



Introduction

The understanding of economic development patterns and opportunities within a city is an important factor in managing a city's growth. The reason for this is that the economic status of a city plays such a major role in determining growth. If there are employment or business opportunities within a community, people will be attracted to the area. If there is a lack of these things, people will likely go elsewhere. For planning purposes, those cities where a great number of economic opportunities exist must be prepared to deal with substantial growth. In those areas where few opportunities exist, it is necessary to examine why that is, and what can be done to invigorate the city's economy.

Planning also plays a major role in facilitating economic growth through land use decisions that are made in the comprehensive plan. It is important to assure that there is ample land designated for commercial and industrial uses to fulfill the demand for these uses. A proper functioning relationship between supply and demand for commercial and industrial lands is vital to maintaining a smooth operating market.

The City of Airway Heights is faced with a unique economic situation. Even though the City itself is small in population, its location allows it to draw business from surrounding areas. As a result, the economic opportunities within the City are much greater than its size would indicate.

Employment

Classifications

As Table 7.1 demonstrates, in Airway Heights, as in Spokane County, the most prevalent class of worker is private for-profit wage and salary workers. In Airway Heights, this group comprises 64.8 percent of all total workers. Airway Heights also exhibits a high percentage of federal government workers relative to Spokane County.

Table 7.1 – Employment Classifications, 2017

	Airway Heights		
Class of Worker	Persons	Percent	Spokane County Percent
Private for-profit wage and salary workers	1,564	64.8	68.9
Private not-for-profit wage and salary workers	94	3.9	9.9

Local government workers	116	4.8	6.0
State government workers	215	8.9	6.5
Federal government workers	369	15.3	2.9
Self-employed and unpaid family workers	55	2.3	5.8

Source: U.S. Census 2013-2017 American Community Survey 5-Year Estimates

In Airway Heights, 15.3 percent of all workers are federal government workers, while in Spokane County, this number is only 2.9 percent. The relatively large percentage of Airway Heights residents classified as federal government workers can largely be explained by the City's close proximity to Fairchild Air Force Base.

Industry of Employed Persons

As Table 7.2 demonstrates, Accommodation & Food Services is the largest employing industry of City residents, employing 16.1 percent of the workforce. Spokane County as a whole differs from Airway Heights in this respect, as the health care & social assistance industry employs the largest percentage of the County's workers (17.7 percent).

The health care & social assistance industry is also a major employer in Airway Heights, employing 15.6 percent of the work force, followed by the retail trade industry at 12.7 percent. In Spokane County as a whole, the retail trade industry is the second largest employing industry, employing 12.3 percent of the County's workforce, followed by the educational services industry at 9.9 percent.

Other industries that employ significant numbers of Airway Heights workers are public administration; administrative/support/waste management services; and arts/entertainment/recreation. Employment in other industries is presented in Table 7.2.

Table 7.2 – Industry of Employed Persons, 2017

	Airway Heights		
Industry	Persons	Percent	Spokane County (%)
Accommodation & Food Services	389	16.1%	7.2%
Health Care & Social Assistance	376	15.6%	17.7%
Retail Trade	306	12.7%	12.3%
Public Administration	258	10.7%	5.0%
Administrative & Support & Waste Management Services	162	6.7%	3.7%
Arts, Entertainment, & Recreation	159	6.6%	2.1%
Educational Services	135	5.6%	9.9%
Construction	126	5.2%	5.5%

	Airway Heights		
Industry	Persons	Percent	Spokane County (%)
Manufacturing	119	4.9%	8.6%
Transportation & Warehousing	102	4.2%	4.5%
Other Services, Except Public Administration	94	3.9%	4.5%
Finance & Insurance	81	3.4%	4.2%
Professional, Scientific, & Technical Services	53	2.2%	4.9%
Utilities	21	0.9%	0.7%
Wholesale Trade	18	0.7%	3.9%
Real Estate & Rental & Leasing	14	0.6%	2.4%

