



ECONOMIC DEVELOPMENT ELEMENT



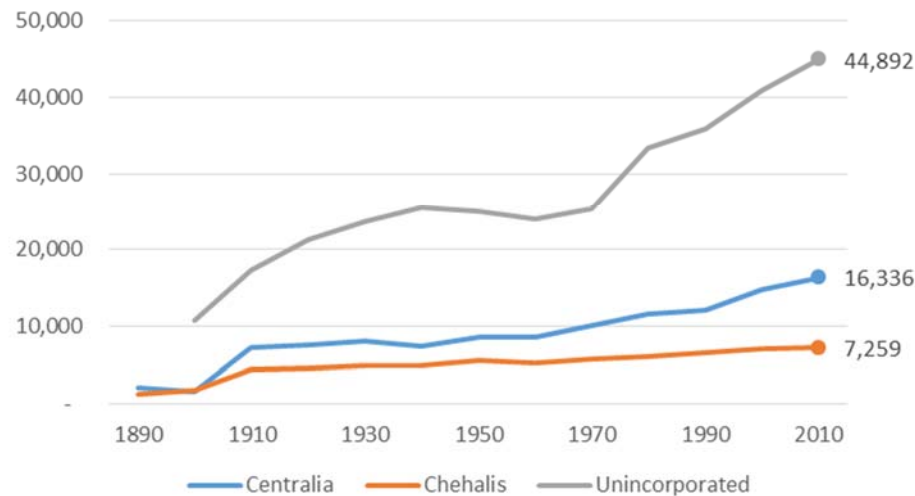
POPULATION

The population of Lewis County was 75,455 in 2010 (and was estimated to be 76,890 in 2016). Of this population, roughly 22 percent lived in Centralia, 10 percent lived in Chehalis, and 59 percent lived in unincorporated Lewis County (including portions of the urban growth areas that had not yet been annexed). When not including the unincorporated portions of urban growth areas, roughly 51 percent of Lewis County's population lived in rural or resource areas.

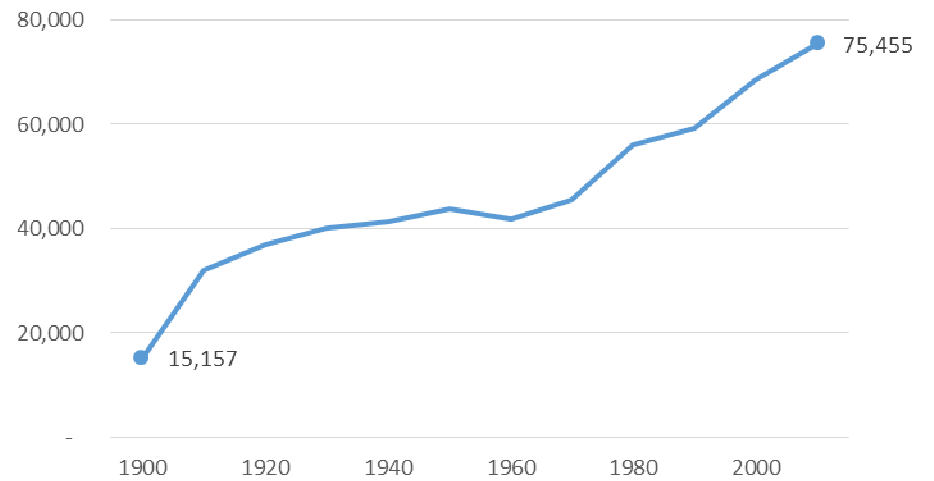
From 2000 to 2015, the population of the county grew at an average annual rate of 0.7 percent. Mossyrock was the fastest growing community over the period (though much of the increase occurred as a result of the annexation into the community).

When not including population increases associated with annexation, Napavine grew by 1.6 percent annually, Winlock and Mossyrock grew by 0.9 percent, Centralia grew by 0.7 percent and Chehalis grew by 0.3 percent. PeEll experienced a population decline from 2000 to 2015.

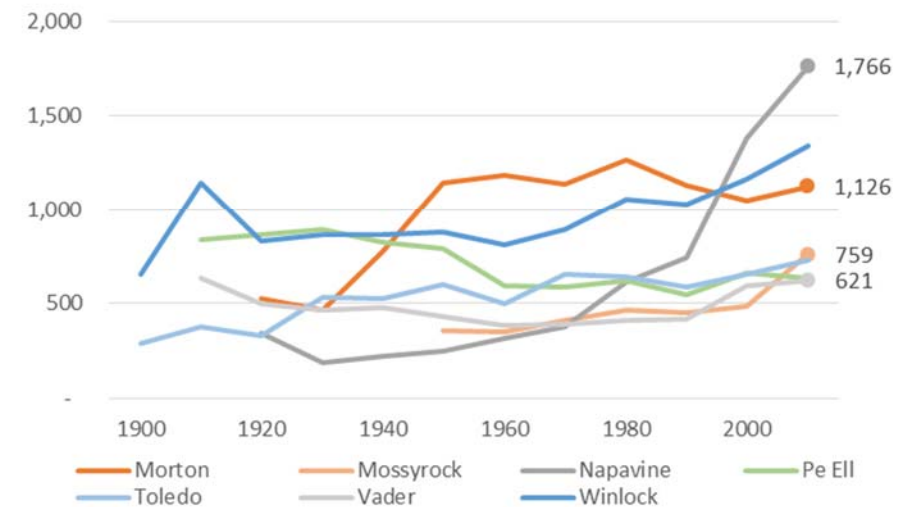
Population - Large Jurisdictions (1890 to 2010)



Population - Countywide (1900 to 2010)



Population - Small Jurisdictions (1900 to 2010)



