

Clallam County Economic Development Council

Delivering Value to You

A presentation to the Port Angeles Association of Realtors®

May 25, 2023

Colleen McAleer



Business Retention & Expansion Business Recruitment

Initiative Work Areas

	Notes
NOLA	NOLA Steering Cmte Developed 3 Priorities for 2023 Session
Publish White Paper	State Policies that Negatively Affect Rural Communities
PTAC Federal Grant Application	Awarded \$145K annually from ongoing DoD contract & started up program to support Clallam/Jefferson Business
Child Care Expansion	Created 80 New Slots with 5 Providers – Distributed \$25K; awarded Follow on Grant for \$20K
5-year Countywide Economic Plan	Established Prosperity Target Wages; Identified Inaccurate ESD In-Demand Occupations & Proved Inaccuracies; Completed 129-pg Plan – Now improving graphics
Underserved Business Grant – BOOST!	Awarded \$1.3M to provide services to Clallam, Jefferson & Grays Harbor Underserved Businesses (Bookkeeping, Legal & Marketing Support)
Innovation Cluster Accelerator Program	Natural Resources Innovations Center

Local Housing Issues Front & Center of Economic Development

County	SAAR	% Change by qtr	% Change by year	Building Permits	% Change by year	Median Resale Price (\$)	% Change by year	HAI	First-time HAI
Adams	160	0.0	0.0	15	-37.5	\$318,700	38.6	89.3	63.6
Asotin	130	0.0	0.0	14	250.0	\$284,500	21.1	85.0	60.6
Benton	3,720	-4.1	-22.7	239	-46.3	\$444,800	13.2	87.4	62.2
Chelan	1,060	2.9	0.0	82	-19.6	\$582,600	7.6	53.1	37.9 #2
Clallam	1,070	-1.8	-6.1	72	242.9	\$469,600	10.3	54.7	38.9 #3
Clark	8,020	-4.4	-5.6	1,009	-42.0	\$553,200	12.6	63.9	45.5
Columbia	110	10.0	10.0	15	1400.0	\$259,700	5.5	123.7	88.2
Cowlitz	1,560	1.3	-1.3	231	216.4	\$389,900	4.7	92.6	66.0
Douglas	630	-1.6	-1.6	51	292.3	\$485,000	6.5	66.9	47.7
Ferry	130	0.0	8.3	12	200.0	\$232,900	5.9	110.4	78.7
Franklin	1,250	-3.8	-22.4	128	-21.0	\$444,800	13.2	94.5	67.3
Garfield	30	50.0	0.0	0	-100.0	\$284,500	21.1	102.0	72.7
Grant	1,330	-1.5	-3.6	176	114.6	\$363,000	11.0	71.4	50.9
Grays Harbor	2,410	0.4	1.3	101	180.6	\$357,200	9.2	68.9	49.1
Island	1,940	-5.4	-6.7	111	382.6	\$571,700	3.8	68.6	48.9
Jefferson	640	1.6	-5.9	76	-28.3	\$615,600	-0.4	58.7	41.8 #6
King	29,010	-6.8	-11.6	3,831	-21.3	\$893,800	4.3	56.5	40.3 #4
Kitsap	5,330	-1.7	0.0	429	-56.7	\$541,600	5.6	64.3	45.8
Kittitas	1,330	-2.9	-3.6	122	-18.7	\$565,300	20.0	62.1	44.2
Klickitat	310	-3.1	-8.8	38	1166.7	\$416,700	-3.3	62.7	44.7
Lewis	1,520	-3.2	-4.4	116	54.7	\$396,500	3.8	61.5	43.8
Lincoln	160	-5.9	-5.9	22	340.0	\$312,500	21.0	95.0	67.7
Mason	1,470	-0.7	-4.5	56	154.5	\$419,000	7.2	75.2	53.5
Okanogan	580	-3.3	1.8	79	338.9	\$357,100	10.9	77.8	55.5
Pacific	600	-3.2	-9.1	35	16.7	\$321,100	-2.2	88.4	63.0
Pend Oreille	300	0.0	-9.1	17	240.0	\$311,000	-1.9	100.0	71.2
Pierce	16,130	-4.6	-5.7	929	-44.0	\$554,900	7.2	71.8	51.1
San Juan	290	-14.7	-34.1	30	-28.6	\$950,000	7.0	40.8	29.1 #1
Skagit	2,160	0.0	-8.9	130	49.4	\$545,200	6.7	81.9	58.4
Skamania	330	-2.9	6.5	27	35.0	\$388,500	-9.9	85.7	61.1
Snohomish	12,450	-3.6	-6.5	1,118	-1.1	\$742,300	8.3	64.6	46.0
Spokane	7,700	-2.3	-9.7	1,357	36.5	\$436,600	5.5	67.7	48.2
Stevens	890	0.0	-9.2	85	1114.3	\$311,000	-1.9	74.1	52.7
Thurston	5,930	-2.8	-0.5	243	-23.1	\$493,000	4.3	80.1	57.0
Wahkiakum	90	-10.0	-10.0	0	-100.0	\$398,300	5.9	77.5	55.2
Walla Walla	740	-3.9	4.2	49	63.3	\$416,200	9.0	71.7	51.0
Whatcom	3,480	-1.7	-4.7	227	-39.9	\$597,700	6.4	56.7	40.4 #5
Whitman	470	0.0	-7.8	63	-8.7	\$403,600	11.6	68.0	48.4
Yakima	2,450	1.7	8.9	184	15.7	\$359,200	6.4	77.4	55.1
Statewide	117,930	-3.8	-7.4	11,519	-17.1	\$629,100	8.7	63.7	45.4

