

ORDINANCE NO. 462

**AN ORDINANCE adopting an Economic Development  
Element of the Grays Harbor County Comprehensive Plan**

**WHEREAS**, Grays Harbor County has adopted a Comprehensive Plan for the orderly physical development of the County pursuant to RCW 36.70.320; and

**WHEREAS**, RCW 36.70.350 empowers the County to, as part of a comprehensive plan, approve additional optional elements relating to the physical development of the county; and

**WHEREAS**, the an economic development plan relates to the physical development of the County; and

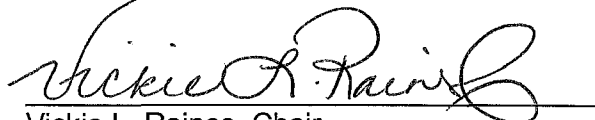
**WHEREAS**, per RCW 36.70.380–400, the Grays Harbor County planning commission held a public meeting on August 3, 2021 and approved the “Grays Harbor Comprehensive Plan Economic Development Element, A Road Map to Success,” as well as a motion to forward the element to the Board of County Commissioners for adoption by ordinance;

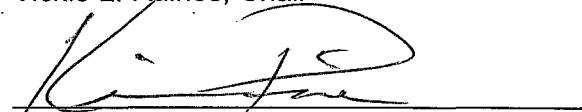
**NOW, THEREFORE**, be it ordained by the Board of Commissioners of Grays Harbor County, Washington as follows:

**Section 1.** The attached “Grays Harbor Comprehensive Plan Economic Development Element, A Road Map to Success” is hereby adopted in its entirety.

APPROVED AND ADOPTED this 10<sup>th</sup> day of August 2021.

BOARD OF COMMISSIONERS  
GRAYS HARBOR COUNTY

  
Vickie L. Raines, Chair


  
Kevin Pine, Commissioner

  
Jill Warne, Commissioner

ATTEST:

APPROVED AS TO FORM:

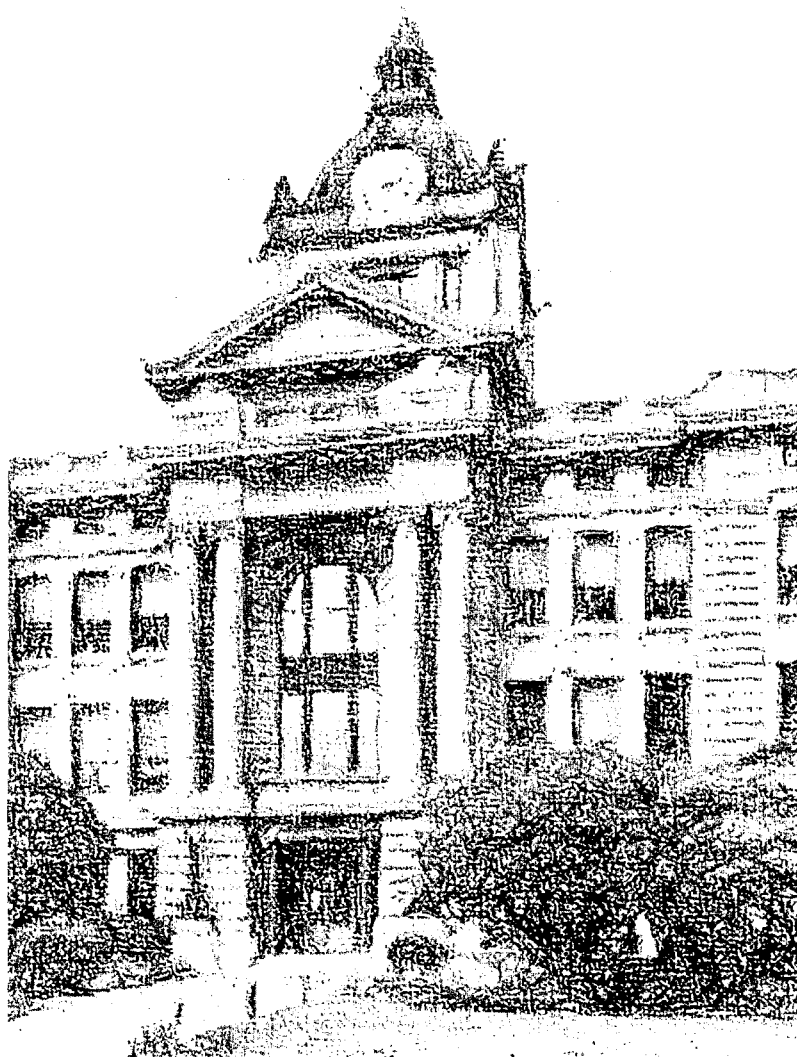
BY:   
Deputy Prosecuting Attorney

  
Clerk of the Board

# Grays Harbor Comprehensive Plan – Economic Development Element

## A Road Map to Success

July 2021



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## **Introduction**

This element of the Grays Harbor County Comprehensive Plan is a framework for guiding countywide economic development. It reflects the importance the county places on economic development to enhance the strength of its economic sectors and to improve the quality of life for all its citizens.

The areas of focus in this element include:

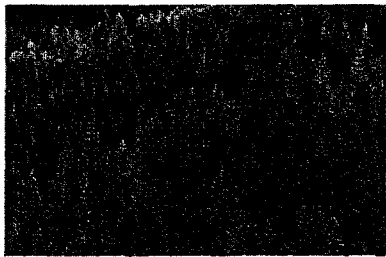
- ▶ Economic Strengths
- ▶ Economic Trends
- ▶ Countywide Economic Development Partnerships
- ▶ Economic Development Goals and Strategies
- ▶ The 2020-2021 Economic Development Grant Program

The Grays Harbor County Board of Commissioners adopted this element on July XX, 2021 by Resolution XX-2021.

