

COLUMBIA RIVER GORGE NATIONAL SCENIC AREA

Oregon and Washington

Economic Vitality Plan
2021 UPDATE

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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 2021 update reflects how each state is currently allocating and administering its program resources in the National 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 Columbia River Gorge 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 Columbia River Gorge 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 (CRGNSA). 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 CRGNSA.

The shared mission for economic development in the CRGNSA is to:

Work collectively as a region to strengthen and diversify the economy of the CRGNSA in Oregon and Washington through increased economic prosperity and job opportunities for these counties, while facilitating the protection and enhancement of scenic, cultural, natural, and recreation resources.

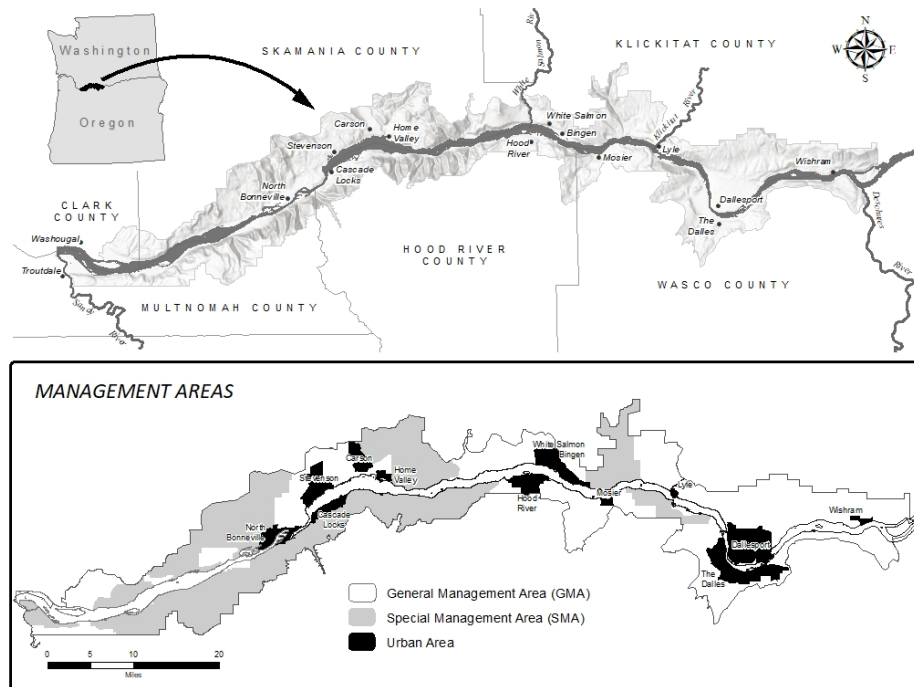
The mission focuses on a shared regional approach to economic development. This approach facilitates linkages between Oregon and Washington communities in the CRGNSA and is described in further detail in the Program Administration section.

Coverage Area

The Columbia River Gorge is a river canyon cutting the only sea-level route through the Cascade Mountain Range. It is 85 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 CRGNSA, as defined in the 1986 Columbia River Gorge National Scenic Area Act (the Act), Public Law 99-663 and 16 U.S.C. § 544b. The CRGNSA includes portions of three Oregon counties (Multnomah, Hood River, and Wasco) and three Washington counties (Clark, Skamania, and Klickitat). Economic development funding applies to the geographic region for those counties with land use ordinances in effect, pursuant to the Act. The CRGNSA is categorized into three areas:

- Special Management Areas, which contain the most sensitive resources and land use ordinances are developed by the US Forest Service (USFS).
- Urban Areas, which Congress designated to be exempt from regulations in the Act. 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 agriculture, timber harvest and livestock grazing. The Columbia River itself is currently part of the General Management Area as well.

Map of Service Area



Act and the Charge

The Act established the CRGNSA, 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).”

The Act authorized Oregon and Washington to enter into a compact to create the Columbia River Gorge Commission (Gorge Commission). Specific guidance for the economic development purpose, and uses for funds appropriated under the Act, is provided in Section 11, Economic Development. The Act states that “Based on the Economic Opportunity Study and other appropriate information, each State, in consultation with the counties and the [Gorge] 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 [Gorge] 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 [Gorge] Commission and concurred on by the Secretary pursuant to section 8 of this Act.”

