

# YAKIMA ECONOMIC DEVELOPMENT STRATEGIC PLANNING

Presented by: Allison Larsen, CEcD – Principal of TadZo

# PROJECT OVERVIEW

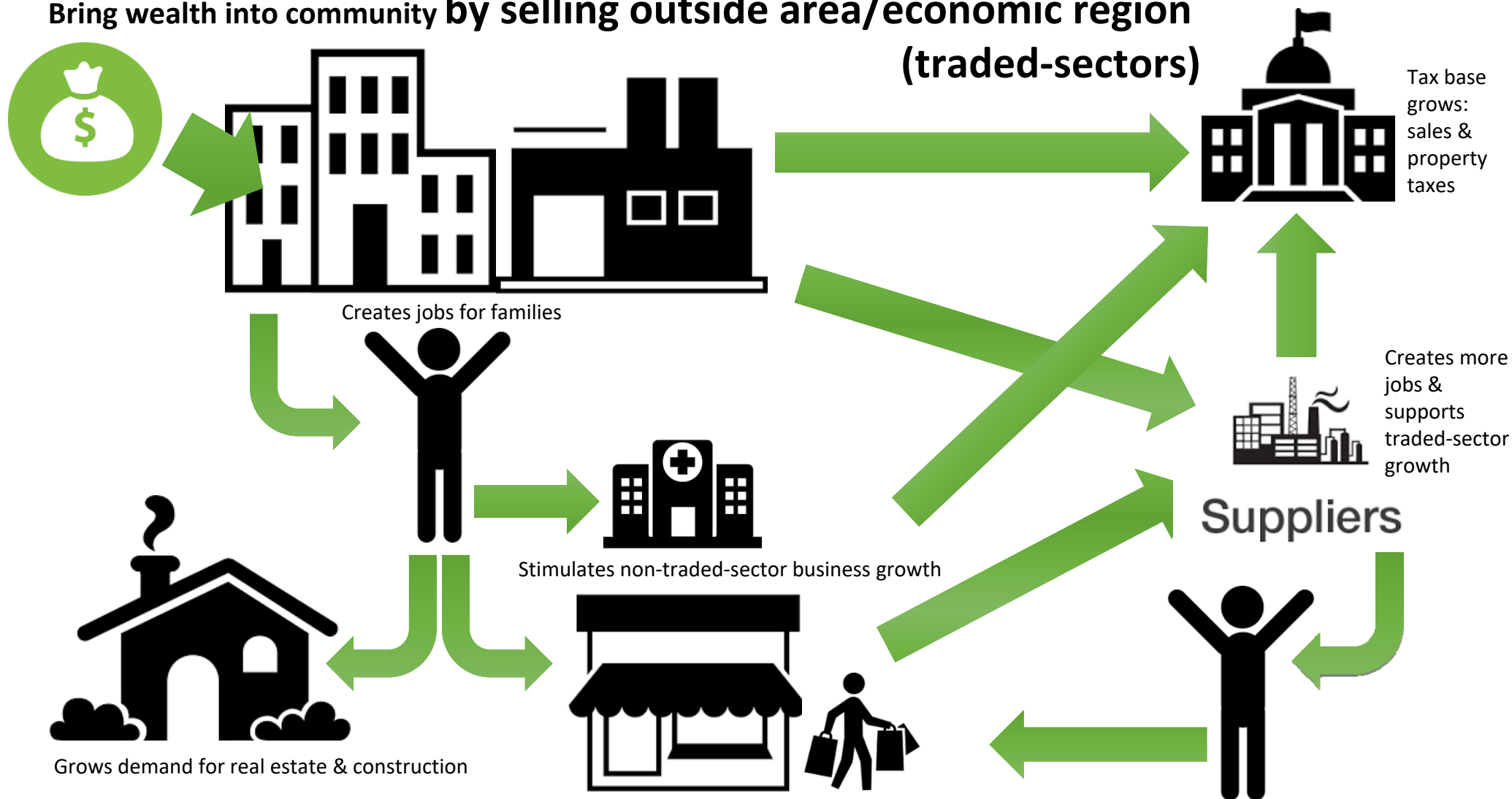


# TODAY'S MEETING PURPOSE

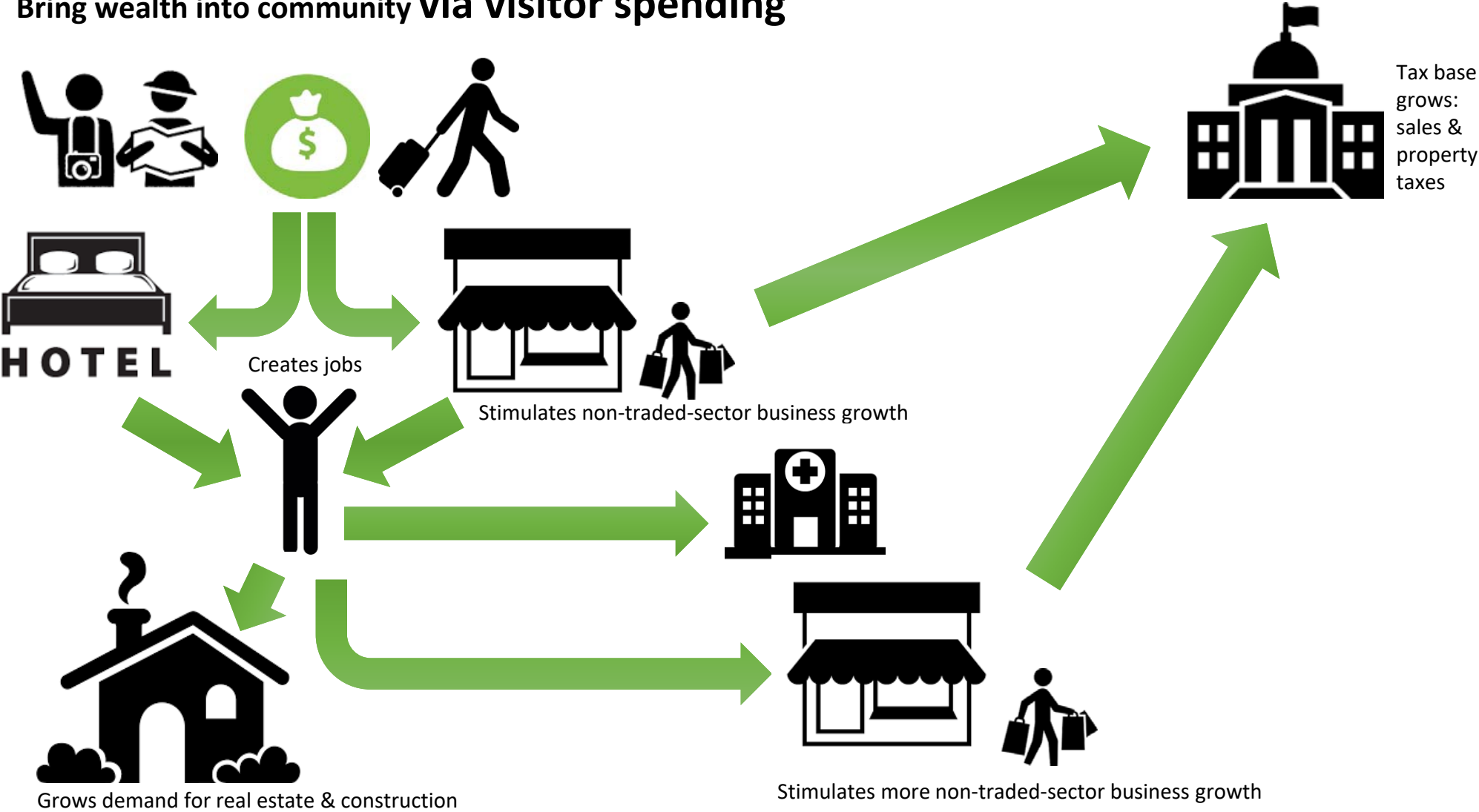


# HOW AN ECONOMY GROWS

Bring wealth into community by selling outside area/economic region  
(traded-sectors)

