



CITY OF TUMWATER ECONOMIC DEVELOPMENT ADVISORY COMMITTEE

Meeting #3 – February, 21 2008 5:30-7:30 PM Tumwater City Hall Training Room

- 1. Housekeeping** **5:30-5:40**
 - Approve Minutes from Meeting #2
 - Note opportunity for public comment at conclusion of meeting

- 2. Debrief First Community Open House** **5:40-5:55**
 - What worked well? What could be improved?
 - What did we learn?

- 3. Discuss Situation Assessment and Identify Key Issues** **5:55-7:15**
 - Noted Fiscal Baseline Assessment and Updated Economic and Demographic Profile
 - Review Situation Assessment
 - Are there key findings or aspects of the City's current situation that are missing?
 - Does the Committee agree with the overall assessment?
 - Review Preliminary Goal Areas and Sub-Topics Identified by Berk & Associates staff
 - What primary topics and related issues should be addressed in the economic development plan?
 - For each topic, what additional information is needed?
 - How should potential Goal Areas be prioritized for discussion at upcoming Committee meetings?
 - What are desired outcomes for each of the identified Goal Areas?

- 4. Opportunity for Public Comment** **7:15-7:25**

- 5. Next Steps** **7:25-7:30**
 - Upcoming Advisory Committee Meetings
 - March 13, 5:30-7:30 – stakeholder interview results, development of strategies under selected Goal Areas
 - April 10, 5:30-7:30 – continued development of strategies under selected Goal Areas
 - Council Retreat: March 15

**TUMWATER ECONOMIC DEVELOPMENT ADVISORY COMMITTEE
MINUTES OF MEETING
January 10, 2008 Page 1**

CONVENE: 5:35 p.m.

PRESENT: Committee members Michael Cade, Economic Development Council; Joan Cathey, City Council; Bruce Cramer, O Bee Credit Union; Marcus Glasper, Planning Commission; Brett Hardcastle, Tumwater Automotive; Ed Hildreth, Planning Commission; Jim Hindman, Costco Wholesale; Heber Kennedy, Port of Olympia; Neil McClanahan, City Council; John Morton, Tumwater Downtown Association; Nancy Partlow, Citizen; Nancy Stevenson, Citizen; Karen Valenzuela, City Council.

Absent: Melinda Walz, Citizen.

Staff present: Planning and Facilities Director Mike Matlock, Senior Planner Tim Smith, and Recording Secretary Cheri Lindgren.

Others present: Brian Murphy and Kapena Pflum, Berk & Associates.

HOUSEKEEPING: Mr. Murphy introduced Kapena Pflum. Members not present at the November meeting provided self-introductions. Mr. Pflum reviewed his background with Berk & Associates.

Ms. Stevenson arrived.

Mr. Murphy reviewed an agenda for the meeting.

**SELECT CHAIR AND
VICE CHAIR:**

MOTION: **Councilmember Valenzuela moved, seconded by Councilmember McClanahan, to nominate and elect Bruce Cramer as Chair.**

Mr. Cramer accepted the nomination.

MOTION: **All in favor. Motion carried.**

MOTION: **Mr. Hildreth moved, seconded by Mr. Cramer, to nominate and elect Marcus Glasper as Vice Chair.**

Mr. Glasper accepted the nomination.

MOTION: **All in favor. Motion carried.**

**COMMITTEE
COMMUNICATIONS –
EMAIL AND CITY
WEBSITE:**

Planner Smith described email communication procedures and compliance with the Open Public Meetings Act (OPMA). The goal is to protect private e-mail addresses of committee members. Members are welcome to contact other members on their own; however, staff does not advocate members and/or the group engaging in significant conversation outside of committee meetings, as all

TUMWATER ECONOMIC DEVELOPMENT ADVISORY COMMITTEE

MINUTES OF MEETING

January 10, 2008 Page 2

the committee's work should be conducted in an open forum.

Councilmember Cathey and Mr. Kennedy arrived.

Mr. Murphy said staff and the consultant can add non-committee members to the e-mail distribution list.

Planner Smith noted information will be posted on the City's website as well.

OPPORTUNITIES FOR INPUT FROM NON-COMMITTEE MEMBERS:

Mr. Murphy said he is pleased that non-committee members are attending the meetings. A focus of the Economic Development Advisory Committee (EDAC) meetings is member discussion and decision-making. There will be an opportunity for members of the public to provide comment at the conclusion of each issue on the agenda and to participate in the stakeholder interview process. He asked that members of the public notify the Chair at the beginning of the meeting when they would like an opportunity to speak.

INTRODUCTION OF NEW MEMBER – JOAN CATHEY, CITY COUNCILMEMBER:

Councilmember Cathey introduced herself. She said economic development of Tumwater is extremely important to her and City residents.

APPROVAL OF NOVEMBER 29, 2007 MINUTES:

The following correction was requested to the November 29, 2007 minutes: within the fifth line of the second paragraph on page 2, eliminate the word, "plan."

CONSENSUS:

The minutes were accepted as amended.

Mr. Cade arrived.

PREPARE FOR FIRST COMMUNITY OPEN HOUSE:

Mr. Murphy reviewed a conceptual outline of issues to be addressed by the Strategic and Economic Development Plans. The outline will be distributed at the upcoming community open house. A strategic plan is meant to serve as a strategic-level document establishing policy guidance and a phased timeline for addressing specific issues. Mr. Murphy reviewed vision and policy directives.

An Economic Development Plan (EDP) is a detailed work plan with a timeline and assigned roles and responsibilities focused on economic development issues. Specific strategies related to vision, desired development, and supporting strategies for individual business districts were reviewed. The EDAC's focus is the EDP. However, the community open house will cover both planning processes.

Discussion ensued about the relationship between the two plans, the committee's responsibility to forward a recommendation to the Council concerning the EDP, and that the Council could change and adopt a modified EDP.

TUMWATER ECONOMIC DEVELOPMENT ADVISORY COMMITTEE

MINUTES OF MEETING

January 10, 2008 Page 3

Mr. Hildreth asked whether the Planning Commission will review the plans. Planner Smith indicated the Commission will review the EDP. The Strategic Plan is a Council level document.

Ms. Partlow reported she previously forwarded information about sustainability indicators and requested information about locally owned businesses. The “enhancements to quality of life, neighborhood strength, and community identity and cohesiveness” strategy is a broad concept. Mr. Murphy said the strategies are generic topics. Specific interests of the committee will be addressed. The outline is meant to serve as a table of contents.

