

Economic Development

Introduction

The Economic Element provides information on regional economy and establishes goals and policies to guide and encourage economic development and diversification for the city over the next 20 years. Supporting a diverse, strong, and resilient local economy promotes both stability and the high quality of life that Leavenworth community members enjoy.





Economic Development Context

GENERAL CONTEXT

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. The unique Old-World Bavarian Alpine Theme sets the city apart from other towns and is a key component of Leavenworth's economic vitality. Additionally, in response to public engagement, this Comprehensive Plan also prioritizes the need for the local economy to serve Leavenworth's community members in addition to its visitors.

TOURISM INDICATORS

With its Old World Bavarian Alpine theme and numerous festivals, the City of Leavenworth attracts more than 2 million visitors annually. Visitation increased during the COVID-19 pandemic, despite travel limitations and the cancellation of festivals and activities. More recently, however, the City has experienced a downturn in visitation, influenced by the uncertainty related to immigration policy and flooding impacts along U.S. Highway 2. According to the Leavenworth Chamber of Commerce's 2025 Annual Economic and Visitor Report, approximately 37 percent of international visitors originated from Canada and 30 percent from Mexico. Visitors traveling from more than 50 miles away stayed an average of 2.4 days.

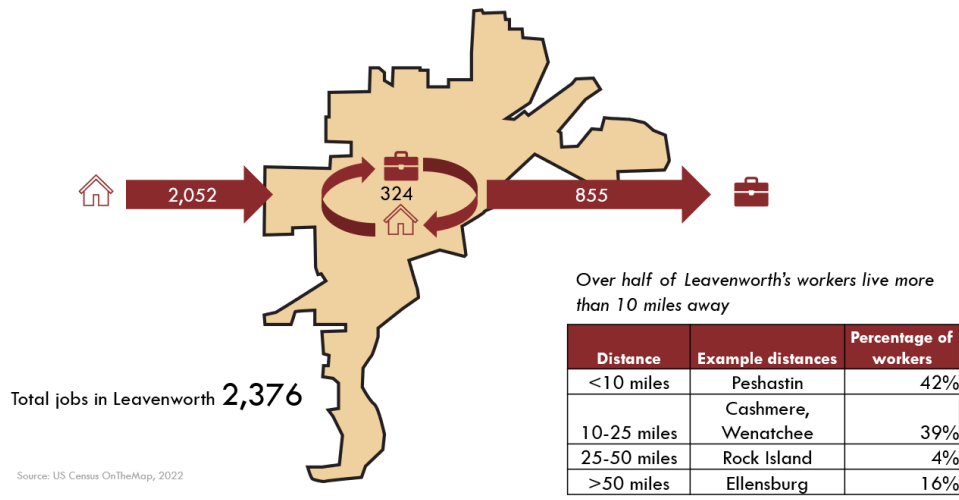
While tourism remains a strong driver of local economic growth, public engagement through this update identified that local businesses should not only facilitate tourism but also serve the needs of local community members, both residents and those who work in the city.

EMPLOYMENT

The largest employment industry is related to tourism, but medicine also remains a large source of employment in the city.¹ Most people employed in t

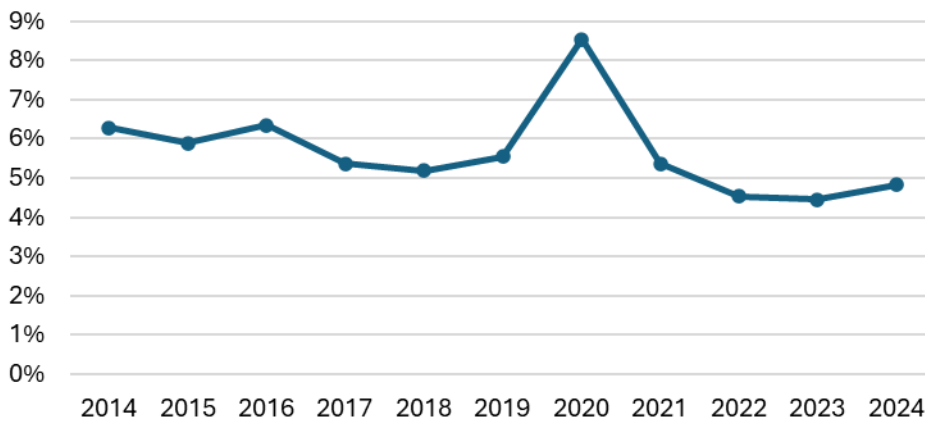
¹ Employment and Payrolls in Washington State by County and Industry

he city, over 2,000, do not live in Leavenworth and commute in. Similarly, over 800 of Leavenworth’s residents work outside the city. Just 14% of employees with jobs in the City also live in Leavenworth.



