

Economic Development Table of Contents

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A. INTRODUCTION

A vibrant, local economy is essential to Snoqualmie’s long term fiscal and community health and vitality. The City strives to provide a range of employment, retail, service and recreational opportunities for its residents. The City’s role in Economic Development is to create, maintain and grow value for its citizens - the residents, property owners and businesses who have invested, or will invest, in Snoqualmie. Value should always be considered in terms of both financial and qualitative returns, including opportunities for business growth, added jobs and increased City revenues, along with quality of life assets such as a healthy and attractive environment, a sense of safety, and local cultural amenities. A strong local economy with a balance of jobs and housing is central to our vision of growing as a “complete community” where one can live, work shop and enjoy life.

Goal 3: A vibrant and thriving small city economy that offers jobs providing salaries that match local housing costs; offers goods and services to meet the needs and wants of our citizens, visitors and employers; generates revenue to support City services; and supports Snoqualmie’s distinctive character and quality of life.



Ridge Marketplace, Photo Courtesy of Jim Reitz. Used with Permission.

B. DRIVING FACTORS: ECONOMIC DEVELOPMENT

Economic development involves multiple, coordinated efforts working together holistically to attract investment and entrepreneurs, support business retention and expansion, recruit desired new business, and create jobs in a way that benefits the local economy and the community’s quality of life. Existing businesses provide goods and services to the community, support a local employment base, and offer shopping, dining, lodging and recreational activities for both locals and tourists. New businesses provide new jobs and add additional municipal revenues that are then available for reinvestment in either infrastructure or public services. A sufficient supply and appropriate mix of housing is also connected with economic planning, providing homes for those employed in local business and industry, and providing residents who support local retail shops and commercial services. Finally, Snoqualmie has unique attributes that inform economic development, including outstanding natural features that draw tourists and business; attractive, high quality neighborhoods, and its location along I-90 at the I-90 and State Route 18 intersection, both in terms of travel time to the major nearby economic hubs of Seattle and Bellevue as well as SeaTac airport, and Snoqualmie Pass for access to recreation.

Several economic development challenges and opportunities face the City in both the long- and short-term. These topics are described in more detail in the following sections:

- A lack of suitable land for retail development to meet resident demand and support tourism
- Recruiting business and industries that are a good fit for Snoqualmie and improve the jobs-housing balance
- Retention and expansion of existing businesses
- Enhancing tourism as a mainstay of the local economy

C. SUFFICIENT RETAIL LAND SUPPLY

An appropriately-sized retail land supply is necessary to meet the full range of local demand for retail goods and services, support tourism, reduce vehicle trips and greenhouse gas emissions associated with unnecessary travel, provide a stable tax base to support city services, and ensure economic prosperity.

In 2009 under SHB 1825, the State legislature amended the Growth Management Act to require that each city's urban growth area include sufficient area for the broad range of uses needed to serve the projected population. The Final Bill Report noted the following for sizing and planning for development within urban growth areas:

"As part of the planning process for UGAs, each city within the county must explicitly identify areas sufficient to accommodate the full range of needs and uses that will accompany projected urban growth. The land uses that must be explicitly considered as part of the planning process include those pertaining to facilities for medical, governmental, institutional, commercial, service, retail and other nonresidential uses, when appropriate under the circumstances faced by the planning jurisdiction."

One issue for Snoqualmie's business growth is that there is not enough suitable land to meet current or future population needs for retail goods and services. In 2011 CollinsWoerman conducted an *Urban Growth Area (UGA) Analysis* to determine whether the City and its current UGA contains sufficient suitable area for the full range of uses needed to serve the projected 2032 population. The study found that the City currently leaks an estimated 73% of its residents' retail spending to other communities, and that it needs an additional 35.1 retail acres to capture two-thirds of projected city resident spending (the 2/3 ratio was used to account for demand from employees, visitors and surrounding rural area residents, which was not included in the analysis of projected spending). While approximately 9.8 existing acres in the City and its UGA could be suitable for retail conversion, an additional 25.3 acres would still be required to accommodate the projected 2032 demand. The SR-18/I-90 Interchange area was identified as an appropriate location due to sufficient suitable vacant and re-developable land, proximity to major transportation corridors, ability to avoid critical areas, and probable success for retail; however, this area is not currently within the City's UGA. The decision to revise the City's UGA to include this area is made by King County.



Historic Downtown Snoqualmie. Photo Courtesy of Jim Reitz. Used with Permission.

C.1 ECONOMIC DEVELOPMENT PLANS & STUDIES

The *2011 UGA Analysis* is one of many studies detailing economic conditions in the City of Snoqualmie. Regular review of market conditions, either in general or that target specific concerns, helps the City and its representatives to make informed decisions in the deployment of different services and strategies to support economic vitality. Several past reports provided various recommendations, including local business types to recruit in retail centers. Another recent study, the *2013 Final Report and Recruiting Plan* completed by the Economic Development Council of Seattle and King County, also identified different regional industry clusters recommended for the city to consider in recruitment efforts for the Snoqualmie Ridge Business Park and the Mill Site. These studies provide valuable resources to help determine Economic Development foci and activities such as implementing a recruiting plan. As always, vital duties require clear assignments to different departments or partners, so that tasks may be incorporated into annual work plans.

