

# ADVANCE ASTORIA: FIVE YEAR ECONOMIC DEVELOPMENT STRATEGY FOCUS GROUPS, ADVANCE PARTY MTG. NO. 2

Community Attributes Inc. – Notes and Key Takeaways

**Medicine, Education, R&D Focus Group – 8 am**

**January 18, 2017**

## **Participants:**

Christina Dewitt - OSU Seafood Lab Christina.Dewitt@oregonstate.edu  
Jared Delay - OSU Extension Jared.Delay@oregonstate.edu  
Amanda Gladics - OSU Extension Amanda.Gladics@oregonstate.edu  
Bob Magie - Fisheries Expert robertjmagie@gmail.com

## **Introduce yourself, how long in Astoria, little about what you do?**

*Christina DeWitt – OSU Seafood Lab: Seafood Education Center. (CAI toured in October)*

- Our focus has been research, moving to outreach more, officially. Been here 6 years, but have seen snapshots of Astoria. First here in 1990, grad school, driving through. Fish smell, gloomy, dark, depressing.
- Again 97-2000, quite a transformation at that time happening. Exciting, seeing all the changes, trolley, Riverwalk, restaurants still bleak. Burger King, DQ, best restaurant was on Pier 11.
- By mid-2000's, lots of renovation downtown. By 2011, total transformation in the town, no empty, sketchy places. Art walks, art shows, no end of way you can get involved.

*Jared Delay – OSU Extension*

- Came late 2007, also noticed empty buildings downtown, nice buildings now that were being redeveloped then; right when brewing was taking off.
- Noticed last 10 years, downtown has cleaned up; couldn't have said that in 07'. Moved here for the summers. Always something going on. Small events, things to do. Slows in

winter months, when tourism season slows. Lots of folks involved in committees, etc. OSU – tourism focus.

*Amanda Gladics – OSU Extension, Clatsop County Sea Grant*

- I work in public education around fishery issues. Moved to Astoria 6 months ago, but from OR. First visit was summer of '03. Worked on Portland to Astoria scenic train; only ran three years. I was wait staff on the train. 3-4-hour trip. Then 4 hours off to wander town.
- Distinct lack of restaurants. Spent time in 06' again. Education program at Lewis and Clark school. Urban Café was the spot. Remember enjoying some of the parks along the Riverwalk. Could feel the history in this town in a different way than other towns on the OR coast.
- Since moving back, very cool. Intense sense of community involvement (from Newport originally). Different groups of people involved in community & city stuff.

*Bob Magie – Fish Biologist; independent contractor/sole proprietor; rental property owner*

- From Tri-Cities & gorge doing fish work; got job with NOAA as contractor, working up and down Columbia, studying fish; can't go further west, always going west. Now we go north or south. Have lived here for 8 years, been coming here total of about 20 years; stepped away and have consulting business now. Loved Astoria, decided to put down roots. Had a young family.
- Have an Airbnb. Often compare Hood River to Astoria. HR more “trust-fundy”; Astoria more “blue collar”, attainable.
- In 06', there wasn't much here. Lot has happened, especially in last three to five, really exciting. Lots of community involvement. Feels like everybody gets involved here, which is exciting. We feel ownership, want to see community succeed. Love living here. Thought we'd hate the rain; not a problem, keeps people away.

**Prospects for your industry cluster?**

- BM: This used to be a town driven by timber and fishing. Fisheries have steadily declined. Huge drop in 70's. Shifted from being dominant to tertiary. Keeps getting less sustainable as an industry – not getting better. More sport salmon activity here than commercial fishing now. Drag fisheries for salmon / cod (trawling).
- BM: I moved out here because in research, you go where the work is; lots of interest in sustaining natural runs of salmon in this river; science will continue to play a strong role in economy here around sustaining viable fish populations. The further downriver you go, the less people appreciate that there's so much fish that goes by us.
- AB: Commercial fishing is very small part of commercial fishery for OR and coast. Major fisheries are Dungeness and shrimp.
- KD: Trawling for groundfish (whiting – largest biomass). Salmon, crab, tuna are small parts, whiting is huge in terms of volume. In terms of value, its crab & shrimp. Shrimp has changed from commodity (catch, freeze, ship for processing); now have four new plants on coast doing value-added processing. Not easy to do; takes certain education level. Last 5-6 years, been able to overcome those barriers and there's been a lot of new investment in facilities. Big deal in food production cluster, because you're bringing in people that can work in those areas. Want to make the cereal, not the flour, right? Bodes

well for value-added processing in other sectors. Laws and regulations are merging to become similar. Fruits and veg rules used to be different from meats, from seafood; now rules are becoming equivalent, making skilled workers more transferrable.

- KD: Good point that our Eds and Meds cluster needs to be supporting the other clusters in town. EW – clear that food production is central to the OSU Extension Service. So, overlap with foodie cluster is really explicit. How do you support these other clusters / sub-clusters? What opportunities for collaboration?

