identifying the most practical methods to market small business incubators throughout the Columbia-Pacific region. This is an ongoing investigation and specific details will be provided on the Columbia-Pacific RC&EDD website.

Capacity Building of Nonprofit Organizations

Columbia-Pacific RC&EDD developed a new capacity-building program. In this program, nine organizations—each at a key point in its life stage for capacity building opportunities—and eight communities have been identified to provide assistance to increase their capacity. As part of this program, Columbia-Pacific RC&EDD will work in partnership with the Grays Harbor Council of Governments to teach communities how to prioritize and move projects off the shelf and into reality. In the meantime, Columbia-Pacific RC&EDD has begun assistance to the Ocean Shores Public Library, managing a capital campaign, to the East County Youth Center, working to bring Boys and Girls Club of America to areas of the District needing it, and to the East County Youth Foundation, assisting with a community asset inventory and creating a fund development plan.

Columbia-Pacific RC&EDD is committed to providing the training and technical assistance needed to help our communities learn how to build their capacity and strengthen their sustainability. By learning to build their capacity, organizations and communities realize what they can do to accomplish programs and projects, and what assets and resources are available in their communities to accomplish them. They learn to improve and expand services without relying on outside support, and build lifelong, self-sustaining fund development and community development strategies. When local support plays a role in community projects and programs, communities take more pride in the projects and themselves. When people invest in something that benefits their community, they are more willing to insure the success of the project. Stronger communities encourage and attract economic development.

Grays Harbor County

Grays Harbor County benefits from a well-established history of multi-jurisdictional collaborative efforts. This cooperative environment has fostered the development of a countywide economic development team to jointly participate in a wide variety of projects.

The core members of the economic development team include Grays Harbor Economic Development Council, Port of Grays Harbor, Grays Harbor Council of Governments, Grays Harbor Public Development Authority, Grays Harbor Public Utility District No. 1 and Grays Harbor College. Grays Harbor County and its 9 cities are also integral components of the economic development team and participate according to the nature of the project. These members formed a Regional Job Development team. The Job Development Team has established a list of projects for short term completion (3-5 years) that will create a diversified economy and provide quality job opportunities.

Those projects are included in the summaries for the Port of Grays Harbor, the Satsop Public Development Authority and in the county and inter-city infrastructure projects section.

Over the past year the combined efforts of the economic development team and the job creation team have supported local business and industry by actively focusing on capacity building;

worked towards the identification and implementation of infrastructure improvements to support local and regional economies; responded to requests from companies that are interested in locating in Grays Harbor.

Tourism is a growth industry drawing over 4 million people to Grays Harbor in 2006. Grays Harbor Tourism has initiated a strong TV advertising campaign and website visits to their site have increased by 48%. Lodging taxes revenues increased 10% over 2005. Retail sales support this upward trend. Between 2003 and 2004 retail sales increased by 5.1%. Between 2004 to 2005 retail sales county-wide increased by 14.8% and increased 6% comparing Q1-2 2005 vs. Q1-2 2006.

Westport Shipyard, the country's largest yacht builder, has plans for a \$5 million dollar expansion at their Port of Grays Harbor facility. Sierra Pacific's \$40M dimensional lumber mill is now in operation with 210 employees and plans started to build an adjacent \$40M stud mill and an additional 150 employees.

Grays Harbor Community Hospital completed a new \$17M 15K sq ft emergency facility which will be able to accommodate 15,000 patients more per year. A new Aberdeen High School is under construction, and Grays Harbor College is growing with completion of the 68K sq ft Manspeaker Building (\$21M), replaced the roof on the Bishop Center, the Vocational Building renovation at \$5.4M will complete in 2007 and capital requests at \$42.6M for a child care center and science/math building has been initiated. A \$17M renovation of the historic Morck Hotel in downtown Aberdeen has started providing a center for hospitality and retail expansions.

Grays Harbor Transit Authority (GHTA) was awarded over \$3 million in grant funds to purchase new buses and vans for its fleet and to maintain much needed service to the North and South Beach areas of the county. They are also participating in the City of Aberdeen's downtown revitalization project with a major redesign of their downtown station. Plans call for the removal of three derelict buildings, grading and paving of the site, a new transit facility complete with lockers and bike racks, expanded paratransit van access, internal rerouting of busses for increased safety, and lighting and landscaping.

Coastal communities are growing rapidly in Westport and Ocean Shores with numerous housing and commercial building permits issued. North Beach areas in the county are witnessing large developments at Seabrook (a \$65,000,000, 400+ home residential project just south of Moclips). The cities of Ocean Shores and Westport continue their trend of consecutive record breaking years for building permits. Countywide permits for single family homes in 2006 increases by 4.4% over the previous year. The median price of a home increased 2.1% in 2006 currently at \$131,000.

In the East County, near McCleary, the County has taken over ownership and operation of the 155 acre Straddleline ORV Park, with a planned \$600,000 upgrade over six years. The park's user base is drawn from four surrounding states providing increased tourism and business opportunities for the East County area. A new \$3,000,000 Microtel Hotel has recently gone into service serving the Fairgrounds, Elma and the Satsop Development Park.

In 2006, combined with current projects under construction, there is over \$1 billion of new investment in Grays Harbor County.

Satsop Development Park:

Under the management of Grays Harbor Public Development Authority (PDA), Satsop Development Park site activities have progressed rapidly during the year. The Satsop Development Park continues its rapid expansion, with 23 companies located in the Park and a recently-completed \$3M road expansion. Other accomplishments include:

- Five new business customers for the Collocation Facility.
- Partnerships with Grays Harbor College, Centralia College and others creating a Regional Training Center for CDL and power industry training.
- The Park was awarded a \$300,000 EDA grant to develop a comprehensive master plan for the site that completed in 2006. It is working in partnership with the Columbia-Pacific RC&EDD and the State Department of Wildlife to explore beneficial uses for the 1,200 acres of mitigation property owned by the PDA.
- Ongoing asset sales generated \$1.5 million in revenue for the Park.
- TechTell operates a 24 x 7 Network Operations Center on site that monitors the networks of companies throughout the U.S. TechTell also manages the PDA's Collocation facility, which rents cabinets and rack space for servers and other equipment to a variety of public and private entities.
- Safe Harbor is a high-tech internet incoming call center. The company now employs 110 people with over half being Grays Harbor County residents. Safe Harbor counts among its client base companies such as Washington Mutual Bank, Sun Trust Bank, American Airlines, Adobe, Intel, and the State of Washington.
- Home Plate Siding, a former division of the Boise Corporation, had recently completed their Wood Plastic Composite (WPC) manufacturing plant when the company announced it was shutting down and laying off 80 employees. The PDA is actively looking for a new tenant to utilize the 250,000-sq. ft. facility.
- Currently, Satsop Development Park houses 23 tenants who have created approximately 350 permanent jobs on site.
- Lease trends for the Grays Harbor Development Park indicate a decline in the siting of high tech industries and a marked increase in siting inquiries for light manufacturing industries. The Park has available opportunities for small to medium sized companies, offering pad sites of 5 to 20 acres, accommodating buildings of 40,000 to 50,000 sq. ft. The Satsop site offers direct truck access to the highway and has a readily available workforce base to draw upon.

The Park is planning for the following improvements:

- Turbine Building Improvements (\$6.5 million) to accommodate the relocation of a steel fabrication company. The project will retain 35 family wage jobs and \$10 million in annual sales, create 35 new family wage jobs and create additional space for similar industries.

- Invenergy purchased the former Duke natural gas power plant and is currently completing construction and planning to produce electrical power in 4Q07 under the name of Grays Harbor Energy Center. This multi-million dollar investment provides 350 construction jobs and when completed 35 – 50 full time employees.
- Feasibility study (\$50,000) and expansion of water and sewer infrastructure (\$380,000) to the West Park area. This improvement will allow development of 200 acres generating a possible 500 new jobs.
- Warehouse Distribution Expansion (\$4.3 million) to construct an additional 63,000 square foot facility for lease to Simpson Door, an existing tenant. Expansion at the Satsop site will result in the creation of 30 additional jobs.
- Construction of a 40K sq ft manufacturing building for future tenant expansions totaling \$1.2M from loan/grant funds from WA State CERB and County.

The Port of Grays Harbor:

The Port of Grays Harbor is the only deep water port on the West Coast of Washington. For this, and other reasons it has a significant opportunity to expand its operations. The Port is 2 days closer to Asian ports vs. the Ports in Puget Sound. While they presently have insufficient rail capacity to significantly increase the amount of goods brought through the port, improvements in the rail system would make expansion of the port facilities possible. The Port has the capacity to stimulate economic growth and employment opportunities in the region if transportation and shipping facilities were enhanced. The port is presently shipping commodities other than timber for the first time in its history.

2004 saw a large investment due to the expansion of existing businesses (Guesthouse Suites, Westport Shipyard) and the siting of new business (AG Processing Inc. \$15 million bulk loading facility, Home Depot - \$25 million, Renal Care Group Northwest kidney dialysis center, Masco Petroleum, Suburban Propane). This surge of growth in the Port industrial area played a major role in the Port's decision to readdress their growth strategies and 2005 became a year of strategic planning.

Port accomplishments over the past year include:

- Completion of the Port Industrial Master Plan and the Port Industrial Area Business Strategy Plan. These plans will allow for the uninterrupted flow of Port activities while accommodating future growth.
- Completion of the Port Industrial Road Strategic Analysis. This plan identifies growth impacts on and needed infrastructure upgrades to the Port's freight and rail corridor.
- Completion of 28th Street Landing Concept Design for Parking Improvements.
- Completion of the 5-year property appraisal which identified that fair market value and land values of Port properties have increased since 2000.

- Siting of Imperium Renewables Inc. a biodiesel production facility. This facility will be the largest of its kind in the United States with a capable annual capacity of 100 million gallons with anticipated production in July 2007. This \$60M private investment will generate approximately 250 construction jobs and 50 direct family wage jobs during operation.
- The Westport Marina (not including upland development) was home to 283 tenants in 2005 including 184 commercial fishing vessels and 35 charter fishing vessels. The commercial and charter industry employs approximately 622 people. The Westport Marina is also working on the development of a Boat Basin Master Plan for float configuration and boat haul-out.
- The Port is experiencing an upward trend in the number of vessels served at the marine terminals. In 2005 the Port reported 42 ship calls for deep draft vessels carrying pulp, bulk agricultural product and military cargo. This is almost double the volume experienced in 2004
- The Ag Processing Inc bulk loading facility at terminal 2 continues to outpace expected volumes loading 35 vessels in 2005 with a combined tonnage of 550,632 metric tons. First quarter estimates for 2006 support an increasing trend in metric tons loaded. The Port originally anticipated that the Ag Processing Inc facility would load its one millionth ton in 2008. However, that mark was exceeded in March of 2006.
- All indicators point to an increasing trend in the shipping of domestic pulp, agricultural, bulk, and project cargo and a decline in the transloading of logs and pulp. In 2005 the Port of Grays Harbor shipped a total of 605,788 metric tons compared to 423,011 metric tons in 2004. However, 242,612 metric tons of logs and pulp were transloaded in 2005 compared to 409,000 metric tons in 2004.
- The Port completed an inventory of regional aviation services.
- The Port of Grays Harbor manages over 100 leases in the Port industrial area and is home to more than 75 businesses employing 1,300 people. Three tenants are in the process of expansion.

The Port is planning for the following improvements:

- Port Industrial Road Safety and Mobility Improvements, Phase I (\$1.8 million) will allow for the design and construction of a third lane to facilitate turning movements without impeding the flow of freight.
- Deeper Draft (\$12 million) will allow the harbor to be dredged to its fully authorized depth of 38 feet in order to accommodate new increased vessel sizes.
- AGP export facility storage, terminal 2, Phase I (\$9.5 million) to accommodate the construction of a grain products storage facility. Phase I will include land stabilization, rail infrastructure and navigational channel improvements resulting in a doubling of the volume, vessel traffic and employment at the facility. Facility currently supports over 25

full time maritime positions with \$125 million in United States exports.

- Westport Shipyard Expansion (\$4.5 million) to replace an existing rail distribution center and relocate existing tenants. This project will result in an additional 120 family wage jobs, retention of an existing 520 jobs.
- Paneltech International expansion (\$5.52 million) allows for the replacement of a 40,000 sq. ft. manufacturing facility on Port property in Hoquiam. The project will result in an additional 51 family wage jobs and the retention of 270 manufacturing jobs.

City and County Infrastructure Projects:

Significant progress has been made on several infrastructure projects throughout Grays Harbor's communities that include the following:

- The City of Aberdeen is well into a downtown revitalization project. New traffic lights have been installed and bulb-outs completed along with artwork installation and landscaping. The city is seeking the necessary funding to complete the sidewalk portion of the project. A three story, 300 vehicle public parking structure is in the planning stages. A \$17M luxury hotel renovation of the Morck Hotel has started with retail and restaurants space.
- An increasing trend in the City of Aberdeen is the siting of physicians services and related support industries. A new oncology center and a ten lot subdivision for physician offices have recently been permitted. The city has annexed the Grays Harbor College site.
- The city issued 1,379 building permits in 2006 totaling \$19.7M
- The City of Cosmopolis is seeking funding to implement a \$1.2 million second phase of its Downtown Corridor Improvements Project. The City recently completed a waterfront development rezone to encourage the siting of retail and office buildings. The city issued 93 building permits in 2006 totaling \$2.7M with 11 new homes.
- Weyerhaeuser closed its pulp mill site in September 2006 impacting 275 workers and a loss of \$600,000 in B&O tax, property tax and revenue to the city. A potential buyer of this plant is currently in negotiations with Weyerhaeuser and the State of Washington Department of Ecology.
- The City of Elma completed water system improvements and the construction of the Microtel Inn & Suites. The city approved 94 construction permits in 2006, a private investment of \$2.1M. A ten unit apartment complex has been completed and all business sites within the city's eight block downtown area are in use. Annexation has started on a 93 lot subdivision with an additional 136 lot subdivision in progress.
- The City of Hoquiam has initiated a broad-based redevelopment program named Hometown Hoquiam resulting in a multi-year plan to revitalize its business, tourism, and residential footprints. They have recently developed a new capital improvements

program and completed a utility rate adjustment. The refurbishing of the city's historic Burlington Northern Rail Depot will complete in 2007. The \$2 million renovation will restore the building to its original condition and provide the community and visitors with a historic transportation museum and civic center. The largest biodiesel facility in the US, Imperium Renewables, is under construction totaling \$60M of investment and will produce 100M gallons per year. A total of 406 building permits were issued in 2006 totaling \$41.9M

- The city is planning a \$1 million water and sewer line installation across the Hoquiam River and a \$400,000 upgrade to their treatment plant. A wood waste biomass generation facility is in the planning stages. When complete the facility will add 30 jobs and \$200,000 a year to the city's economy.
- Within the City of Hoquiam, Ocean Protein has completed a \$1,500,000 upgrade to its air and wastewater control systems for processing of fish waste into fishmeal from local fish processors.
- The City of McCleary completed the construction of a new library, a \$6 million wastewater treatment plant and the \$6.6 million restructuring of the SR8 interchange leading into the city. The city has annexed neighboring county property and in various planning stages for three housing additions. Single family home permits totaled 15, approval of 2 long-plats for 122 lots and annexed Green Diamond property for development. The city has also initiated strategy development to protect its aquifer.
- The City of Montesano is beginning construction of phase one of the six phase Main Street Improvement Project totaling over \$4 million. Construction of the city's new well is complete. A Frito Lay warehouse was completed in 2005 and in 2006 there were 98 building permits issued totaling \$10.2M for 38 single family homes and 12 multi-family units. A city well was added which doubled the water capacity and design began on 750K gallon reservoir.
- The City of Oakville issued 23 construction permits in 2006 totaling \$798K. They have applied for additional water rights with the Department of Ecology and are in the early stages of examining the feasibility of citywide sewer installation.
- The City of Ocean Shores completed and opened a \$20 million Convention Center resulting in a 64% increase in Center revenues. The city set an all time record for new home construction issuing 225 building permits in 2005 followed with 215 in 2006. A total 1,210 construction permits were issued totaling \$36.3M. The city's population has increased 22% since 2000. A \$31 million LID for citywide repaving has been approved, Phase II has started using shallow wells to increase drinking water quality, and the city has embarked on a major cleanup of its lakes and fresh waterways.
- The City of Westport completed a \$150,000 senior center expansion and completed a new Timberland Library in 2006. The city has completed their permit review for a 25 unit condominium and a 40 unit condominium with 3,000 feet of retail space and a boardwalk. Westport by the Sea has submitted applications to build another 105 condominium units and town homes. Ocean Gold Processing is planning to expand to new facilities at Firecracker Point in 2008. Westport Shipyards continues adding jobs and is now the largest private employer surpassing Weyerhaeuser. The city built a new

skate board park, is seeking funds to improve city buildings and is upgrading its wastewater treatment and fresh water well systems. The city issued 108 building permits in 2006 totaling \$13M.

- Grays Harbor County is working with Sierra Pacific towards the planned expansion of its mill in Junction City resulting in 150 new jobs. Construction continues at Seabrook a 400 home planned unit development in the Moclips vicinity completing one home per week with Phase II in planning on the water side of HWY 109. Road project completions totaled \$6.2M in 2006. The County is planning 5 road projects in 2007 totaling \$4M in order to increase safety and reduce travel times. County Commissioners approved funding via the Rural Opportunity program for 4 projects totaling over \$400K. The County continues its program developing a North Beach regional water system from new wells near Hogan's Corner.

Grays Harbor County and Inter-city Infrastructure Projects:

Inter-community and county projects include:

- **PUD Capital Improvements:** The Grays Harbor Public Utility District invested \$4.5M in capital improvements to their existing system, completed a new Commission/Community building and upgraded the Adams Street substation. The PUD is working with Grays Harbor Paper to install additional biomass power generation. Planned capital improvements for 2007 total \$7.2M for Phase III automated meter reading, a new system control center and South Beach transmission line upgrades.
- **North Beach Regional Groundwater Study:** The County is continuing progress on the North Beach Regional Groundwater Study to develop future groundwater sources for the Ocean Shores, Ocean City, and Hogan's Corner area.
- **US 101 Traffic Impacts Analysis:** The Washington State Department of Transportation, in conjunction with the Grays Harbor Council of Governments, is developing an analysis of traffic impacts on regional traffic circulation. Increases in business and industry, tourism, freight movement and rail in Aberdeen and Hoquiam have resulted in congestion and decreased mobility at several major intersections in the urban area. The study will culminate in the development of a prioritized list of projects to submit for legislative funding.
- **SR 12/Keys Road Intersection Overpass:** Construction of a \$6.6 million grade-separated diamond interchange at the intersection of SR 12 and Keys Road is recognized as important for providing a main access to Satsop Development Park and eliminating the high-volume, westbound-turning cross-traffic onto SR12 during peak traffic hours. Intermediate intersection improvements have been completed.
- **Grays Harbor Vehicular Ferry:** This \$5.5 million project began in 1984 and involves a 16-vehicle, 140-passenger, year-round ferry between Ocean Shores and Westport. The ferry would effectively close a three mile gap in the Washington Coastal Highway by connecting State Routes 115, 109 in Ocean Shores and 105 in Westport.
- **Grays Harbor Transit Authority (GHTA)** was awarded Federal Transit Administration program funds over six years for a \$6.9 million replacement of fleet vehicles.

- **Phase III of the Industrial Waterline project is in the study phase.** The first two phases of the project, extending the waterline from Lake Aberdeen to the Port of Grays Harbor in Hoquiam has completed. The project included new sewer and upgrades to the rail connection in Junction City that allowed Sierra Pacific to build in the area. Phase III is under study.
- **Grays Harbor Hidden Coast Scenic Byway.** The Grays Harbor Council of Governments is seeking \$180,000 in funding to develop a Corridor Management Plan to address rapid growth along Washington State’s Scenic and Recreational Highway route SR 109. Improving mobility and safety and increasing economic benefit are key issues.
- **Westport SR 105 Spur.** A \$1 million completion of Phase 2 of this 5 phase is in the planning stages. The project will increase safety by separating pedestrian activity from the State Route. This phase is part of a larger, planned project slated to continue along SR 105 through the commercial core of Westport.
- **The Grays Harbor Economic Development Council** continues to focus its efforts on business expansion, job retention, and recruitment. Collaboration with the Workforce Development Council, Grays Harbor College and WorkSource has resulted in training for the targeted marine boat building industry. This group is additionally focusing on the wood products and fishing industries due to projected high growth and a need for training in specialty operations and management.

The Grays Harbor updated 2007 OEDP List is prioritized with the participation of County Commissioners, Nine incorporated Cities, Grays Harbor Council of Governments, Satsop PDA, Port of Grays Harbor and Grays Harbor Economic Development Council.

