



**Comprehensive Economic Development Strategy
(C E D S)
for the Spokane Region**

FY 2014-2015

For more information, contact
Greater Spokane Incorporated™

801 W. Riverside Ave., Suite 100
Spokane, WA 99201
509.321.3636
info@greaterspokane.org

Economic Development Organizations

Each organization listed below contributes to the economic development of the region by focusing its core initiatives in collaboration with all others. Particular attention is given to those areas where duplication of mission is evidenced to ensure effectiveness and coordination of effort.

- Agri-Business Council
- AHANA
- AIR Spokane
- City of Airway Heights
- City of Cheney
- City of Colville
- City of Deer Park
- City of Liberty Lake
- City of Medical Lake
- City of Millwood
- City of Newport
- City of Spokane
- City of Spokane Valley
- County of Spokane
- Community Colleges of Spokane
- Conservation District of Spokane
- Deer Park Chamber of Commerce
- Downtown Spokane Partnership
- Greater Spokane Incorporated



Economic Development Organizations

- Greater Spokane Valley Chamber of Commerce
- Health Sciences & Services Authority of Spokane County (HSSA)
- Inland Northwest Economic Alliance and Partners
- INWAC
- Northwest Business Development Association
- Small Business Administration
- Small Business Development Center (SBCD) Spokane
- Spokane Angel Alliance
- Spokane Area Workforce Development Council
- Spokane Conservation District
- Spokane Angel Alliance
- Spokane International Airport
- Spokane Neighborhood Economic Development Alliance
- Spokane Neighborhood Action Programs
- Spokane Regional Sports Commission
- Spokane Regional Transportation Council
- Spokane U.S. Export Assistance Center
- Visit Spokane
- West Plains Chamber of Commerce
- WorkSource Spokane



Table of Contents

Executive Summary	5
Spokane- A Vision for the Future	6
The CEDS Process: Community-Based Economic Development Planning	7
The Importance of a Regional Approach to Economic Development	8
Human and Social Capital	11
Geographic, Climatic, and Agricultural Profiles	25
Economic Profile: Industry Clusters, Entrepreneurship, Workforce Development	31
Infrastructure: Telecommunications, Transportation and Utility Profiles	40
Economic Analysis	50
Critical Initiatives	52
Economic Priorities & Initiatives	53
Projects Prioritization & Evaluation	56
Appendix	57

Executive Summary

Spokane County, Washington has adopted a Comprehensive Economic Development Strategy (CEDS) as a prerequisite to access federal funds from the EDA. This document serves as the 2014/2015 update.

Utilizing EDA guidelines, the Spokane Regional Chamber of Commerce and Economic Development Council (D.B.A. Greater Spokane Incorporated™) is a 501(c)(6) not-for-profit organization committed to accelerating regional economic prosperity throughout the Spokane area. Greater Spokane Incorporated established the CEDS Oversight Committee to manage the formation of this Comprehensive Economic Development Strategy. Greater Spokane Incorporated's Oversight Committee is comprised of more than 50 community volunteers representing more than 40 organizations and agencies. Every effort has been made, and continues to be made, to include the broad community of organizations and individuals contributing to the economic development of the region. This CEDS plan includes an analysis of the current economic conditions of Spokane County, a vision of the community as defined by the CEDS Oversight Committee, an action plan for achieving the community vision, and a mechanism for evaluating progress toward the planned vision. This document maintains the system of continual review and update.

Spokane — A Vision for the Future

The Spokane area is the hub of the region. That is Spokane's strength. Residents of the region live and work as partners at the intersection of urban and rural; land and water; all modes of transportation; manufacturing, service and knowledge economies working together. Success comes from taking advantage of these connections and unique assets as a regional center to build a sustainable future.

Few regions offer Spokane's combination of focused strengths in high-demand sectors — healthcare-biosciences, aerospace, clean technology, energy efficiency, IT and digital services — with the unparalleled quality of life it takes to grow and retain a talented workforce and productive businesses for the long term.

Assets that contribute to Spokane's community and economic future:

Environment

- Diverse land uses ranging from urban centers to local food production to wild and scenic recreation - all in close proximity
- A river running through the heart of downtown Spokane and the region that brings power, beauty, and clean drinking water through its interconnection with our unique sole-source aquifer

Economy

- Health care, higher education, and government sectors as stabilizers in changing times
- Supportive networks and services for entrepreneurs and innovators willing to take a chance on an idea
- Opportunities to link all sectors and modes of transportation for movement of people and goods in and through the region

Community

- Commitment to collaborative approaches that leverage the distinctive strengths of each partner and create a whole greater than the sum of its parts
- Belief in the power of education to align with and support the needs of business and society to improve opportunity and outcomes for everyone by educating and retaining our workforce
- Dedication to the cultivation of an inclusive community spirit that welcomes people bringing all varieties of the human experience to build our region together

Measurement of success as a community includes evaluation of how citizens, businesses and institutions work together to create opportunity for an education, a living-wage career, a secure economic climate, and an affordable, healthy lifestyle without compromising quality and opportunities for future citizens.

The CEDS Process: Community-Based Economic Development Planning

This CEDS is a focal point for community-based economic development planning and identifies issues, needs and critical priorities for aggressive pursuit by involved agencies, governments and organizations. The need for a CEDS is not driven solely by a desire for federal Economic Development Administration (EDA) funding. Rather, this CEDS and the process formed to complete it, serves as the continuing basis of future economic development planning in the region. Coordination at the local level facilitates coordination at the state level. After reviewing current trends and factors affecting economic and social conditions in Spokane County, the CEDS process created a vision. Critical initiatives deemed necessary to achieve a unified community vision were then identified and proposals consistent with these initiatives were solicited from regional agencies and the public at large. In addition to the reasons mentioned above, this document has been prepared to respond to opportunities presented by Spokane County's eligibility for federal funding support from the U.S. Department of Commerce, Economic Development Administration.

To accomplish this task in a fashion consistent with the direction of the EDA, in 2001 Greater Spokane Incorporated (formerly the Spokane Area Economic Development Council) Board of Trustees established the CEDS Oversight Committee that includes the participation of 80 individuals representing 48 involved organizations, governments and agencies throughout Spokane County. Drawing from the CEDS Oversight Committee, and from the community at large, four subcommittees were formed: the Vision, Analysis, Plan, and Project Priority subcommittees. Each subcommittee provides direct input to the CEDS in their respective areas, and reviews the combined effort to ensure effective component integration. The final draft is presented to the CEDS Oversight Committee for final consideration and adoption.

The Oversight Committee presents its findings and recommendations to the Board of Trustees of Greater Spokane Incorporated for review and approval, and to the Spokane County Board of Commissioners for final approval. The Spokane County, Washington Comprehensive Economic Development Strategy is organized to include the following components:

- **Analysis:** Where are we?
- **Vision:** Where do we want to go?
- **Action Plan:** How do we get there?
- **Evaluation:** How are we doing?

The Importance of a Regional Approach to Economic Development



As national and global competition for state products and services increased over recent years, the State of Washington saw declining support and funding for economic development at the local level. Efforts have been underway since 2001 when then Governor Gary Locke convened the Washington Competitiveness Council to examine Washington's ability to compete in the global economy of the 21st Century. The Competitiveness Council made 109 separate recommendations for improving the business climate in Washington State, of which the Governor and Legislature took steps towards implementing those recommendations. The Council specifically recommended the formation of a new state Economic Development Commission to help guide Washington's economic development policy and provide continuity for the state's economic strategy.

In 2002, the Washington Economic Development Commission was formed to provide direction to the lead economic development agency, Department of Community, Trade and Economic Development, now renamed the Washington State Department of Commerce, and to update and develop the State's economic development strategy.

The Importance of a Regional Approach to Economic Development

The Commission recommended the following activities:

1. Develop a toolkit approach to support the unique needs of regional growth strategies with programs and incentives that assure the competitiveness of Washington State;
2. Create incentives to improve business recruitment, retention and expansion;
3. Provide the Governor with maximum flexibility with the newly created strategic reserve account in order to respond quickly to competitive situations; and
4. Continue work on a recommended approach for the successful commercialization of innovative technologies emerging from the state's research institutions.

Governor Christine Gregoire, elected in 2004, also convened the Global Competitiveness Council and charged them to focus on Washington's unique mix of regionalism and globalism. The Council formed five committees to make the following recommendations:

- The "Infrastructure" committee made recommendations around telecommunications, water, freight, energy and air transportation.
- The "Marketing" committee recommended a Global Business Attraction and Promotion campaign, an inventory and expansion of marketing resources; and efforts to leverage additional activities.
- The "Political Environment" committee focused on the context for decision-making in the state and made recommendations around education and policy to reduce political conflict.
- The "Research and Innovation" committee recommended increased support for research and innovation; improved commercialization and technology transfer; broader distribution of technical knowledge; and better preparation and engagement of the workforce.
- The "Skills" committee recommended steps to improve seamlessness in the education system, raise the bar on performance, increase investment and prepare the workforce.

The three major components that came out of these recommendations are:

1. Education and skills are the most important investment we can make in our economic future.
2. The foundation for economic success is our strategy for traditional infrastructure investment, but also for the broader underpinnings of the modern economy; success in today's global market requires more deliberate approaches to energy, telecommunications, water and transportation.
3. "Washington is open for business" is our approach to making Washington even more business-friendly by making it easier and less expensive to operate a business in Washington.



The Importance of a Regional Approach to Economic Development

Gov. Inslee's economic development priorities for Washington align with the Spokane region's efforts: Ensure our businesses have the world-class workforce they need, streamline state government to better support private-sector business growth through the Economic Competitiveness and Development Office, encourage innovation and entrepreneurship, increase the speed of Washington commerce - addressing infrastructure improvements to provide long-term economic growth.

Greater Spokane Incorporated produced *Spokane Vitals*, a tool designed to benchmark this region against a series of 20 economic, social and environmental indicators, and to measure annual progress between Spokane and 11 peer communities across the United States. Both promising results and critical challenges were highlighted. This measurement tool helped facilitate the Spokane region's economic growth and development by identifying these areas of challenge and opportunity, which in turn, will be used to develop dynamic regional strategies for global competitiveness.

In addition to statewide regional economic development efforts, we also convene economic development groups across state lines. An alliance of regional economic development agencies and corporations have formed the Inland Northwest Economic Alliance (INEA) which is aimed at building economic growth through enhancing the brand recognition of the Inland Northwest and its communities and business value.

The main goal of this organization is job creation. The alliance leverages the value proposition of the region which is characterized by low costs, rich resources and abundant opportunities. The members of the alliance work hand-in-hand to promote the region to targeted locations on the West Coast and have co-hosted several prospect visits during the last several years. Members value business and the power of working together.

A regional approach to economic development leverages member strengths and knowledge in promoting the area's attributes and opportunities to companies looking for a new place to call home.

Human and Social Capital

Communities provide many types of assets for residents. Some are based on the physical landscape of the region, providing natural resources to live and survive. Others are built infrastructure, moving people, goods and information from place to place. Last, there are the assets that are necessary for a community to thrive and to prosper by creating or reacting to change. Human capital and social capital are such assets to a region. Humans create new ideas that lead to a better society and a better economy. Social capital promotes goodwill, trust, and cooperation between members and groups in a community.

Human capital is the notion that all people have the ability to be great and to do great things. All members of a society have the ability to function as a working part of the economic system within their community and to foster ideas, innovation and services for the better good of society. Economic vitality is 100% dependent on human capital. Without hard-working people exerting their skills and knowledge, societies stagnate and then slide backwards.

Social capital is an asset that can be leveraged to create deals and relationships, build teams and community, moderate disagreement, inspire innovation and change, enter new markets, and attract businesses and citizens to a community. It is the strength of social capital, in the form of leadership, partnerships, and community spirit, that drives economic growth and development.

Spokane is rich in all these elements, which are critical to economic growth and vitality. The community is particularly noted for its collaborative culture and interconnected social networks that enable talented workers, entrepreneurs, investors, community volunteers, and leaders to tap into the community's resources. This collaboration is essential to maintain and strengthen social capital, which is a renewable resource but not something that the community can take for granted.

Diversity and Inclusion

Historically, the Inland Northwest region has lacked significant racial and ethnic diversity. However, the two-county area's racial and ethnic diversity is extremely rich in terms of the number of racial and ethnic groups present. The largest ethnic or racial group is Hispanic, with Asian a close second. Blacks and American Indians are third and fourth, respectively. A very small share of the population is considered Native Hawaiian and Pacific Islanders. Foreign-born persons make up 5.5% of the total population in Spokane County, and include people from Europe, Asia, Africa, Oceania, Latin America and North America. More than fifty-five languages are represented in the region.

Knowledge of racial and ethnic diversity is important in helping policy makers promote racial and ethnic diversity, improving racial and ethnic relations, and in attracting businesses to the region. Recent research indicates that progressive social and cultural climates are seen as necessary for attracting highly educated professionals, such as those required by high-tech businesses.

Organizations such as the AHANA business organization and a wide variety of groups from the

Human and Social Capital

NAACP to groups organized around a specific culture or ethnicity provide welcome and information to Spokane's people in all their diversity. Programs in the schools such as Spokane MESA (Mathematics, Engineering, Science Achievement), a partnership of Washington State University Spokane and Eastern Washington University, provide mentorship and enrichment in the classroom to encourage students of every race and ethnicity to pursue advanced education and opportunity. Each year the Unity in the Community event held in Riverfront Park draws thousands and thousands of people to celebrate diversity and inclusion.

Higher Education

Spokane is home to a full spectrum of opportunities in both public and private higher education, from two-year certificates to doctoral degrees. Over 80,000 students study at area colleges and universities within a 100-mile radius of Spokane, building the talent pool for the region.

Higher education "corridors" link Washington and Idaho, both in the Spokane/Coeur d'Alene area and in the Pullman/Moscow area. Cross-border collaborations expand learning opportunities for students, and enable institutions to leverage their particular strengths by working together.

