

CHAPTER 6 ECONOMIC DEVELOPMENT ELEMENT

INTRODUCTION

Purpose of the Chapter

A healthy economy is essential to the vitality and quality of life in Electric City and the surrounding area. While the natural setting and location of the [Town/City](#) largely determines the parameters within which economic development may occur, virtually every other feature of community life is dependent on the area's economy.

This Element places economic development within the context of the [Town/City](#)'s other goals and policies. To be able to provide adequate employment opportunities for current and future residents during the planning period, the economy must grow. Growth, however, is subject to the constraints of the natural setting, [land ownership](#), location and vision of our citizens. Gaining consensus for the direction economic development should take enhances economic development efforts.

Economic growth also requires investment in the infrastructure of the [Town/City](#), including transportation facilities, water, ~~and~~ sewer [and stormwater](#) systems, [recreational](#)

[opportunities](#), community amenities and private utilities. Having [appropriately zoned areas for](#) industrial and commercial [uses property](#) available and ready-to-develop at an affordable price is a prerequisite to effectively retain existing business and industry and [also participate in the competition for attraction of](#) new companies. Changes in ~~the economic development activities~~ at the County level may also impact ~~its~~ [the](#) demographic composition [of residents](#) and affect both the type and location of needed housing. Because economic development can have system-wide impacts, proposed economic policies must be addressed. Those policies or activities that are not sustainable within the constraints of the [Town/City](#) do not contribute to the overall well-being of the [Town/City](#) or County.

This Element is related to many other elements of this Plan. The Natural Setting, Land Use, Capital Facilities, Utilities, and Housing Elements describe plans and policies for infrastructure development and land use. These elements lay the groundwork and form the "building blocks" for economic development.

Electric City's Vision for the 21st Century

Electric City seeks to maintain and enhance its quality of life while achieving benefits of growth and minimizing any negative effects. ~~Our~~The vision defines the desired ~~our~~ future and how the community ~~we~~ will respond to growth and change. The~~Our~~ vision centers on the following basic economic value:

“Promote a healthy, diversified and sustainable local and regional economy by supporting existing local businesses, making prudent infrastructure investments, and encouraging new business that is compatible with and complementary to the community.”

Overview

~~Electric City and Grant County are part of what many have called the “other Washington,” composed of a struggling rural economy outside of the dynamic, healthy urban economy found in many Washington metropolitan areas. In recent decades, employment growth has faltered in resource-based industries, such as farming and forest products, which has provided the economic foundations for many of these rural areas in the state. Of particular concern is a group of rural counties, many of whom have not shared in the state’s recent economic prosperity. With double-digit unemployment rates, depressed per capita incomes, and low rates of employment growth, these “distressed” counties indicate they have been left behind economically.~~

This element of the comprehensive plan addresses the different kinds of land uses, future goals, and the process for implementing the goals through policies. Further, in addressing land uses such as commercial, industrial and residential, the proposed general distribution, general location and extent of the uses are defined. This element also includes population densities, building intensities and estimates of future population growth.

Although Electric City is located in Grant County, ~~which was designated as a “distressed” by the state,~~ some aspects of the county’s economy stand in sharp contrast to a number of other counties that comprise the “other Washington.” While high seasonal unemployment rates continue to persist, Grant County ~~is was~~ among the state’s leading counties in population growth and employment gains during the 1990s with the trend continuing well into this century.

Electric City’s vision for its economic future focuses on such key words/phrases as vitality, diversity, quality-of-life, sustainability and growth. As the community moves into the twenty-first century, it has the opportunity to excel and enjoy the benefits of balanced economic growth without compromising its quality-of-life. Effective and

coordinated local and regional economic development planning and well-informed decision-making and action are needed to achieve these goals.

RELATIONSHIP TO OTHER PLANS

Growth Management Act Requirements

The Growth Management Act (GMA) essentially creates a framework to plan for economic development through the Act's thirteen goals, requirements for countywide planning policies, mandatory plan elements, and other planning requirements.

Economic development is one of these core goals of the Act. Furthermore, integration of economic development into this GMA framework helps to ensure that policies, regulations, and procedures produced are consistent with the broad community vision, reflect the preferred local economic strategies, and support sustainable and vital local economies.

Operationally, the GMA states this economic development goal is to:

“Encourage economic development throughout the state that is consistent with adopted comprehensive plans, promote economic opportunity for all citizens of this state, especially for unemployed and for disadvantaged persons, and encourage growth, all within the capacities of the state’s natural resources, public facilities, and public services.”

The GMA recognizes that economic development planning no longer stands alone as an isolated activity but is an integral part of comprehensive planning and community development. Furthermore, economic development has evolved from its perceived singular focus on commercial and industrial development to a broader emphasis on the role the economy plays in implementing the City’s and county’s visions. Not only does the local economy provide jobs and income for its residents; it creates the tax base to support education, public safety, infrastructure, recreation, environmental management, and other public services and programs.

County-Wide Economic Development Planning

Although the preparation of the Economic Development Element of the Grant County Comprehensive Plan represented the first county-wide economic development plan, various Grant County communities and entities have been engaged in economic development planning activities for some time. In October 1997, the Grant County Economic Development Council (EDC) developed a consensus mission statement for the County. This mission statement also included the stated goals and priorities of the EDC. The mission statement of the Grant County Economic Development Council is:

“To work for the continued, orderly growth of the Grant County economy through coordinated marketing and planning activities while maintaining a favorable quality of life for its residents.”

The stated goals and priorities of the Grant County EDC are:

- To promote and attract new business to Grant County;
- To assist retention and expansion of existing business;
- To serve as a facilitator for public forums on vital issues affecting economic growth in Grant County; and
- To increase the coordination of, and support for, community and economic development services in Grant County.

In many ways, the stated mission and goals of the Grant County EDC is similar to the articulated vision of the residents of Electric City and Grant County.

Technical Resources

This Element relies on selected economic data and analyses compiled from a variety of sources ~~for the Grant County planning effort~~. The Element is intended to provide guidance in the planning process and the development of economic goals and policies consistent with those of the County.

An Economic Development Framework

~~A citizen's advisory group was formed to provide the County and its communities with overall guidance and specific actions that should be pursued to encourage economic development. Although a Grant County overall economic development plan was the goal, the process required a clear understanding of definitions, issues, and the operations of a local economy are in order. This section provides an organizing framework about economic development—what it is and what it should be—and types of policies that most effectively lead to its achievement.~~

Objectives of Economic Development Policies

Economic development planning is difficult, complicated by interrelationships among markets and between markets and policies in the real world. In addition, the context of economic development planning is important—planning within rural communities is vastly different from planning in metropolitan areas. Complications begin with definitions: what is economic development? How does it differ from economic growth [or community development](#)?

Although economic development has been defined differently over the years, it has become increasingly synonymous with “jobs,” signaling various economic and social issues. In practice, economic development is essentially the process by which individuals and organizations make decisions to invest in an area. Through innovations and adaptations, these investors increase their capacity to create wealth. The results are new, expanded, or retained, industrial, commercial, or service enterprises and new or retained jobs.

Local economic development is a process requiring both the efforts of private and public sectors to achieve its potential. While the basic elements of economic development—such as availability of labor, capital, appropriate technology, infrastructure, and support services—are the same regardless of the area, the basic characteristics of rural and urban areas differ. Several important variations influence what development strategy is adopted and the nature of effective public-private partnerships.

- First, the growth or decline of business and population has a greater relative impact in smaller, rural areas. For example, the expansion of a manufacturing industry leading to the addition of 100 new jobs would have little impact on day-to-day service demands in a metropolitan area. Such an investment, however, would add several percentage points to the employed workforce and associated population within a rural area. The resulting growth could strain the ability of the TownCity to provide utility hook-ups, fire protection, and other community services. Conversely, the loss of a 100-employee plant has a much more severe impact on the economic well-being of a rural area than a metropolitan

city. The job losses may result in outmigration, a lower tax base, underutilized public facilities, and municipal fiscal deficits.

- Second, many rural areas are dominated by one or two industries, whether agriculture, forestry, mining, manufacturing or significant government facility. Such dependence makes them especially vulnerable to downturns caused by factors ranging from changing global markets to bad weather. Unlike their metropolitan counterparts, rural areas often do not have the breadth in their economic bases to help cushion the effect of problems confronting specific industries. Consequently, development policies aimed at technological modernization and competitiveness often take on greater importance in rural areas.
- Third, the smaller and less dense population base in rural areas make delivery of basic services more difficult. The logistics and mechanisms for providing public services in urban areas produce economies of scale impossible for rural areas to duplicate.
- Fourth, rural areas often lack the capacity—enough trained staff, locally generated development capital and technical resources, and sufficient access to outside resources—to take advantage of public assistance programs and private development opportunities. Indeed, the need to build local capacity is the most pressing development issue for many rural areas.

Economic development is fundamentally linked with economic welfare and social well-being or quality of life, both now and in the future. Indeed, this linkage between economic welfare or quality of life and economic development policies has become so important, it has been called the “second paycheck.” An area’s net quality of life benefits are analogous to a second paycheck that each resident of the region receives, supplementing the first paycheck received from an employer or other source of income. Some economists argue that the sum of these two “paychecks” determines the overall well-being of the area’s residents.

In contrast to economic development, economic growth is more a quantitative measure—more investment, income, jobs, output, and consumption—within the local economy. Economic growth essentially means more economic activity, and generally results from economic development.

When government pursues economic development and achieves economic growth, there will likely be debate about the merits of that growth. On the positive side are the benefits to the local area including increased jobs and income, growth of services, and developed space; on the negative side are the inconveniences that accompany growth such as congestion, pollution, and the loss of open space.

Most citizens recognize the inherent tradeoffs—some favor growth while others fear the negatives. The diversity of interests requires government to pursue a broad range of objectives, many of which may conflict. The challenge for governments

undertaking economic development is to recognize these potential conflicts and make sound decisions about the inherent conflicts among various objectives.

Public policy should not try to maximize a single objective because the result would most certainly be a reduction in the overall welfare of the local area. For instance, maximizing employment or income might result in severe reductions in local environmental quality. Conversely, maximizing environmental quality might mean stopping most development. Instead, the public sector should pursue an overall strategy that optimizes multiple objectives.

Even if government could maximize economic outcomes in the aggregate (i.e., Grant County taken as a whole), many decisions turn on what happens at the disaggregated level (impacts on specific industries, locations, or groups). Economists see this distinction as essentially a tradeoff between efficiency and equity: policies that may generate the most benefits in the aggregate may in turn distribute those benefits and costs so poorly that they will be rejected by citizens and policymakers. Other policy issues abound. For instance, who should TownCity and County economic development programs be assisting—businesses or workers, existing firms or new firms? Where should jobs and employees be located?

Residents in Electric City ~~and Grant County~~ would agree that the outcome of economic development planning should be to make them better off. Unfortunately, there is no practical way to maximize a single objective at the exclusion of others. Thus, government needs to recognize that: (1) they will pursue multiple economic development objectives; and (2) they must have the public support for these objectives.

