

Adopted into the Tumwater Comprehensive Plan as the
Economic Development Element on October 5, 2010
Ordinance No. O2010-013



CITY OF TUMWATER ECONOMIC DEVELOPMENT PLAN 2010

Achieving a Diverse, Prosperous, and Sustainable Economy



Adopted
July 20, 2010

Mayor

- » Pete Kmet

City of Tumwater City Council

- » Joan Cathey
- » Ed Hildreth
- » Judith Hoefling
- » Neil McClanahan
- » Tom Oliva
- » Betsy Spath
- » Ed Stanley

Planning Commission

- » Debbie Sullivan (Chair)
- » Marcus Glasper
- » Kathy Goebel
- » Terry Kirkpatrick
- » Bill Mandeville
- » Jessica Moore
- » Sally Nash
- » Steven Wish

City Administrator

- » John Doan

Project Staff

- » Michael Matlock, Planning and Facilities Director
- » Tim Smith, Planning Manager

Economic Development Advisory Committee

- » Michael Cade, Thurston County Economic Development Council
- » Erin Carrier, Parks Board
- » Joan Cathey, City Council
- » Bruce Cramer, O Bee Credit Union
- » Allen Johnson, Developer
- » Marcus Glasper, Planning Commission
- » Brett Hardcastle, Tumwater Automotive
- » Ed Hildreth, City Council
- » Jim Hindman, Costco Wholesale
- » Heber Kennedy, Port of Olympia
- » Nancy Stevenson, Historic Preservation Commission

Department Directors

- » John Carpenter, Fire Chief
- » Chuck Denney, Parks and Recreation Director
- » Jay Eaton, Public Works Director
- » Roger Gellenbeck, Development Services Director
- » Jim Hendrickson, Finance Director
- » Karen Kirkpatrick, City Attorney
- » Michael Matlock, Planning and Facilities Director
- » John Stines, Police Chief
- » Eric Trimble, Human Resources Director



BERK & ASSOCIATES

120 Lakeside Avenue
Suite 200
Seattle, Washington 98122
P (206) 324-8760

www.berkandassociates.com

"Helping Communities and Organizations Create Their Best Futures"

Principals: Bonnie Berk and Michael Hodgins
Project Manager: Brian Murphy
Project Team: Brian Murphy, Kapena Pflum, Heather Rogers, Julia Warth

CONTENTS

PLANNING FOR A ROBUST ECONOMY	1
Planning Process	1
Strategic Plan Guidance: Vision, Mission, and Belief Statements	2
SUMMARY OF ANALYTIC FINDINGS	3
Fiscal Baseline Assessment	3
Economic development Preferences Survey	6
Economic Development Profile	8
OVERVIEW OF TUMWATER'S ECONOMIC DEVELOPMENT STRATEGY	19
Strengthening Tumwater's Diverse Economy	21
Implementation Planning	22
Summary of Plan Goals and Action Strategies	24
HOW TO READ THIS PLAN	26
GOALS AND ACTION STRATEGIES	
Goal #1: Establish a Development Climate that Stimulates Economic Activity and Desirable Investment	27
Goal #2: Retain and Support Existing Businesses	39
Goal #3: Grow the City's Light Industrial and Manufacturing Sectors	43
Goal #4: Make Strategic Use of the Brewery Properties and Olympia Regional Airport to Strengthen the City's Economic Base	47
Goal #5: Solidify and Advance the Future of Tumwater Town Center	55
Goal #6: Encourage Economic Development that Strengthens the Tumwater Community	61
Goal #7: Strengthen Tumwater's Image and Advance the Community as a Regional Destination	69



PLANNING FOR A ROBUST ECONOMY

The City of Tumwater Strategic Plan was adopted by the City Council on April 20, 2010 and establishes economic development as a high priority of the City government. The Plan articulates the following desired outcomes as a result of proactive economic development:

- Bringing enough wealth and resources into the community to create opportunities for all residents
- Providing enhanced opportunities to shop, play, and work in Tumwater
- Proactively and positively guiding the development that the community will receive as the region grows
- Creating a diverse and sustainable tax base to support the ongoing provision of City services for all residents

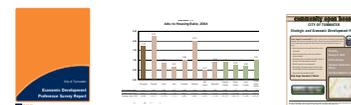
PLANNING PROCESS

To organize its pursuit of these desired outcomes, the Council emphasizes economic development throughout its Strategic Plan. In addition, the Council formed the Economic Development Advisory Committee (EDAC) and charged it to advance the topic of economic development by drafting an Economic Development Plan that operationalizes the higher level direction established in the Strategic Plan.

The EDAC began meeting in November 2007 and finalized its recommended strategies in December 2009. The Committee's work was paused in mid 2008 as the City Council advanced its own treatment of economic development in its strategic planning process. The EDAC resumed meeting in July 2009, building from the charge and foundation established by the City Council in its draft Strategic Plan.

The result of the EDAC's work – a Recommended Draft Economic Development Plan – was reviewed by the Planning Commission in early 2010, revised, and then reviewed, revised, and adopted by the City Council in July 2010.

During the 10 meetings of the EDAC, the group used the analytic inputs listed to the right to understand Tumwater's situation, strengths, challenges, and opportunities. A summary of key findings is presented in this document. The EDAC was supported by staff of Berk & Associates, who provided analysis, meeting facilitation, and strategic development support. City staff were involved throughout the process, providing background and recommendations to the Committee. Tim Smith, City Planning Manager, managed the planning process.



Analytic Inputs to the Strategic Planning Process

The following analytic components were considered by both the City Council and the Economic Development Advisory Committee as each group developed its economic development strategy. These inputs are compiled in this document's **Technical Appendix**.

- » **Economic and Demographic Profile** - baseline information about Tumwater's demographics, economy, and market position
- » **Baseline Fiscal Analysis** - forecasts of the City's future financial position
- » **Fiscal Implications of Land Use Alternatives Memorandum** - comparison between the relative fiscal impacts of various development types for the City
- » **Comparative Retail Tax Base Composition Analysis** - illustrating the relative contributions of different industries to Tumwater and comparable cities' retail tax base
- » **Community Open House Summary** - feedback provided by community stakeholders who attended this event
- » **Stakeholder Interview Summary** - interviews with 14 community stakeholders
- » **Economic Development Preferences Survey** - a statistically significant survey of Tumwater Residents on economic development and fiscal issues

DIRECTION FROM THE STRATEGIC PLAN

CITY OF TUMWATER VISION STATEMENT

Tumwater of the future will be people-oriented and highly livable, with a strong economy, dynamic places, vibrant neighborhoods, a healthy natural environment, diverse and engaged residents, and a living connection to its history.

CITY OF TUMWATER MISSION STATEMENT

In active partnership with its citizens, the City of Tumwater provides leadership and essential municipal services to cultivate a prosperous economy, a healthy natural environment, vibrant neighborhoods, and a supportive social fabric.

CITY OF TUMWATER BELIEF STATEMENT

We Believe in PEOPLE.

People. We respect the diverse citizenry that makes up the social fabric of our community and strive to meet the needs of all citizens. We value and seek to strengthen our vibrant neighborhoods, which are cornerstones of civic life and community identity. As we pursue our goals and the long-term sustainability of the City organization, we value the contributions of our staff, support their continued personal and professional growth, and act to retain their expertise for the good of the community.

Excellence. We strive for excellence and integrity in providing City services. By providing quality services, being responsible and efficient stewards of public resources, and empowering employees to achieve excellence, we continue to build public trust and encourage civic involvement.

Opportunity. We seize every opportunity to improve our community's social, environmental, and economic well-being. We endeavor to realize positive opportunities in adverse situations and periods of change.

Partnership. We work collaboratively with citizens, businesses, and community organizations. We also actively partner with other jurisdictions to address regional, state, and even broader issues.

Learning. We are a learning organization that tries to benefit from past experience, constantly seeking new ways to improve City operations and services.

Environment. We act to preserve and enhance the natural environment and the social fabric of our community.

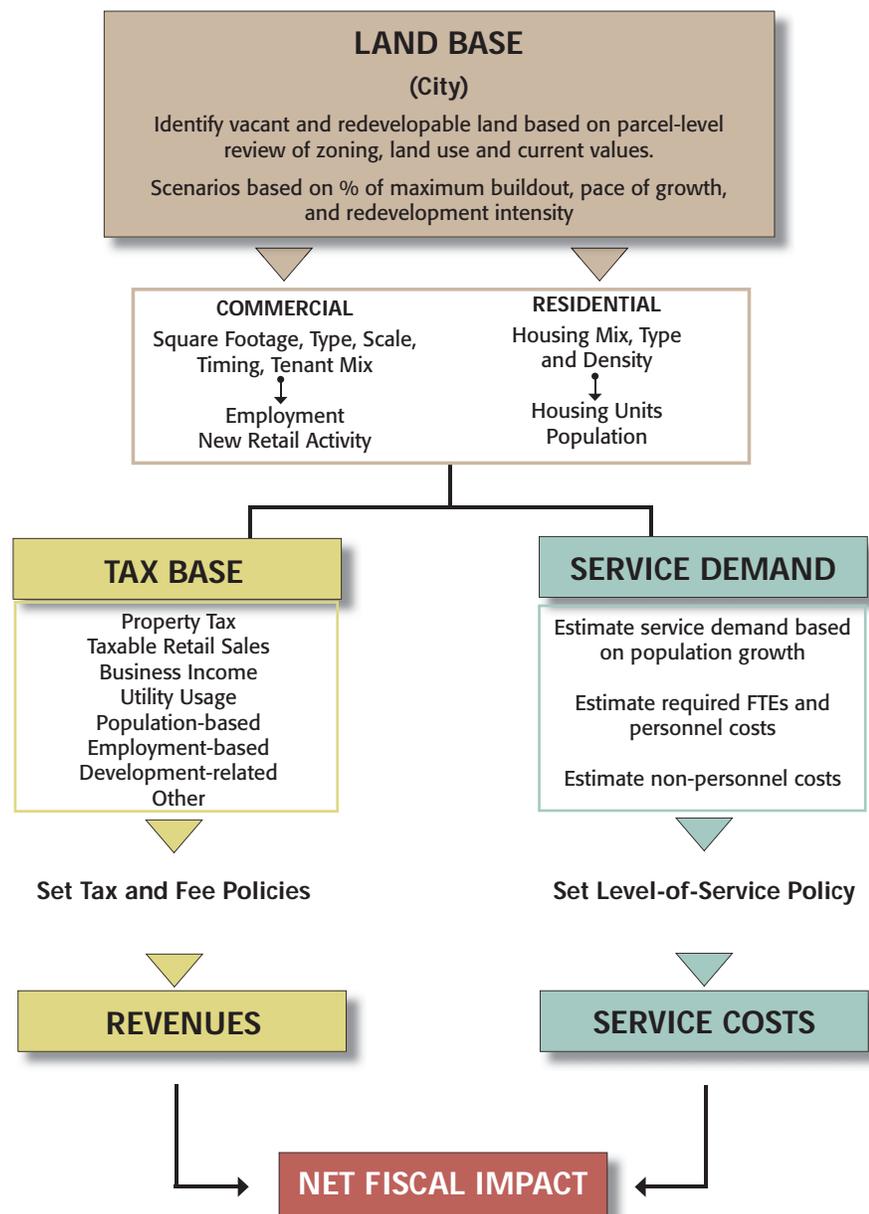
SUMMARY OF ANALYTIC FINDINGS

In crafting this Plan, the Economic Development Advisory Committee considered a broad array of analytic inputs as listed on page 1. This section presents a brief summary of key analytic findings. A comprehensive compilation of all such inputs are presented in a separate volume in the Plan’s **Technical Appendix**.

FISCAL BASELINE ASSESSMENT

A city’s long-term fiscal sustainability challenge is to balance land use, fiscal policies, and effective delivery of municipal services. Cities in Washington State face particular challenges in achieving fiscal sustainability given statutory limitations on property tax revenues. As shown in the diagram to the right, factors affected by each community’s land base such as population, employment, and commercial activity drive both demand for City services and the underlying tax base that provides the revenues needed to provide these services.

As a starting point for this economic development planning process – and also as an input into Council’s development of its Strategic Plan – a baseline fiscal analysis was conducted to evaluate the City’s overall financial health in the coming years.

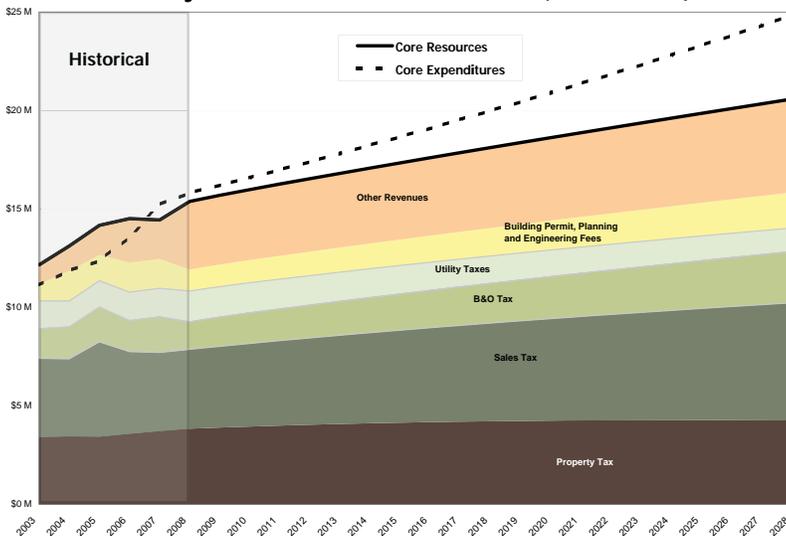


Using realistic but conservative assumptions about the City's future costs and revenues, financial analysis was conducted to predict overall trends in the City's fiscal well-being. Population growth, employment growth, and development capacity were considered for their impact to:

- **The cost of providing City services** (with the assumption that the City will maintain current levels of service)
- **One-time revenues from new development:** property tax revenues from new construction assessed value, taxable retail sales on construction, and permit and plan check fees

- **Ongoing revenues:** taxable retail sales, B&O taxes, and utility tax revenues

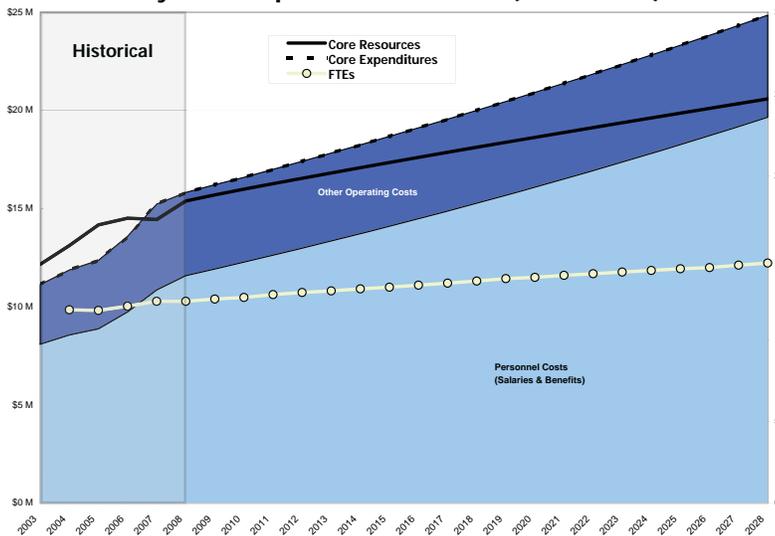
City Core Revenues Over Time (Constant \$)



Importantly, revenue projections assume that the City maintains its current market position in the regional retail market. As discussed later in this section, Tumwater is part of – and in competition for its share of – a three-city regional retail center, along with the cities of Olympia and Lacey.

The charts to the left show projected costs and revenues. Growth in the City's expenses is expected to outpace growth in revenues. This is due to healthcare and other personnel costs that are growing more rapidly than inflation on one hand, and to statutory limitations that restrict the City's ability to collect property taxes on the other.

