

**COLUMBIA RIVER GORGE NATIONAL SCENIC AREA  
OREGON INVESTMENT BOARD**

**AGENDA**

**\*\*\*\*\*Wednesday, April 20, 2016\*\*\*\*\*  
\*\*\*\* 10:00 A.M. \*\*\*\***

**MCEDD Office  
515 East Second Street, The Dalles**

<b><u>Topic</u></b>	<b><u>Time</u></b>	<b><u>Item</u></b>
Call to Order, Introductions, Conflict of Interest Disclosures		
March 2016 Minutes	5 minutes	Approval
Financial Report	5 minutes	Acceptance
FY17 Budget Preparation	15 minutes	Decision
Loan Request <b>Downey Sleep Center, LLC</b>	5 minutes	Discussion
<i>Executive Session per ORS 192.660(2)(f) (Exempt Documents)</i>		
<i>Regular Session Reconvened</i>		
Loan Decisions	15 minutes	Decision
Funded Loans Report and Updates	10 minutes	Information
<i>Executive Session per ORS 192.660(2)(f) (Exempt Documents)</i>		
<i>Regular Session Reconvened</i>		
OIB/WIB Economic Vitality Plan	10 minutes	Approval
Outreach Discussion	20 minutes	Discussion
Appropriation & Appointments Update	5 minutes	Information
Other New Business, Good of the Order		
Adjournment		

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*The meeting location is accessible to persons with disabilities. If you have a disability that requires any special materials, services or assistance please contact Sherry Bohn at (541) 296-2266 at least 48 hours before the meeting so arrangements for appropriate accommodations can be made.*

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Next Scheduled Meeting is Wednesday, May 18, 2016 at the Hood River Library

COLUMBIA RIVER GORGE NATIONAL SCENIC AREA  
OREGON INVESTMENT BOARD  
Wednesday, March 16, 2016  
MCEDD Office  
515 East 2<sup>nd</sup> Street, The Dalles  
10:00 a.m.

**ATTENDANCE:**

OIB Members: Ken Bailey, Jack Miller (teleconference), Rick Leibowitz and John Kasberger.

Staff: Amanda Hoey, Sherry Wickert and Sherry Bohn.

Guest: Carolyn Meece – Business Oregon (teleconference)

**CALL TO ORDER:**

Chair Ken Bailey called the meeting to order at 10:04 a.m. A quorum was present.

**CONFLICT OF INTEREST POLICY AND INTRODUCTIONS:**

Ken Bailey requested that any Board member disclose any conflict of interests for any of the topics to be reviewed today. Rick Leibowitz noted that he has ongoing contact with Beachwood Eatery, LLC dba 9<sup>th</sup> Street Sugar Bowl through the SBDC. Rick also noted that Defiance Brewing Company, Inc. dba Sedition Brewery has had contact with the SBDC in the past. The Board clarified that Rick does not receive personal financial gain and determined that there was no conflict.

**FEBRUARY 17, 2016 MINUTES:**

John Kasberger moved to approve the minutes from February 17, 2016. Jack Miller seconded the motion. Motion passed unanimously.

**FINANCIAL REPORT:**

Sherry Wickert presented the financial report for the period ending February 2016. She reported Interest Income of \$ 8719.09 and Revenue Before Disbursements of \$18,703.71. Sherry reported that Miscellaneous Expenses of \$786.74 included legal services for Hood River Learning Center and TGE, LLC. She also reported that the Structured Accrued Loan Interest balance was \$5,482.00 and that the Available To Grant/Loan balance was \$1,007,332.83.

Amanda Hoey noted that John Kasberger requested a copy of the delinquency report. Staff will include a copy in future board mailings.

John Kasberger moved to accept the financials as presented. Rick Leibowitz seconded the motion. Motion passed unanimously.

Ken Bailey noted that a change to the agenda would include moving the loan modification request from Defiance Brewing Company, Inc. dba Sedition Brewery from New Business to just after the loan modification request from Beachwood Eatery, LLC dba 9<sup>th</sup> Street Sugar Bowl.

**LOAN MODIFICATION REQUEST: BEACHWOOD EATERY, LLC dba 9<sup>th</sup> STREET SUGAR BOWL:**

Eric Nerdin presented a loan modification request from Beachwood Eatery, LLC dba 9<sup>th</sup> Street Sugar Bowl to modify the life insurance assignment on Ken Catlin to allow for assignments or beneficiary designations to OIB/MCEDD to be made in the amounts allowed by their insurance companies.

**LOAN MODIFICATION REQUEST: DEFIANCE BREWING COMPANY, INC. dba SEDITION BREWERY:**

Eric Nerdin presented a loan modification request from Defiance Brewing Company, Inc. dba Sedition Brewery to extend interest only payments for an additional three months beginning 3/15/16 and to extend the loan terms by approximately three months.

**EXECUTIVE SESSION:**

Per ORS 192.660 (f) Exempt Documents, the Oregon Investment Board moved into Executive Session at 10:10 a.m.

Carolyn Meece left the meeting at 10:29 a.m.

Regular session was reconvened at 10:47 a.m.

**LOAN MODIFICATION REQUEST DECISION: BEACHWOOD EATERY, LLC dba 9<sup>th</sup> STREET SUGAR BOWL:**

John Kasberger moved to approve the loan modification request from Beachwood Eatery, LLC dba 9<sup>th</sup> Street Sugar Bowl as per the staff recommendation. Jack Miller seconded the motion. Motion passed unanimously.

**LOAN MODIFICATION REQUEST DECISION: DEFIANCE BREWING COMPANY, INC. dba SEDITION BREWERY:**

Rick Leibowitz moved to approve the loan modification request from Defiance Brewing Company, Inc. dba Sedition Brewery as per staff recommendation contingent upon staff's review of current balance sheet. John Kasberger seconded the motion. Motion passed unanimously.

**APPROPRIATION STATUS UPDATE:**

Amanda Hoey reported on the status of the authorized, but unappropriated, federal funds. She noted that the funds no longer exist as a line item in the Forest Service budget and the challenges associated with that. Amanda reported that staff from Senator Merkley's office had identified two potential accounts: one through USDA Rural Development and one through USFS State and Private Forests, which would require a tie to forest resources. She requested board discussion on the two options.

Discussion: Rick Leibowitz asked what the dollar amount was. Amanda explained that for both OIB and the WIB the figure was \$1.9 million. Rick and Ken stated a preference for the USDA route if it would not compete with MCEDD funds. John Kasberger asked if other areas of Oregon were having the same discussion. Amanda explained the unique status of the OIB/WIB. The board consensus was that Amanda would send out a summary of the options. Staff will meet with USFS and will report back to the board.

**OTHER BUSINESS:**

John Kasberger asked about the status of Cascade Locks outreach. Amanda stated that staff would connect John with the Community Action Team.

**ADJOURNMENT:** The meeting was adjourned at 11:14 a.m.

## OIB FINANCIAL SUMMARY

REPORT PERIOD: MARCH 16

	TOTAL YEAR TO DATE	PREVIOUS REPORT	CURRENT ACTIVITY
<b>CASH BALANCE AS OF 06/30/15</b>	<b>1,292,303.36</b>	<b>1,292,303.36</b>	-
Less Payables	(8,160.71)	(8,160.71)	-
Plus Accounts Receivable	1,100.00	1,100.00	-
Plus Interest Receivable (Less Unrecorded Accr'd Int)	10,594.69	10,594.69	-
<b>ADJUSTED CASH BALANCE 06/30/15</b>	<b>1,295,837.34</b>	<b>1,295,837.34</b>	-
 <b>INCOME</b>			
Interest	85,480.16	75,957.44	9,522.72
Loan Processing & Fees	5,771.14	5,771.14	-
Loan Late Fees	1,761.23	1,717.99	43.24
Misc Income	136.94	136.94	-
Invested Interest	471.05	416.26	54.79
<b>TOTAL INCOME</b>	<b>93,620.52</b>	<b>83,999.77</b>	<b>9,620.75</b>
 <b>PRINCIPAL REPAYMENTS</b>	<b>114,176.40</b>	<b>103,481.27</b>	<b>10,695.13</b>
 <b>REVENUE BEFORE DISBURSEMENTS</b>	<b>207,796.92</b>	<b>187,481.04</b>	<b>20,315.88</b>
 <b>EXPENSES AND PAYMENTS</b>			
Grants Disbursed 15-16	6,900.77	1,000.00	5,900.77
Loans Disbursed	125,000.00	125,000.00	-
Miscellaneous Expenses	2,758.42	2,618.54	139.88
Professional Services	67,797.72	60,264.64	7,533.08
<b>TOTAL EXPENSES AND PAYMENTS</b>	<b>202,456.91</b>	<b>188,883.18</b>	<b>13,573.73</b>
 <b>ADJUSTED CASH BALANCE</b>	<b>1,301,177.35</b>	<b>1,294,435.20</b>	<b>6,742.15</b>
 <b>LESS:</b>			
Approved Grants not Disbursed	(10,000.00)		
Approved Loans not yet Disbursed	(258,000.00)		
Interest Receivable at Period End	(8,136.89)		
<b>AVAILABLE TO GRANT/LOAN</b>	<b>1,025,040.46</b>		
 <b>STRUCTURED ACCRUED LOAN INTEREST</b>			
Current Period	235.33		
Prior Year Balance	4,971.10		
<b>TOTAL STRUCTURED ACCRUED LOAN INTEREST</b>	<b>5,206.43</b>		
 <b>LOANS RECEIVABLE BALANCE</b>	<b>1,553,942.96</b>		
 <b>PROOF:</b>			
Cash Balance After Reconciliations	1,300,713.42		
Less Payables	(7,672.96)		
Plus Interest Receivable (Includes Structured Accr'd Int)	8,136.89		
<b>ADJUSTED CASH BALANCE</b>	<b>1,301,177.35</b>		

REPORT GENERATED BY: Sherry Wickert

**OREGON INVESTMENT BOARD**  
**DISTRIBUTIONS OF GRANTS & LOANS APPROVED**

**Report Period: MARCH 2016**

<b>Grants</b>	<b>Date Approved</b>	<b>Expiration Date</b>	<b>Grant</b>	<b>Previous Distribution</b>	<b>Current Distribution</b>	<b>Expired/Not Utilized</b>	<b>Amount Remaining</b>
Port of The Dalles - Regional Wetlands	09/18/13	12/31/15	10,000.00		5,900.77	4,099.23	-
Fresh Start Culinary Arts Program	11/18/15	12/31/16	10,000.00				10,000.00
<b>Total</b>			<b>20,000.00</b>	-	<b>5,900.77</b>	<b>4,099.23</b>	<b>10,000.00</b>

<b>Loans Approved/Funded</b>	<b>Date Approved</b>	<b>Expiration</b>	<b>Original Loan</b>	<b>Previous Distribution</b>	<b>Current Distribution</b>	<b>Expired/Not Utilized</b>	<b>Amount Remaining</b>
Beachwood Eatery, LLC	2/17/2016		258,000.00				258,000.00
							-
							-
<b>Total</b>			<b>258,000.00</b>	-	<b>-</b>	<b>-</b>	<b>258,000.00</b>

## Memorandum

**Date:** April 13, 2016  
**To:** Oregon Investment Board  
**From:** Amanda Hoey, Executive Director and Sherry Wickert, Finance and Operations  
**Re:** FY17 Budget

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### **Overview:**

OIB's funds are included as part of MCEDD's overall budget each fiscal year (annually from July 1 through June 30). We are seeking the OIB's input to appropriately reflect anticipated revenues and expenditures in the agency and operational funds.

The attached proposed budget includes the proposed FY17 budget, as well as the current FY16 budget to be used for comparison purposes.

