
Chapter 7
Economic Development
Proposed Amendments Z10000-55-COMP
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7.1 INTRODUCTION

Economic development is the process of creating wealth by mobilizing human, physical, natural, and capital resources to produce marketable goods and services. The economy plays a key role in maintaining the quality of life within our city. A strong economy provides economic opportunities to all citizens through the creation of jobs and business opportunities, creating a tax base that provides schools, police, fire protection, parks and other community facilities, services, and amenities.

At one time, economic development was principally the province of the private sector, including utilities, railroads, banks, and business organizations, such as chambers of commerce. It was associated with distressed or underdeveloped areas of the country. In more recent years, economic development has become a critical function of local government and specialized agencies such as Spokane's Economic Development Council. In a movement that began in the 1970s, the national government has withdrawn most of its state and local funding and policy guidance for local development. Cities, counties, and states are on their own to a much greater extent than they have been for decades and thus are forced to take active roles in stimulating growth and diversification in a complex, interdependent global economy.

The recession of the early 1980s caused many state and local leaders to reexamine their historical economic development policies and stimulated a renewed interest in economic growth. The recession and the accompanying financial stress at both the state and local levels significantly increased competition among states and communities to attract jobs. This was combined with several significant transformations in the structure of the national economy, from the production of goods to the production of services, from a national to a global system of trade, and from labor-intensive to technology-intensive manufacturing.

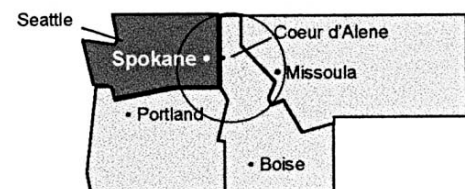
In spite of the continued shift in the economy toward services producing industry, the overall strength and productivity of manufacturing are still increasing. This growth has been due to cost-cutting, corporate restructuring strategies, and the use of advanced production technologies and is not a result of employment growth. Local, state, and national services also depend on the vitality of the manufacturing base. A substantial core of service employment is tightly tied to manufacturing. It is a complement, not a substitute or successor, to manufacturing.

State and local leadership is now the crucial component in the promotion of long-term economic growth. Custom designed strategies, based on local economic strengths and weaknesses, must be pursued. It is imperative that the public, private, and nonprofit sectors become involved if the full potential of state and local development strategies is to be realized. By forming partnerships, all can work toward a common vision.

Spokane Profile

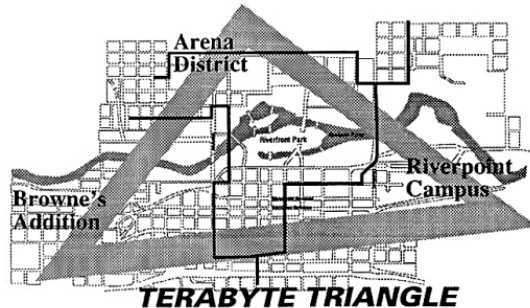
Spokane serves as the regional hub of a 36-county, multi-state area known as the Inland Northwest. This region encompasses parts of Washington, Idaho, Montana, and Oregon and contains a population exceeding 1.7 million residents. As a regional trade center, the Spokane market area extends into British Columbia and Alberta with a population base exceeding three million. An international airport, a major rail ~~line~~[hub](#), interstate highway, and proximity to the Columbia and Snake River systems reinforce Spokane's position as a distribution center.

The Inland Northwest



The Spokane economy has diversified significantly in the past 20 years, moving from a strong heritage of natural resource-related timber, agriculture, and mining to an economy that includes high tech and service companies. The healthcare sector, public employers, manufacturing, and the military (Fairchild Air Force Base) serve as the major industries.

Downtown Spokane is the preeminent office concentration in the region and a major employment center for financial and business services, hospitality facilities, retail activity, and education. Downtown also represents the entertainment center of the community with ongoing cultural and recreational programs, special events, and restaurants. The Spokane River flows through the heart of the city center and the 100-acre Riverfront Park, offering year-round recreational activities.



The late 1990s brought major investments in renovation and new construction of downtown office buildings. In addition, millions of dollars ~~have been~~ was invested in fiber optic infrastructure within the downtown street system to create the “Terabyte Triangle,” a concentration of real estate designed to attract tenants with more sophisticated technology requirements. ~~Entire~~ As a result, entire buildings have complete fiber optic service in this downtown area, which is developing into a center for high-tech and software development companies.

Spokane’s convention and tourism industry continues to develop as a major component of the Spokane regional economy. Downtown is home to Spokane’s major convention facilities, the majority of hotel rooms, several restaurants, shopping, and Riverfront Park. In 2007 the Spokane Convention Center completed a major expansion and renovation. The Riverpoint Campus has continued to evolve into the University District with Sirti, Washington State University and Eastern Washington Campus’s continuing to expand there.

Shaping Our Economic Future

The City of Spokane’s Role in Economic Development

A city can foster economic development through actions that include activities primarily directed toward economic development and those undertaken for other reasons that also produce economic benefits. Examples of activities primarily directed toward economic development include allocating land for manufacturing and commercial uses, connecting water and sewer systems to business sites, providing tax credits and incentives, and completing advance planning to accommodate growth. Examples of activities with economic benefits as secondary impacts include providing an efficient transportation system, encouraging high quality schools, providing affordable housing, ensuring efficient permit processes, and providing parks and recreational activities that improve the quality of life.

Market-driven economic growth depends upon the decisions of individuals and firms; most jobs and investments are generated by private businesses. Spokane must also contend with economic forces beyond local control, such as changes in the regional, national, and international economies. The city can, however, plan to take advantage of favorable trends and lessen the impact of unfavorable trends by anticipating and responding to these changes.

