

Benton-Franklin Council of Governments

2019

Comprehensive Economic Development Strategy Update

(CEDS)

This document was prepared by the Benton-Franklin Economic Development District (BFEDD) and CEDS Committee

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BENTON-FRANKLIN COUNCIL OF GOVERNMENTS

RESOLUTION 09-19

ADOPTING THE 2019 BENTON-FRANKLIN COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDS) ANNUAL UPDATE

WHEREAS, the Benton-Franklin Economic Development District is the duly constituted and recognized Economic Planning Organization for the Richland-Kennewick-Pasco Metropolitan Area (Benton and Franklin Counties); AND

WHEREAS, the support and assistance of the EDA is essential to facilitate improvements in the economic circumstances of this Metropolitan Area; AND

WHEREAS, the Benton-Franklin Economic Development District has developed a 2019 Comprehensive Economic Development Strategy Annual Update, pursuant to the Economic Development Administration's Comprehensive Economic Development Strategy Update Guidelines; AND

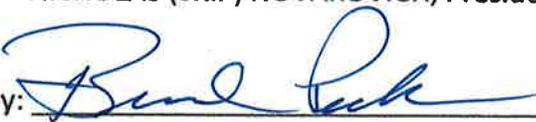
WHEREAS, the Benton-Franklin Economic Development District met, reviewed and considered the economic development issues pertinent to the metropolitan area and the 2019 Benton-Franklin Comprehensive Economic Development Strategy and recommend approval; NOW THEREFOR

BE IT RESOLVED that the Benton-Franklin Economic Development District has formally adopted the 2019 Benton-Franklin Comprehensive Economic Development Strategy Annual Update to the Comprehensive Economic Development Strategy; AND

BE IT FURTHER RESOLVED that the 2019 Benton-Franklin Comprehensive Economic Development Strategy Annual Update be attached to this resolution and by reference be made part thereof.

ADOPTED by the Benton Franklin Council of Governments Board by affirmative vote at the regular scheduled Board meeting held on the 20th day of September 2019.

By: ; and
NICHOLAS (SKIP) NOVAKOVICH, President

By: 
BRAD PECK, Vice President

CEDS Committee Strategic Vision

The participants of the Benton Franklin Economic Development District will strive to:

- *Encourage healthy growth of a resilient and diverse economy by providing family wage jobs through new business attraction and retention and development of the infrastructure necessary to encourage and achieve this;*
- *Nurture a thriving environment for entrepreneurial business creation through greater collaboration, innovation, and access to capital;*
- *Support and protect the current industry clusters and their related natural and financial resources; and*
- *Expand educational and training opportunities and community amenities to attract, uplift, and retain families and youth.*



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This document can be viewed online at <http://bfcog.us/community-development/community-economic-development-strategy-ceds/> . For copies, questions, or comments please contact the Benton-Franklin Council of Governments at (509) 943-9185.



Preface

The Comprehensive Economic Development Strategy (CEDS) is a local planning process designed to create employment opportunities, improve local conditions, foster more stable and diversified local economies, and provide a mechanism for guiding and coordinating the efforts of local organizations and individuals concerned with the economic development of this area.

The publication is a requirement of the U.S. Economic Development Administration (EDA). Pursuant to 13 C.F.R §303.7 the EDA requires this document be prepared and approval of this document by EDA is one the prerequisites for the official designation of the area as a re-development area. This designation is, in some cases, a necessary step for funding of public works and business development projects.



SECTION I – THE AREA AND ITS ECONOMY

GEOGRAPHIC CHARACTERISTICS

The Counties of Benton and Franklin which make up the Benton-Franklin Economic Development District (BFEDD) are located in the South Central portion of the State of Washington. Benton and Franklin Counties combined occupy a total of 2975 square miles. Benton County covers 1,772 square miles and ranks 22nd. Its county seat is at Prosser. Franklin County covers 1,244 square miles and ranks 27th. Its county seat is Pasco.

Benton and Franklin Counties are located east of the Cascade Range of mountains and average six to ten inches of rainfall per year, with 280 days of sunshine per year, an attractive feature of the region. The region is void of most natural disaster risks associated with other areas of the country. The terrain is generally basin and bottomland interspersed with upland plateaus with elevations of 300 to 3,000 feet above sea level.

Three major rivers dominate the geography of the region: the Columbia, Snake and Yakima. The cities of Kennewick, Richland and Pasco are located on the banks of Lake Wallula, created after the construction of the McNary Dam, at the confluence of these three rivers. The bi-county area has excellent air quality, with the exception of ozone, which has recently become a potential threat and is being monitored. Otherwise the area is meeting all national air quality standards for the six major air pollutants of national concern.

DEMOGRAPHIC CHARACTERISTICS

The 2019 Comprehensive Economic Development Strategy Annual Update (CEDS Update) includes statistical information from the Employment Security Department, the Benton-Franklin Trends website, as well as various project and regional updates provided by municipal, port and other agency staff that play an integral role in the region's economic development efforts. Much of this information is based off of the Census 2010, 2013 ACS 5-year Estimate. The next Census is scheduled for 2020.

Local population growth continues to drive demand for more educational services as well as healthcare. The improving trends seen overall in the education and healthcare industries can largely be attributed to the national, state and local budget cuts and re-allocations. BFEDD has recently seen many new education and health care projects between 2016 and 2018 with more planned for 2019 and beyond.

Additional demographic information is included in Appendix A that further explains the differences and similarities in the two counties. Benton County is more service and retail



oriented; and Franklin County is more agricultural and industrially oriented; primarily in food processing.

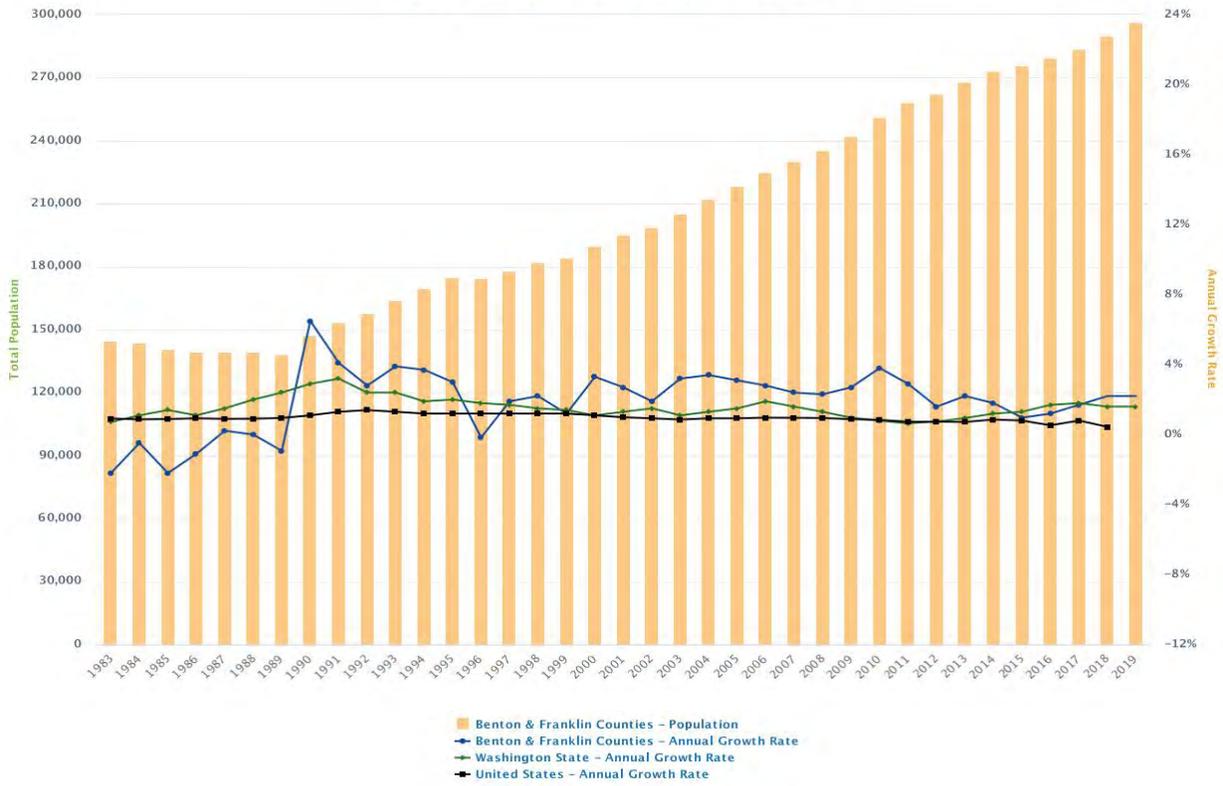
The housing market is stable with growing housing inventories and prices rising due to demand. The following housing statistics were provided by the Tri-City Association of Realtors’ Housing Statistics website at <http://tricityaor.com/housing-statistics/>. As shown below the number of homes sold has seen continued growth, but has been leveling off the last couple of years. It is expected to increase with continued housing starts and developments in the region.