Relationship to the Management Plan

The CRGNSA Management Plan (Management Plan) is a separate document prepared by the Gorge Commission and 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 Gorge Commission in economic development project decisions. The Gorge Commission has adopted rules that define the process used to certify that economic development activities undertaken under the federal grant are consistent with the Act, the Management Plan and land use ordinances adopted pursuant to the Act.

The Columbia River Gorge National Scenic Area Oregon and Washington Economic Vitality Plan 2021 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 Act.

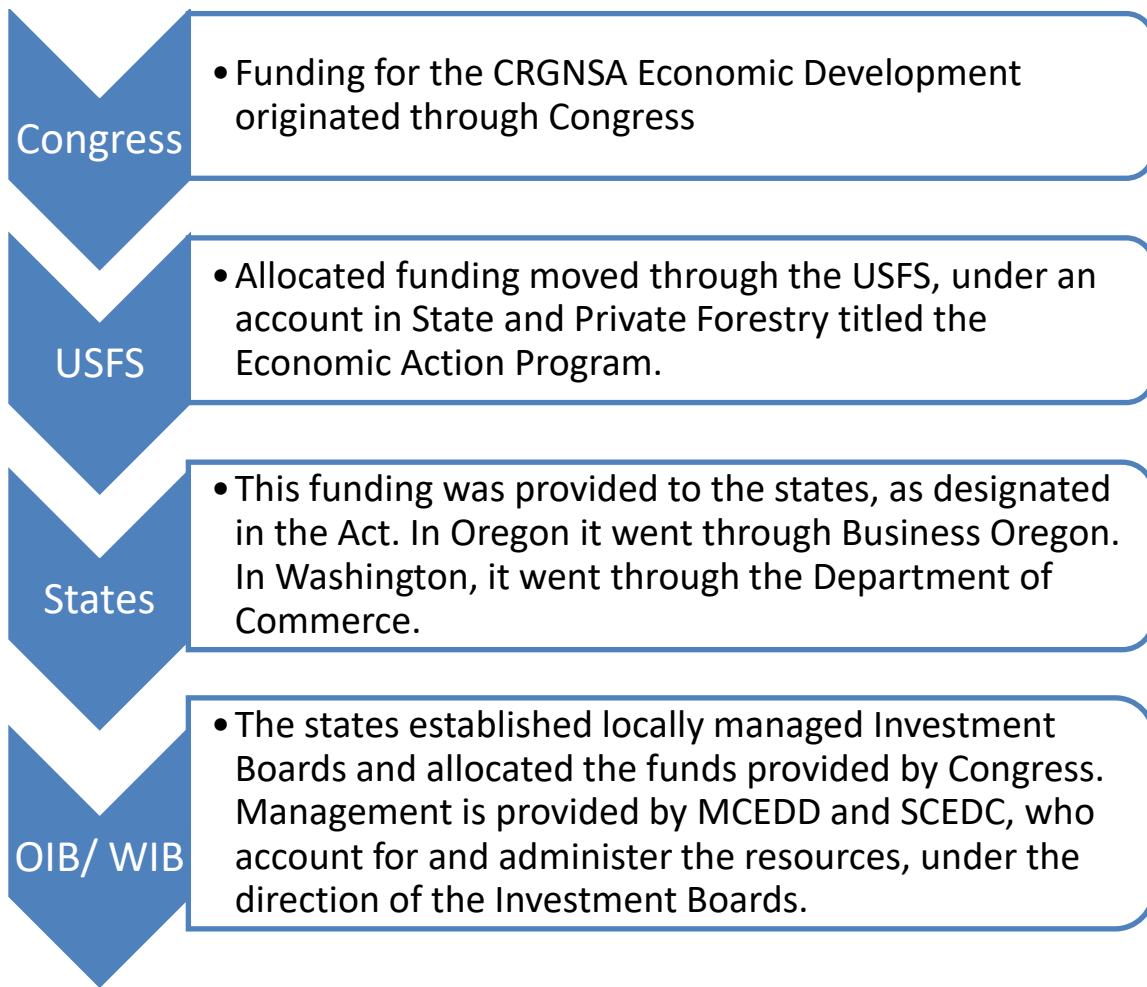
Funding

Funding History

In 1986, as part of the 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 CRGNSA. 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 (Investment Boards) for the purpose of making economic development loans and grants in the CRGNSA. Management and administration of the funds for the Investment Boards 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 (Bi-State Advisory Council).