Washington institutions with campuses or programs in the region include:

Community Colleges of Spokane: Spokane Falls Community College and Spokane Community College
Eastern Washington University
Gonzaga University
University of Washington
Washington State University
WSU Spokane
Whitworth University
ITT Technical Institute, Park University, and others

Idaho institutions include:

Lewis-Clark State College
North Idaho College
University of Idaho

Community Colleges of Spokane is recognized as one of the strongest community college systems in the state of Washington. The district serves a 12,300-mile, six-county region and includes Spokane Community College and Spokane Falls Community College. Together the colleges offer over 150 degree and certificate programs. The district also delivers a variety of educational programs including rural outreach, business and community training, adult literacy services – and Spokane County Head Start/ ECEAP/Early Head Start. The district delivers educational services to over 37,000 students each year. www.ccs.spokane.edu

Human and Social Capital

Eastern Washington University has a 133-year tradition of serving the greater Spokane area and the Inland Northwest. Located in Cheney, Washington, Eastern is a regional, comprehensive public university that focuses on career preparation with a liberal arts underpinning. Eastern connects its students, faculty and staff with opportunities for lifelong education and citizenship. Serving approximately 12,500 students each year -- some of whom are the first in their family to attend college -- Eastern provides an opportunity to start something big. Offering more than 100 fields of undergraduate and graduate study, Eastern prepares graduates in high-demand programs such as biotechnology, cyber security, forensic science, entrepreneurship, education, dental hygiene, and urban planning. Eastern has more than 100,000 alumni and also offers programs in downtown Spokane at the multi-institutional Riverpoint Campus, as well as programs in Bellevue, Washington and at eight community colleges across the state. www.ewu.edu

Embry-Riddle Aeronautical University has served the public and private aviation sectors for nearly 90 years, and is the only accredited not-for-profit university in the world totally oriented to aviation. The university is housed in the Fairchild Air Force Base Education Center offering classes to civilians, active duty military, and their dependents. Embry-Riddle has two main campus locations – one in Daytona Beach, Florida and one in Prescott, Arizona. The Division of Continuing Education offers Embry-Riddle degree programs at more than 150 locations throughout the continental United States, Alaska, Hawaii, Asia, the Middle East and Europe. The associate and bachelor of science degree in professional aeronautics, and a bachelor of science degree in the management of technical operations, are offered. At the graduate level, a master of aeronautical science degree is offered. worldwide.erau.edu/locations/spokane

Gonzaga University is a private, four-year comprehensive Jesuit university. Gonzaga enrolls about 7,500 students in 75 academic majors. The University is home to the Gonzaga School of Law, one of only three law schools in the state of Washington. While the core curriculum is grounded in the liberal arts, Gonzaga offers degree programs in the arts and sciences, business administration, education, engineering, and the professions such as nursing and exercise science. In addition to its majors, Gonzaga offers nationally renowned undergraduate programs in entrepreneurship and leadership. Gonzaga consistently has been ranked by U.S. News & World Report among the top-rated colleges and universities offering master's programs in the West (Ranked 4th in 2010). Its historic campus north of the Spokane River lies in the developing University District, just across from the Riverpoint Campus. www.gonzaga.edu

ITT Technical Institute is operated by Indianapolis-based ITT Education Services, Inc. ITT/ESI, a subsidiary of ITT Corporation, provides education at 140 sites in 38 states. The ITT campus located in the Spokane Valley offers programs in information technology, electronic technology, drafting and design and criminal justice. ITT is accredited by a Department of Education-approved agency and is a degree-granting institution.



Human and Social Capital

Park University offers a wide variety of associate and bachelor of science degrees through the School for Extended Learning and School for Online Learning. The Spokane branch is located at Fairchild Air Force Base. Park University is located in 43 centers in 21 states, targeting working adults and military personnel. Park is accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools. www.park.edu/fair/

The Riverpoint Campus lies at the heart of Spokane's 770-acre University District. The campus and surrounding property are home to programs of Washington State University Spokane, Eastern Washington University Spokane, and Whitworth University. In addition, the administrative offices of the Community Colleges of Spokane are located at Riverpoint, and Gonzaga University is situated across the Spokane River to the north. The main campus of Whitworth University is situated a short drive to the north side of Spokane.

The Riverpoint Campus is developing as an academic health science campus in partnership with the region's strong healthcare sector. Washington State University has designated it as their health sciences campus. See Washington State University below and Health Sciences: Industry Profile on page 34 for additional information.

Spokane Community College is a diverse higher education center offering 97 programs of study in a wide variety of fields. Nearly one quarter of SCC's students complete their AA or AAS degrees and transfer to a four-year school. SCC features one of the largest selections of career and technical programs in the Pacific Northwest and is noted for working with local employers to ensure the latest tools and technologies are taught. SCC programs include American Honors, health sciences and nursing; environmental science; automotive technology; aerospace and advanced manufacturing; and information technology. SCC also provides adult basic education services, college preparation and English as a Second Language programs. SCC operates five rural learning centers in Ferry, Stevens and Pend Oreille Counties. Over 22,000 students enroll each year at SCC. www.scc.spokane.edu

Spokane Falls Community College has a strong focus on providing two-year transfer degrees. More than 60 percent of SFCC graduates transfer to four-year colleges and universities. Some of the 57 programs of study at SFCC include American Honors, transfer degrees in liberal arts and social sciences; fine arts and music; graphic design and photography; education and early childhood education; human services; business and information technology; orthotics and prosthetics; interior design; physical/occupational therapist assistant; and hearing instrument specialist. SFCC also operates a campus in Pullman that focuses on serving students who are completing transfer degrees before enrolling in Washington State University. That campus also offers adult basic education services, and technical programs. Over 8,000 students enroll each year at SFCC. www.spokanefalls.edu



Human and Social Capital

University of Washington, founded in 1861, is one of the oldest state-supported institutions of higher education on the West Coast and is one of the preeminent research universities in the world. The UW has a presence in Spokane through its School of Medicine programs, housed at the Riverpoint Campus. The UWSOM has been ranked #1 in the nation for primary care for 19 of the last 20 years by U.S. News & World Report. The MEDEX program prepares physician's assistants; The WWAMI program prepares medical doctors through an innovative 44-year program that partners with universities in Washington, Wyoming, Alaska, Montana, and Idaho for first-year medical education; WSU is one of the founding partners in the WWAMI program 2. In 2013, 19 second-year medical students were enrolled at WSU Spokane. Spokane now has its largest medical school contingent: 20 first year, 19 second year, 15 third year, and 8 fourth year. www.washington.edu/

Washington State University is the state's public land-grant university, and one of the two flagship research institutions. Ranked as a top-tier, research-intensive institution by the Carnegie Foundation, WSU annually attracts over \$150 million in funded research awards and appropriations. WSU offers more than 200 fields of study with 90 majors, 67 master's degree programs, and 46 doctoral degree programs. At WSU students work closely with world-class faculty in funded research at the undergraduate as well as graduate level. WSU enrolls over 20,000 students at its Spokane and Pullman campuses. WSU has over 158,000 alumni living around the world, almost 89,000 of those in Washington state. www.wsu.edu; www.spokane.wsu.edu

Webster University is an independent, accredited university offering undergraduate and graduate degree programs in many fields. The extended campus located at Fairchild Air Force Base offers classroom and online programs. Courses are available to civilians, active duty military and their dependents. <http://www.webster.edu/fairchildafb>

Whitworth University is a private, residential, liberal-arts university affiliated with the Presbyterian Church (U.S.A.). Widely recognized as one of the top regional universities in the West, Whitworth enrolls about 2,500 students in more than 50 undergraduate and graduate degree programs. Whitworth has been recognized recently for the growth and quality of its programs in the sciences, performing arts, education and business. www.whitworth.edu

Higher Education Economic Development Initiatives

The Academic Health Science Center at Riverpoint

With strong support from community and business leaders, the Riverpoint Campus is developing as an academic health science center in partnership with hospitals, major clinics and private practitioners throughout the region, building on Spokane's strengths and assets as a regional medical center. The vision for the campus is to transform the future of health care with a new kind of teaching and research center that will have an even larger economic impact on the region than Fairchild Air Force Base. Its distinctive elements:

Human and Social Capital

- It's an interprofessional approach to learning where doctors, nurses, dentists, pharmacists and other health professionals will practice together.
- It's a statewide approach to address Washington's growing health care professional shortage and keep our health care talent here.
- At full maturity, it's an innovation economy engine to create thousands of jobs and a \$2.1B annual economic impact.
- Research that takes knowledge from basic science all the way to improved health outcomes will both improve the quality of health care delivery and create new business ideas.

A 2009 joint task force of Spokane business, higher education and healthcare leadership (coordinated by the University of Washington School of Medicine [UWSOM], Washington State University [WSU] and Greater Spokane Inc. [GSI]) studied the current and predicted physician shortages in Spokane and Eastern Washington, and proposed a plan for expanding undergraduate medical education (UME) in the region to four years with concurrent expansion of graduate medical education (GME). The recommendation is to expand the 40-year WWAMI partnership between WSU and the UWSOM to a full program at the Riverpoint Campus in Spokane. The task force concluded that, "in order to make an impact on the current and impending shortages of physicians in Spokane and eastern Washington, the class size in Spokane should be expanded over time to at least 80, and eventually to 100-120 students per year."

Tripp Umbach was invited to prepare a comprehensive community and economic impact report of the existing Riverpoint Campus and health and biomedical programs and those envisioned for an expanded Academic Health Science Center at Riverpoint over a 20-year period. The study, and the 2013 four-year update, examines much more than the completion of the medical school presence in Spokane. It measures both the current and future community and economic impacts of the following programs regionally and statewide:

- The expansion to a four-year research-intensive medical school
- The expansion of clinical clerkships
- The expansion of residency positions at hospitals
- The expansion of other health science programs (dentistry, pharmacy, nursing, allied and public health)
- The expansion of healthcare programs and services,
- The expansion of research and related commercial spinoffs

The report also highlights potential healthcare cost savings to the Eastern Washington Region related to the presence an expanded Academic Health Science Center at Riverpoint:

- Primary care physicians trained at the Academic Health Science Center who practice in underserved areas,
- Community health improvements that have positive impacts on reducing healthcare spending
- Increased access to appropriate quality healthcare

The existing Riverpoint Campus and its multiple partnerships with regional healthcare organizations,

Human and Social Capital

private businesses, and economic development organizations such as Greater Spokane Incorporated, constitute the springboard for future economic development in Eastern Washington and within a multi-state region. As the current Riverpoint Campus transforms into a comprehensive research-driven academic health science center, educational, research, and clinical partnerships will catalyze innovation, insight and entrepreneurship. These partnerships will launch new industries and add value to existing industries, creating new high-paying jobs in health care, higher education, and related industries.

The impact of the Academic Health Science Center at Riverpoint will be transformative in supporting regional needs:

- Workforce needs will be addressed through expanding numbers of highly qualified graduates with regional connections and interests.
- Spokane will expand as a center for research and discovery in the biomedical science fields. This will attract external research funding and further develop the biotechnology sector.
- The research and education enterprise will be a strong foundation to strengthen regional public health systems and effectively provide high-quality, cost-effective health services.

The annual economic, employment and government revenue impact of the Academic Health Science Center at Riverpoint will grow in the region and statewide.

Regional impact

- In 2013, the Riverpoint Campus and associated partnerships with academic institutions, healthcare organizations, research institutes, and private industry had a total annual regional economic impact of nearly \$350 million, supporting more than 1800 total jobs, and generating \$27.5 million in state and local government revenue.
- By 2030, Tripp Umbach estimates that the Academic Health Science Center at Riverpoint will have a total annual regional economic impact of approximately \$1.7 billion, support nearly 10,000 jobs and generate more than \$111 million in government revenue.

Statewide impact (inclusive of regional figures above)

- In 2009, the Riverpoint Campus and associated partnerships with academic institutions, healthcare organizations, research institutes, and private industry had a total annual statewide economic impact of over \$270 million, supporting approximately 1,535 full-time, high paying jobs and generating \$24.1 million in government revenue.
- By 2030, Tripp Umbach estimates that the Academic Health Science Center at Riverpoint will have a total annual statewide economic impact of approximately \$2.1 billion, support 13,410 jobs and generate more than \$163 million in government revenue.

Biomedical research at the Academic Health Science Center will attract fresh dollars to Eastern Washington and the state and will fuel growth in new and existing biomedical companies. Commercial impacts related to research are expected to grow within the region to more than \$656 million annually at full maturity, and more than \$884 million annually statewide (included in total impact figures above).

Human and Social Capital

The University District is home to an eclectic mix of history, uses, and demographics. The District is located on both sides of the Spokane River directly east of Spokane's Central Business District and downtown, the regional destination for business, entertainment, shopping, and dining. At the heart of the District, located on the south bank of the river, is the Riverpoint Campus. Immediately to the north across the river is Gonzaga University. Between all the universities represented in the district, over 15,000 students and faculty live, learn, work, and play in and around the University District.

South of the Riverpoint Campus lies Spokane's medical district, which includes Sacred Heart and Deaconess Hospitals and numerous clinics and support services to the health care industry. To the immediate south and east of the campus is the East Central neighborhood, an area historically residential in nature but subsequently zoned and developed as general commercial. To the north and adjacent to the Gonzaga University campus are the primarily residential areas of the Logan neighborhood. Along Division Street and the western periphery of the University District is a variety of mostly auto-oriented commercial development, while on the easterly edge at Hamilton Street and Trent Avenue sit several manufacturing and industrial businesses. Further north along Hamilton, in the vicinity of Sharp Avenue, the area has developed as a neighborhood retail and commercial center. Finally, the District also is adjacent to and includes significant access to transportation options—the railroad, Interstate 90, State Highway 395 (Division Street), Trent Avenue, and Hamilton Street—as well as the pedestrian and bicycle-oriented Centennial Trail along the river and a developing bicycle route network in and through downtown.

In 2007, Governor Christine Gregoire awarded Spokane's University District a designation as an Innovation Partnership Zone, one of only eleven statewide. Spokane's University District was also only one of five IPZs to receive state grants for their projects; WSU matched the state grant in order to develop a super-computing data center. The project brought new computing technologies to the region, enabling research and development to move rapidly from design concepts to production and deployment around the globe. The area was redesignated in 2012.

The Spokane City Council adopted a resolution that designated the Spokane University District as one of the city's Target Area Developments. Targeted Area Development is the City of Spokane's location-based program that aligns infrastructure with economic opportunities to maximize capital investment. In 2012, work was completed on Martin Luther King, Jr. Way through the Riverpoint Campus. Additionally, work has begun on three new infrastructure projects, including a bicycle/pedestrian bridge/safety overpass to create a vital linkage from East Sprague into the Riverpoint Campus; Division Street Gateway enhancements; and the University District-Sprague Corridor Planning Study. In 2009, a nonprofit leadership organization was formed to guide development in the University District.

