

# **Port of Arlington - Gilliam County**

## **Strategic Plan**

2012-2017



Prepared by Port of Arlington  
Updated April 2013

## Table of Contents

1. Port History and Mission
  - History
  - Mission Statement
  - Goals
    - Marina
    - RV Park
    - Peninsula property west of grain elevator
    - Industrial land downtown
    - Willow Creek Industrial land
    - Arlington Airport
    - Arlington Mesa Industrial Park
  
2. Port Overview
  - Operations and Property
  - Revenue Sources
  - Non-revenue activities
  - Port Resources
    - Operational
    - Non-operational
    - Outside sources
  - Port Policy and Procedures
    - Commission
    - Staff
  - Financial and Market Conditions
    - Competition
    - Existing markets
    - Resources and Financial Condition
  
3. Port Role in Gilliam County Economy
  - Population
  - Arlington labor force
  - Economic profile of Gilliam County, employment
  - Trends for regional key industries
  
4. Policy Context
  
5. Situational Analysis
  - SWOT: strengths, weaknesses, opportunities, threats
  - Critical Issues
  - Demand
  - Port district needs
  - Risk analysis

- 6. Goals and Objectives
  - Transportation improvements
  - Property Management
  - Financial
  - Environmental
  - Marketing
- 7. Facilities and Business Plan
- 8. Attachments

## Port of Arlington Strategic Business Plan 2012-2017

### Purpose and Process of the Strategic Business Plan

This document provides the first Strategic Business Plan ever written for this Port. The Plan is developed to provide guidepost, goals, and capital plans for the future of the Port of Arlington. This plan also assists the Port in meeting state requirement that each Port formed under ORS 777, as is the Port of Arlington, must complete a strategic business plan to be eligible for project funding.

This plan sought citizen involvement through two open workshops, two public hearings, one presentation to the Gilliam County economic develop advisory committee, and presentations to Arlington and Condon Chamber of Commerce from September 2011 through March 2012.

### 1. Port History & Mission

#### History

Arlington is 136 miles east of Portland on Interstate 84 and the Columbia River. The Port of Arlington was formed in 1933, the Governor appointed the original five-man commission. After formation, Port District voters elect Port Commissioners. The Port's early goal has always been job creation for the community of Arlington and the surrounding area through construction of port and dock facilities. The founders believed that improving access to the Columbia River with these facilities would stimulate commercial traffic and create jobs. Improving transportation for local wheat farmers to help make their products more competitive was the primary purpose of forming the port district. The port district originally included only northern Gilliam County. In May 2006, Gilliam County residents approved expansion of the Port District to include the entire County. The Port's mission now includes job creation for the whole County.

In 1938 the port issued a bond to build a 25,000-bushel grain elevator at Blalock. About 1948, Kerr Grain built a 200,000-bushel elevator in downtown Arlington, prior to John Day Dam completion. Cargill bought Kerr Grain in 1952. Both elevators were destroyed with the higher John Day Dam pool elevation. The port issued a revenue bond in 1967 to finance Cargill's current grain elevator on the newly created peninsula, with a 50-year land lease. Construction of John Day Dam in 1967 led to relocation of downtown Arlington and creation of the peninsula. As the John Day dam was under construction, port records describe many frustrated attempts by port commissioners at negotiation with the Corps of Engineers. In a 1959 letter to the Corps the port describes areas it believed were

needed for port relocation. The port's goal was securing waterfront land for future development and building a barge-served grain elevator. They asked for sites at Blalock and between Willow Creek and Arlington. Port records refer to their requests being largely ignored and unilateral decisions made by the Corps. The Corps decided to provide the downtown peninsula and sold surplus Corps property near Willow Creek to the Port on 3 November 1967. The Corps deed specifies Willow Creek land must be developed for "PUBLIC PORT PURPOSES ONLY."

In 1967, the port leased part of the new downtown peninsula to Cargill Grain for construction of a wheat elevator. The peninsula also created a sheltered body of water that was eventually developed into a marina in 1993. The marina and RV Park were built through a combination of state grants and a Port Revolving Loan Fund loan. In 2002-2003, the port applied for and won several grants to upgrade the RV Park and Marina. The marina was rebuilt and expanded by adding a transient tie-up dock that also serves as a wave break. The remaining marina was reconstructed after significant damage by high waves, creating five rental slips for large boats. The adjoining RV Park was completely redesigned for large pull-through vehicles, and significant landscaping was added.

The port now owns 64-acres of land at Willow Creek, and developed bridge access over the railroad. The original 57-acre Willow Creek property, 10-miles east of Arlington, was purchased in 1967 from the Corps of Engineers. The only development on the site was a dormant basalt quarry created by the Corps for relocation of the interstate highway and railroad line. The entire 57-acre parcel was not used for 40-years because it was landlocked between the Union Pacific Railroad main line track and the Columbia River. In 2006 a bridge was built across the railroad track with Gilliam County funds allowing the possibility of an accessible barge dock. The Port purchased an additional seven acres of land from Oregon Department of Transportation south of the railroad track as part of building this bridge. The 64-acre site, adjacent to I-84 exit 147- Heppner Junction, is accessible and ready for public port development as required by deed restriction.

Willow Creek dock construction began March 12, 2007, and stopped March 28, 2007, when the Corps asked the port to voluntarily stop work. The Corps asked for a 7-day suspension of work pending their resolution of issues raised by the Confederated Tribes of Umatilla Indian Reservation. During 2007 the Corps hired an archaeologist to complete a cultural resource survey of the Willow Creek property. Nothing of historic significance was found. The Corps revoked the issued permit in April 2008.

In August of 2009 the Port sued the Corp in US District Court claiming that revocation of its permit for a barge dock was arbitrary and capricious, request for a preliminary injunction, and lastly declaratory relief, including a request for a declaration that: "Congress intended to abrogate treaty rights to fishing sites

inundated by the Columbia River Dams, including the John Day Dam, and did not intend that those rights would remain in effect and move onto private property when they were inundated.” Judge Garr King, the presiding 9<sup>th</sup> Circuit Court Judge, ruled partly in favor of the Port in a summary judgment that the Corps denial to the Port’s Section 404 Clean Water Act permit is unlawful, arbitrary and capricious, and an abuse of discretion under the Administrative Procedures Act. Additionally, the Port contends that the decision was outside the Corps’ authority and was the result of bias or misunderstanding of the Corps’ fiduciary relationship with the Umatilla Tribe. The legal matter has remained in mediation under Judge Levy for the past two years. The dock remains unfinished; the pilings remain in the river.

In 2009 congress set aside a \$3.2 million “earmark” to fund the removal of the dock and reimburse the Port for funds expended in construction.

