

ECONOMIC
_DEVELOPMENT
ELEMENT

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ECONOMIC DEVELOPMENT ELEMENT

I. Introduction

The Economic Element contains general information about the local and regional economy, and goals and policies to guide and encourage economic development and diversification. The City has recognized the importance of economic development in maintaining the stability of the local economy and quality of life. As a result, the comprehensive land use plan includes this economic development element. This element contains general information about the local and regional economy, and goals and policies to guide and encourage economic development and diversification.

II. General Economic and Income Profile

The City of Leavenworth's primary industry for its economic growth is tourism, hospitality, and recreation. Leavenworth is a tourist destination that attracts millions of visitors each year due to its Old-World Bavarian Alpine Theme, as well as the abundance and variety of year-round recreational opportunities afforded by the mountains and rivers that surround us. Our unique Old-World Bavarian Alpine Theme sets us apart from other towns in our region, and drives our economy. The Old-World Bavarian Alpine Theme is a key component of Leavenworth's economic vitality. Economic and income information available is addressed by census district. The inventory and analysis that follows combines 1990 census information for the census districts and other sources of county wide information to provide a profile of the economic and income condition of the City of Leavenworth, surrounding area, the county, and the region.

Regional and State tourism data:

Tourism is a vital component to the economy of North Central Washington. The Washington State travel industry continued to show improvement in 2012, following the steep decline in travel in 2009 in the state and the nation. Employment should continue to expand providing that visitation and spending continue to grow. The state saw some 36.4 million total overnight person trips in 2012, and those visitors spent \$16.9 billion. This represents a 4.4 percent increase over 2011 in current dollars and 2.6 percent in real dollars (adjusted for inflation). In real dollars, this is the greatest increase in travel spending since 2005-06.

As with the increase in visitor spending, total local and state tax receipts generated by travel spending increased 4.9 percent to just over \$1 billion – the equivalent of \$390 for every residential household in Washington State. Travel and tourism supported more than 153,300 jobs statewide in 2012, up 2.7% from 2011, and generated earnings (payroll) of \$4.7 billion.

With the Old-World Bavarian Alpine Theme and numerous festivals associated with that Theme, Leavenworth is one of the most popular tourist destinations in the Pacific Northwest. More than

2 million people annually visit the community located in the upper reaches of the Wenatchee Valley and along Highway 2. The Old-World Bavarian Alpine Theme fits perfectly with the soaring Cascade Mountains above — the town sits at 1,160 feet above sea level while the mountains rise more than 7,000 feet. Specialty shops and growing restaurant options complete the experience. But over the past several years, Leavenworth also has evolved into a top attraction for outdoor recreation, food, wine, craft beer and the arts. An extensive Nordic trail system is the center of winter recreation here, while the Cascades and the Wenatchee River attract hikers, mountain bikers, trail runners and whitewater enthusiasts during the warm-weather months. Cultural offerings can be found at the Icicle Creek Center for the Arts and Leavenworth Summer Theater as well as at numerous tasting rooms and brew pubs in Leavenworth.

As outlined in the Parks and Recreation Element, the outdoor recreation activities include, but are not limited to: hiking, mountain biking, road cycling, cross-country skiing, downhill skiing, snow tubing, ice climbing, dog sledding, snowmobiling, whitewater rafting, kayaking, paddle boarding, river tubing, trail running, running, rock climbing, birding, horseback riding, golf, ziplining and fishing.

Economic Development Organizations

In Chelan County, there are several organizations that play a supportive role in economic development ~~both in the County and in North Central Washington~~. Examples of these organizations are Chelan County, the Chelan County Port District and ~~Quest for North Central Washington Economic Development District (NCWEDD)~~Economic Development. There are also a number of organizations that provide support to specific industry sectors such as cattlemen and fruit growers. In the City of Leavenworth, the Leavenworth Chamber of Commerce and Bavarian Village Business Association also contributes to economic development strategies. The NCWEDD is a federally designated economic development district for the NCW region covering Okanogan, Douglas, and Chelan counties and the Colville Confederate Tribes. The NCWEDD is responsible for regional economic development strategy and planning and collaborates with various private and public agencies to accomplish this goal. The NCWEDD brings together the private and public sectors in a partnership necessary to provide a coordinated strategy and an ongoing economic development program for the region.

A few of Leavenworth's strengths, amenities, and highlights include, but are not limited to, the Old-World Bavarian Alpine Theme and recreation and cultural activities that attract 2 million visitors annually; good schools; high volunteering culture; low rate of crime; warm climate with low humidity seven months of the year.

The Leavenworth Chamber of Commerce promotes commerce, tourism, the Old-World Bavarian Alpine Theme, economic development, diversification and cooperation among the business community, governments and residents of the Chamber membership area. Uniquely, Leavenworth Chamber of Commerce acts as both a Chamber doing traditional business to business and governmental relations work and as Leavenworth's Visitors Bureau, managing a Visitor Center, orchestrating media relations, advertising and all visitor outreach. The Leavenworth Chamber of Commerce also host events, promotions and festivals, including

creating the “Village of Lights” and making Christmas Lighting. Leavenworth’s high-quality events have a small-town feel, drawing hundreds of thousands of visitors to Leavenworth each year and offering a myriad of opportunities to promote tourism.

The City involvement with promoting tourism includes partnering with the Chamber of Commerce and the Leavenworth Lodging Association to support and fund the Leavenworth Area Promotions Committee (LAP). LAP’s goal is to provide clean, safe, and attractive accommodations & amenities to the leisure and business travelers of the Leavenworth.

Lodging and Transient Accommodations (City and UGA)

<u>2017 lodging and transient accommodation types</u>	<u># of Units</u>	<u>#of Beds</u>
<u>Bed & Breakfast</u>	<u>5</u>	<u>5</u>
<u>Condos, Suites, Rooms</u>	<u>81</u>	<u>155</u>
<u>Hotel / Motel</u>	<u>702</u>	<u>1112</u>
<u>Cabins/Lodges/Resorts</u>	<u>9</u>	<u>9</u>
<u>Totals</u>	<u>797</u>	<u>1281</u>

Source: Chamber of Commerce

Income

The income of households in the two census districts (CD) has historically been very close to the average income in Chelan County. The Census Bureau tracks income by family, household, and per capita. A household is an occupied housing unit. Family income includes only those households that are considered families (householder and one or more other persons related to the householder by birth, marriage, or adoption). Since not all households contain families, the household income is more representative of the actual community income.

