

CHAPTER 6

ECONOMIC DEVELOPMENT ELEMENT

INTRODUCTION

Purpose of the Chapter

A healthy economy is essential to the vitality and quality of life in Electric City and the surrounding area. While the natural setting and location of the City largely determines the parameters within which economic development may occur, virtually every other feature of community life is dependent on the area's economy.

This Element places economic development within the context of the City's other goals and policies. To be able to provide adequate employment opportunities for current and future residents during the planning period, the economy must grow. Growth, however, is subject to the constraints of the natural setting, land ownership, location and vision of our citizens. Gaining consensus for the direction economic development should take enhances economic development efforts.

Economic growth also requires investment in the infrastructure of the City, including transportation facilities, water, sewer and stormwater systems, recreational opportunities, community amenities and private utilities. Having appropriately zoned areas for industrial and commercial uses available and ready-to-develop at an affordable price is a prerequisite to effectively retain existing business and industry and attract new companies. Changes in economic activities at the County level may also impact the demographic composition of residents and affect both the type and location of needed housing. Because economic development can have system-wide impacts, proposed economic policies must be addressed. Those policies or activities that are not sustainable within the constraints of the City do not contribute to the overall well-being of the City or County.

This Element is related to many other elements of this Plan. The Natural Setting, Land Use, Capital Facilities, Utilities, and Housing Elements describe plans and policies for infrastructure development and land use. These elements lay the groundwork and form the "building blocks" for economic development.

ELECTRIC CITY'S VISION FOR THE 21ST CENTURY

Electric City seeks to maintain and enhance its quality of life while achieving benefits of growth and minimizing any negative effects. The vision defines the desired future and how the community will respond to growth and change. The vision centers on the following basic economic value:

“Promote a healthy, diversified and sustainable local and regional economy by supporting existing local businesses, making prudent infrastructure investments, and encouraging new business that is compatible with and complementary to the community.”

Overview

This element of the comprehensive plan addresses the different kinds of land uses, future goals, and the process for implementing the goals through policies. Further, in addressing land uses such as commercial, industrial and residential, the proposed general distribution, general location and extent of the uses are defined. This element also includes population densities, building intensities and estimates of future population growth.

Although Electric City is located in Grant County, some aspects of the county’s economy stand in sharp contrast to a number of other counties that comprise the “other Washington.” While high seasonal unemployment rates continue to persist, Grant County was among the state’s leading counties in population growth and employment gains during the 1990s with the trend continuing well into this century.

Electric City’s vision for its economic future focuses on such key words/phrases as vitality, diversity, quality-of-life, sustainability and growth. As the community moves into the twenty-first century, it has the opportunity to excel and enjoy the benefits of balanced economic growth without compromising its quality-of-life. Effective and coordinated local and regional economic development planning and well-informed decision-making and action are needed to achieve these goals.

RELATIONSHIP TO OTHER PLANS

Growth Management Act Requirements

The Growth Management Act (GMA) essentially creates a framework to plan for economic development through the Act’s thirteen goals, requirements for countywide planning policies, mandatory plan elements, and other planning requirements. Economic development is one of these core goals of the Act. Furthermore, integration of economic development into this GMA framework helps to ensure that policies, regulations, and procedures produced are consistent with the broad community vision, reflect the preferred local economic strategies, and support sustainable and vital local economies.

Operationally, the GMA states this economic development goal is to:

“Encourage economic development throughout the state that is consistent with adopted comprehensive plans, promote economic opportunity for all citizens of this state, especially for unemployed and for disadvantaged persons, and encourage

growth, all within the capacities of the state's natural resources, public facilities, and public services.”

The GMA recognizes that economic development planning no longer stands alone as an isolated activity but is an integral part of comprehensive planning and community development. Furthermore, economic development has evolved from its perceived singular focus on commercial and industrial development to a broader emphasis on the role the economy plays in implementing the City's and county's visions. Not only does the local economy provide jobs and income for its residents; it creates the tax base to support education, public safety, infrastructure, recreation, environmental management, and other public services and programs.