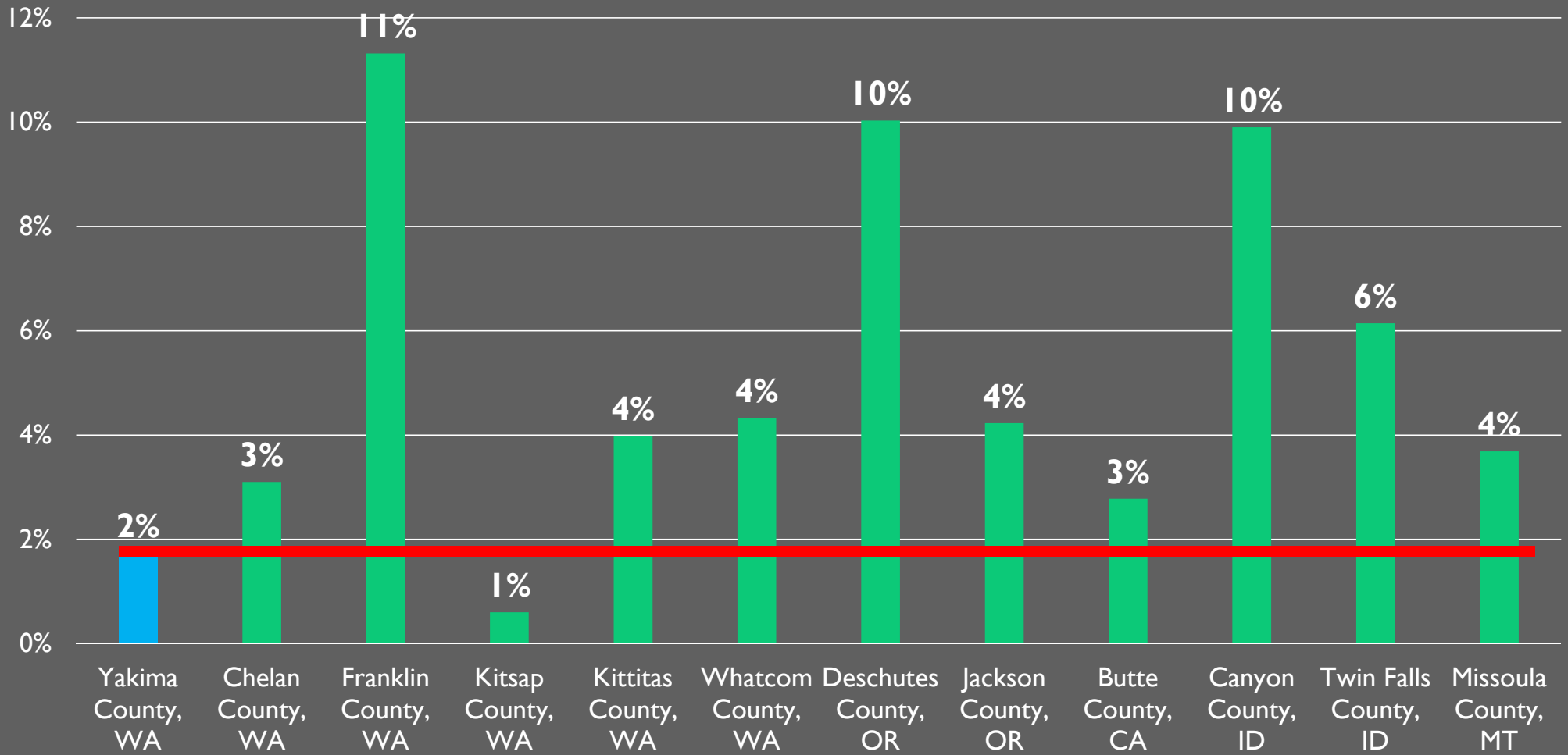


Bring wealth into community via visitor spending



# HOW IS YAKIMA'S ECONOMY PERFORMING?

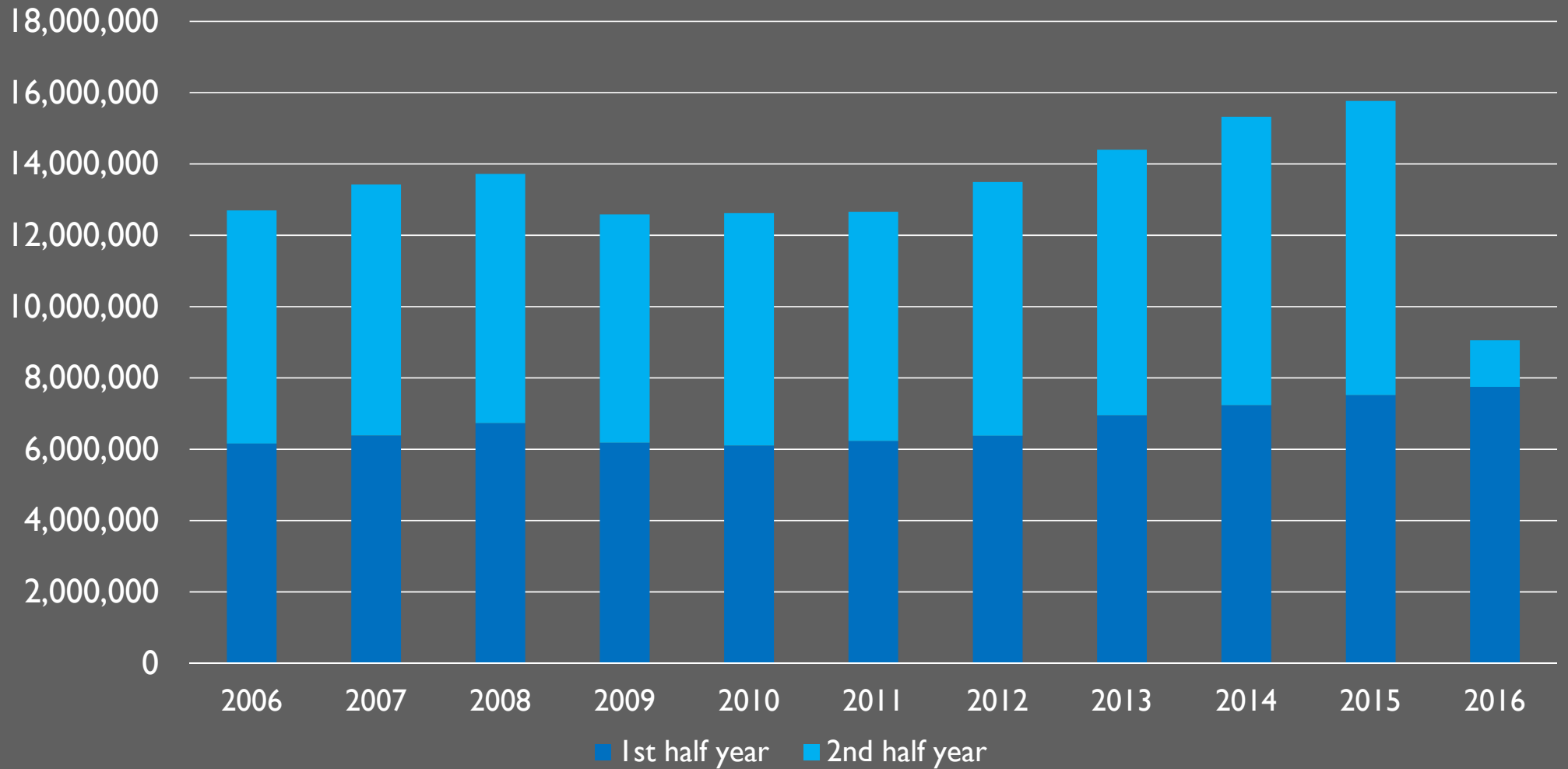
## POPULATION CHANGE 2011-2016



Source: US Census Bureau, birth and mortality rates from the US Health Department



