

**TUMWATER ECONOMIC DEVELOPMENT ADVISORY COMMITTEE
MINUTES OF MEETING
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CONVENE: 5:42 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; Ed Hildreth, City Council; Jim Hindman, Costco Wholesale; Marcus Glasper, Planning Commission; Heber Kennedy, Port of Olympia; and Nancy Stevenson, Citizen.

Members Absent: Brett Hardcastle, Tumwater Automotive and 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 NOVEMBER 12, 2009
MINUTES:**

Councilmember Hildreth moved, seconded by Councilmember Cathey, to approve the November 12, 2009 minutes as presented. Motion carried.

**RECAP OF COUNCIL / EDAC
DISCUSSION:**

Members discussed the joint City Council/ Economic Development Advisory Committee (EDAC) worksession held on November 16. Manager Smith advised that an outcome from the meeting was a recommendation by the consultant and staff that the committee's work be more high level. Details can be worked out later in the process

Additional comments from members and staff are captured below:

- The language changes are good and will help advance the City's vision.
- General language is helpful and provides for vetting ideas as they move forward in the process.
- The draft plan will be forwarded to the Planning Commission early next year for review and a recommendation to the Council.
- Providing the Council with a unified report from the EDAC is preferable. If members have other ideas, those ideas could be forwarded separately along with a minority statement.

Members discussed next steps.

**TAKE COMMITTEE
FEEDBACK ON DRAFT
MATERIAL:**

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DEVELOPMENT CLIMATE: Brian Murphy referred to a summary of eight goal statements and action strategies. Goal V combines the brewery properties and Olympia Regional Airport as regional assets to strengthen the City's economic base.

Mr. Murphy reviewed modified language concerning the consideration of an earlier vesting period for land use and zoning regulations within Goal I that states, "Establish a Development Climate that Supports Economic Activity and Desirable Investment."

Members proposed the following changes to Goal I:

- Replace "plain English" with "plain talk" within the first bullet under item B, 4 on page 3 and throughout the draft Economic Development Plan (EDP) as appropriate.
- Revise the last bullet point on page 3 to read, "Ensure that the public's opportunity to comment on development proposals is not cut short."
- Strike "prioritize" in item A so it reads in part, "Ensure predictable and efficient..."
- Modify item 8 on page 4 to read in part, "Consider amending the Tumwater Municipal Code ..."
- Add a note defining enterprise fund.

Mr. Murphy reviewed changes to Goal II that states, "Retain and Support the City's Existing Businesses." Members recommended the following changes:

- Remove "the City's" from the goal title.

Discussion followed on the intent of strategy D, which states, "Partner with others to provide resources and programs to support Tumwater's independent businesses."

- Replace "independent" with "small" within strategy D.
- The focus is not burdening smaller businesses with regulations that might be costly, redundant, or fool hardy. Mr. Murphy responded that the comment relates to the City's business operating climate.
- Clarify that strategy D is about partner roles rather than City activity.
- Replace "the Chamber" with "partners" in item 2 on page 8 and as appropriate throughout the draft plan.

Discussion ensued on the roles, strengths, and expertise of the

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Tumwater Chamber, Economic Development Council (EDC), and Tumwater Downtown Association (TDA).

Mr. Murphy suggested developing a strategy where Tumwater facilitates collaboration and aligns efforts between the City, Chamber, EDC, and TDA (business associations), builds capacity, clarifies roles, and determines which agency might take a lead role to promote different aspects of the plan.

Mr. Cade commented that it's important that the Tumwater Chamber is successful and a positive force in the community. A goal could entail establishing a vibrant and active Chamber and having the Chamber and EDC establish respective roles and responsibilities.

Mr. Murphy referred to strategies for home-based businesses and existing businesses and suggested the objective is providing the ability to begin a home-based business, while minimizing negative impacts on nearby residents.

Mr. Cade suggested replacing "home-based businesses" with "entrepreneurs."

Mr. Murphy suggested adding language to strategies C and D on collaborating with the City's economic development partners.

Additional comments included:

- Forming a "red flag committee" could be the venue for convening meetings and promoting fail-safes to encourage communication to the City with businesses that may be contemplating leaving Tumwater.

Mr. Murphy reviewed changes to Goal III stating, "Build upon Tumwater's Strong Office Market."

Members discussed concentrating the location of state offices within Preferred Leasing Areas (PLAs) and Preferred Development Areas (PDAs), and using state office development to capture private investments.

A suggestion was offered to replace "offices" with "agencies" within the first bullet under item A, 1, on page 9.

Members reviewed Goal IV stating, "Grow the City's Light Industrial and Manufacturing Sectors." The following changes were requested:

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- Insert “goal” between “see” and “V” within item C, 4 on page 10.
- Reword A to read, “Communicate the continued importance of the City’s industrial employers and their vital contributions and impact on the City’s diverse economic base.”