### **Opportunities & challenges for your cluster?**

- KD: Extension office has folks doing nutrition training; OSU also has a fermentation science program. Main people are in Corvallis in fermentation; they're working on a fermentation pilot center (capacity building, research, support) in Corvallis; building support for it at state level. Define fermentation as including brewing, cheese making, possibly meat/sausage fermentation; and bread/baking.
- KD: Big push at OSU in general for expanding practical experience available to students. What infrastructure (housing needed!) do we have to support students coming in short-term, primarily during summer when production is going on. Lot of discussion amongst administration on this. Sending them to county offices; experiment stations; but also broadly, how to get them into businesses around the state. Different initiatives supported by provost trying to build that in to college. EW- What's been OSU's approach to capital expenditures? OSU presence in every county; about 15 counties have different experiment centers (e.g., food innovation center; aurora small farms center; burns, Hermiston, Klamath falls, hood river all have centers / experiment stations). Quite a bit of investment around state that helps farmers, fish producers etc. more efficiently produce.
- BM: wife says at hospital, doctors can't find housing and are leaving.
- KD: had a student working here full-time job; in end, wanted to find a house, couldn't find one in his income range. Ended up getting job in Ogden, lower housing costs, making 10k more. Would've stayed if found a house.

### **Segue to role of city and partners?**

- Bob McGee – I have nine rentals besides Airbnb. I wish there was more housing. See a lot of people coming in testing it out. 70-80% of time they love it, but problem is getting a house. Kids frequently start at school, disappear after a few months because parents couldn't find housing. Geography – we're on a peninsula. Can build up, but there's not a lot of area to build on. Lots of underutilized property in town. Probably because it's still more expensive to build than what developers can get in rent. \$70-130k dollars for studio to one-bedroom. Not enough margin.
- JD: multifamily development around the park shut down due to NIMBY-ism. Get that in tourism too – folks are at their limit. Stop promoting summer season – focus is on off-season tourism right now.
- BM: Irving and 8th – great example. Chester Tradiccio (?) wanted to build on empty lot there, neighbors shut him down (used geologic stuff?). 10k people since 1880; not sure community wants to grow that much.
- EW – parts of town where MF housing would be a less sensitive issue? Where city can change zoning (w/o changing height restriction)?

- BM: base of tongue point used to be a large housing area – why are we not developing it – some of best views in town (JD concurs). See lot of potential there. Riverwalk there.
- KD: little area south, by bridge, Eagle Ridge development area is another opportunity area. [NOTE: noted areas on maps]
- BM: Corps of Engineers, EPA not going to be as warm to something new versus something grandfathered in, re houseboats. Also, unless you have a breakwater system, large passing boats are a problem. KD: Tongue Point used to be naval depot for Liberty Ships (backside); and on the John Day River.
- BM: has been three or so initiatives to get industrial out there, and it keeps failing. EW – new leadership at port could be opportunity.

#### **Economic vision for Astoria – what should City be doing to raise all boats now, and in 20 years?**

- JD: housing seems like biggest challenge to growth
- AB: housing situation was hard for me. No rentals available; had a friend with a second home for five months while looking for house to buy and we ended up way above where we wanted. EW – cost burden data wasn't as dramatic as we'd expected. AB: it's really been in the last year. KD: issue of paying more for less. Have to settle for something non-ideal, or have to pay way more to get what you want. My \$150k 2k sf house with a pool became \$400k here. Had heard the Portland griping, but didn't really understand how much more it would be.
- AB: lots of houses esp. in Astoria with deferred maintenance. That's changing rapidly. KD: when you see big dilapidated inventory, scares you. Is that really remodeled? Makes you think twice in a new community. Where it is on slope; flood zones. We end up with a lot of people that live outside of town and commute in to work.
- EW – what are occupancy rates here? BM: pretty much everybody is full. Never seen rates like this.
- KD: we are always scrambling for housing for students. Landlords would love to have relationship with hospitals / OSU to provide contract housing; more assurance for both. (Follow up with Landlords Association).
- BM: re vision: more and more people going out of town to find housing; hope this doesn't become a place where people just come to go to dinner. We're in danger of that happening. KD: but you have to decide – want to develop land for housing, or for employment. Partner with surrounding communities depending on what's the priority. Port has a lot of land. Astoria so land-bound. In Midwest, we're used to just expanding outward.
- BM: don't like to go out of town for services; would love to be self-contained more. Very important for OSU, MERT, CCC, etc. Infrastructure for medical services. KD: reputation of medical providers used to be terrible here; have not experienced that since I've been back. Maybe Portland a little better for specialists. There is now a difference in attitude regarding local providers, huge difference for the better. Medical expansion has been really positive.
- AB: More broadly speaking – fisheries and forestry still 60% of County economy. Still pretty major driver. KD: More stable and predictable than 20 years ago – management, quotas, etc. Changed a lot, has enabled more year-round operation at the plant, versus seasonal. AB: know processing sector is still struggling to adapt. E.g. individual

transferable quotas – has been great for individual species of fish recovering, but processing plants have to employ people full time. People can invest in industry now, have property rights now. Changed mindset for fishermen – want to take care of it now (individual quotas caused this – quotas attached to individual fishermen).

- KD: lot of fishermen here also fish in Alaska. Now they know quota is protected, when fishing is slow here, they'll go to Alaska, then come back here. Allows for full-time stability in fishing.
- JD: Cruise ship tourism and spending has been great. Come temporarily, spend, leave. More than 25 cruise ships this year, increasing. No wear and tear on streets. Anecdotally, people enjoy stopping in Astoria. BM: Paddleboats, but mostly Alaska cruises. In spring, they move ships north, starting cruises more northerly. Start seeing them here in beginning of spring, then again in fall when ships start moving south. Young Cruise (paddlewheel) are \$10k dollar cruises, all the way up through the dams.
- BM: more interesting views here than Hood River. Anything to cultivate maritime activity would be good. Very unique asset that we have here.
- KD: there's not a good conference center for mid-sized gatherings (100-200 people). Liberty Theatre view issues with some poles. Hampton Inn, more than 100 is tough. Red Building is closest, but they have light issues (making PowerPoint presentations difficult). We bring in 120 scientists annually for a weekend, Red Building; every 6 years, host a conference. It's tight, hard to find a spot. Fairgrounds is dirt, little out of way too, facilities not as nice. Want to be in town so people can go out during breaks, etc. (Seaside for gigantic meetings).
- BM: we need to open part of Underground for tourism, similar to Seattle. Shanghai occurred in trapdoor portway building – would love to tour that!

