

ADVANCE ASTORIA

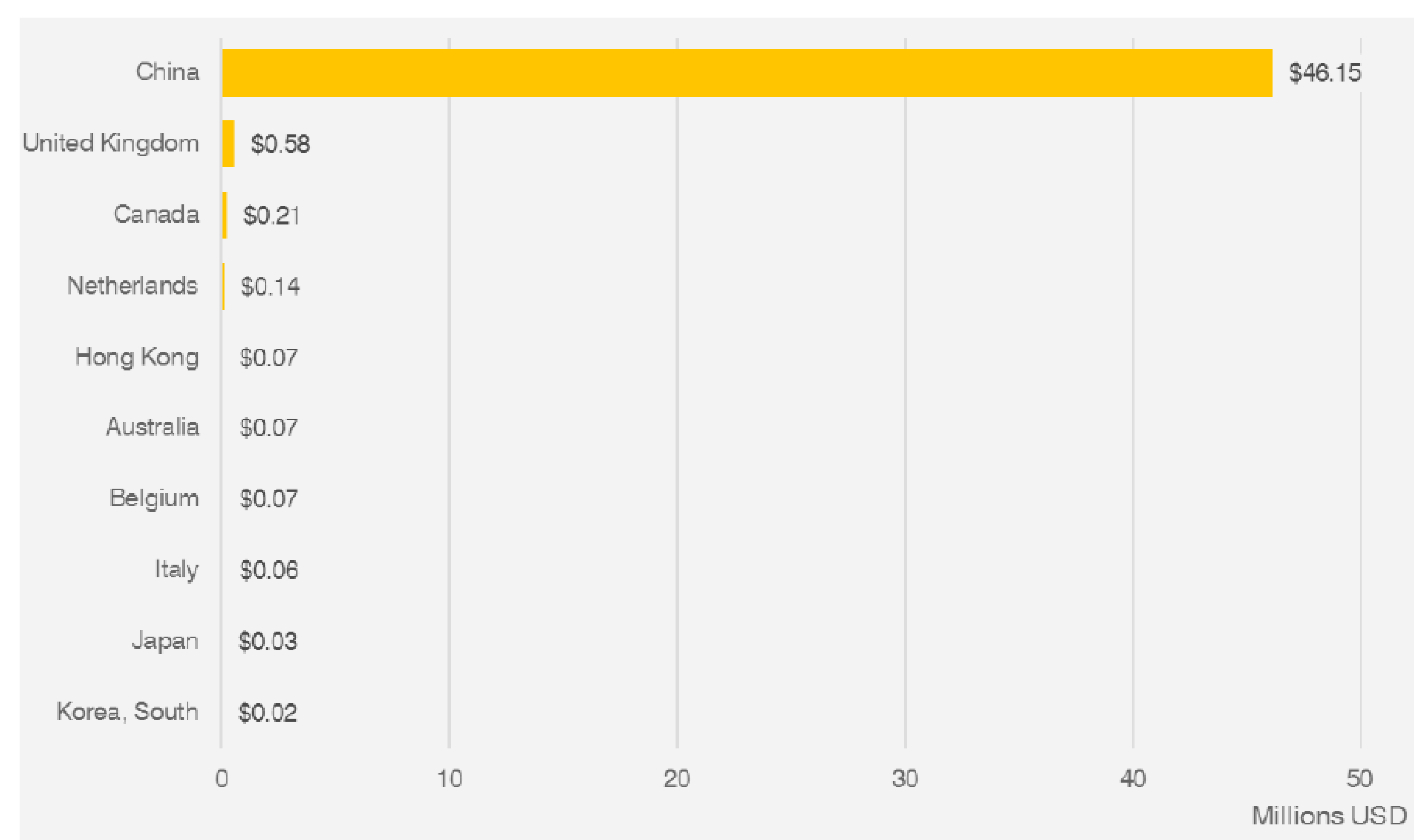
ECONOMIC OPPORTUNITIES ANALYSIS FOR THE FIVE-YEAR ECONOMIC DEVELOPMENT STRATEGIC PLAN

