



**NCW  
ECONOMIC  
DEVELOPMENT  
DISTRICT**

# **COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY**

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## **ABSTRACT**

In early 2013, the NCWEDD Comprehensive Economic Development Strategy (CEDS) committee gathered to examine the process used to update this important regional economic development strategy. It was agreed that this process needed to be as inclusive as possible of our regional partners, businesses and communities to provide a realistic and accurate snapshot of our region, while outlining how the NCWEDD can best facilitate and serve economic development efforts.

In December of 2010, the NCWEDD Board of Directors convened for a retreat to outline the objectives of the organization through 2016. This 2013 CEDS builds upon past strategies and accomplishments, a regional scoping process, and the outlined directives from the December 2010 Board retreat to produce an economic development strategy developed by the region, for the region.

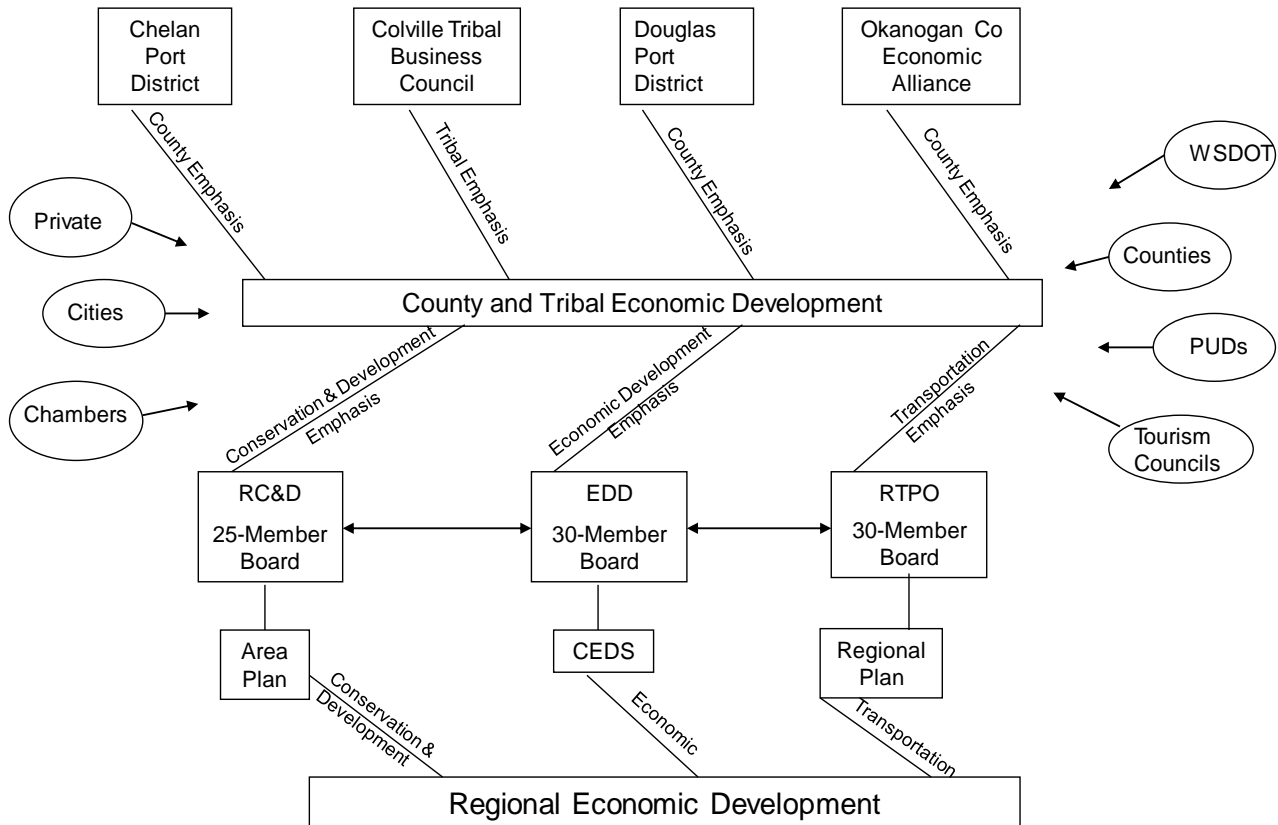
The collective wisdom, ideas and talents of business and community leaders from various sectors across North Central Washington can be found in the following strategy. The information provided was carefully filtered to transition into a new annual action plan, while continuing the work of the NCWEDD as outlined in the annual action plan for 2013-2014. In essence, this comprehensive economic development strategy is the result of a regional collaborative effort designed to examine and outline the economic development opportunities that most closely match regional needs with the natural attributes of our region.

