MASTER SITE PLAN

Colville Indian Reservation Districts (Inchelium, Keller, and Nespelem)

July 30, 2026

Prepared For:

Confederated Tribes of the Colville Reservation

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1.0 INTRODUCTION

The District Master Plan is a compilation of industrial business park plans for three of the four districts that comprise the Confederated Tribes of the Colville Reservation (CCT). These districts include Inchelium, Nespelem, and Keller. The Omak District Plan is provided in a separate report. The District Master Plan draws on findings and recommendations from the Reservation Districts' existing land use plans and combines these with public engagement and economic analyses. The purpose of the Plan is to create a strategic business and action plan and site plans to help guide future development and job creation for the Colville Tribes.

1.1 PLAN ELEMENTS

The District Master Plan includes an economic analysis, site plan, business plan, and action plan for the proposed industrial business park location in each district.

Economic Analysis: The economic analysis evaluates local and regional markets to identify potential demand, comparative advantages and disadvantages of the site, and target businesses that are likely to be interested tenants.

Site Plans: The site plans indicate a specific property for an industrial business park or commercial development in each district and provides a physical plan for development of the property. There are site plans for two-three industrial business parks and/commercial opportunity areas in each district.

Business Plan: The business plan outlines steps for constructing, marketing, and managing the industrial business park or commercial activity.

Action Plan: The action plan presents a matrix of implementation steps that outline actions, responsible party, and schedule to achieve the goals and outcomes outlined in the business plan.

After project initiation, Akana conducted site visits in March, May, and June 2022. These visits revealed that limited infrastructure exists to fully develop light industrial and business park campuses at the scale that was developed for the Omak District within the Inchelium and Keller District. While the Nespelem District has a smaller population than Omak, it has the ability to draw labor from the nearby communities that support the Grand Coulee Dam Complex there the ability to develop a light industrial project is potentially feasible.

Upon further study through the economic and marketing analysis prepared by EconNorthwest and the team's (Akana and MFA) review of the demographics and available labor force projections the focus of the analysis for the three districts evolved to determine what economic opportunities exist for these three districts. The stakeholder meetings for the individual communities or districts revealed that there was some interest for light industrial industries from the people who reside in

Inchelium and Keller, but the stakeholder felt that there are other issues more important for the communities, such as housing, highspeed internet, mobile phone coverage and more affordable and reliable energy. For the Nespelem District there was mixed but positive opinion about the development of a light industrial/business park development even though this district has the infrastructure that could support larger scale light industrial activities.

These scenarios resulted in the project team including the tribal proponents looking at economic opportunities scaled to the districts that were studied. The focus shifted to include community-based craft industrial and incubator office/flex spaces, commonly known as 'maker-markets/spaces. The analysis also showed that recreation is a viable underutilized economic industries on the reservation. For each of the Districts there are recommendations for capturing recreational opportunities

1.2 PROJECT BACKGROUND

The CCT Comprehensive Planning Department is seeking to develop economic opportunities for the CCT reservation through a regional market analysis of target businesses and the study and development of three industrial business parks or commercial areas that can accommodate new target businesses. This District Master Plan primarily assesses how light industrial development and small business centers can benefit CCT. The District Master Plan also considers other economic development, like recreation opportunities and commercial business growth, that can support new industrial business parks.

In late 2002, the CCT was awarded an Industrial Site Readiness grant from the Washington State Department of Commerce for a 60-acre property in east Omak to develop a business and industrial park as part of a strategy to provide more employment and training opportunities for tribal members, encourage investment and improvement in the quality of the built environment, increase the capacity of the CCT to guide their own economic future, and diversify economic opportunities to provide greater regional stability through fluctuations in market cycles. Since development of the draft update plan for Omak, the two wood-based manufacturing centers, Colville Indian Plywood and Veneer and the Colville Indian Plywood and Veneer Mill both were destroyed by fire and closed, thus shifting the economic focus for the Colville Tribe. This District Master Plan focuses on economic opportunity in Inchelium, Nespelem, Keller in light of recent manufacturing center closures.

1.3 PURPOSE

The purpose of the District Master Plan is to create strategic business and marketing plan recommendations and conceptual site plans to help guide future development and job creation for the Colville Tribe, with a particular focus on providing light industrial and business space in each of the three districts scaled to the size and demographic character of these communities. The intent of the District Master Plan is to help do the following:

- Diversify on-reservation economic opportunities.
- Identify infrastructure requirements to support new and existing businesses.
- Establish recommendations for structure types, and suggest design standards for future business and industrial development that reflect the communities in which they would reside.
- Reduce investment risk.
- Create industrial business park and commercial site plans that conform with the comprehensive plan.

This District Master Plan, an outgrowth of the planning that the tribe has conducted to date, includes additional outreach to assess the current conditions and members' opinions across the three areas, Inchelium, Nespelem, and Keller. In December 2022, consultants Akana, ECONorthwest, and Maul Foster and Alongi, Inc., conducted assessments of the viability of developing business or industrial park master plans for the districts of Nespelem, Inchelium, and Keller using the model developed for Omak. The goal of this master planning effort is to create the vision that the communities in each district desire and achieve District-level economic goals through the development of a District Master Plan for an industrial business park or commercial development in each district.

Industrial Business Park/Commercial Sites

An Industrial business park could house a variety of industrial and commercial businesses depending on the location and surrounding land uses. For example, the new industrial business park in Omak is likely to support 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, block chain warehouses, metal and plastics manufacturing (CCT n.d.a). Through market and site analysis, the District Master Plan seeks to identify target businesses for each District at the proposed industrial business park/commercial site locations, scaled to the communities they would serve.

2.0 ABOUT THE COLVILLE RESERVATION

The Confederated Tribes of the Colville Reservation is a Sovereign Nation. Presidential Executive Order established the Colville Indian Reservation in 1872, with a land base of 1.4 million aces, located in North Central Washington State.

Today, more than 9,322 descendants of 12 aboriginal tribes are enrolled in the Confederated Tribes of the Colville (Tribal Tribute 2022).

The twelve tribes that compose the Confederated Tribes of the Colville Reservation include:

- šč̓ələ́mxəxʷ (deep water) or Chelan
- walwáma (Wallowa people) or Chief Joseph Band of Nez Perce
- sxʷyʔiłp (sharp pointed trees) or Colville
- šntɬ̓yátkʷəxʷ (grass in the water) or Entiat
- snʕáyckst (speckled fish) or Lakes
- mətxʷu (blunt hills around a valley) or Methow
- škwáxčənəxʷ (people living on the bank) or Moses-Columbia
- nspilm (prairie) or Nespelem;
- uknaqin (seeing over the top) or Okanogan;
- palúšpam (people from Palouse) or Palus;
- sənpʕʷilx (grey mist as far as one can see) or San Poil; and
- šnpəšqʷáwsəxʷ (people in between) or Wenatchi.

2.1 RESERVATION LOCATION

The reservation is approximately 70 miles west to east and 35 miles north to south. It is bounded on the west by the Okanagan River and on the east and south by the Columbia River. It is divided into four districts based on traditional tribal territories. From west to east, these are the districts of Omak, Nespelem, Keller, and Inchelium. The reservation has over 470 unmarked sacred sites known only to tribal elders and tribal cultural resources coordinators.

The reservation is bisected by State of Washington county lines, with the Omak and Nespelem Districts within Okanagan County on the western half, and the Keller and Inchelium Districts

within Ferry County on the eastern half. The Colville Reservation is approximately 130 miles from Spokane and approximately 250 miles from Seattle (see Figures 2-1 and 2-2).

Figure 2-1 Confederated Tribes of the Colville Reservation Location within Washington State

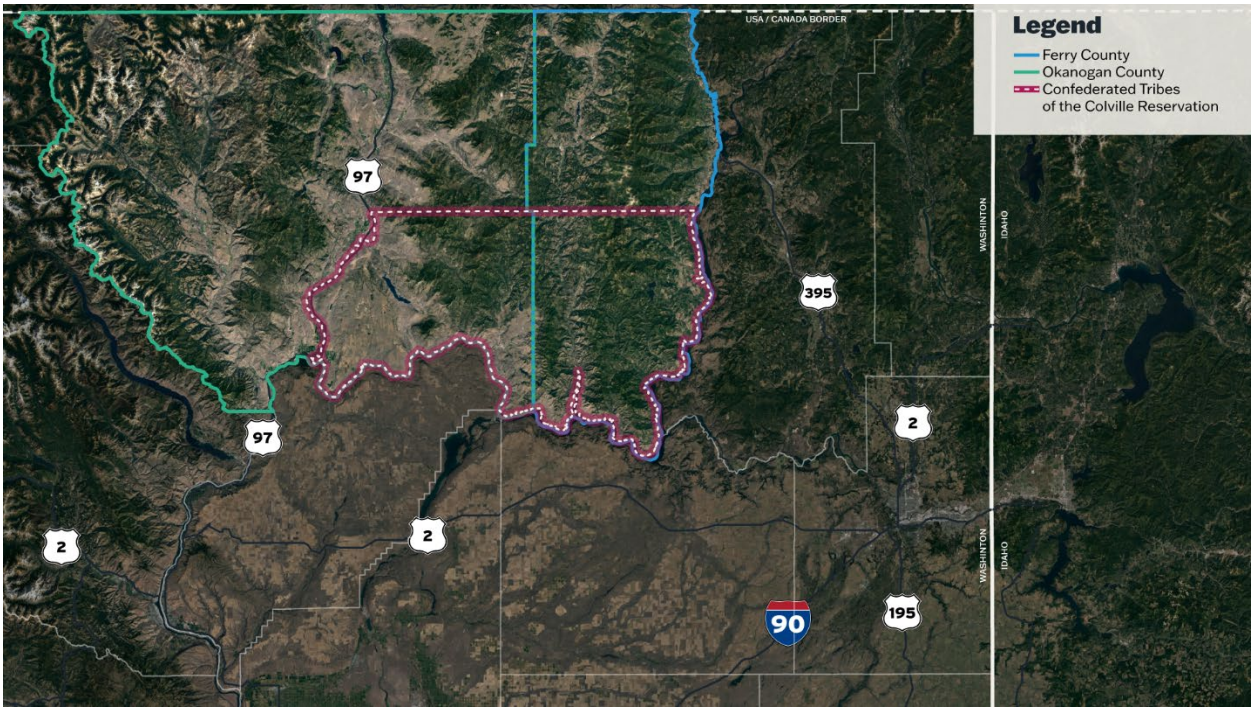
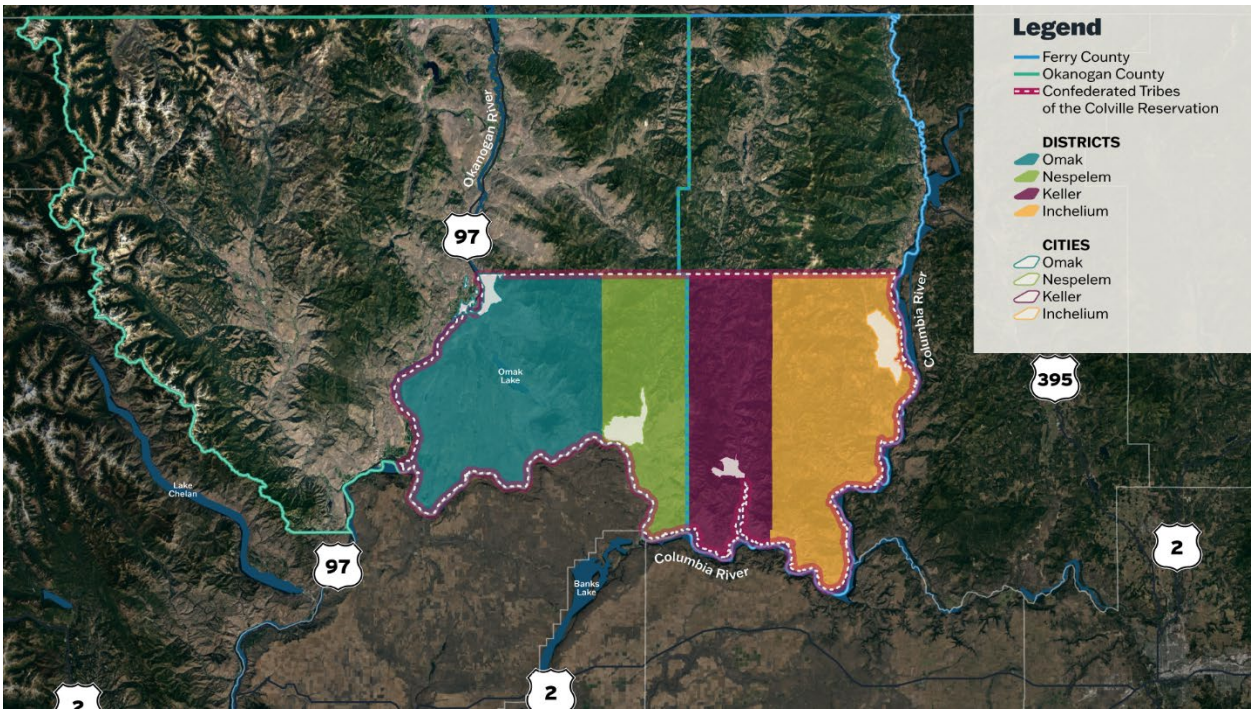


Figure 2-2 Districts of the Confederated Tribes of the Colville Reservation



The Omak District is the westernmost district and is bordered on the west by the Okanagan River. Omak is mostly dry, arid land, with the City of Omak located just outside the reservation border. The Omak District is evaluated separately and is not further discussed in this Master Plan.

The Nespelem District is centrally located on the Reservation. This district is the Colville tribal headquarters and is home to the Nespelem Agency campus and the Town of Nespelem.

The Keller District is the smallest and most isolated district within the Colville Reservation. Keller is surrounded by rugged mountains, green timber growth, and the San Poil River to the east.

The Inchelium District is the easternmost district within the Colville Reservation and shares many of the same geographical traits as the Keller District. Inchelium is surrounded by dense woodlands and agricultural lands with Lake Roosevelt to the east, making access difficult due to mountain passes in nearly every direction (see Figure 2-2).

2.2 RESERVATION HISTORY

As white European descendants began to move west in the 1800s, the U.S. Government began to create reservations to restrict access to land and natural resources. The Colville Indian Reservation has suffered many geographical setbacks since its establishment by Executive Order on April 9, 1872. Over 100 years, the lands dedicated to the Colville Indian Reservation, which started as more than 2.8 million acres, dwindled due to executive orders by the U.S. Government, trades of territory made by then chiefs, and sales of land by members of the Tribes. U.S. Government decisions to engineer and dam the Columbia River further restricted Tribal economic opportunities once they had settled into a smaller territory of approximately 1.5 million acres.

2.3 CCT LONG RANGE PLANNING

Planning on the Colville Reservation has developed over the decades since the adoption of the General Comprehensive Plan in 1988[1], Planning efforts originally focused on permitting and oversight, but over time, the CCT applied more resources to long-term planning and hired dedicated staff to identify opportunities and a future vision.

CCT planning staff have led several planning efforts, including a 2017-2021 Comprehensive Economic Development Strategy (CCT n.d.a), 2018 Parks and Recreation Plan, 2020 Comprehensive Housing Plan, and the Comprehensive Plan 2020-2040 (CCT n.d.b). These plans were reviewed for this project.

[1] The 1988 plan is referred to in the 2020-2040 CCT Comprehensive Plan. The 1988 plan was not available for review

Several other reports compiled by other Coville tribal departments included, the CCT Integrated Resource Management Plan 2015, the CTT 2015 Forest Management Plan, CTT 2015 Agricultural Resource Management Plan and the CCT 2019 Long Range Transportation Plan were also reviewed for the preparation of this plan.

2.3.1 2020-2040 CTT Comprehensive Plan

The CCT Comprehensive Plan is unique in Indian Country in that it is modeled voluntarily after the comprehensive plans produced by surrounding communities in conformance with the State of Washington Growth Management Act (GMA). While the Colville Tribe is not bound by the GMA, the Act provides a planning blueprint for local communities, and CCT Planning chose to model their planning effort on the GMA. ~~The 2020-2040 Comprehensive Plan was the first major comprehensive planning update since the adoption of the General Comprehensive Plan by the Colville Business Council (CBC) in 1988 (CCT Planning n.d.b).~~

The CTT Comprehensive Plan updated the broad outreach and strategic planning process of the original 1988 comprehensive plan, providing information and next steps in areas such as land use, economic development, housing, parks and recreation, transportation, and capital facilities and utilities.

Following are economic development goals and objectives that apply to the Colville Reservation as listed in the CTT Comprehensive Plan.

- Objective 1.1. Intensification of development in existing areas to encourage sustainable economic development practices through mixed-uses, infill development, and green infrastructure.
- Objective 1.2. Consider isolated cottage industries and small-scale business industries in harmony with the rural character of the land.
- Objective 1.3. Designate and create small-scale recreational and tourist uses of the land to promote the economic industry.
- GMA Goal #7. Maintain and enhance natural resource-based industries, including productive timber, agricultural, and fisheries industries. Encourage the conservation of productive forest lands and productive agricultural lands and discourage incompatible uses.
- 2015 Integrated Resource Management Plan (IRMP) (CCT 2015) Timber/Forestry Goal 2. Maintain a sustainable forest products industry to provide revenue for the Colville Tribes and economic benefits for the people of the Reservation. A downturn in the housing market and other wood product consumption caused the Tribe to shutter its lumber and plywood

mills (CCT Planning n.d.b). Their re-establishment is further compromised due to destruction of both industrial properties by fire.

2.3.2 Comprehensive Economic Development Strategy (CEDS)

The CCT Planning Department regularly produces a Comprehensive Economic Development Strategy (CEDS). The 2017-2021 CEDS report designates funding for multiple development projects over a 5-year period. The goal is to update the schedule on a 5-year schedule. The purpose of the CEDS is to strengthen and sustain the regional economy and provide coordination of economic growth and economic diversification for the four districts and surrounding municipalities (CCT Planning 2016).

The 2017-2021 CEDS laid the groundwork for greater collaboration among the four districts of the CCT, the municipalities on the reservation, the adjoining counties (Chelan, Douglas, Okanogan, Ferry, and Grant), the towns and municipalities nearby (including the incorporated communities of Nespelem, Coulee Dam, and Elmer City), and partner agencies such as development agencies and area institutions of higher education where the Tribe has economic interests and off-reservation Tribal properties. The action plan in the CEDS included a list of 17 projects in various stages of readiness, along with tasks and measures to evaluate progress toward goals (CCT Planning 2016).

In 2016, The Planning Department conducted outreach and surveys leading up to the adoption of the CEDS. Following is a summary of public feedback provided in response to outreach and surveys during the CEDS adoption process:

- The survey asked participants what the top five priorities should be for their community and/or the Reservation. The top five responses include: manufacturing, agriculture, entrepreneurism, construction/development, and recreation and tourism.
- Community engagement efforts as part of adopting the 2017-2021 CEDS revealed that communities of the reservation are making a push for strip malls with an incubator model where entrepreneurs would be offered commercial space under the going market rate.
- CCT Planning surveyed community members and employees of the Colville Tribes, asking them to rank in importance criteria considered when deciding where to purchase or rent a home. Access to high-speed internet ranked 1st among 18 different community characteristics. The 2017-2021 CEDS reported ~~note~~s that addressing broadband connectivity is important for business retention, economic development, supporting new employment opportunities, and educational opportunities (CCT Planning 2016)[2].

[2] In October 2022, CCT applied for and received a $48.4-million federal grant to construct internet infrastructure across the Colville Reservation to be completed over the following five years.

2.3.3 2018 Colville Confederated Tribes 10-Year Parks & Recreation Plan

The 2018 Colville Confederated Tribes 10-Year Parks & Recreation Plan (CCT Parks & Recreation 2018) defined goals and objectives for the reservation, summarized public outreach and engagement, analyzed demand, and needs as well as current status, and provided a road map for capital improvements that the Colville Tribe has been following.

- Residents and visitors responding to a survey in support of the 2018 Colville Confederated 10-Year Parks & Recreation Plan indicated they would like the following features: playgrounds, trails, swimming areas, shooting ranges, camping sites, day use parks, ATV parks, and boating facilities.
- Nespelem and Keller Districts both indicated a strong desire for development of a shooting range with safety classes and hunting practice. Shooting ranges for these districts are included in the capital improvement project component of the 10-year plan.

2.4 CCT LAND USE CODE AND ZONING

The Colville Reservation practices non-Euclidean zoning. This approach allows for adaptable and flexible use of land. It is often used in planned unit developments (PUDs) and similar zoning situations that promote creation of open space, mixed-use housing, and development flexibility.

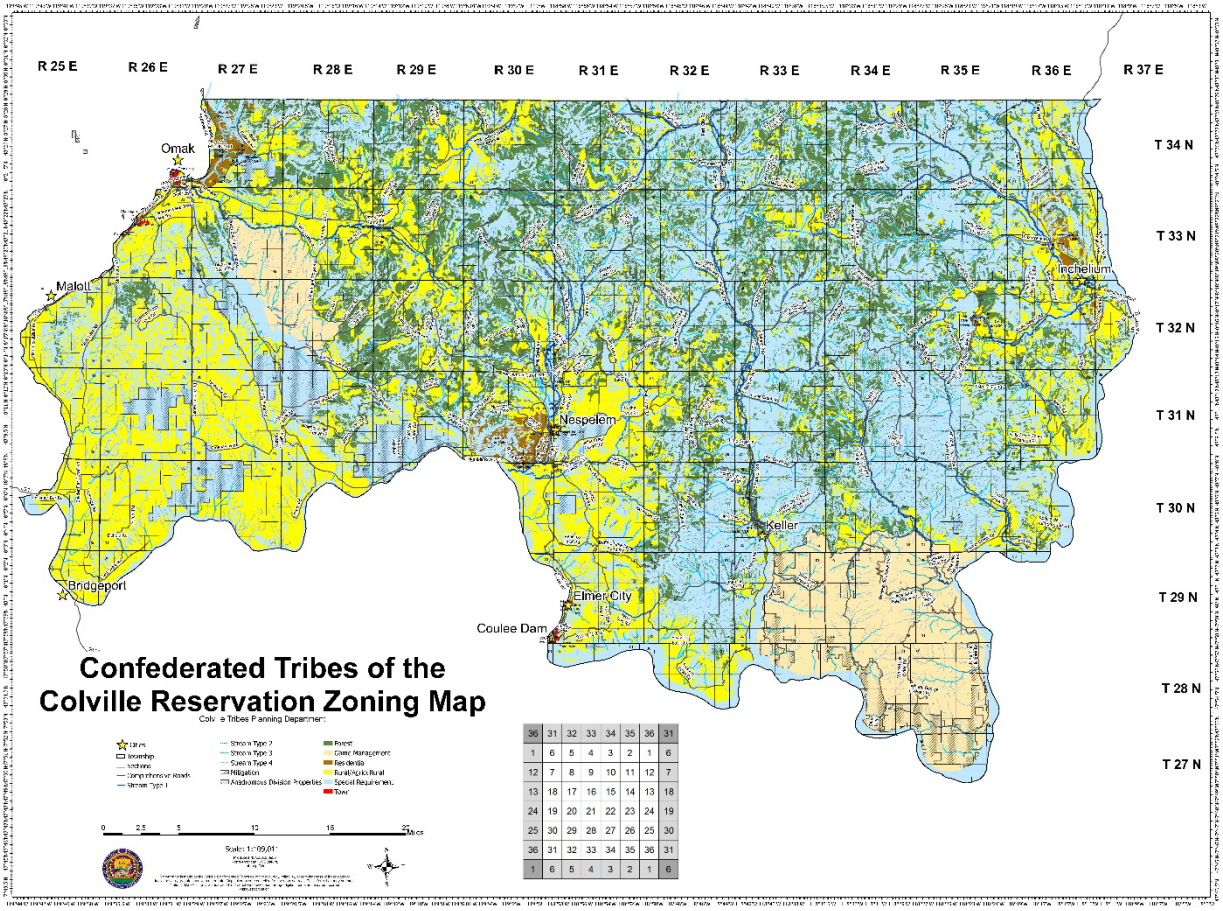
The CCT Comprehensive Plan reports that an effort is underway to refine land use development processes as well as update the Tribe's generalized zoning map to specifically associate parcels with a land use zoning category (CCT Planning n.d.b). Zoning designates land for different uses such as residential, commercial, industrial, and institutional so that complimentary uses are grouped together, and property owners have a clear idea of how land may be used and developed. As reported in the CCT Comprehensive Plan, the effort to refine the Tribe's zoning map was identified as a remedy for past instances in which property owners were hindered midway through the development process because the property use under development seemed to conflict with surrounding existing uses (CCT Planning n.d.b).

CCT Code regulates development and use of existing buildings, based upon the objectives and policies of the CCT Comprehensive Plan. Section 4-3-40 of CCT Code establishes zoning districts. All land and water areas subject to regulation of the Confederated Tribes of the Colville Reservation are divided Zoning Districts. Zoning districts are shown on the official zoning map in Figure 2-3. No changes can be made to the zoning map without approval by resolution of the Colville Business Council. Per CCT Code 4-3-41. The Zoning Districts are designated as follows:

- Residential (R)
- Commercial (C)
- Rural/Agricultural (RU/AG)
- Forest (F)

- Game Management (GM)
- Industrial (I)
- Wilderness (W)
- Special Requirement (SRD)

Figure 2-3 Confederated Tribes of the Colville Reservation Zoning Map



2.4.1 Industrial Zoning District

The Industrial Zoning District is intended to provide adequate and appropriately located land for the types of manufacturing and other industries which normally have characteristics objectionable to residential, commercial, and even to certain agricultural uses, and are placed at locations remote from residential and certain other districts (CCT 4-3-49). Permitted uses in an industrial zoning district with a zoning permit include:

1. Forest and timber production
2. Agricultural supplies, machinery, and equipment sales
3. Automobiles, mobile homes, boat, motor sales, and travel trailer sales and service agencies

4. Automobile service stations
5. Storage, grading, freight, and truck yard or terminals
6. Farming, gardening, orchards, vineyards, and grazing
7. Feed, seed, and garden supplies
8. Fuel distributor
9. Glass sales and installations
10. Nursery or greenhouses
11. Professional, executive and administrative offices
12. Veterinary clinic and/or kennels
13. Airports
14. Wholesale business, storage buildings and warehousing
15. The manufacturing, processing, compounding, packaging or treatment of such products as drugs, bakery goods, food, candy, beverage products, dairy products, cosmetics, and toiletries
16. The manufacture, assembly, compounding or treatment of articles or merchandise from the following materials: bone, cellophane, canvas, cloth, cork, feathers, felt, fiber, fur, glass, hair, horn, leather, metal, paper, plastics, precious and semi-precious minerals, shell, textiles, tobacco, wood, yarns, and paint
17. Uses customarily incidental to any of the above listed, including dwellings or shelters for the occupancy of guards, watchmen, or caretakers, or dwelling for the occupancy of the operators and employees necessary to the operation

Some industrial uses also require a conditional or special use permit in the Industrial Zoning District given the likeliness of odor, dust, smoke, noise, fumes, vibration or hazard. Conditional of special uses in the Industrial Zoning District include:

1. Acid manufacturer
2. Asphalt manufacture, mixing or refining
3. Blast furnaces or coke ovens
4. Cement, lime, gypsum, or plaster of paris manufacture

5. Drop forge industries; (6) Explosives, storage or manufacture
6. Reduction or disposal of garbage, offal or similar refuse
7. Oil refining
8. Rock crushers
9. Rubbish or refuse dumps
10. Rubber reclaiming
11. Smelting, reduction or refining of metallic ores or any other type of natural resources
12. Tanneries
13. Wineries
14. Manufacturing of industrial or household adhesive, glues, sizes, or cements, or component parts thereof, from vegetable, animal or synthetic plastic materials

2.4.2 Commercial Zoning District

The Commercial District is intended to provide for business establishments serving the needs of area residents, especially retail and service businesses (CCT Code 4-3-45). Permitted uses are intended to create a business district free from conflicting uses. The following uses are permitted upon the issuance of a zoning permit.

1. Retail and wholesale sales
2. Professional offices, such as, finance, insurance, and real estate services
3. Business services including any warehousing and storage services
4. Eating and drinking establishments
5. Churches
6. Automobile filling stations and parking
7. Motels and hotels
8. Indoor and outdoor recreational uses

Some commercial uses also require a conditional or special use permit . Conditional and special uses include:

1. Charitable institutions and orphanages
2. Fraternal organizations, lodges, grange halls, and clubs
3. Hospitals, sanitariums, nursing homes, and institutions for philanthropic and similar uses, other than correction
4. Light manufacturing clearly incidental to a retail business lawfully conducted on the premises and not prohibited in the Industrial District

2.4.3 Zoning Requirements and Unzoned Areas

The requirements set by CCT Code within each zoning district apply uniformly to structures or land. The zoning designations create structural and use restrictions to be imposed upon the owners of real estate within the prescribed zoning district. No building, structure, or land can be used or occupied and no building or structure can be erected, constructed, reconstructed, moved, or structurally altered except in conformity with all of the regulations specified for the zoning district in which it is located (CCT Code 4-3-41).

Although CCT Land Use Code specifies which uses are allowed in specific zoning districts, not all areas of the reservation have been officially zoned. In areas without zoning, land ownership and determination of appropriate uses will be the most important considerations for land use. The zoning map update may still be underway and the zoning designations for each proposed industrial business park are not known. Each proposed location is within a developed section of Inchelium, Keller, and Nespelem that is likely compatible with either industrial or commercial uses. When the preferred locations and target businesses are selected, it is recommended to review the property's zoning before beginning the permitting process to ensure the future uses are allowed and compatible.

2.5 DEMOGRAPHICS

ECONorthwest performed an economic analysis including research on demographics to support the District Master Plans for the three district areas. ECONorthwest developed two reports. Demographic analysis is presented in Appendix A (ECONorthwest 2023a); market analysis of targeted industries is presented in Appendix B (ECONorthwest 2023b). The following paragraphs summarize findings from the economic analysis and targeted industries reports.

The Colville Reservation is primarily in two counties, Ferry County (home to Inchelium and Keller districts) and Okanogan County (home to Nespelem and Omak districts). This section summarizes population and household information from ECONorthwest's economic analysis (ECONorthwest 2023a).

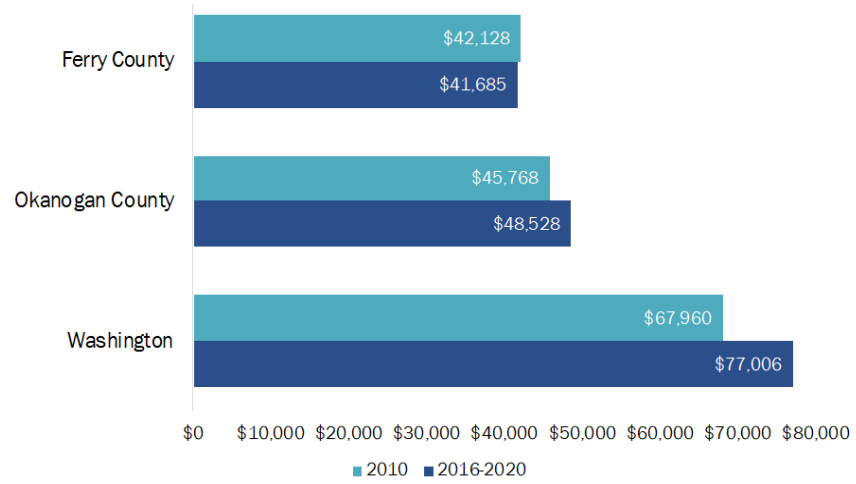
Population: Ferry County has a much smaller population than Okanogan County. In 2021, Ferry had only 7,250 residents compared to 42,350 residents in Okanogan. Ferry County is the fourth least populated of Washington's 39 counties (ECONorthwest 2023a).

Growth: Okanogan and Ferry Counties grew more slowly than the population in Washington or other counties in the region since 2000. Ferry and Okanogan Counties increased in population by 0% and 7% respectively between 2000 and 2021. Between 2020 and 2040, the population in Ferry and Okanogan Counties is expected to increase by 3% and 6%, respectively, a smaller percentage than anticipated for the state population (ECONorthwest 2023a).

Household Size: Ferry and Okanogan counties decreased in household size since 2000. Both counties had smaller average household sizes than the state average of 2.53 persons per household with 2.34 and 2.29 persons per household, respectively in 2016-2020 (ECONorthwest 2023a).

Median Household Income: In Ferry and Okanogan Counties, median household income is significantly lower than in the State. In 2016-2020, median household income in Ferry County was $41,685 while in Okanogan County it was $48,528. In comparison, median household income in Washington over the same period was $77,006. Median household income in Ferry and Okanogan Counties was lower across all race and ethnicity groups compared to the State. When adjusting for inflation, median income in Ferry decreased from 2000 to 2020 and grew by only 6% in Okanogan County; median income in Washington state grew by 13% in the same period (ECONorthwest 2023a) (see Figure 2-4).

Figure 2-4 Inflation Adjusted Median Household Income (2020 Dollars), Primary Market, and Washington, 2000, 2010, and 2016-2020



Source: ECONorthwest 2023a.

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

2.6 EMPLOYMENT AND WORK FORCE

The economic analysis by ECONorthwest revealed the following jobs and employment trends for Okanogan and Ferry Counties and Washington State.

The prime working age population is expected to continue declining. In Okanogan and Ferry Counties between 2020 and 2040, population above age 65 is anticipated to grow between 3% and 1%, respectively, and the prime working age populations between 20 and 65 years old are forecast to continue to decrease (ECONorthwest 2023a, Appendix A).

Within the CCT reservation, there are 322 registered businesses. The largest employment sector is public administration, comprising 712 jobs, many of which are jobs with the tribal government. The second-largest employment sector is Health Care and Social Assistance (CCT Planning n.d.b).

The 2017-2021 CEDS included a Strength, Weakness, Opportunity, and Threats (SWOT) Analysis for the Colville Reservation (CCT Planning 2016). Figure 2-5 shows the SWOT analysis for the Colville Reservation; SWOT analyses for each district follow in Section 3.

Figure 2-5 SWOT Analysis Matrix for Colville Confederated Tribes from the 2017 Comprehensive Economic Development Strategy

Strengths	Weaknesses
+ HUBZone status + Accelerated depreciation + Tax incentives (Opportunity zones, carbon credits, new market tax credits	+ Limited outside resources + Multiple levels of jurisdiction + Infrastructure (old or nonexistent) + Terrain
Opportunities	**Threats**
+ Multiple economic industries + Large rural lands + Infrastructure + Funding opportunities (grants)	+ Natural disaster + Potential for monopoly of industry + Challenge of financing desired investment

Source: Comprehensive Economic Development Strategy 2017–2021 (CCT Planning 2017)[3]

2.6.1 Tribal and Regional Economic Analysis

The Colville Confederated Tribes Master Site Development Plan Tribal and Regional Economic Analysis (Tribal and Regional Economic Analysis) identified key regional specialization in the region and by county, which serves as a rough proxy for the districts in this District Master Plan. Within the region, farming, fishing, and forestry, as well as life, physical, and social science occupations had the highest concentrations. Wood products, forestry, and hospitality and tourism are the top employment clusters (EcoNorthwest 2023a, Appendix A).

+ **Ferry County:** In Ferry County (Inchelium and Keller districts), agriculture, forestry, fishing, hunting, and government occupations were reported at higher levels than for the state. The government occupation was considered mature with declining jobs, while the other sectors are growing. Emerging industries in Ferry County include information, professional and technical services, administrative and waste services, healthcare and social assistance, and retail trade, as well as a strong cluster in communications equipment services.

+ **Okanogan County:** In Okanogan County (Nespelem and Omak districts), agriculture, forestry, fishing and hunting, utilities and arts, entertainment, and recreation, as well as government and metal mining are concentrated. Agriculture, forestry, fishing, and hunting are mature industries with declining job growth, and the others are considered to be growing in employment.

[3] Note: A U.S. Small Business Administration program known as Historically Underutilized Business Zones, or HUBZones, provides contracting assistance to small businesses located in economically distressed communities to promote job growth, capital investment and economic development. The federal government plans to award three percent of all dollars for federal prime contracts to HUBZone-certified companies each year.

Figure 2-6 provides a graphical representation of industry strength by location quotient for the two counties. Location quotient is an indication of competitive advantage and likelihood of attracting new firms in that sector to the region.

2.6.2 Market Analysis of Targeted Industries

The Market Analysis of Targeted Industries memorandum prepared by ECONorthwest to inform the District Master Plans identified five target industries as providing the strongest support for future economic development for CCT: tourism, agriculture processing, natural resource-based businesses, light manufacturing, and small retail trade (ECONorthwest 2023b, Appendix B). These industries were strategically selected as opportunities for new economic development that align with tribal values based on input received from Colville tribe members during public engagement activities in support of the District Master Plans project. Following is a summary of the memorandum (ECONorthwest 2023b, Appendix B) for each of the five targeted industries.

Figure 2-6 Industry Cluster Strength in Ferry and Okanogan Counties in 2021

Location Quotient	High Employment (more than 50 employees)		Low Employment (but more than 10 employees)	
	Ferry	Okanogan	Ferry	Okanogan
High	+ Agriculture, forestry, fishing and Hunting + Government, federal and local	+ Agriculture, forestry, fishing and Hunting + Government, federal and local + Arts, entertainment and recreation	+ None	+ Utilities
Low	+ Construction + Trade, transportation, and warehousing + Health care and social assistance + Accommodation and food services	+ Construction + Manufacturing + Trade, transportation, and warehousing + Information + Finance and Insurance + Real estate and rental and leasing + Professional and technical services + Administrative and waste services + Environmental services + Health care and social assistance + Government, state	+ Information + Finance and Insurance + Real estate and rental and leasing + Professional and technical services + Administrative and waste services + Other services + Government, state	+ None

Source: Modified from CCT Planning 2017

Tourism

Previous planning efforts and recent engagement show there is an interest in developing new tourism opportunities (including ecotourism)[4] expanding and improving existing outdoor and indoor recreation facilities and developing new services near population centers that would serve tourist visiting the Reservation as a destination or traveling through. Developing the outdoor recreation and ecotourism industry can align with the tribe's culture and values, including stewardship of the natural environment and cultural preservation. Gaming as recreation is a high revenue generator for Tribe and is a high priority economic asset. The Colville Reservation has existing ~~resources~~ facilities to build on such as the 12 Tribes Casino and Hotel, rodeo grounds, campgrounds, and outdoor recreation attractions.

A dedicated museum highlighting the Colville Tribe's history and culture is an opportunity to strengthen the tourism industry on the Reservation in a way that advances other tribal goals for environmental stewardship and cultural preservation. In addition to exhibition areas, museums can offer amenities like cafes and gift shops.

Growth in revenue is expected nationally for camping and museums. Campgrounds and RV parks are expected to see revenue growth in the next five years at an annual rate of 1.9%. Museums are expected to see revenue growth of 1.5% in the next 5 years. To maximize visitation and revenue, tourist activities should be collocated in high-traffic areas. This will make it easier for visitors to access multiple attractions and increase the likelihood of repeat visits.

Agricultural Processing and Produce Wholesaling

There is higher employment in agriculture compared with most other employment sectors in Ferry and Okanogan Counties. Wages in agriculture, forestry, fishing, and hunting tend to be lower than average. In further developing the agriculture sector, the Tribe should focus on investing in opportunities that will pay higher wages.

Growth in revenue is expected nationally for wholesale of fruit and vegetables (by 0.4% per year), while fruit and vegetables processing is expected to decline nationally (by 0.5% per year). Organic specialty products with distinct marketing are more likely to be successful. Specialty branding and diverse products can help companies be successful at marketing their products.

Expanding production of organic and value-added products like fruit preserves, sauces, and dehydrated produce can help diversify the Colville Tribe's existing agriculture industry. This will create opportunities to develop unique, locally sourced products with a specific brand. Additionally, developing agritourism that aligns with tribal values can create additional

[4] Ecotourism is a form of nature-oriented tourism intended to contribute to the conservation of the natural environment, generally defined as being minimally impactful, and including providing both contributions to conservation and environmental education.

opportunities like guided tours of agricultural sites, farm-to-table dining experiences, or workshops on traditional agricultural methods.

Natural Resource-Based Businesses and Renewable Energy Production

Timber harvesting and mining have been a large part of the Colville Tribe's local economy. However, CCT has been shifting away from heavy wood product manufacturing, including a decision to close multiple lumber mills. Renewable energy production and sustainable wood products are potential focuses for the Tribe going forward.

Demand for renewable energy is likely to increase in coming years as transportation becomes electrified and climate change mitigation strategies become more prevalent. Federal and state support for reducing carbon emissions provide promising options for funding sources and reduced upstart costs as renewable energy technology becomes more affordable.

The solar energy industry is growing across the United States and in Washington, with a number of incentives and potential support from federal and state governments. Revenue in biomass power is expected to grow modestly in the next 5 years at a rate of 0.6% per year across the United States. However, wages and employment are expected to grow at double this rate.

The largest limiting factor for renewable energy production is storage and transportation. Although energy storage is a challenge, the industry is currently developing new energy storage projects across the country. Collocation with energy distribution infrastructure and transport of biomass and solar power is a critical component of this industry.

Woody biomass has secondary benefits for forest conservation and management. Clearing forest floors is a part of forest management that can help to prevent wildfires and provide fuel for biomass energy production. Since timber harvesting is already an industry established on the Colville Reservation, it is likely that the Tribe would be able to use byproducts from these activities for biomass power generation.[5]

Light Manufacturing

The Colville Confederated Tribes have identified two large sites in Omak for manufacturing activities, indicating that this will likely be a new opportunity area to expand industrial businesses. Some of the most promising manufacturing industries identified in previous planning efforts include value-added wood products and metal fabrication.

The wood products industry is expected to see modest revenue growth in the next five years (0.7% per year), but there is a growing range of value-added products. The Colville Tribe has a history of

[5] The biomass energy industry utilizes bio-waste from a fuel source such as, timber harvesting, and converts the waste via the direct combustion and through thermal conversion (steam generated turbines).

producing lumber, plywood, and veneer, but has faced challenges related to wildfires and shifting demand in recent years. Today, the construction industry is the largest consumer of wood products. Diversifying types of value-added wood products can increase resilience to changes in the residential building industry. The Pacific Northwest region's urgent need to supply more housing is also likely to see increased interest in modular and manufactured housing as well as traditional construction. Although transportation of fully assembled mobile homes is difficult and costly, the Tribe could pursue specialization in mobile home components as part of a distributed manufacturing system. The Tribe could also explore value-added wood manufacturing beyond building materials, including furnishings, household items, wood pellets, and other products.

Metal fabrication is a diverse industry that encompasses a wide range of products with different manufacturing processes. This can include forging, stamping, cutlery and hand tool production, structural steel fabrication, prefabricated metal buildings, metal window and door manufacturing, sheet metal work, metal container production, hardware manufacturing, and wire production.

The development of a dependable energy source by the CCT could serve as a powerful incentive for recruiting companies with high energy requirements, such as metal fabrication. The industry typically demands high energy to melt, form, and assemble metals. As the CCT seeks to expand its renewable power generation capability, this could attract more metal fabrication firms to the area.

Another area of manufacturing that is growing is a result of the COVID crisis: recreational vehicle assembly. In the Pacific Northwest, many smaller communities have captured this manufacturing due to the availability of skilled and semi-skilled labor as the building materials industry softens.

Small Shared-Space Retail Trade

Shared space would align with interests expressed in the Comprehensive Plan for incubator retail space that is accessible to startup businesses at an affordable cost. The Reservation operates small community stores in Keller and Inchelium, a trading post in Nespelem, and three Colville Fuels locations. Although wages for retail workers tend to be lower than average in the primary market area, developing more commercial spaces that provide opportunities for entrepreneurs to sell locally manufactured products could build momentum for more small businesses on the Reservation. Small retail trade does not require a large site and can easily be collocated with other uses. Collocation is an important consideration, as retail shops depend on high foot or car traffic. New space for small retail trade could also be used as community halls and event rental facilities. For in-person customers, the emphasis should be on creating unique customer experiences that attract visitors near high foot traffic areas. Additionally, an online sales platform can increase the reach of the retailers.

3.0 DISTRICT PROFILES

Each district profile contains a description of the district, a series of four maps describing the Project Area, an overview of community values and development goals, a review of existing conditions, and summary of economic opportunities. The map series includes the following four maps in each district profile: Points of Interest, Existing Land Use, Parcel Ownership, and Flood Hazard Areas. Each map shows an advantageous and compatible project area determined by the CCT Planning Department – with Stakeholder engagement – for siting an industrial business park or commercial development, and two or three specific locations within the project area for proposed development. These conceptual site plans illustrate the degree of development that may be feasible within each district.

Additionally, this section shares the findings from workshops conducted in December 2022 regarding members' opinions on strengths, weaknesses, opportunities, and threats (SWOT) for each district. The responses from the December 2022 workshops were compared to the SWOT analysis conducted by Eastern Washington University as an input to the CEDs (CCT Planning n.d.a). For each SWOT table in Sections 4.1.2, 4.2.2, 4.3.2, and 4.4.2, where the December 2022 SWOT element and the SWOT elements identified in the CEDS overlapped, the element is marked with a blue bold font. Site plans for each District's industrial business parks are included in Appendix C.

3.1 INCHELIUM DISTRICT

The Inchelium District is the furthest eastern district within the Colville Reservations and shares many of the same geographical traits as the Keller District. Inchelium is surrounded by dense woodlands and agricultural lands with Lake Roosevelt to the east. Access is difficult due to mountain passes in nearly every direction (CCT Planning n.d.b).

Some new retail services are located in the area south of town at the crossroads on the road to the ferry landing, and where the old Pine Cone Café was located. Many of the local businesses are owned by tribal individuals. A local distribution center buys in bulk and sells at cost to local businesses. There is a home manufacturing and production plant that also manufactures "tiny homes."

Two industrial business park locations are identified for this district. Both sites are located in the southern end of the district. The figures that follow depict the location of these properties as Inchelium Site I and Inchelium Site II. Conceptual site plans, descriptions of projects at each site, and rough order-of-magnitude (ROM) development cost estimates are described at the end of this section and in Appendix C. The site recommended for an industrial business park in the Inchelium District is adjacent to a historical mill-wood trim facility that can be accessed from Big Creek Road to the north. The Tribe's Fish and Wildlife office and equipment storage areas, a telecommunication switch building and a private open structure equipment yard are co-located on the property. A

shared community business site is located adjacent to Big Creek Road south of the property. The Inchelium Community Store abuts the property to the east (see Figure 3-1).

Additionally, a third potential industrial area was evaluated for the District. This parcel of land, located at the intersection of Inchelium Kettle Falls Road and Hall Creek Road, is greater than 12 acres and is used as a gravel yard for the Tribe's Public Works Department. This site was removed from consideration due to the absence of available water and sanitary infrastructure.

3.1.1 Existing Conditions

According to census data, the Inchelium Census-Designated Place (CDP) has a population of 409. The Inchelium Valley, however, has closer to 2,000 people. The median age is 38.3 and median household income is $37,574 in the Inchelium CDP. Over 50 percent of people (181 people) over the age of 16 are in the work force. Native Americans make up the majority of Inchelium residents at 78.5 percent while non-minorities come in second at 14.2 percent (CCT Planning n.d.b).

Table 3-1 Inchelium Summary of Population and Employment

	Inchelium CDP	Colville Reservation	Ferry County	Washington State
Population [a]	409	7,165	7,250	7,766,975
Median Age [b]	38	40	52	38
Do Not Work or Unemployed [c]	47%	8%	13%	3.8%
Median Income	$37,574	$45,100	$41,685	$77,008

Source: ECONorthwest, CCT Comprehensive Plan.

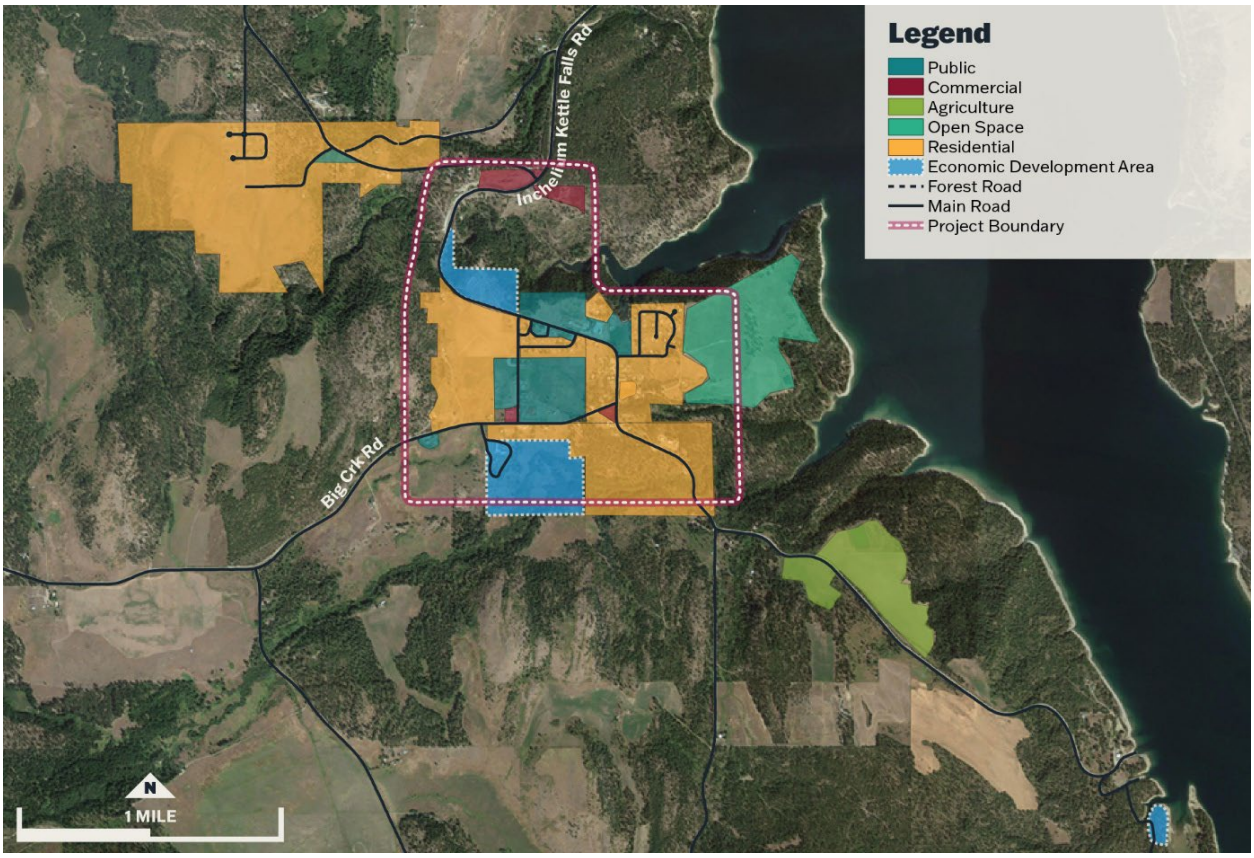
[a] Population: Washington Office of Financial Management, U.S. Bureau of Economic Analysis. (2020)

[b] Age: U.S. Census Bureau 2010 Census, Table P013001, 2016-2020 ACS 5-Year Estimates, Table B01002.

[c] State Unemployment: Bureau of Labor Statistics

Both proposed sites are owned by tribal members (see Figure 3-3). Approximately 36 percent of land in Inchelium is owned by tribal members (see Table 3-3).

Figure 3-1 Inchelium District Existing Land Use



Note: RAID is defined as Rural Areas of More Intensive Development

Figure 3-2 Inchelium District Parcel Ownership

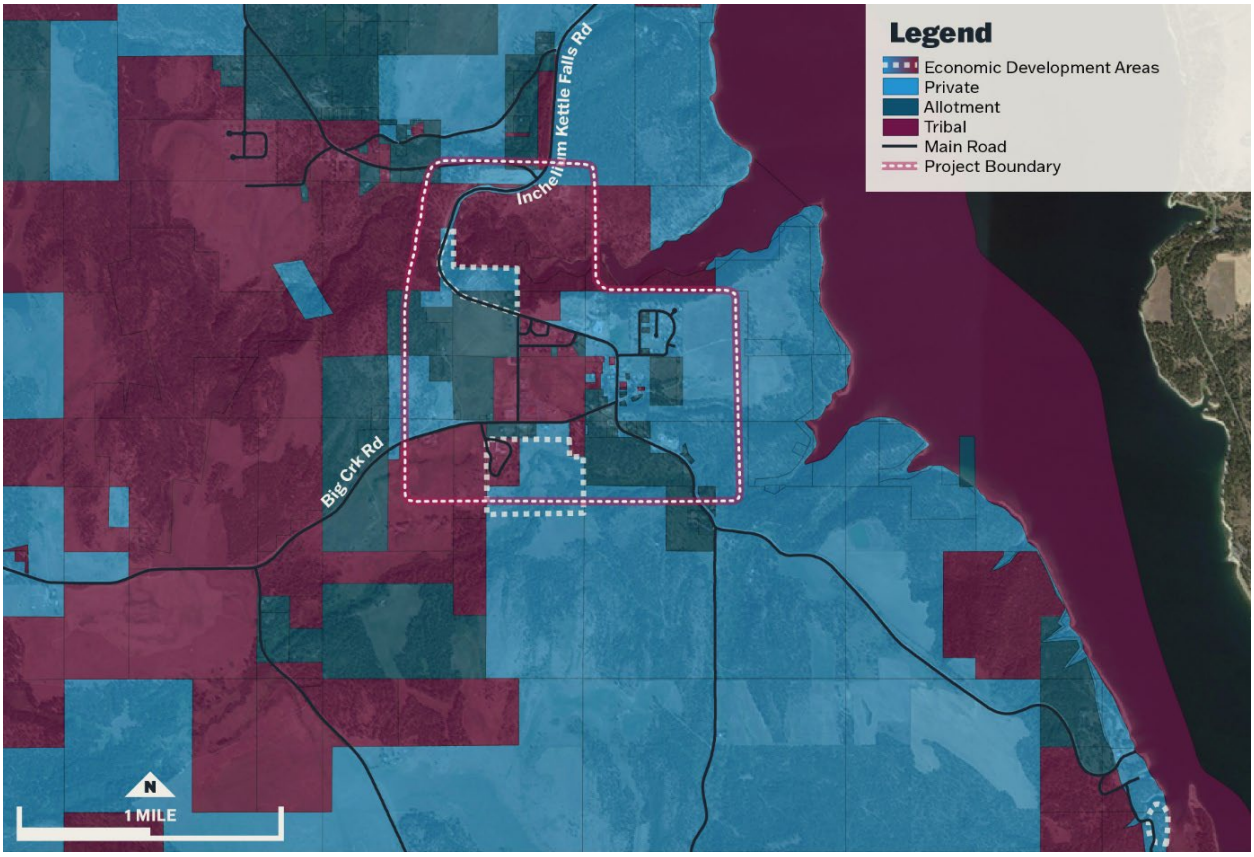
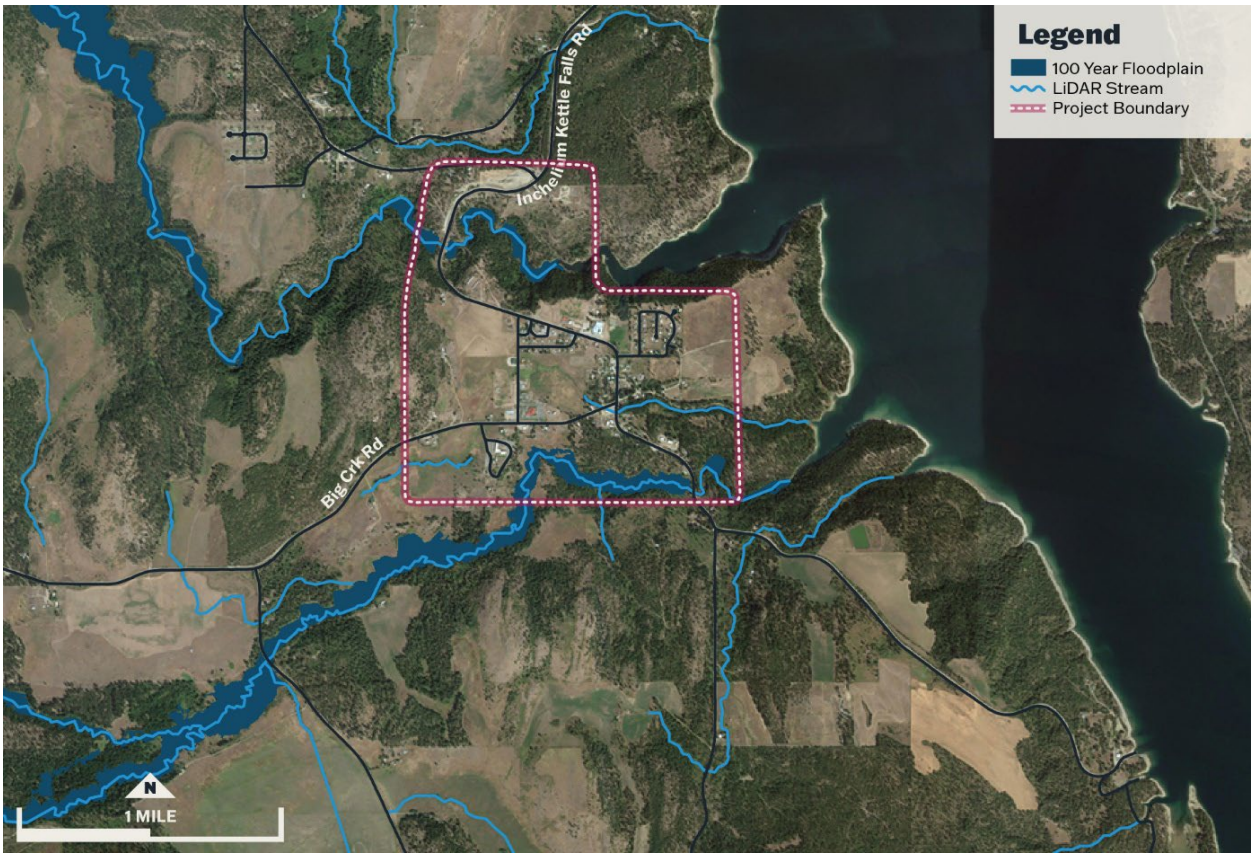


Table 3-2 Inchelium District Land Ownership

Ownership	Acres	Percent
Allotment	186	21%
Private	375	43%
Tribal	316	36%
Total:	877	100%

Both proposed industrial business parks are outside areas designated as the special flood hazard area (see Figure 3-4).

Figure 3-3 Inchelium District Water Bodies and Flood Hazard Areas



Utility Conditions

The Inchelium District is in its early stages of development and is in need of infrastructure to support economic development.

Water: The district near the residential Inchelium has a domestic potable water system sourced by four active wells and five reservoirs. Water is distributed via a 6-inch diameter system to individual meters. A major concern is the limitation on capacity for growth in the immediate area (CEDS 2020).

Wastewater: Residential properties have individual septic tanks and drainfields. CCT owns and maintains a lift station and settling pond serving the commercial core.

Power: Avista Energy is the electrical provider for the Inchelium District area. ~~Ferry County PUD provides electrical power to the northern area of the District.~~ Avista's distribution system is delivered from the Bonneville Power Administration's Addy Substation by a 115-kilovolt (kV) transmission line to the Gifford Substation, where the power is stepped down to 34 kV for

distribution. Small pockets within the District are served by 9.6-kV distributed power, but these pockets are located outside the proposed properties for development.

The District experiences frequent extended power outages. Lengthy outages are the result of long response times from Avista's nearest utility yard in Colville, some 40 road miles from Inchelium. ~~The Tribe has shown interest in generating their own power~~ These outage result from disruptions in the distribution system.

Broadband and Fiber: Review of the National Broadband Map as of August 2025 (FCC 2025a) shows that the District is without fixed broadband service. Mobile broadband within the District is provided by four providers at the 4G service level, and another two provide mobile broadband at 5G. The Tribe received an approximately $48.4M grant funded by NTIA in October 2022. This grant is funding fiber to connect directly to as many homes as possible through 2026 (CCT Planning) (FCC 2025b).

It was discussed during the December 2022 Stakeholder meeting[6], the Inchelium community would like to see a place or business where communications can be handled. This place would include access to broadband as well as printing and copying services

Transportation

The Inchelium District is not easily accessible from a highway or any major junction. The District sits between State Route 21 to the west, State Route 25 to the west, and state route 20 to the north.

State Route 21: Inchelium is accessed from State Route 21 via a 30-mile drive on Bridge Creek Road. State Route 21 connects the Canada-United States border to U.S Route 2 and Interstate 90. State Route 21 relies on the Keller Ferry to cross the Columbia River south of the Keller District.

Bridge Creek Road: Bridge Creek Road is a county road that runs east-west from Inchelium, past a housing area in Twin Lakes, to State Route 21. There is a High School and a new Community Health Clinic on the road at Inchelium. A section of the road paved in 2001 has significant rutting in the surface. There is a section that the tribe has identified as a high-crash location (DOT 2025).

State Route 20: Inchelium can be reached from State Route 20 by a 23-mile dive on Kettle Falls Road.

Gifford-Inchelium Ferry (The Gif): The Gif runs hourly between 6:30 a.m. and 9:45 p.m. in the summer (April 1 to September 30) and hourly between 6:30 a.m. and 8:45 p.m. during the winter (October 1 to March 30). Daily, year-round service is provided by CCT free of charge, with a 1-week maintenance closure in April, during spring break. The Gif also closes whenever water levels drop

[6] December 20, 2022, Lucy F. Covington Government Center in-person.

below a set level (CCT 2025). The weight limit is 40 tons. The average daily traffic for cars is 227. One round-trip takes approximately 30 minutes (DOT 2025).

State Route 25: Inchelium can be reached from State Route 25 by The Gif. State Route 25 would be the closest highway to the Inchelium District if it were not separated by the Columbia River. State Route 25, Coulee Reservoir Highway, connects U.S. Route 2 at Davenport to the Canada-United States border through Enterprise, Kettle Falls and Northport.

Shuttle Service: Shuttle service is available between Inchelium and Nespelem, between Inchelium and Colville, and between Omak, Nespelem, and Coulee Dam. The Inchelium/Nespelem runs Monday through Thursday. The Inchelium/Colville shuttle operates Tuesday and Thursday. The Omak/Nespelem/ Coulee Dam shuttle runs Monday through Friday (CCT 2025).

Fuel Availability: No fueling stations are available within the Inchelium District for gasoline after hours, or for diesel fuel at any time (CCT Planning n.d.b).

Bridge: Community members in the Inchelium District desire a bridge to replace The Gif. A bridge would directly connect the Inchelium District to State Route 25. This connection would help support economic development and attract new businesses by improving access to Inchelium (CCT Planning n.d.b). CCT recommends that $120,000 be made available for a feasibility study for the estimated $80 million bridge construction project (DOT 2025).

Inchelium has sufficient housing for professionals who now are attracted to, and live in, the relatively remote location on the eastern boundary of the reservation. Bike and pedestrian paths provide easy access and circulation to all areas of the community (CCT Planning n.d.b).

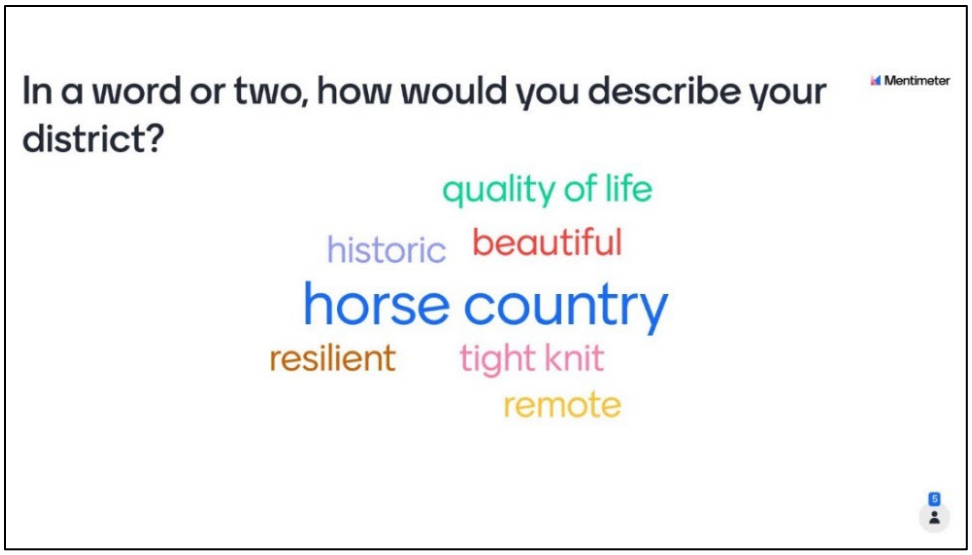
Brownfield Sites

There are no known brownfield sites in the Inchelium District on the Department of Ecology's list or map of brownfield sites.