**Washington Center
for Real Estate
Research / UW**

**Q3 2022 Housing
Affordability Index**

**Clallam was 3rd
least affordable
County in WA**

Housing Affordability Index

- Housing Affordability: Two measures of housing affordability are presented. Each should be interpreted as the degree to which a median income family or typical first-time buyer household could afford to purchase the assumed home. In all cases it is assumed the lender would be willing to fund the loan so long as the principal and interest payments do not exceed 25 percent of gross income.
- Index values above 100 indicate housing is affordable to the specified income group.
- It is assumed 30% of income can be used for principal and interest payments. The monthly amount does not include property taxes, homeowners' insurance or utilities



Home Ownership In Clallam County Housing Affordability Index

	All Buyers	First Time
Home Price	Median	85% of Median
Down Payment	20%	10%
Mortgage Term	30 Years	30 Years
Income	Median Household	70% of Median Household
Mortgage Insurance	No	Yes (add .25% to mortgage rate)
Mortgage Rate	Average of Freddie Mac 30-year fixed Mortgage Interest rates	

Annual Gross Income Needed to Buy A House

	Household Annual Income	Household Hourly Wage	Supports Monthly Mortgage	Supports Max Loan	House Price
Median Household Income	<u>\$60,100</u>	\$29.32	\$1,252	\$198,080	\$247,600
Median Priced Home	\$104,448	\$48.30	\$2,176	\$344,320	<u>\$430,400</u>
Starter Home (85%)	\$88,800	\$42.69	\$1,850	\$292,700	<u>\$365,840</u>
Target Wage 1	\$70,000	\$33.65	\$1,458	\$230,700	\$288,300
Target Wage 2	\$80,000	\$38.46	\$1,667	\$263,700	\$329,600
Target Wage 3	\$90,000	\$43.27	\$1,875	\$296,600	\$370,800

Assumptions: 30-year fixed term mortgage; 6.5 % annual rate; 20 percent down payment.

