

Astoria, Clatsop County, Oregon

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NEAI Projects*

Year	Applicant	Project	Funding Source ¹	Amount
1994	Clatsop County	Wickiup Mountain programs center	HUD-CDBG	\$10,000
1994	City of Astoria	Technical Assistance – Tongue Point Waterline Engineering	USFS-Community Assistance Grant	\$21,940
1994	Two Businesses	Guaranteed Loans	SBA	\$564,825
1995	Clatsop Community College	Integrated Maritime Technology Training Program	USFS-Community Assistance Grant	\$104,700
1995	City of Astoria	Revitalization of the Columbia River Waterfront	USFS-Community Assistance Grant	\$250,000
1996	City of Astoria	North and South Tongue Point Water/Sewer System Improvements	Special Public Works Fund	\$1,202,690
1997	City of Astoria	Astoria Plywood Mill – Redevelopment	USFS-Community Assistance Grant	\$137,000
1998	OSU Clatsop County Extension	Astoria Farmers Market Building	USFS-Community Assistance Grant	\$25,000
	Clatsop Community College	Design Marine Fire School	EDA	\$120,000
2000	City of Astoria	Trolley Barn	Forest Service	\$100,000
1994	City of Warrenton	Warrenton-Astoria Head Start Center	HUD-CDBG	\$600,000
1994	Six Businesses	Guaranteed Loans	SBA	\$1,058,036
1997	City of Warrenton	North Coast Business Park	State Special Public Works Fund	\$1,183,600
1997	Clatsop County	North Coast Business Park - Site Development/Feasibility Study/Master Plan	EDA-\$90k OEDD-\$11,250 OEDD-\$90k	\$191,250
1994	MTC Training & Placement Services	Comprehensive Employment & Training Program		\$134,115
1995	18 Businesses	Guaranteed Loans	SBA	\$2,474,525

* Project funding reflects initial loan and grant totals. Final funding amounts may be different.

1. Key to Funding Sources: RCAP=Rural Community Assistance Program; OGDF=Old Growth Diversification Funds (Forest Service funds administered by the State); JTPA=Job Training Partnership Act, EDA-Economic Development Administration, JITW-Jobs-in-the-Woods, HUD-CDBG = US Housing and Urban Development-Community Development Block Grant, SBA = Small Business Assistance OEDD = Oregon Economic Development Department.

Background Context

This section provides background information on the community of Astoria. In describing Astoria, however, we will also briefly discuss the community of Warrenton, located approximately six miles west of Astoria, across Youngs Bay. Although Astoria and Warrenton are socially and politically distinct, they are economically interdependent, often providing complementary jobs, industries, and services. Because of this economic interdependence, background information on Warrenton is included in this case study. The primary focus of this assessment, however, is the community of Astoria.

Brief History

Located in the northwest corner of Oregon at the mouth of the Columbia River, Astoria is the oldest United States settlement west of the Rockies. Prior to European settlement, the area was inhabited by the Chinook, Clatsop, and Kathlamet Indians, who lived off of the abundant populations of salmon, shellfish, and deer. Early visitors to the area include Lewis and Clark, who passed the winter of 1805-6 in the area, building Fort Clatsop for shelter. In 1811, the Pacific Fur Company, owned by John Jacob Astor, established Fort Astoria, a fur trading station. The fur trade brought an increasing number of settlers to the area, and by the 1840s the first post office west of the Rockies was established in Astoria, followed by the establishment of the first U.S. Customs House. As the fur resource became depleted, the economy shifted to the abundant salmon fisheries. By the 1860s, salmon canning was perfected, and several canneries opened in the area, eventually leading to thousands of new jobs. Settlers began to clear land for homesteads and create roads for harvesting timber. By the late 1800s, Astoria was considered the “liveliest boom town between Seattle and San Francisco,” with an economy based on salmon canning, timber production, and shipping. Immigrants from Finland, Scandinavia, and China settled in the area, with Finnish and Scandinavian cultures having a strong presence in the community to this day. In 1922, a large fire destroyed most of the downtown area that had originally been built on wooden pilings over the banks of the Co-

lumbia River. The downtown was rebuilt after the fire, but some local residents say it was overbuilt, resulting in an unusually high number of commercial vacancies that continue to this day.

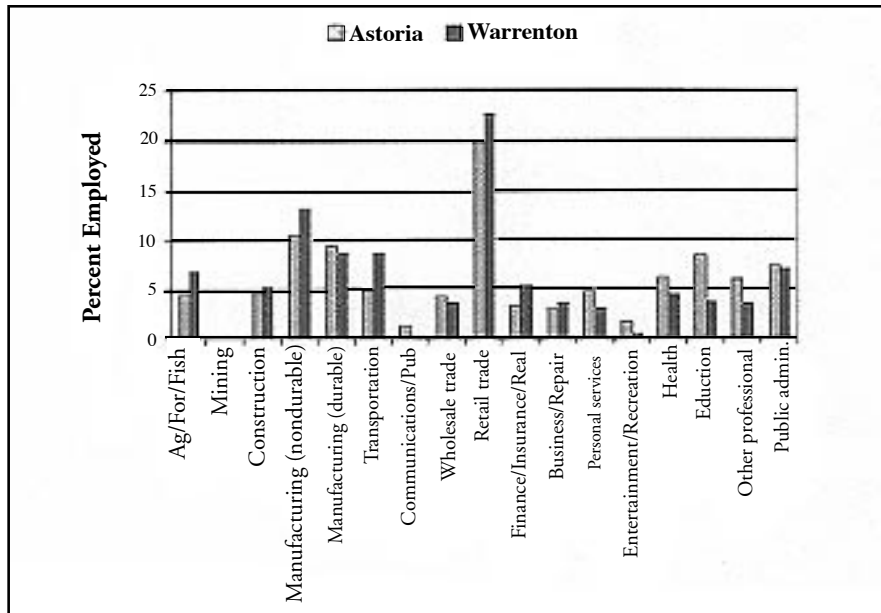
Demographics

The population of Astoria has remained relatively stable over time. Over the past 30 years, the population has hovered around 10,000. In the year 2000, the population was reported to be 9,813. Growth has been limited by the geography (Columbia River and private forest lands) and hilly topography. The limitations to growth have also maintained the unique historic character of the town (70 percent of the houses were built prior to 1930 and over 350 homes are more than 100 years old). Historic buildings line the downtown streets, while Victorian homes dot the hill slopes facing the Columbia River.

In contrast to Astoria, Warrenton is a relatively young and growing community. Warrenton has a large land base, resulting in a majority of industrial and suburban growth in the area. In 1970, the population of Warrenton was 1,825. By 1980, the population had increased to 2,493. Over the past 10 years, the population has almost doubled, with 2,681 people in 1990 and 4,205 in 1999. Cheaper land prices have made homes in Warrenton more affordable, and with larger lots.

