

CITY OF CASCADE LOCKS ECONOMIC OPPORTUNITIES ANALYSIS



Review Draft

**Prepared for:
City of Cascade Locks, Oregon**

June 2009

E. D. Hovee & Company, LLC

Economic and Development Services



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I. INTRODUCTION

The City of Cascade Locks is updating its Comprehensive Plan. As part of this planning process, the City is undertaking this Economic Opportunity Analysis (EOA) in compliance with Goal 9, Economy of the State (as stipulated by OAR 660, Division 9).

This EOA is being prepared under a technical assistance grant to the City funded by the Department of Land Conservation and Development (DLCD).¹ The objective of the EOA is to identify likely industrial and other economic development opportunities and corresponding employment land needs over the planning period of the next 20 years. A secondary and supporting objective is to identify the framework for a local economic development strategy.

BACKGROUND

The City of Cascade Locks is updating its 2001 Comprehensive Plan. Local jurisdiction comprehensive plan updates must address Oregon Statewide Planning Goals including Goal 9 Economy of the State. Pursuant to OAR 660, Division 9, local jurisdictions are to conduct an Economic Opportunities Analysis (EOA). As stated in the grant agreement with the City of Cascade Locks, the primary objective of this EOA is “to identify likely industrial and other economic development opportunities and corresponding employment land needs over the planning period of the next 20 years.”²

COMMUNITY ECONOMIC DEVELOPMENT OBJECTIVES

Key community economic development objectives that serve as guideposts for this Economic Opportunities Analysis (EOA) are to:

- Create an extensive base of diverse employment opportunities inside of the Industrial District in the manufacturing, recreation, and tourism sectors.
- Assure the development and sustainability of a vibrant and economically viable downtown.
- Foster and support a recreation and tourism based economy throughout the Gorge, with Cascade Locks serving as a focal point.
- Support the development and success of businesses providing for the day-to-day needs for goods and services of Cascade Locks citizens.
- Develop a business sector that serves as a strong partner with and supporter of the community.

STUDY AREA

The primary study area for this EOA assessment is the City of Cascade Locks and its Urban Growth Boundary (UGB). This EOA also provides discussion of the Hood River County, statewide, and national context from which local economic development opportunities are appropriately framed.

Figure 1. Cascade Locks Area



Source: Google Earth.

EOA APPROACH/PROCESS

Key tasks associated with preparation of this EOA have included:

- *Preparation* including determination of study area boundaries, identification of background economic data, and intergovernmental local cooperation meeting.³
- *Trend analysis* involving review of national and state as well as local economic trends together with review of factors affecting economic development in Cascade Locks and resulting forecast of employment growth potentials.⁴
- *Site suitability analysis* translating employment potentials into associated requirements for industrial and commercial land needs.
- *Inventory of suitable sites* as a basis to determine short and long-term supply needs.
- *Assessment of potential* including number of sites by land use type together with industrial/commercial acreage needs by type.
- *Detailed implementation policies* including a clear statement of community economic development objectives, funding resources, and planned community infrastructure investments in support of economic development.

EOA ORGANIZATION

The remainder of this Economic Opportunities Analysis (EOA) report is organized to cover the following topics:

The Cascade Locks Economy
National & State Economic Trends
Economic Development Potential
Industrial & Commercial Land Needs
Implementation Policies

An *Appendix* to this EOA provides more detailed supplemental data.

Please note that this is a review draft EOA report, subject to review and modification based on questions and suggestions received.

II. THE CASCADE LOCKS ECONOMY

This Economic Opportunities Analysis (EOA) begins with a review of the Cascade Locks economy. Topics covered are data sources and methodology, population and demographic trends, and economic trends. As applicable, comparative data is provided for the city of Cascade Locks (or the 97014 zip code area), Hood River County and the state of Oregon. This overview provides a starting point for subsequent assessment of national and state economic trends, local economic development potential, industrial and commercial land needs, and implementation policies.

DATA SOURCES & METHODOLOGY

Statistical information for this discussion of the Cascade Locks economy has been compiled from published public agency sources including the 2000 U.S. Census, State of Oregon Office of Economic Analysis and Employment Department. Updated 2008 information for a number of post-Census data items has been obtained from a nationally recognized data firm, ESRI Business Information Solutions.

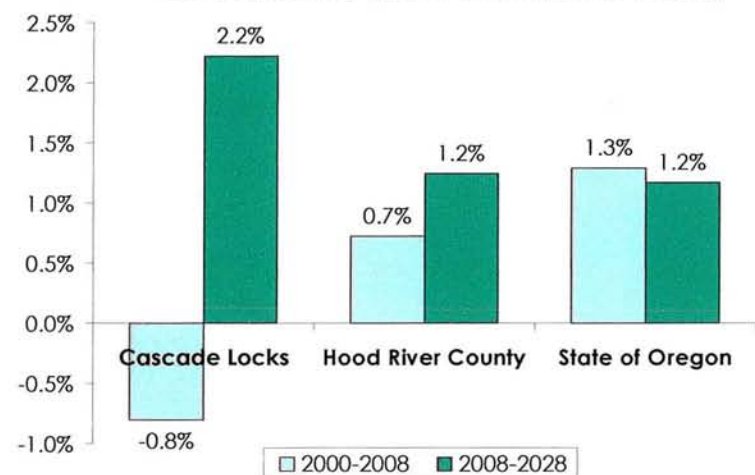
POPULATION & DEMOGRAPHIC TRENDS

Pertinent information items with this baseline assessment include population trends and forecasts and demographic trends of median age of the population, education, and housing.

Population Trend. As of 2008, Cascade Locks had an estimated 1,050 residents – representing 5% of Hood River County’s population of more than 21,600. Hood River County itself accounts for less than 1% of the entire state’s population of nearly 3.8 million. Other characteristics of note:

- Between 2000 and 2008, Cascade Locks’ population declined at a rate averaging 0.8% per year, losing an estimate 70 residents over this period. *Note:* this population loss of recent years followed a decade period of 1.8% annual growth in the 1990s.
- During this same eight year span, Hood River County experienced annual growth at a rate of 0.7%, increasing by more than 1,200 residents.

Figure 2. Average Annual Population Growth Rates (2000-2008, 2008-2028)



Source: Portland State University, Population Research Center; ECO Northwest, *Hood River County Coordinated Population Forecast, 2008-2028*; and Oregon Office of Economic Analysis.

- Population statewide increased more rapidly at a yearly rate averaging 1.4%, adding nearly 370,000 people in eight years.

Population Forecast. In October 2008, a *Hood River County Coordinated Population Forecast* was prepared as a coordinated forecast for Hood River County, the two incorporated cities of Cascade Locks and Hood River, and the remaining unincorporated portion of Hood River County.⁵ This represents the first official update since Hood River County last developed a population forecast in 1997.

With this forecast process, the sum of the two cities and unincorporated area add to a control total for the entire county. The population forecast for Hood River County is based on the State of Oregon Office of Economic Analysis (OEA) forecast for population growth countywide from 2000-2040. The official forecast period for this update covers the 20-year period of 2008-2028.

This adopted forecast indicates that:

- Countywide population is anticipated to increase by an average annual rate of 1.29%, with the county gaining more than 6,200 residents to a figure of nearly 27,700 by 2028.
- Recommended (medium scenario) annual growth rates for the two cities of Cascade Locks and Hood River at 2.0% per year, with a slower rate of 0.8% for the unincorporated portion of Hood River County.
- The 2.0% growth rate for Cascade Locks is most consistent with historical increases experienced in the 1990s, less so with population changes to date since 2000.
- With the projected medium scenario growth rate, Cascade Locks population would increase by just over 530 residents over 20 years, to an estimated 2028 population of nearly 1,630.⁶

The population forecast report notes that the 1997 Hood River County Comprehensive Plan allocates capacity within the Cascade Locks UGB for about 3,200 residents. In effect, projected growth could be expected to achieve just over half the effective build-out capacity within the existing UGB over the next 20 years.

The population forecast report also notes that forecasting population growth in Cascade Locks is difficult because of the uncertainty surrounding the proposed Bridge of the Gods Resort and Casino. Because the potential of the resort is not fully accounted for within the projection noted above, the report notes that future growth could occur more rapidly than indicated by historic rates and recommends that the Cascade Locks population projection be re-evaluated in the future if the project is built.

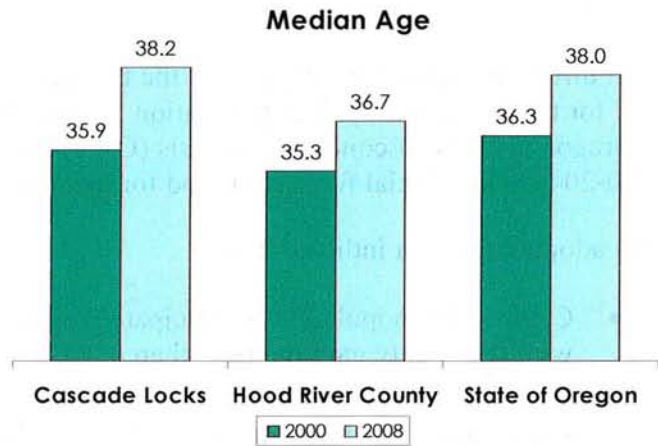
The report notes that the population could grow at a rate of 2.0% if the casino is built. However, as is discussed below, there is a limited supply of buildable land within Cascade Locks and no reasonable opportunity to expand the Urban Growth Boundary. Therefore the ultimate population and employment capacity is limited by the amount of available land. If there is a casino built, it is expected that the available land will be used more quickly, but with much the same final results.

Demographics. This economic profile now moves to consideration of trends with respect to more detailed demographic characteristics, notably median age and level of educational attainment of the population.

Median Age:

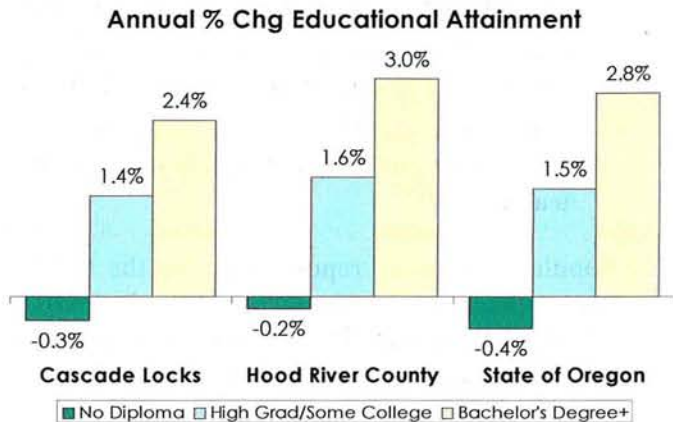
- With a median age of 38.2 as of 2008, the population of Cascade Locks is somewhat older than all of Hood River County (at 36.7 years) and the entire statewide population (with a median age of 38.0 years).
- Between 2000 and 2008, the median age of residents in Cascade Locks rose an estimated 0.8% per year. Increases in median age also occurred countywide (0.5%) and statewide (0.6%).

Figure 3. Demographic Data (2000-08)



Education:

- Educational attainment data is provided for adults age 25 and over. The data available for 2008 indicates that Cascade Locks lags the entire county and the state. Less than 10% of the city's adults have a (four year) college degree or better, compared with about 26% in Hood River County and over 27% statewide.
- Conversely, 16% of Cascade Locks' adults have not finished high school. However, a higher proportion of adults countywide lack a high school diploma, at 19%. Statewide, less than 13% of adults did not graduate from high school.
- From 2000 to 2008, the level of educational attainment of the adult population has increased in the city, county, and state (as indicated by the above chart). The proportion of adults with at least a Bachelor's degree has risen by an estimated 2.4% in the Cascade Locks, 3.0% in the county, and 2.8% statewide. Further boosting the overall education levels across all these regions are declines in the proportion of adults without a high school diploma.



Source: U.S. Census Bureau and ESRI Business Information Solutions.

Housing. Throughout the Pacific Northwest and much of the U.S., the availability, affordability, diversity and quality of housing have become increasingly important to economic development. This was especially the case during the first 6-7 years of the decade, with rapid increases in housing prices followed by the national and regional mortgage lending crisis and subsequent drop-off in housing demand.

From an economic development perspective, the ability to accommodate new employment is likely to be accompanied by – if not dependent on – the ability to provide added housing or changes in the quality and character of the existing housing inventory. This is true across the entire spectrum – from entry-level to managerial job positions.

For this EOA, housing characteristics of interest include household size, occupancy and tenure, and housing pricing and development.