As one NCWEDD member adeptly observed: “It’s not enough to look good, we must also *be* good.”

# DISTRICT ORGANIZATION

*“If we don’t think regionally, we’ll die individually.”*

## Economic Development District (EDD) Organizational Flow Chart



Unlike economic development districts that have been in existence for a long time, the North Central Washington Economic Development District (NCWEDD) developed in an environment where many of the economic development niches have already been filled by other organizations. Given this situation, the NCWEDD has found it necessary and advantageous to partner with existing organizations in order to assure organizational success. In some ways this simplifies the NCWEDD structure; in other ways it creates challenges when it comes to securing funds needed to operate. In order to operate effectively within this organizational context, the NCWEDD has adopted an operational model that uses the strengths of existing economic organizations. It is a “get it done,” grassroots, partnership- seeking group that understands how to work together to accomplish shared goals.

## MEMBERSHIP

*“The greater idea of working with various groups on a single goal is much better.”*

The NCWEDD consists of a 30-member board, with at least 16 elected officials or staff representing elected officials.

	<b>CURRENT MEMBER</b>	<b>REPRESENTED BY</b>	<b>ALTERNATE</b>
1	Douglas County Elected	Steve Jenkins	Ken Stanton
2	Chelan County Elected		
3	Okanogan County Elected	Jim Detro	
4	Colville Confederated Tribes	Kyle Desautel	
5	Okanogan County, City, Elected	Pateros-Gail Howe	
6	Okanogan County, City, Elected	Winthrop-Dave Acheson	
7	Okanogan County, City, Elected	Oroville-Chris Branch	
8	Okanogan County, City, Elected	Omak-Cindy Gagne	
9	Okanogan County, City, Elected	Okanogan- Michael Blake	
10	Chelan County, City, Elected	Wenatchee- Karen Rutherford	Allison Williams
11	Chelan County, City, Elected	Entiat – Bill Haven	Wendell Black
12	Chelan County, City, Elected	Chelan-Wendy Isenhardt	Erin McCardle
13	Chelan County, City, Elected	Leavenworth- Joel Walinski	
14	Chelan County, City, Elected	Cashmere-Mark Botello	
15	Douglas County, City, Elected	East Wenatchee-George Buckner	Chuck Johnson
16	Douglas County, City, Elected	Rock Island- Russell Clark	
17	Douglas County City, Elected	Bridgeport – Marilyn Lynn	
18	Douglas County City, Elected	Waterville- Royal DeVaney	
19	Port of Chelan County	Mike Armstrong	Craig Larsen
20	Port of Douglas	Mark Spurgeon	Jim Huffman
21	Economic Alliance Okanogan County	Roni Holder-Diefenbach	
22	Agriculture/Industry	Cascade Crest Organics, Kevin Stennes	
23	Education	WVC- Michele Gedrose	Mary Watson
24	Environmental		
25	Business or Citizen, Chelan County	<i>Vacant</i>	
26	Business or Citizen, Douglas County	Columbia Valley Community Health, TBD	
27	Business or Citizen, Okanogan County	<i>Vacant</i>	
28	Minority Business or Citizen, Chelan County	Hispanic Chamber (TBD)	
29	Minority Business or Citizen, Douglas County	<i>Vacant</i>	
30	Minority Business or Citizen, Okanogan County	<i>Vacant</i>	