K-12 Education

Human and Social Capital

Schools in Spokane County have been recognized as leaders in the state and across the nation in K-12 education. In 2013, 18 public schools in the county received Washington Achievement Awards from the State Board of Education. Parenting Magazine included Spokane in its top 10 list of “Best Cities for Families,” ranked on health, safety, education and economy.

Public Schools

Nineteen excellent public school districts combine to serve the educational needs of over 74,000 students in grades P-12, offering regular education and alternative programs including specialized course offerings in gifted and talented education, advanced placement, business and vocational training, and remedial and special education classes. Area school districts jointly operate the Spokane Area Vocational Skills Center to provide advanced vocational and technical training for high school students.

Community support for the public education system in Spokane County is strong. Voters provide positive support for most operational tax levies and capital improvement bond issues. Recent construction in the Spokane Public School District was funded by the passage of a \$332 million facility improvement bond in 2009. An additional \$47 million of state matching funds is also being used in the district-wide 25-year plan that includes replacement and modernization of schools and construction, security and technology updates throughout the district. The Cheney Public Schools also passed a \$70+ million bond issue in 2009 and is building two new middle schools and an elementary school. In addition to the jobs provided by school construction, school districts combined form the largest employer in the county; Spokane’s district is the largest employer in the city.

In 2013, Spokane’s school district had an Aa1 credit rating by Moody’s, and a AA rating by Standard and Poor’s.

School districts use citizen involvement through the active use of advisory committees and volunteers. Participation by the business community occurs through various programs, including Communities in Schools of Spokane County, the Partners Program, and the Youth Employment Training Program.

Private Schools

Excellent state-approved private schools are available for kindergarten through high school students from both secular and non-secular backgrounds. Spokane currently has 33 state-approved private schools, and over 1,500 students are home-schooled. These schools add another dimension to the educational excellence of the Spokane area.

The area is home to a number of educational organizations for special academic and therapeutic interests, including the Lilac Blind Foundation, various Montessori programs, and the Spokane Guild’s School and Neuromuscular Center.

Fairchild Air Force Base



Human and Social Capital

Fairchild is home to the 92nd Air Refueling Wing, one of the U.S. Air Force's largest tanker wings. Its KC-135 tankers refuel military aircraft in flight, allowing them to go farther and stay in the air longer during missions. In addition, the base is host to the Washington Air National Guard's 141st Air Refueling Wing, which shares KC-135 tankers with the 92nd Air Refueling Wing. The 336th Training Group, better known as the Air Force Survival School, which is part of the Air Education and Training Command, is also an important part of Fairchild.

The 4,300-acre base is larger than many Eastern Washington communities, with nearly 1,500 buildings, with a combined 6.7 million square feet of floor space. There are 230 acres of pavement on the base's flight line, including aprons capable of accommodating 100 large aircraft and a 13,900-foot-long runway big enough to handle the Air Force's largest aircraft.

Fairchild Air Force Base is one of the region's largest employers. More than 5,100 people work at Fairchild, including 2,900 active military personnel, about 1,000 guard members, and 500 civilians. The base's total population exceeds 8,600 with approximately 17,000 retirees in the area, representing an annual payroll of \$221 million. This brings Fairchild's annual economic impact on the community to approximately \$427 million, constituting 13 percent of the local economy. Fairchild also has many of the amenities of a small community, including places to shop, dine, recreate, and attend school.

In 2013, Spokane received its third Abilene Trophy, a nationwide distinction honoring the community's support of Fairchild Air Force Base.

Funding was provided by Washington State and Spokane County to purchase over 400 acres on the east end of the Fairchild runway to protect the base from encroachment. The State and the County also relocated a railroad spur that transited through the base and was a security concern. The spur was rebuilt outside the base but has the future option to continue to provide service to the Base.

Sporting

Spokane is emerging as a destination for world-class sporting events. The City hosted the 2007 U.S. Figure Skating Championships and was selected again for the 2010 Championships—an unprecedented accomplishment for a city of its size. Spokane hosted second and third round games of the 2014 Division 1 NCAA Men's tournament. Spokane hosted the U.S. Women's world hockey in 2009 and is slated to host regional women's games for the 2015 tournament, as it did in 2013. NCAA regional sporting events for men's and women's basketball, and in fall 2009 hosted the U.S. Women's World Hockey.

Spokane is home to the Arena Football League's Spokane Shock, the AFL's best-attended team from a minor-league market. The team has built a winning tradition with four league titles, including ArenaBowl XXIII in 2010. Avid fans also attend Spokane Chiefs hockey games and the Spokane Indians Class-A baseball games. The Texas Rangers-affiliated Indians have led the Northwest League in attendance

Human and Social Capital

for the past 12 years. In addition, the region is home to an excellent polo club with matches on most summer weekends at the polo grounds just west of downtown.

Men's and women's sports continue to draw regional and local spectators to their venues with WSU in the Pac-12, Eastern Washington University, Whitworth University, Gonzaga University, and the Community Colleges of Spokane.

- The Community Colleges of Spokane's athletic program is considered the flagship program of their conference, the Northwest Athletic Association of Community Colleges, consisting of 35 colleges in Washington, Oregon, and BC. The conference offers 16 championships each year and CCS programs normally win about half of the championships.
- Eastern Washington University, which competes in the Big Sky Conference of the Football Championship Subdivision, brought national attention to the region by winning the 2010 NCAA Division 1 National Championship.
- Gonzaga's athletic programs compete in the NCAA Division I West Coast Conference. Men's basketball advanced to the third round of the NCAA tournament in 2014 (16th straight NCAA tournament appearances) and the women's team hosted the first and second rounds of the NCAA tournament in 2013. Gonzaga's women advanced to the Elite Eight for their first time in school history in 2012 with a record of 31-5, the most wins ever for a Gonzaga basketball team (men or women).
- Washington State University competes in the prestigious Pac-12 Conference, the *Conference of Champions*. In recent years, WSU has made Spokane a home away from its home campus of Pullman, serving as host of NCAA Championship basketball and volleyball events at the Spokane Arena, and the men's and women's basketball teams play frequently at the Arena. In addition, the football spring game is played at Joe Albi Stadium, which serves as the culmination of a week-long schedule of activities by the athletic department in the city.
- Whitworth has established itself as one of the most successful NCAA Division III athletic programs on the West Coast. Pirate teams have won 30 Northwest Conference team championships over the last five years and the department has earned the NWC McIlroy-Lewis All-Sports trophy seven years in a row. Thirty-nine Pirate teams have competed in NCAA national championship events over the same five-year period.

Bloomsday, one of the largest timed races in the world, hosts over 51,000 runners, walkers, and wheelchair racers each May. The 12-kilometer course winds throughout Spokane's downtown and surrounding neighborhoods. The 2010 estimated economic impact of this road race is approximately \$141 million. The 2010 equivalent economic impact would be approximately \$14 million. Hoopfest, the largest three-on-three basketball tournament in the world, occurs each June on the streets of downtown Spokane. Over a two-day period 7,000 teams comprised of 250,000 players and fans will gather throughout, 456 courts spanning 42 downtown city blocks! Teams of all ages and abilities participate in this weekend of fun, hard work, and sportsmanship. The seventh annual SpokeFest family bike ride was held in 2014, drawing over 2,000 bicyclists of all ages and levels of ability. State-B High School basketball championships draw fans from all over Washington, and numerous other sporting events include a number of triathlons and an Ironman Competition located in nearby Kootenai County, Idaho.



Human and Social Capital

Recreation and Tourism

Our regional community recognizes that one of our greatest assets is the quality of the environmental setting in which we live and the recreational activities available to our residents and tourists. Spokane County features arts, museums, parks, working farms and orchards, wineries and access to historic entertainment facilities in nearby Idaho.

In 2012, visitors to Spokane County spent \$870 million, supporting jobs for 9,820 residents and generating \$60.9 million in non-resident tax dollars for the County. The Spokane region is recognized as a haven for outdoor recreation. The Spokane Regional Convention and Visitors Bureau believed so strongly in the recreational opportunities of the region that it created a slogan to identify Spokane: “Near Nature ... Near Perfect.” Fishing, hunting, skiing, golfing, snowmobiling, horseback riding, boating, sailing, swimming, camping, hiking and numerous other outdoor activities are available in the region. Four ski resorts rise within two hours from downtown, with Mt. Spokane just 30 miles northeast of the city. There are 33 18-hole golf courses within 35 miles of Spokane that offer diverse challenges and terrains at very economical rates. A master plan for careful development of recreational amenities in the Spokane River Gorge provides a vision for future projects that will link trails, parks, and access to the river within just minutes of the downtown core.

The Spokane region currently has over 600 miles of regional trails ranging in type from paved pathways to undeveloped “rails to trails.” In 2014, Spokane county released a Regional Trail Plan in collaboration with Inland Northwest Trail Coalition and Spokane County Department of Parks, Recreation and Golf. These include the 37.5-mile paved Centennial Trail, the Fish Lake Trail, and the Columbia Plateau Trail. There are 76 lakes within 50 miles, including the large deep lakes of Coeur d’Alene, Pend Oreille, and Priest Lake in North Idaho. The Spokane Regional Transportation Commission maintains a Spokane Regional Bicycle Map of bike routes. The map breaks down Spokane-area roads into facilities with shared-use paths, bicycle lanes, shared roadways, and suggested commuter and recreation routes. The map also shows routes through the Riverside State Park Recreational Area, the Medical Lake and Cheney area and downtown Spokane and the lower South Hill.

Ecotourism is also a large producer for our region. Washington state is the nation’s second largest wine producer and is ranked among the world’s top wine regions. Eastern Washington has ideal geography and conditions for growing premium vinifera wine grapes. Production of Washington wine has grown from 17.7 million gallons in 2002 to nearly 29.5 million gallons in 2012, making wine grapes the state’s fourth largest fruit crop. There are more than 800 wineries in Washington state and the Spokane region currently has 18 wineries. Washington wine production has more than doubled over the past decade and now contributes \$14.9 billion to the state economy. The growing number of Spokane wineries formed the Spokane Winery Association and are marketing Spokane’s Cork District. Craft breweries, now numbering 27 in the region, market collaboratively with Spokane’s Ale Trail. A number of restaurants promote farm to table. All of these businesses contribute to the convention and hospitality industry.

In addition, within a six-hour drive are some of the most dramatic and pristine areas of North America including Yellowstone and Glacier National Parks, wilderness areas, and the national forests in Washington, Idaho, Montana and British Columbia.

Cultural Hub

Spokane is the cultural and arts hub of the Inland Northwest. A healthy creative economy is a vital piece of the 21st century economic landscape, fostering innovation, attracting a skilled and creative workforce, building tourism and improving livability.

Over 1,300 art-related businesses employ nearly 6,000 people in Spokane County. More than 737,000 people attend art events during a calendar year in the Spokane region. The annual economic impact of arts in Spokane County has been analyzed by Eastern Washington University to be in excess of \$346 million.

Spokane is one of 100 cities which participated in the Americans for the Arts' Arts Indicator Study in 2014. Although arts-related job numbers are strong, Spokane's Creative Vitality Index, based on data from the Washington State Arts Commission, is well below the national baseline and the level of Washington State, due to low arts-related revenue.

The INB Performing Arts Center is home to traveling Broadway shows and top-name entertainment. The Bing Crosby Theater is a more intimate setting for smaller performances of opera, jazz, plays, and musical events. In 2007, the historic 1931 Fox Theatre was renovated as the Martin Woldson Theater at the Fox to further accommodate the needs of musicians and thespians for all ages and talents. The award-winning Spokane Civic Theatre, Interplayers Ensemble and Blue Door Theatre each produce a series of stage plays during the year. The Northwest Museum of Arts and Culture exhibits art, native culture, and local history, and is one of Washington's five Smithsonian affiliates.

Trade shows, community events, sporting events, meetings and banquets can be hosted at the INB Performing Arts Center and the Spokane Convention Center. In 2007, the Convention Center was renovated to a LEED Silver certified building with 23 meeting rooms totaling 35,732 square feet and to add the new Group Health Exhibit Hall. A 2014 expansion will bring an additional 25,000 square feet of meeting space and 70,000 of exhibit and public space. The Convention Center hosts community events such as the Ag Show, Bridal Festival, and Motorcycle Show along with numerous private events. At the end of 2013, revenues from the Convention Center were over \$3.5 million with an attendance over 243,500. Hotelier Walt Worthy is building a new, 700-room hotel which will connect to the Convention Center via a skyway.

Also located in downtown Spokane is the Spokane Veterans Memorial Arena. The Arena is a multipurpose venue with a seating capacity of 12,500. The venue is host to national and world sporting events, concerts, business conventions, graduations, and other events.

Located in the heart of the Spokane Valley is CenterPlace, a recreational, educational, and cultural center which serves 80,000 people in the City of Spokane Valley and unincorporated Spokane County.

In 2003, the voters of Spokane County voted to expand the Spokane County Fairgrounds, funding improvements of over \$90 million. The Spokane Fair and Expo Center offers over 140,000 square feet of exhibition space, livestock facilities, indoor and outdoor arenas, and lawn. The Center is host to many community events such as antique shows, ski swaps, and of course, the Spokane Interstate Fair.

Four institutions within 100 miles offer fine arts degree programs; two offer advanced degrees. The region hosts various art festivals each year including: Artfest at the Inland Northwest Museum of Arts and Culture; Art on the Green in Coeur d'Alene, Idaho; Festival at Sandpoint in Sandpoint, Idaho; and Terrain in Spokane.

Film

Spokane is located on the eastern edge of Washington where sunshine mixes with a myriad of rural and urban settings. From historic neighborhoods to quaint western towns, rugged mountains to pristine lakes, national forests, raging rivers and miles of winding roads through golden waves of wheat...the Inland Northwest is a perfect location for productions of every type and every size.

Within the region you'll find historic buildings and ultra modern architecture. Tumble-down barns along with 21st Century farm equipment. Luxurious resorts border rustic ranches. "Wherever you turn, there's something great to shoot," a location manager commented recently.

An experienced production workforce makes projects easy and affordable with talented location managers, producers, directors and trade professionals who call our region home for its quality of life and easy access to creative projects. Additional crews and equipment are available from Seattle, a short 35-minute flight or four-hour drive from Spokane, but a world away in terms of cost and workability.

