



# CITY OF TUMWATER ECONOMIC DEVELOPMENT ADVISORY COMMITTEE

## Meeting #9 – November 12, 2009 – 5:30-7:30 PM Tumwater City Hall Training Room

- 1. Welcome and Approval of Minutes from October 8 Meeting (Bruce) 5:30-5:35**
- 2. Reminder of Next Steps (Brian) 5:35-5:40**
  - Council Worksession on November 16
- 3. Take Committee Feedback on Draft Material (Brian, All) 5:40-6:15**
  - Development Climate: vesting and expedited project review
  - Brewery Properties
  - Town Center
  - Office Uses
- 4. Discuss Specific Topic Areas: Review Strategic Plan language and identify desired strategies for the Economic Development Plan from the menu of options (Brian, All) 6:15-7:00**
  - Airport-Related Strategies
  - Mixed use development and neighborhood retail
  - Capitol Boulevard
  - Littlerock Subarea
  - Image, Tourism, and Marketing
- 5. Discuss Upcoming EDAC Meetings (Brian, All) 7:00-7:20**
  - Review Draft Agenda, Materials, and EDAC Roles for November 16 Council Worksession
  - Confirm meeting date for last EDAC Meeting: December 10 (5:30-7:30 at City Hall)
- 6. Opportunity for Public Comment 7:20-7:30**

**TUMWATER ECONOMIC DEVELOPMENT ADVISORY COMMITTEE**

**MINUTES OF MEETING**

**October 8, 2009 Page 1**

**CONVENE:**

5:35 p.m.

**PRESENT:**

Chair Bruce Cramer, OBe Credit Union; Committee Members Michael Cade, Thurston County Economic Development Council; Erin Carrier, Citizen; Joan Cathey, City Council; Brett Hardcastle, Tumwater Automotive; Ed Hildreth, City Council; Jim Hindman, Costco Wholesale; Marcus Glasper, Planning Commission; Heber Kennedy, Port of Olympia; and Nancy Stevenson, Citizen.

Members Absent: Allen Johnson, Property Owner and Developer.

Staff: Planning Manager Tim Smith and Recording Secretary Cheri Lindgren.

Others: Brian Murphy, Berk & Associates.

**WELCOME AND APPROVAL  
OF SEPTEMBER 10, 2009  
MINUTES:**

**Mr. Kennedy moved, seconded by Councilmember Hildreth, to approve the September 10, 2009 minutes as presented. Motion carried.**

**UPDATE ON CITY COUNCIL  
STRATEGIC PLANNING  
PROCESS:**

Members participated in a debriefing on the Council's public hearing for the draft Strategic Plan (SP), which was well received by the public.

Members discussed whether the Council will accept additional written testimony. Staff and committee members acknowledged that the public hearing is closed. Manager Smith said additional written testimony could be forwarded to him.

Brian Murphy, Berk & Associates provided an overview of public comments on the brewery property. The public also acknowledged Olympia Regional Airport as an asset, which could be elevated in the SP. A worksession between the committee and Council on the Economic Development Plan (EDP) is scheduled for November 16, 2009.

Discussion ensued on Initiative 1033 (I-1033) and fundamental impacts to economic development strategies if the initiative is adopted by voters.

Mr. Murphy reported committee members attending the public hearing asked the Council to defer adoption of the SP until completion of economic development strategies.

Members discussed advantages associated with not adopting the SP until the EDP is completed and whether significant changes to the draft SP will prompt another public process. Mr. Murphy advised that the Council is not required to hold a public hearing on the draft plan, but wanted to afford an opportunity for citizens to provide input.

# TUMWATER ECONOMIC DEVELOPMENT ADVISORY COMMITTEE

## MINUTES OF MEETING

October 8, 2009 Page 2

Councilmember Cathey said the Council believes in fiscal responsibility. The issue is the type of economic development desired by the Council and citizens.

Councilmember Hildreth agreed. The Council is synthesizing the committee's recommendations. The EDAC should assume "business as usual" and that I-1033 will not pass.

Mr. Cade commented that the public has different perceptions of what economic development means including the recruitment and retention of capital in the community. He suggested the committee should define "economic development."

### **TAKE COMMITTEE FEEDBACK ON DRAFT MATERIAL:**

#### **DEVELOPMENT CLIMATE:**

Mr. Murphy provided an overview of proposed action strategies related to development climate.

The committee discussed vesting. Manager Smith explained that the City of Olympia provides for partial vesting at site plan review for the use intended. That practice is challenging because staff must determine which site plan features are vested at the time of review. Vesting is "piecemeal." The Legislature determined that a building permit is a "bright line" when it comes to vesting. The vesting rule is utilized by cities across the state including Tumwater. Tumwater staff recommends that the City retain its current practice based on risk and liability issues.

Members offered the following feedback:

- Tumwater should be as competitive as Olympia.
- Many developers are not familiar with the City's vesting rules, which should be addressed in the EDP.
- Discussions with developers indicate that Tumwater's vesting policy is a disincentive. Earlier vesting is preferable to developers.

Manager Smith outlined the City's development review process. After staff approves a formal site plan a developer will typically submit a building permit and pay the applicable fees. At that time, the project is vested. Projects are not affected by regulations changing after a building permit is submitted and the appropriate fees are paid. One option is enabling vesting at the end of the formal site plan review process.

## TUMWATER ECONOMIC DEVELOPMENT ADVISORY COMMITTEE

### MINUTES OF MEETING

October 8, 2009 Page 3

- Concerns that a project might not be well thought out at the site plan phase.

Mr. Murphy said one component of economic development is building an attractive and quality community. There is a need to balance both quality and efficiency within the permitting process.

- Another concern is the City's ability to respond timely to a building permit application. An option could include the City contracting with a third party reviewer. Manager Smith said the City's experience with third party reviews has not been successful. However, it could be included as an option.
- The EDP should include straightforward and clear language conveying the City's understanding of problems encountered by developers in the past that the City is trying to resolve.

Mr. Murphy summarized two issues concerning vesting earlier in the review process and expediting building permit reviews. The City could provide expedited reviews as incentive for development in priority areas and/or enable developers to pay for a third party reviewer or covering City overtime costs.

