

# **A STRATEGIC PLAN FOR THE SUSTAINABLE ECONOMIC DEVELOPMENT OF THE SPOKANE AREA OF WASHINGTON**

**Prepared for:  
The Mayor's Commission for Economic Development**

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**September 2000**

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## **INTRODUCTION**

The purpose of this strategic plan is to set forth the strategic goals and strategies for the Spokane area. This is not intended to be a comprehensive plan covering all issues for the entire metropolitan area; it is instead designed to address the specific needs and concerns for the *economic development* of the Spokane region within the State of Washington. The intended result from this strategic planning effort is a more inclusive strategy to move the community forward to become a better place in which to live, work, and play. The plan will help facilitate a road map for the region's economic development effort, telling us where we are, where we want to go, and how to get there.

It is important to clarify that economic development is not just about job growth. In fact, economic development is defined as the creation of wealth and the raising of the local standard of living. It involves the development of higher wage jobs that increase local income levels, the education and training of the workforce so that workers have the necessary skills for those jobs, investing in the appropriate public infrastructure needed by the business and residential community, and removing impediments to profitable business activity. A healthy economy, in turn, stimulates a better quality of life and a positive local attitude.

The goals and strategies contained in this strategic plan reflect the locational strengths and weaknesses of the Spokane area, the desires and expectations of local leadership, and key priorities for improving the local economy. By necessity as defined by the nature of this consulting assignment, there was no additional group process to arrive at these goals and strategies. Instead, previous studies and plans were combined with three days of extensive interviews and additional research to lay the foundation for the recommended plan of action.

## ***SITUATION AUDIT FOR THE SPOKANE AREA***

The starting point for a credible strategic planning process is an assessment of the strengths and weaknesses of the community as they relate to future opportunities for development. In other words, what problems exist in the Spokane area which constitute barriers for successfully achieving the vision of its leadership? How well will the community respond to the likely political, social, economic, and environmental changes that the future will bring?

A number of relevant studies and plans have already been conducted for the Spokane area. These include the following:

- ❑ Vision and Mission for The Inland Northwest Center for Advanced and Emerging Technologies
- ❑ Symposium Update...6/3/2000
- ❑ Spokane's Economic Development 2000 -- Still at the Crossroads?
- ❑ Draft materials from the various Workgroups
- ❑ The New Century Plan 2000+
- ❑ Greater Spokane Area Symposium Series -- Forum I and II
- ❑ Downtown Spokane Partnership 2000 Business Plan
- ❑ The Spokane Area EDC -- Creating Jobs, Creating Customers
- ❑ Downtown Spokane Partnership Strategic Plan 1997
- ❑ Focus 21 -- A Regional Economic Growth Strategy for the 21st Century
- ❑ Focus 21 -- Annual Report 1997-98
- ❑ The Washington Technology Center Strategic Plan 2000-03
- ❑ Market Fact Book 2000
- ❑ Outreach, Tracking and Technical Assistance Final Report submitted to Regional Chamber of Commerce
- ❑ Spokane Area Higher Education Services Study

- ❑ The Pace Group Executive Summary of the Spokane Area Competitiveness Assessment and Attraction, Retention, and Expansion Strategy
- ❑ The Pathfinders -- A Verification of the Spokane Area Workforce

Based on these previously completed works, a number of issues/problems have been identified as impediments to the economic future of the region. These include:

- A lack of incentives at the state and local level to offer business and industry
- Lack of recognition of the region as a business location
- A need for the Center for Emerging Technologies to foster technology development
- A per capita income level in the region that remains below the State and national average
- Declining convention activity
- Local venture capital not meeting local business investment needs
- A local economic development program that lacks a unified base of local leadership support

### **Assessment of Locational Strengths and Weaknesses**

The assessment of the region was derived primarily from the previous studies provided to the consultant. The reliability and credibility of these sources was assumed, since this particular strategic planning project was very limited in scope. In addition, interviews were conducted with local leaders, employers, officials, and other key stakeholders to provide important input. The consultant also conducted an analysis of relevant data and information from a variety of other and mostly on-line sources. This assessment resulted in the following list of locational strengths and weaknesses, particularly with respect to business investment and quality job creation.