Councilmember Valenzuela suggested adding, “/support local businesses” following the “Retain existing businesses” strategy. She asked that the last strategy in the same section be revised to read, “Consider retail, industrial development” rather than “Consider retail, industry warehouse/distribution.” She agreed with comments by Ms. Partlow. An element that’s missing from the outline concerns a strategy to preserve, value, and/or celebrate the environment and the natural beauty of Tumwater.

Chair Cramer said the EDP doesn’t address the supply side.

Ms. Partlow asked if the community will have a chance to provide input concerning the strategic plan vision and policy directive, “Vision of residential quality of life and the strength of Tumwater neighborhoods.” Mr. Murphy indicated public input will be solicited during the community open house.

Mr. Murphy indicated members will be provided with revised copies of the conceptual outline.

REVIEW AND REVISE DRAFT MEETING PURPOSE AND MEETING DESIGN:

Committee members reviewed a revised Community Open House #1 meeting design document. The first community open house is scheduled for January 31, 2008 from 6:30 - 8:30 p.m. at the Tumwater Timberland Library. The purpose is to share key demographic and economic profile findings and gain public input to inform Strategic and Economic Development Plans. Mr. Murphy reported Berk and Associate staff plans to present the fiscal baseline analysis to the City’s management team next week. The committee will see it for the first time at the open house. A draft agenda for the open house was examined and reviewed. The open house format includes eight stations manned with EDAC members and City staff to solicit feedback from the public based on key questions.

Commissioner Hildreth asked if time is allocated at the end of the open house for the public to come back together for discussion purposes. Mr. Murphy said that element has not been built into the meeting structure. EDAC members can discuss the open house at its February 14, 2008 meeting.

Councilmember Valenzuela encouraged Beck & Associates to incorporate some time at the end of the meeting for discussion. Citizens want to feel their input has

TUMWATER ECONOMIC DEVELOPMENT ADVISORY COMMITTEE
MINUTES OF MEETING
January 10, 2008 Page 4

been heard.

Mr. Hindman said he agrees that providing the public an opportunity to share feedback at the end of the open house is a good idea.

Mr. Murphy indicated time could be added at the end of the open house for the public to provide input. Citizens attending will be provided with a feedback packet with a set of questions for each of the stations. Attendees will be asked to answer the questions and return responses to the City.

Ms. Stevenson said finding a way to summarize key station input at the conclusion of the open house would be helpful.

Mr. Pflum said another option is to present findings from the first community meeting at the second community meeting.

Mr. Murphy said public input at eight different stations is planned from 7:15 p.m. to 8:30 p.m. Additional consideration will be given to opportunities to share concluding remarks and opinions at the conclusion of the open house.

**DISCUSS COMMUNITY
MEMBER ROLES:**

Mr. Murphy described information to be available at the data station. He reviewed the stations, proposed station contents, and questions. Members were asked to volunteer to frame questions and solicit feedback from open house attendees concerning key questions. Results are summarized below.

2. **Overall Community Vision:** Councilmember Valenzuela and Commissioner Hildreth (*Mr. Cade said a key message that should be conveyed is how City and the business community interface concerning essential services.*)
3. **City Financial Sustainability and the Provision of City Services:** City Administrator Baker, Senior Planner Smith, Interim Finance Director Hendrickson, and Berk & Associate's fiscal analyst
4. **Economic Development Issues:** Mr. Hardcastle and Mr. Morton
5. **Town Center:** Commissioner Glasper and Mr. Cade
6. **Brewery/Historic District:** Ms. Stevenson, Councilmember McClanahan, and Mr. Cramer (*Councilmember Valenzuela asked to rename the "Brewery District" station to "Brewery/Historic District."*) (*Ms. Stevenson asked that the contents at this station include a copy of the City's Historic District Plan.*)
7. **Business Districts:** Mr. Kennedy and Mr. Cramer (*Councilmember Valenzuela suggested expanding the boundaries of the Tumwater Square business district to include the area around the brewery – Cleveland Avenue, Custer Way, Capitol Boulevard – as it is a major commerce area.*)
8. **Quality of Life, Neighborhoods, and Cohesiveness of City Identity:** Ms. Partlow and Councilmember Cathey (*Ms. Partlow asked that sustainability be included as an issue at this station, as well as other stations.*)
9. **Communications and the City's External Image:** Mr. Hindman and Ms. Walz

TUMWATER ECONOMIC DEVELOPMENT ADVISORY COMMITTEE
MINUTES OF MEETING
January 10, 2008 Page 5

Discussion followed about marketing strategies for the community open house to include distribution of posters and flyers, advertising on the City's website, and publishing a notice in *The Olympia* newspaper. Mr. Hindman offered to announce the community open house at the Tumwater Area Chamber of Commerce lunch forum on January 15, 2008.

Mr. Murphy asked members to distribute a supply of single-page posters.

In response to additional questions, he confirmed that the station questions will be posted on the City's website. Members of the public can provide feedback about the questions by e-mail, and/or download the form and mail a written response. All meeting materials posted on the website will be available in a pdf format.

Discussion followed about EDAC member roles at the various stations. The primary goal is to listen to feedback offered by the public rather than guiding the thinking of citizens visiting the stations.

Mr. Murphy asked members to arrive to the open house by 6:00 p.m.

Mr. Pflum said an idea is for station facilitators to write down comments from attendees on large flip charts for others to see. Members agreed the idea has value. Mr. Murphy said a summary of the comments will be compiled at the end of the meeting.

Members discussed other options for the public to provide input.

Councilmember Cathey departed the meeting.

PUBLIC COMMENTS:

John Fedor, P.O. Box 4338, Tumwater, distributed copies of a letter. He said he is pleased with the subject matter proposed for the community meeting. He challenged the committee to look beyond today in developing long-term plans. The City's population will increase from 13,340 persons to approximately 15,840 people by February 1, 2008 as a result of the 1,600-acre annexation west of Littlerock Road. Existing and future permitting, coupled with recent annexations, could grow Tumwater by another 24,000 people over the next three to five years. Assuming a more normal growth rate for the years 2011-2028, the population of Tumwater may double or triple by 2028. New residents will have needs that include enhanced public safety services, additional administrative office spaces at City Hall, and other infrastructure improvements and other amenities. A goal is to create an EDP that establishes an economically sustainable City. A key challenge is encouraging development of a significant retail core that provides a continuing source of revenue to meet continuing future needs.

