

THE ECONOMIC REPORT

A SUPPLEMENT OF *The Chronicle*

Winlock Electrical Substation Turned on by \$3.55M

*Rep. Abbarno Credited
With Delivering Money
Via State Capital Budget*

BY THE LEWIS ECONOMIC DEVELOPMENT COUNCIL

Thanks in large part to efforts by state Rep. Peter Abbarno, R-Centralia, a new electrical substation and transmission delivery project has been funded to provide an economic boost to the Winlock area.

Abbarno helped usher in a \$3.55 million capital budget project that will pay for the substation under the direction of the Lewis County PUD. Chris Roden, the Lewis County PUD manager, said the project will bring needed expansion of electrical utilities for the Winlock area as it is poised for significant residential and industrial growth.

"We will continue to see growth in the area," Roden said.

Part of the growth comes from the Benaroya project. Located just adjacent to I-5, The Benaroya Company Winlock project is about six months away from completing the largest industrial building — 1.2 million square feet — in Washington state for 2021.

The Lowe's project will be complete in the fourth quarter of this year. Cost of construction on the 74-acre project is more than \$100 million. Another 250 acres are available for development at the Winlock site in the coming years, with various parcels available to accommodate buildings from 1.4 million square feet to 75,000 thousand square feet (for sale or lease).

Once a proposed electric substation is completed, the Benaroya site will attract hundreds, if not thousands of jobs to the county. Construction jobs alone on the Lowe's project numbers about 400.

"This is great news for the Winlock area and the Benaroya project," said

Richard DeBolt, executive director of the Lewis Economic Development Council. "The substation will be poised to deliver needed electrical utility capacity as Winlock grows in the coming years."

The substation and transmission lines project for Winlock started in the fall of 2020 when the Lewis County Commissioners passed a grant for initial studies by the PUD.

"That really helped kick us forward," Roden said.

Now the PUD is undergoing land acquisition for the substation site, as well as pursuing needed permitting thanks to the \$3.55 million in funding. Roden expects the project to finish the first phase of the project in about two years. Key is building flexibility into the design of the substation.

"We're going to build flexibility for decades to come," Roden said, explaining that the substation will be able to expand based on need in the coming decades.

CHAIRMAN'S CORNER

Vaccinations Key as Washington State Reopens Following COVID Clampdown

BY BEN KOSTICK

Chair of the Lewis Economic Development Council

We just might be seeing the light at the end of the tunnel as Washington state is poised to move to a full reopening June 30 after 15 months of various lockdown stages due to the pandemic.

Here in Lewis County we need to be part of the solution that helps with a permanent reopening of businesses and social outlets. That means getting the vaccination, if you haven't already.

At essence is our ability to help not only open up our economy now, but to keep it open, so we can get back to normal life, and that includes local businesses that have been negatively impacted by the COVID-19 virus.

It is important to note that in all the history of mankind, all pandemics eventually evaporate.

The easiest way to get a vaccination is through the website vaccinelocator.doh.wa.gov. You simply go to the site, enter your zip code and then click on find appointments. A list of vaccination outlets within 50 miles of your zip code pops up, complete with the type of vaccination available.

My hope and belief is that as Lewis County emerges from under the shadow of the virus, we will see a strong local economic rebound as people and companies from out of the area start to understand the viability and attraction that our corner of the Northwest has to offer.

In this month's The Economic Report we return with the Property Spotlight, highlighting one of the many commercial properties for sale and/or lease in Lewis County. For a complete look at all the properties available, go to lewisedc.com and select the Properties tab.

We also take a look at the \$3.55 million awarded via the state Legislature's Capital Budget for a Winlock power substation. The project, led by the Lewis County PUD, will help build electrical capacity for the expected growth in South Lewis County.

We also take a look at the interesting times businesses find themselves in these days, from supply chain disruptions, the difficulty in finding quality employees and the high cost of materials.

I would also like to thank all of the new and renewed members of the Lewis Economic Development Council.

These past few months, under the invigorated leadership of new Executive Director Richard DeBolt, the LEDC has seen significant growth in membership, adding about 30 new patrons.

For those who haven't signed up as a member, you can contact LEDC External Relations Manager Eric Sonnenbert at 360.748.0114 to join or for more information on the benefits of membership.

