

DRAFT

2013-  
2017

Yakima and Kittitas Counties  
Regional Comprehensive  
Economic Development Plan



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Yakima County Development Association &  
Kittitas County Chamber of Commerce

2013-2017

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# Process Overview

## The Comprehensive Economic Development Strategy (CEDS) Process: Community-Based Economic Development Planning



Over the past ten months organizations and individuals in Central Washington have been developing a Comprehensive Economic Development Strategy. This CEDS will help Kittitas and Yakima Counties in Central Washington focus their energies on economic diversification. The CEDS identifies issues, needs and critical priorities that impact the region’s ability to advance the local economy. The need for a CEDS is not driven solely by a desire for federal Economic Development Administration (EDA) funding. Rather, this strategy and the process formed to complete it, serves as a platform for future economic development planning in the region.

To drive and shape the planning process, Yakima and Kittitas County Commissioners appointed a special CEDS steering committee. This group has met frequently during the CEDS process and has been instrumental in developing the plan and encouraging public involvement. The CEDS committee is comprised of:

Carly Faul, Central WA Homebuilders Association	Anne Watanabe
Paul Jewell, Kittitas County Commissioner	Mario Martinez, Mabton City Council
Luz Bazan Gutierrez, Rural Community Development Resources	Michael Morales, City of Yakima (2012)
Bryan Hollenbaugh, Adelante Media Group	Doug Rich, Broker – Prestige Realty
Tony Aronica, Ellensburg City Council	Ron Cridlebaugh, Kittitas County Chamber
Rand Elliot, Yakima County	Ray Miller, retired
Kitty Wallace, Broker - Windemere Realty	Teri Johnson Davis, Yakama Nation
Milt Johnston,	

The steering committee was appointed in May 2012 and initially helped Dr. Roy Savoian from Central Washington University develop an economic and demographic portrait of the region. The group then developed a list of SWOT (Strengths, Weaknesses, Opportunities, Threats) for Yakima and Kittitas Counties that became the basis for public forums and discussions.



During the fall the CEDS committee organized six public forums to share information about the planning process and generate input regarding the region’s SWOT. Forum participants were

also asked to identify strategies that could help diversify the regional economy. One of these forums was held in Spanish to ensure that the area's large Latino population was encouraged to participate in the planning process.



An electronic survey was also developed to provide the public another alternative for providing input into the planning process. Between the public forums and the online survey, the CEDS committee was able to generate significant public participation in the planning process. Public and CEDS committee input helped shape the key goals and objectives outlined in this plan.

In March 2013 the CEDS committee evaluated economic development projects submitted by local governments and non-profit organizations. The group has also been extremely helpful as reviewers and editors of the final plan.

In April 2013 the draft plan was presented to both County Commissions and posted on each County's website (in addition to economic development websites within the region). The public was again invited to review and comment on the draft plan.

In May 2013 each County Commission held public hearings on the plan before adopting it via joint resolutions.

Each year the Counties plan to refresh their CEDS plan incorporating new goals and projects consistent with the region's aspirations for economic vitality.

*Thank You!*

As we finish the initial 12-month planning period a debt of gratitude goes to the members of the CEDS steering committee. They spent countless hours driving the planning process and making it work. Thanks also go to each County Commission for supporting the CEDS. Each Commission saw the benefits of regional collaboration and is to be commended for supporting the process. We also appreciate all the people who participated in public forums during the planning process, or touched our CEDS development at some point over the last year.

# Executive Summary



Mount Stewart

The Kittitas-Yakima Economic Region is beautiful region of lakes, rivers, and national parks with all four seasons. Hot and dry summers contrasted with cool and wet winters provide a climate suitable for a variety of interests and lifestyles. This diverse landscape of rivers to plains to forests and mountains is only rivaled by the diversity of its residents.

With a population of 286,000 and population density of 43.4 per square mile as of 2011, the Kittitas Yakima Economic Region can be described as a rural community. Similar to most rural areas, agriculture is an economic mainstay that fosters a consistent business climate built around agriculture. Unlike many rural communities, agriculture in the Kittitas Yakima Economic Region has a fair market value of over \$1 billion dollars sold locally, nationally and internationally. Other significant industries or clusters in the region include health services, warehouse/distribution, manufacturing, alternative energy and tourism.

Some of the Kittitas Yakima region's economic strengths include:

- ✓ its proximity to the major metropolitan area of Seattle and Portland markets
- ✓ a strong and diverse natural resource based economy;
- ✓ a concentration of higher education institutions; and
- ✓ an outstanding quality of life featuring great weather and outdoor recreation options.

Some of the region's weaknesses include:

- ✓ Lack of family-wage employment opportunities
- ✓ Low K-16+ education attainment and corresponding occupational skill gaps
- ✓ Complacency towards growth and economic diversification

Despite some of the region's challenges, the Kittitas Yakima area has enormous economic potential. The CEDS outlines six key goals to advance the regional economy.

## **KITTITAS YAKIMA COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY GOALS (2013-2017)**

**Goal One: Support the Retention and Expansion of Regional Clusters and Industries**

**Goal Two: Support Small Business Success and Entrepreneurship**

**Goal Three: Develop a World Class Workforce**

**Goal Four: Invest in Capital Facilities and Infrastructure**

**Goal Five: Promote Tourism and Develop Visitor Amenities**

**Goal Six: Enhance Downtown and Neighborhood Business District Vitality**

These broad objectives align closely with the Washington state's economic development plan and workforce development plans for the region. Each of the goals has a number of accompanying actions and strategies that are expected to unfold over the following five years.

During the planning process local jurisdictions and nonprofit organizations were invited to submit projects that could create jobs stimulate private investment or set the stage for future development. Twenty projects were submitted and the CEDS steering committee ranked the projects in terms of their readiness and potential to boost jobs and the regional economy.

## **2013 TOP CEDS PROJECTS FOR KITTITAS-YAKIMA REGION**

- 1. Anaerobic Wastewater Treatment Facility for Food Processors -- Port of Sunnyside**  
Capital facility investment will double Port of Sunnyside's wastewater treatment capacity allowing current and new industries to expand and site in Yakima County.
- 2. River Road Industrial Wastewater Line Extensions -- City of Yakima**  
The City of Yakima Industrial Waste Line would be extended to support food processors and related industrial land uses with high discharge characteristics.
- 3. Downtown Retail Business Incubator -- Kittitas Economic Development Coalition Start Up Program:** this downtown retail incubator will house up to 15 early stage retail and service industry businesses. It will be considered a business expansion resource center offering events, classrooms and a commercial kitchen.
- 4. Yakima Cascade Mill Redevelopment -- City of Yakima**  
Funding will help design and support development of light industrial areas within the former Cascade sawmill site.
- 5. Hope Healthy Homes -- HopeSource**  
This project involves development, construction and operation of a modular home manufacturing assembly plant focused on producing affordable housing within the region.
- 6. Water Street Community Land Trust Project -- Kittitas Yakima Valley Community Land Trust**  
Thirteen affordable single family homes will be constructed through a public/private partnership. The homebuyer, who would not qualify for a traditional home purchase, will own the house and build equity, stability, and become a contributing member of the community.
- 7. Revolving Business Loan Fund Recapitalization -- Rural Community Development Resources**  
Capital is needed to replenish a successful regional revolving loan fund that supports emerging and established businesses within the region.

The CEDS also contains an implementation plan that identifies the key activities that will be addressed during 2013. This part of the plan identifies the parties responsible for implementation and specific outcomes expected from each initiative.



A number of evaluation measures have also been developed around each key goal and strategy. The CEDS Steering committee or its successor group will periodically review the plan's implementation to determine whether key objectives and outcomes are being met over time. A critical part of sustaining economic development within the region is understanding which strategies are working and producing growth and economic diversification.

# Integration of State Economic Priorities

The Washington Economic Development Commission (WEDC) identifies five key drivers of the innovation economy upon which Washington’s global competitiveness hinges. These drivers are certainly germane to the Kittitas-Yakima Region.

1. Create jobs for Washingtonians and address industry needs by expanding the capacity of community and technical colleges and four-year universities to achieve a post-secondary education attainment rate to at least 60 percent by the year 2025.
2. Increase the pool of qualified workers by giving greater emphasis to STEM proficiencies and career and technical education at the high school level.
3. Fill critical skills gaps and grow new enterprises by attracting and retaining the world’s best and brightest minds and entrepreneurs through fact -based visa related reform and funding education in high demand occupations.
4. Upgrade skills of the unemployed through expanded flexibility of unemployment programs to support training in fields where job vacancies exist.

## Talent & Workforce *Fueling the Future*



### **INTEGRATION IN KITTITAS YAKIMA REGION**

The WEDC’s Talent and Workforce goal speaks to creating jobs and to addressing “... industry needs by expanding the capacity of community and technical colleges and four-year universities to achieve a post-secondary education attainment rate to at least 60 percent.” With relatively low educational rates, the Kittitas-Yakima Region is also ramping up to address this goal. In addition, the WEDC’s also recommends to: “Increase the pool of qualified workers by giving greater emphasis to STEM ....” The culmination of Education Service District’s STEM plan provides a focus for STEM education in Central Washington and this plan’s key elements are incorporated into our CEDS for Yakima and Kittitas Counties.

1. Target improvements to regulatory and tax policy to foster growth of start-ups and job creating business clusters.
2. Invest in world class research talent, assist new enterprise formation and connect the state’s research base to industry, entrepreneurs and investors.

## Investment & Entrepreneurship *Adding Horsepower*



3. Leverage the job creating potential of the Washington innovation ecosystem through large scale collaboration and competing aggressively for federal, foundation and private investment support.

### **INTEGRATION IN KITTITAS YAKIMA REGION**

The WEDC goal surrounding investment and entrepreneurship dovetails closely with regional aspirations in Central Washington. Manufacturing is a sector in Central Washington with considerable potential for entrepreneurial ventures either through new products, redesigned products and innovation in production/assembly processes. WEDC Driver #2 alludes to investing in entrepreneurship by “... improvements to regulatory and tax policy to foster growth of start-ups and job creating business clusters.” Metals, plastics, food processing, and alternative energy sectors hold promise for job creating potential of start-ups and innovations as recommended by the WEDC “... through large scale collaboration and competing aggressively for federal, foundation and private investment support.”

1. Implement alternative financing mechanisms for transportation infrastructure to preserve basic assets, freight mobility and investment in critical economic corridors to ensure jobs, supply chain productivity and trade expansion.
2. Prioritize the most critical infrastructure challenges and lead globally in such areas as energy efficiency, clean-water solutions, advanced manufacturing, cyber-security sustainable in urban design and broadband deployment.
3. Require the use of economic development and long term job creation criteria in the capital budgeting process

### **Infrastructure** *Paving the Way*



### **INTEGRATION IN KITTITAS YAKIMA REGION**

The WEDC infrastructure goal resonates strongly with needs and opportunities in Central Washington. One of the top goals in the CEDS speaks to investing in capital facilities and infrastructure. The state plan provides a strong reference to infrastructure with the call to: “Implement alternative financing mechanisms for transportation infrastructure to preserve basic assets, freight mobility and investment in critical economic corridors to ensure jobs, supply chain productivity and trade expansion.” Local governments in Central Washington are particularly interested in creating or tapping creative financing mechanisms for capital facilities since their own source of funding are quite limited.

1. Initiate systematic sector-by-sector review of state regulations for their cost-effectiveness and determine overlaps, excessive costs, obsolescence, redundancy and solutions.

### **Smarter Regulations** *Running Lean*





2. Expand agency use of lean process improvements to lower the cost of regulatory compliance and reduce time delays.
3. Create “navigator service” for industry to manage their interaction with the regulatory system, including a comprehensive, user-friendly, online portal for regulatory compliance as recommended by State Auditor’s Office Regulatory Reform report.

**INTEGRATION IN KITTITAS YAKIMA REGION**

The Economic Development Commission’s goal to streamline regulations is very important in Yakima and Kittitas Counties. Promoting good customer service, transparency, and predictability in local permitting offices is tantamount. Quite a few local governments in Central Washington have taken steps to streamline regulations and make compliance easier for business. The Yakima County Development Association routinely provides ombudsman-type support to companies and their work can serve as a model to communities and nonprofit organizations interested in helping companies comply with or get through regulatory processes.

