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CHAPTER 4. ECONOMIC DEVELOPMENT

4.1 INTRODUCTION/PURPOSE

A healthy economy is essential to Yakima County's vitality and quality of life. It provides jobs for local residents and the tax base for infrastructure, schools, parks, public safety, and other public facilities and services. While the County's natural setting sets the stage and determines the parameters within which economic development may take place, virtually every other feature of community life stems from the area's economic health.

This element compiles selected economic data and analyses from a variety of sources, including local-based organizations, and the Washington State Employment Security Department. This data is presented to provide guidance in the planning process. It is not meant to duplicate more comprehensive economic analyses undertaken by others.

4.1.1 Growth Management Act Requirements

According to RCW Chapter 36.70A.70 (7), an economic development chapter in a comprehensive plan should contain: a summary of the local economy such as payroll, employment and business sectors; a summary of the local economy's strengths and weaknesses; and, an identification of policies, programs, and projects to foster economic growth and development and to address future needs.

4.1.2 State Planning Goals Related to Economic Development:

Washington State's Growth Management Act (GMA) contains 13 goals for the purpose of guiding the development of comprehensive plans and development regulations. GMA goals (goals 5, 6, 7, and 8) specifically relate to economic development:

- (5) Economic development. Encourage economic development throughout the state that is consistent with adopted comprehensive plans, promote economic opportunity for all citizens of this state, especially for unemployed and for disadvantaged persons, and encourage growth, all within the capacities of the state's natural resources, public facilities, and public services.
- (6) Property rights. Private property shall not be taken for public use without just compensation having been made. The property rights of landowners shall be protected from arbitrary and discriminatory actions.

- (7) Permits. Applications for both state and local government permits should be processed in a timely and fair manner to ensure predictability.
- (8) Natural resource industries. Maintain and enhance natural resource-based industries, including productive timber, agricultural, and fisheries industries. Encourage the conservation of productive forest lands and productive agricultural lands, and discourage incompatible uses.

4.1.3 County-wide Planning Policy

The County-wide Planning Policy (CWPP) represents a composite framework of policies intended to balance each other to create an overall direction for development of individual comprehensive plans. These policies establish the foundation for determining consistency of individual plans with each other and with the tenets of the Growth Management Act (GMA). The following CWPPs address the need for affordable and diverse housing for all economic segments of the population:

G.3. Countywide Economic Development Policy Statements:

The following policies relate to a general strategy to help ensure future economic vitality, broaden employment opportunities to meet the needs of projected future growth while maintaining a high-quality environment:

G.3.1. Encourage economic growth within the capacities of the region's natural resources, public services and public facilities:

- Identify current and potential physical and fiscal capacities for municipal and private water systems, wastewater treatment plants, roadways and other infrastructure systems.
- Identify economic opportunities that strengthen and diversify the county's economy while maintaining the integrity of our natural environment.

G.3.2. Local economic development plans should be consistent with the comprehensive land use and capital facilities plans, and should:

- Evaluate existing and potential industrial and commercial land sites to determine short and long term potential for accommodating new and existing businesses;
- Identify and target prime sites, determine costs and benefits of specific land development options and develop specific capital improvement strategies for the desired option;
- Implement zoning and land use policies based upon infrastructure and financial capacities of each jurisdiction;
- Identify changes in urban growth areas as necessary to accommodate the land and infrastructure needs of business and industry;
- Support housing strategies and choices required for economic development.

G.3.3. Coordination of efforts between the many diverse economic development organizations and other related agencies within Yakima County should be encouraged by:

- Identifying linkages between economic development issues and strategies and other growth planning elements (i.e. housing, transportation, utilities and land use);
- Defining roles and responsibilities for carrying out economic development goals, objectives and strategies.

4.1.4 Visioning “Check In”

Yakima County took part in a “Visioning check in” process in 2014 and 2015. This effort used online surveys to gain feedback from Yakima County residents on whether they feel the original Visioning Goals that influenced Yakima County’s comprehensive plan - **Plan 2015** - are still relevant today or should be updated or discarded. A total of 307 people took the survey related to economic development, resulting in a list of revised Visioning Goals. **The resulting Visioning Goals are included in insets throughout this Element.*

4.1.5 Yakima County’s Economy – Historical Setting

Yakima County has historically been an agricultural economy, dependent on irrigation. Beginning in the 1880s, Yakima County’s development was shaped largely by the Northern Pacific Railroad and the Yakima River. The Yakima Project of 1905 was one of the first and largest irrigation projects completed by the US Bureau of Reclamation. With the availability of irrigation and railroads, commercial fruit production grew, bringing along with it more farmers and the development of the towns that make up Yakima County. Today, Yakima County is Washington State’s leading agricultural county.



4.1.6 Who is Involved in Economic Development?

Economic growth requires investment in transportation facilities, water and sewer systems, and private utilities. Having competitive, ready-to-go sites at a price acceptable to the northwest region is a prerequisite to effectively participating in the competition for companies.

Within Yakima County there are a number of agencies with roles in economic development. Roles are defined and each organization works in a coordinated and cooperative manner with the other organizations. The primary providers are:

- Yakima County Development Association (YCDA, or New Vision)
- Kittitas-Yakima Resource Conservation and Economic Development District (RC&EDD)

- Visitor & Convention Bureau
- Chambers of Commerce (Cities' Chambers of Commerce, Hispanic Chamber of Commerce)
- Yakama Nation Economic Development Department
- The City of Yakima Economic Development Department
- Yakama Nation Economic Development Department
- The City of Yakima Economic Development Department

YCDA, also known as New Vision, is a private, nonprofit agency supported primarily through contributions from the business community in Yakima County. New Vision is also the official, state-designated economic development organization for the county and has service contracts with Yakima County and other local government jurisdictions within the county. The Analysis of Assets, Needs, and Opportunities section of this element is based primarily on two reports produced in cooperation with the YCDA (Blueprint Yakima, 2008); and the Yakima and Kittitas Counties Regional Comprehensive Economic Development Plan (CEDS), completed in 2013 and updated in 2015. New Vision's priorities are to:

- Build local business;
- Recruit new industry; and
- Provide workforce and community leadership.