## CITY OF YAKIMA SALES TAX

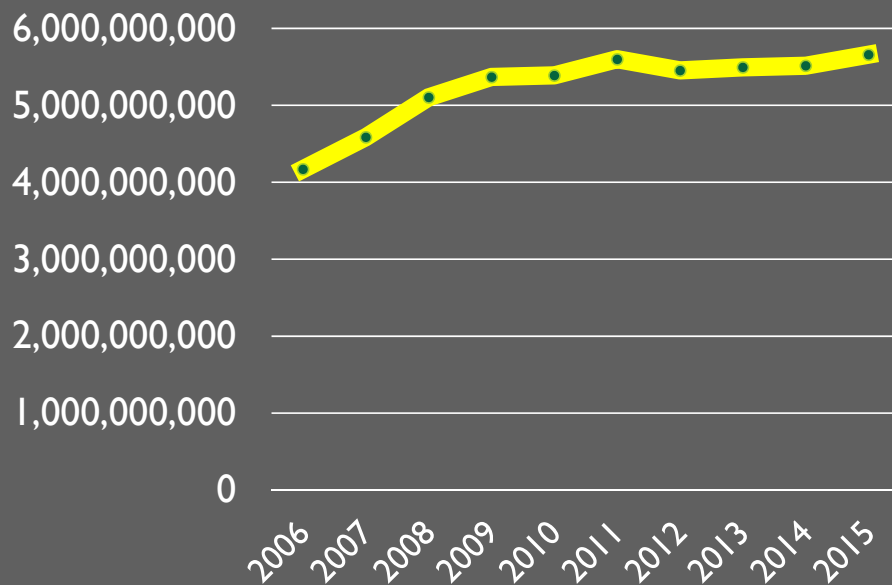


Source: City of Yakima

# CITY OF YAKIMA

## GROWTH IN PROPERTY VALUE & PROPERTY TAXES

### PROPERTY VALUE

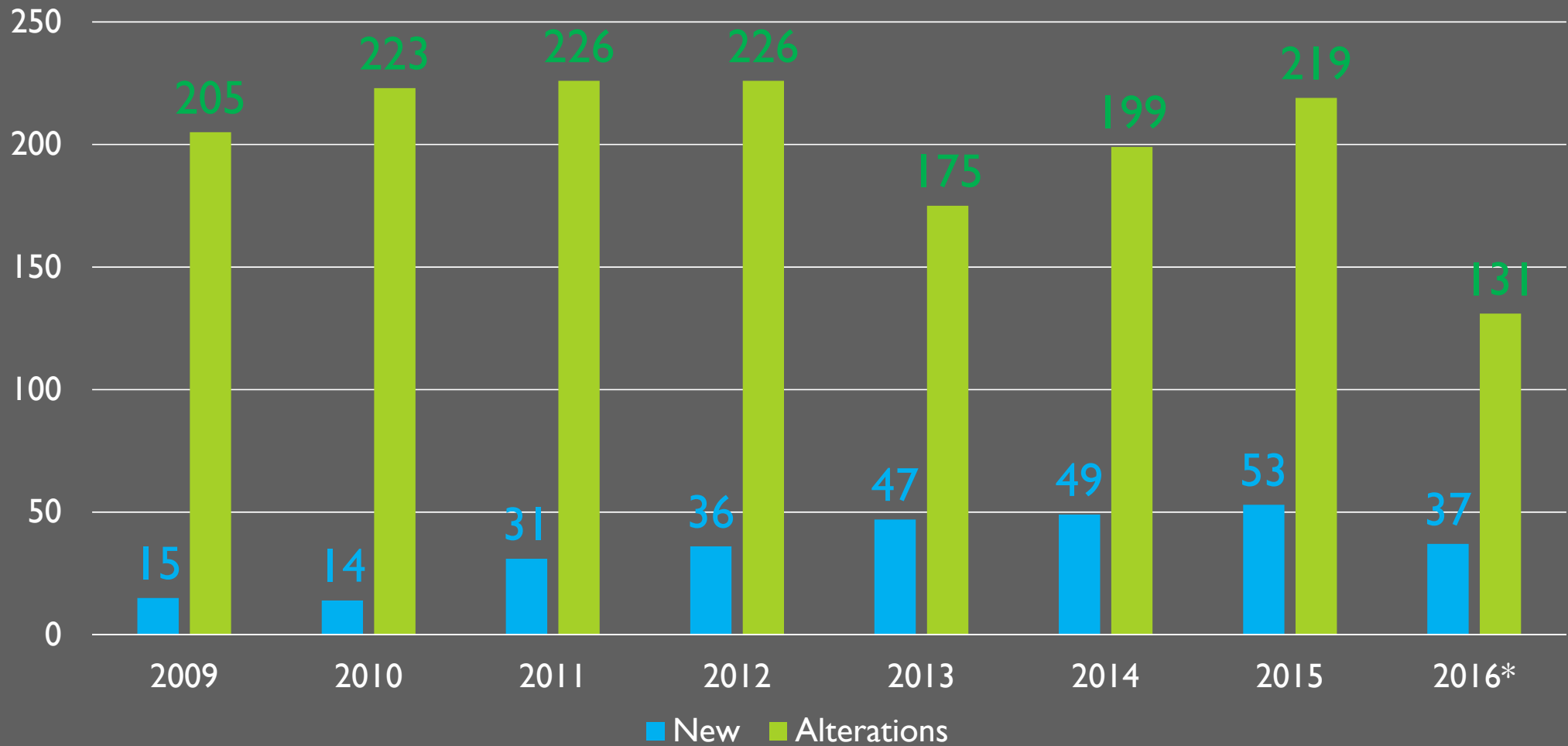


### PROPERTY TAX COLLECTIONS



Source: Yakima County Assessor

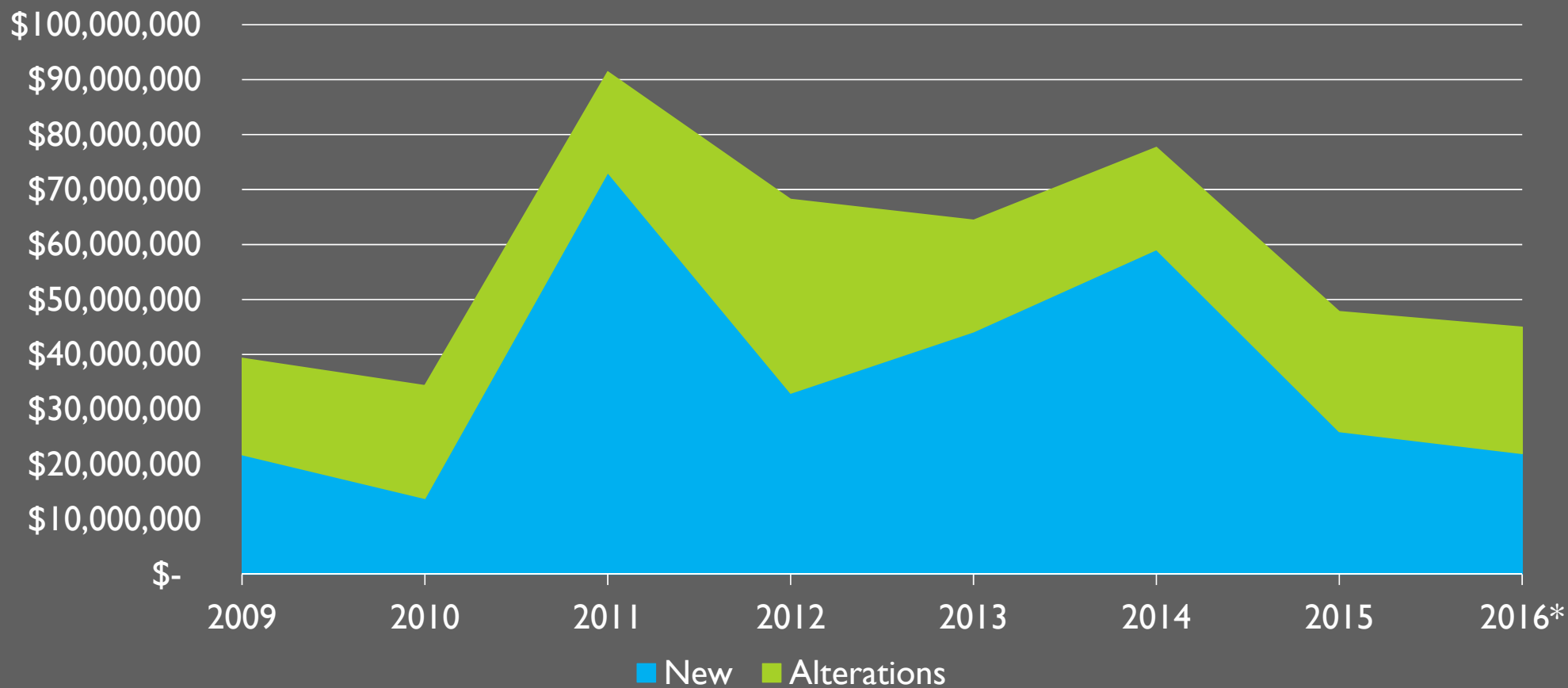
## CITY OF YAKIMA COMMERCIAL PERMITS



\* 2016 data through 9/12/2016

Source: City of Yakima

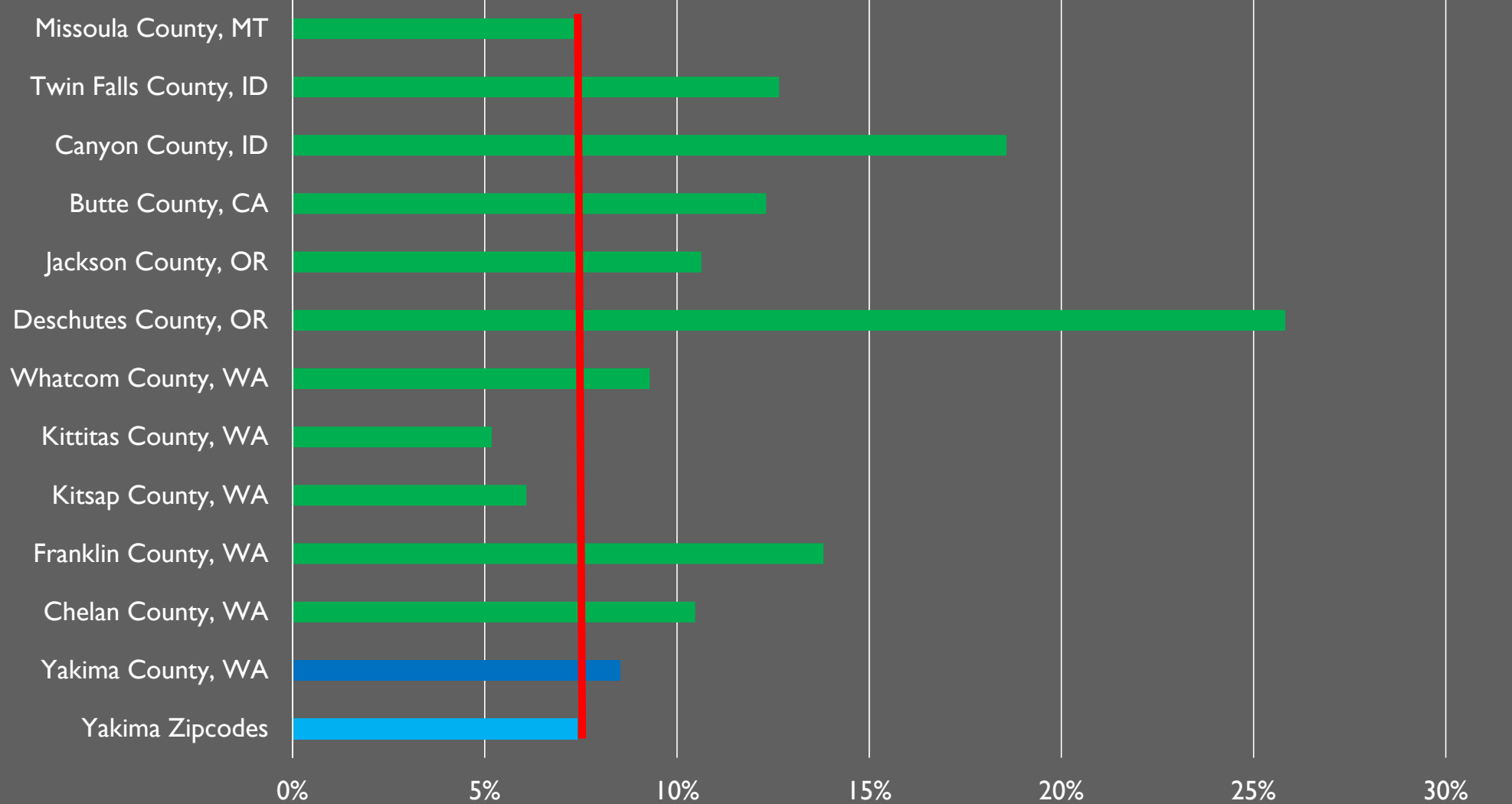
## CITY OF YAKIMA PERMITTED VALUE



\* 2016 data through 9/12/2016