Ben Kostick is chair of the LEDC and owner of Ben M. Kostick CPA Inc.



BY BEN KOSTICK
Chair of the
Lewis Economic
Development Council

Difficult Times for Businesses

From Supply Chain Disruption, Searching for Employees and the High Cost of Materials, Businesses Navigating Through Choppy Waters

BY LEWIS ECONOMIC DEVELOPMENT COUNCIL

A shortage of computer chips is causing backlogs of such items as cars for sale. Businesses are having a hard time landing employees, some making more money on unemployment than a paycheck. Lumber prices are skyrocketing.

These are tough times for businesses as they position for an economic boom following the end of the pandemic.

SUPPLY CHAIN DISRUPTION

A lumber shortage is one prominent example of the difficulty in finding proper materials. And as the economy is poised to heat up, companies are being squeezed as they attempt to find proper supplies.

The problem started when the pandemic first hit in March of 2020. Manufacturers were staring at a drop in the economy, and started to shut down production. But the pandemic had other ideas.

People, stuck at home, started, for example, to take on home projects, from completing a deck to remodeling the basement. So instead of a lack of purchasing, materials flew off the shelves at places such as Home Depot. At the same time, the housing market has soared, with housing starts up 37 percent compared to last year.



Cresline, a manufacturing business at the Port of Chehalis, has a sign hoping to attract new employees.

The problem is that turning back on the means of production for those businesses in demand during the pandemic isn't just a snap of the fingers. It takes \$100 million and a few years, for example, to get a new saw mill up and running. The cost to build a new chip wafer plant is estimated at \$3 billion to \$10 billion. And again, the time delay in getting a plant up and running is years.

HIRING EMPLOYEES

Today there seems to be plenty of jobs available for workers, but employers are having a hard time attracting employees.

"For hire" signs litter such spots as the Port of Chehalis and the Port of Centralia.

■ SEE BUSINESS, PAGE C3

LEDC Hires Consultant to Help Push Renewable Energy Projects

BY THE LEWIS ECONOMIC DEVELOPMENT COUNCIL

The Lewis Economic Development Council has hired Clarity Consulting, led by founder Kelly Johnston, who is also a Centralia City councilor, to help build a cohesive coalition around emerging energy projects in Lewis County.

Several energy projects are underway or planned for in Lewis County, from a hydrogen refueling station in Chehalis, a renewable energy transportation corridor

of charging stations between Lewis County and Yakima along U.S. Highway 12, and a massive solar project on Weyerhaeuser land on the former TransAlta mining site.

Clarity Consulting will help build a coalition to promote Lewis County as an energy innovation hub.



KELLY JOHNSTON
Clarity Consulting

"Lewis County has a history of energy production and distribution through TransAlta," Johnston said, adding there are lots of opportunities in the emerging renewable energy sector in Lewis County.

Her consulting firm will assist in bringing the different groups working on energy innovation together, and assist in garnering legislative support and pursuing grant funding, basically helping "seed" the effort.

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Drybox is a proud supporter of the Lewis County EDC and the work they're doing to drive economic development in our communities.



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BOARD MEMBER SPOTLIGHT — CHAD TAYLOR

BUSINESS: THE SILVER AGENCY, THE CHRONICLE, NISQUALLY VALLEY NEWS, AND THE REFLECTOR

Q: Why did you join LEDC?

A: I believe we can in many ways control our own destiny when it comes to strengthening our local economy and building a better future for the next generation. The Lewis Economic Development Council is the tip of the spear in that effort, and it's an honor to play a small role in creating a firm foundation for growth in our community.

Q: What is a key for the success of your business?

A: Whether it's The Silver Agency, The Chronicle, Nisqually Valley News, The Reflector, or SignPro, both Coralee and I believe the key to our businesses is connecting with the readers and customers in a real way and delivering a product that doesn't just promise to improve their lives and businesses, but actually follows through. We're not succeeding unless our clients, customers, and readers are getting real, tangible benefits from our services.

Q: What do you enjoy most about volunteering?

A: Serving others brings an abundance of benefits. It brings people together, makes the community stronger, I enjoy the

opportunity to meet new people. Without volunteers, Lewis County wouldn't be the great community we enjoy today. Volunteers are essential to improving the community.