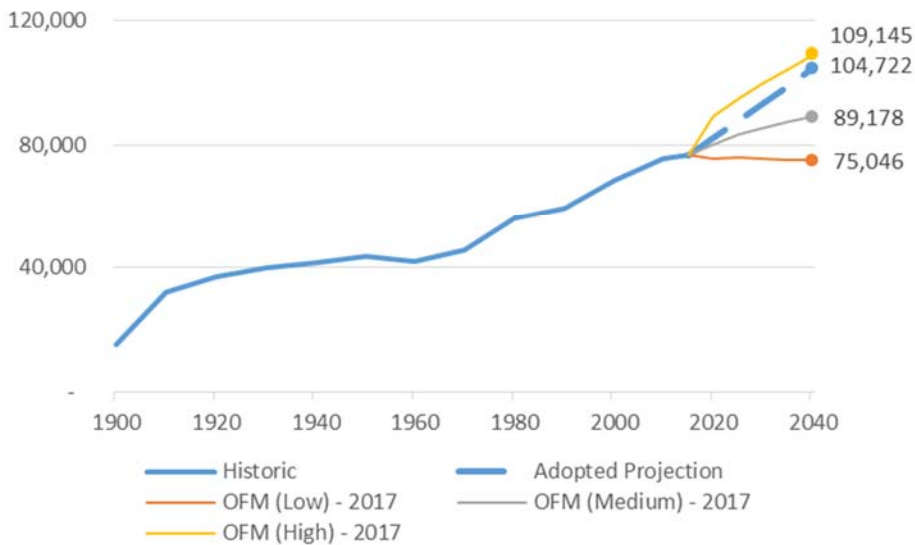
POPULATION FORECAST

The Washington State Office of Financial Management (OFM) projects that Lewis County will grow to somewhere in the range of 75,046 and 109,145 people by 2040.

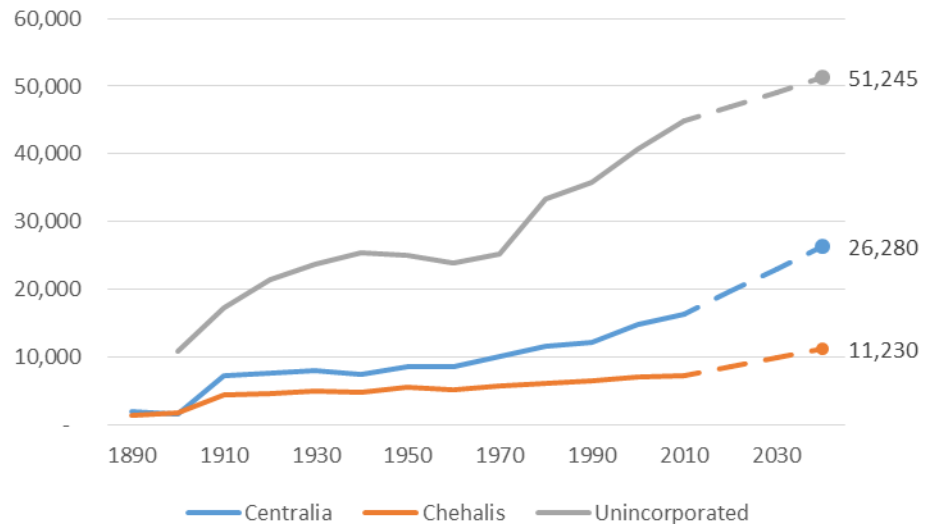
As part of the 2017 update to the Lewis County Countywide Planning Policies, the county selected a 2040 population figure of 104,722 people, an average annual growth rate of 1.3 percent per year.

The unincorporated population in Lewis County in 2040 is projected to be 51,245 people (roughly 48 percent of the population). The populations in Centralia and Chehalis are projected to be 26,280 and 11,230 individuals respectively.¹

Lewis County Population
Historic Growth with Various 2040 Projections



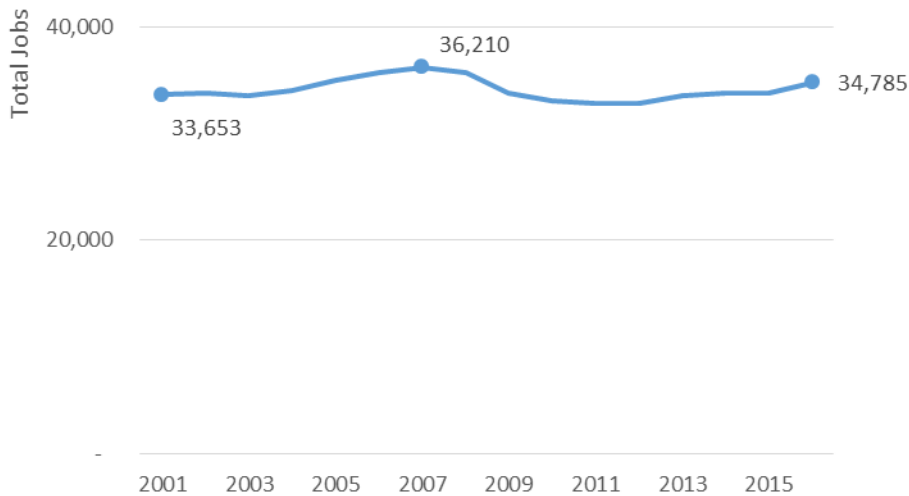
Population Forecast - Large Jurisdictions
(1890 to 2040)



¹To see the allocation for smaller communities within Lewis County, please see the latest adopted copy of the Lewis County Countywide Planning Policies (adopted herein by reference).