To achieve these ends, it is critical that the City of Spokane continue to support and participate in partnerships to promote economic development. Singular leadership and unilateral policy-making is seldom effective. Economic development strategies need to be far more interactive with public and private sector executives at the state and local levels. Second, state and community leadership should transcend political changes and elections. Successful development requires time to produce observable results. Third, those involved in policy development for economic activity must improve communication.

Economic Development Organizations and Recent Economic Plans

The primary organizations working to reinforce and strengthen the Spokane economy are ~~the Spokane Area Economic Development Council (EDC), the Spokane Area Chamber of Commerce, Greater Spokane Incorporated and~~ the Spokane Area Convention and Visitors Bureau. Co-located in the Spokane

Regional Business Center, these organizations and their affiliates form a strategic alliance to advance economic development in the Spokane area.

The EDC is a private, non-profit organization that is supported by a broad-based membership of businesses and organizations, the City of Spokane, and Spokane County. Over the years, the EDC has been instrumental in attracting quality businesses to the area. In addition to recruitment efforts, the EDC has been involved in studies of the regional Spokane economy.

The Chamber of Commerce focuses on business retention and expansion, multicultural relations, higher education initiatives that promote economic development, workforce development, regional partnerships, and improving the region's identity. The Convention and Visitors Bureau promotes economic development through promotion of our area for tourism and convention and meeting activities.

Recent economic plans, generated by community and business groups, include the New Century Plan and Focus 21: A Regional Economic Growth Strategy for the 21st Century. Focus 21 evolved from the successful Momentum program that existed between 1987 and 1997. The New Century Plan, initiated in 1996, is a community-based plan that has developed strategies and benchmarks for economic development and quality of life issues. The New Century Plan led to the formation of Focus 21, an effort to raise more than \$5 million from the Spokane area business community for highly focused job recruitment and expansion. The Spokane Horizons participants used The New Century Plan as a resource tool during the planning process for the new comprehensive plan.



The Horizons Planning Process

When asked what they envisioned for the future of the city and regional economy, Spokane citizens involved in the Horizons planning process cited a high quality of life that includes a diversified economic base providing a decent standard of living to all city residents, a healthy natural environment, and a strong downtown. Citizens spent many hours discussing the economy and the progress the community has made to ensure economic stability for our region, as well as ways to ensure a better economic future for generations to come. Many of these economic issues were raised

consistently throughout the process and serve as the foundation for the goals and policies that guide decisions about Spokane's economic future. Although the focus of the Horizons process was on city issues, the goals and policies also reflect a regional approach to the economy, given that the economies of the region and city are inherently linked.

The issues that arose during the planning process include:

- ◆ A strong and diverse economy is necessary for Spokane to be a vital and competitive city. A strong economy implies that wages are high enough to keep a stable, skilled workforce intact and that the costs associated with maintaining a household are low enough, relative to wages, to be affordable to the majority of the working class. A diverse economy is one that has balance between manufacturing, resource, and service sector businesses and employment. A strong and diverse economy not only encourages expansion and retention of existing business but also promotes the creation of new, locally-owned business and the relocation of business into the area.
- ◆ Cooperative partnerships are encouraged for planning, monitoring, and implementing economic development plans and activities. The city should work with regional jurisdictions, community economic development organizations, the educational community, the business sector,

neighborhood organizations, and citizens in order to help attain and sustain a healthy, diversified economy within the city and region.

- ◆ Qualified labor is essential to retain and recruit business. An educational system and training opportunities that provide citizens of all ages with the knowledge and skills necessary to compete for high paying, skilled jobs contributes substantially to the development of a dynamic economy.
- ◆ Adequate land for expected job growth, a high quality transportation network that facilitates efficient movement of goods and services in and out of the city's major industrial and commercial areas, and the provision and maintenance of other infrastructure are essential requirements for Spokane's continued position as a regional center. Additionally, new state-of-the-art infrastructure is needed to maintain Spokane's competitiveness.
- ◆ The emphasis on the automobile and the strict separation of land uses have left some individuals with limited choices for work and the reduced ability to shop or obtain services. Transportation and land use alternatives that provide better accessibility for all citizens of Spokane improves business and employment opportunities.
- ◆ In order for a place to be identifiable and distinct, it needs a center and an edge. The City of Spokane has been slowly losing both. Spokane's identity is derived from its center, its downtown, not its suburbs which are like so many other suburbs. Historically, the city has continued to develop farther away from the downtown area and toward the fringe, decreasing the city's tax base and limiting the city's ability to maintain services, aesthetic values, and a high quality of life. As a result, it has become more difficult to attract and retain residents and businesses. Redirecting growth and economic activity back into the city will move the city toward securing a healthy economic foundation.
- ◆ The downtown area's vitality is important to the entire region. Downtown Spokane is the region's traditional "heart and soul." It is also the economic and cultural center of the region. A healthy downtown adds to the city's tax base and improves the city's image, appearance, and sense of pride for existing residents, potential residents, and investors.
- ◆ Encouraging new businesses to locate in the City of Spokane involves creating incentives for businesses to choose Spokane over other possible sites. Examples of these incentives include planning in advance for growth, maintaining an efficient permitting process, and creating tax incentives.
- ◆ Spokane's physical environment is an economic advantage that should be promoted and protected to attract economic development opportunities. Preserving both the natural and built environment ensures maintenance of a quality of life beneficial for all of Spokane's citizens.