## ASSOCIATE MEMBERS

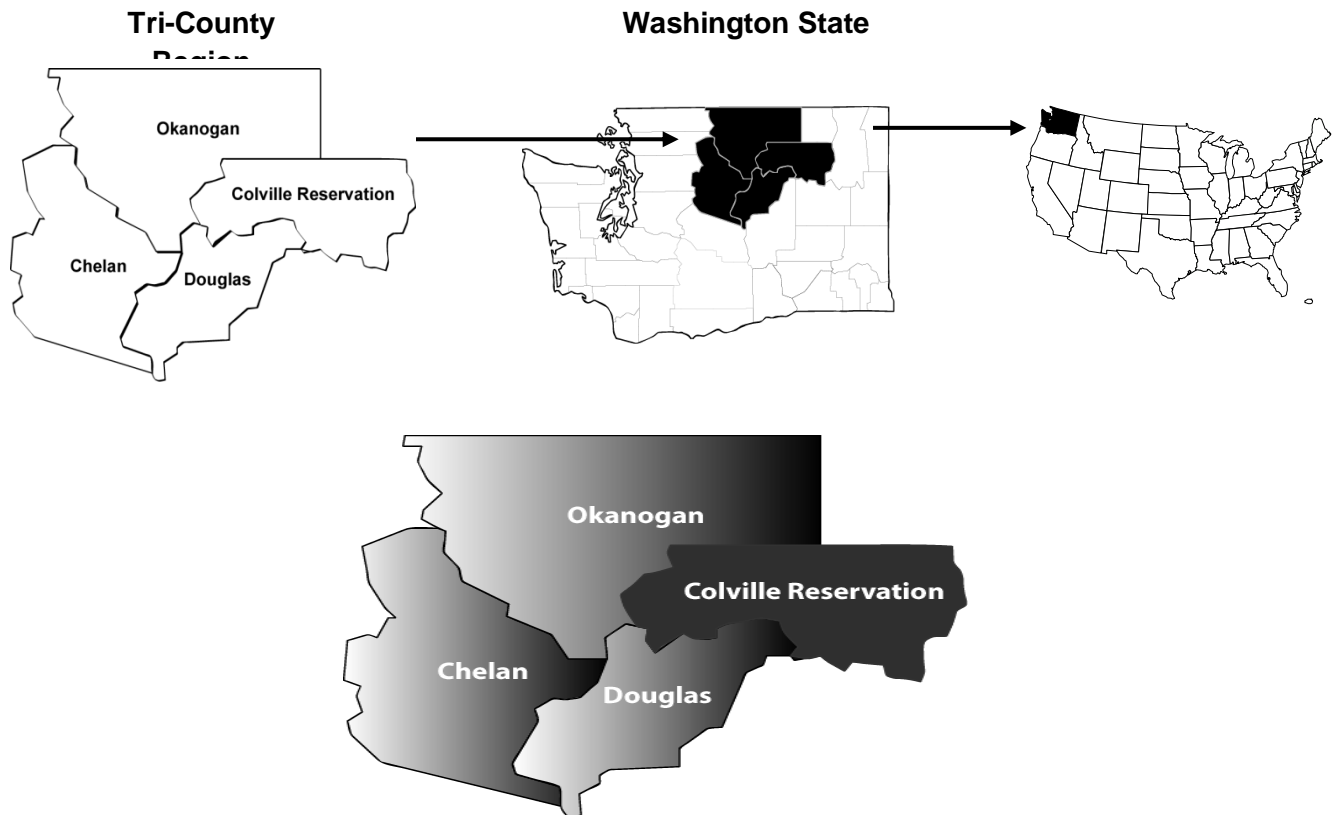
1. Cashmere Chamber of Commerce
2. Chelan/Douglas Land Trust
3. Twisp Chamber of Commerce
4. Greater Wenatchee Area Technology Alliance
5. Initiative for Rural Innovation and Stewardship
6. Lake Chelan Chamber of Commerce
7. WVTC/NCRTPO
8. NCW Association of Realtors
9. Okanogan Conservation District
10. Omak Chamber of Commerce
11. South Douglas Conservation District
12. Town of Conconully
13. Town of Tonasket
14. Town of Twisp
15. U.S. Forest Service
16. Washington State Dept. of Transportation
17. Waterville Chamber of Commerce
18. Wenatchee Chamber of Commerce
19. The Wilderness Society
20. SkillSource
21. Entiat Chamber of Commerce
22. Pateros Chamber of Commerce
23. Tonasket Visitor and Business Resource Center
24. Brewster Chamber of Commerce
25. Leavenworth Chamber of Commerce
26. North Central Homebuilder's Association
27. Carbon Cycle Crush
28. Colville Tribal Energy
29. Renewable Energy Strategies
30. TwispWorks
31. SCJ Alliance
32. Cairncross and Hempelmann
33. Wenatchee Downtown Association
34. Winthrop Chamber of Commerce
35. City of Brewster
36. IRIS