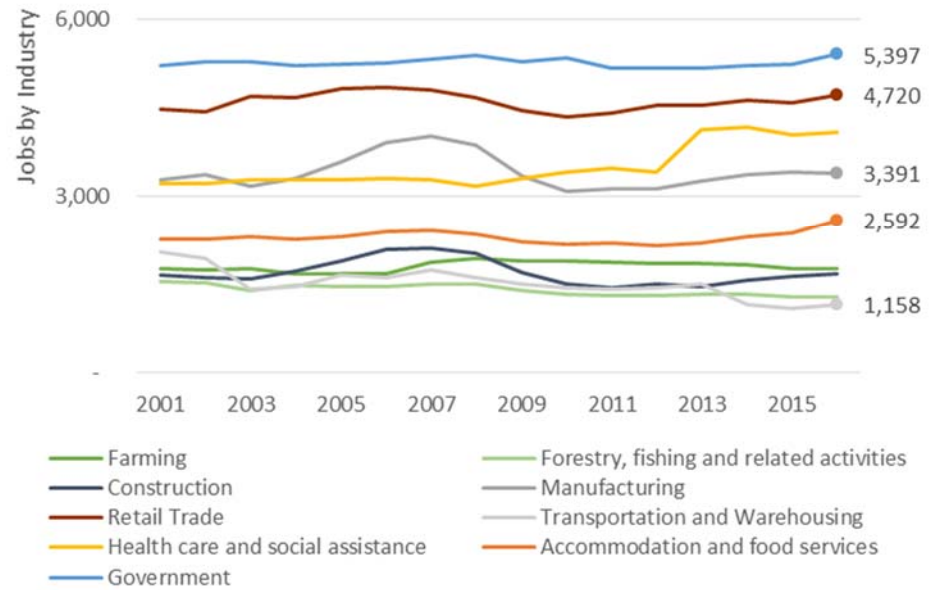
EMPLOYMENT

Total Full and Part-Time Employment (2001 to 2016)



From 2001 to 2016, total full and part-time employment grew by 1,132 jobs. Total employment peaked in 2007 and has struggled to reach that level since.

Total Employment by Selected Industry (2001 to 2016)

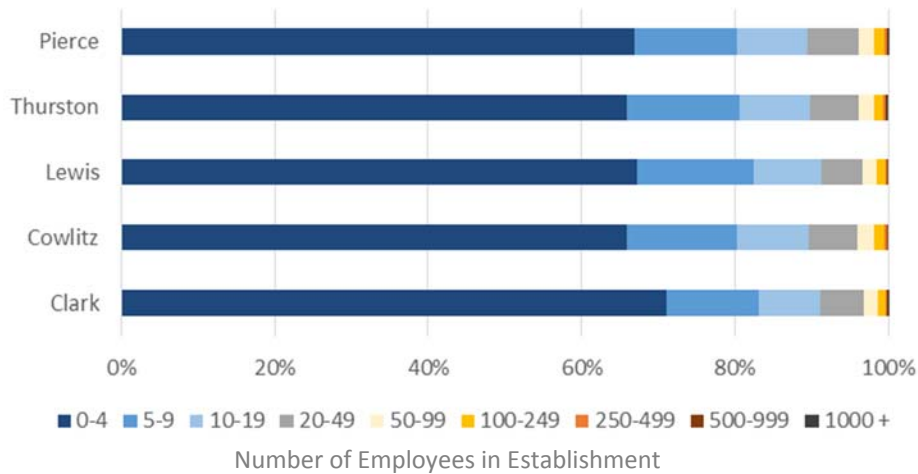


Significant job gains occurred in health care and social assistance (+871 jobs), accommodation food services (+334 jobs), retail (+239 jobs), and government (+195 jobs). Transportation and warehousing; and forestry, fishing and related activities experienced sizable employment declines (-879 and -263 jobs respectively).

¹Total employment represents estimates of the number of jobs, including full-time and part-time employment. Full-time and part-time jobs are counted at equal weight. Employees, sole proprietors, and active partners are included, but unpaid family workers and volunteers are not.

BUSINESS CHARACTERISTICS

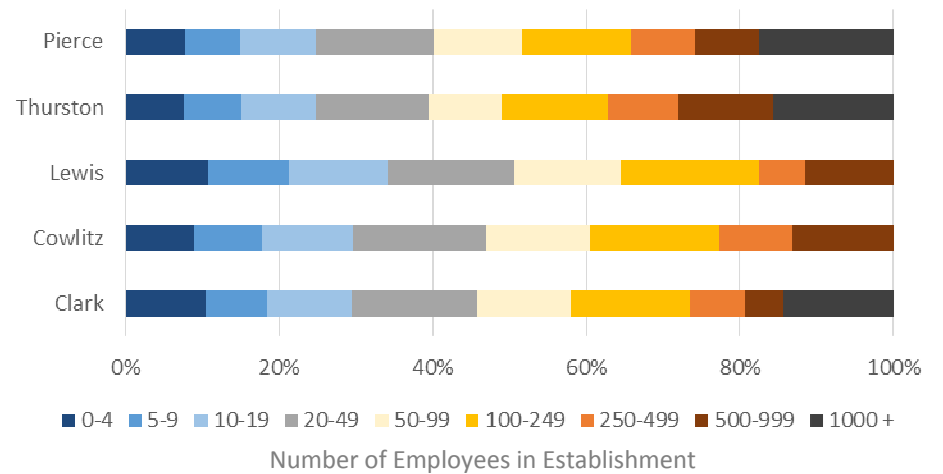
Proportion of Total Businesses by Size of Establishment (2015)



The majority of businesses in Lewis County and adjacent counties are small establishments. Within Lewis County in 2015, 67 percent of businesses (or 1,658 total establishments) had four or fewer employees, and 91 percent of businesses had less than 20 employees. Of the neighboring counties, only Clark County had a comparable proportion of small business.

Less than 1 percent of businesses within the county had 250 or more employees.

Proportion of Total Employees by Size of Establishment (2015)



While small businesses accounted for the vast majority business firms, the total amount of jobs was much more distributed among different sized establishments.