Planning processes in economic development spend a great deal of time at the front end discussing and debating broad goals and objectives to achieve this level of support. ~~The citizen's advisory committee appointed by the County did not spend much time on this discussion since the framework had already been adopted through the 1997 mission statement of the Grant County Economic Development Council.~~

The Public Sector & Economic Development Planning

Over the years, there have been broad shifts in public policies concerning economic development. Policy experts have developed and implemented more accurate and complete economic development programs. For instance, public policies have generally shifted away from attempting to attract new businesses through tax incentives and giveaways to more comprehensive strategies that attempt to fill the gaps in the market to allow the private sector to operate more efficiently.

- In the mid-1970s, evidence that a majority of job growth occurred in firms of under 50 employees helped the change the thrust of state and local economic development efforts away from business recruitment.
- Theories about economic development have been modified to acknowledge that other sectors than manufacturing, mining, agriculture, fishing and forestry could provide basic jobs and income and therein help drive the local economy.¹ Other activity has been termed basic in increasing the flow of dollars into the area (e.g., retirement-related incomes) or decreasing the flow of dollars out of the area (e.g., professional & business services formerly purchased outside the region).
- Research on location decisions of firms reveal that those decisions are based on a multitude of factors, only a few of which are influenced by state and local governments. Research findings indicate that the traditional recruiting enticements used by local governments (e.g., marketing, tax incentives) are not among the critical factors. Location factors most important to firms relate to fundamental regional characteristics: access to markets, factors of production, quality of labor force, adequacy of infrastructure, and quality of life. These factors suggest a change in focus from short-term recruitment deals to long-run investments in public facilities and services.
- Quality-of-life issues have become part of the economic development parlance, not only in recruitment, but also in ensuring that policies are in place to maintain it.
- Increasingly, there is an emphasis on the business of government: on “streamlining” regulations, doing things efficiently, and reaching consensus on what government should provide. In this new environment, economic development policies are viewed more in the context of investment decisions—what is the return to the community on public resources being devoted to various development policies or ventures; and related, what are the opportunity costs (i.e., other investments that cannot be made because resources are devoted for this investment)?
- More focused attention on economic diversification within economic development circles.

Governments like the State of Washington, Grant County and Electric City have learned that economic development has multiple dimensions. Thus, a comprehensive

¹ One economic growth model, called the economic base theory, divides the region's economy into two main sectors: basic and non-basic. Basic industries bring dollars into the local area by exporting goods and services. Non-basic industries sell their products/services within the local area and exists to support the export or basic sector.

view toward economic development planning is provided.

With this background on economic development strategies and areas where public policies can influence the pace and direction of economic development, we now turn to the recent past of [Grant County's Electric City's](#) economy and where it appears to be going. [The following profile is for Grant County as a whole.](#)

EXISTING CONDITIONS – AN ECONOMIC PROFILE OF [GRANT COUNTY ELECTRIC CITY](#)

Key Features of the Economy^[KD1]

Like many rural [counties communities](#) in Eastern Washington, [Electric City's Grant County's](#) economy is [increasingly largely](#) dependent upon [tourism and retirees agriculture and its value-added companion of food processing](#). However, [Grant County's economy is far from being one-dimensional; there are complexities and a dynamic quality to the local economy.](#) [The foundation of the community's and in fact the Grand Coulee Dam area's economy is the Bureau of Reclamation's Grand Coulee Dam and Columbia Basin Irrigation Project.](#) The data presented below reveal some important trends that will help guide decisions on economic development within [Grant County and its incorporated communities Electric City](#). [The following list provides an overview and summary of some of the key themes that stand out from the economic profile of Grant County.](#)

- [Grant County Electric City's](#) population [has increased by an estimated 9.90% from 1990 through 2016 more than one-fourth thus far in the 1990s](#). With an average annual rate of [0.36%-3 percent](#), [the City Grant County's population has been relatively stable was ranked third among all Washington State counties in the 1990s.](#) [In migration has had a significant role in the growth of Grant County's population.](#)
- [Between 2010 and 2016, t](#)The labor [force participation rate in Grant County Electric City peaked in 2012 with 55.50% has of those over 16 years of age employed. Unemployment during this same period peaked in 2013 at 9.60%. The most recent figure from the 2016 American Community Survey found that the labor force was down to 48.90% of those over 16 and the unemployment rate at 7% grown even faster than population with an average annual rate of 3.8 percent during the 1990s, compared with 2.5 percent annual growth for the state's labor force.](#)
- Employment growth in Grant County has also been robust during the 1990s, with an average annual rate of 4.3 percent. Grant County's unemployment, one of the key indicators of a region's economic health, has persistently remained above the statewide average. One of reasons for high unemployment—designating Grant County as “economically distressed”—is the strong seasonality of the county's leading sectors of

agriculture and food processing.

- In contrast to the national and state economies, Grant County is highly dependent upon goods-producing industries of agriculture, construction, and manufacturing. Agriculture and food processing remains the County's leading employer and the largest component of the local economy. Grant County is well-endowed with resources that have created a significant comparative advantage in agricultural production. The County is part of one of nation's most productive and diversified agricultural regions.
- Grant County has lagged behind the state in emerging technology sectors as well as trade and services sectors.
- Personal income—the most broad-based measure of purchasing power—amounted to \$1.2 billion in 1996 (the latest year available). Per capita income in Grant County was \$18,366 in 1996; roughly three-fourths of the nation and statewide average.
- Personal income consists of three components—net earnings, property incomes, and transfer payments. Net earnings—payments for labor services—represents three-fifths of the County's total personal income. The remaining two-fifths are split between property income (e.g., dividends, interest and rent) and transfer payments. Transfers in Grant County—composed of retirement and disability insurance, medical payments, unemployment insurance, veterans' benefits, and income maintenance—represents one of the highest shares of all counties.

Economic Ebb & Flow

Grant County's economy has had its surges and slumps over the last three decades. During the first half of the 1970s, the regional economy was robust, with Grant County's employment growing at an average annual rate of 4.9 percent, eclipsing the state's rate by more than two full percentage points. Farm and agriculture-related sectors (e.g., agriculture services, wholesale trade, food processing) were the county's engines of growth. The County's population, however, grew modestly during this time, increasing at an annual rate of 0.8 percent.

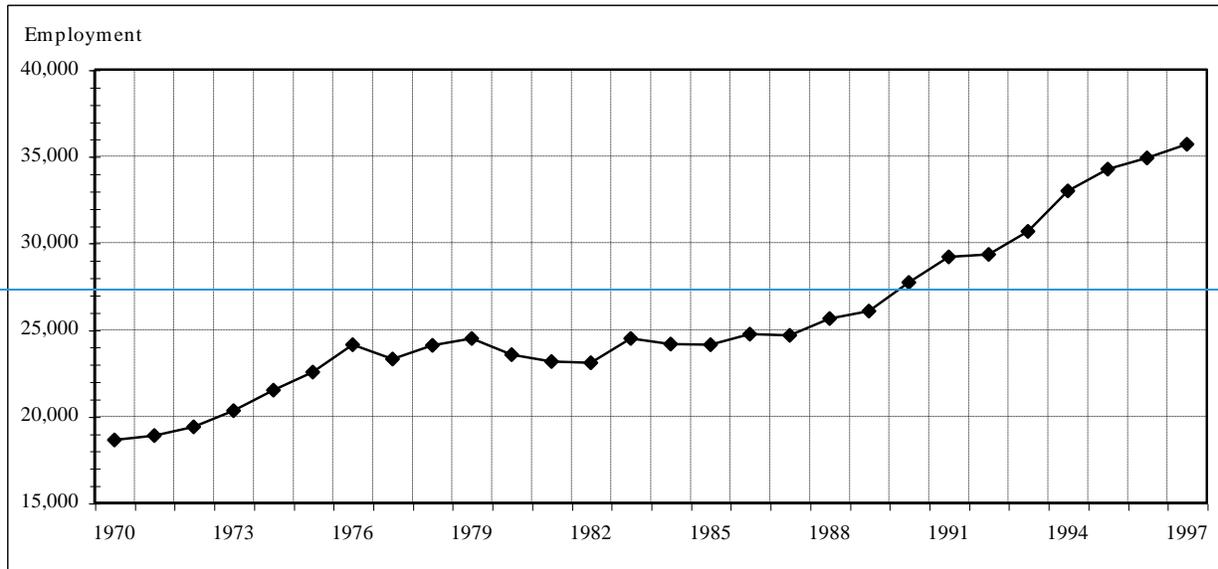
Between mid-1970s and mid-1980s, Grant County's economy stagnated with employment growing at only an annual rate of only 0.2 percent. Like many rural counties, Grant County's economy plunged during the national recessions of the mid-1970s and early 1980s. Population in the County increased more rapidly than jobs, growing at annual rate of 1.5 percent. In contrast, Washington State added jobs at an annual rate of 3.6 percent between 1976 and 1986.

Grant County's economy rebounded during the remainder of the 1980s. Thus far, the 1990s have marked an explosive growth period in Grant County. Population has grown from 54,800 in 1990 to 69,400 in 1998; an average annual rate of 3.3 percent. Job growth, however, has been even faster, averaging 4.3 percent annually.

~~Consequently, Grant County is now one of the fastest growing counties in Washington State.~~

~~As shown in Figure 6-1, the number of jobs in Grant County has expanded from about 18,600 in 1970 to 35,700 in 1997; an increase of 92 percent over the time span.~~

Figure 6-1
Grant County Total Employment, 1970-1997



Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Composition Of Grant County’s Economic Base

An analysis of Grant County’s economy during the late 1990’s found that a number of sectors comprise the economic base of the local area. Also known as the export base, these sectors sell their products and services to non-local markets and thereby bring new dollars into the local economy. These export-oriented sectors, in turn, support a cast of non-export sectors within the local area. The following sectors, in rank order, represent the key elements of Grant County’s economic base.

Agriculture

Grant County is one of the nation’s leading counties in agricultural production. In 1997, the value of agricultural production in Grant County was \$5.5 billion; ranked second among all counties in the state. With abundant land, plentiful water for irrigation, and a mild climate, Grant County produces a cornucopia of food and fiber products. Grant County is a diversified agricultural production powerhouse, with one out of every seven dollars of the state’s total agricultural production coming from producers in the county.

