# Port of Kalama

## A COMPREHENSIVE SCHEME OF HARBOR IMPROVEMENTS

Port of Kalama

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Prepared by
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# Port of Kalama

## A COMPREHENSIVE SCHEME OF HARBOR IMPROVEMENTS

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# Letter from the Commissioners

The Port of Kalama Commissioners and staff are pleased to share our Comprehensive Scheme of Harbor Improvements with the residents of our district. This document provides a vision and road map for achieving the Port's mission: to induce capital investment in an environmentally responsible manner to create jobs and to enhance public recreational opportunities.

This report describes our Port – not only in terms of assets, properties, and finances, but our core values and approach to doing business. These values are what lay the groundwork for the Port's long-term success.

Since the founding of our Port in 1920, we have enjoyed strong partnerships with local government, businesses, community leaders, and non-profit organizations. We appreciate the support of the Kalama community and are honored to be a part of it.

We are proud of the work the Port has achieved to make Kalama a better place to live, work and play, and look forward to continuing to contribute to a thriving community.

Patrick Harbison

Troy Stariha

Randy Sweet

# Introduction

## Purpose of the Comprehensive Scheme of Harbor Improvements

The Port of Kalama Comprehensive Scheme of Harbor Improvements ("Comprehensive Scheme") provides a vision and road map for achieving the Port's mission: to induce capital investment in an environmentally responsible manner to create jobs and to enhance public recreational opportunities.

At the core of the Port of Kalama's mission is a promise to carefully evaluate community investments while protecting and enhancing the environment and natural resources. That careful balance is in the DNA of every single project the Port embarks upon. The Port follows the Comprehensive Scheme to ensure that the environment, economy, and community assets are thoughtfully planned to work in harmony with one another.

The Port updates our Strategic Plan on an annual basis; this more detailed and action-oriented document is provided in the Appendix. The Comprehensive Scheme differs from the Strategic Plan in that the Comprehensive Scheme is broader in its approach, providing the Port with a flexible and overarching guide for future development. The Port will periodically take actions that are not in the Strategic Plan, but that conform to the Comprehensive Scheme.

## Creating the Comprehensive Scheme of Harbor Improvements

This Comprehensive Scheme was created in close cooperation with Port of Kalama leadership and staff, who provided input throughout the project. Each Port Commissioner was consulted as the study process commenced, and again before the draft was presented to the public. The first draft of the document was available to the public on August 22 on the Port of Kalama's website and in hard copy by request at the Port's offices; it was also presented during a Board of Commissioner's meeting on August 24. The second draft was made available to the public on August 31. The plan was adopted at a second public hearing, on September 7.

The Port of Kalama created this Comprehensive Scheme in accordance with Washington State Law, Revised Code of Washington (RCW), Title 53, Chapter 53.20.

## About the Port of Kalama

The Port of Kalama is located in Southwest Washington, immediately off of Interstate 5, 30 miles northwest of Portland, Oregon, and 120 miles south of Seattle, Washington. The Port's property covers roughly 1,200 acres and stretches approximately six miles along the Columbia River, mile 72 to mile 77. In addition to offering direct access to I-5 and the Columbia River Federal Navigation Channel, the Port is served by the

Burlington Northern/Santa Fe and Union Pacific railroads. The Port was created in 1920 and is governed by a three-member Port commission and administered by an Executive Director. The Port is home to more than 40 companies employing approximately 1,400 people. Tenants include manufacturing companies, storage facilities, distribution business, exporters of grain and other commodities, recycling agents, trucking companies and many others. The Port's revenue sources include leases of property, buildings, marine terminals, marina slips, and services associated with marine terminal operations. Unlike most other public ports in Washington, the Port of Kalama is not funded by a local property tax.

## Report Layout

The Comprehensive Scheme is divided into the following sections.

**Core Principles:** This section describes the underlying values of the Port of Kalama – how we conduct business, serve the community, and achieve our mission.

**Focus Areas and Strategies:** This section provides an overview of the Port's four primary business areas (Marine Terminals, Industrial, Commercial, and Recreation and Tourism) along with general strategies the Port plans for each area.

**Port History:** The history chapter provides a timeline of the Port's history, from railroad construction in 1871 to the cruise dock dedication in 2022.

**Port Assets:** The Port's property and assets are described for each of the Port's six geographical areas: North Port, East Port, Kalama River Industrial Park, Central Port – Industrial, Central Port – Recreation and Tourism, and South Port.

**Port-Related Employment:** This section discusses jobs associated with the Port and all Port tenants, including trends over time.

**Port Finances:** Port finances are described in terms of revenue sources, major expenditure categories, and recent financial performance.

**Recreation and Tourism:** This section is the Port's Recreation Plan and describes the Port's various recreation and tourism assets and opportunities.

**Market Trends:** This section provides a brief overview of market trends affecting three of the Port's main business lines: marine and rail cargo, industrial development, and tourism.

**Looking Ahead:** This section provides a conclusion to the Comprehensive Scheme.

An Appendix is provided under separate cover and contains the following.

**Strategic Plan:** The Port's 2022 Strategic Plan is provided, including strategies, actions, partners, and timeline.

**Tenants:** This section contains profiles of all of the Port's current tenants including their location at the port, primary activities, and employment.

**Kalama Economic Profile:** This section presents a socioeconomic profile of the community of Kalama including population, employment, income, housing, traffic, and retail sales.

# Core Principles

**The Port of Kalama's mission is 'to induce capital investment in an environmentally responsible manner to create jobs and to enhance public recreational opportunities.'** The Port strives to create a balanced and diverse industry base, provide living wage jobs, and a range of recreational amenities, with the betterment of the community always in mind.

The Port is fortunate to have a close relationship with Kalama residents and the community. It is a relationship built on years of purposeful effort to better our community. In every decision, we strive to serve the best interests of Kalama residents: our neighbors, friends, and business partners. This drives a special care and consideration for our community in all Port activities.

At the core of the Port's mission is a promise to carefully evaluate community investments all while protecting and enhancing our natural resources. The Port of Kalama relies on the following core principles to guide their decisions.

## Will the project or action create jobs?

Creating employment opportunities for residents of Kalama, the Kalama Port District, and Cowlitz County is of importance to the Port. Jobs are the bedrock of community prosperity and wellbeing.

The Port prioritizes projects that support family-wage jobs, while recognizing that business models often require a wide spectrum of salary ranges.

The Port values projects that create jobs directly at the Port as well as indirect jobs with businesses serving Port tenants. The Port also values projects that provide training opportunities to local residents, such as the Mountain Timber Market business incubator program.

## Will the project or action provide a return on investment?

The Port is run as a business and expects a financial return on its investments. A return on investment could be realized in a variety of ways: revenues to the Port itself, economic benefit to Port tenants and/or other local businesses, tax revenues to other entities, or improved quality of life for residents through recreational opportunities, for example.

## What is the long-term outlook?

The Port prioritizes projects, actions, and investments designed to meet future demand and be viable in the long-term.

## Does the project or action diversify our business portfolio?

The Port seeks out projects that diversify the Port and the local economy to better ensure long-term stability and avoid over-reliance on single markets.

## Has the project or action been thoroughly researched?

The Port believes in making data-driven and informed decisions. New projects require thorough investigation and careful consideration of all possible outcomes.

## Will the project enhance quality of life for Kalama residents?

The Port prioritizes projects that enhance quality of life. This can be achieved through a variety of means: recreation opportunities, special events, job creation, and/or support of local businesses, for example.

## What is the impact on the environment?

The Port seeks to minimize effects to the environment through its projects and actions. The Port encourages and supports enhancements to the environment (such as tree-planting and fish habitat restoration) wherever practical.

## Will Port relationships be enhanced?

The Port places high value on our relationships with local businesses, tribal entities, governmental entities, and residents. The Port values building new relationships as well as strengthening existing relationships.

## Will Kalama's cultural history and legacy be honored?

The Port values Kalama's rich and diverse cultural history. New projects must honor local culture and history wherever possible and appropriate.

## Does the project or action reflect the Port's value of respect for people?

People are at the heart of everything we do. The Port requires that every project or action reflect the Port's deeply held respect for all people.

# Focus Areas & Strategies

The Port of Kalama has four main business lines:

- Marine Terminals
- Industrial
- Commercial
- Recreation and Tourism

This section describes the Port's approach to each of these areas as we plan for a successful future. Please refer to the Port's Strategic Plan in the Appendix for more detailed and specific action items.

## Marine Terminals

One of the Port's primary draws for businesses is our location as a deepwater port on the banks of the Columbia River; our marine terminals are considered the Port's "bread and butter." Indeed, the bulk of the Port's revenues are derived from the terminals. Our close proximity to both the railroad and I-5 make them particularly strategic. Further, we are served by two major railroads: Union Pacific (UP) and Burlington Northern/Santa Fe (BNSF). This unique blend of transportation access points creates globally competitive marine terminals.

The port district has five marine terminals: two grain elevators, a cargo dock, a barge dock, and a liquid bulk facility. The terminals are described in more detail in the "Assets" section.

The Port's approach to our marine terminal business centers on the following strategies.

**Seek new terminal uses/tenants:**
The Port is interested in developing another marine terminal in the North Port district, where 100 acres adjacent to the Steelscape plant are currently unoccupied. This is the Port's last major developable site that could accommodate a rail loop and heavy industrial activity.
The two most promising uses include bulk import/export and/or a marine industrial facility like Steelscape. Value-added manufacturing that is tied to international shipping would be prioritized, due to significant job creation and utilization of all major transportation options. Additional potential uses

include "layberth" (temporary parking for large vessels) and/or a shipyard. There are additional sites in the area with less uplands (fewer than 20 acres) that would support a marine terminal; uses could include vessel repair, manufacturing, import/export, or layberth. While these businesses present likely options, the Port remains open to any business that fulfills our mission and core principles. The Port further remains open to re-purposing existing terminals should current users cease operations.

**Maintain and modernize:**
The Port is committed to keeping our marine terminals in excellent condition, and to modernizing the facilities as necessary. The Port recognizes the need to keep competitive with other marine terminals on the Columbia River and West Coast, generally, and to maintain and increase the value of our core assets.

**Diversification:**
In evaluating potential future tenants and facilities, the Port places a high value on diversification of our revenue base. Adding urgency to this strategy is the anticipated loss of approximately $4 million in annual revenue associated with operation of the Kalama Export Company dock in 2033.

## Industrial

The Port's current industrial activities are spread throughout the Port's properties, and many intersect with marine terminals. Examples of industrial activities currently occurring at the Port include lumber processing, metal alloy machining, steel manufacturing, chemical manufacturing, packaging, fabrication, industrial recycling and glass manufacturing.

The Port is interested in growing its industrial capacity. The Industrial Park has 20 acres available for development. Future activity will also occur in the 70-acre Spencer Creek Business Park, which is zoned for

mixed uses, including commercial, business, and light industrial. (These areas are described in more detail in the "Assets" section.) The Port is particularly interested in industries that diversify its economic base and are resistant to economic downturns such as food packaging and processing.

The Port has the following considerations in mind for the future of its industrial sector.

**Prioritize manufacturing (i.e. high-wage) jobs:**
Reflecting the Port's values of creating family-wage jobs, we prioritize manufacturing activity, as these types of companies are usually labor-intensive and support high-wage jobs. Another consideration is employment "density," i.e. number of employees per square foot. Manufacturing tends to have higher density than, for example, warehousing.

**Find light industrial tenants for Spencer Creek Business Park:**
The Port is actively engaged in seeking tenants for Spencer Creek Business Park, which is suitable for light industrial uses. The first building is currently in design and will specifically accommodate industrial tenants with need for a smaller footprint than what is currently available elsewhere at the Port.

## Commercial

The Port of Kalama has not historically been focused on commercial tenants or uses. This changed five years ago, when the Port developed our vision for the Spencer Creek Business Park, as well as commercial and tourism opportunities on the Columbia River waterfront. (McMenamins and the planned Mountain Timber Market are discussed further in the following "Recreation and Tourism" section.) A motivation for more commercial activity is to not only serve local residents, but to bring customers from outside the area, increasing economic activity and impacts, as well as employment.

**Find commercial tenants for Spencer Creek Business Park:**
The Port is seeking commercial (as well as light industrial) tenants for Spencer Creek. We are particularly interested in the development of a gas station/convenience store at the site; however, we are open to a wide variety of tenants and uses, such as a "corporate campus," professional offices, health care, and/or retail.

**Be open to lodging and housing opportunities:**
The Port is open to leasing or selling property to outside entities for the purpose of lodging/housing development, including a motel-style property adjacent to I-5 that serves the highway market; a destination resort; and/or single or multi-family residences, which could help answer an unmet need for housing in the area. The resort and/or residences could be an appropriate fit for the 60 acres south of Kalama River Road; the area is scenic and sits on the banks of the Kalama River, with views of the surrounding hillsides.

**Consider alternate transportation routes that support commercial development:**
With the growing confluence of industrial and transient traffic, the Port is considering revising the traffic flow in the Central Port area to potentially improve access to the Port, facilitate wayfinding, and increase safety and commercial opportunities.

### Utilities Strategy

A backdrop to all of the Port of Kalama's business strategies is a strong utilities infrastructure. The Port offers tenants excellent access to water, sewer, and high-speed internet. The Port is active in improving broadband infrastructure and is currently collaborating with other Pacific Northwest ports to improve access to high-speed internet throughout the region.

## Recreation and Tourism

As noted in the preceding Core Principles chapter, the Port has a strong commitment to creating recreation opportunities for local residents as well as visitors. The Port sees recreation amenities as a sort of dividend to residents, a benefit for all to enjoy. We also believe recreation assets contribute to an improved "quality of place," in turn attracting businesses and talent. The Port's recreation facilities are well known for their appeal, cleanliness, and safety.

Recent recreation development projects have included Haydu Park, Rasmussen Park, and the Westin Amphitheater. The Port has also upgraded our existing recreation facilities, such as the marina, to make them more attractive and user-friendly.

Tourism and recreation are inextricably tied. Recreation assets bring visitors, and increased visitors create demand for more recreation opportunities. Tourism is also tied to the Port's commercial ventures, particularly McMenamins, which has become the number one attraction for visitors to the community. The planned Mountain Timber Market is likely to draw additional visitors to the area.

Full descriptions of the Port's recreation assets and the new Mountain Timber Market can be found in the "Recreation and Tourism" section, and McMenamins is further described in the "Tenants" section.

**Continue to develop recreation areas:**
While the Port already boasts a number of excellent recreation areas, we are always seeking more opportunities to create new recreation assets, whether on existing property or on property we could acquire in the future.

**Encourage a balance of uses:**
As the Port adds recreation facilities and tourism structures to our properties, we are careful to not overbuild, recognizing that too much density of development detracts from the quality of the outdoor experience.

**Develop the Public Market; Incorporate program for startup businesses:**
The Port has begun construction on the Mountain Timber Market, a Public Market structure on the waterfront near McMenamins, the cruise ship dock, and the amphitheater that will support restaurants, distillery, and stalls that can be rented as retail spaces. A key element of the Public Market will be a business incubator program designed to provide assistance to local startups such as training in business plan development.

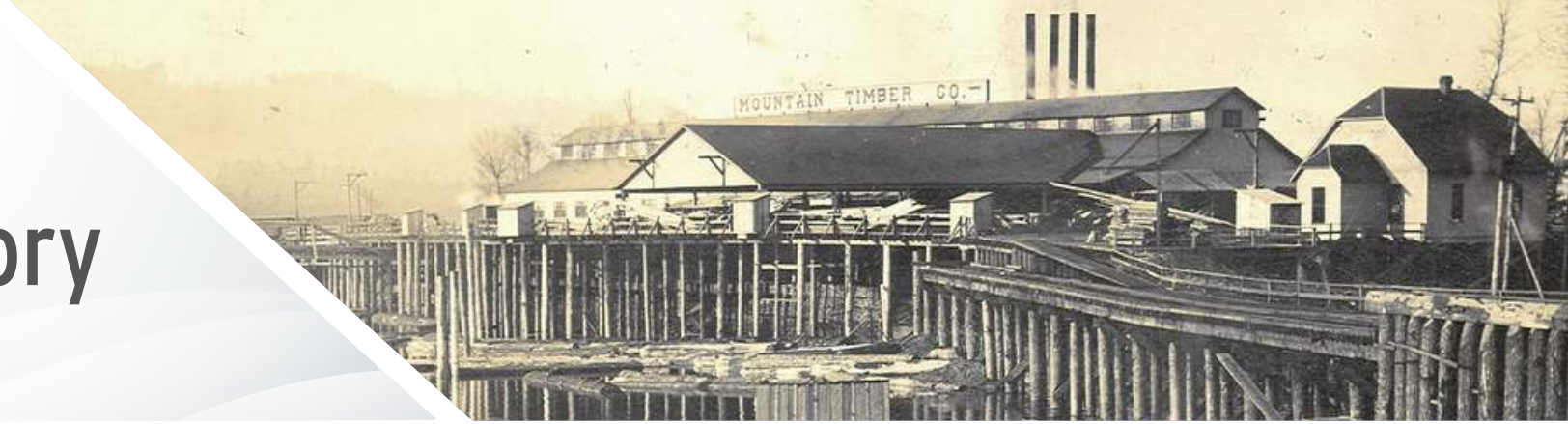
### Land Use Strategy

Applicable to all four of the Port's business lines is our approach to land use. The Port is committed to finding the highest and best uses for its lands. We consistently seek opportunities to acquire new property, provided it complements our current holdings and aligns with our mission. On rare occasions, we are open to disposing of property, if such an action represents the best return on investment.

Port of Kalama Profile

# Port History

1871-1971




The Port of Kalama has more than 100 years of history fostering economic development, creating infrastructure, and improving quality of life for Kalama residents. The following timeline features highlights of the Port's history.

