



# STATEMENT OF ISSUES & TRENDS

## THE ISSUES

- > Washington is still recovering from severe recession with on-going concerns about income inequality and gentrification.
- > Evolving housing demand and consumer behavior is resulting in changes in development patterns.
- > How can planners and allied professionals work together to empower local economic initiatives?
- > Goal: Enable communities to attract and retain family-wage employers, visitors, and residents.

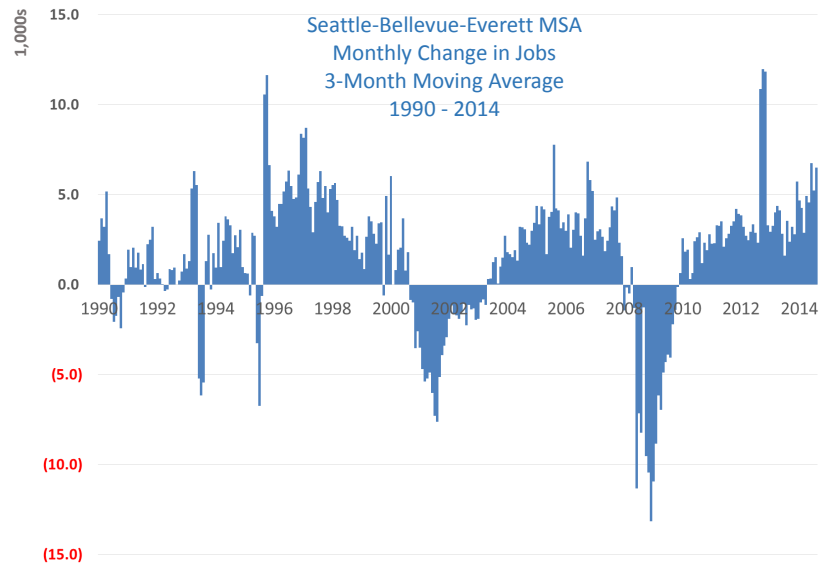
## THE IDEAS

**Economic Development Mission:**  
Empower sustainable economic development and incentivize local business growth.

- A. SUPPORT LOCAL BUSINESSES
- B. REPURPOSE ASSETS FOR GOOD

## Job Growth in Major Employment Centers

The Regional Economy has added jobs consistently for nearly 5 full years.  
In a few months, this will be the longest streak of job gains for the region - ever.



Source: Community Attributes, Inc.; Washington State Employment Security Department

## WHAT WE HEARD

### A. SUPPORT LOCAL BUSINESSES

#### TOPIC A.1

### BUY LOCAL

- > Business to business facilitation within Washington State
- > Buy local campaigns
- > Washington state historic preservation Main Street Program

**TOPIC A.2**
**COMMERCIAL RENT SUBSIDY**

- > Incubator concept; utilize vacant retail; utilize older, underutilized spaces
- > Use vacant space for other kinds of public space; create social space for community
- > Include light manufacturing or other uses in this consideration
  - Look at expanding permitted uses
- > Planners can give guidelines on how to do this
- > Directly related to social equity
- > How partnerships might work
  - How do cities get involved?
  - What are the initial steps and partnerships that a city can make?
  - What are the key roles in forming partnerships?
  - Need to develop partnerships with building owners, local economic development groups (funding) and other business support services
  - There is a link to historic preservation and Main Street organizations
  - Marketing spaces/finding users for space
  - How to work through perceived hurdles (such as permitting/building codes)
  - Examples exist all over the state

**TOPIC A.3**
**ECONOMIC ELEMENT**

- > How does a city turn that element into something that is useful to other economic development groups in the area?
  - Typically the element is a listing of information and is not that useful
  - Needs to help the city move forward to attract economic development
  - What does the element look like?
    - >Who should it be useful for?
    - >Is it duplicating what's already been done?
    - >What role does it play?
  - Idea: Survey of cities asking how the element is used/is it useful?
    - >Besides cities, who else would you survey? - Chambers, businesses?
  - What angle should the element take?
    - >Should it be a clearing house of other studies?
    - >Element plays a different role in different communities
- > What role do subarea plans with economic elements play?
- > An economic development is supposed to be reflective of a 20 year outlook
- > What are some of the common hurdles and problems presenting local small businesses?
- > Example: The Main Street Program is an important example of efforts from the State to support this idea
  - Our studies have found that rehab of buildings leads to dollars staying in the community
- > How can cities quickly be flexible to changes in retail, on-line shopping and other changes as they happen?