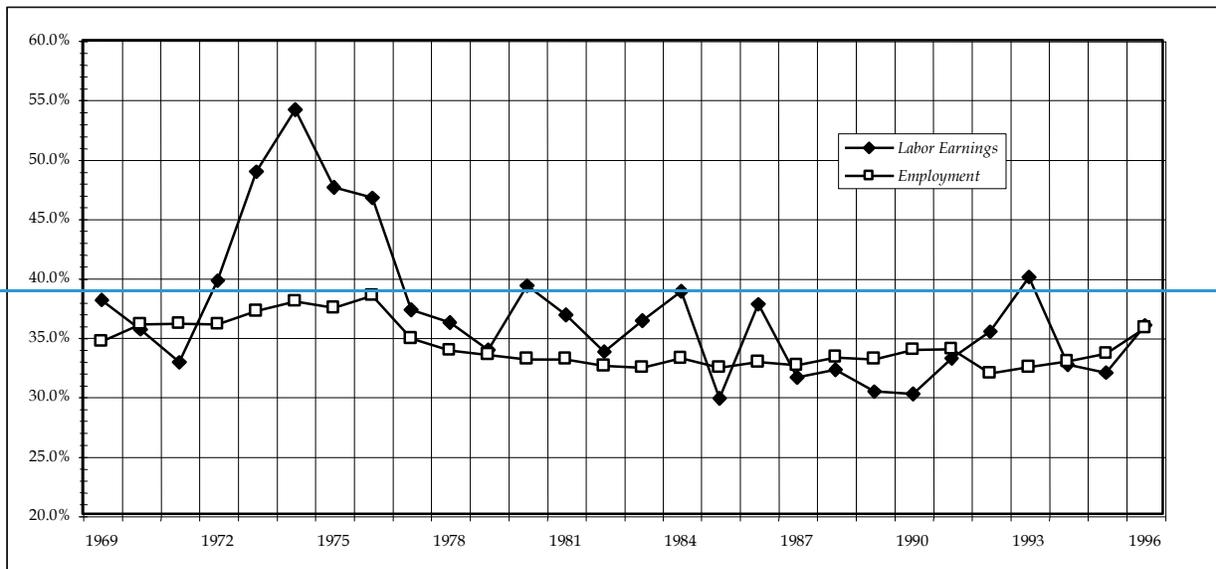
Grant County is a microcosm of the dual agricultural system of the Pacific Northwest. Certain portions of the northwest produce high-valued specialty crops for fresh sales and processing; grant county leads the state in growing some of these crops including, mint, grass seed, carrots, green peas, sweet corn (for processing), and

onions (storage). The other sub-sector of pacific northwest agriculture is more traditional in nature and dominated by the production of grains (including potatoes), livestock, and forage crops; here again, grant county plays a dominant role, leading the state in the production of dry edible beans, potatoes, hay, and sugar beets.

Agriculture lies at the center of a complex of producers, processors, wholesalers, and services. Agricultural producers in Grant County purchase services, fertilizers, seeds, farm machinery and credit in the area and deliver crops to local processors and marketers, who add further value to the products before shipping them out of the county. In addition to generating income and employment for the region, direct and related agricultural activity contributes to the county's economic critical mass, making other unrelated businesses viable.

In Grant County, this agricultural complex of production, processing and services accounts for upwards of a third of the county's total employment and labor earnings (i.e., proprietor income, wages and salaries). Combined, this agricultural complex is by far the largest part of Grant County's economic base.

Figure 6-2
Agricultural Complex Share of Total Employment and Labor Income:
Grant County, 1969-1996



Sources: U.S. Department of Commerce, Bureau of Economic Analysis; Washington State Employment Security Department, Labor Market & Economic Analysis Branch.

Manufacturing

Manufacturing in Grant County is dominated by food processing firms, but other categories including transportation equipment, primary metals, and printing have seen

~~substantial growth in the past ten years. Most of these manufactured products—particularly processed food products, primary metals, and transportation equipment—are exported outside of the county.~~

~~Agricultural Services~~

~~Based on the broader Columbia Basin region's comparative advantage in agricultural production, Grant County has seen vigorous Note: Agricultural complex is farming, food processing, and agricultural services growth in agricultural service firms over the last decade. These agricultural services ranging from crop preparation, planting & harvesting, veterinary services, and farm labor & management services—are part of the critical mass of agricultural activity within the county.~~

~~Transportation & Utilities~~

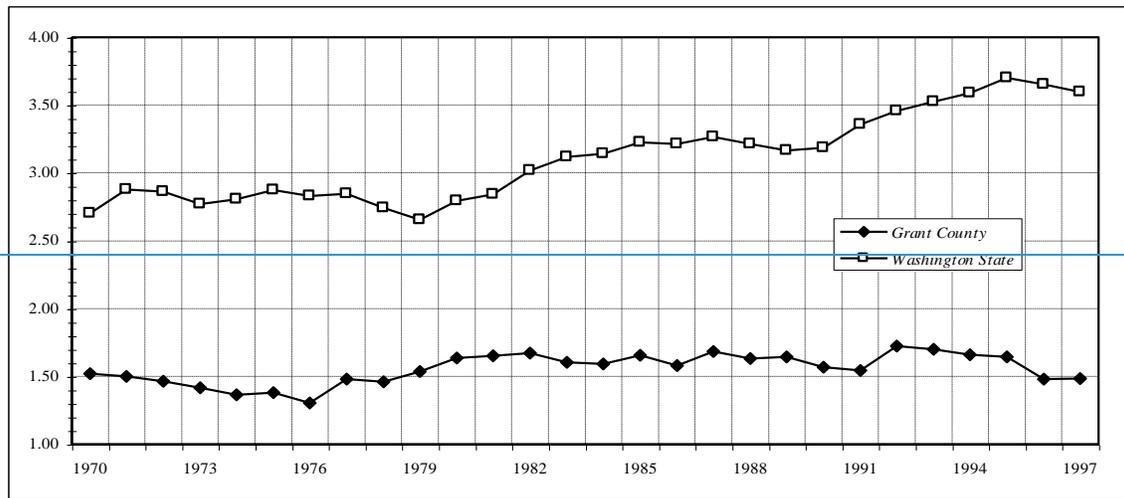
~~Transportation—most notably trucking and warehousing—has grown over the years as part of the county's agricultural complex. Transportation provides a critical service in delivering crops and livestock to regional processors and marketers, and later to deliver value-added products to markets outside of the region. Trucking and warehousing is the largest transport sector in Grant County, one that has shown steady growth over the last two decades.~~

~~Although utilities, like transportation, are often viewed as supportive sectors within the local economy, electrical generation in Grant County is a part of the economic base. The Grant County Public Utility District (PUD) owns two generating dams with a combined generating capacity of nearly 2,000 megawatts. Besides offering one of the lowest power rates to industry in the nation, the PUD sells much of its power to other utilities. Over sixty percent of PUD's power is sold to utilities in Washington and Oregon.~~

~~Unlike elsewhere, Grant County's export base is oriented toward natural resources and related value-added processing. The broader changes in the national and state economies indicate that service and trade sectors have become important drivers of economic growth and are generating a sizeable share of export income. Widespread attention has been given to the shift in the national and state economy from goods production to services provision in recent years. Grant County exhibits almost a counter trend, with its dependence upon goods-producing industries of agriculture and manufacturing.²~~

²~~—Goods-producing industries consist of natural resource sectors of agriculture, forestry, fishing, and mining; in addition to construction and manufacturing. Services-producing sectors include transportation, communications, and utilities; finance, insurance, and real estate; wholesale and retail trade; services; and government.~~

Figure 6-3
Ratio of Services-Producing to Goods-Producing Jobs,
Grant County and Washington State, 1970-1997

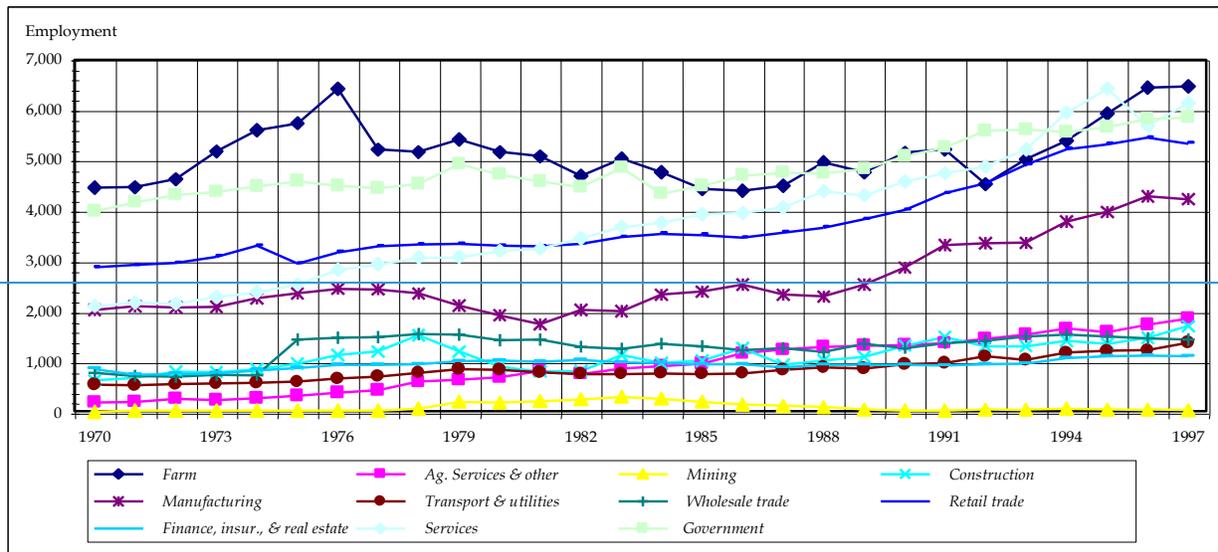


Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Changing Composition of Employment

Figure 6-4 shows some of the employment trends in the Grant County economy. Over the last 27 years, the sectors that have shown the most balanced growth are services, retail trade, and manufacturing. Farming is still the leading employer (both proprietors and wage & salary workers) in Grant County. With continued agricultural diversification in the county, farming employment is projected to increase slightly over the next ten years.

Figure 6-4
Grant County Employment by Major Sector, 1970-1997



Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Services—composed of personal, business, auto & miscellaneous repair, lodging, amusement & recreation, health, legal, social & education, membership organizations, and engineering & accounting—are slated to become the county’s leading employer within ten years.

Manufacturing—exhibiting robust growth since the late 1980s should continue its steady growth pace for the next ten years. Due to its rapid growth rate in recent years, manufacturing has increased its share of total employment in the county. The addition of the Genie Industries—a manufacturer of industrial lifting equipment—helped increase manufacturing employment by more than one-fifth.

Wholesale trade has grown more unevenly during the last 27 years, with only modest growth in the last few years. Although retail trade has increased its presence during this period with growth rates similar to the services sector, the county is still underserved in most retail trade categories. Transportation, communications and utilities are slated to grow apace with the overall economy, while finance, insurance and real estate and government are expected to moderate growing more slowly than other sectors in the local economy.

Workforce Issues in Grant County

Unemployment is considered one of the key indicators of a region’s economic health. With the exception of the early 1970s, Grant County’s unemployment rate has persistently remained above the state average.

Grant County has been designated as an “economically distressed” since 1985. A distressed county is one whose moving three-year average unemployment rate is at least 20 percent above the statewide average. In 1997, Grant County had an annual unemployment rate higher than the state, non-metropolitan areas, and eastern Washington (Table 6-1).

Coupled with a high level of unemployment is a workforce with the third highest level of seasonality within the state. Grant County’s leading employment sectors, agriculture and food processing, display a strong seasonal influence. Indeed, nearly half of all workers employed in Grant County are in seasonal industries—more than twice that of the statewide average.