Source: City of Yakima

## JOB GROWTH 2011 - 2016

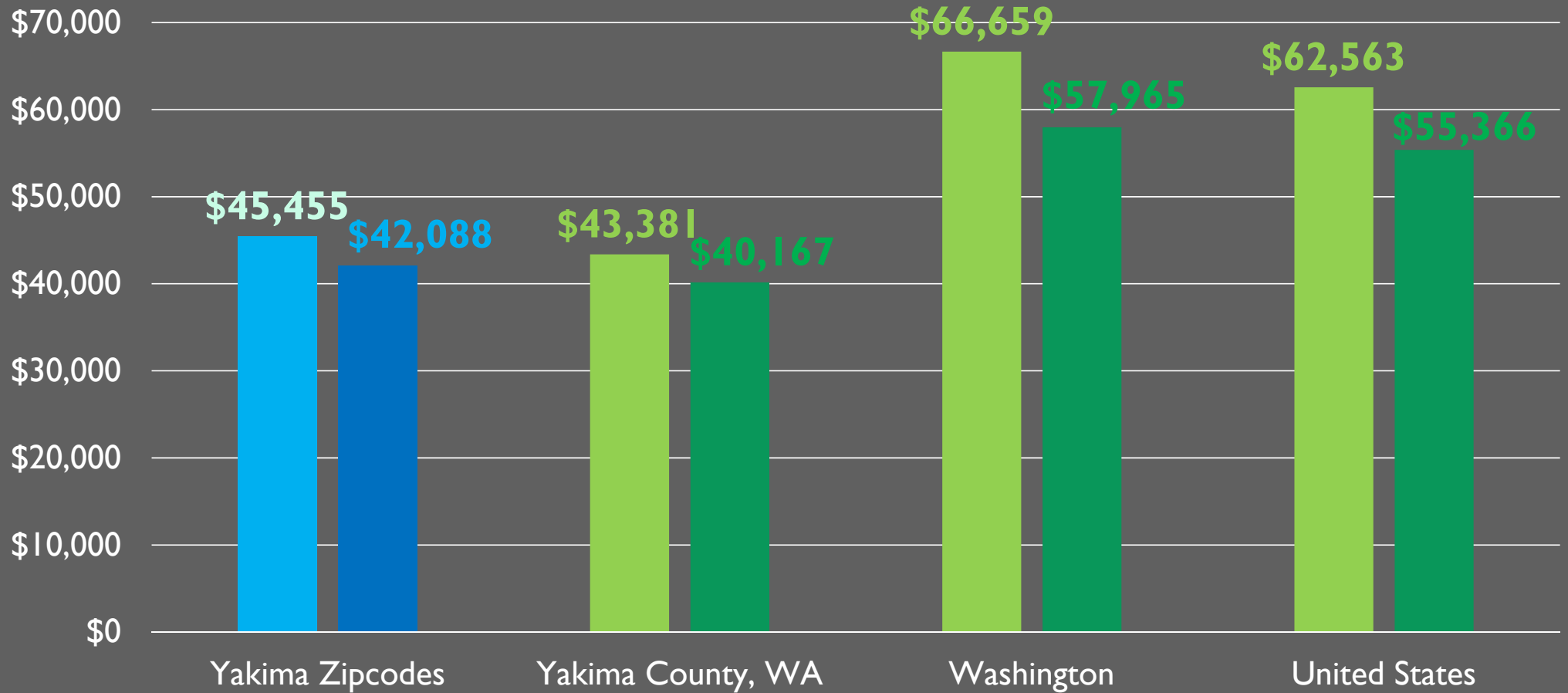


\*Yakima Zipcodes extend beyond city limits: 989901, 98902, 98903, 98904, 98907, 98908, 98909

Source: EMSI

## MEDIAN EARNINGS

■ Current Median Earnings   ■ COL Adjusted Total Current Earnings

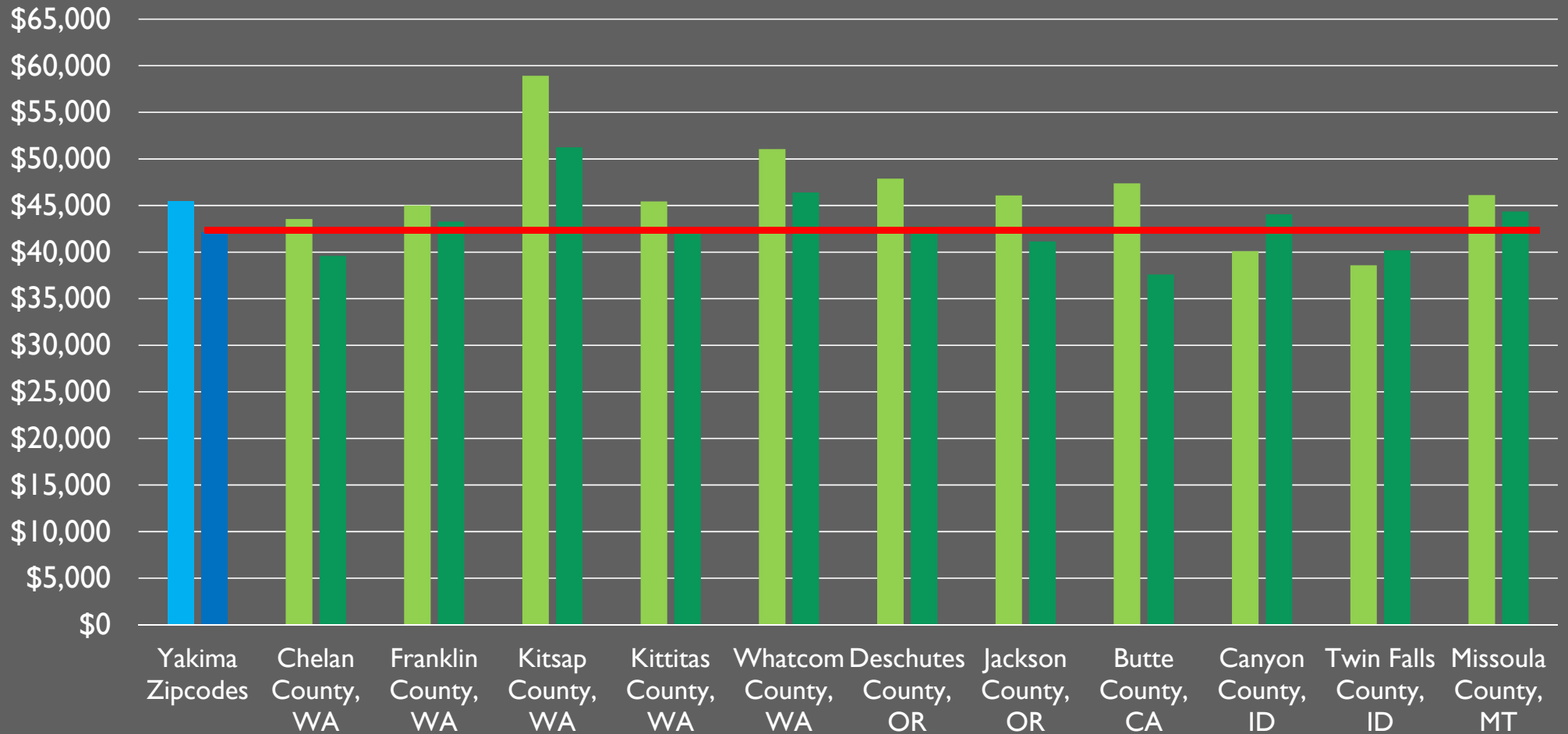


\*Yakima Zipcodes extend beyond city limits: 989901, 98902, 98903, 98904, 98907, 98908, 98909

Source: EMSI (BLS Occupational Employment Survey, Census American Community Survey)