Year	Homes Sold	Increase Over Prior Year	
		Units	%
2018	4423	9	0.20%
2017	4414	-9	-0.20%
2016	4423	270	6.50%
2015	4153	647	18.45%
2014	3506	210	6.37%
2013	3296	394	13.58%

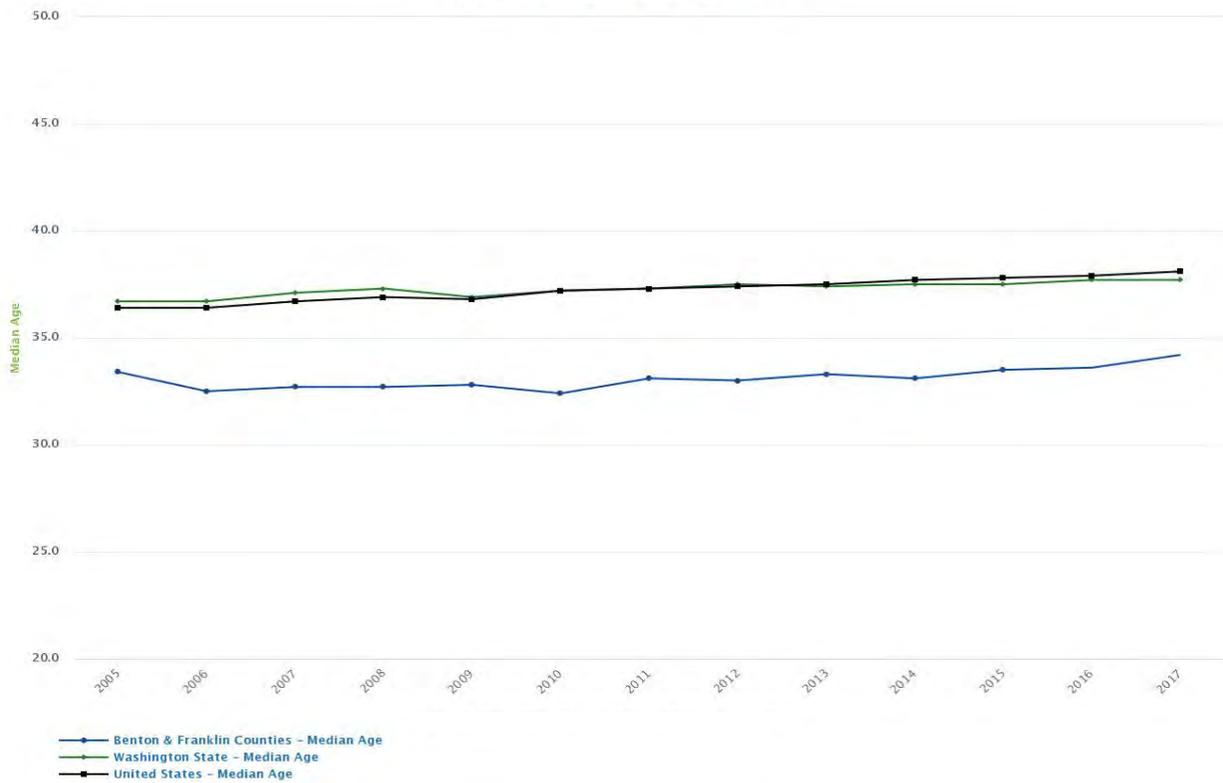
The following graphs include information compiled by Eastern Washington University and Benton-Franklin Trends, which utilizes data from state and local agencies.



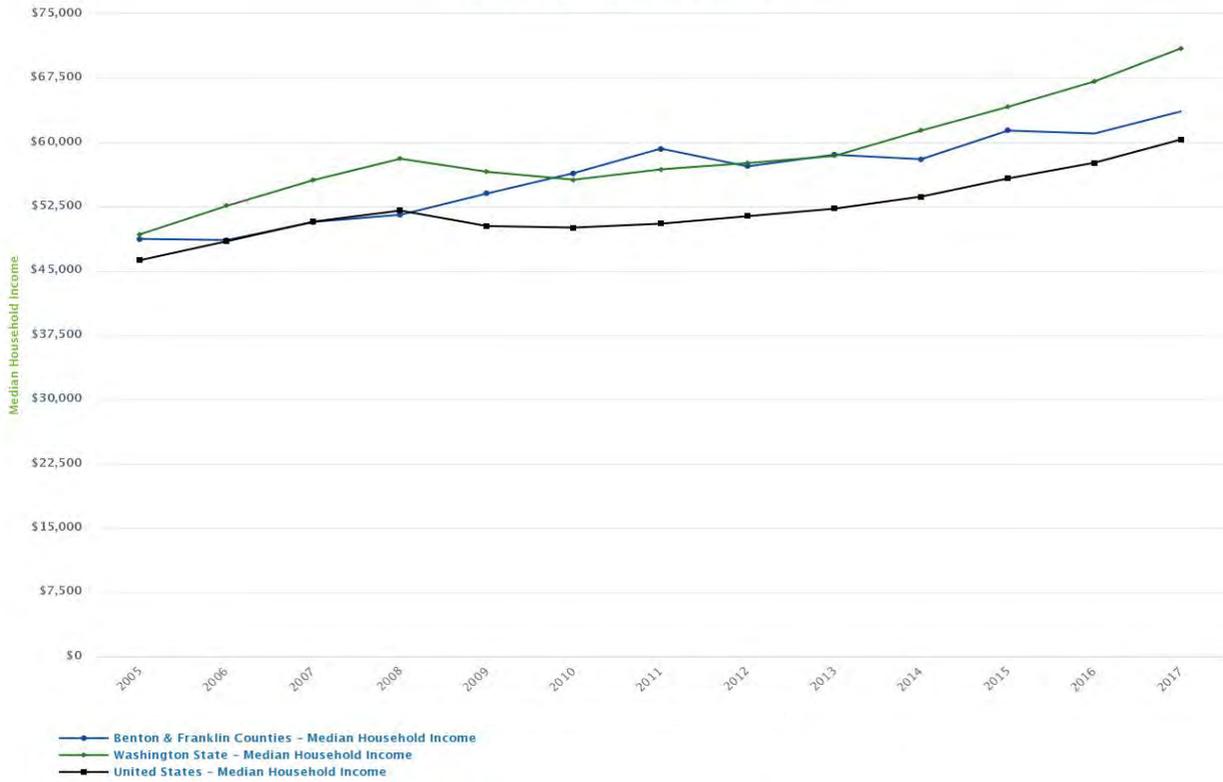
0.1.1 Total Population & Annual Growth Rate