### **Forecasted Revenues:**

Amounts included in revenue categories are forecasted based upon analysis of prior year's budgets and actual revenues, combined with an informed estimation for future revenues. We have created a division between current and projected loans for revenue categories. We have made this division to provide the board with a better way to easily separate the two when analyzing projected revenue. The following revenue areas are highlighted to provide clarifying information:

- Principal Repayments
  - Current loan revenue projections are reflective of the loans already in OIB's portfolio, excluding loans in litigation or pending litigation. It does not include loans to be considered today or those which may be approved prior to the end of the fiscal year. We include a potential payoff of one loan in the projected principal repayments.
  - Projected new loans anticipates a three month interest only period at the start of all new loans and a 90 month term. It anticipates that loans are booked throughout the fiscal year, so principal payments do not begin at the start of the fiscal year. In FY16, only a portion of the new loans were projected with interest only periods and they were projected with longer terms that do not meet our actual experience. Thus, while the projected new loans were much higher in FY16, the principal payments do not show as large a variation as may otherwise be anticipated when comparing to FY17.
- Loan Interest
  - Loan interest for current loans excludes those in litigation/pending litigation and does not include loans under consideration today.
  - Projected New Loans Interest anticipates that loans are booked throughout the fiscal year, so interest payments do not begin at the start of the fiscal year. We used an average interest rate of 6.75%.
- Loan fees are included with the standard 1.5% fee on the total amount of the estimated new loans.
- Loan Late Fees. The revenue included is based on past experience of actual revenue.

- Other Revenue. There is no other revenue anticipated in FY17. In FY16 we projected receipt of a \$500 payment from the Washington Investment Board for their portion of the joint website.

*Note:* Staff will revise revenue estimations if conditions change prior to presentation of the budget in May to the MCEDD Budget committee.

### **Anticipated Expenditures:**

- Event Services includes costs for the annual Columbia Gorge Bi-State Advisory Council-the joint meeting with the Washington Investment Board.
- Legal: An allocation of funds to legal costs is included as a placeholder for the board to work with legal counsel, as necessary, on troubled loans for other legal action.
- Contractual includes the contract with MCEDD which covers staffing, audit and related expenses. This contract is made between MCEDD and the State of Oregon, under the advisement of the OIB, utilizing interest and fees from the OIB programs to cover costs. There is an automatic reduction in the contract if revenue is insufficient to cover expenses.
- Communications/Telephone: There is a nominal expense included for communications to cover the costs of conference calls for board meetings and other OIB meetings, if needed.
- Grants: The OIB is the only granting entity within MCEDD's budget framework. Therefore, we tend to estimate on the higher end of grant expenditures to allow flexibility for the board to make decisions on grant approvals throughout the year. There is little other leeway for a higher level of granting than budgeted. This year, we have included \$25,000 in the initial budget proposal attached, which includes the \$10,000 approved loan to Fresh Starts and \$15,000 in new granting expenditures. If all revenue were to be realized from projected and current loans, the interest and fees would support this level of granting. The \$25,000 amount does not represent a target level of grantmaking, however. In FY16 the level of grants included a larger carryover of grant funds to be disbursed from already approved loans. ***The board's input on the level included for grant is requested.***
- New Loans Made and Carryover: These are estimated based on historical activity and given the outstanding balance of funds in the OIB account, with an estimated \$340,000 in new loans. It attempts to balance past history and realistic projections against the opportunity for using available resources. We have attempted to be conservative in our projections. While we would like to see a lower balance of carryover and higher level of lending in FY17, we do not want to overestimate them and thereby also overestimate revenue. In comparing with the FY16 budget, we were more aggressive in FY16 with the projections. ***Board input is requested on the level of new lending vs. carryover-funding projected.***
- ***Additional Board input requested:*** We do not usually set-aside funds for marketing, but the Board should discuss if there are allocations needed in this or other areas.

### **Request**

Review and provide input to advise the budget process.

**MID-COLUMBIA ECONOMIC DEVELOPMENT DISTRICT**  
**HISTORICAL COMPARISON OF BUDGETS**

	A	B	C	D	E
1	DESCRIPTION	FY 16 OIB AGENCY BUDGET	FY17 OIB AGENCY BUDGET	DIFFERENCE	1
2	<b>BEGINNING BALANCES</b>				2
3	Program Funds Restricted Available	1,354,522	1,067,399	(287,123)	3
4	<b>TOTAL FUND AVAIL FOR FY16</b>	<b>1,354,522</b>	<b>1,067,399</b>	<b>(287,123)</b>	4
5					5
6	<b>REVENUE</b>				6
7	Contract Reimbursements				7
8	Principal Repayments:			-	8
9	Current Loans	199,755	249,462	49,707	9
10	Projected New Loans	12,913	12,540	(373)	10
11	Loan Interest:				11
12	Current Loans	109,604	115,239	5,635	12
13	Projected New Loans	33,288	11,756	(21,532)	13
14	Loan Fees	12,000	5,100	(6,900)	14
15	Other Loan Filing Fees	5,000	1,000	(4,000)	15
16	Loan Late Fees	4,119	2,300	(1,819)	16
17	Other Revenue	500		(500)	17
18	Invested Funds Interest	550	700	150	18
19	<b>TOTAL REVENUE</b>	<b>377,729</b>	<b>398,097</b>	<b>20,368</b>	19
20					20
28	<b>EVENT SERVICES</b>		200	200	28
30	<b>PROFESSIONAL SERVICES</b>				30
31	Legal	1,000	2,000	1,000	31
33	Filing Fees	5,400	1,000	(4,400)	33
34	Contractual	91,397	92,205	808	34
35	<b>COMMUNICATIONS/TELEPHONE</b>		50	50	35
38	<b>GRANTS DISTRIBUTED</b>	45,000	25,000	(20,000)	38
39	<b>REVOLVING LOAN FUND</b>				39
40	New Loans Made	800,000	340,000	(460,000)	40
41	Carryover to FY18 (Restricted Funds)	789,454	1,005,041	215,587	41
42	<b>TOTAL DIRECT EXPENSES</b>	<b>1,732,251</b>	<b>1,465,496</b>	<b>(266,755)</b>	42

## **Memorandum**

**Date:** **April 14, 2016**  
**To:** **Oregon Investment Board**  
**From:** **Amanda Hoey, Executive Director**  
**Re:** **Vitality Plan**

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### **Overview**

Every five years the Investment Boards are responsible for updating the Economic Vitality Plan. We began this process in 2015 with staff drafting updates to the plan and seeking board input. Following board review of the draft, Oregon and Washington Investment Board staff engaged in consultation with Columbia River Gorge Commission and US Forest Service staff as outlined in the process for the plan update. We met with these entities on December 7, 2015 and January 25, 2016 and continued correspondence throughout February and March 2016.

The final plan presented for your consideration reflects modifications discussed at the Columbia Gorge Bi-state Advisory Council meeting and those identified through agency consultation.

### **Request**

We request Oregon Investment Board action to adopt the final 2016 update to the Economic Vitality Plan. The Washington Investment Board will take the same action. Following final board approval, we will submit the plan to the two states via the Bi-State Advisory Council. They will then seek concurrence from US Forest Service national office staff.

# **COLUMBIA RIVER GORGE NATIONAL SCENIC AREA**

## **Oregon and Washington**

### **Economic Vitality Plan**

### **2016 UPDATE**

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*DRAFT*

**State of Oregon**  
Business Oregon  
775 Summer Street N. E.  
Salem, Oregon 97301

**State of Washington**  
Department of Commerce  
1011 Plum Street SE  
PO Box 42525  
Olympia, Washington 98504-2525

**Oregon Investment Board**  
Mid-Columbia Economic  
Development District  
515 East Second Street  
The Dalles, Oregon 97058

**Washington Investment  
Board**  
Skamania County Economic  
Development Council  
P.O. Box 436  
Stevenson, WA 98648

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# Executive Summary

The Columbia River Gorge National Scenic Area Act, which was enacted into federal law in 1986 when President Ronald Reagan signed into effect Public Law 99-663, has two purposes: (1) to protect and provide for the enhancement of the scenic, cultural, recreational, and natural resources of the Columbia River Gorge, and (2) to protect and support the economy of the area by encouraging growth to occur in existing urban areas and by allowing future economic development in a manner that is consistent with purpose one.

To support and protect the economy of the area, the Columbia River Gorge National Scenic Area Act directs the states of Oregon and Washington to submit economic development plans to the U.S. Secretary of Agriculture. Approval for the plans in 1992 qualified the states to receive \$5 million each to make loans and grants for economic development purposes. This 2016 update reflects how each state is currently allocating and administering its program resources in the Scenic Area and defines the relevant governing structures. It also affirms core features of prior plans, such as the mission and regional approach.

This Economic Vitality Plan provides a framework for utilization of funding to support the economic development purpose of the National Scenic Area. The Oregon and Washington Investment Boards and their respective staffs worked cooperatively in the development of this plan, to ensure a cohesive regional document to support what is truly a regional economy, crossing between the states of Oregon and Washington.

This plan was developed to be flexible in meeting both the current needs and addressing current funding use, as well as providing for future funding accommodation. It is to be used as a policy framework and guide.

# Introduction

## Overview

The purpose of the National Scenic Area Oregon and Washington Economic Vitality Plan is to set forth a vision and strategies for enhancing the economy and quality of life of Oregon and Washington communities located within the Columbia River Gorge National Scenic Area. Each plan also describes how funding from the federal government to each state and other funding sources will be used to fund economic development grants and loans within the Columbia River Gorge National Scenic Area.

The shared mission for economic development in the National Scenic Area is to:

**Work collectively as a regional entity in Oregon and Washington to strengthen and diversify the economy of the National Scenic Area to increase economic prosperity and job opportunities, while protecting and enhancing quality of life.**

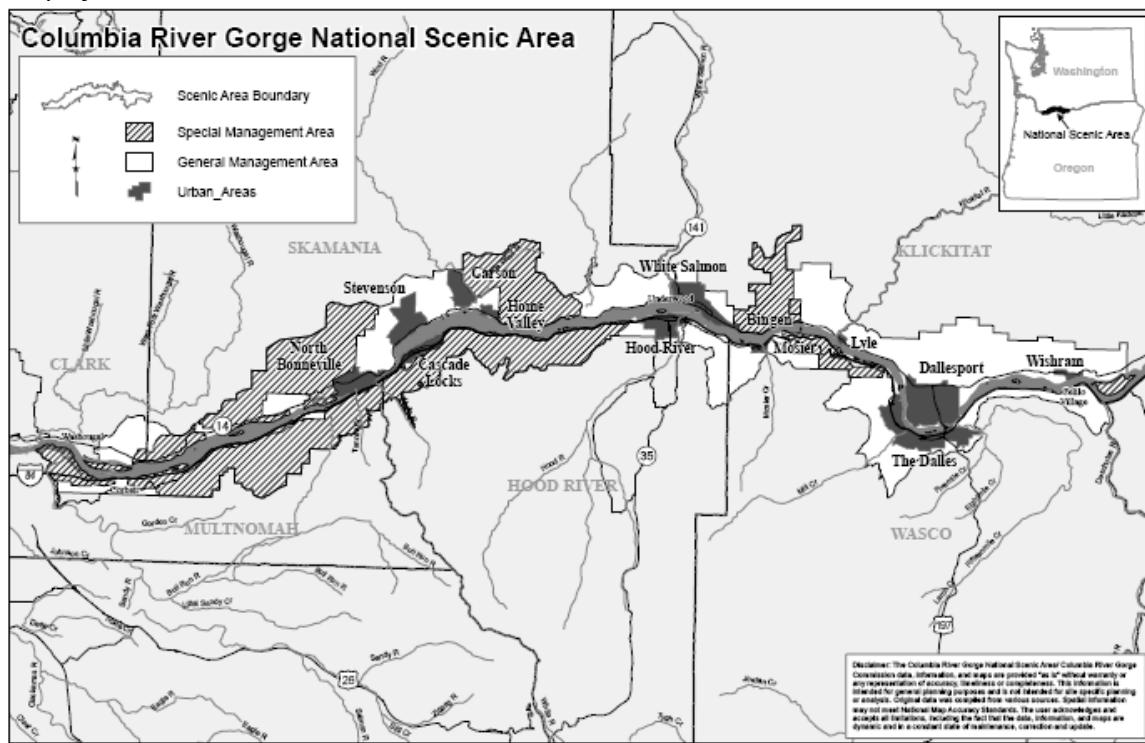
The mission focuses on a shared regional approach to economic development in the Columbia River Gorge. This approach facilitates linkages between Oregon and Washington communities in the National Scenic Area and is described in further detail in the Program Administration section.

