DISTRICT MASTER PLAN

Omak

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Prepared For:

Confederated Tribes of the Colville Reservation

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1.0 EXECUTIVE SUMMARY

WHY A MASTER PLAN UPDATE?

This document contains a further update to a Master Development Plan (the Plan) for a portion of the 386-acre industrial site located on the Colville Reservation in Omak (See Map 1). The Plan focuses on the development of the land located between the former Colville Indian Plywood and Veneer Plant (CIPV) and the Tribal Trails gas station and convenience store. This land is currently vacant and unused. Roughly 67 acres is recommended for development as the "Omak Business and Industrial Park." If expansion above this acreage is warranted in the future, land could be made available if set aside today

A master plan was developed for this site in 2004 and updated in 2011. Construction has not yet begun on the property. The Confederated Tribes of the Colville Reservation (CCT) is actively interested in economic development and job creation that includes development of this property. The Colville Tribal Business Council (CTBC) through their tribal planning department has contracted an update of the Plan. Several important changes at the industrial site and regionally have occurred since the 2011 plan update was completed that make it necessary to conduct this update.

+ Tribal Trails gas station and convenience store have been opened on Highway 87 in Omak as recommended in the first plan.

+ The CIPV has shut down operations and will not have the ability to reopen because of the decline in the housing and construction sectors; the CIPV facilities were destroyed by fire in September 2020.

+ Development of the site may have been delayed in part due to the 2020 global COVID pandemic (hereafter, "the Pandemic") and subsequent changes in work practices across many sectors where remote work became commonplace.

+ Resource based businesses such as timber harvesting and mining have been a large part of the local economy for decades. Upwards of 20 percent of the commercial timber on the reservation have been destroyed by wildfires.

+ The Tribe has been shifting away from heavy wood product manufacturing and closing mills recently.

+ The prime working age population of the primary market area including Okanogan and Ferry Counties is aging and not attracting new residents.

+ Government and Agriculture both have a high local concentration and high employment in the primary market area.

+ The Reservation has lower unemployment rates than the primary market area**.**

For this update, the focus of the analysis is primarily related to changes in local and regional economic and market conditions that would impact the types of industries considering locating within a light industrial business park in a community such as Omak. Development standards presented in prior reports have not changed substantially, nor have the basic utilities available to the site or transportation access to wider markets. Changes to the utility and transportation networks were reviewed and updated as necessary. Sections 4 through 7 of this report represent the major revisions and new information as compared to earlier plans.

Real estate development is a complex undertaking that requires significant capital investment and involves taking on risk. Development and occupation of a large parcel of land typically occurs over years. Master planning for property development ensures that thorough analysis and consideration are taken before construction to make efficient use of the land and resources, set expectations for the long term, and prepare both the site developer and future business operators to be successful.

The Plan provides three foundational elements for development of a business and industrial park on the property:

+ Economic analysis of the local and regional market to identify potential demand, comparative advantages and disadvantages of the site, and target businesses that are likely to be attracted to the business and industrial park

+ Physical plan for development of the property

+ Business plan for constructing, marketing, and managing the business and industrial park

+ With this Plan in hand, CTEC will have the capacity to effectively compete with other locations in attracting new businesses and investment.

WHAT ARE THE BENEFITS OF A MASTER PLAN?

BENEFITS TO THE COLVILLE TRIBES

+ Provides employment and training opportunities for tribal members.

+ Encourages investment in newly constructed facilities and an overall improvement in the quality of the built environment.

+ Increases capacity of the CCT to guide their economic future.

+ Diversifies economic opportunities to provide more stability throughout market cycles.

+ Promotes Tribal sovereignty.

BENEFITS TO BUSINESSES

+ Provides Identifies infrastructure needed to support expansion of existing businesses or establishment of new companies.
+ Establishes expectations for type and design of future development that reduces risk for making investments.
+ Creates attractive development parcels that conform to an overall plan for utilities and streets and to future land uses that have been approved by the CCT.
+ Provides permitting, taxing, and financial advantages of locating on tribal reservation lands.
+ Establishes development standards that assure new businesses and tenants that adjacent buildings and facilities will be built and maintained to a high level of quality.
+ Opportunity Zones. The Colville Indian Reservation contains two Low Income Census (LIC) Tracts that are designated as Opportunity Zones.
+ Federal Contracting Preference. Tribal companies and reservation-based businesses both receive federal preference for contacts**.**

WHAT IS THE DEVELOPMENT POTENTIAL IN THE CURRENT MARKET?

The market for industrial sites in the Omak area slowed but did not collapse during recent economic recessions, wildfires, and the Pandemic There is still a positive industrial market, but a strategy is recommended to broaden the types of uses in the industrial park to include other sectors, specifically compatible commercial businesses and cottage manufacturing.

Key findings of the analysis of the current market and short-term forecasts include:

+ Despite its relatively remote location, Omak is well connected to Central Washington and British Columbia through highway and rail systems.
+ Population growth rates in Okanogan and surrounding counties show very little growth during the period from 2000 to 2020, indicating that the population is aging and that families are not moving out of the area.
+ While total employment remains stable, there have been nominal gains in the manufacturing, wholesale trade, and transportation, warehousing, and utilities sectors.
+ It appears that the Omak area can be competitive in providing a labor force, but a realistic assessment of occupational skills would shift focus away from industries with highly specialized labor force requirements.

- Market forecasts indicate that economic development efforts in Omak should diversify the targets of opportunity by adding focus on compatible commercial operations such as the professional and business services sector and opportunities to develop "homegrown" businesses to the industrial park.
- Key market trends indicate that recreation and tourism have a high potential for growth as an economic sector.
- In the current economic environment, competition for business is particularly difficult and the CCT will likely have greater success by expanding their own local industries rather than recruiting companies from outside the area.

WHAT ARE THE ADVANTAGES AND DISADVANTAGES OF AN INDUSTRIAL PARK IN THIS LOCATION?

Understanding the economic advantages and disadvantages of the Omak area is important in developing a successful marketing and business plan for the business and industrial park. Taken together, there are enough advantages relative to similar industrial properties in smaller cities in the region to make the proposed business and industrial park in Omak a marketable commodity.

- Labor Force—the existing labor force is an asset but is limited by lack of specialized training. This would make it difficult to attract industries with highly technical or scientific skill requirements. Local educational systems and recruiting from outside the area can improve the specialized skills of the labor force.
- Transportation System—a positive factor, except for the absence of commercial air services. While several other communities in the region can offer the same or better capabilities, the systems available at Omak can meet the needs of most companies.
- Business Services—there are few support services in Omak for businesses, such as office supply stores and copy services. While there is a Walmart located in Omak and online shopping through Amazon or Costco, a small business support center could help to solve this problem.
- Capital—Assistance provided by the Economic Alliance in accessing capital is an important asset for the Omak area, as is the North Central Washington Business Loan Fund.
- Business Climate—The CCT can create a business-friendly environment through its relatively simple and efficient regulatory permitting system and the financial and tax advantages of operating on reservation lands.
- Parcel Options—The business and industrial park can offer a variety of parcels for sale or lease to give prospective companies location choices. This is a strong marketing advantage when compared to communities that have only one site to offer.

+ Quality of Life—Omak's small-town charm and access to the outdoors are a definite asset.

+ Challenges.

  — **Wildfire Risk.** Wildfires have been a growing concern for the Colville Reservation in recent years, with disasters like the 2015 Okanogan Complex Fire, 2019 Williams Flat Fire, and 2021 Cedar Creek and Whitmore Fires.

  — **Loans.** Subsidized federal financing is available for businesses associated with the Tribe, but many loans are limited to specific uses. The Comprehensive Plans notes that "Loans are often difficult if not impossible to get on land that isn't owned by the potential small business owner, so the Tribe is often placed in a challenging spot."

WHAT BUSINESSES ARE MOST LIKELY TO LOCATE IN THE BUSINESS AND INDUSTRIAL PARK?

The target industry analysis and resulting targeted sectors are changed in this updated report from the original 2004 plan and its 2011 update. For example, one of the recommendations in the original plan has since been developed—the Tribal Trails gas station and convenience store on the east side of US Highway 97 (US 97).

Some recommendations are no longer viable either because of changes in overall market conditions or because of the closure of the CIPV and the destruction of the facilities located at industrial site and at the Precision Pine facility 3 miles north of the site . Some new industries have emerged since the original plan that may have been candidates for the Omak Business and Industrial Park. These include a large cluster in the agricultural processing and produce wholesaling sectors. The energy cluster remains, but is now focused on renewable energy generation (primarily solar) and storage (battery farms).

The target industry analysis looks beyond recruiting outside companies to Omak, giving equal attention to the development of new tribal businesses as well as locating commercial businesses and entrepreneurial startups in the business and industrial park.

The industrial sectors recommended as targets for the Omak Business and Industrial Park were selected on the basis of the following criteria:

+ They are part of industry clusters that already have a presence in the Okanogan County area; therefore, there are linkage opportunities associated with them.

+ They are industries that can be supported by the resource base in the area, providing competitive advantages for their location in Okanogan County.

+ They are industries that have viable growth trends in the local area, the state, the nation, or all three.

+ They are industries that might be able to benefit from specific advantages that can be offered by the CCT and the location of the site on tribal lands.

Analysis of these criteria produced the following set of primary targets:

+ Wood products (construction materials cluster)
+ Agriculture and food products processing and wholesaling (processed food cluster)
+ Recreational and travel vehicles (prefabricated enclosures cluster)
+ Power generation cluster, specifically renewable energy and woody biomass power generation
+ Metal manufacturing cluster

In addition to these manufacturing sectors, a commercial cluster of businesses can be targeted that can use the US 97 frontage to draw customers from both the highway traffic and the firms operating in the business and industrial park.

WHAT IS THE SITE PLAN?

A site plan has been drafted based on the physical characteristics of the land; the economic analysis; and the direction of tribal leadership, tribal members, and staff. The site plan includes:

+ Industrial Parcels—Approximately 54 net acres of land subdivided into different-sized parcels to accommodate a variety of business, light industrial, and warehousing uses. The industrial parcels are served by a central road that provides an efficient connection between Rodeo Trail Road and State Route 155 (SR 155).
+ Potential Areas for Future Expansion
    - Business Activity Center—conversion of buildings on Jackson Street to provide spaces for small commercial businesses. These buildings could provide workspaces for businesses currently operating out of the homes and garages of tribal members.
    - US 97 Frontage—development next to the Tribal Trails gas station and convenience store could complement this successful enterprise and provide space for new commercial businesses that capitalize on the highway traffic and access.
    - Heavy Industrial Area Expansion—the top of the ridge south of the industrial parcels could be used for industries including manufacturing, storage, or renewable energy facilities. Because of the sensitive nature of the steep slopes, the development of this area should receive special review.

Development standards have also been prepared to guide the aesthetics and design of future buildings and structures in the business and industrial park.

HOW DO THE COLVILLE TRIBES CONSTRUCT AND MANAGE THE BUSINESS AND INDUSTRIAL PARK?

The business plan section of the Plan begins by noting that two very important changes have occurred since the 2005 report was written: (1) adoption of a Uniform Commercial Code by the CCT in June 2011; and (2) reorganization of CTEC and formation of the Colville Tribal Federal Corporation (CTFC). The CTFC was organized under federal laws and provides significantly greater financial and legal protections for the CCT than does CTEC.

The business plan provides recommendations for developing, marketing, and managing the Omak Business and Industrial Park. These three elements are not necessarily sequential, but they all must be addressed at the outset of and throughout the project. Over time, there will always be requirements for management even when all of the properties are leased and built-out. There may also be ongoing requirements for redevelopment and marketing if there is turnover in the tenant base.

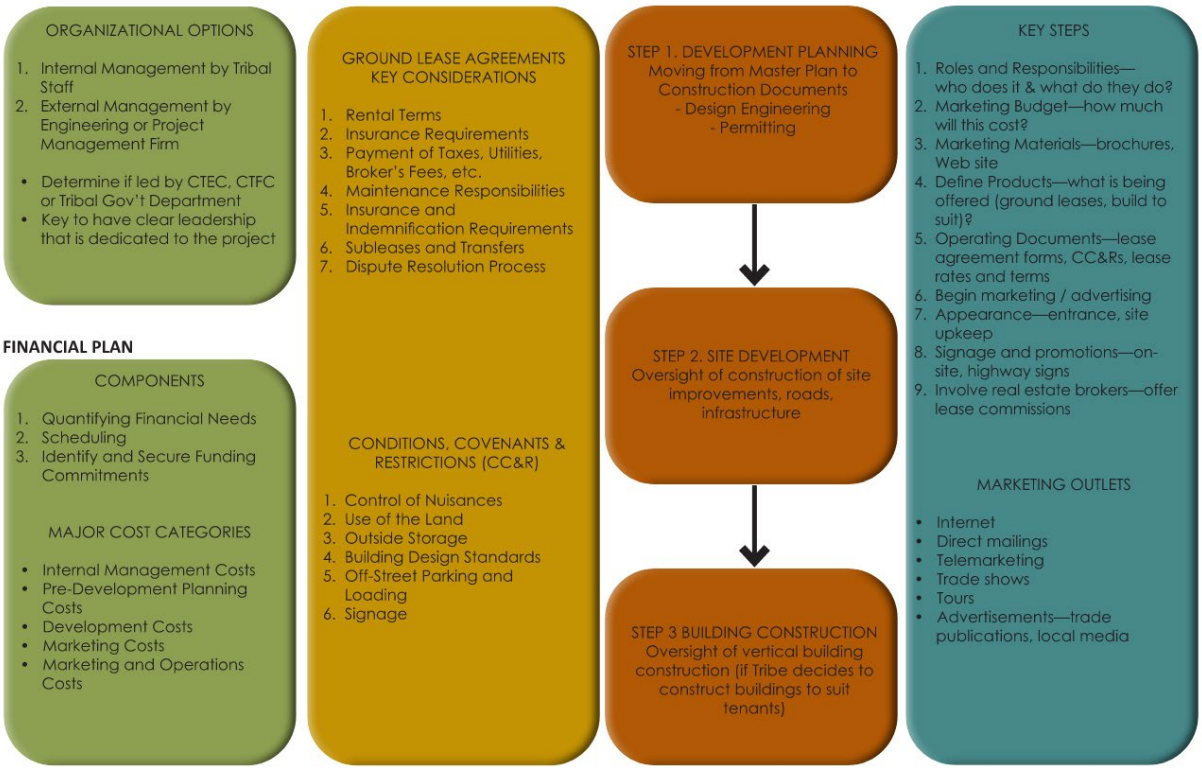
As much as possible, alternatives are explored with the idea that the CCT will have to make decisions on what course they want to take.

The major steps in development, marketing, and managing the industrial park are illustrated in the following diagram (See Figure 1-1).

In general, this update finds that the Omak Business and Industrial Park is as marketable a commodity in 2024 as it was in 2005. Events of the past 10 years have slowed the economy down but not stopped its continuing growth. However, some opportunities have changed, especially with the addition of renewable power generation and woody biomass energy clusters. The report also recommends that the CCT broaden their outlook for the industrial park to include some of the fast-growing commercial sectors of the economy such as tourism, ecotourism, and battery storage, and to lesser extent, small- to medium-sized data centers.

Figure 1-1

OMAK BUSINESS AND INDUSTRIAL PARK
BUSINESS PLAN



2.0 INTRODUCTION AND DESCRIPTION OF THE SITE PLAN

This document updates a 2011 Master Plan for the Omak Business and Light Industrial Park prepared by Maul Foster & Alongi, Inc. (MFA) and Elesco Ltd. (Elesco) for a portion of the tribally owned industrial site located on the Colville Reservation in Omak (See Map 1). The Plan focuses on development of land located between the former Colville Indian Plywood and Veneer Plant (CIPV) and the Tribal Trails gas station and convenience store. This land is currently vacant and unused. 67 acres is recommended for development as the "Omak Business and Industrial Park." If additional expansion is warranted in the future, land could be made available if set aside today.

The proposed Omak Business and Industrial Park is a subunit of the larger, 386-acre former CIPV industrial site. The land is owned by the CCT in fee (not trust) status. Destroyed by wildfire in 2019, the CIPV site had a long history of timber production that provided family wage employment for tribal members and the surrounding community. With this business now shuttered, the objective of this update is to move forward the planning process so these parcels can be developed to provide new economic opportunities for the community. The site plan is based on analysis of the land, capacity of infrastructure, and demands of the market as of 2024.

2.1 LOCATION

The proposed 67-acre business and industrial park site is in unincorporated East Omak, on the west side of the CIPV, south of a residential neighborhood, and east of Rodeo Trail Road (see Maps 1 through 3). The site has access to State Route 155 (SR 155) about 0.25 mile north on Jackson Street, and Rodeo Trail Road at the western property line.

The site is readily developable, as it is relatively level and free of rock outcroppings, wetlands, trees, and other fragile ecosystems (see Figure 1-2). The site is also a cohesive unit of land, dimensionally appropriate for subdivision into smaller industrial sites, and adjacent to tribal land if future expansion is warranted. The site is outside Omak city limits but is served by City infrastructure, including water and wastewater.

2.2 LEGAL DESCRIPTION

The site is in Township 34, Range 26, Sections 35 and 36, and is contained within all or portions of the following tax lots, all under the control of the CCT:

Tax Lot Number	Size (acres)
Tax Lot 99	17.20
Tax Lot 600	14.74
Tax Lot 37 (western portion)	34.70
Tax Lot 111	0.80

Total area	**67.44**

Additional tax lots located north of the rail spur and south of 8th Avenue East could be consolidated for use as an open space buffer if they become available. This would provide recreation opportunity for neighborhood residents while providing separation from industrial activities. Several lots are owned by CTEC, while others have individual owners.

2.3 PROPOSED USES

Based on market analysis and surrounding land use patterns, the site has the greatest potential to be developed for a mix of targeted light manufacturing, produce warehousing, value-added wood product manufacturing, and commercial use. The market analysis indicates that regional demand for light manufacturing and industrial use complements the local labor force's skillset and capitalizes on proximity to US 97 (see Sections 5 through 7). The site's potential range of uses creates flexibility to respond to market changes while allowing development to appropriately buffer various uses to minimize potential conflicts. For example, light manufacturing and commercial uses create a transition zone buffering the residential neighborhood from heavy industrial uses that may generate louder noise.

The site plan for the business and industrial park creates 11 lots of varying shape and size, totaling 54.2 acres within the 67-acre footprint under consideration. The lots range from approximately 2 to 8 acres to accommodate different potential users. A single user could also combine multiple lots if a larger site were needed. All lots in the site plan will have road frontage and will be served by water, sewer, and power.

Recommended design standards for the business and industrial park have been drafted (see Section 3) to guide the appearance of and set a level of quality for site development. The design standards provide real value to the site by establishing expectations and a standard for maintenance that will protect long-term investment.

Photo 1
SITE OF PROPOSED BUSINESS AND INDUSTRIAL PARK



Photo 1 Source: Akana 2022.

2.4 ACCESS

The Plan recommends a single, three-lane street providing access to the business and industrial park. This street would provide direct access between Rodeo Trail Road and SR 155, with additional access to the former CIPV industrial site and other locations. A short secondary street provides access to interior lots on the north side.

In addition to excellent street access, several lots are served by rail. This feature expands market opportunities for the business and industrial park. A spur off the Cascade and Columbia River Railroad formerly served the former CIPV industrial site. That spur runs from the main line off the Okanogan Omak East Road along the north boundary of the proposed project boundary. At the project's eastern boundary, an additional leg is available to serve several proposed parcels. More than 2,500 lineal feet of spur are available to the development area.

2.5 PHASING

Construction of the business and industrial park could take place in phases, from the inside out, as demand warrants. However, it is recommended that the central street and underground utilities,

streetlights, and landscaping be constructed as soon as feasible to create an immediate positive impression in the marketplace. The risk associated with developing the base infrastructure is that there will be ongoing maintenance costs to preserve the initial investment prior to leasing and development of individual parcels.

2.6 ENVIRONMENTAL CONCERNS

The former CIPV complex, including the proposed business and industrial park, underwent extensive environmental review and testing. Documents prepared by URS Corporation (now AECOM) – reviewed in preparing the 2004 master plan – did not reveal environmental impacts in the proposed business and industrial park. However, operation and then destruction of the CIPV facility by wildfire may have introduced changes to the site's environmental condition. It is recommended that the site be re-evaluated by a professional environmental services organization.

2.7 ADDITIONAL RECOMMENDATIONS FOR LONG-RANGE DEVELOPMENT

The Omak Business and Industrial Park will occupy a site providing long-range strategic advantages for the CCT. When viewed in the larger context of Omak, the site could become part of a larger commercial development made up of other commercial and industrial activities. A comparable example can be seen at the north end of Omak, where a new business park has been platted and is offering small sites for commercial use. A new hotel and restaurant occupy a site near the intersection of US 97 and a new interior street. Similar development could be planned on tribal land adjacent to the proposed Omak Business and Industrial Park, provided the CCT create a long-term strategy jointly with other jurisdictions having common interest.

This is a summary of the conceptual ideas illustrated on the accompanying exhibits:

+ Additional commercial development opportunities on tribal land are located on the east side of U.S. Highway 97 (US 97), adjacent to the Tribal Trails gas station and convenience store (see Map 2, Land Use Designation 3). Developed under the terms of a master plan, this valuable land provides potential economic success because of its highway frontage and location adjacent to the future Omak Business and Industrial Park. A future road could potentially connect US 97 with the Omak Business and Industrial Park as well as SR 155. Access will be subject to Washington State Department of Transportation (WSDOT) approval. Land use changes would require Tribal action. Note that these suggestions have not been modeled by a traffic study; this will need to be done prior to approaching WSDOT.

+ Properties along Jackson Street could be redeveloped as a business activity center where Tribal entrepreneurs could establish storefronts and offices (see Map 2, Land Use

Designation 4). These businesses could be supported by CTEC through joint marketing, coordinated internet sales, and management training.

+ The sloped area south of the Omak Business and Industrial Park should be protected and enhanced with additional native plants. This will provide wildlife habitat, reduce erosion, and beautify property.

+ The upper terrace is not currently represented as part of the Omak Business and Industrial Park (see Map 2, Land Use Designation 5). This area should be considered for future development under special use review, for industrial, agricultural, recreational, or open space purposes.

+ Future development of land south of the Omak Business and Industrial Park should be considered. A street linking the business and industrial park with Rodeo Trail Road would provide efficient traffic circulation.

Photo 2
NORTH END OF JACKSON STREET



Photo 2. North End of Jackson Street. Note mix of commercial, residential, and institutional buildings.

2.8 PUBLIC MEETINGS

Several public meetings were held during development of the 2004 Master Plan. These meetings were publicized in advance and held at locations convenient to tribal members and the community.

The 2011 update did not include the same level of public engagement as the 2004 plan. The consultant team received comments and suggestions from assorted Tribal members, CTEC staff, public agencies, and other interested parties.

For this Omak District update, Akana led a stakeholder workshop at Tribal Headquarters on December 20, 2022. Stakeholder preferences were measured through an online poll (see Appendix ##).

During the workshop, facilitators asked several questions:

What types of uses would you like to see here?

The survey indicated the following industries are preferred by Tribal members:

- **Energy production.** Stakeholders felt the Tribe should make energy production investments. This may be possible on the former CIPV site, but it would take considerable investment by the tribe to rebuild infrastructure lost to the wildfires.
- **Light Industrial.** Stakeholders discussed continued support for establishment of light industrial businesses at the site.
- **Recreation.** Stakeholders identified recreation as an economic activity that could generate revenue immediately, without considerable investment. Because such development is outside the scope of this report and the bounds of the former CIPV site, recreation associated with the 12 Tribes Casino south of the proposed business and industrial park is discussed in Appendix A.

What would help create more opportunity?

We asked stakeholders, "what would help create more opportunity?" The results indicate that access to improved services is perceived to be necessary. In ranked order, stakeholders prioritized:

- Childcare services
- Better transportation
- Reliable broadband
- A place for me to grow a business
- Businesses that are hiring

The fact that childcare services tops the survey suggests there is a population willing to work if childcare is available.

We asked the stakeholders to describe, in a word or two, "what would help create more opportunity?" The most common answer was housing. Other themes included:

- Small business incubator
- Retail
- Arts and craft sales (makers mart concept)
- Education (college)

- Connectivity.

How would you describe your district?

We asked stakeholders to describe, in a word or two, "how would you describe your district?" The most common answer was "diverse." Other answers included "largest population," "salmon production," "potential workforce," "youth oriented," and "cowboy country." The planning team's takeaway was that residents are a diverse group interested in preserving the salmon harvest traditions, and there is an established workforce.

How would you like to earn your living?

We asked these stakeholders "how would you like to earn your living?" The answers in ranked order are:

- Open my own business on the Colville Reservation
- Work for the Tribes
- Work remotely for a company based off the Colville Reservation
- Be an employee at a business on the Colville Reservation
- Leave the Colville Reservation for more opportunities
- None of the above

How is getting around your district?

We asked stakeholders how they get around the district? "By roads" was the most common answer, followed by an equal weight "pedestrian mobility" and "public transit." Looking at the graphic scale for the question's answer, it is obvious there could be improved pedestrian facilities and bus service, and that the other categories will need significant improvement. From the planning team's point of view, a contributing factor for the success of Omak Business and Industrial Park is that the multimodal aspects of travel between the industrial area and the immediate local community would be greater enhanced by better bicycle and pedestrian access, as well as enhanced bus or shared ride opportunities. The Tribe should seek funding opportunities to develop local improvement in East Omak and partner with the City of Omak, whenever possible, to co-develop local transportation improvements.

How much time does it take you to get to work?

We asked the question, "how much time does it take you to get to work?" On average, stakeholders said it takes more than 30 minutes to drive to their work locations. It could be assumed that many of the potential workers for a business located at the proposed Omak Industrial Business park would be area residents residing off reservation.

SUMMARY

Stakeholder engagement meetings demonstrate that Tribal leaders support the proposed development of the Omak Business and Industrial Park. Stakeholders identified several conditions they would find desirable to attract and keep Tribal member employees. The biggest takeaway from the Stakeholders is that housing is the primary concern that would impact the success of tribally own and staffed businesses.

3.0 SITE AND TRAFFIC ENGINEERING

The 2011 planning update did not alter the infrastructure needs of the industrial park, this planning effort (2024) includes minor updates from the that Master Plan document. Please note that the construction cost estimates used in the 2011 planning update (in 2005 dollars) have been revised to reflect rough order-of-magnitude (ROM) ranges for 2025.

3.1 SITE UTILITIES

To effectively serve the proposed sites within the 67-acre parcel that is the focus of the study, site utilities such as water, sewer and power need to be brought to a point where the individual sites can be serviced. The Site-Specific Plan outlines specific parcels that range in size from approximately 1.6 acres to 8 acres (see Map 3). A proposed road between Rodeo Trail Road and Jackson Street that provides access to the parcels can also serve as the main utility corridor, containing underground water, sewer, power, and telephone service (see Map 4).

Several options are presented in each of the primary utility systems to provide alternatives that could be selected based on demand and resources. The options are outlined in greater detail in subsequent paragraphs. It should be noted that the costs presented in this report are based on the higher of the various options. The actual development costs could be substantially less if lower cost options are considered, or the site is partially developed. Also, preliminary sizing of various utilities is based on an employment population of 350 to 1,000 employees. The costs presented represent the higher population.

Design standards should generally follow either Okanogan County or City of Omak standards.

3.1.1 Water System

The 67-acre industrial/business park site is located at the southeast corner of the intersection of Okanogan-Omak East Road and 8th Avenue East, at the south end of the City of Omak. A pump house booster station owned and operated by the CCT exists 50 feet southeast of the intersection. The booster station ties into the city system via a 12-inch main that runs from the booster station north and connects to the municipal system at an 8-inch main along 8th Avenue East. Currently, the

booster station only serves the Colville Tribal Federation Corporation-owned and operated 12 Tribes Casino Hotel, which is roughly 1.4 miles to the southwest (see Figure ##).

Approximately 80 feet southeast of the booster station is the City of Omak's Well OWP No. 2. The Well was originally constructed to serve the CIPV site via a 20-inch main put out of service after closure of the CIPV. Currently, the well is owned by the CCT and operated under a lease by the City of Omak (SJC 2023).

The existing well operates at one-third of its 950 gallon per minute (gpm) capacity. This leaves approximately 600 gallons per minute available for the Omak Business and Industrial Park. Based on a typical demand of 15 gallons per day (gpd) per capita for a maximum projected employee population of 1,000 people, total peak demand is estimated to be approximately 83 gpm. The peak demand assumes that two-thirds of the daily demand will occur during a two-hour period within the typical workday. Based on these assumptions, it appears that there is adequate capacity in the well to supply the needs of the industrial park. It should be noted that the typical demand of 15 gpd is based on domestic use and does not include any industrial usage.

Connection to the existing system can be made at the intersection of the Jackson Street extension, just south of 8th Avenue East. The main pipeline will parallel the Jackson Street extension to Rodeo Trail Road. Distribution piping can also be extended from the main pipeline into side streets to serve smaller parcels if desired.

A storage reservoir with a capacity of 120,000 gallons is also recommended for both fire protection and live storage in case the well experiences a malfunction. The fire protection requirements are based on a building fire sprinkler demand of 1,200 gpm for one hour, assuming a building requires a sprinkler system. The live storage requirement is based on a peak demand flow of 5,000 gpm for two hours, with an allowance factor added. Fire hydrant locations are based on a maximum spacing of 500 feet.

A schematic layout of the water system is shown on Map 6. Costs are estimated to be in the range of $1,100,000 to $1,500,000 (2025 estimates). Maps are attached in an appendix within the 2011 Master Plan update.

3.1.2 Sanitary Sewer

The former CIPV plant is currently connected to the City of Omak's sanitary sewer system, in the vicinity of 8th Avenue East and Jackson Street. According to City and CIPV staff, the connection served employee restrooms at the former mill. Based upon discussions with City of Omak staff[1], no major industrial waste or domestic wastewaters are currently discharged into the system. Staff

[1] Akana conversation with City of Omak Public Works Department, June 2022.

indicated the treatment plant has adequate capacity to accommodate domestic discharge generated by the Industrial Park development. City staff added that the system cannot accommodate process waste generated by a heavy water-use industry, such as food processing.

Sanitary sewer load is estimated to be approximately 15 gpm per capita, with an employment base between 250 and 1,000 people for the industrial park. Disposal can be in one of three possible means, as follows:

+ Collection and connection to City of Omak system
+ Collection and on-site treatment and disposal
+ Individual drain fields

Option 1 consists of a sewer line that follows the Jackson Street extension, with service connections to adjacent properties. Due to the slope of the site and suggested street alignment, sewer drainage falls to the low point of the main line near the intersection of the Jackson Street extension with Rodeo Trail Road. Because the existing ground surface at the terminus of the main sewer line is at least 10 ten feet lower than any potential connection to the existing City sewer system, a sewage package-type lift station will pump the collected waste to a connection point along 8th Avenue East.