1. Intensify innovation collaboration in the Pacific Northwest economic region and support cross-border projects that can lead to economic diversification, expanded trade opportunities and jobs.
2. Drive job creation through a coordinated system of trade services between the programs of Washington State and regional and federal programs.
3. Strengthen export assistance services and re-establish overseas representation to augment Washington’s international competitiveness and realize the state’s export goals.
4. Double the number of state-led, new-to-market, cluster-based trade missions (including services) to increase the number of new-to-market exporting firms.

**International Business**  
*Firing on all cylinders*



**INTEGRATION IN KITTITAS YAKIMA REGION**

The WEDC Driver #3 resonates strongly with needs and opportunities in Central Washington. One of the top goals in the Kittitas Yakima CEDS is to support local industries and clusters. A key part of this goal is to help companies develop export markets for their products. The Central Washington region is already a crossroads for international trade as a result of farm commodities that are shipped to countries around the world. Many local manufacturers also have well developed export markets so the region has a good level of experience to help other firms realize international opportunities.

# Workforce Development Integration

A critical component impacting economic development is the quality and availability of the region's workforce. Investments in human capital drive business growth and are more important today than ever before. Similarly a region's economic success is now heavily dependent on how well it educates its population and how well it responds to key industries or clusters' labor and specific occupational demands.

Our planning team worked closely with the South Central Washington Workforce Council as we developed the CEDS to ensure that key workforce training and education goals were incorporated into our plan.

We also worked with Education Service District 105 to ensure their new STEM education plan for Central Washington is incorporated into the CEDS plan.

As a result of this collaboration our CEDS contains a specific goal to develop a work class workforce. Actions and strategies within this broader goal reflect priorities in the Workforce Council and ESD 105 STEM plan.

Collaboration with these workforce and educational institutions has been invaluable during the planning process. Our team has been able to discuss the importance of business education partnerships with respect to developing a future workforce and both partner entities now embrace this initiative within their respective plans.

## **SOUTH CENTRAL WASHINGTON WORKFORCE COUNCIL STRATEGIC PLAN GOALS (2013)**

**Goal 1:** Improve the quality of education in area school districts through collaboration with business to prepare youth for entry into the workforce.

**Goal 2:** Prepare adults in transition (TANF, disadvantaged adults, dislocated workers, and older workers) for successful participation in the workforce.

**Goal 3:** Support the current economic base and promote future business growth through the development of a well-trained workforce.

**Goal 4:** Improve access to and quality of workforce training and employment programs to meet existing and future business needs.

## **EDUCATIONAL SERVICE DISTRICT 105 STEM EDUCATION PLAN (2013)**

**Goal 1:** Establish and support STEM-based educational experiences that ensure students graduate from High school STEM literate and Collage/Career Ready

**Goal 2:** Develop strong partnerships between the business community and education institutions that help students in South Central Washington become STEM literate and College/Career ready

**Goal 3:** Develop a communications capability that clearly and effectively advocates and conveys the need for STEM literacy, and connects the business community, education community, families and the public at large about the regional STEM initiatives

# Demographics and Economic Overview

## Current Overview

The Kittitas-Yakima Economic Region is beautiful region of lake, rivers, and national parks with all four seasons. Hot and dry summers contrasted with cool and wet winters provide a climate suitable for a variety of interests and lifestyles. This diverse landscape of rivers to plains to forests and mountains is only rivaled by the diversity of its residents.

The Kittitas Yakima Economic Region is so named due to the counties it is composed of, Kittitas and Yakima Counties. Situated in central and south-central Washington State, major interstates 90 and 82 run through these counties along with a major rail route. The land area of these counties are a combined 6,592 square miles which comprise almost 10% of the entire land of Washington State<sup>1</sup>. Major geographical areas are the Columbia and Yakima Rivers flow through the central to eastern sections of the Kittitas Yakima Economic Region. To the west is the Cascade Mountain Range, conserved by the Snoqualmie and Wenatchee National Forests, which towers to the height of 12,281 feet in Mount Adams. Scenic view of Mount Adams, Mount Stuart, and Mount Rainier are commonplace in this region. Natural beauty is something that residents of the region enjoy all year round.



**Profile of Counties**

Variable	Kittitas	Yakima	Ki-Yak
Population (2011)	41,300	244,700	286,000
Land Area (square miles)	2,297	4,295	6,592
Population Density (per sq mi)	18.0	57.0	43.4
Per Capita Income, 2009	32,149	31,265	31,393
Total County Revenues, 2010	48,989,723	243,579,299	292,569,022
Total County Expenditures, 2010	38,312,147	237,635,784	275,947,931
Per Cap. County Revenues, 2010	11,869	995	2,566
Per Cap. County Expenditures, 2010	928	971	965

<sup>1</sup> Washington State is 66,455 sq. mi, U.S. Census Quickfacts

With a population of 286,000 and population density of 43.4 per square mile as of 2011, the Kittitas Yakima Economic Region can be described as a rural community. Similar to most rural areas, agriculture is an economic mainstay that fosters a consistent business climate built around agriculture. Unlike many rural communities, agriculture in the Kittitas Yakima Economic Region has a fair market value of over \$1 billion dollars sold locally, nationally and internationally. Other significant industries in the region include health services, manufacturing, finance and insurance and accommodation and food services. All revenues generated in the region total to \$292 million dollars in the year of 2010 with per capita revenues at approximately \$2,500. Notably, the cost of doing business in the Kittitas Yakima Economic Region seems to produce a 6% return, on average, of revenues above expenditures.

There are multiple cities that add their own diverse labor pool into the Kittitas Yakima Economic Region. These cities are situated along the highways of Interstate 90 and Interstate 82, primarily, with communities surrounding them. Yakima, Ellensburg and Sunnyside are the most populace cities in the region of approximately 93,000, 18,000 and 16,000, respectively<sup>2</sup>. The residents of the Kittitas Yakima Economic Region are composed of many different backgrounds and traditions. Many of these differences can begin to be understood in later sections articulating their race, sex, occupations, age, and other factors. The Kittitas Yakima Economic Region is as diverse geographically as its people are which is one of the region’s strongest attributes.

## Population by Race

The current Population by Race of the Kittitas Yakima Region is a factor that contributes to the region’s uniqueness. A total of 151,238 or 53.2% of the region is identified as ‘White.’ The

Population by Race, 2010					
	Kittitas	Yakima	Ki-Yak	Washington	U.S.
<b>Total Population</b>	40,915	243,231	284,146	6,724,540	308,745,538
<b>White</b>	35,214	116,024	151,238	4,876,804	196,817,552
<b>Black or African American</b>	339	1,743	2,082	229,603	37,685,848
<b>American Indian and Alaska Native</b>	353	9,072	9,425	88,735	2,247,098
<b>Asian</b>	795	2,359	3,154	475,634	14,465,124
<b>Native Hawaiian and Other Pacific Islander</b>	56	142	198	38,783	481,576
<b>Some Other Race</b>	52	331	383	11,838	604,265
<b>Two or More</b>	985	4,090	5,075	247,353	5,966,481
<b>Hispanic or Latino</b>	3,121	109,470	112,591	755,790	50,477,594

Source: Washington State Employment Security

second largest population category is ‘Hispanic or Latino’ and totals 112,591 or 39.6% of the population, followed by ‘American Indian and Alaskan Native’ who make-up 5,075 or 3.3% of the population. The percentage of ‘American

Indian and Alaskan Native’ in the region is explained by the presence of the Yakama Nation in Yakima County.

By comparison, for the state of Washington, the ‘White’ population is 72.5%, ‘Hispanic or Latino’ is 11.2%, and ‘American Indian and Alaska Native’ is 1.3%. For the U.S., the ‘White’

<sup>2</sup> U.S. Census Bureau, 2010

population is 63.7%, 'Hispanic or Latino' is 16.2% and 'American Indian and Alaska Native' is 0.7%. As reflected in the table above, the Kittitas Yakima Economic Region is a richly diverse region by race.

## Employment by Industry

Employment statistics represent important measures of the state of the regional economy. Total Employment in the Kittitas Yakima Economic Region is 139,907 jobs. This amounts to a labor force participation rate of approximately 65%, almost equivalent to the national average<sup>3</sup>. Employment in the Kittitas Yakima Economic Region is primarily composed of private, non-farm employment with 99,239 jobs. Of these jobs, the industries with the most employed are 'Health Care & Social Assistance' (with 16,500 people employed), 'Accommodations & Food Services' (with 8,595), and 'Manufacturing' (with 8,889). Industries whose employment have grown the most since 2001 was the 'Finance & Insurance', 'Health Care & Social Assistance', and 'Accommodations & Food Services' at 31.4%, 19.6%, and 15.7%, respectively. Industries that consistently employed a significant number of people are 'Farm Employment' and 'Government & Government Enterprises' at 17,366 and 23,302 respectively. Farm employment has a long history employment in the Kittitas Yakima Economic Region, often marked by volatile output and employment fluctuations. 'Government & Government Enterprises' in the region maintained consistent employment over time growing at an average annual rate of 1.2%. This industry constitutes 16.6% of all employment in the Kittitas Yakima Economic Region, which is slightly above the national average of 11%<sup>4</sup>.

Employment by Industry Summary										
Totals, Ki-Yak Region										
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Total Employment	130,213	129,975	132,007	131,374	133,560	137,458	139,706	143,004	141,060	139,907
Farm Employment	16,976	16,536	16,686	15,133	15,272	15,296	14,765	17,309	17,853	17,366
Nonfarm Employment	113,237	113,439	115,321	116,241	118,288	122,162	124,941	125,695	123,207	122,541
Gov. & Gov. Enterprises	20,994	21,469	21,954	22,115	22,312	22,417	22,744	23,303	23,420	23,302
Private Employment	92,243	91,970	93,367	94,126	95,976	99,745	102,197	102,392	99,787	99,239
Health Care & Social Asst.	13,799	13,863	13,933	14,236	14,661	15,370	15,896	16,309	16,386	16,500
Accommodations & Food Ser.	7,429	7,571	7,693	7,597	7,923	8,391	8,568	8,902	8,546	8,596
Finance & Insurance	2,957	2,975	2,918	2,969	3,139	3,241	3,424	3,488	3,762	3,886
Information	1,462	1,698	1,669	1,709	1,538	1,379	1,353	1,283	1,193	1,102
Manufacturing	12,049	11,217	10,882	10,501	10,202	10,275	10,095	10,299	9,053	8,889
Sources: U.S. Department of Commerce and Bureau of Economic Analysis										

<sup>3</sup> Bureau of Labor Statistics

<sup>4</sup> Washington state Employment Security

## Average Annual Wages per Sector

Another measure of the regional economy is the wages earned by those participating in it. In the Kittitas Yakima Economic Region, average annual wages range from approximately \$12,000 to \$71,000. Average annual wages earned in each of the counties of the Kittitas Yakima Economic Region, Kittitas and Yakima counties, were \$32,114 and \$31,746, respectively. These wages are significantly lower than the national average annual wage of \$39,959 according to the Social Security Administration.

The sectors that pay the lowest annual wage in Kittitas and Yakima counties are 'Arts, entertainment, & recreation' and 'Accommodation & food services' where employees earn on average \$12,247 and \$14,907, respectively. We

can reasonably assume that these occupations would be based on the minimum wage of 2011, \$8.67<sup>5</sup>. If this is the case, the weekly hours worked in Kittitas County would be approximately 27 hours a week. Yakima County would have a slightly higher number of hours worked per week at approximately 33 hours, given the same assumptions as Kittitas County.

Sectors that pay the highest annual wage in Kittitas and Yakima counties are 'Finance & Insurance' and 'Utilities' where employees earn on average \$50,382 and \$71,129, respectively. The occupations that would increase the average of those employed in the 'Utilities' sector would be Electrical Engineers, Control Valve Starters, and their supervisors<sup>6</sup>. In Kittitas County, the occupations that attribute to the greater average annual wage in the 'Finance & Insurance' sector are Securities & Commodities Sales Agents, Insurance Sales Agents, and Accountants and Auditors<sup>7</sup>.