## Coverage Area

The Columbia River Gorge is a river canyon cutting the only sea-level route through the Cascade Mountain Range. It is 80 miles long and up to 4,000 feet deep with the north canyon walls in Washington State and the south canyon walls in Oregon. This plan covers the geographic region encompassing the Columbia River Gorge National Scenic Area, as defined in the Act, Public Law 99-663 and 16 U.S.C. § 544b. Economic development funding applies to the geographic region for those counties with land use ordinances in effect, pursuant to the Act. The National Scenic Area is categorized into three areas:

- Special Management Areas.
- Urban Areas, which Congress designated to be exempt from Scenic Area regulations. These are: Cascade Locks, Hood River, Mosier and The Dalles, Oregon; and Bingen, Carson, Dallesport, Home Valley, Lyle, North Bonneville, Stevenson, White Salmon, and Wishram, Washington.
- General Management Area, a term used by National Scenic Area planners to describe all of the non-designated area, and which include a mixture of historic land uses such as farming, logging and cattle grazing. The Columbia River itself is currently part of the General Management Area as well.

## *Map of Service Area*



### **Act and the Charge**

The 1986 Columbia River Gorge National Scenic Area Act established the Columbia River Gorge National Scenic Area, a bi-state, six-county region shared by the states of Oregon and Washington. The purposes of the Act are:

- “to establish a national scenic area to protect and provide for enhancement of the scenic, cultural, recreational, and natural resources of the Columbia River Gorge; and
- to protect and support the economy of the 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).”

Specific guidance for the economic development purpose, and uses for funds appropriated under the Act, is provided in Section 11, Economic Development. “Based on the Economic Opportunity Study and other appropriate information, each State, in consultation with the counties and the Commission, shall develop a plan for economic development projects for which grants under this section may be used in a manner consistent with this Act.” It further states that: “Each State making grants under this section shall require as a condition of a grant that-

- 1) all activities undertaken under the grant are certified by the Commission as being consistent with the purposes of the Act, the management plan, and land use ordinances adopted pursuant to this Act;
- 2) grants and loans are not used to relocate a business from one community to another;
- 3) grants and loans are not used for program administration; and
- 4) grants and loans are only used in counties which have in effect land use ordinances found consistent by the Commission and concurred on by the Secretary pursuant to section 8 of this Act."

### **Relationship to the Management Plan**

The Columbia River Gorge National Scenic Area Management Plan is a separate document prepared by the Columbia River Gorge Commission (Commission) and US Forest Service (USFS). It outlines goals, policies, and guidelines for recreational, commercial, residential, agricultural and forest land use. It identifies land use guidelines and boundaries, and describes the role of the Commission in economic development project decisions. The Commission has adopted rules that define the process used to certify that economic development activities undertaken under the federal grant are consistent with the Scenic Area Act, the Management Plan and land use ordinances adopted pursuant to the Scenic Area Act.

The Columbia River Gorge National Scenic Area Oregon and Washington Economic Vitality Plan 2016 Update describes the processes for utilization of economic development funding. It relates to the management plan in understanding and defining the certification process and providing for a specification of overall uses of funds in a manner to ensure consistency with the Columbia River Gorge National Scenic Area Act.

### **Funding**

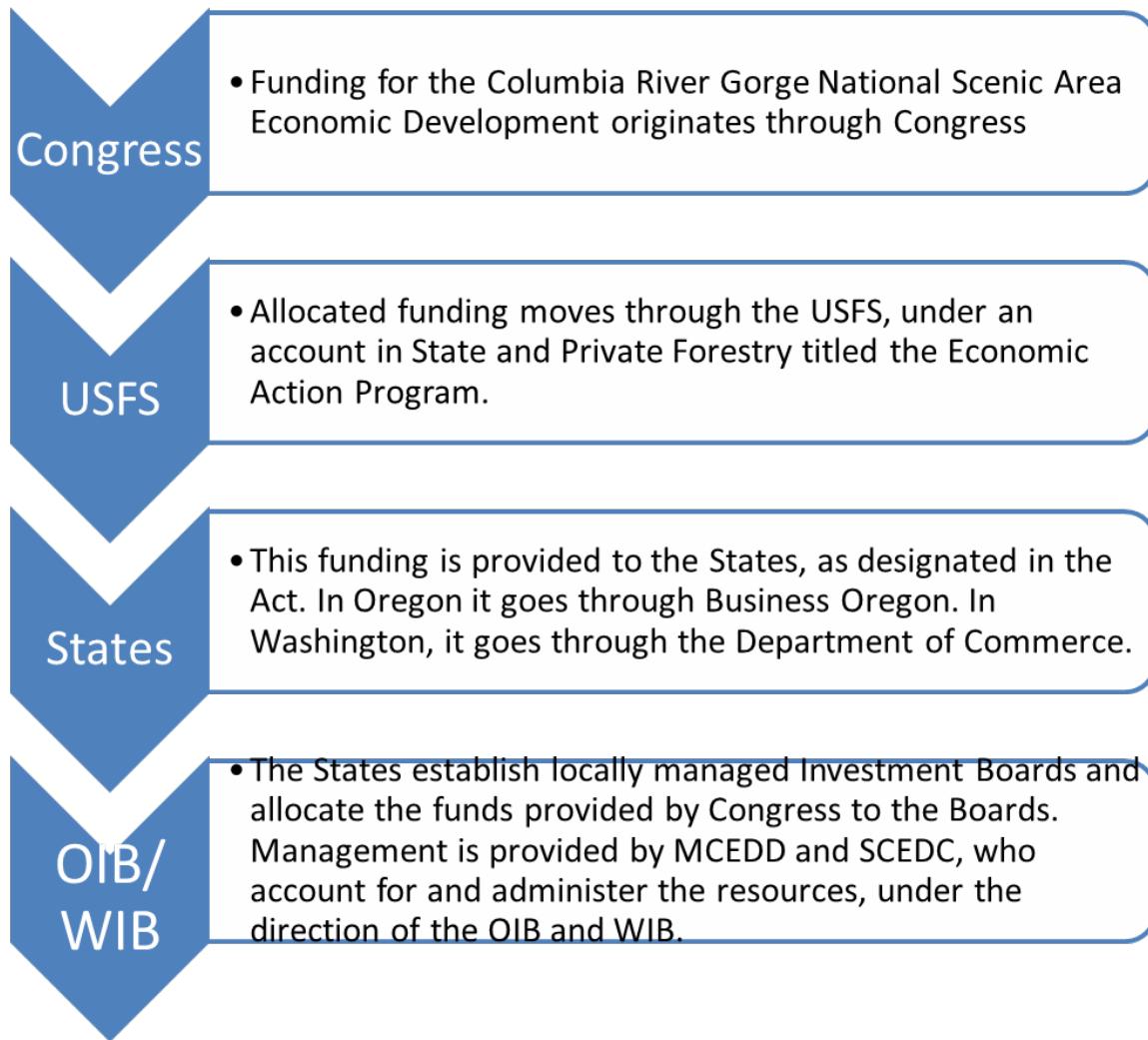
#### *Funding History*

In 1986, as part of the in the Columbia River Gorge National Scenic Area Act, Congress authorized \$10 million to be divided evenly between Oregon and Washington, for the purpose of making economic development loans and grants in the Columbia River Gorge National Scenic Area. To date, the States have received four appropriations totaling just over \$8 million. Resources were allocated over the course of many years, with portions of the funding provided in 1994, 1996, 1997 and 2001.

#### *Federal Funding Model (1994-2001)*

Funding allocations from 1994-2001 were provided by Congress and designated through the USFS to the States of Oregon and Washington through their respective economic development departments (Business Oregon and Washington Department of Commerce). The States transferred these resources to the management of the Oregon and Washington Investment Boards for the purpose of making economic development loans and grants in the Columbia River Gorge National Scenic Area. Management and administration of the funds for the Oregon and Washington Investment Boards (OIB and WIB) is through Mid-Columbia Economic Development District (MCEDD) and Skamania

County Economic Development Council (SCEDC). These entities then coordinate efforts through the Columbia River Gorge Bi-State Advisory Council.



#### *Future Funding Requests*

The balance of the authorized, not yet appropriated funding totals approximately \$1.9 million. The Economic Action Program account under USFS State and Private Forestry is no longer active, so the funding model will require shifting to a new federal account in order to facilitate allocation of the remaining resources. The Oregon and Washington Investment Boards, through the Columbia River Gorge Bi-State Advisory Council, are seeking a pathway for appropriation of the remaining funds authorized, to be divided evenly between the Boards. The Boards are further seeking additional authorization of federal funding and new funding sources to recapitalize funding to support economic development loans and grants. This plan is designed to cover the management and purpose for those new economic development resources as well.

### *Impact of Additional Funding*

Since the Act authorizes special funds to promote the economic health of the 13 Gorge urban areas; a new infusion of federal funds is urgently needed to capitalize on the interest of new and developing business. Both Oregon and Washington Investment Boards have a proven track record for job creation and investments that result in long-term economic impact. Through wise use of funds the Boards have generated sustained economic stimulus in rural communities.

- Received federal funding totaling approximately \$8 million.
- Approved grants and loans, by utilizing revolved funds, totaling more than \$14 million.
- Investments directly resulted in the creation or retention of over 900 jobs.
- Projects receiving funding through the Investment Boards have leveraged non-federal contributions of over \$34 million in private and public funds.

The Investment Boards have established the framework for successful investment, providing resources to businesses, governments and nonprofits for business assistance, infrastructure assistance and workforce development through a revolving loan fund. The Investment Boards seek funding to be in a position to fulfill their duties under the NSA. View a sample of funded projects here: <http://mcedd.org/oibwibmap/index.html>

The Columbia River Gorge is considered a national treasure and both purposes of the Act must be met in order for the intent of the Act to be realized. Business development is necessary, as recognized by the Act, in order to sustain a viable population in the scenic area that can support all the goals of the act. While the revolving loan funds will continue to allow some support of small business, the cost of doing business and developing needed infrastructure has risen so that the Investment Board aid is a diminishing percentage of the need. Lack of available funding means that infrastructure and business needs in the Columbia River Gorge are going unmet because of the lack of available funding. Simultaneously, development is restricted, for the most part, to the Urban Areas, yet the infrastructure in the Urban Areas is not adequate to support business development.

The establishment of the Scenic Area resulted in unique needs and approaches to economic development, restricting some of the traditional approaches to economic development. Funding to the Investment Boards would recognize the importance to balance both resource protection and economic vitality in the National Scenic Area.

# Program Administration

## Regional Approach

A regional approach to economic development in the Gorge encourages synergistic, creative projects. A regional approach facilitates communities helping other communities, to capitalize on the comparative advantages of the Gorge, while coping with constraints imposed by the Columbia River Gorge National Scenic Area Act.

Regular consultation and coordination of activities in each state will be accomplished through several means:

- A Bi-State Advisory Council for Oregon and Washington will convene at least annually to plan and carry out activities designed to foster coordination between the respective state programs.
- The staff for the Oregon and Washington Investment Boards in each state will routinely exchange information with one another about the status of activities and programs.
- Members and staff for the Oregon and Washington Investment Boards will provide support for joint projects to provide technical and financial resources for regional activities.
- Staff for the Boards and/or members of the Bi-State Advisory Council will seek to meet with regional entities, including the Columbia River Gorge Commission and Mid-Columbia Economic Development District, at least annually to provide an update on the activities of the Boards and the status of the economy in the National Scenic Area.

