



**Central
Washington
University**

Old Heat CERB Feasibility Study

Kittitas County Commissioners
District 1 Commissioner Cory Wright
District 2 Commissioner Laura Osiadacz
District 3 Commissioner Brett Wachsmith

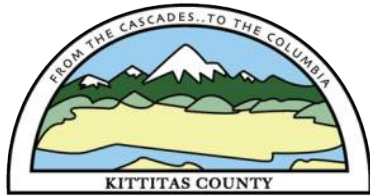
Central Washington University
President James Wohlpart, Ph.D.

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THE TEAM



The Public Works Administration team supports all divisions of the Public Works Department.

We are committed to provide service to the citizens of Kittitas County with departmental merchandise sales, over legal permitting, request/complaint handling, public disclosure requests, administration of access/address forms, departmental & personnel policies, and general information regarding the Public Works Department.

Our team is committed to deliver these services in a courteous, expedient, and professional manner.



Central Washington University has a long history of preparing graduates for successful careers in an ever-changing world.

Beginning in 1891 as a teachers' college, we have continued our commitment to scholarship, public service, and our students' success. Each year, our students graduate from CWU as well-educated citizens ready to move the world forward.

Vision: Central Washington University will be a model learning community of access and opportunity.

Mission: To build a community of access and opportunity, Central Washington University fosters high impact practices, sustainability, and authentic community partnerships that are grounded in meaningful relationships.

Values

At CWU, our values serve as a solid foundation for creating a welcoming environment where diversity is celebrated, and students are empowered to thrive.



We have developed an extensive network by offering an abundance of business and marketing opportunities to ensure our communities continue prosperity. Acting as a communication hub, we are able to provide our members with late-breaking news on critical business issues and their impending impact. And, our wide range of educational opportunities allow our members to continue to sharpen their professional skills. Without question, we are an organization committed to building a strong, prosperous and thriving community.

Our strength lies in our ability to work together. We invite you to join us in our quest to build a stronger and more prosperous county. Invest in yourself, your business and your community by becoming involved in the Chamber. My staff and I welcome your participation.



JRP Integrated Solutions connects clients and communities with resources and guidance to plan and develop a vast range of projects focused on supporting our local communities. With over 30 years of experience in the industry, JRP Integrated Solutions provides an in-depth approach to navigating and understanding the needs of the community and proposed projects, working to create a lasting impact through thoughtful and intentional development projects throughout Washington State.

Our key focus areas include community planning, property development and feasibility studies, municipal open access broadband infrastructure network planning, heavy commercial and industrial development, planning and economic development, and waterfront planning and development.

ABOUT THE OLD HEAT CERB STUDY

The Old Heat project is an ambitious plan to transform a historic building in Ellensburg into a center for innovation, training, and economic growth. Counties adjacent to Kittitas, such as King County, have more high-wage, technology-focused jobs. This has caused young, skilled workers to leave the area. Old Heat aims to change that story. By re-imagining the building as a space for cutting-

OVERVIEW

edge technology, advanced manufacturing, and entrepreneurship, this project is designed to create high-paying jobs, attract forward-looking companies, and give residents real opportunities to thrive without leaving home.



EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

The adaptive reuse of the Old Heat facility is a strategic investment in the Central Washington region's economic future. By transforming this historic structure into a hub for technology commercialization, diffusion, and industry growth, the project will foster high-wage employment and expand regional capacity to serve key state and national industries. While aerospace offers a clear example of how Old Heat can help reshore advanced manufacturing to Central Washington, the facility is designed to also support agriculture technology, communications, and other innovation-driven sectors that can anchor long-term competitiveness.

The Old Heat feasibility study has assessed proven models of economic revitalization and identified strategies that fit the unique strengths of Kittitas County and the surrounding region. This includes linking entrepreneurial support, commercialization programs, technology diffusion, and workforce development with industries that elevate wages and expand Washington's global role in technology and manufacturing.

A central feature of the project is its ability to visually demonstrate what Old Heat can become. The investment in this feasibility study from the Community Economic Revitalization Board (CERB) enables the creation of high-quality design concepts that blend the building's historic character with modern technology needs. These concepts not only present a compelling vision for stakeholders but also serve as a foundation for defining the governance structure, recruiting anchor tenants, and ensuring the long-term sustainability of the Old Heat commercialization center.

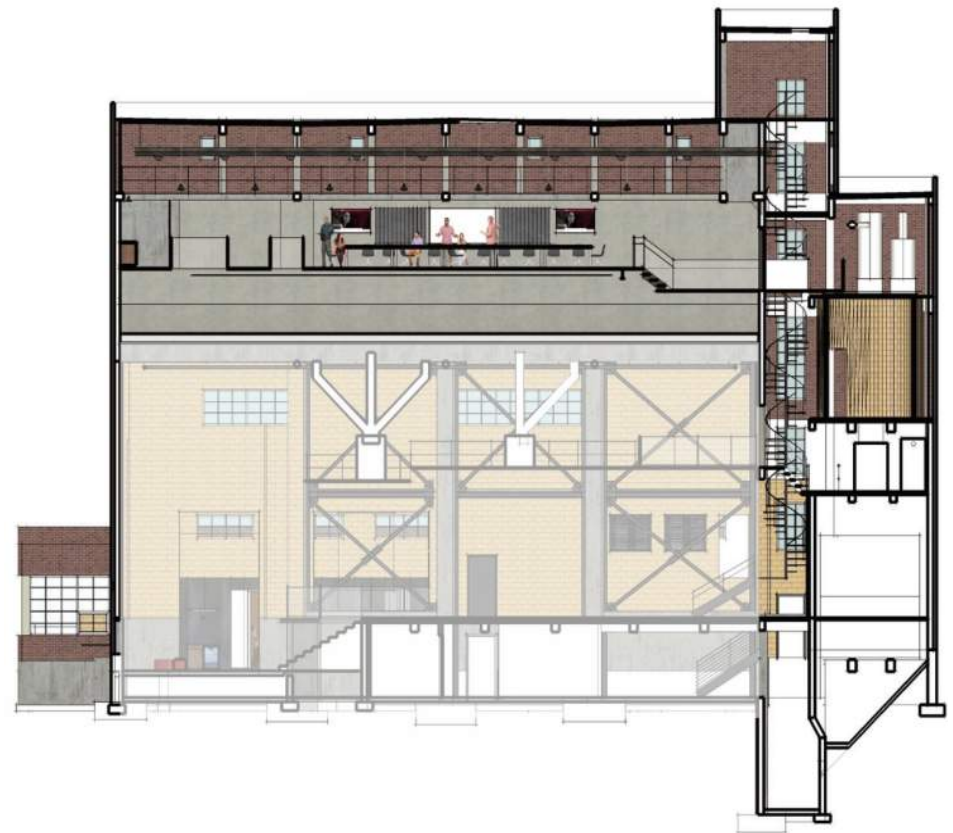
Together, these elements position Old Heat as a cornerstone for a more connected, competitive, and inclusive Washington economy. Its work aligns with four overarching objectives that guide the project's design, partnerships, and outcomes:

Old Heat: Main Objectives

1. High-Wage Job Creation and Rural Economic Mobility
2. Technology Commercialization and Statewide Tech Diffusion
3. Adaptive Reuse of State Resources
4. Model for Statewide Replication of Strategic East–West Alignment

The Old Heat building could be used to bring new industries to the Central Washington region:

- Jobs for recent graduates and local residents
- Collaboration opportunities for professors
- Access to cutting edge technology for legacy agricultural businesses



OUR APPROACH

A NEW APPROACH TO ECONOMIC DEVELOPMENT IN THE REGION

Kittitas County has excelled at traditional economic development methods such as retail and tourism-based businesses.

However, this has not been enough to build long-term prosperity for Kittitas County.

The Old Heat project introduces a new, research-driven approach that focuses on growing “accelerative” industries -- businesses that not only bring jobs but also expand skills, technology, and opportunities across the community. Instead of chasing short-term investment, this strategy leverages Central Washington

University’s talent and research to create an innovation hub that trains workers, helps local businesses adopt advanced technologies, and attracts high-value sectors like aerospace, agricultural technology, clean energy, and software.

By linking education, entrepreneurship, and industry under one roof, Old Heat is designed to spark a self-sustaining economic ecosystem where knowledge and opportunity stay in the community, making Kittitas County more competitive and resilient for the future.

WHY IT MATTERS

WHY IT MATTERS



Old Heat can bring better-paying jobs to Kittitas County.



It keeps the building's history alive while giving it a new purpose.



It helps local businesses use new technology (like robotics and AI) so they can compete.



It supports industries that can grow for a long time, not just quick wins.

At its core, the Old Heat project is about connection. It will bring together Central Washington University's talent, local businesses, and state and national industries, creating a bridge between the region's untapped potential and its future. The building can serve as a launch pad for new companies, an on-ramp for existing businesses looking to modernize, and a place where innovation happens daily. Tenants could include startups, aerospace and agricultural technology firms, clean energy developers, and other high-value industries. Each of these businesses will have access to shared labs, training areas, and collaborative spaces, making Old Heat a hub for both creative ideas and practical skills.

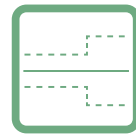
Old Heat can be a Multiplicative Enterprise



EXTRACTIVE

Characteristics:

- Profit flows leave the region
- Limited local reinvestment
- No improvement in local skill base or infrastructure



RETENTIVE

Characteristics:

- Primarily serve local markets
- Often small, independently owned
- May provide modest job creation but limited wage growth



ADDITIVE

Characteristics:

- Expand the economic base
- May rely on relatively low-wage or low-skill labor
- Provide positive but modest contributions to long-term prosperity



ACCELERATIVE

Characteristics:

- Improve workforce skills and technology sophistication
- Generate or attract complementary firms
- Foster R&D and knowledge spillovers

OLD HEAT

MULTIPLICATIVE

Characteristics:

- Attracts, starts, nurtures primarily accelerative enterprises
- Tech transfer

Business models are rigid extractive/ commoditized activities, limited positive externalities

COMMUNITY DYNAMIC CAPACITY

Enterprises build transferable skill, expand future options for community



THE GOAL

The big goal of this study is to make Kittitas Count part of important supply chains in Washington — like aerospace, agriculture tech, clean technology, and software/embedded systems — so more money and talent stay local.

THE MISSION

THE MISSION FOR THE “NEW” OLD HEAT

Old Heat’s mission is to attract industries that will make a long-term difference for the region. Aerospace companies can test and produce components locally, saving costs while staying close to Washington’s Puget Sound hubs. Agricultural technology firms will benefit from nearby farms and food processors to test and refine their innovations. Clean energy companies and advanced materials developers can use Old Heat as a research and prototyping base, while software and embedded systems startups will have access to hands-on industry partners. This combination of industries is carefully chosen to bring high wages, innovation, and resilience to the local economy.



The building could include

- **Commercialization hub:** A space to turn ideas into products and companies.
- **Advanced manufacturing & aerospace bay:** Room to design, test, and make parts.
- **ACTI (technology training):** Classes and help for businesses to adopt new tools.
- **Ag & food tech lab:** Testing and small-batch production for farm-related products.
- **Innovation studios:** Offices and maker spaces for startups.
- **Classrooms:** Training for local workers and students.
- **Showcase hall:** Events where the public, leaders, and investors can see progress.



Industry targets

- Aerospace & precision parts (close enough to Puget Sound but cheaper to operate in Kittitas County).
- Agriculture technology (automation, sensors, irrigation—tested in Kittitas County).
- Advanced materials & clean technology
- Embedded systems & software like smart devices and industrial software.
- Scientific instruments & prototyping



Industries to avoid

- Low-wage, low-tech activities
- Firms that don't reinvest locally
- Activities that don't help the area grow skills and wages

REUSE OR BUILD NEW



The decision to reuse and restore this historic building rather than build something new is deliberate. Adaptive reuse not only saves money and time but also protects the region's heritage. The Old Heat building's history adds character and authenticity to the project, helping the community feel ownership and pride in what it becomes.

Reuse is also a sustainable choice, reducing waste and lowering the project's environmental footprint by keeping much of the building's existing structure. Its central location near downtown Ellensburg and CWU's campus makes it an accessible gathering place, while its large lot allows for expanded parking.

In addition to the benefits of adaptive reuse, the Old Heat building has the following benefits: public reserve zoning makes it ideal for community and mixed-use developments; its location next to CWU, with easy access to transit, sidewalks, and open lawn space, ensures strong connectivity and usability. While its historic status requires extra review, it boosts community pride and opens opportunities for preservation grants. The property's large lot also provides space to expand parking as needed.

WHY FIXING UP OLD HEAT MAKES SENSE



Costs less and is faster than new construction.



Supports local jobs and businesses.



Protects history and builds community pride.



It's good for the environment because it reuses materials and saves energy.



Fits walkable areas, making access easier.

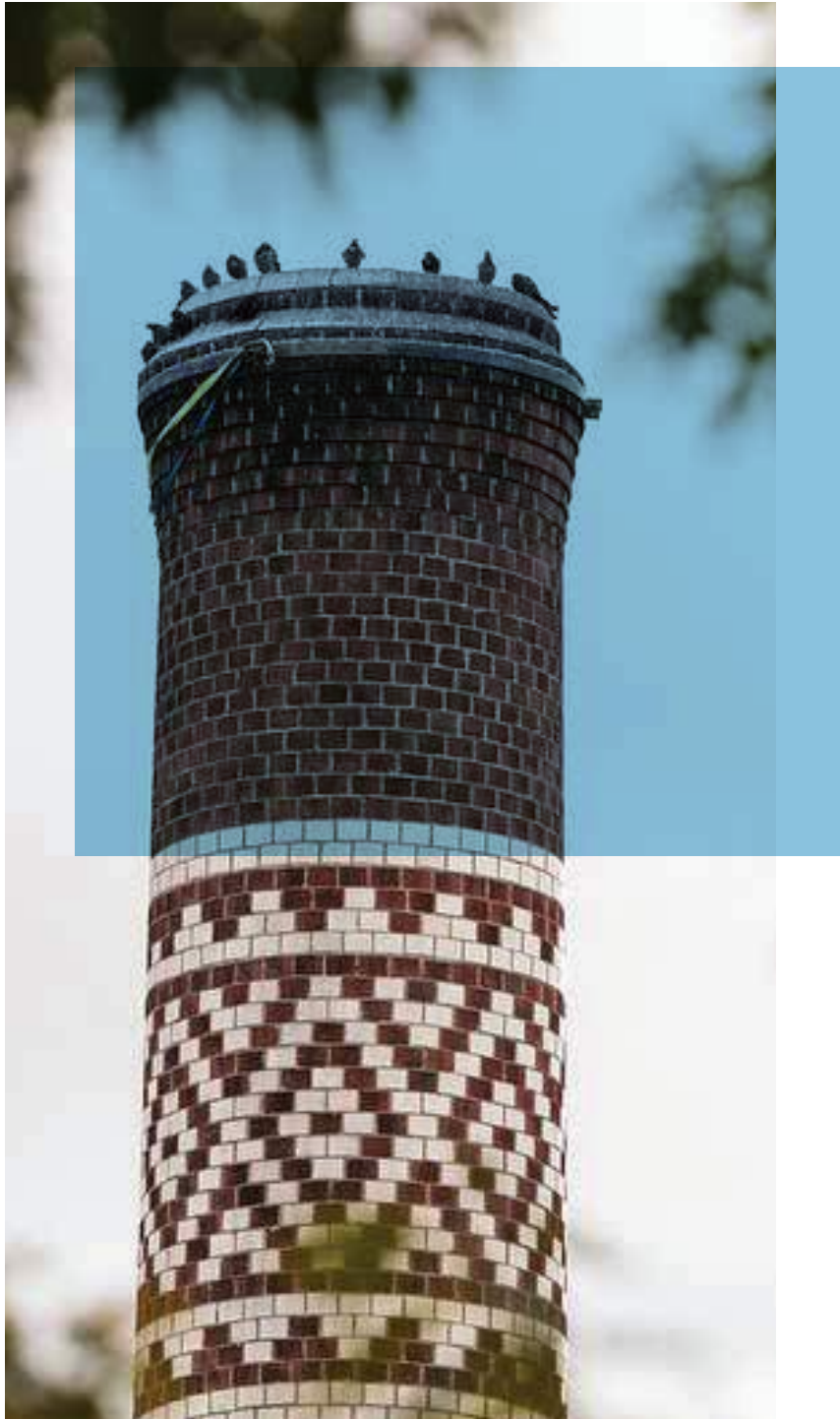
Other sites in the area fall short of Old Heat's potential. This study looked at numerous potential sites that could house this vision. None fit all the components and space needed adjacent to the University that will be required for a commercialization enterprises need for close collaboration with the University and business community. Eight sites were evaluated in all.

LEADERSHIP

The project is supported by a coalition of leaders, including CWU's Business and Community Services team, Kittitas County officials, and local business partners. Together, they will manage the site, oversee tenant selection, and ensure Old Heat stays focused on its goal: driving growth through innovation.