Mr. Murphy thanked Mr. Fedor for the letter and information.

Discussion ensued about different classes of cities, associated financial

TUMWATER ECONOMIC DEVELOPMENT ADVISORY COMMITTEE
MINUTES OF MEETING
January 10, 2008 Page 6

implications, economies of scale, and unprecedented recent growth in the three cities and unincorporated Thurston County.

Keith Thomas, Re/Max Parkside, referred to the *Quality of Life, Neighborhoods, and Cohesiveness of City Identity* station. Some of the City's business districts are built-out and economically viable. He asked what the end product will look like. Mr. Murphy responded the analysis will look at available land and zoning and how it compares to what the market might bring in terms of new development. Mr. Pflum added the analysis will also examine the amount of retail space the City's population will demand.

REVIEW AND DISCUSS
ECONOMIC AND
DEMOGRAPHIC
PROFILE – PART 2:

Mr. Pflum reported basic economic and demographic information will be updated with 2007 income data prior to the community meeting.

HOUSING:

Mr. Pflum reported Tumwater has a high percentage of multi-family housing totaling approximately 38%.

Councilmember Valenzuela asked whether staff or the consultant is able to answer her question from the last meeting about whether the 50% rental rate in Tumwater is an accurate statistic. Mr. Pflum said he did not analyze renter versus owner occupied data because the Office of Financial Management (OFM) doesn't track that component. Permit data from Thurston Regional Planning Council (TRPC) is available. He said he will follow up at a future meeting.

In response to another question from Councilmember Valenzuela, Mr. Pflum said mobile home units are captured in the "Other" category and can be either renter or owner occupied.

Tumwater's average growth rate for the period of 2000-2007 was 1.3% annually. Mr. Pflum said he is preparing a map that will examine the relationship patterns of growth spatially.

EMPLOYMENT AND
JOURNEY-TO-WORK:

Mr. Pflum described a new data set where the U.S. Census Bureau is linking Internal Revenue Service (IRS) records to places of work. Data is available on where people are working, commuting, age, and income levels. He reviewed limitations associated with the data. Employment data concerns "covered" employment from payroll tax payment records maintained by Washington State Employment Security Department (ESD). Total job numbers are likely to be approximately 10% to 15% higher than the number of covered jobs. Employers with satellite offices report all employees as working at the home company.

Tumwater has relatively high jobs to housing ratio (1.73) similar to Olympia (2.26) and Chehalis (2.00). It's clear Tumwater serves as a job center in Thurston County. Many employees are commuting from Olympia to work in Tumwater. One strength is the City has an opportunity to capture daytime spending.

TUMWATER ECONOMIC DEVELOPMENT ADVISORY COMMITTEE
MINUTES OF MEETING
January 10, 2008 Page 7

Mr. Fedor commented that the highway stores along the Centralia and Chehalis corridor draw people to shop.

Mr. Pflum reviewed exhibit 13, *Distribution of Primary Jobs by Category, 2004*. Tumwater has a strong public administration employment base (26% of all primary jobs). Tumwater's third largest employment sector is manufacturing (10%). The City's employment base in Wholesale, Trade, Transport, Warehousing, and Utilities (WTU) accounts for approximately 8%. Tumwater has a strong industry based employment, which is a positive characteristic. Exhibit 14 displays the distribution of primary jobs in the services category. Retail is not included in the services category.

Members discussed the fact that Tumwater is also relatively strong in the Arts, Entertainment, and Recreation sub-sector, with more services jobs in that area than in any other geography studied.

Characteristics displayed on exhibit 15, *Distribution of Primary Jobs by Age of Workers, 2004*, were reviewed. Ms. Partlow pointed out that "Lacey" is misspelled in the narrative sections of the exhibits ("Lacy"). Mr. Pflum defined what is meant by the term, primary job.

Mr. Pflum noted Tumwater has a high percentage of workers earning more than \$3,400 a month.

Discussion followed about the City having slightly more workers (21%) earning less than \$1,200 than Olympia (18%), but has fewer workers in that pay range than Lacey (31%) or the Thurston County average (22%).

Ms. Partlow asked the consultants to identify the type of jobs within the \$3,400 per month category.

In response to additional comments concerning exhibit 16, Mr. Pflum said the data concerns people working in Tumwater and not where they reside.

Commuting patterns were reviewed. Mr. Pflum pointed out approximately 848 Tumwater residents also work in Tumwater. This ratio is similar to the commuting pattern seen in Lacey. More Tumwater residents travel to King County for work than Pierce County.

Exhibit 18, *Top Places of Residence for Those Working in Tumwater, 2004* was evaluated.

RETAIL:

Exhibits within the *Retail Market Analysis* section of the profile were presented and reviewed. Mr. Pflum noted Chehalis has particularly high Taxable Retail Sales (TRS) per capita because of the outlet center located in the city, the city's relatively small population and the sales likely drawn from residents in Centralia.

**TUMWATER ECONOMIC DEVELOPMENT ADVISORY COMMITTEE
MINUTES OF MEETING
January 10, 2008 Page 8**

Tumwater, Olympia, and Lacey all have relatively high TRS compared to other cities.

Discussion followed about streamlined sales tax implications.

Mr. Pflum reviewed an additional handout, *Additional Retail Analysis*, capturing total retail and restaurant person expenditures in Tumwater, Lacey, and Olympia during the 1996-2006 timeframe. Combined person-expenditures for Olympia, Lacey, and Tumwater far exceed the three-city population. This indicates that the three-city area is a strong regional center that serves a much larger market area, drawing consumers from other parts of Thurston and neighboring counties.

Exhibit 20 characterizes retail spending patterns in Tumwater by displaying person-expenditures in major retail categories. Potential sales leakage categories were reviewed. *Person-expenditures in Olympia and Lacey by Retail Category, 2006* (exhibits 21 and 22) were evaluated.

A *Commercial Areas and Generalized Zoning, City of Tumwater* map was provided to the committee.

NEXT STEPS:

The next EDAC meeting is scheduled for February 14, 2008 from 5:30 p.m. to 7:30 p.m.

Mr. Murphy reported revised community open house materials will be sent to members within the next week.

Ms. Partlow asked to be provided with additional information concerning locally owned businesses. Planner Smith said he will follow up with the City's Finance Department.

ADJOURNMENT:

With there being no further business, Chair Cramer adjourned the meeting at 7:35 p.m.