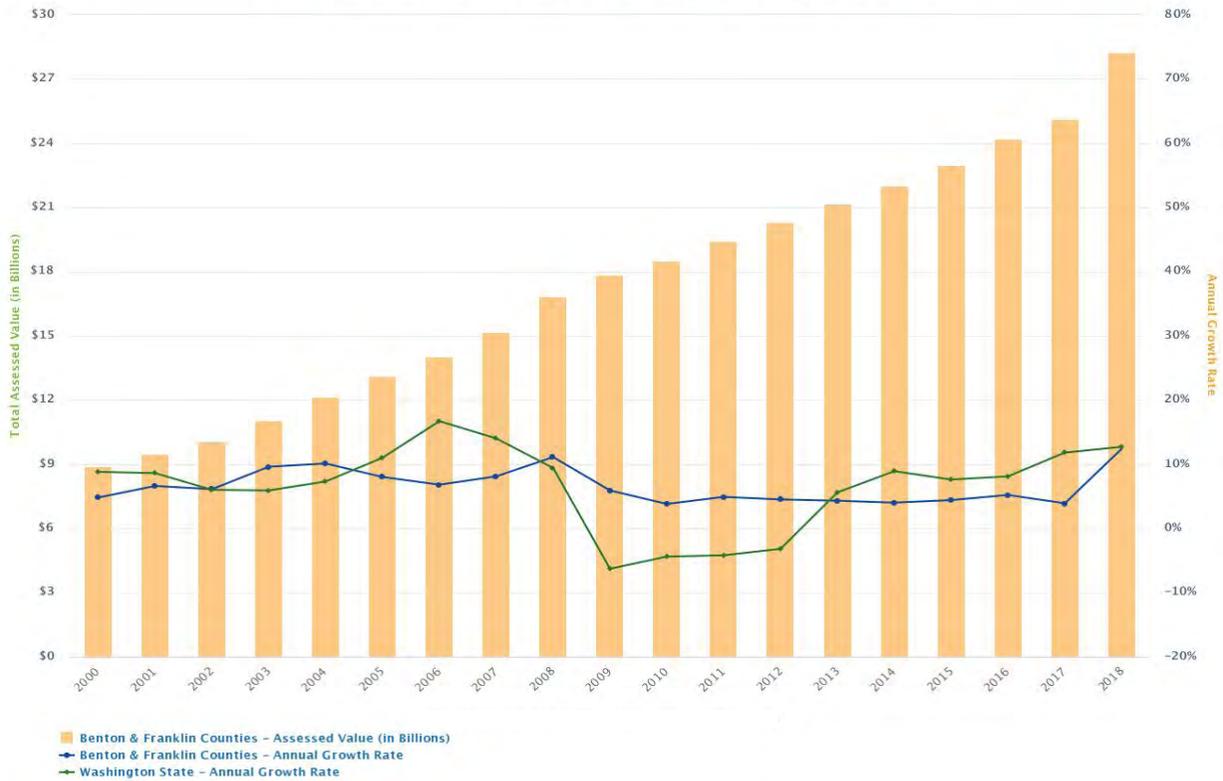
0.1.3 Median Age of the Population



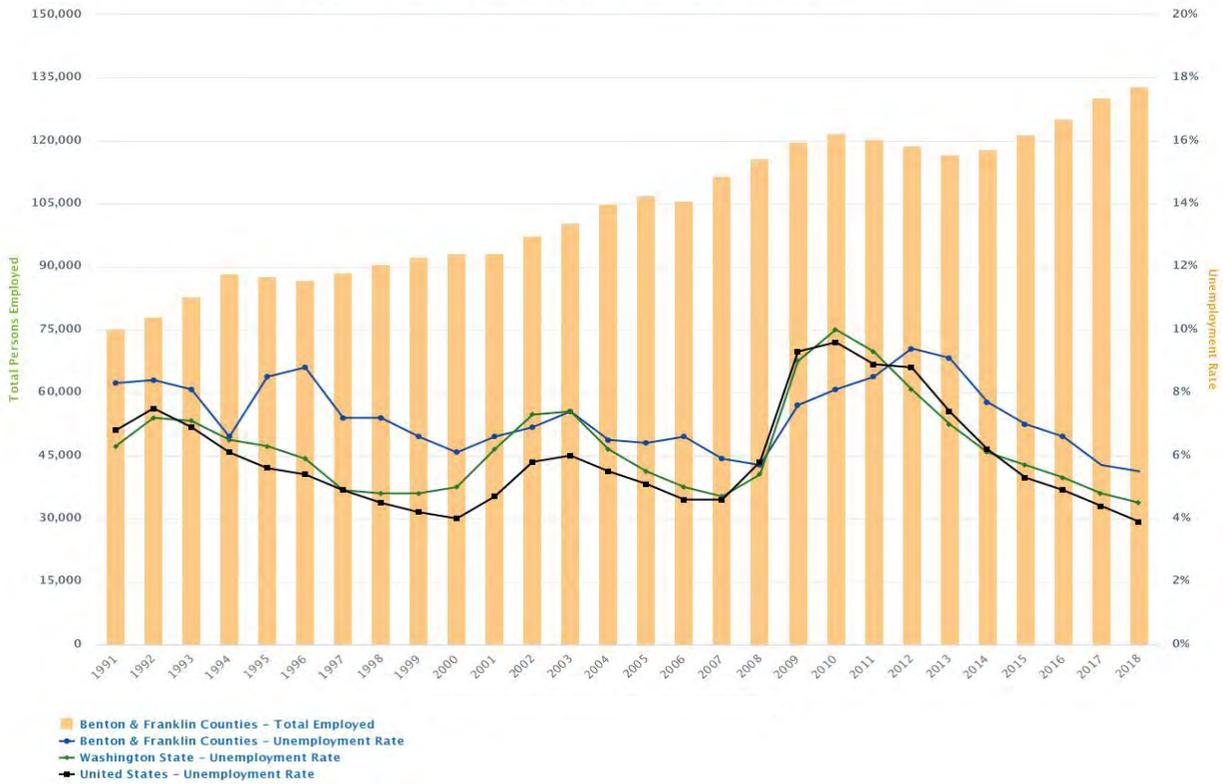
3.1.2 Median Household Income



3.4.1 Assessed Value of Taxable Total Property & Annual Growth Rate



3.3.2 Total Number of Employed Persons & Unemployment Rate



The District has experienced many consecutive months of jobs growth. According to Washington state nonfarm projections, the Tri-Cities (which include both Benton and Franklin Counties) are expected to be the fastest growing area in the state through 2022 at 1.3 percent a year. Manufacturing and construction sectors are expected to have an annual growth at 1.0 percent and 1.4 percent through 2022. In response to growth in manufacturing and agriculture, wholesale trade along with transportation and warehousing industries are expected to expand as well at the rate of 1.1 and 0.7 percent a year, respectively. As the economy stabilizes and moves forward with new markets, new research and development products and technology in manufacturing and wine production are expected to play a big role in the region’s future prosperity.

<https://esd.wa.gov/labormarketinfo/projections>

LABOR FORCE

In July 2019, the Benton County labor force was estimated to be 104,748 up from 94,454 in 2016. The Benton County unemployment rate was 5.2 percent in July of 2019. For Franklin County, in July 2019, the county labor force was estimated at 44,982 up from 39,969 in 2017. Franklin County unemployment rate was at 5.8 percent in July 2019.

<https://esd.wa.gov/labormarketinfo/labor-area-summaries>



INDUSTRY EMPLOYMENT

As employment and income is analyzed for the bi-county Economic Development District (EDD), it becomes readily apparent that there are significant differences between the two counties. Benton County is the home of the Hanford Nuclear Reservation which is in the process of being cleaned up and closed. Hanford and Benton County benefitted from the federal ARRA program. As those program funds were spent and the Hanford budget changes, the local economy feels those ebbs and flows. See additional employment information in Appendix A.

TRANSPORTATION, RESOURCES, ENVIRONMENT

PUBLIC UTILITIES

Each of the cities in the bi-county area provides municipal water and sewage treatment for their communities. Municipal water rates vary from a flat charge or special rate, to established rates based on the volume of water used and the size of the meter installed. The State of Washington Department of Health requires organic and inorganic chemical analysis of all municipal water supplies to be performed periodically to assure compliance with state water standards for municipal systems. Municipal sewer rates are typically a flat or special rate. Each of the cities within the bi-county area monitors their utility's capabilities and press to upgrade water and sewer capacity to serve additional industrial and commercial businesses to help promote economic resiliency. In 2019 the City of Pasco was awarded \$3 million from the Economic Development Administration to enhance process water facilities and their ability to serve industrial users.

PUBLIC SCHOOLS

Seven public school districts and several private and vocational schools serve the nine municipalities and the unincorporated areas of Benton and Franklin Counties. Delta High, the two-county region's first high school based on a science, technology, engineering and mathematics (STEM) curriculum opened in 2009. Rosalind Franklin STEM Elementary opened in 2014 and three additional STEM elementary schools were dedicated in the Tri-Cities in 2015. The Leona Libby STEAM (science, technology, engineering, arts, and mathematics) Middle School opened in Richland in 2016.

Columbia Basin College at Pasco offers associate of arts and science programs, technical and vocational certificates, and limited four year programs. Washington State University, Tri-Cities (WSU-TC) at Richland offers baccalaureate, graduate and professional programs in the arts and sciences. STEM offerings at Columbia Basin College and WSU-TC are the capstones of the local STEM education portfolio.



In late 2012, WSU-TC also received an approximately \$2,060,000 grant from the Economic Development Administration for the WSU Wine Science Center. Today, the Ste. Michelle Wine Estates WSU Wine Science Center is a hub for innovation, education, and collaboration.

The state-of-the-art Wine Science Center was developed in close partnership with the wine industry. This teaching, research, and extension facility is among the most technologically advanced wine research and education facilities of its kind in the world. This is transforming the Washington wine industry with cutting-edge science in the tradition of its forefathers, Dr. Walter Clore and Dr. Charles Nagel.

This 40,000-square-foot facility includes an open atrium with a wine library, research and teaching laboratories and winery, classrooms, and meeting spaces. The \$23 million building features high-tech equipment and is home to faculty and researchers who are educating future wine industry leaders and rolling out research that improves the grape-growing and winemaking process.

HOSPITALS AND CLINICS

Four hospitals serve the two-county area: Kadlec Hospital, Our Lady of Lourdes, TRIOS (formerly Kennewick General Hospital) and Prosser Memorial Hospital. The Tri-Cities Hospitals have been going through transitions recently. There has been significant growth at all of the hospitals and plans have either been completed or are underway to expand services into the underserved rural areas of Benton and Franklin Counties. The Tri-Cities Cancer Center, Tri-Cities Community Health and numerous medical clinics additionally serve the bi-county area.

FIRE PROTECTION

There are four municipal fire departments in the bi-county region (Richland, Kennewick, Pasco and Connell). The remainder of the bi-county area is protected by a number of county fire protection districts.

CULTURAL AND REGIONAL FACILITIES

With four seasons of moderate weather, cultural and recreational opportunities are offered throughout the Tri-Cities for resident and tourist interests. Visit Tri-Cities located in Kennewick provides a list of scheduled events and the location of cultural and recreational features or attractions. Some of these events are held at local venues, such as the Three Rivers Convention Center, TRAC Center, the REACH Interpretive Center, LIGO, and the WSU Wine Science Center. Other events are held at the many wineries in the region, libraries, restaurants and galleries.

A significant achievement in the region that will continue to impact the area is the approval in 2015 of a National Park recognizing the Manhattan Project. This includes the B Reactor at Hanford



as well as facilities at other Manhattan Project sites. For more than a decade, local leaders have been working with federal agencies to pursue the project. The B Reactor tours draws over 10,000 visitors a year. With the designation of the National Park, there is expected to be very significant economic impact over the foreseeable future as the National Park development moves forward and visitation is expected to multiply. This is a prime example of the community's forethought and utilization of opportunities to capture economic benefit and diversify to become more resilient for future generations.

TELECOMMUNICATIONS

The bi-county area enjoys a state-of-the-art telecommunications infrastructure, which exists in all but a small number of rural areas in the region. This infrastructure includes a vast network of fiber optics and integrated services digital network (ISDN) as well as digital technology. Through grants from the federal government, the area has been able to extend and is continuing to extend broadband throughout the bi-county area. There is still need for additional telecommunications infrastructure in rural and outlying areas.

TRANSPORTATION

Surveys focusing on the locational decisions of new firms in Eastern Washington both manufacturing and non-manufacturing demonstrates a high dependence on the transportation system. Over seventy-five percent of manufacturing firms in the region rely on motor freight to deliver or receive products. The BFEDD is at the junction of many land, air and rail transportation connections.

The major airport in the Tri-Cities is owned and operated by the Port of Pasco, which is classified as a "primary" airport by the National Plan Airport Integration Systems (NPAIS). The Port of Pasco along with TRIDEC, are working together to bring more direct flights (daily routes as well) to be serviced out of the Tri-Cities region. They have been successful in bringing many additional flights over the years. This helps with the recruitment and expansion of businesses within the region. The Port of Pasco completed a \$42 million expansion recently to double the size of the terminal and position the airport for the next 20 years, which will allow for additional economic resiliency as needs change.