Attendees at The Old Heat Kickoff Event

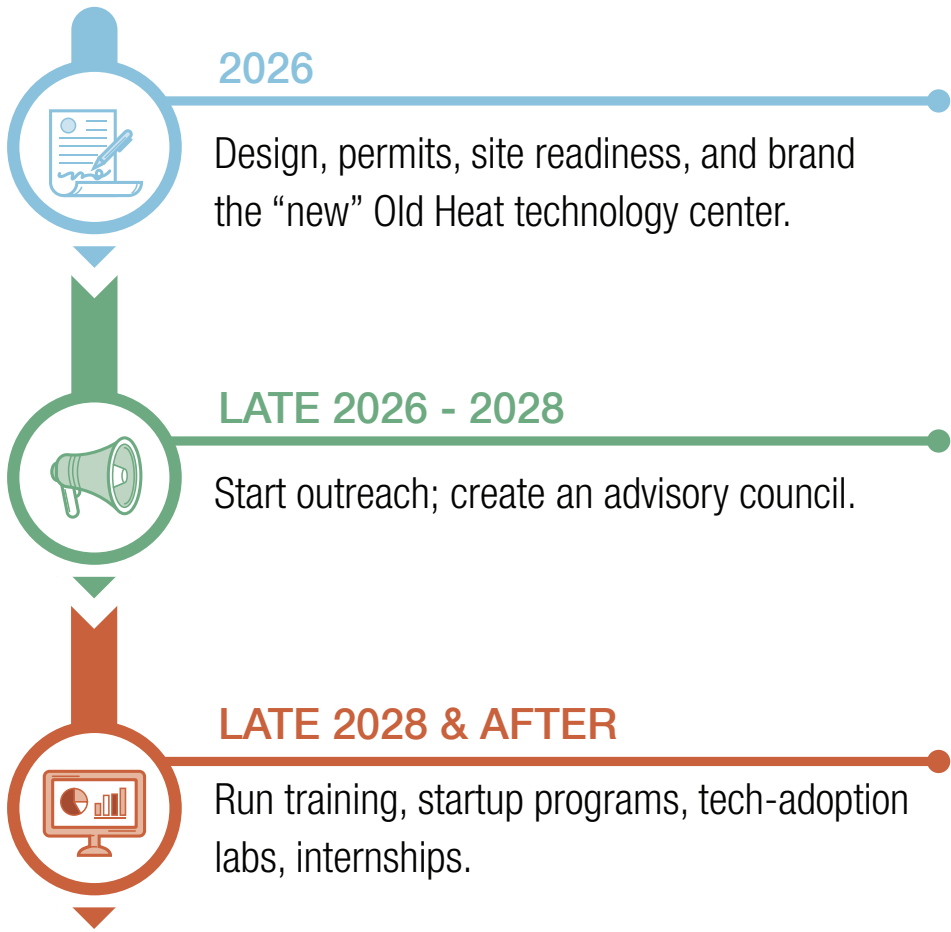




TIMELINE

PLAN AND SIMPLIFIED TIMELINE

Using phased development, the project will start with finalizing designs and securing zoning and permits in 2026, followed by industry outreach, programming, and technology adoption support. By 2028, the center will be fully operational, hosting training programs, events, and incubator programs for startups.

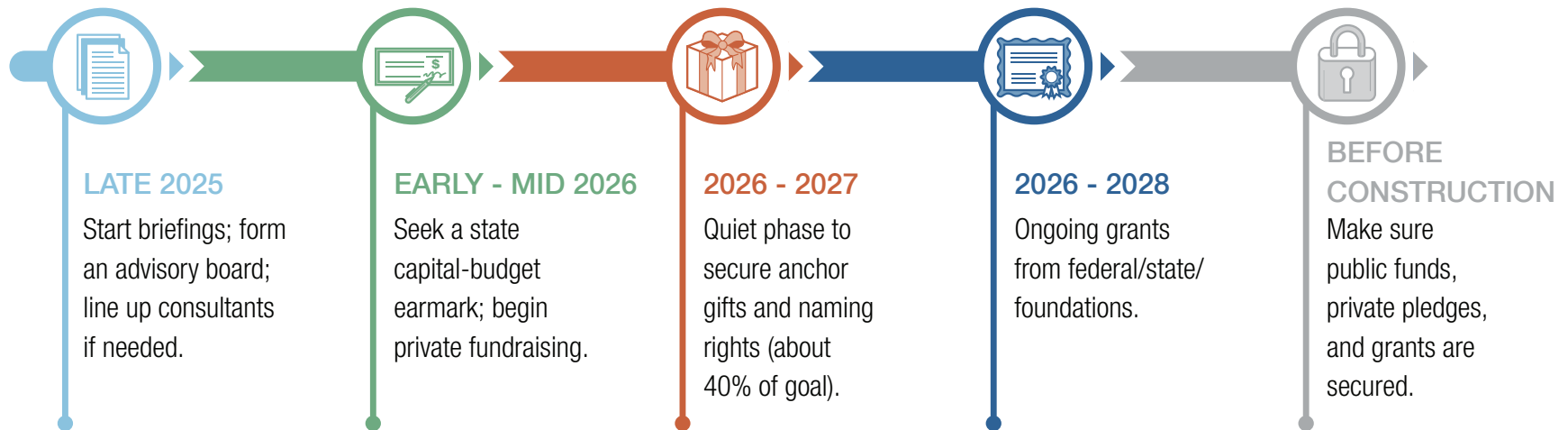




FUNDING PLAN

Funding is being carefully planned through a mix of state appropriations, private investments, naming rights, and grants from both government and private foundations.

SIMPLIFIED FUNDING PLAN:





PLANNING FOR SUCCESS

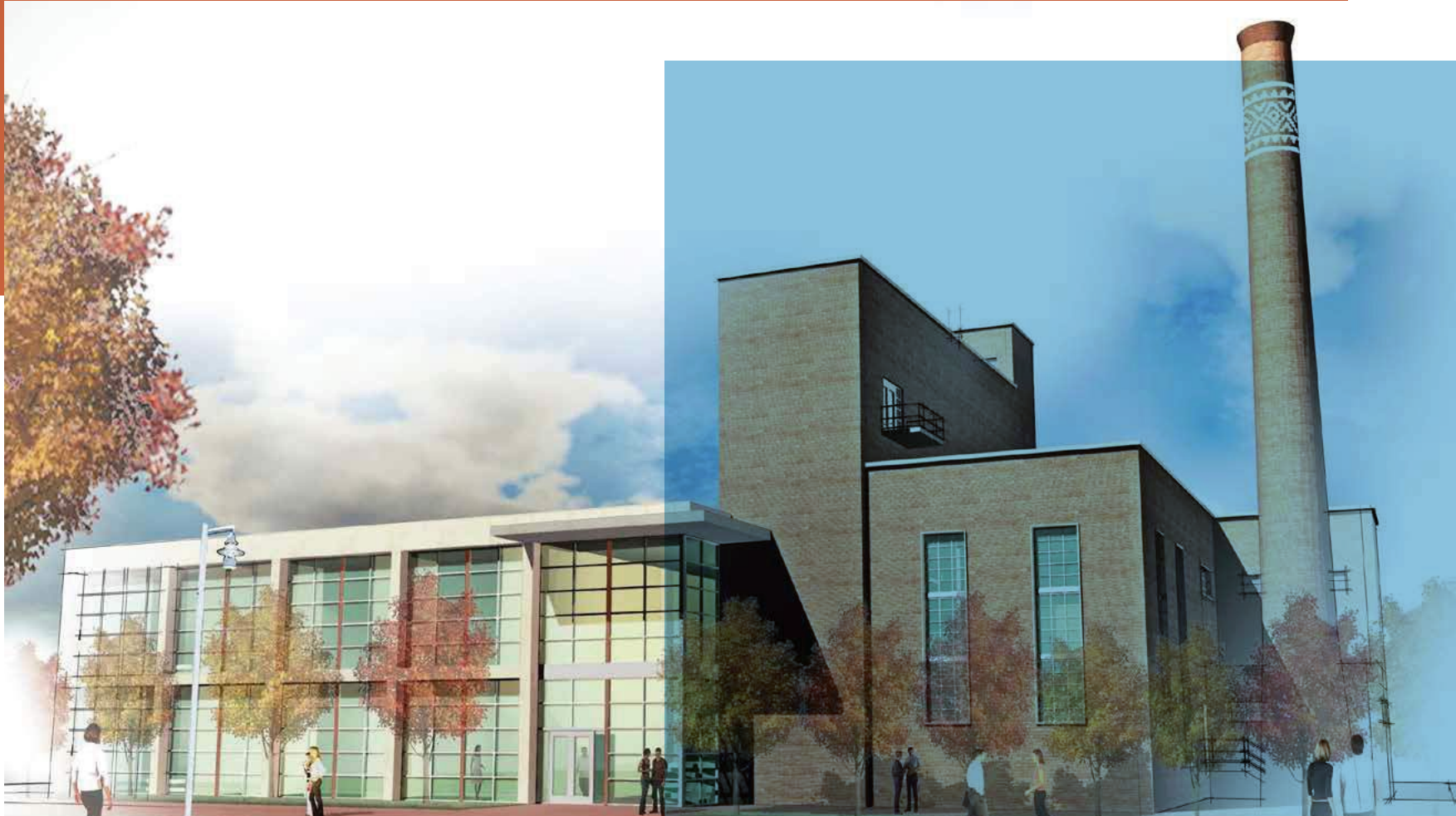
HOW WILL SUCCESS BE MEASURED FOR THE PROJECT?

Once completed, Old Heat will not just be a building but a centerpiece of regional economic transformation. It is expected to create hundreds of direct and indirect jobs, most paying well above the county's current median wage. Typical wages in target sectors are about \$40–\$45 per hour on average, higher for some roles (like embedded systems and aerospace), which is well above today's county median.

In addition to bringing new industries to the area, Old Heat will strengthen existing businesses by helping them adopt new tools and practices. Workforce training, internships, and hands-on projects will connect students from CWU with local companies, encouraging them to stay and grow their careers here.

By 2030, the vision for Old Heat is to have built a thriving network of innovative companies, a stronger and better-paid workforce, and a reputation for Kittitas County as a place where people and businesses can grow. More than just a business hub, Old Heat can serve as proof that rural communities can lead in advanced technology and high-value industries. It has the potential to show that history and innovation can work together for a more prosperous future for Central Washington.

The benefits of Old Heat go beyond jobs and technology. By restoring a historic landmark and filling it with activity, the project will breathe new energy into downtown Ellensburg. Conferences, training events, and accelerator programs will bring in visitors, boosting local hotels, restaurants, and shops. This ripple effect will spread through the entire community, creating a stronger tax base and more resources for schools, infrastructure, and public services.



THE BOTTOM LINE

Old Heat turns a historic building into a working engine for better jobs and stronger local businesses. It connects CWU talent, local companies, and state-level industries. With strong partners and a clear plan, Old Heat can help Kittitas County keep its young people, raise wages, and grow a modern, resilient economy.

High Wage Employment
Chain
Technology
Reshoring
Supply
Innovation
Accelerator
Business
Advanced
Diffusion
Development
Commercialization
Entrepreneurship
Transfer

TASK 1: PROJECT MANAGEMENT

Task One of the Old Heat CERB study was the project management for the study, and included all planning tasks, project management, meetings, and other administrative items related to the completion of this work.



TASK 2: KICK OFF MEETING

On April 29, 2025, CWU, together with Kittitas County and JRP Integrated Solutions hosted the Old Heat study kick off meeting. The event brought together community leaders, local media, and key partners to highlight the significance of the Old Heat study for Central Washington's future. The CWU President opened with remarks underscoring the university's commitment to the project, followed by Commissioner Laura Osiadacz who emphasized its regional impact, expressed gratitude for partner support, and introduced JRP.

Joe Poire outlined the study's goals, timeline, and opportunities for community engagement, setting the stage for broad participation in shaping the project's direction. Attendees, including representatives from local media, CWU, economic development organizations, and local businesses, concluded the event with refreshments and networking, fostering collaboration around this transformative initiative.

As President Wohlpart stated in his opening remarks, "...the project that we launch today is bold and a part of the larger Kittitas County Economic Development Plan: to make Kittitas County a hub of transformation in the region and the State." This sentiment typifies the work that underlines the Old Heat study- how the building, having been re-imagined, could support a different kind of regional economic development.

Image Credit: Visit Ellensburg-Expedia



TASK 03



Image Credit: CWU Website

TASK 3: PUBLIC INVOLVEMENT

On June 26, 2025, Amy McGuffin, Kittitas County ADO and President and CEO of the Kittitas County Chamber of Commerce hosted a roundtable to discuss potential uses for the Old Heat building. Bill Provaznik and Rob Ogburn from CWU Business and Community Services provided an overview of various business types and an analysis of economically beneficial and non-beneficial businesses and answered questions. They included IMPact Analysis for PLANning based examples (IMPLAN). IMPLAN is an economic modeling system used to measure how changes in one part of the economy affect the rest of the economy and is referenced throughout this study.

A diverse attendee list included representatives from local businesses and organizations Trace, Peers Rising, Cashmere Valley Bank, Associated General Contractors of Washington, Central Washington University, Gallery One, Hotel Windrow, TM Construction Group, INC, The Original Hot Dog Stand, Ellensburg Downtown Association, City of Ellensburg, Laile Fletcher (Independent Insurance Agent), Manastash Media, Jerrol's, Figgins Craft Spirits Group Ltd, Accolade, and Kittitas County.

Comments during the discussion included concerns that the building is historic and needs to be preserved to maintain the historic nature. One attendee noted that Ellensburg has a funky vibe – cowboy boots and poetry. Old Heat could reflect that. The need for a big-name company to anchor the building was discussed. The need for a port district came up as a public entity that can make investments on a long-term basis.

A written questionnaire was distributed during the meeting and responses were discussed.

They included:

QUESTION 1 *How might the Old Heat building best serve the community and give the community a competitive advantage?*

- Consolidate CWU's wine studies and brewing programs into Old Heat and add distilled spirits studies under one roof to operate along commercial lines much like WWCC in Walla Walla has at their teaching winery.
- The creative design sector would be great.
- Diversification beyond "Eds and Meds" jobs for above average wages
- This may be off topic. I talked with a number of my coworkers in my bank. Most brought up an area that includes a meeting space or some form of venue. This is needed in town. Not entirely a competitive edge. Rather an opportunity for community involvement. Rent space.
- Anything that can provide tech or creative jobs for our graduates at the university and preferably creates a transient drive of contract workers also.

We're the perfect centrally located stopping space between Seattle and Spokane.

- Focus on supporting/expanding creative industry and creative technology. \$120B annually in Washington state – 20% of GDP. Ellensburg becomes a creative tech hub/training center.
- Leveraging the location being collocated between college and city.
- A multi-pronged approach to address many needs and industries. The facility could be organized such that the spaces can be flexible.
- Retain higher education from CWU from start to finish
- Fresh out of CWU tech jobs. Ag manufacturing or any manufacturing so it can change. Restaurants over there seem to disconnect downtown and campus.
- The exponential growth concept is inspiring. Creating jobs that are attractive to those both locally and throughout our region would be amazing. Creating “draw” is key

QUESTION 2 *How might we use Old Heat to bring technological core competencies into the community's business ecosystem?*

- Tying to businesses. As for mine – connect history, heritage, and culture (Kittitas Co Historical Museum)
- Drive new industry that we don't have represented here yet.
- Business expansion and recruitment. Not competing with existing businesses in the community. Serves to enhance and support (workforce training, etc.)
- Providing financial and facility support to get involved in the early planning and initial implementation in the community.

- Capitalize on existing industries in Kittitas County and pull from CWU grads/programs
- Local partners, entry level tech jobs/education
- Are there businesses we can partner with?

QUESTION 3 *How might businesses in this building contribute to finding places for STEAM graduates to make a living wage here in this community instead of leaving for other markets?*

- STEAM businesses in the building need to be connected and contributing, placing interns and supporting opportunities for new businesses, existing businesses, growth, etc.
- Recruitment and retention. Location – highway hub transportation center.
- By supporting the establishment of creative, aerospace, and other STEM industries at inception. Additionally, a technical school level program to align with locals who are looking to develop vocations.
- Business mentorship and partners.

QUESTION 4 *Do you have a business or organization that would like to consider having space in the building?*

- Yes, I can conceive of locating my consulting and distilling there, along with a new-product design studio.

QUESTION 5 *Would you serve on a committee to help guide and formalize this project?*

- Several attendees answered “yes” to this question. Their names and contact information were captured.

TASK 4: PROJECT COSTS

TASK 04

- a. Costs of architecture and construction are necessary to repurpose existing industrial building to Class B commercial space for innovation and technology commercialization.
- b. Costs of architecture and construction are necessary to repurpose existing industrial buildings to business incubation and meeting spaces.

A design for the Old Heat Welcome Center with engineering was performed in 2016 to be bid in three phases. The table below shows the history of the project and an updated construction cost for what would have been phase 3 of the project. The design created for the Welcome Center and Community Education Center serves as a good platform to build on for the current project being explored.

Variations to tenant improvements will be made to meet the specific needs of the new use in the future as those are developed. The capital cost of the project should be in the range of the estimates that have been brought up to 2025 construction costs.