CITY OF TUMWATER STRATEGIC AND ECONOMIC DEVELOPMENT PLANNING

Community Open House #1 – January 31, 2008 Meeting Summary

Attendees

- Dennis Bloom, Intercity Transit
- Brad Corner
- Mike Dexter, Executive Director of the Olympia Lacey Tumwater Visitor & Convention Bureau
- John Fedor
- John Adam Fedor
- Kathy Goebel, Planning Commission
- Judith Hoefling, Tumwater City Council
- Rob Kirland
- Joan Machlis, Olympia City Council
- Bill Mandeville, Planning Commission
- Tom Oliva
- Mike Reid, Port of Olympia
- George Spencer
- Keith Thomas, TCRA Realtor
- Norm Wisner
- Jack Wittenborn

Overall Community Vision

What words would you use to describe your vision for Tumwater's best future: what would you like the City be like in 20 years?

- A livable and inviting community that retains its sense of community

What are the City's greatest opportunities?

- "Gateway" to the Puget Sound
- Historical background
- Tourism, State services, available land, regional airport

What are the greatest challenges the City faces?

- Balancing the various desires and demands of the community
- Handling commercial development— we don't want to make the downtown into a strip mall

Other comments related to this topic

- Re-work the City Mission statement: what does "forward-looking people-friendly" mean? Add: balance income with resources

- **Commercial Sectors and Districts**

- I'd like to see smaller, unique shops and improvement of the Southgate Center: parking, appearance of shops, including the backs facing I-5
- We need to re-think and redesign our main drag, Capitol Blvd
- How do we envision our commercial sector? We need to set priorities vis-à-vis small businesses and big box retail like ShopKo and WalMart

- **Quality of Life Assets: Education, Parks/Open Spaces, the River**

- We need to be worthy of the river that runs through us—it should be our focus
- The Port can tie-in with recreational and educational opportunities
- Parks and open spaces are critical
- We should have a park in every neighborhood
- Schools (including the New Market Vocational Skills Center) should be included in partnerships

- **Transit and Transportation**

- Tumwater is a place where more people walk than drive
- More compact development allowing people to drive less and bus, bike, and walk more
- Create a trail network
- Transportation options: bus, walk, bike, and better options across I-5 for walkers/bikers

- **Historic District and the River**

- Deschutes River/Old Brewhouse is a main asset with an opportunity to connect important parts of town
- Restore public access to both sides of the river, creating people-oriented development

City Financial Sustainability and the Provision of City Services

What City services are most important to you?

- Public Transit
- Roads
- Fire & Police

Which services are less important?

- None noted

Are there particular areas where you feel the City of Tumwater does especially well or especially poorly?

- None noted

Other comments related to this topic

- We need a good tax base to support public safety (police and fire) – this is something that big box retail provides
- The City should develop a business plan that combines quality development with large and small businesses that will provide revenue for adequate City services
- How do schools fit in to the financial picture?
- **Fiscal Baseline Analysis**
 - The fiscal baseline assumes 75% commercial buildout over the next 20 years – this seems high. What does it mean in terms of density and what the City will look like?
 - Residential development has been booming – it doesn't feel like that is reflected in the financial projections

Economic Development Issues

Please circle (**bold**) businesses you'd like to see locate in Tumwater. Please cross out businesses you'd prefer not see in Tumwater:

- Restaurants: fast food, family-friendly, **high-end**
- **Specialized and boutique retail**
- Specific retail niches: _____
- **Large-scale retail—only in limited specified areas**
- Industrial employers
- Office employers
- Warehouse and distribution businesses

Other comments related to this topic

- **Need for a "Financial Engine"**
 - Where's the financial engine for the City?
 - We need to allow development that will be the financial engine of the City
 - Some activities that generate revenue for the City, that attracts new capital into community (e.g. Olympic Auto Mall)
- **Desired Industries/Sectors**
 - The retention of existing retail businesses is important
 - Neighborhood-based business fill the need of social bonding as well, e.g. Doogans, Hobby Sports
 - Family-wage jobs—manufacturing; Wholesale Trade, Transport and Utilities,
 - Green jobs"

- **Transportation**
 - Employment options close to transit, walking, and bikes
 - Transportation/transit that serves employment/retail centers
 - Connect residence with retail/employment with transit
- **Education**
 - School partnerships have to be a piece of strategy of business retention
 - A good education system is a unique attraction facility for quality of employment opportunities
- **Potential Draws**
 - Important to enhance State office worker ability to live/shop/education in Tumwater
 - Historic district as an attractor/amenity for retail and recreation—recreation supporting retail
 - Locating significant retail and financial service in a predominantly business area, i.e. Kent St. Station—upscale/attractive which draws people and becomes the heart of the city
 - Vibrant/living districts
- **Impact Fees and Incentives**
 - We need realistic impact fees
 - Seeking ways/mechanisms for development to pay for itself
 - We can waive fees or provide tax abatement or other incentives to attract desired development

Town Center

- **The Vision**
 - A concern that Town Center is not a current destination (other than an office district) with a powerful draw like the old brewery with water trails, existing housing/structures, etc.
 - Where is the housing component of Town Center? This is an important element of the mixed use vision, but we're not seeing it yet.=
 - The Port and City have different visions of Town Center; we need to work on a cohesive vision
 - We need stronger building standards to ensure we get the kind of development we'd like to see
 - Bus stops or a transit center are important pieces of the vision, but there is concern that the demand isn't large enough
- **Environmental Concerns**
 - We need to see that significant trees are preserved; there is currently no tree plan for the center (maybe inventory, then put some value on them); encourage developers to try to build around big trees
 - Mazama Pocket Gophers may limit development

Brewery Property and Historic District

- **Desired Outcomes**

- Recreation opportunities
- Create zoning for housing or mixed use housing
- The site is could serve as the City's economic engine with the right development
- The site provides a link between the golf course and Capitol Lake/Henderson
- It could be a high-profile public attraction that draws tourists
- I'd like to see it as a good place to live and walk to work
- Multi-story development with retail
- Trails with historic interpretation

- **Other Comments**

- A public/City promote partnership
- Regional assets equals regional responsibility

Business Districts

Visions for Individual Districts

- **Capitol Boulevard/Southgate**

- Soften the hard edge of the commercial/retail area
- Improve traffic flow

- **Littlerock/Trosper**

- Improve traffic flow

- **Tumwater Square**

- Improve transit center
- Better traffic control and/or reconfiguration of lanes and traffic control lights

If Tumwater were to see additional large-scale anchor retail development, which district(s) would you prefer for its location?

