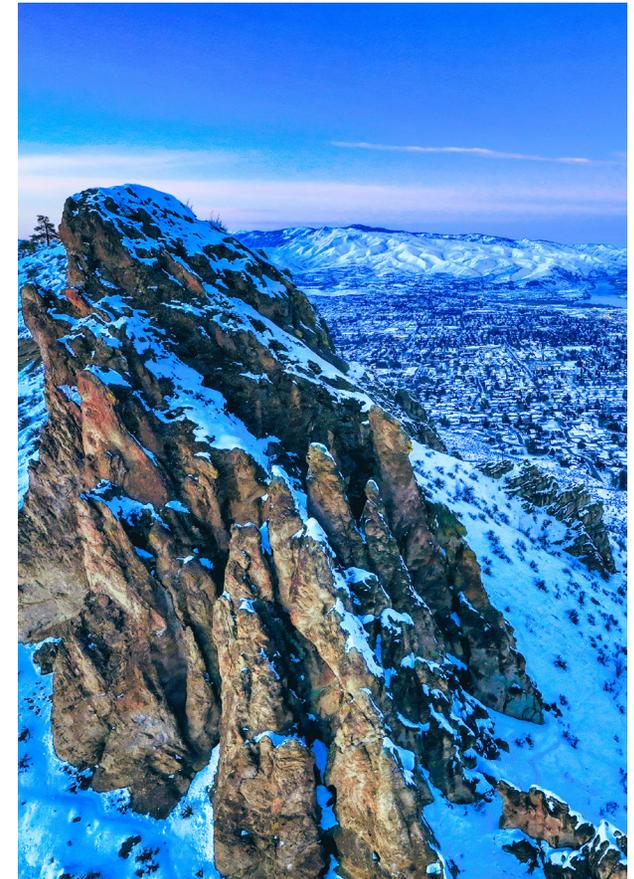


Chelan County **Tourism Impact Assessment**

February 2026



Executive Summary

Chelan County's public lands, natural beauty, four distinct seasons, and numerous tourism assets draw visitors year-round. With a residential population of approximately 80,000, **the county drew nearly 2.6 million overnight visitors from the nearby region, surrounding states and across the world in 2024.** From 2019 – 2024, annual visitorship grew 6% throughout the county. Each of the studied cities, including Chelan, Leavenworth, Wenatchee, Cashmere, and Manson, saw consistent summer visitors peaks and only some of these cities saw winter visitor peaks. Most visitors come from within Washington State.

Given this influx of people and their desire to experience everything Chelan County has to offer, it's clear that the tourism industry has significant impacts on Chelan County.

This study provides a comprehensive and objective review of both the positive and negative impacts of tourism in Chelan County, including consideration of economic, fiscal, sociocultural, environmental, and community impacts. It outlines several recommendations that the county should consider to capitalize on the positive and minimize the negative aspects of tourism.

* Recommendations with an asterisk may benefit from state policy changes or resources. These could be the focus of county legislative advocacy efforts.

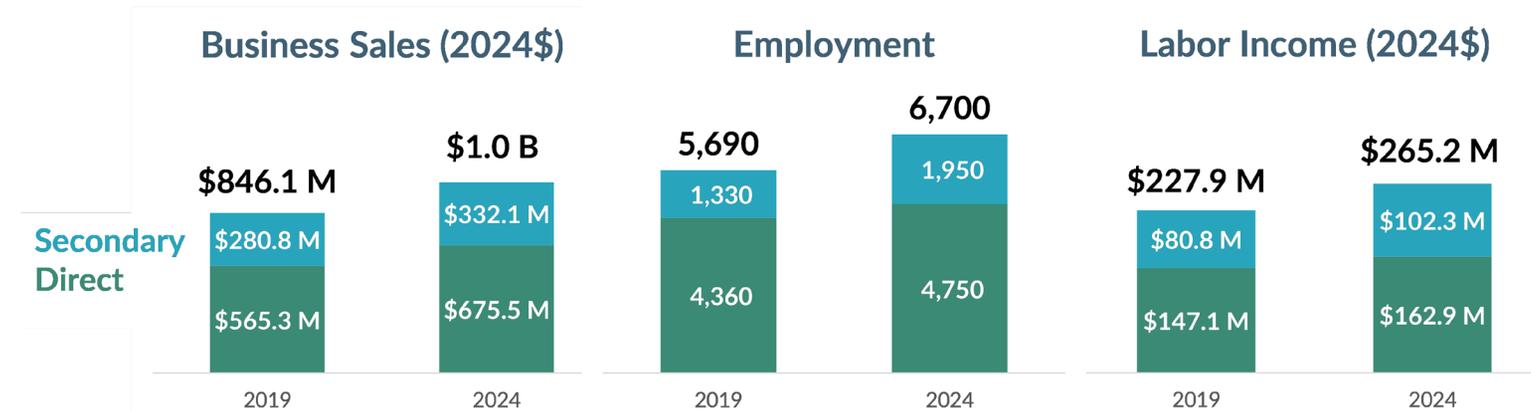


Economic Impacts: Tourism and Business Activity



Tourism is a vital economic engine for Chelan County, contributing significantly to business revenue, job creation, and the overall quality of life for residents. **In 2024, visitors spent an average of \$1.85 million per day, totaling \$675.5 million for the year.** The scale of this financial influx is best understood by considering its absence: without the contributions of visitors, maintaining the current local economic base would require every household in the county to spend an additional \$22,000 annually at local establishments. This is particularly evident in the food and beverage sector, which would lose approximately 40% of its taxable retail sales base without tourism, likely leading to widespread business closures and a diminished quality of life for permanent residents who rely on these amenities.

Chelan County Total Economic Impact, in 2024 Dollars



Source: Visit WA, 2019-2024; Tourism Economics, 2019-2024; BERK, 2025

The total economic footprint of tourism extends far beyond initial visitor transactions through a powerful multiplier effect. **For every \$100 spent directly by a tourist, an additional \$48 in local economic activity is generated as these funds ripple through the community.** This secondary impact occurs as tourism businesses purchase supplies from local vendors and as employees spend their wages at local grocery stores and service providers. Consequently, the total business sales supported by tourism topped \$1 billion in 2024, a 19% increase in inflation-adjusted terms since 2019.

Employment remains one of the most significant metrics of this impact, with tourism supporting a total of 6,700 jobs across the county in 2024 - roughly 11% of the total regional workforce. While direct tourism activity sustains 4,750 positions, the indirect and induced effects of that spending support an additional 1,950 jobs. However, the economic benefits are not distributed evenly across the county; while Wenatchee maintains a diverse economy where tourism accounts for only 5% of employment, the city of Leavenworth is profoundly dependent, with 65% of its workforce supported by the visitor industry.

Despite the clear financial gains, Chelan County faces systemic challenges inherent to a tourism-dependent economy. The industry provides \$162.9 million in direct labor income, yet average tourism wages remain among the lowest in the county at approximately \$34,000. This creates a stark disconnect between local earnings and the rising cost of living, particularly regarding housing affordability. Furthermore, the seasonal nature of the industry leads to “peak” periods that can cause community friction, as business owners rely on these high-revenue windows for survival while residents navigate the resulting congestion and increased cost for basic services.

Ultimately, while tourism is an important driver of the Chelan County economy, it requires care to balance economic prosperity with long-term community sustainability.

Recommendations

- **Consider strategies for diversifying the economy** at a countywide and community-specific levels to reduce structural dependence on hospitality.*
- **Build regional workforce training capacity to help tourism employees build skills that allow them to advance or transition** to other professional positions.*
- **Continue to implement strategies for smoothing tourism peaks to support more year-round activity** (e.g., differential pricing and visitor marketing).
- **Study similarly sized cities who successfully accommodate high volumes of visitors in an urban environment,** focusing on traffic management, waste control, and utilities.

Fiscal Impacts: Public Infrastructure and Services



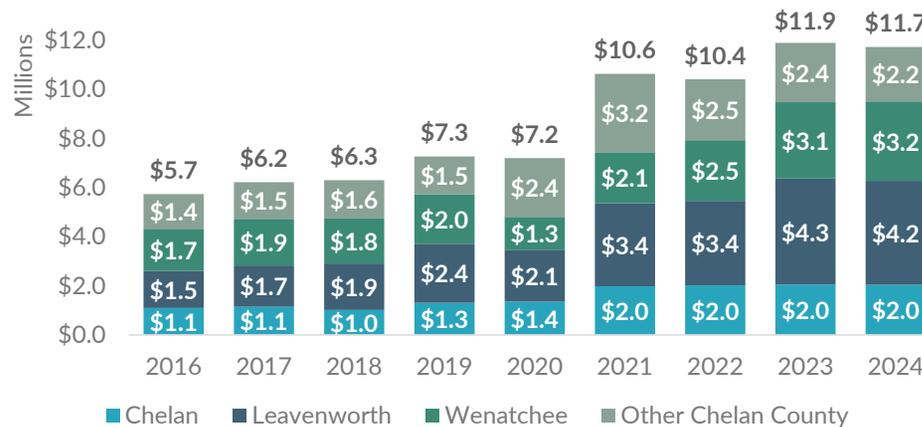
The tourism industry in Chelan County is a major fiscal engine, generating significant tax revenues essential for funding public services and infrastructure. In 2024, tourism activity generated \$71 million in combined state and local taxes. Of this roughly \$27.5 million (~39%) were in local sales tax, lodging tax, and tourism promotion area charges. This revenue provides a massive subsidy to local residents; if tourism-generated taxes were lost, every household in the county would face a \$2,300 annual tax increase to maintain current service levels.

While tourism provides substantial revenue to Chelan County communities, it also generates public sector costs. This includes wear and tear on infrastructure and additional demand for services, such as public utilities; vehicular traffic, parking, and road maintenance; public safety and emergency services; and environmental and park management costs.

Some tourism-related or tourism-funded spending by local municipalities support community-serving investments and amenities. While difficult to quantify, staff at a city-level identified that visitor spending funds infrastructure benefiting residents as well as out-of-area visitors.

Despite these benefits, the community perceives a significant investment imbalance: residents assert that tourism revenues fund visitor-centric amenities rather than essential local needs, voicing a desire to shift investment toward community-serving amenities such as community centers, libraries, and childcare centers.

Lodging Tax and Tourist Promotion Area Revenue by Community



Source: Washington State Department of Revenue, 2016-2024; BERK, 2025

Recommendations

- Continue to invest in amenities that benefit residents as well as tourists.
- Clearly communicate to the public how visitor tax dollars are invested in local services and infrastructure (e.g., highlighting community projects and transparent dispersion of tourism revenues).
- Implement cost-recovery strategies, particularly for costs that are isolated to the tourism economy (e.g., a boat rental fee to help cover water rescue costs).

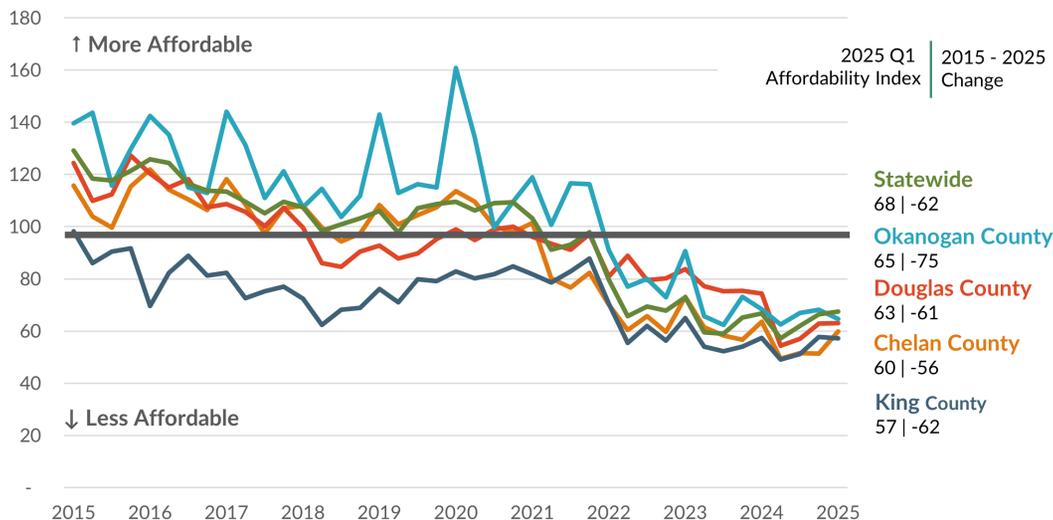
Housing Impacts



Increasing housing costs and displacement of long-term residents is a top concern of community members and is often discussed as a negative impact of tourism. **Housing prices have increased significantly across the state, creating housing affordability challenges in many communities regardless of the presence of tourism.** Since 2015, housing costs have increased in Chelan County, but at rates lower than the statewide average. There is high demand for housing in Chelan County from both long-term residents, population growth, and second homeowners, with the percentage of housing units used as second homes remaining unchanged since 2015. Research on the impact of short-term rentals on housing costs has found positive, but small, impacts.

Chelan County has significant housing affordability challenges; however, the affordability challenge is not significantly driven by tourism. The chart below compares housing affordability in Chelan County to neighboring counties and statewide. Since 2021, there has been a general downward trend in housing affordability for median-income households. By 2025, Chelan County median-income households only had 60% of the income necessary to afford a median-price house. The same pattern is observed in neighboring counties and statewide.

Housing Affordability Index for a Median Buyer



Source: Washington Center for Real Estate Research, 2025; BERK, 2025

Recommendations

- **Support the development of housing for long-term renters, specifically apartment housing.***
- **Allow short-term rentals in places unlikely to support long-term rentals.** Areas with unique amenities and low rates of owner-occupancy are not likely to serve the housing needs of residents.
- **Align county and city regulations to encourage more housing development within cities and reduce housing development pressure in unincorporated Chelan County.**

Natural Environment Impacts



Eighty-five percent of Chelan County is comprised of public lands, including federal, state, and local properties.

While humans can be a part of nature and can act as responsible stewards of natural resources, a human presence tends to cause negative impacts on the natural environment. Overuse of natural resources is causing environmental degradation in Chelan County. These impacts are exacerbated by geographic and temporal trends drawing many people to few destinations such as the Enchantments and Icicle Creek, Lake Chelan, and the Wenatchee River and foothills.



Protecting Chelan County's natural resources requires complex solutions because of social media exacerbating high volume visitation of few areas, multiple jurisdictions managing the same areas, and relatively few points of access to the county's public lands.



Source: king5.com, wenatcheeworld.com

Recommendations

- Increase monitoring of ongoing and estimated future countywide impacts of human use on natural resources.
- Manage natural resources to a sustainable level of use through encouraging more disperse geographic use to reduce visitation at high-impact locations.*
- Continue investment in additional staffing and infrastructure, including trailheads, sanitation facilities, and parking capacity.*
- Educate visitors and facilitate responsible access.
- Evaluate new funding options.*

Community and Cultural Impacts



Tourism shapes the daily lives of Chelan County residents through impacts on community livability, culture and identity, and everyday interactions between visitors and locals.

Many of the attributes that draw tourists to Chelan County also enhance livability for residents, including access to the outdoors, vibrant small towns, and a wide range of cultural amenities and events. Yet, many residents also report that these same places feel inaccessible during peak seasons. Daily livability during peak season is affected by traffic congestion, crowds in grocery stores and essential services, and a shortage of parking.

Historically, Chelan County's culture and community identity has been shaped by its rural and agricultural roots. As the county evolves and grows, there is community concern about the loss of this identity and social cohesion.

Interactions between visitors and locals can broaden the cultural landscape of Chelan County by introducing new perspectives, cultures, and interactions. Residents also describe interactions with tourists as sometimes challenging, recounting loud, rude, or otherwise disruptive behavior.



Recommendations

- Continue to make efforts to smooth visitation patterns, spreading but not diminishing tourist volume over time and place.
- Make targeted investments to mitigate traffic and the impacts of overuse.
- Continue to invest in cultural amenities and events that serve both tourists and community members.
- Support identity-based tourism that reflects the region's character and history.
- Expand tourist education and behavior campaigns to promote responsible tourism.

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Introduction

With a residential population of approximately 80,000, Chelan County drew nearly 2.6 million overnight visitors from the nearby region, surrounding states, and across the world in 2024. The county’s public lands, natural beauty, and four distinct seasons draw visitors year-round. The county’s tourism assets include the Bavarian appeal of Leavenworth; Wenatchee’s centralized location for sports, conferences, and regional shopping; Lake Chelan and its summer-time water recreation; a thriving wine industry; both summer and winter outdoor recreation opportunities; a host of events and festivals throughout the year; and boundless acres of protected forestlands and Wilderness areas.

Given this influx of people and their desire to experience everything Chelan County has to offer, it’s clear that the tourism industry remains a significant portion of the Chelan County economy. But how big is tourism’s impact on Chelan County’s economy and what are the various costs of facilitating such a tourism centric economy?

This study provides a comprehensive and objective review of both the positive and negative impacts of tourism in Chelan County, including consideration of economic, fiscal, sociocultural, environmental, and community impacts. The study helps quantify the economic and fiscal contributions tourism makes while also identifying the economic and fiscal costs associated with tourism, including additional demand for public sector services and additional use of public infrastructure.

The graphic at right illustrates the different tourism impact categories used in this study and the key questions that the study aimed to answer.



Study Process

The study was sponsored by Chelan County, with funding from the County's lodging tax. BERK Consulting (BERK) was engaged and asked to conduct an objective third party analysis of tourism in Chelan County. The primary goal of this effort was to provide information about the complex impacts of tourism, whether they are positive, negative, or dependent upon one's point of view. Secondly, the study team was asked to identify recommendations for how the benefits of tourism might be enhanced and how negative impacts might be mitigated. This analysis is intentionally not designed as a tourism promotion strategy, and it does not provide recommendations for how to grow Chelan County's tourism industry.

The Chelan County Tourism Impact Study began in November 2024 and consisted of engagement activities, data gathering, and analysis of qualitative and quantitative sources by the consultant team. A Steering Committee met six times during the project and was also actively involved in collecting data and encouraging participation in engagement activities.

Data Gathering and Analysis Methods

BERK used a variety of methods to identify and describe various dimensions of impact.

Research and Analysis

The BERK team leveraged prior local and national studies, publicly available data sets, and geospatial data from Datafy. State-commissioned reports from Tourism Economics were particularly useful in establishing a baseline for economic and fiscal impact analysis. Much of this data is available only at the city level, limiting analysis to Chelan County's larger communities. Data sources for exhibits and analysis are cited throughout the remainder of this report.

Visitor Definitions and Data Sources – Important!

Due to the open-access nature of most Chelan County attractions, absolute visitor headcounts are unavailable. All visitation data are modeled estimates based on available secondary indicators. We use two primary estimates of *visitors*, summarized below and in the graphic on the following page.

- **Tourism Economics.** State of Washington Tourism contracts with Tourism Economics to provide an annual *Economic Impact of Tourism in Washington State*, including estimates for each county. The annual report includes visitor count estimates based on movement patterns data from Datafy, hotel/overnight room demand, and survey input from international travelers. Tourism Economics estimates are for **individuals who have traveled more than 50 miles to their destination or stayed overnight**. This is a common definition of a tourist, with a focus on out-of-area guests or “heads in beds” in the parlance of lodging tax and tourism strategies. These guests tend to spend more money than regional visitors and day trippers.
- **Placer.ai.** Placer.ai is a data service that focuses on foot traffic using mobile geolocation data. It produces estimates of visitors to a specific location or a defined geographic area, counting the number of people who stay for longer than 10 minutes. We include some analysis of Placer.ai data to describe total visitation, as

visitors from within Chelan County or nearby Douglas County contribute to local spending and demand for services.

We use the graphic icons from Exhibit 1 to clearly identify which data source – and therefore which definition of visitor – we are describing.

Exhibit 1. Sources for Visitor Estimates

Author	Who is Included		Data Sources	Examples
Tourism Economics	<ul style="list-style-type: none"> Traveled more than 50 miles to their destination <p>or</p> <ul style="list-style-type: none"> Stayed overnight. 		<ul style="list-style-type: none"> Longwoods International Survey data. Datafy mobile device geolocation data. Hotel/room demand. 	<ul style="list-style-type: none"> Includes overnight visitors from Seattle. Includes a Douglas County resident shopping in Wenatchee if coming from more than 50 miles away.
Placer.ai	<ul style="list-style-type: none"> Visited a specific area for at least 10 minutes. Everyone, including residents. 		<ul style="list-style-type: none"> Location data from a network of mobile apps. Demographic data from the American Community Survey. 	<ul style="list-style-type: none"> Leavenworth residents in Leavenworth. Wenatchee residents visiting Chelan. A Douglas County resident shopping in Wenatchee.

Engagement

Significant effort was devoted to hearing from Chelan County residents and business owners, including those who work in the tourism industry and those who do not. This input was shared via a Steering Committee, stakeholder meetings, interviews, and a survey of Chelan County residents and business owners. Each of these are described briefly here.

Project Steering Committee

The individuals listed at right met six times between November 2024 and December 2025 to guide and support BERK's work. Committee members identified local resources and provided feedback on draft work products shared by the BERK team. Committee members did not dictate BERK's findings or the presentation of the work.

Stakeholder Meetings

BERK conducted meetings with representatives of the tourism industry and community organizations in Chelan, Leavenworth, and Wenatchee.

- City of Chelan (in-person, June 4, 2025)
- Leavenworth (in-person, June 2, 2025)
- Wenatchee (virtual June 30, 2025)

These meetings were used to share information about the study and solicit open-ended feedback about the impact of tourism in each dimension of the study framework. Participants are listed in [Appendix A](#).

Interviews

BERK conducted phone or online interviews with the 26 individuals listed in [Appendix A](#).

Tourism Survey

A community survey was conducted to gather feedback from Chelan County residents and business owners about their experiences with tourism. The survey was open from July 5, 2025 through August 18, 2025 and gathered 760 responses.

Relevant results from the survey are presented in the main body of the report. [Appendix D](#) provides a full summary of input received.

Project Steering Committee

- Jerri Barkley, Executive Director, Visit Chelan County
- Taylor Boyd, Co-Owner, Bavarian Lodge
- Eric Campbell, Vice President of Operations, Campbell's Resort
- Ron Cridlebaugh, Economic Services Director, Chelan County
- Carl Florea, Mayor, City of Leavenworth
- Steve Maher, Coordinator, Our Valley Our Future
- Erin McCardle, Mayor, City of Chelan
- Paula Mikkelsen, Economic Services staff, Chelan County
- Ashley Sinner, Destination Management and Marketing Organization Director, Wenatchee Valley Chamber of Commerce

Report Organization

The remainder of this report is organized into three primary sections. In addition to these sections, there are several appendices that provide supplemental information and greater detail into findings and recommendations outlined in the three primary sections.

- **Chelan County Tourism Context.** A brief historical overview of tourism in Chelan County, a summary of current tourism attractions, a detailed description of visitation patterns and volumes, and a summary of underlying population growth in Chelan County.
- **The Impacts of Tourism in Chelan County.** Our core analysis of the effects that tourism has on Chelan County, both positive and negative.
- **Conclusions and Summary of Recommendations.** A synthesis of key findings and recommendations identified in the preceding section.



Appendices

- **Appendix A: Participants in Stakeholder Meetings and Interviews.** List of individual contributors.
- **Appendix B: Tourism Funding.** An overview of lodging tax and tourism promotion area revenue and expenditures.
- **Appendix C: Economic and Fiscal Impact Methodology and Definitions.** Additional detail on our data sources and methods for describing economic and fiscal impacts.
- **Appendix D: Tourism Survey.** An in-depth overview of the 2025 Chelan County Tourism Survey findings.

Chelan County Tourism Context

Historical Overview

Chelan County is defined by its dramatic geography in the heart of Central Washington, bordered by the Columbia River to the east and the rugged Cascade Mountains to the west. This topography creates extreme climatic diversity, stretching from the deep waters of Lake Chelan—the country's third deepest lake at 1,486 feet, whose name is an Interior Salish word for "deep water"—to the slopes of Mission Ridge to the south. The region's original inhabitants were the Interior Salish-speaking tribes, including the Chelan, Entiat, and Wenatchi-P'Squosa, who were skilled stewards of the natural bounty, fishing the rivers and gathering resources in the area long before European contact.

Although fur traders visited in the early nineteenth century, the first white settlers did not arrive until the 1870s, reaching the area via steamboat on the Columbia River or overland by horse and wagon. The region's history was fundamentally altered by the arrival of the railroad in 1892, which dramatically eased the transport of both goods and people, facilitating rapid development.

Chelan County was formally established in March 1899. Settlers quickly recognized the immense agricultural potential afforded by over 300 annual days of sunshine and abundant water from the Columbia River, leading to a population explosion: from just 3,931 residents at its founding, the population more than tripled to 15,104 by 1910 and rose further to 20,906 by 1920.

Early on, towns like Chelan and Wenatchee were sustained by logging, mining, and agriculture (especially fruit, leading Wenatchee to become the "Apple Capital of the World"). Early resorts quickly developed. Campbell's Resort on Lake Chelan, for example, opened its doors in 1901 as Hotel Chelan, establishing a continuous tradition of family resort hospitality. The Field Hotel at Stehekin (the head of the lake) was another popular early resort, demonstrating that even the most remote parts of the lake were tourist destinations accessible by boat.

Construction of the iconic "Welcome to Wenatchee" sign



Source: City of Wenatchee

Water slide - Campbell's Resort



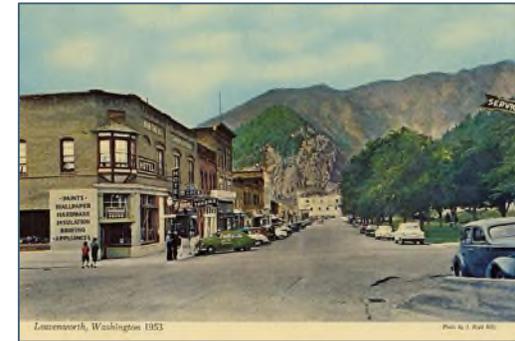
Source: Campbell's Resort

The 1920s and 1930s saw the Chelan County area continue to attract tourists with its beautiful scenery, mild climate, and outdoor recreation. The construction of dams on the Chelan River (particularly the fifth and current dam in 1925-1927 for power generation) raised the lake level by 21 feet. This flooded some historical sites and homesteads and secured access for steamboats, eventually supporting a booming recreational area. In 1943, Lake Chelan State Park was established, ensuring public access to the lakeshore and leading to the development of camping and boating facilities, which quickly attracted more visitors.

When main railroads rerouted out of the Icicle Creek area in mid-century, the people of Leavenworth made the bold choice to become a tourist destination in the 1960s. Through intense financial, physical, and organizational efforts from residents, consultants, and town leaders, Leavenworth became a Bavarian-themed tourist hotspot with the implementation of the LIFE (Leavenworth Improvement for Everyone) program. What used to be a typical logging mountain town became Washington's second most popular destination, especially during the holiday season. Today, more than two million visitors arrive in Leavenworth every year, bringing millions of dollars in economic activity to Chelan County.

In the late 1960s and 70s, key pieces of legislation were passed designating different areas of Chelan County as federally protected. In 1968, North Cascades National Park and Lake Chelan National Recreation Area had their land designations, protecting scenic areas like the Diablo and Ross Lake/Dams and shorelines of the immense Lake Chelan. Various laws passed through 1976 also increased protections for the Enchantments. Designated as the Alpine Lakes Wilderness Area, protected from almost any development, this area brings remote hiking opportunities for sights of turquoise lakes, glaciers, and sharp mountain peaks.

Postcard - Leavenworth Main St - Old



Source: HistoryLink.org

Colchuck Lake, The Enchantments



Source: Wenatchee Outdoors

Tourism in Chelan County Today

Chelan County offers a variety of draws for tourists from all over the world, as well as regional visitors traveling from East Wenatchee or elsewhere in Douglas County to fulfill their shopping or recreation needs. Moreover, as discussed in the **Community and Cultural Impacts** chapter, many amenities described here are enjoyed by Chelan County locals as well as guests from elsewhere. The descriptions below are more illustrative than exhaustive and are not a comprehensive inventory of what Chelan County has to offer.

Outdoor Recreation

Chelan is known for its outdoor recreation opportunities, particularly, but not exclusively for those who like to be active or seek adventure.

On the water. Boating and water sports include motorized boating (jet skiing, tubing, water skiing, wake boarding, and parasailing) and non-motorized boating (kayaking, canoeing, inner-tubing, and other paddle sports), as well as fishing. Many of these activities are made possible through investment in access infrastructure, including parks and boat launches at a number of state parks and recreation areas.

In the summer. Summer sports and trail use encompasses hiking, mountain biking, cycling, rock climbing, camping and backpacking, sightseeing, golf, and organized sports. With more than 85% of the county composed of public lands, some of this activity occurs in a dispersed manner, but access is almost always on publicly or privately maintained infrastructure, from trails to roads. Popular destinations include Leavenworth Ski Hill, the Enchantments, Icicle Creek area, and the 3.8 million acres of the Okanogan-Wenatchee National Forest which spans Chelan, Kittitas, and Yakima counties.

In the winter. Downhill skiing at Mission Ridge and the Leavenworth Ski Hill is complemented by Nordic options in Leavenworth and at Plain Valley Ski Trails and Lake Wenatchee. Sleigh rides, snowmobiling, snowshoeing, tubing, and sledding are also possible nearby.

Organized sports. Wenatchee's central location lends itself to hosting indoor and outdoor sports for youth and adults year-round, including baseball, basketball, hockey, ice skating,

soccer, softball, tennis, and volleyball. Each year, the Tour de Bloom brings five days of competitive cycling.

City and Town Draws

Chelan County's cities and towns offer tourists a variety of dining and drinking establishments, performing arts venues, shopping options, cultural events, and conferences and conventions. These activities are made possible through regional investment in infrastructure funded by lodging tax collections from overnight visitors as described in [Appendix B](#).

Food and drink. Numerous eating and drinking establishments throughout Chelan County provide a variety of options for out-of-area guests. As discussed in the [Community and Cultural Impacts](#) chapter, these amenities are enjoyed by many locals as well.

Cultural events. Chelan County features a packed calendar of seasonal events which draw locals and out-of-area guests alike. Marquee happenings include Oktoberfest and the Leavenworth Village of Lights 'Christmastown', Chelan's Winterfest and Fiestas Mexicanas, and Wenatchee's Rails & Ales festival.

Performing arts. The Town Toyota Center and Numerica Performance Arts Center in Wenatchee, as well as the Icicle Creek Center for the Arts located just outside Leavenworth city limits host concerts, sporting events, and other larger scale happenings.

Professional sports. Local professional sports teams include the Wenatchee AppleSox, summer collegiate baseball team, and the Wenatchee Wild, an American major junior ice hockey team.

Shopping and services. Wenatchee and East Wenatchee, which is just across the county line, serve as the urban hub for Chelan and Douglas Counties, drawing shoppers and people seeking services from auto repair to healthcare. Wenatchee features a nationally recognized Main Street as part of its vibrant downtown.

Conferences and conventions. Local resorts and the Wenatchee Convention Center, which offers 50,000 square feet of meeting space, accommodate large conventions and business gatherings including the Washington State Apple Blossom Festival, the Washington Cattleman's Association Conference, and the Wenatchee Valley Medical

Conference. Some events draw participants from across the state and others are by and for industries and causes specific to Chelan County.

Agritourism and Wineries

Chelan County is home to approximately 700 farms, which range in size from small family enterprises to large commercial agriculture. While some of this production is destined for export or largescale food production, a meaningful portion supports farmers markets, wine tasting, and “U-Pick” seasonal harvesting. Chelan County’s rapidly growing wine industry, with more than 40 vineyards, wineries, and tasting rooms is complemented by an increasing number of breweries and cideries.

Chelan County Communities

Chelan County is Washington's third largest county by land area, covering more than 2,900 square miles. Much of the county is public land as discussed in the **Impacts on the Natural Environment** section.