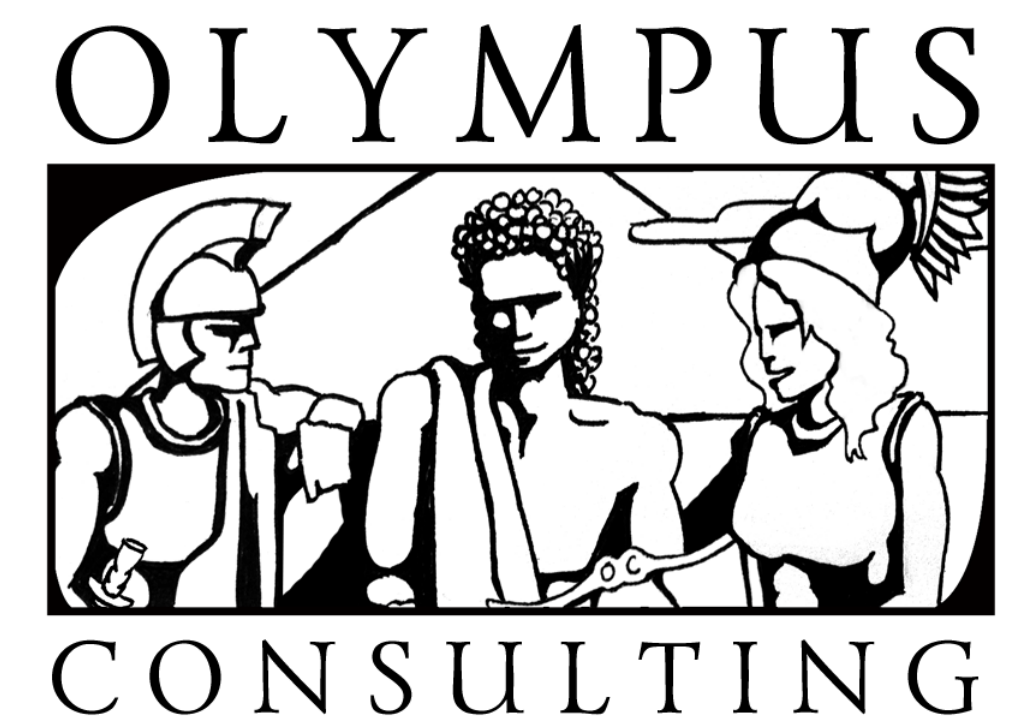
Natural Resources Innovations Center

Infusing Innovation For A Sustainable Future

Background and Opportunities



Colleen McAleer
Daniel Underwood



ICAP – The Beginning

Innovation Cluster Accelerator Program (ICAP)

- Competitive grant sponsored by the Washington Department of Commerce
 - ICAP Launch provided \$50K to develop and implement an innovation cluster.
 - Innovation clusters are to be industry driven.
 - The goal is to create local employment and wage opportunities that otherwise would not exist.
- Clallam EDC submitted and was awarded one of four state-wide grants.
- Near term activities include
 - Create an Industry led 501c6.
 - Identify and convene a Core Team, which will include a Program Manager (Team Lead). leadership from the EDC, and key stakeholders and partners.
 - Identify and convene an Ecosystem Team, which will include key representatives from industry, entrepreneurs, government, academia and investors.

Recompete – A Giant Leap Towards Prosperity in Clallam County

A brief look at ReCompete

- ReCompete Pilot through the Economic Development Administration (EDA)
 - The Act was written by Representative Kilmer; Minimum \$20M award; Potentially up to \$100M.
 - The project goal is to reduce the Prime Age Employment Gap: 25–54-year-old residents *Not* in the labor force
 - How many grants will be funded?
- Representative Kilmer had EDA come to Tacoma for a presentation and listening session;
 - Our team emphasized the growing prosperity gap between Clallam and the rest of the state.
 - Our team emphasized we need those jobs today and tomorrow, not 20 years from now
- Moving forward
 - Staff from Rep Kilmer's office are in contact, are supportive of our plan and are keeping us posted on developments.
 - Our plan is for NRIC to write the proposal with PC - Clallam County government as the fiscal agent.

Criteria for Inclusion into the Natural Resources Innovations Center

Target industries must satisfy each of the following five criteria:

1. It will provide a living wage entry jobs to local residents with a pathway to prosperity wage jobs.
2. The local workforce can obtain the necessary industry driven knowledge, skills and abilities from high schools and Peninsula College.
3. The business/industry must be economically viable in a competitive environment and be able to attract investment capital.
4. It will improve current industry practices by incorporating new technology or new methodologies to lower costs, reduce waste and/or maximize benefits from resources.
5. It will provide economically sustainable outcomes that simultaneously mitigate environmental challenges while promoting economic prosperity today, tomorrow, and well into the future.