The Bureau of Labor Statistics and Washington State Economic Security Department provide unemployment statistics by metropolitan area. The unemployment rate for the Wenatchee-East Wenatchee Metropolitan Statistical Area (MSA), which includes Leavenworth, has ranged from 4% to 10%. Economists often consider a 3% to 5% unemployment rate a healthy or normal rate. The highest rate of unemployment was during the 2020 pandemic, where industries saw downturns. However, the rate of unemployment has recovered since then.

Unemployment Rate (Not Seasonally Adjusted) Wenatchee-East Wenatchee MSA



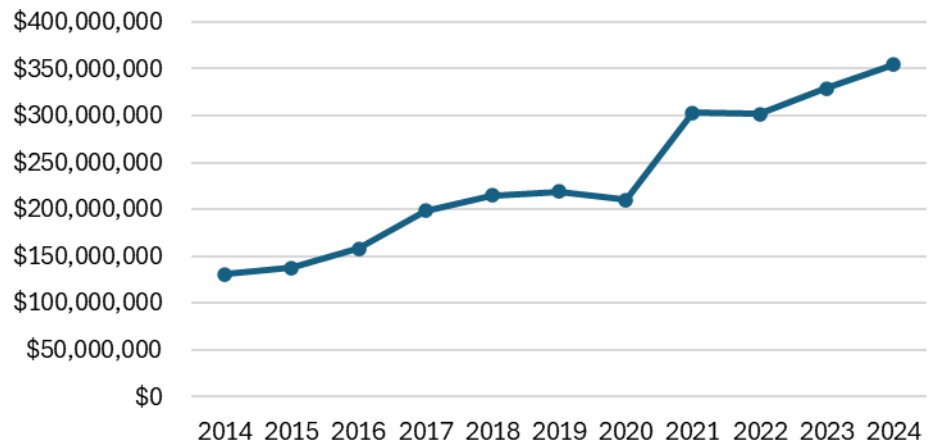
Source: Washington State Employment Security Department, LAUS

REVENUE INDICATORS

Taxable Retail Sales. Taxable retail sales are a useful indicator of local taxable economic activity, reflecting consumer spending in the city. Sales have generally increased year-on-year, and December typically shows the highest

collections, consistent with seasonal holiday shopping and winter visitor spending.

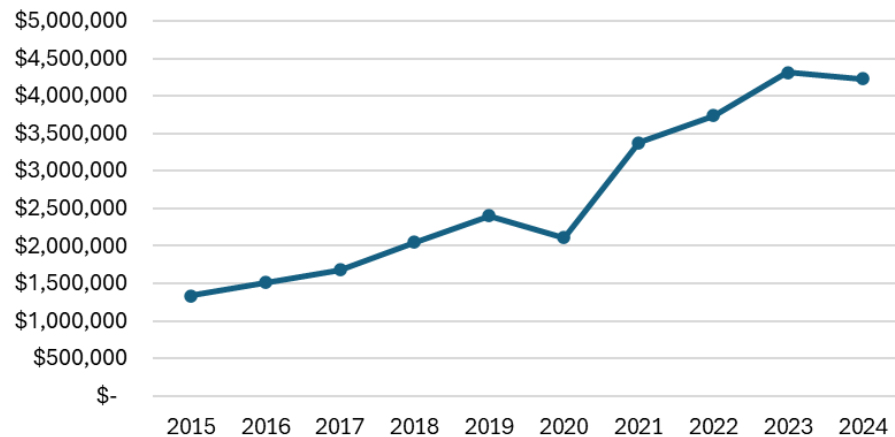
Taxable Retail Sales



Source: Washington State Department of Revenue, Retail sales for cities and counties

Lodging Tax. Lodging tax revenue can be an indicator of business success, especially for tourism. Lodging tax revenues have increased year-on-year, with stable or increased revenues despite the pandemic years. This is an indication of continued economic growth and tourism interest in the city.

Lodging Tax Revenues



The employment and tax revenue and collection trends demonstrate strong retail and employment in the city. However, to plan for continued economic stability and growth, the city should consider how climate-driven volatility, such as lower snowpack and flooding, have impacted tourism in 2025. Additionally, because a substantial share of the workforce commutes into Leavenworth and does not reside within city limits, the city should also consider how the local economy serves its own community members, particularly with respect to housing and the cost of living, rather than focusing solely on its role as a tourist destination. The goals and policies seek to address this by balancing the importance of tourism with the need to support and serve the Leavenworth community.



Goals and Policies

Goals and policies with a mountain icon  contribute to the Climate Resilience Element.

 **Goal ED 1. Foster a balanced, diversified and sustainable local economy that contributes to Leavenworth's high-quality of life.**


Policy ED 1.1. Collaborate across public and private sector organizations, regional agencies, and others engaged in economic development planning in the Leavenworth area to:

- ◆ Promote economic health and diversity for the City of Leavenworth and the surrounding area.
- ◆ Foster a positive entrepreneurial environment for businesses.
- ◆ Ensure that the infrastructure needed to support the economy is in place.