Future economic growth of the Kittitas Yakima Economic Region is dependent on the area's ability to create higher paying jobs compared to that of the nation. This will make the Kittitas Yakima Economic Region more attractive to highly educated workers to contribute to the labor diversity already present in the area.

### Avg Annual Wages per Sector, 2011

	Kittitas	Yakima
All Industries	32,114	31,746
Ag., forestry, fishing & hunting	26,229	22,004
Mining	-	36,631
Utilities	-	71,129
Construction	39,844	37,513
Manufacturing	32,316	39,091
Wholesale trade	42,885	44,942
Retail trade	22,643	25,366
Transportation & warehousing	35,823	36,749
Information	38,594	39,661
Finance & insurance	50,382	46,816
Real estate & rental & leasing	21,684	24,325
Professional & technical services	37,514	38,208
Mgmt. of companies & enterprises	-	62,064
Administrative & waste services	27,156	24,034
Educational services	28,881	28,109
Health care & social assistance	25,630	40,909
Arts, entertainment, & recreation	12,247	17,371
Accommodation & food services	15,681	14,907
Other services, ex. public admin.	18,289	14,934
Government	44,136	42,266
Sources: Washington Employment Security		

<sup>5</sup> Washington State Labor and Industries

<sup>6</sup> Bureau of Labor Statistics

<sup>7</sup> Bureau of Labor Statistics

## Agricultural Impact

Agriculture has long been a vital part of the Kittitas Yakima Economic Regional economy. The diversity of agricultural goods that are made in the region range from cattle, wine, apples, hay, to many other goods. The 2007 Census of Agriculture calculated that Yakima County was the producer of the highest value of total agricultural goods sold in the nation totaling \$1.2 billion. The same census calculated that Kittitas County sold the 20<sup>th</sup> most agricultural good, per their value of \$60.9 million.<sup>8</sup> ‘Fruits, Nuts, and Berries’ alone constitute over \$500 million market value of products alone.

There are many varieties of agriculture cultivated. The top crop items in terms of acreage used are: apples, hay and similar crops, corn, wheat, and grapes – each over 50,000 acres in land usage.<sup>9</sup> With high land utilization and high revenue streams, agriculture has played a pivotal role in the Kittitas Yakima Economic Regional economy.

## Top 10 Occupational Opportunities

In the Kittitas Yakima Economic Region, there are well-defined occupations that share a similar bright outlook. The occupation with the brightest outlook is ‘Accountants and Auditors’ who, on average, earn \$64,132

and have an anticipated long-term growth rate of 1.4% over the next ten years. It wouldn’t be unreasonable to assume that this trend will continue or even increase because of the increased responsibility

Occupation Title	2009 Employment	Avg. Annual Wage	Avg annual openings (2009-2019)	Short term Trend	Long Term Trend
Accountants and Auditors	605	64,132	20	0.6%	1.4%
Agricultural Workers, All Other	20,019	40,085	621	0.3%	0.4%
Assemblers and Fabricators, All Other	186	25,484	8	3.1%	1.6%
Bill and Account Collections	157	34,310	7	2.9%	2.2%
Billing and Posting Clerks	474	31,847	16	1.5%	1.5%
Bookkeeping, Accounting, and Auditing Clerks	2,071	36,374	53	1.2%	1.2%
Bus and Truck Mechanics and Diesel Engine Specialists	258	42,270	8	1.7%	0.8%
Business Operations Specialists, All Other	323	64,344	11	-0.9%	1.1%
Carpenters	1,293	39,273	40	1.1%	1.6%
Cashiers	2,584	22,067	139	0.6%	0.7%

Source: Employment Security Department

of financial reporting of firms to regulators. Another growing occupation is for ‘Carpenters’ who currently earn \$39,273 with an anticipated long-term growth rate of 1.6%. According to the Employment Security Department, an average annual of 40 openings for this position are estimated to occur through 2009. Considering the proximity of the Kittitas Yakima Economic Region to timber resources, it is reasonable to think that timber would be processed within the region.

For the occupations that see the greatest opportunities are those whose long-term trend is comparable or greater than the population growth rate of the Kittitas Yakima Economic Region of 1.3% (calculated from 1970 through 2011). Many of the opportunities for employment

<sup>8</sup> USDA, 2007 Agricultural Census

<sup>9</sup> USDA, 2007 Agricultural Census

require at least a high-school diploma and preferably a college degree<sup>10</sup>. The occupations that show the most promise are either jobs that require a technical skill or training in that particular field such as ‘Diesel Engine Specialist’ or ‘Auditing Clerks’. It is evident that a strong training and education will be necessary for a long term occupational outlook in the Kittitas Yakima Economic Region.

## *Firm size*

The entrepreneurial spirit is alive in Kittitas and Yakima counties. Based on data from the Washington State Employment Security Department, there are 918 firms with less than 10 employees (1-4 and 5-9 employees, taken together) for Kittitas County and 3,373 firms with less than 10 employees in Yakima County. In the 10-49 employees range, there are 200 firms in Kittitas County and 1,079 firms in Yakima County. There is a disproportionately larger number of small businesses in Yakima County

# of Employees	Kittitas	Yakima	Ki-Yak	Washington	U.S.
1-4	703	2,419	3,122	99,923	4,078,084
5-9	215	954	1,169	32,448	1,373,687
10-19	129	696	825	22,816	956,016
20-49	71	383	454	13,283	616,964
50 and more	21	232	253	7,444	371,877
<b>Total Firms</b>	1,139	4,684	5,823	175,914	7,396,628
# of Employees	Kittitas	Yakima	Ki-Yak	Washington	U.S.
1-4	61.7%	51.6%	53.6%	56.8%	55.1%
5-9	18.9%	20.4%	20.1%	18.5%	18.6%
10-19	11.3%	14.9%	14.2%	13.0%	12.9%
20-49	6.2%	8.2%	7.8%	7.6%	8.3%
50 and more	1.9%	5.0%	4.3%	4.2%	5.0%
<b>Percentage</b>	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Washington State Employment Security

In the combined Kittitas Yakima Economic Region, 73.78% of the firms employ less than 10 employees. This percentage is comparable to the state of Washington (with 75.25%) and the nation (73.70%). The Kittitas Yakima Economic Region has slightly higher percentage of 10-19 employees (14.17%) compared the Washington (12.97%) and the U.S. (12.93%).

It is reasonable to assume that small businesses in the Kittitas Yakima Economic Region are subject to the same issues faced by small businesses in the state and across the nation. The past few years have been tough for small business, particularly regarding access to credit and government regulation. Matthew Yglesias reported that “... a tightening of credit standards during the high point of the fiscal crunch seems to have disproportionately impacted small firms and is continuing to hold them back during the recession.”<sup>11</sup>

The Small Business Economic Impact Alliance (SBEIA) reported that small businesses are hurt by government over-regulation and that reducing “... the number of existing regulations by one-third ... will result in an economic climate that will help small business to thrive.”<sup>12</sup> There is a case for optimism. William Dunkleberg, Chief Economist for the National Federation of

<sup>10</sup> Washington State Employment Security

<sup>11</sup> Small Companies, Big Credit Problems, Slate; January 9, 2012

<sup>12</sup> Karla Lyngvar and Bill Gausewitz; September 11, 2012



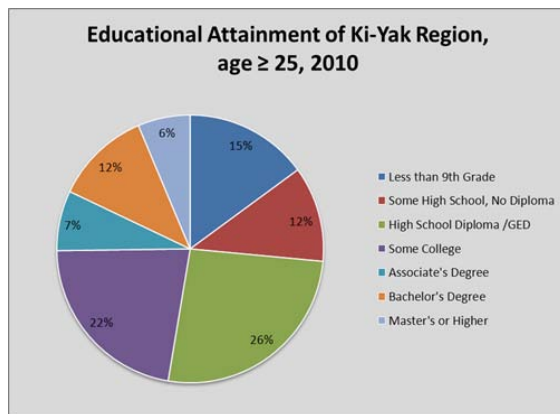
Independent Business, notes that labor-market sentiment is improved as small business expects to add workers in anticipation of improved sales.<sup>13</sup>

## Educational Attainment

There is a mix of similarities and differences regarding Educational Attainment of the Kittitas Yakima Economic Region compared to Washington State and the entire nation.

Educational Attainment, age ≥ 25, 2010							
	Less than 9th Grade	Some High School, No Diploma	High School Diploma /GED	Some College	Associate's Degree	Bachelor's Degree	Master's or Higher
Kittitas	3.1%	7.1%	28.9%	22.2%	6.8%	20.1%	11.8%
Yakima	16.9%	12.3%	25.7%	22.1%	7.3%	10.2%	5.4%
Ki-Yak	14.9%	11.5%	26.2%	22.1%	7.3%	11.6%	6.3%
Washington	6.2%	8.7%	29.0%	20.6%	7.5%	17.6%	10.3%
US	4.1%	6.4%	24.3%	24.9%	9.4%	20.0%	11.0%

Source: U.S. Census Bureau



Similarities are reflected in the percentage of those who graduate High School with a Diploma or GED at a rate of 26.2%. Those who attained a similar education level in the state and nation were 29.0% and 24.3% respectively. A similar comparison for the attainment level of the Kittitas Yakima Economic Region of 'Some College' and an 'Associate's Degree' at a level of 22.1% and 7.3%, respectively, which is similar to the state and below the nation.

The primary differences in Educational Attainment appear at the higher and lower ends of educational attainment spectrum. Most strikingly is the percentage of those in the Kittitas Yakima Economic Region who have an education of 'Less than 9<sup>th</sup> Grade' at 14.9% of the population. The Kittitas Yakima Economic Region is about ten percentage points above the state rate and the national rate. A less extreme comparison can be drawn between those who have 'Some High School, No Diploma.' However, it is still significantly lower than the national and state percentages.

## Populations by Age

The population of the Kittitas Yakima Economic region is a similar distribution to that of larger populations but has a few significant deviations from the national and state populations for age

Population by Age, 2011					
	Kittitas	Yakima	Ki-Yak	State	U.S. (2010)
0-14	15.1%	25.2%	23.8%	19.3%	19.8%
15-24	25.9%	14.8%	16.4%	13.6%	14.1%
25-49	27.3%	31.3%	30.7%	34.4%	34.0%
50-64	18.7%	16.8%	17.1%	20.2%	19.0%
65+	13.1%	11.8%	12.0%	12.6%	13.0%

<sup>13</sup> Alex Kowalski, Small Business Optimism in U.S. Rises from Nine-Month Low, Bloomberg, September 11, 2012

groups. The most significant difference is the juvenile population of ages zero to fourteen. As presented in the table below, the percentages of each state and U.S. populations of juveniles ranges from the mid-nineteen percent to the higher ends of the nineteen percent. If this is can be assumed as the normal distribution of juveniles, the Kittitas Yakima Economic Region has an above-average percentage of juveniles that constitute its population. Not only does this promote a younger, more vibrant community but it also ensures a healthy consumer base for the future.

Other deviations from the national and state norms are the ages of younger, working-age adults (25-49) and older, working-age adults (50-64). In each of these age groups, the Kittitas Yakima Economic Region has a significantly less percentage of its population in this category compared to State and National figures.

The Kittitas Yakima Economic Region is very different in its population distribution compared to the state of Washington or the Nation as a whole. This is striking because it is dissimilar to the National narrative that we are getting older. In the Kittitas Yakima Economic Region, they are getting younger.

## *Institutions of Higher Education*

There are two primary institutions of higher education in the Kittitas Yakima Economic Region; Central Washington University (CWU) and Yakima Valley Community College (YVCC). These institutions provide opportunities for members of the community and those outside of the region to gain the necessary skills and education to work in higher paying occupations.

Approximately 6,400 students attend Yakima Valley Community College to earn their Associate’s Degree or selected Bachelor’s Degree. Of these students, an overwhelming number of them, 63%, are female and only 37% are male. The average age of the student who attends Yakima Valley Community College is 28 years old. In addition, the race of the students is similar to the population of the county that YVCC resides, with 47% ‘White’, 44% ‘Hispanic or Latino’ and 4% ‘American Indian and Alaska Native’.