DIVISION ITEM	2018 BID	2025 ESCALATED COST (45%)	2025 COST W/ PREVAILING WAGE (45%)
GCs Soft Costs (OH&P, Insurance, Bonding, B&O tax)	\$1,134,596.00	\$ 1,645,164.20	\$ 1,891,938.83
Existing Conditions (demo and abatement)	\$ 237,190.00	\$ 343,925.50	\$ 395,514.33
Earthwork	\$ 156,895.00	\$ 227,497.75	\$ 261,622.41
Exterior Improvements	\$ 126,332.00	\$ 183,181.40	\$ 210,658.61
Concrete	\$ 261,604.00	\$ 379,325.80	\$ 436,224.67
Masonry	\$ 242,348.00	\$ 351,404.60	\$ 404,115.29
Metals	\$ 645,514.00	\$ 935,995.30	\$ 1,076,394.60
Wood and Plastic	\$ 74,603.00	\$ 108,174.35	\$ 124,400.50
Thermal and Moisture Protection	\$ 230,053.00	\$ 333,576.85	\$ 383,613.38
Doors and Windows	\$ 392,907.00	\$ 569,715.15	\$ 655,172.42
Finishes	\$ 658,582.00	\$ 954,943.90	\$ 1,098,185.49
Specialties	\$ 56,385.00	\$ 81,758.25	\$ 94,021.99
Conveyance	\$ 199,500.00	\$ 289,275.00	\$ 332,666.25
Fire Protection	\$ 82,050.00	\$ 118,972.50	\$ 136,818.38
Plumbing and Mechanical	\$ 687,727.00	\$ 997,204.15	\$ 1,146,784.77
Electrical	\$ 694,297.00	\$ 1,006,730.65	\$ 1,157,740.25
Design Contingency	\$ 179,666.00	\$ 260,515.70	\$ 299,593.06
TOTALS	\$5,880,583.00	\$ 8,526,845.35	\$ 9,805,872.15

Table 1: Costs

HISTORY

HISTORY

Old Heat was constructed in 1946 to serve Central Washington University (CWU) as a coal fire steam plant. The concrete and masonry superstructure has a brick veneer exterior and tall, steel framed industrial windows. Inside the structure is a high-volume, three-story interior space with cat walks, a circular iron staircase and the original coal chute are still present in the building. The four large coal boilers have been removed.

The south side of the structure is a single-story addition that was home to a machine shop and furniture shop. Offices on the Southeast side of the structure were used for technological support.

In 1971 Old Heat was taken offline when the construction of a centralized utilities plant was completed. No changes to the structure had been made since its construction. The building was used for storage between 1971 and 2017.

A capital improvement grant was requested from the Washington State Legislature in the 2015-2017 Capital Budget Request for CWU for \$4.9M. CWU was successful in obtaining the request and received \$4.9M in July 2015. Additional funding would come from the university budget. The combined funds totaled \$6,149,067.00.

It was recognized during work CWU performed in 2016 that the building's location adjacent to neighborhoods and downtown could help create a synergy between the university and community. During the legislative ask in 2015 one of the strong benefits of the project was interface between the community and the university. The Washington State Legislature liked that aspect of the project.

Integrus Architecture was hired to perform a phase 1 evaluation of Old Heat. Integrus and their team of consultants were brought onto the project to perform structural, civil, electrical and plumbing, low voltage, and abatement designs and assessments of the building. This scoping work was completed in June 2016.

The remodel of the Old Heat Building to become a Community Education Center was the design brief. This center would facilitate programs that are supported by university programs. Some of the programs considered were:

- A Center for excellence in Science and Math Education
- US First Robotic Competitions
- Safety and Health Management Certificate Programs
- Craft Beer Certificate Program
- Wine Business Certificate Program
- The building would house the Auxiliary Services Department and classroom spaces in the single-story south portion of the building and the CWU Welcome Center in the large North Portion of the structure.

The work was divided into three phases. This work was carried out from 2016 through 2017.

Phase I was bid on 9/22/2016. Lydig Construction was awarded the bid. This scope of work took care of the hazardous material remediation. The initial bid amount was \$527,000 and final cost with change orders was \$570,940.

Phase II was bid on 1/10/2017. The initial contract amount was \$3,386,000, awarded to Lydig construction. This scope of work performed seismic structural work, new windows and insulation were installed in the south single-story section of the structure. The mechanical and electrical rooms throughout the building were outfitted with new electrical and HVAC equipment. The final cost with change orders was \$3,585,215.

Phase III was a bid package to complete the fit out of the building as per the design. It was bid on September 12, 2017, and only one bid was received. The bid was over budget by \$1M plus at \$5,880,583. CWU looked for ways to reduce the cost of the project by changing the scope of work. In the end the project was put on hold. There were competing projects at the time at CWU, and housing was a top priority as the occupancy rate for rentals was 99% in 2017.

After the phase III bid was analyzed, it was determined a \$300,000 savings was achievable with more detailed information in the bid package and redesign of some features that required work in tight places to build to specification.

There are architectural pieces of Old Heat that have been salvaged or retained in the building during phases I and II of the construction projects. These pieces can be used in the adaptive reuse of the building to bring the history and character of the building to life when renovated with four overarching objectives that guide the project's design, partnerships, and outcomes:

Division Item	2018 Bid	2025 Escalated Cost (45%)	2025 Cost w/ Prevailing Wage (45%)
GCs Soft Costs (OH&P, Insurance, Bonding, B&O tax)	\$ 1,134,596.00	\$ 1,645,164.20	\$ 1,891,938.83
Existing Conditions (demo and abatement)	\$ 237,190.00	\$ 343,925.50	\$ 395,514.33
Earthwork	\$ 156,895.00	\$ 227,497.75	\$ 261,622.41
Exterior Improvements	\$ 126,332.00	\$ 183,181.40	\$ 210,658.61
Concrete	\$ 261,604.00	\$ 379,325.80	\$ 436,224.67
Masonry	\$ 242,348.00	\$ 351,404.60	\$ 404,115.29
Metals	\$ 645,514.00	\$ 935,995.30	\$ 1,076,394.60
Wood and Plastic	\$ 74,603.00	\$ 108,174.35	\$ 124,400.50
Thermal and Moisture Protection	\$ 230,053.00	\$ 333,576.85	\$ 383,613.38
Doors and Windows	\$ 392,907.00	\$ 569,715.15	\$ 655,172.42
Finishes	\$ 658,582.00	\$ 954,943.90	\$ 1,098,185.49
Specialties	\$ 56,385.00	\$ 81,758.25	\$ 94,021.99
Conveyance	\$ 199,500.00	\$ 289,275.00	\$ 332,666.25
Fire Protection	\$ 82,050.00	\$ 118,972.50	\$ 136,818.38
Plumbing and Mechanical	\$ 687,727.00	\$ 997,204.15	\$ 1,146,784.77
Electrical	\$ 694,297.00	\$ 1,006,730.65	\$ 1,157,740.25
Design Contingency	\$ 179,666.00	\$ 260,515.70	\$ 299,593.06
TOTALS	\$ 5,880,583.00	\$ 8,526,845.35	\$ 9,805,872.15

Table 2: Build Detail

ABOUT

THE OLD HEAT BUILDING

Old Heat: A Multiplicative Enterprise for Regional Economic Development

The Old Heat project involves re-purposing the facility to bridge the under-leveraged capabilities of the Central Washington region to the needs and opportunities of the larger WA state economic ecosystem. In this respect, the facility and the activity related to it serve as a funnel for high-value industry to successfully integrate their supply chain activity into regional resources and capabilities. It also serves as an on-ramp for local industry and entrepreneurship to be competitive in national and international markets through activities such as competitive technology integration, university resource collaboration, and supply chain support.

To guide this work, Old Heat is organized around four core objectives that define its purpose and ensure that every investment, tenant, and partnership advances long-term prosperity for both the region and the state.

OLD HEAT: MAIN OBJECTIVES

1. High-Wage Job Creation and Rural Economic Mobility

Old Heat converts state investment into high-paying and technology-based jobs in areas such as advanced manufacturing, aerospace, ag-tech, and clean energy. It equips residents with technical skills that align with Washington's innovation economy, helping rural communities participate in high-wage sectors that typically cluster in metro areas. This approach expands opportunity across the state without expanding urban sprawl.

2. Technology Commercialization and Statewide Tech Diffusion

Through the activities of Central Washington University (CWU), Old Heat connects state research capacity to regional industry, commercializing technologies and spreading innovation beyond metro centers. By linking Central Washington to the state's major innovation hubs, it strengthens the overall Washington ecosystem, ensuring that breakthroughs developed in one region create jobs and value across all regions.

3. Adaptive Reuse of State Resources

The project revitalizes a historic public building. Instead of constructing new facilities, Old Heat transforms an underused structure into a hub for innovation, training, and business development. It stands as a visible example of cross-regional collaboration that yields measurable economic returns and expands access to opportunities for Washingtonians often left out of the innovation economy.

4. Model for Statewide Replication of Strategic East–West Alignment

The Old Heat project demonstrates how rural communities can convert legacy infrastructure into competitive, innovation-driven economies. By strengthening Central Washington's connections to statewide manufacturing and technology supply chains, it makes the entire Washington economy more resilient and competitive. Old Heat provides a replicable model showing how rural and urban regions can function as one integrated system by sharing talent, technology, and opportunity across the state.

Together, these four objectives establish the foundation for Old Heat's design and operations. Each translates directly into measurable actions that attract high-value industries, build local capacity, and ensure that technology, wages, and opportunity flow across regions rather than concentrate in one. The project is intentionally structured to serve as an "accelerator of accelerators," both through the programs it houses and through the broader regional innovation and development initiatives it supports.

This approach is already gaining external validation. The National Science Foundation has funded Central Washington University to increase institutional and regional capacity for advanced technology and workforce development, a mission that aligns directly with Old Heat's purpose. The model guiding this effort, described in the following section, focuses on nurturing the dynamic agency of the region's communities as the true engine of long-term competitiveness.

Rethinking Economic Development in Distressed Regions

In regions such as Central Washington, economic development has often been constrained by immediate challenges, such as limited housing, labor market mismatches, and underfunded infrastructure, which consume much of the attention and capacity of local decision-makers. This dynamic prevents long-

term, strategic investment in competitiveness and reinforces a form of “path dependence.”

Path dependence describes how historical development trajectories shape and limit current choices. Regions that grew around a single industry or sector, such as agriculture, resource extraction, or warehousing, often lack the institutional infrastructure, workforce, and supplier base needed to pivot into new high-value industries. Without intervention, these constraints perpetuate underperformance.

Conventional approaches to business recruitment or cluster growth, while valuable in established industrial ecosystems, offer little strategic guidance to regions that lack high-wage industry clusters altogether. In such contexts, communities must not only attract or grow businesses but must also select and support the types of enterprises that can systematically improve community prosperity.

DEFINING PROSPERITY IN ECONOMIC ECOSYSTEMS

In evaluating the full effect of a business’ impact in a community, the multidimensional framework used by the Iowa State University Extension (Fey and Flora, 2006) of eight interdependent forms of capital captures long-term factors that contribute to a region’s prosperity:

- Financial
- Intellectual
- Human
- Social
- Cultural
- Political
- Natural
- Built

A business that contributes to long-term prosperity will strengthen one or more of these forms of capital without degrading the others. Importantly, this prosperity is not measured solely in job quantity or short-term revenue, but in a community’s increasing capacity to shape its own economic future. This capability to effectively shape and change is referred to as a community’s “dynamic capacity”.

The activities and enterprises that Old Heat will house are ones that not only contribute to a community’s dynamic capacity but also accelerate the growth of prosperity factors of its economic ecosystem. These types of enterprises are identifiable through using the Regional Contribution Continuum (RCC), as explained below (CWU, BCS, 2025).

A TYPOLOGY OF ENTERPRISE CONTRIBUTIONS (BASED ON THE CENTRAL WASHINGTON UNIVERSITY BUSINESS COMMUNITY SERVICES REGIONAL CONTRIBUTION CONTINUUM):

Not all businesses contribute equally to prosperity. When looking at the larger impact of a business on a community’s ecosystem on a continuum, it is helpful to use a typology of four enterprise types, each representing a different relationship between a firm and the community in which it operates. The enterprises and activities Old Heat houses can only be Accelerative and Multiplicative.

The following models describe impact in terms of value to a local or regional community over time contributed by given type of enterprise.

EXTRACTIVE ENTERPRISES

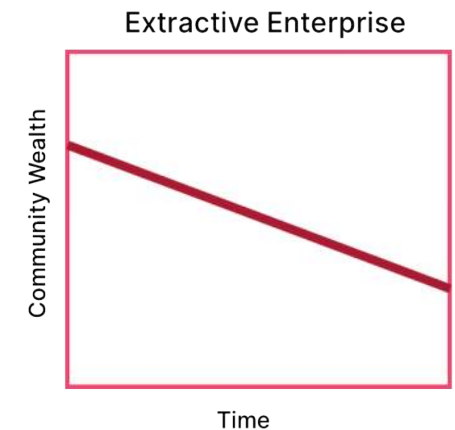
Definition: These businesses reduce net community prosperity. They may use local labor, land, or tax incentives, but locate ownership, management, intellectual property, and/or high-skill employment elsewhere.

Characteristics:

- Profit/value flows leave the region
- Limited local reinvestment
- No improvement in local skill base or infrastructure

Examples:

- Externally owned solar farms: use local land but employ few locals and export profits.
- Absentee landlords: extract housing revenue without improving housing



stock.

- Dark factories: fully automated facilities offering no local job base.
- Vacation/short-term rental (AirBnB, VRBO, etc.) portfolios owned out-of-region: shift housing from residents to tourists, with revenue leakage.
- Externally owned casinos: target local customers without bringing in outside revenue.
- Company Towns
- Enclave Industries

RETENTIVE ENTERPRISES

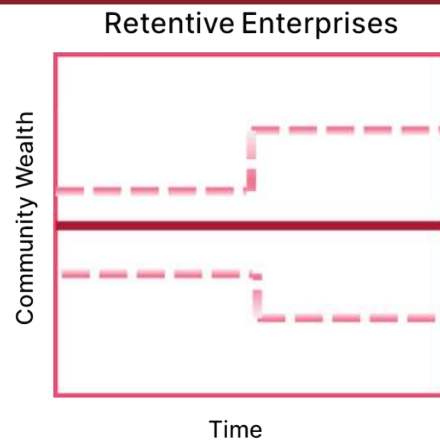
Definition: These firms replace imported goods and services with locally produced equivalents, retaining value that would otherwise leave the region. Situations are essential for retaining regional profits.

Characteristics:

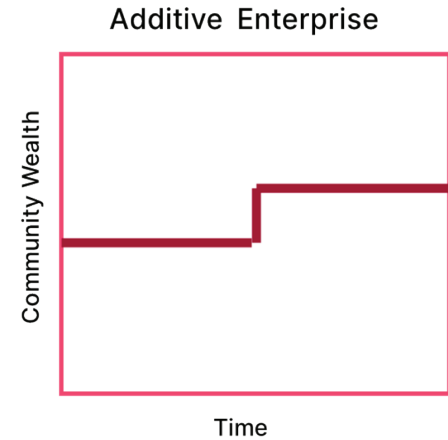
- Primarily serve local markets
- Typically, non-base industries.
- May provide modest job creation but limited wage growth
- In positive cases, additional enterprises help a community retain revenues otherwise spent in other locations.
- In negative cases, additional enterprises reduce revenues spent in other enterprises in the local ecosystem by directly competing in a community's limited market.

Wealth Retaining Examples:

- Locally owned restaurants: circulate money locally and reflect community character.
- Auto repair shops, hair salons, and service-based microenterprises
- Local hotels and motels, if locally owned and managed
- While valuable for community resilience, these businesses typically do not expand the region's economic base unless they transition toward exporting goods/services.



ADDITIVE ENTERPRISES



Definition: Additive firms generate external revenue by selling goods or services outside the region, thus bringing new financial capital into the community. Often labelled as “base industry” enterprises.

Characteristics:

- Expand the economic base
- May rely on relatively low-wage or low-skill labor
- Provide positive but modest contributions to long-term prosperity

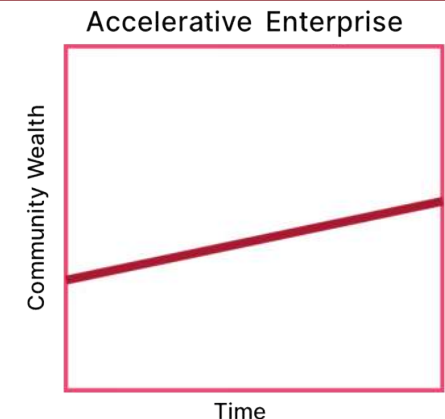
Examples:

- Food processing plants: process locally grown products for national markets.
- Telemarketing centers: export service work with limited career progression.
- Low-skill manufacturing operations: bring jobs but rarely promote innovation or regional integration.

Additive enterprises increase total income in the community but rarely build upward mobility or innovation capacity.

ACCELERATIVE ENTERPRISES

Definition: Accelerative firms not only add value to the local economy, but they also increase the region's capacity to grow more high-value firms in the future.



Characteristics:

- Improve workforce skills and technology sophistication
- Generate or attract complementary firms that further increase the value that existing regional enterprises provide.
- Foster R&D and knowledge spillovers

Examples:

- Advanced manufacturing firms: introduce precision tools and processes that become regional capabilities.
- Health innovation centers: attract high-skill talent while improving services.
- High-tech service providers: connect to global supply chains and require skilled support ecosystems.
- University research spin-offs: leverage intellectual capital and federal grants for local enterprise formation.

Accelerative firms are critical to building robust, competitive industry clusters. However, they typically emerge in ecosystems that already have a minimal base of skilled labor, supplier networks, and research institutions.

Introducing the “Multiplicative” Enterprise aka: “Old Heat”

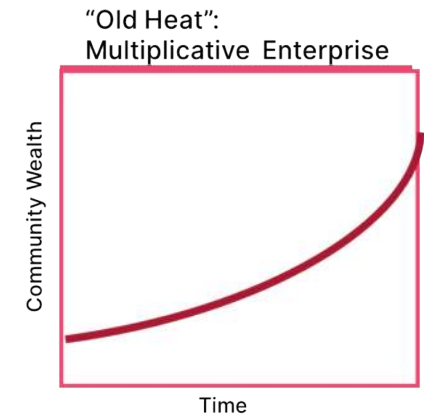
CWU proposes that the “Old Heat” facility become a Multiplicative Enterprise Center — a site purposefully designed to support the emergence of accelerative firms.