Source: U.S. Census 2013-2017 American Community Survey 5-Year Estimates

Occupation of Employed Persons

The most prevalent occupation for workers in both Airway Heights and Spokane County is office & administrative support occupations, which amount to 14.5 percent of the total working population in each entity. The next largest segment of Airway Heights workers, 14.3 percent, is employed in food preparation & serving related occupations; Spokane County as a whole differs from Airway Heights in this respect, as only 5.5 percent of the County's population is employed in similar occupations. Sales & related occupations employ 13.4 percent of the City's population (and 11.5% of the County's population). Other occupations prevalent among Airway Heights workers include building/grounds cleaning & maintenance occupations and personal care & service occupations.

Table 7.3 – Occupation of Employed Persons

	Airway Heights		
Occupation	Persons	Percent	Spokane County (%)
Office & Administrative Support Occupations	350	14.5%	14.5%
Food Preparation & Serving Related Occupations	346	14.3%	5.5%
Sales & Related Occupations	323	13.4%	11.5%
Building & Grounds Cleaning & Maintenance Occupations	198	8.2%	3.3%
Personal Care & Service Occupations	194	8.0%	4.5%
Management Occupations	111	4.6%	10.4%
Construction & Extraction Occupations	111	4.6%	4.6%

	Airway Heights		
Occupation	Persons	Percent	Spokane County (%)
Material Moving Occupations	86	3.6%	3.0%
Healthcare Support Occupations	84	3.5%	3.2%
Health Technologists & Technicians	74	3.1%	2.2%
Production Occupations	73	3.0%	4.5%
Law Enforcement Workers Including Supervisors	68	2.8%	0.8%
Transportation Occupations	66	2.7%	4.5%
Education, Training, & Library Occupations	43	1.8%	3.5%
Health Diagnosing & Treating Practitioners & Other Technical Occupations	43	1.8%	5.4%
Community & Social Service Occupations	42	1.7%	2.3%
Installation, Maintenance, & Repair Occupations	38	1.6%	2.6%
Arts, Design, Entertainment, Sports, & Media Occupations	32	1.3%	1.9%
Fire Fighting & Prevention, & Other Protective Service Workers Including Supervisors	30	1.2%	0.3%
Computer & Mathematical Occupations	29	1.2%	1.7%
Business & Financial Operations Occupations	23	1.0%	4.5%
Architecture & Engineering Occupations	17	0.7%	1.6%
Life, Physical, & Social Science Occupations	14	0.6%	1.1%
Farming, Fishing, & Forestry Occupations	11	0.5%	0.7%
Legal Occupations	7	0.3%	1.2%

Source: U.S. Census 2013-2017 American Community Survey 5-Year Estimates

Income

Household income for Airway Heights is presented in Table 7.4. The largest group of households within the City, 23.1 percent, fell into the annual household income bracket of \$50,000 to \$74,999. The largest income group for Spokane County was also \$50,000 to \$74,999, although Spokane County showed only 18.6 percent of households falling into this category. On a statewide basis, the household incomes tended to be slightly higher than in the City of Airway Heights. Both the State of Washington and Spokane County also experience greater percentages of households in the highest income categories than does Airway Heights.

Table 7.4 – Percentage of households by income, comparative

Income (\$)	Airway Heights	Spokane County	Washington
< 10,000	4.6	7.3	5.6
10,000 to 14,999	7.2	4.9	3.7
15,000 to 24,999	10.9	10.3	7.9
25,000 to 34,999	8.4	11.3	8.3
35,000 to 49,999	18.9	14.3	12.2
50,000 to 74,999	23.1	18.6	18.1
75,000 to 99,999	16.5	12.9	13.5
100,000 to 149,999	9.0	12.6	16.4
150,000 to 199,999	1.4	4.6	7.1
>200,000	0.0	3.4	7.3
Total	100.0	100.0	100.0
Median Income (\$)	49,844	52,159	66,174

Source: U.S. Census 2013-2017 American Community Survey 5-Year Estimates

Capture of Retail Potential

Sales

Not all retail and service purchases by Airway Heights residents are made in Airway Heights. Many purchases take place in the nearby City of Spokane. Likewise, not all retail purchases made within the City are made by residents of the City. Consumers from surrounding areas, particularly Fairchild Air Force Base, have significant impacts upon the total sales within Airway Heights.

