

## RESOLUTION NO. 2023-07

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELLENSBURG to adopt the Kittitas County Economic Development Strategic Plan, as follows:

WHEREAS, the Ellensburg City Council partnered with Kittitas County to hire a consultant, TIP Strategies, to develop a joint economic development strategic plan with implementation actions to guide economic development efforts in the region; and

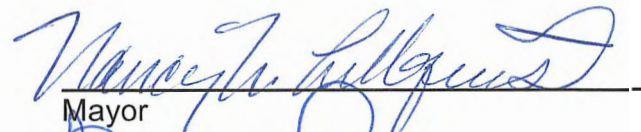
WHEREAS, the consultant used a three-phase planning model - discovery, opportunity, and implementation - to develop the plan. The discovery phase is designed to emphasize the process of learning what makes the community unique. The opportunity phase ensures a focus on the big idea (or ideas) that will contribute to the community's economic vitality and garner widespread support for the planning process. The implementation phase focuses on the desired outcome and the steps needed to translate ideas into action; and

WHEREAS, the Kittitas County Economic Development Strategic Plan is intended to be a five-year plan to guide actions and investments, to be revisited on a regular basis to take advantage of market conditions and opportunities; and

WHEREAS, the Strategic Action Plan is a key component of the Kittitas County Economic Development Strategic Plan and executing the wide range of actions needed to positively impact the community's economic vitality requires extensive collaboration and cohesion among local stakeholders in the coming years;

NOW, THEREFORE, BE IT RESOLVED, the Ellensburg City Council hereby adopts the Kittitas County Economic Development Strategic Plan attached hereto as Exhibit 1 and commits to working collaboratively with other economic development organizations in the region to collectively foster a more vibrant and resilient economy for everyone in the community.

Adopted by the City Council of the City of Ellensburg this 6th day of March, 2023.

  
\_\_\_\_\_  
Mayor

Attest:

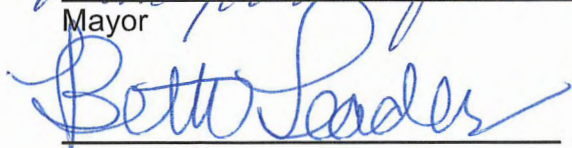
  
\_\_\_\_\_  
City Clerk

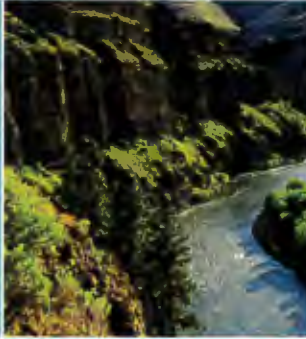


Exhibit 1

February 2023

# ECONOMIC DEVELOPMENT STRATEGIC PLAN

KITTITAS COUNTY, WASHINGTON



TIP  
STRATEGIES



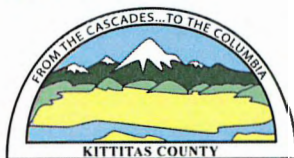
# Acknowledgments

TIP Strategies, Inc., would like to thank the following participants who contributed to the planning process.

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- John Glondo, City of Cle Elum
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## Client Leadership Team



- Cory Wright, County Commissioner, District 1



WASHINGTON

- Heidi Behrends Cerniwey, City Manager
- Bruce Tabb, City Council Member (former)

## Consulting Team



STRATEGIES

**TIP Strategies, Inc.**, is an Austin-based firm providing consulting and advisory services to public and private sector clients. Established in 1995, the firm's core competency in strategic planning for economic development has broadened to include expertise in talent strategies and organizational development.

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# Project Overview

Kittitas County (the County) has reached a tipping point. Following three decades of strong population growth, driven almost exclusively by net domestic migration, the County has experienced accelerated growth in recent years. Anecdotal evidence suggests that the COVID-19 pandemic is accelerating this trend as those who have flexible work arrangements, or who can afford to move out of higher-cost urban markets, choose desirable locations like Kittitas County. The steady influx of people looking to purchase primary residences or vacation homes has placed pressure on an already strained housing market, driving home prices out of reach for many. Managing this growth will require a collaborative approach that brings together those who want to see change and those who don't.

This need for consensus building comes at a time when economies around the world are experiencing a lack of confidence in public sector institutions at every level. For Kittitas County, this larger trend was perhaps illustrated most clearly in the resounding defeat of proposals to reestablish a port district in the County in 2016 and 2018. Like many such complex initiatives, proponents faced the difficulty of explaining the role of these tools in promoting and financing economic development, a field that is often poorly understood and which can evoke anxiety in those who fear change. Meanwhile, the County has continued to struggle to raise the funds needed for infrastructure investments that can help manage existing growth and generate quality jobs for local residents.

The creation of a transparent, actionable economic strategic plan marks an important first step in addressing these concerns. What County leaders do with this plan will set the stage for Kittitas County's future.

## Approach

Kittitas County and the City of Ellensburg (the City) engaged TIP Strategies (TIP) to develop a comprehensive strategic plan to guide economic development efforts in the region. For this plan, TIP's three-phase Theory Into Practice planning model—discovery, opportunity, and implementation—was combined into two phases to meet project-specific objectives.

Beyond its value as an organizing structure, the TIP planning model helps reinforce a commitment to getting it right. The discovery phase is designed to emphasize the process of learning what makes a community or region unique. The opportunity phase ensures a focus on identifying the big idea (or ideas) that will contribute to the community's economic vitality and garner widespread support for the planning process. The implementation phase focuses on the desired outcome and the steps needed to translate ideas into action.

With the guidance of a 24-member steering committee, the planning process included a robust analysis of economic, demographic, and workforce data, as well as extensive stakeholder input, and a series of economic development workshops for local practitioners. TIP will also conduct three additional workshops during the plan's first 180 days and provide a one-year scorecard to support the implementation process.

**Figure 1. Project Approach**

### DISCOVERY

- 1.1 Project Launch
- 1.2 Planning Context
- 1.3 Economic Context
- 1.4 Leadership Workshop
- 1.5 Stakeholder Engagement
- 1.6 Network Analysis
- 1.7 Findings Report



### OPPORTUNITY AND IMPLEMENTATION

- 2.1 Best Practices
- 2.2 Opportunity Workshop
- 2.3 Strategic Plan
- 2.4 Implementation Matrix
- 2.5 Final Presentation and Workshop
- 2.6 Virtual Implementation Workshops
- 2.7 Year 1 Scorecard





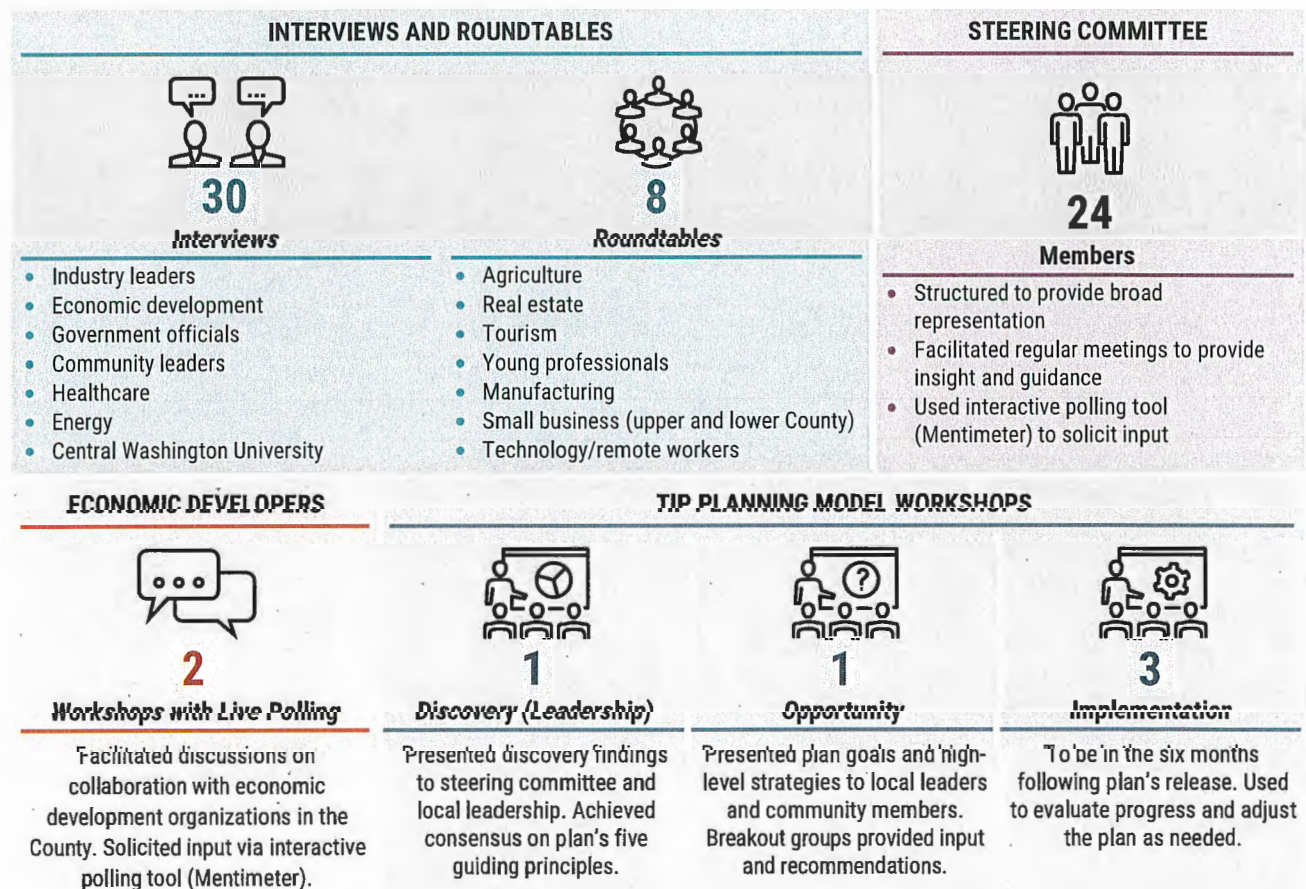
Stakeholder engagement is a critical component of the TIP planning model. Throughout the engagement, discussions with local experts, community leaders, employers, and others informed the development of goals and strategies. In total, eight roundtables were held with stakeholders from key sectors, as well as 30 one-on-one interviews with community leaders, government officials, and key sector representatives. Additionally, regular meetings with the project steering committee provided guidance on the strategic direction of the plan.