## Micro-enterprise & Entrepreneurial Focus Group – 9:30 am

January 18, 2017

### Participants:

Glen Herman - Astoria Maker Industries owner/operator      glen@astoriamakers.com  
Ian Sisson - Astoria Maker Industries owner/operator      ian@astoriamakers.com  
Leslie McCray – Sweaterheads owner/operator      sweaterheads@hotmail.com  
Mike Anglietta – Astoria Naturals owner/operator

### Introduce yourself, how long in Astoria, little about what you do?

*Glen Herman – large civil engineering firm; 30 years; been involved in R&D*

- Moved here from Kansas City, one year ago. We're trying to start up a maker space (Ian and he). Researched that when working for old firm but it wasn't right, so left firm few years ago. Know Ian's dad who put the two of us together, started talking a year ago or so. Ian was working on a contract for the City. Bought a building last August, in the planning process and figuring out needs for maker space in Astoria.
- As far as change, it's only been a year for me. Getting back to a smaller community. Already know more people here than when I lived in a suburb of KC for 25 years. Contact with creative people is really interesting. Lots of opportunity.

*Ian Sisson – architecture background; was working in planning consulting for 2 years in Chicago – urban design, landscape arch., historic preservation work.*

- Moved here in 2013; wrote parks master plan for city; wanted to combine architecture background with planning experience; one plan to develop compact, affordable housing here (couple things going on). Came from an environment with lots of hands-on shop experience - building furniture and mockups - so trying to bring spirit of that shop into what we're doing with the maker space.
- Haven't seen whole lot of change in the 15 months I've been here, but seeing a lot of excitement for maker space. Exciting time now as we evaluate community's needs.

*Leslie McCray – owner/operator of Sweaterheads.*

- Create hats and accessories using re-claimed fabrics. 22 years here, moved from Montana. Have worked for other small biz's here; painted houses, contract work; owned deli downtown for a few years, was huge (15 years ago). Focused on downtown and locals. Brown Baggers Deli.
- Changes are phenomenal that I've seen. First time I drove through Astoria (you didn't stop). It was so sad, nothing worth getting out of car for. Closed signs, papered windows, terrible. Right after Fred Meyer opened, took toll on downtown businesses. (Hopefully Walmart won't have such an effect now). Music, art, pride in businesses now. Jobs have kind of changed, fishing, logging. Most of changes are really positive. I'm on Advance Astoria committee b/c I moved from Seaside to Astoria because it was a real community. It's never good if it's just tourism.
- Excited about bringing Astoria-appropriate businesses; about entrepreneurs here, even if choose to commute to town for work. Or telecommuters working for Portland firms.

*Mike Anglietta – owner/operator of Astoria Naturals*

- Moved 2.5 years ago from San Francisco. I telecommute. Started Astoria Naturals – make and sell custom skin-care products. Customers can go online and get precisely what they want – we mix them in small batches. I'm also a COO for a large firm in Paris –

we're (employees) widely distributed geographically – this job pays the bills. Remember coming here on weekends – there was a particular feeling in town, even with poor winter weather, people talking, certain vibe – and we ended up moving here. A vibrancy here, level of energy, creativity on steep upswing.

### **Opportunities / Challenges**

- MA: anecdote: I filed for a home-based biz license here – Sherri Williams was amazing; but I got a call from property inspector - asked questions, was told I had to install a \$20k fire retaining wall, which was insane because we have no open flame. With some wrangling, was able to navigate that. But, horrible, strange, first time experience. Concerned if this could be an issue for other makers in town.
- GH – our biz was in a floodplain – so routine navigation of those issues. IS – ideally wanted to be downtown, but almost impossible to find a space. Glenn knocking on doors till found (on Production Lane near Grass Automotive – second warehouse on right). We're in the 100-year flood zone, so our office space floor must be three feet above flood level. It was an un-advertised property. Upside is that now we could serve up to three communities.
- IS – one issue is that public process is really circuitous. E.g., Heritage Sq. and library projects have been talked to death; ADU policy vs. renovating dilapidated homes; it's been difficult to come to any consensus on anything. Old versus new residents' attitudes re: growth. EW – public process versus NIMBY-ism – on process side, is there way City can ease burden? IS – projects like ours help a lot; needs to be comprehensive look and public input, but it's still contentious. E.g., parks master plan right now – what to slash and what to keep.
- MA – I feel transparency of forums has been good; results were stalemate, but two legit positions; IS – when decision needs to be made, there's hesitance, b/c we want to please everybody. MA – home-based business permits are confusing here. Looked at other cities. Need clarity on website and materials. (I was making something/light manufacturing in a residential zone, so extra hurdle for my permit.)
- GH – County planning didn't present the same obstacles – they are coming up with more commonsense approaches. IS – I know Clatsop has more resources – for instance, there are five planning people we can talk to; but the process is more well-defined; people more knowledgeable. Someone should map user experience here, would be easy to see friction points. GH – if City could leverage more county resources. Make more self-service available – put permit apps on web.
- LM – hasn't even occurred to me to get a business license from City! B/c I'm selling downtown so much, I should probably have one. (though, it's not required to sell at Sunday Market). For I & G, getting business license was very easy – Sherry laid out what we needed to do. But, without that personal connection, could have been difficult.
- IS – we're hoping to open in April. Working out payment / tenancy options / periods. Guess users would need a business license if selling/doing business in City. LM – people are probably concerned about home-based businesses with lots of traffic or other impacts, theoretically. IS – we had to file a conditional use permit to operate in our zone. At City, CUP reviews are pretty easy, maybe not for everybody. Planning Commission is volunteer, so don't always have all information / perspective. RC-9 (Rural Community Industrial zone, Clatsop County).