3.1.2 Opportunities and Constraints

At a workshop held in December 2022 to gather feedback about the proposed industrial business parks, residents of Inchelium expressed their vision for their district. Their description is depicted in the word cloud in Figure 3-5 which is generated with the words they shared. The following table describes the strengths, weaknesses, opportunities, and threats as reported by workshop attendees and augmented with additional information from EWU students' analysis from the 2017 CEDS (see Table 3-4).

Figure 3-4 Inchelium District Word Cloud



Source: December Workshops

Table 3-3 Strength Weakness Opportunities Threats (SWOT) Assessment for Inchelium

Strengths	Weaknesses
+ Recreation + Tax incentives + Strategic planning (success in bringing broadband to community) + Developed sites (Fish and Wildlife, former mill, gravel storage, landfill, pow wow grounds, campground) + Waterfront properties + A lot of land capacity + Independent, hard-working community with a strong desire for self-sustaining economy	+ **Land is isolated and cut off;** if the passes are closed or the ferry is down, people have few options + Worker shortage, dependence on government work for family-wage jobs and aging population + Housing is limited + Internet access and cell towers are limited + Education and training opportunities needed, especially in the trades (plumbing; heating, ventilation, and air conditioning; electrical; wastewater conveyance)
Opportunities	**Threats**
+ Attracting employees in the recreation, agriculture, health-care, and light manufacturing sectors + Developing light manufacturing to answer a regional need, such as tiny houses or recreational housing + Develop trade program at the high-school level + **Develop staff position to pursue federal grants**	+ Non-tribal members buying fee land

Source: December CCT Workshop

Notes: Elements in blue bold correspond to the strengths, weaknesses, opportunities, and threats identified by Eastern Washington University in an analysis conducted for the tribe as a whole and published in the Comprehensive Economic Development Strategy 2017–2021 (CCT Planning 2017).

Economic Opportunity

Priorities for the Inchelium District identified in the 2017-2021 CEDS (CCT Planning 2016) include:

- After-hours gas and diesel fuel
- Health facility expansion to accommodate general office staff and professional health staff that services the community
- Outlet mall or entrepreneur's incubator for providing commercial space at a low market rate, built and staffed by Tribe
- Building and office rental space
- Lodging in cabins and rolling huts for fisherman and outdoor enthusiasts
- Tourism and outdoor recreation facilities for hiking, mountain biking, skiing, snowmobiling, and other activities

Potential markets identified for the Inchelium District include (EcoNorthwest 2023b):

- Tourism
- Agriculture
- Healthcare
- Resource-based business (timber harvesting/mining, wood production)
- Strategic light manufacturing
- Small retail trade and micro enterprise

3.1.3 Community Desires

According to the Comprehensive Plan (CCT Planning n.d.b), Inchelium's priorities are:

- Afterhours Gas/Deisel
- Youth Activity
- Health Facility Expansion
- Strip/Outlet Mall
- Building/Office Space
- Resource Building with telecommuting capacity

- Extended Community Center Hours
- Alternative Location of Meetings, Funerals
- Outside Business Attraction
- Telecommuting Building
- Lodging/Cabins/Rolling Huts
- Outdoor Recreation

At the December workshop held for the District Master Plans, attendees expressed the following desires for Inchelium (ECONorthwest 2023a):

- Development for recreational use
- Food and retail opportunities at the former Pine Cone Café site
- Allow a new small business that produces items for Colmac Coil to occupy the old Department of Fish and Wildlife site
- Produce, or have a space, for a manufactured home production plant

In an informal survey conducted in December 2022, attendees identified the following factors as helpful for creating opportunities in their area:

1. Childcare services ~~(7.8)~~
2. ~~2.~~ Places nearby for participants to grow a business ~~(7.2)~~
3. ~~3.~~ Reliable broadband ~~(7.6)~~
4. ~~4.~~ Job training ~~(7.6)~~
5. ~~5.~~ Improving transportation dependability ~~(6.4)~~

The lack of a Tribal Employment Rights Ordinance (TERO) office for CCT was chosen as a factor by the fewest participants.

Responding to the types of uses participants would like to see, most rated Recreation highest, with a ranking of 9 (i.e., "Bring it!"), followed by light industrial and agriculture (rated at 7.8 and 7.6 respectively). Energy production was rated at 6.6 and waste management and heavy manufacturing were rated at 4.2 and below. The choice of recreation aligns with the Tribal and Regional Economic Analysis target area of outdoor recreation and ecotourism. The target area integrates tribal values for environmental stewardship and cultural preservation and could leverage the Tribe's advantages

such as tax-exempt status, federal grant preference, and geographic features. Wages associated with outdoor recreation in Washington state are ranked in the top quarter (12th out of 50), making this cluster viable for producing revenue.

When responding to an open-ended question about what would create more opportunity, participants mentioned more places to work, such as a gas station, retail establishment, offices, and recreational facilities; housing; employment recruitment; dependable transportation; and training (on the job and attaining a high school diploma or college education).

When asked how people would like to earn a living, most participants ranked "open my own business on the Colville Reservation" as the top choice, followed by "working remotely for a company." Working for the CCT or as an employee at a business on the reservation were chosen by approximately equal numbers of participants as third and fourth choices, respectively.

3.1.4 Other Economic Opportunities

Recreation is an industry showing growth potential in Ferry and Okanagan Counties as well as throughout the State of Washington. Since 2017, overnight stays at public campgrounds have risen annually by 7%. In the nearby Colville National Forest, campground use is are near capacity from May to September each year.

Within the District are several campgrounds that could be improved, such as Eagle Spirit Campground, the area around Bissell Island, and Rocky Point Campground. Improving existing campgrounds and opening them to non-tribal visitors would be a low-cost, high-return investment. At Eagle Spirit Campground, the tribe would need to make minimal improvements to provide recreational users with a similar experience to what is provided at Hunters Campground, south of Inchelium on the eastern shore of Lake Roosevelt. The amenities provided at this campground include:

+ Paved campsite pads
+ Electrical and water hookups
+ RV dump station
+ Playgrounds
+ Day use area
+ Picnic shelters
+ Public boat launch
+ Day use mooring

During peak season, there are round-the clock park hosts at the site, which provides site users with a sense of security.

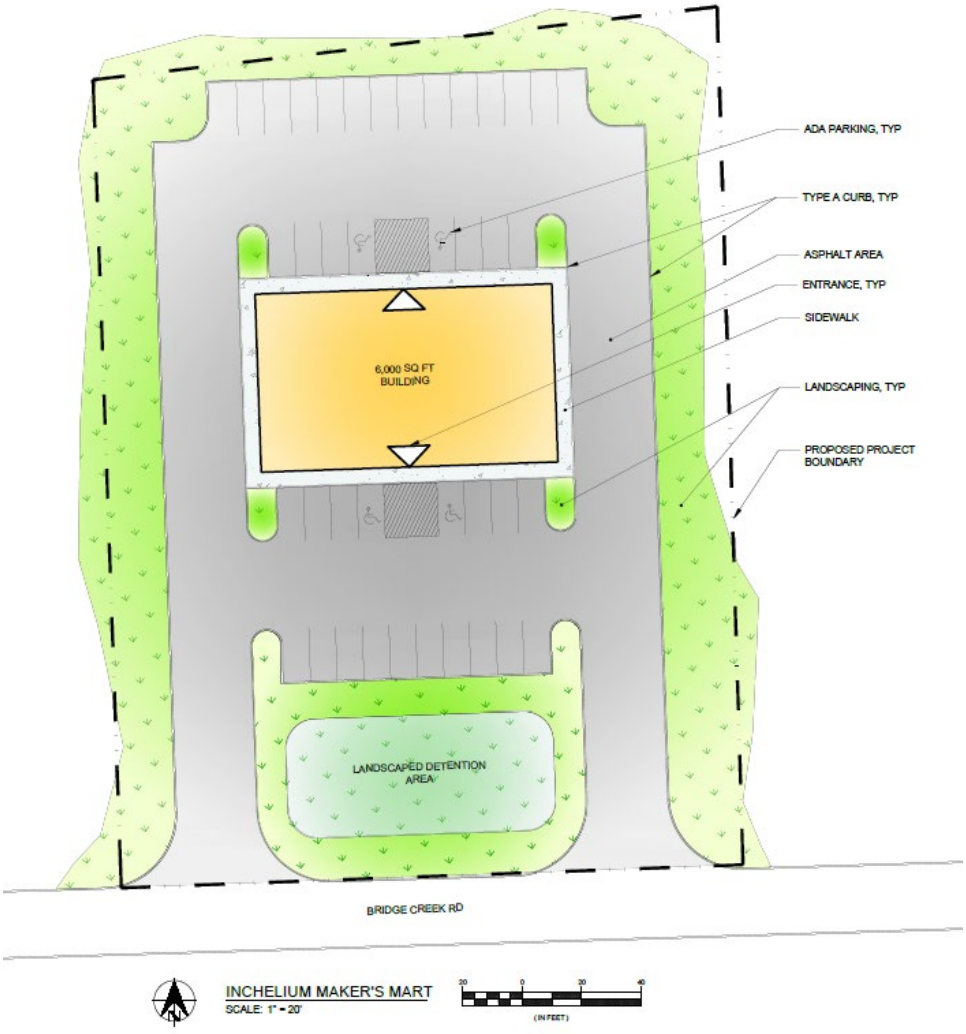
In addition to user fees, an added benefit for campground development is that visitors will patronize nearby businesses during their stay.

3.1.5 Conceptual Site Plans

The two site plans included below are potential options for redevelopment within the reservation. They aim to meet community need, desire, and compatibility with tribal zoning standards. Figures 3-6 and 3-7 illustrate site plans. See Appendix C for full site plans.

Site Plan I – Inchelium Maker's Mart

Figure 3-6. Inchelium Site Plan I, Marker's Mart

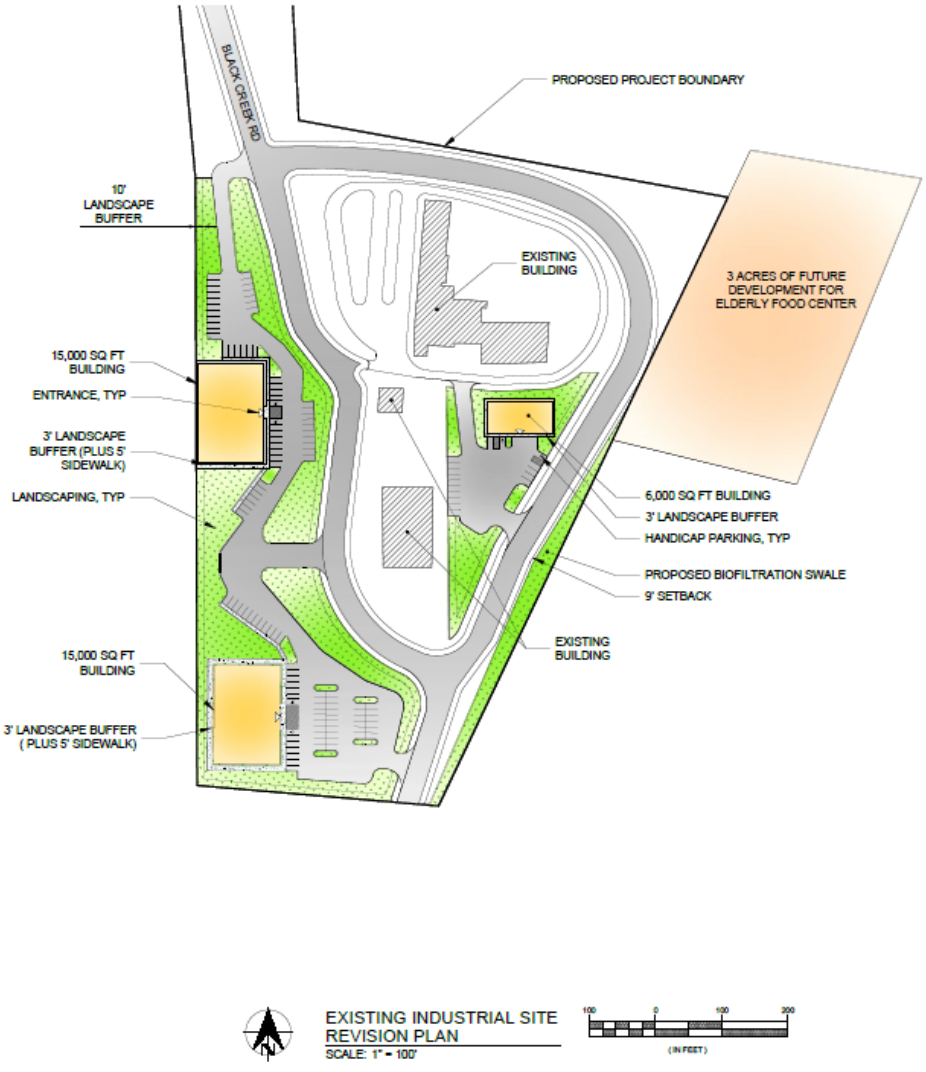


The Inchelium Maker's Mart is located in the southwest corner of the district and is bordered by Boise Hall Road to the west and Bridge Creek Road to the south. The conceptual site plan includes a 6,000 square foot building with adequate parking for vendors and patrons.

Site Plan II – Industrial Revision Plan

The existing industrial site revision plan is centered around a property adjacent to the Maker's Mart, bordered by Bridge Creek Road to the north and Stranger Creek to the west. The property has significant space, including existing building space and infrastructure. The vision of the future for this site includes over 35,000 square feet of new light industrial space in three buildings, landscaping, and parking. The plan shows 3 acres of the site reserved for development of food center for the elderly population.

Figure 3-7. Inchelium Site Plan II, Industrial Revision Plan



3.2 KELLER DISTRICT

The Keller District, located just west of Inchelium, is the smallest of the districts within the Colville Reservation and shares many of the same geographical traits as the Inchelium District. Keller is surrounded by dense woodlands and agricultural lands. Prominent natural features include San Poil Valley, San Poil River, mouth of the Columbia River, and edge of Lake Roosevelt. Access is difficult due to mountain passes in nearly every direction (CCT Planning n.d.b).

Keller is in the early stage of development with most past development being in the timber industry, construction field, some retail, and a health clinic (CCT Planning n.d.b).

For tourists travelling through Keller along the scenic drive, the community is a gateway between interior British Columbia and interior Washington and Oregon. The community is located on State Highway 21 and is on a direct route from the Keller Ferry landing to the county seat in Republic, Washington. In Republic are an ecologically responsible resort and a variety of retail services to visit, including a microbrewery and hotel. Other tourist attractions include local parks, campgrounds, and the fish hatchery. Three site plans were developed for this district in the Western portion of the district. Conceptual site plans and descriptions of projects at each site are described at the end of this section.

3.2.1 Existing Conditions

According to census data, Keller CDP has a population of 230 (see Table 3-5). The median age is 33.5 and median household income is $33,676. Over 52 percent of people over the age of 16 are not in the workforce. Native Americans make up the majority of Keller residents at 65 percent (CCT Planning n.d.b).

Table 3-4 Keller Summary of Demographics and Employment

	Keller CDP	Colville Reservation	Ferry County	Washington State
Population [a]	230	7,165	7,250	7,766,975
Median Age [b]	33.5	40	52	38
Do Not Work or Unemployed [c]	52%	8%	13%	3.8%
Median Income [d]	$33,646	$45,100	$41,685	$77,008

Source: ECONorthwest, CCT Planning

[a] Population: Washington Office of Financial Management, U.S. Bureau of Economic Analysis. (2020)

[b] Age: U.S. Census Bureau 2010 Census, Table P013001, 2016-2020 ACS 5-Year Estimates, Table B01002.

[c] Unemployment: Source: U.S. Census Bureau, 2006-2010 ACS Table DP03, 2016-2020 ACS Table B23001.

[d] Median Income: U.S. Census Bureau, 2000 Census Table Hct012001, ACS 5-Year Estimates 2006-2010, Table B19013, ACS 5-Year Estimates 2016-2020, Table B19013.

The area known as Downtown Keller has a store, health facilities, community center, post office and school (CCT Planning n.d.b). There is also a new housing subdivision dedicated to working professionals with units offered through the U.S. Department of Housing and Urban Development (HUD). Previous development in Keller has centered around timber, construction, retail and health clinic.

There are three potential sites recommended for a new industrial business park in Keller. Sites I and II are located in the Downtown Keller area. Site I is located in an Economic Development Area and Site II is located in an industrial area. Site III is located in an Economic Development area 6.5 miles north of Downtown Keller.

The sites proposed for an industrial business park and commercial development in the Keller District are near land used as open space, public space, and residential (see Figure 3-8). The northernmost proposed location, Keller III, is within an economic development area, but there is little further development in the vicinity. The middle proposed site, Keller I, is in an economic development area adjacent to residential, industrial, and public land; it is suitable only for commercial development. The southernmost site, Keller II, is in an area currently used as industrial land and near residential land and open space (see Figure 3-9).

All three sites for the proposed industrial business parks or commercial development are outside areas designated as the special flood hazard area (see Figure 3-10).

Figure 3-8 Keller District Points of Interest

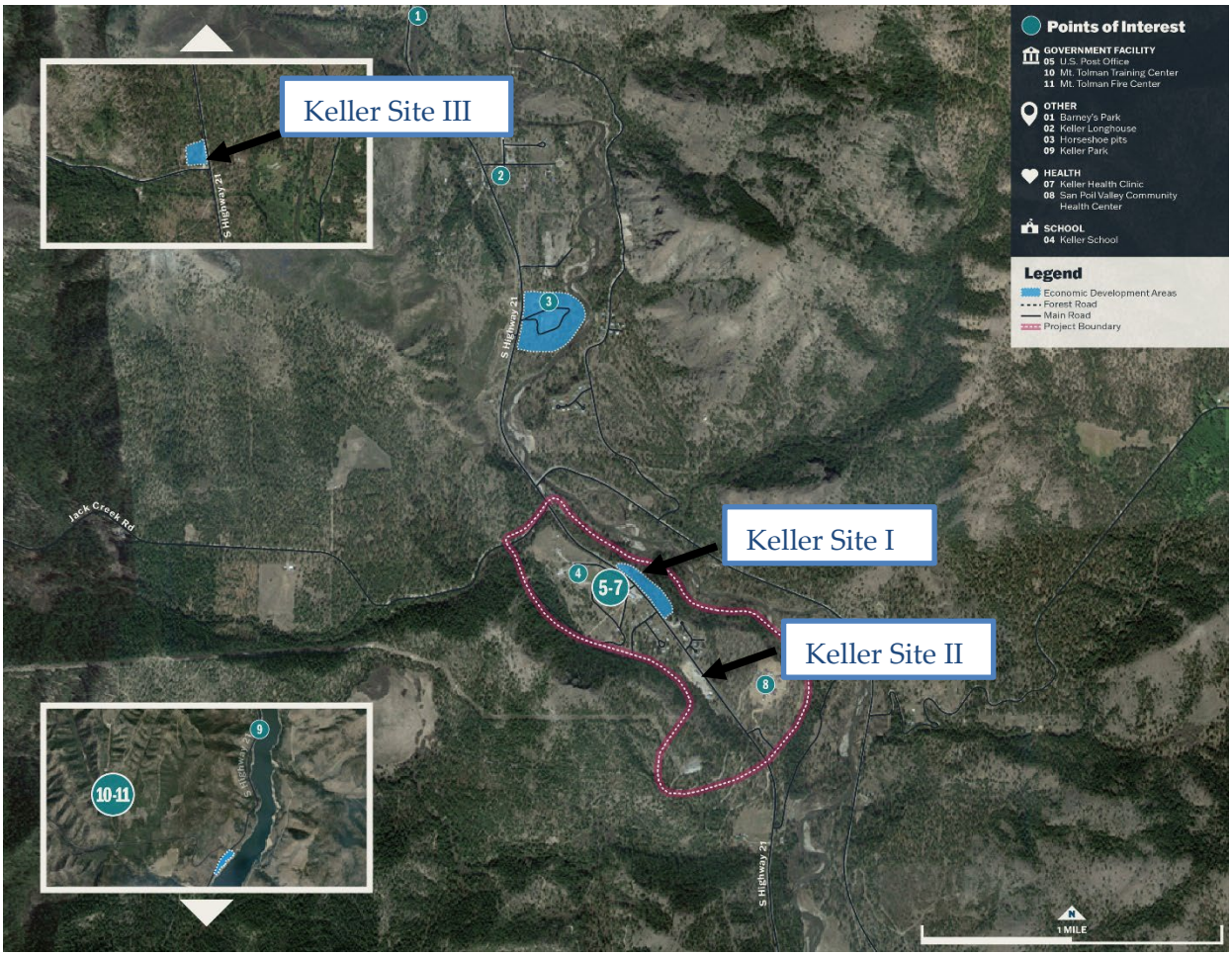
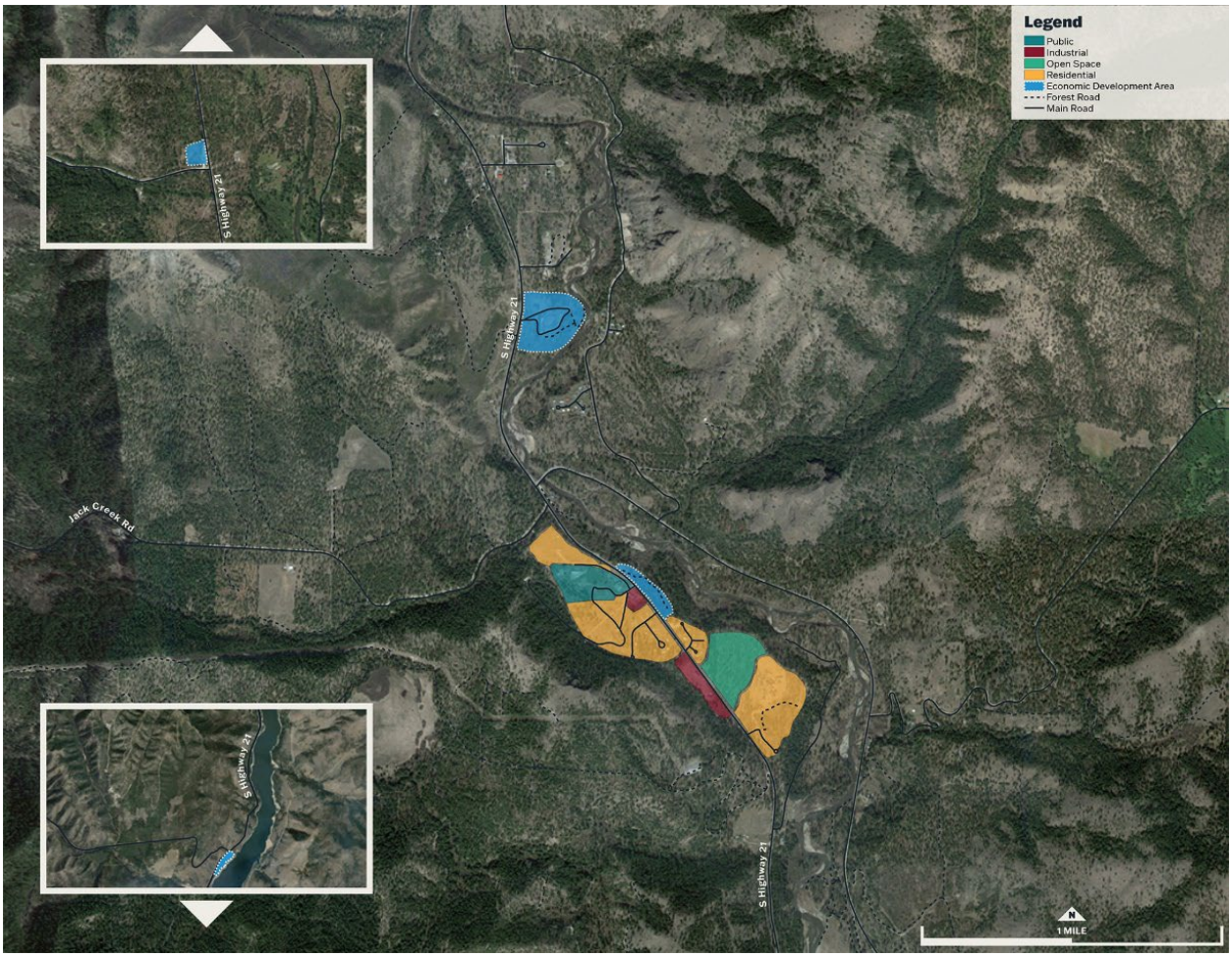


Figure 3-9 Keller District Existing Land Use

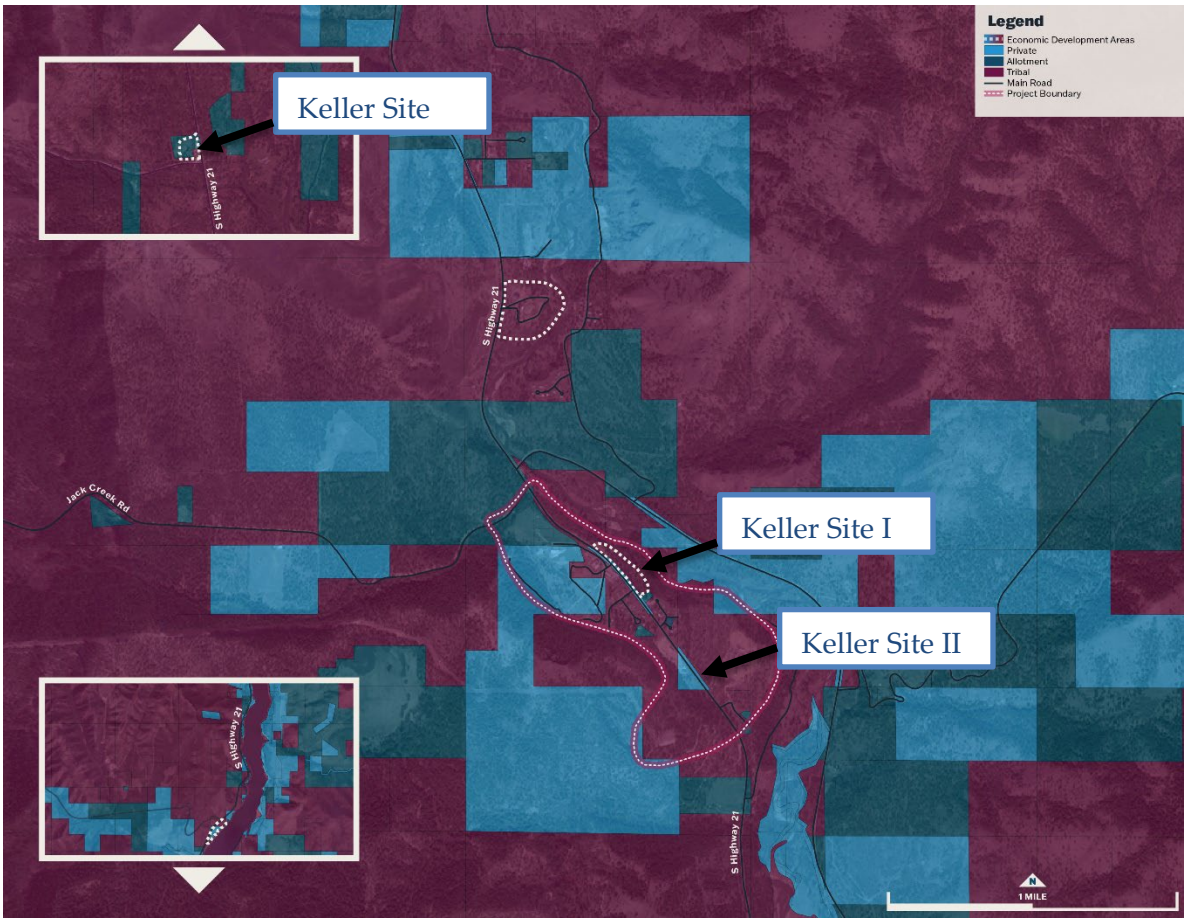


The three sites in Keller are on land owned by tribal members (see Figure 3-10). Approximately 56 percent of the land in the Keller District is owned by tribal members (see Table 3-6).

Table 3-6 Keller District Land Ownership

Ownership	Acres	Percent
Allotment	23.5	33%
Private	56.7	11%
Tribal	182.7	56%
Total:	6,724.4	100%

Figure 3-10 Keller Parcel Ownership



Utility Conditions

Water: Domestic water within the Keller community is distributed by 6-inch pipes on a looped water system. Potable water storage is ample and is configured as follows:

- Two water tanks west of the Keller School District (84,000 and 54,000 gallons)
- One large (200,000-gallon) water tank north of Keller that supports residential water needs
- One smaller (30,000-gallon) water tank southeast of Keller for the treatment center

Keller Site III is a former gas station and convenience store that the Tribe intends to be rehabilitated as a café and store. This site is served by an individual well.

Wastewater: The is no community sewer system: homes have individual septic tanks and drain fields.

Power: The Bonneville Power Administration (BPA) provides power to the Keller substation with a 115-kV line that runs east/west, south of Keller Community Center. The power is stepped down to a 34.5-kV

distribution line from the substation to Route 21; this portion of the system is owned and operated by Ferry County PUD. Ample and dependable power is available for the immediate area.

Little historical information exists regarding power outages, but it can be assumed that most disruptions would be the result of downed power lines during weather events. Response times to power outages would be significant due to the location of line crews outside the immediate area, in Republic and Electric City.

Broadband and Fiber: Review of the National Broadband Map as of August 2025 (FCC 2025a) shows that the District is without fixed broadband service. Mobile broadband within the District is provided by one provider at the 4G service level, and another provides mobile broadband at 5G. However, the central community area has little or no mobile service.

The Tribe received an approximately $48.4M grant funded by NTIA in October 2022. This grant funds fiber to connect directly to as many homes as possible through 2026 (CCT Planning, 2021) (FCC 2025b).

Transportation

The Keller District sits along State Route 21. State Route 21 connects the Canada-United States border to State Route 20, U.S Route 2, and Interstate 90. State Route 21 relies on a Washington State Department of Transportation (WSDOT) Ferry (Keller Ferry) to cross the Columbia River south of the Keller District.

Bicycle Path: The tribe received approval from WSDOT to use the right-of-way easement on both shoulders of State Route 21 to construct a bicycle path. WSDOT will fund $31,000 of the design and right-of-way costs for the project (DOT 2025).

Keller Ferry: The Keller Ferry connects State Route 21 on the Columbia River between Lincoln and Ferry Counties. Hours of Operation are 6:00 a.m. to Midnight, seven days per week. There is no cost to use the Ferry. Ferry service is "on-demand," running only when vehicles are queued on either side of the Columbia River. The capacity of the vessel is 20 cars with a maximum of 149 passengers and two crew members. The vessel can carry a legally-loaded truck and trailer combination up to 105,500 lbs. The maximum vehicle length is 100 ft (WSDOT 2025). The ferry can operate normally with water levels as low as 1,208 ft. When water levels drop below 1,240 ft, which is only every few years, an alternate landing can be used that extends the crossing by ten minutes.

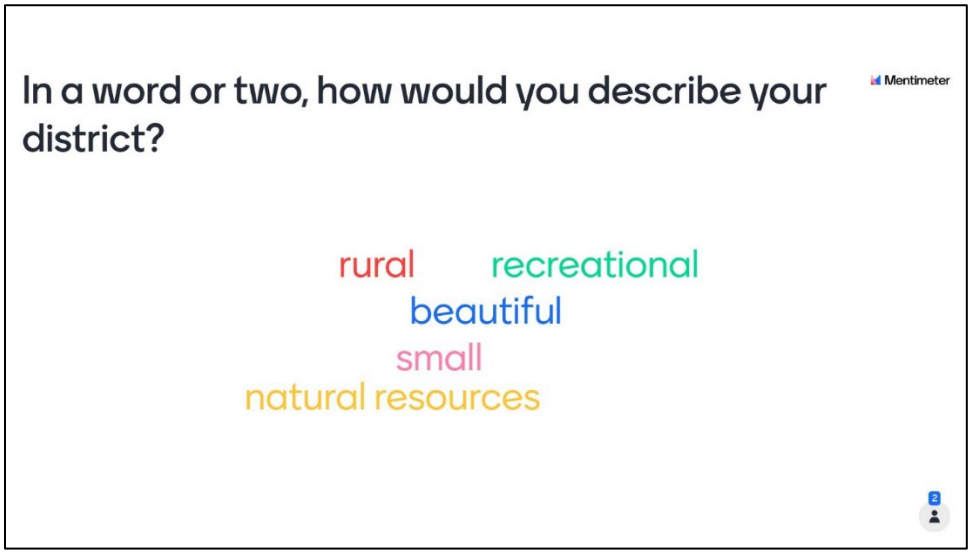
Brownfield Sites

The Mt Tolman Project is a clean-up site in the Keller District that has suspected halogenated organics in the soil. Monitoring and cleanup is in progress at this site. The site is located west of State Route 21 near the intersection of Jack Creek Road. The site is near the prosed industrial business park locations, but not within then designated Project Area.

3.2.2 Opportunities and Constraints

At a workshop held in December 2022 to gather feedback about the proposed industrial business parks, residents of Keller expressed their vision for their district. Their description is depicted in the word cloud in Figure 3-11 which is generated with the words they shared. The following table describes the strengths, weaknesses, opportunities, and threats as reported by workshop attendees and augmented with additional information from EWU students' analysis from the 2017 CEDS (see Table 4 8).

Figure 3-11 Keller District Word Cloud



Source: December Workshops

Table 3-7 Strength Weakness Opportunities Threats (SWOT) Assessment for Keller

Strengths	Weaknesses
+ Scenic beauty of the area and presence of established camping areas + Paved paths in Keller to move around, though improvements + Presence of the new San Poil Treatment Center provides demand for transitional housing, a billable service	+ A lack of infrastructure to support these uses such as waste management, rendering, and energy + Lack of a good trail network and gap in funding allocated in the long-range transportation plan and tribal transportation improvement plan + Loss of prime working-age populations + Lack of training and education opportunities to learn welding, construction, electrical trades + A lack of housing, food, restaurant, and retail options + A lack of fiber, internet or cell service or services are not reliable

	+ Cell service quality + Keller blocked by hills + Higher prices from the pandemic pose a barrier to establishing business
Opportunities	**Threats**
+ Leverage tax advantages/incentives + A Canadian First Nation model for leasing revenues[a] + Wood products industry is a known model + Light industry employers should offer skills training + Tourism o Promote area as Scenic Byway, "Gateway to..." concept. Area destinations include Roosevelt Reservoir, Colville and Kettle Falls, campgrounds on east side going north. Inchelium campground on reservation side, o Rodeo grounds in Keller—do more to attract visitors during the Omak Stampede o Potential for a brewery like the one in Republic	+ Emergency services, fire districts; wildfire challenges + Lack of housing is one of the biggest threats + Commute time of 30+ minutes one way + Scenic drive, balance with preservation o Incentive to drive through Keller heading north to Republic, the bigger city. o Crowds and attractions on the scenic drive may also spoil the natural beauty

Source: December CCT Workshop

Notes: Elements in **blue bold** correspond to the strengths, weaknesses, opportunities, and threats identified by Eastern Washington University in an analysis conducted for the tribe as a whole and published in the Comprehensive Economic Development Strategy 2017–2021 (CCT Planning 2017).

[a] Under the Framework Agreement on First Nation Land Management, First Nations in Canada can take over management and administration of their lands and thereby gain greater control over transactions such as leasing the land (S.C. 2022) and charge tenancy fees, or rent (FNNBOA 2017).

Obstacles

Obstacles Keller must overcome to better support development are isolation, infrastructure needs, and a need for additional community activities and social services. There is a major need for housing in Keller. According to the CCT Comprehensive Plan (CCT Planning n.d.b), there is only one rental unit and no non-HUD housing units. There is a shortage of housing for current residents, and further industrial development is likely to be hindered due to lack of housing. There is also need for a new bike trail described in the CCT Comprehensive Plan to better connect HUD housing

units to the downtown Keller area. The housing is several miles from the community center, and many residents need to walk down the highway to get to shops, services, and work.

3.2.3 Community Desires

According to the Comprehensive Plan (CCT Planning n.d.b), priorities for the Keller District are:

- Daycare
- Housing
- Health Facility Expansion
- Transportation Bus/Van
- Agriculture
- Road Conditions
- Cell Coverage
- Library/Learning Center
- Mechanic/Tire Shop
- Outdoor Basketball Court
- Landscaping/Lawns
- Outdoor Recreation
- Boat Ramp
- Fire Protection
- Parks and Bike Trail

At the December workshop held for the District Master Plans, attendees expressed the following desires for the Keller District (ECONorthwest 2023a):

- Leverage the Keller District's current recreational character, including ecotourism, trails, improved waste management, and new facilities.
- Promote the Keller District f as a Scenic Byway, with gateways to specific destinations like Roosevelt Reservoir, Colville and Kettle Falls, and campgrounds on the east side going north.

- Promote tax advantages and incentives to attract businesses.

In an informal survey conducted in December 2022, attendees discussed factors that they thought would help create opportunity in their area:

1. Reliable broadband
2. Childcare services
3. Businesses nearby that are hiring or a place to grow self-employment opportunities
4. Job training
5. Improving public transportation

The lack of a TERO office for CCT was chosen as a factor by the fewest participants. When responding to an open-ended question about what would create more opportunity, three of the five responses given were related to education and training (i.e., completing high school, job training, getting an education).

Responding to the types of uses participants would like to see, most rated Recreation highest, with a ranking of 8.1 (i.e., "Bring it!"), followed by light industrial and agriculture (rated at 4.5 and 4.3 respectively). Waste management, energy production, and heavy manufacturing were rated at 3.8 and below.

When asked how people would like to earn a living, most participants ranked "open my own business on the Colville Reservation" as the top choice, followed by "working for the CCT." Working remotely for a company or as an employee at a business on the reservation were chosen as third and fourth choices, respectively.

Responses to a question about ease of mobility indicated that, while all transportation options were acceptable, bicycling and walking were rated highest as transportation options, at 6 and 5.5 on a scale between "Needs a lot of improvement" at the bottom of the scale and "All good" at the top.

Bus service was ranked lowest at 3.3.

According to the CCT Comprehensive Plan (CCT Planning n.d.b), due to the isolated, central location and rough road conditions, a mechanic and tire shop that focused on logging trucks and other vehicles is a community desire.

3.2.4 Other Economic Opportunities

As described for Inchelium, Keller would benefit from expansion of recreational opportunities. This could include campground development on the reservoir and San Poil River. The site at the rodeo grounds north of the Keller community center would also be an ideal location for a fully developed

campground. At the business flex space location, a small guide shop would be ideal for planning Tribally-endorsed fishing and hunting expeditions.

3.2.5 Conceptual Site Plans

The three site plans included below are potential options for development of industrial business parks and commercial sites within the Keller District (see Figures 3-12, 3-13, and 3-14; Appendix C). They aim to meet community need, desire, and compatibility with tribal zoning standards.

Site Plan I – Business Flexspace Concept

The Business Flexspace is located in the southwest part of Keller, on Washington State Route 21. It is located immediately across SR 21 from the Keller Community Store. The concept includes about 8,000 square feet of building space, with sustainable landscaping and parking for users. This location would be an ideal stopover site for travelers passing through. Suitable businesses for travelers include craft artisanry, restaurants. Other suitable uses include flex office space with dependable broadband service.

Figure 3-12 Business Flexspace Concept

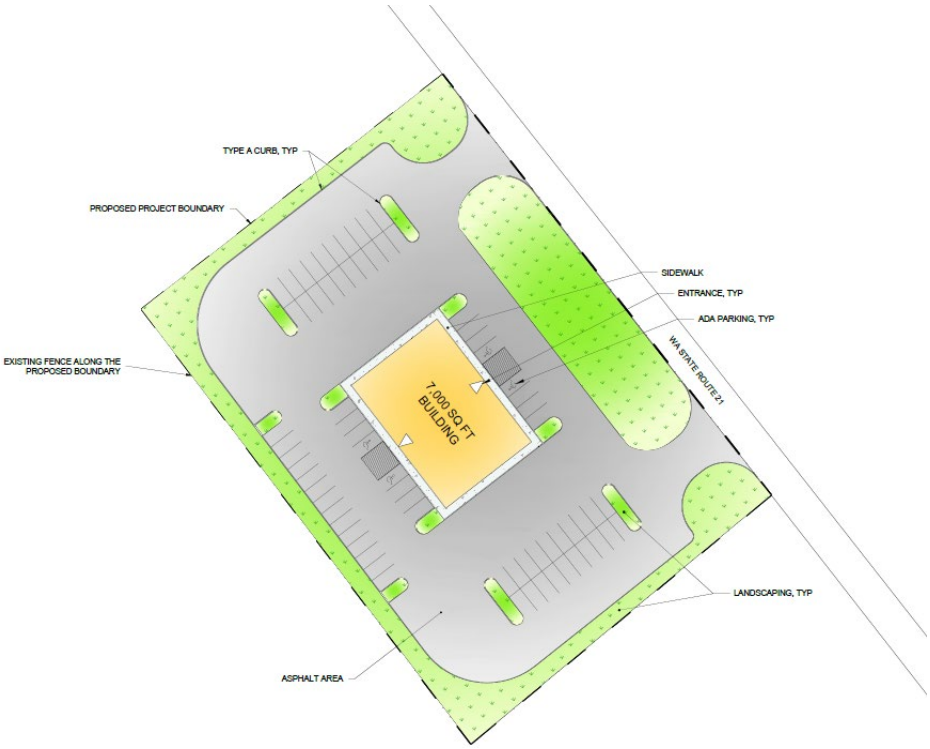


Site Plan II – Keller Light Manufacturing Site

The Keller Light Manufacturing site is in close proximity to the site listed above, located in the southwest of Keller, against Washington State Route 21. The site would provide a much needed

and highlighted community asset through 7,000 square feet of workspace for light manufacturing. The site also would be an ideal location for a microbrewery and pub.

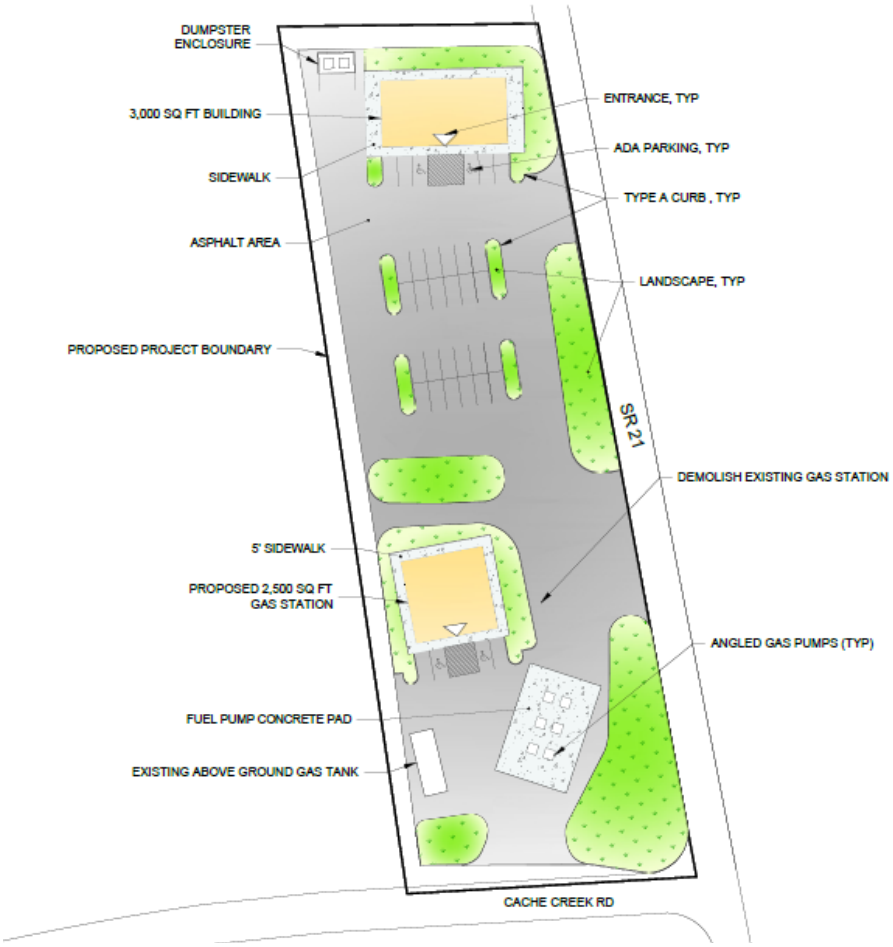
Figure 3-13 Keller Light Manufacturing Site



Site Plan III – Gas Station/Restaurant Redevelopment Concept Plan

The gas station site is located outside of the official Keller community center, approximately 6.5 miles north, on SR21 at the junction of Cache Creek Road The site is equidistant to Republic and Keller; Cache Creek Road provides a direct route to Nespelem and Omak. The redevelopment would include demolishing the existing gas station and replacing it with a 2,500 sq ft gas station and 3,000 sq ft restaurant.

Figure 3-14 Keller Gas/Restaurant Site



3.3 NESPELEM DISTRICT

The name Nespelem is derived from a local Native American term meaning "large flat meadow". The Nespelem District is the west-central region of the reservation and is home to 250 residents. Prominent natural features include Nespelem Valley and the Columbia River. Part of the Coulee Dam and Elmer communities are part of the district.

The Nespelem district is centrally located on the Colville Indian Reservation. Reservation Headquarters office is located just south of the town of Nespelem. Aside from Omak, Nespelem is the most urbanized District on the Reservation. Being the Tribal government seat, the Nespelem District has many amenities not fully developed in other rural districts. For example, childcare service providers are well-trained and certified, and they provide great service to parents and guardians unable to be with their children for the entire day. Students graduating from the local trade school perform much of the building and infrastructure construction and maintenance in

Nespelem. They also have learned and implemented strategies for protecting the community from wildfire damage.

A cultural center provides event spaces and family-centered cultural areas, activities, and learning.

The conveniently accessible Nespelem business plaza location attracts passing vehicle traffic as well as local vehicle, bike, and pedestrian traffic. The plaza provides space for individually owned business services and has been successful at creating opportunities for consumer spending on the reservation instead of off the reservation. Retail services include indigenous food sales, food stands, and a gas station located at the Nespelem Trading Post.

The plaza also has a business center with space that can be used for classes, conferences, and general meetings. For example, local successful business mentors meet occasionally with existing and aspiring business entrepreneurs to discuss business planning, financing, best practices, and strategies for success in the local business environment. The plaza business center has helped tribal member-owned businesses get established, including a small trucking company that successfully financed a small fleet of trucks.

The Nespelem lodge generates good revenue and provides historical information to visitors. Near the lodge, Nespelem has a big rodeo arena where they host the annual Indian Relay (CCT Planning 12/2022).

Nespelem is engaged in a few industrial pursuits including an ammunition factory. The Tribes are successfully engaged in the production and sales of recreational agriculture, orchard fruits, wine, and hydroponic products. They also package and sell drinking water in containers labeled with the tribal logo.

Two site plans were developed for this district; One is light industrial, and the second is for a site within walking distance of the Lucy Covington Government Center. A third location was identified within the town of Nespelem that the tribe would like to use as a Gateway Center. The team didn't evaluate this third site because the tribe was already considering the location for a specific use.

Conceptual site plans and descriptions of projects at each site are described at the end of this section.

3.3.1 Existing Conditions

According to the comprehensive plan, 250 make up the residents of Nespelem and the Nespelem Agency. The median age is 34.5 and the median household income is $36,875. Just 55 percent of people over the age of 16 are in the labor force. Native Americans make up the majority of the population for Nespelem at 93.7 percent (CCT Planning n.d.b).

Table 4 9 Nespelem Summary of Demographics and Employment

	Nespelem	Colville Reservation	Ferry County	Washington State
Population [a]	250	7,165	7,250	7,766,975
Median Age [b]	34.5	40	52	38
Do Not Work or Unemployed [c]	45%	8%	13%	3.8%
Median Income [d]	$36,875	$45,100	$41,685	$77,008

Source: ECONorthwest, CCT Planning

[a] Population: Washington Office of Financial Management, U.S. Bureau of Economic Analysis. (2020)

[b] Age: U.S. Census Bureau 2010 Census, Table P013001, 2016-2020 ACS 5-Year Estimates, Table B01002.

[c] Median Income: U.S. Census Bureau, 2000 Census Table Hct012001, ACS 5-Year Estimates 2006-2010, Table B19013, ACS 5-Year Estimates 2016-2020, Table B19013.

[d] Unemployment: Source: U.S. Census Bureau, 2006-2010 ACS Table DP03, 2016-2020 ACS Table B23001.

Two sites are recommended for an industrial business park in the Nespelem District. The sites are centrally located near commerce, health services, utility offices and stations, a university campus, and correctional facility (see Figure 4 11). One of the proposed sites is in an economic development zone and the other site is located on land currently used for public purposes. Both sites are near industrial, commercial, and residential uses (see Figure 4 12).

Figure 4 11 Nespelem District Points of Interest

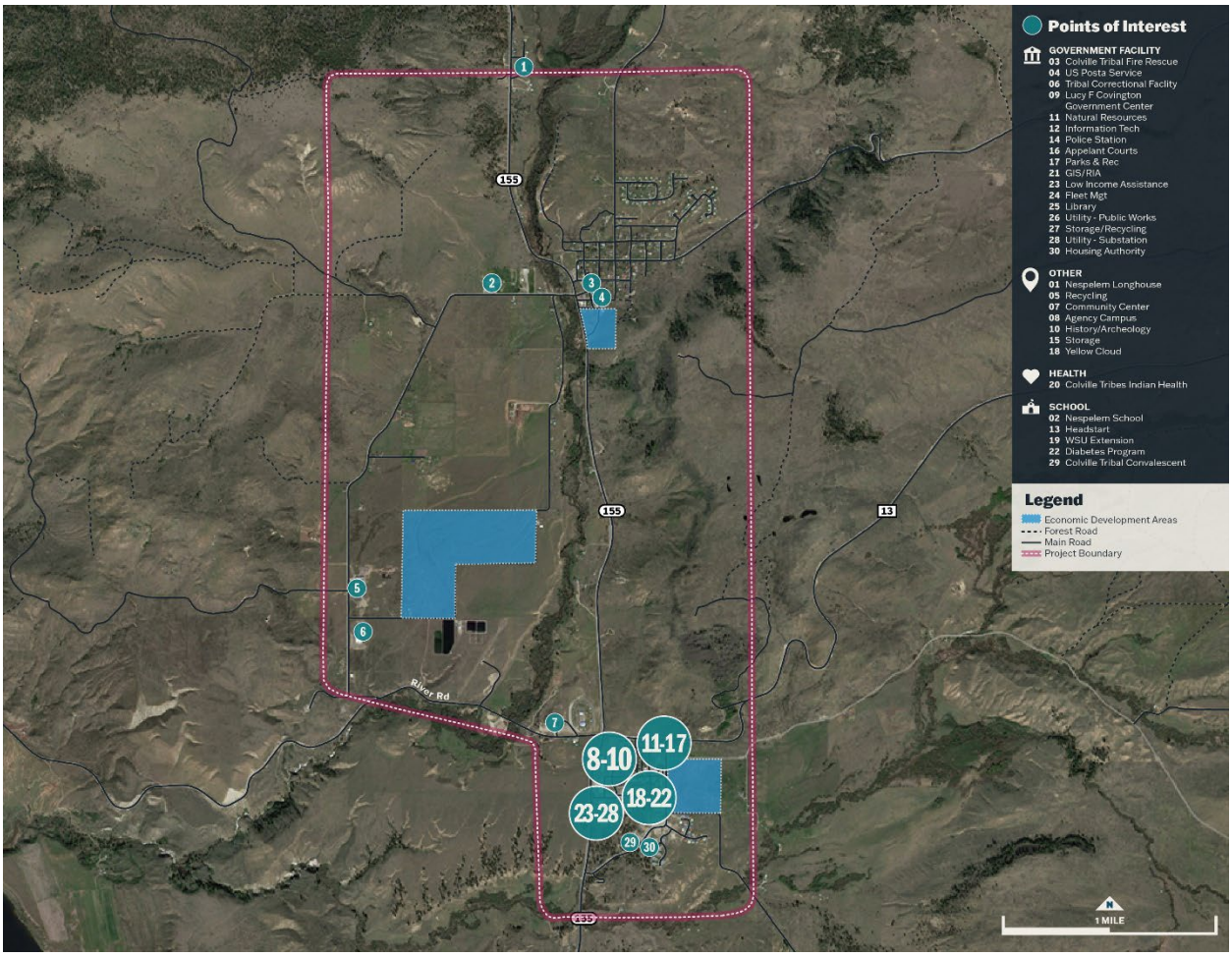


Figure 4 12 Nespelem District Existing Land Use

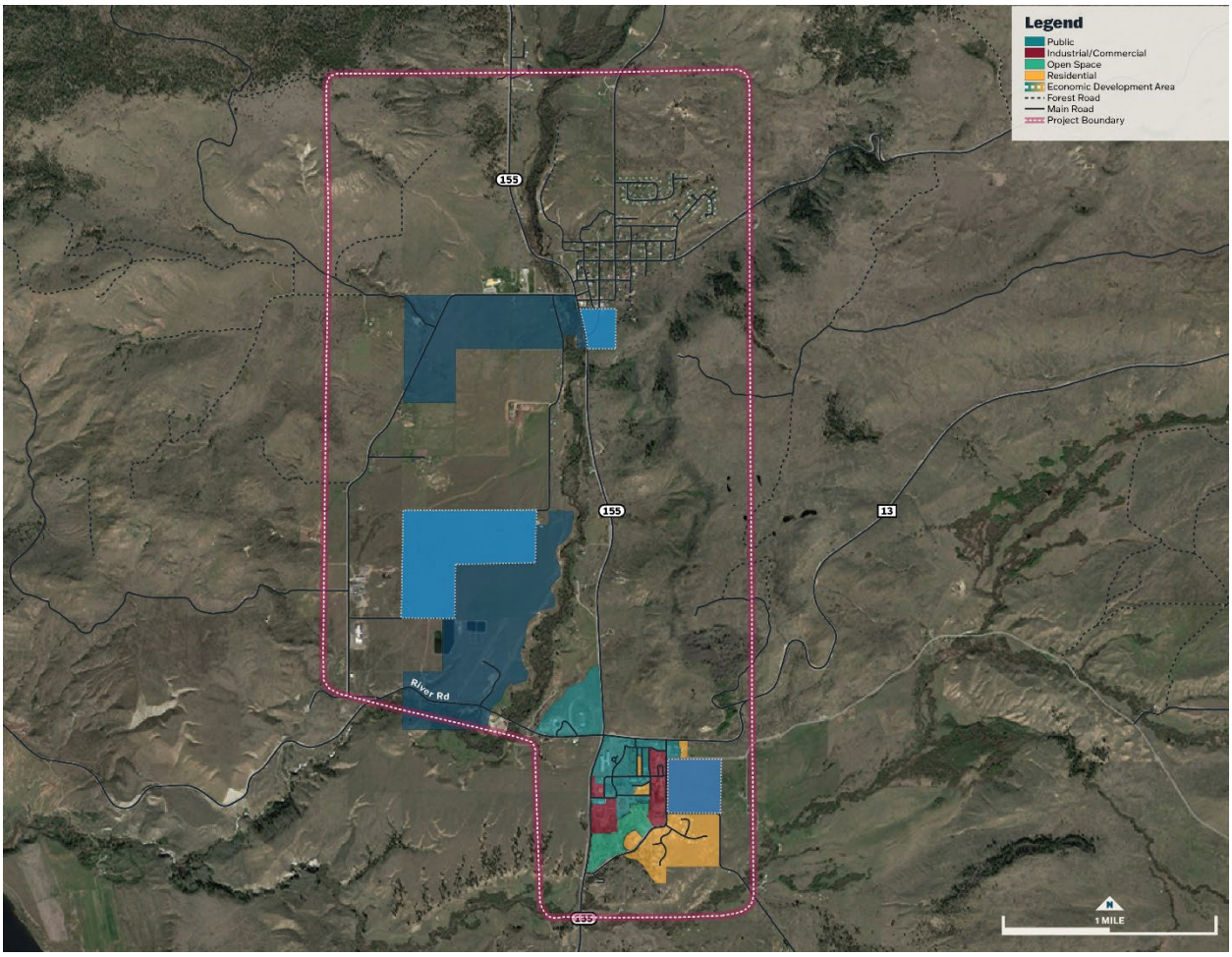
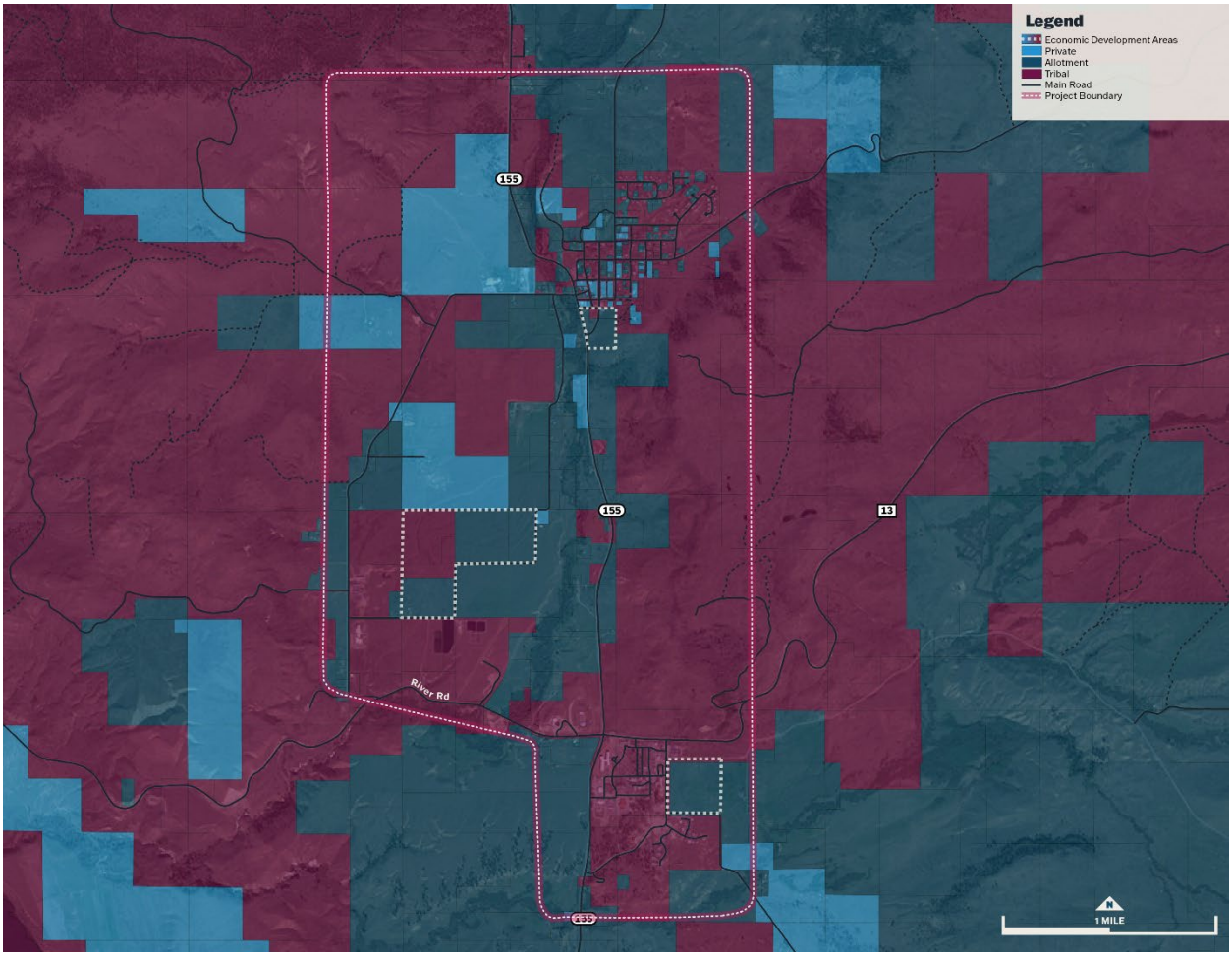


Figure 4 14 Nespelem District Parcels

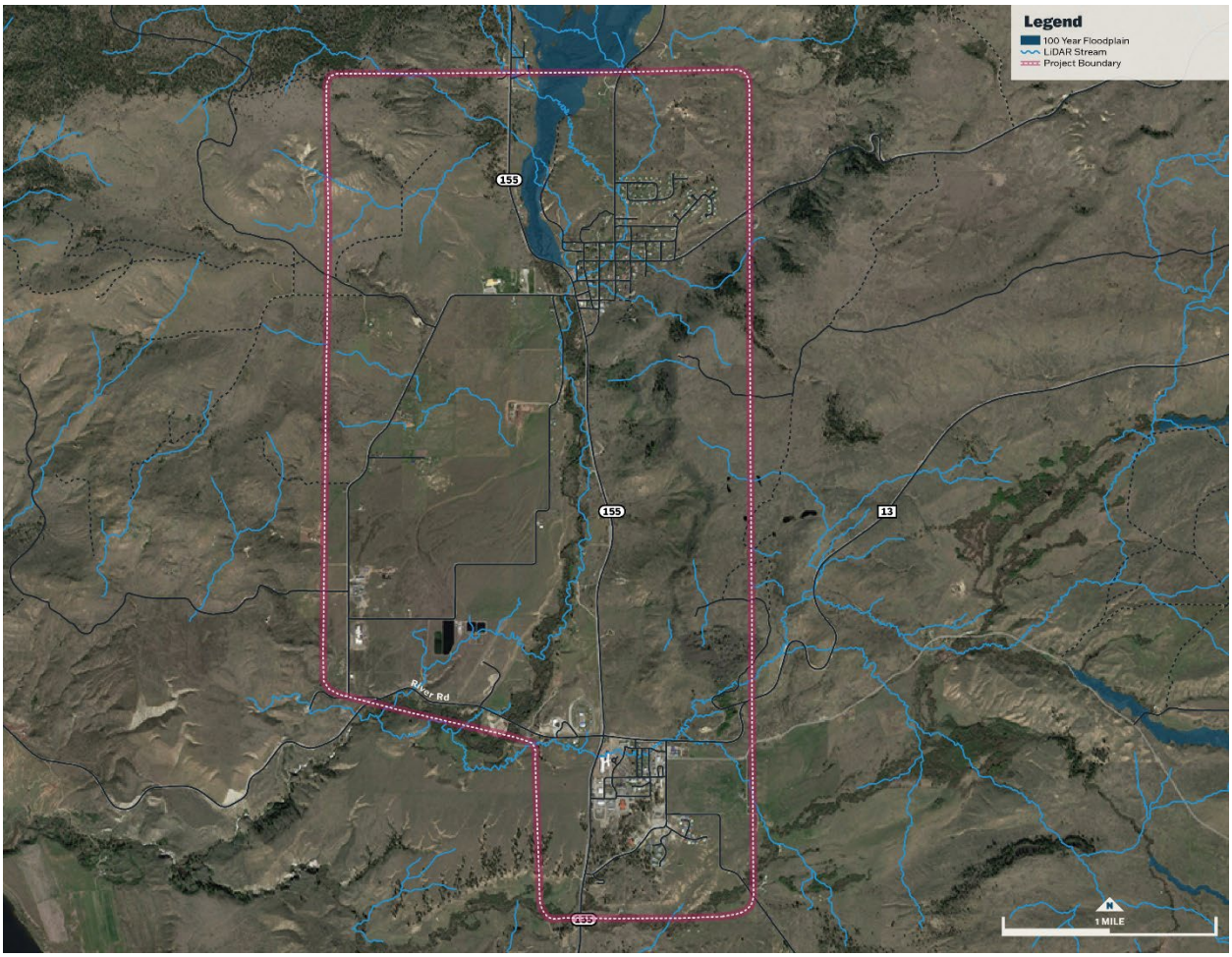


Both suggested sites in Nespelem are on allotment trust land. Allotment land is held in trust by the United States for individual members of CTCR and their descendants. The federal government holds the title, and the individual (or heirs) holds the beneficial interest. Approximately 33 percent of land in the Nespelem District is held in allotment and 56 percent is owned by tribal members (see Table 4 10).