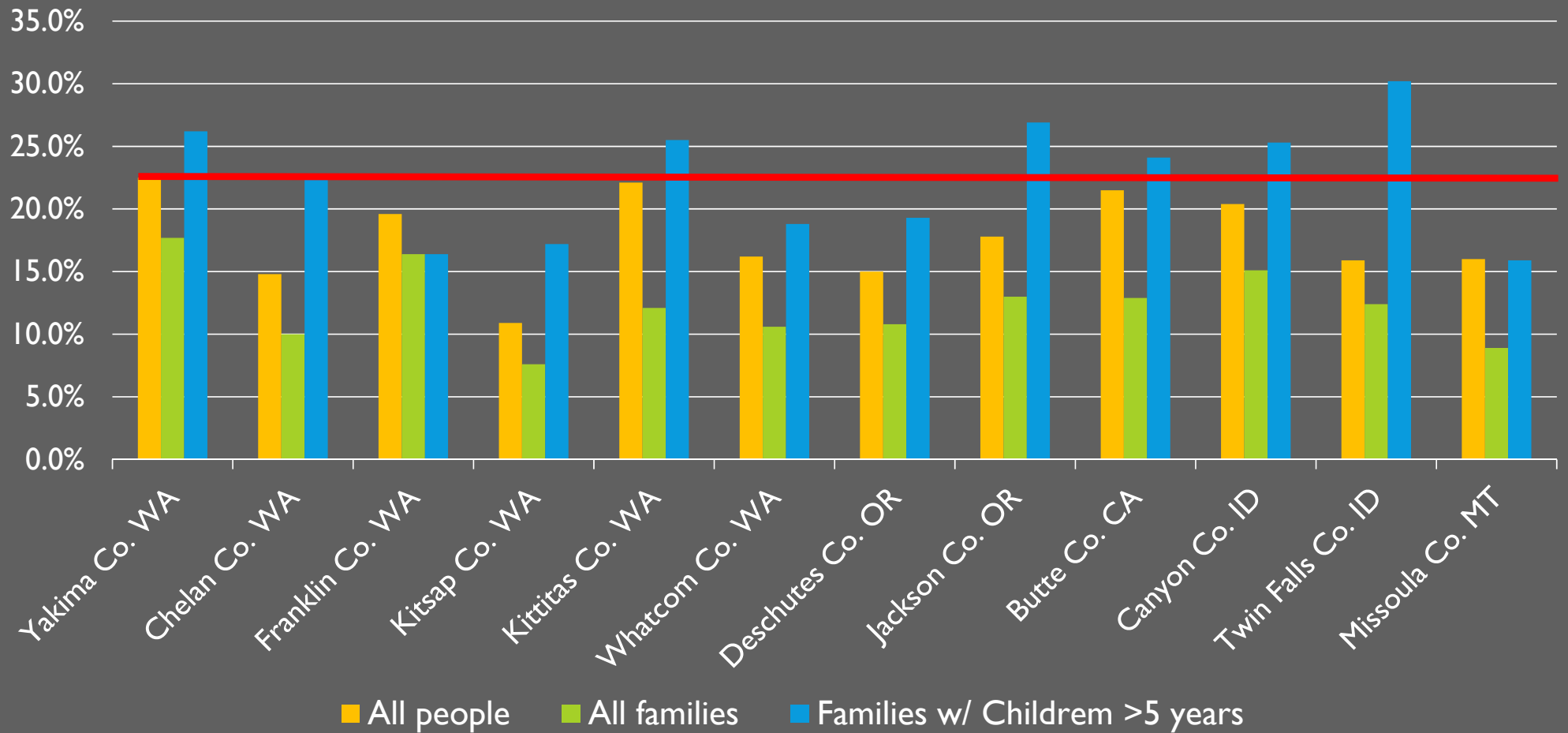
## COMPARISON MEDIAN EARNINGS

■ Current Median Earnings    ■ COL Adjusted Total Current Earnings



Source: EMSI (BLS Occupational Employment Survey, Census American Community Survey)

## PERCENTAGE BELOW POVERTY LINE PAST 12 MONTHS



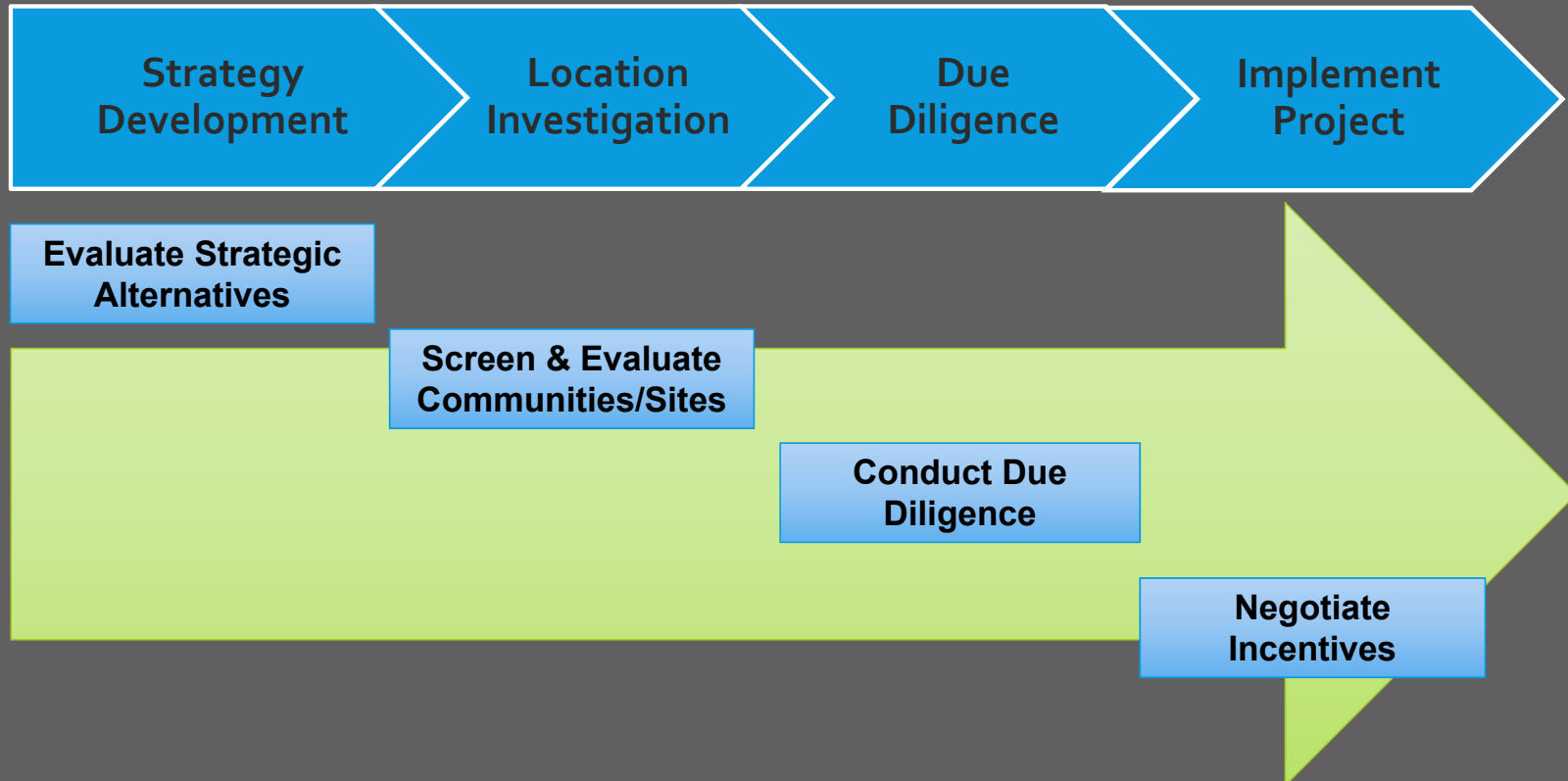
Source: Census American Community Survey



IS YAKIMA IN A GOOD POSITION TO  
IMPROVE?

