

# **Business Retention & Expansion Survey**

## **Pacific County**

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**Summary Report  
November 2002**

**State Sponsor  
CTED**

**Local Sponsor  
Economic Development Council of Pacific County**

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**Pacific County**  
**Summary Report**  
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***Overview***

In 2002 the Economic Development Council of Pacific County (EDC) contracted with the Office of Trade and Economic Development (OTED) to conduct a Business Retention and Expansion Survey in Pacific County.

The survey instrument used was *Synchronist Business Information System*® which is designed to aid economic development organizations in conducting interviews and input of data collected to derive quality output.

The purpose of the survey was to encourage the survival and growth of the county's existing businesses, establish relationships between the EDC and existing businesses encourage economic growth and determine potential retention or expansion problems.

Pacific County is located in the Southwest corner of Washington State. Based on 2000 U.S. Census Bureau statistics the County has a population of 20,984. Pacific County's population has increased slowly between 1960 (14,674) and 2000 (20,984), with an increase of 6,310 over 40 years. There are four incorporated cities: Raymond (2,975), South Bend (1,807), Ilwaco (950) and Long Beach (1,283). The North and South County is geographically divided by forest land. According to the Pacific County's Assessor office, approximately 72% of the land in Pacific County is in forest land which is tax exempt. Economic growth is primarily limited to the cities and along the major highways.

***Goals of the Survey***

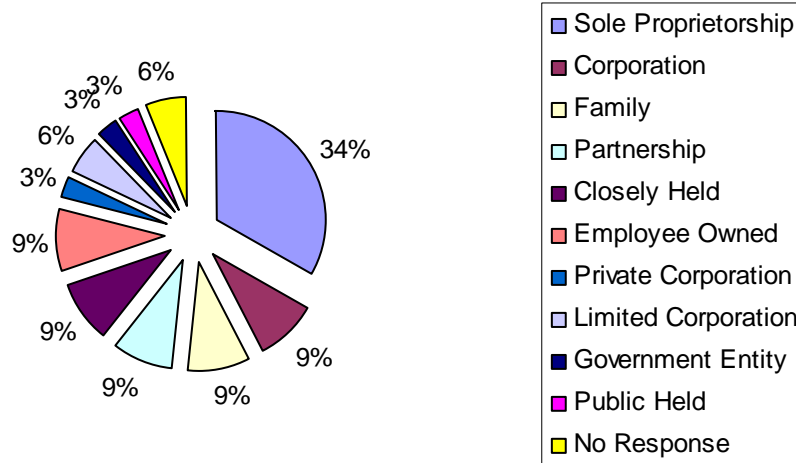
1. To demonstrate businesses' proactive position in Pacific County,
2. To identify needs and concerns of business with Pacific County as a place to do business (economic climate),
3. To learn of businesses' future plans as to expansion and retention, and/or relocation.

***Background on Companies Visited***

A total of 50 businesses were asked to participate in the survey. Of the 50, 16 elected not to participate and a total of 34 businesses were visited in Pacific County. Out of the 34 businesses one would not participate, three participated but commented the survey was not appropriate for our county and would serve no purpose. A variety of businesses were randomly selected from a variety of business sectors to participate in the survey.

The following graph shows the type of ownership of the 33 businesses surveyed. The largest type of ownership is Sole Proprietorship (34%). This number indicates that many of the businesses are solely owned and operated in Pacific County.

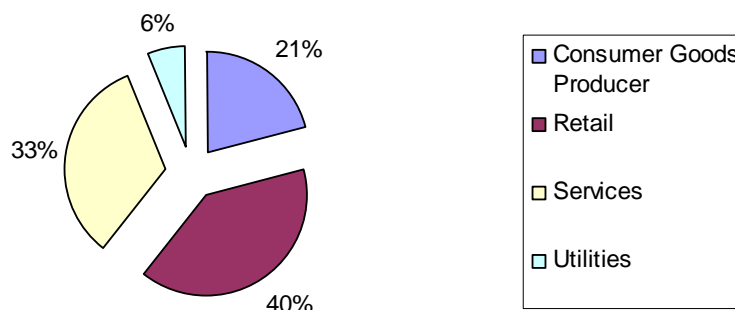
### Ownership



### Companies Represented

Of the 33 business surveyed 6% were considered utilities, 21% Consumer Goods Producers, and 33% Services, and 40% Retail. Pacific County is slowly transcending from a strong natural resource based to a retail based county. The peak period for the retail services for tourism trade is May through September. Weather conditions are a big determinant for the length of the tourist season. If the rainy season begins in September and continues through May the retail sectors suffers due to lack of tourism. Services catering to tourism are becoming increasingly important; they bring money from the outside into the local community. According to “Assessing County Changes”, Sept 1994, creating new jobs in the area of industries may not be the answer as they are generally at entry level pay. In 1990 the forestry and fisheries industry started to decline and retail, eating and drinking places started to increase, according to the U.S. Census Bureau. This corresponds with the 33 businesses surveyed, 34% of the businesses being sole proprietorship, 40% retail, and 48.6% employing 1-6 employees.

