



CHELAN DOUGLAS  
**Regional Port**  
AUTHORITY

**Regional Port Update**  
**March 2024**

# Today's Agenda

- **Regional Port Welcome**
- **Announcements from Special Guests**
  - **Congresswoman Kim Schrier, M.D. (WA-08)**
  - **Amazon**
  - **Dave Rettell – Area Director - Waste Management**
  - **JoNell DeMars – Operations Manager - NW Natural Gas**
- **2024 Economic Outlook Keynote Speaker**
  - **D. Patrick Jones, Ph.D. – Executive Director, Institute for Public Policy & Economic Analysis – Eastern Washington University**

# What is the CDRPA?

- **Lead Economic Development Agency for Chelan & Douglas Counties**
- **We measure our success in terms of our ability to:**
  - **Create living wage jobs**
  - **Stimulate private sector capital investment**
  - **Facilitate transportation connectivity with strategic aviation investments**
  - **Enhance the economic well-being of families in the communities within Chelan & Douglas Counties**
- **First of its kind in Washington by functionally consolidating two county-wide port districts into one operating entity**

# It Takes Leadership, Vision, & Risk Taking

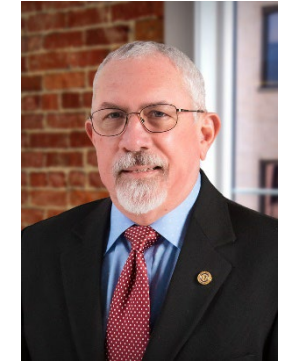
## Six Port Commissioners

### Douglas County

**Jim Huffman, District #1**

**Alan Loeb sack, District #2**

**Mark Spurgeon, District #3**

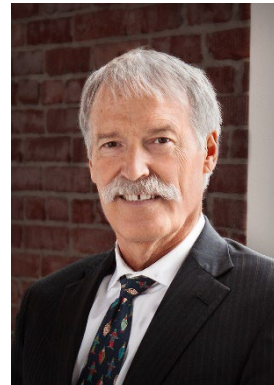


### Chelan County

**Donn Etherington, District #1**

**JC Baldwin, District #2**

**Richard DeRock, District #3**



# Special Announcement

**Congresswoman Kim Schrier, M.D.  
Washington – 8<sup>th</sup> Congressional District**



# Pangborn GA Terminal – Existing Conditions





# AIRSIDE ENTRY



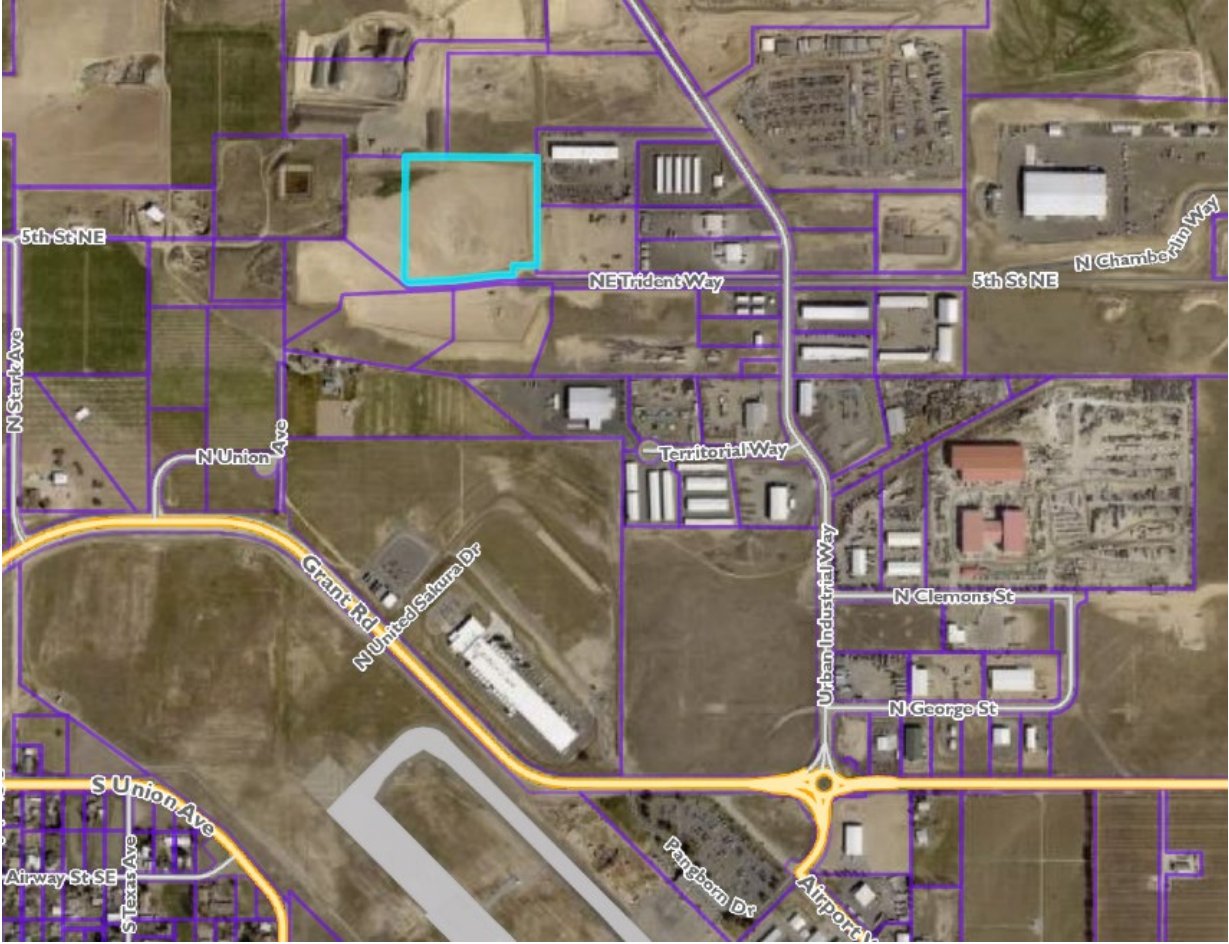


# Special Announcement

**Amazon Last Mile Distribution Center  
Greater Wenatchee Valley**



# Amazon Last Mile Distribution Center



# Amazon Last Mile Distribution Center

Maple Valley, WA  
Example



# Amazon Last Mile Distribution Center

## Douglas County New Last Mile Distribution Center:

- 45,000 sq. ft. facility
- Construction starts March/April 2024
- Completed by end of year 2024
- Douglas County permitting process has been positive



# Amazon Last Mile Distribution Center

## Employment:

- **Amazon Direct Employees**
  - **8 to 14 management positions dependent on volume**
  - **Approximately 150 employees dependent on volume**
  - **Not all 40 hour per week jobs**
  - **Comes with an Education Benefit package**



# Special Announcement

**Dave Rettell – Area Director - Waste Management**



**JoNell DeMars – Operations Manager - NW Natural Gas**



# WM Commitments and Values

## Do the Right Thing the Right Way

### COMMITMENTS

- People First
- Success with Integrity

### VALUES

- Inclusion and Diversity
- Customers
- Environment
- Safety



## Company Snapshot

- **Sustainability** – Providing innovative and reliable environmental solutions intended to help reduce GHG emissions
- **Recycling** – Largest recycler of post-consumer materials in North America and using technology to capture more recyclables that can be used for new products
- **Renewable Energy** – Capturing and processing landfill gas to build a leading renewable energy platform



# WM in the Wenatchee Valley

**Strong  
local employer**

**Sustainability  
champion**

**Community  
investor**



# Strong local employer

- 60+ employees
- Safety culture and ongoing safety training
- Competitive compensation, comprehensive benefits, wellness programs, and education, including college, for the whole family
- Recognized as a top employer for military veterans and a leader in ethical business practices



# Sustainability champion

- Recycling, yard waste and garbage collection for 25K customers in two counties (Chelan, Douglas) and five cities (Wenatchee, East Wenatchee, Rock Island, Leavenworth, Cashmere)
- Wenatchee Transfer Station
- Greater Wenatchee Regional Landfill



WM IN THE WENATCHEE VALLEY

# Community investor



# Where do our recyclables go?

- We sort them at WM's regional recycling facility in Spokane – at the SMaRT Center
- WM is using technology that can help improve recycling by capturing more material and producing a higher quality end product
- At SMaRT, we are currently upgrading the facility with a \$15 million planned investment



# Greater Wenatchee Regional Landfill

- Opened in 1960
- Engineered with overlapping environmental protection systems and is subject to highly regulated monitoring and reporting requirements
- Projected remaining life of 89 years
- 135 acres permitted for landfill
- 80 acres of habitat for wildlife and conservation – certified by the Wildlife Habitat Council
- Annual payment to Chelan-Douglas Health District of ~\$300K
- Annual payment to Douglas County of ~\$500K



WM SUSTAINABILITY LEADERSHIP AND CLIMATE ACTION

# Renewable Natural Gas

RNG is another way for WM to help advance climate action for the communities we serve

Our strategy on RNG is designed to reduce GHG emissions and help offset the use of fossil fuels

NW Natural has signed an agreement with WM to build an RNG plant that will process captured landfill gas from the Greater Wenatchee Regional Landfill for 20 years

NW Natural will manage the plant and RNG distribution



CONFIDENTIAL AND PROPRIETARY  
INFORMATION OF WM



# More information

## **WM Greater Wenatchee Regional Landfill**

[wmnorthwest.com/landfill/wenatchee](http://wmnorthwest.com/landfill/wenatchee)

## **WM SMaRt Center**

[wmnorthwest.com/smartrecycling](http://wmnorthwest.com/smartrecycling)

## **WM Sustainability Report**

[sustainability.wm.com](http://sustainability.wm.com)





# NW Natural Renewable Natural Gas

JoNell DeMars, Business Development  
Operations Manager  
March 28, 2024



# About NW Natural



- Largest stand-alone gas utility in the Pacific Northwest
- Serves 2 million people in Oregon and SW Washington
- Nearly 1,200 employees
- One of the tightest, most modern distribution systems in the U.S.
- Integrity, safety, caring, service ethic and environmental stewardship represent our core values



# We Must Evolve Energy Sources

Instead of wires, NW Natural delivers energy through pipes. What goes through them is the opportunity for de-carbonization.

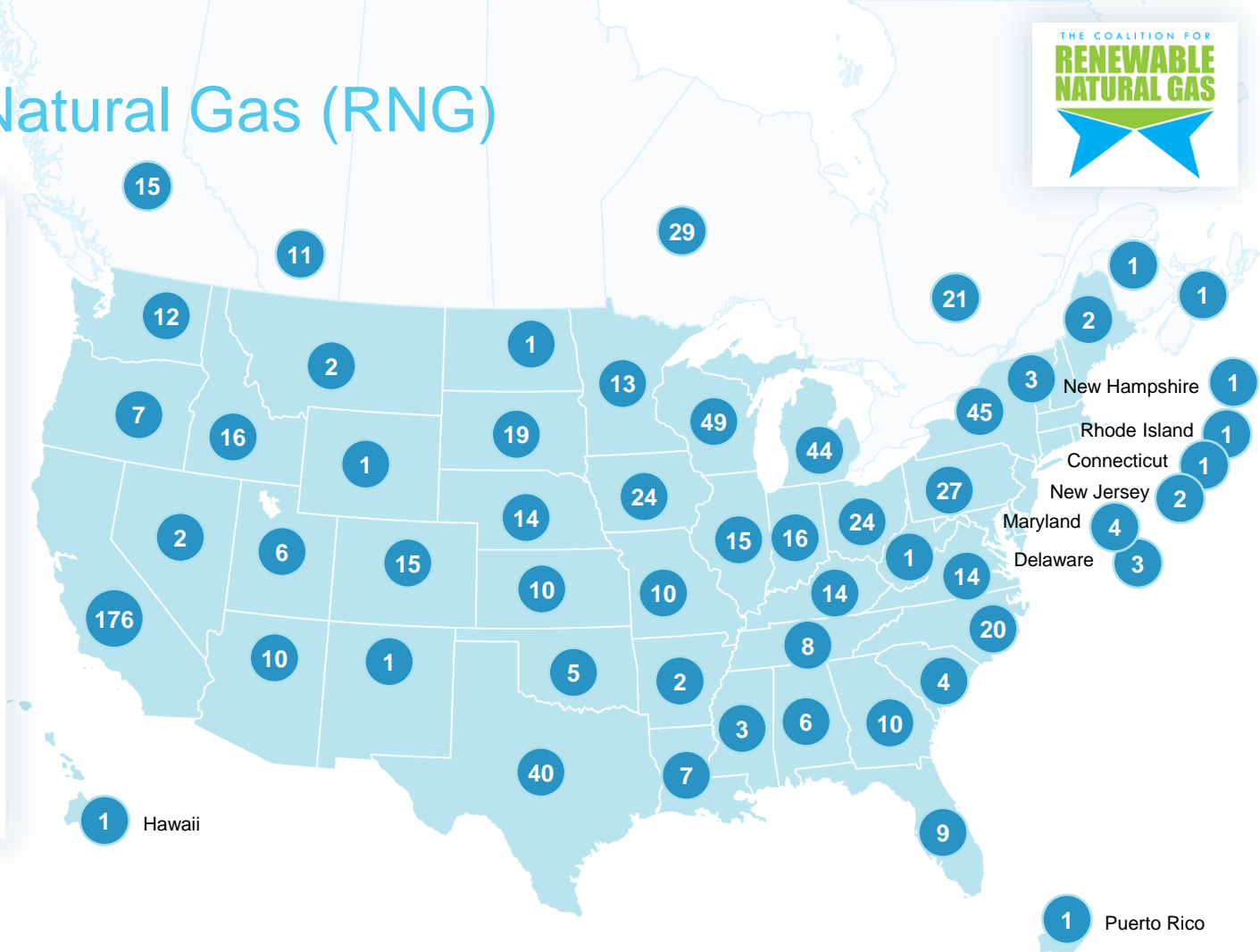


# Renewable Natural Gas (RNG)



## What is RNG?

- When organic waste decomposes, methane is produced.
- RNG is made by capturing and cleaning that waste methane and displacing fossil gas with it.
- Renewable natural gas (RNG) is not a fossil fuel- it recycles CO2 already in the atmosphere.
- RNG supply is vast and there's no need for new appliances or pipelines.
- Recent national and regional estimates find that enough potential exists today to displace all residential gas use.