Most economic and fiscal data is available at the city and county level and much of this study focuses on the cities of Chelan, Leavenworth, and Wenatchee. Discussion of Cashmere, Entiat, Manson, and other communities is included where relevant.

It is important to acknowledge that the county's larger cities serve as retail and employment centers for neighboring communities, and as jumping off points for nearby destinations.

- **The City of Chelan** serves residents of and visitors to the larger Lake Chelan region, including Manson and Stehekin.
- **Leavenworth** similarly serves as the urban center for a larger area that includes Plain and Lake Wenatchee to the north and the communities of Peshastin, Dryden, and Cashmere to the southeast.
- **Wenatchee** is the county seat and the largest city in the county. Visitors and residents of Chelan and Douglas County come to Wenatchee for shopping, dining, and services.



Cashmere

The town's beginning arises from a Catholic mission and was further developed with the arrival of the Great Northern Railroad at the start of the 20th century. Over the decades, Cashmere shifted to an agricultural focus with the construction of irrigation canals.

Sitting along a main railroad, the Wenatchee River, and the US-2/US-97 conjunction, Cashmere has, through the years, offered opportunities for riverfront park and historical building recreation, while also providing various services through its small business network.

Chelan

The City of Chelan, despite its remote location, was always an attractive destination for different reasons. In earlier times, many legal battles ensued when European settlers grabbed or paid minimal amounts for land in the area. Resources like water, precious metals, and other natural resources brought many to the area permanently.

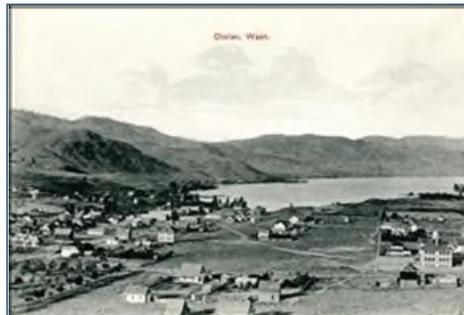
Tourism oriented to the lake and surrounding resorts was already evident in the summers towards the end of the 1800s. After mostly continuous growth in population and social activities, the 20th century brought the development of roads to support hydropower, making access to the area even more feasible. Wineries also took a stronghold in the economy of the area mid-century. More recently, in 2012, the City earned an award from the Washington Main Street program for maintaining and enhancing the commercial downtown core of Chelan.

Woodin Avenue - Chelan



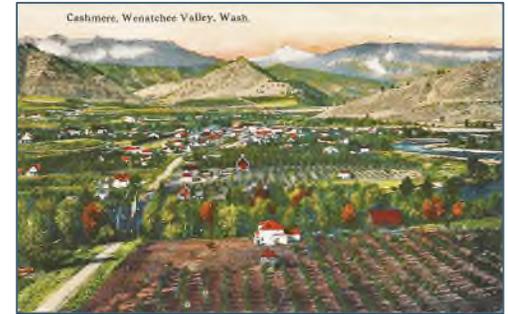
Source: HistoryLink.org

Postcard - View of Chelan from the SE



Source: HistoryLink.org

Postcard - View of Cashmere, Wenatchee Valley



Source: HistoryLink.org

Postcard - Cashmere town street and gas station



Source: HistoryLink.org

Entiat

Entiat's story is more than one, as the town site moved locations along the Columbia River and Lake Entiat two different times. This instability led some residents and business owners to move to other communities in the mid-20th century, while younger generations decided to stay, helping ensure the community's survival. The calmer nature of the lake/river shoreline allowed for recreational activities at the City Park that could not be found in other turbulent flowing segments of the Columbia River, making it another ideal place to swim in Chelan County.

Leavenworth

Previously a lumber town, the rerouting of railroad routes in the mid-20th century led to the near death of the town before it embraced a future as a Bavarian-themed destination. The City implemented architectural design standards and strict business regulations, and Leavenworth has become one of the state's most popular destinations, bringing millions of people and dollars annually, despite its remote location from interstate freeways. The town is very active in the summer and becomes notably busy in the last few months of the year with its Oktoberfest and holiday light displays and activities.

Entiat Waterfront



Source: Chelan Douglas Regional Port Authority

Pre-Bavarian Leavenworth Main Street



Source: HistoryLink.org

Bavarian Leavenworth Main Street



Source: HistoryLink.org

Heidel Burger Drive-in



Source: HistoryLink.org

Wenatchee

Like other towns in Chelan County, Wenatchee also initially had access difficulties with the turbulence of the Columbia River and its mountainous surroundings. It was not until the relocation of the Great Northern Railway that the town moved to its current location and started to grow.

The coming years brought construction of irrigation infrastructure. This enhanced Wenatchee's apple growing industry, eventually earning the city the title of "Apple Capital of the World" and drawing national attention. Wenatchee had some issues to fix during the 1900s, like public safety and sanitation, before it evolved into a more urban environment. The city became popular for its apple and flower festivals and other events.

Apple Blossoms



Source: HistoryLink.org

Great Northern Railway Depot ca. 1910



Source: HistoryLink.org

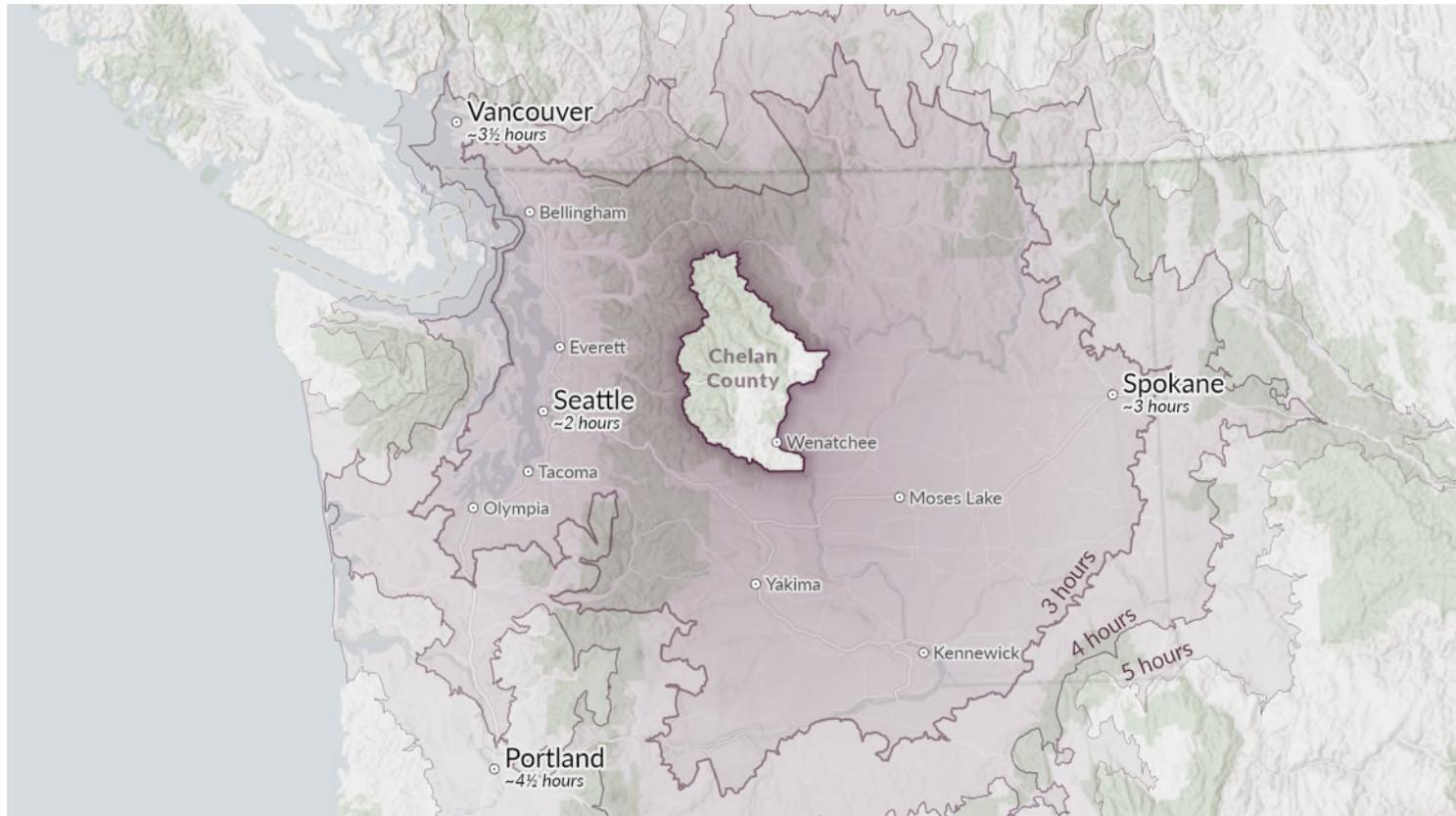
First Official Highway Crossing the Columbia River at Wenatchee - 1908



Source: HistoryLink.org

Visitation Patterns and Volumes

Chelan County is located on the eastern slopes of the Cascade Mountains, encompassing a broad range of climates and ecosystems that support year-round visitation. It is within a 3-hour driving range to major urban areas and international airports, making it accessible as a weekend destination to nearly 8 million people. Leavenworth is 2.5 hours from the Seattle area and SeaTac Airport, 4.5 hours and a border crossing away from Vancouver, British Columbia, about 3 hours from Spokane or the Tri-Cities, and 2 hours from Yakima. This means more than 15 million people can reach Chelan County by driving in less than 5 hours, and limitless others traveling by air.



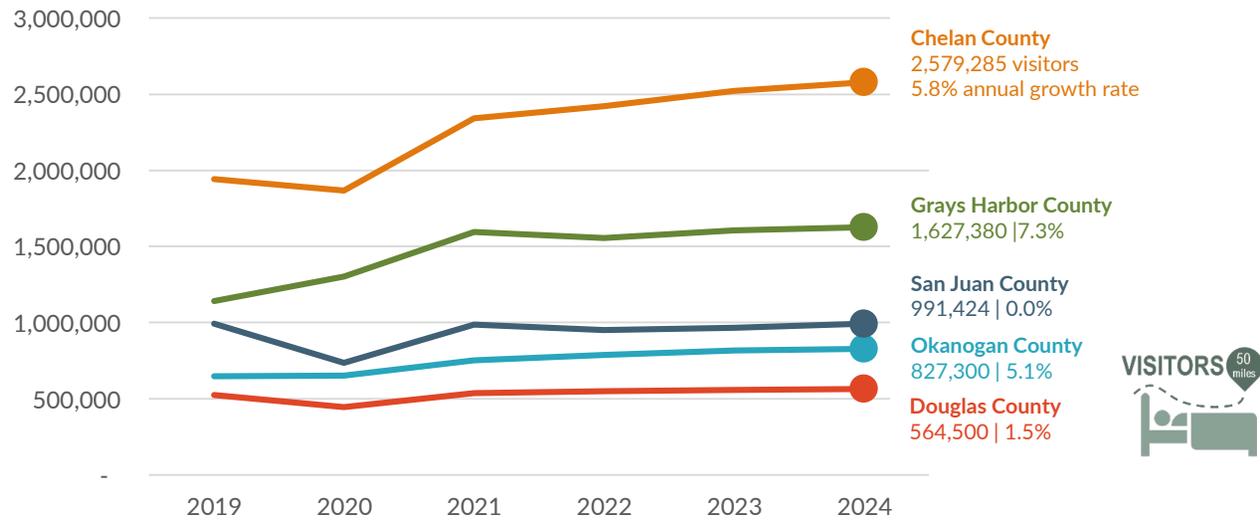
Annual Overnight Visitors

In 2024, Chelan County received nearly 2.6 million overnight visitors who live more than 50 miles away from where they stayed. Generally, the number of annual visitors is highly correlated with county population—more urban counties host a greater number of overnight visitors than less populated counties.

In 2024, Chelan County ranked 10th among Washington counties for the number of overnight visitors.

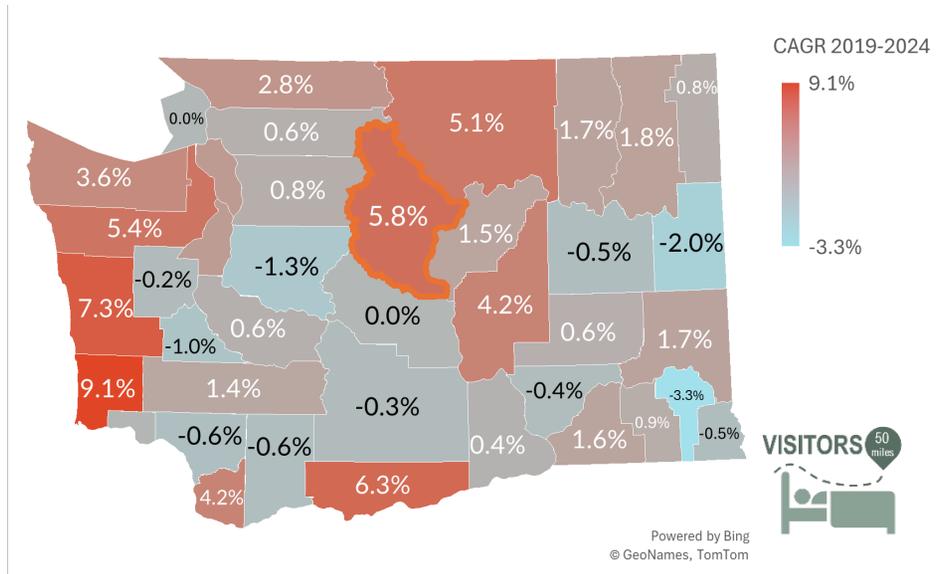
- Washington’s urban, central Puget Sound counties had the highest number of overnight visitors, with King County having the highest at 42 million in 2024.
- More rural, high-amenity counties saw the highest rate of overnight visitor growth between 2019 and 2024. Chelan County ranked fourth, with a 5-year annual growth rate of 5.8% in overnight visitors.
- Washington’s southwest coastal counties (Pacific & Grays Harbor) saw a greater percentage of overnight visitor growth than Chelan County.

Exhibit 2. Annual Overnight Visitors for Selected Washington Counties, 2019 - 2025



Source: Economic Impacts of Visitors in Washington State, Tourism Economics, 2025; BERK; 2025

Exhibit 3. Average Annual Overnight Visitor Change, 2019 - 2024



Source: *Economic Impacts of Visitors in Washington State, Tourism Economics, 2025; BERK; 2025*

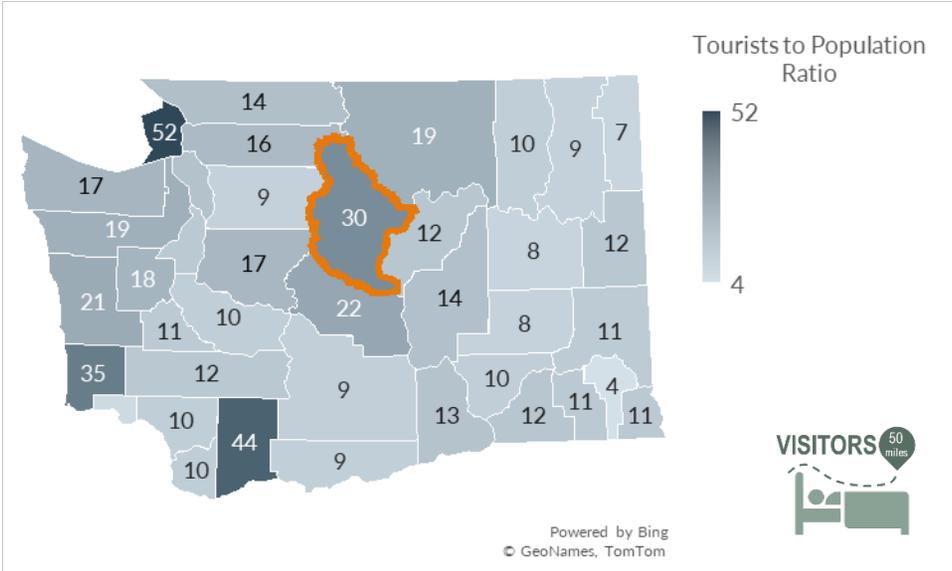
The impact of visitors to the experience of a community member is in part a function of the ratio of visitors to the community's population. Five hundred visitors would hardly be noticed in a community of 100,000, while the same number would be noticeable in a community of 1,500. We calculated the ratio of overnight visitors to resident population for each Washington county (Exhibit 4).

- In 2024, the visitor-to-resident ratio for Chelan County was 30. This was the 4th highest in the state. The statewide average was 14.
- Pacific County, another county with significant tourism, had the most comparable ratio of 35 visitors per resident.
- San Juan County was significantly higher with 52 visitors per resident.

Visitor Concentration

The data at left describes visitation at the countywide level. A theme that runs through this report is that visitation to Chelan County is often concentrated at key places or at key times. Examples include seasonal peaks in the city of Chelan, Leavenworth, the Enchantments, and the Wenatchee foothills. If distributed more evenly throughout the county or throughout the year, these volumes might feel very manageable. When concentrated geographically and/or temporarily, these places feel crowded, or even overcrowded, contributing to the traffic, noise, and congestion that frustrate local residents as described in the **Community and Cultural Impacts** chapter. It is also true that high visitor concentrations in the cities of Chelan and Leavenworth drive the positive impacts described in **Economic Impacts: Tourism and Business Activity** and **Fiscal Impacts: Public Infrastructure and Services** chapters.

Exhibit 4. County Overnight Visitor to Resident Ratio, 2024

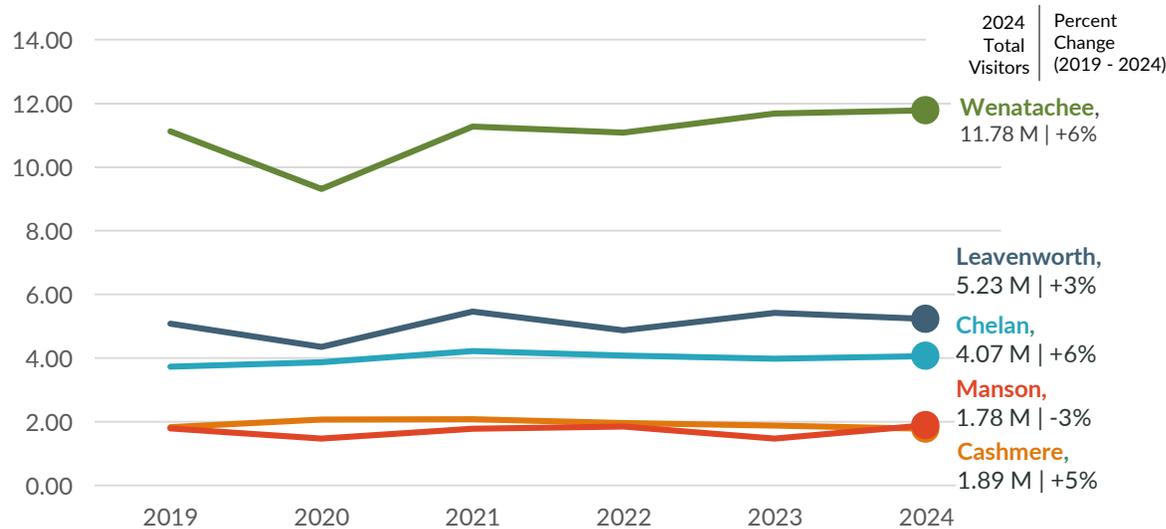


Source: Economic Impacts of Visitors in Washington State, Tourism Economics, 2025; BERK, 2025

Visitor Trends Over Time

There is a wide variety of traffic coming into and out of Chelan County daily, as well as a significant degree of intracounty travel and visitation. To assess the full impact of visitors to Chelan County, the following summary uses visitor estimates from Placer.ai that include all people coming to the five largest cities in Chelan County from outside those cities. These include people visiting Wenatchee from the city of Chelan, or Douglas County residents shopping in Wenatchee.

Exhibit 5. Annual Visitors, 2019 - 2024



Sources: Placer.ai, 2025; BERK, 2025



- Visitor patterns have been generally consistent between January 2019 through December 2024, with a notable decrease in the Spring of 2020 during Washington's stay-at-home public health orders.
- Annual visitation to four of the five cities increased between 5% and 6%. Manson was the only city that had less visitors in 2024 than 2019.

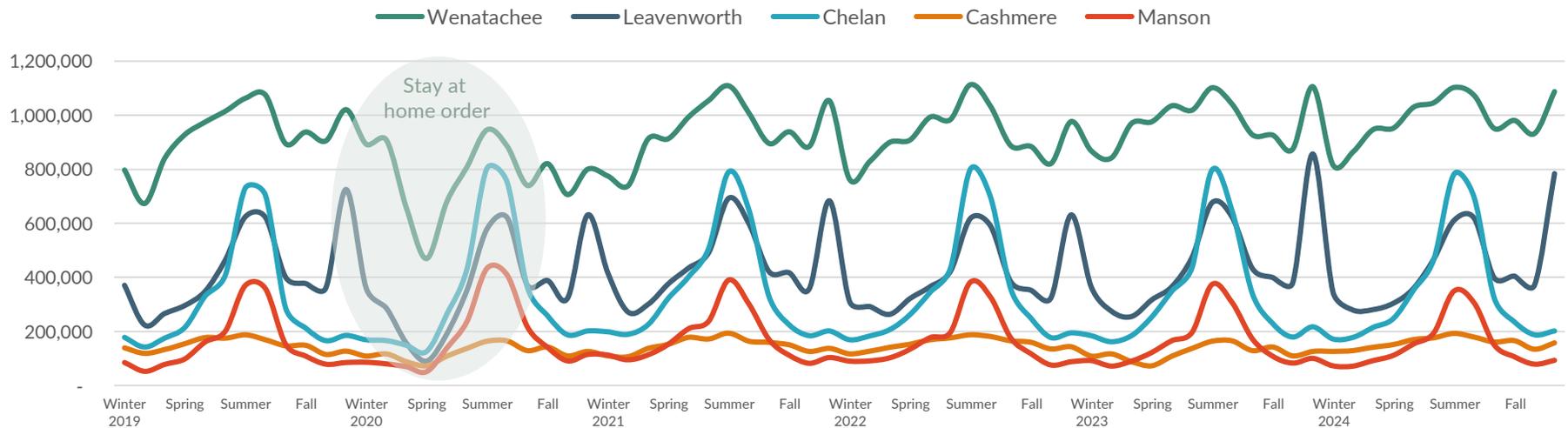
- As the county seat and regional shopping and commerce center, Wenatchee has the greatest number of visitors that live outside its city boundaries with a 2024 visitor estimate of 11.78 million.

Visitor Seasonality

Placer.ai data provides monthly estimates of visitors for each of the five cities, providing insight into the seasonal flows of visitors.



Exhibit 6. Visitors per Month, January 2019 – December 2024



Source: Placer.ai, 2025; BERK, 2025

- All five cities see consistent peaks in summer, with July often the busiest month. Highest visitor months were in July for four of the five cities: July 2020 (Manson), July 2020 (Chelan), July 2021 (Cashmere), and July 2022 (Wenatchee). Leavenworth’s single highest month of visitors was December 2023.
- Leavenworth and Wenatchee have additional peaks in the winter. In 2024 and 2025 Leavenworth’s winter visitor peaks generally exceed its summer visitor peaks.

Chelan County has two shoulder seasons early Spring and Fall. The following two charts compare the visitor trends between March 2023 and February 2024 to capture the annual pattern of peak seasons.

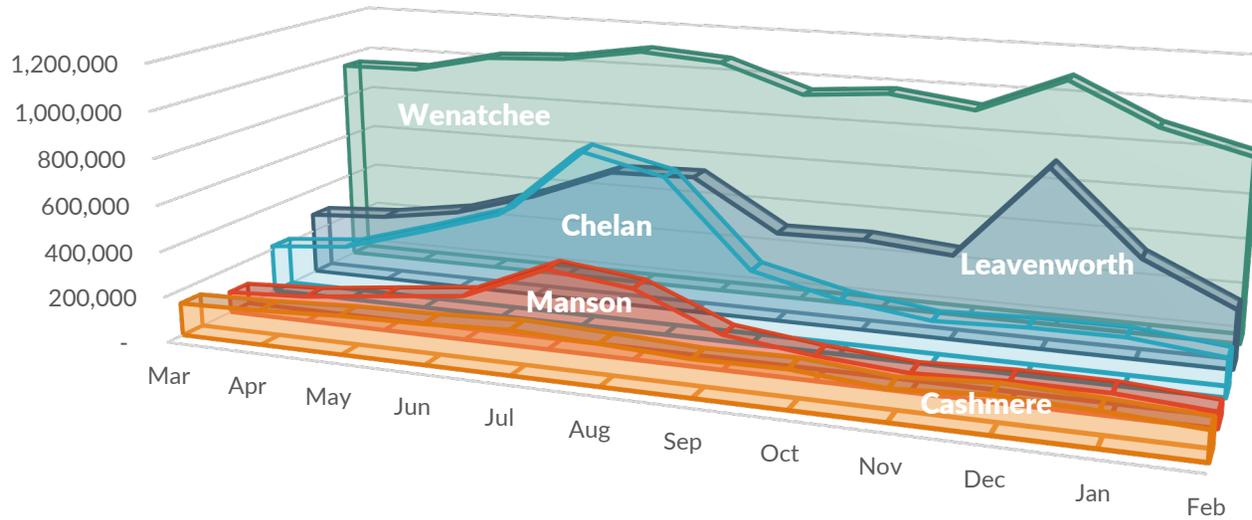
The first chart includes all people coming into the city area, including residents within Chelan County who are visiting the specific city and people coming from outside of Chelan County. Traffic is traffic, so these estimates help us see the full load of people coming into the respective cities.

The second chart includes all visitors who live more than 50 miles away and stay for 150 minutes (the time duration helps to exclude people who are only passing through the city). This could include a Stehekin resident visiting Wenatchee, but not a resident of East Wenatchee shopping in Wenatchee. These visitor estimates more closely represent the non-residential population that comes to the city for any purpose, including tourism, business purposes, medical appointments, and others. Workers who live more than 50 miles from the city would also be included in these estimates.

Wenatchee has more total visitors, and a steadier rate of visitors, than the other four cities. However, Chelan, Leavenworth, and Manson have more significant peaks of visitors in their respective peak seasons: Chelan and Manson in the summer, Leavenworth in the winter. However, Leavenworth has a significant peak in the summer as well, which peaks in late summer compared to early summer for Chelan and Manson.

Of the five cities, Cashmere has a relatively consistent number of people within the city, albeit low in volume, and no significant peaks of visitors.

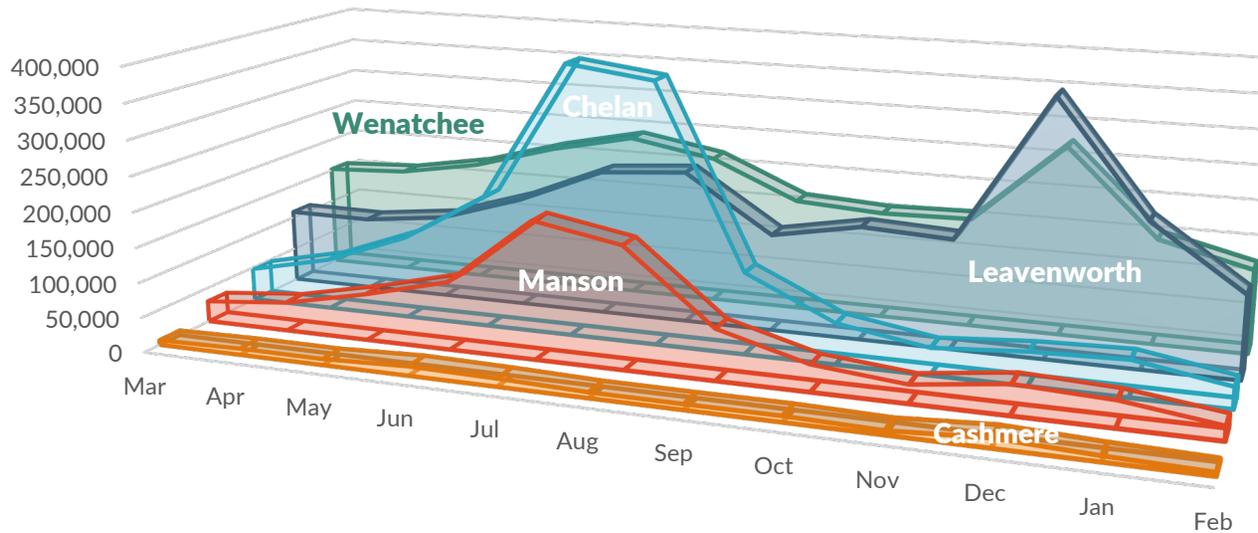
Exhibit 7. Visitors by Month, March 2023 to February 2025



Sources: Placer.ai, 2025; BERK, 2025



Exhibit 8. Visitors from More than 50 Miles Away Who Stay More than 150 minutes, March 2023 - February 2025



Sources: Placer.ai, 2025; BERK, 2025

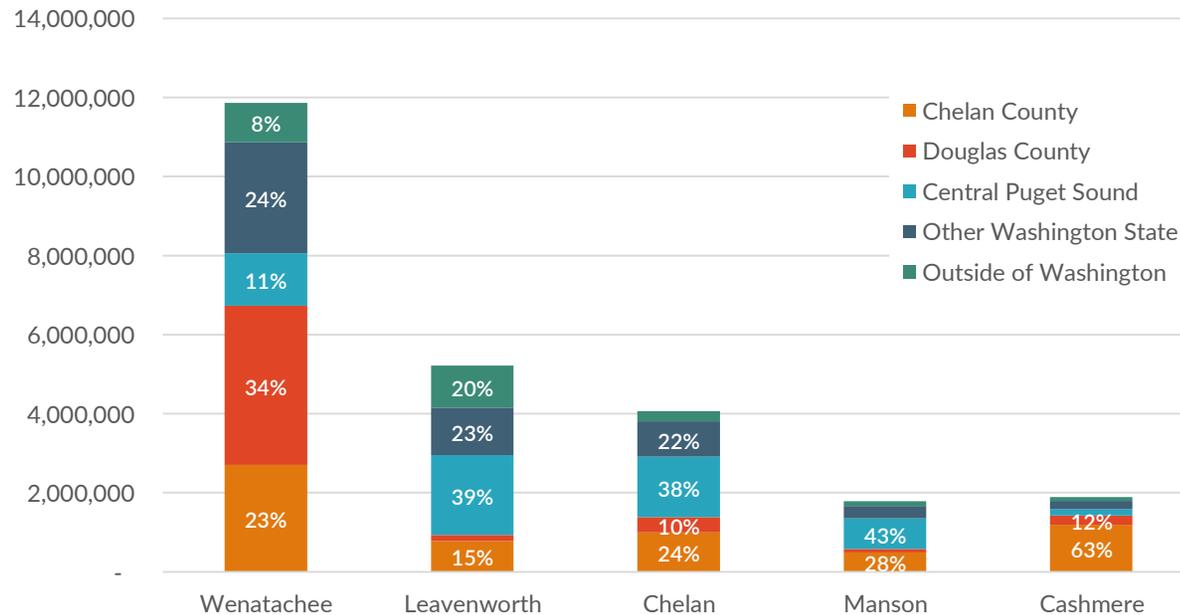


Visitor Origins

Most of the visitors to each of the five cities, and Chelan County in general, live in Washington.

- Visitors from the Central Puget Sound area including King, Snohomish, and Pierce Counties comprise more than a third of the visitors to Leavenworth, Chelan, and Manson.
- Leavenworth attracts the most visitors from outside of Washington, representing 20% of visitors in 2024.
- More than half the visitors in Wenatchee come from Chelan County and Douglas County, likely owing to its role as an agriculture commerce hub, its sports arena, and its convention center.