Prior to suspending work on Willow Creek barge dock, the port solicited proposals to operate the dock. Three responses were received, including two from established barge companies. The 20-year transportation contract for Portland’s solid waste was being re-negotiated, and the potential operators hoped to bring the waste over the new barge dock. When dock construction was abruptly halted due to the Corps – Tribes dispute, with a highly uncertain outcome, the Metro contract evaluation process diminished the favored barge option. The nearest existing barge facility was at Boardman, approximately 20-miles east of Willow Creek, and this added transportation cost made barge uneconomical. Metro contracted for continued truck hauling service between Portland and Arlington.

The Port owns other industrial properties in Gilliam County including 30 acres in the newly created (2011) Arlington Industrial Park, 10 acres in the Airport Development zone that includes a 6,000 sq. ft. testing facility for a Drone manufacturer, 1.2 acres next to the Arlington public golf course, and through a nonprofit environmental cleanup corporation sixty acres near Condon.

The Arlington Mesa Industrial Park development is a collaborative project between the City of Arlington, Gilliam County, and the Port. The county has agreed to fund the development of water and sewer to the site beginning in fiscal year 2012-2013. The three entities are developing a master plan for the entire site, including shadow platting potential future project locations. The Port is facilitating infrastructure improvement to the entire site.

The Port created Port of Arlington Environmental Sentry Corporation (PAESC), an Oregon Nonprofit Corporation in 2011. After completing a Phase I ESA study PAESC acquired the former Condon Radar Base to clean up asbestos and other contamination found at the former military base. The cost for containment disposal is mitigated through an agreement between Chem. Waste and the

County – all hazardous materials found in the county may be disposed of without charge.

This strategic plan has received input from the public during several work sessions, public meetings, and open invitations to the Economic Development Advisory Group for desired projects and economic development activities. The Port plan parallels the Gilliam County Strategic plan that was adopted by the Court on May 25, 2010 and revised in December of 2012.

### **Mission Statement**

The purpose of the Port of Arlington is to be the vehicle for job creation and business development for the citizens of Gilliam County. The Port will develop, support and attract projects that insure the sustainability and economic stability of the county into the future.

## Overall Goals for Each Area of Activity

### Marina

The marina provides opportunities to attract citizens, tourist and itinerant boaters to Arlington where they purchase local goods and services. Development of the marina is controlled by the Army Corp of Engineers. Corp approval is required to any changes or development on the lower half of the island.

Most boating activity is associated with recreational fishing. The boat ramp is used several times per year by fishing tournaments, such as the Walleye and Bass tournaments. These are financially break-even events. Maintenance and periodic upgrades of the facility are mostly accomplished through grants. There are only 5 rental slips with demand for more permanent slips. Although rents are at market rates they are insufficient to justify further expansion without significant assistance from grant programs. The Marina also has 8 transient slip and 12 tie up spots that are offered free of charge; a requirement from grants by the Marine Board and Department of Fish and Wildlife. The Port seeks to increase revenues by adding water and electric hookups on a fee basis. Public access to the Columbia River is considered the primary role of the marina.

In 2011 the Port obtained a \$226,000 Marine Board grant to replace the dilapidated boat launch ramp with a new and improved ramp. The project was completed in March 2012. The project was awarded the Best Boating Access Project for 2012 by the Oregon State Marine Board.

The Port has developed a plan in conjunction with the Marine Board for replacing the aging gangways, adding utility hook ups to the docks, and installing a fuel dock. The plan has been submitted to the Corps for approval.

### RV Park

The RV Park provides accommodations for tourist, improves livability in downtown Arlington and helps attract customers to local retailers. The RV Park was upgraded in 2003 to serve larger RVs. In 2011 electric hookups were upgraded to provide 50 amp outlets. Periodic construction booms, such as the current one with wind turbine farms, fill the park to capacity. One financial goal of the RV Park is to help provide adequate income for maintenance of the general Port peninsula area.

The Port will develop a master plan for the marina area beginning in 2013.



Peninsula property west of grain elevator

This area was minimally improved in 2003 for better access to the Columbia River by windsurfers. The windsurfing community approached the port seeking these improvements. There are approximately 3-acres of land at west end of peninsula. Visibility from town and the access road adjoining a city park limits public support for heavy industrial uses of this land. The goal is to develop a master plan for the use of this river front property with its' inspiring views of the Columbia River Gorge.

Peninsula

The Peninsula itself is divided in ownership. The north and west side adjacent to the Columbia River is owned by the Port District. The south side adjacent to the embayment is owned by the Army Corps of Engineers. The Port owned side of the Peninsula is deteriorating due to wave and current action. The Port undertook an extensive rip rap maintenance and repair project in 2013 to protect the embankment from further erosion directly in front of the grain elevator and barge loading facility.

Industrial land downtown

This 1.2-acre undeveloped site on Shane Drive, at the entrance of China Creek Golf Course, is available for lease. Providing a downtown site for commercial purposes is the port's goal. The current tenant is Tri-County Propane, who uses the property to house a large propane holding tank from which propane is provided to the community.

The Port will develop a master plan for the property in consultation with the City of Arlington beginning in 2013.

Willow Creek Industrial land

The original development goal for Willow Creek was the creation of a barge dock. This dock could have improved the viability of Gilliam County's largest employers, Oregon Waste Systems and Columbia Ridge Landfill, Waste Management-owned landfills. Development of the barge dock was stopped by the Army Corp of Engineers when they withdrew the Permit to construct. The project has been on hold for 4 years. A resolution of the issue is expected within the year (2013).

A secondary use of the 64-acre site is a quarry. A mining permit issued by Oregon Department of Minerals and Industry, dated October 2008, includes the entire 64-acre site. For mining purposes, there is a 50-foot setback from the railroad right-of-way fence and, on the north side, the cliff edge above the Columbia River. An estimated 4 to 6 million tons of basalt are within this permitted area. The barge dock strengthens the competitiveness of the landfill, and the quarry sales would provide operating income to the Port.

Prior to the dock project stoppage the Port was able to crush rock that was in the path of the roadway to the barge dock. Current inventory includes 15,550 cubic yards of various sized rock from base rock to ¼-10 chip rock. An additional 40,000 cubic yards of shot rock is left in the road cut. The Port is actively seeking markets for rock and a tenant for the site.

No matter what the outcome of the litigation is, the Port will still have the property that includes vital east and west access to Interstate 84 and the Union Pacific rail line and siding. Once the litigation is completed a master plan for the Willow Creek site will be developed.

#### Arlington Airport and Arlington Mesa Industrial Park

The City of Arlington and the Port have partnered on developing a comprehensive plan for the airport development and Mesa Industrial Park. Beginning in 2005 the Port assisted the City in drafting an “Industrial Specific Plan.” This plan was the basis the April of 2011 expansion the Urban Growth Boundary of the City to encompass 317 acres in the Airport Development Zone, 138 acres in M-2 zone, and 300 acres in M-1 zone industrial property. A total industrial and airport land cover 755 acres.