Rather than serving as a traditional business incubator or generic co-working space, the repurposed Old Heat facility will serve as a strategic infrastructure platform to support accelerative enterprise formation. It could possibly:

- Act as a facilitator for capturing infrastructure for other high-value businesses.
- Integrate R&D, CWU faculty and student resources, production, and workforce development.
- Create new markets or standards that anchor future firms
- House operational functions of accelerative businesses while they establish footholds in the region.

Examples:

- Drone manufacturing platforms: enabling multiple applications in agtech, logistics, and public safety.
- AI-enabled and other advanced general purpose technology labor-intensive services: creating demand for new skills, applications, and functional/legal frameworks (See the ACT I Project Congressional Directed Spending Request for further information)
- Advanced manufacturing production: foundational inputs for aerospace, biotech, and energy firms.
- Health device manufacturing: linking bioengineering, diagnostics, and data systems into scalable platforms.



Such enterprises offer regional leverage, not just incremental jobs or revenue. They form the connective tissue for ecosystems to emerge in places where none existed before.

SUMMARY

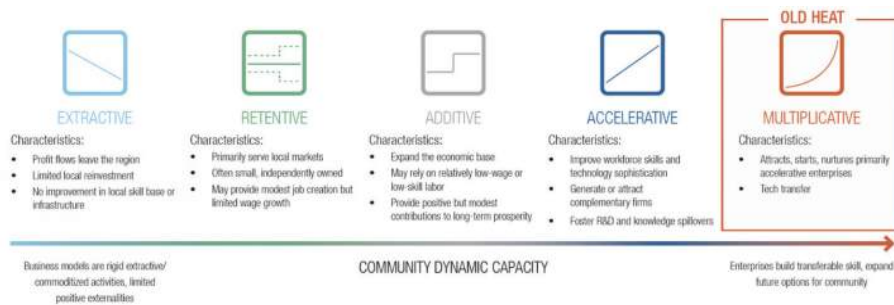


Exhibit 1: Old Heat on the Business Model Continuum

The Old Heat project offers an opportunity to apply a deliberate, structured, and research-informed approach to economic development in the Central Washington region. Rather than accepting any growth as good growth, this model enables community leaders to differentiate between business activity that merely occupies space and activity that builds prosperity over time.

By serving as a funnel for attracting and building accelerative firms, Central Washington can begin to generate the industrial dynamics, traditionally found only in large metro areas, for regional communities on their own terms and in alignment with their unique values.

ADAPTIVE REUSE: WHY IT IS IMPORTANT TO A COMMUNITY AND WHY IT MATTERS TO REGIONAL COMPETITIVENESS

In this project, adaptive reuse goes beyond the practice of giving historic buildings a new life and purpose. Adaptive reuse offers a stack of dividends that extend well beyond the footprint of any single project. It is a strategic investment in existing public asset that generates long term economic and social returns. Within the framework of the Old Heat Project, adaptive reuse embodies Objective 3: Adaptive use of State Resources. It does this by transforming an under-leveraged State-owned facility into a productive hub for innovation, workforce development, and technology commercialization.

The dividends of adaptive reuse of this facility extend beyond the footprint of this single building. It will deliver tangible economic, cultural, and environmental benefits that align with the state's goals for sustainable and inclusive growth:

1. Local dollars and jobs stay local. Adaptive-reuse projects typically cost 15-20% less and finish faster than ground-up construction, channeling savings into higher-quality finishes, local labor, and small-business tenants. Revived landmarks often spark a “halo effect” on surrounding property values and commercial activity.
2. Culture, identity, and civic pride. Historic buildings are tangible storytellers; keeping them visible anchors a community's sense of place, honors craft traditions, and offers residents and visitors alike a daily history lesson. Successful projects — from century-old churches reborn as performance halls to downtown warehouses re-imagined as food-hall incubators — demonstrate that preservation and progress can coexist, attracting heritage tourism and volunteer passion that brand-new buildings rarely inspire. Public involvement meetings for Old Heat have confirmed this sentiment towards the building.
3. Smarter, more resilient growth. Because many heritage structures sit in walkable cores, reusing them reinforces existing transit, utility, and public-space investments instead of pushing development to the fringe. Their adaptable floorplates (lofts, high ceilings, big windows) invite flexible uses as community needs evolve—office today, makerspace tomorrow—helping cities weather economic shifts without repeated cycles of boom, blight, and teardown.
4. A fast-track climate strategy. Reusing an existing structure preserves the “embodied” energy and carbon already locked into its walls, foundation, and finishes. Studies show that keeping — rather than razing—an older building can avoid 50-75 percent of the carbon that would be released if the same square footage were rebuilt from scratch, while deep-energy retrofits cut future operating emissions as well. Because reuse also sidesteps most of the raw-material extraction and landfill waste tied to demolition, it is one of the most immediately effective sustainability tools available to cities.

PROMINENT USES	REGIONAL CONTRIBUTION	FAMILY WAGE JOB CREATION	CREATES SKILLED LABOR	RISKS	FINANCIAL SUSTAINABILITY	LOCATION
EXISTING USE	NONE	NONE	NONE	N/A	N/A	N/A
HOSPITALITY AND DESTINATION TOURISM	POOR: EXTRACTIVE AND/OR RETENTIVE	POOR: EXTRACTIVE AND/OR RETENTIVE	NO	COMPETES WITH LOCAL BUSINESSES: COLLATERAL DAMAGE	POOR	NO DISTINCTIVE ADVANTAGE
COMMERCIAL BUSINESS PARK	MODERATE: RETENTIVE AND/OR ADDITIVE	MODERATE: RETENTIVE AND/OR ADDITIVE	INDUSTRY DEPENDENT	COMPETES WITH LOCAL BUSINESSES: COLLATERAL DAMAGE	MODERATE	NO DISTINCTIVE ADVANTAGE
TECHNOLOGY COMMERCIALIZATION CENTER	ACCELERATIVE AND MULTIPLICATIVE	DIRECT: YES INDIRECT: MAYBE INDUCED: NO	YES - ONGOING	REQUIRES EFFECTIVE ONGOING IMPLEMENTATION	HIGH	NEAR UNIVERSITY AND NEAR ECONOMIC DEVELOPMENT EFFORTS

Exhibit 2: Old Heat Comparison Chart

SECTIONS A-N

SECTION A

A PRODUCT MARKET ANALYSIS LINKED TO ECONOMIC DEVELOPMENT: OLD HEAT: A MULTIPLICATIVE ENTERPRISE FOR REGIONAL ECONOMIC DEVELOPMENT

Each program element within Old Heat is intentionally structured to deliver on the project's four objectives: 1) creating high-wage employment, 2) commercializing and diffusing technology statewide, 3) reusing state assets efficiently, and 4) demonstrating a model for replicable Eastern–Western Washington economic alignment.

The project is a component of a larger/multi government/industry effort to address the region's lack of growth in high-value industries that is already underway and funded by industry and government agencies for the same purpose. For example, the National Science Foundation is funding this effort for CWU to "increase institutional and regional capacity" for advanced technology and workforce development in the region. These industries targeted are those that typically drive wage increases, career pathways, innovation, and reinvestment into local communities. Also, for example, there is a Congressional Directed Spending Request to launch the "Advanced Competitive Technology Institute" that has passed first approval from the 2025 US Congress. This project is designed to integrate the deployment of general-purpose technology such as AI, blockchain, robotics, within existing regional businesses' operations to make them more competitive at the national and international levels. Per the Regional Contribution Continuum (RCC) model, it is intended to move existing and new businesses from "Retentive" and "Additive" into the "Accelerative" category where they serve to build base industries in the regional base.

The Advanced Competitive Technology Institute (ACTI) will serve as the applied commercialization and technology-diffusion arm of Old Heat. Anchored at Central Washington University's Business and Community Services division, ACTI is designed to connect research institutions, manufacturers, and rural enterprises through hands-on programs that translate innovation into production. Its core functions include helping firms adopt advanced technologies, training workers in

high-demand technical skills, and linking Washington's regional industries with state and federal innovation initiatives. Through ACTI, Old Heat becomes not just a facility, but the mechanism by which the region participates directly in Washington's statewide innovation ecosystem.

Kittitas County, with a population of roughly 44,000, sits between two powerful economic hubs: the Yakima Valley to the south and the Seattle Metro Area to the west. Yet, despite this location, Kittitas County lags significantly behind its neighbors in median wages and industrial composition. As shown in Map A: Median Wages and Wage Growth by County, Kittitas County's median household income of \$69,928 trails far behind King County's \$135,075 and even lags the state median of \$94,605. While Yakima County shares similar wage limitations (\$69,525), it maintains a stronger base industry cluster in agriculture that Kittitas County lacks.

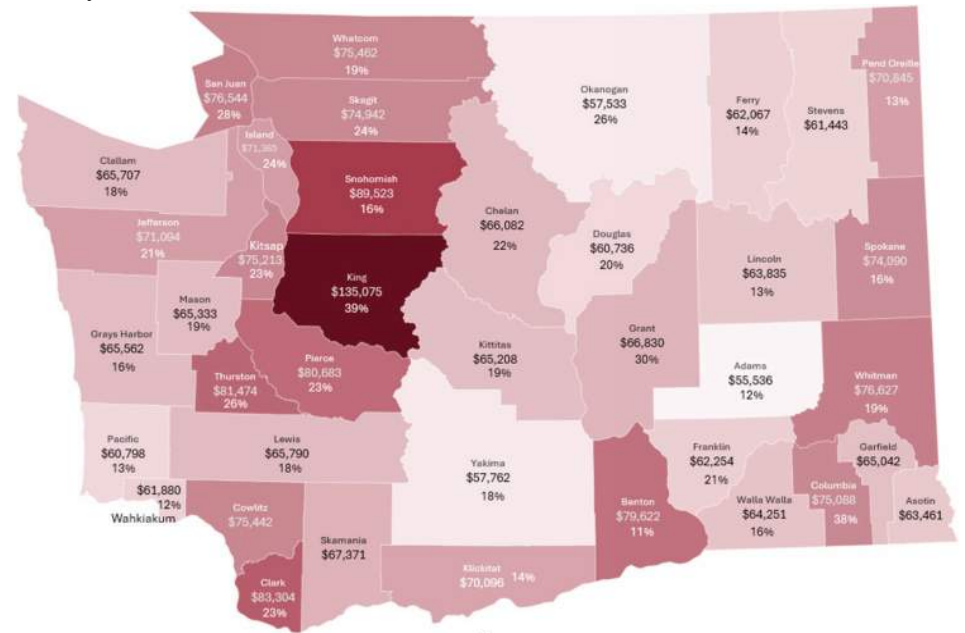


Exhibit 3:

Data Source: WA State Employment Security Department: <https://esd.wa.gov/jobs-and-training/labor-market-information/employment-and-wages/median-and-hourly-wages>

Data was aggregated using State Quarterly Wage Data and the LED (Local Employment Dynamics) report from the US Census Bureau and State Databases

The structural challenge lies in Kittitas County’s reliance on low-multiplier industries. Education and healthcare are the largest employers, followed by accommodation and food services. While vital to residents, these sectors do not generate substantial outside revenue. Education and healthcare remain the largest employers, while accommodation and food services rank second. By contrast, nearby King County is anchored by industries in scientific, management, and technical services—industries that act as true base sectors by pulling in external capital and supporting high-wage ecosystems. Without an industrial base rooted in advanced technologies, Kittitas cannot retain talent or generate meaningful wage growth.

This imbalance results in consistent outmigration of skilled youth and underutilization of the county’s above-average educational attainment (35% bachelor’s degree or higher, compared to only 18% in Yakima). Old Heat addresses this gap by providing the missing bridge: a commercialization and

technology hub designed to attract firms aligned with Washington’s strongest clusters (aerospace, advanced manufacturing, ag-tech, AI applications) while also equipping local businesses to compete in broader supply chains.

The strategy is explicitly designed to avoid repeating low-value economic patterns. Old Heat will not reinforce dependency on externally owned, low-wage, low-technology firms. Instead, it aims to create a multiplier effect by anchoring technology-intensive enterprises, encouraging adjacent startups, and connecting CWU’s applied learning and research with real commercial pathways. In doing so, Old Heat provides Kittitas County with the infrastructure and institutional platform to finally integrate with, rather than remain bypassed by, Washington’s metropolitan innovation economy.

REGION	POPULATION (1)	MEDIAN AGE (2)	MEDIAN HOUSEHOLD INCOME (2)	EMPLOYMENT RATE (2)	4 YR DEGREE OR HIGHER (2)	TOP INDUSTRY FOR CIVILIAN EMPLOYED POPULATION 16 AND OVER (2)	% OF TOTAL EMPLOYMENT	2ND INDUSTRY FOR CIVILIAN EMPLOYED POPULATION 16 AND OVER (2)	% OF TOTAL EMPLOYMENT
WA State	7,705,281	38.6	\$ 94,605	61%	41%	Education, Healthcare, Social Svcs	22%	Professional, Scientific, Mgt, & Admin Svcs	15%
King County	2,260,675	37.7	\$120,824	68%	58%	Scientific, Mgt, & Admin Svcs	23%	Education Svc, Healthcare, Social Svcs	20%
Kittitas County	44,357	37.9	\$69,928	58%	35%	Education, Healthcare, Social Svcs	23%	Arts, Accommodation, Food Service	15%
Yakima County	256,728	33.8	\$69,525	60%	18%	Education, Healthcare, Social Svcs	21%	Agriculture, Forestry and Mining	15%

Table 3 – Median Wage Comparison Chart

OLD HEAT: ENTERPRISE FOR REGIONAL ECONOMIC DEVELOPMENT

CWU is planning the adaptive reuse of the retired “Old Heat” power generation facility into an economic development enterprise focused on increasing the prosperity of the Central Washington region. The project aims to address the region’s lack of growth in high-value industries (HVI). HVI’s are industries that typically drive wage increases, career pathways, innovation, and reinvestment into local communities. Old Heat’s role in this larger project is as an economic multiplier, where it attracts, inspires the emergence of new, and facilitates existing businesses into accelerative enterprises in the Central Washington region.

To do this, the facility is intended to be able to accommodate multiple capabilities (likely tenants):

SPACE	PURPOSE	KEY ACTIVITIES	OUTCOMES
A. Commercialization Hub	Anchor facility for industry-university-community collaboration	R&D, business incubation	New startups, patents, commercialization of research
B. Advanced Manufacturing & Aerospace Bay	Flexible, high-bay space for prototyping and reshoring projects	Aerospace component prototyping, small-batch production, pilot lines	High-wage job creation, reshoring supply chains, supplier diversification
C. ACTI Program Headquarters (Technology Diffusion)	Base for the Applied Commercialization & Technology Initiative	Training in advanced technology adoption, digital skills, and commercialization	Workforce up-skilling, rural tech literacy, stronger small business competitiveness
D. Agriculture & Food Tech Lab	Space for ag-tech and food processing innovation	Testing value-added ag products, food safety certification, small-batch processing	Expansion of local ag economy, retention of farm income
E. Innovation & Entrepreneurship Studios	Offices and maker-type spaces for entrepreneurs	Incubation, co-working, mentoring, IDEA Central programs	New venture creation, stronger entrepreneurship pipeline
F. Workforce Development Classrooms	Training space aligned with CWU, Yakima Valley College, and industry partners	Certification programs, aerospace technician training, ag-tech skills	Pathways into high-demand jobs, direct connection of education to employment
G. Community & Showcase Hall	Public-facing space to demonstrate innovation	Exhibitions, industry showcases, STEM outreach to schools	Broader community buy-in, student inspiration, public-private partnerships
H. Shared Infrastructure & Support	Essential services to make the center functional	Meeting rooms, business services, IT and digital infrastructure	Operational sustainability, professional environment for tenants

Table 4: Purpose Comparison

The Old Heat Commercialization Center is designed as a multi-use innovation facility that connects Kittitas County’s physical and intellectual assets to high-value state and national industries. Space within the building is intended to serve both a stand-alone function and a role in the broader system of regional competitiveness that can be repurposed as technology demands evolve.

The following table shows how each facility component aligns with Old Heat’s four objectives and the outcomes it supports, see table to right.

Together, these components exemplify Objective 4. By linking Central Washington’s physical and institutional assets with the state’s major innovation corridors, Old Heat provides a replicable model for connecting rural capabilities to metropolitan value chains and strengthening Washington’s overall competitiveness.

OBJECTIVE	PRIMARY ELEMENTS OBJECTIVE	ILLUSTRATIVE OUTCOMES
1. High-Wage Job Creation and Rural Economic Mobility	Advanced Manufacturing & Aerospace Bay, Innovation Studios, Workforce Classrooms	Expansion of high-skill employment in aerospace, ag-tech, and clean energy sectors; creation of regional career ladders.
2. Technology Commercialization and Statewide Tech Diffusion	Commercialization Hub, ACTI Headquarters, Ag-Tech Lab	Applied research converted to market products; diffusion of innovation from metro to rural firms; cross-regional industry collaboration.
3. Adaptive Reuse of State Resources	Entire Old Heat facility, Community Showcase Hall	Re-purposing a historic state asset into productive economic infrastructure; visible model of sustainable public reinvestment.
4. Model for Statewide Replication of Strategic Eastern–Western WA Alignment	Integrated facility system linking CWU, County, and State partners	Demonstrates how rural regions connect to metropolitan innovation corridors; framework for replication across Washington.

Table 5: Objectives



A MARKET STRATEGY CONTAINING ACTION ELEMENTS LINKED TO TIMELINES.

