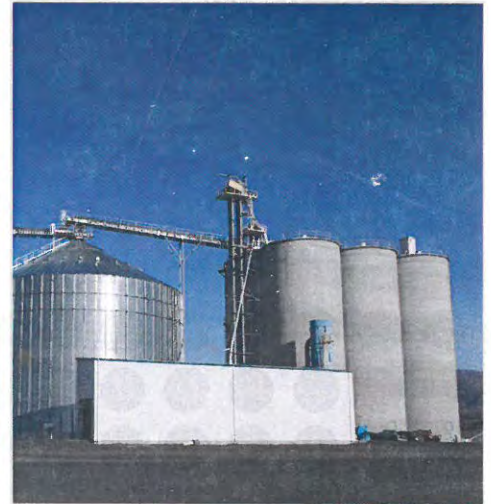




# Port of The Dalles Strategic Business Plan

Volume 1. **Strategy** | October 2013



*Thanks to the Port of The Dalles, its stakeholders, and community partners for sharing their time and insight in the development of this Strategic Business Plan.*



**Acknowledgements:**

This plan was developed by the Port of The Dalles with assistance from Business Oregon.  
For more information about the Port of The Dalles, visit:  
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Thanks to the Port of The Dalles and stakeholders and community partners for sharing their time and insight in the development of this strategic business plan.

Please refer to *Volume 2. Plan* for details.



# The Port of The Dalles Strategic Business Plan

## INTRODUCTION

The Port of The Dalles Strategic Business Plan provides a blueprint for projects and policies to move the Port forward over the next 20 years. The plan is presented in two volumes:

*Volume 1. Strategy* is an executive summary of plan implementation actions.

*Volume 2. Plan* includes all required background materials and appendices.

## KEY FINDINGS

The Port of The Dalles' mission is focused on job creation. Over the past 20 years, the Port has successfully developed its industrial park, which is now a major regional economic engine supporting 1,700 jobs and \$264 million in annual economic output. Because this area is essentially built-out, ready industrial land is now in scarce supply.

The Port proposes to break ground on the North Chenoweth Business Park (50 net acres) in 2013, adding near-term land supply. There is a need for an additional 250 to 300 acres of employment land over the next 20 years, but urban expansion opportunities are limited by the area's steep topography, the boundary of the Columbia River Gorge National Scenic Area (NSA), and the urban growth boundary (UGB) of The Dalles.

This plan recognizes the changing role of the Port as the local economy transitions from agriculture and timber to high technology, clean tech/energy, and recreation-based tourism. Market findings denote recent business investments in value-added agricultural production, avionics, high-tech composites, electronic components, robotics, clean tech/wind energy, and health sciences.



**Figure S1. North Chenoweth Conceptual Development**

Achieving the Port's mission of job creation will require developing policy objectives aimed at maintaining fiscal sustainability and working in partnership with residents, business, and government agencies at all levels.

## STRATEGIC PLAN ACTIONS

In response to market demand, this strategy provides additional employment lands through new development, redevelopment, and infill. Implementation actions are intended to promote “new economy” job growth by providing attractive amenities and coordinated marketing of the area to the West Coast and Asia.

The following projects and actions are proposed for implementation over the next 20 years.

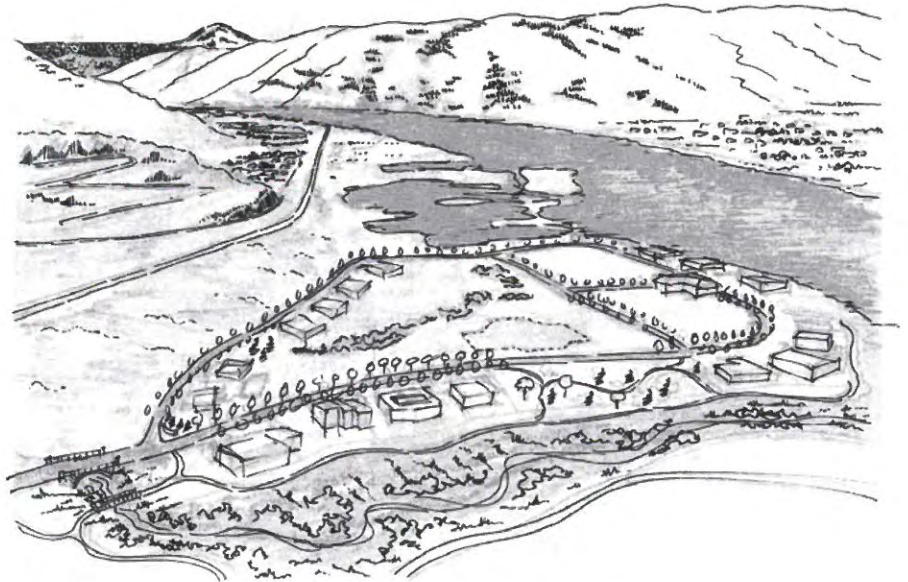
**Table S1. Strategic Action Plan (2013 dollars)**

<b>Projects</b>	<b>Actions</b>	<b>Capital/ O&amp;M</b>	<b>Timeframe</b>	<b>Lead/ Support</b>
North Chenoweth Business Park Infrastructure	<ul style="list-style-type: none"> <li>• Streets</li> <li>• Sanitary</li> <li>• Water</li> <li>• Stormwater</li> </ul>	\$4.5 million	Short term (1-5 years)	Port of The Dalles/ City of The Dalles
North Chenoweth Amenities to Attract “New Economy” Businesses	Target industry amenities: <ul style="list-style-type: none"> <li>• Park elements</li> <li>• River trails</li> <li>• Landscaping</li> <li>• Streetscape</li> </ul>	\$450,000	Short term (1-5 years)	Port of The Dalles/ City of The Dalles
Economic Development Framework Plan	<ul style="list-style-type: none"> <li>• Identify and inventory employment lands</li> <li>• Organize economic development agencies</li> <li>• Market to West Coast and Asia</li> </ul>	Staff Time	Short term (year 1) with ongoing task implementation	Port of The Dalles/ Mid-Columbia Economic Development District Urban Renewal Agency City of The Dalles
New Employment Lands	<ul style="list-style-type: none"> <li>• UGB expansion</li> <li>• NSA amendment</li> <li>• Site permitting</li> <li>• Brownfield issues</li> <li>• Legislative action</li> </ul>	Staff Time	Mid term (6-10 years)	City of The Dalles/ State of Oregon City of Dufur Columbia River Gorge Commission
Brownfield Redevelopment	<ul style="list-style-type: none"> <li>• Due diligence/ environment studies</li> </ul>	\$500,000	Long term (11-20 years)	Port of The Dalles
Marina	<ul style="list-style-type: none"> <li>• Boat launch repair</li> <li>• Marina electricity upgrades</li> <li>• Marina repair</li> <li>• Operations and maintenance</li> </ul>	\$2.6 million		Port of The Dalles/ Oregon State Marine Board City of The Dalles





# Port of The Dalles Strategic Business Plan Volume 2. Plan



**By BergerABAM**

**In Association with FCS GROUP**

July 2013

**Acknowledgements:**

This plan was developed by the Port of The Dalles with assistance from Business Oregon.  
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Please see also *Volume 1. Strategy*



**The Port of The Dalles  
Strategic Business Plan**

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## **PORT OF THE DALLES STRATEGIC BUSINESS PLAN**

### **I. PORT HISTORY**

This chapter provides a brief overview of the Port of The Dalles (Port) in context with the surrounding area.

#### **Wasco County**

Wasco County is located in north-central Oregon and is named for its original inhabitants, the Wascopam Tribe that lived south of the Columbia River. Though Native American trade took place in the area for at least 10,000 years, the county was not established until 1854. The Columbia River served as a gathering place and major trading center for many Native Americans. Today, Wasco County (County) continues to be a major transportation hub for river and inland traffic. Its economy is based on agriculture, manufacturing, electric power, transportation, and tourism.<sup>1</sup>

#### **The Dalles**

The City of The Dalles (City) has served as a regional trade center along the Columbia River, and at one time was a major trading center for Native Americans. According to the Oregon Historical County Records Guide, in the 1800s, European settlers arrived to the area as a stop along the Oregon Trail. In 1854, Europeans settled permanently to the area, which was eventually designated a county seat for Wasco County. The City of The Dalles became a regional trade center and a hub for river, rail, and road transportation. Today, The Dalles continues to remain a trading hub for the Mid-Columbia region.

#### **The Port of The Dalles**

Under Oregon Revised Statutes (ORS) Chapter 777, ports are designated as special districts in the State of Oregon. These statutes give ports many of the standard powers of a public entity, including the ability to levy taxes, borrow money, issue bonds, and charge for services. The Port is an Oregon special district that works to create jobs and recruit businesses by developing industrial lands. It is located on the south bank of the Columbia River and was established in 1933. The terrain includes significant land and low elevations, with some steep topography associated with the Cascades. People have lived in the area for at least ten thousand years, though European settlers began arriving during the 19th Century. The Dalles Dam was completed in 1960, leading the Port to become a stopping point for vessels from the Pacific Ocean carrying fruit, grain, lumber, wool, meat, and oil. Today, small cities, good schools, relatively inexpensive land/rent levels, and convenient access to the mid-Columbia River Gorge labor markets make the area a favorable location for residents and businesses (see Appendix A, Maps).

---

<sup>1</sup> "Wasco County History." *Oregon Historical County Records Guide*. Oregon State Archives, n.d. Web. 15 Jan. 2013.

## II. PORT MISSION, VISION, AND GOALS

The Port's existing mission and vision statements are given in the Port of The Dalles 2009 Strategic Business Plan (2009 Plan) as the following.

### **Mission:**

The Port is dedicated to supporting the creation, retention, expansion, and recruitment of businesses and jobs that will enhance the economy of the port district.

### **Vision:**

The Port will be a critical contributor to economic development in the region by continuing its successful public partnerships and private sector facilitation. In addition to industrial land development, the Port will explore new, fiscally responsible, employment-generating strategies that increase the wealth and well-being of the Port District.

### **Goals:**

The 2009 Plan establishes the Port's priorities for economic development over the next five, 10, and 20 years. The 2009 Plan further lists objectives and specific projects to implement the Port's overall mission.

**Goal: Industrial Development** – The Port will leverage its financial and physical assets to further the mission statement and continue industrial sector growth.

Objective 1: Land Development (in The Dalles and Port District)

- Instigate and/or facilitate development of industrial lands in the District

Objective 2: Land Redevelopment (in The Dalles and Port District)

- Instigate and/or facilitate redevelopment of currently underdeveloped industrial lands in the District

Objective 3: Land Supply (in the region)

- Ensure a buildable industrial land supply of 250-300 acres over the next 20 *years*

**Goal: Regional Participation** – The Port will engage in regional economic development through strategic partnerships with public and private groups in the District and surrounding areas.

Objective 1: Partnerships

- Engage in strategic partnerships with public entities in the District and region to aid completion of economic development projects

Objective 2: Renewable Energy Industry

- Encourage development of the renewable energy industry (generation projects, supply chain manufacturing, supporting services, etc.) in the District and region



Objective 3: Land Development (in the region)

- Work with regional communities to promote economic development and support job creation on industrial lands

**Goal: Facilitation and Recruitment** – The Port will continue its successful partnerships with the public and private sectors to facilitate economic development and recruit business to the District and region.

Objective 1: Recruitment

- Work with landowners and prospective businesses to increase industrial economic development and employment in the District and region

Objective 2: Renewable Energy Industry

- Encourage development of the renewable energy industry (generation projects, supply chain manufacturing, supporting services, etc.) in the District and region

Objective 3: Recreation Industry

- Encourage development of recreation industry projects that provide economic development and create jobs in the District and region

**Goal: Fiscal Strength** – The Port will ensure its fiscal accountability and long-term strength by exploring new revenue sources and investing responsibly in projects.

Objective 1: Land Development

- Instigate and/or facilitate development or redevelopment of industrial lands in The Dalles, the Port District, and communities throughout the region

Objective 2: Recreation Industry

- Encourage development of recreation industry projects that provide economic development and create jobs in the District and region

### III. **STRATEGIC PLAN DEVELOPMENT PROCESS**

This plan is provided to meet the requirements of Business Oregon and was developed with significant community outreach, including 22 stakeholder interviews, public meetings, Commission workshops, and a focus group session. The Port's assets, infrastructure, project and financing needs and implementation strategies were analyzed to help guide the Port's future actions. The public and Port Commission will review and comment on the draft plan in May 2013 and feedback will be incorporated. The consultant team will present a final proposed Strategic Business Plan for Commission adoption (see Appendix B, Public Outreach Summary).

## IV. PORT OVERVIEW AND DESCRIPTION

### A. Sites and Facilities

The Port owns 17 properties in the City of The Dalles and the surrounding area, including a marina, the site of the Port's administrative offices, three undeveloped commercial sites with views of the Columbia River, and the North Chenoweth Business Park site, which is being planned for development (see Appendix C, Facilities Condition Assessment).

#### Marina

The marina is located on the Columbia River in The Dalles on an approximate 15-acre site (see Figure 1 below). The marina can accommodate 62 boathouses and has 25 boat slips and an open moorage area with 12 transient pull-in slips. A launch dock and ramp are located at the east end of the marina. To the east, the marina borders Riverfront Park, a recreational park operated by the Northern Wasco County Park & Recreation District. There are two perimeter breakwaters in the Columbia River that are owned by the US Army Corps of Engineers: a timber pile breakwater along the western perimeter and a rock breakwater along the northern and eastern perimeters. Two rock jetties located on the eastern and western sides of the ramp protect the boat launch.



**Figure 1 – Port of The Dalles Marina**



### **Port Offices**

The Port's offices are located on a 4.23-acre site at 3636 Klindt Drive in The Dalles (see Figure 2). The administrative offices are located in a converted two-story dwelling with a finished basement. South of the administrative offices is a three-bay wood-framed carport. The Port's maintenance shop is located north of the administrative offices and is a two-story wood-framed structure. A stone retaining wall starts at the south end of the carport structure and ends at the maintenance shop. An asphalt parking lot provides surface parking at the Port facilities.



**Figure 2 - Port of The Dalles Office Facilities**

## North Chenoweth Business Park

The North Chenoweth Business Park is an 80-acre unimproved parcel with 50 net buildable acres being prepared for development (see Figure 3). The site is adjacent to the Riverfront Trail and Bonneville Power Administration's Chenoweth substation. The Port is currently developing engineering plans for roads and utilities to serve the North Chenoweth Business Park site.



Figure 3 - North Chenoweth Business Park Concept Plan

## B. Accomplishments

In recent years, the Port and the City have implemented many of the following public facility investments inside the Port District.<sup>2</sup>

- 1985: City passes \$4.5 million bond to improve Port property
- 1998: City annexes Port property
- 1999: Port sets aside 16+ acres for the Riverfront Trail at an estimated value of \$1,250,000 (\$75,000/acre)
- 1999: Port completes the Chenoweth Creek Industrial Subdivision – 58 acres, \$1,500,000 project
- 2001: Port transfers Riverfront Park to Parks and Recreation
- 2002: Port constructs Klindt Cove parking area to access Riverfront Trail and public beach

<sup>2</sup> "Current and Past Projects." *Economic Development*. Port of The Dalles, n.d. Web 8 Jan. 2013.

- 2003: Port invests \$700,000 in infrastructure improvements to add an additional 21 industrial lots to current land inventory
- 2004: Port receives “Certified Industrial Site” certification from the state of Oregon for industrial properties.
- 2005: Port bonds paid off
- 2005: Google purchases 30 acres, Flagstone Development purchases 6.7 acres, Tum-A-Lum purchases 3 acres, Riverfront Assets purchases 2.4 acres
- 2006: Port partners with Wasco County on a new bridge over Chenoweth Creek
- 2009: Port purchases building on Madison Street for Wonderworks new home
- 2012: North Chenoweth Industrial Site receives Business Oregon’s “Decision Ready” Status

### **C. Industrial and Commercial Properties**

The Port is a critical contributor to economic development in the Mid-Columbia region. Most of the Port’s economic activity is within the City, primarily in the Port of The Dalles Industrial Park.

The industrial and commercial properties owned by the Port are generally located north and east of Interstate 84 (I-84) along the Columbia River. The Port continues to invest in infrastructure needed to attract new business and industry. It is anticipated that the Port will break ground on the new 80-acre North Chenoweth Business Park in August 2013. This and other recent infrastructure investments by the City, Port, and Oregon Department of Transportation are expected to leverage additional private industrial and commercial development in the area. Highlights of these investments include:

- New tour boat terminal near downtown
- New riverfront festival area
- Wonderworks (children’s museum) celebrated its grand opening in October 2012. The Port was a major partner in this community amenity. Wonderworks entered into an agreement for the final purchase of the building from the Port once necessary funds have been raised/leveraged for additional capital improvements.
- The Port is working to develop market-ready industrial land on the North Chenoweth Industrial Site (formerly Mountain Fir Lumber). This Port-owned site nets 50-acres and is currently in the conceptual design phase. It will include approximately 10-12 sites of 1.5 to 2 acres each, and an additional 30-acre parcel for larger developments. The site has Business Oregon’s Decision Ready Certification status, which provides advance marketing to prospective site users.
- The Port is working on a programmatic solution to new development because wetlands in this region are frequently hydrologically connected to waters that are habitat for threatened and endangered species, entailing a need to satisfy state and federal regulatory requirements.
- The Port is currently exploring options for a role in the revitalization of downtown The Dalles. Efforts are underway to target potential projects that meet the Port’s mission of economic development.



**D. Zoning**

The Port of The Dalles Strategic Business Plan focuses on development opportunities within its District, which includes the cities of The Dalles and Dufur.

**The City of The Dalles and Dufur**

Zoning for the cities of The Dalles and Dufur (see Appendix A, Maps) show properties within the Port District that are zoned Industrial and Recreational Commercial District. It is recommended that 1-2 acres of the North Chenoweth Business Park be rezoned from Industrial to Commercial/Light Industrial to allow flexibility for limited scale business park employee-serving commercial retail use, such as a restaurant/pub. These zones support a number of economic and employment opportunities as permitted or conditional uses. Tables 1 and 2 summarize permitted or conditional uses in The Dalles Industrial (I), Recreational Commercial District (CR), and Commercial/Light Industrial (CLI) zones. A description of allowed used in the City of Dufur Industrial (M-1) zone follow these tables.

**Table 1 – Port of The Dalles Industrial Area Zones – Permitted Uses**

Permitted Uses	CLI	I	CR
Agricultural Sales and Service, including feed and seed stores, nurseries, greenhouses, landscape supplies, and garden centers	✓		
Animal Sales and Services (pet stores, grooming, kennels, veterinary)	✓		
Automobile and heavy/light equipment repair, sales and services	✓		
Child Care Center	✓	✓	
Contractor shops, offices, and storage areas	✓		
Engineering, research and development	✓	✓	
Food Services	✓		
Hotels and Motels	✓		✓
Laundromats and Dry Cleaners	✓	✓	
Light manufacture, assembly, and packaging	✓		
Liquor stores, taverns, lounges and bars	✓		
Manufactured Home Sales	✓		
Markets and Grocery Stores	✓		
Medical and Dental Offices, Clinics, and Laboratories	✓		
Personal Care Services	✓		
Printing and Publishing	✓	✓	
Professional and Administrative Offices and Services	✓		
Public Parks and Open Space	✓	✓	✓
Public and Private Parking Lots	✓	✓	✓
Public and private transportation depots and terminals, passengers and freight	✓		
Public and private transportation depots and terminals, passengers and freight	✓		

<b>Permitted Uses</b>	<b>CLI</b>	<b>I</b>	<b>CR</b>
Recreation Facilities (commercial - indoor), including health and athletic clubs, bowling alleys, skating rinks, shooting ranges, movie theaters including multiplexes, and game rooms	✓		✓
Residential dwelling for security and maintenance personnel	✓		✓
Retail Uses, including shopping centers	✓		
Wireless Communication Facilities	✓	✓	✓
Warehousing, storage, and distribution of equipment, commodities and products in an enclosed area, including ministorage facilities	✓	✓	
Wholesale Uses		✓	
Auto body shops, auto painting, and machine shops		✓	
Circus or like activity		✓	
Feed, seed and fuel stores		✓	
Food production and manufacturing		✓	
Food Services		✓	
Heavy Equipment Sales and Service		✓	
Manufacturing, fabricating, processing, repair, engineering, research and development, assembly, wholesale, transfer, distribution, and storage uses		✓	
Public and Private vehicle servicing and fueling stations		✓	
Railroad yards and spurs, shipyards, and commercial docking facilities		✓	
Rock, sand, and gravel cleaning, crushing, processing, and assaying		✓	
Rodeo Grounds		✓	
Storage and maintenance yards		✓	
Transportation Facilities		✓	
Truck stop facility		✓	
Veterinary services, kennels, and fish hatcheries		✓	
Warehouses		✓	
Retail uses under 15,000 feet, excluding shopping centers			✓
Conference, Visitors, and Convention Centers			✓
Light Industrial (campus setting or compatible with commercial and recreational uses)			✓
Dwellings with ground floor commercial use			✓
Restaurants			✓
Recreational Vehicle Parks			✓
Accessory uses, buildings, and structures			✓

**Table 2 – Port of The Dalles Industrial Area Zones – Conditional Uses**

<b>Conditional Uses</b>	<b>CLI</b>	<b>I</b>	<b>CR</b>
Community Facilities Sites	✓		✓
Planned Development	✓		✓
Recreational Vehicle Parks	✓		
Wireless Communication Facilities	✓	✓	✓
Adult Business	✓		✓
Agriculture and Aqua-culture	✓	✓	
Bulk fuel stores		✓	
Child Care Center		✓	✓
Collection, packaging, storage and reprocessing of recyclable materials		✓	
Junkyards and automotive wrecking yards		✓	
Recreation Facilities		✓	

**Dufur Zoning Description**

The City of Dufur Ordinance No. 327 defines Industrial as the making of commodities by manufacturing, assembling, fabrication, or compounding by manual labor or machinery. Permitted uses on sites zoned Industrial (M-1) in the City of Dufur include mini-storage facilities and Industrial within an enclosed structure (Light Industrial). Conditional uses on sites zoned M-1 in the City of Dufur include agricultural support services and Industrial outside an enclosed structure (Heavy Industrial).

**E. Commission**

The Port Commission is governed by ORS 777 and its five members include a president and officers. Port Commissioners do not receive a stipend, but are encouraged to attend training and educational opportunities, which are included in the Port’s budget process. These may include local Oregon Special Districts Association conferences, state and regional training, and lobbying efforts in Washington, DC.

**F. Staff**

Port staff members are also encouraged to attend training and educational opportunities that add value to their ability to serve the Port Commission and help achieve the Port’s mission. For both Commission and staff training, a report on the conference, seminar, or workshop is presented to share key materials, and is generally made available for all other Commissioners and staff to review.

**G. Market Conditions**

The following section provides an overview of market conditions (see Appendix D, FCS GROUP Market Analysis).

The US and Oregon economies are still recovering from an 18-month economic recession that began in December 2007 and officially ended in June 2008, according to the National Bureau of Economic Research. As of 2012, moderate economic expansion is occurring nationally and in Oregon. According to the US Bureau of Economic Analysis, real Gross



Domestic Product (GDP) is the measure of the value of all goods and services produced annually) increased by 3.1% during the 3<sup>rd</sup> quarter of 2012, up from an annual rate of 1.7% in 2011 and 3.0% in 2010. The future GDP outlook is promising. According to recent projections by the Federal Reserve Open Market Committee, national GDP is expected to grow by between 2.5% and 3.0% in 2013, and by 3.0% to 3.8% in 2014.

Oregon’s economic growth is tempered by relatively high unemployment rates and home foreclosures that continue to rise. Oregon posted a year-over-year overall job gain of 19,500 jobs between December 2011 and December 2012, which was an improvement over the prior year’s job gain of 17,800 jobs. At the same time, the state’s seasonally adjusted unemployment rate continued to fall from 9.0% in December 2011 to 8.4% in December 2012 (still higher than the 7.8% unemployment rate for the US). Overall unemployment rates in Wasco County have been lower than the state average with 7.7% unemployment in December 2012, which was more favorable than 8.2% recorded one year prior.

Fortunately, it appears that the Oregon and Washington are now undergoing a modest economic recovery. In Oregon, state economists are predicting a continued upturn in the short term, with employment growing slowly at about 1.2 percent in 2012, plus slightly higher growth in 2013. The Oregon economy should experience more rapid growth than the nation as a whole, but this is not expected to generate a corresponding rise in per capita personal income before 2017, since any income gains will be largely offset by increases in the state population.

## H. Local and Regional Partners

Ongoing collaboration with strategic partners allows the Port to leverage efforts to address its mission and manage its assets. Table 3 summarizes the Port’s role in working with each organization.

**Table 3 - Port of The Dalles Organizational Partners**

<b>Port Partners</b>	<b>Role and Key Issues</b>
Columbia River Gorge Commission	Support the City in its pursuit of a National Scenic Area Boundary amendment
Oregon Land Conservation and Development Commission	Support the City in its efforts to coordinate with the DLCDD to ensure Urban Growth Boundary Expansion compliance
Mid-Columbia Economic Development District (MCEEDD)	Partners on key economic development initiatives to grow businesses
Regional Solutions Team	Governor’s team of state agencies assigned to assist with local to state problem solving
Community Outreach Team	Local leaders in business, education and industry invited to assist with Strategic Business Plan development
Columbia Gorge Regional Airport	Owners of industrial land in The Dalles – the Port has supported economic development through water system improvements across the river in Dallesport, Washington

Port Partners	Role and Key Issues
Columbia Gorge Community College Small Business Development Center	Financial analysis, business planning, market research and business coaching
Local Businesses and Tenants	Provide opportunities for business expansion on and off of port holdings
City of The Dalles	Coordinate for economic development, Particularly downtown
Wasco County	Coordinate regarding roadway improvements that extend into County jurisdiction
Oregon Department of Transportation	Review and analyze proposed development against traffic trip assignments in the Chenoweth Interchange Area Management Plan

## V. DEFINING THE PROBLEM AND OPPORTUNITY

This section includes a brief summary of current demographic and industry trends, community input, and job growth opportunities (see Appendix D FCS GROUP Market Analysis).

### A. District Demographic Profile

As indicated in

Table 4, Wasco County had a population of 25,300 people in 2011. Wasco County's average annual population growth rate over the 2000 to 2010 timeframe was 0.58%, which is well below the Oregon growth rate (1.14%). The City of The Dalles is the largest and fastest growing jurisdiction in Wasco County, with population growth equal to or exceeding the state average.