The Benton-Franklin Council of Governments (BFCG) which also houses the Benton-Franklin Economic Development District is the lead agency for coordinating transportation planning in the Tri-Cities Metropolitan Area, and in Benton and Franklin Counties. BFCG works with local jurisdictions to develop the vision and goals for transportation in the region. The BFCG Transportation Program ensures consistency with state and federal regulations, while coordinating with cities and counties on the distribution of federal funds for regional



transportation projects. Below is a brief description of several regional transportation planning efforts the BFCG Transportation Program coordinates:

Metropolitan/ Regional Transportation Plan

The Metropolitan/ Regional Transportation Plan (M/RTP) outlines regional transportation policies and goals for the Tri-Cities region. BFCG works with local jurisdictions to develop the regions' transportation goals and vision. The M/RTP displays potential future transportation projects, such as sidewalk improvements, safety and preservation. For a project to be eligible to receive funding, the project must be consistent with the M/RTP. This process of outlining future transportation projects in the M/RTP ensures consistency in regional transportation planning.

Active Transportation Plan

The Active Transportation Plan (ATP) is a regionally coordinated document of bicycle, pedestrian, and other non-motorized transportation planning to encourage an efficient multimodal transportation system. The ATP represents a modal plan within the M/RTP multimodal planning framework. The ATP outlines the regional bicycle and pedestrian network and gaps/issues within the network for the region.

Congestion Management Process

The Congestion Management Process (CMP) is a systematic and regionally-accepted approach for managing congestion that provides accurate, up-to-date information on transportation system performance and assesses alternative strategies for congestion management that meet state and local needs. Since the Tri-Cities Region is a Transportation Management Area (TMA), BFCG is required to develop, implement, and monitor a CMP.

Allocation of Selected Federal Transportation Funds

BFCG is responsible for allocating certain transportation funds to local agencies. Currently, BFCG has the authority to allocate Surface Transportation Block Grant (STBG) fund, Transportation Alternatives Program (TAP) funds, and Highway Infrastructure Program (HIP) funds on a regional, competitive basis. For 2019, the funds totaled about \$5.8 million.

The region has recently also undertaken a significant effort of investing in a Wayfinding Master Plan to help further the effort of getting people aware of and familiar with the available amenities of the region. Proper wayfinding systems are expected to increase retail sales as much as 18%, which can generate a significant economic impact for the area. Visit Tri-Cities is managing this effort with all of the cities, counties and ports working in conjunction.



TRANSPORTATION RESILIENCE

In 2017, Energy Northwest, on behalf of Electric Vehicle Infrastructure Transportation Alliance (EVITA), in collaboration with Greenlots and EV4 was awarded \$405,000 in grant funding from the State Department of Transportation to construct a network of DC fast chargers in nine communities along I-82, US 395, and I-90. This project bridges the fast charging gap between Tri-Cities and I-90 to both the west and north-east of Tri-Cities.

The six communities proposed for sites in Benton and Franklin Counties include: Richland, Kennewick, Pasco, Connell, and Prosser. Each station will include one level 3 DC Fast Charger and one Level 2 charger. Fast charging stations linking the two-county area with Puget Sound and Spokane are critical additions to the transportation options available in the area.

POWER GENERATION

The Bonneville Power Administration (BPA) is a not-for-profit federal agency, under the U.S. Department of Energy, that markets wholesale power and operates and markets transmission services to the Pacific Northwest. The power is produced by 31 federal dams and one non-federal nuclear plant and sold to over 140 Northwest utilities. Within the Tri-Cities MSA, hydroelectric power is produced at McNary dam on the Columbia River and Ice Harbor dam on the Snake River. Energy Northwest operates the Columbia Generating Station, a thermonuclear power production reactor north of Richland on the Columbia River. There are three additional hydroelectric dams within fifty miles of the Tri-Cities. Benton and Franklin PUD's are examining and executing renewable and conservation projects to keep power demand satisfied and affordable and to provide additional sustainability and resiliency.

NATURAL GAS AND REFINED PETROLEUM

Two interstate natural gas supply lines, of the Pacific Gas and Transmission Company and the Northwest Pipeline Company cross the Tri-Cities MSA. The Chevron Pipeline is a common carrier pipeline that transports refined petroleum products such as diesel and gasoline from Salt Lake City to Pasco and Spokane. Barging additional product occurs as well.

MID COLUMBIA ENERGY INITIATIVE

The Mid-Columbia Energy Initiative is a group of interested energy parties within the Columbia Basin who participate in a platform to strategize on energy projects and initiatives that will boost the sustainability and growth of the energy sector in the region. Parties include regional utilities, higher education and government representatives, private industry, Energy Northwest, the Pacific Northwest National Labs, and others. The group's 2019 Strategy document includes some of the work that MCEI will be engaged upon in the coming year.



SECTION II – ANALYSIS OF ECONOMIC DEVELOPMENT PROBLEMS AND OPPORTUNITIES - SWOT ANALYSIS

The CEDS Committee developed the following SWOT Analysis for the region:

		<i>Helpful</i>	<i>Harmful</i>
		Strengths	Weaknesses
<i>Internal</i>		Transportation (Highway, Rail, Air, Barge)	Transportation (Inland Ports, Intermodal) (Opportunity)
		Real Estate (Available Sites and Office Buildings)	Real Estate (Few Available Industrial Buildings)
		Infrastructure and Utilities	Large Parcels Without Utilities
		Human Capital (Labor Pool, Costs/Productivity, Training)	IT Infrastructure Needs Improvement
		Educational System Supporting Training	Diversification Sustainability
		Supportive Business Climate	Higher Education Attainment Below State Average
		High Production Agriculture	Innovation Conversion and Retention
		STEM Educational Systems Developing	Lack of Public Facilities - Arts/Entertainment
		High STEM Employment (Hanford, PNNL, A&E, Medical)	Affordable Housing
		Growing Logistics/Refrigeration/Warehousing Presence	Hydropower dependence
		Intellectual Infrastructure Supports Innovation	
		Entrepreneurial Activity	
		University R&D expenditures	
		Wine Industry Development and Support	
		Retention of Entrepreneurs/Businesses	
		New Manhattan Project National Park Designation	

		Opportunities	Threats
<i>External</i>		Transportation (Inland Ports, Intermodal)	Sustainability
		Attraction of Additional Value-added Manufacturing	Federal Funding Cutbacks
		Attraction of New Energy Companies/Projects	Community Assets Controlled Outside Community (Hospitals, Higher Education, PNNL, Hanford)
		Smart Grid, Solar and Battery Development	Environmental Regulations (Wastewater Management for Food Processing Sector)
		Attraction of New Industries (Per TadZo)	Land Use Planning and Development Regulations
		Tourism Attraction (New National Park Designation)	Coastal Port Labor Issues Affects on Exports
		Tourism Attraction (Wine Industry/Hospitality)	Fuel Price Volatility
		Community Branding for Recruiting Efforts	Drought, Water Utilization
		Export/Import Opportunities (U.S. Customs Presence)	Larger Companies Pulling Entrepreneurial Talent
		Gathering Centers/Downtown Development	Retention of Entrepreneurs/Businesses
		Attraction of Venture Capitalists	Potential Removal of Dams (energy, transportation, fish, agriculture)
		Development of Public Facilities - Arts/Entertainment	Tariffs on agriculture and manufacturing
		Seed Tri-Cities Fund Development Project	Connectivity Between BPA and Utilities for Large Users
			Potential Impacts of State Energy Legislation



INVESTMENT STRATEGIES

In 2014, TRIDEC, Tri-City Economic Development Council worked with a team of consultants led by TadZo Consulting to perform a New Economy Target Industry Analysis of the area. The study is being incorporated into TRIDEC's work plan and informs the industries they are working to recruit. The CEDS Committee incorporated some of these items into their SWOT analysis.

This study focused on basic industries that bring new wealth into the local economy in the form of investment, jobs, payroll and local purchasing. The recommendations were thorough and were meant to generate a robust pipeline of leads and strengthen site selection factors in order to convert these leads into wins for our region. In all, the recommendations are helping the region enhance competitiveness, providing us competitive positioning, and with the implementation of most of these recommendations, the region now knows how to adjust the prioritization of projects to more efficiently allocate resources of time and budget to accommodate new and more competitive economic development practices for our region.

According to the TadZo Study, the region has a number of strengths as well as some significant weaknesses as it relates to the economy of the region.

The major strengths that came out of the study were ample highways, rails and air services, available real estate sites, infrastructure and utilities to real estate sites, human capital with labor pool, costs and productivity, and training resources and business climate. The major weaknesses included global location access, ports and intermodal transportation, available industrial buildings, business resources related to entrepreneurship and financing, and sustainability and mitigated risks for the region.

The consultants were asked to identify between four to six industry sectors that offered the best opportunity for success in new business recruitment. The six primary industry sectors, each of which included up to nine subsectors included: Energy, Logistics, Food Processing, Machinery Manufacturing, Carbon Fiber Manufacturing, and Training.

Moving forward, CBC and WSU Tri-Cities have worked with the community in the past year to add, modify or enhance various programs to meet the needs of the changing community. CBC currently offers bachelor of applied science degrees in applied management, project management and cybersecurity. They recently also received accreditation for a four year nursing program.

Several years ago, TRIDEC's Board of Directors recognized that community identity has been a constraint to attracting new businesses and capital investment. The "Tri-Cities" are not universally known in the Pacific Northwest. TRIDEC, Visit Tri-Cities, Tri-City Regional Chamber of Commerce, and Tri-Cities Port Districts conducted a branding effort and have all implemented



complementary logos and branding messages within their organizations and are working toward wayfinding that will unify the region as well.

IDENTIFY PAST, PRESENT, AND PROJECTED ECONOMIC DEVELOPMENT INVESTMENTS

With the formation of the Benton-Franklin Counties as an Economic Development District (BFEDD) in 1980, and with the subsequent EDA funding, the Benton-Franklin Council of Governments (BFCG) has provided a professional staff to assist local jurisdictions with economic development and planning functions. The provision of staff capacity to coordinate and implement regional planning activities is a critical resource for the District. Many of the activities are ongoing technical assistance programs; other activities are specific one-time functions, such as preparation of a capital facilities plan, growth management plan or ordinance or packaging of a specific loan deal.