Gilliam County Court has agreed to fund water and sewer extension to the airport and industrial site beginning in July 2012. Engineering design for the project is being completed by Anderson Perry and Associates. In conjunction with the water and sewer extension the Port, City and County have collaborated on site plan and shadow platting for the industrial property. The Port is assisting the City acquire industrial site certification for the property.

The City conveyed to the Port three parcels of land, a 10-acre and a 3 acre parcel on Airport property, and a 30 acre parcel in M-2 zoned area. The 3 acre parcel now supports Insitu’s research and testing facility.

The City has placed a long term lease with Genesis Wind, for an experimental wind turbine test facility. The Genesis facility covers 70 acres in the park and test new turbine designs in the mid-range scale of turbines, 50 kV to 1MW. The company’s first designs have begun to enter the market.

In order to accommodate the largest of industrial power users, the Port and City jointly conducted a power study for providing 250 MW of power to the industrial park from BPA Slatt’s substation. The L0344 project, BPA’s name for the Line Load System Impart Study, concluded that the entire 250 MW load can be interconnected at BPA-TS’ Slatt 230 kV substation.

## 2. Port Overview

### Operations and property

The Port manages 12 acres of waterfront property downtown - seven acres are owned by the Port and five acres are leased from the Corps. Port-owned land above water includes the northern waterfront, and upper level of the peninsula. The port's RV Park and marina are on land leased from the Corps for recreational uses. A survey in 2002 identified an additional 5 acres of Port-owned land that is underwater to the east of the peninsula. A private grain company leases 1.5-acres of port-owned land with a grain elevator and bins and 1.2-acres for open storage. The grain company land lease expires in 2017.

The Port developed a Recreational Vehicle (RV) park in 1996 with 12-spaces. In 2003 the Port won a grant and significantly upgraded the RV Park with pull-through spaces and landscaping. There are currently 11-rental spaces.

The Port developed a marina next to the RV Park in 1996. The marina was self-destructing due to high wave action by 2002. Dock floats were removed from the water to prevent further damage. The Port rebuilt the marina in 2003 with several grants and technical expertise provided by the Oregon Marine Board.

The Willow Creek site was leased in 2000 for rock production, but lack of adequate site access was a major deterrent. The Port, however, had an agreement with the operator that required a minimum monthly royalty. The operator made royalty payments for about one year before the lease was terminated. In 2002, engineers were hired to conduct a feasibility study on best ways to gain access to the Willow Creek land. The study recommended building a bridge over the rail line. This bridge was completed in August 2006.

The City of Arlington conveyed 30 acres of undeveloped property in the Arlington Industrial Park, adjacent to the Municipal Airport area, to the Port District in 2011. An additional 13 acres were also conveyed to the Port, in two parcels in the Airport Development district. The Port has started developing 10 of these acres.

In 2012 the Port completed construction of a 6,000 square foot research, training and demonstration facility for Insitu.

### Revenue sources

The Port of Arlington, encompassing all of Gilliam County, is a legally constituted taxing district of Gilliam county and as such receives annual tax revenues.

The Port collects operating revenues from marina slip rentals, RV Park rentals, grain elevator land lease, and the downtown industrial land on Shane Drive. Additional revenues are anticipated starting in 2012 from leases of the newly acquired Arlington industrial property.

Non-revenue activities

The RV Park, marina and boat ramp are financial break-even facilities. They provide comprehensive recreational access to the Columbia River. Strategically, they improve the livability of Arlington. The marina, in particular, does not generate sufficient revenue for entirely adequate maintenance. Grant funding is required for the majority of marina maintenance and upgrades.

**Port Resources**

Operational

Port operating revenue is from the RV Park, marina boat slip rental, land lease for the grain elevator, and a 1.2-acre parcel of industrial land near downtown. Operating revenue in fiscal year 2010-2011 was \$62,768 see financial section on page 26.

Non-operational

Port annual revenue from the tax base is \$0.1425 per \$1,000 of assessed value. In 2011 tax revenue totals \$118,000. For comparison, Arlington's tax rate is near the midpoint among statewide port districts (see attached chart).

The Oregon Marine Board provides \$5,525 per year for maintenance of the marina.

Outside sources – grants

The Port Commission hired an outside business consultant in 1998 to develop proposals, apply for grants, create project teams, and obtain permits. This has proved highly successful. The consultant has obtained grants from Gilliam County and Oregon Economic and Community Development to pay for his time, and successfully won grants for RV Park, Marina, and Willow Creek site improvements.

Grant funding is typically how the Port has funded all major projects. During the time period, 2003-2008, project funding of \$3,878,235 was coordinated and received through these efforts - on average, \$776,000 per year. Grant funding sources include Oregon Department Transportation (Connect Oregon), Gilliam County, Oregon Economic and Community Development, Oregon Parks, US Fish and Wildlife, Oregon Marine Board. The Port's business development consultant applied for and coordinated receipt of this grant money. Approximately \$36,000 per year was spent for the consultant's time to apply for and win grants, permits, and project management. Grant funds also paid for land surveys, engineering and construction of the marina, RV Park, Willow Creek Bridge, geotechnical surveys and Willow Creek site improvements, such as roadways.

## **Port Policies and Procedures**

### Commission

The Port meets the second Tuesday of each month. Special meeting times are arranged as needed. The countywide port district was approved in 2006. The 5-member Port Commissioners are selected by district, during primary elections. Two Commissioners are from the Arlington area, and 3 are from the remainder of the county. Each Commissioner serves terms of 4-years, and elections are every other year so that terms are staggered. Re-elections are possible indefinitely. Commissioners elect Port board officers, typically with a staggered term of one year. The Commission President is traditionally the Port's representative when business issues need decisions between Commission meetings and signs all legal binding documents and contracts.

### Port Office and Staff

For the first time in its history the Port of Arlington-Gilliam County created a fully equipped office and hired its first full-time employees. The Port office is located at the Marina and provides space for Board meetings and a business location for all the Port activities and properties. The first employees were an experienced Economic Development Officer and Administrative Assistant in 2011. They joined the part-time marina/RV Park maintenance person. Prior to this a business development consultant had worked with the Port since 1998, on a part-time basis under contractual agreement. The consultant agreement expired in September 2011. The consultant attended economic development and statewide port meetings on behalf of the Port Commission, obtained permits and grants, and was a market development and contact person for business opportunities. These roles will now be conducted by Port staff.

### Management Structure

With the hiring of full time staff beginning in 2011, the roles of Commissioners are entering a period of transition from active participation in port management to the roll of advisors and policy makers. The commissioners' role is to set policy and direction for the Port in the pursuit of Economic Development of the Port District. It is the President's duty, solely, to direct staff. It is also the Presidents duty to make decisions guided by Port policy between meetings.