Greater Spokane Incorporated, a non-profit organization representing commerce and economic development interests in the greater Spokane area, commissioned a consumer spending report in 2019 that analyzed several aspects of the retail market, both in the overall metropolitan area and within each individual community. The report's analysis of estimated sales by business type in Airway Heights is presented in Table 7.5.

The analysis found that Airway Heights businesses in the Arts, Sports, Entertainment, and Recreation category had the community's greatest share of estimated sales, followed by businesses in the Manufacturing (electronics, furniture, machinery, metal, transportation, misc.) category and then businesses in the Wholesalers category.

Table 7.5 – Airway Heights estimated sales, 2017

Business Type	Total Businesses	Estimated Employees	Estimated Sales
Accommodation and Food Services	23	259	\$28,447,000
Administrative and Support and Waste Management and Remediation Services	1	5	\$296,000
Agriculture, Forestry, Fishing and Hunting	3	7	\$989,000
Arts, Sports, Entertainment, and Recreation	6	2,464	\$184,640,000
Banking, Finance and Insurance	8	33	\$6,627,000
Construction	17	165	\$44,053,000
Education	2	50	\$484,000
Health Care and Social Services	3	22	\$1,639,000
Information	4	8	\$4,625,000
Manufacturing - Chemical, Fuel, Paper, Plastic, Wood	2	182	\$67,249,000
Manufacturing - Electronics, Furniture, Machinery, Metal, Transportation, Misc.	13	495	\$97,757,000
Manufacturing - Processed Food, Textiles, Clothing	2	6	\$327,000
Other Services - Repair, Personal Care, Laundry, Religious, etc.	31	174	\$11,597,000
Professional, Scientific, and Technical Services	4	75	\$16,598,000
Public Administration	11	75	\$75,000
Real Estate and Rentals	6	21	\$3,550,000
Retail: Hobby, Media, General Merchandise	7	36	\$5,164,000
Retail: Home, Food, Automobiles, Personal Care	18	275	\$87,068,000
Transportation and Warehousing: Couriers and Messengers, Warehousing and Storage	1	3	\$3,000
Transportation and Warehousing: Private and Public Transportation, Oil and Gas Pipelines, Sightseeing	2	60	\$11,546,000
Unclassified	1	1	\$1,000
Wholesalers	11	61	\$67,280,000
Total	176	4,477	\$640,015,000

Source: Greater Spokane Incorporated / Applied Geographic Solutions, 2019

Consumer Expenditures

The 2019 Greater Spokane Incorporated consumer spending report also contains data on major expenditures for households in Airway Heights. As shown in Table 7.6, many of the largest expenditures for Airway Heights households include basic necessities – shelter, transportation, food and beverages, and health care, for example. (The food and beverages category also includes bars, restaurants, and other food service establishments.) Among non-necessities, the largest shares of spending by households in Airway Heights went toward entertainment, apparel, and household furnishings.

Table 7.6 – Airway Heights major household expenditures, 2017

Expenditure Category	Household Spending
Shelter	\$ 17,773,000
Transportation	\$ 15,343,000
Food and Beverages	\$ 12,518,000
Health Care	\$ 7,255,000
Utilities	\$ 6,515,000
Entertainment	\$ 4,569,000
Household Operations	\$ 3,181,000
Apparel	\$ 2,883,000
Household Furnishings	\$ 2,848,000
Education	\$ 2,157,000
Gifts	\$ 1,870,000
Miscellaneous Expenses	\$ 1,552,000
Contributions	\$ 1,180,000
Personal Care	\$ 1,116,000
Tobacco	\$ 585,000
Personal Insurance	\$ 251,000
Reading (Newspapers, Magazines, Books)	\$ 179,000
Total	\$ 81,775,000