Grays Harbor 2007 OEDP List:

Priority	Lead Agency	Project Name	Est. Project Cost
1	Aberdeen/G.H. County	Industrial Water Line Rehabilitation/Junction City RR Spur	\$1,500,000
2	Grays Harbor PUD #1	2006 Capital Improvements	\$13,000,000
		Monroe and Adams Street Substation Improvements	\$1,600,000
3	G.H. County	Union Gospel Mission Renovation	\$3,040,569
4	Port of Grays Harbor	Port Industrial Road Safety and Mobility Improvements Phase I	\$1,800,000
5	Elma/GH County	City of Elma Capitol Facilities Improvements	\$10,000,000
6	Elma	Water Distribution System Improvements	\$2,626,200
7	Hoquiam	Water Transmission Line Replacement	\$8,000,000
8	McCleary	Industrial Lands Infrastructure	\$1,653,000
9	Hoquiam	Hoquiam River Crossings Project	\$1,150,000

10	Westport	Westport Downtown Development	N/A
11	Ocean Shores	Shoreline Protection and Storm Damage Reduction	\$40,000,000
12	Aberdeen	Aberdeen Downtown Revitalization	\$2,000,000
13	Montesano	Wastewater Collection/Treatment Expansion/East step Collection Phase I	\$1,415,000
14	G.H. County	North Beach Water & Sewer Systems	\$11,000,000
15	Aberdeen	Traffic Congestion Mitigation Project	\$7,000,000
16	Cosmopolis	Downtown Corridor Improvements Phase II	\$1,200,000
17	Aberdeen	Wastewater Systems Improvements	\$8,000,000
18	Hoquiam	Broadway Bank Stabilization	\$2,300,000
19	Aberdeen	Downtown Aberdeen Transit Center	\$1,000,000
20	Oakville	Downtown Improvement Project	\$345,000
21	Grays Harbor PDA	Infrastructure Improvements- Westpark	\$400,000
22	Grays Harbor PDA	Turbine Building Improvements- BMT Northwest	\$5,053,048
23	Grays Harbor PDA	Regional Training Center --Energy Studies	\$9,000,000
24	Grays Harbor PDA	40,000 sq. ft. Manufacturing Bldg.	\$4,300,000
25	GH County	Pacific Beach Main Street Improvements	\$50,000
26	Port of Grays Harbor	Manufacturing Facility Expansion- Warehouse A	\$4,100,000
27	GH County	Fairground Improvements	\$1,250,000
28	Grays Harbor PDA	Feasibility Study-Wastewater Treatment Facilities	\$54,000
29	Port of Grays Harbor	IDD1 Development-WSDOT Special Const. Site	Unknown
30	Port of Grays Harbor	AGP Expansion Terminal 2	\$9,500,000
31	Port of Grays Harbor	Imperium GH- Rail & Utility Improvements	\$2,500,000
32	Port of Grays Harbor	Westport Marina Redevelopment Plan	\$203,000
33	Port of Grays Harbor	Marine Terminal Redevelopment and Deeper Draft	\$12,000,000

February 5, 2007

Mason County

In Mason County, significant economic development has been accomplished in the past six years. The most spectacular developments have taken place at the Port of Shelton where nine new buildings have been erected to accommodate new and expanding businesses. Additional infrastructure expansion includes an improved rail loading facility, log yard paving, road construction, water system grades and extensions, airport fencing, completion of business incubator buildings, and upgraded office facilities for port administration. One of the more important developments during past several years was establishment of fiber optics and cable

modem telecommunications access for businesses located at the Port.

Concerning individual business development at the port recently, total employment at businesses located there now exceeds 554 full-time jobs. Although a number of tenants are experiencing significant growth, several are most notable as a cluster of high-tech manufacturing that extends well beyond port property.

Inside the port perimeter, equally exciting are new products and expanding job opportunities at Sims Vibration where there seems to be no end to the innovative applications of their vibration dampening technology. Sims products are finding their way into firearms, baseball bats, archery, and communications equipment. In a more traditional application of technology the value added wood products company, Techwood, has expanded into another building. Leading the list, of course, is Mason County Forest Products completion of their large log mill bringing their total investment in the community to \$20 million and the addition of 80 employees in 2005. Bringing the total jobs at their two John's Prairie mills to 190 employees.

Sims Vibration undertook a major expansion that included an additional 20,000 square of space and a new corporate office. Sims is launching a number of new product lines that will serve the baseball, archery, and other recreational markets.

Continental Floral Greens expanded their operations by building a new 30,000 sq ft cold storage facility. Continental has 30 full time employees and has plans to add an additional 5-10 employees this year.

Other investments include:

- A new marine manufacturer expanded their operation to Belfair. This builder of small marine sport boats employs 5 people.
- Belco Forest Products completion of an additional 16,000 square foot coating facility and addition of 15 new employees.
- Simpson's \$26 million dollar reinvestment into their mill on the Shelton waterfront.

Our future looks positive with additional companies considering investing in Mason County. The EDC of Mason County is currently working with clients that would potentially create 518 local jobs. Overall, at the Port of Shelton we see continuing business investment at both the Sanderson Field and John's Prairie sites. In both areas there is obviously a "clustering" of business activity that is self sustaining in business retention as well as creating an environment that is conducive to expansion and recruiting.

It is anticipated that Port of Shelton businesses will benefit greatly in the future from a regional infrastructure project that will provide sewer and water services. Concerning developments on public property in the north end of the county, the Belfair Water District made significant progress this year toward completion of new tanks, well connections and distribution lines. That project has been under development for the past seven years.

At the Port of Allyn, tourism opportunities have been enhanced by an expanded dock system and boat ramp in Allyn, reconstruction of the North Shore dock and development of a Kayak park. One of the more significant developments this past year has been identification of funding for improvements to the port's water system which will make it available for economic development opportunities throughout the community.

As infrastructure is key to the future growth and prosperity of our community it was encouraging to see the successful funding of a number of projects. These projects include Belfair By-pass, Shelton Regional Water & Sewer Phase I, Belfair Sewer, and Hwy 3 improvements. 2005 was a year with of activity and a number of jobs created. We are excited and optimistic about the economic future of Mason County.

Clearly there are a number of opportunities and a lot of work ahead of us. This year you can anticipate that the EDC will put forth its best efforts to accomplish our economic development goals.

Progress on the CEDS project list from 2006 includes:

- The City of Shelton will break ground this year on the Shelton Regional Water And Waste water Facilities project.
- Mason County was able to fully fund the Belfair sewer project which will be up and running by 2010.
- The Port of Allyn completed a major water system upgrade by adding a new water tank to provide additional fire flow and water capacity to the community.
- Mason County completed the Allyn Urban Growth Area Sub Area plan.

Pacific County

The Pacific County Economic Development Council (PCEDC) continues to be integrally involved in the economic and community development in the county and the region. Specifically, with activities focused on business retention and expansion, continued industry cluster development, partnering with the congressional delegation and local, state, and federal agencies to develop and implement projects to achieve community and economic development in Pacific County. The PCEDC Board includes Pacific County's four incorporated cities, four ports, Public Utilities District No. 2, Pacific Transit System, Pacific County Commissioner, Grays Harbor College, Washington State University Cooperative Extension, and representation from 14 businesses representing from a variety of industries.

Each year the county's economic development effort receives assistance from a number of federal and state sources and from local membership support. Through these funding efforts Pacific County has been able to move forward in a number of important areas such as:

- The identification and development of six major clusters, which are Forest Resources, Agriculture, Retail (Hospitality)/Tourism, Marine Aquaculture/Fishing, Technology and Healthcare/Retirement Services. The goal is to develop industry strategic plans for each cluster with regards to value-added projects.

- The successful development of a business-to-business program called, Pacific Employer Resource Contact (PERC) that provided aid for expansion and retention of existing businesses through the program’s business human resource services. In 2004, PERC’s data base consisted of 293 employers who had utilized PERC’s services and successful placement of 235 job seekers with employers. The program ended in June 2006. To ensure continued services to local businesses, PCEDC partners with the local WorkSource office for delivery of these important services.
- The continuation and expansion of a state-funded Business Retention and Expansion (BRE) program, the PCEDC has conducted over 200 surveys of crab and shrimp shell. Industry cluster collaboration supported the completion of a feasibility study in Pacific County businesses since 2005. This program is aimed at addressing the needs of small businesses. Through these conversations, course offerings have been developed, and general questions have been answered through the “*You Spoke and We Heard*” BRE Summary.
- In 2005, PCEDC established a listserv which strengthened the PCEDC’s communication with it’s’ membership, providing valuable information on a timely basis.
- The creation of several new tourism and youth mentoring projects as a result of a well-attended Leadership Conference (October 2003).
- The development and production of the “Pacific County – A Place to Grow” CD used in recruitment and marketing efforts.
- In 2003 the formation of the Lodging and Restaurant Association (LARA) occurred. Through a survey of this industry cluster, it was determined that a lack of qualified job seekers existed. A collaborative partnership was formed between Grays Harbor College, Pacific County EDC and LARA to discuss and develop an educational curriculum to assist in providing qualified, valuable job seekers to this industry. Grays Harbor College worked towards a “Hospitality/Tourism Boot Camp” short certification course to be in place by June 2006.
- Continued discussion with the businesses of Pacific County reveal education opportunities are of the utmost importance. In partnership with Grays Harbor College, four business courses were developed for offering in 2007.

In addition to the above, the following specific Pacific County projects from the 2006 Project List have shown significant progress, or have been completed:

- City of Raymond—Pacific Wholesale Site Cleanup (completed)
- Pacific County—Lebam Water System (completed)
- City of Ilwaco/Port of Ilwaco—First and Howerton Roadway Utility Improvement (completed)
- City of Ilwaco—Ilwaco Streetscape Improvements to Downtown and Port Area (completed)
- Ilwaco Heritage Museum—IHM Millennium Project (completed)
- City of Raymond/Willapa Bay Organization—Willapa Historic Carriage Museum (completed)

- Long Beach Peninsula Visitors Bureau Building Project (completed)
- Lewis & Clark Bicentennial Event Planning (completed)
- Port of Peninsula – Nahcotta Mooring Basin Dredging Project (completed)
- PC EDC – Olympic Coastal E-Development Initiative (completed)
- Port of Ilwaco—Marina Reconstruction (underway)
- Port of Ilwaco—Boatyard improvements (underway)
- City of Raymond/Pacific County—North County Swimming Pool (completed)
- City of Ilwaco – Grays Harbor College Education Center (completed)
- Port of Ilwaco – Inner Harbor Dredging (completed)
- PUD – Lebam Water System 3rd Well and Pipe Project (underway)
- Port of Peninsula – Service Pier Replacement and Expansion (underway)
- City of Ilwaco – Ilwaco Community Building Renovation (underway)

Wahkiakum County

In Wahkiakum County recent economic efforts have focused on small business start-ups and expansions, tourism marketing, developing needed infrastructure and renovating old buildings into retail and office spaces.

Tourism based attractions such as the Elochoman Slough Marina & RV Park, Skamokawa Vista Park, the Skamokawa Paddle Center, Redman Hall, Julia Butler Hansen Refuge and Julia Butler Hansen Heritage Center, along with additional target brochure development for the lower Columbia River and Naselle have enhanced our visitor related economy.

Funding from the Washington Transportation Improvement Board (TIB) has aided in paving and the replacement of sidewalks and curbs on Main, River, and Division Streets in the Town of Cathlamet. The Town of Cathlamet is also planning to make improvements to Broadway Street with TIB funds in the summer of 2007.

Funding assistance from other agencies aided in Cathlamet water improvements and expansion, and Wahkiakum Public Utility District’s west end water source improvements. Skamokawa Sewer and Water District has completed construction of the community’s first sewage treatment system and are in the planning stages of developing a community-wide water system.

CenturyTel Telephone Company now provides Digital Subscriber Line Access Services (DSL) to Cathlamet and Skamokawa. Wahkiakum West Telephone is the provider of DSL in Naselle, Rosburg and Grays River. They also offer satellite internet service to Naselle and Wahkiakum County.

Business growth in Wahkiakum County has included the following recent county business openings:

- Before Sunset
- Fun City Fitness
- Inn at Crippen Creek Bed & Breakfast
- Lower Columbia Recycling
- Slow Boat Farm
- Elk Valley Guest Farm
- Greyfields Farm

- Twin Gables Bed & Breakfast
- Little Island Farm

Wahkiakum County's new comprehensive plan, using an economic development strategy as its centerpiece, has been completed and submitted to the Wahkiakum County Commissioners for approval. The Wahkiakum Comprehensive Plan Steering Committee sponsored a series of community meetings to establish a community vision as a first step. Next, they identified economic sectors where the county has a natural competitive advantage. The group developed policy and strategies to encourage specific types of growth. The economic strategy will be analyzed against other elements of the plan (housing, transportation, community facilities) to determine effects and to evaluate how well the plan supports the community's vision. The Steering Committee will make needed adjustments and will ask for public review before crafting final changes. The Planning Commission will give the plan in-depth review before sending a final draft plan to the County Commissioners for public hearing and consideration for adoption by the end of 2007. Preliminary strategy elements include value-added agriculture and forestry, technology and telecommunication, tourism, arts and entertainment, business retention and expansion, and entrepreneur development.

The Wahkiakum County Community Foundation has been formed to encourage philanthropy among the citizens of Wahkiakum County. The historical Julia Butler Hansen house was gifted to the foundation and has been renovated using many volunteers. It is now open to the public as a Cultural Heritage Center.

The following specific Wahkiakum County projects are showing significant progress, or have been completed:

- Western Wahkiakum Water System Expansion
- Port District No. One's Mini-Convention Center Feasibility Study and Construction
- New Cathlamet Fire Hall
- Cathlamet Skate Park
- Port Dist. #2 Svensen Park Boat Ramp
- Puget Island Water System Transite Pipe Replacement
- Diking Dist. #1 North Welcome Slough Road Bank Erosion Project
- Pancake Point Erosion Project
- Brown Slough Pump Station Bank Erosion
- Downtown Cathlamet Revitalization/Town Hall Remodel
- Groves Slough Pump Station Sedimentation Project
- Skamokawa Water System Construction
- Grays River Erosion Control Structures
- Fossil Creek Restoration
- Grays River Salmon Habitat Restoration
- Pillar Rock Altoona Main Line
- Vista Park Expansion & Shoreline Trail
- Feasibility Study to 3 Phase Distribution Inter-Tie West and East County Project
- Library Study
- Broadway Street Improvements

Economic Environment

Infrastructure

As is true throughout most non-urban counties, the extent and quality of infrastructure is an important determinant of realistic potentials for economic growth and diversification. In this planning context, the term *infrastructure* is broadly defined to cover both capital facilities (such as roads, rail, water, sewer, telecommunications lines and equipment, and harbor maintenance) and services (including education and land use planning).

In the Columbia-Pacific District, infrastructure needs have received considerable emphasis in previous and continuing economic development planning.

Grays Harbor County: A community's infrastructure has a great impact on the area's economic development potential. Countywide efforts are the development of water and sewage systems for residential and industrial use and adequate housing for attracting companies to the area.

Grays Harbor has an up-to-date telecommunications system. A 72 stand OC48 fiber optic loop runs from the I-5 corridor to Aberdeen and back creating true optical redundancy resistant accidents and backhoes. The county benefits from 3 network operations centers at Satsop Development Park, the PUD in Aberdeen and the CELL Center (currently unoccupied, in the Port Administration building) in Aberdeen.

Grays Harbor is located almost equal distances from Seattle and Portland markets with a 1 hour and 45 minutes drive time to Seattle (95 miles) and a 2 hour drive time to Portland (110 miles). The county is connected to I-5 by SR 12, the only four-lane divided highway to the Pacific Coast north of San Francisco and SR 8. Grays Harbor also has the only deep-water port on the Washington coast. Five major highways, two marinas, and four municipal airports serve the region. Bowerman Airport is the only jet-capable airport on the Washington coast equipped with an Instrument Landing System (ILS). Grays Harbor Transit Authority is an award winning rural transit provider offering coverage throughout the county and connections to four surrounding counties.

Trucking is the most used freight connection to the I-5 corridor and beyond. The majority of truck traffic originating in Grays Harbor is generated in Aberdeen/Hoquiam and the Port of Grays Harbor. This area is the largest source of freight truck traffic of all coastal counties generating over 600 trips per day. Grays Harbor County as whole generates almost 1,200 trips/day.

Almost all of the freight traffic movements originating in the coastal counties are designated for destinations within Western Washington. While the majority of freight traffic is oriented towards the I-5 corridor, on average only 40 trucks per day leave the area for destinations in the eastern region of the state. Out of state movements of freight comprise fewer than 19 percent of the total volumes generated in the region.

About 12.5% of those living in Grays Harbor commute out of the County for work. The top

commute destination is Thurston County with about half of all commuters heading there to work. About 10% of the Grays Harbor Workforce commutes in from outside the county. These commuting patterns have remained relatively the same over the past 20 years.

While there are many advantages to the region's transportation system, some transportation problems exist in water, air, highway, and railroad travel.

The deep-water port requires dredging for channel maintenance, although dredge disposal is not a problem because there is an economical and environmentally acceptable in-water disposal site at Point Chehalis.

Highway improvements are needed. High traffic volumes exist in the urban area that inhibits industrial expansion, tourism expansion, and downtown revitalization efforts. In the high traffic summer months, beach highways (SR-109 and SR-105) often become heavily congested. The Grays Harbor County Regional Transportation Improvement Plan for the 2005 – 2010 planning horizon identified much needed transportation infrastructure projects totaling \$132 million with only \$66 million in identified funding.

Rail America provides a short line rail service from Aberdeen to the mainline operators to the Union Pacific and Burlington Northern Railways.

Mason County: Like most rural counties, the local tax base is such that major infrastructure needs are very difficult to achieve without outside governmental assistance. At the same time, increasing regulatory pressures present demands that impose impediments to economic development from both the business and governmental services perspectives. Given those realities, Mason County is addressing its infrastructure needs and taking positive steps to correct deficiencies while at the same time capitalizing on its considerable asset base.

The main highway system, though adequate to handle most traffic volume, is approaching overload in several areas during peak traffic hours. US Highway 101 serves as the main connector northward from Shelton as a two-lane communication with the rest of the Olympic Peninsula. South of Shelton, Highway 101 serves as an efficient four-lane connection to I-5 at Olympia. However, a major danger intersection exists at Lynch Road and Highway 101 where several deadly accidents have occurred during the past few years. Traffic revision plans are in the works but moving slowly. State Highway 3 connects Shelton with Kitsap County to the northeast via a two-lane road. On this road, traffic through Belfair has reached the point of saturation and an alternate route through the community must be provided soon.

Rail service to the county was significantly improved several years ago when Puget Sound & Pacific Railway came into ownership of the local service line. Outstanding and expanding service continues with ownership again having changed hands to Rail America, Inc. in 2001. The line will continue to operate under the Puget Sound & Pacific name and actively pursue an expanded customer base. Significant effort toward expanded rail service comes from the Port of Shelton, too. There, the recently completed loading area greatly improves usefulness of the John's Prairie industrial site. We are seeing far greater use of that site with shipments from Mason County Forest Products. That will give the Port and the EDC another useful tool in business expansion, support, and recruiting efforts.

Comparatively speaking, Mason County is moving toward broadband telecommunications deployment at an above average rate for a rural county. That progress can be attributed to a willingness on the part of several providers to commit assets, finances and effort to the

community. Mason County PUD#3, as a member of NOANET, has brought a fiber optics backbone to the county and deployed it throughout with some looping redundancy.

Prior to that, Qwest provided a self-healing alternate routing in two directions for telecommunications to and from the county. Hood Canal Communications, Wave Communications and Comcast Broadband have all invested in considerable hardware too. Additionally, two new Internet Service Providers have come into operation in recent years: Reach One Internet and Adjicent.com. Broadband connections are coming to businesses and residents more rapidly all the time but like most rural areas, deployment is somewhat slower than in urban areas due to low customer density and high equipment costs. The Economic Development Council is helping to accommodate deployment through its Telecommunications Development Committee, however. A map of broadband availability can be found at the EDC web site, www.htc.com/~masonedc/. The broadband availability map has already resulted in a company relocating from out of state and bringing jobs to Mason County that were formerly located off shore.

Considering water availability and distribution, the county is typically rural with mostly private wells that are interspersed with small community systems and one major system serving the City of Shelton. Overall, the subject of water is of serious concern to the economic health of Mason County for two reasons.

First, although no scientific study has suggested a shortage of water or receding water levels anywhere in the county, state wide water rights issues hinder issuance of new rights and even use of old rights is questioned under some circumstances.

The second water issue pertains to distribution systems both public and private. Mason County PUD#1 in Hoodspport has stepped forward to become the major small water systems manager throughout the county. As such, they have assumed management of many small and some relatively large community systems that are in need of significant upgrade. Improvements are taking place, but the effort will need continuing financial infrastructure support. Additionally, there are a number of public and private systems under individual entity control, such as Belfair Water District, Port of Shelton, Port of Allyn, the City of Shelton, Hoodspport and the Lakeland Village development. All of these distribution systems must be adaptable to support business development needs in order to maintain a healthy economic atmosphere.

Sewer systems needs go hand in hand with water requirements but in many ways are more difficult and expensive to solve. Though several small treatment systems exist, only one major sewer system is operating in Mason County today. That system is run by the City of Shelton and is essentially limited to city residents. The second largest system serves the Washington State Corrections Center west of Shelton and involves a land application requirement. A similar system is now in operation in the Allyn/North Bay/Case Inlet area and the same type of solution may well come to serve Hoodspport and Belfair in the near future. The Allyn area system came about through major efforts by Mason County and local residents' intent on water quality and economic development improvements. A combination of loans and grants helped bring about the project that now stands as a model of cooperation and multifaceted accomplishments. Several beaches that were threatened with complete closure to shellfish harvesting have had that threat significantly reduced and other business development opportunities have resulted from the project.

Working intently for the past several years in the feasibility phase, a study is in progress to determine if the Washington State Corrections Center, the State Patrol Training Academy, and the Port of Shelton can be joined with the City of Shelton in regional sewer and water systems. If

so, the entire area will take a major step forward in infrastructure development that will serve public and private residential as well as business needs.

At the same time, the project will establish a major protection element for the aquifer recharge area critical to the City of Shelton water sources.

Pacific County: Pacific County is served by two designated Highways of Statewide Significance, U.S. Highway 101 and State Route 4. Secondary highways include State Routes 6, 105, 103, 100, 103 and 401. The state highway system provides connection to both the I-5 corridor to the east, and north-south connections to Grays Harbor County and the Astoria/Oregon coast areas. Pacific County's county roads and city streets play an important role in the county's circulation, especially in the tourism and natural resource extraction sectors.

Pacific County has continued to concentrate its efforts on insuring its roads and bridges remain in good condition. Maintenance efforts on its roads and bridges are often in partnership with the Washington State Department of Transportation (WSDOT), as it completes its projects in the county. Recent improvements have included include the 60th Street project, which links the Sand Ridge Bay area to SR 103 north of Long Beach. Butte Creek, I Street, Smith Creek, Sandridge Road, the chip sealing of State Route 6, and bridge safety enhancements. Future projects include an upgrade of ADA accessible restroom facilities at Chinook Park and the Port of Chinook. With the past winter's inclement weather, U. S. Highway 101 received severe damage in several areas which impaired traffic flow into and out of Pacific County. Currently, efforts are underway to identify the long term needs in repairing and ensuring the safety of Highway 101.