Economy

The 1990 Census statistics show that the industry with the highest percentage of employment for both communities was retail trade, followed by manufacturing of non-durable goods (Fig. 1). Warrenton had slightly higher percentages of its population employed in agriculture/forestry/fisheries, construction, manufacturing (non-durable), transportation, retail trade, finance/insurance/real estate, and business/repair. Astoria had higher percentages employed in professional industries, such as health, education, public administration, personal services, and a slightly higher percentage employed in durable manufacturing.

Table 1: 1990 Employment by Industry

The lack of a major highway or rail line, as well as its distance from the current transportation hub (i.e., 60 to 90 miles from the I-5 corridor and major metropolitan areas), have significantly reduced Astoria's role in commercial shipping. Fishing and timber continue to play dominant but declining roles in the local economy. Declines in both industries began in the late 1970s/early 1980s and are attributed to climatic changes, changes in access to resources and other government regulations, mechanization, and resource declines. Substantial cross-over was noted between woods work and fishing (e.g., summer logging and winter crabbing).

Tourism, on the other hand, is emerging as an important industry for Astoria. The long history of the community, the natural beauty, recreational opportunities, and proximity to Oregon and Washington beaches all contribute to Astoria's attraction as a tourist destination. Historical points of interest such as Fort Stevens, Fort Clatsop, the Astoria Column, the Maritime Museum, and Flavel House bring hundreds of thousands of tourists each year (Astoria Chamber of Commerce 2000). Additional tourism is brought in from Columbia River cruise ships that dock in the community. The city is in the process of expanding port and transportation facilities to accommodate ocean cruise liners, which could bring

up to 1,700 passengers, and 600 crew members at a time. An increasing number of visitors are also expected during the Lewis and Clark Bicentennial in 2003 through 2006. Although many of the service jobs in tourism can typically be low-paying with little to no benefits, some have argued that tourism also fosters entrepreneurial endeavors that can generate high-paying incomes.

Timber Industry

Forest lands in Clatsop County are primarily under private and state ownership. Only 40 acres of federal timberland (Bureau of Land Management) exist in the county. Despite the lack of federal timber, the woods products industry in Astoria and Warrenton experienced major transitions from the 1970s through the early 1990s. In the 1970s, the bottom fell out of the timber market, and the Warrenton sawmill experienced a number of changes in ownership. Buy-outs continued through the 1980s at the Warrenton mill as Dant and Russel sold to Crown Zellerbach, which sold to Sr. James Goldsmith, which sold to Cavenham, and which finally sold to Willamette Industries. Each transition resulted in layoffs, increased mechanization, shorter cutting rotations, and smaller logs. Willamette Industries is currently facing a hostile takeover attempt by Weyerhaeuser.

Across Youngs Bay in Astoria, a cooperatively owned plywood mill, which employed 150 to 200 people, operated between 1951 and 1991. In 1951, it boasted the highest payroll in the county. Stock in the company was held by the workers, and at one time had a significant share value. The mill was fed on high-quality federal timber. Reductions in federal timber cuts, mechanical inefficiencies, and competition from log exports all contributed to its closure. In addition to job losses, the value of stock plummeted, and many workers who relied on their stock for retirement lost everything. Most of those laid off either retired or went to lower-paying jobs. It is estimated that about 50 to 75 percent of those laid off eventually found work within the community. Others went through retraining and moved away. Unskilled workers had a more difficult time finding work than skilled workers (i.e., machinists, electricians). Older workers (i.e., those between 50 to 60 years old) also had a more difficult time finding work. In addition to those who were directly impacted by the closures, many businesses associated with the mill were also adversely impacted.

Current local employers in the wood products industry include Willamette Industries in Warrenton (600 employees) and Warrenton Fiber Co. Inc., with 28 employees. The Wuana pulp and paper mill, currently owned by Georgia Pacific, is located about 15 miles east of Astoria, and employs more than 1,000 workers. In 1995, pulp industry workers earned the highest average income in the county (\$46,479). Other private industrial timberland owners include Longview Fiber and Hampton. According to the State Employment Department, employment in the timber industry has remained relatively stable between 1991 and 1999. Interestingly, the volume of timber harvested has not changed over the last 25 years, although logs are now smaller.

Fishing Industry

Within the fishing industry, changes include a decline in the local fisheries, the closure of most canneries, the consolidation and mechanization of processing, and federal reductions in allowable catch. In the early 1900s, 22 canneries lined the Astoria waterfront, and over 50 were found in the Lower Columbia region. Today, only a few remain. Bumble

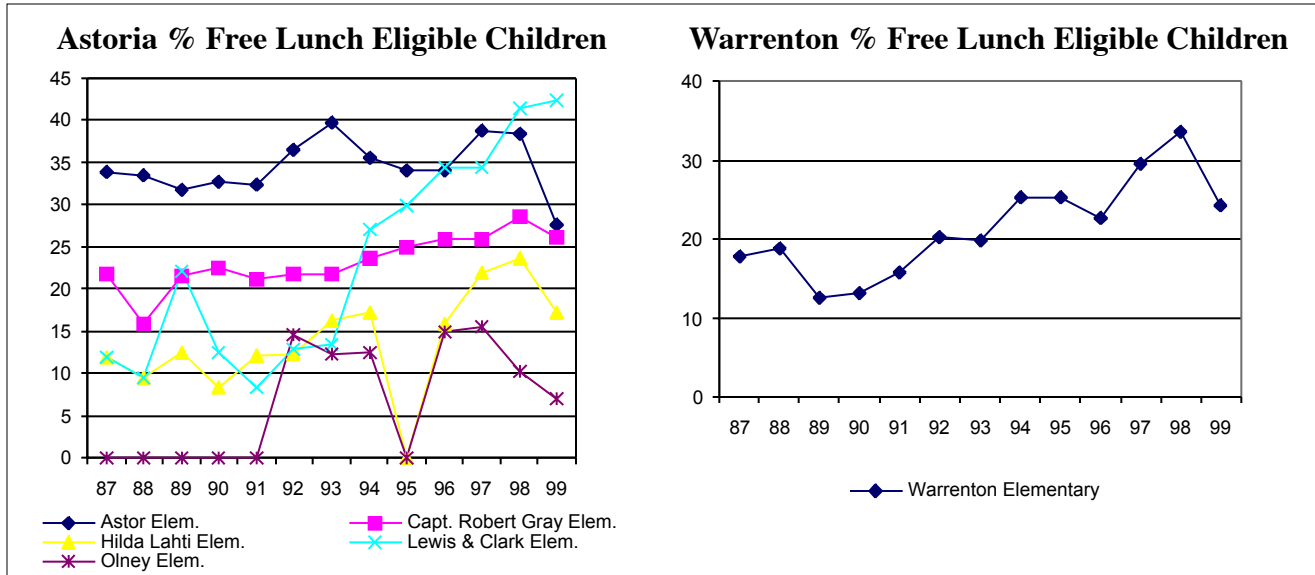
Bee Seafoods, which at one time employed 800 people, and up to 1,000 during peak season, moved their plant offshore in the 1980s. Bornsteins (100 employees) is currently the largest of seven fish processors. Historically, the salmon fishery played a key role in the local and regional economy. The current fisheries are focused on tuna, crab, and groundfish (including rockfish, dover sole, black cod, ling cod, perch, and Pacific whiting). Recent government regulations have reduced the allowable catch of groundfish, potentially reducing fleet numbers by 50 percent. There is much concern over the impact of these catch reductions on local employment. Despite declines in many of the fisheries, sardine numbers have dramatically increased after a 60-year low cycle. Two processing plants have been created and potential exists for additional employment in sardine processing.

