



**CITY OF STANWOOD
ECONOMIC DEVELOPMENT
ACTION PLAN
TECHNICAL APPENDIX**

Contents

- A. Adopted Vision for Stanwood
- B. Economic Development Profile
- C. Fiscal Implications of Land Use Alternatives
- D. Summary of Floodplain and Infrastructure Issues
- E. Buildable Lands Analysis
- F. Stakeholder Interviews Summary
- G. Community Open House Summary

APPENDIX A ADOPTED VISION FOR STANWOOD

This section summarizes the adopted Vision for Stanwood compiled from the Economic Development and Land Use Elements of the City's Comprehensive Plan.

Economic Development Policies

Vitality

The future City will have " Vitality" (Goal ED-1) defined as a lively growth oriented business climate that supports a wide range of private and public investments, diversified tax base, employment and consumer shopping for city and unincorporated area residents. Implement Vitality using:

- A toolkit of incentives to encourage investments that might not be viable under current market (ED Policy 1.1)
- Incentives for property owners to improve deteriorating facades (ED Policy 1.2)
- Marketing tools built on recent improvements and investments (ED Policy 1.3)

Strong Community Partners

Stronger relationships with community partners will be developed (ED Goal 2) to:

- sponsor and promote public improvements (EDP 2.1) and promote community events (EDP 2.2)
- Support the Stanwood Chamber and work with the Chamber to promote the City (EDP 2.3)
- Encourage cooperative downtown improvement planning and implementation (EDP 2.4)

Diversified and Sustainable local and regional economy

Quality of life in the community will be enhanced by promoting a diversified and sustainable economy (ED Goal 3)

- Identify sectors of the economy where opportunity might exist to create jobs and identify strategies for attracting employment (EDP 3.1) (EDP 3.3)
- Supportive business environment for start up businesses, light manufacturing, assembly (EDP 3.2)
- Creating incentives to attract new industry (EDP 3.5)
- Supporting home based businesses (ED Policy 3.4)
- Encourage businesses that promote tourism (EDP 3.6)
- Increase local awareness of goods and services available in Stanwood (EDP 3.7)
- Stimulate public and private funding of improvement projects for re-vitalization (EDP 3.8)

Natural Resources and the Environment

The City will encourage economic development activities that consider the area's natural resources public services and facilities (Goal 4).

- Support businesses that are resource based and build on natural amenities of the community (EDP 4.1)
- Consider service and infrastructure implications and address them during capital improvement planning (EDP 4.2)
- Balance protecting natural features of property with the desire for growth and development (EDP 4.3)

Amenities Attractive to Employees and Investors

The City will encourage the kind of development that includes amenities that stimulate further investment (ED Goal 5)

- Encourage high quality site and building design with “curb appeal” (EDP 5.1)
- Create incentives for amenities like exercise facilities, showers bicycle parking (EDP 5.2)
- Transportation system to be multi-modal and support economic development (EDP 5.3)

Equitable and Efficient Permitting

The City will provide coherent, fair and expeditious procedures with good service (EDGoal 6) (EDP 6.1) (EDP 6.4)

- Coordinate with other governments to reduce duplication (EDP 6.2)
- Cooperate with local businesses with specialized infrastructure, building design, transportation needs (EDP 6.3)

Amenities within Centers

Improve convenience and business climate for shoppers and business owners (ED Goal 7)

- Sufficient parking (EDP 7.1)
- Pedestrian mobility (EDP 7.2)
- Open Space for public gathering and resting (EDP 7.3)
- Weather protection (EDP 7.4)

Implementation Through Economic Development Strategic Plan (ED Goal 8)

- Develop a marketing plan for vacant and re-developable parcels downtown (EDP 8.1)
- Support Business Retention (EDP 8.2)
- Streamline Permit process (EDP 8.3)
- Pursue grants for job creation (EDP 8.4)
- Work with local bank to provide revolving loan fund for façade improvement (EDP 8.5)
- Provide public education about tax increment financing and property tax exemptions for historical renovations (EDP 8.6)

Land Use Goals Directly Supporting Economic Development

Participate in the Region

Plan in accordance with the Growth Management Act and the values and vision fo Stanwood residents and business people (LU Goal 1)

Re-Enforce Existing Character of the Community

Revitalize and reinforce the character of Stanwood’s existing residential and commercial neighborhoods as infill and redevelopment occur (LU Goal 2).Maintain commercial areas with a sufficient range of uses to allow residents to meet their basic daily needs within town and support a network of personal and business interactions that result in a friendly hometown (LU Policy 2.9).

Recognize that Stanwood’s existing character, scale and neighborhood quality are assets that will add to the desirability of the community when incorporated into the design of new residential developments (LU Goal 3).

Revitalize the Downtown Center

Develop Downtown Stanwood as a Center (LU Goal 4) that is vital and attractively designed (LU Goal 7) to address site planning, facades and signage (LUP 7.1). Uses in the Center should include a mix of residential, office retail, entertainment and services (LUP 4.1) developed in an urban style land use pattern (LUP 4.6). Allow light industrial use in areas without strong access for retail or service (LUP 4.3).

Encourage a balanced shopping, dining, cultural and entertainment experience in Downtown (LU Goal 6) and promote pedestrian mobility and transit (LU Goal 8).

Create a connection between east and west business areas within the Downtown Center by encouraging development that adds to a critical mass of building in the 271st Street corridor (Goal 5).

Designate and Recognize the Uptown Center

Develop a second commercial land use base in the Uptown Center as a focal point for the newly developing part of town (LU Goal 10) that incorporates retail, service, office, theater and mixed use organized in a suburban style land use pattern.

Maintain Small Neighborhood Servicing Commercial Areas Outside Centers

Small commercial nodes should provide goods and services generated by demand in the surrounding residential areas (LUP 11.1).

Economic Development Strategy

In 2004 the City Council adopted the following Economic Development Strategy as part of the Economic Development Element.

- Give Stanwood the identity of an efficient and desirable place to shop and do business.
- Provide a wider variety of shopping opportunities from convenience, full service grocery to unique shops, retail, "agribusiness" and tourist support facilities.
- Develop Stanwood's economic base and infrastructure so that both commercial and industrial growth can occur when demand warrants it, while minimizing the potential conflicts between the two land uses, as well as residential and public facilities uses.
- Balance the economic needs of the local residents of Stanwood while recognizing the growing commercial demands of North Snohomish County, Camano Island, and regional tourism.
- Implement the Design Stanwood findings on land use, transportation, recreation, employment and revitalization.
- Improve the SR 532 corridor for both local residents and "pass-through" trips.

APPENDIX B ECONOMIC DEVELOPMENT PROFILE

INTRODUCTION

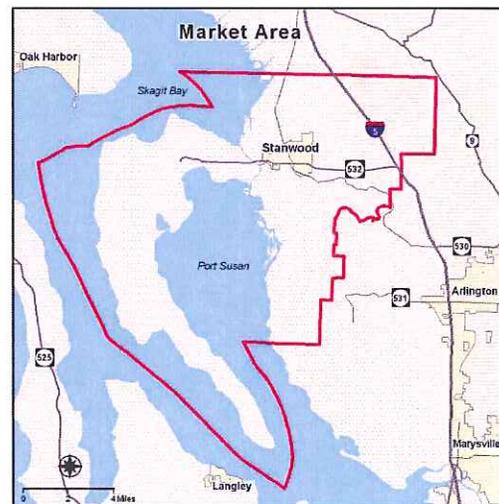
The Stanwood Economic Development Profile presents a summary of analyses describing the character of the City. The Stanwood economic development profile is composed of a demographic and retail sales section. The demographic section provides the City with a clearer picture of its citizenry, housing, and income. The retail spending sales section identifies and examines trends in local and regional spending patterns.

The Profile includes a selection of other communities to establish a context for the measures. These comparable cities were selected based on their geographic proximity to Stanwood as well as similarities in population size and economic base.

Stanwood-Camano. In addition to the City of Stanwood itself, a larger geographic area covering the City, Camano Island, and areas north and south of the City is included in the Profile as "Stanwood-Camano." This larger area, shown in the map below, was selected given Stanwood's location and functional status as a both a gateway and commercial center to close-in communities. The area roughly approximates the Stanwood School District boundary.

The communities chosen for comparison fall into three categories:

- **Neighbors**
 - Arlington
 - Marysville
 - Mt. Vernon
- **Population and Market Peers**
 - Anacortes
 - La Conner
 - Snohomish
 - Woodinville
- **Regional Benchmarks**
 - Snohomish County
 - Skagit County
 - King County
 - Central Puget Sound



Central Puget Sound comprises everything under the jurisdiction of the Puget Sound Regional Council (PSRC): Pierce, King, Kitsap, and Snohomish Counties.

TABLE OF EXHIBITS

Exhibit 1 Population Average Annual Growth Rate, 2000 to 2007 B-3

Exhibit 2 Population Average Annual Growth Rate, 2000 to 2007
(with annexed population between 2000 and 2007 removed) B-4

Exhibit 3 Average Persons Per Household, 2007 B-5

Exhibit 4 Age Distribution, 2007 B-6

Exhibit 5 Minority Race Distribution, 2007 B-7

Exhibit 6 Total Foreign Born Percentage, 2000 B-8

Exhibit 7 Educational Attainment Distribution, 2007 B-9

Exhibit 8 Median Household Income, 2007 B-10

Exhibit 9 Average Household Income 2007 B-11

Exhibit 10 Household Income Distribution, 2007 B-12

Exhibit 11 Per Capita Income 2007 B-13

Exhibit 12 Total Housing Unit Growth, 2000-2007 B-14

Exhibit 13 Distribution of Housing Units by Tenure 2007 B-15

Exhibit 14 Distribution of Housing Units by Type, 2007 B-16

Exhibit 15 Percentage of Multifamily Housing Units that are Owner-occupied, 2000 B-17

Exhibit 16 Stanwood Distribution of Housing Units by Occupancy and Structure, 2000 B-18

Exhibit 17 Jobs to Housing Ratio, 2006 B-19

Exhibit 18 Total Employment, 2006 B-20

Exhibit 19 Employment Distribution, 2006 B-21

Exhibit 20 Services Employment Distribution, 2006 B-23

Exhibit 21 Distribution of Primary Jobs by Age of Worker, 2004 B-24

Exhibit 22 Distribution of Primary Jobs by Average Earnings Paid, 2004 B-25

Exhibit 23 Top Work Locations for Workers that Reside in Stanwood and Stanwood/
Camano, 2004 B-26

Exhibit 24 Top Origins Where Stanwood and Stanwood/Camano Workers Commute
From, 2004 B-27

Exhibit 25 Comparison Between Labor and Commute Employment for Stanwood, 2004 B-28

Exhibit 26 Stanwood Area Traffic Volumes, 2006 B-29

Exhibit 27 Taxable Retail Sales per Capita, 2006 B-30

Exhibit 28 Stanwood Person Expenditures 1996-2006 B-31

Exhibit 29 Stanwood Person Expenditures 1996-2006: Grocery/Liquor and Restaurants B-32

Exhibit 30 Person-Expenditures in Stanwood by Retail Category 2006 B-33

Exhibit 34 Taxable Retail Sales for Stanwood by 4-Digits NAICS Code, 2000-2006 B-34

Exhibit 31 Person-Expenditures in Mount Vernon by Retail Category 2006 B-35

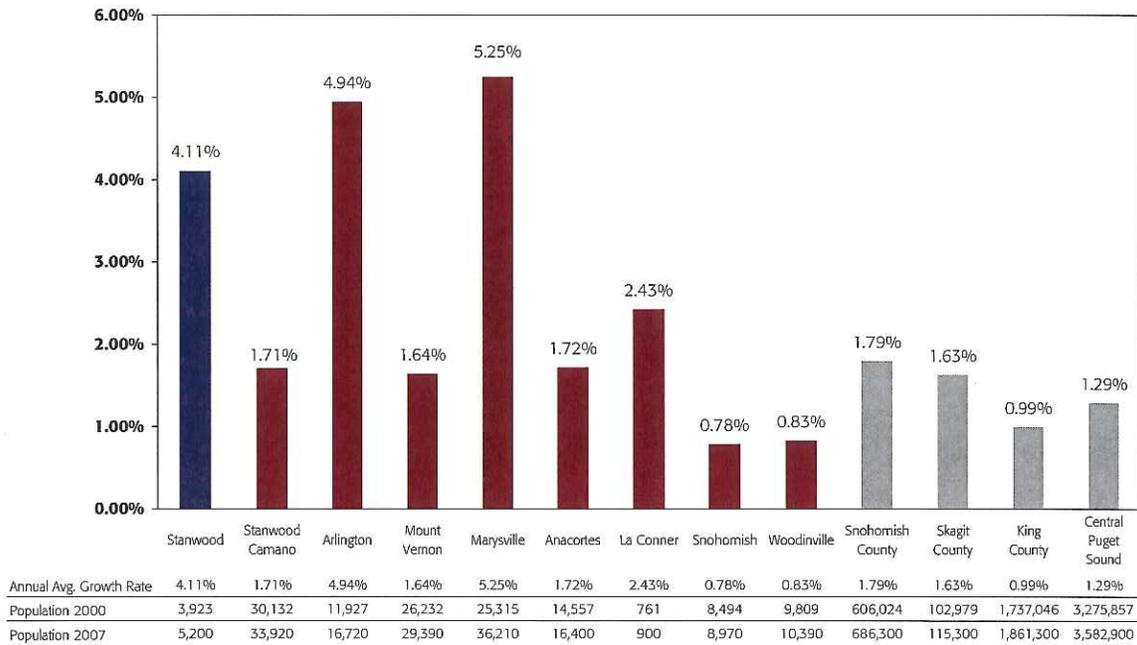
Exhibit 32 Person-Expenditures in Arlington by Retail Category 2006 B-36