**TOPIC B.1**
**COMMERCIAL GUIDE**

- > Look at trends, permitted uses and conditional uses in your area; new businesses don't map to descriptions of current uses
- > Important for jurisdictions to analyze trends in permitted uses versus current uses  
Example: Recreation uses in industrial zoned areas
- > Ensure that allowed uses are reflective of what's happening in your community
- > Physical assets in cities that can be used differently or repurposed for new economic use
- > Many different commercial spaces underused; many different uses could be matched to available space

**TOPIC B.2**
**PARKING GUIDE**

- > Parking utilization and alignment with demand

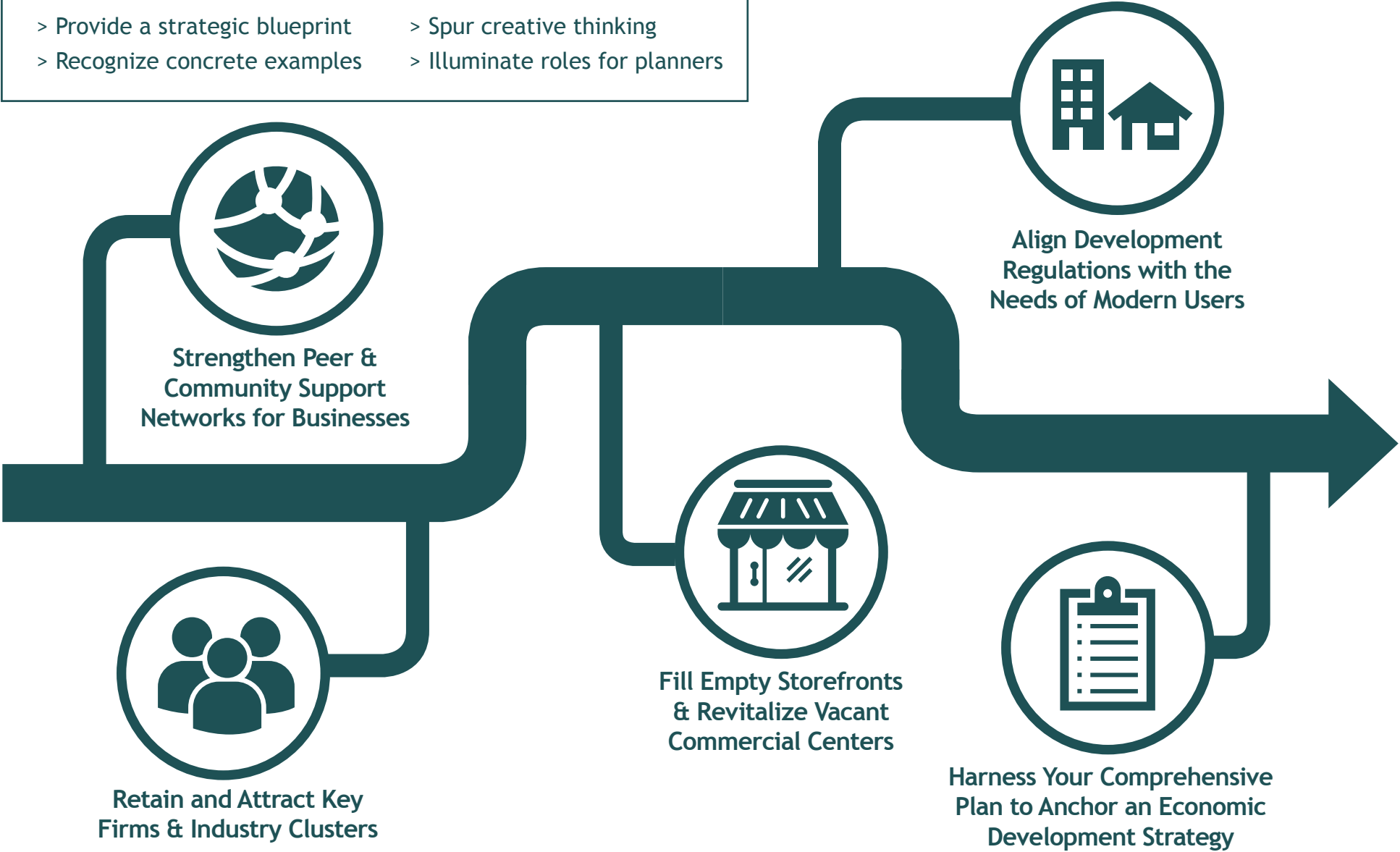
**COMMON QUESTIONS**

- > Challenge: how do planners market and attract development to their community?
- > Businesses don't like to be told that they should do, so communicate in terms of costs and values... how are we reducing costs or adding value?
- > How can you bring a developer to town if you don't have the employment base to support that business?
- > Planners tools: what needs to be maintained, refreshed to accommodate new economic activity?
- > Can we use Lean-Startup principles to in economic development?
- > How do we enhance broadband access among smaller communities?
- > What role do planners play in business recruitment and development?

# ECONOMIC DEVELOPMENT ROADMAP FOR WASHINGTON CITIES: GOALS

**How To Use This Roadmap**

- > Provide a strategic blueprint
- > Spur creative thinking
- > Recognize concrete examples
- > Illuminate roles for planners





## STRENGTHEN PEER & COMMUNITY SUPPORT NETWORKS FOR BUSINESSES

*Ideas: Peer and community networks, “buy local” campaigns, “made in...” campaigns, Business Improvement Areas, social media networks, maker spaces, co-working spaces and small business development and other resource centers that support small businesses.*

Peer and community-based or maintained networks contribute significantly to the vitality of commercial and industrial sectors in towns and cities across Washington. As the public sector has a limited number of tools at its disposal to directly support and grow business, it can often be more effective to support businesses indirectly via networks that are ultimately the responsibility of the community or businesses themselves.

### Action Steps

1. Conduct cluster and competitive analyses of locally-traded clusters in the community
2. Engage specifically with the small business community to identify further issues & opportunities for growth
