2017–2021

Comprehensive Economic Development Strategy

for the Confederated Tribes of the Umatilla Indian Reservation

This plan was developed with support from

Economic Development Administration of the United States Department of Commerce
CTUIR Department of Economic and Community Development

ECONOMIC SOVEREIGNTY

Acknowledgements:

This Comprehensive Economic Development Strategy (CEDS) is, first and foremost, an extension of the 2010-2015 Overall Economic Development Plan (OEDP) and, in turn, of all CTUIR's previous economic planning efforts. One step preceded by many and followed by many more. Any similarities to or outright excerpts from previous plans are done intentionally – the quality of those documents, the 2010-2015 OEDP in particular, is undeniable. Thus, the intent of this plan is not to start from scratch but to take the best of CTUIR's previous efforts and complement them with new information and new strategies that reflect the desires of the community and changes to the greater economy in which the CTUIR operates.

That said, the authors would like to sincerely thank everyone who has contributed to CTUIR's previous economic & community development planning efforts – our work could not have been done without yours. We would further like to acknowledge the contributions of the following groups and organizations:

- The CTUIR Board of Trustees.
- The CTUIR General Council.
- The CTUIR Economic and Community Development Committee.
- The individual community members, tribal elders, and CTUIR employees who took the time to provide their input and opinions at community meetings and through the community survey.
- Business leaders who took the time to meet with us and provide input on the needs of the business community.
- The U.S. Economic Development Administration (EDA), without whose financial and technical support CTUIR's economic development capacity would be greatly diminished.
- Our consultants from Emsi whose data and analysis were invaluable to understanding CTUIR's position in the greater economy and to identifying new economic opportunities.
- The CTUIR Department of Economic and Community Development.

Thank you all for your time and resources – you are appreciated!

Executive Summary

A strong economy provides freedom for the Confederated Tribes of the Umatilla Indian Reservation (CTUIR) and its members to focus efforts on maintaining a strong tribal identity and empowering members to achieve economic self-sufficiency. The CTUIR have planned and provided for tribal economic sovereignty for more than 40 years. This report examines the economic opportunities and actions the CTUIR can take over the next several years to sustain tribal sovereignty.

One goal of economic development efforts is to provide economic opportunity for all CTUIR members. Another primary goal is to provide resources to maintain the CTUIR and tribal lands forever. A key component of long-term economic strategies is to create diversified revenue sources for the CTUIR.

Through partnerships, continuous community engagement, and a strategic approach, the CTUIR has come up with a comprehensive economic development strategy that will build on the strengths of the CTUIR, work on its weaknesses, take advantage of its opportunities, and overcome the threats that will build an economically resilient community sustainable for its members and children—the future.

The industry cluster, supply chain gap, and retail gap analyses have identified opportunities that may be incorporated into future economic development endeavors. The socio-economic conditions, labor shed, and SWOT analyses provide insights that are helpful in implementing those plans. The following highlights some of the key points taken from each analysis in this report.

Economic resilience is about expanding the CTUIR's economic choices and its capacity to cope with and recover from unexpected challenges. The industry cluster analysis reveals additional economic opportunities to further diversify the economic base. As the industry cluster analysis concludes, there is potential for growth in the in the transportation, distribution, and logistics (TDL) and food processing clusters. Closing the supply chain gap for manufactured products in food and transportation equipment manufacturing has the potential to add great value to the economy. Although there is a larger share of supply chain requirements already being met for in-region services, additional revenue could be generated through expanding services such as wholesale trade, finance and insurance, and the healthcare industries.

The 2016 CTUIR Community Survey responses acknowledged development of the retail sector as an opportunity for the community (see Appendix for full survey results). The retail gap analysis identifies six types of retail not adequately represented in the Pendleton-Hermiston Micropolitan Statistical Area (MSA):

- Clothing and accessories
- Health and personal care
- Electronics and appliances
- Sporting goods, hobbies, books
- Furniture and home furnishings
- Building material, garden equipment, and suppliers

Although many jobs require a minimum of a high school diploma, businesses in the community actually need people with additional skills and training. More specifically, teaching, law enforcement, construction, food processing, service, and material moving jobs are being filled by commuters who live outside the MSA. Additionally, the 2016 CTUIR Community Survey results identified the following job categories as being most desirable for community members:

- Tradesmen
- Fabrication and assembly
- Equipment operators and truck drivers
- Office and retail
- Software development and database administration

The CTUIR and Umatilla County have a heavily age-dependent population—meaning more pressure on the productive, wage-earning population. With nearly one in four workers in Umatilla County age 55 and older and set to retire over the next 10 years coupled with difficult-to-fill positions, succession planning and workforce training are essential to build the workforce of tomorrow and encourage business retention and attraction. This also increases pressure on economic development professionals who are already working diligently to fill the workforce gap.

The diverse economic base bodes well for the CTUIR and Umatilla County. However, economic development efforts need to be prioritized to address workforce challenges to further strengthen the economic resiliency of the region.

Data Sources

In order to capture a complete picture of industry employment, Emsi gathers and integrates economic, labor market, demographic, and education data from over 90 government and private-sector sources, creating a comprehensive and current database that includes both published data and detailed estimates with full coverage of the United States.

More specifically, Emsi combines covered employment data from Quarterly Census of Employment and Wages (QCEW-produced by the Department of Labor) with total employment data in Regional Economic Information System (REIS-published by the Bureau of Economic Analysis or BEA). This is augmented with County Business Patterns (CBP) and Non-Employer Statistics (NES) published by the U.S. Census Bureau. Projections are based on the latest-available Emsi industry data, 15-year past local trends in each industry, growth rates in statewide and (where available) sub-state area industry projections published by individual state agencies, and (in part) growth rates in national projections from the Bureau of Labor Statistics.

Through this combination of data sources, Emsi is able to fill gaps in individual sources (such as suppressions and missing proprietors). This yields a composite database that leverages the strengths of all its sources. Finally, Emsi's database is updated quarterly, providing the most up-to-date integrated information possible.

Contents

I. Introduction

The members of the Cayuse, Umatilla, and Walla Walla Tribes have lived in the Columbia Plateau region from more than 10,000 years, moving in a large circle from the lowlands along the Columbia River to highlands in the Blue Mountains to fish, hunt, and gather food. Their traditional, pre-reservation era economy was an example of how people honorably supported their families, traded with their neighbors, and still left enough resources for the future. These underlying cultural values of responsibility and stewardship remain strong today and are perfectly embodied by the concept of Economic Sovereignty that the CTUIR introduced in the 2010–2015 OEDP.

> Economic Sovereignty invokes both the pride of the traditional era and the sophistication required to compete in today's global economy. Economic sovereignty is about expanding the CTUIR's economic choices in a resource-constrained environment.
>
> —from CTUIR's 2010-2015 OEDP

The Confederated Tribes of the Umatilla Indian Reservation (CTUIR) has had a formal economic development plan since 1974, with each iteration building upon the achievements of previous plans while incorporating changes that help the CTUIR not only remain competitive, but often take a leadership role in the local and regional economies. Four decades ago the CTUIR's economic goals centered on building a strong Native agricultural enterprise. The fact that the CTUIR farms some 12,000 acres of land today is a testament to the efficacy of those early planning efforts. But today's CTUIR economy also includes a highly successful casino resort, a technology company with national and international clientele, large industrial properties both on and off the reservation, and a variety of other economic interests spread across the greater Columbia Plateau region. The CTUIR's ability to grow into these new, diverse industries while preserving its values shows just how fitting Economic Sovereignty was as a subtitle to 2010–2015 OEDP and why it remains as the subtitle to this document.

The purpose of this document is to merge, to the extent possible, the economic and community development needs of the Umatilla Indian Reservation with a thorough analysis of the regional economy to create a guide for establishing goals and objectives, developing and implementing a plan of action, and identifying investment priorities for CTUIR. This was accomplished by engaging community members and business leaders through community meetings, surveys, and interviews to gain insights into the economic and community development needs of the reservation, and then using those needs as the framework for a series of sophisticated, data-driven analyses of the human and physical assets available to achieve those needs.

Section II of this report is a measure of existing economic conditions, including a discussion of current CTUIR assets and regional demographics. Section III is a profile of the regional economy that includes an analysis of the supply chain for regional industries, workforce and laborshed analysis, and a retail gap analysis. In Section IV, the analyses from the previous two sections are used to provide a greater understanding of the options for developing CTUIR industrial properties. This section discusses the potential of new development to diversify revenue streams for CTUIR and create new employment opportunities for CTUIR members. Lastly, recommendations for implementing the findings of this study and action plans are outlined.

Public and Stakeholder Engagement Process

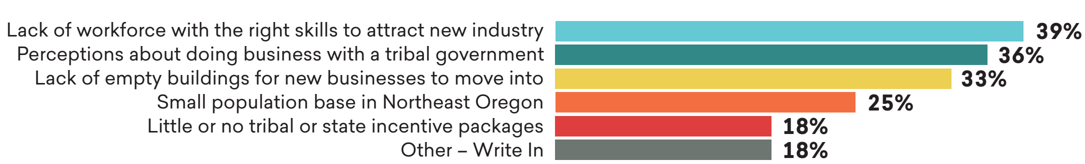
The stated mission of the Department of Economic and Community Development is to promote the interests of members of the Umatilla Indian Reservation by creating jobs, increasing revenues, and contributing to a diversified and developed economic base, thus creating opportunities for continued advancement of all sectors of the community. With policy guidance from the Economic and Community Development Committee under the Board of Trustees, the Department of Economic and Community Development (DECD) solicited input from community members and business leaders for this planning effort. The success of the strategies will require the efforts of the entire CTUIR organization. For some of the most significant issues, more financial investment and spending may not be as important as individual participation, engagement, and continual updating of skills by the majority of members.