Exhibit 33 Person-Expenditures in Marysville by Retail Category 2006 B-37

DEMOGRAPHIC ANALYSIS

Population Growth

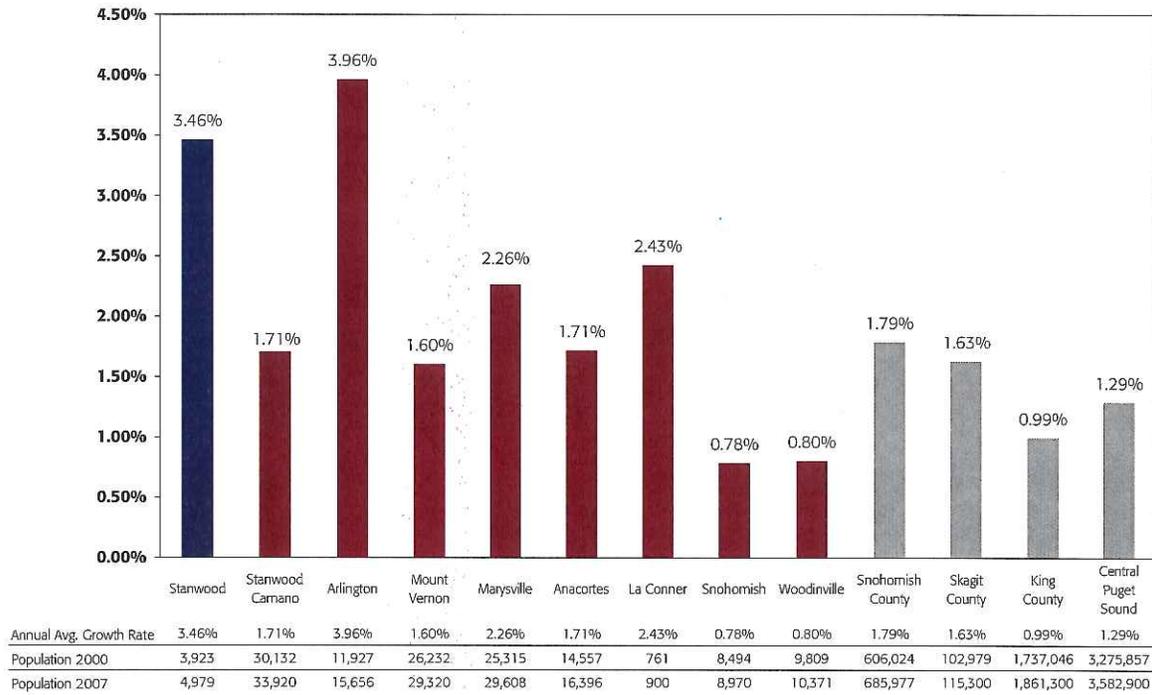
Exhibit 1
Population Average Annual Growth Rate, 2000 to 2007



Source: Office of Financial Management, 2007.

- Stanwood has one of the highest population growth rates of the cities profiled – outpacing both the county and regional rates over the 2000 to 2007 time period.
- Stanwood shows similar high population growth rates with other northern Snohomish County cities of Arlington and Marysville.
- The Stanwood-Camano area grew at a slower rate than the City of Stanwood – most of the land area in Stanwood-Camano lies in unincorporated Snohomish County.

**Exhibit 2
Population Average Annual Growth Rate, 2000 to 2007
(with annexed population between 2000 and 2007 removed)**

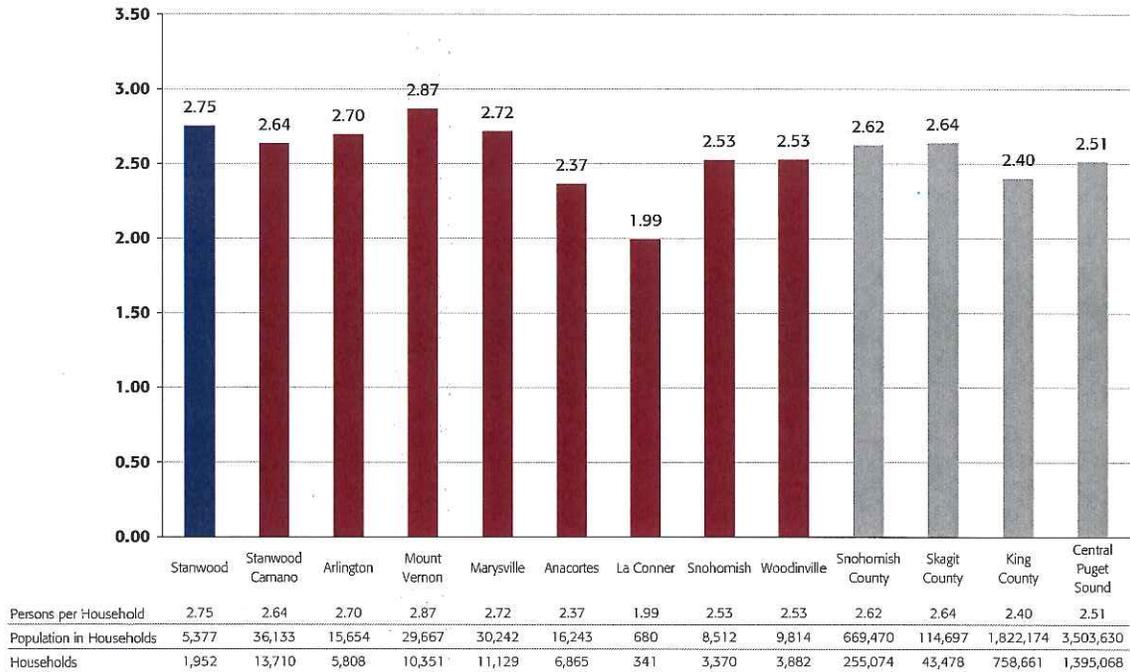


Source: Office of Financial Management, 2007.

- Stanwood added population due to annexations since 2000. With population growth coming from annexation removed, average annual growth rate trends in Stanwood as slightly less, but continue to be higher than the neighbor, peer, regional wide rates.
- Among the other fast growing Snohomish County cities, substantial amount of population growth in Marysville was due to annexations.

Population Characteristics

Exhibit 3
Average Persons Per Household, 2007

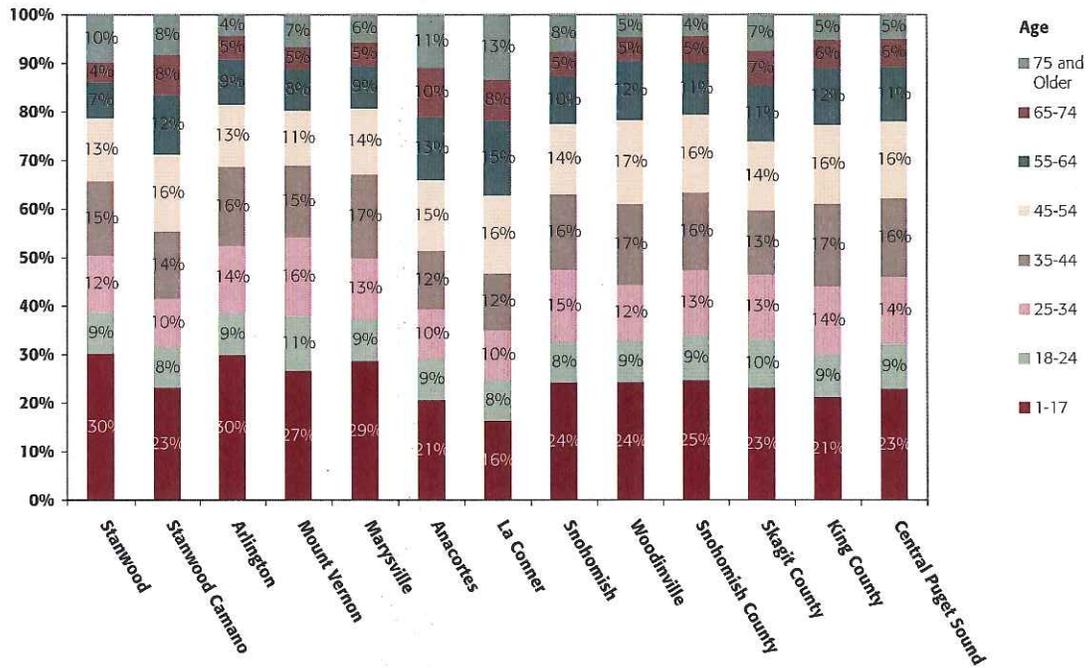


Source: Claritas, 2007.

Note: Population estimates for the Stanwood-Camano area differ between OFM and Claritas Intercensal estimates. In the chart above, the area is estimated by Claritas to have 36,133 persons (Claritas is used because OFM does not publish estimates for households); whereas the OFM estimate used in Exhibit 1 and 2 show 33,920 persons.

- Stanwood has similar persons per household with the comparison cities; however, it is higher than the regional benchmarks indicating a higher proportion of families.
- Anacortes and La Conner have lower average persons per household.
- Stanwood's average persons-per-household has grown slightly since 2000 from 2.71 to 2.75 in 2007.

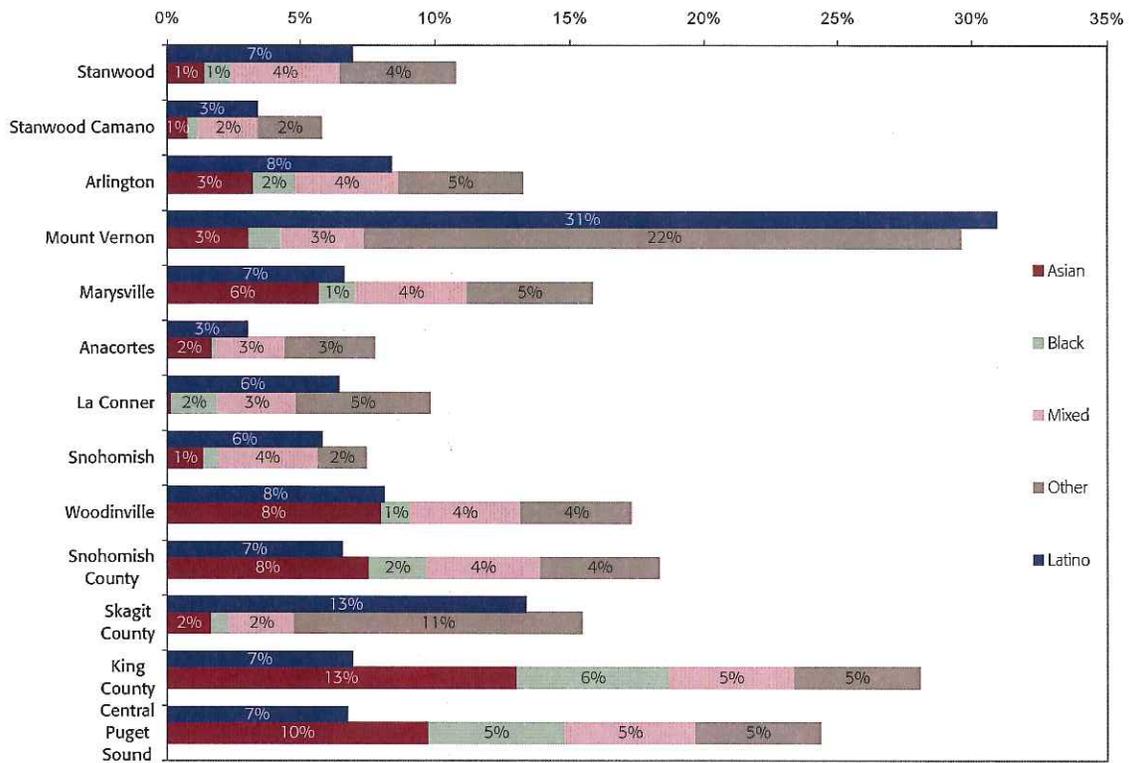
Exhibit 4 Age Distribution, 2007



Source: Claritas, 2007.

- Stanwood is home to many persons under the age of 18, indicating a greater presence of families.
- Residents aged 75 and older are more predominant in Stanwood, Anacortes, and La Conner than in the comparison areas indicating a greater retirement presence.
- Stanwood's age distribution has moved to become less young and less old. In 2000, 34% of people were under age 18 and 12% were over age 75. In 2007, it was 30% and 10% respectively.

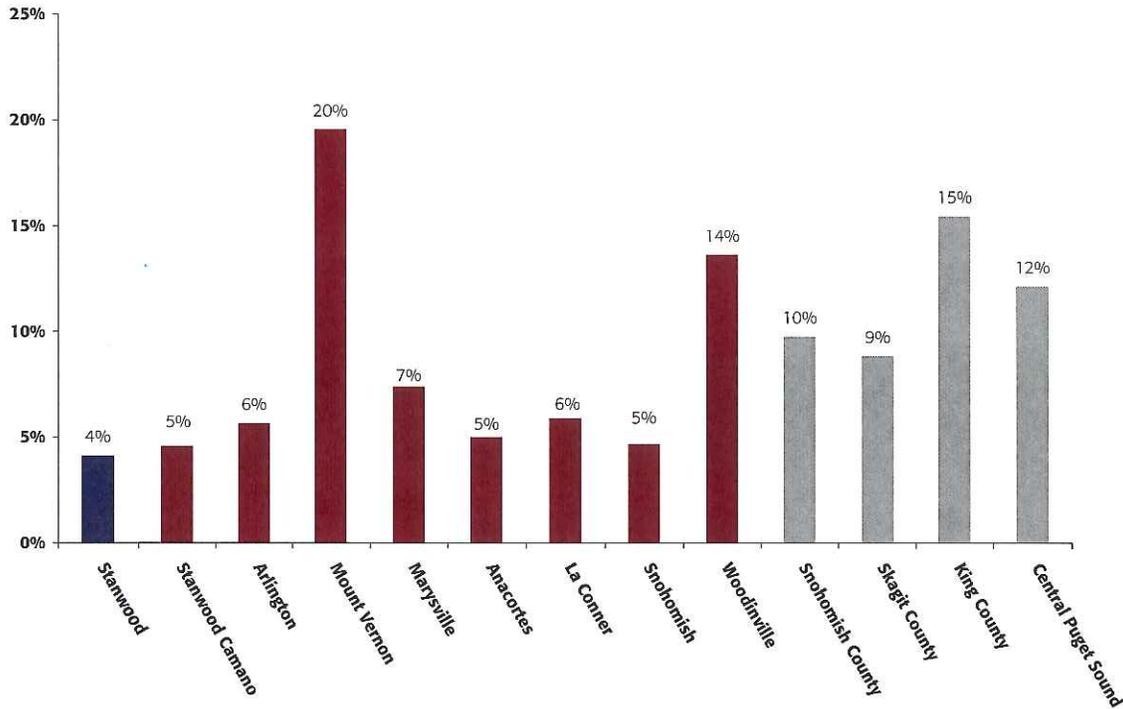
**Exhibit 5
Minority Race Distribution, 2007**



Source: Claritas, 2007.