The median household income in Leavenworth was \$43,447 in 2015, which represents a 16.3% growth from the previous year of \$37,348 (Source: Census Bureau).

3 Households in Chelan County have a median income of \$51,837 in 2015. For the Leavenworth in 2013/Lake Wenatchee CD, the median household income was \$34,081; and \$51,534 in 1990 was \$24,741 which was much lower than the state median of \$31,183, and very close to the Chelan County median of \$24,312. The Cashmere CD 1990 median household income was \$24,806 and the City of Leavenworth was \$22,931. The below table is the Office of Financial Management (OFM) Regional Median Household Income.

Regional Median Household Income

	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>
<u>Washington</u>	<u>31,183</u>	<u>33,417</u>	<u>34,379</u>	<u>35,882</u>	<u>36,679</u>	<u>37,895</u>	<u>38,997</u>	<u>40,568</u>
<u>Chelan Co.</u>	<u>24,312</u>	<u>25,833</u>	<u>27,592</u>	<u>28,746</u>	<u>30,148</u>	<u>31,547</u>	<u>32,164</u>	<u>33,918</u>

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
<u>Washington</u>	<u>42,399</u>	<u>44,514</u>	<u>45,776</u>	<u>44,120</u>	<u>45,761</u>	<u>46,039</u>	<u>46,967</u>	<u>49,585</u>
<u>Chelan Co.</u>	<u>35,662</u>	<u>37,175</u>	<u>37,316</u>	<u>39,439</u>	<u>41,653</u>	<u>41,731</u>	<u>42,918</u>	<u>43,696</u>

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<u>Washington</u>	<u>50,004</u>	<u>53,522</u>	<u>56,141</u>	<u>57,858</u>	<u>55,458</u>	<u>54,888</u>	<u>55,500</u>	<u>56,444</u>
<u>Chelan Co.</u>	<u>44,422</u>	<u>46,522</u>	<u>44,964</u>	<u>44,013</u>	<u>46,780</u>	<u>45,478</u>	<u>46,275</u>	<u>47,265</u>

	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>Washington</u>	<u>57,284</u>	<u>60,153</u>	<u>62,108</u>
<u>Chelan Co.</u>	<u>51,713</u>	<u>50,825</u>	<u>52,780</u>

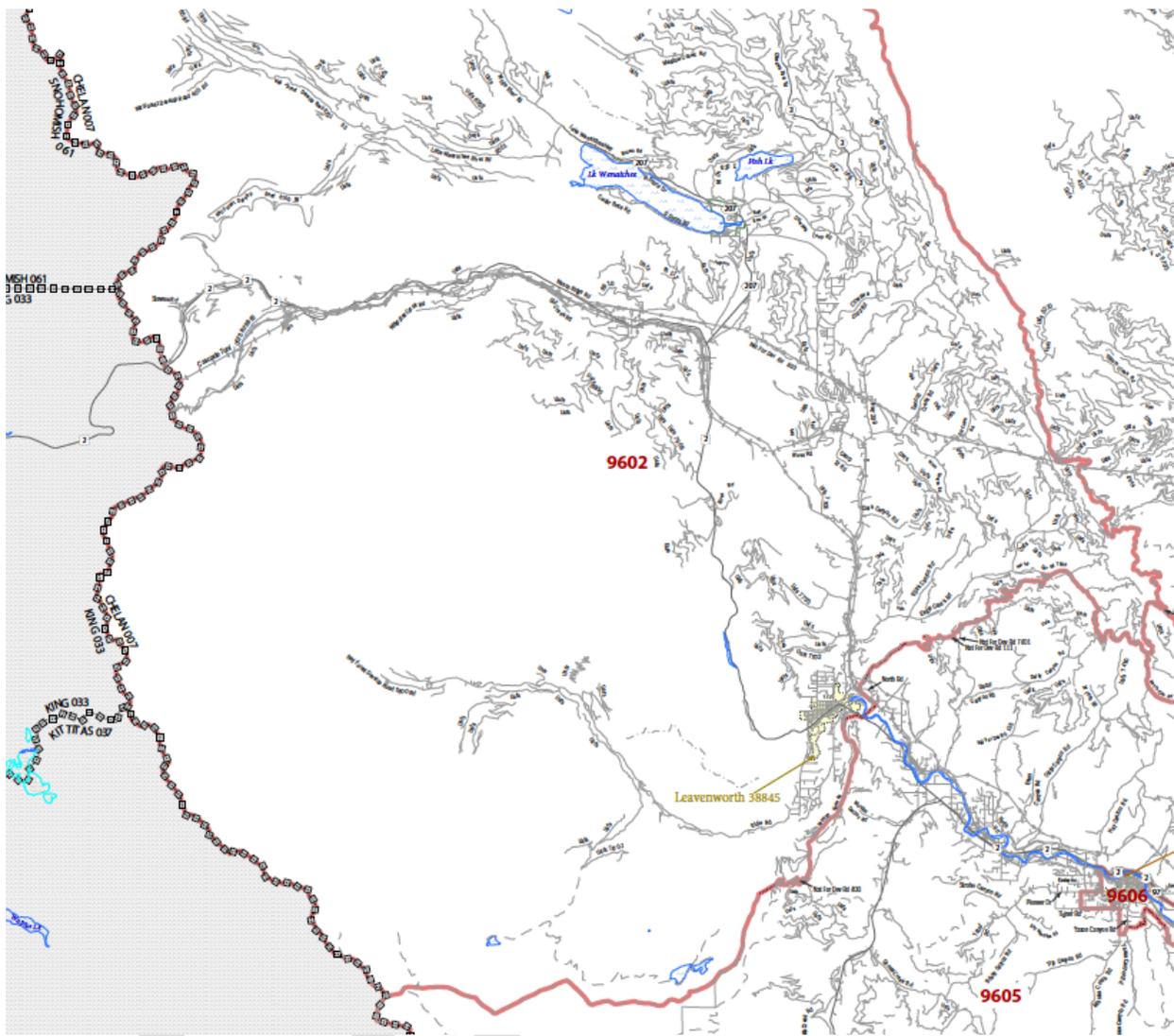
Source: OFM

Note: 2014 is an estimate and 2015 is a projection *OFM.