Study Takeaways

Various Economic Development studies have provided information useful for planning and decision-making. The recent *2013 Seattle-King County EDC Recruiting Plan* concluded that employment industry recruitment should focus on:

- Medical device companies
- Environmental engineering
- Outdoor sports & apparel
- Aerospace suppliers
- Information technology

This study is discussed further in Section F. Business Recruitment.

| Year | Project | Contributor |
|------|---|--------------------------------|
| 2002 | <i>Snoqualmie Retail Development Plan</i> | E.D. Hovee & Company |
| 2006 | <i>Economic Development, Branding & Marketing Plan</i> | Destination Development |
| 2006 | <i>Retail Market Analysis</i> | Economic Research Associates |
| 2006 | <i>Downtown Vision Plan</i> | Callison Architects |
| 2007 | <i>Retail & Non-Retail Service Mix Snoqualmie Ridge</i> | Hebert Research Inc. |
| 2010 | <i>Downtown Master Plan</i> | Beckwith Consulting |
| 2011 | <i>Urban Growth Area Analysis</i> | CollinsWoerman |
| 2013 | <i>Final Report and Recruiting Plan</i> | EDC of Seattle and King County |

D. TOURISM

An important goal for current retail business retention and recruitment is to increase tourism. Approximately 2 million people visit Snoqualmie Falls annually, travelling via Snoqualmie Parkway or SR 202. Another 75,000 visit the Northwest Railway Museum. More recently, travelers come from near and far to attend the Dirtfish Rally Driving School, located on the old Weyerhaeuser Mill site. An increasing number of visitors come to and through the City to enjoy outdoor recreational activities, such as bicycling, hiking, fishing, golf and skiing.

Riverwalk

The City is developing a conceptual plan for a Riverwalk, looping from the downtown retail district to the Mill site across the River. The future riverwalk will allow pedestrians and bicyclists to enjoy the Historic Downtown as well as the natural beauty of Snoqualmie.

Travel by either SR 202 or Snoqualmie Parkway takes visitors through one of the city's two main retail centers – Downtown Snoqualmie or the Ridge Marketplace, accentuating the need to provide infrastructure improvements, support historic preservation in Downtown, enhance retail district placemaking and wayfinding, and improve business mix through targeted recruitment and retention. One way to help support these objectives is to encourage and support the creation of a non-profit dedicated to using the National Main Street Program's "4-Point Approach" for retail district revitalization, which would also allow businesses tax credits for investments. Established through the National Trust for Historic Preservation, the Main Street Program can be rolled out in any viable retail district. Even without establishment of a non-profit, the "4-Point Approach" principles could be used to improve vitality of Downtown or the Ridge Marketplace retail areas for both tourism and resident shopping and services.

The significant amount of visitation in Snoqualmie also highlights the need to support development of a moderately-priced hotel in the city to accommodate the full range of traveler incomes. As reported by the Salish Lodge and Spa, currently the only hotel in the City, lodging and other tourist-oriented businesses would also benefit from development of additional events, amenities and activities to draw visitors, and encourage longer stays and return visits. A hotel is one of the planned features of the Salish Expansion, though other locations may be suitable; supporting bed and breakfast development is another alternative to increase lodging options within the city.

Another feature that would improve tourism, and which residents repeatedly request, is a “Riverwalk” trail along the Snoqualmie River. The City has been acquiring riverfront properties with multiple funding partners, pursuing multiple objectives to reduce potential flood risks, enhance the natural shoreline environment, and enable the Riverwalk. The City is also coordinating with King County on completing the missing links of the regional Snoqualmie Valley and the Snoqualmie-Preston trails, with links to city trails, creating a local and regional trail hub that would attract hiking and biking enthusiasts.



View of the Snoqualmie River, a unique place-making feature of the City

E. BUSINESS RETENTION

Business retention and expansion (BRE) are crucial to the City’s economic health. Retention helps existing businesses increase stability, profitability and customer appeal – and greatly helps with city economic development goals. It is estimated that 65% to 80% percent of new jobs in the country are created through the expansion of existing enterprises,¹ providing a strong foundation for community’s employment opportunities while also helping stabilize the tax base.

Main Street 4-Point Approach

The Main Street Approach uses four points in community revitalization, building on downtown assets like unique architecture and locally-owned businesses to catalyze economic growth and community pride.

Economic Restructuring: Strengthen existing economic assets, while diversifying the commercial district, by identifying potential market niches, finding new uses for vacant or underused spaces and improving business practices.

Design - Use appropriate design concepts to enhance a commercial district’s attractiveness (buildings, signs, window displays, landscaping), which in turn improves consumer and investor confidence, and overall district vibrancy.

Organization - Bring together the public sector, private groups and individual citizens to provide effective, ongoing management and advocacy for the revitalization of the downtown district.

Promotion - Promote the unique character, business establishments and activities in the downtown in a positive manner through advertising, special events and retail promotions. This helps strengthen community pride, social activity and an area’s economic development potential.

