

WINTER 2019

WORKING FOR THE COMMUNITY, CARING FOR THE ENVIRONMENT, BUILDING THE ECONOMY

INSIDE



**TRANSPORTATION
CRITICAL**



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OFF TO OLYMPIA!



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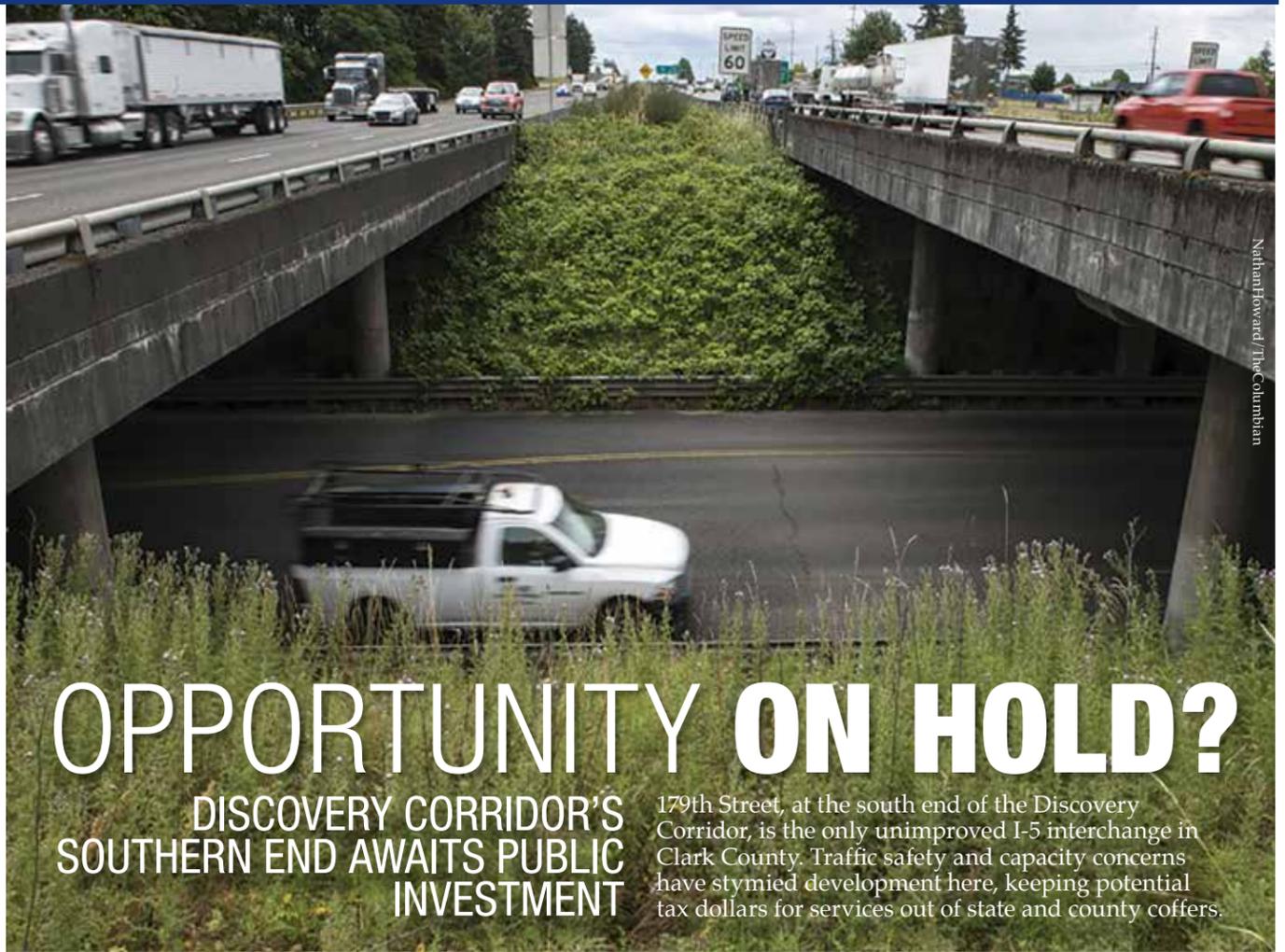
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PORTWORKS is published quarterly by the Port of Ridgefield.
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Nathan Howard/The Columbian

OPPORTUNITY ON HOLD?

**DISCOVERY CORRIDOR'S
SOUTHERN END AWAITS PUBLIC
INVESTMENT**

179th Street, at the south end of the Discovery Corridor, is the only unimproved I-5 interchange in Clark County. Traffic safety and capacity concerns have stymied development here, keeping potential tax dollars for services out of state and county coffers.