To ensure continued participation and input through the process, leadership and opportunity workshops were also held. The leadership workshop took place at the end of the discovery phase and gathered the steering committee and additional community stakeholders to determine the direction of the plan. The opportunity workshop was a large, in-person event where participants were able to comment on the initial strategies for accomplishing the goals laid out during the leadership workshop.

In an effort to increase collaboration among economic development organizations in Kittitas County, TIP led two additional workshops targeted at these groups. The workshops included discussions on opportunities for relationship building, barriers to collaboration, and protocols and agreements to facilitate working together toward shared goals.

Findings from these stakeholder engagement activities were supplemented and refined by discussions with the project steering committee, including the use of Mentimeter (an interactive polling tool) during regular committee meetings. An overview of the stakeholder engagement process is provided in Figure 2. Highlights from the data analysis and TIP's review of the County's strengths, opportunities, weaknesses, and threats (SWOT analysis) are provided in Section 3.

**Figure 2. Stakeholder Engagement Overview**



## Takeaways

Based on insights gained from the data analysis and stakeholder engagement tasks, the following story emerged.

### *Kittitas County is a great place to live, but it is rapidly becoming unaffordable for many residents.*

Situated in a region that includes the Cascade Mountains, the upper Yakima River Valley plains, and the Columbia River, Kittitas County has an abundance of beautiful natural assets as well as opportunities for outdoor recreation. Residents of the County affirm it is a great place to live. And with a population of just over 44,000, many residents especially appreciate the small town feel and tranquility the region offers.

It is these characteristics that have drawn a growing number of new residents to the area over the past few decades. The COVID-19 pandemic continued to fuel this trend, as remote workers looked to escape nearby cities at the outset of the crisis. This influx of people has increased the demand for housing, making the County unaffordable to existing residents. In fact, the cost of living has increased such that many who work in the County, live outside of the County where housing is more affordable.

As population growth is likely to continue, planning for this growth will be essential to maintaining the County's character. Strategically increasing housing supply and density in the County's cities and towns, as opposed to encouraging sprawl, and improving connections among towns can help mitigate the affordability issue.

### *The County's central location and outdoor recreation opportunities are assets that could be harnessed for economic growth.*

The County is centrally located in Washington State and is fewer than 100 miles from both Seattle and the Port of Tacoma. This location is an asset that has already proven instrumental to hay exports and could serve a similar role in other industries. With additional investments in transportation infrastructure, the County could become a hub for logistics and distribution operations.

The County's location also drives tourism. Just a few hours' drive from Seattle, Kittitas County has plenty to offer visitors. From skiing in Snoqualmie Pass, to hiking in the Upper County, and fishing in the Yakima River, opportunities for outdoor recreation abound. While tourism comes with disadvantages—congestion and lower-wage jobs, for example—there is also an opportunity to further develop this sector so that it can become an economic engine in the County. Fostering existing brewing operations, recreation outfitters, art and entertainment offerings, and small-scale manufacturing could deepen the knowledge base in the County while creating higher quality jobs for residents. Further, establishing and supporting partnerships among existing stakeholders and creating programs to support entrepreneurs in tourism and recreation-related ventures in the County could help organize and strengthen this sector.

### *In the face of this growth, the County's natural resources, agricultural lands, and open spaces must be managed carefully.*

Many of those who are concerned about the County's growth fear that the local way of life is changing. Indiscriminate construction and sprawl encroach on agricultural land, create additional traffic, and put pressure on the County's natural resources. These challenges are real, and as the County continues to grow, they will only become more prominent.

However, there is a lot the County can do to manage this growth and support legacy industries. Community planning, for example, could support development around urban centers, creating additional density and diminishing the number of vehicles on the road. Similarly, targeted infrastructure investments can also shape the community by designating specific areas for commercial and industrial development. Support for farmers as they face increasing property taxes and succession planning challenges could help them stay in business.



The County's growth also raises concerns about water availability. Droughts have become more frequent, and water for new development is a limited resource. The County is currently working toward securing its water sources with the Yakima Basin Integrated Plan, and support should continue for these efforts. Additionally, almost two-thirds of land in Kittitas County is publicly owned, and much of it is covered by forests. Recent droughts have increased wildfire risks, which are exacerbated by a growing population in these areas. For these reasons, sustainability will be a concern for the County as it aims to preserve its natural assets. With the presence of Central Washington University (CWU) there's an opportunity to develop knowledge in these areas.

***Building a more diverse economy, with a strong connection to the university, can help retain talent, including young people.***

Individuals who participated in interviews and roundtables often shared concerns about the lack of opportunities for young people starting their careers in the County. Even though CWU is located in Ellensburg, most students do not stay in the County after graduation.

One of the challenges in retaining young talent is the lack of diversity in the industries and jobs present within the County. Healthcare, education, retail, and accommodation and food services are the region's largest employers, but there is an opportunity to grow and develop other sectors to diversify the local economy. Light manufacturing, tourism, aviation, craft brewing, agriculture innovation, logistics and distribution all offer opportunities for diversification. The County's existing businesses and real estate assets relevant to these industries, such as Bowers Field and Snoqualmie Pass, strengthen the case for developing them further.

Additionally, CWU is already a partner in some of these industries with its craft brewing, aviation training, and agriculture business programs. Continuing to invest in these programs and deepening the connection between the local economy and the university's offerings would improve talent retention.

***Achieving this more resilient and sustainable future will require better coordination and messaging among partners regarding shared goals.***

Kittitas County can no longer afford to operate in silos. Its top challenges include managing growth, improving housing affordability, diversifying the economy, and sustaining its natural resources—challenges that are difficult to address, yet not insurmountable in a united region.

The economic development workshops held throughout this project revealed a number of challenges facing these organizations. There is a need to clearly define roles, as there are overlapping roles among them, as well as gaps in some key functions. Some potential areas for collaboration include grant funding, community development projects, business leader mentoring, business development, and entrepreneurship. According to participants, the biggest challenges to collaboration are poor communication, limited resources, unclear roles, and the lack of trust and a shared vision among organizations.

To take control of its future the County will need to unite its local governments, organizations, and resources and apply them toward common goals. This will require deliberate, frequent coordination among partners as well as clear messaging.

## **Plan Framework**

During the leadership workshop, participants discussed and refined five guiding principles that establish the direction for this strategic plan. These guiding principles reflect the priorities and needs of the community as it looks to the future, and as such became the strategic plan's goals. Figure 3 (page 5) outlines the plan structure, including the plan's goals and high-level strategies.



Figure 3. Plan at a Glance

<b>GOAL 1</b> COLLABORATION	<p><i>Unite upper and lower County government and organizations in shared goals and action that benefit the County as a whole.</i></p> <p><b>STRATEGIES</b></p> <p>1.1. Unify economic development organizations behind a common vision and improve collaboration, communication, and goal tracking to deliver successful outcomes for the County.</p> <p>1.2. Continue to promote the County's identity and high quality of place to support tourism, business attraction, and talent attraction and retention.</p> <p>1.3. Forge a closer relationship among CWU, the City of Ellensburg, the County, and the local business community.</p>
<b>GOAL 2</b> ECONOMIC RESILIENCE	<p><i>Provide residents with tools and resources to access jobs and opportunities in the area, including entrepreneurship.</i></p> <p><b>STRATEGIES</b></p> <p>2.1. Strengthen the County's talent pipeline by aligning development, attraction, and retention efforts with the needs of current and future employers.</p> <p>2.2. Improve coordination between CWU and employers to create opportunities for learning and employment for students and community members alike (e.g., internship programs).</p> <p>2.3. Align and strengthen the network of entrepreneurial support organizations.</p>
<b>GOAL 3</b> BALANCED GROWTH	<p><i>Direct and manage the growth of the County to build a dynamic community that remains an attractive and affordable place to live.</i></p> <p><b>STRATEGIES</b></p> <p>3.1. Encourage the development of a diverse housing stock to meet the needs of a growing population.</p> <p>3.2. Position the County for targeted real estate development, including commercial and light industrial space, to meet business needs.</p> <p>3.3. Support business growth and retention and focus recruitment efforts on industries that align with community values.</p> <p>3.4. Create a vibrant quality of place by supporting the creative economy and investing in shared community and outdoor recreation assets.</p>
<b>GOAL 4</b> COMMUNITY INVESTMENT	<p><i>Develop the County's infrastructure to meet its current and future needs and position it to amplify the advantage of its central location.</i></p> <p><b>STRATEGIES</b></p> <p>4.1. Engage the public in conversations on the benefits of community investment in economic infrastructure and quality-of-place amenities.</p> <p>4.2. Identify and prioritize infrastructure investments that would support economic development (e.g., transportation, aviation, utilities, water access).</p> <p>4.3. Explore new options for funding community investments (e.g., Oklahoma City Metropolitan Area Projects, MAPS, model).</p>
<b>GOAL 5</b> PRESERVATION	<p><i>Preserve the legacy of the County, valuing its assets and resources to turn them into opportunities for future generations.</i></p> <p><b>STRATEGIES</b></p> <p>5.1. Preserve the agricultural legacy of the County by supporting local farmers, pursuing value-added opportunities, and leveraging agricultural knowledge for innovation.</p> <p>5.2. Partner with CWU and others to develop knowledge-based industries tied to the County's natural assets, such as outdoor recreation, agriculture, and sustainability/resilience-oriented opportunities.</p> <p>5.3. Use community planning to preserve the County's character while addressing its growth needs.</p>

# Strategic Action Plan

The most important aspect of any strategic plan is its implementation. Executing the wide range of actions needed to positively impact a community's economic vitality requires extensive collaboration and cohesion among local stakeholders. Further, strategic plans take years to implement, and as such cannot rely on specific individuals to carry them forward. Instead, they depend on organizations, strong networks, and enduring systems for cooperation.