Policy ED 1.2. Support and accommodate a broad mix of jobs while seeking and encouraging living-wage jobs.

Policy ED 1.3. Promote and support businesses that serve the daily needs of community members, such as grocery, personal services, health services, and essential retail, alongside businesses that support tourism.

Policy ED 1.4. Maintain and enhance the Leavenworth area's natural, historical, and cultural amenities and the City of Leavenworth's Old-World Bavarian Alpine Theme.

 **Policy ED 1.5.** Foster a diverse and resilient local economy by supporting a broad range of development types and land uses.

Policy ED 1.6. Encourage and allow businesses and agencies to participate in infrastructure improvements needed to support economic development.

 **Policy ED 1.7.** Facilitate new and existing employers to invest in modernization and environmentally sound technologies, support clean and low-impact industries, expand export of local goods and services, and include cottage and light industrial uses.

Policy ED 1.8. Advance efficient permitting and design review processes to provide predictability to developers and transparency to the public.

Goal ED 2. Strengthen and build-upon Leavenworth’s many cultural, historical, and recreational amenities and its natural setting.

Policy ED 2.1. Recognize, encourage and support the continued success of Leavenworth’s cultural resources, including theatre, museum, art, and other resources.

Policy ED 2.2. When appropriate, encourage opportunities for public-private partnerships in the development of Leavenworth’s cultural resources, including theaters, museums, arts, and related facilities.



Policy ED 2.3. Encourage tree, landscaping, and vegetation management practices that promote public safety, reduce wildfire risk, control hazardous vegetation, and support local employment related to tree care and land stewardship.

Policy ED 2.4. Recognize regional Agri-tourism as a component of the local economy and encourage tourism opportunities, such as wedding, heritage, culinary, and craft beverage tourism, that complement existing recreation and hospitality uses.

Policy ED 2.5. Honor Indigenous peoples and their continuing presence and autonomy by fostering respectful government-to-government relationships with Tribes, supporting cultural recognition and education, encouraging economic opportunities for Native American-owned businesses and enterprises, and identifying opportunities for land use, land stewardship, or public spaces that acknowledge and honor Tribal history, culture, and sovereignty.



Policy ED 2.6. Maintain and enhance year-round opportunities for sustainable tourism and a balanced mix of visitor and residential uses. Strategies may include:

- ◆ Developing the area's potential for enhanced facilities, services and events that will appeal to residents and visitors year-round.
- ◆ Working with a broad spectrum of the community to create public-private partnerships to develop year-round visitor potential.
- ◆ Developing marketing strategies to maximize tourism opportunities to help maintain existing industries and quality of life for residents.

- ◆ Promoting and supporting diversified opportunities that meet the needs of residents and visitors, including cultural, recreational, Agri-tourism, and other opportunities.

Goal ED 3. Strengthen, preserve, and enhance the Leavenworth Commercial districts as an active and economically viable place to shop, conduct business, reside, and enjoy events.

Policy ED 3.1. Enhance and attract small and medium sized businesses that serve the community's needs for goods and services.

Policy ED 3.2. Maintain and enhance commercial designs, including:

- ◆ The Old-World Bavarian Alpine Theme within the City of Leavenworth, especially Front Street, as a critical component of the tourist experience and as an economic driver of the tourism economy.
- ◆ The pedestrian oriented character of the commercial areas, where appropriate.
- ◆ Providing adequate signage, convenient restrooms and parking.
- ◆ Promote the development of commercial uses that serve local needs and diversify the selection of conveniently located goods and services.

Policy ED 3.3. Promote redevelopment and mixed-use development with residential use of upper floors in the downtown core.

Policy ED 3.4. Encourage development that contributes to the area's small-town atmosphere.



Goal ED 4. Support and encourage living-wage jobs, a trained and qualified workforce, and community livability.

Policy ED 4.1. Develop a highly trained local workforce that can compete for meaningful, productive employment, earn living wages, and meet the needs of local businesses.

Policy ED 4.2. Create and strengthen partnerships that enhance Leavenworth as a place to live and work, including cross-sector collaborations that support workforce housing.

Policy ED 4.3. Encourage employers to offer a range of employment opportunities that utilize diverse skill levels and provide pathways for all residents in the Leavenworth area.

Policy ED 4.4. Collaborate with business organizations, workforce agencies, and educational institutions to align training programs with local employment needs.



Goal ED 5. Ensure that the local economy is resilient to climate disruptions and fosters business opportunities associated with climate adaptation.



Policy ED 5.1. Support local businesses' efforts to bolster climate preparedness and continuity of operations.

