

## Strengths and Challenges

The Existing Economic Conditions memo prepared by E.D. Hovee & Company in March 2005 lists numerous regional investments and economic successes over the past several years. Highlights include completion of the \$21 million Industrial Rail Corridor at the Port of Longview; redevelopment of Triangle Mall; completion of Mint Farm Industrial Park in 1998; initiation of a downtown seasonal farmers' market in 2003, and the recently refurbished and expanded Cowlitz Regional Conference Center.

Longview's locational strengths, summarized by City management, include its proximity to I-5, water depth along the Columbia River, rail access, cost competitiveness with the Seattle-Tacoma and Portland-Vancouver metropolitan areas, and some of the largest vacant industrial sites on the West Coast.

Labor force strengths, as defined in the Cowlitz Region Workforce Report, include a workforce with greater than average experience in the warehouse and distribution sector, customer service, materials handling, general office skills, sales, and numerous facets of manufacturing including assembly, repair, management and machine operations.

Community strengths are described in the Cowlitz County Community Report Card and through public input. The report card identifies positive community trends such as improved housing affordability, an increase in post-high-school training, and a decrease in both reported child abuse and youth drug and alcohol related crimes. A number of additional community strengths were described in February and June 2005 by Comprehensive Plan update workshop participants, including Longview's small-town atmosphere, historic buildings, Lake Sacajawea, access to outdoor recreation and quality health care, and its low cost of living.

Economic development challenges are described by economic sector and reflect city management and community input:

- **Industrial.** Distance from major metropolitan areas such as Portland-Vancouver and Seattle-Tacoma and distance of prime industrial sites from I-5 (relative to other communities), relative lack of State incentives, recent timber company mergers, and Port property being outside of the City limits. Industrial firms (particularly warehouse-distribution) prefer sites directly on or with immediate access to an interstate freeway. The local street access system beyond I-5 and Tennant Way is viewed as confusing and creates substantial conflicts with non-industrial traffic.
- **Office.** College graduates not returning to Longview, perceived lack of community understanding of the value of higher education and professional sector jobs, and need for conversion of downtown space that may require property owner incentives.
- **Downtown.** Number of social services, nonretail uses in storefronts, low rents hindering property reinvestment, lack of gateways and straightforward access, and increased competition from big box retailers.

- **General economy.** Erosion of small businesses, limited economic diversification, lack of concern with neighborhood quality as a development tool, impact of crime, and lack of four-year college opportunities.

Community challenges are also listed within the Cowlitz County Report Card. Health indicators identified as needing further attention include the percent of residents who are overweight or obese (67% in 2003), a continued low representation of college graduates, and an increase in drug-related deaths.

## Longview's Role in the Region

### Current Economic Base and Potential Diversification

Longview has an industrial base and a reputation for heavy industry. However, as described above, Longview also functions as a retail hub for a multi-county trade area. The City has several options in terms of economic strategies to capitalize on Longview's strengths and reduce weaknesses where possible.

The City of Longview hosted an Economic Development Summit at the Lower Columbia College on June 15, 2005. About 50 people attended the forum, which was held to meet the following goals:

- Share information about existing economic conditions;
- Identify current and planned economic development activities and priorities of Longview community organizations;
- Respond to and provide feedback about a community-preferred economic development strategy;
- Provide input for the economic development element of the Comprehensive Plan; and
- Foster collaboration and cooperation among various regional and local entities engaged in economic development activities.

The Forum included consideration of the following four options for economic development in the City:

- **Planning Option A – Industrial Focus**
  - Longview continues as a center for maritime commerce and general/heavy industry
- **Planning Option B – Regional Retail Hub**
  - Build on established role as commercial center for southwest Washington and northwest Oregon, also targeting Portland/Seattle travel capture

- **Planning Option C – Office Development**

- Strengthened role as a regional center for business, professional, health, and government services

- **Planning Option D – Housing and Mixed Use**

- Residential with mixed use as a more important (though not traditional) economic strategy, attracting retirees and workers from nearby metropolitan areas

The options were presented for illustrative purposes and are not necessarily mutually exclusive. As proved to be the case in discussion by Forum participants, there may be opportunities to pursue a “hybrid strategy: by combining elements from two or more of the strategic options (Table 4-1).