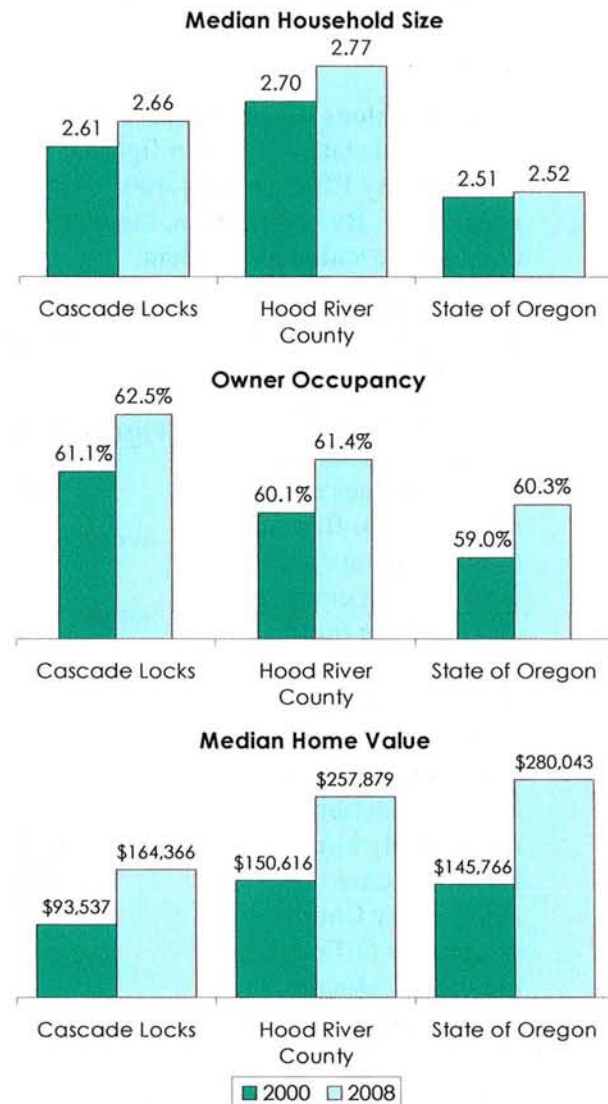
Households & Household Size:

- As of 2008, there were an estimated 450 *households* in the city of Cascade Locks – equating to about 2.66 residents per household. Household size is below the Hood River County average of 2.77 persons per household but above the statewide average of 2.52 persons per household.
- Despite previous forecasts of declining household size, the actual trend has been toward increasing numbers of occupants per household across all three geographies considered.

Occupancy & Tenure:

- As of 2008, there are more than 500 *housing units* in Cascade Locks, of which an estimated 62.5% are owner-occupied, 26.7% are renter-occupied, and 10.8% are vacant (including seasonal units).
- Owner occupancy and vacancies appear to have increased while the proportion of renter-occupied units has decreased from 2000 levels.
- Local home ownership in Cascade Locks is more prevalent than county or statewide.

Figure 4. Housing Trends (2000-08)



Source: U.S. Census Bureau and ESRI Business Information Solutions.

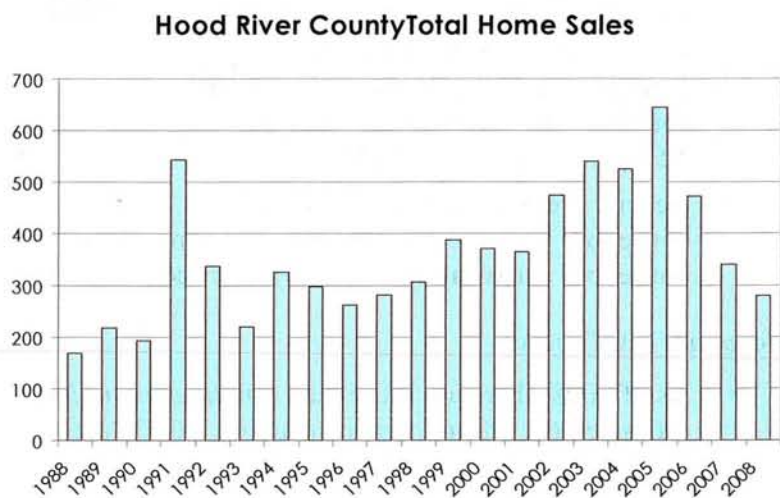
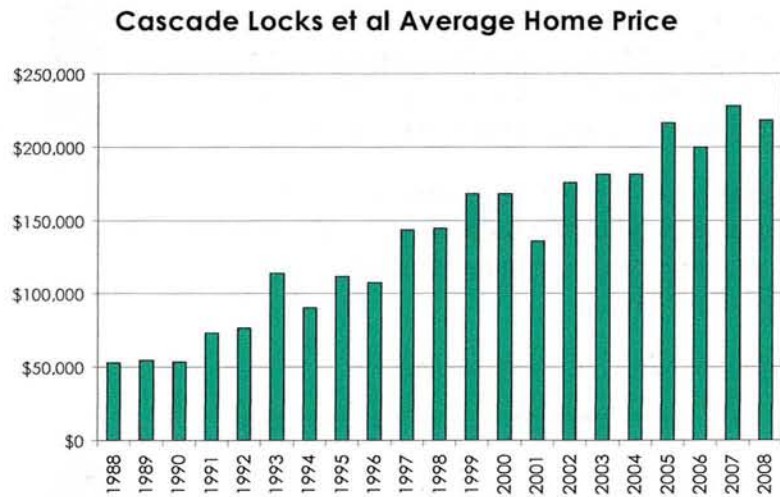
- Housing vacancy as of 2008 was lower countywide (7.5%) and statewide (9.0%) than in Cascade Locks.

Housing Values:

- Housing values within Cascade Locks are significantly below comparable Hood River County and state of Oregon figures. As of 2008, the median home value in the city is estimated by ESRI at \$164,400 – 41% lower than the \$280,000 figure estimated for the entire state. By comparison, median home value countywide is \$257,900, or 92% of the comparable statewide median.
- In the eight years since the U.S. 2000 Census, housing values have increased by 76% in Cascade Locks and 71% countywide. More substantial gains in housing values statewide are indicated, at an overall increase of 92%.

- As is true throughout the state and nation, housing values are now in substantial flux due to the housing credit issues which emerged in 2007 and the more recent overall economic downturn. The extent of the housing demand and price adjustment that may be experienced is not yet fully known. However, data from Hood River County Assessor’s Office indicates Cascade Locks, combined with Odell and Parkdale, recorded peak average home sale pricing of \$228,100 in 2007 with a decline in pricing of 4% indicated between 2007 and 2008. Further pricing declines can be anticipated through much of 2009 and potentially beyond, depending on the timing and extent of mortgage financing availability and job recovery.

Figure 5. Housing Sale Trends (1988-08)



Source: City of Cascade Locks.

Housing Sales:

- As indicated by the graph on the right, housing sale transaction volume peaked before prices did. According to a compilation of Hood River County Assessor's data from 1988-2008, housing sales countywide reached a maximum number of transactions in 2005 with just under 650 total home sales.
- Since the pinnacle year, housing sales have fallen an average of 24% per year, finishing 2008 with a total of 280 sales. This is the lowest number of annual sales countywide since 1996.

Type of Housing:

- Detached single-family (stick-built) housing generally has comprised a somewhat smaller proportion of Cascade Locks housing units (65%) than is the case throughout Hood River County (69%), as illustrated by 2000 Census data. However, the state of Oregon has the lowest percentage (at 63%) of detached single-family housing of the three geographies.
- A relatively high proportion of housing (23%) consists of mobile homes in Cascade Locks versus 14% countywide and 10% statewide.
- The city of Cascade Locks and all of Hood River County have smaller proportions of attached housing than typically occurs elsewhere across the state – especially in multi-family units.

Housing Development:

- According to the *Hood River County Coordinated Population Forecast*, Cascade Locks issued 48 residential building permits between 2000 and 2007. Single-family accounted for 36 of the permits and 16 were for multi-family structures, 14 of which were attached single-family and two of which were duplexes. This equates to an average of about 7 units added to the housing inventory each year.⁷
- Building permit data for unincorporated Hood River County from 2004-2007 is included in the *Population Forecast* report, as well. Over 400 residential building permits were recorded, averaging 100 housing units per year. More than three-quarters (77%) of the permits were for a combination of single-family and multi-family structures, with the remaining 23% for manufactured housing.

ECONOMIC TRENDS

Economic indicators of importance to this analysis include employment by sector, occupation distribution, median household incomes, sources of personal incomes, work commute patterns, local and countywide tourism, and retail sales and leakage.

Employment. Employment data segmented by major economic sectors has been compiled for Cascade Locks (zip code 97014), Hood River County and the state of Oregon over the 2003-2007 time period.

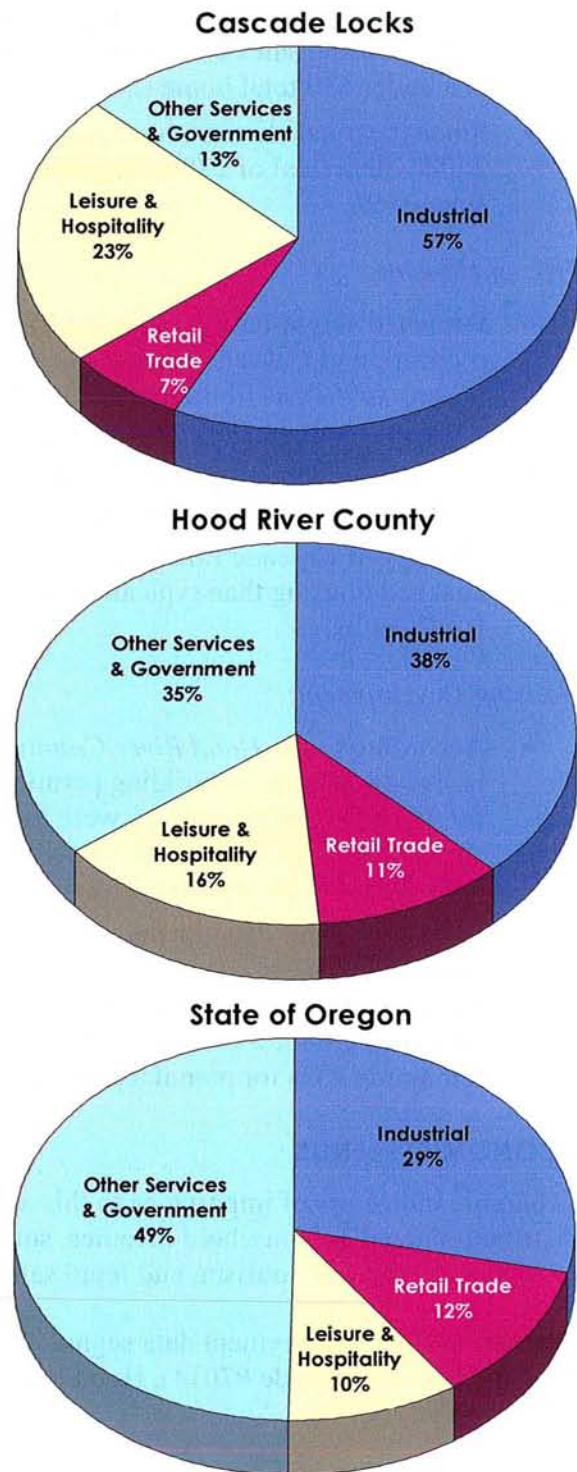
2007 Composition of Employment:

- As of 2007, 52 establishments in Cascade Locks employed more than 440 workers. Employment in Cascade Locks accounts for 4% of total covered employment in Hood River County (somewhat below the community's 5% share of population countywide).
- The typical firm in Cascade Locks has an average of 8-9 employees, compared with an average of 10.5 employees per firm countywide.
- Of the 440+ jobs in the Cascade Locks zip code, more than half were associated with jobs in an industrial composite of natural resources, mining, construction, manufacturing, wholesale trade, transportation and utilities (as of 2007). Close to one-quarter (23%) were in leisure and hospitality (including restaurants), 13% in services including government and the remaining 7% in retail trade.

Job Changes from 2003-07:

- Between 2003 and 2007, total employment in Cascade Locks increased at a rate of less than 1% per year (or by 15 jobs in total). The number of firms reported increased by 4.3%, indicating a trend toward somewhat smaller average firm size. By comparison, countywide employment grew at a more rapid pace of 3.7% annually coupled with a 3.0% per year increase in the number of firms during the same four-year period.⁸
- The most rapid job growth in the zip code from 2003-2007 was experienced in the industrial sectors up by 3.6% per year. Employment losses were recorded in all other groupings of industry sectors.
- When comparing the industry sectors aggregated to match the Cascade Locks

Figure 6. Employment Trends (2003-07)



Source: Oregon Employment Department.

zip code area, Hood River County's job growth was Leisure and hospitality services, increasing an average of 4.4% annually. Leisure and hospitality services also exhibited the most rapid job growth (at 3.3%) in Oregon State.

- Data for Hood River County and the state of Oregon have also been disaggregated for a greater number of industry sectors than is possible for Cascade Locks. This information indicates that education services recorded the highest rate of average annual job (10.2%) and wage growth (15.6%) in Hood River County. Countywide, employment losses were experienced from 2003-2007 in government.
- Oregon State's fastest growing job sector over the 2003-2007 time period was construction (7.7%). Utilities and private non-classified sectors were the only sectors for which statewide employment losses were indicated.

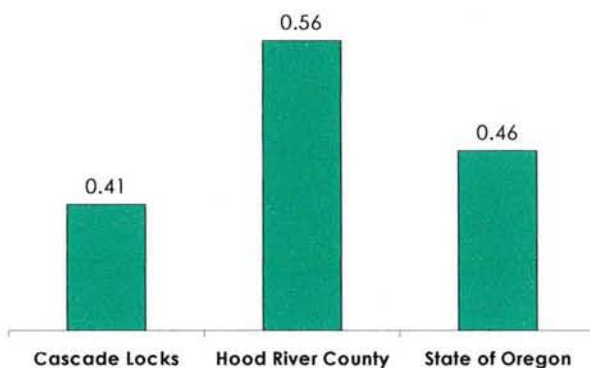
Wage Levels:

- As of 2007, average annual wages for all employees in the Cascade Locks zip code area covered by unemployment insurance was just under \$32,500. The local average wage is above the countywide average of \$26,400 and represents 82% of the statewide average wage of \$39,600.
- Higher average wages for persons working in Cascade Locks appear attributable primarily to a greater preponderance of employment in higher paying sectors within the industrial composite of natural resources, mining, construction, manufacturing, wholesale trade, transportation and utilities than is the case countywide.
- The average wage (or payroll per employee) in the Cascade Locks area has increased by an average of 9.2% per year between 2003 and 2007. The most substantial wage gains for this 4-year period were noted for industrial (up by 11.0% annually) and retail trade (increasing by 6.2%).
- Overall average wages statewide have increased 3.5% annually during the four-year period, not as rapidly as in Hood River County (by 3.7% per year).