### Business Sector Distribution



**Consumer goods producer** – Produces goods used directly by consumers: food, household products, beverages, apparel, housing construction, wood products

**Retail** – Grocery, department store, restaurant

**Service** – Consumer and business services

**Utilities** – Electric, gas, telephone, water

### Company Size Breakdown

The following numbers indicate that 48.6% of the businesses surveyed employs between 1-6 employees. That would reflect the 35% of businesses are sole proprietorship. More of the businesses in the retail sector are owner operated, requiring little or no additional employment needs.

### Employee Breakdown

1 to 6 Employees	48.6%
7 to 20 Employees	17.1%
21 to 50 Employees	5.7%
51 to 100 Employees	5.7%
101 to 250 Employees	5.7%
Total Employment not defined	17.1%

### Market

Of the 33 businesses surveyed, 54% of the companies' primary markets were local, 24% of the companies' primary markets were regional, and 22% of the companies' primary markets were national. Those competing in the regional and national markets were the cranberry and seafood industry, and timber products. The local market of 54% relies heavily on local support and tourism to remain viable businesses.

### Federal, State or Local Legislation

When businesses were asked if they anticipated any federal, state or local legislation that could adversely affect or have benefits to their business they responded:

- 40% felt negative impacts
- 21% felt no impacts (no benefits from federal, state or local legislation)
- 39% no comment

Some of the adverse effects were:

1. Shoreline regulations
2. Department of Ecology regulations
3. Continued increase in L & I rates and Employment Security Department
4. Loss of tax revenues

Impacts:

1. Reduced productivity
2. Reduction of transportation services
3. Decrease in sales

### ***Company Management***

Out of the companies surveyed, one was for sale, one recently underwent a reorganization, and one had new owners. The remaining 30 said they have not experienced any management changes in the last six months or were expecting any management changes in the next six months.

### ***Expansion***

Of the 33 businesses surveyed, 22 of the businesses were not planning to expand in the next 1-3 years, 11 would possibly be looking to expand their facility size. Of the 11, three, if they expanded, had the potential of adding a total of 54 new jobs. For the three to expand the economic conditions would have to improve. The business sectors of those considering expansion were: two in Services, and one a Consumer Goods Producer.

### ***Community Strengths***

Of the areas surveyed: Grayland, Ilwaco, Long Beach, Ocean Park, Oysterville, Raymond, and South Bend felt the following were community strengths:

1. Small town charm
2. Community support – individual citizen support
3. Rural location means no traffic problems
4. Nice people, quality of life and cost of living
5. Resources like banks, and financial institutions
6. Historic districts and waterfront
7. No traffic problems

### ***Community Weaknesses***

Of the areas surveyed: Grayland, Ilwaco, Long Beach, Ocean Park, Oysterville, Raymond, and South Bend felt the following were community weaknesses:

1. Chopped up parcels of land, urban pressures
2. Very limited access
3. Poor support from cities for economic growth
4. Local people do not shop locally
5. Lack of skilled workers and upper level management
6. Low educational levels
7. Parking accessibility
8. Lack of concerns by city councils
9. Lack of support by cities for local businesses

### ***Barriers to Growth***

Of the 33 surveyed the main barrier to growth was lack of support from the cities and county toward existing businesses. Second, recruitment issues were considered a barrier to growth.

**Work Force**

<b>1-Low, 5-High</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>NA</b>
<b>Availability</b>	15.15%	18.18%	27.27%	24.24%	9.09%	6.06%
<b>Quality</b>	12.12%	12.12%	36.36%	24.24%	0.09%	6.06%
<b>Stability</b>	12.12%	9.09%	39.39%	24.24%	9.09%	6.06%
<b>Productivity</b>	3.03%	6.06%	27.27%	15.15%	15.15%	33.33%

Five companies of the 33 surveyed said they experienced recruitment problems. Some of the problems encountered were:

1. The lack of higher skilled workers such as food scientists, food developers and production management
2. Motivated people
3. Upper level skilled laborers

**Recruiting Problems**

<b>Community</b>	<b>Industry</b>	<b>No Response</b>
30.30%	6.06%	63.64%

Currently, employers said they have to look outside of Pacific County for higher skilled, educated employees.

Pacific County employs 7,989\* which is 38% of the estimated 2000 population of 20,984. The population of 16 years and over represents 17,073 in Pacific County. According to the 2000 U.S. Census Bureau there are 8,722 in the labor force, 7,989 are employed, 674 are unemployed, 59 in armed forces and 8,351 are not in the labor force. These statistics are based on the population of 16 and over (17,073). The following statistics show that Pacific County has 36% of their population in the age group of 55 and over. Population by age groups: 24% 0-19 years, 13% 20-34 years, 27% 35-54 years, 14% 55-64 years, and 22% 65 years and over.\* The median age in Pacific County is 45.8.