Since 1987, New Vision has helped 12 firms locate or expand in Yakima County. These firms have invested a total of \$82.2 million in facilities and equipment and have paid an estimated \$12.7 million annually in wages and salaries. One example of a New Vision recruitment effort is the Wal-Mart distribution center, which began operations in Grandview in 2004. Wal-Mart was the

Inset 1. Horizon 2040 Visioning Goals
Economic Development and Training

- 1. Infrastructure and Facilities:**
 - A. Ensure an adequate supply of industrial property throughout the county by supporting infrastructure for industrial purposes.
 - B. Enhance our transportation facilities, including air, rail, highways, and non-motorized.
 - C. Develop infrastructure and facilities to support our economic development.
 - D. Improve all modes of transportation to support our economic development.
 - E. Develop commercial districts through economic restructuring, infrastructure improvements, and new business recruitment.
 - F. Develop an ongoing beautification program designed to improve the appearance of the Yakima Valley.

county's second largest private employer in 2012, employing 1,155 employees, 600 of whom work in the distribution center.

4.2 EXISTING ECONOMIC CONDITIONS AND ISSUES

4.2.1 Economic Indicators - General

There are a variety of indicators that can be used as economic indicators. These indicators are selected to suggest how the economy is doing. Economic indicators commonly used include personal income, per capita income, industry earnings and employment figures. Readers should examine not only the gross figures, but also look at the sub-component parts to gain a better interpretation.

Inset 2. Horizon 2040 Visioning Goals

Economic Development and Training

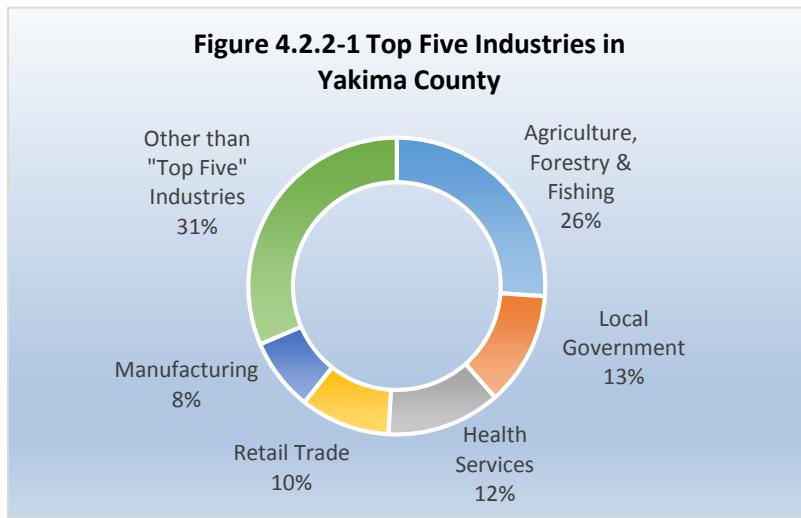
2. Business Development:

- A. Support the development and operation of business incubators and home businesses.
- B. Attract retirement, tourism, recreational and convention businesses to Yakima as a destination option.
- C. Existing Businesses:
 - i. Develop a strong value added product industry which supports our agricultural base.
 - ii. Expand the export of our area's good and services.
 - iii. Support retention and expansion of existing industry.
 - iv. Develop a supportive community environment for business.
- D. Business Development and Attracting New Businesses:
 - i. Expand the export of our area's good and services.
 - ii. Effect legislation which promotes business development (Industrial, commercial, community, etc.)
 - iii. Secure private and public capital for economic development (Industrial, commercial, community, etc.)
 - iv. Develop and encourage incubation format for industries and home businesses.

4.2.2 Economic Base

Resource based industries, particularly agriculture, have been and still are backbone of Yakima County's economy. Growing, storage and shipping/processing of deciduous tree fruits (apples, cherries, pears, etc.), as well as livestock and dairies, make up the majority of Yakima County's agricultural industry. The Yakima Valley is number one in the nation for the production of apples, hops and mint. The Yakima Valley alone produces approximately 77% of the total hops grown in the United States. The production of wine grapes, and associated local wineries, are part of a growing wine industry in Washington State that brings with it additional tourist-related income.

Government (federal, state, and local) is also a major employer, providing 12.4% of total covered employment in 2013. Health Services is the third largest employment sector in Yakima County, currently almost on par with government services for total employment numbers. Figure 4.2.2-1 below shows the top five industries in Yakima County.



Source: Washington State Employment Security Department, Nov. 2014

In 2013, agriculture, forestry and fishing provided approximately a quarter of all employment in the valley. Because of the county's reliance on resource-based jobs, the economy has struggled to match the level of economic growth and job quality experienced in other areas of Washington State. On the other hand, the agricultural sector showed remarkable resistance to the Great Recession of the late-2000s. Agriculture, forestry and fishing employment grew steadily between 2007 and 2012, while jobs were lost in almost all other sectors of the economy. The other sector showing increased growth in the County was Health Services. This represents an important trend in Yakima's economy, because as opposed to many resource-based jobs, many health services jobs are high paying jobs (See Figure 4.2.4.2-1). Table 4.2.2-1 shows the changes in the Top Five Industry Sectors in Yakima County's economy between 2004 and 2013, according to the Washington State Employment Security Department.

Table 4.2.2-1 Changes to Top Five Industries, Yakima County 2004-2013

Year	2004	2013	2004-2013
	Total Jobs	Total Jobs	Percent Change
1. Agriculture, forestry and fisheries	20,057	27,044	+34.8%
2. Government Services	12,209	12,863	+5.4%
3. Health Services	10,914	12,172	+17.3%
4. Retail Trade	9,145	10,172	+11.2%
5. Manufacturing *	9,181	8,222	-10.4%

* Manufacturing jobs have been increasing since 2012

Source: Washington State Employment Security Department, Nov. 2014

4.2.3 Employers

Yakima County's largest single employers are medical centers, schools and colleges, distributors, agriculturally related shippers and processors, and governmental organizations (local, state and federal). At the time of the drafting of this document, Virginia Mason Memorial Hospital was the valley's largest employer, employing 2,500 workers in 2012; followed by the Yakima School District. The Figure 4.2.3-1 shows the top 25 employers in Yakima County, in 2012.