NRIC and Innovation Pathways

Centers of Applied Research and Development

CFR at WSU DNR USFS ONRC at UW

Innovations &
Solutions



Needs, Energy,
Materials

Evergreen Interfor CRTC PAHW McKinley

Commercial Users of Applied Research and Development

Envisioning NRIC

Thinking About Sustainable Innovative Pathways and Prosperity for Prime Age Workers and Our Youth

Value Added = Jobs + Wages

Makah Tribe

30,000 acres of
Sustainably Managed
Forests
Mill & Kiln



Near Term
1-2 Years

CRTC

Advanced CLT
Building Panels

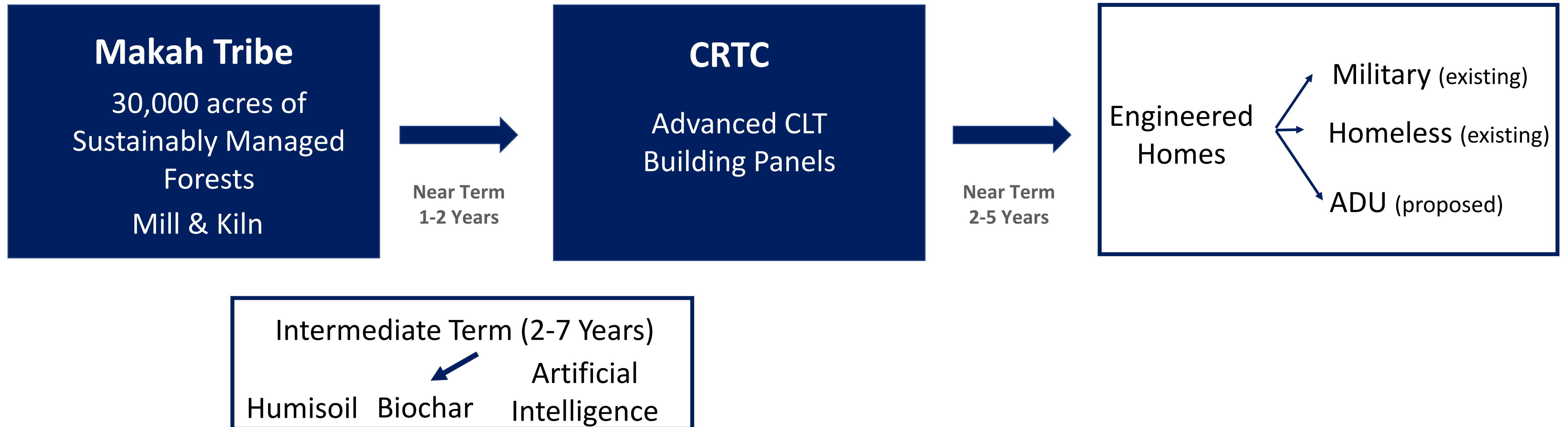
Thinking About Sustainable Innovative Pathways and Prosperity for Prime Age Workers and Our Youth

Value Added = Jobs + Wages



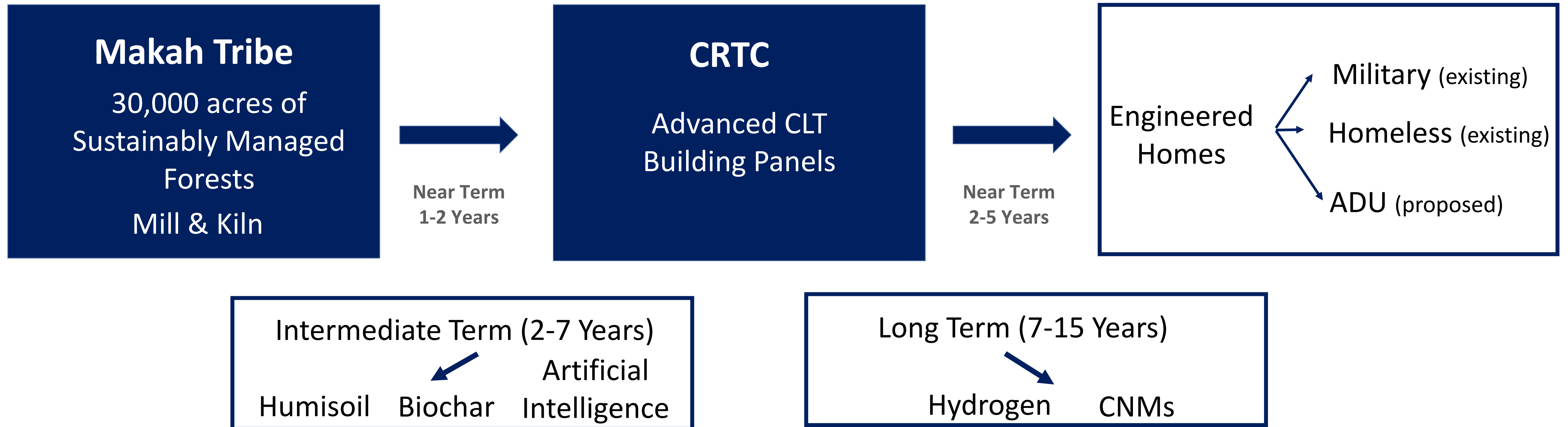
Thinking About Sustainable Innovative Pathways and Prosperity for Prime Age Workers and Our Youth