Jill Fitzsimmons  
Bob Bugert  
Wanda Iverson  
Jenny Rickel  
Nancy Warner  
Michael Steele  
Jeff Wilkens  
Jamie Wallace  
Craig Nelson  
Deb Lampe  
Carol Cowling

Kurt Danison  
Soo Ing-Moody  
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David Honsinger  
Keith Soderstrom  
Shiloh Shauer  
Kitty Craig  
TBD  
Rica Insley  
TBD  
Sylvia  
TBD  
Nancy Smith  
Marc Straub  
Cliff Walton  
John Sirois  
Ricard Tupling  
Amy Stork  
Vivian Peterson  
Andy Lane  
Linda Haglund  
Joe Brown  
TBD  
Nancy Warner



The formative years of the NCW EDD



## HISTORY

*“The top success of the NCWEDD is a continued focus on regional efforts, conversations, and cooperation to remind all individual members that we have shared goals, issues, and challenges.”*

The initial Upper Columbia Economic Development District was created on September 1, 1976 among Chelan, Douglas, and Okanogan counties in conjunction with the State of Washington under the authority granted by the Inter-local Corporation Act of 1967.

The Upper Columbia Economic Development District (EDD) chose to become inactive in 1981. Since that time, economic development activities have been accomplished through a variety of organizations. Most recently, these have included the local Chambers of Commerce, the Chelan County Port District, the Douglas County Port District, the Okanogan County Economic Alliance, the North Central Washington Resource Conservation and Development Council (NCW RC&D), and the Colville Confederated Tribes. All of these entities encourage diversified economic growth in North Central Washington by promoting land use planning and public policies that enable state, federal, tribal agencies and the private sector to work together on programs designed to build a healthy economy.

With low apple prices, fierce global competition in the export and import tree fruit markets, reduced timber harvests on federal lands, closure of a major employer in Omak, suspended operations at Alcoa and unemployment at record high levels, the time was right in 2000 to begin reactivating the Economic Development District with support from a group formed to promote US 97 for trade, transportation and

tourism. This group held a cross-border conference in Lake Chelan in January of 2000 where Canadian and U.S. participants laid the ground work for the International Highway 97 Border Region Coalition.

The result was a series of well-attended conferences and meetings in Kelowna, Manson, Post Falls, and finally in Wenatchee in March of 2003. The Highway 97 Border Region Coalition Society was established in July 2001 to promote, facilitate and enable the development of excellent collaborative, international tourism and economic development along the Highway 97 corridor of British Columbia and Washington State. In Canada, the Society has a particular mandate for overseeing these efforts. The U.S. efforts were organized as the HWY 97 Committee under the NCW Resource Conservation & Development Council, which works with Canadian partners to achieve the objectives of the full Society.