**Table 4 - Population Trends**

	2000 Census	2010 Census	2011 PSU	AAGR	
				2000-2010	2010-2011
Wasco County	23,791	25,213	25,300	0.58%	0.35%
The Dalles	12,156	13,620	14,440	1.14%	6.02%
Antelope	59	46	45	-2.46%	-2.17%
Dufur	588	604	605	0.27%	0.17%
Maupin	411	418	420	0.17%	0.48%
Mosier	410	433	435	0.55%	0.46%
Shaniko	26	36	35	3.31%	-2.78%
Portland MSA <sup>1</sup>	1,927,881	2,226,009	2,246,083	1.45%	0.90%
Oregon	3,421,399	3,831,074	3,857,625	1.14%	0.69%

Source: April 1, 2010 US Census; PSU College of Urban and Public Affairs Annual Population Estimates

(1) Portland Metropolitan Statistical Area consists of Clackamas, Clark, Columbia, Multnomah, Skamania, Washington, and Yamhill counties.

Income levels within Wasco County have been increasing over the past decade in spite of two national economic recessions. As indicated in Table 5, the median household income level for Wasco County was approximately \$41,314 in 2010 and the average per capita income level was \$21,407. While Wasco County’s per capita income levels have increased faster than the Oregon and national averages over the 2000–2010 timeframe, local income levels are about 14% lower than the Oregon statewide average. In summary, there has been a recent trend towards a slowly increasing younger low-income population in Wasco County.

**Table 5 - Income Trends**

		1999	2010	AAGR
Median Household Income	<b>Wasco County</b>	<b>\$35,959</b>	<b>\$41,314</b>	<b>1.3%</b>
	Hood River County	\$38,326	\$51,414	2.7%
	Oregon	\$40,916	\$46,560	1.2%
	Washington	\$45,776	\$55,631	1.8%
	USA	\$41,994	\$50,046	1.6%
Per Capita Income	<b>Wasco County</b>	<b>\$17,195</b>	<b>\$21,407</b>	<b>2.0%</b>
	Hood River County	\$17,877	\$23,061	2.3%
	Oregon	\$20,940	\$24,753	1.5%
	Washington	\$22,973	\$28,364	1.9%
	USA	\$21,587	\$26,059	1.7%

Source: Census (in 1999 dollars) and ACS for 2008–2010 (in 2010 dollars)

**B. District Economic Profile**

The economy within the Port District is directly linked with the Columbia River Gorge economy, which is partially influenced by economic activity across the United States and global marketplaces. The area of the Port District includes the northern one-third of Wasco County. While some economic activity also occurs directly across the Columbia River with residents and businesses in Klickitat County (including Dallesport and Lyle, Washington), the vast majority of economic interaction between the Port and the larger region is contained within Wasco County.

Over the past three decades, the Port spearheaded the development of The Dalles Industrial Area and the Port’s marina. The Port has opted to sell most of the Industrial Area to private businesses, but still has an active lease on an industrial-zoned parcel with Mid-Columbia Producers. An economic analysis of the 53 businesses that now occupy the Port’s Industrial Area indicates that these businesses currently employ approximately 1,028 workers with a direct annual payroll of \$48.3 million (average payroll of \$47,000).

In addition to periodic construction-related benefits from Port and private business construction spending, the ongoing business operations for the aforementioned businesses provide the following annual local and regional economic benefits:



- Tenants and businesses on Port-developed lands have direct employment of over 1,028 jobs within Wasco County.
- Direct annual GDP of approximately \$83 million. This includes employee compensation (\$45 million), property/lease income (\$22 million), state and local tax payments (\$7 million), and proprietor profits (\$9 million).

The indirect and induced secondary economic benefits that are generated by the Port and its tenants and the businesses that have purchased Port properties over the past few years account for additional annual economic benefits through the purchase of goods and services in the local/regional economy. These secondary benefits include:

- Support for 337 induced jobs (full and part-time positions) in supply/vendor chains.
- Another 333 indirect jobs from the re-spending of direct labor income.
- An additional \$36 million in annual GDP from indirect and induced spending.
- Total annual economic output of \$264 million for the region.

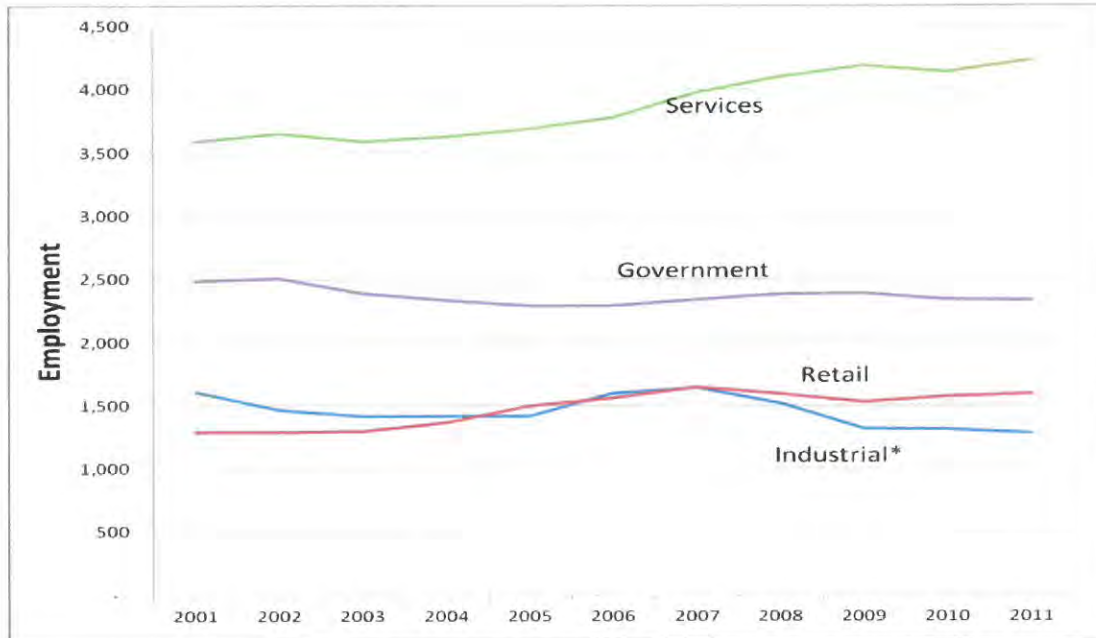
In summary, the Port's prior development of the Port Industrial Area and related land sales and leases have helped attract and retain 53 businesses, which have become major economic drivers within the local and regional economy. These businesses currently support 1,028 direct jobs and 670 indirect/induced jobs, and contribute \$264 million in annual economic output.

### **C. Trends for Regional, State, and National Key Industries**

The greater Portland region is one of four primary international trade gateways along the West Coast. Rapidly growing Asian and Middle Eastern economies will result in significant increases in demand for trade into and out of most international and regional ports, including the Port. Commodity flow forecasts for the region project a doubling of freight volume over the next 20 years. This growth equates to an average annual growth rate of 2-3%.

As global and state GDP rises and commodity trade increases, Oregon ports could benefit from increases in import and export activity. The value of Oregon exports reached a record high of \$18.3 billion in 2011 (according to the most recent data by the US Department of Commerce), up 3.6% from 2010. Oregon's leading trade partner is China, which now imports about 23% of Oregon exports. Other leading export destinations in decreasing order include Malaysia, Canada, Japan, South Korea, and Taiwan.

According to the Oregon Employment Department, at the end of 2011, Wasco County had 1,120 employers (at separate locations). In 2011, the total employment in Wasco County included 9,540 jobs covered by unemployment insurance. The current level of employment is down from the recent 2008 peak of 10,870 jobs, but as indicated in Figure 4, there have been recent increases recorded within the services and retail sectors with little or no growth in government and industrial sectors since 2008.



**Figure 4 - Wasco County Employment Trends, 2001-2011**

While many Wasco County employment sectors are down from their 2008 peak, post-recession job growth has occurred between 2008 and 2011 in construction, professional and business services, education and health services, other services, and state government.

Wasco County has a relatively high share of seasonal part-time and home-based employment that is not reflected in the “covered” employment estimates reported by the Oregon Employment Department. It is estimated that approximately 26% of total employment in Wasco County is not reported by OED (equates to +/- 3,000 jobs). As indicated in Table 6, the total 2012 employment in Wasco County is estimated to include: 3,458 industrial jobs, 2,063 retail trade jobs, 5,699 service jobs, and 2,365 government jobs.

**Table 6 - Estimated Employment in Wasco County, 2012**

Sector	2012 Covered Jobs (Actual) <sup>1</sup>	Ratio of Total to Covered Jobs <sup>2</sup>	2012 Total Jobs (Estimate)
Industrial	2,882	1.20	3,458
Retail trade	1,587	1.30	2,063
Services	4,071	1.40	5,699
<b>Total private employment</b>	<b>8,540</b>	<b>1.31</b>	<b>11,221</b>
Government employment	2,252	1.05	2,365
<b>Total non-farm employment</b>	<b>10,792</b>	<b>1.26</b>	<b>13,586</b>

<sup>1</sup> Industrial reflects: manufacturing, construction, wholesale trade, transportation, utilities and information. Services include business, health, education and leisure/hospitality and other services.

<sup>2</sup> Ratios are derived from 2010 IMPLAN analysis (total job count estimates) in comparison to Oregon Employment Department covered worker data.

Agriculture plays a major role in the regional economy. The six counties surrounding the Port District include 2,248 farms with nearly 3.7 million acres. The annual commodity value of farm products in the region increased significantly between 2002 and 2007—from about \$180 million to approximately \$316 million. In 2007, the top commodity products in these six counties included: fruits and nuts (\$156 million); grains, dried beans, oilseeds (\$76 million); cattle (\$42 million); and hay/other crops (\$28 million). Monthly agricultural employment within these six counties reaches a seasonal peak of 11,940 workers in July and has an annual average employment level of 5,550 workers.

### **The Port's Direct Impact on Jobs**

The Oregon Employment Department anticipates a 1.2% annual average growth rate for the Region 9 (Hood River, Gilliam, Sherman, Wasco, and Wheeler counties) job base over the 2010 to 2020 period.

The Port is likely to benefit from “spillover” growth from the Portland region. The Portland region is forecast to add between 326,000 and 769,000 jobs over the next 20 years. Metro (the regional government) is assuming that 73% of the job growth realized by 2030 will be captured within the tri-county Metro Urban Growth Boundary (UGB).<sup>3</sup> This leaves at least 27% of the job growth to be accommodated elsewhere, including Wasco County. If Metro’s long-term growth forecasts hold true, Wasco County could have an opportunity to capture a share of the jobs that the Metro UGB cannot accommodate.

### **District Needs**

As the Portland MSA increases in business activity, the vacant “development ready” industrial-zoned land supply in the tri-county Metro region is diminishing. According to studies by Metro, the lack of “development ready” large vacant industrial sites within the Metro region with adequate truck/rail/barge access is expected to create a gap in the land needed in the Metro UGB to support preferences for large lot formats for single and multi-tenant users.

### **Community Role**

As part of the strategic plan, meaningful input was gathered through 22 stakeholder interviews, public meetings, Port Commission workshops, and a focus group session. Community input is reflected in the plan, which has been presented at two Port Commission meetings for review and refinement. The plan will be refined and presented for adoption by the Port Commission in May 2013. The Port has taken considerable steps to ensure that the views of local community leaders, businesses, and residents are heard and reflected within this Strategic Business Plan.

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<sup>3</sup> Metro, Regional Growth Report, 2009. Tri-County area consists of Multnomah, Washington and Clackamas counties.



Community input shows supports for:

- Development of the North Chenoweth Business Park for near-term employment land needs
- Urban Growth Boundary and Scenic Area expansion for long-term employment land needs
- Downtown, community-wide and regional economic development support, and
- Amenities to attract the “new economy,” including high-tech and advanced manufacturing jobs

For detailed input, see Appendix B, Public Outreach Summary.

## VI. POLICY CONTEXT

The Port of The Dalles is committed to operation under federal, state, and local policies. An overview of key policies and compliance items is indicated below.

### A. Planning and Environmental Policy Compliance Issues

The state’s policy structure has a significant impact in shaping the future of the Port of The Dalles. This plan underscores areas of alignment with the state’s policy structure.

#### **Columbia River Gorge National Scenic Area**

The Columbia River Gorge National Scenic Area Act was passed in 1986 for two purposes:

1. *To establish a national scenic area to protect and provide for the enhancement of the scenic, cultural, recreational, and natural resources of the Columbia River Gorge;*
2. *To protect and support the economy of the Columbia River Gorge area by encouraging growth to occur in existing urban areas and by allowing future economic development in a manner that is consistent with paragraph 1.*

The Scenic Area includes approximately 83 miles and covers portions of six counties and 13 cities, including Wasco County, the City of The Dalles, and the Port of The Dalles. The Scenic Area is divided into three categories of land: Urban Areas, the Special Management Area (SMA), and the General Management Area (GMA). Urban Areas are exempt from the Management Plan, but are eligible to receive federal funds authorized implement it. Significant commercial, residential, and industrial development is encouraged in Urban Areas. The City of The Dalles is designated an Urban Area within the National Scenic Area (see Appendix A, Maps).

The City has been working to amend its Urban Area for the past seven years to accommodate growth. Urban Areas will be the primary focus for future growth and economic development, and an expansion of the Urban Growth Boundary would require an amendment to the National Scenic Area Act. Ongoing efforts to amend the

Scenic Area Boundary are a top priority for the City, with the Port in vested support role in order to meet its job creation mission.

### **Statewide Planning Goals**

Oregon's land use planning is based on 19 Statewide Planning Goals and applies to State agencies, local governments, and special districts. The goals expressed in the state's policies must be addressed to effectively influence the Port's land use and economic development strategies. The Port's plan is most influenced by Oregon's statewide planning goals 9 and 12.

#### **Statewide Planning Goal 9: Economic Development**

"To provide adequate opportunities throughout the state for a variety of economic activities vital to the health, welfare, and prosperity of Oregon's citizens."

Oregon requires local jurisdictions to maintain a 20-year supply of employment lands suitable to meet the needs of local business and industry likely to locate during this period. For the Port, this Strategic Business Plan establishes a need for 172 acres of additional employment land to meet forecast growth over the next 10 years. A portion of this need can be met within underutilized buildings and on available land located within the Port District. The City and the Port will require twice this amount of employment land, or 344 acres, to accommodate 20-year commercial and industrial growth within the Urban Growth Boundary. Given a modest amount of infill development (10%-20%), this finding is consistent with the Port's current policy of providing 250 to 300 acres of employment land over the next 20 years (see Appendix D, FCS GROUP Market Analysis).

#### **Statewide Planning Goal 12: Transportation**

"To provide and encourage a safe, convenient and economic transportation system."

The Transportation Planning Rule, OAR 660 Division 12, requires that cities, counties, Metropolitan Planning Organizations (MPOs), and state agencies implement Statewide Planning Goal 12 and prepare and adopt transportation system plans.

The City of The Dalles Transportation System Plan (2006) identifies a number of improvements, some of which would impact development prospects for the Port. Traffic volumes in The Dalles are expected to increase in the future due to population growth and employment in area. Through an evaluation of the 2015 traffic demand, improvement options were identified to improve safety conditions at existing locations and to provide access to developing areas in the city.

### **Local and Regional Plans**

#### **I-84 Chenoweth Interchange Area Management Plan**

The interchange area management plan identifies land use management strategies, near-term, midterm, long-term, and long-term vision transportation improvements, an access

management plan, and strategies to fund identified improvements. These planning efforts resulted in policies, ordinances, and other provisions that will be adopted into the City and Wasco transportation system plans, comprehensive plans, and development review ordinances to support and implement the interchange area management plan.

An interchange area management plan was prepared for the I-84 Chenoweth interchange in the City of The Dalles.

The I-84 Chenoweth interchange (Exit 82) is an urban interchange located near the City's northwestern boundary that connects I-84 with Highway 30 on the west side of the interchange and River Road on the east side. The land uses served by the Chenoweth interchange are primarily industrial, although some commercial land (known as the WM3 site) is located on the east side of the interchange and a mix of commercial and residential is located on its west side. Most of the land in the land use study area east of I-84 is zoned Industrial District. Forecasted traffic trips include development of the planned North Chenoweth Business Park. Because less commercial land is available to develop in the WM3 "CLI"-zoned area due to the existence of wetlands, some additional land use intensity could be accommodated "on balance" within the interchange area management plan study area, including the North Chenoweth Business Park.

### **Mid-Columbia Economic Development District Comprehensive Economic Development Strategy**

MCEDD collaborates with the community annually to develop the comprehensive economic development strategy. The vision in the 2012 strategy states that "[t]he Mid-Columbia region envisions a thriving and prosperous economy supporting diverse entrepreneurial opportunities that act in harmony with the area's rural qualities, values and natural resources." The coordinated regional effort is intended to meet the current needs of the region and plan for the future. The strategy identifies regional challenges and establishes regional goals, objectives, and implementation strategies to enhance its economy. The following economic development goals have been identified in the 2012 strategy:

**Business Retention/Expansion:** Enhance the retention and expansion of businesses in the Mid-Columbia/Columbia River Gorge.

**Business Attraction:** Achieve an increase in new business to the region that will continue to diversify the economy and create sustainable opportunities, including family wage jobs, over the next 10 years.

**Infrastructure:** Facilitate the timely maintenance and improvement of public infrastructure and support scalable infrastructure development, which will contribute to increased economic opportunities.

**Economic Resources:** Increase the Mid-Columbia region's receipt of resources for economic development initiatives, including funding, technical assistance and training.



**Entrepreneurial Environment:** Facilitate integrative partnerships and communication across business clusters, industries, entrepreneurs, government and economic development organizations to further develop an effective economic support structure.

**Workforce:** Regularly assess needed workforce requirements, ensuring a regional workforce that is work-ready and well-educated.

**Bi-State Engagement:** Engage elected representatives in Oregon and Washington to advocate more effectively for the common needs of the Columbia River Gorge in support of all the other six goals.

The Port continues to work directly with MCEDD and other local economic development agencies to implement the Comprehensive Economic Development Strategy goals.

**VII. SITUATIONAL ANALYSIS**

**A. Identify Strengths, Weaknesses, Opportunities, and Threats**

The project team gathered local input to assess the Port’s strengths, weaknesses, opportunities, and threats (SWOT). The outreach and review component included interviews with 22 stakeholders, a presentation at a public meeting on February 13, 2013, and the port facilities report and market study (see Appendix B, Public Outreach Summary). The Port’s present SWOT analysis includes:

**Table 7 - Port of The Dalles SWOT Analysis**

<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>• Located along three main transportation corridors (the Columbia River, rail, and I-84) with access to the Columbia Gorge Regional Airport</li> <li>• High quality of life</li> <li>• Unique environmental and historical setting</li> <li>• Low electric power prices</li> <li>• Reputation for getting things done</li> <li>• Transportation hub and regional market center</li> <li>• Access to/from the Portland market and to PDX airport</li> <li>• Low commercial lease rates</li> <li>• Concentration of technical/scientific workers</li> <li>• Low cost of land, labor, utilities, and cost of living</li> </ul>	<ul style="list-style-type: none"> <li>• No shovel-ready industrial land available</li> <li>• Perceived distance from Portland hinders businesses and tourism to invest</li> <li>• Must operate mainly on revenue from property taxes</li> <li>• Minimal investment interest from the \$5 million cash on hand</li> <li>• Lack of revenue streams constrains opportunities to expand development activities</li> <li>• Marina utilities are over-burdened with unintended uses</li> <li>• Limited funding available for marina upgrades</li> <li>• Some marina boathouses used as residences</li> <li>• Remote location with small population and labor force</li> <li>• Gaps in retail downtown</li> </ul>
<b>Opportunities</b>	<b>Threats</b>
<ul style="list-style-type: none"> <li>• Mixed use development</li> <li>• Redevelopment of Elks building</li> <li>• Partnerships for downtown development</li> <li>• Gap funding for business expansion</li> <li>• River frontage development opportunity sites</li> <li>• Job training and incentive programs</li> <li>• Seek to leverage existing tech businesses to attract related support businesses</li> <li>• High quality family restaurants</li> <li>• Location on the Columbia River</li> <li>• Shipping (historic use/underutilized)</li> <li>• Economic development collaboration</li> <li>• Downtown redevelopment and infill</li> <li>• Access to Portland, Seattle, and San Francisco Bay area markets</li> <li>• Value-added agricultural users</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of Industrial Land to accommodate growth</li> <li>• Downtown projects could distract from focus on shovel ready industrial land</li> <li>• National Scenic Area regulations and constraints</li> <li>• Environmental policies and wetlands</li> <li>• Development costs</li> <li>• Urban growth boundary expansion difficulties</li> <li>• NW Aluminum site clean-up costs</li> <li>• Minimal land available for economic development</li> <li>• Marina management should not distract the Port from higher priority activities</li> </ul>

## **B. Critical Issues**

The Port of The Dalles opportunities rely heavily upon developing its available employment land supply, improved amenities to attract new industry, and to a lesser extent maintenance and improvements for the marina over time. There is a limited supply of medium to large vacant development sites within the Port District. Additional industrial development sites would be required to optimize potential job growth and private investment. Development of the North Chenoweth Industrial Site will ease near-term land need pressure (50 acres), but an additional 200 to 250 acres of employment land is needed over the next 20 years. Topography, Scenic Area, and UGB boundary constraints place limitations on developable land, so increased infill and diligence are required to meet the job growth objective shared by the Port and City.

The Dalles is transitioning from a resource economy to one that now includes “new economy” activities, such as avionics, hi-tech composites, electronic components, robotics, clean tech/wind energy, and health sciences (see Appendix B, Public Outreach Summary). The Port can better attract and retain new technology businesses and young creative professionals by capitalizing on its location, high quality of life, and historic character. New industrial and business park developments should include amenities such as walking/bike paths, pocket parks, water access points, and entertainment establishments will help attract and retain new technology businesses.

## **C. Demand Analysis**

The projected demand for private employment land within the Port District is expected to require approximately 172 acres of land area over 10 years and 344 acres over 20 years. The analysis assumes that the Port plays an active role in Wasco County to accommodate the majority of the job growth that is expected to occur in Oregon Employment Department Region 9.<sup>4</sup> The amount of new job growth within the Port District hinges upon the ability to provide amenities and services that retain and attract businesses, delivery of vacant “market ready” industrial sites and buildings, and the level of redevelopment that occurs in Downtown and surrounding areas.

This analysis assumes 10-year projected job growth of 2,776 non-farm private jobs within the Port District, which equates to about 60% of the jobs the Oregon Employment Department expects to be added to Region 9. The amount of buildable industrial land required to accommodate the industrial land need over the next 10 years is just over 100 acres. In addition to the industrial land need, it is projected that about +/- 17 acres of would be needed for retail and 51 acres of land (530,000 SF of building floor area) would be needed for service/office uses over the next 10 years.

Note: These land and employment growth forecasts assume that adequate development sites are provided along with adequate public facilities (roads, water, sewer, etc.) to meet market requirements. To the extent that adequate industrial and commercial/office sites

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<sup>4</sup> Region 9 consists of Gilliam, Hood River, Sherman, Wasco and Wheeler counties.



are not provided to meet market demand, future employment growth and non-agricultural business activity within the Port District will taper off.

In addition to the 10-year employment land need, additional residential and employment land needs have been identified by the City to address long-term land use planning requirements. Over the very long term (next 40 years), the City has identified the need to expand the UGB by about 138 acres to meet employment land needs.<sup>5</sup>

**D. Port Industrial Opportunity Sites**

This plan has been developed with an understanding of Port assets, infrastructure, project, and financing needs. Data and inventory were collected through research on existing data and site visits, a site and public facilities review, and a market and economic analysis. Opportunity sites, projects, and implementation strategies have been identified to help guide the Port's future actions.

Industrial development opportunity sites include the North Chenoweth Business Park, the Northwest Aluminum Site, and the Rodeo Grounds. **Figure 5** shows the location of these Port Industrial opportunity sites.

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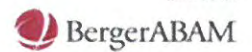
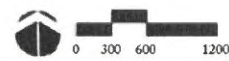
<sup>5</sup> This is based upon findings contained in The Dalles Urban Reserve Area Report, by Winterbrook Planning (2007), and The Dalles Economic Opportunities Analysis, by ECONorthwest (2007).



- 1. North Chenoweth Site
- 2. N.W. Aluminum Site
- 3. Rodeo Grounds

## The Port of The Dalles

The Dalles, Oregon | Industrial Opportunity Sites

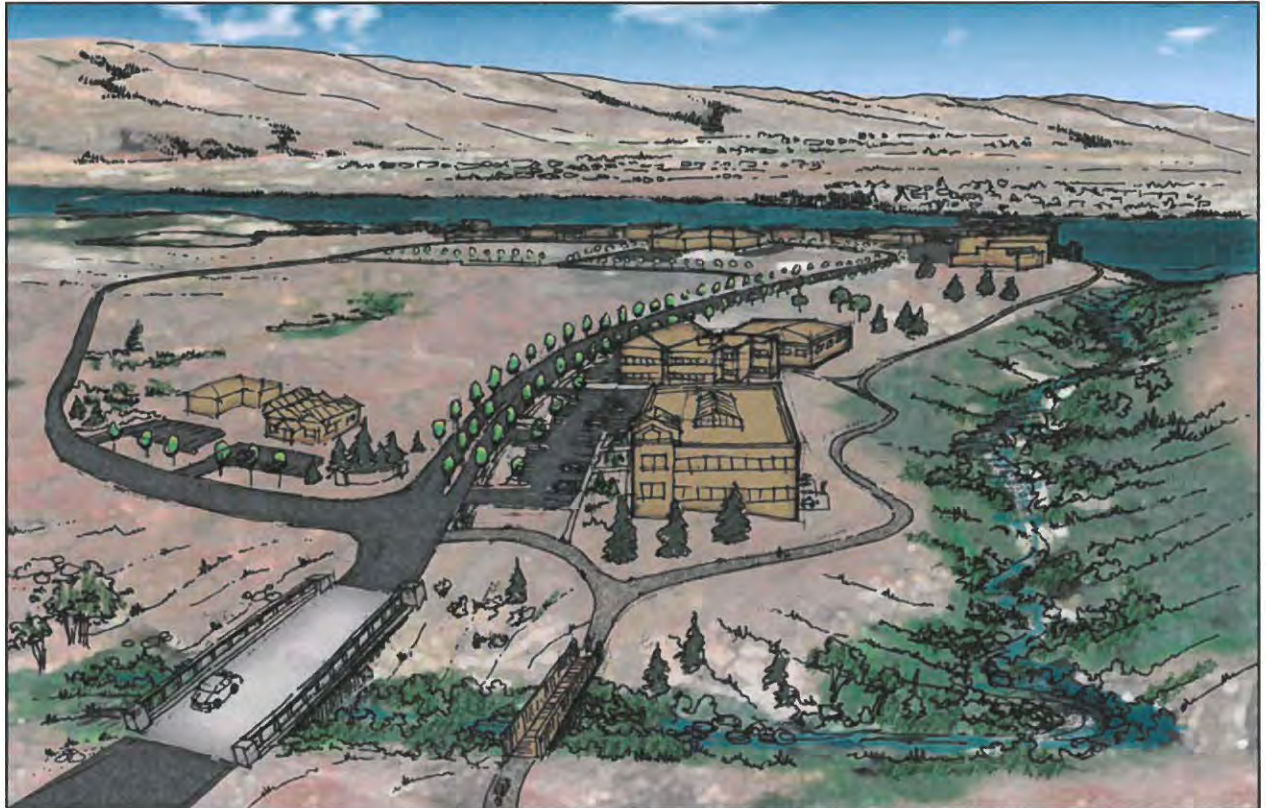


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**Figure 5 - Port of The Dalles Industrial Opportunity Sites**



The 80-acre North Chenoweth site is owned by the Port, with a groundbreaking planned during 2013 in order to provide 50-net acres of ready industrial land. **Figure 6** shows how the North Chenoweth Business Park may develop, including a high level of amenities, such as river walks, park and streetscape elements including trees and benches – a local employee service restaurant or brew pub may also help to attract new economy employees.