Table 4.2.3-1 Top 25 Employers, Yakima County 2012

All Sectors	Company	City	Industry	Employees #
1	Virginia Mason Memorial Hospital	Yakima	Medical	2,500
2	Yakima School District	Yakima	Education	1,756
3	Wal-Mart - Yakima/ Sunnyside/Grandview	Yakima	Distribution Center/Retail	1,555
4	Borton Fruit *	Yakima	Fruit Growers/Shippers	1,212
5	Yakima County	Yakima	Government	1,027
6	Monson Fruit *	Selah	Fruit Growers/Shippers	1,023
7	Yakima Valley Farmworkers Clinic	Yakima	Medical	964
8	Yakima Regional Cardiac & Medical	Yakima	Medical	927
9	AB Foods – Washington Beef	Toppenish	Food Processing	900
10	Sunnyside School District	Sunnyside	Education	740
11	Yakama Nation Legends Casino	Toppenish	Education	696
12	City of Yakima	Yakima	Government	681
13	Tree Top, Inc.	Selah	Food Processing	615
14	Yakima Training Center	Yakima	Government	491
15	WA State Dept. of Transportation	Yakima	Government	463
16	West Valley School District #208	Yakima	Education	460
17	Yakima Valley Community College	Yakima	Education	440
18	Washington Fruit & Produce	Yakima	Fruit Packing	440
19	Toppenish School District	Toppenish	Education	408
20	Shields Bag & Printing	Yakima	Manufacturing	378
21	Grandview School District	Grandview	Education	350
22	Selah School District	Selah	Education	340
23	Central WA Comprehensive Mental Health	Yakima	Medical	334
24	Yakama Forest Products	Toppenish	Forestry	325
25	E.P.I.C.	Yakima	Social Service Agency	310

*Denotes temporary employees calculated into full-time equivalents

Source: New Vision

4.2.4 Strength of Selected Indicators

4.2.4.1 Income and Earnings

Income for individuals and families in Yakima County lags behind the average for Washington State and the nation as a whole. Table 4.2.4.1-1 shows how Yakima County compares with the state and the nation in per capita income, median household income and poverty level.

Table 4.2.4.1-1 Income and Poverty, Yakima County, Washington State, US 2009- 2013 (2013 dollars)

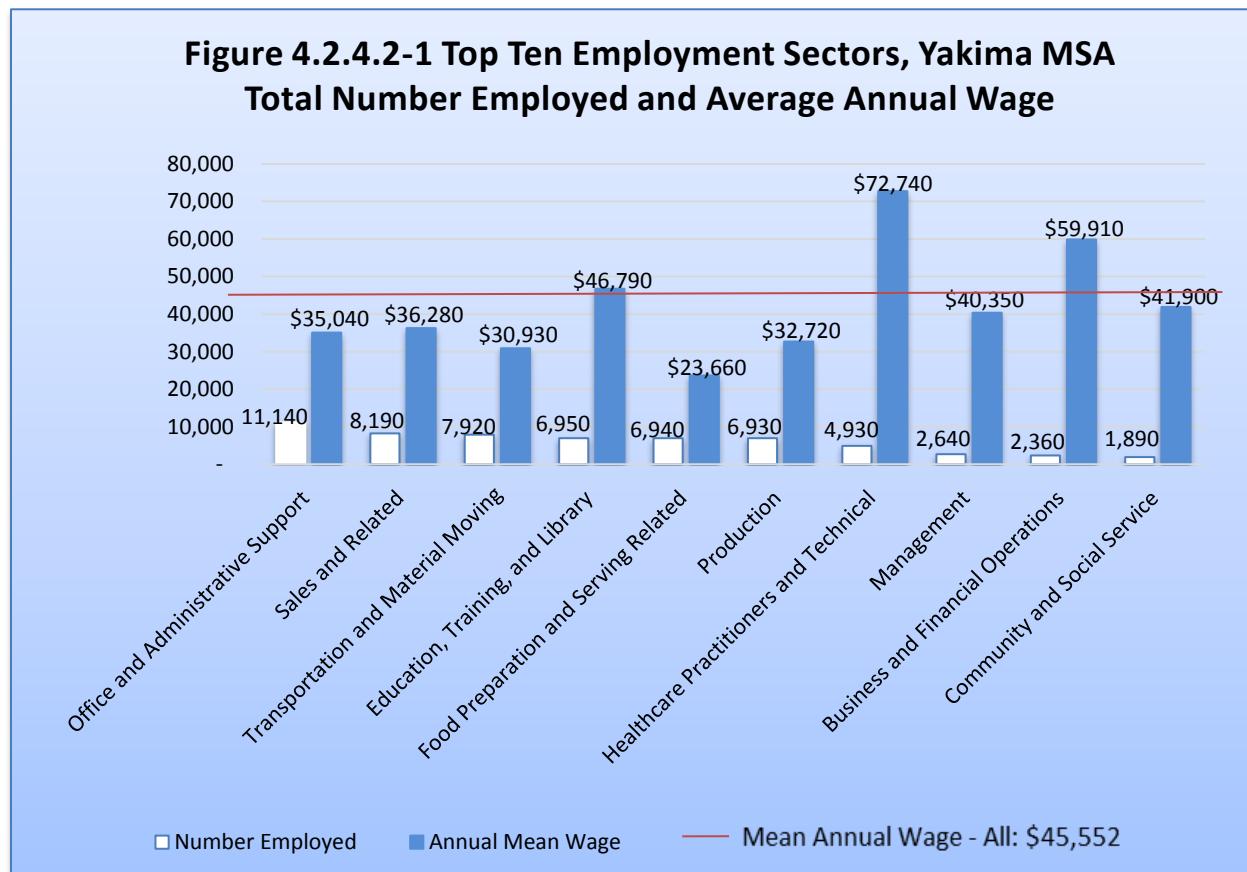
Economic Indicator	Per Capita Income	Median Household Income	% Below Poverty Level
Yakima County	\$19,433	\$43,506	22%

Washington State	\$30,742	\$59,478	13.4%
United States	\$28,155	\$53,046	15.4%

Source: US Census, 2015

4.2.4.2 Average Annual Wage

The following figure shows major employment sectors as identified by the US Census Bureau in the Yakima Metropolitan Statistical Area (MSA). Figure 4.2.4.2-1 shows the number of people employed in each sector, along with the mean annual wages earned in each sector. The mean annual wage for all occupations in the Yakima MSA is \$45,552.



4.2.4.3 Workforce Participation and Unemployment:

Yakima County was not immune to the national and global recession of the late 2000's, which in the US began in 2007 and officially ended in 2009. The recession greatly influenced job availability, access to credit, spending habits, and in particular, the housing market. Recent data shows that the economy is recovering locally, statewide and nationally. Total non-farm employment has increased in Yakima County, but has not replaced the jobs that were lost between 2009 and 2010. Unemployment rates in Yakima County fluctuated during the recession, but have remained higher than the average for the state of Washington as a whole. Although unemployment remained high in Yakima County throughout the recession, the rate did not fluctuate as much the state as a whole. Table 4.2.4.3-1 shows recent unemployment rates for Washington State and Yakima County.