In 2006, the state legislature developed an incentive for film projects in Washington State. Dedicated to helping filmmakers bring their vision to the small and big screens, WashingtonFilmWorks (WFW) is a not-for-profit 501(c)(6) organization that offers funding assistance to commercials, television and feature films shooting in Washington State. With one of the industry's most competitive incentive programs, Washington Filmworks provides funding assistance of up to 30% of in-state qualified expenditures for motion pictures and episodic series with less than six episodes, and 35% for series with at least six episodes, including Washington-based labor and talent.

The Spokane Film Office will make your location scouting easy with 24-hour turnaround upon request for preliminary location photos, permit applications and more. In fact, they regularly provide same day digital photo service, posting location options on the web to make scouting easy and to minimize pre-production costs.

Spokane also hosts the annual Spokane International Film Festival (SpIFF). The festival features films shared at the Cannes, New York or Toronto film festivals, and are world-class films. the festival is overseen by its parent, the Contemporary Arts Alliance of Spokane.



Geographic, Climatic, and Agricultural Profiles

Geographic Profile

Spokane County is one of four Eastern Washington counties set along the Washington-Idaho border. Located roughly between the 47th and 48th parallels, Spokane County is centrally located along the border. The county comprises a total land mass of 1,763.8 square miles (2.7 percent of the state's total land mass). As such, it ranks 19th in size among Washington counties. The county is bounded to the north and west by Pend Oreille and Lincoln counties, respectively. Its northwest corner is shared with Stevens County. To the south is Whitman County and to the east is the State of Idaho.

Spokane County's topography is quite varied. The terrain in the north county is increasingly forested and mountainous as it runs up against the foothills of the Colville National Forest. This part of the county includes Mount Spokane (5,878 feet above sea level). The Little Spokane River flows through the northern county from origins further north in Pend Oreille County. The river flows south to central Spokane County where it merges with the larger Spokane River.

From origins in Idaho southeast of Spokane, the Latah Watershed drains the northern Palouse south of the city and flows north to join the Spokane River immediately west of the city. The topography in the southeast part of the county is that of the rich and fertile Palouse Hills. It is this section of the county that is recognized for its agricultural fertility.

The southwest part of the county is one of channeled rock outcroppings caused by major flood events at the end of the last ice age, and numerous lakes (e.g., Badger, Bonnie, Chapman, Clear, Four Lakes, Silver, Williams). Some of this region is also part of the Turnbull National Wildlife Refuge.

During the last Ice Age (18,000 to 12,000 years ago), and in multiple previous Ice Ages, cataclysmic floods inundated portions of the Pacific Northwest from Glacial Lake Missoula, pluvial Lake Bonneville, and perhaps from subglacial outbursts. Glacial Lake Missoula was a body of water as large as some of the USA's Great Lakes. This lake was formed from glacial meltwater that was dammed by a lobe of the Canadian ice sheet. Episodically, perhaps every 40 to 140 years, the waters of this huge lake forced its way past the ice dam, inundating parts of the Pacific Northwest. Eventually, the ice receded northward far enough that the dam did not reform, and the flooding episodes ceased.

Spokane Valley-Rathdrum Prairie Aquifer

The sole source of water for most people in Spokane County, Washington and Kootenai County, Idaho is a high quality, underground water body called the Spokane Valley-Rathdrum Prairie (SVRP) Aquifer. Discovered in 1895, this aquifer has become one of the most important resources in the region, supplying drinking water to more than 500,000 people.

The Spokane Valley and Rathdrum Prairie are ancient geologic features that have, for millions of years, been slowly formed by water flowing toward the Pacific Ocean. During the last Glacial Age, the series of floods that covered this area deposited thick layers of coarse sediments (gravels, cobbles, and boulders). The saturated portion of these sediments, where void spaces are filled with water, comprises the aquifer. Water from adjacent lakes, mountain, streams, the Spokane River and precipita-



Geographic, Climatic, and Agricultural Profiles

tion flow through the flood sediments replenishing the aquifer. Interchangeably, the aquifer flows into the Spokane River providing downstream support for fish and other uses. The aquifer and river are considered to be largely a homogenous water body.

The aquifer has been studied in considerable detail since 1977 with the most recent comprehensive study, designated as the 2007 USGS Bi-State Aquifer Study, reflecting results that have produced programs and regulations designed to ensure the aquifer will remain a valued and protected resource for future generations. Through regional collaborative efforts between Washington Department of Ecology (DOE), the Spokane Aquifer Joint Board, City of Spokane, Spokane County, and the other water purveyors within the County, much work has been completed to improve the consumption to demand relationship.

As recent examples of consumption efficiency improvements and conservation of this critical resource, the City of Spokane has enacted stepped water usage rates intended to discourage wasteful consumption. Additionally, they have offered financial incentives to upgrade lawn irrigation systems with Smart Control moisture sensor systems to reduce overwatering of yards. In combination, homeowners are positioned to better manage their water use while ultimately saving some expense.

With upgrades to existing wastewater facilities and the 2011 completion of the Spokane County Regional Water Reclamation Facility, another potential water consumption opportunity exists. All municipal water treatment in the county will now meet Class A reclaimed water criteria. While the infrastructure doesn't yet support distribution for water reuse, this idea is under study and may be a further method deployed to reduce aquifer consumption.

The Spokane Region, through smart management and thoughtful eyes to the future, does not have a water resource shortage. Looking forward, a shortage is not anticipated by means of continuing the thoughtful management and investment in systems and policies that ensure adequate supplies to accommodate growth.

The Spokane River

As noted before, the Spokane River and the SVRP Aquifer are critical resources to the region and have played/play a major role in the settlement and economic development of the area. The river has an intricate history of providing the population with hydro-generated electricity, irrigation water, fishing, recreation, aesthetic enjoyment and it also serves as the region's major conduit for wastewater disposal from cities and industry. Continued population growth in the area has demanded, and will continue to inevitably demand, more of the region's water resources. The river is also an important cultural and natural resource for Native American tribes downstream from the City and County population centers.

Water quality in the Spokane River is improving. Utilities and industries that discharge treated water into the river, along with the Washington State Department of Ecology, the Environmental Protection Agency, the Spokane Tribe of Indians as well as other environmentally minded stakeholders, are all committed to continuing the further improvement of the river's quality standard. The Department of



Geographic, Climatic, and Agricultural Profiles

Ecology has studied and authored a Water Quality Improvement Report (Dissolved Oxygen Total Maximum Daily Load or DO TMDL) to address the Spokane River's dissolved oxygen deficit in Lake Spokane.

Spokane River's DO TMDL process has established a phosphorus discharge reduction target that equates to roughly a 95% reduction of phosphorus, ammonia, and carbonaceous biochemical oxygen demand (CBOD) for municipal wastewater treatment plants. The lower phosphorus concentration is expected to significantly reduce algae growth that, through eutrophication causes DO concentrations to fall below the water quality standard. A collaborative effort between the dischargers and DOE resulted in an Advisory Board for the Spokane River DO TMDL that guided the TMDL study toward meeting the phosphorus target with a combination of improved point source wastewater treatment technology and potential reductions of non-point source pollutant loads.

A key element of the effort to improve the Spokane River quality is to increase flow in the river channel during the drier summer months. As noted in the SVRP Aquifer commentary, the river and aquifer are essentially homogenous; therefore flows are impacted by aquifer demand. Better flows not only provide greater dilution of water-borne impurities, they maintain lower water temperatures that discourage algae growth. Improved flows also provide betterments for recreational use and hydro-generated power. Coupled with the conservation efforts intended to stabilize demand on the aquifer, another step to improve summer flows recently has been taken. Avista, our local electric utility, has agreed to betterment of the Aesthetic Flow Criteria per Section 401 of the Clean Water Act as part of its FERC relicensing for its four dams on the river. Avista has increased minimum summer flow within the river through more stringent management of held water behind each of its dams. This not only benefits the aesthetic flow requirement but also provides improved water quality for all downstream uses of the river.

At this time, the outcome of the DO TMDL effort has been the completion of the report and subsequent acceptance by the Environmental Protection Agency. Implementation has begun with draft NPDES discharge permits put forth for comment and action. Spokane County is in the testing phase of its newly constructed facility that replaces the County's use of the City of Spokane's Riverside facility for treatment. Further, the County is just completing a 23-year project of establishing collection infrastructure that will ultimately displace some 30,000 septic tank systems that have been significant contributors to groundwater discharge of phosphorus. The full displacement of those systems is anticipated by approximately 2015.

The Spokane community has also become involved in taking the necessary actions to clean up the Spokane River. In July 2008, Spokane County banned the sale of dishwasher detergent containing more than 0.5 percent phosphorus. Recently, the first results of the study to reduce phosphates from the river were released. Spokane's Waste Water Treatment Plant reported in August 2009 that water collected during the first 12 months after the ban of phosphate detergents, saw a decrease in phosphate levels of 10.7% over the previous three annual average levels. Overall, the detergent ban is aiding in the goal of reducing phosphate levels in the Spokane River and making our local environment cleaner and safer for those of future generations to enjoy. Another recent development resulting from

Geographic, Climatic, and Agricultural Profiles

the DO TMDL effort is a State legislative act that broadly reduces the use of fertilizers containing phosphorus throughout the state.

The next incremental step toward river pollutant cleanup is directed at toxics, specifically PCB's and dioxins. In 2012, the Spokane River Regional Toxics Task Force (SRRTTF) formed to find and reduce toxic compounds in the Spokane River. The intent is to work through a similar process of data collection, identification of sources, public education, regulatory reform, and subsequent technology improvements that will dramatically decrease the existence of toxics in the river. While the spirit toward this new issue is similar, the challenges are likely quite different and more difficult. PCB's are ubiquitous in the environment so identifying specific sources and quantifying acceptable levels of reduction will be substantially more challenging. However, it is agreed within the confines of the Task Group that the challenge is necessary and worthy of the effort to tackle this next step in pollutant reduction. A revised Spokane River Toxics Reduction Strategy was published in 2012 by the Department of Ecology which outlines monitoring plans and reduction programs.

The Spokane River DO TMDL is complete. It's a story of the successful efforts of many parties who seemingly differ in priorities yet have been able to convene in collaboration toward common goals. At this time, there is a generational plan that will carry us forward into the future with continual improvement to the river we are all proud of. As with the aquifer, there is certainty of the stability of this asset and protection of it moving forward – a success story that, as a community, we can all take pride in.

Climatic Profile

Spokane County is located on a plateau where the long, gradual slope from the Columbia River meets the sharp rise of the Rocky Mountain ranges. This is a transition area between the desert-like Columbia Basin of Central Washington and the forested mountains of North Idaho and Northeast Washington.

Spokane County has four distinctive seasons. In general, Spokane County has the characteristics of a mild, arid climate during the summer months and a cold, coastal type climate in the winter. Approximately 70% of the total annual precipitation falls between the first of October and the end of March, with an average annual precipitation of 16.25 inches, and 44.9 inches of snowfall and ice pellets. The normal July maximum is 83.3 degrees Fahrenheit, minimum 56.3 degrees; the normal January maximum is 34.4 degrees, minimum of 24.7 degrees. Extremes range from 108 degrees to -30 degrees, but temperatures of more than 95 degrees and less than -10 degrees are rare.

In 2013, Sperlings rated Spokane as the sixth safest cities in the U.S., based on weather and disaster statistical data. Spokane and other Northwest cities were rated highly because the region is not generally susceptible to floods, hurricanes and tornados. This attribute will be explained later in this document, as it pertains to telecommunications and data backup and recovery systems.

The City of Spokane adopted a strategic planning effort to identify and address the ways that climate change and rising energy prices will impact the City government's operations, services, programs and



Geographic, Climatic, and Agricultural Profiles

policies. The three main components of the project are energy security – moving away from reliance on oil, mitigation of climate change – reduction of greenhouse gas emissions, and adaptation to climate change – preparing for the impacts of climate change.

Agricultural Profile

Agriculture is very important in our region, providing 4,790 jobs in the nine neighboring counties of Eastern Washington, including Spokane. In Spokane County alone, 2,502 established farms produce \$117 million in agricultural products for the Spokane region and beyond. Whitman County, just south of Spokane is the number one wheat-producing county, and number two barley-producing county, in the nation. There is a strong interdependency of agricultural jobs and agricultural-related jobs in non-agricultural sectors which directly affect the spending power in the region. The locally sourced movement is making a significant impact through farmers' markets, restaurants and Spokane's eighteen wineries.

Spokane is located 70-miles from Washington State University Pullman where agricultural sciences rank in the top 10 nationally. WSU researchers in the plant sciences ranked second in the United States, animal sciences faculty ranked fourth, and food scientists ranked sixth in terms of productivity. Agronomy and crop sciences researchers ranked seventh in the nation, while horticulture researchers ranked eighth.

New ideas are constantly being generated. As an example, Eastern Washington farmers can participate in a \$4.5 million federal crop support program that pays them to grow camelina, a seed crop that some researchers consider a potentially cost-effective alternative to overseas oil. Camelina grows easily in dry land and is largely disease resistant. When the crushed oil is refined, it can be blended into high-quality aviation fuel. Farmers in Eastern Washington, including Spokane County, could plant as many as 11,000 acres with federal assistance. The green jet fuel industry would mean more jobs in Eastern Washington.

Washington State University Spokane County Extension partners with businesses, the community, and volunteers to drive innovation, invention, and technology transfer. They focus on expanding the problem-solving capacity of communities, enhancing and sustaining the local economy, enhancing natural resources and the environment, enhancing economic opportunities for agriculture, and improving health and wellness.

The Agri-Business Council of Greater Spokane Incorporated, formerly the Agricultural Bureau, has supported the ag industry in the Spokane region for over a century. The Council focuses on agricultural research, traditional and value-added production, alternative fuels and pharmaceuticals, processing and food systems. An annual Spokane Ag Expo and Pacific Northwest Farm Forum attracts nearly 6000 visitors and provides opportunities for education and for farmers to connect with



Geographic, Climatic, and Agricultural Profiles

the companies that provide services to them. The show has an economic impact of over \$10 million for the region.

The Spokane Conservation District (SCD) works in partnership with individuals, landowners, businesses and government to protect water resources, expand options for agricultural production, promote sustainable forestry practices, promote energy conservation, and protect wildlife habitat throughout the urban and rural areas of the Spokane region.



Economic Profile: Industry Clusters and Workforce Development

Spokane County, once known only for its railways, mineral mining and agriculture, has grown over the last century into a business center for products and services across all industries. As a regional hub of industry for Eastern Washington, Northern Idaho, and Western Montana, Spokane is rich and diversified in its economy. Traditional industries such as healthcare, education and financial services laid the foundation for Spokane and are still a vital part of our economy, with the exciting vision for the Academic Health Science Center at the Riverpoint Campus offering enormous potential for economic return. In addition, emerging industries such as Aerospace, Clean Technology and Advanced Manufacturing, coupled with this solid base in healthcare and education, will propel Spokane through the next 100 years of economic success.