- The City shouldn't prioritize one project over another. In general, reviews should occur on a "first in, first out" basis.
- On the other hand, there aren't many incentives available in urban areas in Washington. The City might want to consider offering incentives in priority areas.
- It would be helpful to review a language proposal on what it means to vest at the end of the site plan review process and when a building permit application is submitted and fees paid.
- Draft generic language to explore and develop strategies for timely vesting not leading to increased risks to the City.
- Rather than providing expedited reviews as an incentive, the City should expedite its building permit review process in general.
- It might make sense to provide incentives to encourage growth in areas the City wants to see developed.

Mr. Murphy referred to a study he could share with the committee at a future meeting. Offering incentive options, expedited permitting review, and a predictable process are powerful and limited tools cities have in encouraging development in priority areas.

The committee agreed and requested draft language on incentives including at cost options for overtime and third party review in targeted areas.

**TUMWATER ECONOMIC DEVELOPMENT ADVISORY COMMITTEE**

**MINUTES OF MEETING**

**October 8, 2009 Page 4**

**BUSINESS RETENTION:**

Mr. Murphy reviewed action strategies and tasks related to retaining and supporting existing businesses in the City.

Committee members offered the following comments:

- Revise item D to read in part, “Partner with others to provide resources and programs to support existing businesses...” A similar revision could also be implemented within the last two bullet points within item 4 on page 3 of the development climate section.
- Business owners need to know there’s a conduit to provide significant input to the City on how it’s operating and what the City may or may not be doing to impede business. “Retain and support the City’s existing businesses” strategies and tasks are effective.
- Sometimes it’s too late to prevent a business from leaving town.
- An option is convening a “red flag committee” with the Chamber, EDC, banking, and real estate agents who may be aware that a business may be leaving the City. The committee could meet with businesses and brainstorm solutions.

Discussion ensued on the distinction between business community and development community. Mr. Murphy advised that item E on page 3 is targeted to both businesses and developers. Light industrial and manufacturing uses and office uses are focused more on the business sector.

- Identify an ombudsman a business owner can contact to resolve issues.

Mr. Murphy reported Cardinal Glass officials indicated the City has been very responsive to their issues. Providing businesses with a specific point of contact is helpful and an effective communication strategy.

- Incentives may be different for smaller businesses because they face challenges unusual to mid-sized and larger businesses. That section might not include sufficient language addressing retention of smaller businesses.

**LIGHT INDUSTRIAL AND  
MANUFACTURING USES:**

Mr. Murphy reviewed strategies for increasing the City’s light industrial and manufacturing sectors.

Discussion ensued on rail infrastructure, which currently serves Mottman Industrial Park. It’s unlikely uses at the brewery property would rely on rail service. Rail could also be a tourism element.

**DISCUSS SPECIFIC TOPIC**

# TUMWATER ECONOMIC DEVELOPMENT ADVISORY COMMITTEE

## MINUTES OF MEETING

October 8, 2009 Page 5

### **AREAS: REVIEW STRATEGIC PLAN LANGUAGE AND IDENTIFY DESIRED STRATEGIES FOR THE EDP FROM THE MENU OF OPTIONS:**

#### **BREWERY PROPERTIES:**

Manager Smith reviewed riparian, floodplain, and proposed shoreline regulations impacting the brewery property:

- Brewery buildings and parking areas are nonconforming uses in the riparian habitat buffer areas.
- Brewery facilities may be replaced with other uses if consistent with the zoning district, development is 25 or more feet from the shoreline, and no net loss of ecological function of the riparian area or buffer occurs.
- Current floodplain regulations prohibit development and redevelopment within the floodplain. Proposed regulations allow redevelopment of brewery facilities if consistent with the zoning district and meeting all requirements within the floodplain.
- With the 2011 update of the Shoreline Management Plan (SMP), the City is required to approve a series of overlay zones involving High Intensity, Urban Conservancy, Residential, and Natural Shoreline designations. High Intensity is proposed for the east side of the Deschutes River on the brewery site (except for the old brewhouse). Urban Conservancy is proposed for the west side of the Deschutes River on the brewery property and the old brewhouse on the east side.
- Examples of water dependent, water related, and water enjoyment uses, and commercial policies, were reviewed.

The committee discussed a vision for brewery properties west of Capitol Boulevard:

- It's difficult to visualize how those properties could develop. Significant financial resources and patience will be required. If there is an easy solution, the properties would have undergone redevelopment by now. Manager Smith pointed out that one obstacle is acquiring permission from Union Pacific to cross the railroad tracks. The brewery never received permission to cross the railroad corridor.
- The extension of E Street to Cleveland Avenue is also a factor.
- An option is separating the property into three areas consisting of the old brewery, the brewery proper, and the bottling house.
- The EDAC shouldn't limit or restrict the historical aspect for producing jobs on the properties.

## TUMWATER ECONOMIC DEVELOPMENT ADVISORY COMMITTEE

### MINUTES OF MEETING

October 8, 2009 Page 6

- The City must be prepared to evaluate any viable project and possibly consider code changes to accommodate a viable proposal.
- The City, Department of Ecology (DOE), and tribes could partner and be ready to assist developers to achieve the vision for the brewery property.
- The property is unique. Development restrictions should be minimal. One idea is requiring a conditional use permit for certain land use types.
- The draft SP articulates the need for flexibility very well.
- At the public hearing, the Council was encouraged to embark on a vision process with the community.
- Land uses generating jobs and revenues should be a priority rather than developing the property into a large park.
- Public access to the shoreline is required, and linear shoreline access is equivalent to a park.
- Tearing down buildings and planting grass is not an ultimate vision for the brewery site.

There were some questions about the language in the strategic plan regarding the application of zoning to the brewery property to prohibit “undesirable uses.” An example of such a use is heavy industrial.

Mr. Murphy advised that draft language will be prepared defining appropriate zoning and uses for the committee’s discussion at the next meeting.