**1871**
Northern Pacific Railroad drives first Washington State railroad spike for transcontinental railroad in Kalama

**1911**
Washington State Legislature authorizes establishment of Port Districts

**1920**
Community voted to establish the Port District, bought 600 acres for industrial development, built wooden dock

**1924**
First Port lease to C.W. Fisher's canning operation First industries - Blue Ribbon Shingle Mill, Barr Shingle Mill

**1932**
First Port Manager hired

**Late 1920s**
Barr Sawmill closed, stock market crashed, looked like Port would fail

**1935**
Works Progress Administration (WPA) project rebuilt dock and restabilizing port began Depression era – E.H. Adams tie mill, exporting lumber to China, CCC rebuilds parts of Kalama

**1947**
Columbia Veneer (later Pope and Talbot) leases land

**1950s**
Port buys more land; private interests create farm co-op and later develop grain elevator

**1959**
Gram Lumber leases land (purchased by RSG Forest Products in 1972)

**1961-62**
North Pacific Grain Growers elevator built, one of first and largest in country

**1962**
Dow Chemical Co. completed phenol plant for plywood

**1962**
Rivers and Harbors Act results in Columbia River channel deepening to 40 feet creating Port property and marina berm, industrial area, marina, park

**1969**
Virginia Chemical builds zinc hydrosulfite plant

Port of Kalama Profile

# Port History

1970-2022

**1973** Port builds pedestrian overpass

**1974** RSG Forest Products leases land for lumber

**1977** Marina completed, totem poles placed in park

**1980** Port purchases 220 acres in North Port, after Mt. St. Helens erupts receives two million yards of fill for North Port area

**1983** Peavey Grain Co (now Kalama Export LLC) grain elevator dedication

**1995** BHP Coated Steel (Steelscape today) constructed

**1997** North Port marine terminal and rail spur complete

**1998** Port votes to discontinue property tax levy

**1999** Kalama River Industrial Park construction begins, North Star Yachts launches first luxury yacht, pedestrian bicycle pathway construction complete

**2001** Kalama River Industrial Park bridge dedicated

**2003** First building completed in Kalama River Industrial Park

**2004** ViaTech Publishing is first industry in Kalama River Industrial Park

**2007** Cameron glass bottle plant breaks ground

**2008** Louis Rasmussen Day Use Park dedication

**2010** Columbia River Channel Deepening project completed (43' depth), Kalama Export Expansion Project

**2014** New Port of Kalama Administrative Offices and Interpretive Center opens, major TEMCO LLC grain elevator expansion/ renovation complete

**2015** Haydu Park dedication

**2016** Marina Trail Improvement Project adds pedestrian paths, landscaping, roads and parking to marina area

**2017** Marina renovation updates floats, boat ramp, fuel dock and power and security systems

**2018** McMenamins Kalama Harbor Lodge opens

**2019** Westin Amphitheater dedication

**2020** Port of Kalama Centennial, Spencer Creek Business Park open for development

**2022** Cruise vessel dock dedication partnering with American Cruise Lines

Port of Kalama Profile

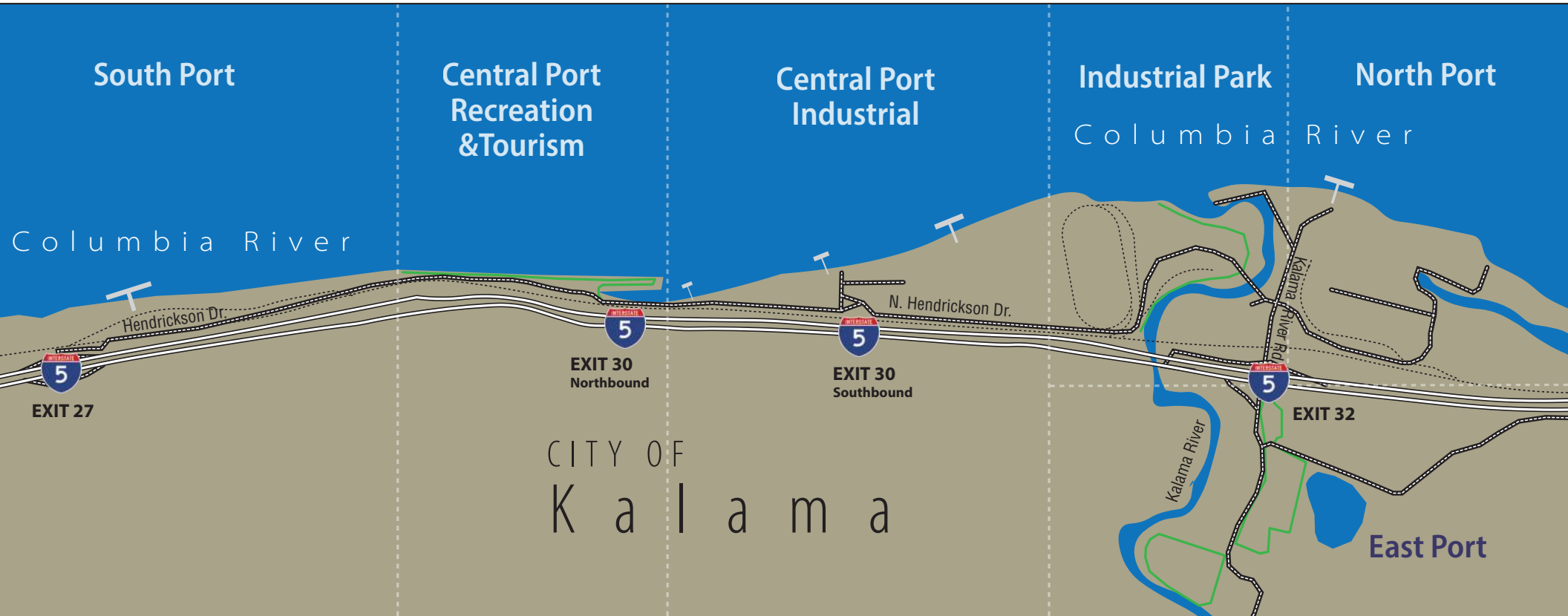
# Port Assets

This section provides a brief overview of each of the districts and their respective assets and main tenants. The Recreation and Tourism chapter provides additional detail. A full list of Port tenants is provided in the Appendix.

**The Port of Kalama is organized into six areas:**

- North Port
- East Port
- Kalama River Industrial Park
- Central Port – Industrial
- Central Port – Recreation and Tourism
- South Port

## PORT OF KALAMA



## North Port

PORT OF KALAMA | NORTH PORT

The North Port covers roughly 380 acres north of the Industrial Park district, reaching from the Columbia River to Interstate 5, at exit 32. The North Port has a Marine Terminal with a 600-foot dock (900 feet with mooring dolphins) and offers direct access to rail, river and road.

The main tenant at the North Port is Steelscape, which consists of a main plant, administrative building, paint warehouse, staging lot, and coil storage warehouse. Their subsidiary, ACS, also operates a warehouse on-site. Steelscape uses the dock at the Marine Terminal to offload steel coils, which are then transported to their plant. The terminal is also used for other industrial cargo importing and exporting, as well as temporary moorage (lay berth) for large industrial vessels. Airgas is also located at the North Port. The area includes a ready-to-build, 100-acre heavy industrial site with the potential for an adjacent deep-water dock.

### North Port Marine Terminal

- Operated by Port of Kalama
- 1 berth with 2 trestles
- Working surface: 600' x 100'
- Dock length: 900' (including mooring dolphins)
- Minimum Water depth: 43'
- Dock height: 18'
- Cargo handling capacity: heavy equipment or 1,000 psf equivalent live load

## East Port

PORT OF KALAMA | EAST PORT

The East Port covers roughly 325 acres east of Interstate 5 and borders Kress Lake, managed by the Washington Department of Fish and Wildlife. This area has two main areas of activity: Spencer Creek Business Park and Haydu Park.

**Spencer Creek Business Park** covers 70 acres and is zoned mixed-use to support a mix of light industrial and commercial uses. Development of the property started in 2014 and included filling and grading, installation of storm water treatment systems, water supply, sanitary sewer, fiber optic line, and road improvements to accommodate new development. Target uses include light industrial, professional offices, and retail uses, such as lodging/hospitality, services, food/beverage, and gas station/ convenience stores. The Port is actively seeking tenants as of the release of this report.

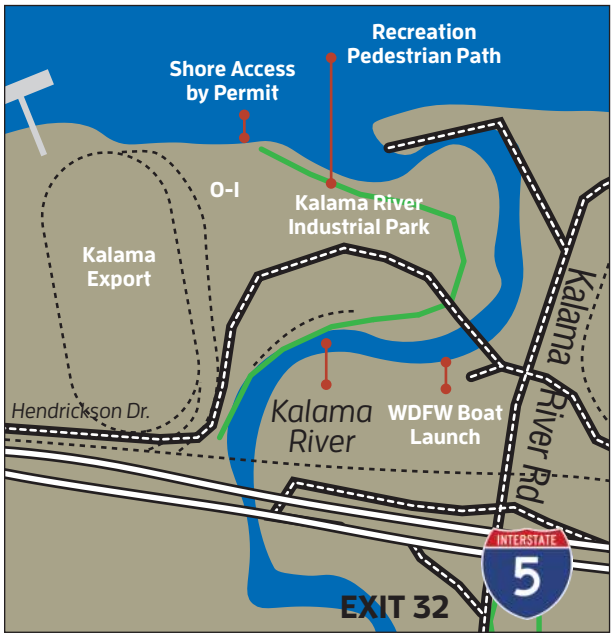
**Haydu Park** offers 40 acres of baseball and soccer fields, children's playground, horse riding arena, restrooms, tennis courts, basketball courts, on-site parking, and an exposition building. The park offers areas for camping, fishing, boating, and other recreational activities. It also includes access to several thousand feet of Kalama River frontage with prime fishing access.

The East Port also contains roughly 125 acres of farming property. The property is currently used for growing hybrid poplars. South of Kalama River Road, the Port owns approximately 80 acres of land zoned for mixed-use. These properties are available for future development.

North of Spencer Creek Business Park, Kress Lake offers recreational opportunities including fishing and boating.

## Kalama River Industrial Park

PORT OF KALAMA | INDUSTRIAL PARK




The Industrial Park covers roughly 110 acres south of the Kalama River, between the Columbia River and Interstate 5. The BNSF and UP railroads run alongside I-5 and serve the property. The Port has constructed six light industrial warehouses in the industrial park, all of which are currently leased. Tenants include Owens-Illinois, Cowlitz Packaging Group, Depin Packaging, Quadco, Aero-Vac, EcoTech Recycling, Gardner Trucking, Kalama Sourdough Bakery, Last Mile Gear, Total Mechanical, Mattress Superstore and K & S Recycling.

Kalama Export is also located within the Industrial Park area, on privately owned property. They operate a marine terminal where they export grain.

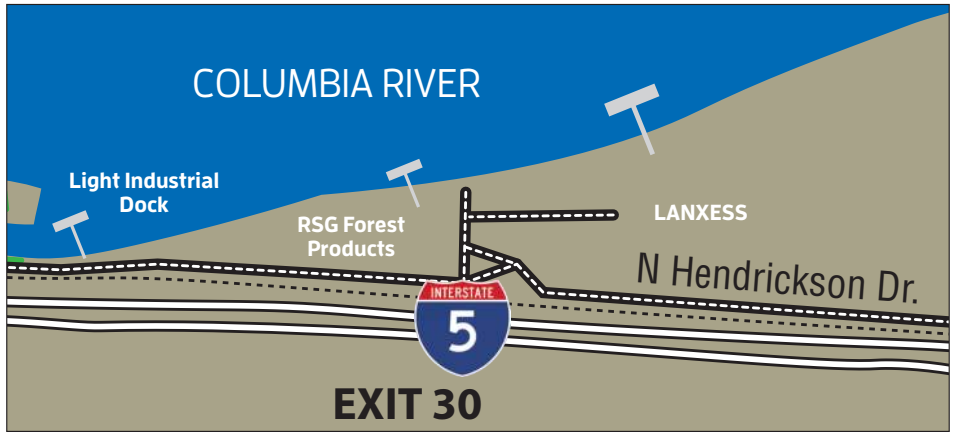
### Kalama Export Company Marine Terminal

- One berth
- Length: 1,088'
- Minimum water depth: 43'
- Dock height: 25'
- Ship loading spouts: 4
- Belts: 1
- Storage: 2,000,000 bushels

## Central Port – Industrial

The Central Port Industrial area is located between the Kalama River Industrial Park to the north and the Recreation and Tourism area to the south; it is bordered on the east by I-5, and on the west by the Columbia River. The BNSF/UP mainline serves this district, running alongside I-5. The main tenants in the Industrial area are LANXESS (formerly Emerald Kalama Chemical) and RSG Forest Products/Gram Lumber, both of which operate marine terminals. The LANXESS property is privately owned. This area is also home to the Port of Kalama Maintenance Shop, Kalama Self Storage, and Rosenbaum Welding.

PORT OF KALAMA | CENTRAL PORT INDUSTRIAL



**RSG Forest Products Marine Terminal**

- One berth
- Length: 29′
- Min. water depth: 23′
- Apron width: open
- Handling facilities: two 10-ton diesel forklift trucks

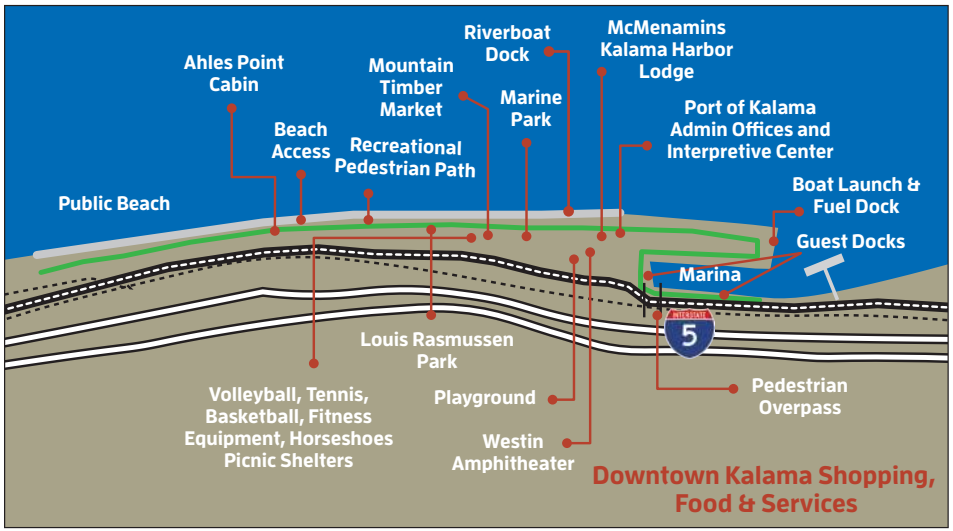
**LANXESS Marine Terminal**

- One berth
- Dock length: 680′
- Min. water depth: 40′
- Apron width: open

## Central Port – Recreation and Tourism

The Central Port – Recreation and Tourism district has a high concentration of commercial and recreation assets, with many of its amenities new or upgraded within the last decade. The Port of Kalama Administrative Offices and Interpretive Center opened in 2014 and features a state-of-the-art museum highlighting Kalama's history, industry and culture. McMenamins Kalama Harbor Lodge, opened in 2018, has become the area's primary visitor attraction, featuring 40 rooms as well as restaurants, pubs, and a gift shop. Recreation assets include Marine Park, Louis Rasmussen Park, the Westin Amphitheater, a marina, and a public boat launch.

PORT OF KALAMA | CENTRAL PORT RECREATION AND TOURISM



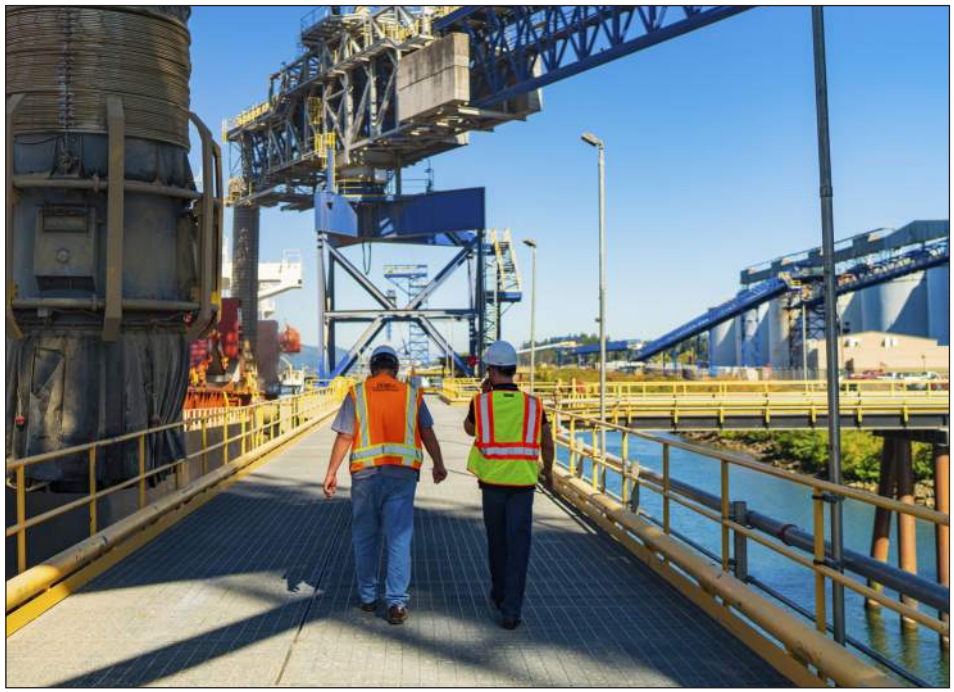
The area features miles of scenic pedestrian and biking pathways along the water, and a pedestrian overpass allows access over the railroad tracks to downtown Kalama. Park amenities also include a playground, covered picnic shelters, tennis/volleyball/basketball courts, fitness equipment, horseshoe pits, and grassy fields.

The area's newest amenity is a riverboat dock, which began construction in 2021 and hosted its first vessel in April 2022. The dock is designed for the small cruise vessels that sail the Columbia/Snake River System between April and November. The riverboats currently calling at Kalama's dock carry 100 to 190 guests in addition to crew members. The dock consists of a 190-foot long, 10-foot-wide gangway, terminating at six mooring dolphins, and allows passengers easy access to shore. The facility was funded jointly by the Port and American Cruise Lines, which receives preferred docking status in exchange for its investment. The dock is available for public use when riverboats are not present.

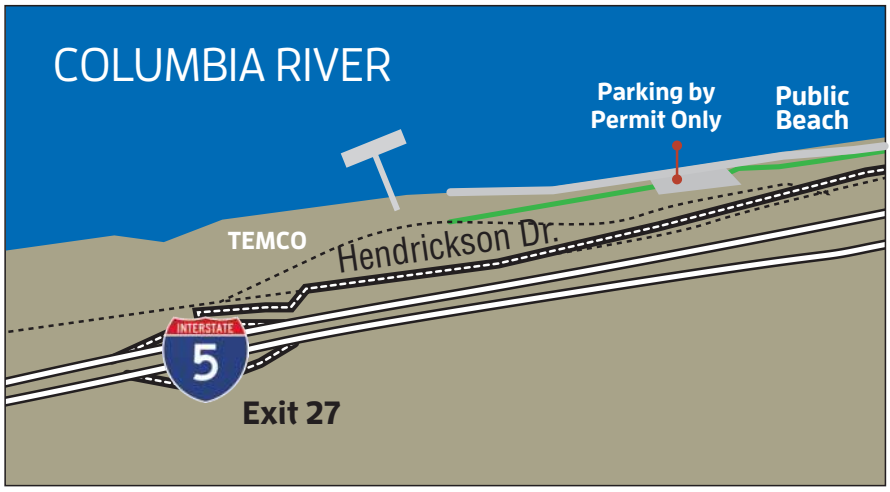
The Port and City have discussed the possibility of relocating the city's wastewater treatment plant, also located in this district, to a less busy area once it nears the end of its useful life.