~~The median household incomes have been updated for the state and counties by estimates prepared by the Washington State Office of Financial Management (OFM). According to OFM the 1992 median household income for Chelan County was \$28,470 and \$36,648 for the state. If the historic relationship has continued between the two CD's and regional household income, the 1992 median household income for the planning area would be approximately the same as that of the County. "Persons below poverty level" is a factor prepared by the Census Bureau using the poverty threshold established by the Federal Office of Management and Budget. A review of this indicator also shows the relative prosperity of residents in the planning area as compared to Chelan County as a whole.~~

According to the Census Bureau, 14.4% of the population in Leavenworth census tract live below the poverty line, which is lower than the national average of 14.7%. The largest group living in poverty is Male 55-64, followed by Female 18-24 and then Female 55-64. A census tract is a geographic area defined by the United States Census Bureau and used for the census. A census tract normally covers a smaller area than a city or zip code. On average, a census tract has around 4,200 residents. Census tracts are more uniformly distributed in terms of the number of residents than cities or zip codes. For Leavenworth, Census Tract No. 960200 includes Leavenworth, Plain, Lake Wenatchee, and surrounding area. According to the Census Bureau, For the City of Leavenworth in 1990, 13% of all persons were below the poverty level compared to 15% in Chelan County and 11% statewide. This percentage amounted to 11.7% in the Cashmere CD and 10.4% for the Leavenworth/Lake Wenatchee CD.

14.3% of the population in Chelan County (73,389 people) live below the poverty line, which is lower than the national average of 14.7%. The Census Bureau uses a set of money income thresholds that vary by family size and composition to determine who is in poverty. If a family's total income is less than the family's threshold, then that family and every individual in it is considered in poverty.



In 1990, 8.6% of all families in the Leavenworth/Lake Wenatchee CD lived below poverty level compared to 11% in Chelan County and 8% statewide. This percentage was 7.7% for the Cashmere CD and 8.9% for the City of Leavenworth.

For many federal and state assistance programs, eligibility is based on incomes. For most programs agencies are encouraged to serve “very low income” households as the highest priority, “low income” households as the second priority, and “moderate income” households as the last priority. The following table defines very low, low and moderate income levels as it relates to median household income:

Income Level	Description
Very Low Income	up to 50% of Median Household Income
Low Income	up to 80% of Median Household Income
Moderate Income	up to 120% of Median Household Income

By using the County median as the threshold for determining incomes qualifying under the levels shown above, 23% of all households in the Leavenworth/Lake Wenatchee CD were within the very low income level and 17% in the low income level compared to 25% and 41% respectively in Chelan County. These percentages compare to 25% and 17% in the Cashmere CD and 32% and 14% in the City of Leavenworth.

Comparison of Median Household Income by region from the Office of Financial Management Forecasting:

	<u>2010</u>	<u>2015</u>
<u>Chelan</u>	<u>\$45,478</u>	<u>\$52,780</u>
<u>Douglas</u>	<u>\$46,159</u>	<u>\$52,355</u>
<u>Okanogan</u>	<u>\$34,915</u>	<u>\$34,808</u>
<u>King</u>	<u>\$65,383</u>	<u>\$78,657</u>
<u>Washington State</u>	<u>\$54,888</u>	<u>\$62,108</u>

Source: (Office of Financial Management Forecasting, State of Washington)

Employment –Regional

It is important to recognize the regional nature of employment in the Chelan and Douglas Counties area. Chelan County provides 80% of the jobs in the two county area and contains 75% of the total number of employers. The 1990 Census asked respondents if they worked in the same county they lived in. Nearly 57% of Douglas County’s working residents worked in another county compared to 11% for Chelan County. A portion of these respondents may work in a county other than Chelan or Douglas. The largest single employer is Cascade Medical Center with 112 full & part time employees.

This employment information was taken from the publication “Employment and Payrolls in Washington State by County and Industry” which is prepared by the Washington State Employment Security Department and other sources. This publication provides information on the number of employees and payroll for businesses covered by the unemployment compensation program. This represents over 80% of all businesses in Washington State. According to data from the Census Bureau for 2015, employment in Leavenworth has been declining at a rate of -1.96%, from 1,022 employees in 2014 to 1,002 employees in 2015. The most common jobs held by residents of Leavenworth by number of employees, are “Food & Serving;” “Sales;” and “Health Practitioners.” Unfortunately, this information is only available at the County and State level.

The highest paid jobs held by residents of Leavenworth by median earnings, are “Health Practitioners;” “Education, Training, & Library;” and “Computer & Mathematical.” The most common industries in Leavenworth by number of employees are “Accommodation & Food Service;” “Healthcare & Social Assistance;” and “Retail trade.” As comparison, the agricultural industry is the largest employment generator in Chelan County. In 1993, the number of persons employed in agriculture represented the highest percentage of total county employment in Chelan County at 23%. This was down slightly from the 1990 figures of 24%. The significance of the agricultural industry in the area can be seen by comparing Chelan County

to the state average where agriculture represented only 4% of the total covered labor force.

According to the National Bureau of Economic Research (NBER), the following table lists the most popular occupations for Leavenworth. The occupations with the most people doing them are listed first.