**Figure 6 - North Chenoweth Business Park Development Concept**

Other industrial properties with potential for long term redevelopment include the Rodeo Grounds, a portion of which was used as an unofficial city dump, and the former N.W. Aluminum smelter site. Both sites have received conditional “No Further Action” determinations from the Oregon Department of Environmental Quality, allowing them to be redeveloped for industrial uses. Other employment opportunities within the Port District boundaries include infill development within the downtown area of The Dalles and a potential rural agricultural-serving industrial site located within the City of Dufur. An Economic Development Framework Plan could be developed to detail implementation strategies for land diligence projects and marketing strategies to help attract businesses to The Dalles.



## E. Risk Analysis

Table 8 identifies the top strategic projects being pursued by the Port and the risks associated with developing each project.

**Table 8 - Project and Policy Risks**

Action	Risk	Notes
UGB Expansion	Inadequate land supply.	Requires NSA amendment; Port support to City lead.
NSA Amendment	A major amendment to the Columbia River Gorge National Scenic Area Boundary has never been completed – inability to complete a boundary adjustment will limit available land for job growth.	Port and City need to collaborate to pursue an amendment, even if legislation is required.
Economic Development Framework Plan	There are concerns that the many economic development agencies operating in The Dalles do not have a shared vision or action plan	Port should be a visible economic development leader and help develop a framework plan in support of MCEDD, the Chamber of Commerce and other agencies.
Marina Maintenance	Deferred maintenance will potentially cost more over time. Uses should be considered for limitations in intensity to guard against expensive upgrades.	The marina is zoned for boat houses, and is not designed for house boat use (increased number of appliance and fixtures). The Port should limit uses to those presently allowed to avoid expensive upgrades.

## VIII. STRATEGIC BUSINESS PLAN

The following section addresses the plan elements required by the Statewide Ports Strategic Business Plan, including five sub-plan elements:

- A. Management
- B. Financial
- C. Capital Facilities
- D. Environmental
- E. Marketing

For each plan element, a set of goals, policies, and strategies for action is recommended to advance the plan toward fulfilling the Port's mission.

### A. Management Plan

**Goal 1: Integrate the Strategic Business Plan as a planning tool to help the Port Commission and staff manage the Port's physical and human resources.**

**Policy:** The Port will utilize its Strategic Business Plan to meet the Port's mission.

**Strategy 1:** Ensure ongoing training and educational opportunities are provided and budgeted for Port Commissioners and staff to best meet the Port's mission.

**Strategy 2:** Review the Strategic Business Plan annually and update the Port's work plan and budget to ensure targeted project priorities are included.

**Strategy 3:** Maintain strategic plan budgets and schedules and amend annually as needed to meet changing conditions.

**Goal 2: Strengthen and develop relationships with government agencies, organizations, businesses, and the general public.**

**Policy:** Ensure the Port of The Dalles is an active, visible leader in the pursuit of local and regional economic development.

**Strategy 1:** Continue to support the City in its efforts to develop needed employment lands through work with state and federal agencies to expand The Dalles' Urban Growth Boundary (UGB) and National Scenic Area Boundary (NSA).

**Strategy 2:** Coordinate efforts with the MCEDD comprehensive economic development strategy to enhance regional economic development.

**Strategy 3:** Develop an economic development framework plan that involves and coordinates local and regional economic development agencies toward a shared vision and assigned tasks to address land needs, development strategies/amenities, infill opportunities, and marketing target industries.

**Strategy 4:** Assist The Dalles Irrigation District with system expansion needs to support agricultural production (e.g. work with the Regional Solutions Team to seek funding for acquisition of Columbia River Water Rights).

## **B. Financial Plan**

**Goal 1: Ensure the Port's ongoing financial viability in order to fulfill its mission.**

**Policy:** The Port will continue to use accepted accounting practices and will strive to maintain operating reserves.

**Strategy 1:** The Port will update its indirect cost allocation plan biannually. This fund would justify appropriate transfers from the Port Development Fund and Marina Fund to the General Fund.

**Strategy 2:** The Port will maintain operating reserves in each fund to cover 90 days of expenditures in addition to any reserve required by debt covenants.

**Strategy 3:** Investments in land and improvements will be made to provide adequate and enhanced employment opportunities to attract target business growth.

**Strategy 4:** Funds will be budgeted to adequately address short-term (5-year), mid-term (6–10-year) and long-term (11–20-year) employment land needs, including due diligence, infrastructure and amenities (see Appendix E, Financial Plan).

## **C. Capital Facilities Plan**

**Goal 1: Develop and maintain a capital facilities plan that provides cost estimates for needed capital and maintenance investments in order to meet the Port's mission.**

**Policy:** The Port will develop a capital plan with planning-level cost estimates for priority projects, including operations and maintenance.

**Strategy 1:** The Port's Strategic Business Plan includes an initial capital plan to be adopted and updated annually.

**Strategy 2:** Interim opportunities, including new users and grant opportunities, may be addressed through immediate updates to the capital facilities plan with this Strategic Business Plan.



**Table 9 - Capital Facilities Plan**

Sites	Projects	Preliminary Cost Estimate (2013 dollars)	Year			Notes
			1-5	6-10	11-20	
North Chenoweth Business Park (Option A)	Permitting Costs	\$267,000	\$267,000			Costs for N. Chenoweth Business Park are estimated from HHPR preliminary engineer's estimate based on concept plans (January 2013) and increased for design and contingencies.
	Grading	\$2,141,000	\$2,141,000			
	Water System Improvements	\$304,000	\$304,000			
	Sanitary Sewer Improvements	\$330,000	\$330,000			
	Storm Improvements	\$389,000	\$389,000			
	Wearing Surfaces	\$848,000	\$848,000			
	Utility Improvement	\$102,000	\$102,000			
	Landscaping	\$85,000	\$ 85,000			
	Amenities/ Streetscape	\$450,000	\$450,000			Est. 10% of above cost for amenities including streetscape landscaping, furniture/benches, river trails, etc.
	<b>Subtotal</b>	<b>\$4,916,000</b>	<b>\$4,916,000</b>			
Marina	Boat Launch Repairs	\$10,000	\$10,000			Est. repair cost for floats, dock bumpers, pile hoops, AC pavement. Does not include cost for scour hole repair at end of ramp.
	Marina Electrical Upgrades	\$300,000		\$300,000		TBD
	Marina Upgrades	\$1,600,000			\$1,600,000	Estimated future replacement of floats depending on condition
	Operations & Maintenance	700,000	\$175,000	\$175,000	\$350,000	Estimated \$35,000/year for materials and services based on FY 2012-2013 budget
	<b>Subtotal</b>	<b>\$2,610,000</b>	<b>\$185,000</b>	<b>\$475,000</b>	<b>\$1,950,000</b>	
Brownfield Redevelopment	Brownfield Studies	\$500,000		\$250,000	\$250,000	TBD for environmental permitting and mitigation studies
	<b>Subtotal</b>	<b>\$500,000</b>		<b>\$250,000</b>	<b>\$250,000</b>	
	<b>TOTAL</b>	<b>\$8,026,000</b>	<b>\$5,101,000</b>	<b>\$725,000</b>	<b>\$2,200,000</b>	

#### **D. Environmental Plan**

**Goal:** The Port of The Dalles will achieve its mission while maintaining responsible environmental stewardship. Environmental considerations will be integrated into the Port's strategic planning and business decision-making.

**Policy:** The Port will work to maintain statutory environmental compliance for all operations on its property.

**Strategy 1:** Work with local representatives to address issues and engage community input as needed for special projects.

**Strategy 3:** Identify environmental project opportunities and common goals in collaboration with other local, state, and federal agencies in order to leverage project resources, as appropriate.

**Strategy 4:** Work with regulatory partners to identify appropriate mitigation sites.

#### **E. Marketing Plan**

**Goal 1:** Inventory and market the Port District's assets and opportunities in coordination with local, regional and state partners.

**Policy:** Lead the coordination and development of an economic development framework plan that considers a shared vision for community and regional economic development, including agreed roles, tasks, and timelines for implementation efforts.

**Strategy 1:** Inventory available land and underutilized buildings in order to target opportunities for new development, redevelopment, and infill. This strategy can both extend the vital land need horizon and strengthen the existing community (i.e., downtown) by filling empty storefronts while developing new employment lands.

**Strategy 2:** Increase visibility in the Portland, Seattle, and San Francisco markets.

**Strategy 3:** Promote the City's character and lifestyle to appeal to the "creative class" and to the Japanese and broader Asian markets.

**Strategy 4:** Work with economic and agency partners such as MCEDD and the Gorge Commission to market the area's developable land base as a scarce commodity in a high quality location.

## **IX. IMPLEMENTATION PLAN**

### **A. Action Plan**

Implementing the Port of The Dalles Strategic Business Plan will require ongoing efforts by the Port and other agencies to achieve the plan's planned capital, marketing, and maintenance project priorities, as outlined in *Volume 1. Strategy*.

### **B. Plan Update**

The Port of The Dalles Strategic Business Plan is presented for review and adoption by the Port Commission, with review and acceptance by Business Oregon. Once adopted, the Port may request Oregon Ports Planning and Marketing funds for projects within the Strategic Business Plan. The plan may be amended to accommodate changing conditions and new opportunities, and must be updated every 10 years, with a year 5 mid-point review. Projects and capital costs are recommended for annual review.

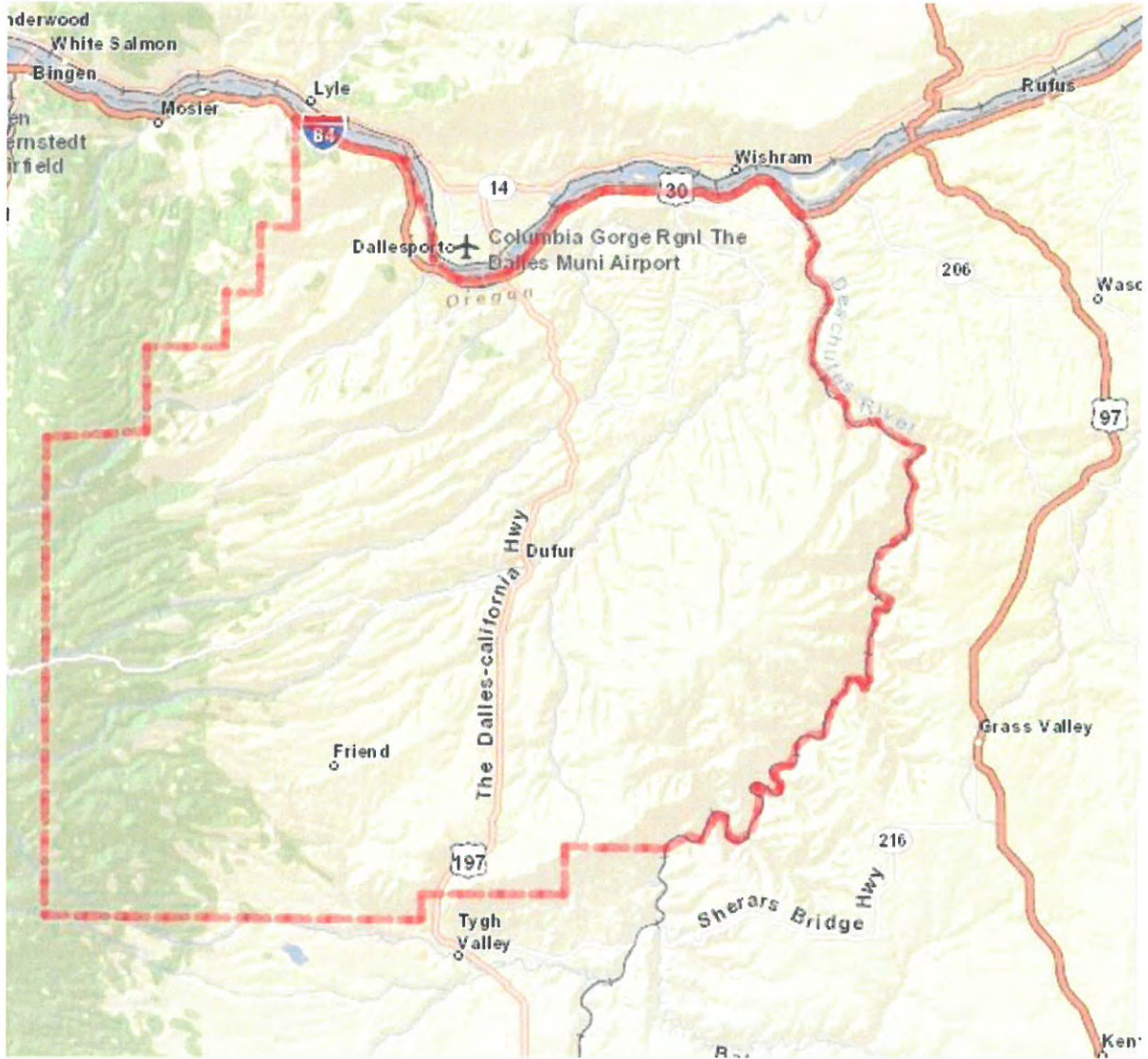


**Port of the Dalles  
Strategic Business Plan**

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**Appendix A  
Maps**

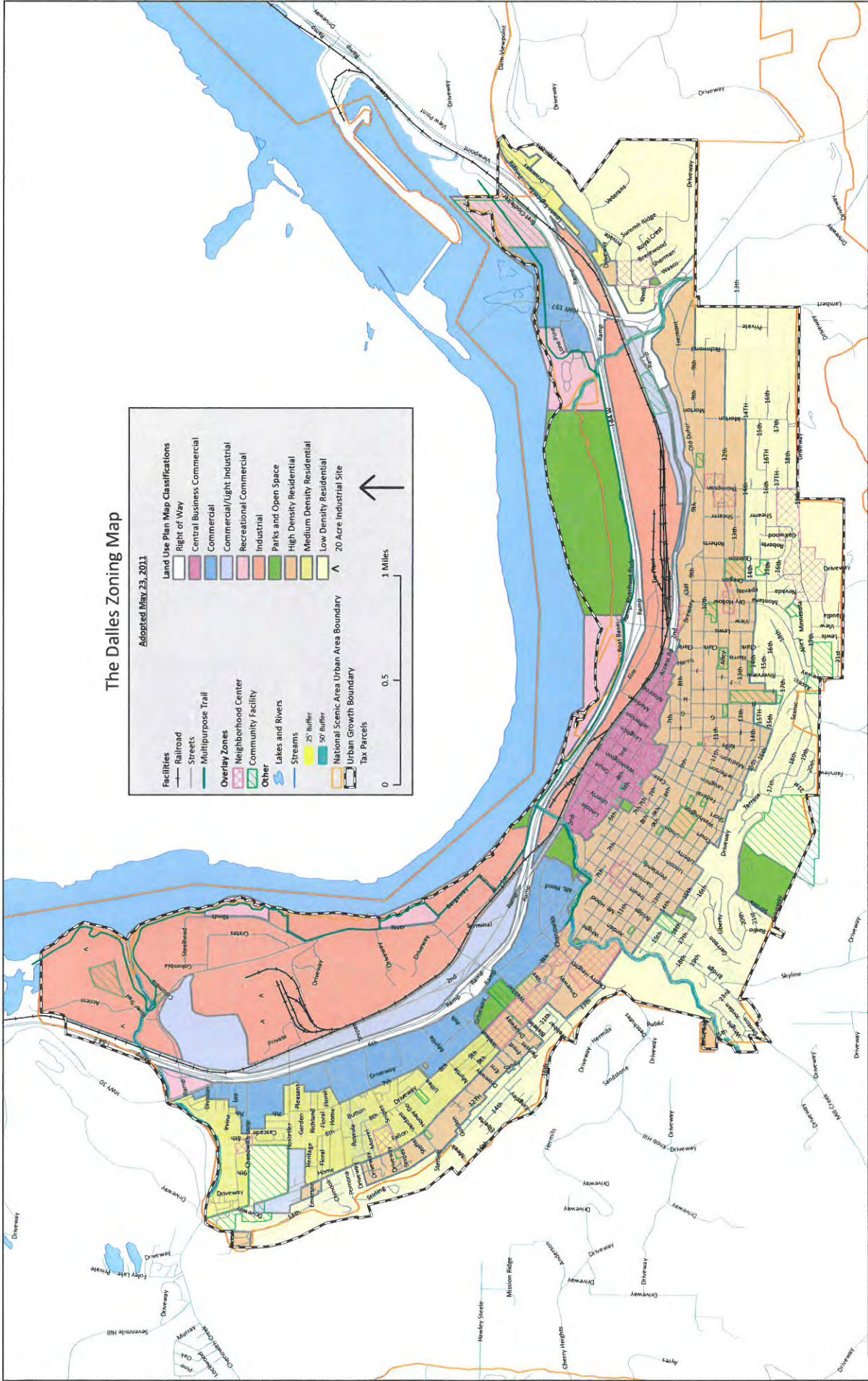
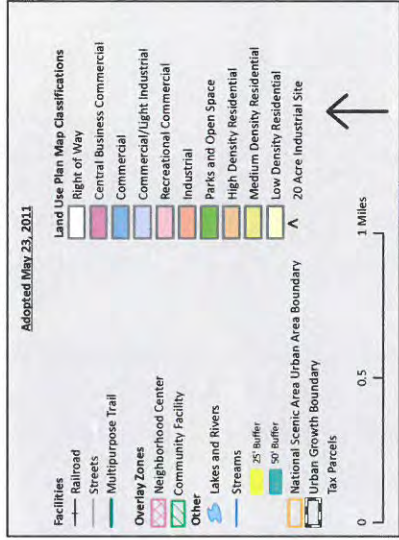
# PORT OF THE DALLES DISTRICT MAP





# The Dalles Zoning Map

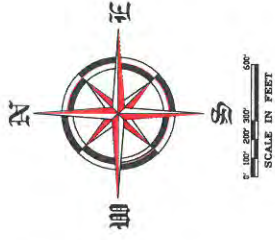
Adopted May 23, 2011





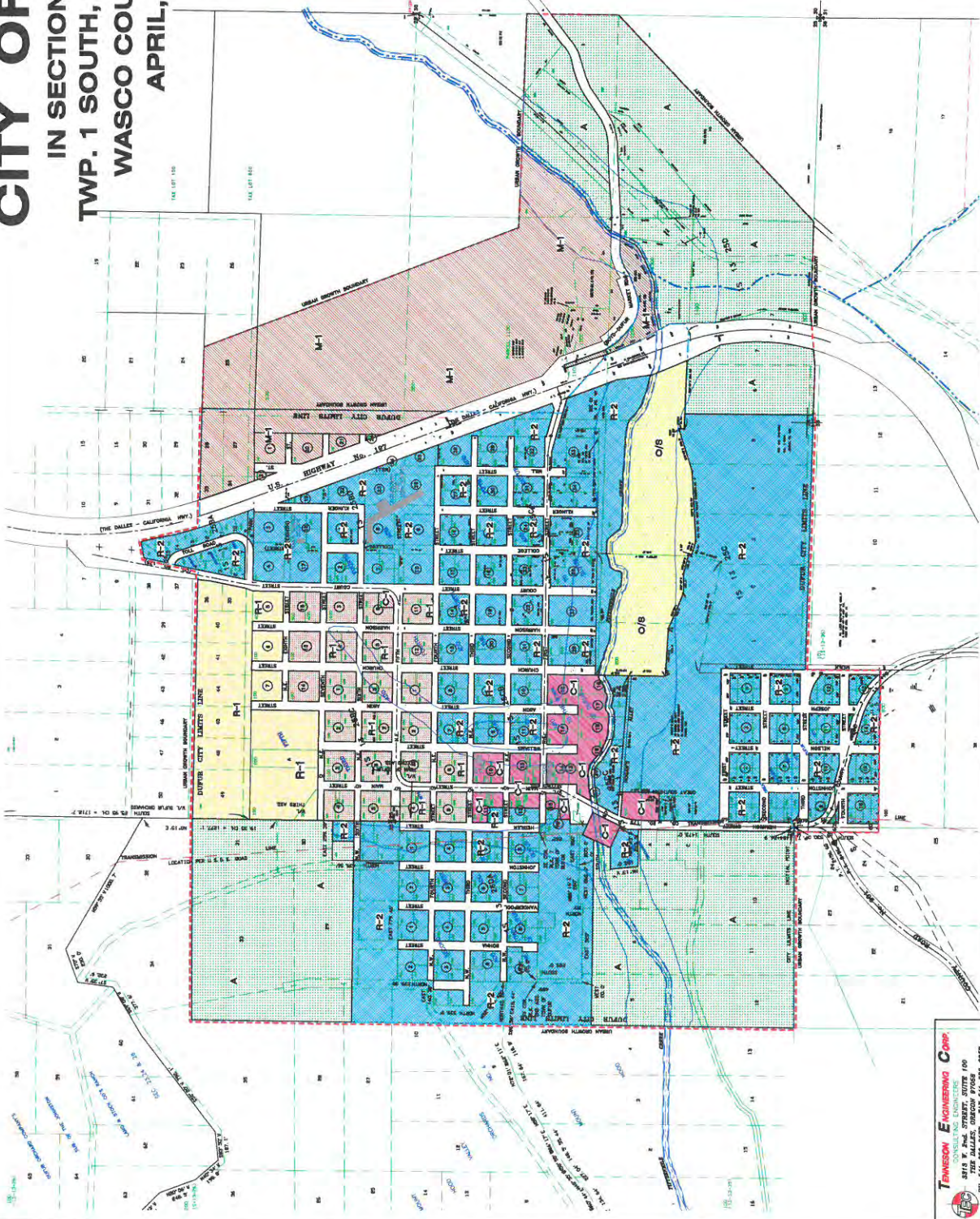
# CITY OF DUFUR

IN SECTIONS 25, 26 AND 36,  
TWP. 1 SOUTH, RANGE 13 EAST, W.M.  
WASCO COUNTY, OREGON  
APRIL, 2003



## COMPREHENSIVE PLAN / ZONING MAP:

- ZONING LEGEND:**
- R-1 RESIDENTIAL (SINGLE)
  - R-2 RESIDENTIAL (MULTI-FAMILY)
  - C-1 COMMERCIAL
  - M-1 INDUSTRIAL
  - A AGRICULTURAL
  - O/S OPEN SPACE (PARK)
  - FLOOD PLAIN OVERLAY 60.0 AC.
- DUFUR CITY LIMITS LINE (ONLY AROUND)
- URBAN GROWTH BOUNDARY (ONLY AROUND)



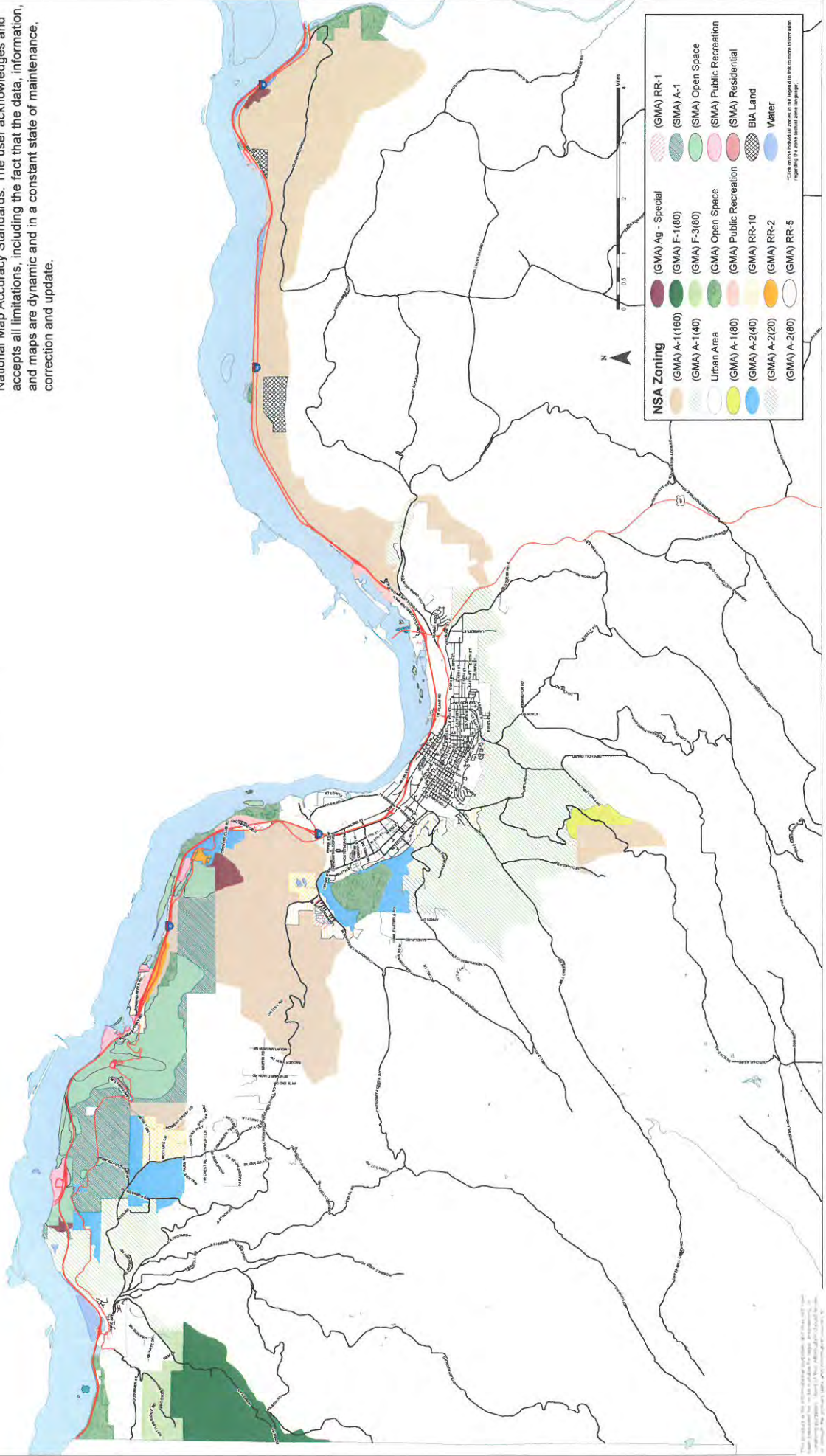
**TENNESON ENGINEERING Corp.**  
CONSULTING ENGINEERS  
3613 W. PAUL STREET, SUITE 100  
DUFUR, OREGON 97110  
PH: 541-336-2177 FAX: 541-336-4857



# National Scenic Area Zoning

as of April 2010

Disclaimer: The Columbia River Gorge Commission data, information, and maps are provided "as is" without warranty or any representation of accuracy, timeliness or completeness. This information is intended for general planning purposes and is not intended for site specific planning or analysis. Original data was compiled from various sources. Spatial information may not meet National Map Accuracy Standards. The user acknowledges and accepts all limitations, including the fact that the data, information, and maps are dynamic and in a constant state of maintenance, correction and update.