GLOBAL & NATIONAL TRENDS



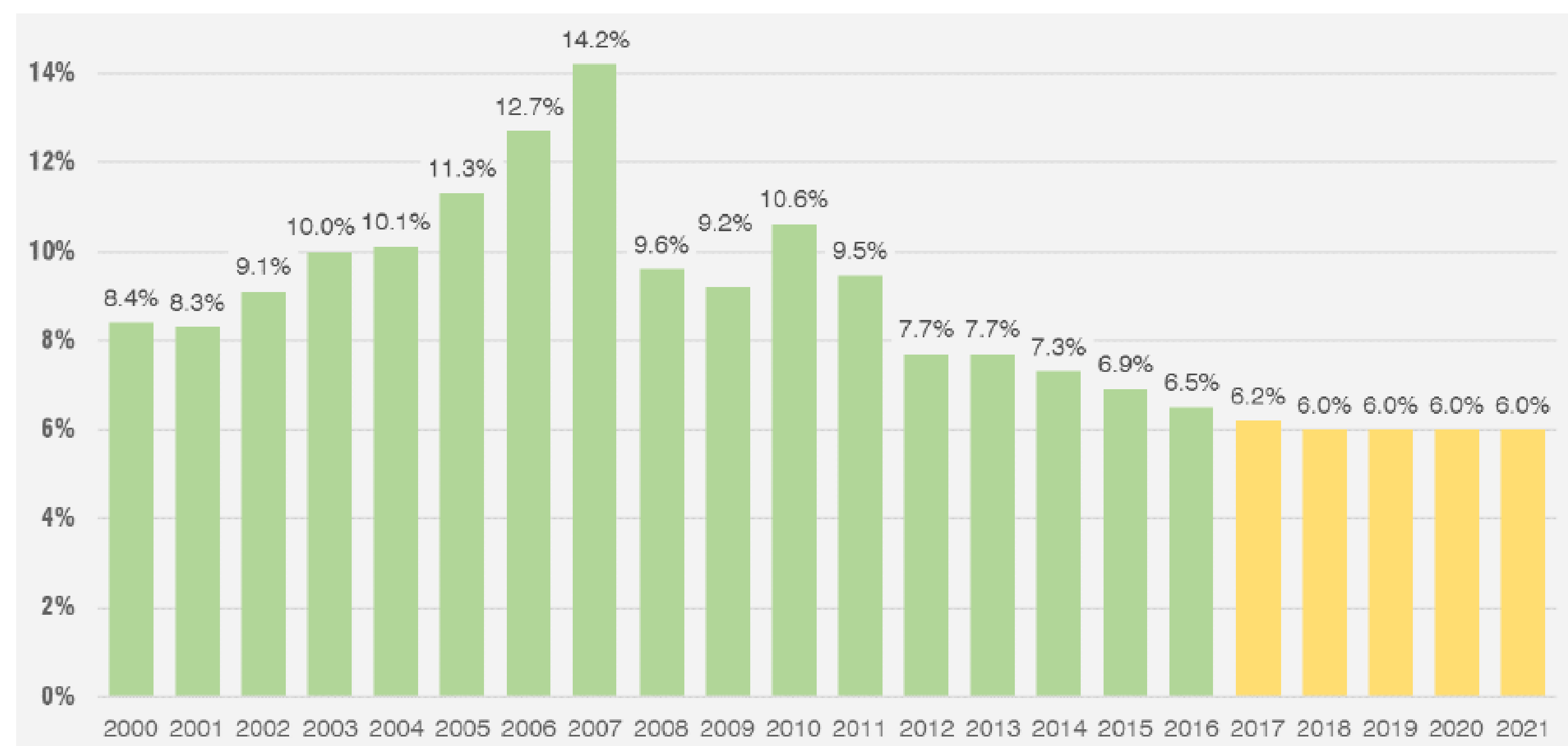
ANNUAL GLOBAL TRADE

The figure at left shows that global trade fell 11.4% in 2015, which was the first year-over-year decline since 2009, when a global recession was accompanied by a decline in overall global trade of 20.4%. Much of the decline was due to lower trade in merchandise while the trade in services has been reasonably consistent over the past four years. Trade is important to national economies because it generates revenue, encourages specialization and spurs job creation. Most economists believe that countries that trade more also enjoy paths to higher economic growth, but growth is a broader metric and national economies can grow even when trade falters.



PORT OF ASTORIA EXPORTS

Given the Pacific Northwest's trade relationships in Asia, as well as Asia's strong contribution to global growth, the performance of key national economies on that continent will continue to be important factors for regional economies in the U.S. China is currently the predominant recipient of exports from the Port of Astoria and a growing Chinese middle class will increasingly demand high value foods, including seafood sourced in U.S. waters, which could present more export opportunities for Oregon-based commercial fishing and seafood processing industries.



OBSERVED & PROJECTED CHINESE GROWTH

The figure at left shows that China's economy, which grew at a rate faster than 9% every year between 2002 and 2011, is beginning to slow down. Economic projections suggest that Chinese economic growth will flatten to an annualized rate of 6% in the coming years. Part of this decline can be attributed to the readjustment of the Chinese economy towards domestic consumption and away from investment (gross capital formation). Despite an overall decline, exports to China could still increase in the years ahead as household consumption increases as a share of GDP. However, China may need to address a new wave of insolvent credit among state enterprises, which could potentially hamper future economic growth. Furthermore, a global trend toward populism may hinder further free trade deals. The Trans-Pacific Partnership (TPP) would have potentially increased local exports to Japan and Vietnam, but the trade deal is no longer expected to be passed by the new Congress.