- Stanwood is as racially diverse as many of the neighboring and peer cities, with minority groups accounting for 10-20% of total population.
- The Stanwood-Camano area has a smaller proportion of minority groups.
- Stanwood's largest share of minority individuals identifies themselves as Mixed and Other (4%).
- Approximately 7% of the population identifies as Latino or Hispanic.
- Mount Vernon has the largest non-white population with a very large Latino population.
- Stanwood's proportion of minorities has decreased slightly since 2000 from 13 % to 10% in 2007. Stanwood's proportion of Latinos has grown slightly since 2000 from 6% to 7% in 2007.

**Exhibit 6
Total Foreign Born Percentage, 2000**

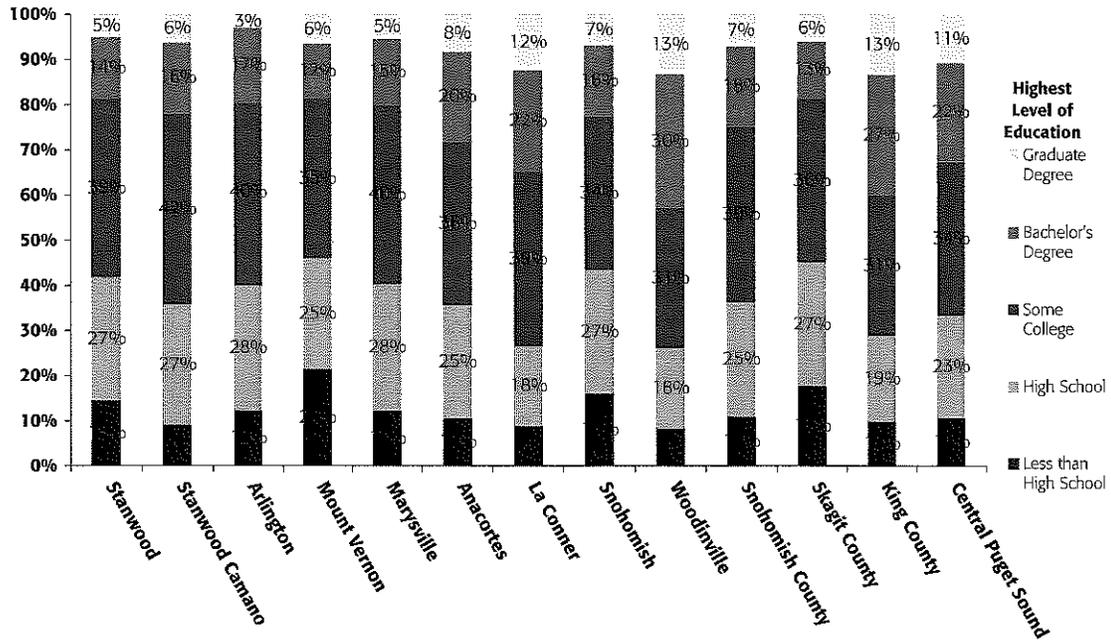


Source: U.S Census Bureau, 2000.

Note: 2000 is the latest year for which reliable estimates of total foreign born is available for these geographies.

- In general, Stanwood has very few foreign born residents and is relatively similar in this regard to the other neighboring and peer cities. It is well below both the regional benchmarks.
- Mount Vernon has many more foreign born residents. This tracks with its relatively large Latino population.

Exhibit 7 Educational Attainment Distribution, 2007

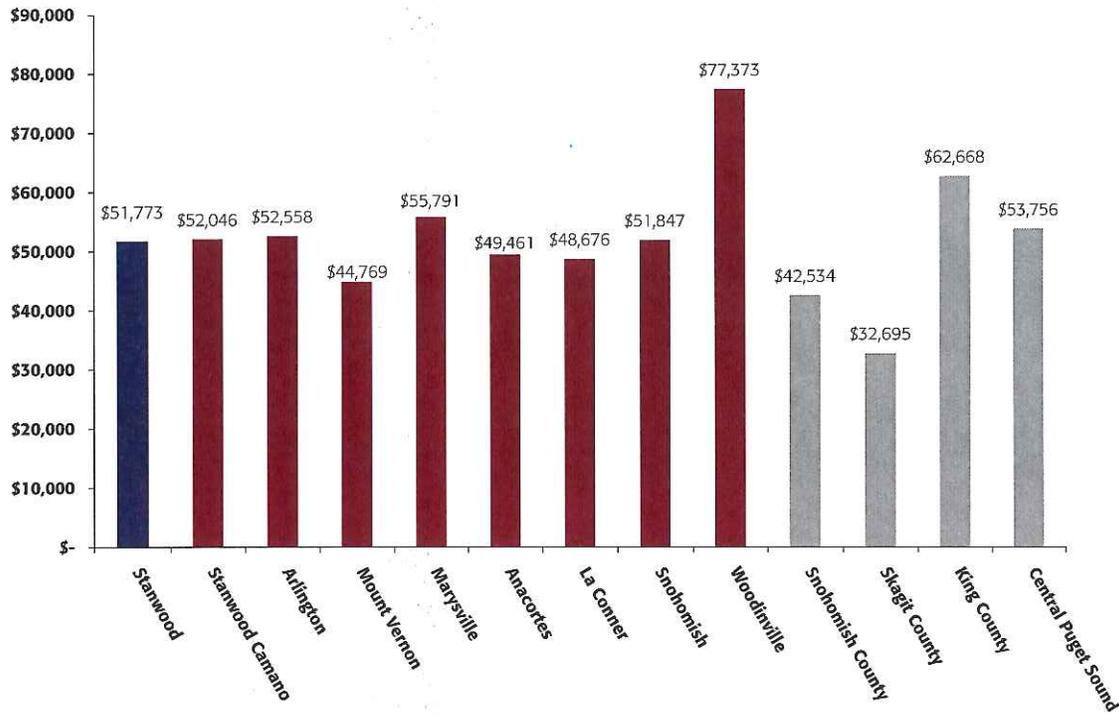


Source: Claritas, 2007.

- Stanwood’s education levels compare similarly to most of the neighboring and peer cities with 85% of residents having at least a high school education.
- Some 19% of Stanwood residents had at least a college degree in 2007 which is less than the Snohomish and Central Puget Sound benchmark.
- Stanwood has a slightly higher proportion of residents without a high school diploma than many of its neighbors and regional benchmarks.
- Stanwood distribution of education attainment has not significantly changed since 2000.

Income Characteristics

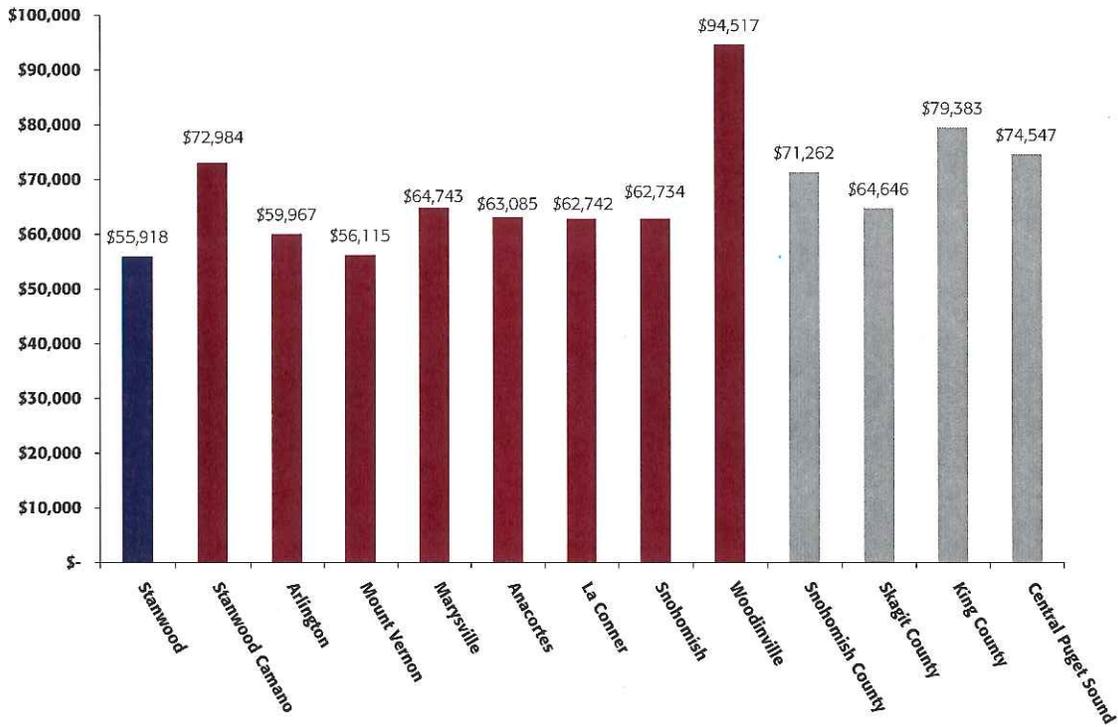
Exhibit 8
Median Household Income, 2007



Source: Claritas, 2007.

- Median household income in Stanwood is similar to that of the others areas profiled. It is higher than the Snohomish and Skagit County median income.
- The Stanwood-Camano area has a slightly higher median household income than Stanwood City.
- Woodinville has the highest median household income due to its proximity to businesses in Redmond.
- Stanwood's median income has grown since 2000 from \$44,512 (1999\$) to \$51,773 in 2007.

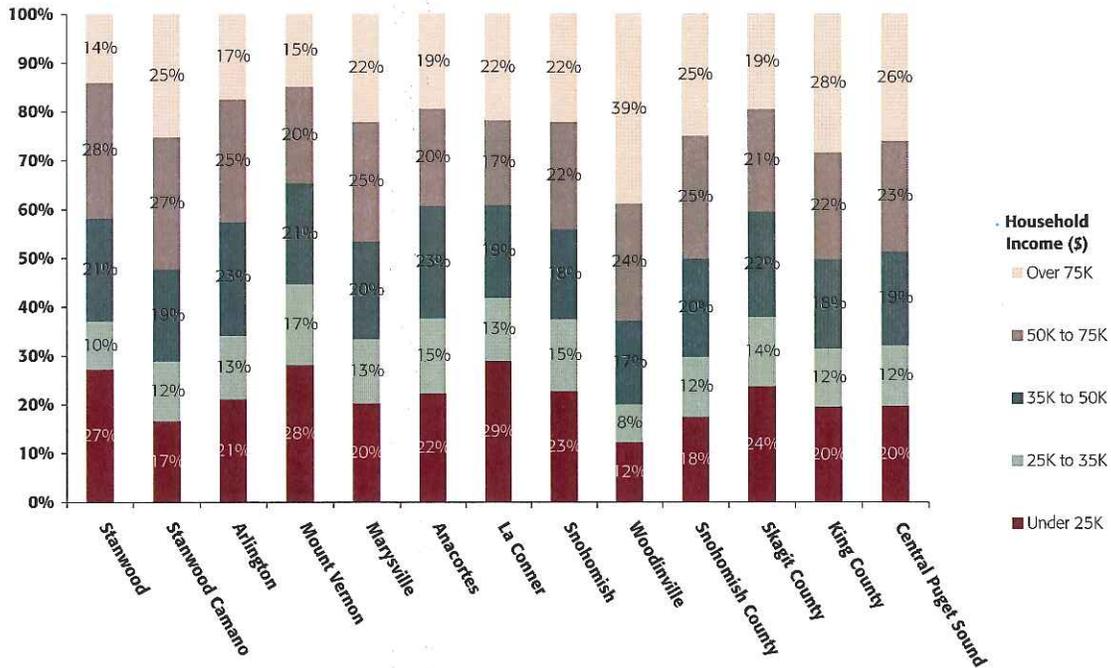
**Exhibit 9
Average Household Income 2007**



Source: Claritas, 2007.

- The average household income in Stanwood is the lowest in the profile group, and is well below the county and regional benchmarks.
- The average household income for Stanwood-Camano is considerably higher than for the City of Stanwood. It is also higher than most comparable geographies examined, including Snohomish County as a whole.
- The average income is higher than the median income indicating a skew from higher earning incomes.
- Stanwood's average household income has grown since 2000 from \$46,508 (1999\$) to \$55,918 in 2007.