Members discussed a vision for brewery properties east of Capitol Boulevard:

- The rail line is the Port of Olympia’s connection to the inland. The rail line should be maintained together. The Port recently made significant capital investments upgrading the marine terminal rail infrastructure. A concern is developing a park next to a rail corridor. Rail infrastructure is an asset to the City.
- The Port’s ability to use the railroad corridor is not dependent upon commercial and/or industrial development on the brewery property.
- A rail line could be used in combination with commercial and tourism activities connecting to downtown Olympia. Another idea is a trolley to the old brewhouse.
- Land uses requiring rail are not necessarily desirable uses on the site. However, land uses must be compatible with the rail line.
- Properties are located within the floodplain, which precludes potential uses such as retail. Industrial uses can withstand occasional flooding.
- It’s difficult to visualize residential and retail development realizing that properties will flood on a regular basis. Warehousing might be

# TUMWATER ECONOMIC DEVELOPMENT ADVISORY COMMITTEE

## MINUTES OF MEETING

October 8, 2009 Page 7

the best fit.

Manager Smith pointed out that there's a difference between warehousing and warehouse distribution centers.

Mr. Murphy suggested the element needs further clarification. Draft language will be drafted for the committee's review at the next meeting.

### **TOWN CENTER:**

Mr. Murphy reviewed proposed implementation strategies for the Town Center to include an evaluation of the overall feasibility of the vision, developing a non-binding master site plan for Port-owned properties in partnership with the Port, and identifying areas affected by Mazama Pocket Gopher protection requirements.

Councilmember Hildreth asked whether the City is planning to revisit the street plan because blocks are too big. Manager Smith referred to developing a non-binding master plan for Port-owned properties. Mr. Kennedy added that the Port is amenable with smaller blocks.

Discussion ensued on establishing incentives encouraging development in the Town Center provided it's compatible with the vision, as well as increasing maximum building height. Mr. Murphy suggested revising the second bullet on page 2 to read, "If the vision is feasible, explore opportunities to spur residential and commercial development."

Manager Smith reviewed maximum height requirements for the Town Center. Residential is not allowed on Port-owned properties.

### **OFFICE USES:**

Mr. Murphy provided an overview of implementation strategies for office uses that include promoting Tumwater as an attractive residential location for office workers. He proposed revising the third bullet to state, "Focus business recruitments on any users complimentary to the state."

Committee members offered the following feedback:

- Explore ideas to augment pedestrian experience along Capitol Boulevard together with bus service enhancements for state employees traveling to and from work by car. A shuttle service similar to downtown Dash service was mentioned.
- It's a good idea to link Capitol Boulevard to the needs of state employees.

Discussion ensued on the concept for encouraging nighttime activities. Mr. Murphy said that entertainment uses are proposed in the SP. He suggested the committee consider the topic at its next meeting.

**TUMWATER ECONOMIC DEVELOPMENT ADVISORY COMMITTEE**

**MINUTES OF MEETING**

**October 8, 2009 Page 8**

**AIRPORT RELATED STRATEGIES:**

The EDAC is scheduled to discuss "Airport Related Strategies" at the November meeting.

**IMAGE, TOURISM, AND MARKETING:**

The EDAC is scheduled to discuss "Image, Tourism, and Marketing" at the November meeting.

**DISCUSS UPCOMING EDAC MEETINGS:**

Mr. Murphy reported the next meeting date will be scheduled electronically with members.

**OPPORTUNITY FOR PUBLIC COMMENT:**

**John Fedor** said if voters pass I-1033, development should continue because it builds the fabric of a community and tax revenues will increase. Tumwater contemplated a levy lid lift (LLL) to fund public safety. Economic development provides a funding source for public safety services. A business on Capitol Boulevard posted a sign indicating it had moved to Lacey. The establishment likely moved to be near Lacey's large retailers where there is exposure to more customers, greater business vitality and excitement, and a better economic potential. Those types of characteristics are attractive to business. The primary objective of economic development is the attraction and retention of capital and talent.

**Tom Oliva, 227 Lark Street**, asked whether the Planning Commission will review the vesting issue. Mr. Murphy said the Commission will have an opportunity to review the draft EDP. Mr. Oliva reported that privately owned state offices are paying property taxes. Private developers are offloading traffic impacts onto the City by not providing state employees with restaurant options in buildings leased by the state, which the City could have some influence over. The state is purchasing the Department of Transportation (WSDOT) and Corrections (DOC) building over time and will not pay leasehold excise tax for the next 20 years, which is detrimental to the City.

Mr. Oliva referred to the 176-acre brewery property and \$40 million price tag. A developer must overdevelop the site to recoup the investment. Blight is a significant issue. The City could decide to condemn the property in 10-12 years and partner with other jurisdictions to develop active uses. The County Assessor has indicated that the assessed value has no relationship to market value. The issue is how much property tax the City is losing because it's not assessed correctly. Mr. Oliva distributed a document produced by the Old Brewhouse Foundation describing a vision for the property.

**Dave Stauffer, Soloy Aviation Solutions**, reported the organization employs 39 people for a \$1.5 million annual payroll. If the airport is restricted, the business will likely relocate. Industrial development makes sense for the brewery property. He suggested the City should focus on other endeavors. The company is in the process of making

**TUMWATER ECONOMIC DEVELOPMENT ADVISORY COMMITTEE**

**MINUTES OF MEETING**

**October 8, 2009 Page 9**

modifications to its facility. He referred to challenges the company is facing regarding building permit review at City Hall.

**Austin Beaumont, Comfort Inn and GuestHouse International,** commented that the only development in the immediate area of the I-5 101 exit within the last 10 years is hotels. The issue concerns impediment in that area for other types of development. There is nothing in Tumwater attracting visitors, which harms tourism. Visitors have to drive at least a mile from the freeway exit to reach restaurants or gas stations. He spoke in favor of economic development to divert people off the freeway and into the City. Intercity Transit does not provide service to or from the hotels. Mr. Beaumont said better signage, a roundabout at the I-5 101 exit, and convenient bus service would help encourage development in the immediate area, as well as promote tourism and overnight stays.