Option 2 is similar to Option 1, except the lift station connects to an on-site treatment system instead of connecting to the City system. A proposed location for the treatment plant is at the southwest corner of the Industrial Park. A package treatment system such as manufactured by Advanced Treatment Systems, Inc., is well suited for this application.

Option 3 consists of individual septic drain fields for each parcel in the Industrial Park. The advantage of using an individual system is cost and flexibility. It allows for individual site development without the expense of a fully developed system connected to either the City or an on-site treatment. The disadvantage is that a portion of each site needs to be set aside for the drain-field, possibly hindering total site utilization.

Schematic layouts of Options 1 and 2 are shown on Map 7. Cost ranges for the various options are as follows:

+ Option 1 – Connection to City System: $800,000 - $1,500,000 (2025 estimates)
+ Option 2 – On-site Treatment MBR System: $3,500,000 - $4,000,000 (2025 estimates)
+ Option 3 – Individual Drain Fields: $60,000 - $80,000 (2025 estimates)

3.1.3 Storm Drainage

The site generally slopes from east to west, at a slope between 6 and 7 percent. The Jackson Street extension generally falls along the same slope. Stormwater runoff can be collected either by (1) curbs and catch basins connected to a subgrade storm sewer following the Jackson Street extension alignment, or (2) with drainage ditches alongside that roadway alignment and under driveways and intersections through culverts. The collected runoff is discharged into a drainage swale at the intersection of the Jackson Street extension and Rodeo Trail Road.

"On-site drainage" for the individual parcels can be addressed by a series of catch basins and drywells, which allow the collected rainfall to be absorbed into the ground. Pollution is prevented from entering the system by the use of "trap"-type catch basins, which separate sediment and lighter than water pollutants (such as oil) from the water, which is allowed to pass through to the collection pipes.

The quantity of stormwater runoff is estimated using the "Santa Barbara Urban Hydrograph". The assumptions used are as follows:

- Storm Hyetograph: SCS Type II
  - Return Period: 10 years
  - Storm Duration: 24 hours
  - Total Rainfall: 1.6 inches

Comparing a pre-development impervious area of 0% to a post-development impervious area of 50%, runoff volume is estimated to be approximately 125,000 cubic feet. This will require a containment/retention pond or swale of approximately 700 feet long by 30 feet long by 6 feet deep. Variations of this combination can be made to accommodate the drainage swale along the west property line adjacent to Rodeo Trail Road. The swale can incorporate vegetation features that blend with the surrounding landscape and be an asset to the site's aesthetics. The use of on-site drainage can significantly reduce this swale requirement.

Also, the use of roadside drainage ditches and culverts instead of curbs/gutters and catch basins will also reduce swale size requirements, as the ditches allow for collection, biofiltration, and absorption into the ground. Specific vegetation can be specified that will facilitate biofiltration.

A schematic layout of the stormwater collection/drainage system is shown on Map 5.

Costs for this system are estimated to be in the range of $250,000 to $300,000.

3.1.4 Electrical Power/Telephone

The local Public Utility District (PUD No. 1 of Okanogan County) has 3-phase service available adjacent to the site. In addition, there are transmission lines east of the site that could be tapped for additional power. It must be noted that any industrial/manufacturing industry operation usage over 1 megawatt (MW) of power will require adherence to Okanogan PUD #1 New Large Load Agreement and the BPA TSR Study.

For the site, conduits for both power and telephone have been identified as part of the development requirements. It is assumed that a minimum of three transformer vaults will be necessary to provide electrical service to a fully developed site. Street lighting, placed at 150-foot intervals along the Jackson Street extension, has also been identified. Total costs for the power and telephone are estimated to be approximately $400,000.

3.1.5 ROADS

The schematic drawings indicate a single road connecting Jackson Street at the intersection with 8th Avenue East, proceeding southwest and then west towards a connection with Rodeo Trail Road. The total length is approximately 2,700 lineal feet. There are also two side streets, totaling approximately 700 feet. Based on a pavement width of 44 feet with an 80-foot right-of-way, lineal foot costs were developed. Separate costs for curb and gutters, as well as sidewalks, are presented to facilitate design options that may choose to utilize ditches instead of a curb/gutter and collection system for stormwater.

Costs for roadway construction are in the range of $3,250,000 to $4,000,000.

3.2 PRELIMINARY DESKTOP TRAFFIC ANALYSIS

The following preliminary analysis presents initial data collection findings for the proposed Omak Business and Industrial Park. The property is located south of SR 155, and east of the Okanogan River. The abrupt toe of the nearby foothills approximates the south and east site boundaries. The remainder of the site is generally flat. The property is being considered for development of an industrial park.

The property is bordered on the north and west by the City of Omak. Okanogan County borders all other remaining sides of the property. Several public roadways are located near the property including SR 155, SR 97, Rodeo Trail Road, 8th Avenue East, and Jackson Street. The railroad line is parallel to Rodeo Trail Road, 8th Avenue East, and SR 155. Each road has grade crossings over the railroad line.

The property is proposed to be developed in phases. Phase I, the objective of this analysis, would be located in the northwest portion of the site and would utilize approximately 45.9 acres. Local

ingress/egress would be at two locations: (1) Rodeo Trail Road, south of its intersection with 8th Avenue East; and (2) 8th Avenue East/Jackson Street intersection.

3.2.1 Study Limitations

The analysis is limited to readily available City, County, and State records. The primary issue of the report will focus on property ingress/egress with SR97, SR155, Rodeo Trail Road, 8th Avenue East, and Jackson Street.

3.2.2 Existing Conditions

For the 2004 Master Plan, existing transportation plans were acquired from WSDOT, the City of Omak, and Okanogan County. As part of the 2011 update as well as this effort, updated transportation plans were reviewed to inform the Master Plan.

Omak

- 6-year Transportation Improvement Program (TIP) 2020-2026
- Greater Omak Area Comprehensive Plan 2013 Update

Okanogan County

- 6-year Transportation Improvement Program 2020-2026
- Traffic Counts for Rodeo Trail/8th Avenue, SR 155/Jackson Street (2022)
- Draft Central Okanogan Valley Transportation Study 2004
- Binding Site Plan Ordinance amended 12/68/86
- Subdivision Ordinance amended 8/28/95

WSDOT

- 3 year Transportation Improvement Program 2022-2025
- North Central Region 2022-2025 Projects
- SR 155: R/W plans, Access Plans, Route Development Plan, TRIPS, orthophoto's

3.2.3 Field Survey

No field survey work is included in this scope of work. Final at grade Intersection sight distance determinations will require a field crew to visit the site later.

3.2.4 General Roadway Descriptions

SR 97 (WSDOT)

- Project Frontage None

- Terrain: Rolling
- Channelization: Two 11.5′ lanes with 8′ shoulders
- Posted Speed: 60 mph
- Access Management: Partial Control Limited Access
- ADT: 5880 (1998), 9624 (2022)

SR 155 (WSDOT)

- Project Frontage: None
- Terrain: Level
- Channelization: Two 12′ lanes with 8′ shoulders
- Posted Speed: 35 mph
- Access Management: Managed Access
- ADT: 2575 (2003), 4400 (2023

Rodeo Trail Road (Okanogan County)

- Project Frontage: None
- Terrain: Level
- Channelization: Two lanes with shoulders
- Posted Speed: 50 mph
- Access Management: N/A
- ADT: N/A

8th Avenue East (Omak)

- Project Frontage: None
- Terrain: Level
- Channelization: Two lanes, parking and curb/gutter both sides
- Posted Speed: Assumed 25 mph
- Access Management: N/A
- ADT: N/A

Jackson Street (Omak)

- Project Frontage: None
- Terrain: Level
- Channelization: Two lanes, parking and curb/gutter both sides
- Posted Speed: Assumed 25 mph
- Access Management: N/A
- ADT: N/A

3.2.5 Transportation Improvement Program/Comprehensive Plan Recommendations

2040 Regional Transportation Plan for the Okanogan Region

The 2040 Regional Transportation Plan (RTP) is the first such plan for the newly created Okanogan Council of Governments (OCOG) since it was designated a single-county Regional Transportation Planning Organization (RTPO) in 2017. A collective association of local governments, tribes, transit agencies, WSDOT, and others, OCOG adopted the RTP in 2017 to provide a coordinated voice on transportation issues that affect the region as a whole. The RTP:

+ Establishes a regional transportation strategy for the region;
+ Presents a policy framework to guide consistency between local and state transportation;
+ Identifies priority long-range regional transportation needs and deficiencies, including critical transportation factors such as system preservation, safety, connectivity, and economic vitality;
+ Provides an inventory of the regional transportation system, establishes performance measures, and identifies regional priorities for system improvement; and
+ Forecasts regional transportation revenues and expenditures.

Particularly pertinent to the East Omak Industrial Site are regional growth expectations including Omak and its surroundings, future forecasts of travel demand, and adopted level of service (LOS) standards (LOS D for local streets; LOS C for arterial and local highways) for regionally significant transportation facilities.

City of Omak

The Omak Comprehensive Plan was developed in 2013 and further updated in 2019. This plan establishes policy guidance for the development and maintenance of the city's multimodal transportation system. The plan lays out design standards for various street functional classifications and recommends that classifications be consistent with those adopted by WSDOT and the County. The Plan also establishes the level of service standards for roadway and intersection operations, noting that the RTPO and/or WSDOT jointly establish standards for highways of statewide significance (SR 20/US 97) and regionally significant highways (SR 155). Standards for city streets are established by the Plan which recommends adoption of LOS D.

The Plan also includes recommended dimensions for sidewalks and pathways which vary by roadway functional classification, and identifies desired bike lane configurations based on AASHTO standards. Relevant to the East Omak Industrial Site plan are the following recommended road improvements:

- New road connecting US 97 at the Tribal Trails Truck Stop with Rodeo Trail Road (Okanogan/Omak East Road)
- Extension of 8th Avenue East to connect with the Tribal Trails Truck Stop.

The Plan further recommends that bike lanes with a minimum width of five feet should be developed in conjunction with all new or substantial upgrades to state highways, community arterials, and collectors and that sidewalks and pedestrian ways be constructed within the right of way with a minimum width of five feet and be ADA accessible. Deficient or non-existent ADA facilities should be upgraded or included on all sidewalks following a prioritized implementation schedule. The Plan specifically recommends that:

- Sidewalks should be built along both sides of SR 155 from Granite Street to the east city limits
- Bike lanes should be built along both sides of SR 155 between Cedar Street and the east city limits.
- Bike lanes should also be built along Rodeo Trail Road from Omak to Okanogan and along the loop connection with SR 155 including Hanford Street, 5th Avenue, Edmonds Street, 8th Avenue East, and Jackson Street.

WSDOT

SR 155 Spur/Okanogan River Bridge Replacement is scheduled for construction in 2027. This project will demolish the existing concrete arch bridge over the Okanogan River and replace it with a new, 422-foot long, curved bridge. The new bridge deck will accommodate two 12-foot vehicle lanes with 4-foot shoulders and a 14-foot-wide shared use path. Utilities will also be relocated onto the new bridge. New stormwater facilities would be added to treat roadway runoff before it enters the Okanogan River.

SR 155 Omak Area Paving and Complete Streets. is scheduled for construction in 2027. This project will construct a shared-use path along SR 155 Spur/Omak Avenue (milepost 79.31 to 79.91) to provide a designated route for pedestrians and bicyclists to the East Omak Elementary School and across the nearby railroad tracks. Traffic calming features such as speed feedback signs and pedestrian crossing warning lights may also be added to support safer pedestrian travel along and across the roadway.

Rodeo Trail Road

Traffic ingress/egress would be via a new three- or four-leg intersection on the tangent portion of the roadway. Sufficient intersection at grade sight distance in either direction would be required. The posted speed for the road is currently 50 mph, which translates to an intersection at grade sight

distance requirement of approximately 800 LF. A downward adjustment in the posted speed may be recommended at a later date, as development details become known.

A four-leg intersection could potentially utilize SR 97 via a new intersection/interchange. Since SR 97 is managed as a Partial Control Limited Access facility, the development of such an intersection/interchange is not recommended.

8th Avenue East/Jackson Street Intersection

Traffic ingress/egress would be via modification of the existing two-leg intersection into a new three- or four-leg intersection. Sufficient intersection at grade sight distance in either direction would be required. Both roadways have straight horizontal alignments with virtually no vertical deviations (they are essentially level roadways), which minimize intersection at grade sight distance concerns.

A three- or four-leg intersection would direct traffic north to the Jackson Street/SR 155 intersection. Since SR 155 is managed as a Managed Access facility, the use and potential improvement of this existing intersection is recommended.

3.2.6 Analysis

For the purposes of this report, the property will be considered an Industrial Park. The following trip generation is based on this Land Use: 110 Light Industrial Park, Trip Generation, ITE. Average vehicle trip ends are based on the gross acreage of the Business and Industrial Park. The rough estimate for average daily trips is based on an employee count of 650 which yields approximately 2400 daily vehicle movements.

3.2.7 Turn Lane Warrants

Left turn and right turn lane warrants; and sight distances for at grade intersections are based on the minimum requirements outlined in Chapter 910 of the WSDOT Design Manual. The project has both turning movements entering and exiting the project site at four locations.

4.0 DEVELOPMENT STANDARDS

Note that the Development Standards from the original Master Plan are still applicable, so this section has minor updates.

4.1 PART I – PURPOSE OF THE MASTER PLAN

The master plan is established to provide:

+ Development of the subject property in a logical and orderly manner

- Establish a list of allowed uses, conditional uses and variance procedures
- Design and maintenance standards for sites and structures

4.2 PART II – SUB-AREAS WITHIN THE DISTRICT

4.2.1 Light Industrial and Manufacturing Sub-Area

The light Industry and Manufacturing sub-area is intended to provide a suitable location for manufacturing, assembly, fabrication, processing, packaging, storage, wholesale, and distribution activities for the manufactured product.

4.2.2 Heavy Industrial Sub-Area

The Heavy Industry sub-area is intended to provide a suitable location for manufacturing, assembly, fabrication, processing, packing, storage, wholesale and distribution activities for manufactured and raw materials.

4.2.3 Uses

Allowed uses consist of a broad range of industrial uses, CCT code 4-3-49 Industrial District, outlines which uses are allowed outright, conditionally allowed, or prohibited in each district.

Prohibited Uses

Generally prohibited industries include:

- Retail sales
- Rendering plants, feed lots, or stock yards
- Petroleum or chemical refineries
- Automobile wrecking yard
- Mineral extraction and
- Others determined by the CCT

Conditional Uses

Conditional uses are those uses that require review on a case-by-case basis because of their size or operation. These uses are subject to the conditional use regulations because they may, but do not necessarily, cause significant adverse effects on the environment, overburden public services, change the character of an area, create or foster nuisances. A review of these uses is necessary to

minimize the potential individual or cumulative impacts these uses may have on the surrounding area or the established purpose of the Omak Business and Industrial Park.

The conditional use review provides an opportunity to allow the use when there are minimal impacts, to allow the use but impose conditions specifying mitigation measures to address identified impacts, or to deny the use if the impacts are substantial and the impacts cannot be mitigated.

TABLE 3-1

LAND USE MATRIX

USES	HEAVY INDUSTRIAL SUBDISTRICT	LIGHT INDUSTRIAL SUBDISTRICT
Residential Use	N	N
Commercial Use		
Eating and Drinking Establishments	N	N
Indoor Recreation	N	C
Outdoor Recreation	N	N
Adult Entertainment	N	N
Retail Stores	N	N
Repair Services	A	A
Rental Services	A	A
Automotive Services	C	C
Automotive and Equipment Sales	C	C
Business Use		
Professional Services	N	N
Medical and Dental Offices	N	N
Office Based Research Facilities and Medical Laboratories	N	N
General Office	N	N1
Industrial Use		
Light Manufacturing Processing and Fabrication	A	A
Research and Development	A	A
Outdoor Fabrication & Storage	C	N
Heavy Industry	A	N
Waste Related Activities	N	N
Wholesale Sales	A	A
Equipment Sales, including incidental service and repair (excludes retail sales of specific items on display)	A	A
Warehouse and Freight Movement	A	A
Railroad Yards and Loading	A	A
Agricultural Production		
Refining Chemicals and Volatile Fuels	N	N
Automobile Wrecking Yard	N	N
Institutional Use		
Schools K-12	N	N
Vocational and Job Training Facilities	A	A
Pre-school/Childcare	N	N
Public Facilities	A	A
Sports Facilities	N	C
Churches	N	N
Fraternal Organizations	N	N
Cemeteries	N	N
Correctional Facilities	C	C

Notes:

1 Offices that are an accessory to an allowed use are allowed in the sub-district, up to 20% of the total building area.

A = Allowed Use
C = Conditionally Allowed Use
N = Use Not Allowed

Uses not Listed

Uses not categorized in the Land Use Matrix or this document are subject to Development Review Committee (DRC) review. Appeals of decision may be made to the DRC.

General Restrictive Activities

- Maximum noise levels shall not exceed the Tribal and City Standards.
- Vibration discernable at the property line without the use of measuring instruments is prohibited.
- Air emissions shall not exceed Federal or State air quality standards.
- Emissions of odorous gases or matter beyond the property of the industrial activity are prohibited.
- Outside activities producing heat or glare are prohibited. If such activities are required, they shall be conducted within buildings.
- Do not involve bringing live animals or the waste or by-products of dead animals to the site.
- Do not involve highly combustible, explosive or hazardous materials or waste.

Restricted Activities in the Light Industry and Manufacturing Sub-district

- Activities are entirely enclosed within a building or structure whose appearance is compatible with normal industrial or office building design.
- Odors, noise, vibrations or other emissions are controlled within the confines of the building or structure.
- Do not entail outdoor storage of raw materials or finished products.
- Do not entail movement of heavy equipment on and off the site, except truck deliveries.
- Do not involve outdoor testing of products or processes on the site.
- Outdoor assembling and outdoor storage is not allowed in this district.
- Uses generating noises detectable from off site are not allowed.

4.3 PART III – DEVELOPMENT STANDARDS

Design of buildings and sites is important to the long-term success of the Omak Business and Industrial Park. Primary users and tenants will be attracted to a built environment of high quality, with each building phase consistently executed, constructed with precision and care, and well maintained.

All requirements contained herein shall be met or exceeded.

Because these statements are subjective and not quantitative, a DRC will be established for the purpose of reviewing plans submitted to the Industrial Park Manager. The DRC will process the plans in a reasonable amount of time and work with the developer to reach an acceptable agreement. The DRC will have the authority to request modifications to any design submitted for review and its responsibility will include buildings, landscaping, site plans, lighting, signs, mechanical equipment locations, fences, and vaults.

4.3.1 Temporary Structures

+ Temporary buildings or other temporary structures shall not be allowed within the Industrial Park.
+ Construction trailers and construction related temporary buildings will be allowed on site during construction periods.
+ The structures must be removed within 30 days of construction completion.
+ Temporary construction structures shall be located as inconspicuously as possible and shall cause no inconvenience to owners and occupants of neighboring parcels.

4.3.2 Construction Activities

Construction activities shall not disrupt business and the operations of adjacent parcels.

+ Construction activity shall not block access to any other parcel.
+ The developer shall be responsible for the repair of any street, public feature, or adjoining property damaged during the course of construction.
+ The developer is responsible for street cleaning necessitated by construction activity.
+ The developer shall maintain a dust suppression program, water erosion prevention measures and wind erosion stabilization measures.

4.3.3 Building Setbacks for Light Industrial and Manufacturing, Heavy Industrial Sub-Areas

All buildings are to be set back from the property line to ensure that adequate space is provided between buildings for safety, screening, and visual appeal.

Front Setbacks

+ All setback areas except those where parking is allowed and existing shall be landscaped.

Rear Setbacks

+ A 10-foot rear setback is required except for property or lease lines that abut a public right of way or that are adjacent to residential zoning; then the setback is 35 feet.
+ Rear setbacks that abut a front property line shall be 20 feet.

Side Setbacks

+ Buildings shall be set back from side property or lease lines a minimum or 20 feet.
+ Where side yards abut a street, the setback shall be 35 feet from the property or lease line.
+ DRC may determine the side setback for corner lots to be less than 35 feet if the side yard faces another parcel within the industrial park.

Parking Setbacks

+ Parking shall be set back from a front property or lease line by a minimum of 10 feet.
+ A parking setback of 10 feet (minimum) shall be used to separate parking from the front of the building for at least one quarter of the building facade.
+ All parking setbacks shall be landscaped.
+ Parking shall be setback 10 feet from all public right of ways and property lines that are next to a residential zone.

Landscape Area Requirement

+ A minimum of ten percent (10%) of the site area shall be landscaped in the Light Industrial and Manufacturing zone.
+ There is no minimum landscape requirement in the Heavy Industrial zone. However, all parking setbacks shall be screened.

4.4 PART IV – BUILDING DESIGN

All buildings shall be built to contemporary business park standards as found in competitive locations. Buildings shall be designed to be visually interesting and not monotonous, with special attention to street-facing building facades.

The use of canopies, parapets, fascias, and cornices is encouraged to break up large, uniform walls and indicate pedestrian entry areas. Such features shall be in proportion to the rest of the building. All buildings should also have a visible cornice or parapet in the form of overhangs or change in material detailing.

Designs shall utilize high quality materials with a finished appearance.

Designs should be "timeless" and long lasting so that the Industrial Park will not be prematurely dated. The design and materials shall fit within the existing geography.

4.4.1 Building Materials

+ All buildings shall be constructed from a combination of tilt-up concrete, brick, metal, and glass.
+ Wood may be used as an element of detail but not as a primary material.
+ All buildings should have a visible foundation that provides a base for the primary façade material.



Figure 1

Tilt-up Concrete Buildings

When used as the sole material, tilt-up panels facing a public street shall be punctuated by window and door openings for at least 20 % of the façade or a minimum of 25 feet, whichever is greater. Reveals and color may be used to provide visual interest.

Typical Industrial and Manufacturing Building Design

The use of two colors or materials helps provide visual interest and articulate entries. Use of reveals in the concrete panels helps reduce the sense of mass along the blank walls. The use of plant materials and low walls screen the loading activities and adds visual relief across the building façade.

Masonry Block/Brick Buildings

Brick and split face masonry block should use coordinating colors and textures for interest and variety in the street facing facades.

Brick and masonry block provide texture and interest to a simple shape.

Glass and brick treatment at corners provides visual interest and opportunity for business identity. A clear and direct pedestrian link is provided between the parking lot and the building entrance.



Figure 2

Metal Buildings

- The Street facing façade shall incorporate concrete or masonry block wainscoting or walls.
- The main entry shall incorporate non-metal materials and be articulated.
- Acceptable exterior metal walls and roof panels shall be anodized aluminum, weathering steel, and galvanized steel.
- Galvanized and coated steel shall have factory applied baked paint finish, resistant to chalking, fading and failure. Exterior finishes shall not cause glare.
- Metal panels shall have sufficient gauge and quality to ensure a rigid surface.
- Structural members and fastening devises shall be on the interior.

Metal Building with Natural Material Wainscoting in the Front

Special treatment at the building entry using glass, canopy projections and special materials provides both a clearly defined entry area and visual interest for warehouse and distribution uses.



Figure 3: The building illustrated shows that a standard steel industrial building with an overhang shed could be modified to add attractive office and administrative spaces to a prefabricated structure. This type of building is more economical to construct than traditional tilt-up concrete buildings.

4.4.2 Exterior Colors

Exterior surface colors shall be from the same family of neutral earth tones and consistent throughout each site, including gutters, downspouts, window frames, and doorways. Use of two or more colors is encouraged. Primary color shall be used for accents only.

4.4.3 Window, Doors, And Wall Articulation

+ Designs shall use window and door openings as important elements.
+ Monotonous and unarticulated facades which face a street are not allowed.
+ Changes of materials, detailing, shadows, color, and texture shall be incorporated into the front building facades. Facade articulation shall include doors, windows, entry extensions, canopies, and interesting parapet treatment.
+ Where front facing blank walls are required for the type of business operation, then the design shall be reviewed as a variance from this standard.

4.4.4 Building Entries

Entries shall be visually obvious with clear and direct pedestrian access. They shall be accentuated with a building material change, parapet, canopies, and landscaping.

4.5 SITE DESIGN

The site design for each lot will comply with the Development Standards outlined in this document in addition to related CCT requirements and regulations.

4.5.1 Circulation, Parking, and Loading

Pedestrian Circulation

- Safe, direct, and all-weather access will be provided throughout the development.
- All pedestrian walkways will meet the code requirements and provisions of the Americans with Disabilities Act.
- Clear and direct pedestrian access shall be provided from the street to the main entries of all buildings.

Vehicular Access

- Vehicular access shall be provided to each lot. Shared driveways between abutting lots shall be employed where feasible.
- No more than one curb cut per lot will be allowed without DRC approval.
- Curb cuts on each side of Omak Business and Industrial Park Road shall be no closer than 200 feet. Access to lots on opposite sides of the street shall be opposite each other or a minimum of 100 feet apart.

Parking

The number and size of parking stalls for employees and visitors will be determined on a case –by-case basis and will meet the following standards:

- All parking areas will be surfaced with durable paving materials and be separated from landscape areas with a 6-inch concrete curb.
- Rows of parking stalls shall be separated from drive aisles with a curbed landscape island at least 8 feet wide.
- As a general goal, parking for heavy equipment, trucks, trailers and other motorized vehicles shall be located in the rear of buildings and structures.

Loading and Service Access

The intent of this section is to reduce and mitigate direct visibility of service and loading activities.

- Loading facilities should be screened from streets and neighboring residential properties with a site-obscuring fence or wall with landscape material on the outside face for additional screening.
- The landscape screening area shall be a minimum of 5 feet wide.
- Loading and service access areas will be surfaced with durable paving material and a 6-inch concrete curb.

Where necessary, due to operational or site constraints, service docks may face the street if well organized and maintained in a neat and orderly manner and screened, if possible. Utilities should be ground mounted and postal boxes should be safely accessible

4.5.2 Landscape Areas

All pervious surfaces except permitted gravel areas shall be landscaped with healthy and well-maintained plant materials in a manner consistent with and complimentary to the native landscape. All landscaped surfaces shall be properly maintained and contribute to the visual appeal of the development and surroundings.

+ Designs should make use of native and drought tolerant plant material.
+ Landscaping shall employ a variety of trees, shrubs, and ground covers
+ Boulders, gravel, and assorted rocks can be used as design accent elements supplementing the overall landscape plan.
+ Bark, mulch, wood shavings, or other organic product shall be used as a supplement to the plantings and shall not be the primary design element.
+ All landscape areas will be maintained and thrive. If irrigation is provided it shall be an automatic underground irrigation system.
+ Manicured lawns and water-dependent landscapes are not in keeping with the native landscape and are discouraged. These types of landscapes may be employed on a limited basis at focal points such as building entries and around outdoor spaces for employee use.
+ Landscape areas shall be maintained to prevent them from being a fire hazard.

4.5.3 Landscape Buffers

Landscape buffers are provided to screen between various uses. The buffers are composed of combinations of trees, shrubs, and groundcovers. Landform and certain walls may be combined with plant material to provide a visual barrier between different areas. Monotonous long rows of hedging are discouraged.

+ Parking shall be visually separated from public streets by vegetation. A combination of hedges, informal screens, and mounds may be employed to perform this function.
+ Landscape buffers between the interior streets and the parking shall be a minimum of 10 feet wide.

- Landscape buffers between loading and service areas and a public street or residential property shall be a minimum of 10 feet wide.
- A 10-foot-wide landscape buffer is required where industrial park property faces Rodeo Trail Road or a residential zone.
- Spaces around buildings shall be landscaped with ground cover (limited lawn), shrubs, and trees. Evergreen and deciduous trees shall provide shade and be used as accents.



Figure 4: Informal plantings act as a buffer between parking areas and Public Street or neighboring parcels. Buffers act as wind breaks and can improve the micro-climate.

4.5.4 Parking Lot Islands

All parking lot islands shall be landscaped with ground covers and shrubs. Shade trees shall be planted in islands at a density of one tree per 150 square feet of island area.

4.5.5 Plant Materials

Plant material used should provide visual interest and variety. Drought tolerant and native plant material should be used.

4.5.6 Trash and Outdoor Storage

- Materials, supplies, or equipment shall not be stored outside in the Light Industry and Manufacturing sub-district. In the Heavy Industry sub-district unless screened from a neighboring parcel or street.
- Materials, supplies, or equipment shall not be stored in the front yards in the Heavy Industry sub-district, and storage areas will be screened from the street.
- Trash areas shall be set back 35 feet from the front right-of-way line.

- Waste and recycling dumpsters shall be screened from view on all sides by durable, high quality and sight obscuring fence, at least 6 feet high.
- Outdoor storage shall not occur in parking or loading areas.
- Outdoor storage area shall have a paved surface. Gravel surfaces are allowed where appropriate and are subject to Development Review Committee Approval.

4.5.7 Fencing and Walls

Fencing and walls are allowed if they necessary for security or containment of operations. Outdoor fabrication and assembly areas within Heavy Industrial sub-areas shall be fenced. Fencing and gates shall be chain link or other durable material.

4.6 FIXTURES AND FURNISHINGS

4.6.1 Signs

Signs are defined as lettering, numbers, and business logos associated with a building or site for purposes of business identification. The DRC must approve all signs.

- Each parcel is allowed one monument style sign located near the property or lease line. Monument signs shall be concrete, stone, masonry, or wood (durable large dimension outdoor wood only), and they are limited to 5 feet high and 50 square feet.
- Each building is allowed one address and/or business logo at the top corner of the building.
- Additional identification is allowed near the building entrance. Letters and logos cannot exceed 12 inches in height and 24 square feet overall.
- Multi-tenant parcels are allowed a single monument sign with multiple business identifiers, and each tenant in a multi-tenant building is allowed a logo or business identifier above the entry. The letters and logo of such a sign shall be no more than 10 inches in height and 12 square feet overall. Each entry door can have business identification.

4.6.2 Lighting

All streets will have streetlights provided by the Omak Business and Industrial Park. This section applies to:

- Outdoor security lighting
- Parking lot and pedestrian lighting

- Signage lighting
- Accent lighting shall meet illumination levels necessary to meet the safety and security requirements of the property users, but shall not be excessively bright.

Parking lot lighting fixtures shall be consistent throughout the industrial area and be mounted no higher than 30 feet high.

All lighting will be powered with underground power connections. Overhead wires are not allowed.

Light shall not shine off the property or into any adjacent non-Industrial Park property.

No moving or flashing lights are allowed.

4.6.3 Utilities and Mechanical Equipment

- All utilities shall be constructed below grade unless screened by sight obscuring vegetation.
- Satellite dishes shall be appropriately screened.
- Roof-mounted equipment shall be located within an area that is screened on all sides.