Advanced Manufacturing

U.S. manufacturers are emerging stronger, more productive and better positioned than ever to compete in world markets, and employment opportunities for men and women in many sectors are growing. Manufacturing has long been an economic driver in Washington State. According to the Washington State Employment Security Department, 289,000 people are employed in manufacturing, almost 10% of all non-farm employment in the state.

Spokane's manufacturing industry has weathered the recession and matured as an industry. With 600 manufacturing businesses powered by a workforce that totaled 15,600 as of June 2014, Spokane's manufacturing industry includes companies focused on: aerospace products; aluminum casting; computer, communications and electronic equipment; household and institutional furniture; medical equipment and supplies; paper and plastic products; rugged wireless laptops; structural and other metal products.

Manufacturing accounts for 7% of the area's employment base and contributes hundreds of millions of dollars to the regional economy.

Over the last decade, the manufacturing industry has experienced tremendous change. Companies now use advanced technologies and production systems that rely heavily on computers, requiring a technically-skilled workforce. In return, they offer good pay and benefits, a stimulating work environment and career mobility. There are a number of educational opportunities for those pursuing a career in manufacturing. Engineering disciplines are offered by most of the local public and private four-year universities. Community Colleges of Spokane offers a variety of technical degrees including Biomedical Equipment Technician, Electronics Engineering, Machine/CNC Technology, Welding and Fabrication, and Electrical Maintenance and Automation.

The manufacturing workforce in Spokane is steady, but efforts to ensure its stability are currently in place and showing tremendous success. The Manufacturer's Roundtable is a group that meets bi-monthly to openly discuss care and concern for the direction of Spokane's manufacturing industry.



Economic Profile: Industry Clusters and Workforce Development

Manufacturers Roundtable mission: Promote a climate that fosters growth and development of the manufacturing and technology base within the greater Inland Northwest region.

Goals:

- Support legislative efforts that promote prosperity within the manufacturing industry
- Promote local trade among manufacturers
- Support programs in the K-12 system that educate students and those who advise them on their post-secondary endeavors about manufacturing careers and training programs
- Collaborate with area Higher Education Institutions around the development of a skilled manufacturing workforce

Aerospace

Our educational institutions have developed curriculum and programs which support the technologies needed to succeed in a variety of industries. One growing manufacturing sector, the aerospace industry, is well represented in Spokane with more than 120 airframe and aviation companies. The aerospace industry offers some of the most technologically-advanced career opportunities available today. These companies employ more than 12,000 workers and generate \$650 million in revenue from their aerospace business activity, making Spokane County the fifth largest airframe employer in the country.

Spokane has many partners committed in growing our aerospace industry and creating additional jobs for our region. Partners include Fairchild Air Force Base, Spokane International Airport, Washington Manufacturing Services and Washington State University's Applied Sciences Laboratory. Several local and regional industry groups also lend a hand in creating opportunities for Spokane's aerospace businesses. Spokane's Manufacturing Roundtable, along with the Lean Manufacturing Consortium, have made efforts to advocate for living-wage jobs, supplier competition, workforce availability and training, and aerospace awareness within the community.

The Aerospace Initiative for Recruitment (AIR Spokane) is a partnership between business, elected officials and community leaders to grow Spokane's aerospace industry through the recruitment and expansion. The partners, which include Avista, City of Spokane, Community Colleges of Spokane, Greater Spokane Incorporated, Spokane County, and Spokane International Airport, have engaged with a consulting firm on a global and statewide aerospace production analysis and a supply chain analysis for the Spokane Region.

INWAC, Inland Northwest Aerospace Consortium, is a regional alliance of advanced manufacturers, service providers, and affiliates that work together to support the growth and success of the Inland Northwest aerospace cluster. Established in 2005, the group is now over 120 members strong. INWAC's Manufacturing & Services Network is a core group composed primarily of aerospace certified contract manufacturers working together to simplify procurement and streamline orders. By establishing cohesive relationships, Spokane aerospace suppliers are able to distribute their products within the



Economic Profile: Industry Clusters and Workforce Development

state, reducing CO2 emissions and lessening the carbon footprint, while maximizing the tax revenue possibilities for the state by keeping Washington jobs and dollars within the state.

Efforts by industry groups such as the Manufacturers' Roundtable, Lean Manufacturing Consortium, and INWAC, are the first steps in ensuring a workforce supply that is able to meet the needs of Spokane's aerospace economy. Several continuing education programs currently exist, creating much of what now is our aerospace workforce. Local programs are mechanical and electrical engineering; aerospace engineering; aeronautical science; and FAA-approved aviation airframe and power plant maintenance courses for entry-level technicians. Additionally, two-year programs in partnership with the University of North Dakota Center for Aerospace Sciences are available, as well as graduate and post-graduate degrees with Embry-Riddle Aeronautical University.

Health Sciences

Health science is the applied science relating to the care of human and animal health. It may also include many sub-disciplines relating to all aspects of the health care industry. There are two approaches to health science: the study and research of the human body and health-related issues in understanding how humans and animals function, and the application of that knowledge to improve health and to prevent and cure diseases.

Bioscience is expanding in the region with projects in both the private and public sectors, and more than 500 research studies and clinical trials currently underway. These projects play an increasingly important role in defining the area's economy as they expand from research to production. According to the US Department of Labor, Bureau of Labor Statistics (May 2006), Spokane ranked #4 in the country for metropolitan areas with the highest published employment concentrations and wages in the bioscience industry.

Programs on Spokane's Riverpoint Campus are developed in partnership with local universities, hospitals, major clinics and private practitioners to create an Academic Health Science Center for the region. According to the Institute of Medicine, the definition of an Academic Health Science Center is "...a constellation of functions and organizations committed to improving the health of patients and populations through the integration of their roles in research, education and patient care to produce the knowledge and evidence base that becomes the foundation for both treating illness and improving health."

In December 2013, the new Pharmaceutical and Biomedical Sciences Building was dedicated. Two thirds of 17,512 square feet is dedicated to pharmacy teaching and research, the other third to medical education and research.



Economic Profile: Industry Clusters and Workforce Development

Health Science degrees available at the Riverpoint Campus include:

BS in Dental Hygiene: EWU

BS in Nutrition and Exercise Physiology: WSU

BA in Health Services Administration: EWU

BS Nursing: WSU, EWU

Graduate Certificate in Health Services Administration: EWU

MS in Communication Disorders: EWU

Master of Health Policy and Administration: WSU

Master of Nursing: WSU

MA in Occupational Therapy: EWU

Master of Social Work: EWU; MA in Speech and Hearing Sciences: WSU

PhD in Nursing: WSU

Doctor of Pharmacy: WSU

Doctor of Physical Therapy: EWU

Medical Education--WWAMI (Washington-Wyoming-Alaska-Montana-Idaho): WSU in collaboration with UW School of Medicine

Dental Education--RIDE (Regional Initiatives in Dental Education): EWU in collaboration with University of Washington School of Dentistry

Clean Technology & Energy Efficiency

Renewable Projects

The greater Spokane region is host to a strong and growing set of companies which develop technologies for smart grids, renewable energy resources and energy efficiency applications. Many of these companies provide products and services which are exported and contribute to local job creation as well as technologies which will be deployed locally. Local and regional colleges and Universities are playing a significant role in helping companies commercialize new technology. Some of the noteworthy regional projects include:

- BarrTech's state-of-the-art organic waste processing facility which produces high grade compost, diverting local solid waste from long haul disposal in the process.
- Demand Energy's solar array, demand energy storage and network management software which reduces peak energy demands on a large commercial building.
- McKinstry's geothermal heat pump and energy retrofit being applied to a turn of the century large historic building being operated by their Great Northern subsidiary.
- Avista's smart grid project in Pullman and Albion, and the 100 MW Palouse Wind farm project to be developed in Whitman County.
- Spokane County's 260kW generators powered by digester gas from its new Water Reclamation Facility
- Solar and wind installations by Avista customers as well as Avista's 3,500 watt roof-top solar installation on its headquarters building



Economic Profile: Industry Clusters and Workforce Development

Spokane, along with the state of Washington, has created a business environment that embraces Clean Technology and Energy Efficient businesses. Recently, Washington State passed two laws to promote renewable energy. The first bill established renewable energy production incentives for both homes and businesses, and the second bill provides tax breaks for renewable energy businesses.

With over 50 Clean Technology and Energy Efficient companies operating within the immediate area, Spokane is lighting the way to new energy resources and practices. In turn, we are creating an economic environment in Spokane of highly skilled, highly paid, highly sought-after jobs. Spokane's future in Clean Technology and Energy Efficiency is only growing brighter.

Clean Technology & Energy Efficiency Includes: clean energy and renewable fuels, energy efficiency, environmental protection and remediation, sustainable design, waste management, recycling and recycled products, and water conservation and treatment

In efforts to retain and recruit clean technology and energy efficiency companies here in Spokane, Greater Spokane Incorporated has organized CLEEN|NW (Consortium of Leading Energy Efficiency Companies Northwest), an industry group dedicated to increasing awareness and education, with plans to advocate for additional policy in efforts to help Spokane become one of the nation's best places for clean technology and energy research and product development. CLEEN|NW is currently comprised of steering committee and more than 70 business and organizational members. The CLEEN|NW steering committee is lead by industry experts with the following companies: CH2M Hill, a world-wide environmental engineering firm; Avista Corp., a publicly traded energy provider serving three NW states; the City of Spokane; Paine Hamblen, a law firm specializing in energy patents and legal proceedings; and McKinstry, a energy retrofitting and cost-savings solutions company.

With environmental efforts expanding, the world of education is also changing. New programs offering learning opportunities for ecologically and socially sound design are available in landscape design, construction and planning here in the Spokane region. Classes in environmental, water and social sciences are available at local two-year colleges and four-year universities, along with coursework related to alternate energy sources, biofuels and sustainability issues. Classic areas such as biology and engineering are now taking new form, concentrating on environment impacts and solutions. WSU Spokane offers studies such as the Interdisciplinary Design Institute, a program offering interior design, landscape architecture and architectural studies. Each of these programs studies efficient means and minimal environmental impact design solutions.

Degrees: Engineering - Electrical, Environmental, Mechanical and Management Programs, Physics, Biochemistry, Biophysics, and Physical Chemistry Programs, Environmental Sciences, Social Sciences, and Biological and Agricultural Engineering

Coursework: Renewable Energies/Biofuels, Smart Grid, Advance Materials, Environmental Policy, Sustainable Design, Sustainable Farming



Economic Profile: Industry Clusters and Workforce Development

Information Technology and Telecommunications

With its strong base of research and academic resources, Spokane is concentrated on becoming a burgeoning center for information technology and telecommunications. And it doesn't hurt that the region is considered "well-connected" due to more than 500 route miles of commercial fiber-optic infrastructure that have been deployed.

Led by companies such as Itron, Inc., the world's largest electronic meter reading and energy management software company, Purcell Systems, a manufacturer of integrated telecommunication cabinets and Telect, a producer of network infrastructure equipment, the Spokane region has become a recognized networking and telecommunications hub in the Pacific Northwest. The region also boasts a diverse and growing collection of entrepreneurial software and cloud-based firms including Ecova, NextIT, Second Watch, Data.com and Inland Northwest Health Services (INHS), a federally recognized regional health information organization.

Growth in the industry is largely attributed to the ability to attract and retain employees (quality of life) as well as excellent high-speed telecommunications infrastructure. As one of the safest from natural disaster cities in the country, Spokane is positioned as an ideal location for business continuity and disaster recovery facilities. Organizations such as TierPoint and IT Lifeline are providing these services to companies around the region and around the Pacific Northwest.

The information technology and telecommunication industries offer some of the most technologically advanced career opportunities available today. Our educational institutions have developed curriculum and programs which support the technologies needed to succeed in the industry.

Regional four year programs include Applied Technology, Civil Engineering, Computer Engineering, Computer Science, Digital Technology and Culture, Electric Power Transmission and Distribution Engineering, Electronic Engineering, Electronics Technology, Engineering Technology and Information Systems, and Mechanical Engineering. The Community Colleges of Spokane offer programs in Computer Forensics/Network Security, Network Design and Administration, and Software Development, in addition to Information Systems programs.

Other information technology and telecommunications activities and projects in our region include:

- Washington State University Applied Sciences Lab
- Terabyte Triangle
- Spokane HotZone
- Spokane Public Schools Educational Metropolitan Area Network
- Virtual Possibilities Network
- Top US Intelligent Community



Economic Profile: Industry Clusters and Workforce Development

Digital Media

Washington State has one of the largest concentrations of Interactive Digital Media developers in the world. There are over 150 digital media companies, employing over 10,000 around the state, including Microsoft, Getty Images, Nintendo, Index Corporation and Square Enix. While today's "Digital Media" may be seen as strictly video games and virtual entertainment, the technology is also evolving into advancements in health sciences, education, military training and homeland security which is typically termed "serious gaming."

As the feature film capital of the Inland Northwest, the Spokane region is anchored by companies like the successful North by Northwest, ILF Media and Corner Booth Productions, in addition to a multitude of other excellent video, broadcasting and audio production companies working on television, film, and corporate and commercial entertainment projects. Many of their portfolios include highly visible regional, national and global organizations and companies.

Spokane is also home to gaming pioneers Cyan Worlds. Cyan Worlds created the first CD-Rom entertainment product in history and then dramatically expanded the bounds of gaming with the introduction of Myst, Riven and Uru. Other companies in the digital media segment have expertise in digital graphics, design and engineering.

A career in Digital Media provides students with the opportunity to integrate imagination and technology in the disciplines of art, literature and technology, and has been found to be one of the fastest growing areas of employment. Combining the fields of computing and communication, students learn how to process information and then make this information available to audiences via electronic media. Multimedia artists earn a median annual salary of over \$60,000, making this is a great career opportunity for students. Professionals in this field design web pages, animated banners, video programs, and sound broadcasts using graphics and sound as educational, advertising, and entertainment tools.

Spokane's educational institutions offer training in digital technology and culture, communications, management information systems, visual communication and design, multimedia and web development and audio technology.