The two groups continued to meet, but realized modest results. In the spring of 2003 the NCW RC&D HWY 97 Committee decided that their best course of action was to re-evaluate and work on the formation of a broader-based regional economic development group that could eventually support the HWY 97 efforts. With this in mind, the efforts to reactivate the economic development district for North Central Washington began to gain momentum.

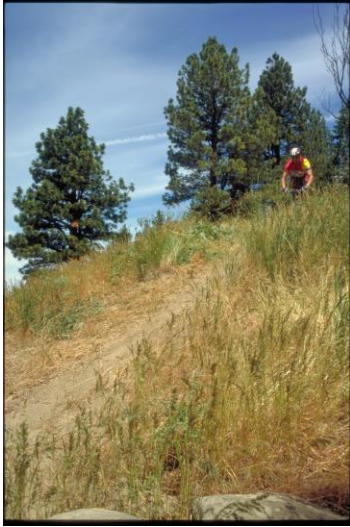
With assistance from the NCW RC&D, the locally-led effort was initiated and the NCW RC&D hosted speakers from the Economic Development Administration at several of their meetings to discuss the process of reactivation and the potential rewards. Executive directors from two successful economic development districts gave presentations at additional meetings of the RC&D and the Regional Transportation Planning Organization. Local citizens and elected officials interested in reactivating the EDD began meeting monthly in October of 2003. In November of 2003, the NCW RC&D voted to assist the reactivation efforts as much as possible with contributions of staff time to the EDD. Organization, membership and comprehensive economic development strategy committees were formed to develop the materials and documents needed to reactivate the EDD as the North Central Washington Economic Development District (NCW EDD). Many original HWY 97 Committee members agreed to serve on the new EDD and to bring HWY 97 projects and ideas to be considered by this regional group.

The reactivation of the Upper Columbia Economic Development District under the new name of the North Central Washington Economic Development District has since provided a mechanism for enhancing efforts to broaden community participation and to fund region-specific projects. The NCWEDD is designed to complement individual county and tribal economic development programs, and to provide additional funding opportunities for regional projects that fall beyond the jurisdiction of individual counties. The three-county and tribal regional partnership is designed to be more competitive for Economic Development Administration funding.



## NORTH CENTRAL WASHINGTON OVERVIEWS

*“We have an opportunity to build a more supportive community that embraces innovation and collaboration and makes people stronger.”*



*Biking in North Central Washington*

### HUMAN HISTORY

The lands of North Central Washington have formed the basis of the human economy for at least 9,000 years. Native peoples followed a semi-nomadic lifestyle here moving from spring root gathering to summer fishing sites to berry picking and deer hunting areas in the fall. Fish traps and drying racks found at the mouth of nearly all the tributaries of the Columbia indicate that much of their time was spent drying foodstuffs needed to survive the winters.<sup>1</sup>

By 1811 when explorer David Thompson traveled down the Columbia and opened the fur trade era, the native people had already obtained horses from Spanish stock and were grazing herds of considerable size.<sup>2</sup> French Canadians, Metis (French – Indian), Iroquois, and Hawaiians working for the highly competitive fur trade companies posted signs, “trapped out,” at the mouth of the Methow and other streams by 1815 providing residents, today, with some indication of the intensity and range of the trapping enterprise.<sup>3</sup>

Following the lead of the fur traders, missionaries came into this country and began teaching English and agriculture to the native people by the 1830s. Later, prospectors and homesteaders, anxious to claim new lives and lands in the West, began staking their claims increasingly after 1858 when Canada and the U.S. began to mark the international boundary along the 49<sup>th</sup> parallel. Travel through the Okanogan to gold mines in British Columbia began during this time and soon prospectors were working the rivers and streams that flowed down from the Cascades into the Okanogan and Columbia rivers. Unfenced land also provided a common pasture for grazing cattle and sheep being herded along the Caribou Trail into

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<sup>1</sup> Kirk, R. and C. Alexander, 1990. *Exploring Washington's Past: A Road Guide to History*, University of Washington Press. Seattle. .