<u>Occupation</u>	<u>Leavenworth</u>	<u>Washington</u>	<u>USA (National Average)</u>
<u>Service occupations</u>	<u>25.3%</u>	<u>16.6%</u>	<u>17.1%</u>
<u>Sales and office occupations</u>	<u>22.7%</u>	<u>24.0%</u>	<u>25.4%</u>
<u>Management, business, and financial occupations</u>	<u>12.4%</u>	<u>15.5%</u>	<u>14.3%</u>
<u>Computer, engineering, and science occupations</u>	<u>11.3%</u>	<u>7.3%</u>	<u>5.2%</u>
<u>Production, transportation, and material moving occupations</u>	<u>9.5%</u>	<u>11.2%</u>	<u>12.4%</u>
<u>Education, legal, community service, arts, and media occupations</u>	<u>9.1%</u>	<u>10.2%</u>	<u>10.6%</u>
<u>Natural resources, construction, and maintenance occupations</u>	<u>7.1%</u>	<u>10.3%</u>	<u>9.8%</u>
<u>Healthcare practitioners and technical occupations</u>	<u>2.6%</u>	<u>4.9%</u>	<u>5.2%</u>

Source: NBER

Leavenworth is a central part of the region's economy and employment, with a diversity of commercial activities thriving and providing employment opportunities for residents. In addition, agricultural endeavors, cottage based industries and low impact light industrial (located in and out of the City limits) continue to have a strong presence in the region.

Small manufacturers and emerging technologies deserve special attention in the City's Comprehensive Plan for two principal reasons. First, small manufacturers are able to rapidly respond to changes in the market place. Economic diversity can be strengthened with a variety of small companies, rather than one large company. Second, small scale diversified industrial business has a tremendous potential to generate additional employment opportunities (note: statistics indicate that for every one industrial job created, five more jobs are created in support services).

For these reasons, the City's Comprehensive Plan seeks to assist in the identification and recruitment of small-scale "clean" industry and cottage based industries that are appropriate to Leavenworth's resources and vision.

However, it is also recognized that there is a limited amount of land within the City limits and that industrial development will also occur in the surrounding areas of the County. In particular, the Port of Chelan County is seeking to develop the Peshastin mill property into a diversified center of economic activity. The City will seek ways to cooperate with these and other economic

development efforts in the region.

Although the NBER announced that the national recession occurred from December 2007 through June 2009, the effects of this recession hit the Wenatchee MSA labor market primarily in 2009 and 2010. Nonfarm employment in the two-county Wenatchee MSA peaked at an average of 40,200 jobs in 2008, then the recession hit. Since this recession, total nonfarm employment:

- Dropped 3.9 percent in 2009 (down 1,600 jobs) to an average annual figure of 38,700
- Nonfarm employment continued to slip during 2010, to 38,100, a 1.3-percent downturn.
- During 2011, the local labor market in the two-county area rebounded to 38,500 jobs, a modest 0.9 percent and 300-job average annual upturn.
- This 300-job uptrend was duplicated in 2012 with the number jobs advancing to 38,800, a 0.8 percent increase.
- In 2013, the tempo of job growth improved to 1.4 percent as the Wenatchee MSA netted 500 new nonfarm jobs and employment rose to 39,300.
- In 2014, the Wenatchee MSA's nonfarm economy averaged 40,600 a relatively robust 3.2 percent growth pace (slightly more robust than the 2.7 percent growth rate statewide during 2014) as 1,300 new jobs were added to the labor market. Over three-fourths of these 1,300 jobs added last year were in construction, health services and leisure and hospitality. It took six years for the local economy to meet (and surpass) the 2008 employment peak of 40,200 nonfarm jobs but it finally did it by adding jobs at a modest rates 2011, 2012 and 2013 – with a “strong finish” in 2014. ~~Historic changes to the agricultural employment base are difficult to determine due to a change in the Employment Security Act in 1990 when many small farms, which had previously been exempt, were covered under the program. Agricultural employment experienced nominal increases in Chelan County between 1990 and 1993 (62 new jobs). Statewide, agricultural jobs increased by 4% with 3,400 new jobs.~~

National Bureau of Economic Research (NBER)

~~In 1993, two industries (retail trade and services) were tied for second place in percentage of total employment in Chelan County at 18%. The retail trade industry posted the highest increase in employment between 1990 and 1993. Over 1,100 new retail jobs were created during that period. Between 1980 and 1993, 2,110 new retail jobs were created in Chelan County. During that same period 1,788 service jobs were created. Services are the number one employer at the state-wide level, where it represents 23% of the covered labor force.~~

~~Another economic guide is the information collected by the State Department of Revenue on retail sales. This information is only available for counties and larger cities like Wenatchee. Between 1981 and 1993 total taxable sales have increased 147% in Chelan County and 133% statewide.~~

~~Retail trade represents the highest percentage of total sales in Chelan County and the State. In Chelan County, retail trade made up 57% of sales in 1981 compared to 49% in 1993. In 1981, wholesale trade ranked second in percentage of sales. Since then, contracting has increased to the~~

number two position. For the state, contracting has been in the number two spot consistently since 1981.

Employment—Planning Area

The employment profile of the planning area differs slightly from the county and regional trend. According to the 1990 Census, 21% of employed persons in the City of Leavenworth were employed in retail sales, 10% in personal services, 9% in construction, and 9% in agriculture/forestry. The agriculture/forest industry came in first in the Cashmere CD with 20%, followed by 15% in retail sales, and 7% in manufacturing. Only the top 4 employment activities are listed.

Unemployment

Since 2005 the unemployment rate in Leavenworth has ranged from 3.8% in July 2006 to 16.7% in January 1993. The current unemployment rate for Leavenworth is 5.1% in May 2017. In comparison, since 2005 the employment rate in the United States has ranged from 2.5% in May of 1953 to 10.8% in November of 1982. The current unemployment rate for the United States is 7.1%. For additional comparison, since 2005 the unemployment rate in Washington State has ranged from 4.1% in October 1997 to 11.3% in January 2010. The current unemployment rate for Washington is 4.3% for May 2017. (Pooled from U.S. Bureau of Labor Statistics and other governmental sources)

Unemployment in the region is consistently higher than the state average. This is most likely due to the seasonal nature of the area's biggest employer, agriculture. Chelan County consistently posts higher unemployment rates than Douglas County. In 1980, the annual average unemployment rate was 12% in Chelan County, 9% in Douglas County, and 8% in the state. In 1993, the figures were

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11%, 8%, and 7%, respectively. In the 1990 Census within the City of Leavenworth, 58% of persons 16 years of age or older were in the labor force and 6% were unemployed.