4.7 PROCEDURES

The DRC will be established by the Colville Business Council and the Omak Business and Industrial Park Manager. It will consist of at least three individuals, two of whom have expertise in civil engineering, architecture, or landscape architecture. The third shall represent the CCT. The DRC will review plans based on this document and the applicable policies and regulations of the Colville Business Council.

- The DRC will meet to review site plans, signage, building design, and landscaping, and will recommend design revisions and methods to correct deficiencies.
- Within 28 days of the design review meeting, the DRC will publish its findings, approving or denying the proposal.
- Upon appeal of its decision, the DRC will convene a hearing according to tribal policy and procedures, allowing the developer to present evidence supporting their project.

4.8 PART VII – MAINTENANCE STANDARDS

Tenants will be responsible for maintaining their property in a fashion that reflects the standard of a first-class Industrial Park.

- Developed lots with areas for future expansion shall be maintained in a neat and orderly fashion including the elimination of all weeds, noxious or otherwise. Grass shall be planted and established to reduce wind and water erosion. The grass shall be maintained at a height no greater than 12 inches.
- Each property tenant is responsible for maintaining all improvements. The buildings and site shall be kept in a continuously clean, and attractive condition, free of fire hazards and injury risks.
- Tenants are responsible for the cost of maintaining the condition of their buildings and of regularly attended landscape maintenance, including weeding mowing, pruning, replacement, and watering.
- Tenants who do not maintain the landscape will be assessed the cost of such maintenance by the applicable authority.
- No trash, debris, or rubble of any kind shall be allowed to accumulate on any lot.
- Tenants are responsible for maintaining adequate exterior lighting on their site.
- The CCT are responsible for maintaining the streets and public rights of way.

5.0 MARKET ANALYSIS

The research and analysis in this report updates findings and recommendations originally developed in 2005 and 2011 for the Omak Business and Industrial Park Master Plan, using the best data available at that time. Since then, two economic downturns, destructive wildfires, and the COVID 19 pandemic have impacted all economic trends in the Omak market region and beyond, changing the profile of opportunities for development of the industrial park. This current study aims at developing a new set of opportunities based on the changed characteristics of the market.

This update follows the same format as the applicable sections of the 2005 study:

- Section 5 Demographic and Economic Profile, Market Analysis
- Section 6 Competitive Position Analysis
- Section 7 Target Industry Analysis
- Section 8 Business Plan

The projected outcome of this approach is a feasibility analysis for the development and marketing of the industrial and commercial lands owned by the CCT in Omak. The first three sections provide the rationale for the Business Plan, which contains specific recommendations for attracting market

demand to the Tribal lands and converting that demand into revenue-generating land leases and employment-generating capital investment. While much of the analysis applies to the entire Omak region, the results are focused on the Tribal lands.

Market Areas Used for Regional Market Analysis

The Regional Economic Analysis includes a primary market area defined by Ferry and Okanogan Counties, which contain the Colville Indian Reservation, and areas to the north, outside of tribal boundaries. This analysis also provides information about the variations between both counties.

The secondary market area included for comparison with Ferry and Okanogan Counties includes surrounding counties to the south and east, but does not include some adjacent counties to the west, which reduced economic prospects associated with the area's close proximity to the Puget Sound and I-5 corridor. The extended market area of Washington State provides a comparison with the wider region and baseline conditions across the state. The analysis also considers opportunities to develop new, local demand generated through entrepreneurial starts-ups or business incubators.

Some of the information provided in the 2005 and 2011 studies is repeated here to avoid having to cross-reference between the prior studies. This primarily includes introductory information such as geographic location and the overall description of the market area.

5.1 ANALYSIS OF DATA

Data evaluated in this report include the following:

- Population and household demographics
- Labor force and employment trends
- Industry and sector employment
- Regional economic development priorities and strategies

The purpose of the analysis is to provide a profile that will be useful in designing the Master Plan update for the business and industrial park, not to provide an exhaustive research study. Only enough data are provided to support the relevant conclusions.

The following geographic areas were selected as the economic market for Omak:

- Primary market area – Okanogan County[2]

[2] Data summaries presented in this section were gathered in support of master planning activities for three other districts, and both Okanogan and Ferry Counties were considered to be in the

+ Secondary market area – Chelan, Douglas, Ferry, Lincoln, and Stevens Counties

+ Extended market area – State of Washington,-south central British Columbia

Market linkages are strongest in the local market area than they are in the secondary and extended markets. However, opportunities to develop market linkages in those larger markets will be included as part of the marketing strategies.

5.2 INTRODUCTION TO OKANOGAN COUNTY AND OMAK

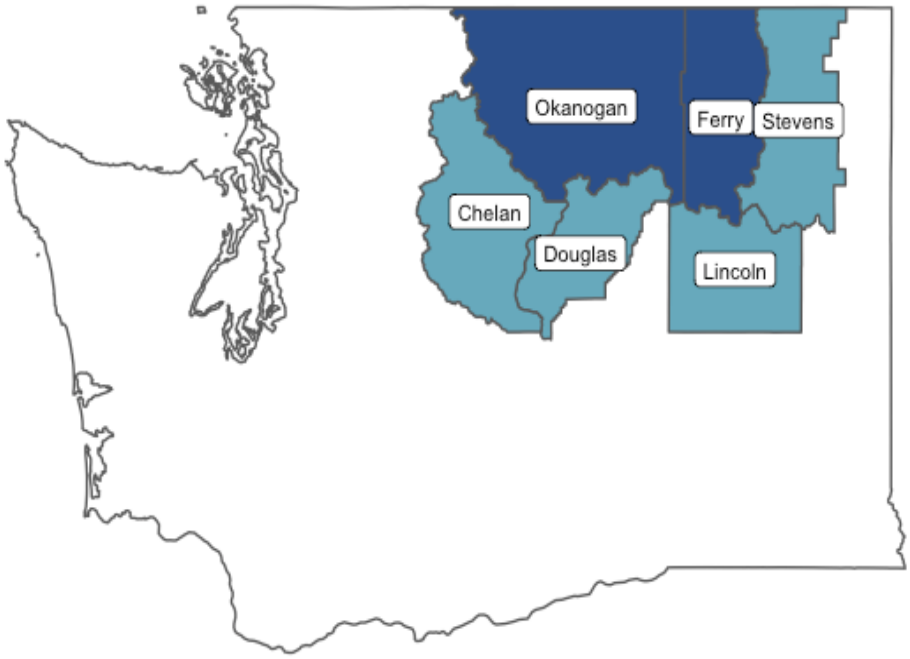
Okanogan County is situated in north central Washington State. It is bounded to the west by Whatcom and Skagit counties; to the east by Ferry County, and further on, Lincoln and Stevens Countyies; and to the south by Douglas and Chelan counties. Its northern border is the province of British Columbia in Canada.

Okanogan County is the largest county in Washington, containing 5,281 square miles or about 8% of the state's total geographical area. The western part of the county consists mostly of the rugged Cascade Mountains and the Okanogan National Forest. Large areas of the central and southern parts of the county consist of mountain valleys, rolling hills and grassy ranges that slope gradually down to the Columbia River, which forms its southern border.

The City of Omak is situated near the center of Okanogan County on US 97.

Figure 4-1 Map of Region around Omak

primary marketplace for those discussions. For the Omak Master Plan, Ferry County is considered to be a secondary market. The data have been separated for this plan.



Primary Market Area: Okanogan and Ferry Counties
Secondary Market Area: Chelan, Douglas, Lincoln and Stevens Counties
Extended Market Area: State of Washington

Figure 5

US 97 runs north/south through the middle of the county, providing highway links to the other regional and extended markets. This federal highway connects central Washington and Oregon, providing direct access to I-90 and I-84 to the south. US 97 also connects the region to interior British Columbia to the north. In addition to producing tourism opportunities for Okanogan County, it provides trucking capability to transport goods into and out of the area.



Figure 6

Table 4-1. Distance to Major Markets

Routes and Distances to Major Markets	
British Columbia border via US 97	46 miles
Wenatchee via US 97	98 miles
Spokane via WA 155/174 and US 2	141 miles
Ellensburg & I-90 West	161 miles
Moses Lake & I-90 East	190 miles
Yakima & I-82/I-84 East	199 miles
Seattle via US 97 & I-90	240 miles
Portland via I-90 & I-5	393 miles
Boise via US 97, I-82 & I-84	481 miles

Source: Google Earth Pro 2024

5.3 POPULATION PATTERNS AND TRENDS

5.3.1 Why Is Population Growth Important?

Population growth indicates higher demand for the goods and services that local people require for their daily living. This is especially important for the retail and commercial services sectors of the

economy. The industrial sector also experiences higher demand as the local population grows and requires increased warehousing, transportation services, and service and repair facilities.

Discussions of population in this document include actual population statistics from 2020 and before, all based on U.S. Census data. Projected 2025 population data are presented as well and are based on State of Washington growth projections.

Over the last several decades, Okanogan County population growth has not kept up with the state or other counties in the region. From 2000 to 2020, the most recent year with census data, the population of Omak remained flat. The broader Okanogan County population grew at a slower rate than that of most surrounding counties and the state of Washington. The population in Okanogan County increased by 6.4% from 2000 to 2020, versus a 30.7% increase for Washington's population.

Table 4-2. Population Trends

Location	2000 [1]	2010 [1]	2020 [1]	2025 [2]	AAGR (2000-2025)
Primary Market Area					
Okanogan County	39,564	41,120	42,104	43,500	0.38%
City of Omak	4,845	4,845	4,774	4,800	-0.04%
City of Okanogan	2,484	2,552	2,588	2,600	0.18%
Secondary Market					
Chelan County	66,616	72,453	79,074	82,000	0.83%
Douglas County	32,603	38,431	42,938	45,000	1.30%
Ferry County	7,260	7,551	7,178	7,300	0.02%
Lincoln County	10,184	10,570	10,876	11,000	0.31%
Stevens County	40,066	43,531	46,445	48,000	0.73%
Broader Market					
Washington State	5,894,121	6,724,540	7,705,281	7,960,000	1.21%
Thompson-Okanagan Development Region (British Columbia)	482,000	520,000	592,000	620,000	1.0%

Notes:
[1] Microsoft Copilot census data (verified) (cite?)
[2] Microsoft Copilot population projections from various sources (cite)

5.3.2 Primary Market Area – Omak, Okanogan, and Okanogan County

Table 4-2 shows population trends for the primary market area of Okanogan County, with highlights for its two largest cities: Omak and Okanogan. Those cities represented 19.5% of the total county population in 1990 (MFA-Elesco 2011). Their share of the population has declined over the ensuing years, was less than 17.5% in 2020, and is projected to be around 17.0% by 2025.

Despite relatively slow growth in the overall primary market area, it is important to note that growth trends have continued to be positive even through recent recessionary periods and the COVID-19 pandemic. However, data from the Washington Office of Financial Management (OFM)

indicate that from 2000 to 2022, Okanogan County experienced net out-migration of nearly 600 people, which was more than offset by the natural increase of births minus deaths.

5.3.3 Secondary Market Area – Chelan, Douglas, Ferry, Lincoln, and Stevens Counties

The populations of the neighboring counties need to be added to that of Okanogan County to indicate the full regional market. These data are included in Table 4-1, above.

Ferry County is included in the secondary market area primarily because much of the population of the Colville Indian Reservation lives within Ferry County. Even with Omak located at the western edge of the reservation, businesses locating on reservation land in Omak will draw labor force and market share from the entire reservation, not just the part that lies within Okanogan County.

Over the last two decades, Okanogan and Ferry County's population growth has not kept up with the state or other counties in the region. From 2000 to 2020, the population in Okanogan and Ferry Counties grew at slower rates than in most surrounding counties and the state of Washington. During that time, the population in Okanogan County increased by 6.4%, while the population in Ferry County declined slightly (-1.1%). Counties external to the Colville Indian Reservation, however, experienced an 18.9% growth rate over the two decades under review.

5.3.4 Extended Market Area – Washington State and South-Central British Columbia

It was noted in the 2011 update (MFA-Elesco 2011) that all of Washington is an obvious market for companies located in the Omak area, although the competitiveness of the area is not as strong as in communities located in the major population centers and/or on the primary Interstate Highway System. Table 4.1 presents the size of the Washington market in terms of population and growth (Table 4.1).

Washington State's annual growth rate during the period from 2000 to 2020 was 1.35% and as of 2025 (estimated data), the rate slightly declined to 1.21%. The primary and secondary markets are growing at significantly slower rates than the state. While Douglas County's growth is on par with that of the State, its overall impact to the market areas is muted by slower growth in the other counties.

The other part of the extended market area is South-Central British Columbia. With Omak located only about 50 miles south of the Canadian border, there may be opportunities for companies located in Omak to supply population centers in Kelowna, Kamloops, and other cities north of the border.

A direct comparison with the market region in South-Central British Columbia is challenging because of different Census data collection methods and documentation. However, for statistical reporting purposes, British Columbia is divided into several Development Regions, with Region 3,

the Thompson/Okanagan[3] Development Region, representing the most accessible market in the Province because of the extension of US 97 into that region.



Figure 7 Region 3

The Thompson/Okanagan Development Region of British Columbia has a total population nearly 3.5 times as large as the primary and secondary market areas on the U.S. side of the border. Its population growth rate was approximately the same from 2000 to 2010 as the rate for all of Washington State, but it has performed much better during the past 15 years. This is a market that should be explored for economic opportunities for businesses locating in Omak.

The highway transportation system and the north-south short line rail services available at Omak may provide opportunities for companies that ship products to areas beyond the borders of Washington State and interior British Columbia, creating an even larger potential market.

5.3.5 Population Growth Forecasts

Between 2020 and 2040, the population in Okanogan County is expected to increase by about 9.3%, compared to the State's projected growth rate of 19.4%. During that same period, the population in Ferry, Chelan, and Douglas Counties is forecast to increase by 4.4%, 16.4%, and 21.1%, respectively.

[3] Note that the spelling of Okanogan changes slightly between the U.S. and Canada.

Over the same time period, the population in Lincoln and Stevens Counties is forecast to increase by 5.7 and 12.0 percent, respectively.

In Okanogan County, the population over age 65 is anticipated to grow 6 percent and, and the prime working age populations between 20 and 65 years old are forecast to continue to decrease.

Table 4-3 Population Forecast, Washington, Okanogan County, Ferry County, and Surrounding Counties, 2020 to 2040
Source: Washington Office of Financial Management, U.S. Bureau of Economic Analysis. AAGR: Average Annual Growth Rate.

Geography	Population		2020 - 2040 Change		
	2020 Estimate	2040 Forecast	Number	Percent	AAGR
Washington	7,707,047	9,326,738	1,619,691	21%	0.96%
Okanogan	42,104	44,837	2,733	6%	0.31%
Ferry	7,178	7,380	202	3%	0.14%
Chelan	79,141	91,063	11,922	15%	0.70%
Douglas	42,938	53,319	10,381	24%	1.09%
Lincoln	10,876	11,087	211	2%	0.10%
Stevens	46,445	51,623	5,178	11%	0.53%

Location	2020 [1]	2040 [2]	Increase	Growth	CAGR (2020-2040)
Washington State	7,705,281	9,200,000	1,494,719	19.40%	0.89%
Okanogan County	42,104	46,000	3,896	9.25%	0.44%
Ferry County	7,178	7,500	322	4.49%	0.22%
Chelan County	79,074	92,000	12,926	16.35%	0.76%
Douglas County	42,938	52,000	9,062	21.10%	0.96%
Lincoln County	10,876	11,500	624	5.74%	0.28%
Stevens County	46,445	52,000	5,555	11.96%	0.57%

Notes:
[1] Microsoft Copilot census data (verified) (cite?)
[2] Microsoft Copilot population projections from WA Office of Financial Management (OFM) medium-growth scenario (cite)

5.4 DEMOGRAPHIC CHARACTERIZATIONS OF OKANOGAN COUNTY

Why Are Demographic Characteristics Important?

Demographic characteristics such as age and gender indicate whether the county has unique factors that could affect the size and character of its labor force, types of retail demand, educational requirements, medical needs, and other differences.

5.4.1 Gender

During the three-year period of 2020 to 2023 measured by the American Community Survey for Okanogan County, there was an average of 20,031 males (47.3%) and 22,348 females (52.7%) living in the county. This represents a shift from the composition reported in the 2011 update, when males

represented 50.9% of the population vs. females at 49.1%. During the same time period, the population in Washington was split evenly between males and females (50% each).

5.4.2 Age Characteristics Key Findings

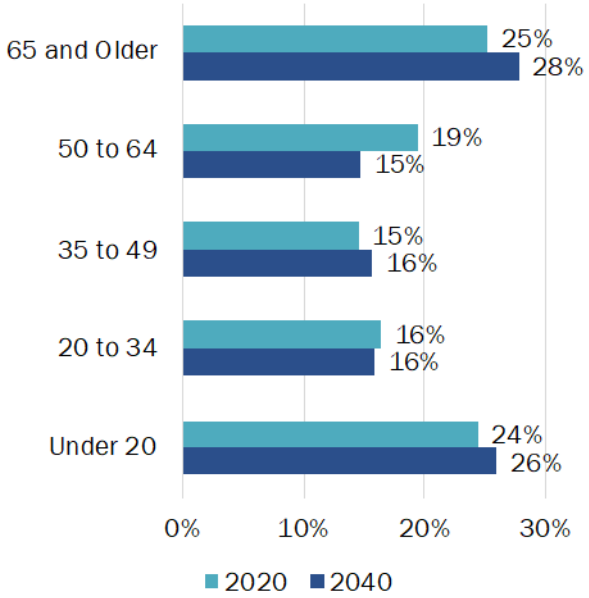
The age characteristics show significant differences between the populations of Okanogan County and Washington. For period from 2020 to 2023, the median age in the Washington was 37 years, while in Okanogan County it was 43 years.

The greatest population difference was observed in the age group of 20-39 years old, which is considered to be the prime labor force age. The data show a much older labor force in Okanogan County than in the state as a whole. Okanogan County also has a significantly larger percentage of residents over the age of 65.

The 2023 report suggested that weakness in the younger working-age population is caused by lack of jobs and/or lower wages in Okanogan County. The report noted that these workers are expected to return to the area if new, family-wage jobs are developed. It also noted that the higher concentration of young people (in the 0-19 age group), along with other Census data showing household and family sizes, indicates that Okanogan County is continuing to hold its share of families with children and is not converting to a retirement center. It concluded that "this is a positive trend for assuring an adequate labor supply in the future".[4]

[4] ECONorthwest 2023 Colville Confederated Tribes Master Site Development Plan Tribal and Regional Economic Analysis

Table 4-4. Population Forecast by Age Group and County, 2020 to 2040
Source: Washington Office of Financial Management, U.S. Bureau of Economic Analysis.



Okanogan County

5.5 ECONOMIC CHARACTERISTICS OF OKANOGAN COUNTY INCOME LEVELS

5.5.1 Why are income levels important?

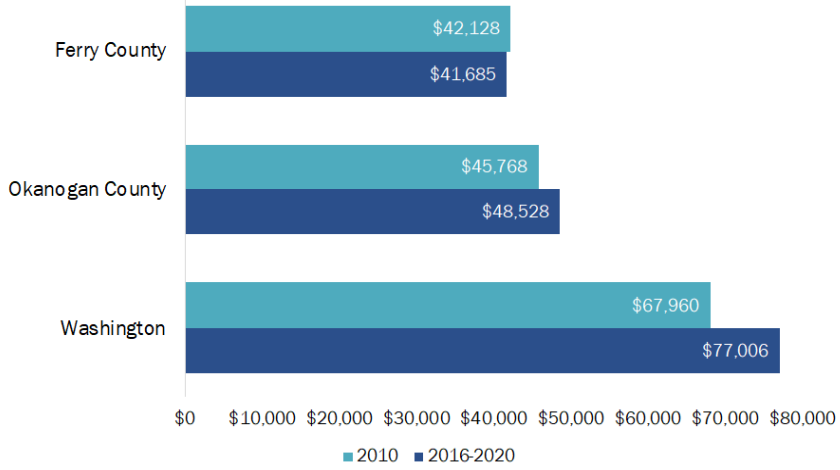
Income levels measure relative wages and other cash inflows into the economy, which in turn measure the relative ability of residents to generate effective demand for goods and services. Obviously, lower income levels mean lower demand, and higher income levels mean higher demand.

Table 4-6 shows the comparative household income levels for Okanogan County and Washington as reported for the prior 12 months in the 2019 American Community Survey[5].

[5] Ferry County is included despite being a secondary market because data were gathered for multiple studies that included both Ferry and Okanogan Counties.

Table 5-1. Inflation Adjusted Median Household Income (2020 Dollars), Primary Market, and Washington, 2000 and 2016-2020

Source: U.S. Census Bureau, 2000 Census Table Hct012001, ACS 5-Year Estimates 2006-2010, Table B19013, ACS 5-Year Estimates 2016-2020, Table B19013.



In 2016-2020, median household income in Okanogan County it was $48,528. In comparison, median household income in Washington over the same period was $77,006.

These figures show significant disparities in income levels between Okanogan County and the State of Washington as a whole. For the 12-month period measured, median incomes in Okanogan County were only 70.0% of those for the state, while mean incomes were 64.9%. The numbers also show that 35.7% of households in Okanogan County had incomes less than $25,000 for the 12-month period, compared to only 19.7% statewide.

Part of the reason for the disparity was the fact that fewer residents of Okanogan County receive their income from wages and other work-related earnings, instead receiving more of their income from public assistance and/or pensions. The 2020 Census reported that only 75.8% of Okanogan County residents received income from earnings compared to 81.9% statewide.

The implication of this is that residents of Okanogan County are less able to support local retail trade and services than Washington residents as a whole. Even though the overall population continues to grow, the relatively lower purchasing power of that population limits opportunities for business expansion.

Per capita transfer payments tended to be higher in Okanogan County than in the State overall, for most categories of transfer payments. Typically, transfer payments reflect payments made by federal, state, or local governments. Okanogan County had higher per capita payments of this type in most categories, including retirement and disability insurance, medical benefits, income maintenance, and veterans' benefits. However, both counties received lower per capita payments compared to Washington for education and training assistance and unemployment benefits.

Table 5-2. Per Capita Transfer Payments
Source: Washington Employment Security Department

Transfer Type	2020			As a percent of State	
	Ferry	Okanogan	State	Ferry	Okanogan
Personal current transfer receipts	**$16,326**	**$16,083**	**$12,112**	**135%**	**133%**
Current transfer receipts of individuals from governments	**$15,866**	**$15,305**	**$11,528**	**138%**	**133%**
Retirement and disability insurance benefits	**$5,254**	**$4,385**	**$3,541**	**148%**	**124%**
Social Security benefits	$5,115	$4,228	$3,231	158%	131%
Excluding Social Security benefits 1/	$139	$157	$310	45%	51%
Medical benefits	**$6,445**	**$6,528**	**$3,879**	**166%**	**168%**
Medicare benefits	$2,924	$2,777	$2,008	146%	138%
Public assistance medical care benefits 2/	$3,467	$3,723	$1,814	191%	205%
Military medical insurance benefits 3/	$55	$28	$57	96%	49%
Income maintenance benefits	**$1,147**	**$1,221**	**$771**	**149%**	**158%**
Supplemental Security Income (SSI) benefits	$200	$199	$137	146%	145%
Earned Income Tax Credit (EITC)	$156	$215	$123	128%	176%
Supplemental Nutrition Assistance Program (SNAP)	$399	$383	$226	176%	169%
Other income maintenance benefits 4/	$391	$424	$285	137%	149%
Unemployment insurance compensation	**$868**	**$1,137**	**$1,599**	**54%**	**71%**
State unemployment insurance compensation	$854	$1,133	$1,593	54%	71%
Excluding state unemployment insurance compensation	$14	$4	$6	232%	71%
Veterans' benefits	**$1,049**	**$774**	**$526**	**199%**	**147%**
Education and training assistance 5/	**$152**	**$154**	**$207**	**73%**	**75%**
Other transfer receipts of individuals from governments 6/	**$950**	**$1,105**	**$1,004**	**95%**	**110%**
Current transfer receipts of nonprofit institutions	**$355**	**$671**	**$477**	**74%**	**141%**
Current transfer receipts of individuals from businesses 7/	**$105**	**$107**	**$107**	**99%**	**100%**
Refundable tax credits 8/	**$1,095**	**$1,356**	**$1,100**	**100%**	**123%**

The poverty rate for families in Okanogan County was higher than in Washington in 2016-2020. Data is limited for the County, so margins of error are high, or data are unavailable. Non-white families tended to live with incomes below the federal poverty line at a rate higher than the state average. Data is unavailable for some groups due to the small size of the populations in the study area counties. Overall, though, the poverty rate in Okanogan County is over twice as large as in Washington State.

[6] Ferry County is included despite being in a secondary market.

Table 5-3. Poverty Status of Families, Okanogan and Ferry Counties, and Washington, 2016-2020
Source: U.S. Census Bureau, 2020 ACS 5-year estimates, Table S1702.

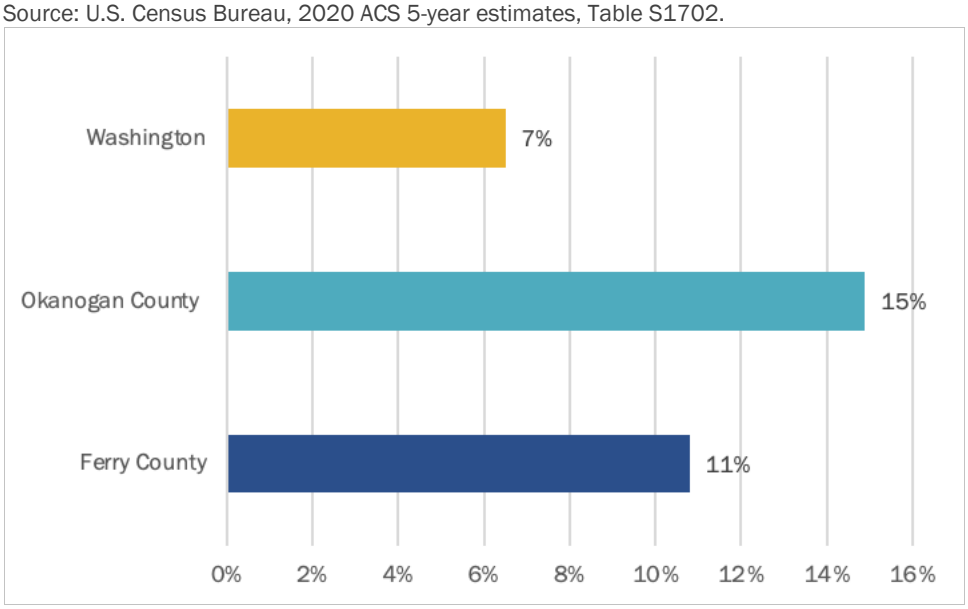
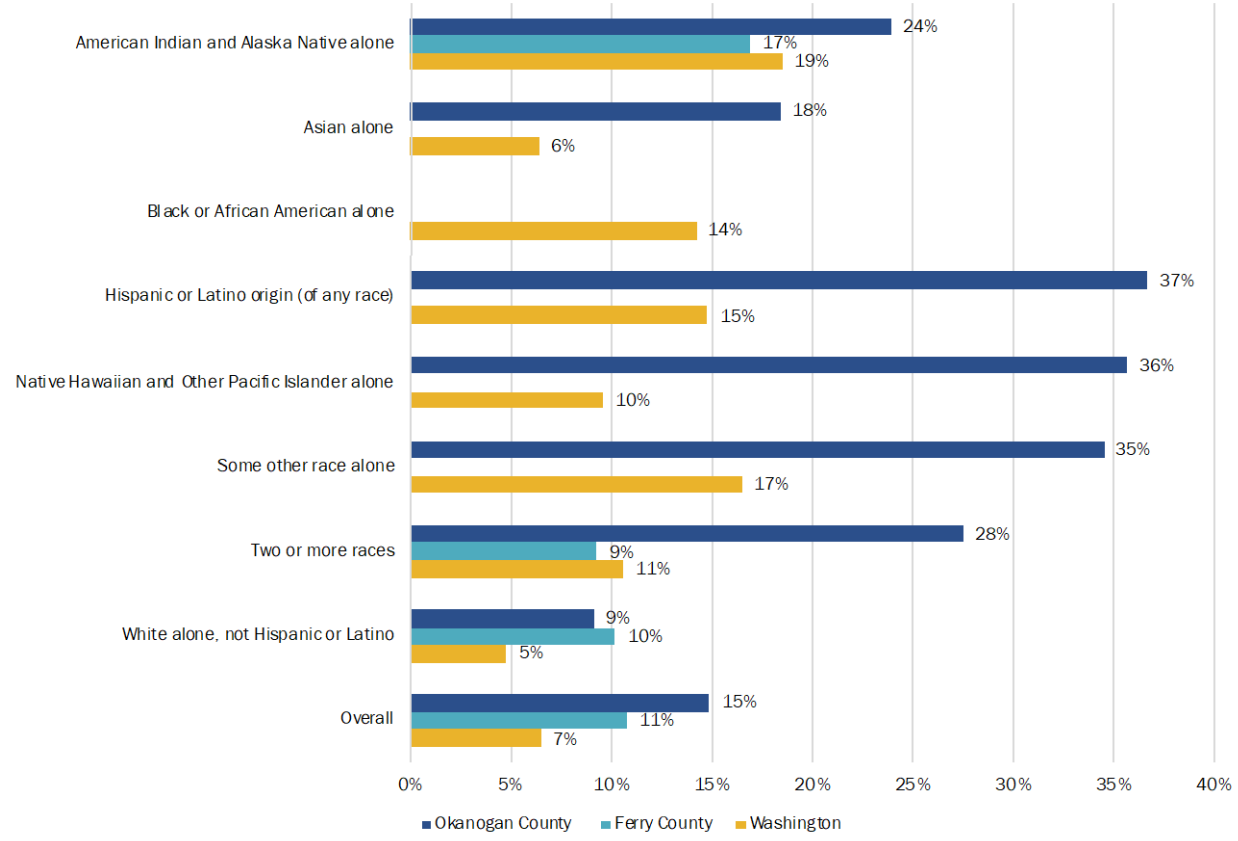


Table 5-4. Poverty Status of Families by Race and Ethnicity, Okanogan and Ferry Counties, and Washington, 2016-2020
Source: U.S. Census Bureau, 2020 ACS 5-year estimates, Table S1702.
Note: Where data is missing for Ferry County there is insufficient data on poverty status available by race and ethnicity.