**Table 6-1
Labor Force, Employment & Unemployment, Selected Areas, 1997**

<i>Region/County</i>	<i>Labor Force</i>	<i>Employment</i>	<i>Unemployment</i>	<i>Unemployment Rate</i>
<i>State Total</i>	2,988,200	2,845,900	142,300	4.8%
—Metropolitan areas	2,358,600	2,256,600	102,000	4.3%
—Non-metro. Areas	629,600	589,300	40,300	6.4%
—Eastern Washington	656,490	610,960	45,530	6.9%
—Western Washington	2,331,710	2,234,940	96,770	4.2%
Adams*	8,610	7,730	880	10.2%
Benton*	71,000	66,300	4,700	6.6%
Chelan*	35,240	32,470	2,770	7.9%
Douglas*	19,250	18,020	1,230	6.4%
Franklin*	22,300	20,200	2,100	9.4%
<u>Grant*</u>	<u>36,360</u>	<u>33,250</u>	<u>3,110</u>	<u>8.6%</u>
Klickitat*	8,860	7,920	940	10.6%
Lincoln	5,020	4,790	230	4.6%
Okanogan*	23,370	21,180	2,190	9.4%
Walla Walla	26,870	25,170	1,700	6.3%
Whitman	19,180	18,840	340	1.8%
Yakima*	115,200	103,700	11,500	10.0%

* Designated distressed area

Source: Washington State Employment Security Department, Labor Market & Economic Analysis Branch

Table 6-2 provides a different look at Grant County’s labor force, particularly as it relates to entry-level workers. In general, Grant County has a higher proportion of

people on public assistance than the state and some neighboring counties. The county also has a lower median household income and higher poverty rate. Higher rates of poverty and lower earning levels are due to several factors. Grant County has a high proportion of residents aged 20 to 29 years—an age group that are often making the transition from school to work and are generally at the beginning of their work lives. In comparison, this age group have lower wages than people in their 30s, 40s, and 50s.

Grant County also has fewer residents with college degrees. As a percentage of total population, Grant County has almost half as many college educated people as the state. Previous research on education and earnings has found that workers with more education generally earn higher wages. Indeed, education has become an important determinant of workers' future earnings. For instance, researchers have found that male workers aged 25-34 with a college degree earned approximately 50 percent more than their counterparts with only a high school diploma.

Table 6-2
Comparative Statistics: Grant County and other selected Counties

	Grant	Adams	Douglas	Franklin	Kittitas	Lincoln	State
<i>Public Assistance Indicators (1997)</i>							
— People on AFDC	3,906	1,130	788	3,797	970	393	261,835
— Percent on AFDC	5.7%	7.2%	2.6%	8.7%	3.1%	4.0%	4.7%
— People on Food Stamps	6,114	2,050	1,569	6,122	1,973	638	467,996
— Percent on Food Stamps	9.0%	13.0%	5.1%	14.0%	6.3%	6.5%	8.4%
— Poverty rate, 1990	19.6%	17.5%	12.2%	23.0%	20.2%	12.3%	10.9%
— Median household income	30,167	28,604	34,713	30,630	26,473	32,366	41,999
<i>Low Earning Age Groups (1997)</i>							
— 0-19 years	29.4%	37.4%	30.3%	37.8%	31.3%	28.1%	29.6%
— 20-29 years	11.8%	11.5%	10.7%	13.0%	19.4%	8.7%	13.0%
— 65 years and older	12.5%	10.5%	13.1%	8.8%	11.9%	18.2%	11.5%
<i>Education levels (1997)</i>							
— High school graduation rate	89.6%	91.1%	93.9%	68.8%	92.3%	91.0%	83.3%
— Participation rate—higher ed.	5.29	5.03	1.72	6.27	2.29	4.48	5.81
— Percent college graduate (1990)	11.9%	12.3%	13.8%	13.4%	22.2%	16.0%	22.9%

Sources: Washington State Office of Financial Management. 1997 State Data Book; U.S. Census Bureau, 1990.

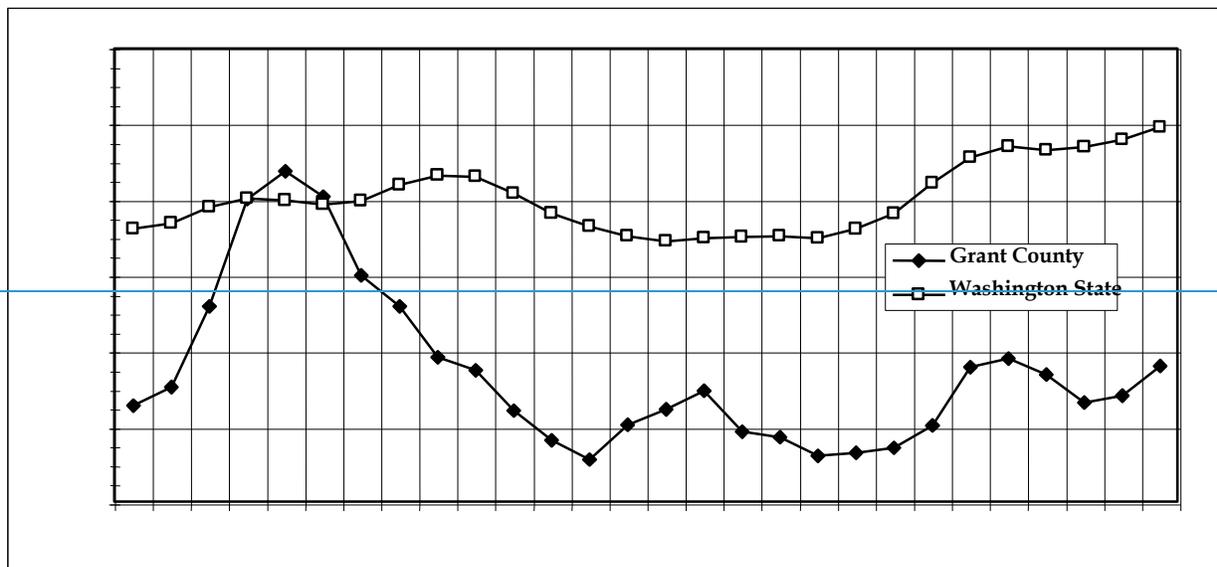
Stagnant Real Earnings

Annual earnings include both proprietor income and worker wages and salaries. The annual average earnings are derived by dividing the total earnings within the county

by the total employment (both proprietors and wage & salary workers) in the county.³

In 1996, the average earnings in Grant County were \$23,628, slightly up over the previous two years. Looking at the figure below, which displays the average earnings for Grant County and Washington State since 1969, it is apparent that the County's average earnings have not kept pace with the state and that earnings vary considerably from year-to-year. After peaking at \$28,764 in 1973, Grant County's average earnings have sharply diverged with the state, declining by over \$6,000 in eight years. After gaining some ground in the early 1980s, Grant County's average earnings fell off again between 1984 and 1989. Thus far in the 1990s, average earnings have rebounded in Grant County. However, the gap between the statewide average earnings and Grant County stands at over \$6,300 in 1996. The considerable variance in Grant County's average earnings is due to the variability in farm earnings.

Figure 6-5
Annual Average Earnings in Grant County & Washington State, 1969-1996
(in 1996 dollars)



Source: U.S. Department of Commerce, Bureau of Economic Analysis.

³-Average earnings have been adjusted for inflation; hence all earnings are in 1996 dollars.

The earnings gap between the state and Grant County has been a subject of considerable discussion, for in general this rural statewide gap is a national trend as well as one occurring in Grant County. Each of the following factors have contributed to this phenomenon:

- Earning declines within industries facing international competition, restructuring, and other factors;
- Relative increase in lower-paying trade and services jobs compared to higher-paying goods-producing jobs;
- Increase in part-time workers, particularly in trade and services;
- Increase in seasonal labor, particularly farm labor;
- Instability of earnings from natural resource activities, including farming; and,
- Increased entry of women into the workforce, resulting in a bidding down of the wage rate.

MAJOR ISSUES

Strategic economic development planning is a process of evaluation and decision-making that helps an organization establish and meet its objectives by aiding the development of a strategy for achieving and marshalling its resources for implementation. Strategic planning incorporates a long-term perspective of organizations, objectives and goals, and resources; along with a system for making and evaluating a long-run perspective and using such a view to make good decisions.

Taking a strategic economic development planning perspective incorporates a number of the following steps:

1. **Organize.** Identify and refine the objectives of the overall planning effort; and ensure that all those involved understand the plan's overall purpose.
2. **Know the context.** Identify key factors and trends important for the future. Determine how external forces will influence events within the county.
3. **Select key issues.** Choose a few issues whose successful resolution is critical.
4. **Set mission statement and broad goals.** Establish the direction for strategic development by setting general goals.
5. **Analyze forces affecting the achievement of goals.** Assess in depth the external and internal forces and context that affect the achievement of goals. Identify the strengths, weaknesses, opportunities and threats as well as the availability of resources.
6. **Develop an implementation plan.** Identify specific timetables, resources, and responsibilities for carrying out specific actions.
7. **Monitor and re-evaluate.** Ensure that the strategies are carried out. Adjust them as necessary within the changing environment.

At the core of this strategic economic development planning approach is an analysis of strengths, weaknesses, opportunities, and threats (commonly known as SWOT). The distinction among these elements is often blurred. For instance, a weakness may be linked to an external threat; however, it may also present an opportunity for positive change. Essentially, opportunities and threats (or constraints) are factors external to the county and over which the county has little influence (e.g., interest rates, natural population growth); whereas, strengths and weaknesses are factors internal to the county and help or hinder its abilities to resolve identified problems and issues.

~~As part of preparing an economic profile of Grant County, an economic assessment (or SWOT analysis) was conducted. The SWOT analysis summarizes Grant County's strategic economic position and addresses major issues faced by the County. The SWOT~~

analysis also provides a springboard for an implementation framework for economic development. Essentially, a SWOT analysis addresses such questions as: what are the County's economic strengths and weaknesses or comparative advantages/disadvantages? In what activities and/or resources does the County excel in and where does it lag behind? What are the external threats and opportunities faced by Grant County as it prepares to enter the Twenty-first century?