The City of Snoqualmie currently maintains an “Affiliate Level” status in the State Main Street Program, providing access to resources and networking with other communities applying the 4-point approach. More advanced status levels require a non-profit organization with a paid full-time Executive Director dedicated solely to downtown revitalization. This is partially because not all points of the Main Street Approach are appropriate for a city government to undertake.

¹ Forman, Maury and James Mooney, “Learning to Lead: A Primer on Economic Development Strategies,” Washington State Community, Trade and Economic Development (now Department of Commerce), 2008. www.mrsc.org/govdocs/WACTED-Learn.PDF, pg 94.

A Wisconsin Economic Development Institute report summarized the fundamental components of BRE programs:

There are essentially two ways a community can assist its existing firms. The first is to provide direct assistance through management training, workforce development programs, access to capital, and resources for exporting, technology, and government procurement. The second way to assist existing businesses is to deal with external barriers to business growth including overly restrictive regulatory processes, availability of space to expand, transportation and other infrastructure needs, and quality of life amenities in the community. Suggested activities for a business retention and expansion program include an ongoing business visitation program, personal contacts, inventories of existing space, business management seminars and educational programming, industry appreciation events, networking opportunities and business associations.²

The report notes that BRE programs not only help communities to identify and assist at-risk companies early-on, but also that it is easier to attract new commerce if existing industries are expanding, especially if local business owners are promoting the community as a good place for business to their peers and suppliers. Formal BRE programs benefit from both direct outreach to business owners, as well as passive or interrelated programs such as a local “Shop Snoqualmie” program or transit support to help the employee base or an industry cluster. The City has recently partnered with the Snoqualmie Valley Chamber of Commerce for Economic Development Services to work with local merchants to retain and enhance existing businesses.



Technical Glass Building, Snoqualmie Ridge Business Park, 2008

F. BUSINESS RECRUITMENT

Business recruitment, or attraction, is a magnetizing but often challenging economic development strategy. Many cities compete annually for prospective businesses in search of a new home or expansion location, which means that a successful recruitment strategy requires identifying in advance the types of businesses that are the best match for the community, and having strategies in place to secure an industry once a business leader shows interest.

The challenge for economic developers is to determine which businesses are the best prospects and most compatible with the community's needs and resources. It is also important to understand the market that is identified and targeted in order to focus attraction efforts and community resources in areas that will be effective. Businesses take multiple factors into consideration when seeking a location. The responsiveness of the economic development organization with this information will improve the competitive position of the community.²

Marketing to attract businesses is a common tactic, though it can be expensive; it uses the target sectors with growth potential, and focuses on “linkages to existing businesses in the area, and reasons to be attracted to the particular region or local government setting because of particular competitive factors.”³

² WEDI, “A Guide to Preparing the Economic Development Element ...” August, 2003, www.wi-edl.org/docs/WEDI-ED-Handbook.pdf, page 25.

³ American Planning Association, “Tools of the Trade,” *Community Indicators* (PAS 517), <http://www.planning.org/eda/toolkit/#4>

F.1 THE PROSPERTY PARTNERSHIP

The Prosperity Partnership, launched in 2004 by the Puget Sound Regional Council (PSRC), was developed to help create and implement the regional economic strategy – Vision 2040; it has grown to over 300 organizations in five years' time, with the Snoqualmie Valley Chamber of Commerce as a participating member. By understanding the regional economic strategy, the City can both align with it and design policies and programs that will more likely help local businesses to thrive.

The regional economic development strategy proceeds along a business sector, or “cluster,” focus.

Industry clusters are geographically concentrated cooperative networks of interdependent firms, research and development institutions, and other intermediary actors where the close contacts of the members and the continuous, fast knowledge exchange between them contribute to the competitive increase of both the members and the whole region...In a cluster, firms and others within a concentrated geographical area cooperate toward common goals, and establish close linkages and working alliances to improve their collective competitiveness.⁴

One central prong of economic development can be workforce development, and emphasizing relative attraction of a community to potential employees. The Prosperity Partnership report also notes that,

*The greatest challenge confronting virtually all clusters is access to a skilled workforce. “This is true for high tech industries unable to find enough local college graduates in certain engineering, computer, and life science fields. It is also the case for traditional production and transportation industries facing the prospect of an aging workforce with few young people entering critical occupations.”*⁴

The Prosperity Partnership identified fourteen primary industry clusters for the 4-County Central Puget Sound region:

- Aerospace
- Business Services
- Clean Technology
- Information Technology
- Life Sciences
- Maritime
- Military
- Philanthropies
- Tourism & Visitors
- Transportation & Logistics

Different industry sectors are appropriate for different areas of the city – it would be a poor strategy to locate an industrial operation in the middle of downtown, and recruit small retail boutiques to fill up large business park parcels. Instead, recruiting should not only be in context of the region and city, but also local centers within the City.

Business Location Factors

The 2003 report by the Wisconsin Economic Development Institute lists information that should be retained in a community database, ready for distribution to interested businesses. Some of these may be in a community profile; others may need regular data updates from appropriate sources.

“Location: Access to customers/markets, suppliers, transportation (highway, rail, port, air) facilities.

Facilities: Buildings, land, incubators, office space, land, water, sewer, transportation and telecommunication infrastructure.