### **What's your perception of real estate challenges for your cluster?**

- LM – housing price variation is wild, even on same block often, for sale prices. Many unlisted. Not sure about commercial / residential lease rates. Often, buildings sold downtown - have to talk to right people at right day. GH – people have been speculating, buying up properties. IC – artists in Hobson building got pushed out when new SF owner bought building and wrote up restrictive, 25-page new lease. Speculating. Don't understand local market. That building will sit. People will go back to working in their house. MA – retail lease rates \$1-2 psf / month. Downtown Association is doing a business cluster analysis – BJ is project manager (get contact from MA – he's on advisory panel); very survey based – why here? Pain points? Gap analysis – which businesses to recruit to support existing clusters. MA – for me, probably would've been 5x more expensive to start my business in SF. [NOTE: get ADHA biz cluster analysis]

### **Cost of doing business / barriers to entry vs benefits of being in Astoria?**

- IC – the presence here is much greater for maker space – paper has been doing articles on AA, etc. Bigger fish in smaller pond. Maker spaces more popular on west coast, then would be in KC, even though would be cheaper.

### **Opportunities to collaborate & network?**

- MA – couple of awesome opportunities for networking – ADHA downtown; Chamber of Commerce are two obvious networking opportunities here. Invaluable. E.g., finding retail storefront opportunities. Very supportive for most part. All in it together. Feel like Astoria has been awesome with those two. IS – we hope to be enablers of entrepreneurs – as much collaboration as possible with City, others in town be great. GH – making sure we're communicating with City/County – they're thinking of doing some sort of training program – make sure we're not in conflict with that plan.
- IC – with some of downtown biz's – lots of turnover and high failure rates. Throw something see if it sticks attitude somewhat. Maker Space could mitigate by allowing for a bit of testing ground. Sunday Market plays that role too. LM – catering to tourists is kiss of death. Failure of hot dog place story. So important to make sure you have a market here. Trademarked a famous menu item before even opened doors, e.g. If would've tried it out.
- Sunday Market – average weekend – 175 plus individual vendors. Close down 12th street, vendors, plants etc. in old Safeway parking lot, next 3 streets to Marine. Food court is in Wells Fargo parking lot. Sometimes music on corners. Mother's Day thru second weekend in October. MA – agree that to pilot a biz through the Sunday Market is a great idea.
- MA – would've been great if City and/or CEDR just came to me with a packet saying “here are organizations/networking opportunities/permitting info. Wouldn't take a ton of work to do this.
- LM – we want to hang on to Astoria so hard because so many bad things have happened – it's lost so much housing / such great buildings. No more east German-inspired condos on the river!
- IS – interestingly, the number of parks properties spiked in 90's when mayor thought every little property should be a park. But maintenance couldn't keep up, so now many look dilapidated.

### **What is your economic vision for Astoria and / or your cluster?**

- LM – downtown core is really shaping up nicely; people are opening biz's that will stand the test of time. What's old is new again – butcher shop, florist, frame shop. Sustaining our livelihood when we can walk around, get produce, plants, meat, bread without getting



in a car if you live close enough, and buy a gift. That will save and sustain Astoria. Things Walmart's not offering. And the experience of downtown. People taking pride in buildings and homes down there. It's our past and our future.

- IS – I'll piggyback on that. I'm 20-something with college degree – not many of us that come and stay here – revolving door. So having those cool amenities downtown felt like living in a city, plus great people and walkable, oozing character. We're looking at three years – haven't thought long-term yet. If we can continue to be an enabler of entrepreneurship in the region, whatever it looks like. ADX has adapted to needs of community over time.
- MA – I'd love to see dilapidated buildings fixed up, building filled. Heritage Square, something done. Room for 5k more people. And not talking high-rises on riverfront. (In WWII, 20k people lived here – Liberty Ships – everybody split their houses into duplexes).
- IS – tough question, re: growth. There's height restrictions and bringing old buildings up to code. I think twice the population 20 years from now would be cool. Would need to do a highway bypass for sure (groans – that's a tough issue with LM and other long-timers). How to connect west end of peninsula and south side of town with downtown? Critical in thinking of the future. No amenities on South Side. Have to go at least to top of hill. Big opportunity on Ford site, empty grocery store.