#### LOCATIONAL ADVANTAGES OF THE SPOKANE AREA:

- ❑ Quality of life
- ❑ Wide range of outdoor recreation
- ❑ Moderate housing costs for the Pacific Northwest
- ❑ Vibrant downtown, which is also a major telecommunications hub (Terabyte Triangle)
- ❑ Spokane River and Riverfront Park
- ❑ Health care – four full-service hospitals

- ❑ Education/schools (K-12)
- ❑ Small business development and entrepreneurial spirit
- ❑ Emerging associations/coalitions to stimulate technology development
- ❑ Low labor cost for the Pacific Northwest
- ❑ Availability of community college/technical training
- ❑ Community is a hub of the Inland Northwest, a 36-county region
- ❑ Highway transportation/access
- ❑ Low cost electricity
- ❑ Telecommunications infrastructure
- ❑ The higher education resources of four colleges/universities, in addition to the community college

LOCATIONAL DISADVANTAGES OF THE SPOKANE AREA:

- ❑ Lack of recognition nationally/internationally as a business location
- ❑ Lack of industrial location and business development incentives, including tax increment financing and a Port Authority
- ❑ High business taxes (a state level issue)
- ❑ Lack of qualified high tech workers
- ❑ Low percentage of college graduates in the workforce compared to western portion of State (slightly above the U.S. average, but two percentage points below that of the State, based on 1990 Census)
- ❑ Limited availability of quality business/high tech parks
- ❑ Local regulatory and permitting impediments to development
- ❑ Significant areas of the downtown are deteriorating
- ❑ Lack of a strong graduate-level research capability in the local institutions of higher education

This assessment is important to the development of a strategic plan that effectively improves the competitive position of the Spokane area. The weaknesses of the area are important impediments to attracting and retaining employers; the strengths point to opportunities. It is interesting to note that the relatively low wages of the region are an attraction to outside employers, but a detriment to achieving a higher standard of living for the people living there.

**The Economic Development Priorities of the Spokane Region**

Generally, a strategic planning process is built around a set of development priorities that emanate from the key stakeholders of the community. Recognizing that a community cannot undertake all endeavors necessary to its economic development and obtain successful results, a strategic plan focuses on those priority issues that are most significant to the economic future of the area.

Typically, these priorities are derived from a survey of or workshop for the leadership, with every effort made to ensure broad representation of the community.

In the case of Spokane, a number of workshops and planning sessions had been held previously. These efforts did establish a number of priorities, but it is not clear that these priorities represent a common or shared vision of what needs to be accomplished. The purpose of this strategic plan is to sort through everything that has been done to date and arrive at a set of goals and strategies that the leadership can agree upon and move forward with.

### **Target Industries for the Spokane area**

These planning efforts also identified a number of target industries for the Spokane area. The following list includes the various industries that were identified:

- ❑ Medical services and healthcare
- ❑ Medical devices manufacturing \*
- ❑ Software development \*
- ❑ Information-based activities such as back-offices and technical support operations \*
- ❑ Internet related activity
- ❑ Professional business support services \*
- ❑ Convention/tourism/recreation/sports
- ❑ International importers
- ❑ National distributors \*
- ❑ Biotechnology/biomedical \*
- ❑ Genetic and molecular engineering
- ❑ Agribusiness
- ❑ Foreign direct investment
- ❑ Digital electronics manufacturing
- ❑ Optical data storage and lasers
- ❑ Advanced video displays
- ❑ Advanced computers
- ❑ Fiber optics
- ❑ Microwave technology
- ❑ Aerospace \*
- ❑ Advanced satellites
- ❑ Photo-voltaic cells
- ❑ Micro-mechanics
- ❑ Advanced materials

- Electrical equipment
- Instruments
- Pharmaceuticals \*

\* SAEDC target industries

Needless to say, a list as long as the preceding list is not targeted at all, for all practical purposes. At best, an economic development marketing effort can only be practically focused on eight to ten categories at a time. Therefore, the list must be carefully chosen, basing the final choice on the unique locational strengths of the Spokane region as they relate to the locational requirements of those industries that meet the goals of the leadership and that are likely to expand into the area.

Based on additional research using proprietary databases, Dr. Kolzow arrived at the following narrowed list of target industries.

- Biotech and biomedical industries
- Value-added agribusiness
- Information-technology based activity, including software development and Internet-related firms
- Higher wage call centers such as technology support and customer service
- Higher wage back offices and shared services
- Aerospace parts
- Electronic component and electronic equipment manufacturing
- Business services, such as marketing, advertising, management consulting
- Instruments and related products, including medical

It should be noted that this is not an exhaustive list of industries that could possibly be attracted to or expand within the Spokane area. Instead, it represents a list of high growth industries with a high potential for the area. This list was not thoroughly researched, since that was not the intent of the consulting assignment. A thoroughly researched and documented target industry analysis would involve much more time and budget than was allocated for this project.

# ***THE STRATEGIC PLAN***

A strategic plan is more than a list of problems to be solved, weaknesses to be corrected, or opportunities to be pursued. It begins with a realistic vision, or direction, for the future that is widely shared. However, this vision must be translated into more specific goals if it is to be achieved, and into actions to accomplish those goals. These goals and actions are the core of an effective strategic plan.

## ***Our Vision of the Future***

What motivates local leadership and the citizenry to get actively involved in programs to improve their community? Generally, it is a sense of pride in the community -- a belief that conditions could and should improve through both individual and joint effort. This motivation comes from a "shared vision" of the potential of the community. Without vision, leadership tends to be ineffective and residents lack any sense of pride in where they live.