REGIONAL TRENDS

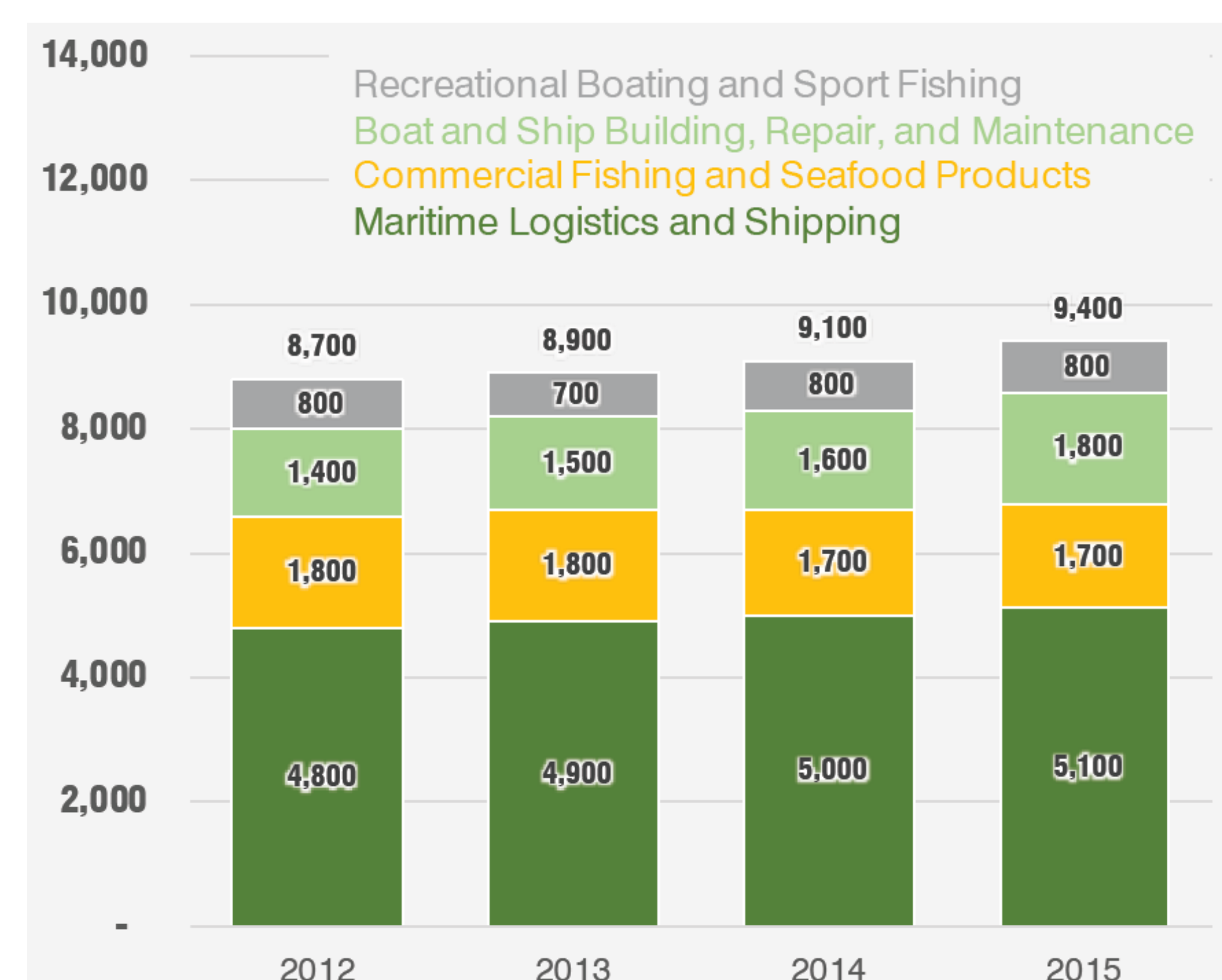
The economies of the Pacific Northwest have traditionally been dependent on natural resources. Forestry and commercial fishing, in particular, have historically been powerful forces for local and regional economic growth. In Oregon and other areas throughout the Pacific Northwest, these industries are changing and new paths of growth are emerging.

Forestry offers a salient example. The timber industry in the Pacific Northwest, generally, and in State of Oregon specifically, has decreased in prominence over the previous decades. Several factors, including the listing of the Spotted Owl as an endangered species in 1990 and the adoption of the Northwest Forest Plan (NWFP) in 1994 curtailed production. While some forestry-dependent economies are still seeking economic resiliency, others have diversified or are investigating new products, such as cross-laminated timber (CLT), to reinvigorate the industry.

Commercial fishing and other maritime activities are economic engines up and down the Pacific coast. Employment in Oregon's maritime sectors has increased in recent years—from about 8,700 jobs to about 9,400, but certain sub-sectors—such as recreational boating and sport fishing and commercial fishing and seafood products—have remained steady or have shrunk.