3. Develop a peer and community network toolbox in conjunction with local businesses that lays the groundwork for cooperation and self-direction

### Case Study

#### LYNNWOOD ECONOMIC DEVELOPMENT PLAN

Lynnwood is a growing, diversifying city in the northern Seattle-Bellevue metro area that serves as a primary retail center for the region and is poised for economic diversification and growth in other sectors. Their Economic Development Action Plan details strategies and actions across five different areas - business growth & support, business climate, development, image & branding, and placemaking - to achieve the City's economic development goals.

The action steps include recommendations for the City to facilitate and assist in the creation of support networks for Lynnwood businesses. One program, dubbed “Shop, Stay & Eat” capitalizes on a segment of Lynnwood’s business community desirous of synergistic knock-on activity to the area’s role as a primary retail hub for the region, such as increased hospitality, arts and entertainment activities. This campaign would be initially organized then facilitated by City economic development staff in conjunction with the City Center business community and neighborhoods to plan, develop, fund and, ultimately, maintain marketing and branding both within Lynnwood and elsewhere throughout the region, promoting the city as a hospitality and entertainment destination. The resulting network of business owners working closely with the City would be empowered to take other actions to support the City Center business zone.



Source: City of Lynnwood



## RETAIN AND ATTRACT KEY FIRMS AND INDUSTRY CLUSTERS

### *Idea: Placemaking is the planner's niche*

Effective placemaking strategies are increasingly essential to retaining and attracting key firms and industry clusters throughout the state. Great placemaking animates “public and private spaces, rejuvenates structures and streetscapes, improves local business viability and public safety, and brings diverse people together to celebrate, inspire, and be inspired.”<sup>i</sup>

Many firms evaluate the quality of place when considering a new location for their business. Workers also “vote with their feet” by moving to places that offer amenities they seek, creating an incentive for businesses to locate where the most talented workers want to live. Traditional locational criteria still matter—retailers, for example, require high traffic counts and ample parking—but placemaking is becoming a high priority for attracting many firms.