Central Washington University, located in Ellensburg, Kittitas County, is a baccalaureate degree institution, with selected graduate degree programs. It pulls attendance from its own county like Yakima Valley Community

	2010-11 YVCC	2011-12 CWU
Enrollment	6,435	11,614
Average Age of student	28.0	21.5
Student/Faculty Ratio	23.2	21.0
Male	37.0%	47.0%
Female	63.0%	53.0%
White	47.0%	69.7%
Black or African American	1.0%	2.9%
American Indian and Alaska Native	4.0%	0.4%
Asian	0.0%	3.5%
Native Hawaiian and Other Pacific Islander	2.0%	0.4%
Some Other Race	2.0%	8.4%
Two or More	0.0%	5.5%
Hispanic or Latino	44.0%	9.2%
Sources: YVCC Office of Institutional Effectiveness and CWU Office of Institutional Research		

College, but also from all over the Pacific Northwest. Approximately 11,600 students attend CWU and the average age of those students is 21.5. The race composition of students that attend CWU mirrors the population of the state of Washington and less of their own community. 'White' students constitute 69.7% of the student body with 'Hispanic or Latino' and 'Some other Race' at 9.2% and 8.4% of the population, respectively.

Each of these institutions of higher education assist in the educational development of young talent in the Kittitas Yakima Economic Region. The existence of these institutions maintains a potential stream of educated, young workers to join the labor force.

# Strategic Analysis

Part of creating comprehensive economic development strategies involves the development of SWOT analysis for the Kittitas Yakima region. SWOT analysis is a technique for identifying and analyzing strengths (S), weaknesses (W), opportunities (O) and threats (T) as it is applied to a community or geographic region. SWOT analysis is an important element of strategic planning and for the task at hand of determining economic development priorities and strategies.

SWOT analysis needs to look at both internal and external regional factors. Typically, Strengths (S) and weaknesses (W) refer to internal factors that the community or region has some control over while opportunities (O) and threats (T) refer to external factors that are likely to influence outcomes from initiatives, projects or programs undertaken as a result of the CEDS Report.

Strengths produce an advantage or benefit for the region while weaknesses produce obstacles or limitations for regional economic development. Opportunities are factors that can favorably impact or spark regional economic development, but are not necessarily under the direct control of the community. Finally, threats refer to external factors that can limit economic development and under limited community control.

The CEDS Steering Committee developed the table on the following page that provides an initial analysis of SWOT for the Kittitas Yakima region. This table will be refined based on comments received at public forums surrounding the CEDS planning process.

SWOT analysis can offer helpful perspectives for economic development by exploring possibilities for new efforts or solutions to regional problems and by making decisions about the best path for regional/joint initiatives, projects and programs. It can also help to determine where change is possible since SWOT can reveal priorities as well as possibilities. Finally, SWOT offers a simple way of communicating about initiatives, projects or programs, and to organize information about the community or region.

# Regional SWOT Overview

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>▪ <b>Diversified industry makeup</b> <ul style="list-style-type: none"> <li>○ Renewable and alternative energy</li> <li>○ Strong agricultural markets</li> <li>○ Support of small business and the microenterprise culture.</li> </ul> </li> <li>▪ <b>Proximity to major metro areas; Seattle, Portland, Spokane.</b> <ul style="list-style-type: none"> <li>○ Strong capabilities in logistics and distribution</li> <li>○ Highway Accessibility</li> </ul> </li> <li>▪ <b>University Presence: CWU, YVCC, Heritage U, PNWU</b></li> <li>▪ <b>Stellar Quality of life:</b> <ul style="list-style-type: none"> <li>○ Abundance of outdoor recreation</li> <li>○ Diverse interesting culture</li> <li>○ Climate</li> <li>○ Exceptional Community Healthcare</li> </ul> </li> <li>▪ Downtown vitality</li> <li>▪ Abundant [sustainable] natural resources</li> <li>▪ Strong and diverse labor force</li> <li>▪ Premier sports facilities and event location</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Lack of family-wage employment opportunities</b></li> <li>▪ <b>Low K-16+ education attainment</b> <ul style="list-style-type: none"> <li>○ Workforce skill gaps</li> </ul> </li> <li>▪ <b>Complacency towards growth and economic diversification</b></li> <li>▪ <b>Lack unified regional vision</b></li> <li>▪ Environmental obstacles and regulations           <ul style="list-style-type: none"> <li>○ Predictability of legislation</li> </ul> </li> <li>▪ Crime rate</li> <li>▪ Bilingual challenges</li> <li>▪ Few industrial and commercial development sites</li> <li>▪ Loss of natural resource jobs</li> <li>▪ Limited night life and entertainment amenities</li> <li>▪ Recreation for children is limited</li> <li>▪ Professional services including CPA's, dentists, consultants, doctors, and engineers somewhat limited</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>▪ <b>Capture spin-off growth from businesses from western WA metro areas.</b></li> <li>▪ <b>Raise educational attainment</b> <ul style="list-style-type: none"> <li>○ Growth of talent, research, and facilities for higher education</li> </ul> </li> <li>▪ <b>Collaborative inter-county cooperation (Yakima River Basin Plan)</b> <ul style="list-style-type: none"> <li>○ Work together to create a unified regional vision</li> </ul> </li> <li>▪ <b>Develop and promote tourism</b> <ul style="list-style-type: none"> <li>○ Outdoor recreation options</li> <li>○ Capitalize on developing industries like wineries, breweries, that focus on tourism in the region</li> </ul> </li> <li>▪ <b>Facilitate small business development</b> <ul style="list-style-type: none"> <li>○ Accelerate small business through incubators and small business network</li> <li>○ Promote and support downtown redevelopment efforts.</li> </ul> </li> <li>▪ Develop renewable and alternative energy facilities</li> <li>▪ Cultivate and promote bilingual workforce</li> <li>▪ Creative arts culture</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Regional economic malaise (recession)</b></li> <li>▪ <b>Environmental challenges and regulations</b> <ul style="list-style-type: none"> <li>○ Water supply scarcity</li> <li>○ Declining forest health</li> <li>○ Water quality uncertainty</li> <li>○ Planning and zoning barriers to new investment</li> </ul> </li> <li>▪ <b>Loss of young talent</b></li> <li>▪ <b>Limited economic development tools and financing options</b> <ul style="list-style-type: none"> <li>○ Lack of economic development resources and incentives</li> <li>○ Limited small business advancement opportunities</li> </ul> </li> <li>▪ Lack unified regional vision</li> <li>▪ Diversification of industries</li> </ul>

# Strengths & Weaknesses

## Major Strengths

The region enjoys a diverse economy. Private nonfarm employment is comprised of *health care & social assistance* (11.8% of total Kittitas-Yakima employment in 2010), *manufacturing* (6.4%) and *accommodations & food service* (6.1%). *Government & government enterprises* account for 16.7%. Strong agricultural markets are reflected in *farm* employment at 12.4%. The region is also noted for renewable and alternative energy (e.g. wind power, hydroelectric power). There is support of small business and the microenterprise culture.

Kittitas and Yakima counties are in close proximity to major metro areas. There are strong capabilities in logistics and distribution. Highway accessibility (I-90 and I-82) is easy and provides proximity to major metro areas. Yakima is 142 miles to Seattle, 186 miles to Portland and 202 miles to Spokane. For Ellensburg, Seattle is 107 miles, Portland is 221 miles and Spokane is 173 miles.

There are several universities and colleges in the Kittitas and Yakima area. CWU operates the main campus in Kittitas County (Ellensburg) and a university center (CWU-Yakima) in Yakima County on the YVCC campus. CWU, YVCC and Heritage University provide opportunities for members of the community and those outside the region to gain the necessary skills and education to work in higher paying jobs. PNWU of Health Sciences is an accredited, private graduate medical school to train physicians and other health care providers.

## Major Weaknesses

There is a lack of family-wage employment opportunities in the region. Average annual wages in Kittitas-Yakima region are significantly lower than the national average annual wage (\$39,959).

Educational attainment in the region is low for K-16+. Educational attainment for the Kittitas-Yakima region with *less than 9<sup>th</sup> grade education* is 14.9%, which is significantly higher than Washington (6.2%) and the U.S. (4.1%). This is likely to produce workforce skill gaps. For *high school diploma/GED*, Kittitas-Yakima (at 26.2%) is below Washington (29.0%), but higher than the U.S. (24.3%).

The region experiences a sense of complacency towards growth and economic diversification. Agriculture has long been a vital part of the Kittitas-Yakima regional economy and includes cattle, wine, apples, hay and other agricultural and processed goods. Yakima County is one of the highest value of total agricultural goods sold in the nation. This role of agriculture may produce complacency about diversifying the regional economy.

The Kittitas and Yakima area lack a unified regional vision. A logical result of the CEDS initiative is to begin the process of creating a unified regional vision.

## Opportunities & Threats

### Major Opportunities

The region can capture spin-off growth from businesses from Western WA metro areas. Focused economic development efforts can target suppliers, vendors and other spin-offs associated with companies from Western WA.

The region can raise educational attainment. Educational attainment for *some college* in Kittitas-Yakima (22.1%) is higher than Washington (20.6%), but below the U.S. (24.6%). For *associate's degree* and *bachelor's degree*, Kittitas-Yakima is below Washington and the U.S. for both levels of educational attainment. There is room for improvement by taking advantage of growth in talent, research and facilities from the strength in university presence (CWU, YVCC, Heritage University and PNWU of Health Sciences).

Kittitas and Yakima can enjoy the benefits of collaborative inter-county cooperation. The development of the Yakima River Basin Integrated Water Resource Management Plan and other collaborative efforts can provide the experience of working together for the common good and the basis for creating a unified regional vision.

The region can develop and promote tourism. *Accommodation & Food Service* accounted for 7,429 employees in 2001 (or 5.7% of total employment). By 2010, it accounted for 8,596 employees (or 6.1%). This stable employment provides a foundation for enhancing tourism as an economic-driver for the Kittitas-Yakima region. The region can capitalize on further developing and promoting industries like wineries and breweries that focus on regional tourism. There are also outdoor recreation options.

The region can facilitate small business development. In the Kittitas-Yakima region, 73.78% of the firms employ less than 10 employees. This percentage is comparable to the state of Washington and the nation. Kittitas-Yakima has slightly higher percentage of 10-19 employees (14.17%) than Washington and the U.S. Incubators and small business networks can accelerate small business growth and development. A focused approach can also promote and support downtown development efforts.

### Major Threats

Like many regions of the country, Kittitas and Yakima counties have experienced an economic malaise. The global/national recession is pervasive with a persistent adverse effect across states

and regions since the 2008. In Yakima County, annual average unemployment remains at 10.1% for 2010 and 2011 while the state unemployment rate declined from 9.9% to 9.2% between 2010 and 2011. (Don Meseck, ESD/LMEA, August 2012) The Kittitas County unemployment rate was unchanged at 8.8% from July 2011 to July 2012. (Don Meseck, ESD/LMEA, July 2012). There are environmental challenges and regulations that characterize the region. The region is marked by water supply scarcity and declining forest health. There is also water quality uncertainty. Planning and zoning regulations are creating barriers to new investment.

There is a loss of young talent from the regional workforce. The Kittitas-Yakima region 25-49 age population is 30.7% of the total regional population and below the state of Washington (34.4%) and the U.S. (34.0%). The loss of young talent in the region is due, in large part, to the lack of family-wage employment opportunities.

There are limited economic development tools and financing options. This threat is due to the lack of economic development resources and incentives, and limited small business advancement opportunities. Small businesses in the Kittitas-Yakima region are subject to the same issues faced by small businesses in the state and across the country – access to credit and the effect of government regulations.



## Key Industry Clusters

There are several existing economic clusters of significance in Central Washington. These economic sectors and their support industries drive the regional economy. The Yakima-Kittitas region has also identified the alternative energy cluster as particularly important in the future.