## The Program Administration Goals

The program administration goals are as follows:

- Create an ongoing, bi-state partnership dedicated to economic development projects and strategies;
- Facilitate local and regional participation;
- Encourage creative and regional thinking that promotes communities working together;
- Ensure public accountability;
- Provide expert investment analysis of proposals;
- Strive for simplicity and quick turnaround on proposals;
- Make funding decisions that deliver maximum economic benefits;
- Maximize leverage of other private and public resources;
- Engage in efforts to sustain and expand funding levels and,
- Create a linkage with the Columbia River Gorge Commission, the USFS, MCEDD, and the states' governors and economic development officials.

### **The Program Administrative Structure**

A joint Oregon/Washington administrative structure encourages regional approaches to economic development that emphasize strategic thinking, innovation, partnerships and regional participation of entities. The roles of the following entities in the administrative structure are described in this plan:

- Bi State Advisory Council
- States of Oregon and Washington
- Investment Boards
- USFS
- Gorge Commission
- Administrative Support

### **Bi-State Advisory Council**

The Bi-State Advisory Council is the joint structure designed to coordinate efforts of the Oregon and Washington Investment Boards, States of Oregon and Washington, MCEDD, USFS, Columbia River Gorge Commission and local partners in support of economic development in the National Scenic Area. The Council assesses economic development issues, markets the economic development program and identifies potential joint projects. The Bi-State Council also initiates ideas for economic development that emphasize creative thinking, partnerships and linkages among Gorge communities.

#### *Governance*

The Columbia River Gorge Bi-State Advisory Council is comprised of Oregon and Washington members. Voting members of the Bi-State Advisory Council include the following representatives from each county with conforming ordinances in place:

- The seven members of the Oregon Investment Board, including two from Wasco County, two from Hood River County, two from Multnomah County, and one at-large member appointed by the Governor's Office for the State of Oregon.
- The members of the Washington Investment Board, including two from each County with conforming Scenic Area ordinances in effect, two at-large members appointed by the state and the Governor's appointee.

Non-voting representatives include:

- a representative of Business Oregon
- a representative of the Washington Department of Commerce
- a representative of the USFS
- a representative of the Columbia River Gorge Commission
- a representative of MCEDD

#### *Roles and Responsibility*

The Columbia River Gorge Bi-State Advisory Council is responsible for the following:

- Representing local, state, and federal perspectives on economic conditions, resources, and trends in the National Scenic Area;

- Providing overall vision and strategy for promoting regional economic vitality in the National Scenic Area;
- Developing linkages between Columbia River Gorge communities and metropolitan areas in order to expand the resource base;
- Identifying additional market and investment opportunities and funding resources;
- Presenting projects and ideas for consideration for joint funding;
- Developing outreach strategies and communications tools to discuss the activities of the economic development purpose of the National Scenic Area and the Investment Boards; and
- Seeking additional resources to support the functions of the Boards.

The Advisory Council may suggest proposals for planning and professional expertise and may call together special task forces on specific issues and project ideas, drawing upon broad local participation from citizens and business representatives.

## **States**

### *Governance*

The states of Oregon and Washington were authorized to receive funding pursuant to the Columbia River Gorge National Scenic Area Act of 1986 for the purposes of making grants and loans for economic development projects. Each State created an Investment Board to meet the purpose of these funds.

### *Roles and Responsibilities*

Roles and responsibilities evolve over time as funding changes and currently include the following:

- Support the Investment Boards and the purposes of the Act;
- Appoint members to the Investment Boards;
- Manage federal funds appropriated under the Act; and
- Develop and engage in intergovernmental contracts for staffing services for the Investment Boards.

## **Investment Boards**

An Investment Board in each state provides policy direction, establishes funding criteria, and makes investment and funding decisions.

### *Roles and Responsibilities*

Roles and Responsibilities of the Oregon and Washington Investment Boards are as follows:

- The Boards are authorized to implement the provisions of the Columbia River Gorge National Scenic Area Act and the Economic Vitality Plan within the Columbia Gorge National Scenic Area, subject to certification of consistency by the Columbia River Gorge Commission.

- The Boards are responsible for updating the established Bylaws which are consistent with the Act and the Plan.
- The Boards establish fund management policies and performance standards.
- The Boards are responsible for investment decisions for the federally appropriated funds authorized under the Act and consistent with the Plan, made available to it by the State.
- The Boards may approve sales of the Fund's debt or equity positions in the second market.
- The Boards advise the States on administration and staff needs.

*Governance*

Each Investment Board is governed independently.

***Oregon Investment Board***

The Oregon Investment Board consists of seven members. The membership is composed of county-specific interests, including two from Multnomah County, two from Hood River County, and two from Wasco County, based on nominations made by the boards of commissioners of the three counties, for terms prescribed by the Oregon Governor. The Governor also appoints one at-large member.

***Washington Investment Board***

Voting membership of the Washington Investment Board include two representatives from each county with conforming ordinances in place, two at-large members appointed by the state and the Governor's appointee. For example, if only one county has conforming ordinances in effect then only five (5) members are entitled to vote, namely the member appointed by the county, the member appointed by the Associate Development Organization for the county (or in the case of Klickitat County, the Mt. Adams Chamber of Commerce), and the two at large members appointed by the state. If two counties have conforming ordinances in effect there will be seven (7) members entitled to vote. And if all three counties have conforming ordinances adopted and in effect there will be nine (9) members entitled to vote. Currently, two Washington counties, Clark and Skamania, have adopted conforming ordinances.

**US Forest Service**

*Roles and Responsibilities*

The USFS consults with Oregon and Washington economic development officials as they prepare economic vitality plans. These plans are submitted to the Secretary of Agriculture through the States of Oregon and Washington. The USFS also receives annual reports from Investment Boards through the States of Oregon and Washington, on the use of federally appropriated economic development funds in the Columbia River Gorge National Scenic Area, as outlined in 544i Section 11 (d) of the Act.

## **Columbia River Gorge Commission**

### *Roles and Responsibilities*

The Columbia River Gorge Commission consults with Oregon and Washington economic development officials as they prepare economic vitality plans. This consultation occurs between staff of the Investment Boards and staff for the Commission on the timeline described in the “Process of Update” section of this plan.

The Commission also ensures compliance with the provisions with the Columbia River Gorge National Scenic Area Management Plan. The Act requires the Commission must certify projects approved for funding by the boards for consistency with the Act, the management plan and land use ordinances adopted. Columbia River Gorge Commission Administrative Rules Chapter 350, Division 120 details the certification process. In the event of an adverse decision by the Executive Director, the decision would be appealed to the Columbia River Gorge Commission.

The Gorge Commission appoints an individual (staff or Commissioner) as a liaison to the investment boards and supports the investment boards’ requests to Congress to provide the remaining authorized monies and other actions. The investment boards periodically report their activities to the Commission.

### **Administrative Support**

The states, in cooperation with the region, have responsibility for economic development funding appropriated to them under the Act. The programs have the flexibility to allow for local administration, through a development corporation or other entity, as appropriate, to manage the funds, analyze and evaluate project proposals, and advise the Boards.

#### *Oregon Administrative Support*

Business Oregon fulfills the State of Oregon’s role in the National Scenic Area by reviewing contracts for local administration. Business Oregon contracts with MCEDD to provide staff services to the Oregon Investment Board, and shared staff services with the State of Washington staff to the Bi-State Advisory Council. This contract is negotiated and updated on a bi-annual basis, based upon recommendations from the Oregon Investment Board. Based on a USFS legal and policy determination, as of July 1, 1999, a portion of the interest earnings generated by repayment of loans will be used by the State of Oregon to offset the cost of the contract with MCEDD.

#### *Washington Administrative Support*

The State of Washington’s Department of Commerce receives federal funding to implement the Washington Economic Vitality Plan and has transitioned management of the program to a local administrative entity, the Skamania County Economic Development Council. The goal is to make the Investment Fund a regional asset that is managed with significant autonomy at the local level. It is the policy of the Washington Investment Board to use interest repayments to recapitalize the Investment Fund. Any

fees and interest earnings generated from loan repayments and investments of unexpended fund balances will be made available to either augment the Investment Fund or to support administration of the fund.

# Economic Outlook

## Background

The following economic outlook is reflective of the most recent regional Comprehensive Economic Development Strategy, produced annually by MCEDD. As a single region, and since the National Scenic Area is a portion of the larger economic zone, our outlooks and strategies are aligned. For a current status of the regional economic outlook, visit [mcedd.org](http://mcedd.org) for a current copy of the regional Comprehensive Economic Development Strategy, as well as information on demographic and data profiles.

## Overview

The **Columbia Gorge region** is a transitional economy and the regional economic profile has improved dramatically over the past decade. The region has experienced growth in a number of key industry sectors (high tech, fermentation businesses, renewable energy and light manufacturing) over the past ten years and has a combined low unemployment rate. However, there are still pockets of severe economic distress in communities in the region, an overriding concern with underemployment and challenges with per capita wage growth and income disparity. Overall, the region also faces struggles with adequate and affordable housing, providing sufficient infrastructure for business development and transportation issues. Despite these challenges, the economy is growing. The opportunities presented by the Columbia Gorge are accelerated by location advantages which support trade within and outside the region, offering options for expanded export opportunities.

## Assets

The Columbia Gorge is made stronger by having a region that crosses state boundaries and recognizes the role the Columbia River has played as a connecting body for the region for centuries. We have an increasing number of partners and degrees of connection that cross public, private, local, state and federal interests. This strong network creates opportunities for the region to enhance access to resources through our bi-state status, leverage our developing regional strategy as a catalyst for action and seek tools to further increase connections between one another.

<b>Collaboration</b>
The region is historically connected and is unique in working across state boundaries, forging partnerships between Oregon and Washington.
Collaborative human networks exist within the region and agencies exhibit a willingness to partner across sectors. The tendency of our rural communities is for residents to be active in multiple organizations, wearing “many hats.” The region offers ample opportunities for leadership and civic engagement.
A strong sense of community exists throughout the region. Community pride is evident and lends itself to having residents working hard to maintain economic viability. This sense of community helps create a strong local economic base.