ANNUAL TIMBER HARVEST, STATE OF OREGON

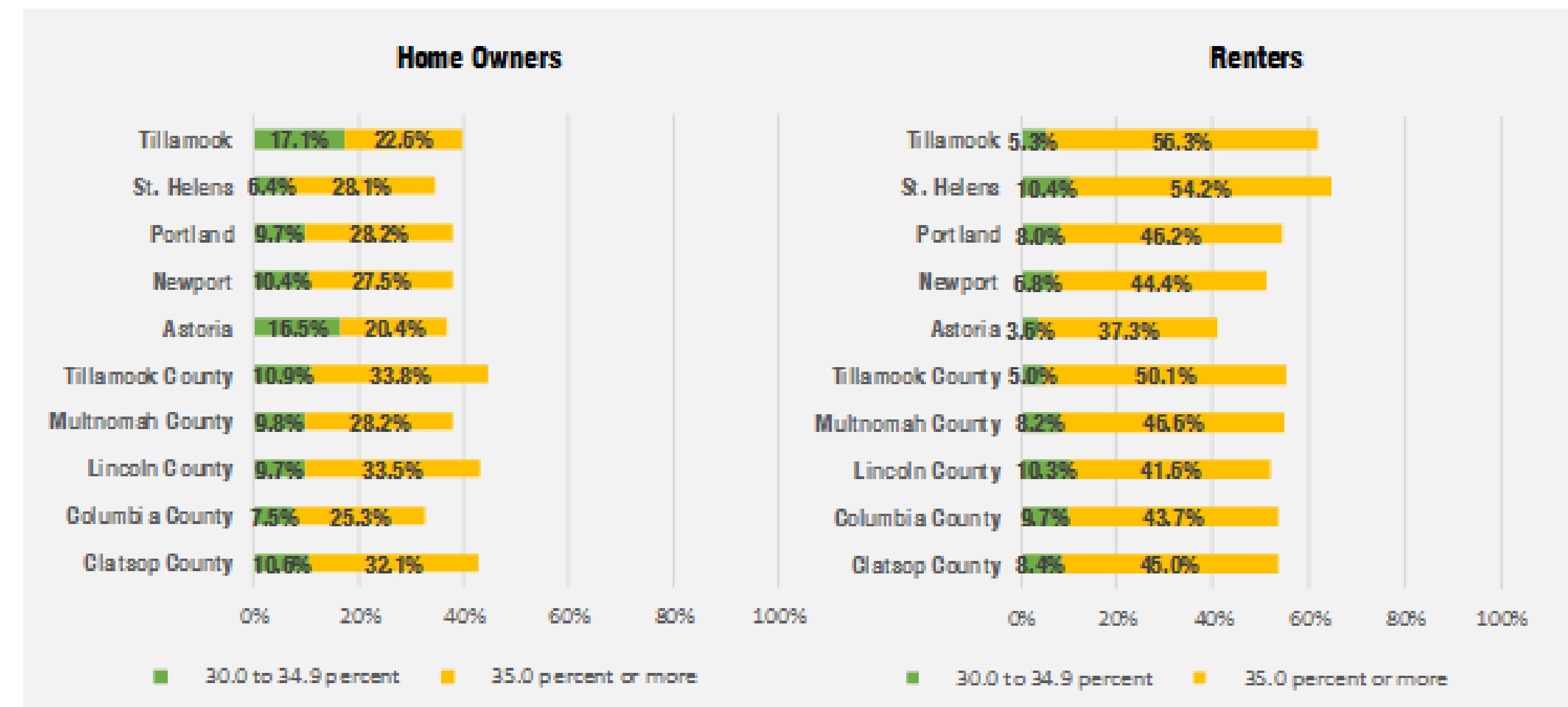
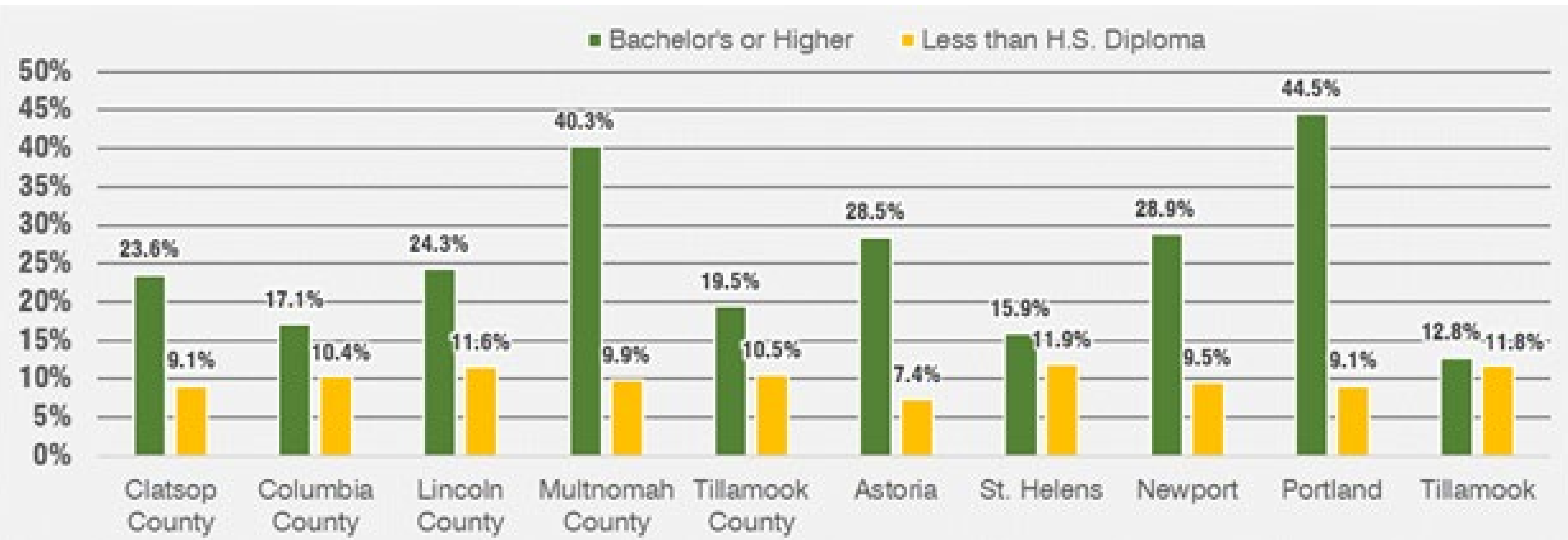


MARITIME EMPLOYMENT, STATE OF OREGON

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LOCAL TRENDS



EDUCATIONAL ATTAINMENT

Compared to other cities in coastal Oregon, the City of Astoria has high levels of educational attainment. Newport offers the most comparable levels of educational attainment among the selected cities and counties.