Source: Greater Spokane Incorporated / Applied Geographic Solutions, 2019

Potential Business Opportunities

By analyzing retail leakage among the various communities in the greater Spokane region, the 2019 consumer spending report also determined the retail potential, both regionally and for each individual locale. Table 7.7 illustrates the market areas in which the analysis determined the greatest retail potential in Airway Heights – that is, the types of businesses with the largest potential for expansion within the City of Airway Heights.

Areas determined to have the greatest potential include gasoline stations without convenience stores, full-service restaurants, and warehouse superstores. These are the areas in which consumers are going outside of Airway Heights to make purchases, meaning there are likely market gaps that exist within the city.

Table 7.7 – Airway Heights retail potential, 2017

Type of Establishment	Retail Potential	Type of Establishment	Retail Potential
Gasoline Stations without Convenience Stores	\$ 5,750,000	Children and Infant Clothing Stores	\$ 154,000
Full-Service Restaurants	\$ 5,064,000	Hobby, Toy, and Game Stores	\$ 138,000
Warehouse Superstores	\$ 4,826,000	Gift and Souvenir Stores	\$ 119,000
Mail Order and Catalog Stores	\$ 2,787,000	Other Apparel Stores	\$ 114,000
Department Stores	\$ 1,895,000	Other Health and Personal Care Stores	\$ 107,000
Family Clothing Stores	\$ 937,000	Office and Stationery Stores	\$ 97,000
Other General Merchandise Stores	\$ 724,000	Men's Clothing Stores	\$ 81,000
Special Food Services and Catering	\$ 565,000	Vending Machines	\$ 80,000
Limited Service Restaurants	\$ 500,000	Clothing Accessory Stores	\$ 74,000
Sporting Goods Stores	\$ 452,000	Used Merchandise Stores	\$ 68,000
Pet and Pet Supply Stores	\$ 406,000	Mobile Home Dealers	\$ 59,000
Shoe Stores	\$ 388,000	Sewing and Needlecraft Stores	\$ 42,000
Hotels and Other Travel Accommodations	\$ 357,000	Musical Instrument Stores	\$ 40,000
Women's Clothing Stores	\$ 351,000	Florists	\$ 35,000
Fuel Dealers	\$ 279,000	Art Dealers	\$ 32,000
Other Direct Selling Establishments	\$ 216,000	Luggage Stores	\$ 15,000
Other Miscellaneous Retail Stores	\$ 186,000	RV Parks	\$ 3,000
Jewelry Stores	\$ 174,000	Rooming and Boarding Houses	\$ 3,000
Book Stores	\$ 164,000	Gasoline Stations with Convenience Stores	\$ 0

Type of Establishment	Retail Potential	Type of Establishment	Retail Potential
Drinking Places	\$ 160,000	Record, Tape, and CD Stores	\$ 0
		Total	\$ 27,442,000

Source: Greater Spokane Inc. / Applied Geographic Solutions, 2019

The above statistics and analysis are not intended to lead one to conclude that there is guaranteed success in starting new retail outlets in the areas outlined above showing substantial market leakage. Instead, market analysis and the preparation of a detailed business plan is recommended before commitments are made to start up a new retail operation in Airway Heights.

Land Use

Existing land use figures and future land use patterns demonstrate the scope and areas within the City in use or envisioned for commercial and industrial purposes. The amount of land occupied by each type of land use within the City is presented in Table 3.1 (Land Use element, Chapter 3), and the location of land uses envisioned within the City is presented in the Future Land Use map, Figure 3.2.

