



Community Economic Revitalization Board Planning Application

Applicant Information

Applicant Name: **City of Kalama**
Tax Identification Number: 91-6001447
Statewide Vendor Number: 0008969-00
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Kalama, WA
98625
County: Cowlitz
Legislative District: 20 Congressional District: 3

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Project Title: Kalama Downtown Economic Revitalization Implementation Strategy

Project Description:

The City of Kalama is located in southwest Washington along the I-5 corridor, about 30 miles north of Portland, Oregon, with a population of approximately 2,500 residents. The Port of Kalama is a large employer partially located in the City, with more than 30 companies employing approximately 1,000 people. Recently, the Port announced the development and construction of a new \$1.8 billion dollar methanol plant, which will bring additional investment and employment opportunities to the City of Kalama and the region.

With this new investment, the City of Kalama needs to update their current economic development plan for future development and expansions of existing industries. Secondly, the City also needs to evaluate the need and plan for additional support services that would support the current additions of new industry, not only at the Port of Kalama but throughout the entire City, particularly downtown. The new facility for NW Innovation Works, expansion at Kalama Chemical, and the expansion of Kalama Grain terminal will result in additional jobs within Kalama as well as increased traffic and pass-by trips that could provide an economic benefit to the downtown area. This grant will focus on downtown Kalama redevelopment opportunities and market strategy. As a part of this grant, the City would like to determine how to best address the changes in need for services and goods in the local economic climate. The City intends to gain a better understanding of the current needs and near term economic trends that will impact downtown Kalama. Understanding these needs and trends will allow the city to target business recruitment and promote expansion of existing businesses to maximize benefits to community employment and housing as well as maximize revenue to support city services from sales and property tax revenues. Better understanding and targeting the growth needs and the support industries most in demand in the downtown core will allow the City to prepare a more informed vision

for the city core. In addition, the City will continue a public outreach and visioning process with stakeholders to gather information and build consensus on what type of development and businesses the City should be targeting to locate within the downtown business district.

Currently, there are many vacant commercial spaces in downtown Kalama. The City needs a market analysis to identify target industries and types of businesses that are in the highest demand for locations within the downtown. The market strategy will provide steps and recommendations to the City to attract those specific target industries that would be most appropriate for Kalama. The goal of this project is to inform the City of Kalama what the most appropriate and feasible business and industry types are to locate within the Kalama downtown area to promote economic development opportunities.

Project Scope of Work:

This project will be divided into three main tasks:

Task 1. Existing Conditions Evaluation and Report

This task will consist of gathering information, conducting research, and building an inventory of properties in downtown Kalama. This task will consist of a site visit to the area to conduct the inventory and take photographs of the existing conditions. Infrastructure, zoning, property ownership, transportation, access, topography, environmental constraints, and existing uses will be evaluated and documented. Economic statistics will also be gathered of the area and a site visit will be conducted. Stakeholder interviews will be conducted as needed to gather research and inventory data.

The deliverable will include an existing conditions report identifying inventory items and meeting notes from stakeholder interviews.

Task 2. Economic Development Analysis and Vision

This task will be divided into two parts: the analysis portion and the redevelopment and visioning portion. The analysis portion of this task will include examining the following:

- Transportation access constraints and opportunities to draw cars off I-5
- Census data for Kalama (average age, number of people, etc.)
- Promoting economic growth existing business
- Development Readiness for developed and vacant land
- Product market analysis linked to economic development
- Identify target industries or housing types
- Economic diversification asset analysis and economic outcomes, as identified in grant requirements
- Potential redevelopment opportunity sites

The second portion of the work will examine redevelopment opportunities and creating a vision for downtown Kalama. The analysis portion of this task will include the following:

- Based on economic analysis recommendations for each redevelopment opportunity site, craft a vision/strategy
- Depict each opportunity site's vision and strategy with illustrations and graphics to show feasible redevelopment opportunities
- List recommended changes required to bring vision to reality (zoning changes, design development standards, infrastructure improvements, etc.)
- List benefits redevelopment brings to communities:
 - o How project assists local economic diversification efforts

- o Median housing wage of jobs created
- o Total estimated jobs created (FTEs)
- o Wage
- o State/local revenue generated by new business
- o Private investment generated

Task 3. Implementation and Market Strategy This final task will provide steps and recommendations to the City officials in order to implement the vision of attracting new businesses and industry types to the downtown. The strategy will also include the following:

- Organize redevelopment opportunity sites into feasible timeline (near and long term)
- Craft a marketing strategy containing action events linked to timeline
- Identify group responsible for implementing marketing strategy
- Provide funding options for public facilities timeframe
- Determine economic outcomes with quantifiable success measures
- Measurable terms for outcomes
- Identify data collection means
- Identify potential public/private meetings

Estimated schedule for public project completion:

Consultant Service Chosen:	Mar 15, 2016
Consultant Service Work:	Mar 15, 2016
Consultant Service Draft Report:	Sept 15, 2016
Consultant Service Final Report:	Mar 15, 2017
Consultant Service End Work:	April 1, 2017
Consultant Project Complete:	April 1, 2017

Project short and long term benefits: *(Describe the projected short-term and long-term economic benefits the planning project will have on the local community?)*

SHORT TERM:

- Current market strategy, collecting the most recent data and employment statistics, to identify most appropriate industries and businesses that would support the local increase in need for services and support industries to recruit and expand in downtown Kalama. Such a plan does not currently exist for the City, and the City needs to better understand the changing economic environment to better plan for the expansion of the existing businesses and to guide recruitment efforts for key support industries needed to support the existing growth on the Port of Kalama.
- Create plan to attract those appropriate and feasible industries and businesses to downtown Kalama (for example, new website, storefront redevelopment assistance, attending trade shows, etc.)
- Improve wayfinding and access from the west side of the freeway and from I-5 to downtown Kalama
- Begin marketing campaign for downtown Kalama to draw on historic small town charm and economic opportunities
- Inventory of existing buildings in downtown, identifying vacancies and redevelopment opportunities and challenges

- Evaluate ways to leverage local investments in infrastructure in a way to be most effective in serving the targeted growth industries.

LONG TERM:

- Identified economic diversification plans to attract businesses and industries that may not already exist in Kalama
- Increased economic development opportunities for existing and new businesses within Kalama
- Increased employment opportunities for residents and nearby population in the region
- Increased connection with Port of Kalama employment opportunities and amenities for those employees in downtown Kalama
- Increased commerce and visibility with I-5 passengers
- Strategically leverage public investments in infrastructure to support target growth industries and areas.

Accomplishments: *(What will be accomplished as a result of the project?)*

- Inventory of existing conditions with recommendations for economic development strategies
- Vision graphics and illustrations for opportunity sites for future redevelopment opportunities
- Strategy to implement vision to support revitalized downtown with identified short and long terms goals for economic growth
- Wayfinding and signage from I-5 to downtown Kalama; increased tourism and employment opportunities within established downtown Kalama

Community impact: *(Describe the impact on the community in the event the project is **NOT** funded by CERB.)*

The City of Kalama does not currently have market information for the city or for downtown, and is therefore not able to properly attract new business investments. These buildings and redevelopment sites have not yet been studied or analyzed. As a result, the City is not able to strategically approach industries and commercial support services to maintain or expand the local economy. Once these opportunity sites are inventoried and identified and a current and future economic opportunities analysis is developed, the City will then be able to more effectively recruit targeted users to the locations with a demand for their goods or services. Additionally, the City doesn't have a concise documented report utilizing economic data and 2010 Census data, current growth patterns, demographics, and growth projections/trends, which will be identified over the course of this project, as well as what industries the City should be targeting to locate within the downtown area. With this information and at the end of this project, the City will be better able to market sites to appropriate users and developers with similar goals. In addition, these statistics will assist City officials in obtaining a better understanding of how the community is growing, and where to invest public funds in infrastructure. If this project is not funded, other funding must be researched or this project will be split into multiple phases and achieved in multiple years, rather than an 18-month period. This will prolong the City's vision implementation plan of increasing economic development by several years, and may result in some data being outdated by the time the full analysis could be completed. This grant is needed now to plan for the immediate future with the near term employment expansion at the Port of Kalama.