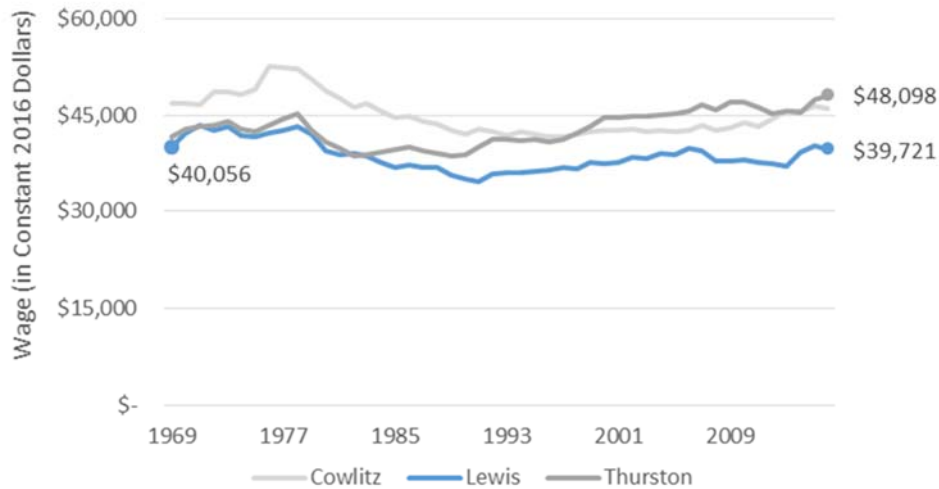
Within Lewis County, a total of 34.2 percent of employees worked for firms with less than 20 employees, and 35.6 percent worked for firms with more than 100 employees.

Of the neighboring counties, Thurston County had the highest proportion of employees that worked in large firms, primarily as a result of the state government offices in the area.

¹Firm size is based on the number of employees that work for a firm. The calculation does not consider the entrepreneur as an employee, the reason that some businesses are shown as having no employees.

WAGES

**Average Wage Per Job
(1969 to 2016)**

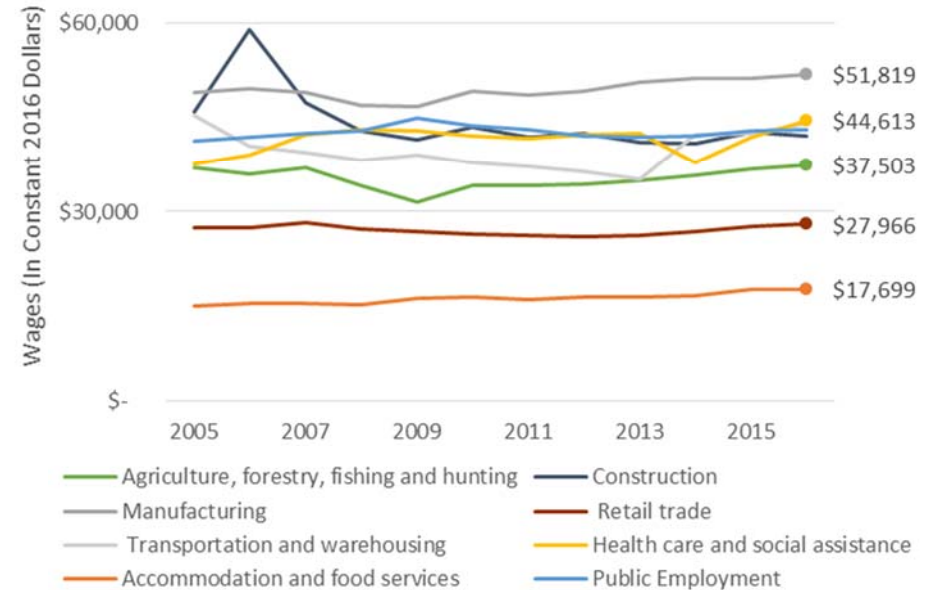


Average wages in Lewis County decreased slightly between 1969 and 2016 when adjusted for inflation (dropping from \$40,056 in 1969 to \$39,721 in 2016).

Cowlitz County—our neighbor to the south—also experienced a decline in wages over the period (from \$46,903 to \$46,170), though wages remained higher than Lewis County.

Thurston County—our neighbor to the north—saw steadily rising wages (from \$41,730 to \$48,098), though wages did decline as part of the recent recession.

**Wages by Selected Industry
(2005 to 2016)**



Industries in Lewis County have mirrored the relatively flat wage growth over the past several years, though gains have been seen in industries such as health care and social assistance (+\$7,078), accommodation and food services (+\$2,766), manufacturing (+2,750) and government (+\$1,686).

The construction sector experienced the biggest loss in average wages among major industries since 2005 (-\$3,756 when adjusted for inflation). Transportation and warehousing (-\$1,210) also saw a decline in average annual wages (when adjusted for inflation).

¹“Wages by Selected Industries” are measured for covered employees. Covered employment measures all employed persons covered under the Unemployment Insurance Act. The measure accounts for approximately 75 percent of the total employment in Lewis County, and includes both part-time and temporary positions. Job categories not measured in the count include self-employed workers, proprietors, CEOs, military, and other non-insured workers. If a worker holds more than one job, each position is reported separately.