Strengths

Grant CountyElectric City has a number of assets for continued economic expansion and development. Among these assets are the following:

- ***A substantial resource endowment.*** Grant CountyElectric City is situated within the at the northern end of the Columbia Basin, not only one of the nation's most productive agricultural growing regions, but a land of spectacular natural beauty. ~~The County's growers have capitalized on the long-growing season and availability of irrigated water to produce a rich cornucopia of crops, from traditional grains and cattle to a wide array of high-value specialty crops.~~
- ***A first-rate transportation network.*** The efficient movement of both goods and people is critical for continued economic development. State Route 155, the Coulee Corridor National Scenic Byway, provides a well-maintained north-south route connecting Electric City to I-90 to the South and U.S. 97 to the north. State Route 174, just north of the community provides a well-maintained link to points east and west and finally U.S. 2, to the south of the community provides an arterial that provides links to major metropolitan areas east and west of the North Cascades. The County is bisected by the state's major east-west interstate (I-90) and by Burlington Northern/Santa Fe Railroad's main east-west rail line. In addition, the county's major international airport has one of the longest runways east of the Mississippi River. Access to a multitude of transportation modes helps regional shippers remain competitive in the delivery of their products to respective markets.
- ***Significant cost advantages in doing business.*** Electric City Grant County boasts of having one of the cheapest electric power rates in the United States. With long-term power contracts ~~set to expire in 2005 and 2009~~, Grant County PUD has taken advantage of the opportunity to retain more of its generated power for the County's growing industrial base. ***Quality of life factors and relative low cost-of-living*** make Grant County an attractive area for relocation and expansion. Housing within the county is highly affordable compared with similar areas.
- ~~***Distressed area designation.*** Given that Grant County is a distressed area, the County qualifies for a number of benefits, such as loans and grants to attract or retain businesses, financing infrastructure, and state matching funds to stimulate private investments.~~
- ***Grant CountyElectric City's rich natural cultural history.*** The community's location on Banks Lake and proximity to Grand Coulee Dam, Steamrock State Park, Northup Canyon Wildlife Area, Lake Roosevelt National Recreation Area and at a key point along the Great Floods National Historic Trail provides an excellent gateway to these natural treasures. Foreign exchanges and sister city relationships have fostered local economic development, particularly Japanese investment in manufacturing. Moses Lake has the highest level of foreign investment in manufacturing of any community its size. The airport also has a foreign trade zone, due in large part to the foreign manufacturing investment.

- **Reasonably well-positioned for expansion within emerging industries.** The emerging industries of health services and, tourism, and producer services will not only expand the local economy but also provide economic diversity. Some issues need further clarity before the County places substantial effort at targeting certain producer services (e.g., remoteness and small scale may be significant limiting factors for some producer services); but health services and tourism present significant opportunities.
- **A growing reputation for local cooperation in economic development.** Local governments (city and county) and port districts in Grant County have had a contentious relationship in recent years, but the Grant County Economic Development Council (under new leadership) has heightened local awareness of the importance of cooperation and has effectively communicated an aggressive pro-growth stance. Press accounts (Washington CEO, December 1998) describe the response of executives from firms (recently locating or expanding in Grant County) who have been impressed with the willingness of government leaders to work with business to assist in development.

Weaknesses

Grant County Electric City also has some liabilities compared with other counties communities, against which it must inevitably compete for scarce public and private investment dollars.

- **A lack of overall diversification in the local economy.** Although Grant County Electric City currently enjoys the fruits of agricultural prosperity, the area remains is highly dependent (and vulnerable) on jobs within governmental organizations in the Grand Coulee Dam area. While Grant County its agricultural complex. Nearly has nearly two-fifths of its overall economy based on is agricultural-related. Electric City has become increasingly dependent on seasonal tourism and a growing retiree population. Granted, its agricultural economy is highly diverse; however, prices of major commodities—wheat, apples, and potatoes—are depressed. Steps should be undertaken to broaden Electric City Grant County's set of targeted economic opportunities.
- **Tension between the County and some cities Grand Coulee Area communities.** Electric City and the City of Grand Coulee and Coulee Dam have experienced a variety of tensions regarding infrastructure, economic development activities and other issues over the years. Grant County and its member cities have, on occasion, been at odds about matters of policy and public investment. Such tensions can make developing agreements on a unified public-sector approach to certain problems more difficult.
- **Unresolved inter-governmental relationships with potentially harmful regulatory implications.** Access to water rights and waste water permits for many cities within Grant County have broad implications for future economic development. For example, The Washington State Department of Ecology has effectively placed a moratorium on future development (residential, commercial, and industrial) within the City of Warden until resolution of water rights and waste water treatment plans. Future development in Quincy and Moses Lake are also at risk.
- **Limited legal mandate to influence some areas of economic development policy.** The City County lacks the legal mandate to address some key elements of economic development such as education, lending of credit, and statewide laws and policies.

- ~~**Worrisome high level of persons living in poverty and the relatively low levels of educational attainment.** A relatively uneducated workforce will be problematic in attracting the high-growth, high-technology sectors. The County is a major distributor of human services programs and has the opportunity to channel resources into programs that can assist those most in need of a hand up onto the economic ladder.~~
- ~~**A stagnant retailing sector for many communities.** The community's retail sector is closely tied to major construction activities at Grand Coulee Dam. Since the last significant project in the 19 's Recent erosion in local retailing's pulling power for many smaller communities within the County implies that fewer local wage earners and an increased number of consumers are leaving the City ounty to shop elsewhere. This trend has been exacerbated by the rapid growth of on-line retailers. Only retailers in Moses Lake, which sits astride Interstate-90, are performing well. This is important as Although not viewed as part of the local economic base, a weak retailing sector has broader implications for attracting future development, including retirees, "lone eagle" entrepreneurs, and re-locating industrial firms.~~

Opportunities

In addition to inherent economic assets and liabilities, ~~Grant County~~Electric City faces a number of general opportunities.

- ~~**Internationalization of the local economy.** Competition is increasingly global in nature. In the future, will firms in Grant County be able to compete successfully against low-wage competition at the low end of the market? Or will Grant County firms be able to compete at the high end of the market using high skilled workers to produce high value products? The difficulties of global competition will be compounded by the large and expanding role of small businesses play in the Grant County economy. Future economic success will depend upon the ability of these businesses to compete successfully in the global marketplace. However, these small firms often lack the depth of resources—research and development, marketing (especially foreign markets), training, technology, and finance—needed to compete effectively in the global economy. Compounding this trend is that most local development efforts lack the needed scale and expertise to assist local businesses to attain global standards.~~

~~Unlike many rural counties, Grant County has been a player within the international economy. A number of agricultural producers and processors already export a significant share of their product to foreign markets. The County boasts a high level of foreign investment in manufacturing, assisted by a foreign trade zone and international airport facility. In addition, Grant County International Airport is used by Japan Airlines (JAL) and other air carriers and aerospace firms for flight crew training.~~

- ~~**Value-added agricultural products.** Further processing of agricultural commodities has become a key tenet of economic development organizations in agricultural-dependent regions. The additional processing of these commodities not only create high-wage jobs, opportunities are increased for the local economy. Economic stability, diversity of markets, and the skill base of the local labor force are enhanced.~~
- ~~**Broad state government commitment to rural economic development.** State government has increased is continuing its efforts to ensure that rural areas participate within the economic~~

growth enjoyed by urban Washington State. Increased assistance—in the form of [tax incentives](#), [loan interest loans](#) and grants for infrastructure improvements, and [smoothing assistance](#) with regulatory processes—will help to improve the state’s rural economies, including [Grant County](#) [Electric City](#).

- Increased congestion in Puget Sound.*** ~~During the 1980s, Washington benefited from the substantial erosion of the business climate in California, resulting in a number of firms relocating their facilities to communities throughout the state. The increased congestion, regulatory restrictions, and buildable space in the Puget Sound will force a number of companies to look elsewhere. Recently, Grant County was successful in landing a Puget Sound-based firm—Genie Industries (manufacturer of industrial lifting equipment)—which expanded from its headquarters in Redmond. The firm is expected to create 1,300 jobs in Grant County, in addition to its current 1,300 in Redmond. The Puget Sound region is experiencing a significant economic boom which has resulted in home and land prices and increasing regulations. As a result, people and companies are looking elsewhere in the state for a place to retire, live or relocate or start a business.~~
- Increased orientation toward leisure and recreation.*** Nearly two-thirds of American households take a traditional one- to two-week vacation each year. Significant portions of Americans purchase second vacation homes; most of these vacation homes are within a day’s drive of their permanent residence. Other trends including an increased orientation toward destination “full-service” resorts, gambling, and early retirement spell opportunities for the ~~un~~developing [tourism industry](#) in [Electric City](#) [Grant County](#).
- Growth in Retirees.*** An economic opportunity that is often overlooked by many communities is attracting and retaining residents. New residents indirectly contribute to economic growth by not only providing labor for businesses, but supporting local schools and public facilities with taxes, and spending dollars for locally-provided retail goods and services. In particular, retirees bring into the [city](#) [county](#) social security checks, private pensions, and property income. Recognizing their importance as an income source, a number of rural communities are adding to their economic base by actively recruiting and retaining retirees. Clearly, the presence of affordable quality housing in [Electric City](#) [Grant County](#) ~~would be vital~~ is one of the attractive features to successfully recruiting and retaining residents. Another important aspect to attracting and retaining residents, especially retirees, is improving the availability of health care, human, and social services within the [County](#) [Grand Coulee Dam Area](#).
- ~~***Expansion of Columbia Basin.*** Irrigated water for agriculture has transformed the economy of Grant County. The U.S. Bureau of Reclamation has evaluated the environmental impacts of increasing the irrigated acreage, but to date the Federal Government has not earmarked any funds. An expansion of the Columbia Basin Irrigation District would trigger a significant economic boom within the County. Further, local management of the Hanford Reach area, as planned for in the Hanford Reach Action Plan and the Wauke 2000 Plan, beyond the tenure of the U.S. Department of Energy represents significant potential economic growth.~~
- Increased technology-oriented economic development.*** Rural areas often lack the critical set of requirements for attracting high-technology firms. Increased privatization of space technology may benefit rural areas. Lockheed Martin Corporation has current plans to develop an unmanned Venture Star spaceship with landing sites throughout the western United States. Moses Lake is one of several rural areas that have submitted bids to become a spaceport.

Threats

[Grant County Electric City](#) also faces some external threats that could impinge upon their future economic prospects.

- ~~• **Removal of Dams on Columbia-Snake River System.** The one-time unthinkable—dismantling the dams on the Columbia-Snake River system—is now being seriously considered by state and federal policymakers. Although Grant County would not be directly impacted (i.e., current discussion does not include the Grant County PUD-operated dams at Priest Rapids and Wanapum), the indirect negative impacts would be felt far and wide within eastern Washington. Regional industries of agriculture and food processing currently enjoy comparative advantages via a balanced multi-modal transportation system; removal of dams would result in the erosion of many cost advantages.~~
- **Regulatory Changes.** [Grant County Electric City](#) is likely to experience significant effects from ~~inter-increasing uncertainty in federal and state governmental~~ regulatory and financial reforms, ~~be that in federal welfare or state policies.~~
- **Relicensing of PUD dams.** One of [Grant County Electric City](#)'s major assets of is low-cost energy. ~~_ will hang in the balance with the~~ FERC relicensing requirements and process of 2004-2009. ~~_ S~~salmon-enhancement programs have increased power rates in recent years, eroding this comparative advantage. And, now open to market competition, the electric utility industry is in the midst of re-structuring. ~~—If renewed, the PUD will have additional blocks of low-cost power available for in-county use, thereby attracting other large energy users.~~
- **Lack of understanding for rural economies.** The “Cascade Curtain” in Washington State in part prevents Puget Sounders from understanding the dynamics and underpinnings of rural economies communities like [Electric City Grant County](#). ~~One effort to educate urban Washingtonians is the Agfarmation—an electronic sign and website dedicated to inform consumers about the value and importance of the agriculture industry.~~
- ~~• **Export limitations.** The world economy is reeling from the economic collapses occurring in individual countries. In particular, the economic situation in Asia is worrisome given much of the exports from the Pacific Northwest (including Grant County) are shipped there. The Asian economic flu has no doubt affected regional growers, processors, and shippers in Grant County.~~

With this overview of the strengths and weaknesses, opportunities and threats of [Grant County Electric City](#)'s economy, we now turn to specific objectives and goals for continued economic development.