During the course of engaging the CTUIR community, focus group sessions were held in Fall 2016. The project team also met with the Economic and Community Development Committee, toured CTUIR properties, met with business leaders, and conducted an online community survey—referred to as the 2016 CTUIR Community Survey (see Appendix for full results). Importantly, this report is based on a volume of work the CTUIR has conducted over the years, including the 2010 OEDP, 2010 CTUIR Comprehensive Plan, 2011 Employment Survey, 2012 CTUIR Capital Improvements Program, 2013 Housing Study, materials developed for Coyote Business Park and Wanapa Industrial Site, 2015 Annual Report, and the 2016 Community Development Financial Institution (CDFI) fund proposal.

The electronic 2016 CTUIR Community Survey, open to all CTUIR members and employees, was conducted in late 2016. The survey asked CTUIR members for their opinions on economic priorities, strengths, and challenges facing the CTUIR. A total of 143 responses were received. Common themes among the responses included lack of workforce and the need for more education and training for a more sustainable economy.

OVERALL RANK	COMMUNITY DEVELOPMENT	ECONOMIC DEVELOPMENT	GREATEST IMPACT ON CTUIR SUCCESS
1	Housing or apartments	Invest in infrastructure development (roads, water, sewer, utilities, etc.)	More education/schooling
2	Educational facilities	Fund casino expansion	More or better housing options
3	Broadband and internet connectivity	Fund retail development	Job readiness training
4	Community bank or financial institution	Fund small business space (incubator)	Financial literacy and Diverse employment opportunities

CTUIR'S BIGGEST CHALLENGES REGARDING BUSINESS DEVELOPMENT



II. Existing Conditions

This section of the report provides an overview of the demographic and socioeconomic conditions of the Umatilla Indian Reservation and its surrounding area. In order to encompass a wider variety of economic indicators to better understand economic options for the CTUIR, county-level data are used. When available, reservation-level data are provided for more context.

Tribal Assets

CTUIR for-profit enterprises contribute to tribal economic sovereignty because they deliver revenue and income to the CTUIR through a variety of endeavors. Primary sources of income include revenues from Wildhorse Resort & Casino, Cayuse Technologies profits, other small business income, federal and state funding, tax revenues, and lease income.

CTUIR industrial/commercial properties offer potential to further develop new sources of revenue through tax revenue and land lease income to relocating or expanding businesses.

The locations of Coyote Business Park, Wanapa Industrial Site, and Columbia Development Authority offer attractive options for businesses such as: appropriate zoning, port and river access, rail access, water and utilities, freeway access, and shovel-ready acres. Marketing activities for these sites have focused on known and proven strategies to attract businesses looking for new locations. These activities include conducting tours of the sites, participating in site selection forums and conferences, working with site selection consultants, working with the Oregon Business Development Department, and collaborating with the City of Pendleton and other regional development groups. Further activities could include broadband development and more infrastructure improvements.

CTUIR ASSETS

FOR PROFIT

Wildhorse Resort & Casino
Arrowhead Travel Plaza
Coyote Business Park
Wanapa Industrial Site
Mission Market
CTUIR Farm Enterprise
CTUIR Forest Lands
Grain Elevator
Cayuse Technologies
CTUIR Stake in Columbia Development Authority
CTUIR Stake in Rattlesnake Road Wind Farm

FOR COMMUNITY BENEFIT

Tamastslikt Cultural Institute
Indian Lake
CTUIR Environmental Recovery Facility/ Solid Waste
Native Plant Nursery
Ataw Consulting
Lucky 7 CTUIR Housing
Kayak Public Transit
CTUIR Lands For Community and Traditional Uses

In addition to continuing marketing efforts to attract tenants, there is potential to help CTUIR members create new Native-owned businesses with the Business Service Center, a Community Development Financial Institution (CDFI), and significant training for small business development. The Business Service Center provides services that assist entrepreneurs at all stages of the business lifecycle, from pre-start-up to exit strategy, including business counseling, computers with business software, marketing, and access to capital. A Community Development Financial Institution, or CDFI, is a non-profit financial institution that can make a wide range of loans and provide development services such as education, training, and technical assistance.

Potential Impact of Regional, State, and National Politics and Economies

In order to better define the economy of the Umatilla Indian Reservation, we need to understand the external factors—nationally, statewide, and regionally—that could affect or influence the CTUIR and its economic development efforts.

National

The U.S. economy has been in continual expansion since 2011, when the recovery from the recession began to take hold. While growth levels have been modest, on average, overall economic growth at the national level has been steady. With strong business activity in most key industrial sectors, most economies, both rural and urban, are struggling with workforce issues. Labor force participation rates have been dropping steadily, while skill levels and workforce training initiatives are not keeping pace with technology advancements. New housing construction dropped by more than half after the housing bust of 2007 and has not yet fully recovered to pre-2007 levels (although those levels of new construction may not have been ideal). Many communities, including the CTUIR, are beginning to feel the constraints of housing shortages and aging housing stock, which hinders the ability to attract new residents and workers.

Economic volatility on the national level is a threat to economic stability in the community. It is difficult to plan for unwanted contingencies when externalities can be unpredictable. The vagaries of U.S. politics, with voters swinging from the extremes of one party to the extremes of the other, mean that important economic policies, primarily trade relations and defense spending, can vary wildly from one political season to another. These variances create winners and losers more quickly than communities, businesses, and workers can adapt. The CTUIR priorities of managing assets wisely, offering worker training and education to its members, diversifying CTUIR revenue sources, and being stewards of the environment are sound responses to these unknown impacts that can occur from the national level.

Oregon

Per the Oregon Employment Department; by the end of 2014, Oregon as a whole surpassed its pre-recession peak of 1.7 million nonfarm jobs. Rapid job growth in 2015 and 2016 took the state beyond pre-recession highs into new territory; in November 2016, the state had 1.85 million nonfarm jobs. The state's unemployment rate took longer to fully recover, as it dropped to its pre-recession low of 5% by early 2016. Among Oregon's individual counties however, recovery and growth remain varied.

Oregon's economy has approached full employment and felt the effects of a strong U.S. dollar and weak global economy, weighing down the export-dependent manufacturing sector. The latter quarters in 2016 have shown signs of a more subdued pace.

The Oregon Office of Economic Analysis recently reported that the long-term outlook calls for continued expansion with above average gains compared with the rest of the nation, but at a more moderate pace than in recent years. They point out that the gains are still strong enough to accommodate anticipated population growth and hold down the jobless rate.

Similar to the nation, Oregon is struggling with workforce issues as the state tries to keep up with advancing technology and businesses (e.g. company headquarters, computer systems design, etc.) as well as the increasing rate of retirements. Nearly one in four workers in Oregon is 55 and older. Oregon's rural counties, in particular, will need to recruit workers from other areas to sustain the size of their current workforce.

Eastern Oregon

Umatilla County is one of seven counties comprising the eastern Oregon region. Eastern Oregon continues to have some of the highest unemployment rates in the state because of the high seasonality of industries that are predominant in this rural part of Oregon.

Job growth has been steady in recent years but not as strong as other regions across the state. Job growth has averaged just over 1% over the past five years and is projected to keep this pace over the next five years—growing slower than the state and nation. The same targeted industries identified above for the immediate region would provide benefit and opportunity for the greater region as well.

Workforce issues plague rural counties as it is difficult to retain and attract a skilled workforce. However, there are many projects on the horizon in eastern Oregon that will spur economic activity and require additional workforce training and collaboration that could help in retaining and attracting a skilled workforce.

A workforce training center is to be constructed at the Port of Morrow. This may allow for collaboration and has potential to supplement the efforts of CTUIR and Umatilla County workforce development strategists. Other workforce training initiatives that, with collaboration, could prove useful for CTUIR are Blue Mountain Community College's mechatronics and industrial maintenance programs and Eastern Oregon Business Accelerator facility (located at Blue Mountain College).

Furthermore, the University of Oregon and Oregon State University's have produced an economic study to identify relevant ways government and non-profit economic development organizations can support emerging opportunities for small, rural firms in eastern Oregon. These ideas may help CTUIR and regional businesses prosper.

Eastern Oregon Regional Airport is making improvements to support the unmanned aircraft systems test range—one of six locations nationwide selected by the FAA. This unmanned aircraft systems test range is for drones, and other unmanned aircraft systems as well as a place for research and development efforts. This is one of the most rapidly growing industries in the country with very limited testing facilities which creates an incredible opportunity for this region. This will allow for potential development of this cluster around the region, possibly including CTUIR industrial properties.

The aforementioned projects are only a few of the many endeavors emerging around the region. These collaborative efforts are a step toward a better succession plan for the workforce of tomorrow and for a more prosperous region.

Demographics

POPULATION:

As previously discussed, CTUIR and the surrounding region have a heavily age-dependent population. The proportion of county residents aged 65 and older is expected to grow in the next five years without much backfill in the prime-age, wage-earning cohorts (ages 25 to 59). The share of population under 16 is also large, however, it's not expected to grow much over the next five years. This means a large share of the population – the young and the elderly – are not in the workforce and are dependent on the smaller, wage-earning population. That dependency is expected to grow over the next five years.

This is a serious concern for economic development and business attraction efforts that hinge on retaining and attracting a skilled workforce. Given this trend, planning for succession of leaders in CTUIR businesses is important for long-term continuity. Providing career opportunities and clear career paths for youth will be required to retain and attract prime-age wage earners.