Value Added = Jobs + Wages



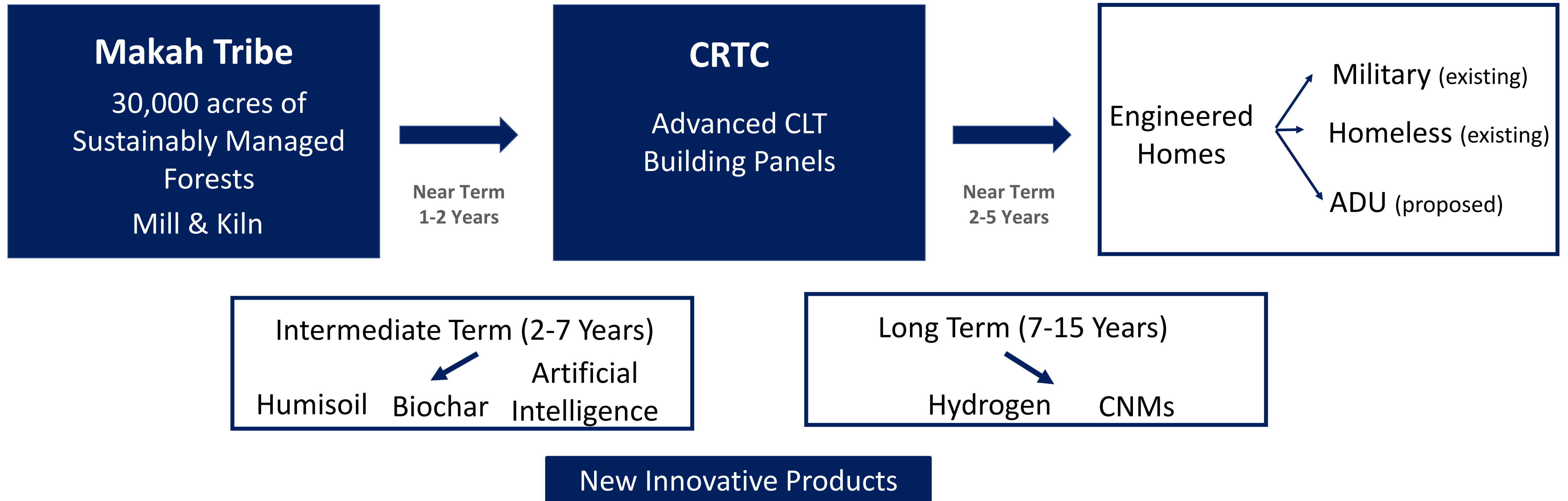
Thinking About Sustainable Innovative Pathways and Prosperity for Prime Age Workers and Our Youth