<b>Transportation and Location Advantages</b>
The region has a distinct geographic advantage in being centrally located in the Pacific Northwest. We are described as the “Center of the Hub.”
We have direct access to metro areas: Portland/Vancouver, Tri-Cities, Yakima, Bend, Boise, and Boardman/Hermiston. This proximity offers distribution options for products, increases cultural opportunities, and enhances workforce and business opportunities.
“World Clock”: Our region is uniquely positioned to do business with approximately a 6,000 mile area from the West Coast to the East Coast to Asia, all within one regular business day.
Accessibility: a variety of transportation options are available. The region offers market access through: <ul style="list-style-type: none"> <li>• <b>Interstates and Highways</b> both East/West and North/South with connecting bridges.</li> <li>• <b>Airports:</b> Close proximity to Portland International Airport. Presence of regional and local airports. Life Flight services are also available from the regional airport.</li> <li>• <b>Rail Service:</b> Burlington Northern and Union Pacific offer rail services for the movement of goods in Oregon and Washington. Currently, passenger rail service is only available on the Washington side.</li> <li>• <b>River access:</b> The Columbia River facilitates barge traffic. This is particularly important for transporting waste and agricultural products.</li> <li>• <b>Bicycle/Pedestrian/ Transit:</b> Collaboration between transit providers through the Gorge TransLink Alliance. An extensive trail system and reconnection project through the Historic Columbia River Highway.</li> </ul>
Access to markets, including international markets for exporting materials. Our economy includes a focus on bringing in dollars from outside the community and minimizing leakages. We are an exporter of fruit, timber, wine, wheat, power and manufactured goods, among others.
<b>Natural and Cultural Resources</b>
The area is rich in natural resources, supporting timber, agriculture, recreation and tourism as well as lifestyle entrepreneurs attracted to the natural amenities.
Diverse climates exist within the region’s borders from the warm, arid eastern parts to the cool, damp western parts of the region. Generally, we enjoy a temperate climate with welcome seasonal changes and varying degrees of precipitation. The variation in both topography and climate leads to a diversity in economies, variations in crops and living opportunities. For example, the Columbia Gorge Winegrowers are able to characterize this region as “A world of wine in 40 miles” due to the variation in climate and soils.
Strong rural values and characteristics are present that the region seeks to maintain and protect.
The region has strong culture and history and has been a trading center for

<p>millennia. It has ongoing tribal relationships with four tribes as called out in the Act: Confederated Tribes of the Umatilla Indian Reservation, Nez Perce Tribe, Confederated Tribes of the Warm Springs Indian Reservation of Oregon, and Confederated Tribes and Bands of the Yakama Nation. The region also has additional evolving cultures as the demographics of the region continue to change.</p>
<b>Agriculture</b>
<p>There is a total of approximately 130,000 acres of prime farmlands in the region. Agriculture forms a base for our economy and is a stabilizing force to moderate economic swings. Cherries, wheat, grapes, apples, pears, cattle, sheep, and a variety of other products are grown or produced in the region. There is both commercial-scale agriculture and a growing small farms network with support through Gorge Grown Food Network.</p>
<p>The region has enjoyed an increasing focus on value added agricultural products through carefully cultivated strategies.</p>
<b>Scenic Beauty with Year-Round Recreation</b>
<p>In 2009, National Geographic Traveler ranked the Columbia River Gorge National Scenic Area 6<sup>th</sup> internationally on its destination scorecard to the world's most iconic destinations.</p>
<p>Abundant recreational opportunities for all four seasons including cycling, fishing, hiking, horseback riding, camping, rafting, kayaking, canoeing, windsurfing, rock climbing, and a variety of snow sports.</p>
<b>Additional Regional Assets</b>
<p>Diverse foundational businesses alleviate peaks and troughs of economic cycles. These include historical strong businesses in the agriculture and forestry sectors as well as new industry clusters in value-added ag, high tech, healthcare, and renewable energy.</p>
<p>Renewable energy assets include utilization of solar, wind, geothermal and biomass opportunities throughout the region. In addition, we are training the workforce for this need. Columbia Gorge Community College's Renewable Energy Technology program offers the west coast's first wind technician training.</p>
<p>Higher education opportunities are currently available in the region through Community Colleges and OSU and WSU Extension.</p>
<p>Federal agency presence in the region, including a strong presence from the US Army Corps of Engineers, US Fish and Wildlife and US Forest Service. Historically these have been stable jobs and resources infused to the region, but the region recognizes that there are additional opportunities for partnership.</p>
<p>Human capital and entrepreneurial spirit. Diverse range of skill sets from entrepreneurs to retirees.</p>
<p>Existing infrastructure has been developed in the region to support industrial and commercial development. It is also a challenge, though, in maintaining and expanding our region's infrastructure. Infrastructure includes:</p> <ul style="list-style-type: none"> <li>• Affordable, reliable power</li> </ul>

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|---|
| <ul style="list-style-type: none"> <li>• Available industrial sites</li> <li>• Telecommunication and broadband capacity that supports a high level of high tech and self-employed workers.</li> <li>• Water/sewer/community facilities</li> </ul> |
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### **Challenges**

The region faces a variety of challenges that currently hinder our economic development activities. We focus on the opportunity that is created through these challenges to design strategies which leverage our assets to address the needs that arise through these challenges.

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#### **CHALLENGE: Skilled Workforce**

The region recognizes the critical role already played by educational institutions serving the region, but has identified that additional resources are required for a fully trained workforce with the skills needed to support business growth and success. In meeting our challenge, the focus is to expanding educational and training services. In educational attainment, the region is keeping pace with the states and exceeding the nation in the percentage of the population with an Associate's degree, but falls behind in measurements of individuals with a Bachelor's degree or higher.

Economic Vitality Plan response to this challenge: The primary avenue to address the need for a skilled workforce is via support to enhance and expand upon existing services, with a long term vision for developing new resources. The OIB goals for investment of resources prioritize funding for projects that focus on workforce training and development and the WIB strategies list strengthening workforce skills and linkages to development opportunities.

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#### **CHALLENGE: Lack of Affordable Housing**

Access to housing, particularly workforce housing, is an issue for the entire region. Without affordable options, individuals must commute or find work elsewhere and businesses may elect not to move into or expand in our communities.

Economic Vitality Plan response to this challenge: Capital resources are limited through the OIB/WIB funds, but the boards have funded selected projects that address key gaps in the attainable housing market and also prioritize providing support for adequate public infrastructure to support developments. Primarily, we will partner with housing advocates and agencies in addressing this challenge.

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#### **CHALLENGE: Shortage of Capital**

The shortage of capital in the region crosses a number of areas, relating to both capital for businesses and funding for infrastructure.

Economic Vitality Plan response to this challenge: This is the primary challenge the plan is designed to address. The plan identified management of economic vitality resources through the revolving loan fund programs in the Oregon and Washington Investment Boards which fundamental increases access to capital.

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**CHALLENGE: Regulatory Environment**

With two states, a National Scenic Area overlay and high percentages of federal land ownership, the level of regulations affecting development activities in the region is a significant concern. All five counties in the Mid-Columbia region have zoning ordinances and land use comprehensive plans. Additional state and federal regulatory agencies also affect development activities in the region, including the U.S. Army Corps of Engineers, the U.S. Bureau of Land Management, the U.S. Environmental Protection Agency, the Oregon Department of Environmental Quality, and the Washington Department of Ecology.

Economic Vitality Plan response to this challenge: The Economic Vitality Plan response to the complex regulatory issues is largely limited to the ability to ensure effective OIB/WIB funding. As such, the plan outlines streamlined application processes between the Boards and the Gorge Commission. Meetings of the bi-state advisory council provide an opportunity to review the application process on a regular basis and make improvements. Outside of the OIB/WIB funds, the strategies of the Boards have allowed for significant support to businesses, such as the Farmer's Conservation Alliance, which are working through regulatory processes for new products and for those adapting to new regulations, such as Opportunity Connections.

**CHALLENGE: Telecommunications and Clearly Branded Regional Identity**

This challenge is two part: first, telecommunications infrastructure. Increasing broadband access is critical to supporting our growing industry sectors. While pockets of our region are covered, access for all residents is necessary. Second, the region's image and brand. There are considerable differences in state funding for marketing and there are multiple entities which could take the lead in building our internal and external image and promoting our assets through regional branding.

Economic Vitality Plan response to this challenge: Telecommunications has long been a priority for funding as the OIB and WIB goals seek to providing support for adequate public infrastructure and expanding the economy. In order to enhance our region's image and brand, the WIB provided recent funding to support the Gorge Tourism studio. The WIB strategy includes efforts to capitalize on tourism potential and a similar OIB goal seeks to diversify the region's traditional economic base, such as tourism.

**CHALLENGE: Transportation**

While market access and the mix of transportation modes available for the movement of goods and people are a distinct asset to the region, maintaining that infrastructure,

and expanding it to meet growing industry and population needs, is a challenge, particularly when coupled with constrained financial resources and the rural/dispersed nature of the region. In addition, congestion in heavy use recreation sites and safety concerns are forefront. Limited rail options, particularly passenger rail and limited public transportation options are also a challenge. Data describing commuting habits in the Mid-Columbia by place of work show that workers in the Mid-Columbia region travel outside their state of residence to work to a greater extent than the average worker in Oregon, Washington, or the nation. Public transportation is necessary both from a human and social services standpoint but also from an economic standpoint to support the mobile workforce.

Economic Vitality Plan response to this challenge: Resources through the OIB and WIB prioritize public improvement loans and grants that are intended to include support for necessary transportation infrastructure serving key business development areas. Primarily, the OIB and WIB partner with MCEDD, Gorge Translink, SW Washington Regional Transportation Council, Areas Commissions on Transportation and Department of Transportation in addressing this challenge.

### **County Highlights**

**Skamania County, Washington**, similar to its neighboring counties within the gorge, is rich in natural resources, recreation amenities and agriculture. A majority of the County's population is located in the south central portion of the county along the shores of the Columbia River. This core population is where a significant portion of the county's economic activity occurs in part due to the fact that 94% of Skamania County's land base surrounding its urban areas is in state or federal ownership. Within the economic core, light manufacturing continues to increase particularly in the industry areas of value-added agriculture, craft breweries and distilleries. Existing manufacturers that are continuing to show growth within the County include outdoor gear, commercial/industrial store interiors, and lumber manufacturers. The east and west ends of the County have minor commercial agricultural activities consisting of filbert and fruit orchards on the west end and vineyards and fruit orchards on the east end.

The tourism/recreation industry is a strong segment of Skamania County's economy and has surpassed government as the largest employer in the County. Tourism revenue is generated by several resorts within the County including Skamania Lodge, North Bonneville Hot Springs Resort, Carson Hot Springs Resort and various smaller lodges, hotels, and bed and breakfast inns. These resorts are supported by a multitude of recreational activities within the county such as hiking, biking, kite boarding, windsurfing, paddle boarding, fishing, cross-country skiing, kayaking, rafting, river cruises, berry picking and mushroom hunting. All of which are done in the incredible and world class scenic vistas of the Columbia River Gorge as well as in close proximity to the Mt. St. Helens National Volcanic Monument and the Gifford Pinchot National Forest.

**Klickitat County, Washington** has three distinct economic regions. The western third of the county is dependent upon orchards, fruit packing, and wood products. The central third includes the county seat, the closed aluminum smelter, Maryhill Museum and beaches serving recreationalists. The eastern third includes vegetable farming and a growing number of wineries, along with the regional landfill, Rabanco. The County continues to look towards efforts designed to reduce the long-standing unemployment created by reductions in forest products and aluminum smelter employment as well as the general downturn in agriculture. Central to Klickitat County's economic development strategy is strengthening the financial base of the county, including the agricultural sector. As one of the top wind resource areas in the Pacific Northwest, and with the adoption of a first-in-the-nation Energy Overlay Zone for wind and solar facilities, the county is a center for renewable energy projects. In addition to support for renewable energy projects, the county continues to actively support value added agriculture and has burgeoning high-tech growth centered around Boeing-owned Insitu that is powering strong industrial economic growth on both sides of the river. In the past few years, like most other areas, the County's medical facility, Skyline, expanded. Services at the Columbia Gorge regional airport, located in the County, also expanded. The site there includes Life Flight, an essential service for the region. The airport is a critical facility for the entire region and projects to expand and support the airport show predominantly in the regional priorities for development of the region.

**Clark County, Washington and Multnomah County, Oregon:** The National Scenic Area encompasses 169,401 acres along the Columbia River in Washington State, however ninety-five percent of the Scenic Area's land mass in Washington is found in Klickitat and Skamania counties. The small portion of the Scenic Area that is located within Clark and Multnomah counties has few businesses and residents, so few entities eligible to seek funding through the OIB and WIB.

**Hood River County, Oregon** is rich in natural resources with agriculture, lumber and recreation as sources of revenue and industry. Important sectors include technology, agriculture, outdoor gear manufacturing and tourism. Agriculture is a big part of both the economy and community in Hood River County, both within the Scenic Area and the surrounding portions of the County. The major crops, including pears, apples, and cherries, bring in about \$60 million dollars per year. Value added agriculture also plays an economically significant role with a potential for additional future growth. In addition to agriculture, forestry is also significant. Unique to Hood River County is County ownership and maintenance of forest lands. A burgeoning tech sector also defines the economy of the county with primary employers in the County supporting this industry, and in particular unmanned systems development. In Hood River County, outdoor gear and activewear companies have flourished. Innovation in product design, green design and sustainability has positioned Hood River County to be a global leader in outdoor gear and activewear. The diverse landscape of Hood River County supports outdoor tourism. The many recreational attractions bring thousands of visitors to the county each year. On the water, Cascade Locks is a world class sailing destination and Hood

River is a kite boarding and windsurfing destination, each attracting visitors from around the world. The mountainous terrain boasts beautiful vistas and waterfall for hiking and cycling and snowboarding and skiing in the winter.