Table 4 10 Nespelem District Land Ownership

Ownership	Acres	Percent
Allotment	1,430	33%
Private	494	11%
Tribal	2,470	56%
Total:	4,394	100%

Figure 4 15 Nespelem Water Bodies and Flood Hazard Areas



Both proposed industrial business parks are outside areas designated as the special flood hazard area.

Utility Conditions

Wastewater: Both the Town of Nespelem and the agency headquarters area are served by a domestic wastewater system. These systems convey sewage by lift stations and settling ponds owned and operated by CCT. The Town of Nespelem uses CCT lift stations and settling ponds that are located near the primary site suitable for industrial development. The Tribal Wastewater Treatment Facility has 12 acres of active and inactive settling ponds located on an approximately 35-acre site. The 2020-2040 Comprehensive Plan identifies the existing wastewater system as needing upgrades.

Water: The Town of Nespelem has its own standalone looped water system separate from CCT water. Water service is provided by wells, with two large and one small reservoirs located southeast of the town. Water storage capacity is approximately 800,000 gallons.

CCT owns and operates a looped water system served by three reservoirs near the correctional facility and around Nespelem Agency Campus. A 500,000-gallon water tank is west of the correctional facility. Two reservoirs serve the immediate campus; a 400,000-gallon tank, and a smaller 250,000-gallon tank located on a small ridge north of the campus area. The total capacity of the water system in the agency area is above 1.1 million gallons.

Electricity: Nespelem is served by 115-kV lines owned by the Okanogan PUD; the distribution system is operated by Nespelem Valley Electric Cooperative. The substation is located on the south side of the Agency Campus area. Electricity comes from the Grand Coulee hydroelectric generator. The distribution system serving the district is 34.5 kV. With close proximity to the Grand Coulee Dam complex, the district will not have any electrical power constraints under any of the envisioned development options.

Transportation

The Nespelem District is located along SR 155. Roads for hunting and gathering have been improved and the lands that they access are well protected from outside encroachment. The transit routes and schedules are very convenient and have caused transit ridership to increase dramatically.

Nespelem Bicycle Path: This project has been in the planning stages for about six years. $400,000 from the WSDOT Regional Office will fund the design, ROW, and construction of this project (DOT 2025).

State Route 155: The Nespelem District is on SR 155 which connects Grand Coulee to the south with Omak and SRs 97 and 20 to the north. There is a bridge on SR 155 to cross the Columbia River.

Cache Creek Road: Cache Creek Road connects the Nespelem District to SR 21 and the Keller District. The tribe took over jurisdiction of the Cache Creek Road from the county in 1997. The tribe has completed 4 phases of projects on Cache Creek Road between 1995 and 2002. The road includes shoulders and passing lanes, guardrail, and post mounted delineation. The Cache Creek Road carries logging traffic throughout the year (DOT 2025).

Brownfield Sites

There are no brownfield sites in the Nespelem District on the Department of Ecology's list or map of brownfield sites.

3.3.2 Opportunities and Constraints

At a workshop held in December 2022 to gather feedback about the proposed industrial business parks, residents of Nespelem expressed their vision for their district. Their description is depicted in the word cloud in Figure 4 16 which is generated with the words they shared. The following table describes the strengths, weaknesses, opportunities, and threats as reported by workshop attendees and augmented with additional information from EWU students' analysis from the 2017 CEDS (see Table 4 11).

Figure 4 16 Nespelem District Word Cloud



Source: December Workshops

Table 4 11 Strength Weakness Opportunities Threats (SWOT) Assessment for Nespelem District

Strengths	Weaknesses
+ Strong entrepreneurial spirit + Grand Coulee Dam area and federal contracting opportunities + Added-value wood products knowledge + Leverage tribal workforce training opportunities + Off-reservation opportunities, e.g., Spokane, Indian Health Service and U.S Housing and Urban Development grants for off-reservation expansion	+ Historical loss of forest due to wildfire; lost one-third of forest; danger of another fire and losses + Housing options + Lack of childcare options compounded by undertrained staff + Need things for our young people to do, movies, theme park, water park + Homelessness and nutrition + Cost barriers to starting a business + Roads for hunting and gathering need improvement + No existing buildings in which to open a business

	+ Difficulty with getting business loans; helping with funding and teaching how to run a business
Opportunities	**Threats**
+ Leverage tax advantages + Okanagan County Tourism Council as a potential employer for the county fair (provide hospitality training for front-line employees), Indian Relay + Buy Indian Act, Biden Administration, could result in development of tribal trucking business + Develop tribal workforce training opportunities like a trucking school + Lodging or improve reservation campgrounds to support recreation in the region and provide information about the CCT + Develop recreational agriculture (marijuana) products as a tribal enterprise + Grow healthy Indigenous foods, preserve and prepare them (hydroponics suggested) + Develop a farm stand like nearby Shaw's as an educational and training opportunity that also provides revenue + Provide spaces for events such as spiritual activities and sweats + Small and large; past tribal construction company was more like a program than a business. Suquamish TERO buying homes to rehabilitate; catalyst for building skilled professionals + Providing shelter for people experiencing homelessness + Provide reentry programs for incarcerated tribal members + Attract a business such as Intermountain Wood Products + Develop tribal business planning for finding funding, possibly developing tribal bank	+ Population of people of prime working age declining in the region aging population is greater than other age brackets and growing + Concern that encouraging recreation is losing pristine characteristics of parks. What's the right balance? + Lack of an existing building for any potential business + Lack of training in general for trades, provision of childcare

+ Need to understand **wildland fire contracts, certifications, federal contracts**. Could spur business growth	

Source: December CCT Workshop

Notes: Elements in **blue bold** correspond to the strengths, weaknesses, opportunities, and threats identified by Eastern Washington University in an analysis conducted for the tribe as a whole and published in the Comprehensive Economic Development Strategy 2017–2021 (CCT Planning 2017).

Economic Opportunity

According to the CCT Comprehensive Plan, the following economic opportunities were identified by community members for the Nespelem District.

+ New Tribal building & training center: Although the new "Lucy Covington Government Center" has been completed, there is still a dire need for meeting and training space.
+ Mid-level community center: for mid-level events such as funerals, meeting space, etc.
+ Cell towers and better coverage: to increase emergency response coverage at multiple and remote areas throughout the reservation.
+ Outlet for local artist vendors in the current museum, and in the planned future cultural center.
+ Tribal bulk fuel: A closed or open system to be established under a federally recognized corporation and achieve the same tax benefits as currently exist with the State, and to be built on the rail to realize transportation savings.
+ Bait shop: with more inventory than what's currently supplied at the local trading posts, and developed closer to the users, possibly down along the highway toward Rufus Woods.
+ Bottled water: produce CTCR-branded bottled water manufactured out of the Yakima Juice plant.

Obstacles

Obstacles to economic development that are identified in the CCT Comprehensive Plan include:

- Housing: Even though Nespelem just received 20 more units through the Colville Indian Housing Authority's project at White Buffalo Meadows, there is still a need for more housing, and more effort in enforcing site and sound nuisances.
- Dump / Transfer Station: due to EPA concerns about facility use, much of these services, that were once provided, are no longer in existence. Past facility users are now required to travel 35 miles over a mountain pass to get rid of trash, which has led to an increase in illegal dumping sites around the reservation.

3.3.3 Community Desires

According to the Comprehensive Plan (CCT Planning n.d.b), priorities for the Nespelem District are:

- New Tribal Building and Training Center
- Mid-Level Community Center
- Cell Towers and Coverage
- Housing
- Dump/Transfer Station
- Senior Center
- Outlet Mall
- Learning Opportunities/Center
- Local Artist Center/Museum/Culture Center
- Landscaping/Lawns
- Outdoor Recreation
- Tribal Bulk Fuel
- Bait Shop
- Bottled Water Production

At the December workshop held for the District Master Plans, attendees expressed the following desires for the Nespelem District (ECONorthwest 2023a):

- Nurture entrepreneurial spirit and support development of aquaculture, recreational marijuana, indigenous food preparation, family-centered cultural activities, and rodeo businesses.
- Leverage tax incentives to attract businesses.
- Pursue value-added wood products.

In an informal survey conducted in December 2022, attendees discussed the factors that they thought would help create opportunity in their area:

1. Childcare services
2. Job training
3. Reliable broadband
4. Businesses nearby that are hiring and places nearby for participants to grow a business
5. Improving transportation dependability

The lack of a Tribal Employment Rights Ordinance (TERO) office for CCT was chosen as a factor by the fewest participants.

Responding to the types of uses participants would like to see, most rated Recreation highest, with a ranking of 7.5 (i.e., "Bring it!"), followed by energy production and agriculture (rated at 7.4 and 6.8 respectively). Light industrial was rated at 6.3 and waste management and heavy manufacturing were rated at 4.1 and below.

When responding to an open-ended question about what would create more opportunity, participants in Nespelem provided the greatest variety of answers, mentioning trade school, training, and education (including funding for education) most frequently; followed by housing and transitional housing; opportunities that led to better wages; strategic thinking and leadership; and several answers related to culture and health: healthy food options, food preservation preparation, restaurants, artisan markets, cultural centers and event spaces. Other answers included construction, munitions manufacturing, and reentry programs.

When asked how people would like to earn a living, most participants ranked Open my own business on the Colville Reservation as the top choice, followed by Working remotely for a company. Working for the CCT or as an employee at a business on the reservation were third and fourth choices, respectively.

Responses to a question about ease of mobility indicated that, while all transportation options were acceptable, roads were rated highest at 4.8 between "Needs a lot of improvement" at the bottom of

the scale and "All good" at the top of the scale. Area trails were ranked at 4.3, and all other options (bus pedestrian mobility, and bicycling) were ranked at a 4.2 and below. Of the 12 respondents, the majority (ten) indicated that their one-way commute to work is between ten and 30 minutes; three indicated a commute of more than 30 minutes and two commuted less than 10 minutes one way.

3.3.4 Other Economic Opportunities

Recreation within the Nespelem District would be similar to the opportunities suggested for the Inchelium and Keller Districts. Focused on outdoor recreation and regional tourism the tribe should consider identifying a location near the Grand Coulee complex to fully develop a short stay RV park with full amenities. The Grand Coulee Dam is destination attraction and the tribe should capitalize the visits to the Dam.

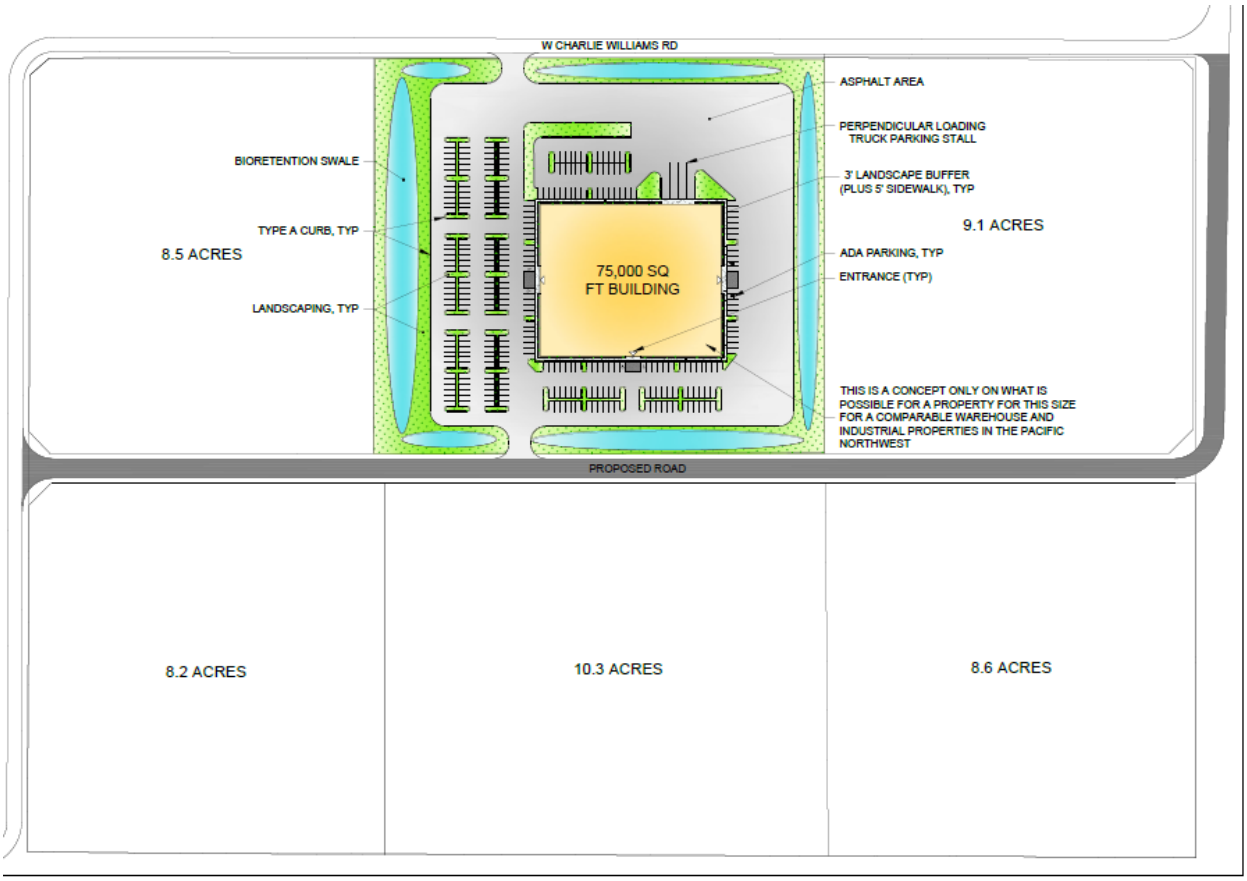
3.3.5 Conceptual Site Plans

The two site plans included below are potential options for redevelopment within the reservation (see Figures 4-14, 4-18, and Appendix C). They aim to meet community need, desire, and compatibility with tribal zoning standards.

Site Plan I – Industrial Concept Plan

The Industrial Concept Site is located southeast of the official district boundary, adjacent to State Route 155, and bordered by W Charlie Williams Road. The property totals over 45 acres. The site plan includes a new proposed road bisecting the parcel, and a 75,000 sq ft building. The concept is meant to show what is possible for a property of this size compared to the other conceptual site plans for smaller warehouse sites and industrial properties.

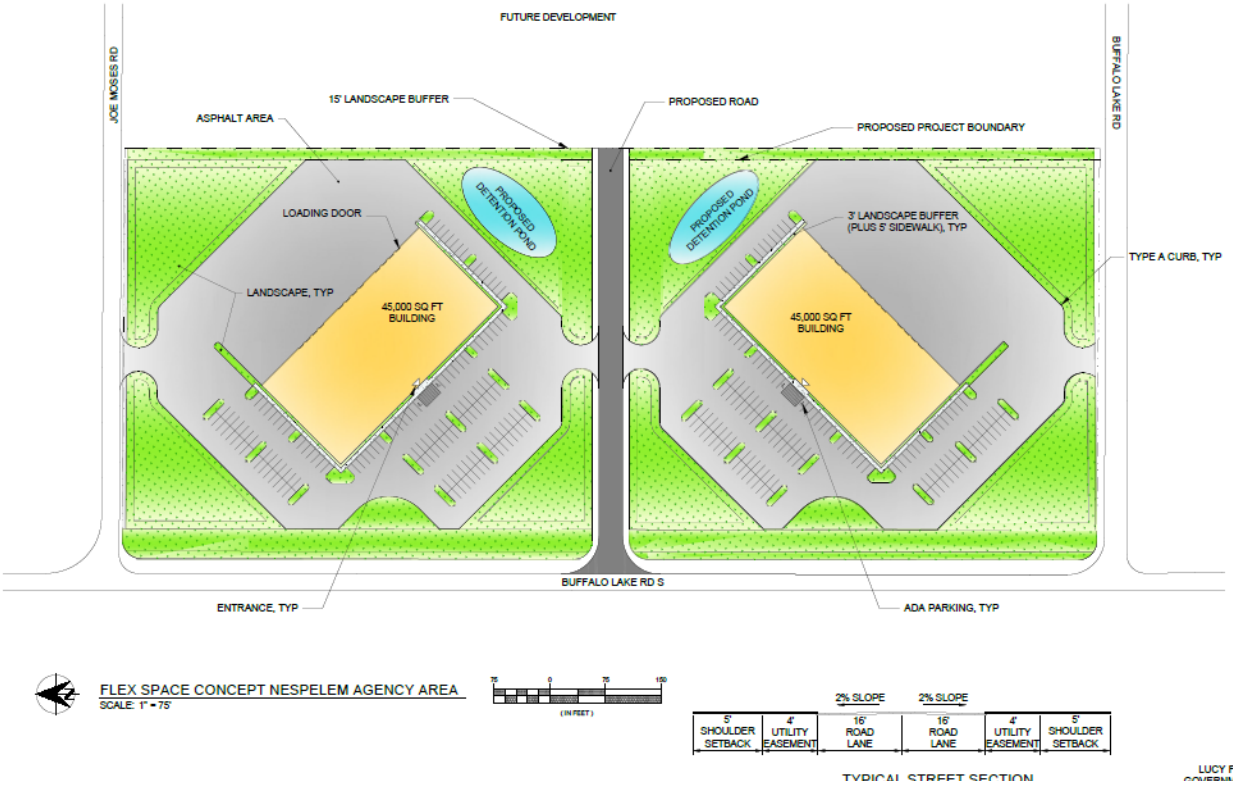
Figure 4-17 Site Plan I – Industrial Concept Plan



Site Plan II – Flex Space Concept Nespelem Agency Area

The Flex Space Concept in the Nespelem Agency Area is located approximately 0.25 mile east of SR 155. It is bordered by Buffalo Lake Road 8 to the east and south, and Joe Moses Road to the west. It is adjacent to the Colville Tribes Indian Health Center and the Lucy F. Covington Government Center. The proposed concept for the site includes two mirrored buildings with about 90,000 square feet of building area, as well as landscaping and parking. This site is close to the core of the governance area and offers tremendous opportunity for the Tibe to build a mixed-use development. The building concepts are flexible, and the space could be divided into many configurations, giving tenants close proximity to services and ease of access.

Figure 4-18 Site Plan II – Flex Space Concept Nespelem Agency Area



4.0 BUSINESS/ACTION PLAN

This section provides development cost baselines and presents a plan to market the potential development sites. Because specific values for properties identified within the concept plans are not available, presented costs are "Rough Order of Magnitude Building Cost Estimates" for the period 2024 and 2025. Calculation worksheets are included within Appendix D.

4.1 DEVELOPMENT COSTS AND KEY CONDITIONS

Rough Order of Magnitude (ROM) building cost estimates provide a quick calculation for first-order cost approximation. They are particularly useful at the beginning of various projects, such as strategy development and construction projects. ROM estimates are typically used early in project development to determine the estimated financial resources required. The purpose of a ROM estimate in project management is to provide stakeholders and decision-makers with an idea of a project cost's order of magnitude (for example, whether an endeavor will require $1 million or $10 million). The accuracy of ROM estimates is generally – 25% to +75 percent, according to the Project Management Institute Project Management Book of Knowledge (PMI 2021 7th Addition).

For the development cost estimates that follow, Akana gathered information from the following three sources to develop an estimated project cost per square foot.

- Kaufman Development Company, a regional commercial/industrial developer
- Swinerton, a national commercial /industrial construction company
- RSMeans, a construction data company

The estimates reflect potential costs associated with developing a site on the reservation, and they include soft costs and taxes. These estimated costs do not take into account any TERO fees that may be levied.

Key conditions are the elements specific to the potential development site. The Key conditions include:

- **Market Access.**
  What is the ease of access to the site and who the site would serve?
- **Utility Readiness.**
  What utilities currently are available to the site (All; Some; None)?
- **Ownership.**
  Who owns the property? What is the property status (Tribal; Allotment; Private)?

- **Workforce Access.**
  Where will potential future employees commute from?

- **Business Types.**
  What business type mix is suitable for the site?

- **Estimated Wage Range.**
  What types of direct wages are likely possible (the hourly wages presented are direct labor rates, and they do not include fringe benefits).

4.1.1 Inchelium Site Plan I, Makers Mart.

This site concept includes one 6,000 square foot building. Development costs are estimated to be between $1.7 million and $2.0 million.

- **Market Access.** This potential project is located on Bridge Creek Road and would serve the immediate community.

- **Utility Readiness.** All utilities are available to serve the project.

- **Ownership.** The identified site is owned by the Tribe.

- **Workforce Access.** This project likely would be staffed by local residents.

- **Business Types.** A Makers Mart would attract independent artisans and small businesses that showcase and sell their handmade or unique products, fostering creativity and local commerce.

- **Estimated Wage Range.** $17 to 23 per hour.

4.1.2 Inchelium Site Plan II, Industrial Revision Plan

This site concept includes three buildings totaling 36,000 square feet. Development costs are estimated to be between $8 million and $9 million.

- **Market Access.** This potential project is accessed from Bridge Creek Road and would serve the immediate community or specialty markets.

- **Utility Readiness.** All utilities are available to serve the project.

- **Ownership.** The identified site is owned by the Tribe.

- **Workforce Access.** This project likely would be staffed by local residents.

- **Business Types.** Light manufacturing, warehousing, or distribution.

- **Estimated Wage Range.** $17 to $34 per hour.

4.1.3 Keller Site Plan I, Business Flexspace Concept

This site concept includes two buildings totaling 8,500 square feet. Development costs are estimated to be between $1.8 million and $2.1 million.

- **Market Access.** This potential project is located on State Highway 21 and would serve the immediate community as well as travelers passing through the reservation.
- **Utility Readiness.** Some; water and electricity are available.
- **Ownership.** The identified site is owned by the Tribe.
- **Workforce Access.** This project likely would be staffed by local residents.
- **Business Types.** A Makers Mart would attract independent artisans and small businesses showcase and sell their handmade or unique products, fostering creativity and local commerce. This project could also provide office space for independent professionals (for example, bookkeeping, computer services, and package handling).
- **Wage Range.** $17 to $34 per hour.

4.1.4 Keller Site Plan II, Light Manufacturing

This site concept includes one 7,000-square-foot building. Development costs are estimated to be between $2 million and $2.7 million.

- **Market Access.** This potential project is located on State Highway 21 and would serve the immediate community as well as travelers passing through the reservation, depending on use type.
- **Utility Readiness.** Some; water and electricity are available.
- **Ownership.** The identified site is privately owned.
- **Workforce Access.** This project likely would be staffed by local residents.
- **Business Types.** Light manufacturing.
- **Wage Range.** $17 to $34 per hour.

4.1.5 Keller Site Plan III, Gas Station and Restaurant

This site concept includes two buildings totaling 5,500 square feet. Development costs are estimated to be between $1.4 million and $2.0 million.

- **Market Access.** This potential project is located on State Highway 21 and would serve the immediate community and travelers passing through the reservation.
- **Utility Readiness.** Some; water and electricity utilities are available.
- **Ownership.** The identified site is owned by the Tribe.
- **Workforce Access.** This project likely would be staffed by local residents.
- **Business Types.** Retail and hospitality.
- **Estimated Wage Range.** $17 to $22 per hour.

4.1.6 Nespelem Site Plan I, Industrial Concept Plan

This site concept identifies six properties for development, each ranging from 8 to 11 acres. The site concept includes one 75,000-square-foot building. Development costs are estimated to be between $19 million and $24 million.

- **Market Access.** This potential project is located near State Route 155 and is bordered by W Charlie Williams Road. This project could serve the immediate community as well as customers off the reservation.
- **Utility Readiness.** All utilities are available to serve this project.
- **Ownership.** The identified site is owned by the Tribe.
- **Workforce Access.** This project likely would be staffed by local residents, including those who reside just off reservation in Grand Coulee and Electric City.
- **Business Types.** Heavy and light manufacturing, warehousing, data farming, or distribution.
- **Estimated Wage Range.** $17 to $40 per hour.

4.1.7 Nespelem Site Plan II, Flex Space Concept

This site concept includes two buildings totaling 90,000 square feet. Development costs are estimated to be between $17 million and $21 million.

- **Market Access.** This potential project is located within the Agency Campus area adjacent to Tribal Headquarters; it would serve the immediate community and markets external to the reservation
- **Utility Readiness** All utilities are available to serve this project.

- **Ownership.** The identified site is privately owned.
- **Workforce Access.** This project would likely be staffed by local residents, including those who reside just off reservation in Grand Coulee and Electric City.
- **Business Types.** These buildings would attract independent artisans and small businesses that showcase and sell handmade or unique products, fostering creativity and local commerce. This project could also provide office space for independent professionals (for example, bookkeeping, computers services, and package handling). Additional uses could include light manufacturing and rental space to non-Tribal governmental agencies or educational institutions.
- **Estimated Wage Range.** $17 to $34 per hour.

4.2 POTENTIAL INCOME/BENEFITS

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

- **Tribal Sovereignty.** According to the CTCR 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."7 Tribal enterprises are exempt from a number of state and local regulations, including zoning, land use, environmental regulations, and permitting, allowing for greater flexibility.8
  - **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.9
  - **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.10
- **Federal Contracting Preference.** Tribal enterprises and reservation-based businesses receive preference for federal contracts. If a tribal government owns the company, it receives additional benefits on top of minority-owned business preference through the U.S. Small

[7] Colville Confederated Tribes Planning, "Comprehensive Plan 2040," 136.
[8] Ibid 140.
[9] Ibid 137.
[10] Ibid 137-138.

Business Administration (SBA), such as contract amount caps and sole-source bidding; they also can be designated as a HUBZone (Historically Under-Utilized Business Zone) business if 35% of employees reside on the reservation.11 The Buy Indian Act also allows the Bureau of Indian Affairs (BIA) and Indian Health Service (IHS) to give contract preference for Indian and tribe-owned companies.12

+ **Subsidized Financing.** There are a number of loans and bonds available for businesses on the reservation, including loan guarantees from the U.S. Department of Energy (DOE), BIA, and U.S. Department of Agriculture (USDA) for various project types.13 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.14 (ECONorthwest 2023 Tribal and Regional Economic Analysis)

Taking into account the differences in each district's economic goals, as well as the type and scale of development unique to the communities, the jobs that could result from tenancy ranges from individually performed services to 26 employees at industrial manufacturing facilities at the larger proposed developments. Wages for these types of jobs in are between $ 29,120 (annually) for service industries and $74,048 for manufacturing professions (NAICS Tables, US Bureau of Labor Statistics)[15].

4.3 WHAT IT MAY RETURN

4.3.1 Challenges and Gaps to Achieve Desired Return

Currently, the reservation does not have an industrial base that will provide a labor pool of skilled workers currently engaged in the industries desired for the districts. The Nespelem District may have some availability for skilled workers associated with the Grand Coulee Dam Complex. This labor pool likely would be limited, due to the job stability provided by the federal government at the dam.

The general remoteness of the reservation and access challenges may be difficult to overcome. Industrial developers usually seek locations that have ease of access and larger parcels of land that provide potential growth. These developers also prefer established tenants to ensure stable cashflows. On the reservation, this may not be a factor because of tribal government ownership, but the general concept of established tenants vs. stable cashflows is an element when considering the return on investment these projects would provide the Tribe.

[11] Ibid 138.
[12] Ibid 139.
[13] Ibid.
[14] Ibid 140.
[15] https://www.bls.gov/ces/naics/naics-2022.htm

To make any of these proposed sites attractive, the Tribe should consider initiating a program or process to make some of the concepts "shovel ready."

4.3.2 Funding and Financing Opportunities

The proposed sites most likely will be developed using economic development funds acquired through Federal and State grants. Other sources of funding could include profits generated through existing tribal enterprises such as gaming. The difficulty that the tribe will see with outside private funding is non-tribal bankers' reluctance to lend money to tribal and non-tribal businesses located on reservations due to the lack of recoverable foreclosure in case of loan default.

4.4 HOW LONG WILL IT TAKE TO SEE A RETURN

The return on investment (ROI) period is difficult to determine. Ideally the properties would have an anchor tenant, with agreements in place at or prior to project completion.

ROI is usually stated as the excess revenue generated on rents after carrying costs are covered. Most of the businesses that would be established at these locations would be owned by tribal members. It may be difficult to obtain market-level rents without some type of subsidy. For example, this would be a generalized ROI on a 15,000 square foot building with an annual market lease of $12 per square foot[16].

+ Cost of development:	$2,400,000
+ Annual expenses and carry costs:	$15,000
+ Annual rent (square feet x $):	$180,000
+ Inflation rate:	2.5%
ROI or Recovery Period:	12.3 years

This example shows that positive revenue will occur during year 15 after occupancy.

4.5 MARKETING AND MANAGING APPROACHES THE NEXT STEPS

To market development of the proposed light industrial and commercial areas in the three district, CCT must make a focused effort to target industries and businesses identified in the Market Analysis Report (EcoNorthwest 2023b). Because the districts are not located in a sought-after market, inquiries into site availability and development opportunities ~~are~~ could be limited. The tribe will need to establish a cohesive game plan to successfully market the identified properties.

[16] Office of Financial Management Facilities Oversight and Planning. Updated as of September 10, 2025

For members of the tribe who are seeking opportunities to establish a small business, there are several incentive and assistance programs available to native Americans. The Tribe could also develop an internal strategy to financially assist tribal member seeking funding to start a business.

To implement the plan and what next steps should be taken the CCT should consider the following activities:

- Form a Stakeholder Committee that includes all pertinent Tribal departments and outside funding partners to discuss the results of District Master Plan. Create an internal strategic plan to collectively pursue current opportunities for the three districts while remaining aligned to the plans recently updated for industrial properties in the Omak District.
- Develop a booklet presenting these sites' availability and the Tribes' willingness to partner or provide incentives in business development.
- Revise the pamphlet that presents the Omak District as a green energy hub to include the three district.
- Market the economic development areas through the Tribe social media accounts. This includes LinkedIn and Facebook. A tribal member either within the tribal administration or Colville Tribal Federal Corporation (CTFC) should be assigned the task to maintain these websites
- Proactively market the district towards targeted industries like RV manufacturers as well as businesses that would be interested in these areas for quality of life consideration. Provide a plan to incentivize small, tribally owned businesses to locate outside of the home by ensuring the tools for successful commerce are available at the proposed sites.
- Establish a CCT chamber of commerce with a dedicated staff focus on marketing the opportunity areas.
- Sponsor development of a site to seek immediate success to show initiative and renewed interest with working with CCT.
- Develop a plan and schedule for incremental development of flex/light industrial, that has a low-cost buildout with room to scale.
- Work with Colville Tribal Credit Corporation to build programs to subsidize small tribal business and include programs that identify and support small businesses through the United States Small Business Administration (SBA). The SBA has regional business

assistance organization that provide no cost business guidance services to native American[17].

- For Tribal member owned small businesses that are seeking to expand, compile available resources toolbox to assist the tribal entrepreneur to seek funding, prepare proforma for lenders and grants, and seek non-traditional sources of funding such as crowdfunding.[18]

In conclusion, For the Confederated Tribes of the Colville Reservation the areas within this report presented conditions opportunities and potential barriers, that could be overcome, to develop a framework to promote light industrial small business opportunities that could be located on scaled parcels of land within each of the Districts. The concept drawings provided should provide a base look forward to assisting the tribe into furthering developing resources to actively market the opportunities that each district offers. Emphasis on non-industrial activities such as recreation should be included in any economic development scheme for the districts of Inchelium, Keller and Nespelem.

During the stakeholder meetings it was identified that tribal members who want to start a business really need programs to help them prepare for the responsibilities of owning a business and running a business. The tribe should take the initiative to develop a campaign that energizes tribal members to seek economic opportunities and help them navigate what it takes to engage in economic commerce independently by leveraging the tools that are available.

[17] For the Pacific Northwest Two Rivers CDC is a Native American, 501(c)(3) organization the provide free assistance to Native communities and individuals.
[18] Crowdfunding is a method of raising money for a project, campaign, or individual by collecting small amounts of money from a large number of people.

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APPENDIX A

Colville Confederated Tribes Master Site Development Plan

Tribal and Regional Economic Analysis

March 2023

Prepared for: Confederated Tribes of the Colville Reservation

Final Report

ECONorthwest
ECONOMICS · FINANCE · PLANNING

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Executive Summary

This report provides a draft of the Tribal and Regional Economic Analysis results. ECONorthwest reviewed existing local and regional plans related to economic development and evaluated market conditions at the local and regional levels to understand the community demographic and economic trends, assessed the interrelationships of the surrounding area and the reservation and tribal business/industrial complexes, and described opportunities associated with the tribes comparative advantages and disadvantages in the region. This information is intended to help inform strategy development and identify which industries should be targeted for further evaluation. The following executive summary highlights the overall findings from our work.

The prime working age population of the primary market area is decreasing.

Okanogan and Ferry Counties have experienced little to no population growth over the last two decades and maintained a higher median age than Washington overall while the working age population (25-50 years of age) decreased. Over a third of both counties is over the age of 60, though the Colville Reservation area has a comparatively younger population. Currently, there is a need for strategies to retain working population such as a skillset or workforce program to support improved availability for more family wage job opportunities, including:

- Healthcare and services, ecotourism, recreation, and agricultural or food related sector employment opportunities with higher pay
- Strategic light manufacturing employment opportunities
- Employment opportunities near small urban cities and areas
- Entrepreneurship and small business opportunities

To do this, the tribe should consider where there is adequate infrastructure needed for different business operations (transportation, water, electricity, broadband) in place or planned to be added in the future.

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

In the primary regional market area, over 30 percent of covered employment is in Government; on the Colville Reservation this share is even higher with 59 percent of their employed population working in government. Top employers include the tribe itself as well as several mining companies, agriculture-related firms, and Ferry County Memorial Hospital. The most recent Comprehensive Economic Development Strategy (CEDS) identified manufacturing, agriculture, entrepreneurism, construction, and tourism as the top economic development priorities.

Business applications are growing in the primary market area, and the majority of employers in the area are small businesses.

Over the 2010 to 2021 period, approximately 506 business applications have been filed in Ferry County and 3,383 in Okanogan County. On an annual average basis, applications have increased by 4.6 percent and 5.0 percent respectively. These findings indicate that both counties are attractive locations for new businesses. In addition, 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 of employers in Ferry County.

Although business applications are increasing throughout the primary market area, Okanogan County is losing more net firms overall than Ferry County. While the number of firms 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 firms fell in this time period.

Unemployment is higher in the primary market area than Washington state, with lower median household income.

Unemployment rates have remained higher in Ferry and Okanogan even as the state looks toward recovery from COVID-19 Pandemic impacts. Median household income in Ferry and Okanogan was lower than the secondary market area and the State by roughly $30,000 per year across all race and ethnicity groups. While median income grew 13 percent in Washington from 2000 to 2016-2020, it decreased for Ferry County and increased by only 6 percent for Okanogan County. Aside from Government and Healthcare and social services, top industries by employment are not paying higher than the average annual wage. Although the Reservation was in line with Ferry and Okanogan County incomes, there is a potential opportunity to leverage tribal workforce training to attract higher paying jobs.

The Reservation has lower unemployment than the primary market area.

Unemployment increased on the Colville Reservation from 2000, up to 8.4 percent in 2016-2020. However, it was still lower in this time period than both Ferry and Okanogan Counties. For the population 16 years of age and up, the labor force participation rate also decreased by 4.5 percent between 2000 and 2016-2020 on the Reservation but stayed equal to or above Ferry and Okanogan Counties.

The Reservation has many comparative advantages.

The Tribe has several advantages to attract businesses, including tax exemptions and credits, federal contracting preference, subsidized financing and local control over regulations. Tribal companies have federal contracting preferences and additional benefits on top of minority-owned business preference through the Small Business Association (SBA) can be designated as a HUBZone (Historically Under-Utilized Business Zone) if 35 percent of employees reside on the reservation. 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. However, some opportunities with federal contracting preference may be inconsistent with tribal values, such as Department of Defense contracts.

In addition, Okanogan County is classified as having a recreation-dependent economy, which can be an advantage. On average, earnings per job in recreation counties grew six times faster from 2010-2016 than non-recreation counties.

Although the Reservation has these advantages, it also has constraints particularly related to existing infrastructure limitations.

A large portion of the reservation is resource land with a very small share of the area developed and including adequate infrastructure for residential or commercial use. 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 Comp 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.

The Tribe has potential to develop facilities to increase opportunities for tourism, agriculture, healthcare, resource-based businesses, and strategic light manufacturing.

The Colville Reservation has a number of existing facilities 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. There is an interest in expanding and improving existing outdoor recreation facilities and developing new services near population centers. There is already a high concentration of agriculture in the primary market area, and the Tribe may also be able to find a crossover with agrotourism and demonstrate a focus on sustainable agricultural practices.

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**.** The Tribe has been engaged in creating Wellness Centers to serve residents, which it could align with new training programs available at Wenatchee Valley Community College's locations in Omak and Nespelem.

Resource-based businesses such as timber harvesting and mining have been a large part of the local economy in recent decades. Although the Tribe has been shifting away from heavy wood product manufacturing and closing mills, initial sites have already been identified for solar farms. The Tribe has also already identified a new area for **industrial use,** including a large 67-acre site for the Omak Business and Industrial Park and 386-acre Foreign Trade Zone (FTZ) in a currently vacant area that is tribally designated as Industrial Use land. Among the many potential uses for this area is production of solar energy panels.

There is also a strong desire for more entrepreneurship opportunities on the Reservation.

Engagement findings show 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.

1. Introduction

This memo provides a draft of the Tribal and Regional Economic Analysis as required by Task 4.1 and 4.2 of ECONorthwest's work. ECONorthwest evaluated market conditions at the local and regional levels to understand demographic and economic trends, assess the interrelationships of the surrounding area and the reservation, and describe opportunities associated with its competitive position within the region. We conducted preliminary market research to inform the higher opportunity, more feasible uses and their viability at each site, the depth of the market for such uses, the necessary conditions under which each use would thrive, and high-level estimates for valuations or revenue that would help inform subsequent financial modeling.

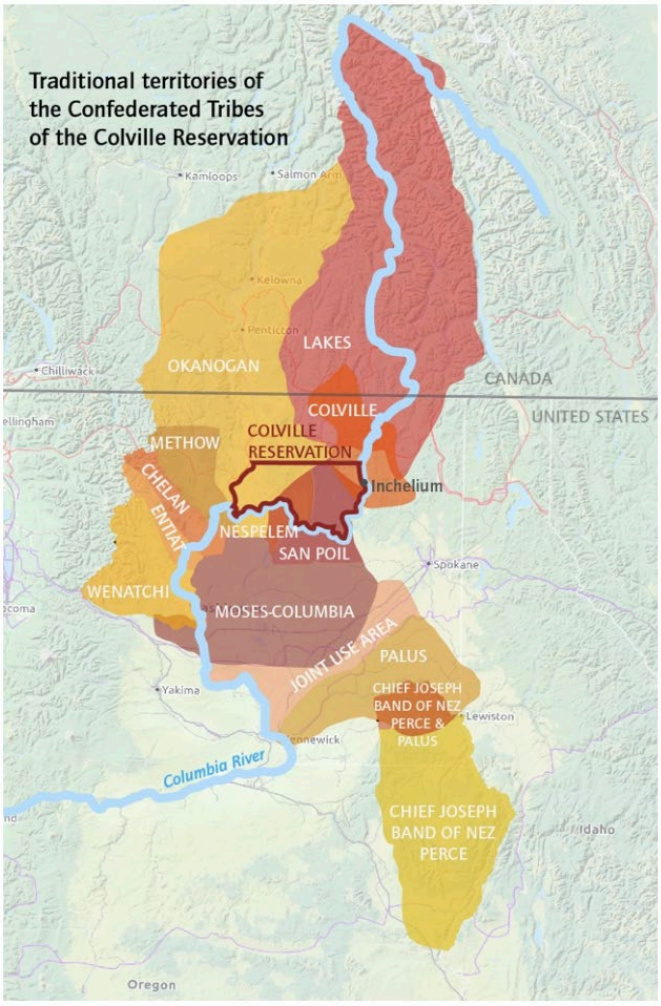
1.1 Context

The Colville Indian Reservation was established by Executive Order of April 9, 1872 by the United States government, for use and occupancy of the Methow, Okanogan, San Poil, Lakes, Colville, Kalispel, Spokane, Coeur d'Alene, and such other Indians; other tribes located in the Reservation area but not included in part of the treaty were the Snake River Palouse branch of the Yakima, the Joseph band of the Nez Perce, the Moses Columbia, and the Wenatchee Band of Indians.

The reservation area originally spanned 2,850,000 acres but modified by the US government without consultation with tribes to eliminate Methow and Colville Valleys. Over the course of the nineteenth and twentieth centuries, the total amount of land on the reservation

Exhibit 1. Map of Confederated Tribes of the Colville Reservation Lands

Source: Colville Confederated Tribes Comprehensive Plan 2020-2040



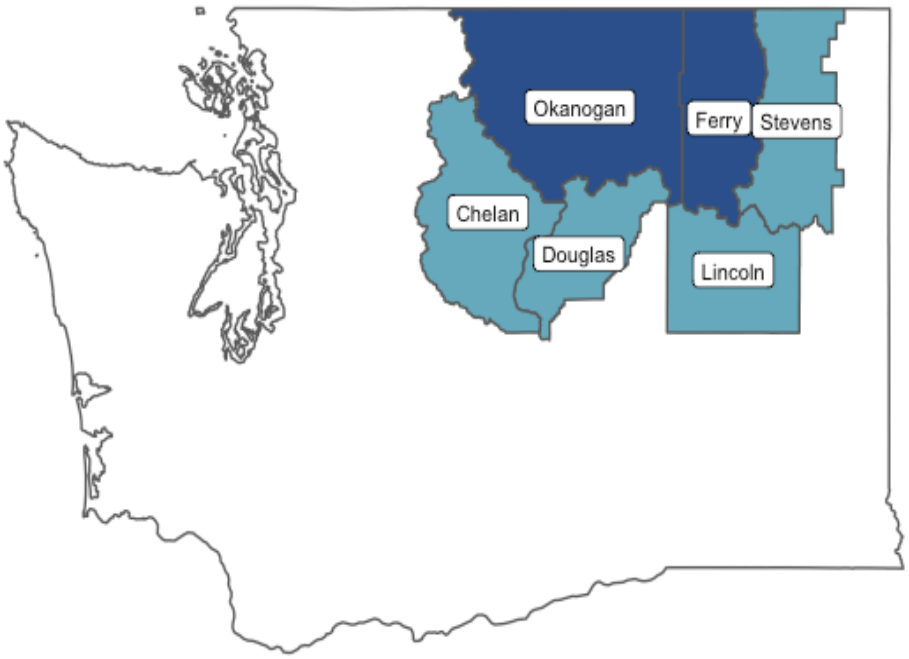
was reduced by half of its original size to its current size of 1,392,265 acres.[1]

1.2 Market Areas Used for Regional Market Analysis

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

The secondary market area included for comparison with Ferry and Okanogan 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.

Exhibit 2. Primary and Secondary Market Areas
Source: ECONorthwest



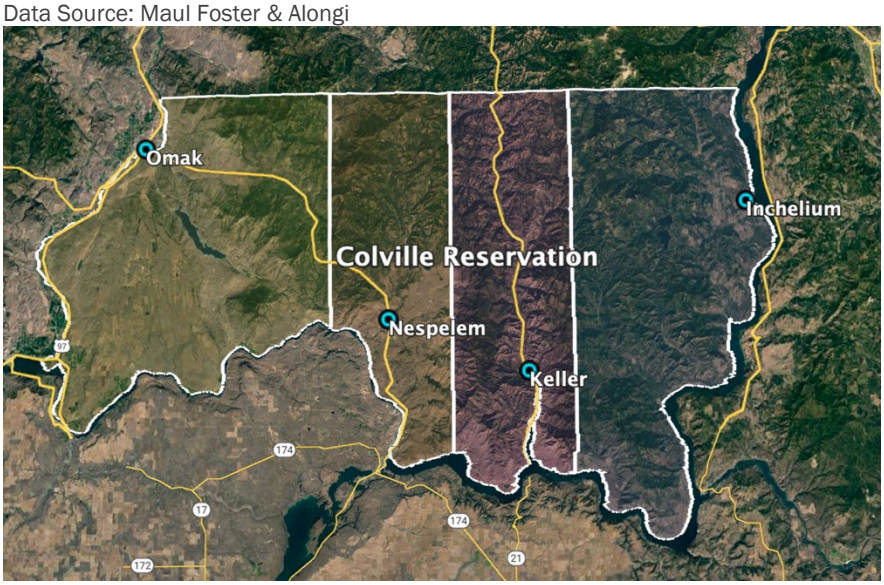
Primary Market Area: Okanogan and Ferry Counties
Secondary Market Area: Chelan, Douglas, Lincoln and Stevens Counties
Extended Market Area: State of Washington

[1] Colville Confederated Tribes Planning, "Comprehensive Plan 2040," 2020, https://www.cctplanning.com/comprehensive-planning, 17.

1.3 Colville Reservation Boundaries

The Colville Indian Reservation is located within the southern portion Ferry and Okanogan Counties in eastern-central Washington, bounded by the Columbia River on the south and east and the Okanogan River to the west. Washington State Routes 21, 25, and 155 connect the area to Spokane, Washington, and border crossings with British Columbia. The reservation has four sub-districts which are home to the largest population centers: Omak, Nespelem, Keller, and Inchelium (boundaries shown in Exhibit 3). A large majority of the land on the reservation (94 percent) is resource land, with roughly half of the total area classified as evergreen forest; only 0.1 percent of total acreage is designated for residential use.[2] Tribal facilities are spread throughout the reservation, but those with the highest employment (such as the personnel department and community center) and available services are concentrated in Nespelem. The 12 Tribes Casino and Hotel is another key facility for employment located in Omak.

Exhibit 3. Map of Colville Reservation and Districts
Data Source: Maul Foster & Alongi



The Tribal Economic Analysis which follows the Regional Analysis section reviews market conditions specifically within tribal boundaries. Although some data is limited within this geography, the Census Bureau provides demographic, social, economic, and housing statistics for the Colville Reservation and Off-Reservation Trust Lands in its five-year American Community Survey (ACS) estimates.[3] This report primarily uses 2016-2020 ACS estimates for this geography.

[2] Colville Confederated Tribes Planning, "Comprehensive Plan 2040," 2020, https://www.cctplanning.com/comprehensive-planning, 90.

[3] US Census Bureau, "American Indian and Alaska Native (AIAN) Data Tools," December 22, 2022, https://www.census.gov/about/cong-gov-affairs/intergovernmental-affairs/tribal-aian/data/tools.html.

2. Regional Economic Analysis

In partnership with Akana, ECONorthwest evaluated market conditions at the regional level around the Confederated Tribes of the Colville Reservation to understand contextual demographic and economic trends. Our team assessed the interrelationships of surrounding counties and the reservation to describe economic and business development opportunities associated with its competitive position within the region. In this memo we also provide some state level data and trends to understand how the area compares with Washington as a whole. This analysis will figure into the final business plan in Task 4.3 of the work program by providing a regional overview of:

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

2.1 Population and Households

Key Population and Households Findings

- **Ferry County has a much smaller population than Okanogan County.** In 2021, Ferry had only 7,250 residents compared to 42,350 residents in Okanogan, making up about 14 percent of the total population of the primary market area in this analysis. Ferry is the fourth least populated out of Washington's 39 counties.
- **Okanogan and Ferry counties grew slower than Washington State or other counties in the region since 2000.** Ferry and Okanogan Counties increased 0 and 7 percent respectively between 2000 and 2021, while other counties in the secondary market area increased at greater shares. Between the 2020-2040 time period, the population in Okanogan and Ferry Counties is expected to increase by six and three percent respectively, a smaller percentage than the State.
- **The primary and secondary market areas both have an aging population.** In 2018, the counties in both geographies had a higher share of residents over the age of 60 and the secondary market area had a lower share of residents 20-29 than the state of Washington. Median ages increased from 2000, with a median of 52 years in Ferry and 43 years in Okanogan in 2016-2020.
- **The prime working age population is expected to continue declining.** In Okanogan and Ferry Counties, the population above the age of 65 is anticipated to grow between three and one percent respectively, and the prime working age populations between 20 and 65 years old are forecast to continue decrease.

- **Unsurprisingly, Ferry and Okanogan Counties have a higher share of American Indian residents than the state,** making up 13 and 10 percent of the population respectively**.** Okanogan County also had a higher share of Hispanic or Latino residents (approximately 20 percent) and households speaking Spanish at home (16 percent). Both counties also had a lower share of Asian and Black residents than Washington overall.
- **Household sizes in Ferry and Okanogan County decreased since 2000.** Both counties had smaller average household sizes than the state average at 2.34 and 2.29 persons per household, respectively in 2016-2020. This may be due to the aging population of the primary market area.
- **Median household income in Ferry and Okanogan Counties was lower than the secondary market area and significantly lower than in the State.** In 2016-2020, median household income in Ferry County was $41,685 while in Okanogan County it was $48,528. In comparison, median household income in Washington over the same time period was $77,006. Median household income in Ferry and Okanogan Counties was lower across all race and ethnicity groups compared to the State. When adjusting for inflation, median income in Ferry decreased from 2000 to 2016-2020 and grew by only 6 percent in Okanogan County; median income in Washington state grew by 13 percent in the same time period. Poverty rates for families in the primary market area were also higher than the rate of 7 percent in Washington (at 11 and 15 percent in Ferry and Okanogan respectively)
- **Transfer payments from local, state, and federal government tended to be higher per capita in Ferry and Okanogan than in the State, for most categories.** Retirement and disability insurance, medical benefits, income maintenance, and veterans' benefits were much higher compared to Washington, though both counties received lower per capita payments for education and training assistance and unemployment benefits.

Regional Population Trends

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 2021, the population in Okanogan and Ferry Counties grew at a slower rate than in most surrounding counties and Washington. The population in Okanogan County increased by 7 percent from 2000-2021 while the population in Ferry County declined slightly as seen in Exhibit 4, during the 2000 to 2010 period.

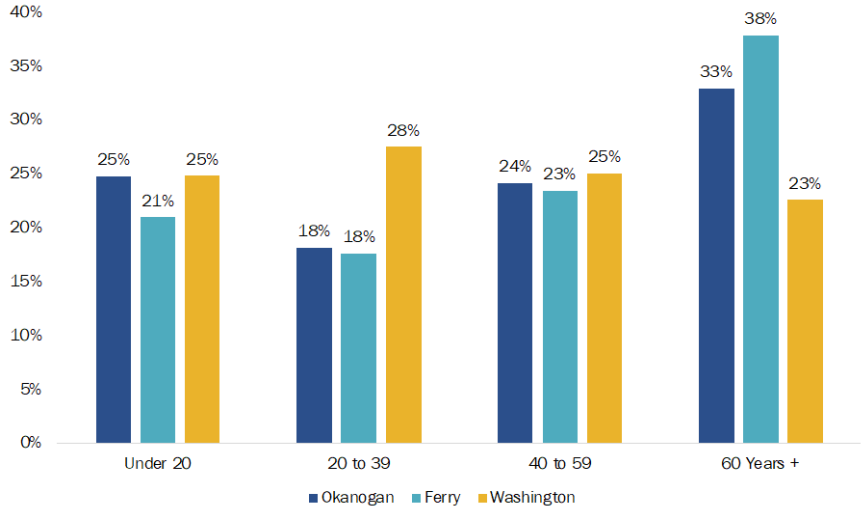
Exhibit 4. Population, Washington, Primary and Secondary Markets, 2000 and 2021
Source: Washington Office of Financial Management, U.S. Bureau of Economic Analysis.

	Population			Change 2000 to 2021		
Geography	2000	2010	2021	Number	Percent	AAGR
Washington	5,894,143	6,724,540	7,766,975	1,872,832	32%	1.32%
Okanogan	39,564	41,120	42,350	2,786	7%	0.32%
Ferry	7,260	7,551	7,250	-10	0%	-0.01%
Chelan	66,616	72,453	80,000	13,384	20%	0.88%
Douglas	32,603	38,431	43,550	10,947	34%	1.39%
Lincoln	10,184	10,570	10,900	716	7%	0.32%
Stevens	40,066	43,531	46,725	6,659	17%	0.73%

In 2019, Okanogan and Ferry Counties had a higher share of residents over the age of 60 compared to Washington. In Okanogan and Ferry Counties, 33 and 38 percent of the population was over the age of 60, compared to 24 percent in the State.

These counties also had a lower share of residents under the age of 40 compared to the State.

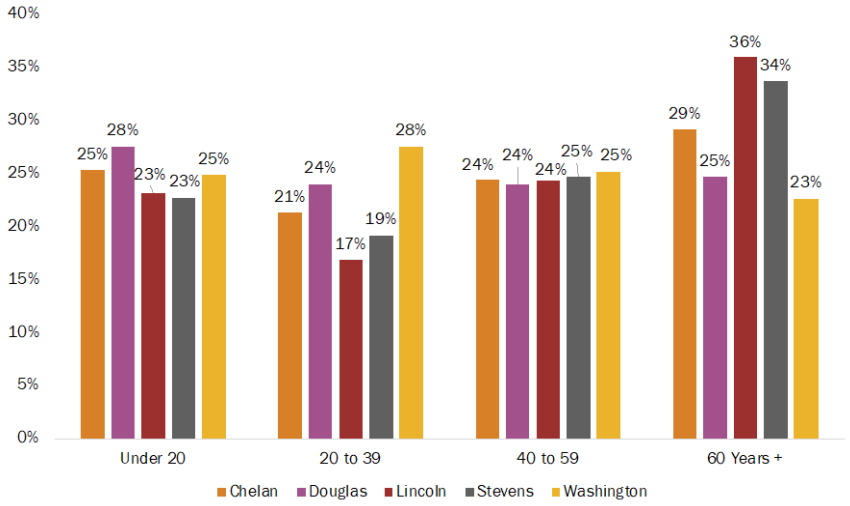
Exhibit 5. Population Distribution by Age Group, Primary Market and Washington, 2019
Source: Washington Office of Financial Management, U.S. Bureau of Economic Analysis.



In 2019, Chelan, Douglas, Lincoln, and Stevens Counties had a lower share of residents in the 20-39 age range compared to Washington. The counties in the Secondary Market also had a higher share of residents over the share of 60 than the State.

Exhibit 6. Population Distribution by Age Group, Chelan County, Douglas County, Lincoln County, and Washington, 2019

Source: Washington Office of Financial Management, U.S. Bureau of Economic Analysis.

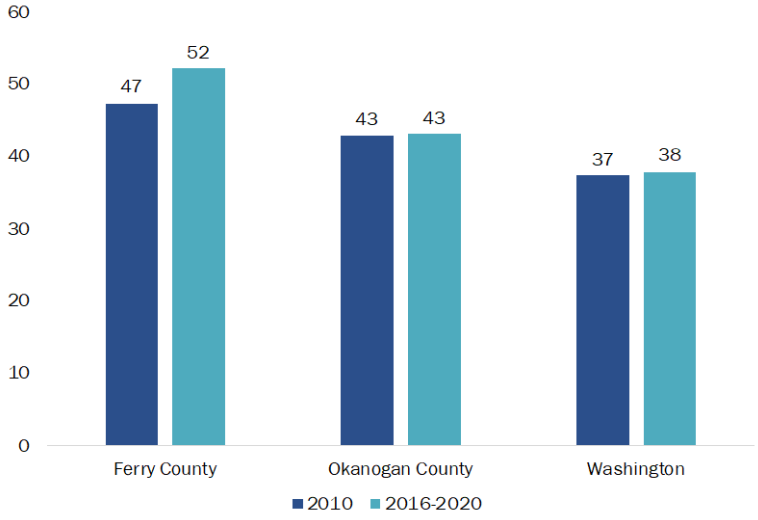


From 2000 to 2016-2020, the median age in Ferry County increased from 40 years to 52 years. Over the same period, the median age in Okanogan County increased from 38 to 43 years. In the 2016-2020 time period, the median age in Ferry and Okanogan Counties was higher compared to the State.

Aging populations have longer term implications for work force participation and general suggest declines in the overall size of the workforce.

Exhibit 7. Median Age, Ferry County, Okanogan County, and Washington, 2010 and 2016-2020

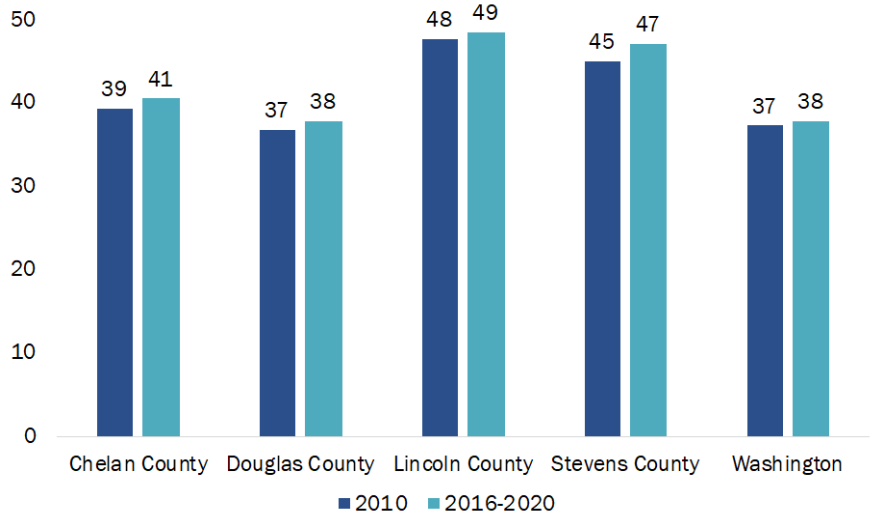
Source: U.S. Census Bureau 2010 Census, Table P013001, 2016-2020 ACS 5-Year Estimates, Table B01002.



In the 2000, 2010, and 2016-2020 time periods, the median age in each of the Counties in the Secondary Market was higher than the median age in Washington. In 2016-2020, the median age in the Counties in the Secondary Market ranged from 38-49 years old.

Exhibit 8. Median Age, Chelan County, Douglas County, Lincoln County, Stevens County, and Washington, 2000, 2010, and 2016-2020

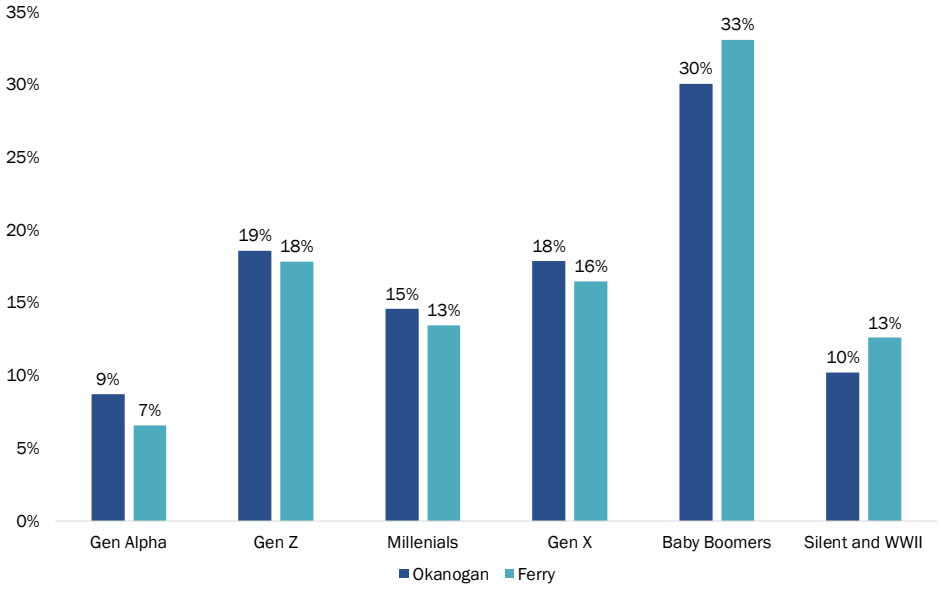
Source: U.S. Census Bureau 2000 and 2010 Census, Table P013001, 2016-2020 ACS 5-Year Estimates, Table B01002.



In 2019, both Ferry and Okanogan Counties had higher shares residents who were Baby Boomers than any other generation. In both counties, Baby Boomers made up about a third of the total population, slightly more than the state share.

Exhibit 9. Population Distribution by Generation, Ferry and Okanogan Counties, 2019

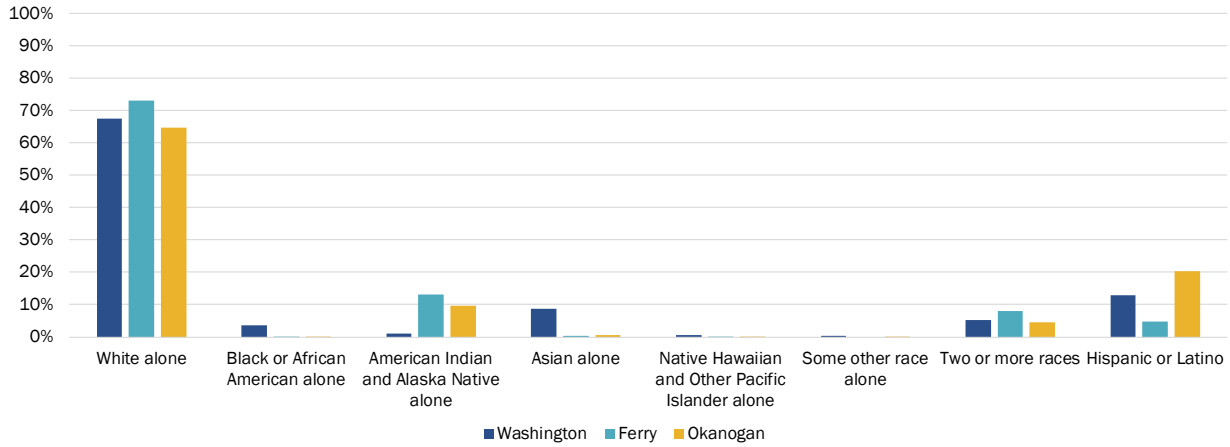
Source: Washington Office of Financial Management.



In 2016-2020, Ferry County had a slightly lower share of People of Color than Washington as a whole, while Okanogan had slightly higher share. Okanogan and Ferry Counties respectively had about 10 to 13 percent of the population who identified as American Indian or Alaska

Native alone, compared to only one percent of Washington residents. Okanogan additionally had 20 percent of its residents who identified as Hispanic or Latino of any race.