The Horizons process also paralleled the planning process for the Plan for a New Downtown, prepared by the City of Spokane and the Downtown Spokane Partnership, a non-profit coalition of business, government, and community leaders. The policies and actions set forth in the 1999 document, Charting the Future The Plan for a New Downtown are consistent with the direction of the Comprehensive Plan. Charting the Future was updated in 2008 with the publication of Fast Forward Spokane: Downtown Spokane Plan.

7.2 GMA GOAL AND REQUIREMENTS AND COUNTYWIDE PLANNING POLICIES

GMA Economic Development Goal (RCW 36.70A.020)

The Washington State Growth Management Act (GMA) includes 13 goals, which were adopted to guide the development and adoption of comprehensive plans and development regulations. The GMA does not require, but rather encourages, that a separate economic development element be included in a jurisdiction's comprehensive plan or as part of the goals, policies, and strategies of each of the other elements. The following is the GMA economic development goal (Goal 5):

“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, promote the retention and expansion of existing businesses and recruitment of new businesses, recognize regional differences impacting economic development opportunities, and encourage growth in areas experiencing insufficient economic growth, all within the capacities of the state's natural resources, public services, and public facilities.” Refer to the Growth Management Act, RCW 36.70A.020, “Planning Goals,” for description of each goal.

Countywide Planning Policies

The Countywide Planning Policies (CWPPs), adopted by the Spokane Board of County Commissioners in 1994, include economic development as one of the nine policy topics. As an introduction to the CWPPS, the “Statement of Principles” lists several themes that emerged during the citizen participation process as being of concern to residents. These became the overriding principles that guided the development of the Countywide Planning Policies. One of the principles focuses on economic vitality and states:

“The economic vitality of Spokane County is brought about by a collaborative effort of the public and private sectors. A healthy economy maintains jobs, as well as creates job opportunities. Additionally, it provides the ability to access housing for all economic segments of the community. A jobs-based economy brings together the environmental and the economic implications of managed growth and seeks a balance, which will help secure a quality community for future generations.”

The CWPPs overview of the GMA's requirements for economic development states:

“The Growth Management Act (GMA) establishes overall goals for economic development throughout the state and requires the topic to be addressed as part of the Countywide Planning Policies. The Growth Management Act (GMA) establishes the following as economic development goals for the State of Washington. RCW.36.70A.020(5).

- ◆ Encourage economic development that is consistent with adopted comprehensive plans.
- ◆ Promote economic opportunity for all citizens of the state, especially for unemployed and disadvantaged persons.
- ◆ Encourage growth in areas experiencing insufficient economic growth.
- ◆ Ensure economic growth occurs within the capacities of the state's natural resources, public services and public facilities.

These goals, together with the Countywide Planning Policies, will provide guidance to individual jurisdictions as they develop the economic development elements of their comprehensive plans.

For the entire text of the economic development policies, consult the Countywide Planning Policies and Environmental Analysis for Spokane County, Topic 8, adopted December 22, 1994.

7.3 VISION AND VALUES

Spokane Horizons volunteers identified important themes in relation to Spokane’s current and future growth. A series of visions and values was crafted for each element of the Comprehensive Plan that describes specific performance objectives. From the Visions and Values document, adopted in 1996 by the City Council, the Comprehensive Plan’s goals and policies were generated.

The city’s role in economic development involves providing public sector advocacy and investment in support of quality job creation and retention, diversification, and wage levels. The city’s comprehensive plan lays the foundation for economic development.

Vision

“Spokane will enjoy a quality of life for everyone that includes a diversified economic base that provides a livable wage, a healthy natural environment, and an economically vibrant downtown. Spokane’s quality of life will be built on a partnership of diverse interests, including education, business, government, and neighborhoods.”

Values

“The things that are important to Spokane’s future include:

- ◆ Encouraging livable wage jobs.
- ◆ Developing a viable, economically strong downtown area.
- ◆ Developing a variety of job opportunities that include professional and industrial as well as service opportunities.
- ◆ Ensuring that economic growth pays its appropriate share for costs of new services needed.
- ◆ Encouraging economic development that values the environment as a component of our quality of life.”

7.4 GOALS AND POLICIES

Goals and policies provide specificity for planning and decision-making. Overall, they indicate desired directions, accomplishments, or aims in relation to the growth and development of Spokane. Additional materials for this chapter are located in the Draft Comprehensive Plan/EIS, Volume 2, Chapter 21, Economic Development.

□ ED 1 COOPERATIVE PARTNERSHIPS

Goal: Encourage cooperative partnerships to address the economic expansion of the city and region.

Policies

ED 1.1 Economic Development Programs

Support and participate in regional economic development planning with the public and private sectors.

Discussion: Economic development plans depend, in large part, on the support of the city to carry out policies that pertain to public involvement or assistance. The City of Spokane plays a key role in providing leadership to ensure that the economic development plans and policies of the city and other organizations working to strengthen the economy are coordinated, implemented, and monitored.

The city should coordinate its economic development activities and plans for economic growth with other jurisdictions, cities, businesses, citizens, and the educational community in order to help attain and sustain a healthy, diversified economy within the city and region.

ED 1.2 Support of Economic Development Organizations

Continue to support ~~the Spokane Area Economic Development Council, Spokane Area Chamber of Commerce, Greater Spokane Incorporated, Downtown Spokane Partnership~~ and the Spokane Area Convention and Visitors Bureau in their efforts to reinforce and strengthen the Spokane economy.

Discussion: Successful economic development requires commitment by government, education, and business organizations. The city should continue membership in these organizations in order to ensure coordination of economic development activities by diverse groups and, when feasible, the city should contribute staff time to this effort.