ROLE OF ECONOMIC DEVELOPMENT

Economic development is an essential component of the Electric City Comprehensive Plan. As part of the economic development planning process, it is recommended that performance objectives be adopted to measure the [TownCity](#)'s overall economic health. These quantitative measures would also be used to mark the progress of the [TownCity](#)'s economic development planning and help guide the development of intermediate goals.

Such measures that track Electric City’s economic progress between [2003-2018](#) and [2010-2038](#) include:

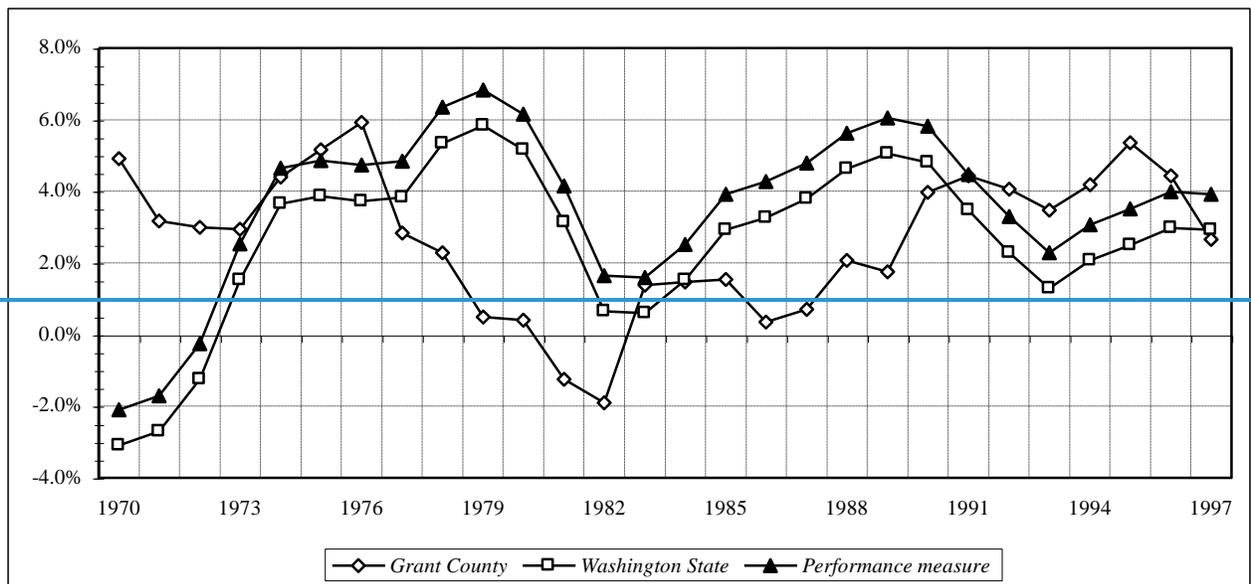
Desired Levels of Job Growth

Increasing jobs is one of the most common objectives of local economic development programs. Electric City is no exception—creating a [“jobs-based economy”](#)[local employment opportunities](#) is the primary goal of the [Grant County Economic Development Council](#)[community](#). Such jobs are added to the economy through existing businesses, new businesses, and entrepreneurial development.

~~The recommended job growth performance measure for Electric City’s economy is maintaining an annual average growth rate of total employment of at least one percentage point over the statewide annual average growth rate of total employment between 2003-2010.~~

~~Figure 6-6 illustrates the historical trend of the moving three-year average annual growth rate of total employment for all of Grant County and Washington relative to the recommended performance measure. For most years during the 1990s, Grant County’s job growth rate met or exceeded this performance measure of one percentage point greater than the statewide growth rate.~~

Figure 6-6
Annual Change in Total Employment, Grant County and Washington State, 1970-1997



SOU

Sources: U.S. Department of Commerce, Bureau of Economic Analysis, Washington State Employment Security Department, Labor Market & Economic Analysis Branch.

Desired Levels of Commercial & Industrial Expansion

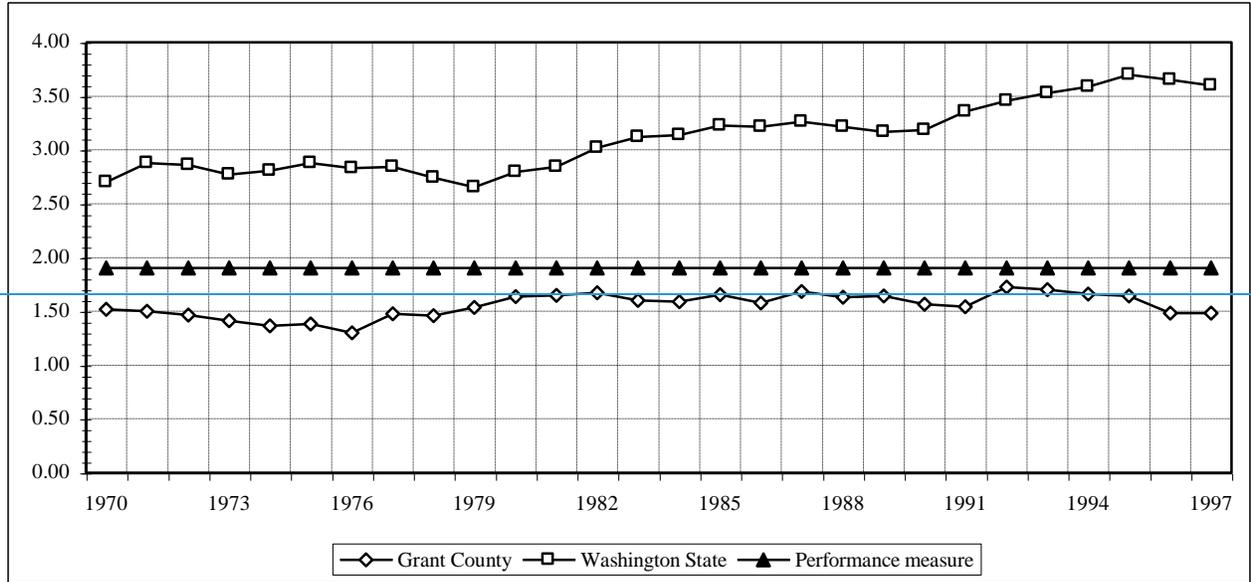
One of the desired economic engines of Grant CountyElectric City is light manufacturing and increased retail opportunities. ~~Although most manufacturing is food processing, the county has enjoyed more diversity in recent years. Electric CityGrant County's~~ growth in trade and services activity, however, has been slow ~~over the last decadesince the last major project at Grand Coulee Dam~~ relative to other rural ~~communitiesunties~~. In short, Grant CountyElectric City is relatively underserved in trade and services. ~~Figure 6-7 exhibits the shift in the state economy from goods-production to services-production. Grant County's economy, in contrast, remains primarily goods-producing.~~

~~Grant County's ratio of services-producing to goods-producing jobs has been around 1.60 (i.e., 1.6 jobs in services-producing sectors for every 1 job in goods-producing sectors) during the 1990s. The recommended performance measure for expansion level in goods and services jobs is a ratio of 1.90 by 2010.~~

~~Reduction in the Level of Poverty Rate~~

~~Grant County's rate of poverty for all persons during the last Census was 19.6 percent compared with 10.9 percent statewide. The recommended performance measure is Grant County should reduce its rate of poverty for all persons to at least 15.0 percent by 2010. This rate would be similar to other nearby rural counties.~~

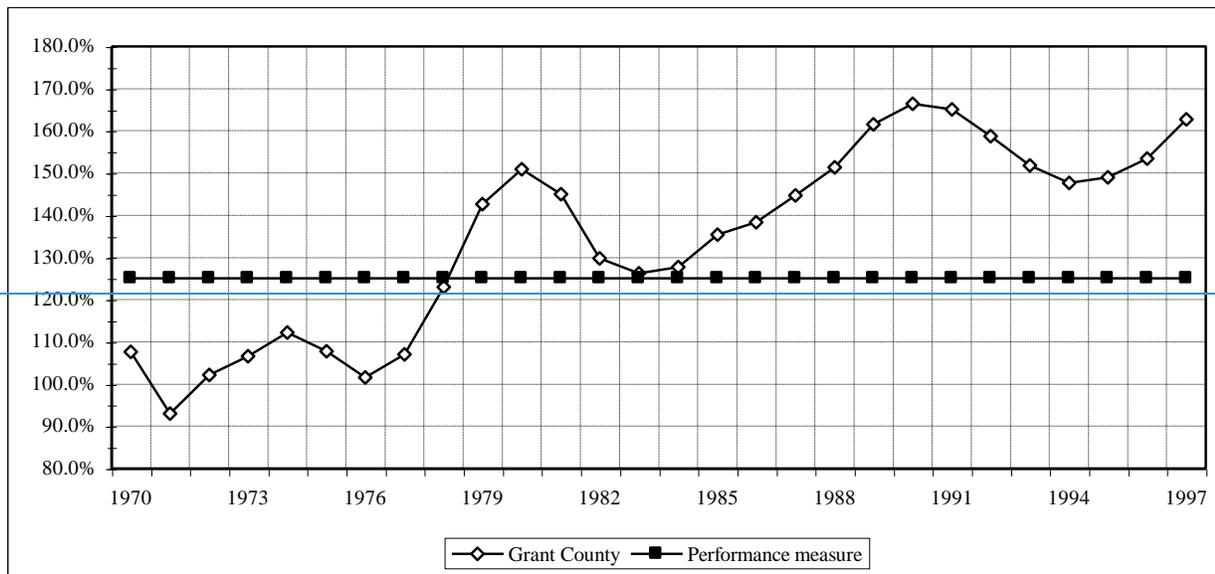
***Figure 6-7
Ratio of Services-Producing to Goods-Producing Jobs,
Grant County and Washington State, 1970-1997***



Source

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Figure 6-8
Grant County's Unemployment Rate as a Percent of Washington State's Rate, 1970-1997



Note: Based on a three-year moving average

Source: Washington State Employment Security Department, Labor Market & Economic Analysis Branch.