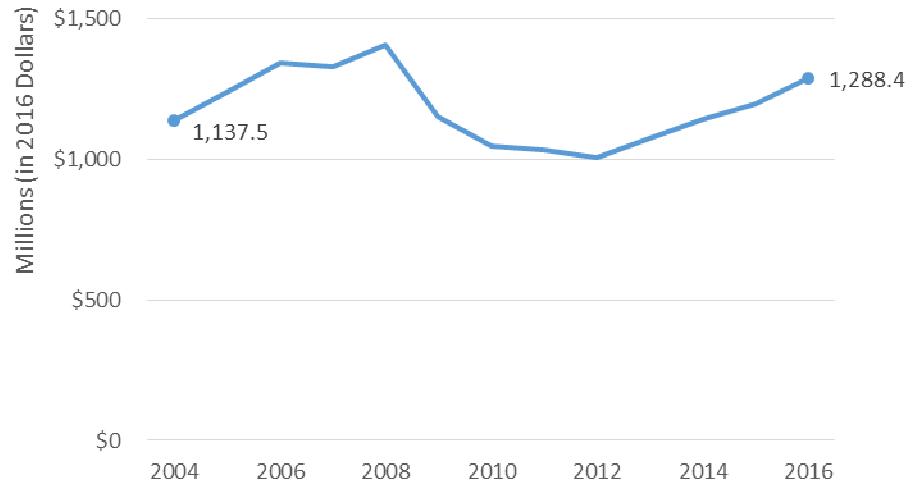
ECONOMIC ACTIVITY

Taxable retail sales in Lewis County have increased over the past several years (when adjusted for inflation).

Of the incorporated jurisdictions in Lewis County, Chehalis had the highest amount of taxable retail sales in 2016 (\$479.4 million), and the highest proportion of taxable retail sales per resident (\$64,267). Unincorporated Lewis County had the second highest amount of taxable retail sales — \$366.0 million in 2016.

Of the smaller jurisdictions, Napavine had the highest amount of taxable retail sales in 2016 (\$33.4 million), followed closely by Morton (\$33.3 million). The City of Morton had the second highest amount of taxable retail sales per capita countywide (\$29,695), due in part to the high amount of visitor spending in the community.

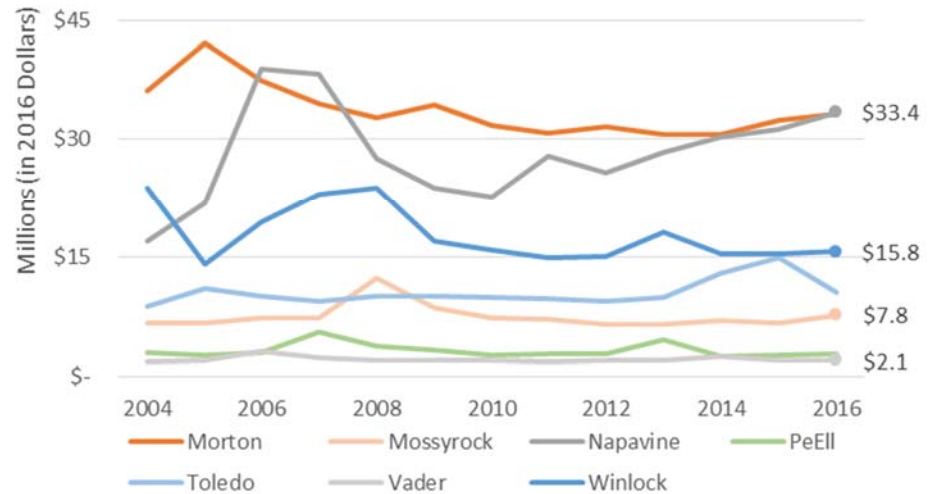
Taxable Retail Sales - Countywide (2004 to 2016)



Taxable Retail Sales - Large Jurisdictions (2004 to 2016)

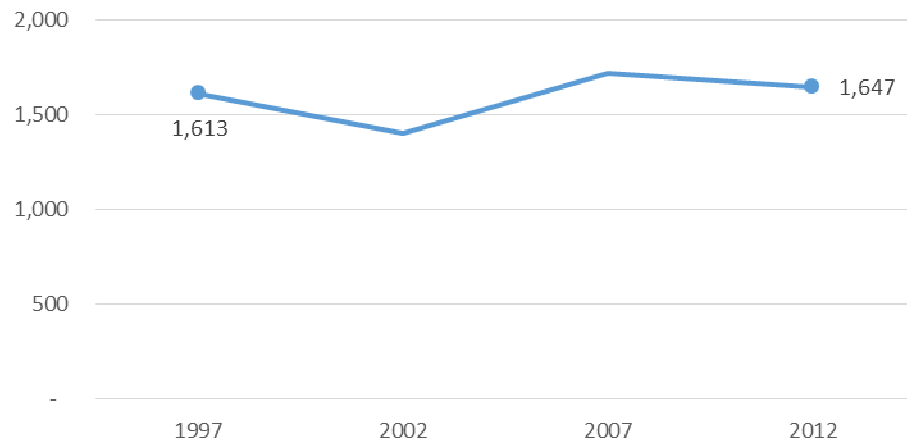


Taxable Retail Sales - Small Jurisdictions (2004 to 2016)

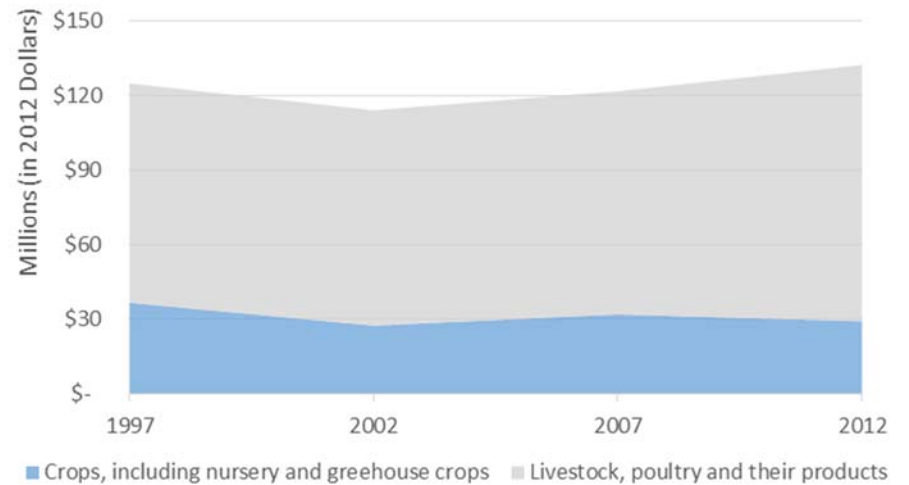


AGRICULTURAL ACTIVITY

Farms in Lewis County
(1997 to 2012)



Market Value of Agricultural Products
(1997 to 2012)



Proportion of Farms by Acreage
(2012)



The total number of farms in Lewis County remained relatively flat from 1997 to 2012.

