From 1993 to 2005, the Washington State Department of Community, Trade and Economic Development administered the Economic Development Program for Washington. The Columbia River Gorge National Scenic Area Act authorized $5 million for economic development in Washington. To date $4,001,750 has been appropriated by Congress, which includes a “direct lump sum payment” of $936,950 appropriated in 2001. Since 1994, 47 grants and loans of over $4 million have been awarded from these funds for public and private economic development. These investments have leveraged over $9 million.

In 2004, the Washington Investment Board, the Skamania County EDC, and CTED worked to develop and implement an action plan for transitioning administration and control of the Washington Investment Fund from CTED to the Skamania County EDC. As part of the planning process, the Washington Economic Vitality Plan was reviewed and revised to reflect the integrated strategy of a single “investment fund.” In 2009-10 the Washington Investment Board reviewed the 2004 Washington Economic Vitality Plan. The WIB is now working to update the plan, which is near completion.

The following annual report describes the use of the Washington Investment Fund and how it has leveraged other assistance for the benefit of Washington’s Columbia River Gorge communities. For questions regarding this information, contact Peggy Bryan at the Skamania County Economic Development Council (509) 427-5110.
Washington Investment Fund Status Report

The Washington Investment Board oversees the Washington Investment Fund. Records are maintained and the fund is administered by Skamania County Economic Development Council. Funds are transferred to and from the WIF Loan account as needed and savings are put in the CDARS Investment Fund.

From July 2009 through June 2010 the Fund has earned the following in interest:

- Accrued Interest: $7,084.82
- CD Interest: $598.87
- Revolving Loan Interest: $55,078.07

(Interest paid on active loans)

**Total Interest Paid into Fund:** $62,761.76
**Total Principal paid back into Fund:** $83,853.89

The Washington Investment Board met several times in the 2009-2010 fiscal year to discuss and approve loan applications and a grant application. The Board set up a sub-committee to update the Washington Vitality Plan for 2010, which is near completion. The Board continues its outreach to Klickitat County to encourage its involvement. The Bi-State Advisory Council (Washington Investment Board and Oregon Investment Board) met in July 2010 to discuss recommendations from their sub-committees on strategies for requesting the final appropriation from Congress as well as additional funding. The WIF’s portfolio as of 06/30/2010 is:

Money Market Account: $697,774.66

Money was temporarily taken out of the CDARS Investment Fund to fund two large loans, and is now reinvested in 30, 60 and 90 day CD’s.

*The Microloan funds were part of the original 5 million dollar appropriation from the Federal Government for economic development in the Gorge (Washington). See pages 6 and 9 for more information on the Microloan program and how it has transformed.*
Local Capacity Matching Grants

Local Capacity Matching Grants are intended to build and sustain local capacity to assist businesses and to initiate projects designed to support new economic investment in the scenic area. Local governments, ports, and nonprofit organizations may apply for funds to undertake downtown revitalization community development, worker training, tourism, marketing and business attraction and recruitment projects. All awards require a local public and/or private match. Total amount awarded to date is over $223,000, which has leveraged over $315,000 in matching funds.

Impact of Washington Economic Vitality Plan 2004 Update:
No change is proposed, but grants are not available at this time.

Recipient: Columbia Gorge Interpretive Center
Project Title: Marketing Assistance
Grant Amount: $11,397
Leveraged: $4,670
Time Period: September 1997 to September 1998

This grant helped the Center revise and print new marketing brochures and newsletters intended to increase the number of paid admissions to exhibits. It should be noted that even prior to this grant, the Interpretive Center was working diligently to reduce a large capital building loan debt. While the marketing campaign was intended to increase membership and visitor revenue, there remained a need for $275,000 to retire the debt. CTED staff continued to work with the organization to identify an appropriate funding source to retire the debt. (See page 9.)

Recipient: Columbia Gorge Arts & Culture Council
Project Title: Arts Resource Directory
Grant Amount: $3,880
Leveraged: $17,113
Time Period: February 2000 to December 2000

The Arts Council received funding in February 2000 to produce an Arts Resource Directory for the Columbia River Gorge Region. Over 2,300 directories were distributed locally and regionally to libraries, chambers of commerce, visitor centers, arts agencies, schools, hotels, media, etc. Remaining directories were distributed at festivals and other arts and cultural tourism events, and to restock the original distribution points.