A key state project was underway for the realignment of US 101 in the Station Camp vicinity, south of Chinook. However, upon excavation in 2005, bones were discovered and identified as Native American origin. This project is on hold until further notice. Successful projects in the past have include the signalization of the Astoria-Megler Bridge on the Washington side, and the construction of a groin at Washaway Beach, which halted erosion threatening SR 105 and surrounding areas. In 2005, U.S. Highway 101 just south of South Bend was raised approximately 3 feet for 1-1/4 miles in preparation for the dike breach, a mitigation project for the Washaway Beach groin project.

The City of Long Beach and the City of Ilwaco have joined together for the development of the Discovery Trail along the Pacific Ocean into the City of Ilwaco. This trail utilized by pedestrians and bicyclists visiting and living in the area provides a spectacular view of the ocean from the trail covered by Captain William Clark and members of the expedition during their 18 days in Pacific County, November 1805. Segments of the trail linking Fort Canby to Ilwaco are in the design phase. Ultimately the trail is projected to be 30 miles long, covering southern Pacific County from Knappton Cove to Long Beach.

In North Pacific County, a paved trail links Raymond to South Bend and discussion is underway to extend the trail to Menlo, east of Raymond. Ultimately, the Willapa Hills Rails to Trails project will convert the abandoned rail line from Chehalis to Raymond, for a total of 56 miles. Through the efforts of Pacific Council of Government discussion regarding the replacement of two bridges on SR 6 at Pluvius and Rock Creek continue to be high priorities, as they solve safety and capacity deficiencies in the vicinity of the trail.

Pacific Transit continues to provide coverage for the County with fixed route and dial-a-ride service and connecting service with Aberdeen and Astoria. The cutbacks from Initiative 695

resulted in a 55% loss of operating revenues. Since this cutback, Transit has successfully rebuilt 97% of their service provided prior to the year 2000, through competitive grants. Over the last 10 years, Transit replaced 16 buses and vans in their fleet through successful grant awards.

Through the Pacific Council of Governments and consultation by the Southwest Washington Regional Transportation Planning Organization, Pacific County continues its long-range and short-term transportation planning efforts.

The cities of Raymond and South Bend have joined together to develop a regional waste water treatment plant that. This project is currently in the design phase. Upon completion, this plant will increase the infrastructure capacity for both cities to accommodate current and future growth needs. The estimated cost for this regional treatment plant is \$16 - \$20 Million.

Wahkiakum County: State Route 4 is the major transportation corridor through Wahkiakum County. The highway parallels the Columbia River from the Cowlitz County line west and then northwest through Cathlamet and Skamokawa. From Skamokawa, the highway turns inland, passing through the unincorporated communities of Grays River and Rosburg before connecting with Highway 401 and U.S. 101 in Pacific County.

Highway 4 provides a less traveled and very scenic route from the Interstate 5 freeway at Longview-Kelso to the Washington coast. In a recent needs assessment study, The Southwest Washington Transportation Planning Alliance has concluded that State Route 4 will figure prominently not only in Wahkiakum's transition towards tourism but will also benefit the entire region. State Route 4 is the fastest route from Seattle and Olympia to Astoria and Long Beach and to the new Lewis & Clark National Historical Park in Ilwaco.

With only one incorporated community (Cathlamet), much of the population depends on rural or individual property services rather than municipal sources for water and wastewater treatment.

Changes In Economic Environment

This section summarizes current conditions that may affect economic development in each county with special focus on pertinent changes in environmental conditions reported since previous CEDS documents.

Grays Harbor County

Grays Harbor County is situated midway along the coast of western Washington. It is bounded by Jefferson County on the north; Pacific and Lewis Counties to the south; Mason and Thurston Counties to the east; and the Pacific Ocean on the west. With 1,918 square miles, Grays Harbor County ranks 15th in size among Washington counties.

Grays Harbor County contains 14 large rivers. Its terrain consists of forested hills, beaches and gently rolling lowlands. The river valleys have extensive floodplains with benches rising above them. Over 88% of the County is classified as forestland.

Political Geography: Grays Harbor County has nine incorporated municipalities that together contain 62% of the county's population. Aberdeen, Hoquiam and Cosmopolis border on each other at the eastern tip of Grays Harbor Bay forming a contiguous urban community of over 27,000. There are sixteen school districts having a total k-12 enrollment of 16,737 in 2001.

The Grays Harbor County Public Utility District No. 1 services all of the county's electricity needs except for the City of McCleary, which is serviced by McCleary Light and Power Company, a city-owned utility.

The Port of Grays Harbor is the county's primary public economic development agency. The Port owns and manages 1350 acres of land within the county including many prime industrial sites, the boat basin at Westport and the Bowerman Field Airport in Hoquiam.

The Grays Harbor Transportation Authority was formed in June 1974. It has the responsibility to operate a countywide public transportation system. The Transportation Authority is governed by the County Commissioners, the Mayors of Aberdeen and Hoquiam, and a mayor representing the smaller cities.

The Quinault Indian Reservation is located within Grays Harbor County and Jefferson County. The Quinault Indian Nation is governed by an elected Tribal Council and develops and submits its own CEDS.

Land Usage/Zoning: Because Grays Harbor County has experienced slow growth for the last 70 years and has had historically high unemployment, it is one of only 10 Washington Counties that are not covered by the Growth Management Act (GMA). However, the County has enacted zoning ordinances to protect agricultural lands.

Historic Sites: Eleven sites in the county are on the National Register of Historic Places. Historic sites are the Finch Building and the Sierra shipwreck site (Aberdeen); Cooney Mansion (Cosmopolis); Wishkah River Bridge (Greenwood); Carnegie Library, Hoquiam River Bridge, and Hoquiam Castle (Hoquiam), McTaggart-Lachlin House, Polson Museum and Seventh Street Theatre and Grays Harbor Light Station (Westport).

Superfund/Hazardous Materials Sites: There are no Superfund sites listing in Grays Harbor nor are any sites listed as National Priority Sites by the U.S. Environmental Protection Agency (EPA). However, 160 sites are identified on the Resource Conservation and Recovery Information System (RCRI) list for Grays Harbor County.

Prime or Unique Farmland: Many river valleys and some flat hilltops are federally designated “prime” agricultural lands in the county. In addition, cranberry growing areas along the coast are federally designated “unique” agricultural lands. Cranberry areas and most of the prime agricultural land that has historically been used for farming are included in one of three agricultural zoning districts.

Conservation Areas: Grays Harbor County has significant areas of salt water and freshwater wetlands. Most are under the jurisdiction of the Washington State Shorelines Management Act. The county and cities all have adopted floodplain regulations, which comply with Federal Emergency Management Agency (FEMA) regulations, and all participate in the federal flood insurance program.

The Grays Harbor County, Aberdeen, Cosmopolis, Elma, Hoquiam, Ocean Shores, and Westport Shorelines Master Programs are part of the federally approved Coastal Zone Management Plan for the State of Washington. The development plan in this OEDP is consistent with the federally approved Coastal Zone Management Plan.

The following threatened or endangered animal species are found in Grays Harbor County: the spotted owl, gray whale, harbor seal, stellar sea lion, porpoise, dolphin, peregrine falcon, bald eagle, brown pelican, snowy plover, Caspian tern, great blue heron, marbled murrelet, brant, Olympic mud minnow, black stickleback, and the short-tailed weasel.

Mason County

Mason County is located in western Washington at the southwest end of Puget Sound. It is bordered to the north by Jefferson County, to the south by Grays Harbor and Thurston Counties, to the east by Kitsap and Pierce Counties, and to the west by Grays Harbor County. It ranks 29th in size among Washington counties with 961 square miles.

Mason County’s topography was strongly influenced by glacial activity, which accounts for the nearly 100 lakes throughout the county. The six largest lakes are Lake Cushman, Mason Lake, Lake Limerick, Isabella Lake, Timberlakes and Spencer Lake. Past glacial activity also shaped the mountainous region in the northeastern portion of the county and made way for the dense forestlands of the county to grow and thrive.

Political Geography: The county’s one municipality, Shelton, accounts for over 8,500 residents or 16% of the county’s population. The county’s largest unincorporated community is Belfair, which has been selected as the county’s second growth center. The community of Allyn is the third urban growth area through recent designation as an Urban Growth Area.

Major components of Mason County natural resources are its forests and the 90 square miles of water in the county that support aquaculture industries and tourism. Forestlands in the county are controlled largely by the U.S. Forest Service and Simpson Timber Company. A portion of the Olympic National Park also is located in Mason County.

Approximately 63% of Mason County consists of forested land area.

Land Usage/Zoning: As the most difficult and controversial development issue facing Mason County, the struggle over the Growth Management Act (GMA) implementation, and other land use issues, has been debated for almost a decade. While challengers have successfully petitioned the Growth Management Hearings Board (GMHB) repeatedly for more restrictive rural area land use regulations, businesses and other private interests have argued for preservation of the historic economic engine and rural character. In order to achieve compliance with GMA, the county has been forced to place severe restrictions on business development, particularly in outlying areas where businesses are typically born and thrive.

In opposing views to the philosophical trend of the GMHB, published studies by the Washington Research Council, Washington State Rural Development Council, The Evergreen Freedom Foundation, the Lewis County Economic Development Council and the Governor's Competitiveness Council argue that GMA and other land use regulations are destroying the economic engines that have historically driven rural counties. In Mason County the Economic Development Council's 2001 Business Demographics Study paints a graphic picture of a typical rural county economy. There, 56 percent of the businesses with employees are located outside the Urban Growth Areas (UGAs). Sixty-two percent of all businesses are located outside the UGAs, Rural Activity Centers (RACs) and hamlets. Forty-four percent of their total employees are located outside the UGAs and 38 percent of the total private payroll is generated there too.

On the other hand, Mason County came into compliance status with GMA in 2004 and that may prove valuable in establishing regulatory predictability and add to the attractiveness of the area for business development. Additionally, the County updated its Comprehensive Plan in 2005 and added an economic development planning element. That should help balance competing objectives that have previously frustrated business development. If a balance is not achieved, however, some economic difficulties may be expected such as:

- Job opportunities may decrease.
- The industrial and commercial tax base may decrease.
- The present 43% of the work force that commutes daily to work elsewhere may increase in size.
- Increased commuting traffic may contribute to increased congestion throughout the Puget Sound area.
- As commuters spend more time on the road and less time in support of family needs, social ills throughout the community may increase.
- Retail leakage may increase its impact on local businesses as residents working elsewhere tend to shop there as well. That retail loss may lead to increased local business failures.

If business activity and jobs leave the county, its basic character may change from a classic rural

setting to that of bedroom communities in Shelton and Belfair in support of Bremerton to the north and Olympia to the south.

Historic Sites: As part of Mason County heritage, there are a dozen sites listed on the National Historic Register including Shelton’s oldest existing civic structure, Shelton Public Library and Town Hall, built in 1914. Additionally, two new sites have been added recently: the A.B. Govey building at Fourth and Railroad and the H.A. Ahlskog house on Birch Street, both in Shelton.

Superfund/Hazardous Materials Sites: Goose Lake, northwest of Shelton off Highway 101 (EPA ID: WAD980723159) is not a National Priority Site. Mason County has two sites identified on the Comprehensive Environmental Response Compensation and Liability Information System (CERCLIS) and 60 sites on the Resource Conservation and Recovery Information System (RCRIS).

Prime or Unique Farmland: Located on Puget Sound, the shellfish growing areas of Mason County are some of the best producing in the nation. Under the leadership of Taylor Shellfish, the local industry is a national model of environmental responsibility and development technology.

Critical/Conservation Areas: Mason County has completed critical areas mapping and inventories under the requirements of the Growth Management Act. Detailed information is available through the Mason County Comprehensive Plan and pertinent ordinances.

Pacific County

Pacific County is situated along the Pacific coast of western Washington, including Willapa Bay and south to the mouth of the Columbia River. It is bordered to the north by Grays Harbor County, the Columbia River and State of Oregon to the south, Lewis and Wahkiakum Counties to the east, and the Pacific Ocean to the west. With 908 square miles, Pacific County ranks 30th in size among Washington counties.

Pacific County is located within the Willapa Basin, which is dominated by a range of hills with elevations up to 2,600 feet. The Willapa Bay estuary occupies the western portion of the basin. Willapa Bay is surrounded by marshes, grasslands and dense forest.

The Long Beach Peninsula, is a narrow appendage of land approximately three miles wide and twenty miles long, that separates the Pacific Ocean and the Willapa Bay. The southernmost part of the county along the Columbia River is a coastal lowland with extensive wetlands.

Political Geography: Area residents prefer a more “localized” style of government as demonstrated by six separate school districts, four public port districts, one public utility district serving north and south county and providing electric and some water services, a new public development authority providing water services to the north Long Beach Peninsula, and four incorporated communities. Pacific County is also home to the Shoalwater Indian Reservation, the Willapa Bay National Wildlife Refuge, the Lewis and Clark National Historical Park – Fort Columbia, Cape Disappointment, Loomis Lake, Pacific Pines, and Leadbetter Point State Parks.

Land Usage/Zoning: Land use planning and zoning have slowly evolved in the county since the adoption of the Growth Management Act in 1990. The Pacific County Growth Management

Comprehensive Plan was adopted on October 13, 1998 and has been periodically updated minor amendments. Pacific County has adopted the full suite of development regulations, is in compliance with the Growth Management Act, and is not required to update its plan and/or development regulations again until 2010.

The Pacific County Shoreline Master Program regulates land usage along all county shorelines, which are subject to state law requirements. Shoreline development represents the bulk of all development in the county. The county has also adopted land use controls for subdivisions, floodplain construction, wastewater disposal and economic development.

Oysterville, Washington, on the north end of the Long Beach Peninsula is within a Historic District Overlay Zone. The overlay zone recognizes the historic architectural significance of the Oysterville's many pre-1900 homes and buildings. The Oysterville Design Review Board reviews all building plans for conformity with established design criteria for the area. It is the only such zone in the entire county.

Pacific County has joined with Grays Harbor, Cowlitz, Wahkiakum, and Lewis Counties in the South West Regional Transportation Planning Organization (SWRTPO).

Historic Sites: Pacific County has several sites on the National Register of Historic Places, including the Pacific County Courthouse, Oysterville Historic District, Cape Disappointment lighthouse, Chinook Point, Ft. Columbia State Park, the Colbert House, Fort Canby Historic District, North Head lighthouse, and the Shelburne Inn. Additional sites on the Washington State Register of Historic Places include S.S. Matthew's Whalebone House and the Martin Archaeological Site. The Ilwaco Heritage Museum is also an officially recognized site on the Lewis and Clark Bicentennial Trail.

Superfund/Hazardous Materials Sites: Pacific County has no federally designated superfund sites. However, Pacific County does have five sites identified by EPA on the Comprehensive Environmental Response, Compensation and Liability Information System (CERCLIS) and 39 sites on the Resource Conservation and Recovery Information System (RCRIS). Assessment and clean up of several of these sites is currently underway via public-private partnerships.

Prime or Unique Farmland: Pacific County has approximately 750 acres in cranberry production. Cranberries are grown in two areas of the county—Grayland and Long Beach. The Grayland area has approximately 550 acres in cranberries and Long Beach has over 200 acres. The federal Natural Resources Conservation Service has designated the cranberry bogs as unique farmland. Cranberry bogs are the only farmlands in the county to have this unique classification. Presently, 85% of land base in Pacific County is designated forestry. The Pacific County Comprehensive Plan designated cranberry bogs and shellfish beds as the only Agricultural Lands of Long Term Commercial Significance in Pacific County.

The Soil Survey of Pacific County identifies 23 soil types which are classified as prime farmland. This accounts for a total of 81,923 acres, or approximately 14% of the entire county. The county has not yet experienced major conversions of prime farmland to other land uses. The areas that would most likely be susceptible to conversion are those that are higher in elevation and free of wetland constraints.

Conservation Areas: The Willapa National Wildlife Refuge is located in Pacific County.

Due to its topography and high annual level of rainfall, Pacific County has extensive floodplain and wetland areas. Approximately 35% of the county jurisdiction is in floodplain and/or wetlands. These areas primarily involve Willapa Bay and its associated tributaries.

Pacific County and all of the incorporated communities participate in the Federal Emergency Management Agency (FEMA) flood insurance program. The federal program requires all local agencies to adopt specific floodplain construction requirements.

The county as a whole has had a history of wetland removal for dredge spoil disposal, pasture, game management and urban and industrial development. A 1977 study of Willapa Bay reported over 50% of the total wetland inventory had been removed. The County had a history in the 1800s and early 1900s of wetland removal. The majority of wetland loss was due to diking for agricultural purposes and for siting of towns (much of Raymond and South Bend were under water at extreme high tide and/or during storm events, and were therefore considered wetland). A good portion of the 50% loss of wetlands cited in the study consists of Raymond and South Bend. Once the highway went in, the state considered everything on the upland side of Highway 101 to be a lost wetland and added it to the loss percentage. Almost all of the diking was done between 1890 and 1930. Individual site development along the bay hasn't filled much since then. In fact, there is a net increase in tidal wetlands over the last five years. The wildlife refuge has removed tide gates and breached dikes. The Fish and Wildlife Service will be breaching a dike outside South Bend within two years. There are other large tidal wetland restoration projects currently in the conceptual stage. The result is hundreds of acres of revitalized tidal wetlands. Since the year 2000, Pacific County and private landowners have placed an emphasis on stream and wetland restoration in Willapa Basin as part of the local strategy to restore salmon species. Many miles of stream beds and riparian areas have been protected or restored.

The Critical Areas Ordinance ended unregulated wetland and buffer filling activities in Pacific County (unless the mitigation sequence is followed and impacts to wetlands and/or buffers are mitigated) for all tidal and upland/freshwater wetlands in 1997. Pacific County, unlike Grays Harbor, is subject to the Growth Management Act. As a result, the county has significantly down-zoned the unincorporated area (rural lot sizes range from 5 to 40 acres in size). Development pressure recently has been concentrated in the municipalities and on pre-existing lots. Much of the pressure and competition (as measured by price and development volume) is occurring in upland and incorporated areas not associated with wetlands (too difficult to permit). The rules are working as intended – to force development into existing developed areas. There is some minor illegal wetland filling, but the Army Corps of Engineers and County regulations are such that the amount is a minor percentage of the historic level, and violations of local and state regulations trigger enforcement actions.

Pacific County is an active participant in the federal, state-administered Coastal Zone Management (CZM) Program. The federal CZM program is administered at the local level by the Shoreline Master Programs, with the state Department of Ecology acting as the overseer. The local Shoreline Master Program is adopted and approved as a part of the statewide master program, which is in conformance with federal CZM consistency requirements.

The County does not receive any administrative CZM funding from the Department of Ecology to operate programs, however, it has received a number of project specific grants (e.g., funds to support Spartina identification and education for property owners and for Spartina bio-control

research). Planning funds are generated locally.

Wahkiakum County

Situated in the southwest portion of Washington State, Wahkiakum County is bordered to the north by Pacific and Lewis Counties; the south by the Columbia River and state of Oregon; the east by Cowlitz County; and the west by Pacific County. Wahkiakum County is the third smallest county in Washington state, ranking 37th in size with 261 square miles.

Wahkiakum County is rather hilly due to its location in the Willapa Hills, reaching elevations of around 1,000 feet above sea level. There are also several tributaries originating in the Cascades, which run throughout the county.

Political Geography: Governmental jurisdictions include Wahkiakum County, the Town of Cathlamet, two port districts, the Skamokawa Sewer and Water District, the Wahkiakum School District in the east end and the Naselle-Grays River School District in the West End, and the Skamokawa Park and Recreation District. Planning support has been provided through the Cowlitz Wahkiakum Governmental Conference agency.

Land Usage/Zoning: On the local level, development proposals in the unincorporated area are expected to conform to the newly developed Wahkiakum County Comprehensive Plan. Small scale light manufacturing and home-based manufacturing activities are allowed under all of the major land use categories defined in this plan, as long as they do not create a nuisance, problem, or disrupting effect in the immediate vicinity of the proposed activity. Wahkiakum County currently does not have an adopted zoning ordinance.

The Wahkiakum Health District regulates installation of septic tanks and other on-site sewage disposal methods in Wahkiakum County according to defined standards relating to density and soil suitability for septic tank disposal.

Publicly-owned industrial park sites in Wahkiakum County are not currently developed. However, a small number of vacant sites suitable for industrial development are available in the Cathlamet area in relatively close proximity to water and sanitary sewer services. Port One is in the process of recruiting a developer for a recreational destination resort and is actively promoting plans for development and building of a light industrial business park within the Cathlamet urban area.

Historic Sites: Wahkiakum County is home to a district of historic significance that can date its beginnings over 2000 years ago. Skamokawa Historic District is part of the historic heritage that is Wahkiakum County. In addition to Skamokawa being named a National Historic District, there are seven identified properties on the National Register of Historic Places. The Julia Butler Hansen Heritage Center was gifted to the Wahkiakum Community Foundation and has been restored. It is now open for visitors on Thursdays and Saturdays and by appointment. Eight Lewis and Clark Trail heritage sites have been marked for visitors to explore and enjoy.

Superfund/Hazardous Materials Sites: The EPA documents, “Superfund: Progress at National Priority List Site” and “Superfund Sites In The Northwest EPA Region 10” of 1992 and 1994 respectively list no sites in Wahkiakum County for clean-up or designation. Wahkiakum County does have eight RCRIS listed sites.

Prime or Unique Farmland: Wahkiakum County's best agricultural lands are located on Puget Island and in the Elochoman, Skamokawa, Grays River, Deep River and Eden Valleys. The soils and climate of Puget Island are best suited for commercial cropping, and it was primarily on Puget Island that successful vegetable and mint farming was carried out prior to the 1960s.

Soils in the valleys are deep and productive along the rivers and streams, but have become less productive on the terraces and alluvial fans adjacent to the river valleys. These valleys are also much colder and wetter than Puget Island, limiting the types of crops suited to this area. Available cottonwood production has added another value-added crop for the area's property owners.

Conservation Areas: Development of industrial activities in Wahkiakum County requires conformance with the requirements of the Washington State Environmental Policy Act, the Washington State Shorelines Program, and the state Uniform Building Code, and other permitting requirements that are defined by specialized state laws relating to specific development proposals. These Waterfront management plans, along with Shoreline Conservation Plans, have been done for both Elochoman River and Skamokawa Creek. Requirements are the same for all counties within the State of Washington.