Indicators and Economic Measures

According to data from the Census Bureau, the Median Housing Value is \$ 261,300. In comparison and according to "Zillow" (a real estate marketing digital platform - this Index is the median valuation for a given geographic area on a given day), the median home value in Leavenworth is \$323,300. Leavenworth home values have gone up 7.1% over the past year, and Zillow predicts they will rise 5.5% within the next year. The median list price per square foot in Leavenworth is \$297, which is higher than the Wenatchee Metro average of \$217.

As an indicator of success, trends in employment can be monitored and evaluated. Below is the labor force status for Leavenworth and the surrounding area.

<u>Labor force status</u>	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2013</u>
<u>Persons 16 years and over</u>	<u>1,307</u>	<u>1,563</u>	<u>2,010</u>	<u>1,814</u>
<u>Civilian labor force</u>	<u>756</u>	<u>927</u>	<u>1,157</u>	<u>1,032</u>
<u>Employed</u>	<u>710</u>	<u>902</u>	<u>1,157</u>	<u>1,032</u>
<u>Unemployed</u>	<u>46</u>	<u>25</u>	<u>1,107</u>	<u>996</u>
<u>Armed Forces</u>	<u>0</u>	<u>0</u>	<u>50</u>	<u>36</u>
<u>In labor force</u>	<u>756</u>	<u>927</u>	<u>0</u>	<u>0</u>
<u>Not in labor force</u>	<u>551</u>	<u>636</u>	<u>853</u>	<u>782</u>

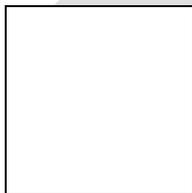
Source: U.S. Bureau of the Census, 1990 / 2000/ 2010 Census of Population and Housing

The total assessed value of Leavenworth in 2003 was \$182,808,050. The total assessed values in 2017 is \$405,610,784.

The retail sales tax revenue was \$1,038,147.98 in 2013. There is a significant growth in the retail sales tax in the decade from 2003 to 2017. In December 2008, a major winter storm shut down the passes from Seattle for approximately 10 days. This most likely contributed to the reduction in revenues posted for February 2009. In late 2008 and 2009, the city had reduced revenues due to a downturn in the economy that was noted as the largest recession since the Great Depression. In September 2012, significant fires and smoke in the area for much of the month reduced sales taxes and had cancelled hotel reservations.

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<u>\$937,151</u>	<u>\$849,726</u>	<u>\$925,772</u>	<u>\$938,512</u>	<u>\$936,242</u>	<u>\$1,038,147</u>	<u>\$1,118,890</u>	<u>\$1,191,153</u>	<u>\$1,332,166</u>

Source: City of Leavenworth

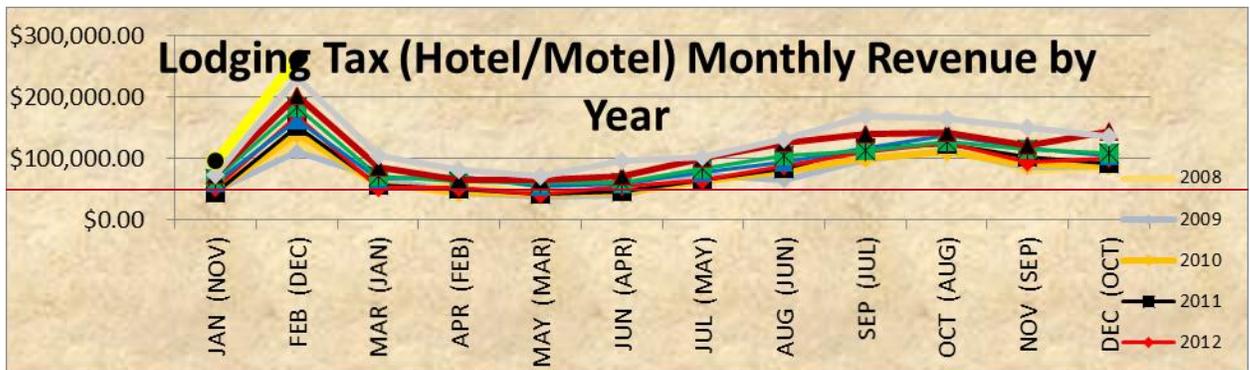


As an indicator of success in business, especially if tourism driven, below is the Lodging Tax collections earned by month. A business which is not driven by tourism, oftentimes interacts with tourism and the majority of business in Leavenworth will likely reflect a similar pattern.

As shown in the chart, the hotel/motel tax had a stable increase from 2008-2016, which reflected a stable increase of visitors.

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<u>\$911,244</u>	<u>\$874,617</u>	<u>\$903,302</u>	<u>\$969,365</u>	<u>\$1,003,836</u>	<u>\$1,121,703</u>	<u>\$1,155,223</u>	<u>\$1,332,020</u>	<u>\$1,512,523</u>

Source: City of Leavenworth



Source: Tax 2016 to Current of Leavenworth

From 2003 to 2016², building permit fees had a stable increase. ~~Although there were some rise and fall, in 2012, the permit fee returned to growth and increase 106.9% than that of 2011.~~ So, it indicated that the construction in Leavenworth has been keeping up as a positive signal of economic growth and appropriate land use patterns.