INCOME:

The median income of households in Umatilla County was $48,100 in 2015, approximately 6% below the state's median income levels and nearly 11% below the nation.

Individual income levels have been on the rise.

Umatilla County is ranked 27 of Oregon's 36 counties for per capita personal income.

WORKFORCE:

The largest employing industries in Umatilla County have more than one-quarter of their workforce age 55 and over. A systematic plan needs to be in place to ensure community sustainability and leadership continuity by recruiting and encouraging individual growth and development.

EDUCATION:

The share of population who hold a Bachelor's degree or higher is lower in Umatilla County than the state or nation. According to Algernon Austin's *Briefing Paper on Native Americans and Jobs: The Challenge and the Promise*, American Indians with advanced degrees have 7×'s the employment odds of American Indians with less than a high school education.

High educational attainment is the factor most likely to increase an individuals' odds of securing employment. In Umatilla County, the median earnings of an employee without a high school certificate are $22,568 annually. In contrast, median earnings for employees with a bachelor's degree are $40,779 annually.

ECONOMIC INDICATORS	UMATILLA COUNTY	OREGON	UNITED STATES
Median Age:	36.0	39.1	37.6
Age Dependency Ratio:	65.7	59.4	59.7
Growth (2016–2021):			
Under 18	(1%)	2%	2%
Prime-Age:	(3%)	(0%)	0%
Retiree:	13%	19%	15%
2011–2015 Per Capita Income:	$33,180 → $36,430	$37,390 → $43,780	$42,450 → $43,110
Median Household income:	$48,100	$51,240	$53,890
Population Below Poverty Line:	17.6%	16.5%	15.5%
Employment-to-Population Ratio 2011–2015:	56.8% → 55.0%	57.7% → 56.3%	58.8% → 58.0%
Educational Attainment:			
Bachelor's Degree or Greater	16%	31%	30%
Some College, Associate Degree	38%	35%	29%
High School	29%	24%	28%
Less Than High School	16%	10%	13%

III. Principal Growth Sectors and Clusters

The Region

The CTUIR is headquartered in northeastern Oregon adjacent to the City of Pendleton in Umatilla County. The region surrounding the reservation includes Morrow, Umatilla, and Union counties in Oregon and Benton, Franklin, and Walla Walla counties in Washington. Together these six counties comprise the area from which businesses located on the reservation source local goods & services, and from which they could reasonably expect to draw their workforce. For this reason, the analyses that follow will highlight opportunities within the three counties of Oregon, using the greater six-county region to further understand economic development potential. As can be seen in Table 4, Umatilla County's economy is about two-thirds of the tri-county region's economy and about 15% of the greater six-county region. The industries generating the largest market value of all final goods and services produced within Umatilla County are highlighted in Figure 1.

This section of the report provides descriptions and analyses for industry clusters that drive the region's economy, including labor shed and supply chain gap analyses. From these analyses, we can determine the businesses and industry sectors that offer the most potential for growth in Umatilla County and accordingly, on the Umatilla Indian Reservation.

FIGURE 1: Gross Regional Product by Industry (2015)

GROSS REGIONAL PRODUCT, UMATILLA CO.	
$560 million	Government
$366 million	Manufacturing
$242 million	Transportation & Warehousing
$197 million	Healthcare & Social Assistance
$192 million	Crop & Animal Production
$166 million	Retail Trade
$116 million	Wholesale Trade
$108 million	Construction

TABLE 4: Gross Regional Product Overview (2015) for Five Economic Regions

NAICS	INDUSTRY	6-COUNTY	3-COUNTY	UMATILLA COUNTY	HERMISTON-PENDLETON MSA	PENDLETON
90	Government	$2,980,107,211	$787,637,412	$559,528,278	$624,684,315	$87,406,422
31	Manufacturing	$2,143,408,405	$691,539,176	$365,986,679	$545,457,153	$138,748,893
48	Transportation and Warehousing	$629,492,184	$309,911,831	$241,666,621	$258,286,776	$27,338,608
62	Health Care and Social Assistance	$1,411,033,437	$304,696,964	$197,037,428	$205,380,779	$60,257,647
11	Crop and Animal Production	$1,064,220,175	$362,571,907	$191,820,076	$309,716,199	$10,054,140
44	Retail Trade	$1,169,425,929	$250,085,379	$166,062,048	$176,366,677	$40,627,145
42	Wholesale Trade	$726,751,816	$162,564,253	$115,817,377	$131,247,018	$43,895,171
23	Construction	$1,020,411,034	$233,620,835	$107,676,773	$196,495,883	$32,532,846
22	Utilities	$334,691,299	$195,973,856	$87,556,253	$189,325,540	$19,471,018
52	Finance and Insurance	$618,880,489	$111,112,856	$76,852,722	$84,967,723	$32,050,044
53	Real Estate and Rental and Leasing	$559,592,942	$119,863,294	$74,269,581	$83,056,843	$18,337,064
72	Accommodation and Food Services	$445,259,797	$101,783,926	$72,432,543	$79,301,515	$27,097,141
81	Other Services (except Public Administration)	$289,544,991	$83,179,574	$62,728,900	$66,014,570	$10,451,158
56	Administrative and Support and Waste Management and Remediation Services	$1,527,186,786	$63,432,214	$48,284,945	$52,263,814	$8,908,091
54	Professional, Scientific, and Technical Services	$1,363,617,992	$61,066,172	$39,330,183	$42,282,222	$13,316,295
51	Information	$317,408,849	$95,619,916	$34,116,787	$77,723,390	$16,720,209
55	Management of Companies and Enterprises	$72,839,478	$21,005,993	$9,152,417	$14,357,116	$0
71	Arts, Entertainment, and Recreation	$122,319,978	$13,857,915	$8,815,896	$9,897,091	$3,965,413
61	Educational Services	$148,599,543	$7,352,843	$5,950,050	$6,004,305	$739,509
21	Mining, Quarrying, and Oil and Gas Extraction	$52,369,380	$11,314,615	$4,793,243	$6,395,233	$1,999,089
	Other Vectors	$2,295,263,205	$605,670,481	$399,776,830	$471,466,350	$116,412,128
	Total All Industries	**$19,292,424,919**	**$4,593,861,412**	**$2,869,655,630**	**$3,630,690,512**	**$710,328,031**

*Sorted in descending order of Umatilla County industrial sectors contributing to the Umatilla GRP

Source: Emsi Developer 2016.4 dataset

Industry Clusters

Industry clusters are a geographic concentration of businesses that share common markets, suppliers, technologies, and workforce needs. Businesses within a cluster benefit from their proximity to shared resources including a skilled workforce, specialized suppliers, infrastructure, and a localized base of sophisticated knowledge about their industry. Each cluster has a high level of economic integration and interdependency. Industry cluster analysis highlights the strengths and weaknesses of different industries within a region and shows where focus needs to be placed to encourage growth.

When analyzing industry clusters, one measure of cluster viability is it's 'location quotient' (or LQ). The LQ for a particular industry measures its share of an area's employment compared to its share of employment at the national level. For example, a LQ of 2.0 indicates that an industry accounts for twice the share of employment in the area than it does nationally, and a LQ of 0.5 indicates that an industry's share of employment is only half the national average. This comparison reveals the industry's relative concentration in the region. Industries with a high relative concentration – or high LQ – are said to be specialized in a region.

In Umatilla County, the trailer and camper manufacturing cluster has an extremely high concentration – 86.6 LQ. This means that in Umatilla County, trailer and camper manufacturing is 86.6 times more concentrated than would be expected in another economy of similar size.

The greater six-county economic region had more than 25 industry clusters identified. This is unusual, and indicates an economy that is highly diverse, or in the case of an economy without a major city (city of more than one million people), a self-sufficient economy.

For the supply chain analysis that follows, we consider the following ten clusters:

- Government except Education and Hospitals
- Travel Trailer and Camper Manufacturing
- Food Processing and Manufacturing
- Power Generation and Local Utilities
- Community Organizations, Education, Healthcare
- Forestry, Agriculture, and Services
- Transportation, Logistics, and Distribution
- Other Manufacturing
- Financial Services
- Real Estate, Construction, and Development

Each cluster represents opportunities for growth and diversification for the Umatilla County economy as well as opportunities for regional businesses to diversify their market base. For economic development and strategic planning purposes, the government sector, utilities, community organizations, education, and healthcare (which comprise 3 of the 10 clusters above) are not realistically industrial sectors that can be targeted for development or potential growth. They are listed here to provide a fuller characterization of the local economy.

Table 5, on the next page, summarizes projected employment growth for each cluster and its corresponding location quotient. The clusters selected are growing faster than the Umatilla County economy as a whole, with projected job growth rates at 1% per year for the next 5 years (versus overall county average job growth of 0.6% per year). The jobs in these clusters pay, on average, 9% more than other jobs in the county. And while these clusters have only 60% of all establishments in the county, they provide nearly three-quarters of all jobs and account for 90% of all industry sales by Umatilla County businesses.

LOCATION QUOTIENT:

Is a way of quantifying how concentrated a particular industry or cluster is in a region as compared to the nation.

It can reveal what makes a region "unique" in comparison to the national average.