City Core Expenses Over Time (Constant \$)



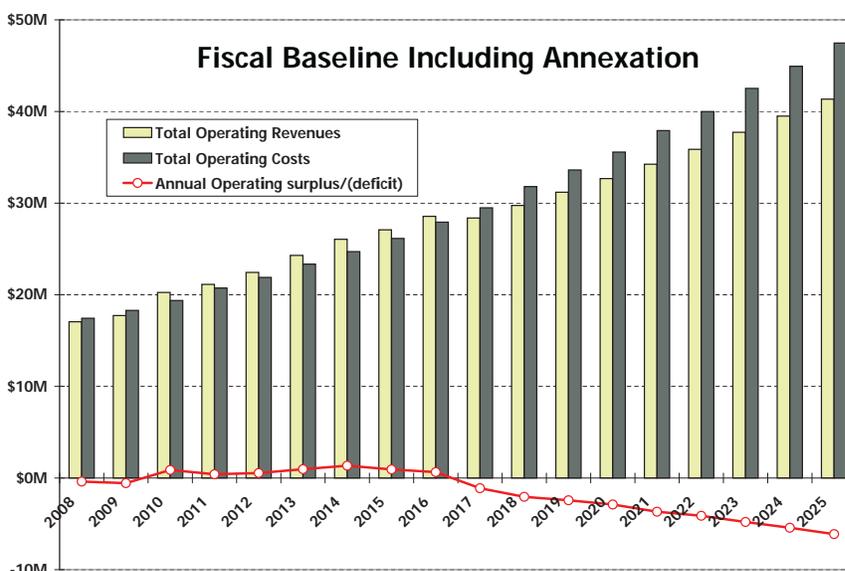
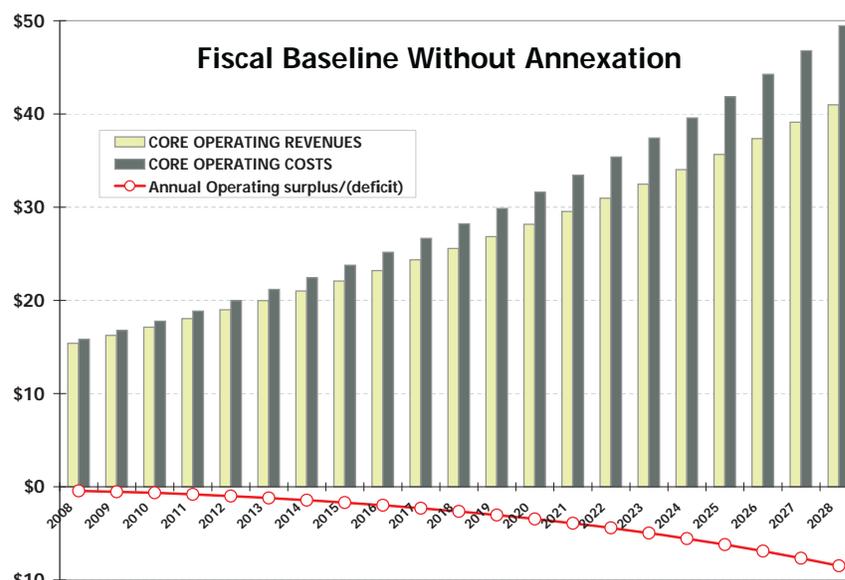
The charts on the next page put these cost and revenue components together to project the overall trend in City's fiscal standing. In the first chart, expenses are shown to exceed revenues in the very near future. The fiscal benefits associated with the Littlerock Road Annexation – which was in progress at the time this analysis was conducted – are shown to delay this eventuality until sometime after 2015.

Source: Berk & Associates, 2008

The circumstances shown in these charts are both impossible and not unusual. Cities are not able to run deficits and so the situation depicted in these graphs could not actually happen: adjustments would have to be made to bring the relationship between costs and revenues into balance. Many cities in Washington State face similar fiscal challenges, and in fact Tumwater may be in a relatively better situation than many, with its costs not projected to exceed its revenues for a number of years. The current economic climate will undoubtedly accelerate this eventuality, however, and so the City is appropriately concerned about its fiscal health in the medium-term. This is clearly an important reality for consideration in the Strategic and Economic Development Plans for guidance on this crucial issue.

Cities facing projected fiscal shortfalls may consider both cost- and revenue-focused strategies. On the cost side, efforts can be made to provide services more efficiently. Levels of service can also be reduced, with the City cutting back on spending in parks, roads, public safety, or other services, though this is generally an undesirable path to go down. On the revenue side of the equation, cities may seek to enhance revenues through one of two means: increasing tax revenues through rate increases or through economic development.

Outreach to Tumwater residents and analysis of the City's economic competitiveness were conducted to determine the City's options related to economic development. These are summarized on the following page.



Source: Berk & Associates, 2008

ECONOMIC DEVELOPMENT PREFERENCES SURVEY

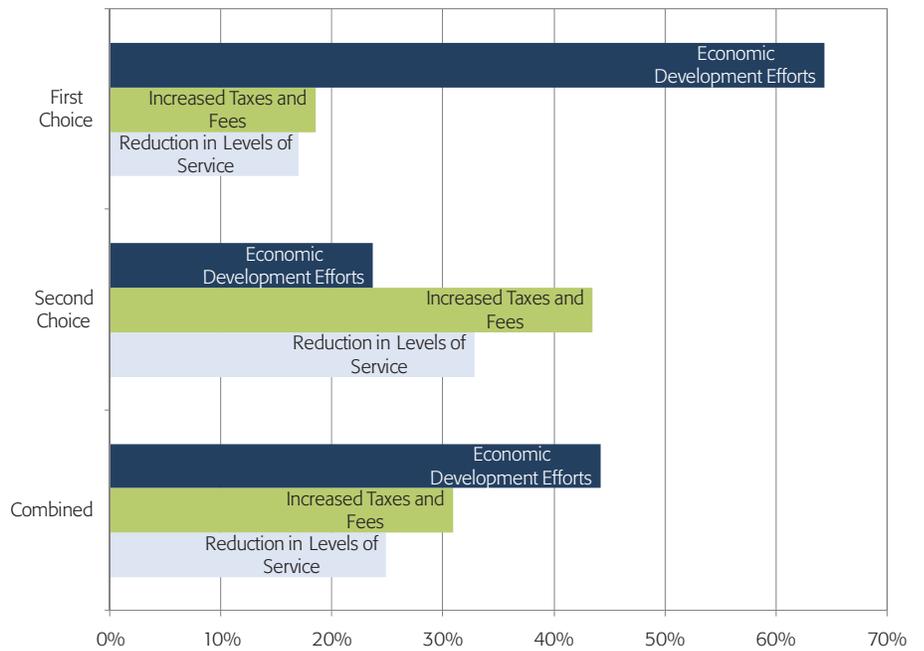
The City contracted the research firm PRR to conduct a statistically significant survey of residents to best understand citizen views of growth and economic development. The results of this survey guided the direction of both the Strategic Plan and this Economic Development Plan, ensuring the City took an approach that was supported by its citizens.

A clear finding of the survey was that rather than seeing tax increases, citizens support efforts to enhance the City's tax base through economic development. This is seen in responses to the question below.

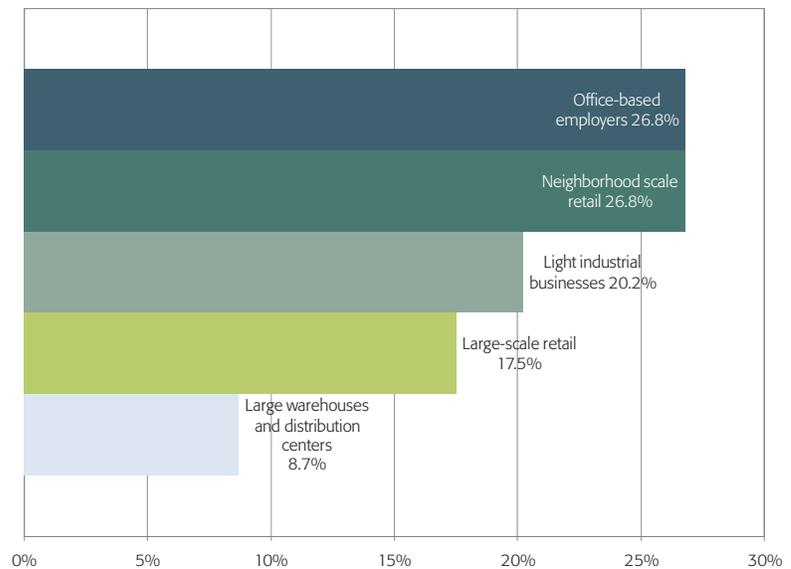
Cities have three primary ways of addressing tight budgets. They can:

1. pursue economic development, increasing the City's tax base through retail or employment growth;
2. increase fees and/or property taxes; or
3. reduce services provided by the City, including both operations or programs and capital investments.

To address Tumwater's tight budget, which approach would you like the City to use?



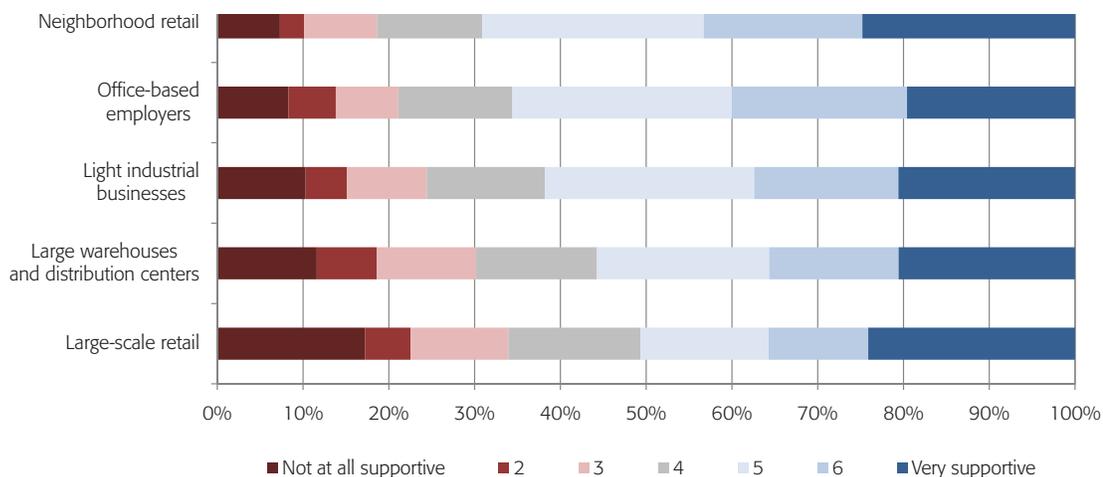
Survey participants were also asked to comment on their preference for various development forms. The chart to the right reflects the most desired types of development.



The chart below reflects the relative levels of support for specific uses given the following characteristics of each:

- **Neighborhood scale retail:** provide moderate increases to the City's tax base through sales taxes, generate moderate increases in local traffic, and provide increased local shopping opportunities
- **Public and private offices:** provide increased local employment opportunities and increase traffic during commute hours
- **Light industrial businesses:** provide increased local employment opportunities, create a potential for noise and traffic impacts, and help diversify the City's economy
- **Large warehouses and distribution centers:** increase local employment opportunities, respond to a market demand for these types of employers, increase truck traffic, create impacts to the City's visual appearance, and would be limited to areas with ready access to I-5
- **Large-scale retail stores:** increase the City's tax base through sales tax, increase traffic, create impacts to the City's visual appearance, attract more shoppers to Tumwater, which will support some local retailers, increase competition for some locally owned retailers, increase local shopping opportunities, and would be limited to areas along I-5

Support for Specific Development Forms



Note: this chart is different from those appearing in the Technical Appendix, as it incorporates respondent consideration of the geographic location of large warehouse and distribution centers and large-scale retail.

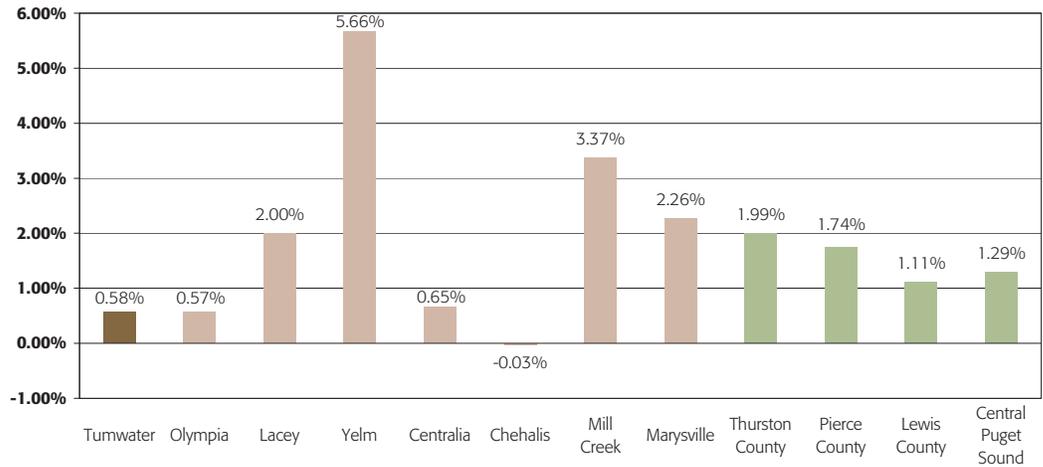
ECONOMIC DEVELOPMENT PROFILE

The following pages summarize key aspects of the City’s demographics, housing stock, household income, employment base, and retail market position. The **Technical Appendix** includes additional details, as well as a summary of the sources of this information.

Basic Demographics

Tumwater has grown at a moderate to slow pace over the past seven years, at about the same rate as Olympia. Neighboring cities Yelm and Lacey have had very high population growth rates, growing by over 6,000 people during this time period.

Annual Average Population Growth, 2000-2007



Annual Avg. Growth Rate	0.58%	0.57%	2.00%	5.66%	0.65%	-0.03%	3.37%	2.26%	1.99%	1.74%	1.11%	1.29%
Population 2000	12,698	42,514	31,226	3,289	14,742	7,057	11,525	25,315	207,355	700,818	68,600	3,275,857
Population 2007	13,220	44,230	35,866	4,837	15,429	7,044	14,539	29,608	238,000	790,500	74,100	3,582,900

Source: Washington Office of Financial Management, 2007

Notes: The “Central Puget Sound” region consists of King, Kitsap, Pierce, and Snohomish Counties combined. Population gained through annexation is excluded from this exhibit.