## Craft Brewing & Fermentation Focus Group – 11 am

January 18, 2017

### Participants:

Jack Harris – Fort George Brewing    jack@fortgeorgebrewery.com

Jeremy Towsey-French – Reveille Cider    jeremy@reveillecider.com

### Introduce yourself, how long in Astoria, little about what you do?

*Jack Harris – Fort George Brewery*

- Have lived here since the 90's. Worked in Cannon Beach and commuted for nine years and lived here, couldn't afford housing there. Got to live in a lot of different places. I moved here on purpose. Finally didn't feel like I arrived 10 years too late. Boulder, Portland, etc. They were fixing things up just a little faster than they were falling down in last 15 years or so. There's a lot of battling entropy in Astoria.
- Way fewer closed stores, Co-op moved into nicer spot. There's holes in streets, but others getting filled in. Improvement comes in waves, plateaus.
- FG has grown like a mushroom. Original business plan didn't include off-premises sales at all – was perfectly happy with a little bar / pub. When we ran out of room, started lobbying building owner to buy building versus investing in rented space. Made us also buy Ft. George building. Make sense to put a production brewery into. Added taproom, showroom, doing talks. 7 years ago, would've never foresaw having an events coordinator. Has really grown organically. Responding to opportunities. Have lots of really motivated, smart people that we want to find things for. Have three restaurants, warehouse in Warrenton, now distribution business (had friends in Portland that wanted us to distribute around here for them). We're distributing 20 different breweries, cideries, and wines. Become a whole solid third leg: Production; Retail; Distribution are three legs of business.

*Jeremy Towsey-French - Reveille Cider Works*

- Started as conversation about a nano-cidery in Portland. Commons in Portland was state's first OICC certified brewery in state, in garage. Cider Riot in Portland was operating in his garage. Same time, me and family wanted life change and we'd been coming here for a while. Cidery is a winery by license essentially; not one near coast. (Our place - still waiting – not spending on electrical / plumbing yet.) Cider industry has grown 300% since 2010. OR and WA produce and consume more cider than anywhere else. Initially will be wholesale. 7 barrels at a time. People told me: give people opportunity to buy direct. 750 square feet. CUP permit, change of occupancy for space; learning from people like Jack who created this environment. JH – don't look at it as competition, but bigger pie versus your slice. Downtown association trying to quantify regional magnetism. People see Astoria as playground for Seattle / Portland. Anecdotally, people love Astoria.
- I moved to OR from rural ID in '07, came straight to Portland. Putting house on market May 1 to move to Astoria. It's for the biz, but also lifestyle. Looking for residential property became a look at commercial property.

### Opportunities & Challenges: How will your business and this industry evolve in Astoria?

- JT: Little things matter – freeing up real estate that's been available for a long time, e.g., Flavell Building; Kevin's addition to the City – very liberal mindset around creatively leveraging space. Change of Occupancy (CUP) was really simple – would not have been in Portland. Charter building over here has impressive opportunities – was a garage; mixed use zoning is important. The brand of the City – it's what other people think you are.

Hasn't been a problem here re: too heavy handed. Ft. George and others have been good at "cultivating" their brand. City and orgs to work to strategically support what we think brand is. Is there a unified vision? What's critical is an evolving attitude about the City's identity. No longer fixed to timber and canning. Would love to do a branding exercise – do people think it's still gritty? When I look at commercial buildings, I'm blown away at how quickly they're under contract.

#### **We've heard a lot about off-market sales; also about the regulatory environment. Your experiences?**

- JH – City has been awesome and flexible; we're repurposing old buildings, could've been a nightmare. They've given us a roadmap – will walk you down hall to next person to talk to. Could never point to City as holding us back. Employees are where we do have issues. We have 110 employees and we can't find housing for them. Some people in town want to freeze growth in place. When you live on a hillside with two solid blocks that used to be a school but NIMBYs refuse to allow development of property because it interferes with views... I don't know how to get through to people. I call them Nobots. Nobody comes out like that in support of development. Don't know why they can sit and rot like that.
- JT – Kevin keeps a list of City-identified properties that are abandoned.

#### **What about the idea for a cooperative arrangement with the Landlord Association?**

- JH – Too much trouble – would never want to babysit my employees or people's housing opportunities. A great study would be to find out how Airbnb is cutting into that potential for long-term rentals in town [**NOTE: bring in Portland Airbnb study**]. It's under radar, but there are dozens that are doing that. JT: If ADU's become legal, people will really wrestle with Airbnb versus long-term rentals. People need a path out of renting to homeownership too, not just a career path.

#### **Challenges for your industry and the local economy?**

- JH – school district funding; in OR we have no sales tax, so no roads, schools, etc. ☺ Community College medical facility expansion – big attractor to town. But basic schools really need investment, but that's a state problem. Transportation is other thing – we have two buses now to Portland – if that was four, they'd be full. Especially now with Wi-Fi on bus. Our distribution has almost left town – it's in Warrenton across from Costco. We're downtown, so cooler truck parked outside all day to load beer on. If streets went back to dual direction, would be tough for us. One of reasons City decided against it. I'd love to see more bike infrastructure, but with the hills, it's not idea for bikes. Electric bikes coming along (one of small holes in plan). Idea that there's not enough parking is ridiculous downtown. Big parking lots are downtown killers. [**NOTE – check out story of Astoria's misaligned street grid (2 different planners).**]

#### **What is your economic vision for future of Astoria?**

- JH – don't want to see Astoria become a tourist town. 2k people are coming to Dark Arts festival, only 100 coming from residents. I get a ton of thank-yous, but don't want to live in a town that's only here for others to enjoy. If town doesn't pay attention to manufacturers, it's going to wake up one day and be dissatisfied. If all housing becomes second homes for Portland / Seattle people, that doesn't help. With free market, don't know what you can do, but maybe helping out local people to buy here. Maybe in 20 years, there's plans for people to be housed and be able to live and work here. EW – Breckenridge has home ownership incentives that are tied to a signed contract for a job. Interesting. JH – we've looked at ways to support our employees like helping with down payment for a house.
- JT – Astoria is unique because hasn't done a Cannon Beach or Newport. How to resist that in a meaningful way. Using history, remains of infrastructure, even talent to nurture

analogue industries; digital has peaked. How can city help with mostly state-based school funding issues? Uneasiness about socio-economic climate; staycations; argument for mitigating a tourism-based economy.