Value Added = Jobs + Wages



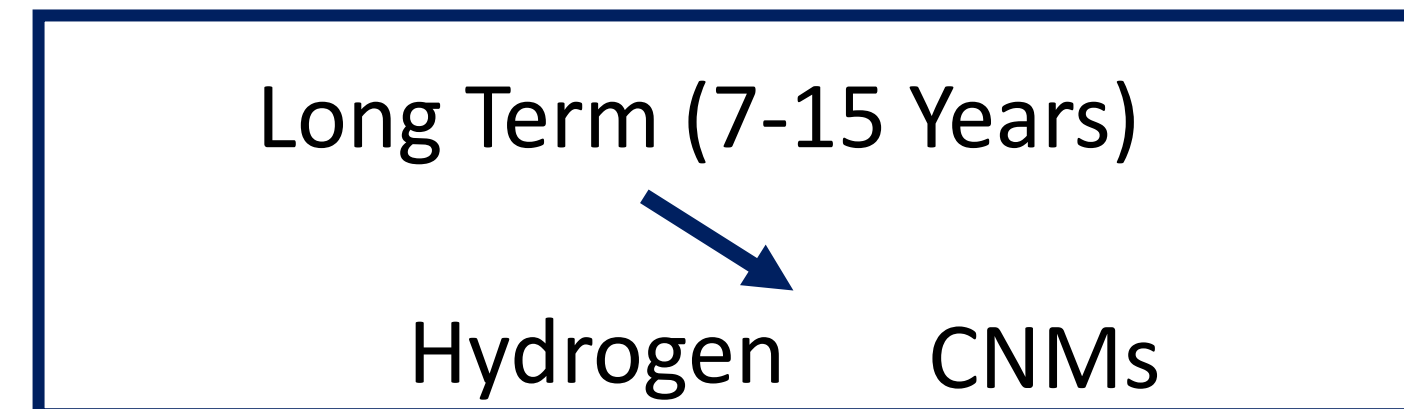
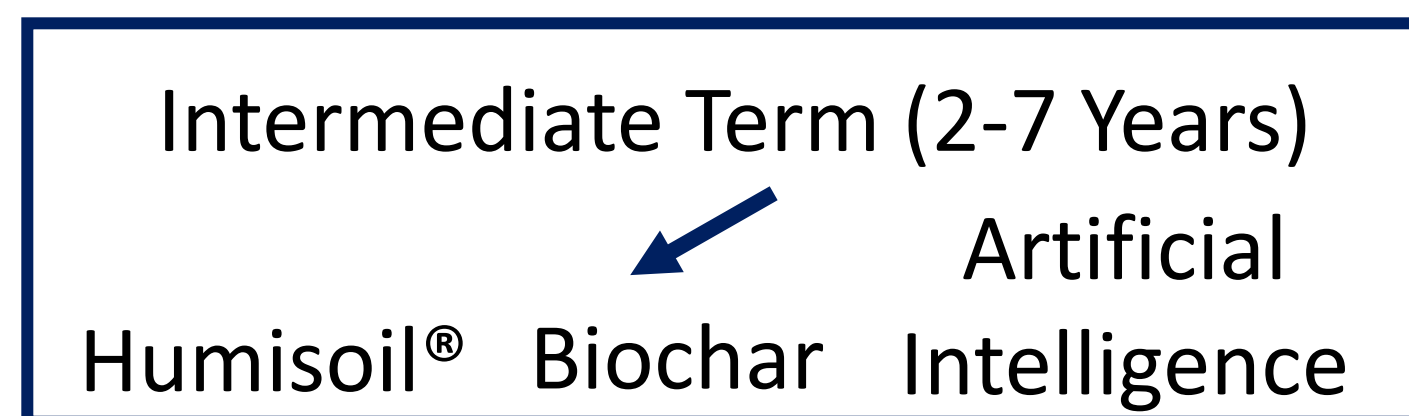
Thinking About Sustainable Innovative Pathways and Prosperity for Prime Age Workers and Our Youth

Value Added = Jobs + Wages



Thinking About Sustainable Innovative Pathways and Prosperity for Prime Age Workers and Our Youth

Value Added = Jobs + Wages



New Innovative Products

Carbon Sequestration + Substitutes for Carbon Intensive Materials + Soil Amendments + Housing Solutions + Green Energy + Local Prosperity