## South Port

South Port is located south of the Recreation and Tourism zone and offers river, rail, and I-5 access. The area's main tenant is TEMCO, which operates the marine terminal and grain export elevator. A number of other South Port tenants are involved in manufacturing: Lonza (manufacturer of wood chemicals), CalPortland (producer of construction materials), JSI (serving the paper manufacturing industry), and Mountain Log and Timber (manufacturer of value-added lumber). Additional tenants include Kemira (water treatment specialists), Rivers Edge Coffee Company, and Shaffer Trucking. The northern edge of the area offers public parking and Columbia River access. The Lonza and defunct Chemtrade properties are privately owned.



PORT OF KALAMA | SOUTH PORT




**TEMCO Marine Terminal**

- One berth
- Length: 840'
- Min. water depth: 43'
- Dock height: 25'
- Ship loading spouts: 2
- Storage: 6,500,000 bushels
- Loading capacity: 120,000 bushels/hour
- Loading capacity: 3,000 tons/hour (rated load)

# Port-Related Employment

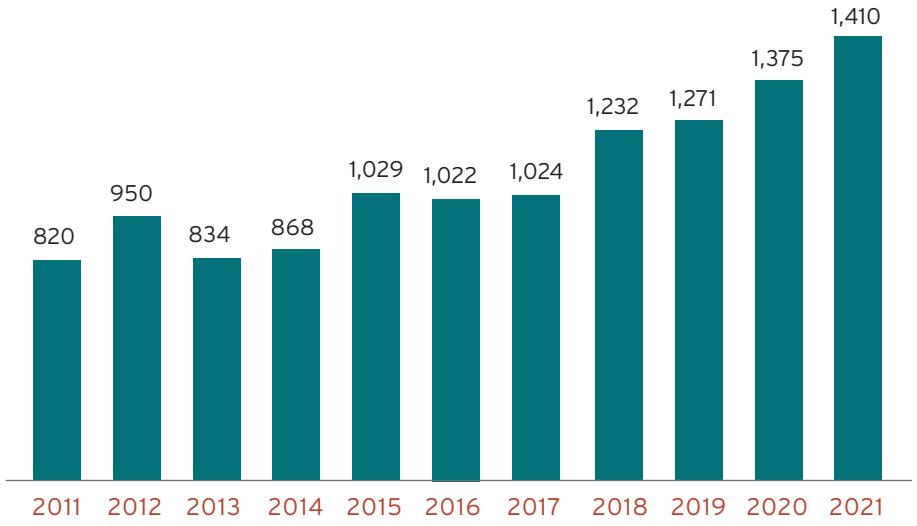
## Employment Trends

The Port of Kalama tracks employment at Port properties, as well as private industries within the Port area. This employment surpassed 1,400 jobs in 2021, the fourth consecutive year of growth. The 2021 total represents an increase of 72% from 2011.

The largest employment increases occurred in 2012 (+16%), 2015 (+19%), and 2018 (+20%). The increase in 2012 is attributable to growth at RSG Forest Products as well as the restoration of a glass manufacturing plant (then Bennu Glass, now O-I Kalama). The increase in 2015 reflects growth at RSG, addition of a new tenant, Depin Packaging, the installation of a third main rail by BNSF, and TEMCO resuming operations after a $200 million plant renovation. The increase in 2018 largely reflects the opening of McMenamins, although RSG also added a number of jobs that year. The strong employment figures for RSG through the years are particularly notable in the context of challenging timber market conditions.

The Port of Kalama draws employees not only from Kalama itself, but from the surrounding Cowlitz County as well as neighboring counties. In 2021, 9% of employees at the Port resided in the City of Kalama. This figure has declined gradually over the last decade: in 2009, the figure was 16%. A discussion of Kalama's workplace/residency commuting patterns can be found in the Employment section of the Appendix.

DIRECT EMPLOYMENT, PORT OF KALAMA | 2011-2021




Total Employment at Port of Kalama in 2021

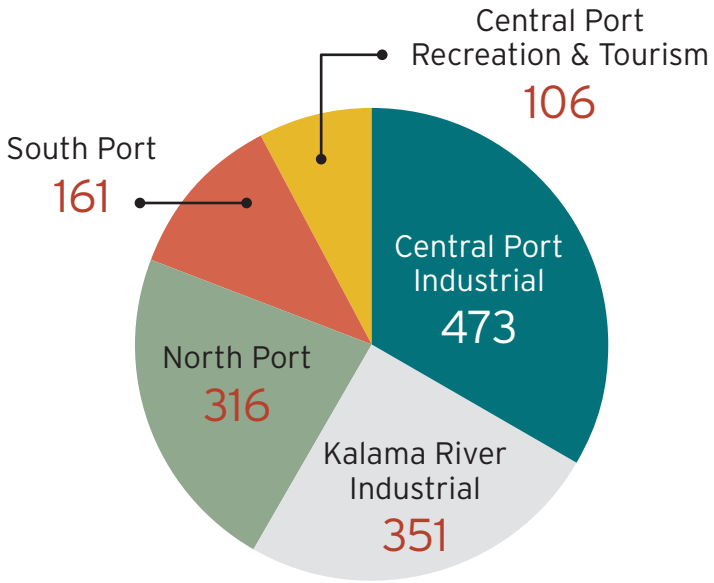
**1,410**

# Port-Related Employment, continued

## Employment by Port Area

The following chart shows 2021 employment by Port area. Central Port accounts for the largest proportion of jobs at 34%, followed by Kalama River Industrial Park (25%), North Port (22%), South Port (12%), and Central Port Recreation and Tourism (8%).

NUMBER OF DIRECT JOBS AT PORT OF KALAMA BY PORT AREA | 2021



The Port's five largest tenants in terms of employment include Steelscape (286 employees), RSG Forest Products (279), LANXESS (formerly Emerald Kalama Chemical; 148), TEMCO (126), and McMenamins (106). The Port of Kalama itself employs 20 people. Please see the Appendix for profiles of all Port tenants along with their 2021 employment.

It should be noted that not all Port tenants are employers: some companies rent small spaces from the Port without having any employees. Examples of such tenants include AT&T and MCI/Worldcom/Verizon, which operate cell towers on Port property.

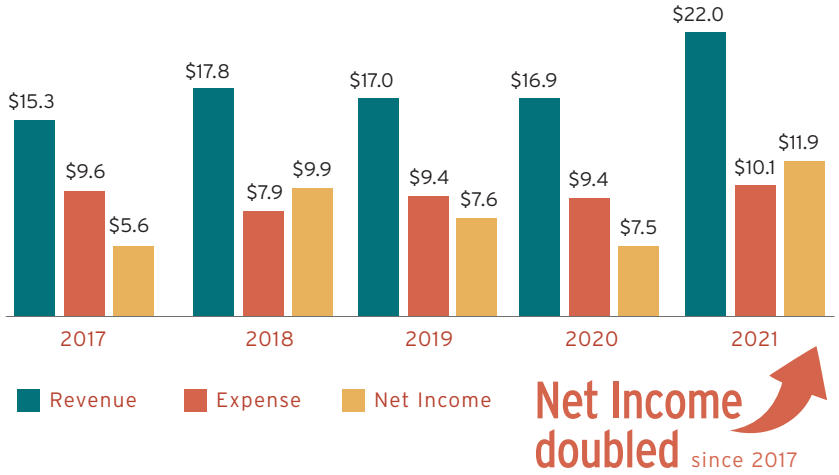
Port of Kalama Profile

# Port Finances

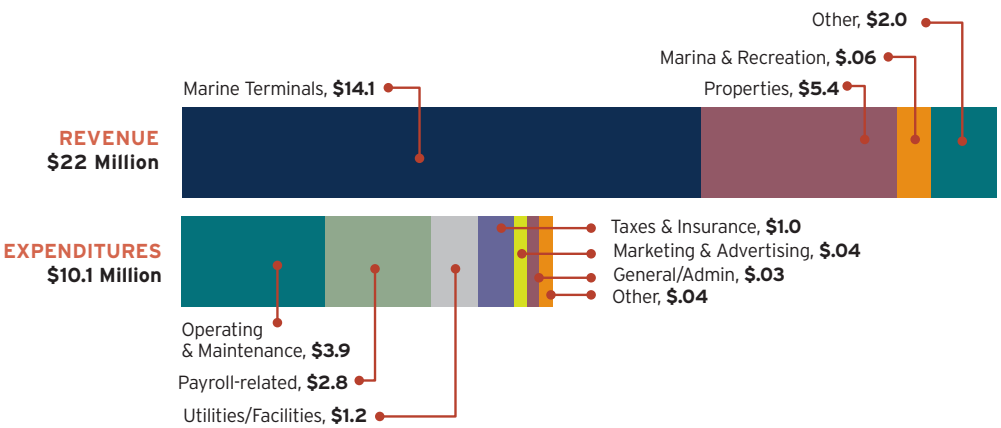
The Port of Kalama has one of the strongest financial records of all Washington ports. Unlike other port districts, the Port of Kalama chooses not to collect property taxes from residents. Instead, the Port pays all expenses through operating revenue. Most of this revenue is generated from internal port operations, including terminal revenue, property leases, and other facilities charges. Further, the Port maintains a significant reserve, and makes major capital investments without accumulating debt.

In 2021, net income at the Port of Kalama totaled $11.9 million. Of the $22.0 million in revenues collected in 2021, marine terminals contributed the largest portion (64%), followed by revenue from properties (24%). Operating and maintenance expenses (41%) and payroll-related expenses (29%) were the largest expenditures.

## FISCAL PERFORMANCE HISTORY | 2017 - 2021 $MILLIONS




## CURRENT FISCAL PERFORMANCE | 2021 $MILLIONS




The Port of Kalama's recent fiscal performance is excellent. Net income has doubled in the last five years, from $5.6 million in 2017 to $11.9 million in 2021. Expenses have remained steady at around $8 to $10 million, while revenues have bumped up due to increases in terminal and property leasing revenue. The Port of Kalama's revenue peaked in 2021 at $22 million (a 30% year over year increase) due to record terminal and property leasing revenue.

# Recreation & Tourism

## PORT OF KALAMA | RECREATION AND TOURISM

# Recreation & Tourism, continued

**The Port of Kalama is strongly committed to providing recreational opportunities to both visitors and residents. We have made significant investments in recent years to improve and increase these opportunities with developments such as Haydu Park, the Westin Amphitheater, and Marine Park. The port's recreation amenities are a key draw for visitors to the community and help create a robust tourism sector.**

## Marine Park

Marine Park is a five-acre day use park along the Columbia River, bordered by walking and bicycle pathways. It includes a public beach where visitors can participate in windsurfing, fishing, and other shoreside activities, in addition to picnic shelters, public restrooms, and a playground.

## Louis B. Rasmussen Park

Rasmussen Park features covered picnic shelters, sand volleyball courts, horseshoe pits, tennis courts, basketball courts, public restrooms and a public beach with Columbia River access.

## Westin Amphitheater

Westin Amphitheater (inside Marine Park) hosts public and personal events, as well as weekly concerts and outdoor movies in the summer, all free to the public.

## Pedestrian/Bike Pathway

Since 1992, the Port of Kalama pedestrian/bike path has grown to over two miles with plans for future development to connect all the Port's properties and City of Kalama pathways. The path provides public access to the Central Port waterfront, a way for pedestrians to bypass railroads, and access to the Port's many waterfront amenities.

The pedestrian overpass linking the Port's Recreation and Tourism District and Downtown Kalama is soon to be replaced, as the current overpass was built in 1973 and is not ADA-accessible. The new overpass will provide improved safety and visual appeal, and access, resulting in economic benefits to Kalama businesses through increased foot traffic. The project is partially funded by a $2.25 million grant from the State of Washington and is currently in the design phase.

## Riverboat Dock

The Port of Kalama completed construction on a small cruise ship dock in early 2022, and American Cruise Lines began docking ships in April. The dock is strategically located near McMenamins, walking paths, the public beach, and the new Mountain Timber Market. The dock is a $3.5 million joint venture between Port of Kalama and American Cruise Lines.

The riverboat dock offers several improvements over the previous practice of riverboats beach-landing about one-half mile south of the current dock. It allows for significantly more time in port; puts passengers in closer proximity to shopping, dining, and recreational experiences; offers passengers a more visually appealing view of Kalama; and is more accessible to passengers with mobility issues. Further, vessels no longer need to run their engines for hours while in port (a practice necessitated by the beach landing), lessening environmental impacts.

The presence of the dock has significantly increased Kalama's capacity to host riverboats. Between April and November 2022, the dock is projected to receive 128 riverboat calls from four American Cruise Lines vessels. Each vessel has a capacity of between 100 and 190 guests (depending on the vessel); they are expected to bring nearly 20,000 visitors to Kalama in 2022.

## Haydu Park

Completed in 2014, Haydu Park is a 40-acre day use park in the East Port district with six sports fields, two tennis and basketball courts, a picnic area, playground, horse riding arena, fairgrounds, exposition center, and Kalama River access. Most Haydu Park facilities are free to the public; the exposition center is rented throughout the year.

## Marina

The marina sits in a strategic location in the Central Port Recreation and Tourism district and is the only moorage facility on the Washington side of the Columbia River between Ridgefield and West Longview. The Port completed a multi-year, multi-million-dollar renovation of the marina in 2021. The expanded facility includes a 222-slip marina for permanent moorage and over 700 feet of public guest dock space. Two-thirds of the slips (152 out of 222) are covered. Amenities include a free public boat launch, a marine vessel fueling station, potable water and a sewer/porta potty clean-out station.

**Port of Kalama Marina Slips**

| Slip Length | # of Slips |
|---|---|
| 35 feet | 28 |
| 30 feet | 104 |
| 24 feet | 68 |
| End tie | 18 |
| Guest dock (approx.) | 4 |
| **TOTAL** | **222** |

Parking is free; overnight parking requires a pass that can be obtained at the Port office. Electricity and water are available at permanent moorage slips and at the south guest dock. The east guest dock provides electricity but no water.

## River and Lake Access

Public access to the Kalama and Columbia River shorelines for fishing, boating, and other water recreation is highly valued by community residents. The Port provides a number of access points to waterways on their property.

In the Central Port Recreation area, pedestrians access the Columbia River shoreline via the pedestrian/bike pathway just south of the marina. The pedestrian/bike path continues south through Ahles Point. There is also permit-only beach access and a parking lot for fishing farther south, beyond the ChemTrade Logistics lot. The marina also contains a two-lane launch ramp for recreational boaters.

In the North Port district, Tradewinds Road provides permit-only public beach access to the Columbia River for fishing and other water recreation.

In the East Port district, Haydu Park trails provide access to approximately 2,500 feet of Kalama River shoreline, and the Washington Department of Fish and Wildlife has developed Kress Lake for day-use picnicking and fishing.

In the Kalama River Industrial Park district, the Washington Department of Fish and Wildlife owns a public use recreational boat launch with parking on the north side of the Kalama River. The Port has a recreational trail with views of and access to both the Columbia and Kalama Rivers.

## Interpretive Center

The Interpretive Center, housed in the same building as the Port of Kalama offices, provides 4,200 square feet of interpretive displays, artifacts, and replicas illustrating Kalama's rich history. Exhibits detail how Kalama's strategic position cemented its status as an internationally connected transportation hub. There are also displays centered on Kalama's first inhabitants, the Cowlitz Tribe, including a canoe carved from a cedar log. Another highlight is the 1917 Spokane Northern Pacific Locomotive, which ran Kalama's rail lines while in service. The facility opened in 2014.

## Mountain Timber Market

The Mountain Timber Market will include an business incubator program and a public retail and gathering space. It is being constructed between Marine Park and Rasmussen Park, expected to open in late 2023. The facility will provide shopping opportunities for local residents and visitors, enhance public recreation, and become a gathering place for the community. The 33,000 square foot market will have room for seven to nine small retail spaces, two small restaurants, vendor hall space, two large restaurants, and two event spaces that can be rented for meetings, gatherings, and events. The market's business incubator program is designed to help local entrepreneurs realize their dream of opening a business, connecting them with the resources and mentors they need to succeed, while providing unique local products for visitors.

## Festivals and Events

The Port of Kalama supports festivals and special events that serve both local residents and visitors. Examples include the weekly McMenamins concerts at the Westin Amphitheater and the Kalama Heritage Festival. Festivals often feature live music, food vendors, local retailers, art displays, and refreshments.

# Market Trends

This section discusses recent and projected market trends affecting three of the Port's key sectors: cargo, industrial, and tourism.

## Cargo

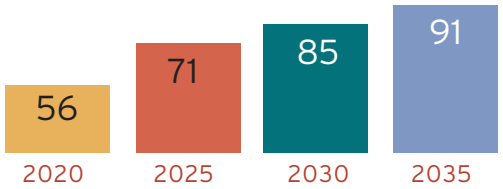
The Port of Kalama's strategic location at the confluence of the Lower Columbia/Snake River Navigation Channel, BNSF and UP railroads, Northern Pacific Railroad, and the I-5 highway make the port a critical infrastructure asset. In 2019, the port became the biggest shipper of cargo in the channel, accounting for one-third of total tonnage shipped by water, followed by Portland. In 2021, the Port became the second largest exporter by tonnage on the West Coast.

### Railroad

Easy access to rail transportation was instrumental in Kalama's early development and continues to play a crucial role. Union Pacific and BNSF Railway Company serve many businesses at the port. Much of the cargo moved by rail is agricultural product ultimately bound for international markets.

A Washington Public Ports Association study estimated that average daily train volume at the Vader station (located 34 miles north of Kalama via I-5) will increase by 63% between 2020 and 2035. While agricultural goods are expected to remain dominant, there is opportunity to export minerals such as coal, taconite, potash, and other materials transported by rail from other states through Port of Kalama facilities.

PROJECTED AVERAGE
DAILY TRAIN COUNT, VADER | 2020-2035



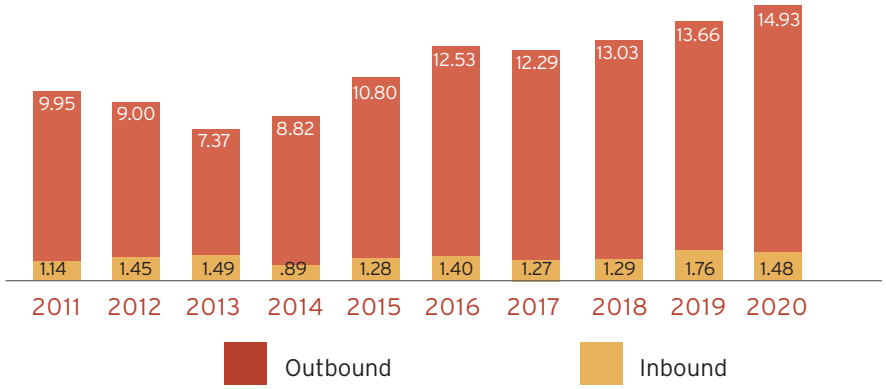

Source: Washington Public Ports Association.

### Marine Terminals

Between 2011 and 2020, the tonnage of freight moved through Port of Kalama terminals increased by 48%, including a 21% bump between 2017 and 2020. In 2021, Kalama freight tonnage accounted for 34% of

tons exported and 8% of tons imported in the Lower Columbia/Snake River Navigation Channel.