It's likely that even the casual observer is aware that the Clark County economy is humming along these days. Myriad construction projects completed or underway include single family and multi-family housing to help meet demand; commercial development for new and expanding businesses; and construction of new roadways and local highway improvements to keep goods and people moving safely and efficiently within the county.

One particular location at the south end of the Discovery Corridor, however, is not enjoying this economic boom as it's both literally and figuratively at a crossroads. The 179th Street interchange has the dubious distinction of being the only unimproved I-5 interchange in Clark County.

This interchange and its feeder roadways are hampered

by a configuration that's outdated for modern traffic needs, which limits transportation capacity and reduces safety. The result? Development in this high-demand area of unincorporated Clark County is at a virtual standstill.

"There's a de facto moratorium on development in this area."

**Lance Killian,
President, Killian Pacific**

expansions in 2004 and 2007. This designation disallows development. The urban holding is still in place today on over 2,100 acres, primarily due to a lack of transportation infrastructure.

Why the holdup?

With no immediate funding source for the approximately \$50 million needed to update this interchange and an additional \$50 million to update the surrounding roadways to today's safety standards, Clark County issued an urban holding designation on properties added in this area as a result of urban growth boundary

OPPORTUNITY, PAGE 2



RAIL OVERPASS PROJECT ON TRACK FOR 2019

The aerial view illustrates the Pioneer Street Rail Overpass and the future route over the railroad tracks. The project, that will provide safe access to and from the waterfront for motorists and pedestrians, has been delayed for a variety of reasons. In first quarter 2019, however, the port will go out for bids on the final phase of the project – the aerial span over the railroad tracks. The span will connect to the north and south approach roads built earlier by the port. Construction is estimated to begin in 2nd quarter this year.



TO COMPETE, EFFICIENT TRANSPORTATION IS CRITICAL

By Scott Hughes
Port Commissioner

Unless you live and work in Ridgefield, you're likely on the road to and from your job or other pursuit at least once a day. You might drive to your destination, take a bus or even ride a bike. It's also likely you don't think much about the road or bike trail you travel on – unless its inadequacy is slowing you down. If you drive the I-5 bridge across the Columbia River regularly, you probably grouse about it a lot!

For the most part our regional roadways operate efficiently and safely. That's in large part due to the existence of the Southwest Washington Regional Transportation Council. It works to promote the development of an efficient and safe regional transportation system.

In 2019, I'll serve as RTC vice chair and be the voice of the three ports in Clark County – Ridgefield, Vancouver and Camas-Washougal. Ports get a seat at this important table because they bring a unique perspective to the region's economic development efforts. Freight-mobility and the efficient movement of people are critical for businesses here to compete regionally, nationally and globally.

To that end, the ports' and RTC's highest priorities continue to be addressing the choke-points in our transportation system, with I-5 bridge alternatives ranking highest on the priority list.

The good news is this is a new age; fresh ideas are on the table, such as bus rapid transit that can bring people from downtown Vancouver to downtown Portland more quickly than light rail. And while much of the pre-work for I-5 bridge alternatives was done years ago, it isn't all wasted. Some of the engineering and other studies remain valid today.

Good transportation affects all of us. So I, and other RTC members, will be working to make advances.

OPPORTUNITY, CONT. FROM PAGE 1

So opportunity, says local developer Lance Killian, is passing by.

"There's a de facto moratorium on development in this area," Killian said. "It kicked in when the remaining transportation capacity around the interchange had been fully committed to other developments. In effect, there is no remaining capacity."

Killian is the president of family-owned Killian Pacific, a 45-year old real estate development firm headquartered in downtown Vancouver at the Hudson Building, a Killian Pacific project. His company has been acquiring property near the 179th Street interchange since 2005 and currently owns 125 acres there.

What is the potential economic opportunity?

At a recent Port of Ridgefield public meeting, Killian presented findings from a study commissioned by his firm. In the 2015 report by Portland-based Johnson Economics, the goal was to capture the economic benefit to the community if the transportation infrastructure at 179th Street was improved and the urban holding areas were lifted.

"The study identified 2,200 acres of undeveloped vacant land as well as underdeveloped acreage for a total of 4,100 acres of opportunity," Killian said.

What those potential development acres mean in real estate value is staggering. "The taxable value," Killian told the Port Commission and audience, "is \$7.3 billion." He added that all the figures from the report are reflected in 2015 dollars. "Simply put, they're even higher now."