Other Employment

Despite the importance of natural resource industries to the area, the economy of Astoria has historically been—and continues to be—the most diverse in the region. Major employers outside of the timber and fishing industries include government jobs at the local, school district, state, and federal levels. The U.S. Coast Guard, for example, is currently the largest employer in Astoria with 386 employees. Astoria is the county seat of government, and also houses state offices. The city is also the regional seat of government for the National Marine Fisheries Service. Other employers include the Columbia Memorial Hospital (an emerging regional medical center), Tongue Point Job Corps (a vocation school for disadvantaged youth), Clatsop Community College, the Daily Astorian newspaper, Walluski Western (farm equipment), and a new professional medical center. Other professional services (i.e., legal, accounting, etc.) also contribute to the economic diversity of the city. In recent years, there has been an influx of retirees, whose incomes are based on dividends and transfer payments.

Employers in Warrenton include large retail chains, such as Costco and Fred Meyer. Warrenton also houses most of the industry in the area, with machine shops, warehouses, and distributing centers. The largest employers in Warrenton outside of the timber industry are Ag-Bag International Ltd. (feed

Table 2

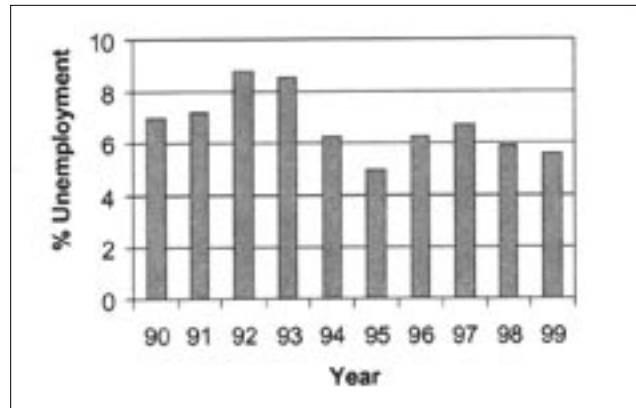


storage bags—100 employees), Oregon Youth Authority (juvenile prison—80 employees), Carruthers Equipment Co. (manufacturers of machinery—40 employees), and Lektro, Inc. (aircraft ground support equipment—21 employees).

Poverty

The per capita poverty rate for Astoria was 16.5 percent in 1990, with 8.8 percent of persons living in households with public assistance. The poverty rate for Warrenton was 13.9 percent in 1990, with 7.8 percent of persons living in households with public assistance. Because census statistics on poverty are not available at the community level every year, one indicator of poverty is the number of elementary school children eligible for free or reduced lunch. Table 2 shows the percentage of elementary school children eligible for free and reduced lunch in Astoria and Warrenton. Although the variability is large for Astoria schools and there is a slight increase in free lunch participation for some schools during the 1990s, in general, the numbers are fairly stable. These data thus suggest that poverty levels among children has remained the same, and may have even begun to decrease in 1999-2000.

Table 3: Unemployment Rate for Clatsop County, 1990-1999



Unemployment

Unemployment rates for both Astoria and Warrenton in 1990 were 6.2 percent, slightly lower than the county average of seven percent at the time. Over the past 10 years, the highest rates of unemployment for the county were in 1992-3 at 8.8 percent and 8.6 percent, respectively, while the lowest was in 1995 at five percent (Fig. 3). According to sources from the State, despite relatively low unemployment rates for the county, there is a large percentage of people with “full employment” seeking an “upgrade” in their employment for both higher paying work and benefits.

Educational Attainment

In 1990, 82 percent of adults 25 years and older living in Astoria had a high school diploma. The percentage of high school graduates living in Warrenton was 74 percent. Of these adults, 16 percent of Astoria residents received at least a Bachelor’s degree, while seven percent of those from Warrenton had at least a four-year degree.

Income

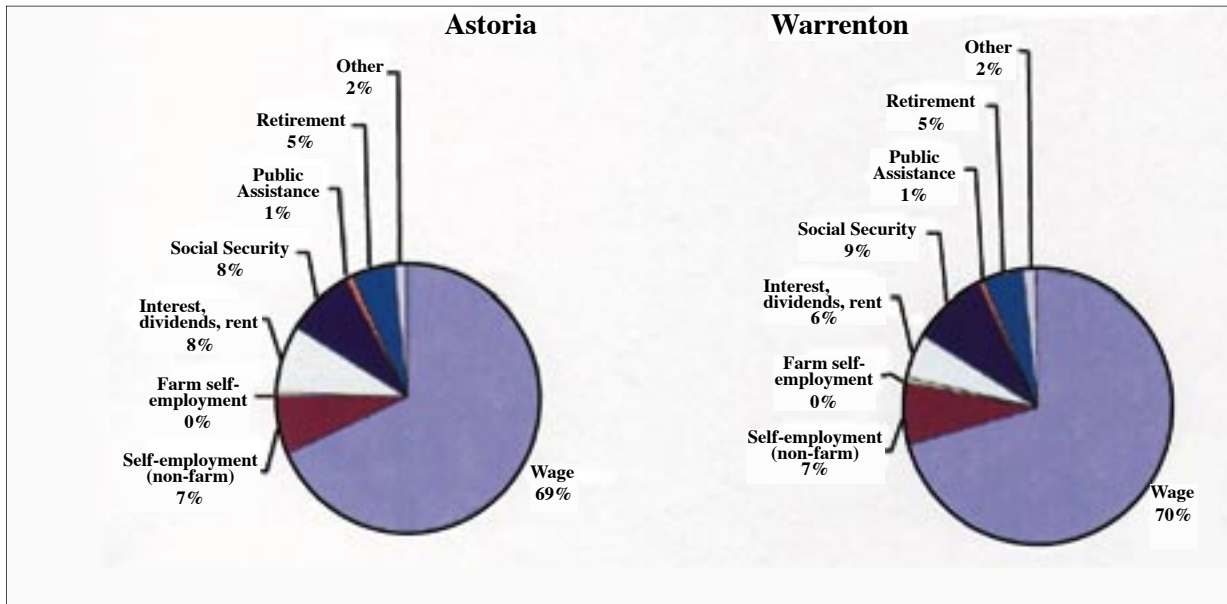
The median family income in 1990 was \$30,017 in Astoria and \$30,163 in Warrenton. Table 4 shows total aggregate income by source, indicating that the communities are very similar in terms of the distribution of income sources. For both communities,

69 percent of total income sources came from wages. The percentage of income from interest, dividends, and rental properties was eight percent for Astoria and six percent for Warrenton, and Social Security income was eight percent for Astoria and nine percent for Warrenton.