Local education institutions providing digital technology training:

- Eastern Washington University
- Spokane Area Professional-Technical Skills Center
- Interface College Spokane
- New Horizons Computer Learning Center



Economic Profile: Industry Clusters and Workforce Development

Entrepreneurship

The Spokane region is home to an established and growing entrepreneurial ecosystem. Startups such as etailz, CXOWARE, Paw Print Genetics and many others found the tools and resources needed for success. Community partners are committed to fostering this environment of entrepreneurship.

Recently, the events and entrepreneur programs of Connect Northwest integrated with Greater Spokane Incorporated. This integration helps to facilitate the connection of startup companies to community resources, helping them start, build and expand their business.

In March 2014, more than 45 entrepreneurs and community stakeholders convened to determine what the current and future needs would be for supporting entrepreneurship as part of the regional economy. A one-day workshop was facilitated by a Seattle-based consultant, leading to many discussions and identifying priority areas of focus to make Spokane a great place for entrepreneurship.

Five workgroups were formed to focus on the following topics:

1. Regional hub connector, “help” system, and research triangle
2. More open/engaged community
3. Qualified mentors/leaders
4. Regional education
5. Vibrant, thriving activities

In the fall of 2014, the new website www.startupspokane.com is scheduled to launch with entrepreneur resources, a centralized entrepreneur event calendar, and live social media feeds providing real time updates for local entrepreneurs. And a network of mentors is being developed to pair entrepreneurs with individuals who can advise and counsel them as they navigate launching their startup.

The local ecosystem is flourishing. A sampling of the resources and activities in the area include: Executive Connect, CFO Connect, Investment Capital Forum, Fellow Coworking, Share Space Spokane, Bowl and Pitcher, Spokane Young Professionals, Mentor Mornings, Spokane Create!, McKinstry Innovation Center, and New Venture Lab.

Connecting Education and Business

One of the key elements to a successful business and a thriving regional economy is talent – a workforce with the skills and background businesses need to be successful. Building the talent pipeline is about more than putting youth through our K-12 and higher education institutions. It’s about helping educators understand the skills our businesses and industries need to be competitive. The region’s business community collaborates with the educational community to strengthen training for the workforce.



Economic Profile: Industry Clusters and Workforce Development

Greater Spokane Incorporated's "Teaching the Teachers" gives businesses the opportunity to connect with local teachers and educators in the Spokane region. Businesses get the chance to meet educators and to provide them with a hands-on experience of what it takes to work in their field of business. This experience provides educators with valuable information about the skills their students will need to be successful after graduation. In 2014 GSI launched "Business AfterSchool" a series of industry week Open House events, for students grades 8-12, educators, parents and community organizations that provides on-site awareness of Spokane's high-demand industries highlighting new technology, research, development and innovation. The events engage the region's students, families and community, and showcase the highly valued occupations and employment paths our industries incorporate.

Science, Technology, Engineering, and Math (STEM) education plays a critical role in connecting educated, qualified job-seekers with businesses. Having a strong pipeline of students prepared to enter the workforce in these disciplines is critical for the success of businesses, the employment of students, and the vitality of our local economy. The Spokane STEM Network works to transform the way we think, learn, work and live through STEM by enhancing STEM education opportunities for all youth in the region and by increasing the number of students pursuing and achieving success in STEM careers. Nearly 30 percent of the fastest-growing occupations in the next decade will require at least some background in STEM, and the largest gaps between workforce demands and supply are all STEM-related careers. The Spokane STEM Network recently integrated with GSI's Education & Workforce Department. The move to integrate the work of Spokane STEM more formally with GSI is in recognition of the natural synergies between the organizations and GSI's complementary STEM-based education programs.

Regional projects:

Riverpoint Academy is an innovative school on many levels. Students take on real-world challenges and, using a design process to develop solutions, actually work to implement them. Professionals from the community work with students in order to create an authentic learning experience as they dive deeply into science, engineering, mathematics, the arts and humanities and entrepreneurship — all fueled by radical collaboration with peers, the use of powerful technology and a deeply caring and devoted staff. Coursework is strategically integrated to support meaningful learning all in preparation for college and career post high school goals. Many students will take advantage of college courses available through EWU's Running Start courses at Riverpoint Academy. The focus at the Academy is on 21st century skills and leadership, STEM literacy and nurturing the creative passion within each student.

Spokane Valley Tech (SVT) is an exciting new learning environment for high school students to gain technical skills and experience in growing industries with a focus on career and college readiness. SVT is a collaborative effort by Central Valley, East Valley, Freeman and West Valley School Districts serving students in the Spokane Valley and greater Spokane region, including home schooled and private school students. Spokane Valley Tech opened in September 2012 with four programs and is enrolling students for the 2014/2015 year in eight programs.



Infrastructure: Telecommunications, Transportation and Utility Profiles

Project Lead the Way, a program that prepares middle and high school students with a rigorous STEM curriculum in pre-engineering and bioscience, is successfully run by many local school districts.

The Riverpoint Partnership for Math and Science is a consortium of K-12, higher education and industry representatives that work to improve math and science education and advance best practices in instruction.

[WORK101] Program engages local businesses and high school students through meaningful learning experiences, focusing on developing our region's future workforce, building 21st century skills, and promoting career awareness.

Telecommunications

Spokane is a critically important regional telecommunications hub and home to a multitude of major Tier 1 providers as well as regional Tier 2, Tier 3 and local service providers. Spokane provides redundancy and diversity to numerous carriers and their networks in locations like Seattle, Denver, Portland, and Salt Lake City, as well as the Midwest.

Spokane County is a fiber and telecommunication rich community. Early adaption and private and public investment into digital infrastructure resulted in kudos from publications such as Time Magazine. Spokane has garnered awards from the Intelligent Community Forum and the National League of Cities for technology innovation. The Spokane region was ranked in Sperling's Best Places #12 Best Cities for Teleworking. Spokane is also consistently ranked as one of the safest cities from natural disaster.

The aggressive network build-out of multiple telecommunications companies has left the region's new, commercial, industrial and many beautiful and historically significant buildings wired. Redundancy and diversity in local and regional telecommunications, data networks, energy and power sources is both common, affordable and reliable.

Representative Service Providers include:

2nd Watch (Amazon Premier Consulting Partner)

ATT/MCI/Verizon

CenturyLink

Cisco Networks

Comcast

Demand ENergy Networks

EchoStar Satellite Services

F5 Networks, Inc. (Hardwood R&D)

Integra Telecom

Itron



Infrastructure: Telecommunications, Transportation and Utility Profiles

Level Three/TWTC Telecom
Noel Communications
NoaNet
PRO-telligent
Purcell Industries (EnerSys)
ReliOn (Plug Power)
Rentsys Recovery Services/IT-Lifeline
Servatron (Wireless)
Telect
TierPoint
Time Warner Cable
XO Communications

Transportation

Spokane County is a critical access point for freight, flight and rail systems, and is ideally located for freight distribution east-west and north-south via Interstate 90 (I-90) and US 395/North Spokane Corridor (NSC). Class I rail service is available via both BNSF and Union Pacific. Spokane is also the largest center for freight on the NAFTA corridor with both highway and rail connections between Canada and Mexico. Destinations in the metropolitan regions in the Western US and Canada are within 36 hours via rail, and there is an established foreign trade zone at Spokane International Airport.

Inland Pacific Hub/Global Gateway

Spokane is ideally located for freight distribution east-west and north-south being on the I-90 northern US highway route and served by two class 1 railroads. Spokane is also the largest center for freight on the NAFTA corridor with both highway and rail connections between Canada and Mexico. This strategic advantage was confirmed in 2012 by Caterpillar Logistics building a 500,000 square foot Distribution Center in Spokane and employing 150 people.

With continued globalization of trade, there is a need to forge greater economic connections that yield dynamic and thriving industrial trade regions. Understanding the physical and economic feasibility of establishing a Global Gateway will help the Inland Pacific region define the transportation based initiatives necessary to achieve a truly integrated and multimodal transportation system.

Highway Profile

The region is fortunate to have a major trans-continental highway through the center of Spokane County, bisecting the cities of Liberty Lake, Spokane Valley and Spokane. I-90 begins in Boston, and terminates in the City of Seattle. In 2009, the section through the major portion of the City of Spokane was resurfaced. US 395/NSC is a 10.5 mile six lane freeway that will eventually connect to I-90 from the northern perimeter of the City of Spokane. Over half of the NSC was completed in October 2012. When connected to I-90, the new freeway will dramatically reduce the large freight truck traffic on city streets and increase freight mobility. The NSC is the first new route freeway built in Washington State in over



Infrastructure: Telecommunications, Transportation and Utility Profiles

60 years. Highway 2 is a major intra-state east/west route connecting north Seattle to Spokane providing an alternate route to transiting the Cascade Mountains.

Rail Profile

Spokane County is served by Union Pacific and the Burlington Northern/Santa Fe railroads. Spokane is on the direct lines for both railroads from Seattle to Chicago, serving as a gateway to and from the interior U.S. and the Pacific Rim. This efficient east-west access and reciprocal switching capabilities are available in only a few regions nationwide. Spokane County is the Northwest's major train assembly hub on the northernmost U.S. transcontinental rail line; about 70 full trains pass through daily. Amtrak provides daily passenger service to and from Spokane.

Additional rail service is offered to industrial manufacturing adjacent to Spokane International Airport via a connection between BNSF and the Geiger Spur. This spur, which originally traveled through Fairchild Air Force Base, was realigned for security purposes. The Geiger Spur is connected with the Palouse River Coulee City (PCC) near Medical Lake, WA and the PCC connects with the Burlington Northern Santa Fe (BNSF) line in Cheney, WA. The Geiger Spur serves five industrial manufacturers who employ 400 people. With a combined annual payroll of \$11 million, that employment translates into a \$66 million economic impact to the region.

Air Profile

The Spokane Region is fortunate to have a well-rounded aviation system, including Spokane International Airport (SIA), Spokane Felts Field, and Deer Park Municipal Airport. Each facility serves different target clientele, from commercial airline travel, private business flights, wild land firefighting support, air ambulance, cargo service, to personal recreational use.

Spokane Airports is jointly owned by Spokane County and the City of Spokane. The city and county operate the airports under provisions of RCW 14.08, which establishes the operation of airports by more than one municipality under joint agreement. The operating authority of Spokane Airports is the Spokane Airport Board, consisting of seven appointees from the two governmental bodies. The Board annually invests approximately \$30 million in capital improvements utilizing various funding sources, as well as oversight of an additional \$30 million in maintenance and operating expenses.

Combined, the Board's three entities, Spokane International Airport, the Airport Business Park, and Felts Field, have an annual economic impact of nearly \$1 billion and serve as a work site for over 3,000 people.

The Spokane International Airport is a 4,800 acre commercial service airport served by seven airlines and two air cargo carriers. The airport processed over 3 million passengers in 2013. It is the second largest airport in the State of Washington and recognized by the FAA as a small hub. Spokane's seven major airlines: Alaska, Allegiant Air, Delta, Frontier, Southwest, United, and U.S. Airways, provide daily nonstop service to ten primary commercial centers. In addition, connecting traffic can provide travelers with ease to most major US destinations, as well as international hubs including Paris, London, Beijing,



Infrastructure: Telecommunications, Transportation and Utility Profiles

Frankfurt, Shanghai, Seoul, Tokyo, Dubai, Taipei, and Amsterdam, in one stop. Spokane is a designated Port of Entry into the United States. A U.S. Customs facility is located on the south pilot ramp where passengers and luggage are screened for entry into the U.S. The facility operates as an on-call service for international charter and general aviation flights.

In addition to the many buildings and systems in place to support the passenger and cargo service, the airport facilities support corporate and general aviation and military operations, as well as a growing airfield aerospace cluster. Less than three miles west is the Fairchild Air Force Base (FAFB), home of the 92nd Air Refueling Wing, the region's single largest employer.

The Airport also handled 64,147.4 U.S. air cargo tons in 2013. The nation's two largest integrated cargo carriers, FedEx and UPS, provide the region with critical air freight connectivity.

The Airport Business Park is an industrial and business park development that comprises 600 acres. Strategically located adjacent to the airport facilities and Interstate 90, it has forty-one buildings and thirty-five tenants. Land may be developed through third-party development or build-to-suit whereby the airport pays for construction of a building specified by a potential tenant, and then leases the land and building back to the tenant. In addition to available parcel development, existing buildings are available for lease including warehouse and office facilities. The Airport Business Park includes high capacity sanitary sewer, water, fiber optics, natural gas, high pressure fuel lines and is zoned for light industrial activity.

Spokane Felts Field (SFF) is a 400-acre general reliever airport that has more than 60,000 aviation operations annually and is home to over 250 aircraft and sixty-eight tenants. The airport has a Fixed Based Operator and avionic services available. The Airport has two paved runways and a turf landing strip as well as the ability to accommodate water landings on the adjacent Spokane River. Western Aviation based at SFF offers a full spectrum of aviation services, including FBO, avionics sales and repair. Taxiway and ramp rehabilitation is scheduled to be completed fall 2014. Medstar, also based at SFF, is the region's premier critical care transport service dedicated to the safe, compassionate care and transport of critically ill or injured patients to health care facilities throughout the Inland Northwest.

Deer Park Municipal Airport (DEW) serves the region as a wildland fire tanker base during the summer fire season, offering rapid response to fires within eastern Washington. Businesses at Deer Park offer expert flight instruction and aircraft maintenance.

Capital improvement projects, whether new construction or maintaining existing infrastructure, are a significant airport focus. In recent years, \$100 million of construction projects include a 2,000' extension to Runway 3/21 bringing it to 11,002' made possible by federal stimulus dollars and SIA funds; a 41,000 SF aircraft painting hangar built by the airport, with financial support from the State of Washington, for Associated Painters; an on-site regional "Waste-to-Energy" facility that produces 26 megawatts of electricity, steam, and emits 350 degree carbon dioxide enriched hot air. The facility is the central feature of the "West Spokane Energy District", supported by a Materials Recovery Facility or MRF, which will allow for greater recycling activity. In Spokane County, total Municipal Solid Waste (MSW) recycling rates



Infrastructure: Telecommunications, Transportation and Utility Profiles

are higher than the state average, and single-stream recycling, started in 2012, is expected to further increase participation and types of recyclables.