**Wasco County, Oregon.** The County's economic base is agriculture and the processing of agricultural products, particularly cherries, wheat and livestock. County farm-gate sales were nearly \$88 million in 2010, mostly from sweet cherries and wheat (\$48 million and \$20 million, respectively).<sup>1</sup> Other traditional industries have included forestry, manufacturing, electric power generation and transportation. Wasco County's economy has diversified from its traditional natural resources base to include a stronger focus on technology and manufacturing. The rapid growth of renewable energy industries is driving additional employment through support industries and related manufacturing. The world's largest Internet firm, Google, established a major operational center in The Dalles. As the largest community in the County, The Dalles serves as a retail and service hub for many surrounding counties, resulting in strong employment in these industries as well as government. Further expansion of the healthcare sector, with the expansion of Mid-Columbia Medical Center, has also positively impacted job growth in the County.

### **Key Economic Trends and Opportunities**

Key economic trends which are emerging for the National Scenic Area economy include the following:

- The greatest opportunity for *growth* in agriculture, forest products, and fisheries lies in increased value-added manufacturing. These industries are already a significant economic driver for the region, however, so equal attention to funding and policies that continue to secure their economic future is critical.
- Growth in the number, size, and diversity of emerging niche-manufacturing firms requires appropriately sized, fully serviced sites and facilities available for their use.
- Tourism has become a primary industry in the region and is anticipated to increase with growing visitor interest in heritage and eco-tourism opportunities. However, tourism is a tertiary sector and therefore efforts to support tourism must also ensure that it is being done in a manner which does not negatively impact core manufacturing industries and primary agriculture/forest products/fisheries industries.
- Despite growth in retail and services sectors, Klickitat and Skamania counties continue to experience significant sales leakage from these sectors to Oregon. Simultaneously, the Oregon counties have opportunity to continue to operate and grow in these areas.
- Investment in public infrastructure and facilities, within downtown business cores and on port and industrial properties, is critical to tourism and industrial/manufacturing business development and expansion.

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<sup>1</sup> (2011 research for the Wasco County Extension Service by Bruce Sorte).

- Careful planning is required to maximize economic potential of available business sites in the urban areas while preserving or enhancing quality of life.
- The lack of available capital to assist small emerging or expanding businesses that require higher risk, non-traditional financing is a major obstacle to Gorge business development.
- The ability of local economic development organizations to positively impact the economy will be inextricably tied to actions taken to address planning, infrastructure, and business financing needs.

### **Key Regional Industry Development**

Five key regional industries in the Mid-Columbia were identified through a process in 2005 as a new economic base in the region. These were updated with the 2016 regional Comprehensive Economic Development Strategy.

- High Tech: Represented through the Gorge Technology Alliance which now has over 100 members. In this region, high tech has a significant concentration centered particularly on unmanned systems development.
- Arts and Culture: Represented through the Columbia Gorge Arts and Culture Alliance, a collaboration of arts, culture and economic development interests within the Columbia River Gorge.
- Healthcare: Healthcare continues to be a major component of the economy of the Columbia River Gorge. Expansions to three major emergency healthcare providers: Providence Hospital in Hood River, Mid-Columbia Medical Center in The Dalles and Skyline Hospital in White Salmon ensures that this cluster will continue to grow.
- Value Added agriculture. A subset is fermentation businesses, encompassing wine, beer, cider, cheesemaking and others. This cluster has seen rapid growth in the past decade and expansion into new markets.
- Renewable Energy: The renewable energy cluster is represented through the Columbia River Gorge Bi-State Renewable Energy Zone. While much of the development has occurred in the area surrounding the Scenic Area, support industries are located in the Gorge.

In addition, there is broad Oregon-Washington cluster effort and new emerging clusters:

- In 2015, the region was included in the Pacific Northwest Manufacturing Partnership (PNMP) and received designation as Investing in Manufacturing Partnerships Community. PNMP efforts support many of the clusters listed above. In addition, there is a focus on innovative forest products, including exploration of Cross Laminated Timber.
- Emerging Clusters: The clusters highlighted above continue to emerge as leading industries for the region. Outdoor sports and recreation, manufacturing, and construction continue to create strongholds of cluster-based economic development activities for parts of the region with a growing number of businesses operating in the region.

# Process of Update

## Planning Process

To support and protect the economy of the area, the Columbia River Gorge National Scenic Area Act directs the states of Oregon and Washington to submit economic development plans to the U.S. Secretary of Agriculture. Approval for the plans in 1992 qualified the states to receive \$5 million each to make loans and grants for economic development purposes.

The 1992 plan was revised in 1999, 2010 and again in 2012. This 2016 update reflects how each state is currently allocating and administering its program resources in the Scenic Area and defines the relevant governing structures. It also affirms core features of the original plans, such as the mission and regional approach.

## Timeline

The timeline for the 2016 update consisted of the following:

- September 2015: Bi-State Advisory Council reviews key elements of the 2016 plan update.
- Through March 2016: Oregon and Washington Investment Board staff consults with impacted agencies on a draft revised plan. Oregon and Washington Investment Boards review their independent sections.
- June 2016: Oregon and Washington Investment Boards review draft plans, providing opportunity for public meetings.
- July 2016: Plan adoption by Bi-State Advisory Council and Oregon and Washington Investment Boards; submission to States and USFS.

## Consultation and Public Meetings

The following public meetings were held in which the plans were reviewed:

- September 23, 2015: Columbia River Gorge Bi-State Advisory Council meeting
- June 15, 2016: Oregon Investment Board meeting
- (DATE): Washington Investment Board meeting
- (DATE): Bi-State Advisory Council meeting

## Approval

- Bi-State Advisory Council (*Adopted \_\_\_\_*);
- Oregon Investment Board (*Adopted June 15, 2016*); and
- Washington Investment Board (*Adopted \_\_\_\_*).

## Future Updates

This plan is designed to be reviewed at least once every five years by the governing bodies of the two Investment Boards and the Bi-State Advisory Council. Updates should allow for the following:

- Development of an updated Plan by staff and Board members for the Oregon and Washington Investment Boards, in consultation with the States and affected counties.
- Allowance for at least one public meeting in each state in which the plan is considered.
- Adoption of the Plan by the Oregon and Washington Investment Boards, independently or through the Bi-State Advisory Council.
- Adoption of the Plan by the Bi-State Advisory Council.
- Presentation of the plan or providing copies of the plan to the Columbia River Gorge Commission and affected counties.

# The Oregon Investment Board

## Economic Vitality Plan

### 2016 Update

#### **Mission**

As economic development is one of the two purposes of the Columbia River Gorge National Scenic Area Act, the mission of the Oregon Investment Board is to strengthen and diversify the economy of the National Scenic Area to increase economic prosperity and job opportunities, while protecting and enhancing the quality of life. The OIB will seek opportunities to develop a synergistic relationship with the Washington Investment Board, working cooperatively to support the entire economy of the National Scenic Area in Oregon and Washington.

#### **Purpose and Principles**

The ***purpose*** of this Economic Development Plan is to present Oregon's plan for National Scenic Area Act funding to strengthen and diversify the economy of the National Scenic Area and its counties. It sets forth a vision and strategies for enhancing the economy and quality of life of Oregon communities located within the Columbia River Gorge National Scenic Area. The Plan also describes how the monies granted from the federal government, and other potential funding sources, will be used to fund economic development loans and grants within Oregon's National Scenic Area. The plan is designed to utilize limited National Scenic Area Act funds as a catalyst for improving the region's economic vitality. The Plan promotes a regional perspective in order to achieve an improved economy throughout the National Scenic Area and to protect other values identified within the Scenic Act.

The ***guiding principles*** of Oregon's Plan include:

- The Plan is consistent with the provisions of the National Scenic Area Act and its Management Plan;
- The Plan is based upon a regional approach that considers the unique needs and opportunities identified at the local level, and creative, synergistic opportunities afforded by communities working together to build a strong regional economy; and,
- The Plan includes an ongoing economic development fund, consistent with the ongoing designation of the National Scenic Area.
- Focus on economic stabilization, diversification, job creation, and workforce training by helping existing and emerging businesses.
- Capitalize on the comparative advantages and economic strengths of the National Scenic Area.

- Revitalize communities and provide gap-financing for expanding infrastructure capacity.
- Provide a Gorge-wide planning framework for improving economic vitality in the entire Scenic Area.

The economic development activities in this plan are guidelines and are subject to revision by the Board through the established policies and procedures.

### **Funding Priorities**

Funds will be awarded within Multnomah, Hood River, and Wasco County portions of the National Scenic Area on the competitive basis of project feasibility and sustainable long-term economic benefit to these counties and the National Scenic Area. Investments must be consistent with the National Scenic Area and the Gorge Commission's Management Plan. Funds will not be used for program administration or to relocate a business from one community to another. Wide geographic distribution of funds, leverage of other funds, and stimulation of private investment will be considerations for all investment decisions.

The Oregon Investment Board establishes specific criteria and other guidelines for loans, grants, and other investments made through the Oregon Investment Board funds.

These criteria and guidelines may be reviewed periodically and updated by the Board without amending or updating the Economic Vitality Plan. The criteria address:

- Maximum loan and grant amounts,
- Loan interest rates, terms, and fees,
- Eligible entities for funding,
- Mandatory investment criteria,
- Relative investment criteria,
- Ineligible activities,
- Reporting and performance measures,
- Conflicts of Interest, and
- Other factors as deemed appropriate by the Investment Board.

### **Goals**

The primary goal of the Plan is to increase employment opportunities and achieve greater economic diversity for the region. Within the context, the specific goals of the Plan are:

- Create jobs, emphasizing family wage jobs  
*Increase local employment. Focus on increasing median income/wages.*
- Focus on workforce training and development  
*Provide or enhance education and training programs for existing businesses as well as new industries targeted for recruitment.*

- Expand the economy  
*Expand the region's traditional economic base.*
- Diversify the economy  
*Diversify the region's traditional economic base such as tourism, light industrial industries, and projects that are environmentally compatible and consistent with the goals of the NSA.*
- Increase the regions tax base  
*Aid in the construction or purchase of assets that will be added to the property tax base.*
- Sell area's products outside the region  
*Assist with marketing and promotion of the region's products and services outside the local market area.*
- Add value to region's products  
*Increase the potential for adding value to the region's traditional resource-based industries (agriculture and forest products).*
- Help develop new products  
*Help develop and promote new value-added enterprises and products that increase local employment and incomes.*
- Provide support for adequate public infrastructure  
*Provide the gap financing necessary to complete required planning projects or construct public infrastructure.*
- Leverage use of available resources  
*Project provides the needed matching funds to leverage other grants and loans as the final financing piece. Project offers in-kind time and the use of internal resources to insure project success.*

## **Allocation and Use of Resources**

### *Revolving Loan Program*

The Oregon Investment Board Revolving Loan Fund (“RLF”) has been established to provide an ongoing economic development fund, consistent with the ongoing designation of the National Scenic Area. To maximize the impact of the RLF Program monies in meeting the investment principles, the funds will be targeted for projects that contribute towards achieving the Oregon Economic Development Program goals. The Oregon Investment Board is the governing body of the RLF Program and is duly empowered to receive and disburse funds, provide and contract for services, and otherwise administer the program. All new funds made available to the Board will be deposited in the RLF Program to make loans and grants for economic development purposes.

The RLF will be administered by the entity designated by the Oregon Investment Board. A commercial bank providing FDIC insurance will serve as the depository of the loan Funds.

#### *Grant Program*

The Oregon Investment Board makes grant funding available to nonprofit organizations and local governments offering employment and furthering the economic well-being of the National Scenic Area. Grants are available on a competitive basis, based on how the project meets the goals and strategies of the Plan.