Recipient: Columbia River Gorge Visitors Association
Project Title: Destination Marketing Plan
Grant Amount: $50,000
Leveraged: $50,000
Time Period: December 1994 to September 1997

The CRGVA implemented a destination marketing plan. Brochures were developed and ads were placed in ten regional publications, including Sunset, Seattle Magazine, Northwest Travel, and Reader’s Digest. The final report indicated that during the contract period from 1994-1997, over 32,000 visitor inquiries were tracked, traffic counts on Washington State Highway 14 increased by 60 percent, and retail sales in Skamania County (1996) increased by 7.6 percent.
<table>
<thead>
<tr>
<th>Recipient</th>
<th>Project Title</th>
<th>Grant Amount</th>
<th>Leveraged</th>
<th>Time Period</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Columbia River Gorge Visitors Association</strong></td>
<td><strong>Lewis and Clark Commemoration</strong></td>
<td>$15,000</td>
<td>$20,000</td>
<td>November 2002 to March 2003</td>
</tr>
<tr>
<td><strong>Mid-Columbia Economic Development District</strong></td>
<td><strong>Economic Study and Action Plan</strong></td>
<td>$7,500</td>
<td>$21,564</td>
<td>May 1996 to May 1997</td>
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<tr>
<td><strong>Mid-Columbia Economic Development District</strong></td>
<td><strong>Marketing Materials</strong></td>
<td>$6,500</td>
<td>$18,500</td>
<td>June 2000 to November 2001</td>
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<tr>
<td><strong>Mid-Columbia Economic Development District</strong></td>
<td><strong>Marketing Program</strong></td>
<td>$30,000</td>
<td>$48,500</td>
<td>November 2002 to December 2005</td>
</tr>
</tbody>
</table>

The CRGVA developed training and promotional materials to assist small businesses and volunteers to take advantage of the Lewis and Clark commemoration. The training materials are available via the Internet ([http://www.crgva.org/training](http://www.crgva.org/training)) with a companion brochure that can be downloaded from the web site.

MCEDD hired E. D. Hovee Co. to complete an economic opportunity study and action agenda. The study was a comprehensive review of current economic trends for the region. The project also included design and implementation of a “Gorge Economic Development Home Page” on the Internet to market business development and expansion sites and opportunities. As a result of this action plan, the Columbia Gorge Economic Development Association was formed. *(See page 14.)*

This award assisted with advertising, developing marketing materials and a direct mail campaign. The project also yielded the CGEDA Internet and a logo.

The purpose of this grant was to provide continued assistance to market and recruit businesses to the Gorge. In July 2003, Skamania County EDC assumed administration of this project.
A shortage of affordable housing in Skamania County was identified as a critical need due to rising housing costs affecting workers in the Gorge. This grant funded a county-wide housing assessment to better define housing needs and an organizational structure to support housing development. The final report assessed the current housing situation and proposed a strategy for affordable housing.

The EDC conducted a trade and revenue analysis study that identified commercial, industrial, retail, and non-retail businesses linked to outside markets. They also developed a strategy to curb revenue loss and methods to increase revenue gains.

The port received assistance to design and produce marketing materials to promote its industrial and business properties.
Public Improvement Grant and Loan Program

The Public Improvement Grant and Loan Program finances projects that remove infrastructure barriers to economic development in the scenic area. Local governments, ports, and nonprofit organizations may apply for infrastructure project loans that support downtown revitalization, commercial district improvement, waterfront development, farmers and artisan markets, business development, historic preservation, and facility development. Loans and grants may also be requested for public improvement plans, feasibility studies, and pre-construction costs.

There is no minimum loan or grant amount. The maximum loan or grant is $500,000. (A loan of $1,000,000 is available under special circumstances.)

To date 14 awards of more than $2.4 million have been made, leveraging over $4.5 million in additional investment.

Impact of Washington Economic Vitality Plan 2004 Update:

No change is proposed, but grants are not available at this time.