Business costs: Cost of facilities, labor, taxes, energy.

Financial: Availability and cost of capital, community/state economic development resources.

Workforce: Availability of workforce, cost, skill levels, productivity

Business Climate: Permitting, regulations, zoning, government responsiveness to business

Knowledge Resources: Training resources, universities, colleges, research parks, labs.

Business Resources: Networking, trade associations, training, exporting, procurement resources.

Quality of Life: Cost of housing, quality of schools, low crime rates, recreation and cultural amenities.”

⁴ Prosperity Partnership, “Regional Economic Strategy for the Central Puget Sound Region: ECONOMY,” July 25, 2012 www.prosperitypartnership.org/clusters/whatscluster.htm, pg 5.

F.2 LOCAL CENTERS: RIDGE BUSINESS PARK

The ~120-acre Snoqualmie Ridge Business Park was developed in 1997 as part of the Snoqualmie Ridge mixed-use, master-planned community. The business park was required as part of the master plan to provide a location for local employment. Office and light manufacturing/industrial uses are allowed per the Snoqualmie Ridge Development Standards. Certain retail uses are also allowed on lots adjacent the Snoqualmie Parkway.

Existing businesses include a mix of industry types, ranging from a large medical device manufacturer to a tempered glass manufacturer, a sports equipment company's R&D and distribution facility, engineering firms, government offices, and a condominium office supporting a variety small professional businesses. In an effort to increase occupancy and optimize use of the remaining business park lots to meet city economic development objectives, the City retained the Seattle-King County Economic Development Council staff to complete a recruitment study and plan for the business park and provide recommendations for the use of the Snoqualmie Mill Site. The 2013 *Final Report and Recruiting Plan* prepared for the City by the Seattle-King County EDC cited the following industry clusters as potential candidates for Business Park recruitment, listed in their order of priority:

- Medical device companies
- Environmental engineering firms
- Outdoor sports and apparel companies
- Aerospace suppliers
- Information technology companies



Snoqualmie Ridge Business Park Building



Mt Si over Mill Pond. Photo by Jim Reitz. Used with Permission.

F.3 LOCAL CENTERS: MILL SITE

The Mill Site was once the location of the Snoqualmie Falls Lumber company, which operated for approximately 80 years until operations slowed to a halt between 1997- 2002. In 2010, the rally car driving school Dirtfish opened on a portion of the old Mill site, and shortly after in 2012 the city council annexed a majority (593 acres) of in the Mill Planning Area into the City proper.

Mill Site

Mill Site history, character defining features, as well as issues and opportunities, are discussed in Community Character Element 5 *Section E.9 Mill Site*, and Land Use Element 7 *Section E.3 Mill Planning Area*.

While a large portion of the Mill Site is within the floodway and zoned open space, between 100 – 150 acres are undergoing private planning for redevelopment. Site owners entered into a pre-annexation agreement with stipulations that must be met prior to site development, and have noted that the site will undergo environmental remediation, restoration of flood storage, and wetland enhancement and protection prior to development. Sufficient water rights will also have to be established prior to development (See Land Use Element 7 *Section G. Water Rights* for more on this topic). Although planning is still in preliminary stages, the area is anticipated to have the potential for at least 1.3 – 1.7 million square feet of building space, depending on the specific types of development that are proposed for the site.

Another 200 acres of the site has potential for low-impact, open space development as recreational land, including areas around Borst Lake. The regional Snoqualmie Valley Trail has terminus points just north and south of the site, and the owners have agreed to provide right of way for trail connection, which has potential for attracting long-distance bicyclists and hikers.

The 2013 *Final Report & Recruiting Plan* recommended the Mill Site be developed as a corporate campus, though more study is needed. The report included Recommended Actions to further develop a Mill Site strategy.

F.4 LOCAL CENTERS: RETAIL DISTRICTS

Multiple plans have recommended target businesses for retail sectors in Snoqualmie. This section reviews recruiting recommendations for the two primary retail areas, Downtown Snoqualmie and the Ridge Marketplace, incorporating recommendations from the 2002 *Snoqualmie Retail Development Plan* by E.D. Hovee & Co; the 2006 *Economic Development, Branding & Marketing Plan* by Destination Development; the 2007 *Retail Service Mix for Snoqualmie Ridge Development* by Hebert Research Inc.; and the 2010 *Downtown Master Plan* by Beckwith Consulting. As noted in the *Economic Development, Branding & Marketing Plan (EDP)*, the retail environment in Snoqualmie Valley and surrounding area is very competitive. With easy access to multiple retail locations close to I-90, residents and visitors are able to shop in many different cities. The plan cites the 2002 Retail Development Plan, which stated that businesses in the city would enjoy the greatest success in primary and tertiary markets, which attract customers due to reputation, ambiance, or unique retail qualities.



Downtown, 2010 Infrastructure Improvements

Strong retail markets naturally help provide goods and services to citizens, but are also beneficial for tourism – providing places for visitors to shop, with local merchants often participating in events for visitors to enjoy. However, attracting, retaining and building strong retail markets can be challenging, with multiple factors influencing your local businesses, including local setting, community appearance, rental rates and access to a viable customer base all playing a role. Specific retail nodes are identified in Figure 3.1, Retail Opportunities Map.