## County Economic Strengths

The land always has been the foundation to the Grays Harbor County economy. Native Americans were the first to prosper from the bounty of the forests and waterways, followed by other people from around the world who later arrived to settle and work the land. Today, these resources remain a foundation to the county's economy.

### Forestry



Forestry has been and continues to be the dominant feature of the county's economy with an estimated 767,095 acres of public and private working forestland in the county.<sup>1</sup> Forestry has a strong link to the manufacturing sector and directly and indirectly contributes to nearly all sectors of the Grays Harbor

economy.

The top five forestland owners in the county are:

- ▶ Weyerhaeuser Co. – 190,038 acres
- ▶ Rayonier Timberlands Co. – 128,699 acres
- ▶ Green Diamond Resource Co. – 98,598 acres
- ▶ Grays Harbor County Timberlands – 36,36,637
- ▶ John Hancock Life Insurance Co. – 31,357<sup>2</sup>

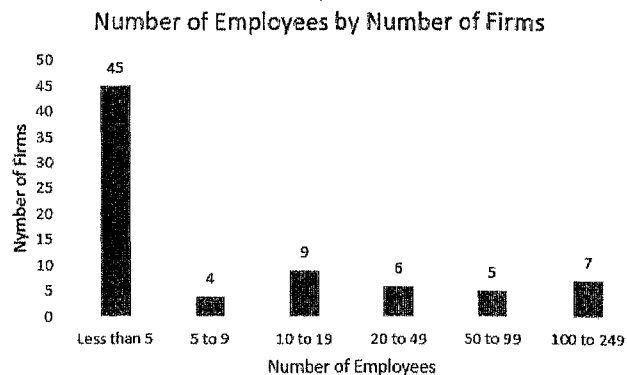
### Manufacturing



There are 73 manufacturing firms in the county generating nearly \$1.2 billion in sales, shipment, and revenues. These businesses employ approximately 2,800 workers with an annual payroll of almost \$150 million.<sup>3</sup>

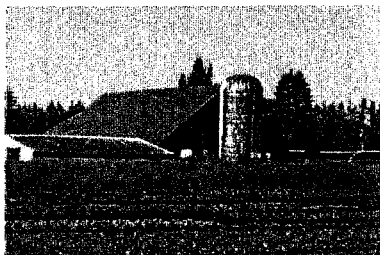
While the larger manufacturing firms often grab the most attention as key employers, there is a large number of smaller ones that contribute to employment as well.<sup>4</sup>

The wood products industry is the dominant manufacturing sector in the county, with 27 firms employing 850 workers. Dimensional lumber, plywood, pulp, wood chips, door construction, and pallet construction are the primary wood value-added products produced locally. The major manufacturers in this sector include Sierra Pacific Industries, Simpson Door Company, Willis Enterprises, Cosmo Specialty Fibers, and Girard Wood Products.



Ship building is a major manufacturing niche in the county. Westport is home to Westport Shipyards, Inc., a builder of commercial fishing, passenger ferry, and luxury motor vessels. The Little Hoquiam Shipyard in Hoquiam also produces commercial fishing and recreational vessels.

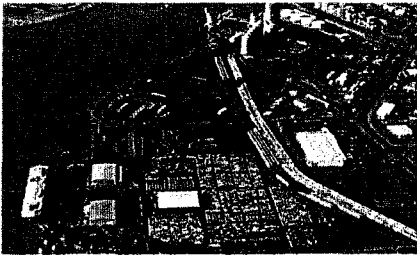
## Agriculture



Agriculture also plays an important role in the county as well. The rich alluvial soils in the county's major river valleys support a wide array of farming and ranching activities. US Department of Agriculture 2017 data reports there were 469 farms in the county totaling 105,223 acres. The total market value of farm products sold in the county was \$33.6 million and the average market value of farm products per farm was \$71,637.<sup>5</sup>

Major agricultural products include beef cows, corn, peas, wheat, hay, Christmas trees, poultry, and cranberries. The Ocean Spray Cranberries plant in Markham is the largest agricultural processor in the county, relying on supply from both Grays Harbor and Pacific County growers. Marijuana cultivation is an increasing commodity as well.

## Port and Marina Facilities

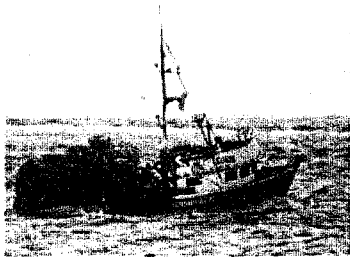


Marine facilities operated by the Port of Grays Harbor in the Grays Harbor Estuary puts the county in a key import-export role for Washington State trade to the Pacific Rim. The port has the shortest access to open ocean than any other major port in the state. With rail and highway access, the port can handle a wide-range of cargo.

The port's Marine Terminal facility includes five deep water berths. Services include intermodal yard management, cargo handling and transfer, and storage services. Primary cargos handled during 2019 were agricultural dry bulk commodities (79%), liquid bulk (13%), automobiles and equipment (4%), and wood products (4%).<sup>6</sup>

The port also operates the full-service Westport Marina for commercial fishing and recreational vessels.

## Fishing



While commercial fishing is not the economic powerhouse it once was, it still is a vibrant county industry. On the commercial side, crabbing, groundfish, and fish and crab processing are a major component of today's seafood industry on the county's Pacific Coast. The Washington Department of Fish and Wildlife reports that Westport in Grays Harbor County is the state's largest commercial fishing port, accounting for nearly 30 percent of the state's total value landings.<sup>7</sup> The direct sale of commercial catch by individual fishermen also contributes to the overall fishing income.