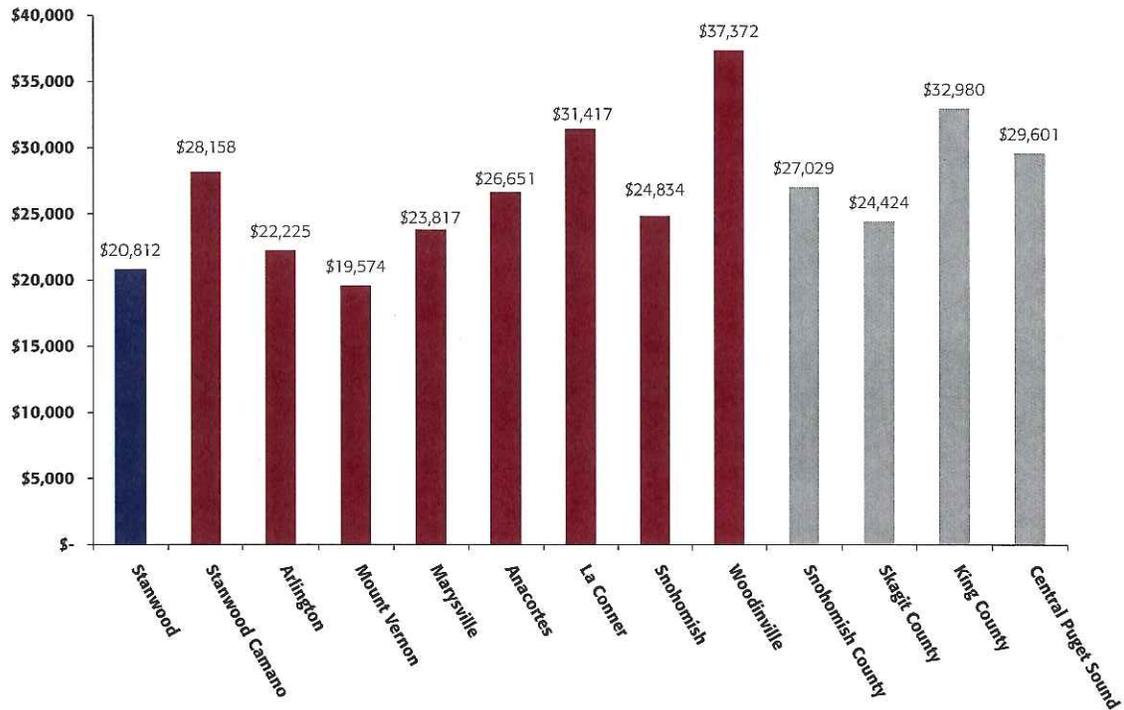
**Exhibit 10
Household Income Distribution, 2007**



Source: Claritas, 2007.

- Stanwood households earning more than \$50,000 a year account for 42% of households; less than Snohomish County (50%), King County (50%), and Central Puget Sound (49%), but more than Skagit County (40%).
- Household earnings less than \$35,000 constitute 37% of the Stanwood's total; more than Snohomish County (30%), King County (32%), and Central Puget Sound (32%), but less than Skagit County (38%).
- Relative to all of the comparable cities and counties, there are fewer households with income over \$75,000 in Stanwood (14%). However, that percentage jumps to 25% in the Stanwood-Camano area.
- Stanwood has a smaller percentage than most of the comparable areas of households in the middle income range of \$25,000 to \$50,000.
- Stanwood has fewer households in 2007 (27%) earning under \$25,000 than in 2000 (29%).

Exhibit 11
Per Capita Income 2007



Source: Claritas, 2007.

- Stanwood has the second lowest per capita income of the comparison areas examined.
- The per capita income total for the larger Stanwood-Camano area is more than many comparable geographies, including Snohomish County as a whole.
- Per-capita incomes can be distorted and can indicate the presence of non-wage or fixed income earning persons, including children and older persons, both of which are represented a higher proportion of the population in Stanwood than in neighboring cities.
- Stanwood's per capita income has grown since 2000 from \$16,775 (1999\$) to \$20,812 in 2007.

Housing Trends

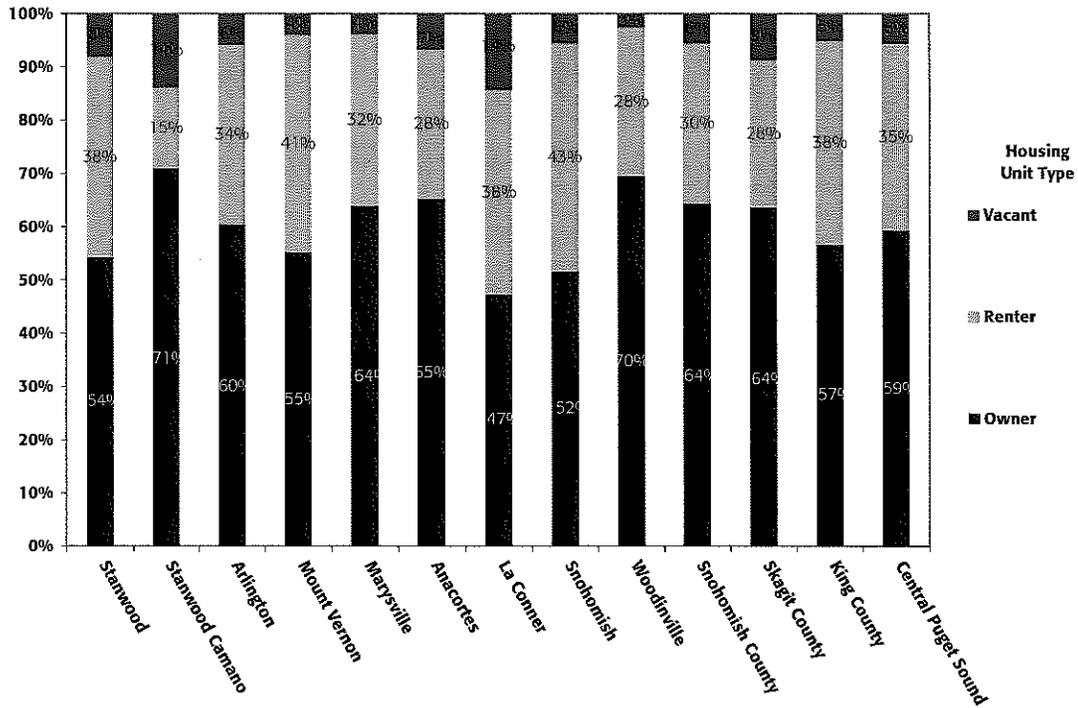
Exhibit 12
Total Housing Unit Growth, 2000-2007

	Total Housing Units		Percent Change (2000-2007)
	2000	2007	
Stanwood	1,508	2,098	39%
Stanwood Camano	13,038	15,520	19%
Arlington	4,588	6,476	41%
Mount Vernon	9,686	10,972	13%
Marysville	9,730	14,332	47%
Anacortes	6,551	7,408	13%
La Conner	434	462	6%
Snohomish	3,444	3,756	9%
Woodinville	3,900	4,180	7%
Snohomish County	236,205	273,351	16%
Skagit County	42,681	48,437	13%
King County	742,239	812,658	9%
Central Puget Sound	1,348,148	1,507,897	12%

Source: Office of Financial Management, 2007

- Stanwood has added a significant amount of housing over the past 7 years. Tracking with its population growth, the growth in housing has been strong for many of the Snohomish County cities.
- The growth in housing for the Stanwood-Camano area has been more modest but is still occurring at faster rate than the region as whole.

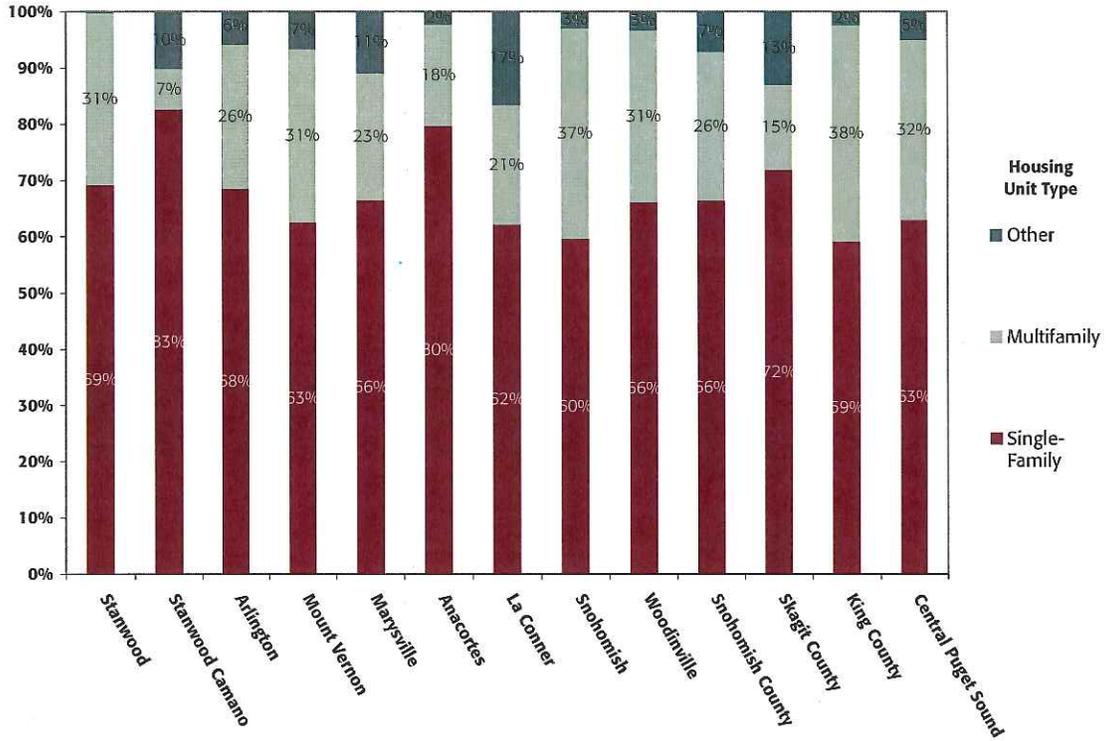
Exhibit 13
Distribution of Housing Units by Tenure 2007



Source: U.S. Census Bureau, 2000; Claritas, 2007.

- Stanwood shows a lower level of owner occupied housing relative to its comparables. Stanwood-Camano has one of the highest levels.
- There is a relatively high proportion of renters (38%) in Stanwood.
- The 2000 Census showed that the Stanwood-Camano area and La Conner had significant amount of seasonal/vacation housing: 7% of vacant housing (Data not shown). The Central Puget Sound Regional average is 4% with La Conner having the highest at 12%.

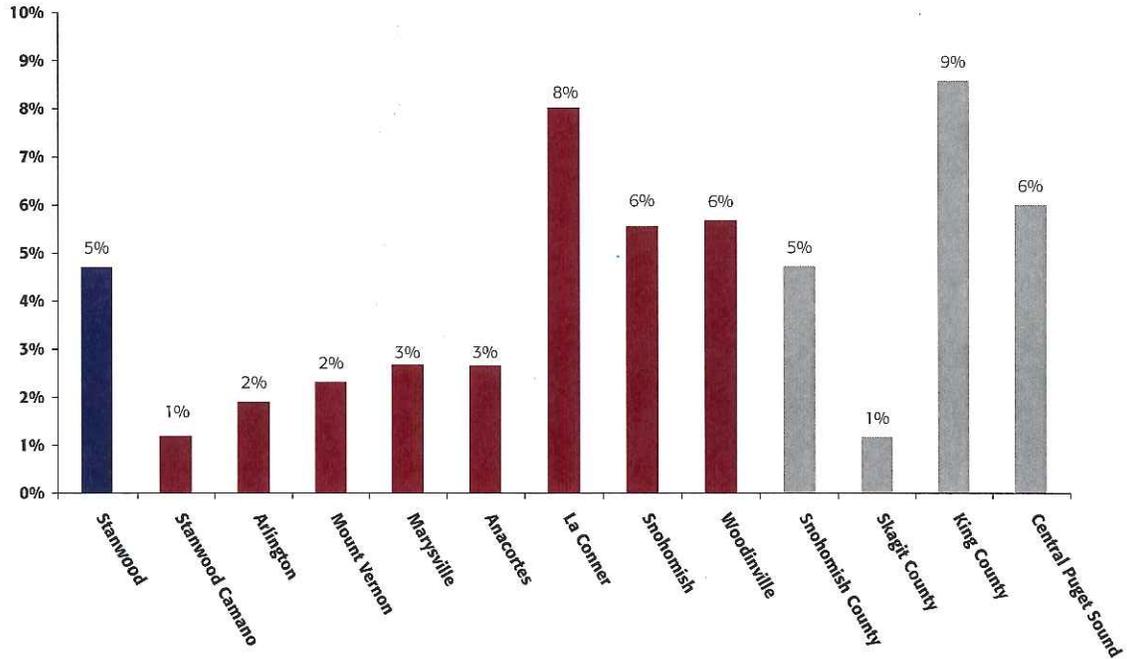
Exhibit 14
Distribution of Housing Units by Type, 2007



Source: Office of Financial Management, 2007; Claritas, 2007.

- Single family housing units in Stanwood account for nearly 69% of the housing stock. This pattern is similar to neighboring, peer, and regional distributions.
- No significant levels of alternative housing (mobile homes, RVs, boats) are present in Stanwood.