Recipient: Columbia Gorge Interpretive Center
Project Title: Capital Debt Retirement
Loan Amount: $276,266
Leveraged: $1,725,000
For several years, CTED staff worked with the Interpretive Center Board to retire its large capital construction debt. In late 2005, the Washington Investment Board decided to convert the loan to a grant, helping to ensure financial viability for the center. The loan/grant helped retain 5 jobs and add one new job.

Recipient: Home Valley Water District
Project Title: Water System Improvements
Loan Amount: $215,000
Grant Amount: $85,000
The Home Valley Water District will improve its existing water system to accommodate future residential, recreational, commercial, and industrial development.

Recipient: City of North Bonneville
Project Title: Water/Sewer System Improvements
Loan Amount: $84,125
Leveraged: $84,125
The city borrowed funds to make improvements to municipal water and sewer systems to accommodate new business development and residential growth. These improvements are based on the city’s General Sewer and Water Plans, that include recommendations for the continued operation and maintenance of the city’s water, wastewater treatment and disposal systems. This loan leveraged an OGDF grant of $84,125 to complete the project. (See page 15)

Recipient: City of North Bonneville
Project Title: Water Storage System
Loan Amount: $282,000
Grant Amount: $185,000
Time Period: September 2002 to October 2003
With this financing, the city was able to create an additional 500,000-gallon capacity water storage system to accommodate future residential, commercial and industrial development in the city.
Recipient: Port of Skamania County  
Project Title: Multi-Purpose Industrial Facility Construction  
Grant Amount: $205,000  
Leveraged: $978,000  
Time Period: March 2001 to December 2001  
The Port received assistance to design and build a multi-purpose facility in North Bonneville. With this grant, the Port purchased property and completed design engineering. The LifeTek Corporation, a pharmaceutical packaging and distribution company, was the original tenant of the building. The present tenant is Gorge Delights, which is a partnership that produces value-added agriculture products. The company has 11 employees at the Discovery Building, and plans to hire more in the future.

Recipient: Port of Skamania County  
Project Title: Remodel of the Tichenor Building  
Grant Amount: $106,100  
Leveraged: $26,100  
Time Period: February 2003 to December 2003  
The Port received financial assistance to remodel existing office space in the Tichenor Building. The remodel demolished some interior walls, doors and windows, and installed new systems; i.e., HVAC, electrical. Fiber optic cable was also installed from downtown to the Port’s industrial area on the waterfront. (See also page 16.)

Recipient: Port of Skamania County  
Project Title: Purchase of Waterfront Property  
Loan Amount: $191,500  
Leveraged: $19,500  
The Port purchased commercial property between the Russell Street Tour Boat Dock and Leavens Street. This will enable the Port to further develop the waterfront.

Recipient: Skamania County PUD #1  
Project Title: Water/Sewer System Improvements  
Loan Amount: $200,000  
Grant Amount: $100,000  
Leveraged: $497,000  
The Skamania County Public Utility District will make improvements to the Carson Water System. These improvements will address elements involving source, storage and distribution/transmission. Activities were coordinated with a grant awarded through CTED’s Community Development Block Grant Program.
Recipient: Port of Skamania County
Project Title: Tichenor Building Expansion
Loan Amount: $150,000
Leveraged: $50,000
Time Period: June 2006 to July 2006

The Port will use this financing to create an additional 2000 square feet of tenantable space. The expansion includes the design, engineering and construction of a second floor mezzanine, and will enable the Port to better meet the business development needs of Skamania County, as all of the Port’s facilities (110,000 square feet) are currently leased.
Recipient: Port of Skamania County  
Project Title: Multi-Purpose Industrial Facility (Discovery II Building)  
Loan Amount: $350,000  
Leveraged: $2,050,000

The Port will use this financing to help fund the construction of a 20,000 square foot public facility to be located in the Port’s Lewis and Clark Business Park. The building will be leased to an existing and growing tenant, which will immediately result in new, future businesses and growth opportunities in Skamania County.
<table>
<thead>
<tr>
<th>Recipient:</th>
<th>Skamania County Chamber of Commerce</th>
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<tbody>
<tr>
<td>Project Title:</td>
<td>Downtown Plan</td>
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<tr>
<td>Grant Amount:</td>
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<td>Time Period:</td>
<td>October 1998 to April 2000</td>
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<table>
<thead>
<tr>
<th>Recipient:</th>
<th>Skamania County</th>
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<tbody>
<tr>
<td>Project Title:</td>
<td>Courthouse Lawn/Sidewalks</td>
</tr>
<tr>
<td>Grant Amount:</td>
<td>$50,000</td>
</tr>
<tr>
<td>Time Period:</td>
<td>October 2000 to August 2003</td>
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</table>