5.5.2 Labor Force and Employment

Key Labor Force and Employment Findings[7]

+ **Growth in total employment in Ferry and Okanogan County (not including farm employment) has not kept pace with statewide trends between 2000 and 2020**. Okanogan County had an estimated 12,480 jobs in 2020, which is nearly ten times the number of Ferry County jobs (1,640). During the 2000 to 2010 period, Okanogan County lost around 550 nonfarm jobs from its economy.
+ **The working age population has declined in Ferry and Okanogan county.** A result the employment to population ratio for prime age working adults has remained lower than the state of Washington. As of 2016-2021, the ration was 0.63 for Okanogan, 0.52 for Ferry, and 0.83 for Washington overall.
+ **Unsurprisingly, employment in Ferry and Okanogan County is concentrated in the small urban areas** (including Omak, Winthrop, Oroville, Tomasket, Brewster, Republic, Elmer City and Lake Roosevelt with some employment in the outlying rural communities. Like Ferry and Okanogan County, the secondary market area employment concentration has remained denser in the urban centers, including Wenatchee, Chelan, Colville, Chewellah, Davenport, Beebe and Odessa.
+ **The primary market area has a lower percentage of college graduates than Washington.** In 2016-2020, the percentage of residents aged 25 years and older holding a bachelor's degree or higher was lower in Okanogan and Ferry Counties than in the State. Over the same time period, the share of 25+ year old's holding a high school diploma/GED or less was higher in Okanogan and Ferry Counties was higher compared to Washington. The takeaway is that the population may not have the secondary education necessary for professional employment, but has a higher percent of high school level graduates that possess the potential to acquire training for the skilled trades.
+ Over the 2000 to 2021 time period, the unemployment rate was consistently higher in Okanogan and Ferry Counties than in Washington. In 2020, Ferry and Okanogan counties reached an average unemployment rate of nearly 16 percent and 10 percent, respectively. The state reached 8.4 percent in its unemployment rate in 2020. Overall, unemployment has been highest in Ferry County, followed by Okanogan County. In subsequent months following the COVID-19 lockdown orders, both counties' respective rates began to decline again to level out to pre-pandemic levels. Given the aging population of the area, older adults entering retirement and leaving the workforce may be contributing to this rate.

5.5.3 Employment Projections and Industry Detail

Employment

[7] Includes Ferry County despite being in a secondary market

Growth in total nonfarm employment in Ferry and Okanogan County has not kept pace with statewide trends between 2000 and 2023. Both counties lost employment between 2000 and 2010; Ferry County continued to lose employment between 2010 and 2020 while Okanagan County recovered about 30 percent of the jobs lost in the previous decade. During the 2000 to 2010 period, Okanogan County lost around 550 nonfarm jobs from its economy. Ferry County lost about 40 jobs. Over the 2010 to 2021 period, Okanogan County replaced some of the lost jobs in the 2000 to 2010 period (220 jobs, still an overall loss of 330 non-farm jobs. Ferry County lost another 70 jobs during the 2010 to 2021 period.

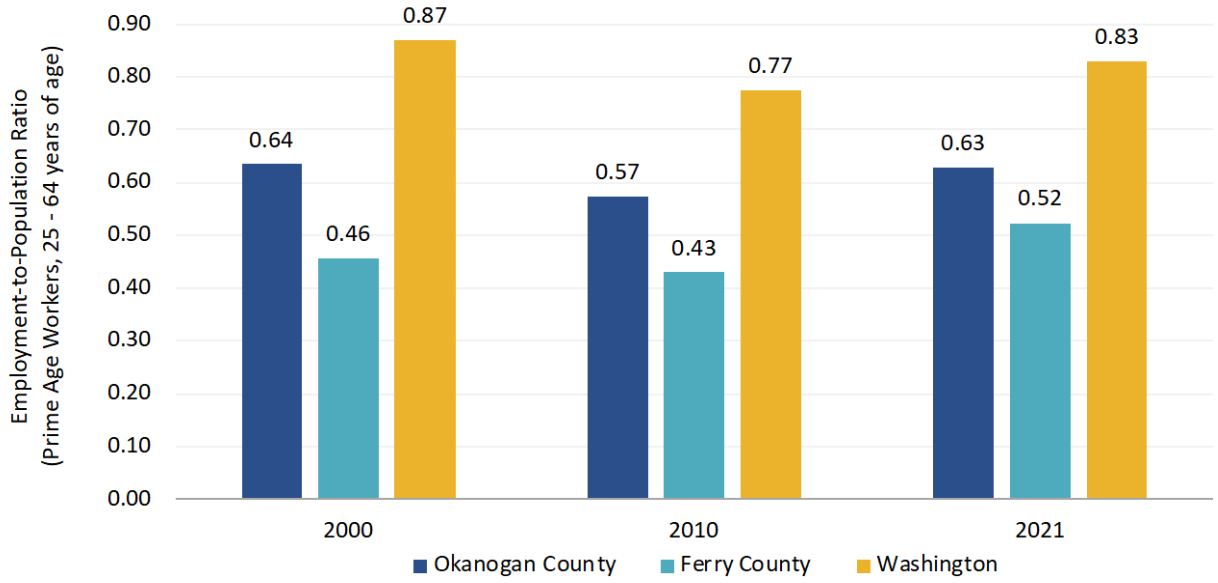
Okanogan County had an estimated 12,480 jobs in 2020, which is nearly ten times the number of Ferry County jobs - 1,640.

Table 5-5. Total Nonfarm Employment, Primary market and Washington 2010 and 2021
Source: Washington Employment Security Department, U.S. Bureau of Labor Statistics.

Geography	Total Nonfarm Employment			Change (2000-2010)			Change (2010-2021)		
	2000	2010	2021	Difference	Percent Change	AAGR	Difference	Percent Change	AAGR
Washington	2,746,042	2,836,133	3,363,050	90,091	3%	0.32%	526,917	19%	1.56%
Okanogan	12,810	12,260	12,480	-550	-4%	-0.44%	220	2%	0.16%
Ferry	1,750	1,710	1,640	-40	-2%	-0.23%	-70	-4%	-0.38%
Okanogan & Ferry County Total	14,560	13,970	14,120	-590	-4%	-0.41%	150	1%	0.10%

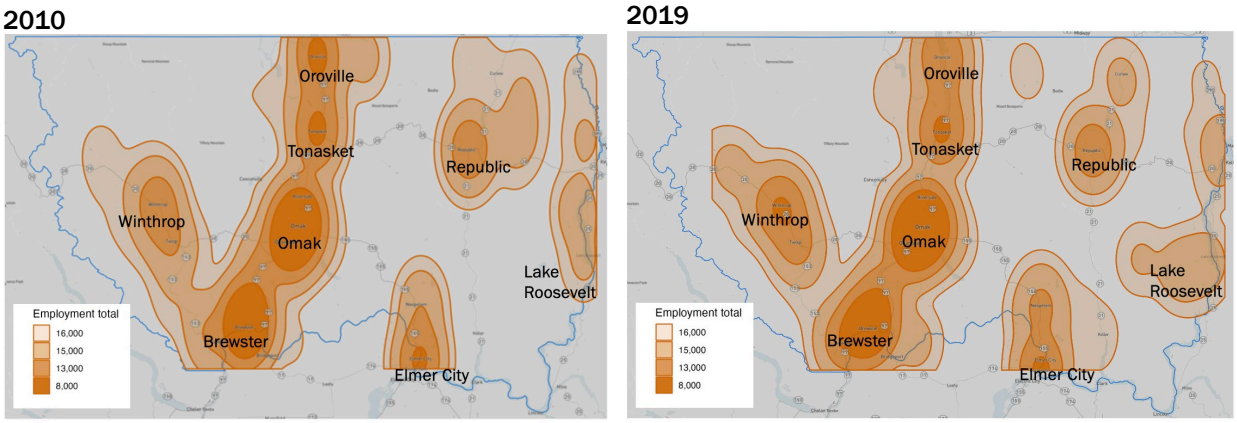
The working age population declined in Ferry and Okanogan county between 2000 and 2021. This led to a corresponding decrease in employment to population ratio for prime age working adults has remained lower than the state of Washington generally. However, that has increased over time for both counties.

Table 5-6. Employment-to-Population Ratio for Prime Age Working Adults (25 to 64 years of age), Regional Counties, 2000–2021
Source: Washington State Office of Financial Management, Forecasting and Research Division, Washington Employment Security Department, U.S. Bureau of Labor Statistics.



Over the 2010 to 2019 period, employment in Ferry and Okanogan County is concentrated in the small urban areas (Omak, Winthrop, Oroville, Tomasket, Brewster, Republic, Elmer City and Lake Roosevelt areas) and along transportation corridors.

Table 5-7 Change in Employment Density in Okanogan and Ferry Counties, 2019
Source: OnTheMap, LODES, 2010 and 2019, using lehdr and mapbox



Employment Projections

Employment projections are only available at the Workforce Development Area level. The study area is covered by two Workforce Development Areas. The North Central Workforce Development Area includes Adams, Chelan, Douglas, Grant and Okanogan Counties, which is used here as an indication for employment in Okanogan. The Eastern Workforce Development Area includes Asotin, Columbia, Ferry, Garfield, Lincoln, Pend Oreille, Stevens, Whitman and Walla Walla and is used to understand general projections for Ferry.

The sectors with the highest average annual growth rate (AAGR) anticipated for 2020-2025 in the North Central region (including Okanogan County) were **leisure and hospitality, education and health services, and professional and business services**. The North Central region also had a slightly higher AAGR across all sectors (1.27 percent) compared with the Eastern region (1.13 percent). In the Eastern region (including Ferry County), **education and health services, construction, and manufacturing** were the sectors with the highest AAGR.

Table 5-8. All-term aggregated industry employment projections, North Central Workforce Development Area – Adams, Chelan, Douglas, Grant and Okanogan, July 2022
Source: WSED

Industry	Estimated Employment			Average Annual Growth Rate		
	2020	2025	2030	2021q2-2023q2	2020-2025	2025-2030
Natural Resources And Mining	200	200	200	0.00%	0.00%	0.00%
Construction	5,300	6,000	6,500	0.87%	2.51%	1.61%
Manufacturing	8,200	8,900	9,100	0.59%	1.65%	0.45%
Wholesale Trade	900	1,000	1,000	0.00%	2.13%	0.00%
Retail Trade	5,100	5,100	5,200	2.11%	0.00%	0.39%
Transportation, Warehousing And Utilities	8,200	8,800	9,300	0.59%	1.42%	1.11%
Information	2,800	3,100	3,200	1.84%	2.06%	0.64%
Financial Activities	3,300	3,500	3,500	1.42%	1.18%	0.00%
Professional And Business Services	6,200	6,900	7,500	2.32%	2.16%	1.68%
Education And Health Services	13,300	14,800	16,400	2.58%	2.16%	2.07%
Leisure And Hospitality	9,500	13,700	15,300	8.79%	7.60%	2.23%
Other Services	2,500	2,900	3,100	4.08%	3.01%	1.34%
Government	23,900	25,600	26,800	2.45%	1.38%	0.92%
TOTAL NONFARM	**94,100**	**105,600**	**112,500**	**2.65%**	**2.33%**	**1.27%**

Labor Force and Unemployment

This section analyzes key labor force characteristics in Ferry and Okanogan Counties and compares them to statewide trends. The data are disaggregated by race and ethnicity where possible to illustrate the region's diverse population and economy.[8]

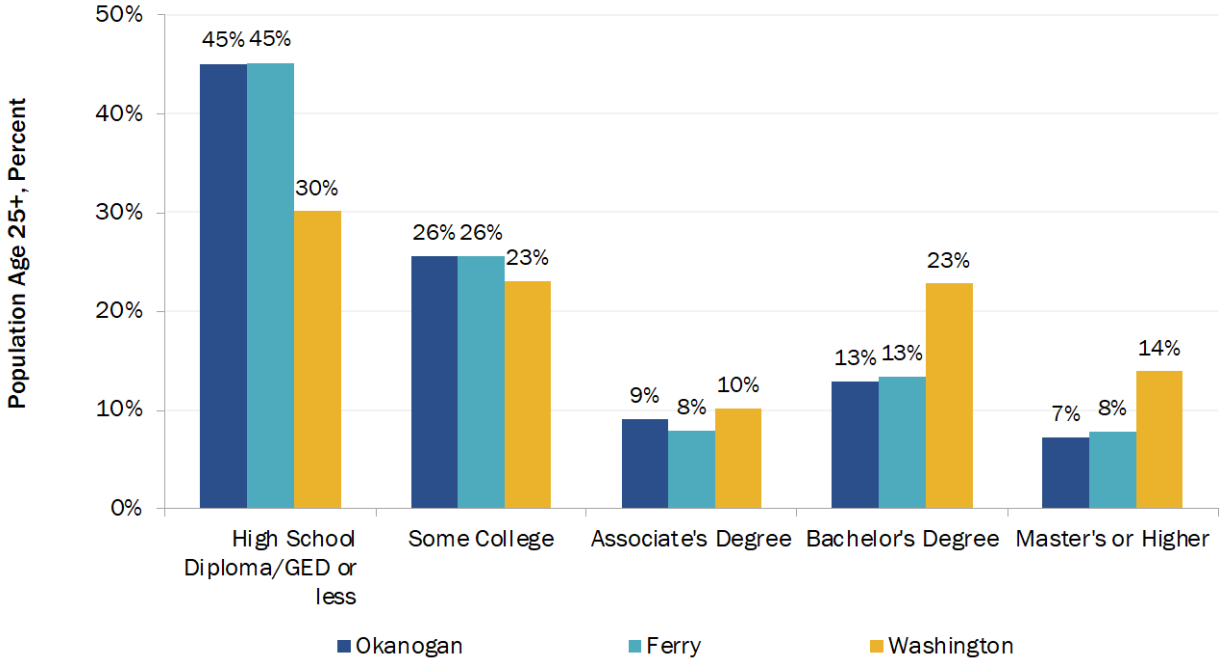
Educational Attainment

In 2016-2020, the percentage of residents aged 25 years and older holding a bachelor's degree or higher was lower in Okanogan and Ferry Counties than in the State. Over the same time period, the percentage of 25+ year old's holding a high school diploma/GED or less was higher in Okanogan and Ferry Counties was higher compared to Washington.

[8] Note: American Community Survey data, available via data.census.gov, do not separate ethnicity (Hispanic or Latino) from racial groups, except for persons identifying as White alone (Non-Hispanic or Latino, White alone). For consistency, we report estimates for each individual racial group ("alone"), but these groupings contain persons of Hispanic or Latino ethnicity.

Table 5-9. Percentage of 25+ Year Old's Holding a Bachelor's Degree or Higher, Okanogan and Ferry counties, Washington, 2016-2020,

Source: Washington Employment Security Department., U.S. Census Bureau, 2016-2020 ACS 5-Year Estimates, Tables B15002



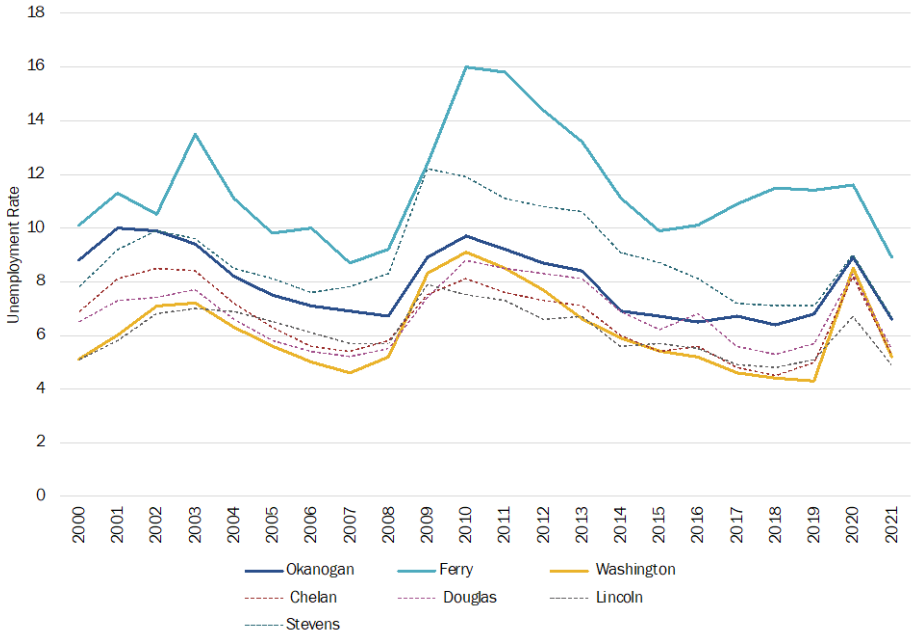
Trends in the Unemployment Rate

From 2000 to 2021, the unemployment rate was consistently higher in Okanogan and Ferry Counties than in Washington.

In 2020, Ferry and Okanogan counties reached an average unemployment rate of nearly 16 percent and 10 percent, respectively. The state reached 8.4 percent in its unemployment rate in 2020. In subsequent months following the COVID-19 lockdown orders, both counties' respective rates began to decline again (see Exhibit 2).

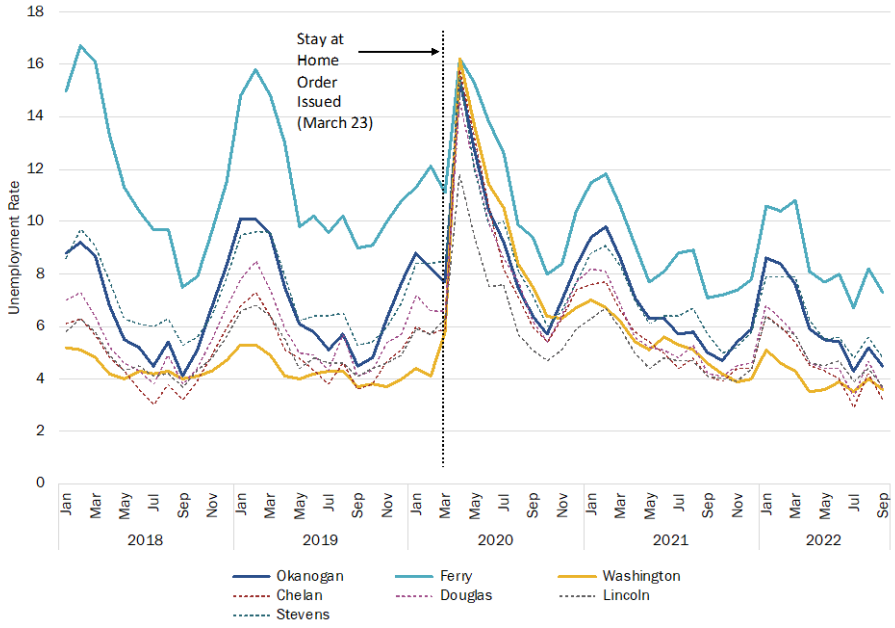
Ferry and Okanogan county unemployment rate typically exceeds the state average. Unemployment rates statewide and in Ferry and Okanogan Counties spiked at the onset of the COVID-19 pandemic. In April of 2020, statewide stay at home orders went into effect. During that month, unemployment peaked at over 16 percent across Washington.

Table 5-10. Annual Change in Unemployment Rate by County, 2000–2021
Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics.



In subsequent months, unemployment fell. As of September 2022, unemployment rates reached 7.3 percent in Ferry County, 4.2 percent in Okanogan County, and 3.6 percent statewide.

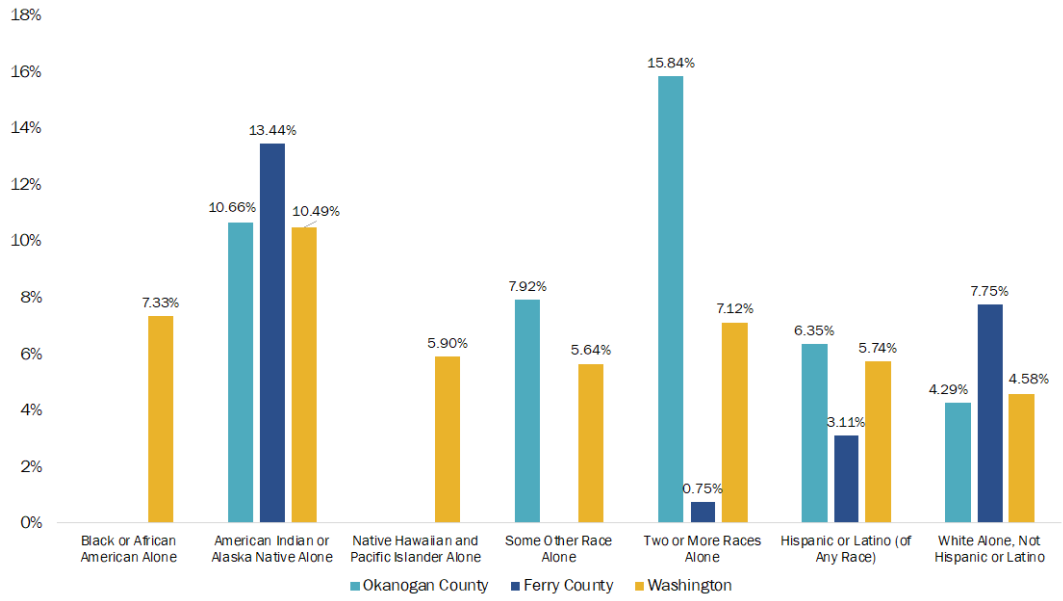
Table 5-11. Recent Monthly Change in Unemployment Rates by County, Jan. 2018–Sep. 2022
Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics.



Disaggregated data for unemployment by race and ethnicity is limited and has high margins of error. Some data available through the American Community Survey indicates that in 2016-2020, the unemployment rate among those who identified as non-white trended higher than White population. For householders who identified as American Indian or Alaska Native Alone the rate was 10.7 percent in Okanogan County and 13.4 percent in Ferry County. The rate was highest for

individuals who identified as Two or more races alone was 15.9 percent in Okanogan County. Additionally, no data was available for Black or African American Alone and Native Hawaiian and Pacific Islander Alone for Ferry and Okanogan Counties and no data available for Some Other Race Alone for Okanogan County.

Table 5-12. Unemployment Rate by Race/Ethnicity, Ferry County, Okanogan County, and Washington, 2016-2020
Source: U.S. Census Bureau, 2016-2020 ACS 5-Year Estimates, Tables C23002A-I.



5.5.4 Industry and Sector Employment

Key Industry and Sector Employment Findings

- **Business applications in Okanogan County have been steadily increasing.** Over the 2010 to 2021 period, approximately 506 business applications have been filed in Ferry County and 3,383 in Okanogan. On an annual average basis, applications have increased by 4.6 percent and 5.0 percent in Ferry County and Okanogan County, respectively. These findings indicate that both counties are attractive locations for new businesses.
- **Although business applications are increasing, Okanogan County is losing more net companies overall than Ferry County.** While the number of companies in Ferry County grew slightly (4 percent) in the last ten years, Okanogan County's decreased by nine percent. In addition to other services, agriculture, forestry, fishing and hunting, construction, manufacturing, and retail trade companies fell in this time period.
- **Small businesses with 20 employees or fewer make up the majority of companies in the primary market area.** The smallest employers, those with fewer than 20 employees,

represent 92 percent of all employers and provide almost a quarter of the jobs in Okanogan County and 96 percent in Ferry County.

+ **Healthcare and social assistance firms are growing in Ferry and Okanogan Counties.** Both counties saw a large increase in healthcare and social assistance companies between 2010 and 2021, 487 percent and 362 percent respectively. In 2021, healthcare and social assistance accounted for roughly a quarter of all companies, but only 6 percent of total employment in Ferry County and 10 percent in Okanogan County.
+ **Other services are decreasing by a large share in both counties.** Other services (a designation that does not include public administration) decreased by 85 and 89 percent respectively in Ferry and Okanogan Counties in the last decade. Although other subsectors also fluctuated over this period, other services accounted for the greatest net loss in firms.
+ **Both counties lost employment overall between 2010 and 2021 but saw growth in some industries.** In addition to health care, Ferry County gained the most employment in agriculture, forestry, fishing, and hunting. In the same period, Okanogan County had a large net loss in this subsector but gained the most employees in healthcare and social assistance as well as transportation and warehousing.
+ The Colville Confederated Tribes are the largest employer in Okanogan County, while the County Memorial Hospital and mining companies are the largest in Ferry County. These are roughly in line with both counties main sectors.
+ **Mean annual wages were comparatively higher in Ferry County than Okanogan County, including top industries like government, healthcare, and retail**. In Okanogan County, aside from government and healthcare and social services, top industries by employment are not paying higher than the average annual wage. In Ferry County, government is the only top industry by employment that is paying higher than the average annual wage. Employees in Ferry and Okanogan County in Government tended to have the highest average wages compared to the overall and other sectors.

Business Applications Trends over the Last Decade

Over the 2010 to 2021 period, approximately 506 business applications have been filed in Ferry County and 3,383 in Okanogan County, according to new Employer Identification Numbers (EINs) listed with the US Census Bureau. On an annual average basis, applications have increased by 4.6 percent and 5.0 percent in Ferry County and Okanogan County, respectively.

These findings indicate that both counties are attractive locations for new businesses. However, business applications in Okanogan County have been steadily increasing over the 2016 to 2021 period and are much higher overall in comparison to Ferry County. In 2021, approximately 414 applications were filed, the largest count during the 2010 to 2021 analysis period (an increase of 70 percent relative to 2010).

Trends in Business Types Over the Last Decade

Although new business applications are growing, the number of firms in Okanogan County is decreasing, particularly in services and agriculture, forestry, fishing, and hunting. Okanogan County's overall firm count decreased by 9 percent from 2010 to 2021. Businesses operating in the healthcare and social assistance sector increased the most, growing by about 362 percent between 2010 and 2021, or 330 firms countywide. In 2021, businesses operating in this sector comprised approximately 23 percent of the county's total firms, followed by agriculture, forestry, fishing, and hunting at about 16 percent.

Professional and technical services firms increased by 15 percent from 2010 to 2021; however, these firms made up only five percent of the county's total firm count (84 firms). Firms operating in the other services sector experienced the largest decrease, contracting from 545 firms in 2010 down to 84 firms in 2021, or by 85 percent.

Table 5-13. Change in Business Types in Okanogan County, by Sector, 2010–2021
Source: Washington Employment Department; U.S. Bureau of Labor Statistics.

2-digit NAICS	Industry subsector	2010	2021	Change	Change %	Share of total 2021
11	Agriculture, forestry, fishing and hunting	331	291	-40	-12%	16%
21	Mining	6	*	*	*	*
22	Utilities	11	11	0	0	1%
23	Construction	204	190	-14	-7%	11%
31-33	Manufacturing	39	31	-8	0	2%
42	Wholesale trade	33	43	10	0	2%
44-45	Retail trade	179	170	-9	-5%	9%
48-49	Transportation and warehousing	27	38	11	0	2%
51	Information	21	18	-3	-15%	1%
52	Finance and insurance	29	26	-3	-11%	1%
53	Real estate and rental and leasing	50	47	-3	-6%	3%
54	Professional and technical services	73	84	11	15%	5%
55	Management of companies and enterpris	3	*	*	*	*
56	Administrative and waste services	59	66	7	12%	4%
61	Educational services	13	17	4	0	1%
62	Healthcare and social assistance	91	421	330	362%	23%
71	Arts, entertainment, and recreation	26	26	0	0	1%
72	Accommodation and food services	127	132	5	4%	7%
81	Other services, except public administrat	545	84	-462	-85%	5%
GOV	Government	100	97	-3	-3%	5%
NEC	Not Classified	0	4	4	*	0%
TOTAL	**Total**	**1,966**	**1,794**	**-172**	**-9%**	**100%**

Small businesses make up most firms in Okanogan County. Employers in the region with 50 or more employees make up a little more than two percent of all employers. The smallest employers, those with fewer than 20 employees, represent 92 percent of all employers and provide almost a quarter of the jobs in Okanogan County.

The Colville Confederated Tribes, Tribal personnel department, and the Tribal community center accounted for the three largest employers in Okanogan County (headquartered in Nespelem).

5.5.5 Covered Employment

'Covered employment' is a measure of employees who are covered by unemployment insurance and does not include all workers in an economy. Notably, covered employment does not include sole proprietors or temporary workers. However, covered jobs within an area can approximately indicate the distribution of workers in different sectors. Across all sectors in Okanogan County, 70 percent of jobs were covered by unemployment insurance.

Okanogan lost over 1,200 covered jobs from 2010 to 2021 but saw growth in several industries. In Okanogan County, there was significant growth in Transportation and Warehousing (410 percent) and notable growth in educational services (89 percent), arts entertainment and recreation (89 percent) and healthcare and social assistance (34 percent). Nearly a third of all covered employment is in Government.

In Okanogan County, seven sectors had employment contractions: agriculture, forestry, fishing and hunting (29 percent), other services (66 percent), manufacturing (14 percent), information (13 percent), Finance and insurance (18 percent), real estate and rental and leasing (12 percent), accommodation and food services (5 percent).

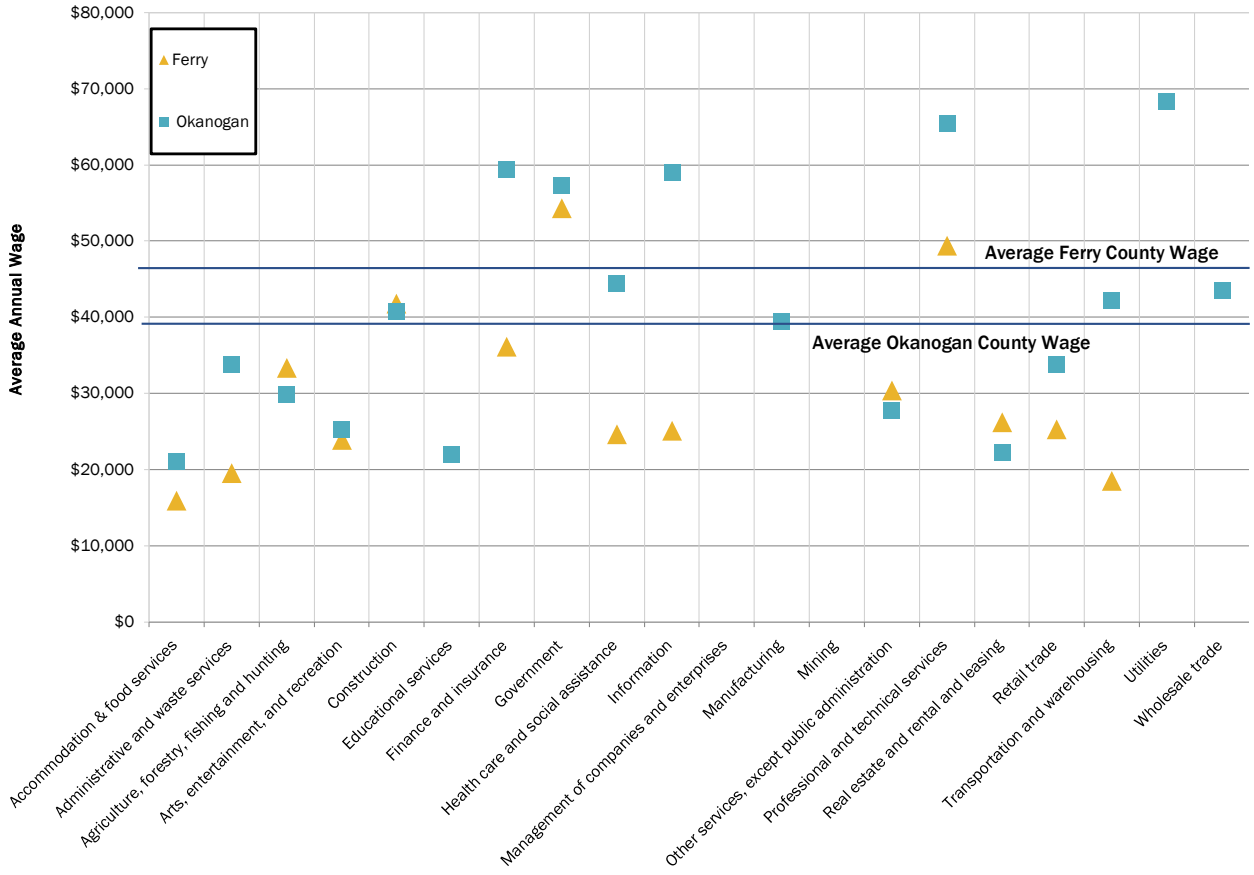
Table 5-14. Change in Covered Employment in Okanogan County, by Sector, 2010–2021
Source: Washington Employment Department; U.S. Bureau of Labor Statistics.