Exhibit 15
Percentage of Multifamily Housing Units that are Owner-occupied, 2000

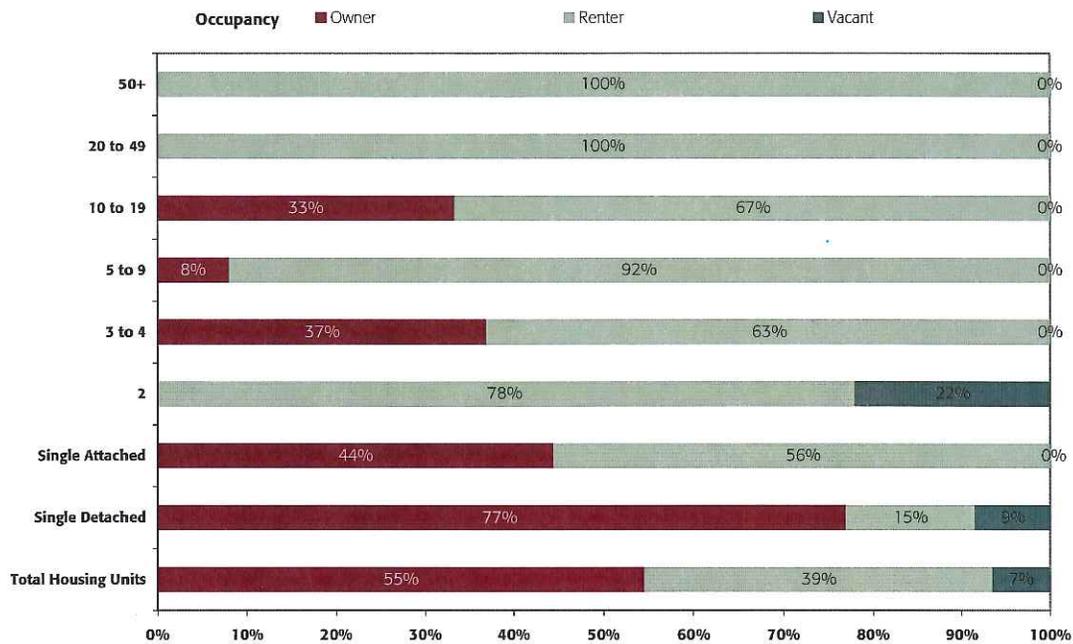


Source: U.S Census Bureau, 2000.

Note: 2000 is the latest year for which reliable estimates are available for these geographies.

- Stanwood has a higher proportion of multi-family housing units that are owner-occupied than Arlington, Mt. Vernon, Marysville, and Anacortes.
- La Conner, Snohomish, and Woodinville have higher proportions of owner-occupied multi-family housing.

Exhibit 16
Stanwood Distribution of Housing Units by Occupancy and Structure, 2000



Source: U.S Census Bureau, 2000.

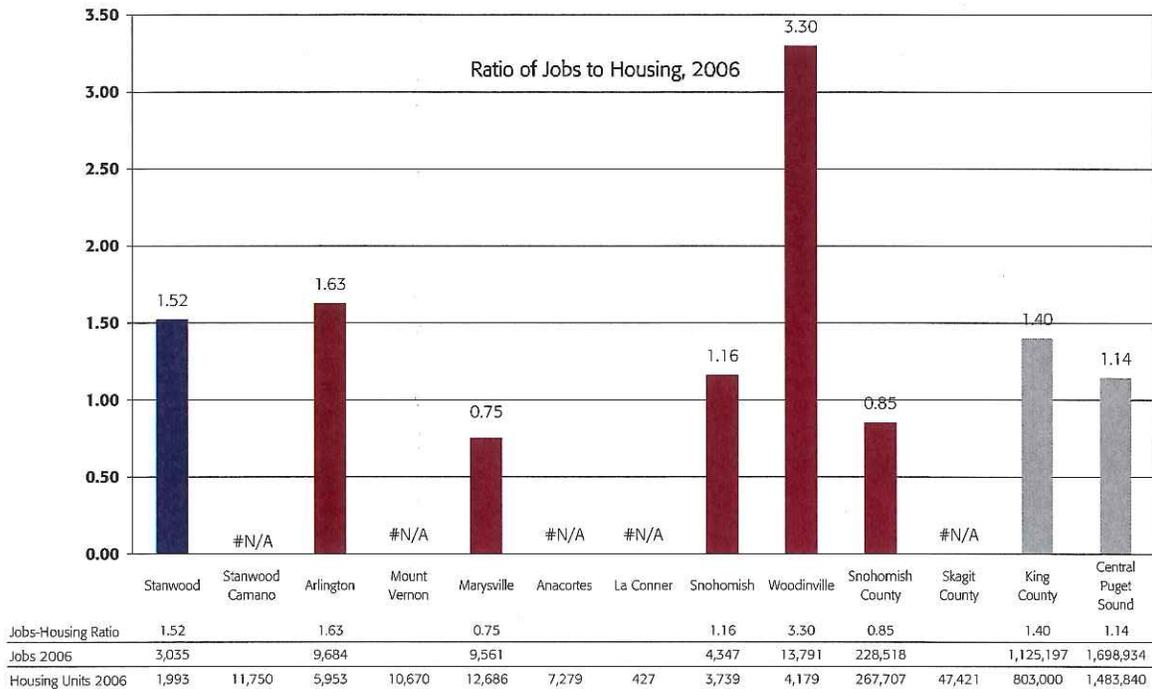
Note: 2000 is the latest year for which reliable estimates are available for these geographies.

- Housing in Stanwood is predominantly owned by the occupant (55%), driven by the predominance of single family detached housing.
- The majority of multi-unit housing is renter-occupied.

Jobs to Housing Ratio

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

Exhibit 17
Jobs to Housing Ratio, 2006



Source: Puget Sound Regional Council, 2006; Office of Financial Management, 2007 (Skagit County and Skagit County cites are not shown due to data limitations).

- Stanwood has a relatively high jobs-to-housing ratio (1.52), similar to Arlington (1.63), and it is clearly a job center in Snohomish County.
- It is important to consider the nature of these jobs, as described in the Exhibits that follow.

Employment

All employment data in this section refers to "covered" employment. These are jobs covered by the state unemployment insurance program, which is administered by the Washington State Employment Security Department (ESD). Workers excluded from covered employment totals include members of the armed forces, self-employed workers, sole proprietors, and other non-insured workers. Total job numbers are likely to be about 10 to 15 percent higher than the number of covered jobs. City level data is available for Puget Sound Regional Council cities.

Exhibit 18 Total Employment, 2006

	Construction and Resources	Finance, Insurance, Real Estate	Manufacturing	Retail	Services	Wholesale Trade, Transport, Utilities	Education	Government	Total Jobs
Stanwood	84	140	344	417	1,206	100	632	112	3,035
Stanwood Camano	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Arlington	859	279	3,157	1,233	1,949	657	659	888	9,684
Mount Vernon	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Marysville	778	407	1,727	1,541	3,439	264	871	532	9,561
Anacortes	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
La Conner	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Snohomish City	397	191	181	809	1,576	118	719	355	4,347
Woodinville	2,987	414	2,491	1,632	4,044	1,753	320	150	13,791
Snohomish	20,151	12,639	46,792	28,377	73,801	9,880	17,001	19,877	228,518
Skagit	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
King	65,785	75,510	109,492	108,533	507,538	106,446	69,494	82,399	1,125,197
Central Puget Sound	113,105	105,804	177,827	178,833	712,751	139,079	115,749	155,786	1,698,934

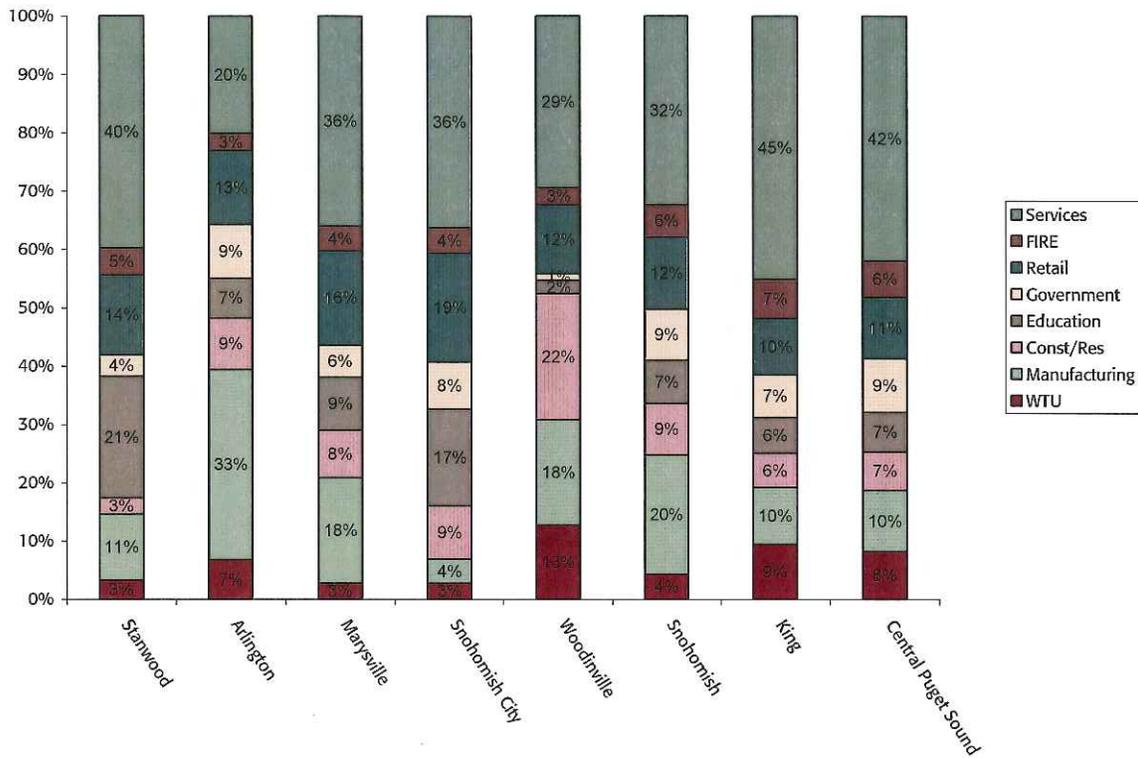
Source: Puget Sound Regional Council, 2006 (Skagit County and Skagit County cites are not shown due to data limitations)

- Stanwood had 3,035 covered jobs in 2006.
- The majority of these jobs were in the Services sector (1,206). The next largest sector is Education (632), followed by Retail (417).

Definitions of employment categories

- Construction and Resources: (NAICS codes 11, 21, and 23). Includes agriculture, forestry, fishing, mining, and construction.
- Finance, Insurance, Real Estate (FIRE): (NAICS codes 52 and 53).
- Manufacturing: (NAICS codes 31, 32, and 33).
- Retail: (NAICS codes 44 and 45).
- Services: (NAICS codes 54-81, without Education, NAICS code 61). See descriptions of sub-categories in the Services Employment section.
- Wholesale Trade, Transport, Warehousing, and Utilities (WTU): (NAICS codes 22, 42, 48, and 49).
- Government: (NAICS code 92)
- Education (NAICS code 61)

Exhibit 19
Employment Distribution, 2006



Source: Puget Sound Regional Council, 2006 (Skagit County and Skagit County cites are not shown due to data limitations)

- Stanwood’s largest employment sector (Services), provides 40% of the City’s total employment base. This is higher than comparison cities and the Snohomish County total.
- The City’s second largest employment sector is Education, accounting for 21% of the city’s jobs. In contrast to other cities, and the region as a whole, Stanwood has a higher concentration of its population employed in the Education sector (632 jobs).
- The City’s retail employment base (14%) is comparable to that of Arlington (13%), and Marysville (16%), and Snohomish County as a whole (12%)
- Stanwood has a lower percentage of people employed in Construction & Resources (3%) than the comparison areas.
- The City’s share of employment in Manufacturing (11%) is less than neighboring Arlington (33%) and Marysville (18%), as well as Snohomish County as a whole (20%).
- The City’s share of employment in WTU (Wholesale Trade, Transport, Warehousing, and Utilities) (3%) is also less than Arlington’s (7%) and the Snohomish County total (4%)

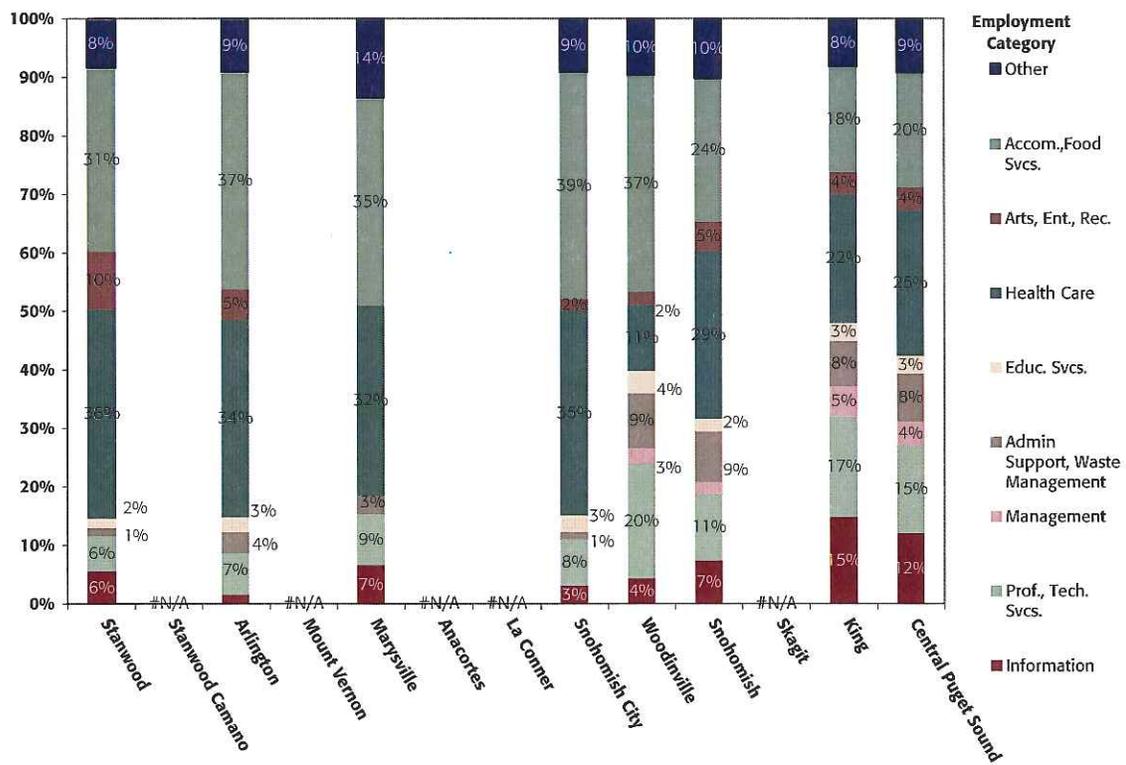
Services Employment Sub-categories

This section analyzes the sub-categories of Services employment, which typically make up the largest portion of a city's employment base.