IDENTIFY AND ANALYZE ECONOMIC CLUSTERS WITHIN THE REGION

The top clusters as identified in the New Economy Target Industry Analysis in the Benton-Franklin region are; Small Modular Nuclear Reactors (Energy); Smart Grid (Energy); Agriculture, processed foods, wine and craft beer (Logistics); Frozen fruit and vegetable manufacturing, frozen specialty food manufacturing, dried and dehydrated food manufacturing, perishable prepared food manufacturing (Food Processing); Food processing equipment, winery equipment (Machinery Manufacturing); and hazardous material handling, emergency response, and security (Training).

TRIDEC and its team of consultants led by TadZo, identified strategic industry clusters as strategic based on a number of characteristics, including their location coefficient (a measure of the regional concentration of the industry compared to the national average), size, growth, and wages. TRIDEC has incorporated recruiting of these industries into its 2019 Plan of Work.

THE OTHER IDENTIFIED CLUSTERS

For the purpose of this CEDS document some of the clusters identified in the Washington State's Strategic Plan for Workforce Development which have been successfully implemented and are growth clusters in our region are discussed briefly below. The three major successful clusters as identified in previous CEDS are Hanford related activities including waste management, healthcare, and innovation.

Another growing cluster is agriculture. There are really two tracks for this cluster. The first is the production and processing of fruits and vegetables and the second is the wine industry which has seen explosive growth over the last twenty years. Once again location is a key factor where the raw products are readily available for processing. Additionally, the area benefits from the WSU Agricultural Experiment station located in Prosser.

Because it is also situated in the center of an excellent transportation system and close to west coast ports it also enjoys a location advantage to other areas which may not have the attributes of the bi-county area. An example of the vitality of the agricultural cluster is the Pasco Processing



Center. Fifteen years ago the area to the north of Pasco consisted of one processing plant and a collection of transportation oriented businesses. In the 90's the City of Pasco supported by the EDD made a strategic decision to expand based upon the increasing availability of agricultural raw product being produced in the Columbia Basin.

The investment by EDA, the City of Pasco, the Port of Pasco and HAEIF to provide an industrial waste treatment system spurred the addition of four more processing plants (both potatoes and vegetables) with a resultant creation of approximately 2000 new jobs. Private investment, as a result of the public investment, is in the millions of dollars. Additionally, Franklin County and the City of Pasco experienced a population growth rate from 2001 to 2011 of 59.72% primarily due to the location of the agricultural processing facilities.

In reviewing the external and internal influences on the region's economy the Federal Government is by far the most dominant. As discussed previously one of the major clusters in our region is waste management and the clean-up activities at Hanford. This cluster which provides the region with its highest paying jobs is continuously subject to the Federal Budget. TRIDEC provides leadership in the form of an annual budget request.

IDENTIFYING AND ENHANCING ECONOMIC RESILIENCY

Economic resiliency is necessary to promote long-term economic prosperity in the event of disasters or major disruptions. Many of the weaknesses and threats highlighted in the SWOT analysis are among the region's economic exposures. Many of the regional jurisdictions are working to provide more development and security of the resources required to provide economic resiliency. They engage in planning efforts that encourage economic resiliency and foster economic development, but their processes may not explicitly state that as the goal. Disaster preparedness planning occurs within the region by the local jurisdictions and by the federal government. The BFCG participates in the planning processes of many of jurisdictions and attended nuclear disaster informative sessions that demonstrate there is ongoing work in these areas.

Economic resiliency concerns for the region are much the same as for most regions: industry diversification, aging infrastructure, education attainment, and labor force constraints. As a rapidly growing region, these are necessities that will add to the stability and recovery of the region. Examples of initiatives that are occurring within the region and discussed throughout the strategy that promote economic resiliency are industry diversification, infrastructure development, housing availability and availability of small business capitalization.

In 2018 and 2019 the Economic Development Administration invested in two projects in the BFEDD that will provide needed support for infrastructure development that promote economic resiliency. The project announcements can be found in Appendix B.

SECTION III – GOALS AND OBJECTIVES

The Goals and Objectives as enumerated in this section include the potential activities of the District's member organizations. The major goal as it relates directly to CEDS would be



diversification. After that the major goals and objectives would be job creation, private investment, which directly contributes to diversification, collaboration with local, regional and state organizations and other activities that address diversification.

The 2019 Goals reflect the priorities of the participating jurisdictions including Benton County, Franklin County, Prosser, Benton City, West Richland, Richland, Pasco, Kennewick, Connell, Mesa, Kahlotus, Benton PUD, Kennewick Irrigation District, and the Ports. Those entities have the direct responsibility for implementing their economic development goals. Objectives to meet these goals are found in earlier CEDS versions.

GOAL I: SUPPORT THE DIVERSIFICATION OF THE AREA ECONOMY

GOAL II: IMPROVE THE VIABILITY OF EXISTING INDUSTRIES & SUPPORTIVE ECONOMIC SECTORS

GOAL III: SUPPORT AND ENHANCE THE RECREATIONAL AND TOURISM POTENTIALS OF THE AREA

GOAL IV: PLAN AND IMPROVE THE MULTI-MODAL TRANSPORTATION SYSTEM IN SUPPORT OF REGIONAL DEVELOPMENT NEEDS

GOAL V: SUPPORT THE DEVELOPMENT OF ADEQUATE REGIONAL INDUSTRIAL AND COMMERCIAL INFRASTRUCTURE

GOAL VI: UTILIZE THE NATURAL RESOURCES OF THE AREA TO EXPAND ITS ECONOMIC BASE WHILE MAINTAINING ENVIRONMENTAL QUALITY

GOAL VII: DEVELOP THE REGION'S ASSETS CONTRIBUTING TO ITS QUALITY OF LIFE

GOAL VIII: SUPPORT WORKFORCE EDUCATION & TRAINING



STRATEGIC PROJECTS, PROGRAMS AND ACTIVITIES

The Strategic Projects List reflects projects designed to implement the goals and objectives of the CEDS. These projects have been carefully vetted by the CEDS Committee and reviewed and approved by the Economic Development District. All of the projects submitted meet the criteria adopted by EDA which requires that the process look beyond the immediate economic horizon, anticipate economic changes, and diversify the local and regional economy to build resiliency. These are projects that will provide an investment that is part of an overarching, long-term comprehensive economic development strategy that will enhance the region's success in achieving a rising standard of living by supporting existing industry clusters, developing new clusters, and attracting new regional economic drivers that will stabilize and build on the economy and infrastructure resources.



2019 Strategic Projects

Jurisdiction	Project Name	Total Project Cost	Available Local Match	Percent Match Identified	Project Type	Completion Year	
	City of Connell	South Side Water Mains Improvements	1,363,300	340,000	25%	Infrastructure	2021
	City of Connell	Connell Rail Interchange Project	23,500,000	10,100,000	43%	Capital Structure/Infrastructure	2021
	City of Connell	Community Center Parking Lot	250,000	25,000	10%	Infrastructure	2020
	City of Kennewick	Washington Street Corridor Enhancements	900,000	400,000	44%	Infrastructure	2020
	Port of Benton	Horn Rapids Industrial Park North	18,370,000	200,000	1%	Infrastructure	2022
	Port of Benton	USS Triton Sail Park Visitor Center	2,350,000	350,000	15%	Capital Structure	2021
	Port of Benton	Research District Development Building	2,650,000	400,000	15%	Capital Structure	2022
	Port of Benton	First Street Extension	1,700,000	50,000	3%	Capital Structure	2021
	Port of Kennewick	The Willows Infrastructure Project (Columbia Drive Revitalization Phase 3)	3,000,000	1,500,000	50%	Infrastructure	2022
	Port of Kennewick	Vista Field Redevelopment	14,000,000	Unknown	0%	Infrastructure	Open
	Port of Kennewick	Clover Island Revitalization	2,000,000	Unknown	0%	Infrastructure	2020
	Port of Kennewick	West Richland Wine & Business Park Infrastructure	2,000,000	Unknown	0%	Infrastructure	Open
	Port of Pasco	North Pasco Industrial Expansion	19,000,000	7,000,000	37%	Infrastructure	2023

New/Updated Projects 2019
 Prior Year Projects

SECTION IV – EVALUATION

The Benton-Franklin Economic Development District uses the following primary metrics to measure its yearly progress in carrying out the intent of the CEDS:

1. Number of jobs created/or retained
2. Number, types and amounts of major investments undertaken in the region
3. Funds in both the private and public sectors leveraged by federal, state and local grant investments.

Additional positive outcomes include many other benefits to the District’s region, including:

1. Reduction in unemployment rates
2. Private investment leveraged by the District’s loan programs
3. Number of loans made in all District loan programs per year
4. Number of group business training sessions
5. Participation in the Washington Economic Development District Association
6. Increases in personal income

COMMUNITY AND PRIVATE PARTICIPATION

The Benton Franklin Comprehensive Economic Development Strategy Committee is made up of a mixture of public and private sector individuals that represent Benton and Franklin Counties, two large city chairs, one small city chair, one port chair and eight Economic Development District members. Those eight represent the private sector as well as chambers of commerce, regional economic development council, work source development, college, banking industry, small business and regional tourism. This group meets to develop and review the strategies and projects that are submitted to them from eligible applicants.

In addition, the Economic Development District staff participates in a number of other activities including the Tri-Cities Development Council (TRIDEC) monthly meetings of the Economic Professionals and other regional meetings, which are taken into consideration during development of the CEDS update.