2-digit NAICS	Industry subsector	Average Annual Employment				
		2010	2021	Change	Change %	Share of total 2021
11	Agriculture, forestry, fishing and hunting	5,560	3,956	(1,604)	-29%	25%
21	Mining	180	*	*	*	*
22	Utilities	41	42	1	2%	0%
23	Construction	454	514	60	13%	3%
31-33	Manufacturing	348	301	(47)	-14%	2%
42	Wholesale trade	199	201	2	1%	1%
44-45	Retail trade	1,795	1,870	75	4%	12%
48-49	Transportation and warehousing	89	454	365	410%	3%
51	Information	135	117	(18)	-13%	1%
52	Finance and insurance	205	168	(37)	-18%	1%
53	Real estate and rental and leasing	127	112	(15)	-12%	1%
54	Professional and technical services	196	227	31	16%	1%
55	Management of companies and enterprises	34	*	*	*	*
56	Administrative and waste services	170	190	20	12%	1%
61	Educational services	37	70	33	89%	0%
62	Healthcare and social assistance	1,173	1,572	399	34%	10%
71	Arts, entertainment, and recreation	106	200	94	89%	1%
72	Accommodation and food services	1,083	1,029	(54)	-5%	6%
81	Other services, except public administration	658	226	(432)	-66%	1%
GOV	Government	4,738	4,812	74	2%	30%
NEC	Not Classified	-	64	64	*	0%
TOTAL	**Total**	**17,329**	**16,124**	**(1,205)**	**-7%**	**100%**

5.5.6 Mean Annual Wages

In Okanogan the Professional and Technical Services, Other Services and Agriculture, Forestry, Fishing and Hunting sectors had the largest wage increase at about 114,102 and 102 percent. Employees working in Utilities in Okanogan tended to earn the most relative to all other sectors ($68,328, or nearly 64 percent higher than the county-wide average).

Table 5-15. Mean Annual Wage (Covered Jobs) in Ferry and Okanogan County, by Industry, 2021
Source: Washington Employment Security Department; U.S. Bureau of Labor Statistics.



In Okanogan County, aside from government and healthcare and social services, top industries by employment are not paying higher than the average annual wage. Both government and healthcare are growing industries in Okanogan; transportation and warehousing and professional services are also growing (but comparatively small) sectors that pay above median wages. Retail, agriculture, and accommodation and food services have a fairly large share of employment but tend to pay below-average wages.

5.5.7 Recruiting

If suitable workers cannot be drawn from the local labor force, then companies may need to recruit from regional or national labor markets or from colleges to obtain workers with specialized educations. There are no data available to indicate how successful companies in Okanogan County have been in recruiting workers from outside the area. Lower wages would be a handicap in recruiting efforts. However, lower housing costs and other factors might offset that handicap. In general, it is more difficult to recruit workers to small, rural communities than to attract them to larger cities because there are fewer alternative jobs available for them if the first job doesn't work

out. It is expected that Omak would be at a disadvantage in this factor compared to larger cities, even in the north central region of Washington.

5.5.8 Quality

No data were found that measure the quality of the work force in Okanogan County or elsewhere in the region. It is expected that the factors that determine worker quality – attitudes, productivity, absenteeism, turnover, and trainability – are similar in Okanogan County to other counties in the region, meaning that this factor would be neither an advantage nor a disadvantage.

5.5.9 Unionization

No work stoppages were found for Okanogan County over the past year. It is expected that union activities would not be a factor in recruiting businesses to Omak.

Evaluation: The business/industrial park in Omak will have its greatest success by recruiting companies that can utilize the existing pool of workers in the area, along with their job skills. The availability and cost of workers appear to be adequate in Omak, unless a firm has to hire workers with specialized education or skills that are not available locally. This would make it problematic to recruit companies in the aerospace industry, software, or other companies with highly technical occupations.

5.6 ASSESSMENT OF POTENTIAL MARKETS

This section provides an overview of industries identified in this analysis for further expansion and innovation on the Colville Reservation. This initial assessment will be expanded with specific strategies for the business plan.

5.6.1 Tribal Values

The Colville Comprehensive Plan specifically notes that economic activity is sometimes at odds with Tribe's values and emphasizes the importance of resource stewardship:

> *"At the foundation of Western Economies is private ownership of land and the landowner's ability to capitalize on the resources available within their title. This foundation of private property and capitalization of resources is fundamentally at odds with Indigenous values of* ***communal stewardship*** *and* ***sustainable living****. These Indigenous values honor the rights of all creation, including resources such as air and water, that until recently were often overlooked as needing stewardship."*[9]

[9] Colville Confederated Tribes Planning, "Comprehensive Plan 2040," 133.

Key economic industries highlighted below should align with these values of communal stewardship and sustainable living in the activities that the Tribe pursues.

5.6.2 Tourism

The Colville Reservation has several resources that it can leverage to foster a diverse tourism industry, including the 12 Tribes Casino and Hotel, rodeo grounds, numerous campgrounds, and outdoor recreation opportunities. Previous planning efforts and recent engagement show that there is an interest in developing tourism with targeted marketing for tourist experiences, expanding and improving existing outdoor recreation facilities, and developing new services near population centers. Ecotourism could also provide an intersection with tribal values and emphasize the importance of resource stewardship for visitors to the Reservation.

The Tribe could seek to pursue specific facilities that have been identified in engagement activities. New ideas that have emerged include lifting the ban on development around Omak Lake for new tourist activities, a water park that matches the natural landscape, and a dedicated RV and truck stop near highways with heavy load trucking.

Additionally, the Tribe could enhance some if its existing assets in ways that have been suggested by tribal members. These include enhancing rustic campgrounds with restroom facilities, fire pits, and picnic tables, and adding more family-friendly features like a golf course to the 12 Tribes Casino.

5.6.3 Agriculture

Agriculture already has a high concentration in Ferry and Okanogan Counties, with high employment compared with most other sectors. However, wages in agriculture, forestry, fishing, and hunting tend to be lower than other average. In further developing the agriculture sector, the Tribe can focus on jobs that will pay higher wages to enhance quality of life. The Keller and Ichelium Districts are specifically recognized as ideal locations for expanding agricultural development by the 2017-2021 Comprehensive Economic Development Strategy.

The Tribe may also be able to find a crossover with agrotourism and intentionally demonstrate a focus on sustainable agricultural practices in marketing efforts. The USDA has several opportunities for tribal agriculture, such as low-interest loans and grants for tribal governments to develop food systems-related facilities. The Tribe could leverage these funding options for agricultural development and seek to make investments that will also benefit tourism opportunities.

5.6.4 Healthcare

Healthcare and social assistance is not yet highly concentrated in the study area but does have increasingly high employment and typically pays above median wages for Ferry and Okanogan Counties. The Colville CEDS and Comprehensive Plan both identify healthcare as a community need on the Reservation, and the Tribe has been engaged in creating Wellness Centers to serve residents.

Investing in new wellness centers as well as training programs for future healthcare careers can align multiple goals for the Tribe, providing jobs in high opportunity fields with family wages and community services. Wenatchee Valley Community College's two locations in Omak and Nespelem both offer nursing programs that could help to train new employees for planned facilities. New facilities currently in planning phases include an In-Patient Residential Treatment Center in Keller, Wellness Centers in Omak and Inchelium, as well as a Health Clinic in Omak.

5.6.5 Resource-Based Businesses

Resource-based businesses such as timber harvesting and mining have been a large part of the local economy in recent decades. However, the Tribe has been shifting away from heavy wood product manufacturing, including a decision to close multiple lumber mills.

Innovation and development in resource-based sectors should be clear in aligning with tribal values and seeking out sustainable practices that support forest health. Renewable energy production and sustainable wood products are potential focuses for the Tribe going forward.

The Tribe has already identified initial sites that could be feasible for solar energy farms, and in 2022, a solar agrivoltaics project in Nespelem provided an example of combining agriculture with renewable energy production.[10] The Tribe could explore more types of innovative and efficient energy projects in the areas identified by the Office of Indian Energy.

For the Omak area opportunities for energy sector businesses would likely locate on properties that are larger than the 67-acre parcel that is the focus of this plan. However, properties located within the plan could provide a business/office location supporting a larger scale energy sector production operation.

5.6.6 Strategic Light Manufacturing

The Colville Confederated Tribes have several large sites already identified for manufacturing activities in Omak. Manufacturing was among the top economic development priorities in the 2017-

[10] John Stang, "Solar-Powered Microfarm Is Washington's First Agrivoltaics Project," Energy News Network, June 22, 2022, https://energynews.us/2022/06/22/on-washingtons-colville-reservation-solar-powered-microfarm-looks-to-prove-model-to-boost-food-energy-sovereignty/.

2021 Comprehensive Economic Development Strategy (CEDS), though the primary market area currently has a lower share of manufacturing earnings as a share of total nonfarm earnings than Washington state.

The Tribe has been developing plans for the 67-acre Business and Industrial Park, which this report is updating, and 386-acre Foreign Trade Zone (FTZ) in Omak in a currently vacant area that is tribally designated as Industrial Use land. The site has a number of advantages, including advantageous location, transportation connections, existing communications infrastructure, and exemption from property taxes. The Tribe plans to use this land to develop data centers, technology centers, solar panel and semiconductor manufacturing, bulk fuels depot, value added densified woody bio-mass (fuel and heating pellets), fruit processing, and value-added organic compost and soil amendment production.[11]

5.6.7 Small Retail Trade and Micro Enterprise

Engagement findings from past planning and the current stakeholder engagement have shown a high interest in entrepreneurship from members of the Tribe. The Reservation currently has primarily small community stores, and retail wages tend to be lower than average, but it could develop more commercial spaces for expansion.

Creating a targeted strategy to scale up small businesses could enable the Tribe to expand the retail sector on the Reservation and/or through e-commerce with a focus on identified community goals. The Colville CEDS also notes the possible utility of an incubator program and storefront space in population centers like Omak where there may be a critical mass of startup businesses

5.6.8 Businesses and Institutions

The Colville Confederated Tribes have a diverse set of business and institutional opportunities that align with tribal values of communal stewardship, sustainable development, and long-term resilience. Tourism represents one of the most promising sectors, supported by existing assets such as the 12 Tribes Casino and Hotel, rodeo grounds, campgrounds, and vast outdoor recreation areas. Community engagement has identified opportunities for enhanced recreation facilities, ecotourism, and new visitor-oriented services near population centers, as well as potential development at Omak Lake and improved amenities at existing facilities.

Agriculture remains a major economic presence in Ferry and Okanogan Counties, and the Tribe can expand this sector by focusing on higher-wage agricultural jobs, sustainable farming practices, agrotourism, and USDA-backed programs that support food system infrastructure. Healthcare institutions are another growing area of need and opportunity. The Tribe is already investing in Wellness Centers, a treatment facility in Keller, and expanded clinic services in Omak and Inchelium. Workforce pipelines can be supported through partnerships with Wenatchee Valley

[11] Confederated Colville Tribes Planning, "Comprehensive Economic Development Strategy 2017-2021," 67.

Community College's nursing programs, helping advance employment in a sector that provides family-wage jobs.

Resource-based businesses remain part of the regional economy, though the Tribe has transitioned away from traditional timber manufacturing. Future opportunities lie in renewable energy, sustainable forest products, and innovative projects such as solar energy and agrivoltaics, which integrate agricultural production with clean energy generation. Manufacturing is a strategic priority, with major development potential in the 67-acre Industrial Park and the 386-acre Foreign Trade Zone. These sites offer competitive advantages—including transportation access, communications infrastructure, and tax exemption—for industries such as technology manufacturing, data centers, solar panels, semiconductors, biomass processing, and fruit processing.

Finally, small retail and microenterprise development can strengthen local commerce and support tribal entrepreneurship. Community interest in small business creation is strong, and targeted strategies—including expanded commercial spaces, business incubators, and storefronts in areas like Omak—could help scale local enterprises and support broader economic diversification.

5.7 COMPARATIVE ADVANTAGES AND CHALLENGES

The Colville Reservation has a number of competitive advantages available for the Tribe to leverage for economic development, including:

- **Tribal Sovereignty.** According to the CCT Comprehensive Plan, "Tribally chartered enterprises hold the same status as the tribe itself for federal income tax exemptions and sovereign immunity from suit. Tribal governments can promulgate their own regulations governing economic activity on their lands."[12] Tribes are exempt from a number of state and local regulations, including zoning, land use, environmental regulations, and permitting, allowing for greater flexibility.[13]
- **Tax Exemptions.** Tribes are exempted from federal income tax on or off tribal land, as well as state sales tax, state property tax, and state property investment tax.[14]
- **Tax Credits.** In addition to tax exemptions, there are a number of federal tax credits available for businesses on the reservation, including investment in Opportunity Zones, New Market Tax Credits, Indian wages and insurance tax credits, and accelerated depreciation equipment and buildings at twice the standard rate.[15]
- **Federal Contracting Preference. Tribal companies and reservation-based businesses both receive federal preference for contacts.** If a tribal government owns the company, it

[12] Colville Confederated Tribes Planning, "Comprehensive Plan 2040," 136.
[13] Ibid 140.
[14] Ibid 137.
[15] Ibid 137-138.

receives additional benefits on top of minority-owned business preference through the SBA, such as contract amount caps and sole-source bidding and can be designated as a HUBZone (Historically Under-Utilized Business Zone) if 35 percent of employees reside on the reservation.[16] The Buy Indian Act also allows the Bureau of Indian Affairs (BIA) and Indian Health Service (IHS) to give preference for Indian and tribe-owned companies.[17]

+ **Subsidized Financing**. There are a number of loans and bonds available for businesses on the reservation, including loan guarantees from the US Department of Energy (DOE), BIA, and US Department of Agriculture (USDA) for various project types.[18] Tax-exempt Tribal Economic Development (TED) bonds are also available from the IRS for projects on tribal land that provide essential government functions aside from gaming.[19]

The Colville Confederated Tribes Comprehensive Plan also identifies some unique challenges for businesses on the reservation, despite some of these advantages, including:

+ **Permitting.** Although the Tribe has special flexibility for its regulations, minimum codes or policies that encourage fast development are noted as challenges in the Comprehensive plan, including permits for History & Archaeology, Public Works and other fees that can make small business start-up more expensive.[20] In addition, "the Tribe has a moratorium on land sales and leasing process that is slows down the development of businesses."[21]

+ **Loans.** Subsidized federal financing is available for businesses associated with the Tribe, but many loans are limited to specific uses. The Comprehensive plans notes that "Loans are

[16] Ibid 138.
[17] Ibid 139.
[18] Ibid.
[19] Ibid 140.
[20] Ibid 149.
[21] Ibid.

often difficult if not impossible to get on land that isn't owned by the potential small business owner so the Tribe is often placed in a challenging spot."[22]

5.7.1 Planned Capital Projects

The Confederated Tribes of the Colville Indian Reservation have a number of future capital projects outlined in the Tribe's Comprehensive Economic Development Strategy for the next five (5) to ten (10) years. These capital projects will provide community services, and some are likely to also create employment opportunities. Some of these projects are planned reservation-wide, while others are concentrated in population centers at Omak and Inchelium, including:

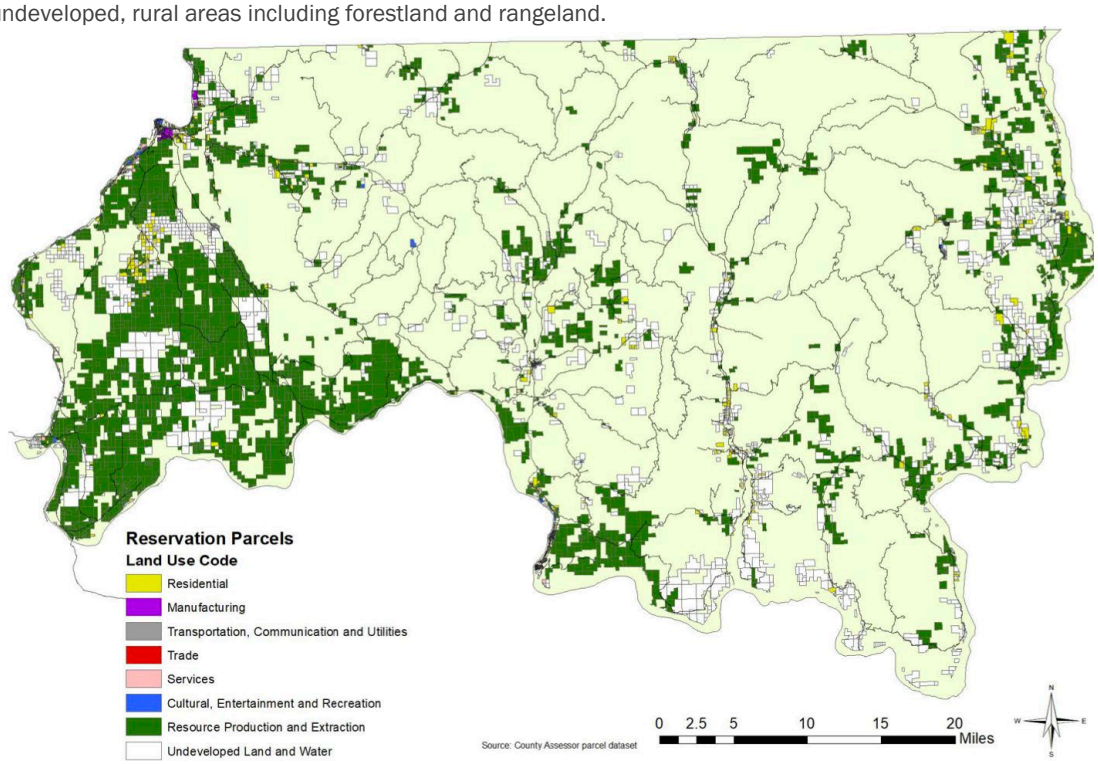
- Omak Clinic
- Omak Head Start Center
- Omak and Inchelium Wellness Centers
- Omak and Inchelium Senior Meal Sites
- Nez Perce Longhouse
- Broadband Infrastructure (beginning in with a grant for fiber optics extension from Coulee Dam to Nespelem)[23]
- Communication Systems Infrastructure
- Roads & Transportation Infrastructure
- Energy Efficiency Projects
- Recreation Sites Improvements
- Housing Development Sites

[22] Ibid.
[23] Ibid.

5.7.2 Available Land

The vast majority of land on the Colville Reservation is classified as Resource Land. Of the reservation's 1.4 million acres, 94 percent is either rangeland, forest, or surface water; nearly half of the total area is covered by evergreen forest.[24] Developed land is primarily located in the population centers of Omak, Nespelem, Keller, and Inchelium.

Figure 8. Colville Reservation Land Use by Parcel
Source: CCT Comprehensive Plan
Note: Parcel level land use data is not available for the whole tribal area. Areas displayed in light green are primarily undeveloped, rural areas including forestland and rangeland.



5.7.3 Opportunity Zones

The Colville Indian Reservation contains two low-income census (LIC) Tracts that are designated as Opportunity Zones. These areas designated by the state governor provide tax credits for capital gains that are invested in the area; if an investment stays within an opportunity zone for ten years, there are no taxes on the profits made from that investment.[25] Designations on the Reservation comprise over 953,000 acres, accounting for approximately two thirds of the total area. According to the Colville CEDS, "these tracts have nearly 10,000 acres of planned and current agriculture use, and over 400 acres designated for industrial use. Over 80 percent of these LICs are actively

[24] Ibid 90.
[25] Ibid 137.

managed forest, supplying the CTCIR with highly marketable sustainable forests capable of supporting the forest products industry for coming generations."[26]

5.7.4 Overall Competitive Advantages and Challenges

This section summarizes the competitive economic advantages and challenges for the Colville Reservation, using information from the existing Comprehensive Economic Development Strategy, Omak Master Plan, and ECONorthwest's Tribal Economic Analysis.

Advantages

The Colville Reservation has a number of competitive advantages available for the Tribe to leverage for economic development, including:

- **Tribal Sovereignty**. According to the CCT Comprehensive Plan, "Tribally chartered enterprises hold the same status as the tribe itself for federal income tax exemptions and sovereign immunity from suit. Tribal governments can promulgate their own regulations governing economic activity on their lands."[27] Tribes are exempt from many state and local regulations, including zoning, land use, environmental regulations, and permitting, allowing for greater flexibility.[28]
- **Natural Beauty and Resource Lands.** Although the lack of developed land with infrastructure can be a challenge for some economic activities, the tribe's abundant acreage of forest and farmlands provides opportunities for resource-based businesses and outdoor recreation, particularly in areas located near population centers or with access to major roads. The reservation has access to forests, trail systems, and natural resources that can attract visitors.
- **Tax Exemptions and Credits.** Tribes are exempted from federal income tax on or off tribal land, as well as state sales tax, state property tax, and state property investment tax.[29] In addition to tax exemptions, there are a number of federal tax credits available for businesses on the reservation, including investment in Opportunity Zones, New Market Tax Credits, Indian wages and insurance tax credits, and accelerated depreciation equipment and buildings at twice the standard rate.[30]
- **Federal Contracting Preference.** Tribal companies and reservation-based businesses both receive federal preference for contacts**.** If a tribal government owns the company, it receives additional benefits on top of minority-owned business preference through the SBA, such as contract amount caps and sole-source bidding and can be designated as a HUBZone (Historically Under-Utilized Business Zone) if 35 percent of employees reside on the

[26] Confederated Colville Tribes Planning, "Comprehensive Economic Development Strategy 2017-2021," 72.
[27] Colville Confederated Tribes Planning, "Comprehensive Plan 2040," 136.
[28] Ibid 140.
[29] Ibid 137.
[30] Ibid 137-138.

reservation.[31] The Buy Indian Act also allows the Bureau of Indian Affairs (BIA) and Indian Health Service (IHS) to give preference for Indian and tribe-owned companies.[32]

+ **Subsidized Financing**. There are several loans and bonds available for businesses on the reservation, including loan guarantees from the US Department of Energy (DOE), BIA, and US Department of Agriculture (USDA) for various project types.[33] Tax-exempt Tribal Economic Development (TED) bonds are also available from the IRS for projects on tribal land that provide essential government functions aside from gaming.[34]

+ **Opportunity Zones.** The Colville Indian Reservation contains two low-income census (LIC) Tracts that are designated as Opportunity Zones. These areas designated by the state governor provide tax credits for capital gains are invested in the area; if an investment stays within an opportunity zone for ten years, there are no taxes on the profits made from that investment.[35] Designations on the Reservation comprise over 953,000 acres, accounting for approximately two thirds of the total area. According to the Colville CEDS, "these tracts have nearly 10,000 acres of planned and current agriculture use, and over 400 acres designated for industrial use. Over 80 percent of these LICs are actively managed forest, supplying the CTCIR with highly marketable sustainable forests capable of supporting the forest products industry for coming generations."[36]

+ **Geography**. Although remote, several highways connect the Colville Reservation to larger population centers within a few hours driving distance, including Spokane, Kelowna, and Seattle. The Columbia River runs along the eastern and southern boundaries of the reservation area, creating potential routes for transporting goods and materials

Challenges

The Colville Confederated Tribes Comprehensive Plan also identifies some unique challenges for businesses on the reservation, despite some of these advantages, including:

+ **Wildfire Risk.** Wildfires have been a growing concern for the Colville Reservation in recent years, with disaster like the 2015 Okanogan Complex Fire, 2019 Williams Flat Fire, and 2021 Cedar Creek and Whitmore Fires. Over the past eight years, over half a million of the Colville Tribe's 1.4 million acres of land have been impacted by fires.[37] These events have caused property destruction, physical displacement, and loss of traditional use areas for hunting, fishing, and gathering.[38]

  Wildfire risks are increasing with climate change and present an economic concern for the Colville Tribe. In 2015, wildfires destroyed roughly 20 percent of commercial timber on the

[31] Ibid 138.
[32] Ibid 139.
[33] Ibid.
[34] Ibid 140.
[35] Ibid 137.
[36] Confederated Colville Tribes Planning, "Comprehensive Economic Development Strategy 2017-2021," 72.
[37] https://www.wilderness.org/articles/blog/colville-reservation-front-lines-climate-change
[38] Ibid.

reservation, resulting in a lawsuit against the federal government over forest management practices.[39]

+ **Permitting.** Although the Tribe has special flexibility for its regulations, minimum codes or permit policies are noted as challenges in the Comprehensive plan, including permits for History and Archaeology, Public Works and other fees that can make small business start-up more expensive.[40] In addition, "the Tribe has a moratorium on land sales and leasing process that slows down the development of businesses"[41]

+ **Loans.** Subsidized federal financing is available for businesses associated with the Tribe, but many loans are limited to specific uses. The Comprehensive plans notes that "Loans are often difficult if not impossible to get on land that isn't owned by the potential small business owner, so the Tribe is often placed in a challenging spot."[42]

+ **Infrastructure.** A large portion of the reservation is resource land with a very small share of the area developed with adequate infrastructure for residential or commercial use. Community engagement findings from this project stressed the need to invest in infrastructure (water and sewer) and utilize the rail and transportation systems already in place. The Colville Comprehensive Plan identified several infrastructure focused capital projects including broadband infrastructure (beginning with a great for fiber optics extension from Coulee Dam to Nespelem), communication systems and transportation infrastructure that should be addressed to support economic development opportunities.

+ **Labor Force.** The Colville Reservation has a lower unemployment rate than Okanogan and Ferry Counties but is limited by the lack of specialized training in specific technical skills. Local educational systems and recruiting from outside the area can improve the specialized skills of the labor force. The Tribe has already been working towards retraining efforts after a long period of underfunding, and in recent years invested in programs to help tribal members obtain higher-wage through the Employment & Training Program, Higher Education – Colville Tribal Educational Assistance Program, Vocational Rehabilitation Program, and Youth Development Program (Summer Youth Workers).

[39] Orion Donovan-Smith, "Colville Tribes Sue U.S. Government, Seeking Damages for Failure to Manage Forests That Burned in Massive 2015 Wildfires" (The Spokesman Review, August 4, 2021), https://www.spokesman.com/stories/2021/aug/04/colville-tribes-sue-us-government-seeking-damages-/.
[40] Colville Confederated Tribes Planning, "Comprehensive Plan 2040," 149.
[41] Ibid.
[42] Ibid.

6.0 COMPETITIVE POSITION ANALYSIS

This section examines all those factors that make Omak competitive for recruiting or developing new businesses. Because the evaluation is done in a regional context, most of the findings of the 2011 report have not changed over the past 14 years. All of the geographic location factors are the same and the global COVID pandemic that has affected Okanogan County had similar effects on the entire north central Washington area. This section, then, updates data from the previous reports and includes discussions of the targeted industries that could provide achievable economic opportunities for the Tribe.

In looking at opportunities to further develop the Omak Business and Industrial Park, it is important to know how well it will be able to compete for market share. Because business recruiting is competitive, an understanding of the comparative strengths and weaknesses of the facility and its location can provide focused marketing toward those industries that offer the highest probability of success. This is commonly done through what is called a SWOT analysis, with the letters representing Strengths, Weaknesses, Opportunities, and Threats. Some of the advantages and weaknesses are identified in the previous section, and the following defines conditions aligning with the target industries discussed in the following Section.

Strengths, or assets, are those positive attributes that can be leveraged to attract new employment-generating capital investment in the community, either in expanding local businesses or recruiting new ones. In a competitive comparison, it is rare for one community to have an absolute advantage over its neighbors in any factor; instead, the strengths are described in this report in terms of Omak's relative advantages.

This is also true for the discussion of **Weaknesses**, or liabilities. These will vary according to the types of businesses being recruited. For example, some businesses need to have access to commercial air service, while others do not. The lack of commercial air service at Omak, then, is a relative disadvantage for some types of businesses, rather than an absolute disadvantage.

Opportunities, or "potential," tend to be more subjective because they depend as much upon individual initiative as they do upon specific business factors. However, some opportunities may be identified through linkages to the larger economic region, through gaps in the existing economic base, or through regional growth patterns.

Threats, or obstacles, include the potential loss of critical elements in the local economy that support business growth or expansion. They are identified so that the community can take steps to prevent their occurrence or moderate their impacts. For example, the imminent closure of a major employer would constitute a serious threat to a community's economic future.

Table 6-1 SWOT Analysis[43]

Strengths	Weaknesses
+ Labor force, if use is agricultural, food processing, wood manufacturing + Transportation access at a regional scale is a strength – Hwy 97 provides access to both regional and national freight, as well as southeastern British Columbia - though site access needs to be improved + Existing broadband and fiber optic available on site + Access to capital for small businesses - Small Business Administration (SBA) funding available with Economic Alliance assistance; NCW Business Loan Fund + Post-high school education and workforce training programs at local universities + Quality of life for those that enjoy a rural lifestyle	+ Lack of specialized labor force for more technical industries + Lack of commercial air services, and existing road access a challenge for freight + Utilities: Power and waste heat are no longer available due to the closure of CIPV, and water and wastewater capacity may not meet the needs of some business sectors + The business services sector – rural location not ideal for some companies + Lack of functional rail spur at the site location
Opportunities	**Threats**
+ Local and regional housing shortages combined with a labor force with experience in construction and wood manufacturing + Potential to sell and showcase products made by local artists, artisans, and craftspeople, generating revenue and supporting the community + Proximity to an active international border crossing + Access to local agricultural products including fruits, legumes, grains, and timber + Sustained demand for data centers located in the NCW region + Lack of quality, modern industrial properties + in the region, particularly warehousing and food processing & storage facilities	+ Closure of CIPV reduces the advantage of locating wood products or bio-mass-to-fuel production facilities + The cost of power in neighboring counties puts the site at a competitive disadvantage + Disagreements of access to the existing well and servicing the site from adjacent PUD + Poor coordination within and between CCT stakeholder groups has led to ineffective marketing of the site

An essential element of a meaningful competitive position analysis is choosing the economic region to make comparisons. It would not be relevant to compare Omak with a larger city such as Spokane, for example, because Spokane is a regional economic center and will have greater strengths in almost every category. Even comparing Omak with Wenatchee is unfair in some respects because Wenatchee is also a regional center

Yet limiting the comparisons to towns along the US 97 corridor in Okanogan County is not necessarily meaningful either. A substantial capital investment in a business and industrial park in Omak needs to draw tenants from a larger market than just Okanogan County. At least it needs to be considered whether Omak can compete successfully with other eastern Washington cities that are trying to attract the same types of businesses.