**Appendix B**  
**Public Outreach Summary**

## **Port of The Dalles Strategic Business Plan Stakeholder Interview Summary**

Between November 2012 and February 2013, BergerABAM staff members interviewed 23 Port of The Dalles (Port) stakeholders. The purpose of the interviews with these community and business leaders was to get some initial feedback that would help guide development of an updated strategic business plan for the Port. This summary lists the questions and summarizes the aggregated responses.

- 1. How would you define the geographic extent of the primary and secondary market areas for your business (or your area of expertise)?*

The majority of stakeholders identified The Dalles and Wasco County as their primary market. The Mid-Columbia region, including the Washington side of the river, was mentioned most often as the secondary market. Some businesses saw their reach extend to Portland, the Northwest, the Western US, and national/international markets. Two Internet-focused businesses described their extent as worldwide.

- 2. What are the general locational advantages of the region for your business in terms of the relative cost of doing business, attracting jobs, and other factors?*

Stakeholders predominantly identified The Dalles as a transportation hub and regional market center. Several people identified quality of life benefits such as recreation access and climate as important. Low cost utilities, river frontage development opportunities, and access to/from the Portland market and to PDX were also mentioned. Several stakeholders acknowledged relatively high property tax rates, but none saw this situation as a serious barrier to doing business. On the other hand, compared to other markets, commercial lease rates are low. One person noted the area's concentration of technical/scientific workers as a plus. Stakeholders characterized the costs of land, labor, and utilities and the overall cost of living as low compared to other areas in the region.

3. *What do you feel are the Mid-Columbia area's greatest assets for retaining and attracting businesses? Please rate the following potential assets (0=worst; 10=best) that represent the Mid-Columbia's strengths as a place to do business.*

Stakeholders think transportation access is the region's greatest asset for attracting and retaining businesses, ranking it 8.9 out of 10. Quality of life follows closely at 8.8. The availability of a skilled workforce ranks lowest, at 4.9.

<b>Assets</b>	<b>Rating</b>
Proximity to I-84 and other transportation corridors	8.9
Quality of life	8.8
Access to local markets and customers	7.5
Adequate public infrastructure (transportation, utilities, etc.)	6.8
General business climate (relative cost of running a business)	6.2
Available, skilled workforce	4.9

Note: Not all participants responded; average rating per asset is shown above.

4. *The Port maintains considerable assets, including The Dalles Marina, Port offices and shops, the Mid-Columbia Grain Growers facility, and a few small parcels; however, the Port has sold its land over the years to facilitate job growth. Do you feel the Port should pursue acquisition of new industrial land to help make it developable and further assist job growth? If not, what do you feel the Port should focus on in the future?*

All but a few of those interviewed agreed that the Port should continue land acquisition and leadership in providing shovel-ready employment lands for industrial and commercial development. Feedback was mixed on whether to buy and lease, or buy and sell. One stakeholder referred to a study that said Mid-Columbia ports that sold property tended to be more prosperous. The North Chenoweth property now being prepared for development by the Port was mentioned as an exemplary approach of developing shovel-ready infrastructure.

Additional recommendations included greater Port involvement in job training, incentive programs to promote industrial infill, business assistance for startups, and public/private development partnerships. Only one stakeholder said explicitly that the Port should not pursue land acquisition and should instead leave it as a market-driven private function. Stakeholders also suggested looking beyond the immediate Port area for development opportunities with the Columbia Gorge Regional Airport Business Park, downtown The Dalles, residential housing, and lands in Dufur. One stakeholder encouraged the Port to take a regional perspective and cooperate with other ports.



5. *The marina is designed for boathouses to shelter boats, but has increasingly been used for developing living facilities or houseboats. The Port is working to make the marina a self-sufficient enterprise. Do you feel the Port should push to upgrade electrical and sanitary facilities and increase moorage rates for a newly defined houseboat use? Or do you feel the use should be enforced as a place to store boats, not a place for overnight stays?*

The question about intensity of use and amenities at the marina left many stakeholders scratching their heads about a solution. Some were not familiar with the issue while others were ambivalent about the best response. Responses were roughly split between interviewees who felt some accommodation to boathouses would be reasonable, while others felt this change posed land use issues and a departure from the marina's original intent. Enhancements may increase revenue, but do little to create jobs.

A common theme among all was that whatever the Port did, the marina should be self-supporting and not distract the Port from higher priority activities. One stakeholder suggested that, regardless of action on boathouses, the Port should upgrade the facilities of the marina to include a gas station and convenience store. Another pointed out the unmet demand for moorage space in the Mid-Columbia area, saying that the Port should consider satisfying this demand. Others suggested that developing floating homes within the marina could address part of the housing shortage for residents in the professions. This development would also enliven the downtown area with more people living nearby.

6. *What would you consider as the top three strategic projects or initiatives you would like the Port to consider? What types of land and/or economic development actions or incentives are most needed in the Mid-Columbia region to nurture job growth and private investment?*

**Among those interviewed, the actions identified most frequently included:**

- Land acquisition and development/redevelopment, with North Chenoweth identified as a good example.
- Port engagement in support of downtown redevelopment.
- Port participation in more aggressive marketing of The Dalles and Wasco County to prospective businesses/developers, including special emphasis on quality of life as an attractant.

Other projects and initiatives mentioned included:

- Business-to-business recruitment initiatives.
- Promote the ongoing effort to expand the urban growth boundary.
- Build on The Dalles position as the Mid-Columbia retail center.

- Cooperate with other ports on both sides of the river to plan in ways that use the National Scenic Area as an opportunity rather than a barrier.
  - Support workforce training and education.
  - Engage in a creative process to identify ways support economic development.
  - Build on success with creating industrial/commercial base to attract similar businesses.
  - Consider developing a spec building like the Halyard Building at the Port of Hood River.
  - Recruit and help small businesses get started by providing technical and financial assistance and supporting business incubators.
  - Target clean, light industrial manufacturers drawn to the area by its low costs for power and water.
  - Clean up the Lockheed-Martin waste piles. This eyesore detracts from the area.
  - Capitalize on the fact that the Port of Hood River is running out of industrial space.
7. *What are the primary industry types (including clusters of supportive businesses) the Port should focus on for marketing the Mid-Columbia area? What should the Port or other agencies do to strengthen these industries and clusters?*

There was no clear consensus among stakeholders regarding specific industry types or clusters to attract. The common theme generally focused on attracting operations with well-paying jobs, both white and blue collar. Also, stakeholders think the Port should seek to leverage existing tech businesses to attract related support businesses. Industry types mentioned included:

- High tech manufacturing
- Software developers
- Data centers
- Alternative and “green” energy and manufacturing
- Small and medium-size companies with low environmental footprint
- Ag and ag-related businesses, including the wine industry
- Transportation and distribution companies
- Water-/marine-based industry
- Recreational equipment and/or clothing manufacturers
- Recreational/outdoor film industry
- Recreational vehicle repair

- Medical services industries
- Four-year university campus

8. *Are there certain goods or services that you think are missing in the Mid- Columbia area today?*

Many of the stakeholders would like to discuss this question while dining at a high quality family restaurant, which they believe is currently lacking in The Dalles. For home cooks, independent grocery stores were also desired. Quality clothing and shoe stores would be good additions as well. General comments included establishing more retail businesses in downtown to add vibrancy. Non-alcohol entertainment venues for young adults would also be welcome, in addition to expanded general entertainment venues such as theaters. One stakeholder also noted the lack of quality, affordable housing for workers. Another encouraged attracting a four-year college.

9. *Is there anything else you'd like to add?*

The stakeholders were generally positive about Port performance as a community connector with its positive relationships with the city and within the region. The Port was widely viewed as a strong advocate that could help resolve issues such as land constraints created by National Scenic Area regulations. The Port was also seen as a key player in helping attract businesses to the area, both on Port properties and elsewhere. Another viewpoint asked the Port to consider the Gorge Commission as an untapped resource for regional problem solving.

Interview participants included:

Rolf Anderson	Jeff Nicol
Chuck Covert	Cheryl Park
Amanda Hoey	John Roberts
Gary Honald	Jared Sawyer
Dave Karlson	Sky Schact
Mary Kramer	Arthur Smith
Steve Lawrence	Kathy Ursprung
Tracey Linebarger	Al Wynn
Mary Merrill	Nolan Young
Keef Morgan	Michael Zingg
Darren Nichols	Chris Zukin
Lee Weinstein	

**MEETING NOTES****Port of The Dalles Strategic Business Plan  
Public Meeting and Port Commission Briefing****Port Office, The Dalles  
February 13, 2013****PUBLIC MEETING****Introduction**

Andrea Klaas, Executive Director, Port of The Dalles (Port), gave an overview of the strategic business plan process which is intended to guide Port policy and project priorities for the next 20 years. Andrea introduced consultants Scott Keillor, project manager with BergerABAM, and Todd Chase, senior economist with FCS GROUP. Scott gave a summary of the findings to date, with Todd's help regarding market findings. The work entails a summary of interviews, a Port facilities report, and a market study. The 10 attendees (see attached sign-in sheet) were asked to share their ideas and concerns regarding what the Port should focus on for the next 5, 10, and 20 years.

A summary of public input follows.

**Opportunities and Assets**

- Area climate and location on the Columbia River and Interstate 84 (I-84).
  - Consider increased shipping, a historic activity that has decreased over time.
- North Chenoweth – consider a mixed-use project with a brew pub (i.e., like Hood River).
  - The Port controls this area, and may want flexible zoning.
  - More jobs would drive more need for services/in support of local employment.
- Consider adding infill jobs/employment around downtown and near services.
- Oregon Solutions Team is a resource available through the governor's office.
- Revisit Port Vision and Mission: Consider new opportunities; broaden purpose and direction.
- Port is successful with outreach efforts in DC = project funding.
- Consider NW Aluminum site clean-up and acquisition.

**Constraints**

- Environmental policies, wetlands, etc., limit industrial land use.
- Land supply is impacted by the National Scenic Area (NSA) and topography.
  - 7-year urban growth boundary (UGB)/NSA major expansion process is ongoing.
- Serious near-term land need, but North Chenoweth to break ground this year.



- I-84/West Second Street back of shop clean-up is needed to update community image (ongoing issue)
- Development costs – all the easy land is gone; relatively less expensive supply in Dallesport.
- Gap funding for business expansion – could the Port offer revolving loans?
- Note that the proposed Wal-Mart site is a gateway to N Chenoweth; trip counts are important to consider in any new land use mix based on the Oregon Department of Transportation interchange management plan (IAMP)

#### **Needs**

- More industrial land base.
  - Large 40-acre plus and small lots are needed.
  - Consider flex space by specific type and design needs.
- More services in town.
- Port as economic development agency – in support role.
- Funding: Port advantage to access funds over private development – prepare lands for jobs.
- Marina: maintain commensurate with local demand. Seek Oregon State Marine Board (OSMB) funds as needed. Transient moorage and related visitation and tourism gains are limited by distance to town.

#### **PORT COMMISSION BRIEFING**

The consultant team provided an overview of the project and presented the initial interview findings and summaries of the Port facilities report and market study. The group discussed the public's input and the Port Commission added the following input for the strategic business plan process:

- Commissioners understand and have been effective in providing adequate infrastructure to serve future industrial development areas.
- The Port's legal counsel advises against any future effort the Port may consider to spur new development if it entails loans to private businesses or developers.
- Commissioners indicated that they could work with other ports and special districts to change state legislation to make it easier for ports to promote economic development.

- Commissioners acknowledged the need for additional urban land, and indicated that ongoing efforts to expand The Dalles Urban Growth Area may require special state legislation to implement.

**NEXT STEPS**

Scott thanked the Port Commission for their time, and indicated the project schedule includes:

- March 14, 2013: Emerging trends focus group with Michael Gallis and Associates
- April 10, 2013: Public and Port Commission review of draft strategic business plan
- May 2013: Final plan



Project Port of The Dalles Sheet \_\_\_\_\_ of \_\_\_\_\_  
Job Number \_\_\_\_\_  
Subject Strategic Business Plan Designer \_\_\_\_\_  
Date 2/13/13

SIGN IN

<u>Name</u>	<u>Phone / Email</u>
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John Cole	541-296-8080 rolinc@gorge.net
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Kathy Ursprung	Kursprung@thedalleschronicle.com
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GERRIT CLARKE	541-766-7572 gclarke@ci.the-dalles.or.us
RODGER NICHOLS	news@haystackbroadcasting.com



April 2, 2013

To: Andrea Klaas, Executive Director, Port of The Dalles

From: Michael Gallis, Michael Gallis & Associates  
Todd Chase, FCS GROUP  
Scott Keillor, BergerABAM

**RE: Summary on the Economy and Emerging Market Trends**

### **Introduction**

As part of the Port of The Dalles Strategic Business Plan Update process, an Emerging Market Trends Focus Group session was held in The Dalles on March 14, 2013. Mr. Gallis provided a presentation to the group, and the consulting team developed the following summary and potential action items for consideration with the port's strategy. A list of local economic development, business and port professionals in attendance concludes this memo.

### **Port of The Dalles Context**

The Port of The Dalles is a component of the West Coast port system, one of the five primary groupings of port systems of the US along with the Atlantic, Gulf Coast, Mississippi River and St. Lawrence-Great Lakes systems. Of the five systems two are inland systems while three are seacoast systems. The Western US ports group and patterns of urbanization have several unique characteristics that distinguish it from other sections of the US. These features must be taken into account as they have important meanings for the future economy of the Port of The Dalles.

### **Pattern of Urbanization**

The West Coast pattern of urbanization that forms the framework and foundation for the transportation system is quite different than that of the Gulf Coast or the East Coast. Along the Atlantic and Gulf Coast there are numerous large and smaller urban centers and ports, while on the West Coast there are only three major concentrations of large-scale urbanization with major ports at Los Angeles in the South, San Francisco, in the center, and the Portland/Seattle/Vancouver grouping in the North.

### **Economy**

The West Coast is a combination of both old economy and new economy businesses. The old economy includes a mix of agriculture, large acreage crops and specialty crops, resource extraction in the form of logging, ranching, and heavy manufacturing. The new economy, a high-tech knowledge economy, is highly concentrated in the West Coast metros, with most of the major tech companies and start-ups concentrated in the larger urban areas of the San Francisco Bay Area, Los Angeles and the Seattle region.

The Columbia River Gorge contains both old and new economy activity. Currently The Dalles is a center of the old economy serving as a hub for specialty agriculture, and is a “satellite center” in the new economy formed by the Gorge and Portland markets. The Dalles should target new economy business growth in the larger West Coast urban areas to supplement its traditional agricultural economic base. This strategy recognizes that connections between West Coast Ports, especially Portland, to Asian markets can foster greater global business visibility and activity.

### **Transportation**

The transportation structure and dynamics of the West Coast are also very different from the East Coast or the Gulf Coast. The West Coast has three dominant urban and economic centers, each containing a cluster of major air and seaports. As a result there are only three main surface, road and rail corridors that extend eastward from the main urban centers. Only San Francisco, with the Sacramento and San Joaquin Rivers, and Portland with the Columbia River have river systems that provide a second means of moving freight inland. Along these rivers there are numerous river ports that facilitate the movement of goods. The Port of The Dalles is strategically located along the Columbia River system.

In trade patterns, the East Coast and Gulf Coasts have an almost equal and balanced trade with Europe and China with a small but significant portion of trade from Latin America. In addition they receive a smaller share from India, Middle East and Africa. On the West Coast, the Asia trade is dominant with some South American trade and only a fraction of European trade.

The Port of The Dalles has a number of advantages and disadvantages that must be recognized in its economic development strategy. Every metro area, regardless of size, is faced with advantages and disadvantages, and those that effectively capitalize on their advantages while addressing the disadvantages will become the most successful.

### **Advantages**

- A. Located along 3 main transportation corridors with access to an airport:
  - 1. Water – The Columbia River
  - 2. Rail – UP/ BNSF is on the other side of the river
  - 3. Freeway- I- 84
  - 4. Air – Columbia Gorge Regional Airport across the River in Dallesport, Washington
- B. Low electric power prices
- C. Located 75 miles or 1 ½ hours from Portland
- D. A high quality of life, and unique environmental and historical setting that attracts tourists and visitors although on a seasonal basis
- E. Has both old economy or traditional businesses and new economy, tech businesses in the current mix
- F. Can easily market itself to the Portland, Seattle, and San Francisco Bay areas.

## **Disadvantages**

- A. Remote location with small population and labor force. It is just far enough from Portland to be considered distant, and not sufficiently into eastern Oregon to become a trade center for that region.
- B. Limited land available for economic development. Land must be used wisely for development and job creation:  
Example: 50 acres = 2,178,000 square feet which translated into industrial space @ 50% site coverage, which is the traditional maximum. To compute the value and jobs created: utilization @ 50% = 1,089,000 square feet of building. High intensity industrial of 1 person/750 square feet = 1452 jobs. If at a low utilization of 1 person/10,000 square feet only 110 jobs are accommodated.
- C. Limited amount and level of competitive resources in comparison to the major urban centers along the coast.

## **Focus Group Input**

Participants provided the following comments and input as part of the Emerging Trends Focus Group session:

### **Land Needs:**

- NW Aluminum site is a Superfund site that is capped and would be very expensive to clear for redevelopment
- UGB expansion is a high priority, but has been ongoing for 7 years (NSA expansion is a difficult task)
- Urban infill is a good opportunity

### **Land Use and Amenities**

- Lots of empty storefronts and second floor space downtown
- Consider need for office vs. residential over time
- Be flexible in designing new business parks in order to accommodate needs
- Ensure active street fronts with windows in retail areas and in industrial-serving retail nodes
- Pursue value-added agricultural users (i.e. soft wheat, flour, who is making noodles and where?)
- Maintain retail and find the right mix of uses downtown
- Consider business accelerator
- "Gaps" in retail downtown are a challenge

### **Economic Development**

- Port and City and others are good partners
- Up to 20 agencies are involved in economic development
- Consider long term transportation improvements (I-11/a 50 year view?)
- Create an Economic Framework Plan to organize and direct one vision, and a strategy for economic development
- Consider the lengthy UGB/NSA expansion process and staff as a resource to inform future economic development efforts
-

## Strategies

The Mid-Columbia Region has new economy businesses that the port can leverage into growing markets thought the West Coast and Asia. Currently, the main local technology drivers of the new economy are avionics, hi tech composites, electronic components, robotics, clean tech/wind energy, and health sciences. To help capture its share of new economy growth, the Port of The Dalles should work with its partners to develop the following economic development strategies.

- A. **Comprehensive Land Development Approach:** the Port of The Dalles has a few small sites ready for development, but large site availability is limited to the present plans to develop the North Chenoweth Industrial Park (50 net acres). Limits on available land are primarily due to the National Scenic Area and Urban Growth boundaries, and topography. Additional available urban lands include some brown field sites (NW Aluminum and The Rodeo Grounds) and infill development. Given limited urban expansion potential, a comprehensive inventory of available sites and underutilized buildings is needed on a community-wide basis to capture development and redevelopment sites for job growth.
- B. **Economic Development Framework:** The port can become a catalyst in organizing the efforts of multiple local, state and regional economic development agencies. One framework addressing a broad-based economic development and marketing strategy will help to attract business to new vacant sites, as well as infill sites and buildings in the traditional urban areas.
- C. **Aligning Investment:** The economic strategy should be closely aligned with the civic investment strategy. Investments in parks, new roads, landscape, education, etc., should recognize the economic goals of the community.
- D. **Location:** The remote location of The Dalles is a positive feature accentuated by the high quality of life, environmental and historical features of the area. Continue to build on the environmental quality and historic fabric of the town to “sell” quality of life and amenities desired by new economy businesses.
- E. **Creative Class:** New economy businesses must attract talented, creative professionals, often called the “creative class”. The Dalles offers the natural setting and qualities of urban intimacy that are highly appealing to these business types and their employees. The creative class often seeks out unique communities that offer a pedestrian environment with accessible retail, entertainment and recreational amenities. These features can be found and accentuated in historic downtown The Dalles and along the waterfront.
- F. **Land Availability:** Because land is limited by the NSA, UGB and topography, concentrate on higher employment density and focus on expanded industrial land over time. This may include eventual urban area expansion, regional economic development, and partnerships for regional job growth.
- G. **Urban Fabric:** Treat each business park and new development as an extension and/or infill within the urban fabric that makes The Dalles unique. Provide standards to ensure landscaping, lighting, recreation, river access, and urban amenities to maintain a compatible urban fabric.



#### H. Marketing Strategy:

- a. Make The Dalles visible in the Portland, Seattle and San Francisco markets.
- b. Recognize that the character and life style of The Dalles appeals to the “Creative Class” and to the Japanese and broader Asian market.
- c. Market the area’s developable land base as a scarce commodity in a high quality location.

#### **Conclusion**

The Dalles has many of the unique attributes that are needed to successfully expand its economy. As a satellite of the Portland economic region, The Dalles can capitalize on its environment, agriculture, technology, history and quality of life to pursue new economy business growth. The Dalles should define itself as a unique place of to do business, where employees enjoy a high quality of life. To increase local market opportunities, The Port of The Dalles can lead development of a comprehensive and integrated strategy to coordinate economic development interests toward a unified, visible and amenity-driven marketing position made more competitive in attracting global to regional businesses and jobs.

#### **Next Steps**

The Emerging Trends Focus Group session has provided additional input to the economic, market and strategies components of the Port’s Strategic Business Plan update process. The following next steps are a guide to be refined and included in the draft Plan to be presented for review by the public and Port Commission on April 24, 2013. Input will be reflected in final Strategic Business Plan to be delivered in May, 2013.

1. Incorporate Land Development Strategies
  - a. Pursue amenities within the North Chenoweth Business Park to attract new economy jobs, including limited industrial-service (restaurant/pub), improved landscaping, pathways, parks and river access for recreation where appropriate.
  - b. Study brown field sites as a long term prospect for redevelopment.
  - c. Inventory community-wide vacant land and under-utilized buildings and pursue infill development strategies with the City and other local partners.
  - d. Target higher employment density to capitalize on limited land supply.
  - e. Consider regional land development strategies to accommodate job growth, including industrial land in Dallesport, and possible small industrial site for agriculture-related business in Dufur, and elsewhere.

2. Formulate an Economic Development Framework Plan
  - a. Coordinate with local, state and regional economic development agencies and interests in developing a vision and framework for implementing economic development activities.
  - b. Identify available lands, buildings, amenities and strategies for development and redevelopment.
  - c. Incorporate lead agencies, approach, tasks, timeline and funding opportunities per strategy within the plan.
  - d. Incorporate targets for density, streetscape and prospects, including old and new economy businesses.
  - e. Market The Dalles and the Mid-Columbia Region as a unique environment for business growth, with a high quality of life and amenities.
    - i. Identify prospects, supply chains and potential growth markets, focusing on new economy businesses such as avionics, composites, robotics, clean tech/wind energy and health sciences.
    - ii. Develop strategies that will increase local visibility to Portland, West Coast and Asian markets.

### **Focus Group Attendees**

Dan Spatz  
John Nelson  
Mark Sodor  
Carolyn Wood  
Mary Merrill  
Chip Wood  
Paulette Brook  
Marlis Rufender  
Bob McFadden  
Sherrin Ungren  
David Griffith  
Rod Runyon  
Joan Silver  
Doug Leash  
Darren Nichols

Port Staff: Andrea Klaas, Kathy Norton, and Michael Held  
Consultants: Michael Gallis, Todd Chase and Scott Keillor

**Appendix C**  
**Facility Condition Assessment**

**MEMORANDUM**

Date: 03 April 2013 (**Revised 8 May 2013**)  
 Subject: Port of The Dalles Facility Condition Assessment  
 From: Scott McMahon  
 To: File

**OVERVIEW**

The Port of The Dalles (Port) owns 16 properties in The Dalles, Oregon and the surrounding area (see Table 1). BergerABAM performed a facilities condition assessment of all Port properties including the marina, the site of the Port’s administrative offices, three small riverfront commercial sites, and the Chenoweth site. The marina includes tax lots 1N 13E 3A 100, 1N 13E 3A 200, and 1N 13E 3A 300. The Chenoweth site included tax lots 2N 13E 21 700 and 2N 13E 21 800.

The assessment included a visual reconnaissance and review of available information provided by the Port, including drawings and technical reports. BergerABAM did not perform any calculations or testing. Scott McMahon visited the Chenoweth site and marina facility on 28 November 2012 with Port staff. Scott McMahon and Carissa Watanabe visited the marina facility on 3 January 2013.

**Table 1. Port Properties**

Tax Lot Number	Description of Property
2N 13E 21 700	North Chenoweth Industrial Park Area
2N 13E 21 800	North Chenoweth Industrial Park Area
2N 13E 28 B 400	Access area near North Chenoweth Industrial Park Area
2N 13E 28 107	Riverfront Trail Easement
2N 13E 28 109	Riverfront Trail Easement
2N 13E 28 D 3200	Riverfront Trail Easement
2N 13E 28 D 3100	Riverfront Commercial Lot – Klindt Drive



Tax Lot Number	Description of Property
2N 13E 28 D 2800	Riverfront Commercial Lot – Klindt Drive
2N 13E 28 D 2700	Riverfront Commercial Lot – Klindt Drive
2N 13E 28 D 2000	Port Administrative Offices
2N 13E 33 D 100	Grain Silo
1N 13E 3 100	Cruise Ship Marine Terminal
1N 13E 3AC 1500	Wonderworks Children’s Museum
1N 13E 3A 100	Marina
1N 13E 3A 200	Marina
1N 13E 3A 300	Marina



Figure 1. Riverfront Commercial Lots and Port Offices

## MARINA AND BOAT LAUNCH

### Overview

The marina and boat launch are located on the Columbia River at river mile 189.9 in The Dalles on an approximate 15-acre site (see Figure 2). Access is available from Interstate 84 (I-84) at exit 85, heading north on Brewery Overpass Road and then west on Boat Launch Road. Pedestrian access is available from the Riverfront Trail, a 10-mile non-motorized recreational trail that borders the marina. The trail is operated by Northern Wasco County Park & Recreation District (NWCPRD) and extends from The Dalles Dam to the Gorge Discovery Center.

The marina provides space for boathouses, open moorage for power and sail vessels, and transient moorage. A launch dock and ramp are located at the east end of the marina.