<sup>2</sup> Wilson, Bruce A., 1990. *Late Frontier: A History of Okanogan County, Washington*, Okanogan County Historical Society, Okanogan.

<sup>3</sup> Wilson, Bruce.

British Columbia in the 1860s to supply the mines, reputedly degrading the pastures of waist-high bunchgrass as they moved north.<sup>4</sup>

The tension and conflict that grew as the newcomers encroached onto Indian lands led to the establishment of the Colville Reservation in 1872. Within three months the government changed the boundaries to accommodate the expanding populations of white settlers east of the Columbia River. In 1892 the U.S. government declared the North Half of the reservation public domain and it was opened for mining, timber cutting, and homesteading. After the Indians had been allotted about one third of the lands, the South Half of the Reservation was also opened to homesteading two years later.

During the late 1800s the completion of the railroads spurred heavy migration into the region, especially by those from the east and Midwest, and led to the establishment of many mining towns. But many new arrivals came to farm rather than to seek gold and minerals.<sup>5</sup> County governments were established as the century turned with sheep and cattle ranching, farming, fruit-growing, mining, and timber providing the economic base for the region. Lumber, livestock, apples and affiliated industries, such as irrigation companies, storage and packing warehouses, and shipping businesses, created many new jobs throughout the 20<sup>th</sup> Century. The construction of the Grand Coulee Dam in 1938 and the filling of Lake Roosevelt flooded sacred Indian burial grounds, destroyed salmon spawning areas and inundated some productive orchard and agricultural lands. This dam and the others that followed including Chief Joseph, Wells, Rocky Reach and Rock Island, also expanded the types of jobs available and opportunities for further development as electricity and irrigation were extended to different parts of the region.<sup>6</sup>

Today, the economies of towns and cities throughout the North Central Washington region are turning more toward entrepreneurship, light manufacturing, retail, tourism, high technology, and increasingly diverse agricultural crops including wine grapes, goats, and garden produce. There are also efforts to restore watersheds, forests, and rangelands that have been damaged by past uses. Historically, stand replacement fires occurred at irregular intervals from 10 years in the lower foothill forests to 150 years or more at the higher elevations. Decades of fire suppression have resulted in large areas of dense, fire-prone forests.<sup>7</sup> Similarly, the introduction of invasive weeds has reduced the quality of shrub steppe vegetation decreasing its value for both wildlife and livestock. Addressing these and other resource concerns provide challenges and opportunities for the future economic development of this region.

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<sup>4</sup> Kirk and Alexander. .

<sup>5</sup> Washington State Employment Security. 2002. *Chelan & Douglas County Profile*.

<sup>6</sup> Colville Confederated Tribes, 2004. Community Economic Development Strategies.

<sup>7</sup> Washington Natural Heritage Program, 2005, Natural Heritage Plan.

## TRANSPORTATION & UTILITIES



*Airports of the North Central Region: WSDOT*

The three-county area has good-to-moderate highways and secondary roads. The principle east-west route is Highway 2 which connects the northeastern part of the state with Spokane to the east, and with western Washington via Stevens Pass. Highway 20 serves as an east-west route in through the North Cascades when not closed by snow. US 97 bisects the region from north to south and serves as a popular route into Canada and down to Interstate 90.

Rail facilities in the region include the Burlington-Northern-Santa-Fe (BNSF) mainline operating primarily east/west through lower Chelan and Douglas counties and the Cascade and Columbia River short line operating primarily north/south between Oroville and Wenatchee. Amtrak travels along the BNSF line between Seattle and Chicago, making daily passenger rail stops in Wenatchee and Leavenworth.