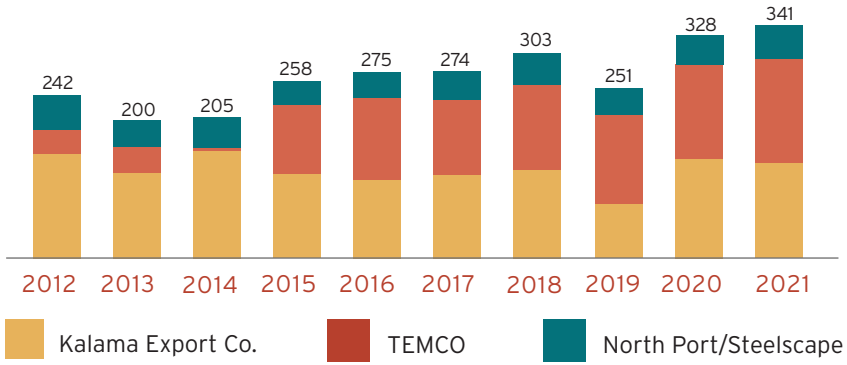
INBOUND/OUTBOUND TONNAGE,
PORT OF KALAMA, 2011-2020 MILLIONS OF TONS




Source: Port of Kalama.

Commensurate with the growth in tonnage moving through the Port, the number of vessels has increased over the last decade. Despite some year-to-year fluctuations, the 2021 total of 341 vessels was 41% above the 2012 total of 242 vessels, largely due to increased capacity at the TEMCO terminal starting in 2015.

SHIP VOLUME,
PORT OF KALAMA, 2012-2021




Source: Port of Kalama.

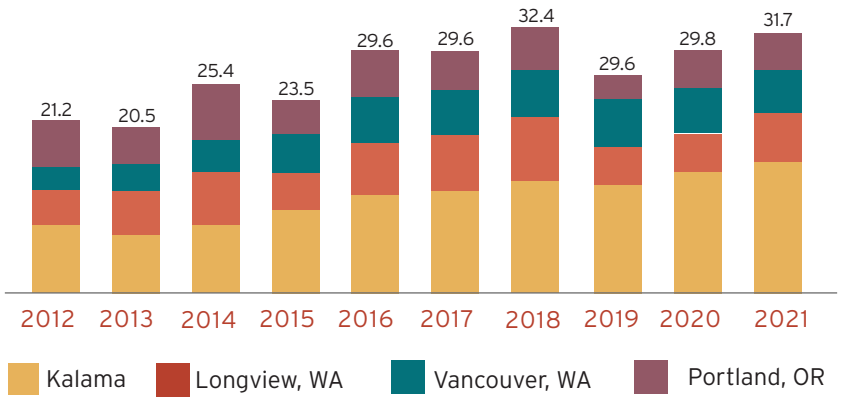
## Products

**Agricultural Products**

The bulk of Port of Kalama marine exports are agricultural products loaded by the TEMCO and Kalama Export grain elevators. Agricultural exports from the Port have grown an average of 7% annually over the past decade, capturing an increasing portion of regional market share. In 2021, Port of Kalama exported about 15 million metric tons of agricultural products, or 49% of all agricultural products exported from the four Lower Columbia/Snake River ports.

# Market Trends, continued

AGRICULTURAL EXPORTS BY YEAR
LOWER COLUMBIA SNAKE/RIVER NAVIGATION CHANNEL | 2012-2021 MILLIONS OF METRIC TONS




Source: U.S. Census Bureau, USA Trade Online.

Over the past ten years the tonnage of agricultural products shipped from Washington to Asia increased 59%, reaching 31.7 million tons in 2021, and the bulk of Kalama's exports are destined for Asian markets. The United Nations estimates Asia's population will grow about 1% per year until 2035, driving an increase in demand for agricultural imports from the US for food and animal feed.

Nationally, growth in agricultural exports is projected to continue. The U.S. Department of Agriculture reported in its May 2022 quarterly forecast that FY 2022 agricultural export forecasts are anticipated to reach a record $191 billion. This increased export value is led by increases in corn, cotton, and soybeans, and applies to all grain and feed exports except rice. Increased export values are attributable to growth in both volume and price.

**Other Potential Commodities**

While agriculture leads the Port of Kalama's cargo activities, other commodities may increase in importance in the future. Export commodities that the Port might be suited to handle include taconite, potash (potassium carbonate), and soda ash (sodium carbonate).

## Taconite

Taconite is a low-grade iron primarily produced in Minnesota's Mesabi Iron Range and shipped as pellets. Taconite may be transported by ore ships from Lake Superior ports or moved by rail. More than one-third of taconite shipped through Duluth, MN is bound for Canada, where it is primarily further exported. China and Mexico are major non-US taconite markets. The Port of Kalama could be well positioned to move Great Lakes taconite exports to China and other Asian destinations.

## Potash

Potash is a mined product primarily used to produce fertilizer. Canada is the world's top potash producer and exporter. The US rose in 2021 to become the ninth-largest potash producer, producing 480,000 metric tons, primarily in New Mexico and Utah. In 2021, the estimated

# Market Trends, continued

sales value of marketable potash was up 24% over 2020. U.S. potash consumption and trade reached record levels in 2021 driven by high crop prices and increased crop exports. North America, Southeast Asia, and South America had the biggest increases in consumption from 2020 to 2021. China is a major potash producer, but its domestic demand for potash fertilizer is overtaking its domestic production, making the country reliant on imports.

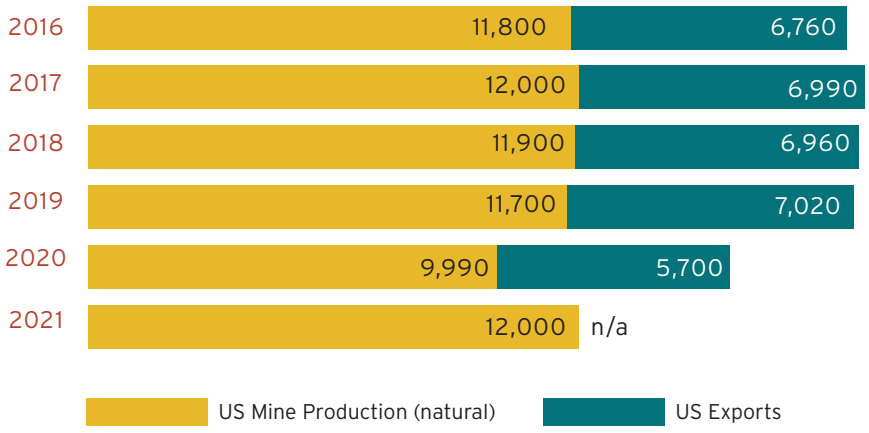
Russia and Belarus, the second and third-largest global producers of potash, are currently implicated in the war in Ukraine and the subject of various international sanctions. While the long-term outlook is uncertain, such sanctions may present an opportunity for US potash exports and for the Port of Kalama.

## Soda Ash

Soda ash is a chemical refined from natural minerals (natural soda ash) or manufactured through chemical processes (synthetic soda ash), and is an essential raw material in glass, detergents, and other industrial products. The US is the top soda ash producer, followed by Turkey, and has the vast majority of the world's reserves. The value of domestic soda ash produced in 2021 was estimated at $1.8 billion, and more than half of US soda ash production was exported. Asia and South America are the most likely areas for increased soda ash consumption in the near future.

Natural soda ash production is less costly and has lower environmental impacts than synthetic soda ash production. The world's largest deposit of trona – a component of natural soda ash – is in Wyoming, and California has additional soda ash reserves. With growing demand for natural soda ash, these domestic resources may present an opportunity for the Port of Kalama.

US NATURAL SODA ASH PRODUCTION AND EXPORT | 2016-2021 THOUSANDS OF METRIC TONS




Source: U.S. Geological Survey, Mineral Commodity Summaries, January 2021 and January 2022.

## Tourism

The Port of Kalama has made significant investments in our waterfront area to create a welcoming, high-quality experience for residents and visitors. Kalama's tourism economy has benefited as a result, and the Port is in excellent position to continue the momentum.

Tourism is Washington State's fourth-largest industry, representing more than 180,000 jobs and $21 billion in annual spending. Before the COVID-19 pandemic, Washington tourism was showing strong growth, with visitor spending increasing 5% annually over the 2015 to 2019 period, according to a report by Tourism Economics. The industry showed some recovery in 2021, but fell short of pre-pandemic levels: 2021 visitor volume was estimated to reach 87% of 2019 volume, while visitor spending reached 81% of 2019 levels.

A full recovery from the pandemic and additional growth is anticipated. On a nationwide basis, tourism revenues are projected to increase by 33% in 2022 over 2021, followed by tapering annual growth: +9% in 2023, +4% in 2024 and 2025, and +2% in 2026.

On a more local level, two developments are shaping Kalama's current and future tourism industry: the new riverboat dock and McMenamins.

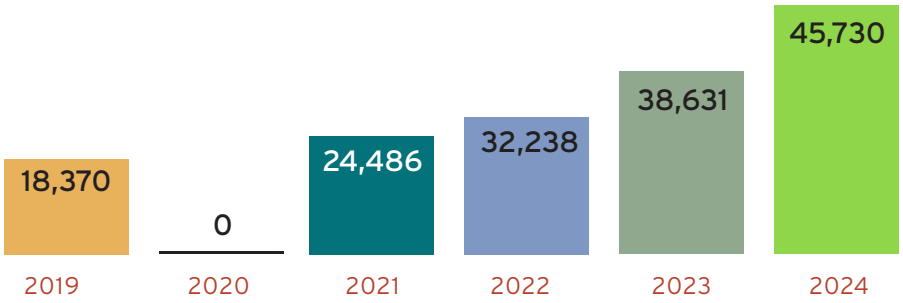
**Riverboats**

The Columbia/Snake River System is a popular river cruising destination, representing nearly one-third of total US river cruise capacity in 2019 and second only to the Mississippi River in volume. Kalama hosted 11,000 riverboat passengers in 2019, when vessels would beach-land in the South Port area. Completion of the riverboat dock near McMenamins has greatly increased Kalama's capacity to host vessels: passenger volume is expected to reach 20,000 in 2022.

While four cruise lines operate riverboats on the Columbia/Snake river system, Kalama is generally visited by one line: American Cruise Lines (ACL), which partially funded dock construction and is granted preferential moorage. ACL reports plans to increase the number of

vessels in the Washington/Oregon region from seven in 2022 to eight in 2023 and nine in 2024. Passenger capacity will increase by 19% in 2023 and another 18% in 2024. Total passenger capacity of 46,000 in 2024 will be more than double the 2019 capacity of 18,000.

AMERICAN CRUISE LINES: WASHINGTON/OREGON PASSENGER CAPACITY | 2019-2024




Source: American Cruise Lines.

If Kalama's capacity increases at the regional pace, it can expect to host roughly 24,000 passengers in 2023, then 28,000 in 2024. That assumes Kalama continues to host only ACL vessels – it is possible that other lines may begin calling at Kalama as well.

The guest experience will be enhanced, and visitor spending opportunities increased, by the introduction of Mountain Timber Market, which anticipates a 2023 opening.

**McMenamins**

McMenamins has greatly enhanced Kalama as a tourist destination since its opening in 2018. This is reflected in Kalama's sales tax revenues in the accommodations and food service category, which jumped 171% in 2018 and rose by another 19% in 2019. While the property was impacted by the 2020 pandemic, it fared better than many other properties, according to McMenamins representatives. McMenamins reported strong annual growth pre-pandemic (annual sales growth rate of 6% between 2015 and 2019) and expects a successful year in 2022. This optimism extends to Kalama, where the company says it is seeking opportunities to expand.

## Industrial

The Port of Kalama's tenants represent a wide range of industrial sectors: timber, chemical manufacturing, steel manufacturing, glass manufacturing, and food packaging, among others. This section discusses trends in three areas of relevance to the Port and the region: timber, manufacturing, and renewable energy.

**Timber**

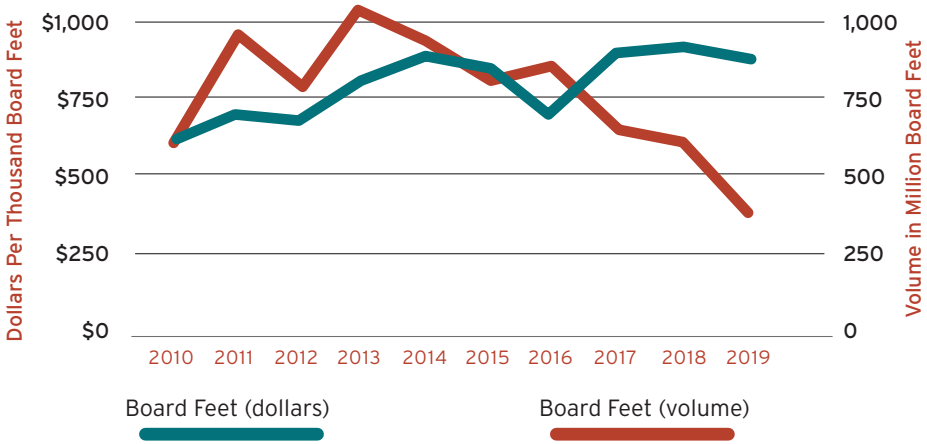
Roughly 7.2 billion board feet of timber was sold in the Pacific Northwest region in 2020. Washington accounted for 35% of timber sales in the region, while Oregon and Idaho made up 51% and 12%, respectively.

The volume of softwood sawlog and pulpwood exports from the Columbia/Snake Customs District fluctuated significantly over the 2010-2019 period, peaking in 2013 at just over 1 billion board feet, and declining significantly in 2019 to 396 million board. The value per thousand board feet averaged $769 over the 10-year period, ranging from $666 in 2010 to a high of $863 in 2018.

# Market Trends, continued

## VOLUME AND AVERAGE VALUE OF SOFTWOOD SAWLOG AND PULPWOOD EXPORTS FROM THE COLUMBIA/SNAKE CUSTOMS DISTRICTS | 2010-2019

Volume in million board feet; average value in dollars per thousand board feet



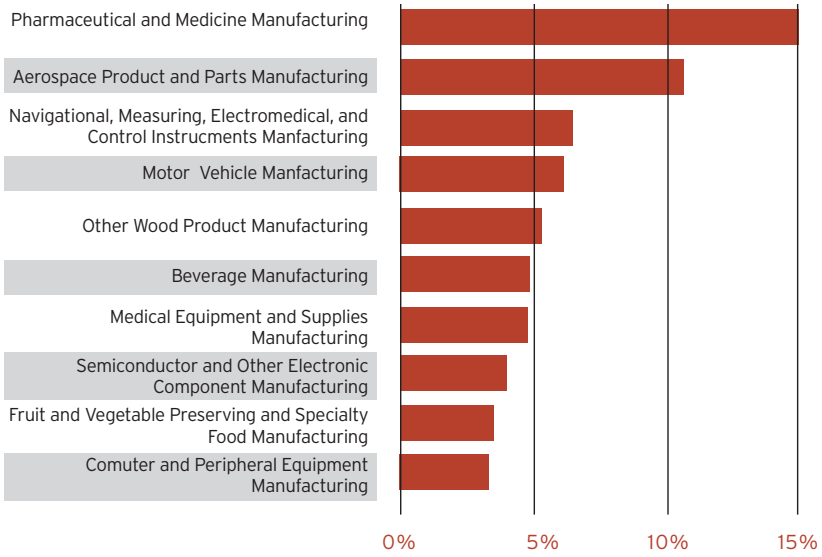

The Pacific Northwest forest products industry has remained robust since the pandemic, in part due to increased demand for tissue products, according to industry experts. Looking ahead, Washington State's Department of Commerce sees growing demand — and growing government support — for value-added forest products such as cross-laminated timber (CLT) and biofuels. CLT is a type of engineered wood that rivals the loadbearing capacity of concrete and steel.

The State of Washington received a national "innovation cluster accelerator" grant that could help boost development of such products, and the state's Industrial Symbiosis Law, adopted in 2021, provides grants to reduce industrial waste — for example, to turn previously wasted timber byproducts into biofuels. The Port of Kalama, with expertise in both manufacturing and shipping of forest products, could be well positioned to take advantage of new and emerging forest product markets.

**Manufacturing**

At $65 billion in economic output in 2019, Washington manufacturing accounts for 11% of the state's output and employs 8% of its workforce. The state counted 265,000 manufacturing employees in 2020 with average annual compensation of 95,778 (2019). Growth in these high-wage jobs is led by the pharmaceutical and medicine manufacturing sector, followed by the aerospace product and parts manufacturing sector. These and other job growth sectors represent potential targets of opportunity for Port of Kalama manufacturing activity.

## TOP 10 MAJOR MANUFACTURING SECTORS FOR JOB GROWTH IN 2020 IN WASHINGTON




Source: National Association of Manufacturers, 2021 Washington Manufacturing Facts.

# Market Trends, continued

The "aerospace and other transportation equipment" sector leads the state in economic output, with more than half of total manufacturing output. Clustered behind that sector are petroleum and coal products; food, beverage and tobacco products; computer and electronic products; chemicals; and fabricated metal products.

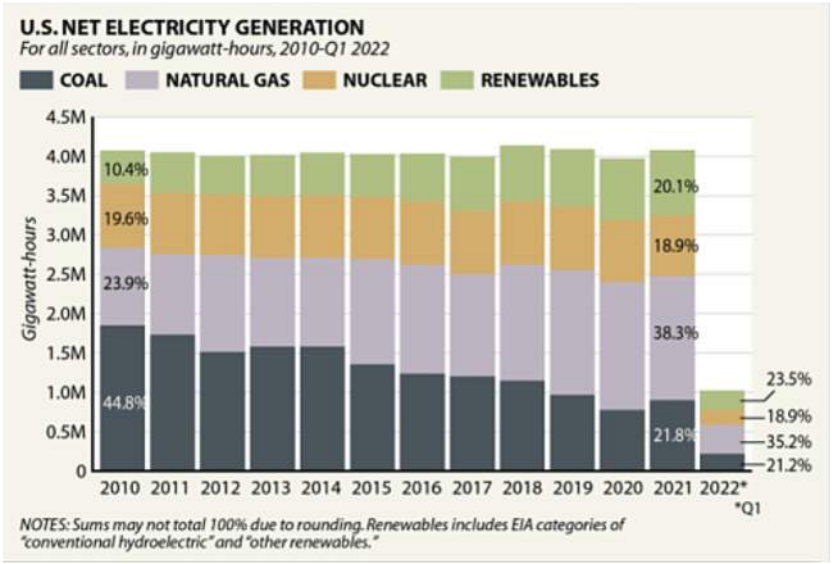
Nationally, manufacturing has shown resilience in the face of myriad challenges. The National Association of Manufacturers reports in its second quarter 2022 outlook survey:

> *Manufacturing activity has remained quite resilient over the past year despite a multitude of challenges. Demand has held solid — perhaps surprisingly so — even with supply chain disruptions, workforce shortages, soaring costs, COVID-19 and geopolitical uncertainties.*

The association noted that its May 2022 survey marked the sixth consecutive quarter with the business outlook exceeding 80%. Similarly, a recent survey of more than 500 Oregon and Washington manufacturers found that a majority of manufacturing leaders have a positive 12-month outlook for their own companies and the industry. Seventy percent reported a "good" or "excellent" outlook for their industry in the next year; 60% reported exploring expansion plans, whether in workforce, facilities, and/or geographic footprint. The number one challenge reported by manufacturers was "attracting and retaining a skilled workforce." Other frequently cited challenges were supply chain disruptions, rising costs of doing business, and regulations. Looking ahead, eight out of ten companies planned to increase their technology investments, and are placing increasing importance on cybersecurity.