Technical Resources

This Element relies on selected economic data and analyses compiled from a variety of sources. The Element is intended to provide guidance in the planning process and the development of economic goals and policies consistent with those of the County.

An Economic Development Framework

Economic development planning is difficult, complicated by interrelationships among markets and between markets and policies in the real world. In addition, the context of economic development planning is important—planning within rural communities is vastly different from planning in metropolitan areas. Complications begin with definitions: what is economic development? How does it differ from economic growth or community development?

Although economic development has been defined differently over the years, it has become increasingly synonymous with “jobs,” signaling various economic and social issues. In practice, economic development is essentially the process by which individuals and organizations make decisions to invest in an area. Through innovations and adaptations, these investors increase their capacity to create wealth. The results are new, expanded, or retained, industrial, commercial, or service enterprises and new or retained jobs.

Local economic development is a process requiring both the efforts of private and public sectors to achieve its potential. While the basic elements of economic development—such as availability of labor, capital, appropriate technology, infrastructure, and support services—are the same regardless of the area, the basic characteristics of rural and urban areas differ. Several important variations influence what development strategy is adopted and the nature of effective public-private partnerships.

- First, the growth or decline of business and population has a greater relative impact in smaller, rural areas. For example, the expansion of a manufacturing industry leading to the addition of 100 new jobs would have little impact on day-to-day service demands in a metropolitan area. Such an investment, however, would add several percentage points to the employed workforce and associated population within a rural area. The resulting growth could strain the ability of the City to provide utility hook-ups, fire protection, and other community services. Conversely, the loss of a 100-employee plant has a much more severe impact on the economic well-being of a rural area than a metropolitan city. The job losses may result in outmigration, a lower tax base, underutilized public facilities, and municipal fiscal deficits.
- Second, many rural areas are dominated by one or two industries, whether agriculture, forestry, mining, manufacturing or significant government facility. Such dependence makes them especially vulnerable to downturns caused by factors ranging from changing global markets to bad weather. Unlike their metropolitan counterparts, rural areas often do not have the breadth in their economic bases to help cushion the effect of problems confronting specific industries. Consequently, development policies aimed at technological modernization and competitiveness often take on greater importance in rural areas.
- Third, the smaller and less dense population base in rural areas make delivery of basic services more difficult. The logistics and mechanisms for providing public services in urban areas produce economies of scale impossible for rural areas to duplicate.
- Fourth, rural areas often lack the capacity—enough trained staff, locally generated development capital and technical resources, and sufficient access to outside resources—to take advantage of public assistance programs and private development opportunities. Indeed, the need to build local capacity is the most pressing development issue for many rural areas.

Economic development is fundamentally linked with economic welfare and social well-being or quality of life, both now and in the future. Indeed, this linkage between economic welfare or quality of life and economic development policies has become so important, it has been called the “second paycheck.” An area’s net quality of life benefits are analogous to a second paycheck that each resident of the region receives, supplementing the first paycheck received from an employer or other source of income. Some economists argue that the sum

of these two “paychecks” determines the overall well-being of the area’s residents.

In contrast to economic development, economic growth is more a quantitative measure—more investment, income, jobs, output, and consumption—within the local economy. Economic growth essentially means more economic activity, and generally results from economic development.

When government pursues economic development and achieves economic growth, there will likely be debate about the merits of that growth. On the positive side are the benefits to the local area including increased jobs and income, growth of services, and developed space; on the negative side are the inconveniences that accompany growth such as congestion, pollution, and the loss of open space.

Most citizens recognize the inherent tradeoffs—some favor growth while others fear the negatives. The diversity of interests requires government to pursue a broad range of objectives, many of which may conflict. The challenge for governments undertaking economic development is to recognize these potential conflicts and make sound decisions about the inherent conflicts among various objectives.