- JH – recreation, other uses of forest should factor into the economic development strategy – this could be a world-class mtn. biking town; so many roads; it's mostly been let go to motorized users. There's no trail network. We could be a center for that here. [NOTE: revenge of analogue book]

## Non-Profit / Philanthropy Focus Group – 12:30 pm

January 18, 2017

### Participants:

Marlon Martin – CCA – Clatsop Community Action (Foodbank)

Bev Danner – CAT Community Action Team – beverlyd@cat-team.org

Rachel Jensen – LCPS Lower Columbia Preservation Society – rachelamyjensen@gmail.com

Elaine Bruce – CCA Clatsop Community Action (Foodbank) – ebruce@ccaservices.org

Dan Brown – ED of Community Action Team

Sue Farmer – The Harbor – sue@harbornw.org

Sarah Heath – ADHDA (Astoria Downtown Historic District Association) –

sarah@astoriadowntown.com

### Introduce yourself, how long in Astoria, little about what you do? How have you seen Astoria change?

#### *Marlon Martin – Clatsop Regional Foodbank*

- Been involved in non-profit work and been a resident since 2007. We're distributing five times the amount of emergency food boxes from 2007; more advanced procedures, but highly weighted toward need.
- There has been a lot of economic development in the area and outlying areas, but it may not bring in a lot of living wage jobs. If there were one true service we could provide it would be a living wage job. In 2007, 5000 emergency food boxes; now 24,000 / year. What is the increased provision due to? Increased need, or meeting the need better?

#### *Beverly Danner – Community Action Team*

- Here first in 1980, then 1988-2007, still work here but don't live here anymore. Tremendous amount of change. Elliott Hotel was a flop house. Buildings in downtown core redeveloped; restaurants; a bit more gentrified now; was still a mill in town in the 80's – now it's Mill Pond housing. Movie industry was attracted to Astoria.
- Our focus – community investment & housing. Great need for living wage jobs, but also affordable housing. We're at a crisis point here with that, and in surrounding area.

#### *Rachel Jensen – Lower Columbia Preservation Society*

- Born here in 1979, fourth generation. Seen a lot of change; lot of reuse of neglected buildings. Want to become more of resource for that, but we are here to watchdog city around development for historic preservation. I'm also a realtor. People are coming from everywhere.

#### *Elaine Bruce – Clatsop Community Action (sub for many programs)*

- We assist low income, homeless, work with Regional Foodbank. Agree with Marlin and Rachel – lack of affordable and low-income housing. For companies looking to locate here, look at housing, schools, can make or break decision. Live in Gearhart – lived in Astoria for a year, but also in mid-80's and am an ex-realtor. Houses used to be on market for 2 years. Crown Zellerbach left and took every last tree. Water warmed and tuna went to San Diego. Really depressed at that time. Only hourly jobs were \$5/hr. A lot of our clients could be working if there were industrial jobs available.

#### *Dan Brown – ED of Community Action Team (covers three counties, Tillamook, Clatsop, Columbia – umbrella agency for Elaine)*

- Not from Astoria; here to listen. Living wage jobs & housing. Our connection is through Elaine and Marlon's orgs; we pass along funding through them.

*Sue Farmer – interim director for The Harbor (women's resource center)*

- Came to Astoria in 1959, lived away for only ten years of the interim. Canneries were big. Population was greater back then – maybe 14k. Went away a few times, back for good in '86. Bioproducts in Warrenton – Caruthers Equipment, used to be 50, now moved back east. Just making fish meal. Do something with the Ford site – condos / apartments, housing. Infrastructure: Jeffers Gardens – due to water, sewer problems, couldn't proceed. Tongue Point Job Corps probably a good thing. Façade improvement grants would be amazing.

*Sarah Heath – Downtown Association Director ADHDA (Astoria Historic District Downtown Assoc.)*

- Shepherd biz support for more employment and building/façade/public realm improvement. Been here six weeks. Cluster analysis – vacant properties; anchor businesses; where clusters would like to see businesses come in. Should be done in a month. Survey and background info pulled together.

**How do your orgs integrate into the larger economy; how can economic development in Astoria lift all boats?**

- MM – chicken/egg with housing & jobs. Jobs create money, money builds houses. What does city have to embark upon first? More social programs, or do we create economic environment where people we serve have an opportunity to thrive?
- SF – strong community resistance to potentially dirty industries.
- SH & BD: We need to be able to split our homes into apartments again. Yes, need to look at different models – e.g., ADU's. And mixed use above commercial. Slightly denser housing.
- SH – construction costs are driving lack of housing development - \$150/psf just for labor. Certainly, same issue statewide. Why not contract development out two years to mitigate demand peaks?