ED 1.3 Economic Development Progress

Work with regional jurisdictions, community economic development organizations, the educational community, the business sector, neighborhood organizations, and citizens to monitor the city's economic vitality and revise economic development plans as needed.

Discussion: Economic development issues to be considered when evaluating economic vitality include wages, per capita personal and median household income, percentage of population below poverty level, business formation, expansion, and retention, economic base, and education.

ED 1.4 Public-Private Partnerships

Encourage public-private partnerships that further public goals while advancing economic development opportunities.

Discussion: The city can partner with the private sector through such means as extending infrastructure for the development of employment centers, providing low-income housing for

employees in proximity to targeted areas for future employment, and enhancing transit service to employment sites.



ED 2 LAND AVAILABILITY FOR ECONOMIC ACTIVITIES

Goal: Ensure that an adequate supply of useable industrial and commercial land is available for economic development activities.

Policies

ED 2.1 Land Supply

Ensure opportunities for locating a variety of desirable, livable wage industries in Spokane that are environmentally compatible with adjacent land uses and support a range of employment types.

Discussion: Land is a basic requirement for commercial and manufacturing activity. The City of Spokane encourages economic growth in locations suited for those uses based upon available public facilities, land capability, neighboring uses, and an orderly development pattern. These areas are identified in Chapter 3, Land Use.

Economic growth in the industrial sector is dependent, among other factors, on the availability of lands that are suitable for industrial use, are served by required urban services, and are of adequate size for business expansion or the location of new industries. Although well-served by city utilities and services, many of the industrial districts within the city limits are occupied with smaller industrial or commercial uses with limited opportunity for growth. The dominant pattern of small, separately owned parcels makes it difficult to expand existing business or create a large site to accommodate new, larger industries.

To ensure that the economy can reasonably be sustained over the next 20 years, an adequate supply and variety of land must be available to attract new employers and to allow existing businesses to expand. To ensure environmentally compatible economic activity, the city should explore the possibility of conducting State Environmental Policy Act (SEPA) Planned Action(s) for potential development sites to facilitate desired economic growth. Preplanning for specific areas of industrial and commercial development or employment centers allows the city to target funds for infrastructure improvements. In addition, prospective investors and businesses recognize a commitment to planned growth and economic development and the predictability they add.

Strategies to enhance the city's ability to attract new industry include:

- ◆ Maintain an urban land atlas that identifies and contains information on available land that can be developed or redeveloped and that offers information on public/private development opportunities.
- ◆ Prepare and maintain a market analysis of available infill sites.
- ◆ Continue efforts to aggregate small industrial parcels to form larger sites.
- ◆ Identify and obtain excess public and semi-public vacant or underutilized land resources.
- ◆ Improve opportunities for economic activity through capital improvement or financial development assistance.
- ◆ Identify potential areas for city-initiated SEPA Planned Actions.
- ◆ Aggressively seek funding to extend services to designated developable lands to attract new commercial and industrial development.

See the Draft Comprehensive Plan/EIS, Volume 2, Chapter 17, Land Use, for additional information on available commercial and industrial land.

ED 2.2 Revitalization Opportunities

Provide incentives to encourage the revitalization and utilization of historic and older commercial and industrial districts for redevelopment.

Discussion: Redevelopment of abandoned or underutilized sites where infrastructure and services are readily available provides a wider range of opportunities for business location. Older commercial and industrial districts within the city offer great potential as alternative venues to suburban locations for economic growth. The Hillyard business district and adjacent industrial area, the East Sprague business district and industrial lands to the north, the industrial area adjacent to Hamilton and North Foothills Drive, and the Sinto industrial district in the West Central Neighborhood are examples of venues with such potential.



These locations are in the heart of impoverished neighborhoods that have blocks of underutilized, older commercial and industrial buildings that either can be adapted or replaced with industries offering livable wage jobs. These redevelopments provide the opportunity for nearby job-training and employment to those in the most needy areas of the city, add tax revenues to the city, and stimulate other revitalization efforts. Strategies that the city can apply to make these areas competitive with suburban locations include application for grant funds for redevelopment of “brownfield” areas, use of tax incentive housing programs, provision of increased transit service, and investment of public funds in urban amenities such as parks and pedestrian facilities.

ED 2.3 Reusable Buildings Inventory

Maintain an inventory of historic and significant older buildings that could be redeveloped for economic activities rather than demolished.

Discussion: In addition to vacant and underutilized sites that are suitable for redevelopment, rehabilitation of an historic or significantly older building or cluster of buildings is another option for business location. The city contains a significant number of unique historic structures that provide an ideal location for small businesses and space for business incubators. Smaller spaces, lower costs, and central location all contribute to attracting and retaining small business. By maintaining an inventory of older buildings, the city can help potential businesses to identify structures that meet their needs.

ED 2.4 Mixed-Use

Support and preserve mixed-use development by identifying areas for economic growth that bring employment, shopping, and residential activities into shared locations and that, through redevelopment, create new areas for economic activity.

Discussion: The resurgence of compact, self-sufficient neighborhoods where people meet their lifestyle needs has created a renewed interest in mixed-use development. The economics of mixed-use derive from the notion that mutually supporting activities have a synergistic effect on each other; that is, the total revenue generated is greater than the sum of the parts. If housing and office uses are combined, for example, a market is created for shops and services that could not be supported by either alone. This does not have to occur in one building, but the uses must be physically integrated in a way that permits pedestrian circulation among them. In addition, co-locating these activities in a more compact, focused growth environment provides additional land for economic growth within the city’s urban area.