Current and Future Funding Requests

As of the 2021 update of this Plan, it appears that the balance of funds that had previously been authorized and not yet appropriated is now appropriated. Because the Economic Action Program account under USFS State and Private Forestry is no longer active, Bi-State Advisory Council members and other regional partners worked with the federal delegation for years to identify a new federal account in order to facilitate allocation of the remaining resources. In 2020, Oregon’s Senator Jeff Merkley identified a new pathway through his seat on the Senate Appropriations Committee and appropriated the remaining \$2 million through the US Department of Agriculture’s Rural Development Business Grant program. This work was benefited by bipartisan, unanimous support from the federal delegations in both states. At the writing of this document, the intention is to apply for the funds to be divided evenly between the Investment Boards. In the future, working together, the Investment Boards may seek new funding sources to recapitalize funding to support economic development loans and grants. Funding secured from future appropriations will be equally split between OIB and WIB, in keeping with the intent of the Act. This plan is designed to cover the management and purpose for any new economic development resources as well.

Impact of Additional Funding

Since the Act authorizes special funds to promote the economic health of the CRGNSA, including the 13 Urban Areas, in ways that are consistent with the Management Plan, a new infusion of federal funds will be a substantial support for capitalizing on the interest of new and developing business. Both 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 Investment 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 1,250 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 Act.

Examples of a few projects funded by the Investment Boards include:

- A sports equipment manufacturing facility in North Bonneville (WA),
- A new fire station for the City of Cascade Locks (OR),
- Improvements to the Carson (WA) water system, and
- An innovative fish screen technology for a nonprofit in Hood River (OR).

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 CRGNSA 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 aid from the Investment Boards 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. Simultaneously, development is restricted, for the most part, to the Urban Areas, yet the infrastructure in the Urban Areas must continue to be updated to support business development. While the recently appropriated \$2 million could help meet these needs, additional funding in the future is likely required.

The establishment of the CRGNSA resulted in unique needs and approaches to economic development, restricting some of the traditional approaches to economic development. Funding for the Investment Boards recognizes the importance to balance both resource protection and economic vitality in the CRGNSA.

Program Administration

Regional Approach

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

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

- Continue convening the Bi-State Advisory Council for Oregon and Washington at least annually to plan and carry out activities designed to foster coordination between the respective state programs.
- The staff for the Investment Boards in each state will routinely exchange information with one another about the status of activities and programs.
- Members and staff for the Investment Boards will provide support for joint projects to provide technical and financial resources for regional activities.
- Staff for the Investment Boards and/or members of the Bi-State Advisory Council, MCEDD and CRGC will seek to meet with legislators from Oregon and Washington in a bi-state approach to source additional funding to support economic development in the region. Appropriations secured for economic development within the NSA will be equally divided between OIB and WIB.
- Staff for the Investment Boards and/or members of the Bi-State Advisory Council will seek to meet with regional entities, including the Gorge Commission and MCEDD, at least annually to provide an update on the activities of the Investment Boards and the status of the economy in the CRGNSA.

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;
- Encourage equal access for businesses owned by black, indigenous and people of color;
- Make funding decisions that deliver maximum economic benefits;
- Support small business growth;
- Maximize leverage of other private and public resources;
- Engage in efforts to sustain and expand funding levels and,
- Create a linkage with the Gorge Commission, 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 Investment Boards, states of Oregon and Washington, MCEDD, USFS, Gorge Commission and local partners in support of economic development in the CRGNSA. The Bi-State Advisory Council assesses economic development issues, markets the economic development program and identifies potential joint projects. The Bi-State Advisory Council also initiates ideas for economic development that emphasize creative thinking, partnerships and linkages among Columbia River Gorge communities.