A shared vision for a community such as Spokane is an ideal and unique image of the future. It incorporates a view of a future condition that would be better, in some important ways, than what now exists. It is a dream rooted in reality. The development of a clearly articulated vision provides the concepts necessary to enable people to see the changes that must be made if their dream is to become a reality. Developing a clear vision involves a belief that people can influence their community's destiny by what they do now and into the future.

The leadership of Spokane area has developed a vision. In 1996, 150 community leaders met early in the year and reached a consensus on a vision. The following, which is contained in The New Century Plan 2000+, is the vision statement from this effort:

### **By 2015, the region will:**

- Have comprehensive educational opportunities delivered by our educational systems, families, and communities who are jointly accountable for globally competitive standards of learning for all.
- Have an improving and sustainable quality of life where all peoples can flourish.
- Be an internationally competitive region that aggressively advocates business development and investment that raises our employee compensation levels and lowers the region's poverty rates.

- Have local governments that are responsive, efficient, cost-effective, and that have regional perspective.
- Have civic leadership that provides a proactive approach to foster a partnership of business, government, and citizens that creates a world-class community in the 21<sup>st</sup> century.

From an economic development perspective, it is the opinion of the consultant that the elements of the preceding vision that are particularly relevant include the following:

- ❑ An internationally competitive region
- ❑ Aggressive advocacy of business development and investment
- ❑ Raising employee compensation levels
- ❑ Lowering the region's poverty rates
- ❑ Partnership of business, government, and citizens
- ❑ An improving and sustainable quality of life

This vision statement, like any vision statement, is not written in stone. Ongoing input from the citizens and leaders of Spokane is likely to bring about some alteration of the statement over time. And, as the area changes and as circumstances change, this statement needs to be reviewed and modified to reflect more current views.

This vision is reflected in the goals and priorities of action of the strategic plan. The vision supplies the general sense of direction for the Spokane area; the goals and strategic actions provide the specifics on how to get there, particularly with respect to sustainable economic development.

## ***The Mission of the Strategic Plan***

The **Vision** sets the direction for the community and its organizations. The **Mission Statement** clarifies the purpose of the strategic planning process for the Region. It demonstrates the key values inherent in the people of the community and their leaders.

## **MISSION STATEMENT FOR THE SPOKANE AREA'S SUSTAINABLE ECONOMIC DEVELOPMENT STRATEGIC PLAN**

*The Spokane area strategic plan will provide a basis for actions designed to stimulate a sustainable, diversified, and vibrant economy while preserving the values inherent in the community. This ongoing process should focus on economic development issues and opportunities prioritized by the community. The result will be an improved local business climate that fosters private business investment leading to an increased tax base and a sustained improvement in the standard of living and quality of life for all residents.*

### ***The Action Planning Process***

Ideally, the development goals for a community like Spokane should reflect its vision statement. The vision statement, however, is much more encompassing than the set of goals. A goal is a more specific statement of what the area would like to be or achieve. Goals should be focussed on the priority issues impacting the development of the community.

The goals in this strategic plan were developed by the consultant based on the various priorities emanating from the various plans and processes that had been previously completed. The process of developing strategies to accomplish these goals involved a problem-solving approach to clarify the identified problems, determine their causes, and devise strategies to remove or remedy these causes. The goals and strategic actions that follow constitute the heart of the strategic plan. It should be noted that they are not in any order of priority.

**Goal 1:** The Spokane area's urban planning, zoning, and permitting processes as created and administered by local government facilitates sustained and positive development.

**Strategic Action 1:** The Planning Departments of the City of Spokane and Spokane County will ensure participation by all impacted entities to review, modify, and streamline the permitting process wherever possible (e.g., by eliminating and combining steps).

**Strategic Action 2:** The Planning Departments will restructure some processes to provide for communication among parties earlier in the process and will establish maximum time limits for processing planning and zoning requests.

**Strategic Action 3:** The Planning Departments will create more effective education/informational tools (checklists, guides, etc.).

**Strategic Action 4:** The Planning Departments will strengthen communication between the City/County and the private sector through such means as Development Forums.

**Strategic Action 5:** The Planning Departments will use the latest and most appropriate computer technology where practical to improve the development process for both local government and business. Efforts should be made to partner with local firms or organizations that may already have this technology in place.

**Strategic Action 6:** A technical committee comprised of local planners and developers will review "smart growth" concepts as related to the requirements of the Growth Management Act, and will make recommendations to their application in local planning and zoning.

**Goal 2:** The amount of land available for new high-quality business and industry parks within the Region will meet business needs into the future.

**Strategic Action 1:** Current zoning ordinances should be strengthened to preserve and maintain selected existing areas of the Region that currently allow for light manufacturing.

**Strategic Action 2:** Key sites should be selected within the Region by the Spokane Area Economic Development Council (SAEDC) that are suitable for development or redevelopment as light manufacturing sites or office/technology parks, and these sites should be zoned exclusively for that purpose.