Key Issues

One of the key issues identified by community members is the lack of industries that provide family-wage jobs. This was an important issue prior to NEAI, and continues to be so. Many people reported that the distance from major transportation routes (i.e., I-5 corridor, lack of a rail line) was a major constraint to bringing industry to the area.

Table 4: Aggregate Income by Source for Astoria and Warrenton in 1989



NEAI Projects and Programs

Community Economic Revitalization Teams (CERT)

Institutional Structure and Function

Submission of prioritized CERT Project Notification Forms (PNFs) for Clatsop County was carried out by the Clatsop County Economic Development Council (CEDC). Communities, nonprofit organizations, and other local government entities were notified of the process through press releases and direct contact by CEDC staff. Direct contact, however, was limited, and some entities felt excluded because they were not aware of the process.

The CEDC provided assistance with the application process, and often assumed the clerical work. In the first year of CERT, the Clatsop County Board of Commissioners prioritized project proposals themselves. In subsequent years, the Clatsop County Economic Development Council Advisory Committee was set up to prioritize projects, which would then be submitted to the County Commissioners for final approval. Members of the CEDC's Advisory Committee were appointed each year by the Clatsop County Board of Commissioners, and consisted of representatives from city and county government, and business. Currently, the committee consists of a staff representative from Clatsop Community College, area city councilors, a representative from the wood products industry, a Port of Astoria Commissioner, a representative from the Lewis and Clark Bicentennial Association, and the administrator of CEDC. Criteria for prioritization was based on health and safety concerns, and economic development.

In the early years of NEAI, projects submitted to CEDC were primarily those that were already developed but lacked a funding source. For example, the revitalization of the riverfront in Astoria was a project that had been "on the shelf" for years and needed funding. Smaller communities were found to lack the time and resources to submit proposals. Some felt that the money did not get to the communities that needed it the most. Instead, communities that had staff assigned to work on proposals or that had prepared proposals were the ones that benefited. The CEDC has since contacted lower-capacity

communities and encouraged them to submit proposals.

One of the goals of the county was to improve infrastructure, with the belief that without adequate infrastructure, very little development could take place. Major upgrades of the highway, the Port of Astoria, and the water and sewer infrastructure in communities were viewed as top priorities. County and city priorities did not always coincide, however, and some felt that the CEDC's prioritization process lacked rigor and was biased toward county interests. Although applicants could come to the Board of County Commissioners and petition for a change in their ranking status, it was never done. Nevertheless, some felt that projects that ranked high on the CERT list were not representative of a consensus process. Once the list of prioritized projects reached the state for funding approval, however, high-ranking projects were not necessarily those that were funded. Instead, some felt that the process was somewhat arbitrary, in that funding was based on whether federal and state agency staff had an interest in the project.

As the CERT process evolved, state and federal funding agencies began to require that projects be listed on the CERT prioritization list in order to be eligible for any type of funding. "Unless your project is on the CERT list, you can't apply for other state and federal grant programs. Opportunities arise over the course of the year, but if you are not on the list at the beginning you are not eligible," stated one applicant. As a result, a very large number of projects are now submitted, regardless of their relative importance to a community. "The prioritization process has become a Christmas list—a placeholder," stated one individual. During the first few years of the process, an entity would submit two to three proposals that were thoughtfully prepared and considered top priority. Emphasis was placed on strategic planning. Over the years, however, applicants have observed a shift in focus to quantity over quality. "Being on the list is more important than having a well thought-out plan. So what do we do? We come up with everything we can think of and get it on the list."

Some people felt the CERT process was also inappropriate for projects that required immediate funding. “CERT is useful if you have the time to wait,” remarks one applicant. As a result, one potential applicant dismissed the CERT process because of the lag-time between proposal submission and eventual funding.

Projects

The majority of Astoria’s funded projects were directly and indirectly connected to the city’s overall plan for downtown revitalization. The availability of Initiative funds in these cases were viewed as critical in making the projects happen or at least accelerating the pace of development. Most funded projects led to subsequent funding of related projects, second phases, or further project development. Most projects did not lead directly to the creation of new, family-wage jobs for displaced timber and fishery workers. The success of a project was based more on generating potential for development, building social capital by creating a sense of optimism and self-confidence within the community, creating amenities, promoting tourism, and creating a more convivial and attractive community atmosphere.

Projects that occurred in Warrenton will also be discussed due to their impact on jobs and resources for residents of Astoria. Warrenton received NEAI funds for three projects, two of which were related to the development of the North Coast Business Park, and one for a Head Start Center.

Warrenton-Astoria Head Start Center

Funded in the first year of NEAI, construction of the Warrenton-Astoria Head Start Center was funded by a Community Development Block Grant provided through HUD (\$600,000), and administered by the Oregon Economic and Community Development Department (OECDD). Head start is a free comprehensive preschool for families whose income falls within the federal poverty guidelines. Children must be three or four years old by September 1st to qualify. Income guidelines are waived for children with documented special needs. The program includes nutrition, education, mental health, and medical/dental services for enrolled children.

Guaranteed Loans

During the first year of NEAI, the Small Business Administration (SBA) provided loans to businesses through the CERT process. Six businesses in Warrenton received loans totaling \$1,058,036; two businesses in Astoria received \$564,825; and county-wide, 18 businesses received \$2,474,525 in loans. Because SBA subsequently dropped out of the CERT process, information about these loans was not available.

North Coast Business Park

The North Coast Business Park is part of a 275-acre parcel of light industrial land on the outskirts of the city of Warrenton. The land is owned by Clatsop County, and is in the vicinity of Astoria Regional Airport, a small airport owned by the Port of Astoria. The site was in need of basic infrastructure development, including sewer and water lines. The goal was to develop the site to attract private sector businesses that would provide family-wage jobs. It was estimated that 40 businesses could be created on this site, with an average employment of 10 persons per business, or 400 jobs.