The market strategy for the Old Heat project is designed to position Kittitas County as an emerging innovation node by serving both as a launch pad for new accelerative firms and an on-ramp for existing businesses to integrate advanced technologies and workforce skills. This dual role ensures that Old Heat supports enterprise growth at multiple points along the innovation spectrum: seeding new firms, scaling regional businesses, and equipping the workforce with capabilities required for high-wage, technology-driven industries. Because implementation cannot realistically begin until 2026, the phased plan is structured around readiness, recruitment, programming, and long-term scale-out. Each stage intentionally balances Old Heat's two essential functions: (1) supporting the launch and growth of accelerative enterprises, and (2) diffusing technology and skills into the broader economy to ensure regional competitiveness.

PHASE 1: INFRASTRUCTURE READINESS AND STRATEGIC POSITIONING

Timeline: Q1–Q3 2026

Lead: CWU Business and Community Services + Old Heat Advisory Council

- Finalize architectural and engineering plans for Old Heat, including flexible lab, prototyping, and training spaces that serve both new firms and existing businesses.
- Complete site readiness work: zoning, transportation, environmental compliance.
- Develop branding that highlights Old Heat as both a regional accelerator (launch pad) and a skills training hub (on-ramp).
- Formalize coordination with the Bowers Field development team to establish the growth pathway from incubation and training (Old Heat) to expansion and production (Bowers Field).

PHASE 2: INDUSTRY TARGETING AND ECOSYSTEM ACTIVATION

Timeline: Q3 2026–Q4 2026

Lead: CWU Business and Community Services, with County, City, and Associate Development Office (ADO) participation.

Identify and prioritize target industries with strong potential for high-wage job creation and technology spillovers:

- Aerospace and precision component manufacturing
 - Agricultural technology and smart equipment manufacturing
 - Advanced materials and clean technology
 - Software, sensors, and embedded systems
- Conduct outreach to firms, founders, and the Directorate for Technology, Innovation and Partnerships (TIP) at the National Science Foundation (NSF), which aims to translate scientific discoveries into tangible solutions for society and the market.
 - Launch an Innovation Advisory Council to connect CWU faculty and students with both new tenants and existing businesses, ensuring technology diffusion pathways are embedded in every partnership.

PHASE 3: PROGRAMMING, TECHNOLOGY DIFFUSION, AND TALENT PIPELINE DEVELOPMENT

Timeline: Q1 2027–Q4 2028

Lead: CWU Business and Community Services + Partner Institutions + New Operating Entity

- Establish anchor programs in:
 - Entrepreneurial bootcamps and cohort-based training for new ventures (launch pad). Technology Diffusion Labs to help existing firms integrate robotics, AI, and advanced manufacturing processes (on-ramp).
 - Technology Diffusion Labs to help existing firms integrate robotics, AI, and advanced manufacturing processes (on-ramp).
 - Technical assistance programs: Small Business Innovation Research
 - Business Technology Transfer support, IP workshops, prototype-to-market training.

- Implement student and faculty engagement programs: internships, co-ops, applied research projects tied to Old Heat tenants.
- Build workforce upskilling programs that prepare existing workers for roles in accelerative firms, creating career ladders into high-wage industries.
- Partner with schools and community colleges to strengthen the STEM pipeline.

PHASE 4: ENTERPRISE GROWTH, TECHNOLOGY SPILLOVER, AND REGIONAL SCALE-OUT

Timeline: Q3 2028–onward

Lead: New Operating Entity + Bowers Field Development Partners

- Operate a cohort-based incubator/accelerator at Old Heat, feeding into Bowers Field as companies scale.
- Support existing businesses that successfully adopt new technologies to expand into new product lines and markets.
- Monitor outcomes for both pathways:
 - Launch pad metrics: new firm formation, job creation, venture capital attraction.
 - On-ramp metrics: number of regional firms adopting new technologies, number of workers trained or retrained, measurable wage growth.
- Adjust sector targeting and programming to maintain alignment with national and state-level innovation trends.

Ongoing Coordination and Accountability

- A steering committee (CWU, County, City, regional stakeholders) will meet quarterly to oversee both the launch pad and on-ramp functions of Old Heat.
- Annual reporting will capture business attraction, job creation, and measurable technology and skills diffusion outcomes. This ensures Old Heat is recognized not only as a business incubator but as a regional platform for economic development.

SECTION C

IDENTIFICATION OF TARGETED INDUSTRIES

The following section translates Old Heat’s four core objectives into specific industry applications and technology-driven strategies. Each targeted sector and institutional program described below contributes to one or more of these objectives: creating high-wage employment, commercializing and diffusing technology statewide, reusing state assets efficiently, and demonstrating a model for replicable Eastern-Western Washington economic alignment. Together, these activities illustrate how the project’s governance, facilities, and programs convert those objectives into measurable economic outcomes.

The Old Heat project is structured to target firms and sectors that can transform the regional economy through accelerated growth, high-wage job creation, and innovation spillovers. Rather than filling space with any tenant activity, Old Heat explicitly filters for industries that align with three strategic imperatives:

1. Creation of high-wage, high-skill jobs that increase household prosperity and regional competitiveness.
2. Technology diffusion and innovation spillovers, ensuring new capabilities extend into existing businesses and the wider community.
3. Compatibility with Central Washington’s institutional and physical infrastructure, including CWU’s research and talent base, regional transportation and logistics systems, and the proposed Advanced Competitive Technology Institute (ACTI).

CURRENT STATE AND NATIONAL GAP AND WHY OLD HEAT IS A STEP TOWARDS MEETING THE GROWING NEED

The Old Heat–Bowers Field development model serves as both an on-ramp for existing firms to adopt new technologies and expand their competitiveness, and a launch pad for new ventures that require applied research support, skilled labor, and scalable facilities. Earlier, in Section A, this project was discussed as an instrument to fill the gap between available workforce and resource capabilities,

and the larger state and national demand markets. This project’s focus on building highly skilled labor and destinations where it is best valued also fits with the increasing demand to reshore manufacturing activities into the United States. Aerospace, for example, as a primary industry activity in Washington State presents an opportunity with particularly high potential for reshoring into the Central Washington Region, with the Old Heat Project being a prototype for funneling activity back to the US.

Currently the aerospace industry is importing supply chain factors from outside the state and nation. For this example, in aerospace we are focusing on aircraft engine (NAICS 336412) and aircraft parts (NAICS 336413) as aircraft assembly requires large facilities, and the primary aerospace ecosystem in Washington focuses on Boeing as the final assembly enterprise. Of the total U.S. aircraft engine parts manufactured, sale and value of shipments were \$35.4 billion (2021), and 49% was imported from out of the U.S. (\$17.24 billion).

For components needed to build aircraft listed as “Other Aircraft Parts and Auxiliary Equipment” by the U.S. Census, the sale and value of shipments were \$28.4 billion (2021). Of this, 42.5%, or \$12.06 billion, was imported. This amounts to lost jobs and a lost tax base. This project is meant to serve as a funnel for reshoring production and using Kittitas County’s resources towards increasing state and national capacity by transitioning production and innovative activity to other local and proximate regional locations. The lower estimation of impact is of Old Heat serving as a facility for aerospace manufacturing itself. In this case, the estimate of revenues is \$17 million a year.

The following section breaks out the rationale, regional fit, role, and tech diffusion, by industry:

1. AEROSPACE AND PRECISION COMPONENT MANUFACTURING

- Rationale: Ellensburg’s location along the I-90 corridor places it within reach of Washington’s aerospace hubs (Seattle, Kent, Renton) while offering significantly lower land and facility costs. Tier 2 and Tier 3 suppliers face pressure to locate outside Puget Sound but still need access to skilled talent and university partnerships.

- Regional Fit: CWU's applied engineering, computer science, and physics programs provide a talent base for aerospace-adjacent firms. Bowers Field expansion facilities offer future production and testing capacity.
- On-Ramp/Launch Pad Role: Old Heat provides a cost-effective test environment for early-stage suppliers. Firms can prototype at Old Heat, recruit interns, and then scale into larger facilities at Bowers Field.
- Tech Diffusion: ACTI could deliver AI, robotics, and simulation workshops that support aerospace suppliers in transitioning to digital manufacturing and advanced design processes.

2. AGRICULTURAL TECHNOLOGY AND SMART EQUIPMENT MANUFACTURING

- Rationale: Agriculture remains the region's foundational industry, but its competitiveness depends on adoption of automation, robotics, sensing, and precision irrigation. The region itself becomes a natural testbed and customer base for ag-tech innovation.
- Regional Fit: CWU's environmental sciences, IT, and ag business programs supply research and commercialization pathways. Proximity to Yakima Valley processors and farms enables real-time product testing.
- On-Ramp/Launch Pad Role: Existing farms and equipment manufacturers can "step on-ramp" through Old Heat to pilot advanced technologies, while new ag-tech startups can launch into local markets before scaling nationally.
- Tech Diffusion: ACTI's Tech Lift Specialist program (if funded) would extend Old Heat's resources into underserved communities, providing mobile technology enablement for producers and processors.

3. ADVANCED MATERIALS AND CLEAN TECHNOLOGY

- Rationale: Global shifts toward decarbonization and sustainable manufacturing drive demand for new materials, composites, and clean production systems. Such firms seek R&D-friendly sites that are outside

congested, high-cost metros.

- Regional Fit: CWU's interdisciplinary STEM programs and recent National Science Foundation investments position the university as a natural research partner for clean-tech firms.
- On-Ramp/Launch Pad Role: Legacy manufacturers can access training in additive manufacturing, recyclable composites, and digital Quality Assurance systems, while startups can pilot clean-tech prototypes in Old Heat's innovation space.
- Tech Diffusion: Workforce upskilling in clean technologies ensures that the region transitions from commodity-based industries to value-added accelerative enterprises.

4. EMBEDDED SYSTEMS AND SOFTWARE FOR INDUSTRIAL APPLICATIONS

- Rationale: As physical products integrate with digital intelligence, demand for embedded software, IoT (Internet of Things), and edge computing grows. These firms tend to be agile, innovation-driven, and highly scalable.
- Regional Fit: CWU's computer science and IT faculty provide an ongoing supply of software developers and data specialists, positioning Old Heat as a training and placement hub.
- On-Ramp/Launch Pad Role: Regional manufacturers can adopt embedded systems designed in Old Heat, while startups gain direct access to physical industry partners for co-location and prototyping.
- Multiplier Potential: When co-located with aerospace, ag-tech, or clean-tech tenants, embedded systems firms catalyze vertical integration and accelerate technology spillovers.

5. SCIENTIFIC INSTRUMENTATION, PROTOTYPING, AND APPLIED R&D

- Rationale: Small-batch, high-value instrumentation firms thrive in university-adjacent environments, where prototyping, rapid iteration, and faculty/student collaborations are possible.
- Regional Fit: CWU's faculty-led applied research programs and student talent pool can support prototyping, testing, and small-run manufacturing.
- On-Ramp/Launch Pad Role: Old Heat becomes the prototype funnel, helping firms move from design and testing toward scalable production at Bowers Field.
- Future Opportunity: Instrumentation firms may anchor collaborations across sectors, serving as technology suppliers to ag-tech, aerospace, and clean-tech enterprises.

ENABLING INSTITUTIONAL INFRASTRUCTURE: THE ACTI PROGRAM

A crucial complement to Old Heat's tenant strategy is CWU's proposed Advanced Competitive Technology Institute (ACTI). If funded, ACTI would provide:

- Monthly training in advanced technologies (AI, robotics, 3D printing, simulation).
- TechLift Specialists to deliver on-site technology adoption support to small and mid-sized businesses.
- A talent pipeline that bridges CWU students, local firms, and regional industries.

This advances the larger goal of leveraging Old Heat as an instrument to create accelerative industries through collaboration with the county and CWU to help local businesses integrate advanced technology into their current business models. This increases their competitiveness and transitions the nature of their local economic ecosystem impact towards accelerative rather than retentive or additive models.

INDUSTRIES NOT TARGETED

To preserve Old Heat's mission, the following are explicitly not targeted:

- Low-wage service or retail enterprises without multiplier effects.
- Externally owned firms with minimal local reinvestment.
- Firms with low technological intensity or innovation potential.
- This ensures Old Heat functions as a strategic inflection point, shifting Kittitas County's economy toward accelerative industries while lifting existing firms onto higher-value pathways.

SECTION D

IDENTIFICATION OF THE GROUP RESPONSIBLE FOR IMPLEMENTING THE MARKETING STRATEGY. DESCRIBE THE GROUP'S CAPACITY TO COMPLETE THE RESPONSIBILITY.

The implementation structure for Old Heat is designed to ensure accountability to the project's four core objectives: creating high-wage employment, commercializing and diffusing technology statewide, reusing state assets efficiently, and modeling a replicable Eastern–Western Washington economic alignment. Each participating entity plays a defined role in advancing one or more of these objectives through coordinated management, stakeholder engagement, and public oversight.

The Old Heat Project will be managed through a collaborative governance structure that ensures both operational focus and strategic alignment with regional economic development priorities.

OPERATIONAL MANAGEMENT

The CWU BCS Director will serve as the lead manager of Old Heat's activities. This role provides direct oversight of day-to-day operations, program deployment, and alignment of Old Heat's facilities with its strategic foci: commercialization, advanced manufacturing, agricultural technology, entrepreneurship support, technology infusion, and workforce development. The BCS Director brings institutional resources, professional staff, and applied research capabilities from CWU to ensure that Old Heat's programs are executed effectively and tied to measurable outcomes. More importantly, the Director will maintain Old Heat's integrity by ensuring that tenants and activities are focused on accelerative and multiplicative enterprises, as defined by the BCS Regional Contribution Continuum (RCC).

This safeguard prevents mission drift into low growth, extractive or low-wage service ventures, which do not advance long-term prosperity in the region. In

this way, the Director functions not only as a manager, but also as a strategic gatekeeper aligning Old Heat's activity mix with its purpose of catalyzing high-wage, innovation-driven growth.

PUBLIC ENGAGEMENT

The Kittitas County government, under the direction of the Board of Commissioners, will provide strategic engagement and support for alignment with the community's current and future needs, ensuring that Old Heat's deployment reflects countywide priorities for economic diversification and high-wage job creation. Commissioners will collaborate with CWU and other stakeholders to shape strategic direction and inform priority-setting, particularly as Old Heat expands its role as a regional commercialization hub.

The Kittitas County Conference of Governments has taken a substantial leading role in the region's economic development. Along with the KCCOG, the Kittitas County Department of Public Works (Bowers Field managing entity), the Kittitas County Chamber of Commerce, and private industry partners, will serve as advisors and collaborators. Their engagement will help align Old Heat's activities with the needs of regional businesses, supply chains, and community partners, reinforcing its role as a multi-sector innovation platform.

CAPACITY TO IMPLEMENT

The combined capacity of CWU's BCS Director, Kittitas County and regional partners provide a robust structure for implementation. CWU contributes institutional infrastructure, faculty and student engagement, applied research, and workforce development capabilities. The County provides legitimacy, public accountability, and access to regional planning frameworks. The Chamber of Commerce and private partners bring essential connections to local and state business networks, ensuring that Old Heat maintains market relevance and long-term sustainability.

Together, this structure balances operational execution with public accountability and private-sector engagement. It positions Old Heat not simply as a facility, but as a coordinated regional enterprise capable of delivering on its marketing strategy and sustaining its role as a catalyst for economic development.

SECTION E

The site's appropriateness by addressing, at minimum, appropriate zoning, affect to the state or local transportation system, environmental restrictions, cultural artifact investigation, and the site's overall adequacy to support the anticipated development upon project completion.

The Old Heat Building presents a potential opportunity for this proposed project. This historic 18,000 sq. ft. brick facility, distinguished by its iconic smokestack visible across the downtown area, sits on a substantial three-acre parcel at 509 E 7th Ave. Its Public Reserve (P-R) zoning is a significant asset. According to the Ellensburg City Code Chapter 15.300.070¹ "the P-R zone is a special use classification established to provide existing and future areas where public uses, such as, but not limited to, governmental, educational, recreational, cultural, and other public uses operated by a public entity may be allowed to develop. It is anticipated that the uses allowed may be unique and may involve a combination of uses not permitted outright in any other zoning districts." This zoning allows for combinations of uses not otherwise allowed in the city of Ellensburg, making a community building an encouraged and ideal fit for the site.

A key advantage is the property's strategic location at the edge of the CWU campus. CWU has expressed strong interest in collaborating with Kittitas County and the City of Ellensburg to foster deeper connections with the community, and the adaptive reuse of the Old Heat Building aligns perfectly with this goal. This underscores the collaborative spirit and investment already being directed towards the building, potentially opening doors for integrated or complementary community functions within the broader modernization project.

From a practical standpoint, the property benefits from excellent pedestrian access due to its downtown location and surrounding sidewalks. It is also conveniently located within two blocks of multiple transit stops, enhancing accessibility for a wide range of community members. The ample lawn space surrounding the building offers significant potential for outdoor events and public gatherings. While parking is currently limited, the generous parcel size



Image Credit: CWU Website

allows for substantial expansion of parking areas as part of a comprehensive redevelopment plan.

The building's existing size is a considerable advantage, offering greater possibilities for larger capacities rather than starting new construction from scratch and potentially reducing overall project timelines and certain development costs. However, investors should be aware that, as a historic structure, renovations will likely require review and approval from the Ellensburg Landmarks & Design Commission to ensure compliance with preservation guidelines. This process, while adding a layer of complexity, also protects the building's historical integrity, which can be a strong marketing point for community buy-in and grant opportunities.

In conclusion, the Old Heat Building offers an unparalleled opportunity for investors seeking to develop a community hub in Ellensburg. Its favorable zoning, strategic location between the CWU campus and the City of Ellensburg, excellent accessibility, and inherent historical character present a compelling foundation for a successful project. While renovation and parking expansion will require careful planning and investment, the potential for a community asset, supported by existing inter-agency collaboration, makes this property exceptionally attractive.