Mr. Murphy reviewed changes incorporated into Goal V stating, “Make Strategic Use of the Brewery Properties and Olympia Regional Airport to Strengthen the City’s Economic Base.” He referred to strategy E, which is based on feedback from the November meeting.

Goal VI, “Evaluate and Advance the Future of Tumwater Town Center” was presented.

Mr. Glasper offered an idea of combining Goals III and VI because both focus on state agencies and the potential to create synergy around existing infrastructure and mixed-use development. Mr. Murphy indicated he he’ll follow up on the suggestion.

A suggestion was offered to add “significantly” between “generate” and “additional” within the last line of item A, 1, 1) under Goal VII, “Encourage Economic Development that Strengthens the Tumwater Community.” Some members commented that the language could be interpreted negatively.

Mr. Murphy proposed strengthening and elevating strategies C stating, “Support the market-driven transformation of Capitol Boulevard from Southgate to Town Center,” and D, “Implement the Littlerock Road Sub-Area Plan to encourage private development in the area,” on page 16. Littlerock Road is an area that can absorb additional growth. There is an opportunity to upgrade businesses along the Capitol Boulevard corridor. He referred to the prospect of concentrating infrastructure investments in those two areas as well.

Discussion ensued on the Wal-Mart proposal triggering a revisit of the Littlerock Road Subarea Plan and zoning of General Commercial (GC), Mixed-Use (MU), and Residential Multi-Family, and the ultimate extension of Tyee Drive to Israel Road.

Councilmember Cathey and Ms. Stevenson commented that they like the idea of creating business districts, which was discussed at the last meeting.

Mr. Murphy said a related strategy is elevating or ensuring economic development is a criterion when the City makes

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infrastructure investment decisions.

ENTERTAINMENT USES:

Mr. Murphy advised that entertainment uses are discussed in a general way within the Strategic Plan (SP). Entertainment uses makes communities more dynamic, attractive for overnight stays after business hours and on weekends, and desirable places to live. He asked for input on uses to target and where.

Mr. Glasper suggested more restaurants are desirable, but not fast food restaurants, as well as movie or live theater, water and art parks, bars/nightclubs, and jazz or comedy clubs.

Ms. Stevenson suggested a cultural center with artisans displaying crafts.

Ms. Carrier commented that a live theater could live in a community center within the Town Center that might have an aquatics center that state employees could use during their lunch break. There is insufficient gym space in the public schools to support winter sports.

Ms. Stevenson said the old brewhouse could function as a regional draw because of its historic value. The brewhouse could function as a community center combined with restaurants and other amenities.

Ms. Carrier said she likes the idea of a cultural center with artisans displaying crafts.

Mr. Glasper referred to a requirement that the state must spend a specific amount of funds on public art. The City could partner with the state on placing art within specific areas and creating an attraction.

Members offered the following ideas:

- Performance art with glass blowers and potters.
- Establish an artist colony with the City providing space at a reduced rate.
- Tumwater has a nice golf course with a restaurant as well as nice parks. The City could promote the golf course and restaurant as a gathering place. Promote performances and public art in City parks.
- Potential recreational uses in the valley are ice and inline skating, rock climbing, and other outdoor activities.
- Establish a sports commission through the chamber to build on local significant events in Tumwater, such as annual golf and soccer tournaments.

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- South Puget Sound Community College (SPSCC) could be a potential location for art related activities.

Mr. Murphy reported he will draft language on promoting art and sports pursuits.

The committee discussed short and long-term goals and that the ideas are not financially self-supporting. Mr. Murphy advised that the suggestions proposed by members are amenities enhancing and strengthening the community. Financial feasibility will have to be tested for each of these desirable amenities.

**IMAGE, TOURISM, AND
MARKETING:**

Mr. Murphy reviewed potential strategies to consider for the EDP under, "Promoting the City as a tourism destination." He suggested adding language on exploring uses such as a community or arts center.

It was pointed out that the City's 4th of July event is more successful each year and has become a regional draw.

Manager Smith proposed adding language on implementing the City's wayfinding sign program particularly along the Tumwater Boulevard corridor.

Mr. Glasper referred to a goal to meet diverse entertainment needs for City residents, future generations, and tourists. A vibrant city offers a broad range of activities, which create synergy for people to take advantage of.

Mr. Murphy suggested one strategy could include promoting, attracting, and seeking diverse entertainment options and providing examples of desired uses.

Councilmember Cathey and Ms. Carrier proposed adding language on Tumwater's excellent school system under, "Promoting the City to investors," and "Promoting Tumwater as a residential location."

Mr. Cade commented that the New Market Skills Center is an asset and a model for that type of facility in the state.

**PRIORITIZATION
EXERCISE:**

A summary of goals and action strategies was posted for the prioritization exercise. Each member was provided with three "dots" to identify highest priority items. The objective is capturing key messages and identifying what the City could pursue in the short-term with limited resources. The consultant will prepare a completed draft EDP in the next two weeks with ongoing short, medium, and long-term goals, which will be forwarded to members.