While more difficult to assess its economic value, recreational sport fishing also contributes directly and indirectly to the overall economy. Recreational fishers support charter boats and fishing guides as well as retail sales and other service-related businesses in the county.

## Tourism



The outstanding scenic natural environment of the Grays Harbor landscape is an important economic asset as well. Whether it be the Pacific Coast, its inland waterways, or backcountry areas, recreation and the dollars associated with it, have become a vital part of the county's economy, and it continues to grow at a significant pace.

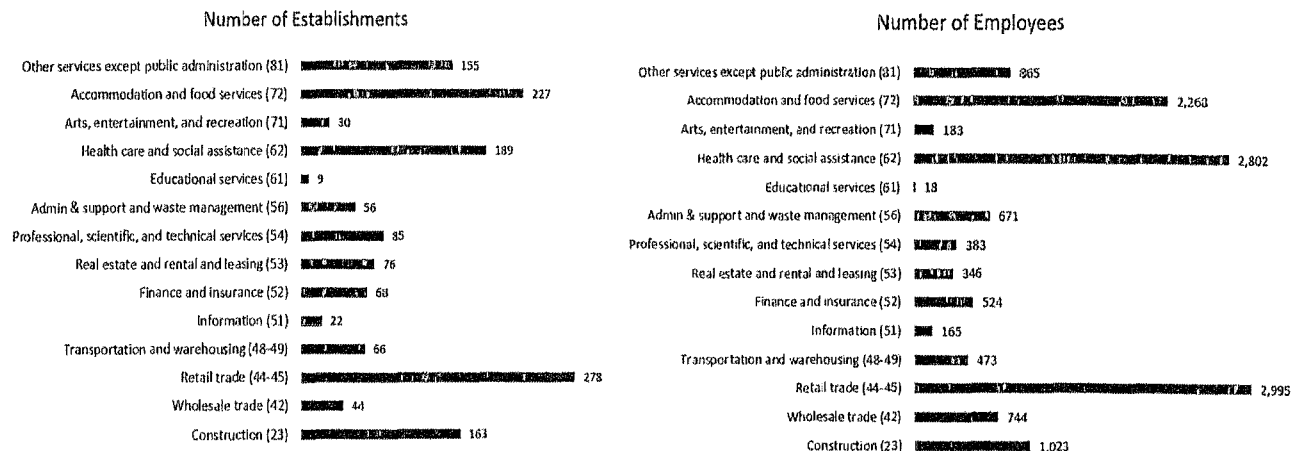
The Pacific Coast especially has become a major regional draw, generating an estimated \$481 million to the county's economy.<sup>8</sup> The coastal area has also spurred investment in housing and construction with considerable growth occurring in the North Beach area.

The Olympic National Park also is a major draw, with over 230,000 recreation visitors alone to the Quinault District.<sup>9</sup>

## Supporting Economic Sectors

Grays Harbor County has a broad range of other businesses that contribute to its economic base. While most serve local needs, the number of retail trade and accommodation/food services establishments reflect the growing impact of outside visitors to the county.

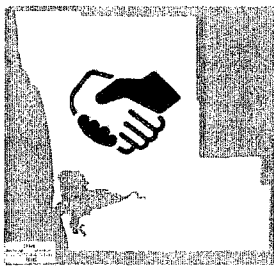
In terms of employment numbers, health care and social assistance jobs join retail trade and accommodation/food services sectors as being the largest job categories.





The Pacific Mountain Workforce Development (PacMtn) is a nonprofit organization serving Grays Harbor, Lewis, Mason, Pacific, and Thurston Counties dedicated to enhancing regional workforce development.<sup>10</sup> PacMtn has identified six priority sectors focused on firms related by common markets, supply chains infrastructure, technology, and labor pools in the five-county region. These sectors include food production, wood products and paper manufacturing, specialty manufacturing and logistics, IT and telecom services, and hospitality and tourism.<sup>11</sup>

## **Collaborative Partnerships**



The strong local government partnerships in the county work together to use public resources to promote critical economic development opportunities countywide. Grays Harbor County, along with the nine cities and the Port of Grays Harbor, provide the physical infrastructure necessary for maintaining and expanding the economy. With investment from local tax dollars and aggressively pursuing state and federal financing programs, local government entities have worked together to pursue infrastructure improvements that have been critical to retaining and expanding development opportunities. In addition, publicly-owned real estate assets at the Port of Grays Harbor and the 600-acre Satsop Business Park provide space to accommodate a wide-range of small- to large-scale businesses.

Greater Grays Harbor, Inc., serving as the county's Chamber of Commerce, Economic Development Council, and Associate Development Organization, plays an equally vital role in business retention and expansion, entrepreneurial development, business attraction, and tourism development. Other important partners include Grays Harbor College, Grays Harbor Public Utility District, the State of Washington, and the Quinault Indian Nation.