To the east, the marina borders Riverfront Park, a recreational park operated by the Northern Wasco County Park & Recreation District (NWCPRD). There are two perimeter breakwaters in the Columbia River. The U.S. Army Corps of Engineers (USACE) owns a timber pile breakwater along the western perimeter (see Figure 3) and the Port owns a rock breakwater along the northern and eastern perimeters. Two rock jetties located on the eastern and western sides of the ramp protect the boat launch.



Figure 2. Aerial of Marina and Boat Launch



**Figure 3. Timber Pile Breakwater**

### **Marina**

The marina is owned and operated by the Port. The marina can accommodate 62 boathouses and has 25 boat slips and an open moorage area with 12 transient pull-in slips (see Figure 4). The dock system was originally installed in 1985 and consists of concrete floats with steel pipe piles and H-piles. A renovation of the marina in 2004–2005 (see Exhibit A) included the following:

- Addition of six, 3 x 40-foot concrete finger floats and nine steel pipe piles to Pier 1, located the furthest west.
- Addition of one 5 x 60-foot concrete marina float and one steel pipe pile to Pier 3.
- Addition of one 5 x 80-foot concrete marina float and two steel pipe piles to Pier 4.
- Addition of a new transient moorage dock, including an 80-foot gangway that provides ADA access to the marina (see Figure 5). The transient moorage dock consists of a 6 x 250-foot concrete float that connects to the existing dock. Attached perpendicular to the north side of the 250-foot float is a 6 x 110-foot concrete float with four intermittent 3 x 40-foot concrete finger floats (two on each side) and a 6 x 90-foot concrete float at the terminal end (see Figure 6). The new transient moorage dock includes 12 steel pipe piles.

Overall, the marina is in good condition. During the site visit, BergerABAM staff observed minor damage to the facility consistent with its age and usage. This damage included concrete



spalls on the floating docks (see Figure 7), missing or damaged wood bumpers and rub strips, and missing pile bumpers (see Figure 8).



**Figure 4. Marina**



**Figure 5. ADA Accessible Ramp**





**Figure 6. Transient Moorage Dock**



**Figure 7. Concrete Spalls on Floating Dock**



**Figure 8. Missing Pile Bumpers**

### **Boat Launch**

The boat launch and ramp are owned by the Port (see Figure 9). The Port maintains the launch and ramp through a maintenance assistance program (MAP) grant from the Oregon State Marine Board (OSMB). The Port does not charge a fee for the use of the boat launch. The launch ramp consists of precast grooved slab concrete. During the 2004–05 renovation, new launch wood boarding floats and one new 8-inch steel pipe pile were installed. The new launch wood boarding floats consist of six 6 x 20-foot floats on the east side of the ramp and nine 6 x 20-foot floats on the west side of the ramp that connect perpendicular to the existing transient tie-up floats. The boat launch facility is in good condition but some general maintenance is needed on the docks.

During the site visits, BergerABAM staff noted that some of the dock bumpers were missing or needed repair (see Figure 10). The concrete ramp has minor concrete spalls. The Port noted a pothole at the bottom of the ramp which becomes an issue at low water events. The Port tried to work with the USACE and OSMB to make the repair, but permitting costs made the project not feasible at this time. Where the concrete ramp meets the asphalt parking lot, the asphalt is starting to chip (see Figure 11).





**Figure 9. Boat Launch**



**Figure 10. Damaged Dock Bumpers**



**Figure 11. Asphalt chipping at Boat Launch Ramp**

**Public Street Access**

Access to the marina is available from Interstate 84 at Exit 85 and then heading north on Brewery Overpass Road and then west on Boat Launch Road. The 10-mile Riverfront Trail extends from The Dalles Dam to the Gorge Discovery Center and provides pedestrian access to the marina.

**Sanitary Sewer**

A sewer collection system was installed in the marina in 1993 to pump out waste to the City of The Dalles' (City) sewer system. The pump station is located in the parking lot (see Figure 12). The sewer system is uniform, including the same size pipes, collection system and pumps throughout the marina. The sewer lines are located in the water to prevent freezing. A sewer pump-out station has been added to the transient mooring dock.





**Figure 12. Pump Station**

**Water**

Water is distributed from the east side of the marina, pipe extending from the boat launch, through water (see Figure 13). The water system is not uniform and consists of a variety of valves and pipes of different sizes. Potable water is supplied by the City.



**Figure 13. Water Line to the Marina**

### **Electrical Power**

Electrical power is distributed throughout the marina via overhead power lines. The North Wasco Public Utilities District (PUD) is responsible for supplying power to the marina and for the power distribution throughout it. Each boathouse has its own meter. The electrical system's current usage exceeds the original design intent and, while the system is suitable for its intended use, it was not designed to support the additional loads created by the addition of water heaters, air conditioning units and other appliances. The most recent Port and North Wasco PUD discussions include limiting the amount of power each boathouse can receive.

### **Communication**

Cable and fiber optic lines are currently not provided to the marina. Television is provided by satellites to individual moorage sites.

### **Stormwater**

The marina does not have a stormwater collection system. All runoff currently discharges to the Columbia River.

### **Parking Area**

The marina has an approximate 5-acre parking area that was seal coated and re-stripped in fall 2012 (see Figure 14). Repaving the parking lot was not economically feasible, as a stormwater treatment system would be needed. The Riverfront Trail may be extended through the parking lot. There is a restroom facility in the parking area (see Figure 15).





**Figure 14. Marina Parking Lot**



**Figure 15. Restroom Facility**



### PORT OF THE DALLES OFFICES

The Port's offices are located on a 4.23-acre site at 3636 Klindt Drive in The Dalles (see Figure 16). The administrative offices are located in a converted two-story dwelling with a finished basement. South of the administrative offices is a three-bay wood-framed carport. The Port's maintenance shop is located north of the administrative offices and is a two-story wood-framed structure. A stone retaining wall starts at the south end of the carport structure and ends at the maintenance shop. An asphalt parking lot provides surface parking at the Port facilities.



Figure 16. Aerial of Port Facilities

### RIVERFRONT COMMERCIAL LOTS

The Port owns three undeveloped commercial sites on Klindt Drive. All three sites have views of the Columbia River to the north. Tax lot number 2N13E28D3100 is referred to as Parcel 12; it consists of 1.05 acres and is located furthest north at 3831 Klindt Drive. Tax lots 2N13E28D2800 and 2N13E28D2700 are adjacent; they are referred to as Parcel 9A and Parcel 8A respectively. Parcel 9A is 1.22 acres and is located at 3800 Klindt Drive. Parcel 8A is 0.86 acre and is located at

3780 Klindt Drive. The Port intends to sell all three properties and has an asking price of \$160,000 per acre.

### **GRAIN ELEVATOR**

The Port leases tax lot 2N13E33D100 to Mid-Columbia Producers (see Figure 17). The site is 4.37 acres and is located at 1475 Bargeway Road.



**Figure 17. Grain Elevator**

### **CHENOWETH SITE**

#### **Overview**

The Chenoweth site is an 83.44-acre unimproved parcel zoned industrial. It includes approximately 60 acres of net developable land (see Figure 18). The site is adjacent to the Riverfront Trail and Bonneville Power Administration's Chenoweth substation. The Port is currently developing complete design plans for the Chenoweth site (see Figure 19) with the expected construction bid date in July 2013. It is estimated that 26 one-two acre sized lots will be market ready by June 2014. The current site layout provides the flexibility to combine parcels for larger developments. Preliminary property costs range from \$80,000 to \$100,000 per acre. Total project cost is \$5.5 - \$6 million with \$1.2 million in offsite improvements. The project will retain river front trail and access, and feature finished sidewalk and landscaped areas.





Figure 18. Chenoweth Site

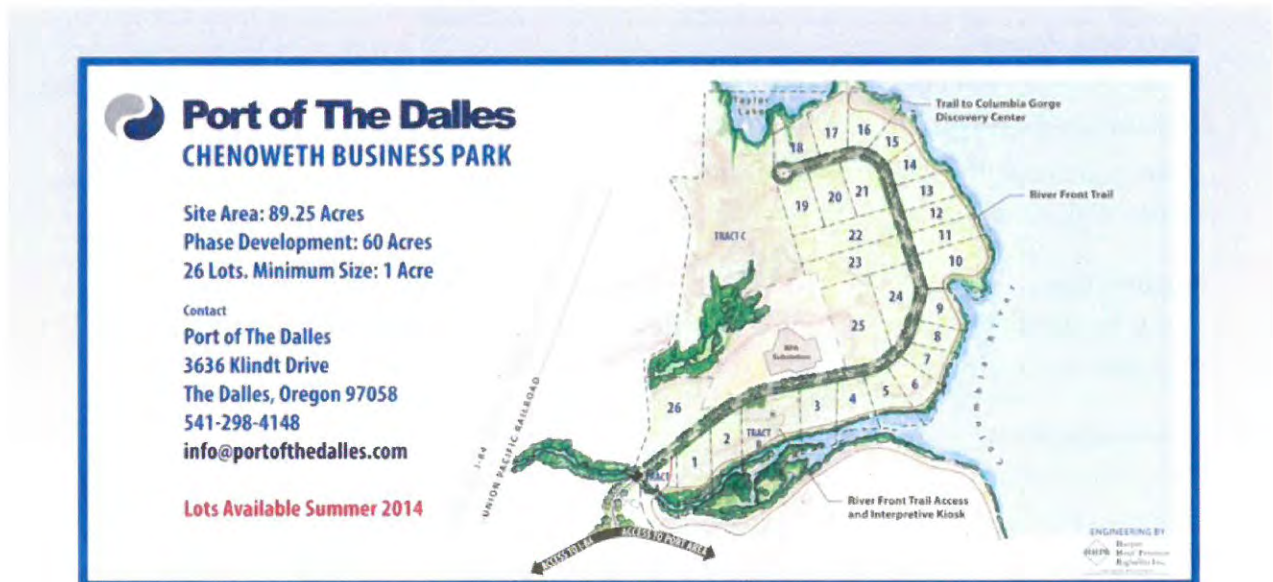


Figure 19. Chenoweth Conceptual Design

### Public Street Access

The Chenoweth Interchange Area Management Plan (IAMP) is a plan for transportation to serve future commercial and light industrial development. The IAMP provides access to the



Chenoweth site by the future River Trail Way that will connect to the existing River Road east of the I-84 interchange. River Trail Way will function as a local street. River Road is a two-lane collector road that provides access to I-84.

### **Sanitary Sewer**

There are no sanitary sewer lines at the Chenoweth site. We understand that the Port will extend approximately 2,500-ft of pipe / pressure main sanitary sewer to the Chenoweth development. The sewer line will be 8" ductile iron pipe and a combination of gravity and pressure lines and will connect to the existing 8" ductile iron pipe installed on the Chenoweth Bridge. We also understand a lift station will be installed off of River Trail Way near lot #9. The City also plans to install a regional sewer lift station near the intersection of the future River Trail Way and the existing River Road.

### **Water**

The Chenoweth property has water rights established in 1979. The water is located near Site #9 on Option A of the Chenoweth Master Plan. There is currently one pump on site with a capacity of 1 cubic feet per second. The pump is adequate for fire suppression. We understand a 16" water line will be installed to serve the development. The City provides an 18" water line to the site.

### **Electrical Power**

There currently is no electrical power to the site. Current available capacity is 7.2/12.5kV. The current substation on site provides 115kV. As its design is finalized, power lines will be installed to meet the needs of the future development. Electrical power will be provided by North Wasco PUD.

### **Natural Gas**

The Chenoweth development will be served by a 4 ½" steel gas main at 50psi. The gas will be supplied by Northwest Natural.

### **Communication**

Telephone, cable, and fiber optic lines are not currently provided to the Chenoweth site. As its design is finalized, utilities will be installed to meet the needs of the future development. The development will have both copper and fiber optic lines with DS1/TS1 and DS3/T3 lines available. In the future, cable may be provided by Charter Communications and/or Gorge Networks, and telephone and internet may be provided by AT&T, Century Link, Charter Communications, Gorge Networks, and/or Qnect.

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**Stormwater**

Currently no stormwater system is in place. Per the current design, all stormwater runoff will be treated on-site using bioswales and other treatment methods as necessary.

TSM:keh

## **Appendix D**

### **Market Analysis**



## MARKET ANALYSIS

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This market analysis section identifies existing and emerging economic opportunities for the Port of The Dalles (Port). Findings from this work are intended to assist the Port of The Dalles and its local government partners and stakeholders identify existing and potential business activities that are consistent with the Port's vision. The goal of this section is to establish a clear economic development direction for the Port that is consistent with local, regional, and state market trends and planning policies.

The steps used to complete this work are described below.

1. Identify Port strategic advantages with regard to geographic location/proximity to primary and secondary trade areas, regional transportation infrastructure, and available amenities.
2. Review data on historical population and employment trends.
3. Describe national, state, and local economic trends.
4. Review information regarding existing and potential growth of major employers.
5. Compile wage and salary employment data for Wasco County and conduct industry clusters analysis to ascertain emerging economic development characteristics.
6. Identify tourism trends and related market opportunities.
7. Evaluate current economic impacts of direct, indirect, and induced employment and economic activity attributed to the Port.
8. Prepare market-supportable commercial and industrial development forecasts for the Port district and potential capture rates for Port-owned land and facilities.

As part of this work effort, the consultant team evaluated current economic plans, marketing plans, and statistics provided by local, state, and federal government agencies.

Please note, this market analysis is intended to comply with Business Oregon's requirements for consideration of regional and national trends during the update of port strategic plans. Hence, some of the regional and national data sources that are used may not precisely reflect local demand characteristics.

### A. ECONOMIC OVERVIEW

#### International and National Overview

The economy within the Port district is directly linked with the Columbia River Gorge economy, which is partially influenced by economic activity across the United States and global marketplaces. The Port's district area includes about one-third of northern Wasco County. While some economic activity also occurs directly across the Columbia River with residents and businesses in Klickitat County (including Dallesport and Lyle, Washington), the vast majority of economic interaction between the Port and the larger region is contained within Wasco County.

The U.S. and Oregon economies are still recovering from an 18-month economic recession that began in December 2007 and officially ended in June 2008, according to the National Bureau of Economic Research. The recent “Great Recession” is the longest on record since 1939 and has resulted in an economic slowdown across the U.S.

As of 2012, moderate economic expansion is occurring nationally and in Oregon. According to the U.S. Bureau of Economic Analysis, real Gross Domestic Product (GDP is the measure of the value of all goods and services produced annually) increased by 3.1% during the 3<sup>rd</sup> quarter of 2012, up from an annual rate of 1.7% in 2011 and 3.0% in 2010.

The future GDP outlook is promising. According to recent projections by the Federal Reserve Open Market Committee, national GDP is expected to grow by between 2.5% and 3.0% in 2013, and by 3.0% to 3.8% in 2014. A comparison among global nations with respect to GDP and Consumer Price Index (CPI) trends is provided in **Table 1**, using data forecasts by the World Bank.

Oregon’s economic growth is tempered by relatively high unemployment rates and home foreclosures that continue to rise. Oregon posted a year-over-year overall job gain of 19,500 jobs between December 2011 and December 2012, which was an improvement over the prior year’s job gain of 17,800 jobs. At the same time, the state’s seasonally adjusted unemployment rate continued to fall from 9.0% in December 2011 to 8.4% in December 2012 (still higher than the 7.8% unemployment rate for the U.S.). Overall unemployment rates in Wasco County have been lower than the state average with 7.7% unemployment in December 2012, which was more favorable than 8.2% recorded one year prior. It should be noted that Oregon is also experiencing a high level of “under-employment” which is not reflected in these data trends. Fortunately, it appears that the Oregon and Washington are now undergoing a modest economic recovery.

**Table 1 GDP and CPI Comparisons, Year-over-Year Change**

	Gross Domestic Product			Consumer Price Index		
	2011	2012	2013	2011	2012	2013
World	3.9%	3.5%	4.1%	4.8%	4.0%	3.7%
Advanced economies	1.6%	1.4%	2.0%	2.7%	1.9%	1.7%
United States	1.7%	2.1%	2.4%	3.1%	2.1%	1.9%
European Union	1.6%	0.0%	1.3%	3.1%	2.3%	1.8%
United Kingdom	0.7%	0.8%	2.0%	4.5%	2.4%	2.0%
Japan	-0.7%	2.0%	1.7%	-0.3%	0.0%	0.0%
Korea	3.6%	3.5%	4.0%	4.0%	3.4%	3.2%
Canada	2.5%	2.1%	2.2%	2.9%	2.2%	2.0%
Emerging and developing economies	6.2%	5.7%	6.0%	7.1%	6.2%	5.6%
China	9.2%	8.2%	8.8%	5.4%	3.3%	3.0%
India	7.2%	6.9%	7.3%	8.6%	8.2%	7.3%
Mexico	4.0%	3.6%	3.7%	3.4%	3.9%	3.0%
Brazil	2.7%	3.0%	4.2%	6.6%	5.2%	5.0%
Russia	4.3%	4.0%	3.9%	8.4%	4.8%	6.4%

*Source: International Monetary Fund, World Economic Outlook Database, April 2012.*

In Oregon, state economists are predicting a continued upturn in the state’s economy with employment growing at a slightly higher rate in 2013, compared with the 1.2 percent rate achieved in 2012. The

Oregon economy should experience more rapid growth than the nation as a whole, but this is not expected to generate a corresponding rise in per capita personal income before 2017.

**Trade Overview**

The Dalles economy is influenced by the greater Portland region, which is one of the four primary international trade gateways along the West Coast. Rapidly growing Asian and Middle Eastern economies will result in significant increases in demand for trade into and out of most international and regional ports, which could benefit the Port of The Dalles. Commodity flow forecasts for the region project a doubling of freight volume over the next 20 years. This growth equates to an average annual growth rate of 2-3%.

As global and state GDP rise and commodity trade increases, Oregon ports could benefit from increases in import and export activity. The value of Oregon exports reached a record high of \$18.3 billion in 2011 (according to the most recent data by the U.S. Department of Commerce), up 3.6% from 2010. Oregon’s leading trade partner is China, which now imports about 23% of Oregon exports. Other leading export destinations in decreasing order include Malaysia, Canada, Japan, South Korea, and Taiwan. Please refer to **Attachment A** of this market report for a list of Oregon’s top 25 trade exports.

**Regional and Local Development Overview**

**Population and Income Levels**

As indicated in **Table 2**, Wasco County had a population of 25,300 people in 2011. Wasco County’s average annual population growth rate (AAGR) over the 2000 to 2010 timeframe was 0.58%, which is well below the Oregon growth rate (1.14%). The Dalles is the largest and fastest growing jurisdiction in Wasco County, with population growth equal to or exceeding the state average.

**Table 2 Population Trends**

	2000 Census	2010 Census	2011 PSU	Avg. Annual Growth Rate	
				2000-2010	2010-2011
<b>Wasco County</b>	<b>23,791</b>	<b>25,213</b>	<b>25,300</b>	<b>0.58%</b>	<b>0.35%</b>
The Dalles	12,156	13,620	14,440	1.14%	6.02%
Antelope	59	46	45	-2.46%	-2.17%
Dufur	588	604	605	0.27%	0.17%
Maupin	411	418	420	0.17%	0.48%
Mosier	410	433	435	0.55%	0.46%
Shaniko	26	36	35	3.31%	-2.78%
Portland MSA <sup>1</sup>	1,927,881	2,226,009	2,246,083	1.45%	0.90%
Oregon	3,421,399	3,831,074	3,857,625	1.14%	0.69%

<sup>1</sup> Portland Metropolitan Statistical Area consists of Clackamas, Clark, Columbia, Multnomah, Skamania, Washington, and Yamhill counties.

Source: Dept. of Commerce, American Community Survey and Portland State University (PSU).

There has been a net in-migration of people moving into Wasco County of people in recent years. The top five leading counties with in-migration into Wasco County are summarized in **Table 3**. It is interesting to note that the results show that the average per capita income levels of people moving in are well below the income levels of people moving out of Wasco County. If this trend continues it will likely depress local income levels.

New residents moving into Wasco County are much younger than the current residents. While only 24% of the current population is below age 20, and 24% is between age 20- 40;



the percentage of new residents in these same age cohorts was much higher: 28% and 41% (Table 4).

**Table 3 Population Migration Patterns to/from Wasco County, 2009 to 2010**

Location	Moving Into Wasco County		Moving from Wasco County		Population Net Gain from Location
	People Moving In	Per capita Income	People Moving Out	Per capita Income	
Hood River County, OR	134	\$20,900	134	\$16,300	0
Klickitat County, WA	109	\$2,700	76	\$16,800	33
Clackamas County, OR	49	\$10,800	43	\$18,800	6
Clark County, WA	41	\$20,700	30	\$17,700	11
Yakima County, WA	29	\$9,900	0	n/a	29
All Jurisdictions	1,330	\$16,800	1,250	\$17,800	80

Source: [www.forbes/migration.com](http://www.forbes/migration.com); based on IRS statistics for year 2010.

**Table 4 Wasco County Population by Age Cohort**

Age Cohort	2007-11 Wasco County Population (ACS 5-yr est.)		In-Migration Population (ACS 5-yr est.)	
	Number	Distribution	Number	Distribution
1 to 4 years	1,163	5%	100	4%
5 to 17 years	4,040	16%	513	19%
18 and 19 years	629	3%	127	5%
20 to 24 years	1,510	6%	611	23%
25 to 29 years	1,394	6%	230	9%
30 to 34 years	1,447	6%	145	5%
35 to 39 years	1,515	6%	118	4%
40 to 44 years	1,324	5%	52	2%
45 to 49 years	1,647	7%	186	7%
50 to 54 years	1,927	8%	159	6%
55 to 59 years	1,918	8%	163	6%
60 to 64 years	1,725	7%	70	3%
65 to 69 years	1,296	5%	22	1%
70 to 74 years	875	4%	65	2%
75 years and over	2,122	9%	105	4%
<b>Total</b>	<b>24,532</b>	<b>100%</b>	<b>2,666</b>	<b>100%</b>

Source: Dept. of Commerce, American Community Survey, Wasco County, 5-year survey: 2007-2011.

Income levels within Wasco County have been increasing over the past decade in spite of two national economic recessions. As indicated in Table 5, the median household income level for Wasco County was approximately \$41,314 in 2010 and the average per capita income level was \$21,407. While Wasco County's per capita income levels have increased faster than the Oregon and national averages over the 2000-2010 timeframe, local income levels are about 14% lower than the Oregon statewide average.

In summary, there has been a recent trend towards a slowly increasing younger low-income population in Wasco County. Efforts by the Port of The Dalles in partnership with local or state governments to attract

new opportunities for “living wage” jobs should be pursued to help encourage higher-income employment.<sup>1</sup>

**Table 5 Income Trends**

		1999	2010	AAGR
Median Household Income	<b>Wasco County</b>	<b>\$35,959</b>	<b>\$41,314</b>	<b>1.3%</b>
	Hood River County	\$38,326	\$51,414	2.7%
	Oregon	\$40,916	\$46,560	1.2%
	Washington	\$45,776	\$55,631	1.8%
	U.S.A.	\$41,994	\$50,046	1.6%
Per Capita Income	<b>Wasco County</b>	<b>\$17,195</b>	<b>\$21,407</b>	<b>2.0%</b>
	Hood River County	\$17,877	\$23,061	2.3%
	Oregon	\$20,940	\$24,753	1.5%
	Washington	\$22,973	\$28,364	1.9%
	U.S.A.	\$21,587	\$26,059	1.7%

*Source: Census (in 1999 dollars) and ACS for 2008-2010 (in 2010 dollars)*

### Economic Strengths and Weaknesses

The physical, economic, demographic, and infrastructure characteristics of the Port district set the framework within which businesses can establish themselves and grow. Depending on the industry, a certain characteristic can be both an opportunity for and constrain job creation. For example, the relatively low existing income levels and relatively high unemployment in the local area, may be attractive to certain businesses seeking to lower operational costs by paying low wage rates (positive for job growth but not so positive for income growth). An analysis of the Port district in the context of the broader regional or state economy can help narrow the list of target industries as well as identify where policies could be adjusted to help remove barriers to job creation.

### Location and Geography

The Port is located within the northeastern edge of the greater Portland MSA in the mid-Columbia River basin. The terrain includes significant land at low elevations, with some steep topography associated with the Cascades. Small cities, good schools, relatively inexpensive land/rent levels, and convenient access to mid-Columbia River Gorge labor markets make the area a favorable location for residents and businesses.

### Transportation and Infrastructure

The industrial and commercial properties that belong to the Port are primarily located along Interstate 84 along the Columbia River. The Port Industrial Area is within a 1.5-hour drive from the Portland International Airport along I-84. The Union Pacific railroad provides mainline freight rail access between The Dalles and points east and west. Barge access is located in the Columbia River.

Waterborne river transportation access is provided via intermodal river/rail/highway linkages and recreational public access areas at Port-owned marina and boat launch (recreational). Also, the Port recently helped construct a new marine terminal downtown.

There are no known water, sewer, natural gas, or telecommunications limitations within the Port that would curtail long-term growth.

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<sup>1</sup> Living wage jobs are defined by Business Oregon as those that pay at least the Wasco County mean (average) covered payroll level of \$32,389 (2011 estimate).

The Port of The Dalles continues to invest in infrastructure needed to attract new business and industry. It is anticipated that the Port will be breaking ground on a new 80 acre business park in August 2013. That and other recent infrastructure investments by the City of The Dalles, Port and ODOT are expected to leverage additional private industrial and commercial development in the area. Highlights of these investments include:

- New marine terminal near downtown
- New downtown festival area
- Wonderworks (children's museum) celebrated their grand opening in October 2012. The Port was a major partner in this community amenity. Wonderworks entered into an agreement for the final purchase of the building from the Port once necessary funds have been raised/leveraged for additional capital improvements.
- The Port is working to develop market-ready industrial land on the North Chenoweth Industrial Site (formerly Mt.-Fir Lumber). The 80-acre (gross) site was acquired by the Port and the project is currently in the conceptual design phase. The project's first phase will include approximately 10-12 site with 1.5 to 2 acres each, and an additional 30-acre parcel for larger developments. The site has Business Oregon's Decision Ready Certification status, which provides advance marketing to prospective site users.
- The Port is working on a programmatic solution to new development because wetlands in this region are hydrologically connected to waters that are habitat for threatened and endangered species, entailing a need to satisfy state and federal regulatory requirements.
- The Port is currently exploring options for a role in the revitalization of downtown The Dalles. Efforts are underway to target potential projects that meet the Port's mission of economic development.

#### Quality of Life and Business Incentives

Good schools, parks, recreational access, low-cost living, small-town character and favorable infrastructure positively impact residents and businesses located within the Port district. A variety of housing options, ranging from affordable choices for seniors to executive housing, are available at prices that are well below the greater Portland regional average. Relatively low land costs and very low electric power rates also benefit major employers in the Port district.

Public/private partnerships, proactive marketing and assistance by the Mid-Columbia Economic Development District (and its public and private partners) provide local businesses with favorable loans for capital investments, microloans, technical assistance and workforce training.