Table 4.2.4.3-1 Unemployment Rates – Washington State and Yakima County			
	2006	2010	2014
Washington	5.0%	10.0%	6.2%
Yakima County	7.4%	10.6%	8.9%
Source: US Department of Agriculture Economic Research Service			

4.3 MAJOR TOPICS IN ECONOMIC DEVELOPMENT

4.3.1 Adequate Infrastructure and Land Supply

Public investment in roads, water lines, and wastewater treatment facilities often direct and facilitate where private investments are made. To compete with other areas, the Yakima Valley must have commercial and industrial sites that are the right size, in the right place, appropriately planned and zoned, and with adequate infrastructure. Yakima County and its municipalities have invested in infrastructure to provide a foundation for the region's economic activity, but many challenges remain.

Competitive industrial property has the following characteristics:

1. Not in a floodplain or wetland
2. No endangered species [plant/animal] habitat;
3. No archaeological site issues;
4. Appropriate land use and zoning designation;
5. Market price comparable to the search area;
6. Infrastructure is to the site [roads electricity, water sewer, stormwater drainage or alternate solution, modern telecommunications, natural gas].
7. Rail, airport, etc., if needed;
8. Complete environmental assessment indicates the site/facilities are clean;
9. Soil boring data indicates load bearing capacity;
10. Site is cleared, requires little grading.

Most developable lands are within the Urban Growth Areas of cities in the County. These areas are being planned for by both the County, which has jurisdiction until the areas are annexed, and the respective city which may annex the area depending on growth needs. Most cities in the county have land zoned for industrial or commercial purposes within their city limits and urban growth areas, as determined by each city's Economic Development Strategy. In unincorporated Yakima County, some large concentrations of Industrial and Commercially-zoned land (more than 400 acres) include land outside:

- Yakima, east of the Yakima River near Terrace Heights and Moxee;

- Toppenish;
- Sunnyside; and
- Grandview

4.3.2 Business Recruitment/Retention

Existing local economic development organizations, such as New Vision, have attracted many firms to the Yakima Valley since 1986, but other companies have passed Yakima County by in favor of other locations. One limiting factor is the availability of wastewater disposal sites. Food processing operations, for example, are wastewater-intensive, and require a connection to sewer with sufficient capacity. There are locations in the Yakima urban area that are zoned for industrial purposes but lack adequate sewer service capacity. There is an inherent element of chance associated with locating businesses. In order to ensure an adequate supply of land for industrial and commercial operations, there must be more land available than is needed for the “perfect fit”, but not so much that large areas of land are left vacant or underdeveloped. Another important factor in the recruitment of industries is the supply of skilled labor force. Both the Blueprint Yakima and Kittitas-Yakima CEDS documents identified that there is an under-supply of skilled laborers in the valley. These challenges and other related community issues (e.g., crime, housing) must be addressed if Yakima County wants to enhance its reputation as a positive destination for new corporate investment.



Inset 3. Horizon 2040 Visioning Goals
Economic Development and Training

3. Employment Training

- a. Provide for the development of knowledge, skills and attitudes that will enable all students to be successfully employed and be lifelong learners.
- b. Provide equal access to education, employment, training and opportunities for our culturally, racially and/or economically diverse families.

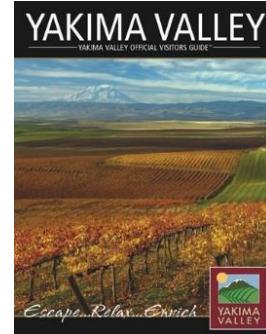
While business recruitment is important, the expansion of existing successful businesses is considered to be the primary driver of economic growth, accounting for between 60-70% of private sector jobs. These businesses are already providing the region with jobs and tax dollars, and are more likely to be responsive to community needs, and to retain profits in the community. Promoting and assisting existing business is essential to ensure the retention and expansion of these companies. According to the National Bureau of Economic Research, start-up firms, while accounting for only 3% of employment, actually account for almost 20% of gross job creation in any given year. Many of these new jobs are lost within five years, since many new businesses fail. Regardless, entrepreneurship stands out as an important creator of jobs. Therefore, it is crucial

to both support existing businesses in the community and to create opportunities for local entrepreneurs to start new businesses.

4.3.3 Tourism

Tourism is a major industry for Yakima County, responsible for an estimated \$307,350 million in direct sales annually, 3,540 jobs, and 23 million in taxes paid by visitors. Many visitors come to the Yakima Valley for wine-tasting, farm fresh experiences, and to enjoy the warm weather during non-winter months. The County's central location, natural, cultural and historic attributes give it a potential market area that extends well beyond the county lines.

Growing and improving the valley's tourism infrastructure, including transportation, signage, convention center enhancements and downtown redevelopment in communities throughout the county will be important to sustain and grow the tourist industry. Tourism depends on public investments in local roads and signage, parking, community safety, convention facilities and other features that serve both residents and visitors. To capitalize on the positive effects that tourism can have for the County, tourism issues and needs should be integrated into the comprehensive plan.



4.3.4 International Trade Development

International business originating within the Yakima Valley contributes substantially to our regional and state economy. The Yakima Metropolitan Area exported \$1.3 billion worth of goods in 2014, setting a record for the fifth straight year (Yakima Herald-Republic, July 12, 2015). The majority of the exports (\$644 million) were fruits such as apples and cherries, followed by processed foods, chemicals and machinery. Exports of raw and processed agricultural commodities continue to grow as new markets emerge in developing parts of the world. International trade is subject to external factors such as political stability and trade agreements. The North American Free Trade Agreement (NAFTA) and Asia Pacific Economic Conference (APEC) are examples of international trade agreements. The Trade Promotion Authority, written and renewed by the U.S. Congress, provides guidance to the president to negotiate tariffs, or eliminate barriers to foreign markets.

4.4 REGIONAL TRENDS AND FUTURE ECONOMIC BASE

4.4.1 Strengths, Weaknesses, Opportunities and Threats (SWOT)

As part of their planning efforts, the Kittitas-Yakima CEDS performed a SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis of Yakima (and Kittitas) Counties. Their results are shown in Figure 4.4.1-1 below.