[43] December 2022, Stakeholder Workshop Discussion

The evaluation in this report examines Omak's competitive position within Okanogan County as well as the larger region of Central Washington consisting of Chelan, Douglas, and Ferry Counties. This regional context provides Okanogan County with both competitive advantages (strengths) and competitive disadvantages (weaknesses). Where Okanogan County can link with other regional resources, it can leverage those resources to its own advantage. At the same time, communities closer to those resources will be more competitive.

The factors evaluated in this competitive position analysis have been compiled from several checklists of business site selection criteria. Table 5-1 depicts the typical location criteria used by a broad spectrum of companies ranging from heavy industries to high-tech research centers. It shows ten major community assessment factors, with their respective sub-categories of specific information. Not all of these are applicable to Omak and Okanogan County, but the whole list is shown here to give an idea of what companies might look for when they consider locating in Omak.

Table 6-2, Listing of Business Location Factors

LABOR
Availability
General
Skilled
Tech/Engineering
Mgt/Professional
Wage Levels
Recruiting
National
College
Costs
Quality
Attitudes
Productivity
Absenteeism
Turnover
Trainability
Unionization

MARKET ACCESS
Product Markets
Proximity
Air Services
Highway
Rail
Sales/Marketing
Proximity
Air Services
Telecommunications
Support Services
Management
Location
Comm./Control
Time/Costs
International

SUPPLIES/SERVICES
Supplies
Local Sources
Distribution
Services
General Business
Tech. Support
Subcontractors

UTILITIES
Electric Power
Nat. Gas/Fuels
Telecommunications
Water
Wastewater Disposal
Solid Waste Disposal

CAPITAL
Commercial Banks
Venture Capital
Equity Capital
Incentives

EDUCATION/RESEARCH
K-12/Special Ed.
Vo-Tech/Training
University – Undergrad.
Courses Available
Degree Programs
Business/Computer
Engineering/Science
Quality
Facilities/Faculty
Business Support
University – Graduate
Courses Available
Degree Programs
Business/Computer
Engineering/Science
Quality
Facilities/Faculty
Research Access
Business Support
Graduate/Tech. Center

BUSINESS CLIMATE
Government
Attitude
Permits
Regulations
Planning
Services
Taxes
Income Tax
Property Tax
Sales Tax
Inventory Tax
Payroll Tax
Business Taxes
Unitary Tax
Tax Equity
Tax Stability
Tax Sufficiency
Community Attitudes
Re: Growth
Re: Business
Local Companies

SITES
Land
Quantity
Selection
Zoning
Services
Costs
Quality
Buildings
Selection
Quality
Costs
New Construction
Local Capabilities
Time to Build
Construction Costs
Tech/Research Park
Fire Services
Security

ENVIRONMENTAL
Hazardous Waste
Water Pollution
Air Pollution

QUALITY OF LIFE
Cost of Living
Housing
Availability
Variety
Affordability
Education
Programs
Quality
Recreation
Variety
Accessibility
Sports
Community
Professional
Climate
Culture
Variety
Accessibility
Quality
Religion
Community Services
Retail
Library/Media/TV
Transportation
Medical
Crime

6.1 LABOR

Labor activities within the district are centered around the industrial functions permitted in the Light Industrial/Manufacturing and Heavy Industrial sub-areas. The Light Industrial and Manufacturing area supports labor related to manufacturing, assembly, fabrication, processing, packaging, warehousing, storage, wholesale operations, and distribution of finished goods. This generally includes skilled and semi-skilled workers such as equipment operators, production staff,

technicians, warehouse personnel, and maintenance workers. The Heavy Industrial sub-area involves more intensive labor activities, including large-scale manufacturing, raw materials processing, heavy equipment operation, bulk material handling, and high-capacity packaging and distribution. The workforce in this category typically consists of highly skilled trades, heavy machinery operators, materials handlers, industrial technicians, and supervisory personnel. Certain labor activities are prohibited within the district, such as retail work, livestock or feed lot labor, refinery operations, automotive wrecking yard activities, mineral extraction labor, and any other workforce tied to uses deemed incompatible by the CCT. Some labor types may fall under conditional uses, requiring review to determine whether potential environmental, operational, or infrastructure impacts can be mitigated. These conditional labor activities may be permitted, allowed with mitigation measures, or denied depending on their compatibility with the district's purpose and surrounding uses.

6.2 MARKET ACCESS

This factor is generally called "Transportation", but its relevance is more important for the ability to access various markets. In addition to providing products and services to customer markets, there may also be a need to field marketing personnel and to provide easy access for management, especially in multi-plant operations.

6.2.1 Proximity To Markets

This factor largely depends on the type of firm being recruited, its products and/or services, and its market area. Omak is nearly 100 miles from the nearest metropolitan area of Wenatchee and East Wenatchee (Chelan and Douglas counties), and about 141 miles from Spokane. While these are not extreme distances, supplying customers in outside markets will be more costly and time-consuming from Omak than from other communities more central to those markets. This disadvantage would be reduced for companies supplying markets outside the region where the shipping point is less of a factor.

6.2.2 Air Service

Omak has access to one of the most important forms of business air services – express package delivery. Most small businesses use express shipping to receive supplies and ship product.

The nearest commercial air services are available in Wenatchee. Schedules are relatively sparse and costs are relatively high compared to those in larger metropolitan areas. It is about a 2.5-hour drive to the Spokane Airport, with a much larger selection of carriers and destinations.

Omak Airport is a full-service general aviation airport capable of handling corporate aircraft including light jets and turboprops. It has a 4,667x150-foot runway with a GPS instrument

approach. Companies operating their own aircraft for business transportation could effectively utilize this facility if they locate at Omak.

6.2.3 Highway

Omak benefits from its location on one of the major north/south highways connecting Canada to California. US 97 is a designated federal express route that runs from interior British Columbia to I-5 in northern California, crossing I-90 in Washington and I-84 in Oregon. It is a principal USMCA truck route in addition to carrying large volumes of tourist traffic. According to the Washington Department of Transportation, in 2023, there were approximately 9,200 vehicles per day counted on US 97 at MP 293.42 about one mile north of the SR 155 connector, with about 800 (14%) of those vehicles counted as trucks.

While not as convenient as being directly on an Interstate Highway, US 97 gives Omak advantages that many other communities in the region do not enjoy.

6.2.4 Rail

Cascade & Columbia River Railroad (CSCD) runs adjacent to the site (owned by Genesee & Wyoming, Inc., formerly owned by RailAmerica). CSCD is a 145-route-mile, short-line railroad (Class III) that provides collector/distributor services for larger railroads. A rail spur formerly served the site, but it has been removed and would need to be rebuilt to accommodate rail-supported industrial uses.

The CSCD connects Omak south to Wenatchee, and north to Oroville, at the Canadian border. It is used to haul forest, agricultural, and mineral products. It runs concurrently with a trucking route along US 97 from Wenatchee to Omak. At this point, the CSCD rail is the only rail freight connection with Oroville.

Evaluation: While Omak appears on a map to be remote, it is served by a relatively good transportation network providing access to markets in the region and beyond. Its main disadvantage is its distance from commercial passenger air service, but the availability of package express services overcomes this disadvantage for most business operations. US 97 and the availability of rail services are both positive location factors.

6.3 SUPPLIES/SERVICES

Business supplies have become less of a factor in site selection with the growth of Internet buying and express delivery services. Most business supplies can be purchased on-line from large “big-box” retailers and shipped for delivery within 1 or 2 days.

Business services are more important because those usually have to be delivered to the company by the provider. The Okanogan County 2023 U.S. Business Directory provides an extensive listing of

business and services available in the area. Most essential services appear on the list, with some notable exceptions such as computer hardware and software services. In many other categories, there is only one provider, limiting choice to companies without pricing competition.

Evaluation: These days, few companies visit retailers to do their shopping. E-commerce is commonplace no matter where a business is located, so access to business supplies is generally on a level playing field for all firms. As for business services, rural communities may be at a slight disadvantage to larger urban hubs, but it is doubtful that companies would avoid Omak for this reason. However, as with specialized labor skills, companies targeted for the business park should hot have significant requirements for services unavailable in the area.

6.4 UTILITIES

The City of Omak will provide water, sewer, solid waste, and stormwater management to the industrial park. CCT plans to develop a larger wastewater treatment facility in the future, but the industrial park currently has adequate services.

Electric power supply and costs are a special advantage for the industrial park. CCT owns a stake in both the Grand Coulee and Wells Dams, which provide cheap, reliable power to the region. Okanogan County PUD supplies power to the site at industrial rates as low as $0.576 per kWh, among the lowest rates in the nation. Currently, natural gas is not available to the site.

Broadband telecommunications are available from several providers, with alternative routes for redundancy. Fiber optic lines are available at the industrial park location.

Evaluation: Utilities could provide a competitive advantage for the industrial park at Omak. Companies with large energy requirements could be targeted based on the availability and lower cost of delivered energy.

6.5 CAPITAL

There are several commercial banks in the Omak vicinity. North Cascades National Bank, with six branches in the region, offers commercial lending and other standard banking services to local businesses.

There are other sources of capital available to qualified businesses. The North Central Washington Business Loan Fund, based in Chelan, offers business loans for economic development, job creation, and retention. The Fund serves rural communities in Okanogan, Chelan, and Douglas counties, as well as the Colville Indian Reservation. This does not give the Omak any specific advantages over other communities in this region, but at least it makes the Omak area competitive.

In addition, the Economic Alliance is designated as the county's Associate Development Organization through the state's Local Economic Development Assistance Program. It serves as the

Small Business Development Center. The Economic Alliance assists firms in obtaining Small Business Administration (SBA) funding from the US Department of Commerce, and USDA funding through rural business development programs.

Small, rural communities are generally not on the radar for venture capital or other forms of equity capital.

Evaluation: Smaller companies with sound business plans can expect to find the Omak area competitive with most other parts of north central Washington for operational funding. Greater capital resources are available in larger communities such as Wenatchee and Moses Lake, but it is doubtful that Omak would compete for the same types of companies. Branch operations of national firms could locate in Omak because they can obtain their financing requirements through their parent organizations.

6.6 EDUCATION/RESEARCH

As a site selection factor, this category refers to special types of education and research that can be utilized by businesses. It includes continuing or advanced education for employees as well as vocational and technical training. While it applies to a broad range of business applications, it is an especially important factor for companies that want to benefit from cutting-edge research and state-of-the-art knowledge transfers.

6.6.1 COLLEGES AND UNIVERSITIES

Wenatchee Valley College (WVC) serves the residents of Okanogan County. Established in the 1970s, the Omak campus is comprised of three buildings with classrooms, labs, offices and a student center with a tutor lab. The National Guard Armory in Okanogan also provides additional classroom space and houses the allied health and nursing programs, computer and teaching labs, and instructors' offices.

The admissions, registration and financial aid procedures for classes at the Omak campus are the same as for the Wenatchee campus.

+ Associate of Arts and Sciences (A.A.S.) degree
+ Associate of Sciences (A.S.) degree
+ Associate of Technical Sciences (A.T.S.) degrees in:
  - Accounting
  - Business
  - Business information technology
  - Chemical dependency studies
  - Early childhood education

- Health care assistant
- Nursing
- Certificate of Completion in the above Technical Programs
- English as a Second Language
- Adult Basic Education
- Developmental Studies for College-level Class Preparation
- Career Transition/Worker Retraining

WVC also participates in the Washington Online degree program, where students may earn their A.A.S. degree via the Internet.

After finishing the A.A.S. Transfer Degree at WVC, students may continue with upper-division and graduate-level courses on the Wenatchee campus thanks to partnerships with Central Washington University and Washington State University. Classes are offered in subjects such as nursing, education, accounting, and business administration. Students may learn in traditional classrooms, two-way interactive video classrooms via the Washington Higher Education Telecommunications System (WHETS), or through telecourses.

6.6.2 WORKFORCE TRAINING

Workforce training in Washington is provided through a network of WorkSource Centers, with one located at Omak. The Okanogan County WorkSource Center provides integrated services from multiple agencies, offering a one-stop location for a variety of related programs. The Center serves as a "broker" for these services, referring applicants to the appropriate service providers.

Programs covered by the scope of services include worker retraining, post-secondary vocational-technical programs, vocational rehabilitation, USMCA/Trade Assistance Act, and HUD Employment and Training.

Evaluation: Despite not having a full university, Omak can offer better than average higher education opportunities and workforce training programs for a rural community of its size. The availability of on-line courses from Washington State University makes it possible for employers to arrange continuing education for key employees in their fields of specialty. Some companies will still want to locate in metropolitan areas near large research universities, but for most companies, Omak can meet the requirements of this site selection criterion.

6.7 BUSINESS CLIMATE

The primary components of this site location factor are (1) government regulations and attitudes toward business, (2) costs of business taxes, and (3) community attitudes toward business. Omak is competitive with other communities in the region in all three components, and there may be special advantages for firms locating on sites owned by the CCT.

Both Okanogan County and the City of Omak are supporting economic development efforts, specifically the recruitment of new businesses and industries. Their support of the Economic Alliance is evidence of their commitment to economic prosperity in the region. Regulatory processes at the local level are straightforward, although state and federal requirements must also be met for businesses that require their permits.

Business taxes are primarily imposed by the State and apply to all businesses and all locations. Okanogan County has a lower property tax rate than the other four counties in the region, but the difference is likely not enough to influence a business location decision.

One factor that gives Okanogan County an advantage over some other areas is the Distressed Area Business and Occupational Tax Credit. A $2,000 credit (or $4,000 if wages and benefits exceed $40,000) against the Washington B&O tax is available for each new employment position created and filled by certain businesses located in eligible areas. Okanogan County is an eligible area.

There are also special advantages to businesses locating at the Omak Business and Industrial Park. These include:

+ If the land was converted to trust status, development would be exempt from state taxes on land and buildings as well as on B&O taxes.
+ Corporate income taxes would relate to TERO regulations, but no other corporate taxes.
+ No inventory taxes on goods held for resale or otherwise in stock.
+ A development on the Colville Reservation and/or trust lands is exempt from all local, county, and state zoning and land restrictions.
+ The Colville Reservation qualifies for the New Markets Tax Credit (NMTC) Program, meaning investors receive a federal income tax credit for making qualified investment in designated Community Development Entities, up to 39% of project cost.
+ Sales tax exemptions apply on machinery and equipment used directly in the manufacturing process, including replacement parts.
+ Non-Indian manufacturers can calculate shorter recovery periods for depreciation deductions for production equipment.
+ Colville is eligible for a Foreign Trade Zone, thus allowing exemption from US Customs duties on all products imported through the Reservation.

Additional advantages include special funding opportunities.

Evaluation: Smaller, rural towns usually have a much simpler approach to business regulations than large cities, and Omak is no exception. Businesses locating there will find a receptive political

and civil environment. There may even be lower tax costs. Assistance provided by the Economic Alliance will be an important factor in assuring companies they will be welcome in Omak. Special advantages of locating businesses on the Colville Reservation also apply.

6.8 SITES

The site location criterion is being met through the development of the Omak Business and Industrial Park. It offers a range of site options, possibly with the construction of some multi-tenant industrial space for lease. The master planned, fully-serviced industrial park provides suitable sites for a broad spectrum of businesses and industries.

While this site is the focus of this report, it is also an advantage to offer prospective tenants more than one site to choose from. The North Omak Business Park offers fully platted sites within the city limits. According to the web site, this facility can provide companies with the following amenities:

+ Power. The Okanogan County Public Utility District No.1 provides power to the development through an underground, three-phase network.
+ Telecommunications. Telecommunications to the development is provided by CenturyLink Communications.
+ Fiber-optic Communications. Okanogan County PUD No.1 has provided a 144-strand fiber-optic cable adjacent to the industrial park, along Copple Road. Other providers of fiber communications include Ziply (Verizon) and Spectrum.
+ Domestic Water. Water is supplied by the City of Omak from a 500,000-gallon reservoir on the north end of the development. Distribution is by 12-inch and 16-inch diameter ductile iron pipe.
+ Sanitary Sewer. The development is served by 8-inch diameter polyvinyl chloride (PVC) sanitary sewer line.
+ Storm Drainage. Storm runoff is managed by the City of Omak or retained and disposed of on site. Retention/detention ponds and dry wells allow for biofiltration of runoff prior to entry into the ground.
+ Roads. All internal streets are designed and built to City of Omak Standards.
+ Zoning. The Master Plan for the North Omak Business Park is recommending a mix of zoning including Industrial, Light Industrial, Highway Commercial, and Mixed Office/ Commercial. This will accommodate the variety of uses suitable for locating at this site.

+ Airport. Omak Municipal Airport is approximately 3 miles northwest of the development. It is the third largest airport in North Central Washington. With a runway of 4,654 feet in length and 150 feet wide, it can accommodate large aircraft (400,000 lb.).

+ Transportation. Omak is served by US 97, SR 20, SR 155, and SR 17. A local short line railroad runs from Orville, Washington to Wenatchee, Washington, connecting with the Burlington Northern-Santa Fe Railroad in Wenatchee.

In addition to this facility, a new master plan has been developed for the Omak Airport that includes a business and light industrial park.

This multiple supply of planned and developed industrial park land is an advantage for Omak. Of course, it is also competition for the Omak Business and Industrial Park. The master plan for that facility needs to ensure that it is fully competitive with the other sites. The management of the facility, including decisions on prices and lease terms, also needs to be handled with awareness of the competition.

Evaluation: The current and projected supply of industrial sites in Omak is a strong marketing resource. Offering prospective companies a choice of sites is much more competitive than having just one to show them. The challenge will be to mount a marketing campaign that recruits new companies to Omak and brings tenants to all of these properties.

6.9 ENVIRONMENT

Air quality and water quality in the Omak area currently meet federal, state, and local standards. The site is not constrained by the presence of protected natural resources.

Evaluation: Omak and the Okanogan Valley will generally not attract industries that have high pollution potential. However, this factor needs to be evaluated on a case-by-case basis rather than with a blanket generalization. The Valley is not designated as a non-attainment area and there is no evidence of environmental degradation that would keep companies from locating there.

6.10 QUALITY OF LIFE

This site location factor essentially asks the question: “Do people want to live here”? The answer to this question affects recruiting capabilities, but it also affects the attitudes of the workforce and the entire community. The problem is, almost everyone has a different opinion about what constitutes Quality of Life.

For example, some people like the quiet, more relaxed environment of small, rural communities. Others like the fast pace of big cities. Some people want to live by the ocean, while others like living in the desert. Not everyone wants the same things.

Nevertheless, the list of components in this category is relatively easy to address, and most of the information can be interpreted as being positive for Omak and Okanogan County.

Cost of Living: Living costs are significantly lower in Okanogan County than they are for the state of Washington as a whole, primarily because of lower housing costs. However, this is not necessarily an advantage from a regional perspective, because many other communities in north central Washington offer housing costs comparable to Omak.

Housing: The Omak area can offer a substantial housing market ranging from new construction in subdivisions, to farms and ranches, to mountain retreats. There are Multiple Listing Service agencies in Okanogan County and in the nearby Methow Valley. As noted above, housing costs are low relative to the metropolitan areas of the state.

Education: Omak is well served by educational facilities. Omak School District No. 19 has one high school, one alternative high school, one middle school, and two elementary schools. There is also a special education program and an early childhood program. The schools are well rated and meet the criteria of providing good educational opportunities.

Recreation: This is one of the star attractions of Okanogan County and this region of Washington, especially for people who like outdoor sports. The area enjoys a four-season climate with recreational options to match the seasons, ranging from downhill skiing at Loup Loup Ski Bowl, to water skiing and house boating on Lake Roosevelt. The variety of outdoor recreational activities is virtually unlimited. Omak also has a municipal swimming pool that is open during summer months.

Sports: Those who want to watch professional sports need to drive to Wenatchee, Spokane, or Seattle. It is not expected that the absence of professional sports in Omak will keep any companies from locating there. Sports programs are available in the local schools.

Climate: The climate in Omak is relatively benign compared to many other parts of the region, although it varies with topography. This is not expected to be either an advantage or a disadvantage for business recruitment.

Culture: There is a wealth of history and cultural traditions in Okanogan County for people who like to explore this aspect of their community. Some of it is displayed in the annual Omak Rodeo and Stampede. There are also local performing arts groups in both music and theater arts. Those who want symphony orchestras or major production plays will have to travel to a larger city.

Religion: This category simply asks whether people of different faiths will be welcomed in the community. There is no reason to believe that this would be an issue in Okanogan County.

Community Services: Omak has good retail services for a community of its size, with several large “bix-box” stores such as Wal-Mart serving the community. Some people drive to Wenatchee several times each year for greater variety, but all essential products can be purchased locally.

Omak has a branch of the Okanogan County Library, which also offers a book-by-mail program. The Chronicle is a weekly newspaper devoted exclusively to the Okanogan County region, also providing daily updates of county news on its web site. Other daily newspapers, radio stations, and cable and satellite TV are also available in Omak.

Medical services in Omak are superior for a community of its size. Mid-Valley Hospital is a 44-bed acute care hospital serving the greater Okanogan area. In addition to 24/7 emergency room coverage by a physician, the facility serves through three operating room suites, three labor and delivery suites, a general acute care ICU, lab, X-ray, pharmacy, physical therapy, occupational therapy, speech therapy, and respiratory therapy. The Mid-Valley Medical Group serves the community through four family practice physicians, two mid-level practitioners, and a general surgeon. Many visiting physicians also serve patients in the areas of audiology, cardiology, podiatry, and pain management. There is also the Omak Clinic branch of the Wenatchee Valley Clinic, which provides visiting specialists in such fields as gastroenterology, oncology, and cardiology.

Crime: Comparative data on crime were not obtained for this report. It is expected that Omak does not offer either an advantage or a disadvantage in this category.

Evaluation: Omak does very well in the Quality of Life factor, recognizing that not everyone interprets that term in the same way. People who want to live in a small, rural community will find that Omak has a variety of benefits to offer.

6.11 SUMMARY

As explained at the beginning of this section, most of the evaluations of site selection factors have to be considered as relative to the types of industries and people being recruited to the area. Following are some general conclusions that will apply to most companies looking at Omak and Okanogan County.

+ The Omak area offers competitive advantages in several areas. Its labor force is a strong point, as long as companies can use the skills of the existing labor force and not have to recruit workers with specialized education or training from outside the area.

+ The transportation system is also a positive factor, except for the absence of commercial air services. While several other communities in the region offer the same or better capabilities, the systems available at Omak can meet the needs of most companies.

+ The CCT may be able to offer a unique advantage by providing electric power and waste heat from its power plant at the industrial park site. If this could be developed, it could provide a powerful resource for marketing the project.

+ Assistance provided by the Economic Alliance in accessing capital is an important asset for the Omak area. The North Central Washington Business Loan Fund is also an important asset.

+ Post high school education in Omak is good, because of the branch facility of Wenatchee Valley College, Heritage College, and distance learning programs of Washington State University. While not offering the capabilities of a research university, these facilities in Omak provide local opportunities for Associate and higher degrees.

+ The business climate in Omak is an asset. Anything that can be done to strengthen this factor and facilitate the move of businesses to Omak will add a competitive advantage.

+ Omak can offer a variety of business and industrial sites, giving prospective companies choices of locations. This is a strong marketing advantage when compared to communities that have only one site to offer.

+ Environmental issues need to be evaluated on a case-by-case basis for each prospective new company. However, there are no known issues that would limit the ability of non-polluting companies to locate at the Omak Business and Industrial Park.

+ Quality of life is a definite asset in Omak, except for those people who prefer large cities.

Taken together, the Omak Business and Industrial Park is a marketable commodity. The next report will examine how these site selection evaluations can be applied to targeting specific companies to recruit to the industrial park.

7.0 TARGET INDUSTRIES

This target industry analysis and resulting targeted sectors are significantly changed in this updated report from what was found in the 2011 report update. For example, one of the recommendations in the 2005 report has subsequently been developed – the Tribal Trails gas station and convenience store on the east side of US 97. However, other recommendations are no longer viable either due to changes in overall market conditions or because of the destruction of Colville Indian Plywood and Veneer facilities. The methodology in this report is the same but is based on updated data and analysis.

It needs to be emphasized that this target industry analysis looks beyond recruiting outside companies to Omak, giving equal attention to the development of new Tribal businesses as well as locating commercial businesses and entrepreneurial start-ups in business and industrial properties.

The previous sections of this report provided economic and demographic profiles of Omak and Okanogan County, along with an analysis of the area's capabilities to support new business development and/or recruitment. This section builds on those findings to identify target industry sectors that have the highest probability of being successful in the Omak Business and Industrial Park or adjacent properties along US 97 and SR 155, as well as offering the best development opportunities for the CCT. Somes of the findings through Stakeholder engagement and this analysis identified viable industries not specifically aligned to activities that would locate at the proposed Omak Industrial and Business Park or would better suit the former Colville Precision Pines site.

The targeted sectors are defined by the North American Industrial Classification System (NAICS), which was created in 1997 to standardize industry definitions throughout the North American Free Trade Agreement region of the United States, Canada, and Mexico. This is especially useful for a project in Omak, as it provides a way to identify potential industries in Canada for recruitment to the industrial park.

7.1 CRITERIA FOR THE TARGET INDUSTRY STRATEGY

Targeting businesses for a specific business and industrial park is similar to, but at the same time different from, targeting industries for recruitment as part of a community economic development program. Because of the need to generate a return on invested capital, business and industrial parks need to achieve short-term successes that will ensure an adequate land absorption rate and positive cash flow. Community economic development programs generally focus on longer-term objectives, such as expansion of employment and income opportunities for the resident labor force.

With that in mind, the following criteria were used to ensure the industries targeted for the Omak Business and Industrial Park will provide opportunities for the CCT to generate revenues and meet other Tribal objectives for their property.

1. Vertical Integration: Firms should be targeted that can provide inputs to existing local industries and/or can offer "value added" products by utilizing the output of existing industries.

   The first part of this criterion recognizes that local industries represent markets for those firms that supply them with materials and services, so a rational argument could be made for locating those suppliers in Omak. Another alternative would be to develop new firms locally that could replace outside suppliers. The common term for this strategy is "import substitution".

   The second part of this criterion relies on attracting or developing companies that utilize the byproducts of existing local industries to add value by making new products. For example, the whole millwork industry (windows, doors, cabinets, etc.) generally utilizes mill ends to product their products rather than using whole boards. Although CIPV has been closed, there are reportedly other suppliers of such materials in the Omak area.

2. Horizontal Integration: This term generally applies to firms that are not direct suppliers or users of byproducts but can be linked to local firms through common resources or interrelated products. The concept of industry "clusters" generally fits this category. The idea is that a cluster of companies in similar industrial sectors will create a "critical mass" of supply and demand that sustains a local market for all of them. This concept is explored in more detail later in this section.

3. Firms should be targeted that have "niche" markets, producing products or services that are not competitive solely on the basis of price. These kinds of firms are not as affected by distance from markets and transportation costs as firms in more price-sensitive sectors. They may even operate in global markets, maintaining their competitiveness on the basis of a unique product or service, superior quality, or similar factors other than costs.

4. The characteristics of occupational skills of the local labor force indicate that firms should be targeted in "basic" industries rather than high-tech, aerospace, or other sectors that require highly educated and highly skilled workers. Short-term absorption will not be achieved by targeting companies with labor force skill requirements that are not available in the Omak area.

5. It is desirable to target companies that have diverse occupational characteristics, providing upward mobility opportunities for workers who are initially employed at entry-level jobs. Firms with a single occupational requirement may offer dead-end jobs.

6. Firms should be targeted that pay wages of $28 to $33 (millwrights) per hour or higher, with good benefits. Based on a 2,080-hour year, that wage equates to $58,240 to $68,640 annually. That is below the current median household income level but it is assumed that some households have two or more workers earning income. Firms paying even higher wages can

be prioritized. That does not mean that firms paying lower wages need to be discouraged from locating in Omak, but simply that they should not be high priority targets.

7. Smaller companies are more suited to the resource limitations of the Omak area than large companies. It would be preferable to target companies with fewer than 200 employees and have them grow in Omak, rather than recruiting larger firms that have developed somewhere else. Also, small firms with sales of less than $1 million their first year that qualify for special SBA financing should be targeted.

8. Owner-managed companies that hire their workforce locally are preferred over branch facilities that will move workers to Omak from other locations.

9. Firms with extensive travel requirements for their management, sales personnel, or customers would not find the Omak area as competitive as other communities located near commercial airports.

10. Firms should be targeted that have "clean" operations (that is, they do not produce hazardous, obnoxious, offensive, or unsightly byproducts from operations). The Omak Business and Industrial Park should improve the community's image as seen from US Highway 97, not detract from it.

11. US Highway 97 and SR 155 also offer a resource for recruiting commercial companies that can benefit from high traffic volumes and Omak's location close to the Canadian border, both tourist-commercial businesses and those that serve the trucking industry. The commercial service and retail sectors are responsible for the majority of new non-residential construction in Omak, and the land between the proposed Omak Business and Industrial Park and those two highways offers opportunities to capitalize on this growth.

12. Expanding the commercial core along US Highway 97 and SR 155 can provide opportunities to create synergies between the commercial and industrial sectors. Commercial firms that support both the highway traffic and the industries locating in the industrial park should be encouraged.

Several of these criteria are qualitative, while others are based on business support capabilities found in the Omak area. The primary objective, then, is to identify companies that can be recruited and/or developed in the area, get them interested in the Omak Business and Industrial Park, and then apply the various qualitative screening criteria to determine whether they are a good "fit".

7.2 WHERE DO TARGET INDUSTRIES COME FROM?

There are three primary sources of tenants for industrial parks:

1. Existing local firms that are expanding, relocating to new facilities, or facing lease expiration. Most private-sector industrial park developers rely almost exclusively on this

part of the market to fill their sites and buildings. They normally hire real estate brokers to canvass local companies to find out which ones are planning to move from their present facilities.

