

WASCO COUNTY ECONOMIC DEVELOPMENT COMMISSION

Thursday, June 1, 2023

9:30 a.m.

Port of The Dalles, The Dalles, OR

ATTENDANCE

COMMISSION MEMBERS: Megan Thompson (*Chair*), Jennifer Toepke, Ed Thomas, Fritz Ellett Lisa Farquharson (*Vice Chair*), Justin Brock, Tonya Brumley

EDC STAFF: Carrie Pipinich

GUESTS: Scott Hege (Wasco Co. Commissioner), Josh Chandler (City of The Dalles), Michael Held (Business Oregon), Andrea Klass (Port of The Dalles), Jill Brandt (MCEDD Administrative Assistant)

CALL TO ORDER & INTRODUCTIONS

Megan Thompson called the meeting to order at 9:35 am. A round of introductions took place.

MARCH 2023 MINUTES APPROVAL

Megan asked for any comments or corrections on the March 2023 minutes. *There were none.*

Fritz Ellett moved to approve the March 20232 minutes as presented. Lisa Farquharson seconded the motion. The motion was passed unanimously.

PORT OF THE DALLES PRESENTATION

Port Executive Director Andrea Klaas handed out a series of historic pictures for viewing and gave a brief background explanation of the history around them. The “Pineapple Wars” Longshoremen’s union protest that occurred in The Dalles in the 1940s. The old Klindt Farm property that was originally an onion farm, where the Port exists today. The ship *Wheeler*, arriving at the Port of The Dalles in 1938 to a grand community welcome, and more. Photos were supplied by Rodger Nichols.

Andrea began her presentation with a historic overview of the Port. Established in 1933 as an Inland Seas Port, the original mission was to construct a dock.

Andrea introduced the Port’s current mission statement, the Port’s Commissioners and staff. The mission statement is focused on the growth of jobs and investment, and with only two employees, all maintenance work is contracted out to support small businesses.

The District Area comprises most of northern Wasco County, with small islands of non-Port property around Mosier and the city boundaries of Dufur.

Andrea shared the growth of jobs, businesses and investment that are the direct result of the Port’s activity through the years. Aluminum manufacturing was the first large industry to be located on Port property, and when it shut down (due to world market competition) there was a lot of unemployment in The Dalles. The Port’s business development efforts got a big boost when its bond was passed in 1985.

The Port's growth model for economic development is to sell its land to private sector businesses for development. That money is reinvested into the purchase of more land, which is then sold to continue the cycle. As of today, this activity has brought seventy-two businesses into the area that employ from 2,500 to 2,700 people. Andrea noted that during recessions, the economy in The Dalles remains fairly stable.

Since the COVID-19 pandemic, the Port's partnership with Business Oregon and The Dalles Area Chamber is focused on supporting business expansion efforts. She shared other recent and current partnerships and projects: The Dalles Dock and Marina, the Columbia Gorge Regional airport, Brownfields projects, pipe storage for the Dog River construction project, the building of CGCC's Skill Center and Residential Housing Facility, the City of Dufur's water system and strategic planning, Northern Wasco County Parks and Recreation District projects for the Riverfront Trail and the Riverfront Park (which was originally port-owned but has now been purchased by the Recreation District). The Port participates in The Dalles' Community Outreach Team, which goes to DC to advocate for local area economic development projects. Efforts in 2023 include the Aviation Maintenance Technical training program at CGCC, the new Broadband Interconnection facility in Wasco County, plus support for legislation that affects our area such as the Federal Forest Fires Fuels Reduction, PILT and SRS funding. This advocacy group meets with Senators, Representatives, and national associations for counties and cities. Andrea explained the importance of engagement at the federal level due to the large percentage of federally owned land in the region.

The Port's Strategic Business Plan's top priority is continuing to purchase properties for redevelopment. Work with the Center on Rural Innovation has led to Port involvement with the support for business innovation. Andrea cited the work being done with the Soil and Water Conservation District on the Silver Creek project. The project was fined money for environmentally hazardous practices, but the money being paid back is going directly to the restoration of the creek.