HOUSING BURDEN

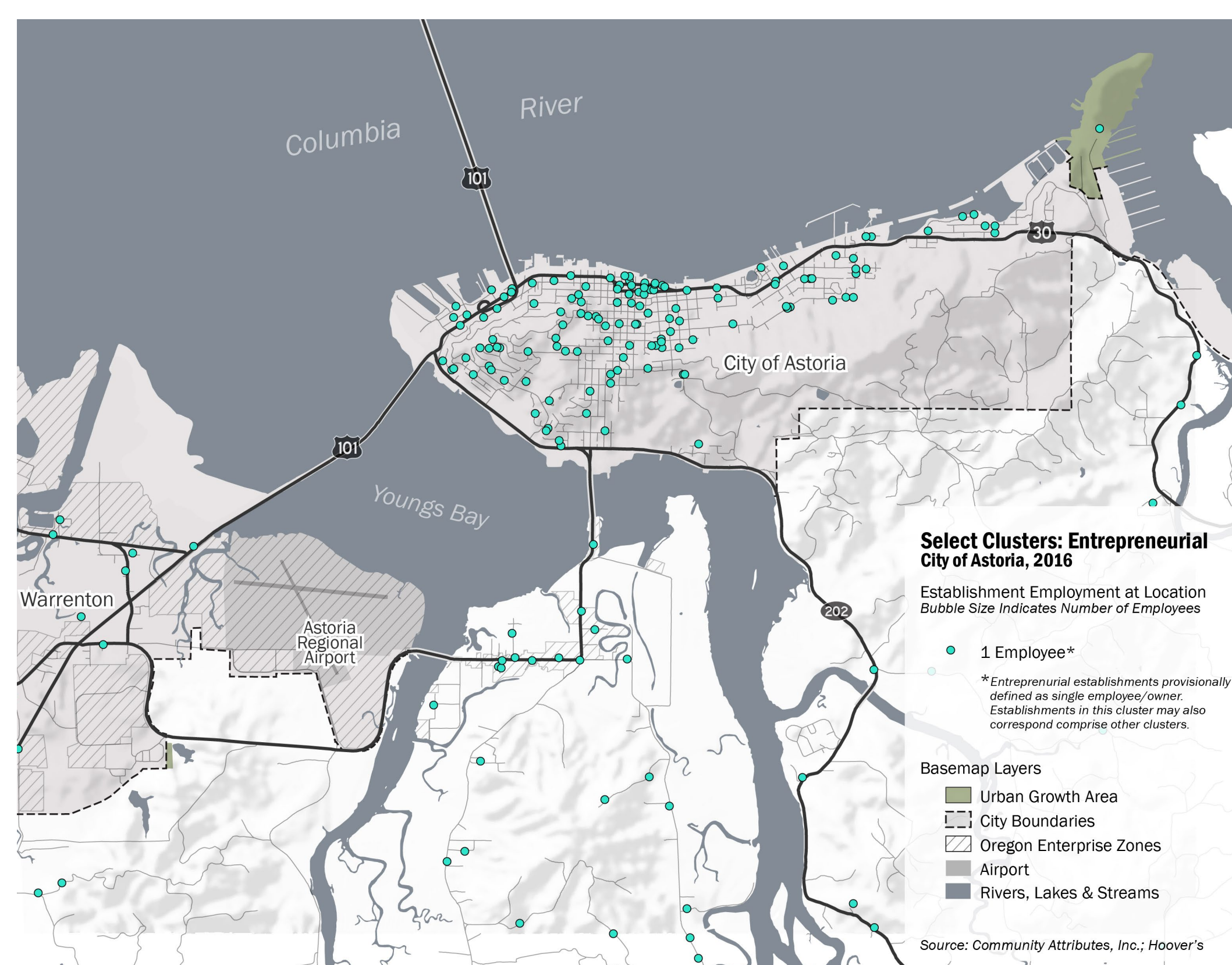
Anecdotal evidence suggests that housing costs are a challenge for many Astoria residents. About 41% of Astoria renters and 37% of Astoria home-owners pay more than 30% of their income toward housing costs.

SELECTED EMPLOYMENT CLUSTERS

ENTREPRENEURSHIP CLUSTER

The map at left illustrates the City of Astoria's early-stage entrepreneurs, and were selected by identifying local businesses with only one employee.