Mixed-use development can fill an important market niche in the city. At a smaller scale, mixed-use provides a way to introduce commercial and office use into residential areas. Within mixed-use centers, the possibility exists for business owners to occupy living space above their business establishments. This concept, although not new, provides an opportunity for business owners to save commute time by living and working in the same building. It can be used as infill in existing areas as magnet projects to stimulate neighborhood development. Mixed-use within Spokane in designated neighborhood, district, and employment centers, along corridors, or within the central city area provides a new venue for business opportunity.



ED 3 STRONG, DIVERSE, AND SUSTAINABLE ECONOMY

Goal: Foster a strong, diverse, and sustainable economy that provides a range of employment and business opportunities.

Policies

ED 3.1 Economic Growth

Stimulate economic growth by supporting the formation, retention, expansion, and recruitment of businesses.

Discussion: Business start-up, retention, expansion, and recruitment are strategies to foster economic growth. All options must be explored to create an environment where new businesses can start and develop. It is also important to protect the long-term viability of the economy through retention and expansion of existing employers. Recruitment of businesses and industries that diversify the region's economy or fill gaps in the goods and services available in the area should continue. The city is a partner with other organizations and can provide expertise in areas such as land use, infrastructure, and quality of life.

ED 3.2 Economic Diversity

Encourage economic diversity through a mix of small and large businesses that provide a healthy balance of goods-producing and service-producing jobs.

Discussion: A range of industries reduces the vulnerability of the city to unforeseen events and helps ease economic downturns during normal business cycles. Determining the best balance of industry within the city's urban area should be a continuous process based on the monitoring of local economic development plans to determine progress toward business formulation, retention, expansion, and recruitment aimed at broadening the economic base. During this assessment process, future industries can be targeted for recruitment to balance the needs of the city's economy and provide long-term economic benefits.

ED 3.3 Enterprise Opportunities

Create economic development opportunities utilizing tools available to the city which will foster the growth of Spokane's economy.

Discussion: Utilizing a variety of venues and mechanisms, such as port districts, foreign trade zones, industrial development bonds, tax credits, technology transfer, and business incubator facilities, creates the opportunities needed to facilitate economic growth.

ED 3.4 Value Added Business Strategy

Promote value added business practices as a primary economic strategy.

Discussion: Many communities seek to improve their local economies by quantitative increases in business activities: making more, selling more, and attracting more visitors. However, many innovative communities and businesses are creating more jobs by using a qualitative strategy known as "adding value." For example, the Spokane region's natural resource based industries such as timber and agriculture remain a foundation of the local economy and provide business

opportunities. Rather than merely extracting and exporting natural resources such as logs and wheat, businesses can “add value” to those resources by manufacturing by-products such as furniture and bread. Other business practices also add value: manufacturing better products rather than more products and creating more interesting experiences and activities to encourage visitors to stay in our area longer. Increasing the production of local by-products and improving the quality of products would generate more local jobs and spending, spur exportation, and potentially reduce the need to import goods-producing materials from other locales.

ED 3.5 Locally-Owned Businesses

Support opportunities to expand and increase the number of locally-owned businesses in Spokane.

Discussion: Locally-owned businesses help to provide economic stability and a positive business environment by reducing the flow of capital from the area. Locally-owned industries tend to have a stake in the community, leading to more involved corporate citizenship. The greater activism of locally-owned businesses is particularly important to the city, especially in an era of diminishing government revenues, when the private sector is more willing to address public problems. Both the public and private sectors should be encouraged to support locally owned businesses in their bid and purchase process. The city should explore mechanisms to promote local business in public projects such as the addition of bonus points for local ownership in proposal evaluation criteria.

ED 3.6 Small Businesses

Recognize the significant contributions of small businesses to the City of Spokane’s economy and seek to enhance small business opportunities.

Discussion: The presence of many small businesses in the city illustrates that they are a significant part of the economic fiber of the community. Considerable potential for new economic growth exists in encouraging small business starts and enabling them to expand. Businesses that employ local people, use local materials, and sell local products should be supported as one avenue of expanding the opportunity for small business ventures. The city should continue efforts to provide land use designations that give small businesses opportunities to start and grow and should also partner with existing organizations which support the start-up and expansion of local small businesses. Although the city’s ability to help finance private business start-ups and expansion is limited, several federal programs and limited state programs to assist in financing are available. The city should maintain information on these sources in the permit center.

ED 3.7 Home Businesses

Encourage opportunities for teleworking and home businesses that are compatible with residential neighborhoods.

Discussion: More people are working from their homes, a trend that results from shifts in the economy toward services, corporate down-sizing, and improved telecommunications. Teleworking and appropriate home businesses can produce many community and family benefits including new business opportunities, such as information technology development, reduced traffic congestion, and reduced air pollution.

Development regulations should minimize the potential for negative impacts from home businesses by limiting signs, maintaining the residential appearance of neighborhoods, requiring adequate parking while ensuring that parking and traffic generation fits into the neighborhood and is not excessive, limiting truck deliveries, and appropriately managing other potential adverse impacts.

ED 3.8 Technology-Based Industries

Encourage the development of advanced and emerging technology based industries.

Discussion: Because of the expansion of high tech and the higher paying jobs associated with the industry, advanced-technology firms can potentially create new jobs while increasing wealth. High-tech businesses are sources of ideas and innovations that increase the likelihood of new business start-ups. Development or recruitment of high-tech industries can be accomplished by ensuring a quality workforce to fill industry needs and designating areas for high-tech business development, particularly in designated employment centers and downtown Spokane, that include supporting infrastructure and state-of-the-art communication facilities.

ED 3.9 Regional Marketplace

Support strategies to expand regional markets for local services and products.