Request & Match Funding:

Source	Amount	Status	Date Approved/Pending
CERB Request	\$50,000		
City of Kalama	\$25,000	Planned	12/2/2015

Other Source Funding:

- CDBG funding
Kalama has considered community development block grants for planning in the past but have not applied because we felt the eligibility requirements based on population demographics have indicated a poor probability of success in receiving the funding.
- Rural County Public Facility Funds
This funding source has been considered for economic development planning in Kalama’s downtown core each year. There is limited funding in this source which generally gets allocated throughout the Cowlitz County region. While this funding can be used for planning economic development, priority is given under this funding source to immediate infrastructure needs in Kalama to support economic development primarily in the industrial areas in both incorporated and unincorporated locations in our vicinity.
- EPA Brownfield Assessment Grants
Kalama staff was actively pursuing both the EPA and Ecology grants in an effort to identify and remediate brownfield sites (specifically potential underground contamination associated with derelict underground storage tanks), as well as provide area-wide planning for redevelopment. I have attached a memo with some detail on the evaluation of these funding sources. There is a specific target site which the City has been engaged with nuisance abatement proceedings. Staff believed this blighted site met the parameters of the grant requirements and felt the outcome could be a twofold success. We could successfully abate the nuisance site resulting in the investigation and potential remediation of the target site as well as accomplish the greater goal of providing area wide economic development planning for the downtown core in which the site is located.

Environmental liability of an unknown level of contamination at the site was a serious concern combined with a contentious relationship with the property owner (we were in intermittent litigation). The granting agencies would require the city to acquire ownership of the site so that grant funds would not be used to benefit a negligent property owner who created the situation. While some liability protection could be offered under a Prospective Purchaser Agreement with

the Department of Ecology, the executive governance of the city determined the risk to be too great.

Consultant Selection Process:

Who will be conducting the study?

If an outside consultant has not yet been chosen, describe the selection process. Provide names of potential consultants.

A consultant has not yet been selected for this work. Once the CERB grant is granted, a Request For Qualifications (RFQ) will be issued for consultant qualifications. The City of Kalama uses a few avenues to call for RFQ's. It may use the MRSC small works roster, post on the city website or publish in our paper of record (Longview Daily News) along with the Daily Journal of Commerce (Portland and Seattle). Once the RFQs are received they will be reviewed by the City Administrator and a consultant will be selected based on qualifications.

The City of Kalama has prior experience with planning consultants: Mackenzie, Maul Foster Alongi, and Parametrix.

Project Link with Economic Diversification:

The City of Kalama does not currently have an economic diversification strategy. However, this project will set the groundwork for such a strategy in the future. The proposed strategy will identify target industries and businesses that will support economic development goals of the community for both short and long term to diversify economic development opportunities in downtown Kalama.

Industry Clusters: *(Does this project build on locally-identified industry clusters) YES*

(If YES please explain)

This project will identify current and forecasted local industry clusters as well as identify other industries within the clusters that are either deficient or not present in the local market area. Gaining a better understanding of these clusters will inform efforts to recruit and attract industries to meet market demands.

Infrastructure Construction Support:

Infrastructure construction support is not proposed as a part of this project and is therefore not applicable.

Private Investment Interest:

At the time of this grant application, private investment interest is not present in the downtown. However, this may be identified and researched as a part of this project, particularly during Task 3, as described above.