Jobs to Population. A useful indicator of local economic performance and need can be provided by assessing the ratio of jobs to population. This is indicated for Cascade Locks, Hood River County, and the state of Oregon by the graph shown to the right.

This comparison shows that Cascade Locks has a relatively low proportion of jobs in town for the number of local residents. In effect, a comparatively high proportion of local residents now commute out of town for jobs due to this lack of local employment opportunity.

Figure 7. Jobs to Population (2007)



Source: Portland State University, Population Research Center; and Oregon Employment Department.

Occupation Distribution. Occupation data is depicted for the employed population residing in Cascade Locks of age 16 and over. As of 2008, white collar jobs represented the largest proportion of the occupational mix in the city of Cascade Locks at 40%, followed closely by blue collar (39%) and then service jobs (20%).

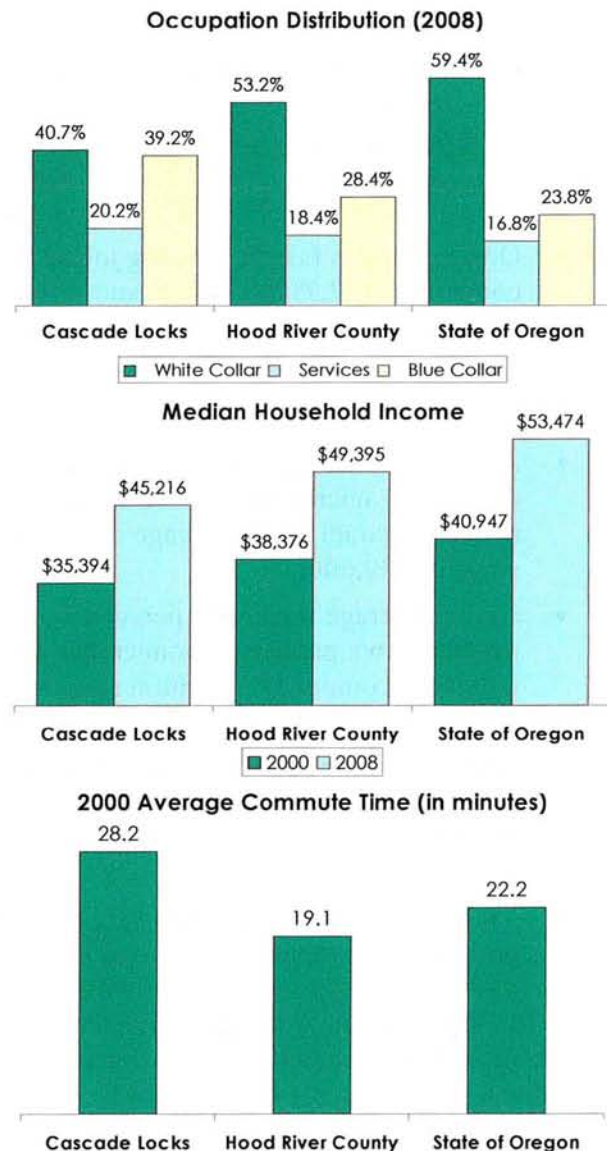
- In comparison to the city's occupational distribution in 2008, Hood River County exhibited a higher percentage of white collar occupations (53%) and fewer blue collar (28%) and service jobs (18%).
- Oregon State's job mix is markedly different at 59% white collar, 24% blue collar, and 17% service.
- Between 2000 and 2008, the proportion of workers in white collar occupations actually decreased somewhat in Cascade Locks, while increasing county and statewide. Service jobs increased as a share of total employment in Cascade Locks as well as in Hood River County and statewide. The proportion of workers in blue collar occupations contracted across all three geographies.

Median Household Incomes. As of 2008, median household income was \$45,200 for the city of Cascade Locks, representing 85% of Oregon State's median income of \$53,500.

- At nearly \$49,400, Hood River County median income is somewhat higher than for Cascade Locks, but still 8% below the statewide median.
- In the eight years from 2000 to 2008, median household income growth occurred at a similar rate in all three geographies, essentially maintaining the previous income gaps but with somewhat slower income growth in Cascade Locks.⁹

Sources of Personal Income. Information regarding sources of personal income is available at county and statewide levels, but not for individual cities. As is true statewide, wage and salary income represents less than half of total personal income in Hood River County:

Figure 8. Economic Trends (2000-08)



Source: U.S. Census Bureau and ESRI Business Information Solutions.

- Statewide, wage and salary income has fluctuated from 46% to 48% of total personal income between 1996 and 2006. In Hood River County, the wage and salary component is slightly lower, shifting from 42% to 46% over the same time period. As of 2006, wage and salary income was 47% of statewide and 45% of countywide total personal income.
- Investment income accounts for about 25% of countywide 2006 personal income, followed by transfer payments (15%), supplements to wages and salaries (10%), and proprietors' income (5%).
- Compared to the entire state, investment income is indicated as source of income that is unusually high in this county.
- While the county's proportion of income from supplements to wages and salaries and transfer payments have dropped in recent years, the shares accounted for by investment income have increased (at least through 2006).

Work Commutes. Within Cascade Locks in 2000, nearly 97% of employees commuted to work (with others working at home). However, local residents commute relatively long distances to work:¹⁰

- Average travel time to work from Cascade Locks is 28.2 minutes, which is above average travel times throughout the county (19.1 minutes) and state (22.2 minutes).
- Nearly 43% of Cascade Locks residents commute 25 or more minutes to work – compared to only 19-20% of those who travel to work county and statewide.
- Approximately 36% of those who live in Cascade Locks work outside their county of residence – compared to 12% countywide and 21% statewide.

Tourism. While detailed city level tourism expenditure information is not available, tourism data covering Hood River County (over the 2002-2007 time period) provides a useful context for further discussion of local and regional opportunities:

- As of 2007, visitors spent an estimated \$72 million in Hood River County – accounting for an estimated 1,030 jobs. With 0.6% of the state's population, Hood River County captured 0.9% of the state's tourism spending.
- While starting from a relatively low base, tourism expenditures have experienced considerable growth. From 2002 to 2007, total direct tourism spending increased by 135% in Hood River County versus 33% statewide.
- The largest category of tourism-related spending in Hood River County is for food and beverage services, accounting for 30% of total expenditures versus 23% statewide.
- Also edging past the state is Hood River County's proportion of visitor spending on accommodations, accounting for 19% countywide versus 18% statewide.
- At 8%, the purchase of ground transportation and motor fuel is the only expenditure for which Hood River County's portion of receipts lag the state's (22%). This is likely due to the county's proximity to the Portland metro area as a major source of visitation.

Retail Sales & Leakage. Retail *demand* relates to the volume of retail purchases made by local residents – whether made in the local trade area or elsewhere. *Supply* is defined as the volume of retail sales activity actually experienced by local businesses.

In conditions where demand outstrips supply, *retail sales leakage* occurs as local residents travel outside the immediate trade area to shop. In some areas, the volume of sales actually experienced by local businesses will outstrip locally generated demand, meaning that retailers are drawing from well beyond the local trade area.

For this analysis, retail sales and leakage information is provided both for the city of Cascade Locks and for all of Hood River County. Analysis of Cascade Locks assesses the need for day-to-day convenience needs such as grocery and pharmacy items. Because there is relatively little residential development in the vicinity immediately outside Cascade Locks, in-city population represents a good picture of the trade area potential for day-to-day customer needs of area residents.

The county-level comparison provides the most useful assessment of broader retail spending potential that may also be available to Cascade Locks – especially for comparison retail purchases ranging from apparel to home improvements. These are typically purchased on the basis of price and selection, as well as for destination expenditures such as dining.

City of Cascade Locks:

- Retail purchasing power generated only by Cascade Locks residents is estimated at \$8.95 million per year. In comparison, area retailers capture an estimated \$7.51 million in annual retail sales (as of 2008) – resulting in sales leakage estimated at \$1.44 million (or 16% of city generated demand).
- The majority of retail categories appear to be *under-served* within the city, largely due to a lack of any business presence to serve local resident demand. Retail categories without an identified presence in Cascade Locks include motor vehicles, furniture/home furnishings, electronics/appliances, building materials/garden supply, clothing and accessories, general merchandise retail (both department store and discount-oriented), and nonstore retailers. The ability for local stores to be attracted that would serve these niches is challenging as these store types tend to require customer counts well in excess of the population in Cascade Locks.
- Several retail types have a local presence but appear to experience some level of net sales leakage. These include health/personal care and miscellaneous store retailers (including florists, office supplies, and gift stores).
- Of the store types that are located in Cascade Locks, the majority are realizing retail sales in excess of what in-city population alone could be expected to support (indicating substantial tourism and pass-through related business volume). These *well-served* retail stores types are food and beverage stores (grocery), gasoline stations, sporting goods/hobby/books/music stores, and restaurants.

Hood River County:

- Overall, retailers in Cascade Locks capture \$7.5 million in annual spending or 3% of existing countywide retail sales.
- For this larger trade area which includes Cascade Locks, total consumer purchasing power is estimated at \$198 million. Actual retail sales are estimated at \$240 million, which is \$41 million more than resident supported demand alone and about 21% above what could be supported (best case) by county resident spending potential alone.
- This means that Hood River County is also experiencing substantial *net inflow* of non-resident purchases – including from residents of adjoining counties or visitors from further beyond the regional trade area.
- While overall sales performance exceeds countywide resident demand, there are some retail categories for which net sales leakage is indicated. Store types that remain underserved for all of Hood River County are motor vehicles, electronics/appliances, followed by furniture/home furnishings, electronics and appliance stores, and nonstore retailers.

While detailed sales data is not available for non-retail businesses, it is noted that Cascade Locks also has an extremely limited inventory of service establishments including finance and medical. For example, the city has no bank, no insurance office, and no medical facilities. These gaps detrimentally affect the livability of the community. Lack of services such as banking also reduces the attractiveness and viability of conducting business in Cascade Locks.

Cascade Locks Retail Space Supported. Sales leakage information can be translated into estimates of building square footage demand. The estimates provided below represent maximum potentials assuming 100% sales leakage recapture. Also quantified with this analysis are future retail potentials associated with population growth to 2028.

Local Resident Demand:

- Cascade Locks' market could support up to an added estimate of 16,000 square feet of retail space – to fully serve existing locally generated resident needs and population growth anticipated over a 20-year forecast period to 2028.
- On paper, the greatest future in-city residentially generated retail market need is general merchandise. However, not all of the demand indicated should be expected to be served by new retail stores in Cascade Locks as the amount of demand supported by the local population alone is often below the minimum size thresholds of retail chains and independents.
- Better capture of locally generated demand and additional retail space demand beyond this amount likely requires augmentation from added external sources of customer volume – notably visitor generated demand.

Visitor Generated Demand:

- In the five years from 2002-2007, visitor spending in Hood River County has increased at an exceptionally rapid pace, averaging 19% growth in visitor expenditures per year. However, Cascade Locks businesses do not appear to have benefited substantially from this added tourism activity to date.
- If visitor spending were to increase countywide at one-half the rate of recent years over the next 20 years and if Cascade Locks could capture a proportionate share of this spending (based on population), tourism expenditures could support as much as 140,000 square feet of added retail, dining and lodging space locally.
- Additional demand would be captured if a major destination facility such as the proposed resort and casino project were to be located in Cascade Locks.

Neither local resident nor visitor generated demand potentials should be considered as certain to occur. Three employment and land demand scenarios are provided later in this EOA: a) trend extrapolation (or baseline) employment growth; b) balanced jobs-population growth; and c) aggressive growth toward UGB build-out. Full capture of resident and visitor generated demand is assumed only with one of the three scenarios – for aggressive employment growth and development.

III. NATIONAL & STATE ECONOMIC TRENDS

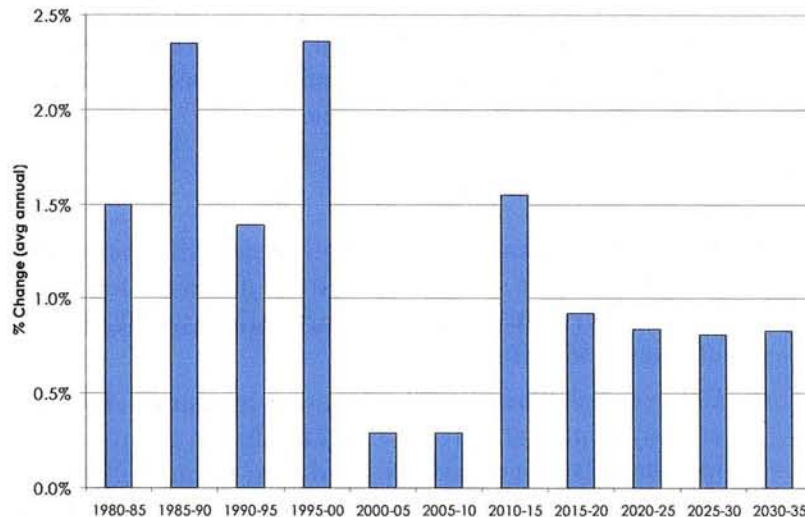
Consistent with Oregon Administrative Rules (OAR 660), Cascade Locks’ Economic Opportunities Analysis is set within the context of broader nationwide, state and regional trends and projections for future employment. Recent and forecast conditions are considered first for total employment, then with more detailed discussion of employment by sector.