**Troy Dana, representing the brewery property owner,** shared that because of current economic conditions; there is a strong likelihood that the real estate market will not recover for another two to four years. However, it's likely the property is not at risk for redevelopment at this time. The threat is not making it possible for the owner to monetize existing assets. The owner is revisiting a boundary line adjustment previously submitted to the City and is taking steps to create opportunities. There may be openings for the City and property owner to collaborate and partner to create value and commerce on the site.

**ADJOURNMENT:**

**With there being no further business, Chair Cramer adjourned the meeting at 7:47 p.m.**

Prepared by Cheri Lindgren, Recording Secretary  
Puget Sound Meeting Services



## **CITY OF TUMWATER ECONOMIC DEVELOPMENT ADVISORY COMMITTEE**

**Meeting #9 – November 12, 2009**

### **DRAFT Material for Topics covered at Meeting #8**

This document contains preliminary material reflecting EDAC conversation at Meeting #8 (October 8, 2009). New language is underlined and shown in the context of all draft language developed thus far by the EDAC. Discussion on November 12 will focus primarily on new text.

This material is for discussion purposes only and is subject to further review and revision before it can be considered to be the Committee's final recommendation.

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### **Establish a Development Climate that Supports Economic Activity and Desirable Investment**

#### **A. Prioritize ensuring predictable and efficient experiences for business owners and developers seeking to invest in Tumwater**

1. Ensure that development regulations are established in a planned and scheduled fashion and clearly communicated on the City website and in printed materials
2. Allow the development of permitted uses to proceed in a predictable manner, avoiding mid-stream changes to development regulations in response to particular development proposals

#### **B. Provide high quality and facilitative development services and a competitive development environment**

1. Evaluate creative approaches to establishing a City staff position responsible for Economic Development, including beginning with a part-time position or banking funding for the position until sufficient resources have been set aside
2. Employ education, training, and strong leadership to maintain a Development Services culture with a strong customer-service orientation
  - Encourage staff to help business owners and potential investors find suitable sites and solutions to challenges they encounter, while maintaining adherence to the community Vision and development regulations
3. Ensure consistent, accurate, and easily understood information is provided by Development Services staff
  - Create "plain English" handouts describing the City's development regulations and how investors can most successfully conduct business within the City of Tumwater
  - Establish protocols about what information should be provided at specific points in the development process

- Document what information has been provided to individual prospective investors at different points in the development process
- 4. Establish and track timelines for routine tasks and processing, including deadlines for response to inquiries by business owners and potential developers
- 5. Consider timing the collection of impact fees to coincide with the beginning of the impact to City services, collecting some fees at occupancy
- 6. Establish an earlier vesting period to enable the City of Tumwater to better attract desirable development projects
  - Consider amendments the City's vesting ordinance that allow development projects to vest to zoning and other land use and environmental control ordinances in effect on the date a project receives formal site plan approval from the City

#### Vesting Background

"Vesting" means that a development proposal will be evaluated under the land use regulations in effect at the time the developer completes certain, specific actions (which may vary by jurisdiction), regardless of any subsequent changes to those regulations. In the State of Washington, a development proposal is vested when a developer submits a complete building permit application. Washington has codified this rule at RCW 19.27.095(1). A local government is able to enact its own vesting ordinance so long as it is no more restrictive than the State statute.

Tumwater's current vesting ordinance, codified in Chapter 15.44 of the Tumwater Municipal Code, parallels State law by requiring the submittal of a valid and fully complete building permit application to vest a project under development and building code regulations in effect on the date of application. Vesting can also occur at the time a complete plat application is filed. The proposed shift towards an earlier vesting period places Tumwater in a stronger competitive position without compromising the City's responsibility to ensure that projects are in concordance with its development regulations.

- 7. Amend the Tumwater Municipal code to establish a process for the Development Services Director to approve expedited processing of a permit application upon the request of a permit applicant

Establish the following conditions and alternatives as a part of this expedited option:

- An expedited processing schedule should be approved only if no other permit applications will be delayed
- Contracting for permit review services should be considered as an alternative to prevent delays to other projects
- Any additional costs incurred by the City due to expedited processing should be paid by the permit applicant as an increase in the permit application fee

8. Establish an enterprise fund to allow the purchase of up-to-date tools and systems to manage permitting
9. Benchmark the City's practices and regulations against those of neighboring communities
  - Conduct an annual review of key policies and practices to ensure the City remains competitive
  - Investigate neighboring community practices whenever significant policy or procedure changes are considered
10. Track development inquiries and the status of investments by type and location, providing quarterly summary information for use by elected officials and staff and as material for the City's economic development marketing efforts on its website and in the economic development update email

**C. Obtain regular feedback about the City's development regulations and processes**

1. Solicit feedback on the City's development climate during an annual Economic Development Roundtable
2. Establish a "customer satisfaction survey" and request feedback from individuals who interact significantly with the City's development services
3. Proactively seek input from randomly selected business owners and developers involved in various points of the City's development process

**D. Maintain ongoing dialogue with key constituencies to ensure a common understanding of the City's economic development goals and development regulations**

1. Obtain diverse and representative input when significant policy changes are considered, seeking input by residents, business owners, and members of the development community
2. Establish an annual Economic Development Roundtable and an economic development email that provides regular updates of the City's economic development efforts and private sector development activity
3. Communicate regularly with residents about the City's economic development goals and efforts
  - Invite representatives of key constituencies and interested individuals to participate in the City's annual Economic Development Roundtable and to receive the City's economic development email updates
  - Communicate economic development issues to homeowner associations via email or by in-person participation when staff resources allow or significant issues warrant

4. Maintain strong connections to Tumwater’s business owners, treating them as key community stakeholders
  - Invite business owners to participate in the City’s annual Economic Development Roundtable and to receive the City’s economic development email updates
  - Conduct annual outreach to the City’s largest employers
  - Conduct “exit interviews” with businesses that relocate outside of Tumwater
  - Modify the City’s contract with the Thurston County Economic Development Council to require the organization provide feedback to City from its business outreach efforts
  - Explore opportunities to obtain feedback from the Port’s tenant outreach efforts
  - Establish a single point of contact at the staff level for the Chamber and EDC
  - Continue to participate regularly in partner meetings
5. Maintain connections to the development community
  - Invite members of the development community to participate in the City’s annual Economic Development Roundtable and to receive the City’s economic development email updates