In 2011 the Port adopted a number of policies and procedures to address the structural change of management including amending the by-laws, and adopting an employee handbook. The board is in the process drafting a set of duties for the commissioners, President, and Secretary. Additionally, the board has adopted a training policy for all commissioners on fiduciary and regulatory responsibilities, including attendance of training sessions sponsored by Special Districts Association of Oregon (SDAO).

## **Financial and Market Conditions**

### Competition

The primary competition for Arlington and Gilliam County is the Port of Morrow in Boardman. The Port of Morrow has long worked at building large land reserves and recruitment of industrial tenants. For many industrial recruitment opportunities, the Ports of Morrow and Umatilla have more resources, including available developed land. The Port of Arlington-Gilliam County's competitive advantages are in attracting business related to Columbia Ridge Regional Landfill, wind energy, proximity to electric grid intertie, abundant basalt rock and its historical agricultural base of wheat and small grains.

### Existing Markets

The Columbia Ridge Landfill is a significant market opportunity in Gilliam County. Waste Management (OWS), owner of Columbia Ridge, has frequently discussed with the Port the possible development of a barge dock that would increase their competitive position in looking for new disposal contracts. The OWS S-4 Research Project is developing at least two new businesses that can be located locally.

Interest in wind energy has grown tremendously in the past 5-years. Wind has always been a feature of Gilliam County. Proximity to existing power transmission lines, large substations, and open geography has led to many large-wind turbine projects, including the Shepherd's Flat wind farm which began operation in 2012. An opportunity for the Port is in attracting businesses that service wind towers and turbines; fiberglass shops, machine shops, tower cleaning units, crane operators, etc.

Soft White Wheat (SWW) has been the base of the county's agriculture for 150 years. In 2012 the Port completed a feasibility study to determine what opportunities are possible for value added products using SWW. The study identified two opportunities. Both of the opportunities relate to and support the SWW facilities at Shutler Station.

### Resources and Financial Condition

The Port needs to develop an increased base of operating revenue that supports economic development activities across the entire county. It needs land that is transportation-accessible. The Willow Creek site holds promise but will need further investment in infrastructure. The Port does own a small piece of land near the municipal golf course in Arlington that offers some options. Until the Port can develop some of its projects it will continue to operate very modestly, and rely almost entirely upon grants and financial assistance from other public agencies including the County Court.

Gilliam County has been essential to the Port in providing local match money for grants and investment over the past ten years. This need will likely continue until

more sources of operating income are developed. The County Court has agreed to have the Port act as the industrial development arm of economic development in Gilliam County. The County newly revised (2012) Strategic Action Plan for Economic Development charges the Port with many duties. With an obvious connection between industrial development, business recruitment and retention the County provides funding for Port's activities and projects. Having the County set the annual amount of funding they can or will provide for economic development projects is uncertain each year. This is not a good way to provide stability of action in economic development planning or activities. Given the Port's current revenue situation the ability of the Port to provide consistent ongoing economic development work will have to be revisited.

In 2011 the City of Arlington conveyed to the Port a 10 acres parcel and a 3 acre parcel in the airport development zone. The Port has developed the 3 parcel in 2012 with a 6,000 square foot training and product demonstration facility. The other parcel the Port rehabilitated an existing building for a client business. Leasing both facilities provides the Port with a steady income. The Port seeks to expand this effort.

In the 2010 audit the Port total net assets were \$1,731,285, with a debt to equity ratio of 0.0067. By 2012 the Port's assets increased to \$2,386,838 with a liability of only \$129,031. The Port has very conservatively managed holding virtually no debt that is not backed by long term lease agreements.

**Net Assets at June 30, 2012**

	Governmental Activities	
	June 30, 2012	June 30, 2011
Current and other assets	\$ 400,960	\$ 280,261
Capital assets	2,114,909	1,750,811
<b>Total assets</b>	<b>2,515,869</b>	<b>2,031,072</b>
Current liabilities	129,031	16,924
<b>Total liabilities</b>	<b>129,031</b>	<b>16,924</b>
<b>Net assets:</b>		
Invested in capital assets	2,114,909	1,750,811
Restricted	227,313	-
Unrestricted	44,616	263,337
<b>Total net assets</b>	<b>\$ 2,386,838</b>	<b>\$ 2,014,148</b>

PORT OF ARLINGTON  
 Arlington, Oregon  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
 For the Year Ended June 30, 2012

**Changes in Net Assets**  
**For the year ended June 30, 2012**

	Governmental Activities	
	June 30, 2012	June 30, 2011
<b>Revenues</b>		
Property taxes	\$ 139,385	\$ 119,388
Operating grants and contributions	596,261	320,452
User fees	48,497	42,779
Program receipts	16,295	18,575
Rental income	12,000	-
Other	9,146	24,462
Total revenues	821,584	525,656
<b>Expenses</b>		
Personal services	175,417	61,993
Materials and services	101,942	134,503
Capital outlay	115,689	-
Depreciation	55,846	46,297
Total expenses	448,894	242,793
Increase in net assets	372,690	282,863
Beginning net assets	2,014,148	1,731,285
Ending net assets	\$ 2,386,838	\$ 2,014,148

FINANCIAL ANALYSIS OF THE PORT'S FUNDS

At June 30, 2012 the port's General Fund reported ending fund balance of \$47,045, a decrease of \$214,654 in comparison with the prior year. However, during the fiscal year the district created a new fund, the Economic Development Fund which had an ending fund balance of \$227,313. All of the ending General Fund balance is unassigned, which is available for spending at the port's discretion. The balance of the Economic Development Fund is restricted for economic development projects.



**3. Port's Role in Gilliam County Economy**

Demographic profile of county

**Population**

	<b>1990</b>	<b>2000</b>	<b>2010</b>
Gilliam County	1,717	1,915	1,871
Arlington	425	535	586
Condon	635	759	682
Lonerock	11	24	21

Source: Center for Population Research, Portland State University, 2000 and 2010 Census.