Current Economic Profile

As indicated by the comments on Median Household Income economic conditions across the Columbia-Pacific district have been abnormally difficult for the past two decades. As in the case

of most rural areas, this is because the economic engine is driven by natural resource-based industrial clusters. In the Columbia-Pacific case, most natural resource-based businesses have been adversely impacted by resource depletion and use restrictions resulting from political decisions.

Generally speaking, some economic gain is noted over the past few years as efforts to diversify the economy have met with success and natural resources are being used in different ways.

Natural Resources Clusters

The Columbia-Pacific region provides a distinctive array of natural physical features and resources. In the north, the Olympic Peninsula offers the beauty of lush forests including the Olympic National Forest as well as the Olympic Mountains. To the south is the Columbia River with shipping activity. The eastern portion of the region offers the fertile land of the Puget Sound Basin, as well as the Willapa Hills. The west yields the rich resources of the Pacific Ocean and coastal areas.

Four natural resources related industrial clusters are integral to Columbia-Pacific’s economy and way of life:

- Forest products
- Fishing, fish processing and related aquaculture (including clams and oysters)
- Agriculture
- Food products.

While each of these is viewed as a cluster, it should also be recognized that subsets of each cluster blend together and blur descriptions that would attempt to categorize some businesses within particular clusters. Yet, each exists as a subset of forest products, agriculture, fishing and food products clusters as well. With that caveat, no cluster of business activity is more influential over the Columbia-Pacific economy than the forest products industry.

Forest Products Cluster

Forest products activities are defined to include jobs in forestry, lumber and wood products, and pulp and paper. After a decline of over 38% in forest products employment in the region from 1980 to 1992, the remainder of the 1990’s saw a leveling off at around 5,000 people employed.

Total forest products employment accounted for 43% of the region’s manufacturing employment as of 2002. This represents a decline from 1992, when forest products accounted for 77% of the region’s manufacturing employment. Overall, the four-county area accounts for more than one-fourth of the timber harvest in Washington State. Almost 90% of the harvest is on private land.

Figure 21. Timber Harvested by Land Type - 2002

County	Public¹	% of state	Private	% of state	Total	% of state
Grays Harbor	53,967	9.28%	448,742	14.96%	502,709	14.03%
Mason	22,458	3.86%	112,415	3.75%	134,873	3.77%

Pacific	25,784	4.43%	239,488	7.98%	265,272	7.41%
Wahkiakum	15,591	2.68%	53,395	1.78%	68,986	1.93%
Columbia-Pacific district	117,800	20.25%	854,040	28.46%	971,840	27.13%
WASHINGTON	581,728	100.00%	3,000,342	100.00%	3,582,070	100.00%

Source: WA Department of Natural Resources

Thousand board feet

¹ Public includes federal, state, county and city

Issues ranging from increasingly stringent environmental regulations to changing market conditions contributed to the sharp decline in forest products employment seen throughout the 1980s. However, it is hoped that the situation has stabilized. State and federal aid in the form of worker retraining programs and salmon habitat restoration programs for displaced timber workers helped throughout the 1990s in shifting some of the lost employment to other sectors, including emerging technology sectors.

Economic development planners across the region have worked hard to diversify their economic bases to take up the slack left by decreasing forest products manufacturing. Mason County relied on forest products for 84% of its total manufacturing employment in 1992, and by 2001 that figure had dropped to 62.4%. Likewise in Grays Harbor County, forest products manufacturing accounted for 77% of all manufacturing employment in 1992, and by 2001 stabilized at 68%. Pacific County remained stable through the 1990's at around 45% of manufacturing in forest products. New economic growth has occurred in the home construction sector, and new jobs have been added in service related businesses. Progress in these areas point to a slow but steady diversification of the county's economic base. Current conditions and prospects for forest products are also based on circumstances unique to each of the four counties in the Columbia-Pacific district.

A particularly encouraging observation of the regional forest products industry is contained in an article in the Washington State Department of Employment Security report *Washington Labor Market* stating that the near future of the wood products industry may be much brighter than the recent past. In that report, the Employment Security Department indicates that second and third growth timber is coming available at the southern end of the Olympic Peninsula, and is expected to support a very healthy forest products industry. That opportunity is specifically focused on the Grays Harbor area where Sierra Pacific Industries has built a \$45,000,000 mill that was placed there to take advantage of log availability.

The facility employs 150 and produces 210 million board feet of lumber annually. The significant increase in marketable timber affects all four counties in the Columbia-Pacific district, as even existing mills are seeing increases in production and jobs.

Grays Harbor County: Forest resources in Grays Harbor County provide the base for the county's most dominant industry. Over 88% of the county's land area is in renewable forests. The county is also an industry center for forest management, forest product manufacturing and related support services.

Since its peak in 1983, with over 900 million board feet of timber being harvested each year, timber harvests have continually declined and dropped below 400 million board feet in 2001. As

a result, manufacturing jobs in Grays Harbor County declined from just under 6,000 jobs in 1982 to just over 4,000 jobs in 2001. However, unemployment levels in the county have improved from the fifth highest in the state during the 1990s to tenth in 2005. The positive results in employment are due largely to successful economic diversification into other industries and an increase in lower paying service and governmental jobs.

Weyerhaeuser, the county's second largest employer, has over 600 employees in three separate divisions within Grays Harbor County. However, the closure of the Cosmopolis Pulp Mill in September 2006 resulted in the loss of 275 jobs and \$600,000 in taxes and revenue for Cosmopolis. The closure in the fall of 2005 of the Weyerhaeuser large-log sawmill resulted in a loss of 97 jobs. Other large forest related companies include Simpson Door, Mary's River Lumber, Rayonier, Sierra Pacific and Tubafor Mill. The majority of the more than one hundred companies that depend upon the forest for their livelihood have less than 10 employees.

Mason County: Mason County's economy is stronger than it has been in several years. The county continues to follow state and national trends for increased employment opportunities and decreased unemployment rates. A good economic indicator to track is our large employers. The Economic Development Council recently completed the 2006 employment survey of top 50 employers in the county. The top ten employers are in the manufacturing, government, aquaculture, medical, retail, and tourism (casino/resort) sectors.

Out of these sectors, the highest wages are found in manufacturing and government. Manufacturing is the highest paying private employment sector with an average wage of \$37,390 a year. Companies such as Simpson Timber Company, Olympic Panel Products, and Mason County Forest Products are some of the largest employers. The future for manufacturing in Mason County is bright with Simpson Timber Company reinvesting \$22 million in the Shelton waterfront and Mason County Forest Products starting up two mills in the last two years, employing over 190 people. These manufacturing investments are significant indicators that, as other rural communities have seen a decline in manufacturing over the last few decades; Mason County has experienced a reversal in the trend as manufacturing has rebounded since 2000. Another sector that has historically and continues to be a large employer is government. Government wages tend to pay well above the county average, bringing in an average wage of \$39,395 a year. One important point to consider is that an economy that is heavily based on this sector will have challenges expanding since growth is limited.

Future growth in this sector may come from state government, particularly Washington Corrections Center. It is projected that both manufacturing and government will continue to be large employers in Mason County.

The number one employer, The Little Creek Casino and Hotel, has been experiencing significant growth. It currently employs 611 employees and there are plans to expand lodging and build an 18-hole golf course, and construction of an events center is already underway. These new investments add up to \$30 million in new investment. Little Creek Casino and Hotel represents a growing tourism industry in Mason County. The average wage for this sector is \$22,865 a year according to Washington State Labor Market and Economic Analysis. The activity at Little Creek and in the tourism sector will be interesting to follow as it continues to expand.

As these sectors and other areas of the economy grow, it has an effect on unemployment rates. The unemployment rate for 2005 for Mason County was 6%. This is significant for a community that saw its unemployment level at 7.4% in 2000. This drop in unemployment over the last five years is part of a rebound from a period of stagnant economic activity. As the economy has grown aggressively, Mason County experienced a large 1.4% drop in unemployment. This follows the State average unemployment rate of 5% in 2000 and 5.5% in 2005. Rural counties such as Mason County tend to have a higher than average unemployment rate compared to the state overall. Historically, Mason County's unemployment rate has followed the state by about 1.3%. Today that gap is closing with the difference between the state and county unemployment rates at only 0.5%. This may be attributed to increase in employment opportunities in the county and outside of the community as well. Commuters make up about 43% of the workforce. If a significantly increased number of employment opportunities become available in Mason County, it is anticipated that this trend will change.

The economy of Mason County is strong and continues to become stronger. It is anticipated that this year we will experience steady growth and that we will see similar trends of historically low unemployment rates and an optimistic economic outlook. We can plan on continued steady job and business growth. It should be an overall positive year economically for Mason County.

Pacific County: Pacific County's economy is still identified as "natural resource based." There are twelve industrial timber companies that own and harvest timber in Pacific County. Of those, only two process or add value to the wood before it is sold or exported out of the area - Weyerhaeuser and the Seaport Lumber Company. Despite declines in employment since the 1970s, these two companies together have employed and/or subcontracted jobs to over 500 residents annually since 1993, providing an average annual wage of \$28,760. As of 1996, there were 42 businesses registered in the lumber and wood products industry. Eight-eight percent of them employed one to four people. Seventy-six percent were in logging businesses. The other twenty-five percent were in milling or wood products manufacturing. The average annual wage as of 2006 was \$38,834. The majority of these businesses are located in the north portion of the county. These numbers do not include those businesses and self-employed people who are manufacturing wood products that do not show up on the employment tracking system or whose income is below business tax reporting requirements.

In 2003, Forest resources were identified as one of the six major industry clusters in Pacific County. Asset mapping and industry discussions have begun in order to develop strategies to support valued-added businesses in forest resources.

Wahkiakum County: The wood products industry was the mainstay of the Wahkiakum County export economy through much of the 20th century. Wahkiakum County retains large private timber holdings with fewer restrictions on harvest levels than have affected federal and state lands. They do, however, have approximately 1/3 of their forestlands in Washington State Department of Natural Resources ownership. Transfer of product to other states is another recent trend developing and is a positive result of wood product companies targeting available markets. Although the timber industry is declining, there is still one large logging company and several small ones in Wahkiakum County.

There are a number of local factors that affect production of wood products in Wahkiakum County. These include the following: a) difficulty in accessing timber stands due to steep terrain

and the cost of constructing roads; and b) the cost of increasingly stringent environmental controls on the harvesting of lumber on lands adjacent to publicly owned forests.

Fisheries Resources Cluster

The district's economy traditionally has relied on an active sport and commercial fishing industry which forms another major business cluster. As a subset to that, oyster, clam, mussel and crab harvests are another important aspect of the aquaculture industry.

Fishing has experienced severe set backs beginning in the mid 1980s as a result of fishing curtailments, declines in salmon and ground fish, and other regulatory issues. Under management of the ground fish fishery led to the over-harvest of several rockfish species, prompting drastic harvest reductions in ground fish generally. Commercial landings for salmon in Washington State declined from 34.4 million pounds in 1980 to a low of 14.8 million pounds in 1998. Salmon takes have been increasing since, although unevenly, and are still not close to historical rates. The dollar value of finfish dropped from \$114.7 million in 1987 to the 1998 low of \$37.8 million.

Figure 22. Washington State Chinook and Coho Salmon Catch History

Average/year	Chinook Catch*			Coho Catch*		
	Troll	Sport	Total	Troll	Sport	Total
1960-69	157.6	118.3	275.9	637	323.1	960.1
1970-79	249.5	173.3	422.8	846.1	552.3	1398.4
1980-89	78.8	42.8	121.6	204.1	182.4	386.5
1990-99	35.7	9.1	39.3	64.6	89.0	153.6
2000	17.9	8.5	26.4	27.4	68.2	95.6
2001	49.3	23.0	72.3	65.6	168.3	233.9
2002	92.9	57.8	150.7	17.7	74.1	91.8
2003	90.9	34.2	125.1	19.9	139.1	159.0
2004	100.6	24.9	125.5	75.2	112.9	188.1
2005	82.0	36.4	118.4	25.5	51.8	77.3

*In 1000's of fish

Source: Pacific Fishery Management Council, Review of 2005 Ocean Salmon Fisheries, February 2006.

Income received from commercial and recreation or sports fisheries has dropped dramatically in recent years. The value of commercial and recreational fisheries for Washington coastal communities in 2004 was less than 16% of the 1976-80 historical average.

The decline in income for fisheries activity on the Washington Coast has drastically affected the economies of all four Columbia-Pacific area counties. Slight increases in the last three years over 1996-2001 are a sign of improving conditions in the finfish industry, but catches are still well below historical averages. The addition of several stocks throughout the region to the Endangered Species Act listing does not bode well for the future of finfish fishing.

Conservative area and season restrictions were adopted in 2003 to rebuild stocks of bocaccio,

canary rockfish, cowcod, darkblotched rockfish, and yelloweye rockfish. Fisheries that have a significant bycatch of these species will be dramatically restructured. While there is no one area in Washington that is closed to all fishing, all areas from 0 to 250 fathoms are likely to feel the effects of these changes. Fishing effort will shift to near shore and deeper water areas, which will require that more care be taken to manage ground fish in those areas

Figure 23. Income Impacts for Commercial and Recreational Ocean Salmon Fishery (All figures are in thousands of 2004 dollars)

	Historical Averages		1986-90	1991-95	1996-2000	2001	2002	2003	2004	2005
	1976-80	1981-85								
Ocean Troll										
Westport/Columbia River	\$20,213	\$5,055	\$2,285	\$673	\$196	\$603	\$1,046	\$962	\$1,019	\$1,060
Total Washington Coastal Community	\$33,217	\$6,574	\$3,042	\$1,213	\$348	\$875	\$1,778	\$2,150	\$2,006	\$2,047
Puget Sound	\$7,399	\$1,579	\$916	\$177	\$92	\$0	\$0	\$39	\$24	\$1
Recreation Fishing:										
Westport/Columbia River	\$30,076	\$12,028	\$6,938	\$4,194	\$1,940	\$6,237	\$5,356	\$6,473	\$5,324	\$4,613
Total Washington Coastal Community	\$33,113	\$13,381	\$7,989	\$4,792	\$2,277	\$7,268	\$6,214	\$7,728	\$6,815	\$5,739

Source: Pacific Fishery Management Council, Review of 2005 Ocean Salmon Fisheries, February 2006

Shellfish Cluster

Commercial shellfish harvesting in the region is as old as the forest products industry. The vast majority of the state's oyster, clam and mussel production comes from Willapa Bay and South Puget Sound. The region accounted for 65% of the State's total oyster production in 2001. Washington State produces 25.5% of the nation's domestic oysters, with Willapa Bay and Grays Harbor representing 17% of the total U.S. production, down from about 20% ten years ago. This decrease in per cent of production is due to increased production elsewhere in the U.S. In spite of serious threats to the industry by burrowing shrimp and non-native plant life invasions, the industry has registered steady growth during the past 15 years. Since 1987, in Mason County alone, licensed commercial shellfish businesses have grown from 30 to 120. Today there are 37 licensed operations in Pacific County and another 15 in Grays Harbor County.

Figure 24. Washington Shellfish Production and Income

	Clams		Oysters		Shrimp	
	Pounds	Income	Pounds	Income	Pounds	Income
1954	642,500	\$220,127	10,459,600	\$1,751,163	21,500	\$7,534
1984	2,213,119	\$2,080,175	7,180,396	\$7,082,597	3,510,265	\$1,771,150
1994	1,624,339	\$17,454,653	7,545,061	\$18,465,306	6,319,362	\$4,025,885
1999	2,228,333	\$26,784,936	6,769,087	\$17,797,812	4,177,461	\$2,891,648

2000	2,109,159	\$27,919,907	8,458,154	\$22,473,331	5,536,306	\$3,620,718
2001	2,499,358	\$30,287,360	8,257,620	\$20,914,927	7,765,066	\$3,696,976
2002	3,045,219	\$36,966,675	9,084,841	\$23,645,450	10,838,228	\$3,067,290
2003	3,111,533	\$35,781,565	9,391,479	\$25,658,402	8,867,459	\$3,723,664
2004	3,208,695	\$41,523,597	9,915,901	\$29,367,179	6,598,671	\$3,646,723

Source: National Marine Fisheries Service

Grays Harbor County: Although salmon and ground fish harvests have decreased significantly in the last 20 years, increases in pacific whiting, Dungeness crab and other types have increased the total pound yield from about 23 million pounds to over 40 million pounds and the dollar value has increased from \$15m to almost \$25m (2000 dollars). As with other natural resource industries, fishing is subject to influence from outside factors such as endangered species regulations, driftnet treaties, Canada-United States salmon treaties, and catch and processing allocation decisions.

Besides salmon, rockfish, sole, flounder, various bottom fish (Pacific cod, sablefish, whiting, polluck and surf perch), as well as, albacore and sturgeon populate Grays Harbor. Major shellfish varieties include crab, shrimp and oysters. The major processing and landing facilities are at Westport, and the major oyster processing plants are in South Bay, though some oyster rearing also occurs in the North Bay area of Grays Harbor.

The Grays Harbor seafood processing industry is heavily dependent upon local commercial harvests. Ground fish, shrimp, oysters and crab are processed locally by 4-5 major companies, including Washington Crab Producers, Quinault Pride, Westport Seafood Exchange, Associated Seafoods and Ocean Gold Seafoods. However, a large portion of the total commercial catch receives only minimal processing before being shipped to other areas for wholesale distribution or further processing. Several small custom canneries freeze, can and smoke salmon and sturgeon. Grays Harbor College operates a successful fisheries processing program, training individuals for the fisheries and aquaculture industries.

Mason County: The aquaculture industry cluster is a classic organization of large and small businesses that both compete with and support each other. At the same time there are many related businesses that would not exist except for the aquaculture industry, which reaches across the economic development district and beyond. As Mason County's second most important private employer, the estimated industry employment exceeds 650. The industry is financially rewarding to hard working business owners and employees.

Because the vast majority of the shellfish production is exported from the county, most of the money generated from sales add to the general wealth of the county as new money. As is the case with exported manufacturing sales, new money from shellfish production generates additional jobs in the service and support sectors.

In a recent update of a 1987 study, the Economic Development Council of Mason County reports that shellfish sales have grown from \$5.6 million in 1987 to \$32.2 million in 2001. Concerning payroll, the industry generated \$17.7 million in 2001 compared with \$2.7 million in 1987.

Though shellfish production originally relied upon native species, the industry is driven today by introduced species and state-of-the-art growing and harvesting techniques. Manila Clams and Pacific Oysters are still the most valuable introduced species, but the influence of man in the native Geoduck cultivation process has a promising future with particularly strong demand from

the Asian market.

With the introduction of non-native mussels, the worldwide market potential is almost limitless as mussels are the world's most popular bivalves. Because of natural food and temperature conditions in Mason County waters, the growing rate for mussels exceeds that of most other production areas.

Considering the opportunity to enhance water quality through shellfish production, there are two very strong driving forces. First, bivalves are filter feeders that pass tremendous volumes of water daily. In so doing, they perform a natural cleansing action by their feeding process. The more bivalves at work, the more filtering action takes place. Secondly, the entire aquaculture industry is heavily dependent on clean water. With the rising economic influence of aquaculture more and more local political force is being focused on clean water efforts. In 1998, the Washington State Department of Health, Office of Shellfish Programs, reclassified portions of the Lower Hood Canal commercial shellfish growing area from "prohibited/restricted" status to "approved" status. That action was the result of long-term concentrated efforts to upgrade failing septic systems and control agricultural runoff. Countywide efforts in that direction continue. An accrued benefit of clean water is realized in the tourist and recreation industries as well.

With the national production and leadership status of Mason County's Taylor Shellfish, Inc., other local growers benefit from Taylor's cutting edge technological developments and processing facilities. The synergistic effect boosts the shellfish industry throughout Western Washington and the four-county Columbia-Pacific district in particular.

As bright as the future seems to be for this very important segment of the Mason County economy, there are significant obstacles to overcome en route to the industry's full potential. From the regulatory arena, there are concerns that nationally applied rules at the federal level could do unintended local harm. From another sector there are forces that would prevent raft-borne cultivation for various reasons, which, if successful, would greatly reduce the county's aquaculture expansion potential. Overall, however, the industry is healthy and expanding rapidly.

Pacific County: In the late 1970s, many factors affected the Pacific County fishing industry: the Boldt Decision; below-normal salmon runs; fuel shortages; rising gas prices; reduced commercial seasons; reduction of recreational limits; and El Niño. Ilwaco's fleet of recreational salmon charters peaked in 1978 with 130 charters, and dropped to only 40 charters by 1985. The resulting job loss totaled 159. Chartering has remained at approximately this level throughout the 1990s.

Primary productivity in the Pacific Ocean is influenced by the position of the Aleutian Low pressure system, which determines weather conditions across the northeastern Pacific from Alaska to California, including ocean upwelling rates and, in a broad sense, local weather conditions. Researchers have seen a twenty-year long pattern (21 to 24 years for most cycles) in this system; the cycle is called the Pacific Decadal Oscillation. When the Aleutian Low is near the Pacific Northwest, productive ocean conditions are found off of the coasts of British Columbia, Washington and Oregon, with good phytoplankton production, strong upwellings and

favorable conditions for salmonids, bottom fish and shellfish. Local weather was wetter and cooler. Since roughly the year 2000, this has been the local pattern. From the late 1970s to about 2000, however, the Aleutian Low was closer to Alaska and provided favorable ocean conditions in northern BC and Alaska, with record salmon harvests, and highly productive conditions for fish and shellfish there. During the same period, ocean conditions here were generally poor, and local weather was warmer and drier. Prior cycles alternated throughout the twentieth century. This oscillation of good or poor ocean conditions in Pacific County and the Pacific Northwest, along with the weather, is opposite that in Alaska. This pattern has been going on for thousands of years.

In fourteen to sixteen years, the Aleutian Low is expected to shift back to the north, with warmer, drier weather here, and wetter weather in Alaska. With this shift, primary productivity and a variety of fish and shellfish harvests are likely to decline in Washington and Oregon. Note that upwelling areas are uniquely vulnerable to climate change: if global warming increases significantly, it is very likely that the upwelling sites around the world will slow down and stop. If this happens, local productivity will decline severely regardless of the position of the Aleutian Low.