Key industry clusters serve as engines of economic activity for the region and consist of:

- Agriculture
- Healthcare
- Manufacturing
- Tourism
- Warehouse/Distribution
- Alternative Energy (renewable)

## Agriculture

The region is the undisputed agricultural leader in Washington state and ranks as one of the highest agricultural producers in the U.S. Yakima County ranked 12<sup>th</sup> in the nation in 2007 and

<u>County</u>	<u>Valley</u>	<u>State</u>	<u>2011 Population</u>	<u>Market Value of Farm Products Sold</u>	<u>Average Annual Wages, 2011</u>
Fresno	San Joaquin	CA	942,904	\$6,081,000	\$39,052
Tulare	San Joaquin	CA	449,253	\$5,240,000	\$34,788
Kittitas-Yakima	Kittitas-Yakima	WA	288,770	\$4,578,000	\$32,386
Stanislaus	San Joaquin	CA	518,522	\$4,114,000	\$40,300
San Joaquin	San Joaquin	CA	696,214	\$3,624,000	\$41,548
Yakima	Yakima	WA	247,141	\$3,540,000	\$32,188
Merced	San Joaquin	CA	259,898	\$2,607,000	\$35,724
Hidalgo	Rio Grande	TX	797,810	\$2,151,000	\$31,304

Kittitas County ranked 20<sup>th</sup> in the nation. As noted earlier in the report, the diversity of agricultural goods in the region ranges from cattle to wine, apples to hay and many others. Timothy hay production in Kittitas County has a strong international history and represents a source of economic stability to the region.

The Kittitas-Yakima Region produces high value of agricultural products and pays fairly similar wages to comparable counties in agricultural-rich states, California and Texas.

Farm employment totals 17,366 in 2010 and accounts for 12.4 percent of the state's total employment of 139,907. Farm employment grew by 2.3 percent during the first decade of the 21<sup>st</sup> century while nonfarm employment increased by 8.2 percent.

## *Healthcare*

Healthcare is comprised of a wide-range of service-related jobs and consists primarily of employment in hospitals and non-governmental social assistance services. Two of the largest hospitals are located in Yakima County – Yakima Valley Memorial Hospital and Yakima Regional Medical & Cardiac Center. Kittitas Valley Community Hospital is the largest hospital in Kittitas County. For the Kittitas-Yakima Region, healthcare represents the largest private sector employment of 16,500 or 11.8 percent of total regional employment in 2010. For the region, this sector experienced robust growth of 19.5 percent during the first decade of the 21<sup>st</sup> century. The region typically pays less than the state and nation as a whole.



Healthcare is one of the increasingly more important employment sectors while it faces increasing physical strains from a growing and aging population. The impact is reflected in the shortage of healthcare professionals in the face of growing pressure to reduce cost to save money, many times through staff reduction. Any shortage of new people coming into the field due to moderate wages and long hours can be addressed, in part, by “home grown” healthcare professionals. For example, this can be found in graduates from the Pacific Northwest University of Health Sciences, a graduate program located in Yakima County that produced its first graduates in 2012.

## *Manufacturing*

Historically, manufacturing is a key industry in any regional economy. The region has depended upon manufacturing to provide stable employment and living wage jobs, particularly in metals and plastics. In 2001, manufacturing accounted for slightly more than 9 percent of total employment for the Kittitas-Yakima Region compared to 7 percent in King County and 6 percent nationwide. However, during the decade, manufacturing employment declined by 26.2 percent and represents slightly more than 6 percent of total regional employment in 2010.



Quality Control at Magic Metals

Investment in education and technology infrastructure is essential to the success of manufacturing. A skilled and educated workforce related to manufacturing (e.g., industrial and engineering technology) requires post-secondary education and training that is provided by

Yakima Valley Community College and baccalaureate institutions at Central Washington University and Heritage University.

## *Tourism*

Tourism in the state of Washington is a multi-billion dollar industry. Despite the downturn in the state and national economy, Washington continues to see tourism spending as a vital economic engine across the state. This is certainly the case in the Kittitas-Yakima Region.

An assessment of tourism employment reveals its importance to the region. Accommodations and Food services industries account for 6.1 percent of the total regional employment in 2010. During 2001-2010, tourism employment increased 15.7 percent – making tourism one of the most significant growth sectors.

Given the quality of life in the region, a variety of recreational, leisure, cultural and entertainment activities have emerged and attracted visitors to the area from the Puget Sound region as well as eastern region of the state, Canada, Idaho, Oregon and other locations within a 5-hour drive of central Washington and the Kittitas-Yakima Region. A number of special events and activities from county fairs, rodeo, wine tasting, Spirit of the West, lectures and plays as well as camping, hiking, snowmobiling, golf, youth sports, meetings/conferences and so forth continue to draw visitors, even during tough economic times and rising gasoline prices. With the emergence of “staycations,” many families are taking vacations closer to home by driving rather than flying.



Suncadia Resort

Workforce development and education providers should look to industry and occupational growth estimates to determine where to expand or contract their training programs that will serve the many facets of tourism.

## *Alternative (Renewable) Energy*

Investment in alternative sources of energy is increasing as global warming concerns,



New Wind Turbines in Kittitas County

dependence on foreign sources of oil and rising fuel prices have captured the attention of the public and governments across the country and within states and regions. There is a tremendous potential for growth in products, services and employment. In particular, wind power has emerged as an efficient and effective energy source and the Kittitas-Yakima Region is well-suited for development of wind power and, to a lesser extent, hydro and solar power. The most prominent wind

power site is located in Kittitas County and operated by the Puget Sound Energy (PSE) Wild Horse Wind and Solar Facility.

The Central Washington Resource Energy Collaborative (CWREC) was created to focus attention on alternative (renewable) energy and provide leadership for promoting the regional advantages. As noted in the T.I.P. Strategies Report “Economic Development Strategic Plan” (*Release 1.0*, July 2009), there are opportunities for supporting workforce training and the recruitment and expansion of businesses related to energy research and development. CWREC represents a suitable organization to work with the New Vision/Yakima County Development Association to cultivate alternative, renewable energy initiatives for the Kittitas-Yakima Region.

## ***Warehouse/Distribution***

In the “Blueprint Yakima Report” (March 2008), Angelou Economics conducted a supply chain analysis of logistics and distribution. The Report identified sub-industries; truck transportation, warehousing and storage, and various scenic and sightseeing transportation (e.g., rail, water and air). Warehousing and distribution, particularly through truck transportation, are still quite relevant for the Kittitas-Yakima Region.



**The Region is a Natural Distribution Hub**

# Goals & Objectives

## GOAL ONE: SUPPORT THE RETENTION AND EXPANSION OF REGIONAL CLUSTERS AND INDUSTRIES

Retention of existing industry is a cornerstone of an effective regional economic development program. Generally, it requires less effort and resources to be effective in retaining good-quality jobs than in creating new ones. The data varies, but it is widely reported that between 75-85 percent of all new jobs created are in existing companies. As a community is able to build, improve and sustain its retention program, it will be better able to hold onto businesses and jobs to build upon overall prosperity.



Liberty Bottles Production Line

Retention and expansion efforts should be given a clear priority by not just the economic development organizations, but also by a cross-section of community partners. Efforts directed toward existing businesses should come in the form of team efforts among area Chambers of Commerce, local city/town governments, and education and workforce development providers. All of these entities are heavily reliant on the local business community and should place emphasis on ensuring their needs are met.



Lean Manufacturing Seminar

In an economy driven by innovation and entrepreneurship, there also needs to be a continued focus on building further collaboration between the region's higher education institutions and the region's businesses. Promoting STEM education, ensuring students gain exposure to real world work settings, commercializing valuable research, providing management and workforce training are all important steps towards supporting key companies in Central Washington.

Part of growing the regional economy also includes attracting new companies to Central Washington. Some economic development resources should be dedicated towards raising the

region's image as a business location and responding to companies interested in expanding within Central Washington. An effective business recruitment initiative can complement industry retention programs and generate new jobs, wealth and tax revenues within the area.

**STRATEGY: DEVELOP AND DELIVER RESOURCES THAT HELP BUSINESSES EXPAND OR STAY COMPETITIVE**

- **Action:** *Develop or expand outreach efforts to companies in key sectors (or cluster) to help identify issues and opportunities facing specific firms or industries within the region;*
- **Action:** *Provide information and assistance to companies on financing options and programs;*
- **Action:** *Develop and/or broker worker placement and training programs that meet employer needs;*
- **Action:** *Help companies secure tax credits and other resources that help them expand or sustain operations;*
- **Action:** *Help local industries address key regulatory or permitting challenges;*

**STRATEGY: DEVELOP OPPORTUNITIES AND ENCOURAGE COMPANIES TO WORK WITHIN INDUSTRY CLUSTERS TO IMPROVE COMPETITIVENESS**

- **Action:** *Identify and organize companies into cluster or target industry groups.*
- **Action:** *Organize periodic cluster based networking sessions to bring key companies together around key topics including exporting, access to capital, regulatory assistance, etc.*
- **Action:** *Identify service companies or industries (ex. Health services) that could support key clusters*
- **Action:** *Identify productive capacities of cluster companies to facilitate business to business commerce.*

**STRATEGY: ATTRACT NEW COMPANIES TO THE REGION THAT COMPLEMENT EXISTING INDUSTRIES AND BOOST THE REGIONAL ECONOMY**

- **Action:** *Administer public relations and marketing efforts that promote Kittitas and Yakima Counties to prospective businesses seeking to expand, both locally and in target markets.*
- **Action:** *Work with existing businesses to identify support industries needed in the region.*
- **Action:** *Maintain up-to-date information on available commercial and industrial properties within the region.*
- **Action:** *Create and maintain community profiles, demographic reports, and other statistical databases that help respond to prospective businesses.*
- **Action:** *Create and maintain pertinent web sites and marketing materials.*



**Walmart's Distribution Center Employs 600**

## GOAL TWO: SUPPORT SMALL BUSINESS SUCCESS AND ENTREPRENEURSHIP



Business Plan Contestants

Encouraging entrepreneurship and helping small businesses thrive is a critical part of advancing the Central Washington economy. Across the nation, small businesses generate a lion's share of new jobs. Local communities from Roslyn to Grandview all depend on these enterprises to provide key goods and services to their residents. More importantly these small businesses generate wealth and tax revenues for their resident communities and the region as a whole.

The region's burgeoning Hispanic population brings new entrepreneurial energy to the region. Latino businesses have helped stabilize rural communities like Tieton and Wapato. Their artisan enterprises also add character to local communities and these businesses add to the overall visitor and quality of life experience for the area.

In parts of the Kittitas Yakima region professional services are in particular demand. Accountants, lawyers, dentists and other services are scarce in smaller communities. . They are an excellent target market to fill small spaces in downtown areas because of the smaller office needs, and stream of clients that brings more customers downtown.

The Yakima-based Small Business Development Center (SBDC), Rural Community Development Resources (RCDR), the SCORE business counseling chapter and area chambers of commerce have supported small businesses with advice, management training, and information and referral for several years. Their professional staff have assisted clients of all types throughout the region. Collaboration between RCDR, the SBDC, chambers of commerce, CWU, Heritage University and municipal economic development offices will continue to nurture the entrepreneurial community.



### STRATEGY: PROVIDE TRAINING AND MENTORING SUPPORT TO SMALL BUSINESS AND ENTREPRENEURS

- **Action:** Bring small business service providers together to identify training needs and opportunities that support small business success;
- **Action:** Expand training for business start-ups and expansion including disadvantaged business enterprises;
- **Action:** Use University and College Faculty expertise and other community resources to provide small business education workshop;
- **Action:** Sustain and expand SCORE business counseling chapter; and
- **Action:** Create and maintain pertinent web sites and marketing materials.

**STRATEGY: ADDRESS ACCESS TO CAPITAL ISSUES FACING SMALL BUSINESS**

- **Action:** Expand local revolving loan funds and other sources of capital for new or expanding businesses;
- **Action:** Effectively broker alternative financing programs (ex. New Market Tax Credits, Craft 3, etc.) that can support small business lending;
- **Action:** Market unique loan programs and services to banks, accountants, attorneys and other professionals that work with small business; and
- **Action:** Explore how angel and equity funding programs could be created or tapped to support promising ventures in Central Washington.



**STRATEGY: BUILD AND SUSTAIN INCUBATOR FACILITIES WITHIN THE REGION**

- **Action:** Create facilities where businesses can share space and services;
- **Action:** Establish incubator operating policies that help ensure that incubator tenants eventually get established in other facilities; and
- **Action:** Develop additional small business incubator facilities based on community specific demand and opportunity within the region.