Governance

The Bi-State Advisory Council is comprised of Oregon and Washington members. Voting members of the Bi-State Advisory Council include the seven members of the Oregon Investment Board and the seven members of the Washington Investment Board.

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 Gorge Commission
- a representative of MCEDD

Roles and Responsibility

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

- Representing local, state, and federal perspectives on economic conditions, resources, and trends in the CRGNSA;
- Providing overall vision and strategy for promoting regional economic vitality in the CRGNSA;
- 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 CRGNSA and the Investment Boards; and
- Seeking additional resources to support the functions of the Investment Boards.

The Bi-State 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 Act 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 Investment Boards are as follows:

- The Investment Boards are authorized to implement the provisions of the Act and the Economic Vitality Plan within the CRGNSA, subject to certification of consistency by the Gorge Commission.
- The Investment Boards are responsible for updating the established bylaws which are consistent with the Act and the Economic Vitality Plan.
- The Investment Boards establish fund management policies and performance standards.
- The Investment Boards are responsible for investment decisions for the federally appropriated funds authorized under the Act and consistent with the Economic Vitality Plan, made available to it by the states.
- The Investment Boards may approve sales of the Fund's debt or equity positions in the secondary market.
- The Investment 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 representatives 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

The Washington Investment Board may consist of five to nine members. Membership includes two representatives from each county with conforming ordinances in place, two at-large members appointed by the Washington Department of Commerce and one appointee selected by the Governor. For example, if only one county has conforming ordinances in effect then only five 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 three at-large members appointed by the state. If all three counties have conforming ordinances adopted and in effect there will be nine members entitled to vote. Currently, two Washington counties, Clark and Skamania, have adopted conforming ordinances so there are seven voting members on the Board.

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 the Investment Boards on the use of federally appropriated economic development funds in the CRGNSA, as outlined in 544i Section 11 (d) of the Act.

Gorge Commission

Roles and Responsibilities

The 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 Gorge Commission on the timeline described in the “Process of Update” section of this plan.

The Gorge Commission also ensures compliance with the provisions with the CRGNSA Management Plan. The Act requires the Gorge Commission must review and certify projects approved for funding by the Investment 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, which stipulates that the Executive Director will review and issue a decision on projects approved for funding. In the event of an adverse decision by the Executive Director, the applicant can request an appeal in writing to the Gorge Commission.

The Gorge Commission appoints an individual (staff or Commissioner) as a liaison to the Investment Boards and supports the Investment Boards’ requests for additional funding from donors to encourage growth of the fund and other actions. The Investment Boards periodically report their activities to the Gorge 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 Investment Boards.

Oregon Administrative Support

Business Oregon fulfills the state of Oregon's role in the CRGNSA 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 CRGNSA 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 for a copy of the regional Comprehensive Economic Development Strategy, as well as information on demographic and data profiles.

Overview

The Columbia River Gorge region is a transitional economy and the regional economic profile has improved dramatically over the past few decades. The region has experienced growth in a number of key industry sectors (high tech, fermentation businesses, renewable energy and light manufacturing) over the past fifteen years and has a combined low unemployment rate. Economic diversification has also led to an economy that is more resilient to economic setbacks and able to bounce back from disasters, such as the Eagle Creek Fire in 2017 and COVID-19 in 2020.

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, and setbacks from disasters noted above, the economy is growing overall. The opportunities presented by the Columbia River Gorge region are accelerated by location advantages which support trade within and outside the region, offering options for expanded export opportunities.

Assets

The Columbia River Gorge region is strengthened because it encompasses two states and acknowledges the role the Columbia River has played as a connecting body for the region for centuries. The region has 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 bi-state opportunities, leverage the developing regional strategy as a catalyst for action and seek tools to further increase connections between one another.