The bulk of farms in 2012 ranged between 1 and 180 acres (89 percent of all farms) with almost half of all farms being between 10 and 49 acres in size.

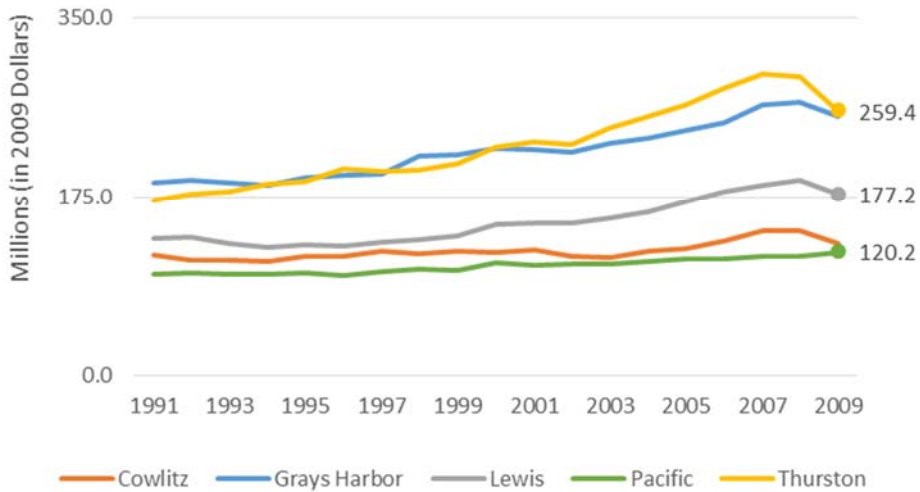
Proportion of Farms by Value of Sales
(2012)



The value of agricultural sales slightly increased from 1997 to 2012 (from roughly 125 million to 132 million when adjusted for inflation).

Only 24 percent of farms had sales greater than \$10,000 in 2012.

Travel Spending by County (1991 to 2009)



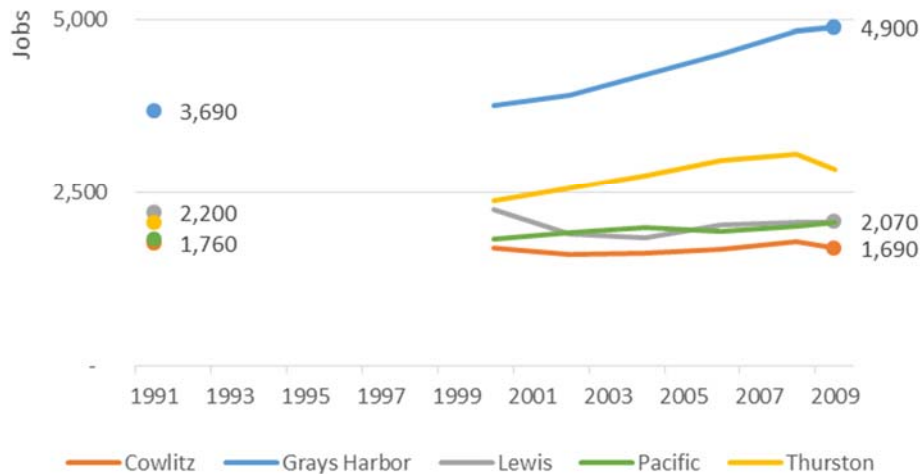
TOURIST ACTIVITY

Tourism spending increased from 1991 to 2009 (by roughly 43.3 million dollars per year when adjusted for inflation) (according to Dean Runyan Associates, 2010). The average annual rate of this change exceeded state averages (1.49 percent compared with 1.45 percent), but lagged behind Thurston County (2.2 percent) and Grays Harbor County (1.6 percent).

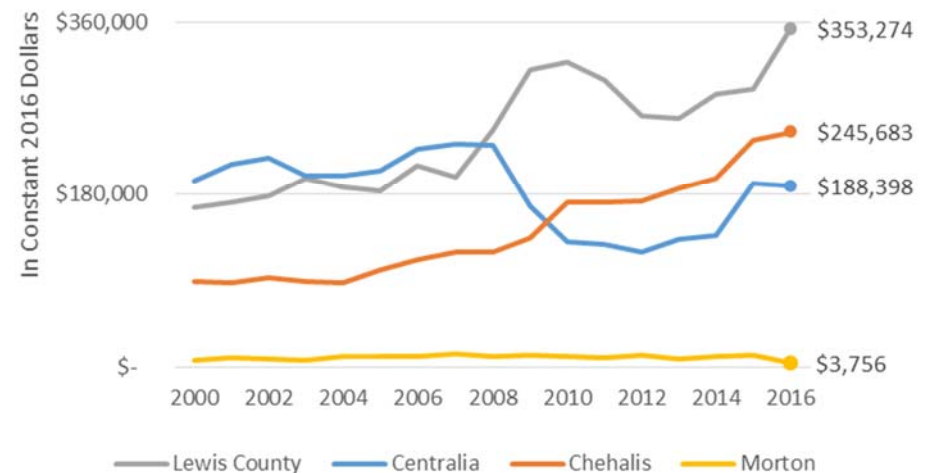
Interestingly, employment generated by travel spending dipped in the county from 1991 to 2009 (from 2,200 to 2,070 jobs). Cowlitz County also experienced a decline (from 1,770 to 1,690 jobs), while Grays Harbor (+1,210), Thurston (+800), and Pacific (+240) saw gains.

