



**SNOQUALMIE
RIDGE**



Retail and Non-Retail Service Mix Snoqualmie Ridge

October 2007

v. 2.0

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Introduction

To adequately plan for the long term fiscal health and sustainability of the City of Snoqualmie, the City needs to plan for and assure there will be sufficient land supply designated and zoned for highest and best retail uses. Of particular concern, is keeping an adequate mix of uses and services so that residents living on Snoqualmie Ridge, stay and shop. The development of Snoqualmie Ridge was planned to have a strong overall pedestrian focus, with pleasant streets, walk-about neighborhoods, parks and trails connected to the sidewalk system, homes with porches facing the street, and a centrally located, compact center where businesses were oriented to and lining the streets. Along with the pedestrian focus was the vision of maintaining the small town sense of place, with smaller, independent stores, rather than the typical anywhere-America suburban shopping center, with or without big box stores. The neighborhood center retail area in particular was envisioned as a place where people would shop for everyday needs, grab a cup of coffee, lunch or dine, get their hair done, take in a movie, visit a library, meet up with friends, or just enjoy being in an active, animated place. The goal was to create a concentrated, pedestrians oriented retail area that focused on the public use (as opposed to a parking lot), in close proximity to the new Snoqualmie Ridge population.

The plan for Snoqualmie Ridge has been very successful. It is the fastest growing, and number-1-selling planned community in the State of Washington. Build-out of Snoqualmie Ridge has occurred more rapidly than planned.

Previous research was performed in 2001, 2003, and 2006. These prior projects were conducted to gain a better understanding of the retail need based on what was supportable with the growing population. This research focused not only on the retail growth on Snoqualmie Ridge, but also in other sections such as Kimball Creek Village. Much of the studies focused on the household growth within Snoqualmie Ridge I and Snoqualmie Ridge II, as well as the growth within the greater UGA. Specifically, these projects focused on the amount of square footage that was needed to support the community, as well as analyzed the demand for an anchor grocery store and a larger drug store.

Hebert Research was asked by the City of Snoqualmie, the current merchants in the Ridge Retail Center, and the Ridge Retail Center developer, to expand on this research to understand what the retail needs are in the community. The primary concern is to understand the retail mix needed to support the growing population, meet the demand and capture current leakage, and identify retail that will enhance both the growing community and the current retail.

Research Goal and Objectives

The goal of the research was to identify the types of retail and non-retail services that are needed to support the planned growth of Snoqualmie Ridge as well as complement the current merchant mix that is in the community. This research examined past research, the current and forecasted characteristics of Snoqualmie Ridge, and the perceptions of buyers within the community as well as the possibility of defining and creating destination retail.

1. Identify economic and demographic characteristics of the region including the City of Snoqualmie and surrounding areas such as, but not limited to, Snoqualmie, North Bend, Fall City, and Issaquah.
2. Examine current types of retail available on Snoqualmie Ridge, as well as those that residents purchase elsewhere, and what drives residents to purchase at one location or another.
3. Identify the trade area available for additional retail space.
4. Examine current tenant space limitations/requirements as defined in the master plan, approved by King County.
5. Identify specific types of merchants that are needed to compliment the current tenant mix and expand the retail revenue.
6. Identify methods to attract and manage a desirable mix of new merchants that would be permitted to enter the market.
7. Determine the demand forecast by merchant type in Snoqualmie Ridge and define the target market of shoppers.
8. Identify types of retail and services that are have the potential of becoming destination businesses guided by other regional destination shopping locations.
9. Determine the importance of greater retail and services accessibility to the success and further growth of the Snoqualmie Ridge community.
10. Review past research and development plans and the application to further research in this project.

Snoqualmie Ridge – Community Information

Snoqualmie Ridge is located along Snoqualmie Parkway in the City of Snoqualmie, which is located in the Snoqualmie Valley. This community is north of Interstate-90 east of Seattle.

Dependent on traffic conditions, the following travel time from Snoqualmie Ridge is as follows:

- Issaquah – 10 minutes
- Bellevue – 20 minutes
- Microsoft – 25 minutes
- Seattle – 30 minutes
- Snoqualmie Pass – 30 minutes
- Tacoma – 45 minutes

(Source: Snoqualmie Ridge Website)

The green arrow on the following map indicates the general location of the Snoqualmie Ridge region of the City of Snoqualmie.



The Community

The master planned community of Snoqualmie Ridge allows homeowners to enjoy the natural beauty of more than 1,343 acres of the Upper Snoqualmie Valley. Over 40 percent of the community has been set aside as open space. This area includes parks and over 20 miles of trails, preserved wetlands, and a Jack Nicklaus Signature TPC Private Golf Course.

Residential Units

The community consists of a mixed development of homes, townhomes, condominiums, and apartments. Included in this fastest growing community in Washington are the following types of homes:

- Echo Ridge Apartments
- Ridgestone Townhomes
 - Homes from 1,300 to 1,800 square feet
 - Starting at the high \$300's
- Quadrant Homes
 - Homes from 1,636 to 3,100 square feet
 - Starting at the low \$400's
- The Heights
 - Homes from 3,100 to 3,999 square feet
 - Single-family homes
 - Starting at \$670,000

Environmental Stewardship

The Snoqualmie Ridge master planned community has an emphasis on green living through its preservation of natural wetlands and wooded areas, as well as sustainable development practices. The community supports and encourages activities like biking and walking to lessen the impact of single-occupancy vehicles. Parks and the golf course are irrigated with reclaimed water or untreated raw well water, decreasing the demand on the potable water supply. The landscaping of the area also utilizes native plants and existing vegetation that require less supplemental water. Finally, the use and application of recycled materials is used during the construction of facilities. All of these and other environmental practices help the current community, the area long-term, and set a standard for future developments. (Source: Snoqualmie Ridge Website)

Past Snoqualmie Ridge Research

Background Research and Current State of Snoqualmie Ridge

Since 2001 three separate stages of research have occurred. The research completed in 2001 and 2003 was conducted by one firm, and in 2006 a different firm was retained. These prior projects were conducted to achieve the following:

2001

Provide retail market analysis and a retail development plan for the city and its Urban Growth Area (UGA). The purpose of the analysis was to determine how much retail growth the market would support, when and where, based on the projected new population and jobs demand for the retail growth as well as retail development trends. This study found that approximately 40% of local consumer purchases were associated with retail businesses that typically require less than 7,500 square feet of retail space, with the remaining 60% of sales associated with non-retail service-related business activities and larger stores. The 60% consisted of retail uses that require more than 7,500 square feet, non-retail service uses, and auto-oriented retail that was considered to not fit well with neighborhood and historic commercial districts.

2003

Further research was conducted to plan for an adequate supply of well-located commercial land to meet the City's long-term needs. This occurred because projections for population and household growth for Snoqualmie Ridge at build-out would be increased as an additional phase II of Snoqualmie Ridge development. The updated retail demand analysis concluded that the revised primary market area build-out would be 5,888 (1,826 household increase over previous research), which could support an additional 151,670 square feet of retail and selected service building space. With this additional space the total household and visitor demand potential of net added local community and visitor-oriented commercial space was listed at over 591,700.

2006 - Retail

This research looked at current and projected population and employment growth, along with income growth, and compared the retail supply and demand balance for the Snoqualmie Ridge Neighborhood Center to determine how much additional retail acreage would be needed in this area. This study did not include visitor spending. Based on this demand analysis the research concluded that with the build-out of the three blocks in the Snoqualmie Ridge neighborhood retail center and the addition of approximately 20,000 square feet in Kimball Creek Village, the amount of retail space available would accommodate growth through 2010. The retail struggles pre-2006 were attributed to the lack of an anchor grocery store, and the potential retail sales in the neighborhood is estimated to more than double with the build-out of the UGA. The demand will balance supply until about 2010, when there will be a need for an additional 60,000-70,000 square feet of retail space. The drug and variety store demand of 2005 will also increase from 12,000 to 27,000 square feet. The location of the Snoqualmie Ridge II parcel makes it marginal for future retail development, and the neighborhood would be stronger if all

its smaller retail shops, restaurants, and services could benefit from being in walking distance from the grocery store and possible future drug store. Finally, a large percentage of retail space in the neighborhood center leased by non-retail tenants dilutes the strength of the retail center. It was recommended that over time these services should be relocated.

2006 – Research for Economic Development Study

In late spring of 2006 a firm was contracted to collect demographic information for the City of Snoqualmie. Data was received from 308 households and 540 workers. Of this total sample 78.2% of the households were part of the Ridge and 79.6% of the workers were from the Ridge. This research found the following information:

- 80.3% of Snoqualmie respondents have lived in the area for 5 years or less
- Over half (55.9%) of the respondents have an annual household income greater than \$100,000
- 68.3% of respondents are employed full-time, 8.7% are employed part-time, and the remaining are either retired or not employed
- 59.6% of respondents have bachelors degree or higher in terms of education level
- 82.8% of the respondents are between the ages of 20 and 49.
- Respondents believe that there is a great need for additions in Snoqualmie. Some of these include:
 - More restaurants (24.8%)
 - More retail stores (19.7%)
 - More local jobs (16.7%)

Source: *Survey Results for Snoqualmie Economic Development Study, 2006*

2007

Construction of Phase II of Snoqualmie Ridge has been continuing in 2007. Preliminary plats were approved for over 70% of the planned number of units. The City's population is approaching 9,000 – triple the population in 2000. The population is expected to reach over 12,000 within the next 3-5 years, and close to 16,000 with projected build-out of the urban growth area, sometime before 2022. As determined by the 2006 research, there will be a need for additional retail space to support residential and employment growth as well as meet the demand for retail and non-retail shops and services.

The addition of retail zones in the business park is explained by the following:

- All available space within the neighborhood center retail area is currently occupied or leased.
- The previous market analysis concluded that an additional 6-7 acres of retail land would be needed by 2010.
- There are limited viable locations for expansion of the neighborhood center retail area.
- The Business Park is currently being marketed only for office and light industrial uses, as required by the Snoqualmie Ridge Development Standards.

Snoqualmie Ridge Retail and Non-Retail Services

The retail and non-retail services that are to be added will compliment the current mix that is available on Snoqualmie Ridge. The following is a list of existing retail and non-retail services on Snoqualmie Ridge. These are merchants in the Center Blvd region that are currently in operation or will be opening in late 2007 or early 2008.

Services

- Andres' Dry Cleaning
- Angel Nails
- Bliss Day Spa
- Cascade Dance Academy
- Chiropractic Care at the Ridge
- DMW Martial Arts
- Great Clips
- KeyBank
- Kirby Nelson Orthodontics *
- Kumon Learning Center
- Peaks Sports & Spine Physical Therapy
- ReMax Integrity
- Renaissance Salon & Spa at the Ridge
- Secret Sun Tanning Salon
- Snoqualmie Cleaners
- Snoqualmie Ridge Athletic Club
- Snoqualmie Ridge Early Learning Center
- Snoqualmie Ridge Family Dental
- Snoqualmie Ridge Medical Center
- Snoqualmie Ridge Veterinary
- Snoqualmie Valley Eye Care
- Snoqualmie Valley Kids' Dentists
- Snoqualmie Village Pharmacy
(located inside Village Foods IGA)
- State Farm Insurance *
- The UPS Store

Restaurants

- Ana's Mexican Restaurant
- Emerald City Smoothie *
- Georgio's Subs
- Himitsu Teriyaki
- Mike's Cascade Grill
- Mix It Up! (Ice Cream) *
- Nick 'n Willy's (Take Out Pizza) *
- Sebastiani's Italian Bistro
- Starbucks Coffee
- Taco Del Mar
- Talay Thai
- The Pickle Lady & More
- The Noble Dragon
- Uncle Si's Pizza
- Zoka Coffee Roasters & Tea Co.
- Finaghty's Irish Pub *
- The International Deli *

Retail Shops & Grocery

- Head Over Heels (Shoe Store) *
- Hip 2-B Square Scrapbooking
- Peanut Butter & Lily (Children's Clothing)
- Snoqualmie Ridge Music Center *
- The Artisan Table
- The Pet Factor *
- Village Foods IGA
- Zeebi's Toy Store

Note: This list was provided to Hebert Research by the Developer of the Retail Center

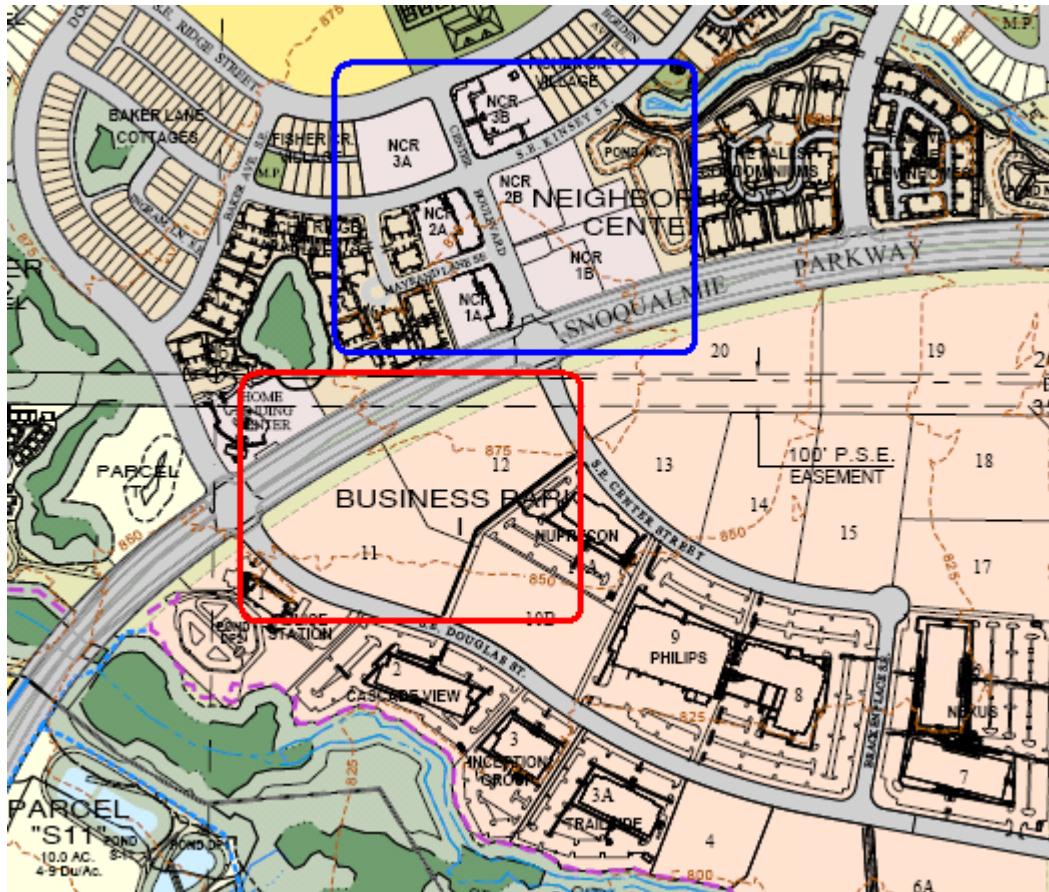
* Indicates stores will open in late 2007 or early 2008

On September 7, 2007, 18 individuals who represented 15 of these Snoqualmie Ridge merchants and the City of Snoqualmie met with Hebert Research to discuss the current retail mix. Both parties, merchant representatives and City representatives, expressed a need for specific types of retail and non-retail services that will compliment the current retail and add value to overall Snoqualmie Ridge economy. Some of the additional retail and non-retail services needed according to those present included:

Auto detailing	Sporting Goods Store	Indoor sports facility
Auto service – oil and lube	Bike Store	Boutique hotel
Family Entertainment	Snowmobile/Motorcycle Store	Primary grocery store
Outdoor Recreation	Hardware Store	Electronics store
Garden Nursery	Family outdoor adventure and activities services	More general service options
Drug Store		

Other retail and non-retail services, as well as, the closest alternatives to the options explored with respondents can be found within the Appendix.

The primary location of the new retail as designated by the City of Snoqualmie includes lot 11 and lot 12 of the Business Park. This area is located along Snoqualmie Parkway between SE Douglas Street and SE Center Street. The map below illustrates the current retail center in blue, and the proposed new retail region in red.



Methodology

Quantitative Study

A total of 303 surveys were completed with adults living in the households contacted. Respondents were surveyed based on their residency within the primary or secondary market. The primary market was defined as residents of Snoqualmie, which included residents from what is considered “Old Snoqualmie” and “Snoqualmie Ridge”. The secondary market was defined as the residents outside of the primary market, but part of Snoqualmie Valley that would use this retail space to fulfill some of their everyday needs as well as destination retail. This market was classified as North Bend and Fall City. The graph below illustrates the number of respondents from each of the market regions. A sampling map can be found on page 13.

Market	Percentage
<i>Primary Market</i>	
Snoqualmie - Old Snoqualmie	33.0%
Snoqualmie Ridge	34.0%
<i>Secondary Market</i>	
Fall City	16.8%
North Bend	16.2%

Sample Rationale

Where the population embraces a number of distinct categories, the sample can be organized by the categories into strata. The sample is then selected from each stratum separately, producing a stratified sample. There are two main reasons for this technique: (1) to ensure that particular groups within a population are adequately represented in the sample; and (2) to improve efficiency by gaining greater control on the composition of the sample.

A stratified sample was chosen in order to understand the demand and perceptions of the primary market more closely as the main users of the Snoqualmie Ridge Retail.

The response rate, which represents the proportion of the population who agreed to participate in the research, was 65.5 percent. The overall incidence rate, which represents the proportion of the population qualified to participate in the full survey, was 28.6 percent. The maximum margin of error at 303 respondents is ± 5.7 percent.

The data were analyzed using generally accepted univariate measures of central tendency and dispersion.

Questionnaire Development

The questionnaire utilized for the survey was created based on information gathered in the previous stages of research: qualitative research and secondary research. Prior to implementation the questionnaire was approved by the project stakeholders: Snoqualmie Ridge Retail Center Tenants, a Snoqualmie Ridge developer, and the City of Snoqualmie. The questionnaire was created for its purpose with specific controls in place.

The regulations set forth by the City of Snoqualmie as well as being mindful of future planning in Snoqualmie Ridge were considered when developing options. Therefore, quantitatively testing options that are not viable would not provide realistic outcomes. Furthermore, in the creation of some questions, it is necessary to offer similar examples so that the respondents can offer their opinions within the framework set. Although the space under question is not officially designated, the statistical controls need to be set in order to gain accurate data from the respondents.

Qualitative Study

Research assistants at Hebert Research initially interviewed the participants in order to determine their willingness to attend the focus group discussion. Eligibility in the first focus group was determined to be individuals in the primary market of Snoqualmie and Snoqualmie Ridge that currently utilize the retail center. Eligibility in the second focus group was determined to be individuals in the secondary market of North Bend and Fall City that do not utilize the retail center in order to better understand what could create destination retail. The focus groups were held at Hebert Research in Bellevue, WA.

Those individuals who were eligible and who expressed a willingness to attend the focus group received written final confirmation and a telephone call the day before the focus group was scheduled.

Hebert Research has made every effort to produce the highest quality research product within the agreed specifications, budget and schedule. However, market research can predict consumer reaction and market conditions only as of the time of the sampling and within the parameters of the project.

Sampling Frame and Honorarium

The focus groups consisted of 15 and 13 individuals, respectively, and each lasted an hour and a half. Participants in the focus groups received \$75 each for their participation.

Focus Group Moderation and Research Documentation

The focus groups were moderated by Jim Hebert. Mr. Hebert also served as Research Director, and as such was responsible for recruiting and overseeing the entire project. The Research Analyst, Andrew Steinbrecher, analyzed the results of the focus groups and developed this brief summary that describes the key findings of the meetings. (Note: All records and research documentation is kept strictly confidential within Hebert Research.)

Primary Market Residents Focus Group Respondents Profile – October 2, 2007

October 2, 2007 Focus Group			
Name	Age	Snoqualmie/Snoqualmie Ridge	Years In Residence
Amy Anderson	36	Snoqualmie Ridge	9
Ann Logelin	45	Snoqualmie	n/a
Barbbara Duquette	49	Snoqualmie Ridge	n/a
Heather Field	38	Snoqualmie Ridge	3
Hope Hepworth	59	Snoqualmie	3
Kim Smith	37	Snoqualmie Ridge	9
Laura Groth	41	Snoqualmie Ridge	8
Lauri Haycock	45	Snoqualmie Ridge	5
Linda Anderson	56	Snoqualmie Ridge	5
Melanie Jarocki	34	Snoqualmie Ridge	3
Nancy Christensen	45	Snoqualmie Ridge	8
Patty Ratzlaff	50	Snoqualmie	1.5
Rob Smith	43	Snoqualmie Ridge	9
Ron Mount	61	Snoqualmie Ridge	3
Theresa Johns	45	Snoqualmie Ridge	9

Of the 15 respondents, three were very quiet offering limited feedback except when spoken to directly.

Note: Individuals that did not disclose how long they have resided in the area are denoted “n/a”.

Secondary Market Residents Focus Group Respondents Profile – October 4, 2007

October 4, 2007 Focus Group			
Name	Age	Fall City/North Bend	Years In Residence
Becky Gordon	54	Fall City	10
Beryl Knauth	62	Fall City	4
Corinne Ridgley	46	Fall City	19
Geraldine Enger	76	North Bend	13
James Davidson	64	North Bend	5
Judy Stapleton	48	North Bend	21
Kari Groshell	36	Fall City	25
Lanette McIntosh	39	North Bend	n/a
Mimi (MJ) Sanchez	72	North Bend	7
Ralph Westermann	48	Fall City	11
Sandra Nessly	66	North Bend	10
Susan Goodin	58	Fall City	29
Teri Crandell	47	North Bend	9

Of the 13 residents, two were perceived as being rather opposed to the additional retail and one individual was very outspoken.

Note: Individuals that did not disclose how long they have resided in the area are denoted “n/a”.

Secondary Research

Demand Analysis – Merchant Type

In order to quantify the amount of retail leakage of the highly demanded merchant types, a capture-leakage analysis was conducted using the available data on spending and retail sales in the primary and secondary markets. Leakage is created by comparing the spending in a specific market to the sales in that market. If expenditures exceed sales then sales dollars are leaking from the trade area into other markets. Leakage indicates areas of retail demand. The data represents sales and expenditures for 2007. The data is calculated based on 2007 Claritas information.

The following equation was used to calculate the High Leakage/Capture dollars:

High Leakage =

*(Expenditures – Supply) * (% of High Likelihood to Shop AND High Demand)*

Demand Analysis – Boutique Hotel

The demand of the boutique hotel was calculated based on a regional average corporate, boutique hotel rate multiplied by the number of total rooms available. This revenue was multiplied by the total number of days in a year. The total was then evaluated at the occupancy rate to provide the total revenue.

The following equation was used to calculate the yearly revenue of the boutique hotel:

Boutique Hotel Revenue =

*(Average Rate per Night) * (Number of Rooms) * (Days per year) * (Occupancy Rate)*

Note: The average rate per night was calculated based on the corporate rate of similar boutique hotels in the East King County Region.

Other Resources

Secondary research was also performed in order to gain a full understanding of the region, area retail within the primary and secondary markets, as well as other factors that may add value and demand to the retail in the area (i.e. potential for consumers that could come from the proposed new hospital site). Sources used to gain this knowledge include:

- Regional websites (i.e. Snoqualmie Ridge website, City of Snoqualmie website, Snoqualmie Valley Chamber of Commerce website, etc.)
- Office of Financial Management
- Department of Labor and Statistics
- Department of Revenue
- United States Census Bureau
- Claritas, Inc.

Note: Information that was not directly related to the report value, such as current alternatives, transportation enhancement to the region, and historic demographics are found in the appendix.

Miscellaneous

Internal Peer Review

Hebert Research uses a “CERA” process—similar to academic peer review—to ensure that each study meets or exceeds rigorous quality control standards. Through this process, Senior Research Analysts, the Research Director and the CEO carefully evaluate each analysis and offer critical feedback designed to reduce error and heighten the generalizability of the research.

The object of a focus group is to assess qualitative responses; the methodology involved is particularly useful in providing a greater depth of understanding than can be acquired through quantitative techniques. The individual responses and group interactions are important in observing and analyzing reactions to various questions. Group unanimity is more conclusive than group division; division among group members indicates segmentation is occurring. It is important to remember that when analyzing focus group findings one should not draw quantitative conclusions to questions, but should develop insights, formulate hypotheses, or uncover new ideas that warrant exploration.

Other

Hebert Research has made every effort to produce the highest quality research product within the agreed specifications, budget and schedule. The customer understands that Hebert Research uses those statistical techniques, which, in its opinion, are the most accurate possible. However, inherent in any statistical process is a possibility of error, which must be taken into account in evaluating the results. Statistical research can predict consumer reaction and market conditions only as of the time of the sampling, within the parameters of the project, and within the margin of error inherent in the techniques used.

Multivariate Analysis

Statistical analysis is commonly conducted using multivariate techniques. The Analyst relied primarily on two statistical tests, the Chi Square and ANOVA (i.e., Analysis of Variance) to identify statistically reliable differences between segments and variables. The Chi-square test was used with the grouped categorical variables such as level of interest in a primary grocery store when the responses were grouped as follows: Low (0-3), Moderate (4-7), and High (8-10). By contrast, the ANOVA test was used with continuous data such as likelihood to purchase. Multivariate analysis was conducted to [1] identify differences between individuals within the markets and [2] associations between groups and variables of interest. The main variables used to conduct multivariate analysis included:

- Primary Market – “Old” Snoqualmie and Snoqualmie Ridge
- Secondary Market – Fall City and North Bend
- Likelihood to increase frequency of use of Snoqualmie Ridge retail

When differences between groups or variables are significant, the level of significance is reported as a “P” value. These values are the statistics that are commonly used in hypothesis testing and are relied upon to determine the reliability (i.e., the degree to which one can be certain) of a given finding or difference. This value describes the probability that an effect—for instance a difference between age—occurred due to chance or error. Thus, *low P values (i.e., those at or below 0.05) are indicative of high levels confidence and establish that the effect being observed can be relied upon in decision-making.* P values of 0.000 are the lowest commonly reported in the social sciences and thus are indicative of a very high level of decision-making reliability.