Razor clam harvests over the past several years have been strong, due in large part to improved ocean conditions. Razor clam harvests are interrupted by harmful algal blooms (naturally-produced biotoxin events), which prompt closures due to high levels of domoic acid or other natural biotoxins, particularly in the fall. The Washington Department of Fish and Wildlife has scheduled short harvest openings throughout the year to provide more recreational opportunities, and reduce the odds that any one harvest period will be closed during a given season due to biotoxins. These toxins are produced by a variety of phytoplankton, and are usually not harmful to fish, marine mammals or birds. However, some toxins at high concentrations can cause widespread kills of marine animals and birds. These conditions are probably more likely during warmer, drier periods.

Willapa Bay continues to produce half the oysters in Washington despite challenges in the control of *Spartina*, increasing burrowing shrimp populations, and soft market conditions for shucked oysters. A bay-wide trial of a new herbicide in 2004 was very effective, and preliminary findings (late winter 2005) indicate that control and eradication may be possible, barring legal challenges to its use. Non-chemical control methods for burrowing shrimp remain problematic.

With the devastation to the oyster beds in the Gulf Coast by Hurricane Katrina, the production of oyster in the Willapa Bay region have increased approximately 30% and the industry expects to enjoy this increase for several years to come.

Finfish culture has been established in Pacific County since 1886. The oldest remaining private hatchery in the state is located in Chinook, and the first Washington State Fish Hatchery is located at Forks Creek. Private sector fish farming is currently contrary to Washington State agency policy. Cooperative finfish enhancement projects between the Washington Department of Fisheries and local groups, however, are supported by the state. These operations release smolts of several species to grow to maturity in the ocean, rather than the highly controversial 'net pen to pan' form of fish farming.

Willapa Bay, the Columbia River, and associated wetlands and tributaries support this productive fish base prior to smolting. Fishing (which includes shellfish) is an important sub-sector of the income base in Pacific County, as well as the seafood supply in the state of Washington. Half of

the state's oysters, 25% of the state's crabs, 99% of the sturgeon catch, and over 10% of the salmon catch are landed in this region. The ecosystem support comes via productive natural habitats, which include spawning, juvenile and adult habitats from small streams in the hills down to the estuaries and continental shelf of the Pacific Ocean. Freshwater and estuarine areas are impacted at several levels by other land use practices, including commercial timberland management and the spread of urban areas into natural landscapes.

As the major shellfish production and processing center on the Washington coast, Pacific County's economy includes a substantial marine resources component. The commercial fishing industry, based primarily in Ilwaco and Chinook, includes over 200 vessels and nearly 1,300 fishermen, with annual landings exceeding 21 million pounds of fish and shellfish with an ex-vessel value of nearly \$15 million. Dungeness crab, Pacific pink shrimp, albacore tuna, and bottom fish production are the major components of the commercial fishery, generating over \$25 million in personal income, and over a thousand jobs to the county's economy. Many fishermen also participate in the distant water fisheries in Alaska, adding an additional \$21 million in county personal income contributions.

Pacific County is home to the largest shellfish culture industry on the West Coast, with nearly 50 million pounds of oysters and clams produced each year. These have a wholesale value exceeding \$10 million this is a very low average—some years it is over \$20 million). The industry generates over \$12 million in personal income, and provides nearly 600 jobs to the local economy.

Fish and shellfish processing and retail sales of seafood are a key production and income source. Eight seafood processing plants and fifteen seafood retailers provide seafood products to area distributors and consumers.

Sport fishing is one of the major reasons visitors come to this area. The summer salmon season on the Columbia River is very popular. Fishers either bring their own boats or go out on charter boats from local ports. The charter boat industry in Ilwaco includes over thirty vessels, offering sports fishing, local history and whale watching trips. Willapa Bay also hosts sport salmon and sturgeon fishing, and several tributary rivers are considered choice steelhead streams.

Pacific County proudly positions itself as “nature's best effort,” and rightfully claims a unique combination of natural resources and an appealing geography with which to attract and develop its communities and businesses. Visitors come to this coastal area to enjoy local parks and natural areas, including county, state and national parks along the ocean, rivers and beaches. Parks and conserved areas make up less than five percent of the land base of Pacific County, but contribute disproportionately to the attractiveness of the region. These sites are attractive to birders, hikers, fishers, hunters and campers. While firm visitation numbers are difficult to find, it is generally estimated that daily spending per visitor is \$50-200 (this is a national estimate). Visitation to Pacific County is probably around 1 million visitor-days per year. Cape Disappointment by itself has 1,050,000 day-visits and over 90,000 overnight visits. It is likely that an increase in parks and conserved areas for recreation would increase visitations, prolong by days the duration of each visit, and proportionately increase local spending by visitors.

Wahkiakum County: Decline of Columbia River salmon runs has taken its toll on Wahkiakum

County’s traditional fishing industry, which has been the second mainstay of the area’s natural resource based economy (after forest products). The decline of fishing in Wahkiakum’s home waters has led local boat operators to fish elsewhere where stocks are more abundant. Residents fish in Alaska waters and return with revenue to the county.

Columbia River fishing has been in decline since about mid-century, displacing gillnetters, traditional Native American fishing sites, and cannery workers in Wahkiakum County as well as up and down the Columbia in both Washington and Oregon. The remains of many of these canneries, which are the oldest in the state, can be found in Wahkiakum County at Cathlamet, Cottardi Station, and Pillar Rock.

Due to the recent listing of Lower Columbia Steelhead stocks as endangered under the Endangered Species Act, Wahkiakum County is now engaged in a comprehensive planning and recovery effort involving other neighboring counties as well as state and federal agencies.

Agricultural Resources

Agricultural resources have historically been an important part of Columbia-Pacific’s community character and economy. Farming has been a part of the region’s heritage since early settlement in the mid-nineteenth century. At one time, agriculture made up a large percentage of the Columbia-Pacific region’s economy, but the last fifteen years have shown a continuing decline, a trend that cannot be expected to reverse.

Figure 25. Value of Agricultural Production

County	# of Farms	2002 Value of Production			Overall Rank in State *
		Crops	Livestock & Poultry	Total Value	

Grays Harbor County	510	\$13,936,000	\$16,079,000	\$30,015,000	27
Mason County	320	\$5,016,000	\$46,947,000	\$52,008,000	23
Pacific County	341	\$4,315,000	\$26,352,000	\$30,667,000	25
Wahkiakum County	125	\$84,000	\$2,895,000	\$2,979,000	39
Total Columbia-Pacific Region	1,296	\$23,350,000	\$92,273,000	\$115,669,000	

* Note: Out of 39 counties in the state of Washington.

[†] Note: The Census of Agriculture definition of a farm is any place from which \$1,000 or more of agricultural products were produced or sold, or normally would have been sold. This definition was first used in the 1974 Census of Agriculture, and has been used since. The constant amount on which the definition is based accounts largely for the dramatic increase in the number of farms between the 1997 and 2002 Censuses.

Source: 2002 U.S. Census of Agriculture

Total value of agricultural production for the four-county region (as of 2002) was over \$115 million. With the exception of Grays Harbor County, where nursery and dairy products dominate, livestock and poultry are the predominant sources of agricultural income.

While none of these counties rank in the top tier of agricultural counties statewide, this region is important for a number of specialty agricultural crops including nursery stock, Christmas trees, hybrid poplar, cranberries, and aquaculture. More detailed county-by-county information is useful to describe particular strengths of the region's agricultural base.

Grays Harbor County: Agriculture in Grays Harbor County has been fairly stable over the past 15 years, although a downward trend has developed as dairy and cranberry industries struggle in the face of unfavorable market conditions and pollution of resource areas.

Significant areas of prime agricultural land are found along the Chehalis, Satsop, and Wynooche Rivers in east Grays Harbor County. Nearly all of the land classified as agricultural is actively farmed and is located in the alluvial soils of the lower reaches of the Chehalis River, its tributaries and several smaller rivers. Despite high overall yearly rainfall, summers are usually quite dry, so areas soggy with moisture during the cool season benefit from irrigation during the growing season.

Figure 26. Grays Harbor Agricultural Trends

Agricultural Indicator	Percent		
	2002	1997	Change
Total number of farms	510	389	+31.1%
Total acres in farms	53,594	42,350	+26.6%
Average farm size (acres)	105	109	-3.7%
Full time farms	256	179	+43%
<i>Estimated Average Market Value:</i>			
Land and buildings (per farm)	\$317,879	\$261,918	+21.4%
Land and buildings (per acre)	\$2,317	\$2,769	-16.3%
Machinery and equipment (per farm)	\$66,061	\$32,377	+104%

<i>Market Value of Agricultural Sales:</i>			
All agricultural products	\$30,015,000	\$15,029,000	+99.8%
Average per farm	\$58,853	\$38,635	+52.4%

Source: USDA, National Agricultural Statistics Service, 1997 and 2002 Censuses of Agriculture,

The only significant agricultural activity not located in the Chehalis Basin area occurs in the cranberry bogs of Grayland and North Cove, on soils uniquely suited for such crops. Grays Harbor County has the unique conditions of climate and soils needed to successfully grow cranberries. Consequently, Grays Harbor County, together with Pacific County, put Washington State on the list of five states which produce the majority of cranberries in the U.S. Washington ranks fifth in cranberry production behind the states of Wisconsin, Massachusetts, New Jersey and Oregon.

There was good news for cranberry growers in the year 2000. After a sharp decline in the price per barrel in 1999 (a low of \$12.80), prices doubled to \$25.20. Yield per acre increased 31% over 1999 to an average of 120 barrels per acre. With the increase in yield and price, the value of production doubled from 1999 to 2000, although still much lower than the record high of \$63.70 set in 1998.

Dairy products remained the county's largest agricultural commodity, providing over \$7.6 million or 51% of the county's agricultural value.

A small core of specialty nurseries is located in the county. Chief among them is Briggs Nursery, which has over 180 employees and a major grower of container plants. It is also the largest grower of Rhododendrons in the world. Other operations include a specialty fuchsia grower, an herb farm and a wholesale heather nursery.

Mason County: Of the region's four counties, Mason has traditionally been the least dependent on agricultural activity. However, it is the one county that is currently showing significant gains in the value of its agricultural production.

The number of farms has increased in Mason County from 145 in 1992 to 211 in 1997 and to 320 in 2002. Total acreage in farms has increased as well, from 10,965 in 1992 to 19,986 in 1997 and to 21,641 in 2002.

The most striking statistic in Mason County's agricultural profile is the increase in market value of agricultural sales from \$1.1 million in 1992 to \$13.3 million in 1997 and to \$52 million in 2002. This is due mainly to the burgeoning aquaculture industry, which is by far the top valued commodity. Other top commodities include nursery and greenhouse crops, cattle and calves, hay and silage, and vegetables.

Figure 27. Mason County Agricultural Trends

Agricultural Indicator	2002	Percent 1997	Change
Total number of farms	320	211	+51.7%
Total acres in farms	21,641	19,986	+8.3%

Average farm size (acres)	68	95	-28.4%
Full time farms	153	101	+51.5%
<i>Estimated Average Market Value:</i>			
Land and buildings (per farm)	\$379,939	\$302,155	+25.7%
Land and buildings (per acre)	\$4,958	\$4,100	+20.9%
Machinery and equipment (per farm)	\$45,072	\$16,539	+172.5%
<i>Market Value of Agricultural Sales:</i>			
All agricultural products	\$52,008,000	\$13,365,000	+289.1%
	0	0	
Average per farm	\$162,524	\$63,340	+156.6%

Source: USDA, National Agricultural Statistics Service, 1997 and 2002 Censuses of Agriculture

Pacific County: At one time, farming made up a large proportion of Pacific County’s economic activity, but the last 25 years have shown steady declines in income. While the area has diverse cultivated crops and ranches, the vast majority of activity is in the cranberry industry. More than 2/3 of the county’s \$14 million farmgate sales are from cranberry harvest:

- 69% sales from cranberry production
- 14% dairy/cattle
- 6% specialty crops
- 5% mushrooms
- 5% other

Nearly 40,000 acres make up the area’s 250 farms, a number that has been relatively stable in the last few years.

The county’s current agriculture economy is dependent upon broader economic trends and global influences on key markets:

- Global consolidation of competitors and customers means that there are fewer and larger customers placing greater demands upon grower prices and services
- Agricultural land is often well-suited for urban uses, and therefore may compete with those uses. Competition is most apparent on the fringes of the floodplain, and represents the most serious potential threat to continued agricultural production.
- Suitable land for agricultural expansion is limited, while there is a perception that transportation and logistical services are quite distant from product demand centers.
- Growing conditions are ideal for cranberries, with plentiful water and an infrastructure to support it.
- These same growing conditions tend to not be well suited for other types of crops and plants.
- Ocean Spray is the largest cranberry marketing entity in the U.S., with operations in Pacific County. Cranberry farming represents a stabilized crop in Pacific County’s agricultural industry.
- Dairy and cattle operations are a significant part of county activity. In the past ten years

changing markets, the cyclical nature of beef prices worldwide, an oversupply of milk, waste management restrictions, and rising property prices have forced some families out of the farming business.

Pacific County’s agricultural base boasts some important strength:

- **Infrastructure:** Because of the long heritage of cranberry production here, there are a number of resources available. Kim Patten, PhD is a long-time WSU extension researcher working in the area and developing new ways to grown and market cranberries. There is a cranberry “working museum” in the area, providing agri-tourism opportunities. The largest U.S. processors continue to work with county producers, given their scale and supply.
- **Government Support:** With help from Senator Baird, an Appropriation of \$1 million for shellfish and small fruit research, based at the Astoria extension office of the USDA was received.
- **Growing Conditions:** The area can support, according to Dr. Patten, forest crops such as dock, salal, and wild huckleberries among others. Nursery trees such as red cedar also do well in the County.

In the past few years, Pacific County has experienced a growth in value-added agri-businesses including 11 produce farms: cranberries blueberries, raspberries, vegetables, herbs, lavender plants, bushes and trees.

In an effort to promote the strengths of this industry Pacific County Economic Development Council produced the “Incredible Delectables” brochure for distribution to market the value-added agri-businesses and agri-tourism opportunities that exist in Pacific County.

Figure 28. Pacific County Agricultural Trends

Agricultural Indicator	2002	Percent 1997	Change
Total number of farms	341	253	+34.8%
Total acres in farms	51,824	40,228	+28.8%
Average farm size (acres)	152	159	-4.4%
Full time farms	190	150	+26.7%
<i>Estimated Average Market Value:</i>			
Land and buildings (per farm)	\$347,338	\$367,825	-5.6%
Land and buildings (per acre)	\$2,076	\$2,369	-12.4%
Machinery and equipment (per farm)	\$102,766	\$34,562	+197.3%

Market Value of Agricultural Sales:			
All agricultural products	\$30,667,000	\$16,964,000	+80.8%
Average per farm	\$89,932	\$67,052	+34.1%

Source: USDA, National Agricultural Statistics Service, 1997 and 2002 Censuses of Agriculture

Wahkiakum County: Wahkiakum County has seen the most dramatic decline in agriculture of the four Columbia-Pacific counties over the past ten years. Total market value decreased 41% from over \$5 million to under \$3 million. Livestock sales accounted for 97% of the 2002 market value, with crop sales at just 3%. However, a new trend of “Buy Local Food” has started the Wahkiakum Farmers Market that is in its second year and growing. The demand for fresh home grown food has re-energized our local farms. Three new farms have opened in 2007 and one of the dairy farms has been converted to organic farming. The future is very promising with our increasing population demanding better food.

Figure 29. Wahkiakum County Agricultural Trends

Agricultural Indicator	2002	Percent 1997	Change
Total number of farms	125	108	+15.7%
Total acres in farms	12,386	13,379	-7.4%
Average farm size (acres)	99	124	-20.2%
Full time farms	58	47	+23.4%
Estimated Average Market Value:			
Land and buildings (per farm)	\$257,411	\$348,263	-26.1%
Land and buildings (per acre)	\$2,690	\$2,348	-14.6%
Machinery and equipment (per farm)	\$29,422	\$30,767	-4.4%
Market Value of Agricultural Sales:			
All agricultural products	\$2,979,000	\$2,715,000	+9.7%
Average per farm	\$23,830	\$25,135	-5.2%

Source: USDA, National Agricultural Statistics Service, 1997 and 2002 Censuses of Agriculture

Manufacturing

Beyond the forest products industry, covered above, one natural resource related manufacturing industry, food products manufacturing, will be discussed. Additionally, we will touch on the High-Tech/Light Manufacturing, Tourism, and Health Care/Retirement clusters.

Food Processing Cluster

Food processing is a significant manufacturing activity in the district, with the exception of Wahkiakum County. In Pacific County, food processing currently accounts for 43% of the total manufacturing employment; in Mason it is 13%; and in Grays Harbor the figure is 8%. It is based on the district’s agricultural and fisheries resources, particularly cranberries, fish, and

shellfish.

Following some volatility in the 1980's, the district's food processing industry stabilized slightly during the 1990's. Regionally, gains in employment in Mason County offset losses in Pacific and Grays Harbor toward the end of the decade. In the early years of the 21st century, some gains in employment in this cluster were made.

Mason County: Mason County's food processing industry, though relatively small, is growing and has a bright future if allowed to expand under increasing growth management constraints. The majority of the food processing jobs are at plants and facilities in rural areas. Examples include Taylor Shellfish, Olympia Oyster, Stretch Island Fruit, Olympic Mountain Ice Cream, and Hoodspout Winery. Growth will be severely restricted under presently proposed land use regulations. There are currently over 300 good paying jobs in this industry.

Pacific County: Of the four counties, the food processing industry is most significant to Pacific County, where it accounted for an average of 45% of the manufacturing activity throughout the 1990s and into the 21st century.

Pacific County has businesses throughout the county that process shellfish and oysters:

- Ekone Oysters—canned and smoked oysters and smoked fish
- Goosepoint Oysters—canned and “shooters” and their new product line, “Steamers in 5”
- Bell Bouy in Chinook—crab
- Jessie's Ilwaco Fish—whiting, crab shrimp and , sardines, and the processing of pet food
- Taylor Industries—shellfish
- Dungeness Development—crab and albacore tuna
- Nelson Crab—shrimp and crab.

Changes continue to occur in the food processing industry in Pacific County, which is highly dependent upon favorable harvesting seasons and market prices each year for cranberries, fish, and shellfish.

In 2005, the Pacific Shellfish By-products Consortium's main focus was to address the disposal of shellfish waste produced by Pacific County processors. Many options were explored, including a pilot composite project, production of organic fertilizer and land application of the by-products.

The pilot composite project ran into some problems and ceased to continue. Micro Marine changed its name to Pacific Gro and has improved its method in their production of organic fertilizer. With its increasing success in distribution, Pacific Gro has produced over 5 million tons of their products. The Pacific County Economic Development Council partnered with the Pacific County Department of Community Development and wrote the first land application of shellfish by-products for a South County processor and that was preceded by writing two more land applications for North County processors. Due to the success of the first year land application, they have since been renewed for a two-year period. Successful partnerships between landowners, processors, private and public agencies provided a solution for the benefit of the industry.

In 2006, the Port of Willapa Harbor brought together their tenants in an effort to discuss

workforce issues. Today the group has expanded to the PCEDC, Grays Harbor College, local high schools and other manufactures for the development of the *Willapa Manufacturing Technology Center (WMTC)*. The mission of the WMTC is to promote successful manufacturing businesses in the Willapa region.

As a major industry of Pacific County, we continue to experience expansions of existing businesses including Jessies' Ilwaco Fish Company in the amount of \$1.4 million in capital improvements and new equipment.

Grays Harbor: Food Processing accounted for only 7.9% of the total manufacturing employment in the County in 2000, employing 338 persons (Manufacturing accounted for 18.7% of workers by employment sector.). Lumber & wood products surpassed all other manufacturing sectors for employment with 2,047 workers. Next, in order of employment, was paper and allied products, industrial machinery & equipment, and transportation equipment.

Because food processing is still a relatively small segment of Grays Harbor's manufacturing activity, changing market conditions do not have a dramatic effect on the overall economy as they do in Pacific County.

Wahkiakum County: The need for a commercial kitchen is growing. With the success of the farmers market, jams, jellies, and fish processing is in our near future.

Other Clusters

High Technology & Light Industry Cluster

Mason County: Beginning in the mid-1950's Certified Aerospace, located in Shelton, established itself as a major sub-contractor to Boeing and brought Mason County into a new industrial arena – high tech machining and fabrication. The business grew to over 400 highly skilled and very well-paid machinists before it was sold and eventually became insolvent in the early 1990's. Fortunately, several other high tech machine shops spun off from Certified during the period of its demise.

In a non-related high tech development, Sims Vibration, Inc. is expanding rapidly with product lines that will revolutionize vibration dampening science and application. Near by, two light-industry casting businesses are coming into full production capacity. In a completely different arena, Gerbings Heated Clothing has secured a very high volume contract with Harley Davidson Motorcycle Company and the military as well as a number of motor sports equipment manufacturers. In another high-tech business, American Cushion Industries has just expanded their production facilities by 12,000 square feet in order to capture a larger share of the automotive seat cushion replacement business.

All of these high-tech and light manufacturing businesses are mutually supportive and have a synergistic effect on future growth of the cluster. The future is bright with high growth potential and expectations for demand of highly skilled labor, which has historically been available.

Pacific County: With the necessary infrastructure in place, Pacific County has begun to see interest from small light industries relocating to port properties. In 2005, the first light manufacturing of aerospace components moved to the Port of Willapa Harbor providing high tech machining and fabrication employment opportunities. An existing company of over 25 years has recently expanded into the bio-medical field, and provides the R&D department of their Redmond based company. Even though employment numbers remains steady, this company has brought an increased awareness of business opportunities that exist in Pacific County.

With the introduction of these high-tech and light manufacturing businesses Pacific County is optimistic about their future and growth of this cluster. The future is bright with high growth potential and expectations for demand of highly skilled labor, which has not been present in the past.

Tourism Cluster

Mason County: Even though two and a half million cars pass through Mason County annually and part of Olympic National Park lies within its borders, tourism has historically been only a minor part of the economy. Today, however, visitors have become a very important and growing economic factor. Beginning with the establishment of Little Creek Casino, south of Shelton, in the mid 1990s, tourism has been on a steeply increasing trend. The recently constructed hotel at the same location adds to the length of stay for the average visitor. In addition, there are plans to build 100 additional rooms at the hotel. Between the two facilities 600 jobs are new to the County in the past eight years.