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RECESS:

Mr. Cramer recessed the meeting from 7:19 p.m. to 7:27 p.m. for the prioritization exercise.

**IDENTIFY HIGHEST
PRIORITY ITEMS
INDIVIDUALLY AND
DISCUSS AS A GROUP:**

Mr. Murphy reviewed priorities receiving the most dots:

1. Establish a development climate that supports economic activity and desirable investment.
2. Make strategic use of the brewery properties and Olympia Regional Airport to strengthen the City's economic base.
3. Build upon Tumwater's strong office market.
4. Support the market-driven transformation of Capitol Boulevard from Southgate to Town Center, and implement the Littlerock Road Subarea Plan to encourage private development in the area.
5. Communicate the continued importance of the City's industrial employers telling them they are wanted contributors to the City's diverse economic base.
6. Evaluate the feasibility of the established Town Center for MU development.

**KEY MESSAGES THE
COMMITTEE WISHES TO
EMPHASIZE:**

Members offered the following input:

- The EDP builds on Tumwater's existing diverse economy. It's important that priority was identified for the brewery properties and Olympia Airport. The brewery properties offer an economic base and cultural and historical amenities for the entire region. It's important to establish a broad understanding of the future of the brewery properties and appropriate zoning now prior to a development proposal.
- It's interesting that there is a focus on current assets, such as the brewery property and airport. Building upon Tumwater's strong office market is a great goal.
- Tumwater has an opportunity to redefine itself in the economic development area. Deserved or not, the City gained a reputation and has a chance to influence that perception. One goal is that the EDP will carry some weight. The plan provides answers to questions from the general public.
- The EDAC has done a good job addressing a myriad of issues.
- An observation and surprise is that retaining and supporting the City's existing businesses didn't receive any dots.
- Members did not discuss the prospect of seeking out and perhaps developing a satellite technical college(s) campus. Students are looking for less expensive alternatives.
- Members spent time discussing the demand side rather than the supply side of business. Outcomes from the prioritization

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exercise were surprising. The City should encourage rather than discourage development where it's permitted and zoned and not find ways to stop development. Development provides revenues to maintain essential City services.

- Tumwater needs revenues to be a vibrant community and to provide services to its citizens. With the brewery, the City was a solid industrial blue-collar town that had a lot going for it including its history. Development on Tumwater Hill drove the City away from development and to citizens controlling growth. Tumwater needs to demonstrate that development is not a bad word, that it can occur in a harmonious fashion, and the City should plan for and balance growth with the needs of its residents. An overarching objective is developing an economic development strategy resulting in the greatest revenue return for the City.

NEXT STEPS:

Manager Smith reviewed next steps and milestones including finalization of a draft EDP, environmental review, and evaluation and adoption by the Planning Commission and City Council by mid-2010. Members were encouraged to attend future public hearings and/or meetings regarding the EDP and the SP.

OPPORTUNITY FOR PUBLIC COMMENT:

Dirk Farrar thanked members for their efforts to advance the EDP. Tumwater has lagged behind other local jurisdictions. The EDC and Chamber are great resources and can assist the City in spurring development. Tumwater would do well by thinking bigger to enhance the quality of life. Large economic drivers are needed to pay for goods and services, parks, and amenities that will attract new residents to City.

John Fedor, P.O. Box 14338, Tumwater, distributed copies of a letter. Tumwater needs \$3-\$4 million annually to bring it back to where it was prior to the economic downfall and to address the negative cash flow at the golf course. The committee has discussed spending resources but not on how to generate additional revenues to pay for things, such as an aquatics center or rehabilitating the old brewery. Home-based businesses cost the City. Mr. Fedor referred to a June 4, 1994 letter attached to the December 8, 2009 letter, which addresses similar issues and recent discussions. He referred to citizens opposing development in the City because a developer built houses and apartments on Tumwater Hill by blasting from 7:00 a.m. to 7:00 p.m. The Council at that time put a halt to development. Stores with the same volume of sales as Costco could generate \$10 million in additional revenues to the City. Properties west of the freeway were zoned commercial and rezoned MU. Providing citizens with needs and wants requires more resources. The City has discouraged development over the last 19 years. He

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referred to the Council encouraging large-scale development rather than opposing that type of growth to generate additional revenues to do good things in the community.

Mr. Murphy said he appreciates Mr. Fedor's comments and ideas, and thanked him for his contributions throughout the process.

Manager Smith commented that City staff has enjoyed working with Berk & Associates and with Mr. Murphy in particular. The City's contract with Berk & Associates expires at the end of the month. Staff will rely on the Planning Commission and Council representation on the EDAC for their expertise as the EDP moves forward. He encouraged all committee members to remain engaged.

Mr. Murphy commented that the committee has an opportunity to influence the plan as it advances through the process. He acknowledged member contributions over the last two years.

ADJOURNMENT:

With there being no further business, Chair Cramer adjourned the meeting at 8:00 p.m.

Prepared by Cheri Lindgren, Recording Secretary
Puget Sound Meeting Services