Natural Resources Innovations Employers

At Present		
Employer	Employees	Sustainable Innovation Focus
Makah Tribe	23	Harvesting Western Coastal Hemlock on Tribally Owned Lands
CRTC	32	Development of Advanced Cross Laminated Timber Panels for Military & Shelters
McKinley	195	Recycling Cardboard & Clean Energy Generation
Evergreen Fiber	9	Bioenergy & Materials
Near-Term		
Employer	New Employees	Planned Sustainable Innovation Focus
Makah Tribe	11	Harvesting & Milling Western Coastal Hemlock on Tribally Owned Lands
CRTC	32	Manufacture of Advanced CLT Panels
Sustainable Green Team	30	Collection of local organic materials to create Humisoil®
Present & Near-Term Total	332	

Natural Resources Innovations Employers

Potential	
Employer	Sustainable Innovation Focus
TBD Manufacturing Facility	Manufacturing ADUs from A-CLT Panels
Local Small Business Suppliers for Interior ADU Components	Integrating Sustainable Innovative Products Locally
Construction Firms to Assemble ADUs	Affordable Housing Using Renewable and Recycled Materials
Natural Resource Innovation Center	Potentially Co-located with CRTC at Facility
Peninsula College	Workforce Training and Industry Focused Certificates

- New Businesses in NRIC will provide employment at prosperity wages.
- This will increase opportunities for businesses in the supply chain.
- Both of these changes will create niches for entrepreneurs and proprietors.
- All of these above will create prosperity that increases the demand for goods and services in Clallam County that stimulates additional business and employment opportunities.

Industry-Driven Workforce Training

Industry-driven workforce training

- Prepare our residents for entry into the innovative natural resources labor force.
- Income progression to achieve a prosperity wage.
- Industry will identify the specific knowledge and skills required for employment.
- Develop partnerships with local high schools and Peninsula College to make this happen.
- Certificates, internships and on-the-job-training will be part of the process.

CRTC Building Panels

Resources from Peninsula forests

- Formed relationship with Makah Tribe for timber supply
 - Working together to build a sawmill in Neah Bay by mid-2023
 - Mill will supply dimensional lumber to the CRTC for the construction of ACLT panels
 - They can also supply milled lumber to other buyers
 - Value added milling can significantly increase revenue to the Tribe