#### Development Overview

In recent years, the Port has implemented several public facility investments inside the Port district. A timeline of Port and related City of The Dalles accomplishments includes:

1985 City passes \$4.5million bond to improve Port property

1998 City annexes Port property

1999 Sets aside 16+ acres for the Riverfront Trail at an estimated value of \$1,250,000 (\$75,000/acre)

1999 Completes the Chenoweth Creek Industrial Subdivision – 58 acres, \$1,500,000 project

2001 Transfers Riverfront Park to Parks and Recreation

2002 Constructs Klindt Cove parking area to access Riverfront Trail and public beach



2003 Invests \$700,000 in infrastructure improvements to add an additional 21 industrial lots to current land inventory

2004 Port receives “Certified Industrial Site” certification from the state of Oregon for industrial properties.

2005 Bonds are paid off

2005 Google purchases 30 acres, Flagstone Development purchases 6.7 acres, TumALum purchases 3 acres, Riverfront Assets purchases 2.4 acres

2006 Partners with Wasco County on a new bridge over Chenoweth Creek

2009 Purchases building on Madison Street for Wonderworks new home

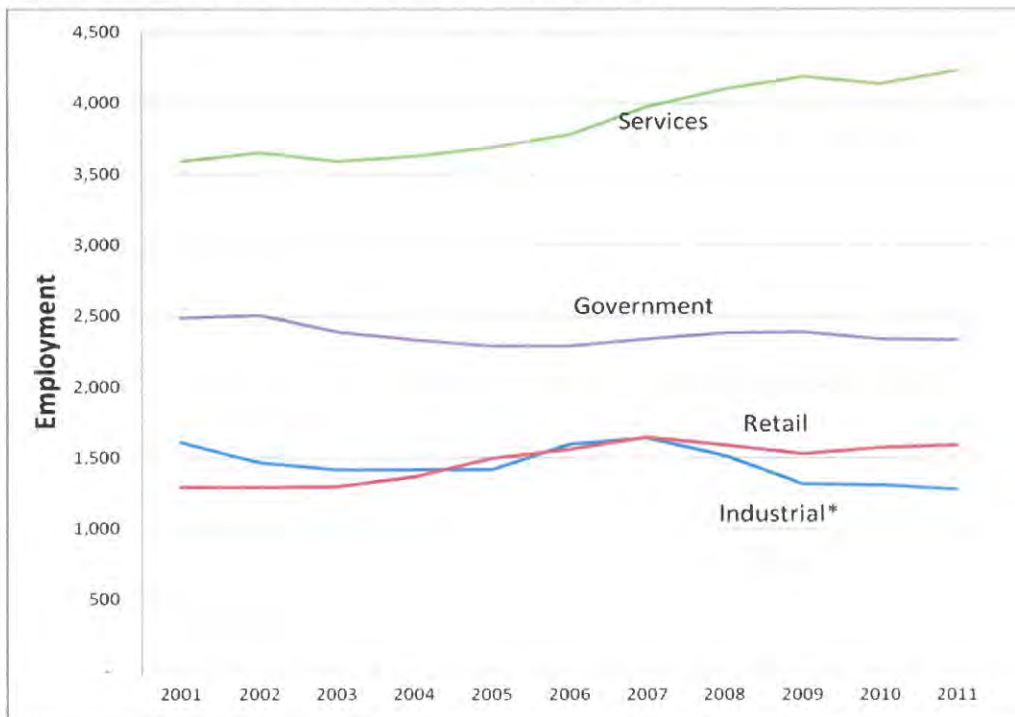
2012 North Chenoweth Industrial Site receives Business Oregon’s “Decision Ready” Status

## B. MARKET ANALYSIS

### Employment Trends

According to the Oregon Employment Department, at the end of 2011, Wasco County had 1,120 employers (at separate locations). Total employment in Wasco County included 9,540 “covered jobs” in 2011, which reflects jobs that are covered by unemployment insurance. The current level of employment is down from the recent 2008 peak of 10,870 jobs, but as indicated in **Figure 1**, there have been recent increases recorded within the services and retail sectors with little or no growth in government and industrial sectors since 2008.

**Figure 1 Wasco County Employment Trends, 2001-2011**



Source: Oregon Employment Dept.,

\* Industrial reflects construction, manufacturing, mining, wholesale trade, transportation and utility businesses.

While many Wasco County employment sectors are down from their 2008 peak, post-recession job growth has occurred between 2008 and 2011 in: construction, professional and business services, education and health services, other services, and state government (**Table 6**).

**Table 6 Wasco County Employment Trends by Sector, 2001-2011 (covered workers)**

	2001	2006	2011	2001-2011	
				Change	AAGR
<b>Total nonfarm employment</b>	<b>8,980</b>	<b>9,230</b>	<b>9,430</b>	<b>450</b>	0.49%
<b>Total Private</b>	<b>6,490</b>	<b>6,940</b>	<b>7,100</b>	<b>610</b>	0.90%
Mining and logging	50	60	50	0	0.00%
Construction	290	390	300	10	0.34%
Manufacturing	870	730	580	-290	-3.97%
Trade, transportation, and utilities	1,690	1,980	1,930	240	1.34%
Wholesale Trade	220	230	150	-70	-3.76%
Retail trade	1,290	1,560	1,590	300	2.11%
Transportation, warehousing, and utilities	180	190	200	20	1.06%
Information	150	120	110	-40	-3.05%
Financial activities	360	360	400	40	1.06%
Professional and business services	290	440	510	220	5.81%
Educational and health services	1,400	1,500	1,830	430	2.71%
Ambulatory health care services	330	360	360	30	0.87%
Nursing and residential care facilities	480	420	520	40	0.80%
Leisure and hospitality	1,080	1,040	1,080	0	0.00%
Accommodation and food services	970	920	980	10	0.10%
Other services	310	320	310	0	0.00%
<b>Government</b>	<b>2,490</b>	<b>2,290</b>	<b>2,330</b>	<b>-160</b>	-0.66%
Federal government	390	320	320	-70	-1.96%
State government	360	350	320	-40	-1.17%
Local government	1,740	1,620	1,690	-50	-0.29%
Indian tribal	270	290	320	50	1.71%
Local education	850	730	740	-110	-1.38%
Local government excluding education	620	-	630	10	0.16%

Source: Oregon Employment Department; compiled by FCS GROUP. Employment includes workers "covered" by unemployment insurance. Data reflects most current year available at time of this analysis.

Wasco County has a relatively high share of seasonal part-time and home-based employment that is not reflected in the "covered" employment estimates reported by the Oregon Employment Department. It is estimated that approximately 26% of total employment in Wasco County is not reported by OED (equates to +/- 3,000 jobs). As indicated in **Table 7**, the total 2012 employment in Wasco County is estimated to include: 3,458 industrial jobs, 2,063 retail trade jobs, 5,699 service jobs, and 2,365 government jobs.

**Table 7 Estimated Employment in Wasco County, 2012**

Sector	2012 Covered Jobs (Actual) <sup>1</sup>	Ratio of Total to Covered Jobs <sup>2</sup>	2012 Total Jobs (Estimate)
Industrial	2,882	1.20	3,458
Retail trade	1,587	1.30	2,063
Services	4,071	1.40	5,699
<b>Total private employment</b>	<b>8,540</b>	<b>1.31</b>	<b>11,221</b>
Government employment	2,252	1.05	2,365
<b>Total non-farm employment</b>	<b>10,792</b>	<b>1.26</b>	<b>13,586</b>

<sup>1</sup> Derived from Table 4. Industrial reflects: manufacturing, construction, wholesale trade, transportation, utilities and information. Services include business, health, education and leisure/hospitality and other services.

<sup>2</sup> Ratios are derived from 2010 IMPLAN analysis (total job count estimates) in comparison to Oregon Employment Department covered worker data.

Agriculture plays a major role in the Port of The Dalles regional economy. The six counties surrounding the Port district include 2,248 farms with nearly 3.7 million acres (**Table 8**). The annual commodity value of farm products in the region increased significantly between 2002 and 2007—from about \$180 million to approximately \$316 million. In 2007, the top commodity products in these six counties included: fruits and nuts (\$156 million); grains, dried beans, oilseeds (\$76 million); cattle (\$42 million); and hay/other crops (\$28 million). Monthly agricultural employment within these six counties reaches a seasonal peak of 11,940 workers in July and has an annual average employment level of 5,550 workers. As noted in Table 8, the average size of farms in the region has declined slightly, as large farms have been divided into smaller farms in-part due to land requirements for wind energy.

**Table 8 Agricultural Statistics**

County	Category	2002	2007	% Change
<b>Gilliam</b>				
	Number of Farms	156	164	5%
	Land in Farms (acres)	642,996	733,387	14%
	Average Size of Farm (acres)	4,122	4,472	8%
	Market Value of Products Sold	\$17,370,000	\$37,048,000	113%
<b>Hood River</b>				
	Number of Farms	562	553	-2%
	Land in Farms (acres)	29,064	26,952	-7%
	Average Size of Farm (acres)	52	49	-6%
	Market Value of Products Sold	\$59,599,000	\$100,443,000	69%
<b>Jefferson</b>				
	Number of Farms	428	510	19%
	Land in Farms (acres)	701,440	708,974	1%
	Average Size of Farm (acres)	1,639	1,390	-15%
	Market Value of Products Sold	\$40,785,000	\$56,553,000	39%
<b>Sherman</b>				
	Number of Farms	210	208	-1%
	Land in Farms (acres)	507,705	514,004	1%
	Average Size of Farm (acres)	2,418	2,471	2%
	Market Value of Products Sold	\$14,985,000	\$31,749,000	112%
<b>Wasco</b>				
	Number of Farms	538	649	21%
	Land in Farms (acres)	1,086,817	949,462	-13%
	Average Size of Farm (acres)	2,020	1,463	-28%
	Market Value of Products Sold	\$43,223,000	\$89,862,000	108%
<b>Wheeler</b>				
	Number of Farms	164	164	0%
	Land in Farms (acres)	738,207	757,780	3%
	Average Size of Farm (acres)	4,501	4,621	3%
	Market Value of Products Sold	\$6,257,000	Undisclosed	-
<b>Total (Σ)</b>				
	Number of Farms	2,058	2,248	9%
	Land in Farms (acres)	3,706,229	3,690,559	0%
	Average Size of Farm (acres)	14,752	14,466	-2%
	Market Value of Products Sold*	\$175,962,000	\$315,655,000	79%

\*Excludes Wheeler County Values

Source: U.S. Dept. of Agriculture, Census of Agriculture (2002 and 2007).

### Major Employers

The top private employers within the Port district are reflected in **Table 9**. The largest private and non-profit employers include Mid-Columbia Medical Center, Oregon Cherry Growers, Veterans Care Centers of Oregon, Orchard View Farms, Safeway Stores, and Google.



**Table 9 Top Private Employers in Wasco County, 2011**

Name	Description	Employees
MID-COLUMBIA MEDICAL CENTER	Health Care Services	700-750
OREGON CHERRY GROWERS, INC.	Fruit Farming	300-350
VETERANS CARE CENTERS OF OREGON	Nursing Care Facility	150-200
ORCHARD VIEW FARMS, INC.	Fruit Tree Farming	150-200
SAFEWAY STORES, INC.	Grocery Store	100-150
THE HOME DEPOT	Home Center	100-150
GOOGLE INC	Computer Data Center	100-150
COLUMBIA BASIN CARE FACILITY	Nursing Care Facility	50-100
KMART CORP	Department Store	50-100
CHERRY VALLEY ORCHARD INC	Fruit Tree Farming	50-100
POLEHN FARMS INC	Fruit Tree Farming	50-100
COUSINS RESTAURANT, INC	Full-Service Restaurant	50-100
BONNEVILLE POWER ADMINISTRATION	Hydroelectric Power Generation	50-100
DRY HOLLOW FAMILY ORCHARDS INC	Fruit Tree Farming	50-100
NORTHWEST ALUMINUM SPECIALITIES INC	Aluminum Production & Processing	50-100
MCCLASKEY ORCHARDS	Fruit Tree Farming	50-100
NORTHERN OREGON CORRECTIONS	Correctional Institution	50-100
CHERRY MOUNTAINS ORCHARDS INC	Fruit Tree Farming	50-100
NELSON TIRE INC	Auto Parts & Tires	50-100
BARRETT BUSINESS SERVICES, INC.	Temporary Business Services	50-100
SENIOR HOUSING NW LLC	Retirement Community	50-100
STANEK INC	Full-Service Restaurant	50-100

\* NAICS = North American Industrial Classification System code.

### Port-Related Economic Benefits

Over the past three decades, the Port spearheaded the development of The Dalles Industrial Area and the Port's Marina. The Port has opted to sell most of the Industrial Area to private businesses, but still has one active lease on an industrial-zoned parcel with Mid-Columbia Producers. An economic analysis of the 53 businesses that now occupy the Port's Industrial Area (shown in Attachment B) indicates that these businesses currently employ approximately 1,028 workers with a direct annual payroll of \$48.3 million (average payroll of \$47,000). FCS GROUP utilized the Impact Analysis of Planning Model (IMPLAN) to evaluate the direct, indirect, and induced annual economic impacts of The Port Industrial Area on the larger region.

In addition to periodic construction-related benefits from Port and private business construction spending, the ongoing business operations for the aforementioned businesses provide the following annual local and regional economic benefits:

- ♦ Tenants and businesses on Port-developed lands have direct employment of over 1,028 jobs within Wasco County.
- ♦ Direct annual GDP of approximately \$83 million. This includes employee compensation (\$45 million), property/lease income (\$22 million), state and local tax payments (\$7 million), and proprietor profits (\$9 million).

The indirect and induced secondary economic benefits that are generated by the Port and its tenants and the businesses that have purchased Port properties over the past few years account for additional annual economic benefits through the purchase of goods and services in the local/regional economy. These secondary benefits include:

- Support for 337 induced jobs (full and part-time positions) in supply/vendor chains.
- Another 333 indirect jobs from the re-spending of direct labor income.
- An additional \$36 million in annual GDP from indirect and induced spending.
- Total annual economic output of \$264 million for the region.

In summary, the Port of The Dalles prior development of the Port Industrial Area, and related land sales and leases have helped attract and retain 53 businesses, which are now important economic drivers within the local and regional economy. These businesses support 1,028 direct jobs and 670 indirect/induced jobs, and contribute \$264 million in annual economic output to the local and regional economy.

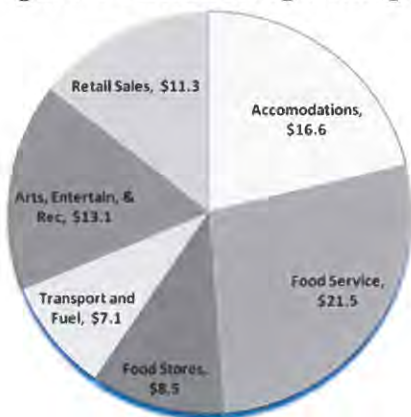
### Tourism and Recreational Boating Trends

Visitation and tourism play an increasingly important role in supporting the Wasco County and Mid-Columbia River Gorge economy. As population in Oregon and across the western U.S. increases, visitation activity within Wasco County is expected to rise. Visitors are drawn to the area’s many natural attractions, including fishing, hunting, kayaking, camping, bird watching, and sail/kite boarding.

According to a tourism impact study prepared for the Oregon Tourism Commission, annual travel spending in Wasco County amounted to \$81.9 million in 2010, up from \$62.5 million a decade earlier in 2000, but down from a 2008 peak of \$82.7 million. Total travel spending increased at an average annual rate of 2.7% in Wasco County between 2000-2010, slightly below the tourism spending growth rate for the state (3.6%) during this same period.

As indicated in **Figure 2**, the retail sectors that benefit from tourism include: food service/restaurants, food and beverage stores, accommodations, and miscellaneous retail stores. The fact that transportation and fuel generated about \$7.1 million in annual sales indicates that Wasco County is primarily a day-trip visitor market.

**Figure 2 Visitation Spending in Wasco County by Retail Type, 2010**

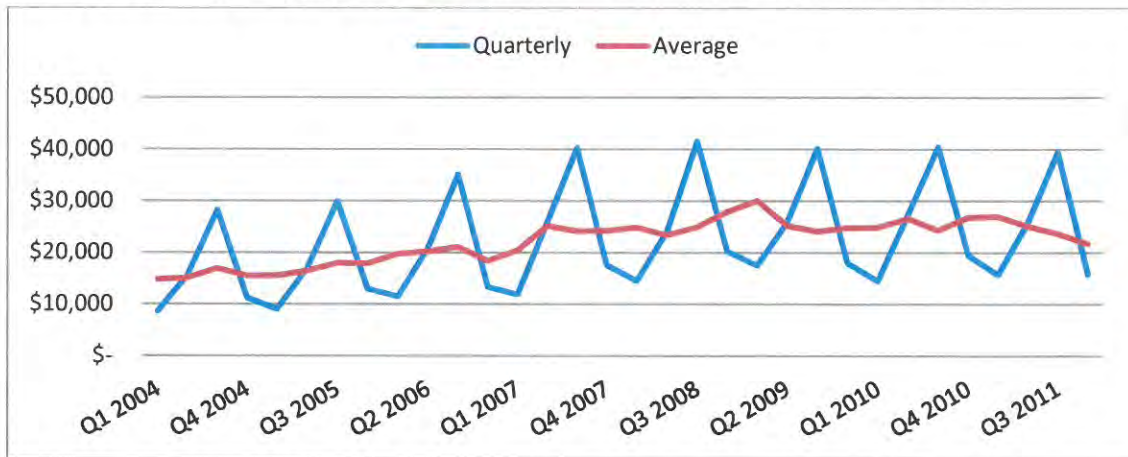


Source: Dean Rinyan Associates, Oregon Travel Impacts

Lodging sales within Wasco County generally trended upwards from 2000 to 2008, but declined significantly with the recent recession. Net taxable lodging sales in Wasco County have fallen below 2004-05 levels, as shown in **Figure 3**. Local efforts to spur business growth and recreational activity,

combined with improving regional and state economies, should help boost tourism and visitation over the next several years.

**Figure 3 Quarterly Lodging Sales Tax Collections in Wasco County, 2004 to 2011**



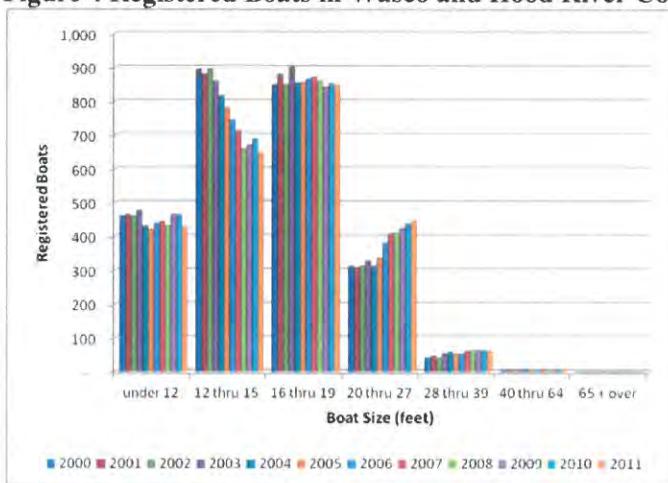
Source: Oregon Department of Revenue

### Recreational Boating Trends

The Port’s Marina is operated as a self-supporting enterprise fund that is dependent on local and regional recreational boating activity. Recreational boating demand has been tapering off in Oregon and the mid-Columbia River region. The Oregon State Marine Board maintains boating registration records and conducts surveys of registered boats every 3 years to determine patterns in boating activity and safety. The number of registered boats in Oregon has been declining steadily over the past decade—falling to 172,000 boats in 2011.

Within Wasco and Hood River counties combined, there were 2,436 registered boats in 2011, down from 2,620 in 2003 (the peak). While the total number of registered boats has been on a downward trend over the past decade, there has been some growth in the number of registered boats in certain size categories, particularly the 20-27 foot-long category, which added 139 boats in Wasco and Hood River counties since 2003, as illustrated in **Figure 4**. The 28-39 foot category and 40-60 foot categories have added 25 boats combined, since 2003.

**Figure 4 Registered Boats in Wasco and Hood River Counties by Size Class, 2000 to 2011**



Source: Oregon Marine Board



The Oregon State Marine Board also provides statistics regarding public and private marinas in Oregon. The marina facilities within 30-miles of The Dalles provide a variety of boat launch venues and amenities, including 271 combined boat slips (see **Figures 5A & 5B**).

The demand for future marina slips in the Port district is likely to increase as the regional population expands. While the near-term outlook over the next 5 years is expected to be weak for new marina facilities (given the impact of the recent economic recession), the demand for future marina slips and amenities in the Port district appears positive beyond year 2015.

**Figure 5A Local and Regional Marina Facility Statistics**

Facility Name	Moorage	Trailer Parking	Dock Slips	Launch Fee	Restroom	Supplies	Gas on Water	Diesel on Water	Fish Station	Pumpout	Dump Station	Agent
Port of Hood River Marina Park	✓	✓	150		✓		✓			✓	✓	Port
Mayer State Park		✓		✓	✓							OPRD
Port of The Dalles Marina	✓	✓	85		✓		✓	✓	✓	✓	✓	Port
Celilo Park		✓			✓							USACE
Port of Cascade Locks	✓	✓	36		✓	✓				✓	✓	Port
Heritage Landing		✓			✓							OPRD

**Ramp Type** C=Concrete A=Asphalt

**Figure 5B Local and Regional Marina Moorage Fees/Rates**

Agency	Annual Boathouse (350 sq.ft.)	Monthly	
		20' length	40' length
Port of The Dalles	\$ 858.45	\$ 183.30	\$ 244.40
Port of Hood River	\$ 1,109.00	\$ 100.42	\$ 149.05
Port of Cascade Locks	NA	\$ 98.00	\$ 136.00

**Employment Forecast**

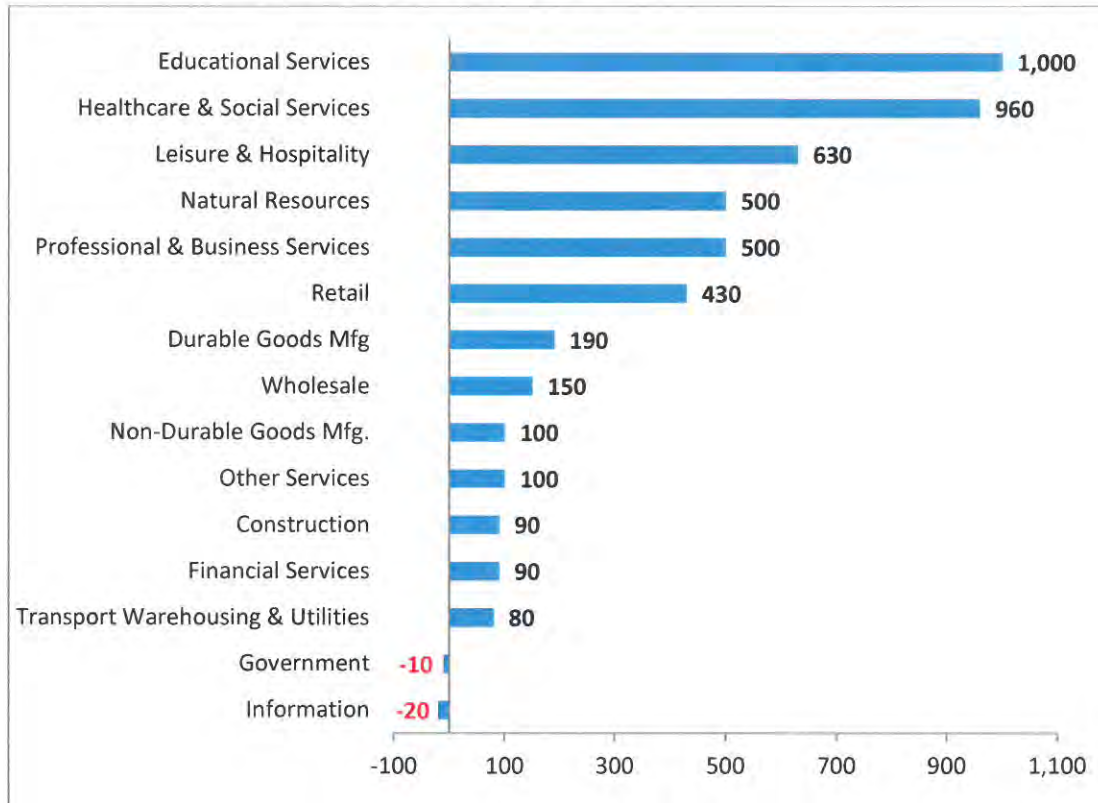
While the 10-year job growth forecast shown in **Figure 6** indicates relatively slow job growth in the Mid-Columbia Gorge Region (Region 9), the Port of The Dalles is likely to benefit from “spillover” growth from the Portland region over the long-term. The Portland region is forecast to add between 326,000 and 769,000 jobs over the next 20 years. Metro (the regional government) is assuming that 73% of the job growth realized by 2030 will be captured within the tri-county Metro Urban Growth Boundary (UGB).<sup>2</sup> This leaves at least 27% of the job growth to be accommodated elsewhere, including Wasco County. If Metro’s long-term growth forecasts hold true, Wasco County could have an opportunity to capture a share of the jobs that the Metro UGB cannot accommodate.

As the Portland MSA increases in business activity, the vacant “development ready” industrial-zoned land supply in the tri-county Metro region is diminishing. According to studies by Metro, the lack of “development ready” large vacant industrial sites within the Metro region with adequate truck/rail/barge access is expected to create a gap in the land needed in the Metro UGB to support preferences for large lot formats for single and multi-tenant users.

<sup>2</sup> Metro, *Regional Growth Report, 2009*. Tri-County area consists of Multnomah, Washington and Clackamas counties.

In addition to evaluating employment growth forecasts for the Portland MSA, FCS GROUP also reviewed Oregon Employment Department job growth forecasts for Region 9 (Hood River, Gilliam, Sherman, Wasco, and Wheeler counties). The Oregon Employment Department anticipates a 1.2% annual average growth rate for the Region 9 job base over the 2010 to 2020 period.

**Figure 6 Region 9 Employment Forecast: 2010 to 2020\***



Source: Oregon Employment Dept., Region 9 consists of Gilliam, Hood River, Sherman, Wasco and Wheeler counties.

### Industry Clusters Analysis

FCS GROUP prepared an employment clusters analysis for the Port area (defined as Wasco County) to identify existing and emerging industry market opportunities. It is a widely accepted theory among economic development professionals that “employment clusters” are the primary force driving local economic currents and business location decisions. Clusters of economic activity go well beyond mere concentrations of industry or employment types. They represent unique competitive market advantages with regard to employment, work force, creativity, entrepreneurship, business costs, and supporting natural resources.

The employment clusters analysis helped identify potential industry sector candidates, which were also discussed during the stakeholder interviews. The clusters analysis entailed:

1. Obtaining Employment Security (ES202) wage and salary employment data from the Oregon Employment Department for Wasco County and the state for the year of 2010.
2. Conducting a location-quotient (LQ) analysis to evaluate business and industrial clusters in Wasco County relative to the state.
3. Evaluating business clusters within Wasco County with regard to the LQ, projected growth rates, economic size of each cluster, and average and aggregate wages.