SECTION F

A LOCATION ANALYSIS OF OTHER ADEQUATELY SERVED VACANT INDUSTRIAL LAND.

420 North Pearl Street in Ellensburg, WA

This site appears to be a promising candidate for a commercialization center in collaboration with public entities, Central Washington University (CWU), and private sector businesses. Here's an assessment of the key factors:

The property is situated within the Central Commercial (CC) zoning district, as indicated by the City of Ellensburg's zoning map. This zoning classification permits a variety of commercial uses including retail, office spaces, and mixed-use developments, making it conducive to a commercialization center. However, specific uses may require adherence to design standards or obtaining conditional use permits.

420 North Pearl Street is located approximately 0.3 miles north of CWU's main campus, translating to a 5–10-minute walk. This proximity facilitates convenient collaboration with university departments, faculty, and students, aligning well with the objectives of a commercialization center.

The property is a historic building, originally the National Bank of Ellensburg, designed by Carl Gould and restored by Mollie Edson. As such, any renovations or developments may be subject to review by the city's Landmarks & Design Commission to ensure preservation of historical integrity.

Regarding environmental regulations, the City of Ellensburg adheres to the State Environmental Policy Act (SEPA), which mandates environmental reviews for certain projects. Depending on the scope of the proposed commercialization center, a SEPA review may be necessary to assess potential environmental impacts.

Exhibit 4: North Pearl Street

No specific cultural artifact investigations have been noted for this site. However, given its historical status, any significant ground disturbances or structural changes might require archaeological assessments to ensure compliance with preservation standards.

Located in downtown Ellensburg, the site benefits from existing infrastructure designed to accommodate commercial activities. The city's Comprehensive Plan includes transportation improvements aimed at enhancing pedestrian and vehicular access in the downtown area. Given the property's central location and existing infrastructure, the development of a commercialization center is unlikely to impose significant negative impacts on state or local transportation systems.

Considering its favorable zoning, strategic proximity to CWU, and existing infrastructure, 420 North Pearl Street appears to be a suitable location for establishing a commercialization center. Nonetheless, due to its historical designation, it is advisable to engage with the City of Ellensburg's Planning Division and Landmarks & Design Commission early in the planning process to navigate any preservation requirements and ensure compliance with local regulations.²



1200 S Canyon Road in Ellensburg, WA

\$2,300,000

This property is situated on 1.46 acres within the city's Commercial Highway zoning district and features a substantial 14,000 square foot building with ample paved parking. Its strategic location directly on Canyon Road, Ellensburg's primary retail corridor, places it between established automotive businesses, Les Schwab and Windy Chevrolet, and offers direct street frontage on both Canyon Road and Ruby Street. The property is relatively accessible, with a sidewalk providing pedestrian access and proximity of approximately 0.2 miles to the nearest bus stop and 0.3 miles to Central Washington University. Environmental assessments have indicated no identified issues with the property.

However, despite these attributes, the suitability of this location for the proposed community building is subject to considerable disadvantages. The property's immediate adjacency to one of Ellensburg's highest traffic volume thoroughfares, most especially being located a half mile away from the western Interstate-90 interchange, and its position within a predominantly transient commercial zone could significantly detract from the desired quiet atmosphere.

The adjacent property uses, specifically a vehicle dealership and auto repair shop, are fundamentally incompatible with fostering increased pedestrian traffic and creating a welcoming, neighborhood-oriented environment. While the existing structure offers substantial square footage, its prior use as a dealership overflow and general retail space may necessitate extensive and costly retrofitting to meet the diverse functional requirements and accessibility standards of a modern community facility.³



Exhibit 5: Canyon Rd



Image Credit: Loopnet

8270 Tjossem Road in Ellensburg, WA

\$3,000,000

Spanning 12.42 acres and zoned Commercial Agriculture within Kittitas County, this property currently features five industrial buildings totaling approximately 127,200 square feet. These structures include current uses such as distribution, heavy processing, workshop, and storage facilities, along with 1,200 square feet of office space. The site benefits from its strategic location directly off Exit 115 on I-90, boasting heavy power and gas onsite, reinforced concrete slabs, a truck dock, security system, an income-generating truck scale, a high-volume well, and fiber internet access. Notably, no environmental issues have been identified.

While the existing infrastructure and large acreage present potential advantages, such as offering significant space for reconfiguration and outdoor amenities, the property's Commercial Agriculture zoning poses a significant hurdle. This zoning aims to preserve farmland and agricultural operations, and while some "cultural and educational facilities" might be conditionally permitted, a large-scale community building generating substantial public traffic would not align with the zone's primary intent, likely facing considerable regulatory challenges. The rural setting, approximately 4.5 miles from Central Washington University and well outside Ellensburg city limits, creates further drawbacks. The absence of sidewalks and nearby bus stops limits accessibility for those without personal vehicles, excluding segments of the community.

Introducing consistent, high-volume traffic onto these rural agricultural roads is also problematic; these roads are not designed for such intensity, leading to potential congestion, safety concerns, and disruption to adjacent farming and industrial operations. Furthermore, being situated amidst active farms and industrial facilities could lead to conflicts regarding noise, dust, odors, and safety for community members. Ultimately, despite its size and existing structures, this property's zoning conflicts, and rural complications make it an unsuitable choice for the project.⁴



Exhibit 6: Tjossem Road



Image Credit: Loopnet

1304 W University Way in Ellensburg, WA

\$3,350,000

This property, currently operating as Rodeo City Self Storage, sits directly within Ellensburg city limits and is zoned Commercial Highway with no reported environmental issues. Built in 2004, the existing facility features 18,058 square feet of self-storage units. This 1.24-acre parcel boasts direct access into the city via University Way, a primary road leading to Central Washington University, about 1.5 miles away.

Pedestrian access is also an asset, with the nearest bus stop less than 0.2 miles from the property. While the location offers high visibility and proximity to nearby residential areas and CWU, converting it into a community building would present significant challenges that likely outweigh any benefits. As a highly operational and profitable self-storage facility, this property would require complete and costly demolition and redevelopment. The specialized infrastructure of a storage facility would not be compatible with the spatial and functional needs of a public community center, demanding substantial investment in renovation or new construction.

Furthermore, a critical limitation for any public facility is the severe lack of adequate on-site parking. The 1.24-acre lot is mostly developed with storage units and drive aisles, making it insufficient to handle the parking demands of a community building, which would naturally attract considerable vehicle traffic.

The elongated, rectangular shape of the parcel also restricts flexible architectural design, potentially compromising the optimal layout and functionality needed for a multi-purpose community space. Given these substantial hurdles, this property would not be a suitable fit for the proposed community building project.⁵



Exhibit 7: University Way



Image Credit: Loopnet

309 N Pearl Street in Ellensburg, WA

\$935,000

The “Boss Bakery” building within Ellensburg’s Historic District in Central Commercial (CC) city zoning presents a potential opportunity for the project. Constructed in 1889, this two-story, 6,079 square foot property is a significant part of Ellensburg’s original downtown fabric. Its prime location offers excellent walkability, situated approximately 0.3 miles from Central Washington University and less than 0.2 miles from the nearest public transit stop, enhancing its accessibility. Furthermore, environmental assessments have reported no significant issues.

However, a comprehensive evaluation reveals substantial challenges that diminish its feasibility as a community building. Given its designation within a historic district, any renovations or alterations, particularly to the exterior, would be subject to rigorous review and approval by the Ellensburg Landmarks and Design Commission. This often necessitates the preservation of original elements, which can significantly increase renovation costs and extend project timelines compared to non-historic properties.

The building’s second floor currently comprises four residential loft-style apartments, requiring complete redevelopment to align with community building objectives. This conversion would not only involve extensive interior demolition and reconstruction but also potentially displace existing tenants, including Mariposa Health and Wellness, a local business occupying the first floor, which could lead to public relations and logistical complications. Moreover, the building’s fixed footprint on a 0.08-acre lot offers no opportunity for expansion, limiting its capacity to host large-scale community events or accommodate diverse programming.

A critical impediment is the severe parking constraint in the immediate vicinity of Pearl Street. Downtown Ellensburg consistently faces parking shortages, and this property offers no dedicated on-site parking or the opportunity to create such an area, a significant drawback for a facility intended to draw community members, especially those traveling by vehicle. The cumulative effect of these drawbacks renders this property a highly unfeasible option for a public community center.⁶



Exhibit 8: Pear St



Exhibit 8: Pear St

32 Thorp Hwy S in Ellensburg, WA
\$7,295,000

This property, currently operating as a well-established KOA campground, presents an initial consideration for a potential community building due to its substantial 15.72-acre expanse. This site is within the Ellensburg Urban Growth area under the General Commercial County zone and contains a diverse array of existing facilities, including four deluxe cabins, a furnished apartment, and a single-wide mobile home.

Additionally, the significant open space could theoretically accommodate outdoor community events. The property's proximity to the I-90 western exit could also be perceived as a potential advantage for regional accessibility. However, a comprehensive evaluation reveals significant challenges that render this location less than ideal for a public community center. Accessibility for the public is a primary concern, as the nearest public transit stop is approximately 0.5 miles northeast at Love's Travel Stop, a gas station.

Reaching the property from the interstate requires navigating the heavily trafficked roundabout at the I-90 Exit 106 interchange and crossing the consistently busy overpass, with a notable absence of pedestrian infrastructure such as sidewalks in the surrounding area, posing safety and logistical issues for non-vehicular access.

Furthermore, its distance from Central Washington University (approximately 2.5 miles) may limit its direct utility for the student population without improved connectivity. More critically, the property is subject to considerable environmental and zoning restrictions. A significant portion of the site lies within the Yakima River floodway, an area where new construction is generally prohibited.

The entire property is designated under the "Urban Conservancy" shoreline master plan (SMP). According to Chapter 13 of the Washington State Department of Ecology's SMP handbook, this designation primarily permits uses that "preserve the natural character of the area or promote preservation of open space, flood plain or sensitive lands"⁷

This restrictive zoning significantly curtails the scope and type of development allowable, making it highly challenging to undertake the extensive renovations and changes of use necessary to convert the existing campground facilities into a functional community center. These substantial limitations collectively indicate that this property is largely unsuitable for the proposed community building project.⁸



Exhibit 9: Thorp Hwy



Image Credit: Zillow

1011 E University Way in Ellensburg, WA

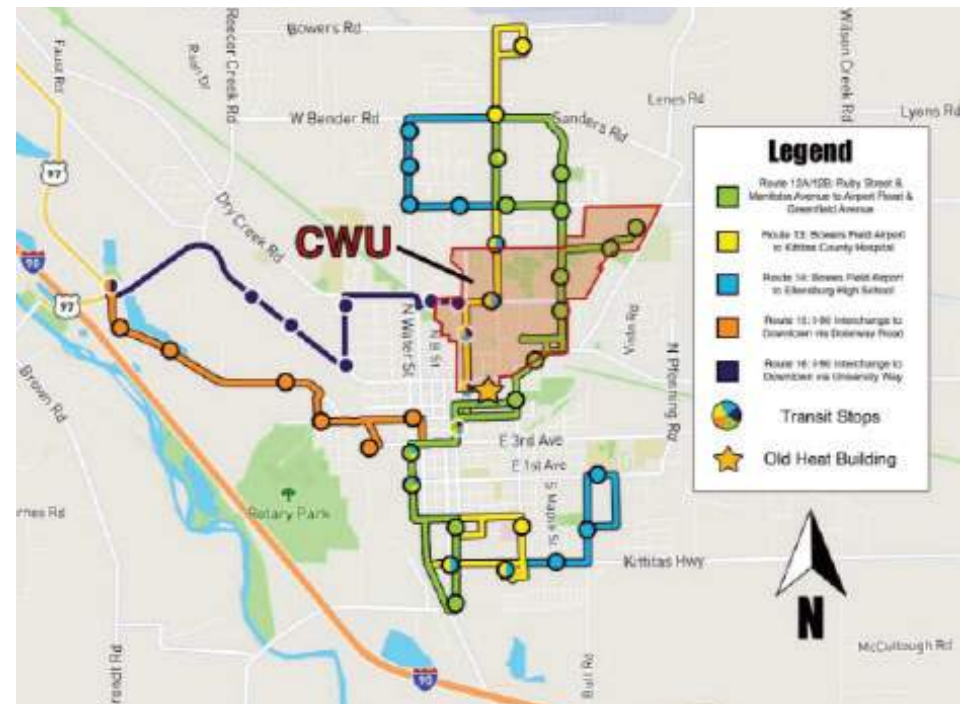
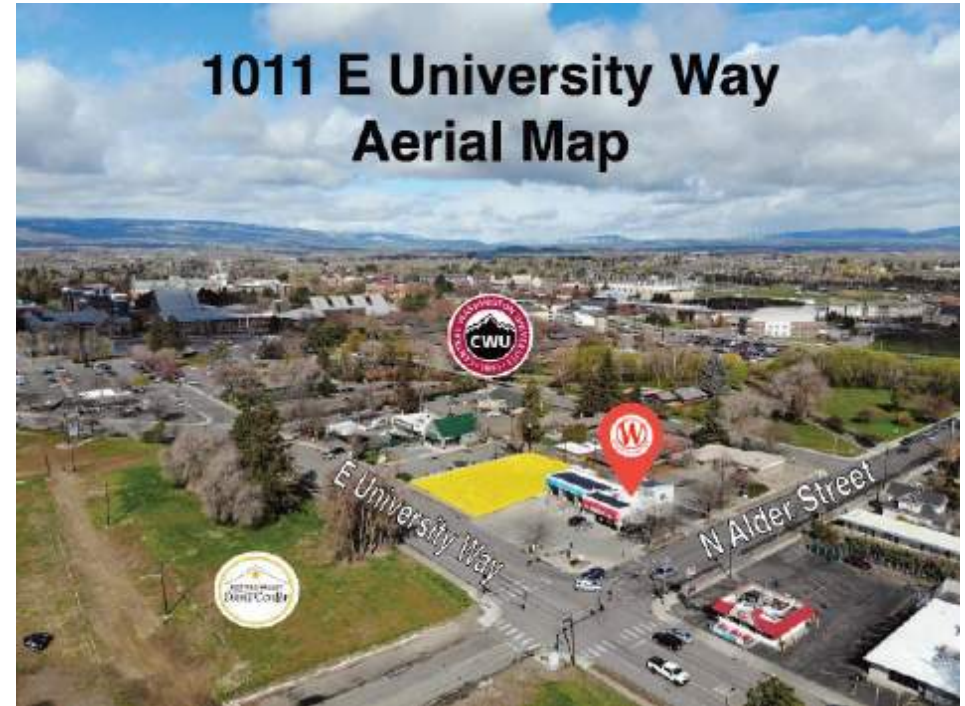
\$599,950

This 0.32-acre lot, zoned Commercial Highway by the city, is situated along University Way, a primary road. It is nestled between Winegar's and Subway and is in close proximity to Central Washington University (CWU). Its adjacency to CWU, with various university facilities accessible within a two-block radius, offers excellent pedestrian access. Furthermore, the property benefits from being within one to four blocks of multiple public transit stops, enhancing its accessibility for a broader population.

There are no reported environmental issues with the property. However, the suitability of this particular property for a large-scale community building is significantly limited by several factors. The diminutive size of the 0.32-acre lot offers virtually no room for expansion beyond the initial footprint, which could severely restrict the scale and scope of community events or facilities that could be accommodated. Additionally, the immediate vicinity lacks adequate parking, posing a significant logistical challenge for events attracting a large number of attendees.

While the property's direct adjacency to the Kittitas County Fairgrounds might suggest a potential for shared parking arrangements with the county, this prospect introduces its own set of complications. Such a partnership would necessitate formal agreements and could lead to substantial congestion during simultaneous events at both the proposed site and the Fairgrounds, particularly during major annual events like the Ellensburg Rodeo.

Ultimately, the constrained land area and inherent parking limitations of this site appear to be fundamentally incompatible with the desired capacity for hosting significant community gatherings, making it a suboptimal choice for a comprehensive community building.⁹



Exhibits 10 & 11: University Way & Transit Route Map

SECTION G

TOTAL FUNDING FOR THE PUBLIC FACILITIES IMPROVEMENTS IS SECURED OR WILL BE SECURED WITHIN A GIVEN TIMEFRAME.

Central Washington University is well positioned to leverage relationships developed over decades to mature the capital stacking plan to renovate Old Heat. CWU Business and Community Services (BCS) is a strategic economic development services provider for the region and state. It is well positioned to lead this effort in close collaboration with local government partners and non-profits. BCS actively develops and maintains relationships with businesses in advanced manufacturing including the aerospace industry. There are investors on the West side who have shown interest in Old Heat. There are medium and large businesses in the Central Washington region that may be interested once plans are more developed. Current discussions with them are focused on capstone projects and pilots. One large manufacturer has been looking for space in Central Washington for years and ended up locating overseas due to lack of opportunities here. They are looking into coming back; Old Heat and Bowers Field might be just the space they are looking for.

Through these efforts a capital stacking plan can be developed to augment the financing of the Old Heat renovation. Sponsorship and naming rights are key components of a capital stacking revenue plan. Relationships with industry and the regional community through CWU can establish prospect pipelines.

The project launches in Q4 2025 with legislative briefings and the formation of an advisory board. During this phase, requests for proposals (RFPs) for both a capital campaign consultant and a grant-writing consultant can be issued if it is determined the work will not be performed by BCS or economic development staffing. This work could take on a hybrid structure utilizing contract work when needed.

From Q4 2025 through Q2 2026, the effort turns to Olympia, where efforts will be made to pursue a state capital-budget earmark during the 2026 legislative session. While this legislative push is underway, the beginning momentum for private fundraising will be started in the capital campaign.