Figure 4.4.1-1 SWOT Analysis – Yakima County

From Yakima and Kittitas Counties Regional Comprehensive Economic Development Strategy, 2015

Strengths		Weaknesses
<ul style="list-style-type: none"> • Diversified industry makeup <ul style="list-style-type: none"> ○ Renewable and alternative energy ○ Strong agricultural markets ○ Support of small business and the microenterprise culture. • Proximity to major metro areas; Seattle, Portland, Spokane <ul style="list-style-type: none"> ○ Strong capabilities in logistics and distribution ○ Highway accessibility • University Presence: CWU, YVCC, Heritage University, PNWU • Quality of life <ul style="list-style-type: none"> ○ Abundance of outdoor recreation ○ Diverse interesting culture ○ Climate ○ Exceptional Community Healthcare • Downtown vitality • Abundant (sustainable) natural resources • Strong and diverse labor force • Young demographic • Premier sports facilities and event location 		<ul style="list-style-type: none"> • Lack of family-wage employment opportunities • Low K-16+ education attainment <ul style="list-style-type: none"> ○ Workforce skills gaps • Complacency towards growth and economic diversification • Environmental obstacles and regulations <ul style="list-style-type: none"> ○ Predictability of legislation • Crime rate perception • Bilingual challenges • Few industrial and commercial development sites • Loss of natural resource jobs • Limited night life and entertainment amenities • Recreation for children is limited • Professional services including CPA's, dentists, consultants, doctors, and engineers somewhat limited • Water capacity • Pay disparity to major metro areas • No port district in Ellensburg or Yakima
<p>Opportunities</p> <ul style="list-style-type: none"> • Capture spin-off growth from businesses from Western WA metro areas <ul style="list-style-type: none"> ○ Capture overflow from neighboring metro areas • Improve visibility of available sites <ul style="list-style-type: none"> ○ GIS inventory available • Raise educational attainment <ul style="list-style-type: none"> ○ Growth of talent, research, and facilities for higher education ○ Business education partnerships ○ Alternative workforce education options • Collaborative inter-county cooperation <ul style="list-style-type: none"> ○ Work together to create a unified regional vision • Develop and promote tourism <ul style="list-style-type: none"> ○ Outdoor recreation options ○ Capitalize on developing industries like wineries and breweries, that focus on tourism in the region • Facilitate small business development <ul style="list-style-type: none"> ○ Accelerate small business through incubators and small business network ○ Promote and support downtown redevelopment efforts 		<p>Threats</p> <ul style="list-style-type: none"> • Environmental challenges and regulations <ul style="list-style-type: none"> ○ Water supply scarcity ○ Declining forest health, fire danger ○ Water quality uncertainty ○ Planning and zoning barriers to new investment and alternative energy and innovations • Regulations and permitting business responsiveness • Lack of economic resilience <ul style="list-style-type: none"> ○ Diversification of industries • Loss of young talent • Limited economic development resources and incentives <ul style="list-style-type: none"> ○ Lack of economic development resources and incentives ○ Limited small business advancement opportunities • Distribution impacts from Urban Center traffic congestion

Horizon 2040

Economic Development Element

- Develop renewable and alternative energy facilities
- Cultivate and promote bilingual workforce
- Create arts culture

Source: Yakima and Kittitas Counties Regional Comprehensive Economic Development Strategy, 2015

Inset 4. Horizon 2040 Visioning Goals Economic Development

Quality of Life and Government Services:

Cultural Diversity

- A. Expand economic opportunities for all individuals
- B. Support leadership training, enhanced communication, and preservation of cultural diversity and traditions for our multi-cultural community.

Positive Visual Images

Develop a clean physical image of the Yakima Valley by: encouraging the creation of landmarks, improving entrances to Yakima, providing quality maintenance; and addressing code violations.

4.4.2 Niche Markets

“Niche Markets” represent industry sectors where Yakima County has a competitive advantage, for reasons such as historical practice and markets, proximity to markets, and new investment (e.g. the Pacific Northwest College of Medicine). Identifying these areas of strength in the local economy provides businesses and investors an opportunity to build on their momentum. Yakima County staff incorporated information from the **Blueprint Yakima** report, which identified “niche markets” and with input from New Vision, developed an up to date list of niche markets. The niche markets include the following:

Figure 4.4.2-1 Areas of Opportunity: “Niche Markets”

1. Logistics and Distribution Regional distribution companies enjoy relatively close proximity to major Pacific Northwest markets (within three hours of Seattle, Portland and Spokane) while maintaining lower operating costs than major cities in the region.	Specialties: a. <u>Regional Distribution Centers</u> . Regional distribution companies enjoy relatively close proximity to major Pacific Northwest markets (within three hours of Seattle, Portland and Spokane) while maintaining lower operating costs than major cities in the region.
2. Agricultural Cluster Washington State is the second largest premium wine producer in the United States. Yakima County is one of several eastern Washington counties leading wine production in the state. Yakima County has lead the nation for many years in hop production, making the	Specialties: a. <i>Wineries/Breweries/Cideries/Distilleries</i> . b. <i>Food Processing – Fruit, Animal Feed, Organic and Specialty products</i> . c. <i>Composting and Dairy Anaerobic Digesters (Green Industries)</i> .

<p>valley a natural place for breweries to locate. Grant's brewery, which closed in 2004, is considered to have been the first microbrewery established in the United States since prohibition. Other businesses, such as distilleries and hard cider producers have joined the growing "craft beverage" industry.</p>	
<p>3. <u>Medical Industry</u> Yakima County is home to several large medical centers. The healthcare and social assistance industry employed 12,800 people in Yakima County in 2012. Pacific Northwest University of Health Sciences opened in Terrace Heights in 2008. This college of Osteopathic Medicine was the first new medical school to open in the Pacific Northwest in sixty years.</p>	<p>Specialties: Regional Medical Centers:</p> <ul style="list-style-type: none"> a. Virginia Mason Memorial Hospital Yakima Valley b. Yakima Regional Medical and Cardiac Center c. Toppenish Community Hospital d. Sunnyside Hospital e. Children's Village and Yakima Valley Farmworkers Clinic <p>Regional Education Centers</p> <ul style="list-style-type: none"> a. Pacific Northwest University of Health Sciences, b. Nursing, medical technical and dental hygiene programs in Yakima Valley Community College, Washington State University (Yakima) and Heritage University
<p>4. <u>Industrial Machinery and Supplies</u> Fruit packing warehouses and food processing industries provide a local demand for machinery and other equipment.</p>	<p>Specialties:</p> <ul style="list-style-type: none"> a. Plastic and paper packaging b. Fruit sorting and sizing equipment c. Food packaging machinery
<p>5. <u>Aerospace Manufacturing</u> The Yakima Valley hosts a variety of companies that support the aerospace industry. Yakima's proximity to Seattle, one of the world's largest aerospace production centers, combined with operating costs that are 10-20% less than Seattle, makes it an ideal location for these businesses. The aerospace manufacturing sector also employs highly skilled workers.</p>	<p>Specialties:</p> <ul style="list-style-type: none"> a. Component manufacturing b. Navigation Instruments c. Sport aircraft
<p>6. <u>Business and Professional Services</u> Yakima's availability of workers, relatively low cost of business, and excellent telecommunications infrastructure makes it a good location for administrative and "back office" operations that are not location-dependent.</p>	<p>Specialties:</p> <ul style="list-style-type: none"> a. "Back office" operations (e.g. accounting, human resources, and compliance) b. Call centers