# Potential Profiles for Future Delivery of Low Carbon Energy

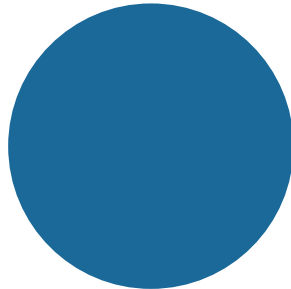
## Balanced Approach Scenario

- % Conventional (fossil) gas
- % Carbon capture/offsets cancelling out fossil emissions
- % Renewable natural gas
- % Clean hydrogen

**2020**

100% Conventional (fossil) gas

**80.9M Dekatherms**



**2030**

69% Conventional (fossil) gas  
8% Carbon capture/offsets cancelling out fossil emissions  
17% Renewable natural gas  
6% Clean hydrogen

**73.6M Dekatherms**



**2050**

0% Conventional (fossil) gas  
4% Carbon capture/offsets cancelling out fossil emissions  
62% Renewable natural gas  
33% Clean hydrogen

**54.6M Dekatherms**



**Total Gas Deliveries**

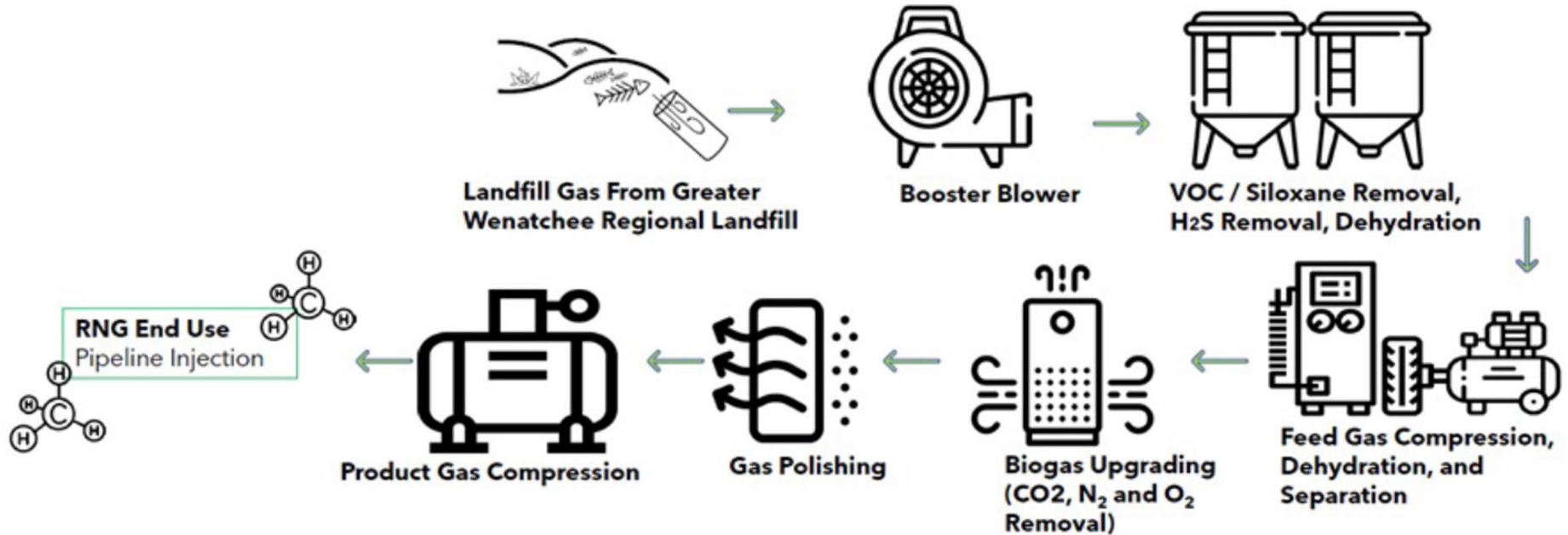
\* Carbon capture in 2050 begins to sequester biogenic CO<sub>2</sub> emissions from renewables, meaning that the scenario has shifted to a carbon-negative system.  
IRP - Strategically planning for use and development of energy resources - NW Natura Vision2050BRONOV2021FINAL (1).pdf

# Proposed Wenatchee RNG Facility

- NW Natural and WM partnership to generate RNG at WM's Greater Wenatchee Regional Landfill
- NW Natural to purchase the landfill gas from WM
- NW Natural to construct RNG facility to upgrade landfill gas to RNG to deliver onto the local natural gas distribution system to benefit utility customers
- Expected to produce about 300,000 MMBTU of RNG per year



# Upgrade Process



Source: BioGas Engineering

# Community Highlights

Proposed facility represents an estimated \$43 million investment in Douglas County

20 Years Operations & Maintenance

- 4-person crew
- Routine subcontracted services

Construction

- 15-20 trade jobs onsite
- Subcontracted services

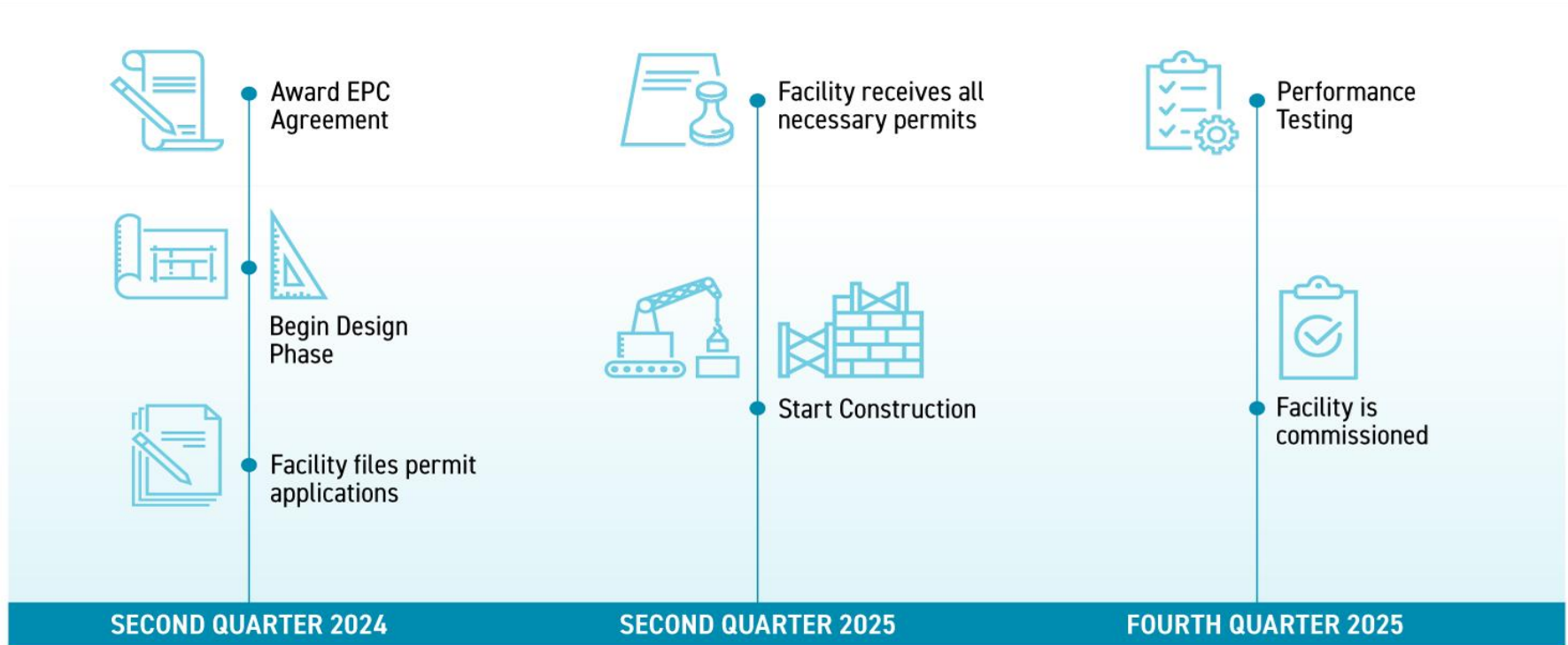
RNG generation closes the loop on waste and provides a lower-carbon energy resource for the natural gas system

- Estimated to reduce greenhouse gas (GHG) emissions from conventional natural gas on our system by almost 16,000 metric tons every year





# Anticipated Facility Timeline





Thank You

# 2024 Economic Outlook Keynote Speaker: D. Patrick Jones, Ph.D.



## Education

- **Ph.D., University of Wisconsin-Madison, Department of Applied & Agricultural Economics, 1988, Dissertation: A Global Model of the World Oilseeds Markets**
- **MA, University of Wisconsin-Madison, Department of Applied & Agricultural Economics, 1978**
- **Vordiplom, Wirtschaftswissenschaft (Economics) Freie Universität, Berlin, 1976**
- **BA, Whitman College, Walla Walla WA, History, 1971**

## Academic & Professional Experience

- **2002-present: Executive Director, EWU Institute for Public Policy & Economic Analysis (founding executive director)**
- **2001-2005: Director of External Affairs, Spokane Intercollegiate Research & Technology Institute (SIRTI)**
- **1999-2001: Director of the Biotechnology Association of the Spokane Region**
- **1986-1999: Owner and operator of a Spokane-based, family business**

# Some observations of the economic landscape of Chelan & Douglas Counties

*Presentation to Chelan Douglas Regional Port Authority  
Economic Partner Meetings*

March 28, 2024



**EASTERN**  
WASHINGTON UNIVERSITY

start something **big**

# About the Institute

inside.ewu.edu

 **Institute for Public Policy and Economic Analysis**  
Eastern Washington University

Home ▾ Trends Projects Research ▾ Newsletters & Blogs Dashboards Student Alumni In the News Events

## The Institute for Public Policy and Economic Analysis

### About Us

The Institute for Public Policy and Economic Analysis is a research institute for applied regional research that provides easily accessible community indicator data. The Institute publishes seven [community trend sites](#) for nine Washington counties, all of which cover a variety of factors like economic vitality, health, housing, and more. The Institute's work is aimed to promote data-based decision making and provide readily available and extensive data for communities across Washington state.

### Our History

The Institute for Public Policy and Economic Analysis was created in 2002 as a pilot project administered by Eastern Washington University, until it was fully established as an integral part of the University in 2005. Headed by executive director Dr. Patrick Jones, the Institute has been a vital research institute producing community research projects for 20 years. The Institute is supported by a broad coalition of community sponsors across Washington state, and proudly constructs its community trends websites based on community-based feedback processes.

### Quick Links

- [Community Trends Projects](#)
- [Recent Research](#)
- [Student Alumni](#)
- [Data Dashboards](#)
- [The Institute in the News](#)
- [Newsletters & Blogs](#)
- [Events & Happenings](#)

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- [College of Arts, Humanities, and](#)

# About the Institute



People



Culture & Leisure



Economic Vitality



Education



Environment



Health



Housing



Public Safety



Transportation



Our Valley Our Future  
Nuestro Valle Nuestro Futuro



## WELCOME TO CHELAN-DOUGLAS TRENDS!

### Our Home

From the east slope of the beautiful Cascade Mountains to the Shrub Steppe and wheat fields of the Waterville Plateau, Chelan and Douglas Counties are centrally located between Seattle and Spokane. Where the Wenatchee and Columbia Rivers converge, in the heart of wine, apple...

[Read More](#)

### Blog

Throughout the year, each of the approximately 170 indicators on the Trends website are updated within a few weeks of new data becoming available. But, which ones and when? Our blog webpage provides the answers with a list of recently updated indicators - check it out

[Our Blog](#)



# About the Institute

**AWWB INSTITUTE**

Pillars **Vitals** Projects Partners Get Involved About News

## OUR VITALS

Measuring progress toward our desired future – Washington’s Vitals provide the most current data that can be used at the state and community level to track progress.