Public policy should not try to maximize a single objective because the result would most certainly be a reduction in the overall welfare of the local area. For instance, maximizing employment or income might result in severe reductions in local environmental quality. Conversely, maximizing environmental quality might mean stopping most development. Instead, the public sector should pursue an overall strategy that optimizes multiple objectives.

Even if government could maximize economic outcomes in the aggregate (i.e., Grant County taken as a whole), many decisions turn on what happens at the disaggregated level (impacts on specific industries, locations, or groups). Economists see this distinction as essentially a tradeoff between efficiency and equity: policies that may generate the most benefits in the aggregate may in turn distribute those benefits and costs so poorly that they will be rejected by citizens and policymakers. Other policy issues abound. For instance, who should City and County economic development programs be assisting—businesses or workers, existing firms or new firms? Where should jobs and employees be located?

Residents in Electric City would agree that the outcome of economic development planning should be to make them better off. Unfortunately, there is no practical way to maximize a single objective at the exclusion of others. Thus, government needs to recognize that: (1) they will pursue multiple economic development objectives; and (2) they must have the public support for these objectives.

Planning processes in economic development spend a great deal of time at the front end discussing and debating broad goals and objectives to achieve this level of support.

The Public Sector & Economic Development Planning

Over the years, there have been broad shifts in public policies concerning economic development. Policy experts have developed and implemented more accurate and complete economic development programs. For instance, public policies have generally shifted away from attempting to attract new businesses through tax incentives and giveaways to more comprehensive strategies that attempt to fill the gaps in the market to allow the private sector to operate more efficiently.

- In the mid-1970s, evidence that a majority of job growth occurred in firms of under 50 employees helped the change the thrust of state and local economic development efforts away from business recruitment.
- Theories about economic development have been modified to acknowledge that other sectors than manufacturing, mining, agriculture, fishing and forestry could provide basic jobs and income and therein help drive the local economy.¹ Other activity has been termed basic in increasing the flow of dollars into the area (e.g., retirement-related incomes) or decreasing the flow of dollars out of the area (e.g., professional & business services formerly purchased outside the region).
- Research on location decisions of firms reveal that those decisions are based on a multitude of factors, only a few of which are influenced by state and local governments. Research findings indicate that the traditional recruiting enticements used by local governments (e.g., marketing, tax incentives) are not among the critical factors. Location factors most important to firms relate to fundamental regional characteristics: access to markets, factors of production, quality of labor force, adequacy of infrastructure, and quality of life. These factors suggest a change in focus from short-term recruitment deals to long-run investments in public facilities and services.
- Quality-of-life issues have become part of the economic development parlance, not only in recruitment, but also in ensuring that policies are in place to maintain it.
- Increasingly, there is an emphasis on the business of government: on “streamlining” regulations, doing things efficiently, and reaching consensus on what government should provide. In this new environment, economic development policies are viewed more in the

¹ One economic growth model, called the economic base theory, divides the region's economy into two main sectors: basic and non-basic. Basic industries bring dollars into the local area by exporting goods and services. Non-basic industries sell their products/services within the local area and exists to support the export or basic sector.

context of investment decisions—what is the return to the community on public resources being devoted to various development policies or ventures; and related, what are the opportunity costs (i.e., other investments that cannot be made because resources are devoted for this investment)?

- More focused attention on economic diversification within economic development circles.

Governments like the State of Washington, Grant County and Electric City have learned that economic development has multiple dimensions. Thus, a comprehensive view toward economic development planning is provided.

With this background on economic development strategies and areas where public policies can influence the pace and direction of economic development, we now turn to the recent past of Electric City's economy and where it appears to be going.

EXISTING CONDITIONS – AN ECONOMIC PROFILE OF ELECTRIC CITY

Key Features of the Economy

Like many rural communities in Eastern Washington, Electric City's economy is increasingly dependent upon tourism and retirees. The foundation of the community's and in fact the Grand Coulee Dam area's economy is the Bureau of Reclamation's Grand Coulee Dam and Columbia Basin Irrigation Project. The data presented below reveal some important trends that will help guide decisions on economic development within Electric City.