Definitions

- Other Services: (NAICS code 81). Includes auto repair shops, personal and laundry services, and religious and civic organizations.
- Accommodation and Food Services: (NAICS code 72). Includes hotels, restaurants and bars. Does not include groceries, which fall under retail trade rather than services.
- Arts, Entertainment and Recreation: (NAICS code 71).
- Health Care and Social Assistance: (NAICS code 62).
- Educational Services: (NAICS code 61). Includes jobs at schools and other educational institutions.
- Administrative, Support, Waste Management and Remediation Services: (NAICS code 56).
- Management of Companies and Enterprises: (NAICS code 55).
- Professional, Scientific, and Technical Services: (NAICS code 54). Includes legal, accounting, architectural, computer systems, advertising, and scientific research services.
- Information: (NAICS code 51). Includes publishing, broadcasting, and telecommunications.

Exhibit 20 Services Employment Distribution, 2006

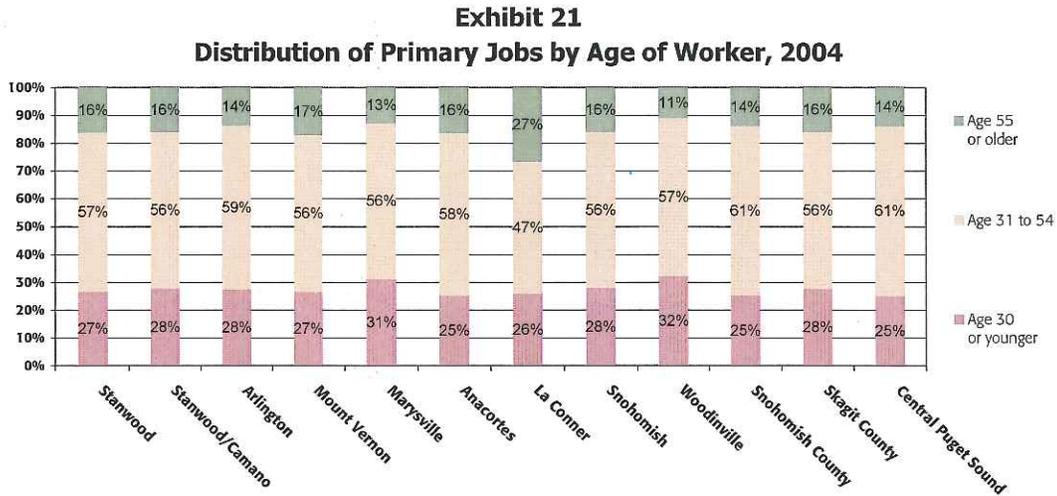


Source: Puget Sound Regional Council, 2006 (Skagit County and Skagit County cites are not shown due to data limitations)

- Stanwood’s services sector is primarily composed of Administrative Support (36%) and Accommodations/Food Services (31%). These distributions are largely similar to the comparison cities but higher than the regional benchmarks.
- Stanwood has a higher percentage of people employed in Arts, Entertainment, and Recreation (10%) than in any of the comparison areas.

Worker Characteristics

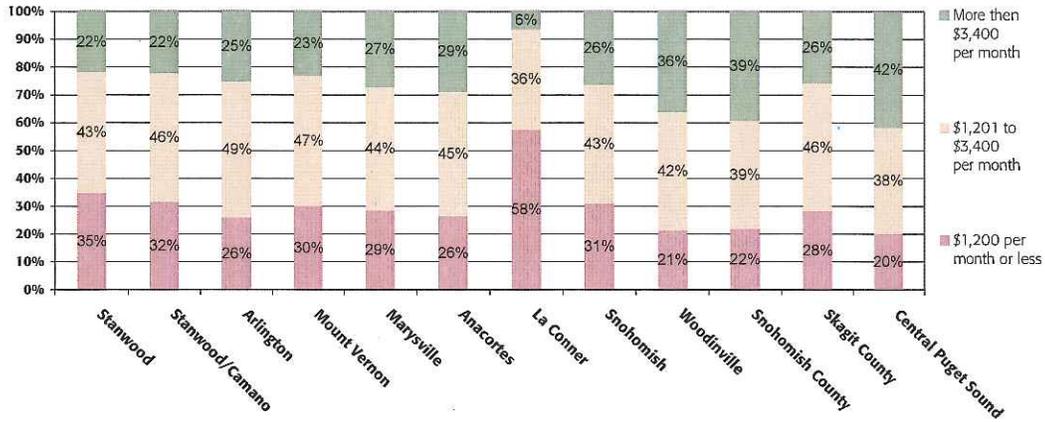
The next two exhibits display age and earning characteristics of primary jobs in Stanwood, surrounding communities and counties. Primary job is defined as the highest paying salary identified on a person's IRS tax return.



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

- Stanwood's distribution of primary jobs by age of worker is very comparable to that found in Snohomish County, Skagit County, and the Central Puget Sound.
- Stanwood and Stanwood/Camano show no difference in worker characteristics.
- The La Conner has a slightly older workforce, and both Woodinville and Marysville feature a somewhat younger workforce.

Distribution of Primary Jobs by Average Earnings Paid, 2004



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

- Stanwood has a lower percentage of workers earning more than \$3,400/month (22%) than all geographies studied other than La Conner (6%).
- The City has more workers (21%) earning less than \$1,200 than all comparison areas except La Conner (58%).

Commuting Patterns

Exhibit 22

Top Work Locations for Workers that Reside in Stanwood and Stanwood/Camano, 2004

Stanwood			Stanwood/Camano		
Work Location	Total Primary Jobs	Percent of Total	Work Location	Total Primary Jobs	Percent of Total
Cities			Cities		
Stanwood	270	16.2%	Everett	1,778	16.2%
Everett	249	14.9%	Stanwood	1,403	12.8%
Seattle	126	7.6%	Seattle	1,021	9.3%
Marysville	82	4.9%	Arlington	490	4.5%
Arlington	75	4.5%	Marysville	468	4.3%
Mount Vernon	50	3.0%	Mount Vernon	397	3.6%
Bellevue	40	2.4%	Camano Island	335	3.1%
Bellingham	35	2.1%	Bellevue	270	2.5%
Paine Field	30	1.8%	Paine Field	180	1.6%
Burlington	25	1.5%	Bellingham	160	1.5%
All Other Locations	686	41.1%	All Other Locations	4,448	40.6%
Total	1,668	100.0%	Total	10,950	100.0%
Counties			Counties		
Snohomish	992	59.5%	Snohomish	6,070	55.4%
King	307	18.4%	King	2,231	20.4%
Skagit	133	8.0%	Skagit	907	8.3%
Pierce	55	3.3%	Island	472	4.3%
Whatcom	40	2.4%	Pierce	247	2.3%
Island	25	1.5%	Whatcom	219	2.0%
All Other Locations	116	7.0%	All Other Locations	804	7.3%
Total	1,668	100.0%	Total	10,950	100.0%

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

- A large number of Stanwood residents commute within their own city for work (270 workers), comprising 16.2% of the City's resident workforce. This figure is similar to residents who commute to Everett (14.9%).
- For the larger Stanwood/Camano area, the majority of residents work in Everett (1,778, 16.2%).
- The majority of Stanwood and Stanwood/Camano residents travel within Snohomish County than any other county, 59.5% and 55.4% respectively.

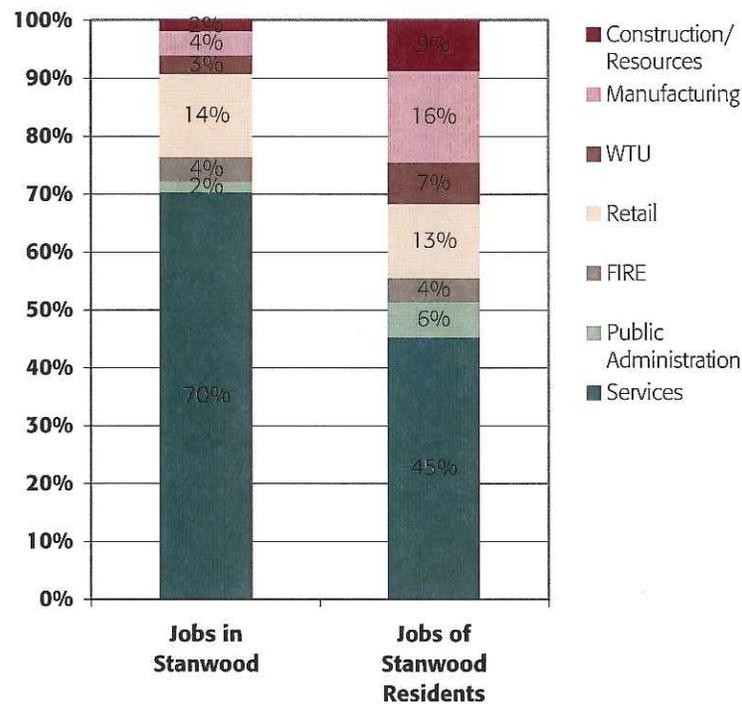
**Exhibit 23
Top Origins Where Stanwood and Stanwood/Camano
Workers Commute From, 2004**

Stanwood			Stanwood/Camano		
Commute Origin	Primary Jobs	Total	Commute Origin	Primary Jobs	Total
Cities			Cities		
Camano Island	696	27.2%	Camano Island	1,169	26.2%
Stanwood	270	10.6%	Stanwood	367	8.2%
Mount Vernon	159	6.2%	Mount Vernon	286	6.4%
Warm Beach	106	4.1%	Warm Beach	146	3.3%
Lake Ketchum	72	2.8%	Arlington	125	2.8%
Everett	52	2.0%	Everett	110	2.5%
Arlington	51	2.0%	Marysville	109	2.4%
Marysville	51	2.0%	Lake Ketchum	94	2.1%
North Marysville	35	1.4%	North Marysville	57	1.3%
Seattle	32	1.3%	Lake Goodwin	54	1.2%
All Other Locations	1,031	40.4%	All Other Locations	1,944	43.6%
Total	2,555	100.0%	Total	4,461	100.0%
Counties			Counties		
Snohomish	1,191	46.6%	Snohomish	2,019	45.3%
Island	710	27.8%	Island	1,226	27.5%
Skagit	359	14.1%	Skagit	624	14.0%
King	102	4.0%	King	235	5.3%
Whatcom	72	2.8%	Whatcom	89	2.0%
Pierce	23	0.9%	Pierce	44	1.0%
All Other Locations	98	3.8%	All Other Locations	224	5.0%
Total	2,555	100.0%	Total	4,461	100.0%

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

- The greatest number of workers in Stanwood (40%) commute from “other locations” (likely unincorporated areas)
- 27.2% of the City’s workforce comes from Camano Island
- A relatively large number of Stanwood workers commute within the immediate vicinity (270 workers), comprising 10.6% of the City’s primary job workforce.
- The majority of Stanwood and Stanwood/Camano worker commute within Snohomish County than any other county, 46.6% and 45.3% respectively.

Exhibit 24
Comparison Between Labor and Commute Employment for Stanwood, 2004

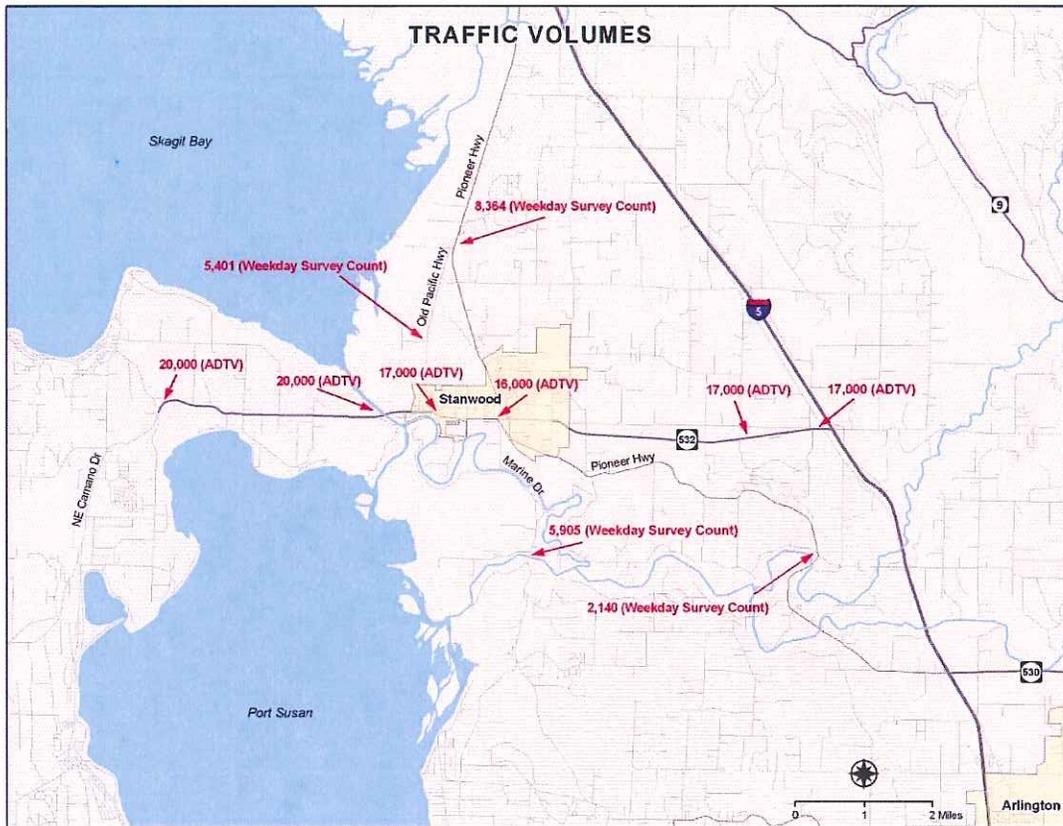


Source: U.S. Census Bureau LEHD Program, 2007

- See page 20 for definitions of the categories used in the chart above.
- The chart shows the relative imbalance in the mix of employment offered within Stanwood and the employment of the residents.
- Both Stanwood's and Stanwood/Camano's primary employment base is in services sector, with relatively equal proportions of other sectors with the exception of manufacturing where Stanwood/Camano has a larger proportion.