Discussion: Spokane is ideally situated as a regional distribution center for the area. Expanding the opportunities to export goods and services to other areas of the region and world brings more money into the local economy.



ED 3.10 Downtown Spokane

Promote downtown Spokane as the economic and cultural center of the region in order to protect past public and private investments, to produce tax revenue needed to pay for growth and desired public services, and to provide continued job opportunities in office, government, retail, service, and tourism.

Discussion: Continuing to expand economic opportunities in the downtown area by revitalizing retail activity, expanding job opportunities in the public and private sectors, attracting recreational, arts, and entertainment and tourist businesses, and developing downtown housing to encourage a stable resident population are essential to a healthy downtown.



ED 4 INCOME AND EMPLOYMENT OPPORTUNITY

Goal: Enhance the economic future of the community by encouraging the creation of jobs that increase the average livable wage and reduce income disparity.

Policies

ED 4.1 Livable Wage

Encourage the recruitment of businesses that pay wages at least commensurate with the cost of living and that provide health and retirement benefits.

Discussion: A portion of Spokane's population is underemployed due to the relatively few high paying, high skill jobs. Recruiting employment opportunities that provide high paying jobs with competitive benefits programs helps to elevate Spokane's employment level.

ED 4.2 Benchmark Indicators

Work with the private sector to establish benchmark indicators for employment and income levels, monitor progress toward reaching those levels, and prepare an annual status report on progress.

Discussion: Benchmarks are a way to measure progress toward economic development goals. The City of Spokane should work cooperatively with economic development organizations, institutions of higher learning, and members of the community to establish benchmarks, ensure that they are achieved, and annually review progress to determine if a change in strategy is needed. This enables the city to monitor its progress toward meeting planning goals. Examples of benchmarks include number of new jobs per year, levels of income, housing to jobs ratio, and home ownership ratio. In addition, community environmental and social conditions are a good indicator of economic health and should be considered when establishing benchmarks.

ED 4.3 Income Equity

Cooperate with other community agencies and organizations to address income equity and employment opportunities within the Spokane economy.

Discussion: One way to improve the economic vitality and stability of the city is to address the disparities in income and employment opportunities faced by some members of the community. Historically, women, minorities, and other economically disadvantaged groups have had low incomes as well as fewer and poorer employment opportunities compared with society as a whole. These disparities can be addressed through education, training, and social service programs. The Education and Workforce Development Policies, ED 5.1 through 5.8, help meet these needs. Chapter 10, Social Health, also addresses this issue. Members of disadvantaged communities should be involved in these and other efforts to improve their economic future.

Economic disparity is also a geographic issue that has had detrimental economic effects on the city's economy. ~~From 1970 to 1990, economic segregation within the Spokane metropolitan area increased 40 percent. Increasingly, the city is the place of lower income households and the suburbs are the place of higher incomes.~~ By redirecting growth and economic activity ~~back~~ into the city, the segregation of our economic sectors can be reduced.



ED 5 EDUCATION AND WORKFORCE DEVELOPMENT

Goal: Improve Spokane's economy through a well educated citizenry and a qualified labor force that is globally competitive and responds to the changing needs of the workplace.

Policies

ED 5.1 K-12 Education

Work cooperatively with local schools to help maintain and enhance the quality of K-12 education in the city's schools.

ED 5.2 Youth Programs

Cooperate with educational institutions and businesses to provide young people with exposure to a wide variety of employment and business opportunities.

Discussion: The City of Spokane Youth Services Department currently provides programs to enrich the education and employment opportunities for the city's youth and should continue in its endeavors. Examples of programs and activities for youth education and business exposure include apprenticeship and mentoring programs, job fairs, and vocational education that includes on-the-job training.



ED 5.3 Post-Secondary Education and Job Training

Support continued efforts of the educational community to contribute to the health of Spokane's economy through post-secondary plans, programs, and activities.

Discussion: The city should support continued efforts of the educational community to provide adult education, vocational education, job training, and higher education including research, within the region that meet the needs of businesses, employees, and residents.

To determine how post-secondary education can best contribute to Spokane's economy, the city should support the efforts of universities to work cooperatively to develop programs to strengthen the economy in a variety of mutually supportive ways:

- ◆ Training and life-long learning for both traditional age and adult learners from all economic strata in support of the creation of a qualified workforce able to compete for high paying jobs in the emerging international and highly technical economy.
- ◆ Developing "destination" academic programs that can attract highly qualified and talented faculty and students from other cities, states, and regions who otherwise would not come to Spokane.
- ◆ Attracting research dollars and programs that will contribute, by their monetary value alone, directly to the Spokane economy, and indirectly by creating an intellectual environment conducive to invention and product development.
- ◆ Contributing to the visual and performing arts as well as the range of cultural activities so necessary to the development of an attractive, vibrant, and economically dynamic economy.

ED 5.4 Program Evaluation

Support efforts to introduce new, high quality programs into the curricula of area technical schools, community colleges, colleges, and universities that address the changing needs of businesses and employees.

Discussion: As technology advances, business and industry continue to experience a shift in needed employee skills. The information age has produced a shift from production skills to information-processing and problem-solving skills. Most new jobs demand an ability to adjust to forces requiring continual changes in products, processes, and management structures. Science and technology skills are becoming increasingly important and in Spokane's global economy, there is an increasing need for higher levels of international skills. Schools and colleges of business and management must examine their effectiveness in producing entrepreneurs and managers capable of competing in a world market. In addition, an unprecedented requirement for adult retraining and continuous adult learning to keep pace with the changing needs of business and industry is now present. The City of Spokane, therefore, encourages the educational institutions of the region to constantly evaluate their programs to be responsive to the changing job market.