While Kittitas County has seen progress in the past decade, implementing economic development initiatives remains a challenge. Specifically, barriers to communication and information sharing limit the County's effectiveness.

Kittitas County has an opportunity to coalesce behind this strategic plan to collectively foster a more vibrant and resilient economy for everyone in the County. To that end, a few organizations will be primarily responsible for leading the plan's implementation. They include the following.

- Kittitas County
- The City of Ellensburg
- Kittitas County Conference of Governments
- Central Washington University
- Economic development partners within Kittitas County (including the Kittitas County Chamber of Commerce and CenterFuse)

While these organizations will take the lead on strategic initiatives, they will require the support of other local organizations and community stakeholders. Additionally, given the significant time and effort required to implement economic development strategic plans, this plan also recommends that the City of Ellensburg and the County partner in creating a full-time position dedicated to carry forward the strategies outlined in the plan and track progress toward goals. This position should be viewed as a step toward institutionalizing economic development at the County and City levels to ensure continuity in the execution of strategic initiatives.

This plan outlines the strategies and actions needed to accomplish the five main goals. However, the tactical level will be determined by the plan's implementers.

## Goal 1. Collaboration

*Unite upper and lower County government and organizations in shared goals and actions that benefit the County as a whole.*

Collaboration within a community is essential to making the most of available resources and building a dynamic economy. Uniting the upper and lower County governments and organizations behind shared goals and actions and increasing communication and cooperation will strengthen the County's ability to be a reliable partner in attracting tourism, businesses, and funding opportunities.

By improving how Kittitas County stakeholders work together, there is a lot the County and the cities could accomplish. For instance, developing a cohesive retail strategy would allow the County to be intentional in the opportunities it pursues, while also increasing the tax base and improving access to services locally. It could also remove the barriers to doing business in the region by unifying planning and permitting standards. In addition, it could strengthen the community's identity by enhancing ties with and supporting CWU.

In short, working better together will lead to greater success for the entire County.



## Strategies and Actions

### 1.1. Unify economic development organizations behind a common vision and improve collaboration, communication, and goal tracking to deliver successful outcomes for the County.

- 1.1.1. Form a coalition with regional economic development partners, including the Kittitas County Chamber of Commerce (the Chamber), CenterFuse, local downtown associations, among others, that meet regularly, and authorize a formal agreement among this group.
  - 1.1.1.1. Establish communication and collaboration protocols.
  - 1.1.1.2. Define roles for each organization and develop metrics to track progress against economic development goals. Use City and County contracts as a guide.
  - 1.1.1.3. Jointly report on metrics to community leaders on a quarterly basis.
- 1.1.2. Hire a full-time employee to oversee economic development and carry forward the recommendations included in this strategic plan as part of an effort to formalize economic development at the City and County levels.
- 1.1.3. Build relationships with economic development personnel and public funding agencies, such as the Rural Community Assistance Partnership, Washington State Department of Commerce, and other agencies.
  - 1.1.3.1. Schedule biannual meetings with department heads and program managers at their places of business.
  - 1.1.3.2. Host these individuals in Kittitas County on an annual basis to showcase regional assets.
- 1.1.4. Develop a retail recruitment strategy.
  - 1.1.4.1. Identify appropriate real estate.
  - 1.1.4.2. Conduct a retail leakage analysis and consumer analysis.
  - 1.1.4.3. Develop a marketing and outreach strategy to appropriate retailers.
- 1.1.5. Expand the role and membership of the Kittitas County Conference of Governments to coordinate and collaborate across jurisdictions on regional planning efforts. Planning efforts should include areas such as housing, parking, permitting, and public development agreements.
- 1.1.6. Develop a mapping tool (or unify existing tools) that makes current and planned parcel, zoning, and infrastructure data publicly available.

### 1.2. Continue to promote the County's identity and high quality of place to support tourism, business attraction, and talent attraction and retention.

- 1.2.1. Develop a consistent and unified brand, marketing theme, and campaign that coordinates with the messaging of municipalities, the Chamber, and downtown associations.
  - 1.2.1.1. Promote the County's brand to key decision-makers in the Puget Sound region, state, and additional spheres of influence.
  - 1.2.1.2. Promote relevant details, utilizing the quantitative and qualitative data contained in this plan, that highlight what makes the County's business climate competitive for emerging opportunities.
  - 1.2.1.3. Regularly (quarterly or annually) create talking points for County leaders and partner organizations that highlight positive developments in Kittitas County, success stories, and why it is a desirable place to visit, live, work, and invest.

- 1.2.1.4. Update County and City websites to highlight economic development opportunities and to market opportunity zones.
- 1.2.2. Implement Kittitas County's tourism strategy to highlight opportunities for recreation in the region, while also preserving the sustainability of recreation assets.
  - 1.2.2.1. Consider applying for the state of Washington's Rural Tourism Support (RTS) program as a region to receive assistance in developing a community-centered destination development plan. After successful completion of the program, apply for financial assistance from RTS.
  - 1.2.2.2. Facilitate management program and messaging to mitigate recreational impacts to natural resources and amenities.

### 1.3. Forge a closer relationship among CWU, the City of Ellensburg, the County, and the local business community.

- 1.3.1. Formalize the standing meeting among CWU leadership and City and County partners to periodically evaluate and discuss opportunities for closer collaboration.
  - 1.3.1.1. Use the meeting to provide updates on City and CWU projects/initiatives.
  - 1.3.1.2. Establish goals for collaboration.
- 1.3.2. Expand opportunities for community connection and service.
  - 1.3.2.1. Explore the possibility of utilizing CWU's mental health program to serve the local community.
  - 1.3.2.2. Connect visual and performing arts programs to the community by offering performances during events and festivals and concerts in the downtown area.
- 1.3.3. Improve access to CWU and its resources.
  - 1.3.3.1. Lower barriers to use university facilities, such as athletic facilities, meeting halls, and performance spaces and explore partnerships to construct and/or expand public facilities for mutually beneficial purposes.
  - 1.3.3.2. Expand CWU community relations office to include more than one employee to create continuity.
  - 1.3.3.3. Evaluate the feasibility of adding weekend operations to encourage visitor engagement.

## Goal 2. Economic Resilience

*Provide residents with tools and resources to access jobs and opportunities in the area, including entrepreneurship.*

A vibrant economy requires a strong and resilient workforce—one that, given adequate tools and resources, can acquire the skills to take advantage of job opportunities or start new businesses and entrepreneurial endeavors. To this end, the County has the opportunity to forge partnerships between workforce organizations, improve resource sharing, and ensure it is offering education and support the community needs to thrive.

Central Washington University is a significant asset to the County and will certainly play a role in strengthening the regional talent pipeline. However, workforce organizations, local governments, and the Chamber have a much bigger role to play in workforce development programming. A concerted effort among regional organizations and frequent communication with local businesses to improve alignment can go a long way in improving the County's economic resilience.



## Strategies and Actions

### 2.1. Strengthen the County's talent pipeline by aligning development, attraction, and retention efforts with the needs of current and future employers.

- 2.1.1. Form a partnership among economic development organizations, higher education institutions, and employers to ensure training programs are meeting the needs of County employers. This partnership should involve the Kittitas County Chamber of Commerce, the City of Ellensburg, CenterFuse, the South Central Workforce Development Board, WorkSource, HopeSource, CWU, and local school districts, among others.
  - 2.1.1.1. Evaluate and prioritize training initiatives that support economic development within the County.
  - 2.1.1.2. Connect entrepreneurs and small businesses to workforce development programs and efforts.
- 2.1.2. Leverage data to better align CWU and community needs (for example, alumni employment data to understand who is staying in the County and who is leaving).
- 2.1.3. Promote the formation and expansion of industry sector councils to ensure the critical workforce and business competitiveness needs of each sector are addressed.

### 2.2. Improve coordination between CWU and employers to create opportunities for learning and employment for students and community members alike (e.g., internship programs).

- 2.2.1. Create internship programs that give students an opportunity to gain work experience while offering businesses access to talent. Use the [Public Infrastructure Security Cyber Education System \(PISCES\)](#) cybersecurity program as a model.
- 2.2.2. Identify and implement additional opportunities to connect students with local organizations (business community and nonprofits), including live client projects and service learning and community engagement.
- 2.2.3. Expand opportunities for a business development center in the Upper County (Cle Elum), like the John Pappajohn Entrepreneurial Center in Iowa (see text box). Such an initiative could be a joint effort between CWU and the County with grant/EDA financing.
- 2.2.4. Increase CWU engagement and support of youth development programs in the County. One such example is Washington State's support for the 4-H youth development program.

#### John Pappajohn Entrepreneurial Center (JPEC)

In addition to supporting the University of Iowa's entrepreneurship curricula, the JPEC has a startup accelerator and incubator and a range of competitions, awards, and challenges open to students and non-students alike. Entrepreneurs not affiliated with the university can also receive assistance in the form of business consulting, small business development center workshops, and import/export business education, research, and consulting. JPEC also engages the community by providing teachers with professional development opportunities and innovative curricula for K-12 and providing resources to support small businesses.

Source(s): <https://iowajpec.org/>

### 2.3. Align and strengthen the network of entrepreneurial support organizations.

- 2.3.1. Coordinate the Chamber, CenterFuse, downtown associations, and the Institute for Innovation and Entrepreneurship (IIE) efforts to eliminate duplication, strengthen support systems, and target high-opportunity industries.

- 2.3.1.1. Catalog existing initiatives and evaluate for demand and effectiveness.
- 2.3.1.2. Identify opportunities for the entrepreneurship program at CWU to work with local businesses.
- 2.3.1.3. Raise awareness of funding opportunities, such as crowdfunding (when eligible for securities registration exemption) and Small Company Offering Registration, among others.