- Electric City's population increased by an estimated 9.90% from 1990 through 2016. With an average annual rate of 0.36%, the City's population has been relatively stable. Between 2010 and 2016, the labor participation rate in Electric City peaked in 2012 with 55.50% of those over 16 years of age employed. Unemployment during this same period peaked in 2013 at 9.60%. The most recent figure from the 2016 American Community Survey found that the labor force was down to 48.90% of those over 16 and the unemployment rate at 7%.
- Employment growth in Grant County has also been robust during the 1990s, with an average annual rate of 4.3 percent. Grant County's unemployment, one of the key indicators of a region's economic health, has persistently remained above the statewide average. One of reasons for high unemployment—designating Grant County as “economically distressed”—is the strong seasonality of the county's leading sectors of

agriculture and food processing.

MAJOR ISSUES

Strategic economic development planning is a process of evaluation and decision-making that helps an organization establish and meet its objectives by aiding the development of a strategy for achieving and marshalling its resources for implementation. Strategic planning incorporates a long-term perspective of organizations, objectives and goals, and resources; along with a system for making and evaluating a long-run perspective and using such a view to make good decisions.

Taking a strategic economic development planning perspective incorporates a number of the following steps:

1. **Organize.** Identify and refine the objectives of the overall planning effort; and ensure that all those involved understand the plan's overall purpose.
2. **Know the context.** Identify key factors and trends important for the future. Determine how external forces will influence events within the county.
3. **Select key issues.** Choose a few issues whose successful resolution is critical.
4. **Set mission statement and broad goals.** Establish the direction for strategic development by setting general goals.
5. **Analyze forces affecting the achievement of goals.** Assess in depth the external and internal forces and context that affect the achievement of goals. Identify the strengths, weaknesses, opportunities and threats as well as the availability of resources.
6. **Develop an implementation plan.** Identify specific timetables, resources, and responsibilities for carrying out specific actions.
7. **Monitor and re-evaluate.** Ensure that the strategies are carried out. Adjust them as necessary within the changing environment.

At the core of this strategic economic development planning approach is an analysis of strengths, weaknesses, opportunities, and threats (commonly known as SWOT). The distinction among these elements is often blurred. For instance, a weakness may be linked to an external threat; however, it may also present an opportunity for positive change. Essentially, opportunities and threats (or constraints) are factors external to the county and over which the county has little influence (e.g., interest rates, natural population growth); whereas, strengths and weaknesses are factors internal to the county and help or hinder its abilities to resolve identified problems and issues.

Strengths

Electric City has a number of assets for continued economic expansion and development. Among these assets are the following:

- **A substantial resource endowment.** Electric City is situated within the at the northern end of the Columbia Basin, not only one of the nation's most productive agricultural growing regions, but a land of spectacular natural beauty.
- **A first-rate transportation network.** The efficient movement of both goods and people is critical for continued economic development. State Route 155, the Coulee Corridor National Scenic Byway, provides a well-maintained north-south route connecting Electric City to I-90 to the South and U.S. 97 to the north. State Route 174, just north of the community provides a well-maintained link to points east and west and finally U.S. 2, to the south of the community provides an arterial that provides links to major metropolitan areas east and west of the North Cascades.
- **Significant cost advantages in doing business.** Electric City boasts of having one of the cheapest electric power rates in the United States. With long-term power contracts, Grant County PUD has taken advantage of the opportunity to retain more of its generated power for the County's growing industrial base.
- **Quality of life factors and relative low cost-of-living** make Grant County an attractive area for relocation and expansion. Housing within the county is highly affordable compared with similar areas.
- **Electric City's rich natural history.** The community's location on Banks Lake and proximity to Grand Coulee Dam, Steamboat Rock State Park, Northup Canyon Wildlife Area, Lake Roosevelt National Recreation Area and at a key point along the Great Floods National Historic Trail provides an excellent gateway to these natural treasures.