APPENDICES Appendix A

Employment Analysis

In conjunction with Washington Employment Security Department

This analysis examines existing and emerging in-demand industry sectors and occupations, and their employment needs. A story of two counties:

Benton County Profile



By Ajsa Suljic, Regional Labor Economist - updated December 2018

Overview

Regional context

Benton County, named after Missouri Senator Thomas Hart Benton, was created from eastern Yakima and Klickitat counties in 1905. The county is located in southeastern Washington at the confluence of the Columbia, Snake and Yakima rivers. The Columbia River defines the north, south and east boundaries, making the county part of the semi-arid river basin in the rain shadow of the Cascade, Blue, Wallowa and Rocky mountains. Ranching and dry-land farming made up the bulk of its economy in the 1800s. Today, it is the ninth most densely populated county in the state with 103 persons per square mile due to its nuclear-related and other research and development industries. Agriculture is still a large producer in the area.

Local economy

Deer and elk, along with fishing, seeds, roots and berries provided food for the indigenous people in the area even though there was little rainfall. Migrations of white settlers into the area in the 19th century disrupted this tribal world and the Indian Wars of the 1850s resulted in tribes being moved to reservations.

The gold rush of 1858 in British Columbia brought the first large group of whites through the area. By the 1870s, cattle and horse ranchers occupied the majority of land in the area. In the 1880s,



major settlements along the Columbia River were connected by steamboats and railroads, allowing farmers and ranchers to get products to market. Farming included corn, wheat, alfalfa, potatoes and fruit, especially apples. Many farmers were successful in dry-land farming. However in the 1890s, the Yakima Irrigation and Improvement Company built the first irrigation canals. With irrigation, railroad and electricity development, there were accompanying expansions of orchards, vineyards, farming and ranching.

World War II brought the Hanford Project into the county to develop the plutonium used in the first nuclear bomb. Continued federal investment has led to scientific diversification and nuclear and chemical cleanup, with skilled engineers and scientists following the jobs. In the late 1980s, Washington State University expanded into the area, offering advanced degrees. The well-educated, trained workforce has made many contributions in agricultural production, processing and research. Over time, the county has attracted a variety of manufacturers, including production of chemicals, fertilizer and zirconium tubing and titanium, along with supporting storage and distribution centers.

Growth and prosperity have continued with population growth and development centering in Kennewick, Richland and Prosser. Recreational industries and tourist attractions are developing along with the popularity of the wine industry. The economy is tied to agriculture, food processing, medical equipment manufacturing, energy production, nuclear-fuel fabrication, wine production and wine tourism.

Geographic facts

	Benton County	Rank in state
Land area, 2010 (square miles)	1,700.38	22
Persons per square mile, 2010	103	9

(Source: U.S. Census Bureau QuickFacts)

Outlook

The Benton County economy is moving right along towards new horizons in economic growth and expansion. The county's economy increased by 3.1 percent or 2,664 jobs from 2016 to 2017. Industry growth in 2017 occurred in construction, manufacturing, agriculture, finance and insurance, real estate, healthcare, professional and business services, administrative and support services, accommodation and food services and government. Local service providing industries continue to expend to accommodate local and regional demand.

As the economy becomes more stable and moves forward with new markets, new products and technology in research and development, construction, transportation and warehousing, and wine production and utilization are expected to play a big role in Benton County's future prosperity. One example of continuous growth is construction services, which expended by 20.8 percent over the year, and it is marching forward with growth to accommodate ever growing demand.



Accommodation and food services is another industry expected to contribute to the county's overall economic growth in years to come.

Nonfarm employment projections are done for Benton and Franklin counties combined, and the two counties together are expected to grow at the rate of 1.6 percent a year through 2021.

Industries that are projected to add the most jobs include private and public education, healthcare, construction, information, and leisure and hospitality.

Labor force and unemployment

Current labor force and unemployment statistics are available on the [Labor area summaries page](#).

Benton County's civilian labor force was estimated to be 99,084 in 2018, an increase of 2.4 percent over 2017. The annual average unemployment rate for 2018 was 5.2 percent, which was 0.3 percent lower than in 2017. Total civilian employment increased by 2.7 percent, or 2,458 workers, over the year.

The county's labor force has expanded every year since 2014, as more workers participate in workforce activities, while at the same time residents are able to find jobs in an expanding economy.

Industry employment

Current industry employment statistics are available on the [Labor area summaries page](#).

Benton County's total covered employment was 87,513 in 2017, an increase of 3.2 percent, or 2,705 jobs, since 2016. The county's total covered payroll was \$4.7 billion, an increase of 5.6 percent over 2016. The average annual wage in Benton County was \$53,815 in 2017, an increase of 2.3 percent over the average annual wage of \$52,587 in 2016.

(Source: Employment Security Department)



Top 10 Industries in Benton County

Rank	Industry	Percent of Total
1	Government	15.1%
2	Healthcare and social assistance	12.9%
3	Administrative and waste services	11.4%
4	Retail trade	11.0%
5	Professional and technical services	10.6%
6	Accommodation and food services	8.3%
7	Agriculture	7.3%
8	Construction	7.0%
9	Manufacturing	4.8%
10	Finance and insurance	2.1%

(Source: Employment Security Department, QCEW)

Goods-producing industries, which include natural resources, mining, construction and manufacturing, increased in employment from 2016 to 2017 by 12.3 percent, or 1,837 jobs. Average annual employment in 2017 was 16,734 workers and annual wages totaled \$791.9 million, which translates to a \$47,323 average annual wage for goods-producing workers.

- The manufacturing industry increased in employment 5.5 percent over the year. The average employment was at 4,216 jobs in 2017, with average annual pay of \$56,101. Manufacturing represented 4.8 percent of total covered employment in Benton County.
- Construction accounted for 7.0 percent of the total average annual employment in the county with 6,138 jobs.
 - The average annual wage in construction was \$61,459 in 2017.
 - Construction employment in the county increased for the fifth year in a row, with a 20.8 percent change.
- Agriculture is one of the base industries in the area, representing 7.3 percent of total employment. It is, however, highly seasonal and volatile from year to year.
 - Average annual employment in agriculture in 2017 was 6,380, with an increase of 9.6 percent from 2016.



- The average annual wage in agriculture was \$27,925, mainly due to the seasonality of agricultural activities.

Service-providing industries are a major share (80.8 percent) of the county's economy. There was an average of 70,727 jobs, with an increase of 1.2 percent, or by 827 jobs. Service-providing industries paid an average annual wage of \$55,364 in 2017.

- Healthcare and social assistance employment in the private sector was 11,282 jobs, which represented about 12.9 percent of total employment in 2017 and the second largest industry cluster in the county. Healthcare and social assistance increased by 2.5 percent from 2016, with increases in different segments including hospitals and ambulatory health care services. The average annual wage in this industry was \$47,833.
- Accommodations and food services increased by 1.5 percent over the year, with total employment at 7,240. Total payrolls were \$133.8 million with an average annual wage of \$17,354. This industry continues to expand at the rate of 4.0 percent a year for the past five years.
- Government employment, which includes both public education and healthcare totaled 13,207 in 2017, which is the largest industry in the area with an increase of 2.4 percent from 2016.
 - It had the second largest payroll in the county at \$834.7 million, with an average annual wage of \$63,198.
- The administrative and support and waste management and remediation industry sector in Benton County represented 11.4 percent of total employment. The average annual employment in this sector was 9,930 in 2017, with an increase of 2.3 percent from 2016. Total covered payrolls were \$796.1 million in 2017, with an increase of 3.1 percent over the year. Average annual wages for this sector was \$80,172.
- The professional, scientific and technical services industry is the fifth largest private industry in Benton County with 10.6 percent share of total employment.
 - This industry had an average annual employment of 9,259, with a decrease of 3.5 percent from 2016.
 - Total payroll for this industry was \$879.3 million, with a decrease of 2.7 percent over the year. Average annual wages were \$94,970 for this industry.
- Retail trade is the fourth largest employing industry in Benton County, representing 11.0 percent of total employment.
 - In 2017, this industry had an average of 9,664 jobs, with \$282.5 million in payroll with an average annual wage of \$29,227.



- The largest contributors of growth were clothing and clothing accessories stores, which increased by 14.1 percent, followed by health and personal care stores (increased 4.6 percent) and food and beverage stores (increased 3.6 percent).

(Source: Employment Security Department, QCEW)

Industry employment by age and gender

The Local Employment Dynamics (LED) database, a joint project of state employment departments and the U.S. Census Bureau, matches state employment data with federal administrative data. Among the products is industry employment by age and gender. All workers covered by state unemployment insurance data are included; federal workers and non-covered workers, such as the self-employed, are not. Data are presented by place of work, not place of residence.

Benton County highlights:

In 2017, the largest share of employment was held by 25 to 34 year-olds at 22.2 percent, which is close to the state's figure of 23.1 percent. The age group of 35 to 44 year-olds had a 21.5 percent share of employment, followed by those 45 to 54 years-old at 19.6 percent.

- The county's employment showed male workers at 51.5 percent and females at 48.5 percent.
- Male-dominated industries included construction (81.9 percent), utilities (75.8 percent), wholesale trade (74.7 percent), transportation and warehousing (74.0 percent) and administrative and waste management (67.9 percent).
- Female-dominated industries included healthcare and social assistance (80.6 percent), educational services (72.9 percent), finance and insurance (67.1 percent), and arts, entertainment and recreation (57.3 percent).

(Source: The Local Employment Dynamics)

Wages and income

In 2017, there were 87,461 jobs in Benton County covered by unemployment insurance, with a total payroll of over \$4.7 billion.

The average annual wage was \$53,826 in 2017 for Benton County, while for the state it was \$62,077, and for the state, less King County, was \$48,424. Benton County's average annual wage is the third highest in the state. The median hourly wage in 2017 was \$23.94, below the state's median hourly wage of \$24.89.

(Source: Employment Security Department; Bureau of Labor Statistics; Bureau of Economic Analysis; U.S. Census Bureau; U.S. Census Bureau, American Community Survey)



Personal Income

In 2016, Benton County's personal income totaled at \$8.8 billion and per capita personal income was \$45,329, less than the state (\$54,579) and the nation (\$49,246).