Airport representatives have traveled extensively to other countries. In 2012, they were part of the Trade Mission to Ireland and England, meeting with plane manufacturers to encourage the hiring of more Washington aerospace supply companies and to have a presence at the Farnborough Air Show. Representatives attended the 2013 Paris Air Show and in 2014, were part of Governor Inslee's trade mission which included the Farnborough Air Show. Visits to Alberta, Canada addressed the booming oil sands industry. These are tremendous steps toward realizing our region's vision of establishing Spokane as an international logistics/distribution center and developing the region's aerospace cluster. With partners, they have also taken an active role in the development of the Inland Northwest Aerospace Consortium (INWAC) and AIR Spokane, groups working on recruitment and expansion of the aerospace industry in the region. In recent years, the airport has received \$4 million for the construction of two aircraft repair facilities from the state of Washington, which service as an employment site for over 180 family-wage jobs.

Public Transportation

Spokane Transit Authority (STA) is a regional public transportation agency providing a variety of transportation services, including fixed-route service on routes to the cities of Airway Heights, Cheney, Liberty Lake, Medical Lake, Town of Millwood, Spokane, and Spokane Valley. These services include connections between downtown Spokane and the Spokane International Airport, major shopping malls, area colleges and universities, and Fairchild Air Force Base.

Funding for STA's services is largely provided by a local sales tax levied within the Public Transportation Benefit Area (PTBA). PTBA currently covers approximately 248 square miles. By state law, the only legal means of public funding for transit agencies in Washington is through local sales and use tax of no more than 0.9%. Spokane Transit currently levies 0.6%.

Spokane Transit has 25 hybrid coaches in its fleet funded in part by federal grants, including ARRA stimulus apportionments. Spokane Transit provides multiple services:

- Fixed Route. Buses run seven days a week over most of the service area, including local routes and commuter routes to outlying communities such as Cheney, Medical Lake, and Liberty Lake.
- Paratransit. Pursuant to the Americans with Disabilities Act of 1990, Spokane Transit provides accessible transportation to persons with disabilities within 3/4 mile of every fixed route. Additionally, all fixed route vehicles are accessible.
- Vanpool. A service which matches people traveling to or from similar locations and provides a publicly owned van at a fixed price per mile.
- Pass Programs. Spokane Transit provides multiple fare instruments, including employee, youth, and college passes. Eastern Washington University, for example, purchases a very low-cost pass for all students, staff and faculty.
- Shuttles. Spokane Transit operates two shuttles, one between downtown and the Spokane Arena, and the other from downtown to the hospital district. Shuttle fares are half price (\$0.75 one-way).

Infrastructure: Telecommunications, Transportation and Utility Profiles

- Bicycles. Bike racks are available on all fixed-route coaches
- Park and Ride Lots. Spokane Transit operates twelve strategically-located park and ride lots throughout its service area, and has cooperative agreements with other property owners to allow parking access to transit services.

In July of 2011, Spokane Transit Authority and the City of Spokane completed the Central City Transit Alternatives Analysis (CCTAA) that identified a locally preferred mode and alignment for a future transit investment in the Central City area of Spokane. Constructing a transit line in downtown Spokane has long been identified by the business community as an important step towards making Spokane a more attractive place to live, work and conduct commerce. Following more than a year of outreach and work with the public, downtown business leaders and local officials, the Spokane Transit Board and Spokane City Council adopted a Locally Preferred Alternative (LPA) of a Modern Electric Trolley (electric trolley-bus) traveling from Browne's Addition through Downtown Spokane and the University District to Gonzaga University's Campus. Recent proposed amendments to the LPA include an extension of the line to SCC and an exploration of electric vehicle propulsion technologies that do not rely on the overhead cantenary wire system.

The Modern Electric Trolley line traveling between Browne's Addition and Gonzaga University is one of many corridors highlighted for future transit improvements in Spokane Transit's planned High Performance Transit (HPT) network. The HPT network is a network of corridors providing all-day, two-way, reliable and frequent service which offers competitive speeds to the private automobile and features improved amenities for passengers. The HPT network defines a system of corridors for heightened and long-term operating and capital investments throughout the Spokane Region. Like the recently adopted CCTAA Locally Preferred Alternative, all of the other investments in the HPT network could take place once analysis is complete and resources are committed.

Together, these corridors define a system of transit lines for heightened and long-term operating and capital investments throughout the Spokane Region. The five additional HPT corridors to be further studied during 2012-2013 were selected for more analysis based on public input, existing ridership trends, an ability to be funded, projected travel demand and potential for economic development through investment along the corridor. These corridors include corridors from Cheney to Downtown Spokane, Spokane Airport to Coeur d'Alene, North Monroe to South Regal Corridor, North Division to Downtown Spokane, Downtown Spokane to Liberty Lake via the Spokane Valley. Like the recently adopted MET alignment through Downtown Spokane, all of the other investments in the HPT network could take place once analysis is complete and resources are committed to the projects.

Biking and Walking

Bicycling and walking are simple and efficient, low-impact modes of travel that don't contribute to air pollution or traffic congestion. Well-designed, strategically located non-motorized facilities can also increase public transit ridership such as buses by providing better access to transit for more people. In



Infrastructure: Telecommunications, Transportation and Utility Profiles

In addition, bicycle and pedestrian facilities can provide for economic development in downtowns, urban centers, and other mixed-use areas.

The Spokane Regional Transportation Council (SRTC) completed an update to the Spokane Regional Bikeway/Pathway Plan in 2008-2009. The City of Spokane adopted a Master Bike Plan in 2010 and a Phase I of a Pedestrian Master Plan was developed in 2012. Phase II will coincide with the Comprehensive Plan, Transportation Chapter, Update. The City of Spokane Valley has developed a Bike and Pedestrian Master Program that guides the planning, development, and management of existing and future multi-modal connectors.

SRTC is committed to providing more and safer opportunities to walk and bike, and is working with communities throughout the region to plan for and implement effective non-motorized projects and programs. Because bicycling is an efficient way to commute to work or school, SRTC has created an interactive Spokane Regional Bicycle Map of bike routes. The map breaks down Spokane-area roads into facilities with shared use paths, bicycle lanes, shared roadways, and suggested commuter and recreation routes. The map also shows routes through the Riverside State Park Recreational Area, the Medical Lake and Cheney area and downtown Spokane and the lower South Hill. There are also biking resources included on the map such as area bicycle shops, contact information for local bicycle clubs, a bicycle maintenance checklist and an index of state bicycle laws.

The SpokeFest Association promotes Bike to Work Spokane and Spokane Bicycle Month each May, along with the SpokeFest event in September.

Utility Profiles

Spokane businesses benefit from low cost hydropower, which is a clean, renewable and economic source of energy. The Spokane region offers among the most competitive energy costs in the nation. Natural Gas is provided by a single private utility, Avista Utilities, while electricity is provided by publicly owned and privately owned public utility providers including Avista Utilities, Inland Power & Light Company, Modern Electric Water Company, Vera Water & Power, Kootenai Electric and the Cheney Light Department.

Avista Utilities was founded in 1889 and provides electric and natural gas service to customers in a service territory of more than 30,000 square miles. Customers are served with a mix of hydro, natural gas, coal and biomass generation delivered over 2,200 miles of transmission line, 18,000 miles of distribution line and 7,600 miles of natural gas distribution mains.

Inland Power & Light Company is located in the heart of the Inland Northwest, and provides electricity to over 39,000 commercial, residential and agricultural members in eastern Washington and northern Idaho. Providing electric service since 1937, Inland Power serves as the largest electric cooperative in Washington.



Infrastructure: Telecommunications, Transportation and Utility Profiles

Modern Electric Water Company is a customer owned utility, and strives to provide reliable and efficient electric and water services at the lowest possible cost.

Vera Water and Power is a publicly-owned utility situated in Eastern Washington, supplying water and electricity to 10,000 customers in Spokane Valley, Washington. Power is produced by BPA (Bonneville Power Administration) and is distribute to customers through an underground and overhead electrical system. Water service is provided through ten wells that pump water from the Spokane Rathdrum Aquifer.

Kootenai Electric Cooperative, Inc., is a member-owned electric utility in Hayden, Idaho. The Cooperative provides competitively priced, quality energy services to its members and is governed by an independent seven-member elected Board of Directors. Kootenai Electric has more than 22,000 member accounts and nearly 2,000 miles of electric line in parts of Kootenai, Benewah, Bonner and Spokane counties.

City of Cheney Light Department is a municipal electric utility serving approximately 4,300 customers in the Cheney community. Cheney Light was formed in 1931 when the electric utility was purchased from the local utility owners. Cheney Light purchases power from BPA.

Renewable Energy Projects

Renewable energy has been key to Avista operations since 1890, when the company's Monroe Street hydroelectric station on the Spokane River was completed. Avista has taken the lead among energy suppliers, pioneering biomass, wind, and energy conservation to utilize renewable resources for current and future markets. Recognized for its strong environmental stewardship, the company anticipates meeting more than half of future energy needs through renewable resources and plant upgrades. Avista's twenty year Integrated Resource Plan, updated every two years, describes the Company's current and planned resource mix.

Avista is also experimenting with wind energy, as it looks to install windmills five miles south of Reardan, WA to generate electricity for Avista Utility customers. The \$109-196 million project will be a first for Avista, which has been buying wind energy from third-party suppliers for several years. The Lincoln County windmills will have the capacity to produce 50-90 megawatts of power, enough for 37,500-67,500 homes.

Rockford, Washington, a small town southeast of Spokane, is the home to the greatest producers of Kentucky Bluegrass seed for lawn use in the nation. For many seasons, this crop has been burned in order to reproduce for the next year. The County of Spokane has stopped all burning in this area. Therefore, the local farmers must find a different method of disposing of the residue.

Given the dilemma, a local farmer formed a group called Farm Power, attempting to develop a pilot project on his farm to burn the residue in a gas fired burner producing electricity. Senator Patty Murray, from the State of Washington, helped the Farm Power Group by providing \$750,000.00 as seed money

for the project. The Farm Power Group has been working with representatives from the USDA, Inland Power & Light and the Bonneville Power Administration.

Wastewater

The Spokane County Wastewater Collection system is currently made up of 30-wastewater pumping stations, 36-miles of pressure force-mains, 589-miles of gravity sewer collection pipes, and over 11,000 man-holes.

On December 1, 2011, the new Spokane County Regional Water Reclamation Facility (SCRWRF) began treating Spoakne valley and North Spokane wastewater. This new facility uses state-of-the-art membrane technology which is designed to meet or exceed current legal requirements for phosphorus removal. The facility is treating to veery high standards which help improve water quality in the Spokane River and Rathdrum Aquifer.

Combined wastewater flows are transported by gravity through the Spokane County's wastewater collection lines. In low lying ares, the wastewater is pumped to higher elevations and all of the wastewater ultimately flows into large interceptor pipes that end at the SCRWRF or the City of Spokane's "Riverside park Water Reclamation Facility" (RPWRF) for treatment.

In the summer of 2010, the City of Cheney completed their new wastewater treatment plant. The facility has the capacity to accommodate expansion of the city up to the year 2026 if the predicted growth rate of residents remains on track. The design of the facility will able the city to implement a reclaimed water program for irrigation purposes. Construction and design of the project cost \$9.7 million, coming in \$900,000 below budget.

The Cheney Wastewater Division is responsible for operating and maintaining the collection and treatment processes to ensure the City is in compliance with all applicable state and federal clean water standards.

The wastewater collection system consists of more than 40 miles of mains as well as 850 manholes and two lift stations. Wastewater is conveyed through the collection system to the treatment plant. The City's treatment plant has the capacity to treat 1.5 million gallons per day on an annual basis, but the plant can treat up to 2/7 million gallons a day during the months when the maximum flows are occurring.

In May 2012, Spokane County's City of Airway Heights completed a new \$44 million wastewater treatment plant which will allow for water reuse, replenishing the Spokane-Valley-Rathdrum Aquifer which is used by the citizens of Airway Heights and all other surrounding communities. The facility is situated on 75 acres and serve over 750 city residents.

Economic Analysis

The Spokane-Spokane Valley MSA is now a Top 100 U.S. metro market. The combined of counties of Spokane, Stevens and Pend Oreille have a population over 530,000. Spokane County's population is approximately 484,500 and is considered the regional, economic and cultural hub of a four-state region with over 2.5 million people. Since 2011, our region's population and employment growth has grown at a steady pace, adding over 6,000 jobs. While this is great news, Spokane has not performed as well as other state MSA's in both job and income growth.

Of all the forces that shape the Spokane economy, none is more powerful or more tenuous than Spokane's historic role as a regional center of services for the surrounding rural population. Regional services which have historically been the driving force of the Spokane economy include:

- Government
- Higher education
- Medical services
- Transportation and warehousing
- Finance
- Durable goods sales like cars, furniture and clothing

Having a geographic concentration of services, population and a skilled labor force has made Spokane competitive with other urban centers in attracting national and international investment in the form of tourism and conventions, the military, research and manufacturing. These, in turn, support the creation and expansion of still other complementary businesses.

The threats to this economy are varied: Advances in technology change the services we need, how services are delivered, and the value of the employees that provide the services; shifts in wealth from country to country and generation to generation change the preferences of consumers and workers; population growth means a bigger market, but more expensive raw materials; and changes, like those of the recent mortgage collapse and consequential US economic recession. The measure of an effective analysis will lie in its ability to strategically identify the most prudent and feasible steps that will prepare the economy to meet and take advantage of the inevitable changes.

Based on prior economic strategies of the region, and our current understanding of trends in the economy, this analysis will concentrate on three primary threats:

- The erosion of our regional importance
- The loss of value of our regional services
- The reduction in our regional comparative advantage

Regional Importance

Healthcare, government services, and financial services have traditionally been the core services for which Eastern Washington has looked to Spokane. Civilian hospitals have a greater local competition in the form of expanded services in Coeur d'Alene, Idaho and Pullman, Washington.

Economic Analysis

The Spokane region remains a center for government services. Government employment is tied to national needs for security, state regional agencies and budgets, and education.

Fairchild Air Force Base continues to play a significant role in the local labor economy. However, the future of Fairchild remains uncertain as another round of base closings approaches.

One unique aspect of government employment for our region is the role played by the proximity of Spokane to the Coeur d'Alene, Spokane, Colville and Kalispell Indian reservations and the number of people they hire in the local market.

The other aspect of government employment which defines Spokane as a regional center is the presence of higher education. In Spokane, more than one out of every 10 workers is employed in education. This is a little higher than the state average of 9.7% of all workers, and has a heavier percentage in private education than most communities.

Another challenge to Spokane's regional importance is a reduction in the number of financial firms headquartered in the area. Since the Great Recession, we have seen several of the region's home-grown financial institutions acquired by out-of-area institutions. Trends in the financial industry suggest this consolidation will continue.