NATIONAL EMPLOYMENT TRENDS & FORECAST

As of 2005, the U.S. had an estimated 133.7 million non-farm jobs – an increase of 48% over the 1980 nationwide job count of 90.5 million:

- Over the 25 year period of 1980-2005, employment across the U.S. increased at an average annual rate of 1.6% per year, reflecting a particularly rapid 1.9% rate of job growth during the 1980s. The 1980-90 time period also coincided with entry of a large baby boom cohort into the job market.

Figure 9. U.S. Non-Farm Employment Growth Rates (1980-2035)



Source: Global Insight, 2008 *QR US Long-Term Outlook*, as compiled by Metro.

- Since 1990, job growth nationally has slowed to a more modest 1.3% annual rate from 1990-2005. During the first half of this decade (2000-2005), job growth was even more modest averaging 0.3% per year, reflecting a post-2001 period of economic contraction followed by a slow recovery.
- Looking forward, national job growth can be expected to remain at a similarly anemic pace through 2010 (reflecting rapid run-up to 2007 followed by the current recession). The fastest period of anticipated job growth is anticipated for 2010-2015 (at 1.5-1.6% per year) – declining over time to a rate of about 0.9% by 2025-2035. At these rates of projected employment growth, the U.S. would have about 173.5 million non-farm jobs by 2035, an increase of just under 40 million jobs (or 30% gain) compared to 2005 conditions.

Sectoral Employment Growth. When viewed by major employment sector, the most noteworthy change has been the continued shift of the nation's economy from industrial to service-related employment. This trend is expected to continue through a forecast period extending beyond the time frame of this EOA to about 2035. The following generalized trends are forecast nationally for manufacturing, other industrial employment, and service-related jobs.

Manufacturing:

- Nationally, manufacturing has declined from just over 16% of all non-farm jobs in 1990 to between 10-11% in 2005, and is projected to decline to between 6-7% of employment by 2035.
- Manufacturing has been declining not just as a share of the total but also in terms of numbers of jobs – from close to 18 million jobs in 1990 to just over 14 million in 2005, with further decline to a projected figure of about 11 million by 2035.
- Every major manufacturing category except lumber experienced job losses nationally between 1990 and 2005, and all sectors are forecast for job loss through 2035. Durable goods manufacturing, which tends to be more capital intensive, has experienced less rapid job loss than non-durables.

Other Industrial-Related Employment:

- With the exception of natural resources, all other *industrial-related* sectors experienced job growth from 1990-2005 and are projected for continued job growth through 2035. These other sectors include construction, wholesale trade, transportation/warehousing/utilities, and information.¹¹
- Between 1990 and 2005 these other industrial-related sectors declined somewhat in total employment share, from 16.6% to 16.2%, as growth was below rates experienced in non-industrial (service) sectors. However, through 2035 the non-manufacturing industrial sectors are projected to increase their share of the nation's employment to 17.4% by 2035.
- From 1990-2005, the fastest growing industrial sector was construction, with jobs increasing an average of 2.5% per year. From 2005-2035, the biggest gains are forecasted for jobs in transportation/warehousing/utilities (at 1.3% annually), followed closely by the construction and information sectors.

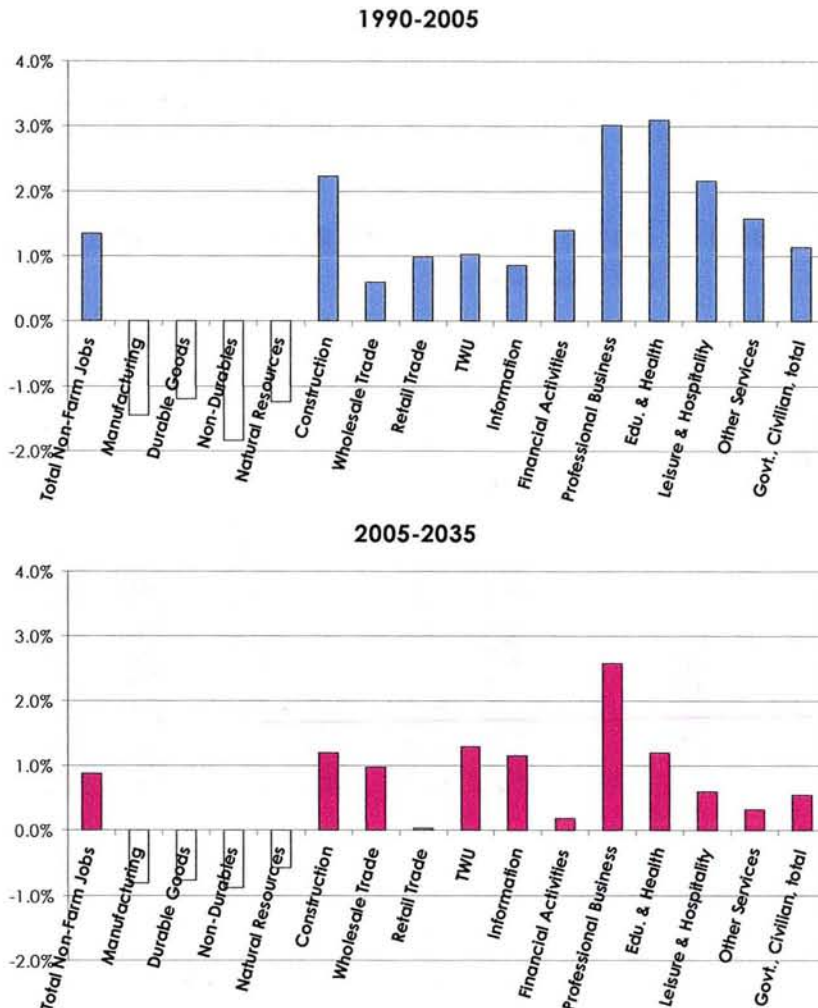
Service Sector Employment:

- Service sector jobs have increased rapidly since 1990. The most rapid growth rates are reported for education and health (up by 3.1% per year) and professional services (3%). The slowest growing service job sectors have been retail (up by just 1.0% per year) and government (1.1%).¹²

- Overall, these service sectors have increased from about two-thirds (67%) of the nation's non-farm employment in 1990 to 73% as of 2005. The largest single service-related sector was government at 16.3% as of 2005. This is followed by professional services and then retail.

- While all service sectors (except retail) are expected to add jobs, only professional services, education and health are projected to increase their share of the employment base across the U.S. over the next 25 years. Declining shares are projected for retail trade, financial activities, leisure and hospitality, and government.

Figure 10. U.S. Job Growth Rates (1990-2035)



Source: Global Insight, 2008 QR US Long-Term Outlook, as compiled by Metro.

OREGON / REGIONAL TRENDS & FORECAST

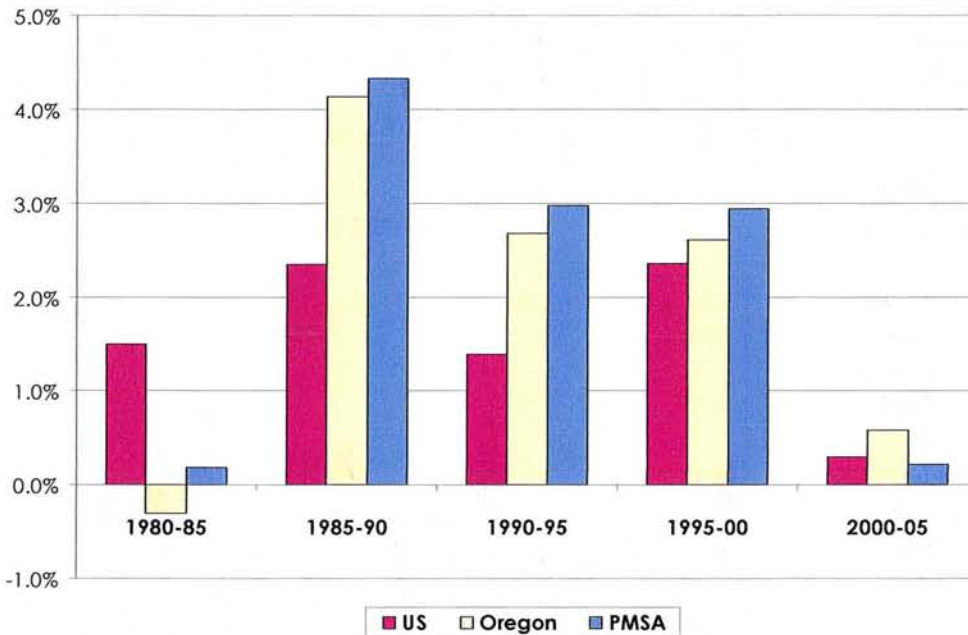
National trends and projections can be set in the context of Oregon and Portland metro area employment. Data is reviewed between 1990 and 2005.

This is followed by discussion of Metro's updated employment forecast to 2040 for the Portland metro area. Portland metro area trends and potentials are of particular importance because this 7-

county metro area is located immediately adjacent to Hood River County. The U.S. Census Bureau defines the Portland-Beaverton-Vancouver PMSA as including Multnomah, Clackamas, Washington, Clackamas and Yamhill Counties in Oregon and Clark and Skamania Counties in Washington.

Statewide & Metro Area Employment Growth Trends. Over a 25-year period extending from 1980-2005, patterns of employment growth nationally, in Oregon, and for the Portland metro area often have been similar – when viewed in terms of periods of rapid versus relatively slow growth.

Figure 11. Employment Growth Rates – U.S., Oregon & Portland PMSA (1980-2005)



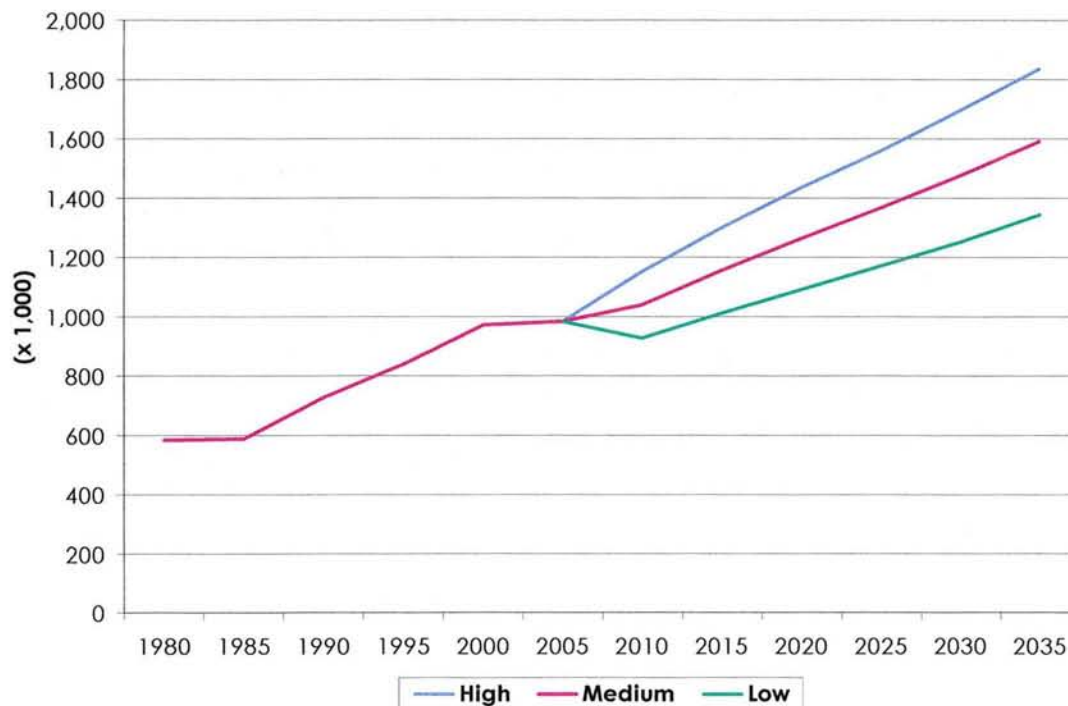
Source: Metro, Oregon Employment Department, and E. D. Hovee & Company, LLC.

Some key differences in these patterns can also be noted:

- In the first half of the 1980s, Oregon and the Portland metro area were harder hit than the rest of the nation during a period of overall economic slowdown. In the latter half of the decade, this pattern was reversed as employment growth rates accelerated, exceeding 4% per year both statewide and for the metro region.
- This pattern of strong employment growth statewide and regionally continued (though at somewhat slower rates) through the 1990s, with the nation nearly catching up to the state and region in the latter half of the decade.
- In the first half of the current decade, employment stagnated – nationally, statewide and regionally – through a recession with recovery not evidenced until 2003-04. While at fairly modest levels, employment growth statewide exceeded that of the PMSA, the only such 5-year period since 1980.

Metro Area Employment Growth Forecast. Looking to the future, Metro has developed a range of low, moderate and high growth employment forecast alternatives to the year 2040 for the 7-county Portland PMSA. The following chart displays trends from 1980 to 2005, and then forecasts to 2035.

Figure 12. Portland PMSA Employment Forecast Range (to 2035)



Source: Metro.

With the baseline (medium) forecast, Portland PMSA non-farm employment would increase at a rate of about 1.7% per year from just under 1 million jobs in 2005 to nearly 1.6 million as of 2035, a gain of over 600,000 (for 62% job growth).

However, a considerable range of forecast outcomes is also indicated. Low growth of 1.5% annually would result in a net gain of less than 360,000 jobs (+37%). With high growth at 1.9% per year, more than 850,000 added jobs (+87%) could be realized.

Implications for Cascade Locks EOA. Four broad implications of these national, state and regional trends are noted as being of potential importance for economic opportunities in Cascade Locks:

- The national shift from industrial to service jobs is expected to affect Oregon and the Portland metro region. However, some communities (whether intentionally or unintentionally) may buck these trends.