The 2021 fire wrap-up and replacement of the Port's damaged docks is underway. This project is estimated to cost \$500-\$800 million to complete. Dock access is vital for the traditional Pikeminnow fishing, as well as the new-last-year Bass fishing tournament, which has caused a wave of interest among other fishing associations to hold their tournaments at The Dalles.

Andrea showed a map of current Port lands available for business recruitment with only ten 1.5-acre lots left that can be used for business recruitment. Larger businesses who are looking for land are requesting ten-, twenty- or fifty-acre parcels. There is nothing of this size available either in The Dalles or anywhere else within the Gorge. The Urban Growth Boundary issue is the critical constraint that has stopped further development.

Projects under consideration for 2023-2024 are 1) a launch ramp at the marina, 2) replacement of the D finger-dock, 3) continue to search for more developable property, 4) advocacy for urban growth boundary expansion, and 5) Rural Innovation work including The Dalles Technology Center and a Rural Innovation Hub based in Dufur that is spearheaded by Robert Wallace, who is both a Port Commissioner

and very active in AgTech with Energy Conservation and Renewable Energy Innovation for local area farmers.

Discussion: Scott Hege thanked Andrea for sharing the history of the Port of The Dalles. There was a short discussion about the relationship between the Klindt family and the Port of The Dalles, which began with the Port's acquisition of the Klindt land in the 30's. Andrea explained that the Klindt Public Park's land was set aside by the Port for community use as a gesture of respect to the Klindt family's request.

WASCO COUNTY INNOVATION INITIATIVE ENTREPRENEURIAL ECOSYSTEM ASSESSMENT DRAFT

Carrie began with a brief overview of the background of this project which was modelled on the CORI (Center for Rural Innovation) planning work. Two summers ago, staff participated in CORI's summit to gather information and bring away a model to serve as a foundation that implementation in Wasco County could evolve from. CORI's focus on scalable digital technology is certainly relevant, but not what makes sense as the central guiding pillar for our local people and geography. The business support services, and how our partners can come together to grow that system were takeaways that created the Wasco Innovation Initiative (WII). Grant funds from Business OR were utilized to build out more public-facing events such as the Innovators Drinks events and the Gorge Pitch Competition.

Teamwork arising out of Wasco County's development as a center for rural innovation has included multiple interviews and examination of data to better understand the demographics of business in the rural areas of the county. Engagement work has included collaboration around economic development in Maupin and in Mosier. MCEDD's Regional Innovation Hub work fits together with this Initiative, and many of the same people are active in both roles.

Carrie shared CORI's model with Scalable Digital Tech as the main focus. The importance of digital technology is undeniably crucial for workforce support and how to access jobs as well as providing a foundational infrastructure. Market access is a critical piece for making business successful in rural Wasco County.

Strategy was discussed next on how to develop rural business successfully in Wasco County. How can WII support and connect students and younger folks to career paths in Wasco County that will make enough money to support living here. Changes in the regional economy, connecting local workforce to innovative opportunities, and business support. The group's work will remain focused on innovation as an active foundation in our economy. How the pillars of the community can adapt and change by building on engagement work. Engagement will allow service providers, businesses, the chamber, and government to move forward all working together.

Access to Capital was brought up for discussion. The locations of banks are crucial for access to traditional lending. There are also some grant programs and incentives available for business in Wasco County, but most rural areas in the County have capital access available in larger neighboring communities, but not locally accessible. South County was cited as an example, in Maupin there is only one bank branch open twice per week. In-person banking connections do not exist without a drive. A potential next step to help Wasco County's rural business community is to have access to lending

resources. While many businesses use their family savings and credit cards to start their business, to grow they need access.

Infrastructure is available at different levels throughout the County. Where there is employment, access is needed to support employment. Broadband access is important to help areas where it is harder to get infrastructure. Before business growth can be targeted, the infrastructure of the community must be considered and must be adequate.