Exhibit 9. Visitor Origins, 2024



Sources: Placer.ai, 2025; BERK, 2025



Chelan County Population Change

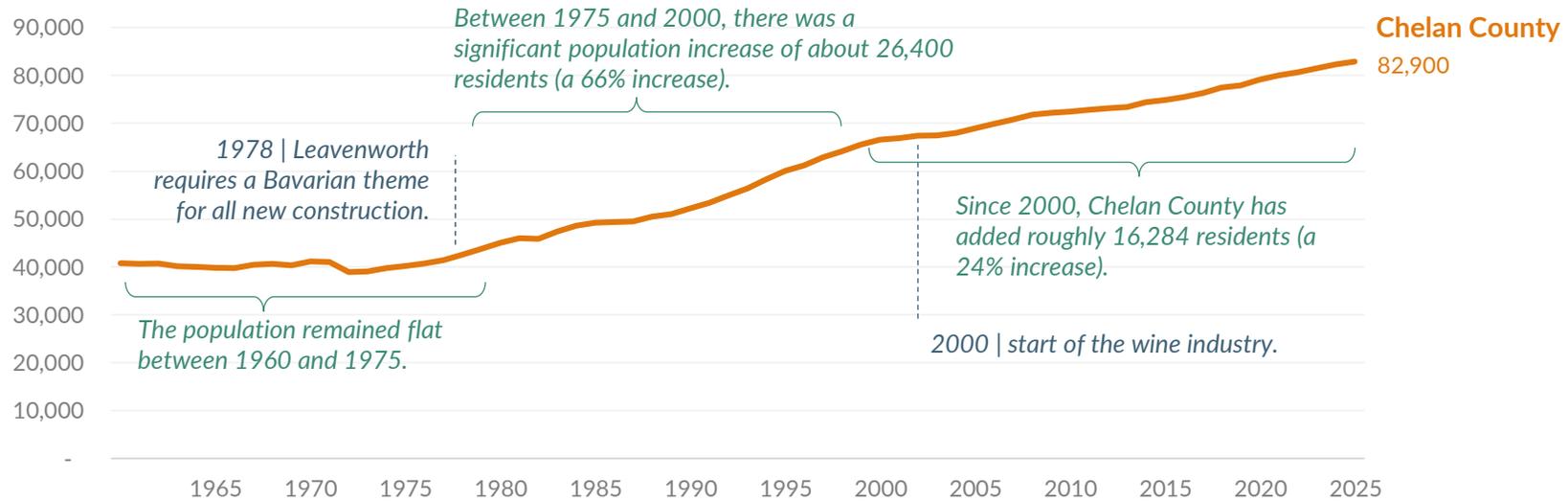
Before we begin to consider the impacts of tourism, it's important to review changes in Chelan County's base population, as residents and tourists can generate similar impacts to the County. Residential population growth, particularly rapid growth, contributes to pressure on housing availability and affordability, traffic, pressure on the natural environment, and other factors often associated with increases in tourism.

Chelan County's 2025 population is estimated to be **82,900**, making it the 17th most populous county in the state. The County grew by about 16,284 residents since 2000, a 24% increase, which is a more modest growth rate than the 66% increase the county experienced in the prior 25 years (1975 – 2020) (Exhibit 10).

Population change since 2020 has been driven by net migration, as shown in Exhibit 11:

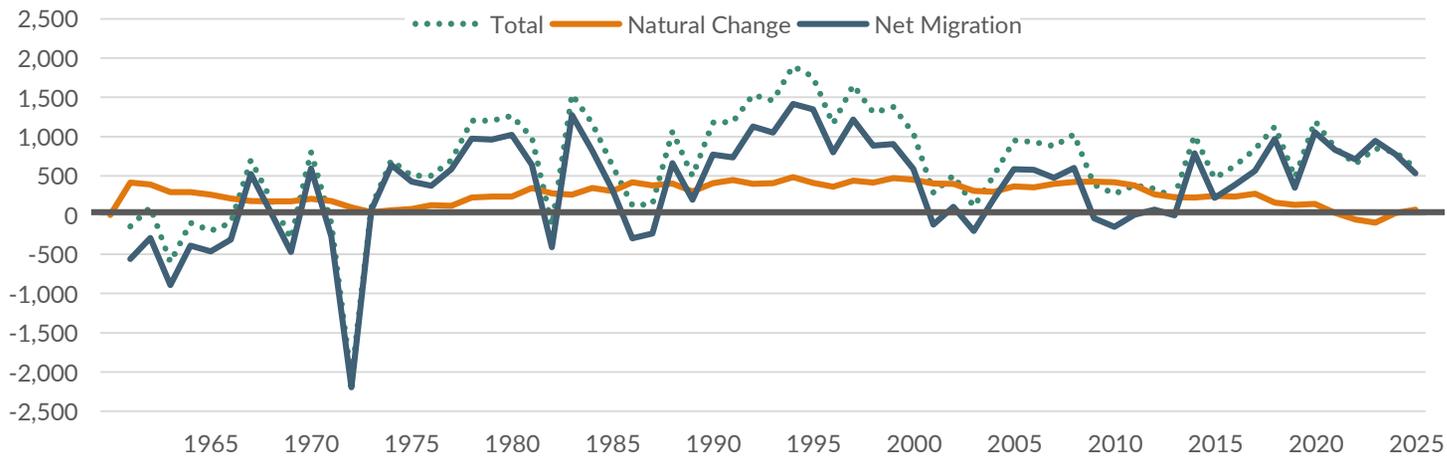
- Since 1960, the greatest natural increase in population (births minus deaths) was 481 in 1994.
- Between 2015 and 2025, 19 of 39 Washington counties have had negative natural change (more deaths than births). Over this same period, Chelan added 1,141 residents through natural increase.
- Between 2015 and 2020, Chelan County net migration added 7,354 residents to Chelan County.

Exhibit 10. Population Change, 1960 - 2025



Source: OFM, 2025; BERK, 2025

Exhibit 11. Components of Yearly Population Change (1960 - 2025)



Source: OFM, 2025; BERK, 2025

The Impacts of Tourism in Chelan County

This section summarizes the impact that tourism has on Chelan County's economy, public sector services, housing, natural environment, and community quality of life. While it is useful to consider the impacts of tourism in this framework, it is also important to acknowledge the nuanced overlap and interconnections among these different dimensions. Each writeup below includes references to related considerations in other categories of impact.



Economic Impacts: Tourism and Business Activity



This section outlines the economic activity generated by tourism in Chelan County, highlighting key trends in the industry. Visitor spending, employment, earnings, and business sales are the primary indicators to measure the economic contribution of tourism.

This section leverages data and analysis from Tourism Economics and focuses on the impacts of visitors coming from places greater than 50 miles away and overnight visitors as signaled by the icon below and described in the **Visitor Definitions and Data Sources – Important!** section.

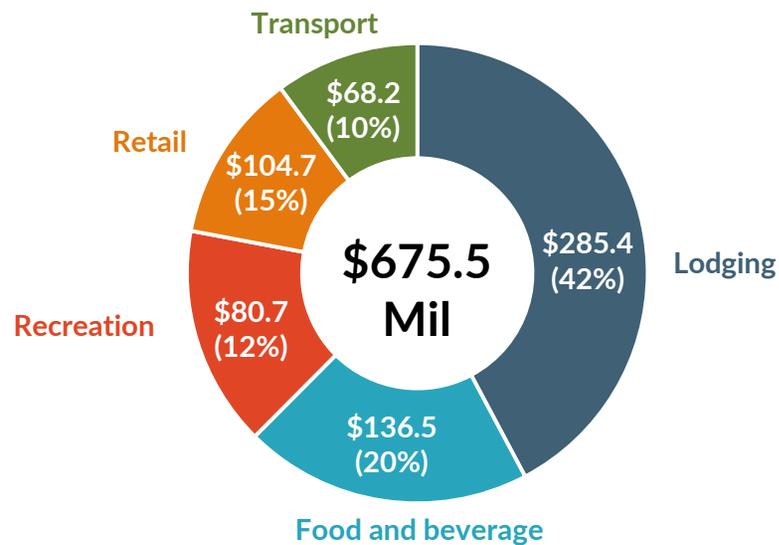




Visitor Spending

In 2024, Chelan County's economy was boosted by 2.6 million visitors who injected \$675.5 million into businesses in the county, spanning multiple tourism-related sectors¹. Visitors are integral to Chelan County's economy, generating significant economic benefits for residents and local businesses.

Exhibit 12. Chelan County Visitor Spending by Industry, 2024 (Mils \$)



Source: Visit WA, 2024; Tourism Economics, 2024; BERK, 2025

Of the \$675.5 million spent, lodging, including short-term rentals and the spending associated with the upkeep of second homes, accounted for \$285.4 million, or 42% of all visitor spending (Exhibit 12). Visitors also spent 20% of their budget on food and beverages, 15% on retail purchases, 12% on recreation, and 10% on transport (including both ground and air transportation).

Visitor Spending in Context

- Visitors spent **\$1.85 million per day**, on average in Chelan County in 2024.
- To maintain Chelan County's economy without the visitors, **every household in the County would have to spend an additional \$22,000 per year** at local shops and restaurants, or every person in the County would have to spend **\$8,200 more per year**.
- Without tourism and the \$136.5 million in visitor spending on food and beverages, **the dining and food and beverage store sectors in Chelan County would lose nearly 40% of their taxable retail sales base***, a contraction that would likely lead to widespread business closures.

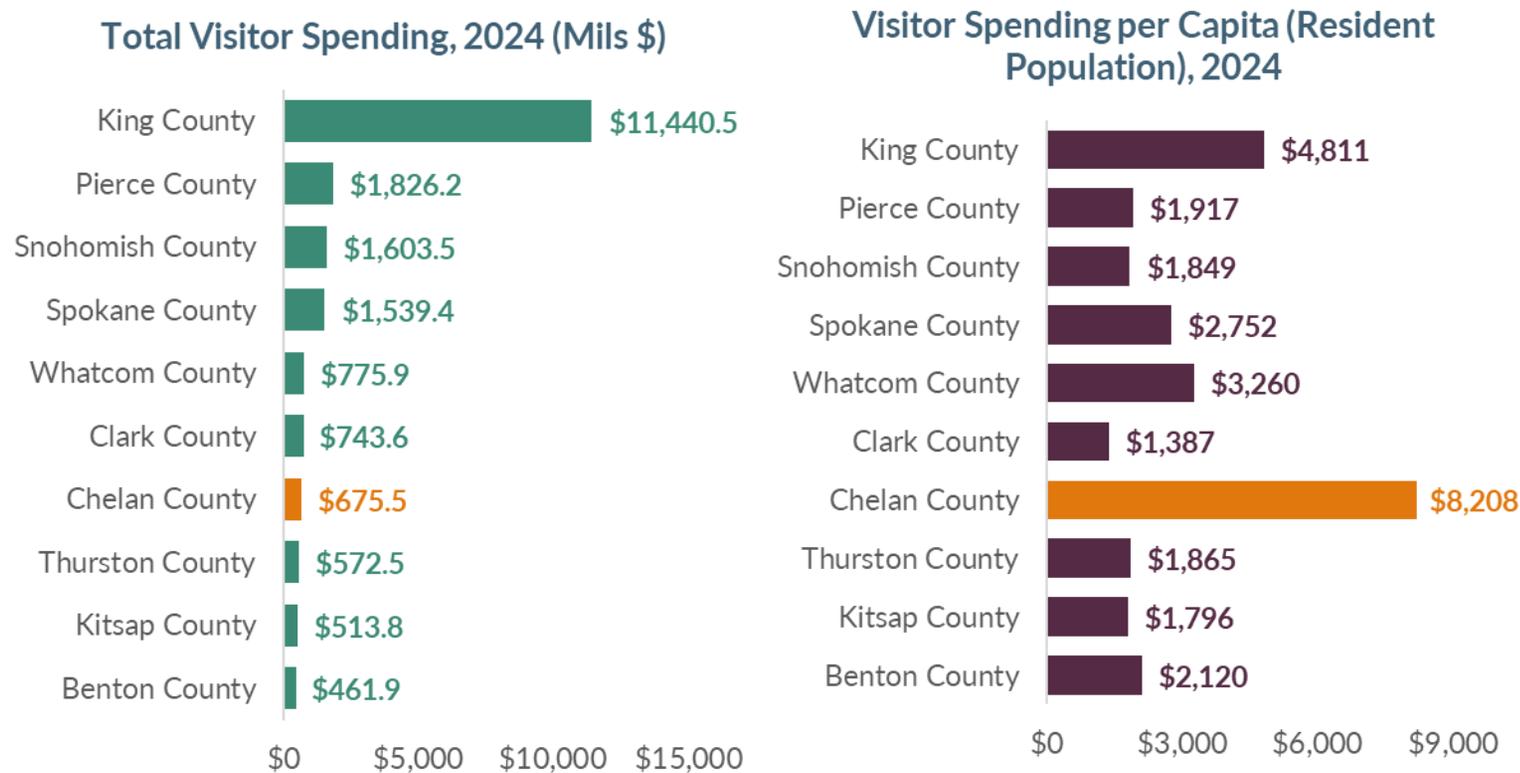
**This estimate is derived by comparing total visitor spending in the 'Food & Beverage' category (\$136.5M) against the total annual taxable retail sales for NAICS 722 (Food Services) and NAICS 445 (Food & Beverage Stores) in Chelan County, which totaled approximately \$353.2 million in 2024.*

¹ The tourism-related sectors illustrated in Exhibit 12 are defined in detail in Appendix C: Economic and Fiscal Impact Methodology and Definitions.



Chelan County has ranked 7th in the state in terms of total visitor spending since 2022 and accounted for 3% of statewide visitor spending. Of the top ten counties in terms of visitor spending, Chelan has the highest per capita visitor spending. This indicates a high density of visitation, with a high volume of visitors relative to its resident base (Exhibit 13).

Exhibit 13. Top 10 Counties in Washington for Total Visitor Spending, 2024 



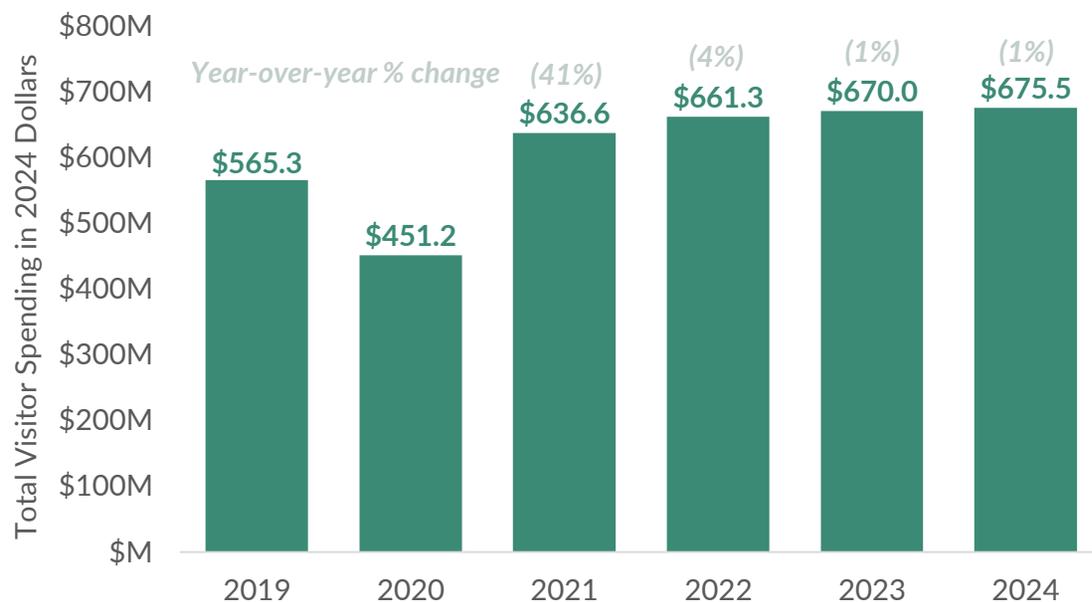
Source: Visit WA, 2024; Tourism Economics, 2024; WA State Office of Financial Management, 2024; BERK, 2025
Note: Visitor spending per capita is estimated as total visitor spending divided by the county population.



Visitor Spending Over Time

Visitor spending increased by 50% since 2020 (adjusted for inflation) to reach 119% of 2019 levels in 2024. The dramatic drop in spending of 20% or \$114 million from 2019 to 2020 was primarily due to initial lockdowns, travel restrictions, and safety concerns as the COVID-19 pandemic brought most travel to a standstill (Exhibit 14). Following this low, spending surged to \$636.6 million in 2021, driven by a shift in consumer behavior which favored destinations like Chelan County. As air travel remained complicated and risky, many travelers preferred destinations within driving distance like Chelan County, which is easily accessible from major metropolitan areas in Washington State. The COVID-19 pandemic also led to an increase in demand for outdoor, nature-based, and dispersed recreation, which Chelan County offers in abundance. Lastly, the rise of remote work allowed some visitors to take extended trips, staying in vacation rentals for longer periods, which increased total spending on lodging, food, and local activities.

Exhibit 14. Chelan County Visitor Spending, Mils, in 2024 Dollars 



Source: Visit WA, 2019-2024; Tourism Economics, 2019-2024; BERK, 2025



Visitor spending increased across all sectors between 2020 and 2024. The largest increase, measured in dollars, was the \$93.4 million increase in lodging spending. Spending on transportation demonstrated the fastest growth (in percentage terms) among all categories of visitor spending, rising by 76% since 2020 to reach \$68 million in 2024. Together, these two categories accounted for 55% of the total growth in spending between 2020 and 2024. Retail was the weakest performing category and experienced only a 31% increase in spending since 2020.

The increase in visitor spending from 2020 to 2024 has been mostly driven by an increase in visitor volumes. Spending per visitor in 2024 remains below pre-pandemic levels at \$262 or 90% of the 2019 per visitor spending. However, this is higher than the average statewide per visitor spending of \$227 in 2024.



Exhibit 15. Chelan County Visitor Spending by Industry and per Visitor, in 2024 Dollars

	2019	2020	2024	Absolute Change, 2020-2024	% Change, 2020-2024	2024 Spending as % of 2019
Total Visitor Spending, Mils 2024\$	\$565.3	\$451.2	\$675.5	\$224.3	50%	119%
Lodging	\$229.1	\$191.9	\$285.4	\$93.4	49%	125%
Food and beverage	\$111.7	\$93.4	\$136.5	\$43.1	46%	122%
Recreation	\$73.5	\$47.0	\$80.7	\$33.7	72%	110%
Retail	\$98.9	\$80.1	\$104.7	\$24.5	31%	106%
Transport	\$52.2	\$38.7	\$68.2	\$29.5	76%	131%
Total Visitors, Mils	1.94	1.87	2.58	0.71	38%	133%
Per Visitor Spending, 2024\$	\$291	\$242	\$262	\$20	8%	90%

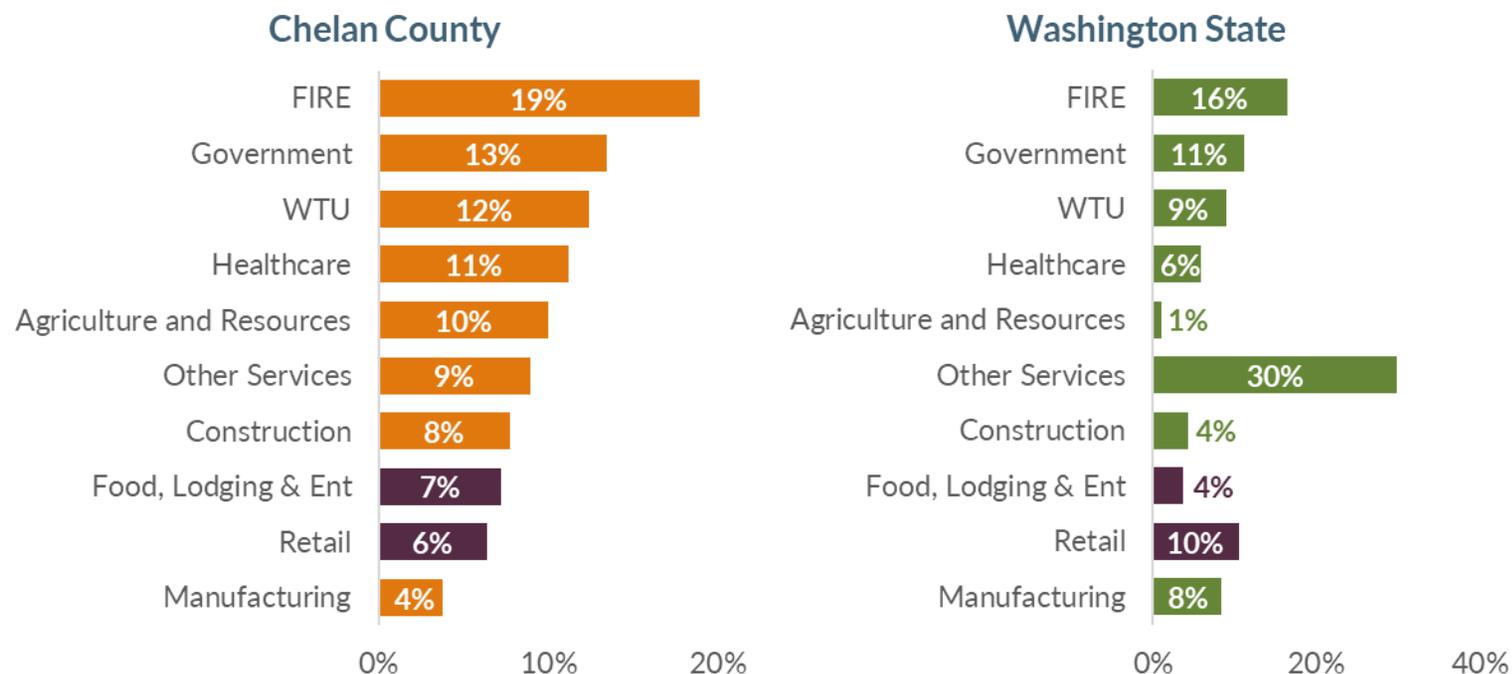
Source: Visit WA, 2019-2024; Tourism Economics, 2019-2024; BERK, 2025



Gross Domestic Product Contribution

Tourism is not defined as a standalone industry in standard economic accounting so its contribution to Gross Domestic Product (GDP) is captured across a few different sectors. **The two sectors most directly impacted by visitor spending in Chelan County – food, lodging, and entertainment (7%) and retail (6%) – represented 13% of total county GDP in 2023.** This combined impact is lower than the finance, insurance, and real estate sector, which alone accounts for 19% of the county’s GDP. The government sector contributes an equivalent proportion of county GDP as the two sectors associated with tourism.

Exhibit 16. Chelan County and Washington State GDP By Industry, 2023



Source: Bureau of Economic Analysis, 2023; BERK, 2025

Note: FIRE stands for Finance, Insurance and Real Estate and WTU stands for Wholesale, Transportation and Utilities. Other services include information, professional, scientific, and technical services, management of companies and enterprises, administrative and support and waste management and remediation services, and educational services.



Tourism Employment

Tourism employment is defined as jobs directly supported by visitor spending.

Visitor activity sustained 4,750 direct jobs in Chelan County in both 2023 and 2024, demonstrating the market's strong recovery following the pandemic downturn. In 2020, tourism jobs hit a low of 3,520, suffering a 19% decline that was steeper than the 5% drop observed in all other employment sectors. However, the subsequent rebound was robust: the tourism share of total employment recovered from its 6.7% low in 2020 to stabilize at 8.0% from 2022 onward (Exhibit 17). Over the full 2019 to 2024 period, the strength of this recovery is clear, with tourism jobs growing faster (1.7% per year on average) than jobs in other industries (1.1% per year on average).

Tourism Employment in Context

- Overall, **direct tourism jobs** accounted for **8% of all jobs** in Chelan County in 2024.
- In 2024, tourism ranked as the **6th largest sector** in the county.

Exhibit 17. Chelan County Tourism and Other Employment



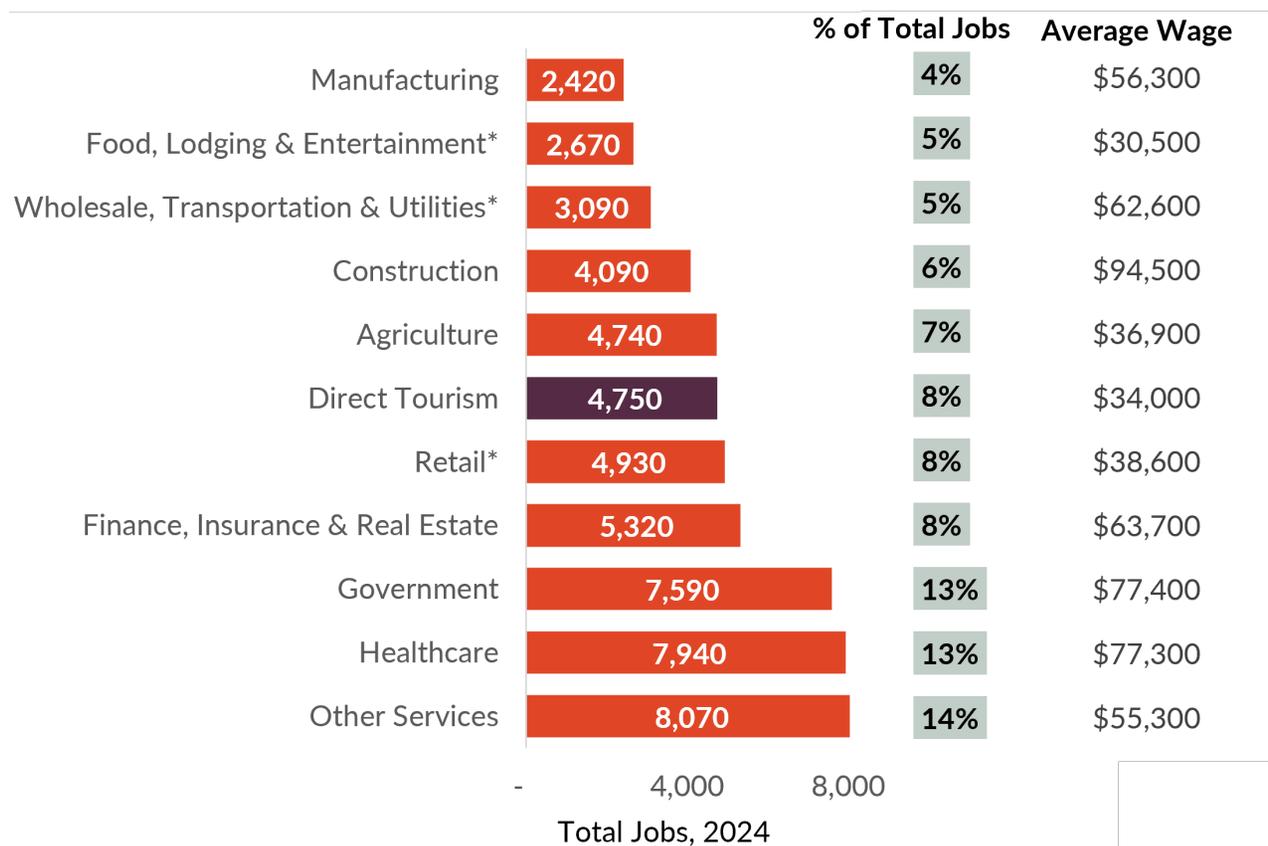
Source: Washington State Employment Security Department, 2019-2024; U.S. Bureau of Economic Analysis, 2019-2022; BERK, 2025

Note: Tourism employment includes part-time and seasonal work.



The tourism industry is a key employer in Chelan County. Direct tourism jobs span many sectors, with a large number in food, lodging, and entertainment, and some additional jobs in retail and transportation. When these jobs are considered together, tourism jobs can be compared to other industries. Total direct employment from the visitor industry in 2024 ranked as the 6th largest sector in Chelan County, representing one in twelve jobs, or 8% of countywide employment (Exhibit 18).

Exhibit 18. Chelan County Total Employment by Industry, 2024



Source: Washington State Employment Security Department, 2019-2024; U.S. Bureau of Economic Analysis, 2019-2022; BERK, 2025

Note: *The direct tourism portion of employment in these sectors has been adjusted to be counted within the tourism industry for this comparison.

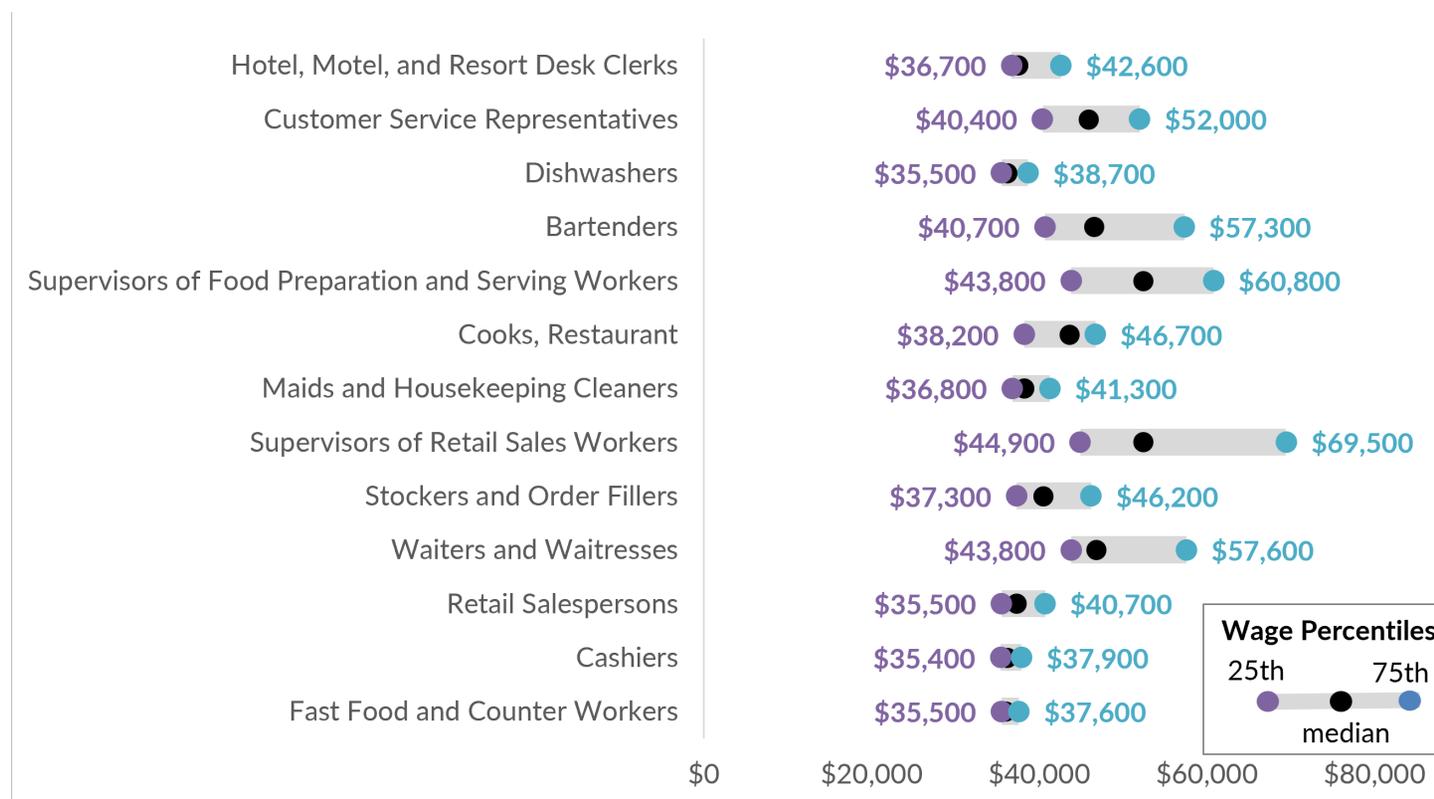
Other services include information, professional, scientific, and technical services, management of companies and enterprises, administrative and support and waste management and remediation services, and educational services.