Local Traffic Volumes

Exhibit 25
Stanwood Area Traffic Volumes, 2006



Source: WSDOT Annual Traffic Report, 2006; Snohomish County Public Works, 2006. ADTV is average daily traffic volume measured in vehicles.

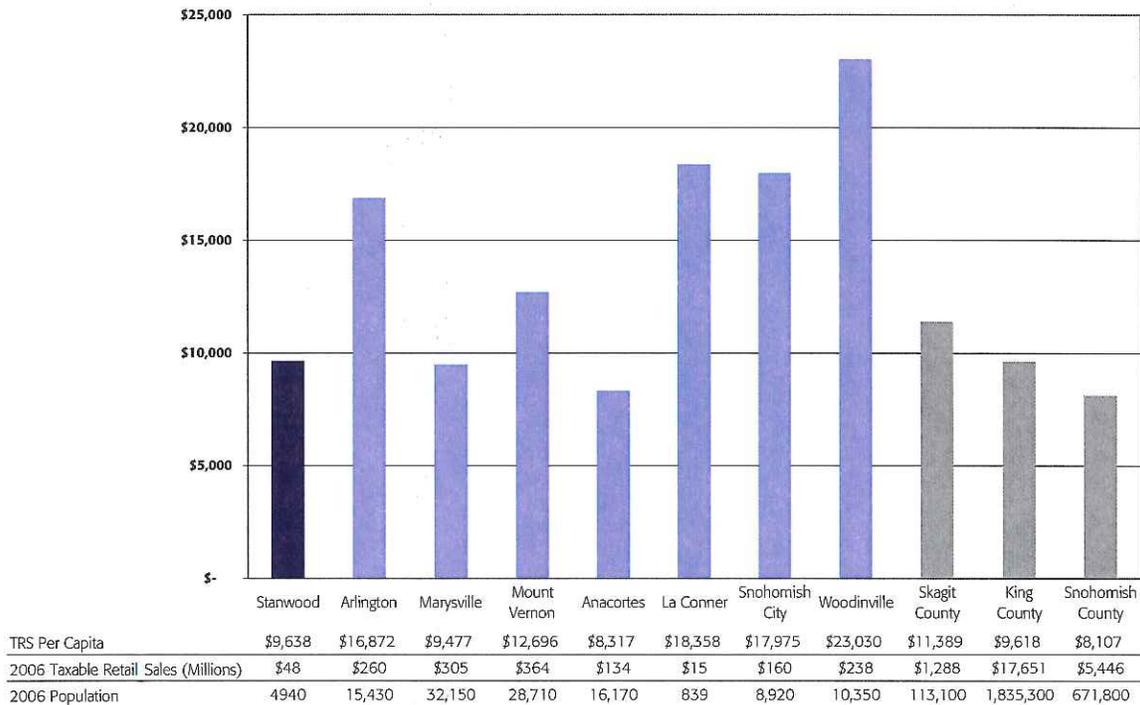
- SR-532 from the I-5 to the City carries approximately 17,000 vehicles on the average day.
- SR-532 from Camano Island to the City carries approximately 20,000 vehicles on the average day. Many trips from the island leave the highway to travel on county roads to the north and south of the City.

RETAIL MARKET ANALYSIS

Retail Spending Patterns in Stanwood and Neighboring Cities

Two points of comparison are the population of the City of Stanwood (4,940 in 2006) and the larger Stanwood-Camano area (approximately 33,000).

**Exhibit 26
Taxable Retail Sales per Capita, 2006**



Source: Washington Department of Revenue and Office of Financial Management, 2007

Note: TRS per capita is calculated by taking 2006 retail sales in all retail categories (NAICS codes 44-45) and dividing them by 2006 population.

- Taxable retail sales (TRS) per capita is a measure of the general strength of a jurisdiction’s retail sector relative to its population size
- Stanwood’s taxable retail sales per capita is significantly below that of its neighbors Arlington and Mount Vernon. It is very comparable to Marysville and slightly stronger than Anacortes. Stanwood’s TRS per capita is somewhat greater than that of Snohomish County as a whole.
- Woodinville’s relatively high TRS stems from the fact that several “big box” retailers are located in the city; La Conner’s relatively large TRS per capita can be attributed to its high volume of tourist traffic

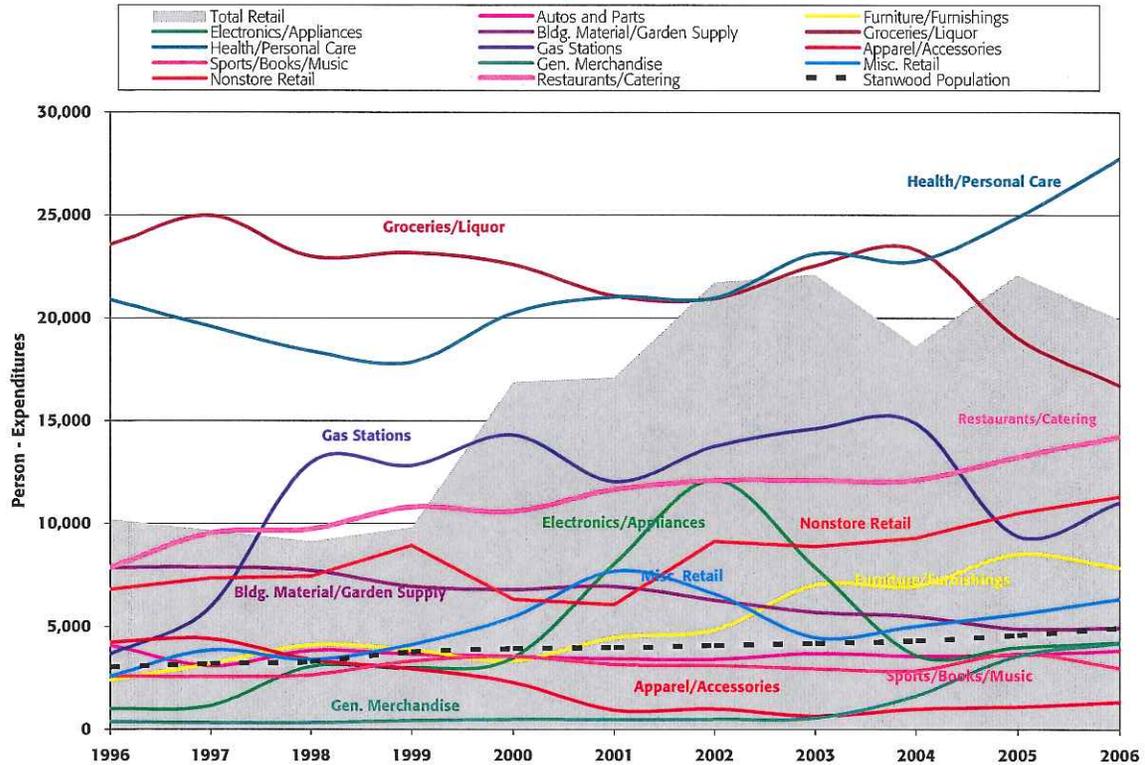
Person-Expenditures

The following exhibits show person-expenditures¹ in retail categories in Stanwood and its neighbors.

Note that the scale for each chart is different and that Stanwood's total capture is much less than that of Mount Vernon, Arlington, and Marysville.

Two points of comparison are the population of the City of Stanwood (4,940 in 2006) and the larger Stanwood-Camano area (approximately 33,000).

Exhibit 27
Stanwood Person Expenditures 1996-2006

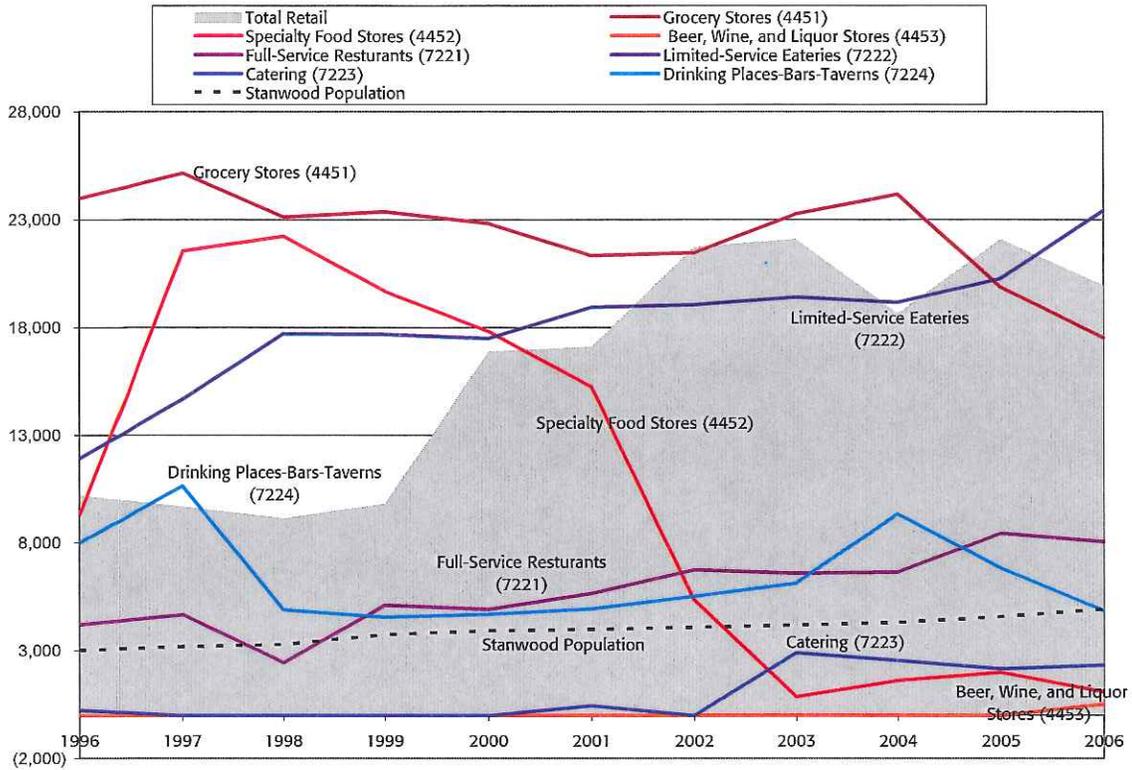


Source: Washington Department of Revenue and Office of Financial Management, 2007

- During the 10 year time period analyzed, groceries and Health/Personal Care retail spending was strong in Stanwood
- From 2004 to 2006, personal expenditures on Groceries/Liquor declined
- Apparel/Accessories and General Merchandise spending were low throughout the 10 year period

¹ A "person expenditure" is the statewide average amount of spending per capita each year by retail category. Person expenditure totals are calculated by taking the total retail spending in a particular retail category and dividing it by the statewide per capita spending in that category.

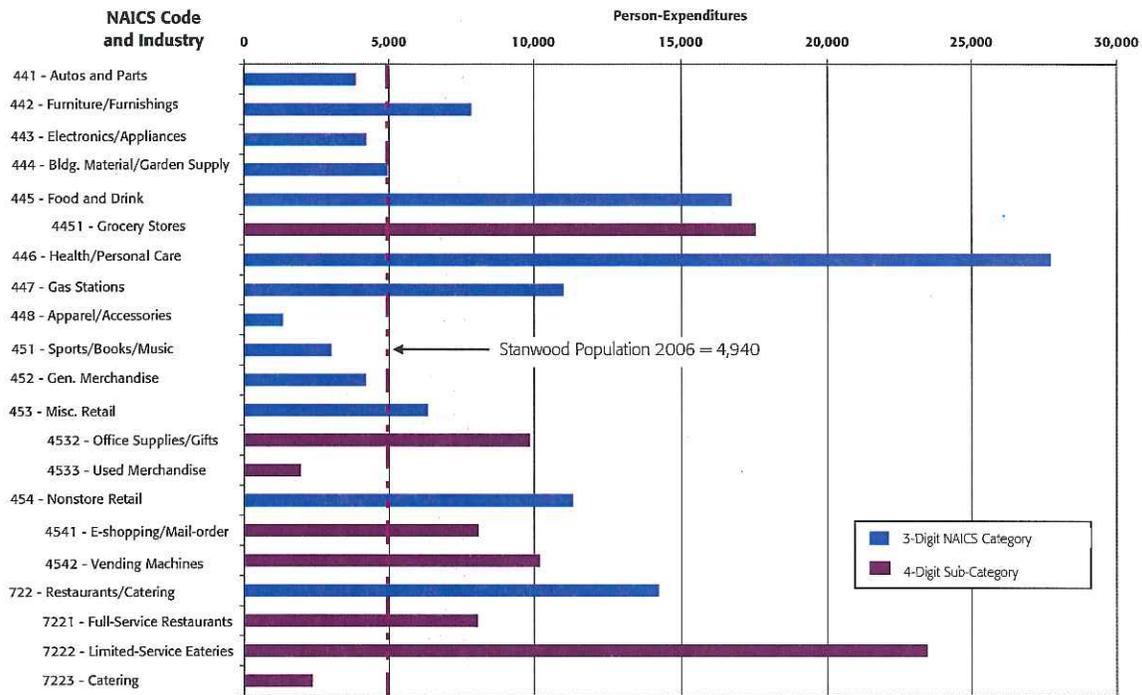
Exhibit 28
Stanwood Person Expenditures 1996-2006: Grocery/Liquor and Restaurants



Source: Washington Department of Revenue and Office of Financial Management, 2007

- A historical breakout of the Groceries/Liquor and Restaurants/Catering categories
 - Groceries/Liquor (3-digit NAICS 445) consists of:
 - Grocery Stores (4451): Person expenditures have trended down over time with a drop in 2004.
 - Specialty Grocery (4452): Person expenditures for specialty meat, vegetable, and fruit stores have declined sharply, but have been level since 2003.
 - Beer, Wine, and Liquor Stores (4453): Data is available for 2006 only.
 - Restaurants/Catering (3-digit NAICS 722) consists of:
 - Full Service Restaurants (7221): Sit-down restaurants with wait staff has trended up.
 - Limited Service Restaurants (7222): Fast food or counter service has grown substantially.
 - Catering (7223): Food caterers and service contractors has shown some modest growth.
 - Drinking Places, Bars, and Taverns (7224): Have remained relatively constant.