According to the U.S. Census Bureau QuickFacts, the median household income was \$61,147 in 2017. The county's median household income was less than that of the state (\$62,848) during the same time period.

Benton County's poverty rate of 12.0 percent is above Washington State's rate of 11.0 percent and below national poverty rate of 12.3 percent in 2017, according to U.S Census Bureau QuickFacts.

(Source: U.S. Census Bureau QuickFacts)

Population

In 2017, Benton County's population was 198,171 with a 13.1 percent growth from 2010 to 2017 compared to the state's growth rate of 10.1 percent over the same time period:

The largest city in Benton County is Kennewick with a population of 80,280 in 2017. The second largest city is Richland with population at 54,150. The third largest is West Richland with population of 14,660.

(Source: U.S. Census Bureau)

Population facts

	Benton County	Washington state
Population 2017	198,171	7,405,743
Population 2010	175,177	6,724,540
Percent change, 2010 to 2017	13.1%	10.1%

Age, gender and ethnicity

Benton County has a younger population than does the state.

- Benton County's largest population was under 18 years of age (26.8 percent) compared to the state (22.2 percent) in 2017.
- Residents under the age of 5 years old made up 7.2 percent of the total population compared to 6.2 percent in the state in 2017.



- In 2017, Benton County's population 65 years and older made up 14.4 percent of the total compared to 15.1 percent of the state's population.

The gender split in the county was 49.9 percent female compared to 50.0 percent in the state in 2017.

Benton County is not as racially or ethnically diverse as the state except in its Hispanic or Latino residents, who can be any race. Hispanics or Latinos were 21.9 percent of the population compared with 12.7 percent in the state.

Demographics

	Benton County	Washington state
Population by age, 2017		
Under 5 years old	7.2%	6.2%
Under 18 years old	26.8%	22.2%
65 years and older	14.4%	15.1%
Females, 2017	49.9%	50.0%
Race/ethnicity, 2017		
White	90.4%	79.5%
Black	1.8%	4.2%
American Indian, Alaskan Native	1.2%	1.9%
Asian, Native Hawaiian, other Pacific Islander	3.3%	9.7%
Hispanic or Latino, any race	21.9%	12.7%

Educational attainment

About 89.6 percent of Benton County's population 25 years and older were high school graduates, 2012 to 2016. This graduation rate compares to that of the state's rate of 90.6 percent.

Those holding a bachelor's degree or higher made up 29.4 percent of Benton County residents age 25 and older compared to 33.6 percent of state residents.

(Source: U.S. Census Bureau QuickFacts)



Franklin County Profile



By Ajsa Suljic, Regional Labor Economist - updated December 2018

Overview

Regional context

Franklin County, named for Benjamin Franklin, was created from Whitman County in 1883. The county is located in southeastern Washington at the convergence of the Snake and Columbia rivers. The Columbia River forms its western border and the Snake River forms its southern and eastern borders. Adams County is to its north. The railroads secured the county's future as towns grew up around its railroad stations. Ranching and farming have continued to be the economic mainstay of Franklin County. It ranked 27th in the state in terms of land area and 15th in the state in persons per square mile (62.9) in 2010.

Local economy

Native Americans were the first people who inhabited this area, hunting game and fishing salmon. In the 1850s, white prospectors traveled through the area to the gold rush in British Columbia. Some stayed to raise sheep and plant orchards. The 1855 treaty agreements resulted in the native people ceding their lands to the United States and moving onto reservations.

In the 1800s, cattle and horse ranches dominated much of the northern county while orchards flourished elsewhere. With the coming of the railroad, settlements started at the mouth of the Snake River. Pasco was connected to Kennewick through ferry-operated services and steamboats, which ended in 1887 when the first railroad bridge connected Pasco to Kennewick. The railroad furthered development throughout the 1900s. There were settlements of Chinese who worked for the railroad. Some of the Chinese panned gold and operated businesses in the rail towns.

There was unremarkable growth until World War II when the U.S. Army-Air Force base moved to Pasco and the Hanford project moved to Richland. In 1948, the first farm received water from the Grand Coulee Dam irrigation system. Manufacturing and storage facilities, including ice houses and fruit-packing facilities, followed.



The 1990s and 2000s brought increasing industrial diversity with continued agriculture and food manufacturing as its economic base. The economic downturn, however, did not spare Franklin County. The county's rate of unemployment has risen and the length of joblessness has increased. Construction, real estate and rental and leasing were the industries that lost the most employment during the recession. Industries that are creating stability in the area include food manufacturing, agriculture and private and public educational and healthcare services.

Franklin County became the first Hispanic-majority county in the Pacific Northwest. It is also one of the region's fastest growing counties.

Geographic facts

(Source: U.S. Census Bureau QuickFacts)

	Franklin County	Rank in state
Land area, 2010 (square miles)	1,242.17	27
Persons per square mile, 2010	62.9	15

Outlook

Local population growth, which has increased by 17.9 percent since 2010, continues to drive demand for more educational and healthcare services.

The good news is that the housing market in the county is stable with growing housing inventories and affordable prices. Over the past year, there have been many industries that have contributed to the job growth in Franklin County including transportation and warehousing, accommodation and food services, construction and real estate and rental and leasing.

Average annual employment growth in Franklin County was 2.1 percent for the past five years.

Nonfarm employment projections are done for Benton and Franklin Counties combined and two counties together are expected to grow at the rate of 1.6 percent a year through 2021.

Industries that are projected to add the most jobs include construction, information, private and public education, health care, and leisure and hospitality.

Labor force and unemployment

(Source: Employment Security Department)

Current labor force and unemployment statistics are available on the [Labor area summaries](#) page.



The Franklin County total resident labor force was estimated at 40,873 in 2017, which was 2.6 percent higher than in 2016. The Franklin County unemployment rate was 6.3 percent in 2017, which was 1.0 percent less than in 2016. The resident labor force employment increased by 1,378 jobs over the year to 38,294, while number of unemployed residents decreased by 349 to 2,579 in 2017.

The labor force picture is starting to improve after a slight decline in 2013. The labor force participation rate in Franklin County was around 64.9 percent as of 2015, with increases in both 2016 and 2017. The labor force participation rate at 68.0 percent in 2017, which little bit more volatile year to year in Franklin County than that in the state (64.3 percent) because of its core agricultural industry.

The most current data show that the Franklin County October 2018 preliminary unemployment rate was 4.6 percent, decreased by 0.3 percent from the 4.9 percent reading in October 2017.

Industry employment

(Source: Employment Security Department)

Current industry employment statistics are available on the [Labor area summaries](#) page.

Total covered employment in Franklin County was 33,966 in 2017, which has grown by 0.7 percent or 249 jobs since 2016. The five-year average annual growth rate of Franklin County covered employment was 2.1 percent.

The average annual wage for covered employment in Franklin County was \$39,797 in 2017, an increase of 4.3 percent over the year. Franklin County total covered annual payroll in 2017 was at \$1.35 billion which is 4.8 percent higher than in 2016.



Top 10 Industries in Franklin County

(Source: Employment Security Department, QCEW)

Rank	Industry	Percent of Total
1	Agriculture	20.1%
2	Government	18.8%
3	Manufacturing	10.8%
4	Retail trade	9.7%
5	Health care and social assistance	7.8%
6	Accommodation and food services	6.5%
7	Construction	5.7%
8	Wholesale trade	5.4%
9	Transportation and warehousing	4.4%
10	Administrative and waste services	3.1%

Goods-producing industries, which include natural resources, mining, construction and manufacturing, increased in employment from 2016 to 2017 by 2.0 percent, or 245 jobs.

Average annual employment in 2017 was 12,416 workers and annual wages totaled \$454.8 million, with an increase over the year of 6.8 percent. Total payrolls translates to a \$36,633 average annual wage for goods-producing workers.

- Manufacturing decreased employment over the year by 1.9 percent or by 70 jobs to 3,667 in 2017, with average annual pay of \$43,168. Manufacturing represented about 10.8 percent of total covered employment.
 - Food manufacturing subsector decreased by 3.8 percent over the year, and this provides over 2,872 jobs with average annual wage at \$41,467.
- Construction accounted for 5.7 percent of the total average annual employment in the county with 1,920 jobs.
 - The average annual wage in construction was \$48,469 in 2017.
 - Over the year the construction sector increased by 3.2 percent. Construction activities are moving forward with new housing developments to accommodate the current population demand.
- Agriculture is number one industry in Franklin County, representing 20.1 percent of total employment. It is, however, highly seasonal and volatile from year to year.
 - Average annual employment in agriculture in 2017 was 6,829, with an increase over the year of 3.9 percent.
 - The average annual wage in agriculture was at \$29,797, mainly due to the seasonality of agricultural activities.
 - Crop production represents 51.9 percent of total agriculture, which is largely in non-citrus fruit farming, including apple orchards, grape vineyards and other produce.



- Support activities shared 37.9 percent of employment, which includes post-harvest crop activity.

Service-providing industries in 2017 have a 63.4 percent share of Franklin County's total employment. There was an average of 21,550 jobs in this industry, which paid an average annual wage of \$41,619 in 2017. Over the year, service-providing industries increased slightly but not statistically recordable.

- Retail trade is the largest employing private service industry in Franklin County, representing 9.7 percent of total employment and the fourth largest of all industries after agriculture, government and manufacturing. Retail trade is a very stable industry and in 2017 this industry had an average of 3,292 jobs, which paid an average annual wage of \$34,013. Retail trade industry marks 1.1 percent decrease over the year, with slight decreases throughout industry segments.
- Healthcare and social assistance employment in the private sector was 2,662 jobs, which represented about 7.8 percent of total employment in 2017. The average annual wage in this industry was \$40,005. Five year average annual growth rate of this industry has been over 7.0 percent, with continuous growth due to population expansion and demand.
- Public administration is the largest service-providing industry in Franklin County with an 18.8 percent share of total employment. The largest share of employment in this industry is in the local school administration and healthcare services as there is more demand by growing population. This industry had an average annual employment of 6,370 in 2017, and an average annual wage of \$50,101.