**Arlington Labor Force  
Population within a 45-minute Drive-Time**

<b>Communities</b>	<b>2000</b>	<b>2010</b>
Arlington	535	586
Condon	759	682
lone	335	392
Lexington	335	238
Rufus	310	249
Wasco	381	410
Boardman	2,855	3,220
<b>Total:</b>	<b>5,601</b>	<b>5,777</b>

Source: Center for Population Research, Portland State Univ., 2000 and 2010 Census

**Jobs by Distance –  
Work to Home Census Block 2009**

	<b>Count</b>	<b>Share</b>
Total Primary Jobs	677	100.0%
Less than 10 miles	109	16.1%
10 to 24 miles	154	22.7%
25 to 50 miles	220	32.5%
Greater than 50 miles	194	28.7%

Source: Census Bureau

**Jobs Counts by Places (Cities)  
Where Gilliam County workers Live 2009**

Total Primary Jobs	677	100.0%
Condon city, OR	143	21.1%
Arlington city, OR	99	14.6%
The Dalles city, OR	17	2.5%
Boardman city, OR	14	2.1%
Irrigon city, OR	14	2.1%
Goldendale city, WA	14	2.1%
Kennewick city, WA	9	1.3%
Hermiston city, OR	8	1.2%
Lonerock city, OR	8	1.2%
Portland city, OR	8	1.2%
All Other Locations	343	50.7%

Source: Census Bureau

<b>People &amp; Income Overview</b>	<b>Value</b>	<b>Rank in State</b>
Population (2010)	1,637	35
Growth (%) since 1990	-4.7%	33
Households (2009)	816	35
Labor Force (persons) (2010)	1,237	34
Unemployment Rate (2010)	6.7	36
Per Capita Personal Income (2009)	\$37,450	6
Median Household Income (2009)	\$46,018	14
Poverty Rate (2009)	13.3	29
H.S. Diploma or More - % of Adults 25+ (2005-09)	88.0	21
Bachelor's Deg. or More - % of Adults 25+ (2005 - 09)	20.0	18

**Housing Status (in housing units unless noted)**

Total	1,156
Occupied	864
Owner-occupied	562
Population in owner-occupied ( number of individuals )	1,196
Renter-occupied	302
Population in renter-occupied ( number of individuals )	655

Households with individuals under 18	163
Vacant	292
Vacant: for rent	60
Vacant: for sale	21
Vacant: for seasonal/ recreational/ occasional use	116

Source: Census Bureau

Industry Overview (2009)	Value	Rank in State
Covered Employment	911	34
Avg wage per job	\$39,011	6
Manufacturing - % all jobs in County	D	N/A
Avg wage per job	D	N/A
Transportation & Warehousing - % all jobs in County	10.3%	1
Avg wage per job	\$47,115	2
Health Care, Social Assist. - % all jobs in County	7.3%	29
Avg wage per job	\$19,941	32
Finance and Insurance - % all jobs in County	D	N/A
Avg wage per job	D	N/A

Source: STATS America

### Gilliam County Employment

	2001	2007	2010	Est. 2020
Total Non-farm Employment	745	815	900	944
Total Private	495	600	655	694
Trade, Transportation, Utilities	145	155	165	193
Professional and Business Services	180	140	140	181
Education and Health Services	60	65	75	97
Leisure and Hospitality	55	60	40	40
Government	250	230	245	250
Federal	10	10	10	10
State	40	30	30	30
Local	200	190	200	210

Source: Oregon Employment Department

### Economic Profile of County

Gilliam County is a traditional agricultural economy heavily reliant on wheat and cattle production. In recent years, the regional landfill has become a significant source of local jobs. There needs to be sustained efforts to further diversify the local economy by focusing on industries that can benefit from the dry, sunny climate. Industries showing interest in Gilliam County are those seeking relatively low cost land, excellent access to the interstate freeway system, mainline rail and barge service. Recent market prospects include companies involved with rock

products, food processing, wind energy, airplane drone development for military applications, and activities tied to the landfill. The impacted communities thus far have been very supportive of new business and actively work to facilitate a positive outcome between business needs and local planning ordinances.

Because farm workers are not included in the above totals it has always been difficult for the Port and County to access some grants and programs, as well as to develop accurate specific data. The Transportation and Public Utilities sector includes employment related to the large regional landfill complex south of Arlington. Additional landfill jobs would be in the Professional and Business Services category. In general terms, the Waste Management landfill complex employs 150, and about 60 more are employed in the transportation of solid waste between Portland and Arlington. Local government includes county and school district employees.

The above table illustrates that every job is important in Gilliam County. The fact that 70 new jobs were created between 2001 and 2007 is significant. During a period of national and State economic decline it also significant that 85 new jobs were created between 2007 and 2010. These numbers when compared to the Portland Metropolitan data equate to more than 50 times the actual number and impact in a rural county. More over in this rural county each job represents a name and a face that is clearly part of the community and local economy.

#### Geographic Location

The Port District encompasses the entire Gilliam County area. Gilliam County is the second least populated of Oregon's 36 counties. It lays in the approximate center of the state, on its northern border with the State of Washington, the Columbia River. Its western border is the John Day River, which flows into the Columbia at the north east corner of the County. The Columbia River Gorge is the Pacific Northwest transportation corridor for truck, rail and barge access across the northern tier of the nation, from the Pacific to the Atlantic.

The county rises from 280 feet in the north, at the Port in Arlington, one of three incorporated towns in the county, to over 3,000 feet at the town of Lonerock in the south. The town of Condon is the County seat and at 1,500 feet sits on the high Columbia Plateau.

The climate is dry with about 9" of rain fall a year. Except for the area around Arlington, wells in the county are usually deep and tap into water trapped by lava flows millions of years ago. There is very little irrigated agriculture.

The base of the economy is dry land summer fallow wheat or grains. The county area produces about 3 million bushels of wheat a year. It is capable of producing 6-7 million bushels if all of the land available is in production. The federal Conservation Reserve Program currently limits the amount of land used in annual wheat production.

Gilliam County and the Port are situated in the north center of four developing economic “energy” zones; to the west the cities of Hood River and The Dalles, to the South the Cities of Bend and Redmond, to the east the City of Hermiston and to the north the Cities of Pasco and Kennewick, Washington.

The community of Arlington is adjacent to the Columbia River transportation corridor. Just as significantly, Arlington is adjacent to major Bonneville Power Administration transmission lines. A substantial grid intertie for the wind industry is located at the Slatt substation 2 miles south of Arlington, next to the industrial park. The substation was first constructed to transform power from the never built Pebble Springs Nuclear power plant. Two of the regional North South natural gas pipelines run through the county. Arlington has at least 500 acres of prime industrial land for development making Arlington a strategically attractive location for industry.

The town of Condon, the County seat, is 40 miles south of the Columbia Transportation corridor. It has a historic downtown District that is attractive for tourism. Condon has long served as a rural service center for a four County region and includes two very large grain storage facilities.

The town of Lonerock, originally developed as a service center to surrounding farms and ranches, is a small but active community with a population of 20 people (2009) located in the southeast corner of the County. The town’s historic ambiance coupled with historic buildings, giant rock, and low tax rates have become attractive to retirees and tourist alike.

#### Trends for regional key industries

Gilliam County has a solid heritage of wheat farming. The landfill complex, wind farm industry and government provide some economic stability.