Types of Jobs and Compensation

As illustrated in Exhibit 19, the average wage for tourism jobs (\$34,000) is one of the lowest among all Chelan County's sectors, falling behind high-earning industries like construction (\$94,500), government (\$77,400), and healthcare (\$77,400). To provide a more granular view beyond the broad industry average, this section details the diverse roles that make up the tourism sector and the full spectrum of pay for different positions. Some of the most common occupations in the tourism industry in Chelan County include fast food and counter workers, cashiers, retail salespersons, waiters and waitresses, and others as shown in Exhibit 19.

Exhibit 19. Wenatchee Metropolitan Statistical Area Tourism Occupations Wage Percentiles, 2024



Source: Washington State Employment Security Department, 2024; BERK, 2025



Jobs such as Cashiers and Fast Food and Counter workers fall near the bottom of the wage scale, with median earnings around \$36,000. Roles with management responsibilities, such as Supervisors of Retail Sales Workers and Supervisors of Food Preparation and Serving Workers (median ~\$43,800), show the highest earning potential. For example, the 75th percentile for Retail Sales Supervisors reaches \$69,500, indicating a substantial financial difference based on experience and role specialization.

While generally tourism offers a wide range of jobs, many positions are part-time and seasonal, making employees ineligible for benefits like health insurance, retirement contributions, or paid time off. Tourism employment is also highly susceptible to seasonal fluctuations, economic downturns, and external events (like pandemics). This leads to unpredictable scheduling, high turnover, and difficulty in maintaining stable, year-round income for many workers.

Based on the median wages for the service occupations provided in Exhibit 19, it would be difficult for most workers to afford a median-priced home in Chelan County. For example, a supervisor of retail sales workers - one of the higher-earning service roles - earning the medium wage (\$52,400) would have a maximum affordable monthly housing budget of only \$1,310 (based on the 30% affordability standard²). This budget covers less than a third of the estimated \$4,200 monthly payment (including mortgage, property tax, and homeowners' insurance)³ required for a median-priced home of \$563,500⁴ in Chelan County, highlighting the massive disparity between local wages and housing costs. Many workers are forced to commute long distances or leave the region entirely.

This phenomenon is not unique to Chelan County: it is a direct consequence of the housing affordability crisis that has impacted the entire state of Washington, including

² The "affordability standard of 30%" is a guideline that suggests a household should not spend more than 30% of its gross income on housing costs, including utilities. This standard was adopted to ensure households have enough money left for other necessities like food, transportation, and healthcare. Households spending more than this are often considered "cost burdened" by agencies like the U.S. Department of Housing and Urban Development (HUD).

³ Assumes a 30-year standard fixed mortgage term with a minimum 5% down payment, a 6.8% interest rate (approximate national average for a 30-year fixed loan in 2024), a property tax rate of 0.86% (approximate average effective rate for Chelan County), and a \$1,500 annual homeowners insurance cost.

⁴ This is the median sales price for a home in Chelan County in Q1 of 2024 based on data from the Washington Center for Real Estate Research.

What We Heard from Stakeholders and the Community

Several survey respondents said that the tourism industry does not offer a livable wage.

*"Most of us are **working 2-3 service jobs to simply get by.**"*

Many survey respondents attribute a rise in the cost of living and high prices of goods, services, and dining to tourism. Many noted feeling priced out of their communities:

*"There have been **mass departures** of local workers because **they can't make ends meet.**"*

*"We **can't afford** to buy or rent here, eat out, or shop local."*

Business owners who participated in stakeholder meetings reported that the high cost of living is a barrier to workforce recruitment and retention.



counties whose economies are far less reliant on tourism (as discussed in the **Housing Impacts** section). Across the state—from the tech hubs of the Puget Sound to the agricultural centers of the Yakima Valley and rural areas like Walla Walla—the gap between wages and housing costs has widened significantly. While the tourism-driven demand for second homes and short-term rentals in places like Leavenworth and Lake Chelan creates specific pressures, the underlying issues of limited housing supply, high interest rates, and construction costs are statewide drivers of the current crisis.



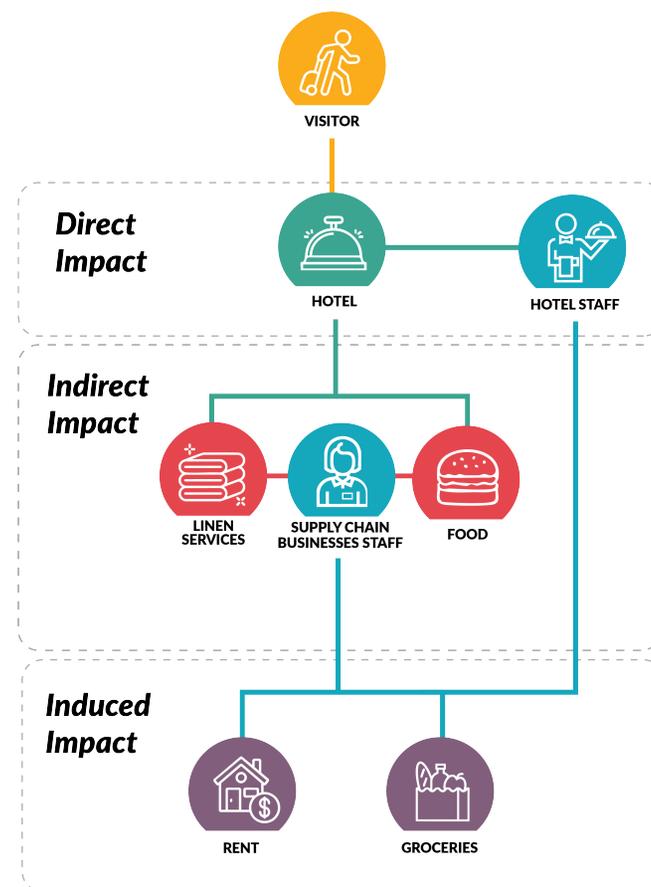
Total Economic Impact of Tourism in Chelan County

The economic impact of tourism goes beyond the initial money visitors spend, or direct tourism spending. When tourists visit Chelan County, the dollars they spend on lodging, food, or entertainment at local businesses have a “multiplier effect,” generating additional income and jobs that ripple through the entire local economy. The economic impact of tourism spending can be broken down into three different levels of impact:

- **Direct:** the immediate money spent by visitors, which lands directly in tourism-related businesses in the sectors described previously. For example, a family traveling from Seattle to Chelan spends \$300 on a hotel room in the City of Chelan. That \$300 is the direct economic impact: the initial revenue earned by the hotel business.
- **Indirect:** the business-to-business or supply chain spending that happens because of the direct tourist money. Businesses providing direct services to visitors purchase supplies and services from other local companies. In the example above, the hotel uses a portion of the \$300 to pay for a local commercial laundry service and to purchase food for its restaurant. This spending on local suppliers represents the indirect impact of the family’s overnight stay.
- **Induced:** the wages spent by the employees of both the direct and indirect businesses within the local community. This spending supports a wide range of non-tourism businesses. The hotel desk clerk and the laundry and food store worker, paid with money linked to the visiting family, spend some of their earnings to purchase groceries at a store in Wenatchee and to pay their rent.

Indirect and induced impacts are presented in aggregate and referred to as secondary impacts. The total economic impact (direct + secondary) is measured across three metrics:

- **Business sales:** reflect the value of goods and services produced as a result of visitor activity and the value of intermediate products used by the tourism industry.
- **Employment:** provides an indication of how many jobs are supported by tourism activity.
- **Labor income:** illustrates the contribution of tourism to household incomes and living standards.





Total Countywide Economic Impact

The total economic impact of tourism to the Chelan County economy in 2024 was just over **\$1 billion in business sales** and accrued to industries across the economy. This included:

- The \$675.5 million in direct visitor spending at tourism-related businesses described in Exhibit 12.
- \$332.1 million in indirect (business-to-business) and induced (employee) spending.

Total employment impacts tallied 6,700 in 2024, translating to one in nine jobs in the county. This includes 4,750 direct jobs sustained by visitor activity and an additional 1,950 jobs supported by the indirect and induced impacts of visitor activity. Lastly, total tourism-generated labor income in Chelan was \$265.2 million in 2024.

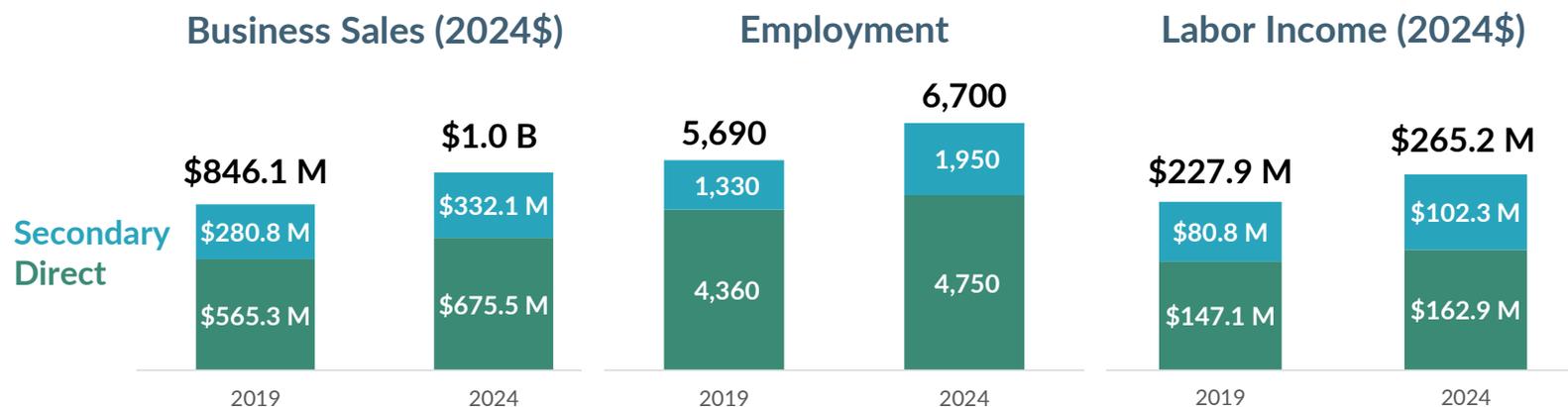
After adjusting for inflation, the total economic impact of tourism increased from 2019 to 2024 by:

- 19% for business sales.
- 18% for employment.
- 16% for labor income.

Economic Impacts in Context

- Every \$100 in direct visitor spending (direct impact) creates an additional \$48 in local economic activity within the county through indirect and induced effects.
- The 6,700 jobs supported by tourism in Chelan County in 2024 represent about **11% of total countywide employment.**
- The \$265.2 million in labor income generated by tourism in 2024 equates to about **\$8,600 for every household** in Chelan County.

Exhibit 20. Chelan County Total Economic Impact, in 2024 Dollars



Source: Visit WA, 2019-2024; Tourism Economics, 2019-2024; BERK, 2025



Total Economic Impact by Community

The total economic impact described on the previous page can be distributed to individual communities based on the proportion of lodging tax and sales tax collected by each in 2024. Using this allocation method, Leavenworth accounts for 35% of total economic impact of tourism countywide, followed by Wenatchee with 29%, unincorporated Chelan County with 18%, and the City of Chelan with another 18% (Exhibit 21). Leavenworth stands out as the most tourism-dependent jurisdiction in the county. Tourism supported employment makes up an estimated 65% of all employment within the city. In contrast, in Wenatchee, tourism supported employment accounts for only 5% of the city's total workforce, highlighting its more diversified economic base compared to Leavenworth.

Exhibit 21. Total Economic Impact by Community, 2024

	Leavenworth	Wenatchee	Chelan	Unic. Chelan	Cashmere	Entiat	Total County
Business Sales (2024\$ Mils)	\$350	\$290	\$190	\$170	\$7	\$1	\$1,008
Employment	2,310	1,920	1,260	1,160	50	10	6,700
% of Total Employment	65%	5%	26%	11%	2%	2%	11%
Labor Income (2024\$ Mils)	\$91	\$76	\$50	\$46	\$2	\$0.3	\$265

Source: Visit WA, 2024; Washington State Department of Revenue, 2024; Tourism Economics, 2024; Chelan County, 2024; BERK, 2025

Note: We cannot show business sales and labor income as a percent of total, as data for gross business income and total labor income is not available at the jurisdiction level.



Stakeholder and Community Input

Local Benefits of Tourism-Supported Businesses

The presence of a strong tourism industry in Chelan County allows residents to enjoy access to a larger and more diverse selection of restaurants, bars, wineries, retailers, and service providers than would be available in a comparably sized county without Chelan County's level of tourism activity. The evidence for this is both quantifiable and qualitative. The quantifiable evidence is demonstrated in Exhibit 12, which shows tourists spent over \$675 million in Chelan County businesses—a figure so large that replacing it would require **each household in Chelan to spend an additional \$22,000 per year, or every person \$8,200 more per year**. This quantitative evidence is reinforced by qualitative findings reported by stakeholders interviewed for this study and results from the Tourism Survey which are described here.

Multiple stakeholders in the tourism industry interviewed for this study stated that their businesses were dependent upon out-of-area spending and that they could not afford to stay in business if frequented by residents only.

Input received through the Tourism Survey shows that Chelan residents largely appreciate the economic contributions gained through tourism, with economic opportunities the most widely recognized benefit that tourism brings to the community.

An overwhelming majority of survey respondents (85%) affirmed that tourism directly supports local businesses in Chelan County, demonstrating a broad consensus on this economic impact (Exhibit 33 in the **Community Culture and Identity** section). Similarly, 57% of respondents rated tourism's overall impact on employment and business opportunities as positive or very positive (Exhibit 34), with the benefit to local businesses being the most frequently cited positive outcome in open-ended responses.

Perhaps most tellingly, 88% of survey respondents said they frequently or very frequently partake in regional restaurants and cafes, many of which could not subsist on local patronage alone. Residential enjoyment of tourism-supported businesses and other amenities is further explored in the **Community and Cultural Impacts** chapter.

Tourism is what makes our business thrive which allows us to serve locals with a variety of goods.

I have lots of local customers, but they alone could not support me.

Tourism Survey Respondents



The Challenges of a Tourism-Dependent Economy

Stakeholder input also highlighted some of the downsides of having a strongly tourism-oriented economy, describing the challenges associated with seasonal swings in demand. Many business owners stated that they operate at a financial loss during the off-season simply to recruit and retain their trained workforce. This reliance on the brief peak season is rewarding but financially risky, as the crucial peak revenue periods needed to offset those operational losses are increasingly at risk of being shortened by external factors such as wildfires and more frequent inclement weather.

This reliance on intense seasonality creates a direct and fundamental conflict within the community. While local business owners rely heavily on the intense, high revenue "peaks" of tourism (e.g., busy weekends, holiday seasons) for their economic survival, residents advocate for solutions that lower tourism peaks due to congestion, crowds, and reduced quality of life.

These issues are symptomatic of a broader lack of economic diversity. Survey respondents think this results in slow economic activity for both businesses and the workforce during shoulder seasons, as well as a shortage of career-track and long-term professional jobs in the county. Stakeholders also indicated that the reliance on a single economic engine creates systemic pressures that burden residents. For example, in cities heavily reliant on tourism in Chelan County, residents perceive that daily household goods and services such as auto repair or legal services are harder to find and more expensive due to higher operating costs, including rent.

The dependency of many local businesses on tourism trade is particularly true in **Chelan** and **Leavenworth**, which have particularly tourism-dependent economies. **Wenatchee** stands apart with a more diverse economy and more consistent visitation across the calendar year.



Recommendations

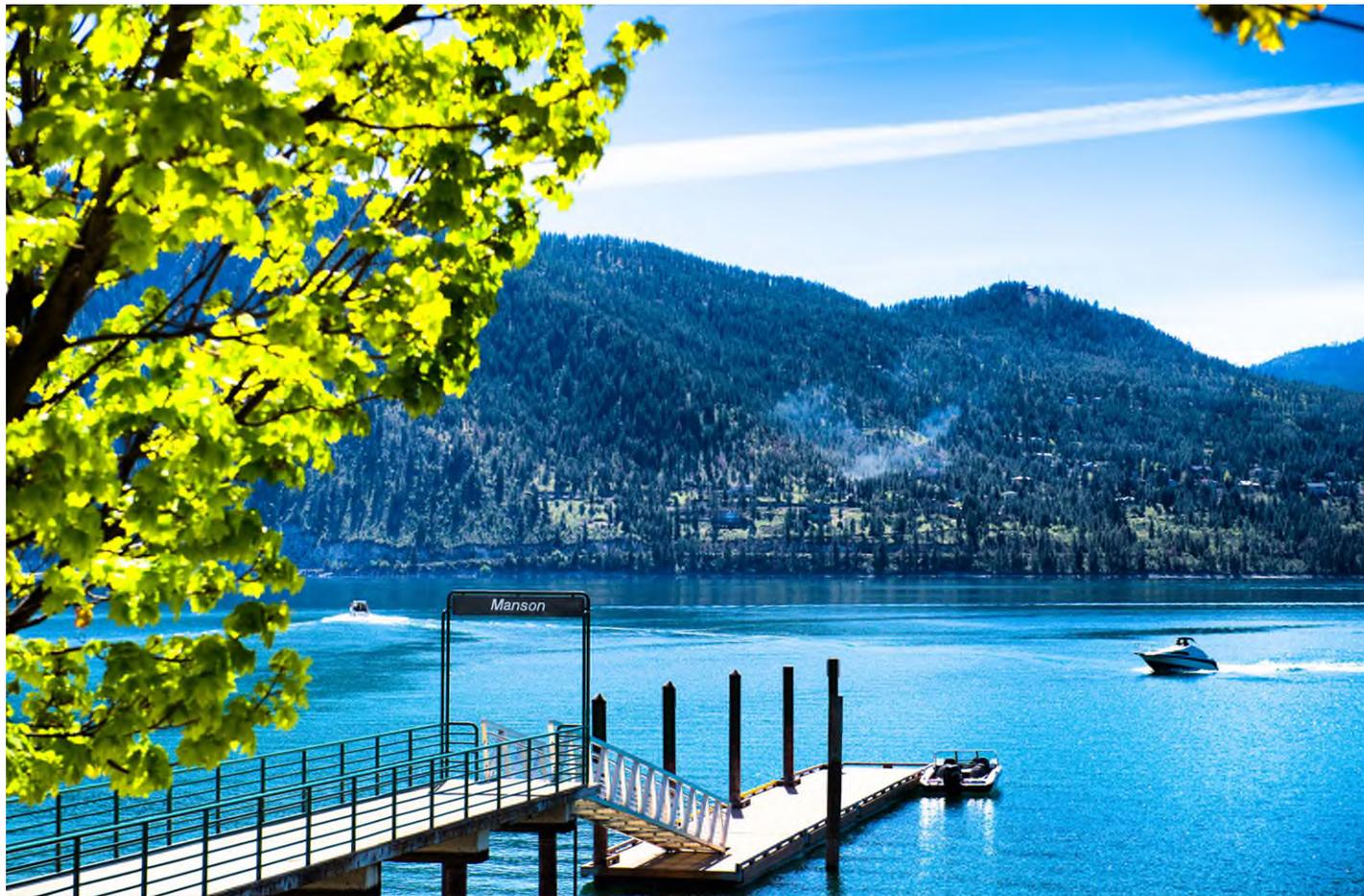
- **Consider strategies for diversifying the economy** at a countywide and community-specific level to reduce structural dependence on hospitality.*
- **Build regional workforce training capacity to help tourism employees build skills** that allow them to advance into management or transition into more stable year-round sectors like healthcare or public administration.*
- **Continue to implement strategies for smoothing out tourism peaks** to support year-round activity for businesses, such as:
 - Differential pricing and incentives
 - Year-round event and product development
 - Marketing and messaging
 - Operational strategies - e.g. offer incentives or support to local businesses that can retain staff and provide full-time, stable employment during the off-season
- **Study similarly sized cities who successfully accommodate high volumes of visitors in a contained urban environment**, focusing on their solutions for traffic management, waste handling, and high-capacity public utility systems.

* Recommendations with an asterisk may benefit from state policy changes or resources. These could be the focus of county legislative advocacy efforts.

Fiscal Impacts: Public Infrastructure and Services



This section of the report discusses the fiscal impacts of the tourism industry in Chelan County in terms of tax revenues generated through visitor spending and the corresponding public service costs required of the County to support visitor population.





Revenues

Visitor spending generates a significant amount of tax revenue for Chelan County and its cities from sources such as sales tax, lodging tax, property taxes, parking fees and others. **In 2024, tourism activity in Chelan County created \$71 million in state and local taxes. Of this roughly \$27.5 million (~39%) were in local sales tax, lodging tax, and tourism promotion area charges.** Most of the remaining tax revenue goes to the state.

The following sections describe sales tax, tourism-specific taxes like lodging tax, property tax, parking revenues, and utility taxes and fees. Fiscal impacts focus on **sales tax** and **lodging tax** as the most directly related to tourism across all jurisdictions.

Sales Tax

Sales tax is the most significant and immediate source of municipal revenue generated by visitors. When a visitor buys anything taxable within county limits—including meals at restaurants, souvenirs, groceries, and services—they pay the local sales tax. This local tax is collected by businesses and remitted to the Washington Department of Revenue, which distributes the appropriate amounts to Chelan County and its cities to pay for essential services like police, fire, parks, and road maintenance. Here are some examples of these services funded through sales tax:

- **Parks and Recreation:** Maintenance of the waterfronts, trailheads, and community parks that both locals and visitors enjoy.
- **Link Transit:** Approximately 75% of Link Transit’s budget comes from local sales tax. This revenue allows for fare-free or low-cost bus routes that connect rural residents to jobs in Wenatchee or Leavenworth.
- **Criminal Justice and Juvenile Detention:** Dedicated 0.1% taxes ensure the local court and jail systems are properly staffed.
- **Transportation Benefit Districts (TBDs):** Chelan County and its cities (like Leavenworth) have a 0.1% tax specifically for paving roads, fixing potholes, and improving sidewalks.

Fiscal Impacts in Context

- If the tourism-generated taxes received by state and local governments were lost, they would need to be replaced by a **\$2,300 tax increase on every Chelan County household.**



In 2024, local sales tax revenue from tourism totaled \$15.8 million. \$8.8 million of this revenue was generated through sales taxes directly imposed by and distributed to the cities of Leavenworth, Chelan, Wenatchee, and unincorporated Chelan County. Other local sales tax generated by tourism supported the Greater Wenatchee Regional Events Center Public Facilities District which manages the Toyota Center and a variety of other special purpose districts that provide fire protection, irrigation and reclamation, K-12 education, medical care, and other services.

In 2024, tourism generated a total economic impact of \$350 million in business sales within the City of Leavenworth (as shown in Exhibit 22). Applying the City's 1.15% local sales tax rate results in \$3.0 million in tourism-related sales tax revenue. Wenatchee follows closely with \$290 million in tourism sales, creating \$2.7 million in tourism-related sales tax revenue (at a 1.25% rate). The City of Chelan generated \$190 million in sales, contributing \$1.6 million in tourism-related sales tax based on the city's rate of 1.15%.

The data highlights a significant difference in how dependent these cities are on tourism for their general finances:

- **Leavenworth** exhibits the highest reliance, with its tourism-related sales tax revenue making up a significant 74% of the City's total sales tax collection and 12% of total revenues.
- **Chelan** is also highly dependent on the visitor economy, with 56% of its sales tax revenue coming from tourism activity.
- In sharp contrast, **Wenatchee**, due to its status as the county seat and its diversified economic base, relies on tourism for only 13% of its total sales tax revenue, despite having the second-highest total tourism sales volume.

Tourism activity in the unincorporated Chelan County area is also a major source of revenue. The estimated \$170 million in business sales there, taxed at a 1.2% rate, generated \$1.5 million in tourism-related sales tax revenue for Chelan County, which is 9% of the total sales tax collected in the unincorporated areas. This high sales volume underscores the significant role that areas outside of municipal boundaries (such as Lake Chelan shorelines and rural recreational hubs) play in the county's visitor economy.



Exhibit 22. Tourism-Related Sales Tax Revenue by City and Unincorporated County, 2024

City/Unincorporated County	Total Economic Impact of Tourism	Sales Tax Rate	Tourism-related Sales Tax	% of Total City /Uninc County Sales Tax
Leavenworth	\$350 million	1.15%	\$3.0 million	74%
Wenatchee	\$290 million	1.25%	\$2.7 million	13%
Chelan	\$190 million	1.15%	\$1.6 million	56%
Unincorporated Chelan County	\$170 million	1.2%	\$1.5 million	9%

Source: Visit WA, 2024; Washington State Department of Revenue, 2024; Tourism Economics, 2024; City of Chelan, 2024; BERK, 2025
 Note: Tourism-related sales tax is obtained by adjusting the total economic impact to account for non-taxable retail sales and then multiplying by the sales tax rate.

Lodging Tax and Tourism Promotion Area Charges

Lodging tax is a dedicated tax specifically targeting visitor accommodations in Chelan County. All cities in Chelan County impose a lodging tax. Visitors pay a percentage tax on the per room per night cost of their stay in hotels, motels, vacation rentals (like Airbnb), and bed-and-breakfasts. Lodging tax revenues must generally be used for tourism promotion, and acquisition or operation of tourism-related facilities. More information on lodging tax is included in **Appendix B**.

Tourism promotion area (TPA) charges are special lodging charges within designated tourism promotion areas for the use in promoting tourism. Lodging businesses must collect the lodging charge from visitors who purchase lodging. In Chelan County, the City of Wenatchee is the only jurisdiction with a tourism promotion area lodging charge of \$2 per room per night.

Visitor stays generated \$11.7 million for Chelan County in 2024 through combined lodging tax and tourism promotion area revenues. Total revenue from these two sources more than doubled over the period from 2016 to 2024. The most significant growth was the post-pandemic surge in 2021, which jumped



from \$7.2 million (2020) to \$10.6 million, establishing a new, significantly higher annual plateau that the County has maintained since (Exhibit 23).

Leavenworth lodging tax revenue has consistently increased during this period, and the City remains the largest contributor to the County's lodging tax base (38% in 2024). Lodging tax revenue for 'Other Chelan County', which is mostly unincorporated Chelan County, has decreased from a high of \$3.2 million in 2021 to \$2.2 million in 2024.

Lodging tax revenue supports investments countywide and in specific communities per an established framework:

- 27% Visit Chelan County
- 20% Lake Chelan Chamber of Commerce
- 20% Leavenworth Chamber of Commerce
- 20% Chelan County
- 10% events grants
- 3% Cascade Loop

What are Lodging Taxes Used for in Chelan County?

Lodging taxes are used to fund tourism and local attractions countywide. Examples include:

- Chelan County commissioners awarded nearly \$481,000 in lodging tax grants to 11 tourism projects in 2024, such as the Evergreen Mountain Bike Alliance for the No.2 Canyon recreation area and the Plain Valley Ski Trails for their Welcome Center.
- Leavenworth's Recreation Ambassador Program which is funded through lodging tax dollars tries to help protect natural areas like the Enchantments from environmental degradation in the face of reductions in U.S. Forest Service personnel.

Lodging tax also helps fund projects and services that provide benefits to the resident community.

- A rich array of local festivals, sport competitions, live theater, music, and much more is supported in part by lodging tax revenues allocated by local municipalities.
- Lodging tax revenue was used for bond payments on waterfront infrastructure improvements in the City of Chelan and for downtown plaza and streetscape improvements in the City of Leavenworth.
- In Leavenworth, an estimated 18% of the funding for Leavenworth's Howard Hopkins Memorial Pool is from lodging tax revenues, with the tax specifically covering about 25% of the annual operational and maintenance costs.

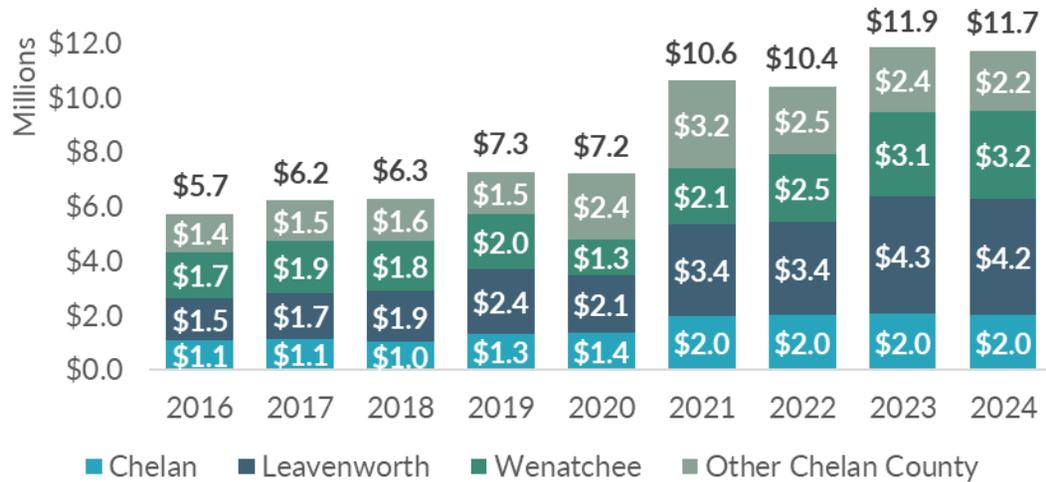


Exhibit 23. Chelan County Lodging Tax and TPA Revenue



Source: Washington State Department of Revenue, 2016-2024; BERK, 2025

Exhibit 24. Lodging Tax and TPA Revenue by Community



Source: Washington State Department of Revenue, 2016-2024; BERK, 2025



Property Tax

Property tax is less directly related to tourism as visitors do not pay property tax. However, tourism generates property tax revenue in several ways, including from second homes and new construction. When a second home is owned by a non-resident, that property represents a consistent, high-value source of property tax revenue that subsidizes the local public services for the permanent population without placing the same level of strain on local services as a full-time resident.

In 2023, 15% of Chelan County’s total housing stock were units used for seasonal, recreational, or occasional use (Exhibit 28) but the share varies by community (Exhibit 29). Tourism also drives the need for and investment in dedicated commercial properties that would not exist otherwise, such as hotels, retail spaces, and restaurants, which are added to the property tax rolls and pay property taxes at commercial rates. Commercial rates are often higher than residential rates. Property tax is the most important source of revenue for public schools, fire protection, library, park and recreation, and other special purpose districts.

Parking Revenue

Parking revenue is the total money jurisdictions collect from parking fees, permits, and fines, which can come from on-street meters and public garages. Cities with paid parking in Chelan County like Leavenworth see a large boost in revenue from visitors.

Leavenworth collects more than \$3 million in paid parking revenues throughout the year.

Utility Taxes and Fees

Utility taxes and fees are indirectly impacted by tourism as cities with a higher share of second homes may collect less revenue from utility charges if those homes are often vacant. **The City of Chelan and Leavenworth use a utility rate structure with high fixed (base) charges and low variable (usage) rates** to ensure owners of second homes still contribute a predictable amount of revenue to the city or utility even when no services are being actively consumed.



Tourism-Related Costs

While tourism provides substantial revenue to Chelan County communities, it also generates public sector costs, including wear and tear on infrastructure and additional demand for services. This section reports findings from interviews with city and county staff. In general, stakeholders in **Wenatchee** indicated that overall, tourism did not impose as significant a cost burden on general city services (like local police or parks) compared to the burdens observed in **Chelan** and **Leavenworth**, reflecting Wenatchee's more diversified economic base.

Public Infrastructure and Utility Strain

The high seasonal influx of visitors places a strain on municipal infrastructure, particularly in tourism-dependent cities like **Chelan** and **Leavenworth**. Both cities must provide public utilities, including water and sewer services, and manage public works and garbage collection at a scale beyond what their small permanent population requires. This results in higher operating costs. Leavenworth's sewer system, which is over 50 years old, is currently inadequate and requires substantial updates to accommodate the usage demanded by peak tourism seasons.