Collaboration
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 the region's 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.
Strong local leadership and regional organizations encourage greater collaboration.
Transportation and Location Advantages
The region has a distinct geographic advantage in being centrally located in the Pacific Northwest. It is described as the “Center of the Hub.”
The region has 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”: The 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"> • Interstates and Highways both East/West and North/South with connecting bridges.
<ul style="list-style-type: none"> • Airports: Close proximity to Portland International Airport. Presence of regional and local airports. Life Flight services are also available from the Columbia Gorge Regional Airport.
<ul style="list-style-type: none"> • Rail Service: 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.
<ul style="list-style-type: none"> • River Access: The Columbia River facilitates barge traffic. This is particularly important for transporting waste and agricultural products.
<ul style="list-style-type: none"> • Bicycle/Pedestrian/Transit: Collaboration between transit providers through the Gorge TransLink Alliance. An extensive trail system and reconnection project through the Historic Columbia River Highway.
<ul style="list-style-type: none"> • E-Vehicle Charging: More charging stations are being developed throughout the Gorge to encourage electric vehicle use.
Access to markets, including international markets for exporting materials. The region’s economy includes a focus on bringing in dollars from outside the community and minimizing leakages. The region exports fruit, timber, wine, wheat, power and manufactured goods, among others.
Natural and Cultural Resources
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, the region enjoys a temperate climate with welcome seasonal changes and varying degrees of

<p>precipitation. The variation in both topography and climate leads to a diversity in economies and 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.</p>
<p>Strong rural values and characteristics are present that the region seeks to maintain and protect.</p>
<p>The region has strong culture and history and has been a trading center for 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 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>
<p>Agriculture</p>
<p>There is a total of approximately 130,000 acres of prime farmlands in the region in the full five-county region.</p>
<p>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 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>
<p>Scenic Beauty with Year-Round Recreation</p>
<p>In 2009, National Geographic Traveler ranked the Columbia River Gorge National Scenic Area as the 6th most iconic destination in the world.</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>
<p>Additional Regional Assets</p>
<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 newer industry clusters in value-added ag, high tech, healthcare, and renewable energy.</p>
<p>Renewable energy assets include utilization of solar, wind, hydro, geothermal and biomass opportunities throughout the region. Abundant clean and local power helps the region increase its resiliency. Local utilities have access to clean and affordable hydropower through the Bonneville Power Administration, which is very attractive to industrial customers.</p>
<p>Higher education opportunities are currently available in the region through community colleges and Oregon State University and Washington State University Extensions.</p>

Federal agency presence in the region, including a strong presence from the US Army Corps of Engineers, US Fish and Wildlife, US Geological Survey, 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.
Human capital and entrepreneurial spirit. Diverse range of skill sets from entrepreneurs to retirees.
Existing infrastructure has been developed in the region to support industrial and commercial development. It is also a challenge, though, in maintaining and expanding the region's infrastructure. Infrastructure includes:
<ul style="list-style-type: none"> • Affordable, reliable power
<ul style="list-style-type: none"> • Available industrial sites
<ul style="list-style-type: none"> • Telecommunication and broadband capacity that supports a high level of high tech and self-employed workers.
<ul style="list-style-type: none"> • Water/sewer/community facilities
<ul style="list-style-type: none"> • Transportation -rail, barge, highways.

Challenges

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

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. Businesses today are looking for useful skill sets and not necessarily degrees. The focus is on expanding educational and training services.

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 Oregon Investment Board goals for investment of resources prioritize funding for projects that focus on workforce training and development and the Washington Investment Board strategies list strengthening workforce skills and linkages to development opportunities.

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 into the region's communities.

Economic Vitality Plan response to this challenge: Capital resources are limited through the Investment Boards' funds, but they 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, the Investment Boards will partner with housing advocates, planning commissions and city councils in addressing this challenge through their projects that support affordable housing.

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 Investment Boards which fundamentally increases access to capital.

CHALLENGE: Regulatory Environment

With two states, a National Scenic Area overlay and high percentages of federal land ownership, there are a number of regulations affecting development activities in the region. All six counties in the CRGNSA 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 funding for the Investment Boards. As such, the plan outlines streamlined application processes between the Investment 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 Investment Boards' funds, the strategies of the Investment 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 the 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 the internal and external image of the region and promoting assets through regional branding.