Q: What do you love most about the news industry?

A: It's not like most businesses. In the newspaper business, the bottom line is not the only consideration when it comes to making decisions each day. The Chronicle, Nisqually Valley News, and The Reflector tie our many communities together and provide a constant check on their vitals. They're both a watchdog and a cheerleader, holding our governments and institutions accountable while at the same time celebrating the accomplishments of members of the respective community on a daily basis, whether it's our nonprofits or young student-athletes. Taken all together, they provide a vital community resource that makes us stronger by uniting us and holding up a daily reflection of how our communities look and where they're heading.



CHAD TAYLOR
CT Publishing,
The Silver Agency

Q: How do you define success?

A: Beyond financial measures, I think the overall success of a business is measured by the health of the services it provides and the employees who provide them. We won't succeed if our employees don't, and likewise, our employees need us to hold our end and provide a supportive and consistent environment where they can excel at their jobs and in turn produce quality products for our customers. It takes the whole team. If we're all succeeding as individuals, business success will follow.

Q: Who inspires you?

A: My wife Coralee inspires me each and every day. I wouldn't succeed at anything without her.

Q: What's the last book you read?

A: I didn't read it in its entirety, but acquiring The Chronicle has meant I have stumbled upon many copies of The Associated Press Style Guide while cleaning and organizing at the newspaper. It's a book that provides consistent guidance for writing styles in newspapers. I have found some dating back to the 1970s. Beyond that, I am continuing to read The Chronicle, The Nisqually Valley News, and The Battle Ground Reflector like never

before as our journalists produce daily content online and five print editions a week.

Q: What is your favorite meal?

A: I like a wide variety of food, I have several favorites and it depends on my mood.

Q: What do you do for pleasure outside of running your business?

A: Spending time with family is always our top priority. Beyond that, most of our time is filled working to improve and build our businesses.

Q: What is the favorite car you have ever owned?

A: Coralee and I had a 1969 Volkswagen Beetle and just driving that car was a blast.

Q: What is something about you (a fun fact) that not many people know?

A: I recently became the grandfather of two little girls after both of my kids welcomed little ones into the world within one week of each other. It's an incredible feeling. Also, in January, my wife and I became the proud owners of The Chronicle, The Reflector, and Nisqually Valley News newspapers as well as a sign company, SignPro. It has been an exciting year of growth both personally and professionally.

NEWS BRIEFS

Mt. Capra Expands at Port of Chehalis

Chehalis-based supplemental health business Mt. Capra is expanding its operations into the Pomerl Building in the Chehalis Industrial Park, the Port of Chehalis announced.

The business, according to the port, plans on using the new facility to bottle and package goat milk products, protein, mineral, colostrum and other wholefood nutritionals.

"We have a large online presence and plan to do our pick, pack and shipping and other fulfillment-related activities from that location as well," Mt. Capra President Joe Stout told the port in a statement.

The nearly century-old health nutrients business currently operates a retail storefront located in downtown Chehalis at 448 N. Market Blvd.

The family-owned business also operates its own "sustainably-managed" goat dairy farm in Centralia and its own processing facility where products are "gently transformed into nutritious and wholesome goat milk products," according to the company's website.

"The Port of Chehalis is looking forward to seeing Mt. Capra's newest chapter unfolds here in the Chehalis Industrial Park. It's always a good day when we can help local farmers grow and expand their businesses," the port wrote in a recent Facebook post.

The port finished construction of the 20,000-square-foot Pomerl Building, located at 105 McBride Court, in early 2020. A ribbon-cutting ceremony was hosted in January.



The inside of the Pomerl Building in the Chehalis Industrial Park is pictured in this photograph provided by the Port of Chehalis.

Hydrogen Refueling Station Coming to Chehalis

Washington state appears to be on the brink of a renewable energy revolution, and Lewis County is positioning itself to be on the front lines of one particular energy source.

With a combined \$4.45 million in grants secured from the Centralia Coal Transition Board and the state Legisla-

ture's supplemental capital budget, the state's first hydrogen refueling station is poised to be built in Chehalis sometime within the next year.