In another major tourism development north of Shelton on the south shore of Hood Canal, Alderbrook Inn is now open as a remodeled and expanded facility that supports another 110 jobs. Between those two facilities, and several other smaller tourism oriented businesses, tourism has become a highly significant element of the Mason County economy and it is expected to continue in rapid growth in several undeveloped directions, including sport fishing.

Pacific County: With its strategic location, bordered on the southwest by the Columbia River and the west by the Pacific Ocean, Pacific County offers breathtaking views from its lighthouses of the Columbia River and the Pacific Ocean, recreational opportunities, fishing, hunting, birding, clamming and a variety of outdoor experiences. The significance of tourism to Pacific County

cannot be understated. For over a century, visitors have gathered on the beaches, forest, and waters in the area. The business of tourism spans over 100 lodging establishments and RV camps and over 80 restaurants. Additionally, the county supports a remarkable number of seasonal or vacation homes; nearly one-third of housing units in Long Beach alone are classified as non-permanent residences. The county is among only a handful in the state where nearly 20% of all employment is directly tied to tourism-driven businesses.

As a gross revenue engine, tourism delivers over \$90 million annually to local businesses, by any measure a huge contribution of the county's total output of goods and services. Business earnings from tourism approach \$25 million annually. There are over 2,000 jobs related to or dependent on this industry. The tourism cluster is viewed as highly significant to the economy of Pacific County and, through the efforts of Long Beach Visitor Bureau, City of Long Beach, Ilwaco Merchants and various other organizations, a strong effort to promote South County through many marketing efforts is occurring, using radio and television ads, bus placards, and brochures to expand and capture the interest of the tourist market.

Wahkiakum County: Tourism, recreation, fishing, and hunting have become a small industry in Wahkiakum County. The beauty of the hills, wetlands, the Columbia River and many historical sites are attracting outdoor lovers. Lodges, Bed & Breakfasts, and guide services are on the rise and our area is determined to become a destination. An Arts District is being developed on Broadway Street in Cathlamet and many new events are being planned to attract artists and visitors. A 1936 San Francisco Trolley has recently been purchased, restored and is being used in Cathlamet to transport visitors to events around Wahkiakum County.

Health Care/Retirement Cluster

Mason County: With Mason General Hospital as a nucleus, numerous doctors offices and clinics, pharmacies, dentists, eye care facilities, laboratories, nursing homes, retirement homes and home health care businesses form the health care cluster in Mason County. The health care industry is an extremely important part of the social and economic picture. An estimated 650 direct jobs depend on health care while another 271 jobs exist in support of the cluster. This is a classic case of businesses existing in support of one another and spurring growth because of what already exists in a specific geographical location. For example, a kidney dialysis center is presently under construction. The facility will eliminate the need to have patients travel two hours, one way, as many as three times a week for treatment.

Pacific County: The hospitals, clinics, and private practices in both North County and South County provide patients with direct and in-direct access to medical health professionals (doctors, registered nurses, and/or nurse practitioners). All facilities take patients with private insurance. With the population in Pacific County has a median age of 45.8 years old and the health care industry is an extremely important part of the social and economic picture.

Pacific County's two hospitals made significant improvements or expansion of their health care facilities in recent years. Ocean Beach Hospital expansion project increased the hospital by 18,000 square feet; this includes two more trauma rooms, two smaller exam rooms, three new private areas for admitting and registration, a state of the art lab, and a larger cardiac rehab center.

The Willapa Harbor Hospital expansion project included a major face lift to the exterior and interior building; addition of a waiting/meeting room. Willapa Harbor Hospital has received approximately \$60,000 for a Computerized Radiography, which translates the x-ray image to digital to allow its transmittal to Seattle for reading. Willapa Harbor Hospital continues to explore the possibility of Teledermatology, and looking at a model for Telecardiology.

With increasing difficulty is finding physicians to come to rural America, both hospitals, Ocean Beach Hospital and Willapa Harbor Hospital are equipped to provide telemedicine which connects rural western Washington with providers in Longview, Vancouver, Portland and Seattle. This is a very important linkage for our rural facilities.

In 2005, the Shoalwater Tribe received a grant dedicated to building a new Wellness Center on their reservation located in Tokeland. This center provides assistance to tribal members and Pacific County residents. The new facility includes; a pharmacy, behavioral health services, 7 examination/procedure rooms and 4 dentist stations. The center currently employees over 6 and provides services to many in Pacific County and Grays Harbor County.

Wahkiakum County: On the east side, the nearest hospital is St. John's Hospital located 25 miles east of Cathlamet in Longview, WA. On the west side, the nearest hospital is located 25 miles west of Naselle in Ilwaco. There is one medical clinic in Cathlamet and one in Naselle. Cathlamet also has a dental clinic, a vision and eye clinic, a nursing home and an assisted living facility.

Economic Development Evaluation

The Columbia-Pacific district's economic development potentials are evaluated from the perspective of economic activities that historically, currently, or prospectively have significance to the region's economy. Economic clusters reviewed include:

Agriculture	International Trade
Fisheries/Aquaculture Resources Cluster	High technology and light Industry clusters(non-resource based)
Forest Products	Visitor Services

This assessment recognizes attributes common to the entire region, and those unique to one or more counties. Strengths, weaknesses, and opportunities associated with each of these sectors are explored. This evaluation provides a basis for determination of updated regional economic development goals, objectives, development strategy, and implementation plan.

Agriculture

While agriculture is an important component of the economy for all four counties, this industry

generally is not expected to offer opportunity for significant employment growth. However, employment growth may occur in *specialized niche products*, such as cranberry, nursery, organic and free-range farming, and hybrid poplar production.

Strengths of the Columbia-Pacific agricultural economy include diverse climatic conditions and the general overall stability of the region's agricultural industry. Location considerations may be of increasingly strategic importance. The strategic location between Portland and Seattle and the desirable soil type may lure businesses to consider Grays Harbor or Mason County as potential plant production or nursery sites, as occurred when Briggs Nursery re-located the bulk of its facilities to Porter in Grays Harbor County.

Grays Harbor County agricultural policies have helped protect the agricultural resources highly susceptible to urbanization pressures, primarily from the Olympia area. Policies also protect the cranberry bogs in coastal areas.

Weaknesses include a limited suitable land base for expanded operations and perceived distances from markets. Agricultural land is often well suited for urban uses, and therefore may compete with those uses. Competition is most apparent on the fringes of the floodplain, and represents the most serious potential threat to continued agricultural production.

For counties planning under GMA (Mason and Pacific), recent Growth Management Hearings Board decisions impose serious limits on some farms lands through application of fish and wildlife protection buffers.

Weaknesses in Grays Harbor County are physical limitations directly related to the geography/topography of the region. The vast majority of land within the county consists of hills, steep slopes, lakes, rivers and their associated wetlands. The lowlands within the county support agricultural and dairy interests but flooding remains a problem. While lack of available land may limit traditional natural resource-based manufacturing industries, it provides an excellent opportunity for non-traditional type industries that promote quality of life issues. The inability to expand natural resource operations due to geographical boundaries is offset by the development of new and innovative uses for those resources.

Opportunities for agricultural production include expansion of nursery activities and hybrid poplar production throughout the region. Other opportunities have been identified for purebred beef, llamas, poultry, and specialty animals such as squab, pheasant, quail, emus, and mink. Also being explored are valued-added products such as specialty cheeses and organic produce.

Fisheries/Aquaculture Resources Cluster

The Columbia-Pacific region's fisheries and aquaculture industries are diverse with more optimism on the aquaculture side than for fisheries. Though regulatory issues are a restraining factor in both cases, resource availability is clearly a limiting factor in the recovery of the fishing industry. Shellfish, on the other hand, have little of the same considerations.

Strengths include a diversity of ocean, river and Puget Sound/estuary fishing, an in-place infrastructure (including harbors, boats, processing facilities and skilled workers), and two large estuaries with good water quality. On the shellfish side, Mason, Grays Harbor and Pacific

counties contain some of the most productive waters in the world. Production potential is almost unlimited, especially considering species where commercial production is in its infancy.

Mason County's aquaculture industry is the second most important private industry in the county, with clam production being number one nationally. Oyster and mussel production levels represent a high percentage of the national production. The shellfish industry's dependence on high water quality tends to positively influence programs and policies that promote clean water. In Mason County, wage levels in the shellfish industry are competitive with the forest products industry.

Weaknesses relate to issues of environmental degradation, shellfish toxicity concerns, and continued curtailments of commercial and sport fishing seasons. Concerning finfish, added Endangered Species Act listings throughout the region threaten the industry. For the shellfish industry, regulatory and political pressures at the state and local levels are forcing long-time local companies to focus their growth efforts on Canada, Mexico and neighboring West Coast states. The district is in fact losing growth in the mussel industry. Additionally, the industry is threatened by predators and habitat destruction through spread of exotic weeds and ghost shrimp growth.

Opportunities relate to value-added processing of items presently exported from some counties unprocessed. Processing locally would provide added jobs and income.

Pacific County's Willapa Bay contributes 50% of the state's oyster production, with Grays Harbor accounting for another 12%, and has the potential to expand the products cultivated. Nori (seaweed), mussels, Atlantic salmon, clams, and other species all are potential revenue-producers.

Forest Products

The forest products industry is the dominant economic activity in the Columbia-Pacific region and, despite significant downsizing and restructuring, is likely to remain a significant economic activity due to the vast forest resources in the district.

Strengths include the reality of continued existence of this most significant industrial cluster in spite of serious degradation over the past two decades. Though not nearly as robust as in the past, both the physical infrastructure and the local know-how are intact for rapid recovery and re-growth of the industry.

Weaknesses of the industry include the regulatory constraints on timber harvesting that contributed to the precipitous drop in the region's level of living and continue to inhibit the rebirth of the industry.

Figure 30. Softwood Log and Lumber Exports, Washington State 1989-1999

Millions of board feet

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Lumber	1,002.30	886.20	760.7	617.1	581.7	536.2	567.2	567.8	538.4	282	238
Logs	2,356.90	1,932.10	1,548.30	1,393.60	958.1	891.1	999.1	916.7	599.1	476.6	434.9

Source: WFPA, 2004

Opportunities include not only the abundant availability of second and third growth timber, but

also signs that there may be some tendency toward an easing of regulatory constraints on harvesting. The vast forests create an opportunity for capital importation from carbon credits. Additionally, the Hybrid Poplar plantings of the past are coming closer to maturity and may provide a source of wood that was heretofore unknown. The area is well served by highways and port facilities. Good highway accessibility is particularly important for attraction and establishment of secondary, value-added manufacturers. Mason County is served by an excellent freeway system connecting directly to Interstate 5, as is Grays Harbor County. Wahkiakum County has access to the Port of Longview and to Interstate 5 as well, while Pacific County is served by the Port of Grays Harbor, with connections to Olympia via Highways 8 and 12.

International Trade

Located within the nation's number one export state, the Columbia-Pacific district shares significant opportunities for increased international trade. The long-term trade potential of the Port of Grays Harbor is of particular importance.

Strengths of the district include its proximity to the Pacific Rim countries and to major export facilities, including the Port of Grays Harbor (bulk commodities), Tacoma/Seattle (containers), Port of Olympia (containers and bulk), and Seattle-Tacoma International Airport (air freight). The Port of Grays Harbor is two and a half days closer to Asian markets than inner sound ports and only two hours to open sea.

Wahkiakum County is positioned to access air service through Portland International Airport.

Weaknesses include the perceived distance of the region from competitive shipping facilities, difficulty in diversifying beyond bulk commodity exports, and the need for navigational improvements.

One specific transportation-related weakness is the need to dredge Willapa Bay. This may be offset by production or use of flat-bottom boats (barges).

Opportunities are of two types. The first involves attracting companies who want a rural location and proximity to major Puget Sound ports for container cargo. The second is the Port of Grays Harbor's potential as a multi-cargo facility.

The Port of Grays Harbor is making improvements to help diversify and increase international trade activity. The deeper-draft navigation channel has been deepened from the north mouth of Grays Harbor to the Highway 101 bridge. The Port is also reconfiguring and improving the dock area to handle a variety of cargoes, and has begun to host cruise ships relocating between summer and winter cruise areas. The port has foreign trade zone designations to provide significant relief from import/export duties.

The six ports represented in Pacific and Wahkiakum Counties are working together to develop a plan, seek funding, and purchase dredging equipment to be utilized by all six ports. Wahkiakum County's neighbor, Port of Kalama, has also been designated as a foreign trade zone, improving opportunities for increased import and export of goods. The Army Corps of Engineers is planning a change of management practices, and is in the process of dredging to deepen the Columbia River navigation channel, which could add new opportunities for shipping.

Developing cargo-handling capabilities at the Port of Olympia present improved shipping opportunities for Mason County. Additionally, one of the largest Foreign Trade Zones in the

United States now encompasses two sites under the Port of Shelton's ownership in Mason County.

High Technology and Light Industry Clusters (Non-Resource Based)

All four counties emphasize diversification, focusing on the clustering of non-resource-based industries. In Mason County a complementing and synergistic arrangement of high-tech, light manufacturing businesses is located at the Port of Shelton as well as private locations in rural areas. At the Port, Sims Vibration uses cutting-edge technology and materials applied to aluminum products to do such things as reduce vibration in baseball bats and archery bows. The company is growing rapidly and faces a very bright future. Nearby, Olympic Tool and Engineering is applying innovative techniques to construct privately owned submarines for research and recreational use. Olympic Tool's main business, in precision aerospace machining, serves as a vital support function to the aircraft and missile manufacturing industry. Complementing Olympic Tool and Engineering are Northwest Brass and Rainier Cast Parts, which are both light-industry casting businesses.

Not far from the Port of Shelton is Aero Controls, which refurbishes used aircraft parts in a 70,000 sq. ft. manufacturing and warehousing facility. Further to the north, near the community of Union, Gerbings Heated Clothing is using innovative technology to manufacture and distribute heated suits used by motorcycle riders and open car drivers.

There seems to be no end to applications of this technology either. South of Shelton, Quality Precision Products provides sub-contracting services to local machine shops as well as others throughout the Puget Sound area.

In Grays Harbor County, the Satsop Development Park is an excellent example of how industries are attracted to facilities that have needed infrastructure in place. The Washington Public Power Supply System (WPPSS) default left the visuals of an abandoned, incomplete nuclear power plant on the Grays Harbor County landscape. The extraordinarily high construction standards and infrastructure required for a nuclear power generation site made it an ideal setting for secure high-speed communications and data storage facility. With the installation of a 72-strand fiber optic cable directly through the site and aggressive marketing, companies began to take notice. One company, SafeHarbor Technologies, an Internet services company, located in an office building built by the Satsop Development Park, and immediately hired 175 local employees. Their success attracted TechTell, Inc. to locate its Network Operations Center (NOC) in an adjacent building. TechTell monitors company networks 24X7 as well as provides a secure environment for company servers. The combination of available existing building space, a redundant fiber optic loop and a secure setting combined to attract like businesses to the site.

The Port of Grays Harbor is expanding with infrastructure additions for AGP a mid-west grain co-op that ships grain from the Port to world-wide markets. Additionally, Paneltech designs and produces specialty wood-based resins and high performance overlay surfaces and reinforcing webs for wood-based panel manufacturers. Paneltech's manufacturing facility designs and produces specialty resins and it designs and custom saturates, coats, sheets, and slits a wide variety of paper and other non-cellulosic webs.

Due to increasing environmental requirements in the fish processing industry, Ocean Protein located in Hoquiam is in operation processing fish wastes into fishmeal, oil and bone products which are sold to world-wide markets primarily for aquaculture and animal feed stocks. The

company has developed an approved and sophisticated recovery system eliminating start-up odor concerns.

With the increasing inquiries regarding light industrial areas in Pacific County, the Pacific County Economic Development Council is currently in the process of updating their Industrial Land Sites to meet the emerging market. In preparation, a marketing strategy for the recruitment of light industry into Pacific County is being developed.

Strengths of the Columbia-Pacific district include an available labor force with industrial backgrounds and the lower cost of operations for firms seeking a non-metropolitan location. East Grays Harbor and Mason Counties offer tremendous potential due to their proximity to the urbanized areas of the Puget Sound.

Customized training programs are another strength. For example, Olympic College in Shelton, Grays Harbor College in Aberdeen, and nearby Lower Columbia College all provide retraining for dislocated timber workers who are eligible to take academic, professional, or technical courses. Lower Columbia College has a business and industry center and net counseling in conjunction with the Small Business Development Center in Vancouver, Washington.

Weaknesses with the exceptions of Mason County and east Grays Harbor County include the region's distance from Interstate Highway 5 (I-5). Also, there are a limited number of suitable industrial sites in some areas, and limits on the workforce size and availability.

Light industrial manufacturing expansion in Pacific County is perceived as limited due to the county's distance from the I-5 corridor, a still-developing infrastructure and transportation system, topography, and a small labor force. Pacific County has very few industrially-zoned properties.

The region has been hard hit by declining employment opportunities in the natural resource sector. Early availability of employment and high wages in natural-resource based industries caused a large segment of the population to forgo higher levels of formal education and technical training. This equates to a workforce some of which is not currently trained to take advantage of opportunities in high technology fields.

Cultural perceptions related to employment and available resources have had a limiting effect on economic development opportunities in Grays Harbor County. Due to the cyclical nature of natural resource based employment opportunities, generational unemployment has impaired certain segments of the community from identifying and exploring new career options. Educational providers within the community are working to change the perceptions of the existing labor pool by providing the resources necessary to tap into the diversified employment opportunities existing in the county.

Opportunities are likely to be greatest for locations offering proximity to larger metropolitan markets. For example, Mason County reports that new businesses seeking lower fixed operating costs and proximity to the Interstate 5 corridor are increasingly attracted to Mason County.

In Grays Harbor County, the cities of McCleary and Elma, their associated industrial properties, and the Satsop Development Park are situated just 25 to 30 miles from Interstate 5, with little

traffic and easy access, the regional benefits from a good transportation system that connects the county to the commercial lifeline of I-5. Grays Harbor County is served by the only four lane divided highway to the coast north of the San Francisco Bay, and provides the only deep-water port on the Washington coast. The county is also served by five major highways, a countywide transit system, two marinas, rail, three small municipal airports and Bowerman Field, which is the only jet-capable airport on the coast equipped with an Instrument Landing System. This transportation network is one of the region's top assets for economic prosperity and quality of life.

For locations more removed from major metro markets and highway facilities, greater emphasis on smaller-scale industry may be more appropriate. For example, 96% of the residents surveyed in 1985 in Wahkiakum County placed a high priority on encouraging the development of new industries in local communities. Substantial community support is demonstrated for industrial development which does not disrupt the current lifestyle of the area, and which protects the natural environment.

Another opportunity exists for knowledge-based industries that rely on telecommunications to transport their product. The region is actively expanding telecommunications capacity. Satsop Development Park in Grays Harbor County is a success story in this area. It focuses on recruiting firms that depend on a state-of-the-art telecommunications infrastructure. In only four years, permanent employment at the Park has reached 350 employees in 27 businesses. It is expected to continue to grow and expand. In Mason County, telecommunications development has greatly enhanced the ability of rural businesses to compete on an equal footing with their urban counterparts.

To counter the problem of a limited trained and available workforce, success has been achieved working with local colleges to train workers for a specific company or industry that may be locating or starting up in the region.

Many of the workers displaced from natural resource industries have participated in continuing education and retraining opportunities offered by various organizations within the county. Grays Harbor College, Olympic College, Coastal Career Center, and the Transition Center provide displaced workers with up-to-date skills.

Although distance from I-5 has traditionally been considered a weakness for the district, in some industries it is currently an advantage. Many companies are reportedly seeking to leave the Puget Sound region due to competition for employees and the high cost of doing business. Rural locations, quality of life, lower fixed operational costs, and many other factors are becoming a growing advantage.

Visitor Services

Tourism is an important part of the economic base for all four counties in the Columbia-Pacific region. This is illustrated by a brief county-by-county review of tourism activity.

Strengths of the Columbia-Pacific region include its diversity of recreational attractions, particularly for people with a strong outdoors or sports orientation. All four counties are within one to three hours from the Seattle and Portland markets, and include small craft and yachting activities. All four counties offer waterfront parks and full service marinas.

The tourist and second home industries are dependent on the region's abundance of natural and scenic resources. The second home industry is particularly significant. According to the 2000

census, 33.2% of the housing in both Ocean Shores and Long Beach is for seasonal, recreational, or occasional use; the percentage in Ocean Park is 45.6%.

Destination points and activities to satisfy a wide range of tastes can be found in Grays Harbor County. Rolling hills, lush green forests, and abundant rivers and lakes all provide a wide range of activities from camping and hiking to hunting and fishing. Bird watching is a popular activity at the ocean beaches and at the regionally-renowned Bowerman Basin. Annual community festivals such as the Oakville Rodeo, Loggers Playday, and the annual Crab and Oyster Feed draw large crowds. The Montesano Festival of Lights, held in December, brings visitors from three states. National events like the Westport Long Board Competition and the Ocean Shores Harley Rally draw thousands of visitors from across the United States each year.

Mason County serves as a vacation area for the Puget Sound's populated urban centers. Currently, 20.2% of Mason County residences are occupied seasonally. In addition to seasonal residences, Mason County offers a number of campgrounds and recreational areas. Vacation and tourism attractions include the county's 100 plus lakes, Hood Canal and Olympic National Forest.

Pacific County's natural beauty on the edge of the Pacific Ocean, with Willapa Bay—noted as the most pristine estuary in North America—and the Columbia River within its boundaries, makes it a prime vacation area and tourist location. The area boasts the end of the journey by the Lewis & Clark Corps of Discovery as they reached their destination, the Pacific Ocean. Pacific County's museums and interpretive centers include the Ilwaco Heritage Museum, Willapa Seaport Museum, the Pacific County Historic Society, the Northwest Carriage Museum, the World Kite Museum and Hall of Fame, the Cranberry Museum Fort Columbia, Lewis & Clark Interpretive Center, Shellfish Interpretive Center and the Willapa Bay Wildlife Refuge Interpretive Center.

As a mecca for tourists, Pacific County has six tourist information centers and an award-winning tourist information website. The South County is dense with restaurants (several of which have received national attention) and lodging accommodations.