Planners have a uniquely powerful role to play in fostering a sense of place in their communities. By spearheading branding, planning and design efforts, and by fostering communication with property owners and real estate professionals, planners can create places that become economic development engines and attract business activity.

<sup>i</sup>“Strategic Place-Making” Anne Markusen and Anne Gadwa. <http://arts.gov/sites/default/files/CreativePlacemaking-Paper.pdf>, Page 3

### Action Steps

1. Ensure that planning efforts, urban design elements and business recruitment strategies tap into a consistent brand
2. Engage the development community in economic development efforts
3. Take the lead on infrastructure development

### Case Study

#### BOTHELL LANDING

The City of Bothell began the redevelopment of Bothell Landing years ago with the intention of creating a vibrant downtown along the city’s Sammamish River frontage. The city hired a consultant to draft a master plan and new hybrid form-based code language and began to acquire property in downtown. Bothell spearheaded the re-alignment of Highway 522 and the construction of a world-class multiway boulevard on Highway 527 through downtown. Each of these major infrastructure projects were designed to reflect the brand for Bothell Landing, and the urban design elements in turn contribute to the envisioned sense of place.

The city’s efforts have not gone unnoticed, and have in fact been influential in the recruitment of major businesses. On the heels of the planning process, Oregon-based McMenamings agreed to purchase and re-develop the historic



Source: City of Bothell

Anderson School in downtown Bothell. The company plans to create a boutique hotel and a destination restaurant. This move complements the expansion of downtown retail made possible by Bothell’s efforts. Due partially to the positive energy created by the redevelopment of Bothell Landing, existing business centers outside of downtown, including Canyon Park and North Creek, are becoming more desirable locations for firms in biotech, information and other related industries. This is a case where a major planning process focused on creating an excellent sense of place, and already the positive economic development impacts are visible.



## FILL EMPTY STOREFRONTS AND REVITALIZE VACANT COMMERCIAL CENTERS

*Ideas: Marketing strategies, business recruitment/retention and temporary uses.*

Commercial centers serve a myriad of roles depending on location and design. Large retail anchors can attract customers throughout a wide region, whereas a small neighborhood center caters primarily to local residents. Regardless of size or draw, these centers are important for creating a vibrant, economically robust community and providing critical municipal revenues through taxable retail sales.

High retail vacancy thus presents substantial challenges to municipalities. Encouraging businesses to locate within an existing commercial center rather than building new facilities allows for more efficient service provision and can activate the area around the center, making it more appealing to current and potential residents. Planners can help reduce retail vacancy by developing programs that match businesses with available spaces and supporting efforts to make retail space more flexible, particularly for small businesses and temporary users.

### Action Steps

1. Conduct a retail analysis to identify opportunities for targeting new businesses
2. Develop a business attraction and retention plan that engages current businesses and other key stakeholders
3. Partner with local community organization to implement plan elements, which may include a marketing and branding strategy, business recruitment and/or physical improvements

### Case Study

#### OTHELLO BUSINESS IMPROVEMENT AREA

The City of Seattle's Community Cornerstones Program, a HUD-funded pilot equitable transit-oriented development project, commissioned a retail analysis for the Othello Business Improvement Area in Southeast Seattle. This study was a component of a larger strategy to help support small ethnic businesses in anticipation of increased development pressure resulting from the recent opening of a light rail station. Currently, the majority of the retail businesses in the area are restaurants and grocery stores serving the local Vietnamese and East African immigrant communities.

The study involved trade capture analysis, interviews with business owners and identified target retail categories. Given the existing mix of businesses and market trends, the analysis found that boutique retail and restaurants, general merchandise stores and retailers associated with health and wellness/fitness were appropriate types of retail for Othello. The area faces some challenges, though, due to its auto-oriented nature as well as aging facilities. The next step for this project would be to develop and implement a more detailed business attraction plan. For instance, in Seattle's *Chinatown-International District* (CID), the non-profit SCIDpda is seeking a retail recruiter to implement its recent retail development strategy. This position involves matching potential and current businesses with space in



Source: Community Attributes

the CID, recruiting new businesses that will complement the neighborhood, engaging with property owners, facilitating business technical assistance and marketing the CID.