Regional Value

In addition to the importance of attracting and maintaining high employment and economic expansion of regional services, it is also necessary to look at the value of growth in terms of the wages and income that result from development.

Average wages in Spokane in 2013 totaled about \$41,730 per year, depending upon the industry. In manufacturing, for example, wages averaged more than \$52,007 per year while accommodation and food services only paid an average of \$17,152. In terms of value then, the sectors which provide the greatest revenue in terms of income include government, retail/wholesale trade, education and health services. In terms of pay, however, the government, manufacturing, and finance sectors offer the best opportunities.

Regional Comparative Advantage Risk

A comprehensive economic development strategy requires a comprehensive land use plan. Spokane County residents have expressed a vision for the future that includes a healthy environment, family wage jobs, convenient transportation, affordable housing, excellent schools, and abundant parks and open spaces. A comprehensive land use plan serves as the blueprint for making this vision a reality, while coming with a cost.

While a comprehensive plan is a set of goals, policies, maps, illustrations and implementation strategies that states how to grow physically, socially and economically, none of these things happen in isolation. In fact, growth or contraction in regional economies is highly dependent on maintaining relative balance between other geographic areas with similar attributes.



Economic Analysis

Economic growth and development requires large financial investment in both public and private facilities, be they public infrastructure like transportation, education opportunity (like quality public schools along with graduate professional degree programs), or private capital for factory, office, and residential housing.

Ensuring infill and discouraging sprawl, while at the same time avoiding a shortage of developable land, is difficult in a market-based economic system. Since Spokane County is adjacent to Idaho, reducing or destroying comparative advantage is far more risky and complex than most other counties in the State of Washington.

Critical Initiatives

In addition to the direction provided by the CEDS Oversight Committee and its subcommittees in the formation of this plan, and responses to public solicitations for proposals, comments and suggestions, all known current plans and reports relating to economic development were reviewed for consideration.

These included the following:

- City of Airway Heights Comprehensive Plan
- City of Cheney Comprehensive Plan, 2010-2030
- City of Deer Park Comprehensive Plan
- City of Liberty Lake Comprehensive Plan
- City of Spokane Comprehensive Plan, 2001
- City of Spokane- Downtown Spokane Plan
- City of Spokane Downtown Spokane Plan, Update 12/2008
- City of Spokane Valley Comprehensive Plan
- Downtown Spokane / University District Transportation Improvement Study
- Energy Technology Consortium Plan
- Greater Spokane Incorporated Business Plan
- Greater Spokane Incorporated Regional Agenda
- Spokane Area Workforce Development Council Strategic Plan
- Spokane County Comprehensive Plan
- University District Master Plan

Economic Priorities & Initiatives

As the focal point for economic development prioritization and planning, the CEDS process is utilized to achieve a unified community vision of economic prosperity for the Spokane Region. This unified vision has five focus areas:

Business Growth

Business growth drives the regional economy, creating jobs and improving the quality of life by bringing new products and services to the world. A diversified economy is essential to the health of our region and allows us to participate in the global marketplace.

- Increase the number of businesses in the region through retention and expansion of existing companies, recruitment of new and start-up business ventures, business growth through government contracting and international trade, and foster entrepreneurship
- Foster a higher concentration of jobs in identified clusters, including health sciences, aerospace, and logistics/distribution, along with manufacturing, IT, clean tech and professional services
- Aggressively work to support Fairchild Air Force Base and pursue new missions to help expand the military presence in our region
- Collaborate with local research institutions, start-up ventures and existing companies to increase the number of utility patents granted in the region
- Foster higher concentrations of investment and venture capital
- Ensure that the local and regional business climate is attractive to new and existing businesses by working with partners across the state and at the federal level to provide incentives and benefits
- Lead the research, dialogue and public awareness around implementing a county-wide Port District to support regional economic development initiatives. The primary purpose of a port district in Washington State is economic development - the Legislature has given ports broad authority to build and operate airports, marine terminals, marinas, railroads, and industrial parks.



Economic Priorities & Initiatives

Education

Investing in high-quality education and lifelong learning opportunities for today's and tomorrow's citizens will enable our region to achieve economic success in a knowledge-based economy by increasing competitiveness, productivity and the economic health of our community.

- Establish an integrated workforce development/education system that provides a seamless continuum of services to ensure workforce productivity above the national average
- Increase the number of employed persons in the region through the expansion of employment opportunities, education, internships and training
- Decrease the high school dropout rate by ensuring that all students have access to opportunities for employment training and certifications, and higher education
- Ensure that student-to-teacher ratio is lower than the average of our peer communities
- Increase opportunities for citizens to achieve post-secondary degrees

Prosperity for All

The goal of a vibrant and thriving business environment that offers economic security and prosperity for all is led by new and emerging job opportunities, together with good wages, benefits, a healthy workplace and opportunities for upward mobility.

- Provide employment that supports raising the regional standard of living to a level higher than the national average
- Develop and implement regional capacity-building programs that provide infrastructure for business attraction and retention, and workers with opportunities for career advancement and wealth growth
- Define a regional diversity agenda that values career opportunities and advancement for female and minority populations in positions of mid-level and senior management
- Ensure that citizens understand the value of higher education and the financial, health and social power of certificate, two-year, four-year and advanced degrees

Economic Priorities & Initiatives

Quality of Life

A distinctive identity creates a quality of life that is attractive for business retention, future residents and private investment. Focused efforts to create and preserve our sense of uniqueness, attractiveness, history, cultural and social diversity will help differentiate our region from our peers.

- Be known nationally for a quality of life among the best in the United States
- Establish an identity that speaks to diversity, entrepreneurship, risk-taking, innovation, economic prosperity, natural resources and adventure
- Recognize the importance of and improve lifestyle, business and environment assets that attract economic development opportunities and enhance the region's quality of life
- Encourage and support the arts and culture of the region
- Partner with local municipalities and public safety agencies to lower crime rates

Basic Needs

The basic needs of our region must be addressed by encouraging and promoting job growth and skill improvement for local residents, and insuring the availability of quality affordable child care, transportation and housing.

- Work with local and regional partners to develop programs that concentrate on reducing the child and adult poverty rates, including advocacy for youth facilities, job skills training and community programs
- Advocate for local, state and federal programs that provide outreach and funding to the lower income population in our region
- Ensure that affordable housing remains a top priority
- Plan, build and maintain an extraordinary level of public and private infrastructure and facilities to provide capacity for desired economic growth and for environmental protection

Projects Prioritization & Evaluation

The 2014 - 2015 CEDS Document was reviewed and updated by the committee. The following previously submitted projects have been carried over and are listed in alphabetical order.

Priority projects:

- Honor Point Military & Aerospace Museum - updated
- Integrated Business and Entrepreneurship: Eastern Washington's Innovative Startup Ecosystem
- University District Bridge Project - updated
- "The YARD" Northeast Industrial Development and Redevelopment - updated

Completed projects:

- Academic Health Sciences Center
- Deer Park Industrial Infrastructure - awarded EDA grant of \$1,811,000 to fund infrastructure improvements to the industrial area west of the airport, August 2012
- Inland Pacific Hub Strategic Plan - completed 2012
- Visualization and Microscopy Laboratory



Appendix

Appendix A: Greater Spokane Incorporated Board of Trustees i

Appendix B: Spokane County CEDS Oversight Committee..... iv

Appendix C: Greater Spokane Incorporated 2014 State Agenda..... v

Greater Spokane Incorporated Board of Trustees

Chair

Linda Elkin, US Bank

Chair-Elect

Dr. Christine Johnson, Community Colleges of Spokane

General Counsel

Bill Symmes, Witherspoon, Kelley

Treasurer

Kurt Walsdorf, Bank of America

President & CEO

Steve Stevens, Greater Spokane Incorporated

Trustees

Ellie Aaro

Beacon Hill Events

Carla Altepeter

Numerica Credit Union

Barry Baker (Ex-Officio, GSVCC)

Baker Construction & Development

Rick Betts

Moss Adams

Dave Black

NAI Black

Bill Bouten

Bouten Construction

Jane Brown

Paine Hamblen

Dr. Lisa Brown

Washington State University Spokane

Lynnelle Caudill

The Davenport Hotel Collection

Mayor David Condon (Ex-Officio)

City of Spokane

Elaine Couture

Providence Health Care

W. Stacey Cowles

The Spokesman Review

Dr. Mary Cullinan

Eastern Washington University

Scott Dietzen

Clifton LarsonAllen



Greater Spokane Incorporated Board of Trustees continued

Steve Duvoisin	Inland Imaging
Ezra Eckhardt	Umpqua Bank
Roger Flint	CH2M Hill, Inc.
Geoff Forshag	Two Wheel Transit
Commissioner Al French (Ex-Officio)	Spokane County
Tom Fritz	Inland Northwest Health Services
Ryan Gee	Gee Automotive
Kristin Goff	Wendle Ford Nissan Infiniti
Mayor Dean Grafos (Ex-Officio)	City of Spokane Valley
Craig Hart	Hart Capital Management
Phil Haugen	Northern Quest Resort
Jack Heath	Washington Trust Bank
Michelle Hege	Desautel Hege Communications
Chris Henjum	Hydrafab Northwest
Craig Higashi	Spokane Produce, Inc.
Tom Johnson	STCU
Terry Judge	Hotstart, Inc.
Larry Krauter	Spokane International Airport
Tyler Lafferty	Seven2
Lewis Lee	Lee & Hayes
Pam Lund	Girl Scouts of Eastern WA and North ID
Dr. Thayne McCulloh	Gonzaga University
Col. Charles McDaniel (Advisory)	Fairchild Air Force Base
Patricia McRae	KHQ TV
Marcelo Morales	A4Ventures
Scott Morris	Avista
Tom Novotney	CenturyLink
Kevin Person	Wagstaff
Mayor Steve Peterson (Ex-Officio)	City of Liberty Lake
Jeff Philipps	Rosauers Supermarkets

Greater Spokane Incorporated Board of Trustees continued

Coleen Quisenberry

Dr. Shelley Redinger

Steve Robinson

Tom Simpson

Ben Small

Larry Soehren

Dr. Beck Taylor

Don Ting

Dr. Francisco R. Velázquez

Denise Vickerman (Ex-Officio)

Bruce Williams

Kyle Windhorn

Paul Zasada

Quisenberry Marketing & Design

Spokane Public Schools

Spokane Rock Products

etailz

Central Valley School District

Kiemle & Hagood Company

Whitworth University

Pyrotek

PAML, LLC

West Plains Chamber of Commerce

GeoEngineers, Inc.

Walmart

McKinstry

Spokane County CEDS Oversight Committee

Jeanne Ager	AFAM - Ager Consulting
Joe Albert	Gonzaga University
Jay Allert	Spokane Agri-Business Council
Kathy Armstrong	East Central Community Center
Tyrone Barbery	West plains Chamber of Commerce
Dennis Barts	Valley Hospital and Medical Center
Vicki Carter	Spokane County Conservation District
David Condon	City of Spokane
Elaine Couture	Sacred Heart Medical Center
John Culton	Patty Murray's office
James Dalton	Washington State University - Spokane
Francis Devereaux	American Indian Community Center
Blair DeWeese	Greater Spokane Incorporated - International Trade
Christy Doyle	Director of Workforce Education and Development
Michael Dunn	Educational Service District
Matt Ewers	Inland Empire Distribution Systems, Inc.
Jean Farmer	Northeast Community Center
Marshall Farnell	Spokane County
Louise Fendrich	Congresswoman Cathy McMorris-Rodgers
Roger Flint	CH2M Hill
Grant Forsyth	Avista Corporation
Lee Ann Freshour	National Association of Women Business Owners
Tom Fritz	Inland Northwest Health Services
Rich Hadley	Greater Spokane Incorporated
Jim Harakas	GeoEngineers, Inc.
Don Higgins	West Central Community Center
John Higgins	City of Medical Lake
Latisha Hill	Avista
Mark Hurtubise	Inland NW Community Foundation
Mike Jackson	City of Spokane Valley

Spokane County CEDS Oversight Committee continued

Sandra Jarrard	Greater Spokane Incorporated - Public Policy
Greg Johnson	Paine Hamblen
Patrick Jones	Eastern Washington University
Doug Kelley	Avista Corp.
Bill King	ITT Technical Institute
Larry Krauter	Spokane International Airport
Diane Lenier	Inland Northwest Health Services
Penni Loomis	Deer Park Municipal Airport
Brett Lucas	City of Cheney
Jennifer Lutz	Inland Power & Light
Kevin Maloney	Spokane Shock
Mark Mattke	Spokane Area Workforce Development Council
Scott Morgan	Institute for Extended Learning
Daniel Mork	City of Millwood
Joanne Murcar	CCS Business and Community Training & Education
Doug Nadvornik	Washington State University - Spokane
Jerry Numbers	East Central Neighborhood Council
Marla Nunberg	Downtown Spokane Partnership
Shelly O'Quinn	Greater Spokane Incorporated
Greg Orwig	Whitworth University
Karl Otterstrom	Spokane Transit Authority
Dr. Brian Pitcher	Washington State University - Spokane
Preston Potratz	Integrus Architecture
Pete Rayner	Beacon Hill Events
Paul Read	Journal of Business
Mark Richard	Downtown Spokane Partnership
Tanya Riordan	Maria Cantwell's office
Tim Robinson	Visit Spokane



Spokane County CEDS Oversight Committee continued

Patrick Rushing	Mayor, City of Airway Heights
Bill Savitz	Garco
Eldonna Shaw	Greater Spokane Valley Chamber of Commerce
Doug Smith	City of Liberty Lake
Wendy Smith	Greater Spokane Incorporated
Teri Stripes	City of Spokane
Mike Taylor	P. Mike Taylor, LLC
Beth Thew	Spokane Regional Labor Council
Joe Tortorelli	Economic Development NW
Robin Toth	Greater Spokane Incorporated
Albert Tripp	City of Airway Heights
Tom Trulove	Eastern Washington University
Doug Tweedy	Labor Market and Economic Analysis, ESD
Chris Varallo	Witherspoon, Kelley, Davenport & Toole
Dan Villalobos	Inland Power & Light
Nancy Vorhees	INHS
Dan Wadkins	Lee & Hayes, PLLC
Kevin Wallace	Spokane Regional Transportation Council
Todd Woodard	Spokane International Airport
Kim Zentz	Innovate Washington