Wahkiakum County has identified its potential to become a major tourist activity area. The county provides the first stop in a lower Columbia River loop tour. Historical Native American settlements are found in the area, as well as eight Lewis & Clark expedition heritage sites. The county offers the Columbia River Canoe Trail and Lewis & Clark history experiences. Movie production companies have used Cathlamet's realistic waterfront and cannery remains to film three movies in the last decade. Exhibits at Wahkiakum County's Historical Museum and the Appelo Archive Center in Naselle include photos of early day logging, fishing and pioneer way of life.

Wahkiakum County towns were dependent on the Columbia River in the 1800s. Skamokawa's historic district is known as "Little Venice." Redmen Hall, built in 1892, houses the River Life Interpretive Center and gift shop where the story of these small fishing and cannery villages is told. Many historic buildings, such as the Scarborough Building, are being refurbished into retail shops and offices. Puget Island is the home of the last operating passenger/vehicle ferry on the lower Columbia River. The state's oldest and one of two remaining covered bridges on a public roadway is located in Wahkiakum County over the Grays River. State Highway 4 (Ocean Beach Highway) along the Columbia's north shore is bordered by mountainous cliffs and provides magnificent views. Low-lying clouds and fog-shrouded landscapes often contrast with the clear views and vistas offered by a sunny afternoon along the river or a Columbia River ferry crossing.

Wildlife abounds in the Wahkiakum-Naselle area. The islands, sloughs, and sheltered expanses of water in the area's wildlife refuges serve as both a wintering and migratory stopover for Pacific flyway waterfowl originating in Alaska, and provide one of the few remaining havens in the Pacific Northwest for the endangered Columbia white-tailed deer. A full-service marina in Cathlamet enables boating visitors to enjoy refuges, and the area is well known to birders.

Unique attractions and events in Wahkiakum County include the Julia Butler Hansen Wildlife Refuge and Viewing Center, Julia Butler Hansen Heritage Center, historic churches and buildings, the historic Deep River Church, Wahkiakum Historical Museum, the Taste of Wahkiakum, Bald Eagle Days Festival, the Cathlamet Wooden Boat Show & Festival, the Annual Crab Feed, the Wahkiakum County Fair, Labor Day Chili Cook-off, and the Finnish-American Folk Festival, all of which attract many visitors. The newly formed Art Guild has its first art show with better than expected results. We see a bright future for local artists. Over 6,000 visitors from many countries and the United States have visited the Naselle area for the Finnish-American Folk Festival.

A new Visitor's Information Center (VIC) has opened in Cathlamet in the Scarborough Building and a Chamber/Marketing director has been hired to assist the Wahkiakum Chamber of Commerce and run the VIC. Many area brochures are available for visitors. Also, a 1936 San Francisco Trolley has recently been purchased and restored to transport visitors to events around Wahkiakum County. A new Visitor's Information/Chamber website for Wahkiakum County and Naselle is available at www.WahkiakumChamber.com and www.LowerColumbiaEDC.org.

Wahkiakum County reports that much of its tourism activity is centered on water-based recreation. Sports such as yachting, windsurfing, fishing, ship watching, and canoeing and kayaking are playing an increasing role in the overall tourism economy. Additionally, the county markets historic walking tours and wildlife viewing activities as both Wahkiakum County and Pacific County have experienced growth in nature-based tourism or "soft adventures" travel. The Paddle Sports Center in Skamokawa is just one of the successes in developing this soft adventure market. A \$1.5 million investment has been made on the Skamokawa waterfront, which reopened the general store, created a bed and breakfast inn, small retreat center, condominiums, and a full service Sports Paddle Touring Center. The new Scarborough Building in Cathlamet has opened with high-end shops and a glassblowing studio. In addition, a new Italian Tuscany style Villa Bed & Breakfast has been built on the Columbia River near Cathlamet. The Villa will cater to water traffic as well as scenic by-way travelers and will offer corporate parties, weddings, and kayak tours. Two more Bed & Breakfast facilities and rustic cabins at the marina have opened to accommodate the increase of visitors.

Weaknesses include limited overnight accommodations in many areas and the lack of meeting/convention space as limiting factors. Elma, Ocean Shore and Westport have added hospitality businesses and convention centers responding to tourism demands as have the Quinault Nation with their expanding Quinault Beach Resort. Other weaknesses are the vulnerability of areas dependent on sports-related fishing/claming to seasonal restrictions and lack of infrastructure. In some areas of each county, visitor-related development is restricted due to limited water, wastewater, and storm drainage infrastructure.

The Columbia-Pacific district has experienced a surge in tourism traffic in recent years. Tourism travel below regional potentials is related to several factors. First, the salmon decline in the Pacific Northwest and the impact of court decisions has severely affected sports fishing operations in the Ilwaco/Long Beach Peninsula and Westport areas. Second, a shortage of

infrastructure to support higher-end tourists makes much of the area a pass-through rather than a destination area. Addressing such visitor related infrastructure deficiencies has become a major emphasis of economic development and county agencies.

Opportunities for increased visitor business throughout the Columbia-Pacific region can be stimulated by regional tourism marketing, development of stable multi-sport fisheries, improved lodging facilities consistent with market demand, and quality small-town shopping experiences. Several projects have been listed on the project lists of each of the counties. In Wahkiakum County, Port District #1 has completed preparations for its marina site to include a hotel, restaurant, and mini-convention and retreat center on the waterfront. Port District #1 has also completed the expansion of its RV Park to include 15 new sites with hook-ups and is now considering cabins for overnight visitors. Other projects slated to begin in Wahkiakum County include Port One's convention center marketing efforts and Port District #2's Skamokawa Vista Park expansion.

In Mason County, the reopening of Alderbrook Inn created expectations that the facility will be an even greater tourism asset than previously. In the south end of the county, the Little Creek Casino continues to draw a very large patronage. The new hotel at that location is expected to generate even more visitor spending.

The continuation of the Lewis and Clark Bicentennial Commemoration promises a steady flow of tourist traffic to both Wahkiakum and Pacific Counties. As an event of national significance, it also opens the opportunity to improve local infrastructure. As infrastructure deficiencies and visitor amenities in the region are overcome, the region's growing tourism market will continue to expand.

III. VISION: WHERE DO WE WANT TO BE?

Vision Statement

Attaining harmony between conservation, sustainable use of natural resources, and regional economic development.

Columbia-Pacific Economic Development District will strive to preserve the rural quality and promote the economic health and character of Mason, Grays Harbor, Pacific, and Wahkiakum Counties and the five American Indian reservations within the district for the benefit of our residents and visitors. We will work to maintain and support our rural assets, which include: abundant natural resources; scenic and recreation areas; healthy ecosystems; and clean air and water.

We intend to promote the traditional economic engine, through business development, that has allowed residents to work where they live rather than have to commute to urban population centers.

We will work to enhance our communities, which will serve as centers of economic, cultural, civic, and social activity. We will work to diversify our economic base and help communities to become more self-sustaining in order to achieve greater economic stability and growth.

We will act as a catalyst in fostering cooperation on economic development and natural resource issues by building partnerships and facilitating action to achieve economic health and quality of life in our communities.

Goals & Objectives Defined

Formulating goals and objectives for economic development follows the assessment of the local economy and represents an important planning process function. Goals and objectives have been prepared based on:

- A review of existing planning documents for the district, each of the four counties and those American Indian reservations that prepare such documents.
- Suggestions and comments made by CEDS committee representatives.

In general, goals and objectives have been designed to be applied district-wide; however, they also represent the counties' individual interests. Greater detail specific to the unique circumstances of a particular county or community is provided in the project listings.

CEDS goals are intended to provide a framework for public and private decision-making. They should reflect the desires of most area residents and state the types of economic activity to be encouraged. Columbia-Pacific RC&EDD is intended to be a regional forum. Some underlying constraints within the region are emerging, that impact the effectiveness of regional economic development. These issues should be addressed in the upcoming years:

- Lack of buy-in by many local officials.
- Inadequate knowledge of the organization by the larger community.
- Parochial mindset.
- Fear of change and/or the unknown.
- Ineffective communication between economic development and other groups.
- Undercapitalization of rural areas.

While goals are abstract and general, objectives should be concrete and specific. Objectives are derived from the opportunities and constraints analysis.

Columbia-Pacific District-Wide Goals & Objectives

CEDS goals and objectives include six objectives, supporting previously identified goals in natural resource industries, business development and diversification, visitor and commercial services, community development, and partnerships. The first goal is aimed at short-term economic recovery. Subsequent goals are part of a longer-term economic development and diversification strategy.

Short-Term Economic Recovery

Goal:

- Take immediate action to mitigate effects of declining employment in natural resource-based industries.

Objectives:

- Support workforce training and other employment assistance and re-training programs to help workers displaced from traditional resource based industries gain skills and education for long-term employment in other fields.

- Raise capital to generate jobs.
- Focus near-term assistance on firms, nonprofit organizations, and individuals to alleviate poverty.
- Provide funding for public works projects and business developments, which can help create or retain jobs.
- Work to retain manufacturing skill sets in the district by helping local economic development agencies and municipalities develop the necessary infrastructure for such businesses and work with Grays Harbor College to expand re-training opportunities.

Natural Resource Industries

Goal:

- Sustain and diversify the natural resource-based industries for which the Columbia-Pacific district has a competitive advantage and makes our region unique.

Objectives:

- Cooperatively develop plans that balance management and sustainable use of the region's natural resources.
- Support a cooperative and predictable regulatory and planning framework for protection, restoration, and long-term management of natural resources.
- Investigate value-added opportunities for natural resource-based products.

Business Development & Diversification

Goal:

- Retain and encourage the expansion of existing businesses, and develop new business taking advantage of local resources.

Objectives:

- Assist in developing adequate, suitably-zoned, serviced, and environmentally acceptable sites to meet the full range of industrial and commercial business needs and opportunities in each county of the Columbia-Pacific region.
- Encourage investments in transportation, water, sewer, telecommunications, and other infrastructure as needed to leverage investments that create or retain jobs.
- Attract a more diversified base of non-resource related industries.
- Incubate and support entrepreneurship with business assistance programs.
- Assist local businesses to ascertain needs and opportunities for continued operation and expansion.
- Disseminate business planning information for business start-ups and expansions.

Visitor & Commercial Services

Goal:

- Maintain and expand commercial retail and service businesses.

Objectives:

- Enhance the region's visitor appeal with cooperative marketing and development of additional visitor facilities and the infrastructure necessary to support growth of the industry.
- Support local downtown commercial revitalization programs.
- Encourage the development of educational and interpretive facilities to promote opportunities organized around the region's heritage, waterfronts, recreational, and eco-tourism attributes.

Community Development

Goal:

- Enhance the availability of education, health, human, and social services throughout the Columbia-Pacific region to help make communities more attractive to business.

Objectives:

- Encourage maintenance of existing decent housing and development of new affordable housing consistent with changing population and household demands.
- Support efforts to stabilize, retain, and expand existing health care opportunities.
- Capitalize on opportunities to attract major public facilities that provide secure, long-term employment.
- Assist in the development of public-use facilities that will enhance business attraction and retention.

Partnerships

Goal:

- Foster partnerships between organizations, communities and counties of the Columbia-Pacific region, and with state and federal agencies, to effect long-term economic development and diversification.

Objectives:

- Help strengthen the existing economic development organizations operating in each county of the Columbia-Pacific region—the economic development councils, port districts, and public development authorities.
- Cooperate with municipal, county and tribal governments in projects for economic improvement and diversification.
- Capitalize on partnerships with county services and colleges and training centers to create a well-educated workforce.
- Update the Columbia-Pacific CEDS every year to reflect changing economic conditions, needs, and opportunities.

- Maintain and strengthen relationships with USDA Rural Development, the Economic Development Administration, National Association of Development Organization, and Washington Department of Community Trade and Economic Development.

Goal:

- Promote long-term economic health and quality of life in the region by building and sustaining a regional forum for government leadership, business, education and community.

Objectives:

- Work with existing community leadership training programs and educational institutions that emphasize problem-solving skills. Identify areas where training is not provided and develop programs.
- Use forums, local and regional media, existing organizations and Internet to educate public and elected officials on economic development process.
- Create regional platform on two to three common issues and develop fact sheet and talking points that can be used by all groups when communicating with federal and state officials.
- Find a vehicle for non-traditional groups to have a voice.
- Develop model programs and promote through larger (Statewide, National) forums.

IV. ACTION PLAN: HOW DO WE GET THERE?

The Columbia-Pacific district's development strategy links the assessment of local economic potentials, goals and objectives, with the programs, activities and projects described by the implementation plan. The development strategy also serves as an overall long-term guide to future actions, while specific projects in the implementation plan may change on an annual basis in response to changing needs or opportunities.

This section of the CEDS refines the development strategy to more closely link the economic development evaluation with corresponding items in the implementation plan.

Development Strategy

The development strategy represents a multi-year course of action for economic development and diversification activities throughout the Columbia-Pacific district. This district-wide development strategy also reflects a continuing planning process, which reflects a balance of governmental jurisdictions, private business and citizen interests.

A CEDS Committee with representation from each of the district's four counties shaped the CEDS and provided updated listings of local project priorities. It is emphasized that this development strategy sets a multi-year course of action for meeting regional economic development goals and objectives, as well as local economic development objectives and planning policies.

Economic and Development Assumptions

The following economic and development assumptions serve as guiding principles that link the assessment of economic potentials and resulting goals and objectives to the formulation of a project-specific implementation plan. They have been revised as required and placed in order of their significance to accomplishing goals and objectives and implementation plan items.

1. The cooperative, multi-county framework for economic development that we have established through the Economic Development District is increasingly important for recovery and vitality of the Columbia-Pacific district.

- While each county faces its own set of localized economic issues, Grays Harbor, Mason, Pacific, and Wahkiakum Counties share a broader agenda for development — reflected

in a common set of economic goals and objectives. The EDD provides the four county region with a forum where economic development issues can be discussed and resolved in a coordinated effort for local capacity building.

- Public agencies and economic development organizations expect to seek regional solutions for economic recovery and diversification in an era of increasingly limited public fiscal resources and growing regulatory constraints.

2. The regulatory framework in which we must operate is constraining our ability to accomplish our goals and objectives.

- These increased regulatory constraints are offsetting our balance between conservation and business/employment development. We have been implementing conservation practices on our lands in cooperation with private and public landowners for almost three decades, and have maintained some of the most pristine natural areas in our state. At the same time, we have utilized our natural resources in an increasingly sustainable way, which provides our communities with long-term economic opportunities.
- Environmental concerns at the state and federal level have unfairly placed a great deal of blame on rural communities for depletion of our natural resources. Therefore, we are not being allowed to practice bottom-up problem solving. In actuality, we have known for many years how to take care of our land so that it will continue to give back to us for generations to come. Nearly all land use, growth and environmental concerns stem from the long history of economic decisions being made from outside the region by those who do not have to live with the consequences of those decisions.
- We will continue to advocate for common-sense local solutions to issues such as growth management and sustainable development.

3. Economic recovery and diversification is predicated on improvements to the region's public infrastructure.

- Improvements to the roads, rail, telecommunications, water, sewer and drainage systems have been major priorities of Columbia-Pacific counties in recent years. Other elements of public infrastructure receiving increased attention as precursors to economic development include parks, environmental and habitat improvements, housing, and educational facilities.
- The majority of CEDS projects identified for the region and each county reflect a continuing need for infrastructure improvements. The region's ability to establish a competitive advantage for business and industry requires continued attention to supportive public services and capital investments.
- The updated implementation plan project lists for this CEDS includes a large number of public infrastructure projects to promote business and industrial growth, as well as to add

infrastructure to support the growing tourism industry. Public infrastructure projects include highway corridor improvements, deep water port improvements and harbor dredging, telecommunications projects, a number of municipal and rural water system projects, and a particular focus on sewer and wastewater facilities expansions and upgrades, including alternative waste systems, both domestic and industrial.

4. The impetus for the region's economic recovery will come from a combination of natural resource and more diversified activities.

- Well-managed use of our natural resources will continue to provide our region with the basis of its economy. We are confident that a balance can be maintained between a healthy environment and a healthy economy.
- Activities that bring in new wealth by sales of goods or services to the rest of the world are the economic base of any community, and our natural resources will continue to be our biggest economic asset. Eight clusters have been identified as important to the Columbia-Pacific district's economic stability and future prosperity:

- 1 Forest Products**
- 2 Aquaculture/Fisheries**
- 3 Agriculture/Food Processing**
- 4 Telecommunications/E-Commerce**
- 5 Light Industry**
- 6 Visitor Services**
- 7 Retail Trade**
- 8 Marine Boat Building**

- The first three activities are natural resource-based. Economic stability depends on management of the resource base and increased value-added processing — deriving more jobs and income from each unit of resource. The last five activities represent realistic opportunities for diversification, given the region's current and prospective competitive advantages. Telecommunications, light industry, visitor services, and retail trade all can be developed to complement and reinforce the region's existing strengths in natural resource industries.
- Several projects, which support the growth of these diversified sectors, are included in the updated project lists. Examples include the feasibility of a virtual incubator, business and industrial park development (such as the Satsop Development Park), marina improvements, and a number of transportation improvements and highway projects to service tourism and facilitate freight mobility.

5. The Columbia-Pacific district is in need of economic development and diversification to provide jobs and relieve conditions of both short- and long-term economic distress.

- The four-county economy has been dependent on the natural resource-based industries of agriculture, aquaculture/fisheries, and forest products. Fisheries and forest products activities are severely affected by reduced resource availability, changing technological and market conditions, and environmental regulations.
- Regional and county projects specifically address capitalizing on new economies through telecommunications improvements. Developing infrastructure to support e-commerce and other high tech industry is high on the priority list.

Plan And Schedule For Implementation

For this 2007 CEDS, the EDD has identified several regional implementation plan projects. These projects have district wide effects on economic development and are chosen to focus economic development efforts on projects with the most immediate and sustained impacts.

The Columbia-Pacific district's plan for implementation represents the final step in the annual CEDS planning process. The development strategy links the assessment of local economic potentials, goals, and objectives with resulting programs, activities, and projects described by this implementation plan. This planning process also has been guided by established CEDS criteria for resource utilization and project selection.

Criteria for Resource Utilization & Project Selection

As part of this CEDS, several criteria have been identified for project submittal. Projects for implementation of this CEDS have been suggested for consideration by the members of the Columbia-Pacific Resource Conservation & Economic Development District Council. Criteria identified for project submittal and evaluation include:

- 1 Promoting economic diversification**
- 2 Facilitating infrastructure improvements**
- 3 Providing long-term sustainable economic opportunities**
- 4 Creating a business-friendly environment**
- 5 Reversing declining wage trends**

Regional projects are the product of the CEDS Committee facilitation processes. History has demonstrated that opportunities are reliant on many factors coming together, so these projects are not prioritized. Each county has identified and prioritized its own implementation plan projects.

Implementation Plan Projects

District Projects

A total of ten Columbia-Pacific regional economic development projects are included in this CEDS implementation plan. Regional projects are generally broad in scope and on-going in nature, reflecting the goals and objectives of the district. Therefore, the CEDS committee chose not to put specific timelines on many of these projects.

The projects chosen represent the application of the Columbia-Pacific district's development strategy, which links local economic development goals with specific programs and activities. The regional project list for this CEDS update includes a number of common themes, which relate the projects to the overall development strategy for the region. Some of these themes include:

- 1 Technology-driven, more diversified natural resource sector;
- 2 Infrastructure and community facilities to maintain competitiveness in industries ranging from trade to tourism; and
- 3 Cooperative, multi-jurisdictional planning and implementation.

The Columbia-Pacific CEDS Committee has approved inclusion of all projects in this listing for further consideration by the U.S. Economic Development Administration, U.S. Department of Agriculture Rural Development, and other appropriate funding entities. The CEDS Committee and Columbia-Pacific EDD are prepared to work in cooperation with EDA, local jurisdictions, and other funding entities to provide further information to advance this recommended implementation program.

Figure 31. Columbia-Pacific RC&EDD District Areas for Diversification

Projects:

- 1 Provide assistance to local economic development organizations so that they can provide technical assistance to businesses and companies experiencing problems that could lead to plant closures and technical and research assistance to new and expanding companies and organizations to determine needs, seek resources and conduct economic development planning activities.
 - Provide training and technical assistance to develop a diversified funding base.
- 2 Work with local economic development planning agencies to develop the District's regional Comprehensive Economic Development Strategy.
 - Gather information from EDC of Mason County, Grays Harbor EDC, COG, Grays

Harbor PDA, Port of Grays Harbor, Port of Willapa Harbor, Pacific County, Pacific EDC, Lower Columbia EDC

- 3 Assist local units of governments with grants, grant-related applications and economic development activities.
4. Investigate sustainable development opportunities for local industries.

5. Participate in developing regional tourism opportunities.
 - Work with Westport Maritime Museum and County Tourism on destination attraction plan.
6. Work with higher and secondary educational institutions on workforce development.
7. Provide information to small communities about alternative ways to meet environmental requirements of wastewater treatment to keep it as affordable as possible.
 - Continue working with North Peninsula PDA on Ocean Park wastewater issues.
 - Work with EDC of Mason County on Hood Canal issues.
8. Coordinate and/or provide ongoing information and education opportunities for LMS and Carbon Sequestration.
9. Increase employment opportunities by assisting employees in retaining jobs.
 - Work with Port of Grays Harbor, Grays Harbor College, Port of Willapa Harbor and Grays Harbor PDA to retain manufacturing employees in district.
10. Work with low-income housing organizations to plan for the elimination of substandard housing
 - Help build the capacity of Habitat for Humanity of Grays Harbor.
 - Work with Pacific County to build the capacity of its new Housing Authority.

Source: Columbia-Pacific Resource Conservation and Economic Development District, May 2006.

County Projects

Each of the four counties within the Columbia-Pacific region has separately identified county-level implementation plan projects. All county-level projects were chosen according to the overall development strategy and the criteria for resource utilization and project selection. A total of 128 county-level economic development proposals have been received and are included in this implementation plan.

County-level project priorities are submitted by each county, without further prioritization by the CEDS Committee. The Columbia-Pacific CEDS Committee has approved inclusion of all projects in the county listings for further consideration by the U.S. Economic Development Administration and other appropriate funding entities.