**Strategic Action 3:** Zoning in Spokane County should permit appropriate light assembly and high tech manufacturing uses in business parks.

**Strategic Action 4:** Private business and technology park developments should be supported and assisted by SAEDC, Spokane County Government, and the appropriate higher education institutions.

**Strategic Action 5:** SAEDC should investigate and recommend an appropriate set of incentives that would encourage the private development of one or more "high tech parks." This investigation should be focused on similar developments in other metropolitan areas.

**Goal 3:** The institutions of higher education and training in the Spokane area will meet the skill needs of the businesses and industries in the community.

**Strategic Action 1:** Improve private sector knowledge about programs available at local institutions by linking these institutions to Web pages in the area.

**Strategic Action 2:** Improve private sector knowledge about programs available at local institutions through the collaboration of these institutions to centralize information and materials in an accessible location. These materials should describe academic and training programs, special interests, research opportunities, grant writing opportunities, student/faculty skills inventory, etc.

**Strategic Action 3:** Establish a clear contact person at each appropriate local educational institution to coordinate the need for information and to handle inquiries as related to workforce and work place development.

**Strategic Action 4:** These higher education contact people should develop a program to connect employee recruitment with graduates of appropriate instructional programs.

**Strategic Action 5:** The Workforce Education Development Council, the Training and Education Coordinating Center, INTEC, the Workforce Investment Board, the colleges and universities, local employers, and other appropriate local support agencies will join to form a new organization whose primary purpose is to identify and address workforce issues. This will be a regional effort.

**Strategic Action 6:** This new organization will educate and encourage local companies to pay tuition reimbursement for their employees.

**Strategic Action 7:** This new organization will conduct a *skills* inventory of the institution's graduates and of the local workforce. It will work with the Community Colleges of Spokane, the Private Industry Council, and local employers to document the availability of skilled workers in the Spokane area, including such part-time possibilities as retirees and will develop a

promotional piece that highlights the positive results of this labor force research.

**Strategic Action 8:** This new organization will also conduct an assessment of the workforce skills required in local businesses and industries to determine their needs for expanded education and training, particularly with respect to advanced technology occupations. (Completed in the West Plains)

**Strategic Action 9:** This new organization will set up focus groups between business/industry and education to explore ways of improving the delivery system.

**Strategic Action 10:** The appropriate local education institutions will expand their enrollment of appropriate programs to meet workplace needs. These programs may include strengthening or creating more awareness of programs in information technology, engineering, health sciences, software development, and professional services, all of which have been identified as important to the future growth of the Spokane area.

**Strategic Action 11:** The local higher education institutions will collaborate so that their collective resources can be reorganized and re-packaged to respond, in a timely manner, to the education and training needs of the workplace. This may include the establishing of graduate programs in technology-oriented programs such as PhDs.

**Strategic Action 12:** A “think tank” of active and retired CEOs should be developed to explore ways to improve education and training to meet workplace needs.

**Strategic Action 13:** State and local elected officials should be informed and lobbied so that the issues and needs of local higher education institutions will be addressed by the State Legislature in a timely and fair appropriations process.

**Strategic Action 14:** Work aggressively as institutions to speed up the process (“fast track”) for new degrees and instructional programs that respond to workplace needs.

**Strategic Action 15:** Establish a formal collaborative partnership or consortium of all area institutions to address the problems identified above, to serve as a clearinghouse and point of contact for information and activities, and to implement the proposed plan of action. The Consortium would be organized around a physical space and staff for coordination of activity development and implementation. This could be accomplished within the framework of the new workforce development organization defined previously.

**Strategic Action 16:** Establish a center for economic analysis and public policy that is comprised of a consortium of the higher education institutions of the Spokane area. It should be privately funded, and should assist in creating a strong positive business image for the region.

**Goal 4:** The local workforce will have the basic education, life skills, and technical skills to meet the demands of Spokane area's workplace in the future.

**Strategic Action 1:** The Workforce Education Development Council, the Training and Education Coordinating Center, INTEC, the Workforce Investment Board, the colleges and universities, local employers, and other appropriate local support agencies will support the forming of a new organization whose primary purpose is to identify and address workforce issues. This will be a regional effort.

**Strategic Action 2:** Community projects will be developed, expanded, and/or aggressively supported by this organization that will enhance the educational process, particularly as it relates to the workplace (e.g., School-to-Work, job shadowing, mentoring). This will involve coordination of these programs with the local school districts.

**Strategic Action 3:** Workers should be recruited through local firms to enroll in appropriate education and training programs being developed locally.