Translated into tax revenue to the state and county for other infrastructure improvements or for schools and other community services, the numbers are equally impressive, bringing as much as \$148 million to the state over 20 years, and nearly \$686 million to Clark County over the course of the same time period. These figures assume the state would front the \$50 million for the interchange improvements – the reason its overall revenue expectation is lower than that of the county's – but still an arguably high 20 percent internal rate of return to the state on its investment.

"I'm not sure it gets much better than that for public investment," Killian said.

Jobs picture significant

"The good news doesn't stop there," Killian added. "Construction jobs – and the associated jobs they bring – could number 85,000, with more than 23,000 permanent jobs post-construction."

Killian also noted the report indicates pay rates would outpace current levels.

"Eighty-two percent of those permanent jobs are anticipated to pay 25 percent more than the Clark County median wage."

Killian said those numbers were derived by Johnson Economics using the current zoning in place on the 4,100 available development acres, and extrapolating the type and number of jobs that could be generated.

With a significant employment base already around the 179th Street interchange, Killian believes there's a springboard for more jobs if development is allowed there. Referencing Washington State University, the Clark County Fairgrounds and Event Center, Sunlight Supply Amphitheater and Legacy Salmon Creek Medical Center, Killian emphasized the area's potential.

"The 179th Street area is the southern gateway to the Discovery Corridor," said Killian. "It's got proximity to WSU-Vancouver, an entertainment cluster, and a vital health care node – expansion capacity for any of these operations is critical."

What's the current status?

Design work for the interchange is currently underway, with the \$500,000 price tag allocated to Washington State Department of Transportation in the 2017 capital budget. Clark County had been paying the WSDOT cost and its bills to move the practical design of the interchange forward.

The \$50 million for the actual work on the interchange project isn't allocated in the state's transportation package until the 2023-2025 biennium.

"If this schedule sticks, it will be at least eight years before we see an improved interchange," Killian said.

In an attempt to speed up the process, Killian Pacific is working with other private landowners and Clark County to find ways to expedite the infrastructure construction.

Nelson Holmberg, the port's vice president, innovation, noted Killian's strategy was sound.

"It shows the state legislature how serious we are about the need for development here."

In a follow-up conversation, Holmberg said the 179th Street interchange improvement project is on the port's 2019 legislative agenda as well as on the shared legislative priorities of the three ports in Clark County. In addition to the Port of Ridgefield, those include the ports of Camas-Washougal and Vancouver.

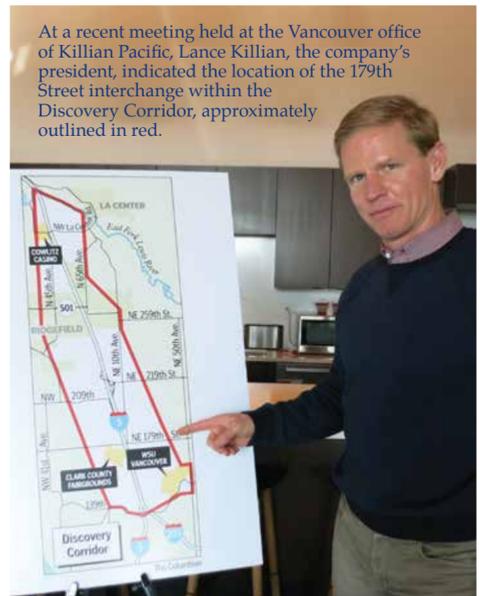
"This is a priority transportation project for all of our ports," said Holmberg, "We will be talking with legislators from across the state about this during the next session."

As Clark County is one of the fastest growing counties in the Portland-Metro area, Killian believes there is tremendous opportunity to increase the tax base for the county

and the state, and the cost for failing to take advantage of it is great.

"Here we sit with this amazing economic development potential," he said, "but with what's been an extended development moratorium, we can't realize it."

For more information read the report summary on the port's website.



At a recent meeting held at the Vancouver office of Killian Pacific, Lance Killian, the company's president, indicated the location of the 179th Street interchange within the Discovery Corridor, approximately outlined in red.



"Proximity to Portland, access to quality education, talent pool, available land and livable communities make the Discovery Corridor a region for innovation."

**BRENT GRENING
CEO, PORT OF RIDGEFIELD**

PORTENGINE.NET

Locals launch business that helps ports spend less on property transactions

Port districts are stewards of public funds, so utilizing a commercial realtor on a high price tag land transaction and paying a 5 percent commission gives some port officials heartburn. Additionally, port representatives find themselves in the selling seat.