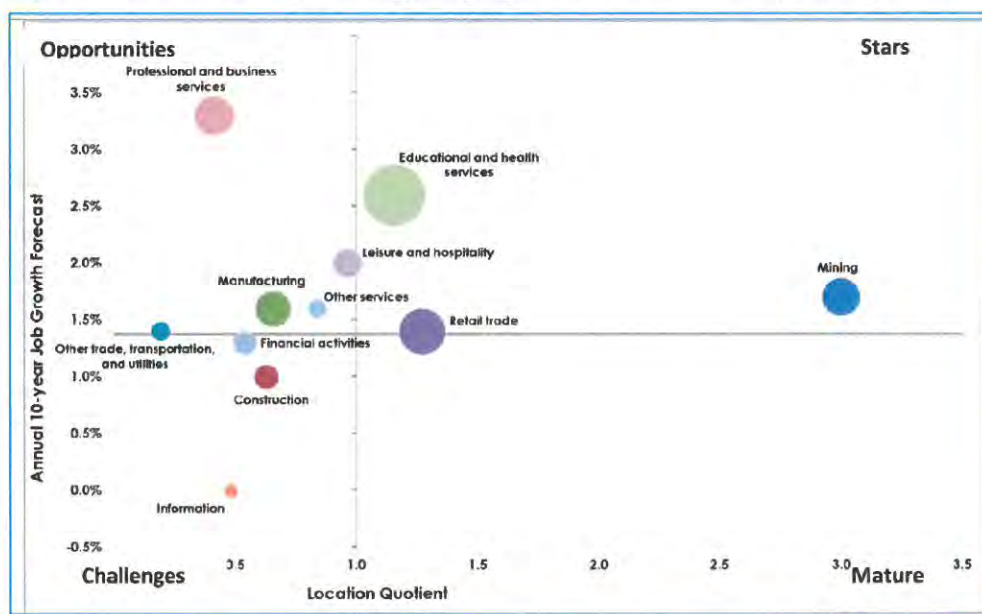


After these steps were conducted, FCS GROUP sorted business clusters into one of four classifications:

- ◆ **Stars**-- include businesses with high LQ (propensity to locate in City) and higher than average projected growth rate compared to other locations in Oregon.
- ◆ **Opportunities** -- include businesses with low LQ and high average growth rate (possible pent-up demand or competitive market disadvantage relative to other locations).
- ◆ **Mature** -- include businesses with high LQ but lower than average growth rate.
- ◆ **Challenges** -- include businesses with low LQ and lower than average growth rate.

The employment cluster analysis is summarized in **Figure 7**, which shows business and industrial sectors within Wasco County by their LQ, size (aggregate wages paid annually), and 10-year growth forecast (derived from the Oregon Employment Department).

**Figure 7 Wasco County Existing Employment Clusters, 2010 (Non-Agricultural)**



This section lists the relative performance of business and industrial clusters within Wasco County.

**STARS: Industry Sectors with High LQ/High Growth Potential**

- Educational services
- Health services
- Mining

**OPPORTUNITIES: Industry Sectors with Low LQ/High Growth Potential**

- Leisure and hospitality
- Professional and business services
- Manufacturing
- Miscellaneous services
- Wholesale trade, transportation and utilities



**MATURE: Industry Sectors with High LQ/Low Growth Potential**

- Retail trade

**CHALLENGED: Industry Sectors with Low LQ/Low Growth Potential**

- Construction
- Financial Services
- Government

Industrial Target Market Opportunities

According to the America Wind Energy Association, the amount of combined wind power generated by Oregon and Washington would place the bi-state region third in the U.S. in total combined wind energy capacity. As indicted in **Table 10**, there are one dozen existing and proposed wind energy projects in Washington and Oregon that are within 20 to 150 miles from The Dalles. These facilities are planned to include over 2,500 wind turbines and are intended to provide a planned maximum capacity of nearly 3,940 megawatts of power. Given the reduction in federal and state energy tax credits associated with wind energy investments future growth in this industry is uncertain.

**Table 10 Wind Energy Facilities in Washington and Oregon**

Facility Name	Location	Max. Capacity (approx. Megawatts)	Distance to/from The Dalles (approx. miles)
Big Horn Wind Farm	WA	250	48
Marengo Wind Farm	WA	140	155
Windy Point/Windy Flats	WA	400	26
White Creek	WA	205	39
Wild Horse Wind Farm	WA	229	130
Juniper Canyon *	WA	251.7	46
Goldenhills Wind Project *	OR	400	15
Shepherds Flat Wind Farm *	OR	909	27
Biglow Canyon Wind Farm	OR	275	17
Klondike Wind Farm	OR	400	20
Stateline Wind Farm	OR	300	73
Willow Creek *	OR	180	40
	<b>Total</b>	<b>3,939.7</b>	

\* Proposed or under construction.

Source: America Wind Energy Association, compiled by FCS GROUP.

The Mid-Columbia River region has also experienced significant private investment in advanced technology manufacturing for avionics and composite materials, which is primarily attributed to Bingen- and Hood River-based Insitu (a subsidiary of Boeing Corporation). Insitu—maker of unmanned aerial systems (UASs) has grown significantly in recent years and relies on several smaller suppliers throughout the region to perform manufacturing and assembly functions. Insitu and its suppliers, such as Sagetech Corp, and Innovative Composites Inc (ICE) provide living wage jobs for about 800 workers in the Mid-Columbia region. Insitu intends to establish a campus or "split campus" in the Gorge Region to

consolidate its operations into one or more locations, and enable the operation to expand over time to about 1,000 employees.

The industrial clusters within Wasco County that appear most viable for long-term expansion are based on an analysis of existing enterprises that are already concentrated in Wasco County. The industrial sectors that appear consistent with future job growth and development within the Port of The Dalles, include:

- Grain, fruit and other food processing
- Misc. Commercial machinery mfg. (e.g., wind turbine parts)
- Metal tank mfg.
- Computer related services and data
- Relay and industrial control mfg.
- Prefab. Metal building mfg.
- Textile product mills
- Concrete manufacturing
- Lumber/specialty milling
- Internet publishing and broadcasting
- Electric utilities
- Transport by rail

Consideration of commodity export trends may also help identify prospective industrial activities. Within the list of the top Oregon exports, the commodities and goods that can be produced or shipped from the Port may include:

- Wheat and grain exports (\$1,962 M in Oregon exports)

These and other industrial sub-clusters are prime candidates for future marketing efforts by the Port and its regional partners.

#### Retail Target Market Opportunities

FCS GROUP conducted an analysis of retail supply and demand within the primary market area, which is defined as the area within a 45-minute drive of downtown The Dalles. The store groups that are the most under-represented have a slight retail trade outflow (local residents going outside the primary market area to make purchases) include: food and drinking places (\$30.7 million in trade outflow from the primary market area). This may present an opportunity for a new restaurant along the waterfront at this time.

## C. DEVELOPMENT PROGRAM

The projected demand for private employment land within the Port of The Dalles port district over the next 10 years is expected to require approximately 172 acres of land area, as shown in **Table 11**. The analysis assumes that the Port of The Dalles plays an active role in Wasco County to accommodate the majority of the job growth that is expected to occur in Oregon Employment Department Region 9.<sup>3</sup> The amount of new job growth within the Port District hinges upon: the ability to provide amenities and services that retain and attract businesses, delivery of vacant “market ready” industrial sites and buildings, and the level of redevelopment that occurs in Downtown and surrounding areas.

This analysis assumes 10-year projected job growth of 2,776 non-farm private jobs within the port district, which equates to about 60% of the jobs the Oregon Employment Department expects to be added to Region 9. The amount of buildable industrial land required to accommodate the industrial land need over the next 10 years is just over 100 acres. In addition to the industrial land need, it is projected that about +/- 17 acres of would be needed for retail; and 51 acres of land (530,000 SF of building floor area) would be needed for service/office uses over the next 10 years.

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<sup>3</sup> Region 9 consists of Gilliam, Hood River, Sherman, Wasco and Wheeler counties.

Note, these land and employment growth forecasts assume that adequate development sites are provided along with adequate public facilities (roads, water, sewer, etc.) to meet market requirements. To the extent that adequate industrial and commercial/office sites are not provided to meet market demand, future employment growth and non-agricultural business activity within the port district will taper off.

**Table 11 Projected Employment Land Need for New Private Development, The Dalles Port District: 10-Year Forecast**

Job/Use Type	2022 Forecast Job Growth <sup>1</sup>	Jobs Per Acre <sup>3</sup>	Building Floor Area Per Job <sup>3</sup>	2012-2022 Land Need (net acres)	2012-2022 Land Need (buildable acres) <sup>4</sup>	2012-2022 Building Floor Area Need	General Land Use or Building Type
<b>Private<sup>2</sup></b>							
Manufacturing	266	10	varies	27	32	varies	Industrial
Transportation/Warehousing	89	6	varies	15	18	varies	Industrial
General Industrial/Flex	533	12	varies	44	53	varies	Industrial
<b>Industrial Subtotal</b>	<b>888</b>			<b>86</b>	<b>103</b>		
Retail trade	258	18	500	14	17	129,000	Commercial
Services	1,630	38	325	43	51	530,000	Commercial & Adaptive Reuse
<b>Subtotal Private</b>	<b>2,776</b>			<b>143</b>	<b>172</b>		

Notes:

<sup>1</sup> Derived from upper-growth forecast for private employment in Wasco County. Assumes Wasco County share of Oregon Employment Dept, projected 10-year Region 9 job growth as follows: 80% of new industrial jobs; 60% of retail jobs; and 50% of service jobs.

<sup>2</sup> Assumes industrial jobs are allocated as follows: 30% manufacturing, 10% transportation/warehousing, and 60% general industrial/flex.

<sup>3</sup> Assumptions for job densities are generally consistent with Oregon DLCD, Industrial and Other Employment Land Analysis Handbook, 2001.

<sup>4</sup> Assumes net land area is adjusted upwards by 20% for public road circulation, easements and utilities.

Source: FCSGROUP

In addition to the 10-year employment land need, additional residential and employment land needs have been identified by the City of The Dalles to address long-term land use planning requirements. Over the very long term (next 40 years), the City of The Dalles has identified the need to expand the Urban Growth Boundary (UGB) by about 138 acres to meet employment land needs.<sup>4</sup>

Site Considerations

In light of current limited supply of medium to large *vacant development sites* within the Port District, combined with the fact that there is a large supply of vacant industrial land that exists elsewhere in the Columbia River Gorge Region (with over 500 vacant acres being marketed within a 30 minute drive from The Dalles as of January 2013), it is recommended that ***the Port of The Dalles focus on making the North Chenoweth Industrial Area market ready.***

Additional industrial development sites would be required to optimize potential job growth and private investment. Given the lack of readily developable vacant industrial land area within the UGB, **the Port should also consider efforts to mitigate environmental issues associated with redeveloping under-utilized industrial sites, such as the former Northwest Aluminum site and the City rodeo grounds.**

<sup>4</sup> This is based upon findings contained in The Dalles Urban Reserve Area Report, by Winterbrook Planning (2007), and The Dalles Economic Opportunities Analysis, by ECONorthwest (2007).



Most service businesses (including professional services, wholesaler brokers, and emerging technology businesses) consist of small business operations (less than 10 employees) that prefer to locate in existing light industrial/flex or office buildings.

**The Port of The Dalles should consider working with Business Oregon or MCEDD to maintain an accurate web-based inventory of prospective building lease opportunities and local development sites that are availability for small businesses.**

**The Port should consider developing light industrial/flex building(s) on selected port-owned properties**, after letters of intent to occupy at least half the new space is provided by prospective tenants. The risk of planning, designing, and permitting new flex industrial buildings is reduced if the port is successful with obtaining state or federal grants to fund pre-construction activities activities (such as the Oregon DLCD Technical Assistance Grants).

**The Port should provide a variety of medium size sites (3 to 10 acres) and associated amenities that meet targeted business and industrial requirements.** The ability to attract new technology businesses and young creative professionals to The Dalles would be enhanced by ensuring that future industrial areas are served by appropriate amenities, such as walking/bike paths, pocket parks, water access points, and entertainment establishments (such as a brew pub or fitness center).

**The Port could also support Columbia Gorge Community College efforts to promote training and investments aimed at incubating and growing self-employed and small business establishments locally.** Port sponsorship of a “small business accelerator” could range from passive support (such as providing a website that establishes a virtual network that links major manufactures/processers with local suppliers) to active (e.g., providing low-cost lease space for business operations).

Large business establishments (over 100 employees) will have site size and infrastructure service requirements that cannot be easily met within the Port District. **The Port should continue to work with existing large businesses to ensure that planned expansion plans can be addressed locally.**

**The Port should also work with the City to ensure that the future UGB expansion occurs**, and can be adequately served with roads and utilities to meet industrial and other service related job growth. Potential business retention and attraction strategies for the Port of The Dalles can generally be grouped into five general categories: industrial, office, rural industrial, recreation, and workforce training. Potential Port of The Dalles strategies are described in **Table 12**.

While the Port has not traditionally focused on adaptive building reuse development projects, the potential ability to partner with The City of The Dalles on one or two catalytic mixed-use developments in Downtown could also be considered. The port’s role in such efforts should be ancillary in nature, such as assisting with funding for site infrastructure, or providing loans to the City’s Urban Renewal Program, which in-turn could make capital investments tied to private investment levels and family wage job creation.

Other Port-related development programs and actions will be defined during the Strategic Plan process.

**Table 12. Potential Port Strategies for Targeted Economic Development**

	<b>Small Businesses</b>	<b>Medium Businesses</b>	<b>Large Businesses</b>
	<i>Less than 10 jobs per business</i>	<i>10 to 99 jobs per business</i>	<i>100+ jobs per business</i>
<b>Industrial</b> <ul style="list-style-type: none"> <li>■ Food &amp; Beverage Processing</li> <li>■ Advanced Manufacturing</li> <li>■ Clean Tech and energy maintenance</li> </ul>	Assist with development of Business Accelerator or Industrial/Flex Space	Provide 2 to 5 acre sites in business park settings. Could be accommodated within the Industrial Area or North Chenoweth Area	Provide 6 to 30 acre sites in industrial zoned areas. Could locate 1 user in North Chenoweth Area. Need to consider mitigation and reuse of other industrial sites
<b>Office</b> <ul style="list-style-type: none"> <li>■ Professional Services</li> <li>■ R&amp;D component of Mfg. or Clean Tech</li> </ul>	Assist with marketing existing office in downtown or flex buildings	Work with city to adopt flexible zoning to allow headquarters office and R&D activities in Industrial Areas	
<b>Rural Industrial</b>	Consider large industrial sites in Dufur or UGA expansion areas		
<b>Recreation</b>	Maintain existing marina. Consider providing new recreational amenities and locating entertainment businesses with improved access and connections with the Columbia River		
<b>Education/ Training</b>	Consider partnerships with Columbia Gorge Community College and Oregon State University extension office		

## Attachment A Oregon Exports

Rank	Description	2008 Value	2009 Value	2010 Value	2011 Value	% Change, 2010 - 2011
<b>Total OREGON Exports and % Share of</b>						
---	<b>U.S. Total</b>	<b>19,352</b>	<b>14,907</b>	<b>17,671</b>	<b>18,310</b>	<b>3.6%</b>
<b>Total, Top 25 Commodities and % Share</b>						
---	<b>of State Total</b>	<b>11,007</b>	<b>9,597</b>	<b>11,305</b>	<b>11,483</b>	<b>1.6%</b>
	PROCESSORS AND CONTROLLERS,					
1	ELECTRONIC INTEG CIRCT	4,924	4,970	5,617	4,143	-26.2%
2	WHEAT (OTHER THAN DURUM WHEAT), AND MESLIN	2,070	1,320	1,294	1,962	51.7%
3	POTASSIUM CHLORIDE	797	562	867	1,063	22.6%
4	CIVILIAN AIRCRAFT, ENGINES, AND PARTS	408	323	419	442	5.6%
5	DIGITAL PROCESSING UNITS, N.E.S.O.I.	346	315	249	415	67.0%
6	FERROUS WASTE & SCRAP NESOI	325	240	264	359	36.1%
7	MACHINES FOR MAN. SEMICONDUCTOR DEVICES/ELEC IC	151	197	377	302	-19.9%
8	PHOTOSENSITIVE SEMICNDCTR DVICE INC	5	45	127	280	121.3%
9	PTHVLTIC CELL ETC ELECTRONIC INTEGRATED CIRCUITS, NESOI	236	249	293	269	-8.3%
10	ROAD TRACTORS FOR SEMI-TRAILERS	425	150	160	217	35.8%
11	CHEM ELEM DOPED, USED IN ELECTRON, DISCS WAFERS ET	174	127	180	205	13.8%
12	SOYBEANS, WHETHER OR NOT BROKEN FORAGE PRODUCTS NESOI (HAY, CLOVER, VETCHES, ETC)	2	142	381	183	-52.1%
13	X-RAY FILM IN ROLLS, SENS, UNEX, NO	121	115	130	175	34.4%
14	PAPER ETC CONIFEROUS WOOD SAWN, SLICED ETC,	0	51	36	171	375.9%
15	OVER 6 MM THICK CONIFEROUS WOOD IN THE ROUGH, NOT	107	89	133	160	20.9%
16	TREATED FOOTWEAR PARTS NESOI; HEEL CUSH	13	12	18	143 (Z)	
17	ETC, GAITERS ETC	98	94	125	138	10.8%
18	COPPER WASTE AND SCRAP	80	47	75	125	66.2%
19	KRAFTLINER, UNCOATED UNBLEACHED IN ROLLS OR SHEETS	121	56	83	113	35.9%
20	X-RAY PLATES & FLAT FILM, SENS, UNEX	68	112	133	112	-16.2%
21	TRUCK, DIESEL ENG, GVW > 20 METRIC TONS	123	63	65	105	63.1%
22	WOOD IN CHIPS OR PARTICLES, CONIFEROUS	109	57	90	103	14.0%
23	NEWSPRINT, IN ROLLS OR SHEETS	77	5	36	101	177.7%
24	PARTS AND ATTACHMENTS NESOI FOR DERRICKS ETC.	98	70	82	99	20.1%
25	CORN (MAIZE), OTHER THAN SEED CORN	127	189	72	96	33.9%



## Attachment B Businesses within Port of The Dalles Industrial Area

AAA Metal Fabrication  
Barret Business Services  
Bernet Barge Lines  
Bradley V. Timmons, PC  
Cameron Consulting Inc.  
Cascade Propane  
City of Dalles Public Works  
Columbia Distributing  
Concrete Special Ties  
Crestline Construction  
Department of Human Services (Wasco County)  
Design Structures  
Devco Mechanical  
Dirt Hugger  
EDF Renewable Services  
Eversummer Organic Gardens  
Fastenal  
FedEx  
Ferguson Plumbing  
Fix Auto  
Frito-Lay  
Google  
H2ORegon  
Hage Electric  
Home at Last Humane Society  
LinCare  
Marketline Real Estate Appraisal  
Meadow Outdoor Advertising  
Mid Columbia Community Action Center  
Mid Columbia Producers  
Munsen Paving  
Northern OR Regional Corrections Facilities  
Northern Wasco County People Utility District

Northwest Farm Credit Services  
Northwest Natural Gas  
Northwest Oral & Maxillofacial Surgeons  
Oregon Cherry Growers  
Oregon Department of Fish and Wildlife  
Oregon Equipment  
Oroweat  
Pepsi  
Port of the Dalles  
Powder Pure  
Precision Lumber  
Qnect  
Riverside Gymnastics  
Schwan's  
The Dalles Concrete  
The Dalles Disposal  
The Gorge Granite Works  
United States Department of Agriculture  
UPS  
Windseeker Restaurant  
Windy River Gleaners

# Attachment C Wasco County Retail Trade Inflow/Outflow Analysis

## Area within 45-minute drive of downtown The Dalles



### Retail MarketPlace Profile

3636 Klindt Dr, The Dalles, OR, 97058  
Drive Time: 45 minutes

#### Summary Demographics

2012 Population	62,827
2012 Households	24,461
2012 Median Disposable Income	\$35,223
2012 Per Capita Income	\$22,511

#### Industry Summary

	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Total Retail Trade and Food & Drink	44-45,722	\$588,994,779	\$737,315,514	\$148,320,735	11.1	590
Total Retail Trade	44-45	\$535,187,579	\$645,545,130	\$110,357,551	10.2	476
Total Food & Drink	722	\$53,807,200	\$91,770,384	\$37,963,184	10.2	114

#### Industry Group

	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Motor Vehicle & Parts Dealers	441	\$100,172,305	\$156,265,460	\$56,093,155	21.8	32
Automobile Dealers	4411	\$84,319,525	\$136,765,429	\$52,445,904	20.1	11
Other Motor Vehicle Dealers	4412	\$6,768,222	\$8,647,132	\$1,878,910	14.0	9
Auto Parts, Accessories & Tire Stores	4413	\$9,084,559	\$10,852,898	\$1,768,339	18.8	12
Furniture & Home Furnishings Stores	442	\$11,342,023	\$15,287,122	\$3,945,099	34.8	25
Furniture Stores	4421	\$6,398,430	\$8,868,713	\$2,470,283	38.2	11
Home Furnishings Stores	4422	\$4,943,593	\$6,418,410	\$1,474,817	33.0	14
Electronics & Appliance Stores	4431	\$13,568,502	\$15,752,130	\$2,183,628	21.4	30
Bldg Materials, Garden Equip. & Supply Stores	444	\$18,717,467	\$34,087,780	\$15,370,313	49.5	43
Bldg Material & Supplies Dealers	4441	\$15,244,790	\$29,787,871	\$14,543,081	53.7	34
Lawn & Garden Equip & Supply Stores	4442	\$3,472,672	\$4,299,909	\$827,237	18.0	8
Food & Beverage Stores	445	\$108,359,810	\$119,484,389	\$11,124,579	10.9	69
Grocery Stores	4451	\$107,096,906	\$106,802,270	-\$295,304	0.9	36
Specialty Food Stores	4452	\$2,503,459	\$4,042,113	\$1,538,654	22.5	27
Beer, Wine & Liquor Stores	4453	\$3,759,445	\$8,640,006	\$4,880,561	39.4	5
Health & Personal Care Stores	446,4461	\$34,419,852	\$34,909,876	\$490,024	1.1	24
Gasoline Stations	447,4471	\$49,492,229	\$125,340,017	\$75,847,788	43.4	33
Clothing & Clothing Accessories Stores	448	\$28,983,690	\$30,323,283	\$1,339,593	2.1	47
Clothing Stores	4481	\$21,512,205	\$8,153,328	-\$13,358,877	45.0	32
Shoe Stores	4482	\$4,328,063	\$3,449,463	-\$878,600	11.4	6
Jewelry, Luggage & Leather Goods Stores	4483	\$3,143,422	\$18,720,493	\$15,577,071	51.0	9
Sporting Goods, Hobby, Book & Music Stores	451	\$12,851,812	\$19,364,535	\$6,512,724	26.2	58
Sporting Goods/Hobby/Musical Instr Stores	4511	\$10,907,016	\$16,689,332	\$5,782,317	24.9	49
Book, Periodical & Music Stores	4512	\$1,944,796	\$2,675,203	\$730,407	15.8	9
General Merchandise Stores	452	\$97,342,391	\$60,852,240	-\$36,490,151	22.1	8
Department Stores Excluding Leased Depts.	4521	\$39,973,029	\$53,037,503	\$13,064,474	18.2	3
Other General Merchandise Stores	4529	\$57,369,362	\$7,814,737	-\$49,554,625	16.0	5
Miscellaneous Store Retailers	453	\$18,820,826	\$26,388,694	\$7,567,868	18.7	99
Florists	4531	\$711,924	\$1,186,328	\$474,404	25.0	8
Office Supplies, Stationery & Gift Stores	4532	\$5,535,876	\$5,427,260	-\$108,616	1.0	26
Used Merchandise Stores	4533	\$2,271,483	\$4,098,832	\$1,827,349	28.7	21
Other Miscellaneous Store Retailers	4539	\$10,301,543	\$15,676,273	\$5,374,730	20.7	45
Nonstore Retailers	454	\$41,115,678	\$7,489,603	-\$33,626,075	49.2	7
Electronic Shopping & Mail-Order Houses	4541	\$34,795,871	\$576,206	-\$34,219,665	90.7	0
Vending Machine Operators	4542	\$797,999	\$2,076,000	\$1,278,001	44.5	1
Direct Selling Establishments	4543	\$5,521,808	\$4,837,397	-\$684,411	11.0	6
Food Services & Drinking Places	722	\$53,807,200	\$91,770,384	\$37,963,184	10.2	114
Full-Service Restaurants	7221	\$23,801,375	\$33,564,282	\$9,762,907	13.0	53
Limited-Service Eating Places	7222	\$24,357,296	\$50,628,713	\$26,271,417	10.9	36
Special Food Services	7223	\$2,114,305	\$3,802,045	\$1,687,740	20.5	11
Drinking Places - Alcoholic Beverages	7224	\$3,534,225	\$3,775,344	\$241,119	1.1	14

**Data Note:** Supply (retail sales) estimates sales to consumers by establishments. Sales to businesses are excluded. Demand (retail potential) estimates the expected amount spent by consumers at retail establishments. Supply and demand estimates are in current dollars. The Leakage/Surplus Factor provides a snapshot of retail opportunity. This is a measure of the relationship between supply and demand that ranges from +100 (total leakage) to -100 (total surplus). A positive value represents 'leakage' of retail opportunities outside the trade area. A negative value represents a surplus of retail sales, a market where customers are drawn in from outside the trade area. The Retail Gap represents the difference between Retail Potential and Retail Sales. Esri uses the North American Industry Classification System (NAICS) to classify businesses by their primary type of economic activity. Retail establishments are classified into 27 industry groups in the Retail Trade sector, as well as four industry groups within the Food Services & Drinking Establishments subsector. For more information on the Retail MarketPlace data, please view the methodology statement at [http://www.esri.com/library/whitepapers/pdfs/esri\\_data\\_retail\\_marketplace.pdf](http://www.esri.com/library/whitepapers/pdfs/esri_data_retail_marketplace.pdf)

Source: Esri and Dun & Bradstreet. Copyright 2012 Dun & Bradstreet, Inc. All rights reserved.



**Appendix E**  
**Financial Plan**

# FINANCIAL PLAN

The Statewide Ports Strategic Business Plan requires a strategic business plan to include a financial plan that meets the following requirements:

Based on financial goals and objectives, updated annually as part of budget process. As part of this plan, the port should evaluate the financial impacts of charging below-market rates for marinas, boat ramps, buildings, and other infrastructure and whether it can financially support operations and maintenance of these facilities, in conjunction with other infrastructure and port operations, as well as eventually upgrading, reconstructing, or replacing these facilities.<sup>1</sup>

This financial plan for the Port of The Dalles meets these requirements.

## PORT DATA

This section of the financial plan summarizes the Port's recent financial history and current budget.