FILTER BY REGION:  
Kennewick-Pasco-Richland

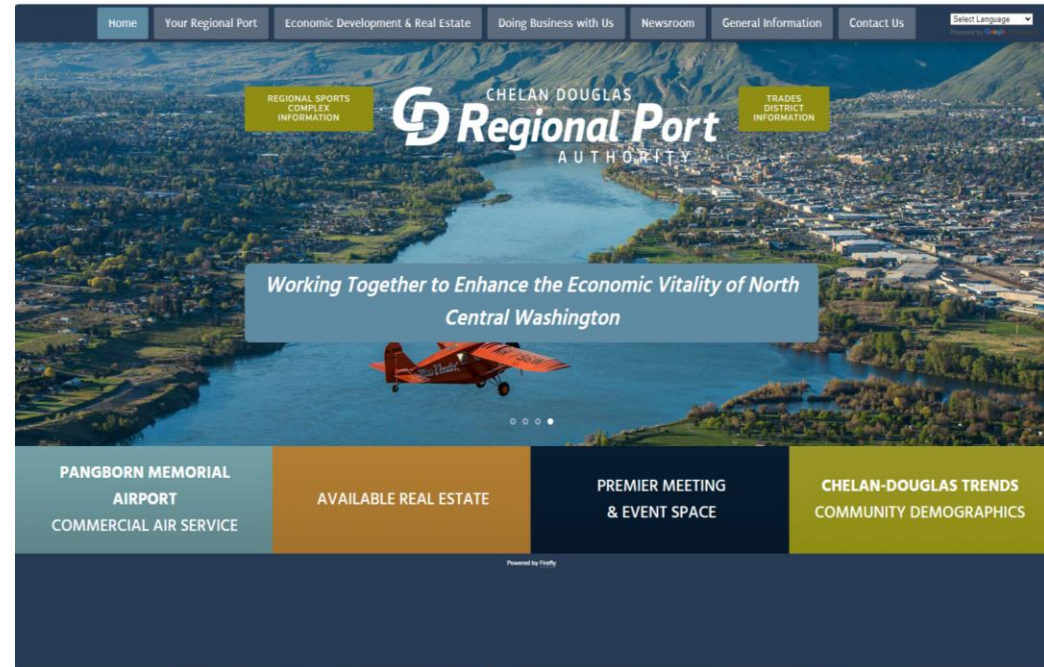
● Negative Trend ● Neutral ● Positive Trend

| Metric                                  | Value   | Trend | Last Updated  |
|---|---------|-------|---------------|
| Civilian Labor Force Participation Rate | 63.4%   | Down  | February 2023 |
| Net Jobs Created                        | -0.7%   | Down  | August 2023   |
| Median Household Income                 | \$82.1K | Up    | January 2024  |
| Unemployment Rate                       | 5%      | Down  | February 2024 |

## An outline

# Elements to cover today

- Demographic backdrop
- Key economic measures
- Long-term trends influencing economic vitality
  - Education
  - Housing
- A few measures presented via the lens of race & ethnicity
- Will keep the focus at the 2-county level

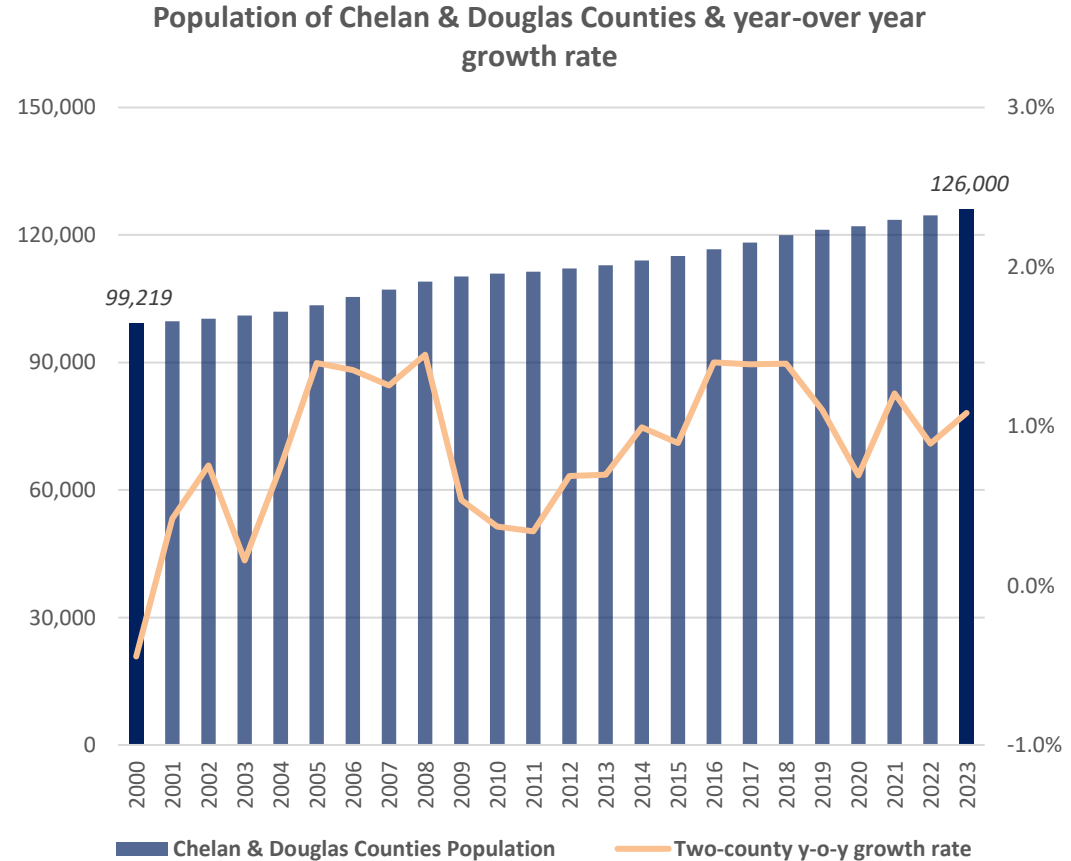




## Key demographics

# Somewhat strong population growth since 2000

- Gain since 2000: ~27,000
  - Cumulative rate 27%
  - WA cumulative rate: 35%
- Two growth peaks – 2006-08 & 2016-18
- Average annual growth 2020-2023: ~1.1%
- Did the 2 counties attract urban refugees during the pandemic? Perhaps.. (a few)

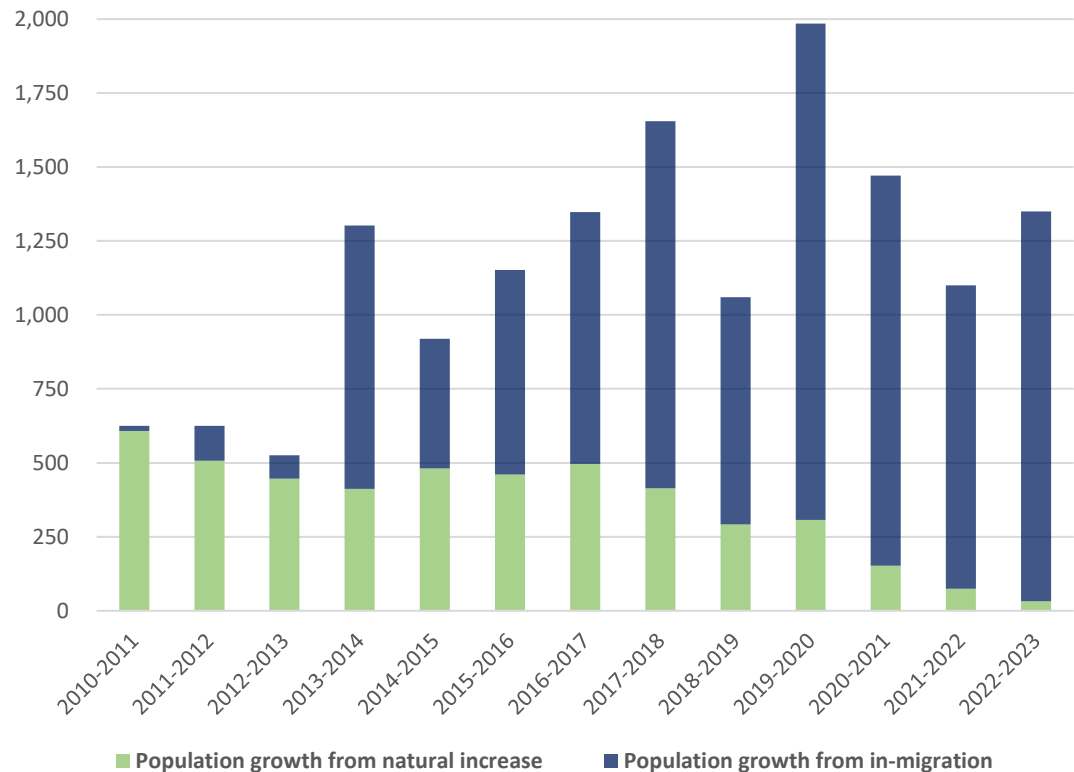


## Key demographics

# Recent population growth entirely due to in-migration

- Two sources: *natural increase* (births vs. deaths) & net in-migration
- The roles of the two have reversed over the past decade
- If a certain amount of population growth is an economic goal, it will likely be met only by people moving here

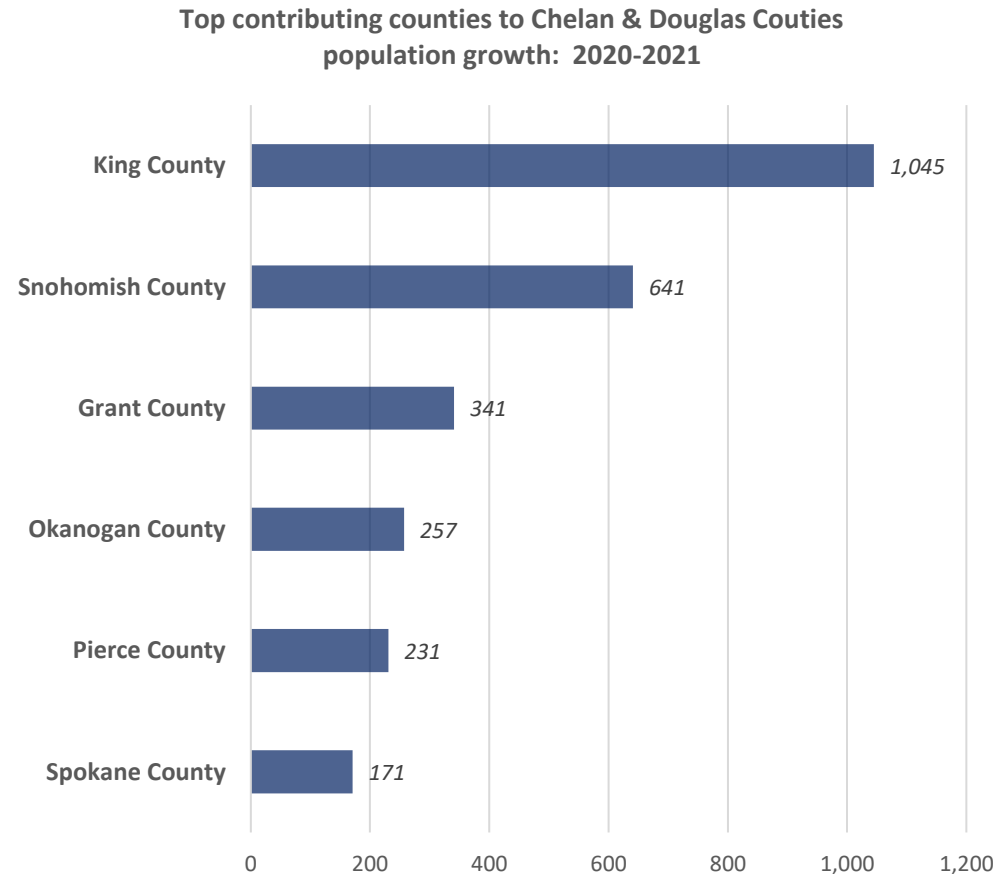
Population growth in Chelan & Douglas Counties - natural increase & net in-migration



## Key demographics

# A few counties responsible for most in-migration

- These six counties amounted to 50% of all in-migration in 2020-21
- The three large counties from central Puget Sound: ~35%
- Likely holds true for other years
- Yes to “latte-sipping 206-ers” (& 253-ers & 360....)

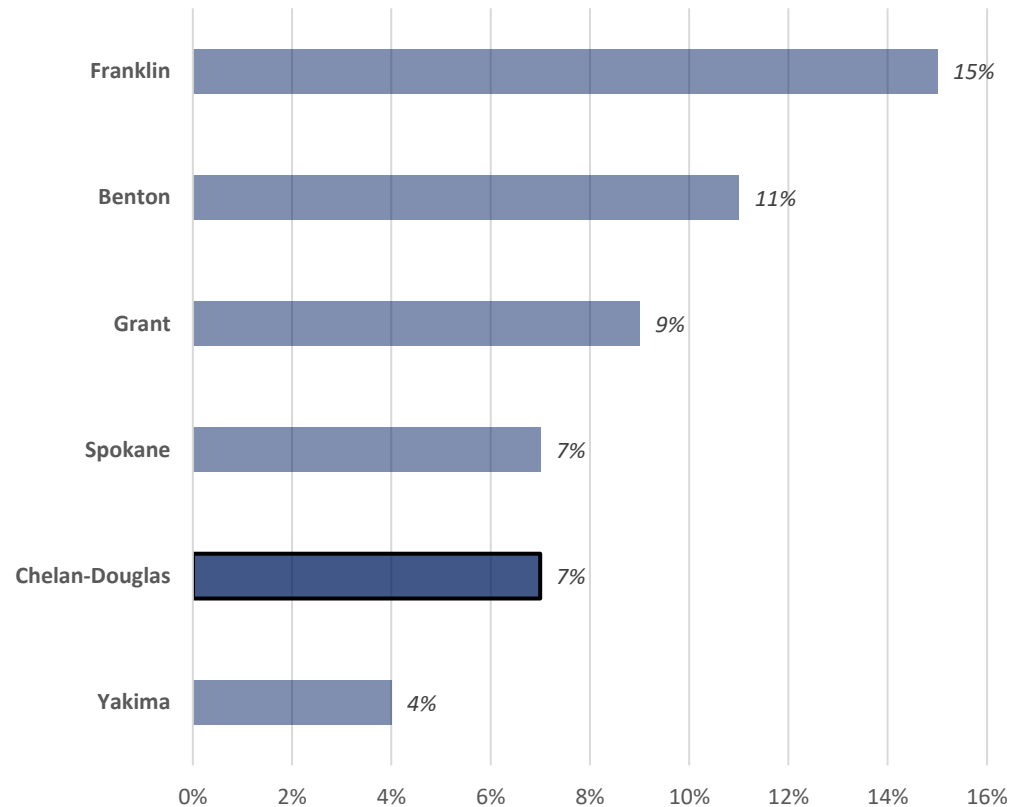


## Key demographics

# Forecasted near-term population growth is modest

- OFM, as of Nov., 2022, predicting a gain of ~9,000 in the two counties to 2030 as “most likely”
- Very close to projected WA growth rate (8%)
- But, considerably < growth rate in Tri Cities & Grant County
- A Goldilocks outcome for this area?