TABLE 5: Umatilla County Industry Clusters Performance Trends

INDUSTRY CLUSTER	EMPLOYMENT		PROJECTED CHANGE IN JOBS 2015–2020	% PROJECTED CHANGE (ANNUAL AVERAGE RATE OF GROWTH)	CONCENTRATION (LQ)	AVERAGE EARNINGS	TOTAL SALES	GROSS REGIONAL PRODUCT (GRP)	ESTABLISHMENTS
	2015 JOBS	2020 JOBS	2015-2020	2015-2020	2015	2015	2015	2015	2015
Government except Education and Hospitals	5,270	5,193	(77)	-0.3%	1.4	$63,928	$2,710,350,724	$411,847,473	144
Transportation, Logistics, and Distribution	4,155	4,384	229	1.1%	2.8	$53,251	$740,019,808	$391,861,904	253
Food Processing and Mfg.	1,817	1,712	(105)	-1.2%	5.1	$45,396	$708,754,823	$164,560,026	26
Forestry, Agriculture, and Services	3,327	3,542	215	1.3%	8.9	$37,103	$552,810,069	$193,569,105	189
Community Organizations, Education, Healthcare	5,353	6,090	737	2.6%	1.2	$37,970	$437,818,702	$237,005,571	331
Other Manufacturing	764	777	13	0.3%	13.1	$50,121	$349,763,137	$78,211,045	32
Real Estate, Construction, and Development	1,414	1,493	79	1.1%	1.0	$52,778	$338,380,540	$156,532,182	254
Travel Trailer and Camper Manufacturing	746	832	86	2.2%	86.6	$39,891	$215,625,639	$46,697,930	2
Power Generation and Local Utilities	260	262	2	0.2%	1.3	$112,203	$163,438,739	$98,744,874	22
Financial Services	480	466	(14)	-0.6%	0.4	$62,640	$121,488,748	$70,565,727	85
Total of target clusters	23,586	24,751	1,165	1.0%		$49,574	$6,338,450,929	$1,849,595,837	1,338
Total Umatilla County	32,945	33,962	1,017	0.6%		$45,565	$7,015,799,961	$2,869,655,630	2,225
Target clusters as % of Umatilla County	72%	73%				109%	90%	64%	60%

Source: Emsi 2016.4 Dataset

Supply Chain Analysis

Supply chain analysis is a process by which the inputs and outputs of an area's industry clusters are evaluated – which goods and services are being bought and sold, in what quantities, and where they are being bought from or sold to. The analysis can help identify the different types of businesses that comprise an industry cluster and, most importantly for economic development, can identify segments of the supply chain that may be absent from a particular region. These supply chain gaps, as they're known, can represent opportunities for new development that can strengthen existing industry clusters and may support other non-related industries in the region as well.

Table 6, on the next page, shows in-region sales and exported (out-of-region) sales for each industry cluster. This is useful for understanding how much revenue a cluster is bringing into the region through its sales of goods and services outside of the region. Industries that predominantly export their products bring new money into the economy, which in turn drives other regional businesses. Food processing and manufacturing, for example, sells 93% of its products outside of the county, bringing an estimated $660 million in sales into the county.

Table 6, on the next page, also shows the total demand in Umatilla County for the goods and services offered by each industry cluster. This is the demand by Umatilla County residents and businesses for the products and/or services produced by that industry cluster—regardless of whether the products or services are actually produced by companies within the region. Furthermore,

TABLE 6: Umatilla County Industry Clusters Performance Trends - Sales and GRP, 2016

	GROSS REGIONAL PRODUCT (GRP)	TOTAL SALES	% IN-REGION SALES	% EXPORTED SALES	TOTAL DEMAND	% DEMAND MET IN-REGION	% DEMAND MET BY IMPORTS
Community Organizations, Education, Healthcare	$237,005,571	$437,818,702	40%	60%	$722,458,416	24%	76%
Financial Services	$70,565,727	$121,488,748	28%	72%	$311,113,698	11%	89%
Food Processing and Manufacturing	$164,560,026	$708,754,823	7%	93%	$280,736,488	17%	83%
Forestry, Agriculture, and Services	$193,569,105	$552,810,069	11%	89%	$254,295,273	24%	76%
Government except Education and Hospitals	$411,847,473	$2,710,350,724	21%	79%	$1,621,172,190	42%	58%
Other Manufacturing	$78,211,045	$349,763,137	12%	88%	$221,706,093	19%	81%
Power Generation and Local Utilities	$98,744,874	$163,438,739	27%	73%	$153,103,648	28%	72%
Real Estate, Construction, and Development	$156,532,182	$338,380,540	39%	61%	$503,965,791	26%	74%
Transportation, Logistics, and Distribution	$391,861,904	$740,019,808	20%	80%	$677,257,804	22%	78%
Travel Trailer and Camper Manufacturing	$46,697,930	$215,625,639	3%	97%	$6,959,305	90%	10%
Total of target clusters	$1,849,595,837	$6,338,450,929	20%	80%	$4,752,768,706	29%	71%
Total Umatilla County	$2,869,655,630	$7,015,799,961	23%	77%	$6,573,192,622	26%	74%
Target clusters as % of Umatilla County	64%	90%			72%		

Source: Emsi 2016.4 Dataset

the table shows how much of local demand is met by companies within the region and how much of local demand is met by importing from other regions. This comparison helps determine opportunities to expand local businesses' shares of local demand. For example, if only 10% of regional demand for a product is being met by regional companies, this table will quantify the value of the remaining 90% of demand that could be met by regional companies.

Food processing can bring some unique opportunities to the region, particularly frozen specialty food manufacturing and building up the supply chain for other animal food manufacturing (e.g. cattle feed). Although the data provided doesn't drill down to this level, frozen food manufacturing generates over $24 million in demand and only 1% of that demand is met in the region. If the supply chain were to be expanded, several industries already established in the region could benefit, including crop production. Key occupations for frozen specialty food manufacturing have an overall concentration of 1.61 in the region, indicating an above average workforce available to attract companies. These occupations experienced overall job growth of 2.7% over the past five years, indicating that the regional talent pool is increasing.

Table 7 and Table 8, on the next page, show the purchases of services and manufactured goods, respectively, made by businesses in Umatilla County. This information helps quantify the supply chain needs of businesses within the county. By comparing the proportion of supply chain needs met by companies within the region to the proportion met by importing goods and services from outside the region we can identify potential opportunities for new development.

In reviewing the above indicators, commonalities emerge that show certain industry clusters may be better targets for economic development efforts than others. Food processing and manufacturing, for example, has a strong presence in Umatilla County with over $700M in sales – 93% of which are exported out of the region, bringing new money into the county. Furthermore, less than 20% of local demand for those products is met by local companies, perhaps representing an opportunity for new companies to meet that demand and keep local dollars within the regional economy.

TABLE 7: Purchases of Services by Umatilla County Businesses from Other Local Businesses or from Businesses Located Outside of the County

2015 DEMAND FOR	DEMAND MET IN-REGION	% DEMAND MET IN-REGION	DEMAND MET BY IMPORTS	% DEMAND MET BY IMPORTS	TOTAL DEMAND
Health Care and Social Assistance	$143,194,139	37.4%	$239,887,540	62.6%	$383,081,679
Finance and Insurance	$38,011,627	10.9%	$310,502,038	89.1%	$348,513,665
Wholesale Trade	$41,714,090	13.0%	$279,570,018	87.0%	$321,284,108
Construction	$76,673,628	26.7%	$210,936,745	73.3%	$287,610,372
Retail Trade	$101,630,707	38.2%	$164,213,965	61.8%	$265,844,672
Professional, Scientific, & Technical Services	$21,118,327	8.5%	$227,174,530	91.5%	$248,292,857
Real Estate and Rental and Leasing	$66,879,390	28.9%	$164,533,614	71.1%	$231,413,004
Crop and Animal Production	$37,558,821	17.7%	$174,304,283	82.3%	$211,863,104
Information	$24,147,084	11.8%	$180,405,061	88.2%	$204,552,145
Transportation and Warehousing	$74,492,094	36.8%	$127,954,553	63.2%	$202,446,647
Accommodation and Food Services	$75,375,998	50.1%	$74,977,673	49.9%	$150,353,672
Administrative & Support and Waste Mgmt. Services	$21,835,991	17.2%	$104,807,079	82.8%	$126,643,069
Management of Companies and Enterprises	$6,143,420	5.7%	$101,189,023	94.3%	$107,332,443
Other Services (except Public Admin.)	$41,990,571	42.2%	$57,477,571	57.8%	$99,468,142
Utilities	$27,427,467	38.1%	$44,619,799	61.9%	$72,047,266
Educational Services	$3,832,268	6.7%	$53,550,778	93.3%	$57,383,046
Arts, Entertainment, and Recreation	$5,900,481	12.8%	$40,365,625	87.2%	$46,266,106
Mining, Quarrying, & Oil and Gas Extraction	$1,057,582	2.7%	$38,217,665	97.3%	$39,275,247
	$808,983,685	**23.8%**	**$2,594,687,560**	**76.2%**	**$3,403,671,245**

Source: Emsi 2016.4 Dataset

TABLE 8: Purchases of Manufactured Products by Umatilla County Businesses from Other Local Businesses or from Businesses Located Outside of the County