Retail Recommendations

The 2006 *Economic Development, Branding & Marketing Plan* recommended recruiting from these retail business sectors for the Downtown:

- Bakery: breads and desserts
- Coffee shop and deli
- Internet cafe
- Wine shop and tasting room
- Market-fresh goods/ an ongoing market
- Specialty gourmet/ethnic foods
- Kitchen accents, utensils
- Additional ethnic dining (~6 restaurants)
- Restaurant serving breakfast
- Revitalized ice-cream/soda fountain shop
- Home furnishings and accents
- Galleries (1-2) with artists in action
- Gifts & antiques (not second hand items)
- Handmade Northwest goods
- Tribal gallery and goods
- Bookstore (with reading areas)
- Train hobby store
- Outfitter with guide/tour services
- Visitor information center
- Real estate office
- Boutique upstairs hotel
- Sporting goods store

On top of this list, the 2010 *Downtown Master Plan* also recommended:

- Pet supply and services
- Wildlife (bird feeders, birding equip.)
- Bicycle sales and repair
- Photographers, cameras & printing
- Lifestyle/fitness equipment and studios
- Bed-and-breakfasts/boutique lodges

Each of these businesses has different trade organizations which could be contacted for potential leads. Appendix B in the 2010 Downtown Master Plan contains a detailed Recruitment Strategy to help build the Downtown Retail base.

Some of the recruitment recommendations for the Downtown may have crossover for other retail areas; some of the same businesses have been directly recommended for the Ridge Marketplace, as well as a few different ones. The 2007 *Retail and Non-Retail Service Mix for Snoqualmie Ridge* by Hebert Research stated that additional retail space was needed to support a bakery, book store, sporting goods store, lawn & garden center, more family restaurants, a full-service drug store, and possibly specialty stores, a larger grocery store, and a boutique hotel. While land suitable for additional retail space is a continuing concern in the City, these recommended businesses should be considered again when there are vacancies with suitable square footage in existing areas.

G. LOCAL PARTNERS

There are multiple groups and organizations that contribute substantially to the city's prosperity and vitality. The following groups are either independent or city-facilitated entities specifically dedicated to promotion of commercial and economic endeavors in Snoqualmie.

Snoqualmie Valley Chamber of Commerce

The Snoqualmie Valley Chamber of Commerce helps promote businesses, assists with community activities, hosts member events, and helps to maintain a healthy economic environment overall. The organization works with business owners, government leaders and community organizations, with over 300 members across Snoqualmie Valley.

Merchant Associations

There are two active volunteer merchant associations in the City, with business owners collaboratively addressing items of interest in local retail districts, as well as contributing to (or hosting) local events. The Snoqualmie Valley Chamber of Commerce helps host association meetings; associations frequently collaborate with other groups in the city.

Economic Development Commission

This seven-member, volunteer commission was created by the City to evaluate current city issues, projects, and economic development priorities; advise the city administration and City Council on business community interests; and to help foster a positive economic environment.

In addition to the above partners, there are other entities in the region that can play a large role in the local economy. For instance, the cities of Carnation, North Bend and Issaquah affect marketsheds for prospective businesses; even Farmer's Market days in other cities can cause ebbs and flows in how many customers are frequenting stores, and how well-attended other city events may be. Other influences include the regional economic planning body of the Economic Development Council of Seattle and King County, as well as the Snoqualmie Casino (detailed at right).

H. JOBS-HOUSING BALANCE

Improving the City's jobs/housing balance is another important goal of economic development. A better jobs-housing balance provides more

The Snoqualmie Tribe

The Snoqualmie Tribe gained federal recognition as a sovereign nation in 1999. In 2006 a 57-acre Tribal-owned property outside city limits but within the UGA was designated as reservation land. The Tribe also purchased the nearby 2-acre Snoqualmie Valley Hospital property, and has acquired additional properties in the vicinity of the reservation.

As noted by the US Bureau of Indian Affairs,

"...Federally recognized tribes possess both the right and the authority to regulate activities on their lands independently from state [and local] government control. They can enact and enforce stricter or more lenient laws and regulations than those of the surrounding or neighboring state(s) wherein they are located." www.bia.gov/FAQs/index.htm

As a sovereign tribal nation, the Tribe may purchase property separate from tribal reservation land, though only contiguous lands may be added to that reservation. Federally recognized reservation lands are not subject to state or federal income tax, state sales tax or local property tax.

In 2008, the Tribe opened a Casino on the reservation, which includes 52,000 square feet of gaming space, an 11,000 square foot ballroom & concert venue, four restaurants and additional amenities, and currently provides ~1,200 jobs. The Tribe has indicated it plans to add land to the reservation, with plans for casino expansion, a large hotel, a tribal health center, and retail development on its properties within the City's UGA.