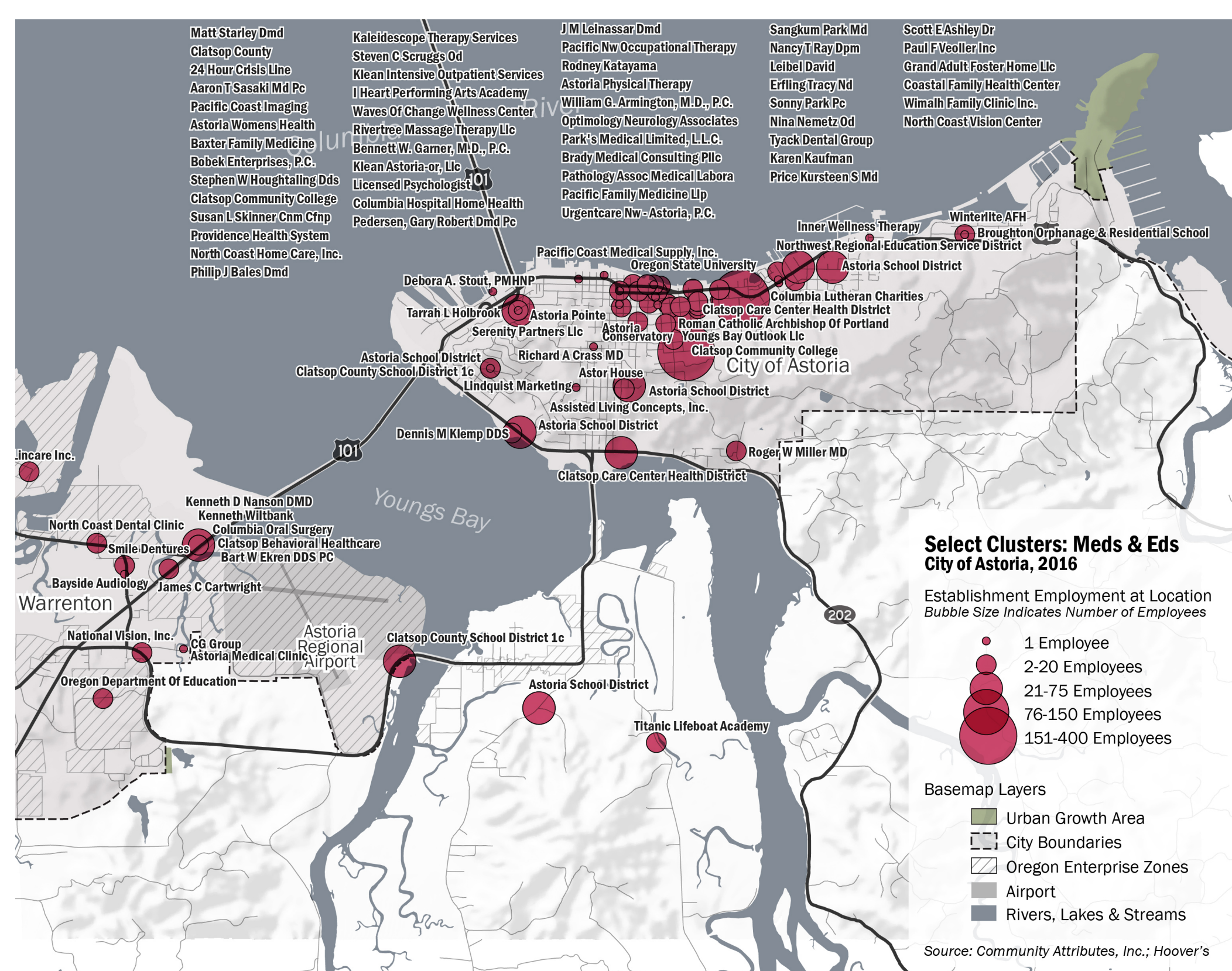
Because many of these individuals work from home, the businesses are scattered throughout the City. Economic gardening is a philosophy that provides these fledgling businesses with resources to grow; the most successful entrepreneurs become engines for future job creation.



"EDS & MEDS" CLUSTER

The map at left illustrates the City of Astoria's employers in the education and medical services sectors.

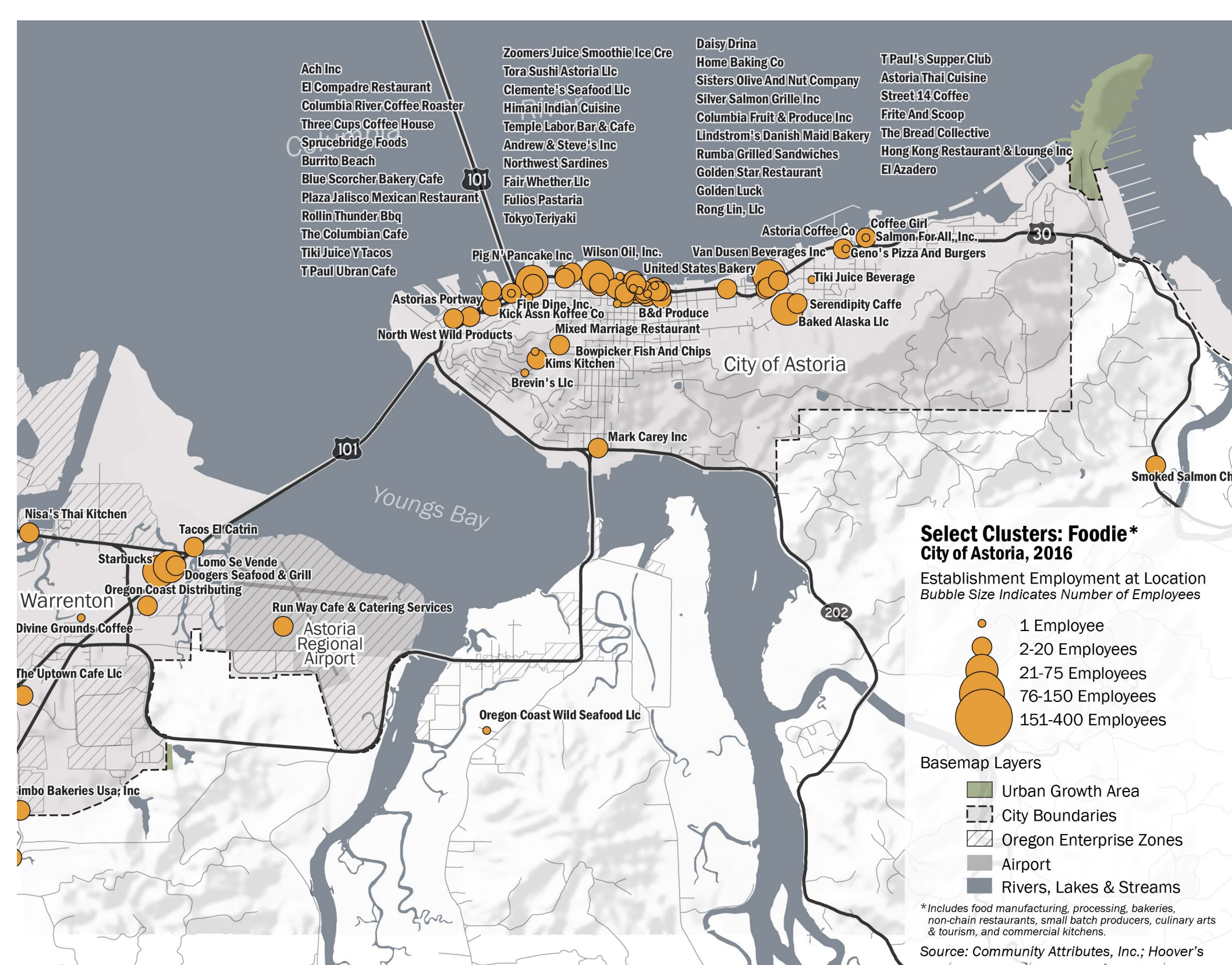
This is the largest industry sector in the City, and contains major employers like CMH and CCC. The jobs at these employers often employ well-educated workers at good wages, creating a solid foundation for the local economy.