The wheat industry is highly transportation dependent. The original justification for forming a port was improved barge access for wheat shipment. Barge access continues in importance for bulk grain shipments. A very promising effort by county grain growers is creation of a market development cooperative. The goal of cooperative is creating higher value flour and grain products. A wheat quality lab and flour mixing and distribution center was established for this effort about 7-miles south of Arlington at Shutler Station Industrial Park. With the advent of the expiration of the fifty year lease of the grain elevator and storage facility on the Port’s peninsula, the Port can play a major role in the completion of the County’s Grain Quality Project.

Solid and hazardous waste streams provide a steady demand for landfill capacity. The unique competitive advantages of Gilliam County include a dry climate, transportation infrastructure, and available uninhabited land. Perhaps

most important, Waste Management is a national leader in this industry, and the site is fully permitted with a useful life of over 50-years. Nearly 2.5 million tons of waste products per year are hauled to and disposed of in Gilliam County. The waste originates in a large region reaching from Alaska and Canada, to California and the eastern boarder of Idaho.

Columbia Ridge Landfill had been receiving approximately 55 tractor-trailers per day from Portland, and 8-trains per week from Washington State. During the economic downturn 2008-2010 the amount of waste entering the County dropped substantially, however the fall has stabilized as the economy recovers. The regional landfill is a very strong economic asset. The landfill industry is highly transportation dependent. It is a high volume, low unit value business. In this industry, more modes of available transportation are always better. The landfill complex currently has good rail and freeway transportation. Any business locating in the County has free disposal access at the site; a clear advantage.

Chemical Waste Management, the hazardous waste landfill adjacent to Columbia Ridge solid waste landfill, is the only hazardous landfill in Federal Region X. This facility plays a role in 80% of all business in the region. Even the “green” industry produces hazardous material that must be disposed of in a regulated federal permitted facility. This facility also accommodates local business without charge.

The wind farm industry experienced tremendous growth over the past 5 years. Eight wind farms were constructed in Gilliam County. Sheppard’s Flat wind farm complex, dubbed the world’s largest wind farm began operations in 2012. Two more wind farms are currently permitted for construction but current uncertainty of tax credits and a full power grid is delaying the projects.

Cascades Crossings transmission line project scheduled for completion in 2014 will greatly relieved transmission issues created by all the new wind power generation in the county and surrounding areas.

#### **4. Policy Context**

The Strategic Plan has been prepared following the template provided by the OECDD. The Port is supportive of following its governances and this Strategic Plan. The Port will update its five-year capital plan and its goals and objectives annually as part of the annual budgeting process. Sitting Commissioners have undergone board training and have agreed on procedures for handling conflict-of-interest issues and have agreed to follow best practices and fiduciary responsibility as defined above. Flexibility has been provided in the plan to allow for unanticipated business opportunities that contribute to the Port's economic development or revenue enhancement goals.

Several events changed the Port's policy towards economic development in the County. The first event was the Port's expansion to become county wide district. The second event was the departure of the County's Economic Development Director. The third event was the Port's hiring of new, full time, Economic Development staff. The Port staff has assumed many of the duties previously held by County staff in collaboration with the County. The duties of the Port's Economic Development Officer include many of the strategies established in the County strategic action plan. Particularly, the Port's staff has taken the lead role in industrial development and recruitment, expansion, and retention for the County. In order to actually fulfill this role the Port must greatly increase its revenue base.

The Port is active in developing its' network relationships through state Port District meetings, serves on the Greater Oregon Development Corporation board, and other state initiatives. The Port is involved with regional and statewide resource inventories on behalf of Gilliam County.

#### **State of Oregon**

Oregon's policy structure has a significant impact on future economic development activities and plans. The state's regulations and economic development initiatives can result in success or failure of projects in Gilliam County. This plan is most influenced by 2 of the 19 statewide planning goals, economic development, Goal 9, and transportation, Goal 12.

Goal 9 (Economic Development) was amended in 2008 and specifies the requirements for complying with the goal. Cities and counties are required to assess national, state and local trends and inventory their commercial and Industrial zoned lands. Based on an assessment of future economic opportunities, jurisdictions must identify and plan for the number and types of sites that will be required to accommodate the future economic needs. The Goal 9 planning process present an opportunity for ports to coordinate with the local jurisdiction(s) to incorporate their long range vision into the city or county's

comprehensive plan, improving the standing of future regulatory issues related to commercial and industrial development with state and federal agencies. The Department of Land Conservation and Development (DLCD) has been very aggressive in the past two to five years in providing funds to communities to update the Goal 9 section of their comprehensive plans. This plan addresses Goal 9 requirements.

Goal 12 (Transportation) is directed at all modes of transportation including port facilities, airports, railroads, and regional pipelines. The rule requires jurisdictions to prepare transportation systems plans (TSPs) that are composed of transportation system planning and transportation project development. Local jurisdictions must coordinate with their local ports as part of developing or updating TSPs.

## 5. Situational Analysis

### SWOT

Strengths of the Port of Arlington- Gilliam County are strongly related to transportation access on the Columbia River, Interstate-84, Union Pacific mainline rail track, power transmission lines, and fiber optic cable. These significant transportation systems can and do attract companies and industry that are transportation and infrastructure dependent.

The dry, sparsely populated open land has also attracted diverse types of businesses. For example, the Columbia Ridge Landfill, Chemical Waste, and test area for unmanned aerial vehicles are attracted to the area. The landfills provide environmentally sound disposal for waste streams from the household kitchen to low level hazardous waste like oil spill soil and asbestos. These industries are expanding and developing new spinoff technologies that will provide avenues for future growth and increased employment. Being able to offer a wide range of free local disposal to companies is an advantage.

The county is served by two accredited airports, one in Arlington the other in Condon. The Condon Airport is named after the famous, two-time Nobel Laureate from Condon, Linus Pauling. The 2,200 foot strip is paved, lighted, and maintained by the State. Arlington's municipal airport is served by a long 5,600 foot unpaved airstrip.

High-power transmission lines offer wind farms connectivity to grid at the Arlington substation. Having access to an increased capacity substation is an advantage to businesses that locate at the Arlington Mesa, Shutler Station, and Radar Holding industrial parks. Radar Holdings Industrial Park, near Condon, has wind farms nearby, access to grid ties, abundant fiber optic capacity at the



park, close proximity to two natural gas regional pipe lines and the Linus Pauling State airport.

The strong partnership with Gilliam County has resulted in many of the Port's successes, to date. The experience developed by this partnership team has a track record of delivering projects promptly, on budget and on time, a record that businesses can appreciate.

Weaknesses include the lack of suitable housing, limited financial institutions, low population, an adequate barge dock, divided ownership of the Port peninsula, and a base economy dominated by governmental incomes rather than private entrepreneurship and investment.

Lack of large scale irrigation infrastructure in the County limits crop choice. Crop fields that are irrigated will produce six times the yield of dry land production. No major water retention reservoir or water distribution system exist in the County, a county bordered by two major rivers, the Columbia and John Day, and bisected in its entirety by Rock Creek and Thirtymile Creek.