For example, smaller cities just beyond major metro areas may experience increased industrial interest, especially if located in proximity to major interstate and rail access and

with available, competitively priced industrial property. This clearly represents an economic development opportunity for Cascade Locks.

- As the closest Oregon incorporated community on a freeway east of the Portland metro area (just 28 miles east of Troutdale), Cascade Locks can expect to receive development interest – with realization in large part influenced by local community interest and capacity to serve development. Cascade Locks could experience major shifts in its local population or employment base by capturing just a small (less than 1%) share of Portland metro growth.
- Major sources of spillover activity could include any or some combination of: a) added residential base for commuters to the metro area (creating added demand for local retail and services); b) visitor-generated demand whether from pass-through or destination activities; c) industrial interest for manufacturing and distribution activities (especially independent companies); and/or d) small business entrepreneurs (“lone eagles”) who choose to operate their small business in a rural community that is readily accessible to urban amenities (including PDX airport).
- Given the limited capacity for long-term UGB expansion in Cascade Locks, the community has an opportunity to help influence and shape its economic opportunities through the Comprehensive Plan process. Desired outcomes have the greatest opportunity for realization over the 20-year planning horizon to the extent that they achieve broad community support and are supported by implementation capability in step with changing market demand.

It is to these economic development potentials that the remainder of this EOA now turns.

IV. ECONOMIC DEVELOPMENT POTENTIAL

This chapter of the EOA explores the question of economic development potential for the City of Cascade Locks over the 20-year period of this Comprehensive Plan update. This discussion begins with identification of factors that currently affect economic development opportunities in Cascade Locks. This is followed by characterization of factors that could affect economic development potentials over the next 20 years.

Based on this discussion, employment forecast methodologies are identified and evaluated. Two employment growth scenarios are presented for consideration with this EOA – baseline (or trend) forecast and a balanced jobs-population growth scenario.¹³

FACTORS CURRENTLY AFFECTING ECONOMIC DEVELOPMENT

Key factors that historically have influenced Cascade Locks and that continue to do so today are the community's pivotal I-84/Columbia River access, industrial site availability, and support for local commercial retail and service business activities.

Multi-Mode Transportation. As the first incorporated city located east of the Portland metro area, Cascade Locks is strategically situated just 28 miles east of the metro area and 15 miles west of Hood River on the Interstate 84 freeway. In addition to freeway access, Cascade Locks provides the first bridge crossing (with the Bridge of the Gods) east of I-205 to the Washington side of the Columbia River. A person can leave Cascade Locks and be in the terminal of Portland International Airport in less than one hour.

The initial impetus for economic development of Cascade Locks came from its strategic location on the Columbia River in the heart of the deep gorge cutting through the Cascade Mountains. What was once a free-flowing river has been replaced by a calm pool behind Bonneville Dam – accessible to river barge, recreational boating/boardsailing, and commercial cruise activity. The Columbia Gorge Racing Association is headquartered in Cascade Locks and is planning a new, major sailing facility. Portland Spirit and the Port of Cascade Locks partner in operating the Bridge of the Gods sternwheeler in an extensive seasonal excursion operation.

The City also is situated at the crossroads of the north/south Pacific Crest Trail and the east/west Columbia Gorge Trail. A major mountain-biking network of trails is being jointly supported and developed by the Forest Service, National Scenic Area, the Port of Cascade Locks, and the City with the trails emanating from downtown Cascade Locks.

Cascade Locks is directly served by the Union Pacific Railroad, the only non-mountain main line passage into the interior heartland of the U.S. from the west coast. This railroad, however, has a detrimental impact in that it separates the street system and the downtown from the riverfront except at a few limited sites.

Marine Park is served by one tunnel under the tracks. This is too small to accommodate modern bus, motor coach and semi-truck traffic. As is discussed elsewhere in this report, the Port's

Industrial Park is served by one at-grade rail crossing. The City and Port are working to create solutions to both of these impediments to economic development.

The City is also home to a civil aviation airport owned and operated by the State of Oregon Aeronautics Department.

Industrial Site Readiness. With an estimated 191 acres of industrial land (primarily comprised of land owned by the Port of Cascade Locks), the City of Cascade Locks is in the enviable position of having a significant reserve of ready-to-build industrial sites for a wide range of industrial uses. These uses range from natural resource based manufacturing to light assembly, warehouse and distribution and for major destination uses.

As is further described elsewhere in this EOA, the primary limitations to development of this industrial park are a single access via an at-grade crossing with a railroad main line and somewhat confusing vehicular travel from the I-5 freeway corridor.

FACTORS PROSPECTIVELY AFFECTING ECONOMIC DEVELOPMENT

Factors that prospectively could affect economic development in Cascade Locks over the 20 year time frame of the City's Comprehensive Plan update are identified to include resort and casino development, industrial and small business development, downtown revitalization, and recreation development. Each of these topics is briefly considered, in turn.

Resort & Casino Development. Perhaps the most significant project that can affect economic development in Cascade Locks – both short and long-term – will be the construction and operation of a Cascade Locks Resort and Casino Project by the Confederated Tribes of Warm Springs. A Draft Environmental Impact Statement evaluating a no action alternative, the proposed action, and other alternatives was issued in February 2008. That draft favored the Cascade Locks siting option. A Record of Decision (ROD) is anticipated in 2009.¹⁴ Key elements of the project important to consideration of economic opportunities for this EOA are summarized as including:

- Proposal for development on 60 acres of the approximately 120-acre Port of Cascade Locks industrial business park – with 25 acres proposed for fee-to-trust acquisition and an adjoining 35 acres to be leased for ancillary facilities to the resort and casino project.
- Tribal proposal for a \$389 million, approximately 603,000 square foot destination resort and casino – including a 90,000 square foot gaming casino, 241-room hotel, 26,000 square foot meeting and convention center, spa and fitness center, retail shops, cultural and interpretive center, daycare facility, varied dining options, and a combination of structured/surface lot parking for about 3,700 vehicles.¹⁵
- Proposed transportation and access related changes to the I-84 freeway, including construction of a new full interchange at the existing Forest Lane overpass, with overcrossing of the rail main line into the Port's industrial park. Construction of this interchange will be paid for by the project proponents.
- Direct on-site employment of approximately 1,700 FTE workers is estimated in the initial year of operation, with net increase of 856 FTEs after accounting for the displacement of

other existing Warm Springs tribal facilities. Another 1,405 indirect and induced jobs are projected, for a total impact estimated at 2,261 jobs attributable to the casino and resort project. This is in addition to approximately 600 construction-related jobs over the two year construction period.

- Direct population increase in Cascade Lock of an added 14 persons plus another 146 added residents from indirect and induced project effects. The DEIS projects that only a portion of the added population change will occur in Cascade Locks, as employees will be drawn from throughout the communities of Hood River and Skamania Counties, as well as more distantly from other areas of the Gorge region and the Portland metro area.

As noted elsewhere in this report, specific effects of the proposed project are not included within the population and economic forecasts associated with this EOA, pending a ROD and decision as to whether 25 acres achieves a fee-to-trust transfer on lands currently owned by the Port of Cascade Locks. In the event that the project is approved and proceeds to construction, revisions to this EOA and resulting Goal 9 assessment of other industrial and commercial land needs will be considered.

However, it is emphasized that the capacity of the Urban Growth Boundary is limited, and therefore, the ultimate population and employment numbers may be the same regardless of whether the resort and casino are built. The resort and casino will accelerate the growth rate, but the final results over a long-term forecast period may be much the same.

Industrial & Small Business Development. The approximately 200-acre Port Industrial Park was developed in conjunction with the Port of Cascade Locks. A major constraint to development is that access is limited by an at-grade crossing of the UP rail line (which runs approximately 40 trains per day).

Only about five acres of the Industrial Park property are currently available and ready for development. A significant (approximately 60-acre) portion of the property is reserved for the proposed casino and other parcels are also being held in reserve. Sewer and water services, as well as local streets, are available to be extended into these areas when market conditions are right for development.

Downtown Revitalization. The Cascade Locks community has long been interested in downtown revitalization. In the late 1970s, Cascade Locks became one of the smallest cities in the U.S. to undertake urban renewal. With urban renewal, the City cleared several properties on the south side of WaNaPa to become the Columbia Gorge Center – anchored by a grocery store and public plaza.

Over the last two decades, the City of Cascade Locks has gone through four planning processes, all focused on downtown redevelopment.¹⁶ While not achieving the desired results, these earlier planning efforts laid the groundwork for a more recent planning effort. Also coming into play more recently has been the listing of WaNaPa Street (part of Highway 30) as a National Historic District combined with the potential siting of a major resort and casino at the Port Industrial Park.

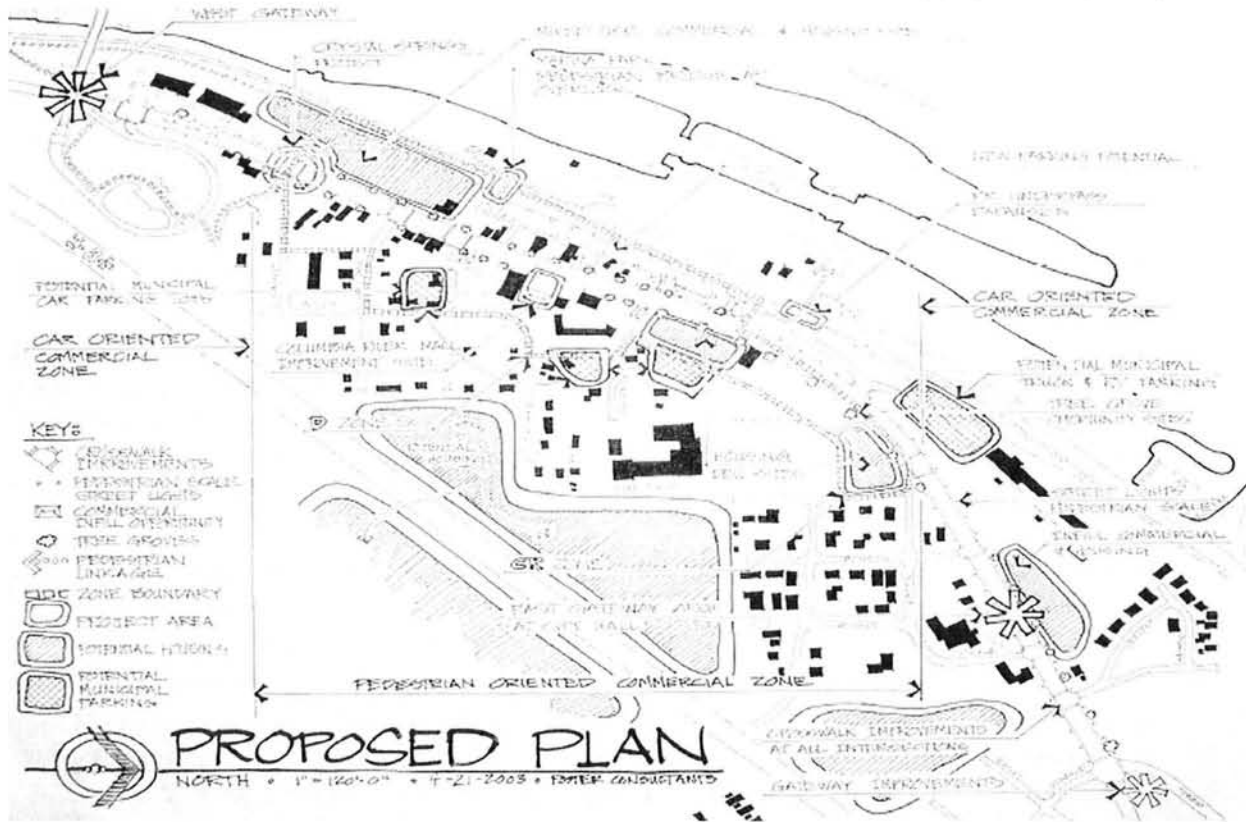
Consequently, in January 2004 the City Council adopted *The Cascade Locks Downtown Development Plan and Strategy*. Major themes of the Downtown Plan involve:

- Much more intense downtown area with greater density of buildings fronting on sidewalks (with a framework of design standards rather than conformity to guide design decisions).
- Increased retail, employment and residential opportunities (by attracting visitors from the freeway as well as providing adequate commercial services for a growing local population). In addition, the Downtown Development Plan and the implementing zone encourages light fabrication and assembly in order to maximize the opportunities for employment and a more diverse and strong downtown economy.
- Historic design theme with period architecture (preserving and recreating the character of the community as it was in the 1920s and 1930s when the Columbia River Highway was built and first opened).
- Creating much more convenient and safe vehicle and pedestrian access to Marine Park in order to strengthen its economic activity and to tie together the park and downtown so they form more of a single experience, both for residents and visitors. The City and Port have agreed that the solution to this problem is development of a new entrance to Marine Park involving an overcrossing out of the downtown area. Funds for development of this major new project are being actively sought.

Two major goals of the plan are of particular importance to the economy of Cascade Locks. The first noted goal is to: “Strengthen the downtown as the economic and cultural center of the City.” The second stated goal is to: “Make the downtown an extraordinary place, such that travelers will be drawn to the downtown as a destination, not just a stop-over spot.”

Plan implementation is anticipated to occur through major public capital projects, public/private investments and establishment of design policy with implementing regulations. Programs to market downtown are also highlighted by the plan.

Figure 13. Proposed Downtown Development Plan & Strategy (as adopted)



Source: MorganCPS, *The Cascade Locks Downtown Development Plan and Strategy*, adopted January 2004.