Year	Total Valuation	Total Commercial Valuation	Total Residential Valuation
2005			
2006	\$4,155,658.19	\$2,455,974.67	\$1,699,683.52
2007	\$8,933,847.01	\$3,506,000.00	\$5,427,847.01
2008	\$2,089,207.95	\$564,882.95	\$1,524,325.00
2009	\$11,477,444.00	\$10,254,000.00	\$1,223,444.00
2010	\$6,444,280.00	\$5,054,504.00	\$1,389,776.00
2011	\$6,805,294.85	\$6,039,920.07	\$765,374.78
2012	\$4,923,937.23	\$3,832,724.40	\$1,091,212.83
2013	\$6,019,642.90	\$4,922,110.40	\$1,097,532.50
2014	\$6,481,308.93	\$4,744,413.33	\$1,736,895.60
2015	\$3,495,944.02	\$1,273,500.00	\$2,222,444.02
2016	\$39,988,526.20	\$37,522,443.16	\$2,353,549.70

Source: City of Leavenworth Development Services Department

Year	Commercial New Units*	Commercial New Building Permits*	Significant*** Commercial Remodel/Addition Permits	Residential New Units*	Residential New Building Permits*	Total Building Permits Issued**
2005	37	4	7	10	8	66
2006	23	4	8	5	5	50
2007	7	2	12	37	18	57
2008	0	0	13	4	4	53

2009	0	0	6	4	2	45
2010	25	5	3	1	1	29
2011	38	2	10	1	1	49
2012	12	2	8	3	3	49
2013	6	2	13	2	2	42
2014	1	1	29	3	3	67
2015	0	0	8	7	6	52
2016	3	3	12	14	12	63

Source: City of Leavenworth Development Services Department

III. Goals and Policies

Goal 1: Foster a balanced, diversified and sustainable local economy that contributes to Leavenworth's high quality of life, through the protection and enhancement of the natural, historical, and cultural amenities, and the improvement of the financial well-being of its residents.

Rationale: Values describe what the community really cares about and holds dear.

Policy 1: Coordinate public and private sector organizations engaged in economic development planning in the Leavenworth area for the following purposes:

- To promote economic health and diversity for the City of Leavenworth and the surrounding area,
- To foster a positive entrepreneurial environment for businesses,
- To accommodate a broad mix of jobs while actively seeking a greater proportion of living wage jobs that will have greater benefits to a broad cross-section of the residents of the Leavenworth Area,
- To ensure that the infrastructure needed to support the economy is in place,
- To develop a highly trained local workforce that can better compete for meaningful and productive employment, earn a living wage and meet the needs of business, and
- To ensure that economic development strategies are carried out in a manner consistent with other elements of the Comprehensive Plans of the City of Leavenworth and Chelan County. The City of Leavenworth and Chamber of Commerce will monitor issues that impact the local economy at the County, State and National levels.

Rationale: Traditionally, local governments have played a significant, though limited role in shaping how local economies perform. Regional, national and global economies have had a much greater impact on the local economy than economic development plans and policies adopted by local jurisdictions. One of the visions of the community is to facilitate the growth, diversification and stability of Leavenworth's economy, and to create opportunities for meaningful skilled employment, while maintaining the quality of life. These actions seek to articulate a course to help to improve the job skills available in the workforce, and bolster several sectors of the local economy.

Policy 2: Maintain and enhance the Leavenworth area's natural, historical and cultural amenities and the City of Leavenworth's Old-World Bavarian Alpine Theme, in order to assist in attracting new businesses, retaining existing businesses, and promoting economic vitality.

Rationale: The residents and businesses envision a community that balances the beauty of the region with a diverse and sustainable economy. **Goal 1:—Encourage compatible diversification of the economy.**

Goal Rationale:—The timber, fruit, and tourist industries are well established as the basis for the planning area's economy, and their continued health is the key to the area's future. New commercial and industrial activities should be evaluated to insure that they are compatible with existing uses so that the area will remain economically viable.

Policy 31: The economic development element of the comprehensive plan Comprehensive Plan should be based upon a needs assessment which evaluates the following factors within the community:

- An inventory of available land suitable for development of commercial and industrial use.
- The availability of infrastructure including transportation (air, rail, roads) and utilities.
- The availability of housing to support economic growth.
- An analysis which evaluates the commercial and industrial sectors which are not adequately represented in the community based upon the state average and factoring in community desires.
- —

Rationale:—A needs assessment is necessary to insure that there is adequate commercial and industrial land available for the planning area.

Rationale: Appropriated area, infrastructure and housing all play a role in the space and services needed for successful economic development.

Policy 42: Encourage coordination and cooperation at the local and regional level to ensure consistency on economic growth considerations.

Rationale: Coordination at the local and regional level will insure that all areas of Leavenworth and the county will be considered in economic development efforts.

Policy 53:—Consideration should be given to diversification of the economic base to provide opportunities for economic growth in all communities on a county wide basis to ensure a healthy stable economic base.

Rationale:—Diversification of the economic base can provide stability if there is an economic down turn in the existing commercial/industrial activities of the planning area.

Policy 4:—The City is encourage education and to provide information on the community

strengths, marketable factors (i.e. waterfront, quality of life considerations), availability of housing, infrastructure, ~~contact people, etc. which can be used by the Economic Development Council~~ to attract and/or expand commercial and industrial activities.

Rationale: Economic development recruitment efforts will be more successful if those who are involved in economic development are kept informed of positive community attributes.

~~Policy 65: The City should consider establishing a local standing committee or taskforce to work on economic development. The committee could be responsible for preparing and maintaining the community database, developing local goals and policies for economic development, and act as the contact group to work with the Economic Development Council. Continue and support the Council's standing Economic Development Committee; and interact with the Leavenworth Chamber of Commerce, Bavarian Village Business Association, and other similar organizations.~~

Rationale: ~~A local~~ standing committees ~~would help~~ ensure that economic development professionals remain current on the trends, needs and desires of Leavenworth and the planning area ~~in terms of commercial/industrial recruitment are current and addressed.~~

~~Policy 76: Economic development should be one of the considerations in the process of land use planning, transportation planning, infrastructure planning, and the determination of urban growth boundaries.~~

Rationale: Considering economic development in the preparation of other plan elements will ~~e~~nsure that there is adequate land base, infrastructure, and access to provide for future commercial and industrial development.

~~Policy 87: Encourage C~~ommercial and industrial activities ~~should be encouraged~~ to locate in areas with infrastructure capacity and the potential to provide adequate, affordable housing and /or transportation linkages to existing housing.

Rationale: Adequate infrastructure, access to transportation systems and available work force are key elements to successful commercial and industrial development.