4.5 ECONOMIC DEVELOPMENT GOALS AND POLICIES

Goals, objectives and policies are essential in the development of the Economic Development element. Not only are goals, objectives, and policies required by GMA, but these statements provide a basis for a community to make decisions about its future economic needs. Goals and policies are consistent with the Planning goals and policies, and are also consistent with the Planning Goals of GMA. Goals are general statements of desired outcomes of the community. Policies are "operational" actions that a community will undertake to meet the goals and

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objectives. Policies provide overall direction for implementation of a strategy and provide guidance for decision-making subject to this Plan, and form the basis for development regulations. Following are the goals and policies of the Comprehensive Plan related to Economic Development.

PURPOSE STATEMENT ED 1

Local government policy makers are called upon by citizens to balance sometimes competing and conflicting community values and objectives. Examples include the need for a healthy economy while maintaining environmental quality, and the desire to sustain resource-based industries as we move toward a more diversified economy. The following goal and policies supports healthy economic growth that does not compromise our long-term values.

GOAL ED 1: Promote economic growth while maintaining environmental quality.	
POLICIES:	
ED 1.1	Coordinate economic development with environmental, resource, and other comprehensive land use policies and measures to maximize the community's overall quality of life.
ED 1.2	Encourage economic opportunities that strengthen and diversify the County's economy while maintaining the integrity of the natural environment.
ED 1.3	Provide incentives for industrial and commercial developments to preserve open space, and natural areas and to provide for active recreation facilities.
ED 1.4	Support the development of industrial recruitment programs which enhance economic diversification and generate family wage jobs.
ED 1.5	Encourage the maximization of the Shoreline and other local natural amenities as economic assets while adhering to State Shoreline and Critical Area guidelines.

PURPOSE STATEMENT ED 2

The goals of the Growth Management Act encourage economic development throughout the state that is consistent with adopted comprehensive plans. They encourage growth in areas experiencing insufficient economic growth. The following goal and policies encourage economic growth within the capacity of the region's public services and facilities.

GOAL ED 2: Encourage economic growth within the capacity of the region's public services and public facilities.	
POLICIES:	
ED 2.1	Ensure that economic development needs are incorporated within community capital improvement plans.
ED 2.2	Encourage the use of state-of-the-art technology and conservation techniques to minimize demands on scarce resources such as water, energy, and other natural and developed resources.
ED 2.3	Through its Capital Facilities Element, the County should direct infrastructure resources to areas identified for planned commercial and industrial development.

ED 2.4	Through planning, zoning and infrastructure investments, encourage commercial and industrial development to locate in concentrations to promote the most efficient use of land, utilities, and transportation facilities in the concentrated area.
ED 2.5	Sites to be designated for industrial or commercial development should be capable of being served by required utilities and other services on a cost-effective basis and at a level appropriate to the uses of the area.
ED 2.6	Support the development of more efficient rail service between Yakima and west side terminals.
ED 2.7	Support the expansion of the Yakima International Airport to accommodate greater freight and passenger traffic.

PURPOSE STATEMENT ED 3

*Lack of ready-to-build marketable industrial property, served by adequate infrastructure, may constrain economic growth in Yakima County. The Upper Valley **Vision 2010** report called for the establishment of an adequate industrial campus in the upper Yakima Valley, and identified criteria for measuring and evaluating industrial campus sites. In keeping with the **Vision** strategy, the following goal is designed to ensure an adequate supply of commercial and industrial sites for new and existing businesses.*

GOAL ED 3:	Ensure an adequate supply of commercial and industrial sites to provide opportunity for new and expanding firms wishing to locate or remain in Yakima County.
POLICIES:	
ED 3.1	Support public and private sector efforts to develop ready-to-build marketable industrial property, and work to create or enhance public infrastructure that is integral to the Yakima County economy.
ED 3.2	Encourage economic growth and redevelopment in existing downtown and neighborhood centers.
ED 3.3	Support the maintenance and improvement of existing commercial facilities in preference to creation of new commercial areas.
ED 3.4	Encourage well-planned clustered employment centers in and adjacent to cities and towns.
ED 3.5	Utilize the following criteria in evaluating the appropriateness of industrial campus sites: <ol style="list-style-type: none"> 1. Proper zoning; 2. Availability for industrial campus; 3. Accessibility to utilities; 4. Not flood prone; 5. Low ecological impact; 6. No drainage or water table concerns; 7. Visibility from interstate and/or major arterial; 8. Distance from interstate;

	<ol style="list-style-type: none">9. Access to interstate;10. Availability and access to rail service;11. Availability and access to air service;12. Access to property;13. Compatibility with surrounding land use;14. Site concerns for improvements; and15. Acquisition costs.
ED 3.6	Work with local jurisdictions to ensure that local economic development plans are consistent with Horizon 2040's Land Use and Capital Facilities Elements and specifically: <ol style="list-style-type: none">1. Evaluate existing and potential industrial and commercial land sites to determine short and long term potential for accommodating new and existing businesses.2. Identify and target prime sites, determine costs and benefits of specific land development options and develop specific capital improvement strategies for the desired option.3. Implement zoning and land use policies based upon infrastructure and financial capacities of each jurisdiction.4. Amend Urban Growth Areas as necessary to accommodate the land and infrastructure needs of business and industry.5. Support housing strategies and choices required for economic development.6. Locate commercial and industrial sites within UGAs where services are available.
ED 3.7	Locate commercial and industrial concentrations in those areas most suitable for development on the basis of proximity to existing facilities, accessibility, cost for extension of services, terrain, and other natural and manmade conditions.
ED 3.8	Locate industrial areas so that access is functionally convenient to major transportation routes such as truck routes, freeways, railroads, and air terminals.
ED 3.9	Develop and maintain design standards to ensure that industrial and commercial projects are developed with minimal impact on surrounding land uses, are consistent with community appearance, and provide pedestrian as well as vehicular access.
ED 3.10	Encourage buffer zones (including green belts and bike paths) to separate industrial and commercial areas from residential areas, thus minimizing negative impacts of growth.
ED 3.11	Encourage non-industrial uses which can either serve or benefit from proximity to industrial activity to locate on-site or in close proximity to industrial uses.
ED 3.12	Support commercial or industrial development in 1) existing properly zoned, serviced sites within UGAs; 2) existing properly zoned, unserviced sites within UGAs; 3) other sites within UGAs that have been designated in a comprehensive plan or identified on a countywide inventory for commercial or industrial use.