A Note on Measures of Association

“Cramer’s V” and Eta Squared are statistical tests that measure the association or correlation between variables. In other words, it measures how much the dependant variable measures the independent variable. Where significant and appropriate, Cramer’s V and Eta Squared coefficients are referenced to describe the strength of the relationship between variables (e.g., market and interest in type of merchant).

Qualitative Research

Primary Market - Snoqualmie & Snoqualmie Ridge Residents

Snoqualmie Retail Center Use & Awareness

All of the respondents indicated that they have been to the retail center, and 86.6% indicated that they utilize the retail center frequently. The respondents stated that frequent use of the retail center is sometime within the past week. Three of the respondents mentioned utilizing the retail on that same day. When asked what retail and non-retail services are available on the Ridge the following merchants were named:

- Village IGA
- Great Clips
- Snoqualmie Ridge Medical Center
- Snoqualmie Valley Eye Care
- Zeebi's
- Taco del Mar
- Mike's Cascade Grill
- Andre's Dry Cleaning
- The UPS Store
- Hip 2-B Square Scrapbooking
- Snoqualmie Cleaners
- Key Bank
- Sebastiani's Italian Bistro
- Starbucks
- The Artisan Table

Other area retail and non-retail services mentioned were:

- Gianfranco Ristorante Italiano
- Gordy's Steak and BBQ Smokehouse
- King County Library
- Carmichael's Hardware
- Snoqualmie Brewery
- Post Office
- Candy Factory

Specific comments made about the current merchants and merchant mix are found below:

Why are there so many dry cleaners, are people on the Ridge just really clean?

There is too much of the same type of stuff and I think it's the competition that causes some of the places to close.

There is definitely a lot that is missing but I don't want places like Costco, Target or Home Depot.

We can't have our town turned into Snohomish, it is nice to have a quiet place with not much traffic.

I don't think there is a need just on the Ridge, but that the retail of the entire city is missing certain retail.

I think that the places that have not been successful is due to the fact that they are just marketing to the wrong demographic. Especially with the specialty stores, you need to know who exactly to sell to or it won't survive.

Because of the high design standards set by the city everything is really expensive to rent. And because it is so expensive, the only people that can get into the space are people with money, but they don't necessarily know how to run a business.

Primary Market - Snoqualmie & Snoqualmie Ridge Residents

Shopping Locally

Based on comments throughout the focus group that respondents made, they were asked more specifically on their desire to purchase within the local economy. Of the respondents 60.0% indicated that they strongly favor buying locally. These respondents defined the local market as the Snoqualmie Valley including North Bend, Preston, Fall City, Carnation, and Snoqualmie.

The respondents gave several reasons for shopping locally, but the three reasons mentioned most frequently were to keep the local economy flourishing, to help the people that own the businesses because they know who they are, and because traffic is not an issue in the Valley.

Comments that respondents made regarding shopping in the local market are as follows:

I like knowing that I am supporting local merchants

I know a lot of people in the Valley and many of them own these businesses. If I go to the hardware store and they don't have what I'm looking for, they will order it for me. This doesn't happen in places like Issaquah

I want to stay locally, but it is so easy to go elsewhere that businesses need to be very competitive.

Buying locally is a really big trend and we are part of it.

I don't like the traffic in the other communities. When I go to Issaquah there are so many people, cars, and stoplights that I cannot wait to get home to the Valley.

We don't need to have everything on the Ridge, as long as it's in the Valley. I would rather go to North Bend than Issaquah because I don't like traffic and I'm still supporting the Valley.

The only reason that I don't want a Target or Home Depot is that I don't want the traffic to come out to the Valley. We like it pleasant and quiet.

Primary Market - Snoqualmie & Snoqualmie Ridge Residents

Current Grocery Perceptions and Demand

Of the respondents 80% indicated that the current Village IGA does not fulfill all of their needs. The respondents do not use the store for all of their grocery needs because the shelves are not adequately stocked. Of the respondents, five believe that overall the prices at the Village IGA are too expensive, and therefore it is very accessible to go to a different grocery store in North Bend.

Specific comments regarding the current grocery available are found below:

The IGA needs more stuff.

The shelves have been empty or contain expired food, especially since the storms last winter when they lost a lot of food.

I don't shop there anymore because they don't have what I need.

I've only been there once and my husband's comment was 'what happened to this store!'

If you are going to do a quick stop for something, then it's okay, but not for full service shopping.

IGA is neither high-end or low-end, it's just high prices and things don't go on sale so it is easier to shop elsewhere.

If they had the right stuff I would go there.

The respondents were then asked to consider if another grocery store would be added as a primary or secondary store, what their usage or perceptions would be. Specifically the respondents were asked to consider a store such as Thriftway or Trader Joe's. Of the respondents, six felt that Thriftway would be too high-end for the community. Almost three-fourths (73.3%) indicated a high interest in Trader Joe's.

Comments regarding the addition of a Trader Joe's into the community were:

I enjoy the low prices at Trader Joe's compared to Thriftway.

Trader Joe's has quality food for a better price.

Could we keep IGA and add Trader Joe's?

I think if they add a Trader Joe's the IGA will just go farther under.

Primary Market - Snoqualmie & Snoqualmie Ridge Residents

Business Park Accessibility

The respondents were then shown a concept map, which can be found in the appendix, and given a description. On the concept map the respondents were shown Snoqualmie Parkway as a frame of reference, the current retail center on Center Boulevard, and the business park located across the parkway. The respondents were told that this space includes approximately 80,000 square feet, of which includes space for the buildings, space for parking, and space for landscaping. The respondents were then asked about the accessibility and the potential walkability between the current retail center and retail that could be made available in the business park.

Of the respondents, 4 stated that they would like to see a sky-bridge placed over Snoqualmie Parkway. The respondents indicated that it is intimidating to cross the parkway because of the speed at which cars travel. When asked if it would help to add something to clearly define the intersection as a pedestrian walkway, the respondents indicated that they would not feel any safer.

About two-thirds of the respondents stated that even if the retail was located across the street, they would still use their cars to access the new retail space.

Some of the respondent's comments are found below:

I think we would need a sky-bridge because that is a fast moving road. You aren't going to just walk over there.

It's awful crossing the road.

Right now I don't mind my children going to the retail center, but I wouldn't allow them to cross the Parkway.

People like to walk with the store fronts, if the retail would go into the business park there would probably be a large parking lot separating the road from the stores.

It also depends on what is over there. If there was a Trader Joe's you would get in my car and drive over because you would buy a lot at the grocery store.

Primary Market - Snoqualmie & Snoqualmie Ridge Residents

Restaurants and Food Options

The respondents were asked to consider the current restaurant and food options that are available on the Ridge, and to identify areas that could be improved or expanded. Of the respondents, 8 acknowledged that most of the current restaurants are lacking the proper atmosphere. The restaurant that was named by these respondents for its atmospheric concept was Mike's Cascade Grill. These respondents agreed that the restaurants need to be busier, with entertainments, such as places that have sports memorabilia on the walls and other pictures.

Other restaurant and food options mentioned were:

- Diner – 5 respondents indicated that they would like a place to go and relax
- Kids Café – 3 of the respondents indicated a high interest in a place where adults could go to have coffee while the kids are nearby playing
- Breakfast restaurant or a place to take the family on the weekend
- An restaurant or deli with a drive-thru option
- Bagel shop
- Specialty cheese – 5 respondents indicated that a store such as Beecher's Cheese would be a good addition.

Specific comments regarding restaurant and food options were:

We need a diner or someplace comfy where we can just go to relax.

It would be nice to have a greasy diner, but also we need to add some healthy places.

We need to keep in mind the children in the community. It would be nice to have a place where the stay-at-home mom's could go for some adult time while getting some coffee and knowing that the kids are safe playing.

The restaurant atmosphere needs to be cool. If people don't think it is cool they won't go.

I would like to have some type of a drive-thru option. It doesn't matter what it is, just someplace to quickly go through while going somewhere in the car, or when the kids are in the car.

Primary Market - Snoqualmie & Snoqualmie Ridge Residents

Retail Options

The respondents were then asked about retail options that are missing in the current mix of merchants. These options were brought up based on a pre-determined list.

Outdoor Recreation/Sporting Goods Store

Of the respondents, approximately 60.0% were interested in the idea of adding some outdoor recreation or sporting goods store.

The sporting goods store was highly recommended by 6 respondents. This would be a store where they could purchase items for their personal and their children's basic sports needs. Examples of these needs were: balls, bats, sports clothing, soccer shoes, baseball shoes, basketball shoes, and running shoes.

Similarly, an outdoor recreation store was highly regarded by six of the respondents. This would be a store that would focus on hiking, running, climbing, and skiing. It could also offer ski and trail pass tickets, ski rentals, kayak rentals, river raft rentals, and to be an opportunity to make arrangements for recreational excursions. This store would not only provide opportunities for the residents, but also the rentals would be used by visitors since the area has wonderful trails and nature.

Some respondent comments were:

Right now I have to buy new shoes for every sports season and I have to go to Issaquah or Bellevue to purchase them.

We have all these bike trails and the river, and these options should be available for visitors with rental equipment.

Since we don't want to have large stores, could we have mini stores? This could be like an REI and have it look like it from the outside, but not use up so much space.

Snowmobile Dealership

The respondents did not express an interest in a snowmobile dealership. The primary reasons were that there is not a demand for it, and they did not want it in their community.

It would never make it. It is too much of a specialty store.

Especially with the high design standards it wouldn't be possible and aesthetically it just couldn't look good.

Drugstore

There was a strong response to a larger drugstore. The type of store that was mentioned by the respondents was Walgreens or Bartell's. This would be a place that has more than just the necessary prescriptions. It would have general everyday needs as well such as over the counter drugs, brushes, combs, socks, laundry detergent, devices/braces for minor injuries such as an ankle sprain.

Some of the respondent comments were:

We don't have any full service drug store. The pharmacy does not have all that we need.

We need something like a Walgreens.

It needs to make sure not only to have medicine but also smaller shopping needs like socks, band aids, hairspray, and brushes.

Especially with all the sports it would be good to have things for aches and pains, and minor injuries like a sprain.

Hardware Store

There was no apparent need for a hardware store because the respondents utilize the current hardware store and indicated that it has what they need.

Garden Nursery

The respondents did not offer much of a response regarding a garden nursery. Two individuals indicated that it would depend on what they offered and how it was priced.

It depends on how competitive they are price-wise because of how close we are to North Bend and Issaquah.

Office Supply

Of the respondents, 4 expressed an interest in an office supply store. Further discussion indicated that there would be a demand because of the number of people that have a home office, as well as the businesses that currently have to travel to get supplies.

With all the people who have a home office I don't see how it couldn't survive. Plus we have all the businesses that have needs.

Electronics Store

The respondents did not express any interest in an electronics store. They indicated that there is not a demand for it, and there are more important things that are missing in the retail mix.

Primary Market - Snoqualmie & Snoqualmie Ridge Residents

Service Options

Automotive Options

Of the respondents, nearly all of the individuals were aware that a gas station will be added to the Ridge. However, there was some debate over when it will be built because the respondents indicated that the date keeps changing. The respondents indicated that they have heard the gas station will be a convenience store, have a deli, and a dentist office will be built next door. They identified the location as the corner of Parkway and Douglass, and indicated that this would be a great location once it is built. Two-thirds of the respondents (10 of 15) were able to name that the planned gas station will be a Shell Station.

Some of the respondent comments were:

It would be nice to add the drive-thru food option as part of the gas station.

The gas station is set-up for a convenience store, isn't that what the IGA is for?

I heard that the design of it is going to look very neat.

Of the respondents, 6 expressed an interest in a high quality car wash. This would be a car wash that would do a full-service clean including the inside of the car. A prime location for the car wash would be next to the new gas station.

A good car wash like a Brown Bear would be fine.

It would have to be a quality car wash, one that doesn't scratch your car.

Other automotive options that were mentioned from the pre-determined list was an oil and lube service center. There was little expressed interest in adding this option to the Ridge. However, one respondent acknowledged that only two men were present in the focus group. Another respondent inquired as to where people have this service performed and why it could not be made available in Snoqualmie.

Medical Options

The respondents offered differing opinions regarding medical services offered. Some indicated that these offices should be kept separate, whereas others enjoy the proximity to the retail. Of the respondents, 6 expressed interested in adding a pediatricians office to the Ridge.

I would like a pediatrician's office. Plus with so many families, the kids need a local doctor.

They shouldn't have doctors and dentists over by the retail, they are taking up good space.

I like having the dentist where it is. Then I'm able to go for my appointments and walk right over for some other shopping needs.

It would be nice to add something like a Swedish Urgent Care in the area.

We better not even talk about the Snoqualmie Hospital, that's a hot topic in the area.

Primary Market - Snoqualmie & Snoqualmie Ridge Residents

Other Options

While discussing some of the pre-determined options, other ideas organically formed in the conversation. These options for the available space are categorized below.

Book Store

One of the respondents addressed the possibility of having a bookstore and received great support from the group. Of the respondents, 7 immediately expressed an interest in a bookstore, whether it is small or large. The newly built library is doing exceptionally well, which infers that people in the community enjoy reading. A bookstore could also accommodate other needs such as the addition of a coffee shop and an area for children to play. This concept, like many of the others, had a strong emphasis on what can be done for children in the area. Some examples offered by 3 respondents were to have a bookstore that focuses also on children learning and is geared both toward the children's needs as well as the family for the mothers that stay on the Ridge.

How about a bookstore with a coffee shop and an area for kids to play?

If the Valley had a bookstore I'd go there no matter what the size.

In the winter people want to get in from the outside and a bookstore would be a nice outlet to get into the community.

It would need to be oriented more toward a children's store.

Anything geared toward family and children. Especially for the moms that stay on the Ridge while their husbands are working

Pet Grooming/Boarding

One of the respondents indicated that it would be a good idea to have a pet boarding service for residents when they travel. This service could also provide pet grooming at a reasonable rate. Of the respondents, 6 expressed interest in a pet boarding and grooming service.

We need a good cheap groomer.

I wouldn't want a pet boarding place with cages. It would have to be one of those nicer places where your pets almost go on a vacation of their own.

Educational Opportunities

One of the respondents offered a suggestion of adding a school in the open space. However, there was not much interest in this option.

Couldn't we just put a school there, it would be nice to have a private school?

There are already a few schools, and it would really depend on the cost. Private schools are expensive

Of the respondents, 8 expressed interest in a place that would offer music lessons. This could be a place that could offer lessons during the summer as well as after school.

Everyone on the Ridge wants their children to excel.

It seems to me like the people that I teach are already pretty busy with sports.

I think that the younger kids are really busy, but when they get older they don't excel in sports as much and need something new to do.

Boys and Girls Club

The option of adding a Boys and Girls Club similar to the one that is located in Bellevue that would offer a positive place for kids where they could spend time after school and on the weekends. This place would be focused on the kids with its athletic activities, social activities, and learning opportunities. However, it would also offer an outlet for parents since their children would be safe and they could spend time with other adults.

About half of the group expressed interest in this type of a center. When asked if they would be willing to pay a monthly fee, 5 respondents indicated that they would, but that it would depend on price. These individuals expressed that \$100 per month would be too high, but \$75 may be reasonable depending on what is offered. The price of the membership would have to be scaled to the real dollars of the community.

Some of the comments about the Boys and Girls Club are listed below.

This could be a good place because anyone can play sports no matter how good they are.

It could also offer a language club for other learning opportunities

Do they have a piano? It would be nice to have a good place that offers this type of lesson.

Would there be fees for the extra activities and classes to monitor how many people are in them?

Sometimes I take my kids to the one in Bellevue and I always see other families and kids that I recognize from the Snoqualmie area.

Winery

There was some support, but also mixed feelings about adding a winery to the community. Some agree that it would add to the community, however, others do not think that it is the best use of the space. It would also depend on the options available. In other words, the respondents suggested that it needs to be more than just a wine store.

I think the winery is a great idea.

I've been going to Leavenworth for years, and the town has really changed since they got more wineries and tasting rooms. With those it has really become a nicer town.

The tasting rooms can be good for the tourists and maybe even for the business people.

We really need to focus on the children's needs since there are so many children in the community.

Primary Market - Snoqualmie & Snoqualmie Ridge Residents

Boutique Hotel

Once one of the respondents mentioned the possibility of additional lodging, the concept of a boutique hotel was further explored. The boutique hotel was described as a hotel that would be smaller in size, offering 80-100 rooms. This hotel could be priced in a manner that it would have more expensive business suites as well as economical options for visitors. However, it would not be priced in a way that it would be seen as a cheap hotel. Of the respondents nearly two-thirds liked the idea of having a hotel available for when family comes to visit. This would provide an alternative to the Salish and be closer than lodging in Issaquah.

Of the respondents, 7 immediately indicated that it would have to be a quality and clean hotel. One respondent offered the suggestion of having a little pancake breakfast house inside. Eight of the respondents added to this suggestion expressing interest in a breakfast restaurant that could be used both by hotel guests and the community.

Another idea was to have retail available on the ground floor. One option would be to have the proposed Trader Joe's at the ground floor similar to apartment complexes that have grocery or retail below the housing.

Of the respondents, 5 expressed a strong interest in the boutique hotel having a swimming pool. The respondents indicated that not only could this be used for visitors and tourists, but also the families would be interested in using the hotel for a local weekend getaway so that the children would have the opportunity to use the pool.

One respondent also mentioned offering a nice restaurant on the top floor that would offer beautiful views. Three of the respondents expressed interest in the hotel for the purpose of business meetings, and others mentioned that it could be a place for family reunions, family parties, weddings, and educational conferences for parents.

Below are some of the comments regarding the boutique hotel.

Could you put retail on the bottom like a Trader Joe's?

We could use the hotel for the pool since we don't have a community center.

We could even rent rooms just for the weekend

It seems like all of my family comes at once and it would be great to have a local place where they could stay.

What about a breakfast restaurant? There are no options for breakfast.

Primary Market - Snoqualmie & Snoqualmie Ridge Residents

Marketing

The residents believe that there are good options that could be placed into the community, as well as some good options that already exist. However, many expressed a need for added marketing, not only to people in the area, but also signage for tourists. Much of the tourism that comes is interested in seeing either the Snoqualmie Falls or the Historic Snoqualmie Train. However, there is nothing informing the people of what is available on the Ridge.

Therefore, there is a need to connect the “Historic Snoqualmie” with the Ridge. The respondents believe that with added options, signage, and marketing, the area should be more successful. When asked if changes to the retail mix would be made and marketed if they would enhance the community and the current merchants, eleven (11) respondents indicated that it would.

Some of the comments regarding the marketing are as follows:

Snoqualmie is a historic town and whether we like it or not people come to see the train. But the thing is, there is nothing for them to do afterward. There are no places for them to go for restaurants or even a nice park for a picnic.

Tourists don't go to the Ridge because there is nothing telling them that the Ridge is up there or what is there.

They really need to connect the two parts of Snoqualmie

The retail center has some issues on not marketing to the right demographic, but I like the look of it and the walkability.

I like the walkability and agree that we need to connect the two parts, but I also want to keep some of the trees.

Secondary Market – North Bend & Fall City Residents

Snoqualmie Retail Center Use & Awareness

All of the respondents from the secondary market indicated that they have been to the retail center for different needs. One respondent indicated shopping at the Ridge 2-3 times each week. Two of the respondents work on Snoqualmie Ridge, and one respondent has a daughter who lives in the community. When asked what retail and non-retail services are available on the Ridge the following merchants were mentioned:

- Zoka Coffee
- The UPS Store
- Snoqualmie Valley Eye Doctor
- Snoqualmie Ridge Veterinary
- Snoqualmie Ridge Medical Center
- DMW Martial Arts
- Village Foods IGA
- Great Clips
- Uncle Si's Pizza
- Mike's Cascade Grill
- Zeebi's
- The Artisan Table

Additional editorial was given in regard to Mike's Cascade Grill, Zoka, and Uncle Si's Pizza. Five (5) respondents enjoy going to the Mike's Cascade Grill frequently. Specific comments about these merchants were:

Other area retail and non-retail services mentioned were:

- El Caporal Mexican Restaurant
- Gianfranco Ristorante Italiano
- Scott's Dairy Freeze
- Candy Factory
- Carmichael's Hardware
- Main Street Barber
- Adventure Bowling Center
- Cocoa Beans Coffee
- Scriptures

Additional editorial was given in regard to some of the merchants. Five (5) respondents enjoy going to the Mike's Cascade Grill frequently. Two (2) respondents indicated using IGA somewhat frequently. Almost 40% (38.5%) offered positive comments and frequent usage of Carmichaels Hardware. However, the overall everyone believes there is not enough available. Specific comments made about the current merchants and merchant mix are found below:

I stop in at Zoka at least 2-3 times each week. I love their lattes; they really know how to make them and the people are very friendly.

I love the pizza at Uncle Si's.

Mike's is always an exciting place and families can go there.

Carmichaels has everything and they know exactly where something is if you ask

If Carmichaels doesn't have it they will get it for you.

There isn't much retail, there are services up to your eyebrows, but if you want to buy anything you can't get anything. They say that business is leaking into Issaquah because there is nothing there.

There is nothing to cause me to take a trip from Fall City

I use the veterinary clinic but other than that I don't do anything.

Secondary Market – North Bend & Fall City Residents

Shopping Locally

Based on comments made by the respondents as well as indications of types of additions that would cause them to use the new retail and non-retail services, it is apparent that the secondary market values supporting the local Snoqualmie Valley. The respondents were given the following description to address the support of the Snoqualmie Ridge retail as part of the local economy:

In the Valley right now you have a little retail in Fall City, less in Preston, some opportunities in North Bend, but overall everything is scattered. What would you think about having a place where we could stay in the Valley and you could buy locally? It would be a place where you could congregate.

Of the respondents, 8 (61.5%) indicated that if the correct retail was made available on the Ridge, it would replace the current facilities that they utilize outside of the Valley. The respondents all agreed that the retail was important, but also that there is a growing need for positive things that children and teenagers can do.

The following comments were made by the respondents regarding shopping locally in Snoqualmie Ridge:

If they could do something like in Redmond, but not as big. Something that you can go and just walk about.

It could be a destination place for teenagers.

There is nothing to around for the kids to do.

Many of the families have younger children and soon they will all be teenagers and they need options to keep them entertained.

I would absolutely use the new retail.

Of course, but we will still go to Costco in Issaquah.

It is very sociable up there.

There are so many moms up there with their babies, it's nice to go to a neutral area to meet friends and let the kids play.

Secondary Market – North Bend & Fall City Residents

Current Grocery Perceptions and Demands

Of the respondents in the secondary market, many of them did not use the Village IGA on a regular basis. Six (6) of the respondents indicated that there is not enough merchandise at the store, however, the respondents also acknowledged that the grocery opportunities in their local communities were not much better. After one of the respondents mentioned the addition of a store such as Trader Joe's, the group supported the idea. When asked to clarify, eleven (11) of the respondents indicated the desire to add a Trader Joe's to the community.

Specific comments regarding the current grocery available are found below:

I don't think there is anything at the IGA.

The IGA is too expensive,

It's like going to a Seven-Eleven to buy toilet paper.

There are 2 grocery stores in North Bend but they aren't anything to brag about.

The grocery store in Snoqualmie itself is pathetic.

I'd rather see Trader Joe's.

It would be nice to see an Organic store like Trader Joe's.

Trader Joe's is just more organic and specialty with fresh meat, fresh seafood, fresh flowers.

Something like the Central Market or the Lakemont Thriftway could work too.

I'd ignore the grocery store in North Bend and use Trader Joe's and Costco.

The Safeway in North Bend doesn't cut it.

Secondary Market – North Bend & Fall City Residents

Business Park Accessibility

The respondents were then given a description of the location of the Business Park in relation to the current retail with the Key Bank on the corner as a focal point. Of the respondents, 7 immediately recognized the space that was being described for additional retail and non-retail service usage. When further probed regarding access to the Business Park in relation to usage of the current retail, 6 of the respondents expressed that they would drive from one location to another. The respondents did not offer additional ideas to gain access from one side of Snoqualmie Parkway to the other, nor did they express any concerns with regard to safety in crossing the street on foot.

The following statements were made by respondents regarding access to the Business Park:

I think we'd like to have good parking. There are just not enough places with good parking.

Well you'll have the kids and with all the rain that you get out there its better to drive.

Secondary Market – North Bend & Fall City Residents

Restaurants and Food Options

The respondents were asked to consider what is missing on Snoqualmie Ridge in terms of restaurants and other food service options. Of the respondents, 4 indicated that there are already enough restaurants available. However, throughout the focus group the respondents feel that the proper restaurants are not available.

Restaurant and other food options that were mentioned to enhance Snoqualmie Ridge as a destination were:

- Pizza – 2 respondents expressed a desire for a place such a Papa Murphy's that offers a “take ‘n’ bake” option. Another respondent indicated that one will be opening soon.
- Authentic Bakery – 7 of the respondents expressed an interest in an authentic bakery that prepares its own baked goods. Of the respondents, 5 indicated that if there was a bakery with daily fresh goods available they would frequently use it as a destination facility. The respondents clarified that this bakery would have bagels, baked goods, doughnuts, and cakes.
- Specialty Foods – The respondents did not see a need for a specialty cheese, wine, or gourmet chocolate option if there were a Trader Joe's.
- Breakfast – Of the respondents 7 expressed an interest in a restaurant that specializes or serves only breakfast.
- Family Oriented Restaurant – The respondents expressed interest in adding a restaurant that is more family oriented. They do not want a place such as Applebee's but like the concept of Applebee's. One restaurant that 4 respondents agreed on was Red Robin because it is a loud, busy, casual place, where kids can also go at any time, and they have special events for birthdays.

Specific comments about the current or new restaurant options are found below:

We lost Big Fit Donuts in Snoqualmie and I'd like to see a real bakery.

I'm thinking of what she is saying about the kids and when I was younger I loved having a place where you can get a bagel or something healthier for the kids.

The bakery in Enumclaw is great, they have doughnuts that remind you of your childhood and Crispy Creams doesn't make those.