Two proposals were funded for the North Coast Business Park: one submitted by the city of Warrenton for sewer and water development, and another by Clatsop County for a site development/feasibility study/master plan. The county had been seeking a way to develop the site, and took advantage of an opportunity to bring in an Oregon Youth Authority (OYA) juvenile prison. The juvenile prison was attractive to the county because OYA would bring 80 family-wage jobs to the community. Funding requests for water and sewer development could also dovetail with the prison proposal. Sewer and water developments were eventually funded by a State Special Public Works Fund grant of \$250,000 and a loan of \$933,600 to the city of Warrenton. Once sewer and water were put in, the county received grants from EDA (\$90,000) and OECDD (\$101,250) to develop a Master Plan. Despite completion of the Master Plan, no new developments have yet been made. Currently, only the OYA juvenile prison and an animal shelter exist on the site.

The county was pleased with the Master Plan because they felt that it allowed discussion of devel-

opment options for the site without a client. Some have argued, however, that although OYA created jobs, it has not promoted other businesses to develop in the area. The county had offered the site for the new Clatsop Community College campus location, but recently the college board, in a controversial decision, selected downtown Astoria for the new campus. Many feel that viable opportunities still exist for the North Coast Industrial Park, especially for small, incubator companies who could share support services. Subsequent proposals were submitted to CERT for further development of the site (e.g., site clearing, storm drainage, extension of water, sewer and utilities, streets, sidewalks, signage, common area landscaping, and wetlands mitigation), and for marketing and lease administration.

One of the primary barriers to development was a conflict between the county, which was interested in highway commercial development on part of the site, and the State Department of Land Conservation and Development (DLCD), which zoned the site for industrial use. Because very little industrial land exists in Clatsop County, DLCD was unwilling to change the zoning of the site. Funding agencies on the CERT have thus been unwilling to fund any highway commercial development proposals that have been submitted.

Astoria Riverfront Redevelopment

Redevelopment of the Columbia River Waterfront was one component of the city of Astoria's strategic plan for downtown revitalization. The Plan consisted of developing a 50-foot corridor of "rail-banked" rail line along the river as a scenic "Riverwalk" as well as "street-end parks" that would link with the Columbia River Maritime Museum and the adjacent downtown business district. The goal was to promote tourism and revitalize the downtown business district by creating waterfront amenities and stimulating interest among local entrepreneurs to develop the historic, underutilized buildings.

The city of Astoria began working on the project in 1983, with a formal plan developed in 1987. When the Burlington Northern Railway abandoned their line to Astoria in the early 1990s, the City was able to acquire the rail line and underlying property

through a Rails to Trails program. The Railway also agreed to leave the existing rail system to the City. When the CERT process began, there was strong support for the project established both within the community and among some state and federal funding agencies. Through cross-agency discussions, \$250,000 was secured through a U.S. Forest Service Community Assistance Grant. The outcome of this funding has been the development of a riverfront boardwalk and rivertrail. "Spin-off" from the construction has included the donation of a vintage trolley, a volunteer-run trolley system along the old railway lines, and construction and renovation of new office buildings, restaurants, and shops. Many have referred to this project as the "critical linchpin" in promoting a turnaround in the attitude of Astoria residents and catalyzing additional development of the downtown area. "The project had a high impact, not in terms of job creation, but in helping the economy diversify and enhancing community," states one city employee. Many felt that the project helped to build optimism in the community, as well as bolster/invigorate community spirit.

Trolley Barn

Now in its third season of operation, the Astoria Riverfront Trolley was acquired, following the riverfront redevelopment. The 1913 trolley was leased to the city of Astoria by the San Antonio Museum of Art on the condition that it be properly maintained and stored. The community raised over \$30,000 and put in 3,000 volunteer hours to restore the trolley. In 1999, the volunteer-run trolley ran a regular schedule along the riverfront rail line and carried 40,000 passengers. The city of Astoria, on behalf of the Astoria Riverfront Trolley Association, applied for funding through CERT to construct a permanent storage and maintenance facility. In FY 2000, the Forest Service awarded a \$100,000 grant to the city to construct the new storage facility.

Astoria Plywood Mill Redevelopment

In 1991, the cooperatively owned Astoria Plywood Mill closed its doors after filing for bankruptcy. The Small Business Administration (SBA) was the senior lien holder on the property and auctioned off



As part of the riverfront redevelopment project, the community raised over \$30,000 and put in 3,000 volunteer hours to restore this 1913 trolley, now known as the Astoria Riverfront Trolley.

most of the equipment and usable material from the site. Left with a skeleton of debris and wreckage, contaminated soils, and millions of dollars in debt, the likelihood of developing the property was grim.

When NEAI was launched in 1994, the Economic Development Administration (EDA) began a statewide program to provide grants, administered through Rural Development Initiatives (RDI),² to work with communities to identify alternative uses for abandoned mill sites and to assess remediation needs. The Astoria Mill Site was one potential recipient for funding. To be eligible, however, the lien on the property had to be removed. Under standard policy, SBA cannot relieve any debt. Knowing that they would never be repaid, and as an early participant on the CERT, SBA felt open to exploring “new ways of doing business,” and researched its alternatives. They found that if a government entity (in this case, the city of Astoria) agreed to take on the property, the lien could be released and payment forgiven. Although SBA still has a buried lien on the property, their flexibility allowed development possibilities to move forward. The Astoria Plywood Mill thus became one of seven sites that received grants from EDA for site assessments. “It was the barrier-busting ability of the CERT that made it possible,” states one participant.

Reclamation efforts involved a \$250,000 environmental site assessment, and \$1.2 million cleanup

of the site. Subsequently, the city applied for funding through the CERT to cover predevelopment costs, such as site planning, market assessment, survey, geotechnical engineering, architectural, marketing, financial packaging, land use and permitting, and legal work. The ultimate goal of the site was redevelopment for residential and mixed commercial use.

Predevelopment funding was secured from a U.S. Forest Service Community Assistance Grant for \$137,000. The Forest Service was commended by city officials for their flexibility and willingness to work closely with them, without getting bogged down by bureaucratic paperwork. In 1999, the site was sold to a Portland developer, and construction is now underway. The site has received national recognition as a successful example of brownfields redevelopment. The site will include 82 individual house lots, along with a 40-unit apartment building for senior citizens, and lots for commercial use. The site is designed to create a close-knit community atmosphere, with narrow streets, front porches, pedestrian walkways, and easy access to the Riverfront trail and trolley. The developer plans to use “Green Practices” to ensure that environmentally-compatible construction practices are in place. The price of homes is expected to range from \$125,000 to \$250,000. The development conforms to the city’s Gateway Master Plan, a comprehensive plan to re-establish the community’s relationship with the riverfront, promote land uses

2. Rural Development Initiatives, Inc. is a nonprofit organization originally created by the Oregon Economic Development Department in 1979 as Communities Initiatives. In 1992, they became a private, nonprofit with the mission of building capacity in rural communities.

that complement existing development, preserve the historic buildings in town, and prohibit large-scale redundant retail and office uses that could threaten the viability of central city businesses. City leaders say that NEAI played a critical role in the development of the site.