A substantial portion of the economic base in the county is dependent on government revenues; city, county, and federal payrolls, state and federal contracts or programs payments.

The County has a small labor pool, a declining number of volunteers, falling school population, and an aging population. These limiting factors may inhibit attracting new firms to the County.

Opportunities are fundamentally tied to what exist now; grains production and value added agriculture products, wind energy and the companies that service them, waste disposal and new environmental technology development, expansion of drone technology testing and training facility, rock and cement value added products development.

Threats are adjoining ports - Port of Morrow, is viewed in particular because of its close proximity and because the Port is a strong competitor. Whether or not Morrow actually is a threat depends on the degree which the Port of Arlington-Gilliam County attempts to compete in the same business areas. Morrow has over 1,000 acres of industrial land and financial resources that allow them to obtain money for site improvements. Nearby port districts could draw away important Gilliam County employers, such as the landfill. The limited resources of the port to provide infrastructural improvements could eventually lead to the landfill transitioning away from Gilliam County to other locations such as Roosevelt Washington, across the Columbia River, or Finley Butte in Morrow County.

The continuing accumulation of unintended consequences of both State and Federal legislation burden small communities that lack resources to comply with the menagerie of requirements.

The lack of adequate housing in the county is a problem that must be solved. Without an adequate housing solution new employees drawn to the community will locate outside the area. The continuing decline in population and increasing age of the remaining residents exacerbates the ability to address problems and take advantage of opportunities. Limited employment opportunities for spouses can reduce total livability for the entire family unit.

The most important threat to the local economy is the uncertainty of the federal budget. Since the County is so dependent on governmental revenues, any decline in governmental payments, will have a direct adverse impact on the local economy.

### **Critical Issues**

Lack of adequate rental, new construction and rehab housing in the entire county is a critical issue. The lack of economic development in the Condon area is critical for that community. Condon and Lonerock over the past ten years have been particularly affected by decline, particularly in terms of population loss. In comparison Arlington has seen an increasing population base.

Lack of eating facilities throughout the county that offer adequate, clean, welcoming, and stable food service that maintains regular hours is often cited as a critical issue by concerned citizens.

The stability of the north side of the Port peninsula was a concerning issue. The port has undertaken an engineering study to determine the integrity of the base of the island. This study confirmed the stability of the island base under the grain elevator, however substantial deterioration due to wave erosion related issues may become the most critical issue facing the Port District. In 2013 the Port conducted extensive rip rap repair to the slope in front of the grain terminal. The balance of the windward side of the island is exposed to heavy wind driven wave action. Additional rip rap protection is needed to protect the remaining slopes from further erosion too.

### Demand

Arlington is geographically the closest community within Gilliam County to truck, rail, and barge transportation systems. The newly created Arlington Mesa Industrial Park can capture market demand once infrastructure is in place.

There is real demand worldwide for high quality grain products that can guarantee the origin of the ingredients through identity preservation and segregation.

Once drone technology is broadly released for private and civil usage demand for products is expected to increase rapidly. Potential uses include fisheries following tuna, law enforcement surveillance, crop land mapping and surveillance, etc.

#### Port district needs

The Port needs to help the County stop the hemorrhaging of its young people each year. In order to do this every effort must be made to create more jobs, and diversified jobs. The Port can help accomplish this by proactively: building on what we have, developing port owned property, including the RV Park, Marina, and Peninsula. Taking advantage of every opportunity that appears and developing and managing available transportation-related industrial land.

#### Risk analysis

The risk to the viability of the area of the Port District and its citizens is real and pressing. If the Ports economic development activities are not successful, the population of the county area will continue to constrict and result in loss of vitality, revenues, and community structure. The Port has very limited financial resources. Success will depend in great part on its ability to increase discretionary income. The Port needs financial partners to accomplish its main goals of developing industrial land and recruitment of new employers to the District.

## **6. Goals and Objectives**

#### Property

The Port has recently acquired land for industrial development. Land development and construction of building for lease can be an excellent source of future revenue for Port activities. Ports have a clear legal mandate and management focus that encourages economic development. The typical means of accomplishing this job-producing development is through development and lease of commercial and industrial property. Specialized bonds, loans, grants and tax monies are available to Ports to help accomplish this.

The County, Port and City are working cooperatively to make Arlington Mesa Industrial park land available and ready for development. An infrastructure plan was completed for this airport land in June 2005. The water and sewer line extension project started in the Nov 2012 and scheduled for completion in April 2013. Hook ups will be available in 2013. The collaborative efforts include a conceptual plan with “shadow” plats that preserves the airport for future improvements, and sets out parcels for industrial development that would not interfere with future airport uses. A System Impact power study completed in

November 2012 by Pacific Corp and BPA proves feasibility for providing 250MW of power into the industrial park.

Grant programs are available for land development, especially when it includes an airport. Arlington Airport is not included in the National Plan of Integrated Airport Systems (NPIAS). One benefit of being part of NPIAS is that \$150,000 per year is received from the federal government for maintenance and upgrades. And, NPIAS airport improvements are eligible for 90% federal grants through the FAA. If the airport were to apply for inclusion, and be accepted, it would likely take three years before the federal money began arriving.

A recommended development approach for the airport land would involve many steps. First, reach agreement with the City that the Port could help develop the site. Secondly, apply for an Oregon Aviation Department grant (if they successfully receive state funding for FAM program) for a conceptual airport plan that includes industrial lands. Other state and federal grant programs are available for road, water and sewer improvements.

#### Management

The Port is the best organization to pursue economic development in Gilliam County. For ten years, the Port has had a business development consultant, successful access to grants, and a clear focus on Port development. Research, analysis, planning and steady consistent follow through are essential in economic development work. However, development cannot be accomplished without people to do the work. The Port hired its first full time staff in 2011, an Administrative Assistant and an Economic Development Officer. Ports are uniquely structured to accomplish economic development activities, and having excellent staffing can take advantage of that unique structure.

#### Financial

The Port has financially partnered with the County. The increased tax money from the new countywide port district helps a little. The rate was set very low to encourage a positive vote on the expansion to include the entire county area. Grants from Gilliam County have been extremely valuable. In the past ten years, Gilliam County has been strongly supportive and financially committed to helping the Port. As successful as the Port has been in winning grants there is nearly always a need for a local match, the county has been the primary source of local match funds. The Port's viability and economic development success will truly depend upon increasing revenue from operations, such as land leases, expansion of the marina and RV Park and possible sale of the grain elevator and development of the I-84 access area at the Willow Creek-lone junction. Working capital can be acquired, if necessary, by selling Port assets, an option never used in Port history. The absence of significant operating revenue hinders the Port's economic development opportunities and greatly limits its ability to borrow or bond for funds.