It appears Pacific County is lacking in the 18-29 years age group, possibly indicating this age group leaves the county for educational and/or job opportunities. The age group 55 and over consists of 36% of the population which indicates a migration of retirees. Therefore the need for services used by this age group will continue to grow.

**Company Job Opening Status**

<b>Increasing</b>	<b>Stable</b>	<b>Decreasing</b>
6.06%	93.94%	0.00%

\*U.S. Census Bureau

## **Communities Services**

<b>1-Low, 5-High</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>NA</b>
<b>Police Protection</b>	6%	3%	19%	47%	19%	6%
<b>Fire Protection</b>	6%		6%	34%	47%	6%
<b>Ambulance Paramedic</b>		3%	6%	26%	58%	6%
<b>Traffic Control</b>	3%	9%	25%	25%	6%	31%
<b>Public Transportation</b>	3%		16%	47%	22%	15%
<b>Sewage Treatment</b>	3%	3%	25%	38%	16%	16%
<b>Water Quality</b>	3%	3%	19%	41%	28%	6%
<b>Schools (k-12)</b>	5%	19%	38%	19%	6%	6%
<b>Property Tax Assessment</b>	13%	19%	22%	28%	16%	9%
<b>Community Planning</b>	16%	22%	31%	19%	13%	
<b>Regulatory Enforcement</b>	9%	13%	31%	13%	9%	25%
<b>City Services</b>	14%	6%	22%	38%	13%	9%
<b>County Services</b>	13%	10%	40%	20%	13%	3%

On an average, the table shown above, the Communities Services for Pacific County were ranked 3.52 by the 33 businesses surveyed. That number would indicate that Pacific County businesses rank their services average. This includes the incorporated cities and county services. Services such as police, fire, transportation, and ambulance were ranked above normal.

## **Economy of Pacific County**

When the question was asked, “What do you think the future holds for the economy of Pacific County?” We received mixed answers. Some of the answers are as follows:

1. Struggle
2. Very good, but slow growth
3. Decreasing
4. Room for improvement
5. Our expenses continue to rise in health care, health care on a state and federal level must be addressed.
6. A decline in business and service orientated businesses. Revenue and tax base. Lack of residents to support retail.
7. The economy is based on three major employers.

## **Suggestions on how to increase a healthy economy in Pacific County**

When the question was asked, “Do you have any suggestions on how to increase the health of the economy in Pacific County?” the businesses responded:

1. Shop locally
2. Recruit new businesses
3. Help small businesses stay in business
4. All the different chambers and merchant associations need to work together with the cities to help promote tourism, capitalize on the natural beauty and cleanliness.
5. City and county support in economic growth

## **Conclusions**

The information obtained through the BRE Survey process was indeed interesting and identified areas of concern from the respondents. Some respondents felt the survey questions were not geared to their businesses. The most informative questions were those pertaining to community services, workforce, and the open ended questions regarding strengths and weaknesses as a place to do business.

The Economic Development Council (EDC) plans to address three of the areas through a positive, active approach in 2003. The EDC will continue to meet with businesses throughout 2003 with a brief surveying tool to ensure the continuity of the interview.

### ***#1 The lack of strength in the workforce area. Positive steps towards strengthen this area:***

1. Develop an Employers Assistance Project through WorkSource and Employment Security Department that strengthens the working relationship between WorkSource (representing the employee) and the employers. Support the concept that "Business comes first in Pacific County."
2. Continue to serve on the Pacific Mountain WorkForce Development Board as a means of informing agencies and the public on the attributes of a healthy workforce.
3. Work in partnership with the WorkForce Development Board's Skills Gap Committee and the Raymond/Menlo/South Bend General Advisory Council in encouraging the development of new curriculum teaching soft skills success.
4. Support and promote local community college partnerships with local businesses and secondary schools to develop educational programs of retaining local young people within our county's job market.
5. Actively participate in the annual WorkSource Career/Job Connection fair.

### ***#2 Perceived lack of cities and/or county support towards existing businesses. Positive steps to open lines of communication.***

1. Develop and strengthen business retention and expansion goals with regional economic development organizations such as the ports, community development associations, cities, chambers, and Pacific County.
2. Continue to guide and support the reorganization of the Willapa Chamber of Commerce (a newly formed Chamber of Commerce) with the primary goal of the retention and expansion of local businesses.
3. Continue to bring together community leaders to communicate business concerns and comments.

***Steps EDC will take to increase a healthy economy in Pacific County.***

1. Begin steps toward a community-supported business environment through guidance with the Washington State Office of Trade and Economic Development.
2. Establish a monthly small business advice column in the county's three weekly papers written by small business experts.
3. Develop a program where local financial institutions work together as a team to best assist business retention, expansion, and recruitment through collaborative funding.
4. Implement an asset-based inventory process, initially using the Ministerial Association and an established program called, "Love, Inc." The purpose of this process will optimize community capabilities and assets.
5. Continue to pursue value-added industries that support our basic cluster industries. Implement/facilitate dialogue within the clusters that support each cluster industry.
6. Continue to schedule regular small business workshops and educational seminars.