*North and South Tongue Point
Water System Improvements*

Tongue Point, located on the eastern edge of Astoria city limits, represents one of the last tracts of open space zoned for industrial development in the community. Formerly occupied by the U.S. Navy, most of the land is now owned by the Division of State Lands. The area is divided into north and south

sections. A small portion of North Tongue Point is used to house the Department of Labor's Job Corps Center. The remaining portion was leased by Cresmont Industrial Development for a number of years. Cresmont had proposed a ship breaking (dismantling) operation, but encountered strong opposition from the community due to health and safety concerns. An outdated water and sewer system precluded the expansion or new occupancy of existing structures and construction of new facilities on the site. In 1994 and 1995, the city of Astoria applied for funding through CERT for technical assistance in waterline engineering, and water/sewer system improvements, respectively.

The city of Astoria initially received a \$21,940 U.S. Forest Service Community Assistance Grant for technical assistance with the waterline engineering. Water and sewer system improvements were funded by a Special Public Works Fund grant and loan (\$250,000 and \$952,690, respectively). Originally, the City sought funding through USDA Rural Development, however, the application process was highly cumbersome, and the city lacked the capacity to deal with the bureaucracy and paperwork. In the end, they backed out of the process and sought funding (the majority of which was a loan) through the State Special Public Works Fund. Although infrastructure improvements were essential to the expansion of the Marine and Environmental Research and Training Station (see below), developments on North Tongue Point have yet to materialize. Originally, the City estimated the creation of 600 new jobs as a result of infrastructure improvements and subsequent development of the site. Some feel that the new waterline has made the site more appealing to companies. Recently, a private marine company, the Washington Group, purchased the site from the State, but has yet to fully reveal its plans. They have, however, invested approximately \$4 million in dredging and infrastructure improvements to the site.

*Marine and Environmental Research and
Training Station (MERTS)*

Development of the Marine and Environmental Research and Training Station (MERTS—a program of Clatsop Community College) on South Tongue



From an Astoria side street looking across the Columbia River and into the state of WA.

Point emerged from a \$2 million federal appropriations bill, and the collaborative efforts of Clatsop Community College, Oregon Graduate Institute, Portland State University, the Oregon Division of State Lands, and the U.S. Army Corps of Engineers. Phase I of MERTS, the Maritime Science Center, includes a radar navigation training program and full licensing for commercial and merchant marine vessel operation. CERT-funded projects connected to MERTS include the Integrated Maritime Technology and Training Program (Phase II), which provides facilities and instruction for training personnel in industrial, manufacturing, and marine-related fields. Additional funding through CERT was sought for Phase IV of MERTS—the design and development of a fire school that would provide fire-fighting training for marine vessels. Phase III is the “Living Machine,” an EPA-funded “green” sewage treatment facility and research station, expected to be completed by the end of 2001.

Funding for the Integrated Maritime Industrial Training Center (now called the Industrial and Manufacturing Training Center) was provided primarily by a \$5 million grant from the U.S. Office of Naval Research. Additional funds for construction and program development were provided by a \$104,700 U.S. Forest Service Community Assistance Grant to Clatsop Community College. Initiative funds were used to help construct the Center, which includes a welding shop and fabrication area, a complete machine shop, mechanical shop, and computer labs. Because much of the funding was provided by the Navy, the site originally focused on training in the maritime industries in conjunction with the Maritime Science Center (Phase I). More recently, however, the program has been broadened to include other industrial training, changing its name to Industrial and Manufacturing Technologies. Students receive training in fabrication, machining, engines, CAD and CAM. The Center was funded in conjunction with a separate grant from the Oregon Graduate Institute for marine and environmental research. The Oregon Graduate Institute currently uses the facility for equipment storage, staging, repair, and office support, as well as a repository for oceanographic and environmental data. One of the objectives of the program was to offer retrain-

ing options for dislocated timber and fishery workers. Currently, approximately 150 students from diverse backgrounds are enrolled in the Center’s courses/programs during each academic term, with 85 percent coming from the surrounding area. The job market for those completing the program is generally good statewide, but limited in the immediate area.

Phase IV of MERTS, the Fire School, received a \$120,000 EDA grant for the design phase. Actual construction costs ranged from \$2 to \$3 million. In FY 2000, Clatsop Community College applied for \$2.5 million in funding through CERT. Potential funding agencies offered grant and loan packages. Unwilling to take out a loan, the college sought and secured funding through congressional earmarks. As of the summer of 2001, the College was in its final phase of negotiating with the Navy to provide \$2.2 million to fund construction of the facility, with groundbreaking planned for October 2001. Initial funding from NEAI for the design and business plan, however, were considered critical in leveraging the additional congressional funding. “Without a business plan, Congress would not have understood what the Fire School was about and how it functioned,” states one College employee. Additional funding through CERT is currently being sought for the design of the environmental technology lab, the design of a short-term conference/residential facility, and the Living Machine.

Critics of MERTS claim that the facility should never have been built, arguing that it is a “federal pork barrel project from the 1980s in search of a reason to exist.” They feel the facility is underutilized and that the property has a higher economic value than its current use. Because the facility is “off the beaten track,” however, some argue that it appears less utilized than it really is. Proponents of the campus feel the station provides important and unique training opportunities, as well as allows for collaborative partnerships between different research and educational institutions. MERTS has also been involved in broader community endeavors, such as housing the Riverfront Trolley during its restoration.

Astoria Farmers’ Market Building

The original objective of funding a farmers’ market building was to better support local vendors

and the farmers' market itself by providing a permanent covered shelter. The existing market was in a poor location and lacked activity or interest among community members. In 1998, a U.S. Forest Service Community Assistance Grant provided \$25,000 to build a permanent structure. At the same time, a specialist in farmers' market development was hired to assess the existing market. The specialist determined that the building itself was less of a problem than the promotion and organization of the market. As a result, the market was switched from Saturday to Sunday, and a manager was hired. The market now has 40 to 50 vendors (primarily crafts vs. "farmers"), and attracts thousands of people annually.

Wickiup Mountain Programs Center

During the first year of the CERT process, a \$10,000 HUD Community Development Block Grant was given to the Wickiup Mountain community, a small unincorporated area just south-east of Astoria. No information was collected for this project, since it was considered a separate community from Astoria/Warrenton.

Job Training Partnership Act (JTPA)

Retraining grants provided through the Job Training Partnership Act (JTPA) for displaced timber and fisheries workers in Clatsop County were administered by the Management and Training Corporation (MTC), a private, for-profit company, originally started as a program of Thiacol Corporation in the 1970s. Today, MTC specializes in correctional facilities nation-wide. Its job training program in Clatsop and Columbia Counties is the only one remaining within the company. MTC also separately runs the Jobs Corps facility at Tongue Point. In addition to providing job training assistance for Clatsop and Columbia Counties, MTC also sells assessment tools. Thus, as a for-profit company, it can rely less on federal grants as well as accept liability for services such as on-site childcare.