- Strategic Action 4:** SAEDC should market aggressively to attract higher paying businesses and industries to the community that will make use of the skilled workers.
- Strategic Action 5:** The Inland Northwest Technology Education Center (INTEC) should be supported by the business community, SAEDC, the two Chambers of Commerce, local government, and the Spokane area colleges and universities as the primary organization for the developing of educational and training services for high technology industries.
- Strategic Action 6:** The CEO Diversity Group, working with AHANA, will share among companies those “best practices” that are leading to successful recruitment and retention of a diversified workforce.
- Strategic Action 7:** The CEO Diversity Group, working with AHANA, will create a recruitment support and referral network among local employers with ethnic communities and groups.
- Strategic Action 8:** The CEO Diversity Group, working with AHANA, will develop a cultural diversity and multi-cultural relations training series for employers.
- Strategic Action 9:** The Regional Chamber of Commerce will create a welcoming program aimed especially at minorities with technical skills to assist them in relocating to and assimilating into the Spokane community.
- Strategic Action 10:** The CEO Diversity Group, working through the Regional Chamber of Commerce, will develop a “trailing partner” employment referral network to enhance recruitment and retention.
- Strategic Action 11:** Continue and expand such programs as The Job Connection Partnership, Skill Gap Training, and On-The-Job College.
- Strategic Action 12:** The new workforce development organization will work toward the obtaining of additional funds for a workforce development training pool to support the customized job training requirements of expanding employers and, particularly, businesses relocating to the region.

**Goal 5:** The Spokane area will be recognized nationally and internationally for its excellent business environment.

**Strategic Action 1:** SAEDC and the Regional Chamber of Commerce will work with Kootenai County to have the federal government merge the two counties into the Spokane/Coeur d'Alene Metropolitan Area to gain the benefits accrued to a larger metropolitan area and to create a more recognizable region.

**Strategic Action 2:** Bring top management of the Washington State Office of Trade and Economic Development to meet with the SAEDC and its Board to discuss how the Spokane area could achieve a more visible status in the State's marketing effort.

**Strategic Action 3:** SAEDC should meet with key staff of the Washington State Office of Trade & Economic Development on at least a quarterly basis to discuss prospect activity.

**Strategic Action 4:** SAEDC should send a quarterly newsletter to the key prospect managers at the Washington State Office of Trade & Economic Development to inform them of recent developments in the Spokane area.

**Strategic Action 5:** Create a Marketing Committee for SAEDC that includes local media and industry public relations individuals that will assist in the formulation of innovative marketing strategies.

**Strategic Action 6:** SAEDC should develop ongoing relationships with local media through inclusion with the entire economic development process, specifically identifying which issues and information are confidential and which are public.

**Strategic Action 7:** SAEDC should solicit testimonial type letters from local employers that can be shared with corporate executives and site consultants outside the community.

**Strategic Action 8:** SAEDC will hire an national public relations firm to identify the appropriate image for the region and to conduct an aggressive and effective public relations campaign to raise the awareness of the Spokane area as a good business location. This campaign should be conducted locally as well as nationally.

**Strategic Action 9:** SAEDC should conduct a public relations campaign in California, the Midwest, and the Northeast that is geared to informing corporate executives of the quality of the working and living environment of the area, focusing particularly on the target industries.

**Strategic Action 10:** SAEDC should conduct a training session for local manufacturing firm management to help them to become more effective lead generators for the Spokane area (suppliers, vendors, customers, colleagues).

**Strategic Action 11:** SAEDC, in conjunction with the various tourism organizations, should develop and use a "high profile" local festival or event to attract business visitors and attention to the Spokane area.

**Strategic Action 12:** SAEDC will develop a "site consultants tour" that will bring leading consultants to the area for the purpose of becoming more familiar with the potential of the Spokane area and to give them a memorable and enjoyable experience.

**Strategic Action 13:** SAEDC will spearhead an effort, working with the two Chambers of Commerce, to create a more favorable business climate in the Spokane area, including the establishment of a Port District, the availability of tax increment financing, and investigation into other tax and financial incentives that could be made available.

**Strategic Action 14:** SAEDC will continue to work closely with the marketing efforts of the Coeur d'Alene area to create a positive business image for the region as a whole. Efforts should be made to explore the possibility of creating a regional marketing organization that encompasses SAEDC and Jobs Plus for regional promotion activities.

**Strategic Action 15:** The presidents of the higher education institutions in the Spokane area will provide key leadership in getting the private sector leadership to work cooperatively and collaboratively to agree on and facilitate the implementation of the economic development strategic plan.

**Goal 6:** *The Spokane area will attract new business and industry through an aggressive targeted marketing campaign.*

**Strategic Action 1:** SAEDC will target and market to specific industries that meet the unique locational characteristics of Spokane area and that will increase the average wage level of the workforce.

**Strategic Action 2:** SAEDC will identify specific high-growth and high-potential firms in the targeted industries for the purpose of establishing effective and sustained contact.

**Strategic Action 3:** SAEDC will undertake extensive research on the target industries and potential cluster possibilities. This research will include input from local firms in those industries and from the appropriate departments of the area's higher education institutions.