2. Firms that are expanding or relocating from outside of the local area that might be recruited to the Omak Business and Industrial Park. These include firms that will consider moving to Okanogan County to be more accessible to their markets, to benefit from local resources, or to reduce their operating costs. They could be full or partial corporate relocations. This group also includes owner-managed firms where personal lifestyle choices are likely to influence the decision. Firms in this market are usually recruited through economic development programs, although industrial park developers may also promote their properties to companies outside of the local area.

3. New business start-ups. These include businesses started from scratch, small businesses that need to move out of someone's garage or outbuilding, or companies being spun off from an incubator facility. Many of these kinds of companies initially move into leased space in a multi-tenant building rather than acquiring their own sites. These kinds of companies usually require relatively small sites or facilities, although they may need room to grow as they mature.

Data are not available to show the sizes of these market segments. However, the US Census Bureau County Business Patterns report shows the following numbers of establishments by industry segment (Table 6-1), which gives an indication of the relative sizes of the components of the Okanogan County industry base.

Of these, the 34 manufacturing establishments represent the local base of industrial firms that might be candidates for expansion or relocation to the Omak Business and Industrial Park. Other opportunities might exist in the categories of Transportation and Warehousing, Utilities; and Wholesale Trade. There may also be some opportunities in the Services sector, especially the various types of Business Services. Firms in that category would normally be candidates for office space, rather than industrial, but could be accommodated in a business park located along Highway 97 or along SR 155.

These are the companies that can provide a local market share for the industrial park. The marketing plan described in the next section of this report suggests ways to contact these local firms and promote the industrial park to them. It also suggests ways to participate in business recruitment with The Economic Alliance and other agencies, and to develop local start-up businesses if that is something the CCT want to do.

TABLE 7-1 ESTABLISHMENTS IN OKANOGAN COUNTY (2022)

Sector	No. Firms
Agriculture, Forestry, Fishing	38
Mining	5
Utilities	6
Construction	178
Manufacturing	34
Food Production (6)	
Beverages (4)	
Apparel (1)	
Wood Products (4)	
Chemical Products (1)	
Nonmetallic Mineral Products (3)	
Primary Metal Products (1)	
Fabricated Metal Products (5)	
Machinery Manufacturing (2)	
Furniture Products (4)	
Miscellaneous Manufacturing (3)	
Wholesale Trade	40
Retail Trade	216
Transportation & Warehousing	38
Information	33
Finance & Insurance	41
Real Estate	54
Professional, Scientific, Technical Services	74
Management of Companies	2
Administrative & Support Services	47
Educational Services	8
Health Care	118
Arts, Entertainment & Recreation	28
Accommodation & Food Services	133
Other Services	114
Not Classified	2
Total Private Establishments (2022)	**1,209**

Source: US Census Bureau. County Business Patterns for Okanogan County 2022

7.3 RECOMMENDED TARGET INDUSTRIES

This section includes an overview of four target industries identified as part of the Regional and Tribal Market Analysis: agriculture processing, natural resource-based businesses, light manufacturing, and small retail trade. For each target industry, we discuss the national-level market outlook for the industry, specific opportunities and potential challenges for the Colville Tribe, and site needs typically associated with establishments in that industry.

These industries were strategically selected as areas where there are opportunities for new economic development on the Colville Reservation which align with tribal values, and that match expressed interests of Colville tribe members in public engagement activities. Many of the opportunities build on existing economic strengths of the tribe, such as agriculture, and resource-based businesses. Others represent opportunities for expansion into new sectors that have been noted in other tribal planning efforts, such as small retail trade and light manufacturing. The specific industries tailored to the Colville Tribe included in this section are:

- **Agricultural Processing and Produce Wholesaling** leverages crops which grow well on the Colville Reservation and adds value to specialized, organic foods.
- **Natural Resource Businesses and Renewable Energy Production** that produces sustainable utility-scale power using the Reservation's natural advantages.
- **Targeted Light Manufacturing** offers high-paying jobs in growing industries and creates minimal impacts on the land.
- **Small Shared-Space Retail** that can highlight tribal entrepreneurs and support incubator-style programming and shared community space.

Within each industry, this analysis also seeks to focus on areas that have higher potential wages and employment potential to maximize benefits for Colville tribe members. Industry analysis from the research institution IBISWorld supplements our understanding of the national outlook and trends for each industrial sector we analyzed. This provides context for this industry's potential for growth and interpretation of the implications for this industry on the Reservation.

The analysis of these criteria produced the following set of primary targets:

- Wood Products (Construction Materials Cluster)
  - Engineered wood products
  - Secondary wood products
  - Specialty wood products
- Food Products (Processed Food Cluster)
  - Dried fruits
  - Specialty foods
  - Fish products (part of the Fishing & Fishing Products Cluster)

+ Recreational & Travel Vehicles (Prefabricated Enclosures Cluster)
  - Recreational vehicles, travel trailers, campers
  - Boat building (part of the Transportation & Logistics Cluster)
  - Prefabricated wood buildings (part of the Forest Products Cluster)
  - Manufactured housing
  - Truck trailers
+ Power Generation & Transmission Cluster
  - Biomass electric generation
  - Biomass pellets and blocks (for sale to non-Tribal customers)
  - Bio-fuels development and generation
  - Fuel cells, supportive technologies
+ Metal Manufacturing Cluster
  - Fabricated metal products
+ Plastics Cluster
  - Specialty plastics products (combined with Engineered Wood)

In addition to these manufacturing sectors, a commercial cluster of businesses can be targeted that can utilize the land between the OIP and Highway 97 and can draw business from both the highway traffic and the industries operating in the industrial park.

Each of these sectors is evaluated in the following pages, showing representative NAICS codes, a description of the specific types of industries and/or products that are recommended, a brief overview of industry trends, and a discussion of locational requirements and the rationale for targeting them for the Omak Business and Industrial Park.

Some additional industries are also explored in this sector, mainly for exploration if the CCT should be interested. It is not certain that they could be developed or recruited in the region but is at least worth considering.

7.3.1 Wood Products

Wood Products (Engineered)

COMPONENT SECTORS

NAICS 32121 – Veneer, Plywood, and Engineered Wood Products Manufacturing

As noted above, the Colville Indian Plywood and Veneer plant is closed and is not expected to reopen because of very high capital costs to update the facility. The specific focus here is on developing an engineered wood products manufacturing capability. This consists of

(1) manufacturing engineered wood members, and (2) manufacturing reconstituted wood products. This industry includes manufacturing plywood faced with non-wood materials, such as plastics or metals.

Examples include:

Fabricated structural wood members	Particleboard
Laminated structural wood members	Reconstituted wood sheets, boards
Medium density fiberboard	Roof trusses
Oriented strand board (OSB)	Wafer board

It is not known when construction activity in the U.S. will recover and increase demand for the Construction Materials Cluster. However, there continues to be relatively high demand in certain export markets, especially in China and other parts of Asia. In addition, high steel prices have been causing increasing demand for substitute products, such as laminated wood beams with steel reinforcements. There is also a growing use of hybrid products that combine wood with plastic composite materials such as resins. Another hybrid product being developed is strawboard, which uses wheat stubble as a raw material instead of wood wastes.

The rationale for locating this industry in Omak is that there is a good supply of raw materials, an experienced labor force, and a transportation structure for exporting finished products. The CCT have the advantage of controlling their own timber resources rather than having to bid for product on US Forest Service lands.

Research on specific types of products and markets will be required to identify the best opportunities. For example, wood roof trusses could either be fabricated from dimension stock or could be laminated products. This is a good example of vertical integration, using existing industries to develop new ones from surplus resources or wood by-products.

These kinds of plants tend to need a substantial amount of land and space, including outside storage of raw materials. An issue for the Omak Business and Industrial Park is whether this represents the highest and best use of the limited amount of available land, or whether that land might be better used for making higher-value products and/or producing greater employment.

Wood Products (Secondary)

COMPONENT SECTORS

NAICS 321911 – Wood Window and Door Manufacturing

NAICS 321920 – Wood Container and Pallet Manufacturing

NAICS 32199 – All Other Wood Product Manufacturing

NAICS 337110 – Wood Kitchen Cabinet & Countertop Manufacturing

Most of the products covered by these classifications are made from mill ends or cut stock, which is defined as lumber and worked wood products cut or shaped to specialized sizes. These are generally by-products of sawmills, planing mills, or other producers of dimension lumber.

Demand for wood windows and doors, as well as for household cabinets, slowed during the Great Recession of 2007, with construction activity falling across the country and in Canada. However, some companies such as Interfor Pacific, a Canadian producer of construction lumber, have been able to continue operating by shifting to cut stock for millwork and furniture.

The Wood Container & Pallet Manufacturing category is included primarily because of the large agricultural market for these products in the region. However, it is not known whether the existing market is adequately supplied or if there is room for new producers. Even if the supply is adequate, there may be opportunities to relocate existing suppliers based on the advantages that could be offered by a location on Tribal lands in Omak.

It should be noted NAICS 32199 appears to be a "catch-all" category but actually contains some specific subsectors that make sense for Omak. For example, the subcategory of Prefabricated Wood Buildings (NAICS 321992) includes companies making farm sheds and other outbuildings used in the agricultural sector. It also includes pole buildings that are commonly used for storage. Manufactured housing is also included in this overall category.

The rationale for targeting these sectors is the same as previously cited: (1) a supply of raw materials; (2) a supply of experienced workers in the Omak area; and (3) a transportation system suitable for shipping these kinds of products. These sectors would also contribute to vertical integration by creating value-added products from the by-products of existing industries owned by the CCT as well as others in the region.

The location requirements of these sectors are not as land-intensive as for the previous categories cited above, except for manufactured housing. It is not unusual for firms making wood cabinets, for example, to operate from a 10,000 square foot building on a one-acre site.

Wood Products (Specialty)

COMPONENT SECTORS

NAICS 337127 – Institutional Furniture Manufacturing

There is a large range of potential industries that could be included under this category. For example, a firm was established in John Day, Oregon, that manufactures laminated wooden archery bows out of the by-products from that area's sawmills. Institutional wood furniture is listed primarily because it offers niche markets that are not necessarily focused exclusively on price competition.

Examples include library, school, theater, and church furniture. There is an emphasis on quality of product, but there is also consideration of how well the furniture fits with the motif or theme of the building and its projected image. An interesting example is a firm in Israel that manufactures church furniture from cedar, which is sold in world markets. Customers identify the product as being from the Holy Land, even though the cedar is imported from Canada.

There is increasing research being done on the utilization of juniper wood for various products, including church and other institutional furniture. It is also being used for wood picture frames and other types of ornamental products.

No specific products or markets are recommended here. The overall category is included because the Colville Tribes control the supply of raw materials that could be used to develop various types of specialty wood products manufacturing.

7.3.2 Food Products

COMPONENT SECTORS

NAICS 311330, 311340 – Confectionery Manufacturing

NAICS 311412 – Frozen Specialty Food Manufacturing

NAICS 311423 – Dried and Dehydrated Food Manufacturing

NAICS 311712 – Fresh and Frozen Seafood Processing

Food processing and packaging is one of the larger industries in Central Washington, with an estimated 7,500 workers employed in Okanogan, Chelan, Douglas and Grant Counties in 2022. Statewide, this sector employed about 46,500 workers.

It is not an especially large industry in Okanogan County, but there are nearby sources of supply as well as markets. The upper Columbia River region in Washington is a large producer of orchard crops, primarily apples and peaches, with additional production of grapes, cherries, and other fruits.

It is not recommended that major packing plants or processing facilities be targeted for the Omak Business and Industrial Park. Instead, the focus here is on smaller specialty food manufacturers. There are already several of these kinds of companies located in Okanogan County and this is a growing sector of the food industry. The fastest growing component is Frozen Specialty Food Manufacturing, making prepared entrees and portions that can be microwaved into ready-to-eat meals.

There is a trend in the food products industry toward “branding”, which requires establishing a reputation for quality that will command a higher price in the marketplace. This could be a niche

opportunity to produce confections, dried fruits, or other products that would be recognized as superior. Over time, it should be possible to develop products from the Okanogan Valley that would have worldwide markets. Within the Pacific Northwest, Reser's Fine Food is an established and growing food manufacturer that is actively seeking new plant locations to meet market demands. Omak would be an ideal location. The raw products are produced nearby, there is available skilled and semi-skilled labor, and the location would have the logistical advantage to the Regional Canadian markets.

The Fresh and Frozen Seafood Processing component is a unique opportunity for the CCT. An association of Native American tribes in the lower Columbia River region is currently pursuing a joint-venture fish processing facility to process and sell salmon caught by tribal members. Their plan is to locate it somewhere along the I-84 corridor and market the products at both the retail and wholesale levels. A similar type of facility is being developed in Naknek, Alaska, by the Bristol Bay Native Corporation. That plant will produce smoked, dried, and canned salmon for export markets.

A feasibility study can determine whether this type of facility could also be developed in the upper Columbia River region by the CCT.

7.3.3 Recreational and Travel Vehicles

COMPONENT SECTORS

NAICS 336212 – Truck Trailer Manufacturing

NAICS 336214 – Travel Trailer and Camper Manufacturing

NAICS 336612 – Boat Building

(In the Cluster analysis, this cluster also included Manufactured Housing and Prefabricated Wood Buildings. These were discussed above under Wood Products, so they are still included in the list of target industries.)

Truck Trailer Manufacturing is targeted because US Highway 97 is a major truck route running between Canada and California, with a large concentration of trucking activity in north central Washington because of the agricultural commodities shipped from there. It makes sense to provide a facility in the Omak area that can supply and/or repair truck trailers and also supply other component parts to the trucking industry. This is a specialty business, where product suitability and quality often outweighs price.

The recreational categories – Travel Trailers, Campers, and Boats – already have sizable representation in the region, mostly in the mid-Columbia region of Oregon and Washington. Travel Trailers and Campers are best described as "assembled" products; the components are purchased from outside vendors and assembled at the site of completion.

The CCT could supply some of their own needs by making these products at Omak. A production facility could be started to build houseboats for the Lake Roosevelt recreational market, then expanded to sell to outside markets. This could be expanded to other kinds of recreational boats, and then expanded further into travel trailer and camper production.

This cluster of industries also fits with the available skills of the resident labor force, and can be supported by the regional transportation system. It could either be developed by recruiting existing companies to locate in Omak, or by developing new businesses using Tribal resources.

These industries could be suitable for locating at the former CIPV site or at the industrial site that formerly housed the former Colville Precision Pine mill. Both locations are highly favorable and are described in Appendix (C) as a prime location for this type of manufacturing.

7.3.4 Power Generation and Transmission Cluster

COMPONENT SECTORS

NAICS 221119 – Other Electric Power Generation

As noted earlier, there is continuing demand for electric power generation from alternative or renewable energy sources, because of Renewable Portfolio Standards in Washington and other western U.S. states. Woody biomass is increasingly being recognized as a desirable fuel source because of secondary benefits from forest conservation and management.

There is no natural gas in the area to fuel a cogeneration plant similar to those found along major gas transmission lines in eastern Washington and Oregon. However, there is growing interest in using waste products from the agricultural industry as alternative fuels. In particular, surplus wheat stubble and by-products of strawboard production are being explored for this purpose. Other sources of fuel can be found in the processes of fermentation and decomposition of certain agricultural commodities.

It is not possible to fully explore this option without a technical feasibility study. If it is determined to be feasible, then there could be significant advantages to developing a generating facility at Omak. Substantial financial incentives can be obtained from the U.S. Department of Energy and other federal and state agencies to develop alternative power sources. Also, expanding the generation of electric power could provide a captured source of power for electricity-intensive operations such as a steel smelter that uses an electric arc furnace. Waste heat from the generation process can also be captured for use in certain processing operations, such as a food canning plant.

NAICS 335999 – Miscellaneous Electrical Equipment and Components

This is a catchall category that includes Electromechanical Fuel Cells. There is growing interest in fuel cells as the future replacement for fossil-fueled, internal combustion engines. Some of the leading companies in this field of research include Avista Corporation in Spokane, and Ballard

Manufacturing in Vancouver, B.C. Work developing fuel cell technologies is also being conducted around Edmonton, Alberta.

It is a stretch to claim that the Omak area has competitive advantages for development of fuel cells. However, it could be possible to develop an energy-industry cluster in the area that would include the production of fuel cells. If a biofuels industry is developed in Omak, some of the byproducts might be used as the chemical resources for fuel cells.

7.3.5 Metal Manufacturing Cluster

COMPONENT SECTORS

NAICS 332 – Fabricated Metal Products Manufacturing

If the CCT develop a dependable energy source they can use at their discretion, this could be a powerful incentive to recruit companies that have high energy requirements, which is typical of the Fabricated Metal Products industry.

This sector covers a broad range of products and manufacturing processes. It includes forging and stamping; manufacture of cutlery and hand tools; architectural and structural steel metals; prefabricated metal buildings; metal window and door manufacturing; sheet metal work; metal containers; hardware manufacturing; and wire manufacturing.

Some of these products have independent markets, while others could be utilized as components in manufacturing other products, such as manufactured housing. Those products typically use metal framing and chassis in their construction. Sheet metal components could also be utilized with engineered wood products to make structural beams for the construction industry.

Another application is the manufacture of metal buildings for farm use, and the manufacture of metal components for farm implements. There is a continuing market for product upgrades and accessories in the agricultural implement industry.

The CCT would benefit by developing core skills in the Fabricated Metal Products industry because there are so many applications and so many markets.

One question that arises is the source of the metal. It was noted earlier that steel prices have been rising, which makes the salvage of scrap metals economically viable. A metal scrapping facility, combined with a smelter, could produce the raw materials both for Fabricated Metal Products and for export to other markets. The key requirement would be a reliable, low-cost energy source. By expanding their own power generation, the CCT would be able to meet this requirement.

Again, a feasibility study needs to be done to determine the viability of this concept.

7.3.6 Plastics Cluster

COMPONENT SECTOR

NAICS 325211 – Plastics Material and Resin Manufacturing

In the discussion on engineered wood products, it was noted that products are evolving to include the combination of wood and plastic composite materials. The composites can be veneers applied to the outside of the wood products, or they can be resins added to the wood to give it strength. Composite resin materials are also being used outside of the wood products industry to manufacture a wide variety of lightweight products, including recreational boats and watercraft that were cited earlier as a target industry. Other uses include truck cabs and wind deflectors, and composite parts for aircraft. Even whole aircraft are being manufactured from plastic composite materials.

This is another industry sector that would prove beneficial for the CCT to develop core skills. Composite products can be used as components for several of the other target industries that have been recommended in this report, adding value to developing or recruiting those industries in Omak.

The Plastic Materials and Resins cluster was also identified in Section 1 of this report as one of the nation's growing industries, even during the recent recession (2007 to 2009).

Site requirements for this industry will vary with the type of facility being built. Operations that use plastic pellets as raw material often require location on a railroad track as that is the primary mode of transport. How the products are shipped depends on what they are and where their markets are located. Smaller companies in this industry could easily utilize sites of 1 to 3 acres for plants in the size range of 15,000 to 40,000 square feet.

7.3.7 Business Service Clusters

A business services cluster could include the following components. They are shown here with their approximate acreage requirements.

Truck stop, convenience store, small restaurant 3 to 4 acres

The Tribal Trails gas station and convenience store was built as a recommendation from the 2005 study but there may be opportunities for related facilities like those in full-service travel centers.

Bank, financial services 0.5 to 1.5 acres

Financial institutions are often found in or near industrial parks to provide services to the companies operating there. This could also be a credit union, savings and loan institution, or other appropriate facility. A firm that specializes in SBA loans and other types of financing for minority

enterprises or small businesses would be desirable. It is assumed that this would be a branch facility of a larger institution.

Engineering, other technical business services 1 to 2 acres

A business park is a good location for a small cluster of offices that house engineering firms, architects, surveyors, and other firms offering services to businesses. A multi-tenant office building could be constructed that would house three or four of these types of businesses.

Import, export services 1 to 2 acres

Omak's location within 50 miles of the Canadian border may offer an opportunity to develop a small transshipment center that would include import/export services. Firms locating in the industrial park would use these services, but they would also be available to other companies importing and exporting products.

Local commercial services 4 to 6 acres

This category is for non-categorized local services that need suitable locations with good visibility along U.S. Highway 97 or SR 155.

These kinds of businesses will be developed slowly at first, but growth will accelerate as synergy is created. A site of 5 acres could be expected to see about 1 acre absorbed the first year, and 1 to 1.5 acres each year until the entire parcel is absorbed within about 5 years.

7.3.8 Other Potential Target Industries

The analysis in this section has focused on what industries appear to be most supportable in the Omak area, and that have a rationale for locating there. But there are some other industries that were evaluated during the research that may also have potential. These are discussed in limited detail below.

Breweries, wineries, distilleries

The alcoholic beverage industry was also identified as one of the growing industries in the nation over the past several years, running a counter-cyclical trend. The industry is moving toward small production centers with specialized products and brand name loyalty.

Central Washington is a major source of wine grapes. It also has a sizable hops industry. The ingredients for beer and wine are readily available, and Omak could be a good location for a small production center.

Small arms and ammunition

This industry has been the target of numerous lawsuits, some trying to shut down the industry in the U.S. The state of Wyoming has targeted this industry for business recruitment and is offering

protection from liability as an incentive. However, the CCT could offer even greater protections, from both state and federal liability lawsuits.

Tobacco products

The rationale for manufacturing tobacco products on a reservation is the same; limited liability and protection from lawsuits. The CCT could also offer a pricing advantage through lower taxes.

Hydroponic ornamentals

The climate in the Okanogan Valley is conducive to greenhouse agriculture. There generally needs to be a heat source, and there also needs to be a source of nitrates, usually provided by natural gas. If an energy complex is developed at Omak, especially one that uses bio-fuels, then these requirements could be met. Ornamentals are a high-value crop and Omak is conveniently located on major shipping routes.

As noted earlier, this list is not meant to be exclusive. Its primary purpose is to provide input to the master plan of the Omak Business and Industrial Park. The next section of this report will examine a management and marketing plan to implement the business development.

8.0 BUSINESS PLAN

Two significant changes have occurred since the 2011 Master Plan was written. In addition to the devastation at the CIPV and Colville Precision Pine facilities, the Tribe adopted the Tribal Uniform Commercial Code (UCC) by Resolution 2011-343 on June 2, 2011. That removed a major barrier to the attraction of non-Tribal businesses onto Tribal land. The other was the reorganization of the Colville Tribal Enterprise Corporation (CTEC) and the formation of the Colville Tribal Federal Corporation (CTFC) under Section 17 of the Indian Reorganization Act of 1934. The CTEC/CTFC combination went from losing $8.1 million for the year ending September 20, 2009, to earning approximately $25 million for the year ending September 30, 2024.

Those changes are adopted into this section, which contains information required to implement the development, marketing, and management of the Omak Business and Industrial Park. Those three elements are not necessarily sequential, but they must be addressed at the outset of the project and be ongoing thereafter. Over time, there will always be requirements for management, even when all of the properties are leased and built-out. There also may be ongoing requirements for redevelopment and marketing when there is leaseholder turnover.

It is assumed in this section that all of the industrial and commercial sites will be leased to tenants rather than sold. This creates a special set of issues, but also creates unique opportunities. Recommendations are made on how to maximize the leasing absorption rates and associated revenues by overcoming the hurdles and enhancing the opportunities.

As much as possible, alternatives are explored with the idea that the CCT will have to make decisions on what course they want to take. For example, information obtained for this report said that the mill properties were retained in the CTEC reorganization but that CTFC is working to lease those properties. A decision will still have to be made as to whether the CCT will manage the project internally or contract for its management with a professional development firm. Recommendations are made in this report to assist the CCT in making their decision.

The Business Plan is organized into seven component parts:

+ Part 1 Resolve Pre-development issues
+ Part 2 Management Organization
+ Part 3 Development Process
+ Part 4 Financial Plan
+ Part 5 Marketing Plan
+ Part 6 Developer's Tool Box
+ Part 7 Other Considerations: Exports and a Foreign Trade Zone

Several subjects are addressed in outline form, with checklists, to simplify the decision-making process. Specific examples are also given, when appropriate, to enable the CCT to evaluate the effects of their actions. It is hoped that this report will serve as a guide for future decisions and actions, while still retaining flexibility to adapt to changing market conditions and opportunities.

8.1 PART I – RESOLVE PRE-DEVELOPMENT ISSUES

The objective of the Omak Business and Industrial Park Master Plan is to enable the CCT to recruit and develop new businesses that will provide employment and generate revenues. That means attracting companies from outside the Reservation whose owners may be unfamiliar with Tribal laws and practices. As much as possible, that will require creating a high level of confidence through the adoption of commonly accepted ordinances and procedures.

The "Native American Lending Study – Accessing Capital & Capacity Building", was developed by the Community Development Financial Institutions Fund, a government corporation within the U.S. Department of Treasury, in October 2002. It found that the one major barrier to capital access for business development on Reservations was "Uncertain Tribal Commercial Laws and regulations and the Absence of an Independent Judiciary". Among the solutions proposed were:

+ Establishment of a Tribal legal infrastructure for business development, including Tribal commercial codes, foreclosure regulations, permitting processes, and general regulatory frameworks

+ Development of zoning codes and land use plans (completed in 2019)

+ Clarification of sovereignty and sovereign immunity, particularly regarding business and housing development

A discussion of creating a UCC was an important part of the original 2004 Master Plan study. Fortunately, this has already been accomplished so those references have been removed from this update. It will still be important to identify with current and potential tenants, as well as financial institutions, if there are other barriers that need to be addressed.

Another important pre-development requirement will be for the CCT to make firm decisions on how the Master Plan will be implemented, including identifying the roles and responsibilities of those who will be accountable for that implementation. This is a step above the Management Organization discussed in Part 2 because it calls for decisions at the highest levels of Tribal governance. The steps below are recommended for getting organized and started. Of course, these recommendation were developed in close collaboration with the Tribe's project team.

+ Vest full operation of Master Plan implementation in CTEC or CTFC, rather than in a Tribal government department. That will allow decisions to respond more directly to market and economic conditions than to external influences. That organizational framework will provide Tribal accountability but not operational oversight of the Master Plan.

+ Select a management team that has the authority and responsibility for implementing the Master Plan. Empower the management team with the freedom to make internal decisions and act quickly within defined parameters.

Identifying a management team for implementation of the Master Plan will be a necessary first step in launching this process. The success of the Omak Business and Industrial Park requires that this management team be actively engaged to ensure that economic opportunities are identified and championed.

The following discussion provides additional information about the Business Plan and is oriented to those chosen to manage the process.

8.2 PART II – MANAGEMENT ORGANIZATION

This part provides recommended organizational features of the Business Plan. It includes an overview of management necessities and recommends a management structure. There may be other options available to the CCT, but this outline describes standard management procedures.

8.2.1 Management Requirements

There are three stages of management that need to be planned once the Master Plan is approved and before any development begins:

+ Development
+ Marketing
+ Ongoing operations

Unless it is known in advance how all three of these requirements will be met, there is the risk that the process will break down and become unsuccessful.

8.2.2 Management of the Development

Approve the Master Plan

The Master Plan shows how the site can be developed. It incorporates all of the research and investigation into site topography, road access, railroad right-of-way, utilities, and site requirements of the probable market. As recommended, the Master Plan should be approved as the development plan. Actual development can be phased, which allows for flexibility to adjust to changing conditions while reducing front-end costs. However, development engineering cannot be initiated unless there is agreement on how the physical site is going to be developed.

Decide Who Will Manage the Development

There are two primary options for managing the development:

+ Utilize an internal department to manage development and construction
+ Contract for this function with a professional project management firm with oversight by the Tribe and stakeholders

In either option, there needs to be one or more champions to lead project development. The champion(s) will need the ability to make decisions quickly, within the overall framework established by CTEC/CTFC for the project.

Internal Management

To overcome the issues described above, it is recommended that CETC create a management organization specifically responsible for development and management of the industrial park. This internal management organization should have the appearance of a private-sector development company. Responding directly to an entity like "Omak Business and Industrial Park LLC" may help potential tenants overcome their initial reluctance to locate on Tribal property.

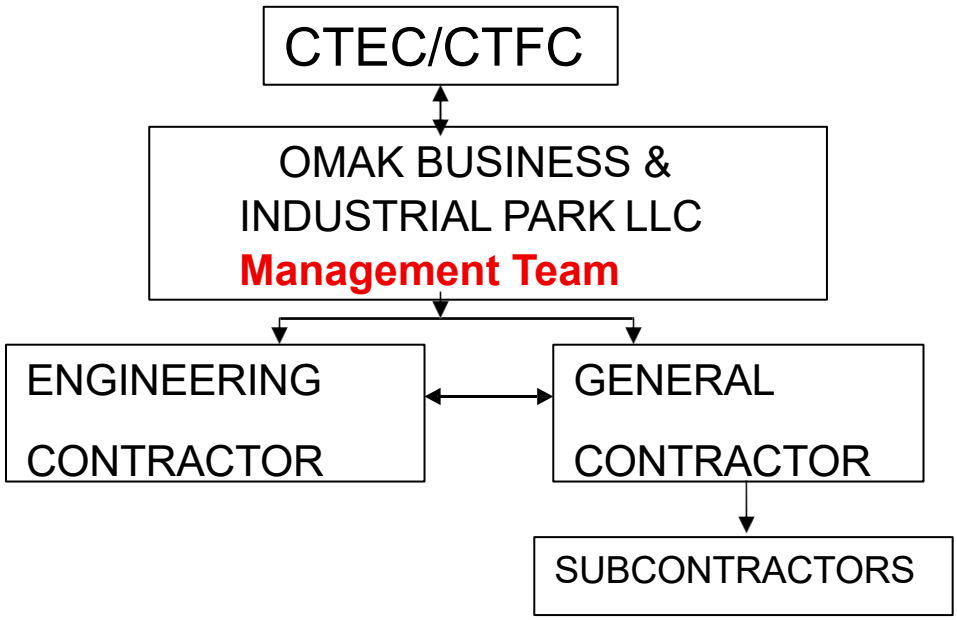
This organization needs to have responsibility for all internal management decisions that affect the development and operation of businesses locating in the industrial park. This would not supersede Tribal jurisdiction, but would make the Tribal processes invisible to the companies engaging with the management organization.

If the decision is made to manage the project internally, it will be critically important that the management team has experience in developing and managing industrial properties. It is recommended that the management team have the time necessary to manage that project to avoid situations that would create conflicts of time, energy, or budget.

The experienced management team can evaluate the differences between a wide range of alternatives that may carry substantial differences in costs. It is beneficial for the management team to understand the land development process to be able to (1) evaluate contractor the recommendations and (2) make decisions consistent with project objectives. This is particularly important if the project includes development of speculative or build-to-suit structures. The Colville Tribe is fortunate to have Tribal members that do this work and who have been members of the project stakeholder group supporting this Master Plan Update.