<table>
<thead>
<tr>
<th>Recipient:</th>
<th>City of Stevenson</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Title:</td>
<td>Street Lights /Conduit Installation</td>
</tr>
<tr>
<td>Grant Amount:</td>
<td>$266,000</td>
</tr>
<tr>
<td>Time Period:</td>
<td>September 2000 to August 2003</td>
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<table>
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<tr>
<th>Recipient:</th>
<th>City of Stevenson</th>
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<tbody>
<tr>
<td>Project Title:</td>
<td>Water-line Extension</td>
</tr>
<tr>
<td>Loan Amount:</td>
<td>$50,000</td>
</tr>
</tbody>
</table>
In 1998 the Skamania County Chamber of Commerce received a $22,000 Local Capacity Matching Grant to work with the City of Stevenson’s Design Commission to develop an Open Space and View Corridor Plan for downtown. Grant funds were used to hire a consultant to assist with the project. The resulting plan set a framework for design standards and zoning criteria. In 1999, while completing the plan, the City received a $1,049,827 CERB Rural Economic Vitality Initiative grant to make major improvements to State Route 14. The highway is downtown Stevenson’s major east-west thoroughfare.

The City carefully coordinated critical downtown improvements to minimize their impacts on businesses in the downtown core. Working closely with the Chamber of Commerce, historic streetlights were purchased to be ready for installation. The Chamber led the campaign to solicit families, businesses, government agencies, and nonprofit organizations to sponsor each light. Those sponsors are acknowledged by plaques at the base of each light fixture.

As trenches were laid for utility improvements, conduit for telecommunications fiber was also installed, funded by an $85,000 grant. A private telecommunications company is expected to “light” the fiber at a later date. Another streetscape improvement, helped by a $50,000 grant from the WIB, opened the Court House lawn to visitors, vendors and local residents by extending sidewalks.

While work was being completed on SR 14/Second Street, City staff discovered a problem with existing waterlines. The Washington Investment Board quickly responded to this urgent need by providing a $50,000 loan to install 1,544 linear feet of 10” waterline. While this was not a critical part of the downtown construction, completing this project in conjunction with other improvements in the downtown corridor prevented additional disruption to traffic and businesses.

This major revitalization was accomplished through cooperation between the city, county, chamber, and with significant community support. An investment of $388,000 by the Washington Investment Board, leveraged over $1,179,327 in additional public and private funding. The city recently completed follow-up interviews with 21 of the 34 property owners along the SR 14/Second Street route and has documented $873,000 in private investment directly related to the downtown infrastructure improvements.
Companion Efforts

The Columbia River Gorge Economic Development Program is only one aspect of a local, state, and federal partnership in the Gorge. Washington State’s strategy has been to build local capacity in the region, to assist with priority projects, and to pursue economic diversification opportunities.

The Community Strategic Planning Process is used to determine local priorities, and has helped coordinate state and federal investments in the Gorge.

On the following pages are examples of how CTED has used its other financial and technical assistance resources to help leverage and support investments in the Gorge.

BUILDING ECONOMIC DEVELOPMENT CAPACITY

State and federal funds administered by CTED have been directed to Skamania County to provide additional technical assistance in building economic development programs.

Recipient: Mid-Columbia Economic Development District
Project Title: Establish the CGEDA
Grant Amount: $25,000
Time Period: December 1997 to April 2000

MCEDD received funds from the Old Growth Diversification Fund to establish the Columbia Gorge Economic Development Association. The goal of the CGEDA is to carry out targeted recruitment activities to bring businesses to the Gorge. This project implemented previous efforts funded by a Gorge Local Capacity Matching Grant. (See page 3.)