Real baked goods that people make the fresh goods right there.

There was a place in Colorado and they used to do breakfast and only breakfast and they did it good.

I want a place that sells a variety of foods like Mike's, and Mike's is good but not family oriented.

What about a Red Robin? A place that is loud and constantly busy, and they will sing or do something fun for a birthday.

What about a place where you could have breakfast at even 9 at night, but not a Denny's.

A sushi bar would be nice. Or a place with fresh seafood.

Secondary Market – North Bend & Fall City Residents

Retail Options

The respondents were then asked to consider the current retail mix at Snoqualmie Ridge, and what types of retail could be added that would compliment those that are already present, as well as create a purpose to drive from North Bend and Fall City. These options were brought up either aided or unaided based on a pre-determined list.

Outdoor Recreation/Sporting Goods Store

When first asked about the possibility of adding a sporting goods store, 5 of the respondents expressed interest. An aided concept that was brought up was the store Warshall's Sporting Goods that used to be in existence in the area, however, the concept could be recreated. Seven (7) of the respondents expressed interest in this type of store that would offer sporting goods such as soccer and baseball equipment, as well as camping equipment, fishing licenses, kayaking equipment, etc. However, the respondents were not interested in adding an REI store because it is considered to be too expensive.

Some of the respondent comments were:

When you need soccer shoes and baseball equipment you could go there instead of Issaquah.

When I go to the Factory Outlet they just don't have what you need, it is just the leftover stuff.

I used to go to Warshall's on my lunch hour.

Warshall's was awesome. You could buy a Northface jacket or whatever you like.

Snowmobile/ATV Dealership

The respondents did not express any interest in a snowmobile or ATV dealership. They did not think it would fit in or survive.

Drugstore

As an addition a drugstore was mentioned by several respondents when initially asked what was missing in the area. Examples of drugstores were Walgreens, Rite Aide, and the most popular was Bartell's (8 respondents). The respondents indicated that this would have to be a full service pharmacy, such as the larger pharmacies mentioned. It was described as a place that would have more than just prescriptions, but also items for everyday needs.

Some of the respondents offered the following comments:

I would want a place that has more than just prescriptions.

A Walgreens or Bartell's would really attract people from outside of the area.

Hardware Store

The respondents did not express a need for a hardware store because they feel that the current stores available, especially Carmichael's fulfill their needs. One respondent did indicate the desire to have a place that would offer hardware and gardening classes.

Garden Nursery

When asked about a garden nursery, the respondents did not express a great demand. Many of the respondents feel that there are other options to purchase plants. The following comments were made:

We have a lot of nurseries up in the area.

The one that is up there that I use is really expensive.

Office Supplies

Of the respondents, 3 were highly interested in an office supply store. This could be in conjunction with an electronics store or separate. Currently, North Bend has a FedEx store, but it is not the preferred store.

We have one in North Bend, but it's just too pricey. It's a FedEx Store.

Some place where you could buy little things like printer paper.

Electronics Store

An electronics store was described as being a place where you could purchase electronic equipment, but also go to get a new computer hard drive or assistance with general computer or technological problems. Of the respondents, 7 liked the idea of this type of electronics store or a mixed electronics/office supply store.

When I see all the new housing I think of all the technology that they will have or want. I think we could get a Radio Shack or something similar.

Secondary Market – North Bend & Fall City Residents

Service Options

Automotive Options

Of the respondents, 4 were aware of the planned Shell gas station that will be built on Snoqualmie Ridge. None of the respondents could identify it by name; however, the four respondents knew that it was to be built on the corner of Douglass and Snoqualmie Parkway. The respondents did not express any need for additional automotive service options, and in particular there was no expressed demand for a car wash.

The following respondent comments were made regarding the automotive service options:

I could see a gas stations going in there.

I have heard that there will be another gas station going in, which is good.

There are already several car washes in the Valley.

Medical Options

The respondents did not see a need for any additional medical services. They feel that with the services that are already available and the Snoqualmie Valley Hospital proposing its new site in a closer location, there is not a need for additional medical services.

Secondary Market – North Bend & Fall City Residents

Other Options

When asked what types of retail and non-retail services were missing, as well as when discussing some of the pre-determined options, other ideas were created by the respondents. These options are categorized below.

Book Store

Of the respondents, nearly 85% (11 respondents) would like to see a bookstore added to the mix. This would be seen as a place to take your children. Some potential places that were discussed were Barnes and Noble and Half Price Books. This would be seen as a place that customers could go into, sit and read, enjoy a cup of coffee, and entertain the children.

I'd like to see a place where we can take our children into.

It needs to be something other than the library because if the children own their own books, they tend to read them more.

Some place that they also have music available to buy.

We need a bookstore with a place to gather and talk.

Educational Opportunities

The respondents were asked about the education of the children and the need for a private school focused on early learning and educational enhancements. There were mixed feelings, but if a school were to be added, the respondents agreed that it would have to be a well-qualified school. The respondents did express a concern about adding a private school, such as those that are available in Seattle and Bellevue. The respondents were told that it would not be a cheap school, but not as expensive as a school such as Eastside Catholic.

Respondents also inquired about adult opportunities. Some education opportunities mentioned were for hardware and gardening classes as well as art courses

I have some concerns about pulling your kids out of the public schools because it pulls those values and higher expectations from the public schools.

Would it be like a charter school?

These older people in the community don't want to vote for the schools and that bothers me because just because you don't have children, you don't need to knock the schools.

This is what happened in Seattle. The private schools took the good kids and the education level went down.

Craft/Gift Shop

One of the respondents inquired about the need for a craft shop. In total, four (4) respondents appreciated this idea. From the concept of a craft shop was also developed a gift shop where individuals could purchase small keepsakes for family and friends. Three (3) of the respondents mentioned adding a store such as Hallmark to the retail mix.

Boys and Girls Club

One of the respondents addressed a possible need for a gaming store for the teenagers. This concept was later developed to understand the demand for a Boys and Girls Club. One of the respondents indicated that there is a Boys and Girls Club in Preston; however, there are not well-developed programs. This Boys and Girls Club was described similar to those that are in the Bellevue area. It would be a place where staff would be around to talk and be positive role models for the teenagers, there would be the opportunity to play games, use the computers, and have a swimming pool. Of the respondents, 5 were expressed a desire to have a swimming pool at the Boys and Girls Club. The interested respondents indicated that a fee of \$100 per month could be manageable if it would accommodate their entire family.

I take my kids all the way to Bellevue to swim. I'd like to have a place where I can afford and that allows the entire family to use it.

We need something because there is nothing for the teenagers and they feel left out.

Equestrian/Tack/Farm Animal Equipment

One of the respondents suggested adding an equestrian and tack shop. Initially, 4 of the respondents supported this concept. However, it later developed to encompass a greater need in the Valley. The idea was to accommodate the needs of all the horse owners in the Valley, as well as the individuals that have other animals. It would be a store such as Grange Supply in Issaquah, but preferably less expensive. The store would provide tack, grain, as well as dog food and supplies for chickens and goats. The store in Issaquah is seen as being either too far away or too expensive.

There are a lot of horses in the area.

Olson's in Bellevue is always packed

You could have more than equestrian if you could get your dog food there and the little things that you may use outside.

The Issaquah Grange is expensive and it's not close enough.

Secondary Market – North Bend & Fall City Residents

Boutique Hotel

The respondents were asked about their interest in a boutique hotel. When asked for clarification, the boutique hotel was described as a place that would have 80-100 rooms and would be more affordable than the Salish Lodge. Boutique hotels are not chain hotels, often times the rooms are very different, typically larger with a reading area, and they provide convention class space as well as a lobby with a fire place. Of the respondents, six individuals expressed support for this concept. The hotel was described further as a place that would host corporate guests during the week for business meetings and retreats, and be an opportunity for a local vacation for residents on the weekend. Of the 5 respondents who still have children at home, none of the respondents were interested in using this type of a facility even if it had a pool. The concept of having a breakfast restaurant as part of the hotel was also not preferred to a standalone breakfast facility. The respondents expressed that they prefer to use a standalone restaurant because it is perceived as being more family-friendly than an upscale or executive facility.

Some of the respondents offered the following comments:

Is it affordable for the basic individuals like us?

Who would stay there as paying guests?

I don't think the community would really go for it. If people have company coming they could just stay at the house or at other places closer to North Bend.

I'd save the pool usage for a real vacation.

I'd use it for a birthday party.

Would it be able to host some of the casino overflow?

The breakfast place could go in the hotel, but what about something that isn't as executive as a hotel?

Secondary Market – North Bend & Fall City Residents

Pricing and Usage

Similar to the group of individuals from the primary market, the respondents from the secondary market believe that there needs to be competitive pricing because of the many other options. It was also perceived that a disconnect is seen between the secondary market and the income level of those in Snoqualmie Ridge of the primary market. The respondents are currently going to farther communities drawn by a better selection and competitive pricing.

However, the respondents are very eager to replace their current shopping facility for retail in Snoqualmie Ridge or more importantly, the Snoqualmie Valley, if the correct mix is added. The respondents illustrated a strong demand for retail such as Trader Joe's, a full service pharmacy, and a sporting goods/recreation store mix. Availability of entertainment or other types of destinations for teenagers is also an important draw to the community.

Some of the respondent comments are listed below:

The people on the Ridge have a lot more money than the people in Snoqualmie or Fall City.

They would be willing to pay higher prices but we aren't so sure.

We are going to go to Costco and it's just as easy so prices need to be price sensitive.

That is the thing with small shops, they have to charge more but they don't really survive then.

That could become my place to shop.

It could be a destination for teenagers.

Preliminary Findings – Qualitative Research

The residents in the primary and secondary markets of the Snoqualmie Ridge retail have a vested interest in the overall development of the local economy – the Snoqualmie Valley. Having the opportunity to support individuals that they know as well as to avoid added traffic congestion of Issaquah and Bellevue is preferred. However, the important factor is to create the correct retail mix that will fulfill the needs of the current community, allow adequate space for future growth, and include opportunities that will also provide a purpose for the secondary market to shop on Snoqualmie Ridge.

Grocery

Both sets of respondents agree that the current grocery available in Snoqualmie Ridge does not adequately provide for their primary shopping needs. The prices are too high, and there is not enough merchandise available. In an effort to enhance this market, the respondents expressed interest in the addition of a Trader Joe's store. This would provide more organic options, quality food, and another social atmosphere. Other types of grocery stores that were mentioned were Thriftway and Metropolitan Market. The addition of this type of merchant would create a full-service shopping experience as well as a destination for individuals in the secondary market that do not highly regard the grocery merchants in their local communities.

Restaurants/Food Service

The respondents in the focus groups indicated that the restaurants that are currently in the retail center need to enhance the overall atmosphere. This added energy is perceived as a busier restaurant as well as defining the establishment as "cool." The respondents expressed an interest in adding to the restaurant mix with an establishment that is family oriented with high energy levels.

The respondents are interested in seeing a breakfast diner added to the retail mix. This place where the family could go on the weekends could be integrated into the boutique hotel concept. It will be important to add an authentic bakery that sells daily fresh goods to both the primary and secondary markets, or a smaller bagel shop. A bagel shop would not be viewed as a destination merchant, however, when integrated with an authentic bakery, the demand of the secondary market increases.

Retail

The essential retail merchant that needs to be added to the mix is a full service pharmacy. This is a place that not only provides prescriptions, but also over the counter drugs and everyday needs. Adding a store, such as Bartell's or Walgreens, greatly enhances the community market, and becomes a destination drug store for the secondary market.

Other desired retail is an Outdoor Recreation/Sporting Goods store. This merchant that would offer products such as soccer shoes and baseball equipment, would also hold recreational equipment such as camping gear, kayaking gear, and fishing licenses and mountain ski lift tickets. A concept that was identified primarily by the secondary market was Warshall's.

The primary market and secondary market disagreed that there is a need for an electronics store. The primary market fulfills its needs at other facilities, however, the secondary market recommended that this electronic product/service store could be integrated with the demand for additional office supplies.

Although there is not a demand in either market for an additional hardware store, garden nurseries, or automotive store, the respondents agreed that it is important to add a bookstore to the community. This bookstore would not only capture the demand and interest of many readers, but would also sell music and be a place for community members to converge, enjoy a cup of coffee, and engage in adult conversations while their children are playing in another nearby area of the store.

Boutique Hotel

The boutique hotel is a favorable option, especially within the primary market. This facility will capture business guests and provide a meeting and conference space during the week. The executive rate could be discounted on the weekends to the local community that will use the facility for a brief local vacation in order to use the pool, or for families to host entertainment such as a family gathering, birthday party, or wedding. The recommended retail should then be placed on the ground level of the boutique hotel. This boutique hotel will be seen as an alternative to the more expensive Salish Lodge, and also provide a space for visiting relatives.

Entertainment

It is essential to enhance the community with additional entertainment opportunities for youth. Not only is this important for the current population of young children on the Ridge, but also to provide positive opportunities for the teenagers in the community. This can be captured by a Boys and Girls Club that offers positive programs and opportunities for the youth, as well as additional educational opportunities such as courses in computers, gaming, and the arts.

This facility will capture the current demand of teenagers as well as the growing demand as the current young children grow older. Providing a positive place for teenagers to converge as a destination will add value to the community.

Marketing/Pricing

The respondents expressed a great need for added marketing in the area and competitive pricing in the current and future retail and non-retail services. Because there are other close-by options to purchase goods, such as in Issaquah and Bellevue, competitive pricing is a driving factor in decision-making. The respondents will remain utilizing certain merchants elsewhere, such as Costco, but other merchants will replace the respondents current preferences.

The respondents expressed a need additional marketing to promote the area of Snoqualmie Ridge. The primary market acknowledges the local draw of tourism, however, these individuals need to be informed of the opportunities for shopping and dining on the Ridge.

Overall, the respondents in both the primary and secondary markets believe that the correct retail and non-retail services mix will not only add to the overall value of this region of the Snoqualmie Valley, but it will also enhance the current retail and services located in the retail center of Snoqualmie Ridge.

Quantitative Research

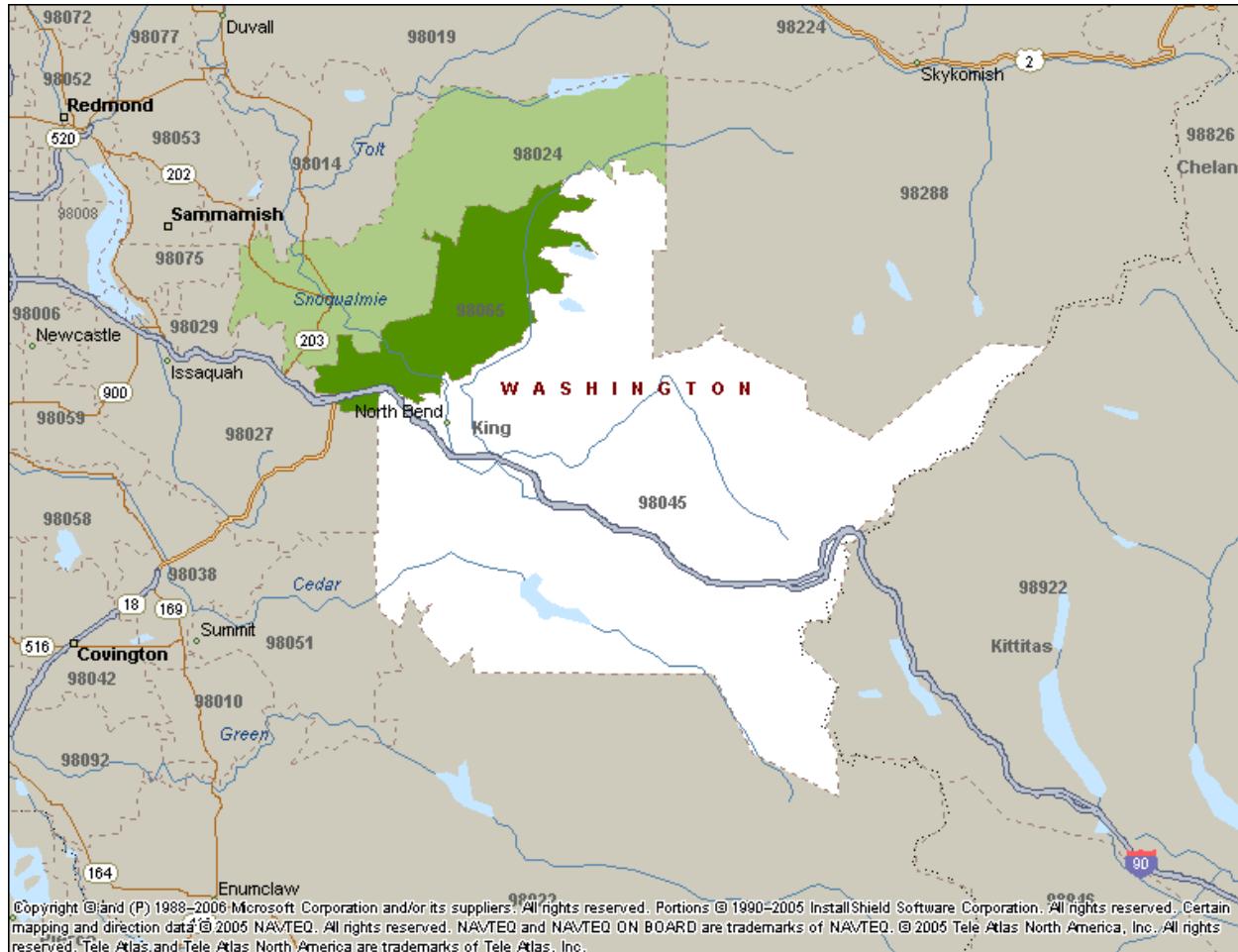
Sampling Map

The map below represents the calling area for the quantitative survey. The following colors correspond to the following areas:

- Dark Green – Snoqualmie, WA
- White – North Bend, WA
- Light Green – Fall City, WA

The dark green section, Snoqualmie, WA, was further divided into “Old Snoqualmie” and “Snoqualmie Ridge.” This area was also classified as the primary market. Over two-thirds of the respondents, 66.7%, were from the primary market.

The white section, North Bend, WA, and the light green section, Fall City, WA, were classified as the secondary market.



Demographic Profile

The following tables describe the combined demographic profile of the sample areas.

Age	Percentage
18 - 24	9.1%
25 - 34	22.1%
35 - 44	27.1%
45 - 54	17.5%
55 - 64	9.0%
65 and Over	13.5%
Refused	1.7%

Gender	Percentage
Male	49.9%
Female	50.1%

Marital Status	Percentage
Single without dependent children	14.5%
Single with dependent children	3.3%
Married without dependent children	33.3%
Married with dependent children	47.5%
Refused	1.3%

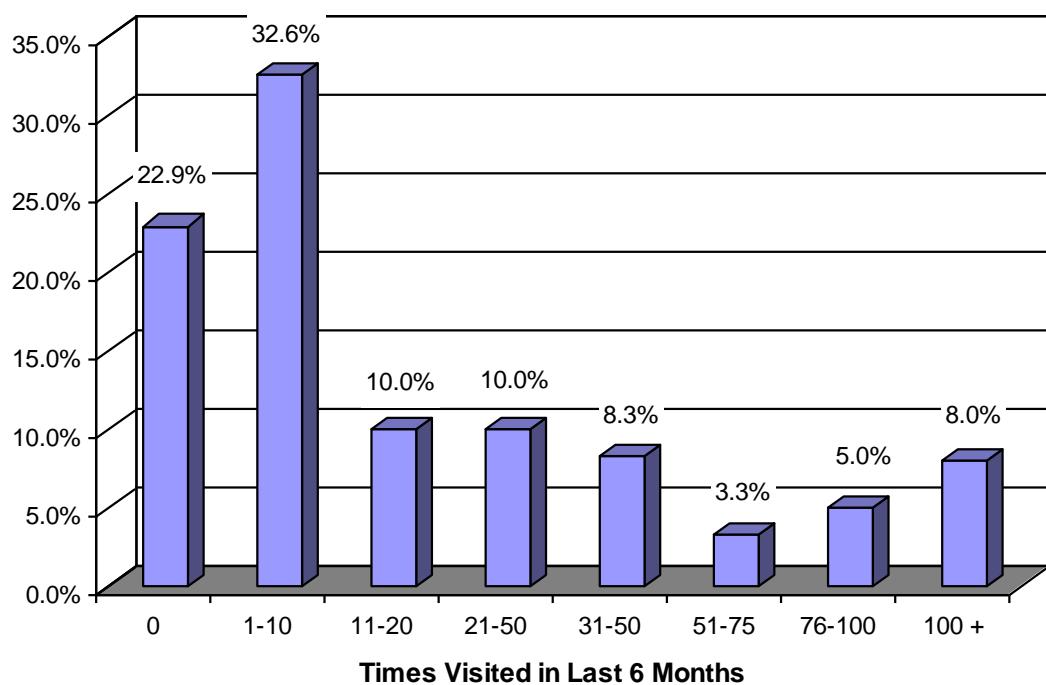
Annual Household Income	Percentage
Under \$49,999	13.9%
\$50,000 to \$74,999	11.6%
\$75,000 to \$99,999	17.5%
\$100,000 to \$149,999	23.1%
\$150,000 to \$199,999	10.2%
\$200,000 to \$249,999	3.0%
\$250,000 or more	3.6%
Refused / Don't Know	17.2%

Frequency of Shopping at Snoqualmie Ridge

Nearly one-third (32.6%) of the respondents have visited the Retail Center on Center Blvd. of Snoqualmie Ridge 1-10 times in the past six months. This was followed by the respondents that utilized the retail center 11-20 times and 31-50 times, 10.0% of respondents each. However, 22.9% of the respondents indicated that they have not used the Snoqualmie Ridge retail center in the past six months. The mean frequency of shopping at Snoqualmie Ridge in the last 6 months was 28.32 times. The median frequency of shopping was 10.00 times in the past 6 months.

Mean = 28.32

Frequency of Use in Last 6 Months



Retail Demand

The retail demand assessed was based on a series of sources. The first source of input on the types of retail to be tested was from the merchants and City of Snoqualmie officials, as noted on page 7. This list was further expanded upon based on the input of respondents from both the primary and secondary markets as part of focus groups which were held at Hebert Research on Tuesday, October 2, 2007 and Thursday, October 4, 2007.

In order to test the demand for specific types of merchants, the quantitative survey respondents were first provided with the following description:

The City of Snoqualmie is planning to add to the current retail. There are a few different options for the location; however none of these options can be located in the current retail center because of tenant capacity. Now I would like you to think of the types of merchants that are needed to compliment the current retail and non-retail service mix, as well as those that would enhance your shopping experience. I am going to name specific types of merchants and I would like you to rate from 0 to 10 how necessary it is to add each type of merchant, with 0 meaning "not needed/wanted" and 10 meaning "high demand for merchant type".

The mean responses to each of the merchant types are illustrated graphically in the chart below. The merchant type with the greatest need is a facility that can offer programs for adolescents such as the Boys and Girls Club of America (7.11).

Types of Tenants Needed	Mean
Programs for Adolescents	7.11
Primary Grocery	6.69
Full Service Drug Store	6.66
Local Bakery	5.99
Breakfast Diner	5.73
Book Store	5.69
Family Restaurant	5.34
Sporting Goods/Outdoor Recreation	5.07
Lawn and Garden	5.05
Office Supplies	4.55
Specialty Goods	4.17
Outdoor Adventure/Guide Service	4.04
Pet Boarding & Grooming	4.02
Electronics/Technology	3.74
Auto Service/Supplies	3.37
Farm & Equestrian Store	3.18

Note: Organized by greatest to least demand

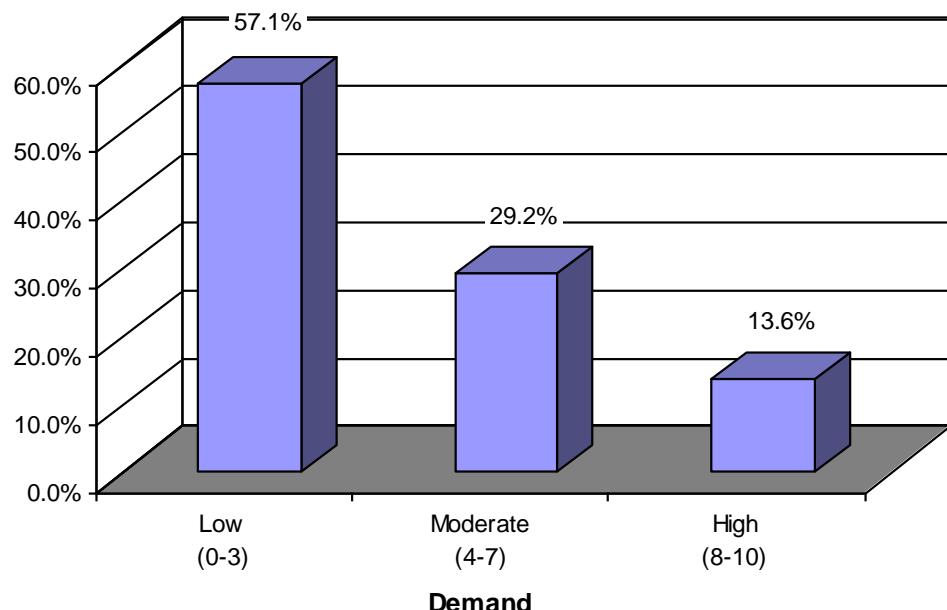
Retail Demand

Auto Service and Supplies

The respondents were asked how necessary it would be to add automotive services and supplies such as oil and lube or auto detailing services to the retail mix on Snoqualmie Ridge. Over half of the respondents (57.1%) indicated that there is a low (rating of 0-3) need for this type of merchant on the Ridge. This confirmed the perceptions of the focus group respondents. Within the focus groups it was expressed that there is a low need for places such as this because there is already a gas station that is in the process of being built, and the other services are fulfilled elsewhere. The primary automotive need that would be needed, as expressed by focus group respondents, was an environmentally friendly, quality car wash.