**Renewable Energy**

Renewable energy is produced from sources that are naturally replenished; examples of renewable energy include solar energy, wind energy, and hydropower. Recent and significant growth in renewable energy may present opportunities for the Port of Kalama in the manufacturing sphere. According to the Center for Climate Energy and Solutions, renewable energy is the fastest-growing energy source in the United States, growing by 42% from 2010 to 2020. As a share of US electricity generation, renewables grew from representing 10% in 2010 to 20% in 2021 (and 24% in the first quarter of 2022).




Source: https://www.fastcompany.com/

Wind power has shown particularly strong growth: the generation capacity of wind power grew 203% in the US between 2010 and 2020. The US Department of Energy announced in 2021 that it aims to deploy 30 gigawatts of offshore wind power by 2030. In 2022 the federal government began investigating 1.2 million acres of federal water off the coast of Oregon as potential leasing sites for commercial scale wind power. The Port of Kalama's North Port terminal could export wind turbine components if a manufacturer becomes a tenant.

Similar market trends exist for other types of renewable energy. In the last decade, solar energy experienced an average annual growth rate of 33%. While the industry suffered a setback in the wake of COVID, it is projected to resume strong growth in the 2023-2027 period. Similarly, global demand for biofuels is set to grow by 28% over the 2021-2026 period.

## Population Shifts

In addition to market trends, population trends are likely to favor growth in the Port of Kalama region. After many years of rural-to-urban migration, a recent trend has emerged of urban residents moving to rural areas. Even before the COVID-19 pandemic, net migration had begun to drive an increase in rural population. This trend varied significantly at the local level, according to the USDA:
People moving to rural areas tend to persistently favor more densely settled rural areas with attractive scenic qualities, or those near large cities. Fewer are moving to sparsely settled, less scenic, and more remote locations.

Between 2012-2013 and 2016-2017, 58% of rural counties showed net in-migration (i.e., more people moving in than moving out). The Pacific Northwest region was cited as an area experiencing net rural in-migration, with the USDA noting, "Rural areas with improved net migration rates were most common in recreation and retirement destinations, such as in the Upper Great Lakes and the Pacific Northwest."

The COVID-19 pandemic accelerated these trends as many urban dwellers sought the quality of life and lower housing costs rural communities offer and as work-from-home opportunities expanded employees' options.

As a scenic and "high-amenity" area with reasonable proximity to larger cities, Kalama enjoys many attributes common to desirable rural locations. Kalama's population grew each year between 2017 and 2020, from 2,497 to 2,708 over the period. Kalama's appeal to individuals, families, and companies seeking to relocate or start a business is likely to increase, especially as the labor pool increasingly prioritizes quality of life and local recreational opportunities.

# Looking Ahead

## The Port of Kalama has a bright future ahead.

As this report has shown, employment at Port tenant companies has been growing significantly in recent years, surpassing 1,400 in 2021. Port finances are in excellent condition. The Port has diversified into an impressive range of industries, lessening the risk of over-reliance on one particular sector. Recent investments in properties like McMenamins and infrastructure like the marina and riverboat dock have made the waterfront a desirable destination. And, the Port's numerous recreational enhancements have contributed to an improved quality of life for residents and visitors alike.

The Comprehensive Scheme provides a framework for Port of Kalama's development, while the Strategic Plan identifies specific action items to achieve our mission. This document ensures that any decisions made by the Port will reflect our deeply held values of serving our community by providing jobs, enhancing our quality of life, preserving the environment, and honoring our local history and culture. We look forward to upholding this legacy far into the future as we honor and build on the successes of those who came before us.

# Port of Kalama

## A COMPREHENSIVE SCHEME OF HARBOR IMPROVEMENTS

SEPTEMBER 2022

Port of Kalama

# Appendix

Prepared by
McKINLEY RESEARCH GROUP, LLC

# Port of Kalama

## A COMPREHENSIVE SCHEME OF HARBOR IMPROVEMENTS

## Appendix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# 2022 Capital/Strategic Plan

## REGIONAL/STATE/NATIONAL ISSUES

» ***Seek to improve and maintain regional infrastructure critical to Port operations and growth***

| ITEM | ACTION | POTENTIAL PARTNERS | SPECIAL CONSIDERATIONS | '22 | '23 | '24 | '25+/TBD |
|---|---|---|---|---|---|---|---|
| ***Channel Deepening and Maintenance Operations*** | Maintain the Columbia River channel at a 43-foot depth. Cooperate with the USACE and Ports of Longview, Vancouver, Woodland and Portland. | WA/OR Ports, USACE | Lower Columbia River Channel Maintenance Plan (LCR CMP) is in development to plan the next 20 years of channel maintenance. | 60,000 | 60,000 | 60,000 | 60,000 |
| ***Channel Deepening Site Preparation*** | Prepare Wahkiakum site USACE dredging material placement for the Channel Deepening Project. | WA/OR Ports, USACE, St. of WA | Wahkiakum site placement preparation. | 100,000 | | | |
| ***Channel Maintenance Site Acquisition*** | Acquisition of disposal sites is ongoing. | WA/OR Ports, USACE, St. of WA | LCR CMP site acquisition. | 100,000 | 100,000 | 100,000 | 100,000 |
| ***Lower Columbia River Channel Maintenance Plan (LCR CMP)*** | Collaborate with the Port and US Army Corps of Engineers to establish a new 20-year Dredged Material Management Plan | USACE, Ports | The LCR CMP requires ports to engage in their own SEPA process and purchase future disposal site properties. | 350,000 | 300,000 | | |
| ***Regional Rail Improvements*** | Work with the Federal Rail Administration, WSDOT rail department and BNSF to add mainline rail, storage and other capacity improvements to BNSF mainline throughout the region. | State, Fed - AMTRAK, FRA, BNSF, WPPA, GNCC | | | | | |
| ***Marine Cargo Forecast*** | Update previous forecasts with new data and analysis. Update occurs every five years. | WPPA, WSDOT, WA Ports | Updated 2016 | 5,000 | | | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| ***River Navigation Improvements*** | Seek and implement opportunities to increase anchorages, turning basins and river gauges in the Columbia River. | USACE, River Pilots, Sponsor Ports | Continue planning improvements in area near TEMCO. Pilots are advocating for the improvements with the Corps. | 25,000 | | | |
| ***PNWA Columbia/Snake Rivers Communication Plan*** | Support the Pacific Northwest Waterways Association (PNWA) development of a communication plan. | PNWA, Ports | Define the value of the Columbia and Snake Rivers to the economy and agri-business. | 10,000 | 10,000 | 10,000 | 10,000 |
| ***PNWA/IPNG Waterway Navigation*** | Support the PNWA Inland Ports Navigation Group's efforts with Columbia/ Snake Rivers navigation preservation. | PNWA, Ports | Preserve safe and effective navigation in the Columbia and Snake Rivers. | 9,000 | 9,000 | 9,000 | 9,000 |
| ***Electrical Load Capacity*** | Insure electrical load capacity and reliability for future tenants. | Cowlitz PUD, Port of Woodland | Explore alternate sources to Cowlitz PUD, as well as political avenues to increase capacity. | 100,000 | | | |

## » *Efficiently implement federal requirements for marine terminal security at Port terminals and address overall Port security*

| ITEM | ACTION | POTENTIAL PARTNERS | SPECIAL CONSIDERATIONS | '22 | '23 | '24 | '25+/TBD |
|---|---|---|---|---|---|---|---|
| ***Port Security Plan*** | Maintain updated security plan and implement new TSA requirements. | TSA, Terminal Operators, Private Security | Rules are being updated regularly. Must regularly review plan to meet current regs. Training, drills and exercises are on-going. Prepare for May Coast Guard review. Create new plan for KMMEF. | 5,000 | 5,000 | 5,000 | 5,000 |
| ***Terminal Security Infrastructure*** | Develop and maintain infrastructure to leverage technology as much as possible to meet TSA security requirements. Seek grants to pay for non-revenue producing infrastructure. | TSA, Terminal Operators, Private Security | | 50,000 | 50,000 | 50,000 | 50,000 |
| ***Port-wide Security Infrastructure*** | Evaluate existing security systems for maintenance, upgrade and expansion to meet the expanding uses of Port property. | | Replace older cameras with new technology. Evaluate security camera coverage and implement new locations. | 75,000 | 40,000 | 40,000 | 40,000 |

## » *Build and maintain relationships with local, state, federal and tribal representatives to Port to communicate needs and concerns about pending issues*

| ITEM | ACTION | POTENTIAL PARTNERS | SPECIAL CONSIDERATIONS | '22 | '23 | '24 | '25+/TBD |
|---|---|---|---|---|---|---|---|
| ***Association Participation*** | Continue active participation in associations to maintain connections in government and the community. | WPPA, PNWA, AAPA, GNCC, AWB, Kalama and Kelso/ Longview Chambers of Commerce, CEDC, CWCOG, WMF | | 112,500 | 115,312 | 118,195 | 121,150 |
| ***Government Relations Consultants*** | Maintain active government relations consultants to assist with efforts in the State and Federal legislatures. | Boswell Consulting, Crossroads Strategies | | 150,000 | 150,000 | 150,000 | 150,000 |
| ***Restoration Relations*** | Collaborate with, and support, organizations seeking to enhance fish habitat in local waters. | LCFEG, Cowlitz Tribe, WDFW, LCFRB, etc. | Port financial contribution. | 25,000 | 25,000 | 25,000 | 25,000 |
| ***Interagency Coordination and Studies*** | Collaborate and coordinate with agencies and ports to develop studies to support recovery efforts for listed species. | NOAA Fisheries, Ports, local regulatory agencies | Port financial contribution. | 100,000 | 50,000 | 50,000 | |
| ***Shoreline Management Plan Development*** | Shoreline management plan update. | City of Kalama | Port financial contribution. | 50,000 | | | |

## » *Establish business relationships to increase economic development and further the Port's mission*

| ITEM | ACTION | POTENTIAL PARTNERS | SPECIAL CONSIDERATIONS | '22 | '23 | '24 | '25+/TBD |
|---|---|---|---|---|---|---|---|
| ***Business Partnerships*** | Evaluate opportunities to partner with other municipalities to increase economic development. | Port Authorities, other governments | Adherence to Port of Kalama's mission and values. Consistently evaluate City and Port projects for potential synergy. | 5,000 | 5,000 | 5,000 | 5,000 |
| ***Downtown Kalama Enhancement*** | Evaluate opportunities to facilitate economic development in downtown Kalama and the Port District. | City of Kalama | Evaluate projects with overlapping Port and City economic benefit. | | | | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| ***Cowlitz EDC*** | Maintain active role with EDC. | CEDC | | 25,000 | 25,000 | 25,000 | 25,000 |
| ***Enhance Fiber Optic Access*** | Operate a consortium to purchase and operate a fiber optic network. | Washington Ports | Evaluate potential beneficial partnerships (Kalama Telephone and other communications providers). | | | | |
| **SUBTOTAL** | | | | **$1,356,500** | **$944,312** | **$647,195** | **$600,150** |

## PROPERTY ACQUISITION AND DISPOSITION

» ***Seek opportunities to expand Port real estate holdings to support future economic, recreational and environmental projects***

| ITEM | ACTION | POTENTIAL PARTNERS | SPECIAL CONSIDERATIONS | '22 | '23 | '24 | '25+/TBD |
|---|---|---|---|---|---|---|---|
| ***Exit 32 Properties*** | Acquire property near Exit 32 as needed to implement master planning and development strategies. | | | | | | 500,000 |
| ***Purchase Waterfront / Industrial Property*** | Acquire property held by private parties near the Port's existing industrial area. | Chemtrade, Somarakis, Emerald Kalama Chemical | Environmental evaluations need to occur before purchasing used industrial property. $2.4 million FMSIB grant to purchase right of way. Track the status of the Somarakis property. | 2,500,000 | | | 4,500,000 |
| ***Property for Future*** | Evaluate and acquire other properties that have the potential for economic development, recreational or environmental benefits. | | Acquisition for mitigation can occur outside the Port district boundary through partnerships with non-profit entities or other government agencies. May include leases of land. Kress Lake/mitigation sites. | 500,000 | 500,000 | 500,000 | 500,000 |

» ***Dispose property not integral to the Port's Mission.***

| ITEM | ACTION | POTENTIAL PARTNERS | SPECIAL CONSIDERATIONS | '22 | '23 | '24 | '25+/TBD |
|---|---|---|---|---|---|---|---|
| ***North Port Property Boundary*** | Resolve port district boundary as they relate to North Port properties. | Port of Longview, State of WA | Retain mitigation rights. | 5,000 | | | |
| **SUBTOTAL** | | | | **$3,005,000** | **$500,000** | **$500,000** | **$5,500,000** |

## PROPERTY DEVELOPMENT AND REDEVELOPMENT

### » *Continue development of the East Port area and seek potential tenants*

| ITEM | ACTION | POTENTIAL PARTNERS | SPECIAL CONSIDERATIONS | '22 | '23 | '24 | '25+/TBD |
|---|---|---|---|---|---|---|---|
| ***Construction of Infrastructure*** | Develop the necessary utilities, roads and other infrastructure to make sites shovel ready. Install mitigation. | City of Kalama, PWTF, RDA | | 1,000,000 | | 1,000,000 | 2,000,000 |
| ***Building Site Development*** | Fill and grade as needed to prepare sites for construction of buildings. | | | | | | |
| ***Construction of Buildings*** | Construct light industrial flex and tourism-related buildings as the market will bear. | City of Kalama | Build as indicated by market conditions. | 6,000,000 | 1,000,000 | 4,000,000 | 4,000,000 |
| ***Private Partnerships*** | Evaluate, and as appropriate, work with private developers on tourism commercial potential of properties, including research and development and business incubator facilities. | | Port can develop tourism facilities. A private developer may construct commercial facilities on Port property. Attempt to complement the downtown business district. | | | | |
| ***Interim Farming Use*** | Plant and maintain poplars on property not immediately being developed. | | Twelve, to fifteen, year growth period. Conduct maintenance as necessary. | | | | |
| ***Advanced Mitigation*** | Evaluate and implement opportunities for developing an advanced mitigation program. | | Evaluate outcomes of other groups using this option. | | 50,000 | 50,000 | 50,000 |
| ***East Port Property Planning*** | Develop strategy for properties not already slated for development. | | Develop strategy for properties not otherwise slated for development. Adjust parcels as necessary. Implement plan recommendations to support development. | | | | 500,000 |

### » *Continue development of the North Port Marine Industrial site*

| ITEM | ACTION | POTENTIAL PARTNERS | SPECIAL CONSIDERATIONS | '22 | '23 | '24 | '25+/TBD |
|---|---|---|---|---|---|---|---|
| ***Site Planning*** | Engage engineers and other content area experts to develop land use plans for North Port property. | | | 100,000 | | | |
| ***Planning and Entitlements*** | Acquire and maintain permits that allow for development of dock expansion and infrastructure development. | | | | | | 375,000 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| ***Cargo Handling Facilities*** | Construct rail loop for potential clients. Footprint has been agreed on and the design portion is under way. | MARAD | | | | | 1,000,000 |
| ***Stormwater System*** | Re-locate existing force main and swale to clear industrial site for development. | | | | | | 500,000 |
| ***Access Roads*** | Construct roads for local industrial access and public beach access. | CERB | | | | | 800,000 |
| ***Fire Loop*** | Construct fire loop around industrial site. | | | | | | 500,000 |
| ***Security Infrastructure*** | Install security fence, lighting and cameras. | PSGP | | | | | 200,000 |

## » *Continue development of the Kalama River Industrial Park*

| ITEM | ACTION | POTENTIAL PARTNERS | SPECIAL CONSIDERATIONS | '22 | '23 | '24 | '25+/TBD |
|---|---|---|---|---|---|---|---|
| ***Planning and Entitlements*** | Acquire and maintain permits that allow for development of infrastructure and buildings. | | | | | | 50,000 |
| ***Light Industrial Buildings*** | Build multipurpose light industrial buildings for tenants. | CC | Build flexible, small/mid-size space on spec as market bears. | 750,000 | 2,500,000 | 8,000,000 | |
| ***Infrastructure*** | Develop rail, utilities, roads and other infrastructure as needed to serve the site. | CC, BNSF | Pave perimeter roads. Complete with construction of final industrial park warehouse on the west side of North Hendrickson Road. Improve parking for Kalama River access. | 50,000 | 300,000 | | 500,000 |
| ***Lights*** | Industrial Park re-lighting. | | Energy efficient lighting | 20,000 | 20,000 | 20,000 | 20,000 |
| ***Lift Station*** | Upgrade sanitary sewer lift station. | | | 50,000 | | | |

## » *Continue to improve infrastructure in the Central Port Industrial area and evaluate opportunities for redevelopment of the site*

| ITEM | ACTION | POTENTIAL PARTNERS | SPECIAL CONSIDERATIONS | '22 | '23 | '24 | '25+/TBD |
|---|---|---|---|---|---|---|---|
| ***Central Port Industrial Master Plan*** | Implement specific recommendations from the Central Port Industrial Master Plan. | | Engineering utilities and road improvements. | | | | |
| ***Re-development Opportunities*** | Should one of the Port's major tenants leave, Port will evaluate opportunities for re-development of the area. | | Improve former RSG leasehold east of NW 3rd Street for redevelopment. | 250,000 | 25,000 | 25,000 | 25,000 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| ***Upgraded Utilities*** | As utilities require replacement, upgrade facilities to enable future development. | City of Kalama, Private Utilities | Install sanitary sewer to Central Port Industrial Area. | | 500,000 | 500,000 | |
| ***Oak/Hendrickson Interchange*** | Oaks/Hendrickson interchange is in need of upgrade due to the access issues trailers create for other traffic. | City of Kalama | | 50,000 | 150,000 | 1,000,000 | 1,000,000 |
| ***Central Port Stormwater*** | Install new stormwater pumps in the Central Port Industrial District, flowing to the infiltration pond. | | New pumps necessary for adequate pumping capacity. | 500,000 | | | |
| ***Evaluate Central Port Marine Terminal*** | Should existing clients in area relocate, evaluate property for the potential of a marine terminal. | | Evaluate potential lay berth facility. Consider combining with a marine repair facility. | | | | 100,000 |
| ***Waterfront Lot Development*** | Evaluate former Columbia Fibre Lot and adjacent property for development and preparation for higher use and implement improvements. | | Raise property above floodplain and support current tenants. | | | | 1,000,000 |