DEMAND FOR	DEMAND MET IN-REGION	% DEMAND MET IN-REGION	DEMAND MET BY IMPORTS	% DEMAND MET BY IMPORTS	TOTAL DEMAND
Food Manufacturing	$45,006,692	18.2%	$202,794,654	81.8%	$247,801,346
Transportation Equipment Manufacturing	$35,725,033	19.2%	$150,486,863	80.8%	$186,211,897
Chemical Manufacturing	$2,832,469	2.3%	$117,890,255	97.7%	$120,722,724
Petroleum and Coal Products Manufacturing	$190,572	0.2%	$103,908,609	99.8%	$104,099,181
Plastics and Rubber Products Manufacturing	$2,959,212	4.7%	$59,626,356	95.3%	$62,585,568
Machinery Manufacturing	$2,215,751	4.1%	$51,983,575	95.9%	$54,199,326
Fabricated Metal Product Manufacturing	$2,919,667	6.1%	$45,035,927	93.9%	$47,955,594
Paper Manufacturing	$0	0.0%	$39,990,237	100.0%	$39,990,237
Computer and Electronic Product Manufacturing	$0	0.0%	$37,190,771	100.0%	$37,190,771
Wood Product Manufacturing	$5,614,831	19.0%	$23,890,990	81.0%	$29,505,821
Beverage & Tobacco Product Manufacturing	$2,416,392	8.6%	$25,620,133	91.4%	$28,036,525
Miscellaneous Manufacturing	$220,646	1.0%	$22,460,892	99.0%	$22,681,538
Primary Metal Manufacturing	$34,593	0.2%	$18,213,907	99.8%	$18,248,500
Electrical Equip., Appliance, and Component Mfg.	$98,217	0.5%	$17,776,018	99.5%	$17,874,235
Nonmetallic Mineral Product Manufacturing	$812,821	4.8%	$16,064,988	95.2%	$16,877,810
Furniture & Related Product Manufacturing	$772,092	6.9%	$10,446,659	93.1%	$11,218,751
Printing and Related Support Activities	$808,485	7.5%	$10,020,824	92.5%	$10,829,309
Textile Product Mills	$415,115	9.1%	$4,136,230	90.9%	$4,551,345
Apparel Manufacturing	$288,873	7.4%	$3,603,376	92.6%	$3,892,250
Textile Mills	$737,292	22.6%	$2,519,206	77.4%	$3,256,498
Leather and Allied Product Manufacturing	$146,898	12.8%	$1,001,247	87.2%	$1,148,145
	$104,215,650	**9.8%**	**$964,661,719**	**90.2%**	**$1,068,877,369**

Source: Emsi 2016.4 Dataset

Top Occupations for the CTUIR and Surrounding Regions

To begin to understand the complexity of how to build upon the strengths of these industries, we first look at shortages by type of skill or occupation. The occupations most in demand for workers with some level of post-high school training are heavy-truck drivers, tractor-trailer truck drivers, childcare workers, and maintenance or repair workers. The general studies fields not producing enough graduates with certifications are general business studies graduates, powerline workers, and medical assistants.

Table 9, on the next page, shows the top occupations for the Pendleton-Hermiston MSA, which best represents the employment market for CTUIR members. The highest level of education required for most occupations in the area is a high school diploma, the exceptions being occupations in education or business management. There are slightly less than 2,000 job openings over the course of an average year, which is about 5% of the total jobs in the MSA. Approximately 1,000 people commute into the MSA for work. Those occupations and skills leaving the area for work are represented in the labor shed analysis in the following section.

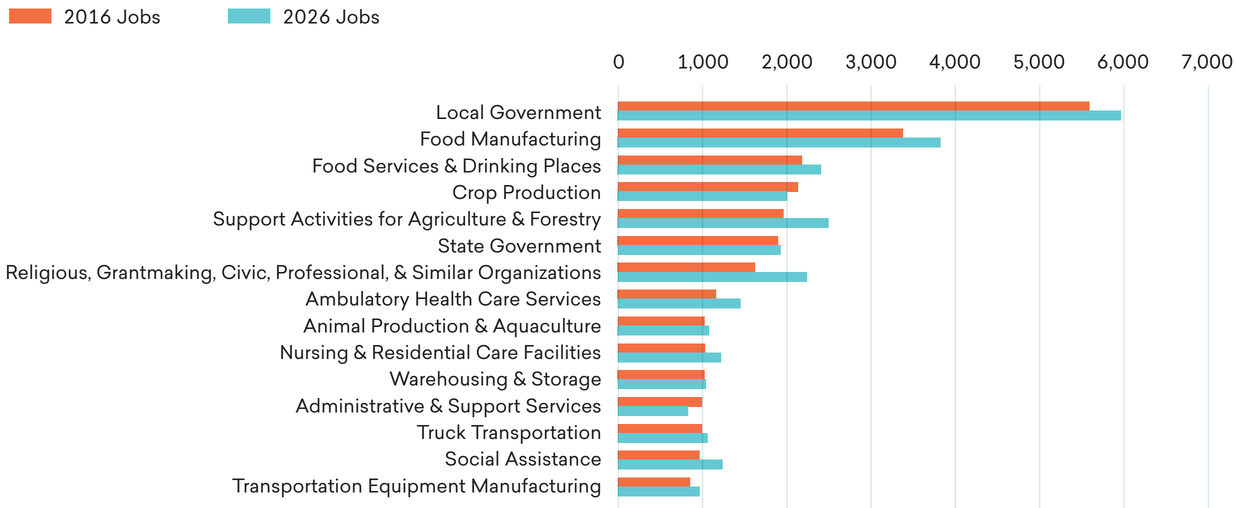
As shown in Figure 2, on the next page, local govern-

TABLE 9: Top Occupations in the Pendleton-Hermiston MSA, 2015

SOC	DESCRIPTION	TYPICAL ENTRY-LEVEL EDUCATIONAL REQUIREMENTS	AVG. HOURLY EARNINGS	ANNUAL OPENINGS	2015 JOBS	2015 RESIDENT WORKERS	2015 NET COMMUTERS	2015 LOCATION QUOTIENT
45-2000	Agricultural Workers	High school diploma or equiv.	$12.04	160	2,849	3,043	(194)	10.76
53-7000	Material Moving Workers	High school diploma or equiv.	$15.22	115	2,050	1,907	143	1.73
41-2000	Retail Sales Workers	No formal educational credential	$11.96	105	1,922	2,039	(117)	0.84
53-3000	Motor Vehicle Operators	Postsecondary nondegree award	$18.65	79	1,613	1,586	27	1.59
39-9000	Other Personal Care and Service Workers	No formal educational credential	$12.35	36	1,350	1,194	156	1.59
35-3000	Food and Beverage Serving Workers	No formal educational credential	$10.89	88	1,269	1,395	(126)	0.68
25-2000	Preschool, Primary, Secondary, and Special Education School Teachers	Bachelor's degree	$26.61	57	1,252	1,098	154	1.17
37-2000	Building Cleaning and Pest Control Workers	No formal educational credential	$12.95	30	1,222	1,124	98	1.34
47-2000	Construction Trades Workers	No formal educational credential	$22.54	46	1,038	855	183	0.95
49-9000	Other Installation, Maintenance, and Repair Occupations	Postsecondary nondegree award	$22.33	85	1,035	915	120	1.35
43-9000	Other Office and Administrative Support Workers	High school diploma or equiv.	$16.59	30	1,020	965	55	0.88
35-2000	Cooks & Food Preparation Workers	No formal educational credential	$11.68	44	999	997	2	1.20
43-6000	Secretaries and Admin. Assistants	High school diploma or equiv.	$16.01	14	988	931	57	0.92
43-4000	Information and Record Clerks	High school diploma or equiv.	$15.67	48	898	931	(33)	0.60
51-9000	Other Production Occupations	High school diploma or equiv.	$17.05	48	897	858	39	1.34
43-3000	Financial Clerks	High school diploma or equiv.	$16.85	17	873	817	56	1.00
51-3000	Food Processing Workers	No formal educational credential	$15.34	35	872	705	167	4.24
29-1000	Health Diagnosing and Treating Practitioners	Doctoral or professional degree	$45.28	30	849	868	(19)	0.65
33-3000	Law Enforcement Workers	High school diploma or equiv.	$26.43	28	763	579	184	2.32
43-5000	Material Recording, Scheduling, Dispatching, and Distributing Workers	High school diploma or equiv.	$17.68	44	758	795	(37)	0.73
11-9000	Other Management Occupations	Bachelor's degree	$33.75	30	751	768	(17)	1.24
21-1000	Counselors, Social Workers, and Other Community and Social Service Specialists	Master's degree	$20.96	31	617	568	49	1.19
25-9000	Other Education, Training, and Library Occupations	Bachelor's degree	$15.76	23	614	577	37	1.52
49-3000	Vehicle and Mobile Equipment Mechanics, Installers, and Repairers	High school diploma or equiv.	$18.95	23	608	574	34	1.48
11-1000	Top Executives	Bachelor's degree	$41.09	22	573	550	23	0.88
13-1000	Business Operations Specialists	Bachelor's degree	$27.81	20	519	590	(71)	0.44
99-9000	All Other Occupations	Varies	$22.80	428	9,661	9,543	118	
	Totals and Averages for the MSA		**$19.45**	**1,716**	**37,860**	**36,771**	**1,088**	

Source: Emsi 2016.4 Dataset

FIGURE 2: Jobs by Industry Sector in the Pendleton-Hermiston MSA, 2016 to 2026



Source: Emsi 2016.4 Dataset

ment had the highest number of jobs in the Pendleton-Hermiston MSA in 2016 and is expected to remain the top regional employer through 2026. The food manufacturing industry and the food services and drinking places industry are the next largest in terms of jobs. Two of the top 15 industries are expected to contract between now and 2026 - the administrative and support services industry and the crop production industry.