Local workforce assets are good. CGCC is connected to and responds to industry needs in the area. The STEM Hub and School districts connect digital skills with the young. The big challenges are recruitment and retention – businesses consistently lose people once they are trained.

Discussion: Lisa added that CGCC now has funding for the Gorge Works Program. Matt Fitzpatrick is the coordinator for internships. Funding for kids who need work experience – CGCC pays the intern's wages, and they work in local offices.

Market access is a challenge for our rural county. Businesses that fill a niche need to look to the wider world beyond local for growth. This requires tools and support. Wildfire and ice have impacts for business access as well. Big Ag and Tourism are avenues of exposure into the global economy. Supporting businesses using online resources will get local products out into the world.

CGCC's Skills Center brings an opportunity for local entrepreneurs to use the College's equipment for prototyping in fabrication, and in finding a skilled workforce to support fabrication and manufacturing. Wasco County does not have a Business Incubator but there are spaces where business can scale slowly, such as Maupin Works in South County.

Culture and Celebration is also important to create a platform to celebrate what is happening to ensure that local businesses have a platform to tell their story in the local media/social media. Celebrating the collaborative mindset of business owners and how The Dalles' legacy industries have adopted innovation is a great opportunity to build recognition for our local economy through storytelling.

Next steps involve gathering input. Carrie requested feedback on where the group wants to move forward once this grant ends at the end of June. She opened the floor for discussion.

Discussion: Fritz asked about how digital training will provide more jobs – it is generally thought that digital employers don't traditionally provide a lot of employment. Carrie replied that existing manufacturers need to be more efficient to grow their production and productivity. She cited the work that Robert Wallace is doing around water resources. Is there tech that can be developed that will have a large impact as more areas in the County face water shortages? How can the community develop a support system for products as they take on new tech? CORI process is good starting point for how all these pieces come together.

Andrea suggested that jobs shift their metrics of success from quantity to quality. Quality of the job is more important. Taking the focus off quantity may reduce the overall number of jobs, but they will be better jobs with higher pay. Ag is a legacy industry here in The Dalles that is now going tech with equipment and practices. High-tech drones with sophisticated software and photoimaging utilize geographic data to identify trees and weeds. The data gets downloaded

directly into the combine's computer so that it can weed exactly. This is a great example of how the tech industry supports the legacy ag business of Wasco County. She added that many of today's land and business owners want to ensure that our children have a place to come home to that fits within the high-tech world that they are growing up in.

Michael asserted that business must adopt technology to remain competitive. We need to help our companies adopt tech or they will fall behind.

Megan added that retention is an issue that needs to be addressed. Our employers give skill sets to folks they hire; they remain for a year or two and then they go elsewhere. How can employers train them and then afford to keep them? Wages are going up and they can jump to the next job. This is tough in every industry.

Andrea noted that networking is a key element for startup businesses. The Dalles is part of a cohort of five similar rural communities across the country that are participating in these brainstorming sessions. One example of success was with the networking accomplished by the Walmart buyer. These types of connections are what is needed to leverage business in The Dalles and grow business to other areas.

Scott Hege pointed out that business networking events are great social opportunities for businesses to meet with peers and learn about others' experiences, both struggles and successes.

Lisa offered the suggestion to utilize retired businesspeople as mentors for existing businesses. She added that the Chamber's Morning Buzz event is a great networking opportunity to learn about community. She offered the Chamber's assistance both with business community events, and to reach out to the business community. She added that she personally preferred events that are not created around the party mentality of drinks. She emphasized the need to find different ways to support businesses that are not costly for partners.

Ed said that he liked the mentorship idea. He explained that so many business clients that come into his office don't look at their financials.

Lisa added that she knew of some retirees who would like to be involved that are still sharp and attuned to the business world.