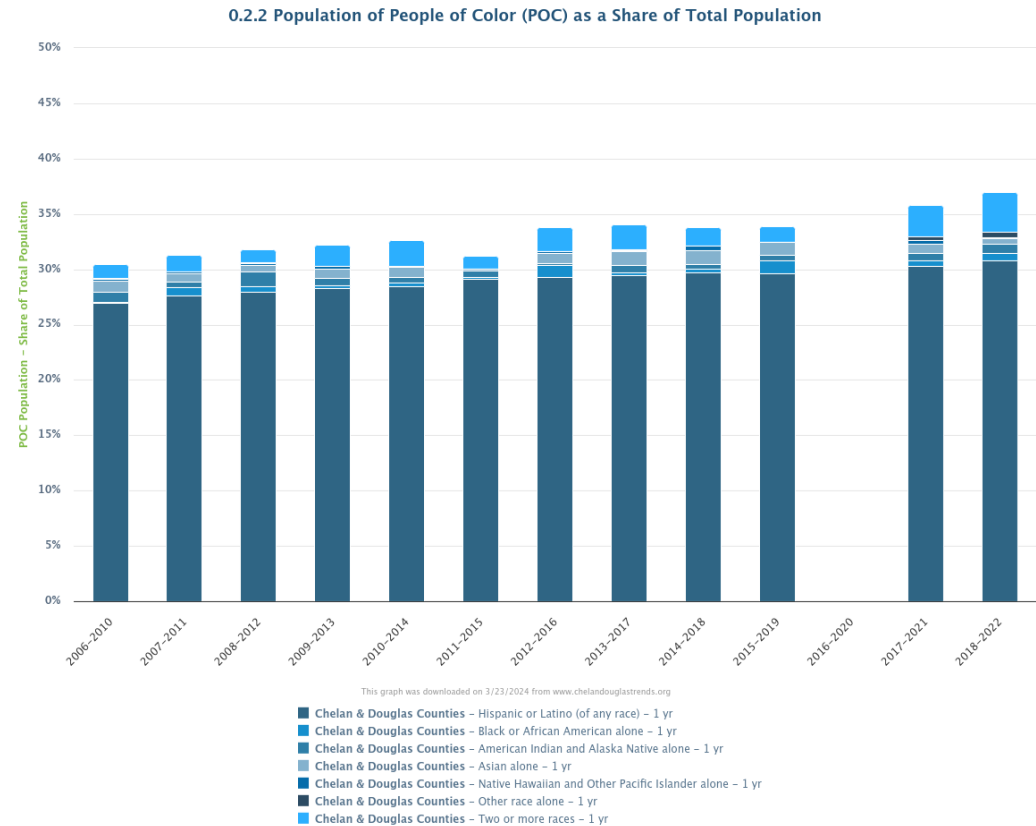
Projected cumulative gain for largest E. WA counties, 2022-2030



## Key demographics

# Presence of People of Color has grown substantially

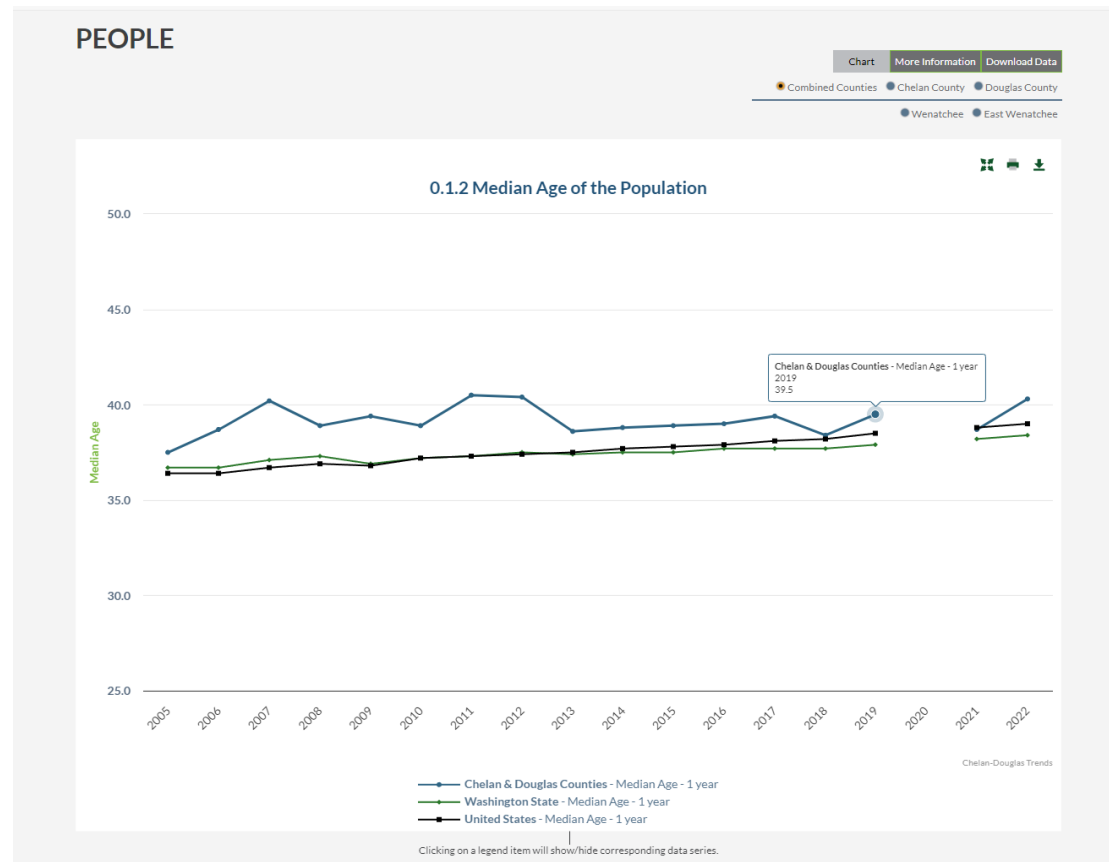
- Total share of '22 population: 37% (vs. 30% in 2010)
- POC responsible for 90% of the growth in 2-county population since 2010
- Two groups predominate:
  - Latinos, @ 31% in 2022
  - Two or more races. @ 4%
- POC total share here now > WA's share, but < share in U.S.



## Key demographics

# Chelan & Douglas Counties are not a young metro

- In 2022, local median of 40.3:
  - > U.S. by 1.3 years
  - > WA by 1.9 years
- Median here much different than other eastern WA metros
  - Spokane: 38.2 years
  - Tri Cities: 34.9 years
  - Yakima 33.2 years
- Age structure carries many implications for a community

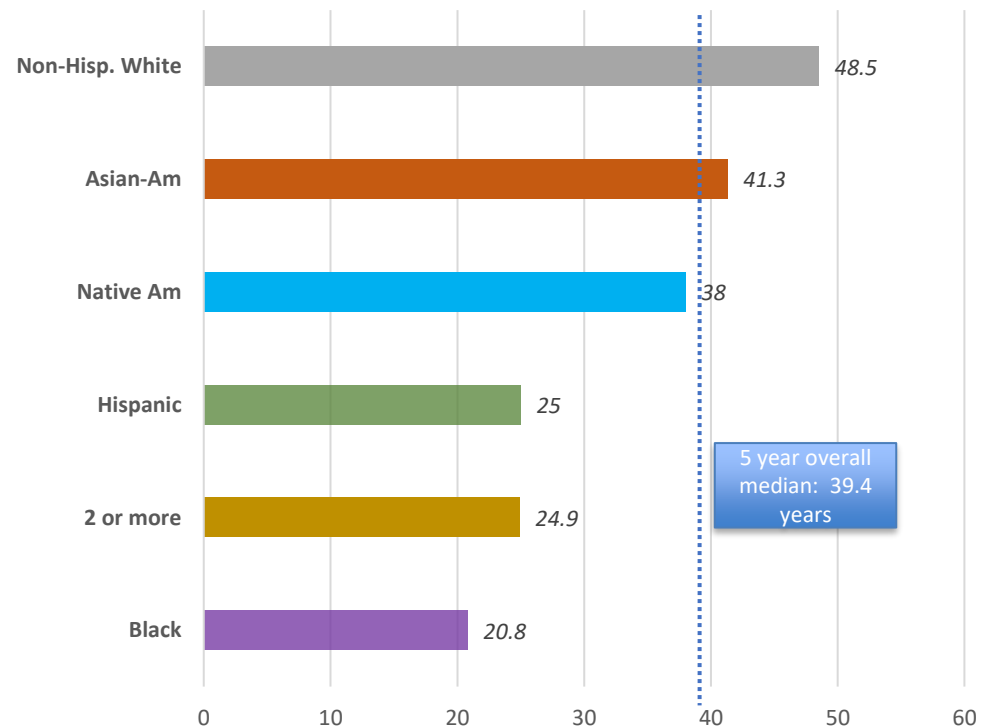


## Key demographics

# POC population lowers the median age

- Census uses 5 years to provide accurate enough estimates
- Only POC group > overall median is Asian-Americans, with 0.5% of population
- Median age of 2 largest groups is ~25 years!

Median age by race & ethnicity, Chelan & Douglas Counties, 2018-2022



## *Prosperity in the two counties*

# Checking the current pulse via Income

- Key measure: Median Household Income (MHI) preferred. Why?
  - Median more representative of the “middle” than the average
  - Unit of household allows a better description of the players in our personal finances
  - Income is “money” income; not in-kind, such as certain federal programs
- Key parties, such as bond underwriters & retail site selectors, pay close attention to MHI



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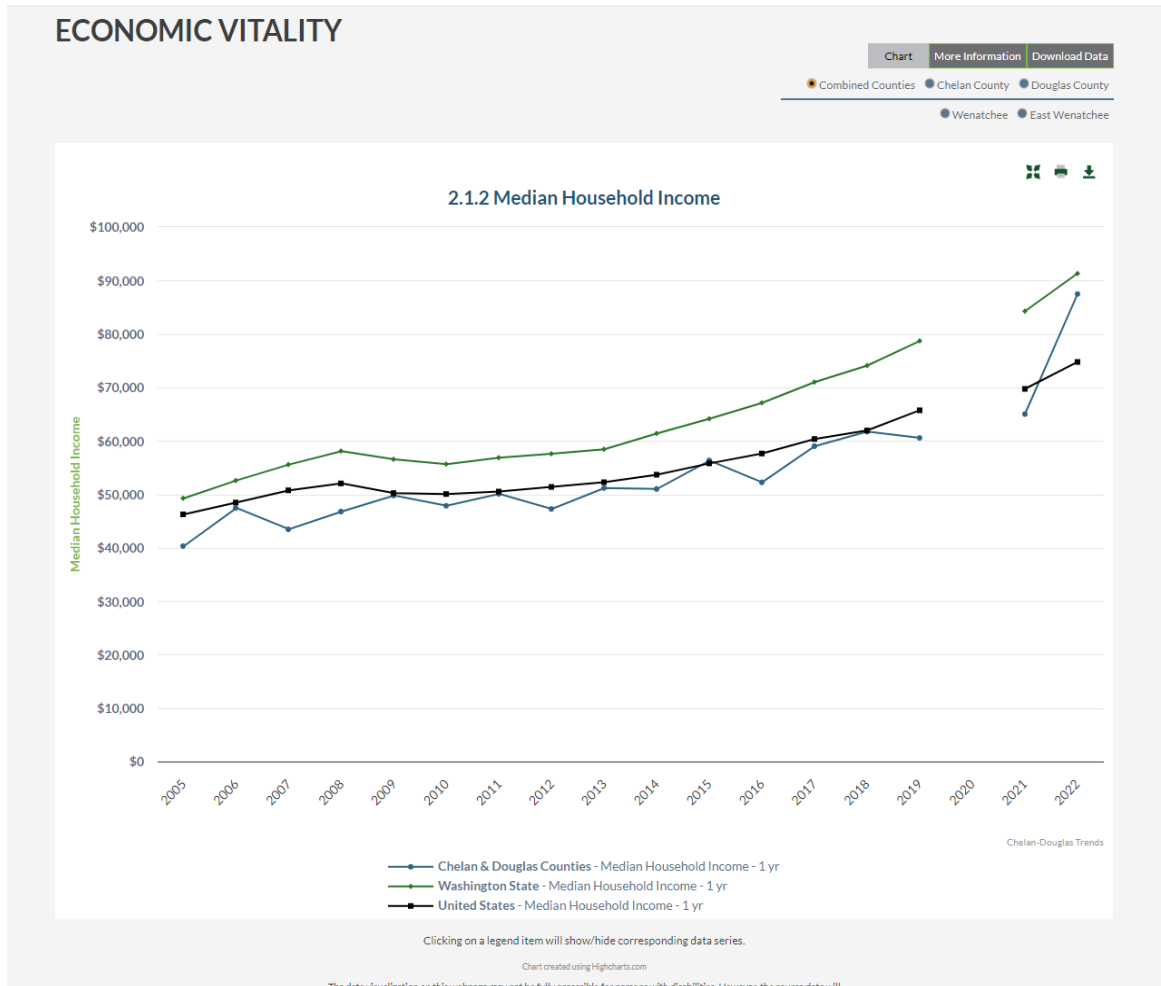
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## Prosperity