# THE LOCATION SELECTION PROCESS

All Projects Typically Follow the Same Path



# LOCATION SELECTION IS A PROCESS OF ELIMINATION

Long List of Alternatives /  
Location Options

Favorable Strategies /  
Candidate Locations

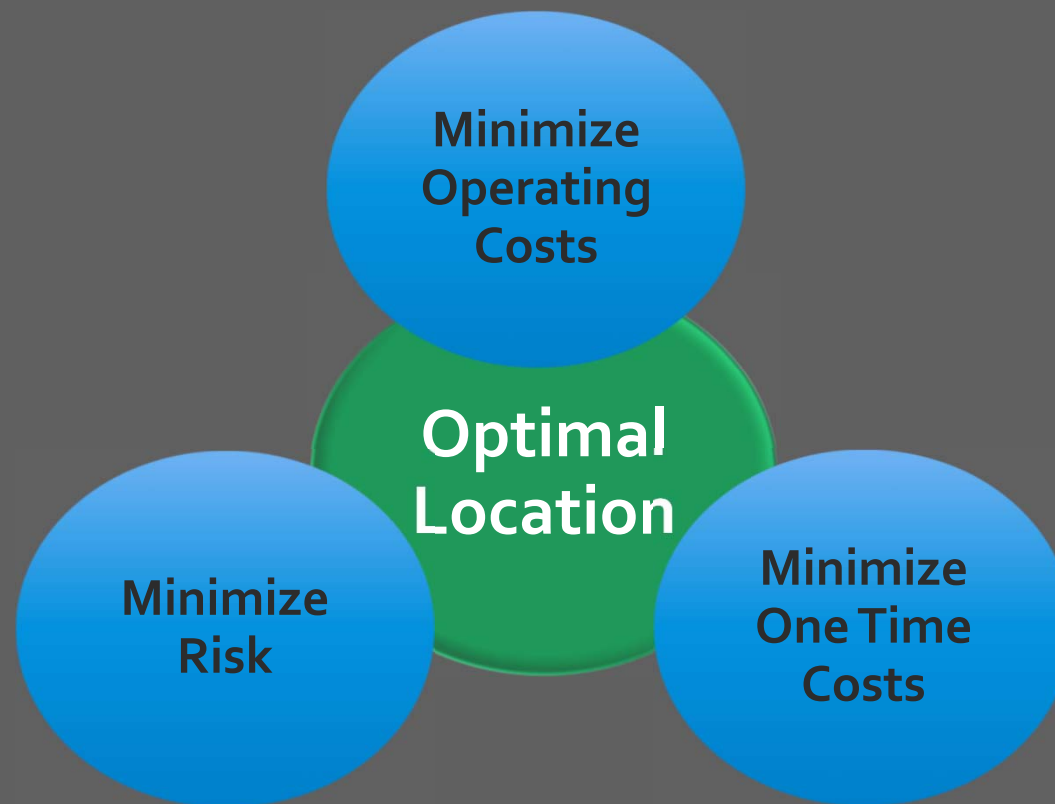
Short-List  
Locations

Finalists

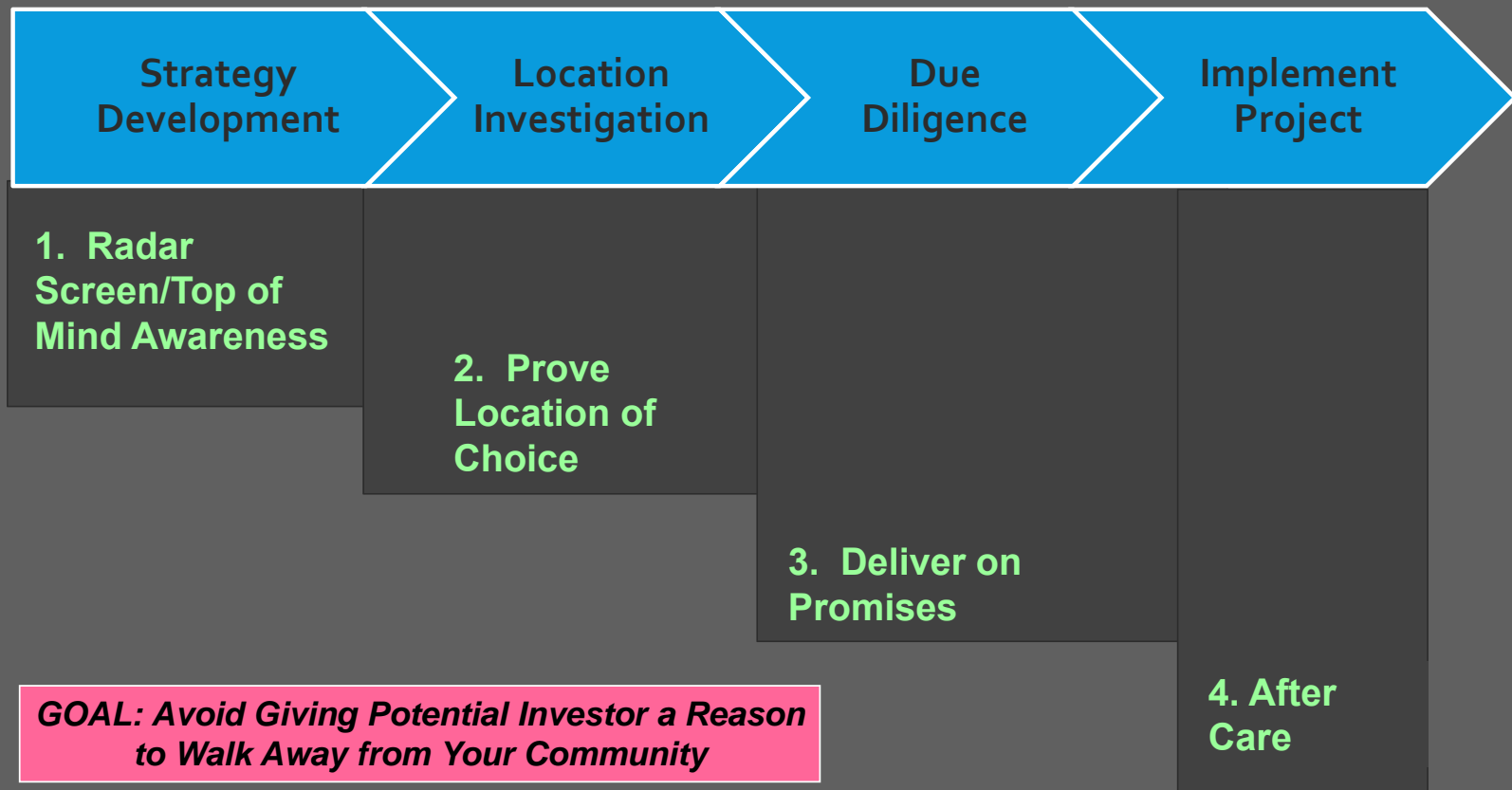
Selected  
Location

*You have to  
do everything  
right if you  
want to stay  
in the race*

# THE OPTIMAL LOCATION BALANCES COMPETING INTERESTS



# "BEST PRACTICE" ECONOMIC DEVELOPMENT ALIGNS WITH LOCATION SELECTION PROCESS



HOW COMPETITIVE IS YAKIMA?



# REAL ESTATE



*Does the community have available buildings or sites that are 'ready to go'?*

- Quality buildings & facilities fit to target prospect requirements
- “Shovel ready sites”
- Certified sites
- Competitive costs – purchase, lease rates, construction



# CASCADE MILL SITE

Yakima's front door & opportunity

- Challenges with environmental issues: landfill, wood debris, plant clean-up
- Funded transportation access improvements
- Ownership
- Vision
- Patience



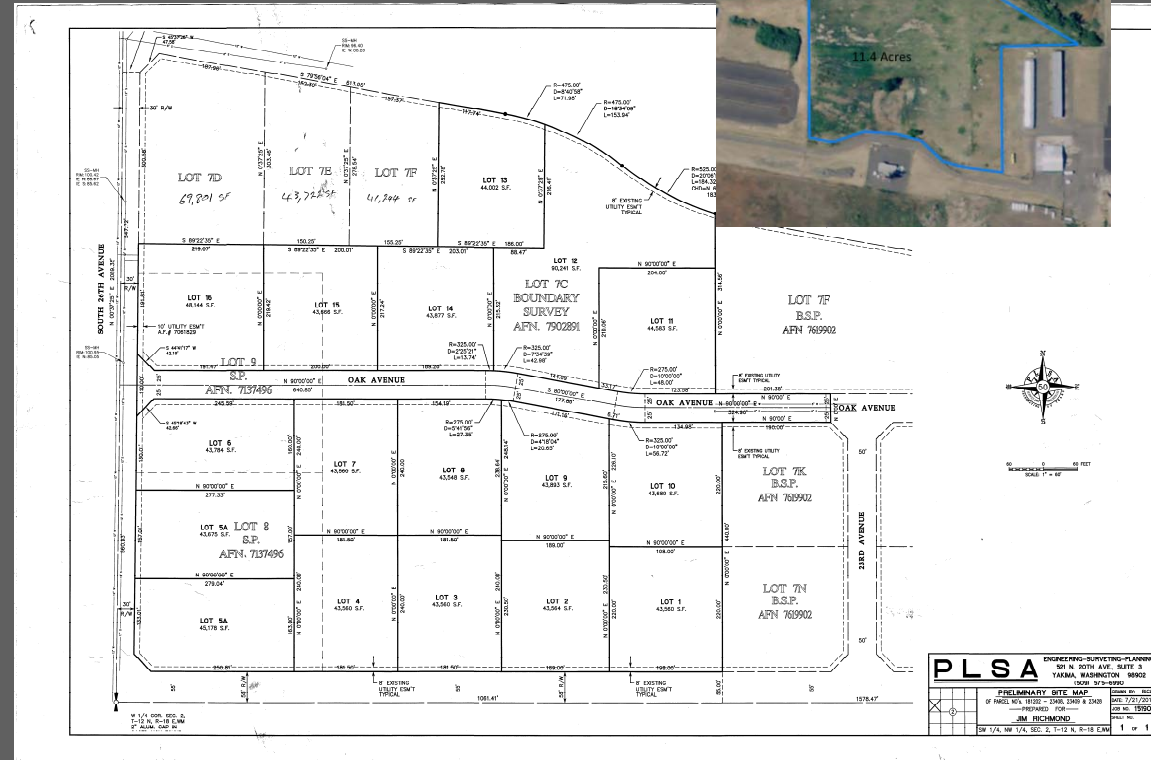
Concern this opportune site will become just another move around the community without net gain

# AIRPORT SITES

- 17 + 11.4 acres with future airport access
- Highest near-term economic development
- Opportunity to build cluster via supply chain



City-owned site



Strategic economic development or short-term thinking (more hangers, retail, etc.)?