#### **E. Promote Tumwater as an attractive location for business investment**

1. Establish key economic development messages to be communicated on the City’s website, in printed materials, and in economic development events and discussions
  - Communicate that economic investment in Tumwater is desired
  - Present a “new Tumwater” from an economic development perspective: promote the City’s elevation of economic development as a key priority area, the adoption of the Strategic and Economic Development Plans, and recent changes to the City’s development climate
  - Describe the City’s significant strengths and assets that provide substantial benefits to businesses and developers [include a sidebar that lists these assets]
  - Promote the City’s development climate, with predictable processes and competitive regulations and fees
2. Rework the City’s website through a user-centered design process, soliciting input from residents, developers, and business owners and ensuring that economic development pages are easily accessed from the front page
3. Provide “plain English” interpretations of the City’s development regulations on the City’s website and in simple printed handouts
4. Continue to collaborate with the partners to market opportunities in Tumwater
5. Create promotional collateral that describes the City’s demographics, market position, and specific development opportunities
  - Aggregate and communicate development opportunities by geography or allowable use, promoting opportunities in individual commercial districts or across the City for specific user types such as office-based employers or light industrial and manufacturing users

## **Retain and Support the City's Existing Businesses**

- A. Communicate frequently that the City's existing businesses are valued and that the City's elected officials, staff, and partners want them to remain in the community**
- B. Facilitate the development of clusters of synergistic businesses by recruiting related businesses suggested during outreach to existing businesses and State offices**
- C. Understand and seek to respond to the needs of the City's existing businesses**
  1. As staffing allows, appoint a "Business Ombudsman" to serve as a first point of contact for businesses requesting assistance from the City
  2. Provide site location and permitting assistance services for businesses seeking to expand
  3. Form a "red flag committee" comprised of City and public and private sector partners designed to anticipate and respond to businesses who are considering leaving the community
    - Engage in direct conversation promptly with firms that may leave, collaborating with the City's economic development partners to send a strong message that retention of the business is desired
  4. Conduct a "business survivability" survey with the City's partners to understand the most critical needs of the area's businesses
  5. Survey existing businesses regularly regarding their infrastructure needs and respond to changes in requirements
  6. Partner with the School District and the New Market Skills Center to provide targeted workforce development, supporting these organizations and connecting them with businesses
- D. Partner with others to provide resources and programs to support existing businesses, considering options such as:**
  1. A "shop local" campaign
  2. Publication of a local business directory
  3. Trainings for business owners
  4. A business mentoring program
  5. A grant/loan program for façade improvement, landscaping, or working capital
- E. Encourage the success of Tumwater's home-based businesses**
  1. Within the City's regulations, balance a desire to avoid establishing barriers to home-based businesses with prudent mitigation of potential negative impacts on nearby residents
  2. In collaboration with the Chamber, track and evaluate the significance of the City's home-based business sector, evaluating the likely costs and benefits associated with strategies such as a mentoring program, facilitated gatherings of home-based entrepreneurs, shared meeting space and support services, or more in-depth incubation services
- F. Evaluate long-term opportunities to establish managed business districts for distinct, unified commercial areas**

## **Grow the City's Light Industrial and Manufacturing Sectors**

### **A. Communicate the continued importance of the City's industrial employers, telling them they are wanted contributors to the City's diverse economic base**

### **B. Understand and respond to the needs of industrial users**

1. Meet regularly with the Thurston County Economic Development Council to discuss economic development issues
2. Evaluate tree protection standards and consider an approach with different standards for different uses, including more flexibility for industrial uses
3. Understand and support the needs and redevelopment opportunities at Mottman and Beehive Industrial Parks, on Port- and privately-held lands around the airport, and in other areas zoned for industrial use

### **C. Utilize the City's transportation infrastructure to support and grow its industrial and manufacturing sectors**

1. Locate new industrial uses in areas that well-served by truck routes that provide easy highway connections without disruption to other users
2. Ensure there are adequate truck routes to connect existing industrial areas to the highway
3. Recruit businesses that would take advantage of the City's transportation assets, including the airport, access to I-5, and rail
4. [insert reference to Brewery if the Committee recommends industrial uses east of Capitol Boulevard – this discussion is pending]
5. Seek grants to strengthen the City's rail infrastructure

### **D. Grow and promote Tumwater's clean energy and green business sectors**

[include a sidebar with definitions and why this is an appropriate opportunity for Tumwater given land base, infrastructure, and community values]

1. Monitor State efforts to understand and strengthen this portion of the economy
2. Reach out to existing green businesses to understand and support their needs and to develop effective strategies to recruit similar businesses
3. Work with partners to recognize and promote Tumwater's existing clean energy firms and green businesses, supporting their retention and the attraction of similar firms
4. Create a market for local clean energy and green products through City construction or purchasing and support demonstration projects in collaboration with the New Market Skills Center
5. Establish a City Sustainability Strategy with green practices and policies
6. Work with partners encourage recycling and energy conservation by Tumwater businesses
7. Participate in regional organizations and events such as the Washington Clean Tech Alliance

## **Make Strategic Use of the Brewery Property to Strengthen the City's Economic Base**

### **A. Encourage Dynamic Mixed Use Development of the Brewery Properties West of Capitol Boulevard**

1. Encourage uses that take full advantage of the unique characteristics of the brewery properties to create a regional draw, considering destination retail, office and/or housing uses
2. Apply the City's Mixed Use zone to this area to guide future development and encourage a dynamic mix of uses on the site
3. Ensure that public access to the river is provided when the site is redeveloped, consistent with the requirements of the City's Shoreline Master Program

#### **West of Capitol Boulevard**

Portions of this area are within shoreline jurisdiction of the City's existing and proposed Shoreline Master Program, and are subject to the City's fish and wildlife habitat protection standards. Redevelopment will require compliance with these regulations.