**Strategic Action 4:** SAEDC will take a systematic approach to networking with such agencies as: Washington State Office of Trade & Economic Development, Avista, real estate brokers, site location consultants, and others as appropriate.

**Strategic Action 5:** SAEDC will identify and market to potential back office and call center prospects whose operations pay wages of at least \$12 per hour, plus benefits. The focus should be on companies of over 1,000 employees in the Midwest, California, and the Pacific Northwest that have strong needs for customer support, technical support, data processing, or client relations. Examples include software and computer companies, large manufacturing operations, large financial institutions, large insurance companies, etc.

**Strategic Action 6:** SAEDC will visit back office and call center location consultants in Chicago, California, and the Seattle area to increase their awareness of the back office potential of the Spokane area.

**Strategic Action 7:** SAEDC will work with real estate brokers to conduct an exhaustive inventory of available industrial and commercial buildings in the Spokane area to be used for marketing

purposes. Certain larger retail buildings might be suitable for call center operations. Essential information includes: square footage and configuration, site size, parking, utility service (including telecommunications), transportation access, ownership, current and past uses, photographs, site plans, and contact names and phone numbers.

**Goal 7:** *Existing business and industry in the Spokane area will flourish in the supportive local business climate.*

**Strategic Action 1:** SAEDC should strengthen its existing business outreach so that it can be more effective in bringing prospects to local employers for interviews, in addressing regional issues, in developing recruitment leads from local employers, in identifying “cluster” opportunities, etc. An experienced staff person should be hired for this purpose. SAEDC should also coordinate its existing industry (retention and expansion) program with that of the Chamber of Commerce.

**Strategic Action 2:** SAEDC and the two Chambers of Commerce together should sponsor a workshop to focus on improving the level of contact and understanding between political leaders, business leaders, and the media, which would be intended to lead to more frequent positive news about the area and its economy. This would also provide an opportunity to educate elected local government officials and the media about business needs and the reality of economic development in the emerging New Economy.

**Strategic Action 3:** SAEDC and the two Chambers of Commerce should prepare regular information for the appropriate media highlighting the activity of local firms and local business retention/expansion programs, as well as new business and industry moving into the area.

**Strategic Action 4:** The two Chambers of Commerce will work with Washington Manufacturing Services to arrange for a series of workshops for local firms on such productivity-enhancing programs “lean and agile manufacturing” and “supply chain management.”

- Strategic Action 5:** SAEDC should develop a strategy for informing the citizens of the Spokane area on the need for supporting the acquisition and develop of attractive and suitable industrial parks/sites in the County.
- Strategic Action 6:** SAEDC should publish a quarterly newsletter reporting on local economic development activity, and prepare monthly reports of economic indicators for public release. This should be sent to selected industrial prospects, local firms, and local community leaders.
- Strategic Action 7:** SAEDC and the two Chambers of Commerce together should hold meetings with appropriate officials and staff at the Community Colleges of Spokane and the four-year colleges and universities to further develop programs that will improve the value of these institutions to the local business community and will assist in the attraction of new business and industry into the area.
- Strategic Action 8:** SAEDC and the Regional Chamber of Commerce together should perform regular "visit to industry" days for local political leaders in an effort to expand their awareness and support of the local economy.
- Strategic Action 9:** Appropriate staff from the Regional Chamber of Commerce and SAEDC should call on local employers in joint teams to ascertain local business needs and problems and to inform firms of the assistance available to them locally and at the state level.
- Strategic Action 10:** The Job Shop Directory of the Regional Chamber of Commerce should be expanded to include suppliers, vendors, and parts manufacturers to assist their members in increasing their purchases locally and to aid SAEDC in the recruitment of new firms to the Spokane area.
- Strategic Action 11:** The two Chambers of Commerce should create an "ombudsman" position within their organization to provide a clear and sustained contact for local business and industry regarding business operation issues.

**Strategic Action 12:** SAEDC should implement “retention missions” to the corporate headquarters of those firms proposing or announcing the purchase of or merger with a strategic local business.

**Goal 8:** *Advanced technology firms will be recruited to or startup and flourish in the Spokane area, which will lead to the attraction of other firms to the community that pay higher than average wages.*

**Strategic Action 1:** SAEDC, working closely with the higher education institutions, the Biotech Association of the Spokane Region (BASR), the Heart Institute, SIRTl, local technology firms, and other appropriate entities should raise funds for and organize a Center for Emerging Technologies. This Center would serve as a catalyst for stimulating technology development in the Spokane area and would coordinate existing related efforts. This Center should be distinguished from INTEC, which is focused on technology training.

**Strategic Action 2:** SAEDC should create a full-time professional position whose charter is the development and attraction of advanced technology operations into the metropolitan area. The individual hired for this position should be able to interface effectively between higher education and the technology community. This individual could also serve as the manager/coordinator of the Center for Emerging Technologies.

**Strategic Action 3:** SAEDC and the Center for Emerging Technologies should support and facilitate as appropriate the efforts of the Biotech Association of the Spokane Region (BASR), the Heart Institute, and other technology-based organizations.