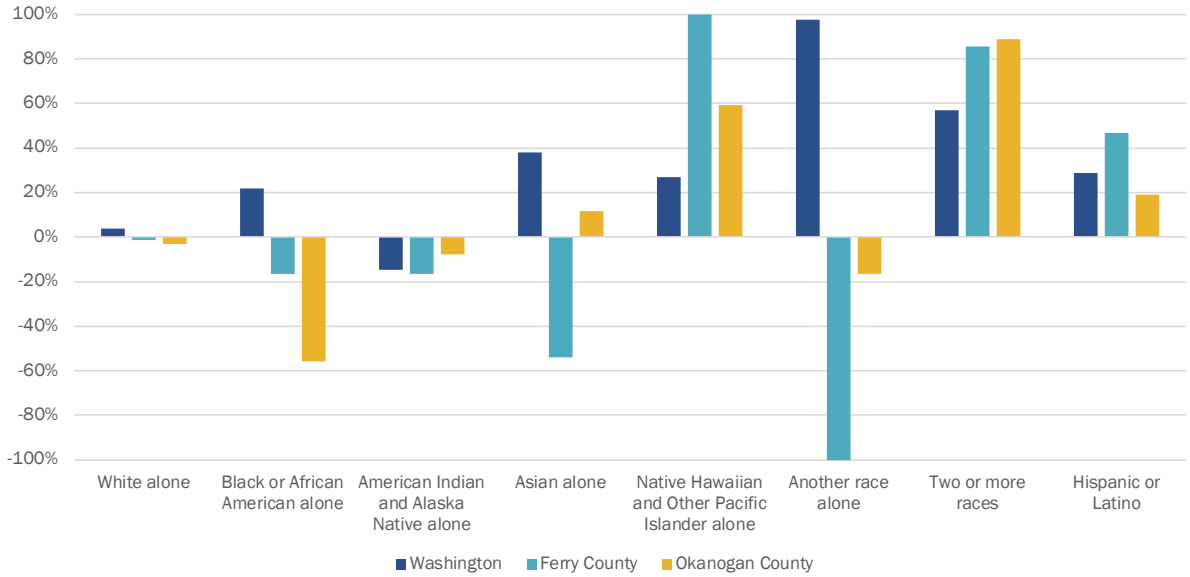
Exhibit 10. Population by Race /Ethnicity, Ferry and Okanogan Counties, Washington, 2016-2020
Source: U.S. Census Bureau 2016-2020 ACS 5-Year Estimates, Table B02003.



Between 2010 and 2016-2020, the largest groups by race and ethnicity were White alone, American Indian and Alaska Native alone, and Hispanic or Latino of any race. While the population of White residents stayed about the same, the share of American Indian and Alaska Native residents declined by 17 and 8 percent respectively in Ferry and Okanogan Counties. The share of Hispanic or Latino residents increased by a greater share: 47 and 19 percent respectively in both counties.

Due to low overall populations in the Primary Market Area, some groups show high rates of change between 2010 and 2016-2020 despite lower total number of residents in that group. For example, those who identified as Another Race alone decreased by 100 percent in this time frame, though there were only 8 residents who identified as this group in 2010.

Exhibit 11. Change in Race and Ethnicity, Ferry and Okanogan Counties, Washington, 2010–2020
Source: U.S. Census Bureau 2016-2020 ACS 5-Year Estimates, Table B02003. Decennial Census 2010, Table P005001.
Note: Groups with smaller populations tend to have higher margins of error in ACS data.[4]

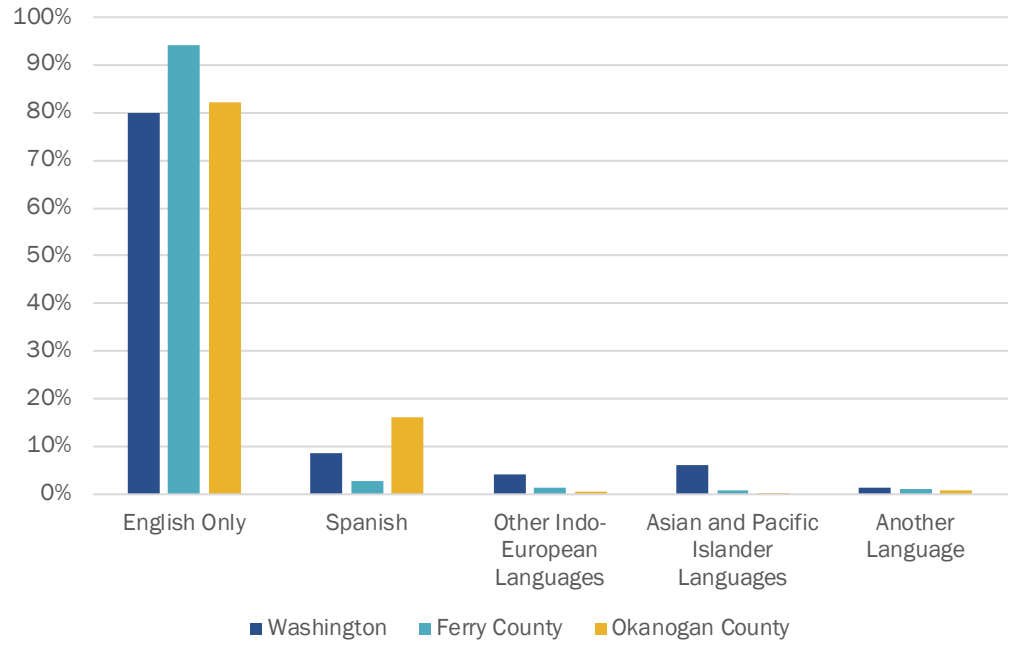


In the Primary Market Area, over 80 percent of households spoke only English at home. About 16 percent of households in Okanogan County spoke Spanish at home, accounting for the largest share of households speaking any other language at home in the primary market area.

[4] The Census Bureau's American Community Survey (ACS) typically has a higher margin of error (MOE) compared with the Decennial Census. The ACS relies on sample surveys to create estimate values for the entire population, which creates potential for sampling error. For smaller populations, there is typically a higher MOE.

Exhibit 12. Languages Used at Home (for Population 5+ Years), Ferry and Okanogan Counties, Washington, 2016-2020

Source: U.S. Census Bureau 2016-2020 ACS 5-Year Estimates, Table DP02.



Population Forecasts

Over the 2020-2040 time period, the population in Okanogan and Ferry Counties is expected to increase by 6 and 3 percent, respectively. From 2020-2040, the population in Okanogan and Ferry Counties is forecast to grow by a smaller percentage than the State which is forecast to grow by 21 percent.

From 2020-2040, the population in Chelan and Douglas Counties is forecast to increase by 15 and 24 percent, respectively. Over the same time period, the population in Lincoln and Stevens Counties is forecast to increase by 2 and 11 percent, respectively.

Exhibit 13. Population Forecast, Washington, Okanogan County, Ferry County, and Surrounding Counties, 2020 to 2040

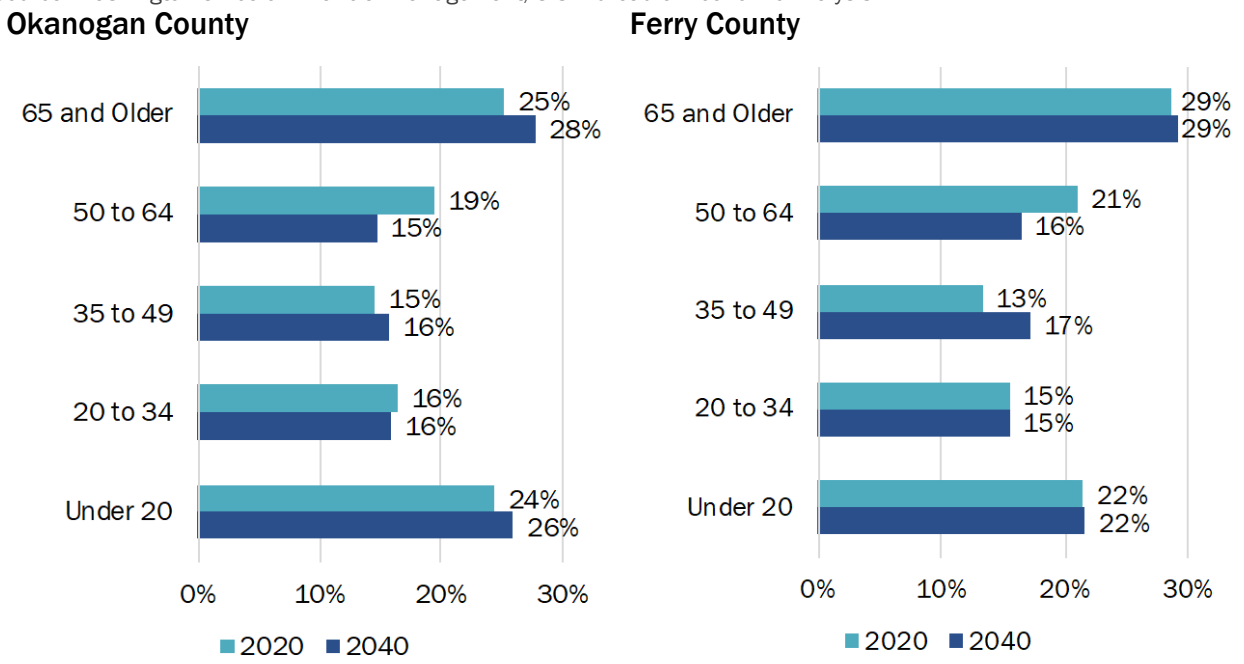
Source: Washington Office of Financial Management, U.S. Bureau of Economic Analysis. AAGR: Average Annual Growth Rate.

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%

In Okanogan and Ferry Counties, the population above the age of 65 is anticipated to grow between three and one percent respectively, and the prime working age populations between 20 and 65 years old are forecast to continue decrease.

Exhibit 14. Population Forecast by Age Group and County, 2020 to 2040

Source: Washington Office of Financial Management, U.S. Bureau of Economic Analysis.



Household Trends

From 2010 to 2020, Ferry County grew by approximately 469 households and Okanogan County by about 2,137 households (see Exhibit 16). Statewide, the number of households grew by 328,447 over the same period. Taken together, both Ferry and Okanogan Counties contributed to approximately 0.8 percent of Washington's household growth during 2010 to 2020, a share comparable to the Counties' contribution to statewide population growth over the 2010 to 2020 period (0.15 percent).

Exhibit 15. Change in Number of Households, by County, 2010 to 2020
Source: ACS 5-year Estimates (2010 & 2020, Table DP02).

	2006-2010	2016-2020	Change 2010 to 2020		AAGR
			Change %	Change #	
Ferry County	2,706	3,175	17.3%	469	1.7%
Okanogan County	15,747	17,884	13.6%	2,137	1.4%
Washington	2,577,375	2,905,822	12.7%	328,447	1.3%
Chelan County	26,676	29,383	10.1%	2,707	1.0%
Douglas County	13,802	15,435	11.8%	1,633	1.2%
Lincoln County	4,649	4,628	-0.5%	(21)	0.0%
Stevens County	17,404	17,883	2.8%	479	0.3%

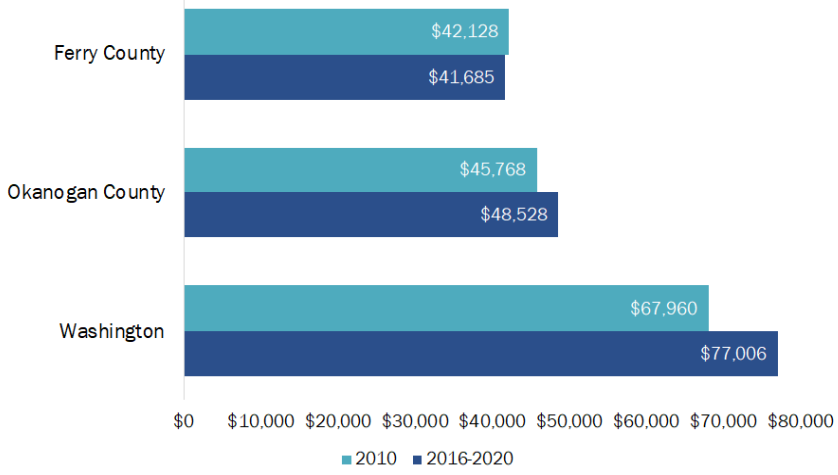
Households in Ferry and Okanogan County have gotten smaller since 2000. Both counties have smaller average household sizes than the state average at 2.34 and 2.29 persons per household, in comparison to Washington State's average household size of 2.53 persons per household.

Exhibit 16. Change in Household Size, by County, 2000 to 2020
Source: US Census Bureau, Decennial Census 2000 H012, 2010; and 2016-2020 ACS 5-Year Estimates Tables B25009 and B25010

	Ferry County	Okanogan County	Washington
2000			
Average household size	2.49	2.58	2.53
Owner-occupied units	2.47	2.54	2.47
Renter-occupied units	2.57	2.66	2.32
2010			
Average household size	2.29	2.45	2.51
Owner-occupied units	2.47	2.54	2.65
Renter-occupied units	2.25	2.57	2.35
2016-2020			
Average household size	2.34	2.29	2.53
Owner-occupied units	2.38	2.24	2.65
Renter-occupied units	2.22	2.38	2.34
Change 2000 to 2016-2020			
Average household size	-0.15	-0.29	0
Owner-occupied units	-0.09	-0.3	0.18
Renter-occupied units	-0.35	-0.28	0.02

In the 2016-2020 time period, median household income in Ferry and Okanogan Counties was significantly lower than in the State and grew at a lower rate since 2010. In 2016-2020, median household income in Ferry County was $41,685 while in Okanogan County it was $48,528. In comparison, median household income in Washington over the same time period was $77,006.

Exhibit 17. Inflation Adjusted Median Household Income (2020 Dollars), Primary Market, and Washington, 2000, 2010 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.

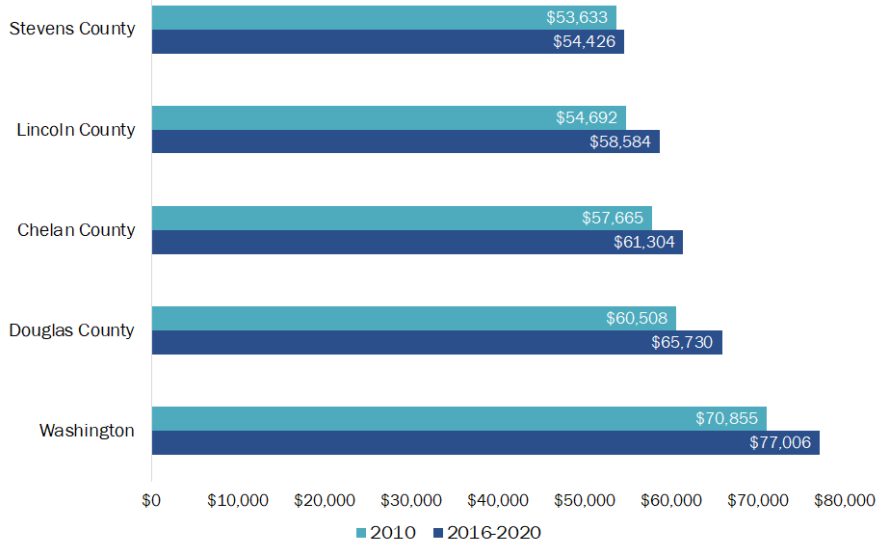


In 2016-2020, median household income in the Counties in the Secondary Market was lower than median household income in the State.

From 2010 to 2016-2020, inflation-adjusted median household income rose in each of the Counties in the Secondary Market.

Exhibit 18. Inflation-Adjusted Median Household Income (2020 Dollars), Secondary 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.



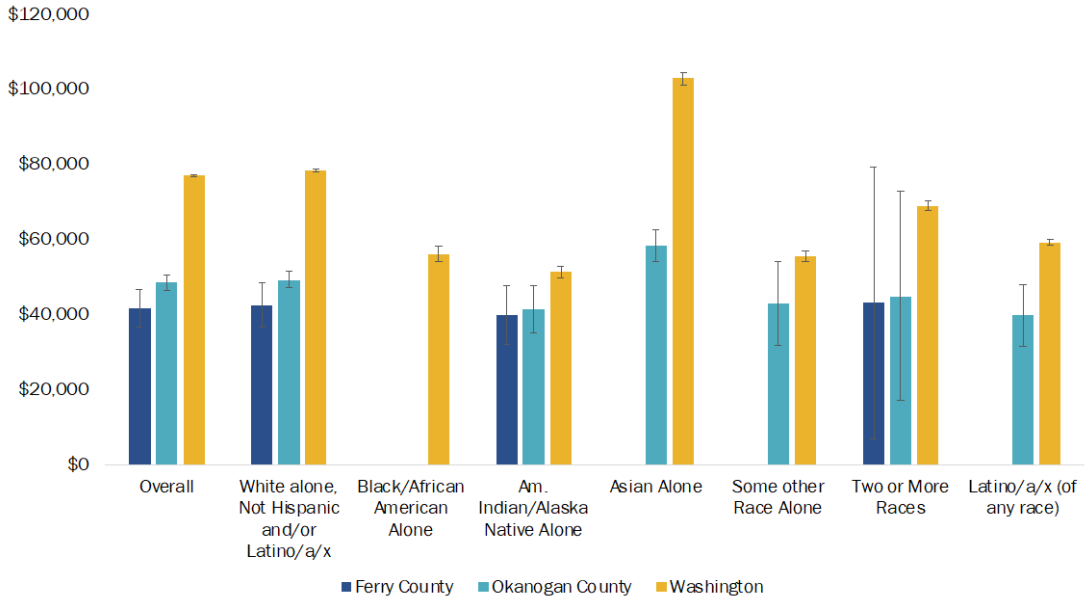
In the 2016-2020 time period, median household income in Ferry and Okanogan Counties was lower across all race and ethnicity groups compared to the State. The thin lines on the bars show the margin of error for each value.[5] There are large margins of error for some groups, making it difficult to definitively articulate this gap for some groups in both counties.

[5] The Census Bureau's American Community Survey (ACS) typically has a higher margin of error (MOE) compared with the Decennial Census. The ACS relies on sample surveys to create estimate values for the entire population, which creates potential for sampling error. For smaller populations, there is typically a higher MOE.

Exhibit 19. Median Household Income by Race and Ethnicity, Ferry County, Okanogan County, and Washington, 2016-2020

Source: ACS 5 Year Estimates, 2016 -2020, Table c A-I.

Note: Grey bars show the margin of error, which is typically a wider range for smaller groups.

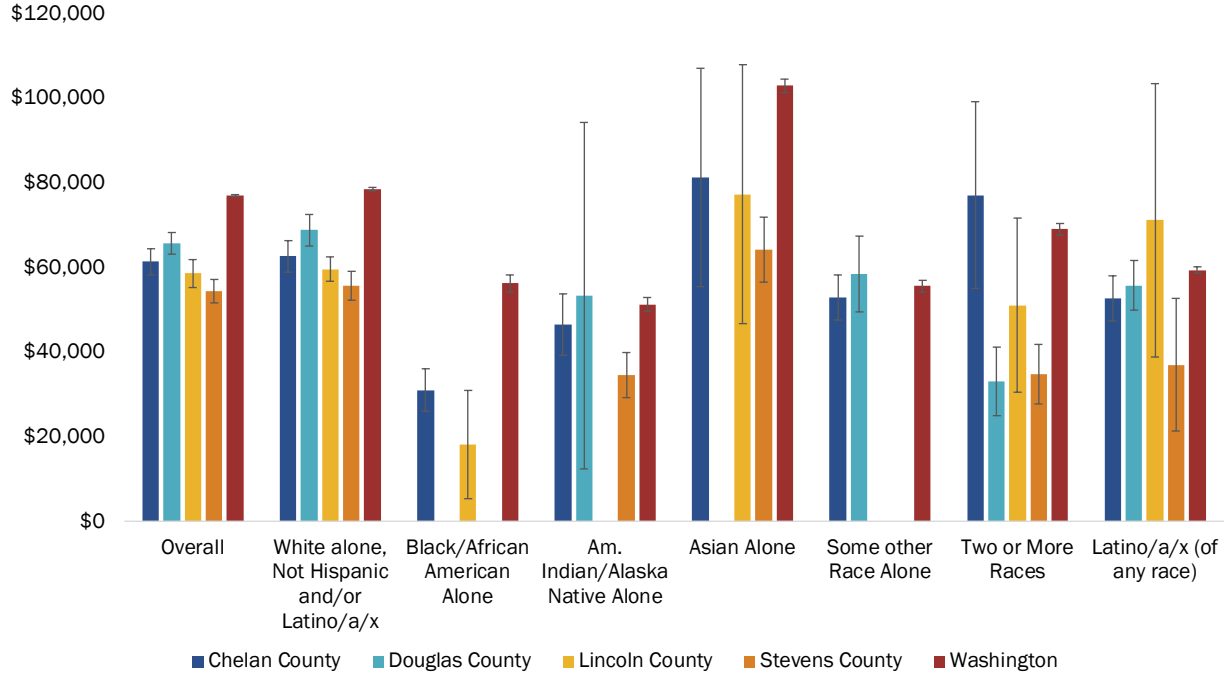


In the 2016-2020 time period, median household income across race and ethnicity groups in Counties in the Secondary Market tended to be lower compared to Washington.

Exhibit 20. Median Household Income by Race and Ethnicity, Chelan County, Douglas County, Lincoln County, Stevens County, and Washington, 2016-2020

Source: ACS 5 Year Estimates, 2016-2020, Table B19013 A-I.

Note: Grey bars show the margin of error, which is typically a wider range for smaller groups.



Per capita transfer payments tended to be higher in Ferry and Okanogan than in the State overall, for most categories of transfer payments. Typically, transfer payments reflect payments made by federal, state, or local governments. Both Ferry and Okanogan Counties 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.

Exhibit 21. 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 and Ferry Counties was higher than in Washington overall in 2016-2020. Data is limited for these smaller counties, so margins of error are high, or data is unavailable. Non-White families in Ferry and Okanogan counties tend to be below the federal poverty line more often than White families. However, in Okanogan County, for which more data is available, families with householders who are Hispanic or Latino (of any race), Native Hawaiian and Other pacific islander, some other race alone, two or more races and American Indian and Alaskan Native tended to experience poverty at a rate higher than the state average.

Exhibit 22. Poverty Status of Families, Okanogan and Ferry Counties, and Washington, 2016-2020
Source: U.S. Census Bureau, 2020 ACS 5-year estimates, Table S1702.

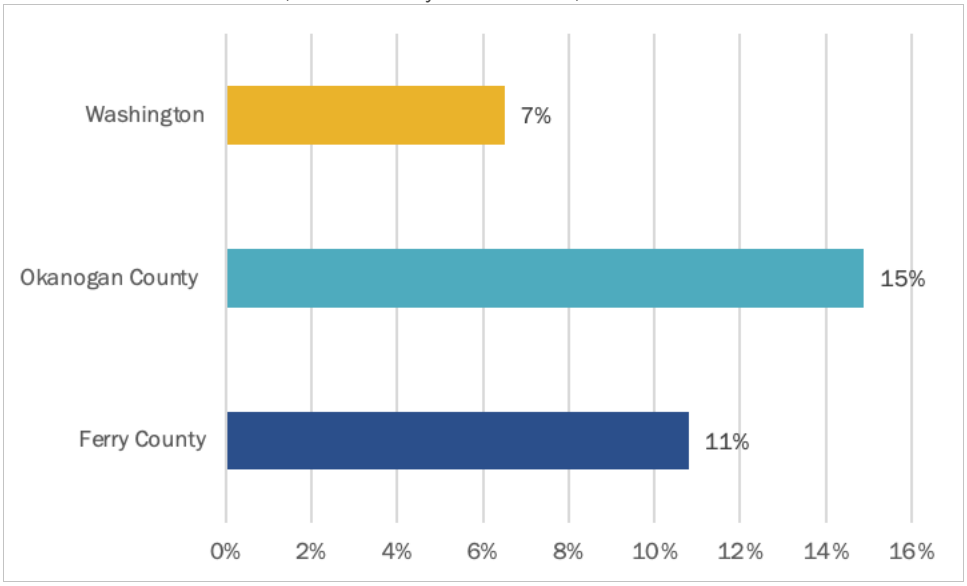
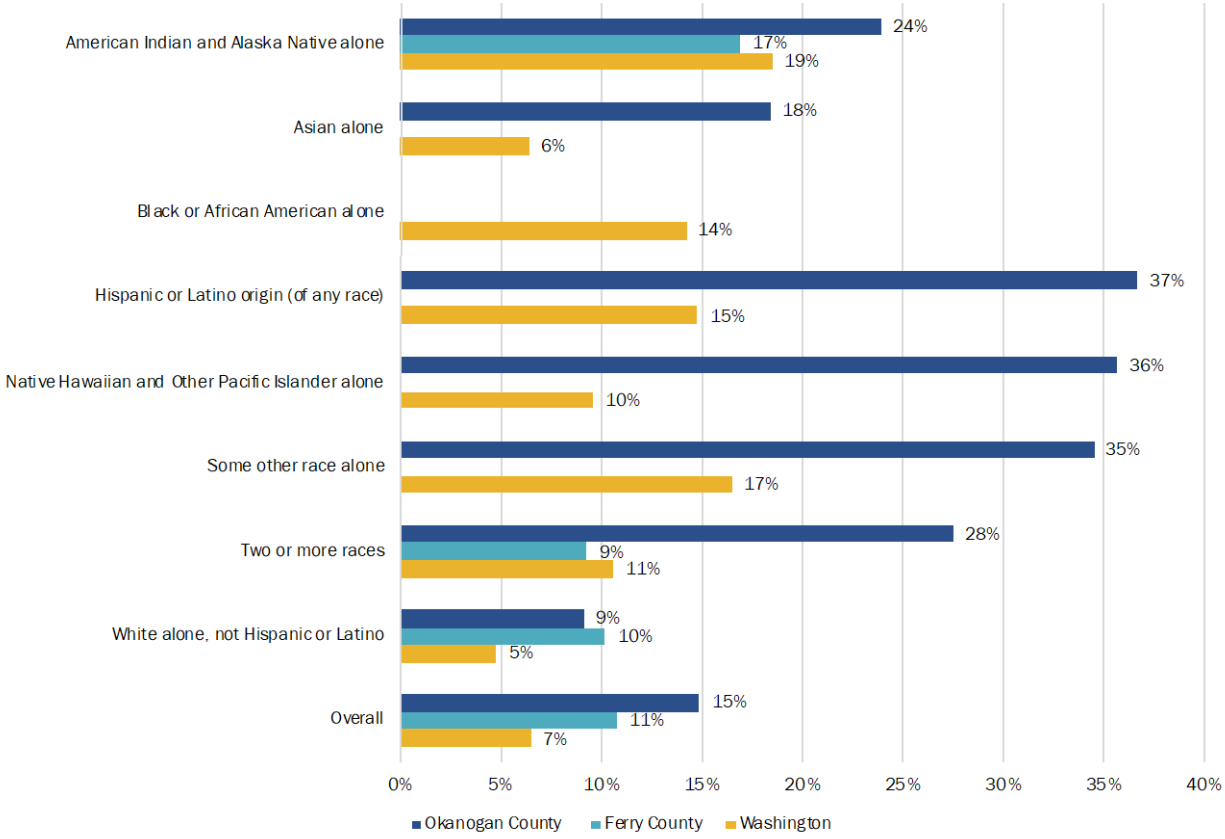


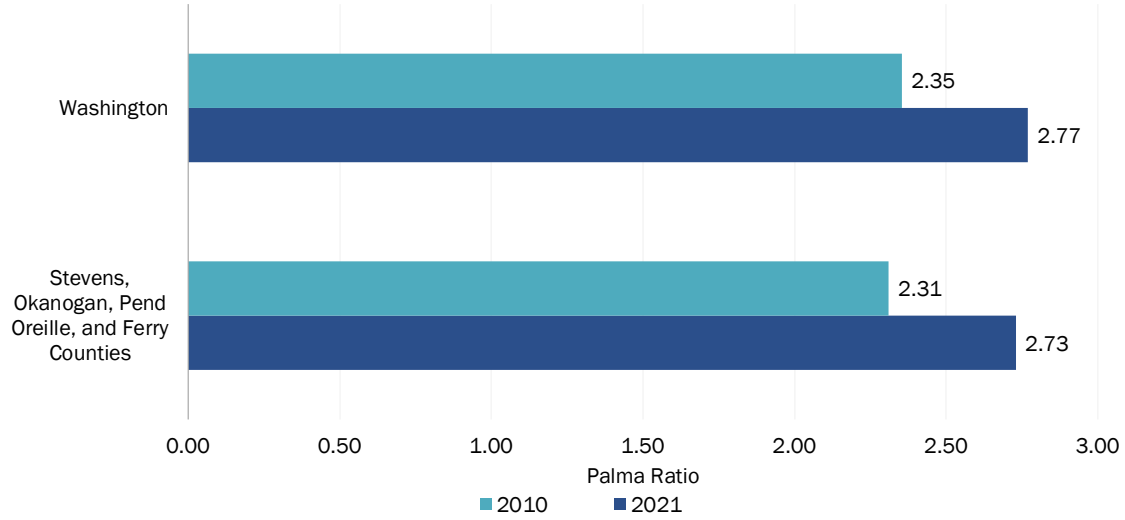
Exhibit 23. Poverty Status of Families by Race and Ethnicity, Okanogan and Ferry Counties, and Washington, 2016-2020
Source: U.S. Census Bureau, 2020 ACS 5-year estimates, Table S1702.
Note: Where data is missing for Ferry County there is insufficient data on poverty status available by race and ethnicity.



Non-White families in Ferry and Okanogan counties tend to have higher rates of poverty than White families. 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 Ferry county is over one and a half times the rate in Washington and the rate in Okanogan county is over twice as large as in the state.

Exhibit 24. Palma Ratio, Ferry County, Okanogan County, surrounding counties, and Washington, 2010 and 2021

Source: U.S. Census Bureau, 2010 and 2021.



The Palma Ratio is a measure of income inequality that is defined as the ratio of income at the top 10 percent of households relative to that of the bottom 40 percent. A higher ratio corresponds to a greater level of income inequality.

From 2010 to 2021, the Palma Ratio increased both in Ferry and Okanogan counties as well as in the state overall. Over this time period, the Palma Ratio increased by 0.42 in the combined area of Ferry, Okanogan, Stevens, and Pend Oreille counties. During the same time period, the Palma Ratio also increased by 0.42 in Washington. In both 2010 and 2021, the Palma Ratio was higher in Washington State than in the primary market area, which indicates that income inequality is higher in the primary market area.

2.2 Labor Force and Employment

Key Labor Force and Employment Findings

- **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.
- **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.

Employment

Growth in total nonfarm employment in Ferry and Okanogan County has not kept pace with statewide trends between 2000 and 2020. 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 anther 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.

Exhibit 25. Total Nonfarm Employment, Primary market and Washington 2010 and 2021

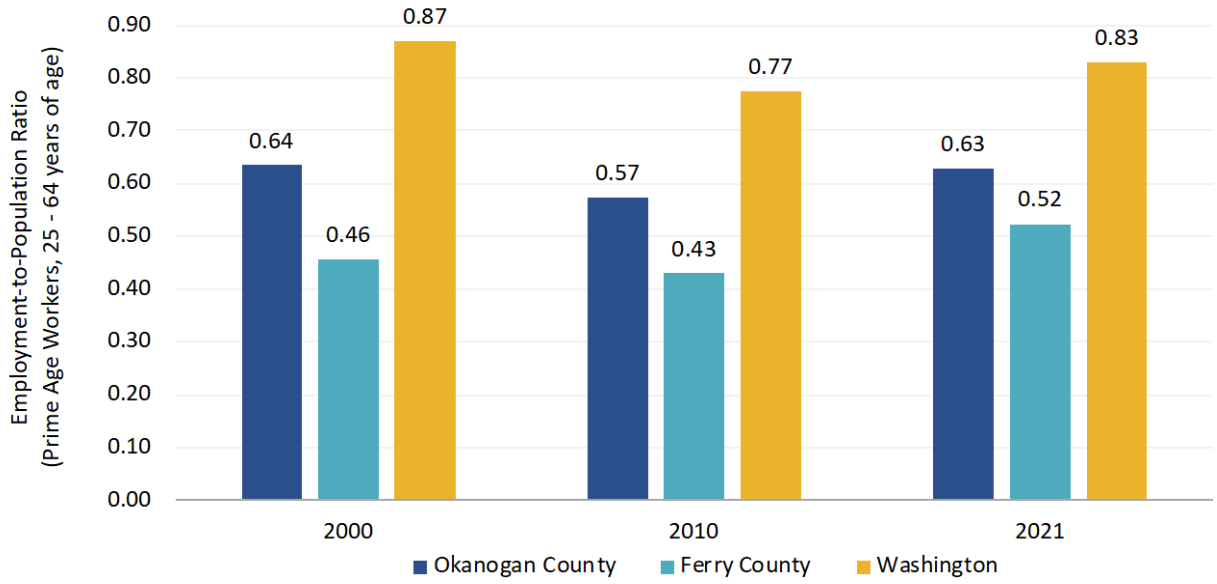
Source: Washington Employment Security Department, U.S. Bureau of Labor Statistics.

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.

Exhibit 26. Employment-to-Population Ratio for Prime Age Working Adults (25 to 64 years of age), Regional Counties, 2000–2021

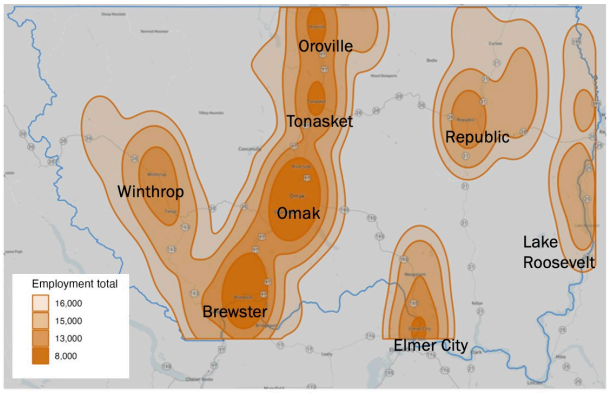
Source: Washington State Office of Financial Management, Forecasting and Research Division, Washington Employment Security Department, U.S. Bureau of Labor Statistics.



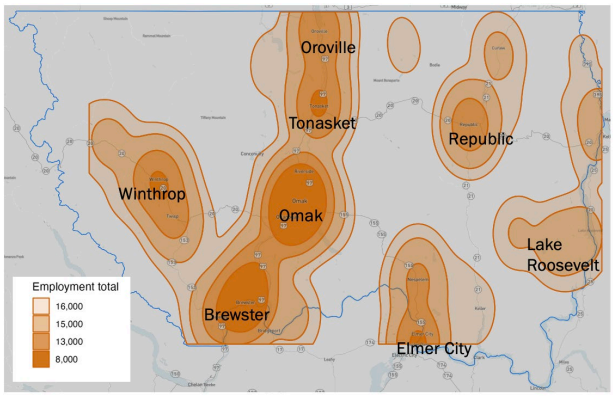
Over the 2010 to 2019 period, employment in Ferry and Okanogan County is concentrated in the small urban areas (Omak, Winthrop, Oroville, Tomasket, Brewster, Republic, Elmer City and Lake Roosevelt areas) and along transportation corridors.

Exhibit 27. Change in Employment Density in Okanogan and Ferry Counties, 2019
Source: OnTheMap, LODES, 2010 and 2019, using lehdr and mapbox

2010



2019



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.

Exhibit 28. 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%**

Exhibit 29. All-term aggregated industry employment projections, Eastern Workforce Development Area – Asotin, Columbia, Ferry, Garfield, Lincoln, Pend Oreille, Stevens, Whitman and Walla Walla, July 2022

Source: WSED

Industry	Estimated Employment			Average Annual Growth Rate		
	2020	2025	2030	2021q2-2023q2	2020-2025	2025-2030
Natural Resources And Mining	400	400	400	0.00%	0.00%	0.00%
Construction	3,200	3,700	4,000	1.42%	2.95%	1.57%
Manufacturing	8,700	9,400	10,100	-0.55%	1.56%	1.45%
Wholesale Trade	2,100	2,100	2,100	0.00%	0.00%	0.00%
Retail Trade	6,900	7,300	7,600	0.71%	1.13%	0.81%
Transportation, Warehousing And Utilities	1,800	1,900	2,000	0.00%	1.09%	1.03%
Information	500	600	600	0.00%	3.71%	0.00%
Financial Activities	2,100	2,200	2,200	0.00%	0.93%	0.00%
Professional And Business Services	2,700	3,200	3,400	3.28%	3.46%	1.22%
Education And Health Services	12,900	14,200	15,800	1.88%	1.94%	2.16%
Leisure And Hospitality	5,400	6,900	7,200	7.24%	5.02%	0.85%
Other Services	1,700	1,900	2,000	0.00%	2.25%	1.03%
Government	26,000	27,400	28,500	1.36%	1.05%	0.79%
TOTAL NONFARM	**74,400**	**81,200**	**85,900**	**1.57%**	**1.76%**	**1.13%**

Labor Force and Unemployment

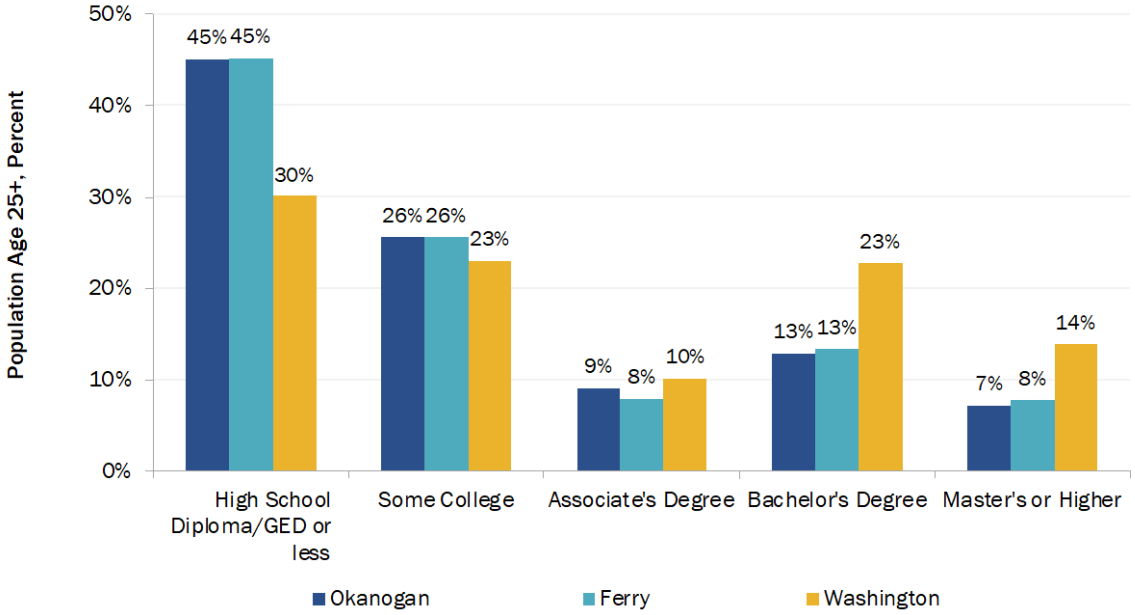
This section analyzes key labor force characteristics in Ferry and Okanogan Counties and compares them to statewide trends. The data are disaggregated by race and ethnicity where possible to illustrate the region's diverse population and economy.[6]

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.

Exhibit 30. 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.

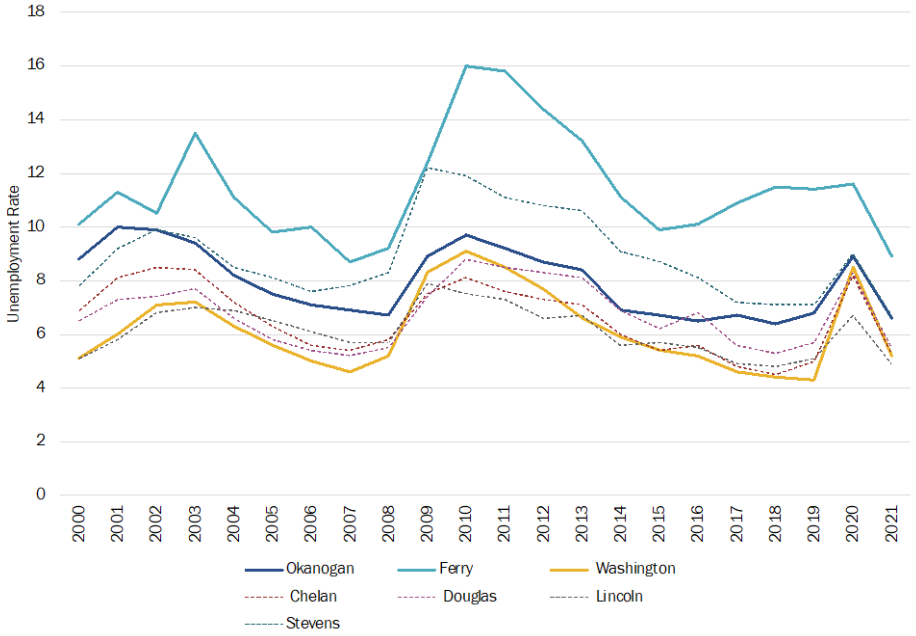
In 2020, Ferry and Okanogan counties reached an average unemployment rate of nearly 16 percent and 10 percent, respectively. The state reached 8.4 percent in its unemployment rate in

[6] 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.

2020. In subsequent months following the COVID-19 lockdown orders, both counties' respective rates began to decline again (see Exhibit 31).

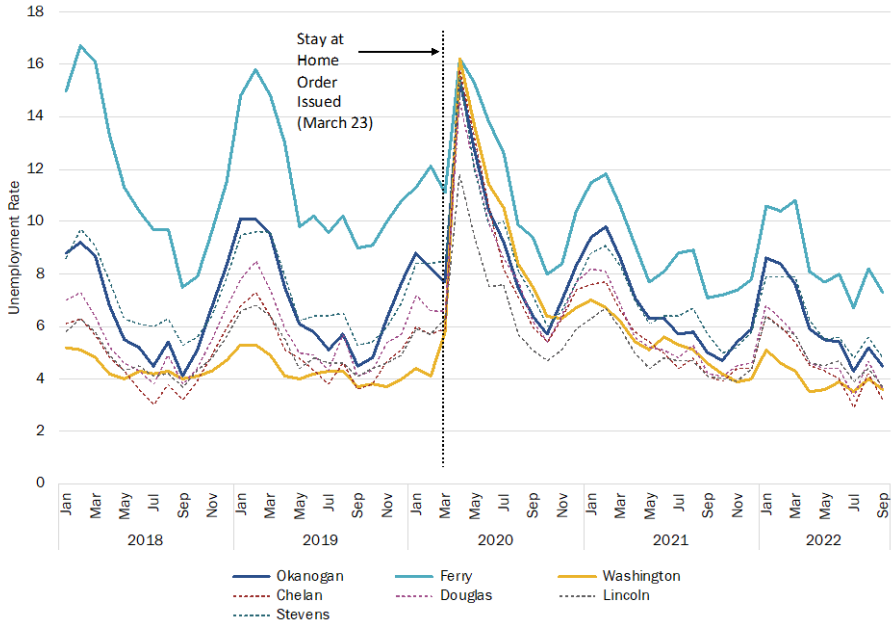
Ferry and Okanogan county unemployment rate typically exceeds the state average. Unemployment rates statewide and in Ferry and Okanogan Counties spiked at the onset of the COVID-19 pandemic. In April of 2020, statewide stay at home orders went into effect. During that month, unemployment peaked at over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

Exhibit 31. 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.

Exhibit 32. Recent Monthly Change in Unemployment Rates by County, Jan. 2018–Sep. 2022
Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics.

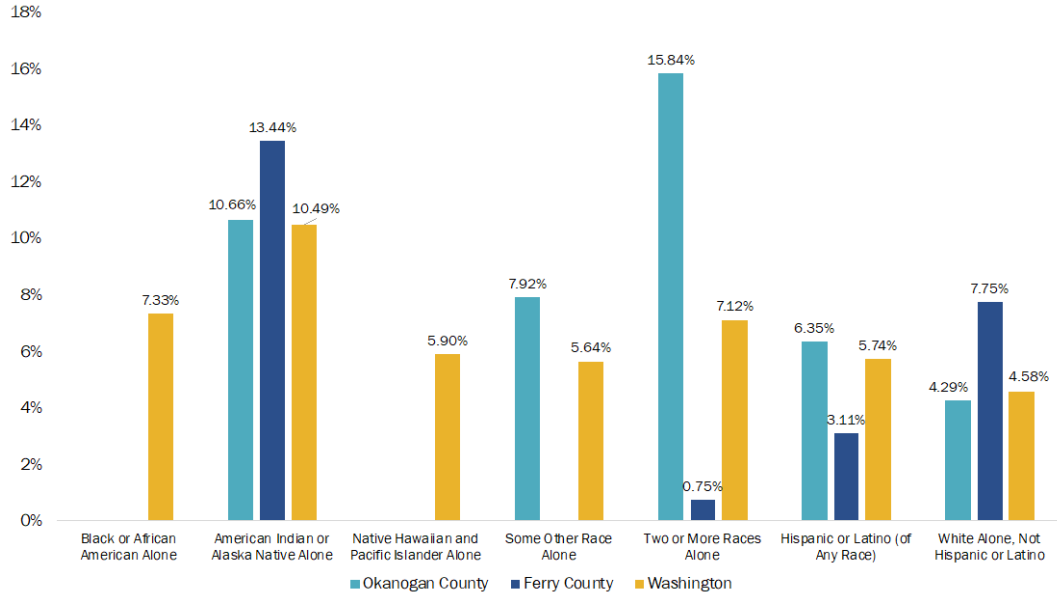


Disaggregated data for unemployment by race and ethnicity is limited and has high margins of error. Some data available through the American Community Survey indicates that in 2016-

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.

Exhibit 33. 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.



2.3 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 firms overall than Ferry County.** While the number of firms 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 firms fell in this time period.
- **Small businesses with 20 employees or fewer make up the majority of firms 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 firms between 2010 and 2021, 487 percent and 362 percent respectively. In 2021, healthcare and social assistance accounted for roughly a quarter of all firms, 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.[7] 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

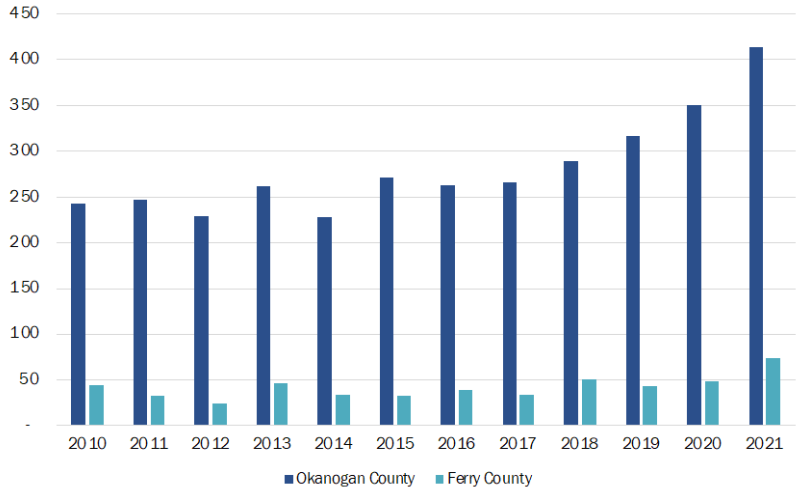
[7] Business application data are published by the U.S. Census Bureau. Their Business Formation Statistics (BFS) dataset measures business formation by summarizing the quantity of Employer Identification Number (EIN) applications across the nation, which is subsequently disaggregated into smaller geographies. Companies apply for an EIN for tax purposes when starting a new employer business. This is a free service offered by the IRS and required for most firms (with some exceptions such as sole proprietors) but does not indicate the size of a firm.

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).

In 2021, about 74 business applications were filed in Ferry County, 64 percent higher than its 2010 application count. Ferry County had fewer applications than Okanogan annually from 2010-2021. In 2021, the population of Ferry County accounted for about 15 percent of the primary market area. In 2021, Ferry's 488 business applications also comprised 15 percent of the primary market area's total 488.

Exhibit 34. Annual Business Applications by County, Primary Market Area, 2010–2021

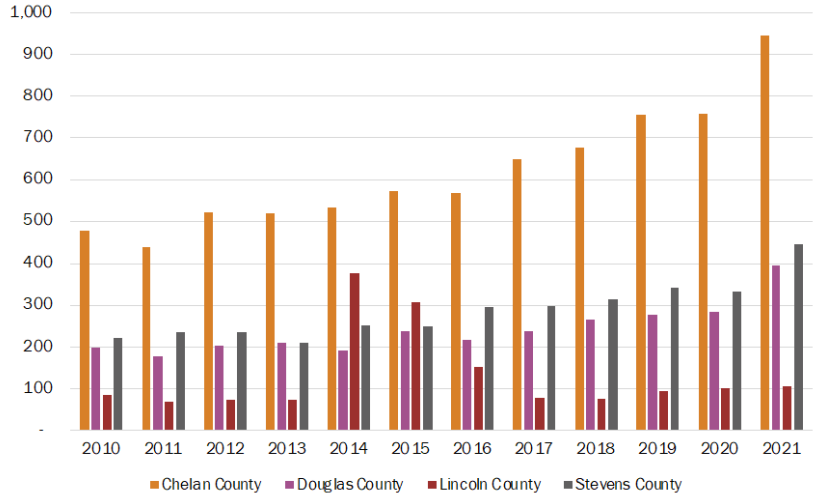
Source: U.S. Census Bureau, Business Formation Statistics, Most recent year available.



In 2021, about 1,893 business applications were filed in the secondary market area. This was 92 percent higher than its 2010 application count. The rate of business application growth varied between counties in the secondary market area. While Chelan, Douglas, and Stevens Counties grew steadily, Lincoln County saw a decline in the mid 2010's.

Exhibit 35. Annual Business Applications by County, Secondary Market Area, 2010–2021

Source: U.S. Census Bureau, Business Formation Statistics, Most recent year available.



Trends in Firms Over the Last Decade

Although new business applications are growing, Okanogan County's overall number of firms is decreasing, particularly in services and agriculture, forestry, fishing, and hunting. Okanogan's County's overall firm count decreased by nine percent from 2010 to 2021. Firms 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, firms 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.

Exhibit 36. Change in Firms 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%

Ferry County's number of firms is growing, particularly in healthcare and social assistance. Ferry County's firm count increased by four percent from 2010 to 2021. Firms operating in the healthcare and social assistance sector increased the most, growing by about 487 percent between 2010 and 2021, or 63 firms countywide. In 2021, firms operating in this sector

comprised approximately 26 percent of the county's total firms, followed by government at about 15 percent.

Administrative and waste services firms increased by 92 percent from 2010 to 2021; however, these firms made up only four percent of the county's total firm count (12 firms). Firms operating in the other services sector experienced the largest decrease, contracting from 107 firms in 2010 down to 12 firms in 2021, or by 89 percent.

Exhibit 37. Change in Firms in Ferry County, by Sector, 2010–2021
Source: Washington Employment Department; U.S. Bureau of Labor Statistics.

	Average Annual Firms				
Industry subsector	2010	2021	Change	Change %	Share of total 2021
Agriculture, forestry, fishing and hunting	15	24	9	57%	8%
Mining	*	*	*	*	*
Utilities	*	*	*	*	*
Construction	21	27	6	29%	9%
Manufacturing	*	*	*	*	*
Wholesale trade	*	*	*	*	*
Retail trade	22	24	2	8%	8%
Transportation and warehousing	*	4	*	*	1%
Information	3	4	1	17%	1%
Finance and insurance	5	3	-2	-40%	1%
Real estate and rental and leasing	6	7	1	21%	3%
Professional and technical services	9	15	6	67%	5%
Management of companies and enterprises	*	*	*	*	*
Administrative and waste services	6	12	6	92%	4%
Educational services	*	*	*	*	*
Health care and social assistance	13	76	63	487%	26%
Arts, entertainment, and recreation	*	3	*	*	1%
Accommodation and food services	20	25	5	24%	9%
Other services, except public administration	107	12	-95	-89%	4%
Government	42	45	3	6%	15%
Not Classified	12	12	0	0	4%
TOTAL	**278**	**288**	**10**	**4%**	**100%**

Small businesses make up most firms in Ferry and Okanogan Counties. 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 and 96 percent in Ferry County.

The largest employers in Ferry County in 2021 were a hospital and mineral mining firms (all located in Republic), while the Colville Confederated Tribes, personnel department, and community center accounted for the three largest employers in Okanogan County (headquartered in Nespelem).

Exhibit 38. Size of Establishments, 2021

Source: Washington Employment Security Department/Data Architecture, Transformation & Analytics Division (DATA)

Establishments By Size	Okanogan		Ferry		Chelan		Douglas		Lincoln		Stevens		Washington State	
	Firms	% of All	Firms	% of All	Firms	% of All	Firms	% of All	Firms	% of All	Firms	% of All	Firms	% of All
Establishments Size Less than 20	1,750	92%	287	96%	3,112	90%	1,127	90%	481	94%	1,115	92%	236,177	90%
Establishments Size 20-49	91	5%	6	2%	231	7%	80	6%	-	0%	56	5%	15,979	6%
Establishments Size 50-99	30	2%	4	1%	51	1%	19	2%	-	0%	21	2%	5,262	2%
Establishments Size 100-249	-	0%	3	1%	40	1%	-	0%	-	0%	13	1%	3,014	1%
Establishments 250 or greater	-	0%	-	0%	-	0%	-	0%	-	0%	6	0%	1,393	1%
Total Establishments	1,892	100%	300	100%	3,454	100%	1,246	100%	509	100%	1,211	100%	261,825	100%

Exhibit 39. Largest Employers, Ferry and Okanogan Counties, 2021

Source: Washington Employment Security Department, Employer Database, https://esd.wa.gov/find-an-employer#/

County	Name	City	Industry	Size (Employees)
Ferry	Ferry County Memorial Hospital	Republic	General Medical and Surgical Hospitals	120
	Echo Bay Minerals	Republic	All Other Nonmetallic Mineral Mining	97
	Kinross Gold USA Inc	Republic	All Other Nonmetallic Mineral Mining	93
	Republic School District 309	Republic	Elementary and Secondary Schools	59
	Inchelium Health Ctr	Inchelium	Freestanding Emergency Medical Centers	51
	Curlew School District 50	Curlew	Elementary and Secondary Schools	45
	Inchelium School District	Inchelium	Elementary and Secondary Schools	42
	Ferry County Pubc Hosp Dist 1	Republic	General Medical and Surgical Hospitals	40
	Ferry County Community Svc	Republic	Legislative Bodies	38
	Colville Tribes Parks & Rec	Keller	Nature Parks & Other Similar Institution	30
	Colville Tribal Forestry	Inchelium	Other General Government Support	30
Okanogan	Colville Tribes Personnel Dept	Nespelem	Other General Government Support	1,600
	Colville Tribes Community Ctr	Nespelem	Other General Government Support	1,000
	Colville Confederated Tribes	Nespelem	Other Social Advocacy Organizations	900
	Gebbers Farms	Brewster	Postharvest Crop Activities	800
	Colville Tribes (various)	Nespelem	Other General Government Support	587
	Okanogan Family Faire	Tonasket	Civic and Social Organizations	501
	Gebbers Farms	Brewster	All Other Miscellaneous Crop Farming	500
	Magi Inc	Brewster	Fruit & Vegetable Merchant Wholesalers	315
	12 Tribes Resort Casino	Omak	Casinos (except Casino Hotels)	300
	North Valley Hosp-Compliance	Tonasket	Miscellaneous Ambulatory Health Care Svc	230
	Sun Mountain Lodge Inc	Winthrop	All Other Traveler Accommodation	202

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

Ferry County, 58 percent of jobs were covered by unemployment insurance; in Okanogan this is higher at 70 percent of jobs.

Ferry lost some covered jobs between 2010 and 2021 but did see some growth in several industries, including significant employment growth in agriculture, unclassified, professional, and technical services, health care and social assistance. More than half of all covered employment in Ferry County is in government. In Ferry County, agriculture, forestry, fishing, and hunting employment grew by 307 percent. Professional and technical services employment also grew, by approximately 50 percent.

In Ferry County, six sectors had employment contractions: other services (66 percent), construction (27 percent), finance and insurance (6 percent), real estate and rental and leasing (11 percent), accommodation and food services (4 percent), and government (6 percent).

Exhibit 40. Change in Covered Employment in Ferry County, by Sector, 2010–2021

Source: Washington Employment Department; U.S. Bureau of Labor Statistics.

Note: Although the data show no employment in mining, two of the five largest employers in Ferry County are classified as nonmetallic mining, It is likely that confidentiality requirements prohibit this data point from public use.

		Average annual employment				
2-digit NAICS	Industry subsector	2010	2021	Change	Change %	Share of total 2021
11	Agriculture, forestry, fishing and hunting	14	57	43	307%	3%
21	Mining	*	*	*	*	*
22	Utilities	-	-	-	*	0%
23	Construction	94	69	(25)	-27%	4%
31-33	Manufacturing	*	*	*	*	*
42	Wholesale trade	*	*	*	*	*
44-45	Retail trade	141	143	2	1%	9%
48-49	Transportation and warehousing	*	10	*	*	1%
51	Information	13	16	3	23%	1%
52	Finance and insurance	18	17	(1)	-6%	1%
53	Real estate and rental and leasing	19	17	(2)	-11%	1%
54	Professional and technical services	16	24	8	50%	1%
55	Management of companies and enterprises	*	*	*	*	*
56	Administrative and waste services	20	25	5	25%	2%
61	Educational services	*	*	*	*	*
62	Health care and social assistance	80	102	22	28%	6%
71	Arts, entertainment, and recreation	*	1	*	*	0%
72	Accommodation and food services	96	92	(4)	-4%	6%
81	Other services, except public administration	97	33	(64)	-66%	2%
GOV	Government	955	895	(60)	-6%	54%
NEC	Not Classified	92	149	57	62%	9%
TOTAL	TOTAL	1,656	1,649	(7)	0%	100%

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).

Exhibit 41. 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%**

Mean Annual Wages

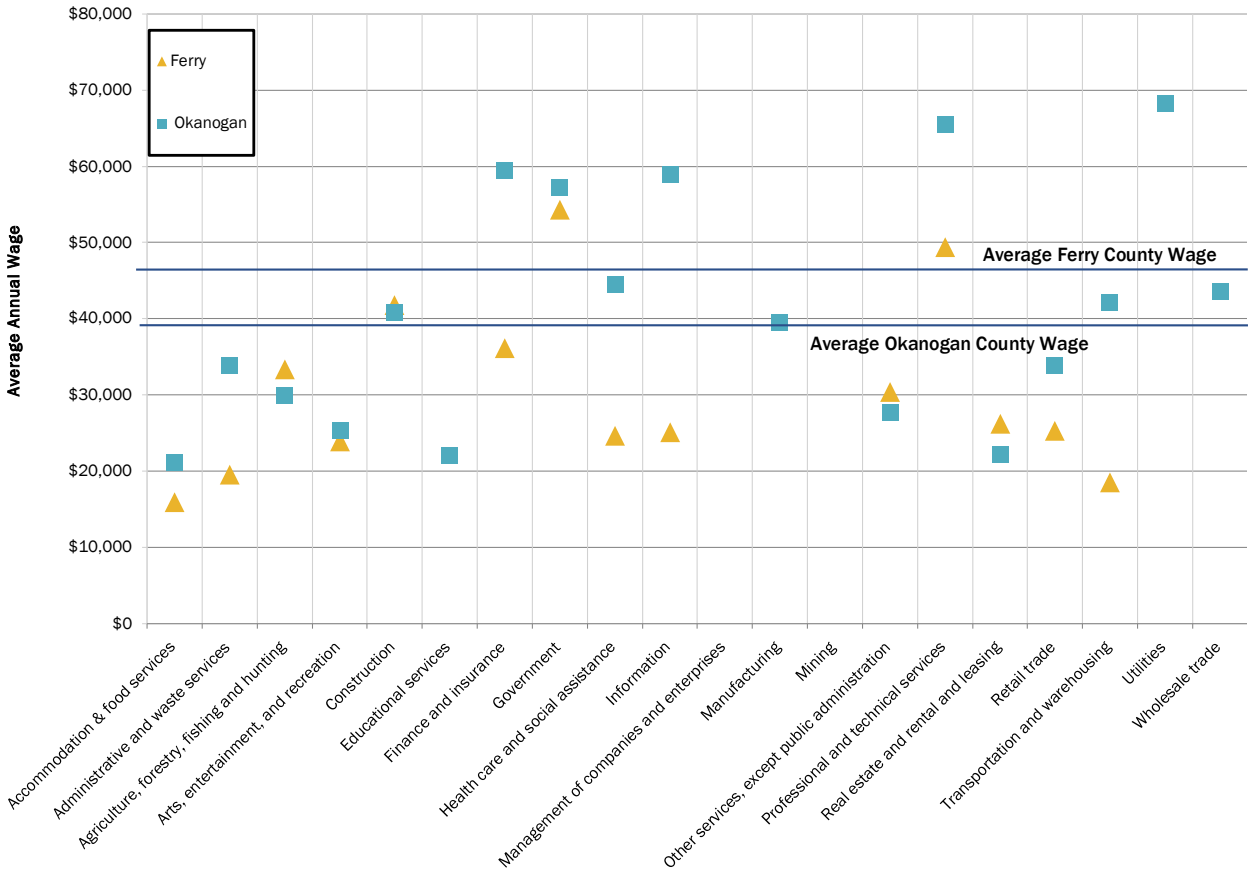
In Ferry County, the Professional and Technical Services and Other Services sectors had the largest wage increase at about 143 and 146 percent; however, its mean value only exceeded that of the county-wide average by 1.5 percent in 2019. Employees working in the Professional

and Technical services in Ferry tended to earn the most relative to all other sectors ($65,424, or 3 percent higher than the county-wide average).

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).

Employees in Ferry and Okanogan County in Government tended to have the highest average wages compared to other large sectors. Although some small sectors did have higher average wages (such as information or utilities), these typically represented a very small share of overall jobs in both counties.

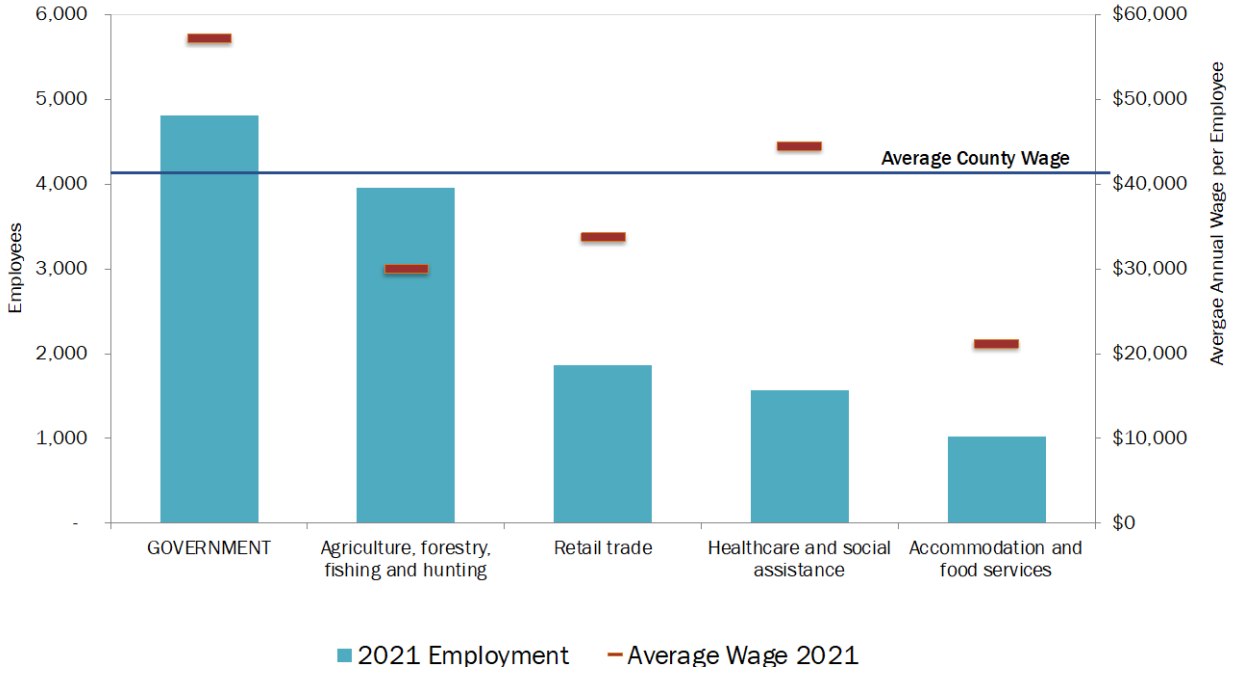
Exhibit 42. Mean Annual Wage (Covered Jobs) in Ferry and Okanogan County, by Industry, 2021
Source: Washington Employment Security Department; U.S. Bureau of Labor Statistics.