MTC administers the dislocated worker training fund, offers classes in computer literacy, conducts basic skills assessments and training, assists with resume writing, provides pre-employment training, and networks clients to additional service providers.

They work closely with the Oregon State Employment Department, Adult and Family Services, and Clatsop Community College. Collaborative relationships among these agencies have existed for years—"long before the One Stop Initiative mandated players to partner up," states one participant. Emphasis is placed on taking a holistic approach to worker displacement by meeting individual needs and including the spouse and family as much as possible. Prior to expected layoffs, peer recruiters are sent to plants or communities to meet, coordinate, and provide information about available services.

MTC has a reported success rate of 85 percent among those entering the program. These individuals either found jobs, went on to training, or entered the military. Retraining services varied from receiving assistance in developing a resume and/or testing, to entering into a more exhaustive program. The percentage of those who sought assistance through MTC following a plant closure, however, was relatively low (an estimated 30 percent for the Astoria Plywood Mill closure). One person interviewed, estimated that only 15 percent of those unemployed in a mass lay-off would go through vocational training. Retraining was often met with high resistance, especially among older workers. Many felt that retraining was futile if jobs were not available in the local area. Retraining often meant leaving the community.

One key issue that was raised among service providers was determining who is eligible for assistance. Federal rulings state that only those directly associated with an affected industry can qualify for assistance. Those impacted on a secondary or tertiary level, however, were not served. Efforts are currently being made to allow a more loose and liberal definition of those who are impacted. Recently, spouses have been added to the service population under a new "displaced homemakers" program. Many wives whose husbands are in the fishing industry, for example, play an important role in the business.

Additional eligibility issues have also been raised with the loss of jobs in the fishing industry.

JTPA originally focused on specific plant closures, but the natural resources initiatives opened up grants to include other displaced workers. Within the fisheries industry, declines in the resource or

reductions in allowable catch do not necessarily impact all workers at the same time. Some may be able to hang on longer than others, resulting in a “trickling-in” of displaced workers. Fishers also tend to have assets (e.g., boat), which makes them ineligible for food stamps and other forms of assistance. There is also often a period of denial and/or grieving, which creates a lag time between the time a job has ended to the time a worker will seek assistance. Most government grants, however, have a limited life span. For example, if a recipient initially signs up during one granting cycle, but then comes in seven to eight months later because they found a short-term job in the interim, they cannot receive all of the benefits of the grant. Although individuals may be carried over

into the next granting cycle, the service provider is penalized because a carryover is recorded as a negative termination on the first cycle. Local service providers are currently working with the Department of Labor to make it easier to move someone through from one grant to another without penalty.

Financial constraints also limit the effectiveness of retraining programs. “There is never enough money to meet everyone’s needs,” states one service provider. Because funding is based on demographics, smaller communities receive less although they may also lack the infrastructure, resources, and talent of a larger city. “If you have a reduction in case loads (because you are doing your job), you get less money, and then you need to lay off staff,” was one complaint.

Current Socioeconomic Conditions and Effects of NEAI on Community Well-Being

Community Capacity

Social and Physical Capital

Based on discussions with community members, it is evident that NEAI had a positive impact on community capacity in terms of building physical capital and enhancing social capital. People claim that the self-confidence of the community is high compared to what it was 10 years ago. “There was a turnaround in terms of outlook of the community. You could see

concrete things. We haven’t quite experienced a renaissance—we still need family-wage jobs—but the quality of life in the city has improved,” affirms one resident. “The Riverfront Walk and Mill Pond Redevelopment have reoriented people’s perspective of what is here,” states another. Public investment in the city has built a sense of optimism, encouraging entrepreneurial activity. A growing number of retail shops (restaurants, cafes, and bakeries) have filled the



Overlooking the town of Astoria where the Columbia joins the Pacific

downtown business district. Although many of these rely on tourism for the majority of their business, residents also welcome the new additions.

The sense of optimism and self-confidence is also manifested in greater civic participation. For example, hundreds of people volunteered their time to pick up trash during a waterfront cleanup campaign. The commitment to volunteerism is also visible with the restoration and running of the Riverfront Trolley. Additional evidence of community self-confidence can be seen with the passage of a \$3.2 million bond issue for a new swimming pool and aquatic center (which passed by 78 percent), and a \$20 million school bond (which passed by 68 percent). “It [the school bond] was made possible because of a lot of community involvement—a lot of people pushed for it,” states one resident.

Initiative-funded projects also helped empower existing leaders by building a record of success. “Doors open to you because of your record of success, and we have made important connections,” states one city employee. With NEAI funding, the successful completion of a few key projects set the momentum for funding other projects. Many have said that a critical mass of successful projects made others seem more doable. Projects thus helped build self-confidence among community leaders. Subsequent improvements to the city include the Gateway Center, which houses a cinema, the aquatic center, and a new OSU Seafood Lab and Seafood Consumer Center/School. Currently, there are 26 major capital projects underway or planned in Astoria, totaling over \$73 million. These include construction of a new \$8 million conference center, a \$5 million expansion of the Columbia River Maritime Museum, a \$15 million condo/apartment complex, and renovations of historic hotels and a historic theater, to name a few. The Initiative thus helped kick-start a wave of activity and development in Astoria.

Effects of NEAI on Workers

The impacts of NEAI on displaced timber and fisheries workers is less evident. Two general approaches were taken to address the loss of natural resource jobs: infrastructure development to attract businesses that would provide family-wage jobs,

and worker retraining programs. Many of the infrastructure projects focused on promoting tourism in the community. All of those interviewed agreed that tourism was not a viable replacement for jobs in the timber and fisheries industries, due to the low pay and lack of benefits. Efforts at developing industrial parks such as the North Coast Business Park and Tongue Point have resulted in some new jobs (i.e., at the juvenile prison), but not yet at the level anticipated. Although the juvenile prison has provided 80 well-paying jobs, its role as an “anchor” for an industrial park is dubious. Worker retraining programs funded through NEAI include those organized through MTC, as well as programs offered through MERTS. The effectiveness of these programs, however, is highly dependent on the availability of jobs, especially in the local area.

The sentiment among many community leaders toward timber and fishing are that they are dying industries. “There is an unraveling of cultural ties around fisheries and forestry,” states one observer. There is the feeling among some that attempts at creating natural resource-based employment is unrealistic. “You can’t turn back the clock,” states one resident. With mechanization and consolidation of the forest products industry, for example, many feel that the jobs that were available in the past will never come back. Those directly involved in the timber industry, however, state that although there are less jobs now than in the past, opportunities still exist. Some even claim a shortage of qualified people. “It’s harder to find good quality people to operate equipment or drive a truck . . . Many are retiring and there aren’t trained people to take their place,” states one person from the industry. Indeed economic development efforts have not focused on developing or supporting natural resource-based industries. One resident asked why, with all of the money now being spent by the city, no one had made an effort to save the mill. Rather than focusing on “traditional” industries (i.e., fishing and timber), development has focused more on bringing in new industries. Some hope that the installation of fiber optic lines will allow firms that are highly dependent on phone and internet access to move to the area.