Participants at the Economic Development Forum generally expressed agreement about the following:

- Overall agreement that a combination of Options A to D be pursued (hybrid approach);
- Identify appropriate locations for each use (Industrial, Regional Retail, Office Development, Housing and Mixed Use);
- Need for aesthetics: facade improvements, quality housing;
- Promote diversity: in housing, entertainment offerings, etc. to attract a variety of residents and employers;
- Seek diversified economy;
- Need for linkages between commercial areas; and
- Consider incentives to attract and keep businesses.

The hybrid economic development option has been considered both in this Economic Development Element as well as the Land Use Element and Future Land Use Map (FLUM).

**Table 4-1. Comparison of Economic Development Options for Longview**

Industrial Focus	Regional Retail Hub	Office Development	Housing and Mixed Use
<b>Advantages</b>			
<ul style="list-style-type: none"> <li>Builds on a proven competitive strength of the Longview region—closest of the industrial ports to the mouth of the Columbia River and last major general/heavy industrial community along the I-5 corridor from the Canadian border to the southern end of the Willamette Valley.</li> <li>Could do more to generate renewed high-wage, family-wage job potential than any of the other strategies likely to be available over the next 10 to 20 years.</li> </ul>	<ul style="list-style-type: none"> <li>Opportunity to further capitalize on Longview's established role as commercial hub serving non-urban population in SW Washington and NW Oregon.</li> <li>This regional market draw might be coupled with potential destination/tourism appeal for an expanded I-5 corridor region.</li> <li>Changing nature of retail and ability to serve an expanding population base, with additional large format retailers yet to establish a competitive presence in Cowlitz County.</li> <li>Due to property tax limitations (passed by Washington voters), sales tax associated with retail now represents the only major local government revenue source with substantial upside capacity over time.</li> </ul>	<ul style="list-style-type: none"> <li>Longview's current role as a regional office center for private and public services</li> <li>The potential to focus a considerable portion of future office investment in the downtown area</li> <li>Long-term opportunity for substantially increased office employment as Cowlitz County transitions toward the economic profile of a full-service metropolitan area with a more complete array of office related business, non-profit, and public sector services.</li> </ul>	<ul style="list-style-type: none"> <li>It has become the best tested, most sure-fire strategy for urban revitalization in larger urban centers, with the concept now being extended to smaller urban communities as diverse as Renton and Vancouver, WA and Salem, and Eugene, OR along the I-5 corridor.</li> <li>Residential development in a higher-density, urban format (with significant ownership opportunity as for condos and townhomes) takes advantage of the changing lifestyle preferences of downsizing "empty nesters" and serves to support nearby retail, recreational, and cultural activities.</li> <li>Expansion of the residential community outside of downtown with new or expanded housing products (both single and multi-family) may be important to attract younger families and professionals, better serving the needs of area employers.</li> </ul>
<b>Disadvantages</b>			
<ul style="list-style-type: none"> <li>Success of an industrial strategy is not assured, e.g., decline of manufacturing job base throughout Washington State, including Longview/Cowlitz County in recent years, and globalization.</li> <li>Columbia River ports are not currently competitive for commodities shifting to container traffic. River ports have a strong competitive position, primarily for lower-employment grain, auto, and increasingly limited break-bulk cargoes.</li> <li>High risk that substantial net new employment growth does not occur, leaving the region without a significant</li> </ul>	<ul style="list-style-type: none"> <li>Potential market saturation unless Longview can be effectively positioned to capture more business from a larger multi-county trade area.</li> <li>Fragmentation of existing retail between multiple nodes/corridors in Longview (downtown/Triangle Mall, Ocean Beach Highway, other street corridors) and Kelso (primarily Three Rivers Mall).</li> <li>Absence of direct I-5 presence and demonstrated tourism appeal.</li> <li>Relatively low wage/part time nature of many retail positions.</li> </ul>	<ul style="list-style-type: none"> <li>The potentially long time period before Cowlitz County has the population and diverse economic base to support a broader array of service sector functions requiring office space.</li> <li>Relatively low rents currently associated with Longview office space, absence of County governmental functions (with Kelso as County seat), and continued overabundance of vacant office space due to the recent recession in larger Puget Sound and Portland metropolitan markets.</li> </ul>	<ul style="list-style-type: none"> <li>Lack of a readily apparent benefit (or nexus) between residential and economic (or employment) development.</li> <li>Uncertain public tax revenue implications,</li> <li>Public service costs associated with serving a substantial influx of new residents.</li> </ul>