Reasonably well-positioned for expansion within emerging industries. The emerging industries of health services and tourism will not only expand the local economy but also provide economic diversity.

Weaknesses

Electric City also has some liabilities compared with other communities, against which it must inevitably compete for scarce public and private investment dollars.

- **A lack of overall diversification in the local economy.** Electric City is highly dependent (and vulnerable) on jobs within governmental organizations in the Grand Coulee Dam area. While Grant County has nearly two-fifths of its overall economy based on agriculture, Electric City has become increasingly dependent on seasonal tourism and a growing retiree population. Steps should be undertaken to broaden Electric City's set of

targeted economic opportunities.

- **Tension between the Grand Coulee Area communities.** Electric City and the City of Grand Coulee and Coulee Dam have experienced a variety of tensions regarding infrastructure, economic development activities and other issues over the years. Such tensions can make developing agreements on a unified public-sector approach to certain problems more difficult.
- **Limited legal mandate to influence some areas of economic development policy.** The City lacks the legal mandate to address some key elements of economic development such as education, lending of credit, and statewide laws and policies.
- **A stagnant retail sector.** The community's retail sector is closely tied to major construction activities at Grand Coulee Dam. Since the last significant project in the 1970's erosion in local retail implies that fewer local wage earners and an increased number of consumers are leaving the City to shop elsewhere. This trend has been exacerbated by the rapid growth of on-line retailers. This is important as a weak retail sector has broader implications for attracting future development, including retirees, "lone eagle" entrepreneurs, and re-locating industrial firms.

Opportunities

In addition to inherent economic assets and liabilities, Electric City faces a number of general opportunities.

- **Broad state government commitment to rural economic development.** State government is continuing efforts to ensure that rural areas participate within the economic growth enjoyed by urban Washington State. Increased assistance—in the form of loan interest loans and grants for infrastructure improvements, and assistance with regulatory processes—will help to improve the state's rural economies, including Electric City.
- **Increased congestion in Puget Sound.** The Puget Sound region is experiencing a significant economic boom which has resulted in home and land prices and increasing regulations. As a result, people and companies are looking elsewhere in the state for a place to retire, live or relocate or start a business.
- **Increased orientation toward leisure and recreation.** Nearly two-thirds of American households take a traditional one- to two-week vacation each year. Significant portions of Americans purchase second vacation homes; most of these vacation homes are within a day's drive of their permanent residence. Other trends including an increased orientation toward destination "full-service" resorts, gambling, and early retirement spell opportunities for the developing tourism industry in Electric City.
- **Growth in Retirees.** An economic opportunity that is often overlooked by many communities is attracting and retaining residents. New residents indirectly contribute to economic growth by not only providing labor for businesses, but supporting local schools

and public facilities with taxes, and spending dollars for locally-provided retail goods and services. In particular, retirees bring into the city social security checks, private pensions, and property income. Recognizing their importance as an income source, a number of rural communities are adding to their economic base by actively recruiting and retaining retirees. Clearly, the presence of affordable quality housing in Electric City would be vital as one of the attractive features to successfully recruiting and retaining residents. Another important aspect to attracting and retaining residents, especially retirees, is improving the availability of health care, human, and social services within the Grand Coulee Dam Area.

- **Increased technology-oriented economic development.** Rural areas often lack the critical set of requirements for attracting high-technology firms. Increased privatization of space technology may benefit rural areas. Lockheed Martin Corporation has current plans to develop an unmanned Venture Star spaceship with landing sites throughout the western United States. Moses Lake is one of several rural areas that have submitted bids to become a spaceport.

Threats

Electric City also faces some external threats that could impinge upon their future economic prospects.