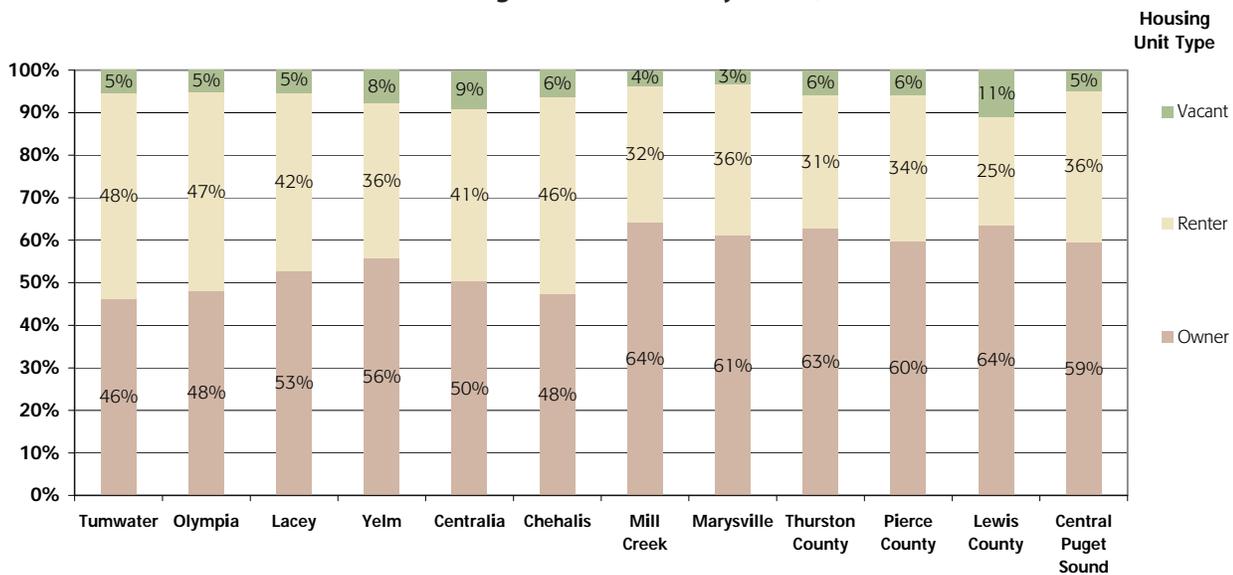
Additional demographic information

- **Tumwater has a distribution of educational attainment slightly more educated than Thurston County overall.** Amongst its immediate neighbors, Tumwater’s education levels (35% with a college degree or more) are slightly higher than Lacey (27%) and slightly lower than Olympia (40%).
- **Tumwater and Olympia have very similar age distributions.** Each city has about the same concentration of children age 24 and younger (about 30%) and a similar concentration of residents age 55 and older (about 25%). Lacey has a slightly younger age profile than Tumwater and Olympia.
- **About 14% of Tumwater’s population is in a minority racial group,** which is similar to the percentage in Olympia and Thurston County overall (16%) but less than the percentage in Lacey (25%), which has a large concentration of Asian population.

Housing

- Tumwater has about 6,500 housing units, of which, 2,494 (38%) are multifamily units. This share of multifamily units is similar to neighboring Olympia but higher than the other neighboring communities and much higher than the Thurston County average (19%).
- 21% of Tumwater’s multifamily housing stock is in buildings with nine or fewer units. This is slightly higher than Olympia (18%) and Lacey (16%) and larger cities like Seattle (15%).
- Tumwater has a high concentration of renter-occupied housing units (48%), which is similar to Olympia (47%) and slightly higher than Lacey (42%). The high concentration of rental housing is common in urban areas that serve as employment centers. For comparison, Seattle has a 49% share of renter-occupied housing units and Tacoma has a 42% share.

Housing Unit Distribution by Tenure, 2000



Source: U.S. Census Bureau, 2000

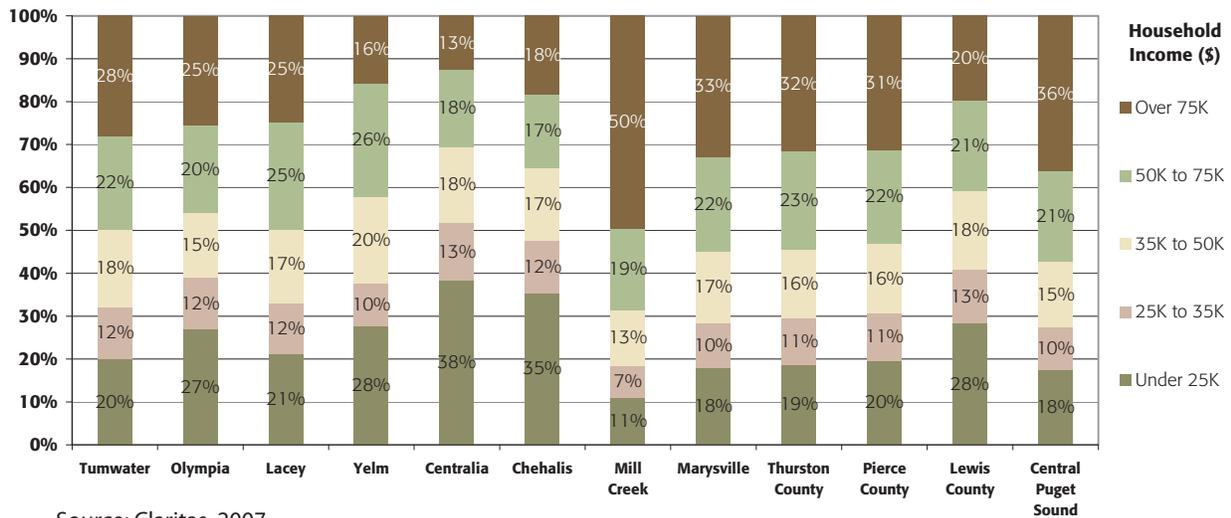


Household Income

Tumwater and Olympia have a relatively low average number of persons per household. This indicates that these cities likely have higher percentages of single-person households, younger working professionals, and families without children. Because of this, while the Tumwater median household income (\$49,844) is about the same as Lacey’s (\$49,827) and a little higher than Olympia’s (\$46,115), *per capita* income levels in Tumwater and Olympia are relatively higher than their median household income levels. Higher per capita income can be an indicator of higher levels of disposable income.

As shown in the chart below, about 50% of Tumwater households earned more than \$50,000 in 2007. This is very comparable to the City’s neighbors, and slightly less than both Thurston and Pierce Counties. About 32% of the City’s households earned less than 35,000 in 2007. This also is comparable to neighboring cities, though less than Olympia. Thurston County and Pierce County figures are also comparable.

Percentage of Total Households by Household Income Category, 2007



Source: Claritas, 2007

Implications for Economic Development Planning

- Tumwater has relatively high income per capita, which generally correlates with higher disposable income. There may be opportunities to align the availability of local goods and services with the desires of residents.

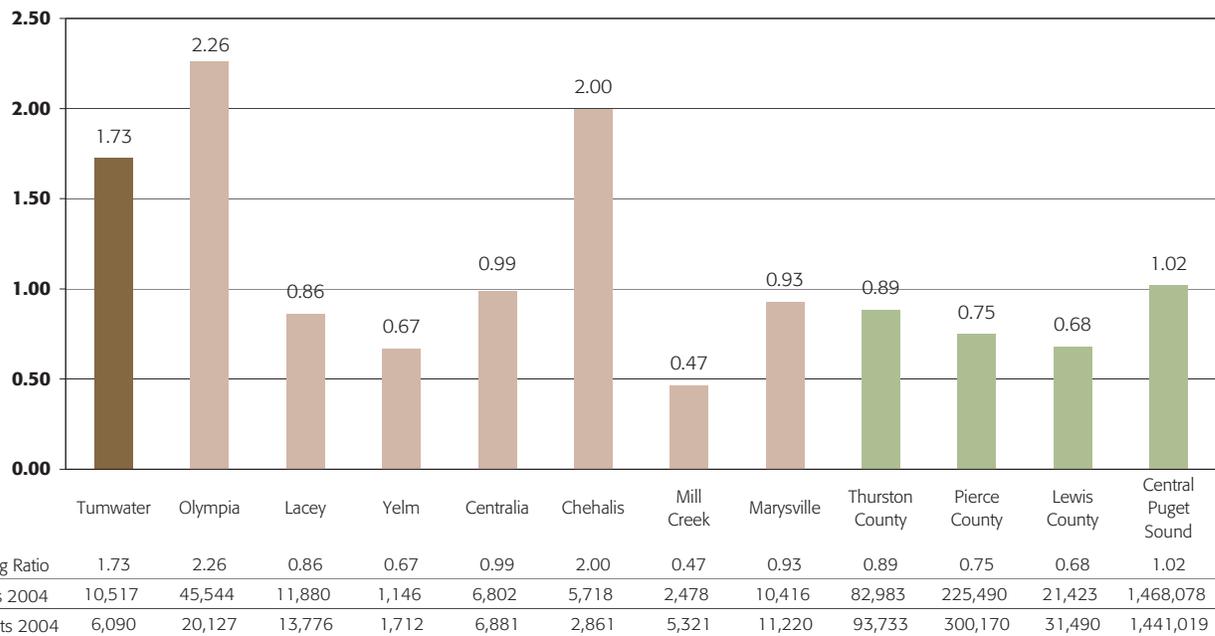
Employment

The jobs to housing ratio is a useful general indicator of the balance between jobs and housing in a community. If the ratio is greater than one, the community is likely an employment center that draws employees in from outside its boundaries. If the ratio is less than one, the community has a large portion of its residents leaving to work outside its boundaries. Suburban “bedroom communities” bordering larger employment centers often have low jobs to housing ratios.

As shown below, Tumwater has a relatively high jobs to housing ratio (1.73), similar to Olympia (2.26) and Chehalis (2.0), and it is clearly a job center in Thurston County. These jobs to housing ratios are similar to other employment centers in the region such as Seattle (1.63), Bellevue (2.27), and Tacoma (1.22).

Note: This exhibit and those that follow are based on “primary jobs,” not total jobs. A primary job is the highest paying job for an individual worker. The count of primary jobs is the same as the count of workers.

Jobs to Housing Ratio, 2004



Source: Washington Office of Financial Management; U.S. Census Bureau LEHD Program, 2007

Other Employment Information

- **Tumwater has a higher percentage of workers earning more than \$3,400 per month (36%) than all geographies studied** other than Olympia (44%) and Thurston County as a whole (37%).
- **The City has slightly more workers (21%) earning less than \$1,200 than Olympia (18%),** but has fewer workers in this pay range than Lacey (31%) or the Thurston County average (22%).

Employment, Continued

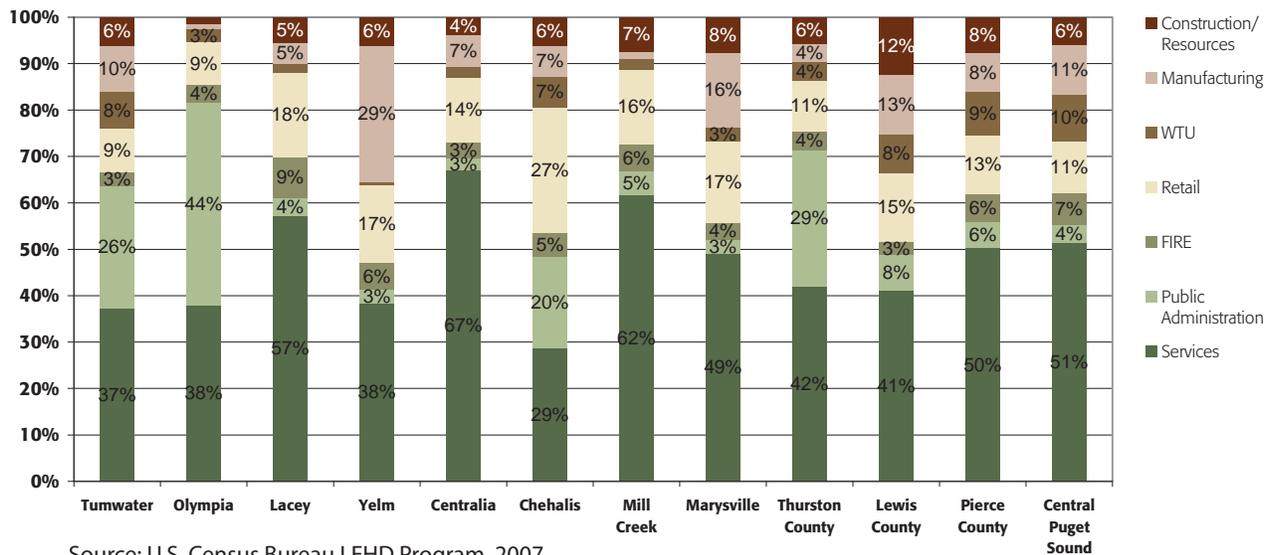
The chart and summary below summarize the makeup of Tumwater’s employment base, comparing it to employment in neighboring and comparable communities.

- Tumwater’s largest employment sector is **Services** (37%). The City’s share of employment in this sector is slightly less than Olympia’s (38%) and Thurston County as a whole (42%). Other communities have a significantly higher share of jobs in this sector.
- Tumwater has a strong **Public Administration** employment base (26% of all primary jobs), though less than Olympia (44%) and Thurston County as a whole (42%). Cities such as Lacey, Yelm, Centralia, Mill Creek, and Marysville have a more typical employment distribution in this sector, ranging from 3% to 5%.

The current count of Tumwater’s jobs in this sector is likely an under-count due to the way employer locations are determined. Many State government jobs may be being assigned to headquarter locations in Olympia rather than actual locations in Tumwater. According to the State Department of General Administration, the total count of state workers in Tumwater is about 6,000.

- Tumwater’s third largest employment sector is **Manufacturing**, with 10% of the City’s employment base. This is significantly more than other communities studied.
- The City’s **retail employment base** (9%) is similar to Olympia (9%) and slightly less than Thurston County as a whole (11%). Many other communities shown have a relatively larger share of their employment base in the retail sector.

Distribution of Primary Jobs by Category, 2004



Source: U.S. Census Bureau LEHD Program, 2007

- Tumwater's employment base in **Wholesale Trade, Transport, Warehousing, and Utilities (WTU)** (8%) and **Construction/Resources** (6%) are larger than most comparable cities and Thurston County as a whole (4% and 6%).
- The City's share of jobs in **Finance, Insurance, and Real Estate (FIRE)** is slightly smaller than most comparable cities and Thurston County as a whole.

The tables below show where Tumwater residents work and where people who work in Tumwater live.

- About 34% of the City's resident workforce commute from Tumwater to Olympia for work. About 14% Tumwater residents work in Tumwater.
- Residents of Olympia comprise the largest portion (14%) of Tumwater's 10,517 primary jobs, followed by residents of Lacey (8.4%) and Tumwater (8.1%).

Implications for Economic Development Planning

- The City has a very diverse economic base that should be retained and strengthened.
- The presence of a high number of state office workers is an economic development strength, particularly given their relative high income. Strategies can be developed to capture more spending by this population.
- Many of Tumwater's state office workers don't live in the community; attracting them to live locally would increase local spending and reduce traffic.

Top Work Locations for Workers Who Reside in Tumwater, 2004

Work Location	Total Primary Jobs	Percent of Total
Cities		
Olympia	2,015	33.8%
Tumwater	848	14.2%
Seattle	356	6.0%
Lacey	349	5.9%
Tacoma	191	3.2%
Bellevue	89	1.5%
Lakewood	80	1.3%
Spokane	77	1.3%
DuPont	72	1.2%
Shelton	62	1.0%
All Other Locations	1,818	30.5%
Total	5,957	100.0%
Counties		
Thurston	3,728	62.6%
King	795	13.3%
Pierce	546	9.2%
Mason	130	2.2%
Lewis	125	2.1%
Spokane	111	1.9%
All Other Locations	522	8.8%
Total	5,957	100.0%

Top Places of Residence for Those Working in Tumwater, 2004

Work Location	Total Primary Jobs	Percent of Total
Cities		
Olympia	1,454	13.8%
Lacey	880	8.4%
Tumwater	848	8.1%
Tacoma	225	2.1%
Seattle	173	1.6%
Tanglewilde-Thompson	123	1.2%
Centralia	104	1.0%
Shelton	75	0.7%
Lakewood	66	0.6%
Rochester	60	0.6%
All Other Locations	6,509	61.9%
Total	10,517	100.0%
Counties		
Thurston	6,820	64.8%
Pierce	845	8.0%
King	686	6.5%
Lewis	370	3.5%
Mason	318	3.0%
Snohomish	270	2.6%
All Other Locations	1,208	11.5%
Total	10,517	100.0%

Source: U.S. Census Bureau LEHD Program, 2007

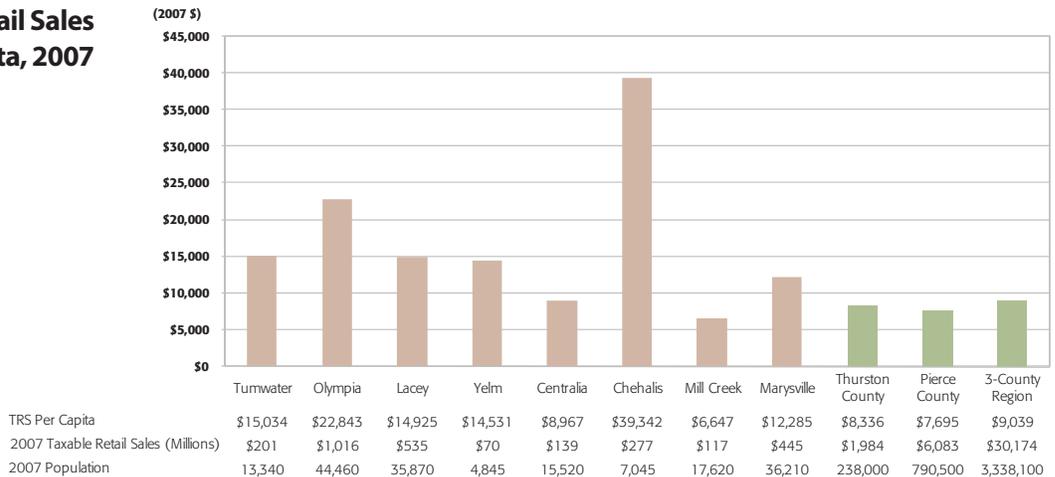
Retail Market Analysis

Tumwater is part of a three-city regional retail market, with Olympia, Lacey, and Tumwater serving residents of these cities as well as the population in the surrounding area. Given the rural nature of the region around this metropolitan area, some individuals and families travel long distances to do their shopping in one of these three communities.