Mean = 3.37

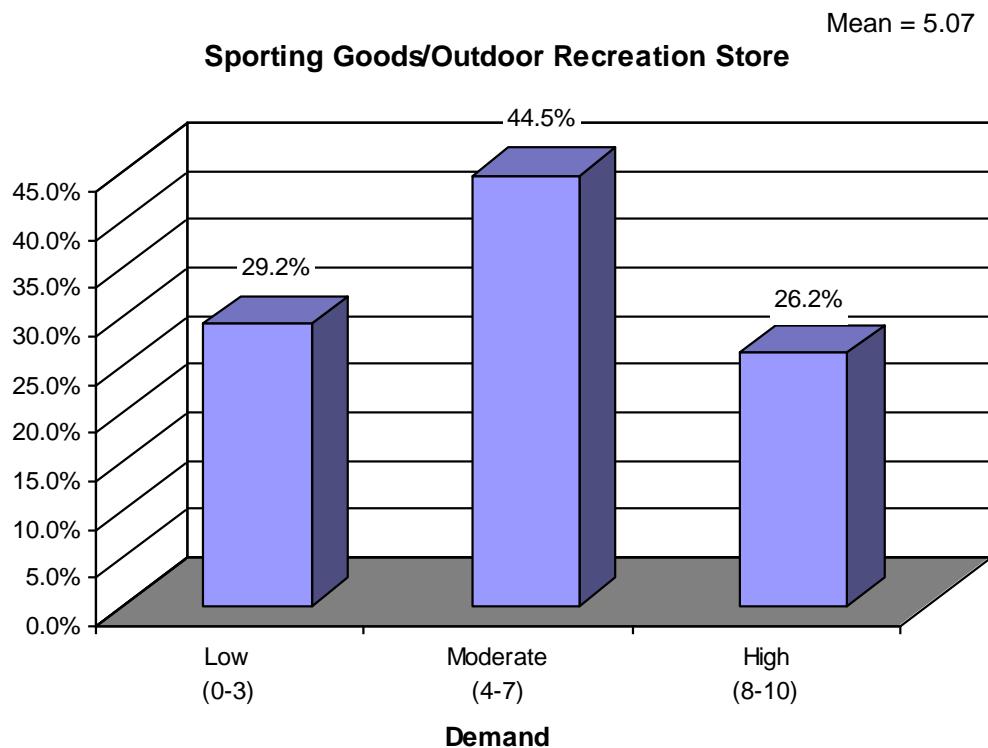
Auto Service/Supplies



Retail Demand

Sporting Goods/Outdoor Recreation Store

The respondents were asked how necessary it would be to add a sporting goods/outdoor recreation store such as REI or the former Warshall's Sporting Goods. One-quarter (26.2%) of the respondents felt there is a high demand for a sports/outdoor recreation store. Nearly half (44.5%) of respondents indicated a moderate demand for this merchant type. Within the focus group respondents expressed the need for both types of merchants and indicated that the ideal merchant would fulfill both sporting goods needs such as sports shoes and equipment, as well as outdoor recreation equipment such as hiking, climbing, and kayaking gear.

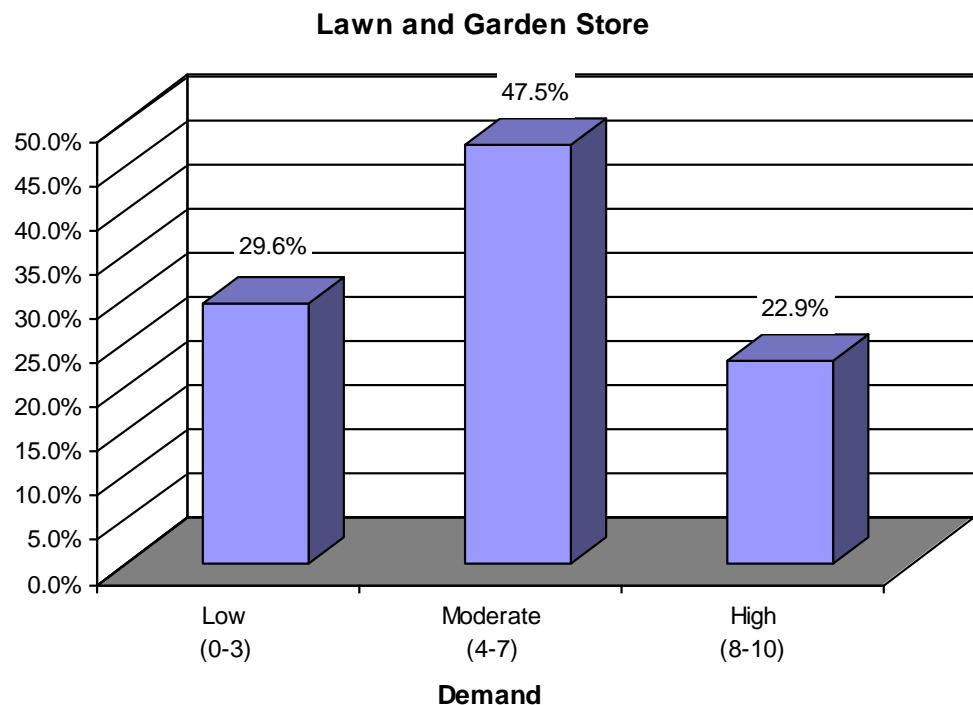


Retail Demand

Lawn and Garden Store

Respondents indicated a moderate demand for a lawn and garden store that includes a nursery such as at Ravenna Gardens. Nearly one-quarter of respondents (22.9%) expressed a high need for this merchant type. This strongly supported the comments made by respondents in the focus groups, which is that there is not a large need due to other local alternatives for lawn and garden stores and greater needs for the retail center on the Ridge.

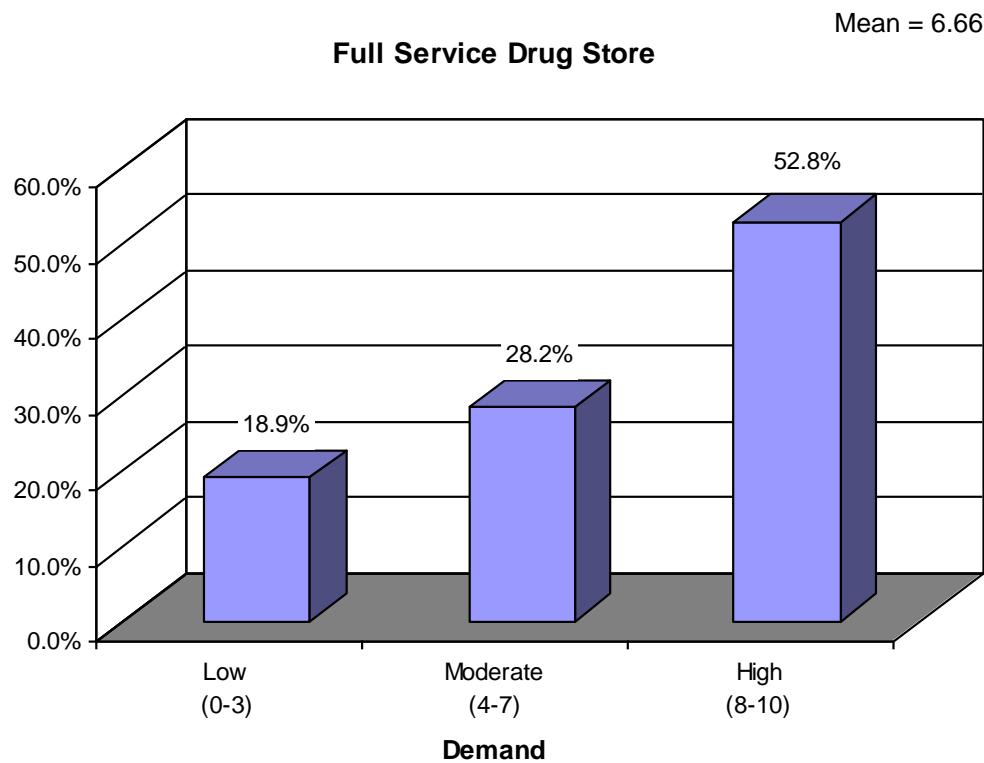
Mean = 5.05



Retail Demand

Full Service Drug Store

The respondents were asked if there is a need for a full service drug store such as Bartell's or Walgreens. Over half of the respondents (52.8%) expressed a high demand for this full service drug store. This drug store would have more than just the necessary prescriptions. It would also have general everyday needs as well as over the counter drugs, brushes, combs, socks, laundry detergent, devices/braces for minor injuries such as an ankle sprain.



Further analysis found that the results are significant when comparing the primary and secondary market. Respondents of the primary market are more likely to prefer a full service drug store be added to the retail mix than those in the secondary market. 74.2% of respondents in the primary market compared to 25.8% in the secondary market ($p = 0.013$, Cramer's $V = 0.170$).

Additional analysis found that those who gave a high rating to use Snoqualmie Ridge retail rated the demand for a drug store higher than their low use counterparts.

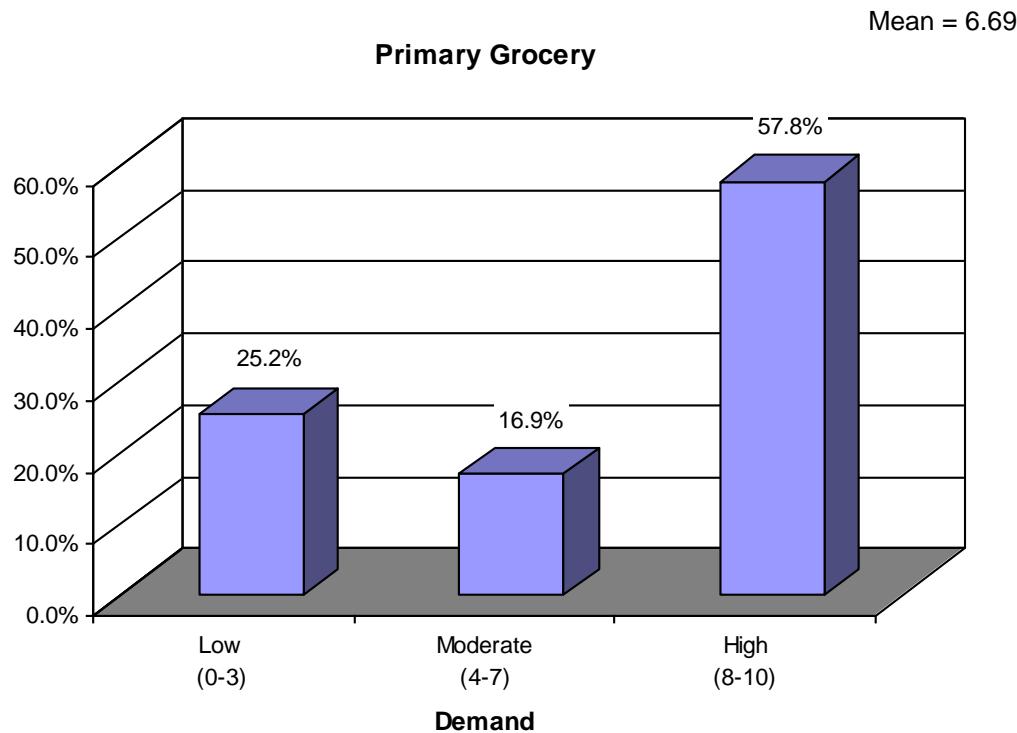
Likelihood to Use Snoqualmie Ridge Retail	Mean Demand for Drug Store	
	Low (0-3)	High (8-10)
	3.82	7.49

($p = 0.000$, Eta squared = 0.172)

Retail Demand

Primary Grocery Store

The respondents of the focus group expressed a strong need for a primary grocery store. When asked in the quantitative survey to rate the need for a primary grocery store such as a Trader Joe's or Lakemont Thriftway a strong majority (57.8%) of the respondents responded that there is a high demand. Respondents of the focus groups further elaborated that the current Village IGA and secondary market stores such as the North Bend Safeway do not fully meet their needs due to a lack of merchandise. Therefore, these respondents shop elsewhere, though they would prefer to stay locally in the Snoqualmie Valley.



Chi-Square multivariate analysis found that 78.2% of the respondents of the primary market rated the demand for a primary grocery store significantly higher than 21.8% of the respondents of the secondary market ($p = 0.000$, Cramer's $V = 0.276$).

Additional analysis found that those who gave a high rating to use Snoqualmie Ridge retail rated the demand for primary grocery higher than their low use counterparts.

		Mean Demand for Primary Grocery
Likelihood to Use Snoqualmie Ridge Retail	Low (0-3)	3.59
	High (8-10)	7.99

($p = 0.000$, Eta squared = 0.206)

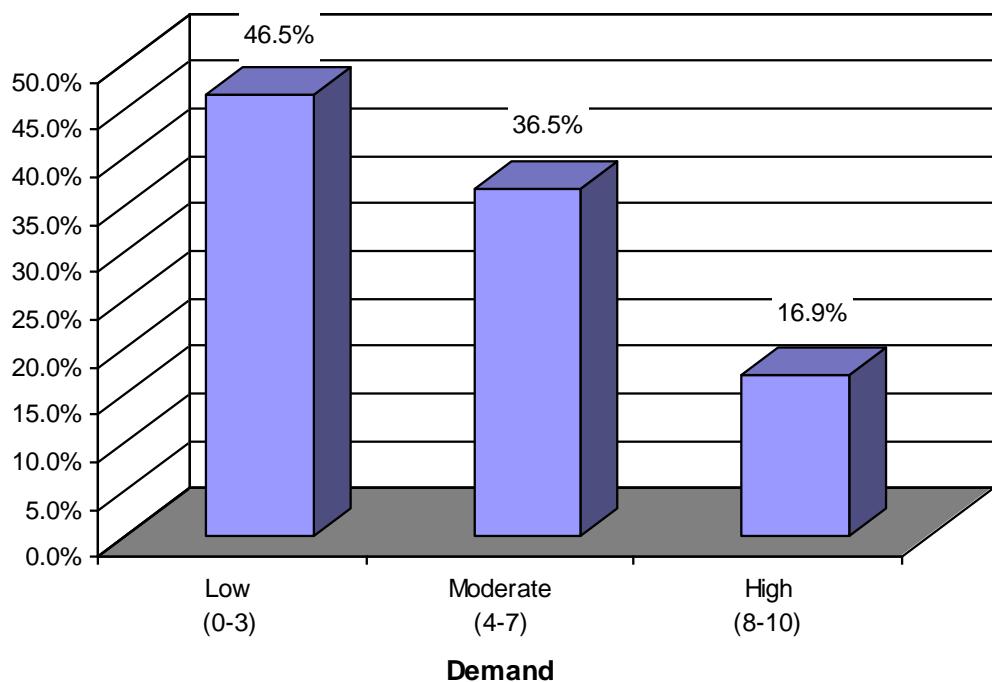
Retail Demand

Outdoor Adventure and Guide Services

Respondents of the quantitative study were asked to rate the demand for an outdoor adventure and guide services such as local fly fishing, kayak trips, river rafting, hiking, and rock and mountain climbing. There was a low to moderate demand for these services as expressed by the respondents. Only 16.9% indicated a high demand with a rating of 8-10.

Mean = 4.04

Outdoor Adventure/Guide Services

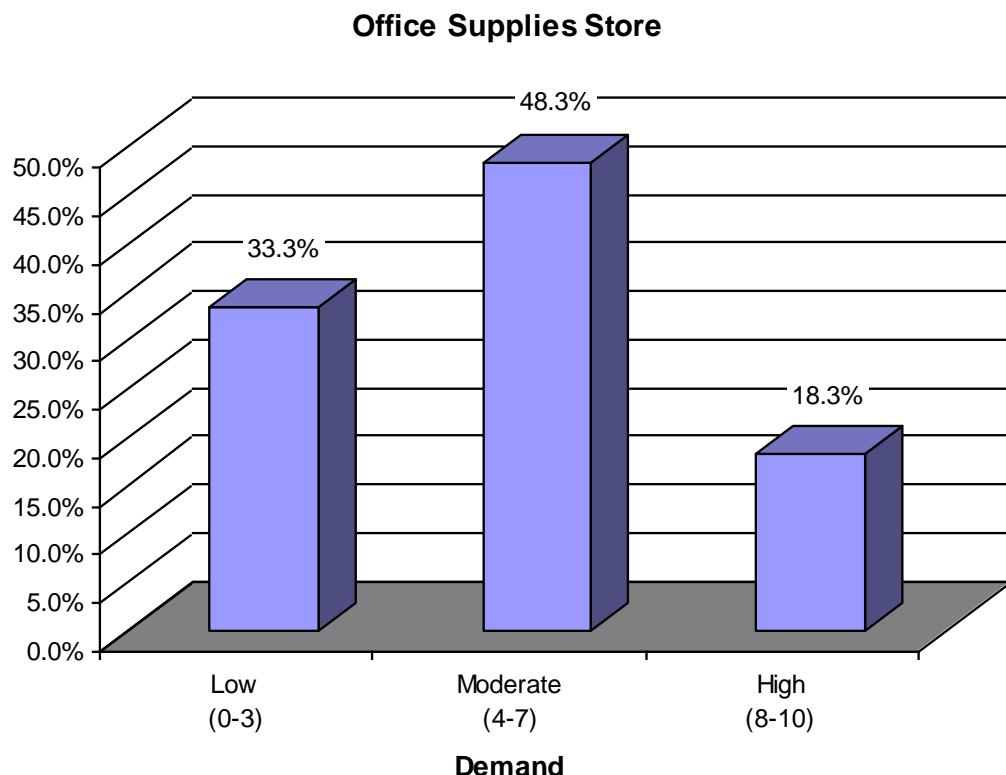


Retail Demand

Office Supplies Store

Respondents were asked how much of a demand there is for an office supply store such as Staples or Office Depot on the Snoqualmie Ridge. There was a moderate demand for this type of merchant with 18.3% of the respondents indicating a high demand and 48.3% of respondents expressing a moderate demand. The respondents in the focus group indicated that this would be an important merchant to add for the local businesses that currently need to travel to Issaquah for any business/office supply needs.

Mean = 4.55



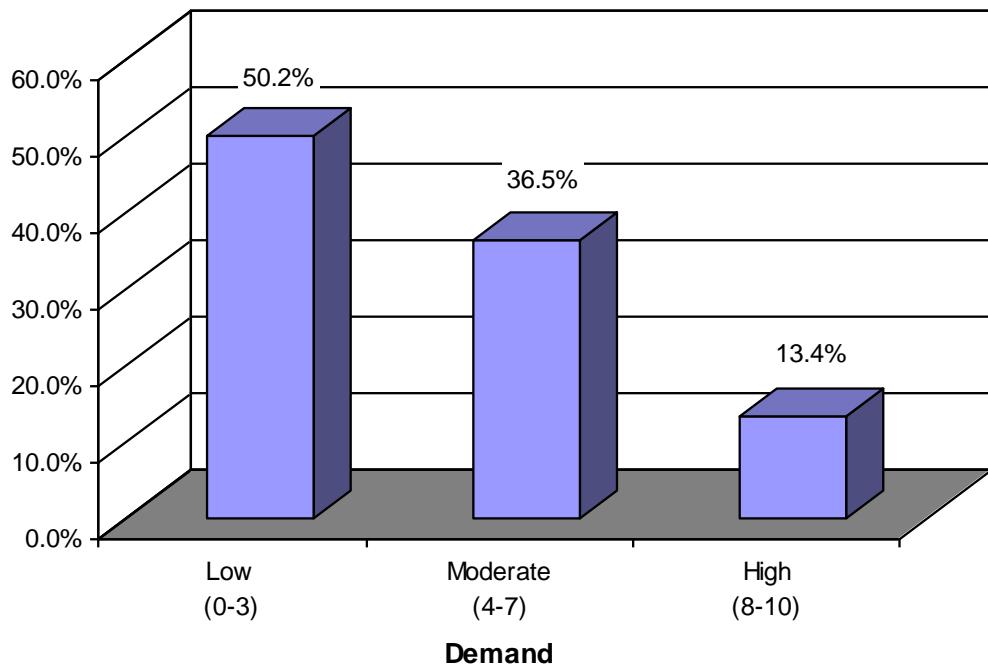
Retail Demand

Electronics/Technology Store

An electronics or technology store such as Magnolia Hi-Fi was also explored with the respondents. This could be a store that not only has electronics products, but that also provides repair services and can train individuals to use specific machines. Just under half (49.9%) of the respondents rated this merchant type as having a moderate or high demand. One possibility addressed in the focus groups was to integrate an electronics/technology store with an office supply store to accommodate both needs.

Mean = 3.74

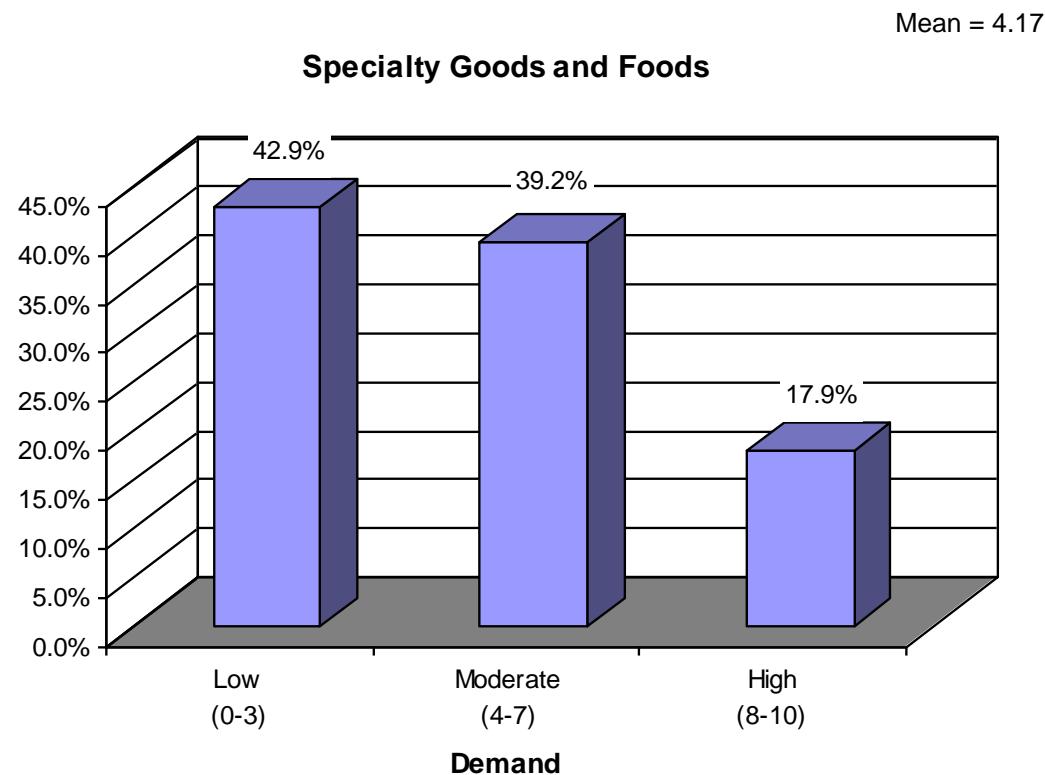
Electronics/Technology Store



Retail Demand

Specialty Goods and Foods

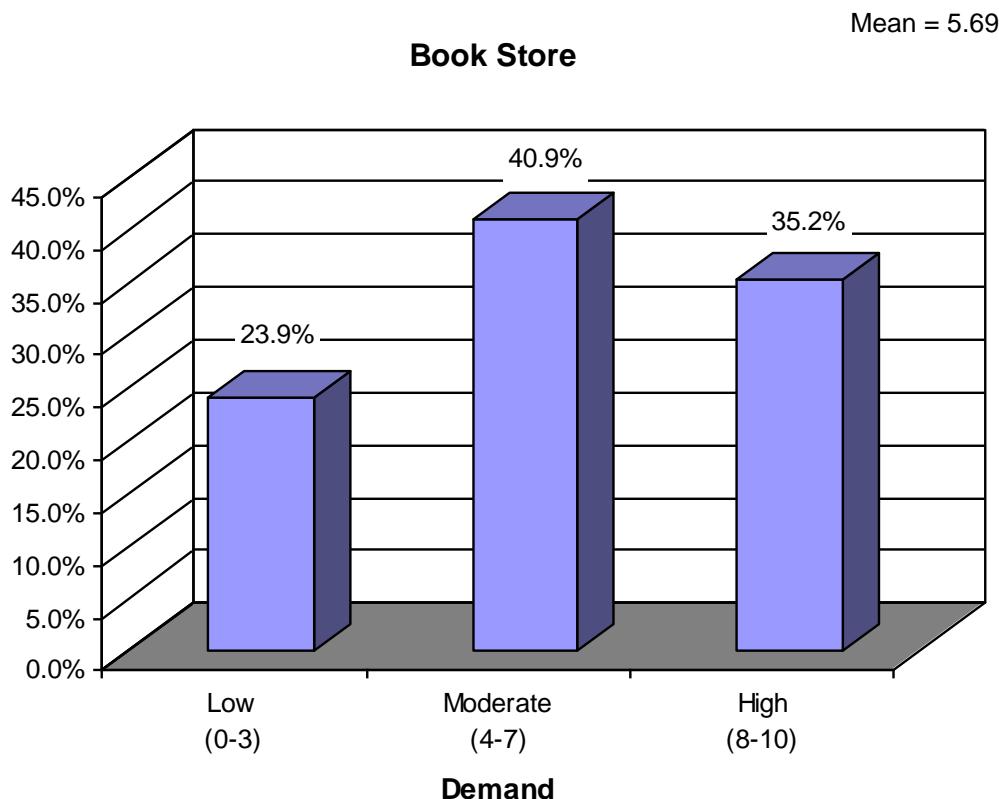
The respondents were asked to rate the need for a specialty goods and foods store that would offer products such as wines, gourmet chocolate, and gourmet cheeses. The respondents indicated a moderate-low demand for this merchant with 17.9% of the respondents rating the option with a high demand. This merchant type is in part fulfilled by the products offered by the Artisan Table currently located on Snoqualmie Ridge. Other respondents in the focus groups also indicated that if a primary grocery store such as Trader Joe's was to be added, this store would also accommodate these product needs.