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.

Exhibit 43. Top Industries by Employment Okanogan County, by Industry, 2021
Source: Washington Employment Security Department; U.S. Bureau of Labor Statistics.



In Ferry County, government is the only top industry by employment that is paying higher than the average annual wage. While construction comes close, the sector only makes up 4 percent of overall jobs in the County. Retail, health care, and accommodation and food services all pay far below the median wage for the County.

Exhibit 44. Top Industries by Employment Ferry County, by Industry, 2021

Source: Washington Employment Security Department; U.S. Bureau of Labor Statistics.

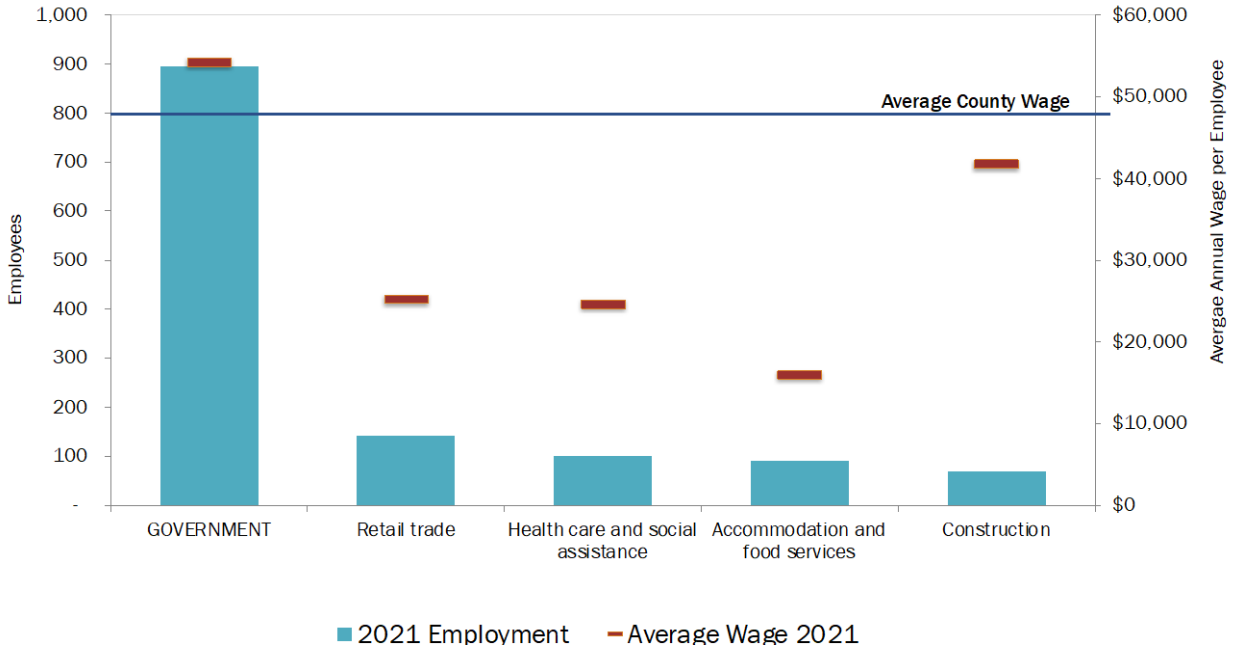


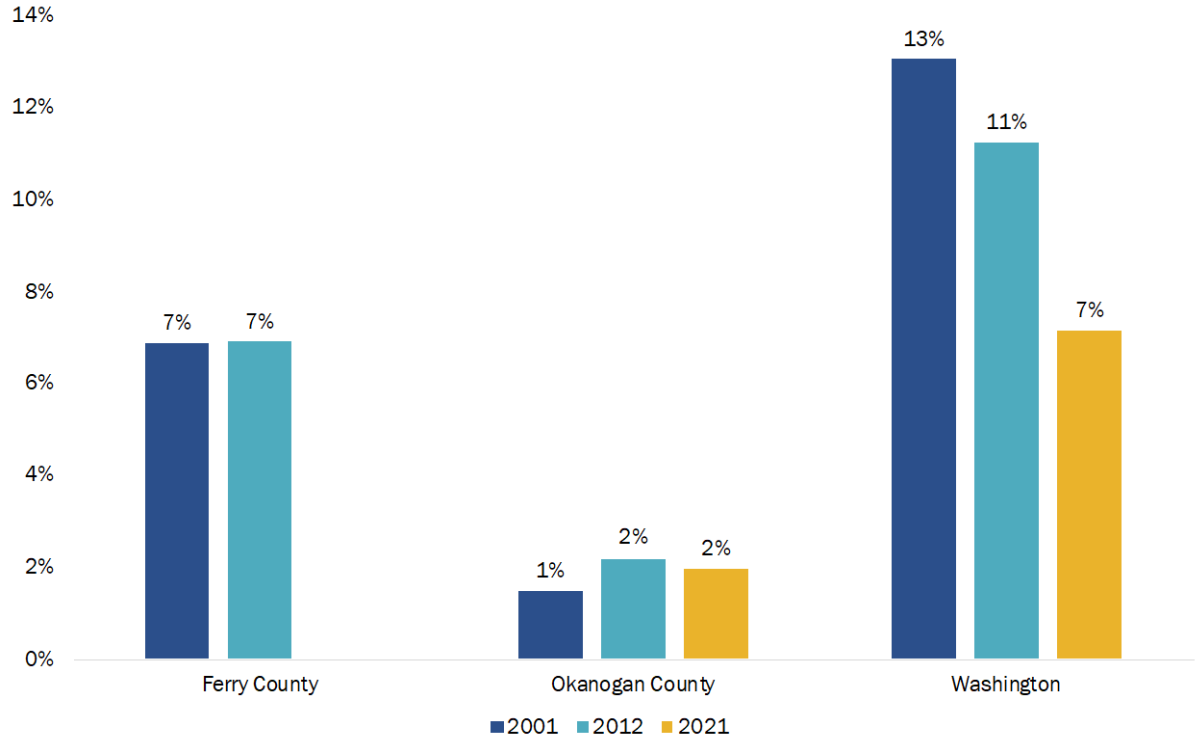
Exhibit 45. Change in Mean Annual Wage (Covered Jobs) in Ferry and Okanogan County, by Industry, 2010–2021

Source: Washington Employment Security Department; U.S. Bureau of Labor Statistics.

Industry	Annual Average Wage By Industry				Compared to Total Average for All Sectors				Percent Change in Average Wage	
	2010		2021		2010		2021		2010 - 2021	
	Ferry	Okanogan	Ferry	Okanogan	Ferry	Okanogan	Ferry	Okanogan	Ferry	Okanogan
Agriculture, forestry, fishing and hunting	$24,785	$14,810	$33,333	$29,960	74%	58%	70%	72%	34%	102%
Mining		$66,599			0%	263%	0%	0%		-100%
Utilities	$0	$42,990	$0	$68,328	0%	170%	0%	164%		59%
Construction	$41,711	$27,789	$41,816	$40,736	125%	110%	88%	98%	0%	47%
Manufacturing		$25,655		$39,446	0%	101%	0%	95%		54%
Wholesale trade		$33,007		$43,589	0%	130%	0%	105%		32%
Retail trade	$22,231	$22,408	$25,261	$33,812	67%	88%	53%	81%	14%	51%
Transportation and warehousing		$34,307	$18,505	$42,203	0%	135%	39%	102%		23%
Information	$21,785	$30,523	$25,115	$58,913	65%	120%	53%	142%	15%	93%
Finance and insurance	$25,747	$30,725	$36,137	$59,385	77%	121%	76%	143%	40%	93%
Real estate and rental and leasing	$11,964	$16,458	$26,213	$22,210	36%	65%	55%	53%	119%	35%
Professional and technical services	$20,325	$30,508	$49,398	$65,424	61%	120%	103%	157%	143%	114%
Management of companies and enterprises		$44,150			0%	174%	0%	0%		-100%
Administrative and waste services	$21,251	$22,247	$19,521	$33,868	64%	88%	41%	82%	-8%	52%
Educational services		$14,563		$22,051	0%	57%	0%	53%		51%
Health care and social assistance	$13,706	$30,296	$24,603	$44,516	41%	119%	51%	107%	80%	47%
Arts, entertainment, and recreation		$16,168	$23,871	$25,284	0%	64%	50%	61%		56%
Accommodation and food services	$9,479	$14,542	$15,961	$21,165	28%	57%	33%	51%	68%	46%
Other services, except public administration	$12,327	$13,702	$30,368	$27,675	37%	54%	64%	67%	146%	102%
Government	$37,605	$39,192	$54,295	$57,236	113%	155%	114%	138%	44%	46%
TOTAL	**$33,364**	**$25,362**	**$47,783**	**$41,552**	**100%**	**100%**	**100%**	**100%**	**43%**	**64%**

Exhibit 46. Manufacturing Earnings as a Share of Total Nonfarm Earnings, 2001, 2012, and 2021, Ferry County, Okanogan County, and Washington

Source: U.S. Bureau of Economic Analysis, Table CAINC5N.
Note: Data for manufacturing is unavailable for 2021 for Ferry County



2.4 Regional Specialization

Key Regional Specialization Findings

- **In Ferry County, only agriculture, forestry, fishing, and hunting and government subsectors have a higher concentration than the state share.** Government is the only 'mature' industry, where jobs are declining, but employment remains high compared to the state. Agriculture, forestry, fishing, and hunting is the only 'star' industry, where employment is both concentrated and growing.
- **Information, professional and technical services, administrative and waste services, healthcare and social assistance and retail trade are all 'emerging' industries in Ferry County.** These sectors have upward growth in employment but are not yet specialized.
- **Okanogan County has a concentration of agriculture, forestry, fishing, and hunting, utilities and arts, entertainment, and recreation as well as government.** Agriculture, forestry, fishing, and hunting is the only one of these subsectors considered 'mature,' while the others are growing in employment.
- **Farming, fishing, and forestry, as well as life, physical and social science occupations had the highest concentrations specifically in the region.** This is in line with the study area's largest industries.

- **Wood products, forestry, and hospitality and tourism are top traded employment clusters in both Ferry and Okanogan Counties.** In addition, Ferry County had a strong cluster in communications equipment services, while Okanogan County had an additional cluster in metal mining.

Employment Sector Location Quotient Analysis

The following section (including Exhibit 47, Exhibit 48, and Exhibit 49) provides analysis describing the location quotient, by major employment sector, for Ferry and Okanogan Counties. The location quotient (y-axis) is a value that describes how concentrated an employment sector is in a county relative to the state. A value of 1.0 for a sector means the county is on par with statewide trends (i.e., has the same share of jobs as the state and is considered not concentrated). Values exceeding 1.0 suggest industry concentration in the area. The higher the location quotient, the more concentrated the sector in the analysis areas. Employment sectors with bigger location quotients typically indicate a competitive advantage and, in turn, a higher likelihood of attracting new firms in that sector to the region. The average annual percent change in employment over the 2010 to 2021 period is denoted on the x-axis.

Each major employment sector is denoted by a bubble. The size of the bubble indicates the number of covered jobs in each sector. Sector names are detailed for each bubble, along with its location quotient (left side) and total covered employment in 2021 (right side). Additionally, quadrants are labeled in clockwise order as Star, Emerging, Transforming, and Mature. Star employment sectors are concentrated in the region; they are strong clusters (in terms of concentration and growth) that help the county stand out from others. Emerging sectors are under-represented in the county (usually little to no concentration) but are growing on an average annual basis. Transforming sectors are also under-represented in the county and are simultaneously losing jobs. Mature sectors are concentrated in the county, like Star sectors, however, jobs are declining.

Exhibit 47. Ferry County Employment Sector Location Quotient Analysis, 2021

Source: Washington Employment Security Department; U.S. Bureau of Labor Statistics. *Note: Ag, Forestry, Fishing, Hunting (LQ is 1.19 and not represented on this chart)

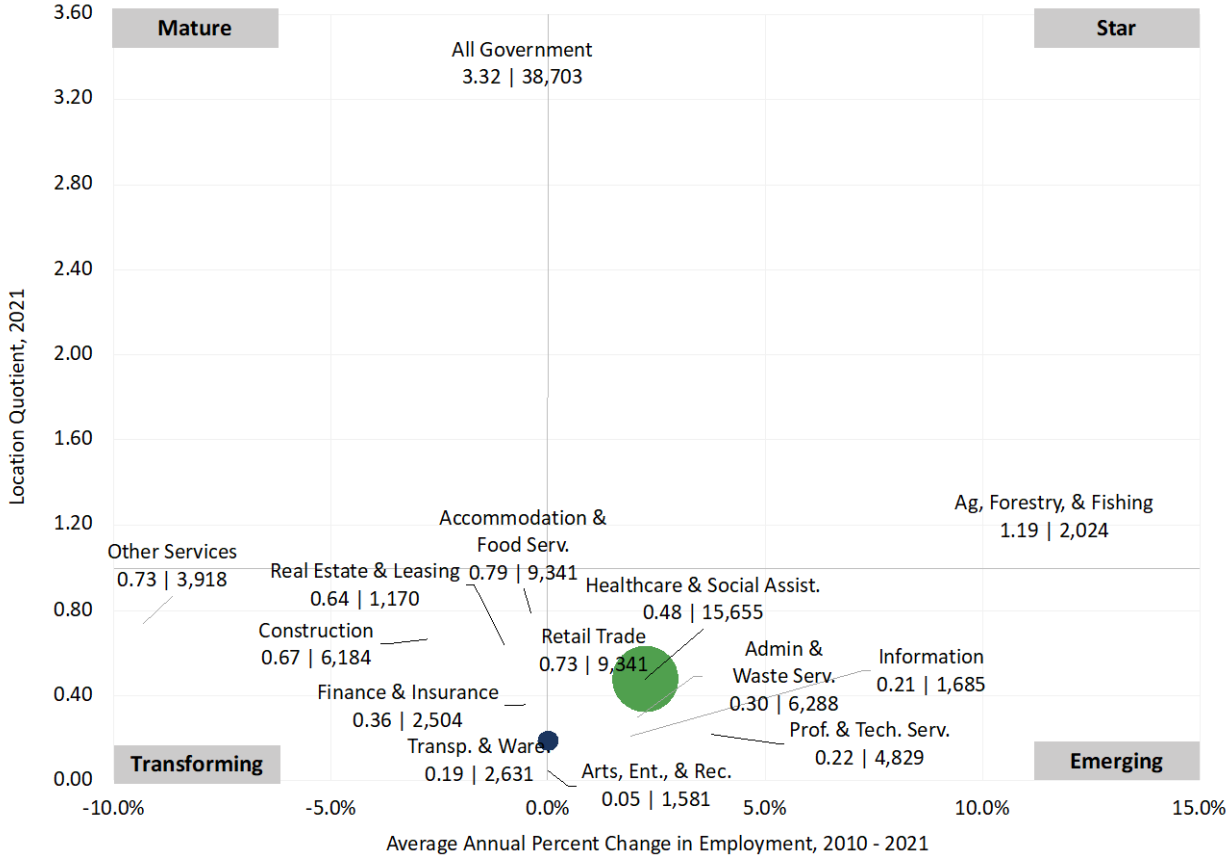


Exhibit 48. Okanogan County Employment Sector Location Quotient, 2021

Source: Washington Employment Security Department; U.S. Bureau of Labor Statistics.

*Note: Ag, Forestry, Fishing, Hunting (LQ is 8.47, percent change was 16 percent, 2021 employment was 3,956. It is in the "Mature" designation and not represented on this chart)

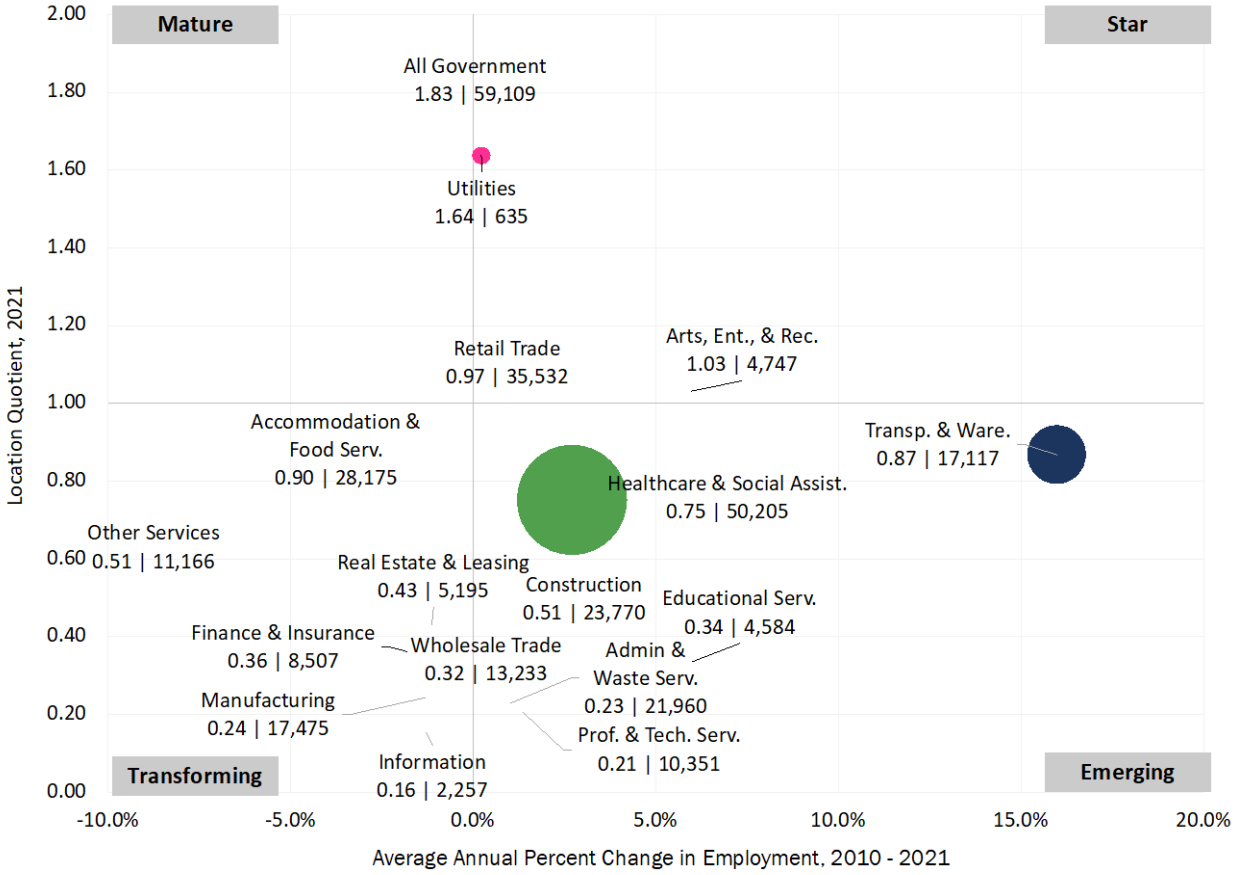


Exhibit 49. Industry Strength by Location Quotient and Employment, Ferry County, Okanogan County, and Washington 2010 and 2021

Source: Washington Employment Security Department, U.S. Bureau of Labor Statistics.

	High Employment (more than 50 employees)		Low Employment (But at least 10 employees)	
	Ferry	Okanogan	Ferry	Okanogan
High Location quotient	• Agriculture, Forestry, Fishing and Hunting • Government, Federal and Local	• Agriculture, Forestry, Fishing and Hunting • Government, Federal and Local • Arts, Entertainment, & Recreation	-	• Utilities
Low Location Quotient	• Construction • Trade, Transportation, & Warehousing • Health Care & Social Assistance • Accommodation & Food Services	• Construction • Manufacturing • Trade, Transportation, & Warehousing • Information • Finance & Insurance • Real Estate & Rental & Leasing • Professional & Technical Services • Administrative & Waste Services • Educational Services • Health Care & Social Assistance • Government, state	• Information • Finance & Insurance • Real Estate & Rental & Leasing • Professional & Technical Services • Administrative & Waste Services • Other Services • Government, State	-

Occupational Employment and Specialization

Occupational Employment Statistics (OES), published by the Bureau of Labor Statistics, are available at the geographic levels of the Metropolitan Statistical Area (MSA), state, and nation. For this reason, our analysis of Ferry and Okanogan County is approximated by the larger Eastern WA Nonmetropolitan Area (NMA) and Wenatchee, WA MSA.

In the Eastern WA NMA and Wenatchee, WA MSA, occupations in Farming, Fishing and Forestry, Life, Physical and Social Science Occupations had the highest concentrations (location quotients).

Exhibit 50. Occupational Employment, by Major Occupation Category, Eastern WA NMA – Adams, Ferry, Garfield, Grant, Kittitas, Klickitat, Lincoln, Okanogan and Whitman counties, 2021,

Source: Washington Employment Security Department; U.S. Bureau of Labor Statistics.

Occupation (SOC code)	Employment	Annual mean wage	Employment per 1,000	Location Quotient
Management Occupations(110000)	3,970	$116,930	42.18	0.67
Business and Financial Operations Occupations(130000)	3,930	$71,430	41.74	0.65
Computer and Mathematical Occupations(150000)	1,540	$83,820	16.32	0.49
Architecture and Engineering Occupations(170000)	1,780	$80,150	18.94	1.10
Life, Physical, and Social Science Occupations(190000)	2,170	$58,600	23.10	2.56
Community and Social Service Occupations(210000)	1,430	$56,880	15.22	0.96
Legal Occupations(230000)	350	$95,530	3.76	0.45
Educational Instruction and Library Occupations(250000)	8,910	$62,790	94.61	1.63
Arts, Design, Entertainment, Sports, and Media Occupations(270000)	1,040	$57,950	11.08	0.86
Healthcare Practitioners and Technical Occupations(290000)	4,380	$96,170	46.53	0.75
Healthcare Support Occupations(310000)	2,900	$37,960	30.81	0.66
Protective Service Occupations(330000)	1,570	$64,770	16.66	0.69
Food Preparation and Serving Related Occupations(350000)	8,020	$34,840	85.20	1.07
Building and Grounds Cleaning and Maintenance Occupations(370000)	2,930	$36,490	31.12	1.07
Personal Care and Service Occupations(390000)	2,690	$32,890	28.61	1.57
Sales and Related Occupations(410000)	8,020	$43,700	85.15	0.91
Office and Administrative Support Occupations(430000)	10,230	$44,400	108.63	0.84
Farming, Fishing, and Forestry Occupations(450000)	3,200	$36,340	33.95	10.57
Construction and Extraction Occupations(470000)	4,670	$58,730	49.65	1.20
Installation, Maintenance, and Repair Occupations(490000)	5,060	$58,290	53.73	1.36
Production Occupations(510000)	5,990	$46,860	63.62	1.07
Transportation and Material Moving Occupations(530000)	9,360	$43,110	99.39	1.11

Exhibit 51. Occupational Employment, by Major Occupation Category, Wenatchee, WA MSA – Chelan and Douglas counties, 2021,

Source: Washington Employment Security Department; U.S. Bureau of Labor Statistics.

Occupation (SOC code)	Employment	Annual mean wage	Employment per 1,000 jobs	Location Quotient
Management Occupations(110000)	1,760	$114,720	37.67	0.60
Business and Financial Operations Occupations(130000)	1,860	$75,320	39.88	0.62
Computer and Mathematical Occupations(150000)	650	$86,360	13.94	0.42
Architecture and Engineering Occupations(170000)	540	$84,600	11.52	0.67
Life, Physical, and Social Science Occupations(190000)	670	$60,620	14.28	1.58
Community and Social Service Occupations(210000)	-	$51,150	-	-
Legal Occupations(230000)	160	$88,430	3.53	0.42
Educational Instruction and Library Occupations(250000)	2,570	$60,470	55.12	0.95
Arts, Design, Entertainment, Sports, and Media Occupations(270000)	530	$47,870	11.45	0.89
Healthcare Practitioners and Technical Occupations(290000)	3,370	$107,510	72.21	1.16
Healthcare Support Occupations(310000)	1,800	$38,110	38.50	0.82
Protective Service Occupations(330000)	770	$63,290	16.49	0.69
Food Preparation and Serving Related Occupations(350000)	4,770	$35,880	102.13	1.28
Building and Grounds Cleaning and Maintenance Occupations(370000)	1,790	$36,300	38.33	1.31
Personal Care and Service Occupations(390000)	800	$37,180	17.12	0.94
Sales and Related Occupations(410000)	4,860	$41,980	104.09	1.11
Office and Administrative Support Occupations(430000)	4,900	$44,630	105.03	0.81
Farming, Fishing, and Forestry Occupations(450000)	1,900	$34,390	40.71	12.67
Construction and Extraction Occupations(470000)	2,340	$59,410	50.06	1.21
Installation, Maintenance, and Repair Occupations(490000)	2,230	$57,280	47.88	1.21
Production Occupations(510000)	2,300	$44,610	49.19	0.82
Transportation and Material Moving Occupations(530000)	5,220	$37,480	111.84	1.25

Shift Share Analysis

One of the common models to measure economic growth is shift-share analysis. Exhibit 52 below shows the results of a shift-share analysis for Ferry and Okanogan Counties over the 2010 to 2021 period. A shift-share analysis is a standard model for regional analysis that attempts to determine how much of a region's growth can be attributed to national economic growth trends and how much can be attributed to unique regional growth factors. **From 2010 to 2021, both Ferry and Okanogan Counties experienced negative total employment growth.**

Exhibit 52. Shift-Share Analysis, Growth of Jobs in Regional Counties, 2010–2021

Source: Washington Employment Security Department; Bureau of Labor Statistics, QCEW data.

County	National Growth	Industrial Mix	Regional Competitive Growth	Total Employment Growth, 2010 - 2021
Okanogan County	-179.56% (2,164 jobs)	27.18% (-327 jobs)	252.38% (-3,041 jobs)	-6.95% (-1,205 jobs)
Ferry County	-2,953.8% (207 jobs)	1,747.23% (-122 jobs)	1,306.59% (-91 jobs)	-0.42% (-7 jobs)

Cluster Specialization with Trade Opportunities in the Region

Traded employment clusters are regional concentrations of related industries. While several definitions of industry clusters exist, they are generally a geographic concentration of interconnected firms, suppliers, and institutions in a particular field. It has the potential to affect competition by increasing the productivity of the companies in the clusters, driving innovation, and stimulating new businesses in the specific field. These differ from location quotients which more narrowly measure the concentration of employment in specific industries.

Wood Products, Forestry, Communications Equipment Services and Hospitality and Tourism the top traded clusters in Okanogan County. Metal Mining, Wood Products, Forestry and Hospitality and Tourism are the top traded clusters in Ferry County.

Distribution and Electronic Commerce, Food Processing and Manufacturing Hospitality and Tourism, Agricultural inputs and services and Business services are top traded Clusters in the Wenatchee Economic Area (a wider region that includes Okanogan, Douglas, Grant, Chelan and Adams Counties).

Exhibit 53. Change in Employment by Traded Cluster, Okanogan County, 2010–2016
Source: U.S. Cluster Mapping Project, Institute for Strategy and Competitiveness, Harvard Business School.

Top 15 Clusters	Employment		Share of County Employment		Change in Employment			National Rank		
	2010	2016	2010	2016	Change	%	Expected Change	2010	2016	Change 2010 - 2016
Hospitality and Tourism	575	904	23.0%	27.8%	329	57%	73	715	565	150
Wood Products	130	610	5.2%	18.8%	480	369%	14	882	134	748
Distribution and Electronic Commerce	463	496	18.6%	15.3%	33	7%	60	1,141	1,106	35
Business Services	244	243	9.8%	7.5%	-1	0%	57	1,298	1,326	(28)
Agricultural Inputs and Services	201	218	8.1%	6.7%	17	8%	6	92	84	8
Food Processing and Manufacturing	215	110	8.6%	3.4%	-105	-49%	29	835	1,239	(404)
Forestry	80	108	3.2%	3.3%	28	35%	4	256	176	80
Transportation and Logistics	53	66	2.1%	2.0%	13	25%	8	1,861	1,730	131
Communications Equipment and Services	20	60	0.8%	1.8%	40	200%	(1)	990	641	349
Education and Knowledge Creation	60	60	2.4%	1.8%	0	0%	6	1,112	1,113	(1)
Nonmetal Mining	90	60	3.6%	1.8%	-30	-33%	1	285	617	(332)
Performing Arts	40	40	1.6%	1.2%	0	0%	8	632	637	(5)
Marketing, Design, and Publishing	60	40	2.4%	1.2%	-20	-33%	10	1,019	1,278	(259)
Financial Services	60	40	2.4%	1.2%	-20	-33%	2	1,558	1,806	(248)
Construction Products and Services	30	31	1.2%	1.0%	1	3%	6	1,715	1,670	45
Okanogan County Totals (Traded Cluster)	**2,495**	**3,246**	**100%**	**100%**	**751**	**30%**	**306**	–	–	–

Exhibit 54. Change in Employment by Traded Cluster, Ferry County, 2010–2016

Source: U.S. Cluster Mapping Project, Institute for Strategy and Competitiveness, Harvard Business School.

Top Clusters	Employment		Share of County Employment		Employment Change			National Rank		
	2010	2016	2010	2016	Change	% change	Expected Change	2010	2016	Change 2010-2016
Metal Mining	175	375	41.2%	53.0%	200	114%	21	38	26	12
Wood Products	70	175	16.5%	24.7%	105	150%	8	1,335	784	551
Hospitality and Tourism	50	51	11.8%	7.2%	1	2%	6	2,248	2,202	46
Forestry	20	27	4.7%	3.8%	7	35%	1	833	634	199
Marketing, Design, and Publishing	40	20	9.4%	2.8%	-20	-50%	7	1,283	1,581	(298)
Food Processing and Manufacturing	-	10	0.0%	1.4%	10	-	-	-	1,388	(1,388)
Education and Knowledge Creation	-	10	0.0%	1.4%	10	-	-	-	1,524	(1,524)
Biopharmaceuticals	-	10	0.0%	1.4%	10	-	-	-	2,321	(2,321)
Oil and Gas Production and Transportation	10	10	2.4%	1.4%	0	0%	1	1,426	2,098	(672)
Insurance Services	10	10	2.4%	1.4%	0	0%	1	1,616	2,895	(1,279)
Business Services	20	10	4.7%	1.4%	-10	-50%	5	2,707	504	2,203
Ferry County Totals (Traded Cluster)	**425**	**708**	**100%**	**100%**	**283**	**67%**	**54**	-	-	-

Exhibit 55. Change in Employment by Traded Cluster, Wenatchee Economic Area (Okanogan, Douglas, Grant, Chelan and Adams County), 2010–2016

Source: U.S. Cluster Mapping Project, Institute for Strategy and Competitiveness, Harvard Business School.

Top 15 Clusters	Employment		Share of Regional Employment		Change in Employment			National Rank		
	2010	2016	2010	2016	Change	%	Expected Change	2010	2016	Change 2010 - 2016
Distribution and Electronic Commerce	5,909	6,478	25.5%	24.6%	569	10%	760	127	126	1
Food Processing and Manufacturing	3,578	3,922	15.5%	14.9%	344	10%	476	80	84	(4)
Hospitality and Tourism	2,828	3,432	12.2%	13.0%	604	21%	358	146	135	11
Agricultural Inputs and Services	1,877	2,729	8.1%	10.3%	852	45%	53	14	6	8
Business Services	1,816	1,789	7.8%	6.8%	(27)	-1%	426	172	173	(1)
Automotive	410	985	1.8%	3.7%	575	140%	133	128	104	24
Wood Products	240	760	1.0%	2.9%	520	217%	27	161	126	35
Upstream Metal Manufacturing	1,215	680	5.3%	2.6%	(535)	-44%	68	73	91	(18)
Transportation and Logistics	746	664	3.2%	2.5%	(82)	-11%	113	167	171	(4)
Upstream Chemical Products	255	455	1.1%	1.7%	200	78%	4	110	91	19
Information Technology and Analytical Instruments	295	455	1.3%	1.7%	160	54%	42	135	120	15
Marketing, Design, and Publishing	333	351	1.4%	1.3%	18	5%	58	159	159	-
Financial Services	608	341	2.6%	1.3%	(267)	-44%	20	166	174	(8)
Communications Equipment and Services	150	299	0.6%	1.1%	149	99%	(6)	158	129	29
Paper and Packaging	235	295	1.0%	1.1%	60	26%	(11)	133	124	9
Wenatchee, WA Totals (Traded Cluster)	**23,135**	**26,383**	**100%**	**100%**	**3,248**	**14%**	**2,757**	-	-	-

Innovation Measures

The Innovation Intelligence[8] tool details the innovation capacity and output of a region by aggregating over fifty different innovation measures (e.g., patent technology diffusion, job

[8] Innovation Intelligence (II3) is hosted on StatsAmerica (www.statsamerica.org) and managed by the Indiana Business Research Center at Indiana University's Kelley School of Business and funded partially by the U.S. Commerce Department's Economic Development Administration.

expansions-to-contractions ratio, per capita personal income growth). There are five major index categories that roll up into a single "headline" innovation index. Three of these five major categories are innovation inputs (human capital and knowledge creation, business dynamics, and business profile), and the remaining two are innovation outputs (employment and productivity, and economic well-being).

Ferry and Okanogan Counties fared well in different areas overall, with Okanogan's relative strength in Employment and Productivity and Ferry's in Business Dynamics. Both counties ranked the lowest in the same index for Economic Well-Being, which assesses a county's standard of living and related economic outcomes.



Human Capital and Knowledge Creation: Okanogan and Ferry Counties both ranked in the third quartile of all counties (#1,979)[9] and (#1,949) of all counties in the United States in the human capital and knowledge creation index. This index contains statistical measurements like educational attainment, STEM education and occupations, and technology diffusion (e.g., patent technology diffusion).



Business Dynamics: The business dynamics index measures accounts for measurements like establishment formation, establishment dynamics (e.g., establishment births divided by establishment deaths), venture capital dollar measures, and venture capital count measures (e.g., initial public offerings, average annual venture capital deals). Of the five major index categories, **Okanogan County was among the third quartile of all counties (#2,130). Ferry County had its highest performance in Business Dynamics, ranking in the top quartile of all counties (#699).**



Business Profile: The business profile index includes measurements such as foreign direct investment (FDI) attractiveness (e.g., foreign, and national employment indices), connectivity (e.g., residential high-speed connection density, farm operators with internet access), dynamic industry profiles (e.g., high-tech, early-in-life-cycle establishment ratio), and proprietorship (e.g., availability of capital from all banks, proprietor income to total wages and salaries). **Okanogan County ranked in the bottom quartile (#2,368) and Ferry County ranked in the third quartile (#1,579) of all counties nationwide.**



Employment and Productivity: The employment and productivity index accounts for direct outcomes of innovative activity (patent diversity), economic growth (Gross Domestic Product per worker), and regional desirability (industry cluster diversity, strength, and growth). **Okanogan County performed the best in Employment and**

[9] The results of this analysis are presented as quartiles in comparison with all of the 3,110 counties included in the Innovation Index. Top quartile indicates that the County fell as among the top 25 percent of the index and was generally strong in a given area, followed by second and then third quartiles. Bottom quartile indicates that the County fell in the bottom 25 percent and was generally weak in this area.

Productivity relative to other indices, falling in the top quartile counties (#663), while Ferry County ranks in the second quartile of all counties (#1,314).

Economic Well-being: Of the five major index categories, both Okanogan and Ferry County's weakest ranking is in economic well-being, placing in the bottom quartile (#2,464) and third quartile (#2,173), respectively, of all counties. Economic well-being assesses a county's standard of living and related economic outcomes. These include, but are not limited to, the average poverty rate, unemployment rate, net migration, and income inequality.

Headline Innovation Index Summary: Index values were computed for 3,110 counties in the United States and then subsequently ranked for ease of nationwide comparison. Aggregating all the indices detailed above, **Okanogan County's "headline" innovation index placed it the third quartile of all counties nationwide (#1,957). Ferry County's "headline" innovation index placed it in the second quartile (#1,534).** See Exhibit 56 for Okanogan and Ferry County's innovation index values and how the counties rank relative to all counties across the nation.[10]

Exhibit 56. Innovation Index Measurements, Regional Counties, 2016
Source: Indiana Business Research Center, "Driving Regional Innovation: The Innovation Index 2.0." 2016.
Note: Ranking is out of the 3,110 counties included in the Business Research Center's Index.

Innovation Indices	Okanogan		Ferry		National Median Index Value
	Index Value	Rank	Index Value	Rank	
Headline Index	80	1,957	84.4	1,534	84.3
Human Capital and Knowledge Creation Index	82.5	1,979	83.1	1,949	90.1
Business Dynamics Index	45.1	2,130	64.5	699	50.7
Business Profile Index	60.4	2,638	73.4	1,597	73.9
Employment and Productivity Index	110.5	663	101.6	1,314	98.4
Economic Well-Being Index	91.9	2,464	97.2	2,173	109.7

2.5 Regional Economic Development Priorities and Strategies

Previous planning documents and efforts are helpful for understanding the current context for economic development. This section reviews engagement with stakeholders in this planning process and the Confederated Tribes of the Colville Reservation's Comprehensive Economic Development Strategy (CEDS) report.

[10] Additionally, ECONorthwest provided the median index value of all United States counties (3,110 total). This is not a national median, as the Indiana Business Research Center designed the values to be compared by geographic level (i.e., one should not compare county index values to statewide index values or MSA index values).

Colville Reservation's Comprehensive Economic Development Strategy (CEDS)

The Colville 2017-2021 CEDS which provides a plan for collaborative initiatives between 2017 and identifies short- and long-term outcomes anticipated from the plan. Key long-term outcomes the plan anticipates include:

- Better paying jobs will be created and retained
- A stable, balanced and diversified regional economy will develop
- Natural resources will be used in a sustainable manner and protected for future generations
- The Tribes' highly valued quality of life will be enhanced and living conditions will improve for residents.
- An ongoing tool for economic development coordination, communication and information will be available.[11]

CEDS Priorities

The Colville Confederated Tribes Planning Department conducted a brief survey for each of the four districts (Omak, Nespelem, Keller, and Inchelium), in which they specifically asked about top economic development priorities, finding that the top responses identified improvements in manufacturing, agriculture, entrepreneurism, construction/development and recreation and tourism.[12] Most respondents thought that Colville was business friendly and about one in four were also interested in starting their own business on the reservation.[13]

CEDS Key Challenges

The CEDS document also identified major challenges with implications for the economy facing the Colville Confederated Tribes, including:

- **The tribes are seeing a decline in age cohorts between 25 and 44 years of age.** This decline is more likely due to outward migration of young people seeking employment than a change in birth or death rates.[14]
- **The tribes have a high unemployment rate.** Out of a population of 5,693 a sizable share (2,663) is not currently a part of the labor force.[15]
- **The tribal area has high poverty rates,** at least twice that of Washington state.[16]

[11] Confederated Colville Tribes Planning, "Comprehensive Economic Development Strategy 2017-2021," 2016, 16.

[12] Ibid 33.

[13] Ibid 36.

[14] Ibid 40-41.

[15] Ibid 41.

[16] Ibid 43.

- **Several types of infrastructure are major concerns, including water, transportation, and wastewater.** The Inchelium district is hurting in all of these systems, and the Omak area (the largest population base) would need to include either new wastewater system improvements or a significant upgrade to the City's system for new development.[17]

The CEDS included analysis of Strengths, Weaknesses, Opportunities, and Threats (SWOT) which identifies some of the major challenges that the tribe faces, as well as key strengths and opportunities.

Exhibit 57. SWOT Analysis Matrix
Source: Colville Comprehensive Economic Development Strategy (CEDS)

Strength	Weakness
• HUBZONE Status • Accelerated depreciation • Tax Incentives (Opportunity Zones, Carbon Credits, New Market Tax Credits)	• Limited outside resources • Multiple levels of jurisdiction • Infrastructure (old or non-existent) • Terrain
Opportunity	**Threats**
• Multiple economic industries • Large Rural Lands • Infrastructure • Funding opportunities (Grants)	• Natural disaster • Potential for monopoly of industry • Challenge of financing desired investments

Targeted Industries

The CEDS report identifies reservation-wide goals based on overarching needs and specific initiatives within the four districts. In the results of a community economic survey, the top 5 priorities identified: **manufacturing, agriculture, entrepreneurism, construction/development and recreation and tourism.**[18]

The plan includes specific considerations for **tourism and recreation**, as the Tribe has numerous assets including fifty-five campgrounds with a range of amenities, parks, and boat launches.[19] **Healthcare** is also a major consideration in the plan, as jobs across communities on the reservation were expected to continue increasing, providing stable and high-paying wages, with new facilities planned such as the Keller Treatment Center.[20]

Proposed Strategies

The CEDS proposes a number of strategies, some of which are reservation-wide and others of which are specific to an area. Some key reservation-wide strategies highlighted in the plan are:

- **Education.** The tribe has been making continued efforts towards education and workforce training since 2012, with the goal of preparing tribal members for higher-wage jobs. The report notes that "As the CTCIR continues its economic expansion, education will play a vital role as the health sector, technology sector, agriculture sector, business sector."[21]

[17] Ibid 49-50.

[18] Ibid 33.

[19] Ibid 75.

[20] Ibid 58.

[21] Ibid 56.

- **Information Technology/Communications.** Broadband infrastructure planning is underway for the tribe, in collaboration with Ferry and Okanogan Counties. Access to high-speed internet ranked highest on tribe's survey when associated with deciding where to purchase/rent a home.[22]
- **Housing**. The limited stock of rentals and modern turnkey homes has been a challenge on the reservation, and thus far focus has been on workforce housing, but the issue effects residents of all income levels.[23]
- **Colville Tribal Federal Corporation.** The tribal federal corporation is responsible for managing tribal businesses which include enterprises in fuels, forest product, gaming, and tobacco, as well as the 12 Tribes Casino and the Half Sun Travel Plaza. All these businesses offer family-wage jobs to tribal members.[24]
- **Clean Energy.** Some parts of the reservation would serve as an ideal location for a solar energy farm and there is growing interest in combating climate change; feasible types of green initiatives on the reservation include woody biomass, solar energy, and carbon sequestration.[25]

Project Specific Stakeholder Engagement Findings

As part of this planning process, Akana led conversations with community stakeholders which included valuable input on opportunities for economic development in each of the four districts on the Colville Reservation. Highlights around opportunities identified in these sessions are detailed below for Keller, Inchelium, Omak, and Nespelem.

Keller

- There is high potential to leverage Keller's current recreational character, including ecotourism, trails, improved waste management, and new facilities.
- The district can promote itself as a Scenic Byway, with gateways to specific destinations like Roosevelt Reservoir, Colville and Kettle Falls, and campgrounds on the east side going north.
- District stakeholders also identified tax advantages and incentives that could be leveraged to attract businesses.

Inchelium

- Inchelium stakeholders also indicated the importance of recreation, with potential for food and retail uses at a former Pine Cone site and Department of Fish and Wildlife site.

[22] Ibid 70.

[23] Ibid 59.

[24] Ibid 66-67.

[25] Ibid 75-76.

- Like Keller, Inchelium could also use tax incentives to attract businesses and promote its high quality of life to attract employees to the area.

Omak

- Omak has potential to attract remote workers currently in major cities who want to live and rural atmosphere. The district could work towards this goal with more creative artist spaces and lifestyle amenities like broadband, walkable areas, and breweries.
- More educational services and training programs (aside from online courses from outside colleges) could benefit the community and promote well-paying jobs.
- Stakeholder also stressed the need to invest in infrastructure (water and sewer) and utilize the rail and transportation systems already in place.

Nespelem

- Stakeholders indicated that Nespelem residents have a strong entrepreneurial spirit, with many ideas included for new businesses including aquaculture, recreational marijuana, indigenous food preparation, family-centered cultural activities, as well as theme parks and a rodeo arena.
- Nespelem also has opportunities like other areas to leverage tribal tax incentives, grow workforce training programs, and attract young workers with lifestyle amenities and activities.
- In addition to building out recreation, Nespelem stakeholders mentioned opportunities for added-value wood products.

3. Tribal Economic Profile

In addition to regional economic conditions, this section provides detail specific to the Colville Confederated Tribes area, including basic population demographics, existing labor force statistics, and an overview of businesses and economic opportunities.

3.1 Tribal Area Population

Key Population and Households Findings

- The population of the Colville Reservation and Off-Reservation Trust Lands comprises about 15 percent of the primary market area (Ferry and Okanogan Counties) but the population has been decreasing slightly since 2000.
- Colville Reservation residents tend to be younger on average than Ferry and Okanogan Counties as a whole, while the primary market area skews older, with over a third of its residents over the age of 60.
- Median household income in Colville was $45,100 in 2016-2020, which is in line with the primary market area; it is slightly higher than in Ferry County and slightly lower than in Okanogan County.

Tribal Population Trends

The population of the Colville Reservation and Off-Reservation Trust Lands makes up about 15 percent of the primary market area but has been decreasing slightly since 2000.

Exhibit 58. Population, Primary Market Area and Colville Reservation and Off-Reservation Trust Lands, 2000 and 2016-2020

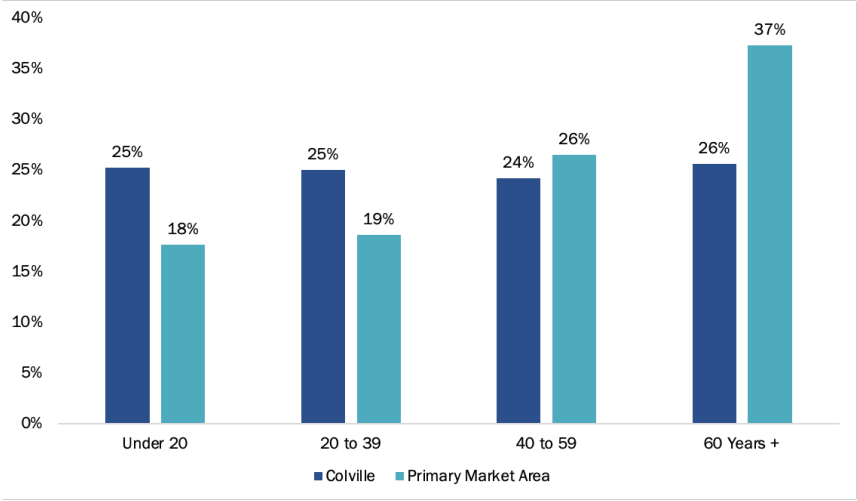
Source: Washington Office of Financial Management, U.S. Bureau of Economic Analysis, ACS 2006-2010 and 2017-2021 5-Year Estimates, Decennial Census 2000 American Indian and Alaska Native Demographic Profile

	Population			Change 2000 to 2021		
Geography	2000	2010	2021	Number	Percent	AAGR
Primary Market Area	46,824	48,671	49,600	2,776	6%	0.27%
Okanogan	39,564	41,120	42,350	2,786	7%	0.32%
Ferry	7,260	7,551	7,250	-10	0%	-0.01%
Colville Reservation	7,598	8,014	7,165	-433	-6%	-0.28%

The population of the Colville Reservation is fairly evenly distributed by age group, with fewer older adults over the age of 60 than the county and more young persons under 20.

Exhibit 59. Population Distribution by Age Group, Colville Reservation and Off-Reservation Trust Land, 2016-2020

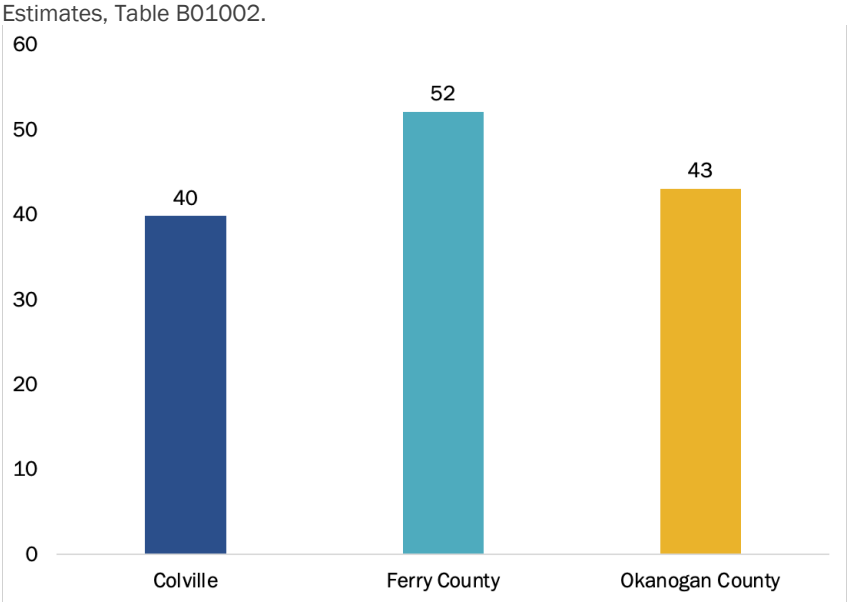
Source: ACS



Colville residents tend to be younger on average than Ferry and Okanogan Counties as a whole.

Exhibit 60. Median Age, Colville Reservation and Off-Reservation Trust Land, Ferry and Okanogan Counties, 2010 and 2016-2020

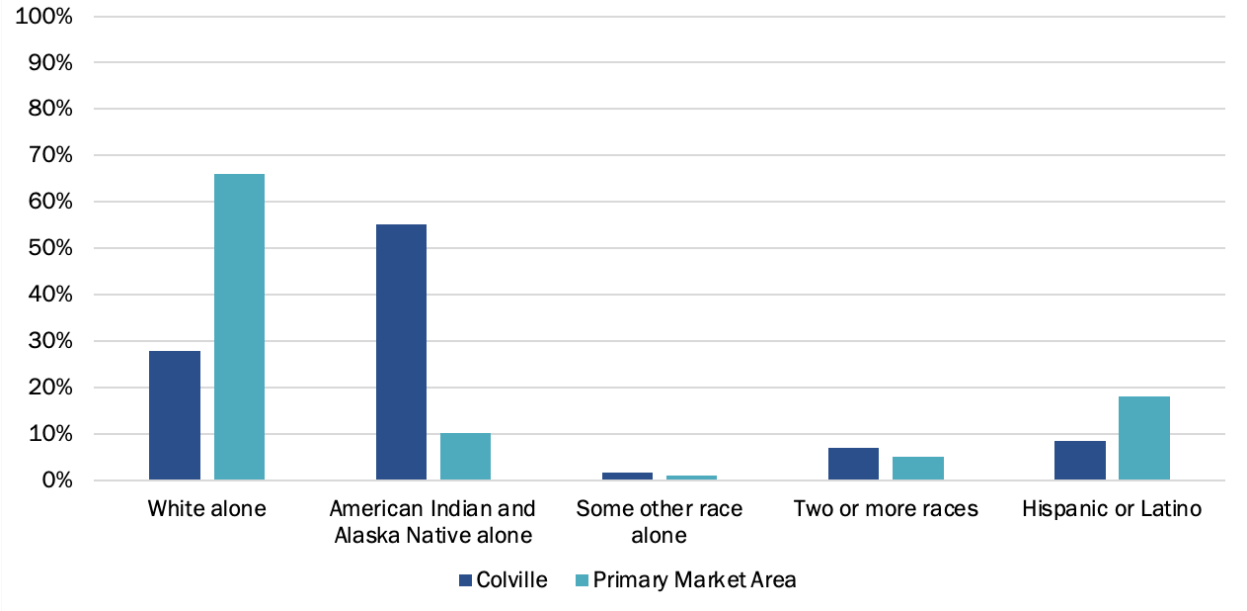
Source: U.S. Census Bureau 2010 Census, Table P013001, 2016-2020 ACS 5-Year Estimates, Table B01002.



Over half of the population the Colville Reservation and Off-Reservation Trust Land are American Indian and Alaska Native alone. This share is about five times the share of American Indian and Alaska Native residents in the total primary market area, with less than half the share of white alone households.

Exhibit 61. Population by Race and Ethnicity, Colville Reservation and Off-Reservation Trust Land, 2016-2020

Source: U.S. Census Bureau 2016-2020 ACS 5-Year Estimates, Table B02003.



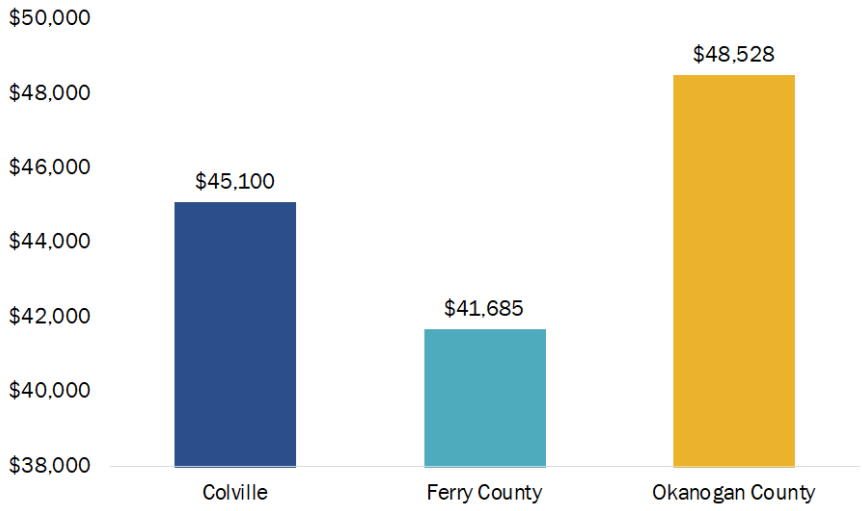
Median household income in Colville was $45,100 in 2016-2020.

The median household income in Colville was higher than in Ferry County and lower than in Okanogan County.

Ferry County has a much smaller population than Okanogan County overall, and the tribe's larger population centers are located in Okanogan.

Exhibit 62. Inflation Adjusted Median Household Income (2020 Dollars), Colville Reservation and Off-Reservation Trust Land, Ferry County, and Okanogan County, 2016-2020

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



3.2 Existing Labor Force

Labor Force Key Findings

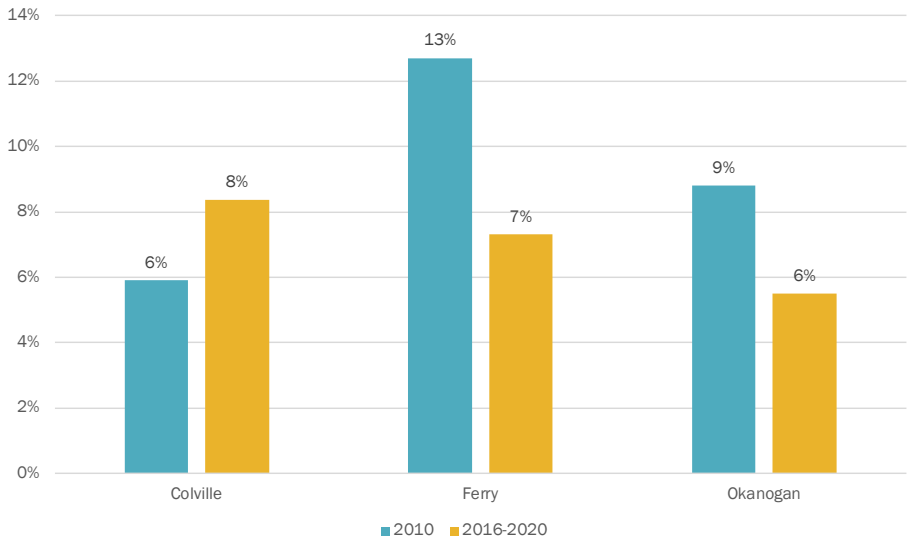
- Unemployment increased on the Colville Reservation from 2000, up to 8.4 percent in 2016-2020. However, this was lower than both Ferry and Okanogan Counties.
- For the population 16 years of age and up, the labor force participation rate also decreased by 4.5 percent between 2000 and 2016-2020.
- Educational attainment levels in Colville were similar to the primary market area, but show higher rates of residents with a high school diploma, GED, or less than the state of Washington and lower levels of Bachelor's or Master's degree.

From 2010 to 2016-2020, the unemployment rate in Colville increased from 5.9 to 8.4 percent.

In the same time period, unemployment decreased for both Ferry and Okanogan Counties. Unemployment for both counties was lower than Colville in 2016-2020.

Exhibit 63. Unemployment Rate, Colville Reservation and Off-Reservation Trust Land, 2010 and 2016-2020

Source: U.S. Census Bureau, 2006-2010 ACS Table DP03, 2016-2020 ACS Table B23001.



From 2010 to 2016-2020, the labor force participation rate in Colville decreased from 56.9 to 54.3 percent, a decline of 4.5 percent.

For Okanogan County, labor force participation rate stayed about the same, but by 3 percent for Ferry County.

Exhibit 64. Labor Force Participation Rate of Population 16 Years and Older, Colville Reservation and Off-Reservation Trust Land, 2010 and 2017-2021

Source: U.S. Census Bureau, 2006-2010 ACS Table DP03, 2016-2020 ACS Table B23001.

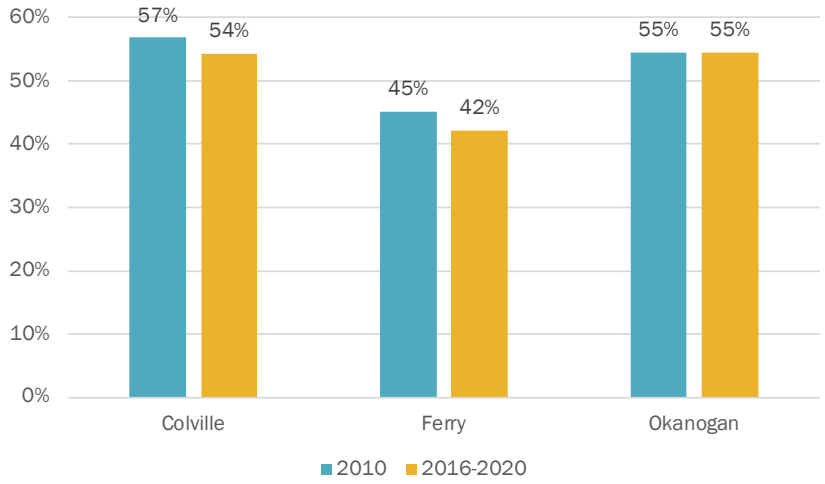
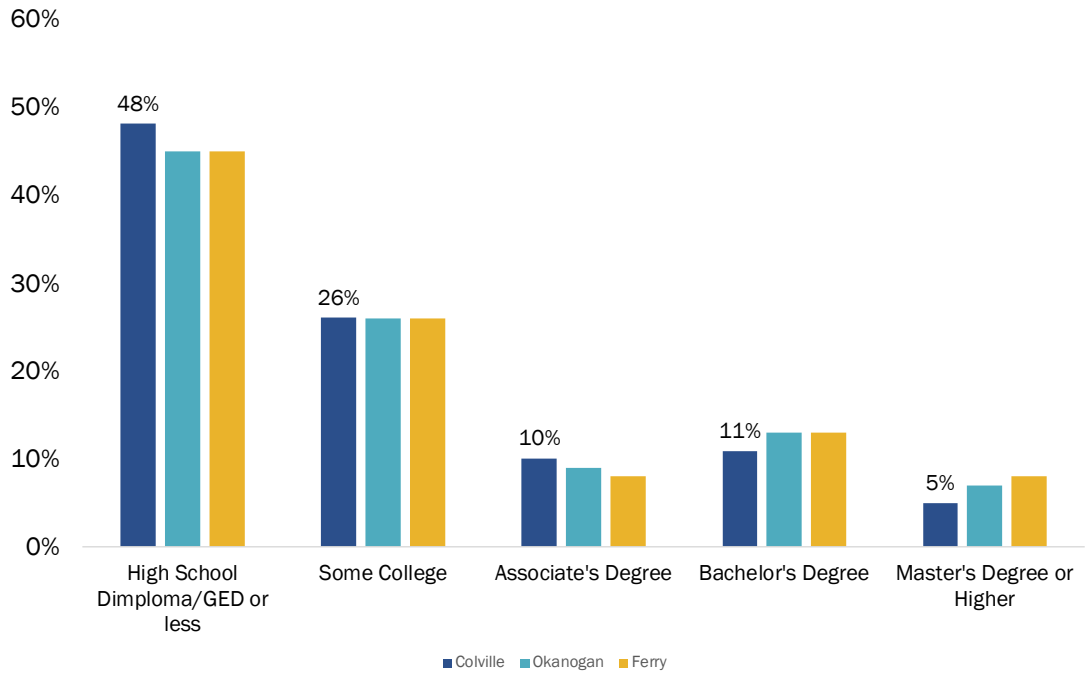


Exhibit 65. Educational Attainment for Population 25 Years and Older, Colville Reservation and Off-Reservation Trust Land, 2016-2020

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



3.3 Businesses and Institutions

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."[26] Tribes are exempt from a number of state and local regulations, including zoning, land use, environmental regulations, and permitting, allowing for greater flexibility.[27]
- **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.[28]
- **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.[29]
- **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 reservation.[30] 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.[31]
- **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.[32] 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.[33]

[26] Colville Confederated Tribes Planning, "Comprehensive Plan 2040," 136.

[27] Ibid 140.

[28] Ibid 137.

[29] Ibid 137-138.

[30] Ibid 138.

[31] Ibid 139.

[32] Ibid.

[33] Ibid 140.

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.[34] In addition, "the Tribe has a moratorium on land sales and leasing process that is slows down the development of businesses."[35]
- **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."[36]

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 the following.

- Omak Clinic, Omak Head Start Center
- Omak and Inchelium Wellness Centers, Omak and Inchelium Senior Meal Sites
- Nez Perce Longhouse
- Broadband Infrastructure (beginning with a grant for fiber optics extension from Coulee Dam to Nespelem)[37]
- Communication Systems Infrastructure, Roads and Transportation Infrastructure, Energy Efficiency Projects, Recreation Sites Improvements, and Housing Development Sites

[34] Ibid 149.

[35] Ibid.

[36] Ibid.

[37] Ibid.

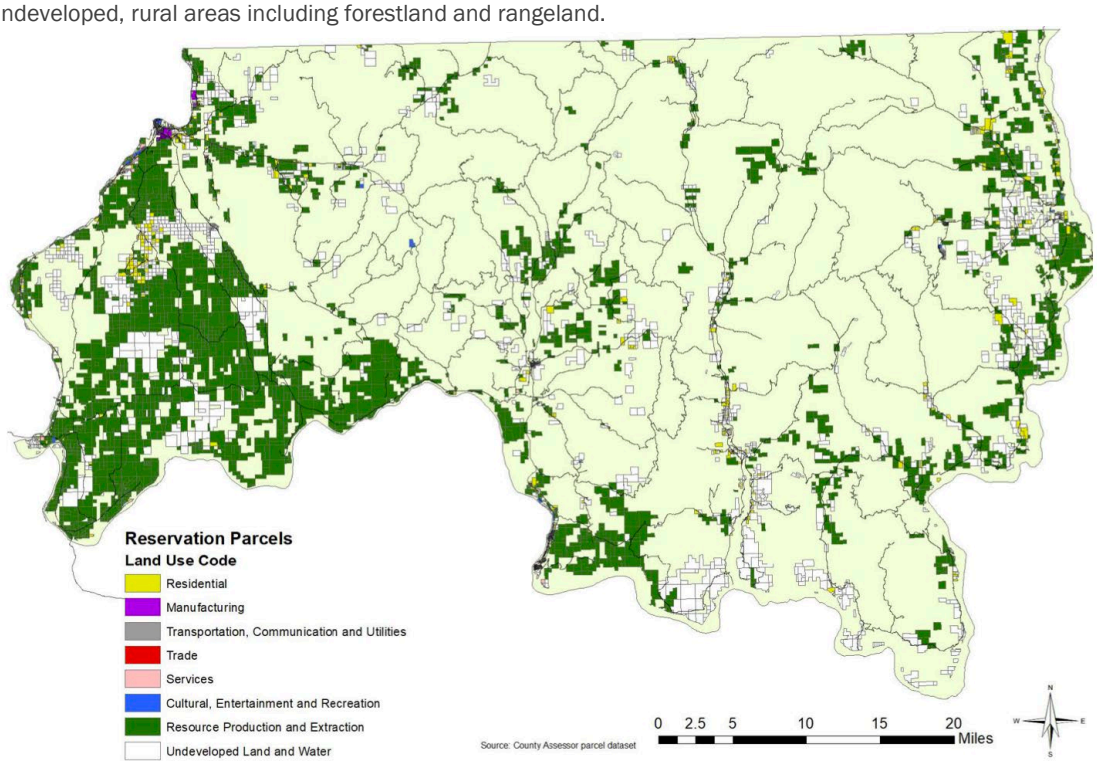
Available Land

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.[38] Developed land is primarily located in the population centers of Omak, Nespelem, Keller, and Inchelium.