Tribal Jobs and commercial activity influence the local economy, but in a different manner than other commercial ventures near or within City limits. Regardless, the Casino is an economic driver in the region, and its influences must be considered when making economic development decisions.

opportunity for residents and outside employees to live and work in the community, with adjunct benefits of reduced travel time and costs, while also reducing air pollution, traffic and public facility expenditures.⁵

Table 3.1
JOBS/HOUSING BALANCE, CURRENT & FUTURE PROJECTIONS

| | Households | Jobs | Jobs-Housing Balance | Jobs Added |
|-------------------------------------|--------------|--------------|----------------------|------------|
| <i>Current Status</i> | 3,943 | 3,006 | .76 | – |
| Business Park Build-out | 3,943 | 3,305 | 0.84 | 299 |
| With 20 Year Housing Build-Out | 5,887 | 3,305 | 0.56 | – |
| With Mill Development | 5,887 | 4,127 | 0.70 | 822 |
| Other Jobs (in-city, not UGA) | 5,887 | 4,739 | 0.80 | 612 |
| With Snoqualmie Hills Business Park | 5,887 | 5,739 | 0.97 | 1,000 |

An appropriate jobs-housing balance is generally a ratio of 1-1.5 jobs per household, or *1-1.5 Jobs: HH*.⁵ In 2010, King County averaged 1.3 Jobs: HH, while the NE Rural Cities and rural area averaged 0.6 Jobs: HH.⁶ Using a housing count of 3,270, and an existing jobs count of 3,006, the current city ratio is 0.82 Jobs:1 HH, which is slightly below the low end of the desired range. Were commercial and residential land-uses to reach full 2032 build-out levels as projected in the Land Use element, the jobs-housing balance is projected to be 1.06 Jobs:1 HH,⁷ bringing the city within the preferred parity range.

Table 3.2
JOBS/HOUSING BALANCE ACROSS SIX KING COUNTY REGIONS, 2010

| | Total Pop in 2010 | Total Housing Units, 2010 | Households 2000* | Households 2010 | 2010 Household by Three Regions | Percent Change in Households Since 2000 | Covered Jobs in 2000 | Covered Jobs in 2010 | Covered Jobs 2010 by Three Regions | Percent Change in Jobs Since 2000 | Number of Jobs Per Household in 2010 |
|--|-------------------|---------------------------|------------------|-----------------|---------------------------------|---|----------------------|----------------------|------------------------------------|-----------------------------------|--------------------------------------|
| SEATTLE | 608,660 | 308,516 | 296,200 | 283,510 | 310,095 | 4.7% | 532,500 | 462,180 | 480,327 | -9.8% | 1.6 |
| NORTH URBAN REGION | 65,605 | 28,055 | | 26,585 | | | | 18,147 | | | 0.7 |
| EAST URBAN REGION | 460,594 | 199,067 | 184,150 | 184,305 | 215,024 | 16.8% | 304,000 | 297,181 | 314,882 | 3.6% | 1.6 |
| NORTHEAST RURAL CITIES and NE Rural Area | 85,951 | 32,624 | | 30,719 | | | | 17,701 | | | 0.6 |
| SOUTH URBAN REGION | 585,717 | 235,336 | 230,550 | 219,531 | 264,195 | 14.6% | 314,600 | 283,982 | 304,420 | -3.2% | 1.3 |
| SOUTHEAST Cities and SE Rural Area | 124,723 | 47,200 | | 44,664 | | | | 20,438 | | | 0.5 |
| KING COUNTY TOTAL | 1,931,249 | 851,261 | 710,900 | 789,232 | | 11.0% | 1,151,100 | 1,099,639 | 1,099,629 | -4.5% | 1.4 |
| TOTAL KC OUTSIDE SEATTLE | 1,322,589 | 542,745 | 452,401 | 505,722 | | 11.8% | 658,340 | 637,449 | | -3.2% | 1.3 |