ED 5.5 Communication Links

Encourage greater communication between the City of Spokane, educational and training providers, businesses, employees, and residents to meet community educational and job-training needs.

ED 5.6 Employer Training Support

Encourage employers to support continuing education and training for their employees.

Discussion: Continuing education and training encourages an adaptive workforce and higher retention of qualified employees.

ED 5.7 Transportation and Employment Opportunities for Special Needs Populations

Promote accessibility to service and activity centers, jobs, and public transportation for special needs populations.

Discussion: Special needs populations include everyone from children and the elderly to persons with disabilities and persons of low-income. The most common denominator among these groups is the fact that they do not drive for one reason or another. Therefore, in order to move around the community, they must rely on public transportation.

This is especially an issue for workforce development. People who are trying to get off welfare and return to work do not go to work if they cannot get there easily. In particular, it is important to focus on providing easy access to and from the sites that meet their daily needs: jobs and job training, childcare, housing, and medical and social services. While physical co-location of these uses makes them the most easily accessible, it is important to provide transportation links between scattered sites. Once these transit links are available, it is also necessary to get the word out so people know these services are available and can make the best use of them.

Employers stand to benefit as well. Anything that improves an employee's likelihood of getting to work each day results in overall increased employee stability. In the end, this means higher employee productivity and lower training costs for the employer.

ED 5.8 Library as Educational Resource

Fund the library system at a level adequate to improve the educational level of Spokane's workforce.

Discussion: The city should improve the accessibility of the library system, which functions to improve the educational level of Spokane's workforce. Increased hours of operation at the library is one way the library could provide more choices and opportunities for personal education. In addition to a vast array of printed materials which can aid citizens in furthering their education, library computers provide those who do not own a computer the ability to access electronically delivered information, including local training and employment opportunities. Libraries potentially can serve as job-training program sites, providing citizens the opportunity to upgrade or develop new work skills in order to qualify for higher-paying jobs.



ED 6 INFRASTRUCTURE

Goal: Implement infrastructure maintenance and improvement programs that support new and existing business and that reinforce Spokane's position as a regional center.

Policies

ED 6.1 Infrastructure Utilization

Locate development where infrastructure capacity already exists before extending infrastructure into new areas.

Discussion: In most cases, extending water, sewer, and roads to new areas of development is more expensive than building in developed areas served by the existing infrastructure.



ED 6.2 Infrastructure Projects

Promote infrastructure projects that enhance the city's quality of life and business climate.

Discussion: Basic services and facilities are necessary for a community to enter the competitive arena for new investment. Expenditures to maintain adequate infrastructure and community services are necessary and indicate a city's commitment to its quality of life. Citywide infrastructure improvements and community services keep the city and its commerce running efficiently.

ED 6.3 Public Investment in Designated Areas

Use capital facility funds to promote economic expansion in those areas designated for economic development or mixed-use.

Discussion: The City of Spokane can focus growth by the discretionary use of capital facilities funds in those areas where economic growth is desired, such as new industrial areas or mixed-use districts. The city can identify and prioritize areas for infill development or redevelopment where infrastructure improvements are necessary to induce development and work cooperatively with area economic development agencies to ensure that economic development plans are consistent with achieving this goal.

ED 6.4 Communication Facilities and Networks

Support the expansion and development of sophisticated communication facilities and networks required by industries that use high technology.

Discussion: Spokane must continue to prepare for changing technology in order to be in a position to compete for new industry. Industries that use high technology systems have grown increasingly more important to local economies. Having the necessary communication ~~wiring and~~ systems in place encourages businesses that are dependent on technology to locate in Spokane and allows local universities and colleges to attract and train students for careers in the technology industry.

It is imperative that Spokane continues its political and financial commitment to develop further ~~the Terabyte Triangle and other appropriate~~ areas within the city in order to compete in the highly competitive technological market.

ED 6.5 Infrastructure Maintenance

Maintain infrastructure at safe and efficient levels.

Discussion: Streets, sewers, water delivery, gas and electric power distribution, communication systems, and solid waste disposal all effect how efficiently companies conduct their business. Maintaining existing infrastructure in proper working order is imperative for efficient business operation.



ED 7 REGULATORY ENVIRONMENT AND TAX STRUCTURE

Goal: Create a regulatory environment and tax structure that encourage investment, nurture economic activity, and promote a good business climate.

Policies

ED 7.1 Collaborative Nurturing of the Business Climate

Work with the business community, labor, and residents to maintain a good business climate.

Discussion: Factors that contribute to a favorable business climate include relatively low direct taxation of businesses, development regulations that are flexible and efficiently administered, and community attitudes that support balanced and managed growth.

ED 7.2 Revenue Sources

Ensure that tax revenue sources are stable, allocate costs equitably within the community, do not penalize certain types of businesses, attract and retain businesses, and maintain the City of Spokane's high quality of life.

Discussion: To maintain a healthy economy and a good business climate, taxes need to be equitably distributed among businesses, residents, and other members of the community. Since taxes are a cost of doing business, businesses need tax stability to help them plan for the future. Although the taxing authority of cities is limited, the City of Spokane should try to impose taxes and fees that reflect the needs and priorities of the community as expressed in the comprehensive plan.



Prices for services such as water, sewer, energy, and solid waste disposal should be kept as low as possible to provide a competitive edge for attracting businesses and must be kept in balance with the total cost to the community.

ED 7.3 State Tax Changes

Lobby the state legislature for changes in state tax laws to allow more options or mechanisms to be available as incentives to business investment.