## Goal 3. Balanced Growth

*Direct and manage the County's growth to build a dynamic community that remains an attractive and affordable place to live.*

There are opposing views on the merits of growth in Kittitas County, which have hindered the County's ability to take decisive economic action in any one direction. Individual opinions aside, the County has grown substantially over the past decade and will likely continue to do so. While growth itself may be inevitable, the magnitude and direction of this growth can be managed to better align with the community's goals. Successfully directing growth requires a strategy to retain and expand existing businesses, pursue target industries that align with the County's values and resources, and develop or redevelop sites to meet those business needs.

As housing costs have risen dramatically throughout Kittitas County, managing growth will also require action to improve affordability. Pursuing government funding, forming coalitions among partners, and undertaking joint community planning efforts are all components to increasing housing stock across the affordability spectrum. Supporting a diversity of amenities (quality of place) can influence where people want to live and help attract and retain a broad spectrum of talented individuals and families.

Land use is essential to economic development, and, as such, is addressed in this plan. However, it is important to acknowledge that land use regulations are complex, unique to each community, and continuously evolving. While land use appears prominently in the strategies and actions listed below, these are intended as suggestions to be evaluated by County and City stakeholders.

## Strategies and Actions

### 3.1. Encourage the development of a diverse housing stock to meet the needs of a growing population.

- 3.1.1. Continue implementing the recommendations in the City of Ellensburg's Housing Action Plan as a model for other communities.
- 3.1.2. Conduct a housing analysis in the Upper County to assess current housing inventory and to evaluate the regulatory environment, potential capacity, and locations.
- 3.1.3. Evaluate zoning/land use regulations to identify barriers to density and housing development as well as opportunities to adopt common standards.
  - 3.1.3.1. Implement policy and zoning changes to ensure that developments in Kittitas County are competitive for state and federal funding. Zoning changes to consider include ensuring that multifamily zoning is permitted, allowing modular housing and accessory dwelling units, designating community revitalization areas, and allowing early learning facilities in multifamily zones.
  - 3.1.3.2. Ensure land use regulations encourage development of "missing middle" housing and remove potential barriers to housing development, such as parking requirements and setback sizes.



- 3.1.3.3. Evaluate permitting processes across the County to identify opportunities for greater efficiency and to streamline the development process.
- 3.1.4. Expand the availability of housing across housing types and ranges of affordability.
  - 3.1.4.1. Support an ongoing structure for regional collaboration regarding production of housing that is affordable across the income spectrum.
  - 3.1.4.2. Give special consideration to areas with connections to jobs and along transit corridors, including zoning for duplex, triplex, four-plex, courtyard apartments, etc.
  - 3.1.4.3. Evaluate and leverage state and local funding tools and incentives for housing development, including the following.
    - Utilize HOME Investment Partnerships Program and National Housing Trust Fund Program grants for development of low-income rental housing.
    - Partner with Habitat for Humanity and the Housing Authority of Kittitas County on leveraging the Self-Help Homeownership Opportunity Program for low-income homeownership options.
    - Engage Low-Income Housing Tax Credit (LIHTC) developers to explore opportunities to leverage LIHTC funding for affordable housing.
    - Consider waiving or reducing fees for low-income housing developments.
    - Evaluate setting aside a portion of new construction property taxes for a County growth fund for low-income housing.
  - 3.1.4.4. Support the creation of community land trusts to ensure permanent affordability in connection to an investment.
  - 3.1.4.5. Evaluate landowner incentive programs to increase the supply of affordable workforce housing. Some examples include the following.
    - Explore models like the Turns for Tenants Program. Mt. Hood Meadows, a ski resort in Mt. Hood, Oregon, provides season passes of 10-day tickets to landlords who rent to Mt. Hood Meadows employees. To be eligible, landlords must cap the rent.
    - Consider the Lease to Locals Program. Homeowners in the Town of Truckee, California, receive grants ranging from \$2,000 to \$18,000 and a tenant matching service in exchange for renting to income-qualified local workers. Since 2020, the program has converted 100 units to long-term rentals, housing over 220 residents.
  - 3.1.4.6. Engage residents in conversations on the benefits of housing density.

### **3.2. Position the County for targeted real estate development, including commercial and light industrial space, to meet business needs.**

- 3.2.1. Support real estate development projects that will have the highest, long-term impact on business development opportunities, employment growth, amenities, and tax-revenue generation.
  - 3.2.1.1. Work collaboratively across the County to ensure that adequately sized industrial and commercial property is available and marketable for economic development projects.
  - 3.2.1.2. Hold regular forums with commercial brokers to discuss Kittitas County perceptions, opportunities, and regional development activity.

- 3.2.2. Evaluate and prepare shovel-ready sites for future business development (including light industrial sites, retail, etc.).
  - 3.2.2.1. Maintain an inventory of available sites, including privately held sites. The inventory should catalog preferred properties suitable for industrial, commercial, and retail development in Kittitas County, including location, size, ownership, zoning, environment, planning, shovel readiness, and infrastructure requirements.
    - List available sites on a centralized County (and City) website and cross-list them on other regional economic development websites and broker sites.
  - 3.2.2.2. Evaluate infrastructure availability and quality in existing and future business and industrial parks.
- 3.2.3. Develop land at Bowers Field and Business Park for light industrial, retail, training, and commercial use.
  - 3.2.3.1. Create a master plan for Bowers Field and Business Park, including a layout plan, to position the airport to attract businesses that will increase tax revenue and offer quality employment opportunities.
  - 3.2.3.2. Invest in infrastructure needed to ensure sites are shovel ready.
  - 3.2.3.3. Develop facilities needed to recruit aviation manufacturing companies and support expanding aviation training program.
  - 3.2.3.4. Explore expansion of CWU aviation program and develop agility to meet industry training needs.

### 3.3. Support business growth and retention and focus recruitment efforts on industries that align with community values.

- 3.3.1. Implement a business retention and expansion (BRE) initiative focused on the County's employers to grow the regional economy.
  - 3.3.1.1. Establish a local visitation program in which Chamber staff meet one-on-one with employers to ensure business needs are communicated and met.
  - 3.3.1.2. Structure local business visits to achieve several specific outcomes, including education, data collection, risk management, and testimonial collection.
    - Educate the employer about the Chamber's economic development function.
    - Collect answers to a standard set of questions about the employer's challenges during in-person business visits and identify ways the Chamber can help address those challenges.
    - Ask about potential supplier recruitment opportunities that would benefit existing employers during in-person business visits with manufacturers.
    - Capture testimonials from employers about why Kittitas County is a good business location for them.
  - 3.3.1.3. Build an understanding of the major employers within each of the County's key industries and their corresponding emerging opportunities. Figure 4 (page 14) lists emerging market opportunities.
  - 3.3.1.4. Identify and incorporate additional BRE outreach partners for increased collaboration, resource sharing, and reach given the Chamber's limited resources. Target partners that have extensive local business interface, including downtown associations and CenterFuse.
  - 3.3.1.5. Identify local companies at risk of losing growth momentum, relocating, or downsizing.



- 3.3.1.6. Develop a communications system with City and County governments that notifies various department representatives within these entities how they can mitigate issues that might impede growth or lead to a specific company closure or departure.
- 3.3.1.7. Establish a monthly numerical target for business visitations.
- 3.3.1.8. Offer tech support to small businesses.
- 3.3.2. Position Bowers Field and Business Park as an aviation training and light manufacturing hub.
- 3.3.3. Create an initiative to support the region's outdoor manufacturing and recreation industries. The Growing Outdoors Partnership established in North Carolina is an example (see text box).
  - 3.3.3.1. Engage a variety of regional partners—economic development, business community, and others with a stake in outdoor manufacturing and recreation—to garner support and funding and foster industry growth.
  - 3.3.3.2. Leverage existing assets to minimize development costs.
  - 3.3.3.3. Identify potential programs to support the initiative, such as education and training options, job boards, an accelerator, regional branding, and supply chain connections.
- 3.3.4. Leverage the presence of breweries in Kittitas County and CWU's craft brewing program to cultivate the craft brewing sector. (Cities that have benefited from this approach include Fort Collins, Colorado; Asheville, North Carolina; and Walla Walla, Washington.)
  - 3.3.4.1. Engage industry and economic development stakeholders to pursue growth opportunities in the craft brewing sector and attract visitors.
  - 3.3.4.2. Support the creation of an industry showcase that builds Kittitas County's reputation in the industry.
- 3.3.5. Support the development of timber industries, such as small diameter cross-laminated timber (CLT) and biomass production.
  - 3.3.5.1. Gain an understanding of the small diameter CLT industry to evaluate its value proposition.
  - 3.3.5.2. Evaluate the potential for biomass energy production in the County.

#### **Growing Outdoors Partnership (GOP)**

Formed in 2018, GOP is an initiative designed to expand Western North Carolina's outdoor manufacturing and recreation industries. The GOP focuses its efforts on workforce development, entrepreneurship, growing markets through regional branding, connecting the cluster and supply chain, and economic development. Initiatives include new degree programs, certificates, continuing education, a new outdoor industry job board, access to capital, an outdoor accelerator, and more. Since its inception, it has generated \$10 million in investment, added 426.5 jobs, and created an international industry conference.



Source(s): <https://outdoorswnc.com/>

### **3.4. Create a vibrant quality of place by supporting the creative economy and investing in shared community and outdoor recreation assets.**

- 3.4.1. Pursue creative district designation in the City of Ellensburg.
- 3.4.2. Develop amenities (family-oriented, indoor).
  - 3.4.2.1. Consider developing a community recreation center or recruiting organizations such as the YMCA that could fill this gap.
- 3.4.3. Utilize County and City-owned property for catalyst development projects.

- 3.4.4. Work with CWU to develop the steam plant into a space that serves members of the university and community alike.