Recreation Development. Located in the Columbia Gorge National Scenic Area, Cascade Locks hosts or is proximate to a large variety of tourism attractions. As listed on Cascade Locks' tourism website, the following attractions are within a 30-minute drive from the city:

- *Museums & Attractions* – the city boasts its own Cascade Locks Historical Museum featuring information, photos, and artifacts on the history of the Columbia River Gorge. The Columbia Gorge Discovery Center in The Dalles has scientific and cultural exhibits, 50 acres of interpretive and multipurpose trails, scenic overlooks, a picnic area and pond. Across the Bridge of the Gods from Cascade Locks in Stevenson, WA, is the Columbia Gorge Interpretive Center and Museum. Located 5 miles west of Cascade Locks, the U.S. Army Corps of Engineers operates and maintains Bonneville Lock and Dam for hydropower production, fish and wildlife protection, recreation and navigation.
- *Shopping* – Downtown Cascade Locks offers local art, crafts, and antiques. Troutdale has a historic downtown district with antiques/Main Street shops as well as the Columbia Gorge Premium Outlets.
- *Spas* – In North Bonneville, WA, the Spa at the Bonneville Hot Springs Resort offers European-style spa services. All treatments use the natural hot springs mineral water, emerging from the ground at 97°. The Columbia Gorge Salon/Spa in Troutdale also provides an array of services.

- *Scenic Routes/Areas* – The Cascade Locks Marine Park is 23 acres owned and operated by the Port of Cascade Locks, home to the Columbia Gorge Sternwheeler, the Oregon Pony (the first steam engine operated in the west), and the Historical Museum, with a picnic and pavilion area, marina and visitor's center. Driving routes of interest include Historic Highway 30, the Bridge of the Gods, and the Oregon Trail.
- *Non Motorized Routes* – Cascade Locks is at the crossroads of the north/south Pacific Crest Trail and the east/west Columbia Gorge Trail, and is also on the Columbia Gorge Bike Trail. This key location makes the city a major focal point for visitors hiking or biking through the region. There are a significant number of these visitors every summer, with the number of visits increasing over time.
- *Recreation* – The Columbia River Gorge is a mecca for watersports as well as hiking and cycling. The Columbia Gorge Racing Association hosts many sailing events and clinics in Cascade Locks (rated one of the top places in the U.S. to sail)¹⁷ throughout the spring and summer. The City is cooperating with the Racing Association and the Port of Cascade Locks in studying the potential development of a world-class sailing center on the Cascade Locks waterfront.

Other widely recognized watersports are windsurfing, kiteboarding, kayaking and rafting, with numerous businesses from White Salmon to Hood River offering supplies, classes, and guided tours. Bicycle rentals are available from several vendors in Hood River.

- *Breweries & Wineries* – The Columbia River Gorge has become renowned for beer, wine, and distilled spirits. Hood River is home to the Full Sail Brewing Company, Hood River Distillers and more than 10 wineries/vineyards. The Washington side of the Gorge proximate to Cascade Locks houses Walking Man Brewery in Stevenson, and a handful of wineries in Husum, Underwood and White Salmon. Many of the facilities have tasting rooms, tours, and restaurants.

EMPLOYMENT GROWTH & LAND NEED SCENARIOS

Specifically covered by this analysis are forecast scenarios considered together with three alternative employment and land need scenarios – base case trend extrapolation, jobs/population balance, and aggressive growth toward UGB build-out.

Forecast Methodologies Considered. A range of methodologies are potentially available for local jurisdiction employment forecasts.¹⁸ These methodologies include:

- 1) Extrapolation of historic local jurisdiction growth trends.
- 2) A jobs-population based projection (based on the now completed population projection for Cascade Locks).
- 3) Proportional share of forecast regional or countywide employment growth.
- 4) Aspirational scenarios (reflecting other local planning documents as with the Downtown Development Plan and Strategy, the casino and resort development proposed by the Warm Springs Tribe, industrial build-out, or based on other community visioning or strategic planning processes).
- 5) Other options or possible hybrid/combination of the above based on a customized method through a professional services contract.

Of the methods identified above, options 1, 2, and 4 are recommended for further consideration with this Economic Opportunities Analysis (EOA). The option 3 approach predicated on taking some proportional share of a regional or countywide forecast was considered but not taken based on a review of the forecast information available:

- Long-term employment forecasts are available for the *U.S. and also now for the Portland metro area*. While useful as a base of comparison and as external influences affecting local growth potentials, these much larger scale forecasts are not considered as directly applicable due to the much greater orientation to urban and metro rather than smaller community development.
- The State of Oregon Office of Economic Analysis (OEA) prepares a regularly updated *statewide economic forecast*. The most recent forecast (released in 2009) covers only up to 2015 (well short of the 20-year time frame for this EOA) and does not provide forecasts specific to individual counties or subregions of the state.
- The Oregon Economic and Community Development Department completed a *Regional Analysis* for Hood River, Gilliam, Sherman, Wasco and Wheeler Counties in April 2008. This analysis includes growth projections for the 5-county region that are termed as “competitive industries.” However, the analysis covers less than 60% of all private employment, none of the public sector employment in the region and is limited to a 10-year projection period from 2006-2016.
- *Hood River County’s Comprehensive Plan* was adopted in February 1984 with subsequent text amendments but no added background documentation related to Goal 9 Economy of the State. Commercial and industrial land need projections were made for the 1980-2000 time period.
- More recently in 2000, Hood River County facilitated an *Economic Development Action Plan (EDAP)* process which included review of four alternative strategies for economic development and their countywide job forecast implications through 2020.¹⁹ The selected EDAP preferred scenario involved a projection of 13,799 jobs versus a baseline projection of 14,259 jobs countywide by 2020, representing a 1.4% - 1.6% projected annual increase over 1998 actual covered employment of 10,120. While perhaps most relevant to the Cascade Locks EOA, this forecast process is also now dated and did not involve projections specific to Cascade Locks.

With this background in mind, this EOA now proceed to consider three scenarios evaluated with this EOA: a) trend extrapolation (or baseline) employment growth; b) balanced jobs-population growth; and c) aggressive growth toward UGB build-out.

A. Trend Extrapolation (or Baseline) Employment Growth. The starting point for this analysis involves an extrapolation of employment changes observed in the 2003-2007 time period over a 20-year forecast horizon. Over this forecast period, 170 net new jobs are estimated to be created (representing a 40% increase over the 2007 count of 429 jobs within the Cascade Locks zip code):

- With this trend scenario, virtually all of the job growth is forecast to be with industrial activity – as this was the only sector for which job growth was experienced from 2003-07 (at a rate of about 8-9 net new jobs per year).
- In comparison, retail, leisure/hospitality and other services/government sectors all indicate declining Cascade Locks employment from 2003-07. Rather than forecast continued job loss, employment over the 20-year forecast is held constant for these commercial activities at current levels.²⁰ Consequently, no net added demand for commercially designated land is indicated.

B. Balanced Jobs-Population Growth. This second scenario is predicated on Cascade Locks achieving a ratio of jobs to local population equal to all of Hood River County (at 0.56 jobs per resident as of 2007). To achieve this scenario:

- The number of jobs for existing residents would need to increase; added to this would be more jobs for the 532 net new residents forecast over 20 years as part of the population forecast process for Hood River County and local jurisdictions.
- Jobs are distributed based on some continued (but dampened) increase of the proportion of industrial jobs, with reduced shares (but net added jobs) for commercial service activities.

This second scenario indicates an increase of close to 470 jobs – with 60% of the job growth as industrial and 40% as new commercial jobs.

C. Aggressive Growth toward UGB Build-Out. The final scenario considered is aggressive in that substantially higher levels of job growth are projected than has occurred for a considerable time period in Cascade Locks:

- Industrial jobs are expected to increase on a basis similar to that of Scenario B.
- Retail trade and leisure and hospitality jobs are projected to increase at rate sufficient to provide for recapture of existing sales leakage plus population growth and also capture a share of countywide tourism growth at least equal to Cascade Lock's proportion of population in the county. Countywide tourism is projected to grow at a rate ½ that of the approximately 19% annual growth in Hood River County experienced from 2002-2007.
- A major destination project similar to the currently proposed resort/casino is projected to occur during the 20-year time horizon of the Comprehensive Plan.
- Other service and government jobs are projected to increase at roughly the same 15% proportion of total Cascade Locks employment as was experienced in 2003.

This third scenario is associated with a total increase of 2,657 jobs over 20 years – of which 1,700 jobs (64%) are associated with a major destination project similar to what is currently proposed. In the event that a major destination project does not materialize, some portion of the other (36%) added jobs also would not likely emerge to the same degree as if they were to be leveraged, at least in part, by the resort/casino project.

V. INDUSTRIAL & COMMERCIAL LAND NEEDS

Consistent with the employment forecast process, the focus of this EOA is on the employment-related portion of industrial and commercial land use needs both currently and over a 20-year time horizon to 2028. This discussion begins with a review of land use inventories conducted for the city followed by comparison with industrial and commercial land use needs pursuant to each of the forecast scenarios considered.

INDUSTRIAL & COMMERCIAL SITE INVENTORY

This EOA draws from a recently completed land inventory completed as part of the City of Cascade Locks Comprehensive Plan update.

Distribution of Existing Land Use. The City of Cascade Locks has a total identified land base of 784 discrete tax parcels comprising more than 1,130 acres within its Urban Growth Boundary (UGB). Approximately 23 acres are in commercial and 58 acres in industrial use. In effect, a combined total of 81 acres (or 7% of the City's land base) are devoted primarily to job related activities.

Figure 14. Distribution of Cascade Locks UGB Land Use

Land Use	Number of Parcels	Acres	% of Total
Residential	335	154.3	14%
Manufactured	80	56.4	5%
Commercial	28	23.0	2%
Industrial	4	58.0	5%
Public Facilities	27	108.5	9%
Open Space	12	55.9	5%
Vacant	298	676.4	60%
Total	784	1,132.4	100%

Source: City of Cascade Locks, Land Inventory (2009).

More than an added 108 acres are designated for public facilities. While this includes some added public sector employment, the primary focus of the EOA for job projections is on jobs requiring commercial and industrial property.

More than 676 acres (60%) of the land base in the UGB is currently vacant. As is further described below, a portion of this acreage is designated for future employment land needs.

Distribution of Land Designated for Employment Use. The following chart depicts the distribution of employment land by zone designation. Shown are acreage figures both for employment land in the current city limits and in the UGB. As there is no employment land outside the city in the unincorporated portion of the UGB, the figures are identical.

Taken together there are just over 316 acres of land designated for employment use in Cascade Locks. Employment designated land represents 31% of the 1,132 acres in the UGB (which has 15 more acres of land area total than the City).

As there are only 81 acres of land in commercial or industrial use at present, there is considerably more acreage designated for employment than is currently required. This represents a significant resource for future economic development to meet long-term job needs with this EOA and the City's Comprehensive Plan update.

Figure 15. Distribution of Employment Land By Designation

Employment Zones	In City Limits & UGB	
	Acres	% of Total
D	14.0	4%
C	22.3	7%
CR	6.3	2%
RC	82.9	26%
LI	126.8	40%
HI	64.2	20%
Total Employment Designation	316.5	100%

Source: City of Cascade Locks, Land Inventory (2009).

Of the employment land, 191 acres (or 60% of the total) is designated for LI or HI industrial use. The remaining 40% is designated for commercial use – pursuant to one of four zone designations.

Vacant Industrial & Commercial Land. Of more than 316 acres, designated for industrial or commercial use, nearly 197 acres are identified as currently vacant. Of this, 8 acres are noted as being unbuildable due to wetland or slope constraints, leaving a net buildable inventory of nearly 189 acres.

Figure 16. Vacant Employment Land Inventory

Zone	Total Acres	Vacant acres	Net Unbuildable Wetland & Slope – Vacant	Net Buildable Acres
D	14.0	3.8	0.0	3.8
C	22.3	10.9	0.1	10.8
CR	6.3	0.8	0.0	0.8
RC	82.9	44.0	0.0	44.0
LI	126.8	92.9	3.8	89.2
HI	64.2	44.3	4.3	40.0
Totals	316.5	196.7	8.2	188.6

Source: City of Cascade Locks.

In effect, about 60% of the industrial and commercial land in Cascade Locks represents net buildable acreage to accommodate future employment opportunities. More specifically noted is that:

- The bulk of the net buildable employment acreage (68%) is designated for LI or HI industrial use, with 32% for commercial (primarily in the RC designation).
- Approximately 129 acres (or 67% of acreage zoned for industrial uses) is vacant and developable. Most of this land is controlled by the Port of Cascade Locks. Additionally, about 60 acres of this property is currently proposed to be converted into property for the proposed casino.
- Just under 60 acres is designated as net buildable for commercial use (or approximately 47% of all commercial designated properties). Depending on the growth scenario adopted, some additional efforts may be necessary to secure additional commercial land toward the end of the 20-year forecast period.

LONG-TERM NEED DETERMINATION

Long-term (20-year) land needs are identified for each of the three forecast scenarios considered followed by comparison of land needs with available net buildable inventory.

Scenario Results. Composite results of these three scenarios are depicted by the following chart. For each scenario, results are provided in terms of added employment and need for added commercial/industrial acreage.

Figure 17. 20-Year Employment & Industrial/Commercial Land Demand Scenarios

Employment Sector Group	Employment Scenario Considered					
	A. Base Case		B. Jobs/Pop Balance		C. Aggressive	
	Added Jobs	Acreage Need	Added Jobs	Acreage Need	Added Jobs	Acreage Need
Industrial Uses	170	26.0	281	43.0	283	43.4
Retail Trade (excluding dining)	-	-	37	2.0	74	4.0
Leisure & Hospitality			-			
- Resort / Casino Destination	-	-	-	-	1,700	60.0
- Other Dining & Accommodations	-	-	94	6.3	201	13.6
Other Services & Government	-	-	56	3.8	399	26.9
Total	170	26.0	468	55.1	2,657	147.9

Source: E. D. Hovee & Company, LLC. See appendix for more detailed assumptions regarding employment and development intensity by employment sector grouping.