## Economic Trends

### Recent Trends

Before 2020, Grays Harbor County had been making some positive gains in its overall economic outlook. In 2019, growth in real gross domestic product notably occurred in the mining, professional and business services, retail trade, and the finance and real estate sectors.<sup>12</sup>

Overall employment growth rates in 2019 came in at 0.76%, although there were significant gains and losses within specific sectors of the economy as shown below.<sup>13</sup>

Construction .....	8.76%
Federal civilian .....	6.25%
Real estate .....	2.11%
Accommodations/food service .....	0.95%
Local government .....	0.79%
Finance & insurance .....	0.53%
State government .....	0.53%
Other services .....	0.37%
Manufacturing .....	0.35%
Arts, entertainment & recreation .....	-0.16%
Retail trade .....	-0.57%
Farm employment .....	-1.11%
Military .....	-1.31%
Administrative & waste services .....	-3.39%
Information .....	-5.20%
Professional, Scientific & technical services .....	-5.35%
Management of companies .....	-6.90%

Another positive trend between 2018 and 2019 was an increase of 7.4% in total taxable retail sales, rising to \$1.2 billion. Total taxable business and occupation income also rose slightly from \$670 to \$676 billion.<sup>14</sup>

### Long-Term Economic Outlook

While most statistics for 2020 are not available yet, the COVID 19 pandemic likely will have a negative impact on the county's overall economy. The most current figures available show the unemployment rate averaging 11.4% for the year, a

significant increase over 2019's average of 7.1%. There was also an overall reported drop of 8% in employment.

The outlook for the county's economy remains "guarded" for the next several years, according to the state's regional economist. Unemployment rates are likely to increase, with nonfarm job growth remaining mixed and hard to sustain. Expectations for employment growth focus on the efforts of the Port of Grays Harbor and major tourism developments in the North Beach area.<sup>15</sup>

Another analytical resource for trends analysis is the Regional Economic Analysis Project (REAP), which reported that Grays Harbor County as being among those counties whose economic growth was lagging in 2019. "Grays Harbor County's employment growth rate of 0.03% trailed the statewide overall average of 2.00% over 2010-2019, and its 0.76% growth rate also trailed Washington's statewide average of 2.31% over 2019. Accordingly, Grays Harbor County is among the twenty-nine counties classified as "Lagging" in that its employment growth recorded below the Washington average in 2019 and its longer-term average" also posted below that of the average statewide over 2010-2019."<sup>16</sup>

A January 2021 article published by the National Academy of Sciences discussed a study that examined the impacts of the COVID-19 pandemic on rural counties in the west.<sup>17</sup> Key findings from the study were:

- ▶ Communities with a heavy reliance on industries that are highly susceptible to pandemic-related closures, such as outdoor recreation, tourism, and factory work, may be particularly vulnerable to COVID-19-related economic shocks.
- ▶ Individuals engaged in informal labor (work performed for cash or the trade of goods or services and not reported to the government) lost work and were not able to replace it with other informal labor. Informal workers are ineligible for unemployment benefits.

It is difficult to assess how the COVID-19 pandemic will benefit or harm the Grays Harbor economy over the long-term. However, the positive news to date features sales tax revenues reported for the first three quarters of 2020. Receipts reported by the Department of Revenue for the unincorporated areas of the county and the cities show a gradual increase over previous years.

Additionally, anecdotal observations about the increase in visitor counts to the county during the pandemic, especially along the Pacific beaches, may in the long run increase regional, positive attitudes about the county. This could lead to potential full- and part-time in-migration as well as business relocation and growth.

At least for the time being, Grays Harbor County continues to meet the state's definition of a distressed county under RCW 43.168.020. Such counties have a three-year unemployment rate that is at least 20 percent higher than the statewide average.<sup>18</sup>

## Countywide Economic Development Partnerships

Grays Harbor County and its supporting partners implement a diverse strategy to bring economic development throughout the county and within specific sectors of the economy. The county and each of its partners have a distinct role that contributes to the overall economic development effort.

### Grays Harbor County



Grays Harbor County strategically supports county-wide economic development through its infrastructure programs and access to financial resources. The county must target these resources carefully to avoid constitutional prohibitions of lending public credit directly to private entities.<sup>19</sup>

### Infrastructure Improvements and Capital Improvement Programming

Perhaps the most important role of local government in economic development is the provision of public infrastructure. The quality and capacity of roads, water, wastewater, and other public facilities provided by the county are critical to the operation of any business within Grays Harbor County. Good investment decisions in infrastructure boost the county's economy. Capital improvement programming is essential for local government to maintain, increase the capacity, and build new infrastructure, whether it serves to retain, expand, or recruit new businesses. The comprehensive plan and this element adopt by reference the Grays Harbor County Capital Improvement Program and Six-Year Transportation Plan.

#### Local Infrastructure Financing Tools

Access to a wide-range of local public funding mechanism is a critical economic development financing tool for the county. These resources include local revenues, whether by way of tax revenues, payments in lieu of taxes, or debt. The major infrastructure financing tools include:

- ▶ The Sales and Use Tax for Public Facilities in Rural Counties authorized under RCW 82.14.370. This program allows the county to collect up to 0.09% of sales tax revenues for financing a wide-range of public facilities serving economic development purposes.

- The local improvement district (LID) process is another important infrastructure financing tool benefiting economic development. Counties can utilize LIDs for water, sewer, and storm sewer system improvements under chapter 36.94 RCW. Assessment districts for road improvement projects in counties however must follow the RID procedures under chapter 36.88 RCW. The cities can use the basic LID processes in Chapters 35.43 RCW through 35.56 RCW.

LIDs can be a catalyst for economic growth, allowing private development firms and industries to obtain long-term financing for on-site public infrastructure at relatively lower interest rates. LIDs, particularly those used to match grants from federal and state agencies, are useful in financing essential city or regional off-site improvements at relatively lower interest rates. Provision of on and off-site infrastructure improvements through LIDs can also play a key role in securing large industrial plant startups or relocations.