Figure 4. Emerging Market Opportunities

	<b>Tourism, Arts, and Entertainment</b> Visitors are increasingly drawn to the County for its natural beauty, variety of outdoor activities, the rodeo, arts, and other events. Continuing to develop its amenities and identity will strengthen this sector.
	<b>Outdoor Recreation and Manufacturing</b> Kittitas County has extensive outdoor recreation assets that support a range of activities, such as hiking, skiing, snowmobiling, and fishing. The County should continue to support these assets as well as foster local recreation equipment manufacturing.
	<b>Aviation Manufacturing and Training</b> CWU's growing aviation training programs and Bowers Field are significant assets to the County. In addition to expanding the aviation training programs, there is an opportunity to develop an aviation light-manufacturing sector.
	<b>Beverage Arts</b> A healthy tourism sector, nearby hops production, and existing craft breweries, wineries, and cideries offer excellent conditions under which to grow the beverage industry and the County's reputation in this space.
	<b>Innovative Timber Industries</b> The vast amount of timber in the County points to opportunities in biomass and cross-laminated timber production. The County's active construction sector makes partnerships with cross-laminated timber firms worth pursuing.
	<b>Agriculture and Land Resiliency/Sustainability</b> Extreme weather events have challenged the agricultural industry and have increased the threat of wildfire events. The County has already made strides in securing its water sources and can be a leader in innovative sustainable agriculture and land management practices as well.
	<b>Logistics and Distribution</b> Kittitas County has long served as an export hub for the hay industry. The County could further leverage its strategic location to serve as a key connection point in other supply chains.

## Goal 4. Community Investment

*Develop the County's infrastructure to meet its current and future needs and position it to amplify the advantage of its central location.*

Attracting target industries and building existing businesses requires access to shovel-ready sites and existing commercial, retail, and office space. A key element of this preparation is having the utilities, transportation, and connectivity in place to meet business and community needs, as well the funds to support them. Washington



State has limited economic development tools at its counties' disposal, requiring creative means of securing investment and attracting businesses.

Extensive community engagement will be essential to this effort. Continuous communication will serve as a trust-building exercise through which the County can prove it is a responsible steward of taxpayer dollars. It will also allow community leaders to communicate the value these investments can deliver. Public-private partnerships will also be important to ensure critical assets are in place, opening the door for additional investment in the County.

## Strategies and Actions

### 4.1. Engage the public in conversations on the benefits of community investment in economic infrastructure and quality-of-place amenities.

- 4.1.1. Launch a County-led internal marketing campaign to instill civic pride and educate residents on the importance of economic development as well as the connection between infrastructure and placemaking to a region's economic vitality.
  - 4.1.1.1. Regularly communicate economic development achievements, along with ongoing efforts, projects, events, and stories of the County's recent successes, through a quarterly newsletter and regular social media posts.
  - 4.1.1.2. Profile Kittitas County residents who are involved in interesting ventures and are positively impacting the community.
  - 4.1.1.3. Share talking points and messaging with regional partners to unify messaging and encourage them to share communication on their platforms.
  - 4.1.1.4. Leverage local events to continue building civic pride and regional culture.
- 4.1.2. Engage Kittitas County residents in discussions about economic development and the future of the County.
  - 4.1.2.1. Hold community discussions on economic development and the County's potential. Use language from the plan's findings and guiding principles to help the community understand the County's vision.
  - 4.1.2.2. Ensure residents have an understanding of the County's strategic assets.
  - 4.1.2.3. Celebrate current and future investments in place-based assets.

### 4.2. Identify and prioritize infrastructure investments that would support economic development (e.g., transportation, aviation, utilities, water access).

- 4.2.1. Continue to support and enhance regional transportation connections to ease movement throughout the County.
  - 4.2.1.1. These efforts should include adding parking and signage to reduce traffic on main roads, as well as evaluating public transit routes.
- 4.2.2. Support broadband initiative to ensure high-speed connections across the County.
- 4.2.3. Extend utilities access to sites that are well-positioned for development.
- 4.2.4. Continue efforts to add and improve signage in the County to improve visibility and access.

- 4.2.4.1. Add signage off key I-90 exits, like Cle Elum's entrance at exit 84 and Ellensburg's Canyon Road entrance.
- 4.2.4.2. Support CWU's wayfinding initiative, which will improve the university's visibility throughout the community.

### 4.3. Explore new options for funding community investments (e.g., Oklahoma City Metropolitan Area Projects, MAPS, model).

- 4.3.1. Design a public investment strategy to spur private investment and talent retention/attraction in the County. It should build off the communication recommendations outlined in strategy 4.1, focusing on transparency about the cost and value of the investment and building trust through incremental successes.
  - 4.3.1.1. Convene leaders from the City to evaluate possible structures and funding mechanisms for a MAPS initiative.
  - 4.3.1.2. Launch a public call for project ideas once the funding structure is determined.
  - 4.3.1.3. Establish a leadership group made up of the parties involved in the funding process to review and refine the publicly proposed projects.
- 4.3.2. Evaluate the potential for a port district.
  - 4.3.2.1. Develop a roadmap for the district to clearly communicate the potential return on investment.
  - 4.3.2.2. Use the tools and actions outlined in strategy 4.1 to educate and engage the community in discussion about the value of a port district.
    - Tell stories of successful port districts, like the Port of Moses Lake (see text box).
    - Consider limiting boundaries of a potential port district to a smaller area, for example, east Kittitas.
  - 4.3.2.3. Advocate for enabling legislation, as necessary.

#### Port of Moses Lake, Washington

The Port of Moses Lake was created in 1965 to fund the opening of the Grant County International Airport and support development in the area. The port operates the airport, which is used primarily by private firms, military, and Boeing for flight testing. Property leases and rentals constitute the majority of operating revenues, and it is policy of the port to only lease, and not sell, property. The port employs 18 full-time and 2 part-time employees. Over 60 industries are represented at the port, employing over 3,500 people.

Source(s): <https://www.portofmoseslake.com/>

## Goal 5. Preservation

*Preserve the legacy of the County, valuing its assets and resources to turn them into opportunities for future generations.*

The County has a history of dependence on natural-resource-based industries, like agriculture and logging. As changing circumstances threaten farming and present environmental risks, the community will need to implement innovative approaches to improve its resiliency. Examples include identifying and conserving water sources, mitigating wildfire risk, and improving conditions for agriculture. There is an opportunity to not only preserve the County's legacy, but also leverage its existing knowledge base to bring these industries into the future and provide opportunities to the generations to come.



Another aspect of this goal involves conserving the County's character. This means preserving historic buildings and affordable housing stock and proactively planning for growth so that the community can expand without transforming substantially.

## Strategies and Actions

### 5.1. Preserve the agricultural legacy of the County by supporting local farmers, pursuing value-added opportunities, and leveraging agricultural knowledge for innovation.

- 5.1.1. Establish an agriculture consortium that includes local farmers, organizations, government officials, and educational institutions to identify needs and opportunities for growth in the industry.
  - 5.1.1.1. Evaluate value-added opportunities, such as food processing operations.
- 5.1.2. Provide local farmers with information on federal and state resources to support their businesses.
  - 5.1.2.1. The US Department of Agriculture (USDA) Farm Storage Facility Loan Program helps small to mid-sized fruit-and-vegetable producers access cold storage and related equipment like pack-and-wash stations. Smaller producers are now eligible for a waiver from the requirement to carry Noninsured Crop Disaster Assistance Program coverage or crop insurance when they apply for a loan.
  - 5.1.2.2. The USDA's microloan program allows beginning, small, and mid-sized farmers to access \$50,000 in loans.
  - 5.1.2.3. Leverage Rural Business Development Grants.
- 5.1.3. Promote food and agriculture system innovation through multidisciplinary research.
  - 5.1.3.1. Utilize Sustainable Agriculture Research and Education Grants.
  - 5.1.3.2. Incentivize innovation and light manufacturing ventures, including value-added agriculture.
- 5.1.4. Cultivate agritourism opportunities that are centered on local assets.

#### Wildfire Resilience Program (WRP) at Santa Rosa Junior College (SRJC)

In response to wildfires that destroyed the Sonoma County, California, region, SRJC conceived the WRP to benefit all community stakeholders. In addition to complementing SRJC's workforce training mandate, the WRP offers paths to high-quality, well-paying local careers for residents, while supplying local businesses with needed talent. SRJC secured funding with the help of local elected officials, built a network of regional employers, and partnered with local nonprofits to build a student pipeline for the program's target demographic. The program has successfully maintained enrollment of at least 300 students per year, offering 5 to 10 paid internships per year, and providing 10 to 15 stipends for partnerships with local organizations per year.

Source(s): [ag.santarosa.edu/wildfire-resilience-program](http://ag.santarosa.edu/wildfire-resilience-program)

### 5.2. Partner with CWU and others to develop knowledge-based industries tied to the County's natural assets, such as outdoor recreation, agriculture, and sustainability/resilience-oriented opportunities.

- 5.2.1. Evaluate the feasibility of a wildfire resilience program, leveraging federal Community Wildfire Defense Grant program funds (see text box for California example).
  - 5.2.1.1. Identify local partner organizations.
  - 5.2.1.2. Offer a combination of college coursework and community workshops.

- 5.2.1.3. Develop internship programs for students.
- 5.2.2. Identify all programs that might support the County's agricultural industry and identify ways these programs can serve and connect with the local agricultural businesses/farmers.
  - 5.2.2.1. Support CWU's agribusiness program.
  - 5.2.2.2. Educate residents and students about the importance of land for agriculture through hands-on experiences and marketing.
  - 5.2.2.3. Encourage relationships between educational providers (middle and high school through community college or trade school) and employers to expose young people to career options in agriculture and create an understanding of pathways to those jobs.
  - 5.2.2.4. Prioritize research and innovation that prepares this sector for the future.