**Strategic Action 4:** The Center for Emerging Technologies should work with BASR, the Heart Institute, other technology-based organizations, and the local K-12 school systems to provide students with teaching aids to encourage careers in technology-related fields such as information technology, biotechnology, and biomedicine.

- Strategic Action 5:** The Center for Emerging Technologies should work with BASR, the Heart Institute, local banks, local technology venture capital firms, and other potential financing sources to create a limited partnership for the purpose of developing funding/financing for advance technology startups.
- Strategic Action 6:** SAEDC should sponsor and participate in the Bio-Breakfast meetings of BASR.
- Strategic Action 7:** The technology director for SAEDC should meet regularly with BASR, Joanna Ellington (the new biotech position) at WSU/Spokane, and appropriate faculty from other higher education institutions to determine strategies for stimulating biotech start-up companies in the Spokane area.
- Strategic Action 8:** SAEDC will take the lead in designing and implementing a promotion effort that, in cooperation with the Regional Chamber of Commerce, will succeed in recruiting workers with high tech skills into the Spokane area.
- Strategic Action 9:** SAEDC and the Chambers of Commerce should work together to create “clusters” or formal networks of technology-driven businesses and industries similar to that of BASR and TechNet with the intent of stimulating interaction, research and development, joint marketing, trade show attendance, and procurement efficiencies. This should be accomplished through the Center for Emerging Technologies.
- Strategic Action 10:** The Center for Emerging Technologies, in combination with higher education institutions of the Spokane area and appropriate local business associations, will develop “symposiums” and invite targeted firms for specialized educational events.
- Strategic Action 11:** The higher education institutions of the Spokane area will create a print and electronic publication that highlights the technology resources available to companies in the region.
- Strategic Action 12:** The higher education institutions of the Spokane area should work with local technology-using companies to create internships/apprenticeships for students.

**Strategic Action 13:** The business leadership of the City/County should clarify and strengthen the role of SIRTI as a business incubator and technology-sharing effort to further encourage small business development and entrepreneurship. This may involve a reorganization of SIRTI so that it has a clearer relationship with all the local institutions of higher education.

**Strategic Action 14:** The Center for Emerging Technologies will work with local financial institutions, federal and state grants, private companies, and other potential sources of funding to develop a venture capital pool, similar to that of Biogenetic Ventures, for local start-up companies that are engaged in a variety of technology ventures.

**Strategic Action 15:** The Center for Emerging Technologies will work with local hospitals and higher education institutions to develop a health sciences consortium, which would consolidate or coordinate existing educational opportunities and facilitate the expansion into additional specializations.

**Strategic Action 16:** The Center for Emerging Technologies will work with the Heart Institute to create a stronger business representation on its Board, increased funding for its operation, and a stronger research and development capacity.

**Strategic Action 17:** Private business and technology park developments should be supported and assisted by SAEDC, Spokane County Government, and the appropriate higher education institutions.

**Strategic Action 18:** The Center for Emerging Technologies should assist in creating a “virtual” research university in the Spokane/Coeur d’Alene area that connects via high capacity fiber optic lines all of the higher education institutions and their various research and technical activities.

**Strategic Action 19:** The Center for Emerging Technologies should work with BASR, the Washington Biotechnology Foundation, and the Washington Biotechnology & Biomedical Association to take full advantage of the various state programs available to the K-12 schools, such as the BIO Teacher Program and the Biology Equipment Loan Program.

**Goal 9:** *The Spokane area will have a diversity of small businesses and industries, an increased percentage of which will be minority-owned and operated.*

**Strategic Action 1:** The mission and activity of AHANA will be supported by the two Chambers of Commerce, SAEDC, local government, and the broader business community to encourage the development of minority owned and/or operated businesses.

**Strategic Action 2:** Local banks and other financing entities will create a micro-lending program administered by AHANA.

## ***Where Do We Go From Here?***

The strategic planning process for the economic development of the Spokane area is not complete with this document. It has only begun. Strategic planning is like “a race with no finish line.” As the various economic development organizations within the region and other organizations begin to flesh out the strategic actions and attempt to implement them, it will become clear that modifications and adjustments will be necessary. And, because strategic planning is a long-term process, some of the strategic actions will take a number of years to complete.

The ultimate success of this planning process will depend on how well the appropriate organizations manage the implementation of the various strategic actions. The plan by itself is worthless. Its value lies in the directions it provides to local agencies and organizations, and the reminders it gives as to the priorities for accomplishing and sustaining future economic health in the Spokane area.

It is critical, therefore, that a steering committee or executive committee such as the Mayor’s Commission for Economic Development set up a process whereby the plan can be and will be systematically and periodically reviewed and evaluated. If the implementation of the strategic actions is not resulting in the desired changes in the community, why not? What needs to be done differently? What is a more effective approach?