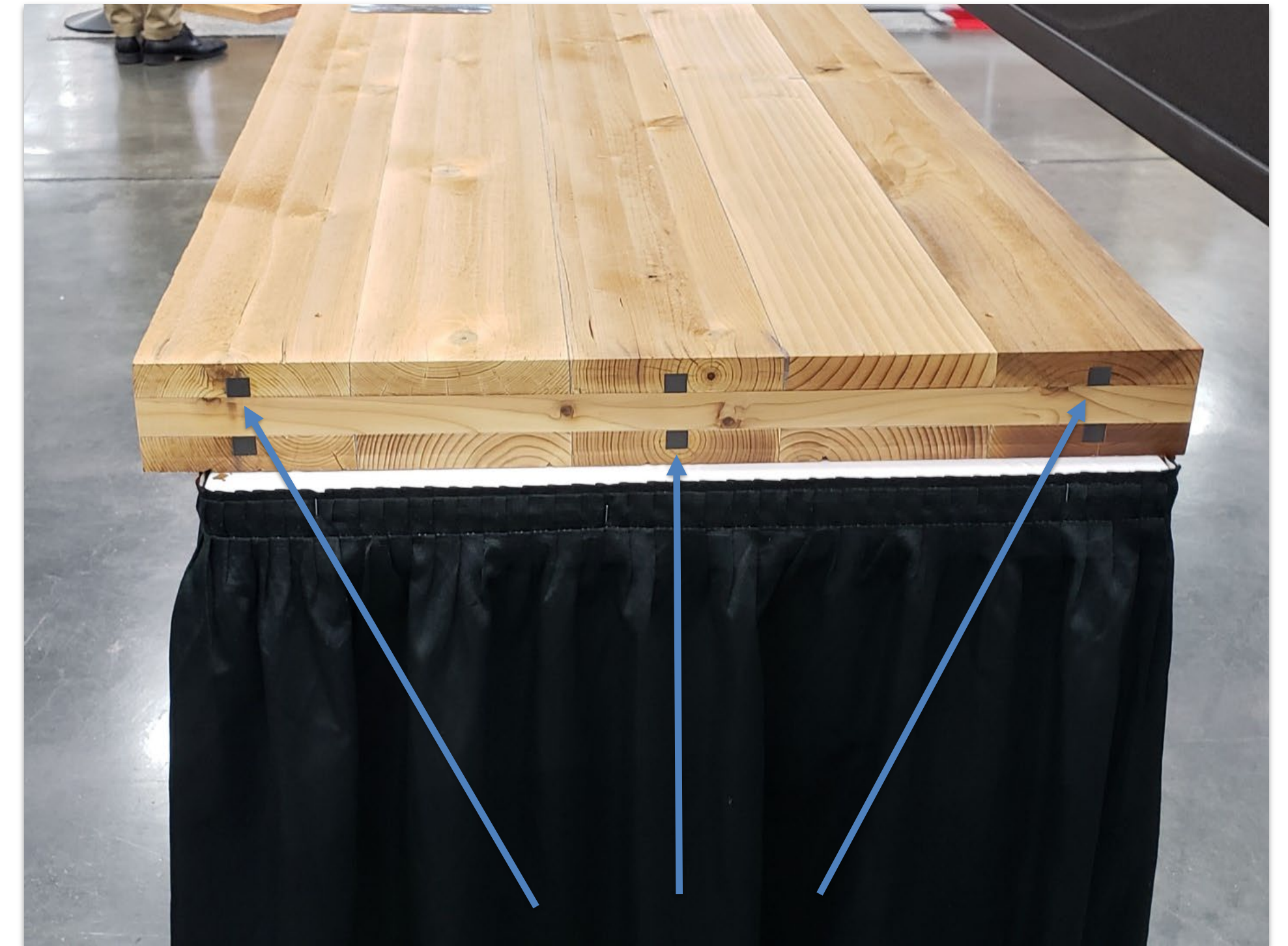
Thermal Modification

- Heat to 400F without oxygen
- Stabilizes wood at < 7% moisture
- Provides pressure treated performance without chemicals
- CRTC has purchased a unit; arrives this summer.
- The only one in WA State.
- Will make Clallam County a hub for wood innovation!
 - Building panels
 - Decking
 - Siding
 - Logs for log homes
 - Wood for musical instruments



Advanced Cross Laminated Timber (ACL-T)

- Timber + innovation
- Patent pending
- Thermally modified Coastal Western Hemlock
- Adds recycled carbon fiber to increase strength
- Makes for a very robust and stable wall panel
- 240 sf home can go up in 3 days
- Creates affordable, accessible and durable homes



Carbon fiber strips
In full length of panel

ACLT

- Targeting 4' x 4' panels
- Easier to handle through value chain
- Standard CLT panels can be very large and heavy
- Requires heavy equipment for manufacturing & install
- Full scale CLT factory might cost \$100M CAPEX
- ACLT factory will be under \$2M: 50X reduction
- Great support from the Port
- In production by the end of 2023
- 32 additional jobs when fully scaled



CLT for roof at Shore Aquatic Center

ACLT applications

- Military housing
- ADU's
- Homeless housing - Pennies for Quarters
- Emergency Shelters
- Potential ballistics resistance
 - Military
 - Schools
 - Hospitals
 - Government buildings
- Ample room for future innovation



Potential Investments

Consortium driven investments might include

- Infrastructure to support manufacturing facilities.
- Support for Peninsula College workforce training.
- Capital Investment in School District Center of Excellence facilities.
- Housing (land bank or infrastructure - water/sewer/power/broadband).
- Childcare services.
- Waterfront infrastructure investment e.g., Barging facilities.

Organizations that are participating

- Industry:

CRTC - Composite Recycling Technology Center

Makah Tribe

Jamestown S'klallam Tribe

SGTM - The Sustainable Green Team

Port Angeles Hardwood

Hermann Brothers Logging & Construction

Evergreen Fibre

Brix Marine

McKinley Paper

Hays Architects

- Supportive Partners:

Peninsula College & Sequim School District (Career Tech Education)

Impact Washington

First Federal Bank

Port of Port Angeles

Clallam County EDC & EDC Team Jefferson

- And we're just getting started!

Questions?