# YAKIMA SPEEDWAY



Potential opportunity, but work to do:

- Environmental issues?
- Highest and best use?
- Master plan
- Site readiness



## AVAILABLE BUILDINGS

- FOR LEASE: Former Ace Hardware, multi-tenant [41,820 SF]
- FOR SALE: Concrete, tilt-up @ 26<sup>th</sup> & Ahtanum Rd [25,216 SF]



# CRITERIA FOR RATING FACTORS

**A** = World-class competitive advantage

**B** = Competitive, but missing key elements

**C** = Neutral; found in many communities

**D** = Fundamental assets are missing

**F** = Disadvantages so great it could be a “deal killer”

# YAKIMA REAL ESTATE - TRADED-SECTOR



- 2 available quality industrial buildings
- No available significant-sized, modern/Class A office space
- Negligible incubator, accelerator and coworking space
- 28 acres near airport, one site under control of City
- 2 brownfields with no clear development plan/master plan – far from “shovel-ready” state
- No certified sites

# TRANSPORTATION



*Is the community accessible for business and residents?*

- Highways / Interstates
- Local roads – access and conditions
- Air service – commercial and cargo
- Rail service – frequency of services; rail spur
- Ocean ports
- Carrier services – LTL, small parcel
- Public transportation



# YAKIMA'S TRANSPORTATION



I-82 to I-90  
US Hwy 12  
US Hwy 97  
\*Mountain pass closures



25 freight trucking  
firms, but competition  
during harvest



4 daily commercial flights – SEA  
7,604 ft. runway  
2010 new runway  
\$11 million taxiway improvement  
Passenger growth 20-26K last 5 years



Local road  
improvements needed



Columbia Basin Railroad



Linked to water ports in Pasco,  
Portland, Seattle & Tacoma





# UTILITIES & INFRASTRUCTURE



*Are all utility services in place and able to support new operations?*

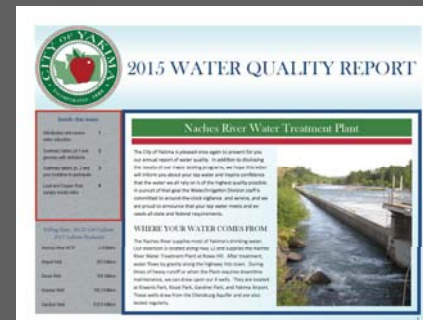
- Electricity
- Natural Gas
- Water
- Wastewater
- Telecom
- COST – rates and fees
- Infrastructure cost
- System capacity
- Service size
- Quality / Reliability
- Service provider reputation, service

# YAKIMA'S UTILITIES & INFRASTRUCTURE

B



- Reputable service providers
- Competitive power rates
- Water & waste water capacity for growth
- Waste water investments
  - 2013 Industrial Waste Reactor (UASB)
  - Waste Water Collection Master Plan – improvements to trunk lines
- Aging water infrastructure
  - No rate increases for last 4 years; no connection fee increase since 1998
  - Drawing on reserves



# PERMITTING & REGULATORY ENVIRONMENT



*Does the community promote fast track development?*

- Permitting and approval process – clear, consistent, fair
- Speedy permitting/community understands time is money
- Is the regulatory approach punitive or helpful?
- Green building standards in place

# YAKIMA'S PERMITTING & REGULATORY ENVIRONMENT

B+

## That was then...

- Perception versus reality – not the same staff
- Tried to manage expectations



## This is now...

- Solution-oriented
- Search code if truly a requirement
- Staff take direct calls
- Concurrent permitting
- “Pre App” meeting encouraged
- Permit Project Coordinator
- Current fee structure unrealistically low; proposed fees in line with competitors
- No impact fees
- Need to tell your story better



# HUMAN CAPITAL



*Does the community have a labor pool in place that is trained, cost effective, and available?*

- Availability – various skill levels as required
- Ability to recruit from outside community
- Competitive wages and benefits
- Work ethic and soft skills
- Labor relations management/unions
- Training resources
- Future pipeline of workers

# YAKIMA'S HUMAN CAPITAL



- World-class training for skilled occupations
- Entry-level challenges:
  - soft skills, drug tests
  - read a tape measure, 5<sup>th</sup> grade math
  - How addressing unemployable population?
- Entry-level professionals: challenge to fill
  - turnover
- Crime, poor curb appeal negatively impact talent relocation
- Union membership 2.5% private sector; Not right-to-work state
- Need for workforce pipeline alignment
- What is proactive approach to coordinated job growth/placement?





# ENTREPRENEURSHIP & INNOVATION RESOURCES



*Does the community facilitate relevant resources to support business growth and innovation?*

- Culture for entrepreneurship
- Resources for business development & start-ups
- Local research institutions engaged with business for innovation, R&D
- Tech transfer
- Patents, licensing of technology
- Financing available for innovation & entrepreneurs



# YAKIMA'S ENTREPRENEURSHIP & INNOVATION RESOURCES



Concept Exploration:  
**Incubator –  
Commercial  
Kitchen – Public  
Market**

- Fairly disconnected ecosystem of resources & service providers
- Available equity capital?
- Limited access to innovation resources
- Piecemeal strategy





The hub of all things entrepreneurship in the Inland Northwest

Portal encompasses all resources in region:

- ✓ Entrepreneurship assistance
  - Technical
  - Financial
- ✓ Coworking space
- ✓ Mentor network
- ✓ Events
- ✓ Workshops
- ✓ Podcasts
- ✓ Blog

The screenshot shows the Startup Spokane website. At the top is a navigation bar with the Startup Spokane logo on the left and links for 'Get Started - Who Are You?', 'Programs', 'Events + Workshops', 'Podcasts', 'Blog', 'Resources', 'Contact', and 'About' on the right. Below the navigation bar is a large white section with the heading 'Welcome to Startup Spokane, The Inland Northwest's First Stop For Entrepreneurship Assistance and Resources!' followed by the subheading 'Find Your Path Below and Get Started!'. This same content is repeated below a horizontal line. Underneath, there are four image-based buttons: 'I'm An Entrepreneur' (with an image of a person at a whiteboard), 'I'm A Potential Mentor' (with an image of two people at a table), 'I'm A Community Member' (with an image of a group of people at a social event), and 'I'm An Industry Expert Or Company' (with an image of a person presenting to a group). At the bottom of the page, the text 'Startup Spokane' is followed by the address '610 W. 2nd Ave | Spokane, WA 99201', the phone number '509.321.3626', and the email 'Startup@GreaterSpokane.org'. A 'Contact Us' button is located at the very bottom.

Startup Spokane

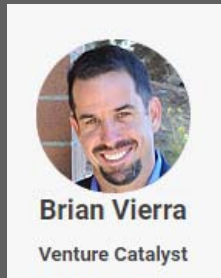
610 W. 2nd Ave | Spokane, WA 99201

509.321.3626 | [Startup@GreaterSpokane.org](mailto:Startup@GreaterSpokane.org)

[Contact Us](#)








EDCO is at the hub of this dynamic web, connecting entrepreneurs with trusted advisors, industry experts, angel investors, venture funding, and the resources they need to launch and thrive.



**Brian Vierra**  
Venture Catalyst

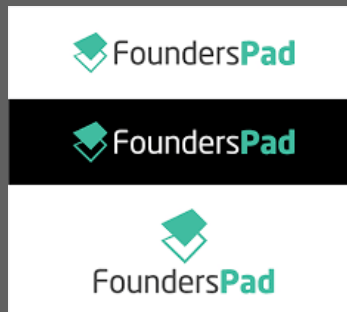
### EDCO Venture Catalyst Performance: Measureable Impact (by the numbers)

 Company Meetings	 Jobs Created	 Events	 Invested Capital	 Payroll
220	98	28	\$15,024,500	\$3,958,416

EDCO Metrics FY July '14- June '15



#### Stable of Experts



# SUSTAINABILITY



## *How “Green” is the community?*

- Community promotes green concepts, permitting, other initiatives
- Local energy efficiency programs / recycling and reuse programs
- Community/residents embrace “green” culture – increasingly important to talent attraction



# YAKIMA'S SUSTAINABILITY



- Expected in Washington... to live up to state brand
- Pacific Power
  - Diverse portfolio: wind, hydro, geothermal = 19%
  - American Wind Energy Assn: 2<sup>nd</sup> largest rate-regulated utility owner of wind resources nation
  - Energy efficiency tech assistance
- City lacks:
  - ✓ Sustainability plan
  - ✓ Curbside recycling
  - ✓ Culture of sustainability





## COULD YOU MEET SIERRA NEVADA BREWING CO.'S NEEDS?

- “Way of Life” for Ken Grossman: use resources efficiently & eliminate waste
- Striving for Zero Waste
  - Recover 99.8% total solid waste
- Key Performance Indicators – what you measure you improve
- June 2016 – LEED Certified Platinum for Mills River, NC brewing facility
- Generating electricity:
  - Solar panels
  - Microturbine from wastewater treatment plant
- Employee interview question