Labor Shed

This labor shed analysis illustrates where residents in the Pendleton-Hermiston MSA are commuting to find work elsewhere and which occupations and skills those residents hold using place of residence data derived from the Census LODES data, specifically from Origin and Destination (OD) data, Regional Area Characteristics (RAC), and Workforce Area Characteristics (WAC) data which Emsi applies to the occupation jobs figures for context.

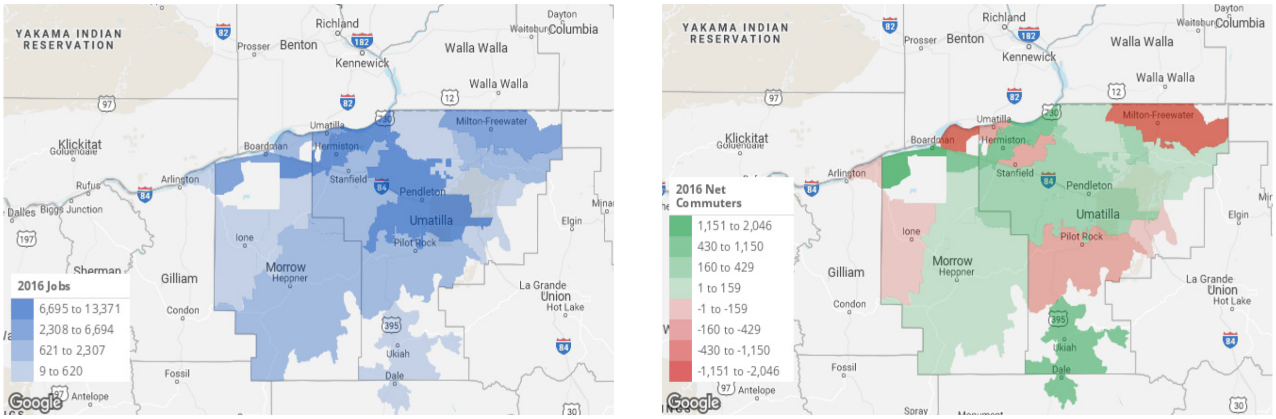
Table 10 shows the commuting patterns for Umatilla County and CTUIR. Approximately one-third of the people working in Umatilla County commute to their jobs from outside of the county. The reverse is also true – approximately one-third of county residents commute outside of the county for work.

TABLE 10: Commuting Patterns for Umatilla County and CTUIR, 2015

UMATILLA COUNTY	NUMBER	SHARE
Employed in Umatilla County	27,381	100.00%
Employed in Umatilla County but Living Outside	9,156	33.40%
Employed and Living in Umatilla County	18,225	66.60%
Living in Umatilla County	27,316	100.00%
Living in Umatilla County but Employed Outside	9,091	33.30%
Living and Employed in Umatilla County	18,225	66.70%

CTUIR	NUMBER	SHARE
Employed in the Umatilla Reservation	1,821	100.0%
Employed in the Umatilla Reservation but Living Outside	1,234	67.8%
Employed and Living in the Umatilla Reservation	587	32.2%
Living in the Umatilla Reservation	1,225	100.0%
Living in the Umatilla Reservation but Employed Outside	638	52.1%
Living and Employed in the Umatilla Reservation	587	47.9%

FIGURE 3: Pendleton-Hermiston MSA Labor Shed (by zip code)



Source: Emsi 2017.1 Dataset

The commutes are more dramatic for the reservation. Approximately two-thirds of the people working at the CTUIR commute to their jobs from outside of the reservation. And in reverse – approximately half of CTUIR residents commute outside of the CTUIR for work.

Net commuters are the minimum number of workers who commute in or out of the region to satisfy the regional numbers of jobs held. A positive number (shown in GREEN in the figure on the previous page) describes commuters entering a region, while a negative number (shown in RED) describes commuters leaving a region.

Net commuter data allow community leaders to understand which occupations and skills are leaving the area or vice versa. The top 25 largest occupations in the Pendleton-Hermiston MSA are gaining about 680 residents from other areas to work within the area.

The top occupations leaving the area for work elsewhere are agricultural workers, retail salespersons, and food preparation and serving workers. The jobs most people are commuting into the area for are correctional officers and jailers, construction laborers, and machine feeders. The maps below show where the jobs are most concentrated within the MSA and which areas have commuters entering or leaving the area for work.

The common theme for all the above indicators—labor shed regional demand, purchases, and sales within the region—include the following industries and, therefore, are the target industries identified for the Coyote Business Park, Wanapa Industrial Park, and former chemical depot properties:

- Value-added agriculture (example: food processing)
- Distribution and logistics
- Light manufacturing

Finance and insurance and professional, scientific, and technical services have strong demand met by imports; however, they are not viable clusters to target for growth due to lack of skilled labor.

Retail Gap Analysis

A retail gap analysis is performed to give retailers a snapshot of the relative strengths and weaknesses of a community's retail market. The analysis estimates the amount of retail surplus or leakage for a given area. Generally, surplus categories signal particular strengths of a retail market, while leakage categories signal particular weaknesses.

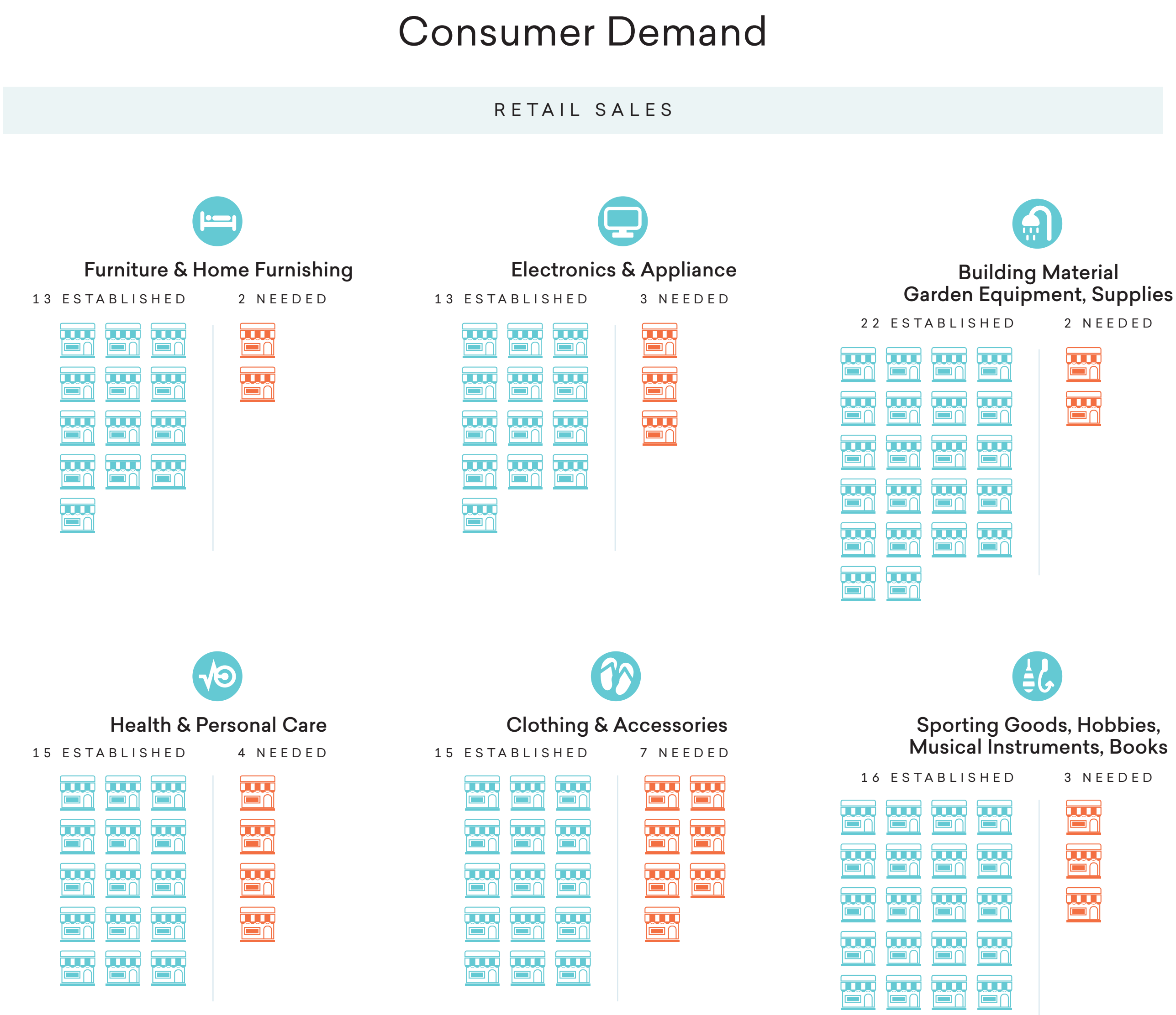
The retail sector is a $176M industry in the MSA and provides substantial economic benefit to the area, therefore, conclusions from this retail gap analysis will identify and prioritize future economic development efforts.

For this estimate of retail needs unmet in the local market area, we examined the supply and demand of 11 categories of retail stores in four geographies around the CTUIR. The geographies considered are: Pendleton, Umatilla County, Pendleton-Hermiston MSA, and a region defined by a one-hour drive time from the CTUIR headquarters. The data showed that the two most relevant geographies were the Pendleton-Hermiston MSA and the region within an hour drive of the headquarters.

From the analysis, the estimates show that five types of retail have enough stores in the MSA. Six other kinds of retail stores, as shown in Figure 4 on the next page, are underrepresented in both the MSA and in the larger one-hour drive area. For those retail stores that do not have enough presence in the area, we first determined the dollar volume of unmet need in the MSA. Next, we calculated the average dollar volume of sales for a store within that retail grouping. Dividing the total gap by the average sales volume per store gave us an estimate of the number of stores that could be supported in the MSA.