**STRATEGY: IDENTIFY AND SUPPORT ENTREPRENEURS AND INVENTORS WHO HAVE SIGNIFICANT IDEAS OR VENTURES THAT COULD GROW INTO SIZEABLE ESTABLISHED COMPANIES**

- **Action:** Continue business plan contests for students and entrepreneurs within Central Washington;
- **Action:** Work to expand scope of existing business plan contests to the two-county region as a whole;
- **Action:** Explore expanding existing business plan contest to encourage innovation within established businesses and early stage ventures; and
- **Action:** Network with Northwest Entrepreneur Network and other groups that can add value and help support entrepreneurs in Central Washington.



Enterprise Challenge Contest Winners



### GOAL THREE: DEVELOP A WORLD CLASS WORKFORCE



Workforce development and education are essential components of an economic development plan. Since human capital and innovation are keys to success in the new economy, skilled and flexible workers are a company's primary assets. No community can be globally competitive without an educated workforce. Therefore, workforce issues including labor availability, productivity, and costs have become a critical factor in site selection decisions over the past few years as today's jobs demand more skills and education.

Our region already has significant assets with which to prepare our workforce, with the number of students attending and graduating from the area's colleges and universities growing each year. The Kittitas-Yakima CEDS calls for continued strengthening of our region's higher education institutions, fostering of greater connections between these public and private institutions and the private sector, and retaining the graduates of those institutions within the region's workforce.

A world-class public school system is the foundation of our regional higher education institutions, and a skilled workforce. While the educational attainment levels are boosted in Kittitas County with the presence of Central Washington University, Yakima County's low educational attainment levels are a hindrance to workforce development. The percentage of the population over the age of 25 without a high school diploma increased between the 2000 and 2010 census. Improving kindergarten to 12th-grade education is an important long term economic development strategy.

Fortunately, several school districts in the region, including the largest Yakima, have or are making significant investments in STEM education that can position them to better address our educational attainment and workforce readiness issues.

The region's steady growth, coupled with the strong influence of the agriculture economy, has created a challenging environment for employers to find ample and quality workers. Because employers' workforce needs change rapidly with technological improvements and increased competition, they need to have responsive workforce training programs that can adjust quickly to changing needs.





Fabricator at Magic Metals

The regional economy has potential for continued diversification, with strong growth in health care, education, viticulture and tourism. In addition, over the years, several emerging industry sectors have been identified as sources of potential growth, including but not limited to aerospace, renewable energy and wine support services and products. Agriculture continues to provide a strong base for the region, not just in terms of

employment and commerce, but in technology and innovation. The regional workforce development and higher education systems must continue to work as a unit to target the workforce needs of those sectors while providing the most effective education, training and workplace readiness programs that will help individuals not only secure employment in these industry sectors but to also have a clearly defined career path in their chosen occupation.

**STRATEGY: SUPPORT THE CURRENT ECONOMIC BASE AND PROMOTE FUTURE BUSINESS GROWTH THROUGH THE DEVELOPMENT OF A WELL-TRAINED WORKFORCE.**

- **Action:** Provide opportunities for incumbent workers to further their education in job-related skills or education beyond basic level;
- **Action:** Develop incumbent worker training that builds skills for entry-level employees to move to higher skilled jobs within businesses;
- **Action:** Support industry cluster skills panels to assess emerging and declining skill needs for development of training programs to meet those needs; and
- **Action:** Develop specific vocational/technical programs based on industry demand.
- **Action:** Maintain workforce placement and training programs that enhance business development, expansion, and retention.

**STRATEGY: EXPAND STEM (SCIENCE, TECHNOLOGY, ENGINEERING & MATH) CURRICULA THROUGHOUT CENTRAL WASHINGTON TO ENSURE THAT STUDENTS IN K-12 AND POSTSECONDARY EDUCATION PROGRAMS CAN ACCESS APPROPRIATE COURSES THAT HELP THEM PREPARE FOR HIGH DEMAND OCCUPATIONS.**

- **Action:** Provide training and staff development opportunities to increase the understanding and skills of teachers, counselors, and administrators in applied academics instruction, comprehensive counseling, and competency based career pathway development;
- **Action:** Increase the number of applied academics courses and number of students taking applied math, principles of technology, applied biology/chemistry, applied economics, and applied communication;



JR Achievement Builds Career Awareness

- **Action:** Identify and share STEM best practices and curricula so it is uniformly available throughout Central Washington;
- **Action:** Market career pathway programs to students and parents to motivate and recruit students to plan and complete a more rigorous and useful program of studies; and
- **Action:** Develop and implement public informational campaigns that educate the community on the importance of workforce preparation.

**STRATEGY: IMPROVE THE QUALITY OF EDUCATION IN ALL LOCAL AREA SCHOOL DISTRICTS THROUGH COLLABORATION WITH BUSINESS TO PREPARE YOUTH FOR ENTRY INTO THE WORKFORCE.**



Students at YV Tech

- **Action:** Expand school-to-work and workforce readiness credential programs to better prepare high school students to enter the workforce or higher education institutions;
- **Action:** Develop alliances to connect the private sector with the local education and workforce development system;
- **Action:** Recruit and maintain a pool of employers (business people) who can serve as resource speakers and mentors for job readiness classes;
- **Action:** Develop business education partnerships to help local educators develop relevant curricula, classes, and programs that are centered on STEM education and work-based learning opportunities;
- **Action:** Develop a network of employers who will provide first-hand work-based learning experience to youth through internships, work experience, and job shadowing; and
- **Action:** Expand apprenticeship training to non-traditional fields and expand pre-apprenticeship programs.

**STRATEGY: DEVELOP PROGRAMS THAT WILL HELP ALL STUDENTS, INCLUDING DROPOUTS AND STUDENTS AT RISK, SUCCEED.**

- **Action:** Expand career counseling so that younger students (ex. 4<sup>th</sup> graders) gain awareness of what coursework is needed for specific jobs or occupations;
- **Action:** Develop programs and organize efforts to assist the dropout students with school re-entry to achieve a high school diploma or access alternative education opportunities for GED completion;
- **Action:** Develop programs that focus on development of basic-education skills for high mobility students, migratory students, and students of farm families;
- **Action:** Develop tutoring programs that will assist students in mastering reading, writing, and math skills; and
- **Action:** Expand mentoring/counseling programs to help dropout and at-risk youth understand their employment potential.



## GOAL FOUR: INVEST IN CAPITAL FACILITIES AND INFRASTRUCTURE



Interstate 82 - the Region's Key Connector

A region's capital improvement plan is analogous to a business plan. It identifies where investments and growth should occur in the months and years ahead. Roadway projects, waterline extensions, and wastewater treatment plant upgrades may not be glamorous, but they nonetheless often direct and facilitate where private investments are made.

Kittitas and Yakima Counties enjoy a sound transportation system. A network of streets, highways, and rail lines help move people and goods efficiently within and through the region. Local governments have also made significant improvements in water and wastewater facilities that enhance and sustain the regional economy.

Like roads and water systems, telecommunications services provide links between Central Washington and the world, and between our remotest rural communities and our urban centers. Sections of Yakima and Ellensburg boast excellent telecommunications infrastructure but there are gaps in services affecting the region's rural areas and communities. Continued development of affordable, advanced telecommunications services is essential to help the region remain competitive in the global marketplace.

Enhancing and maintaining all forms of infrastructure – from our roads, buses, sewer lines, and energy services to commercial space, broadband internet, and cellular technology – is an essential part of sustaining the regional economy. The quality of our public and private utilities will have a far reaching impact on the quality of life for our residents and on the economic health of the Kittitas-Yakima region.

### STRATEGY: MAKE INFRASTRUCTURE IMPROVEMENTS THAT PREPARE INDUSTRIAL AND COMMERCIAL LANDS IMMEDIATELY DEVELOPABLE.

- **Action:** *identity sites suitable for new industrial and commercial development.*
- **Action:** *Determine which sites need public or private utility investments in order to support new development*
- **Action:** *Ensure that both Kittitas and Yakima Counties have a variety of commercial and industrial sites that can support new or expanding businesses;*
- **Action:** *Work with private land owners and real estate representatives to identify costs of preparing priority sites as well as cost sharing alternatives.*
- **Action:** *Secure state and federal funds for necessary infrastructure (water, sewer, etc.) at top priority sites within the region*

**STRATEGY: MAKE IMPROVEMENTS TO WATER AND SEWER SYSTEMS THAT SUPPORT NEW AND EXISTING INDUSTRIES WITHIN THE REGION:**

- **Action:** Identify necessary and desirable improvement projects.
- **Action:** Ensure that economic development needs are incorporated in community capital improvement plans.
- **Action:** Analyze potential industrial wastewater treatment demand throughout the two county region; and.
- **Action:** Evaluate water system needs for local manufacturers and processors.



**STRATEGY: PROMOTE AND DEVELOP LONG TERM WATER STORAGE AND MANAGEMENT SYSTEMS THAT CAN HELP SUSTAIN THE REGIONAL ECONOMY:**

- **Action:** Support implementation of the Yakima Basin Integrated Water Resource Management Plan



**STRATEGY: IMPROVE COMMERCIAL AIR SERVICE OPTIONS FOR RESIDENTS IN CENTRAL WASHINGTON:**



- **Action:** Analyze local demand for new or enhanced flights from Yakima or Ellensburg
- **Action:** Work with Alaska Airlines and other commercial carriers to add more local flight options;
- **Action:** Organize and fund airline service banks that can help attract and retain new flights within region.

**STRATEGY: MAKE IMPROVEMENTS TO KEY SEGMENTS OF THE STATE HIGHWAY SYSTEM WITHIN YAKIMA AND KITTITAS COUNTIES.**

- **Action:** Identify improvements that will enhance freight and labor force mobility;
- **Action:** Develop priorities for key improvements based on collaboration with local government and other stakeholders;
- **Action:** Unite local communities within the region around key transportation projects.

**STRATEGY: ENHANCE LABOR FORCE MOBILITY WITHIN CENTRAL WASHINGTON:**

- **Action:** Expand public transit system in Yakima and Kittitas Counties;
- **Action:** Identify new pick up points that can enhance bus and public transit ridership;
- **Action:** Tie bus service to commute trip reduction plans being formulated; and
- **Action:** Enhance car and van pool options and utilization

## GOAL FIVE: PROMOTE TOURISM AND DEVELOP VISITOR AMENITIES

Tourism is one of the Kittitas-Yakima's key industries, bringing substantial dollars into the region's economy. According to a 2011 impact study by Dean Runyan and Associates, tourism generates approximately \$350 million in economic activity each year in Yakima County, and \$124 million in Kittitas. Nearly 5000 jobs within the region are supported by the travel industry.



The Kittitas and Yakima Valleys have an extraordinarily diverse array of tourist attractions, events, and destinations that draw people to visit the region throughout the year. The competition for visitor dollars is fierce though and the region must work together aggressively to generate repeat traffic and attract new travelers.

Communities and organizations continue to develop and promote the tourism industry, and public and private investments in hotels, resorts, convention centers, cultural centers, fairs, and other facilities have helped increase the region's drawing power. New signature events are added to the regional calendar from different communities each year, and businesses that support the tourism industry continue to grow.



Outdoor recreational opportunities continue to be Yakima and Kittitas Counties' biggest draw. Four distinct seasons and ample sunshine compliment the region's natural splendor and make it a year round destination for tourists. Maintaining outdoor recreation facilities, including campgrounds, trails, and parks is important. The region also needs to develop new pathways, interpretive centers, and amenities that provide access to and enrich outdoor experiences.

Another big opportunity for tourism is driven by the growing wine industry. The Yakima-Kittitas region is well positioned to capture a significant share of this market's growth and popularity. Estate wineries and production facilities are now complimented by microbreweries and distilleries which add to the region's allure. Adding bistros, specialty shops, spas, and other enterprises that compliment wine tourism is an important part of positioning the region for more affluent travelers that want a full experience.



Piety Flats Winery

Agriculture based tourism is also popular in Kittitas and Yakima Counties. Many people are interested in seeing farm operations and buying fresh produce during our growing season. Farmers' markets, wineries, and U-Pick farms can provide a total agricultural experience for visitors interested in reconnecting with our agrarian heritage.