### Fund Structure

The Port currently operates with three funds: the General Fund, the Port Development Fund, and the Marina Fund. The Port classifies all three as governmental funds. The Port Development Fund is a capital project fund, and the Marina Fund is a special revenue fund.<sup>2</sup>

**Exhibit 1** summarizes the major sources and uses of these funds:

Fund Structure		Exhibit 1
Fund	Major Sources	Major Uses
General	Property taxes Leases	Administration
Port Development (capital project fund)	Land sales Transfers from General Fund	Capital improvements Debt service
Marina (special revenue fund)	Moorage fees Special assessments	Operating costs of marina Debt service

Source: Audit report for fiscal year 2011-12 and adopted budget for fiscal year 2012-13

<sup>1</sup> *Ports 2010: A New Strategic Business Plan for Oregon's Statewide Port System* (April, 2010), page 122. OAR 123-025-0016 refers to this document as the Statewide Ports Strategic Business Plan. It is available from the Infrastructure Finance Authority at <http://www.orinfrastructure.org/Learn-About-Infrastructure-Programs/Interested-in-a-Port-Project/>.

<sup>2</sup> Port of The Dalles, *Report on Audit of Financial Statements and Supplementary Information for the Year Ended June 30, 2012*, pages 27-28.

## Historical Performance

In April, 2010, the Statewide Ports Strategic Business Plan described the Port as “financially sound.”<sup>1</sup> Since then, the Port has continued to operate in a financially sustainable manner with reserves that, in most cases, are more than adequate.

**Exhibit 2** summarizes three years of historical cash flows as well as the current budget for the General Fund:

General Fund Category	Actuals			Exhibit 2 Budget
	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
<b>Resources</b>				
Beginning fund balance	\$ 878,518	\$ 867,718	\$ 654,567	\$ 415,415
<b>Revenue</b>				
Previously levied taxes	7,133	11,370	9,745	10,000
Interest from earnings	7,147	2,167	3,285	2,100
Interest from contracts				5,599
Lease land and facilities	6,233	41,119	33,943	36,553
Launch ramp	1,920	2,060	200	
MAP grants	7,125	7,125	7,125	7,125
Miscellaneous income	4,658	200		1
RV dump station	2,090	1,934	2,083	1,500
Sale of equipment				1
Airport well		15,150	3,107	
Transient moorage dock fees			1,377	1,500
Transient moorage utility receipts				2,000
OR State Marine Board grant				10,000
Taxes	237,029	247,893	255,713	262,520
Total revenue	273,335	329,018	316,578	338,899
Total resources	\$ 1,151,853	\$ 1,196,736	\$ 971,145	\$ 754,314
<b>Requirements</b>				
<b>Expenditures</b>				
Personnel services	\$ 171,563	\$ 155,374	\$ 187,312	\$ 224,676
Materials and services	84,393	78,726	88,713	116,300
Capital outlay	7,531	8,069	47,556	35,000
<b>Transfers</b>				
To Port Development Fund		300,000	125,000	130,000
To Marina Fund	20,648		99,131	
Total transfers	20,648	300,000	224,131	130,000
Contingency or prior period adjustment			8,018	30,000
Total expenditures	284,135	542,169	555,730	535,976
Ending fund balance	867,718	654,567	415,415	218,338
Total requirements	\$ 1,151,853	\$ 1,196,736	\$ 971,145	\$ 754,314
Days of reserve in ending fund balance	1,115	441	273	149

Source: Audit report for fiscal year 2011-12 and adopted budget for fiscal year 2012-13

While reserves have been declining in this fund, they remain above the 90-day level that we typically recommend. Moreover, because the General Fund subsidizes the other funds, the Port retains the flexibility to manage General Fund reserves by adjusting transfers to other funds.

**Exhibit 3** summarizes three years of historical cash flows as well as the current budget for the Port Development Fund:

<sup>1</sup> Ports 2010: A New Strategic Business Plan for Oregon's Statewide Port System (April, 2010), Appendix, page 120.



<b>Port Development Fund</b>		<b>Exhibit 3</b>		
<b>Category</b>	<b>Actuals</b>			<b>Budget</b>
	<b>FY 2009-10</b>	<b>FY 2010-11</b>	<b>FY 2011-12</b>	<b>FY 2012-13</b>
<b>Resources</b>				
Beginning fund balance	\$3,688,872	\$3,726,293	\$4,556,340	\$4,744,122
<b>Revenue</b>				
Interest from earnings	30,051	19,302	27,657	28,879
Rex/tenant building construction				1
Matching grants				2,000,000
Lease revenue, building	22,096			
Miscellaneous income			23,000	1
Transfer from General Fund	-	300,000	125,000	130,000
Land sales	58,596	559,686	63,139	727,000
Interest from contracts	32,645	28,942	25,489	22,135
Loan				3,000,000
Total revenue	143,388	907,930	264,285	5,908,016
Total resources	\$3,832,260	\$4,634,223	\$4,820,625	\$10,652,138
<b>Requirements</b>				
<b>Expenditures</b>				
Personnel services	\$ 1,624	\$ 14,102	\$ 4,932	\$ 133,430
Materials and services	26,153	23,162	21,868	67,000
Capital outlay	22	40,619	49,703	9,775,000
Debt service	78,168			350,000
Contingency				50,000
Total expenditures	105,967	77,883	76,503	10,375,430
Ending fund balance	3,726,293	4,556,340	4,744,122	276,708
Total requirements	\$3,832,260	\$4,634,223	\$4,820,625	\$10,652,138
Days of reserve in ending fund balance	12,844	21,368	22,650	10

Source: Audit report for fiscal year 2011-12 and adopted budget for fiscal year 2012-13

Historical reserves in this fund have been large and growing. While new debt service obligations pose some risk, the Port can manage this risk by adjusting capital outlays.

**Exhibit 4** summarizes three years of historical cash flows as well as the current budget for the Marina Fund:

<b>Marina Fund</b>				<b>Exhibit 4</b>
<b>Category</b>	<b>Actuals</b>			<b>Budget</b>
	<b>FY 2009-10</b>	<b>FY 2010-11</b>	<b>FY 2011-12</b>	<b>FY 2012-13</b>
<b>Resources</b>				
Beginning fund balance	\$ -	\$ 31,664	\$ 25,477	\$ 34,262
<b>Revenue</b>				
Interest from earnings	228	426	255	276
Marina revenue (moorage)	90,765	91,034	111,710	122,134
Grants				3,000
Miscellaneous income	465	855	715	600
Transfer from General Fund	20,648	-	99,131	-
Special project assessment	20,441			15,000
Total revenue	132,547	92,315	211,811	141,010
Total resources	\$ 132,547	\$ 123,979	\$ 237,288	\$ 175,272
<b>Requirements</b>				
<b>Expenditures</b>				
Personnel services	\$ 39,832	\$ 51,587	\$ 42,861	\$ 56,982
Materials and services	31,351	34,332	31,664	34,750
Capital outlay	19,450	2,333	19,120	47,000
Debt service	10,250	10,250	109,381	11,622
Contingency				5,000
Total expenditures	100,883	98,502	203,026	155,354
Ending fund balance	31,664	25,477	34,262	19,918
Total requirements	\$ 132,547	\$ 123,979	\$ 237,288	\$ 175,272
Days of reserve in ending fund balance	115	94	62	47

Source: Audit report for fiscal year 2011-12 and adopted budget for fiscal year 2012-13

Historical reserves in this fund have not been as high as in the Port's other funds, and they are not as high as the 90-day level that we typically recommend. Nevertheless, as shown in **Exhibit 5**, the funds core operations are financially sustainable. While marina revenue has grown at an annual rate of 10.94 percent, core operating expenditures (defined as personnel services and materials and services) have grown at an annual rate of 3.73 percent.

<b>Marina Fund Operating Analysis</b>				<b>Exhibit 5</b>
<b>Category</b>	<b>Actuals</b>			<b>Average Annual Growth Rate</b>
	<b>FY 2009-10</b>	<b>FY 2010-11</b>	<b>FY 2011-12</b>	
<b>Core operating revenue:</b>				
Marina revenue (moorage)	\$ 90,765	\$ 91,034	\$ 111,710	10.94%
<b>Core operating expenditures:</b>				
Personnel services	\$ 39,832	\$ 51,587	\$ 42,861	3.73%
Materials and services	31,351	34,332	31,664	0.50%
Total core operating expenditures	\$ 39,832	\$ 51,587	\$ 42,861	3.73%
Core operating income	\$ 50,933	\$ 39,447	\$ 68,849	16.27%

Source: Audit report for fiscal year 2011-12 and adopted budget for fiscal year 2012-13

As shown from two years of balance sheet data in **Exhibit 6**, the Port's recent level of solvency has been both high and growing:

Historical Assets, Liabilities, and Net Assets			Exhibit 6
Category	6/30/2011	6/30/2012	Change
<b>Assets:</b>			
Current assets:			
Cash	\$5,249,001	\$5,231,183	-0.34%
Receivables	886,369	816,217	-7.91%
Total current assets	6,135,370	6,047,400	-1.43%
Noncurrent assets:			
Depreciable assets, net	1,885,433	1,818,759	-3.54%
Non-depreciable assets	644,912	723,883	12.25%
Total noncurrent assets	2,530,345	2,542,642	0.49%
Total assets	\$8,665,715	\$8,590,042	-0.87%
<b>Liabilities and net assets:</b>			
Liabilities			
Current liabilities	\$ 243,243	\$ 26,324	-89.18%
Noncurrent liabilities	97,596		-100.00%
Total liabilities	340,839	26,324	-92.28%
Net assets			
Investment in capital assets, net	2,427,399	2,542,642	4.75%
Restricted	102,946		-100.00%
Unrestricted	5,794,531	6,021,077	3.91%
Total net assets	8,324,876	8,563,719	2.87%
Total liabilities and net assets	\$8,665,715	\$8,590,043	-0.87%
Current ratio	25	230	

Source: Audit report for fiscal years 2010-11 and 2011-12

## ANALYSIS

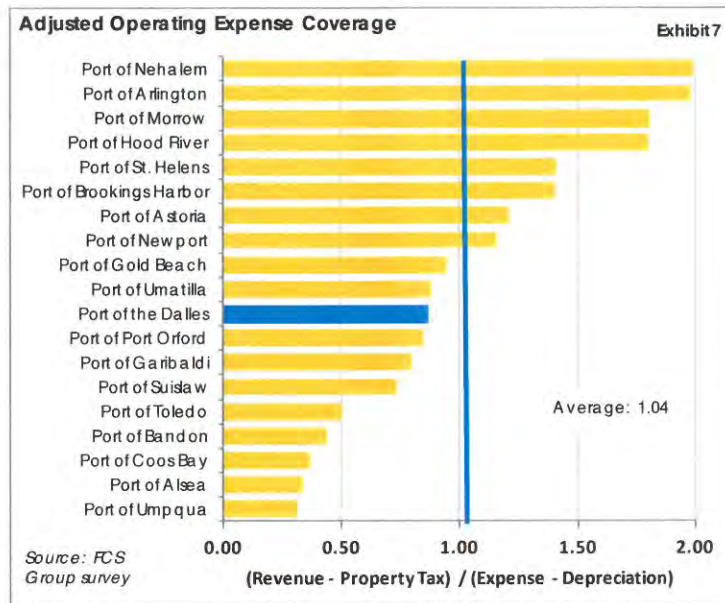
This section of the financial plan analyzes data from both the Port and other Oregon ports with the goals of (1) highlighting issues for the Port's consideration and (2) developing accurate projections for future years.

### Operating Cash Flows

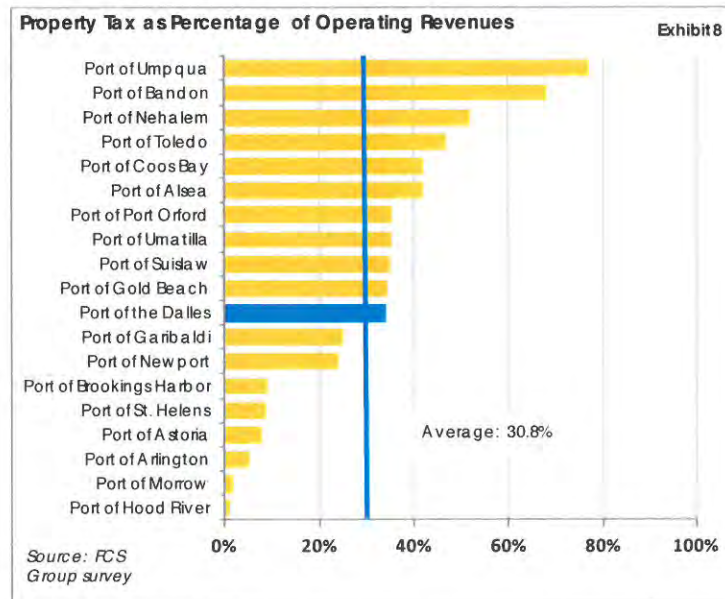
Relative to other port districts in Oregon, the Port is comparatively dependent on property tax revenue.

One measure of operating performance is operating expense coverage, which is the ratio of operating revenue to operating expense. We compute this ratio with two adjustments. First, we exclude property tax from operating revenue. Second, we exclude depreciation from operating expense. Based on our survey of 19 port districts in Oregon, the average ratio was 1.04. In other words, on average, operating revenue (excluding property tax) was 104 percent of operating expense (excluding depreciation). The Port's ratio was 0.86. **Exhibit 7** shows this ratio for all surveyed port districts:





Although property tax is excluded in the comparison above, all port districts in Oregon do receive some property tax revenue. Based on our survey, the average ratio of property tax to total operating revenues was 30.8 percent. The Port’s ratio was 33.8 percent. **Exhibit 8** shows this ratio for all surveyed port districts:

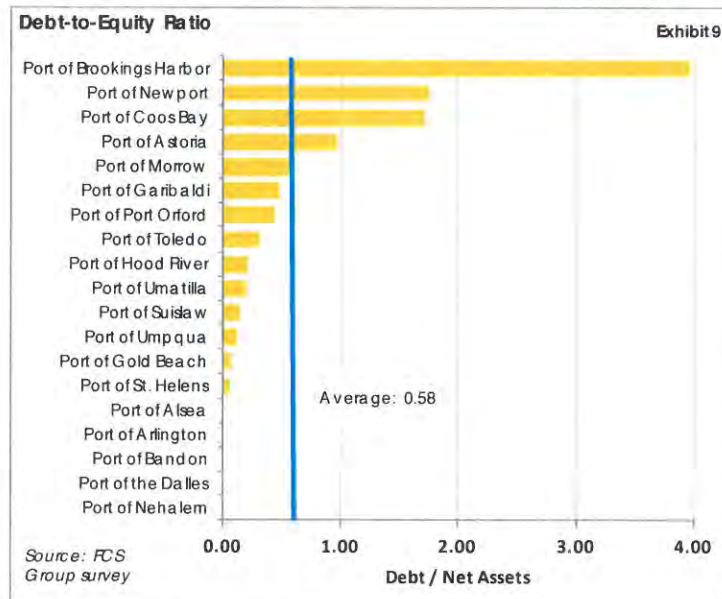


We call attention to the Port’s dependence on property tax, because taxing jurisdictions in Oregon have little control over this stream of revenue. While property tax has been a stable source of revenue, it has also been inelastic. Therefore, over the long term, the Port should not expect growth in property tax revenue to keep pace with growth in expenses.

## Debt

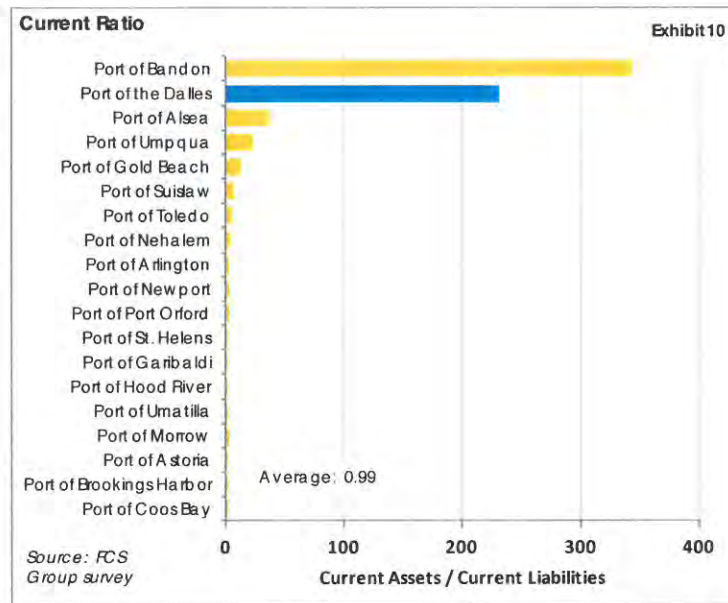
As of June 30, 2012, the Port had no long-term debt. However, the adopted budget for fiscal year 2012-13 includes loan proceeds of \$3 million and debt service of \$350,000 in the Port Development Fund.

One measure of financial risk is the amount of an organization's debt relative to its equity. Based on our survey of 19 port districts in Oregon, the average ratio of debt to equity was 0.58. With no long-term debt, the Port's ratio is zero. **Exhibit 9** shows this ratio for all surveyed port districts:



## Working Capital

Solvency is the ability of an organization to meet current liabilities with current assets. One measure of solvency is the current ratio, which is the ratio of current assets to current liabilities. Based on our survey of 19 port districts in Oregon, the dollar-weighted average current ratio was 0.99. The Port of The Dalles compares very favorably with a ratio of 230. **Exhibit 10** shows this ratio for all surveyed port districts:



## Pricing

The Statewide Ports Strategic Business Plan expresses concern about the common practice of ports leasing facilities at rates that are below market, because this practice “limits the ability for ports to keep pace with facility maintenance needs.”<sup>1</sup>

We are unaware of any specific facilities or services that the Port has priced below market. In fiscal year 2011-12, the General Fund did transfer \$99,131 to the Marina Fund. This transfer might be construed as evidence that certain marina fees have not been set high enough to recover the full cost of operating that facility. However, such a transfer was not budgeted for fiscal year 2012-13.

A review of monthly pricing for marina slips in the mid-Columbia region (see Market Analysis chapter, Figure 6) indicates that the Port of The Dalles charges higher monthly slip rates than those charged at the Port of Cascade Locks and the Port of Hood River. However, the Port of The Dalles annual boathouse rates appear to be approximately 13 percent below those charged at the Port of Hood River. It is recommended that the Port consider a moderate 5-6 percent annual increase in boathouse assessments for each of the next three years.

The Port may also consider policies to obtain a third-party review of regional market prices for industrial building lease rates and industrial land sales price levels; and adopt policies aimed at generally staying within 10-15 percent of regional price levels.

## GOALS AND OBJECTIVES

This section of the financial plan summarizes the Port’s financial goals and objectives. These goals and objectives inform the recommendations and forecast later in this plan. The following management principles serve as financial objectives for the Port:

<sup>1</sup> *Ports 2010: A New Strategic Business Plan for Oregon’s Statewide Port System* (April, 2010), page 61.



- \* All Port business activities should be self-supporting. Revenues generated from the service or use of an asset must at least cover all costs associated with the use, operation and preservation of the service or asset.
- \* The sale or lease terms and conditions of industrial sites shall be guided by criteria that include the price or lease rate, number of jobs, quality of jobs, and the overall benefit to the community.
- \* A return of 8-10 percent per annum is expected on the lease of Port assets.
- \* At least 90 percent of Port land sale proceeds will be held in reserve to provide for future land acquisitions, land improvements, capital improvements, and to ensure the financial health and stability of the Port. Administrative expenses related to a sale shall be recorded, monitored, and considered in the sales price.
- \* An allocation of land leases and sales proceeds shall be made to marketing and promotional efforts for Port industrial properties, to retain and recruit businesses to locate on Port sites.
- \* Port staff resources shall be committed to those activities that best support the Port's mission.
- \* A "life cycle cost" evaluation framework will be incorporated into decisions regarding investing in assets.
- \* The Port shall provide staff with the equipment, training, and support to ensure they can accomplish their respective responsibilities in the most efficient and effective manner as possible.

## RECOMMENDATIONS

This section of the financial plan provides policy recommendations based on both the financial analysis and the Port's goals and objectives above.

General Fund revenues, which consist primarily of property tax, will eventually be inadequate to the Port's administrative costs. In preparation for this eventuality, **we recommend that the Port update its indirect cost allocation plan biannually.** Such a plan would justify appropriate transfers from the Port Development Fund and Marina Fund to the General Fund.

**We recommend that each fund maintain an operating reserve of 90 days of expenditures.** This reserve would be in addition to any reserve required by debt covenants.

## FORECAST

This section of the financial plan draws upon all prior sections to project resources and requirements into future years.

### Key Assumptions

The projections that follow in **Exhibits 11-13** are based on the following assumptions:

1. Recommendations made above are implemented.
2. Property tax revenue will grow at an average rate of 3.0 percent.
3. Revenues other than property tax will grow at an average rate of 0.5 percent.
4. There will be no revenue from loans, grants, or land (or other asset) sales after fiscal year 2012-13. As a result, the Port Development Fund will not have expenditures for personnel services after fiscal year 2012-13.

5. Expenditures will grow at an average rate of 3.0 percent.
6. Budgeted contingencies remain unspent.

## Projections

Exhibits 11-13 project resources and requirements for five years:

<b>General Fund, Projections</b>		<b>Exhibit 11</b>				
<b>Category</b>	<b>Annual Growth Rate</b>	<b>FY 2012-13 Budget</b>	<b>FY 2013-14 Projected</b>	<b>FY 2014-15 Projected</b>	<b>FY 2015-16 Projected</b>	<b>FY 2016-17 Projected</b>
<b>Resources</b>						
Beginning fund balance		\$ 415,415	\$ 248,338	\$ 208,489	\$ 165,777	\$ 120,108
<b>Revenue</b>						
Property tax	3.00%	272,520	280,696	289,116	297,790	306,724
Indirect cost allocation plan						32,889
Other revenue	0.50%	66,379	66,711	67,044	67,380	67,717
Total revenue		338,899	347,406	356,161	365,170	407,329
Total resources		\$ 754,314	\$ 595,744	\$ 564,650	\$ 530,947	\$ 527,437
<b>Requirements</b>						
<b>Expenditures</b>						
Personnel services	3.00%	\$ 224,676	\$ 231,416	\$ 238,359	\$ 245,510	\$ 252,875
Materials and services	3.00%	116,300	119,789	123,383	127,084	130,897
Capital outlay	3.00%	35,000	36,050	37,132	38,245	39,393
<b>Transfers</b>						
To Port Development Fund		130,000				
To Marina Fund		-				
Total transfers		130,000	-	-	-	-
Total expenditures		505,976	387,255	398,873	410,839	423,164
Ending fund balance		248,338	208,489	165,777	120,108	104,273
Total requirements		\$ 754,314	\$ 595,744	\$ 564,650	\$ 530,947	\$ 527,437
Days of reserve in ending fund balance		179	197	152	107	90

Source: FCS GROUP

<b>Port Development Fund, Projections</b>		<b>Exhibit 12</b>				
<b>Category</b>	<b>Annual Growth Rate</b>	<b>FY 2012-13 Budget</b>	<b>FY 2013-14 Projected</b>	<b>FY 2014-15 Projected</b>	<b>FY 2015-16 Projected</b>	<b>FY 2016-17 Projected</b>
<b>Resources</b>						
Beginning fund balance		\$ 4,744,122	\$ 8,577,528	\$ 6,639,884	\$ 4,653,328	\$ 2,616,388
<b>Revenue</b>						
Loans		3,000,000				
Grants		2,000,000				
Land/asset sales		727,000				
Transfers from General Fund		130,000				
Other revenue	0.50%	51,016	51,271	51,527	51,785	52,044
Total revenue		5,908,016	51,271	51,527	51,785	52,044
Total resources		\$10,652,138	\$8,628,799	\$6,691,411	\$4,705,113	\$2,668,432
<b>Requirements</b>						
<b>Expenditures</b>						
Personnel services		\$ 133,430				
Materials and services	3.00%	67,000	69,010	71,080	73,213	75,409
Capital outlay	3.00%	1,524,180	1,569,905	1,617,003	1,665,513	1,715,478
Debt service		350,000	350,000	350,000	350,000	350,000
Total expenditures		2,074,610	1,988,915	2,038,083	2,088,725	2,140,887
Ending fund balance		8,577,528	6,639,884	4,653,328	2,616,388	527,545
Total requirements		\$10,652,138	\$8,628,799	\$6,691,411	\$4,705,113	\$2,668,432
Days of reserve in ending fund balance		1,510	1,219	834	458	90

Source: FCS GROUP

**Marina Fund, Projections**

**Exhibit 13**

Category	Annual Growth Rate	FY 2012-13 Budget	FY 2013-14 Projected	FY 2014-15 Projected	FY 2015-16 Projected	FY 2016-17 Projected
<b>Resources</b>						
Beginning fund balance		\$ 34,262	\$ 52,511	\$ 61,663	\$ 67,999	\$ 71,418
<b>Revenue</b>						
Marina revenue (moorage)	0.50%	122,134	122,745	123,358	123,975	124,595
Grants and assessments		18,000				
Other revenue	0.50%	876	880	885	889	894
Total revenue		141,010	123,625	124,243	124,864	125,489
Total resources		\$ 175,272	\$ 176,136	\$ 185,906	\$ 192,863	\$ 196,907
<b>Requirements</b>						
<b>Expenditures</b>						
Personnel services	3.00%	\$ 56,982	58,691	60,452	62,266	64,134
Materials and services	3.00%	34,750	35,793	36,866	37,972	39,111
Capital outlay	3.00%	19,407	19,989	20,589	21,207	21,843
Transfer to General Fund		-	-	-	-	32,889
Debt service		11,622				
Total expenditures		122,761	114,473	117,907	121,445	157,977
Ending fund balance		52,511	61,663	67,999	71,418	38,930
Total requirements		175,272	176,136	185,906	192,863	196,907
Days of reserve in ending fund balance		156	197	211	215	90

Source: FCS GROUP

Based on these financial assumptions and projections, we find that the Port can afford capital outlays of approximately \$1.6 million in fiscal year 2012-13 with three percent increases each year thereafter through fiscal year 2016-17. **Exhibit 14** summarizes these capital outlays by fund:

**Projected Capital Outlays by Fund**

**Exhibit 14**

Fund	FY 2012-13 Projected	FY 2013-14 Projected	FY 2014-15 Projected	FY 2015-16 Projected	FY 2016-17 Projected
General Fund	\$ 35,000	\$ 36,050	\$ 37,132	\$ 38,245	\$ 39,393
Port Development Fund	1,524,180	1,569,905	1,617,003	1,665,513	1,715,478
Marina Fund	19,407	19,989	20,589	21,207	21,843
	\$ 1,578,587	\$ 1,625,945	\$ 1,674,723	\$ 1,724,965	\$ 1,776,714
Annual growth		3.00%	3.00%	3.00%	3.00%

Source: FCS GROUP