Starting in Q1 2026 and running through Q2 2027, the quiet phase of the capital campaign will secure anchor gifts and naming rights, with a goal of achieving 40 percent of the private fundraising target before the public campaign is launched.

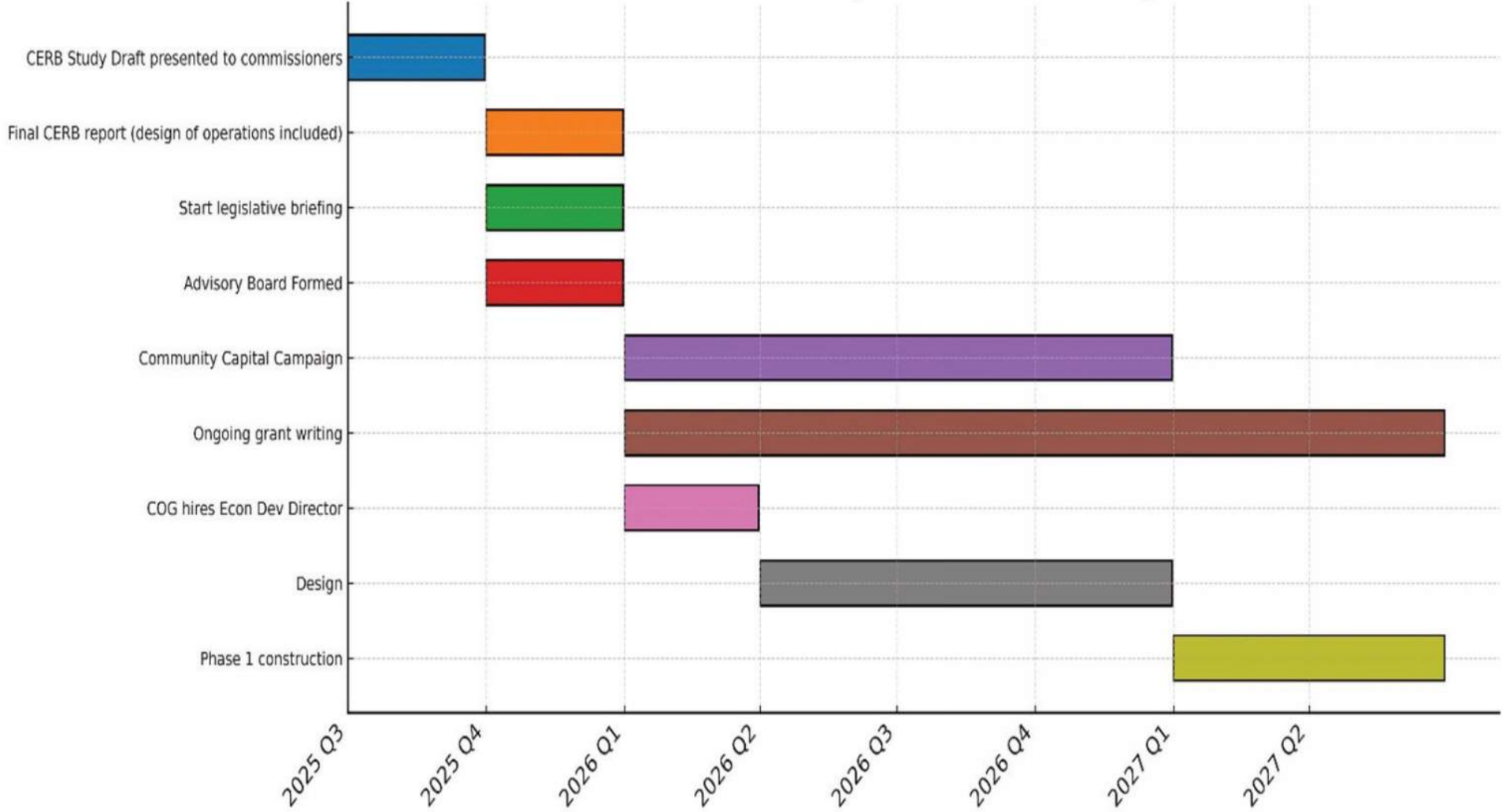
In parallel, a second round of state advocacy will take place in Q3 2026 through Q2 2027, refining the request to complete the state's share of the project funding during the 2027 legislative session. At the same time, a rolling grant calendar begins in Q2 2026 and continues through Q4 2028 with the grant-writing consultant targeting \$6–8 million from federal, state, and private foundation sources.

The funding timeline is sequenced so that state appropriations, corporate and private pledges, and grant awards are secured before the execution of the construction contract, ensuring a fully financed project at notice-to-proceed.

Partners in Old Heat in its founding days will not be just passive support but active investors of their time and resources to bring the project to fruition. Stakeholders see the project as a catalytic investment in the community and are ready to play a role in making it a reality — whether by giving, connecting, or leading. This collective enthusiasm provides a strong foundation for launching the capital campaign and signals a promising path forward.

A proposed timeline for these efforts on next page:

Timeline of Key Action Items (Quarterly)



Exhibits 12: Estimated Project Timeline

SECTION H

HOW THE OLD HEAT PROJECT WILL ASSIST LOCAL ECONOMIC DIVERSIFICATION EFFORTS

The diversification strategy described in this section directly advances Old Heat's four core objectives: creating high-wage employment, commercializing and diffusing technology statewide, reusing state assets efficiently, and modeling a replicable Eastern–Western Washington economic alignment. Each diversification pathway that follows illustrates how these objectives translate into measurable local and statewide economic outcomes.

The Old Heat project is designed to reshape the structural trajectory of the Kittitas County economy. Instead of relying on incremental changes within existing low-wage, low-growth industries, it introduces a catalytic platform that shifts the region toward innovation-intensive, higher-value industries. Its purpose is twofold: to serve as an on-ramp for existing businesses to integrate advanced technologies and become more competitive, and as a launch pad for new enterprises that build directly into state and national industry clusters. In this way, Old Heat strengthens diversification not simply by adding more sectors, but by embedding industries with the highest potential for wage growth, resilience, and long-term economic impact.

CURRENT ECONOMIC STRUCTURE AND RISKS

As of 2023, Kittitas County employed 25,377 individuals across 207 industries. On the surface, the Normalized Shannon-Weaver Index for the county is 0.83, suggesting a relatively even distribution of employment across sectors. However, this masks a deeper structural issue: Kittitas County's employment is evenly distributed across a narrow set of lower-value industries. These include education, public sector employment, hospitality, and retail. These sectors service the local economy but generate little outside revenue, which leaves the region highly vulnerable to labor shifts, automation, and fluctuations in consumer spending.

By contrast, Washington State employed more than 4.8 million people across 492 industries in 2023. Its normalized Shannon-Weaver Index was slightly lower at 0.78, reflecting concentration in high-value industries such as aerospace, software, logistics, and life sciences. These concentrations are features of a high-performing economy, not vulnerabilities, because they are tied to innovation-intensive clusters with spillover effects and global market reach.

The Herfindahl-Hirschman Index (HHI), a commonly used measure of market concentration, underscores this point. The HHI is used to study competition, pricing power, and market efficiency. Kittitas County's HHI is 0.020, significantly higher than the state average of 0.012 — a 67% greater concentration. This strongly suggests that Kittitas County's economy is over-reliant on a few low-wage industries and underexposed to the types of high-value clusters that generate economic resilience.

Kittitas County's 2023 median wage was \$65,208, while Washington State's was \$89,138. The low wages of the primary industries of the county combined with the increasing costs of living make outmigration of highly skilled workers a significant challenge for the communities in the county. Table (1) shows select industries of the county (food manufacturing, brewing, restaurants, arts, entertainment, and recreation), none of which provide salaries that support a median-priced home in the region. This compares to the median wages of the focal industries of the Old Heat project (aerospace, communication technology, agricultural machinery), all of which provide salaries that make median house price purchases within reach of workers in the county.

OLD HEAT AS A DIVERSIFICATION CATALYST

Rather than trying to incrementally improve the economic ecosystem with its limited scope of lower-wage industries that are artificially suppressed by the absence of the high-wage industries prevalent in the larger Washington State region, the Old Heat project creates a structural inflection point. It will diversify the economy by introducing advanced industries into the regional ecosystem, embedding them within CWU-linked infrastructure, and building feedback loops between business, workforce development, and applied research. This diversification occurs through four interconnected mechanisms:

1. New Industry Entry

- Old Heat provides the initial platform for aerospace suppliers, agricultural technology firms, advanced materials companies, and embedded systems developers to establish a foothold in Kittitas County.
- These sectors bring in outside revenue and integrate with supply chains in adjacent metro economies such as King County and Yakima Valley.
- Over time, this entry fosters local cluster formation, allowing smaller firms to grow alongside and service anchor industries.

2. Technology Diffusion into Legacy Sectors

- Through ACTI's proposed training and technology integration programs, Old Heat acts as an on-ramp for existing businesses. This would involve helping local firms adopt AI, robotics, sensing, and blockchain systems.
- This transition upgrades legacy industries into hybrid models (e.g., smart agriculture, digitally integrated tourism), which raises productivity and wages in existing businesses while expanding the industrial diversity of the region by converting "Additive" and "Retentive" enterprises into accelerative base industries, contributing to further growth.

3. Cross-Sector Convergence

- Old Heat deliberately encourages the fusion of industries such as agriculture with smart equipment, aerospace with embedded software, and manufacturing with clean technologies.
- This convergence creates new hybrid industries that are rooted locally but competitive globally, adding depth and variety to the economic base while establishing an intellectual property platform.

4. Institutional Integration

- CWU's applied programs provide a constant stream of talent and research that feeds into Old Heat.
- In return, commercialization and entrepreneurship activities ensure that knowledge and know-how lead to positive "spill-over" of regional capabilities, resulting in the creation of patents, and high-value employment.
- The result is a system where innovation becomes an embedded feature of the economy, not an occasional event.

WORKFORCE DEVELOPMENT AND LIVING-WAGE JOBS

Two critical components of regional diversification involve both the ability to prepare and retain talent. Old Heat aligns with CWU's mission as a steward of place by training students, graduates, and residents for high-skill, high-wage roles.

This includes:

- Entrepreneurship and innovation training through workshops, bootcamps, and credit-bearing courses.
- Internships and applied projects linking CWU students with Old Heat tenants, ensuring local graduates see viable career pathways without leaving the region.
- Upskilling Programs for the existing workforce, focused on digital tools, software, and advanced manufacturing practices.

The deployment of Old Heat towards and within high-value industry activities leads to a multiplier cycle of economic returns where the input needs of the business activity, as well as the engagement by the high-wage employees within the local economic ecosystem leads to further economic impacts in the local system. This increases the purchasing and business activities of the other local businesses to further enrich the local supply chains in a ripple effect that benefits both the local businesses as well as the local government's revenue and ability to fund and improve infrastructure.

Tables 2 and 3 show the estimated impacts of agriculture manufacturing, aerospace manufacturing, using IMPLAN modeling and assuming Old Heat as only a raw space for those industry activities rather than a continual funnel or staging area for advance industry to move into the area.

Industry in Old Heat	Industry \$'s per sq ft Revenue	Old Heat Tenants' Revenue (7000 sq ft)	Impact	Number of Jobs	Avg Wage/yr	Labor Income	Value Added	Output
Ag Mfg	\$1,114	\$7.8M	1 - Direct	11	\$107,633	\$1,158,449	\$1,990,900	\$7,798,000
			2 - Indirect	2.8		\$185,975	\$380,780	\$707,353
			3 - Induced	2.6		\$117,778	\$339,073	\$500,671
			Totals	16		\$1,462,201	\$2,710,753	\$9,006,023

Table 6: Agricultural Industry Analysis

Industry in Old Heat	Industry \$'s per sq ft Revenue	Old Heat Tenants' Revenue (7000 sq ft)	Impact	Number of Jobs	Avg Wage/yr	Labor Income	Value Added	Output
Aerospace Mfg	\$2,428	\$17.0M	1 - Direct	26	\$157,456	\$4,248,173	\$8,839,870	\$16,996,000
			2 - Indirect	1.6		\$111,074	\$250,960	\$517,270
			3 - Induced	8.1		\$369,723	\$1,064,581	\$1,571,654
			Totals	36		\$4,728,970	\$10,155,409	\$19,088,924

Table 7: Aerospace Industry Analysis

Both Tables' Wages Based On 2023 National Wage Rates, Us Bureau Of Labor Statistics

WORKFORCE DEVELOPMENT AND LIVING-WAGE JOBS

By embedding workforce development within its operations, Old Heat ensures that diversification translates into tangible wage gains and career opportunities for residents.

STRENGTHENING LOCAL ASSETS AND REAL ESTATE

Diversification also depends on how new firms interact with the local built environment. Old Heat demonstrates adaptive reuse through its own renovation and becomes a magnet for activity that revitalizes surrounding commercial districts. As businesses transition from the Old Heat facility, they will occupy larger commercial and industrial spaces within Ellensburg and Kittitas County. This leads to repurposing underutilized buildings, such as what is involved with the community's Bowers Field projects and contributing to rising property values and tax revenues. This physical expansion is a critical indicator of diversification, showing that economic growth is spreading beyond a single site and embedding itself across the community.

TOURISM, EVENTS, AND LODGING

Old Heat will generate steady streams of visitors through accelerator cohorts, innovation conferences, and training events. These activities diversify the local economy into higher-value revenue streams that further strengthen tourism and lodging beyond the seasonal cycle. Importantly, they connect Ellensburg to broader regional innovation networks, reinforcing its emerging identity as a hub for the Central Washington region. This generates a lift for the existing but underutilized service sector

(“retentive enterprises”), inducing demand that facilitates higher wage capabilities of local businesses.

WASHINGTON STATE SUPPLY CHAIN INTEGRATION

Old Heat is also designed to position Kittitas County as a connector within Washington’s broader high-value supply chains. The facility creates a link between Yakima County’s agriculture industry, King County’s aerospace sector, and Wenatchee’s emergent clean energy and technology industries. For Yakima County, Old Heat provides a commercialization site for agricultural equipment and smart technology firms that can pilot and scale innovations tested in the area’s farms and processors. For King County’s aerospace sector, Old Heat offers an affordable launch pad for smaller aerospace and precision component suppliers that must remain within proximity of Puget Sound but cannot absorb Seattle’s escalating costs. For Wenatchee, Old Heat functions as a complementary node, supporting applied research ventures and technology firms whose products are an integration of energy, computing, and agricultural markets.

The IMPLAN results demonstrate how these supply chain linkages translate into measurable impact. The projected aerospace and precision component manufacturing activity associated with Old Heat generates some of the highest employment multipliers in the analysis, indicating strong downstream effects across professional, technical, and support services. Similarly, the agricultural technology sector modeled in IMPLAN produces a significant output per worker, showing the potential to raise productivity and wages in one of the region’s historically lower-wage industries. Clean technology and advanced materials exhibit robust indirect and induced impacts, reinforcing Old Heat’s role as a platform for industries with broad spillover effects.

LONG-TERM OUTCOMES

By 2030, the expected impacts of Old Heat’s diversification role include:

- Expanded industry mixes with measurable growth in advanced technology sectors.
- Retention of local graduates and reduction in talent out-migration.
- A more resilient wage base, with an increasing share of jobs above county median income.

- Reduced economic concentration, as shown by shifts in the Shannon-Weaver and HHI indexes toward a more balanced, higher-value distribution.
- Integration into statewide innovation clusters, positioning Ellensburg as a key node in aerospace, ag-tech, and clean-technology supply chains.

Given the urgent needs of the Kittitas County Region to address low wage stagnation, the Old Heat project is strongly focused on ensuring the area has flexibility and resiliency to readily absorb new technology and economic sectors into the local economy’s historic foundational elements. By serving as an on-ramp for legacy firms and a launch pad for new enterprises, Old Heat directly addresses the region’s historic over-reliance on low-wage service industries. Its role as an “accelerator of accelerators” ensures that diversification is deeply embedded in the capabilities of the region, its workforce, and its institutions. The outcome is a more diverse, resilient, and competitive economy that is able to sustain growth, retain talent, and drive innovation for the larger regional and State economies.



Image Credit: CWU Website

SECTION I

INDICATE THE SPECIFIC ISSUES THAT WILL BE ADDRESSED.

Indicate the specific issues that will be addressed.

The issues outlined in this section directly correspond to the four core objectives of the Old Heat project: creating high-wage employment, commercializing and diffusing technology statewide, reusing state assets efficiently, and modeling a replicable Eastern–Western Washington economic alignment. Each challenge identified below represents a barrier these objectives are designed to overcome, and together they define the scope of transformation the project will deliver.

The Old Heat project is designed to address several longstanding and interrelated economic development challenges in Kittitas County and the surrounding region:

1. Lack of High-Wage, Innovation-Driven Employment

Kittitas County’s job base is heavily concentrated in low-wage sectors such as retail, hospitality, and commoditized production. The absence of local firms in advanced manufacturing, technology, or engineering-intensive fields has constrained both wage growth and economic mobility for residents. It has also limited the career scope of local youth wanting to stay in the region in their choices towards a STEM education.

2. Outmigration of Skilled Talent

Due to limited career opportunities in high-skill fields, particularly in STEM and applied technology, the region experiences a regular outflow of college graduates and young professionals. This “brain drain” weakens the long-term development potential of the local economy.

3. Absence of Innovation Infrastructure

The region lacks facilities and institutional mechanisms—such as incubators, accelerators, or technology offices — that connect research, workforce development, and business creation. This disconnect limits the region’s ability to launch and retain innovative firms.