- Transportation Benefit Districts (TBD), authorized through Chapter 36.73, allows the county and the cities to form a district to fund transportation improvements consistent with existing transportation plans. The Port of Grays Harbor and Grays Harbor Transit may participate in a TBD but lack the authority under state law to form one on their own.
- Chapters 36.100 and 35.57 RCW allows local governments to establish Public Facilities Districts to acquire, construct, and operate sports facilities, entertainment facilities, convention facilities or regional centers and related parking facilities. These funds are particularly useful in funding tourism development projects. Similarly, Chapter 67.28 RCW authorizes the county and cities to impose taxes on lodging facilities to acquire and operate tourism-related facilities.
- Public Development Authorities (PDA) authorized under RCW 35.21.730 through .759 allow the county and the cities to create or contract with "public corporations, commissions, or authorities, especially to oversee the administration of federal grants or local programs. PDAs are important for limiting a local government's liability for any debts or obligations taken on when developing and operating a specific piece of real estate, such as an industrial park. The Satsop Business Park was initially established

through this legislation before its dissolution and subsequent assumption by the Port of Grays Harbor.

- ▶ The Stadium, Convention, Arts and Tourism Facilities under Ch. 67.28 RCW allows local governments in the county to impose taxes on lodging facilities to acquire and operate tourism-related facilities.

### Other Funding Mechanisms for Economic Development Programs

In addition to infrastructure financing, the county has authorization through state law to collect and distribute tax revenues to assist local economic development organizations and programs. In addition to using dollars from its Current Expense Fund, the county has access to two other main taxing authorizations:

- ▶ The previously listed Sales and Use Tax for Public Facilities in Rural Counties allows the county to use its 0.09% funds to fund personnel in economic development offices.
- ▶ Tourism Promotion Areas funds, authorized under Chapter 35.101 RCW, are available to increase tourism and convention business, including but not limited to advertising, publicizing, or distributing information for attracting and welcoming tourists, including operating tourism destination marketing organizations.

## **Supporting Economic Development Partners**

### **Municipalities**

**ABERDEEN  
COSMOPOLIS  
ELMA  
HOQUIAM  
MCCLEARY  
MONTESANO  
OAKVILLE  
OCEAN SHORES  
WESTPORT**

Like the county, the municipalities contribute significantly to countywide economic development through their infrastructure. Their compact urban area also makes for cost effective infrastructure access, which is important for business retention, expansion, and growth.

Continuing infrastructure investment by the municipalities to secure increased capacity when needed by economic growth is essential for the county's economy.

The cities have many of the same financial tools as the county for funding infrastructure and economic development programs. The one major exception

is the Sales and Use Tax for Public Facilities in Rural Counties program, which they can access through the county. To ensure their eligibility to program, this plan adopts by reference the capital facilities plans and transportation plans of each city.

### **Port of Grays Harbor**



The Port of Grays Harbor is the only public agency in the county whose primary purpose is economic development. Organized under Title 53 RCW, the port has considerable leeway in the type of economic development activities it may engage in under state law that include:

- ▶ Develop marine terminals, airports, and other facilities for handling cargo and accommodating passengers;
- ▶ Buy and improve pieces of property for lease – or sometimes to sell – to private industry for industrial and commercial uses;
- ▶ Provide air and water pollution control facilities;
- ▶ Operate trade centers and export trading companies;
- ▶ Establish and operate foreign trade zones;
- ▶ Provide environmental enhancement, protection, and public access;
- ▶ Build and operate or lease out marinas and related facilities and provide public boat ramps for public use; and
- ▶ Promote tourism as an economic stimulus within the port district<sup>20</sup>

In addition to its marine terminals, the port's other physical economic development assets include industrial properties in Aberdeen, Hoquiam, Satsop, and Westport; Bowerman Airport; Friends Landing; and a marine terminal rail system.

The Port of Grays Harbor's Capital Improvement Plan focuses on maintaining and expanding these assets as well as providing new infrastructure projects that benefit countywide economic development.



## Funding Mechanisms for Port Economic Development Programs

The Port of Grays Harbor may levy taxes up to \$0.45 cents per \$1,000 of assessed value. In addition, state law allows the port to levy special property tax for dredging, canal construction, land leveling or filling; however, these levies cannot exceed the \$0.45 cents per \$1,000 assessed value ceiling.

The port may issue bonds repaid through property taxes for capital construction projects. They may also issue revenue bonds repaid by the revenues generated by a specific project.

Finally, the port has the authority to create Industrial Development Districts (IDD) by levying a property tax of up to \$0.45 per \$1,000 of assessed value for up to 6 years. IDD's are a valuable source of funds for economic development within the district, which can include water, light, power and fire protection facilities and services, streets, roads, bridges, highways, waterways, tracks, rail and water transfer and terminal facilities, and other harbor and industrial improvements.

### **Greater Grays Harbor, Inc.**

Greater Grays Harbor, Inc., a Washington non-profit corporation, has the dual role of serving as the county's designated Associate Development Organization (ADO), Economic Development Council, and Chamber of Commerce. As the county's designated ADO, Greater Grays Harbor, Inc. also works in conjunction with Washington State Department of Commerce.



Under the contractual relationship established under RCW 43.330.080, Greater Grays Harbor must:

- ▶ Be broadly representative of community and economic interests;
- ▶ Be capable of identifying key economic and community development problems, developing appropriate solutions, and mobilizing broad support for recommended initiatives;
- ▶ Work closely with the Department of Commerce to carry out state-identified economic development priorities;
- ▶ Work with and include local governments, local chambers of commerce, workforce development councils, port districts, labor groups, institutions of higher education, community action programs, and other appropriate

private, public, or nonprofit community and economic development groups; and

- ▶ Meet and share best practices with other associate development organizations at least two times each year.

Greater Grays Harbor meets these general requirements by specifically delivering services focusing on:

- ▶ COVID-19 business relief and assistance;
- ▶ Business recruitment;
- ▶ Business retention and expansion;
- ▶ Leadership development;
- ▶ Tourism marketing; and
- ▶ Readiness and capacity building education workshops.