FOOD AND FOOD PRODUCTION CLUSTER

The map at left illustrates the City of Astoria's food-related businesses.

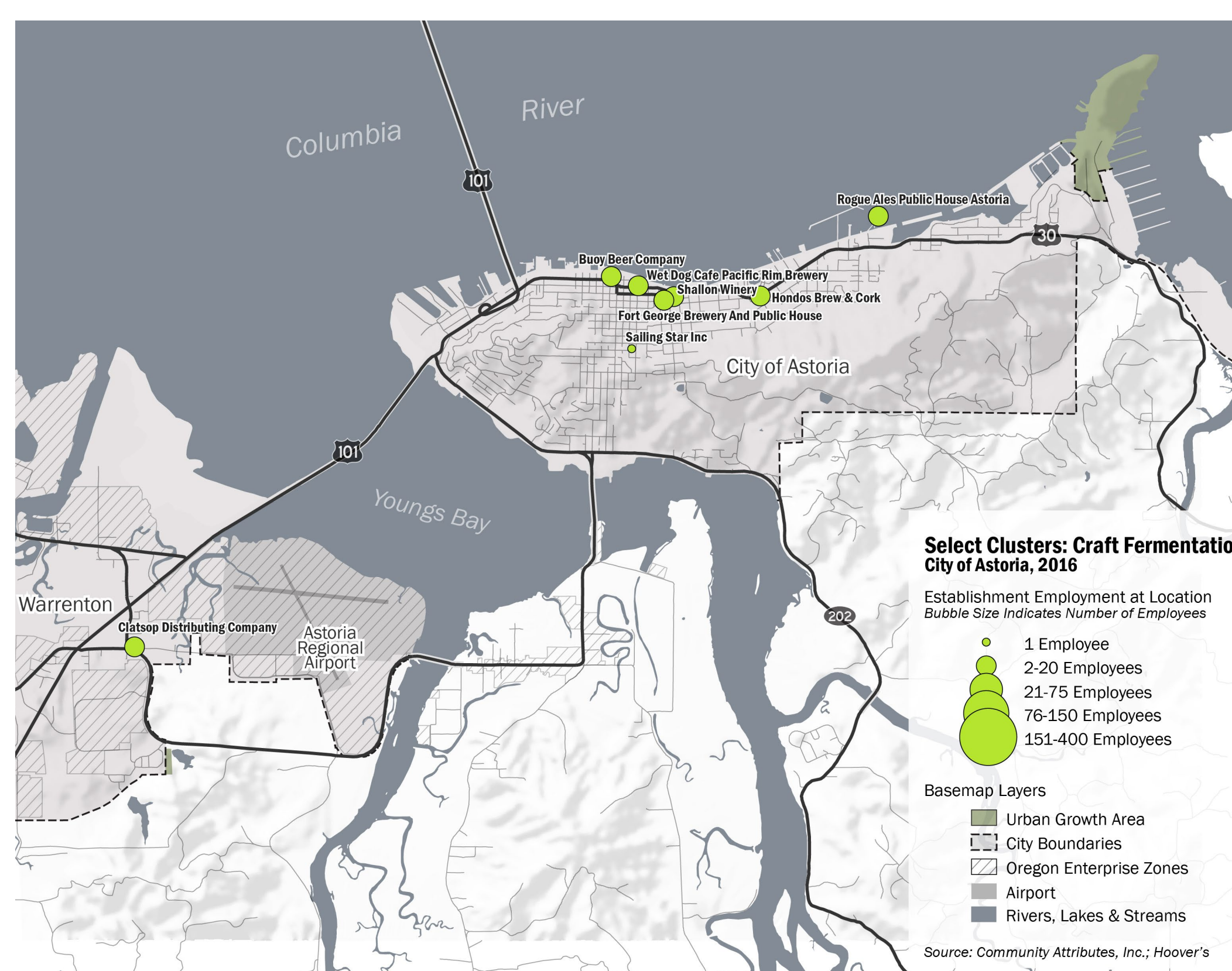
"Foodie" culture has infiltrated Astoria, and the City offers dozens of successful restaurant options. Moreover, Astoria has long been a hub for food production, including seafood production, which is a subset of the local manufacturing sector and a key component of Astoria's industrial employment.