Port of Ridgefield CEO Brent Grening has frequently lamented about this conundrum.

"It's a double-whammy for ports," says Grening. "Because we have the knowledge, we do much of the leg work in providing relevant data for an investor or developer, and then get hit with a commission upon sale, too."

Grening is quick to point out he's not 'anti-realtor.' "I'm concerned about the cost of using their services in a public sector environment," he says.

A solution surfaces

About 18 months ago, Grening's concern fell upon the ears of some local entrepreneurs. Vancouver-based businessmen Keith Stauffer, John Laine and Jim West stepped in to provide a private-sector business solution to the woes of Grening and other port representatives. Their company, PortEngine.Net is a statewide, online marketing platform for ports; members pay only a 1 percent fee upon a successful

property transaction or lease. This savings leaves more money in a port's pocket, and ostensibly lowers the purchase price for the buyer.

"A low fee and no out-of-pocket expense at the outset – port commissioners like that," says Stauffer, who is PortEngine CEO and head of operations.

Via PortEngine, ports act as their agent and do their own negotiating, and can upload to the site all documents pertinent to a potential developer or investor.

"This helps a developer make a decision more quickly," says Laine, PortEngine's chief strategist.

A realtor's view

Jim West is a longtime commercial realtor in the area, currently with Zenith Properties NW, LLC in Vancouver. He's also one of the largest investors in PortEngine.

West believes there will always be buyers with little experience who need help from a commercial realtor, but in the longer term, plenty of developers will want to be signed on to PortEngine.

"High-level developers are more sophisticated and don't need realtors," West says, "and if they can find a way to pay less, they'll do it."

PortEngine's trajectory

PortEngine incorporated in the fall of 2017. Since then, the team has

logged many road miles to introduce the company and the concept to the state's 75 port districts. PortEngine currently has seven port partners on board, and is working actively with 15 more. Port of Ridgefield and the ports of Camas-Washougal and Chehalis are contracted and have full-blown integration on their websites.

"Our goal is to have all of Washington's ports on our network," says Stauffer.

Stauffer says there's been \$3 billion invested nationally in property technology in 2018 alone, but believes ports, with limited budgets for marketing, are behind this trend.

"By leveraging a collaborative network, PortEngine makes \$150,000 worth of software available to every one of the participating ports."

What's next for PortEngine?

PortEngine is seeking additional investors to fund features such as the ability to showcase community capital projects completed or proposed so a developer or investor sees the full potential of a site. The company also hopes to expand its services into other public sectors such as cities and counties.

For more information or to inquire about investing visit PortEngine.Net or contact Keith Stauffer by calling 206.931.5124 or email Keith@PortEngine.net.



FUN FACTS 179th Street Interchange Area BY THE NUMBERS

\$7.3 billion
Taxable value if area fully-developed. (est.)

\$686 million
Tax \$'s to Clark County over 20 years with full development here. (est.)

\$148 million
Tax \$'s to the state over 20 years with full development here. (est.)

\$100 million
Total needed for all transportation improvements

2,132 acres
with urban holding designation – no development allowed

4,100 acres
underdeveloped or undeveloped due to inadequate transportation infrastructure

85,000 jobs
Construction & associated jobs if transportation improvements (est.)

23,000 jobs
Permanent post-construction jobs (est.)

DISCOVERY CORRIDOR

GROWING ASSETS, GROWING DEMAND

Clark College

Boschma Farm

- Mechatronics
- Advance manufacturing
- Advanced materials

WSU-Vancouver

- Only Tier 1 research institution in PDX Metro
- New Life Science building
- New medical school

K-12 Education

- I-Tech Prep, under construction;100% graduation rate for 6 straight years
- Ridgefield High School remodel, underway
- New Ridgefield Middle School 2018
- \$100m +in school bonds last 5 years

Infrastructure Investment

- \$1 billion+
- Transportation
 - o New I-5/I-205 Confluence@ Salmon Creek
 - o New Interchanges on I-5
 - o 219th/Battle Ground
 - o Pioneer Street/ Ridgefield
 - o 319th/La Center
 - o 179th funded
- Regional Sewer System
 - o New regional backbone 2015

Industrial Land

- Many large tracts available

Salmon Creek Medical Cluster

- Legacy Salmon Creek
- Vancouver Clinic
- Senior living facility
- Medical Office Buildings