**STRATEGY: INVEST IN PUBLIC FACILITIES THAT SUPPORT TOURISM.**

- **Action:** Secure state and federal funds to complete linkages between trails like William O. Douglas Trail and Cowiche Canyon, Yakima Canyon and the John Wayne Trail;
- **Action:** Establish maintenance and upgrade plans for the region's trails and outdoor facilities;
- **Action:** Protect access to public lands;
- **Action:** Clean up and maintain the region's key highway and road corridors;
- **Action:** Pursue master plan improvements at State Fair Park and the Kittitas County Fairgrounds to ensure these historic facilities are visually attractive and capable of supporting large audiences; and
- **Action:** Develop sports fields and improve amenities (ex lighting) and existing facilities.



Kittitas County Fairgrounds

**STRATEGY: MARKET THE YAKIMA AND KITTITAS VALLEYS AS A LOCATION FOR CONVENTIONS AND SPORTING EVENTS.**

- **Action:** Increase usage of public and private convention and meeting spaces
- **Action:** Market facilities to meeting planners and association managers.
- **Action:** Develop and submit bids for major conventions or meetings.
- **Action:** Develop coordination/cooperation between Kittitas & Yakima CVB's
- **Action:** Promote and expand sporting activities and events

**STRATEGY: PROMOTE AND BUILD UPON THE REGION'S WINE AND SPECIALTY ALCOHOL INDUSTRIES**

- **Action:** Continue to market wineries and wine country in target markets (Seattle and Portland)
- **Action:** Develop or expand winery events, get-aways, and activities.
- **Action:** Incorporate local breweries, products and events into tourism marketing initiatives;
- **Action:** Incorporate distilleries (and their products) into promotional initiatives; and
- **Action:** Coordinate marketing efforts between wineries, breweries and distilleries.



The New Bale Breaker Brewery

**STRATEGY: PROMOTE THE REGION'S CULTURAL AND AGRARIAN ASSETS FOR TOURISM**

- **Action:** *Promote existing cultural attractions within the region.*
- **Action:** *Develop or enhance events that celebrate our unique cultural heritages.*
- **Action:** *Promote farm-based tourism activities; and*
- **Action:** *Develop agriculture amenities and events for visitors.*

**STRATEGY: DEVELOP EVENTS AND ACTIVITIES THAT DRAW MORE VISITORS TO THE REGION BETWEEN NOVEMBER AND MARCH**

- **Action:** *Develop or enhance off season events and activities;*
- **Action:** *Package activities and events together for increased drawing power.*
- **Action:** *Develop a plan to build on winter recreational activities*



## GOAL SIX – ENHANCE DOWNTOWN AND NEIGHBORHOOD BUSINESS DISTRICT VITALITY

The image and sense of a community is often defined by the condition of its downtown. As a result the condition of central business districts and key commercial neighborhoods can enhance or hinder economic development efforts.

Several Kittitas-Yakima communities have made steady progress to revitalize and maintain the viability of their downtowns in the faces of both changing local demographics and visitor expectations. Downtown Ellensburg has continued to progress as a historic district and attractive draw for tourists and the diverse university population. Its commitment to following the Main Street approach and maintain professional management continues to pay dividends for the community.



Ellensburg's Downtown is a Regional Hub



City of Yakima Streetscape Plan

Downtown Yakima continues to be Central Washington's regional hub for banking, government, and medicine, despite the exodus of major retailers and closure of the Yakima Mall in the early 2000's. Yakima's downtown has had to reinvent itself, starting with a facelift of its streetscape and infrastructure, changing its approach to retail and returning to its regional main street roots.

Businesses, residents, and government officials have worked diligently for several years to shape a vision for other downtowns through efforts such as Grandview Alive, Sunnyside's Centennial Square, Roslyn RDA, Vision Cle Elum and Toppenish's Old West and Murals.

In each of these communities, the growth of Hispanic businesses and customers is a key component to new businesses that will be the cornerstone of future growth. The emergence of the wine industry, its power to attract tourists, and the proximity of the Yakima Valley's smaller communities to the heart of wine country vineyards and estate wineries provide tremendous long term opportunities for revitalization and growth.

While financing the physical improvements is difficult, maintaining them will also be a challenge for local governments and downtown improvement associations. Associations and their part in a coordinated regional marketing strategy is also essential to ensure that downtowns continue to be discovered and frequented by locals and tourists alike.

**STRATEGY: DEVELOP COMMUNITY AWARENESS AND SUPPORT FOR DOWNTOWN/NEIGHBORHOOD REVITALIZATION**

- **Action:** Complete master planning activities that focus downtown revitalization efforts and investments;
- **Action:** Promote downtown revitalization efforts through merchant meetings, public relations, and public forums; and
- **Action:** Prioritize key actions needed to redevelop downtown and neighborhood districts in Central Washington.
- **Action:** Maintain and improve the stock of historic buildings in downtown and neighborhood business districts



Historic Front Street in Yakima

**STRATEGY: DEVELOP MORE DOWNTOWN AND NEIGHBORHOOD EVENTS THAT DRAW PEOPLE AND TOURISTS TO CENTRAL OR SPECIALIZED BUSINESS DISTRICTS**

- **Action:** Provide seed funding to groups that can develop and stage successful events;
- **Action:** Develop and publicize a year round calendar of downtown or neighborhood events; and
- **Action:** Stage events in concert with retail promotions.



Ellensburg's First Friday Art Walk

**STRATEGY: SUPPORT CONTINUED INVESTMENTS IN THE INFRASTRUCTURE OF DOWNTOWN AREAS IN YAKIMA AND KITTITAS COUNTIES.**

- **Action:** Continue upgrading infrastructure to improve competitiveness of downtowns, including fiber optic and wireless telecommunications, street and landscape improvements, public spaces and entertainment centers; and
- **Action:** Enhance infrastructure serving and accenting neighborhood business districts;

**STRATEGY: RECRUIT NEW BUSINESSES TO DOWNTOWN/NEIGHBORHOOD DISTRICTS AND HELP EXISTING MERCHANTS SUSTAIN OR EXPAND OPERATIONS**

- **Action:** complete research to identify target businesses that fit well in the downtown or community at-large;
- **Action:** Develop marketing materials and sales strategies that promote downtown/neighborhood business development opportunities;
- **Action:** Develop an inventory of available properties in downtown/neighborhood business districts;
- **Action:** visit downtown or neighborhood merchants to determine how they are doing and whether they can or want to expand operations; and
- **Action:** provide appropriate follow-up assistance to new or existing businesses



**STRATEGY: ORGANIZE DOWNTOWN AND NEIGHBORHOOD BUSINESS DISTRICT MERCHANTS TO SHARE BEST PRACTICES, POOL RESOURCES, AND PROMOTE THEMSELVES COLLECTIVELY.**

# Strategic Projects

## Key Investments and Projects Supporting a Strong Regional Economy

Over the past decade a number of projects and investments have helped boost the region's economic fortunes. Some of these projects include:

### **The Ellensburg Business Incubator**

was conceived and built in 1988 by the Ellensburg Business Development Authority a PDA focused on Economic Development for the City of Ellensburg. The 10,000 sq. ft. building houses 5 individual bays designated for light industrial manufacturing. The successful business incubator program offers reduced rent, shared office equipment and technical assistance.



**Bowers Airport Business Park** - The Ellensburg Business Development Authority built the Airport Business Park utilizing CERB funds. The building has four units for light industrial manufacturing. Currently all four bays are leased.

**Rotary Park in West Ellensburg** – The 60 acre park & baseball complex constructed in 2004 draws a large number of sports tournaments and brings tourism revenue to the county. The park was developed adjacent to two major city parks in Ellensburg linking the Irene Rhinehart Park to the West Ellensburg Park creating a major recreational asset for the community and visitors.



**Washington Horse Park** – An equine recreational park with trails, arenas, barns and overnight RV spaces. The Cle Elum park was developed in 2008 and is a growing tourism draw.

### **Water & Wastewater Infrastructure Improvements in Cle Elum**

– Multimillion dollar investments in water and wastewater systems support Suncadia Resort, a 70 acre mixed use development just outside of Cle Elum on Bull Frog Rd.

**State Fair Park Infrastructure** – Investments have been made over time to support the development of the SunDome in Yakima and to upgrade electrical utilities that support the fairgrounds.

**Port District Land Preparation** – Yakima County and Washington State have helped the Ports of Grandview and Sunnyside improve road access and utilities supporting over 300 acres of industrial property in Yakima County;

**State 24 Highway Industrial Area Development** – Funds have been invested by the City of Moxee, Yakima County and the State Department of Transportation to prime over 500 acres of light industrial property immediately east of Yakima.

**Downtown Streetscape improvements** – Both Yakima and Grandview have made extensive investments in street and sidewalk improvements within their central business districts. These public investments are helping revitalize these cities' downtown areas and serving as a model for other local jurisdictions;



**Yakima Convention Center Improvements** – The City of Yakima has expanded its convention center several times to capture the convention and meeting market within the region;

**Kiwanis Park** - Local service clubs worked with the City of Yakima to develop new baseball fields and sporting facilities in East Yakima. This park enhances the region's draw for sports tournaments.

## *Proposed Investments and Projects to Build the Regional Economy (2013)*

### **1. Port of Sunnyside – Port of Sunnyside Anaerobic Treatment:**

This Anaerobic treatment facility will double the size of the Port of Sunnyside wastewater treatment capacity which allows current and new industries to expand and site in Yakima County.



### **2. City of Yakima – River Road Industrial Area Project:**

The City of Yakima Industrial Waste Line is planned and currently being installed to accommodate certain food related industrial land uses with high discharge characteristics, and to preserve the capacity of the existing wastewater collection system.

### **3. Kittitas Economic Development Coalition Start Up Program – Downtown Retail Business Incubator:**



This initiative will create a multi use downtown retail incubator program housing 15 early stage retail and service industry businesses. It will be considered a business expansion resource facility fostering early stage business growth and development with community partners and space available for events, classrooms and a commercial kitchen.

### **4. City of Yakima – Yakima Cascade Mill Project:**

This project will support the infrastructure study for light industrial and employment land uses of the Cascade Mill site. The first phase will primarily be clean-up and infrastructure.

**5. HopeSource – Hope Healthy Homes:**

This project comprises of development, construction and operation of a modular home manufacturing assembly plant with an auxiliary construction and installation services division in Kittitas County.



**6. Kittitas Yakima Valley Community Land Trust – Water Street Community Land Trust Project:**

The Water Street project is planned to construct thirteen affordable single family homes in a public and private partnership. The Community Land Trust will retain title to the land while the homebuyer, who would not qualify for a traditional home purchase, will own the house and build equity, stability, and become a contributing member of the community.

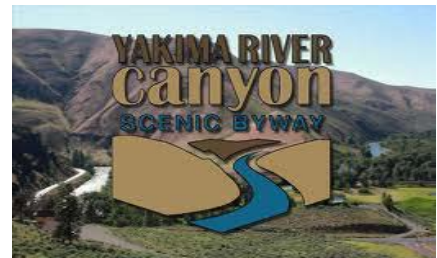
**7. Rural Community Development Resources – Business Development Funding:**



The key goal of this project is to obtain an EDA grant for an expanded regional Community Loan Fund Investment into the region to provide bigger loans to ethnically diverse business enterprises.

**8. Kittitas Environmental Education Network – Yakima River Canyon Scenic Byway Interpretive Center:**

The Yakima River Canyon Scenic Byway Interpretive Center will serve as a resource to visitors and community members to provide science based education for all ages, and connect our community to nature through quality environmental education and recreational resources.



**9. Roslyn Farmers Market Steering Committee – Roslyn Farmers Market:**

The Roslyn Farmers Market will provide a sustainable outdoor venue for farmers, specialty food producers, artisan crafters, food preparers and entertainers. The goal is to create a market that serves as a community event and business generator that fosters both the economy of Roslyn and all of Kittitas and Yakima Counties.

**10. Port of Sunnyside – Sunnyside Ecosystem Restoration:**

The project will discharge clean water to Yakima River, via a wetland, to add capacity for expansion. The wetland design emulates a natural system, with cooling and subsurface entry to Yakima River.