Industrial Focus	Regional Retail Hub	Office Development	Housing and Mixed Use
new source of economic activity.	<ul style="list-style-type: none"> <li>Lack of assurance that downtown Longview would necessarily benefit from a retail strategy, unless there is also focus on downtown as a distinctive destination for street-oriented specialty retail and/or retail to support an expanded downtown office and/or residential neighborhood.</li> </ul>		

### Potential Actions

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| <ul style="list-style-type: none"> <li>• Deepening the Columbia River Channel with expansion of Port of Longview maritime and upland industrial site capabilities.</li> <li>• Development of multi-tenant and large user industrial/business park sites in closer proximity to I-5.</li> <li>• Improved transportation linkages (highway and rail) with fewer use conflicts in accessing existing and planned industrial sites.</li> <li>• Ability to offer extremely competitive industrial land prices with existing infrastructure combined with financing and/or workforce incentive programs.</li> <li>• Gateway and other amenity enhancements, presenting a more contemporary and aesthetically attractive entry to Longview's major employment centers.</li> </ul> | <ul style="list-style-type: none"> <li>• Focusing new retail on specific high-value retail corridors or nodes offering sites consistent with current retail configuration and access requirements.</li> <li>• Potential transition of older and/or lower valued strip commercial for nonretail redevelopment.</li> <li>• Aesthetic enhancements for high-priority major retail centers and corridors, including streetscape, signage, and access improvements.</li> <li>• Annexation of the entire Ocean Beach highway corridor for consistent land use, design, and transportation/access treatment of commercial and other corridor development.</li> <li>• Expanded customer marketing, business recruitment, streetscape, parking and property owner/developer programs for a well-defined downtown retail core district.</li> </ul> | <ul style="list-style-type: none"> <li>• Active recruitment of major new office employers to Longview, possibly including back office data and customer service functions for financial service institutions, call centers, educational facilities, and possibly regional headquarters of major industrial companies.</li> <li>• Encouraging expansion and upgrade of existing private and public sector employers to better quality downtown area office space, which would support major renovation and new construction.</li> <li>• Assembly of sites necessary to accommodate and attract large build-to-suit employers, including supportive public-private arrangements for on- and off-site infrastructure improvements, parking, and/or financing incentives (as occurred with rehabilitation of the Columbia Mercantile building).</li> </ul> | <ul style="list-style-type: none"> <li>• Encouraging substantial new housing development, especially for mid- and upper-income residents in or near downtown Longview.</li> <li>• Potential use of tax benefits (e.g. a 10-year property tax deferral) for new housing development in downtown or other priority areas of the City.</li> <li>• Focusing new housing development around or near major public open space amenities, including trail systems.</li> <li>• Considering residential development in other areas of the community with high amenity and view capability, possibly including areas in proximity to or with views of the Columbia River.</li> <li>• Encouraging mixed-use development with retail, supporting services and employment either on-site or in close proximity to residential uses.</li> </ul> |
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Source: E.D. Hovee & Company,  
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