### 5.3. Use community planning to preserve the County's character while addressing its growth needs.

- 5.3.1. Engage the County and cities in joint long-range planning efforts to address Countywide land use and other needs.
  - 5.3.1.1. Incentivize mixed-use developments that create density while offering proximity to retail and amenities (see actions detailed in strategy 3.1).
- 5.3.2. Engage the Yakama Nation as a partner in economic development efforts.
  - 5.3.2.1. Engage the Yakama Nation in community-building activities.
- 5.3.3. Advocate for, and invest in, resiliency and sustainability efforts, including addressing the community's water needs and implementing wildfire mitigation strategies.
  - 5.3.3.1. Support the wildfire risk mitigation strategies, such as vegetation management.
  - 5.3.3.2. Continue investing in water needs to support the County's growth.
  - 5.3.3.3. Explore pilot programs to enhance energy alternatives, such as geothermal energy, for grid resilience.
- 5.3.4. Allocate resources to preserve the County's historic buildings and housing stock.
  - 5.3.4.1. Continue working with the Washington Trust for Historic Preservation.
  - 5.3.4.2. Continue facade improvement and Main Street programs in Roslyn, Cle Elum, Thorp, and Ellensburg.
  - 5.3.4.3. Leverage the Community Development Block Grant Program (CDBG) and the USDA Multifamily Preservation and Revitalization funds for the preservation of the County's affordable housing stock.



# Planning Context

To provide a common foundation for the planning process, TIP compiled economic and demographic data that highlights the County's competitive position. Coupled with insights gained from stakeholder engagement and the experience of the TIP consulting team, this work served as the basis for an analysis of the County's strengths, weaknesses, opportunities, and threats (SWOTs), a summary of which is presented in this section.

## Economic Context

As part of the project's discovery phase, TIP assembled data describing the economic health of Kittitas County, including state and national benchmarks. This comprehensive analysis was delivered as an interactive data visualization. The *Kittitas County Washington Economic Explorer* tool covered a broad range of data points encompassing population and demographics, workforce characteristics, housing characteristics, industry and occupation composition, and commuting patterns. The following are selected highlights from this work.

### *Population growth rates in Kittitas County have accelerated in recent years driven by strong net domestic migration.*

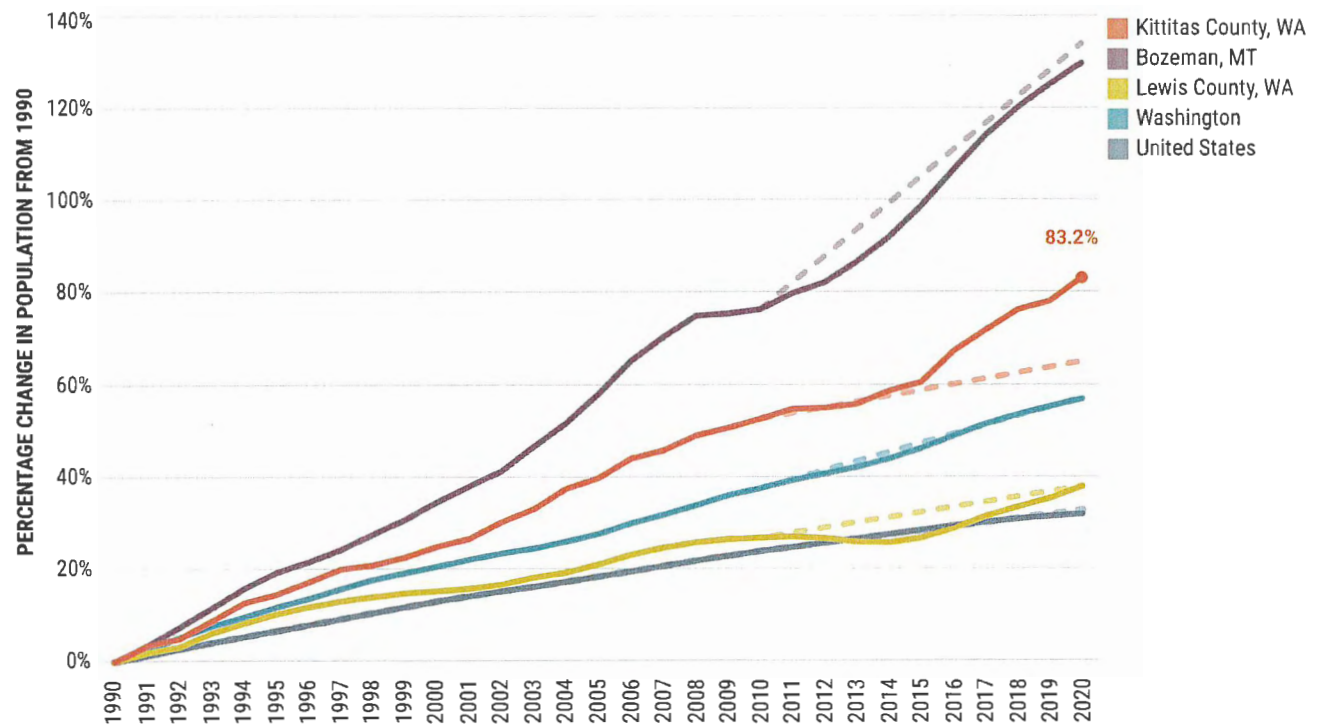
The number of Kittitas County residents has grown steadily since 1990. Recent population estimates indicate a period of rapid growth since 2015, driven by strong net domestic migration. However, the 2020 Census suggests a somewhat slower pace. While population estimates may differ, there is little doubt that people are moving to Kittitas County. About 16 percent of residents in 2019 moved to the County from elsewhere. This share is more than 25 percent for Ellensburg, alone, although this number is inflated by the influx of students each year. While preliminary estimates may have overstated the increase since the 2010 Census, the County's population growth rate has outperformed the state and the US.

### *Housing is rapidly becoming unaffordable for many residents.*

Like population trends, home prices in Kittitas County have accelerated rapidly in recent years. As a result, housing risks becoming unaffordable to many in the County. An analysis of American Community Survey data found that nearly one-third of homeowners (31.4 percent) and more than one-half of renters (56.8 percent) were cost burdened, defined as spending more than 30 percent of income on housing (Figure 6, page 21). A more nuanced approach to housing affordability compares typical mortgage costs for a median-valued home to the median household income of a region. Using this metric, even a household earning 35 percent more than the median (\$75,600) would struggle to afford the median home in the region (Figure 7, page 21). Factors influencing home prices include the relatively strong levels of net in-migration seen in recent years (which increases the demand for homes) and the large stock of seasonal homes (which can create inefficiencies in local markets).

**Figure 5. Population Trend Comparisons**

Annual population estimates and official trends between the 2010 and the 2020 Census



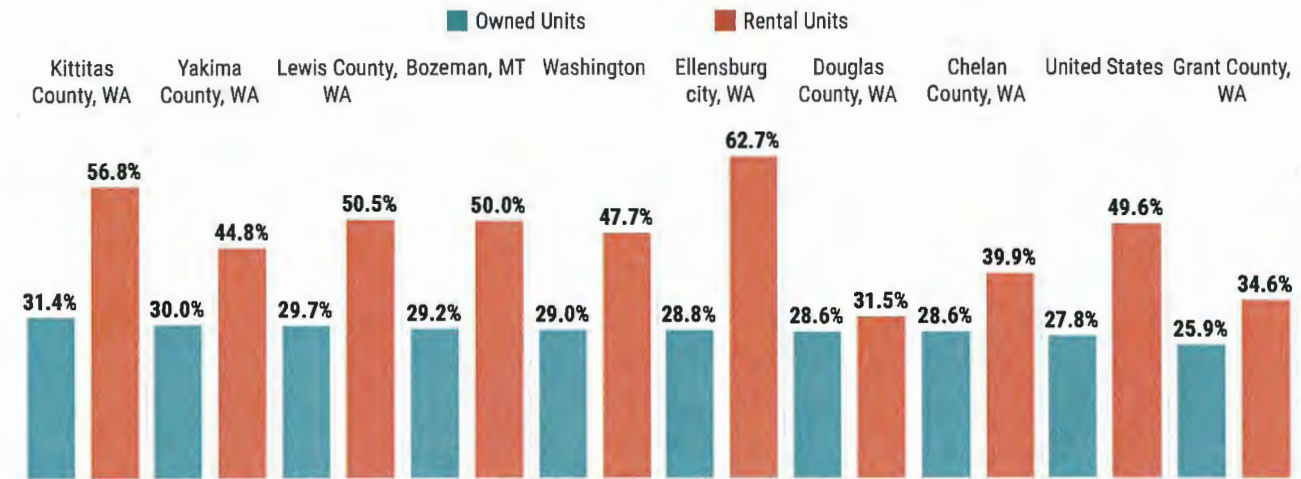
Source(s): US Census Bureau, Population Estimates Program and 2020 Census Redistricting Data Program; Moody's Analytics; TIP Strategies, Inc.

Note(s): Population estimates prior to 2010 are sourced from Moody's Analytics. Estimates from 2010 to 2020 are sourced from the Census Bureau's Population Estimates Program, which is based on the 2010 Census and data on births, deaths, and migration. Annual population estimates are shown in darker lines from 1990 to 2020. In some jurisdictions, the 2010–2020 estimates did not accurately reflect the actual trend between the 2010 and the 2020 Census periods. Where discrepancies occurred, a lighter dashed line from 2010 to 2020 shows the official trend line between the decennial markers.