- Current areas at Trosper/Littlerock
- In areas where it is allowed under current zoning

If Tumwater were to see additional warehouse and distribution centers, where would you prefer they be located?

- Mottman Industrial and around airport

Other comments related to this topic

- We need to generate more tax revenue
- Put big box and warehouse in central districts
- The linkage of streets and truck routes are important to ensure business viability to I-5

Quality of Life, Neighborhoods, and Cohesiveness of City Identity

- **City Identity**
 - First city in Washington
 - The Old Brewhouse and New Brewhouse can be converted to a high profile economic engine – the true town center, with linked trails and access to the Tumwater Valley, one of our greatest assets
- **Quality of Life**
 - Maintain small town charm and neighborhood locally owned small businesses
 - Protect the frogs
 - To preserve quality of life, we need a balance between housing and jobs
 - Preserve mobile home parks for affordable housing for seniors
 - Community-building is needed in Palermo Valley
- **Capitol Boulevard Neighborhood**
 - Cohesive, with alternative modes of transportation; we should establish incentives for developers to look at more green alternatives
 - Enhanced: keep neighborhoods from becoming thoroughfares from point A to point B
 - Gaps: medium-cost housing, high-density housing with more common green areas that promote community and neighborliness
 - Cohesive: town centers as a gathering place for civic events/social events/plazas/artwork/some place inviting
 - When will the trails be finished in the Tumwater Valley? We want trails-handicapped accessible all the way to Pioneer Park
- **SE Capitol Neighborhood**
 - Quality of life: maintain our high quality of public schools—public supports, partnerships
 - Enhance: neighborhood connections/meetings—communications
- **Street Improvements**
 - Improve the intersection at Tumwater Blvd/Henderson with a traffic circle or traffic control light
 - Extend Tumwater Valley Drive to M Street

Tourism, Communications, and the City's External Image

What are Tumwater's greatest assets as a tourism destination?

- Historic assets, including the historical district
- Parks
- The fish hatchery can be a link
- I-5 access
- We are a gateway to the Puget Sound and Olympic Peninsula
- A vibrant business community

Other comments related to this topic

- Image can drive development
- Maintain the “River City” theme
- My name is Mike Dexter and I have been the Executive Director of the Olympia Lacey Tumwater Visitor & Convention Bureau since December 30th. I don’t know enough about any of the communities in Thurston County to render a helpful opinion about its goods, products and services. However, my few comments relate to process rather than the specifics of your assessment sheet. In my view, the clarification of image/vision components sets the stage for many parts, if not all, of a community’s profile.

Here’s my version of an example: 35 years ago Telluride CO was a small, quiet, turn-of-the-century-looking mountain town populated by several groups of disparate residents: old-timers, hippies, hermits and yuppies. Lots of Victorian type architecture with not much going on, median age – 72. News of the day was who died last night. The area is breathtakingly beautiful and its singular vistas outpace those of any mountain setting. The most common visitor comment was, “We have to figure out a way to come and live here.”

Residents thought the same. Capitalizing on their view of the area’s natural and man-made strengths, they put aside their differences and developed a set of strategies designed to sell, re-sell, develop and re-develop real estate. All agreed that maintaining the town’s inherent charm and character was a very high priority item. They knew that its unique image would be critical to their success in real estate sales. Virtually every improvement, addition or modification within the community needed to fit their combined thoughts about the town’s image.

Attracting potential customers was the challenge. They decided to position themselves as the Festival Capitol of the western U.S. during the summer months. As you might know, the town hosts an eclectic menu of events featuring wine, film, bluegrass, mushroom, jazz, etc. All of these events are ultimately designed to expose festival goers to the image and products of the community with an eye toward real estate sales. A transfer tax on all real estate deals helped to fund the promotional efforts needed to drive visitation. Soon a ski area was developed, condos were built and the infrastructure needed to support growth was established. And as they say...

I think by generally accepted standards, Telluride has succeeded in achieving its community goals by determining the image they wanted to project which has driven most all of their community processes...in my view. Tourism may or may not be a critical driver in Tumwater. Regardless, I believe the challenge is to find or develop those TRULY unique qualities and characteristics that set it apart from others. “Something for everyone” is not a successful message as it puts one in the middle of a large of herd of communities who say the same thing.

If I may be further assistance, please do not hesitate to contact me at mike@visitolympia.com



City of Tumwater Strategic & Economic Development Plans

Baseline Fiscal Analysis

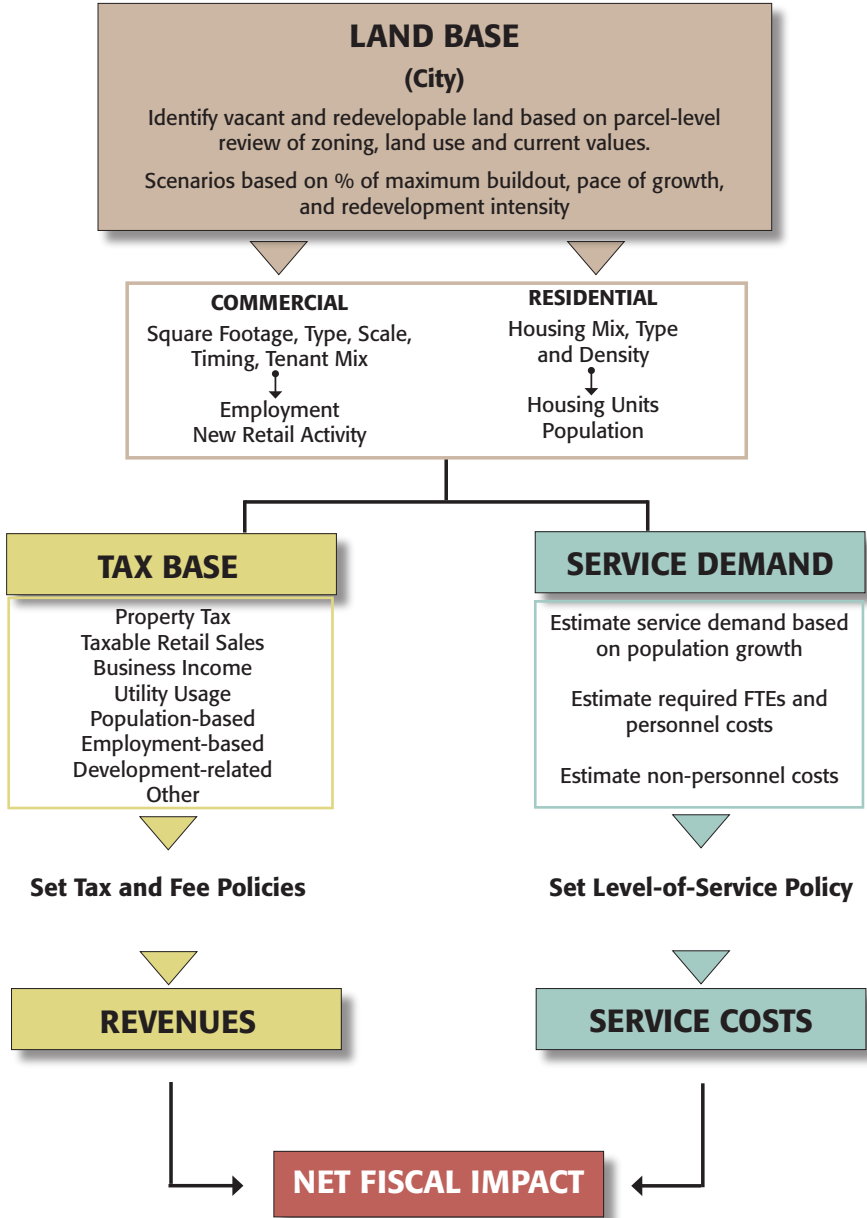
For Public Presentation
January 31, 2008