Retail Demand

Book Store

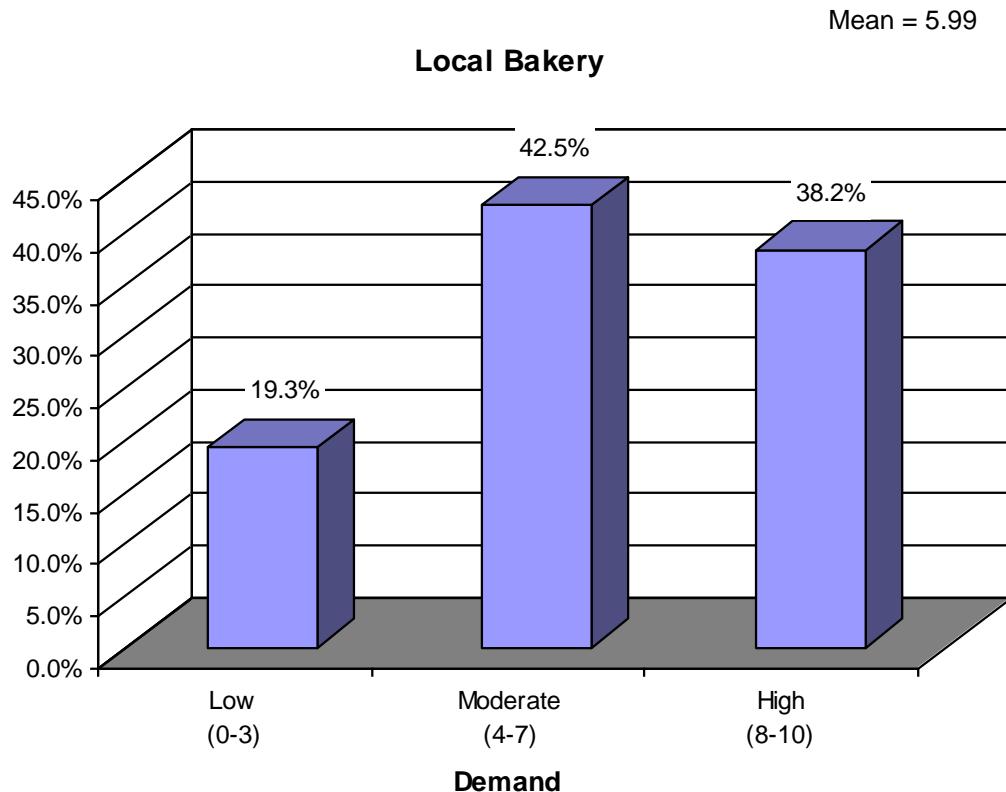
Over one-thirds (35.2%) of the respondents stated a high demand for a book store such as Half Priced Books or Third Place Books. Another 40.9% of the respondents offered a moderate demand for this merchant. This supported the focus group findings that the library is successful because residents enjoy to read, and especially in the rainy season individuals need an outlet to enjoy coffee, meet up with friends, and read a book. This facility could also provide an outlet for younger children to have some space in a “kids corner” while the adults browse the books.



Retail Demand

Local Bakery

The respondents were asked to rate the demand of a local bakery similar to the Poulsbo Bakery. The mean score of 5.99 supported the comments of the respondents in the focus group that expressed a need for fresh baked goods and breakfast foods such as doughnuts and bagels. Over one-third (38.2%) of the quantitative survey respondents rated the demand for a local bakery high, and another 42.5% gave a moderate rating.



Further Chi-square analysis found that respondents of the primary market are more likely to indicate a moderate or high demand for a local bakery than those of the secondary market. Of the respondents 73.9% of the primary market gave a high rating compared with 26.1% of the secondary market ($p = 0.001$, Cramer's $V = 0.217$).

Additional analysis found that those who gave a high rating to use Snoqualmie Ridge retail rated the demand for a local bakery higher than their low use counterparts.

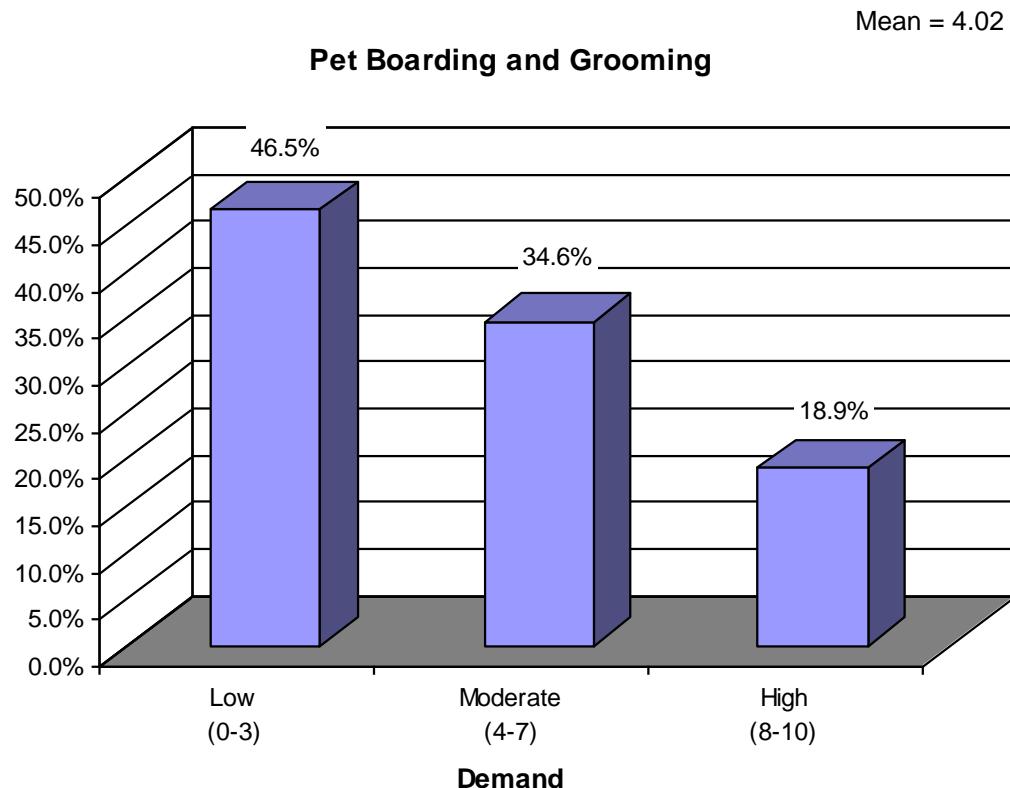
Likelihood to Use Snoqualmie Ridge Retail	Mean Demand for a Local Bakery	
	Low (0-3)	High (8-10)
Low (0-3)	3.37	6.79
High (8-10)		

($p = 0.000$, Eta squared = 0.170)

Retail Demand

Pet Boarding and Grooming

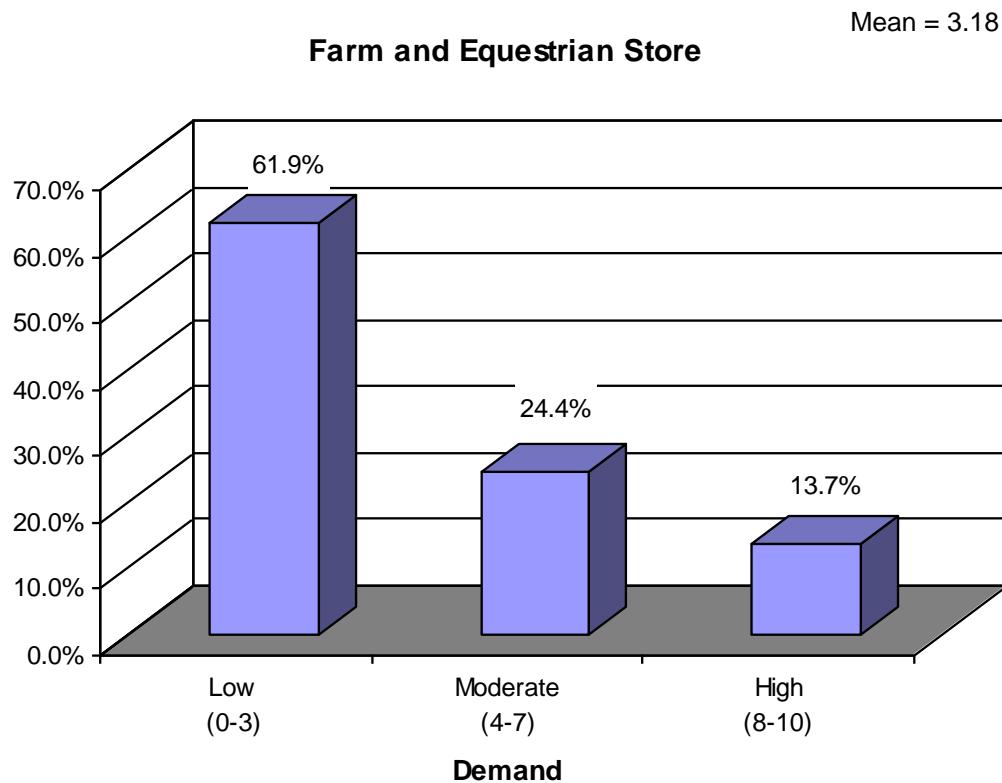
The respondents in the focus groups addressed a potential need for a pet boarding and grooming facility. However, the respondents of the quantitative survey did not express a high demand for this service. Nearly half (46.5%) of the respondents provided a low rating and another third (34.6%) of the respondents gave a moderate demand.



Retail Demand

Farm and Equestrian Store

The respondents were asked if there was a demand for a farm and equestrian store such as the Grange in Issaquah. Only 13.7% of the respondents indicated a high demand for this merchant. Another 24.4% of the respondents gave a moderate rating, leaving 61.9% of the respondents expressing a low rating for a farm and equestrian store.

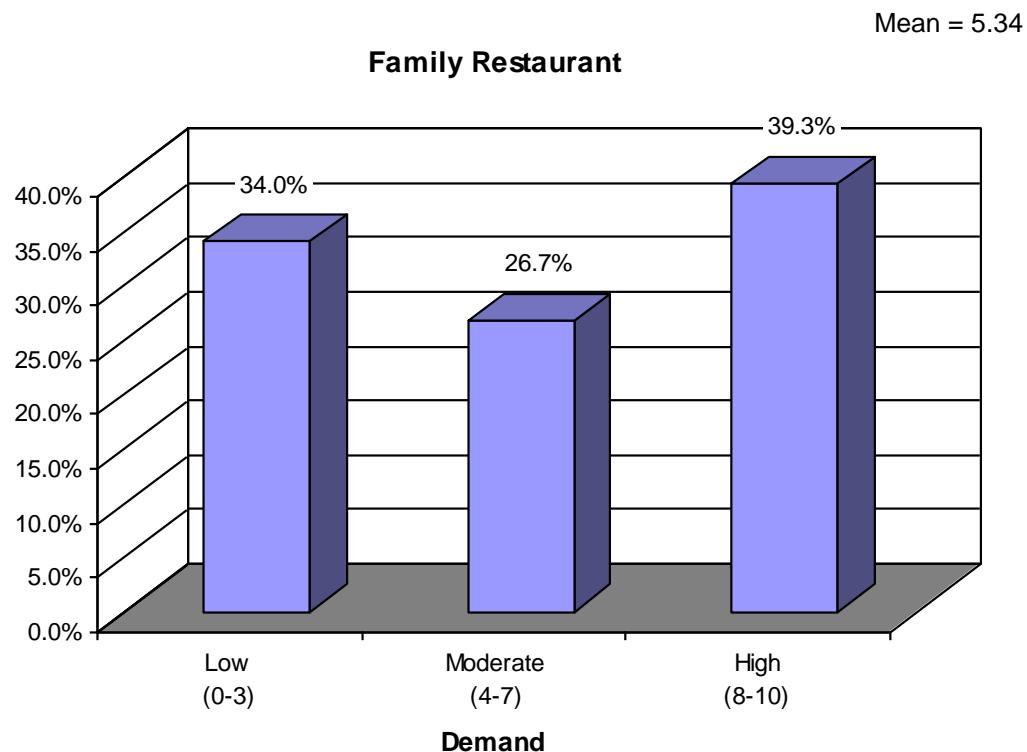


Multivariate analysis found that respondents of the primary market were significantly less likely to demand a farm and equestrian store than those respondents of the secondary market. Of the respondents that provided a low rating 73.0% were from the primary market compared with 27.0% that were from the secondary market ($p = 0.017$, Cramer's $V = 0.165$).

Retail Demand

Family Restaurant

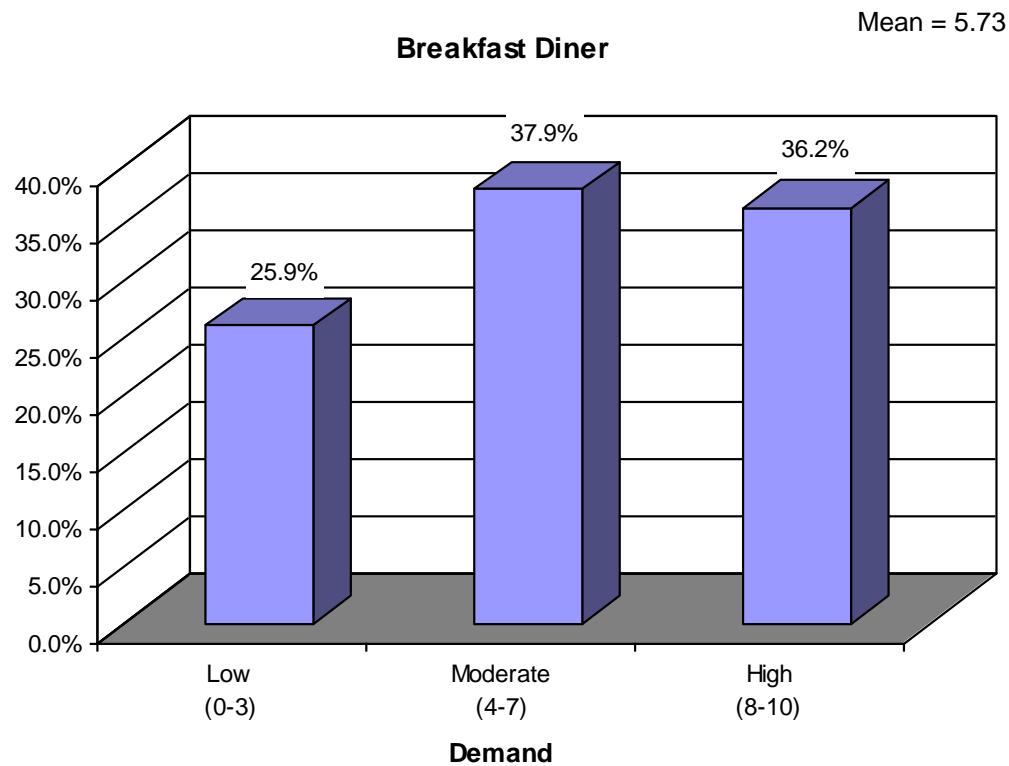
Nearly forty percent (39.3%) of the respondents indicated a high demand for a family restaurant that was described as an establishment such as Red Robin, Applebee's, or the Outback. Another 26.7% of the respondents gave a moderate rating. The respondents of the focus group expressed that this could be a place where children would be welcome at all hours of the evening that the restaurant was open, there would be high energy levels among the staff and patrons.



Retail Demand

Breakfast Diner

Almost three-quarters of the respondents offered a moderate to high rating for a breakfast diner. This included 36.2% of the respondents that offered high ratings for the demand. This specialty restaurant was further elaborated on by respondents in the focus group to be a place that serves quality breakfast no matter the hour, specializing primarily in breakfast foods, however, not a restaurant like Denny's.



Chi-square multivariate analysis found that the results for the demand for a breakfast diner are significant. Of the respondents that gave a high rating, 71.6% were from the primary market compared with 28.4% of respondents that were from the secondary market ($p = 0.015$, Cramer's $V = 0.167$).

Additional analysis found that those who gave a high rating to use Snoqualmie Ridge retail rated the demand for a breakfast diner higher than their low use counterparts.

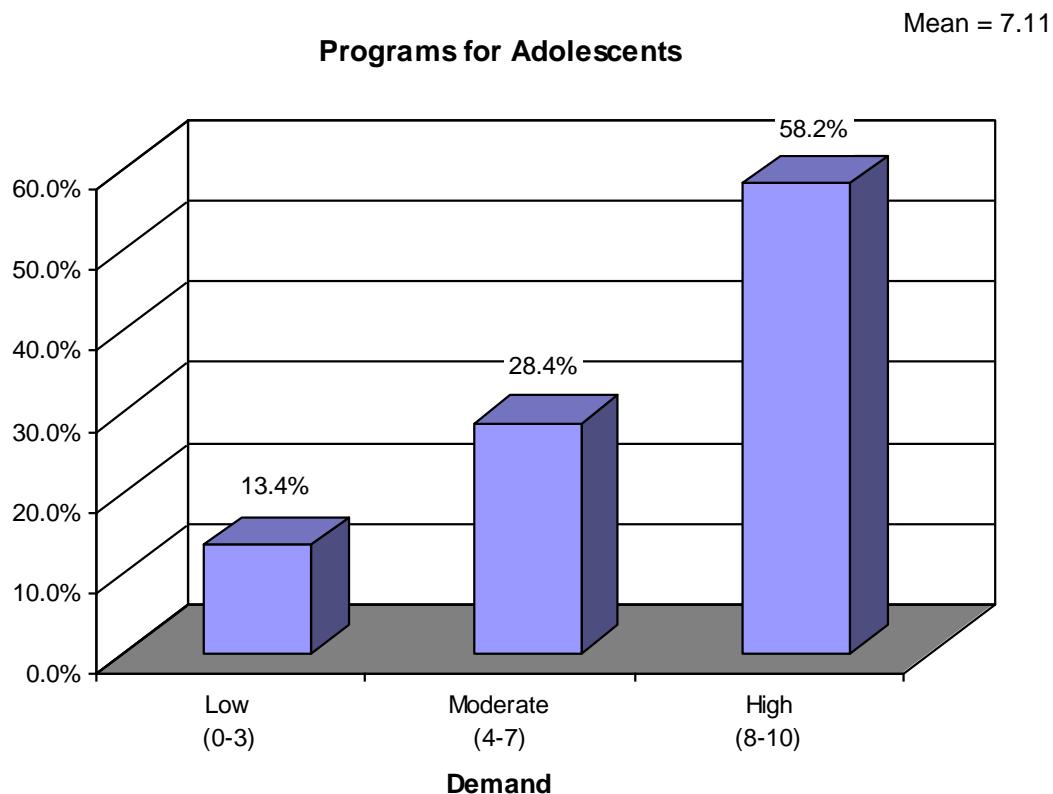
	Mean Demand for Breakfast Diner	
Likelihood to Use Snoqualmie Ridge Retail	Low (0-3)	2.56
	High (8-10)	6.54

($p = 0.000$, Eta squared = 0.181)

Retail Demand

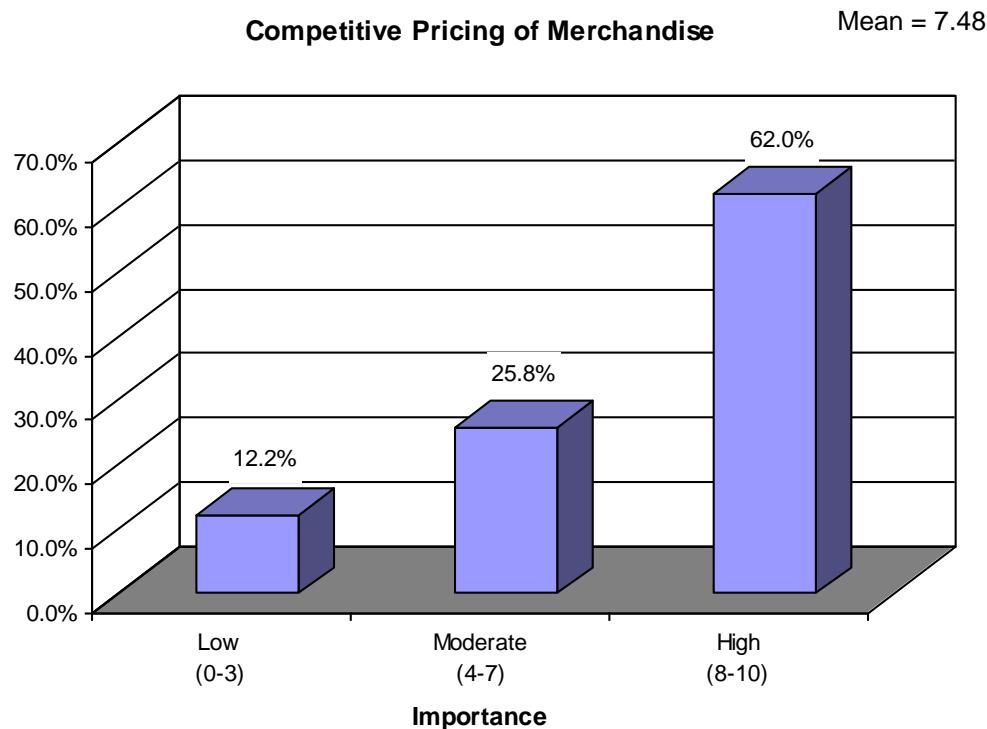
Programs for Adolescents

The respondents were then asked to rate the demand for a place that would offer programs such as those offered by the Boys and Girls club for grade school through high school aged children. These could include athletic programs, programs in the arts, group computer games, and general computer use. This place would offer a positive and “cool” environment for children to grow. This option received the highest mean rating of 7.11 with 58.2% of the respondents providing a high demand rating and another 28.4% giving a rating of moderate.



Competitive Pricing

The respondents were asked how important it is for merchants to offer competitive prices. Over sixty percent (62.0%) of the respondents indicated that competitive prices have a high importance in their decision factor as to whether or not to shop at Snoqualmie Ridge. Another 25.8% of the respondents gave a moderate importance rating for this variable as a motivation to shop. This finding strongly supported the opinions of the focus group respondents who indicated that it is readily available for residents to purchase in larger areas such as Issaquah for better prices.



Multivariate analysis found that the importance of competitive pricing of merchandise that merchants present is significant. The following table illustrates the means of the market groups:

Area of Residence	Mean
Snoqualmie - Snoqualmie Ridge	8.11
Snoqualmie - "Old" Snoqualmie	7.57
North Bend / Fall City	6.75

$p = 0.006$, Eta square = 0.035

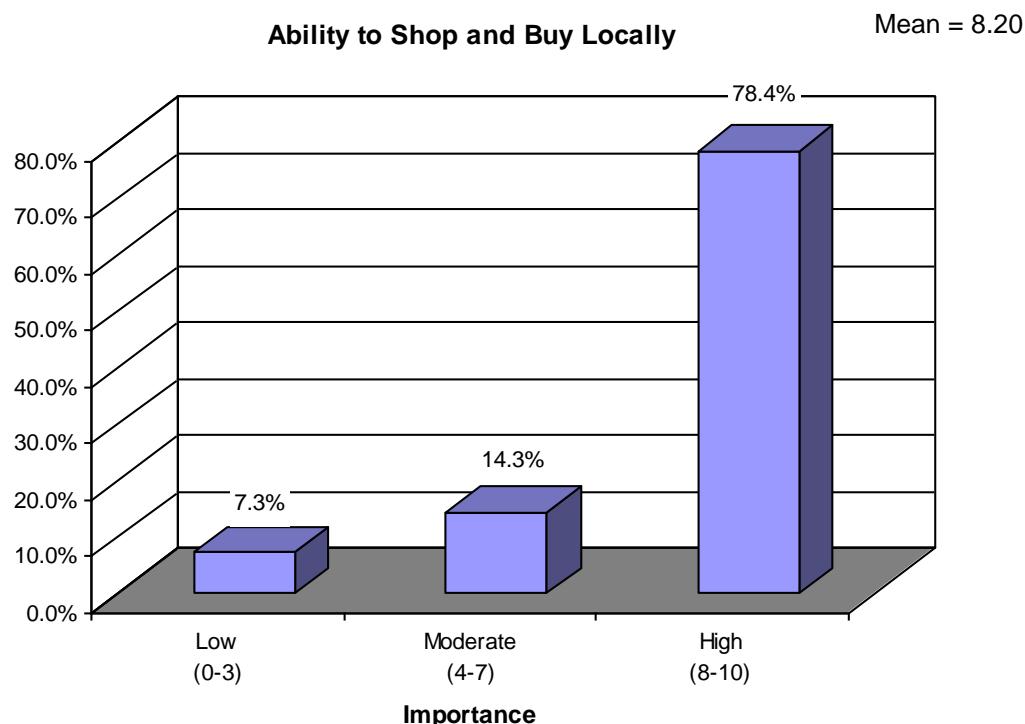
Additional analysis found that those who gave a high rating to use Snoqualmie Ridge retail rated the importance of competitive pricing higher than their low use counterparts.

Likelihood to Use Snoqualmie Ridge Retail	Mean Importance	
	Low (0-3)	High (8-10)
	4.16	8.39

$(p = 0.000$, Eta squared = 0.206).

Ability to Shop and Buy Locally

When asked to measure the importance that the ability to shop and buy locally would cause them to shop at Snoqualmie Ridge, 78.4% of the respondents indicated that supporting the local economy is very important. The respondents of the focus group further defined “shopping locally” as supporting merchants within the Snoqualmie Valley. Many of these respondents also prefer to avoid the heavy traffic of Issaquah, Sammamish, and Bellevue if possible.



Multivariate analysis found that the importance of buying locally is significant. This indicates that respondents prefer to support the overall economy of the Snoqualmie Valley over shopping elsewhere. The following table illustrates the means of the market groups:

Area of Residence	Mean
Snoqualmie - Snoqualmie Ridge	8.83
Snoqualmie - "Old" Snoqualmie	8.20
North Bend / Fall City	7.53

$p = 0.002$, $\text{Eta squared} = 0.040$

Additional analysis found that those who gave a high rating to use Snoqualmie Ridge retail rated the importance of buying local higher than their low use counterparts.