**Figure 6. Housing Affordability, 2019**

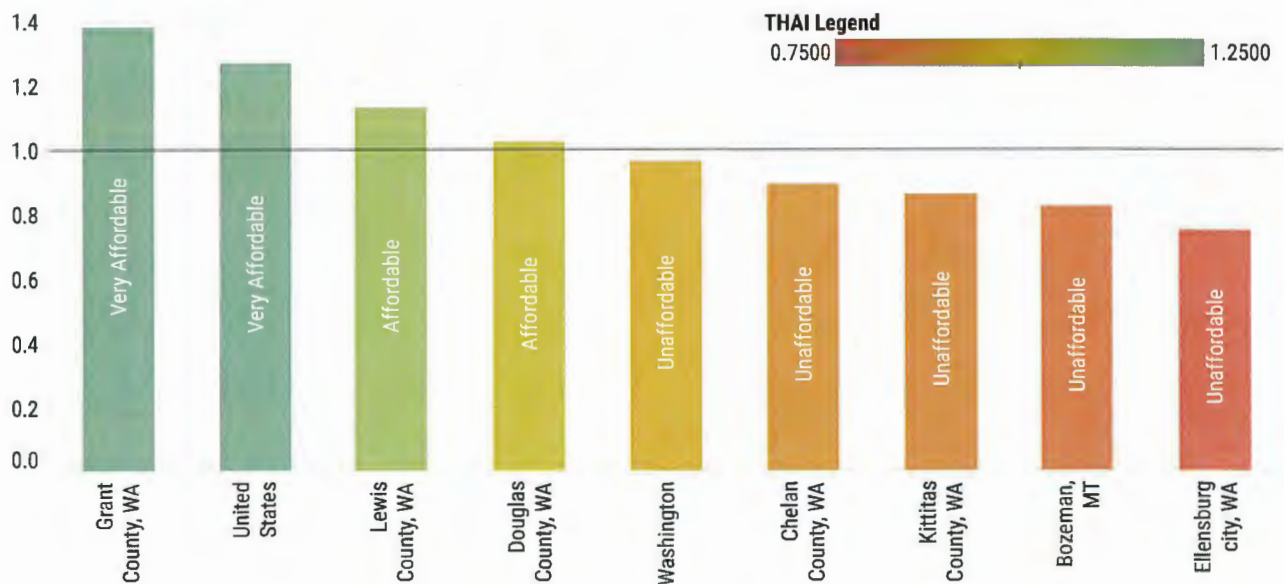
Share of housing units whose occupants spend more than 30 percent of household income on housing expenses (i.e., rent or mortgage payments)



Source(s): American Community Survey, 2019 5-year sample; TIP Strategies, Inc.

**Figure 7. Texas Housing Affordability Index (THAI), 2019**

This index compares household median income to a typical mortgage payment on a median-priced home. A value of 1 indicates the median income is exactly enough to purchase a median home. Values <1 indicate unaffordability, and values >1 indicate sufficient affordability. Adjust inputs on the right side to modify the mortgage and median income.



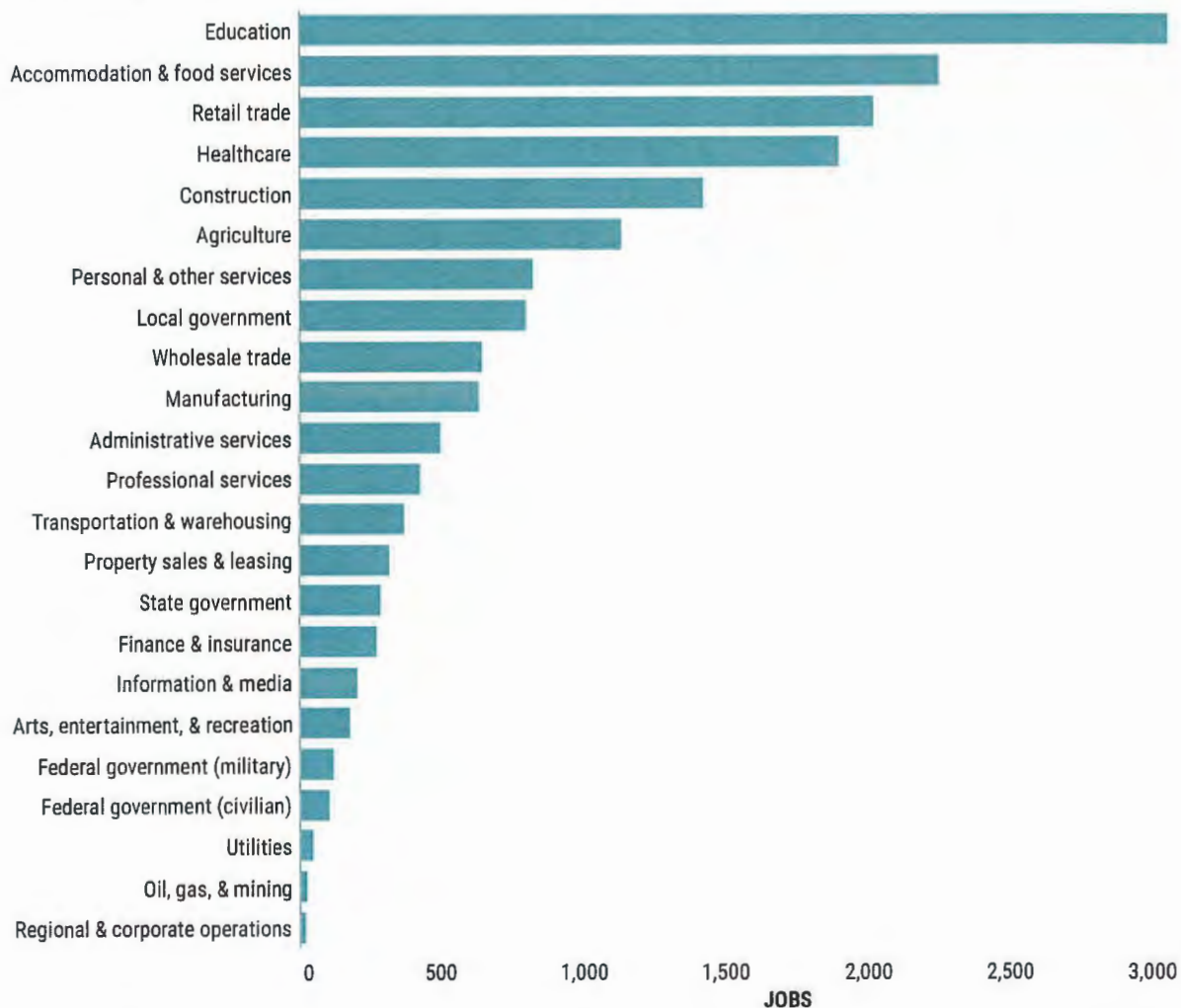
Source(s): American Community Survey, 2019 5-year sample; TIP Strategies, Inc.

Note(s): The THAI was adapted from the Texas A&M University Real Estate Center by TIP Strategies, Inc. Mortgage payments only include the monthly payments on the loan (does not include insurance or tax payments). Down payment is the percentage of the home value paid before the mortgage. Mortgage interest rate is the annual percentage rate. Mortgage term is the length of the loan in years. Qualifying ratio is the maximum debt-to-income ratio that still qualifies for a mortgage. Adjustment shifts the income used in the calculation where 100 percent is the median household income.

### *Job growth in the County has primarily been in population-driven, low-wage sectors.*

In 2020, four sectors accounted for more than one-half (52.6 percent) of all jobs in the County: education, accommodation and food services, retail, and healthcare (Figure 8, page 22). Among these, the healthcare and accommodation and food services sectors have grown the most over the past two decades, increasing employment by more than 58 and 71 percent, respectively, between 2001 and 2019. While most sectors saw slight employment declines in 2020 as a result of the pandemic recession, accommodation and food services were hit particularly hard, shedding more than 500 jobs (or about 19 percent) in a single year. A review of employment by occupation mirrors the industry data, with the largest four occupation groups in Kittitas County closely tied to the largest sectors: food preparers and servers, office and administrative support workers, sales workers, and educational instruction workers. A surge of transportation workers—a net total increase of more than 220 jobs since 2015—reflects the growth of the transportation industry generally, as well as increased demand for retail and courier services in the COVID-19 pandemic era. Although the transportation industry in Kittitas County is relatively small (less than 400 jobs in 2020), it grew by a substantial 24.9 percent in 2020 (an addition of about 70 jobs).

**Figure 8. 2020 Employment by Industry Sector: Kittitas County, Washington**



Source(s): US Bureau of Labor Statistics (BLS); Emsi Burning Glass 2021.4—Quarterly Census of Employment and Wages (QCEW) Employees, Non-QCEW Employees, and Self-Employed; TIP Strategies, Inc.

### More workers commute out of the County than in.

Kittitas County tends to be a net exporter of workers to jobs outside of the County (Figure 9, page 23). In other words, more workers commute out of the County for work (8,100 in 2019) than commute into the County for work (6,400 in 2019). However, the largest group of commuters are those who live and work in the County (nearly 10,000 people in 2019, or about 54 percent of employed County residents). Among those living and working in the County, almost two-thirds (62 percent) work in Ellensburg and another quarter (24.6 percent) work in unincorporated parts of the County. By comparison, these same residents tend to live in either Ellensburg (45.5 percent) or in unincorporated Kittitas County (41.5 percent). While most occupations show a net outflow of commuters leaving the County for work, an analysis by monthly earnings shows that workers earning less than \$1,251 per month tend to commute into Kittitas County for work. This aligns with the high cost of living in Kittitas County as lower-earning workers likely struggle to afford housing in the County.

**Figure 9. Commuting Trends to Kittitas County, Washington, 2008 to 2019**

Commuting **into** the region means a person lives outside of the region and works inside of the region. Commuting **out of** the region means a person lives inside of the region and works outside of the region.



Source(s): Longitudinal Employer-Household Dynamics (LEHD), Origin-Destination Employment Statistics (LODES); TIP Strategies, Inc.

Note(s): Only includes residents and workers in Washington and Idaho.