## ALIGN DEVELOPMENT REGULATIONS WITH THE NEEDS OF MODERN USERS

*Idea: Industrial uses and needs have changed and may no longer map to existing zoning regulations related to permitted uses and definitions.*

Economic activity on industrial land is a significant contributor to a city and region's prosperity and growth. As industrial jobs continue to grow, however, their needs and characteristics are evolving as well. Technology advances in industrial processes, controls, buildings, and equipment have resulted in decreased sound, odor, and vibration, allowing many modern industrial businesses to co-exist with minimal impacts to adjacent residential or commercial uses. Many modern industrial businesses are relatively benign and may not need exclusively industrial-zoned land to operate.

In addition, urban manufacturing, also known as local production or artisanal manufacturing, is a growing component of industrial jobs. It is predominantly comprised of small and medium-sized enterprises and often combines small retail, design, or office spaces with production and distribution functions. These uses can also be part of mixed-use environments and do not need exclusively industrial-zoned land to operate. Due to these trends, the extent to which industrial activities must concentrate on industrial-zoned land may decline. Current regulations in some cities across the region do not reflect this changing paradigm of industry and may constrain land choices.

### Action Steps

1. Conduct an analysis of industrial lands to identify the characteristics and needs of modern industrial businesses
2. Engage with stakeholders to validate findings and get feedback on regulatory strategies
3. Modify existing policy and land use regulations

### Case Study

#### DPD LOCAL PRODUCTION STUDY

As part of the City of Seattle Department of Planning and Development's review of its industrial zoning, the City commissioned an inventory of local production activities across the city, segmented inventoried local production activities and analyzed the market and demand of local production concentrations across the city. Four subareas or concentrations were identified - Ballard, Interbay, I-90 - Mt. Baker and Georgetown. The analysis was able to bring out the value of these uses (these types of establishments appear to "graduate" to export-oriented producers over time - a segment with a greater impact on the regional economy) and their business needs



Source: City of Seattle

in terms of impacts, required separation from uses, and ability to locate in mixed-use areas. The analysis found local industrial services, distribution & repair are a significant and important segment of the local and regional economy



## HARNESS YOUR COMPREHENSIVE PLAN TO ANCHOR AN ECONOMIC DEVELOPMENT STRATEGY

*Idea: Use the Comp Plan to support and drive economic development and be integrated into a City's myriad of economic development tools.*

The Comprehensive Plan serves a major role in determining how cities plan for the future. Required elements of comprehensive plans in Washington include land use, housing, transportation and capital facilities. Another key piece of the comprehensive plan is the economic development element. Most often, cities have multifaceted approaches to economic development and the comprehensive plan can easily get lost in the myriad of economic development strategies, profiles, subarea plans and action plans that cities often commission.

### Economic Development Element the GMA Way:

According to the requirements of the Growth Management Act an economic development element shall establish local goals, policies, objectives, and provisions for economic growth and vitality and a high quality of life as well as:

- a. A summary of the local economy
- b. A summary of the strengths and weaknesses of the local economy
- c. Identification of policies, programs, and projects

### Defining a Structure for Economic Development

The economic element can serve as a bridge between the other elements of the plan as well as an economic justification of those elements. It can also be integrated with other economic development efforts that the City has underway to create a clear, coordinated and concise series of documents that support one another and provide clear direction for: supporting your business community, retaining and attracting new firms, reinvigorating commercial centers and amending development regulations.

## Key Factors For Consideration

1. Consider how the economic development element is communicated within the comprehensive plan, on the City's website and to the public at large
2. Coordinate all of your economic development efforts in one place in order to effectively track and monitor your progress
3. The economic development element is not a strategy, but it can be leveraged to justify and support an actionable economic development strategic plan for the City

### Bringing it All Together