Municipal airports have been developed at all of the population centers. Airports in the region include the following:

- Pangborn Memorial Airport in Douglas County – Commercial Service
- Omak Airport – Regional Service
- Anderson Field in Brewster – Community Local Service
- Cashmere/Dryden Airport – Community Local Service
- Chelan Municipal Airport – Community Local Service
- Colville Municipal Airport – Community Local Service
- Dorothy Scott Municipal Airport in Oroville –Community Local Service and port of entry
- Mansfield Airport – Community Local Service
- Okanogan Legion Airport – Community Local Service
- Keller Airstrip Airfield
- Mansfield Airport – Community Local Service
- Twisp Municipal Airport – Community Local Service
- Lake Wenatchee State Airport – Recreation or Remote

- Intercity or Methow Valley State Airport – Community Local Service and USFS Smokejumper Base
- Lost River Airport in the Methow Valley – Recreation or Remote
- Stehekin State Airport at the head of Lake Chelan – Recreation or Remote
- Tonasket Municipal Airport – Community Local Service

Commercial air service is available at Pangborn Field in East Wenatchee. In 2008 Horizon Air, the commercial carrier to this airport, implemented a larger plane to meet the increased travel demands in and out of the airport. In late 2009, the Ports of Chelan and Douglas Counties completed a \$1.3 million remodel and expansion of the Pangborn Airport Passenger Terminal. This project added over 100 seats in the building, a pre-security seating area, and increased the baggage return and security checkpoint seating. On March 1, 2011 SeaPort Airlines began service from Pangborn Memorial Airport to both Yakima, Washington and Portland, Oregon. This marked the first time since 1998 that Pangborn Memorial Airport has hosted more than one carrier, but in late 2012 this service was cancelled. The airport at Oroville is an international port served by US. Customs and Immigration Service. The Omak Airport, the site of important wildland fire air attack facilities, has been the focus of several efforts over the past decade to bring in scheduled air service. While unsuccessful to date, the city continues to make improvements to remove aviation-related barriers to commercial service in the future.

A network of public and private utility districts provides power and communication lines to the area. Hydroelectric power is generated at the following dams along the Columbia River: Rock Island, Rocky Reach, and Chelan Dams (Chelan County PUD); Wells Dam (Douglas County PUD); Chief Joseph Dam (U.S. Army Corps of Engineers); and Grand Coulee Dam (Bureau of Reclamation).

The Highway 97 Border Region Coalition Society is commonly referred to as “Via 97” and efforts to foster international trade, tourism and transportation between the United States and Canada continue. The anticipated benefits of work on Via 97 initiatives established during a study in 2002 remain pertinent:

- Creates a viable alternative international trade corridor
- Strength in partnership
- Regional economic growth

One challenge of this cross-border initiative is a lack of consistent funding. The 2002 study indicates a budget of \$169,000 is needed in order to accomplish the outlined objectives of this group. Both sides of the international border, and notably the Washington State effort, have struggled with sustainable funding for this project.

The Via 97 committee had been housed within the NCWRC&D, however, when federal funding was lost in 2011, the NCWEDD Board agreed to a request by the NCWRC&D to receive the committee, and the effort continues within the NCWEDD.

## AFFORDABLE HOUSING



The NCWEDD recognizes economic development for a region is multi-faceted and includes many activities that relate to rural areas. One of those areas is housing and in particular, housing affordable to workers and their families. NCWEDD also recognizes the value of diversity within communities and the value in providing housing in proximity to employment sources.

Therefore, the NCWEDD supports organizations and efforts in the three counties working to promote and develop permanently affordable housing for home ownership by:

1. Encouraging the development and expansion of lending for the express purpose of purchasing land to be dedicated to affordable housing and for permanent loans for home ownership.
2. Encouraging a regional approach to the coordination of real estate housing and development regulations by governmental authorities in order to provide opportunities for affordable housing development and diversity within communities
3. Encouraging a study of the interrelationship between housing, crime, schools, health care, access to trails, parks and natural areas and infrastructure needs in order to develop a model of how these areas interact and create diverse and vibrant opportunities for economic growth.