Funding for Greater Grays Harbor programs and projects generally is dependent on private, local, and state sources. Grays Harbor County contributes annually to the organization through its Sales and Use Tax for Public Facilities in Rural Counties.

### **Grays Harbor Public Utility District (PUD)**



Grays Harbor PUD plays a less visible but highly important role in providing economic development power and telecommunications infrastructure in the county. Under state law, a PUD may provide electric, water, sewer, and wholesale telecommunications

services. It can also produce and distribute renewable natural gas.

Key efforts of the PUD involve ensuring adequate power is available to new and expanding businesses, including maintaining the safety and reliability of the power grid. Telecommunications, especially providing broadband internet, has also been a growing focus of the PUD, as seen in the recent completion of the East County Fiber Project.

## Quinault Indian Nation

The Quinault Indian Nation (QIN) is a sovereign nation located primarily within the boundaries of Grays Harbor County that is actively engaged in enterprise activities contributing to the economy of the county. Major businesses QIN owns and operates includes the Quinault Beach Resort and Casino, Quinault Pride Seafood, the Quinault Land and Timber Enterprise, and the Quinault Retail Enterprises. These businesses provide employment opportunities for many county residents, and in the case of the resort and casino enterprise, generate tourism spin-off benefits to the North Beach area.

As a sovereign Indian nation, QIN has access to federal economic development aid programs specific to Indian tribes, along with many other federal programs available to states and local governments. QIN periodically partners with the county and other local entities when development opportunities of mutual interest arise.

## **Economic Development Goals & Strategies**

Grays Harbor County will pursue an Economic Development Road Map for Success by building momentum on its strengths, resources, and partnerships. By implementing the following goals and strategies, the county anticipates achieving a resilient economy that delivers benefits to all its citizens.

### **Forging Effective Partnerships**

**Goal:** Establish a development climate that stimulates economic activity and investment in the county

#### **Strategies to Implement:**

- ▶ Work together with the cities, the Port of Grays Harbor, the Quinault Indian Nation, and Greater Grays Harbor Inc. to provide a unified economic development effort that provides benefit to all sectors of the county's economy and our citizens.
- ▶ Maintain and strengthen relationships with state and federal agencies and elected leaders to ensure critical economic development resources continue to flow into the county.
- ▶ Target local economic financial resources throughout the county to assist economic development partners in maximizing their funding opportunities for projects and programs.
- ▶ Consider potential impacts to economic development in all aspects of the county's decision-making.
- ▶ Foster the development of community and government leadership within the county as the foundation to building a competitive and robust economy.
- ▶ Gain the support of Grays Harbor citizens for economic development projects and programs by keeping them aware of local needs and efforts.

- ▶ Support and maintain planning forums to develop implementation strategies for all sectors of the county's economy.

## **Sustaining and Expanding Business & Industry**

**Goal:** Retain existing businesses and assist in their development and expansion

### **Strategies to Implement:**

- ▶ Encourage programs that provide technical assistance to existing businesses that address challenges to their sustainability and identify avenues for continued successful entrepreneurship.
- ▶ Link local businesses with access to financial capital opportunities from both public and private sources.
- ▶ Help local business owners recognize and adapt to changing economic trends that threaten their sustainability.
- ▶ Educate county residents about the importance of supporting locally produced goods and services.

**Goal:** Encourage a more diversified economic base

### **Strategies to Implement:**

- ▶ Assess nationwide trends in new and expanding businesses and industries and recruit those that match well with the county strengths.
- ▶ Support new businesses with technical assistance and resources.
- ▶ Provide opportunities for local entrepreneurship through development of business incubators, co-working, and makerspaces.

## **Maintaining a Strong Natural Resource-Based Economy**

**Goal:** Strengthen and diversify the natural resource-based economy of the county

### **Strategies to Implement:**

- ▶ Support the county's agricultural and forestry economic sectors by investing in infrastructure that promotes access to regional and national markets.
- ▶ Investigate new ideas for value-added products based on county natural resources and market them to potential investors.
- ▶ Protect resource lands of long-term commercial significance from inappropriate conversion to non-compatible land uses.
- ▶ Work with the agricultural community to implement infrastructure improvements that protect them from damaging storm and flood events.
- ▶ Enhance the viability of farming in the county through strategies for marketing, promotion, business development, financing, agritourism, and specialty/niche agriculture.

## **Supporting County Wage Earners**

**Goal:** Promote increased employment opportunities and incomes for county workers

### **Strategies to Implement:**

- ▶ Work with economic development partners to target new businesses that pay working family wages.
- ▶ Support workforce training and other employment assistance and retraining programs to workers gain skills and education for new or expanding employment opportunities.

- ▶ Advocate with state and federal legislators to increase workforce development and retraining funds.

## **Marketing Grays Harbor for Business & Tourism**

**Goal:** Market Grays Harbor County as a premier place to visit, live, and invest.

### **Strategies to Implement:**

- ▶ Enhance the region's visitor appeal with cooperative marketing and development of additional visitor facilities.
- ▶ Avoid development regulations that prevent the development of sustainable tourism in rural areas of the county.
- ▶ Support efforts to increase awareness among out-of-county employers and employees about how Grays Harbor County can be a great part-time or permanent virtual workplace for remote workers.
- ▶ Explore and implement innovative land use regulations in the county that expand affordable and quality housing opportunities for households of all incomes and needs.

## **Investing in Infrastructure for Business & Industry**

**Goal:** Invest in the maintenance and expansion of infrastructure that retains, expands, or leads to new economic growth throughout the county.