### » *Develop commercial/tourism facilities on the waterfront in the Central Port Recreation area*

| ITEM | ACTION | POTENTIAL PARTNERS | SPECIAL CONSIDERATIONS | '22 | '23 | '24 | '25+/TBD |
|---|---|---|---|---|---|---|---|
| ***River Cruise Dock*** | Develop a dock for tourist-oriented cruise vessels closer to the admin office/ interpretive center and to help tourists get easier access to downtown businesses. | American Cruise Lines | Pursue design and permitting. American Cruise Lines capital contribution of $800,000. | 1,000,000 | | | |
| ***Business Incubator/Tourism Market*** | Construct a building to attract fledgling businesses interested in creating goods for public sale and house hotel rooms. | LCC, Crafts | | 12,000,000 | | | |
| ***City of Kalama Waste Water Treatment Plant*** | Engage in planning with the City, and evaluate potential locations, to relocate the waste water treatment plant. | City of Kalama | Include planning for future of the Port's waste water treatment plant and consideration of a regional plant to serve the Port and City. | 100,000 | | | |
| ***Ahles Point Parking and Recreation*** | Construct new parking, restroom/maintenance building and picnic shelter. | | Re-develop Ahles point area for tourism/recreation. | | | 750,000 | |
| ***Walkway Signage*** | Install directional signage and interpretive panels on Central Port recreational paths. | | | 20,000 | | | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| ***Parking Expansion*** | Evaluate opportunities to increase number of parking spaces and construct as indicated. | City of Kalama, BNSF | | | | | |

## » *Continue to improve infrastructure in the South Port area and evaluate opportunities for development*

| ITEM | ACTION | POTENTIAL PARTNERS | SPECIAL CONSIDERATIONS | '22 | '23 | '24 | '25+/TBD |
|---|---|---|---|---|---|---|---|
| ***Evaluate South Port Marine Terminal*** | Evaluate potential for South Port lay berth facility and other marine cargo facilities. | | Pending economic opportunity. | | | | 100,000 |
| ***Placement Site Land Use*** | Evaluate dredge material placement site for potential industrial uses and implement findings as opportunity presents. | | Pending economic opportunity. | | | | |
| ***Pedestrian Access*** | Seek opportunity with another project to widen the shoulder in South Port and improve pedestrian access/ safety. | | | | | | 50,000 |
| ***Sanitary Sewer Extension*** | Extend sanitary sewer service to south port properties. | City of Kalama | | | | | 1,000,000 |
| ***Parking Improvement/ Expansion*** | Improve parking and beach access south of Chemtrade property. | | | | | | 100,000 |

## » *Redevelop or upgrade properties as needed when clients leave or expand*

| ITEM | ACTION | POTENTIAL PARTNERS | SPECIAL CONSIDERATIONS | '22 | '23 | '24 | '25+/TBD |
|---|---|---|---|---|---|---|---|
| ***Building/Site Upgrades*** | Evaluate and improve buildings and sites to increase market appeal for clients. | | Improve as necessary to support tenancy. | | | | |
| ***Site Clean Up*** | Work with clients and regulators to ensure that Port property remains free from hazardous contamination, or has been properly remediated. | Clients, Ecology | Ongoing clean up at former Calgon site. | 50,000 | 5,000 | 5,000 | 5,000 |

## » *Aggressively market Port properties through various media and business relationships*

| ITEM | ACTION | POTENTIAL PARTNERS | SPECIAL CONSIDERATIONS | '22 | '23 | '24 | '25+/TBD |
|---|---|---|---|---|---|---|---|
| ***Marketing*** | Continue a marketing campaign to publicize opportunities at the Port. | | Conduct regional and national marketing. | 125,000 | 125,000 | 125,000 | 125,000 |
| **SUBTOTAL** | | | | **$22,065,000** | **$4,675,000** | **$15,475,000** | **$14,000,000** |

## MAINTENANCE AND IMPROVEMENT OF EXISTING FACILITIES

### » *Develop and operate facility maintenance programs, systems and infrastructure*

| ITEM | ACTION | POTENTIAL PARTNERS | SPECIAL CONSIDERATIONS | '22 | '23 | '24 | '25+/TBD |
|---|---|---|---|---|---|---|---|
| ***Sewer Collection System*** | Keep a standardized system of improvements and perform regular maintenance to minimize outage. | | Provide stable waste water disposal for tenants. | | | | |
| ***Road/Paving Maintenance*** | Conduct annual inspections of pavement and evaluate needed repairs. | Cowlitz County Public Works | Provide safe streets and avoid more expensive deferred maintenance. Assess and improve at-grade rail crossings. | 250,000 | 75,000 | | |
| ***Fire Fighting Support*** | Work with Cowlitz Fire District 5 to evaluate and implement, as appropriate, an agreement for fire services as required by law. | CCFD 5 | State law requires government agencies that hold properties not taxed to pay fees to fire districts for fire/life saving services. Update with new admin office and Haydu Park. | 62,000 | 62,000 | 62,000 | 62,000 |
| ***Maintenance Building Replacement*** | Evaluate options for a new north maintenance shop site and implement findings as indicated. | | The building requires structural steel reinforcement, door replacement, added fire sprinklers and awning replacement. | | 100,000 | 100,000 | 2,000,000 |
| ***Maintenance Equipment Facility*** | Construct new south maintenance shop for Marine & Rasmussen Parks maintenance equipment. | | Dependent on riverfront development planning. Plan in conjunction with Ahles Point recreation improvements and Central Port shop replacement. | | 1,000,000 | | |
| ***Central Port Fire Pump*** | Repair decking on surface water fire pump. | | Improve user safety. | | | | 20,000 |
| ***Rail Analysis*** | Evaluate Port rail interchange with main rail line. | | Pending opportunity. | | | | |

### » *Evaluate and construct improvements to existing marine terminals*

| ITEM | ACTION | POTENTIAL PARTNERS | SPECIAL CONSIDERATIONS | '22 | '23 | '24 | '25+/TBD |
|---|---|---|---|---|---|---|---|
| ***Maintenance Dredging*** | Maintain marine terminals to equal the depth of the Columbia River Channel. Conduct ongoing maintenance activities to preserve navigation at full potential. | | New ten-year permit effort starting in 2021. Port will use sand for development activities and beach nourishment. | 200,000 | 100,000 | 100,000 | 100,000 |

### » *Equipment Maintenance and Purchase*

| ITEM | ACTION | POTENTIAL PARTNERS | SPECIAL CONSIDERATIONS | '22 | '23 | '24 | '25+/TBD |
|---|---|---|---|---|---|---|---|
| ***PM Program for Equipment*** | Regularly maintain equipment so that maximum life of equipment is realized. | | | | | | |
| ***Grader*** | Purchase grader. | | Laydown yard and road maintenance. | 60,000 | | | |
| ***Man Lift*** | Purchase man lift. | | | 75,000 | | | |
| ***Truck*** | Purchase truck for maintenance department. | | | 80,000 | | | |
| ***Truck*** | Purchase truck for maintenance department. | | | | 80,000 | | |
| ***Work Boat*** | Purchase work boat for marine maintenance. | | | | 200,000 | | |
| ***SUV*** | Purchase or lease vehicle for administrative travel and third party transportation. | | | 40,000 | | | |
| SUBTOTAL | | | | $767,000 | $1,617,000 | $262,000 | $2,182,000 |

## PUBLIC RECREATION FACILITIES

### » *Maintain and make improvements to the marina, parking area and boat launch*

| ITEM | ACTION | POTENTIAL PARTNERS | SPECIAL CONSIDERATIONS | '22 | '23 | '24 | '25+/TBD |
|---|---|---|---|---|---|---|---|
| ***Pedestrian Rail Crossing*** | Replace pedestrian overpass between the Central Port and downtown. Consider scenic overlook. | City of Kalama, State of WA | Include parking improvements in collaboration with the City of Kalama. $2.2 million WA Department of Commerce grant. | 4,500,000 | | | |

### » *Maintain and make improvements to Parks to provide safe facilities and encourage healthy, active lifestyles*

| ITEM | ACTION | POTENTIAL PARTNERS | SPECIAL CONSIDERATIONS | '22 | '23 | '24 | '25+/TBD |
|---|---|---|---|---|---|---|---|
| ***Children's Playground*** | Inspect and repair playground as needed. As structures age, evaluate replacement of components. | | Provides user safety. | | | | |
| ***Port Signage*** | Replace signs throughout Port as needed. Upgrade quality of signage. | Cowlitz County Public Works | Many signs are aging and in need of replacement. Evaluate content for necessary updates. Coordinate with improvements to Oak Street entry to the Port. | 50,000 | | | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| ***Light House*** | Construct a small replica lighthouse at the north end of the marina to increase tourism and recognition of the site. | | USCG permit pending | | | | 100,000 |
| ***Totem Pole Maintenance*** | Restore totem poles to insure longevity and safety. | Lelooska Foundation | | 100,000 | 60,000 | 60,000 | 60,000 |
| ***Haydu Park Buildings*** | Construct recreational building and picnic shelters. | | Construct as needed to support uses. | 50,000 | 500,000 | | 150,000 |
| ***Marine Park Water Feature*** | Construct a water feature in Marine Park as a recreation and aesthetic enhancement. | | | | | | 200,000 |
| ***Maintenance Staff*** | Evaluate ongoing maintenance staffing levels as Port property needs evolve. | | | | | | |

## » *Create and support recreational opportunities that attract tourism and improve the community*

| ITEM | ACTION | POTENTIAL PARTNERS | SPECIAL CONSIDERATIONS | '22 | '23 | '24 | '25+/TBD |
|---|---|---|---|---|---|---|---|
| ***St. Helens Loop*** | Advocate for a public route via Kalama River Road to Mt. St. Helens, Castle Rock and Woodland. | DOT, Weyerhaeuser, CWCOG | Evaluate connection with Fire and Ice Loop. | | | | |
| ***Six Rivers Bike Trail*** | Support efforts to establish the six rivers bike trail, connecting the entire County for bikes. | Pathways 2020, CWCOG | Pathways 2020 has a technical assistance grant. | | | | |
| ***Alternate Boat Launch Location*** | Evaluate opportunities to re-locate the existing boat launch or add an alternate location. | WDFW | Relieve congestion in Central Port recreation area. | | | | 200,000 |
| ***Event Support*** | Support efforts to produce community events that attract tourists and provide recreational opportunities for community. | City of Kalama, Cowlitz County, EDC, McMenamins, Chamber, Fair Board, private citizens | | 10,000 | 10,000 | 10,000 | 10,000 |
| **SUBTOTAL** | | | | **$4,710,000** | **$570,000** | **$70,000** | **$720,000** |

## RESIDENTIAL PROPERTIES

### *Maintain residential properties*

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| ***Residential Property Maintenance*** | Inventory properties for investment potential/useful life. Conduct maintenance, replacement or demolition on residential properties. | Catlin Properties | Aging, weathering and possible structural repair due to age and deferred maintenance. | 30,000 | 30,000 | 30,000 | 30,000 |
| ***Evaluate Interim Property Uses*** | Evaluate potential uses of Kalama River Road houses until permanent development decisions are finalized. | | Evaluate installation of potable water, sanitary sewer and complete overall feasibility planning. | | | | |
| ***Commercial Property Evaluation*** | Evaluate 117 Kalama River Road for potential commercial tenancy. | | Engage architectural evaluation and implement suggestions. | 200,000 | | | 500,000 |
| SUBTOTAL | | | | $230,000 | $30,000 | $30,000 | $530,000 |

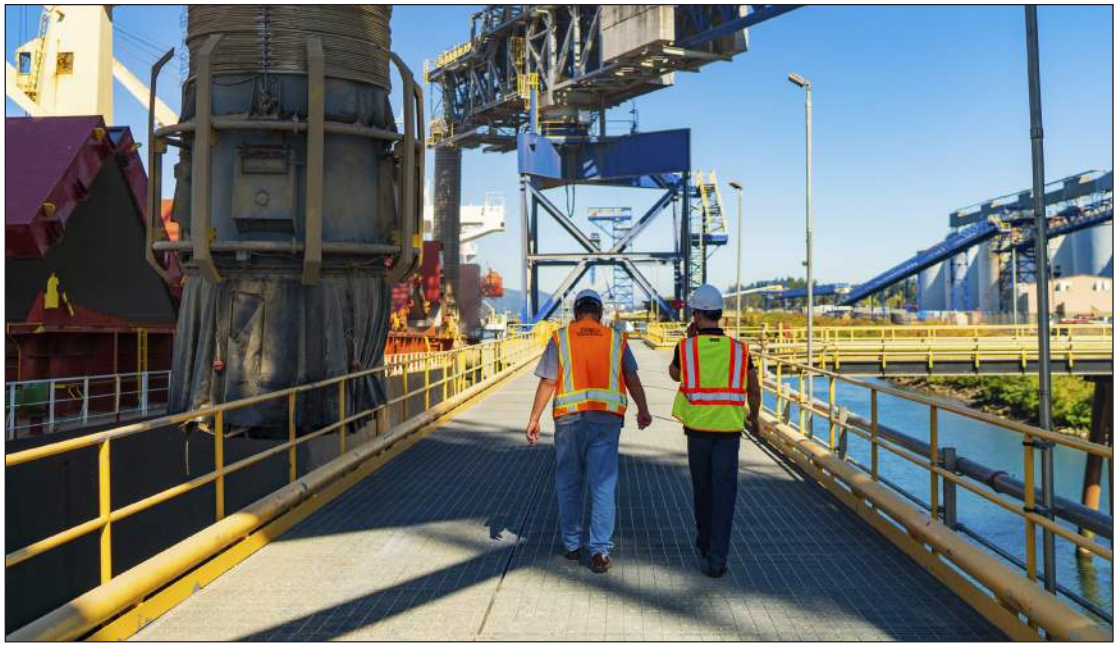
## PLANNING

» ***Conduct planning activities to achieve the Port's Mission.***

| ITEM | ACTION | POTENTIAL PARTNERS | SPECIAL CONSIDERATIONS | '22 | '23 | '24 | '25+/TBD |
|---|---|---|---|---|---|---|---|
| ***Comprehensive Scheme of Harbor Improvements*** | Re-write the Comprehensive Scheme of Harbor Improvements. | | Produce a quality document, which engages readers. | 50,000 | | | |
| **SUBTOTAL** | | | | **$50,000** | **$-** | **$-** | **$-** |
| **GRAND TOTAL** | | | | **$32,183,500** | **$8,336,312** | **$16,984,195** | **$23,532,150** |

## Temco

*South Port*



Temco is a grain exporter moving corn, soybeans, and wheat to ports across the world from terminals in Kalama; Tacoma, WA; and Portland, OR. In combination with Kalama Export, these companies are largely responsible for the Port of Kalama's status as second in export volume among West Coast ports. Temco is a 50/50 joint venture between Minnesota-based CHS Inc. and Cargill.

In 2014 Temco invested $200 million in their Kalama facilities, doubling their shipping capacity by replacing the dock and upgrading equipment. Temco says the Port of Kalama is advantageous because it sits at the intersection of Interstate-5, rail access, and water access. "It's pretty unique and rare for a port to have all these transportation hubs together."

At the Kalama facility, rail is Temco's primary method of receiving grain, but shipments are also received by barge. The facility can unload a shuttle train (about 110 cars) in 8.5 hours, unloading at a rate of 115,000 bushels per hour. Barge shipments are slower to unload, at a rate of about 40,000 bushels per hour. Temco's marine terminal can store 6.5 million bushels of grain. It has two ship-loading spouts with a capacity of 120,000 bushels per hour each, allowing the facility to load 1.2 to 2 million bushels per day and more than 250 million bushels annually.

## McMenamins Kalama Harbor Lodge

*Central Port Recreation and Tourism*

McMenamins is a hospitality business with 56 locations in Washington and Oregon, including pubs, lodging, breweries, distilleries, coffee roasters, movie theaters, concert venues, spas and event spaces.

The McMenamins Kalama Harbor Lodge opened in April 2018. The Port of Kalama constructed the building, while McMenamins finished the interior with their unique style of decorating and furnishings. The design was modeled after the Pioneer Inn in Lahaina (Maui), and honors Kalama's historical legacy with local artwork and rooms named after noteworthy figures from Kalama's past.

The hotel includes 40 units in addition to restaurants and pubs. They also operate a small pub, the Ahles Point Cabin, approximately one-half mile south (or eight-minute walk) from the Lodge.

McMenamins reported 106 Kalama employees in 2021 including restaurant/bar servers, hotel staff, and management positions. Before COVID, their employment reached 185 employees.

According to a McMenamins representative, their Kalama lodge was immediately successful upon opening, and was a "bright spot" among their properties during the slow months of the pandemic. McMenamins is currently exploring opportunities to increase their presence at the Port.

## RSG Forest Products

*Central Port Industrial*

One of the largest lumber manufacturers in the Pacific Northwest, RSG Forest Products operates sawmills and manufactures lumber. Facilities in Oregon and Washington produce lumber from all major Pacific Northwest softwood species, specializing in 2x4 and 2x6 dimensional lumber in Douglas fir and Hemlock. The company also manufactures Western Red Cedar fencing in a variety of sizes and styles.

The company's sales headquarters are in Kalama, as is one of its three sawmills. RSG markets its shipping knowledge as a key asset. The firm also offers timber services including timber sale administration, permitting, log marketing, and reforestation.

RSG was founded in 1971 in Mist, OR, and remains a family-owned business. The company reported 279 employees in 2021 including laborers, sawmill operators, and administrative staff. About 250 are employed in Kalama, according to the company.

Like many Kalama businesses, the company says access to rail, water, and an interstate highway is a key asset to the location. "It's centralized and easy to get to," said a representative.

## Steelscape

*North Port*

Steelscape, LLC manufactures rolled, coiled steel for construction projects, and is jointly owned by Nippon Steel Corporation and BlueScope Steel Limited. Operating out of facilities in Rancho Cucamonga, CA since 1968 and Kalama since 1997, Steelscape produces more than 400 million pounds of finished steel products annually including metal roofing and siding, decking, and framing.

In 2016 the Port of Kalama completed construction of two warehouses (17,000 square feet and 45,000 square feet) on behalf of Steelscape at a cost of $4.5 million, allowing the company to expand its operations. Steelscape products were used on the roof, siding and other internal features of the Port of Kalama's Administrative Office and Interpretive Center. Steelscape's products may be found on other Port buildings, such as light industrial warehouses. Steelscape cites Kalama's deepwater port as a key advantage for receiving steel, as well as rail access "right outside our door," and easy proximity to I-5 for trucking access.

ASC Profiles, a sister company and another Port of Kalama tenant, converts much of Steelscape's output into building components.