Comparison of Land Need As indicated by this chart, the need for as yet undeveloped industrial and commercial land is estimated at 26 acres with the base case (trend) scenario, doubling to acres with a jobs/population balance scenario. The need for employment land is substantially increased to 148 acres with the aggressive scenario – with more than 40% of the land need associated with the proposed resort and casino.

Use of industrially designated land is assumed for industrial uses plus the resort/casino destination. Use of commercially designated land is assumed for the other employment sector groups of retail trade, dining and accommodations, and other services and government.

Comparison of Employment Land Need & Inventory. Based on employment land inventory data indicating that Cascade Locks has 129.2 acres of industrial and 59.4 acres of

commercially designated property, the following patterns of vacant land utilization are noted by scenario:

- A. Base (Trend) Case** development would utilize approximately 20% of the current industrial land inventory and none of the commercial inventory.
- B. Jobs/Population Balance** scenario would involve utilization of about one-third (33%) of the net buildable acreage that is currently vacant and designated for industrial use *together with* 20% of the identified commercially designated inventory.
- C. Aggressive Growth Toward UGB Build-Out** would lead to utilization of 80% of the currently vacant net buildable industrial land inventory and 75% of the commercial inventory over a 20-year forecast horizon. *Note:* the casino/resort project would be targeted to industrial land as the proposed site is currently designated for industrial use.

This EOA indicates that Cascade Locks appears to have more than adequate vacant and net buildable commercial and industrially zoned land to meet forecast needs over a 20-year Comprehensive Plan period with each of the forecast scenarios considered. Previous designation of ample inventories of employment land provide Cascade Locks with a unique opportunity to better shape its future economic destiny in a manner not as readily available to many other local jurisdictions.

However, as recent experience demonstrates, the presence of a substantial inventory of industrially and commercially zoned property is not sufficient on its own to assure commensurate demand or need. Provision of added local employment opportunities is also dependent on other factors including provision of adequate infrastructure and identification and marketing of competitive advantages for business location in Cascade Locks as yet unrealized.

SHORT-TERM NEED DETERMINATION

In addition to review of long-term 20-year needs, OAR 660-009-0005 also requires identification of a short-term supply of land meaning “suitable land that is ready for construction within one year of an application for a building permit or request for service extension.” OAR 660-009-0025 also stipulates that cities must provide “at least 25 percent of the total land supply within the urban growth boundary designated for industrial and other employment uses as short-term supply.”

Utility Infrastructure Capacity. Preliminary review of infrastructure capacity of the City of Cascade Locks indicates that:

- The City of Cascade Locks currently appears to be operating at about 13% of its potable water supply capacity (based on existing wells), 21% of its sanitary sewer, and 77% of its electrical service capacity – more than adequate to serve a one-year supply increment.²¹ *Note:* The proposed Cascade Locks resort and casino project will require expansion of the City’s electrical service capacity, but this need is not expected within the one-year period of short-term need determination.
- Our understanding is that commercial areas of the city are already effectively served with utility services as identified above.

- Most of the industrial property in the city is owned by the Port of Cascade Locks which provides water, sewer, power, and broadband to the site.²²

In summary, this initial assessment indicates that Cascade Lock appears to have the utility infrastructure in place to more than adequately serve short-term needs for both industrially and commercially designated properties.

Transportation Infrastructure Capacity. The City of Cascade Locks is accessed via three interchanges with the I-84 interstate freeway (West, Herman Creek, East). Access to most commercial properties is provided either directly or in close proximity to U.S. 30 (WaNaPa Street). The Port's industrial property is accessed via NW Forest Lane and Industrial Park Way (which has an at-grade crossing with the Union Pacific/Santa Fe rail main line).

In effect, transportation access to commercial properties is generally outstanding. However, suitability of access to industrial properties is more challenging due to the at-grade crossing with a high volume rail main line and indirect road access (via a frontage road from Forest Lane to I-84). This creates problems of frequent road blockage and also limits emergency vehicle access.

One significant transportation barrier for commercial development is the entrance to Marine Park. The park currently houses a deli, the marina for the Bridge of the Gods sternwheeler, and a Marina.

The Port has plans to develop more intense commercial uses all oriented to river-recreation. However, the existing entrance to Marine Park is a tunnel that is too small to accommodate large tour buses, large recreational vehicles, and semi-trucks. This severely limits the commercial potential of Marine Park.

The Port of Cascade Locks has worked for several years to find an acceptable design for improving the entrance. The City and Port have selected a new overcrossing extending north across the tracks from WaNaPa and Wasco as the planned new entrance.

This planned overcrossing will better tie together Marine Park and downtown as one experience for visitors. The overcrossing also will create a major new corner in downtown which will become the center of commercial activities, allowing many more visitors and services to easily access Marine Park which greatly increases its economic potential.

This industrial access issue appears severe enough to have limited marketability of the Port property for industrial uses. As noted previously in this EOA, access is proposed with the proposed *Cascade Locks Resort and Casino Project – Draft EIS* to be reconfigured with a new direct Forest Lane interchange with I-84 and a new overcrossing of the UPRR main line.

Short-Term Need Summary. Commercial properties appear to clearly meet the statutory requirements for short-term supply, as most or all of the land supply can be classified as short-term as well as long-term supply.

Industrial properties appear to be technically served with adequate infrastructure, but actual utilization for added industrial employment will continue to be substantially impaired pending

funding of a rail over-crossing. Less than 25% of supply can be considered as not affected by this constraint as most of the vacant inventory is land owned by the Port of Cascade Locks and subject to possible disruptions caused by the at-grade rail crossing. However, the land is buildable as exemplified by existing firms currently operating on the industrial park property.

ASSESSMENT OF POTENTIAL

Consistent with EOA documentation requirements, the foregoing analysis can be used to determine specific objectives related to the process and reductions with the cost and risk associated with designating added employment land, if needed. Because Cascade Locks has designated more employment land than is expected to be required of the planning period, this analysis is relatively straightforward, as follows.

Number of Sites Needed for the Planning Period. Based on comparison of the foregoing determination of forecast scenarios with the inventory of designated vacant buildable sites, no additional commercial or industrial sites are anticipated as needed over the 20-year planning horizon. The City of Cascade Locks has also determined not to consider the longer term prospect for 30-year reserves extending beyond the duration of this 20-year plan update.

Types & Amounts of Industrial & Other Employment Uses Likely to Occur in the Planning Area. The market scenarios all address five types of employment land uses anticipated:

- (A) Industrial – including manufacturing, wholesale/distribution, transportation, and utilities
- (B) Retail Trade – excluding dining which is now classified by NAICS as part of leisure and hospitality
- (C) Leisure & Hospitality – resort and casino destination
- (D) Leisure & Hospitality – other dining and accommodations
- (E) Other Services & Government

Use types A and C are assumed to occur on industrial land, to the extent that they are developed. Uses B, D, and E are assumed to occur primarily on commercially designated property.

As noted by the earlier analysis, the range of industrial and commercial land required to meet 20-year needs is estimated at approximately 26 acres with the base (trend) case, 55 acres with a jobs/population balanced scenario, and up to nearly 148 acres with an aggressive growth scenario. All scenarios can be accommodated within the existing inventory of vacant buildable commercial and industrial land.

Planning, Market, Cost & Risk Factors. As is indicated by the wide range of forecast scenario outcomes, there are a number of factors that can be expected to affect development of already designated employment land:

- Planning factors include the degree to which zoning and the regulatory/permitting process is flexible enough to accommodate a full diversity of commercial and industrial

uses consistent with public safety, avoidance of nuisances, and predictable process outcomes.

- Market and related financial/real estate factors include the degree to which Cascade Locks can be perceived and marketed as a desirable community for business investment, better capitalizing on attributes including convenient access to the Portland metro area and Interstate 84, proximity to recreation attractions of the Columbia River Gorge. Key issues to address to reduce perceived market risk include availability and diversity of quality housing, suitability of industrial properties unconstrained by rail conflicts, and access to qualified labor force.

A major unknown as of the date of this EOA is the question of whether the proposed casino and resort project will receive federal approval to take needed lands into tribal trust status. Also of importance is recovery from the current economic downturn and questions regarding cost of fuel which may limit attractiveness for commuters to the Portland metro area in the years ahead.

- Critical cost and implementation factors are focused on securing funding for improved access to the Port of Cascade Locks and waterfront properties – both for employment and recreation related purposes.

Some of these factors – such as the timing of the economic recovery and approval of the proposed resort/casino project – are largely beyond the influence of the local economy. Other factors such as providing a planning environment favorable to business investment and economic development marketing are subject to local and regional influence.

APPENDIX. SUPPLEMENTAL STATISTICAL DATA

Figure 18. Population Trends in Cascade Locks, Hood River County & State of Oregon (2000-08)

	Cascade Locks	Hood River County	State of Oregon
2000	1,120	20,411	3,421,399
2008	1,050	21,625	3,791,075
Avg Ann Chg 2000-2008	-0.8%	0.7%	1.3%

Source: Portland State University, Population Research Center.

Figure 19. Demographic Trends in Cascade Locks, Hood River County & State of Oregon (2000-08)

	Cascade Locks	Hood River County	State of Oregon
<i>Median Age</i>			
2000	35.9	35.3	36.3
2008	38.2	36.7	38.0
<i>Population 25+ by Educational Attainment</i>			
Total (2000)	715	12,972	2,250,998
Less than 9th Grade	5.5%	11.5%	5.0%
9th - 12th Grade, No Diploma	12.7%	10.4%	9.9%
High School Graduate	35.9%	26.6%	26.3%
Some College, No Degree	32.0%	23.8%	27.1%
Associate Degree	5.3%	4.6%	6.6%
Bachelor's Degree	7.6%	15.2%	16.4%
Master's/Professional/Doctorate Degree	1.0%	7.8%	8.7%
Total (2008)	792	14,793	2,570,493
Less than 9th Grade	4.8%	10.1%	4.3%
9th - 12th Grade, No Diploma	11.2%	8.8%	8.3%
High School Graduate	37.0%	27.3%	26.6%
Some College, No Degree	31.4%	23.1%	26.0%
Associate Degree	6.1%	5.2%	7.4%
Bachelor's Degree	8.3%	16.6%	17.6%
Graduate/Professional Degree	1.1%	9.0%	9.8%

Source: U.S. Census Bureau and ESRI Business Information Solutions.

Figure 22. Unincorporated Hood River County Building Permits (2004-07)

	Single-family & Multifamily		Manufactured		Total Permits	
	#	%	#	%	#	%
2004	73	23%	33	34%	106	26%
2005	69	22%	26	27%	95	23%
2006	98	31%	17	18%	115	28%
2007	78	25%	20	21%	98	24%
Total	318		96		414	
Average	80		24		104	

Source: ECO Northwest, *Hood River County Coordinated County Population Forecast, 2008-2028*.

Figure 23. Hood River County Average Sale Price Data (1988-2008)

Year of Sales	City of Hood River Avg Home Price	Cascade Locks et al Avg Home Price	Total Sales Countywide
1988	\$51,300	\$52,600	168
1989	\$51,500	\$54,500	217
1990	\$57,800	\$53,300	193
1991	\$80,000	\$73,000	543
1992	\$88,000	\$76,600	337
1993	\$85,000	\$113,900	219
1994	\$98,800	\$90,400	326
1995	\$123,300	\$111,700	297
1996	\$113,717	\$107,754	261
1997	\$123,782	\$143,777	281
1998	\$132,678	\$145,110	306
1999	\$142,088	\$168,513	387
2000	\$149,639	\$168,104	372
2001	\$182,393	\$136,459	365
2002	\$177,123	\$175,605	475
2003	\$195,535	\$181,520	540
2004	\$222,610	\$181,520	525
2005	\$281,872	\$216,438	644
2006	\$343,591	\$200,008	472
2007	\$344,829	\$228,059	340
2008	\$347,959	\$218,446	280

- Notes:
- * City of Hood River includes the Urban Growth Area. The majority of sales in the county occur in this area. This is the best area to measure average change per year as specific property differences are least likely to skew the indications.
 - ** Cascade Locks et al is a combination of Cascade Locks, Odell and Parkdale. These areas have a small population size, with few sales, The low number of sales and other market influences can easily skew year to year averages used to identify appreciation due to time in the market.
 - *** Data based on sales considered arm's length transactions for use in Assessor's ratio study. This may not include every sale in the county, or those properties for sale by owner. Data compiled January 1 to December 31, 2008.

Source: City of Cascade Locks.

Figure 20. Housing Trends in Cascade Locks, Hood River County & State of Oregon (2000-08)

	Cascade Locks	Hood River County	State of Oregon
Year 2000			
<i>Households</i>	427	7,248	1,333,723
<i>Average Household Size</i>	2.61	2.70	2.51
<i>Total Housing Units</i>	476	7,818	1,452,709
Owner Occupied Housing Units	61.1%	60.1%	59.0%
Renter Occupied Housing Units	28.6%	32.6%	32.8%
Vacant Housing Units	10.3%	7.3%	8.2%
<i>Median Home Value</i>	\$93,537	\$150,616	\$145,766
<i>Housing Units by Units in Structure</i>			
Total	476	7,818	1,452,709
1, Detached	65.1%	68.8%	62.8%
1, Attached	0.8%	1.3%	3.3%
2	2.9%	3.4%	3.0%
3 or 4	0.4%	3.0%	4.2%
5 to 9	3.4%	2.9%	4.3%
10 to 19	2.9%	2.0%	3.8%
20+	1.5%	4.3%	7.8%
Mobile Home	22.9%	14.2%	10.3%
Other	0.0%	0.1%	0.6%
Year 2008			
<i>Households</i>	447	7,865	1,484,798
<i>Average Household Size</i>	2.66	2.77	2.52
<i>Total Housing Units</i>	501	8,503	1,631,564
Owner Occupied Housing Units	62.5%	61.4%	60.3%
Renter Occupied Housing Units	26.7%	31.1%	30.7%
Vacant Housing Units	10.8%	7.5%	9.0%
<i>Median Home Value</i>	\$164,366	\$257,879	\$280,043

Source: U.S. Census Bureau and ESRI Business Information Solutions.