Taxable retail sales (TRS) per capita is a measure of the general strength of a jurisdiction’s retail sector relative to its population size. Olympia, Tumwater, and Lacey all have relatively high taxable retail sales per capita compared to comparable cities.

Tumwater is the only community in the list of comparables below that has seen a decline in TRS collections over the past two years. Of the Thurston County comparable cities, Lacey and Yelm experienced the greatest percentage increases in TRS between 2005 and 2007 (48% and 53% respectively).

Taxable Retail Sales per Capita, 2007



Source: Washington Department of Revenue and Office of Financial Management, 2008

Note: TRS per capita calculated by taking 2007 retail sales in all retail categories (NAICS codes 44-45) and dividing them by 2007 population.

Recent Trend in Taxable Retail Sales Collections, 2005-2007

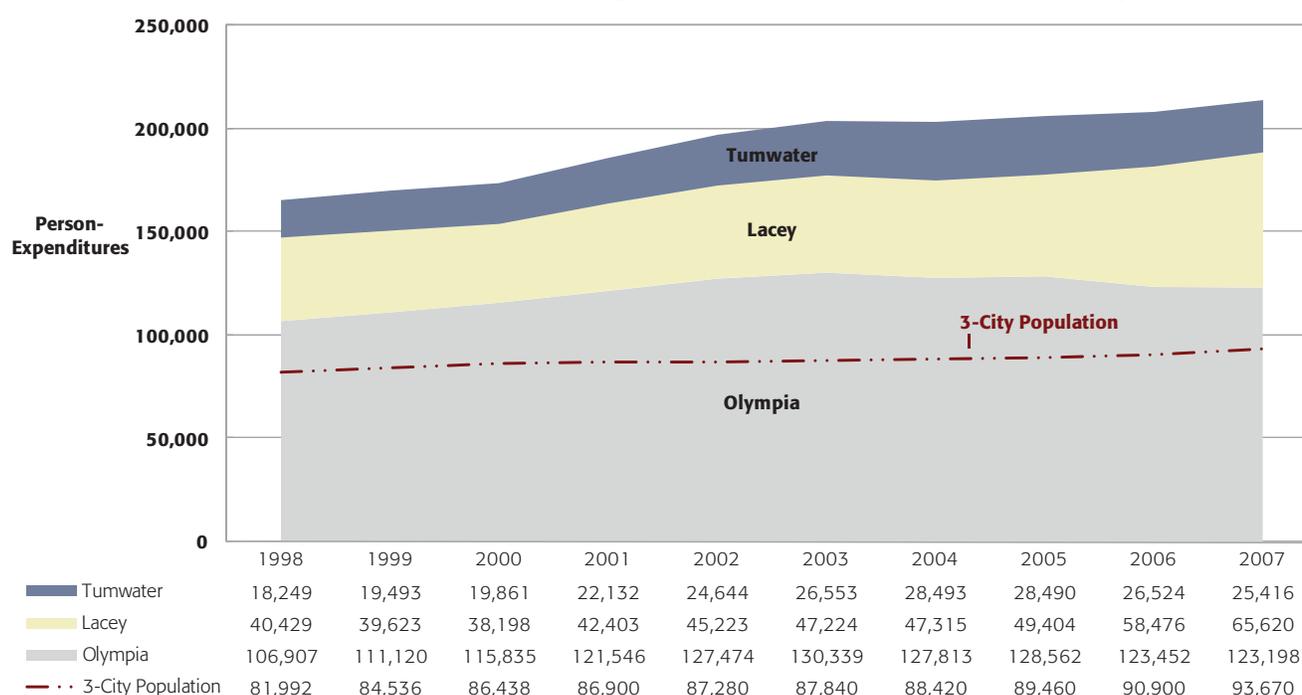
	Taxable Retail Sales (\$ Millions)			Percent Change 2005-2007
	2005	2007	Change 2005-2007	
Tumwater	\$212	\$201	-\$11	-5%
Olympia	\$992	\$1,016	\$24	2%
Lacey	\$362	\$535	\$173	48%
Yelm	\$46	\$70	\$24	53%
Centralia	\$120	\$139	\$20	16%
Chehalis	\$234	\$277	\$43	18%
Mill Creek	\$86	\$117	\$31	36%
Marysville	\$226	\$445	\$219	97%
Thurston County	\$1,754	\$1,984	\$230	13%
Pierce County	\$5,574	\$6,083	\$509	9%
3-County Region	\$26,764	\$30,174	\$3,411	13%

Source: Washington Department of Revenue, 2008

A “person expenditure” is the statewide average amount of spending per capita each year by retail category. Person expenditure totals are calculated by taking the total retail spending in a particular retail category and dividing it by the statewide per capita spending in that category.

- Combined person-expenditures for the three-city urban center of Thurston County (Olympia, Lacey, Tumwater) far exceeds the three-city population. This indicates that the area is a regional retail center that serves a much larger area, drawing consumers from other parts of Thurston and neighboring counties.
- In 2007, Olympia captured the largest share of person-expenditures in the three-city area (58%), followed by Lacey (31%), and Tumwater (12%).
- In terms of growth trends, Lacey has seen the most rapid increase in sales capture over the past ten years (5.5% annual average growth rate), followed by Tumwater (3.8%), and Olympia (1.6%). Population in the three-city area grew by 1.5% annually over the same period.
- Between 2005 and 2007, Tumwater and Olympia both experienced declines in retail sales capture, most likely due to increased competition and new retail offerings in Lacey, which saw a significant spike in person-expenditures in the same time period. The decline in market share for Tumwater and Olympia and increase in market share for Lacey occurred primarily in the **General Merchandise, Building Materials, Electronics, and Furniture** categories.

Total Retail and Restaurant Person-Expenditures in Tumwater, Lacey, and Olympia, 1998-2007



Source: Washington Department of Revenue, 2008

Note: This is a stacked area chart so the person-expenditures values in the chart are additive. NAICS categories included in calculations are 44 and 45 (Retail Trade), and 722 (Food Services and Drinking Places).

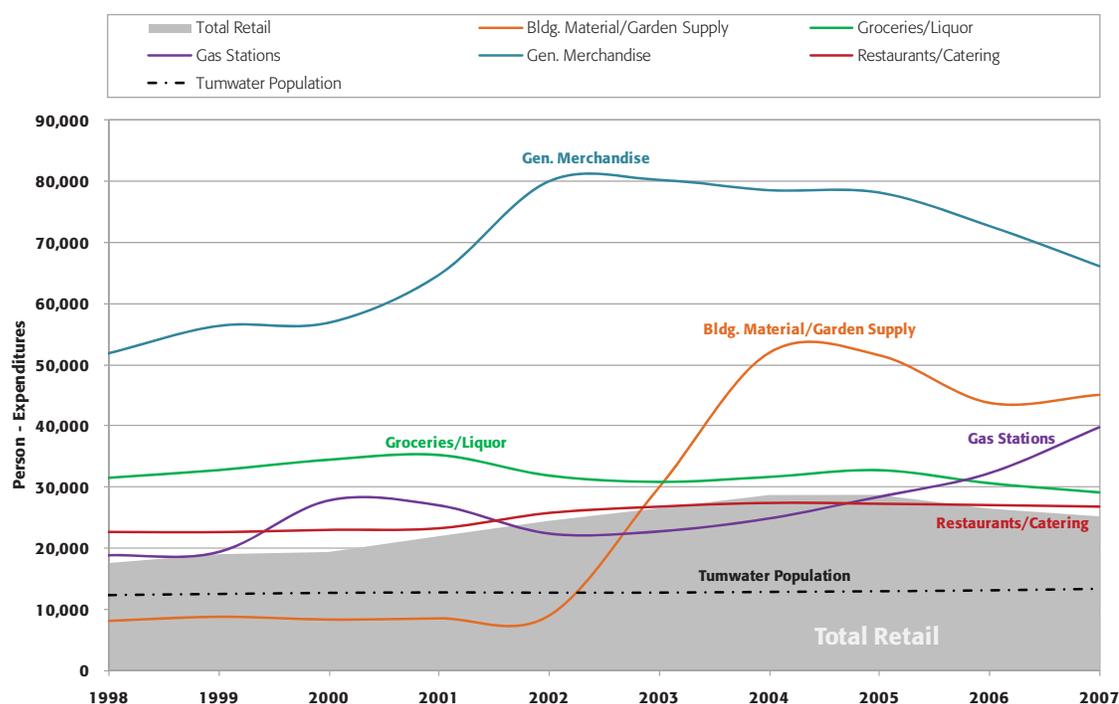
The chart on the opposite page characterizes retail spending patterns in Tumwater by displaying person-expenditures over the past ten years in the five strongest retail categories in Tumwater.

- Tumwater’s strongest retail categories are **General Merchandise** and **Building Material/Garden Supply**. Tumwater retailers are likely drawing spending in these categories from consumers in surrounding communities.
 - **General Merchandise**, which includes sales from large department stores such as Fred Meyer and Costco, is the City’s strongest retail sector. The increase seen in 2002 likely attributed to the opening of Fred Meyer. The General Merchandise person-expenditures have seen a gradual decline since 2005. This pattern is likely related to recent expansions of comparable retailers in Lacey.
 - Tumwater has strong sales in **Building Material/Garden Supply**, which includes sales in stores such the Home Depot store that opened in 2004.
- Tumwater has relatively strong retail sales in **convenience-oriented retail categories** such as grocery stores, gas stations, and restaurants. Person-expenditures in all these categories exceed the City’s current population. The one relatively weak convenience retail category is health and personal care stores, which includes drug stores.
- Tumwater has less of a retail presence in some retail categories such as **electronics, office supplies, and apparel** (not shown in the chart at right). Spending in these categories is likely “leaking” out to other retail centers in Lacey and Olympia.

Implications for Economic Development Planning

- Tumwater’s recent losses in its share of the regional retail market are troubling as such shifts may indicate a significant shift in regional shopping patterns as consumers change habits and seek out retail centers with a critical mass of offerings and the ease of one-stop shopping.
- The City can build upon its retail strengths in General Merchandise and Building Material/Garden Supply. There may also be opportunities to address some less competitive sectors and reduce spending leakage.

Person-Expenditures in Tumwater by Large Retail Category, 1998-2007



Source: Washington Department of Revenue, 2008

ADDITIONAL FINDINGS

To supplement the analytic findings summarized on the previous pages, additional insight was gained through stakeholder interviews and a Community Open House. While the results of these conversations are reproduced in their entirety in the **Technical Appendix**, the following key themes are noted here, as they are strongly represented in body of the Economic Development Plan on the following pages:

- Tumwater has a relatively poor reputation among developers and potential investors, particularly with regard to development predictability and clarity of expectations
- Residents and City leadership desire the creation of vital and vibrant places
 - This is evident in Town Center and Littlerock Subarea visioning and planning, with community, retail, and residential components
 - The City is not seeing a rapid realization of the Town Center vision, with State offices comprising the predominance of current uses
 - The brewery properties and the Deschutes River Valley offer additional opportunities for place-making
- Tumwater does not have a high profile image in the region and could likely gain more benefit from regional tourism



Littlerock Road Commercial



Old Towne Plaza, Olympia Regional Airport, and Tumwater Boulevard



Tumwater Costco on Littlerock Road

OVERVIEW OF TUMWATER'S ECONOMIC DEVELOPMENT STRATEGY

In crafting this Plan, Tumwater's Economic Development Advisory Committee (EDAC) defined economic development as the effort to retain and attract capital and talent. This document therefore focuses on strengthening and enhancing the City's economic base by retaining existing firms and attracting new investment in a manner that is consistent with the City's Vision (see page 2).

The anticipated benefits of these economic development efforts include a strong local job market; diverse local shopping and recreation opportunities; and a vibrant community with strong amenities. An ever-present consideration for the Committee was the need to strengthen the City's tax base and enable the City of Tumwater to continue to provide high quality services for residents and business or property owners.

DIRECTION FROM THE STRATEGIC PLAN

The City Council provided the EDAC with a clear charge and parameters to work within. Goal 3 of the Council's Strategic Plan addresses economic development explicitly, establishing a particular direction for the community's economic development efforts in the title of the Goal: "Facilitate Desirable Economic Development Consistent with the Community's Vision." Other relevant portions of the Strategic Plan, including Goal 2 – Create Dynamic and Vibrant Places for Residents and Visitors – served to guide the EDAC's approach.

Additional direction was provided via the following Guiding Principles for Economic Development:

- **Focus economic development in support of the City's Vision**, enhancing quality of life and strengthening community assets including the City's livability, strong neighborhoods, aesthetic quality, and a beautiful natural environment featuring views of Mount Rainier and the Olympics. Balanced economic development is desired, so that the scale, scope, and location of development support rather than overwhelm these other assets.
- **Make the most of the community's assets**, including its role as a regional commercial center, diverse economic base, airport, historical resources, and location on along both I-5 and the Deschutes River Valley.
- **Continue to foster a diverse economy, building on existing sectors and locating new businesses appropriately** to take best advantage of transportation infrastructure, minimize impact on other uses, and create opportunities for synergies such as mixed use development or residential, commercial, and employment uses located within walking distance of one another. Larger scale retail and light industrial or manufacturing development in particular should be located carefully to minimize impacts to other uses.
- **Be strategic, efficient, and innovative**, focusing the City's economic development efforts and resources on supporting portions of the economy that might not otherwise flourish on their own. Enlist partners throughout the City and the region in support of the City's efforts and for the benefit of the larger community. Facilitate desirable development by being communicative, predictable, transparent, and solution-oriented in policies, investments, and interactions with the business and development communities.