4. Economic Vulnerability Due to Industry Concentration

Kittitas County’s overreliance on a narrow band of industries makes it vulnerable to downturns in agriculture, tourism, or seasonal sectors. The region lacks economic diversity, making it harder to absorb shocks or adapt to technological shifts.

5. Barriers to Technology Adoption by Local Businesses

Small and mid-sized firms in the region often lack awareness, resources, or skilled personnel to adopt advanced technologies like automation, digital platforms, and AI. The proposed ACTI program—if funded—would play a vital role in closing this “technology literacy gap.”

6. Limited Regional Integration to Attract High-Wage Industries

Kittitas County lacks strong ties to nearby Metropolitan Statistical Areas like Seattle and Yakima in high-wage supply chains. The Old Heat project addresses this by creating a platform that connects the region to metro-area supply chains and talent networks. This would make Ellensburg a competitive location for advanced manufacturing, ag-tech, and aerospace-related enterprises looking to reshore operations and to expand outside of their metro centers.

Together, these issues contribute to a pattern of economic underperformance, talent loss, and missed opportunities for long-term growth. The Old Heat project directly addresses these challenges by serving as a catalyst for regional economic development enabling the region to retain its talent, diversify its economy, and build resilience in a rapidly changing economic landscape.

- Workforce Development: Equipping the local labor force with skills and experience for emerging industries.
- Utilization of Commercial Properties: Filling and revitalizing vacant or underutilized commercial real estate through business leasing and property sales.
- Increased Lodging Demand: Attracting visitors via conferences, events, and accelerator programs, thereby boosting hotel occupancy.

- Economic Diversification: Broadening the industry base beyond traditional sectors (e.g. government, agriculture) to include technology, innovation, and knowledge industries.
- Creation of Living-Wage Jobs: Fostering new jobs that pay sustainable, competitive wages.
- Enhanced Tax Revenues: Growing the local tax base (sales, property, lodging taxes) through business and visitor activity.
- Stronger Partnerships & Innovation: Building private-sector partnerships, talent pipelines for students, and increasing research commercialization (patents and licensing).



Image Credit: CWU Website

SECTION J

LIST ONE OR MORE ECONOMIC OUTCOMES THAT YOU EXPECT FROM THE PROPOSED CERB PROJECT.

Old Heat will become a facility on the edge of the CWU campus for business and university to collaborate on technology initiatives. It will have adequate parking, and the building will provide much-needed event and conference space in the city of Ellensburg.

1. Workforce Development

- Entrepreneurship workshops, maker spaces, and certificate programs.
- Paid internships and project-based learning with tenant startups.
- Upskilling courses.

2. Leasing and Sales of Commercial Properties

- Locate the center in a vacant downtown building to anchor revitalization.
- Match graduating startups with larger local spaces.
- Run real-estate open houses.

3. Lodging Demand from Events

- Host annual innovation summits.
- Operate a 10-12 week summer accelerator with hotel/dorm blocks.
- Target 5-10 % rise in lodging tax receipts within five years.

4. Diversification of Local Economy

- Create an aerospace hub in the Central Washington region.
- Focus tracks on aerospace, ag-tech, clean energy, and software.
- Support value-added ventures leveraging regional agriculture.

5. Creation of Living-Wage Jobs

- Prioritize STEM and advanced-manufacturing startups (\$30-\$45/hr).
- Leverage state training grants to raise employee wages.
- Aim for 250 new living-wage jobs within 10 years.

6. Increased Tax Revenue

- Startup sales generate local sales and B&O taxes; occupied properties raise assessments.
- Events boost lodging tax.
- Long-term goal: >\$500,000 additional local taxes annually by year 10.

7. Partnerships, Talent Pipelines & Patents

- Form an Industry Advisory Board for sponsorships & guidance.
- Run an "Innovation Fellows" program linking students to startups.
- Hire a Tech Officer; seed mini-grants for prototypes.

Implemented together, these initiatives position CWU's commercialization center as the engine for diversification, living-wage job creation, real-estate activation, visitor spending, stronger tax revenues, and a robust innovation ecosystem in Ellensburg.

- Number of new patents/startups per year in County
- Industry/Field areas of new patents/startups in the year in County
- Graduate retention and placement in local firms
- Firm survival rate after three years
- Number of firms graduating from Old Heat to Bowers Field
- Participation in Small Business Innovation Research/Small Business Technology Transfer or other federal innovation programs

SECTION K

QUANTIFIABLE MEASURES OF SUCCESS

The Old Heat project will track progress in a staged manner: (1) pre-construction groundwork and ecosystem development (2025–2026), (2) facility launch and initial programming (2027–2028), and (3) full operations and measurable outcomes (2029 and beyond). The following metrics will demonstrate measurable progress each year toward the ultimate outcomes of job creation, technology diffusion, and regional competitiveness.

1. ECOSYSTEM AND PRE-CONSTRUCTION METRICS (2026–2027)

- Workshops and Events: four to six annual workshops led by CWU faculty and partners to prepare regional firms for participation in Old Heat programming.
- Industry Engagement: At least two regional conferences co-hosted with Yakima County agriculture, King County aerospace, or Wenatchee tech sector partners.
- Community Linkages: Two community-facing forums per year introducing Old Heat's role in regional economic development.

2. FACILITY OPERATIONS METRICS (2027–2028)

- Tech Diffusion: ACTI: Launch and implementation of the Advanced Competitive

3. TECHNOLOGY INSTITUTE AND ITS OUTREACH TO LOCAL BUSINESSES.

- Tenant Growth: 30% of space filled by Q4 2027; 60% by end of 2028.
- Conferences and Industry Collaborations: Four industry-led conferences annually in collaboration with CWU initiatives.
- Student Engagement: 25 students per year engaged in internships, applied projects, or workforce bootcamps.

4. FULL OUTCOME METRICS (2029 AND BEYOND)

- Direct, Indirect, and Induced Jobs:
 - By 2029: 100 direct jobs created, with IMPLAN modeling showing an additional 80 indirect and induced jobs.
 - By 2032: 250 direct jobs, generating an estimated 500+ total jobs across the region.
- Wage Effects:
 - Direct jobs averaging 20–25% above county median wage.
 - Indirect and induced jobs supporting service, supplier, and knowledge industries.
- Business Mix:
 - Tenant or externally transitioned firms operating by 2029, at least half in accelerative sectors.
 - 50 regional firms engaged in technology diffusion workshops or technical assistance by 2030.
- Events and Training:
 - Twelve CWU-led workshops or seminars annually.
 - Six industry-sponsored conferences annually.
 - Three community conferences per year.

SECTION L



DATA TO BE COLLECTED

Old Heat will become a facility on the edge of the CWU campus for business and university to collaborate on technology initiatives. It will have adequate parking, and the building will provide much-needed event and conference space in the city of Ellensburg.

To track progress against these measures, Old Heat will collect data in the following categories:

- **Facility Operations Data:** Occupancy rates, number of businesses engaged with technology diffusion, tenant industry classification.
- **Programmatic Data:** Number of CWU-led workshops, industry conferences, and community events.
- **Workforce and Student Engagement Data:** Number of students engaged annually; employment outcomes for student participants.
- **Economic Impact Data:** Direct, indirect, and induced job creation; wage levels compared to county medians; industry sectoral breakdown from IMPLAN.
- **Regional Linkages Data:** Number of cross-regional contracts, partnerships, or supply-chain engagements with Yakima, King County, and Wenatchee clusters.

SECTION M

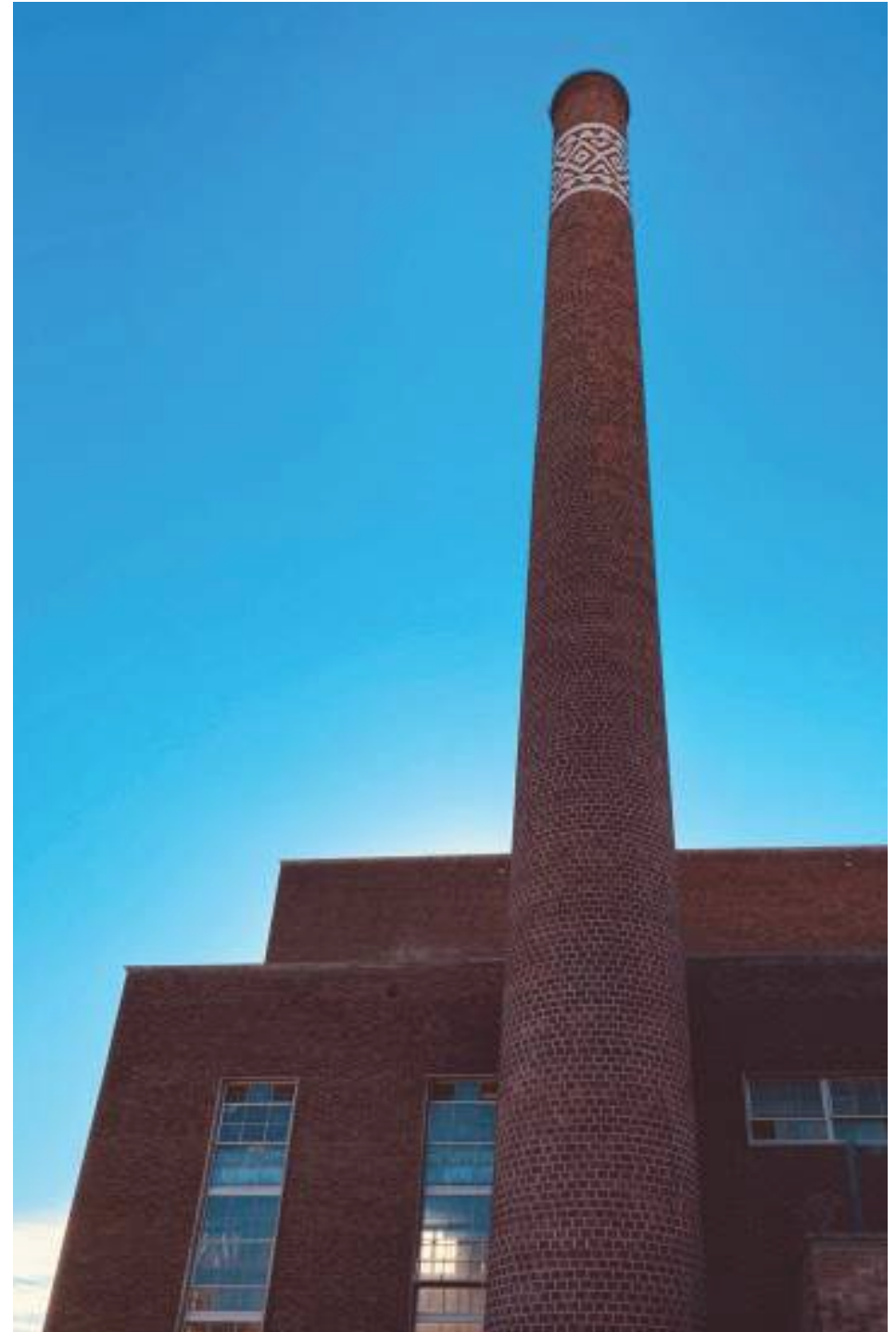
DATA COLLECTION PROCEDURES

TIMING:

- **Annual Collection:** Data on workshops, conferences, student engagement, and tenant occupancy will be collected each program year beginning in 2025.
- **Biannual Updates:** IMPLAN wage and job effect modeling will be updated every two years to track cumulative economic impact.
- **Milestone Reviews:** Pre-construction activities (2025–2026), facility launch (2027–2028), and early operation (2029–2032) will each conclude with milestone reviews.

RESPONSIBILITY:

- **CWU IDEA Central** will collect programmatic data (workshops, conferences, student engagement) and manage reporting.
- **Tenant Businesses** will provide annual reports on employment, wages, and industry activities.
- **IDEA Central** will conduct biannual economic modeling of job creation and wage effects.
- **Community Partners and Industry Collaborators** will provide data on cross-regional contracts and supply-chain linkages.



SECTION N

THE ESTIMATED MEDIAN HOURLY WAGE OF THE JOBS CREATED WHEN DEVELOPMENT OCCURS.

The Old Heat project is intentionally designed to generate high-wage employment aligned with Washington State's advanced industry clusters, rather than reinforcing the county's existing dependence on low-wage service sectors. The targeted sectors include aerospace and precision component manufacturing, agricultural technology, advanced materials, clean technology, and embedded systems industries. Each demonstrates compensation levels well above Kittitas County's current median wage of \$69,928 per year (≈\$33.62/hour).

BENCHMARK COMPARISONS

Using IMPLAN modeling and industry wage data (NAICS 3364 series for aerospace, NAICS 333111 for agricultural machinery, and comparable clean-tech and instrumentation subsectors), the following median annual compensation figures are representative:

- Aerospace product & parts manufacturing (NAICS 3364): ~\$92,000/year (≈\$44.23/hour)
- Agricultural machinery manufacturing (NAICS 333111): ~\$76,000/year (≈\$36.54/hour)
- Advanced materials & clean-tech manufacturing: ~\$80,000–\$85,000/year (≈\$38.46–\$40.87/hour)
- Embedded systems/software for industrial applications: ~\$95,000–\$100,000/year (≈\$45.67–\$48.08/hour)

These estimates reflect direct employment in the sectors Old Heat is designed to host or catalyze. Indirect and induced employment (e.g., professional services, supply chain, and local spending impacts) will average slightly lower but remain significantly above Kittitas County's current wage base. IMPLAN modeling

projects an average compensation premium of 20–25% above the county median wage for the new jobs created by Old Heat.

AGGREGATE MEDIAN WAGE ESTIMATE

Given the mix of targeted industries, the blended median wage of jobs created through Old Heat development is conservatively estimated at \$40–\$45 per hour (\$83,200–\$93,600 annually).

This range accounts for:

- Higher-end wages in aerospace, embedded systems, and advanced R&D.
- Mid-range wages in agricultural technology and clean-tech manufacturing.
- Secondary effects from induced jobs in professional and technical services.

IMPLICATIONS FOR REGIONAL COMPETITIVENESS

This wage level represents a 20–35% premium over Kittitas County's current median hourly wage and positions Old Heat as a structural intervention into the county's wage trajectory. By embedding these industries into the local economy, Old Heat directly addresses the living-wage deficit identified earlier in this report, ensuring that new job creation translates into sustainable household prosperity and a stronger tax base.

SOURCES

SOURCES

REFERENCES AND METHODOLOGY

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- US Census “Profiles” 2023 Yakima County: https://data.census.gov/profile/Yakima_County,_Washington?g=050XX00US53077
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U.S. Bureau of Economic Analysis: Retrieved 7/23/2025:
<https://apps.bea.gov/>

This feasibility study integrates multiple levels of economic analysis to determine the appropriateness of Old Heat as a commercialization hub for Central Washington. The methods below explain how data were gathered, which industries were selected, and how results were calculated for each section of the study.

INTRODUCTION “OLD HEAT COMMERCIALIZATION CENTER”

Industries were grouped using the CWU BCS’s (2025) Regional Contribution Continuum (RCC) framework, which classifies firms as Extractive, Retentive, Additive, or Accelerative depending on their net contribution to long-term regional prosperity. This provided the foundation for identifying structural gaps in Kittitas County’s economy.

Section A: A product market analysis linked to economic development

To assess regional economic position, we compiled and compared data from the

Washington State Employment Security Department (median and hourly wages) and the U.S. Census Bureau’s Local Employment Dynamics program. These data allowed comparison of Kittitas County to Yakima County, King County, and the state overall. The analysis focused on median wage levels, educational attainment, and industry employment structure.

SECTION C: TARGETED INDUSTRIES

Industries were selected based on three criteria:

1. **Wage and Skill Intensity** – industries with compensation significantly above Kittitas County’s median wage;
2. **Alignment with State and National Clusters** – sectors such as aerospace, ag-tech, and advanced materials where Washington already has comparative advantages; and
3. **Compatibility with CWU and Local Capabilities** – fit with university STEM programs, applied research, and nearby supply chain assets.

Industry data were drawn from the U.S. Census Annual Survey of Manufactures and BEA input-output tables. NAICS codes used included 336412 (Aircraft Engine and Engine Parts), 336413 (Other Aircraft Parts and Auxiliary Equipment), and 333111 (Agricultural Machinery). Import penetration ratios and supply chain gaps were identified by comparing U.S. shipment values with import values, highlighting opportunities for reshoring and regional capture.

SECTION H: DIVERSIFICATION AND ECONOMIC IMPACT

Economic concentration and diversification were measured using two standard indexes: the Normalized Shannon–Weaver Index (to capture breadth of industries) and the Herfindahl–Hirschman Index (HHI, to capture employment concentration). County-level employment data were sourced from Washington State ESD and the U.S. Census. To model industry-level economic impacts, IMPLAN input-output modeling software was applied to simulate the direct, indirect, and induced effects of introducing new aerospace and agricultural machinery activities into Kittitas County. This produced estimates of employment multipliers, output per worker, and secondary spending effects.

SECTION N: WAGE ESTIMATION

Wage levels for targeted industries were calculated using a combination of IMPLAN industry tables and Bureau of Labor Statistics Occupational

Employment and Wage Statistics (OEWS). Median annual compensation was converted to hourly wages for comparability. For blended estimates of Old Heat's impact, we weighted sectoral medians (e.g., aerospace, agricultural machinery, advanced materials, embedded systems) to arrive at a conservative aggregate wage band. These figures were compared against Kittitas County's current median to demonstrate the wage premium potential of Old Heat tenants.

Images from CWU Website and Facebook

First 3 Images from Katie Cherrier

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Content from pdf:
OldHeat-Study-1025-RD3

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