**Are there local developers we could talk with focused on the Astoria market? Need to understand the supply/demand imbalance.**

- Jason Palmer has developed some housing. Premise for housing study we did in Columbia County and Clatsop. Still in midst of it. Housing Study Mike Morgan did a year ago.
- SH: Reach out to Julie Carver @ Innovative Housing. Building affordable housing. Craig Kelley, developer of Mill Pond, which was a bad brownfield site at time. Development between here and Tongue Point would be great, but a great deal of contaminated property. Took apart ships and planes. Need mitigation to spur development there. [NOTE – see Wild Billy's remediation?]
- Elaine: What do other cities do to incentivize businesses coming in? Others get out and market – taxes, outdoors.
- SH: I have two businesses coming in that can't find housing for; retaining talent at the hospital is really hard. One of my hard jobs is getting people to come downtown so that

businesses can stay open later year-round (chicken and egg). But this would help provide high school students with first jobs, thus less competition for living wage (or any) jobs.

- MM – No thriving high school job base b/c adults are taking part time jobs.
- RJ – I’m seeing, as a realtor, people coming in bringing their work with them – working remotely. So, they are often coming purely for the quality of life / sense of place here. Can’t think of anyone I’ve helped find a home recently that moved here for a job, except Kevin Cronin.
- SH: would love for City to find a way to find a developer ok with smaller margin of profit. Justice – builder in Portland – modelled his housing on just that premise. Discount prices entail volume. Even for just the middle market.
- RJ: there’s nowhere to build here!
- MM: explore annexation. Nope, urban growth boundary has run up against limit – nowhere else to grow but up.

**Pivot from housing. What could the City do for your cluster?**

- SF: CCA and The Harbor are extremely collaborative already.
- MM: strengthen the network between me and businesses/organizations. My program is 80% dependent on local money, not government funding. We’re geared toward the biz community, not government. City side thinks like government. Don’t have money to really reach out to cost of small program that still costs \$300k.
- SH: we work with local hotels that help us with shelter; not ideal, would rather our own safe place, but we’re working on that. CCA helps with rent assistance.
- Workforce/jobs training programs connections? SL: we work with DHS with our Déjà vu thrift store; we work with clients on TNF by giving jobs at thrift store. Try to get them into lives in transition program at the College.
- MM: provide a lot of services around job training for volunteers and those served. 72k hours per year go into our work.
- SH: get hospitals involved; major employers with talented, skilled, paid people that could get more involved in volunteering / training.

**What are the capacity constraints for your organizations? Are there things preventing you from being as effective as you’d like to be?**

- Funding, obviously. Workforce – MM: most of our volunteers doing it to feel good. We need regular volunteers willing to be trained at a skill. We see huge turnover. People get bored.
- SH: that’s the unicorn of non-profit – someone who shows up on time and works.
- CAT employs 150 people in three counties; biggest struggle is paying a livable wage. Often they’re poached by those who pay better after we train them. Thinking of having to cut transportation to head start to be able to keep employees and pay them.
- SH: I would love a staff person, but do I fundraise to bring person who would bring in more grants?

- Elaine: capacity-building grants; more sprinkled than they used to be.
- MM: funder jumper non-profits – people craft their programs to catch the funding fads/trends – e.g., hunger is not en vogue with funders right now. Non-profit is not non-income. Need income in addition to grant juggling. Fred Meyer came to us to help them find employees; many can't pass drug test.

**What is your economic vision for Astoria and/or your cluster?**

- RJ: we're growing, hoping to hire
- Elaine: we're at saturation point, critical mass; can both preserve historic beauty, and grow. Just need some guidance; investors needed – Astoria has a lot of cool factor. Bev and Dan work really hard with housing and rehab stuff, ties in with RJ. Needs more funding / oomph.
- BD: Downside of non-profit housing development is all the regulations tied to what we do. Private developer could build for \$150 what we have to build for \$325 / psf all because of regulations. MM: costs about 40% more to build.
- SH: would love to see businesses that kept money local.
- BD: My vision? A thriving Astoria where our services would not be needed.
- SH: We need real internet here.



## Foodie and Food Production Focus Group – 2 pm

January 18, 2017

### Participants:

*Joe Garrison – Schwieter's Cones and Candy*

*Jeff Schwieter – Schwieter's Cones and Candy*

### Opportunities / Challenges

- Our biggest constraint is parking. 95% of our business is tourists. There's potential for more local business – we've tried. Community events, etc. Not only for our employees, but customers. We're buying a building here in town. Currently tenants on third floor. We'll be bottom floor retail, then commercial kitchen on half of second story. We employee (varies) but 60-70 in summer, all locations. This location – probably 10-15 in summertime. There are dead blocks downtown that could be used for a parking structure. A city parking structure could be a great investment. Could sell monthly passes.
- Seasonality is another issue – more employment during summer. Warrenton development will help business as well. More room to grow and expand here with local support than other cities we've been involved with. We do have a couple people of ours moving here to live. (also in Seaside, Cannon Beach, some folks who would transfer locations).
- More than housing, there's a lack of qualified people. Drugs, don't want to work. To find them, you're importing.

### What could the City do more of for your business / industry?

- More affordable housing is great. Heading in right direction. But Astoria needs to bring more businesses in.
- Haves and have nots – missing a middle class, and those jobs. City should encourage more cruise ship activity and the like that build on the town's historic building blocks / roots. And the riverfront (balanced with its working activities). Why not do dinner river cruises?
- We need to have viable foot traffic.

### What are the biggest issues affecting your business?

- Our biggest is being on the coast and driven by tourism, when it's low season, we're totally dead. Our southern locations are totally dead. Three months of the year we make 70% of our annual.
- Festivals and events to encourage tourist visits. But if the pass is bad, people don't want to come here.
- At our Seaside branch, local high school does basketball or wrestling tournaments every weekend. Big, big deal. That could be huge in Astoria and would really be a shot in the arm for local businesses.
- Astoria has been the easiest to work with of our 12 cities. Pro-business focused. Retail was easy, but light manufacturing was a little more complicated. They pushed the idea of a viewing area on us, then helped us with it. Astoria round-tables it with planning, public

works, everybody so if there's any roadblock, it comes up right there. Versus the runaround from department to department that I get at other cities.