# The big picture provided by median household income

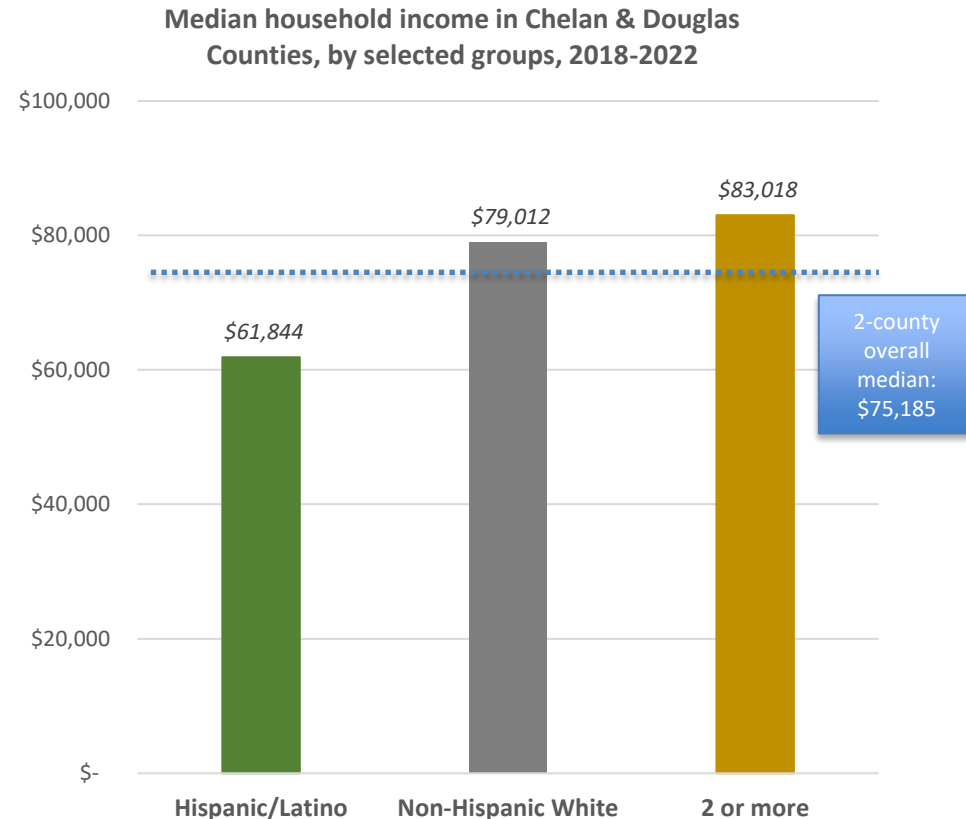
- First takeaway – MHI here now much > U.S.
  - 2022: ~\$87,500
- Now highest among all E. WA metros:
  - Tri Cities, ~\$83,000
  - Spokane, ~\$69,000
  - Yakima, ~\$64,000
- Remarkable result; will it repeat for 2023?



## Prosperity

# Current median household income by race & ethnicity

- Large differences among the three most populous groups
  - Wide deviations (“margins of error”) make showing MHI for other POC groups misleading
- MHI for Hispanic/Latinos has grown slightly faster than the overall rate since 2013
  - Also the case for 2 or more races

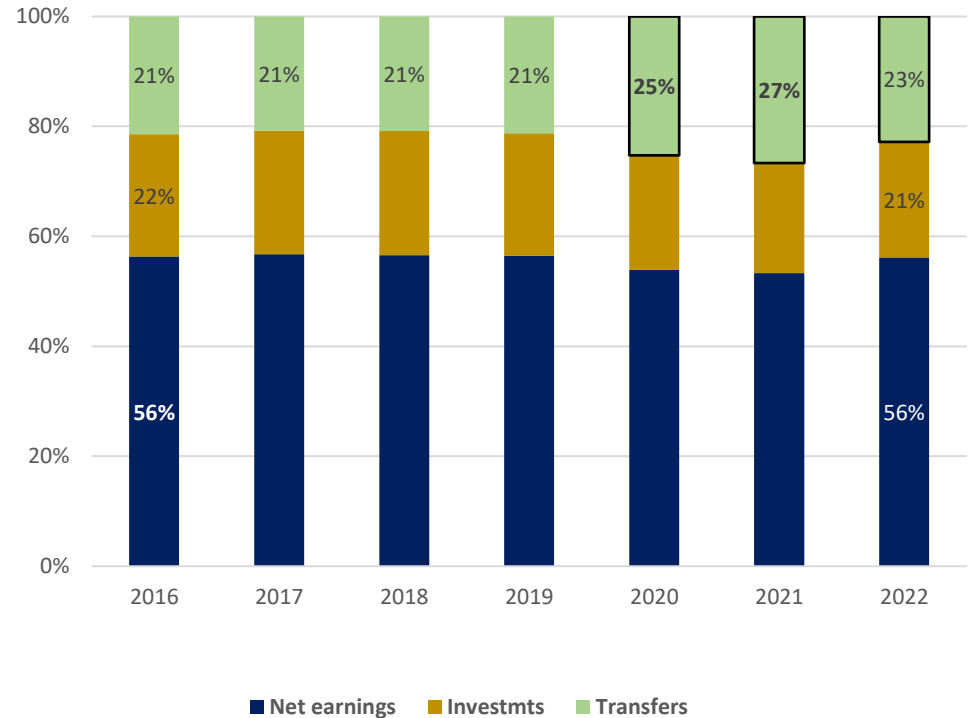


## Prosperity

# Consider the composition of income in the 2 counties

- Personal income: 3 components
  - Wages & salaries
  - Investment income
  - Federal transfer payments
- Transfer payments covers “money income” from many federal programs
- Top 5 here are (ranked):
  - Social security
  - Medicaid
  - Medicare
  - Veterans benefits
  - SNAP

Composition of personal income in Chelan & Douglas Counties

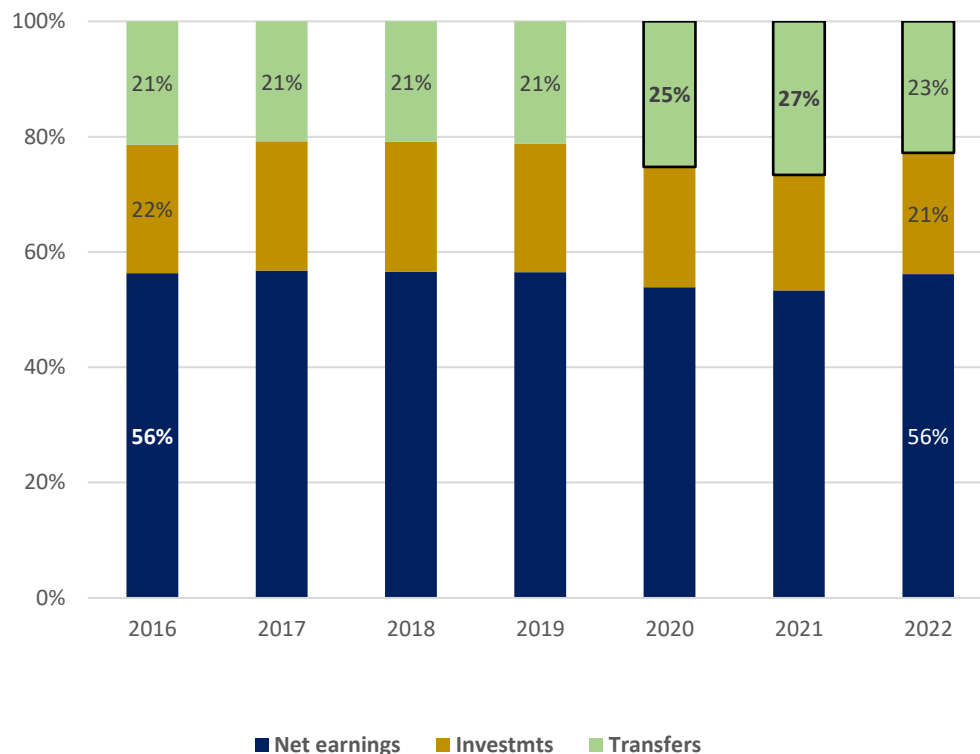


## Prosperity

# Composition of income in the 2 counties different than 5 years ago

- Pre-pandemic, the average share of federal transfer payments in PI here was 21%
- Federal economic response to pandemic was *massive*
  - TPs jump to 25% & 27% of total PI in 2020 & 2021, respectively
  - Or, increase of nearly \$400 million in '20 & over \$600 million in '21 (compared to 2019 levels)
- A drop in 2022 from pandemic levels, but TPs are still nearly \$300M over 2019 levels

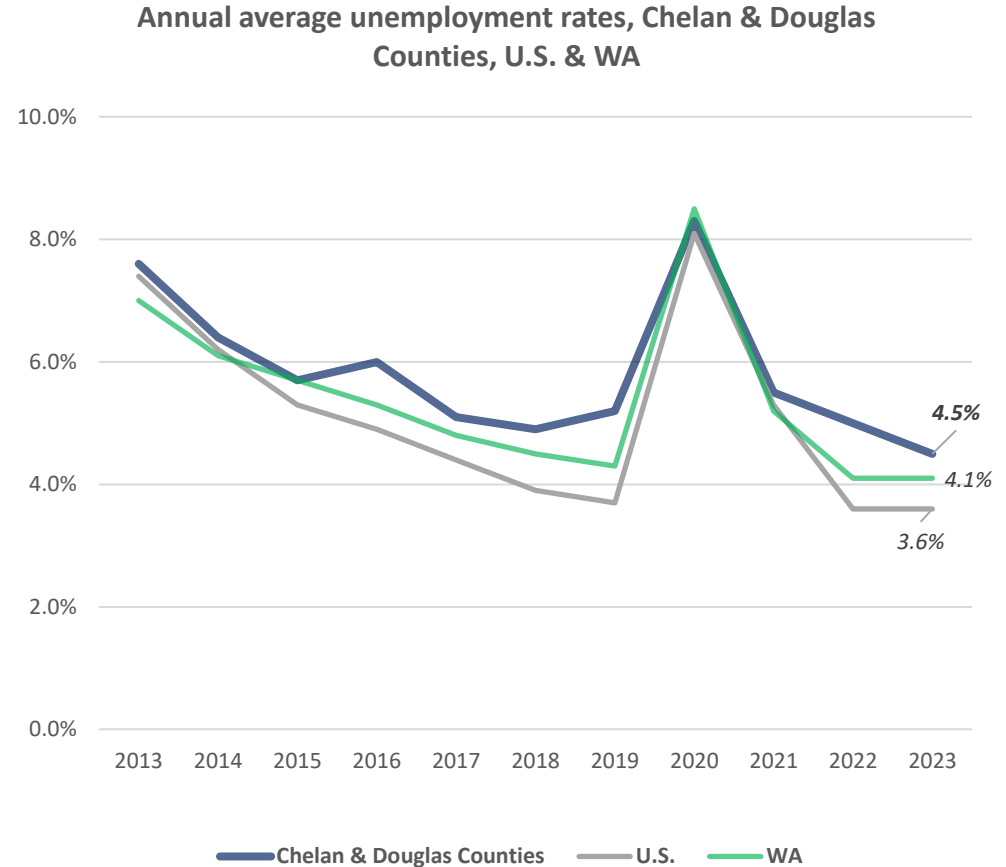
Composition of personal income in Chelan & Douglas Counties



## Economic development

# The local labor market has recovered by this measure

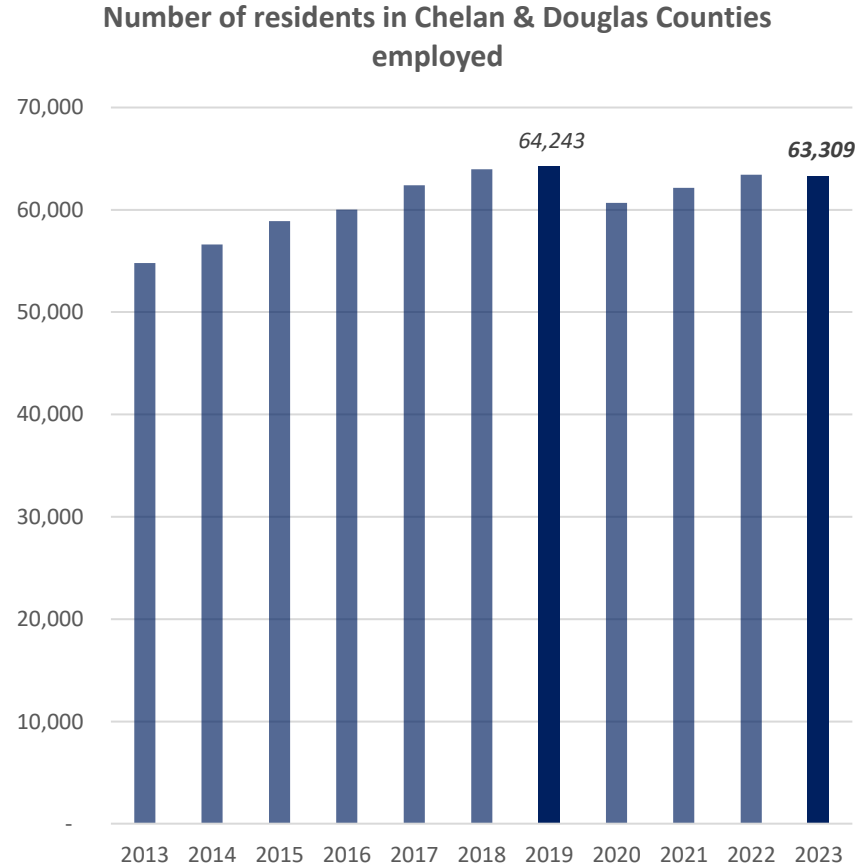
- Unemployment rate a headline number
- By this measure, the area has recovered well from the pandemic
- 2023 rate of 4.5% the lowest in the last decade
- Note: rates for the U.S. and WA are lower yet