The types of retail that are estimated to have enough coverage in the MSA are: general merchandise stores, motor vehicles and accessories, food and beverage stores, gas stations, and miscellaneous store retailers. In addition to the specific types of retail sold in these 11 retail groupings, another estimated $18 million is spent by MSA residents in online purchases.

FIGURE 4: Types of Retail Not Adequately Represented in the Pendleton-Hermiston MSA



SWOT Analysis: Critical Issues to be Addressed and Opportunities to be Seized

This assessment examines the strengths and weaknesses internal to CTUIR that are relevant to its economic sovereignty, the external opportunities that the CTUIR might take advantage of, and the external threats to the tribal economy that may arise from developments over which it may have little or no control. Combined, these areas are considerations that should be incorporated when developing the strategies that the CTUIR pursues in achieving its goals.

STRENGTHS

- Substantial land holdings both on and off the reservation with opportunities for residential, commercial, and industrial development as well as for recreation, natural resource preservation, and traditional uses.
- Portfolio of CTUIR owned for-profit and non-profit enterprises that generate revenue, provide employment opportunities, and preserve and promote the culture of the CTUIR.
- Positive relationships with federal and state funding partners and strong network of state and regional economic development partnerships.
- Favorable location on major interstate freeways and the Columbia River – centrally located to the major cities of the Pacific Northwest.
- Sovereign status provides competitive advantage regarding taxation and land use planning.
- Experienced economic development team.

OPPORTUNITIES

- Recruit & attract new businesses to CTUIR commercial and industrial properties.
- Potential to grow and increase profitability of existing CTUIR enterprises.
- Expansion of broadband availability on the reservation would benefit the community and could lead to new economic development opportunities.
- Increase involvement in and support for CTUIR/regional workforce development programs.
- Potential for new retail development.

WEAKNESSES

- Lack of diverse revenue sources for CTUIR government.
- Lack of diverse employment options for CTUIR members who want to work on the reservation.
- Lack of CTUIR investment capital limits development, investment, and business startup opportunities.
- Geographically remote.
- Limited workforce availability, particularly skilled labor.
- Lack of succession planning for key positions in CTUIR government and CTUIR enterprises.
- Business recruitment & attraction activities are hindered by inability to sell land and lack of vacant buildings.

THREATS

- Federal or state policy changes could reduce grant and contract funding for CTUIR projects and programs.
- Federal or state policy changes could diminish the ability of Wildhorse Resort & Casino to operate profitably.
- Changing consumer tastes could diminish the ability of Wildhorse Resort & Casino to operate profitably.
- Current housing shortage (both on the reservation and in neighboring communities) restricts growth in the local workforce and limits options for CTUIR members who want to live on the reservation.
- Lack of regional economic development organization creates regional competitive disadvantage.
- Loss of local talent to areas with greater opportunity.
- Perceptions of doing business with CTUIR government and/or on a reservation.

IV. Vision

Goals and Strategies

The feedback received from the 2016 community meetings, 2016 CTUIR Community Survey, and meetings with business leaders and CTUIR staff show that the vision set forth for economic sovereignty in the 2010–2015 OEDP was a well-conceived vision and one that should continue to guide economic and community development efforts into the future.

The overall goals that were established to achieve that vision are:

- Ensure that CTUIR government has a diverse and adequate revenue stream to pay for community priorities in education, natural resource protection, health care, public safety, and housing.
- Expand the options for CTUIR members who want to live and work on the reservation, so that there are a variety of satisfying, meaningful, decently paid work choices in the CTUIR economy.
- Support the development of Native-owned businesses and non-profits.
- Encourage CTUIR members to develop their personal financial management abilities so that families have increasing assets and increasing ability to weather financial downturns over time.
- Plan for CTUIR members being here forever and making sure that economic choices today reserve clean water, clear air, and healthy fields, range and forests for the future.

While that feedback affirmed the importance of economic sovereignty and the continued relevance of goals that have been refined over decades of successful planning and growth, it also revealed areas that may need more emphasis moving forward. Education & workforce development, infrastructure development, and housing consistently ranked among the highest priorities for community members and business leaders alike.

Increased emphasis on these issues can be expressed through nuanced changes to our overall goals, and implemented with more specific goals in the work plan.

Resilience

Resiliency is rapidly becoming an important focus of economic development professionals and community leaders. Regional resiliency, as commonly described in economic development efforts, refers to a region's capacity to cope with and recover from unexpected challenges. The phrase refers to both economic capacity and environmental resiliency. These two concepts merge, for example, during an environmental disaster. In such cases, the affected region must garner the economic resources to recover from the environmental event and take action to mitigate or prevent future threats.

The EDA's planning guidelines look at economic resilience as a two-prong approach – steady-state initiatives and responsive initiatives. Steady-state initiatives are longer-term efforts that identify how a community can withstand or prevent a shock. Responsive initiatives establish how a region will be responsive following an incident.

The region in which CTUIR is situated is largely immune from major environmental disasters. The area is geologically stable, well inland from any coastal areas, and not historically susceptible to other disasters such as tornadoes or sustained, widespread flooding. Thus resiliency efforts are focused on ensuring CTUIR can withstand and recover from a major economic shock.

CTUIR's two primary sources of revenue are federal grants and contracts and income from Wildhorse Resort &

Casino. Disruption of either of these two revenue streams is the greatest threat to the reservation economy. Changes to the political climate at either the federal or state level could jeopardize both sources of income, and changing consumer tastes over time could diminish the profitability of the casino's operations. CTUIR has been cognizant of these threats for decades and understands that the best strategy for mitigating the loss of either funding source is to diversify the reservation economy by attracting new industry or creating new enterprises of its own. These two activities are, therefore, top economic development priorities for the CTUIR, as can be seen in the workplan/matrix that follows.

V. Strategies & Plan Implementation

Considering CTUIR goals, economic resiliency, and the SWOT analysis, the strategies to be explored in this report for the CTUIR are explained in this implementation matrix. Further, the matrix suggests action items for these strategies. The matrix is organized by overall goal area, objectives for each goal, and strategies/action items to achieve the objectives. Each action item has a descriptive title, timeframe, suggested stakeholders and responsible parties, and measures to use to determine progress.

MISSION	The Department of Economic and Community Development promotes the interests of members of the Umatilla Indian Reservation by creating jobs, increasing revenues, and contributing to a diversified and developed economic base, thus creating opportunities for continued advancement of all sectors of the community.

GOALS	DESCRIPTION
1	Ensure that CTUIR government has a diverse and adequate revenue stream to pay for community priorities in education, public facilities/infrastructure, housing, natural resource protection, health care, and public safety.
2	Expand options for CTUIR members who want to live and work on the Reservation, so that there are both a variety of housing options and a variety of employment opportunities within a strong CTUIR economy.
3	Educate and encourage CTUIR members to develop their personal finance, home ownership, and professional skills for personal growth and increased financial independence.
4	Support the development of Native-owned businesses and non-profits.
5	Plan for CTUIR members being here forever by making sure that development choices won't negatively impact cultural or environmental priorities, leaving a sustainable economy and healthy environment for future generations.

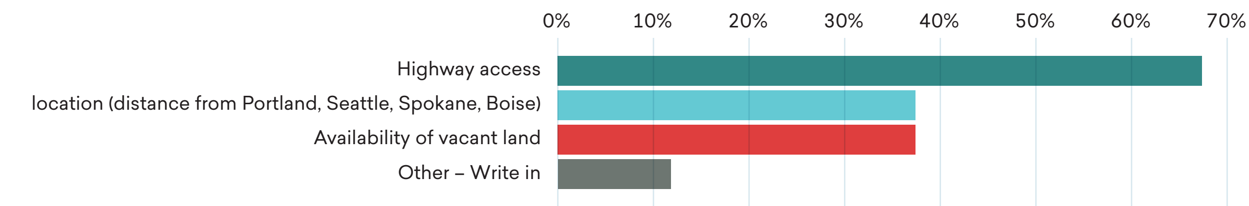
OBJECTIVE	DESCRIPTION	ADVANCES GOAL #:	YEAR 1 ACTIVITIES	YEARS 2-5 ACTIVITIES	EVALUATION METRICS
1	Develop and execute a marketing plan with clear tasks and staff assignments, annually, to recruit new businesses to CTUIR industrial/commercial properties in the target industries that have been identified: distribution & logistics, value added agriculture, and light manufacturing.	1, 2	develop document, execute plan	updated annually	published document
2	Create a comprehensive program to retain and expand existing businesses located on CTUIR industrial/commercial properties.	1, 2	develop document, execute plan	updated annually	published document
3	Develop and maintain a customer relationship management (CRM) database.	1, 2	populate & utilize database	continual maintenance	fully operational database w/in one year followed by continual maintenance
4	Develop a system of metrics, consistent with industry best practices, for measuring effectiveness of economic development strategies and tactics. Benchmark with other economic development organizations.	1, 2, 3, 4	develop document, report as needed but no less than quarterly to ECDC, executive mgt.	report as needed but no less than quarterly to ECDC, executive mgt.	confirm that reports have been made
5	Identify and evaluate opportunities for new CTUIR enterprises, acquisitions, and/or partnerships.	1, 2	as needed	as needed	these evaluations occur as opportunities arise - no metric but will report as they occur
6	Establish and fund an Economic Development Capital Investment Fund that can be used to invest in infrastructure development, building construction, business startups, and other business opportunities.	1, 2	develop funding plan and investment guidelines	present to CTUIR leadership and request approval	fund established or not
7	Manage or assist with, as appropriate, planning for and construction of new infrastructure for residential, commercial, and industrial development including but not limited to: roads, water, wastewater, electricity, gas, and telecommunications.	1, 2	as needed	as needed	this support occurs as needed - no metric but will report on activities as they occur
8	Manage or assist with, as appropriate, planning for and construction of new housing including low income, market rate, and executive housing.	2	as needed	as needed	this support occurs as needed - no metric but will report on activities as they occur
9	Support and promote programs that assist tribal entrepreneurs, including the proposed CDFI.	2, 4	as needed	as needed	this support occurs as needed - no metric but will report on activities as they occur
10	Manage or assist with, as appropriate, expansion of broadband availability for community members, CTUIR government, and reservation businesses.	2, 3	as needed	as needed	this support occurs as needed - no metric but will report on activities as they occur
11	Increase CTUIR staff involvement and collaboration with regional, state, and other workforce development programs.	2, 4	as needed		
	Identify regional, state, and other workforce development programs. Contact leaders of those programs and request an opportunity to participate in any workshops, strategy sessions, or other meetings.			collaborate w/ partner to improve regional workforce	report activities and impact on regional workforce