### **Strategies to Implement:**

- ▶ Annually solicit projects for funding under the Sales and Use Tax for Public Facilities in Rural Counties for infrastructure projects that retain, expand, or create new jobs in all sectors of the economy.

- ▶ Attract new economic development by working with county partners in providing infrastructure that provides industry with cost-effective site location.
- ▶ Seek grant and loans from state and federal agencies that support infrastructure maintenance and expansion to retain, expand, or create new jobs in all sectors of the economy.
- ▶ Promote infrastructure improvements as an incentive to attract new or relocating businesses.
- ▶ Support the continued expansion of a high-speed fiber optic telecommunications network to underserved sections of the county as a critical effort to provide new business and employment opportunities for rural residents and remote workers.

## **The 2020-2021 Economic Development Grant Program**

Grays Harbor County consults with all the municipalities, the Port District, and Greater Grays Harbor, Inc. to ensure that any requests for funds allowed under the Sales and Use Tax for Public Facilities in Rural Counties Fund meets the requirements of RCW 82.14.370 as well as the goals and implementation strategies of the Economic Development Element.

The county has created the 0.09 Advisory Committee to help review and score all applications under this program using the following project rating criteria:

1. Description of the project (10 points possible)



2. Estimated schedule for project completion (10 points possible)
3. The project is within a comprehensive/capital facilities plan; county comprehensive or capital facilities plan; site specific development plan; community action plan; and/or six-year transportation improvement plan (10 points possible)
4. Level of potential by the project to retain or create new sustainable economic capacity (15 points possible)
5. Level of private investment in the proposed public facility project (10 points possible)
6. Responsibility and revenue source for long-term project improvements (10 points possible)
7. Level of planning completed to date and readiness to proceed (10 points possible)
8. Coordination with other jurisdictions and relevant organizations during planning, design, financing, construction, and operational phases (10 points possible)
9. Description of project's dynamic features (15 points possible)

After reviewing and rating each application, the 0.09 Advisory Committee provides the Board of County Commissioners (BOCC) with funding recommendations. The BOCC will then consider the recommendation by the committee and make grant awards. The BOCC decision is final.

All funds awarded under this program will be available in the form of reimbursable grants. The funds will be available for reimbursement beginning January 1st of the calendar year following the award notification, unless otherwise allowed by the Grays Harbor County Board of Commissioners (BOCC).

Grays Harbor County recognizes that some projects may be large and complex, requiring multiple funding sources, and years to complete. In that regard, awarded funds will remain available for a reimbursement period of five years following the award notification. Any unexpended funds will go back into the Distressed

County Sales and Use Tax Grant Fund and made available for future applications. A grantee may make a formal request in writing to the BOCC to extend the five-year deadline for reimbursement. The BOCC has final say on all extension requests.

The projects outlined on the following pages includes grant awards for the 2020 and 2021 Economic Development Grant Program using the Sales and Use Tax for Public Facilities in Rural Counties Fund.

### **2020-2021 Economic Development Grant Program Grant Awards**

<b>Funded Capital Project</b>	<b>Proposed by</b>	<b>Total Cost</b>	<b>Description</b>
North Beach Water System	Grays Harbor County	\$ 230,000	<ol style="list-style-type: none"> <li>1. Extend the "Haven by The Sea" water system service main to provide water service to 3 local businesses and roughly 15 acres of undeveloped land along State Hwy. 109.</li> <li>2. Negotiate and acquire an additional water source to provide a backup source for the "Haven by The Sea" water system and additional capacity to serve businesses and residents in the Copalis Beach area. This added capacity will result in considerable new connections available to businesses and residents in the community.</li> <li>3. The county will create a Part B Water system plan, obtain source approval and water rights for the newly acquired water source, contract for engineering and design of the water line extension, construct a new well house and provide a filtration system, and contract for the necessary boring under wetlands and SR 109.</li> </ol>

<b>Funded Capital Project</b>	<b>Proposed by</b>	<b>Total Cost</b>	<b>Description</b>
Keys Road Flood Protection	Grays Harbor County	\$ 3,3135,000	The purpose of the Keys Road Flood Protection Project is to slow the migration of the Satsop River towards Keys Road and to protect the Port of Grays Harbor's well located adjacent to Keys Road. The Port's well is the main potable water supply for the Satsop Business Park.
Pacific Beach Booster Station/ Reservoir	Grays Harbor County	\$ 1,550,000	The County is adding addition development capacity to the Pacific Beach Water system to support substantial residential and business growth in the area. Projects will include a 100k gallon water storage tank, new booster station, new filtration system, and a new building to house the booster and filtration equipment. This project will provide additional potable water and the necessary fire flow to allow new businesses to develop within the Pacific Beach service area.
US 12 Highway-Rail Separation Project	City of Aberdeen	\$ 1,400,000	Conduct design, environmental documentation and preliminary engineering to define the following construction components of this project: <ol style="list-style-type: none"> <li>1. Access ramps from Eastbound and Westbound US 12,</li> <li>2. Grade separation of Chehalis Street with overpass of US 12 and adjacent PSAP rail line,</li> <li>3. Roundabout at US 12--Newell Street intersection,</li> <li>4. Roundabout at base of overpass (Mall entrance),</li> <li>5. Removal of signal at US 12,</li> <li>6. Closure of three at-grade crossings, and</li> <li>7. Grade-separated pedestrian and bicycle lanes.</li> </ol>
North Shore Levee – Property Acquisition	City of Aberdeen	\$ 500,000	Acquire up to four private parcels. Obtaining the funding to acquire the private properties prior to the 2019 – 2021 biennium (when construction funds are anticipated to be available) is critical to the project schedule. The acquisition of the parcels will aid in the levee's feasibility of the design and construction and will allow the project to remain on schedule. In addition to property