Travel spending slowed as a whole as a result of the Great Recession, but hotel/motel stays (and the associated amount of Hotel/Motel Tax collected) remained higher than historic levels until 2011. Centralia experienced significant declines around the start of the Great Recession, and did not recover to pre-recession levels as of the date of this data.

Employment Generated by Travel Spending (1991, 2000 to 2009)



Hotel/Motel Tax Distribution (2000 to 2016)



ECONOMIC DEVELOPMENT GOALS AND POLICIES

Goals and policies related to Economic Development in Lewis County are presented below:

INCREASED WAGE LEVELS

ED GOAL 1.0 | Increase average wage levels in the county.

POLICY ED 1.1

Work with economic development organizations to attract industries that pay working family wages.

POLICY ED 1.2

Support the development of diversified industrial employment throughout Lewis County.

DIVERSE EMPLOYMENT BASE

ED GOAL 2.0 | Promote a diverse range of jobs in a variety of sectors.

POLICY ED 2.1

Strive to create jobs in sectors such as industry, tourism, recreation, agriculture, natural resources, and retailing.

POLICY ED 2.2

Target business sectors that provide family wage jobs and match the skills mix of the existing workforce.

POLICY ED 2.3

Target basic industry sectors that export their goods and services outside the county and attract new dollars into the community.

POLICY ED 2.4

Facilitate the continued operation of resource-based industries such as agriculture, forestry, mineral extraction, and energy production.

POLICY ED 2.5

Support the development of small businesses and cottage industries on agricultural, forest, or mineral resource lands.

POLICY ED 2.6

Allow home occupations in locations throughout the county, provided the uses are consistent with relevant development standards.

POLICY ED 2.7

Utilize the Growth Management Act standards for developments such as Master Planned Resorts, Master Planned Industrial, and Type ii and Type iii LAMIRDs, among others, to establish new locations for economic development.

TARGETED INDUSTRIES

ED GOAL 3.0 | Target certain industry sectors as high priorities for economic development.

POLICY ED 3.1

Support economic development activities that pursue industries, businesses, and jobs that are well-suited for Lewis County.

POLICY ED 3.2

Provide incentives to businesses in targeted sectors. Consider strategies such as funding necessary infrastructure, development regulations that recognize the special needs of the sectors, and financial incentives where appropriate.

POLICY ED 3.3

Support marketing efforts that attract targeted businesses.

NATURAL RESOURCE INDUSTRIES

ED GOAL 4.0 | Encourage vital natural resource industries in Lewis County.

OBJECTIVE 4A – A VITAL RESOURCE ECONOMY

Preserve and enhance the county’s resource economy.

POLICY ED 4A.1

Discourage incompatible development in resource areas.

POLICY ED 4A.2

Use public benefit taxation, the purchase or transfer of development rights, and other strategies to:

- Protect existing natural resources from the conversion to non-resource uses, and
- Help ensure the long-term vitality of the resource industries.

POLICY ED 4A.3

Encourage the development of value-added resource industries.

OBJECTIVE 4B – LOCAL FOOD PRODUCTION AND PROCESSING

Foster the establishment and success of agricultural operations and food processing industries.

POLICY ED 4B.1

Ensure that sufficient agricultural land, support services, and skills are available to encourage a healthy, economically viable and diversified agricultural economy.

POLICY ED 4B.2

Work with the Washington State University Extension, and other organizations and individuals to encourage agricultural diversity and sustainability within the county.

POLICY ED 4B.3

Enhance the viability of farming through strategies such as marketing, promotion, business development, financing, agritourism, and specialty and niche agriculture.

POLICY ED 4B.4

Nurture the ability of farms to generate on-farm, non-farming income to help support the economic viability of their agriculture operations.

POLICY ED 4B.5

Encourage on-farm housing for farm families and workers.

POLICY ED 4B.6

Promote the expansion of value-added food processing facilities and markets to showcase and support Lewis County's agricultural products.

POLICY ED 4B.7

Seek to construct a regional distribution facility/food hub along I-5 to better link farms in Lewis County (particularly on the west and east sides of the county) to markets in Portland and Seattle.

POLICY ED 4B.8

Support efforts to promote local and regional agricultural producers, events, exhibitions, and farmers' markets.

POLICY ED 4B.9

Advocate (at a federal and state level) for regulations that encourage local food production and processing.

OBJECTIVE 4C – A HEALTHY FOREST RESOURCE INDUSTRY

Provide for and encourage harvest, management and manufacturing of forest products.

POLICY ED 4C.1

Maintain the existing base of commercial forestland to assure the continued vitality of timber production and processing.

POLICY ED 4C.2

Encourage expanded production of value-added forest products.

OBJECTIVE 4D – EXTRACTION OF MINERALS

Encourage mineral extraction and processing.

POLICY ED 4D.1

Allow mineral-related land uses on forest and mineral resource lands, and in other appropriate locations.

ENERGY

ED GOAL 5.0 | Encourage energy-related industries and facilities in Lewis County.

POLICY ED 5.1

Support the creation of new energy generation facilities, and the establishment of businesses that harness the power of renewable natural resources.

POLICY ED 5.2

Promote the increased production and availability of energy.

TOURISM

ED GOAL 6.0 | Develop the recreational and tourism potential of Lewis County.

OBJECTIVE 6A – PROMOTE TOURISM

Encourage and support efforts to attract tourists.