Steelscape primarily sources its inputs, hot-rolled steel coils, from Australia via ship due to the prohibitive cost of moving steel over the Rocky Mountains, making shipments subject to international trade restrictions and tariffs.

Steelscape has launched several climate change initiatives targeting efficient water use in its processes, waste material recycling, and energy efficiency. Steelscape has worked with the U.S. Fish and Wildlife Service since 2012 to accommodate ospreys that nest atop a 60-foot steel pole at the Kalama facility. The company website features a livestream of the nest, allowing the public to witness the birds' breeding cycle.

Steelscape reported 286 employees in 2021 including plant operators, factory workers, management, and administrative support staff. Of these, 188 work at the Kalama facility.

## Kalama Export

*Kalama River Industrial Park (private property)*

Kalama Export Company LLC is a grain exporter shipping all types of grain including dry beans and soybeans. Kalama Export is a joint venture operating company formed by Gavilon, ADM, and Mitsubishi (Agrex). Their grain elevator is among the largest on the West Coast. Kalama Export's marketing office is in Portland, OR.

Following additions in 2002 and 2012, the Kalama facility's storage capacity is 4.3 million bushels (117,000 metric tons). The company's wheat cleaning capacity is 100,000 bushels (2,700 metric tons) per hour.

Kalama Export ships by both rail and barge. It is directly served by the Union Pacific Railroad and BNSF Railway with a rail yard capacity of 550 cars.

In 2017 Kalama Export received 125 vessel calls and moved nearly 7 million tons of grain. The company reports it employs 47 hourly employees and 20 salaried employees.

# Additional Tenant Profiles

## Aero-Vac Alloys & Forge

*Kalama River Industrial Park • www.aerovacalloyforge.com*

Aero-Vac owns and operates a machine shop and forge in the Kalama River Industrial Park that produces and fabricates metal alloys and parts. Metal alloy products include steel alloys, stainless steel, aluminum, nickel, and titanium. Value-added services includes saw cutting, water jet cutting, machining, thermal processing (heat treatment), forging, and testing (mechanical and metallurgical). As an AS9100-certified manufacturing distributor of specialty metals and alloys, the company supplies equipment manufacturers and steel producers worldwide for aerospace and commercial purposes.

## Airgas (an Air Liquide company)

*North Port* • www.airgas.com

Airgas provides gases, welding equipment and supplies, safety products, and other chemicals to over a million customers worldwide, including many Port of Kalama tenants. Airgas is the largest U.S. distribution network in the packaged gas industry. The company serves the construction, energy, chemicals, food and beverage, government (defense and aerospace), healthcare, manufacturing and metal fabrication, utilities, and retail services industries.

## American Cruise Lines

*Central Port Recreation and Tourism • www.americancruiselines.com*

American Cruise Lines operates 13 flagged cruise ships in the U.S. along the Eastern and Western seaboard, including Alaska, as well as the Mississippi-Ohio and Columbia-Snake River systems. American Cruise Line partnered with the Port of Kalama in 2019 to construct a small cruise ship dock in Central Port Marine Park. Completed in February 2022, American Cruise Lines contributed about $1,000,000 to the $3,500,00 project, becoming the only cruise line to dock in Kalama. The dock allows cruise visitors to stay overnight and enjoy recreation in Kalama, providing a boost to the visitor industry.

## Anchorage Launch Service

*Central Port Industrial • www.anchoragelaunch.com*

A tenant at the Port since 2020, Anchorage Launch Services provides light cargo and commercial passenger services. They use the Port's commercial dock to service industrial marine traffic on the Columbia River. They operate 24 hours a day, 365 days a year. They also have terminals in Portland and Astoria helping them serve customers throughout the Columbia River system.

## Arch Wood Protection/Lonza America

*South Port* • www.wolmanizedwood.com/

Arch Wood Protection, acquired by Lonza in 2011, manufactures chemicals to treat wood at a plant in the South Port district of the Port of Kalama. The company's products include residential preservative products, fire retardants, and industrial preservatives. The firm also sells computer control systems for wood treatment processing.

## ASC Profiles

*North Port • www.ascprofiles.com*

ASC Profiles, a subsidiary of Steelscape, manufactures roofing and decking designed for commercial and industrial use. ASC is the only manufacturer of these products on the West Coast. ASC Profiles produces architectural metal wall, roof profiles, and other metal building materials.

## AT&T

South Port

AT&T operates a cell phone tower in the South Port district.

# Additional Tenant Profiles

## CalPortland/Glacier Northwest

*South Port • www.calportland.com*

CalPortland is the largest building materials company in the western United States, producing cement and construction material products. At the Port of Kalama, they conduct dredging, place dredging material on-site, and sell dredging materials.

## Cowlitz Packaging Group (Cowlitz Container)

*Kalama River Industrial Park • www.cowlitzcontainer.com*

Cowlitz Container is recognized as a regional leader in die cutting services. Other services include bindery, laminating and sheeting, and cutting high-impact plastics. The company serves clients in the aerospace, retail, medical, printing, and logistics industries. In 2020 the company expanded operations, increasing its leased space at the Kalama River Industrial Park from 10,000 square feet to 50,000 square feet.

## Depin, Inc.

*Kalama River Industrial Park • www.depininc.com*

Depin Packing produces cardboard boxes, wax boxes, and other modern cardboard products for use by the shipping industry. The company also offers specialty services including gluing and packaging for clients looking to ship their products.

## EcoTech Recycling

*Kalama River Industrial Park • www.ecotechrecycles.com*

EcoTech is a recycling resource for the manufacturing industry specializing in semi-conductors. EcoTech aims to reduce landfill deposits and increase recycling of raw materials.

## EZStop LLC

*Central Port Recreation and Tourism • www.eazystop.com*

EZStop LLC is working to grow a network of electric vehicle charging stations. The company leased property and installed charting ports in the Central Port district of the Port of Kalama near the McMenamin's restaurant.

## Gardner Trucking (CRST)

*Kalama River Industrial Park • www.crst.com*

Gardner Trucking was acquired by shipping giant CRST in September 2016. The company is a leading provider of specialized regional truckload services, logistics, drayage, and warehouse services for bulk and commodity end-to-end markets. Customers are predominately in the paper and packaging, food and beverage, wood products, and metal and plastic container industries.

## JSI Global Solutions

*South Port • www.jsi-gs.com*

JSI and its sister company Spare Parts Specialists were formed in 2001 to innovate in the paper manufacturing industry by providing engineering and manufacturing support. JSI offers audits, safety assessments, optimization, tuning, machinery rebuilds, and spare parts for machines common throughout the paper manufacturing industry. JSI also develops new versions of existing machines common to the paper manufacturing industry to improve efficiency and safety.

## Jubitz Corporation

*Central Port Industrial • www.jubitz.com*

Jubitz owns and operates truck stops, fueling stations, and accommodations for drivers in the trucking industry. Their location in Kalama is a simple refueling station without amenities.

# Additional Tenant Profiles

## Kalama Self Storage

*Central Port Industrial • www.kalama-storage.com*

Formerly Kalama RV and Dry Storage, Kalama Self Storage rents storage units and parking spaces for long-term RV storage.

## Kalama Sourdough Bakery

*Kalama River Industrial Park • www.kalamasourdough.com*

Kalama Sourdough Bakery is a regional wholesale bakery that produces naturally fermented sourdough breads by hand. Their breads are delivered to vendors throughout the Pacific Northwest.

## Kemira Logistics (Kemira Water Solutions)

*South Port • www.kemira.com*

Kemira primarily serves water-intensive industries to help make more clean, safe water available to everyone in three ways: working with cities' and municipalities' water treatment plants, helping municipalities and industries ensure that discharged wastewater meets environmental permit standards, and helping water-intensive industries use less water to make their processes more efficient and sustainable. Kemira also produces paper products for use by the shipping industry and residential consumers, and specialty chemicals for the oil and gas industry.

## Lanxess (formerly Emerald Kalama Chemical)

*Central Port Industrial (private property) • www.lanxess.com*

Emerald Kalama Chemical was acquired by LANXESS, a leading specialty chemical company, for $1.04 billion in August 2021. The core business of LANXESS is development, manufacturing, and marketing of chemical intermediates, additives, specialty chemicals and plastics. Prior to the acquisition, Emerald Kalama Chemical had global sales of approximately $425 million, about 75% of which came from specialty products for the consumer care market. LANXESS has incorporated operations at the Kalama plant into its new Flavors & Fragrances business unit. Other operations at the plant produce chemicals for industrial uses like plastics, paints and coatings, and adhesives.

## Last Mile Gear

*Kalama River Industrial Park • www.wavonline.com/vendors/Last_Mile_Gear/*

At their Kalama location, Last Mile Gear sells equipment supporting wireless network, commercial surveillance, and Radio RF industries including access points, timing devices, and antennas.

## Mattress Superstore

*Kalama River Industrial Park • www.themattresssuperstore.com*

Mattress Superstore is a locally owned and operated business that sells mattresses and mattress bases, including delivery and installation, throughout Cowlitz and Clark County. In November 2018 Mattress Superstore signed a lease for 10,000 square feet of property in the Kalama River Industrial Park in a building shared with Ecotech and Gardner Trucking.

## MCI/Worldcom/Verizon

*South Port*

MCI/Worldcom (doing business as Verizon) operates a cell phone tower in the South Port district.

## Mountain Log and Timber

*South Port • www.mtnlogandtimber.com*

Mountain Log and Timber uses 30 years of industry experience to provide raw logs, finished products made from logs, CNC machining, and log home construction to consumers.

## O-I Kalama

*Kalama River Industrial Park • www.o-i.com*

The Bennu Glass plant was acquired by O-I Americas, an international glass manufacturing company, in May 2015 and renamed the O-I Kalama plant. The plant primarily makes 750 ml wine bottles and 22 oz beer bottles using a furnace fueled by liquid oxygen and natural gas. O-I uses production from the Kalama facility to serve the West Coast wine market and support its position in the craft beer market.

# Additional Tenant Profiles

## Plastic Express

*Kalama River Industrial Park • www.plasticexpress.com*

Plastic Express packages and transports plastic building materials to businesses throughout Washington State. Through its subsidiary PX Services, Plastic Express transports food-grade commodities and other non-hazardous industrial products such as paper, steel, lumber, and other building products. At the Port of Kalama, the company transloads plastic pellets for distribution to manufacturers of plastic products such as containers and milk jugs.

## Reser's Fine Foods

*Kalama River Industrial Park • www.resers.com*

Reser's is one of the country's largest prepared-foods businesses, with over 14 major facilities in the United States and Mexico. They prepare a wide variety of foods including salads, side dishes, prepared meal kits, tortillas, and desserts, among others. Their facility at the Port of Kalama serves as a regional distribution hub.

## Rivers Edge Coffee Company

*South Port • www.riversedgecoffeecompany.square.site*

River's Edge Coffee Company is a café situated along the Columbia River in the South Port district of the Port of Kalama that serves coffee and food. They also sell local gifts and clothing.

## Quadco USA, Inc.

*Kalama River Industrial Park • www.quadco.com*

Quadco manufactures and sells forestry cutting tools and machinery for loggers. The firm describes itself as an industry leader and innovator in development of forestry tools and logging systems. Quadco owns over 40 patented systems including QuadTooth®, a tough saw tooth. The company is headquartered near Montreal, Canada.

## Rosenbaum Welding LLC

Central Port Industrial • www.rosenbaum-welding.business.site

Rosenbaum welding transitioned from its longtime mobile welding operation to a permanent headquarters in the Central Port district of the Port of Kalama in 2017. The company provides full-service welding, repair, metal fabrication, and mobile roadside assistance services for heavy equipment and the trucking industry.

## Shaffer Transportation Services

*South Port*

Shaffer Transportation Services provides trucking services throughout the Pacific Northwest, specializing in refrigerated transport of perishable items.

## Somarakis

*South Port (private property) • www.somarakis.com*

Somarakis specializes in manufacturing liquid ring vacuum pumps and compressors for industrial use and engineering vacuum pump systems. The company also offers equipment testing, inspections, rebuilds, and repairs. Somarakis systems are used globally by the pulp and paper, chemical, energy, mining, and food processing industries.

## Tidewater Barge Lines

*South Port • www.tidewater.com*

Tidewater is a multi-commodity transportation and terminal company operating in the Pacific Northwest and Canada. They are the largest barge transportation and terminal network on the Columbia Snake River system. Their Kalama location consists of a spud barge, used for rafting multiple barges in waiting.

# Additional Tenant Profiles

## Total Mechanical

*Kalama River Industrial Park • www.totalmechanical.com*

Total Mechanical is a full-service, locally-owned and operated mechanical contractor in Camas, Washington, specializing in difficult builds and renovations.

## Twin Perks Espresso

*Central Port Industrial • www.twinperksespresso.com*

Twin Perks Espresso is a drive-through coffee shop with eight locations in Washington and Oregon.

## US Cellular

*Kalama River Industrial Park*

US Cellular operates a cell phone tower in the Industrial Park area of the Port.

## Washington State Department of Agriculture (WSDA)

*Kalama River Industrial Park and South Port*
*www.agr.wa.gov/services/inspections-and-investigations/inspections/grain-inspection*

The Washington State Department of Agriculture (WSDA) Kalama office is part of the Grain Inspection Program, which provides sampling, weighing, quality testing, grade inspection, and phytosanitary services for grains and commodities following USDA and WSDA regulations. These services are available to the grain and commodity trade, end users, and other interested parties. At the Port of Kalama, the WSDA works with the Kalama Export Company and TEMCO.

## Walsh Trucking Company

*Kalama River Industrial Park • www.walshtruckingco.com*

Walsh Trucking owns and operates over 300 tractors and 700 trailers and is the largest transporter of wood residuals and solid waste in the Northwest. At the Port of Kalama, the company works closely with RSG Forest Products to transport wood chips.

## Williams Pipeline

*South Port • www.williams.com/*

Williams provides pipelines and processing facilities for natural gas products, handling 30% of the nation's natural gas. At the Port of Kalama, Williams operates a natural gas metering station and pipeline that runs underneath the Columbia River.

## EMPLOYMENT BY TENANT

The number of employees by tenant for 2021 is shown in the following table.

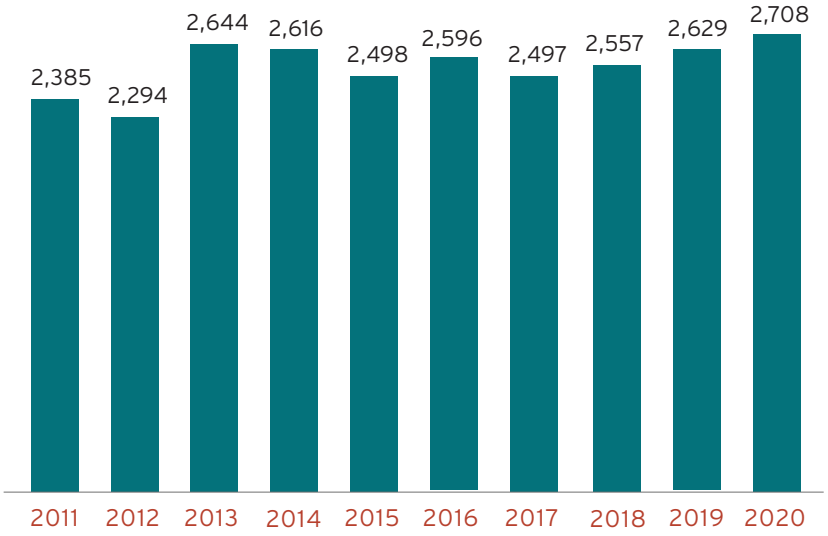
| | |
|---|---|
| Steelscape | 286 |
| RSG Forest Products | 279 |
| Lanxess (formerly Emerald Kalama Chemical) | 148 |
| TEMCO | 126 |
| McMenamins Kalama Harbor Lodge | 106 |
| O-I Kalama | 94 |
| Kalama Export | 72 |
| Washington State Dept. of Agriculture | 40 |
| Gardner Trucking (CRST) | 35 |
| Depin, Inc. | 34 |
| ASC Profiles | 28 |
| Port of Kalama | 20 |
| Somarakis | 17 |
| Walsh Trucking Company | 15 |
| Bridger Steel, Inc. | 14 |
| Mattress Superstore | 14 |
| Quadco USA, Inc. | 14 |
| Port of Kalama (Longshore) | 13 |
| Aero-Vac Alloys & Forge | 9 |
| Anchorage Launch Service | 8 |
| Arch Wood Protection/ Lonza America | 5 |
| Rivers Edge Coffee Company | 5 |
| Cowlitz Packaging Group | 4 |
| EcoTech Recycling | 4 |
| JSI Global Solutions | 3 |
| Mountain Log and Timber | 3 |
| Twin Perks Espresso | 3 |
| Airgas (an Air Liquide company) | 2 |
| Kemira Logistics | 2 |
| Plastic Express | 2 |
| Shaffer Transportation Services | 2 |
| CalPortland/Glacier Northwest | 1 |
| Kalama Self Storage | 1 |
| Rosenbaum Welding | 1 |

# Population

Kalama's population reached 2,708 residents in 2020. Over the last decade (since 2011), population increased by 14%, including slight increases (2% to 3%) in each of the last three years.

Kalama's population increased faster than Cowlitz County as a whole, which grew by 9% between 2011 and 2020.

## KALAMA POPULATION | 2011-2020

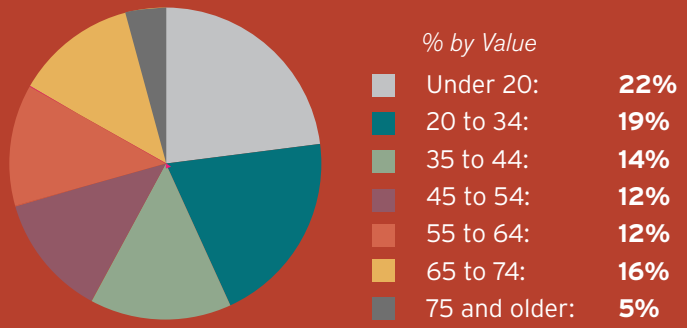



**14%**

Increase since 2011

Kalama's population is fairly evenly distributed by age group. Kalama's population showed a median age of 42 years old in 2019, up from 37 years old a decade earlier. (Kalama's median age is very similar to the county as a whole, at 41 years old.)