### **B. Encourage Appropriate Uses East of Capitol Boulevard within the Deschutes River Valley**

1. Encourage uses east of the railroad track that take advantage of existing rail access and will not be negatively impacted by seasonal flood events
  - Appropriate uses include certain types of light industrial uses that do not support large numbers of employees and customers onsite, and do not use, store or distribute materials that could contaminate flood waters. Specific examples of uses that may be appropriate include wholesaling, manufacturing, assembling, warehousing (nondistribution), and the storing, fabricating or repairing of goods.

#### **East of Capitol Boulevard within the Deschutes River Valley**

Environmental characteristics of the site limit redevelopment opportunities east of Capitol Boulevard. This is especially the case for land between the railroad track and Capitol Boulevard as this area is entirely within the established 100-year floodplain. Existing City zoning regulations do not allow new structures within the 100-year floodplain.

The area between Capitol Boulevard and the railroad track is also within shoreline jurisdiction of the City's existing and proposed Shoreline Master Program, and is subject to the City's fish and wildlife habitat protection standards. It is likely that shoreline restoration/vegetation enhancement and a riparian habitat buffer will be required in this area when redevelopment of the property occurs, consistent with the City's Draft Shoreline Master Program and adopted critical areas ordinance.

Property east of the railroad track is to a lesser extent also impacted by the environmental restrictions noted above. Winter storms have on occasion resulted in flooding of the Deschutes River across the river valley easterly to the toe of the bluff, well beyond the 100-year floodplain boundary. Flooding occurred most recently in December 2007 and January 2009. These flood events should be a consideration in determining appropriate uses for this area.

2. Establish a light industrial overlay zone to narrow the types of uses that should allowed in this area
  - The Light Industrial zoning that currently applies to the area allows a wide variety of uses, some of which may not be appropriate due to the environmental characteristics of the site and potential negative impacts to surrounding roads and land uses
  - Examples of uses that may not be appropriate include warehouse distribution centers and general types of commercial and retail uses.
3. Ensure that public access to the river is provided when the site is redeveloped, consistent with the requirements of the City's Shoreline Master Program

**C. Ensure Development of Properties Adjacent to Cleveland Avenue is Compatible with Nearby Residences**

1. Rezoning the four Light Industrial-zoned parcels to Single Family Medium Density Residential
  - This zoning will ensure that future development in this area will be compatible with adjacent residential neighborhoods to the south and east

**Adjacent to Cleveland Avenue – the Top of the Bluff**

Five former brewery properties are located west of Cleveland Avenue on the bluff above the Deschutes River Valley. Existing zoning for four of the parcels is Light Industrial. The southern-most parcel is zoned Single Family Low Density Residential. The two largest parcels are approximately 5 and 6 acres in size and contain well fields and a water reservoir. These parcels were recently purchased by the cities of Olympia, Lacey and Tumwater. Two one-acre parcels are located adjacent to Cleveland Avenue and are undeveloped.

## **Evaluate and Advance the Future of Tumwater Town Center**

### **A. Evaluate the feasibility of the established Town Center vision for mixed use development**

1. Conduct a Town Center Feasibility Study that compares the residential density required to support the mixed use vision for Town Center with the buildable capacity of available land

### **B. In partnership with the Port, encourage development by establishing a non-binding master site plan for Port-owned properties within Town Center**

1. Determine allowable uses, roads, transit service, and public amenities in concordance with the results of the Town Center Feasibility Study
  - If the vision is not supported, encourage the further development of commercial and civic uses
  - If the vision is determined to be feasible, explore opportunities to spur residential and commercial development
    - Invest in amenities and place-making
    - Reduce parking requirements for residential development
    - Evaluate opportunities to employ the Multifamily Tax Abatement or other incentives for residential development
  - Develop a street plan that uses project investments to reduce the size of existing blocks
2. Incorporate Mazama Pocket Gopher protection in a comprehensive and proactive manner within the master site plan
  - Consider taking an active role in acquiring or maintaining corridors or other public open spaces to help offset losses by property owners
  - Provide technical assistance to developers and landowners and use the City's website and economic development materials to communicate resolution of the issue

### **C. Consider additional investments and incentives if necessary to encourage development in the medium- to long-term**

## **Build Upon Tumwater's Strong Office Market**

### **A. Treat Tumwater's State Offices as an Economic Development Asset**

1. Retain existing State offices and recruit uses that are complementary to the State
  - Conduct regular outreach to State offices to understand and respond to their needs
  - Understand the types of businesses that State offices frequently interact with and recruit firms to locate nearby
2. Build commercial services nodes around office locations
  - Seek to concentrate the location of State offices by advising the State Capitol Committee against future expansions of the Preferred Leasing Area
  - Ensure zoning and traffic infrastructure allows the location of commercial nodes near office complexes
  - Create walking linkages between office complexes and Capitol Boulevard

### **B. Promote Tumwater as an attractive residential location for office workers**

1. Encourage the provision of market rate housing, place-making, and multi-modal transportation connections in and around Town Center
2. Promote Tumwater's image among office workers whenever possible, considering them an important audience
  - Promote Tumwater events to the State office worker population



# CITY OF TUMWATER ECONOMIC DEVELOPMENT PLAN MEETING #9 – NOVEMBER 12, 2009

## EDAC Discussion Guide: Strategy Development for Selected Topics

This Discussion Guide is intended to facilitate EDAC discussion of specific, actionable strategies for inclusion in the City's Economic Development Plan. Related portions of the overarching Strategic Plan are shown in the left column ("Language in Current Strategic Plan"). Potential strategies are presented as a menu of options in the right column, along with related discussion questions in italics ("Items to Consider for Economic Development Plan").

### **The following topic areas are addressed in this document:**

- Airport-Related Strategies
- Mixed Use Development and Neighborhood Retail
- Capitol Boulevard
- Littlerock Subarea
- Entertainment uses
- Image, Tourism, and Marketing

The goal is to discuss and identify preferred strategies for these topics in this session.