## Economic development

# Yet the labor market has *not* recovered by this measure

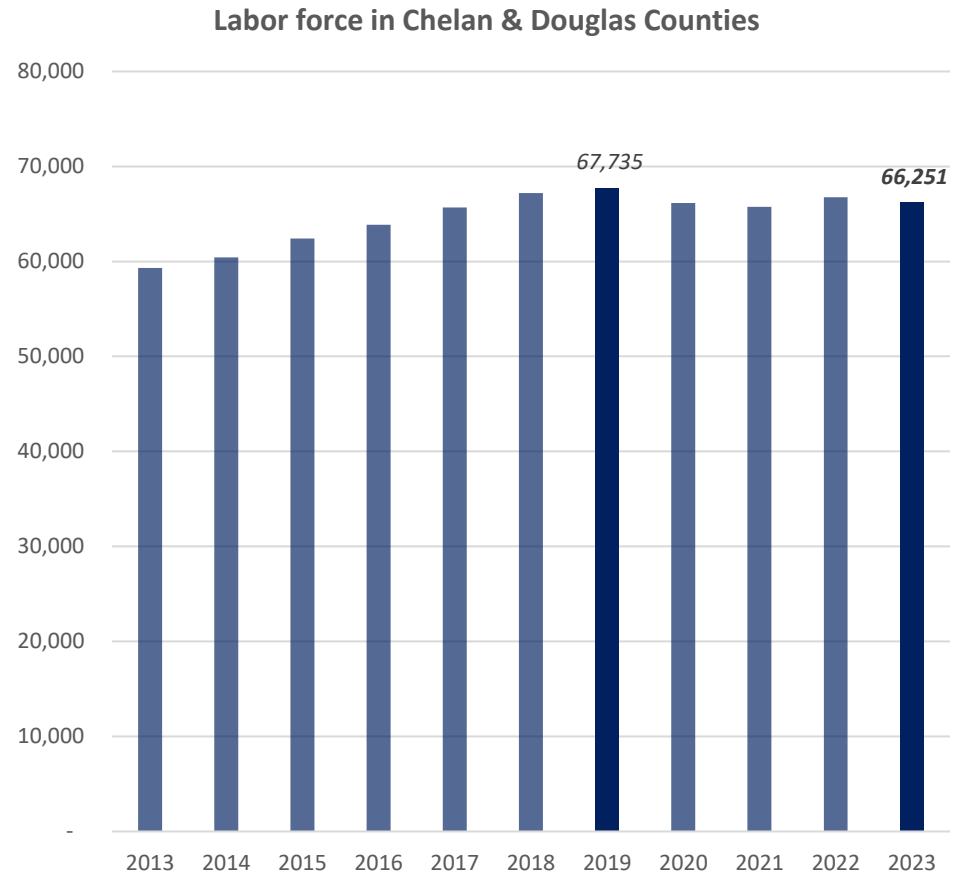
- Estimates consider *residents*, not the # employed at local firms and government (who could come from elsewhere)
- Note that average employment in the 2 counties in 2023 was still about 1,000 lower than pre-pandemic peak
- How to square the two findings of the labor market?



## *Economic development*

# Because the local labor market has shrunk

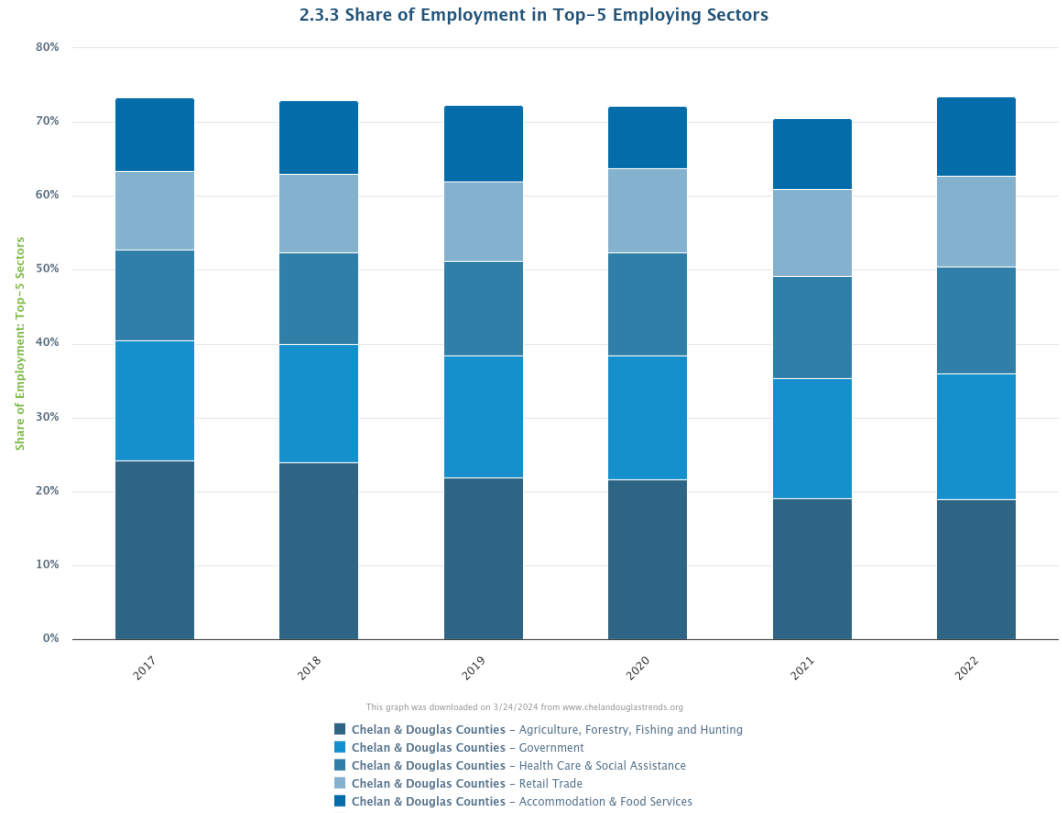
- This measure counts the number of residents either employed & unemployed but looking for work
- Clear that 2023 was ~1,500 people < pre-pandemic peak
- Likely tied to increase in median age
- Implications for economic development: is a workforce available?



## Economic development

# Consider the portfolio of the largest sectors

- Top 5, by employment ('22)
  - Agriculture (19%)
  - Government (17%)
  - Healthcare (14%)
  - Retail (12%)
  - Hospitality (11%)
- Increasing shares since '12
  - Healthcare
  - Retail
  - Hospitality
- Agriculture shows a significant decline (but not by output)

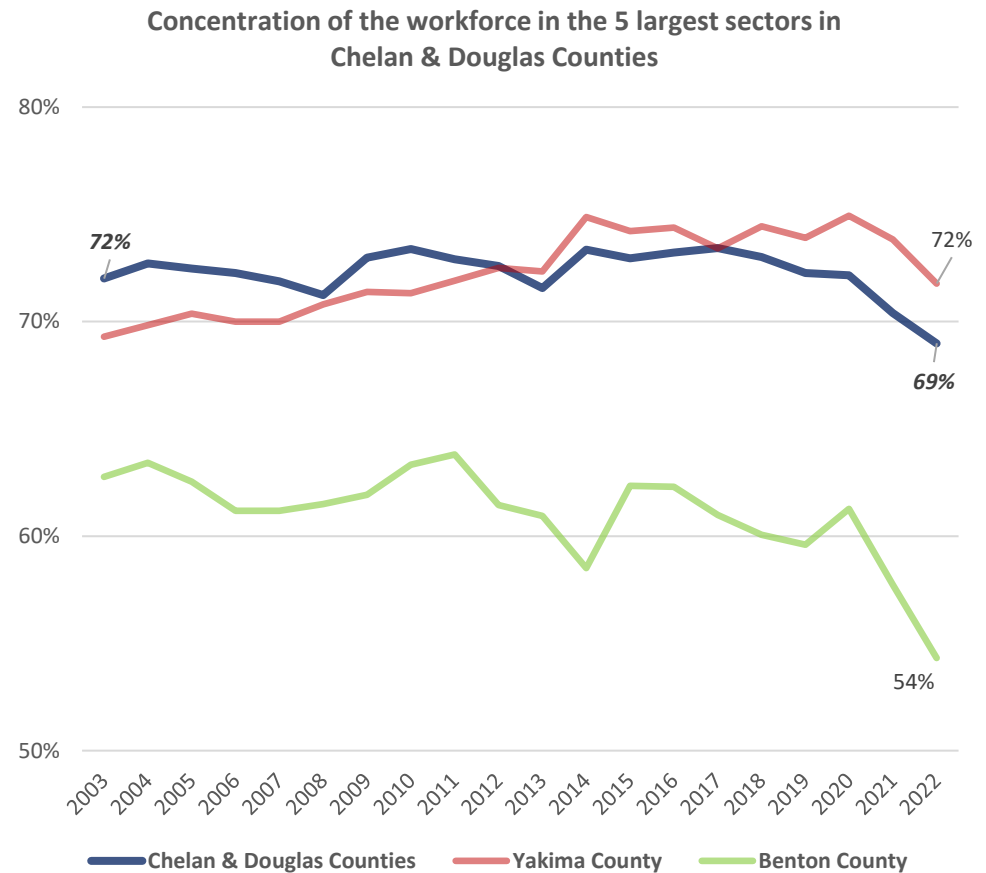




## *Economic development*

# Consider the diversification of economic sectors

- An ED goal: to diversify, as measured by concentration of labor force
- For the 2 counties, a slight diversification since 2003
- Other sectors that gained
  - Construction
  - Wholesale trade
  - Administrative services
- Future role of data centers?



## Local spending

# Taxable retail sales growth in 2023 likely minimal

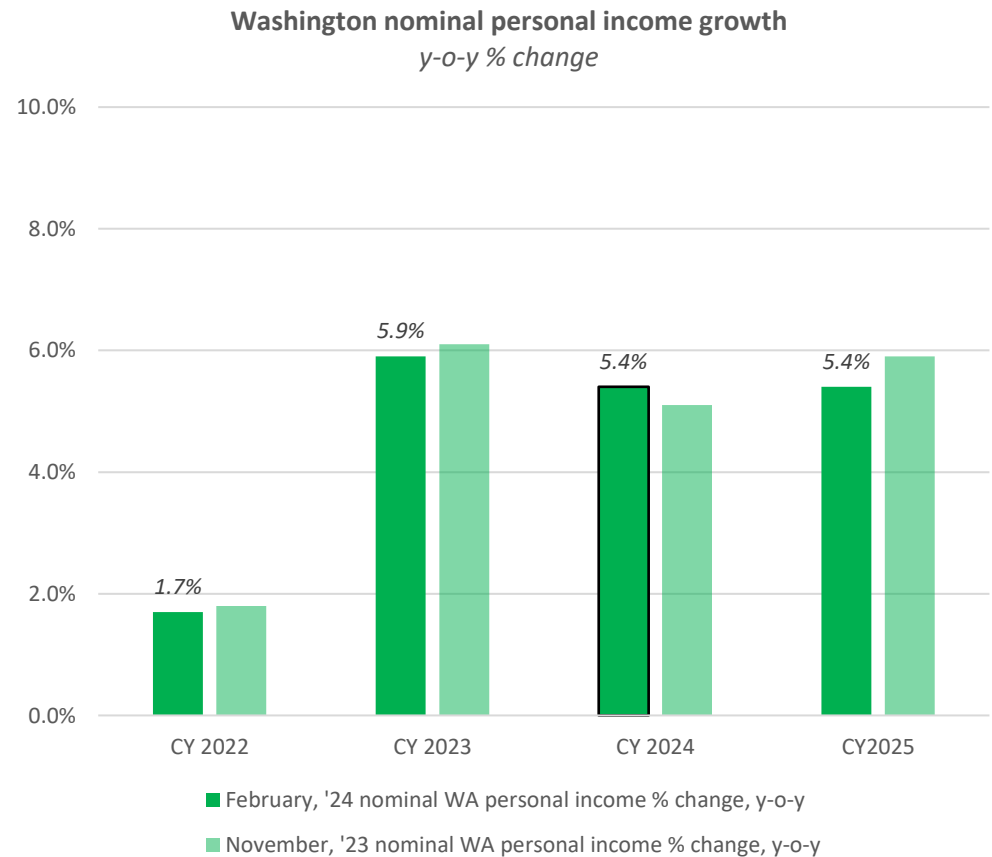
- Taxable retail sales a good reflection of the power of the local consumer
- Here, a bit muddled by the importance of visitors
- 1<sup>st</sup> two quarters of '23: *negative* y-o-y growth
- 3<sup>rd</sup> quarter, not out yet, likely no different