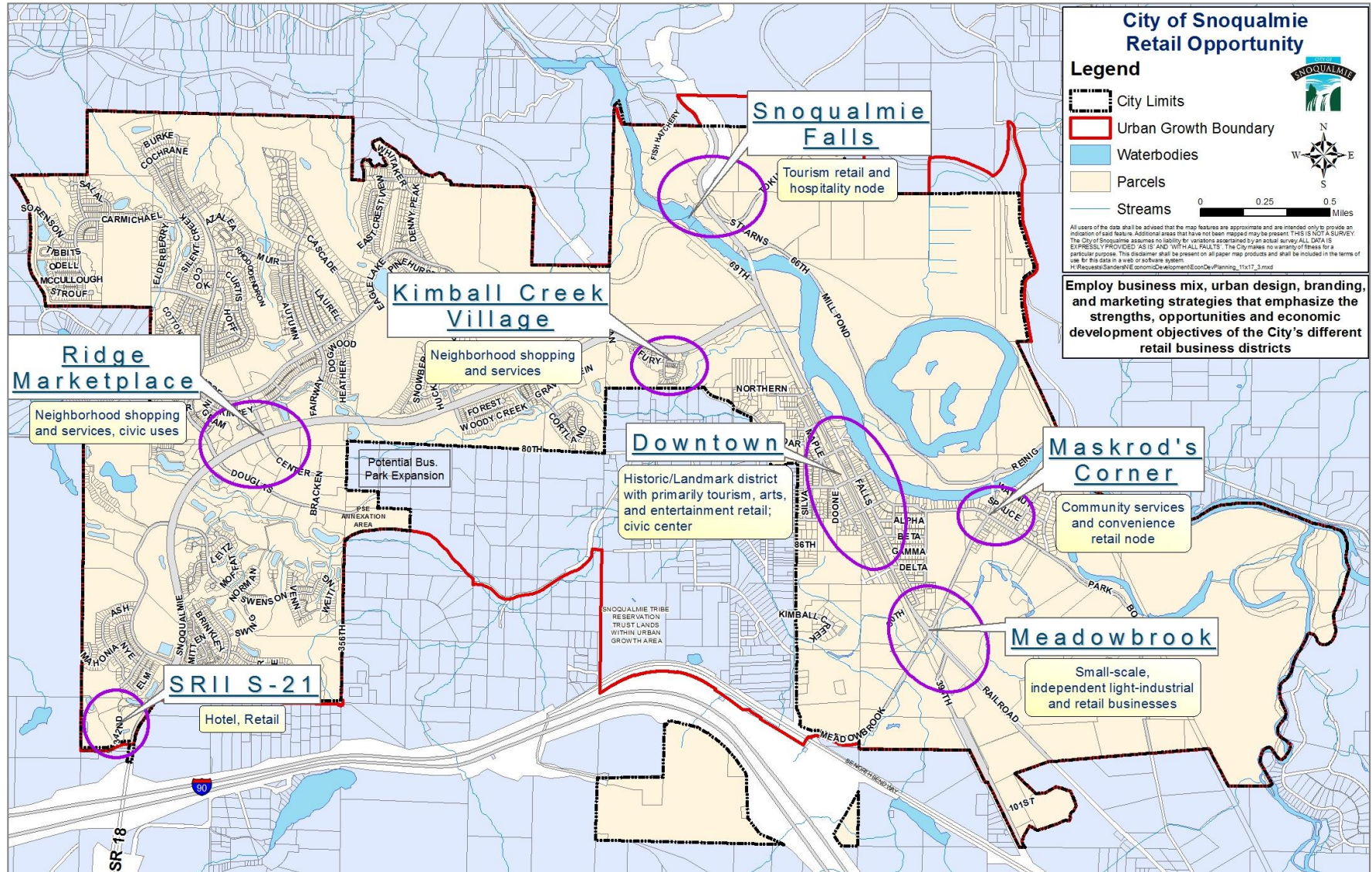
Table excerpt from King County Comprehensive Plan 2012, 09/2012, Technical Appendix B: Housing, pg 49. Snoqualmie is in the NE
www.kingcounty.gov/property/permits/codes/growth/CompPlan/2012Adopted.aspx#tech

⁵ Weitz, Jerry. "Jobs-Housing Balance," APA PAS Report 516, November 2003. Referencing studies by Ewing (1996) and Cervero (1991;1996). Page 4. <http://www.planning.org/pas/reports/subscribers/pdf/PAS516.pdf>

⁶ King County Department of Community and Human Services, "Executive Recommended 2012 King County Comprehensive Plan Update, Technical Appendix B: Housing," March 1 2012, Page 46, www.kingcounty.gov/property/permits/codes/growth/CompPlan/~media/property/permits/documents/GrowthManagement/CompPlan2012ExecRec/TechAppendixBPDF.ashx

⁷ Land use changes assume development of the Mill site to half its potential, and the conversion of 71.5 acres in the UGA for commercial uses.

Figure 3.1 Retail Opportunities Map



APPENDIX 3-I

RECOMMENDED TARGET INDUSTRY CLUSTERS AND RECRUITMENT ACTIVITIES

The following industry clusters were recommended for targeted recruitment in the 2013 City of Snoqualmie Final Report and Recruiting Plan prepared by the City by staff of the Economic Development Council of Seattle and King County.



Medical Devices

The medical devices sector is a part of the commercial activities subsector of the life sciences industry; other subsectors include medical research and the provision of medical care. About 29,000 people in the Puget Sound Region were employed in life sciences in 2011, with employment in this sector is largely “recession-proof.” During the past five-year economic downturn, life sciences employment grew by 8%, when overall employment fell 4%. While research establishments cluster around the University of Washington and the Fred Hutchinson Cancer Research Center, other medical device companies show diverse locations all along the I-90 and I-405 corridors, with concentrations in Bothell, Kirkland, Redmond, Bellevue, Issaquah and Snoqualmie.

There are currently about 250 medical device companies in the State, ranging in size from small start-ups to large mature corporations. Medical device companies have several advantages over other types of life science activities, one of the most important being that there is less federal review and oversight than in the pharmaceutical and research fields. Medical device subsector jobs tend to be high-wage, and companies needs in terms of space tend toward mixed uses, including offices, labs and assembly facilities. This is a recommended target industry for the Ridge Business Park.



Environmental Remediation (Clean Technology & Environmental Engineering)

The clean technology sector is a diverse collection of related industries, including clean energy, clean fuels, green design and development, remediation (or “clean-up”), recycling, water quality and lean manufacturing, all with the common theme of a reduced use of scarce resources. The Puget Sound region was one of the first areas in the United States to recognize this sector, and is now one of the leaders in the field, employing 26,000 people across 1,800 firms in 2011.