	Mean Importance	
Likelihood to Use Snoqualmie Ridge Retail	Low (0-3)	4.86
	High (8-10)	9.11

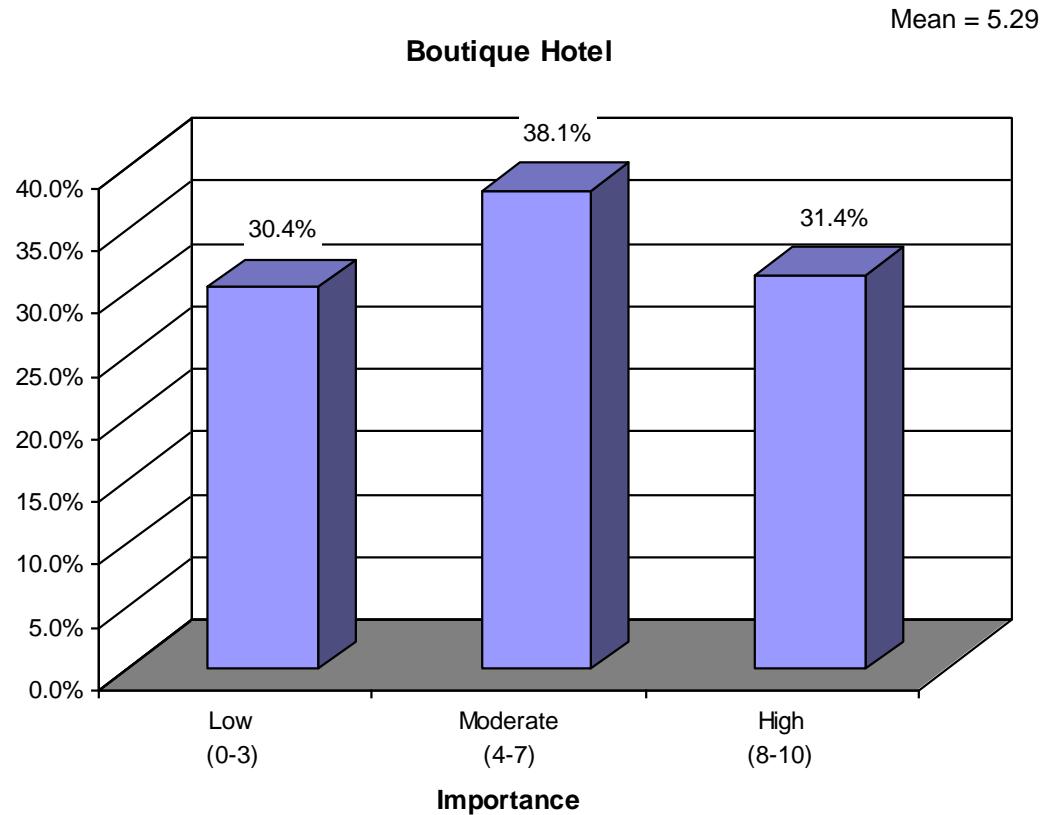
($p = 0.000$, $\text{Eta squared} = 0.334$).

Boutique Hotel

Before asking to rate the importance of adding a boutique hotel to Snoqualmie Ridge, the respondents were read the following description:

One opportunity to enhance the region is to add a boutique hotel. A boutique hotel is an 80-100 suite hotel that typically has a unique theme. This hotel would be used during the week by businesspeople and corporate meetings and retreats. This hotel would provide a more economic alternative to the Salish Lodge for visitors and local residents in the area.

Of the respondents, nearly one-third (31.4%) expressed a high importance to add a boutique hotel to Snoqualmie Ridge. Another nearly 40% (38.1%) gave a moderate rating of 4-7.

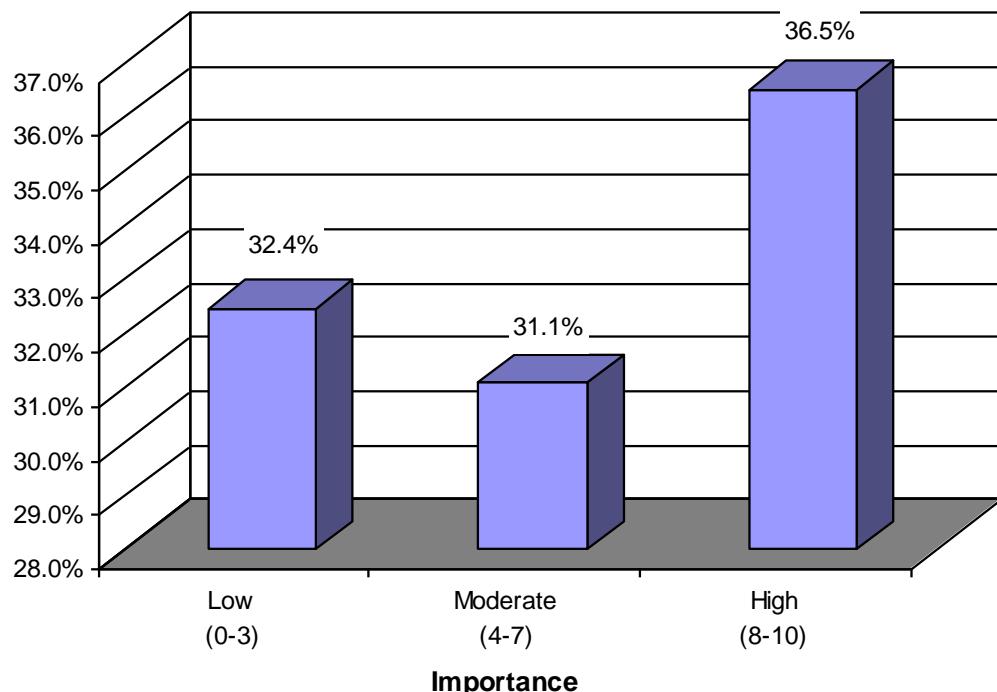


Retail at the Boutique Hotel

One potential option in order to meet the needs for additional retail, as well as the possibility of a boutique hotel, would be to include retail on the ground level of the hotel. When asked how important it is that retail is integrated into the hotel, over one-third (36.5%) of the respondents believe it is very important. An additional 31.1% of the respondents offered a moderate rating.

Mean = 5.37

Retail and Restaurants on Ground Floor of Hotel

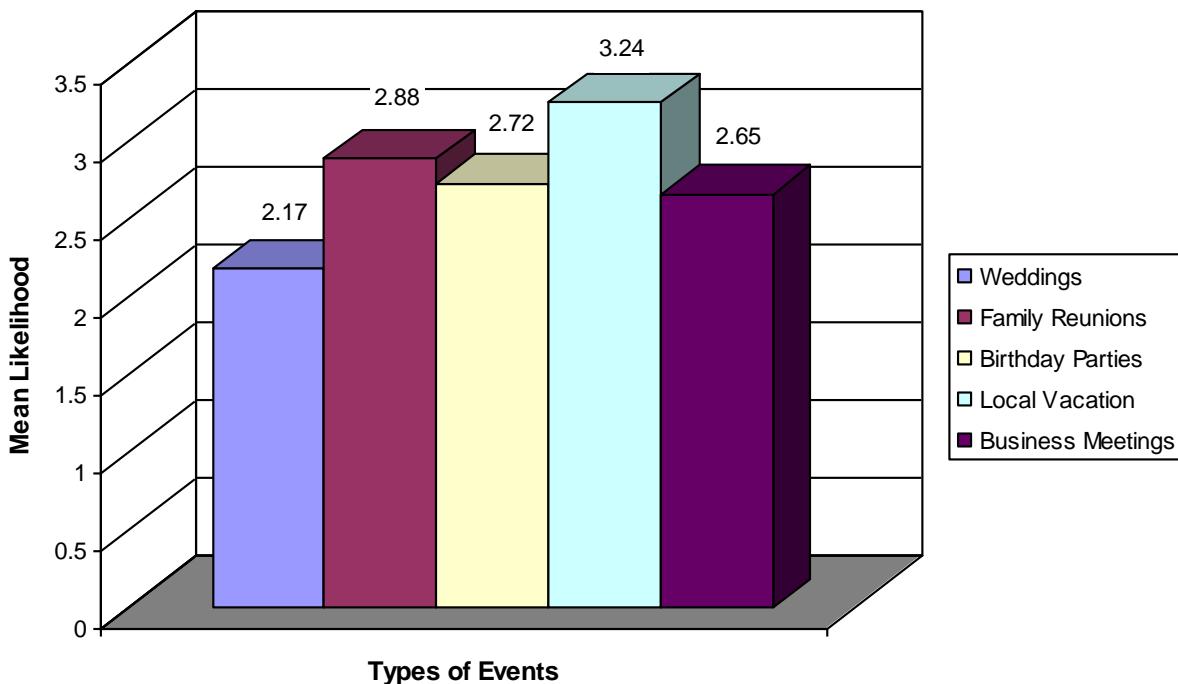


Boutique Hotel – Alternative Uses

The boutique hotel could also be used for additional uses. It could offer an alternative to the business traveler during the week and also for family that is visiting the area. However, the facilities could also be used for community and family gatherings. Some of the options that were explored with the respondents were for weddings, family reunions, birthday parties, local vacation (as an inexpensive vacation option that includes a pool), and business meetings. Of these options, to utilize the facilities for a local vacation received the highest mean rating of 3.24. The least popular option was as a facility for weddings, receiving a mean rating of 2.17. Other large local wedding venues include the Salish Lodge, the TPC at Snoqualmie Ridge, and community parks.

The low mean values for these options illustrate an overall lack of interest in the boutique hotel for these additional uses.

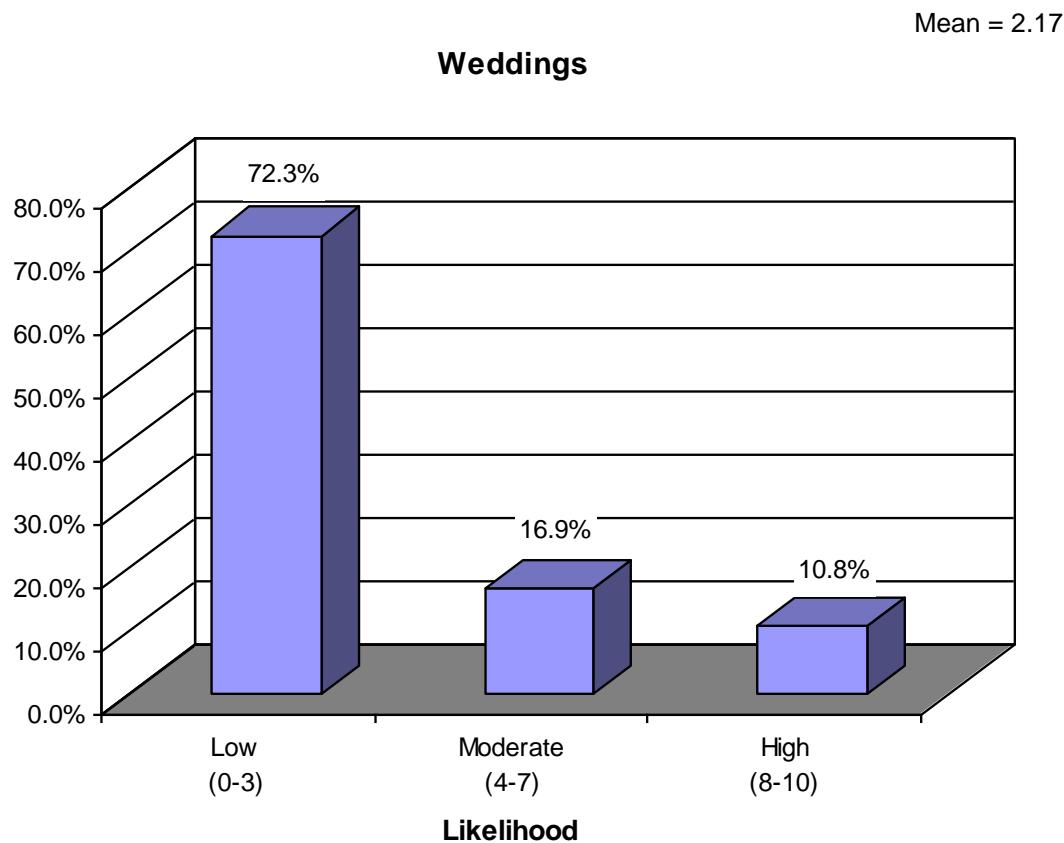
Likelihood to Use Boutique Hotel for Events



Boutique Hotel – Alternative Uses

Weddings

The respondents were asked how likely they would be to use the boutique hotel to hold a wedding or wedding reception. The vast majority (72.3%) reported that there was a low likelihood that they would use the boutique hotel for this use.



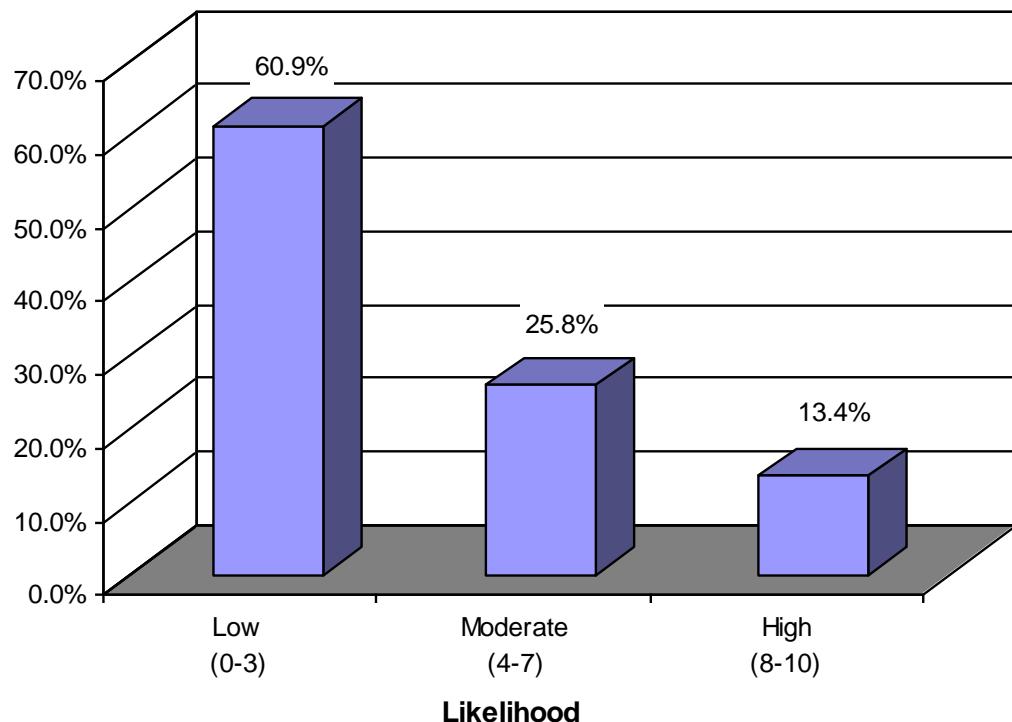
Boutique Hotel – Alternative Uses

Family Reunions

Slightly more than one-third of the respondents (39.2%) gave a moderate or high rating that they would use the boutique hotel for family reunions. Again the large majority (60.9%) indicated that they do not have a high demand for this use if the boutique hotel is added.

Mean = 2.88

Family Reunions



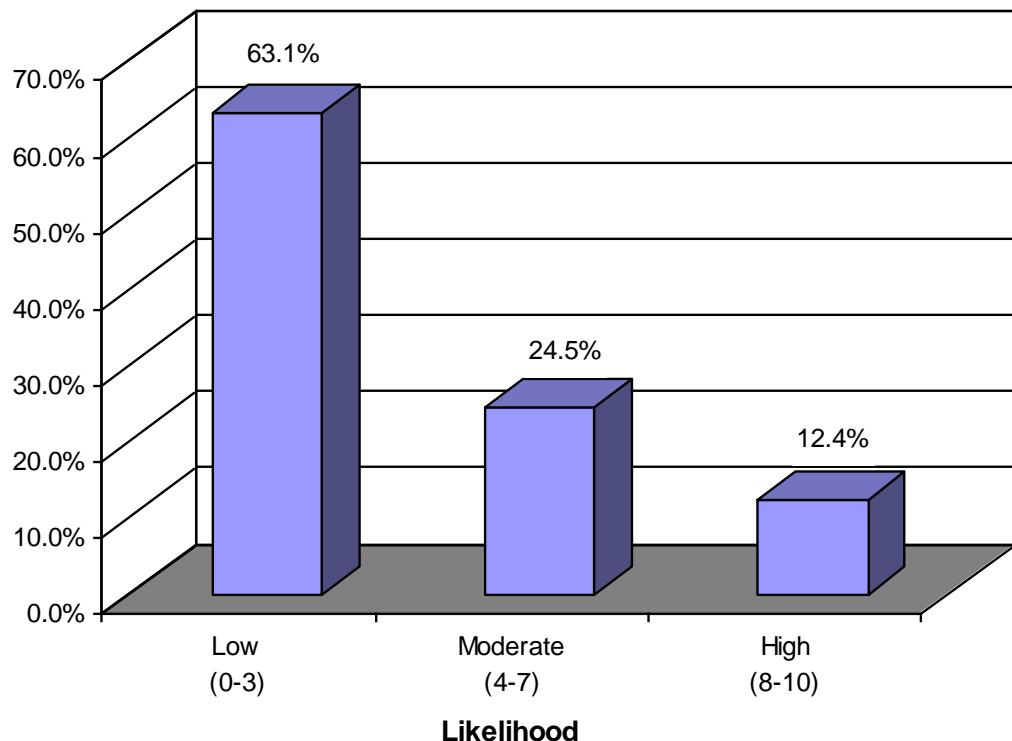
Boutique Hotel – Alternative Uses

Birthday Parties

The respondents were asked to rate their likelihood of using the boutique hotel facilities for birthday parties. Similar to the other options, nearly a quarter (24.5%) of the respondents offered a moderate rating and only 12.4% provided a high rating for the option.

Mean = 2.72

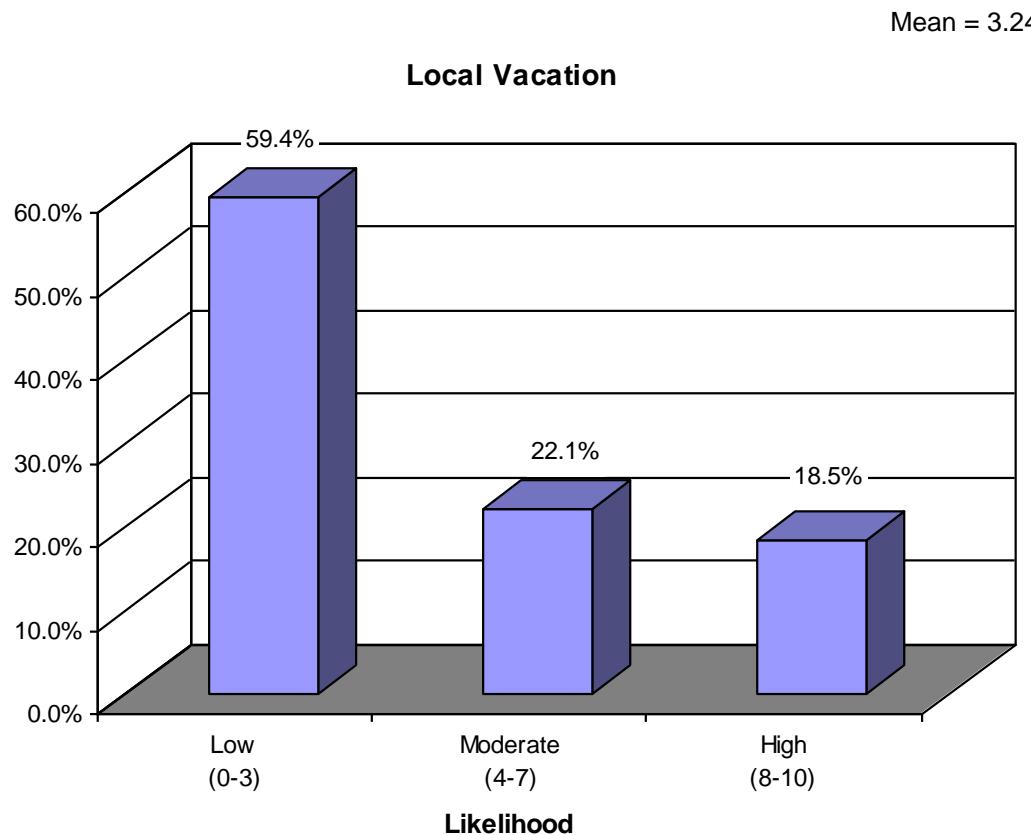
Birthday Parties



Boutique Hotel – Alternative Uses

Local Vacation for Pool Use

The alternative that received the highest mean rating (3.24) was to use the boutique hotel facilities as a local vacation option, primarily for use of the pool. Over 40% (40.6%) of the respondents gave a moderate or high rating regarding their likelihood of using the boutique hotel for this use.

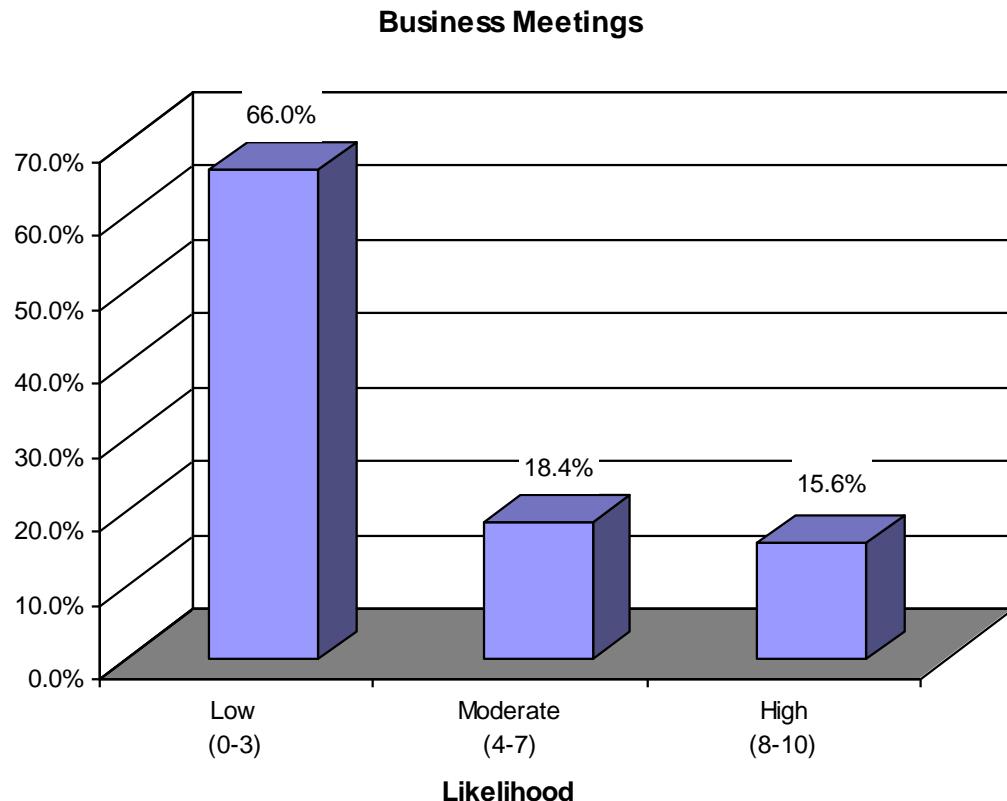


Boutique Hotel – Alternative Uses

Business Meetings

When asked if they would use the boutique hotel facilities for business meetings, only 15.6% of respondents provided a high likelihood. Similar to other alternative uses, 66.0% of the respondents indicated that they had little likelihood of using the boutique hotel for business meetings. However, this mean rating would likely increase if business owners were among the respondents rather than residents.

Mean = 2.65



Other Types of Retail and Non-Retail Services Suggested

The respondents were asked what other types of retail and non-retail services that were not previously mentioned were needed on the Ridge that would also cause them to shop there more frequently. Of the respondents, 117 offered no final comment and 51 reiterated the demand for a merchant type that was previously mentioned. Of the 135 respondents that offered a final comment, some offered multiple suggestions. The following table represents the types of merchants that respondents suggested.

Retail / Non-Retail Service Option	Percentage
Big Box Store such as Wal-mart, Costco, Target, or Factory Outlets	26.0%
Clothing Store including men's, women's, and children's clothes	9.6%
Gas Station/Convenience Store	8.9%
Craft Store	8.9%
Video Store/Movie Theatre	6.8%
Gift Shop such as Hallmark	6.8%
Hardware Store	6.2%
Services such as medical offices, banks, and Post Office	6.2%
Restaurants	6.2%
Community Center with a gym and pool	5.5%
Entertainment - live music, arcade, things for kids and teenagers	3.4%
Fast Food	2.7%
Art Gallery	1.4%
Bar or Liquor Store	1.4%

Demand Forecast

In order to quantify the amount of retail leakage of the highly demanded merchant types, a capture leakage analysis was conducted using the available data on spending and retail sales in the primary and secondary markets. Leakage is created by comparing the spending in a specific market to the sales in that market. If expenditures exceed sales then sales dollars are leaking from the trade area into other markets. Leakage indicates areas of retail demand. The data represents sales and expenditures for 2007. The data is calculated based on 2007 Claritas information. The 2007 population and household numbers of the primary and secondary market are found below:

	Population 2007	Households 2007
Snoqualmie	11,135	4,176
North Bend	14,720	5,517
Fall City	8,389	3,158
<i>Total</i>	<i>34,244</i>	<i>12,851</i>

Source: Claritas, Inc.

The categories show net leakage, meaning the amount of local retail sales is less than the amount spent by local residents. Further analysis was done to identify the percentage of respondents that had a high likelihood of shopping at Snoqualmie Ridge rather than their current alternative, and indicated a high demand for each of the merchant types. This allows a more accurate capture rate of those who express a demand for the merchant, as well as likelihood to shop.