Those involved in the project say the ability to offer renewable hydrogen gas locally is expected to open the county up to new economic opportunities and industry while future-proofing transportation locally as the state moves away from vehicles that burn fossil fuels.

The station will likely be located somewhere near the Port of Chehalis, just off Interstate 5 at Exit 74, and will service electric vehicles — both personal and

heavy duty — equipped with hydrogen-powered fuel cells.

"I know some people think it's 'The Jetsons,' but I think the momentum is moving. Washington is the second-leading state in buying electric vehicles, and so we're poised for this renewable revolution — we really are," said Twin Transit Executive Director Joe Clark. Station management is expected to fall under Twin Transit's jurisdiction initially, Clark said, as the transit authority receives its first two hydrogen fuel cell buses around the time the station opens next fall.

— The Chronicle

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BUSINESS:*Continued From Page C1*

Part of the problem is unemployed workers receiving extended benefits in both time and dollars. The unemployment benefits have been extended into September, with a \$300 weekly bonus on top of the regular unemployment check. Why work when you can get paid more for simply sitting at home?

At the same time, unemployment numbers are still at staggering heights. The pandemic caused massive layoffs sending the ranks of the jobless to more than 14 million. At the pinnacle of the pandemic, unemployment hit 13 percent. Since then there has been a recovery, but those in the jobless ranks remain significant.

The U.S. Chamber of Commerce stated it believes the high pay of unemployment is a major factor.

“Paying people not to work is dampening what should be a stronger jobs market,” the Chamber stated in a press release.

In response, many national companies are increasing their pay. Under Armour, which has an outlet in Centralia, just this week signaled they would be raising their minimum wage to \$15 per hour. Companies such as McDonald’s and Amazon, for example, are increasing incentives and benefits to help bridge the worker gap.

CASCADE TRADER INC.

Richard Lennox has been running his

logging and construction tractor supply business out of Chehalis. He has about 50 employees.

Demand for his tractors and other equipment has been constant, Lennox said, but he isn’t always able to deliver what the customer wants. He said, for example, Kenworth, which builds semi-trucks, had 1,000 trucks built, but couldn’t deliver due to a lack of computer chips.

“It’s holding up the supply chain,” Lennox said of the shortage of computer chips. “In sales, when somebody wants something, they want it now. Sales go by the wayside and buyers lose incentive to buy.”

Lennox gets much of his highly regarded Doosan fleet of equipment via the Port of Tacoma. The stream of new equipment has been somewhat stalled due to supply chain disruptions that keep the tractors from completion. Lennox has even had a difficult time finding service trucks.

As far as employees, Lennox said if someone skilled in field services for tractors walked in his office, he or she would find a job waiting.

I-5 CARS

Robert Pehl is vice president of I-5 Cars, which has car lots in Lewis and Thurston counties, including its showcase building located along Interstate 5 in Chehalis.

He said his company has had some difficulties in bringing in new cars due to the microchip shortage, which was exacerbated by a Japan chip producing company catching fire. And even if he can find available imports, a lack of licensed semi-truck



Lumber prices have soared, as have many commodities with triple the cost of basic two by fours in the past year.

drivers makes it hard to bring them to his dealership.

He said COVID caused plants to shut down in Mexico, and an ice storm in Texas increased demand for undamaged cars.

“This has caused a huge shortage of cars,” Pehl said. “We are at all time lows on all of our lots, yet demand is strong. We’re

still selling cars, but a lot are sold while still in transit.”

Some car buyers have to place an order and wait for weeks for the car or truck to arrive.

He’s also seeing a shortage of entry-level employees, similar to businesses across Lewis County.

PROPERTY SPOTLIGHT FOR LEASE**2501 NE Kresky Ave., Chehalis**

- Zoning: General Commercial
- Acres: 12.37
- Square feet: 13,548
- Electricity: Lewis County PUD
- Natural Gas: Puget Sound Energy
- Water: City of Chehalis
- Sewer: City of Chehalis
- Elevator • Parking
- Was originally built as events facility



For information on this property and others available throughout Lewis County (or to list your industrial/commercial property for sale), contact Lewis Economic Development Council External Relations Manager Eric Sonnenberg at 208.206.5407 or eric@lewisledc.com, or go to lewisledc.com.

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