Figure 21. Cascade Locks Building Permits (2000-07)

	Single-family	Multifamily	Total Permits
2000-2007	32	16	48
Average	5	2	7

Source: ECO Northwest, *Hood River County Coordinated County Population Forecast, 2008-2028*.

Figure 24. Employment Trends Comparison of Zip Code 97014, Hood River County & State of Oregon (2003-07)

NAICS Codes	Grouped Industry Sectors	2007				Avg Ann % Chg 2003-07			
		Firms	Avg Jobs	Total Wages	Avg Wages	Firms	Avg Jobs	Total Wages	Avg Wages
Cascade Locks Zip Code 97014									
11-23, 31-33, 42, 48-49	Industrial	22	254	\$10,413,711	\$41,026	12.0%	3.6%	15.0%	11.0%
44-45	Retail Trade	6	32	\$522,008	\$16,572	-6.9%	-2.0%	4.1%	6.2%
71-72	Leisure & Hospitality	10	102	\$1,504,883	\$14,826	-2.4%	-1.7%	0.4%	2.1%
51-56, 61-62, 81, 92	Other Services & Government	13	57	\$1,979,862	\$34,532	6.8%	-3.4%	1.0%	4.6%
	Private Non-Classified	1	*	*	*	0.0%	*	*	*
	TOTAL	52	444	\$14,420,464	\$32,466	4.3%	0.9%	10.2%	9.2%
Hood River County									
11-23, 31-33, 42, 48-49	Industrial	426	4,517	\$117,133,163	\$25,932	2.6%	4.3%	9.6%	5.1%
44-45	Retail Trade	140	1,336	\$31,523,758	\$23,596	1.7%	1.3%	4.6%	3.3%
71-72	Leisure & Hospitality	108	1,907	\$27,535,533	\$14,439	4.4%	4.4%	7.4%	2.9%
51-56, 61-62, 81, 92	Other Services & Government	466	4,262	\$141,700,545	\$33,247	3.3%	3.6%	6.7%	3.0%
	Private Non-Classified	7	*	*	*	23.6%	*	*	*
	TOTAL	1,146	12,025	\$317,985,526	\$26,444	3.0%	3.7%	7.6%	3.7%
State of Oregon									
11-23, 31-33, 42, 48-49	Industrial	38,253	494,444	\$23,784,306,727	\$48,103	3.2%	2.6%	6.5%	3.8%
44-45	Retail Trade	13,621	200,204	\$5,139,551,668	\$25,672	1.7%	2.1%	4.6%	2.4%
71-72	Leisure & Hospitality	11,419	171,666	\$2,764,597,636	\$16,105	3.5%	3.3%	6.5%	3.2%
51-56, 61-62, 81, 92	Other Services & Government	66,361	861,297	\$36,656,213,104	\$42,559	4.3%	2.5%	6.2%	3.6%
	Private Non-Classified	981	741	\$35,623,658	\$48,075	5.7%	-6.6%	1.2%	8.3%
	TOTAL	130,633	1,728,351	\$68,380,292,793	\$39,564	3.6%	2.6%	6.2%	3.5%

Source: Oregon Employment Department.

Figure 32. Retail Sales/Leakage for Cascade Locks & Hood River County (2008)

Cascade Locks

Retail Categories	Demand (Retail Potential)	Supply (Retail Sales)	Leakage (Demand-Supply)	Leakage % of Demand
Motor Vehicle & Parts Dealers	\$2,009,354	\$0	\$2,009,354	100%
Furniture & Home Furnishings Stores	\$224,144	\$0	\$224,144	100%
Electronics & Appliance Stores	\$213,036	\$0	\$213,036	100%
Bldg Materials, Garden Equip. & Supply Stores	\$337,489	\$0	\$337,489	100%
Food & Beverage Stores	\$1,797,841	\$2,101,017	-\$303,176	-17%
Health & Personal Care Stores	\$276,915	\$86,400	\$190,515	69%
Gasoline Stations	\$1,137,567	\$2,416,567	-\$1,279,000	-112%
Clothing and Clothing Accessories Stores	\$341,395	\$0	\$341,395	100%
Sporting Goods, Hobby, Book, & Music Stores	\$196,635	\$747,790	-\$551,155	-280%
General Merchandise Stores	\$1,102,228	\$0	\$1,102,228	100%
Miscellaneous Store Retailers	\$99,143	\$84,432	\$14,711	15%
Nonstore Retailers	\$28,426	\$0	\$28,426	100%
Food Services & Drinking Places	\$1,187,360	\$2,075,199	-\$887,839	-75%
Total Retail Trade and Food & Drink	\$8,951,533	\$7,511,405	\$1,440,128	16%

Hood River County

Retail Categories	Demand (Retail Potential)	Supply (Retail Sales)	Leakage (Demand-Supply)	Leakage % of Demand
Motor Vehicle & Parts Dealers	\$44,024,746	\$22,520,989	\$21,503,757	49%
Furniture & Home Furnishings Stores	\$4,761,559	\$4,243,736	\$517,823	11%
Electronics & Appliance Stores	\$4,760,326	\$2,774,411	\$1,985,915	42%
Bldg Materials, Garden Equip. & Supply Stores	\$7,418,149	\$12,441,811	-\$5,023,662	-68%
Food & Beverage Stores	\$40,383,324	\$64,345,944	-\$23,962,620	-59%
Health & Personal Care Stores	\$6,155,947	\$7,640,973	-\$1,485,026	-24%
Gasoline Stations	\$25,521,224	\$30,034,472	-\$4,513,248	-18%
Clothing and Clothing Accessories Stores	\$7,419,515	\$8,212,410	-\$792,895	-11%
Sporting Goods, Hobby, Book, & Music Stores	\$4,460,124	\$10,146,615	-\$5,686,491	-127%
General Merchandise Stores	\$24,336,461	\$30,334,555	-\$5,998,094	-25%
Miscellaneous Store Retailers	\$2,201,874	\$3,843,188	-\$1,641,314	-75%
Nonstore Retailers	\$721,718	\$0	\$721,718	100%
Food Services & Drinking Places	\$26,167,251	\$43,150,405	-\$16,983,154	-65%
Total Retail Trade and Food & Drink	\$198,332,218	\$239,689,509	-\$41,357,291	-21%

Source: ESRI Business Information Solutions.

Figure 33. Cascade Locks Commercial Retail Space Potential (2008-2028)

Retail Categories	Building Space Demand (sf)				Total Potential
	Retail Sales/SF	Leakage Recapture	Future Growth	Tourism Potential	
Motor Vehicle & Parts Dealers	NA	-	-	-	-
Furniture & Home Furnishings Stores	\$210	1,000	1,000	-	2,000
Electronics & Appliance Stores	\$310	1,000	-	-	1,000
Bldg Materials, Garden Equip. & Supply Stores	\$390	1,000	-	-	1,000
Food & Beverage Stores	\$410	-	2,000	4,600	6,600
Health & Personal Care Stores	\$370	1,000	-	-	1,000
Gasoline Stations	\$1,350	-	-	2,800	2,800
Clothing and Clothing Accessories Stores	\$250	1,000	1,000	2,100	4,100
Sporting Goods, Hobby, Book, & Music Stores	\$220	-	-	2,400	2,400
General Merchandise Stores	\$350	3,000	2,000	1,500	6,500
Miscellaneous Store Retailers	\$210	-	-	2,500	2,500
Nonstore Retailers	NA	-	-	-	-
Food Services & Drinking Places	\$315	-	2,000	23,000	25,000
Total Retail Trade & Food & Drink		8,000	8,000	38,900	54,900
Lodging	\$50	-	-	101,100	101,100
Total Retail + Accommodations		8,000	8,000	140,000	156,000

Note: Tourism potentials do not include building square footage that may be associated with the Bridge of the Gods Resort and Casino. If developed, commercial potentials of the resort would be added to those identified above.

Source: ESRI Business Information Solutions, Dean Runyan Associates, Urban Land Institute, and E. D. Hovee & Company, LLC.

Figure 34. Cascade Locks Employment & Development Intensity Assumptions

Employment Sector Group	Bldg Sq Ft per Job	FAR Coverage	% Infra-Structure	Jobs per Acre
Industrial Uses	1,000	0.20	25%	6.5
Retail Trade (excluding dining)	500	0.25	15%	18.5
Leisure & Hospitality				
- Resort / Casino Destination	355	0.31	25%	28.3
- Other Dining & Accommodations	500	0.20	15%	14.8
Other Services & Government	500	0.20	15%	14.8

Note: Site and employment density for the proposed resort / casino project is from the *Cascade Locks Resort and Casino Project: DEIS*, February 2008.

Source: E. D. Hovee & Company, LLC., from sources including Metro, *Preliminary Urban Growth Report – Employment: 2009-2030*, May 2009.

END NOTES

- ¹ Funding to the City of Cascade Locks from the State of Oregon DLCD for preparation of this Economic Opportunities Analysis (EOA) is via a grant agreement, TA-R-09-195.
- ² As stated in Attachment F-EOA Products of DLCD technical assistance grant TA-R-09-195. A related objective is for planning beyond the next 20 years for “up to an additional 30 years for communities planning for designated urban reserve land.” As Cascade Locks is not planning for urban reserves, this provision is not applicable to this EOA.
- ³ An interlocal cooperation meeting was conducted at the outset of this EOA planning process in Cascade Locks on March 4, 2009. Agencies represented included the project consultant team, City of Cascade Locks, Oregon Employment Department, Hood River County, and Mid Columbia Economic Development District.
- ⁴ This EOA analysis report has been prepared from statistical and other information sources generally deemed to be reliable; however, accuracy is not guaranteed. The findings and opinions contained in this report are those of the author and should not be construed as representing the opinion of any other party prior to their express approval, whether in whole or part.
- ⁵ The *Hood River County Coordinated County Population Forecast, 2008-2028* was prepared for Hood River County by ECONorthwest, with final report dated October 2008.
- ⁶ The Cascade Lock forecast is based on population living in the City as of 2007 but shows population growth for the entire UGB by 2028, based on the assumption that areas within the existing UGB will be annexed into the City limits over the 20-yr period.
- ⁷ The *Hood River County Coordinated County Population Forecast, 2008-2028* was prepared for Hood River County by ECONorthwest, with final report dated October 2008.
- ⁸ Employment is categorized by the North American Industry Classification System (NAICS). Information is for jobs covered by unemployment insurance and therefore excludes some sole proprietors including farm operators.
- ⁹ Indicated annual growth in median household income is estimated at 3.1% in Cascade Locks, 3.2% in Hood River County, and 3.4% in Oregon over the 2000-2008 time period. Data is from the U.S. Census Bureau and ESRI Business Information Solutions.
- ¹⁰ Similar U.S. Census data regarding number of workers who commute into Cascade Locks for employment is not readily available.
- ¹¹ Information is a new sector defined by NAICS that includes some previous industrially related SICs such as printing combined with more service sector related functions such as internet and software.
- ¹² Related sectors of finance, leisure and hospitality, and other services have increased at rates of 1.4%, 2.2% and 1.6% respectively.
- ¹³ These forecast scenarios have been prepared consistent with forecast methodology options as outlined by OAR 660-009 and 660-024-0040 together with the technical assistance grant agreement for this EOA.
- ¹⁴ An initial step in the process toward putting off-reservation land into trust for gaming purposes was taken in 2005 with signing of a Tribal-State Compact between the Governor of Oregon and The Warm Springs Tribal Council Chairman.
- ¹⁵ Project elements are excerpted from the web site www.gorgecasinoeis.com/project_description.html. Some of the detailed project elements vary somewhat in scope or size from what is stated in the *Cascade Locks Resort and Casino Project: DEIS*, February 2008.

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- ¹⁶ Prior downtown planning projects have included the *Cascade Locks Design Handbook* (1992), *Economic Development Plan* (1996), *ODDA Resource Team Report* (1998), and *Cascade Locks – Potential Downtown Projects* (2000).
- ¹⁷ Information from the tourism website for Cascade Locks, <http://www.cascadelocks.net/thingstodo.htm>.
- ¹⁸ This analysis is based on a review of forecast methodologies identified by OARs 660-009 and 660-024-0040 together with the Technical Assistance grant from DLCD for this EOA.
- ¹⁹ The four economic development strategies examined labeled as: 1) retention and enhancement; 2) diversification; 3) internet village and 4) family wage jobs. As documented by Barney & Worth, Inc. in association with E. D. Hovee & Company, LLC, *Economic Development Action Plan*, prepared for Hood River County, December 2000.
- ²⁰ Even in an environment of declining employment, commercial land needs may not change to the extent that businesses downsize but continue to operate from current locations.
- ²¹ This assessment is based on information as compiled and report by the *Cascade Locks Resort and Casino Project – Draft EIS*, February 2008.
- ²² Electrical service is provided by an 8 MW substation located within the Industrial Park. Water and sewer service are both directly served by 8 inch lines for each service, respectively. Telephone service is provided by Sprint, with cable and high-speed internet access provided by the City. as per the Port of Cascade Locks web site, www.portofcascadelocks.org, as of May 2009.