Reduction in the Overall Unemployment Rate

Grant County is designated as an economically distressed county, based on its unemployment rate being at least 20 percent above the statewide average (Figure 6-8). Recommended performance measure for Grant County is a reduction in its unemployment

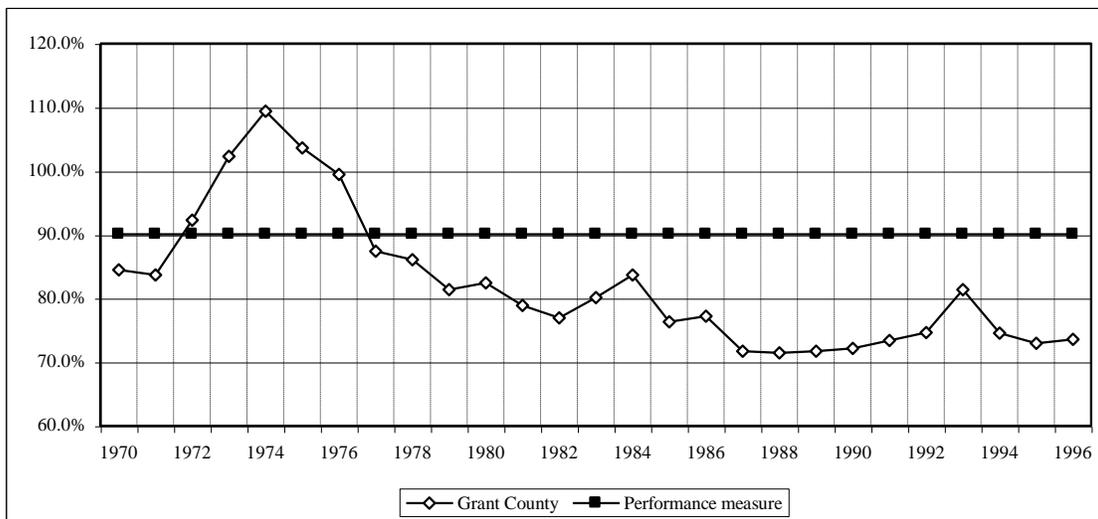
rate from an average 57 percent above the statewide unemployment rate during the 1990s to 25 percent above the statewide average by 2010.

Growth in Per Capita Income

In 1996 The 2016 American Community Survey’s estimated that, per capita median household income in Grant County Electric City was \$18,366; \$1,286 more than \$6,900 below the Grant County’s median was \$52,981 the statewide median average of \$53,493. The county’s per capita income is roughly 75 percent of the statewide average. Relative to the state, Grant County’s per capita income performance has deteriorated since the mid 1970s (Figure 6-9). The recommended performance measure for Grant County is an improvement in its per capita income to at least 90 percent of the statewide average by 2010.

These performance measures should be maintained and reviewed on a semi-annual basis. Such a review would include the status of the economy, recent trends, factors influencing those trends, and the effect of governmental policy on the economy. The performance measures should rank Grant County within rural Washington, and compare the county performance with that of the state and nation.

Figure 6-9
Grant County’s Per Capita Income as a Percent of the Washington State Average, 1970-1996



Source: U.S. Department of Commerce, Bureau of Economic Analysis.

NEEDS ASSESSMENT

This section presents five realistic economic development options for Electric City based on the County economic SWOT assessment and discussion with TownCity officials and civic leaders. These options will help serve as guides for the county to develop and implement a formal economic development action plan.

Option 1: Attract New Employers

Attracting new basic employers for whom there is a comparative advantage to the TownCity will add employment and income directly. Through the economic multiplier effect, other jobs and income will also be added within the countyCity and adjoining communities. Basic employers can include (a) manufacturing; (b) non-manufacturing, such as tourist attractions and, computer services, and wholesale warehouses; or (c) non-local government. Action steps/policies to meet this goal include:

- Identification through targeted research of basic employer(s) with greatest potential;
- ~~Encourage value-added agricultural production and processing;~~
- Provision of adequate, serviced and environmentally acceptable sites that would meet the full range of industrial/business needs and opportunities;
- Make the necessary infrastructure investments in transportation, water and sewer, telecommunications, and other utilities as needed to leverage private investments that create jobs; and,
- Identification and organization of financial capital resources to assist in attracting new business (e.g., industrial revenue bonds, infrastructure grant/loan).

Option 2: Cultivate Home-grown Businesses

Once overlooked, ~~small cities and~~ rural communitieunties are now discovering that a strong home-grown business development strategy can often become their most powerful business attraction strategy. For many smaller communities and rural areas, a more appropriate and realistic approach may be to grow their own industries job by job than to recruit outside industry.

Every community ~~and area~~ has the opportunity to develop home grown businesses. Most of these businesses have modest beginnings. They start small and keep overhead to a minimum and remain flexible. Keeping costs low, these local entrepreneurs can compete effectively with larger, more established competitors. As they gain experience and market visibility, many expand and hire employees. For local economic developers, the bottom line is growth job by job.

Historically, little has been done to take advantage of this opportunity. However, there is much an area or community can do to cultivate and nourish home grown businesses:

- For many areas and communities, a realistic starting point is to identify individuals living in the vicinity who have either recently started a business or have a business idea that they would like to

develop. This may include an established business with an interest in developing a new product or business line. First-time entrepreneurs seldom have much knowledge of business management, marketing, business plans, and applicable government regulations. A valuable local area role is establishing a mentoring program—simply matching individuals with business ideas to those able to help develop their ideas. Another possible avenue is to encourage the local high school to establish an entrepreneurship program for students.

- Local area studies of market potential for new retail, wholesale, service, or industry input-providing businesses may identify opportunities for new local establishments.
- Organization of local area capital resources to assist new business formation by encouragement of investment of private funds locally through the formation of capital groups, or the use of secondary capital markets.
- Provision of small business incubators to nurture new local businesses. Typically, these incubators are community- or port-owned facilities that provide low-cost space and technical assistance to help local entrepreneurs turn a hobby into a full-time business and successful component of the local business community.
- ~~Related to the business incubator concept, Grant County (or Big Bend Community College) should assess the prospects of developing a telecenter. Among the fastest growing occupations into the next century will be within information-based businesses such as data processing, legal research, computer-assisted engineering design, and accounting. A telecenter is similar in concept to a business incubator. Both provide the necessary support for start-up businesses. Telecenters, however, specialize in information-based jobs that can be performed using computers and telecommunication technologies. Individual businesses in Moses Lake, for example, could provide data processing services for large companies located in Olympia, Tacoma, Portland, and Seattle.~~

Option 3: *Diversify the Existing Economic Base*

The economy of ~~Grant County~~Electric has been dependent upon public sector employment and a growing tourism industry~~the natural resource-based industries of agriculture production and processing.~~ TourismAgriculture, however diverse, can be seriously affected by market conditions. Much can be done to assist these basic firms; by increasing their competitivenessarea attractions (e.g. trails, parks, historical information), the greater likelihood that firmsbusinesses will be retained or expanded within the local area. Action steps/policies recommended include:

- Strengthen the management-service and marketing capacities of existing businesses growers and processors through educational programs;
- Encourage business growth through the identification of equity and loan capital sources;
- Increase knowledge of new technology through educational programs in agricultural science and engineeringinternet commerce and block chain technology;

- Assist employers in improving workforce quality through vocational and technical education, employment counseling, and supportive social services;
- Develop local infrastructure and technical expertise that improve local business efficiency and access to non-local markets; and,
- Sponsor business and industry recognition or appreciation events. Although such events do little per se to increase their competitiveness, they are effective stimulants in encouraging business leaders to stay within the local area and to expand.

Option 4: Promote ~~Grant County~~Electric City as a Destination for Tourists

Tourism in the United States has expanded steadily during the past 30 years. Driving factors of tourism are more people with greater leisure time and higher income levels. Tourism has become an important economic opportunity for ~~small towns and rural areas communities~~ that are able to offer travelers a unique experience. ~~Rural tourism can range from bed and breakfast inns to farm vacations to harvest festivals.~~—A common thread to most successful rural tourism efforts is the promotion of rural qualities and natural resources of small town USA. For instance, many rural areas exploit their natural resource heritage or early settlers' ancestry with interpretive centers. Electric City is ideally situated along the Great Floods National Historic Trail.

~~Thousands-Hundreds~~ of vehicles pass through ~~Grant County~~Electric City on ~~U.S. Interstate-90 and U.S. Route 2~~ State Route 155, the Coulee Corridor National Scenic Byway, each day. ~~Thousands-Hundreds~~ more traverse the ~~area county~~ on ~~Sstate R~~oute 174 and ~~U.S. 2s~~. The ~~Washington State Department of Community, Trade & Economic Development~~US Census Bureau estimates that visitors and tourists spend over ~~\$104-117~~ million each year in Grant County. ~~Grant County~~Electric City is just beginning ~~has yet~~ to tap its enormous tourism potential by capturing dollars spent by area travelers and bringing additional tourists to the area.

Option 5: Keep Shopping Dollars at Home Where They Are Needed

A serious problem facing many rural areas like ~~Grant County~~Electric City is an increasing tendency by local residents to travel to larger cities for shopping. Residents shopping outside ~~Grant County~~the Grand Coulee Dam area results in lost business for local merchants. Can ~~Grant County~~Electric City merchants regain some of these shopping dollars lost to surrounding regional shopping areas? It may be possible for ~~Grant County~~Electric City retailers to regain a significant share of its local market within five years.

Rural ~~areas and small~~ communities across the nation have successfully implemented a four-point retailing program to bring shoppers back to the local community. These four points are:

- **Organization.** Early and active participation by merchants, residents, and local government is essential for success in recapturing lost retail sales. Strong organization is the key to achieving the necessary community involvement.
- **Appearance.** Cleanliness of streets and sidewalks, attractive stores and buildings, interesting window displays, simple but effective in-store merchandising are some elements of community efforts to encourage local shopping.
- **Promotion.** Shopping locally is partly out of habit. Local businesses must encourage people to patronize their stores by offering special promotions, friendly service, supporting local events, and investing in regular advertisements. These efforts help people develop the habit of shopping locally.
- **Business development.** One of the major reasons why businesses fail is that the needs of their customers' change but the businesses don't. To bring shoppers back, each business needs to make a realistic appraisal of their business. Often by changing long established merchandise lines, improving store appearances, and bettering service, new life can be restored to declining retail businesses.

This approach is a not only a prescription for new economic health for local retailers; it may have broader economic development implications. For instance, these requisite steps in bringing back local shoppers are also needed to attracting tourists and visitors to the community. And recruiting a major new employer to the area may be unsuccessful unless steps are taken to promote more local shopping.