## Airport-Related Strategies

Language in Current Strategic Plan	Items to Consider for Economic Development Plan
<p>Make the most of the community's assets, including its location along I-5, role as a regional commercial center, diverse economic base, airport, historical resources, and location on the Deschutes River Valley. (Goal #3 Intro.)</p> <ul style="list-style-type: none"> <li><i>In general, the airport is not strongly addressed in the Strategic Plan, other than being mentioned as a significant asset. There is an opportunity to fill this gap with the Economic Development Plan.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Preserve the airport and surrounding lands for future development that best takes advantage of the presence of the airport</li> <li>• Collaborate with the Port and the Thurston County Economic Development Council to support and recruit airport-related businesses             <ul style="list-style-type: none"> <li>• Recruit directly airport-dependent businesses such as flight schools, aircraft design or repair firms, aircraft upholsterers, etc. (a short-term emphasis)</li> <li>• Recruit businesses that use the airport for the movement of people or freight (perhaps a long-term emphasis)</li> <li>• <i>Is there anything specific the City could be doing to better accommodate these types of businesses around its airport? Are there partnership opportunities or niche markets we are missing?</i></li> </ul> </li> <li>• <i>Are concepts such as a duty-free zone or tourism district around the airport realistic and meaningful options?</i> <ul style="list-style-type: none"> <li>• <i>A duty free zone is a "Bounded and bonded area where foreign merchandise is brought in without import duties, for further processing or re-exporting. Import-duty must be paid on these goods if they are released in the local market. (businessdictionary.com)</i></li> </ul> </li> <li>• <i>How can the airport be used to support business retention/recruitment and tourism?</i></li> </ul>

# Mixed-Use Development and Neighborhood Commercial

Language in Current Strategic Plan	Items to Consider for Economic Development Plan
<p>From the Economic Development Vision (Goal #3):</p> <p>Feature walkable and dynamic mixed use centers and neighborhood retail centers with convenient access to daily goods and services</p> <p>Sidebar definition of Neighborhood Commercial Centers:</p> <p>While there are different models of neighborhood commercial centers, including grocery-anchored centers like Tumwater Square, nodes along busy arterials, and smaller, convenience-oriented nodes within neighborhoods, neighborhood centers are predominantly local-serving, supporting nearby residents and workers.</p> <p>From the introduction to the Goal #3: Facilitate Economic Development Consistent with the Community's Vision:</p> <p>A primary component of the City's Vision focuses on the development of vital neighborhood commercial centers featuring independent and regionally-owned retailers, restaurants, and services that focus on meeting the needs of local residents and employees. Multiple motivations support this focus, including further diversification of the City's economy, which is stronger in other retail sectors, increasing Tumwater's sense of community and sense of place, supporting non-vehicular transportation, increasing personal health and decreasing the traffic and environmental impacts associated with driving, and providing increased safety and convenience for residents.</p> <p>Goal #3, Strategy D: Develop tools and capacity to proactively encourage business growth in targeted sectors:</p> <p>Support the development and success of additional neighborhood scale commercial areas in undeveloped and developed areas of the City</p> <p>From Council charge to EDAC:</p> <p>Additional work needs to be done to develop the City's understanding of and means of supporting neighborhood commercial. Strategies should be developed in the ED Plan to identify potential neighborhood commercial centers in undeveloped areas of the community, understanding how long it may take to achieve the desired level of development, as well as other means of supporting and nurturing centers as they emerge in developing or redeveloping areas.</p>	<ul style="list-style-type: none"> <li>• <i>How can existing neighborhood centers be supported?</i></li> <li>• <i>How can emerging centers be encouraged?</i></li> <li>• <i>Where might new neighborhood commercial centers best be located?</i></li> <li>• <i>Are there specific locations with particular potential?</i></li> </ul> <p>Potential opportunities include:</p> <ul style="list-style-type: none"> <li>• Land zoned for Mixed Use in the Littlerock Road Subarea west of I-5 between Bishop Road to the north and 73rd Avenue to the south, consistent with the vision set forth by the Littlerock Road Subarea Plan</li> <li>• Redevelopment of the WSDOT property on Capitol Boulevard</li> <li>• Neighborhood Commercial-zoned land on Barnes Boulevard (vicinity of Barnes and Crosby Boulevards)</li> <li>• Long Term: Mixed Use zoned land south of Black Hills High School on the west side of Littlerock Road (Doelman Farm area). This area is zoned Mixed Use to serve the needs of the surrounding neighborhood as the area develops.</li> </ul> <p><b>Potential Strategies</b></p> <ul style="list-style-type: none"> <li>• Study the viability of neighborhood commercial centers given current and potential residential population in the vicinity             <ul style="list-style-type: none"> <li>• Strengthen demand where the balance can be tipped: consider zoning changes or other means to increase nearby additional residential density/population</li> <li>• Target City efforts in locations where viability can be strategically strengthened</li> </ul> </li> <li>• Increase market draw: attract anchor tenants and site active public uses in neighborhood commercial nodes</li> <li>• Concentrate investments and incentives in targeted neighborhood commercial areas</li> <li>• Invest in street or parking infrastructure</li> <li>• Create design guidelines and offer design assistance to facilitate desirable development forms</li> </ul> <p><i>Continued on next page.</i></p>

- Establish business districts in areas with cohesive commercial uses
  - Facilitate coordination among business owners or provide technical assistance to businesses establishing a Business Improvement Area or other model to provide business support and coordination
  - Name and promote business districts; host events
  - Enhance sense of place through signage and other identifying markers including design standards and streetscape infrastructure
- Develop programs and partnerships to support independent businesses, considering both Citywide and district-specific approaches
  - Promote the benefits of shopping locally or create a shop-local campaign, discount program, or local currency
- *Any suggested changes to existing Neighborhood Commercial zoning?*
  - One option is to revise development standards of the Neighborhood Commercial zone to attract small-scale retail uses that can serve the needs of local neighborhoods