| BERK & ASSOCIATES |

Fiscal Balance Framework

A city's long-term fiscal sustainability challenge is to balance land use, fiscal policies, and effective delivery of municipal services.



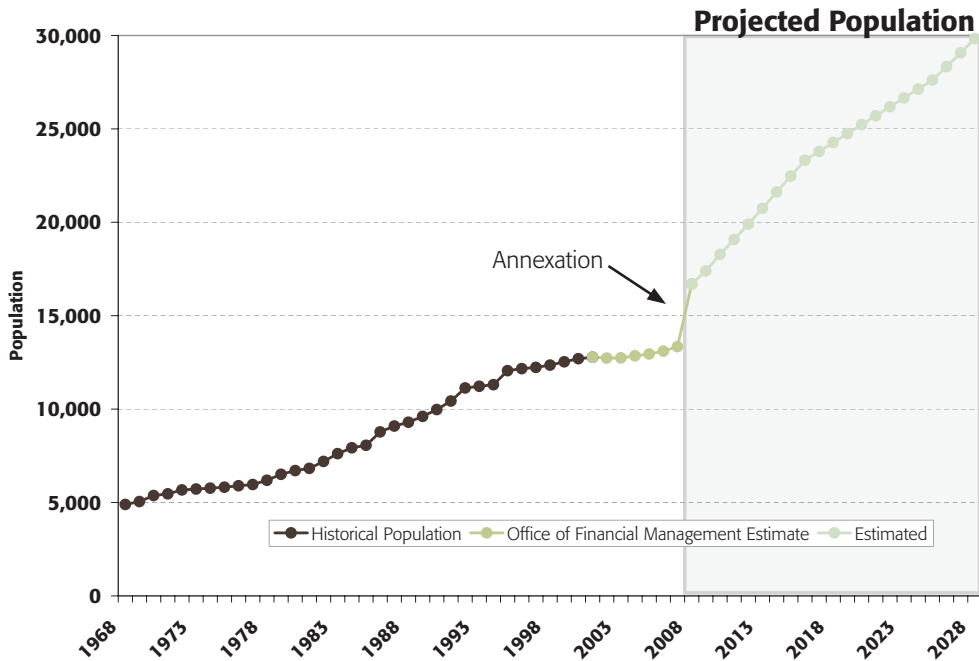
Land-Based Fiscal Analysis

- The analysis starts with a baseline outlook for the current City and then allows for testing of alternative development scenarios (varying timing and type of development)
- Factors in the *land base* (such as population, employment, and commercial activity) drive both demand for services and the tax base
- *Budget Structure:*
 - The fiscal analysis is based on *2008 budgeted* expenditures and tax and fee structures, as outlined in the City of Tumwater Proposed Budget
 - The model isolates the components of the City's budget that are funded through general tax and fee revenues

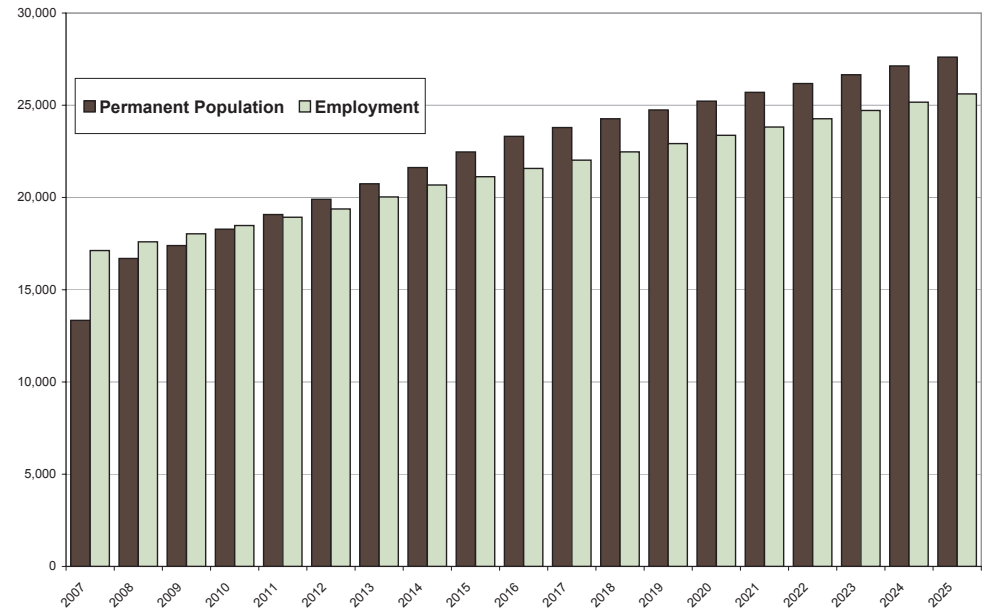


Population and Employment Growth

Historical and Projected Population



Projected Population and Employment



Between 1970 and 2007, the annual average population growth rate was 2.5%. Development assumptions yield an average annual population growth rate of 2.9% between 2008 and 2028.