Vehicular Traffic, Parking, and Road Maintenance

High tourism levels lead to increased administrative and maintenance costs. Increased vehicular traffic causes greater wear and tear on local roads, necessitating higher maintenance budgets. During peak seasons and events, communities like **Leavenworth**, **Wenatchee**, and **Chelan** experience strained traffic capacity and significant slowdowns for residents. The high demand for parking in downtown areas has prompted investment such as Leavenworth's commitment to a Downtown Parking Garage Feasibility and Design study.

Public Safety and Emergency Services

The **Chelan County Sheriff's Office** expends considerable resources addressing emergencies related to visitor activity:

Case Study: City of Chelan Tourism-Related Expenditures

The City of Chelan estimated that in 2024 the City's tourism-related expenditures included:

- **An estimated \$1.4 million in direct expenditures** which included funding for local organizations that support or promote tourism (Lake Chelan Chamber of Commerce, Historic Downtown Chelan Association), debt payments, and a one-time payment to the local school to restore their gymnasium floor (gym is used to host out-of-town Amateur Athletic Union programs).
- **An estimated \$3 million in indirect expenditures** on parks (e.g., seasonal workers, restroom supplies, capital improvements), the RV park, mini-golf course, marina (e.g., staff and facility maintenance), and the golf course (e.g., pro shop, operating costs, capital expenses).



- **Lake Chelan Patrol:** High levels of summertime resources are dedicated to patrolling and responding to calls on Lake Chelan, with a large portion of these operations stemming from tourist activity.
- **Search and Rescue (SAR):** The Sheriff's office performs over 100 SAR operations annually across the county, with an estimated 90% originating from the highly popular Enchantments area near Leavenworth. The necessary resources, including the full funding and operation of a dedicated helicopter unit, represent a disproportionate cost driven by tourists engaged in outdoor recreation who are often non-residents.

Environmental and Park Management Costs

Heavy visitor use places significant strain on natural resources and public facilities, requiring dedicated funding for mitigation and maintenance:

- **Park Use:** Public park facilities experience heavy visitor traffic during peak summer months. The **Wenatchee Parks Department** invests resources in maintaining positive aesthetics at city parks, and the **City of Chelan** must hire additional seasonal staff to manage the influx of hundreds of thousands of annual visitors.
- **Environmental Protection:** As described in the Natural Environment section, tourism places additional demands on Chelan County's natural systems. Funds, often donated to non-profits like TREAD, are needed to manage and report on the impact of this extensive tourist use. Furthermore, organizations like Keep It Blue require funding to monitor and mitigate the environmental impact of heavy use on Lake Chelan.

Search and Rescue

In most cases, search and rescue (SAR) services in the United States are provided free of charge, and federal agencies like the National Park Service and Coast Guard do not charge for SAR operations. Several states, including Oregon and Utah, have enacted legislation that gives officials the authority to seek reimbursement from rescued individuals in specific circumstances (typically only in cases involving severe negligence or recklessness). Other states like New Hampshire and Utah have programs that "insure" the hiker against being billed for rescue costs by charging them a small fee.



Tourism-Funded Public Amenities

Some tourism-related or tourism-funded spending by local municipalities may be seen as community-serving investments and amenities. While this would be very difficult to quantify, interviews with city staff identified that spending from visitors funds infrastructure that benefit residents as well as out-of-area visitors. Specific examples include the following:

- Lodging tax funds are used by the **City of Leavenworth** not just to support the tourism economy but also to improve the downtown area parks, streets, and facilities within the community that are utilized by both residents and tourists such as the Pump Track and Skate Park, Leavenworth Festhalle, Golf Course, Leavenworth Pool, and improvements to the Lions Club, Waterfront, Enchantment and Front Street Parks. Tourism-related revenues help Leavenworth moderate its dependence on property tax and other fees for funding City services and provide the community opportunities not typically found in a small community of 2,500 residents.
- **City of Chelan** staff noted that it would be unlikely that they would have a golf course if they did not have tourists, as the operations of the golf course rely heavily on tourist funds. Lodging tax is an important source of funding for City parks which usually receive \$0.3-\$0.4 million in lodging tax funds per year.
- Lodging tax and tourism promotion area funds were used in the **City of Wenatchee** most recently to fund \$16.9 million of the \$17.5 million cost to expand the Convention Center—an investment which will add 24,000 square feet across two stories. While the Convention Center draws many out-of-area meetings and events, generating an influx of spending in the local area, it also serves regional businesses and social service organizations.



Community Sentiment

Community input reflected a more negative view of the fiscal impacts of tourism, with many participants asserting that tourism has a deleterious impact on public infrastructure.

- Tourism survey respondents stated that tourism activity can place a strain on public infrastructure and services, leading to a decreased quality of life for residents. Traffic congestion was the most frequent concern, with major backups identified along arterial routes (Hwy 2, 97, 150, and Woodin Avenue bridge) reportedly turning essential errands into "a migraine-inducing nightmare" that requires trips to neighboring towns. This congestion is compounded by perceived parking shortages in downtown Leavenworth, Chelan, and at trailheads. This is seen as inconveniences to residents and contribute to illegal parking in neighborhoods.
- Beyond traffic, community concerns extend to accelerated wear and tear on public spaces and poor sanitation (e.g. litter, dog waste). For residents, these combined effects can transform popular destinations into sources of inconvenience, underscoring the tension between economic benefit and daily livability.
- Finally, the community perceives a significant investment imbalance: residents assert that tourism revenues fund visitor-centric amenities rather than essential local needs, voicing a desire to shift investment toward community-serving amenities such as community centers, libraries, and childcare centers.

"The adventure park is an activity that locals do not use. I would like for new projects to benefit tourists and locals such as pools, ice rinks, fitness centers..."

"My daughter's school had to fundraise to be able to offer a choir program. We have zero before and after school care programs for young children. I don't think we have any infant childcare. How much are we spending for local infrastructure vs. the benefit? I live in a town that gets millions of tourists every year, yet our streets are crumbling, and our pool struggles to stay open."



Recommendations

- **Continue to invest in amenities that serve the resident quality of life while maintaining visitor appeal**—for example, community parks, public waterfront access, and multi-modal train systems that function as both recreational assets and local transportation corridors.
- **Clearly communicate to the public how visitor tax dollars are invested in local services and infrastructure.** For example:
 - Actively highlighting resident-centric projects that are partially or fully funded by tourism revenue.
 - Increasing transparency of lodging tax investments, specifically distinguishing between tourism promotion and marketing and capital investments that provide long-term community value.
- **Implement cost-recovery strategies for activities that create a disproportionate demand on emergency services or natural resources.** For example, exploring a voluntary “safety contribution” model or a trailhead parking surcharge to help recover the operational costs of the Sheriff’s aviation and mountain rescue units.

Housing Impacts



Tourism impacts on housing are a primary concern of Chelan County Residents. Notably, 67% of respondents to the tourism survey rated tourism impacts on housing as negative or very negative (Exhibit 34).

Housing Prices

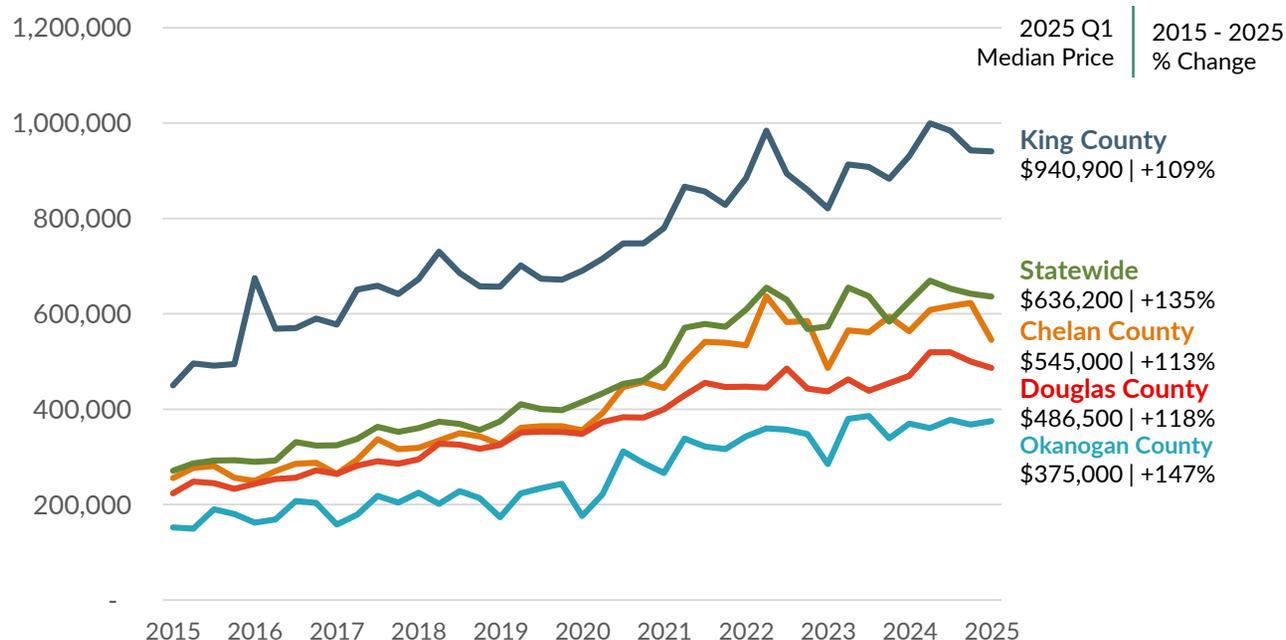
Housing cost trends in Chelan County have largely followed patterns like other Washington counties and the statewide trend. Housing prices have increased significantly across Washington, including in counties whose economies are not as focused on tourism.

- In Q1 2025, Chelan County median sales price was \$545,000, slightly under the statewide median price of \$636,200. Chelan County had the 11th highest median sales price in the first quarter of 2025.
- Since 2015, Chelan County median housing price has more than doubled (+113% increase). While this rate of increase is higher than King County (+109%), it is lower than Douglas (+118%) and Okanogan (+147%) counties, as well as the increase statewide (+135%).





Exhibit 25. County Median Housing Price, Q1 2015 through Q1 2025

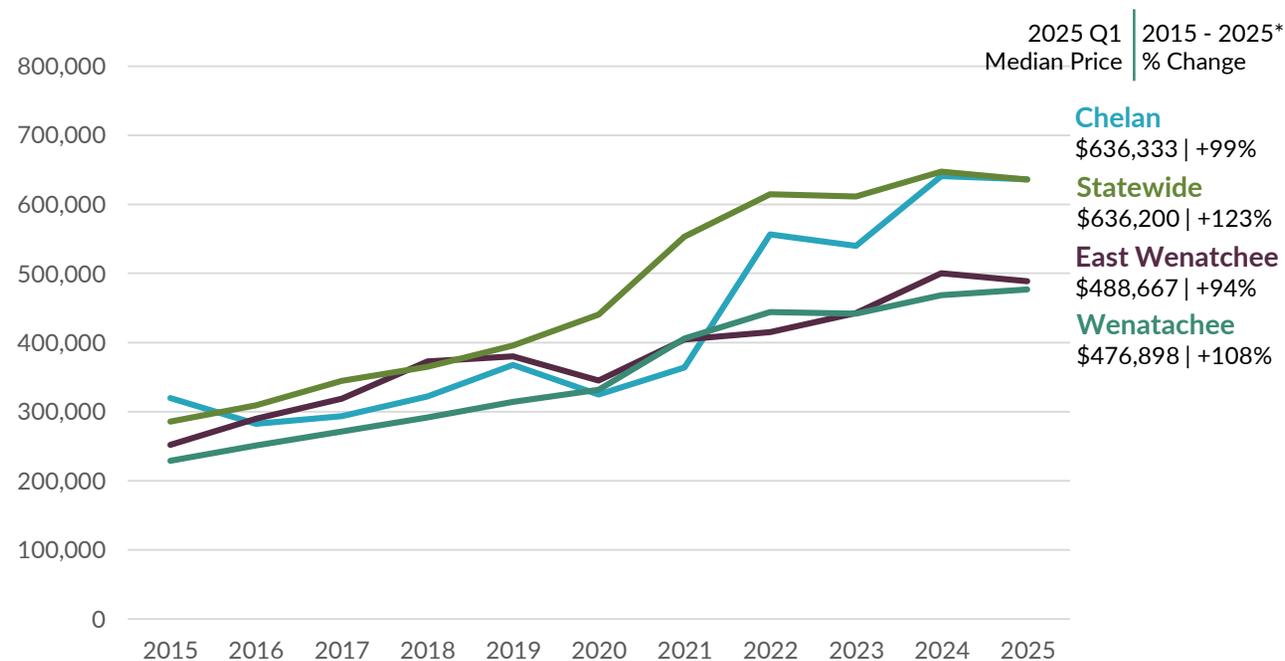


Sources: Washington Center for Real Estate Research, 2026; BERK, 2026

Patterns at the city level have been similar to statewide patterns. Prior to the COVID-19 pandemic, median house prices for Chelan, Wenatchee, and East Wenatchee largely fell between \$200K and \$400K, following the same price increase trend as the statewide median. Since the pandemic, statewide median housing prices have grown substantially. Chelan prices have followed similar price acceleration trends, while the Wenatchee and East Wenatchee median housing price growth has somewhat softened. Chelan is more impacted by the forces driving up housing prices across the state, while Wenatchee and East Wenatchee are less impacted by those pressures.



Exhibit 26. City Median Housing Price, Q1 2015 through Q3 2025



*Median prices are annual averages of published quarter median estimates. Due to the small number of transactions, data are not available for the City of Leavenworth.
Sources: Washington Center for Real Estate Research, 2026; BERK, 2026

- In the City of Chelan, median housing cost has increased (+99%), which is less than the increases observed statewide and for Wenatchee. Median housing prices are now similar statewide median prices.
- Wenatchee and East Wenatchee offer lower median prices than other cities in the region, but those prices have continued to increase.

Housing price increases across Chelan County are largely following housing price patterns across Washington. In other words, housing is simply more expensive in most locations in Washington, regardless of the presence of tourism.

This conclusion, however, doesn't fully answer the question of the impacts of short-term rentals on housing prices. Research on the impact of short-term rentals on housing costs has found positive impacts on housing prices, though a relatively small impact compared



to other factors driving up prices. A study based on urban markets found that the presence of short-term rentals increases the monthly rent of a tenant by about \$12, or about 1% of aggregate rent growth.⁵ Likewise, a study looking at all zip codes in the United States found that a 1% increase in Airbnb listings leads to about \$9 in monthly rent increases and a \$1,800 increase in house prices for the median zip code.⁶ This amounts to about one fifth of actual rent growth and one seventh of actual price growth. The consistent findings of these studies suggest that while short-term rentals do increase housing rents and housing prices, the impact is much smaller at the county or community level than other factors that are driving up housing costs. Impacts on housing prices are found to be greater in areas with low levels of owner-occupied housing or where short-term rentals make up a substantial portion of the housing supply.

Housing Supply

Housing supply is a significant factor in housing affordability. When there is not sufficient supply to meet market demand, competition for housing increases, which drives prices up. Housing demand comes from long-term residents, second-home owners, or converting housing from residential use to hospitality through short-term rentals. When there is sufficient but not excess supply, prices tend to rise but at a more moderate rate.

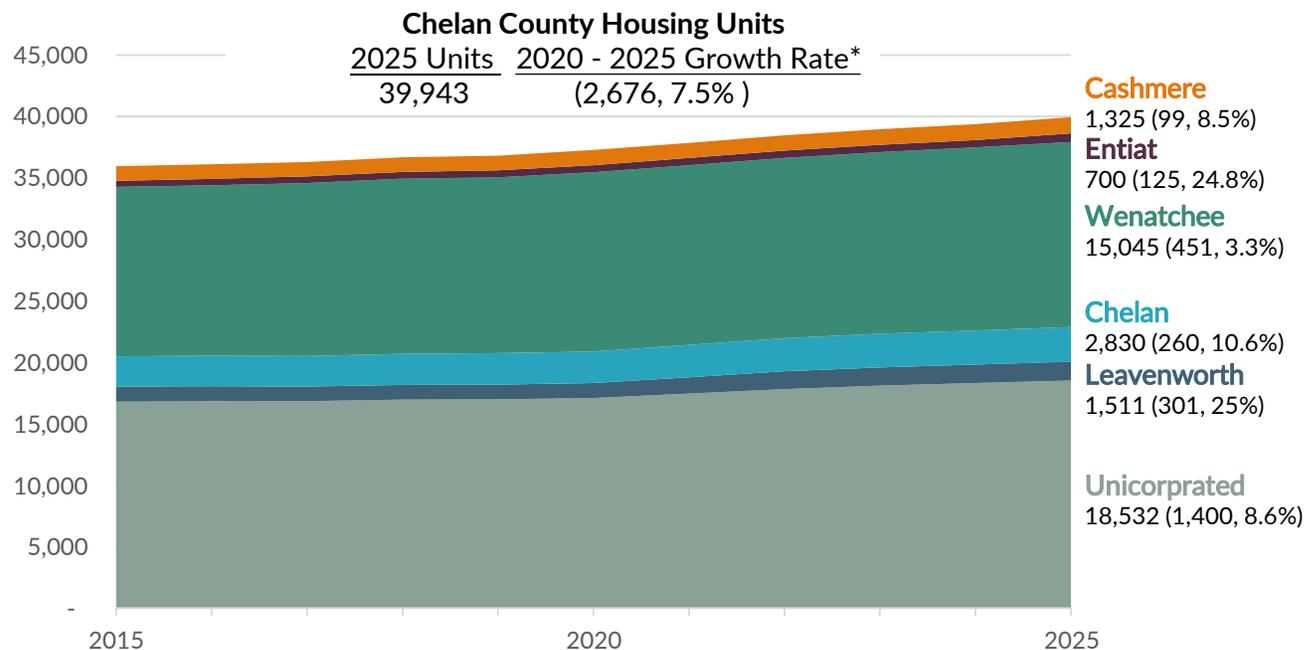
Increased demand can also stimulate new housing production as higher market prices can support the cost of new development. When an individual buys a lot and builds a second home, that housing unit might not exist otherwise. In addition, the construction of that second home generates economic activity that in turn creates demand for housing by long-term residents.

⁵ Calder-Wang, Sophie, Chiara Farronato, and Andrew Fradkin (2024), "What does banning short-term rentals really accomplish?" Harvard Business Review. Available at hbr.org.

⁶ Barron, Kyle, Edward Kung and Davide Proserpio (2021). "The effect of home-sharing on house prices and rents: Evidence from Airbnb." Marketing Science 40(1). Available at <https://doi.org/10.1287/mksc.2020.1227>.



Exhibit 27. Housing Supply, 2015 through 2025



*Housing unit growth rates are inclusive of annexations. Between 2020 and 2025, the City of Chelan annexed three units and Wenatchee annexed 16 units from unincorporated Chelan County.

Sources: OFM, 2024; BERK, 2025

- Chelan County had 39,943 housing units in April 2025, representing a 7.5% increase since 2020. This is in line with the statewide housing production rate of 7.5% over the same period.
- There are more housing units (18,532) and more new housing built since 2000 (1,440) in unincorporated Chelan County than in any of its cities. This suggests that Chelan County is experiencing significant housing development pressure in its rural areas. Indeed, more than half of new units built in Chelan County since 2000 have been in unincorporated areas.



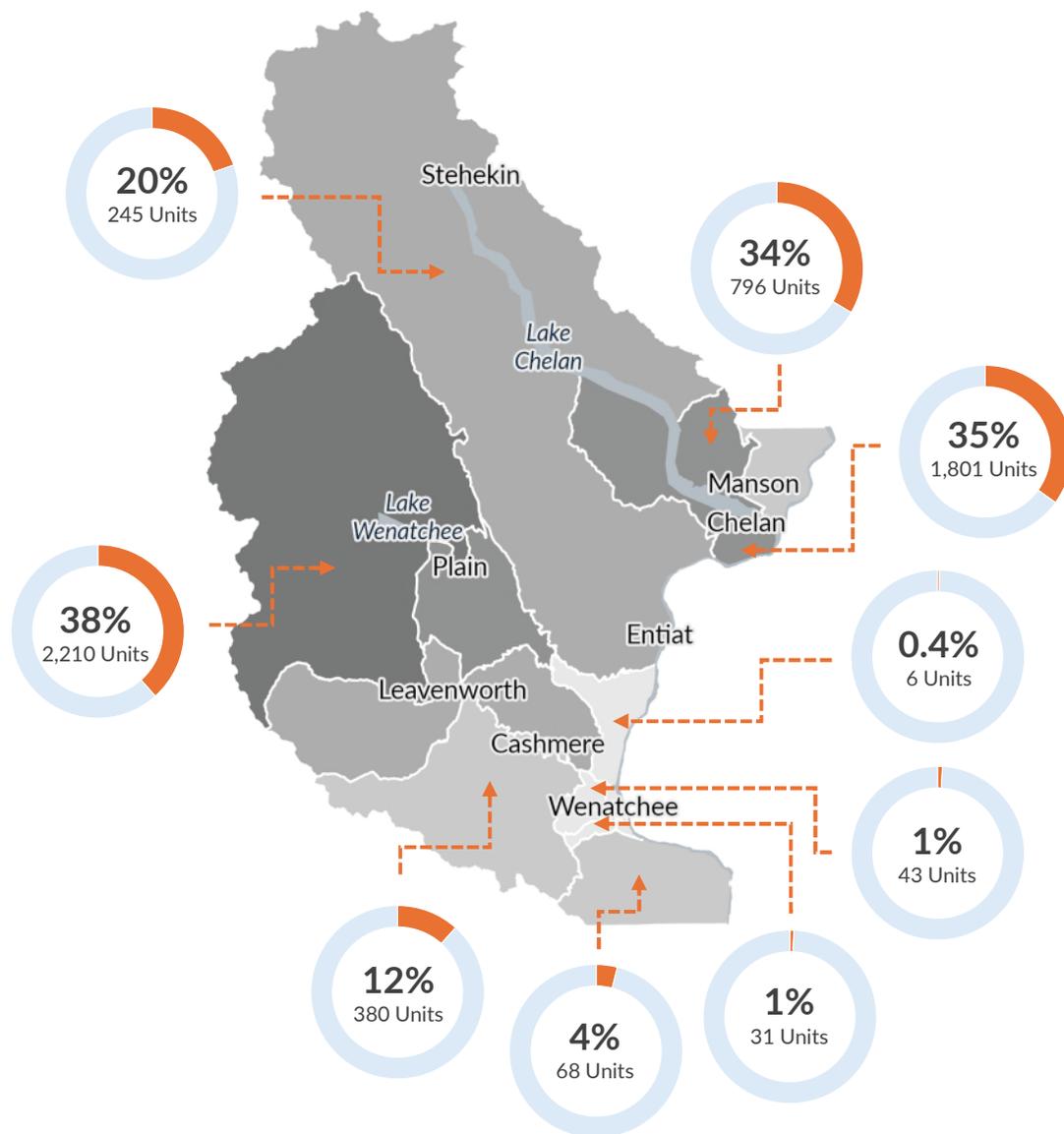
- Chelan County’s seasonal use housing rate is much higher than the more urban westside counties, including King, Pierce, and Snohomish (all 1%), and similar to Kittitas (13%) and Okanogan (14%) counties.
- San Juan (32%) and Pacific Counties (28%) have significantly higher second home rates.

The proportion of housing units that are second homes, that are held for seasonal, recreational, or occasional use, varies significantly by census tract within Chelan County, as shown in Exhibit 29 on the following page.

- More than a third of housing units in Census Tract 9602, comprising most of western Chelan County including the City of Leavenworth, and Chumstick, Plain, Merrit, and other western parts of unincorporated Chelan County, are second homes. More than 90% of housing units in Census Tract 9602.03, comprising western Chelan County including the areas West of Highway 2 to Coles Corner, and then west of State Route 297 may be second homes.
- Census Tract 9603, comprising areas south of the City of Chelan along the south shore of Lake Chelan to Barney Zell Ridge, including along the Columbia River from Chelan Falls to Stayman, has 1,801 second homes, roughly 1 in 3 of total housing units.



Exhibit 29. Second Homes by Census Tract, 2023



Sources: U.S. Census, American Community Survey 2023 5-Year estimates, Table B25004

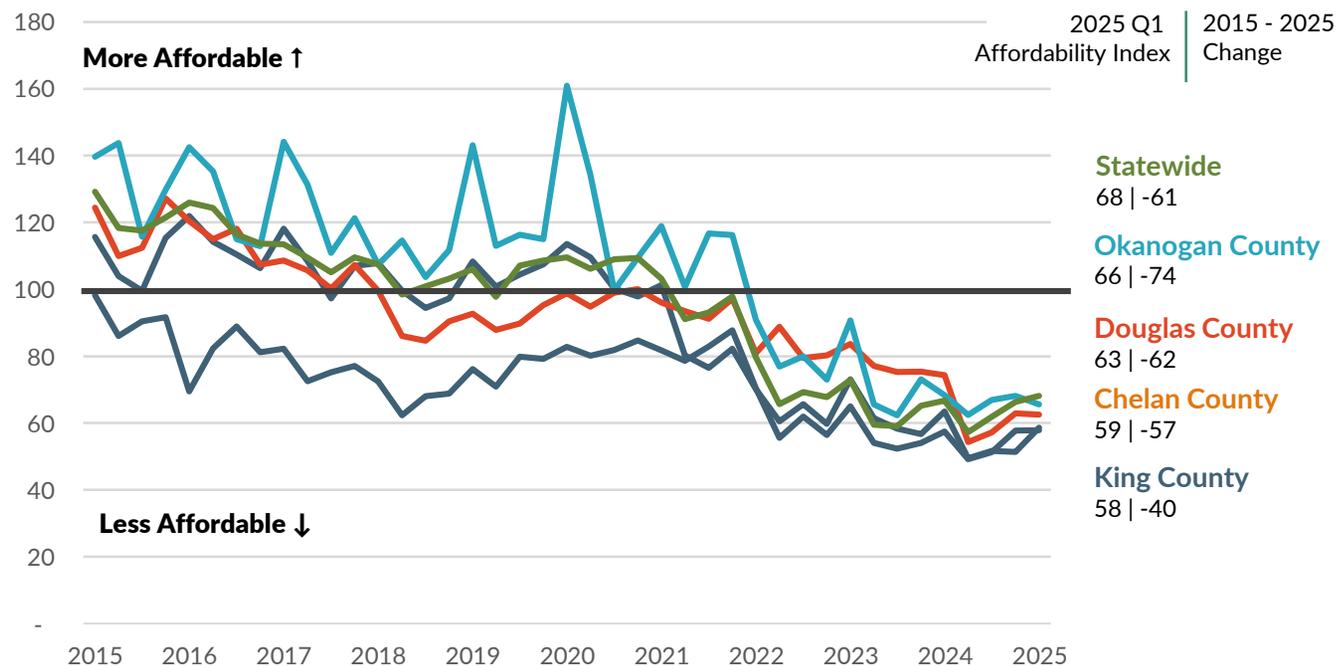


Trends in Housing Affordability

Housing affordability is about the relationship between local household income and local housing prices. The common standard is that housing is considered “affordable” if it costs less than 30% of a household’s income. Given this relationship between income and housing costs, locations with higher household incomes can maintain affordability even if housing prices are relatively high.

Exhibit 30 presents housing affordability as an index that compares the local median sales price with the local median household income. The index assumes a household is putting a 20% down payment on the home. A score of 100 indicates that a household earning median income can afford the median-priced single-family house.

Exhibit 30. Housing Affordability Index for a Median Buyer



Sources: Washington Center for Real Estate Research, 2026; BERK, 2025



Chelan County has housing affordability challenges; however, the affordability challenge is not significantly driven by tourism. Housing affordability is seen to decrease over time:

- Between 2015 and 2018, only King County was below the affordability threshold, meaning that a median-income household did not have the income necessary to afford the median housing cost. Over the same period, Chelan County offered greater affordability than King County, tracking the statewide index.
- Between 2018 and 2021, the index stayed relatively constant for each county and the state.
- Since 2021, there has been a general downward trend in the index, suggesting decreased affordability for median-income households for the four counties and statewide. The housing affordability challenges that were impacting King County prior to the pandemic have caught up to Okanagan, Douglas, and Chelan Counties.
- By 2025, a Chelan County median-income household had only 60% of the income necessary to afford a median-priced house, a pattern observed in its neighboring counties.



Recommendations

The following ideas are not sufficient to fully address Chelan County's housing affordability challenges, which are the intent of many housing strategies at the county and city level. These ideas are focused on addressing the impacts of tourism in particular.

- **Support the development of more housing—particularly apartments—to meet the need for long-term rentals.*** Increasing the supply of apartments or other multifamily housing types that remain available as long-term rentals will reduce the upward pressure on housing rents with more options in a currently underserved segment.
- **Allow short-term rentals in places unlikely to support long-term rentals.** Areas with unique amenities and low rates of owner-occupancy are not likely to serve the housing needs of residents. Short-term rentals can impact local housing prices and reduce the housing available to long-term renters. However, short-term rentals can also increase the utilization of existing housing stock and support the economic and fiscal benefits described elsewhere in this report. Areas where there are already low rates of owner-occupancy or include price premiums, such as waterfront and view homes, are not likely to serve long-term rental housing needs. Allowing more short-term rentals in these areas can support visitor spending with limited impacts on housing costs and housing availability for long-term renters.
- **Align county and city regulations to encourage more housing development within the cities and reduce housing development in unincorporated Chelan County.** While housing regulation will not solve the affordability challenge in Chelan County or elsewhere, it is an important lever to use. There are many long-term challenges associated with allowing higher density housing in rural areas. These include fiscal challenges associated with maintaining infrastructure and services in rural areas, discouraging the annexation of lands that are already approaching urban residential density, reduced ecological functions associated with rural areas, and infrastructure constraints such as limited road systems. Encouraging development within city boundaries in better proximity to urban services (groceries, restaurants, services) will help preserve rural character and reduce the amount of intercounty circulation and help alleviate traffic challenges.

* Recommendations with an asterisk may benefit from state policy changes or resources. These could be the focus of county legislative advocacy efforts.



Impacts on the Natural Environment

This section is related to, but different from, other sections which describe the economic and community benefits Chelan County residents receive thanks to the natural beauty of the region. **This section centers the natural world, describing the impacts that tourism has on Chelan County’s natural environment.**



Source: All Trails – Michael Zelyez



The Benefits of Outdoor Recreation

In Chelan County and many other publicly available lands, outdoor recreation amenities offer physical, cultural, and spiritual benefits to recreationalists. According to the U.S. Department of Agriculture’s U.S. Forest Service, there were 150 million visits to Forest Service lands across the United States that generated more than \$10 billion in local spending and supported more than 150,000 jobs. Another publication from the U.S. Forest Service described, “Public lands, and the recreation opportunities they provide, are a kind of economic engine for gateway communities, the towns that are near or border national forests”⁷.

Context

Chelan County’s natural environment is important to both out-of-area visitors and locals. The county offers outstanding outdoor recreation opportunities, varied natural beauty, a rural feel, and all the health and social benefits associated with these assets. Personnel recruitment efforts leverage these assets, with talent agencies and local employers touting the benefits of living in a location with such recreational assets and natural beauty.

80% of Chelan’s lands are held by federal agencies, as shown in Exhibit 31, which means they are protected from private development.

- **72% are United States Forest Service (USFS) lands.** USFS manages land for “recreation, range, timber, watershed, and wildlife and fish purposes.”
- **7% are National Park Service (NPS) lands.** The Lake Chelan National Recreation Area is managed as part of the North Cascades National Park Service Complex. NPS seeks to “preserve unimpaired the natural and cultural resources and values of the National Park System for the enjoyment, education, and inspiration of this and future generations.”