This Economic Development Plan seeks to retain and attract capital and talent through development that is consistent with the direction provided by Tumwater residents and the City Council, themes and approaches articulated in the Strategic Plan, and the key analytic findings summarized earlier in this document. These parameters can be summarized as:

- **Be consistent with the community Vision** of being people-oriented and highly livable, with a strong economy, dynamic places, vibrant neighborhoods, a healthy natural environment, diverse and engaged residents, and a living connection to its history
- **Provide a predictable and efficient process for investors**, allowing proposing development that is aligned with guiding regulations and codes
- **Meet the City's fiscal needs and follow citizen direction to respond with proactive economic development** (see pages 3-7)
- **Take advantage of locational, economic, and community strengths**, including Tumwater's location along I-5, the diversity of its existing economic base, and a strong community character
- **Maintain and strengthen the diversity of Tumwater's economy**, with proactive efforts in office, light industrial and manufacturing, and retail sectors
- **Locate commercial users strategically**, taking advantage of the City's large geography to create specialized business districts that minimize disruption to residents and other institutions or businesses
- **Establish dynamic places** for residents and visitors

The Economic Development Plan responds to this direction with specific and proactive strategies to strengthen targeted sectors of the economy, as well as overarching priority to improve the City's development climate that will encourage growth in all sectors (see sidebar on the opposite page). Particular attention is given to opportunities associated with specific places, recognizing the potential economic and community development impact of the former Olympia Brewing Company properties, the Olympia Regional Airport, Tumwater Town Center, and evolving business districts such as Capitol Boulevard and the Littlerock Road Subarea.

STRENGTHENING TUMWATER'S DIVERSE ECONOMY

Goals and Action Strategies on the following pages build from the direction and themes summarized on the opposite page to encourage investment in each of Tumwater's core economic sectors:

- **Office-based employment.** State and private offices have evolved to be a central component of Tumwater's economic base, contributing a large number of well-paying jobs (see pages 11-13). Strategies in this Plan continue to take advantage of this strength by retaining existing users; attracting complementary businesses, including retailers and restaurants that cater to office workers, as well as complementary businesses such as partners and suppliers; and encouraging office workers who currently live outside the community to consider relocating to Tumwater.
- **Light industrial and manufacturing.** Tumwater has higher employment levels in manufacturing, wholesale trade, transport, warehousing, utilities, and construction/resources than many other communities (see pages 12-13). Such businesses tend to benefit from Tumwater's strengths in location and transportation access, provide living-wage jobs, and offer opportunities for further growth and diversification by evolving into clean energy areas. Related strategies in this Plan include supporting and retaining existing firms and promoting Tumwater's clean energy sector.
- **Retail.** Tumwater's retail opportunities and economic development strategies fall along a scale-based spectrum as described below.
 - **Large-scale retail.** Significant revenues for the provision of City services come from Tumwater's retail sector and in particular from sales by national retailer in the community's strongest retail sectors: General Merchandise and Building Material/Garden Supply (see pages 14-17). The City's Strategic Plan recognizes the important role such retailers will continue to play in the City's future. Specific actions in the Strategic Plan and this Economic Development Plan will encourage activity in this sector, including retaining zoning that allows large-scale retail uses (Goal 3, Action Strategy D of the Strategic Plan), providing a predictable and consistent development climate that ensures the ability of investors to proceed with development permissible under the City's zoning and development regulations (a strong theme in both plans), and the promotion of development opportunities by geographic and use-based categories (Goal 1, Action Strategy E of this Plan).
 - **Community oriented retail.** Tumwater's smaller-scale retail presents opportunities both for economic diversification and for community building and place making. These are strong areas of emphasis of this Plan, with specific strategies calling for support for small-scale businesses, the development of dynamic and attractive business districts, and zoning and infrastructure investments that encourage both small neighborhood-serving retail nodes and larger community retail centers.

The Economic Development Plan is summarized at a high level on the following two pages, showing the supporting Action Strategy under each of the Plan's seven Goals.

- **Goal 1** focuses on a priority area – the City's development climate – that is addressed strongly in both the Strategic Plan and this Economic Development Plan. Establishing predictable, positive rules and processes for investors is seen as absolutely critical to ensuring that Tumwater remains an economically vital community.
- **Goals 2, 3, and 5** focus on strengthening specific aspects of the City's existing economy: retaining its existing businesses and building on strengths in light industrial and manufacturing and office-based employment.
- **Goal 4** focuses on taking advantage of specific economic development assets that have the potential to reshape the region's economy: the brewery properties and the Olympia Regional Airport.
- **Goal 6** encourages economic development that strengthens the Tumwater community
- **Goal 7** establishes an approach to strengthening Tumwater's image and role as a regional destination

IMPLEMENTATION PLANNING

This document establishes strong guidance for the City as it implements its economic development activities. Timelines and lead departments are assigned. This implementation guidance should be used to link pursuit of the Plan's Goals and Action Strategies with Council and Planning Commission agendas and City department work planning and performance review processes.

To effectively implement the ambitious efforts articulated on these pages, the City will need a dedicated economic development staff position. Until such a position can be funded, which is identified as an important step in the Strategic Plan (Goal 1, Action Strategy E), it will be necessary to utilize existing staff to perform as many of these functions as feasible. Some activities cannot be advanced without a dedicated economic development lead; the timeline for such items is identified as "To be determined."

LAND USE CHARACTERISTICS

In developing the Economic Development Plan and the Strategic Plan, it was recognized by the EDAC and City Council that each of the land uses listed below can have both positive and negative impacts on the community. These impacts were strongly considered when crafting the Goals and Action Strategies of the Economic Development and Strategic Plans.

- **Neighborhood scale retail.** Provides moderate increases to the City's tax base through sales taxes; generates moderate increases in local traffic; and provides increased local shopping opportunities.
- **Public and private offices.** Provide the highest employment density; larger offices bring wealth into the community and local offices provide services to local residences and businesses; both generate modest revenue, particularly during the mid-day (e.g. restaurants, services). The primary downside is an increase in traffic during commute hours.
- **Light industrial businesses.** Provide modest increases in local employment opportunities; generate modest revenue; and help diversify the City's economy. However, uses can be aesthetically unappealing and create a potential for noise and modest traffic impacts.
- **Large warehouses and distribution centers.** Provide the lowest employment density and modest revenue; increase truck traffic; create impacts to the City's visual appearance; and consume large amounts of industrial land.
- **Large-scale retail stores.** Provide a significant increase to the City's tax base through sales tax; attract more shoppers to Tumwater, which will support some local retailers; and increase local shopping opportunities. However, these uses generate significant traffic; impact the City's visual appearance; and can increase competition for some locally owned retailers.



Olympic Flight Museum and Airlift Northwest



Note: Goals are not listed in order of priority.

PRIORITY ITEM



SUMMARY OF PLAN GOALS & ACTION STRATEGIES

GOAL #1: Establish a Development Climate that Stimulates Economic Activity and Desirable Investment

- A. Maintain ongoing dialogue with key constituencies to ensure a common understanding of the City's economic development goals and development regulations
- B. Obtain regular feedback about the City's development regulations and processes
- C. Promote Tumwater as an attractive location for business investment
- D. Ensure a predictable and efficient experience for business owners and developers seeking to invest in Tumwater
- E. Provide high quality and facilitative development services and a competitive development environment

GOAL #2: Retain and Support Existing Businesses

- A. Communicate that existing businesses are valued and that the City will do what it can to retain them in the community
- B. Facilitate the development of clusters by attracting complementary businesses
- C. Collaborate with partners to understand and seek to respond to the needs of the City's existing businesses
- D. Provide resources and programs to support Tumwater's small businesses
- E. Encourage the success of Tumwater's home-based businesses

GOAL #3: Grow the City's Light Industrial and Manufacturing Sectors

- A. Communicate the continued importance of Tumwater's industrial employers and their economic impact in the community
- B. Understand and respond to the needs of industrial users
- C. Utilize the City's transportation infrastructure to support and grow its industrial and manufacturing sectors
- D. Grow and promote Tumwater's clean energy and green business sectors

GOAL #4: Make Strategic Use of the Brewery Properties and Olympia Regional Airport to Strengthen the City's Economic Base

- A. Explore strategies to acquire and stabilize the Old Brewhouse in the short-term while seeking public/private partnerships for rehabilitation consistent with the New Market Historic District Master Plan and Park, Recreation and Open Space Plan in the long-term

PRIORITY ITEM



- B. Use sub-area planning with subsequent public and private investment to revitalize the Brewery Neighborhood and take advantage of this remaining historic core to the City and valuable neighborhood asset
- C. Establish broad understanding of the future of the brewery properties and the Deschutes River Valley
- D. Encourage dynamic mixed use development of the brewery properties west of Capitol Boulevard
- E. Encourage appropriate uses east of Capitol Boulevard within the Deschutes River Valley
- F. Ensure development of properties adjacent to Cleveland Avenue is compatible with nearby residences
- G. Embrace the Olympia Regional Airport as a Valuable Economic Asset



PRIORITY ITEM

GOAL #5: Solidify and Advance the Future of Tumwater Town Center

- A. Evaluate the feasibility of the established Town Center vision for mixed use development
- B. In partnership with the Port, encourage development by establishing a non-binding master site plan for Port-owned properties within the Town Center
- C. Consider additional investments and incentives if necessary to encourage development in the medium- to long-term, such as transit centers in ideal locations
- D. Treat Tumwater's office market as an economic development asset and a foundation to build upon in advancing Town Center



PRIORITY ITEM

GOAL #6: Encourage Economic Development that Strengthens the Tumwater Community

- A. Support multiple models of community-oriented development
- B. Strengthen the identity and management of the City's business districts
- C. Support the transformation of Capitol Boulevard from Southgate to Town Center by pursuing opportunities to enhance the visual appeal of the corridor, improving the vehicular and non-vehicular transportation system, and encouraging business revitalization and site redevelopment
- D. Implement the Littlerock Road Sub-Area Plan to encourage private development in the area



PRIORITY ITEM



PRIORITY ITEM

GOAL #7: Strengthen Tumwater's Image and Advance the Community as a Regional Destination

- A. Strengthen community identity and promote a positive image
- B. Promote Tumwater as an attractive residential location for office workers
- C. Strengthen the City's tourism infrastructure
- D. Recruit educational institutions to strengthen Tumwater's economic base and enhance the dynamism of the community

HOW TO READ THIS PLAN

The City's **Vision, Mission, and Belief Statements** on page 2 provide overarching direction for the future of the community. Other direction from the Strategic Plan is shown through the document.

The **Summary of Plan Goals & Action Strategies** on pages 24 and 25 provides a high level overview of the Economic Development Plan's seven Goals and supporting Action Strategies.

The remaining pages of the document present each Goal in full detail, with introductory text, explanation of the lead and timeline for each action, and identification of priority items. The following icon is used throughout these pages to identify changes to Tumwater's zoning or development regulations.



Modifications to zoning and development regulations



Home Depot Ribbon Cutting

GOAL #1: Establish a Development Climate that Stimulates Economic Activity and Desirable Investment

The City's Strategic Plan and this Economic Development plan strongly prioritize the creation of a development climate that attracts and facilitates investment in the Tumwater community. This focus on refining the City's most fundamental interaction with business is a foundational element to the City's economic development strategy. It is an area where the City has direct influence and can affect a significant positive difference without costly investment. Further, the City recognizes that there is an opportunity to strengthen its interaction with investors and send a message to the market that investment is desired in Tumwater.

The City's regulation of and interaction with potential investors should actively facilitate desirable development, while preserving key economic and community assets such as Tumwater's natural areas and attractive residential neighborhoods. This broad aim will be accomplished by establishing a culture supportive of economic development throughout the City, as well as by making specific improvements to existing development regulations, systems, and processes.

This Goal establishes specific strategies to improve Tumwater's development climate to establish clear expectations of investors, appropriate regulations, and smooth, predictable processes. As these improvements are made, they will be promoted to potential investors, as will a summary of properties available for development or redevelopment. These communications will help raise awareness of the community's substantial development opportunities. The end result will be an increase in desirable investment in the community and achievement of the desired outcomes associated with economic development.

This Plan also calls for ongoing engagement with key stakeholder groups, including residents, business owners, property owners, and potential investors, to promote a common understanding of the need for and broader strategy behind the City's economic development efforts.



Bigrock Medical Plaza

DIRECTION FROM THE STRATEGIC PLAN

Development climate is a priority of the Strategic Plan as shown in **Goal 3: Facilitate Desirable Economic Development Consistent with the Community's Vision.**

B. Ensure that the City's development climate provides clarity, consistency, predictability, and efficiency

1. Engage in dialogue and training with Planning and Development Services staff that focuses on the City's economic development Vision and Goals, and how these align with other City objectives
 - Cultivate a strong customer service and problem solving orientation, encouraging staff to welcome investment in the community and proactively seek outcomes that help employers and developers achieve project success that aligns with the City's development desires
2. Review and revise the City's development regulations, codes, and processes to ensure they align with the Vision and Goals articulated in the Strategic Plan and Economic Development Plan
3. Continue to enhance the efficiency and predictability of the City's permitting process by implementing the Latimore Report recommendations and pursuing other opportunities
4. Establish a feedback mechanism to allow the regular revision of the City's codes and practices based on recent project experience by meeting annually to discuss the City's Vision and implementation successes and challenges. Participation should include Council and Planning Commission members, Planning and Development Services staff, and the Hearing Examiner when appropriate
5. Create opportunities for regular dialogue on economic development topics with members of the development community and Tumwater residents
6. Utilize incentives such as reducing or waiving fees in specific and targeted cases where analysis shows that they may help bridge the gap between market reality and the community's Vision
7. Establish benchmarks to measure and track performance

The Strategic Plan requires engagement with community members and staff around issues of economic development as shown in the excerpt below.

Goal 3: Facilitate Desirable Economic Development Consistent with the Community's Vision

A. Build understanding and support for the City's economic development efforts internally, among community members, and with key partners

1. Seek to add a staff position dedicated to economic development when resources allow, evaluating opportunities and needs relative to other potential positions
 - Prior to creation of a dedicated position, assign responsibilities and tasks to existing staff as appropriate given their current duties and engage City Councilmembers and key community and regional partners
2. Ensure the whole City organization understands the City's economic development goals, including elected officials and staff
 - Launch implementation of this Plan with discussions with Councilmembers, Planning Commissioners, and staff, refreshing these conversations on at least an annual basis
 - Reinforce practices and approaches that adhere to the Vision and provide predictability and support for desirable investment in the community
 - Incorporate economic development priorities as criteria in City policy making
3. Communicate the importance of economic development to City partners, residents, business owners, and members of the development community, highlighting Tumwater's updated approach to economic development
 - Hold open houses and workshops to launch implementation of the Strategic and Economic Development Plans, communicating the broad benefits anticipated from the City's economic development efforts
 - Use the completion of these plans as an opportunity to engage in conversation with key partners and establish mechanisms for ongoing collaboration

ECONOMIC DEVELOPMENT ROUNDTABLE

A number of strategies in this section build on an Economic Development Roundtable concept. This is envisioned to be an annual event that brings together a wide range of community stakeholders to discuss economic development issues. Invited members of the community would include residents, business and property owners, real estate agents and developers active in the region, and regional economic development entities. Topics for discussion would include feedback on the City’s business and development climate, current challenges faced by businesses, and pending opportunities that could serve as focal points for the coming year.