(Source: Berk & Associates)

- The population growth rate serves as one of the drivers for revenue and cost estimates
- The employment growth rate, in combination with the population growth rates affects revenues earned through B&O taxes and utility taxes, among others drives
- Population and employment growth rates are based on development assumptions and correspond with TRPC estimates
- 2007 population: approximately 13,340

Key Development Assumptions

Housing Unit (HU) Capacity and Assumed Pace of Development

	Total HU Capacity	% Build-out at 2028	HU Added through 2028	Avg Units per Year
Current City				
SF Housing Units	3,935	60%	2,361	112
MF Housing Units	1,765	60%	1,059	50

Commercial Building Capacity and Assumed Pace of Development

	Total Capacity (SF)	% Build-out at 2028	Comm SF Added through 2028	Avg SF per Year	% Distribution
Current City					
Retail	660,000	75%	495,000	22,500	25%
Office	1,848,000	75%	1,386,000	63,000	70%
Other Commercial	132,000	75%	99,000	4,500	5%
Total	2,640,000		1,980,000	90,000	

Industrial Building Capacity and Assumed Pace of Development

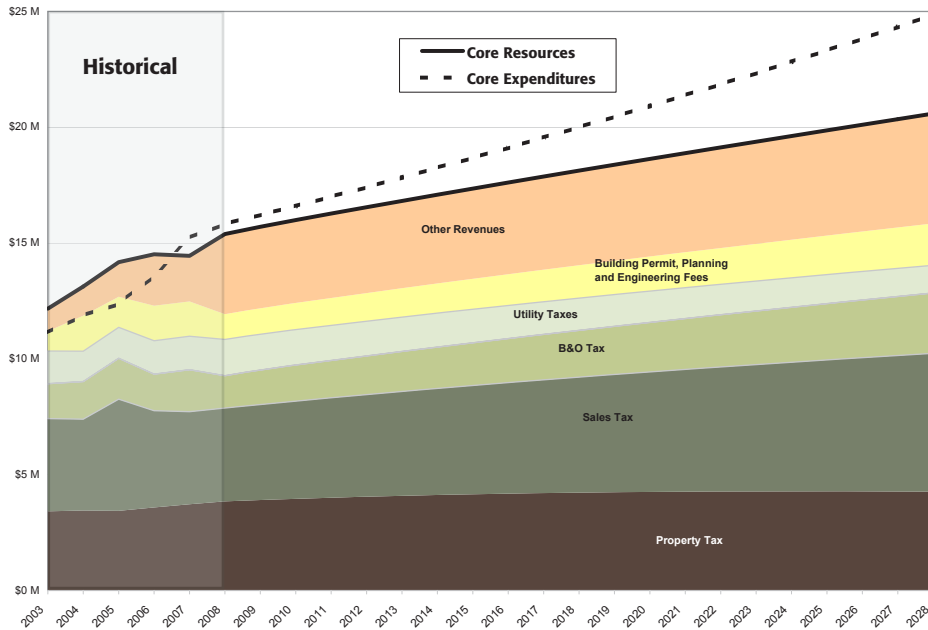
	Total Capacity (SF)	% Build-out at 2028	Comm SF Added through 2028	Avg SF per Year	% Distribution
Current City					
Industrial	3,024,000	75%	3,024,000	137,455	

Source: Thurston County Buildable Lands Inventory, 2007; Berk & Associates analysis, 2008

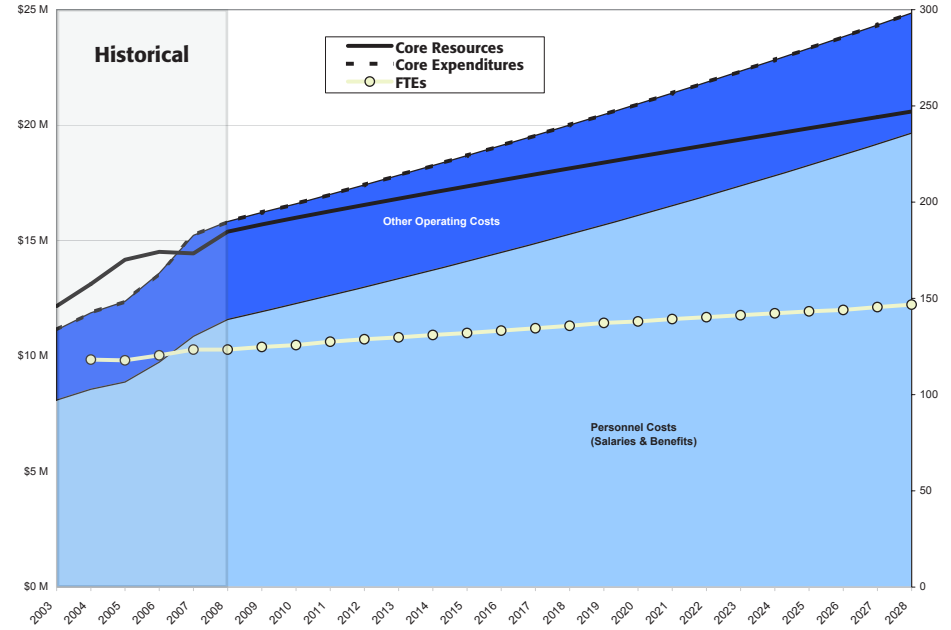
- Buildout assumptions have been chosen to calibrate to TRPC's population and employment estimates
- Development capacity assumptions are based on *Thurston County Buildable Lands Report*, updated in 2007: vacant, redevelopable, partially used, and pending parcels
- Residential unit capacity is estimated directly in the *Thurston County Buildable Lands Report*
- Residential and commercial density assumptions are based on recent achieved densities in the area
- Floor to Area (FAR) ratios of 0.35 for commercial and 0.30 for industrial were used to estimate building capacity related to developable commercial land
- Pace of development for the baseline growth scenario is based on historic trends in the City of Tumwater and history of permit activity
- **It is possible to test the fiscal impact of alternative development assumptions, including more or less total development, type of development and the timing of development**

Baseline Projections

City Core Revenues Over Time (Constant \$)



City Core Expenses Over Time (Constant \$)



Note: Charts do not include revenues or costs generated by the recently approved annexation

One-time Revenues from Potential Development:

- Property tax revenues from new construction assessed value (not subject to 1% limit)
- Revenues from taxable retail sales on construction
- Permit and plan check fees