Economic Vitality Plan response to this challenge: Telecommunications has long been a priority for funding as the Investment Boards' goals seek to provide support for adequate public infrastructure and expanding the economy. In regards to branding, the Washington Investment Board provided funding to support the Gorge Tourism studio in order to enhance our region's image and brand. The resulting Gorge Tourism Alliance continues to bring value to the region. The Washington Investment Board strategy includes efforts to capitalize on tourism potential and a similar Oregon Investment Board goal seeks to diversify the region's traditional economic base, such as tourism. The Oregon Investment Board has also recently invested in a video marketing project to increase brand awareness about the fund.

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. While public transportation options have increased recently to address this challenge, the need is still great. Additionally, the interstate bridges in the region require improvements for all modes of transportation and to safely allow bicycle and pedestrian traffic to travel between Oregon and Washington, as well as to link recreational trail systems in both states. Limited rail options, particularly passenger rail, are also a challenge. Data describing commuting habits in the Columbia River Gorge by place of work show that workers in the 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 Investment Boards prioritize public improvement loans and grants that are intended to include support for necessary transportation infrastructure serving key business development areas. Primarily, the Investment Boards partner with MCEDD, Gorge Translink Alliance, SW Washington Regional Transportation Council, Area Commissions on Transportation and state departments of transportation in addressing this challenge.

County Highlights

Skamania County, Washington, contains 87,340 acres of CRGNSA land. Like neighboring counties within the Columbia River Gorge, Skamania County is rich in natural resources, recreation amenities and agriculture. A majority of the county's population is 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, 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, contains 74,360 of CRGNSA land. It 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 and windfarms, along with the regional landfill. 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 facilities 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 CRGNSA encompasses 292,630 acres along the Columbia River in Oregon and Washington. However, only about 16% of the total acreage is found in Clark (7,690) and Multnomah (39,910) counties. The small portion of the CRGNSA that is located within Clark and Multnomah counties has few businesses and residents, so few entities eligible to seek funding through the Investment Boards.

Hood River County, Oregon, contains 38,620 acres of CRGNSA land. The county 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 CRGNSA and the surrounding portions of the county. The major crops, including pears, apples, and cherries, had sales of over \$123 million dollars in 2017¹. 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 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

¹ USDA 2017 Census of Agriculture, Hood River County Profile, https://www.nass.usda.gov/Publications/AgCensus/2017/Online_Resources/County_Profiles/Oregon/cp41027.pdf.

terrain boasts beautiful vistas and waterfall for hiking and cycling, and snowboarding and skiing in the winter.

Wasco County, Oregon, contains 44,710 acres of CRGNSA land. The county's economic base is agriculture and the processing of agricultural products, particularly cherries, wheat and livestock. Crop sales were over \$80 million in 2017, mostly from sweet cherries and wheat (\$60 million and \$16 million, respectively).² 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. Google established a major operational center in The Dalles in 2005 and has continued to grow its campus since then. 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 CRGNSA 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. Continued growth in the unmanned systems supply chain has set the region up to be a national leader, but addressing the challenges noted in this plan is necessary to support the businesses.
- Tourism is 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.
- 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 Columbia River Gorge business development.

² USDA 2017 Census of Agriculture, Wasco County data, https://www.nass.usda.gov/Quick_Stats/CDQT/chapter/2/table/2/state/OR/county/065/year/2017.

- 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.
- A trend towards local goods and services provides an opportunity to further development of the locally-based economy.

Key Regional Industry Development

Five key regional industries in the Columbia River Gorge were identified through a process in 2005 as a new economic base in the region. These were updated with the 2017 regional Comprehensive Economic Development Strategy (CEDS) (<https://www.mcedd.org/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. The Columbia River Gorge region is a national leader in unmanned systems driven by a local industry heavyweight and deep breadth in the local supply chain. The industry is a major job producer with a high average wage.
- **Art/Culture/Tourism/Recreation:** Tourism is a primary industry sector by virtue of the number of jobs it provides, but it does not yet meet wage goals. This sector encompasses initiatives to invest in the quality of tourism venues and visitor infrastructure and to ensure that trained workers are available in the field.
- **Healthcare:** Healthcare continues to be a major component of the economy of the Columbia River Gorge with both major hospitals and independent practitioners. Expansions to major emergency healthcare providers (Providence Hospital in Hood River, Mid-Columbia Medical Center in The Dalles, Skyline Hospital in White Salmon, and Klickitat Valley Health in Goldendale) ensure that this cluster will continue to grow.
- **Manufacturing:** Fermentation Science, Value Added: Manufacturing cuts across multiple related sectors and beyond the subset listed here. The sector focus subset ties directly to opportunities with our agriculture base and with growth in fermentation sciences, encompassing wine, beer, cider, cheesemaking and others.
- **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 CRGNSA, support industries are located in the Columbia River Gorge.
- **Forest/Wood Products:** While the sector has been in decline, innovation processing, new products and utilization of byproducts industry will drive growth of this sector. Changes in ownership could further impact this industry.