## Local spending

# A look ahead at WA economy by the Economic & Revenue Forecast Council (February '24 release)

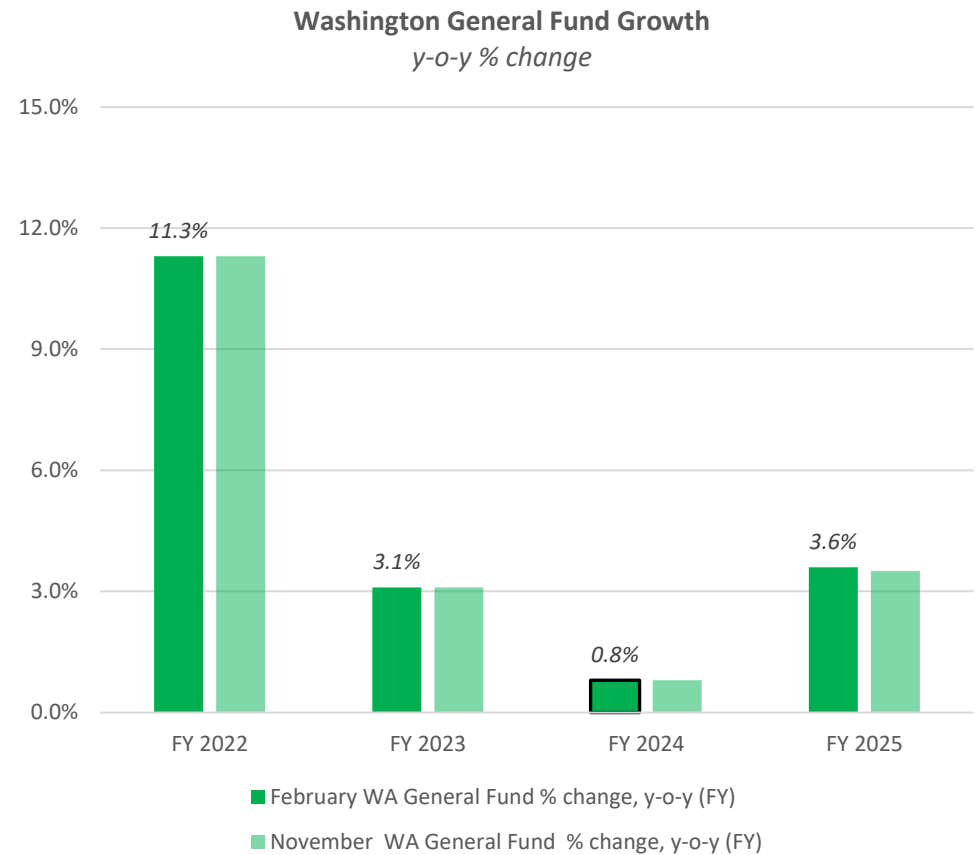
- Why Personal Income (PI)? B/c it's highly correlated with consumer spending
- PI in the 2 counties highly correlated w/ PI in WA
- ERFC now projecting slightly lower gain in WA personal income in '24 & '25 than 2023;
  - Implications for consumer spending – in WA & in the 2 counties



## Local spending

# ERFC's outlook on WA's General Fund (GF) suggests a return to "normal" within months (February, 2024)

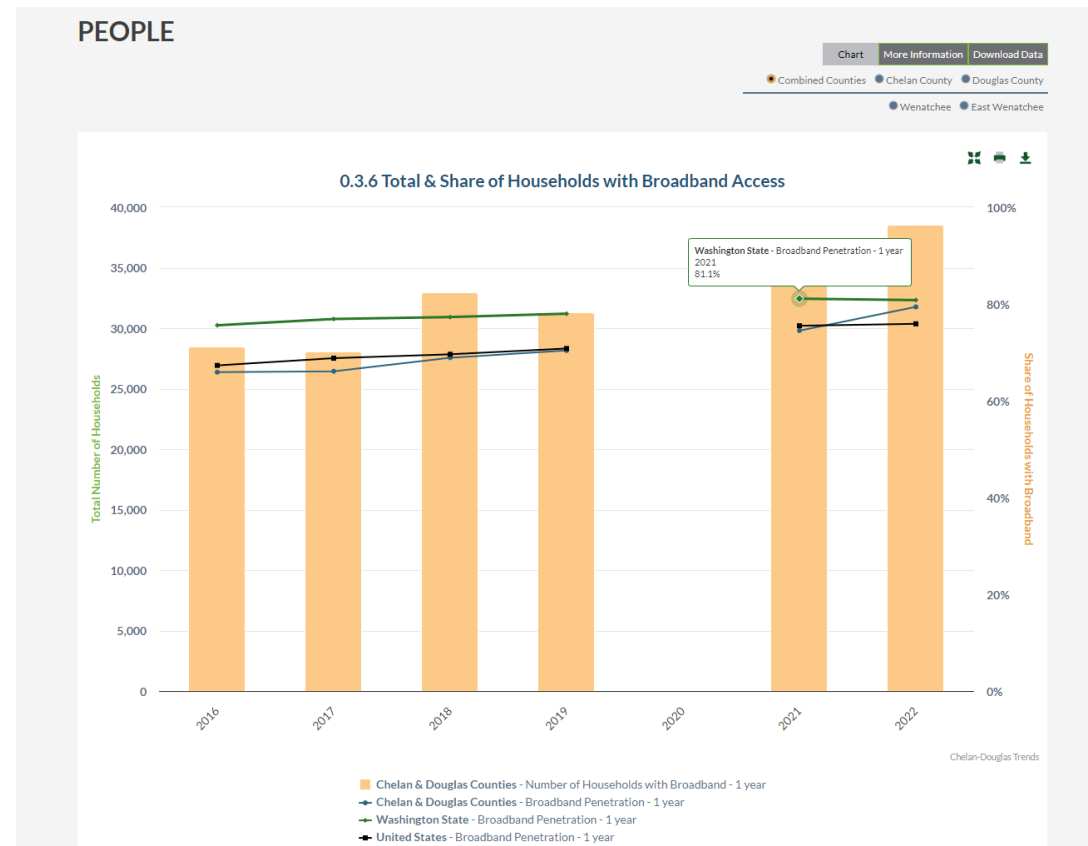
- These are WA fiscal years
- Composition of WA GF a bit different from municipal budgets, but dominated by retail sales, as here.
- Their forecast
  - Very slow growth FY 2024
  - ERFC expects a rebound in the second half of 2024 & 1<sup>st</sup> half of 2025
  - To-date (Feb), ERFC's FY revenue forecast has been accurate



## Economic development enablers

# Broadband penetration here shows strong progress

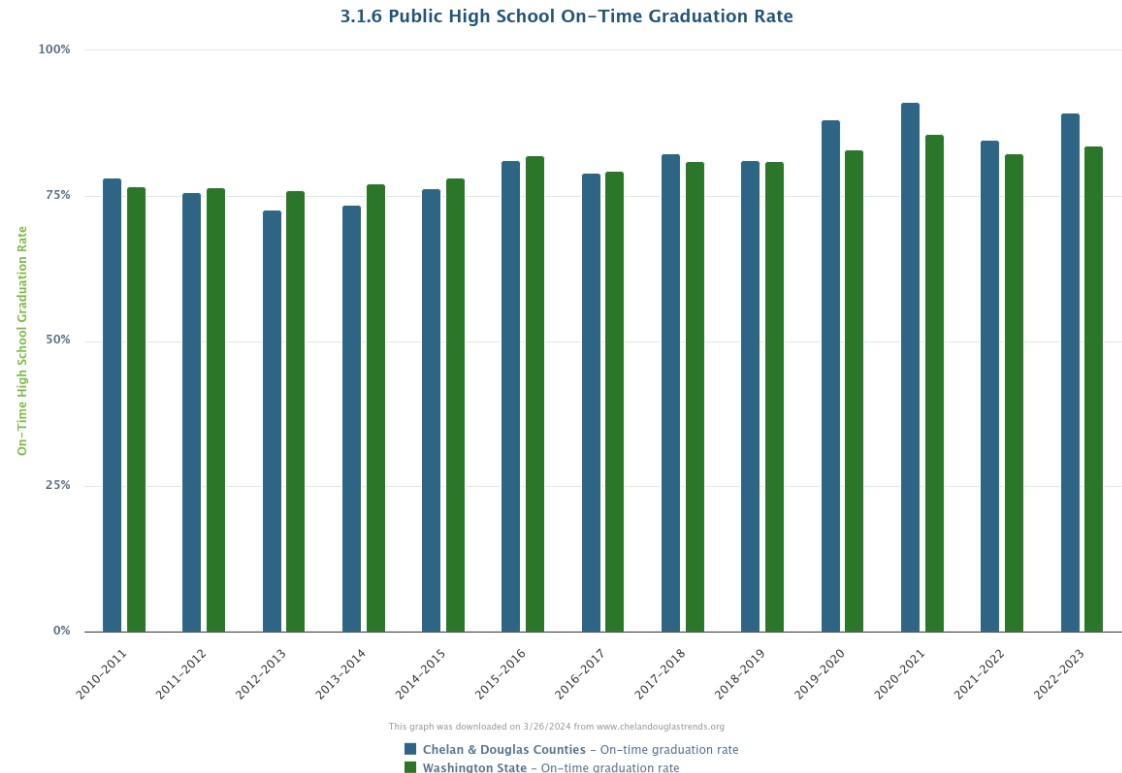
- Large increase in the share of households in the 2 counties with broadband
  - Currently: 79%
  - 2016: 66%
- Rate now > U.S. and almost same as in WA
- Benefits for economic development are clear



## *Economic development enablers*

# HS completion also shows strong progress

- Measure
  - Cohort-based, starting in 9<sup>th</sup> grade
  - “On-time” (4-year) rate
  - Covers all districts
- Results
  - SY 2022-23: 89%
  - SY 2012-13: 73%
- A “necessary but not sufficient” condition for a skilled workforce

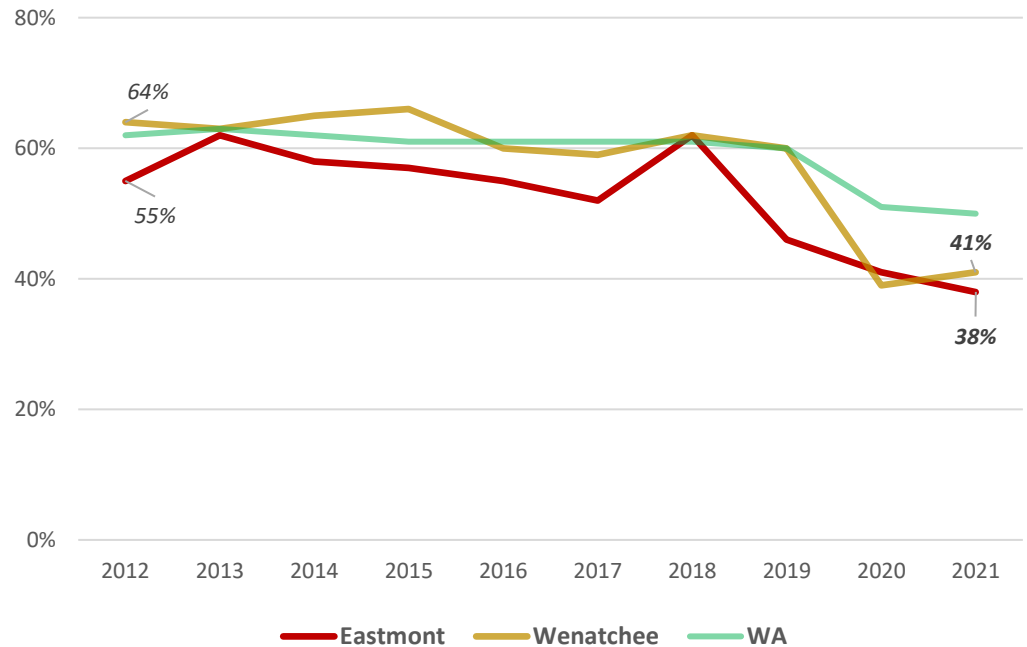


## *Economic development enablers*

# But post-secondary training/education shows a significant decline

- No Trends indicator for this measure, so use the largest 2 school districts
- Dramatic decline over the decade
  - Wenatchee SD – pandemic effect obvious
  - Eastmont SD – decline started much earlier
- Does not include trade training programs outside of community colleges