~~Policy 8: Encourage the retention and growth of existing industries and businesses by promoting the establishment of commercial/industrial research, and educational activities which support those industries and businesses.~~

~~Rationale: Research and educational activities which support the existing commercial and industrial base of the City will help to insure continued growth of the economy.~~

~~Policy 99: Local government should d~~velop criteria ~~under which they would for~~ considering participating in infrastructure improvements needed to support economic development.

Rationale: There may be circumstances where local government ~~should~~ could participate in infrastructure improvements if this would encourage economic growth. Long-range financial planning presents the opportunity to schedule projects so that the various steps in development logically follow one another, with regard to relative urgency, economic desirability, and community benefit

Policy 10: *Encourage compatible diversification of the economy.*

Rationale: New commercial and industrial activities should be evaluated to ensure that they are compatible with existing uses so that the area will remain economically viable

Goal 2: Maintain and enhance year-round opportunities for sustainable tourism in a manner that recognizes and preserves the area's historic heritage, culture, recreational amenities and natural setting.

Rationale: The tourist and hospitality industries are well established as the basis for the Leavenworth's economy, and its continued health is the key to Leavenworth's future.

Policy 1: *Recognize the importance of tourism and its contribution to the health of the economy of Leavenworth.*

Rationale: Tourism has become an important sector that has an impact on development of the economy. The main benefits of tourism are income creation and generation of jobs.

Policy 2: *Encourage a balanced mix of visitor and resident uses.*

Rationale: Community and tourism leaders should balance an array of impacts that may either improve or negatively affect communities and their residents. Leaders must be sensitive and visionary, and must avoid the temptation of glossing over certain difficulties tourism development creates. Tourism leaders should also balance the opportunities and concerns of all community sectors by working against conditions where positive impacts benefit one part of the community (geographic or social) and negative impacts hurt another. Conversely, community sensitivity to tourism means avoiding undue burdens on the industry that could thwart its success. The City should not expect tourism to solve all community problems. Tourism is just one element of a community. While creative strategic development of tourism amenities and services can enhance the community or correct local deficiencies, tourism, like all business development, must assure that its products (attractions and services) attract customers.

Policy 3: *Develop and explore the area's potential for enhanced facilities, services and events that will appeal to residents and visitors year-round.*

Rationale: The ability of the tourism economy to benefit from tourism depends on the availability of investment to develop the necessary infrastructure and on its ability to supply the needs of tourists.

Policy 4: Work with a broad spectrum of the community to create public-private partnerships to develop year-round visitor potential.

Rationale: Leavenworth is an attractive community for investors.

Policy 5: Develop marketing strategies to maximize tourism opportunities to help maintain existing industries and quality of life.

Rationale: See above

Policy 6: Promote and develop diversified opportunities that meet the needs of residents and visitors, including cultural, recreational, Agri-tourism and other opportunities.

Rationale: Diversification of the economic base can provide stability if there is an economic down-turn in the existing commercial/industrial activities of the Leavenworth and the planning area

Policy 7: Develop interpretive and interactive opportunities.

Rationale: Providing directed experiences enables the participant to form their own intellectual and emotional connections to the experience.

Goal 3: Strengthen, preserve and enhance the Leavenworth Commercial districts as an active and economically viable place to shop, conduct business, reside, and enjoy events. Enhance and attract small and medium sized businesses, which serve the community's needs for goods and services.

Rationale: Commercial activities in the city are permitted in three commercial districts based on their functional similarities and locational requirements. Small retail and service shops in the Central Commercial district serve a compact / concentrated pedestrian tourism. Larger stores with more goods and services, not properly a part of the central area, is found in the General Commercial district. The Tourist Commercial district classification is intended to be applied to areas suitable and desirable for motels, restaurants, service stations and similar uses to accommodate auto-oriented patrons.

Policy 1: Maintain and enhance the Old-World Bavarian Alpine Theme within the City of Leavenworth.

Rationale: The Old-World Bavarian Alpine Theme is a critical component in the tourist experience; and the economic driver of tourism economy in Leavenworth.

Policy 2: Promote development of commercial uses that serve local needs and diversify the selection of conveniently located goods and services.

Rationale: Location is important for businesses in the retail and hospitality trades because they rely a great deal on visibility and exposure to their target markets. Location is also important for service ventures, which have such costs as advertising, promotion, and distribution that are a direct result of where they're located.

Policy 3: *Plan and provide capital improvements to attract new businesses and entrepreneurs, enhance existing businesses, and serve the commercial needs of the community.*

Rationale: Investments in Leavenworth's commercial areas, neighborhoods, water, stormwater and sewer systems, parks, streets, and public facilities are an essential component of providing a comprehensive and functional plan for economic development of the future.

Policy 4: *Promote redevelopment efforts that meet the commercial and service needs of the community.*

Rationale: Redevelopment for commercial and service properties is an option that can address local needs.

Policy 5: *Encourage efficient City permitting and design review processes.*

Rationale: Policies are needed which help to guide the City in streamlining its permit processing system to provide timely, fair and predictable permit processing. When implemented, these measures will help to ensure that the City will not miss opportunities for economic development due to delay or uncertainty of process

Policy 6: *Ensure that the area's public facilities and improvements accomplish the following objectives:*

- Encourage safe pedestrian movement through the Districts and into shops and businesses;
- Provide adequate signage, convenient restrooms and parking.

Rationale: Public facilities that allow for circulation, access, and amenities support a healthy economy.

Policy 7: *Maintain and enhance the pedestrian oriented character of the commercial areas, where appropriate.*

Rationale: In a pedestrian oriented area, pleasant, safe, and enjoyable walking opportunities are critical for the well-being of the business community.

Policy 8: *Encourage development that contributes to the area's small-town atmosphere.*

Rationale: A small town atmosphere is associated with a feeling of calm, security, and inclusion. This sense of area can promote an enjoyable experience which may encourage a return trip or positive review.

Policy 9: Encourage coordination with and between the City of Leavenworth, Chamber of Commerce, Bavarian Village Business Association, service organizations, and other similar groups.

Rationale: Coordination with the business community encourages ideas and solutions that may not be accomplished by a single entity.

Policy 10: Allow the continuation of mixed-use development in Leavenworth with residential use of upper floors in the downtown core.