Commercial Land

Approximately 629 acres of the land within Airway Heights is currently used for commercial purposes (listed in Table 3.1 under the “Commercial & Retail” and “Professional Services” land use categories), accounting for 15.5 percent of the City’s total land use. The majority of commercial land uses are located along Highway 2, Hayford Road, and to the south side of the City. The reason for this is that approximately 75 percent of land in the south side is located within the accident potential zone (APZ) or noise zone of the military base, making it unsuitable for residential use. Consequently, commercial development is encouraged in the south side of the City.

Industrial Land

Industrial land uses (listed in Table 3.1 under the “Industrial/Warehouse” category) currently occupy approximately 569 acres of the land within Airway Heights, representing 14 percent of the City’s total land use. The majority of the City’s industrial land use is found in the southernmost part of the City, along the southern corporate boundary.

Residential Land

Table 3.1 shows approximately 462 acres of land within Airway Heights is dedicated to residential uses (single and multi-family combined), or 11.4 percent of the City’s total land use. For reasons noted above, residential uses are generally discouraged south of US-2, with housing patterns largely directed north and north east within City limits.

Zoning

Airway Heights’ zoning regulations implement City land use policy, directing commercial and industrial development to certain locations within the City. At present, land use and zoning categories differ to some degree, with broader land use categories providing greater flexibility for future implementation. The most current zoning map is available on the City’s website, as referenced in Airway Heights Municipal Code.

Availability of Commercial & Industrial Lands

As listed in Table 7.8, the City's commercial zones contain a total of 760.80 acres of land, of which 435.82 acres are currently undeveloped. The industrial zones contain 1,424.53 acres, of which 671.83 acres are currently undeveloped. Of the lands currently zoned for commercial and industrial uses, then, a total of 1,117.55 acres remain undeveloped.

Table 7.8 - Undeveloped Commercial & Industrial Lands

Land Use Type	Total Acres	Current Developed	Vacant/Undeveloped
Commercial	760.80	324.98	435.82
Industrial	1,424.53	742.80	671.83
Total	2,185.34	1,067.79	1,117.55

Although it is not practical to project commercial and industrial need based on population growth, as discussed in this plan's Land Use element, a crude assessment of availability can still be made based on existing employment conditions in combination with the amount of commercial and industrial land that remains undeveloped.

Of the City's current population of 9,085¹ persons, 2,413² (26.6 percent) are estimated to be active in the work force. A rough estimate of the City's future workforce can be obtained by applying the same percentage to the 2037 population forecast, resulting in an estimate of 3,798 workers in 2037, or an additional 1,385 members of the work force.³ Using this estimate with a conservative employment density of 5 workers per acre would yield a future need for 277 acres of commercial and industrial lands. For the purposes of this plan, then, areas currently zoned for commercial and industrial uses are assumed to be sufficient for future growth.

¹ Washington State Office of Financial Management (OFM), 2018 official population estimate

² U.S. Census 2013-2017 American Community Survey, 5-Year Estimates

³ 14,298 forecast population * 26.6 percent = 3,798 persons in workforce

Note: The following goals and policies are referenced here from the City’s comprehensive goal and policy framework, selected as those most closely related to Economic Development considerations. For this reason, the goals and policies that follow may “skip” numeric sequence. See Appendix A for the complete Airway Heights comprehensive plan goal and policy set.

Economic Development Goals

G.01 Grow and sustain a balanced, resilient economy for Airway Heights, providing jobs, community prosperity and fiscal health.

Discussion: In seeking long-term prosperity, Airway Heights understands the need to build economic diversity - capitalizing on existing assets such as Fairchild AFB and tribal casinos as well as developing a strong business base within and proximate to City limits. This plan supports strategies that build and sustain a diverse, balanced economic base, retain existing quality of life assets, and help keep Airway Heights prosperous.

G.03 Maintain and improve Airway Heights’ small-town scale, unique civic identity and aesthetic beauty.

Discussion: Residents of Airway Heights often cite the community’s “small-town charm,” its modest size, and its open west plains setting as attractive features. Due to this, many of the goals, policies and programs contained in this plan help retain the City’s overall scale while providing for growth; support the development of cultural features and activities; and direct land use decisions encouraging infill and thoughtful expansion.