Exhibit 66. 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.



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.[39] 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

[38] Ibid 90.

[39] Ibid 137.

sustainable forests capable of supporting the forest products industry for coming generations."[40]

4. 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 which Akana will complete as part of the work plan.

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."*[41]

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

Tourism

The Colville Reservation has a number of 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.

[40] Confederated Colville Tribes Planning, "Comprehensive Economic Development Strategy 2017-2021," 72.

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

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.

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.

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 an 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.

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 agrivoltatics problem in Nespelem provided an example of combining agriculture with renewable energy production.[42] The Tribe could explore more types of innovative and efficient energy projects in the areas identified by the Office of Indian Energy.

Strategic Light Manufacturing

The Colville Confederated Tribes have a large site already identified for manufacturing activities identified in Omak, indicating that this will likely be a new opportunity area to expand industrial businesses. Manufacturing was among the top economic development priorities in the 2017-2021 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 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.[43]

Small Retail Trade and Micro Enterprise

Engagement findings from past planning and the current process with Akana 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.

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[42] 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/.

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

APPENDIX B

ECONorthwest
ECONOMICS · FINANCE · PLANNING

DATE: August 1, 2023
TO: Steven Matthews, AKANA
FROM: Mary Chase, Jennifer Cannon, and Bob Parker, ECONorthwest
SUBJECT: Market Analysis of Targeted Industries, Colville Indian Reservation Master Site Development Plan Project, ECONorthwest Task 4.3

Section 1. Introduction

This memorandum provides supporting information for the development of a master site plan in key communities located in the Confederated Tribes of the Colville Reservation. This master plan provides foundational elements crucial for the development of a business and industrial park including an economic analysis of the local and regional market describing potential demand, comparative advantages and disadvantages, and target businesses that are likely to be attracted to the area. This memorandum builds off previous work involving extensive analysis of the Colville tribal economy (Task 4.1) and the broader regional economic conditions (Task 4.2), encompassing Ferry and Okanogan Counties, which contains the Colville Indian Reservation, and areas to the north, outside of tribal boundaries.

This memorandum presents the results of Task 4.3 – a Market Analysis of Targeted Industries which essentially concludes the economic planning task work. ECONorthwest analyzed the comparative advantages and opportunities to create economic and business development strategies to position the Tribes within the existing economy within the region. A set of target industries were evaluated to identify the "best fit" industries that would most benefit from the community's assets, be willing to expand or relocate to the area and bring value to the community. ECONorthwest worked in partnership with the Colville Tribe and the project team to narrow the list of target industries and provide a market evaluation summary of 4-6 targeted industries. These industries were identified in the report provided for Tasks 4.1 and 4.2 and are further elaborated and refined in this memorandum.

This memorandum includes three (3) sections:

1. An Introduction (1), including a description of the context, and key regional and tribal economic analysis findings provided in this section.
2. An overview of Target Industries (2), which provides a summary of the market outlook, opportunities, site needs, and key conclusions for five industries.
3. A Conclusion (3), which provides a summary of overall findings, strategies to consider, and next steps for the Colville Tribe.

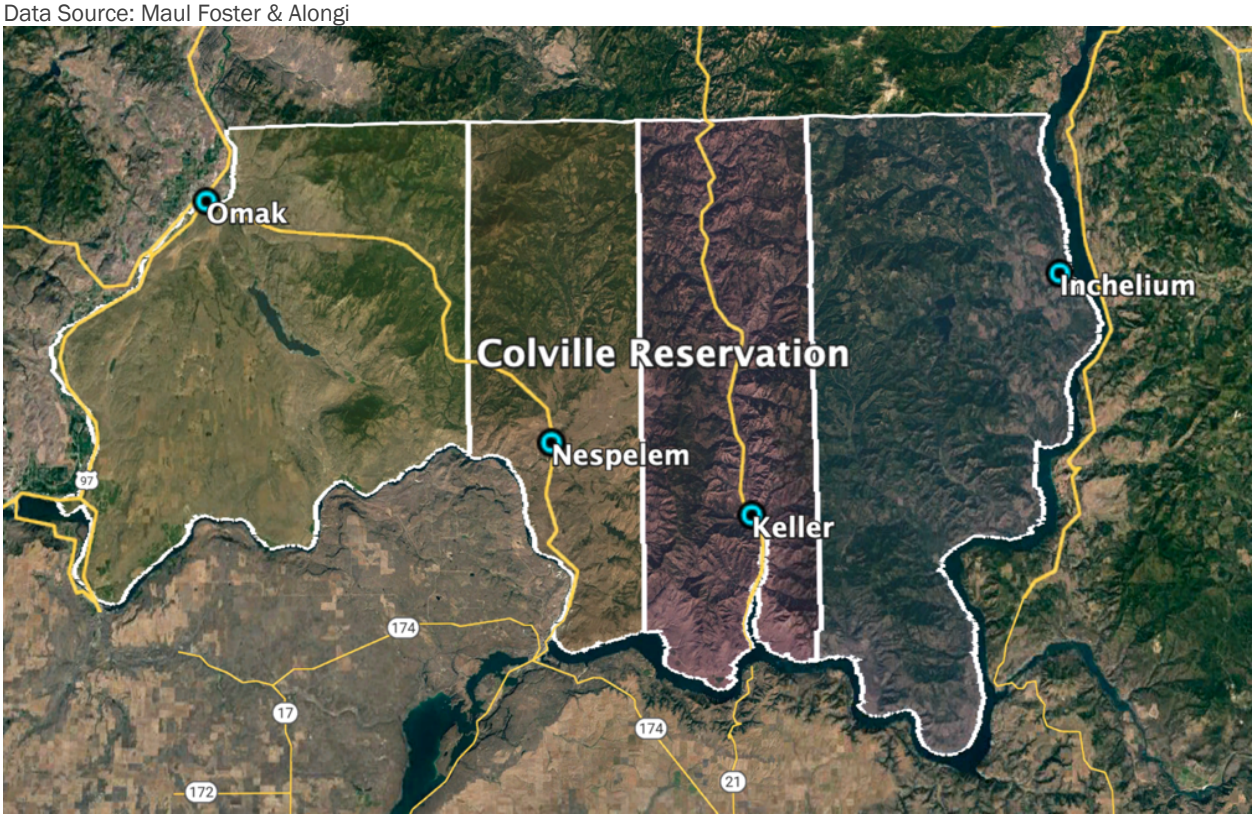
Analysis Context

The Colville Indian Reservation is located within the southern portion Ferry and Okanogan Counties in eastern-central Washington, bounded by the Columbia River on the south and east and the Okanogan River to the west. Washington State Routes 21, 25, and 155 connect the area

to the City of Spokane, Washington, and border crossings with British Columbia, Canada. This area of northeastern Washington is primarily rural and rugged, with 94 percent of the Reservation's 1.4 million acres classified as rangeland, forest, or surface water; nearly half of the total area is covered by evergreen forest and only 0.1 percent of total acreage is designated for residential use.[1] Although several highways connect the Reservation with other population centers, transportation infrastructure is not well developed throughout many interior areas.

The reservation has four sub-districts which are home to the largest population centers: Omak, Nespelem, Keller, and Inchelium (boundaries shown in Exhibit 1). In 2016-2020, 75 percent of the 7,360 residents on the Colville Reservation lived in these four towns.[2] Tribal facilities are spread throughout the reservation, but those with the highest employment (such as the personnel department and community center) and available services are concentrated in Nespelem. The 12 Tribes Casino and Hotel is another key facility for employment located in Omak.

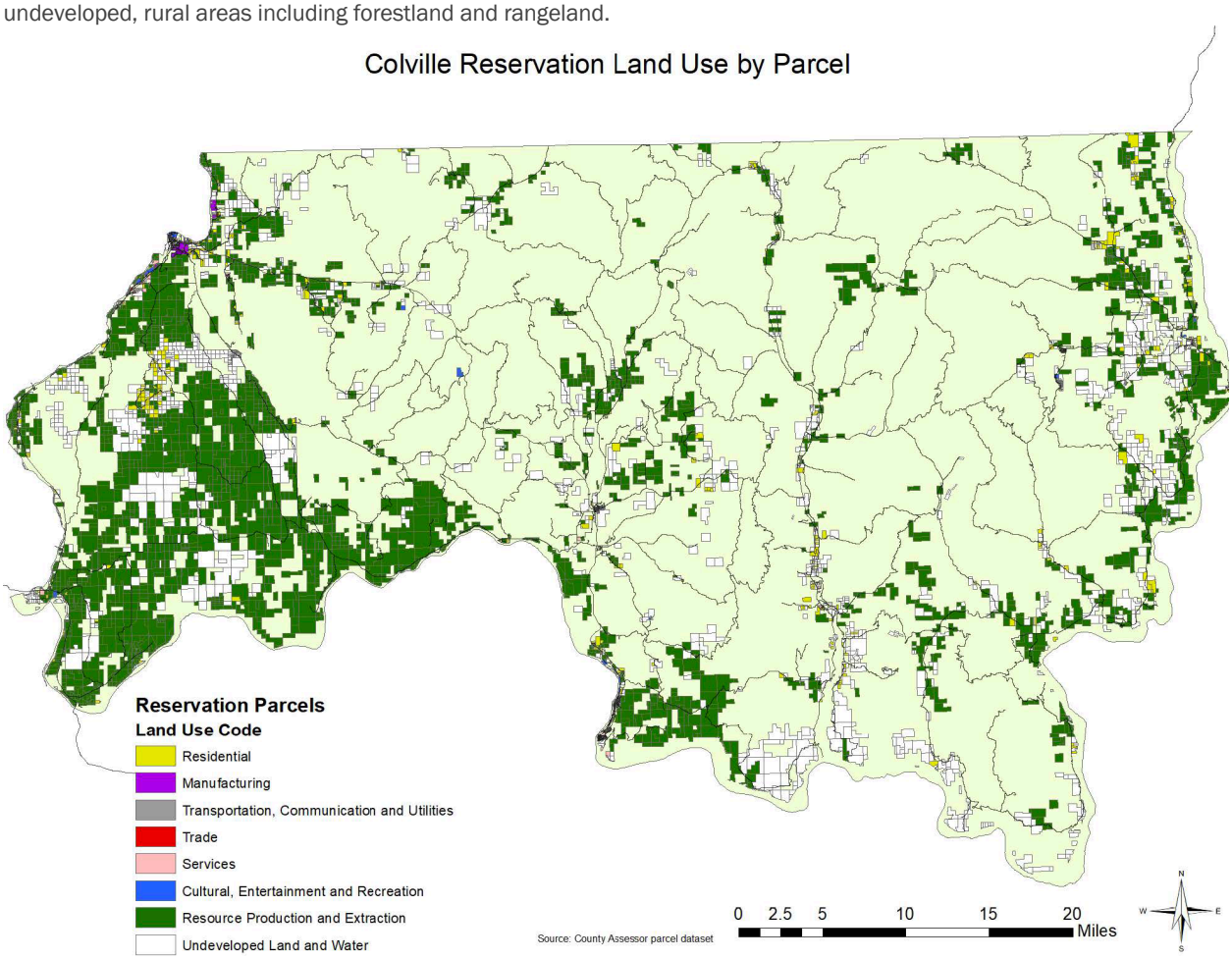
Exhibit 1. Map of Colville Reservation and Districts
Data Source: Maul Foster & Alongi



[1] Colville Confederated Tribes Planning, "Comprehensive Plan 2040," 2020, https://www.cctplanning.com/comprehensive-planning, 90.

[2] American Community Survey 2016-2020 5-Year Estimates, Table S0101.

Exhibit 2. Map of Colville Reservation by Land Use
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.



Key Regional and Tribal Economic Analysis Findings

- **The prime working age population of the primary market area including Okanogan and Ferry Counties is aging and not attracting new residents.** Okanogan and Ferry Counties have experienced little to no population growth over the last two decades and maintained a higher median age than Washington overall while the working age population (25-50 years of age) decreased. Over a third of both counties is over the age of 60, although the Colville Reservation area has a comparatively younger population. Currently, there is a need for strategies to retain the working population (not within retirement) such as a skillset or workforce program to support improved availability for more family wage job opportunities, including:
  - Healthcare and services, ecotourism, recreation, and agricultural or food related sector employment opportunities with higher pay;
  - Strategic light manufacturing employment opportunities;
  - Employment opportunities near small urban cities and areas; and

- Entrepreneurship and small business opportunities.

To do this, the tribe should consider where there is adequate infrastructure needed for different business operations (transportation, water, electricity, broadband) in place or planned to be added in the future.

- **Government and Agriculture both have a high local concentration and high employment in the primary market area.** In the primary regional market area, over 30 percent of covered employment[3] is in Government; on the Colville Reservation this share is even higher with 59 percent of their employed population working in government. Top employers include the tribe itself as well as several mining companies, agriculture-related firms, and Ferry County Memorial Hospital. The Colville Tribe 2017-2021 Comprehensive Economic Development Strategy (CEDS) identified manufacturing, agriculture, entrepreneurism, construction, and tourism as the top economic development priorities.[4]
- **New business applications are growing in the primary market area, and the majority of employers in the area are small businesses (those with 20 or fewer employees).** Over the 2010 to 2021 period, 506 business applications were filed in Ferry County and 3,383 in Okanogan County. On an annual average basis, applications have increased by 4.6 percent and 5.0 percent respectively. The healthcare and social assistance industry had the largest increase in new businesses in both counties, accounting for nearly a quarter of all new firms in 2021.

  These findings indicate that both counties are attractive locations for new businesses. In addition, 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. In Ferry County, small businesses represent 96 percent of employers.

  Although business applications are increasing throughout the primary market area, Okanogan County is losing more net firms overall than Ferry County. While the number of firms in Ferry County grew slightly (4 percent) over the last ten years, Okanogan County's decreased by nine percent. In addition, the number of other services, agriculture, forestry, fishing and hunting, construction, manufacturing, and retail trade firms decreased over the last decade (2010 to 2021).
- **Unemployment is higher and the median household income is lower in the primary market area compared to Washington state.** Unemployment rates have remained higher in Ferry and Okanogan even as the state looks toward recovery from COVID-19 Pandemic impacts. Median household income in Ferry and Okanogan was lower than the secondary market area and the State by roughly $30,000 per year across all race and ethnicity groups. While median income grew 13 percent in Washington from 2000 to 2016-2020, it decreased for Ferry County and increased by only six percent for Okanogan

[3] Covered employment refers to jobs with unemployment insurance benefits and does not include sole proprietors, farmworkers, and other contract workers. Covered employment is typically 75% to 85% of total employment.

[4] Confederated Colville Tribes Planning, "Comprehensive Economic Development Strategy 2017-2021," 2016, https://www.cctplanning.com/comprehensive-planning 33.

County. Aside from Government and Healthcare and social services, top industries by employment are not paying higher than the average annual wage. Although the Reservation was in line with Ferry and Okanogan County incomes, there is a potential opportunity to leverage tribal workforce training to attract higher paying jobs.

- **The Reservation has lower unemployment rates than the primary market area.** Unemployment increased on the Colville Reservation from 2000, up to 8.4 percent in 2016-2020. However, it was still lower in this time period than both Ferry and Okanogan Counties. This is likely in part because the Tribe itself is a major employer. For the population 16 years of age and up, the labor force participation rate also decreased by 4.5 percent between 2000 and 2016-2020 on the Reservation but stayed equal to or above Ferry and Okanogan Counties.

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."*[5]

Economic opportunities that the Tribe pursues should align with these values of communal stewardship and sustainable living. In addition, preservation of cultural traditions should be incorporated in new initiatives. This may highlight language, music, history, and engaging with youth for educational activities.

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

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

regulations governing economic activity on their lands."[6] Tribes are exempt from many state and local regulations, including zoning, land use, environmental regulations, and permitting, allowing for greater flexibility.[7]

- **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.[8] 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.[9]
- **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 reservation.[10] 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.[11]
- **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.[12] 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.[13]
- **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

[6] Colville Confederated Tribes Planning, "Comprehensive Plan 2040," 136.

[7] Ibid 140.

[8] Ibid 137.

[9] Ibid 137-138.

[10] Ibid 138.

[11] Ibid 139.

[12] Ibid.

[13] Ibid 140.

profits made from that investment.[14] 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."[15]

- **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.[16] These events have caused property destruction, physical displacement, and loss of traditional use areas for hunting, fishing, and gathering.[17]

  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 reservation, resulting in a lawsuit against the federal government over forest management practices.[18]

- **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.[19] In addition, "the Tribe has a moratorium on land sales and leasing process that slows down the development of businesses"[20]

- **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

[14] Ibid 137.

[15] Confederated Colville Tribes Planning, "Comprehensive Economic Development Strategy 2017-2021," 72.

[16] https://www.wilderness.org/articles/blog/colville-reservation-front-lines-climate-change

[17] Ibid.

[18] 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-/.

[19] Colville Confederated Tribes Planning, "Comprehensive Plan 2040," 149.

[20] Ibid.

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."[21]

- **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).

[21] Ibid.

Section 2. Target Industries

This section includes an overview of the five target industries identified as part of the Regional and Tribal Market Analysis: **tourism, 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 tourism, 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:

- **Outdoor Recreation and Ecotourism** that highlights the tribe's culture and values, including stewardship of the natural environment and cultural preservation.
- **Agricultural Processing and Produce Wholesaling** that 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** that 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.[22] This provides context for this industry's potential for growth and interpretation of the implications for this industry on the Reservation.

[22] IBISWorld, Retrieved in April 2023, from: https://www.ibisworld.com/

1. Outdoor Recreation and Ecotourism

1.1 Overview

What is Ecotourism?

Ecotourism is a form of responsible travel that emphasizes the exploration of natural environments while promoting conservation, sustainability, and the well-being of local communities. Its purpose is to minimize negative impacts on the environment and its biodiversity while providing educational and immersive experiences for tourists. Ecotourism follows certain principles, such as minimizing the ecological footprint through low-impact activities, supporting local conservation efforts, respecting local cultures and traditions, empowering local communities through economic benefits and involvement, and fostering environmental education and awareness. It aims to create a positive symbiotic relationship between tourism and the natural environment, contributing to the preservation of ecosystems and the socio-economic development of local regions.

The Colville Reservation has a number of existing resources that it can leverage to foster a more diverse tourism industry, including the 12 Tribes Casino and Hotel, rodeo grounds, numerous campgrounds, and outdoor recreation attractions. The Reservation is roughly a four-to-five-hour drive from larger population centers in coastal Washington (such as cities in the Seattle metro region or the City of Bellingham) and a two-to-three-hour drive from inland cities like Spokane and Kelowna. This makes the region an unlikely day destination for Puget Sound residents but gives it potential as a moderately accessible destination for weekend or longer trips. Previous planning efforts and recent engagement show that there is an interest in developing tourism with targeted marketing for visitor experiences, ecotourism, 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 Colville Reservation.

1.2 Opportunities

A dedicated **museum** that highlights the Colville Tribe's history and culture, and further development of **outdoor recreation facilities** are key opportunities to develop the local tourism industry on the Reservation in a way that advances other tribal goals for environmental stewardship and cultural preservation.

The Tribe has many options to pursue specific facilities that have been identified in engagement activities. New development around sites has been proposed particularly around **Omak Lake** and adjacent to the **12 Tribes Casino and Hotel** properties. The Tribe can also work to invest in enhancing some if its existing assets through upgrades to rustic campgrounds such as restroom facilities, fire pits, and adding more family-friendly features like golf courses or pools.

The tribe should seek to leverage existing tourism activities in Omak to co-locate a new tribal museum to maximize visitation and capture more revenue. Although there is an existing museum and gift shop dedicated to the Colville Confederated Tribes at Coulee Dam, it is not open full time and may not capture visitors who come to the northern area of the reservation along Highway 97. A new cultural attraction like a museum and gift shop located in Omak and an RV park could be located near some of the Reservation's popular destinations in this area like the 12 Rivers Casino, Omak Lake, and the annual Omak Stampede.

Since there is more substantial existing infrastructure, utility access, and a larger labor force in Omak compared to more remote areas of the reservation, this makes it an ideal place to make these investments today. In coming years, the tribe should consider exploring ecotourism, agritourism, and expanding cultural education opportunities in more remote areas.

1.3 Market Outlook

Both the museum and outdoor recreation industries have seen major changes in demand and operations in the past three years which have changed the course of projected trends. The Covid-19 pandemic had significant impacts on leisure travel patterns. Industry research from the firm IBISWorld informed the observations in this section on the outlook for both of these tourism-related opportunities for the Colville Tribe. At times, these two industries can compete with each other for attracting tourists, but with an intentional approach the Tribe can seek to target both opportunities simultaneously.

Museum Partnerships: The Museum at Warm Springs

The Confederated Tribes of the Warm Springs originally constructed a tribal-owned museum facility dedicated to history and culture of the Wascoe, Warm Springs and Paiute tribes in 1993. The museum contains one of the largest artifact collections in the United States, in addition to a photographic archive containing approximately 5,000 photographs from mid-19th century through the present.

Originally built to Smithsonian standards to be able to receive repatriated artifacts, the museum overcame financial struggles by developing a strategic plan. This has involved building relationships with other regional museums (including the High Desert Museum in Bend), improved signage and wayfinding from Highway 26, and expanding events and classes as alternate sources of revenue.



Source: Oregon Arts Watch

Campgrounds and RVs

On a national level, campgrounds and RV parks are expected to see revenue growth in the next five years at an annual rate of 1.9 percent. After steep declines in 2020 due to travel restrictions and stay-at-home orders, there has been a resurgence of new campers looking for outdoor experiences. Work-from-home policies that increase leisure time, geographic flexibility, and pent-up demand for travel contributed to this wave in 2021 and beyond. Millennial campers under the age of 45 are leading the influx of new consumers for the outdoor recreation industry, with a growing emphasis on luxury camping with access to comfort amenities. Other key demand drivers include projected rises in disposable incomes and falling prices of crude oil. In general, campground operators can charge premium fees for these features, leading to opportunities for higher revenue growth.

Geographically, the Colville Reservation is in a competitive outdoor recreation market with many natural resource attractions in the Pacific Northwest, and the tribe has some advantages for outdoor recreation. Washington overall ranks relatively high in the nation for concentration of businesses (8th), employment (9th), revenue (12th) and wages (12th). Within the state, Ferry and Okanogan Counties accounted for only a small share of (3.9%) of Washington's campground establishments. Given the area's natural beauty, access to natural resources, and popularity of camping in the western United States, this indicates potential to capture more of the growing demand for outdoor recreation opportunities. Differentiating from other outdoor recreation opportunities will be a key consideration for success.

Campground Development: Wandering Spirit RV Park

The Wandering Spirit RV park is located two miles down Salmon River Highway (OR-18) from Spirit Mountain Casino, which is owned and operated by the owned and operated by the Confederated Tribes of the Grand Ronde.

Wandering Spirit was developed with a mix of cabin rentals and RV spaces for daily, weekly, or monthly rentals along a major transportation route with easy access to the casino. In addition to basic features like RV hookups, picnic tables, and a waste dump station, the RV park also includes premium features like access to a nearby creek, wifi hotspots, laundry, telephones, showers, and recreation area. Marketing for the site also highlights family- and pet-friendly environment with a high level of staffing.



Source: Wandering Spirit RV Park

Market saturation is generally high around national and state parks, which draw in higher prices. However, regulations on expansion and occupancy levels can limit the size of campgrounds in many of the areas. The Colville Reservation's sovereignty gives it flexibility to invest in outdoor recreation amenities and make decisions that weigh the costs and benefits of potential sites on a case-by-case basis. Rent costs are also a frequent concern for campground operators, but the

Tribe already controls all activities and uses of lands on the reservation, allowing it to mitigate these typical costs.

The industry in general requires a moderate level of capital and labor intensity to keep up with demand for premium experiences. According to IBISWorld: "for every $1.00 spent on labor in 2023, campsites and RV parks spend an estimated $0.31 is spent on capital, indicating that capital costs are high within the industry."[23] Construction and maintenance of facilities like bathrooms, pools, sports fields, shelters, boating docks, and competitive luxury amenities require capital expenditures. Labor is also an essential cost for campground operations, with similar skills needed to other tourism-related activities including personal customer service, day-to-day management, cleaning, and maintenance. The Colville Tribe is eligible for low-interest loans and grants for tribal governments from the USDA, which provides some financing for RV parks. This could present a potential funding option for the tribe as a starting point for developing outdoor recreation activities.

Cultural Attractions and Museums

Museums across the country are expected to see revenue growth of 1.5 percent in the next five years. Successful establishments will need to embrace interactive experiences to stay competitive. Similar to other tourism activities, museums saw significant declines in 2020 during the onset of the COVID-19 pandemic, and a recent resurgence in visitation in 2022. The Tribe has engaged in some creative online educational materials about tribal history and culture, including an interactive StoryMap.[24] In this period, interactive and unique experiences with a strong in-person component are becoming in higher demand as virtual educational options replace some more passive museum activities. More museums are also turning to revenue from special events and rotating exhibits. Key success factors for the Colville Tribe to consider in creating a new cultural attraction are access to high-quality staff and volunteers, developing a clear educational program, and marketing unique experiences.

In the western United States, many visitors seeking outdoor recreation will add museum visits to their trips, but only if it lines up with their itineraries. To find a symbiotic relationship with outdoor recreation opportunities, the Colville Tribe should consider strategic locations for a new museum in a place where visitors to campsites, lakes, or existing amenities would naturally come across. The current Colville Tribal Museum in Coulee Dam currently captures some traffic, but it is not in close proximity to some of the Tribe's biggest tourism assets like the 12 Rivers Casino and Hotel. Integrating nature and environmental stewardship with a cultural attraction could also achieve co-benefits of highlighting tribal values and history, while captivating visitors who are primarily interested in outdoor experiences.

Washington overall ranks relatively high in the nation for concentration of revenue and wages for the industry (9th in each) and business and employment concentration (10th in each). Within

[23] Terry Faber, "Museums in the US Industry Report," IBISWorld, January 2023.

[24] Trisha Johnson, "Confederated Tribes of the Colville Reservation: A Brief History," https://storymaps.arcgis.com/stories/bb31cd48d0284fa59d6f454cafabe962.

the state, Ferry and Okanogan Counties were too low a percentage of the industry to be calculated, indicating that there is not a saturated market close by, but other areas of the state have much stronger concentrations.

Many tribal museums have the primary goal of preserving cultural heritage above producing revenue, relying on grants, endowments, and alternative sources of revenue. Upfront capital investments are likely to be the biggest challenge for the Colville Tribe. Funds generated from entrance fees are unlikely to present much of an economic benefit to the tribe. However, adding features like cafes, merchandise, event space, summer camp programs, and can supplement admission income.

Common barriers to entry include gaining nonprofit status, covering high startup capital costs, creating differentiation in saturated markets, and the labor-intensive nature of museums which must provide guest services. The Tribe does not have to go through the process of registering as a nonprofit, since it already has tax exemption benefits. Highlighting the tribe's unique culture and history also gives a potential museum an edge that sets it apart from other regional attractions. Given that the Tribe is already one of the largest employers in the area, it would likely be able to find tribal members to hire as staff, although wages for museum workers are not typically high. The types of employees needed usually include educators, curators, collection managers, registrars, vendors, security, customer service and tour guides. If the Tribe is interested in developing a museum, a prudent next step would be a conceptual design and market feasibility study.

1.4 Site Needs

Campgrounds and cultural attractions have some common site needs, although they are not one-size-fits-all. This section discusses the typical siting considerations for businesses in this industry to guide potential areas for investment, but the tribe should also explore any creative opportunities for developing tourism that may be different from these descriptions. However, these should ideally be located nearby natural amenities, pristine outdoor environments, preserved land, wildlife, and water bodies. Siting considerations may include general infrastructure needs (such as roads, cell coverage, etc.), site size, topography, location, proximity to major roads, and commute distances for workers. However, ecotourism and agritourism opportunities in the future may have different characteristics, like location near farmlands, forests, or natural preservation areas.

Campgrounds and RVs

Generally, campgrounds and RV parks must be located near high-demand outdoor recreation attractions with natural features like as scenic views, hiking trails, or a nearby lake or river. The Colville Reservation's rural character is well suited for meeting this location need, but in some areas, it is lacking in sufficient roads that would be needed for campers to access sites. Campground sizes vary by the number of sites, which can be scaled to match the amount of

demand in an area, particularly during peak season between May and October. A typical size is about 20 acres,[25] but larger sites leave room for future expansion.

Visitors will need access to water, electricity, and sewer or waste disposal facilities, as well as upgraded amenities to stay competitive. For an RV park, individual hookups and a sewage pump station can meet these needs, while tent campers may require a larger restroom area and water stations. The campground should be designed with these utilities in mind and have enough infrastructure to accommodate the number of campsites. Although cellular coverage and wifi are not necessarily needed, competitive campgrounds are developing better infrastructure to attract new campers. Depending on the targeted audience, the campground may need to have additional amenities such as showers, restrooms, laundry facilities, a store, playground, picnic areas, and fire pits. These may expand the size needed for a site and increase capital costs.

Cultural Attractions and Museums

Museums vary by size, and generally have high capital intensity; meaning that budgets limit how large they can be. IBISWorld estimates that for every dollar spent on wages, museums spend $0.28 on capital investments to maintain and conserve artifacts, repair buildings, and create new exhibits. Given the high level of capital intensity, the tribe should consider starting with a relatively small space with room to expand.

Museums should be located in places that are easily accessible to visitors and relevant to the subject matter. Generally, this means that they should be located near major travel routes, commercial areas, or other attractions. Depending on the type of museum and programming, it may also be necessary to have access to outdoor space.

In addition to exhibition areas, space is needed for other amenities like cafes, gift shops, and parking. These are often important revenue sources for museums, since admission fees alone are usually not able to cover costs for capital improvements, staff, and maintenance. Back of house areas for storage and utilities must also be accounted for in considering the size of a particular site. Typically, exhibition areas are only about half of a museum's total space.[26]

1.5 Key Conclusions

- Prepare a full feasibility study for new campground and museum facilities.
- Integrate tribal values for environmental stewardship and cultural preservation in tourist attractions.
- Leverage the Tribe's advantages like tax exempt status, federal grant preference, and geographic features to support tourism.

[25] National Association of RV Parks and Campgrounds, "Industry Trends and Insight Report," 2019, https://www.rvnews.com/arvc-releases-2019-trends-and-insights-report/.

[26] Simon, "The Cost of Building a Museum," www.arnabontempsmuseum.com, September 8, 2022, https://www.arnabontempsmuseum.com/the-cost-of-building-a-museum/.

- Co-locate tourist activities in high-traffic areas to maximize visitation and revenue.
- Clearly differentiate attractions from competitors by highlighting unique cultural and natural beauty in marketing efforts.
- Select sites with room to expand if demand grows to a sufficient degree to scale up.

2. Agricultural Processing and Produce Wholesaling

2.1 Overview

Agriculture already has a high concentration in Ferry and Okanogan Counties, with higher employment compared with most other sectors. However, wages in agriculture, forestry, fishing, and hunting tend to be lower than average. In further developing the agriculture sector, the Tribe should focus on investing in opportunities 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 agritourism 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.

2.2 Opportunities

According to the Colville Reservation's Agricultural Resource Management Plan as of April 2015, there were 87 agricultural leases totaling 34,205 acres and 98 pasture leases totaling 18,142 acres on the Colville Reservation. The Columbia River which runs along the eastern and southern borders of the Reservation is one of the largest rivers by volume in the United States and provides a critical water resource for agriculture.

The primary crops being grown on leases on the Colville Reservation today include wheat, corn, oats, barley, canola, hay and alfalfa. Washington overall produces the most apples, cherries, pears, asparagus, and hops compared to all states in the United States. The state also offers rich opportunities for foraging and sustainably harvesting wild products like mushrooms, herbs, moss, and berries, particularly in densely forested areas.[27] All of these are potential areas for the Colville tribe to expand **wholesale production** and pursue **processing of secondary products** such as fruit preserves, seasonings, and dry goods.

2.3 Market Outlook

Wholesaling and processing of fruits and vegetables have similar but distinct considerations for the Colville Tribe. Both industries are strongly dependent on local geography and climate for determining which crops will be successful, and face uncertainty in coming years due to climate change and unpredictable weather events as wildfires have already begun to have significant impacts on crop production. Although the processed and fresh produce industries share many of the same economic considerations, performance is often an indicator of reverse trends in disposable income. Health-conscious trends and increased disposable income tend to favor

[27] Northwest Horticultural Council, "Apple Fact Sheet," February 15, 2023, https://nwhort.org/industry-facts/apple-fact-sheet/#:~:text=State%20Facts%3A&text=Washington%20is%20the%20top%20U.S..

fresh fruit and vegetable wholesaling and reduce demand for canned and processed foods. An overall marketing approach that highlights organic produce, regional specialties, and heritage crops could help to mitigate this contradiction and build a stronger brand for the Tribe's agricultural outputs.

Produce Wholesaling

Wholesale of fruit and vegetables is expected to see modest revenue growth in the next five years, at a rate of 0.4% per year nationwide. However, revenue is dependent on market price and often unpredictable. This industry did not see the same declines that others did during the COVID-19 despite restaurant closures, since grocery stores and markets remained open during the pandemic. However, the industry has also not seen the same post-pandemic resurgence aside from a modest increase from restaurant recovery. This low but steady revenue growth reflects the path that the agricultural industry may take for the Colville Tribe without further action. However, climate change and unpredictable weather patterns have already begun to cause disruptions on agriculture on the Reservation and may change the stability of the current industry.

The climate and vast amounts of land for farming make the western United States a critical region for agriculture, particularly in California. For fruit and vegetable wholesaling as well as canned fruit and vegetable procession, California dominates these industries in the West with staple crops like berries, oranges, broccoli, and peppers. Washington still fares well for national concentration of businesses, revenue, employment, and wages, but is more suited to specific crops that are known to grow well in the state than the massive volume produced in sunbelt states like California, Texas, and Florida.

The large amounts of coastline that California and other coastal areas of the West Coast (including Washington) means these regions are able to

Diversifying Wholesale Agriculture: Navajo Agricultural Products Industry

In response to the COVID-19 pandemic, the Navajo Nation began pivoting their agricultural production in 2020. The Navajo Agricultural Products Industry (NAPI) began expanding beyond grain wholesale and beginning to pursue organic potato and bean production as well as traditional foods like sumac and chiles and value-added products like flour, bread, and roasted cornmeal.

Diversifying agricultural products and establishing a more distinct niche helped the enterprise to return a $1 million dividend to the Navajo Nation in 2020. This also helped the Navajo Nation in mitigating supply chain impacts from the pandemic and responding to drought conditions.



Source: Tribal Business News

leverage for imports and exports of fresh produce are not a strength for the landlocked Colville Tribe. Although the Reservation is bounded by the Columbia River, it does not have the massive shipping capacity of the coastal region. The shorter flexible windows of time between production and sale for fresh produce should be a consideration for highly perishable crops which may be better suited to canning and processing activities.

Growing and distributing fruits and vegetables requires relatively high labor and reliable transportation networks. The Colville Reservation's location on highways that lead to population centers is a strength, but the intensity of labor may be challenging. Over the past five years, wages have slightly increased in the industry. Like other wholesaling industries, agriculture has many labor-intensive roles related to tracking inventory, taking orders, preparing purchase orders by weight, checking produce for abnormalities and transporting produce. For every $1.00 spent on wages, IBISWorld estimates that wholesalers typically spend $0.11 in capital investments. The Colville Tribe could pursue workforce development for scaling up wholesale production, but as automation becomes more standard across the industry it should consider the longevity of these jobs.

Fruit and Vegetable Processing

On a national scale, revenue for the fruit and vegetable processing industry is predicted to decline in the next five years by 0.5% per year. But organic, specialty products with distinct marketing are more successful. Inflation pressures, shifting demand for more high-quality organic food, and consumer preferences for fresh produces all contribute to this expected decline. Many new establishments in the processed fruit and vegetable industry are putting an increasing emphasis on marketing their organic ingredients and natural flavoring.

Agritourism: Choctaw Country Markets

In 2016, the Choctaw Tribe opened its first Country Market, followed by second and third locations in 2019. These stores provide groceries in remote areas of the tribe's large reservation, and leverages tourism with an educational component. Pecans are the central staple crop that the Country Stores focus on in bulk, which have cultural and historical significance to the Tribe. Over time, they have integrated other key value-added products including prepared foods like garlic okra, pickled jalapeños, pickled quail eggs, Choctaw Farms BBQ Sauce, Ghost Chili Salsa, maple bourbon pear butter and a variety of jams and jellies.

Agritourism has grown out of these value-added products in association with other local tourism activities. Over time, the Tribe has built up from activities at a farmers' market to larger scale harvest events, recreational crop picking, ethnobotany tours, cooking and product-making classes, and farm tours.



Source: American Indian and Alaska Native Tourist Association

Specialty branding and diverse products are also helpful for companies to be successful in marketing their products. Small-scale canned produce processing like the type of production that the Colville Tribe may be able to pursue can capture a market niche by specializing in a particular product, such as jams or jellies made from iconic regional crops. Apples, cherries, and pears are all potential areas for the Tribe to explore ramping up production. Finding a niche market with agritourism and food processing is a potential route to connect with tourism industry development and diversify revenue related to agriculture.

2.4 Site Needs

Although fresh produce and processing activities share many of the same economic drivers, their siting needs are distinct. Both require proximity to agricultural land for their inputs, but processing activities are more efficient with land use.

Produce Wholesaling

Agricultural production generally requires a large amount of fertile land with access to water and suitable topography for irrigation systems, with specific variations that are dependent on crop types and climate. There are a variety of considerations for nutrient content, acidity, and other factors, but the Colville Tribe has the advantage of extensive knowledge about which crops typically grow best on the Reservation. The acreage required to sustain agricultural activities also varies depending on particular crops. The Colville Tribe already has about 2.2 percent of its land area currently dedicated to agriculture and additional space for rangeland. Water rights and accessibility has been an issue for the Tribe in some districts and should be a consideration for locating new agricultural pursuits.

Fruit and Vegetable Processing

Food processing typically has the same requirements as other light industrial uses. Far less industrial-zoned space that could be used for food processing is available on the Reservation today compared with agricultural land. Developed land accounts for only 0.4 percent of the total area, and an even smaller share of this land would be suitable for light industrial use like food processing. Sites for secondary processing activities must have access to utilities as well as sufficient labor force (even as mechanization reduces the overall staffing needs in many places).

2.5 Key Conclusions

- 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.

3. Natural Resource Businesses and Renewable Energy Production

3.1 Overview

Natural resource-based businesses such as timber harvesting and mining have been a large part of the Colville Tribe's 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 and pursue other economic opportunities.

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 already has access to cheap, reliable power for the Reservation from the Grand Coulee and Wells Dams. These could also present an opportunity for efficient solar energy distribution by sharing infrastructure.

The Tribe has already identified initial sites that could be feasible for solar energy farms for utility-scale production, and in 2022 a solar agrivoltatics problem in Nespelem provided an example of combining agriculture with renewable energy production.[28] The Tribe could explore more types of innovative and efficient energy projects in the areas identified by the Office of Indian Energy.

Utility Scale Solar: Moapa Southern Paiute Solar Project

In 2017, the Moapa Band of Paiutes built the first utility-scale solar energy production operation built on tribal land, which entered into a long-term power purchase agreement with the Los Angeles Department of Water and Power (LADWP). The 2,000-acre project is on tribal land 30 miles northeast of Las Vegas, Nevada.

The project coordinated with several federal agencies. The Bureau of Indian Affairs approved a solar energy ground lease including associated rights-of-ways (ROWs) and easements for ancillary facilities and the Bureau of Land Management approved right-of-way for an access road and transmission lines on BLM-managed lands as well as portions of a water pipeline and transmission lines. The United States Department of Agriculture also provided the Moapa Southern Paiute with a $2.38 million grant for the build out.

Today the project provides millions in revenue to the Moapa Band of Paiutes through lease payments, consulting fees, the purchase of goods and services, and educational programs.



Source: Climate Reality Project

[28] John Stang, "Solar-Powered Microfarm Is Washington's First Agrivoltaics Project," Energy News Network, June 22, 2022.

3.2 Opportunities

The Colville Tribe has expressed an interest in **solar energy production** and **biomass power** and identified initial opportunities for both industries to expand on the Reservation. As of the 2017-2021 Comprehensive Economic Development Strategy (CEDS), development partners have expressed interest for woody biomass energy pilot projects on the Reservation which could lead to larger scale establishments. The preliminary feasibility study conducted by the CCT Planning Department and Office of Indian Energy and Economic Development found suitable sites, where the Tribe can pursue development of these industries.

3.3 Market Outlook

Demand for renewable energy is likely to increase in coming years as transportation becomes electrified and climate change becomes a more pressing topic nationally and locally. Federal and state support for reducing carbon emissions provide promising options for funding sources and reduced upstart costs as renewable energy technology becomes more affordable.

However, the largest limiting factor for renewable energy production is storage and transportation. Existing technology do not yet support a wide geographic reach for energy use. Given the rural and somewhat remote location of the Colville Reservation, this would make it difficult to produce energy that can be used elsewhere and limit the potential market. However, as infrastructure for distribution of solar technology develops this may become more viable. Production of woody biomass materials and solar panel manufacturing (covered in the following section) may be viable today.

What is Biomass Power? Is it Actually Sustainable?

Biomass energy can use a variety of organic inputs and heat them to create energy. Woody biomass is a subset of this industry, which uses wood products in a boiler plant to produce power. It can involve harvesting products like logging residues or forest thinning byproduct and is the most fitting type of input for the Colville Tribe based on its large, forested areas and existing industries.

Biomass power is technically a sustainable energy source, which uses inputs that can be re-grown rather than more finite fossil fuels (like coal, natural gas, and oil), but it does typically produce more emissions than other green energy processes (like solar, wind, and geothermal). However, woody biomass is unique in that the carbon dioxide released in energy production is largely balanced by the carbon captured in its own growth (depending how much energy was used to grow, harvest, and process the fuel).[29]

Woody biomass often also has co-benefits for forest management. Forest thinning practices can promote forest health and reduce risk of wildfires. If not managed carefully, intensive harvesting of woody biomass can lead to deforestation, habitat loss, and soil degradation. Balancing the sustainable sourcing of woody biomass, implementing effective forest management strategies, and deploying advanced emission control technologies are crucial in maximizing the benefits of this industry.[30]

Solar Energy Production

The solar energy industry is growing across the United States and in Washington, with a number of incentives and potential support from federal and state governments. Agrivoltatics and solar technology manufacturing are growing subsectors which leverage other strengths of the Colville Tribe, like its vast agricultural lands an interest in advancing manufacturing. The Tribe can take advantage of programs through the Office of Indian Energy

[29] National Renewable Energy Laboratory, "Biomass Energy Basics," www.nrel.gov, accessed May 11, 2023, https://www.nrel.gov/research/re-biomass.html#:~:text=Burning%20biomass%20releases%20about%20the.

[30] Jerry Reynolds, "Warm Springs Biomass-Generated Energy Project Ready for next Step," Indian Country Today, December 9AD, https://ictnews.org/archive/warm-springs-biomass-generated-energy-project-ready-for-next-step.

which supports building institutional capacity for renewable energy management, feasibility assessments (which it has already participated in with the Tribe), and best practices tracking.

Washington has less of a natural advantage for solar energy production than other western states, but it has extensive state support for renewable energy initiatives. The solar energy industry has established itself and is growing more popular in states with programs supporting renewable energy and favorable geographic conditions.

Availability of semiconductors and electronic components are also a critical consideration for solar panel production, which are predicted to increase in price in the next five years. However, the Pacific Northwest has an advantage in this area. Regionally, Washington, Oregon, and Idaho are national leaders in the semiconductor manufacturing industry, meaning that there is likely a more direct supply for these components than other areas of the country.

Solar energy storage is a challenge, but the industry is currently developing over new energy storage projects across the country. Technological advances and investment in community solar solutions will allow utility companies to store and access power produced by the panels and distribute to households and businesses.

Biomass Power

Revenue in biomass power is expected to grow modestly in the next five years at a rate of 0.6% per year across the United States. However, wages and employment are expected to grow at double this rate. While federal renewable energy tax credits supported biomass power previously, increasing competition with solar, wind, and geothermal power industries has slowed growth for the biomass industry. These alternative options often produce far fewer emissions than biomass, but do not perform well in all regions. Although it is renewable, biomass is sometimes used alongside coal burning, producing relatively higher emissions.

Biomass competes with other renewable energy types, like wind and solar, but benefits from Washington state's incentives for green energy and abundant wood production. Densely forested areas of the western United States have a high concentration of biomass industry establishments, particularly northern California.

The industry is relatively new and groundbreaking, which means there has been less automation of operations compared with the more mature segments of the energy sector. As a result, skilled labor is required to run a successful plant. The majority of labor costs are associated with engineers, machine operators and supervisors, among others. As plants have expanded and experimented with new forms of biomass energy production over the past decade, more highly skilled employees have been hired; as a result, wages have increased as a portion of revenue over the past five years to 2022.

Woody biomass has secondary benefits for forest conservation and management. Clearing forest floors is a part of forest management that can help to prevent wildfires and provide fuel for biomass energy production. Since timber is already an industry established on the Colville Reservation, it is likely that the Tribe would be able to use byproducts from these activities for biomass power generation.

Biomass Power: Warm Springs Plant

Warm Springs Forest Products Industries (WSFPI) is an enterprise of the Confederated Tribes of the Warm Springs which operates a log mill that produces over 70 million board feet annually. In 2008, the Tribe co-located a biomass boiler to generate energy at the mill site funded in part by a grant from the Bureau of Indian Affairs. This plant produces 15.5 megawatts of renewable power for sale on the grid, which translates to enough energy to power 15,000 homes.

The BLM and USFS signed an agreement with the Confederated Tribes of the Warm Springs in 2006 in which the agencies committed to a long-term fuel supply for the Tribes' biomass project. BLM and USFU agreed to conduct forest thinning and management on 8,000 acres annually near or adjacent to the Warm Springs Reservation to both provide biomass fuel for a biomass plant and better control forest health to mitigate wildfires in the area.



Source: US Department of Energy

3.4 Site Needs

Solar energy and biomass energy production have different considerations for the amount of land needed, complimentary uses, and associated infrastructure. Generally, biomass plants require less land area than solar energy facilities per milliwatt of energy produced. The National Renewable Energy Laboratory (NREL) estimates that woody biomass combustion typically requires 0.3 acres per milliwatt, while photovoltaics can require at least 3.2 to 6.1 acres to produce the same amount of energy depending on the technology type.[31]

Solar Energy Production

Utility-scale solar power production requires large areas of land. While more concentrated solar is possible, utility-scale solar power plants typically require acreage on the higher end to reach sufficient generating capacity. While concentrating solar power (CSP) plants need to be

[31] National Renewable Energy Laboratory, "Land Use by System Technology Energy Analysis," n.d., https://www.nrel.gov/analysis/tech-size.html.

constructed on flat land with less than 1 percent slope, utility-scale photovoltaics (PV) can usually utilize land with steeper slopes and no water access.[32]

Co-location for solar can make efficient use of existing resources. Small-scale projects like the agrivoltaics pilot are important community-serving projects, which can also demonstrate opportunities for co-locating solar energy production and agriculture. The Tribe should also think about innovative locations such as solar production near livestock ranging, parking lots, and other large open areas. Locating solar projects near existing power distribution infrastructure like the Grand Coulee Dam can also make it more efficient to transport energy.

Biomass Power

The existing timber industry creates secondary or by-product opportunities for woody biomass that would require little additional space for production. Biomass fuel pellets can be made from many materials, and in the Colville Tribe's case it could require relatively little additional space to manufacture fuels. Existing space used for the timber industry will likely be able to fill this function. Given the smaller amount of land needed, siting for a biomass facility is more flexible than solar production, and the Tribe has also identified an initial site to potentially locate a facility adjacent to the Omak Industrial Park.

3.5 Key Conclusions

- Anticipate growth in demand for renewable energy utilities and technological advances in energy storage.
- Leverage federal and state financial incentives and funding for renewable energy production.
- Work with the Office of Indian Energy Policy and Programs to develop workforce around renewable energy.
- Track trends in biomass demand and consider climate implications.
- Look for opportunities to expand pilot programs for agrivoltaics.

[32] Solar Energy Industries Association, "Land Use & Solar Development," SEIA, n.d., https://www.seia.org/initiatives/land-use-solar-development#:~:text=Depending%20on%20the%20specific%20technology.

4. Targeted Light Manufacturing

4.1 Overview

The Colville Confederated Tribes have a large site already identified for manufacturing activities identified in Omak, indicating that this will likely be a new opportunity area to expand industrial businesses. Manufacturing was among the top economic development priorities in the 2017-2021 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.

4.2 Opportunities

The Tribe has been developing plans for the 67-acre Business and Industrial Park 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.[33] Some of the most promising manufacturing industries for the Colville Tribe which have been identified in previous planning efforts include **value-added wood products** and **metal fabrication.**

4.3 Market Outlook

Different types of manufacturing have distinct economic considerations. Overall, the impact to global supply chains during the COVID-19 pandemic has increased interest in reshoring manufacturing activities from both manufacturing establishments and federal policy decisions. Distributed manufacturing also presents new opportunities for the Tribe to make specific components of more complex products to be used for assembly. This may be a promising strategy for products like manufactured homes, which can be assembled onsite from components produced elsewhere.

Value Added Wood Products

The wood products industry is expected to see modest revenue growth in the next five years (0.7 percent per year), but there is a growing range of value-added products. The Colville Tribe has a history of producing lumber, plywood, and veneer, but has faced challenges related to wildfires and shifting demand in recent years. Today, the construction industry is the largest consumer of wood products. Despite fluctuations in the residential construction market due to

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

the COVID-19 pandemic, the value of residential construction is expected to increase in coming years.

Although wood products compete with other building materials, the abundance of raw materials in the Pacific Northwest and interest in green building is an advantage. Washington state is already a national leader in mass timber projects, there is also growing interest in sustainable wood products like cross-laminated timber (CLT).[34] CLT is being championed by the industry as well as federal agencies like the United States Forest Service as a more sustainable building product that also supports forest health.[35]

Diversifying types of value-added wood products can increase resilience to changes in the residential building industry. The Pacific Northwest region's urgent need to supply more housing is also likely to see increased interest in modular and manufactured housing as well as traditional construction. Although transportation of fully assembled mobile homes is difficult and costly, the Tribe could pursue specialization in mobile home components as part of a distributed manufacturing system. The Tribe can also explore value-added wood manufacturing beyond building materials, including furnishings, household items, wood pellets, and miscellaneous products. Diversifying types of wood products can ensure that the industry is more resilient and less dependent on the residential construction market.

Metal Fabrication

Metal fabrication is a diverse industry that encompasses a wide range of products with different manufacturing processes. This can include forging, stamping, cutlery and hand tool production, structural steel fabrication, prefabricated metal buildings, metal window and door manufacturing, sheet metal work, metal container production, hardware manufacturing, and wire production. Some of these products have independent markets, while others are productid as components in the production of more complex items. Some of them could also be marked together with wood products, such as modular housing or other construction materials.

[34] Adam Duvernay, "Sturdy, Strong and Sustainable: Mass Timber's Popularity Grows in Pacific Northwest," The Register-Guard, December 15, 2021, https://www.registerguard.com/story/news/environment/2021/12/15/mass-timber-popularity-growing-oregon-pacific-northwest-cross-laminated-timber/8910241002/.

[35] Brian Brashaw and Kevin Naranjo, "Mass Timber Momentum Expands Forest Products Markets," US Forest Service, October 2020, https://www.fs.usda.gov/features/mass-timber-momentum-expands-forest-products-markets.

The development of a dependable energy source by the Colville Tribes could serve as a powerful incentive for recruiting companies with high energy requirements. The industry typically demands a high level of energy to melt, form, and assemble metals. As the Colville Tribe seeks to expand their renewable power generation capabilities, this could attract more metal fabrication firms to the area. Lighter products that are easier to transport would also be an advantage for the Tribe. Given the remote location the Reservation, transporting heavier items may add cost for distribution that would make the area less competitive to firms.

Metal Fabrication: Kalispell Metal Products

The Kalispell Tribe owns and operates an all-encompassing sheet metal fabrication shop in Cusick, WA which has been producing craft metal products for over forty years, including an inventory of standard products and the ability to do custom work for clients. The facility produces both items like firepit grills, site markers, picnic tables, and benches, as well as commissioned artwork and design features.

The metal fabrication shop also works with the Tribe's Career Training Center (CTC), which provides specific job training services to Kalispell tribal members. Their welding courses are partially funded by income generated by the fabrication shop.



Source: Kalispel Metal Products

Emerging technologies require metal fabrication of product components, but also typically require specialized skills. Semiconductors, solar panels, and other emerging technologies are promising for revenue growth over the next five years and have local momentum in Washington state. However, the training and workforce development needed for these specific sectors would likely be a barrier for the Tribe today. The Tribe can be opportunistic about fabrication of individual components or using state resources to develop skills for residents.

4.4 Site Needs

Different manufacturing types require somewhat different site conditions, but in general share some necessary features such as industrially zoned land, relatively large and flat parcels, proximity to transportation routes, and adequate utilities.

The Tribe has already made progress towards developing the Omak Foreign Trade Zone, which meets many of the necessary criteria for manufacturing. There is also additional space around the currently planned site that could be used for expansion if operations scale up in the future.

The Tribe has also noted its intentions to develop the mill site for innovative wood products including cross-laminated timber.[36]

4.5 Key Conclusions

- 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.

[36] Shawn Goggins, "Colville Tribes Plan to Develop Site of Omak Lumber Mill after It Was Taken by Cold Springs Canyon Fire," Source ONE News, October 28, 2020, https://www.yoursourceone.com/columbia_basin/colville-tribes-plan-to-develop-site-of-omak-lumber-mill-after-it-was-taken-by/article_38ea984a-196c-11eb-937d-33f2c75e3360.html.

5. Small Shared-Space Retail Trade

5.1 Overview

Engagement findings from past planning and the current planning process have shown a strong interest in entrepreneurship from members of the Tribe. The Reservation currently has primarily small community stores (located in Keller and Inchelium), a trading post in Nespelem, and three Colville Fuels locations. Although wages for retail workers tend to be lower than average in the primary market area, developing more commercial spaces that provide opportunities for entrepreneurs to sell locally manufactured products could build momentum for more small businesses on the Reservation.

Creating a targeted strategy to scale up small businesses could enable the Tribe to expand the retail sector on the Reservation or through e-commerce sales 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.

5.2 Opportunities

A **trading post with shared retail space** for tribal entrepreneurs could present an opportunity for home-based or online businesses to establish a brick-and-mortar presence at low cost. Shared space would align with interests expressed in the Comprehensive Plan for incubator retail space that is accessible to startup businesses at an affordable cost. There is currently a trading post located in Nespelem, but a new retail outlet could be co-located with new tourism and recreation investments, like a tribal museum or the existing 12 Rivers Casino in Omak.

Innovative Retail: Lummi Te'Ti'Sen Center

The Lummi Nation's Te'Ti'Sen Center opened in 2012 as a commercial center within an approximately 10,000 square foot building containing a seafood market, cafe, vending room, three small retail storefronts, four art studios, one large gift shop, two offices, business resource center, gathering space, carving shop and a traditional fish grilling area. It is owned and operated by tribal members located on tribal trust land.

Since opening, the Lummi Indian Business Council and Community Development and Financial Institution have worked together to apply for federal grant funding and develop the center, with an emphasis around traditional fishing practices. It has supported businesses in their early life cycle but faced challenges around generating sufficient traffic. This has necessitated targeted marketing efforts and developing an online presence.



Source: Bellingham Business Journal

5.3 Market Outlook

Independent gift shops are highly dependent on local conditions but are affected by some national level trends. Despite disruptions to brick-

and-mortar retail which began with the onset of the COVID-19 pandemic, consumers across the country are now searching for more local and sustainable shopping experiences. While staple items are more accessible through online retailers and national chains, niche retail is seeing an uptick in revenue. The Colville Tribe should emphasize its unique products like crafts, food products, or educational materials to capture this demand alongside the post-pandemic travel boom.

Small retailers are struggling to compete with online retail and larger national chains. However, some pent-up demand following COVID-19 pushed consumers to do their shopping in person for specialty items. The pandemic also incited a trend of shopping locally and sustainably, boosting demand for specialty products. Post pandemic trends coupled with rising consumer confidence sent specialty retail sales soaring in 2021. Looking for opportunities to incorporate a complimentary online platform could benefit a new trading post for the Colville Tribe and has been a successful strategy for other tribes.

Tourism is an important determinant for success. Despite setbacks from the pandemic, this aligns with other tribal economic development targets. As the Tribe builds out its tourism industry, it should make an intentional consideration for where to locate a new shared retail space and what types of products to emphasize. Housewares, clothing, and décor are popular choices from gift shops for travelers, who will pay higher prices for handmade and specialized goods. Gift shops need workers for operations that can perform customer service, store maintenance and stocking inventory, but in the case of an incubator-style shared space it is likely that entrepreneurs themselves will take on these functions.

5.4 Site Needs

Small retail trade does not require a large site and can easily be co-located with other uses. Total site area does not need to be large, and other tribes have been successful with facilities between 5,000 to 10,000 square feet. If individual sellers intend to operate stalls with their products, it is also important to have space that can be subdivided and clearly marked for those entrepreneurs.

Co-location is an important consideration, as retail shops depend on high foot or car traffic. The site should be located along major roads or near other attractions to be successful, like other complimentary retail outfits, entertainment, or restaurants. Co-locating small retail activities on the 12 Nations Casino site would address the need to be conveniently accessible to customers. Although signage can help draw in more visitors, it is difficult to overcome a location that is off typical travel routes.

Space that is able to be used for other purposes also has advantages. Using an existing space or one that can be used for other purposes (like community gathering or event rentals) can provide an additional source of revenue. Sellers are also likely to need back-of-house areas for storage and administrative uses. If the Tribe pursues an incubator program, it should also consider the need for program space and staff.

5.5 Key Conclusions

- Emphasize unique customer experiences for a trading post space with rotating sellers.
- Connect new retail space with entrepreneurs and incubator programming.
- Co-locate small or shared retail space with investments in tourism and infrastructure near high foot traffic areas.
- Have a signage and wayfinding plan that highlights the trading post.
- Explore options for a complimentary online sales platform.

Section 3. Conclusion

This market analysis identifies opportunities for the Colville Tribe to pursue new initiatives in tourism, agriculture, resource-based businesses, manufacturing, and retail to support targeted economic development. Each of these industries includes specific requirements and should seek to leverage existing strengths of the Colville Tribe, integrate tribal values, and provide paths forward to scale up the industry in the future.

Outdoor Recreation and Ecotourism

To develop a thriving tourism industry, the Colville Tribe should begin with a full feasibility study to assess the viability of establishing new campground and museum facilities and explore specific ecotourism opportunities that promote environmental education and preservation. This will provide a solid foundation for creating high-quality tourist experiences that can attract visitors and generate revenue.

The Tribe's values for environmental stewardship and cultural preservation should be integrated in all new tourist attractions and the focus of new ecotourism amenities. This approach can also have the benefits of setting the Colville Tribe's amenities apart from competitors and attract visitors who value sustainable tourism and authentic cultural experiences. Leveraging the Tribe's advantages like tax exempt status, federal grant preference, and unique geographic features can also support the development of a robust tourism industry.

To maximize visitation and revenue, tourist activities should be co-located in high-traffic areas. This will make it easier for visitors to access multiple attractions and increase the likelihood of repeat visits. Clearly differentiating the Colville Tribes' tourist offerings from competitors by highlighting unique cultural and natural beauty in marketing efforts can also attract visitors who are interested in a one-of-a-kind experience. It is also essential to select sites with room to expand if demand for tourist attractions grows to a sufficient degree to scale up. This can help the Colville Tribes to accommodate more visitors and generate additional revenue in the future.

Agricultural Processing and Produce Wholesaling

Expanding production of organic and value-added products like fruit preserves, sauces, and dehydrated produce can help to diversify the Colville Tribe's existing agriculture industry. This will create opportunities to develop unique, locally-sourced products with a specific brand. Building on existing strengths for agricultural production and identifying crops that grow well in the region will be essential to establishing a sustainable and profitable industry.

To support the production and processing of agricultural products, it's important to identify sites that have access to a sufficient workforce, transportation, and utility infrastructure. These facilities can be utilized for processing and packaging agricultural products, creating employment opportunities for members of the tribe and the surrounding communities. By emphasizing the importance of organic produce, regional specialties, and heritage crops for both fresh and processed products, the Colville Tribes can differentiate their offerings from

competitors and appeal to customers who are interested in locally-sourced, sustainable, and culturally significant foods.

Furthermore, developing agritourism that aligns with tribal values can create additional opportunities for growth within the agriculture industry. This could include offering guided tours of agricultural sites, farm-to-table dining experiences, or workshops on traditional agricultural methods. By highlighting the cultural and ecological significance of agricultural practices, the Colville Tribes can establish an industry that is both economically viable and aligned with tribal values.

Natural Resource Businesses and Renewable Energy Production

The Colville Tribes should anticipate growth in demand for renewable energy utilities and leverage federal and state financial incentives and funding for renewable energy production in coming years. Following emerging technologies and trends in the renewable energy sector will help the Tribe to position itself to meet that increasing demand and adapt to changing market conditions. Pursuing funding opportunities can help offset the high upstart costs of developing renewable energy projects and increase the likelihood of success.

Leveraging existing strengths will be critical for success in this industry. The Tribe can work with the Office of Indian Energy Policy and Programs to develop a skilled workforce around renewable energy and conduct feasibility work. This can involve training programs, apprenticeships, and partnerships with local educational institutions to develop a pipeline of skilled workers to support the renewable energy sector.

Additionally, the Tribe should carefully consider location of new renewable energy facilities. Co-location with energy distribution infrastructure and transport of biomass and solar power is a critical component of this industry. Exploring agrivoltaics as a way to create connections between food production and renewable energy production can also have potential to scale up current pilot initiatives on the Reservation.

Targeted Light Manufacturing

To develop the manufacturing industry, the Colville Tribes should initially focus on attracting companies to locate within the Omak Foreign Trade Zone by highlighting the tax exemptions and other tribal benefits. In addition, the Tribes could plan for workforce development in specialized manufacturing sectors to ensure that there are enough skilled workers to meet the needs of these companies.