Goal 4: Recognize and encourage economic development efforts to support and diversify regional economies.

Rationale: The City of Leavenworth is not located within a vacuum. Regional and local economies are, or should be, supportive of each other, or at a minimum, not conflicting or harmful.

Policy 1: Recognize regional Agri-tourism as a part of the economic matrix of the community; and potential trends in tourism: Wedding; Historical; Culinary; and Wine/beer/spirits with existing recreation and hospitality.

Rationale: The continued operation of area agriculture contributes positively to the well-being of visitors and residents.

Value-added agricultural activities strengthen and diversify the regional economy.

Policy 2: _____

Recognize that forest management contributes positively to the well-being of visitors and residents in several ways:

- Management of timber resources,
- Fire protection,
- Employment in forest related activities,
- Management of hazardous trees.

Rationale: The City of Leavenworth is surrounded by forested lands that add to the visual impact of the Old-World Bavarian Alpine Theme and overall beauty of the City.

Policy 3: Encourage the management of healthy forest stands that allows for long-term sustainability and the reduction of fire hazards while preserving the view shed.

Rationale: The Old-World Bavarian Alpine Theme fits perfectly with the soaring Cascade Mountains and surrounding forest lands.

Goal 5: Strengthen and build upon the many recreational amenities available within the Leavenworth and the surrounding area.

Rationale: Recreation and tourism are linked in many ways. Both are what most would consider a part of any planned vacation.

Policy 1: Recognize that Leavenworth is an area with a multitude of recreational opportunities and that participation in these activities is growing among residents and visitors.

Rationale: Over time, the economic drivers of the community have changed or evolved; and one is the differing, varied and enthusiastically sought recreation of the area.

Policy 2: Encourage the development and maintenance of year-round recreational opportunities to support use by local residents and visitors in an environmentally sound way, including:

- Enhancement of existing parks and trails,
- Linkage of trails and park systems, and
- Development of new facilities.

Rationale: Recreation should be within the environmental constraints of the location. Introduction of an unsustainable recreation outside of the environment is costly, and prone to fail.

Policy 3: Support public/private partnerships that develop and promote recreational opportunities.

Rationale: Partnerships encourage shared ownership, diversity, and longevity.

Goal 6: Strengthen and build upon Leavenworth's many cultural and historical amenities.

Policy 1: Recognize, encourage and support the continued success of Leavenworth's cultural resources, including theatre, museum, art, and other resources.

Rationale: Currently, the City has varied cultural resources such as the Upper Valley Museum, Wenatchee River Institute at Barn Beach Reserve, Summer Theatre and Art in the Park, Icicle Creek Music Center, Audubon Center; and the continuation of these resources enriches the community for residents and visitors alike.

Policy 2: Encourage opportunities for public/private partnerships in the development of Leavenworth's cultural resources, including theatre, museum, art, and other resources.

Goal 7: Support current commercial and industrial enterprises, and encourage the formation of businesses and the relocation of businesses to Leavenworth as a vital part of the area's economy.

Rationale: Economic development is proceeding at a rapid rate in response to competitive regional, national and international trends. It is very important that economic development planning efforts in Leavenworth and the surrounding area be focused in a flexible and strategic economic development manner that is capable of responding to current and future economic opportunities and challenges while meeting the needs of the local community.

Policy 1: Assist in the identification and recruitment of new businesses.

Policy 2: Attract employers who use a wide range of job skills to create employment opportunities for all residents in the Leavenworth Area.

Policy 3: Encourage businesses to invest in modernization and environmentally sound technology.

Policy 4: Encourage the export of local goods and services throughout the global economy.

Policy 5: Encourage the location or relocation of clean industry, which has minimal impact on environmental quality.

Policy 6: Encourage the formation and expansion of cottage industries and light industry.

Goal 8: Encourage adequate infrastructure for business, education, public affairs and consumer uses.

Policy 1: Recognize that an adequate infrastructure is fundamental to Leavenworth's ability to attract and retain jobs.

Policy 2: Encourage the continued operation of the Cascade Medical Center and Hospital Districts efforts to maintain and enhance the medical facilities, rehabilitation centers and emergency services.

Rationale: The Cascade Medical Center and other medical services are large employers provide and attract similar services to the community.

Policy 3: Encourage local utilities to continue to install telecommunications infrastructure.

Rationale: Within the modern age, telecommunications is a fundamental component to many and varied businesses with a significant growth trend and dependency for success of business.

Policy 4: Enhance transportation systems that provide access to, within, and from Leavenworth for residents and visitors.

Rationale: Transportation is a fundamental component of commerce; and efficient roads/highways, bus service (Link), train service, air service (via Wenatchee), and bicycle and pedestrian routes encourages and supports daily business operations.

Goal 9: Provide an adequate amount of appropriately zoned land to support commercial and industrial development in the City of Leavenworth and in unincorporated areas of Chelan County.

Rationale: Policies incorporated which ensure that Leavenworth will have an adequate supply of appropriately zoned land to support future commercial and industrial development fosters a healthy economic development strategy. The City also recognizes and encourages the Port of Chelan's efforts to promote industrial development within the region.

Policy 1: Cooperate with Chelan County to ensure that high intensity commercial and industrial activities are within urban growth areas (UGAs) where adequate public facilities and services exist, or will be provided at the time of development.

Rationale: These provisions help ensure that government agencies and other entities work together to develop and implement consistent strategies that promote the economic health and diversity of the area.

Policy 2: Expand existing commercial and industrial zones consistent with the Comprehensive Plan.

Policy 3: Provide effective separation of conflicting land uses through buffering, setbacks, zone uses allowed, and transition zones.

Goal 10: Encourage the development of a parking management strategy; and identify parking needs and resolutions.

Rationale: Due to competing needs for parking, there are often conflicts (real and perceived) between residential, customer, employee, and visitor parking. In addition, the capacity of parking during events and high-volume times, appear inadequate which adds to congestion and frustration of visitors, residents and the community as a whole. The study of parking is to develop parking management strategies to encourage prosperous commercial environment consistent with the plan.

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