**What is your economic vision for Astoria and / or your cluster?**

- Stronger embrace of Astoria's historical significance. Overall, the City is headed in the right direction.
- (Note: lots of housing going into Warrenton.) Not a lot of room for housing development. Need to focus on downtown area housing development.

# ADVISORY COMMITTEE (ADVANCE PARTY) MEETING

January 19, 2017 – Red Building

## In Attendance:

- Julie Kovatch (Clatsop Community College)
- Andrew Bornstein (Bornstein Seafoods; Buoy Beer Company)
- Dave Kroening (Buoy Beer Company)
- Leslie McCray (Sweaterheads; Sunday Market)
- Jorge Gutierrez (ED Lower Columbia Hispanic Council)
- Alisa Dunlap (Pacific Power)
- Erik Thorsen (Columbia Memorial Hospital)
- Patrick Wingard (DCLD)
- Bryan Lobel (Community Attributes)
- Elliot Weiss (Community Attributes)
- Kevin Cronin (City of Astoria)
- Nancy Ferber (City of Astoria)

Walt Postlewaite (Craft3), Jim Knight (Port of Astoria), Kevin Leahy (CEDR), Jim Servino (Astoria-Warrenton Chamber of Commerce; Aquatic Center), Mary McArthur (Columbia/Pacific EDD) and JoAnn Zahn (Clatsop Community College) were absent.

## Interests and Priorities, Updates

- Public involvement strategy update: Focus groups update. Kevin looking for contacts in the maritime industry, e.g., Captain Timmons with the US Coast Guard. Getting popups ready – including annual chamber awards, Safeway parking lot, wherever I can. Kevin's outreach efforts – ADHDA presentation, etc. (on sheet). Jorge – do a focus group at one of our Hispanic Council meetings. CAST radio?
- BL: insights & ideas map; put dollars (maybe, initial strategies from Focus Groups); postcards from the future;
- EW – focus groups update: what we've heard:
  - BL – insights
  - Questions – Walt's – low wage; this relates to forest products sector – why don't we have value-added wood products here? Cross-laminated timber, finished wood products like furniture as examples. I try to get traction at business Oregon, but getting nowhere. Not just remove bark and send to China. State of OR has raw-log export ban. Clatsop County has 23% of state's forest land. DR Johnson Oregon has pivoted to cross-laminated timber. Biomass is another opportunity. Worth noting that Astoria is one of the last remaining timber towns in Oregon. Still over 30% of economy, 90% of exports to China.
- Popups – info dissemination versus info gathering – what do we want from popups?
  - Mothers & kids in strollers – KC
  - Employees not focus grouped, so need to capture average people, workers

## EOA Overview

- KC - This will be an appendix to a 10-12-page strategy document we (City of Astoria) can hand out to investors, business location people – a marketing piece – but hopefully one that also speaks to a consensus on how we grow as a community as well.
  - EW – it's still missing pieces, like the community outreach.
  - ET - Healthcare in tsunami zones (prohibited – central facilities line?) – Patrick can get this data; also, brownfields, flood zones, geologic – soils. Patrick – floodplains are in same category of constraints as tsunamis.
  - PW – there's a ton of hilly land over in the UGB east; this plan should build foundation for future zone changes – you have a ton of flexibility if you're not looking to change UGB (we're not). Don't worry so much about statutory / administrative EOA requirements.
  - KC – comments are trickling in – forwarding to CAI to incorporate edits into EOA.
- KC – maps overview – most OR comp plans were done back in early 80's. (Reviewing old industrial sites map). 40 years ago, this is what we were thinking about.
  - AgBag owner is open to doing something
  - PP&L site – Alisa – adjacent to PPL substation – use for staging for large equipment currently – line trucks. Would need to reserve some access to substation for maintenance.
  - Other sites to consider: Lums Building site (across from CCC land – sensitive); across from City Lumber; building with Terry's Plumbing in the basement; ballfields that go out of town by Astor School (Patrick – sensitive); Lums also has whole two blocks around Columbia Fruit & Produce Building.
  - KC – what kinds of businesses should go here? Hospital – I view whole bend area (Marine Drive) as expansion zone for hospital. KC – are we going to compete with handouts – other communities have more resources – what are we competitive at? What fits our vision. If we're going to do recruitment, we've got to be smart about it. Good popup question – what missing services would you like to see come here? KC – if I'm a developer, how to we mitigate the risk to building speculative development; AB – that's a cluster we need to pursue – metal fabrication, boat-building, we have 200 years of maritime culture. These boats go to Florence and Newport for work. Only one place we can take out boats. Engineers. Bornstein would hire refrigeration people instantly, as well as welding. Let's align training and education programs here in town. Get AMCO here – targeted look at where they could locate.
  - JG: Are we going to explore new industries here, like technology sector. KC – I see individuals with laptops being able to do that, but 10 plus firms, tough – very little office space or land to develop for that. We do have good internet. Jorge: Even IT Services, web development?
  - PW – there are no System Development Charges (SDCs) for developers here – this is a capital facilities development surcharge.
  - IT – we actually have Hazen Hills Software, BlankZebra web development; this type of activity supports many other industries.