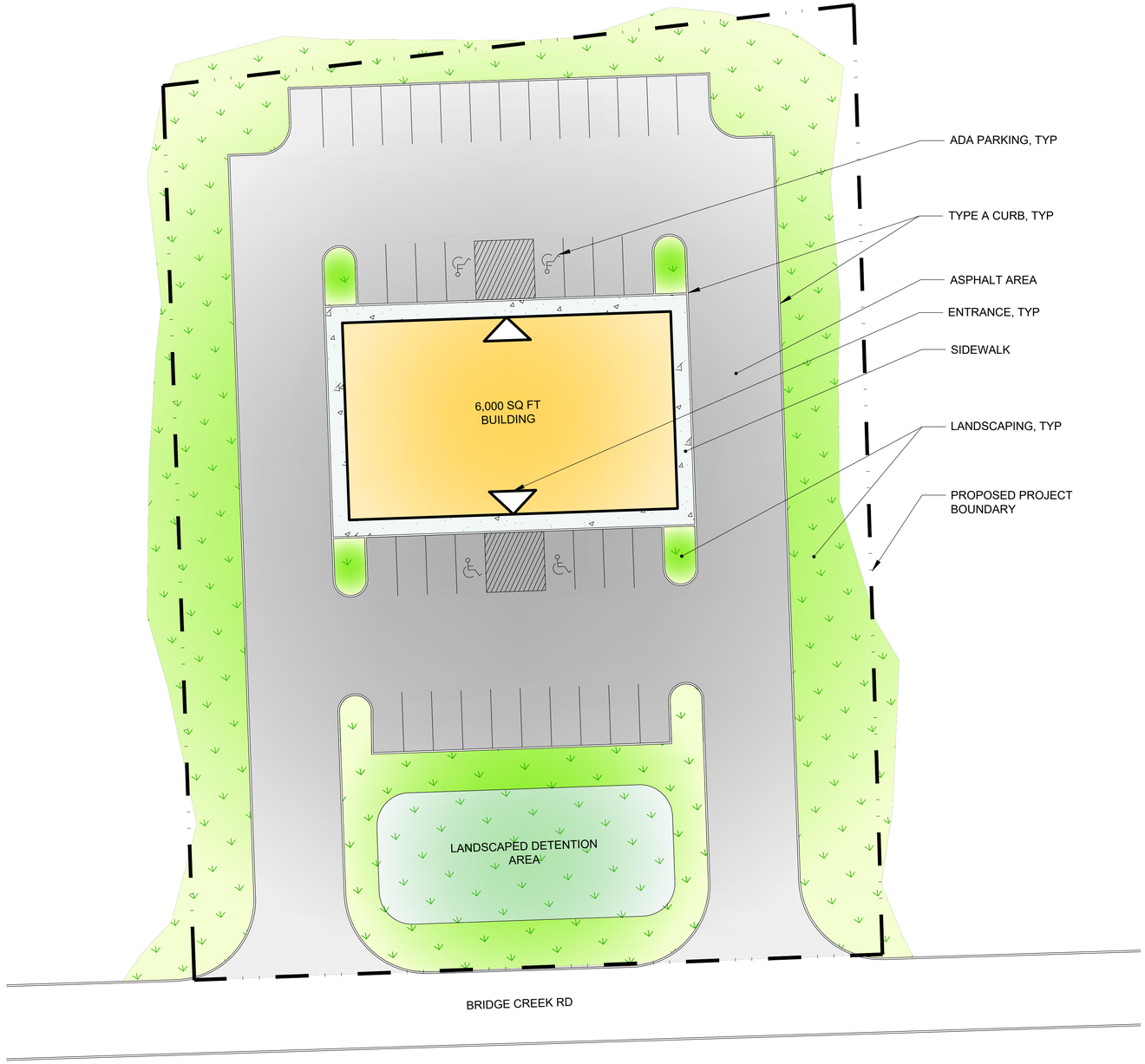
Ways to diversify the manufacturing industry include focusing on value-added wood products and metal fabrication. Over time, this would require identifying and developing more sites that can support manufacturing near infrastructure and within commuting distance from population centers. However, it is important to pursue manufacturing with minimal ecological impacts that does not conflict with tribal values for land conservation. By doing so, the Colville Tribes can attract companies and create jobs while also preserving the natural environment and cultural heritage of the reservation.

Small Shared-Space Retail Trade

Although the Colville Tribe is unlikely to attract the demand needed for a large retail industry, tribal members have expressed a high level of interest in entrepreneurship. The emphasis for the Tribe should be on creating unique customer experiences that attract visitors and complement other uses such as tourism. A trading post space that features rotating sellers can provide a diverse range of products and connect with incubator programming to support new businesses and foster economic growth. To ensure the success of the retail industry, it is important to support the growth of new businesses through entrepreneurship programs.

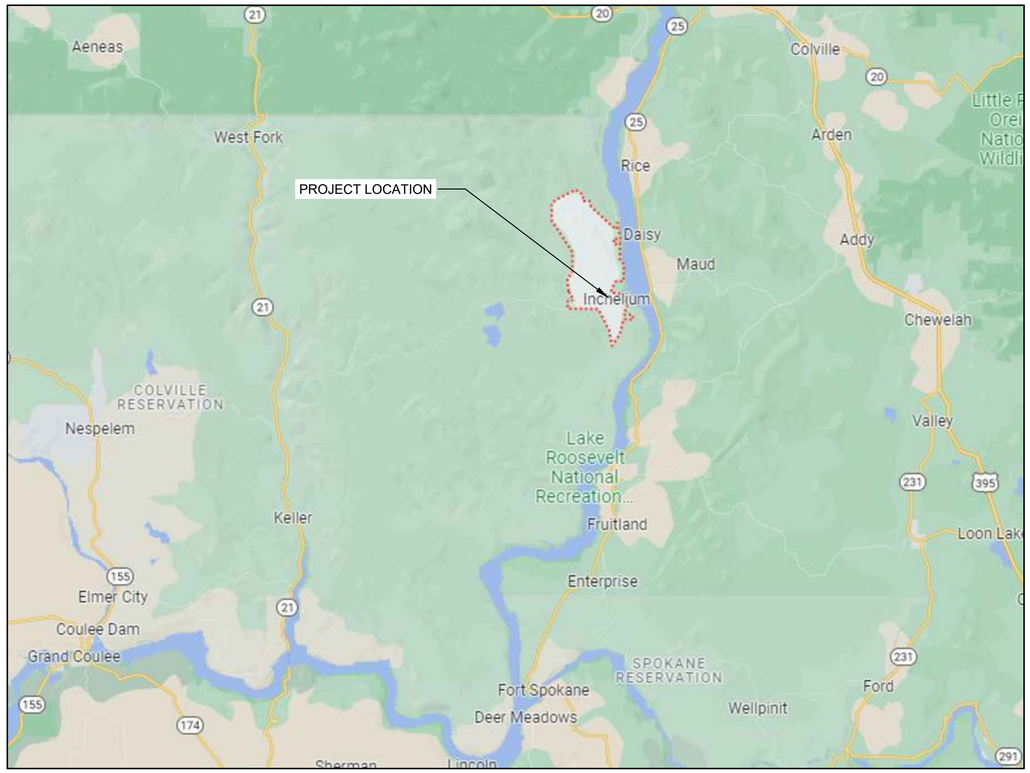
Co-locating small or shared retail spaces with investments in tourism and infrastructure near high foot traffic areas should be a strategic consideration to increase visibility and customer traffic. Having a signage and wayfinding plan that highlights the trading post can also help attract potential customers. Exploring options for a complimentary online sales platform can also extend the reach of the retail space beyond the Reservation.

APPENDIX C

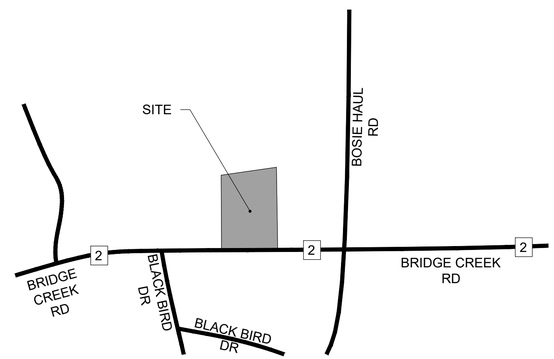


INCHELIUM MAKER'S MARKET
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(IN FEET)



VICINITY MAP
SCALE: NTS



PROJECT LOCATION
SCALE: NTS

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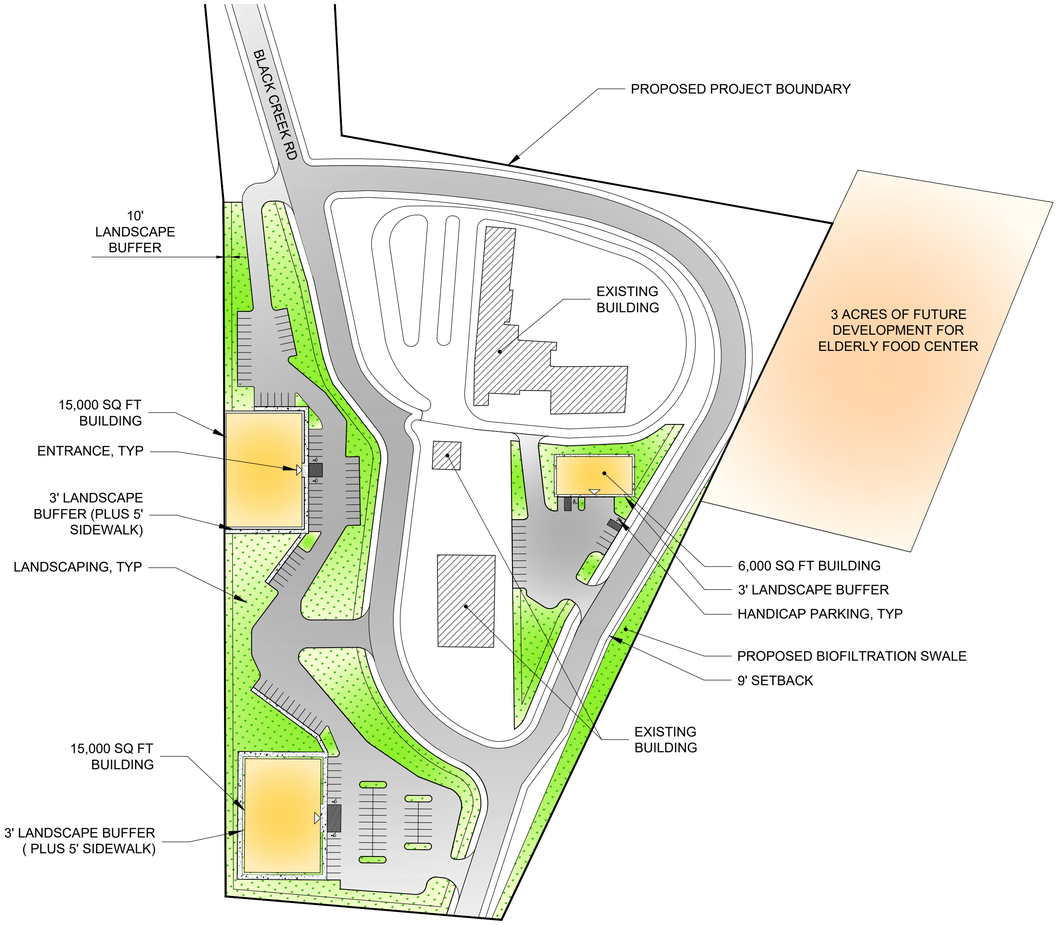
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INCHELIUM SITE PLAN I

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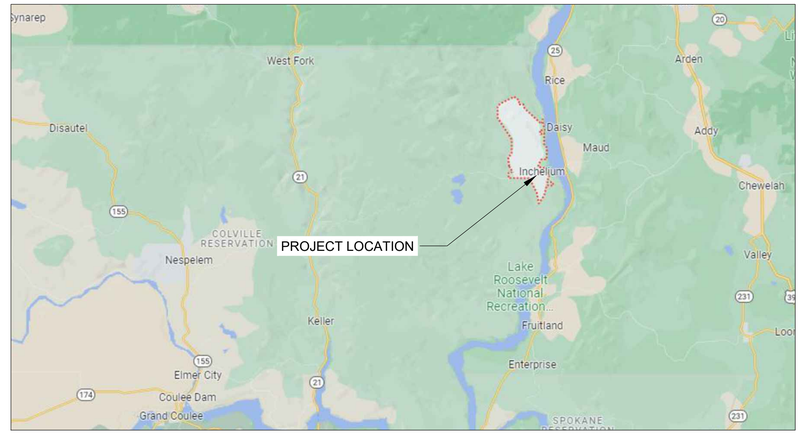


EXISTING INDUSTRIAL SITE REVISION PLAN

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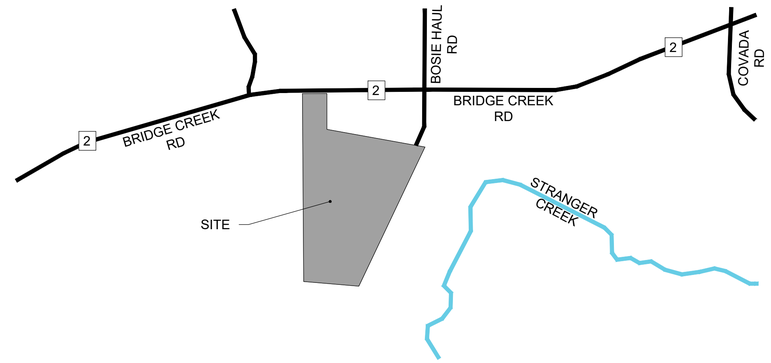
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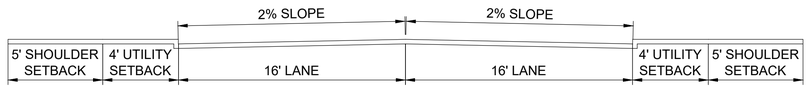
VICINITY MAP

SCALE: NTS



PROJECT LOCATION

SCALE: NTS



TYPICAL STREET SECTION

SCALE: NTS

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INCHELIUM SITE PLAN II

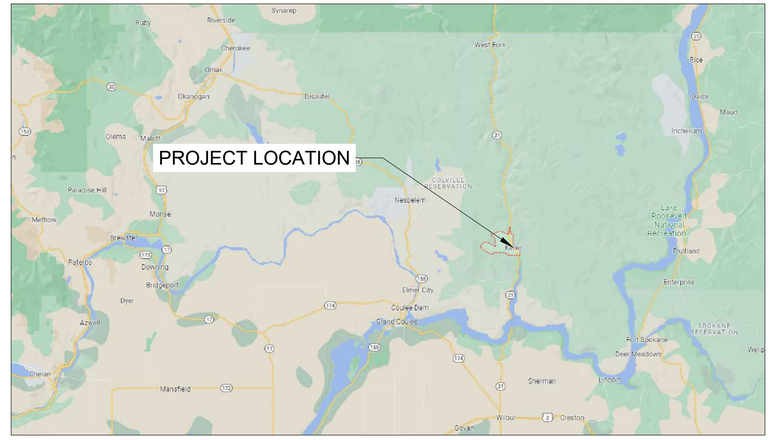
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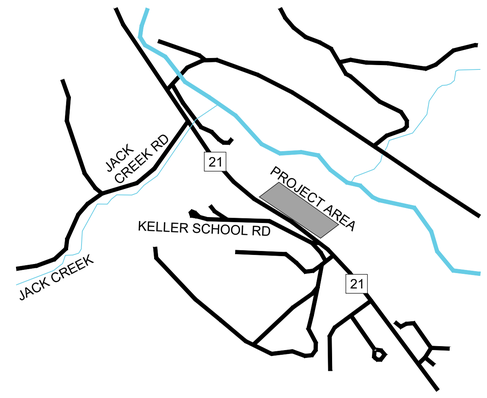


BUISNESS FLEXSPACE CONCEPT
SCALE: 1" - 30'

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(IN FEET)



VICINITY MAP
SCALE: NTS



PROJECT LOCATION
SCALE: NTS

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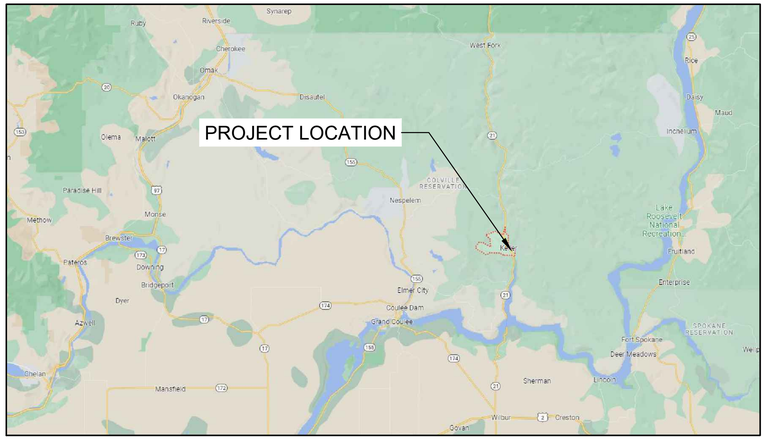
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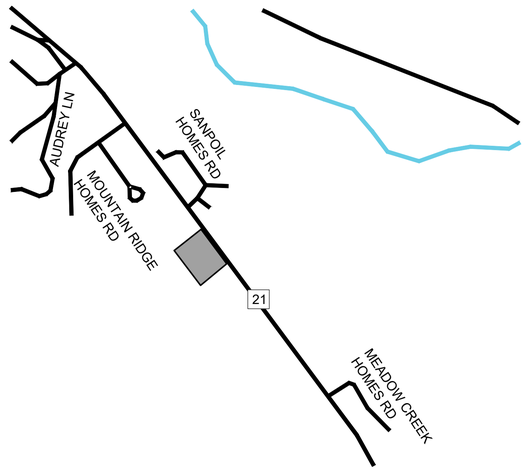


KELLER LIGHT MANUFACTURING SITE
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(IN FEET)



VICINITY MAP
SCALE: NTS



PROJECT LOCATION
SCALE: NTS

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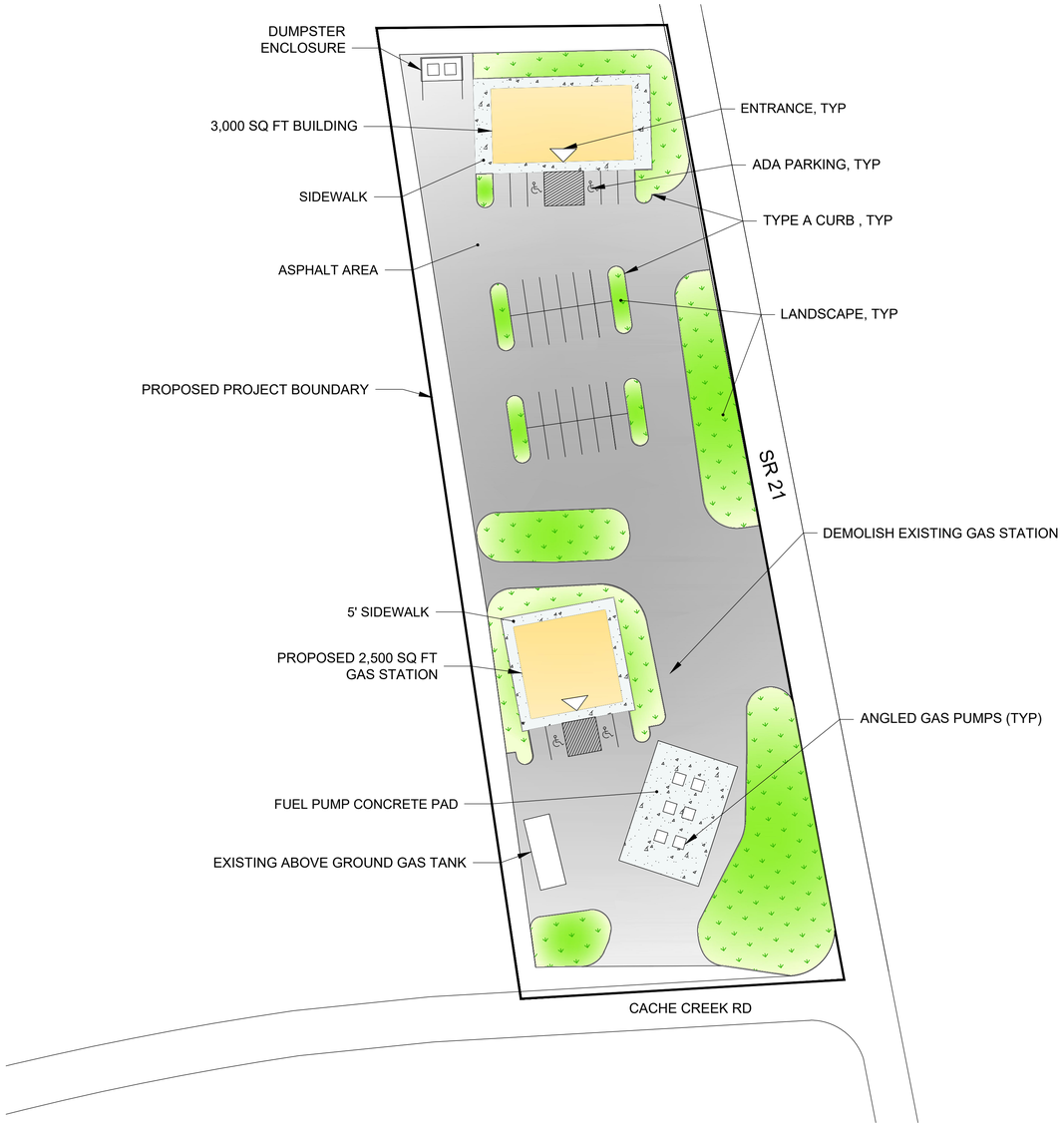
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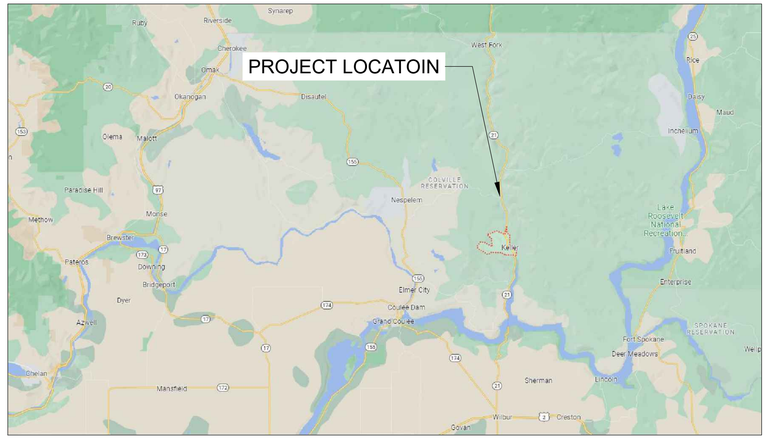
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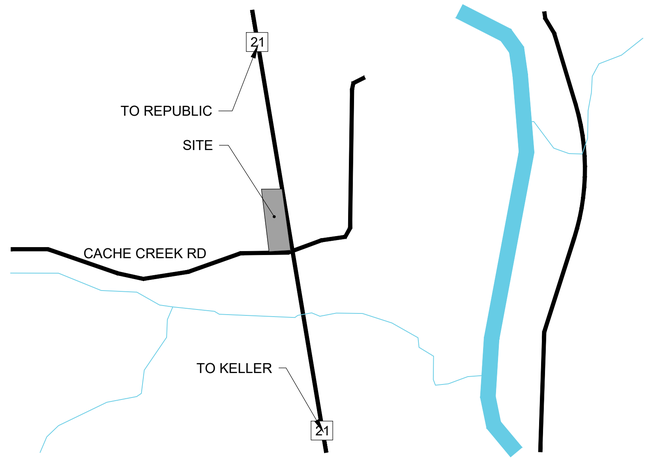


GAS STATION/RESTURANT
REDEVELOPMENT CONCEPT PLAN
SCALE: 1" = 40'

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(IN FEET)



VICINITY MAP
SCALE: NTS



PROJECT LOCATION
SCALE: NTS

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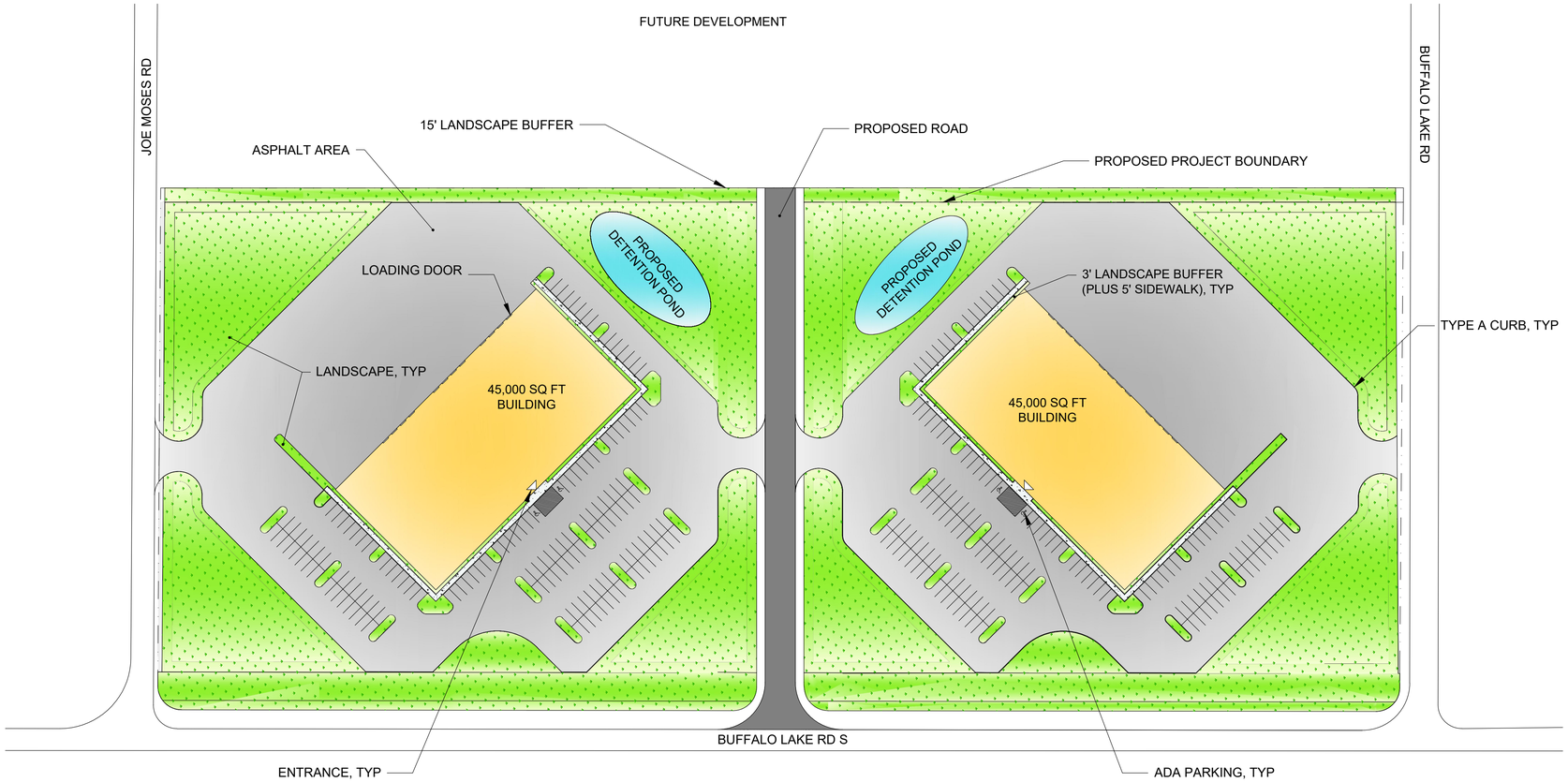
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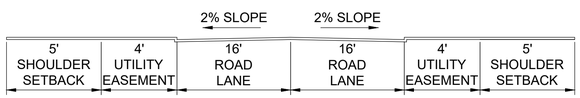
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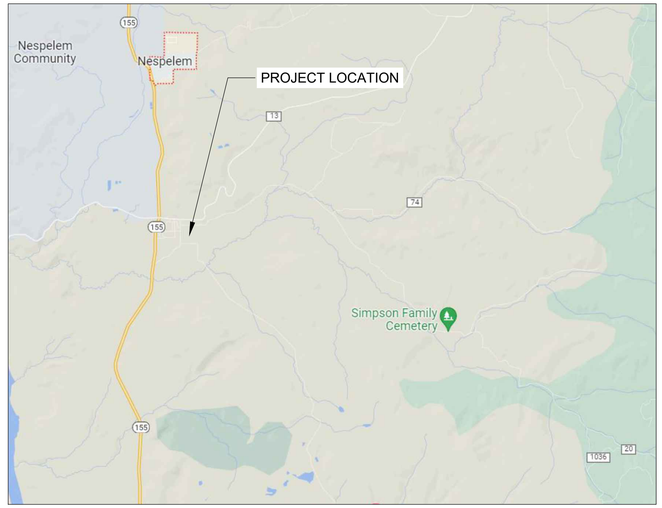


FLEX SPACE CONCEPT NESPELEM AGENCY AREA
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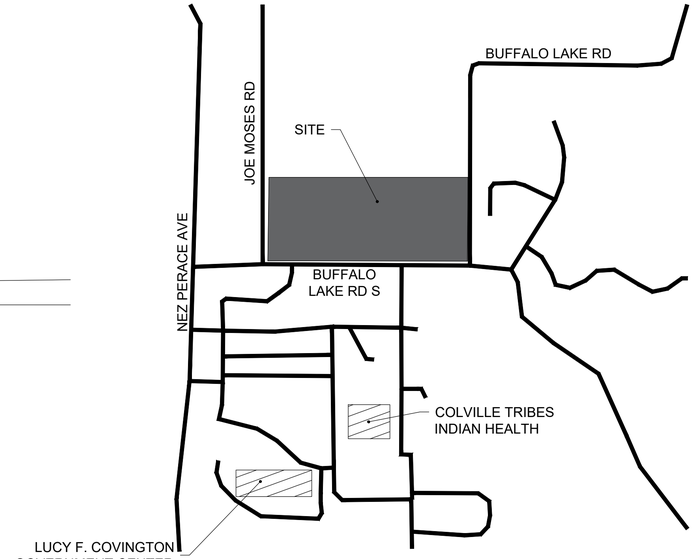
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(IN FEET)



TYPICAL STREET SECTION
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VICINITY MAP
SCALE: NTS



PROJECT LOCATION
SCALE: NTS

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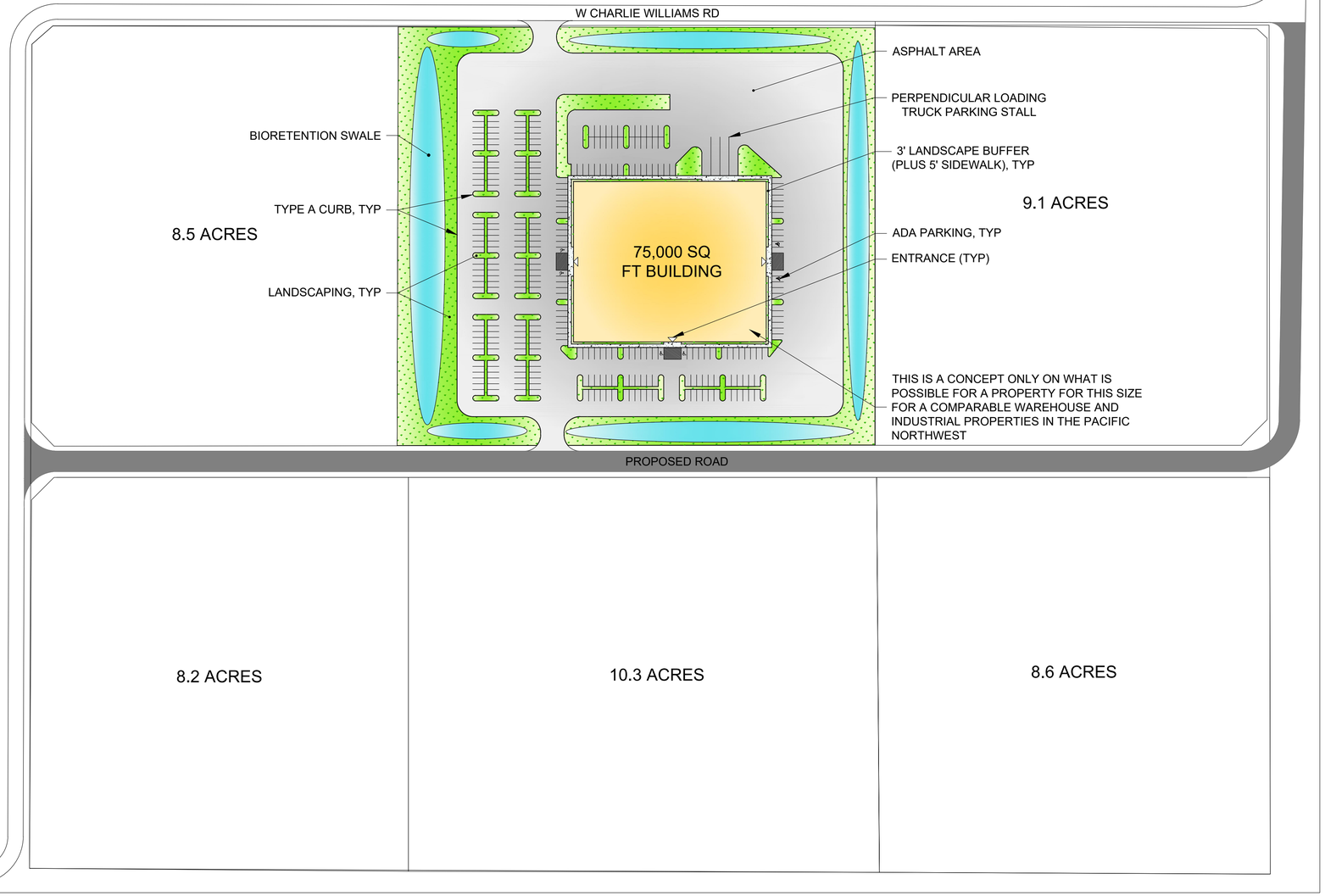
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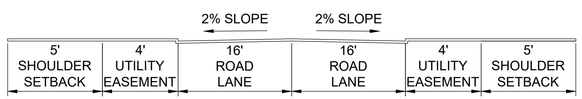
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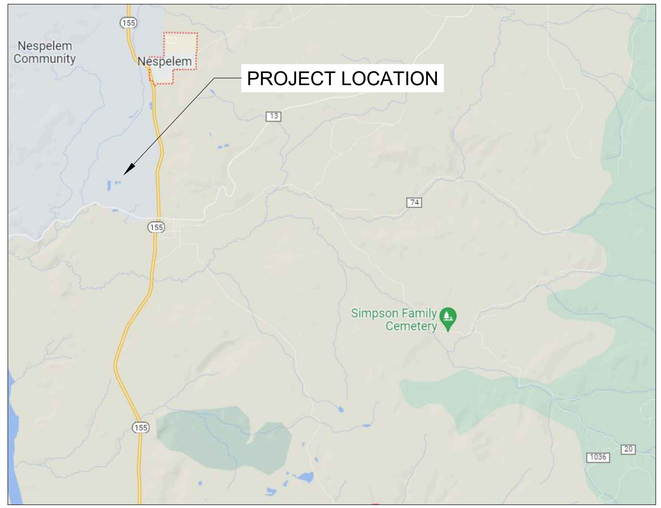


NESPELEM DISTRICT INDUSTRIAL CONCEPT PLAN
SCALE: 1" = 100'

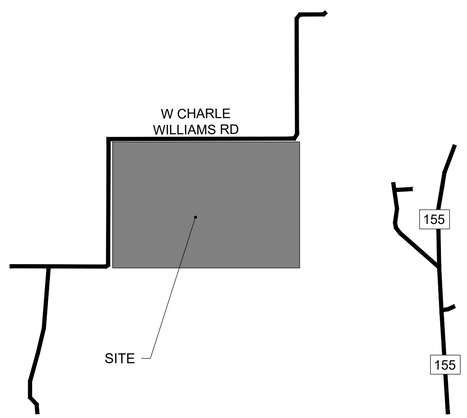
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(IN FEET)



TYPICAL STREET SECTION
SCALE: NTS



VICINITY MAP
SCALE: NTS



PROJECT LOCATION
SCALE: NTS

BAR IS ONE INCH ON ORIGINAL DRAWING. IF NOT ONE INCH ON THIS SHEET ADJUST SCALES ACCORDINGLY

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Portland, Oregon 97222
Voice (503) 652-9090

COLVILLE RESERVATION

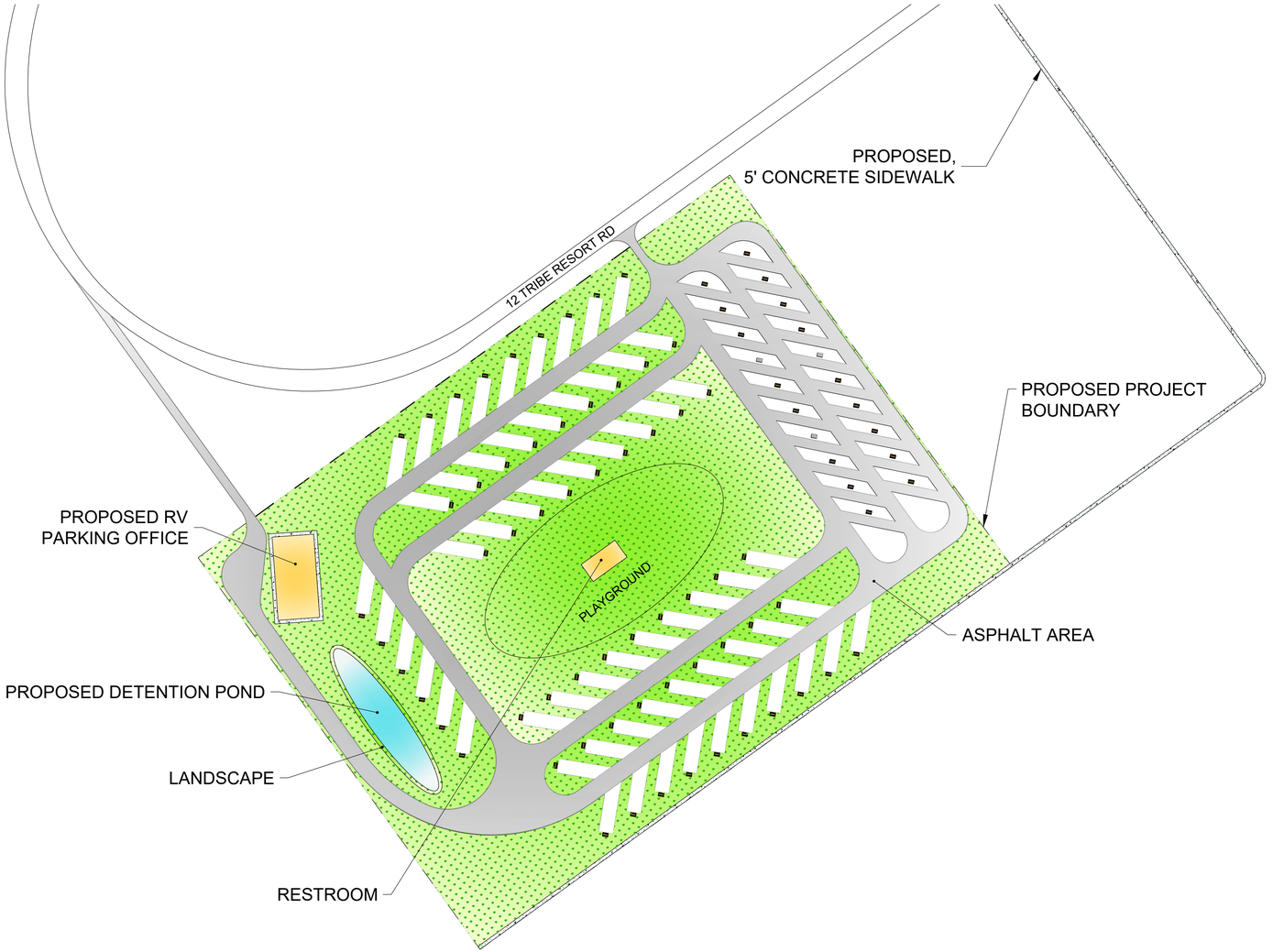
CONFEDERATED TRIBES OF THE
COLVILLE RESERVATION
P.O. Box 150, Nespelem, WA 99155
(509) - 634 - 2277

DESIGNED BY
DRAWN BY
CHECKED BY
DRAWING DATE

CTCR
MASTER SITE DEVELOPMENT PLAN

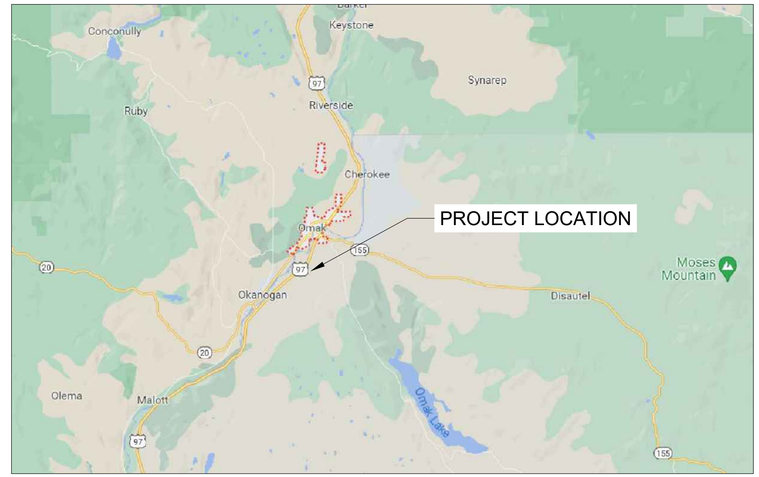
NESPELEM SITE PLAN II

PROJECT NO. 21-059
DRAWING NO.



CONCEPT PLAN FOR RV PARK AT 12 TRIBES CASINO OMAK
SCALE: 1" = 100'

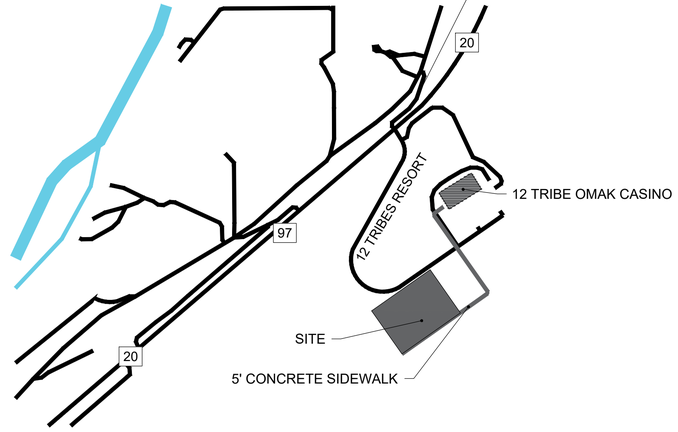
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(IN FEET)



VICINITY MAP
SCALE: NTS



TYPICAL STREET SECTION
SCALE: NTS



PROJECT LOCATION
SCALE: NTS

BAR IS ONE INCH ON ORIGINAL DRAWING. IF NOT ONE INCH ON THIS SHEET ADJUST SCALES ACCORDINGLY

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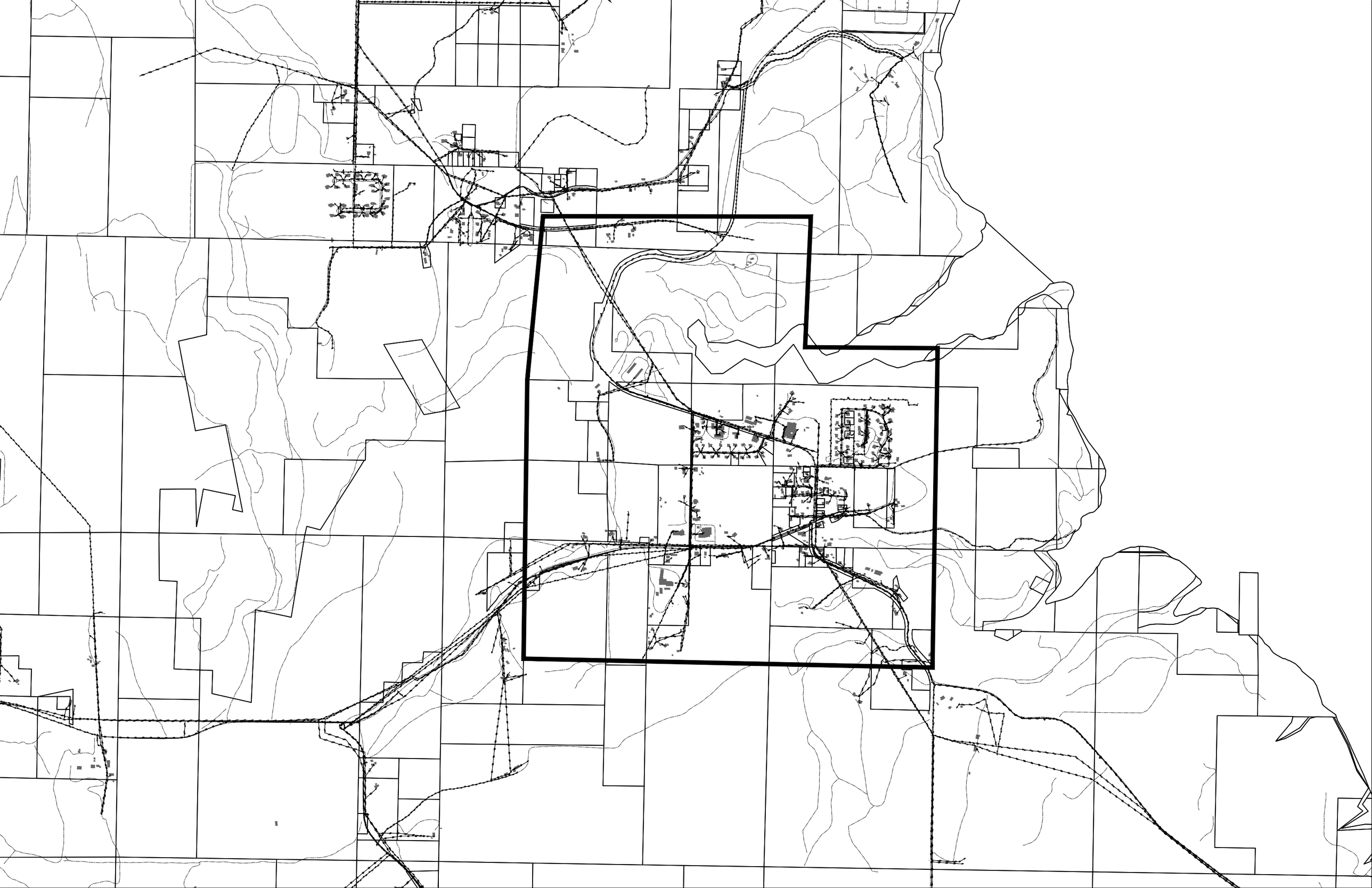
CONFEDERATED TRIBES OF THE
COLVILLE RESERVATION
P.O. Box 150, Nespelem, WA 99155
(509) - 634 - 2277

DESIGNED BY
DRAWN BY
CHECKED BY
DRAWING DATE

CTCR
MASTER SITE DEVELOPMENT PLAN

OMAK SITE PLAN II

PROJECT NO. 21-059
DRAWING NO.





dsgw

enriching communities through architecture

COLVILLE CONFEDERATED TRIBES
INCHELIUM COMMUNITY CENTER

SITE PLAN

DATE: 3/31/2019

APPENDIX D

INCHELIUM SITE PLAN 1: ROUGH ORDER OF MAGNITUDE BUILDING COST ESTIMATES

		Total	Building A	Building B	Building C		Total	Building A	Building B	Building C	
BUIDING SQUARE FEET		6,000	6,000	0	0		6,000	6,000	0	0	
TOTAL DIRECT CONSTRUCTION COST		$1,048,489	$1,048,489	$0	$0	$175/sf *	$1,290,000	$1,290,000	$0	$0	$215/sf
INDIRECT PROJECT COSTSGENERAL CONDITIONS	4.50%	$47,182	$47,182	$0	$0		$58,050	$58,050	$0	$0	
ESTIMATING CONTINGENCY	10.00%	$109,567	$109,567	$0	$0		$134,805	$134,805	$0	$0	
CONSTRUCTION CONTINGENCY	5.00%	$60,262	$60,262	$0	$0		$74,143	$74,143	$0	$0	
SUBTOTAL		$1,265,500	$1,265,500	$0	$0	#DIV/0!	$1,556,998	$1,556,998	$0	$0	#DIV/0!
GLI	1.00%	$12,655	$12,655	$0	$0		$15,570	$15,570	$0	$0	
P&P Bond	0.60%	$7,669	$7,669	$0	$0		$9,435	$9,435	$0	$0	
BUILDER'S RISK - By Owner	0.00%	$0	$0	$0	$0		$0	$0	$0	$0	
B&O TAX - STATE	0.47%	$6,056	$6,056	$0	$0		$7,451	$7,451	$0	$0	
SUBTOTAL		$1,291,881	$1,291,881	$0	$0	#DIV/0!	$1,589,454	$1,589,454	$0	$0	#DIV/0!
TOTAL CONSTRUCTION COST WITHOUT WSST		**$1,291,881**	**$1,291,881**	**$0**	**$0**	#DIV/0!	**$1,589,454**	**$1,589,454**	**$0**	**$0**	#DIV/0!
Taxes on Hard	8.20%	$103,771	$103,771	$0	$0		$127,674	$127,674	$0	$0	
Soft Costs on Hard	25.00%	$316,375	$316,375	$0	$0		$389,249	$389,249	$0	$0	
Total with taxes and soft costs		**$1,712,027**	**$1,712,027**	**$0**	**$0**	#DIV/0!	**$2,106,378**	**$2,106,378**	**$0**	**$0**	#DIV/0!
			$285/sf	#DIV/0!	#DIV/0!			$351/sf	#DIV/0!	#DIV/0!	

*$/sf Based on Kauffman, 15k sf building

	Lower	Upper
Building A	$1,712,000	$2,106,000
Building B	$0	$0
Building C	$0	$0
Total	$1,712,000	$2,106,000

INCHELIUM SITE PLAN 2: ROUGH ORDER OF MAGNITUDE BUILDING COST ESTIMATES

		Total	Building A	Building B	Building C		Total	Building A	Building B	Building C	
BUIDING SQUARE FEET		36,000	6,000	15,000	15,000		36,000	6,000	15,000	15,000	
TOTAL DIRECT CONSTRUCTION COST		$6,290,936	$1,048,489	$2,621,223	$2,621,223	$175/sf *	$7,740,000	$1,290,000	$3,225,000	$3,225,000	$215/sf
INDIRECT PROJECT COSTSGENERAL CONDITIONS	4.50%	$283,092	$47,182	$117,955	$117,955		$348,300	$58,050	$145,125	$145,125	
ESTIMATING CONTINGENCY	10.00%	$657,403	$109,567	$273,918	$273,918		$808,830	$134,805	$337,013	$337,013	
CONSTRUCTION CONTINGENCY	5.00%	$361,572	$60,262	$150,655	$150,655		$444,857	$74,143	$185,357	$185,357	
SUBTOTAL		$7,593,003	$1,265,500	$3,163,751	$3,163,751	$211/sf	$9,341,987	$1,556,998	$3,892,494	$3,892,494	$259/sf
GLI	1.00%	$75,930	$12,655	$31,638	$31,638		$93,420	$15,570	$38,925	$38,925	
P&P Bond	0.60%	$46,014	$7,669	$19,172	$19,172		$56,612	$9,435	$23,589	$23,589	
BUILDER'S RISK - By Owner	0.00%	$0	$0	$0	$0		$0	$0	$0	$0	
B&O TAX - STATE	0.47%	$36,337	$6,056	$15,141	$15,141		$44,707	$7,451	$18,628	$18,628	
SUBTOTAL		$7,751,284	$1,291,881	$3,229,702	$3,229,702	$215/sf	$9,536,726	$1,589,454	$3,973,636	$3,973,636	$265/sf
TOTAL CONSTRUCTION COST WITHOUT WSST		**$7,751,284**	**$1,291,881**	**$3,229,702**	**$3,229,702**	$215/sf	**$9,536,726**	**$1,589,454**	**$3,973,636**	**$3,973,636**	$265/sf
Taxes on Hard	8.20%	$622,626	$103,771	$259,428	$259,428		$766,043	$127,674	$319,185	$319,185	
Soft Costs on Hard	25.00%	$1,898,251	$316,375	$790,938	$790,938		$2,335,497	$389,249	$973,124	$973,124	
Total with taxes and soft costs		**$10,272,161**	**$1,712,027**	**$4,280,067**	**$4,280,067**	$285/sf	**$12,638,266**	**$2,106,378**	**$5,265,944**	**$5,265,944**	$351/sf
			$285/sf	$285/sf	$285/sf			$351/sf	$351/sf	$351/sf	

*$/sf Based on Kauffman, 15k sf building includes logistic supplement

	Lower	Upper
Building A	$1,712,000	$2,106,000
Building B	$4,280,000	$5,266,000
Building C	$4,280,000	$5,266,000
Total	$10,272,000	$12,638,000

KELLER SITE PLAN 1: ROUGH ORDER OF MAGNITUDE BUILDING COST ESTIMATES

		Total	Building A	Building B	Building C		Total	Building A	Building B	Building C	
BUIDING SQUARE FEET		8,500	4,500	4,000			8,500	4,500	4,000		
TOTAL DIRECT CONSTRUCTION COST		$1,487,500	$787,500	$700,000	$0	$175/sf *	$2,040,000	$1,080,000	$960,000	$0	$240/sf
INDIRECT PROJECT COSTSGENERAL CONDITIONS	4.50%	$66,938	$35,438	$31,500	$0		$91,800	$48,600	$43,200	$0	
ESTIMATING CONTINGENCY	10.00%	$155,444	$82,294	$73,150	$0		$213,180	$112,860	$100,320	$0	
CONSTRUCTION CONTINGENCY	5.00%	$85,494	$45,262	$40,233	$0		$117,249	$62,073	$55,176	$0	
SUBTOTAL		$1,795,375	$950,493	$844,883	$0	#DIV/0!	$2,462,229	$1,303,533	$1,158,696	$0	#DIV/0!
GLI	1.00%	$17,954	$9,505	$8,449	$0		$24,622	$13,035	$11,587	$0	
P&P Bond	0.60%	$10,880	$5,760	$5,120	$0		$14,921	$7,899	$7,022	$0	
BUILDER'S RISK - By Owner	0.00%	$0	$0	$0	$0		$0	$0	$0	$0	
B&O TAX - STATE	0.47%	$8,592	$4,549	$4,043	$0		$11,783	$6,238	$5,545	$0	
SUBTOTAL		$1,832,801	$970,306	$862,495	$0	#DIV/0!	$2,513,556	$1,330,706	$1,182,850	$0	#DIV/0!
TOTAL CONSTRUCTION COST WITHOUT WSST		**$1,832,801**	**$970,306**	**$862,495**	**$0**	#DIV/0!	**$2,513,556**	**$1,330,706**	**$1,182,850**	**$0**	#DIV/0!
Taxes on Hard	8.20%	$147,221	$77,940	$69,280	$0		$201,903	$106,890	$95,013	$0	
Soft Costs on Hard	25.00%	$448,844	$237,623	$211,221	$0		$615,557	$325,883	$289,674	$0	
Total with taxes and soft costs		**$2,428,866**	**$1,285,870**	**$1,142,996**	**$0**	#DIV/0!	**$3,331,016**	**$1,763,479**	**$1,567,537**	**$0**	#DIV/0!
			$286/sf	$286/sf	#DIV/0!			$392/sf	$392/sf	#DIV/0!	

*$/sf Based on Kauffman, 15k sf building

	Lower	Upper
Building A	$1,286,000	$1,763,000
Building B	$1,143,000	$1,568,000
Building C	$0	$0
Total	$2,429,000	$3,331,000

KELLER SITE PLAN 2: ROUGH ORDER OF MAGNITUDE BUILDING COST ESTIMATES

		Total	Building A	Building B	Building C		Total	Building A	Building B	Building C	
BUIDING SQUARE FEET		7,000	7,000	0			7,000	7,000			
TOTAL DIRECT CONSTRUCTION COST		$1,225,000	$1,225,000	$0	$0	$175/sf *	$1,680,000	$1,680,000	$0	$0	$240/sf
INDIRECT PROJECT COSTSGENERAL CONDITIONS	4.50%	$55,125	$55,125	$0	$0		$75,600	$75,600	$0	$0	
ESTIMATING CONTINGENCY	10.00%	$128,013	$128,013	$0	$0		$175,560	$175,560	$0	$0	
CONSTRUCTION CONTINGENCY	5.00%	$70,407	$70,407	$0	$0		$96,558	$96,558	$0	$0	
SUBTOTAL		$1,478,544	$1,478,544	$0	$0	#DIV/0!	$2,027,718	$2,027,718	$0	$0	#DIV/0!
GLI	1.00%	$14,785	$14,785	$0	$0		$20,277	$20,277	$0	$0	
P&P Bond	0.60%	$8,960	$8,960	$0	$0		$12,288	$12,288	$0	$0	
BUILDER'S RISK - By Owner	0.00%	$0	$0	$0	$0		$0	$0	$0	$0	
B&O TAX - STATE	0.47%	$7,076	$7,076	$0	$0		$9,704	$9,704	$0	$0	
SUBTOTAL		$1,509,366	$1,509,366	$0	$0	#DIV/0!	$2,069,987	$2,069,987	$0	$0	#DIV/0!
TOTAL CONSTRUCTION COST WITHOUT WSST		**$1,509,366**	**$1,509,366**	**$0**	**$0**	#DIV/0!	**$2,069,987**	**$2,069,987**	**$0**	**$0**	#DIV/0!
Taxes on Hard	8.20%	$121,241	$121,241	$0	$0		$166,273	$166,273	$0	$0	
Soft Costs on Hard	25.00%	$369,636	$369,636	$0	$0		$506,930	$506,930	$0	$0	
Total with taxes and soft costs		**$2,000,242**	**$2,000,242**	**$0**	**$0**	#DIV/0!	**$2,743,189**	**$2,743,189**	**$0**	**$0**	#DIV/0!
			$286/sf	#DIV/0!	#DIV/0!			$392/sf	#DIV/0!	#DIV/0!	

*$/sf Based on Kauffman, 15k sf building

	Lower	Upper
Building A	$2,000,000	$2,743,000
Building B	$0	$0
Building C	$0	$0
Total	$2,000,000	$2,743,000

KELLER SITE PLAN 3: ROUGH ORDER OF MAGNITUDE BUILDING COST ESTIMATES

		Total	Building A	Building B	Building C		Total	Building A	Building B	Building C	
BUIDING SQUARE FEET		5,500	3,000	2,500			5,500	3,000	2,500		
TOTAL DIRECT CONSTRUCTION COST		$1,017,500	$555,000	$462,500	$0	$185/sf *	$1,347,500	$735,000	$612,500	$0	$245/sf
INDIRECT PROJECT COSTSGENERAL CONDITIONS	4.50%	$45,788	$24,975	$20,813	$0		$60,638	$33,075	$27,563	$0	
ESTIMATING CONTINGENCY	10.00%	$106,329	$57,998	$48,331	$0		$140,814	$76,808	$64,006	$0	
CONSTRUCTION CONTINGENCY	5.00%	$58,481	$31,899	$26,582	$0		$77,448	$42,244	$35,203	$0	
SUBTOTAL		$1,228,097	$669,871	$558,226	$0	#DIV/0!	$1,626,399	$887,127	$739,272	$0	#DIV/0!
GLI	1.00%	$12,281	$6,699	$5,582	$0		$16,264	$8,871	$7,393	$0	
P&P Bond	0.60%	$7,442	$4,059	$3,383	$0		$9,856	$5,376	$4,480	$0	
BUILDER'S RISK - By Owner	0.00%	$0	$0	$0	$0		$0	$0	$0	$0	
B&O TAX - STATE	0.47%	$5,877	$3,206	$2,671	$0		$7,783	$4,245	$3,538	$0	
SUBTOTAL		$1,253,698	$683,835	$569,863	$0	#DIV/0!	$1,660,302	$905,619	$754,683	$0	#DIV/0!
TOTAL CONSTRUCTION COST WITHOUT WSST		**$1,253,698**	**$683,835**	**$569,863**	**$0**	#DIV/0!	**$1,660,302**	**$905,619**	**$754,683**	**$0**	#DIV/0!
Taxes on Hard	8.20%	$100,704	$54,929	$45,775	$0		$133,365	$72,744	$60,620	$0	
Soft Costs on Hard	25.00%	$307,024	$167,468	$139,556	$0		$406,600	$221,782	$184,818	$0	
Total with taxes and soft costs		**$1,661,426**	**$906,232**	**$755,194**	**$0**	#DIV/0!	**$2,200,267**	**$1,200,145**	**$1,000,121**	**$0**	#DIV/0!
			$302/sf	$302/sf	#DIV/0!			$400/sf	$400/sf	#DIV/0!	

*$/sf Based on Kauffman, 15k sf building

	Lower	Upper
Building A	$906,000	$1,200,000
Building B	$755,000	$1,000,000
Building C	$0	$0
Total	$1,661,000	$2,200,000

NESPELEM AGENCY SITE PLAN 1: ROUGH ORDER OF MAGNITUDE BUILDING COST ESTIMATES

		Total	Building A	Building B	Building C		Total	Building A	Building B	Building C	
BUIDING SQUARE FEET		75,000	75,000	0			75,000	75,000	0		
TOTAL DIRECT CONSTRUCTION COST		$13,125,000	$13,125,000	$0	$0	$175/sf *	$16,125,000	$16,125,000	$0	$0	$215/sf
INDIRECT PROJECT COSTSGENERAL CONDITIONS	4.50%	$590,625	$590,625	$0	$0		$725,625	$725,625	$0	$0	
ESTIMATING CONTINGENCY	10.00%	$1,371,563	$1,371,563	$0	$0		$1,685,063	$1,685,063	$0	$0	
CONSTRUCTION CONTINGENCY	5.00%	$754,359	$754,359	$0	$0		$926,784	$926,784	$0	$0	
SUBTOTAL		$15,841,547	$15,841,547	$0	$0	#DIV/0!	$19,462,472	$19,462,472	$0	$0	#DIV/0!
GLI	1.00%	$158,415	$158,415	$0	$0		$194,625	$194,625	$0	$0	
P&P Bond	0.60%	$96,000	$96,000	$0	$0		$117,943	$117,943	$0	$0	
BUILDER'S RISK - By Owner	0.00%	$0	$0	$0	$0		$0	$0	$0	$0	
B&O TAX - STATE	0.47%	$75,812	$75,812	$0	$0		$93,140	$93,140	$0	$0	
SUBTOTAL		$16,171,774	$16,171,774	$0	$0	#DIV/0!	$19,868,180	$19,868,180	$0	$0	#DIV/0!
TOTAL CONSTRUCTION COST WITHOUT WSST		**$16,171,774**	**$16,171,774**	**$0**	**$0**	#DIV/0!	**$19,868,180**	**$19,868,180**	**$0**	**$0**	#DIV/0!
Taxes on Hard	8.20%	$1,299,007	$1,299,007	$0	$0		$1,595,923	$1,595,923	$0	$0	
Soft Costs on Hard	25.00%	$3,960,387	$3,960,387	$0	$0		$4,865,618	$4,865,618	$0	$0	
Total with taxes and soft costs		**$21,431,168**	**$21,431,168**	**$0**	**$0**	#DIV/0!	**$26,329,720**	**$26,329,720**	**$0**	**$0**	#DIV/0!
			$286/sf	#DIV/0!	#DIV/0!			$351/sf	#DIV/0!	#DIV/0!	