Michael noted that multiple projects have been killed by the rising interest rates. This environment is very changed from one to two years ago. Public Partners need to be creative to help private industry. Financing might not be the best strategy for the near future, and other financing tools should be utilized if possible. He emphasized that capital access is paramount and will be for the next few years.

Ed added that businesses that have been floating along with government money will disappear. Success boils down to earnings to keep business moving forward. He said that it is not fun talking about loans right now.

Carrie directed the group back to the Major Employers List update that was in the packet. She explained that the few that were highlighted in gray have not responded to MCEDD's inquiries. She invited input from the group if there were any employers (with more than 25 employees) missing from the list that should be called.

STAFF REPORT

Carrie reported that the existing Brownfields grant was mostly spent out, with about \$40,000 left to spend by October. Carrie invited input from the group on any projects that need an environmental assessment.

MCEDD has secured a new Brownfield's grant for the Mid-Columbia region. Wasco County projects will be able to get into that funding pipeline to continue moving forward.

The Wasco Innovation Initiative's Pitch Fest event has been narrowed down to six finalists with very diverse types of businesses. The contestants will share their ideas in hopes of winning prize money. The event is June 14th at the Granada Theater. Carrie thanked Lisa for the Chamber's partnership, sponsorship and outreach support. She also thanked the other sponsors who were in the room.

ROUNDTABLE UPDATES

Carrie read the PUD update from Justin aloud.

Josh reported on projects in the City of The Dalles. The Dog River Pipeline project has resumed with the snowmelt, and the current goal is to finish the project by the end of the year. In The Dalles, Tony's building will be demolished over the summer using Urban Renewal's new incentive program that was launched last August. This program provides a 50/50 match up to \$50K. He added that the vacant Economic Development officer position has been filled by Dan Spatz.

Ed reported that banks have entered a difficult time for lending. It is harder for businesses to get loans. Operating and SBA loans are up nearly to 10% interest.

Lisa reported that The Dalles Area Chamber was down two positions. Employees who had "skilled up" have left for higher earning positions. The Chamber's Lunch and Learn event happening tomorrow morning will focus on the customer's journey, from hearing about local business to coming back. There are fifteen attendees signed up.

Michael Held reported that there were many water projects going on in the County. These projects are generally huge and complicated. Financing is competitive. Business Oregon saw over \$300 million in requests last cycle and had only \$50 million to give out. The demand is difficult to manage when there are that many communities looking for resources. Michael planned to attend the One Stop for Maupin next week that was focused on water system improvements. He added that the Business Development world is fairly bleak right now due to the rising interest rates.

Fritz noted that the Legislature's standoff in Salem was a good thing from the Ag standpoint. There were many bills that would potentially negatively affect farmers that will be cut.

Tonya reported in Dufur paving is going on at the moment, and the process of getting the irrigation pond that is needed requires that land be condemned. The owner of that land is no longer on the Board of the City of Dufur, so there is some delay. There are new board members at the City of Dufur, at Parks and Rec, and on the School Board. The Pool is open, and the park has received a grant for a new bathhouse. This project is now in the architect stage. The City is considering another pond for sewer that isn't right next to the RV park. Dufur marketplace, owned by Azure, is now open, and the tavern got its liquor license. DMV bottleneck issues are a real problem for local area farmers to get the ag vehicles licensed. The Dalles' DMV has such a large service area that there is a huge backlog, and ag vehicles cannot be licensed online.

Jennifer Toepke deferred to Andrea's presentation as the Port's report for the meeting.

Megan reported that the cherries crop is nice this year but running late. There will not be much volume before July 4th. The South County crop will be good this year.

COMMISSIONER UPDATES

Scott Hege thanked the group for the discussion. He added that for DMV accessibility, talk to your state rep and senators to remedy that!

ADJOURN

Megan adjourned the meeting at 11:27 am.

The next meeting was scheduled for Thursday, September 7, 2023, location TBD.

Respectfully submitted by Jill Brandt, Administrative Assistant