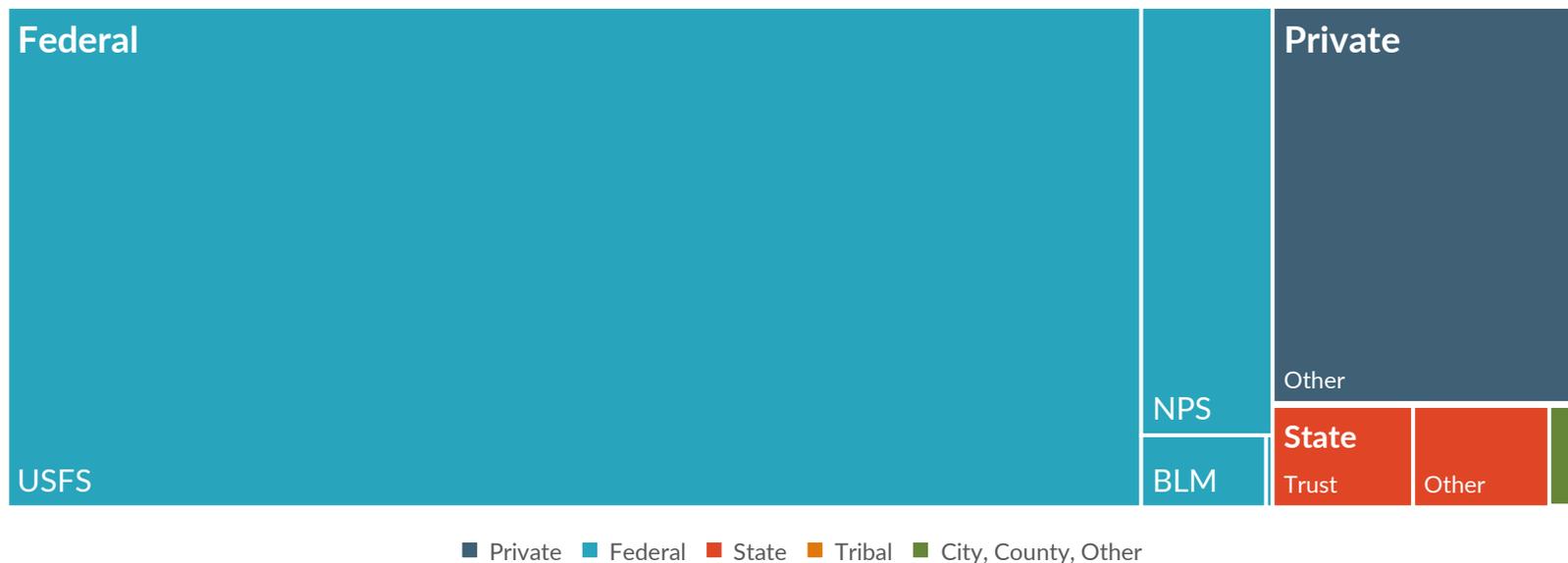
⁷ [U.S. Forest Service](#) (2021).



- **1% are Bureau of Land Management (BLM) lands.** BLM operates under a congressional mandate to manage public lands for “a variety of uses such as energy development, livestock grazing, recreation, and timber harvesting while ensuring natural, cultural, and historic resources are maintained for present and future use.”

Source: [Chelan County Public Utility District](#)

Exhibit 31. Land Ownership



Source: *Headwater Economics, 2025*

Funding for agencies managing Chelan County’s federal lands is not directly tied to visitation, meaning that funding support does not increase linearly with usage. As described below, usage often outstrips the ability to effectively manage the resource.



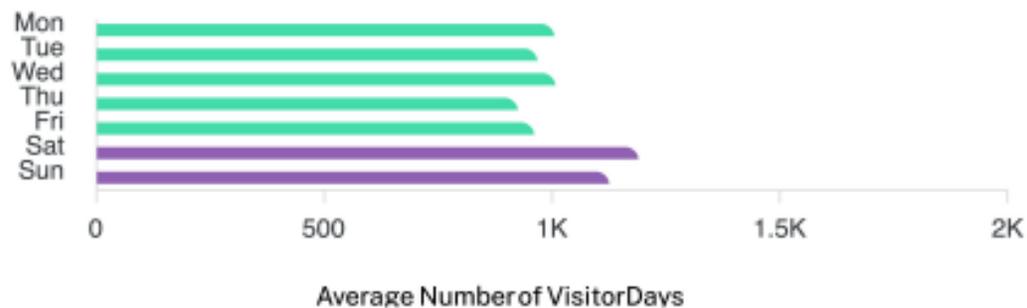
Visitation

Trailhead Visitors

Based on Visit Chelan County's 2025 Trailhead Visitation Report, Chelan County sees 225,000 trailhead visitors each year. Of these visitors:

- More than 83% are day-tripping to the trailhead.
- 78% of trailhead visitors come from within 50 miles.
- 92% of trailhead visitors are repeat visitors (i.e., they've visited that trailhead before).
- While the average number of visitors is highest on Saturday and Sunday, visitorship is also quite high during weekdays (see Exhibit 32).

Exhibit 32. Visitors by Day



Source: Visit Chelan County 2025 Trailhead Visitation Report



Human Impacts on the Natural Environment in General

While humans can be seen as part of nature and can act as responsible stewards of natural resources, a human presence tends to cause negative impacts to the natural environment. Residential and commercial development, as well as trails, displace nature and wildlife. Studies show that even relatively low volume trails cause behavior modifications in animals seeking times or places undisturbed by human activity. Other negative impacts of human development and activity include water use and degradation of water quality, erosion, and the injection of pollution, trash, and invasive species.

While this is admittedly a pessimistic and Western description of human impact, it is an appropriate lens when describing the impacts of the current style and magnitude of housing, commercial development, transportation infrastructure, and outdoor recreation activities on the natural environment. If there was a time when we lived in a style and a scale that was in harmony with nature, and where our impacts were sustainable or even beneficial, we are well beyond that now.

These negative impacts increase with usage, whether that usage is from a growing local population or a growing number of out-of-area visitors. Social trends are a factor as well, with outdoor activities increasing or decreasing as is fashionable at the time. Since the COVID-19 pandemic, social media has exacerbated recreation-generated impacts by driving locational and temporal concentrations. When everyone wants to take a selfie at the same location or experience the same seasonal wildflower bloom, that natural asset is subject to overuse and degradation.

Does human enjoyment of the outdoors generate any positive impact on the natural environment?

Active and passive outdoor recreation brings considerable human benefit as described in the preceding sections. Humans benefit greatly from outdoor activity, exposure to natural scenes, and the fresh air and water that a pristine natural environment can deliver. While these benefits are positive for humans, we see little evidence of concurrent benefits for nature itself. As noted on the preceding page, there is no funding linkage between visitation and federal agency resources for natural resource preservation and management. Tourism does expand fiscal revenues for county- and city natural resource agencies, but it also brings considerable wear and tear that must be mitigated.

Studies also show a very limited correlation between outdoor recreation and environmental concern. Simply put, nature lovers aren't necessarily strong advocates for the outdoors or particularly generous donors to environmental preservation causes.

Source: The "Recreation Boom" on Public Lands in Western Washington: Impacts to Wildlife and Implications for Treaty Tribes, The Tulalip Tribes, 2021



Challenges Specific to Chelan County

Multiple factors exacerbate the challenge of managing Chelan County's natural lands and mitigating the harm that modern humans cause.

There is a tension implicit in the mission of our public land management agencies. This tension lies in the word "public" itself: these lands are seen as being available for public use and public enjoyment. In particular, those who live near these lands tend to value free and unfettered access. The challenge lies in the sheer volume of use and the concurrent cutbacks in funding to enable federal agencies and local governments to be effective managers.

With multiple jurisdictions holding access and management responsibilities, active management requires coordination and multiparty actions. One jurisdiction may hold responsibility for access roads, another for trails or docks or other access points, and another for the land or water itself. Effective controls require aligned efforts of staff at multiple agencies.

While Chelan is the third largest county by land area in Washington, much of it is steep and inaccessible to many members of the public. This concentrates population and visitors in the areas of the county with lower slopes. Limited access points for attractions like the Enchantments or the Wenatchee River receive significant usage.

Social media and seasonal variations further concentrate many people in a few locations at a few points in time. The first image on the right is an Instagram posting from Renee Roaming with 29,000 likes that features spring wildflowers in the Sage Hills outside of Wenatchee. The still at the far right is from a TikTok video shared by Madison Clysdale with 38,000 likes⁸.

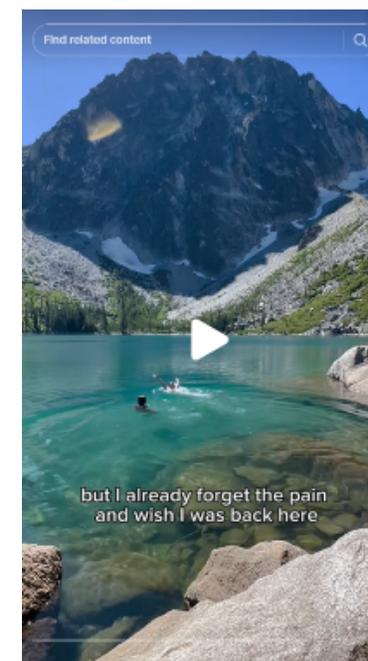
Many respondents to the Tourism Survey noted negative impacts at trailheads and on trail systems. Locations specifically mentioned included Alpine Lakes Wilderness, Icicle River, Icicle Valley Road, and Olalla Canyon.

The Forest Service has a multi-use mission mandated by Congress. There is no question of whether "is tourism bad or good?" The question is where is tourism recreation sustainable and at what level. How do we manage the right amount of use at the right time for the right uses?

Holly Krake, District Ranger, U.S. Forest Service

Trails littered, improper LNT [Leave No Trace] practices, trash, human waste, dog waste, toilet paper...

Tourism Survey Respondent



⁸ Renee Roaming's [Instagram](#) and Madison Clysdale's [TikTok](#).



The Enchantments and Icicle Creek

The Enchantments are widely celebrated as a landscape of exceptional natural beauty, often described in superlative terms. At the same time, the area is broadly and uncontroversially characterized as overused. The Alpine Lakes Wilderness Plan of 1981 established a capacity of 60 campers for the Core Enchantment Area⁹. Concerns about overcrowding are not new; in 1989, reporting documented the strain that increasing recreation was placing on wilderness areas in Central Washington¹⁰. A 2025 account describes severe overcrowding and overuse in the Enchantments, with visible impacts to sanitation, trash accumulation, and trail erosion, as well as less obvious but significant degradation of the natural environment¹¹. The report notes that a single ranger is responsible for 900 miles of trails in the Okanogan-Wenatchee National Forest, describe a staffing level insufficient to manage current use.

While there appears to be increasing agreement that the area is undermanaged, there is not yet a consensus on the solution. Options that have been discussed include reducing access to a fixed number of day users as well as overnight backpackers, limiting vehicular access to shuttles, or establishing the area as a national park with paid entry, infrastructure investments, and additional active management. A 2025 Seattle Times article describes an analogous example in Colorado's Maroon Bells Scenic Area¹². Hanauma Bay State Park in Oahu, Hawaii is a similar model with reservations required, a reduced fee for residents, and closure of the park to the public on Mondays and Tuesdays.

All such ideas focus on reducing the volume of day and overnight visitors, which would represent a significant shift for Chelan County residents who are accustomed to free and unfettered access to regional natural assets. Any change would also require cooperation from the federal government which currently manages the area through the U.S. Forest Service. According to the Seattle Times article cited above, a letter sent by a coalition of

Last year, the Forest Service employed 11 wilderness rangers to patrol the Enchantments and several thousand acres beyond in the Wenatchee River Ranger District. This year, the district is down to one as a result of Trump administration staffing cuts that followed a Biden-era hiring freeze on seasonal workers.

Source: [Seattle Times](#), August 12, 2025



Source: King 5

⁹ U.S. Forest Service, *Alpine Lakes Wilderness Plan* (1981), as reported by [The Seattle Times](#) (2025).

¹⁰ [Bend Bulletin](#) (1989).

¹¹ [The Seattle Times](#) (2025).

¹² [The Seattle Times](#) (2025).



recreation organizations, conservation groups and local government officials in Chelan County on September 8, 2025, went unanswered by the Forest Service.

Lake Chelan

Concern is growing about the ability of Lake Chelan to be resilient in the face of increasing use.

In open water, Lake Chelan exhibits remarkable long-term stability in water clarity, nutrient concentrations, and growth of algae... The nearshore environment is less stable, undergoing a transition in which algae along the shoreline have increased and Aquatic Invasive Species (AIS) have expanded over the last few decades... likely sentinels for long-term changes that could impact the entire lake.

State of the Lake Report, 2021

Stakeholders interviewed for this study also described trash from boats and shore erosion as the result of wakeboarding.

Wenatchee River and Foothills

The Wenatchee River and foothills near Wenatchee see substantial recreational activity, with stakeholders estimating that local residents account for up to two-thirds to three-quarters of usage. This is particularly true in the spring, when wildflower blooms generate a spike in visitation to Olalla and Nahahum Canyons over six weeks. Parking in the right of way is common and at one point the Sheriff has instituted emergency road closures to prevent access. In general, water and trail access points are particularly impacted.

The Mission Ridge Ski and Board Resort serves 140,000 to 150,000 guests each year. Like the foothills trails, many users are from the local area with one quarter to a third estimated to come from more than 50 miles away.



Source: www.wenatcheeworld.com



Recommendations

Based on the identified challenges caused by continued and increased human use of natural resources, there are several recommendations for protecting natural assets that Chelan County should consider.

- **Increase countywide natural resource monitoring and planning.** The County should consider further concentrating efforts with the Chelan County Natural Resources Department to closely monitor the ongoing and estimated future impacts of human use on natural resources. This includes planning future development to better distribute human use of natural areas from concentrated areas and considering how to minimize future human impact on natural resources. Increased monitoring and planning can also take place through partnerships with local organizations like the Chelan-Douglas Land Trust, TREAD, and others that aid in this work.
- **Manage natural resources to a sustainable level of use.*** This includes encouraging more disperse geographic use which might limit access to high-impact locations. As referenced in Exhibit 31, a large portion of Chelan County is comprised of federal and state-owned land. There is significant opportunity to distribute human impact geographically across these vast areas. Current dispersion is limited by the access points to these federal and state lands and additional dispersion may rely on increased investment in access points. Additional strategies could include limiting access to high-impact locations during peak usage times.
- **Continue investment in staffing and infrastructure.*** Access and sanitation continue to be two limiting factors in visitors' ability to recreate in a more responsible, less impactful manner. By continuing to invest in forest and wilderness access infrastructure including trailheads, sanitation facilities, and parking capacity, Chelan County can better mitigate the harmful human impacts of overuse in popular geographic areas. Additional staffing can support this endeavor by ensuring facilities stay maintained and enforcing practices that protect fragile and overused natural resources.
- **Educate visitors and facilitate responsible access.** The Recreation Ambassador Program is a great example of how educating visitors on how to better recreate responsibly can mitigate human impact on fragile and overused natural resources.

* Recommendations with an asterisk may benefit from state policy changes or resources. These could be the focus of county legislative advocacy efforts.



This strategy can work to mitigate future damage from recreationalists and reduce the efforts needed to repair, restore, and safeguard overused natural resource areas.

Potential Funding Options

The recommendations highlighted above all likely require additional resources. Understanding that natural resource and outdoor recreation resources are already stretched thin, below are local and countywide revenue opportunities to support the aforementioned recommendations.

Parking and Use Fees (Local)

Some forms of parking or use fees are already in place in various portions of Chelan County, however, these are typically aimed at more developed recreation infrastructure. Such fees are more typical in state- or federally-managed lands, but there is still opportunity to implement parking and usage fees at some less developed facilities or more local facilities in Chelan County.

It is worth noting that there are potential implications to charging additional parking and use fees. These include potential conflict with Washington State's recreation immunity statute which could increase fee collector exposure to lawsuits for injuries incurred on site, costs and challenges associated with enforcing parking and use fees, community resistance to costs imposed on the use of public lands, and the creation of potential financial barriers for local residents to enjoy outdoor recreation and open spaces. These potential conflicts should be carefully reviewed when considering parking and use fees.

Application of Lodging Tax Collections (Local)

It may be possible for cities to use lodging tax revenues for infrastructure investments that bolster tourism and protect the local environment from overuse. Specific investments would have to be explored by the jurisdiction's legal counsel to ensure they align with allowable uses of lodging tax revenues (see [Appendix B](#)).

Philanthropic and Volunteer Contributions (Countywide)

While isolated efforts already exist, there is an opportunity for a countywide adoption of a point-of-sale donation program whereby customers of participating businesses



voluntarily round-up or add a dollar donation to the final cost of goods or services. These funds would be collected into a central fund and managed via an oversight committee to offer grants for local land and recreation managers seeking to support and maintain outdoor recreation.

Special Purpose Districts (Countywide)

There are two special purpose districts (SPDs) in Chelan County: the Upper Valley Parks and Recreation Service Area (UVPRSA) and the Manson Parks and Recreation District (MPRD). These special purpose districts collect revenue through property taxes. Currently, none of them are collecting the maximum amount allowed. Each of them has an opportunity to go to voters and seek additional property tax revenues.

In addition to these existing SPDs, Chelan County should consider establishing another SPD that covers the entire county. A new countywide SPD could support the operations and maintenance of recreation resources. It could also dedicate funds to other operators including providing long-term funding to support a County Parks and Recreation Department if the county were interested in developing one.

Public Facilities Districts (Countywide)

Another funding source comes from Public Facilities Districts (PFDs). These are municipal corporations that can be created by a county, city, or group of contiguous cities and help fund the development, improvement, or operation of regional centers. PFDs can invest in recreational facilities and are primarily intended to support facilities costing more than \$10 million. Countywide PFDs typically derive their revenue from lodging taxes. Currently, Chelan County is served by the Greater Wenatchee Regional Events Center Public Facilities District which supports the Town Toyota Center.

Expand REET Revenues to Support “Conservation Areas” (Countywide)

Chelan County is already collecting and using Real Estate Excise Taxes to support capital projects. Parks, trails, and recreational capital facilities are eligible projects. However, there are limits to the amount that can be used on facility maintenance.

In addition to utilizing REET funds for parks, trails, and recreational capital facilities, Chelan County could explore an opportunity to use REET funds to establish conservation areas. This option allows for a 1% tax on real estate sales dedicated to the acquisition and



maintenance of conservation areas. A conservation area is defined as "land and water that has environmental, agricultural, aesthetic, cultural, scientific, historic, scenic, or low-intensity recreational value for existing and future generations and includes but is not limited to, open spaces, wetlands, marshes, aquifer, recharge areas, shorelines areas, natural areas, and other lands and waters that are important to preserve flora and fauna" (RCW 82.46.070). Currently, San Juan County is the only county in Washington implementing this use of REET and it generated approximately \$4 million in revenues in 2023.

Additional State Sales Tax Remittance to Rural Counties (Countywide)

Rural counties can impose a credit of 0.09% against the state sales tax for the purpose of financing public facilities serving economic development purposes. Chelan County could explore the feasibility of claiming this tax remittance and how an investment of funds in outdoor recreation economic development could help protect and preserve Chelan's natural resources.

Encouraging Legislators to Support the State Recreation and Conservation Office (Countywide)

The State Recreation and Conservation Office (RCO) operates a Local Parks Maintenance Program whereby RCO provides grants to municipalities to support maintenance costs. Unfortunately, this program is not available to counties, and, even if it were, many of RCO's grant opportunities are extremely competitive with greater demand for funds than supply. Chelan County could encourage the legislature to more fully fund the RCO and provide greater access to both cities and counties via grants and park maintenance funding sources.

Community and Cultural Impacts



Tourism influences the daily lives of Chelan County residents and shapes the community's social and cultural landscape. This section first describes overall community perceptions of tourism and then examines how tourism impacts **community livability**, **community culture and identity**, and **interactions between visitors and locals**. These themes were largely gathered through a community survey conducted in the summer of 2025 which received 760 responses. Full survey results are provided in [Appendix D](#).



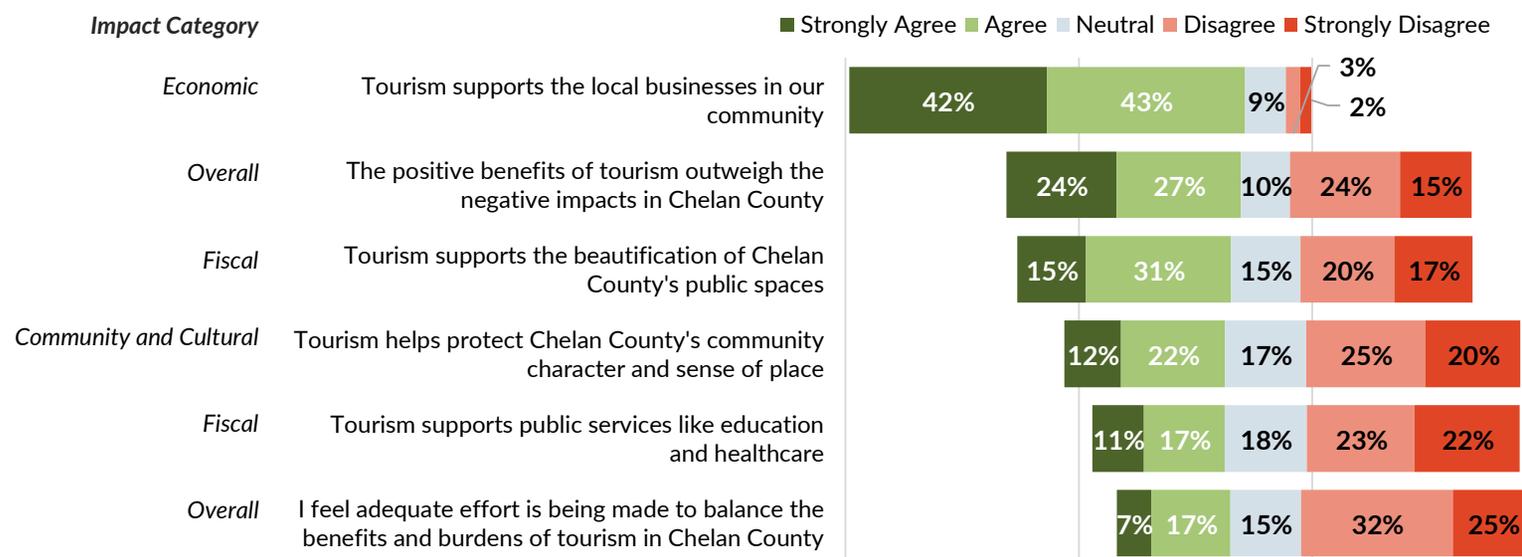
Source: Chelan County



Stakeholder and Community Input: Overall Impressions of Tourism

Chelan County respondents to the Tourism Survey expressed complex views of the impacts of tourism. Overall, 50% of survey respondents felt the benefits of tourism outweigh the drawbacks, while 39% felt the burdens outweigh the benefits as shown in the second line of Exhibit 33. Respondents were most positive about the economic contributions of tourism, with 85% agreeing that tourism supports local businesses. On the other end of the spectrum, 57% of respondents did not feel that adequate effort is being made to balance the benefits and burdens of tourism.

Exhibit 33. Agreement with Tourism Statements (n = 759)

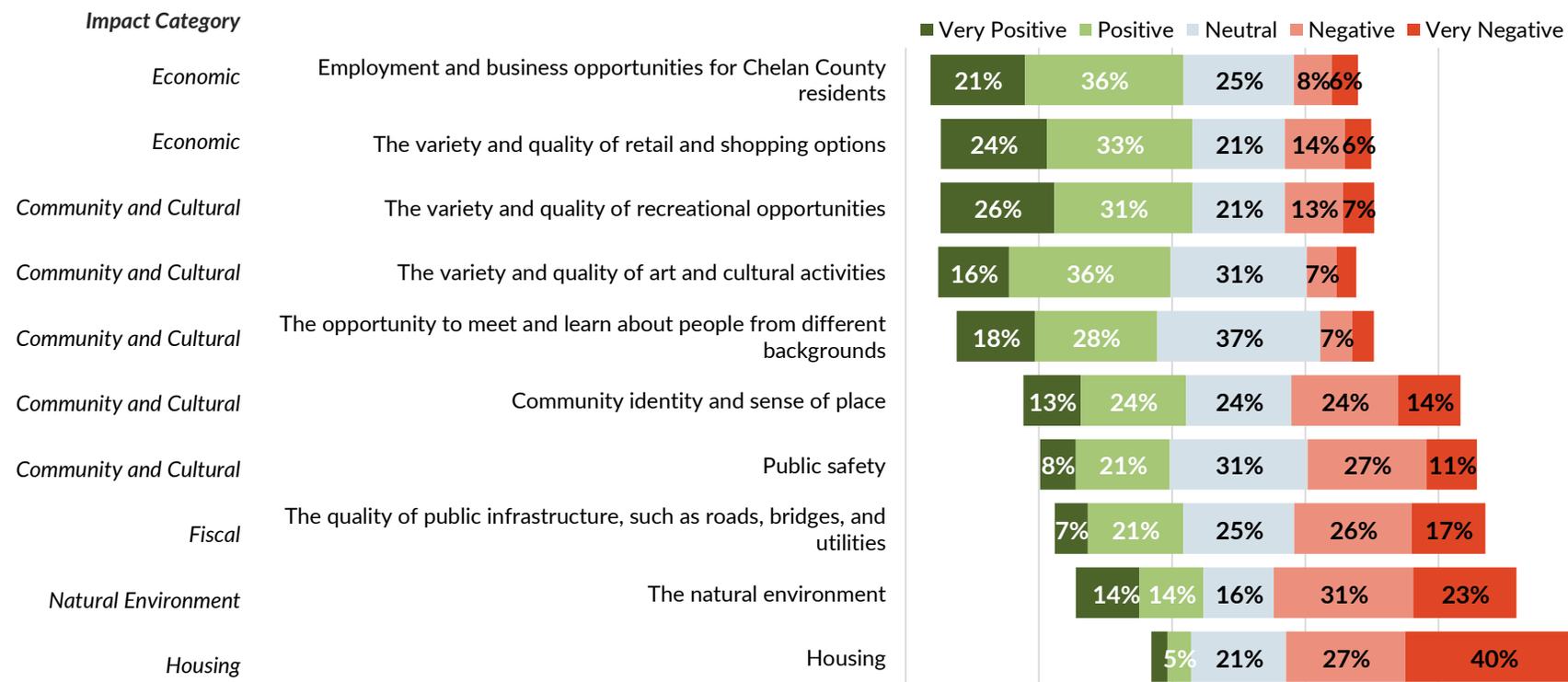


Source: BERK, 2025



Exhibit 34 summarizes respondent views of tourism impacts, from very positive to very negative. Tourism’s primary benefits were seen as **economic**, with 57% of respondents viewing tourism impact as positive. **Community and cultural** impacts were viewed as neutral to positive: survey respondents felt that tourism positively affected recreational opportunities (57%), art and cultural activities (52%), and the opportunity to interact with people from different backgrounds (45%). Tourism’s impact on **community identity and sense of place** or **public safety** was seen as neutral (similar proportions reported positive and negative impacts). The most significant negative impacts of tourism were perceived in areas of **fiscal** impact, including **public infrastructure quality** (43% of respondents viewed tourism’s impact as negative); the **natural environment** (54%); and **housing** (67%).

Exhibit 34. Perception of Tourism Impact, from Very Positive to Very Negative (n = 759)



Source: BERK, 2025



Community and Cultural Impacts

Three related subtopics are explored here: **community livability**, **community culture and identity**, and **interactions between visitors and locals**.

Community Livability

Many of the attributes that draw tourists to Chelan County also enhance livability for residents, including access to the outdoors, vibrant small towns, and a wide range of cultural amenities and events. Some of these assets are natural and inherent to the region, but residents may benefit from investment in access points such as trailheads, boat launches, and other infrastructure that is funded at least in part by the tourism industry.

Other amenities exist because of or are greatly enhanced by the tourism industry. Retail, shopping, and other local businesses geared toward tourists offer residents expanded options and service. Recreational businesses that leverage the region's natural landscape, such as Mission Ridge Ski Hill, offer additional opportunities for residents to engage in nearby outdoor activities.

Additional public facilities and community amenities supported by tourism dollars include **Leavenworth's** municipal pool, downtown plaza improvements, and streetscape investments, as well as **Chelan's** waterfront infrastructure and public parks. As described in the **Fiscal Impacts: Public Infrastructure and Services** section, these public investments are partly or fully supported by tourism-generated revenues and serve both visitors and residents alike. Access to this breadth of amenities is a significant benefit for community members, particularly in small, rural towns where such assets may not typically be available at this scale or quality.

Public Utility District Parks

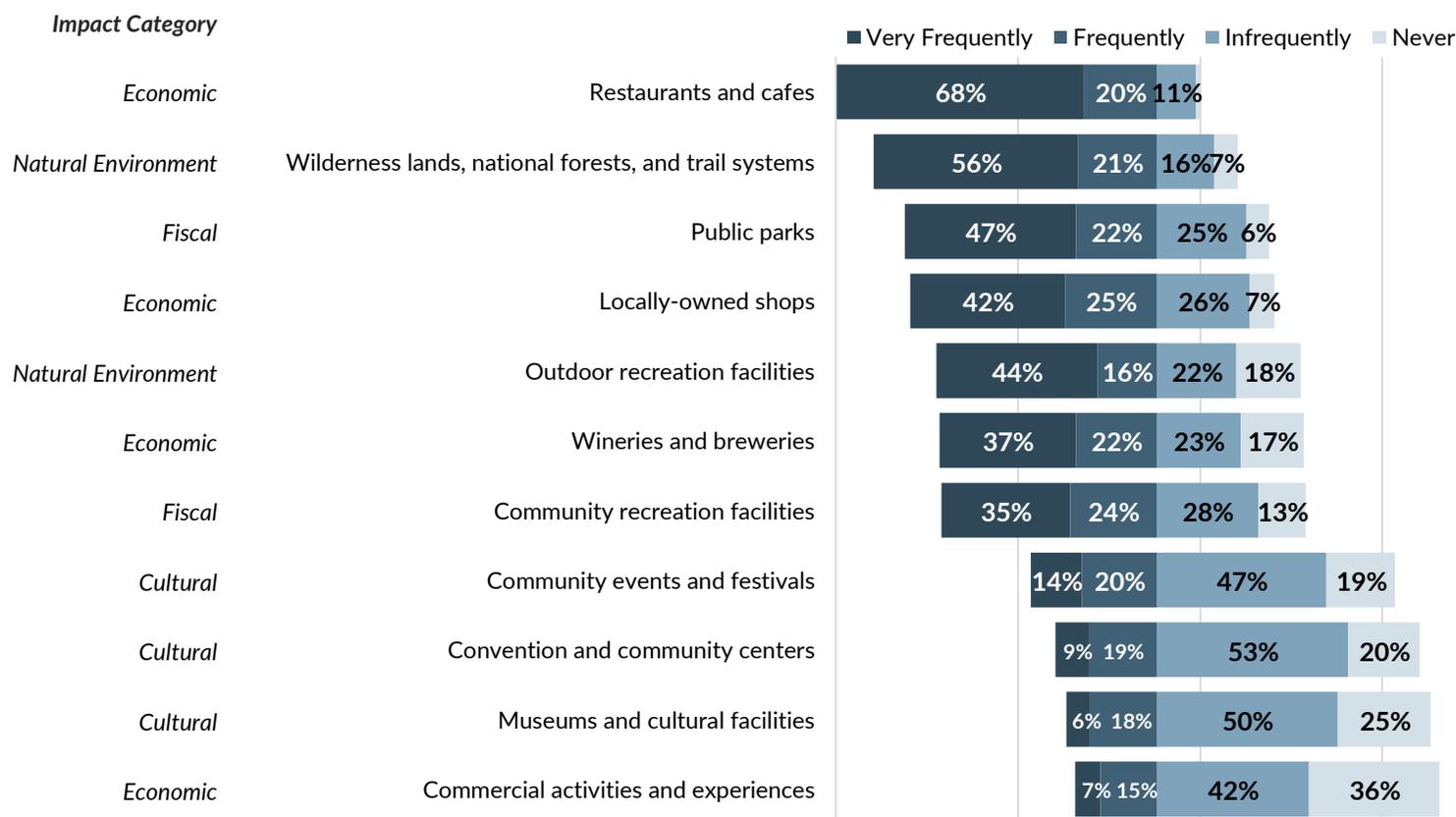
The Chelan County Public Utility District operates 17 public parks totaling over 700 acres and attracting more than 3 million annual visits. The PUD receives no tourism funding and makes these community investments to fulfill a federal requirement put in place when it received licenses to operate its three hydroelectric projects on public waterways.