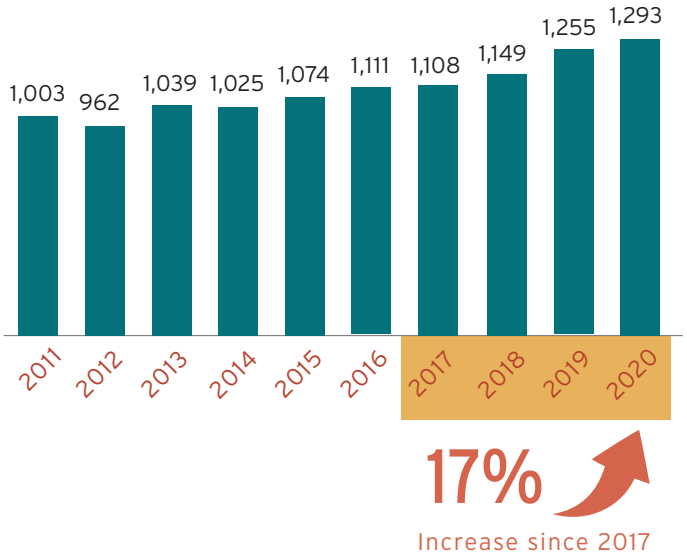
## KALAMA POPULATION BY AGE | 2019



# Employment

Kalama resident employment reached nearly 1,300 wage and salary jobs in 2020, representing a 29% increase from ten years earlier (2011). Employment increased in each of the last three years for a cumulative increase of 17% between 2017 and 2020. (These employment figures reflect the employment of residents of the City of Kalama, rather than all employment that occurs within the City of Kalama. Port-related employment is presented in the main body of the Comprehensive Scheme Report.)

## KALAMA EMPLOYMENT | 2011-2020



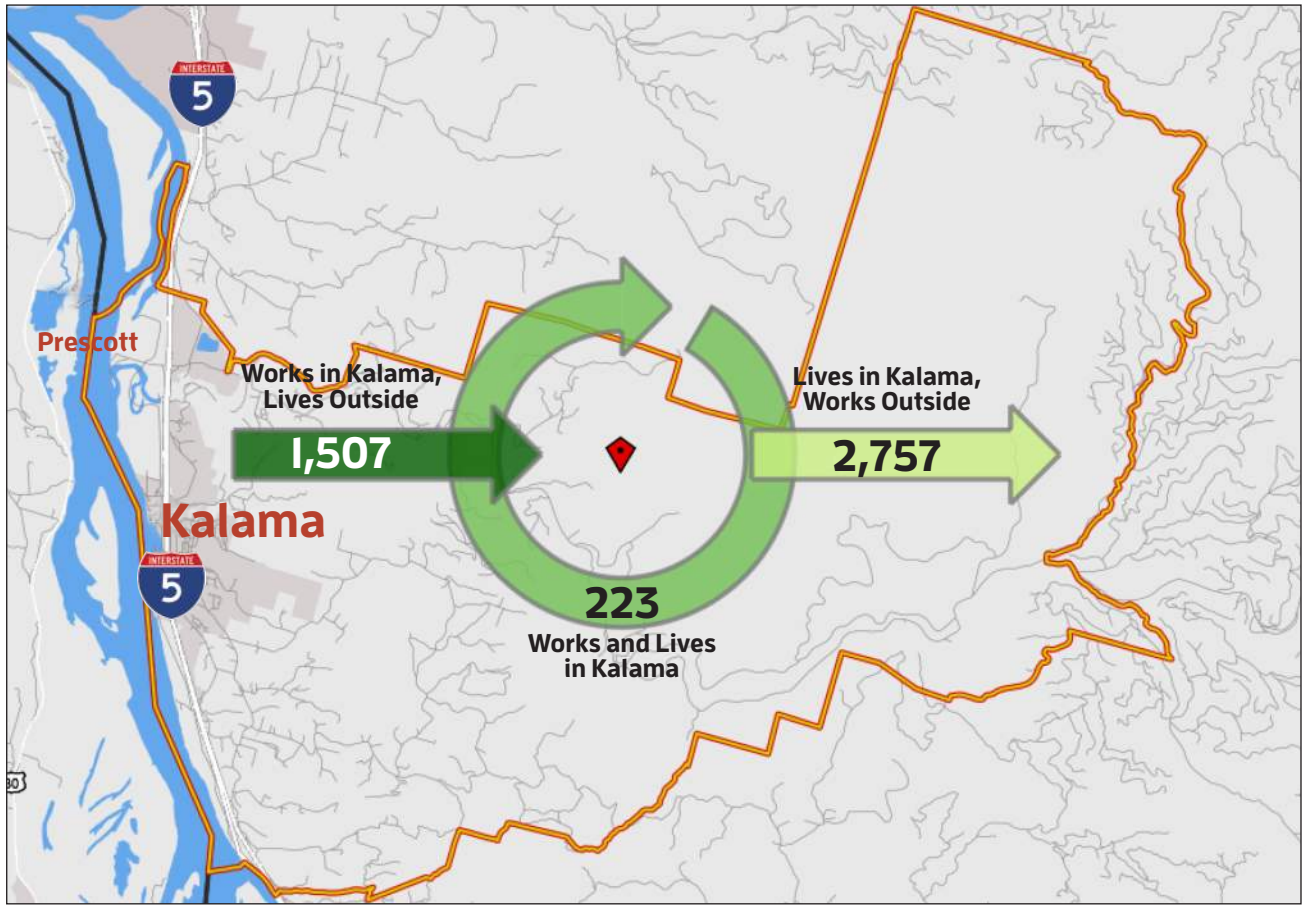

The wage and salary employment of Kalama residents is spread across a variety of sectors. The most prominent sectors are professional (including scientific, management, administrative, and waste management) at 18%, health care/social assistance (16%), and manufacturing (12%).

## KALAMA EMPLOYMENT BY INDUSTRY | 2020

# Employment, continued

Commute data from the US Census shows there is a significant degree of worker mobility in the Kalama zip code area. On a typical workday in 2019, only 220 people were estimated to both live and work in the Kalama area; about 2,750 Kalama residents left the area; and 1,500 people entered the area. The share of workers in Kalama that lived in the community ("employment efficiency") was 12%, while the share of residents who both lived and worked in the community ("labor force efficiency") was 7%. Further, Port of Kalama data indicates that the percentage of Port-related workers residing in Kalama has been declining in recent years: from 16% in 2009 to 9% in 2021.

KALAMA RESIDENCY/WORKPLACE COMMUTE BALANCE | 2019




Source: US Census

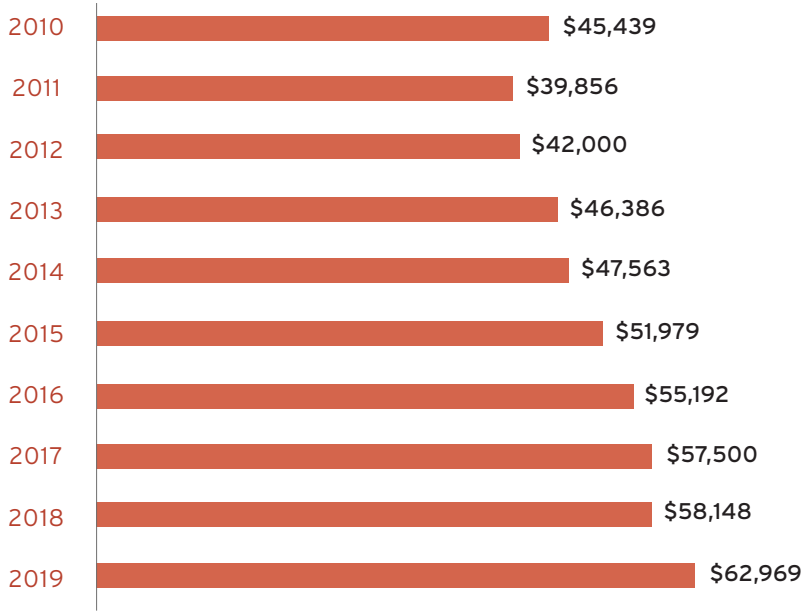
Kalama Economic Profile

# Income

Kalama residents reported a median household income of $63,000 in 2019, an 8% increase over the previous year. Between 2010 and 2019, the median income increased by 39%. Kalama's median income was higher than the 2019 county-wide median income ($54,500).

**$63,000** Median income in 2019

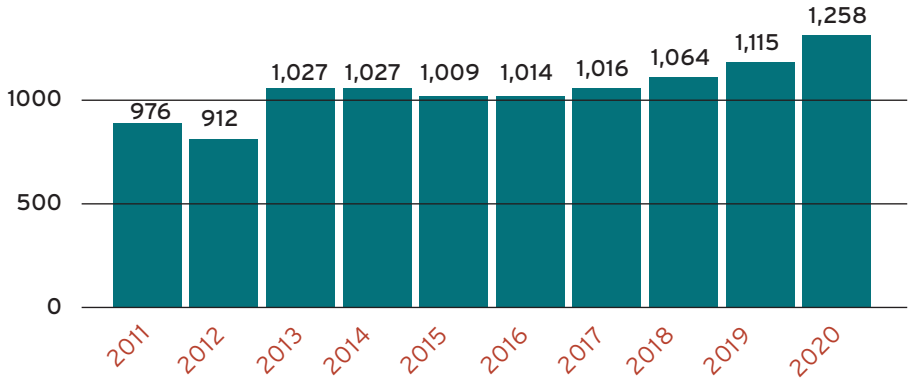
## KALAMA MEDIAN HOUSEHOLD INCOME | 2010-2019



# Housing

The City of Kalama reported 1,258 housing units in 2020, 59% of which were owner-occupied, and 41% renter-occupied. The number of housing units increased by 29% between 2011 and 2020.

## KALAMA HOUSING UNITS | 2011-2020

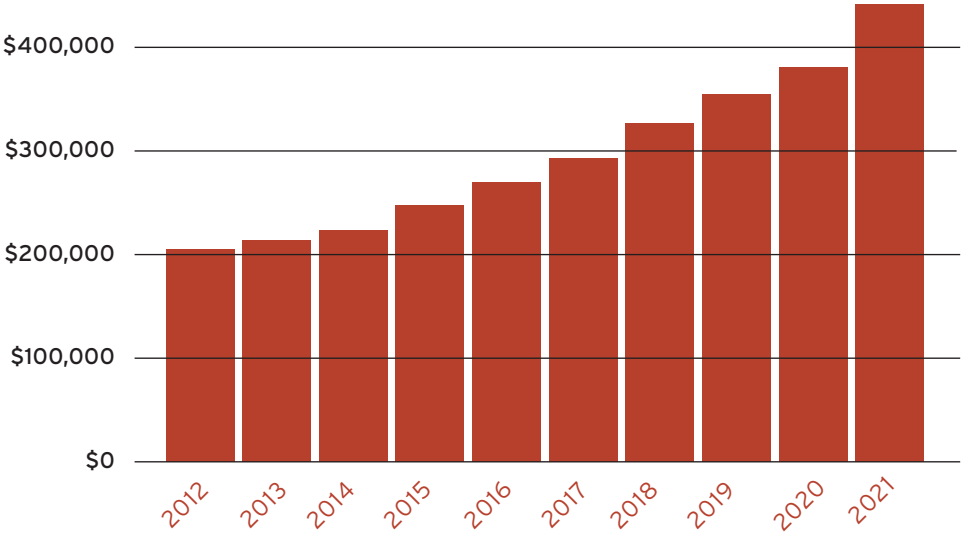



Source: U.S. Census

**29% Increase** | in the number of housing units between 2011 and 2020.

The average price of a single-family home in Kalama was $441,377 in 2021 – 16% up from the previous year, and more than double the average price from a decade earlier ($205,392 in 2012). Kalama's 2021 average price was $78,000 below the statewide average of $519,512.

## AVERAGE PRICE OF SINGLE-FAMILY HOME | 2012-2021




Source: Washington Office of Financial Management

**$441,377** | Average price of a single family home in Kalama in 2021 – Up 16% from previous year.

Kalama Economic Profile

# Highway Traffic

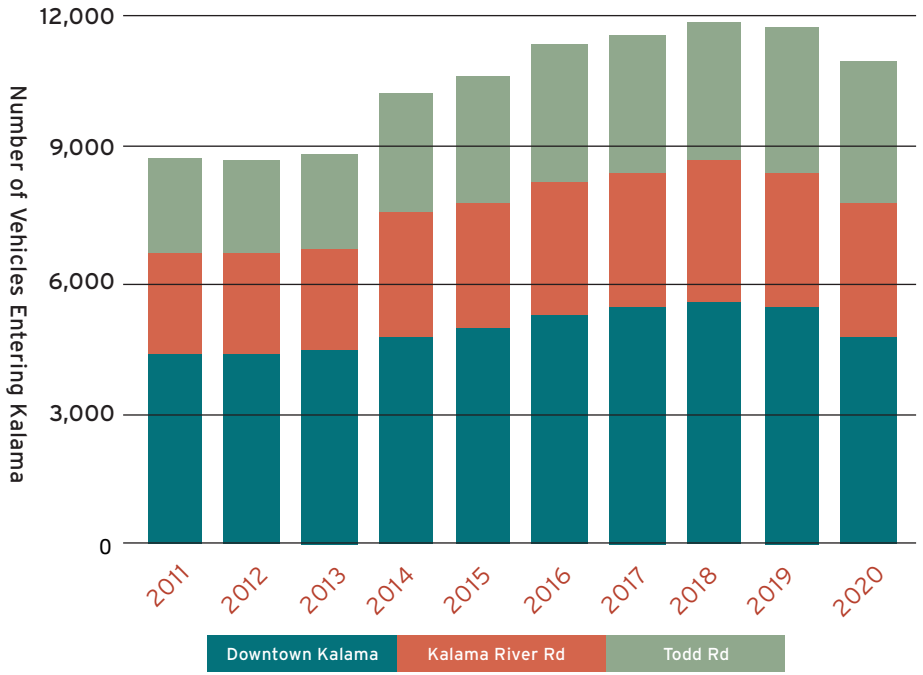
Vehicles enter and exit Kalama from I-5 via three on/off-ramps: downtown, Kalama River Road, and Todd Road. In 2020, nearly 11,000 vehicles accessed Kalama via these three exits. The most commonly used off-ramp is downtown Kalama, representing 43% of vehicles arriving into Kalama in 2020. The Todd Road off-ramp was used by 29% of arrivals, while the Kalama River Road off-ramp was used by 27% of arrivals. The number of vehicles accessing Kalama increased by 25% between 2011 and 2020.

Figures are based on Average Annual Daily Traffic, or AADT, recorded by traffic monitors operated by the Washington State Department of Transportation. It includes both residents and visitors.

**25% Increase**

in vehicle traffic accessing Kalama between 2011 and 2020

## VEHICLE ARRIVALS INTO KALAMA, BY HIGHWAY EXIT | 2011-2020




Source: Washington State Department of Transportation.

Kalama Economic Profile

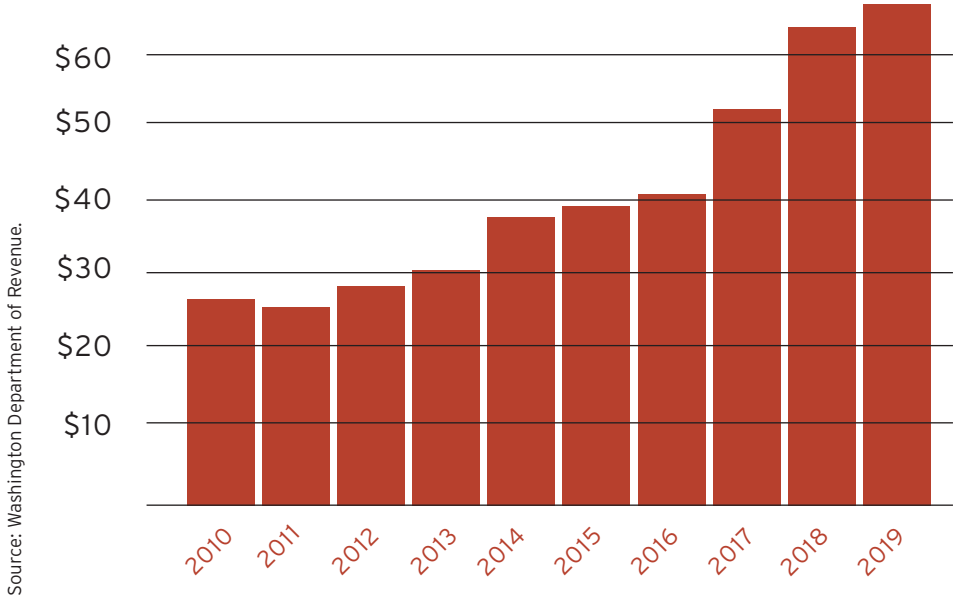
# Retail Sales

There is a 7.9% sales tax in Kalama, including a 1.4% municipal tax and a 6.5% Washington State tax. The sales tax rate is similar throughout Cowlitz County: 8.1% in Kelso and Longview, 7.9% in Woodland, and 7.8% in unincorporated areas.

Sales tax revenues collected from Kalama businesses in 2019 totaled $68.7 million (the last year for which data is available). The sectors representing the bulk of revenues in 2019 were construction (29%), accommodation and food service (23%), and retail trade (21%). Between 2010 and 2019, total revenues increased by 152%, with the largest increases occurring in 2014 (+23%), 2017 (+27%), and 2018 (+23%). These increases correspond with several major events at the Port: the construction of the Administrative Office and Interpretive Center (2014), and the construction and opening of McMenamin's Kalama Harbor Lodge (2017 and 2018).

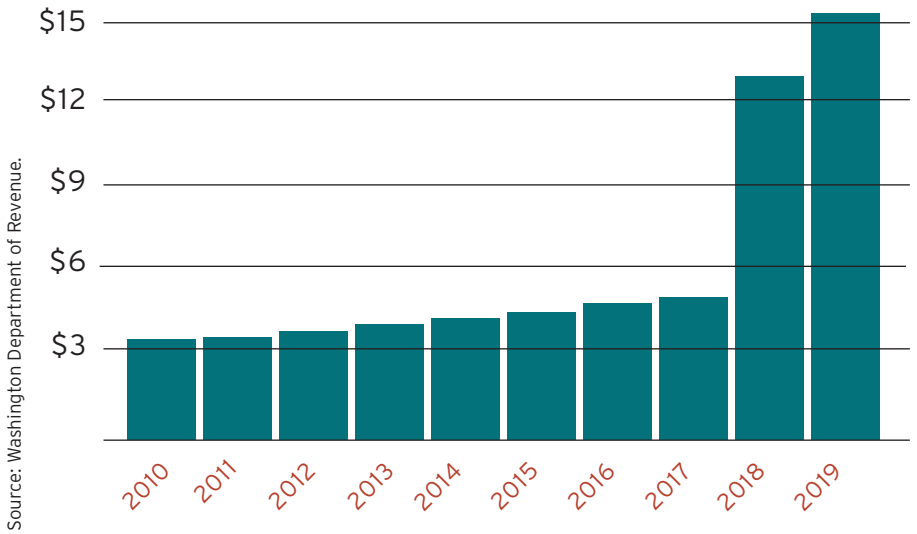
The second-largest contributor to tax revenues, the accommodation and food service sector, shows a 171% increase in 2018, the year that McMenamin's opened, followed by a 19% increase in 2019. (While 2020 data is not available, it will likely show a downturn related to COVID.)

SALES TAX REVENUES | 2010-2019 $MILLIONS




Source: Washington Department of Revenue.

SALES TAX REVENUES ON ACCOMMODATION & FOOD SERVICE | 2010-2019 $MILLIONS




Source: Washington Department of Revenue.