Discussion: A tax structure that is inflexible or regressive limits the start up of new businesses and the relocation of existing businesses into Spokane. The State of Washington's constitution limits some taxing tools used in other states, ~~such as tax increment financing.~~ The city should focus attention on lobbying efforts aimed at increasing its potential to attract new businesses and development efforts, ~~through a change in the state tax laws.~~

There is a need for a change to a progressive tax structure, better understanding and awareness of the tax structure, as well as the necessary changes to state law to enable jurisdictions within the state to compete nationally and internationally for new industry.

ED 7.4 Tax Incentives for Land Improvement

Investigate changes in tax structure that encourage business investment and construction where infrastructure exists, especially in centers or other priority areas for development.

Discussion: The current tax structure does not provide incentives to develop land in specific locations identified as desirable for growth. Property taxes increase if property improvements are made. This may discourage improvement, leaving land vacant or unimproved. Taxing land based on its location, regardless of its condition, could stimulate construction or improvement.

ED 7.5 Tax Incentives for Renovation

Use tax incentives and investments to encourage revitalization, modernization, or rehabilitation of deteriorated properties and buildings for new economic activity.

Discussion: ~~The city can use tax incentive housing programs and investment of public funds in urban amenities in those areas that are targeted for economic growth. When tax incentives are used on buildings identified as having historic significance, it shall be done in compliance with the Department of the Interior Standards for Historic Preservation or other locally adopted standards.~~ Spokane's historic preservation program provides many benefits to potential business owners through tax reduction incentives and tax credits. National and local historic preservation tax credits can be used to rehabilitate historic buildings for economic purposes with the added benefit of helping to maintain the city's historic traditions that are an inherent component of Spokane's quality of life. ~~The city can use tax incentive housing programs and investment of public funds in urban amenities in those areas that are targeted for economic growth. When tax incentives are used on buildings identified as having historic significance, it shall be done in compliance with the Department of the Interior Standards for Historic Preservation or other locally adopted standards.~~



ED 7.6 Development Standards and Permitting Process

Periodically evaluate and improve the City of Spokane's development standards and permitting process to ensure that they are equitable, cost-effective, timely, and meet community needs and goals.

Discussion: Community needs and goals include ensuring that new development is attractive, public services are adequate and efficient, maintenance costs are low, and that development has minimal adverse impacts on nearby uses and the environment. Development standards for retail, office, and manufacturing areas should balance these purposes with the need to cost-effectively provide sites for businesses. Development standards that provide flexibility can help to ensure

that site amenities essential to maintaining the city's quality of life can be reasonably provided, while still providing cost-effective site development for new and expanding businesses.

Maintaining an efficiently administered permitting process can create a positive business climate. The environmental review process, for example, can be simplified by defining in a single, comprehensive summary all local, state, and federal environmental regulations, so that overlapping regulations can be avoided. The city shall explore the possibility of conducting city-initiated environmental Planned Actions, enabled by the State Environmental Policy Act, in areas targeted for economic growth so that the environmental review process for development in those areas is more expedient. In addition to facilitating an efficient permitting process, city staff should act in an advisory role to developers on design issues and maintain information on funding sources.

ED 8 QUALITY OF LIFE AND THE ENVIRONMENT

Goal: Improve and protect the natural and built environment as assets that attract economic development opportunities and enhance the City of Spokane's quality of life.

Policies

ED 8.1 Quality of Life Protection

Protect the natural and built environment as a primary quality of life feature that attracts new business.

Discussion: The importance of the city's high quality of life as a contributor to a favorable business climate is likely to increase as businesses make more decisions on where to locate based on the city's appeal. Good schools, good infrastructure and public services, high quality neighborhoods, an attractive community appearance, many natural areas, a variety of recreational opportunities, and the perception of clean air and water attract both businesses and residents. These benefits act as economic development tools and must be protected in order to continue to function as attractions to potential businesses and residents.

Individual programs and policies that respond to a particular business need may be of limited success in encouraging firms to expand or attracting new firms if they are not part of a comprehensive effort to upgrade the quality of life of the city. Improving the city's quality of life where it is poor can have a significant impact on decisions firms make regarding location and workforce changes.

ED 8.2 Sustainable Economic Strategies

Promote sustainable economic strategies.

Discussion: Sustainable economic strategies are those that strive to achieve economic development in a manner that minimizes physical, social and environmental impacts.

ED 8.3 Recreation and Tourism Promotion

Promote the region's outdoor amenities as recreational and tourism business opportunities.

Discussion: Recreational and tourism business opportunities abound in the Spokane region because of the geographical location and abundance of lakes, streams, and mountains. Not only must these natural resources be protected, Spokane must also promote them as the base of unique opportunities for new business.

ED 8.4 Environmentally Compatible Businesses

Encourage the recruitment of businesses that are environmentally friendly and that are compatible with the quality of life standards of the region.

Discussion: Industrial developments that minimize resource use and production of waste byproducts are beneficial to the environment and economy. Reconciling the demands for business and environmental compatibility is challenging. The development of eco-industrial parks is one alternative to meet this challenge. Businesses coordinate their activities in an environmentally responsible manner while benefiting collectively through increased resource use efficiency and reduced waste production.

ED 8.5 Environmental Protection Business Opportunities

Support businesses that specialize in environmental protection.

Discussion: As environmental concerns continue to emerge, business opportunities in the environmental protection industry increase. Examples of new industries include paper and plastic recycling and the conversion of industrial byproducts into useful materials.

ED 8.6 Contaminated Site Clean-Up Responsibilities

Target contaminated sites and facilitate their clean-up.

Discussion: The city can improve the environment and its ability to attract new business as well as increase its supply of available land by targeting environmentally contaminated sites that are desirable for redevelopment.