An internal management team can develop the bid specifications, send out Requests for Proposals (RFPs) to development contractors, enter into contracts with the winning bidders, and manage their work to ensure that development objectives and cost parameters are met.

A simple organization chart for this kind of structure looks like this:



There are several skills that must be acquired and/or developed in addition to the knowledge of development:

1. Marketing: The management team should be able to oversee the marketing program, or work closely with the Tribe's economic development department to ensure the program is consistent with project objectives. The management team should have input to the tenant mix and not allow tenant businesses that are financially incapable of meeting lease payments, or who would create conflicts with other tenants.

2. Real Estate Transactions: As the representative of CTEC/CTFC, the management team will need to be able to negotiate lease terms and conditions within the permeameters set by the Tribal council. This requires knowledge of real estate transactions. It is usually desirable to obtain professional legal services from a qualified attorney, but a knowledgeable manager can make the decisions in the negotiations necessary to make the sale. This responsibility includes renegotiating leases as they expire and handling problems with tenants that do not pay their rent on time.

3. Financial Management: Any real estate development project requires good financial management. Again, outside services can be used for accounts receivable and payable, as well as certain other accounting requirements, but the in-house team needs to monitor debt service schedules and other financial obligations associated with the project. This is especially important if the project is funded by loans from federal, state, or other governmental agencies with their own repayment and reporting requirements. It is also common practice to qualify prospects by analyzing their balance sheets and operating statements.

4. Maintenance Operations: After the project is developed, it needs to be maintained. The in-house team will normally be responsible for obtaining specific maintenance services such as landscaping maintenance, painting, street and sidewalk repair, trash collection and removal, snow removal in the winter, and other routine maintenance items. While tenants may do some of these things for their individual sites, the management team must continue to provide them for the common areas as well as any lots that are not yet leased and built out.

External Management

The alternative structure is to hire a management team, either as an employee or as an independent contractor, and then use the engineering firm as a consultant to manage the other contractors and oversee the project. This has the advantage of not requiring that all of the expertise be retained in-house. However, it does require strong confidence in the capabilities of the contracted manager.

This is a common structure used by community economic development organizations and other non-profit groups that do not have in-house expertise in land development. They retain the services of a qualified engineering firm to do the preliminary engineering work, develop cost estimates, prepare construction drawings, prepare bid documents and RFP, and solicit bids. The engineering firm then acts as advisor to the owner, which signs the construction contract with the general contractor. The general contractor, in turn, hires the subcontractors in their various specialties to do site surveying, grading, road work, utility construction, and other components of the project. Invoices are normally passed through the engineering firm to the owner with documentation that the work has been done to its satisfaction and in accordance with the project specifications. The owner then pays those invoices.

A variation of this structure would be to hire a project management firm that would contract with the engineering company and all other contractors. This can be cost effective if the costs of services of that firm would be comparable to the administrative and management charges of the engineering/management company arrangement. It may also be a way to obtain needed expertise if an engineering firm cannot be retained that will also provide project management services.

If an outside contractor is used to manage the development, either an engineering firm or a project management firm, there needs to be close interaction between that firm and CTEC in order to build in-house experience. At some point, the project will be built out, and ongoing management will be internalized. It will be an advantage to have someone within the CTEC organization able to smoothly transition to overall management of the industrial park at that point.

8.3 PART III – DEVELOPMENT PROCESS

Three steps in the development process are outlined here:

1. Development planning
2. Site development

3. Building construction

The third bullet is included in case the CCT want to construct build-to-suit facilities that can be sold or leased to tenants as an added incentive to attract companies to the industrial park.

8.3.1 Development Planning

Development planning for the Omak Business and Industrial Park has already been addressed by the creation of the Master Plan. Among the detailed investigations and documentations provided to the CCT in the Master Plan are:

+ Topographic survey of the site
+ Soils and foundation conditions
+ Lot layout plan
+ Street system plan
+ Highway 97 and Highway 155 access plans
+ Rail access options
+ Utility capacities, off-site and on-site requirements to serve the site
+ Drainage issues
+ Environmental issues

In most private industrial projects, this information is used to draft a subdivision plan and have it approved by the appropriate regulatory agency. This approval normally carries a set of "findings" or "Record of Decision" that imposes conditions on the project that will have to be met to obtain subsequent building permits. These are usually consistent with the applicable provisions of the Comprehensive Plan and Zoning Ordinance, but may be more restrictive if it is felt that special conditions apply.

Because this project is on tribal land, there may be questions about jurisdictional authority. Any such regulatory issues need to be evaluated and resolved prior to proceeding with development.

The next step is to use the Master Plan as the base document for more detailed engineering work, including drafting the construction specifications. These are normally prepared by a qualified civil engineering firm, as noted above.

An example of the work that the engineering firm will provide is shown below, taken from an actual contract for services for the planning of a 31-acre industrial park:

+ Research

- Meet with owner to review Master Plan and development objectives
- Obtain record survey data from County Surveyor
- Solicit as-built cable & utility data from providing companies
- Coordinate buried utility locates
- Review site in the field, inventory and photograph key features
- Review title report provided by owner

+ Surveying, mapping, & plat preparation

- Review record survey data and compile project work map
- Utilize GPS to tie monuments & establish a control point network
- Perform field topographic design surveys on roadways
- Subject road lengths
- Subject area
- Three line profiles with shots at 50-foot intervals
- Locate marked or evident utilities (i.e., poles, guys, pedestals).
- Tie locations of structures (i.e., vaults, culverts, wells, etc.).
- Reduce field survey data & compile project base map & DTM
- Prepare a subdivision plat
- Monument the new and missing property corners
- Secure the required plat signatures and facilitate recording
- Prepare legal descriptions and exhibits for requires easements

+ Construction document preparation

- Review research and survey findings with the owner
- Prepare the following bidding & construction drawings
- Cover sheet with vicinity map, acknowledgments, & notes
- Overall site plan and index map (1″ = 200′)
- Road & utility plan and profiles (4 sheets @ 1″ = 40′)
- Miscellaneous construction details (2 sheets)
- Review drawings @ the 75% and 100% complete points with:
- Owner
- County road engineer
- City sewer engineer
- City water engineer
- Submit sewer plans for regulatory review
- Measure quantities and prepare a construction cost estimate
- Prepare bidding and contract forms
- Prepare general conditions & supplemental technical specifications
- Publish thirty (30) bid document sets

+ Billing period services

- Prepare an advertisement for bids and distribute to publishers
- Coordinate & attend an on-site pre-bid conference
- Prepare addenda as needed to clarify the construction scope
- Conduct a bid opening at a location to be arranged
- Assist in review of bids and prepare an award recommendation
- Prepare a Notice of Award and instructions to the apparent low bidder

Some of these steps may not be required for the Omak Business and Industrial Park, while other steps may have to be added. There may also be some services that the CCT could perform in-house. In any case, the development planning stage is when all of the work necessary to issue a construction contract is conducted.

8.3.2 Site Development

Site development is normally managed by the construction contractor, with routine oversight by the owner, either through a designated manager or by a board. A qualified contractor will hire the subcontractors, oversee their work, and file written documentation that the work was performed to specifications. Invoices are normally submitted monthly, and prompt payment is required to ensure no breaks in service or slowdowns in the process. The CCT should be aware that a general contractor may require payments in advance of work at the Omak Business and Industrial Park because Tribal sovereignty precludes the use of construction liens to ensure future payment.

Some Tribal organizations have their own construction companies and/or construction management companies to perform this kind of work. In Alaska, there are several Native Corporations that specialize in construction and construction management all over the world. For example, the Chugach Native Corporation oversees the construction and management of military facilities for the US Department of Defense. The CCT may want to explore developing this capability and providing these kinds of services outside the Reservation, as well as handling their own construction projects.

+ Construction period services

  - Coordinate and attend a pre-construction conference
  - Review bonds, insurance, and other requirement submittals
  - Coordinate & document monthly construction conferences
  - Provide construction staking & observe construction progress
  - Offset stakes set at ROW line on 50-foot intervals
  - Centerline subgrade hubs at 50-foot intervals
  - Centerline top of rock hubs at 50-foot intervals
  - Utility & drainage structures (MHs, FHs, vaults, etc.)
  - Perform daily sewer construction observations & file reports
  - Coordinate utility trench backfill compaction & materials testing
  - Maintain records of the construction staking & test results
  - Respond to clarification requests

- Review/initiate & process change order requests and proposals
- Maintain as-constructed drawings
- Review progress payment requests submitted by the contractor
- Review certified payroll certificates
- Prepare completion punch list and confirm compliance

+ Post construction services

- Prepare record drawings for archives

Using a civil engineering firm in this construction management capacity will relieve the CCT of having to manage this complex process. It will ensure that the work will be performed to specifications and that the final product is in conformance with the Master Plan. The primary management requirements for the CCT will be contracting with the engineering firm, contracting with the general contractor who will be responsible for doing the work, and paying the bills as the completed work is documented.

8.3.3 Building Construction

This essentially completes the requirements for managing the development process, unless the CCT decide to go into the management of building construction. This would be done in order to offer build-to-suit construction capabilities and turnkey leases that combine land and building space under a single lease. This approach would be attractive to companies that want to lease space instead of having to construct owned buildings on leased land. It allows them to preserve capital and invest in operations instead of in real estate.

The requirements for managing building construction are similar to those for land development. An architectural firm will provide the services described above, similar to those of a civil engineering firm. Architect fees are normally wrapped into construction financing, so there may be no up-front capital cost. Most architects oversee the construction, delivering the final product to the CCT according to the tenant specifications. The costs of the building are generally amortized over the financing period, while specific tenant improvements (TIs) are amortized over the lease period. These terms are flexible, according to the length of the lease period.

In summary, managing the development process will not impose a significant burden on the CCT if outside professional expertise is hired for that job. If the effort is done in-house, the CCT will need to hire management staff with the technical experience to do the tasks described above. There needs to be close interaction between the contractors and the Tribal managers in order to supply the experience and knowledge necessary for ongoing industrial park management.

8.4 PART IV – FINANCIAL PLAN

A financial plan needs to be developed that will ensure adequate funding for the project, including:

+ Internal management costs

+ Pre-development planning costs
+ Development costs
+ Marketing costs
+ Maintenance and operations costs

If it is decided to construct build-to-suit buildings for tenants, those will also have to be financed. The financial plan contains three required components:

1. Identify and measure the financing requirements
2. Schedule the financing requirements to show the timing of when the funds will be needed
3. Identify and secure the funding commitments with disbursements timed to match the requirements

8.4.1 Internal Management Costs

It is recommended that the management strategy include having a management team that understands the development process. If it is decided not to use the services of a project management firm, then this internal capability may have to be expanded to include several people with specific skills and experience. The salary, burden, and overhead expenses of that person (or persons) need to be budgeted to assure adequate resources to do the job.

The CCT (or CTEC/CTFC) must decide on the management structure before these costs can be estimated. It may be possible to move an existing employee into this management position and keep costs relatively low. If that is an option, then existing budget may be transferred through a simple accounting procedure to realign budget and assign costs correctly.

The recommended option is for CTEC/CTFC to set up an independent development company to manage the Omak Business and Industrial Park. In that case, project budget will be a net addition to existing budgets. The dollar amounts will depend on how many people are hired, their salary levels, and their operating requirements that need to be funded.

No estimates are made here as to what those costs might be. It is assumed that they will be internalized within Tribal budgets, but it might also be possible to attach them as a revenue requirement to the overall project budget and fund them separately out of the financing cash flows.

8.4.2 Pre-Development Planning Costs

The outline shown above for pre-development planning in 2011 had a price quote of $37,940. That was for a 31-acre project, but it is not expected that the larger size of the Omak Business and Industrial Park will increase those costs by more than 30%. These pre-development costs do not represent 2024 dollars. Rather than fixing a dollar cost to pre-development, it is recommended that

the Tribe put these tasks out to competitive bid; or retain a qualified engineering firm with local, tribal or Eastern Washington experience.

8.4.3 Site Development Costs

Fees to provide construction management services (CM) described above by a civil engineer were quoted (2011 dollars) at $28,530 for the 31-acre industrial park. The post-construction services were quoted at $935, bringing the total to $29,465. Adding another 30% for the larger size of the Omak Business and Industrial Park would bring this figure to about $40,000. These pre-development costs do not represent 2024 dollars. Rather than fixing a dollar cost to CM services, it is recommended that the Tribe put these tasks out to competitive bid; or retain a qualified engineering firm with local, tribal or Eastern Washington experience.

Costs for developing the site according to the Master Plan are being provided by other consultants on this project. For that reason, no cost estimates are provided in this section of the report. Whatever those costs are, they need to be funded in a way that allows progress payments to be made to the general contractor and the sub-contractors in a timely manner. This is usually arranged through construction financing, which is replaced at the end of the construction period by permanent or "take out" financing.

Depending on what financial structure is used, there will typically be interest charges representing "cost of money." The interest charges are wrapped into the amount of the arranged construction financing (debt or equity), so the drawdown requirement includes financing costs as well as payments to the engineers and other contractors.

8.4.4 Marketing Costs

Marketing costs need to be built into the financial plan. If marketing support is going to be sought from commercial real estate brokers, it will be necessary to factor in a commission rate. A typical commission rate might be 5% of gross lease revenues each year over the first 5 years of the lease. Those could be adjusted to a sliding scale, with 5% for the first 3 years, 3% for the next 2 years, and 1% for the next 5 years on a 10-year lease. An exclusive listing with a qualified industrial real estate broker will require provisions for sharing commissions with other brokers that secure tenants for the industrial park. Whatever structure is established, those costs need to be included in the financial planning.

There is also an issue of incentives, if these are required. In many competitive commercial business parks, it is not uncommon for the owner to offer a period of "free rent" tied to lease terms. A 5-year lease might be written with anywhere from 6 to 12 months of free rent. Cash flow from the lease will be smaller than pro forma cash flow projections, so that must be written off as marketing cost.

8.4.5 Maintenance and Operations Costs

Costs also need to be budgeted for ongoing maintenance, repair, and administration. This includes costs of common area maintenance, street cleaning (sweeping and snow removal), landscape maintenance, and other charges not directly billed to tenants through their leases. There will also be ongoing management costs to respond to tenant needs, renegotiate expiring leases, and handle other regular operations.

These costs are not estimated in this report. The CCT's experience in ongoing management of other commercial and industrial operations should provide guidelines for budget development.

When costs are quantified, they can be put into a cash flow chart with estimates of when those costs will occur. This is a straightforward process that can usually be provided by a management team or a construction management company such as a civil engineering firm. The CCT may have this capability in-house already.

8.4.6 Sources of Financing

As noted above, it will be important to identify funding sources for this project to ensure adequate cash flow to cover development and construction costs as they occur. Advance payments may need to be made to contractors to offset their inability to secure liens against the property.

Funding for industrial parks usually comes from two sources: debt and equity. There are standard formulas for determining how much debt can be secured for a real estate project, with the balance coming from equity of the builder or other investors. These formulas rely on projections of net operating revenues to determine how much debt service can be covered, with the balance of costs required from equity. The CCT also have access to certain grant opportunities that can replace some of the debt, equity, or both.

State Funding Programs

Washington's Community Economic Revitalization Board provides an infrastructure grant application form on-line that can be used for both loan and grant applications. For further information on the CERB program, go to www.oted.wa.gov/ed/cea/cerb or contact:

Federal Funding Programs

Most of the federal programs for funding Tribal infrastructure and other development are administered by the several individual agencies that sponsor those programs in general. Agencies such as the USDA Rural Utilities Service, the Environmental Protection Agency, and the Economic Development Administration have special programs targeted specifically to CCT as part of their rural development assistance efforts.

A complete list of these federal programs can be accessed over the Internet at:
http://www.nal.usda.gov/ric/ricpubs/funding/federalfund/fedcont.htm

It is expected that the CCT already have access to information on the various sources of federal funding as they has successfully obtained US Economic Development Administration grants. It is beyond the scope of this report to provide detailed descriptions of all the federal programs that are available, other than to note that they present opportunities to fund this project and reduce the CCT equity requirement.

8.4.7 Feasibility Study

To obtain funding from any source, it is probable that the CCT will have to perform a feasibility study to show that the project will be financially viable as well as providing ongoing employment for the CCT and for the community. The feasibility study uses the schedule of costs developed above and overlays it with a schedule of revenues. An all-cash analysis based on 100% equity funding shows whether or not the project can be profitable without debt service.

8.5 PART V – MARKETING PLAN

The following steps are recommended as an outline of a marketing plan:

1. Determine who will market the properties; create a management plan for initial and ongoing processes.

   It is important to decide how the marketing process will be managed so specific tasks can be assigned and implemented, in consideration of schedules and budgets. There are several ways to do this. Many industrial parks utilize in-house staff to manage real estate development and leasing. The CCT may be able to do this without having to hire outside assistance. If this is not practical, an alternative is to solicit marketing proposals from qualified real estate brokers to bring prospects lease negotiation.

2. Develop a budget for the marketing component. The budget needs to be adequate to complete the fllowing tasks: Brochures, sales materials

3. Advertising, direct mail

4. Direct email

5. Travel, trade shows

6. Hosting local visits

7. Social media engagement

8. Adapt the comprehensive development plan into a marketing piece; create schematics with building renderings; oblique aerials with drawings of completed projects; and other “visual” graphics used to convert the development plan into a marketing resource. Show proposed phases of development, as necessary.

9. Decide what "products" the industrial park will offer to prospective tenants. In addition to ground leases, this may include turnkey construction of build-to-suit facilities, and/or financing. It has been estimated that as much as 85% of the market prefers to either own its land and building, or lease space in a building that someone else owns, with only 15% willing to construct their own building on a ground lease.

10. Prepare internal operating documents, such as lease forms. These will require policy decisions on such matters as the lease rates and terms. There will also need to be consistent zoning ordinances and Covenants, Conditions, and Restrictions (CC&Rs) to control uses and operations within the industrial park. Performance standards are sometimes better than fixed requirements.

11. Begin marketing the concept before development begins to start securing pre-lease commitments. Companies or agencies that will make lease decisions within the next 2 years need to know about the Omak Business and Industrial Park before they make commitments to other properties.

12. Initiate development by focusing on creating an attractive entrance to the Omak Business and Industrial Park and removing any blight or other conditions that might detract from its appearance.

13. Develop and implement a plan for on-site signage and promotions. Business travelers using Highway 97 will be exposed to the site as it is being developed. A signage plan needs to be developed to promote the project through signage strategically placed to be visible from both directions on Highway 97. That signage needs to include contact information.

14. Involve the local real estate brokerage community. The only way to do this is by offering lease commissions. A typical commission rate on raw land is 5% of the lease rate for a period of 3 to 5 five years to the lessee's (buyer's) broker. If the CCT decide to use a seller's broker, then that same rate would be paid to that broker as well.

15. Develop a promotional plan that includes production of flyers, brochures, direct mail promotions, and other forms of marketing. The best way to do this is through consultation with a professional public relations and advertising firm. This needs to be a consistent, ongoing effort because company location decisions typically take anywhere from 1 to 3 years from initiation. A one-time shot in the real estate business is typically a waste of time and money.

8.5.1 Advertising

Advertising is primarily useful for creating an awareness of the property in selected markets. These can be geographic markets by using general publications in those areas, or industry markets by using trade publications. It rarely produces serious prospects, but may begin the process of encouraging companies to initiate a contact.

8.5.2 Direct Mail Campaigns

Direct mail is one of the most common techniques of marketing, especially to follow up on a target industry analysis. When specific companies have been identified, they are usually contracted first by direct mail.

8.5.3 Direct Email

Many industrial park developers, and all real estate brokers, use email for their marketing. Email mail campaigns should always be followed up with telephone contacts when possible to make sure the information was received and to qualify any interest that it generated. In one marketing campaign, a 3% positive response from an email campaign was increased to 15% when telephone calls were made to the company executives.

8.5.4 Trade Shows / Trade Missions

State economic development agencies often attend trade shows and sponsor trade missions, inviting local development agencies to participate with them. Each opportunity must be evaluated carefully to determine whether the potential benefits outweigh the costs.

8.5.5 Hosting Local Visits

Any marketing program has to have a response system, a plan for following up on a contact that expresses interest in looking at the property. One way to do this is to invite the prospect to visit the site and the community. It is not uncommon to host such a visit as an inducement to get the prospect to make the trip.

As an alternative to this kind of marketing program, the CCT could contribute funding to the Economic Alliance which could then develop this kind of program and budget to represent all of Okanogan County. It will be imperative to establish a strong marketing connection with the Alliance and let them actively promote the Omak Business and Industrial Park. In addition to being the marketing agency for Okanogan County, they also have established relationships with economic development agencies in Washington and the region. The CCT should leverage this resource, making sure that it is provided with promotional materials for the site.

There is a shift in economic development marketing to the Internet, so the industrial park needs to have its own website that is linked to the Alliance's site and other appropriate locations.

The purpose of marketing is to attract the interest of qualified tenants. However, locating those tenants at the Omak Business and Industrial Park will require "closing the sale." Thus, the CCT need to have the tools prepared to show prospective firms what terms and conditions apply to the industrial park. This is sometimes called the "developer's toolbox".

8.5.6 Social Media Engagement

Social media engagement is a direct tool available to developers. Promoting the project through sites such as Facebook, Instagram, X, and LinkedIn can promote it to a wide audience that would be restricted through typical marketing activities of a decade ago. Social media allows for targeting the audience. The developer can create excitement or can draw attention to their project efficiently without a great deal of effort.

8.6 PART VI – DEVELOPER'S TOOLBOX

8.6.1 Incentive Package

An important aid in marketing the Omak Business and Industrial Park will be a package of incentives that make OIP more attractive to companies and reduce the costs of doing business there. There are several incentives available on Indian Reservations that are not generally available at off-Reservation sites.

The Native American Omnibus Act of 2002 included many urgently needed provisions that provide improvements throughout Indian Country on issues including economic development, land, water, leasing, judgment fund distributions, waivers of loan repayments, health care, and the reauthorization of several important Native American programs. Among these were provisions for tax credits for hiring Tribal members, creation of Historically Underutilized Business zones (HUBzones) that gave all Tribal members minority/disadvantaged status for contract preferences, and gave a 35% preference for bidding on Federal contacts. It also provides preference for SBA loans, addresses bonding issues, and includes a provision for a waiver of sovereign immunity to facilitate development of Uniform Commercial Codes.

In addition to this Act, other incentives may include low (or no) property taxes, low (or no) business license fees, and several provisions for accelerated depreciation. Standard IRS deductions for depreciation may be doubled for businesses locating on a Reservation.

Any incentives that can be offered to companies by the CCT need to be fully defined and put into writing. These can be offered as part of the marketing program, or they can be held used as bargaining tools during negotiations to close the sale.

8.6.2 Ground Leases

Because the CCT will be leasing sites to tenants instead of selling them, there needs to be a lease agreement representing the interests of the CCT and those of the tenants. In addition, the lease agreement must meet the needs of lenders so tenants can finance building construction.

Leases are legal documents that should be created by a qualified attorney. They can be very complex, attempting to cover every contingency, or they can be relatively simple. The following information is provided as a general guide to the provisions that should be included in a lease.

1. Identify parties to the lease (lessor and lessee).
2. Describe the property being leased.
3. Specify beginning and termination dates.
4. Describe construction or other work to be performed by the owner (landlord) prior to lease commencement, including conditions for the tenant's satisfaction.
5. Specify intended and/or allowable uses.
6. Define lease terms, including rental amount, when due, how and to whom it is to be paid. Include formulas for periodic increases.
7. Specify who pays taxes, whether tax deposits are required, and whether tenant can challenge taxes.
8. Specify insurance requirements, and who pays it. What limits are required?
9. Specify who is responsible for damages caused by floods, landslides, or other natural disasters. How are insurance proceeds to be used?
10. Provide for lease termination in case of damage or other causes that prevent continued use of the rental property and/or business park. Provide formula for proration of rents paid.
11. Specify how the property is to be maintained and who is responsible for the costs.
12. Can the tenant assign or sublease without the owner's consent?
13. Does the lease remain in effect if the lessee sells its business to another firm?
14. Who pays for utilities?
15. What are obligations of the tenant and the owner to indemnify each other?
16. Provide for owner's right to inspect the property to ensure CC&R compliance.
17. Give the tenant the right to "quiet enjoyment".
18. Provide for condition of premises at the end of the lease term, transfer of ownership of buildings, removal of any appurtenances, and other turnover requirements.
19. Provide owner's remedies in the event of various lessee defaults.
20. What financial statements are required from the tenant, who prepares them, are they required to be updated?
21. Is the lease to be recorded?

22. Who pays brokerage commissions, when are they due, to whom are they to be paid? Provide for the tenant to protect the landlord from other claimants.

23. In case of dispute, who pays attorney's fees?

24. What kind of signs can the tenant erect and where?

25. Will the tenant have an option to extend the lease, and if so, on what terms?

26. Will there be a security deposit, and, if so, how much? Can it be applied to the last month's rent? Will it earn interest?

Other items can be included, as required. National companies with multiple facilities often have their own lease forms and may be relatively inflexible in changing them to suit owner interests. Whatever form is used, the final lease agreement should always be reviewed by an attorney to make sure it fairly represents the interests of both parties. This is especially true for the CCT because of sovereignty issues and special conditions that apply to Trust lands.

8.6.3 Conditions, Covenants, and Restrictions

The other major document that needs to be created in advance of site development and marketing is the set of site-specific CC&Rs. Following is an abbreviated list of the items that need to be written into the CC&Rs:

1. Control of nuisances: Under controlled conditions, most products can be processed without adversely affecting nearby occupants. However, certain kinds of operations may have effects that would be considered nuisances by their neighbors. These may include noise, smoke, light, odor, vibration, heat, or industrial waste. Performance standards are imposed to control measurable external nuisances, usually measured at the property line. This may mean that a firm can operate within the industrial park even if it produces these effects, but it must confine them to its own site.

2. Use of the land: The most common limitation on the use of the land in industrial sites is the prohibition of residences (except for security). Commercial use may also be restricted. Mixed uses may be permitted to include wholesale activities or even limited retail if it is provided as an adjunct to a manufacturing or warehousing operation. In a large industrial tract, certain areas may be set aside for service businesses that provide support for the industries and their employees within the tract.

3. Outside storage: Outside storage is usually prohibited in tightly controlled industrial parks but allowed in general industrial areas. Where it is allowed, it is usually controlled by a requirement for effective screening. There may also be height limits, requirements that it be behind buildings rather than along the sides, and limits on the kinds of products that can be stored outside. Any storage of hazardous or toxic materials also has to be controlled.

4. Site coverage: Coverage of sites by buildings is usually limited to a maximum allowable range of 30% to 70%, with 50% being a common average. In a general-use industrial area, site coverage limits below 50% may discourage companies from locating there. As site coverage increases beyond that level, conflicts may arise with off-street parking requirements, outside storage allowances, and other uses of the land outside of the buildings.

5. Building lines and setbacks: Building coverage usually is limited to areas of the site that are inside the setback lines. In many cases, these setback areas are also used for utility easements and emergency equipment access. Setbacks can be used to enforce the site coverage requirements, to provide areas for landscaping and off-street parking, and to facilitate the distinctive identification of individual companies.

6. Building construction and design: Many industrial areas control the kinds of building materials that can be used, such as requiring concrete tilt-up or block construction, and/or restricting the construction of metal buildings. Some of them also control the design standards to assure the integrity of the area. Tenant associations in larger industrial districts usually have design review committees that have to approve building plans before construction.

7. Sign controls: It is important that companies within the industrial area be easily found and identified, so good signage within the area and on individual buildings must be provided. However, most industrial areas limit sign type, location, and size.

8. Off-street parking and loading: Some of the most frequent problems that occur in industrial areas are concerned with car and truck parking and loading. Curbside parking requires substantially wider streets, and even then can cause congestion and conflicts with traffic flows. Off-street parking is required in virtually every industrial development.

   The amount of off-street parking required is generally determined by employment and visitor traffic, rather than type of use. A warehouse, for example, may have relatively few employees and visitors, therefore needing fewer parking spaces than labor-intensive assembly operations. However, the warehouse may require more space for truck maneuvering and parking. In older industrial districts, it is not uncommon for trucks to pull into streets while loading and unloading. This is the kind of problem that can be controlled with deed restrictions and building design specifications.

9. Landscaping: Most industrial areas require some form of landscaping to improve their appearance. When the minimum requirements are met, they have to be maintained by the tenant. If they are not, the covenants allow the developer to maintain landscaping and bill the cost to the tenant.

10. Other provisions: Any number of other restrictions can be imposed, depending on the character of the area and the interests of the developer. One common restriction is to require

construction within a certain period after the site is acquired to avoid vacant lots throughout the project. There may even be a provision by which the developer can cancel the lease and take back the property if construction does not take place within the specified time.

The lease document and the CC&Rs are essential tools for putting tenants into the industrial park. With a good quality of development and an effective marketing program, these tools will help the CCT to "make the sale."

This completes the Business Plan section of this report. A more detailed plan can be drafted when the decisions are made about the management organizational structure, how the development will be financed, and how the property will be marketed. It is strongly recommended that these decisions be made before development begins. Assistance in creating a more detailed Business Plan is available from the Economic Alliance, the Wenatchee Valley College, and other area resources.

Key Conclusions

Agriculture:

- Expand production of value-added products like fruit preserves, sauces, and dehydrated produce.
- Build on existing strengths for agricultural production and what grows well on the Colville Reservation.
- Identify sites with access to a sufficient workforce, transportation, and utility infrastructure for food processing.
- Emphasize organic produce, regional specialties, and heritage crops for fresh and processed products.
- Look for opportunities to develop agritourism that aligns with tribal values.

Target Light Manufacturing

- Seek companies to locate within the Omak Foreign Trade Zone and highlight tribal benefits like tax exemptions.
- Make a plan for workforce development in specialized manufacturing sectors.
- Diversify manufacturing activities related to value-added wood products and metal fabrication.
- Identify and develop more sites that can support manufacturing near infrastructure and within commuting distance from population centers.
- Pursue manufacturing with minimal ecological impacts that does not conflict with tribal values for land conservation.

Final Thoughts and Observations

There are other industries that could have considerable economic benefit to the tribe that were not fully discussed within this report during the analysis for this project and the district master plans the project team evaluated recreation and natural resource businesses and renewable energy production at the macro scale. To Follow in the appendix below information about tourism and renewable energy will be provided. For the old Mac district there is recreational opportunities that could be established quickly and at low cost. This will be discussed.

A brief section on renewable energy will be provided that takes an account Information that was gathered for the preparation of this report.

Another appendix will talk about opportunities at the former Colville Precision Pine Industries site located north of east Omak. This site has some advantages that are unique to the district and at above 100 acres maybe advantageous for industrial uses that require a larger footprint.