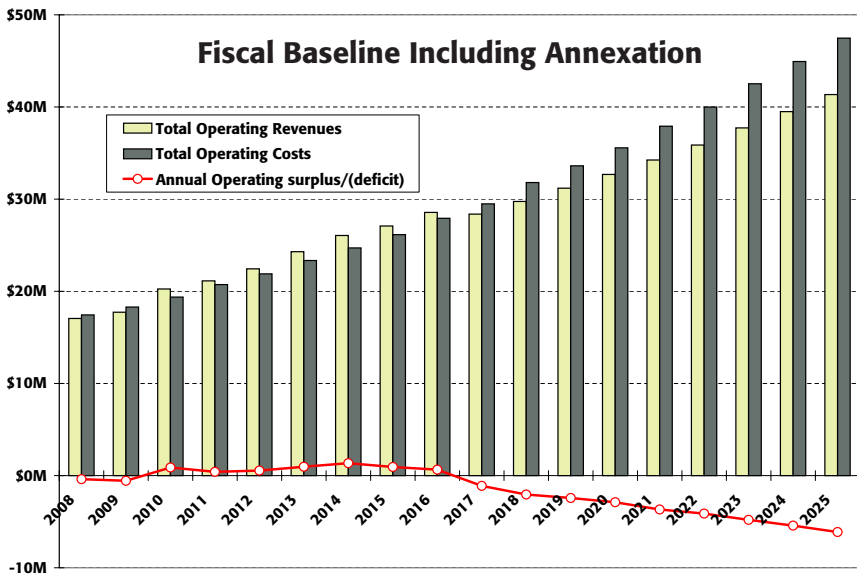
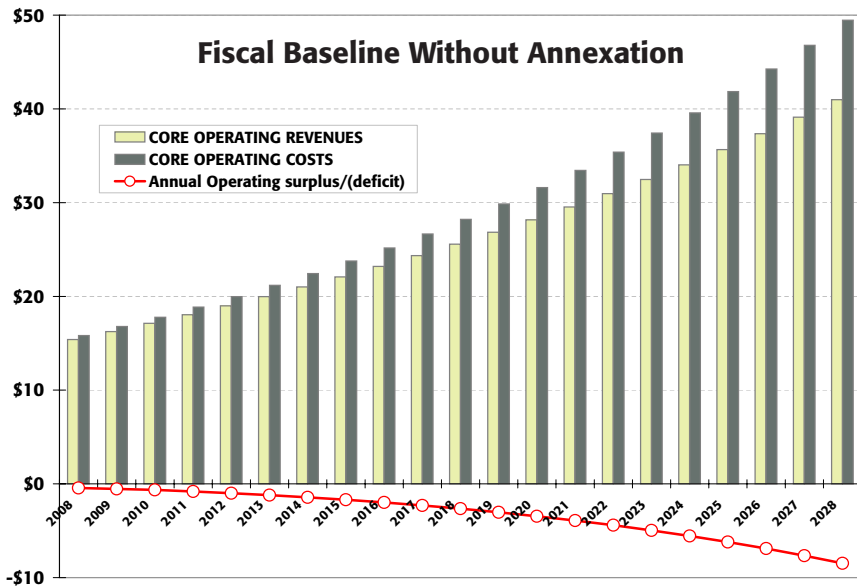
Ongoing Revenues from Potential Development

- Revenues from taxable retail sales generated by commercial properties
- Utility tax revenues increase with new households and businesses

Costs:

- Personnel Costs drive the City's expenses
- Total personnel costs (combined salaries and benefits) are growing at a rate that exceeds inflation

Baseline Projections



Actual Annual Average Growth Rate (2003-2007):

- Core Revenues: 4.4%
- Personnel Expenses - COLA (pegged to inflation) plus benefits and including staffing level growth: 7.6%
- Other Expenses: 9.6%

Expenses are outpacing Revenues

Estimated Annual Average Growth Rate (2007-2028) without annexation:

- Core Revenues: 5.1%
- Personnel Expenses - COLA (pegged to inflation) plus benefits and including staffing level growth: 6.3%
- Other Expenses: 4.60%

Estimated Annual Average Growth Rate (2007-2028) with annexation:

- Core Revenues: 6.5%
- Core Expenses (total combined personnel and other): 6.3%
- **Under the current baseline scenario, the annexation provides a near-term fiscal benefit with fiscal deficits in the long-term**
- **This assumes the city maintains current service levels, without adding service improvements**

Note: Revenues do not include beginning General Fund Balance; costs do not include ending General Fund Balance

The Sustainability Challenge

For most jurisdictions, achieving sustainability will require a mix of strategies. The most successful organizations will find a way to effectively integrate **planning** (vision/forward looking), **management** (implementation) and **budgeting** (allocation of scarce resources) functions in service of a shared vision of the community and the role of municipal government.

Revenue Focused Strategies

OPERATING AND CAPITAL REVENUES

- **Economic development planning.** Identify ways to enhance revenues by affecting the pace and mix of development, expanding the city's retail base.
- **Assess current tax policies.** Consider options for new taxes or increased tax rates, including the role of future levy lid lifts, voter-approved bond measures and others.
- **Review user fees.** Maximize fee utilization to reduce general fund demands (parks & recreation, current planning).
- **Review land use policies.** Review land use mix in Comp Plan to optimize revenue generating capacity and demand for service and infrastructure.
- **Seek new taxing mechanisms.** Encourage decision-makers to expand the list of funding options (TIF, local option taxing authority).

CAPITAL REVENUES

- **"Growth pays for growth."** Review impact and development fees.
- **New special purpose districts or dedicated funding.** Create dedicated funding for parks or other specialized services so these do not have to compete with general government services.
- **Local improvement districts.** Assess beneficiaries for the cost of new capital.

Cost of Service Focused Strategies

OPERATING AND CAPITAL COSTS

- **Process redesign.** Review how services are being delivered - look for efficiencies, make effective use of technology.
- **Establish performance measures and benchmarks.** Manage toward measurable objectives.
- **Review LOS standards.** Assess current service standards and practices.
- **Focus on core business areas.** Assess and prioritize demands for scarce resources.
- **Zero-based or outcome-based budgeting.** Consider alternative approaches to budgeting.
- **Labor policy review.** Assess the role of labor agreements in growth of public service costs (COLA's, step increases, health care costs, work rules).
- **Partnering opportunities.** Further pursue opportunities to partner with other entities, including nonprofits and community groups.
- **Contracting opportunities.** Identify opportunities to use the private sector.
- **Review land use policies.** Assess the cost implications of current land use policies.