Economic Development professionals work in cooperation with city, county, state, and federal government representatives to apply for funding and complete projects as soon as possible. Prioritization allows for projects with the greatest potential economic and social benefit to receive top consideration for funding.

Grays Harbor County

The following figure identifies the Grays Harbor project listing. The projects are prioritized based on their importance to the economic development potential and social benefit to the county. The CEDS project list is consistent with the counties' project lists and includes a number of types of projects including:

- Municipal and rural infrastructure development such as water and sewer upgrades.
- Habitat restoration for creeks and watersheds.
- Industrial and commercial development such as business and industrial parks with an emphasis on required new building spaces.
- Port and Satsop PDA developments such as warehousing and marine terminal improvements.

Figure 32. Grays Harbor County Economic Development Project Listing

Priority #	Lead Agency	Project Name	Est. Project Cost
1	Aberdeen/G.H. County	Industrial Water Line Rehabilitation/Junction City RR Spur	\$1,500,000
2	Grays Harbor PUD #1	2006 Capital Improvements	\$13,000,000
		Monroe and Adams Street Substation Improvements	\$1,600,000
3	G.H. County	Union Gospel Mission Renovation	\$3,040,569
4	Port of Grays Harbor	Port Industrial Road Safety and Mobility Improvements Phase I	\$1,800,000
5	Elma/GH County	City of Elma Capitol Facilities Improvements	\$10,000,000
6	Elma	Water Distribution System Improvements	\$2,626,200
7	Hoquiam	Water Transmission Line Replacement	\$8,000,000
8	McCleary	Industrial Lands Infrastructure	\$1,653,000
9	Hoquiam	Hoquiam River Crossings Project	\$1,150,000
10	Westport	Westport Downtown Development	N/A
11	Ocean Shores	Shoreline Protection and Storm Damage Reduction	\$40,000,000
12	Aberdeen	Aberdeen Downtown Revitalization	\$2,000,000
13	Montesano	Wastewater Collection/Treatment Expansion/East step Collection Phase I	\$1,415,000
14	G.H. County	North Beach Water & Sewer Systems	\$11,000,000
15	Aberdeen	Traffic Congestion Mitigation Project	\$7,000,000
16	Cosmopolis	Downtown Corridor Improvements Phase II	\$1,200,000
17	Aberdeen	Wastewater Systems Improvements	\$8,000,000
18	Hoquiam	Broadway Bank Stabilization	\$2,300,000
19	Aberdeen	Downtown Aberdeen Transit Center	\$1,000,000
20	Oakville	Downtown Improvement Project	\$345,000
21	Grays Harbor PDA	Infrastructure Improvements- Westpark	\$400,000
22	Grays Harbor PDA	Turbine Building Improvements- BMT Northwest	\$5,053,048
23	Grays Harbor PDA	Regional Training Center --Energy Studies	\$9,000,000
24	Grays Harbor PDA	40,000 sq. ft. Manufacturing Bldg.	\$4,300,000

25	GH County	Pacific Beach Main Street Improvements	\$50,000
26	Port of Grays Harbor	Manufacturing Facility Expansion-Warehouse A	\$4,100,000
27	GH County	Fairground Improvements	\$1,250,000
28	Grays Harbor PDA	Feasibility Study-Wastewater Treatment Facilities	\$54,000
29	Port of Grays Harbor	IDD1 Development-WSDOT Special Const. Site	Unknown
30	Port of Grays Harbor	AGP Expansion Terminal 2	\$9,500,000
31	Port of Grays Harbor	Imperium GH- Rail & Utility Improvements	\$2,500,000
32	Port of Grays Harbor	Westport Marina Redevelopment Plan	\$203,000
33	Port of Grays Harbor	Marine Terminal Redevelopment and Deeper Draft	\$12,000,000

February 5, 2007

Mason County

The following figure identifies the Mason County project listing. The CEDS project list includes a number of types of projects including:

- Municipal and rural infrastructure development such as water, sewer, and electrical power upgrades.
- Emergency services expansion.
- Industrial site development
- Telecommunications development

Figure 33. Mason County Comprehensive Economic Development Strategy Project List for 2007-2008

Priorit y	Lead Agency	Project	Estimated Cost
1	City of Shelton	Shelton Area Regional Water and Wastewater Facilities	\$42,000,000
2	Mason County PUD #1	Canal Mutual Water Improvements	\$715,000
3	City of Shelton	City of Shelton Infiltration & Inflow Control Project	\$25,000,000
4	Mason County	Capital Improvements & Implementation Planning for Mason County Sewer System	\$1,000,000
5	Mason County PUD #1	Hoodsport Community to Skokomish Valley Sewer System	\$4,500,000
6	Port of Shelton	Marina Sewer Line To Marina	\$500,000
7	Port of Allyn	Upgrade Allyn Water System	\$125,000
8	Mason County	Fairgrounds Relocation	\$2,000,000
9	Mason County PUD #3	Mountain View Substation Rebuild and Transmission Switchyard Construction*	\$3,000,000
10	Port of Allyn	Architectural Standards & Regs for Commercial Zone & Industrial Lands Zoning Regulations	\$25,000
11	Mason County PUD #3	Belfair Fiber Optic Expansion*	\$500,000
12	City of Shelton	Seventh and Alder Intersection Improvements	\$1,000,000
13	Port of Shelton	Sewer Collection Infrastructure	\$150,000
14	Belfair Water District #1	Pressure Zone Interconnection Project	\$431,000
15	Mason County PUD #3	Electric Utility Upgrade and Infrastructure in PUD#3 Area	\$11,000,000
16	Mason County PUD #3	Countywide Fiber Optics Backbone & Distribution	\$5,000,000
17	Mason County	Coordinated UGA Stormwater Design & Implementation*	\$500,000
18	Mason County Fire District #5	Co-location of Mason County Communications	\$758,100
19	Port of Shelton	John's Prairie Roadway Paving	\$350,000
20	Port of Shelton	John's Prairie Capital Hill Utilities	\$100,000
21	Port of Shelton	20K SF Building Construction & Site Development*	\$1,700,000
22	Mason County Fire District #5	Central Administration Repair & Training Facility	\$1,600,000

23	Port of Shelton	JP Brownfield Cleanup	\$100,000
24	Port of Allyn	Industrial Development Area Belfair	\$2,000,000
25	Mason County Fire District #5	Allyn Fire Station Expansion	\$850,000
26	City of Shelton	Olympic Hwy N Major Overlay	\$1,664,651
27	City of Shelton	Wallace Kneeland Blvd Overlay	\$1,016,983
28	Mason County PUD #1	Skokomish Substation*	\$500,000
29	Port of Shelton	Renovation of Building 1	\$1,600,000
30	Mason County	Coordinated UGA Stormwater Design & Implementation*	\$500,000
31	Port of Shelton	John's Prairie Rail Spur Rehabilitation	\$450,000
32	City of Shelton	State Route 3 Corridor Improvements	\$2,500,000

* Denotes new project

Source: Economic Development Council of Mason County, May 2007

Pacific County

The following figure identifies the Pacific County prioritized project listing. The project listing serves both as the County's recognized Prioritization List and the CEDS project list. The CEDS project list includes a number of types of projects including:

- Development for a four county region education opportunities for value added agriculture businesses.
- Provided support for the construction of the new Grays Harbor College Education Center located at the Port of Ilwaco.
- Municipal and rural infrastructure development such as water and sewer upgrades.
- Port development such as dredging and storm water improvements.
- Community based development projects such as: The Chinook School, Timberland Library Elevator, and Ilwaco Community Center Upgrades.
- Tourism based development projects such as: Long Beach Peninsula Visitor Bureau building, Discovery Trail, Beach to Bay Trail, street and lighting improvements.

Figure 34. Pacific County Economic Development Project Listing

Priority	Project	Estimated Cost Amount
1	City of Ilwaco -- Ilwaco Community Building Renovation	\$1,500,000
2	Port of Ilwaco - Marina Reconstruction	\$2,000,000
3	City of South Bend – South Bend Reservoir Project Port of Ilwaco - Inner Harbor Dredging	\$500,000
4	Port of Peninsula – Nahcotta Mooring Basin Dredging Project City of Long Beach - Long Beach North Water Line Loop	\$100,000
5	Public Utility District #2 – Bay Center Water System Improvements Port of Peninsula - Beach to Bay Trail	\$232,000
6	Port of Peninsula – Beach To Bay Trail Port of Willapa Harbor - Pacific-Wahkiakum County Dredging Program	\$1,000,000
7	City of Long Beach – Long Beach North Water Line Loop City of Raymond - Water Treatment Plant Improvements	\$170,000
8	City of Ilwaco - Electrical & Control Upgrades Water Treatment Facility	\$125,000
9	Port of Raymond – Water Treatment Ilwaco - Boatyard Improvements	\$150,000
10	Port of Ilwaco – Inner Harbor Dredging Port of Chinook - Chinook School Community Project	\$750,000
11	Port of Ilwaco – Plate Freezer Upgrade City of Raymond - Sewer System Infrastructure Improvement	\$1,000,000
12	Pacific County – Chinook School Community Project City of Long Beach - Ocean Dune Open Space Park	\$200,000
13	City of Ilwaco – Raymond - Water System Infrastructure Improvements	\$456,280
14	Port of Willapa Harbor – Willapa Bay Dredging Cooperative Port of Peninsula - Service Pier Replacement and Expansion	\$250,000
15	City of Raymond – Sewer System Infrastructure Improvement City of Ilwaco - Streetscape Improvements to Downtown & Port Area	\$39,622
16	City of Raymond – Water System Infrastructure Improvements City of Raymond - Storm Drainage Comprehensive Plan	\$150,000
17	Willapa Community Development Association – Shone Building Pier Columbia Pacific RC & EDD - Wastewater Treatment Alternatives	\$82,150
18	Pacific County – EDC - Pacific County Housing Authority Housing Assessment . / Wahkiakum Co. Industry Cluster Focus Plan Project	\$10,000
19	City of Long Beach – Ocean Dune Open Space Park City of Raymond/Pacific County - Swimming Pool	\$780,000
20	Public Utility District #2 – Lebam Water System Third Well & Pipe Ilwaco Heritage Museum - IHM Millennium Project	\$90,000
21	City of Raymond/Pacific County – Swimming Pool Port of Ilwaco - Saturday Market at the Port of Ilwaco Fresh Produce Expansion Project	\$195,118
22	Columbia-Pacific RC&EDD – Wastewater Treatment Alternatives Long Beach Visitor Bureau - Overall Strategy Inventory Plan for Nature Base Tourism for Pacific County	\$9,000
23	City of Ilwaco – Streetscape Improvements to Downtown & Port Area Pacific County EDC - Industrial Facilities Update	\$5,000
24	City of Raymond – Storm Drainage Comprehensive Plan Port of Willapa Harbor - Willapa Crafts Incubator	\$500,000
25	Port of Willapa Harbor – Willapa Crafts Incubator Pacific County - South County Youth Recreation Facility	\$25,000
26	Ilwaco Heritage Museum – Millennium Project Pacific County - Ocean Park Elevated	\$2,000,000

Water Storage Tank

27	Pacific County – South County Youth Recreation Facility Pacific County - Flood Control Zone District No. 1 Comprehensive Mitigation Plan	\$50,000
28	Pacific County – Ocean Park Elevated Water Storage Tank Port of Willapa Harbor - Willapa Harbor Airport Industrial Park	\$50,000
29	Pacific County EDC – Pacific Asset/Cluster Development Pacific County - Salmon Creek Water System Improvements	\$150,000
30	City of Ilwaco – Grays Harbor College Education Center Columbia Pacific RC & EDD - Small Business "Virtual" Incubator Feasibility Study	\$500.00
31	Pacific County EDC – Olympic Coastal E-Development Initiative City of Ilwaco - Grays Harbor College Education Center	\$400,000
32	Pacific County – Flood Control Zone District #1 Comprehensive Mitigation Plan City of Long Beach - Long Beach Pier	\$200,000
33	Long Beach Peninsula Visitor’s Bureau – Overall Strategic Inventory Plan for Nature-based Tourism for Pacific County City of Long Beach - Long Beach Conference Center	\$400,000
34	Pacific County – Salmon Creek Water System Improvements Port of Willapa Harbor - Willapa River Boating Park	\$12,000
35	Port of Ilwaco – Saturday Market at the Port of Ilwaco Fresh Produce Expansion Project Port of Willapa Harbor - Valvexx Manufacturing Facility	\$1,580,000
36	City of Long Beach – Long Beach Conference Center City of South Bend - City Reservoir Project	\$1,591,000
37	City of Long Beach – Long Beach Pier Pacific County - Pacific County Park Restrooms	\$160,000
38	Pacific County EDC – Four County Value Added Agriculture Education	\$20,000

Source: *Pacific Council of Governments, 2007*

Wahkiakum County

The following figure identifies the Wahkiakum County prioritized project listing. The CEDS project list is consistent with the county's project list and includes a number of types of projects including:

- Municipal and rural infrastructure development such as water, sewer, and road improvements.
- Tourism related development such as a sidewalk and street improvements, a skate park, and convention center marketing.
- A number of community-based improvements such as a swimming pool upgrade, downtown revitalization, new fire hall and city hall, and historic building restoration.
- Value Added Agriculture such as a commercial kitchen, farmer's market, and Columbia-Pacific agriculture marketing.

Figure 35. Wahkiakum County Economic Development Project Listing

No	Lead Agency	Project Name	Estimated Cost
1	Lower Columbia EDC	Agriculture Value-Added Educational Program	\$25,000
2	Wahkiakum Port #1	Port District #1 Mini-Convention Center	\$1,000,000
	Wahkiakum P.U.D.	Puget Island Water System Transite Pipe Replacement	\$394,182
3			
4	Wahkiakum P.U.D.	Western Wahkiakum Water System Expansion	\$1,796,700
5	Wahkiakum Diking Dist. #1	North Welcome Slough Bank Erosion	N/A
6	Wahkiakum Diking Dist. #1	Pancake Point Erosion Control	N/A
7	Wahkiakum Diking Dist. #1	Brown Slough Pump Station Bank Erosion	N/A
8	Town of Cathlamet	Town Hall Remodel	\$200,000
9	Wahkiakum Port #1	Acquire 30 Room Motel	N/A
10	Wahkiakum Port #1	Purchase of Land for Business Park	\$400,000
11	Wahkiakum Port #1	Small Business Incubator Building Construction	\$200,000
12	Wahkiakum Port #2	Svensen Park Boat Ramp	\$681,000
13	Wahkiakum Diking Dist. #1	Groves Slough Pump Station Sedimentation	\$200,000
	Skamokawa Water & Sewer Dist.	Skamokawa Water System Construction	\$750,000
14			
	Grays River Habitat Enhancement District	Grays River Erosion Control Structures/Grays River Water District Bar	\$98,500
15		Fossil Creek Restoration Project	\$50,000
16			
17	Town of Cathlamet	Library Study	N/A
	Wahkiakum Community Network	Cathlamet Skate Park	\$55,000
18			
	Grays River Habitat Enhancement District	Grays River Salmon Habitat Restoration	\$575,000
19			
20	Wahkiakum Port Dist. #2	Vista Park Expansion & Shoreline Trail	\$950,000
	Wahkiakum P.U.D.	Pillar Rock Altoona Main Line Water Service Extension	\$30,000
21			
	Wahkiakum Weed Control Board	Aquatic Weed Control Projects	N/A
22			
	Wahkiakum P.U.D.	Feasibility Study to 3-Phase Distribution Inter-Tie West and East County	\$50,000
23			
24	Grays River Grange	Grays River Grange Park	\$210,000
	Wahkiakum County Historical Society	Museum Feasibility Study	\$35,000
25			

* Note: Estimated cost and potential funding sources are provided, based on information currently available. Project information is subject to further refinement in cooperation with project sponsors and funding entities.

Source: Lower Columbia EDC, June 2007

V. EVALUATION: HOW ARE WE DOING?

Evaluation Process and Schedule

In order to determine if our efforts are producing the expected results, we must constantly evaluate, measuring our progress against our stated goals and objectives. The CEDS committee will utilize the Columbia-Pacific Resource Conservation and Economic Development District's yearly evaluation and planning process to measure progress.

At the end of each year, the RC&EDD staff and Council (CEDS committee) will evaluate progress made on each task, and will remove completed tasks, revise ongoing tasks, and add new tasks.

Progress will be reported each year in the Annual Plan of Work and reflected in the annual CEDS update.

Criteria of each project will incorporate EDA's seven investment policy guidelines:

- 1. Is the project market-based?**
- 2. Is the project proactive in nature and scope?**
- 3. Does the project look beyond the immediate economic horizon, anticipate economic changes, and diversify the local and regional economy?**
- 4. Does the project maximize the attraction of private sector investment?**
- 5. Does the project have a high rate of success?**
 - a. Does it have a diversity of funds?**
 - b. Does it have a high degree of local political support?**
 - c. Is sufficient leadership in place?**
- 6. Does the project result in higher-skill, higher-wage jobs?**
- 7. Does the project promote self-sufficiency and provide resources for safe, attractive communities?**

Other criteria Columbia-Pacific RC&EDD looks at when considering projects include:

- 1 How many businesses grow or locate in the District because of available resources?**
- 2 How infrastructure improvements promote economic development?**
- 3 Capital generation using available resources.**
- 4 Information to help communities and businesses use their resources more efficiently.**
- 5 Opportunities to promote regional businesses, visitors, community development.**
- 6 Efforts to alleviate poverty.**

Appendix A. List of References

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Appendix B. The CEDS Committee

The following chart identifies selected characteristics of the 2005 Columbia-Pacific region's CEDS Committee as required by Economic Development Administration guidelines.

Figure 36. Columbia-Pacific Region CEDS Committee, 2007

Member	Representative	Race	Occupation	Economic Interest	Sex	Elected Official
Business Development Services	Jay Hupp	Caucasian	Economic Development	Business	M	No
City of Aberdeen	Lisa Scott	Caucasian	Employee	Government	F	No
City of Cosmopolis	Loren Williams	Caucasian	City Council	Government	M	Yes
City of Hoquiam	Brian Shay	Caucasian	City Staff	Government	M	No
City of Long Beach	Ken Ramsey	Caucasian	Council Member	Government	M	Yes
City of McCleary	Wally Bentley	Caucasian	Mayor	Government	M	Yes
City of Ocean Shores	Rich McEachin	Caucasian	City Manager	Government	M	No
City of Raymond	Bob Jungar	Caucasian	Mayor	Government	M	Yes
City of South Bend	Norty Grant	Caucasian	Retired	Government	M	No
City of Westport	Randy Lewis	Caucasian	Employee	Government	M	No
Coastal Community Action Program	Troy Colley	Caucasian	Non-profit, Exec. Dir	Minority/ Under-employed/ Unemployed/ Elderly	M	No
EDC of Mason County	Matt Matayoshi	Asian-American	Non-profit, Employee	Private Industry/ Economic Development	M	No
Grays Harbor Chamber of Commerce	LeRoy Tipton	Caucasian	Employee	Business	M	No
Grays Harbor College	Ed Brewster	Caucasian	Employee	Higher Education	M	No
Grays Harbor Conservation District	Terry Nielson	Caucasian	Employee	Agriculture	F	No
Grays Harbor Council of Governments	Vickie Cummings	Caucasian	Employee	Government	F	No
Grays Harbor EDC	Roger Milliman	Caucasian	Employee	Private Industry/Economic Development	M	No

Grays Harbor Historical Seaport Authority	Les Bolten	Caucasian	Non-profit, Executive Director	Business/ Tourism/ Community Development	M	No
Grays Harbor Public Development Authority	Jim Eddy	Caucasian	Board Member	Economic Development	M	No
Grays Harbor Public Utility District	Doug Smith	Caucasian	Employee	Public Utilities	M	No
Habitat for Humanity of Grays Harbor	Jonathan Fischer	Caucasian	Board President	Housing	M	No
Lower Columbia EDC	Richard Erickson	Caucasian	Employee	Economic Development/Tourism	M	No
Mason County	Lynda Ring-Erickson	Caucasian	Commissioner	Government	F	Yes
Mason County Conservation District	John Bolender	Caucasian	Employee	Agriculture	M	No
Mason County PUD #3	Joel Myer	Caucasian	Employee	Utilities	M	No
Mason County Transit	Kathy Cook	Caucasian	Employee	Transportation	F	No
Pacific Aging Council Endeavors	Cathy Bannister	Caucasian	Employee	Aging Services	F	No
Pacific County	Pat Hamilton	Caucasian	County Commissioner	Government	F	Yes
Pacific County EDC	Cathy Russ	Caucasian	Non-Profit	Private Industry/Tourism/Economic Development	F	No
Pacific Transit System	Tim Russ	Caucasian	Employee	Transportation	M	No
Port of Grays Harbor	Diane Souron	Caucasian	Employee	Industry	F	No
Port of Peninsula	Mary DeLong	Caucasian	Employee	Industry	F	No
Port of Willapa Harbor	Rebecca Chaffee	Caucasian	Employee	Industry	F	No
Quinault Indian Nation	Crystal Sampson	Native American	Employee	Minority/ Under-employed/ Unemployed	F	No
Shoalwater Bay Indian Tribe	Steve Spencer	Native American	Employee	Minority/ Under-employed/ Unemployed	M	No

Shorebank Enterprise	John Berdes	Caucasian	Non-profit, Employee	Business/ Finance	M	No
Town of Cathlamet	Richard Swart	Caucasian	Mayor	Government	M	Yes
Wahkiakum Community Foundation	Karen Bertroch	Caucasian	Nonprofit, Executive Director	Community Development	F	No
Wahkiakum County	Richard Erickson	Caucasian	Commissioner	Government	M	No
Wahkiakum Port District #2	Carlton Appelo	Caucasian	Commissioner	Government/ Utilities	M	Yes
Westport Maritime Museum	T. J. Barcelona	Hispanic	Nonprofit, Executive Director	Tourism	M	No
Willapa Gillnetters Association	Ron Craig	Caucasian	Board member	Private Industry	M	No
	Tim Sheldon	Caucasian	State Senator	Government	M	Yes
	Dean Takko	Caucasian	State Representative	Government	M	Yes

Source: Columbia-Pacific RC&EDD, May 2007