CRAFT BREWING AND FERMENTATION CLUSTER

The map at left illustrates the City of Astoria's craft breweries, cideries and distilleries.

This sector of the economy supports exports to other parts of Oregon and the region while also drawing visitors to local tasting rooms. Larger anchor companies, like Fort George, contribute significantly to local employment and secondarily to Astoria's quality of life.

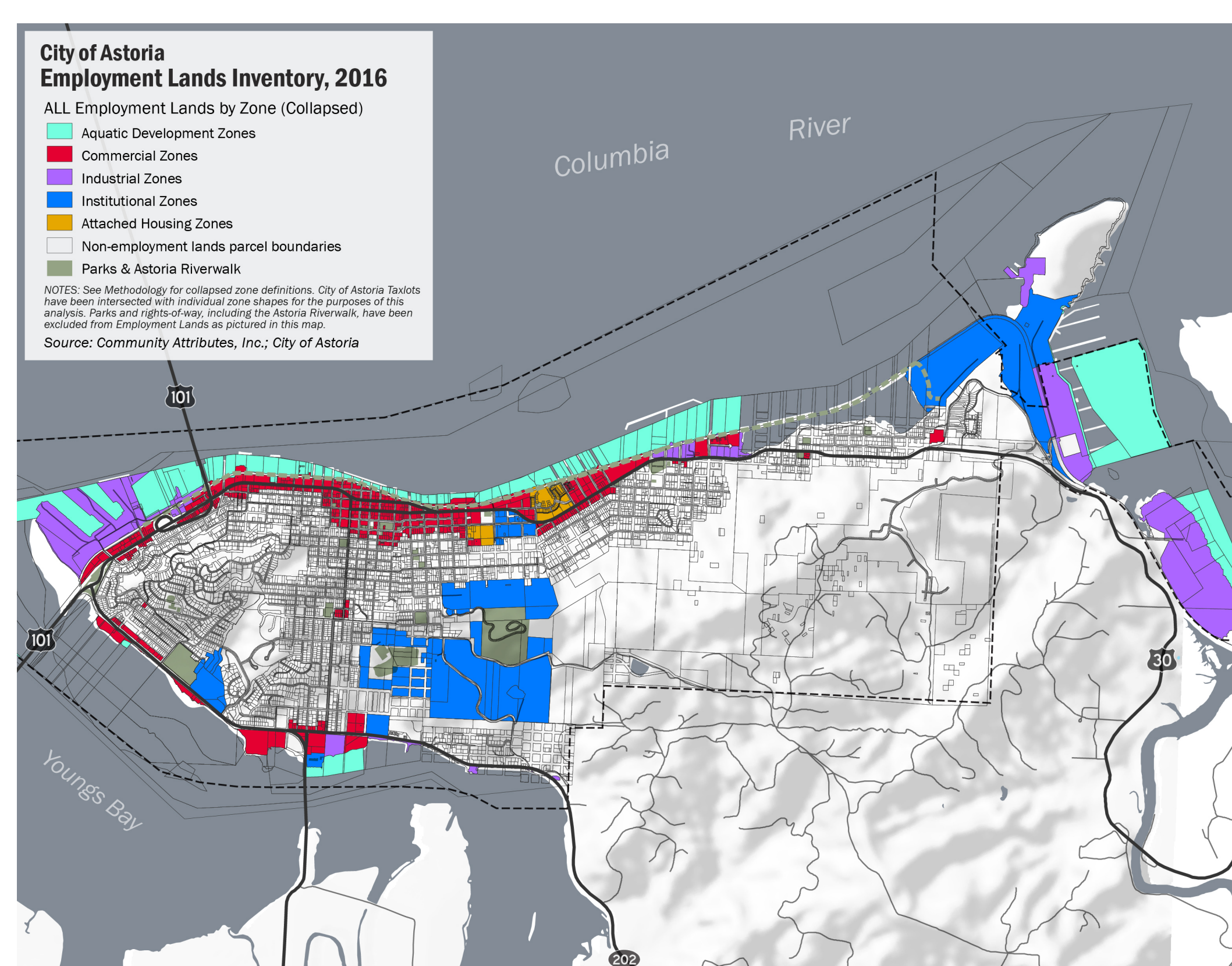


LAND CAPACITY ANALYSIS

ASTORIA EMPLOYMENT LANDS

The map at left illustrates the City of Astoria's employment lands, or those parcels that are zoned to accommodate employment-supporting development.

Office and retail uses are clustered in the City's downtown, institutional uses are prevalent at higher elevations in the center of town, and industrial lands are most common on the east and west ends of Astoria, often on Port of Astoria-owned land.



DEVELOPABLE & REDEVELOPABLE LANDS

The map at left illustrates the City of Astoria's vacant and redevelopable employment lands, which are available to support future growth in employment.

The State of Oregon requirements for an Economic Opportunities Analysis stipulate that the supply of vacant and redevelopable land must be compared to the anticipated growth, as given by a 20-year employment forecast.