Recipient: Mid-Columbia Economic Development District
Project Title: Regional Telecommunications Study
Grant Amount: $10,000
Time Period: August 2003 to September 2004

MCEDD completed a regional telecommunications plan for the Wasco and Hood River Counties in Oregon, and Klickitat and Skamania Counties in Washington. The plan will be used as a vehicle to increase awareness of the opportunities provided by high-speed telecommunications, and to attract high-speed telecommunications and business investment for expansion of the region’s economic base. This CTED Rural Opportunity Fund Grant leveraged an additional $5,000 in local funds, $10,000 from the Oregon Investment Board, and $70,000 from the federal Economic Development Administration.

Recipient: Skamania County
Project Title: North Bonneville Industrial Site Planning
Grant Amount: $12,000
Time Period: August 2003 to January 2004

Silver Star Cabinet Company needed to expand its operations. The County-owned property in North Bonneville that was of prime interest; however, to receive city permits, a site plan needed to be completed. With $7,500 from the Old Growth Diversification Fund, $4,500 from CTED’s State Rural Opportunity Fund, and $3,000 in local funds, the County was able to complete the required planning.
BUILDING ECONOMIC DEVELOPMENT CAPACITY

Recipient: Columbia Gorge Discovery Center
Project Title: Cross Currents Video Project
Grant Amount: $10,000
Leveraged: $40,300
Time Period: Spring and Summer 2010

The Columbia Gorge Discovery Center signed a contract with Light Wave Communications and Laughing Deva, video production partners, to develop a video documentary intended to inspire continued appreciation and stewardship of the Columbia River Gorge. The 50-minute pilot program will be re-purposed for multiple projects for the 25th Anniversary of the Scenic Area Act. The pilot program will be showcased at the Discovery Center with an ultimate goal of securing distribution on OPD and/or PBS. A DVD of the program will be produced that will explore the economic development of Gorge communities and feature the diversity, beauty and opportunities available in the region.
INFRASTRUCTURE DEVELOPMENT

Many areas of the Gorge cannot grow economically because of inadequate infrastructure. SCEDC works with state and federal partners to make strategic investments that support predevelopment planning and construction of economic development infrastructure, i.e. roads, water and wastewater systems, and telecommunications.

Recipient: City of North Bonneville  
Project Title: Water/Sewer System Improvements  
Grant Amount: $84,125  
Time Period: August 1998 to March 2002  
The city received a grant from CTED’s Old Growth Diversification Fund to upgrade the municipal water and sewer systems. This grant/loan combination helped lower the debt liability and rate structure. (See page 9.)

Recipient: City of North Bonneville  
Project Title: Cascade Drive Rehabilitation  
Grant Amount: $417,675  
North Bonneville also received funding from the CERB Rural Economic Vitality Initiative to rehabilitate Cascade Drive.

Recipient: Port of Skamania County  
Project Title: Planning for North Bonneville Industrial Park  
Grant Amount: $75,000  
Time Period: February 2000 to February 2001  
The port received funds from CTED’s Old Growth Diversification Fund and Rural Opportunity Fund for preliminary planning and engineering for site development of the North Bonneville Industrial and Business Park.

Recipient: Port of Skamania County  
Project Title: Fiber Optic Planning  
Grant Amount: $7,000  
Time Period: May 2002 to March 2003  
The Port received state funds to complete the final engineering, design, and permitting required to purchase and install fiber optic line from the Northwest Open Access Network (NOANet) Point of Presence (POP) to the Port’s industrial area in downtown Stevenson.
Recipient: Port of Skamania County  
Project Title: Fort Carson Industrial Site Plan  
Grant Award: $19,000  
Time Period: May 2004 to January 2005  
The Port received a grant to complete a site plan, including infrastructure cost estimates, for the Fort Carson Industrial Site. CTED’s OGDF grant, combined with CTED’s Rural Opportunity Fund, is expected to leverage an additional $7,500 in local funds.

Recipient: Skamania County EDC  
Project Title: Fiber Optic Network Feasibility  
Grant Amount: $20,000  
Time Period: April 2000 to September 2000  
The Port of Skamania County and Skamania County PUD were awarded funds from the state Rural Opportunity Fund to complete a Business Plan and Preliminary Feasibility Study for a high-speed, high-bandwidth fiber optic network in Skamania County. This work was the first step in accessing a 1,000-mile Tier I, fiber optic loop owned by the Bonneville Power Administration in the City of Stevenson. (Skamania County EDC administered the contract to assist the Port and PUD in these planning efforts.)