Patterns and Themes

Human Capital

The success of NEAI-funded projects in Astoria is, in part, a result of the pre-existing leadership in the community. These community leaders had a long-term vision, and plans “in-hand” for projects. The city was thus able to take advantage of Initiative funds when they became available. Staff thus not only had the capacity to look for grants and strategic opportunities, but were also able to link projects to previous planning work. “There was a deliberate exploitation of opportunities,” states one city leader. Many attribute the “stick-to-itiveness” of community leaders to the success of the projects. “Change does not come quickly in rural communities,” observes one city employee, “it goes against the grain . . . If we had developed a master plan with dramatic changes, there would not have been the support . . . It has to come slowly . . . We might not see a project come to fruition for a decade.”

“Stick-to-itiveness” is partly a function of longevity. Not only did community leaders have the capacity to take advantage of funding opportunities, they have also stayed in their positions. “Longevity is good with the right people,” states one community member. “If there is too much turnover, it disrupts everything.” Thus, in addition to having skilled and progressive leaders, staff have also been consistent over time. For example, the city’s Community Development Director, who was involved in the planning of many of the CERT-funded projects, has been in his position for 16 years.

Community Capacity

The success of interventions was thus closely tied to community capacity. Projects were successful because they incorporated “bundles” (or combinations) of capital. For example, physical improvements were linked to community-building efforts, which promoted social capital and made financial capital available. Success resulted from the intersection of human, social, financial, and physical capital. In addition, success was also dependent on consistency and continuity of these interactions over time. The preservation of institutional memory through con-

sistency in staff and leadership allowed visions to be realized.

The following lists important aspects of each of these forms of capital:

a. *Human Capital*

- Having the time, skills, persistence, personnel, longevity to pursue funding
- Gaining community support for a vision
- Successful networking
- Leadership that can leverage funds and support
- Positive feedback loops (success leads to more success)

b. *Social Capital*

- Building community via stimulating support, creativity, action
- Promoting civic participation
- Social/community structure that supports/creates leaders, addresses problems effectively, and moves towards collective action

c. *Physical Capital*

- “If you build it they will come”—when this works and when it doesn’t (Infrastructure development as the panacea)
- Importance of having and supporting local human and social capital, without which physical improvements have little impact
- Wealth within the community and outside (i.e., Legislators in D.C.)—having investors in the community

Economic Diversity

Unlike many rural communities in the Pacific Northwest, Astoria was never a “single-industry” town. This fact is important in understanding community well-being, and analyzing how economic development efforts have played out. Although highly dependent on natural resource-based industries, the city has always had a certain level of economic diversity. Despite the booms and busts of each of the

natural resources industries (i.e., from fur to salmon to timber, and currently ground-fish), other jobs in manufacturing, government, and services have provided enough alternatives to allow a core population to stay.

Pluralism

In contrast to “company towns,” where a single corporate entity builds, governs, and controls most aspects of local economy and society, Astoria exhibits a governance structure and leadership capacity based on pluralism—reflected also by economic diversity. The fact that a cooperatively-owned plywood mill

ran successfully for 40 years is evidence that a certain leadership capacity, self-confidence, competency, and collective action has existed over a long period in this community. Development planners have found that effective community leadership is crucial when development efforts are based on self-help and technical assistance.³ Hibbard (1986:196) states that “mobilization for community development is indeed an output of community structure.” The success of many development projects can thus be attributed in part to a pre-existing leadership capacity and social structure that were prepared to take advantage of funding opportunities.

Conclusion

Initiative funds had a number of positive impacts on Astoria, particularly regarding projects that related to downtown revitalization. In addition to building physical capital, many of the projects enhanced social capital—either directly by stimulating joint work, or indirectly by creating a more convivial atmosphere and opportunities for volunteer work in support of the community. Many projects created a sense of optimism and self-confidence that helped empower existing leaders by building a record of success. Most funded projects catalyzed development of related projects, second phases, or further project elaboration. The effects of NEAI on displaced timber and fisheries workers is less evident. Most projects did not lead directly to the creation of new, family-wage jobs for displaced timber and fishery workers. The success

of NEAI-funded projects in Astoria is in part a result of the pre-existing leadership in the community. This leadership had a long-term vision and projects “on-the-shelf.” Also, unlike many rural communities in the NEAI region, Astoria was never solely dependent on a timber economy for its survival. Although both the timber and fisheries industries played, and continue to play, a strong role locally, other jobs in manufacturing, government, and services have provided alternatives to maintain a relatively stable economic core for many residents. This relative stability and diversity has buffered the community through major industry downturns and contributed to the maintenance and further development of a strong leadership and governance structure that could take advantage of NEAI funds when they became available.

3. Hibbard, Michael. 1986. “Community Beliefs and the Failure of Community Economic Development.” *Social Service Review* 60(2): 183-200.

Astoria, Oregon

Interviewees

Joyce Aho	Oregon State Employment Department, Astoria
Paul Benoit	Community Development Director, City of Astoria
Ann Berblinger	Economic Development Administration
Bill Campbell	Regional Development Officer for Columbia, Clatsop, and Tillamook Counties, OECDD
Jim Cappellan	Forestry Consultant, President of Small Woodland Association of Tree Farmers
Joe Easley	Director, Oregon Trawl Commission and OSU Seafood Consumer Center
Jill Elkins	Director, Management Training Corporation, Clatsop and Columbia Counties
Bill Entilla	Program Director for the MERTS (Clatsop Community College)
Margaret Forbes	Director, Clatsop County Economic Development Council
Steve Forrester	Publisher of the Daily Astorian newspaper
Peter Gearin	Executive Director, Port of Astoria
Gilbert Gramson	Former City Manager, City of Warrenton
Skip Hauke	Owner of Hauke's Sentry supermarket
Al Jaques	Director, Industrial & Manufacturing Technology Department, MERTS (Clatsop Community College)
Mitch Mitchum	Public Works Director, City of Astoria
Mike Morresy	Director, OSU Seafood Lab
John Reith	Worked at Astoria Plywood for 36 years as foreman/superintendent, now inspects ships in Portland and Astoria.
Roger Rocka	Director, Astoria-Warrenton Chamber of Commerce
Doug Thompson	City Council member
Art Tolboe	Worked at Astoria Plywood, now drives a freight truck
Don Webb	Officer at Astoria Plywood for 18 years, currently retired
John Wubben	President, Clatsop Community College