- **Regulatory Changes.** Electric City is likely to experience significant effects from increasing uncertainty in federal and state government regulatory and financial reforms.
- **Relicensing of PUD dams.** One of Electric City's major assets is low-cost energy. FERC relicensing requirements and salmon-enhancement programs have increased power rates in recent years, eroding this comparative advantage. And, now open to market competition, the electric utility industry is in the midst of re-structuring.
- **Lack of understanding for rural economies.** The "Cascade Curtain" in Washington State in part prevents Puget Sounders from understanding the dynamics and underpinnings of rural communities like Electric City.

With this overview of the strengths and weaknesses, opportunities and threats of Electric City's economy, we now turn to specific objectives and goals for continued economic development.

ROLE OF ECONOMIC DEVELOPMENT

Economic development is an essential component of the Electric City Comprehensive Plan. As part of the economic development planning process, it is recommended that performance objectives be adopted to measure the City's overall economic health. These quantitative measures would also be used to mark the progress of the City's economic development planning and help guide the development of intermediate goals. Such measures that track Electric City's economic progress between 2018 and 2038 include:

Desired Levels of Job Growth

Increasing jobs is one of the most common objectives of local economic development programs. Electric City is no exception—creating local employment opportunities is the primary goal of the community. Such jobs are added to the economy through existing businesses, new businesses, and entrepreneurial development.

Desired Levels of Commercial & Industrial Expansion

One of the desired economic engines of Electric City is light manufacturing and increased retail opportunities. Electric City's growth in trade and services activity, however, has been slow since the last major project at Grand Coulee Dam relative to other rural communities. In short, Electric City is relatively underserved in trade and services.

Growth in Per Capita Income

The 2016 American Community Survey's estimated that, median household income in Electric City was \$51,286; Grant County's median was \$52,981 the statewide median of \$53,493.

NEEDS ASSESSMENT

This section presents five realistic economic development options for Electric City based on the SWOT assessment and discussion with City officials and civic leaders. These options will help serve as guides for the county to develop and implement a formal economic development action plan.

Option 1: Attract New Employers

Attracting new basic employers for whom there is a comparative advantage to the City will add employment and income directly. Through the economic multiplier effect, other jobs and income will also be added within the City and adjoining communities. Basic employers can include (a) manufacturing; (b) non-manufacturing, such as tourist attractions and computer services; or (c) non-local government. Action steps/policies to meet this goal include:

- Identification through targeted research of basic employer(s) with greatest potential;
- Provision of adequate, serviced and environmentally acceptable sites that would meet the full range of industrial/business needs and opportunities;

- Make the necessary infrastructure investments in transportation, water and sewer, telecommunications, and other utilities as needed to leverage private investments that create jobs; and,
- Identification and organization of financial capital resources to assist in attracting new business (e.g., industrial revenue bonds, infrastructure grant/loan).

Option 2: *Cultivate Home-grown Businesses*

Once overlooked, rural communities are now discovering that a strong home-grown business development strategy can often become their most powerful business attraction strategy. For many smaller communities, a more appropriate and realistic approach may be to grow their own industries job by job than to recruit outside industry.

Every community has the opportunity to develop home grown businesses. Most of these businesses have modest beginnings. They start small and keep overhead to a minimum and remain flexible. Keeping costs low, these local entrepreneurs can compete effectively with larger, more established competitors. As they gain experience and market visibility, many expand and hire employees. For local economic developers, the bottom line is growth job by job.

Historically, little has been done to take advantage of this opportunity. However, there is much an area or community can do to cultivate and nourish home grown businesses:

- For many areas and communities, a realistic starting point is to identify individuals living in the vicinity who have either recently started a business or have a business idea that they would like to develop. This may include an established business with an interest in developing a new product or business line. First-time entrepreneurs seldom have much knowledge of business management, marketing, business plans, and applicable government regulations. A valuable local area role is establishing a mentoring program—simply matching individuals with business ideas to those able to help develop their ideas. Another possible avenue is to encourage the local high school to establish an entrepreneurship program for students.
- Local area studies of market potential for new retail, wholesale, service, or industry input-providing businesses may identify opportunities for new local establishments.
- Organization of local area capital resources to assist new business formation by encouragement of investment of private funds locally through the formation of capital groups, or the use of secondary capital markets.
- Provision of small business incubators to nurture new local businesses. Typically, these incubators are community- or port-owned facilities that provide low-cost space and technical assistance to help local entrepreneurs turn a hobby into a full-time business and successful component of the local business community.