ED 3.13	Continue to allow agriculturally-related industries, such as cold storage plants, controlled atmosphere, produce packing facilities, processing facilities, and wineries and their accessory uses such as tasting and sales rooms, to locate in appropriate rural or agricultural resource areas, with appropriate siting and environmental considerations.
ED 3.14	<p>Allow major industrial development to locate outside an Urban Growth Area when it 1) requires a parcel of land so large that no suitable parcels are available within an urban growth area; or 2) is a natural resource-based industry requiring a location near agricultural land, forest land, or mineral resource land upon which it is dependent. The major industrial development shall not be for the purpose of retail commercial development or multi-tenant office parks. Major industrial uses located outside urban growth areas must meet the criteria specified in RCW 36.70A.365:</p> <ol style="list-style-type: none"> 1. New infrastructure is provided for and/or applicable impact fees are paid; 2. Transit-oriented site planning and traffic demand management programs are implemented; 3. Buffers are provided between the major industrial development and adjacent nonurban areas; 4. Environmental protection including air and water quality has been addressed and provided for; 5. Development regulations are established to ensure that urban growth will not occur in adjacent nonurban areas; 6. Provision is made to mitigate adverse impacts on designated agricultural lands, forest lands, and mineral resource lands; 7. The plan for the major industrial development is consistent with the County's development regulations established for protection of critical areas; and 8. An inventory of developable land has been conducted and the County has determined and entered findings that land suitable to site the major industrial development is unavailable within the urban growth area. Priority shall be given to applications for sites that are adjacent to or in close proximity to the urban growth area. <p>In addition, such uses must address and provide for impacts from noise, lighting, and other environmental impacts, as well as impacts on neighboring uses.</p>
ED 3.15	Existing rural commercial and industrial areas outside of urban growth boundaries should not be expanded except for fill-in development, and where possible, should be upgraded, improving appearance, safety and neighborhood compatibility.

PURPOSE STATEMENT ED 4

Agricultural and forest products have traditionally provided the County's economic base. While efforts are under way to diversify the County's economy, agriculture and forestry are likely to continue to provide the basis for economic growth through value-added products, manufacturing of related equipment and supplies, and expanded market opportunities. Even tourism and recreation depend heavily on the Yakima Valley's agricultural setting and forest resources. This goal and its policies recognize the importance of a viable agricultural and forest economy and encourage the preservation of these important resources.

GOAL ED 4: Preserve and enhance the County's resource-based economy.	
POLICIES:	
ED 4.1	Encourage resource-based industries which are consistent with resource lands goals and policies.
ED 4.2	Encourage farm practices which contribute to more efficient agricultural production, and do not impose restrictions on agriculturally-related activities unless they clearly relate to the public health, safety and welfare.
ED 4.3	Conserve forest lands for productive and sustainable economic use.
ED 4.4	Discourage incompatible development in resource areas.
ED 4.5	Support the development of a strong value-added product industry which supports the resource base.
ED 4.6	Coordinate agribusiness development with other industry sectors.
ED 4.7	Support efforts to improve working conditions and community services, and provide sufficient housing for agricultural workers.

PURPOSE STATEMENT ED 5

The Yakima Valley offers leisure opportunities that include recreation and tourism. Tourism is a major industry in Yakima County, responsible for an estimated \$350 million in direct sales annually, 3,540 jobs, and \$23 million in taxes paid by visitors. Yet it is still comparatively underdeveloped and under-marketed. This goal and its related policies support the County's tourism expansion.

GOAL ED 5: Expand the County's tourism- and recreation-related economy.	
POLICIES:	
ED 5.1	Support the development of programs, activities and facilities which increase tourism and recreation opportunities in Yakima County.
ED 5.2	Conserve and expand recreational facilities and public access for parks and other recreational uses.
ED 5.3	Maintain tourist commercial zoning to promote and enhance the recreation and tourism industries and prevent intrusion of incompatible uses which would disrupt or directly compete with shopping areas of nearby communities.
ED 5.4	Allow highway commercial zoning to serve the needs of the traveling public at selected limited access highway interchange areas if they satisfy the following criteria: 1. The uses do not conflict with adjacent city business areas;

	<ol style="list-style-type: none"> 2. Adjacent land uses are buffered from the commercial area; 3. The site is not designated as an agricultural, forest or mineral resource area, and resource lands are not materially affected by the use; 4. The operation and effectiveness of the interchange is not impacted by the commercial use; and 5. If outside an urban growth area, the uses can be accommodated without the extension of urban level services to the site.
ED 5.5	Encourage the preservation and appropriate development of historic sites with significant tourism potential.

PURPOSE STATEMENT ED 6

Economic development is not limited to attracting major new industries to the region. Providing support for existing businesses is also an important part of the County's economic development strategy. This goal and its policies support on-going business retention efforts.

GOAL ED 6: Retain and expand existing Yakima County businesses.	
POLICIES:	
ED 6.1	Support the efforts of County-wide business expansion and job retention programs.
ED 6.2	Use public investments in infrastructure to stimulate and generate private investment for economic development and redevelopment activities, and for urban preservation activities. Such public investments normally should be limited to situations where the public cost will be recovered through increased tax revenues are derived from new development.
ED 6.3	Support retention and expansion of existing firms which demonstrate a commitment to protecting the environment and enhancing quality of life throughout the community.
ED 6.4	Support industries' efforts to operate plants year-round.

PURPOSE STATEMENT ED 7

Horizon 2040's Visioning "check in" called for promoting and assisting new and existing small businesses. Specifically, it recommended an entrepreneurial incubator assistance program for these businesses. This goal and policies carry out the Visioning strategy by supporting new small businesses, incubator facilities, and encouraging home occupations which do not impact the surrounding neighborhood.