One of the characteristics of a new field is fairly rapid change, and this is true of the clean technology sector. Large-scale alternative energy projects financed by federal grants have given way to software development for energy efficiency and “smart grid” applications. With the recession and the sequestration currently in effect, it is unlikely that there will be large public projects in the near term, especially with investors pulling away from alternative energy projects due to increased natural gas supplies, and their consequent drop in price. However, research continues and commercialization of the research with market potential will continue to fuel the clean technology sector. As noted above, one promising area has been the energy efficiency software development; others include the development of longer-lasting or more efficient electric vehicle batteries, and the remediation field. According to the Environmental Business Journal, the remediation field grew by about 10% in 2012 over 2011, with growth expected to continue based on oil and gas industry remediation work and opportunities in Asia and Africa. Based on its growth potential, and the lack of a need to be in a specific location, this subsector has potential for capture by the business park.



Outdoor Sports and Apparel

Although the production of sports equipment and apparel is not a formal sector in the Puget Sound strategy, it is a “stealth” industry in the metropolitan area. Representative firms include K2 (skis and snowboards), REI (outdoor clothing and equipment), Eddie Bauer (clothing), Filson (outdoor clothing and hunting gear), Patagonia (clothing), and Motion Water Sports (wakeboards, water and snow skis, and related equipment). Virtually all mass-market clothing is now produced in countries with low labor costs, from Mexico and other Central American countries to Vietnam, Malaysia and Bangladesh. The clothing companies above have targeted high-value niche markets where quality, reliability and durability are more important than price. The same is true for manufacturers such as K2 and REI. While information on this quasi-sector is not available for the Puget Sound region, state-wide information on the apparel industry notes there were 12,500 jobs in apparel production across 1,500 firms in 2010 (though not all of these are outdoor apparel producers).

This industry shows more volatility than other sectors for two reasons. Firstly, a technological change in production techniques or new design can shift market share quickly, and secondly, unlike the other discussed industries, this one caters to a relatively small, relatively wealthy market segment with many choices for their discretionary spending. While the industry as a whole should continue to grow as disposable income increases, individual companies remain at risk.



Aerospace Suppliers

Aerospace is the region's oldest industrial cluster, founded here a century ago, and although there are about 585 aerospace companies in the region the sector is dominated by one company: Boeing. Employment fluctuates with Boeing's fiscal health, with regional employment falling from 95,000 jobs in 2000 to about 87,000 in 2011. Although some companies also supply Airbus, Boeing remains the driver, with aerospace firms clustering along the I-5 and I-405 corridors to be physically close to the Everett and Renton Boeing plants. For this reason, growth in the industry is uncertain, as Boeing continues to diversify its production among overseas partners, relocate capacity to right-to-work states, and decrease its workforce through increases in productivity. This may be offset somewhat by European firms relocating here, to facilitate their sales to Boeing and to avoid uncertainties with the Euro.

Given the nature of the industry in the Puget Sound region, with most of the firms competing to sell to one company and with that one company able to drive prices down through its dominant position in the marketplace, there is a possible advantage for a firm to locate in Snoqualmie Ridge Business Park, where lower rents would provide a financial edge.



Financial & Business Services

The financial and business services sector is perhaps the largest single sector in the Puget Sound region, in terms of both employment and economic impact. In 2011 this sector employed more than 180,000 people in about 11,000 firms, in activities including banking, money management, investment, accounting, law, insurance and similar occupations. Given the nature of work these firms do, many of them feel it is necessary for them to be located in the central business district of larger cities, both to serve clients and to be close to other industry firms or to the public offices they rely upon. Other parts of the industry are not location-dependent, such as back office functions. These are often located in Class C office space, the main determinant being very cheap rents. Growth in this sector is expected to be modest, at about 4-5% over the next ten years. Given this, and the diffuse nature of the sector, there is some possibility that firms from this sector could be captured by the business park.



Information Technology

The information technology sector in the Puget Sound region is epitomized by Microsoft, yet it is far more than just one company – there are now over 5,300 establishments in the region employing more than 144,000 people in this sector. Although there are a few “giants” in the field, the average size of an IT company is small; the industry is particularly amenable to entrepreneurial activity, since very little is required beyond an idea and a computer to start a business.

One of the characteristics of this industry is that there is an acute shortage of talent. Many of the new hires in this sector each year come from other parts of the U.S. or from abroad, as the state produces relatively few computer science graduates. This factor has served to limit growth in what has been a very high-growth industry. Another industry characteristic is that firms in this field tend to cluster physically, in Redmond (Microsoft), Bellevue (Digipen), Kirkland (Google), and to a lesser degree in Seattle (game companies). This is due to the tendency to hire talent away from one's competitors, and the desire of smaller companies to be acquired by larger ones.

While projections for this industry are quite optimistic, with another 25,000 jobs expected over the next ten years, it is not clear where these employees are going to come from, nor is it likely that the cluster will expand to include other communities unless another major employer locates in another city. Therefore, in spite of the large size and high expected sector growth, it is not anticipated to be an especially high probability for Snoqualmie.