Recreation & Entertainment

- New Cowlitz ilani Resort & Casino
- New Ridgefield Outdoor Recreation Center
- 2019 Ridgefield Raptors West Coast Wood Bat League Baseball
- Ridgefield National Wildlife Refuge
- Golf course
- Entertainment Cluster (Fairgrounds, Event Center, Amphitheater)

Housing

- Rapidly expanding

New 70 acre Ridgefield Commercial & Retail Hub–Under Construction:

- Discovery Ridge, 30 acre mixed-use project
- Anchor – New 53,000 sq. ft. full-service grocery store
- 150 unit apartment complex
- Mixed-use retail/housing



ON THE LEVEL

UNTAPPED POTENTIAL AT 179TH

BY BRENT GRENING, CEO

If you are a regular reader of this newsletter, chances are you know the 179th Street interchange on I-5. You've probably heard that the county would like to improve the interchange and do it sooner rather than later. I was surprised, however, to learn recently of the high economic potential of the area – achievable only if the roads and the intersections surrounding the interchange are reconfigured to optimize traffic flow.

Our cover story highlights that a strategic, timely investment to realign these roads may release untapped economic potential – but to leave it at that misses a

“The Port of Ridgefield is supportive of moving up the timeline for improvements of the 179th and I-5 interchange.”

greater point. We should consider that what we really want is to create a place: a neighborhood and community of which people can be proud. A place where people can live, experience and enjoy life.

The citizens of the Discovery Corridor have repeatedly proven they know how to get things done – a new hospital, a research university, schools, amphitheater and several new freeway interchanges come to mind. We have plans and vision for the area, but the real effort comes with working together to build and create a sense of place.

To start, we need to get infrastructure right – the sooner the better. If we wait, the disruption of road construction will only get worse and be more expensive. The Port of Ridgefield is supportive of moving up the timeline for improvements of the 179th and I-5 interchange. If funds can be found to realign roads and rework arterial intersections – and local citizens support the plan – it makes sense to make improvements now.

WHO ARE WE?

A close-up view of our port district



	98642	WA STATE	NATIONAL
MEDIAN HOUSEHOLD INCOME	\$93,360	\$66,174	\$57,652
EDUCATION			
High school grad +	95.4%	90.8%	87.3%
Bachelor's degree +	33.3%	34.5%	30.9%
18 - 24 YRS			
High school grad (incl. GED)	33.1%	31.0%	30.5%
Some college or assoc. degree	46.8%	43.5%	45.7%
Bachelor's degree +	8.7%	10.9%	10.5%
25 YEARS AND OVER			
High school grad (incl. GED)	21.5%	22.5%	27.3%
Some college or assoc. degree	40.6%	33.9%	29.1%
Bachelor's degree	22.1%	21.7%	19.1%
Graduate or Prof. Degree	11.2%	12.7%	11.8%

Source: factfinder.census.gov



The Washington State Legislature opens its 2019 session on Jan. 17, and the Port of Ridgefield has prioritized its agenda for the session. The port commission and staff will be working closely with legislators on a variety of port and infrastructure-based issues to support economic development in the Discovery Corridor. Below are the port's highest priorities for 2019.

HIGHEST PRIORITY ISSUES 2019

- Economic Development**
 - Support policy to secure “21st Century Economic Development Toolbox”
 - o Lower or eliminate threshold for design-build authority
 - o Ensure Community Economic Revitalization Board (CERB) is adequately funded
 - o Support Tax Increment Financing as project funding method for ports
 - o Support Local Infrastructure Financing Tool (LIFT) as a project funding method for ports
 - o Clarify ports’ ability to use Public-Private Partnerships for economic development and infrastructure projects
 - o Prioritize renewal of strategic funding for Innovation Partnership Zones (IPZ)
 - o Support restoration of Public Works Trust Fund for our partner cities
- Freight Mobility & Transportation**
 - Support improvements to I-5 that facilitate freight mobility and economic development in the Discovery Corridor, and in Clark County, specifically:
 - o Interstate 5 crossing at Columbia River as specified in the Ports of Clark County joint resolution
 - o NE 179th Street – accelerate planning and construction funding
 - Support policies and projects in the Clark County Transportation Alliance/SWFact statement
- Capital Budget Requests**
 - \$2.5 million Capital Budget request for Port of Ridgefield Wisdom Ridge light industrial park
 - Support Washington State University Vancouver Life Sciences Building funding & medical school operations budget
 - Support Clark College Boschma Farms Advanced Manufacturing Center funding
- Broadband Policy**
 - Support creation of a State Broadband Office in the State Department of Commerce and a Governor’s Broadband Task Force
 - Support Port of Vancouver Terminal One funding