It is recommended by the consultant that the following steps be taken to facilitate the implementation of this strategic plan:

- Establish the Mayor’s Commission for Economic Development as the steering committee for the implementation of this strategic plan. Expand this committee to include key leaders who can represent primary concerns or interests not currently present. This committee will have the task of monitoring, coordinating, revisiting, and modifying as necessary the Strategic Actions, obtaining input from the implementing organizations. Reports on implementation activity should be submitted to the committee on a quarterly basis.
- The Steering Committee will be charged with the responsibility to annually evaluate the progress of the implementation of the plan and make a report to local government and to the Boards of the implementing organizations on their findings.

- SAEDC should receive an increase in its annual funding to approximately \$1 million. For the size population of Spokane County, this would put it on a par with other economic development marketing organizations that are aggressively promoting their regions. (A separate study by this consultant determined that the median funding level was around \$2.50 per resident of the area served) This funding should be provided directly from both public and private sector sources and not through any intermediate organization. Accountability of SAEDC should be primarily to its Board and funding sources, and not to another agency.
- SAEDC should be the only organization in the Spokane area that is directly recruiting companies from outside the region. External promotion for business recruitment purposes should be their primary responsibility. The nature of this promotional activity should be clearly defined in a written marketing plan developed by SAEDC staff and approved by the SAEDC Board. The recommendations for marketing and recruiting contained in this strategic plan should be reflected to some extent in that marketing plan.
- SAEDC should develop a staff position for working with existing employers. This should not be considered a formal “business retention/expansion” program. Instead, it should be focused on strengthening its outreach to existing businesses and industries so that it can be more effective in bringing prospects to local employers for interviews, in addressing regional issues, in developing recruitment leads from local employers, in identifying “cluster” opportunities, etc.
- The Regional Chamber of Commerce should have the primary responsibility for the formal business retention/expansion program. However, visits to local firms should include the appropriate staff person from SAEDC for the reasons previously listed.
- SAEDC should create a full-time professional position whose charter is the development and attraction of advanced technology operations into the metropolitan area. The individual hired for this position should be able to interface effectively between higher education and the technology community. This individual could also serve as the manager/coordinator of the proposed Center for Emerging Technologies.
- A Center for Emerging Technologies should be developed with the mission of fostering the attraction and development of emerging

technology industries. This is distinct from the mission of INTEC, which is focused on training. SAEDC, working closely with the higher education institutions, the Biotech Association of the Spokane Region (BASR), the Heart Institute, SIRTI, local technology firms, and other appropriate entities should raise funds for and organize this Center. It would serve as a catalyst for stimulating technology development in the Spokane area and would coordinate existing and future related efforts.

- The Workforce Education Development Council, the Training and Education Coordinating Center, INTEC, the Workforce Investment Board, the colleges and universities, local employers, and other appropriate local support agencies should consider supporting a new organization whose primary purpose is to identify, coordinate, and address workforce issues. This would be a regional effort. This new workforce development organization would work toward the obtaining of additional funds for a workforce development training pool to support the customized job training requirements of expanding employers and, particularly, businesses relocating to the region.

This strategic plan doesn't cover every aspect of the economy of the Spokane area. Although important to the area, tourism, convention and meeting activity, and downtown development are not dealt with in this plan. The focus instead is on the attraction and expansion of those businesses and industries that would significantly raise the local standard of living. Particular attention is paid to technology-based operations that are high growth and whose operating requirements would match the locational advantages of the Spokane area.

The Spokane area has a lot to offer for new business and industry. It has an excellent quality of life, excellent health care facilities, a cluster of higher education institutions, an attractive downtown, good telecommunications and transportation, and a base of existing technology-using industries. It is not difficult to envision a Spokane area that attracts and grows the types of "New Economy" operations that will lead to a healthy and sustained economy. This will not happen by chance, however.

The successful achievement of the goals and strategies of this plan will take a concerted effort by local organizations and the support of local leadership. It is very easy to slip back into "business as usual," as the urgencies of daily concerns divert attention away from the longer term issues that will determine the destiny of the Spokane area. The evaluation of the progress of the strategic plan should be focussed on accomplishing or initiating the strategic actions over the course of the first 12 months. In the following two to five or so years, performance

measures should be developed by the Steering Committee to determine if these actions are bringing about the results desired by the citizenry and leadership of the community.

Along that same line, it is important to note that the ultimate success of these key organizational changes and of the strategic plan as a whole is less dependent on the technical aspects of the recommendations than it is on the *support and cooperation of the community leadership*. The problems historically and currently among the private sector leadership and among the city's elected officials appear to be a major impediment to local economic development. These problems are not likely to be resolved merely by the publication of a strategic plan. However, when local leadership discovers the "dreams of possibility" that it shares, they are capable of creating a wonderful and vibrant community. Therefore, if the public and private sector leaders can agree to work together for the greater good of the community, this strategic plan can serve as an effective "path forward."