OBJECTIVE	DESCRIPTION	ADVANCES GOAL #:	YEAR 1 ACTIVITIES	YEARS 2-5 ACTIVITIES	EVALUATION METRICS
	Develop relationships with community colleges, trade schools, trade unions, and others who provide training in construction and other trades. Work with them to identify opportunities for CTUIR members to expand skills.	2, 4	research & develop network	coordinate w/ job seekers, CTUIR workforce programs, etc.	track and report successful trainings and/or job placements
12	Fund two personal finance workshops for CTUIR community members each year.	4	first w/in 6 mos.	two per year	confirm completion
13	Support development of a new education facility.	4	as needed	as needed	this support occurs as needed - no metric but will report on activities as they occur
14	Identify grants and other funding opportunities that can be used to achieve the objectives identified in the CEDS.	All	research grant opportunities and devleop knowledge of grant requirements	apply for one grant per quarter	"*research grant opportunities
15	Evaluate CTUIR tax policy and tax rates to optimize revenue and ensure that developable properties remain competitive, to the extent possible, with off-reservation alternatives.	1	develop criteria for comparison	conduct annual comparison and enact changes to tax policy/rates if possible and if desirable	*develop knowledge of grant requirements"
16	Advocate with state and federal agencies, legislators, and others to remove or mitigate for policies and regulations that may have an adverse effect on the reservation economy.	All	as needed	as needed	report annually
17	Invest in training, as necessary, to ensure that DECD staff has the skills necessary to effectively execute all facets of the CEDS.	All	each staff member to attend at least one professional development opportunity per year	each staff member to attend at least one professional development opportunity per year	this support occurs as needed - no metric but will report on activities as they occur
18	Collaborate with other economic development organizations to create a regional economic development partnership – leverage resources to promote regional economic development interests.	1, 2, 3, 4	identify participants, develop budget & guidelines for participation	establish goals, operations plan, marketing strategy, etc.	confirm completion
19	Support Columbia Development Authority as needed. (CDA is an entity receiving some of the lands of the former Umatilla Chemical Depot through federal land transfer. CTUIR is one of five stakeholders in CDA and thus has an economic interest in the planning and development of those lands.)	1	as needed	as needed	report progress
20	Support CTUIR efforts to acquire lands through federal land transfer, such as at the Hanford Site.	1	identify desirable parcels	work with DOE to request transfer	this support occurs as needed - no metric but will report on activities as they occur
21	Identify opportunities to support CTUIR culture and the reservation community that are consistent DECD's mission.	5	sponsor or provide volunteer support for at least two events per year	sponsor or provide volunteer support for at least two events per year	lands acquired

Appendix:
2016 CTUIR Community Survey Results

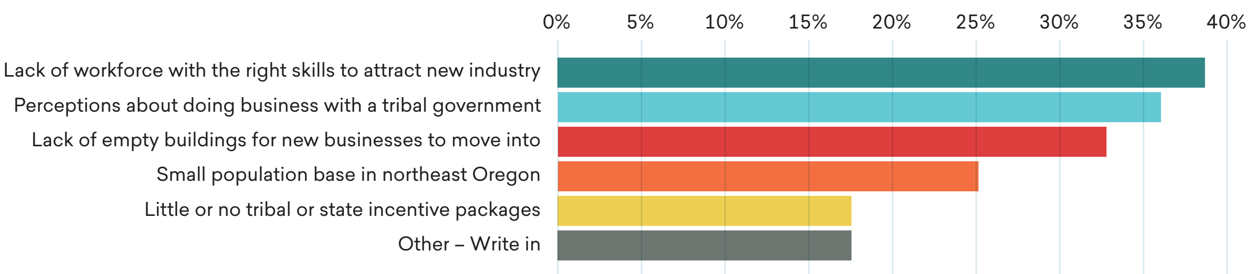
QUESTION 1: Survey Responses – Percent of Votes per Tribal Strength

What are the tribe's biggest strengths regarding business development?



QUESTION 2: Survey Responses – Percent of Votes per Tribal Challenge

What are the tribe's biggest challenges regarding business development?



QUESTION 3: Survey Responses – Ranking Tribal Priorities

Please rank the following community development priorities

COMMUNITY DEVELOPMENT PRIORITY	RANKING AS TO IMPORTANCE*
Housing or apartments	363
Educational facilities	349
Broadband and internet connectivity	250
Community bank or financial institution	233

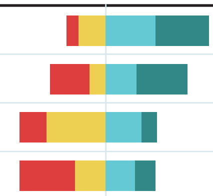
* highest possible score is 480

QUESTION 4: Survey Responses – Ranking Tribal Priorities

Please rank the following economic development priorities from highest to lowest:

Lowest rank / Highest rank

ITEM	OVERALL RANK	RANK DISTRIBUTION	SCORE	NO. OF RANKINGS
Invest in infrastructure development (roads, water, sewer, utilities, etc.)	1		354	118
Fund casino expansion	2		305	115
Fund retail development	3		265	115
Fund small business space (incubator)	4		236	112

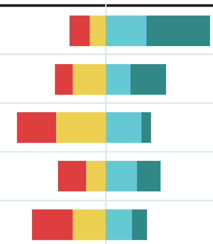


QUESTION 5: Survey Responses on Workforce Development Efforts

Which of the following would have the greatest impact on individual tribal member success (please rank highest to lowest):

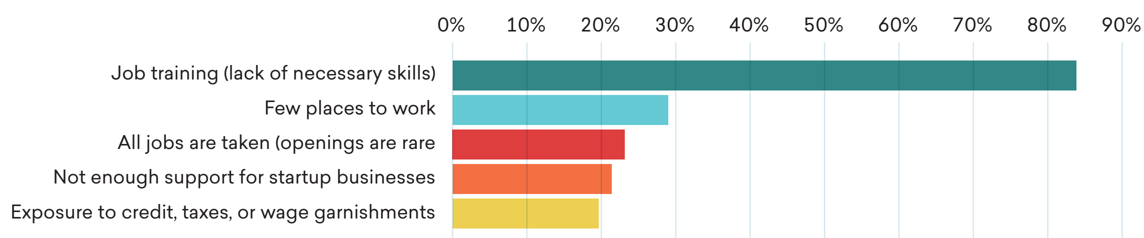
Lowest rank / Highest rank

ITEM	OVERALL RANK	RANK DISTRIBUTION	SCORE	NO. OF RANKINGS
More education/schooling	1		454	118
More or better housing options	2		352	117
Job readiness training	3		340	118
Financial literacy or personal finance classes	4		316	117
Diverse employment opportunities	5		306	116



QUESTION 6: Survey Responses – Finding Employment

What difficulties or barries do tribal members face in finding employment?



QUESTION 7: Survey Responses

What types of new jobs would be best for tribal members?

INDUSTRY	OCCUPATION	VOTES
Construction	Tradesmen (plumbers, electricians, etc.)	87
Manufacturing	Fabrication	71
Agriculture	Farm equipment operators	69
Office or Retail	Office administration	63
Warehousing and Distribution	Truck drivers	61
Manufacturing	Assembly	60
Warehousing and Distribution	Forklift operators	57
Warehousing and Distribution	Material handlers	57
Office or Retail	Retail/customer service	56
Technology	Software development or coding	54
Agriculture	Ag technology	53
Office or Retail	Bookkeeping/records management	51
Technology	Database administration	49
Agriculture	Livestock operations	49
Technology	Hardware manufacturing	45
Technology	IT networks.systems management	43
Construction	Equipment operators	37
Agriculture	Field labor	36
Construction	General labor	35
Manufacturing	Food Processing	33

QUESTION 8: Survey Responses – Economic Sovereignty

What can CTUIR do to improve its economic sovereignty?

The common theme surrounding ways to improve economic sovereignty was attracting businesses to CTUIR's retail and industrial areas and additional education and workforce opportunities.

QUESTION 9: Survey Responses

Additional Comments

There was a variety of additional comments ranging from wanting a new gym to building a plastics recycling plant. Housing options, education needs, and employment opportunities transcended to the forefront. There were also several interesting ideas that were raised, including building a culture center for master craftsmen to teach making bows, weaving, beading, etc. Building a library, small assembly plants, clothing manufacturing, and more recreational opportunities were additional ideas.