Grants are also available to for-profit entities under the following circumstances: grants are generally for, but not restricted to, cooperative regional marketing, planning/pre-development, and training programs, and generally not for projects that would give a business an unfair competitive advantage over another in the local region.

#### *Funding Allocation*

The majority of the funds allocated for economic development are designated for business loans and investments, community development, and infrastructure. The experience of the Board through shows an allocation of fund usage including 45% for business assistance loans, 24% for infrastructure loans, and 21% for grants. In order to preserve the corpus, in the absence of other funding resources, the board annually sets targets for loans and grants. Grants are targeted at a lower level and related to program income in order to maintain adequate funding for the entire program. For the revolving loan fund program, the funds are targeted to reflect the local needs, but no designation or targets are set for the percentage of funds available for loans versus grants. The Plan is designed to create an ongoing program for economic development and to provide a responsive structure to allow for opportunity-driven investments in the region.

#### **Community Impact**

Project funding awarded through OIB helps to ***strengthen and diversify the economy*** of the region. Projects funded through Fiscal Year 2015 show:

***Sustained Impact.*** As of FY 2015, the Oregon Investment Board has received four appropriations totaling \$4,001,750. The Board has approved grants and loans (by utilizing revolved funds) totaling more than \$8.3 million.

***Public and Private Leveraging.*** Historically, projects receiving funding through the Investment Board have leveraged non-federal contributions, on average, of more than \$3 to every \$1 of federal investment. The OIB has leveraged over \$28 million in private and public funds.

***Job Creation/Retention.*** Funds provided through grants and loans to support infrastructure, business assistance, and workforce development are also targeted to support job creation and retention. The Board has provided funding to projects to

directly create or retain more than 600 jobs, measured at final disbursement of OIB funds. The number of jobs created continues to increase for many of these projects as the initial OIB investment spurs future growth. Job creation and retention figures will further increase as the funds are revolved into new grants and loans.

# The Washington Investment Board

## Economic Vitality Plan 2016 Update

### **Mission**

As economic development is one of the two purposes of the Columbia River Gorge National Scenic Area Act, the mission of the Washington Investment Board is to strengthen and diversify the economy of the National Scenic Area to increase economic prosperity and job opportunities, while protecting and enhancing the quality of life. The WIB will seek opportunities to develop a synergistic relationship with the Oregon Investment Board, working cooperatively to support the entire economy of the National Scenic Area in Oregon and Washington.

### **Purpose and Principles**

The ***purpose*** of this Economic Development Plan is to set forth a vision and strategies for enhancing the economy and quality of life of Washington communities located within the Columbia River Gorge National Scenic Area. The plan also describes how \$5 million committed by the federal government will be used to fund economic development loans and grants within Washington's National Scenic Area communities.

This plan calls for funding committed by Congress to be used to capitalize the Washington Columbia River Gorge Economic Development Investment Fund. The Investment Fund is designed to offer financial support and technical assistance to eligible public and private entities. Operating ***principles*** and priorities include:

- Decision-making that reflects local input and expertise.
- Enable responsible financial management of grant resources and other revenue accruing to the Fund.
- Provide for a coordinated bi-state approach that respects the needs and qualities of Washington's communities.
- Support continuing development through recapitalization of the original investment.
- Achieve maximum leverage of other funds, both public and private, for each investment made.
- Increase employment opportunities through investments which create and retain jobs, and which stabilize or enhance income.
- Foster greater economic diversity as a result of technical and financial assistance services.
- Build greater local capacity by encouraging local leadership, providing opportunities for Gorge residents to own or manage businesses, and by supporting local community development initiatives.

- Support flexibility in the management structure to accommodate local administration of the Fund.
- Provide diversity of investment by type of industry;
- Provide wide geographic distribution of funds within the National Scenic Area of Washington;
- Fund projects with the highest potential for providing long-term financial viability and economic benefit to the community; and
- Ensure flexibility for investment fund managers in considering investment proposals.

### **Funding Priorities and Criteria**

The Washington Investment Board establishes specific criteria and other guidelines for loans, grants, and other investments made through the Investment Fund. These criteria and guidelines may be reviewed periodically and updated by the Board without amending or updating the Economic Vitality Plan. The criteria address:

- Maximum loan and grant amounts
- Project feasibility and likelihood of success
- Expected economic benefit
- Consistency with National Scenic Area Management Plan and local development strategies
- Other factors as deemed appropriate by the Investment Board/Bi-State Advisory Council (Washington membership).

Projects receiving assistance from the Washington Economic Development Investment Fund will occur only within the Washington portion of the Columbia River Gorge National Scenic Area, as defined under Public Law 99-663 and 16 U.S.C. § 544c. Portions of the affected counties that do not meet this definition are not eligible for Investment Funds under this Plan and only counties with conforming ordinances in place are eligible for funding. Currently, two Washington counties, Clark and Skamania, have adopted conforming ordinances. Joint projects with Oregon are eligible for funding, provided that the project provides appropriate economic benefit to Washington's portion of the National Scenic Area. Joint projects may be defined as those that both states perceive to be of benefit and have an interest in participating. Each state is free to determine the level of financial participation desired in a joint project; there is no set requirements specifying equal levels of participation by both states. In developing its policies and procedures, the Investment Board has worked with representatives of Oregon to determine methods of reviewing and discussing projects that might involve participation by both states.

### *Preference in Project Funding*

When proposed projects are of equal significance in supporting the Gorge economy, preference should be given to the project or projects that also enhance the scenic, cultural, recreational and natural resources of the Gorge.

## **Goals**

The primary goal of the Plan is to increase employment opportunities and achieve greater economic diversity. Within this context, goals that guide implementation of the Economic Vitality Plan include:

- Expand and diversify the economy.
- Create and retain jobs.
- Enhance public infrastructure required for economic development.
- Maintain competitiveness of the region's resource-based industries.
- Develop local capacity for economic development.
- Flexibly coordinate, manage and leverage limited National Scenic Act funds to stimulate community investments and economic vitality.

## ***Strategies***

- Assist existing and emerging businesses and encourage new business development compatible with the area's competitive advantages and vision for future development.
- Increase local capacity to plan and deliver services and infrastructure required for enhanced economic vitality and quality of life.
- Capitalize on tourism potential, and opportunities for growth in retail, service, and value-added manufacturing sectors.
- Strengthen workforce skills and linkages to development opportunities.
- Strengthen ties with Gorge communities and organizations and collaborate to promote regional opportunities.

## **Allocation and Use of Resources**

The federal grant is used to capitalize a single funding pool called the Washington Investment Fund. Resources in the Fund can be used to provide business loans, finance public improvements, and enhance local capacity for economic development. Eligible projects are evaluated on a case-by-case basis and funding decisions are made on a first-come, first-served basis. Interest payments, earnings on repayments and deposits and revenue from fees that accrue in the fund may be used for administration of the fund. All loans and grants made by the fund must be consistent with the Scenic Area Act and management plan, local land use plans, and any locally adopted economic development strategies.

By recommendation of the Washington Investment Board and with the Washington State Department of Commerce concurrence, the local administrative entity has authority to: 1) modify eligible activities, 2) give higher priority to requests for loans than grants, or 3) place a moratorium on grants. These changes may be made without further revision to the Economic Vitality Plan provided grant awards do not exceed fifty percent (50%) of the total federal funding and there is reasonable public notice of significant changes. Specific uses of federal funding include:

### *Business Loans*

Funds are used to respond to business investment needs of new and existing businesses. These loans are typically small, ranging between \$5,000 and \$75,000, and may require participation by another lender. The maximum amount each entity could borrow is \$75,000 plus fees if rolled into the loan amount unless the WIB determines that a project merits a higher funding amount. Eligible uses include:

- Fixed asset financing
- Working capital
- Facility development
- Engineering and feasibility studies

### *Public Improvement Loans and Grants*

Funds are used to remove infrastructure barriers to economic development. Public improvement infrastructure includes pre-construction (i.e., public improvement plans, feasibility studies, design, engineering) and construction, repair, reconstruction, replacement, rehabilitation, or improvement of bridges, roads, domestic and industrial water, earth stabilization, sanitary sewer, storm sewer, railroad, electricity, telecommunications, transportation, natural gas, buildings or structures, and port facilities, plus related landscaping and signage. Projects may be undertaken to support downtown revitalization, commercial district improvement, waterfront development, farmers' or artisans' market development, tourism development, and historic preservation. Eligible applicants include cities, counties, ports, public utility districts, public development authorities and private nonprofit organizations. A public improvement loan may not exceed \$500,000.

### *Local Capacity Matching Grants*

Funds are used by local governments and non-profit organizations for projects designed to increase economic revitalization success by building and sustaining local capacity to assist businesses and undertake projects designed to support new economic investment in the Scenic Area. Project activities may include:

- Downtown revitalization
- Community development
- Worker training
- Tourism marketing
- Business attraction or recruitment
- Education for skill development and small business management

### *Portfolio Review*

The portfolio of the Investment Fund will be reviewed annually by a qualified outside examiner. This review will measure performance against the standards set by the Investment Board, and will be used to guide Board decisions regarding recapitalization

and reallocation of the Investment Fund resources among the four categories of use. The examination results will be submitted to the Investment Board, the Bi-State Advisory Council, and the state of Washington.

The State of Washington's Department of Commerce is responsible for the management and administration of the Investment Fund only until such time as all federal grants to the State of Washington for these purposes are formally closed and a disposition plan for remaining balances (i.e., income) in the fund is agreed upon by the state and the USDA-Forest Service. In this capacity, the Washington State Department of Commerce is authorized to contract with an appropriate local entity to provide some or all of the management, administrative, or technical assistance services required for the Investment Fund.

As specified in the National Scenic Area Act, administrative costs cannot be paid from the federal funds provided to capitalize the Investment Fund. Any fees and interest earnings generated for loan repayments and investments of unexpended fund balances and any borrowers' interest payments may be made available to augment the Investment Fund or to support administration of the Fund. Funds drawn from the federal grant or received as lump sum deposits, and any borrowers' principle payments may be used only for project investments pursuant to the plan.

# Appendix A: Oregon Investment Board Composition

## Oregon Investment Board Members

### **Ken Bailey**

Wasco County

### **Bob McFadden**

At Large Member

### **Vacant**

Multnomah County

### **Jack Miller**

Hood River County

### **Rick Leibowitz**

Wasco County

### **Vacant**

Multnomah County

### **John Kasberger**

Hood River County

## Ex-Officio

**Carolyn Meece**, Oregon Business Development Department

**Krystyna Wolniakowski**, Columbia River Gorge Commission

## Mid-Columbia Economic Development District Staff Serving the OIB

**Amanda Hoey**, Executive Director

**Eric Nerdin**, Loan Fund Manager

**Sherry Wickert**, Finance & Operations

**Sherry Bohn**, Office Administrator

# Appendix B: Washington Investment Board Composition

## Washington Investment Board Members

### **Mike Bomar**

Clark County ADO

### **Sandy Seaman**

Skamania County ADO

### **Kathy McKenzie**

State of Washington Governor's  
Appointee

### **Jeanne Stewart**

Clark County Board of Councilors

### **Anita Gahimer Crow**

Skamania County Board of County  
Commissioners

### **Matt Masco**

State of Washington Department of  
Commerce

### **Jane Swanson**

State of Washington Department of  
Commerce

### **Vacant (*non voting*)**

Mount Adams Chamber of Commerce

### **Vacant (*non voting*)**

Klickitat County Board of County  
Commissioners

## Ex-Officio

### **Vacant/Open**

Washington State Department of Commerce

### **Amanda Hoey**

Mid-Columbia Economic Development District

### **Krystyna Wolniakowski**

Columbia River Gorge Commission

### **Lynn Burditt**

US Forest Service

## Skamania EDC Staff

### **Pat Albaugh**

Skamania County Economic Development Council

## Appendix C: Agencies Consulted

### **List of Agencies Consulted**

Agencies consulted for the 2016 update to the Columbia River Gorge National Scenic Area economic vitality plan include the following:

- Columbia River Gorge Commission
- US Forest Service
- Mid-Columbia Economic Development District

## **Memorandum**

**Date:** **April 14, 2016**  
**To:** **Oregon Investment Board**  
**From:** **Amanda Hoey, Executive Director**  
**Re:** **Outreach Activities**

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### **Overview**

While we are seeing an increase in inquiries to the Oregon Investment Board programs, we currently have a sizable balance available for lending. The available funds balance tends to go in cycles. Board members who have neared completion of a term or served more than one term will recall points in our history in which we have a higher level of viable requests from applicants than available funds.