Option 3: *Diversify the Existing Economic Base*

The economy of Electric City has been dependent upon public sector employment and a growing tourism industry. Tourism, however diverse, can be seriously affected by market conditions. Much can be done to assist these basic firms; by increasing area attractions (e.g. trails, parks, historical information), the greater likelihood that businesses will be retained or expanded within the local area. Action steps/policies recommended include:

- Strengthen the service and marketing capacities of existing businesses through educational programs;
- Encourage business growth through the identification of equity and loan capital sources;
- Increase knowledge of new technology through educational programs in internet commerce and block chain technology;
- Assist employers in improving workforce quality through vocational and technical education, employment counseling, and supportive social services;
- Develop local infrastructure and technical expertise that improve local business efficiency and access to non-local markets; and,
- Sponsor business and industry recognition or appreciation events. Although such events do little per se to increase their competitiveness, they are effective stimulants in encouraging business leaders to stay within the local area and to expand.

Option 4: *Promote Electric City as a Destination for Tourists*

Tourism in the United States has expanded steadily during the past 30 years. Driving factors of tourism are more people with greater leisure time and higher income levels. Tourism has become an important economic opportunity for rural communities that are able to offer travelers a unique experience. A common thread to most successful rural tourism efforts is the promotion of rural qualities and natural resources of small town USA. For instance, many rural areas exploit their natural resource heritage or early settlers' ancestry with interpretive centers. Electric City is ideally situated along the Great Floods National Historic Trail.

Hundreds of vehicles pass through Electric City on State Route 155, the Coulee Corridor National Scenic Byway, each day. Hundreds more traverse the area on State Route 174 and U.S. 2. The US Census Bureau estimates that visitors and tourists spend over \$117 million each year in Grant County. Electric City is just beginning to tap its enormous tourism

potential by capturing dollars spent by area travelers and bringing additional tourists to the area.

Option 5: *Keep Shopping Dollars at Home Where They Are Needed*

A serious problem facing many rural areas like Electric City is an increasing tendency by local residents to travel to larger cities for shopping. Residents shopping outside the Grand Coulee Dam area results in lost business for local merchants. Can Electric City merchants regain some of these shopping dollars lost to surrounding regional shopping areas? It may be possible for Electric City retailers to regain a share of its local market within five years.

Rural communities across the nation have successfully implemented a four-point retailing program to bring shoppers back to the local community. These four points are:

- **Organization.** Early and active participation by merchants, residents, and local government is essential for success in recapturing lost retail sales. Strong organization is the key to achieving the necessary community involvement.
- **Appearance.** Cleanliness of streets and sidewalks, attractive stores and buildings, interesting window displays, simple but effective in-store merchandising are some elements of community efforts to encourage local shopping.
- **Promotion.** Shopping locally is partly out of habit. Local businesses must encourage people to patronize their stores by offering special promotions, friendly service, supporting local events, and investing in regular advertisements. These efforts help people develop the habit of shopping locally.
- **Business development.** One of the major reasons why businesses fail is that the needs of their customers' change but the businesses don't. To bring shoppers back, each business needs to make a realistic appraisal of their business. Often by changing long established merchandise lines, improving store appearances, and bettering service, new life can be restored to declining retail businesses.

This approach is a not only a prescription for new economic health for local retailers; it may have broader economic development implications. For instance, these requisite steps in bringing back local shoppers are also needed to attracting tourists and visitors to the community. And recruiting a major new employer to the area may be unsuccessful unless steps are taken to promote more local shopping.

GOALS AND POLICIES

The goals and policies of the Comprehensive Plan related to Economic Development are included in Chapter 4 – Policy Plan.