## HEALTH CARE



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*The new logo for Confluence Health*

In order to attract or retain businesses, visitors, and permanent residents, North Central Washington must offer state-of-the-art health care to its communities. A healthy workforce with the ability to access health care is a critical part of the infrastructure of the region and a draw for potential employers and residents. The health care industry is also a key “cluster” business for the region with major centers in

both Wenatchee/East Wenatchee and in Omak/Okanogan. These clusters provide 10% of the regional employment in professional, semi-professional and support staff positions and contribute to the economic well-being of the region.

In 2011, Central Washington Hospital and Wenatchee Valley Medical Center leaders began exploring the option to form a not-for-profit foundation that would manage operations at both facilities. The hospital board of directors and the shareholder physicians at the medical center voted on the proposal, in an attempt to streamline operations and explore cost-savings mechanisms while maintaining regional control.

In the past year, work has been focused on obtaining legal and regulatory approvals and establishing the organizational structure of Confluence Health. While leaders await some of the necessary approvals, such as nonprofit status from the IRS, the group can begin functioning as a fully integrated health care delivery system that includes inpatient and outpatient services. While both organizations will remain two financially independent organizations until the next phase, the two will begin to share a management structure while moving toward the goal of functioning as a combined organization in the future.

While Central Washington Hospital and Wenatchee Valley Medical Center are both headquartered in Wenatchee, WVMC operates facilities in Brewster, Cashmere, East Wenatchee, Moses Lake, Omak, Oroville, Royal City, Tonasket, and Waterville.

On a broader level, changes to the federal health care system have started to create an impact in North Central Washington. While recent data from Merritt Hawkins & Associates found that only 1% of physician graduates would consider going into private practice, 32% of practicing doctors said they would prefer to work for a hospital or group- an increase from 3% as reported in 2001.

New documentation requirements by insurance and government systems that pay for procedures with set reimbursement rates are causing doctors to limit the length of patient visits and focus more on administration. This has started to create an impact on physicians in private practice and those working for larger organizations. In fact, the American Medical Association anticipates a continued downward trend in the numbers of independent physicians nationwide.

The NCWEDD supports the efforts already made to provide health care to the region's inhabitants and also their commitment to:

1. Expand affordable medical/dental/behavioral service options to area residents with little or no insurance coverage through innovative outreach, education and treatment programs.
2. To provide access for early and preventative health care measures
3. To continue providing the most current techniques, methods and equipment in health care treatment with specialized care and in partnership with other, larger health care facilities
4. To promote opportunities for area students to learn about careers in health care and to promote education and training for health care professionals in order to provide employment opportunities within the region and to meet the healthcare labor force needs.

## ARTS AND CULTURE



*Crouching Man by Kevin Pettelle, Wenatchee Valley Museum and Cultural Center*

A vital arts community is key to maintaining a healthy economy in North Central Washington. Performance and visual arts, writing and other forms of individual and group expression enliven the spirit and inspire the creativity of residents and visitors alike. The arts bridge cultures, build community, and provide a diverse array of educational opportunities for all ages while generating income and jobs that contribute to the regional economy. The region boasts a variety of indoor and outdoor venues, both public and commercial, that provide a wide array of performing arts events throughout the year. As with health care, a lively arts community enhances the overall quality of life that makes North Central Washington an attractive place to live, work and play.

The NCWEDD recognizes and supports the arts community across the region and its commitment to:

1. Increase communications among and between the arts communities in the greater region.
2. Provide training opportunities that enhance peer-to-peer learning and skills development relative to business and marketing.
3. Development of facilities needed to support on-going and growing programs.
4. Support and encourage appropriate connections to local, regional and tribal history, customs and culture.