Merchant Type	Demand	Supply	Leakage / Capture	High Likelihood to Shop / High Demand	High Likelihood/ Demand Leakage/Capture
Lawn and Garden	\$8,934,139	\$5,307,036	\$3,627,103	26.4%	\$957,555
Grocery Stores	\$80,905,187	\$52,013,899	\$28,891,288	73.7%	\$21,292,879
Specialty Food Stores	\$2,713,722	\$1,791,288	\$922,434	25.7%	\$237,066
Full-Service Drug Store	\$32,519,667	\$7,135,578	\$25,384,089	66.3%	\$16,829,651
Sporting Goods / Recreation and Services	\$12,822,029	\$4,573,647	\$8,248,382	26.6%	\$2,194,070
Book Store	\$5,455,598	\$1,756,938	\$3,698,660	42.3%	\$1,564,533
Office Supplies	\$9,661,031	\$11,135,081	-\$1,474,050	21.8%	-\$321,343
Restaurants	\$32,138,531	\$20,590,509	\$11,548,022	45.0%	\$5,196,610
Local Bakery	\$6,218,354	\$2,609,868	\$3,608,486	49.2%	\$1,775,375
Total	\$191,368,258	\$106,913,844	\$84,454,414		\$49,726,396

Boutique Hotel

The demand of the boutique hotel was calculated based on a regional average corporate, boutique hotel rate of \$212/night of an 80 room boutique hotel. Calculating the rate at a 60% occupancy rate provides total revenue of \$3,714,240 per year. In many cases, the calculation is further expanded to capture food and beverage services; however, it is recommended that the boutique hotel would cater any food and beverage needs due to the current restaurant capture rate. This will help to further compliment the two retail centers.

Total Potential Tenant Type Demand

Based on the 2007 Claritas information regarding supply and demand as well as household and population data for the primary and secondary market the total capture demand potential of the tenant options with a high demand is \$53.4 million. However, if the retail mix does not include office supplies due to market surplus, the potential for the new Snoqualmie Ridge Retail is \$50.0 million.

Capture Demand Potential	
Type	Potential
Merchant	\$49,726,396
Programs for Adolescents Capture	N/A
Boutique Hotel	\$3,714,240
<i>Total Capture Demand Potential</i>	<i>\$53,440,636</i>

Retail and Non-Retail Services Mix

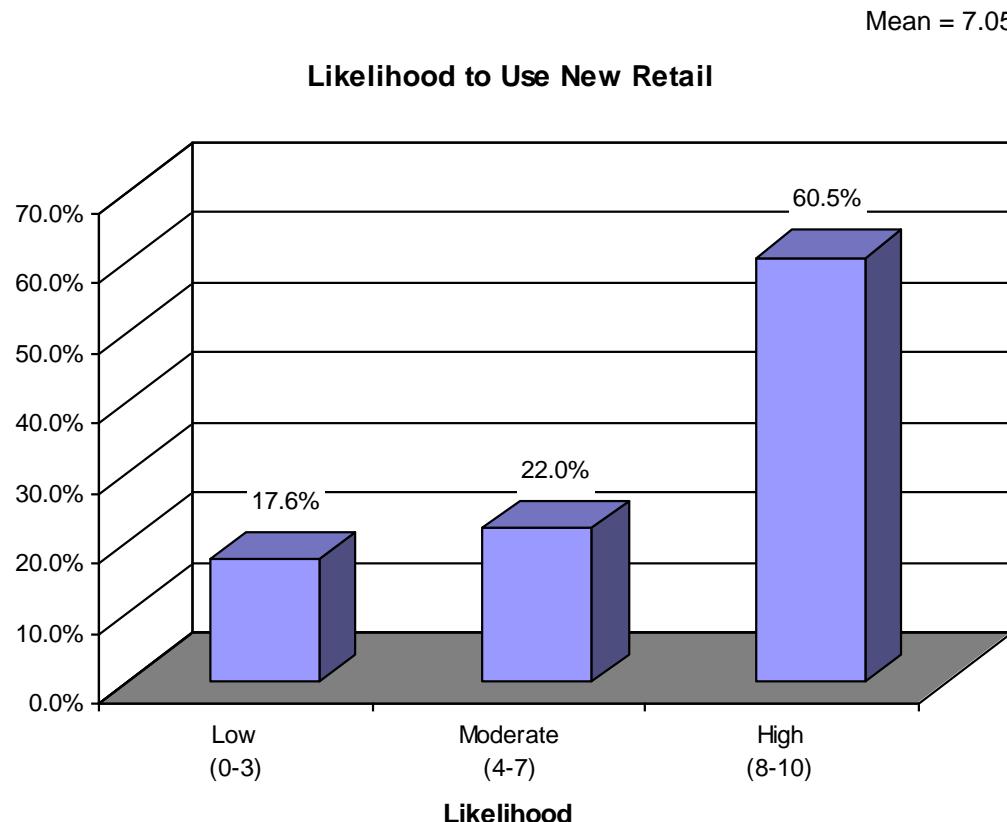
Since the current retail center located on Center Boulevard is at the tenant capacity there is a need for additional retail within the Snoqualmie Ridge Business Park. The Center Blvd. location occupies 126,841 square feet. The proposed location within the Business Park that would be rezoned for retail is found within lot 11 and lot 12 which is a total of 9 acres. Within this area, approximately 80,000 square feet will be used for new retail and non-retail services. The retail mix below would adequately fit within the space, since the respondents prefer to have retail located on the ground floor of the boutique hotel. Utilizing this mix, not only allows for greater growth and expansion for areas such as an increased/additional program facility for an adolescent programs facility, but also allows Snoqualmie Ridge to maintain “small shops.” The forecasted demand potential for this mix based on the respondents that indicated a high demand for each of the tenants, the added capture value is \$53.8 million.

Tenant Type	Square Footage	High Likelihood/ Demand Leakage/Capture
Grocery Stores	20,000	\$21,292,879
Full-Service Drug Store	7,000	\$16,829,651
Family Restaurant	4,000	\$5,196,610
Sporting Goods / Recreation and Services	7,000	\$2,194,070
Local Bakery	750	\$1,775,375
Book Store	4,500	\$1,564,533
Lawn and Garden	5,000	\$957,555
Specialty Food Stores	1,100	\$237,066
Adolescent Programs (i.e. Boys and Girls Club)	12,000	N/A
Total	61,350	\$50,047,739
Boutique Hotel (60% occupancy)		
Retail on Ground Level	55,000	\$3,714,240
Grand Total	116,350	\$53,761,979

Note: The Adolescent Programs Facility will does not have a listed revenue, because due to the nature of the facility it will need to be at least partially subsidized.

Utilization of New Retail at Snoqualmie Ridge

Keeping in mind all of the new options and potential for retail and non-retail services growth at Snoqualmie Ridge, the respondents were asked how likely they would be to use the new retail at Snoqualmie Ridge, rather than the locations that they are currently fulfilling their needs. A strong majority of respondents (60.5%) indicated that they would be highly likely to use the new retail at Snoqualmie Ridge rather than their alternative for the shopping needs. Another 22.0% of respondents gave a moderate rating. This indicates that many of the residents that are currently shopping elsewhere are willing to make Snoqualmie Ridge their primary shopping location if it has the correct retail mix.



Further analysis found that the likelihood to use the new retail at Snoqualmie Ridge is significant. The following table illustrates the means of the market groups:

Area of Residence	Mean
Snoqualmie - Snoqualmie Ridge	8.61
Snoqualmie - "Old" Snoqualmie	7.08
North Bend / Fall City	5.39

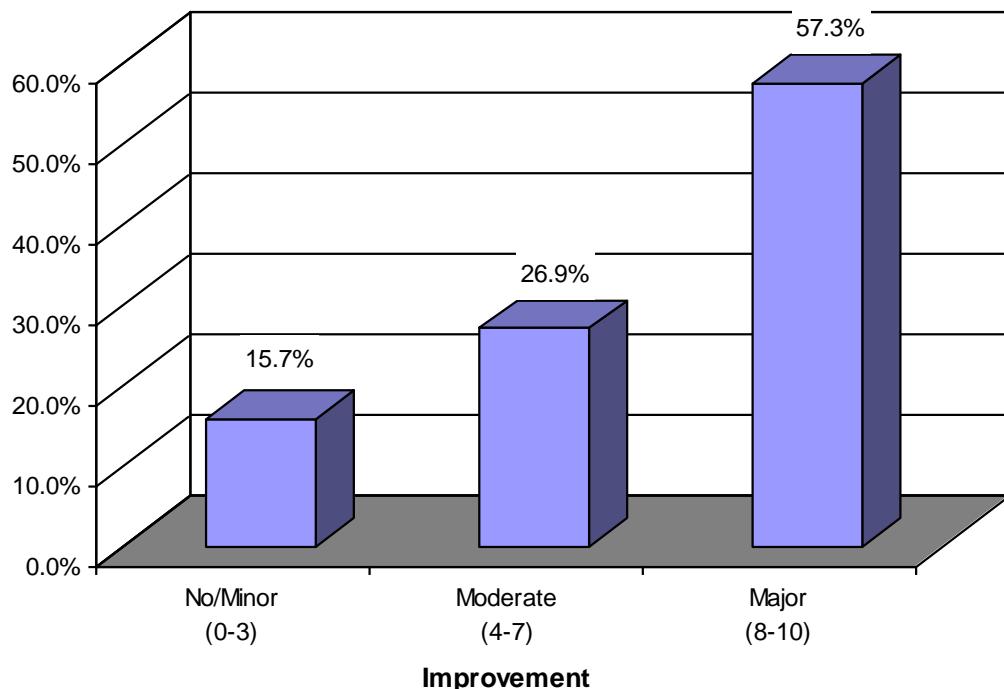
$p = 0.000$, $\eta^2 = 0.145$

Enhancement of the Overall Shopping Experience at Snoqualmie Ridge

Considering all of the transformation that could occur on Snoqualmie Ridge based on the most needed retail options, the respondents were asked if the overall shopping experience in Snoqualmie Ridge, including the new retail and the current merchants would be enhanced. Nearly 60% (57.3%) of the respondents indicated that this additional retail would provide a significant improvement to the overall shopping experience. In total, 84.2% of the respondents expressed that the overall retail would offer moderate or major improvement to shopping at Snoqualmie Ridge.

Mean = 6.95

Improvement to Snoqualmie Ridge Shopping Experience



Further analysis found that the likelihood that the new retail will enhance the overall shopping experience at Snoqualmie Ridge is significant. The following table illustrates the means of the market groups:

Area of Residence	Mean
Snoqualmie - Snoqualmie Ridge	8.00
Snoqualmie - "Old" Snoqualmie	7.36
North Bend / Fall City	5.48

p = 0.000, Eta square = 0.113

Key Findings

- The current retail village located on Center Blvd. of Snoqualmie Ridge is at capacity and due to the need for additional retail to support the needs of the community; more retail space needs to be designated.
- The target market for the retail suggested includes the primary market of Snoqualmie and Snoqualmie Ridge as well as the secondary market of North Bend and Fall City. This market consists of individuals in their 30s-60s. The target market, like the concept of Snoqualmie Ridge, is family oriented and has a preference to buy locally as opposed to other alternatives.
- There is a need to increase the frequency of use to get the consumers who do not currently utilize Snoqualmie Ridge into the retail center.
- There is a lot of upside potential to build a point of convergence, which is achieved by the correct tenant mix.
- Tenants in the new retail center need to remain price competitive, as there are several nearby alternatives for consumers to purchase goods.
- A boutique hotel with 80 rooms will serve the business market during the week for conferences, and be utilized on the weekend for non-commercial and family purposes.
- The boutique hotel will be a mixed-use hotel with retail and restaurants located on the ground level.
- Grocery on Snoqualmie Ridge needs to be enhanced as a major “anchor” for other retail.
- The recommended retail mix, which has the capture potential of \$53.8 million is:

Tenant Type	Square Footage	High Likelihood/ Demand Leakage/Capture
Grocery Stores	20,000	\$21,292,879
Full-Service Drug Store	7,000	\$16,829,651
Family Restaurant	4,000	\$5,196,610
Sporting Goods / Recreation and Services	7,000	\$2,194,070
Local Bakery	750	\$1,775,375
Book Store	4,500	\$1,564,533
Lawn and Garden	5,000	\$957,555
Specialty Food Stores	1,100	\$237,066
Adolescent Programs (i.e. Boys and Girls Club)	12,000	N/A
<i>Total</i>	61,350	\$50,047,739

Boutique Hotel (60% occupancy)		
Retail on Ground Level	55,000	\$3,714,240
<i>Grand Total</i>	<i>116,350</i>	<i>\$53,761,979</i>

- Due to the proposed development of a new retail center 60.5% of the respondents indicated a high likelihood to use the new retail, creating a greater frequency of use.
- The development of the new retail center will improve and enhance the overall shopping experience at Snoqualmie Ridge creating great benefits for new and current tenants.

Appendix

Other Snoqualmie Ridge Retail, Non-Retail Services, and Businesses

Other retail and non-retail services on Snoqualmie Ridge are located in the Kimball Creek Village. This section is located directly across from the Snoqualmie Fire Station on Snoqualmie Parkway. Kimball Creek Village consists of the following:

- Edward Jones Investments
- Garlic Jims Famous Gourmet Pizza
- Happy at the Bay Teriyaki
- Premium Cigar and Wine
- Snoqualmie Cleaners
- Snoqualmie Fire Department
- Snoqualmie Nails
- Subway

The Snoqualmie Ridge's business park is located on Snoqualmie Parkway across from the Center Blvd. retail area. Businesses included in this region include:

- Advanced Cochlear Systems
- Adventures in Advertising
- Allstate Insurance – Patrick Sprague
- Allstate Insurance – Jeremy Olson
- Church on the Ridge
- Customer Feedback
- Frontier Home and Land
- Gladiator Technologies
- Light Sciences Oncology, Inc.
- Metron Systems, Inc.
- LKD Aerospace
- Northwest Ministry Network
- Nuprecon
- Opus
- Pearson Law Firm
- Philips Oral Healthcare, Inc.
- Snoqualmie Police Department
- Snoqualmie Ridge Kidney Center
- Snoqualmie Ridge Residential Owners Association (ROA)
- T-Mobile (Network Operations Center)
- Technical Glass Products
- Venture Commerce Center
- Zetec

Source: Snoqualmie Ridge News, Links and Events Website

Appendix

Area Alternative Retail, Non-Retail Services, & Restaurants Alternatives to Those Missing On Snoqualmie Ridge

Bookstores	
Borders	Redmond
Barnes and Noble	Issaquah
B Dalton	Factoria
Snoqualmie Valley Railroad	Snoqualmie

Electronics	
Wintz Electronics	Snoqualmie
Rock's Electronics	North Bend
Radio Shack	Maple Valley

Sporting Goods / Recreation Store	
Pro Ski Mountain Services	North Bend
REI	Redmond
Nike Outlet	North Bend
Adidas Outlet	North Bend

Pet Grooming / Boarding	
Snoqualmie Valley Pet Salon	Snoqualmie
Kitty City	Fall City
North Bend Retriever Kennels	North Bend
No Worries Pet Sitting	North Bend
Dog Lovers Day Care	Maple Valley

Office Supply	
Cascade Office Supply	North Bend
UPS Store	North Bend
Staples	Issaquah
Office Depot	Issaquah
Maple Valley Office Supply	Maple Valley

Boys & Girls Club	
Boys & Girls of America	Bellevue
Boys & Girls of America	Redmond
Boys & Girls Club	Seattle
Boys & Girls Club	Woodinville
Boys & Girls Club	Federal Way

Drugstore/Pharmacy	
Rite Aid	Issaquah
Bartell's	Sammamish
Bartell's	Maple Valley
Rite Aid	Bellevue
Quick Medical	Snoqualmie
Fall Pharmacy	Snoqualmie
QFC Pharmacy	North Bend
Safeway Pharmacy	North Bend
Costco Pharmacy	Issaquah
Target Pharmacy	Issaquah

Automotive Services	
Jiffy Lube	Snoqualmie
Rock Creek Lube	Maple Valley
Jiffy Lube	Maple Valley
Cain's Pressure Washing and Auto Detailing	Maple Valley
Cal and His Dog Spot Auto Detailing	Maple Valley

Hardware Store	
Carmichaels True Value	Snoqualmie
North Bend Ace Hardware	North Bend
Ace Hardware	Carnation
Lewis Hardware	Issaquah

Bagels / Bakery	
George's Bakery and Deli	North Bend
Bernies Bagels	Issaquah
Sara Lee Bakery	Issaquah
Eastside Wholesale Bagels	Redmond
Blazing Bagels	Redmond

Equestrian and Tack Shop	
Olson Mills Tack Shop	Bellevue
Reber Ranch Tack & Feed	Kent

Winery	
Pleasant Hill Winery	Carnation
Isabella Grace Winery	Hobart

Appendix

Lodging Alternatives

Salish Lodge & Spa

Salish Lodge & Spa is known to be a romantic mountain retreat. Located at the top of Snoqualmie Falls, guests enjoy hearing the roaring water flow over the granite cliff. This resort is known for its luxury accommodations with a wood-burning fireplace and whirlpool tubs in each of its guest rooms. Weekday accommodations depending on amenities range from \$270-710 per night; and weekend accommodations depending on amenities range from \$350-760 per night.

Like the lodging and spa, dining at the Salish Lodge is known for its luxury. The dining offers a wholesome menu that is organic by nature created with exclusive foods and local delicacies. Guests are welcome to dine in any of the 3 dining rooms: The Dining Room, The Attic Bistro, and The Kayak Café.

The Salish Lodge & Spa also makes itself available for special events and get-togethers. Several businesses utilize the facility for corporate retreats and meetings whereas other regional residents utilize the facilities for milestone birthdays and other celebrations. Several couples also utilize the grounds for a naturally romantic setting for a wedding and reception. (Source: Salish Lodge and Spa website)

According to Salish officials, ownership of the lodge will be turned over to the Muckleshoot tribe effective October 9, 2007. The tribe has no current plans to change the lodge. Other groups that bid on the property were the Snoqualmie Tribe and the current operating company, Coastal Hotel Group. The lodge will be operated by Columbia Hospitality, which specializes in luxury hotel and resort management. (Source: Seattle Times, October 3, 2007)

Roaring River Bed and Breakfast

The Roaring River Bed and Breakfast is situated on 2.6 acres on the Middle Fork of the Snoqualmie River outside of North Bend, WA. It has a view of the river, mountains, forests, and wildlife. This AAA Approved Bed and Breakfast has 5 rooms to choose from, depending on availability. Rooms have private entrances, television, baths with showers, sitting areas, and decks. Room rates range from \$109-175 per night. (Source: Roaring River Bed & Breakfast website)

North Bend Motel

The North Bend Motel, located in North Bend is quiet and clean, with mountain views and close proximity to restaurants. Each room has 1-3 beds and a refrigerator and microwave are available. Both nightly and weekly rates are available. The nightly rate for one person before tax is \$54; the weekly rate for one person before tax is \$325. (Source: North Bend Motel)

Other Area Lodging

- Edgewick Inn- North Bend, WA
- Mt. Si Motel – North Bend, WA
- Sunset Motel – North Bend, WA
- House in the Trees B&B – Snoqualmie, WA

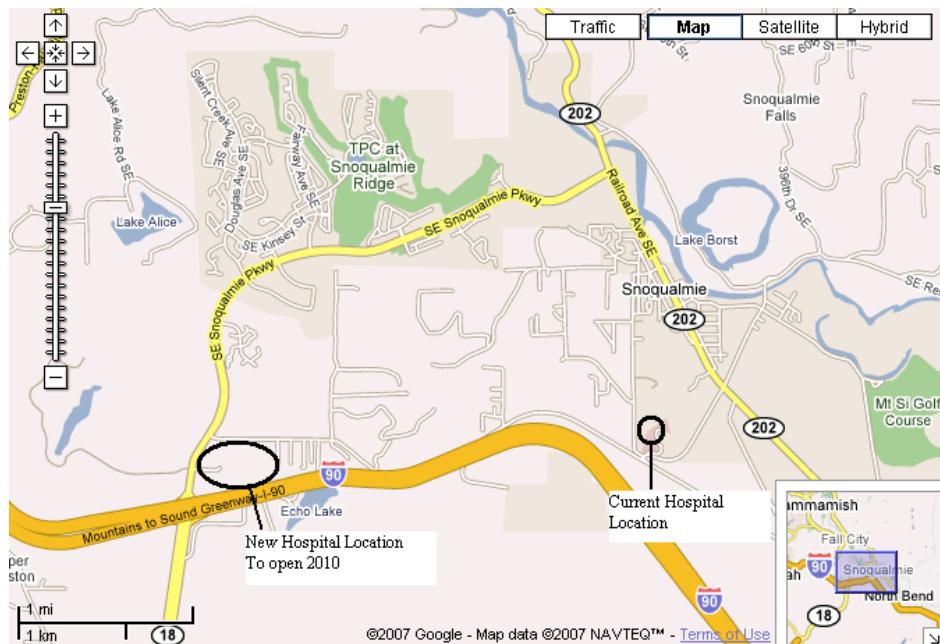
Appendix

Medical Services

The Snoqualmie Valley Hospital is the primary hospital of Snoqualmie Ridge. Many of the needs of the Snoqualmie Residents are fulfilled at the Snoqualmie Ridge Medical Center which is one of the 8 clinics of the Snoqualmie Valley Hospital.

The Snoqualmie Valley Hospital is licensed for 28 hospital beds, however, the hospital has outgrown its current facility. Therefore, the hospital plans to relocate with the new hospital scheduled to open in 2010. This new location will not be as secluded offering better access as well as added services, staff, and technology. The new campus will be 71 acres and be approximately 75,000 square feet.

The new location of the Snoqualmie Valley Hospital is going to be located north of the off-ramp of interchange I-90 and SR-18 and east of Snoqualmie Parkway. The map below identifies the current location as well as the future location:

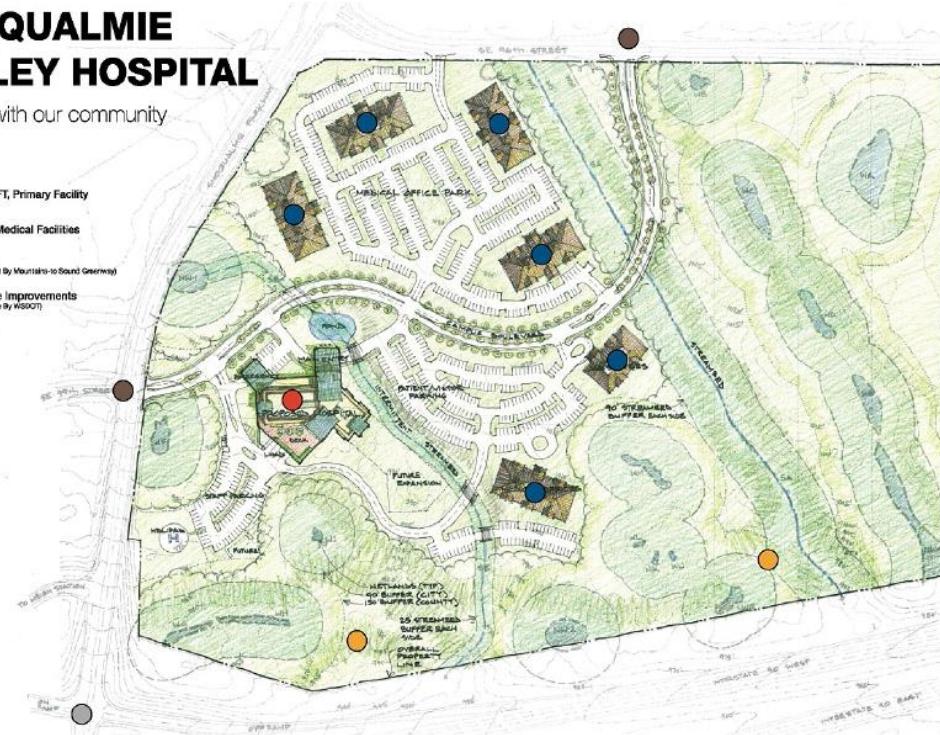


According to the 2007 Snoqualmie Valley Hospital Fall Newsletter the proposed finished campus will appear as pictured in the drawing below:

SNOQUALMIE VALLEY HOSPITAL

growing with our community

- 85,000 SQ FT, Primary Facility
- Additional Medical Facilities
- Greenbelts (Benton Request By Mountains-to-Sound Gateway)
- Interchange Improvements (In Planning Stage By WSDOT)
- Entrances



Source: Snoqualmie Valley Hospital Website

As the Snoqualmie Valley Hospital expands, the Bellevue Community College has entered into a partnership to develop a medical/higher education campus in east King County. This partnership, announced publicly on August 1, 2007 will increase the number of individuals in this region of east King County. The partnership will primarily be used by the development of a first-rate teaching institution in conjunction with the new hospital which will provide clinical access for degree programs in nursing, health sciences, radiation and imaging sciences, medical technology, and other programs that are needed in the east King County region.

Bellevue Community College, as of August 1, 2007 was still in negotiations with King County regarding its desire to establish a satellite campus in this growing region.