Source: [Chelan PUD](#)



Tourism Survey respondents report frequent use of many of the amenities that exist because of the tourism industry or serve as key attractions for visitors (Exhibit 35). These include **economic** amenities, such as restaurants and cafes (88%), locally-owned shops (67%), wineries and breweries (59%); **natural environment** amenities such as wilderness lands, national forests, and trail systems (77%); and **public infrastructure (fiscal)**, such as public parks (69%) and community recreation facilities (59%).

Exhibit 35. Frequency of Amenity Use (n = 758)



Source: BERK, 2025



Many survey respondents also report that these same places feel inaccessible during peak seasons. Heavy visitation at popular cultural sites, restaurants, parks, and outdoor recreation areas often makes access difficult or discouraging. Amenities that were once selling points to residency in the area are now avoided as overcrowding diminishes their value and the experience they provide. Residents identified several locations as consistently congested or overrun during peak periods, including downtown areas of Leavenworth and Chelan, Lakeside Park, the Icicle and Wenatchee Rivers, Lake Wenatchee, and areas of the Alpine Lakes Wilderness, particularly the Enchantments and Colchuck Lake.

Access challenges extend beyond recreational and cultural amenities. **Daily livability during peak season is affected by traffic congestion, crowds in grocery stores and essential services, and a shortage of parking.** This public infrastructure strain and added inconvenience reduces the quality of life for residents.

*Restaurants are **crowded**, stores are crowded, roads are crowded and our few public lake accesses are crowded.*

I cannot access the outdoor areas I love due to overcrowding and overuse.

*From Memorial Day through Labor Day, it is **nearly impossible to go to dinner, to find a place to park, or go to the grocery store.***

Tourism Survey Respondents

Tourism-Funded Investments

While investments in outdoor amenities funded by the lodging tax are primarily intended to support tourism, they also enhance local experience and cultural asset access. These funds have previously funded TREAD's work, a non-profit supporting sustainable outdoor recreation. The County also received funding from the State Recreation and Conservation Office earlier this year from a grant program aimed at enhancing Washington's outdoor adventure visitor destinations as well as supporting communities. The funded projects included replacing moorage floats, improving a boat launch, maintaining trails, and expanding a waterfront park.

Tourism funding also supports many cultural programs, amenities, and events. Funded institutions, including the Icicle Creek Center for the Arts, the Wenatchee Valley Museum and Cultural Center, and the Numerica Performing Arts Center, provide year-round access to arts and cultural enrichment for residents. Many events draw local participation and highlight local talent or culture, such as Cashmere community concerts, Cascade Community Markets, and the Leavenworth Summer Theater. Other events with high proportions of residents as attendees include the Sustainable Living and Farm Tour, Bird Fest, Rails & Ales, and the Medieval Faire.



Community Culture and Identity

Rural Agricultural Identity

Chelan County's community identity has historically been shaped by its rural and agricultural roots. Chelan's orchards contribute to the local agricultural and agritourism economies and enhance the county's aesthetic. Agricultural lands preserve green space, limit sprawl, and provide a pleasing visual backdrop. Preservation of these lands is increasingly challenging given the pressures on agricultural producers and economic incentives to convert working orchards and other agricultural lands to housing. These competing economic forces and land uses are the focus of ongoing community conversations about the best uses for agricultural lands.

Concern About Loss of Community Identity and Cohesion

Survey respondents describe a shift in the county's identity from a quiet, rural set of communities with agricultural roots to increasing density of residents and visitors. This shift from an agriculturally oriented economy to an increasingly tourism-dependent economy is concerning many who fear the disappearance of the natural beauty and historical character of the area. Survey respondents described a decline in local heritage and traditional small businesses and an increase in corporations and chain businesses. These changes were seen as threatening to Chelan County's distinctive qualities, places, and experiences.

Survey respondents also emphasized the decline of community and social cohesion. Many described a lack of social density and neighborly familiarity, often citing short-term rentals or strangers in public spaces and events as factors that limit the opportunities to build relationships with neighbors. This was also attributed to the higher cost of housing, which can make it difficult for local workers to live near their places of employment. Respondents expressed concerns with an increasingly fragmented, commute-oriented community.

Wildfire Mitigation

Agricultural landscapes of orchards, fields, and croplands provide fire mitigation benefits to the community. As less developed buffer zones, they can reduce wildfire hazards in the Wildland Urban Interface. A stakeholder noted that irrigation equipment on agricultural land is repositioned for fire prevention.

Swaths of orchards removed to make way for depressing cookie cutter housing developments.

*I have no desire for another chain retail store. This continues to erase the culture and charm of our area, slowly **transforming it into a bland, unspecific, and unspecial copy of everywhere else.***

Tourism Survey Respondents

*From my home I can point out 8 legally operating short-term rentals. **That's eight less neighbors I get to know and live life with.***

*The local community usually needs to avoid being together when the tourists are out in full force so in peak tourist times, **our community is fractured.***

Tourism Survey Respondents



Interactions Between Visitors and Locals

Opportunities for Cultural Exchange

Tourism can broaden the cultural landscape of a community by introducing new perspectives, cultures, and interactions. As visitors to Chelan County bring different backgrounds, residents have opportunities to engage with people they might not otherwise meet, fostering greater cultural awareness, exposure to new ideas, and a more diverse culture.

Chelan County is predominately white, with nearly a third of the population identifying as Hispanic or Latino.¹³ Visitors to the county come from Central Puget Sound, other parts of Washington, and from around the world (Exhibit 9). Residents get to interact with the increased cultural and demographic diversity of these regions in their local communities.

Survey respondents recognize that tourism is a positive contributor to cultural exchange and diversity; they were more likely to think the impact of tourism on the ability to meet and learn about people from different backgrounds was positive (46%) or neutral (37%) than negative (12%) (Exhibit 34).

Concerns with Tourist Behavior

In contrast, residents have perceived interactions with tourists as challenging. Whether visitors may be unaware of local expectations and rules, choose to ignore them, or simply behave differently while on vacation, tourists may exhibit behavior patterns that can be unpleasant or even dangerous to interact with. This varies from a general pattern of disrespect to locals and public spaces, such as rude or dismissive interactions, public intoxication, excessive noise, loud music, littering, or cutting trail switchbacks, to disregard for local rules and laws, such as driving speed limits, boating safety, or private property. Survey respondents expressed their frustration with these behavior patterns and noted that repeated interactions like this during peak season create strain.

The Chelan and Leavenworth communities have taken steps to reduce the intensity of high impact events. Both cities and their tourism promotion organizations have made an

*Without [tourism], Chelan would refuse to be **open to different people and new ideas.***

Tourism Survey Respondent

*I get almost hit by tourists simply walking to work daily, **ignoring road rules.***

*Tourists **leave their manners, considerations, and decency at home.** Tourists do things in our county that they would never even think of doing in their own hometown.*

People stand in the middle of HWY 2 to take selfies in the middle of the day.

Tourism Survey Respondents

¹³ U.S. Census Bureau (2023). *Hispanic or Latino Origin by Race American Community Survey 1-year estimates.* Available at <https://censusreporter.org>.



effort to soften their Oktoberfest celebrations and Leavenworth has shifted its tree lighting ceremony from a focus on a single day to a period from Thanksgiving to the end of February. These strategies have distributed visitor volumes and reduced the poor visitor behavior that was common in the past.

Recommendations

The recommendations listed below are organized in three categories: enhancing **community livability**, strengthening **community identity and cohesion**, and reducing negative **tourist and resident interactions**.

Community Livability

- **Continue to make efforts to smooth visitation patterns, spreading but not diminishing tourist volume over time and place.** Promote shoulder seasons and underutilized areas of the county to alleviate demand and impact on heavily visited amenities. Gather and share countywide data gathering using Datafy, Placer.ai, or another tool to share countywide and local tourism strategies, marketing, and asset management.
- **Make targeted investments to mitigate traffic and the impacts of overuse.** Options include:
 - Free or reduced parking permits for residents or in-town workforce.
 - Additional public transit and active transportation options, including shuttle systems and intercommunity trail networks where proximity and geography support reasonable bike commutes.
 - Land management, recreation land, trail, and city cleanliness programs.
 - Expand and harden access points where overuse is known to cause environmental damage and create nuisances. Such hot spots include access points to Lake Chelan, the Wenatchee River, and the Enchantments.

Community Culture and Identity

- **Continue to invest in cultural amenities and events that serve both tourists and community members.** Residents' sense of community will be strengthened by



continuing to invest lodging tax funds into cultural events and amenities valued by residents and visitors alike. Examples include community concerts, markets, theater, and arts and cultural centers. Increase visibility and transparency around the use of lodging tax dollars by actively promoting how these funds support community-building events and spaces that benefit residents.

- **Support identity-based tourism that reflects the region's character and history.** Preserving Chelan County's identity through tourism can include agritourism and educational programming, as well as support for museums, farmers markets, and other agricultural-centered activities. These efforts should aim to balance the priorities of tourism with the preservation of agricultural land and emphasize symbiotic agritourism opportunities.

Interactions between Visitors and Locals

- **Expand tourist education and behavior campaigns to promote responsible tourism.** Several communities in Chelan County have already launched efforts, such as Leavenworth's "Give a Schnitzel" campaign and Wenatchee's "Show Love for This Place." Opportunities for expansion include running social media ads, partnering with guided expeditions and businesses, installing billboards and in-person visibility, and increasing recreation ambassador touchpoints. There are benefits to both cross-county collaboration, creating consistent messages for visitors as they travel throughout Chelan County, and community-specific strategies.

"Leave No Trace" - Bend, Oregon



"Show Love for This Place" - Wenatchee



"Give A Schnitzel" - Leavenworth



Conclusions and Summary of Recommendations

Tourism is deeply intertwined with all aspects of life in Chelan County. Out-of-area visitors come from elsewhere in Washington and all over the world to experience what Chelan County has to offer. This visitation generates complex and nuanced impacts that cannot easily be deemed net positive or net negative.

- **Tourism contributes significantly to Chelan County's economy**, supporting local businesses and creating employment opportunities. Tourism-serving businesses also provide amenities for Chelan County residents, including more shopping and dining options than could otherwise be supported by the local population.
- **This spending generates tax revenues that support the provision of municipal services and infrastructure by Chelan County and its cities and towns.** Tourism volumes also increase the demand for services and contribute to the wear and tear on that infrastructure.
- **Impacts on housing availability and affordability are difficult to parse.** While it is true that housing affordability is a challenge, that is true in nearly every community statewide, and challenges cannot be directly attributed to tourism.
- **Impacts to Chelan County's natural environment are more likely to be negative.** High volume destinations such as the Enchantments and seasonal hot spots like the Wenatchee River and surrounding foothills are exhibiting evidence of overuse.
- **Tourism creates both opportunities and frustrations for county residents.** Residents appreciate the amenities supported by the tourism trade and often enjoy interactions with a diverse visiting population, but chafe at traffic, noise, and high prices that they attribute to outside visitors.

Summary of Recommendations

While it is important to fully separate the benefits of tourism from its downsides, many strategies can be deployed to accentuate the positives and mitigate the negatives.

Opportunities exist for Chelan County and its cities, towns, community-based organizations, businesses, and residents to contribute to this effort by integrating these ideas in their plans, strategies, and daily lives.

* Recommendations with an asterisk may benefit from state policy changes or resources. These could be the focus of county legislative advocacy efforts.

Economic

- Consider strategies for diversifying the economy at a countywide and community-specific level to reduce structural dependence on hospitality.*
- Build regional workforce training capacity to help tourism employees build skills that allow them to advance or transition to other professional positions.*
- Continue to implement strategies for smoothing tourism peaks to support year-round activity for businesses, such as differential pricing, and incentives, less seasonal products and services, and non-peak season marketing and messaging.
- Study similarly sized cities who successfully accommodate high volumes of visitors in an urban environment, focusing on traffic management, waste control, and utilities.

Fiscal

- Continue to invest in amenities that benefit residents as well as tourists.
- Clearly communicate to the public how visitor tax dollars are invested in local services and infrastructure (e.g., highlighting community projects and transparent dispersion of tourism revenues).
- Implement cost-recovery strategies, particularly for costs that are isolated to the tourism economy (e.g., a boat rental fee to help cover water rescue costs).

Case Study: Summit County, Colorado

Home to Breckenridge, Keystone, and Copper Mountain, Summit County has about 31,000 full-time residents and is visited by more than 4.5 million people each year. The County offers a strong example of coordinated tourism management. Established strategies include:

Economic

- Pilots a streamlined seasonal talent exchange program within a regional effort to allow businesses to share employees across seasons and use a shared benefits platforms.

Fiscal

- Allows lodging tax to support workforce housing and child care projects with recent tax reform.

(continued on next page)

Housing

- Support the development of more housing for long-term renters, specifically apartment housing.*
- Allow short-term rentals in places unlikely to support long-term rentals. Areas with unique amenities and low rates of owner-occupancy are not likely to serve the housing needs of residents.
- Align county and city regulations to encourage more housing development within the cities and reduce housing development pressure in unincorporated Chelan County.

Natural Environment

- Increase monitoring of ongoing and estimated future countywide impacts of human use on natural resources.
- Manage natural resources to a sustainable level of use by encouraging more disperse geographic use to reduce visitation at high-impact locations.*
- Continue investment in additional staffing and infrastructure, including trailheads, sanitation facilities, and parking capacity.*
- Educate visitors and facilitate responsible access.
- Evaluate new funding options.*

Community and Cultural

- Continue to make efforts to smooth visitation patterns, spreading but not diminishing tourist volume over time and place.
- Make targeted investments to mitigate traffic and the impacts of overuse.
- Continue to invest in cultural amenities and events that serve both tourists and community members.
- Support identity-based tourism that reflects the region's character and history.
- Expand tourist education and behavior campaigns to promote responsible tourism.

Case Study: Summit County, Colorado (continued)

Housing

- Caps short-term rental licenses and operates lottery systems and waitlists to preserve housing stock for local residents.
- Provides incentives for homeowners and buyers to place permanent deed restrictions on their properties to ensure they are sold or rented to local workers.

Natural Environment

- Implements total seasonal closures of specific trails from December through April to protect sensitive habitat.

Community and Cultural

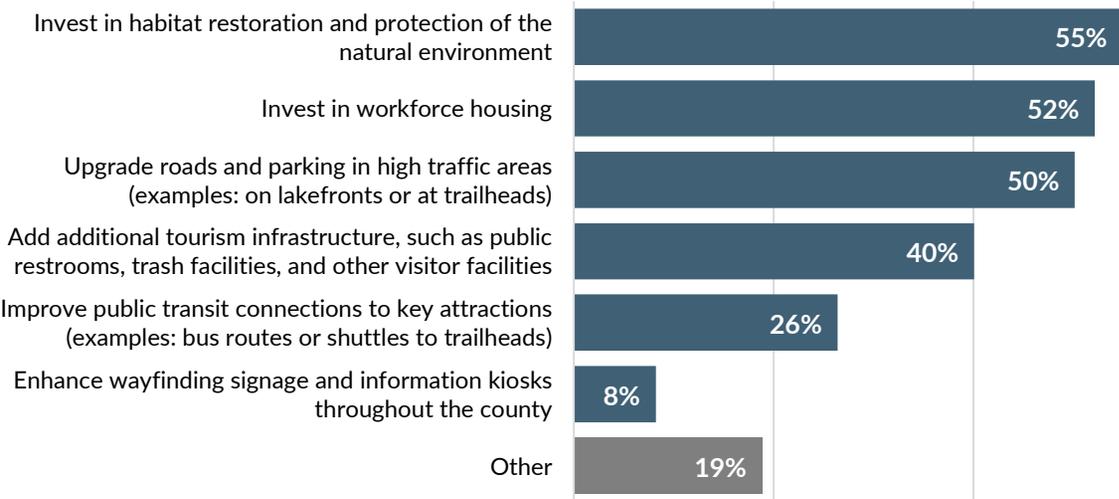
- Requires short-term rental owners to provide guests with a "Code of Ethics" regarding noise, trash, and parking to minimize friction between visitors and residents.

Source: [Northwest Tactical Workforce Plan \(2025\)](#); [Summit County](#); [Summit Daily \(2022\)](#); [Summit Daily \(2022\)](#); [Summit Foundation \(2025\)](#)

Community Input: Recommendations

Survey respondents prioritized infrastructure investments in habitat restoration and protection of the natural environment (55%), workforce housing (52%), and roads and parking in high traffic areas (50%), over additional infrastructure, public transit, or wayfinding (Exhibit 36).

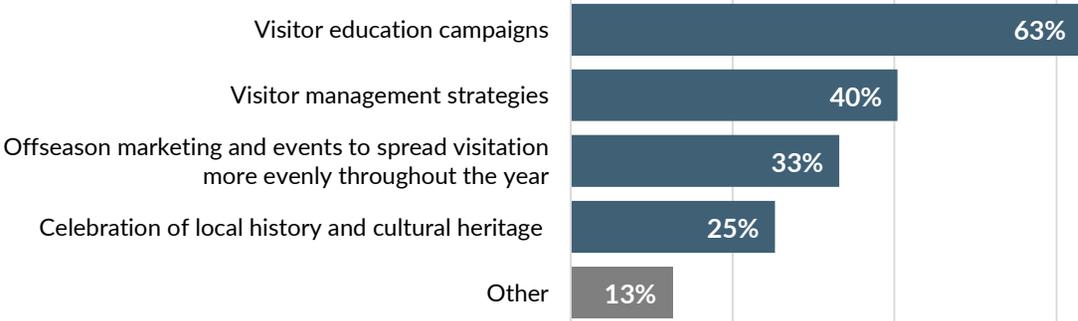
Exhibit 36. Prioritization of Infrastructure Investments (n = 754)



Source: BERK, 2025

Respondents prioritized visitor education campaigns (63%) and visitor management strategies (40%) over marketing efforts to spread visitation or local cultural celebrations (Exhibit 35).

Exhibit 37. Prioritization of Policies (n = 718)



Source: BERK, 2025

Appendices

Four appendices are included on the following pages:

- **Appendix A: Participants in Stakeholder Meetings and Interviews**
- **Appendix B: Tourism Funding**
- **Appendix C: Economic and Fiscal Impact Methodology and Definitions**
- **Appendix D: Tourism Survey**

Appendix A: Participants in Stakeholder Meetings and Interviews

Stakeholder Meetings

City of Chelan (in-person, June 4, 2025)

The following individuals were invited, though actual attendance may have varied.

Steering Committee Members

- Eric Campbell, Campbell's Resort
- Mayor Erin McCardle, City of Chelan
- Ron Cridlebaugh, Economics Services Director for Chelan County

Community Stakeholders

- Aimee Sheridan, Executive Director at the Historic Downtown Chelan Association
- Amy Mack, Lake View Drive-In
- Brun Garfoot, Lake Chelan Boat Company
- Chad Steiner, Chelan Valley Farms
- Dallas Widmark, The Lookout – A Lakeside Village
- Dr. Bob Jankelson, Tsillan Cellars
- Echo Valley Ski & Tubing Area
- Eric Featherstone, Wapato Point Resort
- Holly Krake, Regional Program Manager at the U.S. Forest Service
- Jackie Tupling, Finance Director at the City of Chelan
- Jake Youngren, Public Works Director at the City of Chelan
- James Hayter, Recreation and Facilities Supervisor at the City of Chelan
- Jim Oscarson, Lake Chelan Golf Course
- Lake Chelan Snowmobile Club
- Lake Chelan Trails Alliance
- Mike Steele, Lake Chelan Chamber of Commerce
- Molly & Derek Hill, Layla's Bar + Kitchen
- Renea Roberts, Lake Chelan Wine Alliance
- Robert Bordner, Slide Waters Lake Chelan Waterpark
- Ryan Peterson, Apple Cup Café
- Stacy Byquist, Shoreline Watercraft and Boat Rentals
- Tom Pettigrew, Amos Rome Vineyards

Leavenworth (in-person, June 2, 2025)

Steering Committee Members

- Taylor Boyd, Bavarian Lodge

Community Stakeholders

- Callie Baker, Leavenworth Winter Sports Club
- Laurie Brenan, Posy Handpicked Goods
- Andrew DeMoss, Schocolat
- Ellen Galbraith, Vice President of Stevens Pass Resort
- Courtney Gatewood, Operation Manager at Icicle Ridge Winery

Wenatchee (virtual June 30, 2025)

Steering Committee Members

- Jerri Barkley, Executive Director of Visit Chelan County
- Ron Cridlebaugh, Economics Services Director for Chelan County

Community Stakeholders

- Hanna Beener, Executive Director of the Chelan – Douglas Land Trust (formerly Policy and Planning Manager at TREAD)
- Linda Herald, General Manager of the Wenatchee Convention Center
- Amber Holkham, Sales Manager of the Wenatchee Convention Center
- Jessica Husted, Director of Development and Communications at the Wenatchee Valley Museum and Cultural Center

- Mayor Carl Florea, City of Leavenworth

- Erin McFann, Old World Pub
- James Munly, Leavenworth Ski Hill and Evergreen Mountain Bike Alliance
- Tom Potter, Bavarian Bike Tours
- John Sutherland, Leavenworth Adventure Park
- Nick Wood, Cashmere Mill District Storage

- Ashley Sinner, Destination Management and Marketing Organization Director at the Wenatchee Valley Chamber of Commerce

- Angela Morris, Associate Director of the Chelan – Douglas Land Trust
- Matt Newbauer, General Manager of Mission Ridge Ski & Board Resort
- Sam Ololiny, Director of Ohme Gardens
- Freyda Stephens, General Manager at Coast Wenatchee Center Hotel

Interviews

County-wide

- Hanna Beener, Chelan Douglas Land Trust
- Kaylin Bettinger, MEND
- Holly Krake, USFS
- Mat Lyons, TREAD
- Residents Coalition of Chelan County (RC3)

Chelan County

- Justin Erickson & John Stoll, Chelan County Public Utility District
- Mike Kaputa, Chelan County Dept of Natural Resources
- Sgt Huddleston and Chief Moody, Chelan County Sheriff
- Eric Pierson, Chelan County Public Works
- Cailin O'Brian, Quantified Ventures
- Christie Wilder, Plain Valley Ski Area

City of Chelan

- John Ajax, Community Development Director
- Paul Horne, Parks, Recreation and Community Services Director
- Phil Long, Lake Chelan Research Institute
- Ray Meyer, Lake Chelan Health EMS
- Mike Steele, Lake Chelan Chamber of Commerce
- Jackie Tupling, Finance Director

Leavenworth

- Chuck Schuringa, Sleeping Lady
- Troy Cambell, Leavenworth Chamber
- Jesse Boyd, Bavarian Lodge
- Matthew Selby, City Administrator
- Maggie Boles, Community Development Director
- Chantell Steiner, Finance Director

Wenatchee

- Laura Gloria, City Administrator
- Linda Herald, Wenatchee Convention Center
- Brad Posenjak, Finance Director

Appendix B: Tourism Funding

Introduction

This section describes two funding mechanisms that directly support and promote tourism in Chelan County:

1. **Lodging Tax.** Under Washington State law, the lodging tax can be levied by counties, cities, or Public Facilities Districts. In Chelan County, both the County government and several cities levy lodging taxes, with rates that vary by jurisdiction.
2. **Tourism Promotion Area.** A tourism promotion area (TPA) is an established geographic boundary, within which lodging establishments can self-impose an additional nightly fee on each room-night. TPA assessment revenues can be used to fund tourism promotion and development activities. As of 2025, Wenatchee is the only city in Chelan County with a TPA in place.

The revenue sources, purpose, and uses of these funding mechanisms are described in more detail in the following sections.

Definitions

This definition applies to basic and additional lodging tax ([RCW 67.28.180](#)).

- "Tourism promotion" includes activities intended to attract visitors for overnight stays, arts, heritage, and cultural events, and recreational, professional, and amateur sports events. Moneys allocated to tourism promotion in a county with a population of one million or more must be allocated to local public organizations and nonprofit organizations formed for the express purpose of tourism promotion in the county. Such organizations must use moneys from the taxes to promote events in all parts of the county.

These definitions apply to tourism promotion areas ([RCW 35.101.010](#)).

- "Tourism promotion" means activities and expenditures designed to increase tourism and convention business, including but not limited to advertising, publicizing, or otherwise distributing information for the purpose of attracting and welcoming tourists, and operating tourism destination marketing organizations.
- "Tourist" means a person who travels for business or pleasure on a trip: (a) Away from the person's place of residence or business and stays overnight in paid accommodations; (b) To a place at least fifty miles away one way by driving distance from the person's place of residence or business for the day or stays overnight. However, island communities without land access are exempt from the mileage requirement under this subsection (5)(b); or (c) To another country or state outside of the person's place of residence or business.

Source of Funds

In Washington, municipalities can raise revenue for tourism through several mechanisms.

A lodging tax (often called the "hotel/motel tax" or "LTAC") may be imposed by any county or city government in Washington. This tax is up to 2% on short-term rentals (e.g. hotels, motels, short-term rentals, and short stays in RV parks and campgrounds) that are already taxed under state sales tax laws. The tax is collected by the State Department of Revenue from the lodging business and then distributed back to the municipality. Chelan County currently levies and collects the legal maximum lodging tax, as do the cities of Cashmere, Chelan, Entiat, Leavenworth, and Wenatchee. Chelan County's lodging tax revenues are generated by accommodations located in unincorporated portions of the county.

Municipalities can also levy **an additional (or "special") lodging tax** on the same short-term rental stays. This additional tax rate can be up to 2% of the sales price of the lodging stay, and when combined with other lodging-related taxes, the total tax rate cannot exceed 12%. Some jurisdictions were grandfathered in at higher rates and are permitted to continue collecting what they were charging as of January 31, 1999. In Chelan County, the City of Chelan, Leavenworth, and Wenatchee fall into this category.

A third mechanism for funding tourism is through the establishment of a **tourism promotion area (TPA)**. A TPA is a defined area within a municipality where lodging businesses agree to add an assessment (typically a flat nightly fee of \$2.00-5.00 per room) on overnight stays. These funds are pooled and used specifically for tourism promotion and marketing efforts that directly benefit the participating businesses. As of 2025, Wenatchee is the only city in Chelan County with a TPA in place.

Exhibit 36 summarizes the use of lodging taxes and tourism promotion areas by municipalities in Chelan County.

Exhibit 38. Lodging Taxes in Chelan County, 2025.

Municipality	Lodging Tax: Basic (% per room per night)	Lodging Tax: Special (% per room per night)	Tourism Promotion Area (\$ per room per night)
Chelan County (Unincorporated Areas)	2%	2%	None
Cashmere	2%	2%*	None
Chelan (City)	2%	3%	None
Entiat	2%	2%*	None
Leavenworth	2%	3%	None
Wenatchee	2%	4%	\$2.00

Note: Chelan County receives Special Lodging tax revenue for Cashmere and Entiat because these cities do not impose this tax themselves. Under state law, if a city also imposes the tax, the revenue is directed to the city; if not, the county retains the funds.

Source: WA Department of Revenue, 2025; BERK, 2025

Lodging Tax

Allowed Uses of Lodging Tax Funds

State law ([RCW 67.28.1816](#)) limits lodging tax revenues to tourism-related purposes.

Allowable uses include:

- **Tourism promotion:** Advertising, marketing campaigns, sponsorship of events and festivals, visitor guides, websites, and visitor information centers.
- **Tourism-related facilities:** Construction, operation, and maintenance of facilities that serve tourists (such as convention centers, fairgrounds, sports venues, or trailheads) if they are owned by a city, county, or public facilities district.
- **Event operations:** Support for festivals and cultural events that are designed to draw overnight visitors.

Funds cannot be used for general government services like police, schools, or non-tourism-related infrastructure.

Different localities have different perspectives on what is allowable under this RCW and might spend their lodging dollars in slightly unique ways. Some jurisdictions impose additional local restrictions on top of state law. For example, Chelan County currently uses the framework shown in Exhibit 39 to allocate lodging tax revenues. This allocation method may be revised in the future.

Exhibit 39. Allocation Framework for Chelan County Tourism Tax Revenue

Allocation	Recipient/Use
27%	Visit Chelan County
20%	Lake Chelan Chamber of Commerce
20%	Leavenworth Chamber of Commerce
20%	Chelan County
10%	Events grants
3%	Cascade Loop
100%	Total

Source: Chelan County, 2025

Fund Administration

Every jurisdiction with a population of more than 5,000 must have a Lodging Tax Advisory Committee (LTAC) ([RCW 67.28.1817](#)). These committees are made up of:

- Hotel and short-term rental representatives (who collect the tax).
- Event or nonprofit representatives (who apply to use the funds).
- An elected official (who chairs the committee).

Applicants must explain how their project will bring in tourists, defined as someone who stays overnight, travels more than 50 miles, or comes from out of state. The LTAC reviews the applications and makes recommendations, and the city council or county commission makes the final funding decisions. Recipients must later report back on actual tourism impacts (for example, how many overnight visitors attended an event). Municipalities also report annually to the state legislature through JLARC.

Tourism Promotion Area Fund

Allowed Use of TPA Funds

TPA funds must go toward promoting tourism, directly benefitting the businesses that pay into the TPA ([RCW 35.101](#)). This includes:

- Advertising and marketing designed to attract overnight visitors (print, digital, radio, TV, social media).
- Publicizing events (festivals, conventions, sports tournaments, arts or cultural gatherings) that bring tourists.
- Operating a destination marketing organization (DMO) or visitor bureau that promotes the area.
- Developing visitor information tools such as maps, guides, or websites.
- The funds may *not* be used for capital construction or for general local services.

Fund Administration

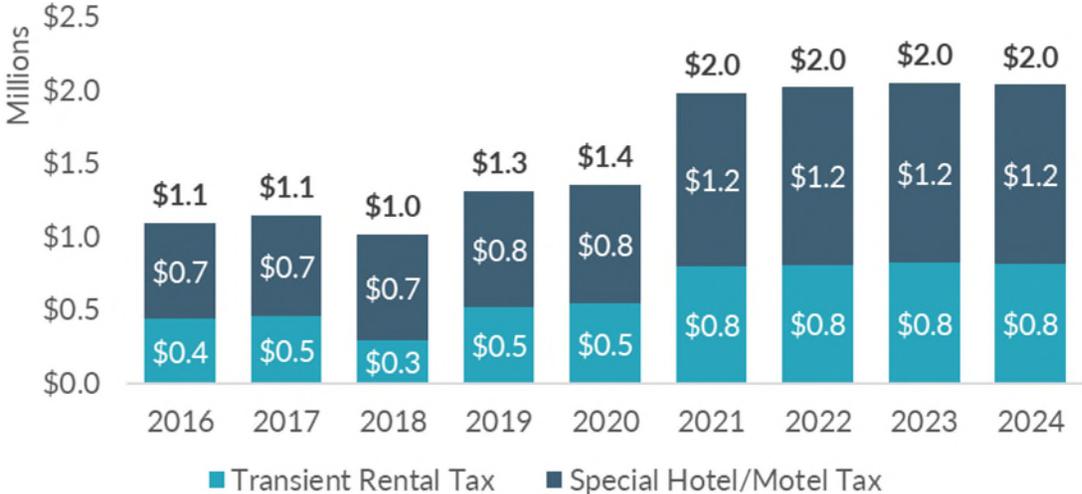
TPA funds are appropriated and administered by the municipality. Lodging businesses in the TPA advise how funds are spent. Wenatchee maintains a TPA Advisory Committee.