Process of Update

Planning Process

To support and protect the economy of the area, the 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, 2012 and again in 2016. This 2021 update reflects how each state is currently allocating and administering its program resources in the CRGNSA 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 2021 update consisted of the following:

- December 2020: Bi-State Advisory Council reviews key elements of the 2021 plan update.
- Through March 2021: Investment Boards' staff consults with impacted agencies on a draft revised plan. Investment Boards review their independent sections.
- By June 2021: Investment Boards review draft plans, providing opportunity for public meetings.
- By July 2021: Plan adoption; submission to the states of Oregon and Washington.

Consultation and Public Meetings

Public meetings to review the plan were held with the following entities:

- Bi-State Advisory Council
- Oregon Investment Board
- Washington Investment Board

Future Updates

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

- Development of an updated plan by staff and Investment Board members, 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 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 Gorge Commission and affected counties.

The Oregon Investment Board

Economic Vitality Plan

2021 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 National 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 OIB’s 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 region's 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 ensure 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 2021 shows an allocation of fund usage including 61% for business assistance loans, 22% for infrastructure loans, and 17% 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. 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 2020 show:

Sustained Impact. As of FY 2020, 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 \$9.8 million.

Public and Private Leveraging. Historically, projects receiving funding through the Investment Board have leveraged non-federal contributions, on average, of \$3 to every \$1 of federal investment. The OIB has leveraged over \$28.5 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 nearly 700 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

2021 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 work cooperatively with the Oregon Investment Board 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 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 fund resources.
- 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 in counties that have adopted a CRGNSA ordinance.
- 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, 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 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 economic ties with Gorge communities and organizations and collaborate to promote regional economic 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, deposits, and revenue from fees that accrue in the fund may be used for administration of the fund. All loans 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 ranging between \$25,000 and \$250,000 and may require participation by another lender. The maximum amount each entity could borrow is \$250,000 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

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' principal payments may be used only for project investments pursuant to the plan.

Appendix A: Oregon Investment Board Composition

Oregon Investment Board Members (May 2021)

Jill Amery

Wasco County

Craig Bowder

At Large Member

Tammy Miller

Multnomah County

Doug Roof

Hood River County

Jorge Barragan

Wasco County

Kirk Wright

Multnomah County

John Kasberger

Hood River County

Ex-Officio

Michael Held, Oregon Business Development Department

Rodger Nichols, Columbia River Gorge Commission

Christy Cheyne, US Forest Service

Mid-Columbia Economic Development District Staff Serving the OIB

Jessica Metta, Executive Director

Israel Ayala Guevara, Loan Fund Manager

Dana Woods, Finance & Operations

Ami Beaver, Assistant Project Manager

Appendix B: Washington Investment Board Composition

Washington Investment Board Members (May 2021)

Jen Baker

Clark County ADO

Sandy Seaman

Skamania County ADO

Kathy McKenzie

State of Washington Governor's
Appointee

Vacant

Clark County Board of Councilors

Anita Gahimer Crow

Skamania County Board of County
Commissioners

Matt Masco

State of Washington Department of
Commerce

Jacqueline Perez Woodson

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

Jessica Metta, Mid-Columbia Economic Development District

Tamara Kaufman, Columbia River Gorge Commission

Christy Cheyne, US Forest Service

Skamania EDC Staff Serving the WIB

Kevin Waters, Skamania County Economic Development Council

Appendix C: Agencies Consulted

List of Agencies Consulted

Agencies consulted for the 2021 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