Source: Bellevue Community College Website

Appendix

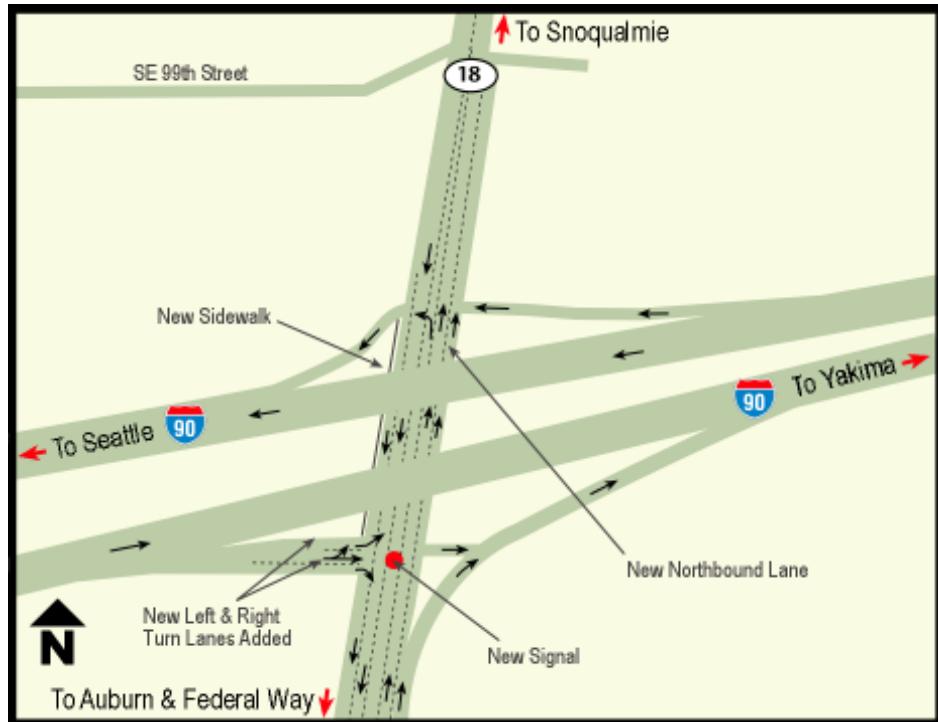
Access and Improvements to Transportation

Due to eastbound commuters on I-90 from Seattle and Bellevue encountering backups and congestion at the SR-18/Snoqualmie Parkway off-ramp (exit 25), the Washington Department of Transportation has been working to improve this interchange. This is part of a larger project that has widened SR-18 from 2 lanes to 4 lanes from Auburn to Issaquah. The short-term project has not completely resolved the issue, however, it has been improved.

This project was completed in two phases. In the first phase, WSDOT crews installed an interim signal at the I-90/SR-18 interchange and added temporary striping for an additional right turn lane. This allowed the interchange to have one left turn lane and one right turn lane. In the second phase of the project, WSDOT replaced the interim signal with a permanent fixture. The off-ramp was widened to add a second left turn lane. Highway 18 was widened under I-90 adding a northbound lane to Snoqualmie Parkway for about 1000 feet to the north of I-90.

As of September 2007 the new left turn lane was opened, the paving on SR-18 was completed, and permanent striping was added. This project will improve safety by reducing the likelihood of collisions caused when traffic on the exit backs up onto eastbound I-90. Not only are vehicles now able to move through the interchange more efficiently, but crews also constructed facilities to treat highway run-off, which will benefit salmon and other fish in nearby streams and rivers.

The following map illustrates the construction that has been done to the interchange:



As of September 2007, WSDOT opened a new left-turn lane from eastbound I-90 to SR-18. The paving on SR-18 and the eastbound I-90 off-ramp has been completed. This paving of the off-ramp widened the ramp so that there are now 2 left turn lanes as well as a right turn lane. A new signal has also been added at the interchange. The permanent striping was also added to the off-ramp.

Future Improvements

As of September 2007 the WSDOT was developing plans to widen SR-18 to two lanes in each direction between Issaquah and Hobart Road and I-90. The plans also include a rebuild of the I-90/SR-18 interchange. Both of these improvements will aid the mobility and safety of the corridor.

The WSDOT will focus its primary efforts on the widening of I-90, followed by the SR-18 widening. Additional improvements include extending truck climbing lands, realigning sharp curves to improve driver sight distance and to help them safely maintain their speed, improving fish passage at stream crossings, new drainage facilities, and improving accommodations for wildlife crossings.

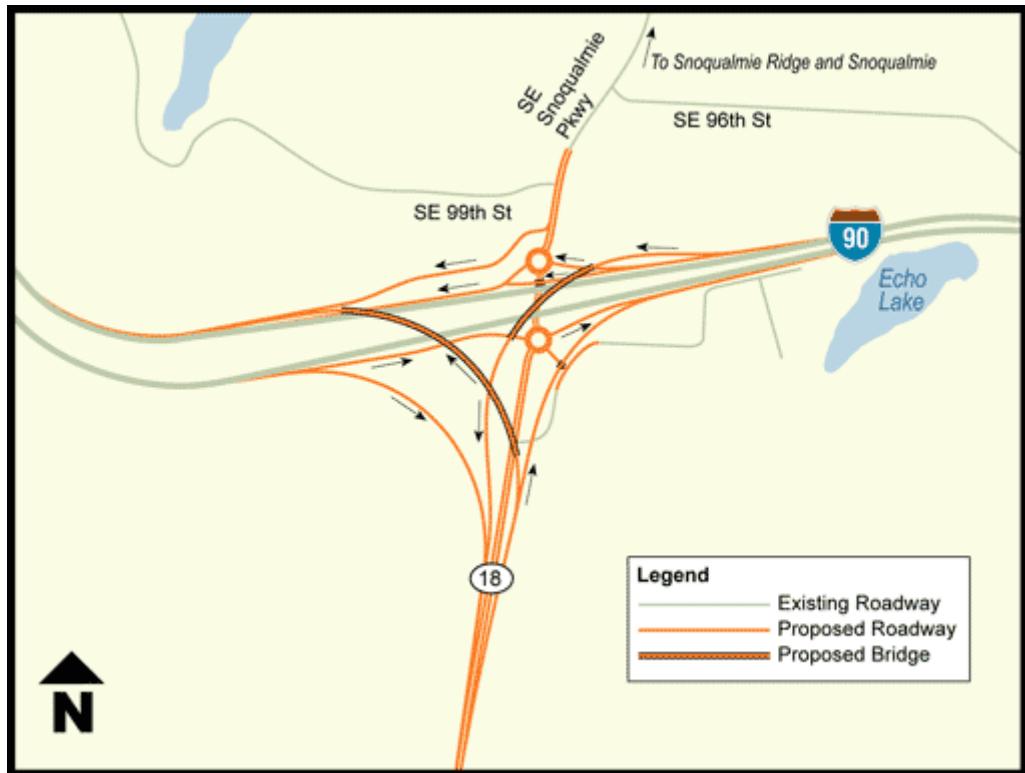
According to the Washington Department of Transportation, this project will have the following benefits:

- Safety – Reduce the likelihood of head-on collisions by building a 51-foot median to divide opposing directions of traffic. Where the mountainous terrain and/or significant environmental impacts make the addition of the full median too costly, WSDOT will use median barriers to separate traffic.
- Congestion Relief – An improved I-90/SR-18 interchange will enhance traffic flow in the rapidly growing area
- Environment – This project will build drainage facilities to capture and clean highway runoff and replace narrow culverts with wider culverts or bridges to help fish swim up and down streams.
- Freight Mobility – SR-18 is an important regional and national truck route between Eastern Washington and beyond and Sea-Tac Airport and the Port of Tacoma. The increased capacity of the highway will help keep freight moving.

The Nickel Funding Package passed by the 2003 Legislature provided \$6 million to complete the environmental review and preliminary design for the I-90/SR-18 interchange. The Nickel Funding Package provided revenue for 158 projects over a 10-year period. The Package includes a 5 cent per gallon gas tax increase, 15 percent increase in gross weight fees on heavy trucks, and 0.3 percent increase in the sales tax on motor vehicles. Once the 10-year period and the projects are completed, the taxes will expire.

However, the full project design and construction is currently unfunded. Funding and uninterrupted work will both affect the completion dates of the project.

The expansion of the I-90/SR-18 interchange is scheduled to be finished by 2012 and the widening of SR-18 should be complete by 2015. The following illustration shows the concept plan for the finalized I-90/SR-18 interchange:

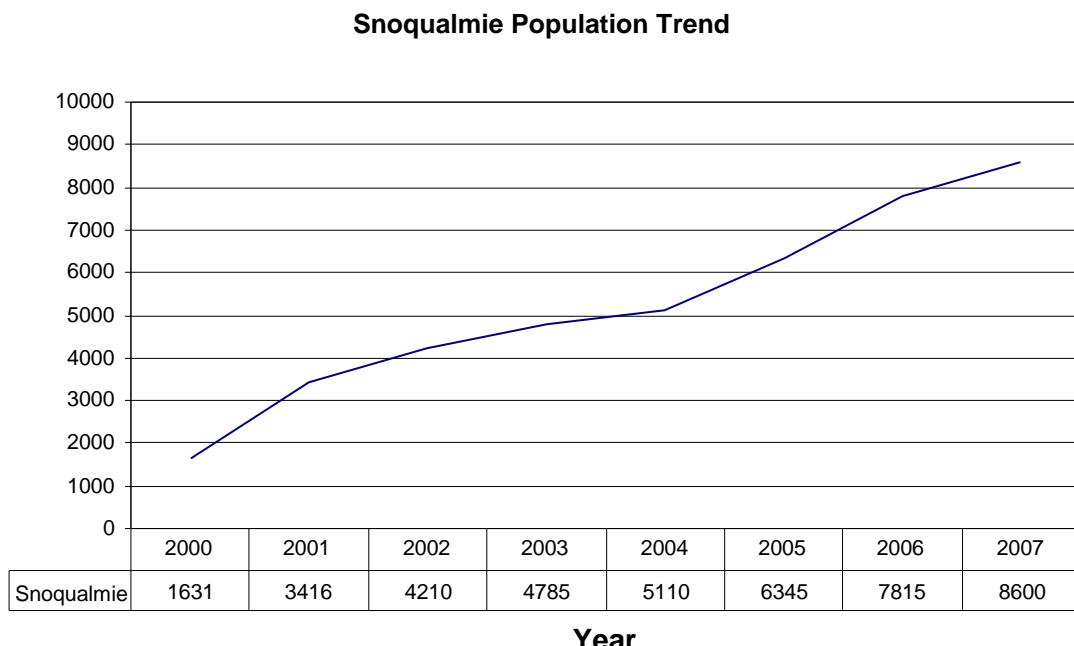


Appendix

Local and Regional Demographics

Snoqualmie is currently listed as the fastest growing community in the state of Washington. According to the US Census the 2000 population of Snoqualmie was 1,631 with 632 households. In the same year, 2000, according to the US Census, the median household income of Snoqualmie was \$52,697. This figure increased 42.6% to a 2006 median household income of \$75,284. The mean household income in this same year was \$84,060.

The following graph illustrates the population growth of Snoqualmie since 2000:



This rapid population increase of 427.3% from 2000 to the estimated 2007 level has increased Snoqualmie's population rank in King County to dramatically rise. In 2000, Snoqualmie was ranked 168th in population size and the estimated 2007 population has given Snoqualmie the 85th position among cities in King County.

In order to accommodate such population growth there has been rapid growth in the number of housing units in Snoqualmie, primarily located as part of the Snoqualmie Ridge. In 2000, the total number of housing units in Snoqualmie was 656. This number increased 341.6% to its 2006 total of 2,897 housing units. Supporting this growth were 330 issued building permits in 2006, and as of September 28, 2007 the number of permits issued was 284.

Sources: Office of Financial Management
U.S. Census

2007 Primary/Secondary Market Demographics

The total estimated population in 2007

	2007	2012	2007 HH	2012 HH
Snoqualmie	11,135	15,323	4,176	5,799
North Bend	14,720	15,444	5,517	5,839
Fall City	8,389	10,708	3,158	4,081
<i>Total</i>	<i>34,244</i>	<i>41,475</i>	<i>12,851</i>	<i>15,719</i>

Source: Claritas, Inc.

Regional Population Growth

The population and number of households in other communities of eastern King County have not all experienced growth over the 2000-2006 period, especially at the rate of the City of Snoqualmie. The 2000 population of North Bend was 4,746, and the population of Fall City was 1,638. Although no future data for Fall City is available, the population of North Bend decreased between 2000 and 2006 1.2%, but is beginning to rise to its 2007 estimated population of 4,705.

The population of these cities over the time period of 2000 through 2007 is as follows:

	2000	2001	2002	2003	2004	2005	2006	2007	Average Growth
Snoqualmie	1631	3416	4210	4785	5110	6345	7815	8600	30.1%
North Bend	4746	4755	4735	4680	4660	4685	4690	4705	-0.1%
Issaquah	11212	12950	13790	15110	15510	17060	19570	24710	12.2%
Sammamish	34104	34560	34660	35930	36620	39860	40360	40560	2.5%

Source: Office of Financial Management

The distance between Snoqualmie and these cities is found below:

- Snoqualmie to Sammamish – 15.3 miles
- Snoqualmie to Issaquah – 12.4 miles
- Snoqualmie to North Bend – 3.2 miles

Source: Google Maps

Appendix

Questionnaire – Quantitative Study

SNOQUALMIE RIDGE RETAIL MIX QUESTIONNAIRE OCTOBER 2007

V 1.5

SAMPLE FRAME

Survey of head of the household who is the primary shopper in the following cities/areas:

Snoqualmie Ridge
Snoqualmie
North Bend
Fall City

Quota – n = 300 completed interviews

100 – Residents of Snoqualmie Ridge
100 – Residents of Snoqualmie
100 – Residents of North Bend and Fall City

Hello, my name is _____, and I am calling from Hebert Research. We are conducting a very important research project about retail and non-retail service available in the Snoqualmie Valley. The purpose is to identify the types of retail and non-retail services that are needed to support the growth and demand within the Snoqualmie Valley. May I speak with the head of the household who is the primary shopper? **[IF HANDED OFF TO HEAD OF HOUSEHOLD, REINTRODUCE YOURSELF]**

This call is for research purposes only and does not involve sales of any kind. May I please ask you some questions? Thank you! **[IF NO, THANK AND TERMINATE]**

C1. Are you currently a resident of one of the following areas: City of Snoqualmie, Snoqualmie Ridge, North Bend, Fall City?

1. YES
2. NO **[THANK AND TERMINATE]**
3. DON'T KNOW/REFUSED **[CLARIFY, THEN THANK AND TERMINATE]**

C2. Which of the areas are you a resident of? **[READ]**

1. Snoqualmie – Old Snoqualmie/Non-Ridge Resident
2. Snoqualmie Ridge
3. Fall City
4. North Bend

1. How many times in the last six months did you visit the retail center located on Center Blvd of Snoqualmie Ridge? **[IF THEY CANNOT REMEMBER ASK FOR THEIR CLOSEST APPROXIMATION]** **[RECORD NUMBER]**

2. The City of Snoqualmie is planning to add to the current retail. There are a few different options for the location, however, none of these options can be located in the current retail center because of tenant capacity. Now I would like you to think of the types of merchants that are needed to compliment the current retail and non-retail service mix, as well as those that would enhance your shopping experience. I am going to name specific types of merchants and I would like you to rate from 0 to 10 how necessary it is to add each type of merchant, with 0 meaning “not needed/wanted” and 10 meaning “high demand for merchant type”
 1. Auto service/supplies – such as oil & lube and auto detailing
 2. Sporting Goods/Outdoor Recreation Store such as REI or the former Marshalls
 3. Lawn and Garden store including Nursery such as Ravenna Gardens
 4. Full Service Drug Store such as Bartell’s or Walgreens
 5. Primary grocery store such as Trader Joe’s or Lakemont Thriftway
 6. Outdoor adventure and guide services such as local fly fishing, kayak trips, river rafting, hiking, and rock and mountain climbing
 7. Office Supplies store such as Staples or Office Depot
 8. Electronics/Technology store such as Magnolia Hi-Fi
 9. Specialty goods and foods store such as wine, chocolate, and cheese
 10. Book store such as Half Priced Books or Third Place Books
 11. Local Bakery similar to the Poulsbo Bakery
 12. Pet Boarding and Grooming
 13. Farm and equestrian store such as the Grange
 14. Family restaurant such as Red Robin, Applebee’s, or the Outback
 15. Breakfast Diner
 16. Programs such as those offered by the Boys and Girls Club for grade school through high school aged children. These could include athletics, computers, computer games, and programs in the arts.
3. I now would like you to measure the importance of the following variables that would cause you to shop at Snoqualmie Ridge on a 0-10 scale where 0 means “not important” and 10 means “highly important”.
 1. Competitive pricing of merchandise compared to alternatives
 2. Ability to shop and buy locally
4. One opportunity to enhance the region is to add a boutique hotel. A boutique hotel is a 80-100 suite hotel that typically has a unique theme. This hotel would be used during the week by businesspeople and corporate meeting and retreats. This hotel would also provide a more economic alternative to the Salish Lodge for visitors and local residents in the area. Using a scale from 0-10 where 0 is “not important” and 10 is “very important” how important is it to add a boutique hotel to the region?
5. Using the same 0-10 scale where 0 means “not important” and 10 is “very important” how important is it to include retail shops and restaurants on the ground level of the hotel?
6. Using a 0-10 scale where 0 means “highly unlikely” and 10 means “highly likely”, if a boutique hotel would be added, how likely would you be to use the facility for the following reasons:
 1. Weddings
 2. Family Reunions
 3. Birthday parties
 4. Local vacation for pool use
 5. Business meetings

I just have a few more questions regarding the proposed retail and how it relates to the overall retail of Snoqualmie Valley.

7. What are other types of retail and non-retail services that have not been mentioned but would cause you to begin shopping or shop more frequently at Snoqualmie Ridge? **[RECORD VERBATIM]**

8. On a scale from 0-10 where 0 means “very unlikely” and 10 means “very likely” how likely would you be to use the new retail at Snoqualmie Ridge rather than your current alternative?
9. On a scale from 0-10 where 0 means “no improvement” and 10 means “significant improvement” how do you think the new retail center will enhance the overall shopping experience in Snoqualmie Ridge?

The final questions I have are for demographic purposes only.

10. In what year were you born in? **[CODE 9999 FOR REFUSED]**
11. What is your current marital status **[READ]**
 1. Single without dependent children (includes separated, divorced and widowed)
 2. Single with dependent children (includes separated, divorced and widowed)
 3. Married without dependent children (or in committed relationship/have domestic partner)
 4. Married with dependent children (or in committed relationship/have domestic partner)
 5. Refused
12. In which of the following categories is your annual household income? **[READ LIST]**
 1. Under \$49,999
 2. \$50,000 to \$74,999
 3. \$75,000 to \$99,999
 4. \$100,000 to \$149,999
 5. \$150,000 to \$199,999
 6. \$200,000 to \$249,999
 7. \$250,000 or more

Thank you very much for your time

13. Postcode Gender
 1. Male
 2. Female

Appendix

Moderators Outline – Qualitative Study

Primary Market – October 2, 2007

INTRO

1. Let's introduce ourselves- include immediate family, employment, etc.
2. When was the last time you were at the retail center of Snoqualmie Ridge? How often are you there? What do you usually go for? Shopping? Restaurants? Services?
3. What's your general perception of Snoqualmie Ridge? What are your general perceptions of the current retail section on Center Blvd?
4. What do you think of the current selection of retail and non-retail services on Snoqualmie Ridge?
5. What are some other areas that you like to shop? Issaquah? Bellevue/Bellevue Square? What draws you to these areas? Enjoyment of going somewhere other than the Ridge? Convenience on your commute from work? Selection of stores?
6. Have you ever been to one of the Thriftway grocery stores? Such as Lakemont Thriftway or Queen Anne Thriftway. What do you think of this concept of grocery store? What about PCC or Trader Joe's? **[Try to extract: If the IGA were a full service primary grocery store would you use it?]**

The City of Snoqualmie and its merchants would like to gain a better understanding of what the community's perception is of the retail center. This research will help understand what consumers like about the retail center, and what types of retail and non-retail businesses could be added to enhance the shopping experience of Snoqualmie Ridge.

7. What do you like most about the retail available on Snoqualmie Ridge? Do you like the location on the Ridge for this retail center as opposed to within Historic Snoqualmie? What do you think of its accessibility?
8. Which merchants do you use the most frequently? What do you like about these particular merchants?
9. What is your primary motivation to shop at the retail center of Snoqualmie Ridge?
10. When do you typically shop or use the services at Snoqualmie Ridge? On the weekend? When you are already in town for another need? Passing by to or from work?
11. What, if anything would you like to see changed about the retail at Snoqualmie Ridge? Do you think that others do not use the facilities for any particular reason? Do you think a greater selection of merchants and stores would bring more people to the area?
12. What are some of the stores or services that you think might be missing?

I'm now going to read a list of types of merchants that are currently not on the Ridge but could possibly be added. Please indicate which types you think are most important.

1. Auto service/supplies – detailing, oil & lube, etc.
2. Family entertainment options
3. Outdoor Recreation store
4. Outdoor activity/adventure services

5. Lawn/Garden store – including nursery
6. Drug store
7. Sporting goods store
8. Snowmobile, motorcycle, ATV dealer
9. Building Supplies/Hardware store
10. Office Supplies store
11. Electronics/Technology store – i.e. Magnolia HiFi
12. Specialty Goods and Foods – i.e. gourmet chocolate, specialty wines, ethnic goods

13. If this retail center were to be located across Snoqualmie Parkway, would you feel comfortable crossing the parkway on foot? What could be done to increase your sense of safety? Would you consider driving across the parkway? What types of things would entice you to utilize both retail villages?

14. Where do you currently shop for any of these items or services? Would you use them if they were located on the Ridge? If not, why?

15. Do you think the addition of specific stores would attract individuals from outside communities?

16. What are some specific merchants or services that you would like to see added to the Ridge?

17. What else might attract you or other individuals to this retail center? Parades? Festivals? Street fair? What other entertainment could help enhance the retail?

18. Do you currently use the grocery store on the Ridge? Do you use it for your primary needs or as a secondary grocery store? What is your perception of the store? What do you think of the selection of goods?

BOUTIQUE HOTEL

19. Have you ever been to the Salish Lodge? What are your perceptions of this resort?

20. Have you ever been to Suncadia? Have you ever stayed at the hotel located at the resort? This hotel is considered a boutique hotel. A boutique hotel is typically a smaller hotel with 50-100 rooms and it presents an environment that is more intimate, luxurious, and unique to the surrounding region. These hotels are known for the service and experience they provide the customer. They also provide opportunities for businesses and corporations to host conventions and retreats.

21. Do you think that a boutique hotel would enhance the Snoqualmie Ridge? Would you like to see other options for guests that may be more affordable compared to the Salish Lodge?

22. A hotel such as this would contain 80-100 rooms. Would you use this as an option for friends and family that are visiting the area?

23. The hotel would also be able to have other options that could enhance the community. Some of these options would include a restaurant with breakfast, lunch, and dinner. What type of a restaurant would you like to see in the hotel?

24. The hotel could also be used for banquets, weddings, family events and parties, and business conferences. What are some of the events for which you could see the hotel being used? Discuss more possibilities for the area.

25. What would be the ideal location for the hotel?

Secondary Market – October 4, 2007

INTRO

1. Let's introduce ourselves- include immediate family, employment, etc.
2. Have you ever been to the retail center of Snoqualmie Ridge? How often are you there? What do you usually go for? Shopping? Restaurants? Services? If not, why don't you use the facility?
3. What's your general perception of Snoqualmie Ridge? What are your general perceptions of the current retail section on Center Blvd?
4. Currently there is a unique variety of retail and non-retail services on the Ridge. What do you think of the current selection of retail and non-retail services on Snoqualmie Ridge?
5. Is there anything in particular that draws you to the Ridge for your shopping and services? What could be added to this part of the valley that would enhance the local retail?
6. What are some other areas that you like to shop? Issaquah? Bellevue/Bellevue Square? What draws you to these areas? Enjoyment of going somewhere other than the Ridge? Convenience on your commute from work? Selection of stores?
7. Have you ever been to one of the Thriftway grocery stores? Such as Lakemont Thriftway or Queen Anne Metropolitan Market. What do you think of this concept of grocery store? What about PCC or Trader Joe's

The City of Snoqualmie and its merchants would like to gain a better understanding of what the community's perception is of the retail center. This research will help understand what consumers like about the retail center, and what types of retail and non-retail businesses could be added to enhance the shopping experience of Snoqualmie Ridge.

8. Which merchants do you use the most frequently when you go shopping? What do you like about these particular merchants?
9. What types of new stores and services could attract you to the retail center at Snoqualmie Ridge? What would give you a reason to travel a bit farther for specific retail or services? Do you not currently use this facility for any particular reason? Do you think a greater selection of merchants and stores would attract more people to the area?
10. What are some of the stores or services that you think might be missing?

I'm now going to read a list of types of merchants that are currently not on the Ridge but could possibly be added. Please indicate which types you think are most important.

1. Auto service/supplies – detailing, oil & lube, etc.
2. Family entertainment options
3. Outdoor Recreation store
4. Outdoor activity/adventure services
5. Lawn/Garden store – including nursery
6. Drug store
7. Sporting goods store
8. Snowmobile, motorcycle, ATV dealer
9. Building Supplies/Hardware store
10. Office Supplies store
11. Electronics/Technology store
12. Specialty Goods and Foods – i.e. gourmet chocolate, specialty wines, ethnic goods
13. Pet boarding
14. Book Store

11. Where do you currently shop for any of these items or services? Would you use them if they were located on the Ridge? If not, why?
12. Do you think the addition of specific stores would cause you to use the retail center at Snoqualmie Ridge more frequently? Would these stores attract more individuals from outside communities?
13. What are some specific merchants or services that you would like to see added to the Ridge?
14. Have you been to the grocery store on the Ridge? Would you use this store if it had more options or a unique draw that your local grocery store does not?

BOUTIQUE HOTEL

15. Have you ever been to the Salish Lodge? What are your perceptions of this resort?
16. Have you ever been to Suncadia? Have you ever stayed at the hotel located at the resort? This hotel is considered a boutique hotel. A boutique hotel is typically a smaller hotel with 50-100 rooms and it presents an environment that is more intimate, luxurious, and unique to the surrounding region. These hotels are known for the service and experience they provide the customer. They also provide opportunities for businesses and corporations to host conventions and retreats.
17. Do you think that a boutique hotel would enhance the Snoqualmie Ridge? Would you like to see other options for guests that may be more affordable compared to the Salish Lodge?
18. A hotel such as this would contain 80-100 rooms. Would you use this as an option for friends and family that are visiting the area?
19. The hotel could also have a pool? Would you be interested in using the pool?
20. The hotel would also be able to have other options that could enhance the community. Some of these options would include a restaurant with breakfast, lunch, and dinner. What type of a restaurant would you like to see in the hotel?
21. The hotel could also be used for banquets, weddings, family events and parties, and business conferences. What are some of the events for which you could see the hotel being used? Discuss more possibilities for the area.
22. What would be the ideal location for the hotel?