Recipient: City of Stevenson  
Project Title: Ryan Allen Waterline  
Award: $50,000 loan  
$200,000 grant  
The city received funds from the Community Economic Revitalization Board to design, construct, and install an 11,400 foot upgrade to the Ryan Allen Waterline. The improvements were needed to bring the waterline up to fire flow standards required for the expansion of the Skamania Lodge. This expansion added 52 rooms and 18,000 square feet of conference center. At the time of application the Lodge estimated 38 full-time equivalent jobs would be created within one to three years.
Strategic planning can provide a road map for defining and implementing community priorities. Well-defined plans allow local jurisdictions to take more control of future needs and financing.

Recipient: Skamania County  
Project Title: Public Services and Financing Plan  
Grant Amount: $50,000  
Time Period: October 1998 to July 2000

In 1997 Skamania County was selected as a participant community in the Washington Community Economic Revitalization Team (WA-CERT) Rural Community Symposium. As a result, in October 1998 the County embarked on a Strategic Public Services and Financing Plan. The Plan prioritized needed services and developed strategies for delivering those services. CTED provided $50,000 from OGDF to assist in these efforts.

Recipient: Skamania County Economic Development Council  
Project Title: Trade and Revenue Analysis  
Grant Amount: $26,500  
Time Period: November 2002 to December 2003

The EDC conducted a trade and revenue analysis study that identified commercial, industrial, retail, and non-retail businesses linked to outside markets. They also developed a strategy to curb revenue loss and methods to increase revenue gains. This grant was made available through CTED’s Rural Opportunity Fund in order to leverage $30,000 in Gorge funds.
WIND RIVER NURSERY

The site of the Wind River Nursery offers an opportunity for Skamania County to diversify the local economy by providing additional land for alternative development. CTED has provided funding and technical assistance to help the county reach this goal. The Skamania County Commissioners and the USDA-Forest Service signed the Wind River Nursery conveyance documents on October 1, 2001.

Recipient: Port of Skamania County—Phase I
Project Title: Wind River Nursery
Grant Amount: $24,000
Time Period: April 1997 to March 1998

The Port was awarded funding from CTED’s Old Growth Diversification Fund to develop a proposal for alternative usage at the Wind River Nursery.

Recipient: Skamania County
Project Title: Wind River Nursery—Phase II
Grant Amount: $50,000
Time Period: October 1998 to July 2000

The county was subsequently awarded $35,000 from OGDF and $15,000 from CTED’s Rural Opportunity Fund to continue the transition in Phase II. (See above.) With this grant, the county completed the title work, developed a Facilities and Operations Manual, Master Plan, Feasibility Analysis for Marketing, and a profile of desired tenants and uses.
Local Capacity Matching Grants and Public Improvement Grant and Loan Projects

A scoping agent is assigned to projects to gather detailed information, explore possible funding sources, approach funding sources to determine whether the project is a good fit, and to prepare a staff recommendation. Skamania County EDC staff undertake most project scoping activities.

A written recommendation is made to the Washington Investment Board that includes applicant information, project description, project scope of work, proposed sources and uses of funds, recommended funding amount and matching requirement, recommended funding terms and conditions, justification of financing need, and consistency with eligibility requirements and selection criteria.

Private Business Development Loans

SCEDC receives loan applications, gathers detailed information about the project, explores possible funding sources, approaches funding sources to determine whether the project is a good fit, and prepares a staff recommendation in the form of a credit memorandum.

The memorandum includes applicant information, management capability, project description, project scope of work and proposed sources and uses of funds, recommended funding amount, recommended funding terms, justification of financing need, and consistency with eligibility requirements and selection criteria.

Grant Administration

SCEDC administers the National Scenic Area grants. The activities include securing project approval from the Washington Investment Board, negotiating and executing the grant or loan agreement and disbursing funds to the subgrantee or borrower; monitoring loans and grants and fulfilling federal reporting requirements; servicing the loans and tracking repayment income for relending; and tracking fund commitments, fund balances and repayment records; and periodically making reports to the Washington Investment Board.