Cheri Chastain  
Sustainability Manager



Mandi McKay  
Sustainability Coordinator,  
Chico



Leah Cooper  
Sustainability Coordinator,  
Mills River



Chester Clever  
Sustainability Support,  
Chico

# INCENTIVES



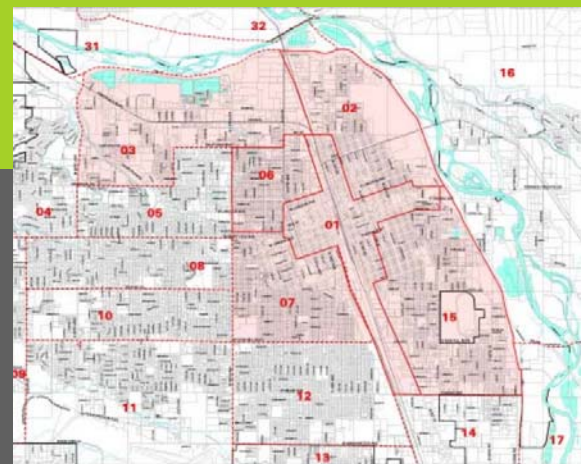
*Does the community demonstrate support for the project?*

- Available state and local incentive programs
- Cash
- Tax credits
- Deferrals, reductions
- Free land
- Workforce training, recruiting services
- Fast-track permitting
- Incentive policy, agreements, claw backs
- Other community services – creative benefits

# YAKIMA'S INCENTIVES



- Helping local business access State incentives
  - Offer accountant services
- Rural Community Empowerment one (CEZ)
  - 1 of 5 in state
- County-wide SIED (directed at infrastructure)
  - 1999-2015 = \$39,682,805 investments in 116 projects, >2,000 jobs created, 300 jobs retained, >\$310 million private investment, estimated \$2,000,000/year increased tax revenue
    - Refinements to incentive policy in process
    - No economic impact analysis of projects
- You might have more than you think if packaged creatively
  - Money
  - Speed
  - Services
- **Unused tool:** Washington State Port District Act for Industrial Development District





# CONVENTION & VISITOR PORTFOLIO



*Does the community offer a strong case for hosting conventions and visitors?*

- Curb appeal
- Accommodations
- Venues & Experiences
- Unique sense of place
- Safe
- Modern & adequately-sized convention & meeting space

# FIRST IMPRESSIONS



# VENUES & EXPERIENCES





# SENSE OF PLACE

- Downtown efforts underway
- Opportunity for uniqueness
- Stay the course





# ACCOMMODATIONS



# YAKIMA CONVENTION CENTER



# YAKIMA'S CONVENTION & VISITOR PORTFOLIO



- Don't judge us until you get through the "front door"
- Expansion of convention center & convention hotel to maintain clientele, let alone expand utilization
- Cost-effective conventions
- Increased capacity and quality of accommodations since 2006, but convention hotel a liability
- Diverse venues & amenities – many hours of experiences
- Downtown is emerging into positive identity
- Safety one-block off Yakima Avenue?
- Excellent website & branding



## *Come to* **THE SOURCE**

It's the 300 days of sun that shines on the birthplace of Washington State's wine industry. It's the aroma of freshly picked hops, drifting on the afternoon breeze. It's the sense of wholesomeness you get from hand picking the vegetables your family will eat that night. This is what makes the Yakima Valley so special.



# BUSINESS CLIMATE



*Does the community support new development now and are they planning for the future?*

- Local official involvement and leadership
- Vision for community
- Government support for growth
- Public opinion - do people want to grow?
- Business retention program



# YAKIMA'S BUSINESS CLIMATE

**D+**

- Outreach to existing traded-sector businesses – delegated to YCDA/New Vision
  - Visits
  - Industry roundtable
- Lack of External HQ visits - risk
- Apathy – letting things happen instead of driving change
- Focus on Downtown
- No Strategic Plan for economic development.... But working on it
- New and qualified leadership at key organizations
- Community Pride?
  - “Just Yakima”
  - Lack of telling story
  - Starting to bubble up
- Do you have the guts to act? Do what needs to be done?

*Two City Best Practices:*







BUILT BY INDUSTRY

INSPIRED BY INNOVATION

We are proud of our strong history of innovation and traditional manufacturing. We've built on that tradition to become a center of advanced manufacturing - industries ranging from flexible electronics to biomedical devices. Cleveland is one of the world's leading medical centers and home to eight Fortune 1000 company headquarters.

2015's Best Cities  
to Found a Startup

## City of Cleveland's Recent Large Developments



### Planned Construction

Innova- \$175M



Lakefront Development Plan-\$280M



University Circle Central District -\$280M



[Read more](#)

### Completed Projects

Public Square-\$50M



### Recent News

[view all](#)

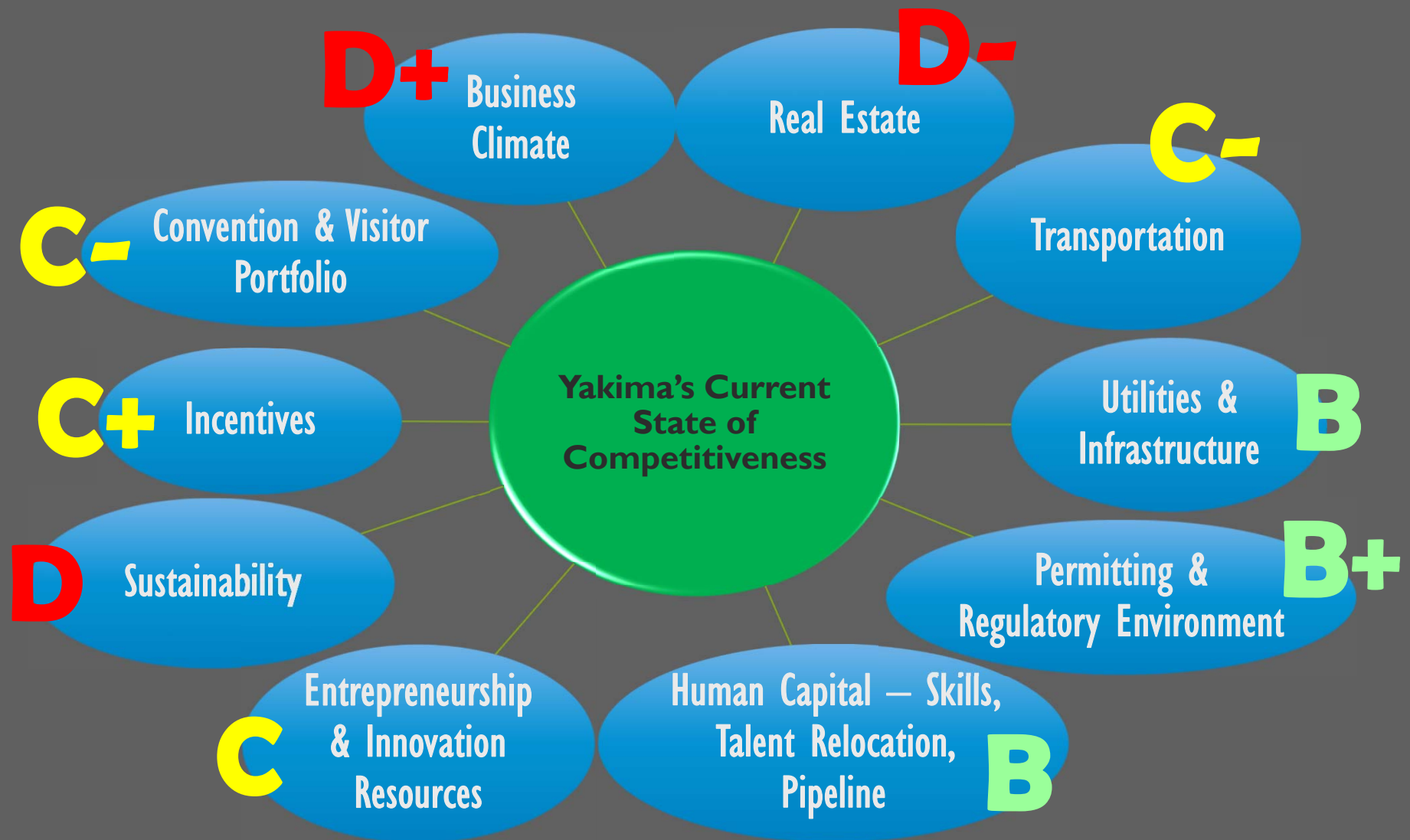
Friday, September 23, 2016

Old Brooklyn Cheese Co — "A

## Boomtown Cleveland

Cleveland is reinventing itself into a 21st century City while leveraging billions of public and private investment. From 2011-2015 a total of \$8 billion

[www.rethinkCleveland.org](http://www.rethinkCleveland.org)



# NEXT UP

Phase I  
**Where are  
you now?**

**Current Situation**

Phase II  
**Where do you  
want to be?**

**Strategic Priorities**

Phase III  
**How will you  
get there?**

**Action Plan**

# YAKIMA ECONOMIC DEVELOPMENT STRATEGY INPUT WORK SHOPS

**Contact Sean Hawkins  
with RSVP**

[Sean.Hawkins@Yakima.gov](mailto:Sean.Hawkins@Yakima.gov)

(509) 575-6274