GOALS AND POLICIES

~~Goals and policies follow the shared vision for the future of Electric City for sustaining and improving our quality of life. Goals and policies are also consistent with the Planning Goals of the Growth Management Act. Goals are broad statements of a community's aspirations. Policies express a commitment to a course of action. Policies provide overall direction for implementation of a strategy. Policies provide clear guidance for decision-making subject to this Plan, and form the basis for development regulations.~~

~~Following are~~ the goals and policies of the Comprehensive Plan related to Economic Development are included in Chapter 4 – Policy Plan. ~~Included are recommended action steps to pursue each of these economic development goals.~~

Economic Development

~~GOAL ED-1: ENCOURAGE DIVERSE EMPLOYMENT OPPORTUNITIES THAT SATISFY THE SOCIOECONOMIC NEEDS OF ELECTRIC CITY RESIDENTS.~~

~~Policies~~

~~ED-1.1: Facilitate the creation and retention of family wage jobs that meet the needs and demands of Town and area residents through:~~

- ~~l. Streamlined zoning, subdivision and other planning and permitting regulations.~~
- ~~m. Working with the County to maintain an operational computerized database (in GIS format) of industrial and commercial properties for planning purposes.~~
- ~~n. Expedited planning and permitting actions to take advantage of appropriate development opportunities.~~
- ~~o. Seeking high level of cooperation with other local governments and federal and state agencies in areas that affect issues of mutual concern and that could impact economic development.~~
- ~~p. Supporting local economic development agencies and industry groups in market research efforts.~~
- ~~q. Seek ways to enhance utility and transportation infrastructure needed by industry within county.~~
- ~~r. Seek ways to promote flexibility and deregulation of markets for products sold by or used by industries in county.~~

~~ED-1.2: Encourage business investment as a means to provide job opportunities for Electric City residents through, when feasible, the following actions:~~

- ~~v. Making necessary public infrastructure investments in transportation, water & sewer, telecommunications, and other utilities to leverage private investments that ultimately create jobs.~~
- ~~w. Providing adequate, serviced and environmentally acceptable sites that would meet the full range of industrial and business needs and opportunities.~~
- ~~x. Identification and organization of financial capital resources to assist in attracting new businesses.~~

~~ED-1.3: Encourage diverse job options and entrepreneurial opportunities for persons interested in full-time or part-time employment or desiring to own their own businesses by encouraging the following actions:~~

- ~~bb. Participation in job fairs, information outreach sponsored by local development agencies, job training centers, and industry.~~
- ~~cc. Encouragement of entrepreneurship by removing barriers to new business development and promoting efficiency in government.~~
- ~~dd. Identification of local and non-local financial capital sources to assist new business formation.~~
- ~~ee. Establishment of a mentoring program for first-time entrepreneurs by matching individuals with business ideas with those able and willing to help develop their ideas.~~
- ~~ff. Conducting local area studies of market potential for new retail, wholesale, service or industry input-providing businesses to identify opportunities for new local establishments.~~

~~gg. Assessment of the feasibility of providing a small business incubator to nurture new local businesses.~~

~~ED-1.4: Encourage educational opportunities for residents of all ages to develop and upgrade skills required for employment, advancement and entrepreneurship by, where possible, implementing the following actions:~~

~~kk. Use development funds to provide education infrastructure and training for existing and prospective workers of local industries.~~

~~ll. Support job training programs and skill enrichment programs.~~

~~mm. Encourage local school districts to establish entrepreneurial program for~~

~~ED-1.5: Work cooperatively with the Grant County Economic Development Council, Big Bend Community College, and area communities to address employment needs consistent with Town and county-wide regional policies.~~

~~ED-1.6: Encourage and accommodate home-based businesses and cottage industries that are consistent with the character of adjoining properties and neighborhoods through the following actions:~~

~~ss. Promulgate special land use classifications and/or designation of areas within the community as needed for small industry neighborhood zoning. This would enable for so-called "lone eagles" and cottage-based industries to pursue economic activity.~~

~~uu. Support development of telecommunications infrastructure and transportation services required by home-based businesses and cottage industries.~~

~~ED-1.7: Cooperate with education providers and employers in developing facilities and programs meeting a continuum of educational needs at the K-12, college, and continuing education levels.~~

~~**GOAL ED-2: ENCOURAGE ECONOMIC GROWTH THROUGH PLANNING AND DEVELOPMENT OF THE AREA'S PUBLIC SERVICES AND FACILITIES' CAPACITY.**~~

~~***Policies***~~

~~ED-2.1: Public service providers in Electric City should provide those services and facilities necessary to support a high quality of life and attract business investment.~~

~~ED-2.2: Review land use and permitting procedures to assure that regulatory processes are understandable, predictable, and can be accomplished within reasonable time periods in a manner that meets or exceeds state statutory requirements. Consider the following actions to implement this policy:~~

~~iii. Undertake comprehensive utility and other public service planning in order to take~~

~~advantage of development opportunities, while addressing potential capacity shortfalls in industrially-zoned locations within the Town.~~

~~jjj. Provide planning flexibility that will be responsive to unforeseen or changing economic conditions and community desires.~~

~~kkk. Encourage long-term programs that effectively build local capacity for economic development.~~

~~lll. Support the development of transportation, and public water, sewer and utility systems that enhance economic growth.~~

~~mmm. Seek ways of cooperating with local governments and federal and state expedite land use and permitting procedures.~~

~~GOAL ED-3: ENSURE AN ADEQUATE SUPPLY OF COMMERCIAL AND INDUSTRIAL SITES TO PROVIDE OPPORTUNITY FOR NEW AND EXPANDING BUSINESSES TO LOCATE OR REMAIN IN ELECTRIC CITY.~~

Policies

~~ED-3.1: Encourage a range of commercial retail and service businesses to meet local resident needs and serve visitors to Electric City. Examples of actions for implementation of this policy include:~~

~~vvv. Encourage convenience-oriented retail within commercial areas that are residential neighborhoods and employment centers.~~

~~www. In cooperation with local jurisdictions, identify an inventory of suitable adequate to meet anticipated demand during the planning period.~~

~~ED-3.2: Plan for a diversity of ready-to-build sites with sufficient support infrastructure and services needed to meet the demand for industrial land for the duration of the planning period by:~~

~~aaaa. Undertaking periodic studies of industrial growth in order to set planning targets industrial sites and adjust long-term forecasts accordingly.~~

~~bbbb. Undertaking evaluations of industrial siting in regard to land use requirements infrastructure needs.~~

~~cccc. Encouraging the re-use and redevelopment of existing industrial sites that are longer viable for their original or previous use.~~

~~ED-3.3: Encourage low-cost, easily accessible, state-of-the-art telecommunications services throughout the Town. The Town may consider implementing the following actions under this policy:~~

~~gggg. Undertake evaluations of market conditions, regulatory policies, and franchising~~

~~requirements pursuant to the permitting and/or licensing of telecommunications services.~~

~~hhhh.——Encourage development of state-of-the-art cable interties that meet band-width requirements for high-speed signal transmission.~~

~~ED-3.4: Facilitate the retention and expansion of existing local businesses and start-up of new businesses particularly those that provide family wage job opportunities and operate in compliance with applicable regulatory requirements. The Town should encourage cooperative efforts to:~~

~~llll. Undertake prospective (and periodic) analyses of market conditions and land use needs of existing key industries.~~

~~mmmm.——Establish policies and programs in cooperation with local governments and agencies to ensure business retention within the Electric City area.~~

~~ED-3.5: Industrial sites designated under this Plan should be protected from encroaching incompatible uses. The Town may consider implementing the following actions under this policy:~~

~~qqqq.——Develop performance and/or site design standards on non-industrial lands designated industrial lands.~~

~~rrrr.——Lands designated as “Heavy Industrial” should be governed by performance set forth in the zoning ordinance. Such performance standards should include, but shall not be limited to:~~

- ~~● Compliance with pertinent regulations regarding discharge of pollutants;~~
- ~~● A maximum noise level standard;~~
- ~~● Stream and watercourse protection;~~
- ~~● Odor, glare, smoke, traffic and other nuisance standards.~~

~~ED-3.6: The Town shall work with Grant County to regularly update inventories of land utilization, land demand, and suitable available properties for residential, industrial, commercial, public facility, and agricultural uses.~~

~~GOAL ED-4: MAXIMIZE THE POSITIVE ECONOMIC IMPACT OF TOURISM AND RECREATIONAL DEVELOPMENT.~~

~~*Policies*~~

~~ED-4.1: Promote visitor opportunities that are compatible with or complement the character and existing uses of critical areas and other existing land uses. The Town should consider implementing the following actions under this policy:~~

~~hhhhh. — Encourage lodging, retail and transportation services to accommodate enhanced visitor opportunities.~~

~~iiii. Support efforts to develop, refurbish and maintain scenic open space, cultural and heritage resources that are attractive to both local residents and visitors.~~

~~ED-4.2: Support local and regional efforts to improve and market visitor services.~~

~~ED-4.3: Visitor facilities should be sited at locations that can be served with necessary public infrastructure and that are compatible with neighboring uses.~~

~~ED-4.4: Provide for siting and development of Master Planned Resorts.~~

~~**GOAL ED-5: IMPROVE ELECTRIC CITY'S ECONOMY BY SUPPORTING EFFORTS TO IMPROVE ACCESS TO HUMAN AND SOCIAL SERVICES.**~~

~~***Policies***~~

~~ED-5.1: Encourage development of access to human and social service facilities that create job opportunities, meet community needs, and maintain quality of life. The Town should:~~

~~wwwww. Cooperate with other private and public agencies to promote the of adequate housing and health care to low and moderate income workers and their families.~~

~~xxxxx. Expedite permitting of temporary housing, including group quarters.~~

~~yyyyy. Promote alternative financing and development initiatives for permanent housing for low and moderate income workers and their families.~~

~~ED-5.2: Support development and maintenance of access to human and social service facilities including, but not limited to, health care, education, transportation and other services for persons with special needs.~~

~~**GOAL ED-6: PROMOTE ECONOMIC GROWTH THAT CONSERVES NATURAL RESOURCES AND OPEN SPACES, MAINTAINS ENVIRONMENTAL QUALITY AND RURAL CHARACTER, AND ENHANCES THE OVERALL QUALITY OF LIFE.**~~

~~***Policies***~~

~~ED-6.1: Encourage commercial and industrial developments that incorporate innovative and/or experimental applications and demonstrate an ability to conserve natural resources and/or protect or enhance environmental quality. The Town may consider implementing the following actions under this policy:~~

~~jjjjj. Establish incentive programs oriented to developments using best-practice technologies (e.g., use of renewable natural resources).~~

~~kkkkkk. — Establish a program that rewards developers through expedited processes and site capacity incentives for siting or relocating facilities to areas that are compatible with surrounding land uses or critical natural resource areas.~~

~~**GOAL ED-7: COORDINATE ECONOMIC DEVELOPMENT EFFORTS SO THAT A CLEAR AND CONSISTENT ECONOMIC POLICY IS FOLLOWED.**~~

~~***Policies***~~

~~ED-7.1: Work cooperatively with the Grand Coulee Area Chamber of Commerce, Grant County Economic Development Council, Big Bend Community College, Grant County and other local jurisdictions to address economic development issues and make policies that are consistent with this Plan. The Town should:~~

~~ttttt. — Build support for this economic development element by presenting its recommended policies and actions from the Town's public and private partners.~~

~~vvvvv.a. Work with the Grant County Economic Development Council on implementation of this element.~~