	Lead	Ongoing	Years		
			1-3	4-6	7+
A. Maintain ongoing dialogue with key constituencies to ensure a common understanding of the City’s economic development goals and development regulations	City Admin				
1. Launch implementation of this Economic Development Plan with outreach to the City’s economic development partners <ul style="list-style-type: none"> ■ Discuss the City’s vision and purpose ■ Explore opportunities to expand coordination and collaboration among the City and its economic development partners 		✓			
2. Establish an annual Economic Development Roundtable and invite the participation of residents, business and property owners, and developers active in the region			✓		
3. Establish an economic development email to provide regular updates of the City’s economic development efforts and private sector development activity	Ed Staff	-	-	-	-
4. Obtain diverse and representative input when significant policy changes are considered, seeking input by residents, business owners, and members of the development community		✓			
5. Communicate regularly with residents about the City’s economic development goals and efforts <ul style="list-style-type: none"> ■ 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 		✓			

		Years				
	Lead	Ongoing	1-3	4-6	7+	
6.	Maintain strong connections to Tumwater’s business owners, treating them as key community stakeholders	✓				
	<ul style="list-style-type: none"> ■ Modify the City’s contract with the Thurston County Economic Development Council to include a summary of feedback on the City’s development climate obtained through the EDC’s business outreach efforts ■ Explore opportunities to obtain feedback on the City’s development climate through the Port’s tenant outreach process ■ Invite business owners to participate in the City’s annual Economic Development Roundtable and to receive the City’s economic development email updates 	<ul style="list-style-type: none"> ✓ ✓ ✓ 				
	<ul style="list-style-type: none"> ■ Conduct annual outreach to the City’s largest employers 	ED Staff	-	-	-	
	<ul style="list-style-type: none"> ■ Conduct “exit interviews” with businesses that leave Tumwater 	ED Staff	-	-	-	
	<ul style="list-style-type: none"> ■ Establish a single point of contact at the staff level for the City’s economic development partners and continue to participate regularly in partner meetings 	City Admin	✓			
7.	Maintain connections to the development community	✓				
	<ul style="list-style-type: none"> ■ 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 	City Admin	✓			



			Years				
		Lead	Ongoing	1-3	4-6	7+	
<p>B. Obtain regular feedback about the City's development regulations and processes</p> <ol style="list-style-type: none"> Solicit feedback on the City's development climate during an annual Economic Development Roundtable (see A2, above) Establish a "customer satisfaction survey" for individuals who interact significantly with the City's development services Proactively seek input from randomly selected business owners and developers involved in various points of the City's development process 	City Admin		✓				
	<p>C. Promote Tumwater as an attractive location for business investment</p> <ol style="list-style-type: none"> Establish key economic development messages to be communicated on the City's website, in printed materials, and in economic development events and discussions 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 home page Provide "plain talk" interpretations of the City's development regulations on the City's website and in simple printed handouts Continue to collaborate with partners to market opportunities in Tumwater Create promotional collateral that describes the City's demographics, market position, and specific development opportunities <ul style="list-style-type: none"> 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 	City Admin or ED Staff			✓		
					✓		
				✓			
						✓	

PROMOTING TUMWATER TO INVESTORS

Key messages include:

- » Communicate that economic investment in Tumwater is desired
- » Promote the City's development climate, with predictable processes and competitive regulations and fees 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

TUMWATER'S DEVELOPMENT OPPORTUNITIES

Action Strategy C at right calls for actively promoting development opportunities in Tumwater using printed and on-line materials to aggregate and highlight opportunities by geographic area and development type. These materials can be featured on the City's website and used in conversation with business owners looking to expand or locate in Tumwater, investors active in the region, and the City's economic development partners.

The following brief descriptions highlight key areas with economic development potential for new development or redevelopment:

Capitol Boulevard: Redevelopment opportunities along this important corridor should be aggregated and promoted collectively, describing the attractive characteristics of the area, including access to I-5, commute volumes, and proximity to neighborhoods, as well as the community's desire for a dynamic and walkable business district.

Littlerock Road Subarea: Opportunities for both large-scale retail development and neighborhood-scale commercial in this area should be promoted, consistent with the Littlerock Road Subarea Plan.

Doelman Properties: Development opportunities for a mixed use development with commercial, retail and a variety of housing types should be promoted, consistent with the vision for a "village" in the City's Comprehensive Plan. The Plan calls for housing close to needed services, such as commercial establishments, Black Hills High School and the transit route along Littlerock Road.

Tumwater Boulevard West of I-5: The City implemented a zoning amendment in 2008 that would allow the location of automobile dealerships in this area. This opportunity should be promoted given the region's strength in automobile sales, the potential tax revenues such uses may generate, and the ability to access dealerships easily from I-5 without disrupting nearby neighborhoods.

93rd Avenue Southwest: With the 93rd Avenue interchange, this area is well-suited to uses that benefit from easy access to I-5. Desirable uses for this area include large-scale retail and industrial businesses, both of which are consistent with the existing Light Industrial zoning.

Brewery Properties: Goal 4 of this Plan focuses on promoting desirable use of the brewery properties, including dynamic mixed use development west of Capitol Boulevard that features a regional retail or entertainment destination and light industrial employers east of Capitol.

Town Center: Promotion of development opportunities within the Town Center should correspond to the results of the effort described in Goal 5 Action Strategy A to evaluate the feasibility of the established vision for the area, and in alignment with the non-binding master site plan called for in Goal 5 Action Strategy B.

Airport: Promotion of development within and around the Olympia Regional Airport should be done in collaboration with the Port of Olympia. Use of the airport for tourism travel to and from the region, linking the airport to local restaurants and hotels, would be a great benefit to the area. The City should collaborate with the Port to support and recruit airport-related businesses such as flight schools and aircraft design and repair firms.

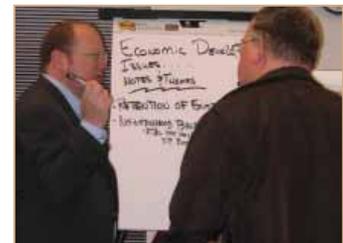
Mottman Industrial Park: Redevelopment opportunities should be promoted, as much of this area was developed in the 1980s. The City should recruit businesses that can take advantage of the transportation assets in this area, including rail and access of I-5.

Community-oriented development: Opportunities for neighborhood-serving retail and grocery-anchored retail centers throughout the City should be aggregated and promoted collectively.

PRIORITY ITEM 

		Lead	Ongoing	Years		
				1-3	4-6	7+
D. Ensure a predictable and efficient experience for business owners and developers seeking to invest in Tumwater	City Admin.	✓				
			✓			
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. Avoiding mid-stream changes to development regulations in response to particular development proposals			✓			
E. Provide high quality and facilitative development services and a competitive development environment	City Admin.					
				✓		
				✓		
				✓		
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. Fully implement the Latimore Report recommendations to improve the operations of the City's development services functions				✓		
3. Establish economic development and the potential to stimulate private investment as a criteria in the City's decision making process for allocating capital funding				✓		
<ul style="list-style-type: none"> ■ Prioritize capital investment in areas with economic development potential, with a short-term focus on Capitol Boulevard and the Littlerock Road Subarea 						

		Years				
		Lead	Ongoing	1-3	4-6	7+
4.	Use education, training, and strong leadership to maintain a Development Services culture with a strong customer-service orientation <ul style="list-style-type: none"> Encourage staff to help business owners and potential investors find suitable sites and solutions to challenges they encounter, while adhering to the community Vision and development regulations 		✓			
5.	Ensure consistent, accurate, and easily understood information is provided by Development Services staff <ul style="list-style-type: none"> Create “plain talk” handouts describing the City’s development regulations and how investors can successfully conduct business within the City of Tumwater Establish protocols about what information should be provided at specific points in the development process Establish mechanisms to document what information has been provided to individual prospective investors at different points in the development process 		✓	✓	✓	
6.	Establish and track timelines for routine tasks and processing, including deadlines for response to inquiries by business owners and potential developers			✓		
7.	Consider timing the collection of impact fees to coincide with the beginning of the impact to City services			✓		
8.	Consider an earlier vesting period for land use and zoning regulations to enable the City of Tumwater to better attract desirable development projects			✓		



Public Open House, January 2008



		Years				
		Lead	Ongoing	1-3	4-6	7+
	9. Consider amending the Tumwater Municipal code to establish a process for the Development Services Director to approve expedited processing of permit applications upon the request of a permit applicant			✓		
	10. Consider establishing an enterprise fund to allow the purchase of up-to-date tools and systems to manage permitting			✓		
	11. Benchmark the City's practices and regulations against those of neighboring communities		✓			
	<ul style="list-style-type: none"> ■ 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 					
	12. Track development inquiries and the status of investments by type and location		✓			
	<ul style="list-style-type: none"> ■ Provide quarterly summaries for use by elected officials and staff and as material for the City's economic development marketing efforts 					



ENTERPRISE FUND

The income produced by a City's revenue-generating activity may in turn be invested in the systems that support the activity. In this case, the recommendation is to use all or a portion of the City's permit fees to purchase the tools needed to effectively manage the permitting process. Potential investments include a comprehensive permit tracking system with web-based progress reports for permit recipients.

VESTING

“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 as RCW 19.27.095(1). A local government may enact its own vesting ordinance so long as it is not 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 relative to other cities in the region without compromising the City’s responsibility to ensure that projects are in concordance with its development regulations.

In modifying the City’s vesting process, ensure that the following goals are met:

- » Support the fundamental objective of providing predictability for property owners and developers, limiting mid-stream changes to the City’s development regulations by vesting appropriately, when project details are sufficiently solidified and communicated to the City
- » Remove a hindrance to economic development by ensuring the City’s development climate is competitive with neighboring jurisdictions
- » Require revesting if significant project changes are proposed, or if development does not occur within a determined time period
- » Avoid changes that cut short the public’s opportunity to comment on development proposals

EXPEDITED PERMITTING

The ability for a developer to move a project through the permitting process in a timely fashion can be extremely important. Depending on the nature of the project, the time required for this process can be a critical factor in determining in which community to build. By offering an expedited option, Tumwater will be in a more competitive position to receive such an investment.

As this option is developed, the City will consider the following conditions and alternatives to ensure there are no associated negative consequences:

- » An expedited processing schedule should be approved only if other permit applications will not 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



Tumwater Fred Meyer on Littlerock Road

GOAL #2: Retain and Support Existing Businesses

The retention and expansion of existing enterprises is an important starting-point for continued economic prosperity. The strategies contained in this Goal generally follow a two-step process of first engaging with the business community to understand the challenges and opportunities faced by private sector business owners and then by responding in a supportive fashion as resources and limitations on the role of the City allow. This is an area in which collaboration with its economic development partners can greatly augment what the City is able to do on its own.

The strategies on the following pages make use of an interrelationship between business retention and business attraction. By being a business-supportive community, Tumwater will develop a positive reputation that may attract new businesses. In addition, through its business retention outreach, the City will learn about potential new businesses that would complement existing businesses. Synergistic relationships can be used to strengthen existing businesses by placing their suppliers, contractors, and other supporting partners near them, as well as growing a cluster of related businesses.

Tumwater's diverse economy hosts businesses that include multinational corporations, mid-sized businesses, small businesses, and nascent home-based businesses. Strategies for larger businesses include outreach and direct assistance on issues that can be addressed by the City and its partners. Support for small businesses is primarily to be provided in collaboration with the City's partners, and the strategies around home-based businesses are exploratory in nature, directing the City and its partners to better understand the needs and significance of this sector before committing to specific supporting strategies.

DIRECTION FROM THE STRATEGIC PLAN

The Strategic Plan's discussion of economic development prioritizes a continued focus on a diverse economy, including valuing, retaining, and growing Tumwater's existing businesses.

Goal 3: Facilitate Desirable Economic Development Consistent with the Community's Vision

C. Provide strong support for the retention and expansion of the City's existing businesses

1. Be aware of and seek to respond to the issues faced by the City's businesses
2. Seek opportunities to support the continuing operations and expansion of the City's existing businesses
 - Explore opportunities to act as efficiently and effectively as possible by coordinating and collaborating with the City's economic development partners
 - Provide staff assistance as Planning and Development Services resources allow

		Years				
	Lead	Ongoing	1-3	4-6	7+	
A. Communicate that existing businesses are valued and that the City will do what it can to retain them in the community	City Admin	✓				
B. Facilitate the development of clusters by attracting complementary businesses	ED staff	-	-	-	-	
1. Identify potentially synergistic industries and individual businesses during outreach to existing businesses and State offices		-	-	-	-	
C. Collaborate with partners to understand and seek to respond to the needs of existing businesses	ED staff	-	-	-	-	
1. As staffing allows, appoint a “Business Ombudsman” to serve as a first point of contact for businesses requesting assistance from the City	ED staff	-	-	-	-	
2. Provide site location and permitting assistance services for businesses seeking to expand	Dev Services	✓				
3. Form a “red flag committee” comprised of City and public and private sector partners to anticipate and respond to businesses who are considering leaving the community <ul style="list-style-type: none"> ■ Reach out to firms that may leave and address contributing issues if feasible 	City Admin		✓			
4. Conduct a “business survivability” survey with the City’s partners to understand the most critical needs of the area’s businesses	ED staff/ Others		✓			
5. Include consideration of infrastructure needs by businesses, seeking to adapt the City’s investments to conform with evolving needs	ED staff/ Others		✓			
6. Partner with the School District and the New Market Skills Center to provide targeted workforce development and connect these organizations with businesses that are hiring	ED staff	-	-	-	-	

Related Strategies

- » ED Plan: Goal 3 – light industrial and manufacturing
- » ED Plan: Goal 5 – office uses

		Years				
	Lead	Ongoing	1-3	4-6	7+	
D. Provide resources and programs to support Tumwater’s small businesses		City Admin				
1.	Ensure that the City’s development regulations are responsive to the needs of small businesses, addressing concerns raised through outreach to business owners		✓			
2.	Work with the City’s partners to support businesses	✓				
	Potential options include:					
	<ul style="list-style-type: none"> ■ Publication of a local business directory ■ Establish a shop-local campaign, discount program, or local currency ■ Trainings for business owners ■ A business mentoring program ■ Providing support and training to independent businesses, enabling them to identify strategic niches and thrive ■ A grant/loan program for façade improvement, landscaping, or working capital 					
E. Encourage the success of Tumwater’s home-based businesses		Planning or ED Staff				
1.	Ensure that the City’s regulations avoid barriers to home-based businesses while minimizing negative impacts on nearby residents		✓			
2.	Collaborate with partners to track and evaluate the significance of the City’s home-based business sector, evaluating the likely costs and benefits associated with strategies to support this sector			✓		
	<ul style="list-style-type: none"> ■ Potential strategies include a mentoring program, facilitated gatherings of home-based entrepreneurs, shared meeting space and support services, or more in-depth incubation services. 					



Pelligrino’s Italian Kitchen





Tumwater Printing



Harbor Wholesale Grocery



Apex Karting

GOAL #3: Grow the City's Light Industrial and Manufacturing Sectors

Tumwater is fortunate to have an economic base that includes light industrial and manufacturing employers that offer living wage jobs and draw economic activity to the area. This Plan establishes strategies to acknowledge, retain, and grow these firms.

The City's transportation infrastructure, including rail and freeway access and the presence of an airport, its location, and its lands with developable capacity are strengths to be utilized in these efforts. These assets position the City and its businesses well to participate in the emerging clean energy industry. The City and its partners can take an active role in strengthening existing clean energy businesses, helping local businesses grow into this market, and attracting new enterprises to grow the industry.

DIRECTION FROM THE STRATEGIC PLAN

The Strategic Plan's discussion of economic development prioritizes a continued focus on a diverse economy, including valuing, retaining, and growing Tumwater's existing businesses.