Lodging Tax and TPA Revenues by Jurisdiction

City of Chelan

Like Leavenworth, the City of Chelan also imposes a total lodging tax rate of 5% and has collected \$2 million in 2024. Total lodging tax revenue has almost doubled from 2016 to 2021, increasing from \$1.1 million in 2016 to stabilize at \$2.0 million annually from 2021 through 2024 (Exhibit 40).

Exhibit 40. City of Chelan Lodging Tax Revenue

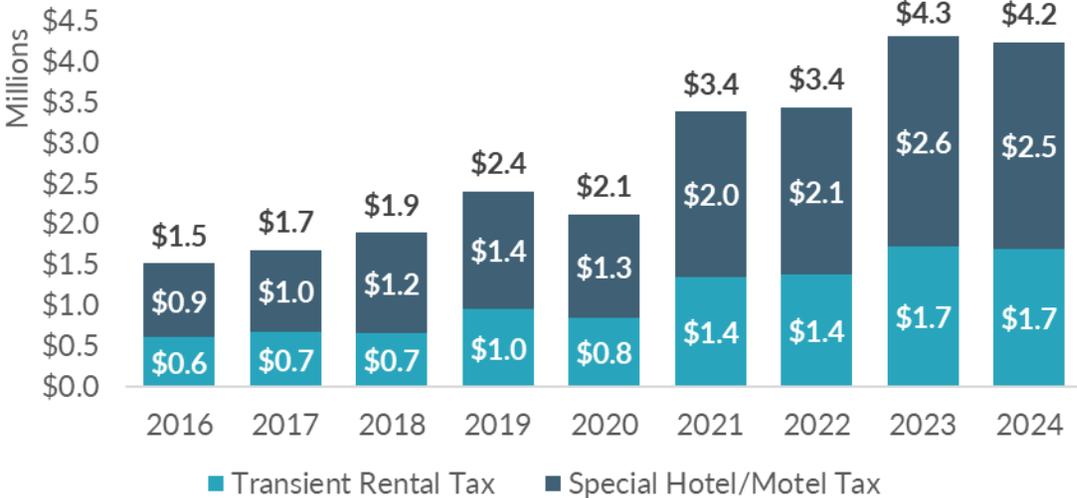


Source: Washington State Department of Revenue, 2016-2024; BERK, 2025

Leavenworth

The City of Leavenworth imposes a total lodging tax of 5%. Total collections have nearly tripled over the period from 2016 to 2024, growing from \$1.5 million in 2016 to \$4.2 million in 2024. Revenue experienced consistent growth until 2020, when it dropped due to the COVID-19 pandemic but surged in 2021 to \$3.4 million. The highest peak was recorded in 2023 at \$4.3 million (Exhibit 42).

Exhibit 41. Leavenworth Lodging Tax Revenue



Source: Washington State Department of Revenue, 2016-2024; BERK, 2025

Wenatchee

The City of Wenatchee charges a total local lodging tax rate of 6% (a “basic” 2% credit against state sales tax and an “additional” 4% on top of state sales tax). The City generated roughly \$2.6 million from lodging tax in 2024, which was \$1.1 million more than in 2016. In addition, the City collected \$0.6 million in TPA charges (Exhibit 43). The pre-pandemic years (2016-2020) were characterized by slow, modest growth in lodging tax and TPA revenue in Wenatchee – from 2016 to 2019, total lodging tax and TPA revenue grew on average by 5.9% per year. This was followed by a sharp drop in 2020, primarily driven by the reduction of travel due to pandemic restrictions. Total revenue rebounded dramatically, increasing at an average annual rate of 26% between 2021 and 2024.

Exhibit 42. Wenatchee Lodging Tax and Tourism Promotion Area Revenue



Source: Washington State Department of Revenue, 2016-2024; BERK, 2025

References

Dept of Revenue: [Lodging Rates and Changes, Quarter 3 - July 1 - September 30, 2025](#)

Snohomish County Tourism Strategic Plan 2018-2022

MRSC: Tourism and Local Governments: [MRSC - Tourism and Local Governments](#)

Wenatchee TPA: [Wenatchee Ordinance No. 2010-11 – Reenacts Tourism Promotion Area and Establishes Advisory Committee \(2010\)](#)

- MRSC article with quiz about allowable spending: [MRSC - Can We Spend Lodging Tax Funds on That?](#)
- Changing award amounts: [MRSC - Informal AG Opinion Clarifies Lodging Tax Awards](#)
- MRSC: Lodging Tax (Hotel-Motel Tax) [MRSC - Lodging Tax \(Hotel-Motel Tax\)](#)

Appendix C: Economic and Fiscal Impact Methodology and Definitions

State of Washington Tourism (SWT) contracts with Tourism Economics to conduct an annual “Economic Impact of Tourism in Washington State” report, as well as to develop county-level economic impacts of tourism. To quantify the economic significance of the visitor economy in Chelan County, this report uses the data Tourism Economics has prepared for SWT.

Tourism Economics uses the IMPLAN input-output model that is adjusted to reflect the Washington economy. The model traces the flow of visitor-related expenditures through the local economy and their effects on employment, wages, and taxes. IMPLAN also quantifies the indirect (supplier) and induced (income) impacts of tourism. Tourism Economics then cross-checks these findings with employment and wage data for each sector to ensure the findings are within reasonable ranges.

Visitors included those who stayed overnight or traveled more than 50 miles to the destination.

The primary source of employment and wage data is the Regional Economic Information System (REIS), Bureau of Economic Analysis. This is more comprehensive than Bureau of Labor Statistics (ES202/QCEW) data because sole-proprietors do not require unemployment insurance and are not counted in the ES202 data.

The analysis also draws on the following data sources:

- **Longwoods International:** survey data, including spending and visitor profile characteristics for visitors to Washington.
- **Bureau of Economic Analysis and Bureau of Labor Statistics:** employment and wage data, by industry.
- **Datafy:** mobile device geolocation data.
- **STR lodging performance data:** including room demand, room rates, occupancy, and room revenue, for hotels
- **Tax collections:** Lodging and sales tax receipts.

- **Tourism Economics:** international travel data for overseas, Canadian, and Mexican travel to Washington based on aviation, survey, and credit card information.

BERK distributed the total countywide economic impact to individual communities based on the proportion of lodging tax and sales tax collected by each in 2024.

Tourism Economics also produces estimates of state and local taxes generated by visitor activity. Local taxes include city and county taxes generated by visitor spending including local sales, bed, usage fees, licenses and other revenue streams to local governmental authorities. State taxes generated by visitor spending include sales, corporate, usage fees, and other assessments of state governments.

Definitions

Report Section	Term	Description
Visitor Spending	Visitor	Person who traveled to Chelan County and stayed overnight or traveled more than 50 miles to their destination within the county.
	Lodging	Includes visitor spending in the accommodation sub-sector. This includes food and other services provided by hotels, rentals and similar establishments. It also includes spending associated with the upkeep of seasonal second homes for recreational use as defined by the Census Bureau.
	Food and beverage	Includes all visitor spending on food & beverages, including at restaurants, bars, grocery stores and other food providers.
	Recreation	Includes visitors spending within the arts, entertainment, and recreation sub-sector.
	Retail	Includes visitor spending in all retail sub-sectors within the local economy, including gasoline sales but excluding grocery stores which are included in the food and beverage category.
	Transport	Includes visitor spending on local transport services such as taxis, limos, trains, rental cars, buses, and the local share of air transportation spending.
Total Economic Impact	Direct Impact	Impacts (business sales, jobs, income, and taxes) created directly from spending by visitors to a destination within a discreet group of tourism-related sectors (e.g. recreation, transportation, lodging).
	Indirect Impact	Impacts created from purchase of goods and services used as inputs (e.g. food wholesalers, utilities, business services) into production by the directly affected tourism-related sectors (i.e. economic effects stemming from business-to-business purchases in the supply chain).
	Induced Impact	Impacts created from spending in the local economy by employees whose wages are generated either directly or indirectly by visitor spending.
	Business Sales	The full value of all goods and services produced by the tourism industry. This is the sum of its intermediate inputs and its value added.
	Employment	Jobs directly and indirectly supported by visitor activity (includes part-time and seasonal work). One job is defined as one person working at least one hour per week for fifty weeks during the calendar year.
	Labor Income	Income (wages, salaries, proprietor income and benefits) supported by visitor spending.

Appendix D: Tourism Survey

A community survey was conducted to gather feedback from Chelan County residents and business owners about their experiences with tourism. The survey was open from July 5, 2025 through August 18, 2025 and gathered 760 responses.

The survey was offered online in English and Spanish and promoted through the following outreach methods:

- Chelan County webpage, newsletter, and social media
- Chelan County press release
- Chelan County cities and destination marketing organizations outreach
- Commissioner radio slots
- Stakeholder meeting attendees and interviewees outreach
- Steering committee members outreach

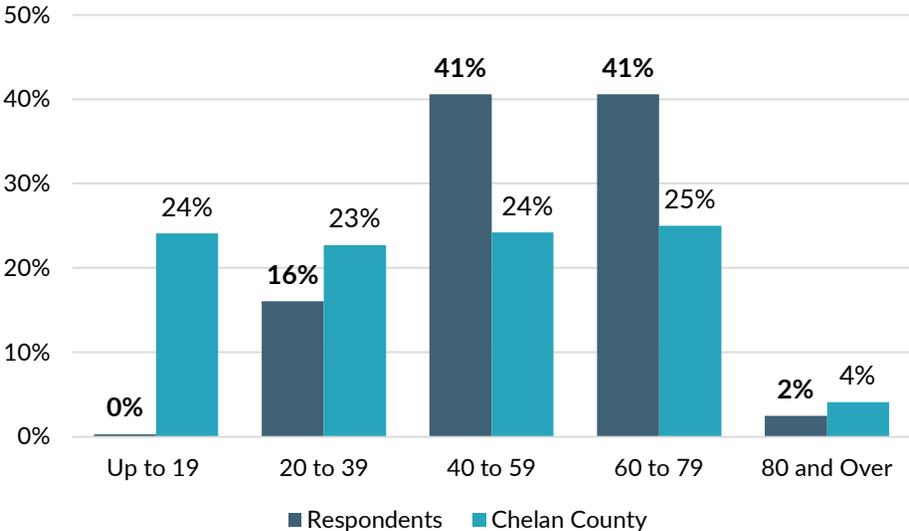
Respondent Profile

All respondents self-selected to participate in the survey. As a result, the sample of participants is not necessarily representative of the Chelan County community.

Survey respondents skewed significantly older than the general population of Chelan County, with 78% between the ages of 40 to 79, compared to 59% of the general population in this range (Exhibit 44). Out of the remaining respondents, 16% were between ages 20 and 39, and 2% were older than 80. An additional 22 responses (3% of all responses) chose not to disclose their ages; these responses were excluded from the calculation of percentages for each age category.

Exhibit 43. Respondent Ages (n = 751)

Survey Question: "How old are you?"

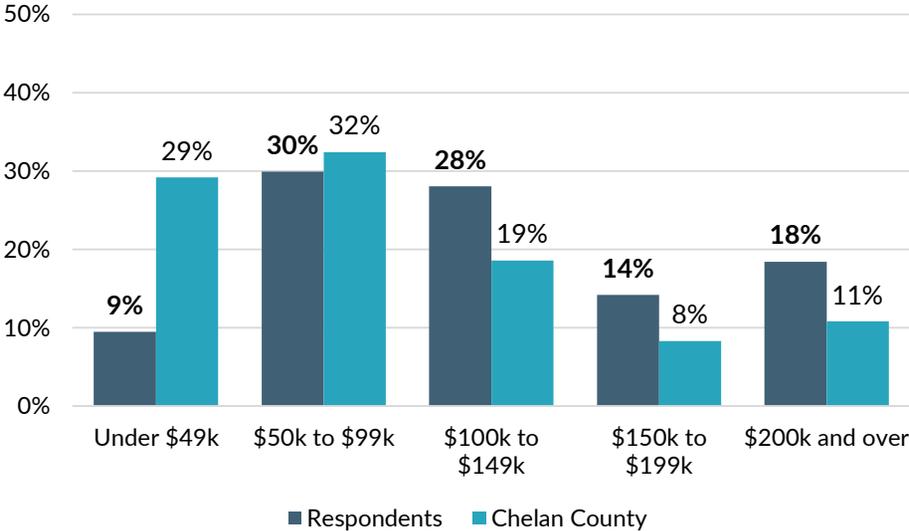


Source: ACS, 2023; BERK, 2025

Survey respondents also tended to have a higher annual income than the general population. As shown in Exhibit 45, 30% of respondents reported their annual income between \$50,000 to \$99,999, and 28% reported between \$100,000 and \$149,999. The remaining respondents reported incomes of over \$200,000 a year (15%), between \$150,000 and \$199,999 a year (11%), and less than \$49,000 a year (8%). A fifth of all responses (20%) chose not to disclose this information; these responses were excluded from the calculation of percentages for each income category.

Exhibit 44. Respondent Household Annual Incomes (n = 744)

Survey Question: “What is your household income?”

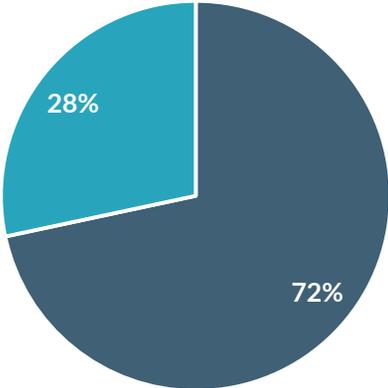


Source: ACS, 2023; BERK, 2025

Most respondents reported no one in their household received any income from tourism (72%) (Exhibit 46). Slightly over a quarter of respondents (28%) reported receiving income related to tourism, either directly through employment in or ownership of a business that serves tourists, or in-directly through ownership of a short-term vacation rental.

Exhibit 45. Respondent Household Income from Tourism (n = 741)

Survey Question: “Do you or someone in your household earn income from the tourism economy?”

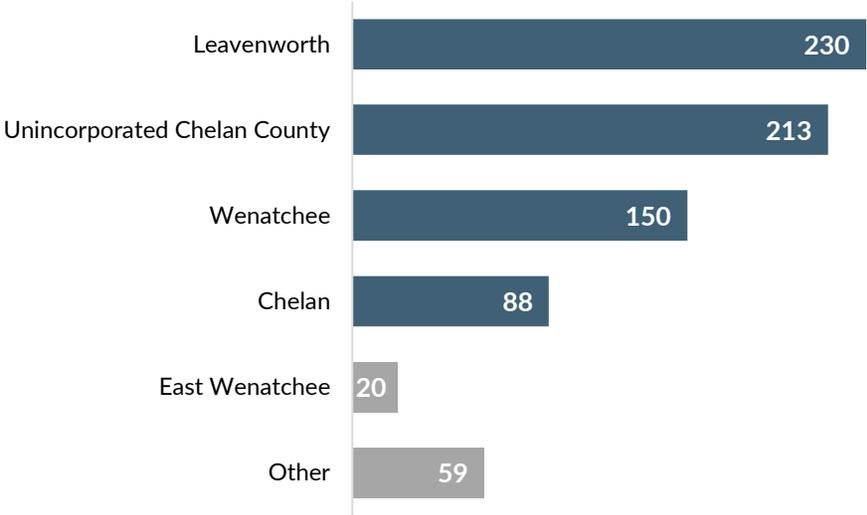


- Does not receive earn income from tourism
- Earns income from tourism

Source: BERK, 2025

As shown in Exhibit 47, the largest number of respondents are residents of Leavenworth, followed by unincorporated Chelan County (213), Wenatchee (150), and Chelan (88). The remaining respondents were from outside the County, including East Wenatchee (20) and other locations (59).

Exhibit 46. Respondent Residences (n = 760)

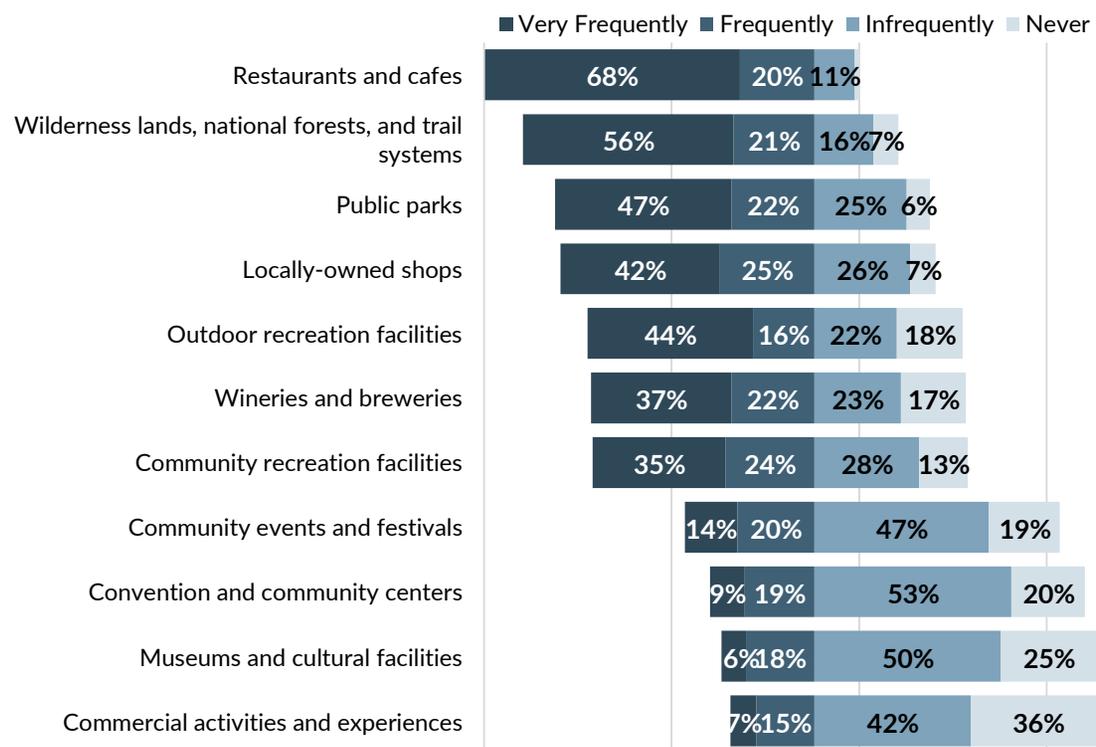


Source: BERK, 2025

Survey Questions

Respondents report frequent or very frequent use of many amenities, including restaurants and cafes (88%); wilderness lands, national forests, and trail systems (77%); public parks (69%); and locally-owned shops (67%) (Exhibit 48). The least used amenities include commercial activities and experiences (78% reported in frequent or no use), museums and cultural facilities (75%), and convention and community centers (73%).

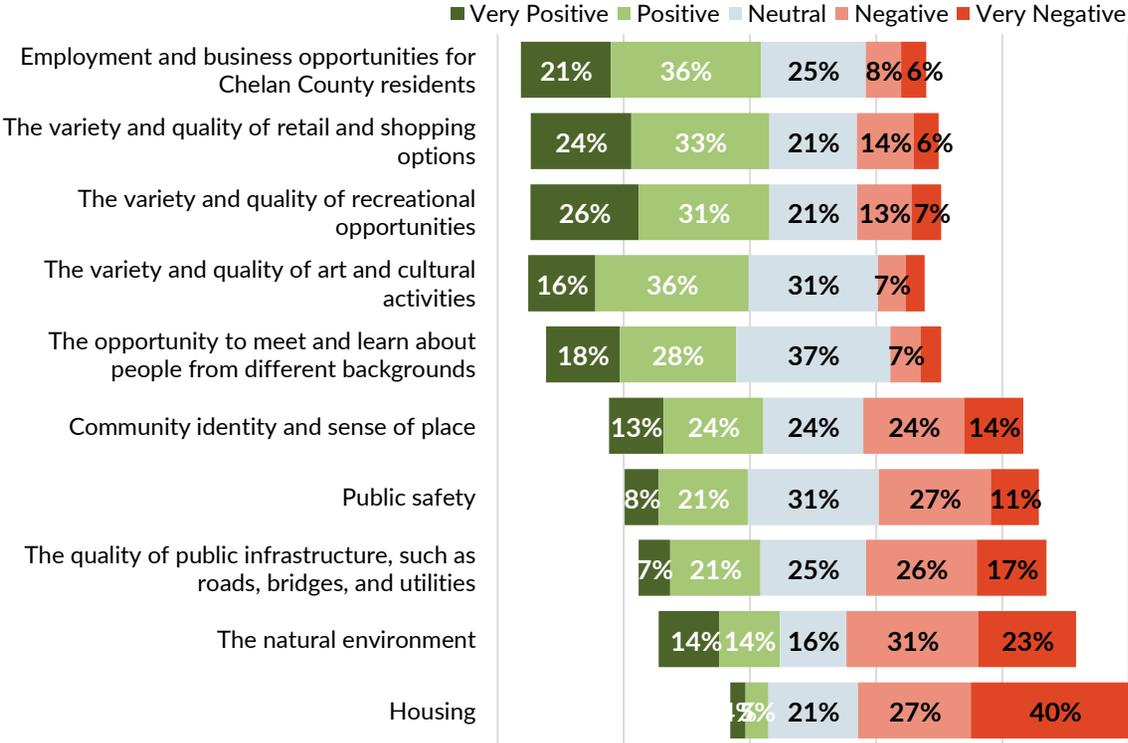
Exhibit 47. Frequency of Amenity Use (n = 758)



Source: BERK, 2025

As shown in Exhibit 49, respondents felt tourism had a net positive impact on multiple aspects of their lives, including employment and business opportunities (57% viewed the impact as positive or very positive), the quality and variety of retail and shopping options (57%), the quality and variety of art and cultural activities (52%), and the opportunity to meet and learn about people from different backgrounds (46%). Categories that were perceived as being affected the most negatively include housing (67% viewed the impact as negative or very negative), the natural environment (54%), and the quality of public infrastructure (43%),

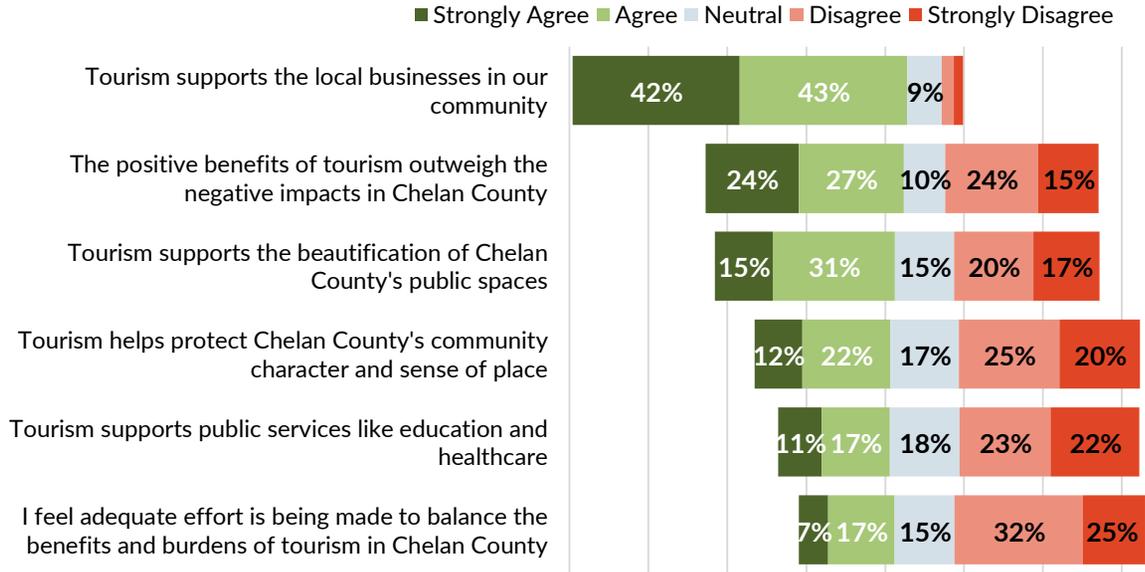
Exhibit 48. Perception of Tourism Impact (n = 759)



Source: BERK, 2025

Exhibit 50 illustrates the level of agreement with statements related to the benefits and support of tourism. Most respondents (85%) agreed or strongly agreed that “tourism supports the local businesses in our community. Just over half of respondents (51%) felt that “positive benefits of tourism outweigh the negative impacts” while 39% disagreed. The most disagreed upon statement was “I feel adequate effort is being made to balance the benefits and burdens of tourism in Chelan County”; Most respondents (55%) disagreed.

Exhibit 49. Agreement with Tourism Statements (n = 759)

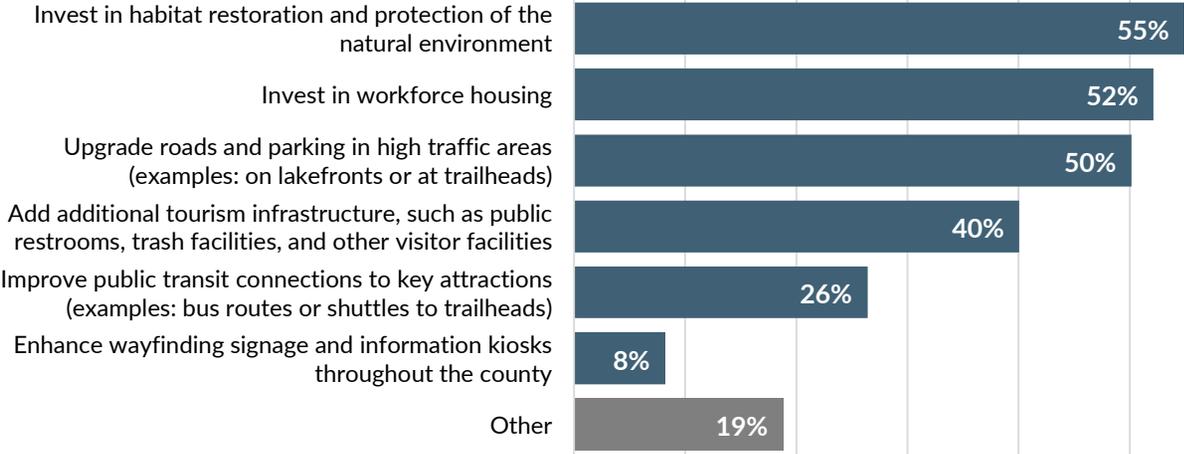


Source: BERK, 2025

Out of infrastructure investments, respondents prioritized habitat restoration and protection of the natural environment (55%), workforce housing (52%), and upgrading roads and parking in high traffic areas (50%) (Exhibit 51). Other responses specified included: additional emphasis on parking or suggestions for reduced or free parking for local residents (17); investment into active and public transit (13); requests for community amenities that benefit both local residents and tourists (11); additional restrictions on short-term rentals and housing concerns (11); traffic congestion concerns (10); and trail system expansion suggestions (7). There were 26 additional other responses.

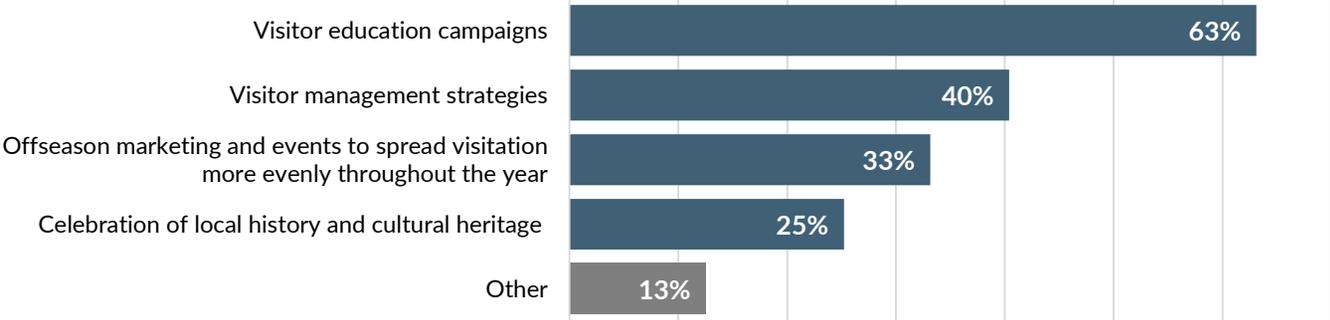
In terms of policies and programs, respondents prioritized visitor education campaigns (63%) and visitor management strategies (40%) (Exhibit 52). Other responses specified: locals having priority with amenities and infrastructure, such as outdoor trails or parking (10), reduction of promotion (6), parking concerns (4), desire for community amenities (4), and requests for public and active transit (4). There were 53 additional other responses.

Exhibit 50. Prioritization of Infrastructure Investment (n = 754)



Source: BERK, 2025

Exhibit 51. Prioritization of Policies (n = 718)



Source: BERK, 2025

Respondents were asked to identify map locations that have been impacted by visitor activity or where improvements are needed to enhance the visitor experience or better manage tourism-related pressures.

A total of 400 locations or impacts were identified. The most common issue was the need for sanitation and maintenance, with 69 responses citing litter, overuse, or inadequate facilities. Respondents also identified locations of general overuse and crowding (47 responses), environmental degradation (46), and parking issues (42), such as insufficient parking, improper parking, or frustrations with paid parking. Additional impacts included traffic congestion, identified locations or amenities that were consistently too crowded for local residents to use, traffic safety concerns, negative tourist behavior, feelings among locals of not being heard or prioritized, pressures on infrastructure, and housing costs. Many respondents also provided suggestions for improvements here, including tourist education campaigns, expanded active and public transit options, increased land management resources, and stronger enforcement of existing rules. The top impacted locations included areas in the Alpine Lakes Wilderness, notably the Enchantments and Colchuck Lake, as well as downtown Leavenworth, the Icicle and Wenatchee Rivers, areas in unincorporated Chelan County, downtown Chelan, Wenatchee, Manson, Lake Chelan, and Olalla Canyon.

There were 284 responses of locations needing improvements or improvement suggestions. The most common recommendation was to expand active and public transit options (23 responses). Respondents also suggested implementing permitting systems for high-use outdoor areas (8), such as the Enchantments or river tubing access points. Other recommendations included increasing food options, expanding tourist education efforts, promoting or improving underutilized recreation areas, expanding the trail system, increasing land management resources, stronger rule enforcement, and investing in community amenities. Many comments also mirrored the earlier impact findings, citing traffic congestion, parking shortages or improper parking, and locations needing additional sanitation or maintenance. Respondents further noted traffic safety issues, environmental degradation, and overcrowding at popular amenities such as lake access points and trails. The locations identified for improvements largely matched those identified as impacted, with the most common being downtown Leavenworth and Chelan, unincorporated Chelan County, Alpine Lakes Wilderness, Wenatchee, Cashmere, Manson, Lake Chelan, and the Icicle and Wenatchee Rivers.

Respondents also provided 506 additional open-ended comments, which were categorized as either impacts or improvement needs. The most frequently reported impacts included traffic congestion (70 responses), parking issues (68), environmental degradation (61), and reduced access to amenities because they were consistently full (57). Other frequently mentioned impacts included infrastructure strain on roads or utilities, housing costs and shortages of affordable housing, sanitation and maintenance needs, negative tourist behavior, and concerns about loss of community identity. Suggested improvements included increased investment in community-prioritized amenities and services (43), expanded active and public transit options (19), efforts to ensure locals feel heard and prioritized (16), and additional tourism education campaigns aimed at encouraging responsible behavior (16).