Environmental

The Port has no known environmental compliance issues. The Corps of Engineers built the downtown peninsula area when the entire city of Arlington was moved. This construction occurred in the early 1960s, as part of the John Day Dam project. The Willow Creek property was bought from the Corps in 1967. The Willow Creek site included an idle basalt quarry with no buildings. A cultural resource survey of Willow Creek site was completed in 2007, and nothing of cultural or historic significance was found.

The Oregon State Historic Preservation Office (SHPO) informed the Port that the remnant of old Highway 30 between the Port's Willow Creek site and Interstate-84 should be documented before removing. Oregon Department of Transportation required the Port to remove old Highway 30 remnants as part of their approving access to the new bridge at Willow Creek. Because work on the barge dock is temporarily suspended, and the new bridge closed to traffic, the old Highway 30 remnant has not yet been removed.

In August 2011 the Port formed Port of Arlington Environmental Sentry Corporation, a non-profit environmental cleanup company, to facilitate the asbestos abatement cleanup of the former Condon Radar base. Once the abatement processes is completed this industrial land can be more fully utilized by industry.

Marketing

Over the past 10-years there has been very little marketing of the Port or its facilities. Primarily this has been because of lack of professional staff and revenues to conduct a meaningful campaign. The current increased activity, financing, hiring of experienced staff, research, and partnership with the County and cities within Gilliam County, marketing will take a greater focus of the Port's plans. Some marketing has already started; the port has a new web page, [www.portofarlington.com](http://www.portofarlington.com), developed a marketing brochure, and placed "blue" signs on I-84 marketing the Marina.

Port commissioners have participated in major wind energy trade shows in California and traveled to Sweetwater, Texas to learn more about wind energy and servicing this market sector.

Port staff has attended major data center conferences and led efforts to promote the new Arlington Mesa Industrial Park and the infrastructure available to accommodate this growing industry.

Marketing has been an indirect result of winning grants to improve the Port facilities. The need and justification for grant funding of the marina, RV Park and Willow Creek site have all involved descriptions of intended customers, and the

facility improvements needed to be successful. These efforts successfully put Arlington on the economic development map.

As land becomes 'shovel-ready' a more aggressive market outreach effort would be justified. The first step would include exposure to the Oregon Economic and Community Development Department.

In 2013 the Port will develop a strategic marketing plan for the Port and County.

## 7. 5-year Facilities and Business plan

### Capital

The Port is funded by the Port taxing district which encompasses the entirety of Gilliam County. In 2011 the Port received \$118,000 in tax revenues. Oregon's Strategic Investment Program (SIP) funds, grants, and property rentals provide additional revenues in 2012 this amount increase to \$13,000 from \$7,600 in 2009. SIP funds are special reduced property taxing exemptions for firms making very large investments in the County, wind farms in particular. The Port has a number of income producing properties including the grain terminal, RV Park, marina, buildings, and industrial land rents. The Port seeks to expand its revenue base by building and leasing buildings on its newly acquired properties. The primary source for Port capital is grant funding.

### Management

The Port hired a full time economic development officer in May 2011. Previously the Port relied on contractual services of consultants to administer many functions including grant writing, market research, and developing business opportunities. The Port's full time staff will devote considerable time and attention to developing a comprehensive marketing plan, implementing strategic infrastructure projects in the Port's newly acquired Arlington Industrial park, and seeking new business opportunities.

### Marketing

Industrial properties throughout the county are marketed in collaboration with Connect Oregon. The Port also utilizes trade shows, business events, and advertisement in its marketing efforts. In 2011 the Port developed a brochure targeted directly to the wind farm service industry. The Port has also established a dedicated web site to promote industrial development in the County in addition to promoting available commercial properties.

Port's market research initiative leads the Port to focus efforts on attracting service companies for the County's growing wind energy sector and value added components to the wheat farming base, enhancing waste to energy efforts, and establishing market opportunities for the aggregate industry. Research also established that the County's strategic infrastructure proximity to markets in the Northwest open opportunities to attract distribution facilities and large power users such as data centers. Lastly, the Port also seeks to develop value added manufacturing capability for county grown products.

It is anticipated as land becomes 'shovel-ready' a more aggressive market outreach effort would be justified. Efforts have already begun to develop marketing partnerships with Oregon Economic and Community Development Department, Pacific Power Economic Development, and FedEx and UPS sales staff.

Financial

	Jul '09 - Jun 10	Jul '10 - Jun 11	Jul '11 - Jun 12
			(budget)
Carryover Balance	51,264.11	108,585.51	235,000.00
Taxes	92,406.66	118,962.21	127,322.00
Land Rent	5,945.00	9,450.00	141,200.00
Cargill	10,000.00	10,000.00	10,000.00
Grants Income	164,002.98	304,000.00	1,269,279.00
MAPS Grant	5,525.00	5,525.00	5,525.00
SIP Funds	7,586.99	10,926.85	13,000.00
Marina Revenue	2,270.00	3,420.00	1,980.00
RV Park Revenue	24,678.00	39,898.79	45,000.00
Rock Sales			80,000.00
Misc. Income	480.00	1,940.00	1,360.00
Loans			700,000.00
<b>Total Income</b>	<b>364,158.74</b>	<b>612,708.36</b>	<b>2,629,666.00</b>
<b>Expenses</b>			
Personal Services	18,448.54	61,992.76	177,462.00
Material and Services	222,877.95	193,733.59	291,715.00
Capital Outlay	14,586.72	134,342.91	1,973,020.00
Debt Service			88,639.00
<b>Total Expenses</b>	<b>255,913.21</b>	<b>390,069.26</b>	<b>2,530,836.00</b>
Balance	108,245.53	222,639.10	98,830.00



Environmental

The Port is committed to the enhancing the environment and has developed a number of measures to assist in this effort. In 2011 the Port created the Port of Arlington Environmental Sentry Corporation to remove environmental contaminates that remain after the military abandoned the Condon Radar base. The abatement project, funded by Oregon Brownfield, was mostly completed in 2012. The Port has pledged commitment to the State “Clean Marinas” program in September of 2011. The Port has worked with Department of Environmental Quality to ensure that run off from the marina and RV Park is filtered through dry wells that meet stringent standards. Additionally the Ports economic development officer was successful in attracting EV4 car charging station to Arlington. This effort enhances connectivity for electric vehicle travel in the I-84 corridor. Collectively these efforts ensure that Port is a leading proponent of the environment in Gilliam County,

**8. Attachments and Exhibits**

Arlington Mesa Industrial Park Master Plan layout  
Power Study  
Port of Arlington Marina and RV park drawings  
Condon Radar Base plat  
Map of Gilliam County with Port industrial properties depicted  
Financial audit report summary