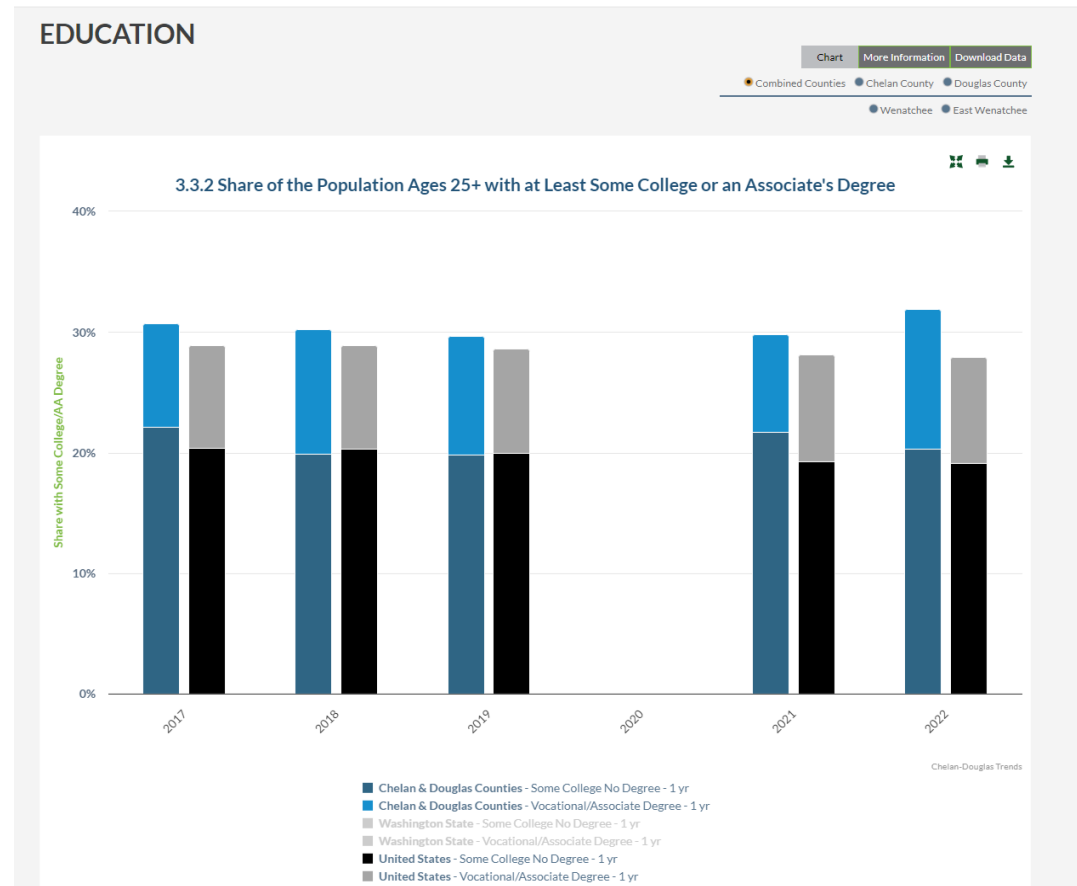
Share of public HS graduating seniors who are enrolled in a 4- or 2-year college/university within 1 year of graduation:  
Eastmont & Wenatchee school districts



## Economic development enablers

# Will the education attainment profile here decline?

- Share of 2-county residents with some exposure to community college > national average
  - Recently, around 30% here
  - Majority, w/o an AA
- Now, also about equal to WA rate (not shown)
- While residents may have attended CC anywhere, likely that the majority have some connection to WVC

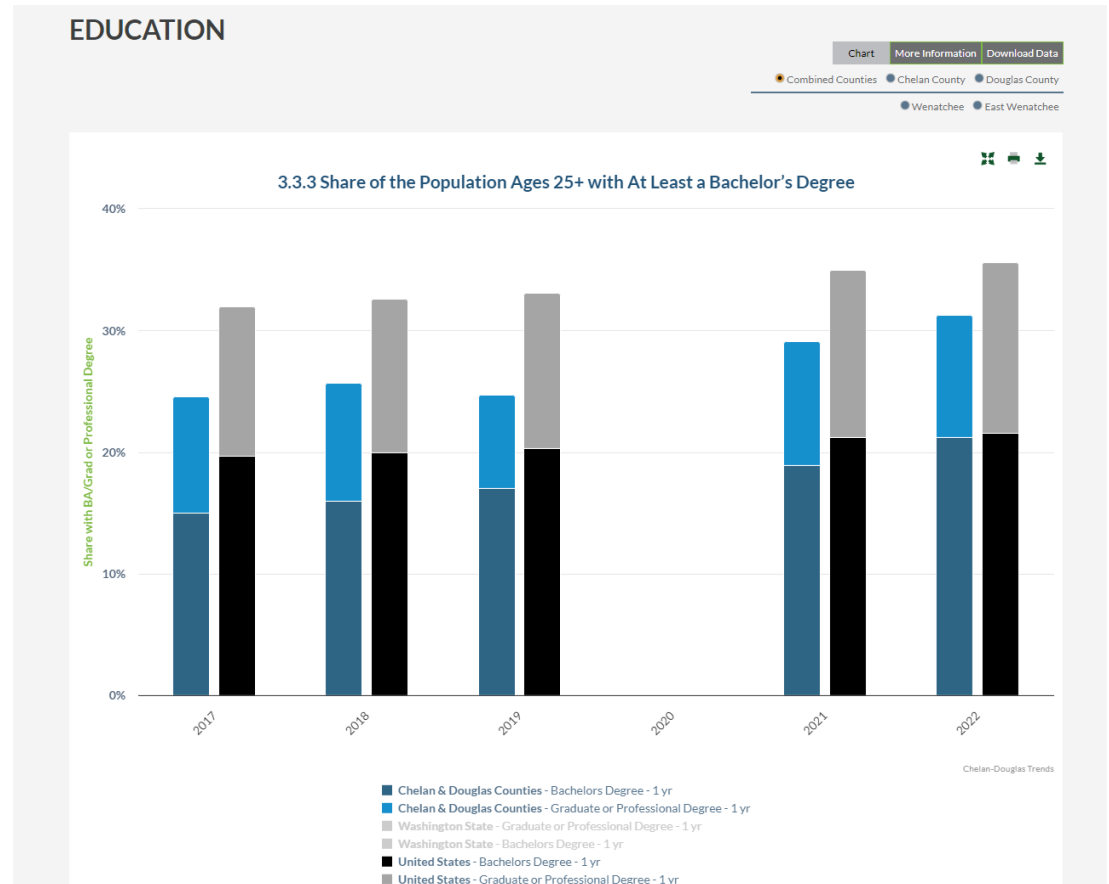




## Economic development enablers

# Will the education attainment profile here decline?

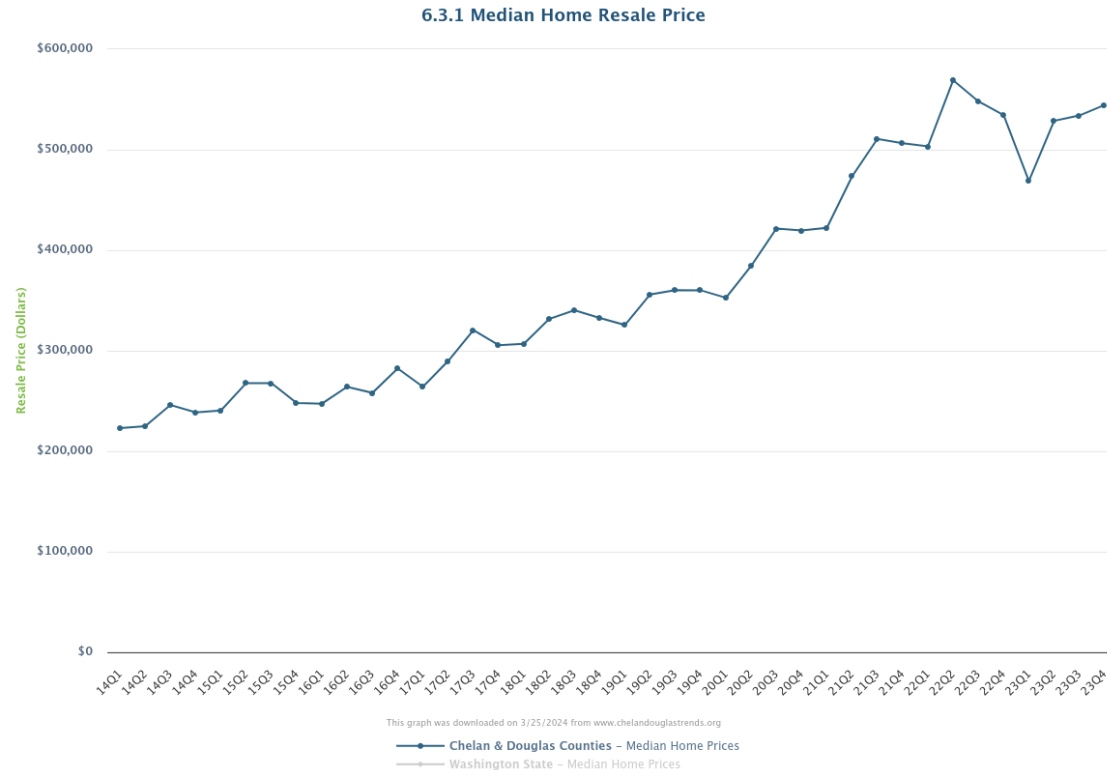
- Profile of residents with at least a Bachelor's degree *opposite* of those with some exposure to CC: here < U.S. (& < WA)
- However, the share has risen rapidly: now 31%
  - Was 20% a decade ago
- Good for many sectors
- But...
  - Are these residents in the workforce?
  - Will recent trend continue?



## Economic development enablers

# What is up with the regional housing market?

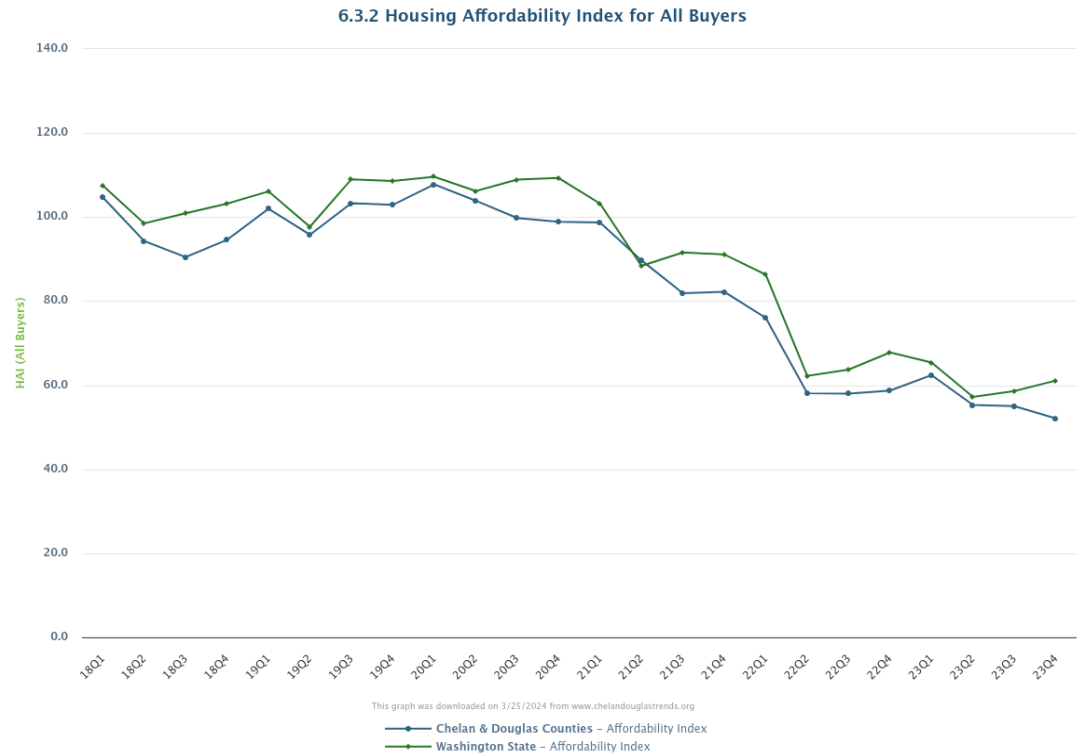
- Most recent (Q4 2023) median price: ~\$545,000
- A decade ago (Q4 2014): \$239,000
  - 128% increase!
- Most expensive market in Eastern WA
- Likely some 2<sup>nd</sup> home effect, but also likely that these aren't responsible for the bulk of the gain



## Economic development enablers

# The outcome: plummeting housing affordability

- Housing affordability index (HAI): a ratio of income to mortgage payments
- Interpretation: 100 in balance
  - HAI < 100 *not* affordable for the median-income household paying the median house price
- Start of pandemic: 2 counties still affordable (HAI = 108)
- Most recently (Q4 2023): 52
  - Lowest value in Eastern WA



## Economic development enablers

# The consequence: job creation stymied by housing. Fixing is a huge challenge, but some possible paths...

1. Raise productivity growth in single-family housing
  - Recognize the “uniqueness” of the industry
  - How can technology help?
2. Allow greater density
  - Launched in WA; will take time
3. State & local governments offer *incentives*, in addition to federal government programs, for affordable housing
  - Many examples in the U.S.



Austin, Texas, changed its land development code to allow for up to 10 units per lot.

PHOTO: JORDAN VONDERHAAR/BLOOMBERG NEWS



THE SPOKESMAN-REVIEW

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NEWS - BUSINESS

### Desperate for affordable housing, some cities sweeten tax breaks for developers

Feb. 12, 2024 | 10:00 AM PST Feb. 12, 2024 at 7:02 PM



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## *State of the regional economy*

# A very brief summary



- **Demographics** a mixed bag: modest population growth that is skewed older
- **Incomes** have risen dramatically in recent years, including those of POC, thanks in part to the federal government
- The regional **labor market** has still not recovered from the pandemic
- Modest **economic diversification** has occurred over time
- Some “**economic enablers**” have strengthened – K-12 & broadband
- Other “**economic enablers**” have weakened: post-secondary education and the housing market

# THANK YOU

**D. Patrick Jones, Ph.D.**

Executive director, Institute for Public Policy & Economic Analysis

[dpjones@ewu.edu](mailto:dpjones@ewu.edu)

[www.chelandouglastrends.org](http://www.chelandouglastrends.org)



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