**11. Port of Grandview – Wallace Way Business Park:**

There are plans to construct interior roadway and utilities within the Wallace Way Business Park in order to increase the available property for new businesses.

**12. City of Yakima – Yakima Airport:**

This project is included in the Airport Master plan and is designed to replace the Yakima airport passenger terminal building.



**13. City of Union Gap – Regional Beltway Connector:**

The beltway connector is designed to connect the South Union Gap interchange to Ahtanum Road thereby providing a more direct limited access route as an alternative to traveling on Mail Street.

**14. Yakima County Development Association and Educational Service District 105 – Business Education Partnership:**

This project will create, coordinate and manage robust partnerships between STEM businesses, school districts, colleges, and universities and other training providers.

**15. City of Yakima – North 1<sup>st</sup> Façade and Sign Replacement Program:**

This is an Incentive program to upgrade and improve private developments along this corridor and encourage property reinvestment and comprehensive clean-up efforts of the City.



**16. City of Yakima – Downtown Farmer’s Market:**

One of the elements of the Yakima Downtown Master Plan is to identify locations for additional public amenities including a permanent location for Farmer’s Market and other Downtown events in this core downtown area.

**17. City of Union Gap – Main Street Re-Development:**

The redevelopment of Main Street within Union Gap would provide new economic opportunities along this old state route corridor. The current roadway is flanked with used car lots, old roadside motels and sparse retail and does not provide pedestrian access or parking.

**18. City of Yakima – Acquisition and Rehabilitation of Historic Depot:**

This project would allow the City to acquire, and rehabilitate for public occupancy the Northern Pacific Depot building that is located in the Old North Yakima National Register Historic District.



**19. Kittitas County Habitat for Humanity – Habitat Store – Upper Kittitas County:**

This project seeks funds to help with start up costs for a second, much needed building materials reuse center to be located in Upper Kittitas County. The Habitat store will accept donations of new and used materials from a variety of sources and sell them to the public.

**20. Central Washington State Fair – Yakima Valley SunDome Project:**



State Fair Park wants to attract events to Yakima by becoming a regional events center. The project would consist of adding full catering services and an indoor covered vehicle and storage area.

# Implementation Plan 2013 -2014

<b>GOAL ONE: Support the Retention and Expansion of Regional Clusters and Industries</b>		
<b>Implementation Initiatives</b>	<b>Lead Organization</b>	<b>Related Project #</b>
Increase participation in business and industry roundtable to cultivate local business and serve as focal point for delivering services to key companies.	YCDA, Kittitas Chamber	
Provide assistance to expanding or troubled companies in an effort to support jobs and private investment within Yakima County.	YCDA, Kittitas Chamber, South Central Workforce Council	
Package funding and other resources to support expansion or retention of local companies.	YCDA, Kittitas Chamber, RCDR, Evergreen Business Capital	
Market the region as a business location using e-newsletters, websites prospecting trips, public relations and other strategies.	YCDA, Kittitas Chamber, Port districts	
Update content on key business development websites so that new and existing companies can identify the benefits of doing business and resources available in Central Washington	YCDA, Kittitas Chamber, port districts, RCDR, SBDC, SCORE	
Implement cooperative marketing initiatives that raise the region's image and reputation as a business location	YCDA, Kittitas Chamber, Port Districts	
Generate leads from expanding businesses, respond to prospect businesses, and continue to follow up on longer-term business expansion leads.	YCDA, Kittitas Chamber, Port Districts	
Stay in contact with site selection professionals through e-newsletters, direct mail, and special trips or events.	YCDA, Kittitas Chamber	
<b>GOAL TWO: Support Small Business Success and Entrepreneurship</b>		
<b>Implementation Initiatives</b>	<b>Lead Organization</b>	<b>Related Project #</b>
Implement business plan contests for entrepreneurs and emerging businesses in Kittitas and Yakima Counties	YCDA, CWU	
Investigate the feasibility of expanding existing business plan contests and other initiatives that support entrepreneurs and emerging businesses in the two county region	YCDA, Kittitas Chamber, local Colleges & Universities	

Create a multi use downtown retail incubator program in Kittitas County and explore opportunities to implement this model in Yakima County.	Kittitas Chamber, YCDA, City of Yakima	3
Organize and offer periodic seminars for entrepreneurs and established businesses that provide help in the areas of finance, marketing, management, getting started, etc.	YCDA, SBDC, SCORE, Ellensburg Downtown Association, RCDR, Kittitas Chamber	
Market unique loan programs and services and explore angel and equity funding programs that will support promising ventures in the region.	RCDR	7
<b>GOAL THREE: Develop a World Class Workforce</b>		
<b>Implementation Initiatives</b>	<b>Lead Organization</b>	<b>Related Project #</b>
Implement strategies to help local employers attract technical and professional employees to Central Washington.	YCDA, Kittitas Chamber	
Finalize STEM Education Plan for Central Washington and focus on initial implementation.	ESD 105	
Develop business education partnerships for K-12 and postsecondary schools	ESD 105, YCDA, SCWDC, CWU, Kittitas Chamber	14
Develop web based information and resources that identify current STEM education initiatives while connecting business, education, families and public at large to current and future STEM initiatives.	ESD 105, YCDA	14
Implement a series of topical seminars to support key local industry clusters and their key employees.	YCDA, Kittitas Chamber, SCWDC	
Implement Employment Roundtables to prepare and support adults in the transition to new career opportunities in demand occupations.	SCWDC	
Increase technical training opportunities by expanding the Yakima Vocational Technical Skills Center and building a satellite facility in Sunnyside.	YVTECH, Yakima School District	
Start a Medical Assistant technical certificate program in response to industry needs.	Perry Technical Institute (PTI)	
Initiate a Machining Apprenticeship Program to provide in depth training to the areas incumbent workforce and support the state's aerospace industry	YVCC	



Initiate a combined professional technical degree program where a student will receive a Associates of Applied Science Degree.	YVCC, PTI	
<b>GOAL FOUR: Invest in Capital Facilities and Infrastructure</b>		
<b>Implementation Initiatives</b>	<b>Lead Organization</b>	<b>Related Project #</b>
Secure funding for development of infrastructure improvements including, roadway, water, sewer, utilities and pedestrian access at top priority sites within the region.	Cities, Counties and Port Districts, Kittitas Chamber	1,2,4,10,11,13,17
Secure 1st phase funding to implement the Yakima Basin Integrated Water Resource Management Plan.	YBIP, Yakima County, WA State, Kittitas County	
Implement wastewater treatment plant improvements to support new and existing industries	Port of Sunnyside	1
Complete design and engineering on new intersection off of Highway 24 that will provide access to light industrial lands	City of Moxee, WSDOT, YCDA	
Fund appropriate infrastructure projects with each County's 0.09% sales tax funding dedicated towards economic development projects	YCDA, Yakima County, Kittitas County, Kittitas Chamber	
<b>GOAL FIVE: Promote Tourism and Develop Visitor Amenities</b>		
<b>Implementation Initiatives</b>	<b>Lead Organization</b>	<b>Related Project #</b>
Seek to secure funds to enhance trail and green belt systems in the Region.	Kittitas Environmental Ed. Network, Greenway Association	8
Incorporate local breweries and distilleries into promotional and tourism marketing initiatives.	YVCB, YCDA, Kittitas Chamber	
Develop and promote agritourism and cultural activities within the region.	YVCB, Yakama Nation, area museums & cultural groups/societies	
Pursue securing funds to make improvement to fairgrounds and other landmark facilities in the region to enhance their capabilities to support enhanced tourism.	YCDA, Kittitas Chamber, Kittitas county Fairgrounds,	12,18,20

Enhance commercial flight opportunities in and out of Yakima	City of Yakima	12
<b>GOAL SIX: Enhance Downtown and Neighborhood Business District Vitality</b>		
<b>Implementation Initiatives</b>	<b>Lead Organization</b>	<b>Related Project #</b>
Complete City of Yakima master planning activities for downtown revitalization and secure funding to begin implementation actions detailed in the plan.	City of Yakima	2,4,12,15, 16,18
Assess and inventory the City's current retail offerings and create a recruitment and marketing strategy for downtown retail redevelopment.	City of Yakima, Ellensburg Downtown Association	
Organize and develop new events that will draw people to downtown business districts	City of Yakima, Ellensburg Downtown Association	
Determine possible locations for parks, plazas and a permanent location for an annual farmer's market that enhances overall downtown revitalization efforts.	City of Yakima	16
Ensure that land use, mobility, and parking requirements support current street level retail with a forecast of downtown growth.	City of Yakima, City of Ellensburg, Ellensburg Downtown Association	
Develop marketing and promotional materials that highlight downtown and neighborhood business development opportunities.	City of Yakima, Ellensburg Downtown Association	
Create an outdoor venue for a community farmers market in Roslyn.	Roslyn Farmers Market Steering Committee	9
Implement planned infrastructure improvements that support North 1st Street Revitalization	City of Yakima	15

# Performance Measures and Evaluation

In accordance with EDA guidelines, annual reports detailing progress achieved on economic development activities will be prepared. The yearly reports will effectively adjust the CEDS as needed to anticipate new opportunities, address new issues, identify new projects and strategies and remove finished projects and strategies.

Since the CEDS is a living document, annual reports will provide details regarding the previous year's efforts toward defined goals. Key objectives will be tracked and "next steps" will be stated for the coming year. These projected plans will continue to identify specific projects, estimated costs and timeframes, funding mechanisms, responsible parties, and project partners.

The following performance measures will be used to evaluate how well strategies and projects are producing desired outcomes and impacts for the Kittitas Yakima region.

## **GOAL ONE: Support the Retention and Expansion of Regional Clusters and Industries**

- Number of new jobs created
- Number of jobs retained
- Increase in private investment
- Number of key companies receiving in-depth counseling (4 or more hours)
- Number and \$ value of key industry/business capital expansion projects
- Number and types of Federal and State investments secured to support specific cluster or industry collaborative initiatives
- \$ loan capital packaged to support expanding businesses
- \$ value of tax credits secured to support expanding businesses



## **GOAL TWO: Support Small Business Success and Entrepreneurship**

- Number of new ventures created
- Number of workshops offered for small business and entrepreneurs
- Number of small businesses receiving in-depth counseling (4 or more hours)
- Number of jobs created by small businesses receiving help from intermediaries
- Number and types of Federal and State investments secured to support small business development
- \$ Increase in private investment from expanding small businesses
- \$ loan capital packaged to support expanding businesses

## **GOAL THREE: Develop a World Class Workforce**

- Number of companies investing in customized workforce training
- Number of employees participating in customized training activities
- \$ value of company investments in customized worker training

- \$ value of funds secured for general or customized workforce training
- Number and type of new training/education degree programs and certificates
- Number and types of Federal and State investments secured to support workforce training or development
- Number of STEM graduates from area colleges and technical schools
- Number of disadvantaged workers successfully placed into jobs

**GOAL FOUR: Invest in Capital Facilities and Infrastructure**

- Number and types of Federal and State investments made to support specific companies or prepare for economic development opportunities
- Number and \$ amount of funded water/sewer improvement projects
- Number of new jobs created
- \$ private investment triggered
- Number of acres of industrial property improved or readied



**GOAL FIVE: Promote Tourism and Develop Visitor Amenities**

- Number of visitors using websites, visitor centers, etc.
- \$ value of publicity generated in support of tourism amenities and attractions
- # days of conventions/meetings booked at key public facilities
- Number of events created/supported & estimated economic impact
- Increase in overall economic impact from visitor spending

**GOAL SIX: Enhance Downtown and Neighborhood Business District Vitality**

- Number of businesses started or recruited to targeted business districts
- Number of companies expanding within targeted business districts
- Number of key companies receiving in-depth counseling (4 or more hours)
- Number of events created/supported & estimated economic impact
- Number of new jobs created
- Number and \$ amount of Federal and State investments in revitalization projects
- Number of jobs retained
- \$ Increase in private investment from expanding businesses



The Yakima and Kittitas County Commissions will maintain a CEDS committee or use the Board of a regional Economic Development District to evaluate the CEDS plan on an annual basis. The group will update performance measures as necessary based upon actual experience with plan implementation.