<b>Funded Capital Project</b>	<b>Proposed by</b>	<b>Total Cost</b>	<b>Description</b>
			acquisition, .09 funding may be used to acquire permanent property easements or other design and construction tasks that are critical to the levee construction.
North Shore Levee – Fry Creek Pump Station Complex	City of Aberdeen	\$10,200,000	The project will replace an existing pump station on Fry Creek with a new one approximately 750 feet upstream. The work will consist of constructing a new pump station, tide gate, and culvert, and it will also restore the habitat of an adjacent portion of Fry Creek. This project will also repair and upgrade 4,500 feet of rail infrastructure in and around the Port of Grays Harbor. The rail repairs will allow mainline rail traffic to be temporarily detoured through the Port of Grays Harbor while the culvert under the mainline is replaced, saving on overall construction costs while providing a permanent asset to the Port of Grays Harbor.
Enterprise and Visitor Center (Gateway Center)	City of Aberdeen	\$ 9,700,000	Design, engineering, and construction of visitor information and enterprise center.
Broadway Avenue Stabilization Project – Phase 1	City of Hoquiam	\$ 2,260,00	Repair and protect a critical section of Broadway Avenue from sliding into the Hoquiam River which would require a 40 minute detour that would severely impact two larger employers.
Westport Marina Dredging	Port of Grays Harbor	\$ 7,230,000	Remove 245,000 cubic yards of sediment from within the marina using clamshell or hydraulic dredging equipment. Project will ensure vessels can deliver their catch to the State's largest commercial seafood landing port. Project supports 2200 jobs in Grays Harbor County and \$227 million in business revenue each year.
Olympic View Warehouse Bldg. 2 Roof Replacement	Port of Grays Harbor	\$860,230	Remove original 1980 roofing system, remove existing equipment that protruded through roof, repair roof surface, install new insulation and roofing system. Improvements will allow lease of building and the creation of 120 new jobs

<b>Funded Capital Project</b>	<b>Proposed by</b>	<b>Total Cost</b>	<b>Description</b>
Satsop Fender Piling System Replacement	Port of Grays Harbor	\$1,000,000	Design, permit, and construct replacement of antiquated wooden pile fender system with modern design and materials to accommodate both current vessels utilizing the dock and larger ships that are being anticipated
Satsop Admin Building Roof Replacement	Port of Grays Harbor	\$340,000	Replace approximately 12,588 SF of roof with a new roof. Includes tear off of old roof and wet insulation.
Marine Terminals Additional Ladder Track Construction (2)	Port of Grays Harbor	\$6,500,000	Design, permit and construct 2 additional ladder tracks of 6500 feet each in length in the Port's Marine Terminal Complex with required crossings and connections to existing track system to accommodate existing customers and attract new customers as well.

## Endnotes

- <sup>1</sup> Washington Forest Protection Association, <https://data.workingforests.org/#GraysHarbor>
- <sup>2</sup> Grays Harbor County GIS, Major Timberland Ownership map
- <sup>3</sup> US Census, 2017, Table EC1700BASIC
- <sup>4</sup> US Census, 2017, Table EC1731LOCMFG
- <sup>5</sup> USDA NAAS, 2017
- <sup>6</sup> Office of the Washington State Auditor, Financial Statements and Federal Single Audit Report for the Port of Grays Harbor, Report No. 1027388, December 10, 2020
- <sup>7</sup> Economic Analysis of Non-Treaty Commercial and Recreational Fisheries in Washington State, [www.wdfw.wa.gov/sites/default/files/publications/00464/wdfw00464.pdf](http://www.wdfw.wa.gov/sites/default/files/publications/00464/wdfw00464.pdf)
- <sup>8</sup> An Economic and Spatial Baseline of Coastal Recreation in Washington, Surfrider Foundation, May 2015.
- <sup>9</sup> NPS stats, Interpretive Report, YTD 12/2020 <https://irma.nps.gov/STATS/Reports/Park/OLYM>
- <sup>10</sup> <https://pacmtn.org/>
- <sup>11</sup> <https://pacmtn.org/wp-content/uploads/2021/01/PacMtn-210108-Impact-Report-2020-Grays-Harbor.pdf>
- <sup>12</sup> Washington Regional Economic Analysis Project, Gross Domestic Product Structure and Growth by Major Industry, 2017-2018, [https://washington.reaproject.org/analysis/industry-structure/industries\\_by\\_region/gross\\_domestic\\_product/](https://washington.reaproject.org/analysis/industry-structure/industries_by_region/gross_domestic_product/)
- <sup>13</sup> Washington Regional Economic Analysis Project, Employment Structure and Growth by Major Industry, Grays Harbor County, 2019
- <sup>14</sup> Department of Revenue, Statistics & Reports, Quarterly Business Review, <https://apps.dor.wa.gov/ResearchStats/Content/QuarterlyBusinessReview/Report.aspx>
- <sup>15</sup> Employment Security Department, <https://esd.wa.gov/labormarketinfo/county-profiles/grays-harbor>.
- <sup>16</sup> Washington Regional Economic Analysis Project
- <sup>17</sup> <https://www.pnas.org/content/118/1/2019378118#T1>
- <sup>18</sup> Distressed Areas List, <https://esd.wa.gov/labormarketinfo/distressed-areas>
- <sup>19</sup> Article 8, Section 7 of the state constitution provides: "No county, city, town or other municipal corporation shall hereafter give any money, property, or loan its money, or credit to or in aid of any individual, association, company or corporation, except for the necessary support of the poor and infirm."
- <sup>20</sup> Washington Public Ports Association, <https://www.washingtonports.org/economic-development>