POLICY ED 6A.1

Continue to coordinate with local and regional destination marketing organizations to promote tourism.

POLICY ED 6A.2

Market cultural, recreational and social activities that showcase the unique natural attractions, historic places, and activities of Lewis County.

POLICY ED 6A.3

Attract a variety of tourists, including individuals that visit for business, food, nature and recreation.

POLICY ED 6A.4

Encourage the use and enhancement of county, state and national parks.

POLICY ED 6A.5

Encourage the creation of Master Planned Resorts.

OBJECTIVE 6B – DEVELOPMENT OF INFRASTRUCTURE FOR TOURISM

Provide infrastructure to support visitor activities and attractions.

POLICY ED 6B.1

Support the development of facilities and attractions that serve tourists.

POLICY ED 6B.2

Continue to invest lodging tax collections in facilities and programs that maximize tourist activity and spending.

POLICY ED 6B.3

Champion the creation of signage, maps, and other items that showcase area attractions.

ENTREPRENEURSHIP

ED GOAL 7.0 | Promote entrepreneurship in Lewis County.

POLICY ED 7.1

Identify existing technical assistance providers for entrepreneurs.

POLICY ED 7.2

Identify current gaps in available services, and strategies to address small business needs.

POLICY ED 7.3

Better link entrepreneurs to available small business resources.

BUSINESS RETENTION

ED GOAL 8.0 | Promote the retention and expansion of existing business.

POLICY ED 8.1

Work to improve communication between entrepreneurs and Lewis County.

POLICY ED 8.2

Strive to understand common reasons for small business success and failure, and potential methods to encourage success.

POLICY ED 8.3

Continue to provide information and technical assistance to promote the retention and expansion of existing businesses.

WORKFORCE TRAINING

ED GOAL 9.0 | Strive to prepare the Lewis County workforce for present and potential employment opportunities.

OBJECTIVE 9A – EDUCATION FOR WORKFORCE DEVELOPMENT

View K-12 and continuing education as key components in the development of a qualified workforce.

POLICY ED 9A.1

Promote the continued enhancement of the region’s educational network, including K-12, vocational, and higher education.

POLICY ED 9A.2

Advocate for collaboration between school districts on items such as class offerings, electives, apprenticeship training, and STEM (Science, Technology, Engineering, and Mathematics) programs to ensure that smaller districts can offer a wide range of educational options for area students.

POLICY ED 9A.3

Foster continued collaboration between school districts, Centralia College, the Lewis Economic Development Council and other organizations to prepare students for existing and future jobs.

POLICY ED 9A.4

Encourage continuing education, skills upgrading, mentoring and lifelong learning among area residents.

OBJECTIVE 9B – A WORKFORCE WELL SUITED FOR AREA INDUSTRIES

Provide specific skills training for jobs in targeted sectors.

POLICY ED 9B.1

Support attempts to link employment and training activities with economic development programs.

POLICY ED 9B.2

Encourage training and technology partnerships between local schools and businesses.

POLICY ED 9B.3

Support apprenticeships and job training programs that meet the labor force needs of targeted businesses and industries.

POLICY ED 9B.4

Pursue opportunities, such as grants and programs, to help absorb and retrain displaced workers from declining industries.

PARTNERS FOR ECONOMIC DEVELOPMENT

ED GOAL 10.0 | Strengthen partnerships between public and private organizations to advance economic development.

POLICY ED 10.1

Encourage public and private partnerships among economic development entities.

FUNDING

ED GOAL 11.0 | Pursue funding for economic development.

POLICY ED 11.1

Pursue grants and loans that support the establishment or expansion of business and industries.

ADEQUATE INFRASTRUCTURE

ED GOAL 12.0 | Ensure adequate infrastructure is available to support private investment.

POLICY ED 12.1

Invest in infrastructure that supports economic development.

POLICY ED 12.2

Work with local, state and federal agencies, as well as the private sector, to coordinate capital facilities plans and funding strategies.

POLICY ED 12.3

Recognize the importance of integrated transportation planning including road, rail, air and non-motorized transportation to support access to commercial, industrial and recreational sites.

POLICY ED 12.4

Work with utility providers to support existing and future business development.

POLICY ED 12.5

Promote the creation of a countywide broadband network.

POLICY ED 12.6

Work with local water providers to pursue water rights and improvements to water systems to ensure the long-term availability of water for economic development.

BUILDABLE LANDS

ED GOAL 13.0 | Assure that adequate lands are available to support industrial and commercial development (see Goals and Policies in Land Use Element).

REGULATORY CLIMATE

ED GOAL 14.0 | Provide a regulatory climate that facilitates economic development.

POLICY ED 14.1

Offer certainty, consistency, and timely processing of land use permits.

POLICY ED 14.2

Assist individuals and businesses in understanding and working through the permit process.

POLICY ED 14.3

Work with other local, state, and federal agencies to coordinate and streamline project and environmental review.

POLICY ED 14.4

Periodically evaluate county regulations, development-related requirements and procedures, and taxes and fees to ensure that Lewis County is competitive with other counties along the I-5 corridor.

POLICY ED 14.5

Where possible, conduct the environmental review of comprehensive plans and subarea plans in sufficient detail to reduce the need for additional analysis of specific projects that are consistent with the plans.

QUALITY OF LIFE

ED GOAL 15.0 | Enhance the quality of life in Lewis County.

POLICY ED 15.1

Strive to enhance the historic downtowns and quality of place in Lewis County communities.

POLICY ED 15.2

Work to implement the “Great Outdoors Concept” (included within the Transportation Element of this plan) to help connect existing settlements to their surrounding natural amenities.

POLICY ED 15.3

Support social service agencies and programs that address community needs, recognizing that quality of life is a vital component of economic development.