We do not advertise the OIB but engage in a variety of outreach activities. Currently OIB/MCEDD staff conducts the following outreach:

- Meets with commercial lenders
- Meets with the CGCC SBDC (and Rick has joined the board!)
- Maintains the OIB website and posts in the MCEDD newsletter
- Issues press releases on new grant approvals
- Requires placement of OIB signage on new construction projects
- Participates in and speaks at conferences, as appropriate.
- Uses the Agora Investment Platform to solicit grant applications.

We have not had a cohesive outreach plan to real estate professionals or developers. We have also not set a cohesive speaking circuit to chambers and service organizations given limited staff time. There may be a few quick ways to leverage board members' affiliations in those areas to help with OIB outreach.

### **Request**

Come prepared to discuss additional outreach appropriate for OIB board and staff to conduct. We ask Board members to each bring a couple ideas for conversation. Attached is the previous marketing strategy developed for the Bi-state Resource Development Committee. While it had a stronger focus on obtaining resources than marketing available programs, the plan may spur some ideas for areas we can strengthen.



## **Resource Development Committee**

### ***Strategic Marketing Plan 2012-2014***

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#### ***BACKGROUND TO THE STRATEGIC MARKETING PLAN***

The Oregon Investment Board and Washington Investment Board administer the economic development program for the Columbia River Gorge National Scenic Area (CRGNSA). Representative board members from each state's respective Board coordinate on a Bi-State Advisory Council, which is responsible for regular updates to the Economic Vitality Plan for the CRGNSA. Members of the Bi-State Advisory Council formed a committee to conduct outreach to congressional leaders and representatives regarding the final federal appropriations legislated for the CRGNSA that have yet to be distributed. Following multiple efforts to obtain the appropriations, the committee determined to explore alternative strategies to increase resources for investment in the Columbia River Gorge economy. This plan includes a new statement of purpose for the committee, as well as goals and strategies established by the committee to guide its marketing and outreach activities.

#### ***ORGANIZATION***

##### **Resource Development Committee of the Bi-State Advisory Board**

Kelly Sills (WIB)	Patti Smith (OIB)
Anita Gahimer-Crow (WIB)	David Eatwell (OIB)
Robert Waymire (WIB, Skamania EDC) CRGC Executive Director	Joan Silver (OIB)
	Amanda Hoey (OIB, MCEDD)
	Scott Turnoy (OIB, MCEDD)

Ex officio members: Lynn Burditt (USFS) and Carolyn Meece (Business Oregon)

## ***PURPOSE STATEMENT***

The purpose of the Resource Development Committee (RDC) is to develop and implement a strategy to ensure the Investment Boards have the resources available to fulfill their mission of economic vitality in the Columbia River Gorge National Scenic Area and to market the successes of the Boards' investments. The purpose consists of three components: People, Partnerships and Prosperity.

**People:** The RDC recognizes that relationships will drive our opportunities for resources for the Boards. We seek to establish routine contact with members of our congressional delegations and key partners.

**Partnerships:** The RDC recognizes that the Boards act in concert with a number of other entities and seeks to strengthen these relationships and partnerships in order to achieve a broader mission of economic vitality in the NSA. Key partnerships identified include, but are not limited to:

- US Forest Service- Re-establish communication with the USFS
- States of Oregon and Washington
- Columbia River Gorge Commission- Committee acting in advisory role as to business barriers and providing information on our programs.
- Mid-Columbia Economic Development District- Utilization of the Comprehensive Economic Development Strategy for regional prosperity.
- Gorge Consortium: An avenue for regional promotion/marketing and coordination between regional bodies.
- Applicable governments, municipalities, communities, non-profit and economic development organizations: Community marketing.

**Prosperity:** Develop a long term funding strategy with a diverse stream of reliable funding sources. Utilize the strategy to seek resources to sustain the economic development activities of the Boards which have a proven track record of long-term economic impact.

## ***MARKETING GOALS AND STRATEGIES***

1. **Partnerships:** The committee, Oregon Investment Board, and Washington Investment Board have a credible and recognized voice for economic development within the CRGNSA.
  - a. Increase the OIB/WIB's visibility as an advocate for increasing available investment resources.
  - b. Build effective relationships with local, state, and federal elected or appointed officials.
  - c. Build or reinvigorate partnerships with key organizations to achieve regional economic vitality.
2. **People:** Elected officials, key partners, and the public understand and value the work of the Oregon and Washington Investment Boards.
  - a. Create a clear and common message about the work of the OIB/WIB in the Columbia River Gorge area.
  - b. Promote the combined efforts of the OIB/WIB and the Bi-State Advisory Council through electronic materials and public media outlets.
  - c. Attend and support special events to raise awareness and support.
3. **Prosperity:** The Oregon Investment Board and Washington Investment Board have adequate, available funding from a diversity of sources to support economic development within the CRGNSA.
  - a. Develop a long-term funding strategy with diverse funding streams.
  - b. Seek continual contributions from a variety of sources.

**Goal 1: The committee, Oregon Investment Board, and Washington Investment Board have a credible and recognized voice for economic development within the CRGNSA.**

Strategy	Action	Tasks/Budget	Lead	Date
<b>A. Increase the OIB/WIB's visibility as an advocate for increasing available investment resources</b>	Partner with regional organizations and collaborations (Gorge Consortium, MCEDD, etc.)	Participate in regular meetings of the Gorge Consortium, Nonprofit Network, etc.	Partnerships Subcommittee	Monthly / Annually as applicable
	Engage local governments to increase awareness of our programs	Regularly communicate with Econ. Dev. Officials at city/county level	Partnerships Subcommittee	Monthly
	Attend Chamber events regularly (e.g. Government Committees)	Provide information on OIB/WIB programs for Chamber members	Partnerships Subcommittee	Monthly
<b>B. Build effective relationships with local, state, and federal elected or appointed officials</b>	Invite officials/staff to OIB/WIB meetings and tours of funded projects to demonstrate impact		Partnerships Subcommittee	Ongoing
	Participate in working groups or committees with local officials		Partnerships Subcommittee	Monthly as applicable

**Goal 1: The committee, Oregon Investment Board, and Washington Investment Board have a credible and recognized voice for economic development within the CRGNSA.**

Strategy	Action	Tasks/Budget	Lead	Date
<b>C. Build or reinvigorate partnerships with key organizations to achieve regional economic vitality</b>	Re-establish communication with the USFS	Invite USFS representative to participate on RDC to support resource development efforts	Partnerships Subcommittee	Ongoing
	Act as advisor to the Gorge Commission regarding barriers to business development	Attend Gorge Commission hearings/meetings	Partnerships Subcommittee	Ongoing
	Work with MCEDD to utilize CEDS framework to direct/prioritize regional investment	Participate in the SET training program, augment CEDS and regional partnerships	Partnerships Subcommittee	January – July 2012
	Build relationships with regional organizations and officials (Gorge Consortium, etc.) in the future		Partnerships Subcommittee	2012 - 2015

**Goal 2: Elected officials, key partners, and the public understand and value the work of the Oregon and Washington Investment Boards.**

Strategy	Action	Tasks/Budget	Lead	Date
<b>A. Create a clear and common message about the work of the OIB/WIB in the Columbia River Gorge area</b>	Obtain resources and budget allocation for messaging	Apply for RBEG (Oregon) Request from Boards Identify additional resources	People Subcommittee	September 2012
	Implement logos (or new combined logo) and brand into all new resources	Develop branding (create logo, hire marketing/graphic arts consultant) <b>\$500 (consultant)</b>	People Subcommittee	October 2012
	Print and distribute annual report or summary of program impact	Update OIB/WIB combined report annually <b>\$100 (staff time)</b>	OIB/WIB staff	Annually in July
		Print, mail, and present report <b>\$100 (printing &amp; postage)</b>	OIB/WIB staff	Annually in July
	Utilize MCEDD/SCEDC for integrated marketing and advocacy of OIB/WIB programs	Develop integrated marketing materials to distribute among key partners and funders <b>\$500 (staff time and materials)</b>	People Subcommittee OIB/WIB staff	September 2012

**Goal 2: Elected officials, key partners, and the public understand and value the work of the Oregon and Washington Investment Boards.**

Strategy	Action	Tasks/Budget	Lead	Date
<b>B. Promote the combined efforts of the OIB/WIB and the Bi-State Advisory Council through electronic materials and public media outlets</b>	Develop OIB/WIB website, include committee purpose, map showing location and impact of investment, and link to annual impact report	Contract with web developer  <i>\$300 (professional services, web developer)</i>	People Subcommittee	October 2012
		Develop map of investments  <i>\$100 (staff time)</i>	People Subcommittee	October 2012
	Produce radio, video, and print materials	Develop radio PSA and broadcast on local/regional stations	People Subcommittee	October 2012
		Create updated brochures, flyers, signs  <i>\$400 (printing and staff time)</i>	People Subcommittee	October 2012
	Explore Ft. Vancouver television opportunity for video production	People Subcommittee		
<b>C. Attend and support special events to raise awareness and support</b>	Attend and participate in Gorge Nonprofits Day 2012	Participate on Funders Panel	People Subcommittee	Nov. 2012
	Engage with officials and potential clients at Lenders Training (SBDC, Business Oregon)	Participate on lenders panel	People Subcommittee	May 2013

**Goal 3: The Oregon Investment Board and Washington Investment Board have adequate, available funding from a diversity of sources to support economic development within the CRGNSA.**

Strategy	Action	Tasks/Budget	Lead	Date
A. Develop a long-term funding strategy with diverse funding streams	Explore funding opportunities from regional or statewide development foundations (OCF, MMT, etc.) and explore state and federal funding sources	Prepare proposal for foundational funding support to OIB/WIB programs	Prosperity Subcommittee	October 2012
		Meet representative of Meyer Memorial Trust	Prosperity Subcommittee	November 2012
		Meet representative of Oregon Community Foundation	Prosperity Subcommittee	November 2012
		Identify Washington Community Foundations and schedule meetings	Prosperity Subcommittee	November 2012
		Partner with Regional Solutions Team to identify under-utilized Oregon state funds to support OIB; explore similar opportunities in Washington	Prosperity Subcommittee	Ongoing throughout 2012
	Advocate for federal and state support of economic development in the CRGNSA	Meet with key elected officials in Salem, Olympia, and DC/federal legislators' local offices to identify funding options  <i>\$60 - \$500 per trip (travel/lodging)</i>	Prosperity Subcommittee	Nov. 2012 & May 2013

**Goal 3: The Oregon Investment Board and Washington Investment Board have adequate, available funding from a diversity of sources to support economic development within the CRGNSA.**

Strategy	Action	Tasks/Budget	Lead	Date
<b>B. Seek continual contributions from a variety of sources</b>	Develop plan to obtain continual funding	Identify sources for continual support, develop list of funders	Prosperity Subcommittee	September 2012
		Explore online donation button – integrate administration with MCEDD/SCEDC	Prosperity Subcommittee	September - October 2012
		Formulate request process(es) and timeline	Prosperity Subcommittee	September 2012
	Send out requests for funding	Send mailings <b>\$250 (mailing supplies, postage)</b>	Prosperity Subcommittee	Fall 2012 – Spring 2013