Goal 3: Facilitate Desirable Economic Development Consistent with the Community's Vision

D. Develop tools and capacity to proactively encourage business growth in targeted sectors

4. Retain, grow, and support the evolution the City's light industrial and manufacturing firms
 - Support development and redevelopment opportunities at Mottman Industrial Park, on Port- and privately-held lands around the airport, and in other appropriately zoned areas
 - Encourage growth of the City's clean technology and "green jobs" industries
 - Explore creative options to take advantage of the presence of Olympia Regional Airport

			Years			
		Lead	Ongoing	1-3	4-6	7+
A.	Communicate the continued importance of Tumwater’s industrial employers and their economic impact in the community	City Admin	✓			
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	City Admin	✓			
	2. Evaluate tree protection standards and consider an approach with different standards for different uses, including more flexibility for industrial uses	Planning		✓		
	3. Conduct targeted outreach to understand and support the needs and redevelopment opportunities within the City’s land zoned for industrial use	ED staff	-	-	-	-
	4. Address logistics use (warehouse, distribution, order-fulfillment, etc.) issues by defining locations and development standards which would minimize their impact on incompatible uses, create jobs, expand the tax base, and facilitate and support manufacturing and retail uses in Tumwater	Planning		✓		
C.	Utilize the City’s transportation infrastructure to support and grow its industrial and manufacturing sectors					
	1. Locate new industrial uses in areas well-served by truck routes that provide easy highway connections and minimize disruption to other users	Planning	✓			
	2. Ensure that there are adequate truck routes to connect existing industrial areas to the highway	Planning		✓		
	3. Recruit businesses that would benefit from the City’s transportation assets, including the airport, access to I-5, and rail	ED staff	-	-	-	-
	4. Encourage appropriate light industrial uses on the brewery properties east of Capitol Boulevard	Planning		✓		
	5. Seek grants to strengthen the City’s rail infrastructure	ED staff	-	-	-	-



PRIORITY ITEM

Related Strategy
» Goal 4, Action Strategy E

	Lead	Ongoing	Years			
			1-3	4-6	7+	
D. Grow and promote Tumwater's clean energy and green business sectors						
1. Monitor State efforts to understand and strengthen this portion of the economy	City Admin or ED Staff	✓				
2. Reach out to existing green businesses to understand and support their needs and to develop effective strategies to recruit similar businesses	ED staff	-	-	-	-	-
3. Work with partners to recognize and promote Tumwater's existing clean energy firms and green businesses	ED staff	-	-	-	-	-
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	ED staff	-	-	-	-	-
5. Incorporate economic development initiatives and the promotion of Tumwater as a green community through a City Sustainability Strategy	City Admin			✓		
6. Work with partners to encourage recycling and energy conservation by Tumwater businesses	ED staff	-	-	-	-	-
7. Participate in regional clean energy organizations and events	ED staff	-	-	-	-	-

CLEAN ENERGY



Washington State and many individual communities are investing heavily in the development of a nationally and internationally competitive clean energy industry. This interest is fueled by both environmental and economic motivations, with “green jobs” discussed perhaps more frequently than the environmental benefits anticipated with a shift towards renewable energy forms.

Tumwater is well-situated to benefit from the growth of this sector. Many clean energy jobs will be with the light industrial and manufacturing firms that find the City's buildable lands capacity, multi-modal transportation infrastructure, and educated workforce to be strong locational advantages. Clean energy represents a real opportunity to attract new businesses to Tumwater based on these assets, and a way for existing businesses to diversify into new markets. Growth in this sector is likely to be well-supported by residents, as it congruent with the values and aspirations articulated by many community stakeholders throughout this planning process.



The former Olympia Brewing Company properties

GOAL #4: Make Strategic Use of the Brewery Properties and Olympia Regional Airport to Strengthen the City's Economic Base

The former Olympia Brewing Company properties and Olympia Regional Airport are key economic development assets, important to both Tumwater and the broader region. Both feature specific challenges that need to be addressed collaboratively, and both have the potential to serve as economic engines and iconic symbols for Tumwater long into the future. In the case of the brewery properties, achieving this status would return them to the role they historically played in the community.

This Plan establishes desired uses and specific strategies for four portions of the brewery properties as described in the section below. A strategy of early engagement with the regional community is an important step to establish a common and accurate understanding of the properties' development potential given environmental and financial challenges.

ESTABLISHMENT OF THE BREWERY NEIGHBORHOOD

While much of the old Tumwater was removed by the construction of I-5, the area around the Brewery property contains the remnants of the old downtown and looks and functions like a historic core for the City. Called the Brewery Neighborhood, it is the area generally bounded by 2nd Avenue, the cemeteries on Cleveland Avenue, Historical Park and M Street. The area provides a mix of commercial, office, retail, restaurant, residential and civic uses, and draws both freeway activity as well as activity from the City's Old Town Center facility, the Tumwater Square retail area that is anchored by Safeway, the regional cemeteries and the close proximity to Olympia. Redevelopment of the brewery site would result in significantly greater employment and intensity of activity in the area. The neighborhood provides opportunities for mixed use development, additional commerce, investment in civic infrastructure for gathering places and pedestrian improvements, entertainment uses, pedestrian-oriented development, and preservation of the remaining historic center of the City.

While the future contributions of the Olympia Regional Airport to the City and regional economy are difficult to foresee, it is clear that the airfield should be protected and developed as future opportunities arise to the greatest benefit of the regional community. While this plan establishes strategies to continue to grow airport-related businesses in the short-term, the airport's greater value will likely be recognized many years from now through the continued cultivation of this unique asset.

DESIRED USES FOR SPECIFIC PORTIONS OF THE BREWERY PROPERTIES

West of Capitol Boulevard

The parcels west of Capitol Boulevard on the north and south sides of Custer Avenue hold the possibility of a retail, entertainment, or cultural destination, as well as office or residential uses. These parcels contain the offices and production facilities for the former brewery constructed in 1933. The location along and overlooking the Deschutes River, with high visibility from the freeway and close proximity to the City's Historic District, makes this a very unique economic and community development opportunity. While the City's strategy is to remain flexible to different development proposals rather than requiring specific uses, inappropriate uses will be restricted so that the site is developed in a way that recognizes its potential contributions to the local and regional economy and identity.

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.

East of Capitol Boulevard within the Deschutes River Valley

The parcels East of Capitol Boulevard have the potential to once again serve as a center of light industrial employment. The City will encourage appropriate uses that benefit from rail access, contribute to the community's employment base, and coexist with nearby residents.

The site's environmental characteristics will affect redevelopment opportunities in this area, particularly on 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 and should be a consideration in determining appropriate uses for this area.

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 for their water rights. Two one-acre parcels are located adjacent to Cleveland Avenue and are undeveloped.

Given the proximity of residential uses, this Plan recommends zoning changes that would prohibit incompatible uses in this area.

Old Brewhouse

The historic brewery complex was built beginning in 1905 across the river from the residential center of early Tumwater. In 1921, the brewery closed and the site was sold. The Olympia Brewery purchased the site in 1965 for storage, and the structure has remained in private ownership since that time. This Plan and the Strategic Plan recommend the City to continue to explore strategies to acquire and stabilize the Old Brewhouse, and to seek public/private partnerships for its rehabilitation.

DIRECTION FROM THE STRATEGIC PLAN

Vision for the Brewery Property and the River Corridor, including Pioneer Park and the Golf Course

The vision for this key community opportunity is a dynamic, highly utilized public space with commercial, residential, and community gathering uses. Given its setting, the property has potential to serve as a regional draw, perhaps featuring destination-retail or entertainment uses.

Given the challenges of the site, however, the City adopts a flexible approach to future uses on the site, with the clear restriction of uses such as pure heavy industrial or warehousing that would squander the property's potential. Key strategies include immediate reconsideration of zoning to prohibit undesirable uses, engaging proactively to assist the property owner in marketing the site, establishing an integrated plan connecting the brewery properties to adjacent areas, and potentially assisting development through public infrastructure investment or creative partnerships. All of these efforts should be designed to facilitate the use of this extraordinary site in ways befitting its history and potential.

Related Strategies

A. Encourage the dynamic utilization of the brewery property with community access to the river and integration with the larger river corridor and golf course

1. Be open to various uses for the brewery site while encouraging public access to the river and an extraordinary development appropriate for the site's significance
 - Apply zoning that prohibits clearly undesirable uses
2. Develop a vision and/or plan for the larger area around the brewery property, incorporating the whole river valley and properties between Capitol Boulevard and Cleveland Avenue
3. Take a phased approach to supporting private development of the property
 - Be in proactive conversation with the owner and market the property
 - Explore more aggressive options such as infrastructure investment, public private partnerships, and potential acquisition by the City

	Lead	Ongoing	Years		
			1-3	4-6	7+
<p>A. Explore strategies to acquire and stabilize the Old Brewhouse in the short term while seeking public/private partnerships for rehabilitation consistent with the New Market Historic District Master Plan and Park, Recreation and Open Space Plan in the long-term</p>	City Admin	✓			
<p>B. Use sub-area planning with subsequent public and private investment to revitalize the Brewery Neighborhood and take advantage of this remaining historic core to the City and valuable neighborhood asset</p> <ol style="list-style-type: none"> 1. Work with the stakeholders in and around the Brewery Neighborhood to develop a sub-area plan which would guide public and private investment 2. Strategically invest in infrastructure, parks and open space, historic and cultural, arts, recreation, and promotional opportunities to revitalize the Brewery Neighborhood consistent with the sub-area plan 	Planning		✓		
<p>C. Establish broad understanding of the future of the brewery properties and the Deschutes River Valley</p> <ol style="list-style-type: none"> 1. Engage the regional community in a discussion of the brewery properties to facilitate common understanding of the property's constraints and development potential and to build realistic support for subsequent development 2. Conduct a hydraulic study of the Deschutes River Valley to evaluate opportunities to restore the river channel and reduce the risk of flooding in the valley 	Planning		✓	✓	



← PRIORITY ITEM

		Years				
	Lead	Ongoing	1-3	4-6	7+	
D. Encourage dynamic mixed use development of the brewery properties west of Capitol Boulevard						
	1. Evaluate applying the City’s Mixed Use zone to this area to guide future development and encourage a dynamic mix of uses on the site		✓			
	2. Encourage uses that take full advantage of the unique characteristics of the brewery properties to create a regional retail, entertainment, or cultural draw, considering office and/or housing uses as well		✓	✓		
	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		✓			
E. 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, will not be negatively impacted by seasonal flood events, and will not impact area roads with high volumes of truck traffic		✓			
	2. Evaluate establishing a Light Industrial overlay zone to narrow the types of allowable uses in this area			✓		
	3. Proactively pursue permission for businesses and customers to cross the railroad tracks from Union Pacific			✓		
	4. 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		✓			

		Years				
		Lead	Ongoing	1-3	4-6	7+
	F. Ensure development of properties adjacent to Cleveland Avenue is compatible with nearby residences	Planning		✓		
	1. Evaluate rezoning the four Light Industrial-zoned parcels to residential This zoning will ensure that future development in this area will be compatible with adjacent residential neighborhoods to the south and east					
	G. Embrace the Olympia Regional Airport as a Valuable Economic Asset	City Admin				
	1. Support the continued use of the airport and lands adjacent to the airport for aviation and aviation-related uses		✓			
	2. Collaborate with partners to support and recruit airport-related businesses		✓			
	<ul style="list-style-type: none"> ■ Recruit directly airport-dependent businesses such as flight schools, aircraft design or repair firms, and aircraft upholsterers ■ Recruit businesses that use the airport for the movement of people or freight 			✓		
	3. Encourage the implementation of regularly scheduled passenger air traffic					✓
	4. Encourage use of the airport for tourism travel to and from the region, linking the airport to local restaurants and hotels		✓			



Old Olympia Airport Hanger/Terminal at Olympia Regional Airport



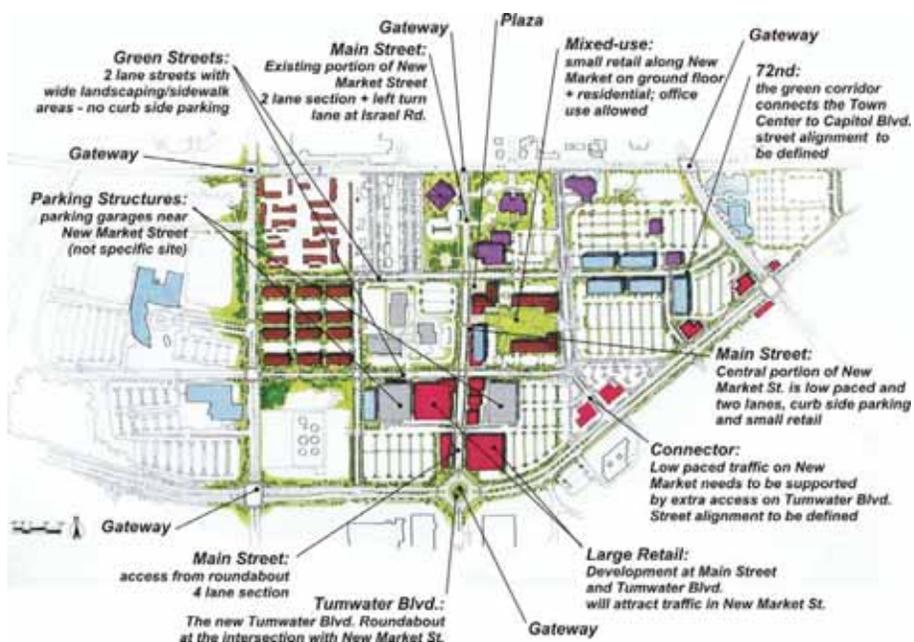
Old Towne Plaza

GOAL #5: Solidify and Advance the Future of Tumwater Town Center

The established vision for Tumwater Town Center calls for a mix of retail, office, and service businesses, as well as residential uses and community gathering facilities. Since this vision was articulated in the Tumwater Town Center Plan Street Design in 2004, subsequent development has occurred in the form of State office buildings and ancillary supporting retailers, restaurants, and services.

While the mixed use development of Town Center is a long-term vision that may require patience, time, and public investment to achieve, it is prudent to continue to test its viability and modify the approach if necessary. This Plan calls for examining the likelihood of achieving the established vision given available residential lands, and for establishing a non-binding master plan based on the results of this test. This master plan would resolve ambiguities that persist in the marketplace about the properties and provide certainty for future development.

The existing office buildings in the area, many of which house State agencies, will serve as a foundation for efforts to advance the Town Center project, whether the established mixed use vision remains or is modified. This Plan calls for treating these offices as an economic development asset to be retained and expanded upon through the attraction of complementary businesses.



Town Center Street Design

DIRECTION FROM THE STRATEGIC PLAN

Town Center Vision

The established vision for Tumwater Town Center integrates a mix of retail, office, and service businesses, as well as residential uses and community gathering facilities. The City remains committed to this vision, recognizing that its achievement may take time.

Key strategies for advancing the Town Center plan include partnering with the Port to establish and advance a common vision and investing in street infrastructure or place-making elements such as fountains, parks, and open spaces that will make the location more attractive for residential uses. Incentives such as the Multifamily Tax Abatement Program or the reduction or elimination impact fees for residential uses should also be considered to spur residential development that is not otherwise likely to occur.

Related Strategies

C. Support the established vision for Town Center

1. Confirm a common vision for the Town Center through proactive discussions with the Port
2. Encourage residential development in and around Town Center
3. Implement the Israel-Tumwater Boulevard street connection planning and engineering phase
4. Implement the sign plan
5. Continue to monitor the market and the impact of new office buildings, considering more aggressive City actions if desired market activity is not realized
 - Explore more aggressive options such as infrastructure investment, public private partnerships, and potential acquisition by the City



Point Plaza East Office Building on Israel Road

	Lead	Ongoing	Years		
			1-3	4-6	7+
<p>A. Evaluate the feasibility of the established Town Center vision for mixed use development</p> <p>1. Compare the residential density required to support the mixed use vision for Town Center with the buildable capacity of available land</p>	Planning		✓		
<p>B. In partnership with the Port, encourage development by establishing a non-binding master site plan for Port-owned properties within the Town Center</p> <p>1. Determine allowable uses, roads, transit service, and public amenities in concordance with the results of the Town Center Feasibility Study</p> <ul style="list-style-type: none"> ■ 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 <ul style="list-style-type: none"> - 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 to reduce the size of existing blocks 	Planning		✓		



Edna Lucille Goodrich Office Building on Linderson Way

	Lead	Ongoing	Years		
			1-3	4-6	7+
2. Incorporate Mazama Pocket Gopher protection in a comprehensive and proactive manner within the master site plan <ul style="list-style-type: none"> ■ 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 ■ 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, such as transit centers in ideal locations	City Admin				✓
D. Treat Tumwater’s office market as an economic development asset and a foundation to build upon in advancing the Town Center					
1. Retain existing office-based employers and recruit complementary uses, including suppliers, contractors, and other retail and service businesses that frequently interact with State agencies <ul style="list-style-type: none"> ■ Conduct regular outreach to State agencies to understand and respond to their needs ■ Understand the types of businesses that State agencies frequently interact with and recruit firms to locate nearby 	ED staff	-	-	-	-
2. Concentrate the location of State offices by advising the State Capitol Committee against future expansions of the Preferred Leasing and Development Areas	City Admin	✓			

PRIORITY ITEM 



- 3. Build commercial service nodes around office locations
 - Ensure zoning and traffic infrastructure allows the creation of commercial nodes near office complexes
 - Establish walking linkages between office complexes and Capitol Boulevard

	Lead	Ongoing	Years		
			1-3	4-6	7+
	Planning	✓			
			✓		
				✓	



Mason Jar Restaurant



O Bee Credit Union



Olympia Federal Savings

GOAL #6: Encourage Economic Development that Strengthens the Tumwater Community

Tumwater has the potential to develop a number of business districts, each with its own character and role in the larger economy. A variety of models of community-oriented development are encouraged in this Economic Development Plan, including both small neighborhood-serving nodes and larger community retail centers anchored by a grocery store. While these development forms can be encouraged through zoning and infrastructure investment, the City's greatest contributions may lie in its ability to help create vibrant business districts, each with engaged business owners and an attractive and cohesive look and feel.