For historical industry employment data, [contact an economist](#).

Industry employment by age and gender

(Source: The Local Employment Dynamics)

The Local Employment Dynamics (LED) database, a joint project of state employment departments and the U.S. Census Bureau, matches state employment data with federal administrative data. Among the products is industry employment by age and gender. All workers covered by state unemployment insurance data are included; federal workers and non-covered workers, such as the self-employed, are not. Data are presented by place of work, not place of residence. Some highlights:

- In 2017, the largest share of employment was held by those 25 to 34 years of age with 22.2 percent share. Second largest share is in 35 to 44 year-olds at 21.9 percent. County numbers are close to the state's figure of 23.1 and 22.4 percent, respectively. Also, 45 to 54 years olds had a 19.7 percent share of employment in the Franklin County.
- The county's demographics showed male workers held 56.2 percent and females held 43.8 percent of all jobs.



- Male-dominated included mining (84.0 percent), wholesale trade (80.8 percent), transportation and warehousing (78.4 percent), construction (78.1 percent), and utilities (71.8 percent).
- Female-dominated industries included healthcare and social assistance (79.8 percent), finance and insurance (69.5 percent), educational services (68.8 percent), professional, scientific, and technical services (59.3), and accommodation and food services (55.0 percent).

Wages and income

(Source: Employment Security Department; Bureau of Labor Statistics; Bureau of Economic Analysis; U.S. Census Bureau; U.S. Census Bureau, American Community Survey)

In 2017, there were 33,966 jobs in Franklin County covered by unemployment insurance, with a total payroll of over \$1.35 billion.

The average annual wage was \$39,797, well below the state's average annual wage of \$62,077. The median hourly wage in 2017 was at \$17.83, below the state's median hourly wage of \$24.89.

Personal Income

Personal income includes earned income, investment income, and government payments such as Social Security and Veterans Benefits. Investment income includes income imputed from pension funds and from owning a home. Per capita personal income equals total personal income divided by the resident population.

In 2016, Franklin County's personal income totaled \$3.2 million, which translates into a \$35,339 per capita personal income. Franklin County's per capita personal income was 35.3 percent less than the state (\$54,579) and 28.2 percent less than the nation (\$49,246).

According to the U.S. Census Bureau QuickFacts, the median household income was \$58,284 in 2016. The county's median was less than that of the state (\$62,848) during the same period.

Franklin County's poverty rate of 13.4 percent was higher than Washington State's rate of 11.0 percent and the nation's rate of 12.3 percent in 2016, according to U.S. Census Bureau QuickFacts.

Population

(Source: U.S. Census Bureau)

In 2017, Franklin County's population was 92,125. Since 2010, Franklin County has had a 17.9 percent growth rate. In comparison, the state grew by 10.1 percent from 2010 to 2017.



The largest city in Franklin County is Pasco, the county seat, with a population of 71,680 in 2017.

Population facts

(Source: U.S. Census Bureau QuickFacts)

	Franklin County	Washington state
Population 2017	92,125	7,405,743
Population 2010	78,163	6,724,540
Percent change, 2010 to 2017	17.9%	10.1%

Age, gender and ethnicity

(Source: U.S. Census Bureau QuickFacts)

Franklin County has a much younger population than does the state.

- Almost one-third of Franklin County’s population (32.5 percent) was under 18 years of age compared to the state (22.2 percent) in 2017.
- Residents under the age of 5 years old made up 9.0 percent of the county’s total population compared to 6.2 percent in the state in 2017.
- In 2017, Franklin County’s population 65 years and older made up 8.9 percent of the total compared to 15.1 percent of the state’s population.

The county was 48.3 percent female compared to 50.0 percent for the state in 2017.

Franklin County was the first county in the region to have a majority of Hispanics in its population. In 2017, Franklin County was 40.3 percent white alone and not Hispanic compared to 68.7 percent in the state. Hispanics or Latinos were 53.3 percent of the population compared with 12.7 percent in the state.



Demographics

(Source: U.S. Census Bureau QuickFacts)

	Franklin County	Washington state
Population by age, 2017		
Under 5 years old	9.0%	6.2%
Under 18 years old	32.5%	22.2%
65 years and older	8.9%	15.1%
Females, 2017	48.3%	50.0%
Race/ethnicity, 2017		
White, not Hispanic	40.3%	68.7%
Black	2.8%	4.2%
American Indian, Alaskan Native	1.7%	1.9%
Asian, Native Hawaiian, other Pacific Islander	3.0%	9.7%
Hispanic or Latino, any race	53.3%	12.7%

Educational attainment

(Source: U.S. Census Bureau QuickFacts)

High school graduates among Franklin County's population 25 years and older totaled 73.6 percent, lower than the state (90.4 percent) in 2016.

Those holding a bachelor's degree or higher made up 15.8 percent of Franklin County residents age 25 and older compared to 33.6 percent of state residents over the same period.



APPENDICES

Appendix B

BFEDD EDA Recent Investment Announcements

U.S. Department of Commerce Invests to Support Food Processing Sector in Pasco, Washington *August 8, 2019*

WASHINGTON – Today, U.S. Secretary of Commerce Wilbur Ross announced that the Department’s Economic Development Administration (EDA) is awarding a \$3 million grant to the city of Pasco, Washington, to make water infrastructure improvements needed to serve food processing and other businesses in the region. The grant, which will be matched with \$3.9 million in local funds, will serve a [Tax Cuts and Jobs Act](#) designated [Opportunity Zone](#), and is expected to help create or retain 700 jobs and generate nearly \$36 million in private investment.

“The Trump Administration understands that business in America will not thrive without reliable and up-to-date infrastructure,” said Secretary of Commerce Wilbur Ross. “This project in Pasco will help enable the region’s critical food processing sector to create additional economic opportunity and will provide further incentive for investment in a nearby Opportunity Zone.”

“This grant will help the City of Pasco support businesses in the Tri-Cities region for years to come,” said Senator Cantwell. “The investment will create jobs and economic opportunities for hundreds of people in Southeastern Washington.”

“This grant will not only provide much-needed infrastructure improvement, but it further incentivizes private investment in one of the food processing powerhouses of the country,” said Representative Newhouse. “Opportunity zones create exactly that for communities in rural areas like Central Washington: opportunity. By increasing the capacity of Pasco’s water use facility, we are not only creating nearly 700 jobs, but we are encouraging economic prosperity, which was the intent of the Tax Cuts and Jobs Act.”

The project will construct dual force mains and pump station at Pasco's Process Water Use Facility (PWRF) to increase capacity to serve the expansion and location plans of food processing and other businesses.

The funding announced today goes to a designated Opportunity Zone, created by President Donald J. Trump’s [Tax Cuts and Jobs Act of 2017](#) to spur economic development by giving tax incentives to investors in economically-distressed communities nationwide. In June 2019, EDA added Opportunity Zones as an [Investment Priority](#), which increases the number of catalytic Opportunity Zone-related projects that EDA can fund to fuel greater public investment in these areas.



U.S. Department of Commerce Invests \$7.1 Million to Improve Disaster Resilience at the Big Pasco Industrial Center in Pasco, Washington

October 9, 2018

WASHINGTON – Today, U.S. Secretary of Commerce Wilbur Ross announced that the Department’s Economic Development Administration (EDA) is awarding a \$7.1 million grant to the Port of Pasco in Pasco, Washington, to make roadway and storm water management improvements needed to support the continuous operation of the Big Pasco Industrial Center. According to grantee estimates, the project is expected to create 270 jobs and retain 100 jobs.

“The Trump Administration is working extremely hard to help communities impacted by recent natural disasters not only to recover, but to build back stronger,” said Secretary Ross. “The improved Big Pasco Industrial Center will allow multi-modal transportation efforts to continue unabated in the face of future snow melts.”

“Improving infrastructure resilience at Big Pasco Industrial Center will benefit the Tri-Cities economy and have a positive impact on jobs,” said Rep. Dan Newhouse. “This grant will help the Port of Pasco meet transportation needs for businesses despite adverse weather conditions.”

The Big Pasco Industrial Center’s capacity to serve businesses was impacted by the winter 2017 snowmelt. The Center provides multi-modal transportation from barge to rail and road, and is an essential asset to the Tri-Cities area in Franklin County. This project will accelerate and improve the resilience of the business park by repaving damaged roads and installing storm water management drains.

This project is funded under the [Bipartisan Budget Act of 2018 \(PL 115-123\)](#) (PDF), in which Congress appropriated to EDA \$600 million in additional [Economic Adjustment Assistance \(EAA\) Program](#) (PDF) funds for disaster relief and recovery as a result of Hurricanes Harvey, Irma, and Maria, wildfires, and other calendar year 2017 natural disasters under the [Stafford Act](#).

U.S. Department of Commerce Invests \$300,000 in Seed State Funding

2017

\$300,000 to the Port of Benton, Richland, Washington, to recruit and empower seed-stage investors, educate CEOs of early startups, foster cross-sector collaboration, market a Tri-Cities fund and, ultimately, grow the Tri-Cities Research District’s (TCRD’s) entrepreneurial ecosystem. The project will expand the pool of available investment capital and supportive educational resources for local startups in southeastern Washington State, while further capitalizing on the energy and technology-based research at the Pacific Northwest National Laboratory (PNNL). Within eight years, the Port expects to have supported the creation of 75 companies and 546 jobs.