# Capitol Boulevard

Language in Current Strategic Plan	Items to Consider for Economic Development Plan
<p>From Goal #2: Create Dynamic and Vibrant Places for Residents and Visitors:            Vision and Key Strategies for Specific Places</p> <p><b>Capitol Boulevard.</b> While Capitol Boulevard functions as a major arterial, carrying heavy traffic around and through the City, there are opportunities to improve its visual appeal and economic functioning through infrastructure enhancement and the development of attractive places in key nodes near residential concentrations. Key strategies include identifying opportunity sites and supporting them through infrastructure investment, streetscape improvement and beautification efforts, and design standards.</p> <p>Strategy B: Support the market-driven transformation Capitol Boulevard from Southgate to Town Center</p> <ol style="list-style-type: none"> <li>1. Improve the visual appeal of the Capitol Boulevard corridor</li> <li>2. Utilize infrastructure investment, design regulations, and potential incentives to encourage pedestrian-oriented development</li> <li>3. Identify key opportunity sites for redevelopment and determine how they may best be supported by the City</li> </ol>	<ul style="list-style-type: none"> <li>• Identify key opportunity sites and how they may be supported by the City through infrastructure investment, streetscape improvement and beautification efforts, and design standards</li> <li>• Enhance the visual appeal of Southgate Corridor: add trees, underground power lines with landscaping assistance from the tree fund</li> <li>• Establish design standards that enhance the visual appeal of development along the street</li> <li>• Invest in mid-block pedestrian crossings in the Capitol/Trosper area &amp; undergrounding of powerlines between M &amp; X Streets</li> <li>• Explore options for redevelopment of the WSDOT site               <ul style="list-style-type: none"> <li>• Understand WSDOT's plans and schedule</li> <li>• </li> </ul> </li> <li>• Explore the use of incentives for pedestrian-oriented community scale retail and commercial development</li> </ul>

## Littlerock Subarea

### Language in Current Strategic Plan

From Goal #2: Create Dynamic and Vibrant Places for Residents and Visitors:

Vision and Key Strategies for Specific Places

**Littlerock Subarea.** The vision for this area is to create a mixed use “village” atmosphere that is transit-oriented and pedestrian-friendly in the central portion of the subarea, with commercial areas in the northern and southern portions of the subarea to provide vibrant retail opportunities for Tumwater and surrounding residents.

Key strategies for advancing this vision focus on infrastructure investment and planning, including the Little Rock Road street improvement project and Tyee Drive planning.

Strategy D: Pursue development of the Littlerock Subarea by completing Implementation Actions from the Subarea Plan and making other investments:

1. Use public investment and development regulations to encourage development of a village-like area in the central portion of the Subarea
  - Complete the Littlerock Road street improvement project\*
  - Do planning for the Tyee Drive extension
  - Revise development regulations to identify gateways and transition areas, including boundaries between zoning districts for the Subarea
  - Consider an additional review of the Subarea Plan to identify and plan for a unique street plan
  - Consider adopting a street plan for the Subarea that includes east-west connector roads between Littlerock Road and Tyee Drive
  - Consider adopting more specific building design guidelines for the Littlerock Road Subarea, consistent with possible adoption of a village-like area in the center of the Subarea
2. Seek opportunities to enhance the connection between the Subarea and neighboring areas

### Items to Consider for Economic Development Plan

- Evaluate opportunities for trails connecting to neighborhoods west of I-5 & linkages across I-5
- *What additional strategies does the Committee recommend?*

## Entertainment Uses

### Language in Current Strategic Plan

Goal #3 (Economic Development), Strategy D: Develop tools and capacity to proactively encourage business growth in targeted sectors

5. Pursue opportunities to attract special purpose uses that augment the City's economy and services, including medical and entertainment uses

### Items to Consider for Economic Development Plan

- Seek entertainment uses that add to the dynamism of Tumwater's culture and economy and create additional reasons for residents and employees to remain in the region after business hours and on weekends
- *What entertainment uses, attractive to both Tumwater and regional residents, would be appropriate to target?*
- *Where would such uses best be located? Include in Brewery recommendations?*

## Image, Marketing, and Tourism

Language in Current Strategic Plan	Items to Consider for Economic Development Plan
<p><b>Goal 3E:</b> Promote Tumwater’s image as an attractive place to invest, live, shop, and play to targeted audiences</p> <ol style="list-style-type: none"> <li>Promote the City as a business-friendly community, communicating a clear and consistent message about desired development</li> <li>Promote Tumwater as an attractive residential location, encouraging State employees and others who work in Tumwater to live in the community</li> <li>Communicate the City’s shopping and recreation opportunities to populations living outside of the City</li> <li>Strengthen Tumwater’s attractions and promote the City as an attractive tourism destination</li> </ol>	<p><b>Establish a strong community image</b></p> <ul style="list-style-type: none"> <li><i>Build on the City’s frontier image and historic identity?</i></li> </ul> <p><b>Promoting the City to investors</b></p> <ul style="list-style-type: none"> <li>See draft language resulting from EDAC discussion on September 10</li> </ul> <p><b>Promoting Tumwater as a residential location</b></p> <ul style="list-style-type: none"> <li><i>How can the City outreach to State office workers?</i></li> <li><i>What amenities &amp; messages would be attractive to State office workers?</i></li> <li><i>What other populations would be strategic to target?</i></li> </ul> <p><b>Promoting Tumwater to the surrounding region population</b></p> <ul style="list-style-type: none"> <li><i>What are key attractions that should be promoted?</i> <ul style="list-style-type: none"> <li><i>Parks/rec opportunities?</i></li> <li><i>Historical/cultural attractions?</i></li> <li><i>Shopping?</i></li> <li><i>Special events?</i></li> </ul> </li> <li><i>What are appropriate media to reach this population?</i></li> </ul> <p><b>Promoting the City as a tourism destination</b></p> <ul style="list-style-type: none"> <li>Continue to work with Olympia and Lacey to promote the three-city area</li> <li><i>Who is the target audience? Appropriate media to reach them?</i></li> <li><i>What are key messages to convey?</i></li> <li><i>What are key attractions that should be promoted? Further developed?</i> <ul style="list-style-type: none"> <li><i>Parks and recreation opportunities?</i></li> <li><i>Historical and cultural attractions such as the Old Brewhouse, Brewery site, Pioneer Park, other?</i></li> <li><i>Shopping?</i></li> <li><i>Special events?</i></li> </ul> </li> <li><i>How can the City’s “tourism infrastructure” be strengthened to make it a more attractive destination?</i> <ul style="list-style-type: none"> <li>Ensure the City and its attractions are “visitor-ready”: well-signed, easily accessible, and safe</li> </ul> </li> </ul>