Capitol Boulevard and the Littlerock Road Subarea are important short-term economic development opportunities, as they are changing and hold significant potential for development and redevelopment. Both areas are located near entrances to the City from I-5 and their development will help to define Tumwater's image in the region. City guidance and support via targeted infrastructure investment are important priorities of this Plan to ensure that these opportunities are fully realized.

		Years				
		Lead	Ongoing	1-3	4-6	7+
A. Support multiple models of community-oriented development		Planning				
	1. Clearly define differently-scaled models of community-oriented development, describing desirable development and community benefits for each			✓		
	2. Revise the development standards for the City's Neighborhood Commercial zone to encourage small-scale retail uses that can serve the needs of local neighborhoods			✓		
	3. Encourage the location of grocery-anchored centers in appropriate locations through zoning and potential infrastructure investment				✓	
	<ul style="list-style-type: none"> ■ Identify appropriate and feasible locations for such development and evaluate existing zoning to ensure desired development is possible ■ Spur development if necessary by: <ul style="list-style-type: none"> - Investing in street or parking infrastructure - Consider zoning changes or other means to increase nearby residential population - Increase market draw by attracting anchor tenants or locating active civic uses in the area 					
						

DIRECTION FROM THE STRATEGIC PLAN

Goal 3, Action Strategy D

2. Support the development and success of additional neighborhood scale commercial areas in undeveloped and developed areas of the City



COMMUNITY-ORIENTED DEVELOPMENT

Models of community-oriented development should include both of the types described below:

- » **Neighborhood commercial nodes** are small-scale developments with convenience retail establishments, restaurants, or service businesses that serve residents in the immediate area. The City's existing Neighborhood Commercial zone is intended to allow this form of development. Neighborhood nodes enhance quality of life and make a community more desirable by providing convenient walking or driving access to daily goods and services, but do not generate significant additional jobs or enhance the City's tax base.
- » **Grocery-anchored centers** such as Tumwater Square are larger than neighborhood commercial nodes, consisting of a full grocery store and additional businesses that collocate in the same complex. Such centers require additional population and vehicle access and can provide more significant economic development benefits by capturing the spending of local residents and – depending on their location – residents from outside the city.



Tumwater Southgate Center on Capitol Boulevard

DESIGN ASSISTANCE PROGRAMS

As an economic development strategy designed to support businesses and encourage high-quality development that meets design guidelines, cities may offer design assistance to property owners or businesses. This assistance is typically provided by paying for the services of qualified architects or designers, or by students at a local college or university.

Many programs designate a targeted geographic area or business district within which businesses may be eligible for the program. Some programs set a cap on the size of the business (number of employees), the number of times a business may receive assistance within a set time period, or the total amount of subsidized services to be provided by the program within a given year.

	Lead	Ongoing	Years		
			1-3	4-6	7+
B. Strengthen the identity and management of the City's business districts	Planning & ED Staff				
1. Name, demarcate, and promote the City's business districts to develop them as distinct, attractive, and vibrant commercial centers			✓		
2. Explore opportunities and partnerships to offer design assistance to property owners or business owners seeking to comply with design guidelines or business district visions			✓		
3. Provide facilitation or technical assistance to business owners interested in establishing a Business Improvement Area or other models				✓	

BUSINESS DISTRICTS

Business districts serve to strengthen a defined commercial area's cohesion by coordinating and strengthening the individual businesses that participate. Successful districts result in a stronger sense of place with a unique local feel and a vibrant collection of businesses. Business districts are most likely to succeed when they are established in defined geographic areas with some pre-existing sense of identity and a base of existing business owners willing to work together for a common goal.

Strategies cities may take to strengthen business districts include:

- » Initiate a public process to identify and name the City's business districts
- » Developing a printed and web-based map that identifies business districts and neighborhoods
- » Enhancing sense of place through signage, banner, street art, and other identifying markers
- » Investing in streetscape infrastructure
- » Developing renderings to enable residents, property owners, and business owners to visualize the desired future of select districts
- » Establishing unifying design guidelines
- » Associating City events with specific businesses districts

DIRECTION FROM THE STRATEGIC PLAN

Vision for Capitol Boulevard

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.

B. Support the market-driven transformation Capitol Boulevard from Southgate to Town Center

1. Improve the visual appeal of the Capitol Boulevard corridor
2. Utilize infrastructure investment, design regulations, and potential incentives to encourage pedestrian-oriented development
3. Identify key opportunity sites for redevelopment and determine how they may best be supported by the City

Vision for 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.

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

PRIORITY ITEM 

			Years			
		Lead	Ongoing	1-3	4-6	7+
<p>C. Support the transformation of Capitol Boulevard from Southgate to Town Center by pursuing opportunities to enhance the visual appeal of the corridor, improving the vehicular and non-vehicular transportation system, and encouraging business revitalization and site redevelopment</p>  	<p>1. Identify key opportunity sites and how the City can support them through infrastructure investment, streetscape improvement and beautification efforts, and design standards</p>			✓		
	<p>2. Explore options for redevelopment of the WSDOT site</p>				✓	
	<p>3. Invest in mid-block pedestrian crossings in the Capitol/Trosper area and undergrounding of powerlines between M and X Streets</p>			✓		
	<p>4. Enhance the visual appeal of the Southgate Corridor by adding trees and undergrounding power lines with landscaping assistance from the City's Tree Fund</p>			✓		
	<p>5. Establish design standards that enhance the visual appeal of development along the corridor</p>			✓		
	<p>6. Evaluate the feasibility and benefits of supporting the development of a managed business district for portions of Capitol Boulevard</p>	ED staff	-	-	-	-
	<p>7. Use detailed planning to guide future development along the Capitol Boulevard Corridor and consider zoning tools, such as a nodal overlay zone, that will encourage transit-oriented mixed use development patterns at key sites along the corridor</p>	Planning		✓		

	Lead	Ongoing	Years		
			1-3	4-6	7+
D. Implement the Littlerock Road deta Plan to Encourage Private Development in the Area	City Admin				
1. Promote development opportunities within the Subarea by creating materials that describe available property, potential uses, and the City's interest in seeing the development of this area			✓		
2. Utilize public investments in the Subarea to spur private investment, prioritizing the development of a street plan and the design of the planned Tyee Drive extension		✓			

← PRIORITY ITEM

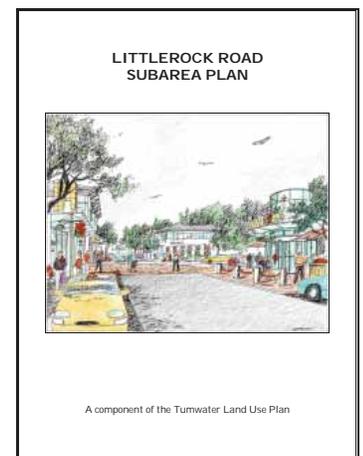
➔ **Related Strategy**
 » ED Plan: Goal 1, Action Strategy C.5 – promote specific geographic areas

↘ NODAL DEVELOPMENT OVERLAY ZONES

Nodal Development Overlay Districts (NDO) work in conjunction with underlying zoning districts to implement transit-oriented, pedestrian-friendly land use policies. They are the pedestrian-friendly, mixed-use developments that were envisioned in Tumwater's Comprehensive Plan. Key characteristics of NDO Districts include:

- » Design elements that support pedestrian environments and encourage transit use, walking and bicycling;
- » Transit access within walking distance (generally ¼ mile) of anywhere in the node;
- » Mixed uses and a core commercial area so that services are available within walking distance;
- » Public spaces, such as parks, public and private open space, and public facilities that can be reached without driving; and
- » A mix of housing types and residential densities that achieve an overall net density of at least 12 units per acre.

NDO Districts are at least half-a-mile apart. Form-based zoning techniques should be used with an emphasis toward flexibility and adaptive management. An individualized approach, more cooperative than regulatory, is needed for mixed use developments to work. Measures of successful NDO Districts include increased business activity along major corridors combined with reductions in vehicle-miles traveled by local residents.



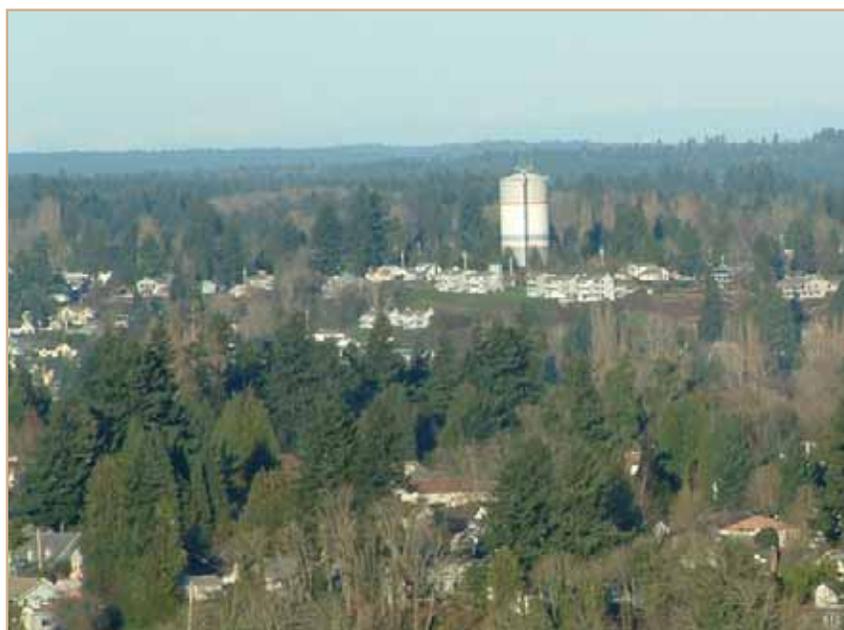


Baseball at Pioneer Park
Tumwater Valley Golf Course
Crosby House Museum

GOAL #7: Strengthen Tumwater’s Image and Advance the Community as a Regional Destination

This Plan establishes strategies to strengthen Tumwater’s regional image by building on existing strengths to solidify and promote a stronger community identity. Sports, nature, art, culture, and heritage are defining attributes of Tumwater’s character, each of which can be augmented and communicated when describing the community. The City’s shopping, cultural, recreational, and residential opportunities are specific draws that will be marketed to the regional population and to State office workers in particular. These efforts seek to capture additional day- and night-time spending by State employees and the relocation of State workers who currently live elsewhere in the region. These ends address economic development goals and reduce traffic on the region’s roads.

Along with Olympia and Lacey, Tumwater is a part of a regional tourism market, with each community benefiting from strengthening the network of attractions that bring visitors to the area. Tumwater’s own tourism infrastructure should also be strengthened. Enhanced wayfinding will make attractions more accessible to out of town visitors and additional cultural and sports-related facilities and events will draw more visitors to the area.



View from Overlook Park: Glacier Peak and Olympia water tower 2-9-06

DIRECTION FROM THE STRATEGIC PLAN

Goal 1, which focuses on strengthening Tumwater's civic society, neighborhoods, and residential quality of life, identifies the following strategies to strengthen community identity.

G. Utilize existing and new festivals and events to foster community

1. Support and help promote the farmers market
2. As funding allows, seek opportunities to support existing events that foster community, attract regional visitors, and promote a positive image of Tumwater
3. Evaluate potential new community events that advance other City priorities identified in this Strategic Plan. Consider options such as:
 - A community fair featuring neighborhood associations and local non-profit and arts and culture organizations
 - Events focusing on the region's history
 - An event focused on environmental sustainability, perhaps coinciding with Earth Day
 - Events at City parks that include history, tribal, environmental and cultural elements

	Lead	Ongoing	Years		
			1-3	4-6	7+
A. Strengthen community identity and promote a positive image	City Admin.				
1. Utilize existing and new festivals and events to foster community and enhance Tumwater's image in the region	Planning	✓			
2. Develop key messages and an outreach strategy to promote the City's assets to the regional market Create a list of key messages and build the community's reputation over time, drawing on existing strengths such as sporting events and the City golf course, the natural beauty and recreational uses found in the Deschutes River Valley, arts and heritage, and Tumwater's high quality of life founded on good schools and strong neighborhoods.	City Admin or ED Staff		✓		
3. Establish a strategy to concentrate City- and State-funded public art in destination-worthy community spaces			✓		
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 in proximity to the Town Center	Planning	✓			
2. Promote Tumwater's image among office workers whenever possible, considering them an important audience ■ Develop an outreach strategy and specific means to promote Tumwater events to State employees	ED Staff	-	-	-	-
C. Promote the region's attractions and strengthen Tumwater's tourism infrastructure					
1. Continue to collaborate with neighboring communities to promote tourism to the region	Planning	✓			
2. Continue to enhance way finding through the phased implementation of the regional signage plan	Planning	✓			

DIRECTION FROM THE STRATEGIC PLAN

Goal 3, which focuses on economic development, acknowledges the importance of promoting Tumwater to a regional audience.

E. Promote Tumwater's image as an attractive place to invest, live, shop, and play to targeted audiences

1. Promote the City as a business-friendly community, communicating a clear and consistent message about desired development
2. Promote Tumwater as an attractive residential location, encouraging State employees and others who work in Tumwater to live in the community
3. Communicate the City's shopping and recreation opportunities to populations living outside of the City
4. Strengthen Tumwater's attractions and promote the City as an attractive tourism destination

F. Promote and expand the arts and historical opportunities in the community in order to add social, educational, cultural and economic value

1. Establish a broad-based task force for citizens and stakeholders to develop and propose a cultural arts task force, which would eventually guide civic investment in the arts
2. Maximize the community resources and City investment in historic buildings and artifacts through partnerships and private investment
3. Use City facilities and programs to promote the arts through concerts, recreation programs, Old Town Center programming and capital construction
4. Consider long-term funding strategies and partnerships for promotion of the arts

	Lead	Ongoing	Years		
			1-3	4-6	7+
3. Seek the location of cultural and entertainment uses managed by the private, public, or not-for-profit sector, including restaurants, night life, theaters, galleries, and cultural institutions <ul style="list-style-type: none"> ■ As funding opportunities allow, pursue additional cultural anchors such as a cultural center or water recreation complex 	ED Staff	-	-	-	-
4. Evaluate the opportunity to establish a sports commission to seek grants and market the region's sports	City Admin		✓		
5. Encourage the use of the Historic District and the Old Brewhouse as a regional tourism draw	City Admin	✓			
6. Provide pedestrian connections between the brewery properties and the Historic District					✓
D. Recruit educational institutions to strengthen Tumwater's economic base and enhance the dynamism of the community <ul style="list-style-type: none"> ■ Consider recruiting community, technical colleges, or private schools to Tumwater, targeting sites where the presence of the institution would add to the area's vibrancy and encourage additional development 	ED Staff	-	-	-	-