G.04 Develop the historic city center as the “heart” of Airway Heights, enhancing its commercial, service and civic vitality.

Discussion: Despite significant transformation elsewhere, residents believe that the historic city center should still be considered the ‘heart’ of Airway Heights. Improving the city center’s vitality requires supporting its numerous and necessary functions, including growing the commercial base; adding community services and public spaces; improving housing options and creating a more hospitable pedestrian environment. This plan provides policies and programs that help foster conditions in which the city center can thrive, in turn aiding the attractiveness, efficiency and value of all portions of Airway Heights.

G.05 Support provision of diverse housing types in Airway Heights, serving all residents and keeping neighborhoods safe, vital, and attractive.

Discussion: Housing diversity is key to providing affordable options for residents, and for keeping Airway Heights an attractive place for business growth. Supporting this goal, a number of policies have been provided, including encouraging a mix of housing types in all neighborhoods, promoting pedestrian-friendly design, and creating mixed-use development.

G.07 Plan for and establish types and quantities of land uses in Airway Heights that support community needs, promote service efficiency and fiscal sustainability.

Discussion: Cities exercise considerable influence over land use, in turn influencing the type and character of development, patterns of growth, and the short and long-term financial impact of growth on the local economy. Consequently, this plan supports the allocation of land use types and areas sufficient to balance and achieve the full range of community objectives.

G.08 Protect and maintain Airway Heights' natural resources including clean air, soils, wetlands and ground water, and minimizing light and noise pollution citywide.

Discussion: City livability, health and value are fully dependent on clean, safe and sustainable natural resources. This goal underscores Airway Heights' commitment to maintaining its natural resources as a top priority, recognizing them as essential to the community's survival.

G.09 Maintain and improve Airway Heights' parks and recreational opportunities, sustaining an attractive, safe and functional system for all, with every home located within the service area of a park.

Discussion: Airway Heights residents value existing parks and recreational services, and wish to retain the same or higher levels of service as the community grows. This goal directs the City to consider parks and recreational needs in all related plans and actions, including land use decisions, regulatory requirements and budgeting.

G.10 Sustain and expand Airway Heights' arts, cultural and civic environment.

Discussion: Residents of Airway Heights value and support local arts, cultural and social organizations, events and facilities. This goal and supporting policies direct the City to help sustain and expand community arts programming, historic and cultural resources - benefitting the civic health, quality of life, and economic vitality of Airway Heights.

G.11 Maintain the City of Airway Heights' long-term fiscal health.

Discussion: Services that cities provide cannot be sustained without fiscal balance and accountability. This goal serves to anchor the City of Airway Heights' obligation to sustain its fiscal health - achieved through the gathering of revenue in responsible, equitable ways, and through decisions, investments and actions that provide rate-payers with efficient, effective services now and in the future.

Economic Development Policies

P.01 Support land use patterns that:

- Maintain or enhance community levels of service;
- Foster the long-term fiscal health of the community;
- Maintain and enhance resident quality of life;
- Promote compatible, well-designed development;
- Implement goals and policies of the comprehensive plan, related master plan and/or facility plans.
- Are compatible with FAFB and airport overlay areas.

P.08 Encourage compatible infill development and redevelopment of vacant and under-utilized properties within City limits, ensuring compatibility with FAFB and airport overlay areas.

P.20 Develop and enhance a transportation system in Airway Heights that:

- Facilitates the safe, efficient movement of people, goods and services;
- Supports non-motorized and recreational needs;
- Supports land use objectives;
- Promotes livable neighborhoods;
- Improves safe pedestrian and bike routes to schools.

P.26 Coordinate all long-range community planning objectives with Fairchild Air Force Base (FAFB), minimizing or eliminating operational or land use conflicts.

P.27 Maintain infrastructure and personnel at levels that provide Airway Heights residents with services that are high-quality, effective, and affordable.