GOAL ED 7: Provide a nurturing low cost environment for start-up businesses/entrepreneurs.	
POLICIES:	
ED 7.1	Support business assistance programs on a Countywide and regional basis.
ED 7.2	Support private sector efforts to diversify the economy and broaden employment opportunities for all members of the labor force.

ED 7.3	Encourage the development of public or private incubator facilities where entrepreneurs can grow their businesses and receive specialized assistance during the early phases of their operations.
ED 7.4	Support home occupations that do not change the character of the neighborhood. Differentiate between major and minor home occupations located inside and outside of UGAs.

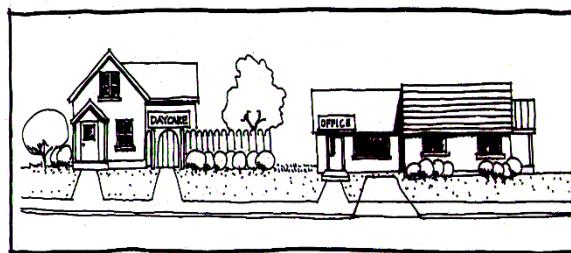


Figure 4.5 -1 Support Home Businesses (ED 7.1)

PURPOSE STATEMENT ED 8

The Yakima County-wide Planning Policy encourages coordination of efforts between the many diverse economic development organizations and other related agencies within Yakima County by: 1) identifying links between economic development issues and strategies and other growth planning elements (housing, transportation, utilities and land use); and 2) defining roles and responsibilities for carrying out economic development goals, objectives and strategies. The County-wide economic development plan should be crafted in partnership with local jurisdictions to ensure that economic development goals and objectives are community based.

GOAL ED 8:	Coordinate economic development efforts so that a clear and consistent economic policy is followed.
POLICIES:	
ED 8.1	Coordinate with Economic Development Organizations to monitor the economic progress of Yakima County as it is affected by Horizon 2040 .
ED 8.2	Ensure that County policies, regulations, and decision-making processes consider impacts on economic development.
ED 8.3	Encourage efficiency and timeliness in the approval process by reducing the need for detailed analysis at the time of development application.
ED 8.4	Continue the County's development coordination services to assist compatible industries to locate or expand their operations in Yakima County.
ED 8.5	Implement a public process to identify projects, develop selection criteria and recommend priorities for County sponsored grant applications.
ED 8.6	In planning for Yakima County's economic development, include all of the County's cities, towns and economic development organizations in developing a coordinated approach to bringing desirable industry to Yakima County. Recognize that while local needs and goals may vary widely, all jurisdictions and economic development organizations play a role and share in the County's economic growth.

ED 8.7	Ensure that SIED funds are used to support a public facility project listed within the annual Yakima County Comprehensive Economic Development Strategy (CEDS) in accordance with RCW 82.14.370.
ED YK 8.8	Encourage redevelopment of key properties in the County through use of local, State and federal funding opportunities and public/private partnerships to strengthen Yakima's position as a regional economic center through redevelopment and revitalization.

PURPOSE STATEMENT ED 9

Our economy relies on adequate transportation systems to move the County's agricultural and forest products to market. Improving airport, rail and highway systems also plays an important role in expanding the County's economy. Adequate water supply and sewage treatment capacity, with service already available to industrial sites, can be deciding factors in attracting new industries. The following goal and policies supports transportation and infrastructure development that will meet the needs of our expanding economy.

GOAL ED 9:	Support the development of transportation and public utility systems which enhance economic growth.
POLICIES:	
ED 9.1	Access federal, state and local programs to make transportation and public facility improvements consistent with Horizon 2040 land use designations and capital facilities plans.
ED 9.2	Work with and support the efforts of the Yakima River Basin Water Enhancement Project (YRBWEP) to ensure an adequate water supply to meet long-term community needs.

PURPOSE STATEMENT ED 10

Yakima County possesses unique amenities, including climate, scenic quality and natural features, which are desirable for a wide range of recreational uses. Master planned resorts (MPRs) offer an opportunity to utilize these special features and provide expanded opportunities for tourism and recreation. The following goal and policies establishes guidelines for developing Master Planned Resorts in Yakima County.

GOAL ED 10:	Provide for economic diversification and increase the tourism potential of Yakima County by providing for Master Planned Resorts.
POLICIES:	
ED 10.1	Require Master Planned Resorts (MPRs) to meet the following criteria: <ol style="list-style-type: none"> 1. The MPR must be separated physically and aesthetically from the nearest developed area; 2. The MPR must be planned and designed by evaluating the entire property or properties, including adjacent lands; 3. Resource uses of adjacent and nearby lands must be adequately protected; 4. Development and infrastructure must be phased and concurrent; 5. The MPR should maintain and enhance the physical environment;

	<ol style="list-style-type: none"> 6. Natural and created recreational facilities and opportunities must be the central focus of the MPR and must be included with initial phases; 7. The MPR must have a focus on visitor accommodations and second homes, (as opposed to residential subdivisions), with provision for employee housing; 8. Retail and commercial services should be focused primarily on the resort market and located in the interior of the development; 9. On-site and off-site infrastructure and public service impacts must be fully mitigated.
ED 10.2	MPRs are most appropriate in agricultural or forest resource lands, or in areas designated as rural remote.
ED 10.3	MPRs may be authorized by the County when: <ol style="list-style-type: none"> 1. A full environmental assessment has been completed; 2. The land is better suited, over the long term, for the MPR than for agricultural or forest resource use; 3. The MPR complies with all Critical Areas regulations; 4. On- and off-site impacts are fully considered and mitigated; 5. The comprehensive plan and development regulations preclude urban and suburban land uses near the MPR (unless adjacent lands are already designated urban).

PURPOSE STATEMENT ED 11

Yakima County acknowledges the importance of job training and education in improving the economy. This goal and its policies encourage educational efforts that will strengthen the economy through employment and training activities, cooperative efforts to improve the educational system, and support for construction of educational facilities through various funding sources.

GOAL ED 11:	Improve Yakima County's economy by supporting efforts to improve the education and training of its work force.
POLICIES:	
ED 11.1	Expand job training and educational opportunities that support economic development.
ED 11.2	Support efforts to link employment and training activities with economic development programs.
ED 11.3	Participate in cooperative efforts to improve the education system.
ED 11.4	Explore various methods for supporting construction of educational facilities (such as using the second one-quarter percent of real estate excise tax as a means to mitigate off-site impacts of school development).