*$/sf Based on Kauffman, 15k sf building

	Lower	Upper
Building A	$21,431,000	$26,330,000
Building B	$0	$0
Building C	$0	$0
Total	$21,431,000	$26,330,000

NESPELEM AGENCY SITE PLAN 2: ROUGH ORDER OF MAGNITUDE BUILDING COST ESTIMATES

		Total	Building A	Building B	Building C		Total	Building A	Building B	Building C	
BUIDING SQUARE FEET		90,000	45,000	45,000			90,000	45,000	45,000		
TOTAL DIRECT CONSTRUCTION COST		$15,750,000	$7,875,000	$7,875,000	$0	$175/sf *	$19,350,000	$9,675,000	$9,675,000	$0	$215/sf
INDIRECT PROJECT COSTSGENERAL CONDITIONS	4.50%	$708,750	$354,375	$354,375	$0		$870,750	$435,375	$435,375	$0	
ESTIMATING CONTINGENCY	10.00%	$1,645,875	$822,938	$822,938	$0		$2,022,075	$1,011,038	$1,011,038	$0	
CONSTRUCTION CONTINGENCY	5.00%	$905,231	$452,616	$452,616	$0		$1,112,141	$556,071	$556,071	$0	
SUBTOTAL		$19,009,856	$9,504,928	$9,504,928	$0	#DIV/0!	$23,354,966	$11,677,483	$11,677,483	$0	#DIV/0!
GLI	1.00%	$190,099	$95,049	$95,049	$0		$233,550	$116,775	$116,775	$0	
P&P Bond	0.60%	$115,200	$57,600	$57,600	$0		$141,531	$70,766	$70,766	$0	
BUILDER'S RISK - By Owner	0.00%	$0	$0	$0	$0		$0	$0	$0	$0	
B&O TAX - STATE	0.47%	$90,974	$45,487	$45,487	$0		$111,769	$55,884	$55,884	$0	
SUBTOTAL		$19,406,129	$9,703,064	$9,703,064	$0	#DIV/0!	$23,841,816	$11,920,908	$11,920,908	$0	#DIV/0!
TOTAL CONSTRUCTION COST WITHOUT WSST		**$19,406,129**	**$9,703,064**	**$9,703,064**	**$0**	#DIV/0!	**$23,841,816**	**$11,920,908**	**$11,920,908**	**$0**	#DIV/0!
Taxes on Hard	8.20%	$1,558,808	$779,404	$779,404	$0		$1,915,107	$957,554	$957,554	$0	
Soft Costs on Hard	25.00%	$4,752,464	$2,376,232	$2,376,232	$0		$5,838,742	$2,919,371	$2,919,371	$0	
Total with taxes and soft costs		**$25,717,401**	**$12,858,701**	**$12,858,701**	**$0**	#DIV/0!	**$31,595,664**	**$15,797,832**	**$15,797,832**	**$0**	#DIV/0!
			$286/sf	$286/sf	#DIV/0!			$351/sf	$351/sf	#DIV/0!	

*$/sf Based on Kauffman, 15k sf building

	Lower	Upper
Building A	$12,859,000	$15,798,000
Building B	$12,859,000	$15,798,000
Building C	$0	$0
Total	$25,718,000	$31,596,000

APPENDIX B

ECONorthwest
ECONOMICS · FINANCE · PLANNING

DATE: August 1, 2023
TO: Steven Matthews, AKANA
FROM: Mary Chase, Jennifer Cannon, and Bob Parker, ECONorthwest
SUBJECT: Market Analysis of Targeted Industries, Colville Indian Reservation Master Site Development Plan Project, ECONorthwest Task 4.3

Section 1. Introduction

This memorandum provides supporting information for the development of a master site plan in key communities located in the Confederated Tribes of the Colville Reservation. This master plan provides foundational elements crucial for the development of a business and industrial park including an economic analysis of the local and regional market describing potential demand, comparative advantages and disadvantages, and target businesses that are likely to be attracted to the area. This memorandum builds off previous work involving extensive analysis of the Colville tribal economy (Task 4.1) and the broader regional economic conditions (Task 4.2), encompassing Ferry and Okanogan Counties, which contains the Colville Indian Reservation, and areas to the north, outside of tribal boundaries.

This memorandum presents the results of Task 4.3 – a Market Analysis of Targeted Industries which essentially concludes the economic planning task work. ECONorthwest analyzed the comparative advantages and opportunities to create economic and business development strategies to position the Tribes within the existing economy within the region. A set of target industries were evaluated to identify the "best fit" industries that would most benefit from the community's assets, be willing to expand or relocate to the area and bring value to the community. ECONorthwest worked in partnership with the Colville Tribe and the project team to narrow the list of target industries and provide a market evaluation summary of 4-6 targeted industries. These industries were identified in the report provided for Tasks 4.1 and 4.2 and are further elaborated and refined in this memorandum.

This memorandum includes three (3) sections:

1. An Introduction (1), including a description of the context, and key regional and tribal economic analysis findings provided in this section.
2. An overview of Target Industries (2), which provides a summary of the market outlook, opportunities, site needs, and key conclusions for five industries.
3. A Conclusion (3), which provides a summary of overall findings, strategies to consider, and next steps for the Colville Tribe.

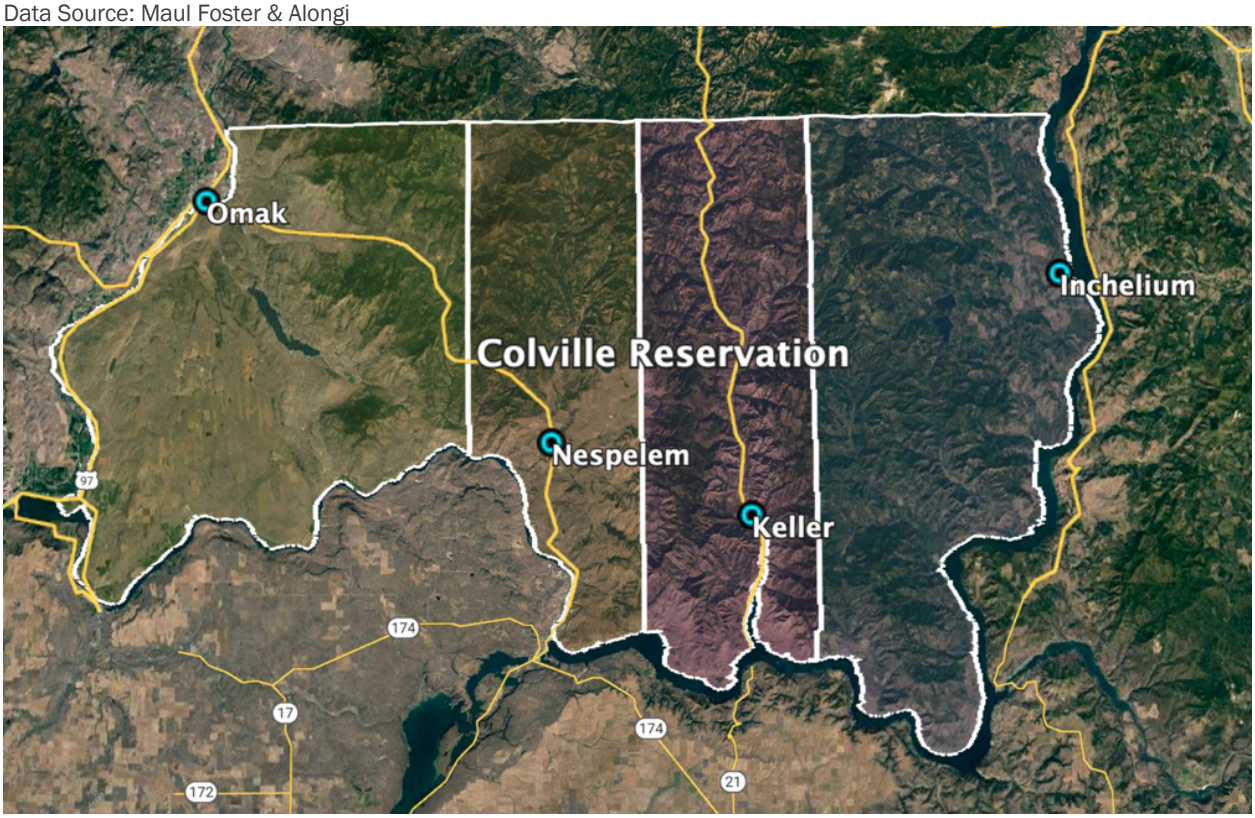
Analysis Context

The Colville Indian Reservation is located within the southern portion Ferry and Okanogan Counties in eastern-central Washington, bounded by the Columbia River on the south and east and the Okanogan River to the west. Washington State Routes 21, 25, and 155 connect the area

to the City of Spokane, Washington, and border crossings with British Columbia, Canada. This area of northeastern Washington is primarily rural and rugged, with 94 percent of the Reservation's 1.4 million acres classified as rangeland, forest, or surface water; nearly half of the total area is covered by evergreen forest and only 0.1 percent of total acreage is designated for residential use.[1] Although several highways connect the Reservation with other population centers, transportation infrastructure is not well developed throughout many interior areas.

The reservation has four sub-districts which are home to the largest population centers: Omak, Nespelem, Keller, and Inchelium (boundaries shown in Exhibit 1). In 2016-2020, 75 percent of the 7,360 residents on the Colville Reservation lived in these four towns.[2] Tribal facilities are spread throughout the reservation, but those with the highest employment (such as the personnel department and community center) and available services are concentrated in Nespelem. The 12 Tribes Casino and Hotel is another key facility for employment located in Omak.

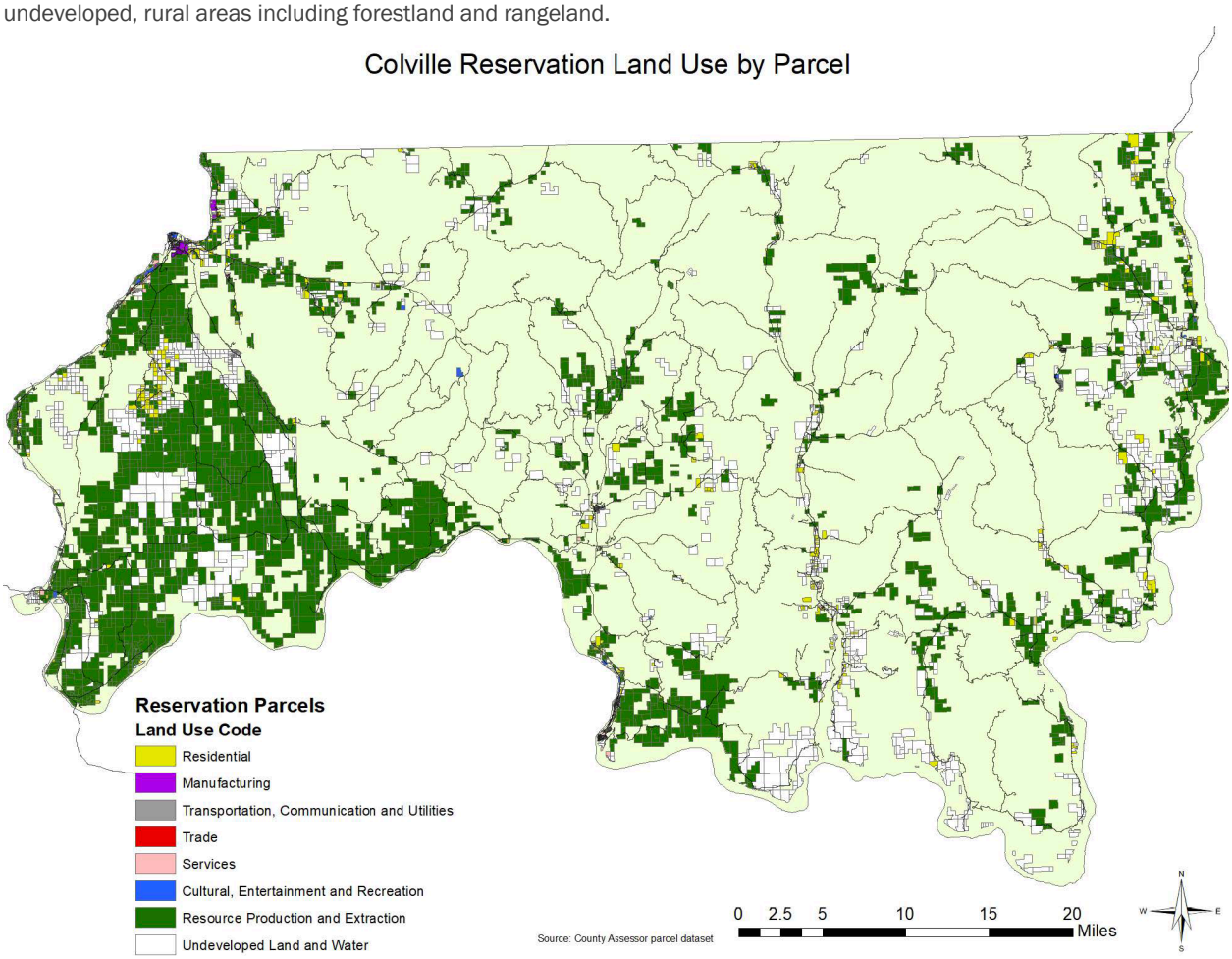
Exhibit 1. Map of Colville Reservation and Districts
Data Source: Maul Foster & Alongi



[1] Colville Confederated Tribes Planning, "Comprehensive Plan 2040," 2020, https://www.cctplanning.com/comprehensive-planning, 90.

[2] American Community Survey 2016-2020 5-Year Estimates, Table S0101.

Exhibit 2. Map of Colville Reservation by Land Use
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.



Key Regional and Tribal Economic Analysis Findings

- **The prime working age population of the primary market area including Okanogan and Ferry Counties is aging and not attracting new residents.** Okanogan and Ferry Counties have experienced little to no population growth over the last two decades and maintained a higher median age than Washington overall while the working age population (25-50 years of age) decreased. Over a third of both counties is over the age of 60, although the Colville Reservation area has a comparatively younger population. Currently, there is a need for strategies to retain the working population (not within retirement) such as a skillset or workforce program to support improved availability for more family wage job opportunities, including:
  - Healthcare and services, ecotourism, recreation, and agricultural or food related sector employment opportunities with higher pay;
  - Strategic light manufacturing employment opportunities;
  - Employment opportunities near small urban cities and areas; and

- Entrepreneurship and small business opportunities.

To do this, the tribe should consider where there is adequate infrastructure needed for different business operations (transportation, water, electricity, broadband) in place or planned to be added in the future.

- **Government and Agriculture both have a high local concentration and high employment in the primary market area.** In the primary regional market area, over 30 percent of covered employment[3] is in Government; on the Colville Reservation this share is even higher with 59 percent of their employed population working in government. Top employers include the tribe itself as well as several mining companies, agriculture-related firms, and Ferry County Memorial Hospital. The Colville Tribe 2017-2021 Comprehensive Economic Development Strategy (CEDS) identified manufacturing, agriculture, entrepreneurism, construction, and tourism as the top economic development priorities.[4]
- **New business applications are growing in the primary market area, and the majority of employers in the area are small businesses (those with 20 or fewer employees).** Over the 2010 to 2021 period, 506 business applications were filed in Ferry County and 3,383 in Okanogan County. On an annual average basis, applications have increased by 4.6 percent and 5.0 percent respectively. The healthcare and social assistance industry had the largest increase in new businesses in both counties, accounting for nearly a quarter of all new firms in 2021.

  These findings indicate that both counties are attractive locations for new businesses. In addition, 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. In Ferry County, small businesses represent 96 percent of employers.

  Although business applications are increasing throughout the primary market area, Okanogan County is losing more net firms overall than Ferry County. While the number of firms in Ferry County grew slightly (4 percent) over the last ten years, Okanogan County's decreased by nine percent. In addition, the number of other services, agriculture, forestry, fishing and hunting, construction, manufacturing, and retail trade firms decreased over the last decade (2010 to 2021).
- **Unemployment is higher and the median household income is lower in the primary market area compared to Washington state.** Unemployment rates have remained higher in Ferry and Okanogan even as the state looks toward recovery from COVID-19 Pandemic impacts. Median household income in Ferry and Okanogan was lower than the secondary market area and the State by roughly $30,000 per year across all race and ethnicity groups. While median income grew 13 percent in Washington from 2000 to 2016-2020, it decreased for Ferry County and increased by only six percent for Okanogan

[3] Covered employment refers to jobs with unemployment insurance benefits and does not include sole proprietors, farmworkers, and other contract workers. Covered employment is typically 75% to 85% of total employment.

[4] Confederated Colville Tribes Planning, "Comprehensive Economic Development Strategy 2017-2021," 2016, https://www.cctplanning.com/comprehensive-planning 33.

County. Aside from Government and Healthcare and social services, top industries by employment are not paying higher than the average annual wage. Although the Reservation was in line with Ferry and Okanogan County incomes, there is a potential opportunity to leverage tribal workforce training to attract higher paying jobs.

- **The Reservation has lower unemployment rates than the primary market area.** Unemployment increased on the Colville Reservation from 2000, up to 8.4 percent in 2016-2020. However, it was still lower in this time period than both Ferry and Okanogan Counties. This is likely in part because the Tribe itself is a major employer. For the population 16 years of age and up, the labor force participation rate also decreased by 4.5 percent between 2000 and 2016-2020 on the Reservation but stayed equal to or above Ferry and Okanogan Counties.

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."*[5]

Economic opportunities that the Tribe pursues should align with these values of communal stewardship and sustainable living. In addition, preservation of cultural traditions should be incorporated in new initiatives. This may highlight language, music, history, and engaging with youth for educational activities.

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

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

regulations governing economic activity on their lands."[6] Tribes are exempt from many state and local regulations, including zoning, land use, environmental regulations, and permitting, allowing for greater flexibility.[7]

- **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.[8] 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.[9]
- **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 reservation.[10] 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.[11]
- **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.[12] 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.[13]
- **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

[6] Colville Confederated Tribes Planning, "Comprehensive Plan 2040," 136.

[7] Ibid 140.

[8] Ibid 137.

[9] Ibid 137-138.

[10] Ibid 138.

[11] Ibid 139.

[12] Ibid.

[13] Ibid 140.

profits made from that investment.[14] 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."[15]

- **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.[16] These events have caused property destruction, physical displacement, and loss of traditional use areas for hunting, fishing, and gathering.[17]

  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 reservation, resulting in a lawsuit against the federal government over forest management practices.[18]

- **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.[19] In addition, "the Tribe has a moratorium on land sales and leasing process that slows down the development of businesses"[20]

- **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

[14] Ibid 137.

[15] Confederated Colville Tribes Planning, "Comprehensive Economic Development Strategy 2017-2021," 72.

[16] https://www.wilderness.org/articles/blog/colville-reservation-front-lines-climate-change

[17] Ibid.

[18] 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-/.

[19] Colville Confederated Tribes Planning, "Comprehensive Plan 2040," 149.

[20] Ibid.

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."[21]

- **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).

[21] Ibid.

Section 2. Target Industries

This section includes an overview of the five target industries identified as part of the Regional and Tribal Market Analysis: **tourism, 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 tourism, 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:

- **Outdoor Recreation and Ecotourism** that highlights the tribe's culture and values, including stewardship of the natural environment and cultural preservation.
- **Agricultural Processing and Produce Wholesaling** that 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** that 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.[22] This provides context for this industry's potential for growth and interpretation of the implications for this industry on the Reservation.

[22] IBISWorld, Retrieved in April 2023, from: https://www.ibisworld.com/

1. Outdoor Recreation and Ecotourism

1.1 Overview

What is Ecotourism?

Ecotourism is a form of responsible travel that emphasizes the exploration of natural environments while promoting conservation, sustainability, and the well-being of local communities. Its purpose is to minimize negative impacts on the environment and its biodiversity while providing educational and immersive experiences for tourists. Ecotourism follows certain principles, such as minimizing the ecological footprint through low-impact activities, supporting local conservation efforts, respecting local cultures and traditions, empowering local communities through economic benefits and involvement, and fostering environmental education and awareness. It aims to create a positive symbiotic relationship between tourism and the natural environment, contributing to the preservation of ecosystems and the socio-economic development of local regions.

The Colville Reservation has a number of existing resources that it can leverage to foster a more diverse tourism industry, including the 12 Tribes Casino and Hotel, rodeo grounds, numerous campgrounds, and outdoor recreation attractions. The Reservation is roughly a four-to-five-hour drive from larger population centers in coastal Washington (such as cities in the Seattle metro region or the City of Bellingham) and a two-to-three-hour drive from inland cities like Spokane and Kelowna. This makes the region an unlikely day destination for Puget Sound residents but gives it potential as a moderately accessible destination for weekend or longer trips. Previous planning efforts and recent engagement show that there is an interest in developing tourism with targeted marketing for visitor experiences, ecotourism, 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 Colville Reservation.

1.2 Opportunities

A dedicated **museum** that highlights the Colville Tribe's history and culture, and further development of **outdoor recreation facilities** are key opportunities to develop the local tourism industry on the Reservation in a way that advances other tribal goals for environmental stewardship and cultural preservation.

The Tribe has many options to pursue specific facilities that have been identified in engagement activities. New development around sites has been proposed particularly around **Omak Lake** and adjacent to the **12 Tribes Casino and Hotel** properties. The Tribe can also work to invest in enhancing some if its existing assets through upgrades to rustic campgrounds such as restroom facilities, fire pits, and adding more family-friendly features like golf courses or pools.

The tribe should seek to leverage existing tourism activities in Omak to co-locate a new tribal museum to maximize visitation and capture more revenue. Although there is an existing museum and gift shop dedicated to the Colville Confederated Tribes at Coulee Dam, it is not open full time and may not capture visitors who come to the northern area of the reservation along Highway 97. A new cultural attraction like a museum and gift shop located in Omak and an RV park could be located near some of the Reservation's popular destinations in this area like the 12 Rivers Casino, Omak Lake, and the annual Omak Stampede.

Since there is more substantial existing infrastructure, utility access, and a larger labor force in Omak compared to more remote areas of the reservation, this makes it an ideal place to make these investments today. In coming years, the tribe should consider exploring ecotourism, agritourism, and expanding cultural education opportunities in more remote areas.

1.3 Market Outlook

Both the museum and outdoor recreation industries have seen major changes in demand and operations in the past three years which have changed the course of projected trends. The Covid-19 pandemic had significant impacts on leisure travel patterns. Industry research from the firm IBISWorld informed the observations in this section on the outlook for both of these tourism-related opportunities for the Colville Tribe. At times, these two industries can compete with each other for attracting tourists, but with an intentional approach the Tribe can seek to target both opportunities simultaneously.

Museum Partnerships: The Museum at Warm Springs

The Confederated Tribes of the Warm Springs originally constructed a tribal-owned museum facility dedicated to history and culture of the Wascoe, Warm Springs and Paiute tribes in 1993. The museum contains one of the largest artifact collections in the United States, in addition to a photographic archive containing approximately 5,000 photographs from mid-19th century through the present.

Originally built to Smithsonian standards to be able to receive repatriated artifacts, the museum overcame financial struggles by developing a strategic plan. This has involved building relationships with other regional museums (including the High Desert Museum in Bend), improved signage and wayfinding from Highway 26, and expanding events and classes as alternate sources of revenue.



Source: Oregon Arts Watch

Campgrounds and RVs

On a national level, campgrounds and RV parks are expected to see revenue growth in the next five years at an annual rate of 1.9 percent. After steep declines in 2020 due to travel restrictions and stay-at-home orders, there has been a resurgence of new campers looking for outdoor experiences. Work-from-home policies that increase leisure time, geographic flexibility, and pent-up demand for travel contributed to this wave in 2021 and beyond. Millennial campers under the age of 45 are leading the influx of new consumers for the outdoor recreation industry, with a growing emphasis on luxury camping with access to comfort amenities. Other key demand drivers include projected rises in disposable incomes and falling prices of crude oil. In general, campground operators can charge premium fees for these features, leading to opportunities for higher revenue growth.

Geographically, the Colville Reservation is in a competitive outdoor recreation market with many natural resource attractions in the Pacific Northwest, and the tribe has some advantages for outdoor recreation. Washington overall ranks relatively high in the nation for concentration of businesses (8th), employment (9th), revenue (12th) and wages (12th). Within the state, Ferry and Okanogan Counties accounted for only a small share of (3.9%) of Washington's campground establishments. Given the area's natural beauty, access to natural resources, and popularity of camping in the western United States, this indicates potential to capture more of the growing demand for outdoor recreation opportunities. Differentiating from other outdoor recreation opportunities will be a key consideration for success.

Campground Development: Wandering Spirit RV Park

The Wandering Spirit RV park is located two miles down Salmon River Highway (OR-18) from Spirit Mountain Casino, which is owned and operated by the owned and operated by the Confederated Tribes of the Grand Ronde.

Wandering Spirit was developed with a mix of cabin rentals and RV spaces for daily, weekly, or monthly rentals along a major transportation route with easy access to the casino. In addition to basic features like RV hookups, picnic tables, and a waste dump station, the RV park also includes premium features like access to a nearby creek, wifi hotspots, laundry, telephones, showers, and recreation area. Marketing for the site also highlights family- and pet-friendly environment with a high level of staffing.



Source: Wandering Spirit RV Park

Market saturation is generally high around national and state parks, which draw in higher prices. However, regulations on expansion and occupancy levels can limit the size of campgrounds in many of the areas. The Colville Reservation's sovereignty gives it flexibility to invest in outdoor recreation amenities and make decisions that weigh the costs and benefits of potential sites on a case-by-case basis. Rent costs are also a frequent concern for campground operators, but the

Tribe already controls all activities and uses of lands on the reservation, allowing it to mitigate these typical costs.

The industry in general requires a moderate level of capital and labor intensity to keep up with demand for premium experiences. According to IBISWorld: "for every $1.00 spent on labor in 2023, campsites and RV parks spend an estimated $0.31 is spent on capital, indicating that capital costs are high within the industry."[23] Construction and maintenance of facilities like bathrooms, pools, sports fields, shelters, boating docks, and competitive luxury amenities require capital expenditures. Labor is also an essential cost for campground operations, with similar skills needed to other tourism-related activities including personal customer service, day-to-day management, cleaning, and maintenance. The Colville Tribe is eligible for low-interest loans and grants for tribal governments from the USDA, which provides some financing for RV parks. This could present a potential funding option for the tribe as a starting point for developing outdoor recreation activities.

Cultural Attractions and Museums

Museums across the country are expected to see revenue growth of 1.5 percent in the next five years. Successful establishments will need to embrace interactive experiences to stay competitive. Similar to other tourism activities, museums saw significant declines in 2020 during the onset of the COVID-19 pandemic, and a recent resurgence in visitation in 2022. The Tribe has engaged in some creative online educational materials about tribal history and culture, including an interactive StoryMap.[24] In this period, interactive and unique experiences with a strong in-person component are becoming in higher demand as virtual educational options replace some more passive museum activities. More museums are also turning to revenue from special events and rotating exhibits. Key success factors for the Colville Tribe to consider in creating a new cultural attraction are access to high-quality staff and volunteers, developing a clear educational program, and marketing unique experiences.

In the western United States, many visitors seeking outdoor recreation will add museum visits to their trips, but only if it lines up with their itineraries. To find a symbiotic relationship with outdoor recreation opportunities, the Colville Tribe should consider strategic locations for a new museum in a place where visitors to campsites, lakes, or existing amenities would naturally come across. The current Colville Tribal Museum in Coulee Dam currently captures some traffic, but it is not in close proximity to some of the Tribe's biggest tourism assets like the 12 Rivers Casino and Hotel. Integrating nature and environmental stewardship with a cultural attraction could also achieve co-benefits of highlighting tribal values and history, while captivating visitors who are primarily interested in outdoor experiences.

Washington overall ranks relatively high in the nation for concentration of revenue and wages for the industry (9th in each) and business and employment concentration (10th in each). Within

[23] Terry Faber, "Museums in the US Industry Report," IBISWorld, January 2023.

[24] Trisha Johnson, "Confederated Tribes of the Colville Reservation: A Brief History," https://storymaps.arcgis.com/stories/bb31cd48d0284fa59d6f454cafabe962.

the state, Ferry and Okanogan Counties were too low a percentage of the industry to be calculated, indicating that there is not a saturated market close by, but other areas of the state have much stronger concentrations.

Many tribal museums have the primary goal of preserving cultural heritage above producing revenue, relying on grants, endowments, and alternative sources of revenue. Upfront capital investments are likely to be the biggest challenge for the Colville Tribe. Funds generated from entrance fees are unlikely to present much of an economic benefit to the tribe. However, adding features like cafes, merchandise, event space, summer camp programs, and can supplement admission income.

Common barriers to entry include gaining nonprofit status, covering high startup capital costs, creating differentiation in saturated markets, and the labor-intensive nature of museums which must provide guest services. The Tribe does not have to go through the process of registering as a nonprofit, since it already has tax exemption benefits. Highlighting the tribe's unique culture and history also gives a potential museum an edge that sets it apart from other regional attractions. Given that the Tribe is already one of the largest employers in the area, it would likely be able to find tribal members to hire as staff, although wages for museum workers are not typically high. The types of employees needed usually include educators, curators, collection managers, registrars, vendors, security, customer service and tour guides. If the Tribe is interested in developing a museum, a prudent next step would be a conceptual design and market feasibility study.

1.4 Site Needs

Campgrounds and cultural attractions have some common site needs, although they are not one-size-fits-all. This section discusses the typical siting considerations for businesses in this industry to guide potential areas for investment, but the tribe should also explore any creative opportunities for developing tourism that may be different from these descriptions. However, these should ideally be located nearby natural amenities, pristine outdoor environments, preserved land, wildlife, and water bodies. Siting considerations may include general infrastructure needs (such as roads, cell coverage, etc.), site size, topography, location, proximity to major roads, and commute distances for workers. However, ecotourism and agritourism opportunities in the future may have different characteristics, like location near farmlands, forests, or natural preservation areas.

Campgrounds and RVs

Generally, campgrounds and RV parks must be located near high-demand outdoor recreation attractions with natural features like as scenic views, hiking trails, or a nearby lake or river. The Colville Reservation's rural character is well suited for meeting this location need, but in some areas, it is lacking in sufficient roads that would be needed for campers to access sites. Campground sizes vary by the number of sites, which can be scaled to match the amount of

demand in an area, particularly during peak season between May and October. A typical size is about 20 acres,[25] but larger sites leave room for future expansion.

Visitors will need access to water, electricity, and sewer or waste disposal facilities, as well as upgraded amenities to stay competitive. For an RV park, individual hookups and a sewage pump station can meet these needs, while tent campers may require a larger restroom area and water stations. The campground should be designed with these utilities in mind and have enough infrastructure to accommodate the number of campsites. Although cellular coverage and wifi are not necessarily needed, competitive campgrounds are developing better infrastructure to attract new campers. Depending on the targeted audience, the campground may need to have additional amenities such as showers, restrooms, laundry facilities, a store, playground, picnic areas, and fire pits. These may expand the size needed for a site and increase capital costs.

Cultural Attractions and Museums

Museums vary by size, and generally have high capital intensity; meaning that budgets limit how large they can be. IBISWorld estimates that for every dollar spent on wages, museums spend $0.28 on capital investments to maintain and conserve artifacts, repair buildings, and create new exhibits. Given the high level of capital intensity, the tribe should consider starting with a relatively small space with room to expand.

Museums should be located in places that are easily accessible to visitors and relevant to the subject matter. Generally, this means that they should be located near major travel routes, commercial areas, or other attractions. Depending on the type of museum and programming, it may also be necessary to have access to outdoor space.

In addition to exhibition areas, space is needed for other amenities like cafes, gift shops, and parking. These are often important revenue sources for museums, since admission fees alone are usually not able to cover costs for capital improvements, staff, and maintenance. Back of house areas for storage and utilities must also be accounted for in considering the size of a particular site. Typically, exhibition areas are only about half of a museum's total space.[26]

1.5 Key Conclusions

- Prepare a full feasibility study for new campground and museum facilities.
- Integrate tribal values for environmental stewardship and cultural preservation in tourist attractions.
- Leverage the Tribe's advantages like tax exempt status, federal grant preference, and geographic features to support tourism.

[25] National Association of RV Parks and Campgrounds, "Industry Trends and Insight Report," 2019, https://www.rvnews.com/arvc-releases-2019-trends-and-insights-report/.

[26] Simon, "The Cost of Building a Museum," www.arnabontempsmuseum.com, September 8, 2022, https://www.arnabontempsmuseum.com/the-cost-of-building-a-museum/.

- Co-locate tourist activities in high-traffic areas to maximize visitation and revenue.
- Clearly differentiate attractions from competitors by highlighting unique cultural and natural beauty in marketing efforts.
- Select sites with room to expand if demand grows to a sufficient degree to scale up.

2. Agricultural Processing and Produce Wholesaling

2.1 Overview

Agriculture already has a high concentration in Ferry and Okanogan Counties, with higher employment compared with most other sectors. However, wages in agriculture, forestry, fishing, and hunting tend to be lower than average. In further developing the agriculture sector, the Tribe should focus on investing in opportunities 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 agritourism 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.

2.2 Opportunities

According to the Colville Reservation's Agricultural Resource Management Plan as of April 2015, there were 87 agricultural leases totaling 34,205 acres and 98 pasture leases totaling 18,142 acres on the Colville Reservation. The Columbia River which runs along the eastern and southern borders of the Reservation is one of the largest rivers by volume in the United States and provides a critical water resource for agriculture.

The primary crops being grown on leases on the Colville Reservation today include wheat, corn, oats, barley, canola, hay and alfalfa. Washington overall produces the most apples, cherries, pears, asparagus, and hops compared to all states in the United States. The state also offers rich opportunities for foraging and sustainably harvesting wild products like mushrooms, herbs, moss, and berries, particularly in densely forested areas.[27] All of these are potential areas for the Colville tribe to expand **wholesale production** and pursue **processing of secondary products** such as fruit preserves, seasonings, and dry goods.

2.3 Market Outlook

Wholesaling and processing of fruits and vegetables have similar but distinct considerations for the Colville Tribe. Both industries are strongly dependent on local geography and climate for determining which crops will be successful, and face uncertainty in coming years due to climate change and unpredictable weather events as wildfires have already begun to have significant impacts on crop production. Although the processed and fresh produce industries share many of the same economic considerations, performance is often an indicator of reverse trends in disposable income. Health-conscious trends and increased disposable income tend to favor

[27] Northwest Horticultural Council, "Apple Fact Sheet," February 15, 2023, https://nwhort.org/industry-facts/apple-fact-sheet/#:~:text=State%20Facts%3A&text=Washington%20is%20the%20top%20U.S..

fresh fruit and vegetable wholesaling and reduce demand for canned and processed foods. An overall marketing approach that highlights organic produce, regional specialties, and heritage crops could help to mitigate this contradiction and build a stronger brand for the Tribe's agricultural outputs.

Produce Wholesaling

Wholesale of fruit and vegetables is expected to see modest revenue growth in the next five years, at a rate of 0.4% per year nationwide. However, revenue is dependent on market price and often unpredictable. This industry did not see the same declines that others did during the COVID-19 despite restaurant closures, since grocery stores and markets remained open during the pandemic. However, the industry has also not seen the same post-pandemic resurgence aside from a modest increase from restaurant recovery. This low but steady revenue growth reflects the path that the agricultural industry may take for the Colville Tribe without further action. However, climate change and unpredictable weather patterns have already begun to cause disruptions on agriculture on the Reservation and may change the stability of the current industry.

The climate and vast amounts of land for farming make the western United States a critical region for agriculture, particularly in California. For fruit and vegetable wholesaling as well as canned fruit and vegetable procession, California dominates these industries in the West with staple crops like berries, oranges, broccoli, and peppers. Washington still fares well for national concentration of businesses, revenue, employment, and wages, but is more suited to specific crops that are known to grow well in the state than the massive volume produced in sunbelt states like California, Texas, and Florida.

The large amounts of coastline that California and other coastal areas of the West Coast (including Washington) means these regions are able to

Diversifying Wholesale Agriculture: Navajo Agricultural Products Industry

In response to the COVID-19 pandemic, the Navajo Nation began pivoting their agricultural production in 2020. The Navajo Agricultural Products Industry (NAPI) began expanding beyond grain wholesale and beginning to pursue organic potato and bean production as well as traditional foods like sumac and chiles and value-added products like flour, bread, and roasted cornmeal.

Diversifying agricultural products and establishing a more distinct niche helped the enterprise to return a $1 million dividend to the Navajo Nation in 2020. This also helped the Navajo Nation in mitigating supply chain impacts from the pandemic and responding to drought conditions.



Source: Tribal Business News

leverage for imports and exports of fresh produce are not a strength for the landlocked Colville Tribe. Although the Reservation is bounded by the Columbia River, it does not have the massive shipping capacity of the coastal region. The shorter flexible windows of time between production and sale for fresh produce should be a consideration for highly perishable crops which may be better suited to canning and processing activities.

Growing and distributing fruits and vegetables requires relatively high labor and reliable transportation networks. The Colville Reservation's location on highways that lead to population centers is a strength, but the intensity of labor may be challenging. Over the past five years, wages have slightly increased in the industry. Like other wholesaling industries, agriculture has many labor-intensive roles related to tracking inventory, taking orders, preparing purchase orders by weight, checking produce for abnormalities and transporting produce. For every $1.00 spent on wages, IBISWorld estimates that wholesalers typically spend $0.11 in capital investments. The Colville Tribe could pursue workforce development for scaling up wholesale production, but as automation becomes more standard across the industry it should consider the longevity of these jobs.

Fruit and Vegetable Processing

On a national scale, revenue for the fruit and vegetable processing industry is predicted to decline in the next five years by 0.5% per year. But organic, specialty products with distinct marketing are more successful. Inflation pressures, shifting demand for more high-quality organic food, and consumer preferences for fresh produces all contribute to this expected decline. Many new establishments in the processed fruit and vegetable industry are putting an increasing emphasis on marketing their organic ingredients and natural flavoring.

Agritourism: Choctaw Country Markets

In 2016, the Choctaw Tribe opened its first Country Market, followed by second and third locations in 2019. These stores provide groceries in remote areas of the tribe's large reservation, and leverages tourism with an educational component. Pecans are the central staple crop that the Country Stores focus on in bulk, which have cultural and historical significance to the Tribe. Over time, they have integrated other key value-added products including prepared foods like garlic okra, pickled jalapeños, pickled quail eggs, Choctaw Farms BBQ Sauce, Ghost Chili Salsa, maple bourbon pear butter and a variety of jams and jellies.

Agritourism has grown out of these value-added products in association with other local tourism activities. Over time, the Tribe has built up from activities at a farmers' market to larger scale harvest events, recreational crop picking, ethnobotany tours, cooking and product-making classes, and farm tours.



Source: American Indian and Alaska Native Tourist Association

Specialty branding and diverse products are also helpful for companies to be successful in marketing their products. Small-scale canned produce processing like the type of production that the Colville Tribe may be able to pursue can capture a market niche by specializing in a particular product, such as jams or jellies made from iconic regional crops. Apples, cherries, and pears are all potential areas for the Tribe to explore ramping up production. Finding a niche market with agritourism and food processing is a potential route to connect with tourism industry development and diversify revenue related to agriculture.

2.4 Site Needs

Although fresh produce and processing activities share many of the same economic drivers, their siting needs are distinct. Both require proximity to agricultural land for their inputs, but processing activities are more efficient with land use.

Produce Wholesaling

Agricultural production generally requires a large amount of fertile land with access to water and suitable topography for irrigation systems, with specific variations that are dependent on crop types and climate. There are a variety of considerations for nutrient content, acidity, and other factors, but the Colville Tribe has the advantage of extensive knowledge about which crops typically grow best on the Reservation. The acreage required to sustain agricultural activities also varies depending on particular crops. The Colville Tribe already has about 2.2 percent of its land area currently dedicated to agriculture and additional space for rangeland. Water rights and accessibility has been an issue for the Tribe in some districts and should be a consideration for locating new agricultural pursuits.

Fruit and Vegetable Processing

Food processing typically has the same requirements as other light industrial uses. Far less industrial-zoned space that could be used for food processing is available on the Reservation today compared with agricultural land. Developed land accounts for only 0.4 percent of the total area, and an even smaller share of this land would be suitable for light industrial use like food processing. Sites for secondary processing activities must have access to utilities as well as sufficient labor force (even as mechanization reduces the overall staffing needs in many places).

2.5 Key Conclusions

- 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.

3. Natural Resource Businesses and Renewable Energy Production

3.1 Overview

Natural resource-based businesses such as timber harvesting and mining have been a large part of the Colville Tribe's 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 and pursue other economic opportunities.

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 already has access to cheap, reliable power for the Reservation from the Grand Coulee and Wells Dams. These could also present an opportunity for efficient solar energy distribution by sharing infrastructure.

The Tribe has already identified initial sites that could be feasible for solar energy farms for utility-scale production, and in 2022 a solar agrivoltatics problem in Nespelem provided an example of combining agriculture with renewable energy production.[28] The Tribe could explore more types of innovative and efficient energy projects in the areas identified by the Office of Indian Energy.

Utility Scale Solar: Moapa Southern Paiute Solar Project

In 2017, the Moapa Band of Paiutes built the first utility-scale solar energy production operation built on tribal land, which entered into a long-term power purchase agreement with the Los Angeles Department of Water and Power (LADWP). The 2,000-acre project is on tribal land 30 miles northeast of Las Vegas, Nevada.

The project coordinated with several federal agencies. The Bureau of Indian Affairs approved a solar energy ground lease including associated rights-of-ways (ROWs) and easements for ancillary facilities and the Bureau of Land Management approved right-of-way for an access road and transmission lines on BLM-managed lands as well as portions of a water pipeline and transmission lines. The United States Department of Agriculture also provided the Moapa Southern Paiute with a $2.38 million grant for the build out.

Today the project provides millions in revenue to the Moapa Band of Paiutes through lease payments, consulting fees, the purchase of goods and services, and educational programs.



Source: Climate Reality Project

[28] John Stang, "Solar-Powered Microfarm Is Washington's First Agrivoltaics Project," Energy News Network, June 22, 2022.

3.2 Opportunities

The Colville Tribe has expressed an interest in **solar energy production** and **biomass power** and identified initial opportunities for both industries to expand on the Reservation. As of the 2017-2021 Comprehensive Economic Development Strategy (CEDS), development partners have expressed interest for woody biomass energy pilot projects on the Reservation which could lead to larger scale establishments. The preliminary feasibility study conducted by the CCT Planning Department and Office of Indian Energy and Economic Development found suitable sites, where the Tribe can pursue development of these industries.

3.3 Market Outlook

Demand for renewable energy is likely to increase in coming years as transportation becomes electrified and climate change becomes a more pressing topic nationally and locally. Federal and state support for reducing carbon emissions provide promising options for funding sources and reduced upstart costs as renewable energy technology becomes more affordable.

However, the largest limiting factor for renewable energy production is storage and transportation. Existing technology do not yet support a wide geographic reach for energy use. Given the rural and somewhat remote location of the Colville Reservation, this would make it difficult to produce energy that can be used elsewhere and limit the potential market. However, as infrastructure for distribution of solar technology develops this may become more viable. Production of woody biomass materials and solar panel manufacturing (covered in the following section) may be viable today.

What is Biomass Power? Is it Actually Sustainable?

Biomass energy can use a variety of organic inputs and heat them to create energy. Woody biomass is a subset of this industry, which uses wood products in a boiler plant to produce power. It can involve harvesting products like logging residues or forest thinning byproduct and is the most fitting type of input for the Colville Tribe based on its large, forested areas and existing industries.

Biomass power is technically a sustainable energy source, which uses inputs that can be re-grown rather than more finite fossil fuels (like coal, natural gas, and oil), but it does typically produce more emissions than other green energy processes (like solar, wind, and geothermal). However, woody biomass is unique in that the carbon dioxide released in energy production is largely balanced by the carbon captured in its own growth (depending how much energy was used to grow, harvest, and process the fuel).[29]

Woody biomass often also has co-benefits for forest management. Forest thinning practices can promote forest health and reduce risk of wildfires. If not managed carefully, intensive harvesting of woody biomass can lead to deforestation, habitat loss, and soil degradation. Balancing the sustainable sourcing of woody biomass, implementing effective forest management strategies, and deploying advanced emission control technologies are crucial in maximizing the benefits of this industry.[30]

Solar Energy Production

The solar energy industry is growing across the United States and in Washington, with a number of incentives and potential support from federal and state governments. Agrivoltatics and solar technology manufacturing are growing subsectors which leverage other strengths of the Colville Tribe, like its vast agricultural lands an interest in advancing manufacturing. The Tribe can take advantage of programs through the Office of Indian Energy

[29] National Renewable Energy Laboratory, "Biomass Energy Basics," www.nrel.gov, accessed May 11, 2023, https://www.nrel.gov/research/re-biomass.html#:~:text=Burning%20biomass%20releases%20about%20the.

[30] Jerry Reynolds, "Warm Springs Biomass-Generated Energy Project Ready for next Step," Indian Country Today, December 9AD, https://ictnews.org/archive/warm-springs-biomass-generated-energy-project-ready-for-next-step.

which supports building institutional capacity for renewable energy management, feasibility assessments (which it has already participated in with the Tribe), and best practices tracking.

Washington has less of a natural advantage for solar energy production than other western states, but it has extensive state support for renewable energy initiatives. The solar energy industry has established itself and is growing more popular in states with programs supporting renewable energy and favorable geographic conditions.

Availability of semiconductors and electronic components are also a critical consideration for solar panel production, which are predicted to increase in price in the next five years. However, the Pacific Northwest has an advantage in this area. Regionally, Washington, Oregon, and Idaho are national leaders in the semiconductor manufacturing industry, meaning that there is likely a more direct supply for these components than other areas of the country.

Solar energy storage is a challenge, but the industry is currently developing over new energy storage projects across the country. Technological advances and investment in community solar solutions will allow utility companies to store and access power produced by the panels and distribute to households and businesses.

Biomass Power

Revenue in biomass power is expected to grow modestly in the next five years at a rate of 0.6% per year across the United States. However, wages and employment are expected to grow at double this rate. While federal renewable energy tax credits supported biomass power previously, increasing competition with solar, wind, and geothermal power industries has slowed growth for the biomass industry. These alternative options often produce far fewer emissions than biomass, but do not perform well in all regions. Although it is renewable, biomass is sometimes used alongside coal burning, producing relatively higher emissions.

Biomass competes with other renewable energy types, like wind and solar, but benefits from Washington state's incentives for green energy and abundant wood production. Densely forested areas of the western United States have a high concentration of biomass industry establishments, particularly northern California.

The industry is relatively new and groundbreaking, which means there has been less automation of operations compared with the more mature segments of the energy sector. As a result, skilled labor is required to run a successful plant. The majority of labor costs are associated with engineers, machine operators and supervisors, among others. As plants have expanded and experimented with new forms of biomass energy production over the past decade, more highly skilled employees have been hired; as a result, wages have increased as a portion of revenue over the past five years to 2022.

Woody biomass has secondary benefits for forest conservation and management. Clearing forest floors is a part of forest management that can help to prevent wildfires and provide fuel for biomass energy production. Since timber is already an industry established on the Colville Reservation, it is likely that the Tribe would be able to use byproducts from these activities for biomass power generation.

Biomass Power: Warm Springs Plant

Warm Springs Forest Products Industries (WSFPI) is an enterprise of the Confederated Tribes of the Warm Springs which operates a log mill that produces over 70 million board feet annually. In 2008, the Tribe co-located a biomass boiler to generate energy at the mill site funded in part by a grant from the Bureau of Indian Affairs. This plant produces 15.5 megawatts of renewable power for sale on the grid, which translates to enough energy to power 15,000 homes.

The BLM and USFS signed an agreement with the Confederated Tribes of the Warm Springs in 2006 in which the agencies committed to a long-term fuel supply for the Tribes' biomass project. BLM and USFU agreed to conduct forest thinning and management on 8,000 acres annually near or adjacent to the Warm Springs Reservation to both provide biomass fuel for a biomass plant and better control forest health to mitigate wildfires in the area.



Source: US Department of Energy

3.4 Site Needs

Solar energy and biomass energy production have different considerations for the amount of land needed, complimentary uses, and associated infrastructure. Generally, biomass plants require less land area than solar energy facilities per milliwatt of energy produced. The National Renewable Energy Laboratory (NREL) estimates that woody biomass combustion typically requires 0.3 acres per milliwatt, while photovoltaics can require at least 3.2 to 6.1 acres to produce the same amount of energy depending on the technology type.[31]

Solar Energy Production

Utility-scale solar power production requires large areas of land. While more concentrated solar is possible, utility-scale solar power plants typically require acreage on the higher end to reach sufficient generating capacity. While concentrating solar power (CSP) plants need to be

[31] National Renewable Energy Laboratory, "Land Use by System Technology Energy Analysis," n.d., https://www.nrel.gov/analysis/tech-size.html.

constructed on flat land with less than 1 percent slope, utility-scale photovoltaics (PV) can usually utilize land with steeper slopes and no water access.[32]

Co-location for solar can make efficient use of existing resources. Small-scale projects like the agrivoltaics pilot are important community-serving projects, which can also demonstrate opportunities for co-locating solar energy production and agriculture. The Tribe should also think about innovative locations such as solar production near livestock ranging, parking lots, and other large open areas. Locating solar projects near existing power distribution infrastructure like the Grand Coulee Dam can also make it more efficient to transport energy.

Biomass Power

The existing timber industry creates secondary or by-product opportunities for woody biomass that would require little additional space for production. Biomass fuel pellets can be made from many materials, and in the Colville Tribe's case it could require relatively little additional space to manufacture fuels. Existing space used for the timber industry will likely be able to fill this function. Given the smaller amount of land needed, siting for a biomass facility is more flexible than solar production, and the Tribe has also identified an initial site to potentially locate a facility adjacent to the Omak Industrial Park.

3.5 Key Conclusions

- Anticipate growth in demand for renewable energy utilities and technological advances in energy storage.
- Leverage federal and state financial incentives and funding for renewable energy production.
- Work with the Office of Indian Energy Policy and Programs to develop workforce around renewable energy.
- Track trends in biomass demand and consider climate implications.
- Look for opportunities to expand pilot programs for agrivoltaics.

[32] Solar Energy Industries Association, "Land Use & Solar Development," SEIA, n.d., https://www.seia.org/initiatives/land-use-solar-development#:~:text=Depending%20on%20the%20specific%20technology.

4. Targeted Light Manufacturing

4.1 Overview

The Colville Confederated Tribes have a large site already identified for manufacturing activities identified in Omak, indicating that this will likely be a new opportunity area to expand industrial businesses. Manufacturing was among the top economic development priorities in the 2017-2021 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.

4.2 Opportunities

The Tribe has been developing plans for the 67-acre Business and Industrial Park 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.[33] Some of the most promising manufacturing industries for the Colville Tribe which have been identified in previous planning efforts include **value-added wood products** and **metal fabrication.**

4.3 Market Outlook

Different types of manufacturing have distinct economic considerations. Overall, the impact to global supply chains during the COVID-19 pandemic has increased interest in reshoring manufacturing activities from both manufacturing establishments and federal policy decisions. Distributed manufacturing also presents new opportunities for the Tribe to make specific components of more complex products to be used for assembly. This may be a promising strategy for products like manufactured homes, which can be assembled onsite from components produced elsewhere.

Value Added Wood Products

The wood products industry is expected to see modest revenue growth in the next five years (0.7 percent per year), but there is a growing range of value-added products. The Colville Tribe has a history of producing lumber, plywood, and veneer, but has faced challenges related to wildfires and shifting demand in recent years. Today, the construction industry is the largest consumer of wood products. Despite fluctuations in the residential construction market due to

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

the COVID-19 pandemic, the value of residential construction is expected to increase in coming years.

Although wood products compete with other building materials, the abundance of raw materials in the Pacific Northwest and interest in green building is an advantage. Washington state is already a national leader in mass timber projects, there is also growing interest in sustainable wood products like cross-laminated timber (CLT).[34] CLT is being championed by the industry as well as federal agencies like the United States Forest Service as a more sustainable building product that also supports forest health.[35]

Diversifying types of value-added wood products can increase resilience to changes in the residential building industry. The Pacific Northwest region's urgent need to supply more housing is also likely to see increased interest in modular and manufactured housing as well as traditional construction. Although transportation of fully assembled mobile homes is difficult and costly, the Tribe could pursue specialization in mobile home components as part of a distributed manufacturing system. The Tribe can also explore value-added wood manufacturing beyond building materials, including furnishings, household items, wood pellets, and miscellaneous products. Diversifying types of wood products can ensure that the industry is more resilient and less dependent on the residential construction market.

Metal Fabrication

Metal fabrication is a diverse industry that encompasses a wide range of products with different manufacturing processes. This can include forging, stamping, cutlery and hand tool production, structural steel fabrication, prefabricated metal buildings, metal window and door manufacturing, sheet metal work, metal container production, hardware manufacturing, and wire production. Some of these products have independent markets, while others are productid as components in the production of more complex items. Some of them could also be marked together with wood products, such as modular housing or other construction materials.

[34] Adam Duvernay, "Sturdy, Strong and Sustainable: Mass Timber's Popularity Grows in Pacific Northwest," The Register-Guard, December 15, 2021, https://www.registerguard.com/story/news/environment/2021/12/15/mass-timber-popularity-growing-oregon-pacific-northwest-cross-laminated-timber/8910241002/.

[35] Brian Brashaw and Kevin Naranjo, "Mass Timber Momentum Expands Forest Products Markets," US Forest Service, October 2020, https://www.fs.usda.gov/features/mass-timber-momentum-expands-forest-products-markets.

The development of a dependable energy source by the Colville Tribes could serve as a powerful incentive for recruiting companies with high energy requirements. The industry typically demands a high level of energy to melt, form, and assemble metals. As the Colville Tribe seeks to expand their renewable power generation capabilities, this could attract more metal fabrication firms to the area. Lighter products that are easier to transport would also be an advantage for the Tribe. Given the remote location the Reservation, transporting heavier items may add cost for distribution that would make the area less competitive to firms.

Metal Fabrication: Kalispell Metal Products

The Kalispell Tribe owns and operates an all-encompassing sheet metal fabrication shop in Cusick, WA which has been producing craft metal products for over forty years, including an inventory of standard products and the ability to do custom work for clients. The facility produces both items like firepit grills, site markers, picnic tables, and benches, as well as commissioned artwork and design features.

The metal fabrication shop also works with the Tribe's Career Training Center (CTC), which provides specific job training services to Kalispell tribal members. Their welding courses are partially funded by income generated by the fabrication shop.



Source: Kalispel Metal Products

Emerging technologies require metal fabrication of product components, but also typically require specialized skills. Semiconductors, solar panels, and other emerging technologies are promising for revenue growth over the next five years and have local momentum in Washington state. However, the training and workforce development needed for these specific sectors would likely be a barrier for the Tribe today. The Tribe can be opportunistic about fabrication of individual components or using state resources to develop skills for residents.

4.4 Site Needs

Different manufacturing types require somewhat different site conditions, but in general share some necessary features such as industrially zoned land, relatively large and flat parcels, proximity to transportation routes, and adequate utilities.

The Tribe has already made progress towards developing the Omak Foreign Trade Zone, which meets many of the necessary criteria for manufacturing. There is also additional space around the currently planned site that could be used for expansion if operations scale up in the future.

The Tribe has also noted its intentions to develop the mill site for innovative wood products including cross-laminated timber.[36]

4.5 Key Conclusions

- 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.

[36] Shawn Goggins, "Colville Tribes Plan to Develop Site of Omak Lumber Mill after It Was Taken by Cold Springs Canyon Fire," Source ONE News, October 28, 2020, https://www.yoursourceone.com/columbia_basin/colville-tribes-plan-to-develop-site-of-omak-lumber-mill-after-it-was-taken-by/article_38ea984a-196c-11eb-937d-33f2c75e3360.html.

5. Small Shared-Space Retail Trade

5.1 Overview

Engagement findings from past planning and the current planning process have shown a strong interest in entrepreneurship from members of the Tribe. The Reservation currently has primarily small community stores (located in Keller and Inchelium), a trading post in Nespelem, and three Colville Fuels locations. Although wages for retail workers tend to be lower than average in the primary market area, developing more commercial spaces that provide opportunities for entrepreneurs to sell locally manufactured products could build momentum for more small businesses on the Reservation.

Creating a targeted strategy to scale up small businesses could enable the Tribe to expand the retail sector on the Reservation or through e-commerce sales 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.

5.2 Opportunities

A **trading post with shared retail space** for tribal entrepreneurs could present an opportunity for home-based or online businesses to establish a brick-and-mortar presence at low cost. Shared space would align with interests expressed in the Comprehensive Plan for incubator retail space that is accessible to startup businesses at an affordable cost. There is currently a trading post located in Nespelem, but a new retail outlet could be co-located with new tourism and recreation investments, like a tribal museum or the existing 12 Rivers Casino in Omak.

Innovative Retail: Lummi Te'Ti'Sen Center

The Lummi Nation's Te'Ti'Sen Center opened in 2012 as a commercial center within an approximately 10,000 square foot building containing a seafood market, cafe, vending room, three small retail storefronts, four art studios, one large gift shop, two offices, business resource center, gathering space, carving shop and a traditional fish grilling area. It is owned and operated by tribal members located on tribal trust land.

Since opening, the Lummi Indian Business Council and Community Development and Financial Institution have worked together to apply for federal grant funding and develop the center, with an emphasis around traditional fishing practices. It has supported businesses in their early life cycle but faced challenges around generating sufficient traffic. This has necessitated targeted marketing efforts and developing an online presence.



Source: Bellingham Business Journal

5.3 Market Outlook

Independent gift shops are highly dependent on local conditions but are affected by some national level trends. Despite disruptions to brick-

and-mortar retail which began with the onset of the COVID-19 pandemic, consumers across the country are now searching for more local and sustainable shopping experiences. While staple items are more accessible through online retailers and national chains, niche retail is seeing an uptick in revenue. The Colville Tribe should emphasize its unique products like crafts, food products, or educational materials to capture this demand alongside the post-pandemic travel boom.

Small retailers are struggling to compete with online retail and larger national chains. However, some pent-up demand following COVID-19 pushed consumers to do their shopping in person for specialty items. The pandemic also incited a trend of shopping locally and sustainably, boosting demand for specialty products. Post pandemic trends coupled with rising consumer confidence sent specialty retail sales soaring in 2021. Looking for opportunities to incorporate a complimentary online platform could benefit a new trading post for the Colville Tribe and has been a successful strategy for other tribes.

Tourism is an important determinant for success. Despite setbacks from the pandemic, this aligns with other tribal economic development targets. As the Tribe builds out its tourism industry, it should make an intentional consideration for where to locate a new shared retail space and what types of products to emphasize. Housewares, clothing, and décor are popular choices from gift shops for travelers, who will pay higher prices for handmade and specialized goods. Gift shops need workers for operations that can perform customer service, store maintenance and stocking inventory, but in the case of an incubator-style shared space it is likely that entrepreneurs themselves will take on these functions.

5.4 Site Needs

Small retail trade does not require a large site and can easily be co-located with other uses. Total site area does not need to be large, and other tribes have been successful with facilities between 5,000 to 10,000 square feet. If individual sellers intend to operate stalls with their products, it is also important to have space that can be subdivided and clearly marked for those entrepreneurs.

Co-location is an important consideration, as retail shops depend on high foot or car traffic. The site should be located along major roads or near other attractions to be successful, like other complimentary retail outfits, entertainment, or restaurants. Co-locating small retail activities on the 12 Nations Casino site would address the need to be conveniently accessible to customers. Although signage can help draw in more visitors, it is difficult to overcome a location that is off typical travel routes.

Space that is able to be used for other purposes also has advantages. Using an existing space or one that can be used for other purposes (like community gathering or event rentals) can provide an additional source of revenue. Sellers are also likely to need back-of-house areas for storage and administrative uses. If the Tribe pursues an incubator program, it should also consider the need for program space and staff.

5.5 Key Conclusions

- Emphasize unique customer experiences for a trading post space with rotating sellers.
- Connect new retail space with entrepreneurs and incubator programming.
- Co-locate small or shared retail space with investments in tourism and infrastructure near high foot traffic areas.
- Have a signage and wayfinding plan that highlights the trading post.
- Explore options for a complimentary online sales platform.

Section 3. Conclusion

This market analysis identifies opportunities for the Colville Tribe to pursue new initiatives in tourism, agriculture, resource-based businesses, manufacturing, and retail to support targeted economic development. Each of these industries includes specific requirements and should seek to leverage existing strengths of the Colville Tribe, integrate tribal values, and provide paths forward to scale up the industry in the future.

Outdoor Recreation and Ecotourism

To develop a thriving tourism industry, the Colville Tribe should begin with a full feasibility study to assess the viability of establishing new campground and museum facilities and explore specific ecotourism opportunities that promote environmental education and preservation. This will provide a solid foundation for creating high-quality tourist experiences that can attract visitors and generate revenue.

The Tribe's values for environmental stewardship and cultural preservation should be integrated in all new tourist attractions and the focus of new ecotourism amenities. This approach can also have the benefits of setting the Colville Tribe's amenities apart from competitors and attract visitors who value sustainable tourism and authentic cultural experiences. Leveraging the Tribe's advantages like tax exempt status, federal grant preference, and unique geographic features can also support the development of a robust tourism industry.

To maximize visitation and revenue, tourist activities should be co-located in high-traffic areas. This will make it easier for visitors to access multiple attractions and increase the likelihood of repeat visits. Clearly differentiating the Colville Tribes' tourist offerings from competitors by highlighting unique cultural and natural beauty in marketing efforts can also attract visitors who are interested in a one-of-a-kind experience. It is also essential to select sites with room to expand if demand for tourist attractions grows to a sufficient degree to scale up. This can help the Colville Tribes to accommodate more visitors and generate additional revenue in the future.

Agricultural Processing and Produce Wholesaling

Expanding production of organic and value-added products like fruit preserves, sauces, and dehydrated produce can help to diversify the Colville Tribe's existing agriculture industry. This will create opportunities to develop unique, locally-sourced products with a specific brand. Building on existing strengths for agricultural production and identifying crops that grow well in the region will be essential to establishing a sustainable and profitable industry.

To support the production and processing of agricultural products, it's important to identify sites that have access to a sufficient workforce, transportation, and utility infrastructure. These facilities can be utilized for processing and packaging agricultural products, creating employment opportunities for members of the tribe and the surrounding communities. By emphasizing the importance of organic produce, regional specialties, and heritage crops for both fresh and processed products, the Colville Tribes can differentiate their offerings from

competitors and appeal to customers who are interested in locally-sourced, sustainable, and culturally significant foods.

Furthermore, developing agritourism that aligns with tribal values can create additional opportunities for growth within the agriculture industry. This could include offering guided tours of agricultural sites, farm-to-table dining experiences, or workshops on traditional agricultural methods. By highlighting the cultural and ecological significance of agricultural practices, the Colville Tribes can establish an industry that is both economically viable and aligned with tribal values.

Natural Resource Businesses and Renewable Energy Production

The Colville Tribes should anticipate growth in demand for renewable energy utilities and leverage federal and state financial incentives and funding for renewable energy production in coming years. Following emerging technologies and trends in the renewable energy sector will help the Tribe to position itself to meet that increasing demand and adapt to changing market conditions. Pursuing funding opportunities can help offset the high upstart costs of developing renewable energy projects and increase the likelihood of success.

Leveraging existing strengths will be critical for success in this industry. The Tribe can work with the Office of Indian Energy Policy and Programs to develop a skilled workforce around renewable energy and conduct feasibility work. This can involve training programs, apprenticeships, and partnerships with local educational institutions to develop a pipeline of skilled workers to support the renewable energy sector.

Additionally, the Tribe should carefully consider location of new renewable energy facilities. Co-location with energy distribution infrastructure and transport of biomass and solar power is a critical component of this industry. Exploring agrivoltaics as a way to create connections between food production and renewable energy production can also have potential to scale up current pilot initiatives on the Reservation.

Targeted Light Manufacturing

To develop the manufacturing industry, the Colville Tribes should initially focus on attracting companies to locate within the Omak Foreign Trade Zone by highlighting the tax exemptions and other tribal benefits. In addition, the Tribes could plan for workforce development in specialized manufacturing sectors to ensure that there are enough skilled workers to meet the needs of these companies.

Ways to diversify the manufacturing industry include focusing on value-added wood products and metal fabrication. Over time, this would require identifying and developing more sites that can support manufacturing near infrastructure and within commuting distance from population centers. However, it is important to pursue manufacturing with minimal ecological impacts that does not conflict with tribal values for land conservation. By doing so, the Colville Tribes can attract companies and create jobs while also preserving the natural environment and cultural heritage of the reservation.

Small Shared-Space Retail Trade

Although the Colville Tribe is unlikely to attract the demand needed for a large retail industry, tribal members have expressed a high level of interest in entrepreneurship. The emphasis for the Tribe should be on creating unique customer experiences that attract visitors and complement other uses such as tourism. A trading post space that features rotating sellers can provide a diverse range of products and connect with incubator programming to support new businesses and foster economic growth. To ensure the success of the retail industry, it is important to support the growth of new businesses through entrepreneurship programs.

Co-locating small or shared retail spaces with investments in tourism and infrastructure near high foot traffic areas should be a strategic consideration to increase visibility and customer traffic. Having a signage and wayfinding plan that highlights the trading post can also help attract potential customers. Exploring options for a complimentary online sales platform can also extend the reach of the retail space beyond the Reservation.