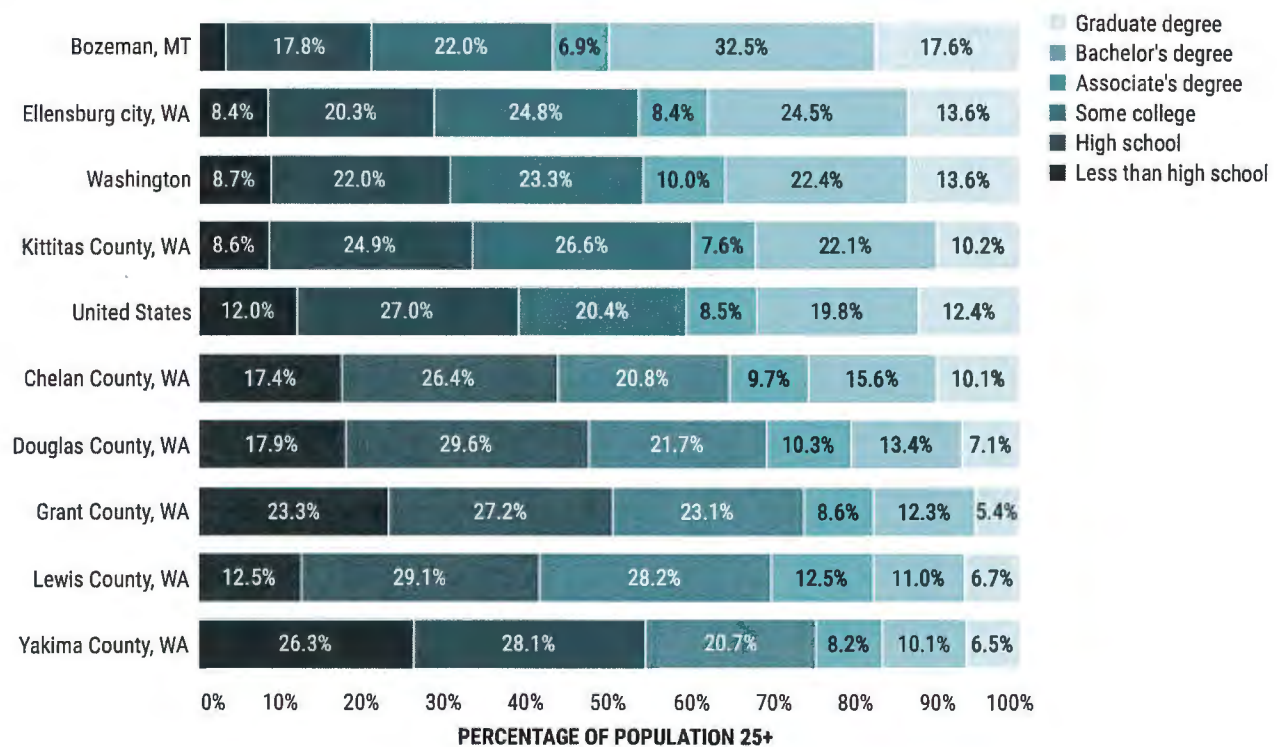


***CWU influences the County's demographic composition and plays an essential role in its current and future economy.***

In addition to its role as an economic anchor, the presence of CWU is reflected in the area's demographics. The associated student population provides a source of greater racial and ethnic diversity and translates to a younger-than-average population, particularly in Ellensburg where two-thirds of residents are under 35 years old. CWU also influences educational attainment and income levels. Educational attainment is generally high in Kittitas County and is on par with the state and the nation, with about one-third (32 percent) of residents 25 years or older holding a bachelor's degree or higher (Figure 10, page 24). However, at first glance, higher education seems to have not translated into higher wages as the median household income for the County and for Ellensburg are below state and national levels (Figure 11, page 25). This finding, in part, reflects the region's high population of student residents. Students tend to report low incomes because few are able to be full-time employees and full-time students simultaneously. (This same student-influenced phenomenon is shown in poverty rates where both Kittitas County and Ellensburg exceed comparisons.) Going forward, leveraging CWU will be important piece of talent attraction, retention efforts.

**Figure 10. Educational Attainment, 2019**

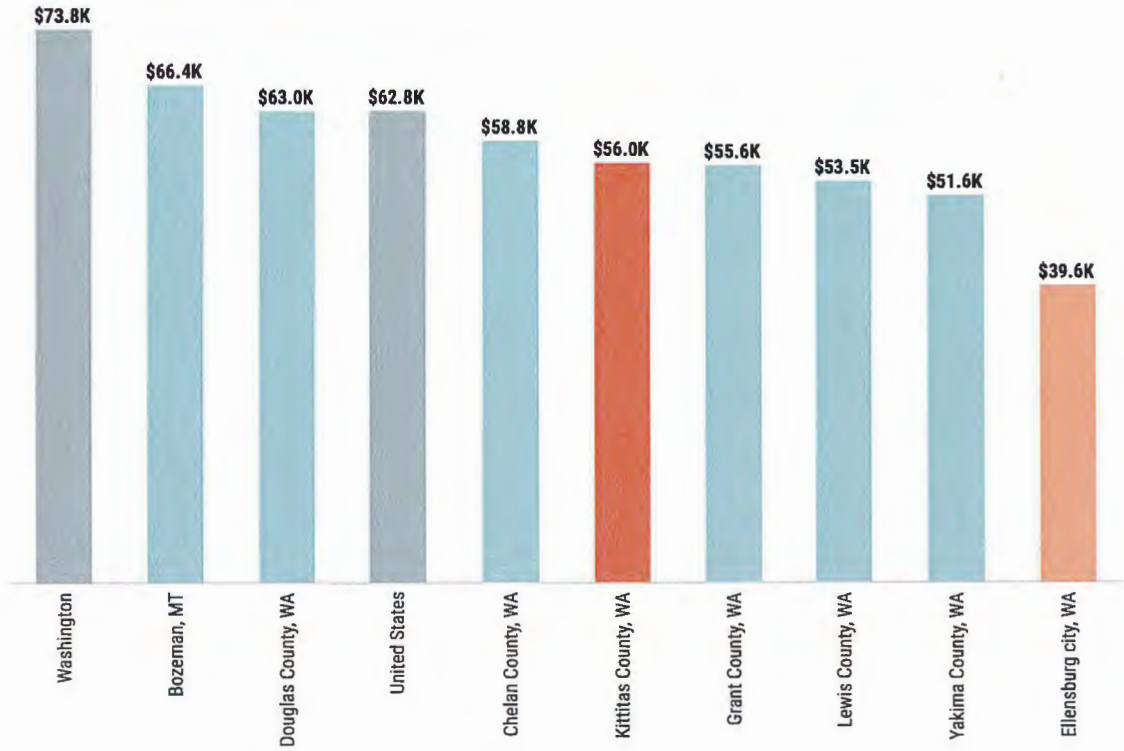
Population 25 years and older by share of educational attainment.



Source(s): American Community Survey, 2019 5-year sample; TIP Strategies, Inc.

Note(s): Educational attainment only measured for population 25 and older. High school includes equivalency. Some college indicates no degree was received. Graduate degree includes professional degrees and doctoral programs.

Figure 11. Median Household Income, 2019







Source(s): American Community Survey, 2019 5-year sample; TIP Strategies, Inc.

## SWOT Analysis

During the initial phases of the project, the consulting team gathered qualitative input from local stakeholders in Kittitas County concerning local economic development issues. In addition, TIP conducted quantitative data analyses to understand the County's competitive position in the region. The results of these efforts informed the following strengths, weaknesses, opportunities, and threats (SWOT) analysis. The four components of a SWOT analysis can be defined as follows.

- **Strengths:** Assets and resources that can be built on to grow, strengthen, and diversify the local/regional economy.
- **Weaknesses:** Liabilities and barriers to economic development that could limit economic growth potential.
- **Opportunities:** Competitive advantages and positive trends that hold significant potential for the attraction of new businesses, investments, and skilled workers.
- **Threats:** Unfavorable factors and trends (often external) that could negatively affect the local/regional economy.

Figure 12. Summary of Kittitas County SWOT Analysis

 Strengths	 Weaknesses
<ul style="list-style-type: none"> <li>• Outdoor recreation assets and activities</li> <li>• Presence of Central Washington University</li> <li>• Natural resources</li> <li>• Central geographic location within the state</li> <li>• Small town/rural character</li> <li>• High quality of place</li> <li>• Natural beauty</li> <li>• Strong healthcare sector employment</li> <li>• Growing tourism sector</li> <li>• Educated workforce</li> <li>• International market for Timothy hay</li> <li>• Economic development tools</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of a unified County vision for economic development</li> <li>• Housing affordability and lack of inventory</li> <li>• Few industrial and commercial development-ready sites</li> <li>• Disconnect between CWU and community/private sector</li> <li>• No port district</li> <li>• Underinvestment in infrastructure (transportation, water/wastewater, etc.)</li> <li>• Retail sales tax leakage</li> <li>• Anti-growth sentiment</li> <li>• Lack of higher-wage employment opportunities</li> <li>• Perception of water scarcity</li> <li>• Siloed economic development efforts</li> <li>• Lack of indoor and family-friendly amenities/activities</li> <li>• Lack of childcare options</li> </ul>
 Opportunities	 Threats
<ul style="list-style-type: none"> <li>• Infrastructure investment</li> <li>• Snoqualmie Pass</li> <li>• Outdoor recreation as a magnet for talent attraction</li> <li>• Attraction of remote workers</li> <li>• Expansion of research and facilities at CWU</li> <li>• Cohesive tourism effort</li> <li>• New recreational facilities (e.g., indoor community center)</li> <li>• Community planning</li> <li>• Recreation-related business attraction</li> <li>• Entrepreneurship and small business development</li> <li>• Growth of outdoor recreation sector (e.g., apparel, food, equipment, etc.)</li> <li>• Light manufacturing</li> <li>• Suncadia network</li> <li>• Biomass</li> </ul>	<ul style="list-style-type: none"> <li>• Loss of young talent</li> <li>• Population growth without accompanying higher-wage employment growth</li> <li>• Aging population</li> <li>• Lack of forest management</li> <li>• Wildfire risk</li> <li>• Inability to attract new private investment</li> <li>• Lower state funding levels for CWU</li> <li>• Planning and zoning barriers to new investment</li> <li>• Agriculture becoming less sustainable</li> <li>• Encroachment of residential development on farming lands</li> </ul>

Source(s): TIP Strategies, Inc.