Exhibit 29 Person-Expenditures in Stanwood by Retail Category 2006



Source: Washington Department of Revenue, 2007

- Stanwood businesses in many retail categories are successfully capturing much of the spending of city residents (4,940 people in 2006). A much lower capture rate is true in most categories when the larger Stanwood-Camano area population is considered (approximately 33,000 in 2006).
- Stanwood has relatively high person-expenditure capture in the following categories, indicating that the city serves as a regional retail center for shopping of this nature, drawing on a population base that includes residents of nearby cities and unincorporated Snohomish County
 - Furniture/Furnishings
 - Food & Drink (Grocery Stores)
 - Health & Personal Care (Drug Stores)
 - Gas Stations
 - Miscellaneous Retail (particularly Office Supplies/Gifts)
 - Restaurants (Full-Service & particularly Limited-Service Eateries)
- Stanwood is less successful in capturing spending in the following categories, indicating these sectors are “leaking” out to surrounding cities
 - Autos and Parts
 - Electronics/Appliances
 - Apparel/Accessories
 - Sports/Books/Music
 - General Merchandise

- Opportunities to increase the city's capture may stem both from capitalizing strengths and addressing areas of weakness; opportunities to address weaknesses may be mitigated by the community's' vision and the strength of established regional retail offerings

Exhibit 30
Taxable Retail Sales for Stanwood by 4-Digits NAICS Code, 2000-2006

NAICS CODE	Description	2000	2001	2002	2003	2004	2005	2006
4411	Automobile Dealers	\$280,700	\$178,975	\$139,091	\$156,762	\$481,364	\$388,912	\$519,470
4412	Other Motor Vehicle Dealers	\$11,582	\$15,114	\$20,296	\$6,152	\$16,730	\$12,290	\$11,080
4413	Automotive Parts, Accessories, and Tire Stores	\$5,886,535	\$5,694,603	\$5,828,977	\$6,560,190	\$6,138,748	\$6,603,104	\$6,985,554
4421	Furniture Stores	\$318,964	\$490,124	\$415,138	\$461,925	\$476,697	\$580,632	\$411,618
4422	Home Furnishings Stores	\$595,478	\$654,937	\$805,356	\$1,413,615	\$1,564,863	\$2,266,661	\$2,364,142
4431	Electronics and Appliance Stores	\$1,236,025	\$2,559,264	\$3,951,795	\$2,519,190	\$1,347,591	\$1,656,275	\$1,856,132
4441	Building Material and Supplies Dealers	\$3,047,554	\$3,246,484	\$3,109,548	\$3,142,152	\$3,455,430	\$3,706,674	\$3,888,082
4442	Lawn and Garden Equipment and Supplies Stores	\$709,063	\$560,003	\$536,644	\$484,003	\$503,625	\$164,027	\$292,498
4451	Grocery Stores	\$11,474,426	\$10,719,787	\$10,570,601	\$11,372,669	\$11,376,918	\$8,866,095	\$8,060,349
4452	Specialty Food Stores	\$228,190	\$179,834	\$63,849	\$10,926	\$22,416	\$28,805	\$17,602
4453	Beer, Wine, and Liquor Stores	N/A	D	N/A	N/A	N/A	D	\$4,079
4461	Health and Personal Care Stores	\$3,524,677	\$3,554,822	\$3,510,956	\$3,960,444	\$3,999,616	\$4,758,742	\$5,596,066
4471	Gasoline Stations	\$2,568,075	\$2,136,876	\$2,425,301	\$2,615,589	\$2,822,296	\$1,909,388	\$2,364,059
4481	Clothing Stores	\$941,127	\$279,053	\$306,136	\$210,068	\$386,521	\$479,661	\$606,013
4482	Shoe Stores	\$4,453	\$4,272	\$6,679	\$6,414	\$3,038	\$6,665	\$7,400
4483	Jewelry, Luggage, and Leather Goods Stores	\$59,733	\$124,918	\$121,994	\$81,133	\$98,367	\$73,379	\$111,031
4511	Sporting Goods, Hobby, and Musical Instrument Stores	\$555,681	\$455,445	\$489,526	\$426,023	\$438,830	\$339,595	\$219,293
4512	Book, Periodical, and Music Stores	\$539,224	\$483,628	\$408,388	\$432,898	\$398,472	\$732,587	\$660,824
4521	Department Stores	D	D	D	D	D	D	D
4529	Other General Merchandise Stores	\$282,008	\$271,658	\$370,436	\$451,842	\$1,766,658	\$4,572,297	\$5,807,960
4531	Florists	\$171,869	\$133,811	\$181,334	\$142,583	\$104,787	D	\$165,444
4532	Office Supplies, Stationery, and Gift Stores	\$135,925	\$206,459	\$116,245	\$167,482	\$192,254	\$297,180	\$365,837
4533	Used Merchandise Stores	\$357,303	\$323,077	\$234,254	\$154,803	\$191,838	\$206,186	\$142,041
4539	Other Miscellaneous Store Retailers	\$2,155,581	\$3,256,306	\$2,785,317	\$1,832,575	\$2,182,554	\$2,940,504	\$4,024,905
4541	Electronic Shopping and Mail-Order Houses	\$167,188	\$132,526	\$174,714	\$301,299	\$462,624	\$681,941	\$743,040
4542	Vending Machine Operators	\$23,923	D	D	\$16,817	\$2,392	\$7,228	D
4543	Direct Selling Establishments	\$843,521	\$785,379	\$1,211,366	\$1,104,216	\$1,157,985	\$1,644,090	\$1,909,762
7221	Full-Service Restaurants	\$2,303,962	\$2,655,520	\$3,263,186	\$3,379,572	\$3,730,541	\$4,993,848	\$5,134,447
7222	Limited-Service Eating Places	\$8,444,651	\$9,381,816	\$9,193,550	\$9,535,286	\$10,011,708	\$11,040,189	\$13,134,522
7223	Special Food Services	D	\$17,202	D	\$138,225	\$125,050	\$123,557	\$137,509
7224	Drinking Places (Alcoholic Beverages)	\$257,736	\$277,170	\$307,916	\$326,418	\$507,658	\$394,000	\$283,571

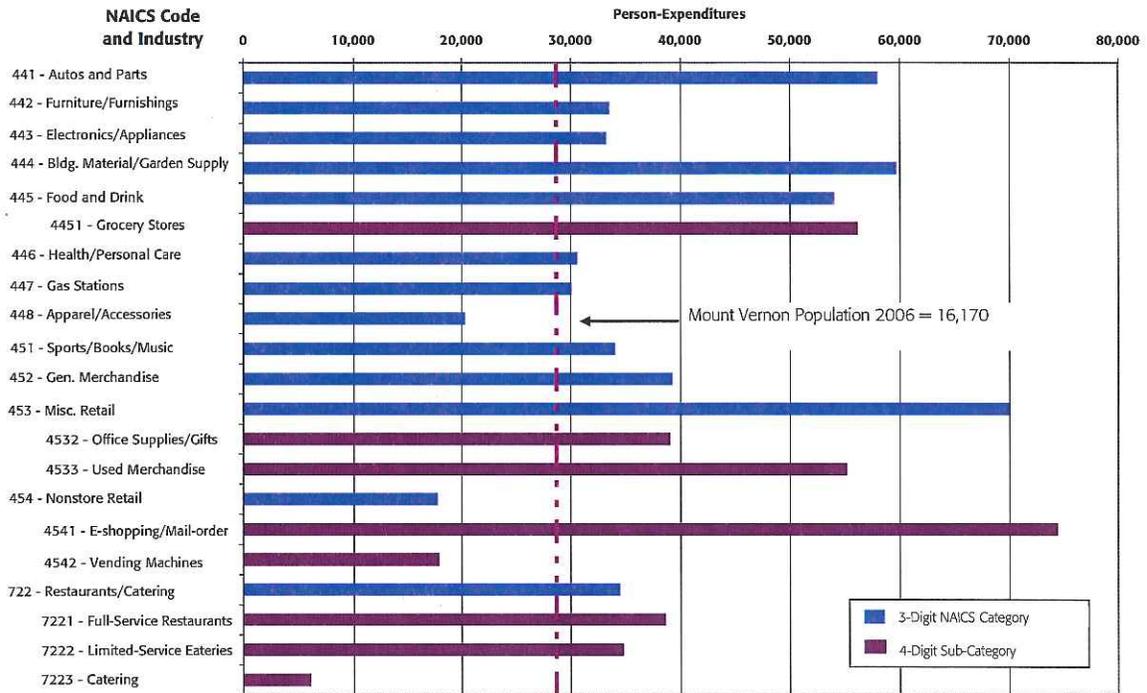
Source: Source: Washington Department of Revenue, 2007. "D" signifies data is suppressed.

- The above table shows raw taxable retail sales data by NAICS code.

Stanwood's Overall Position in the Regional Retail Market

- Stanwood is clearly a regional retail center, capturing spending of a population significantly larger than that of the City's population
- The City is strong in most sectors and may face challenges addressing gaps in its retail capture given established regional competition and the shopping patterns of today's consumers
- The City faces strong retail competition in cities north and south along the I-5 corridor, as well as expansion of retail offerings in unincorporated areas.
 - Examining the person-expenditures captured by Stanwood, Mount Vernon, and Arlington (see exhibits on following pages) points to possible regional opportunities in Furniture/Furnishings, Electronics/Appliances, Apparel/Accessories, Sports/Books/Music, and General Merchandise.
 - Other than the last two categories listed here, Stanwood is not well positioned to compete with established chains on the I-5 corridor. The City may have opportunities to expand its offerings in the Sports/Books/Music and General Merchandise sectors.

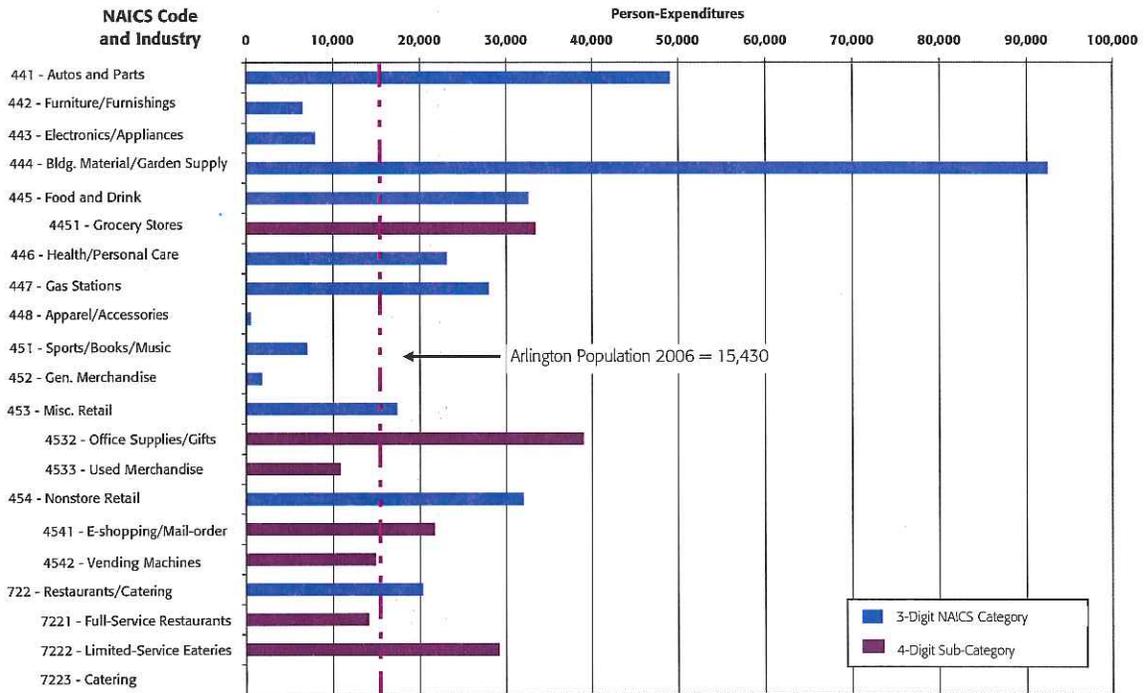
Exhibit 31
Person-Expenditures in Mount Vernon by Retail Category 2006



Source: Washington Department of Revenue, 2007

- A strong, well-balanced TRS base makes Mount Vernon a strong competitor among local cities; the City is strong in all sectors other than Apparel/Accessories, partly because of the Prime Outlets located in Burlington
- Along with Arlington, Mount Vernon probably captures a fair amount auto sales from Stanwood and Marysville

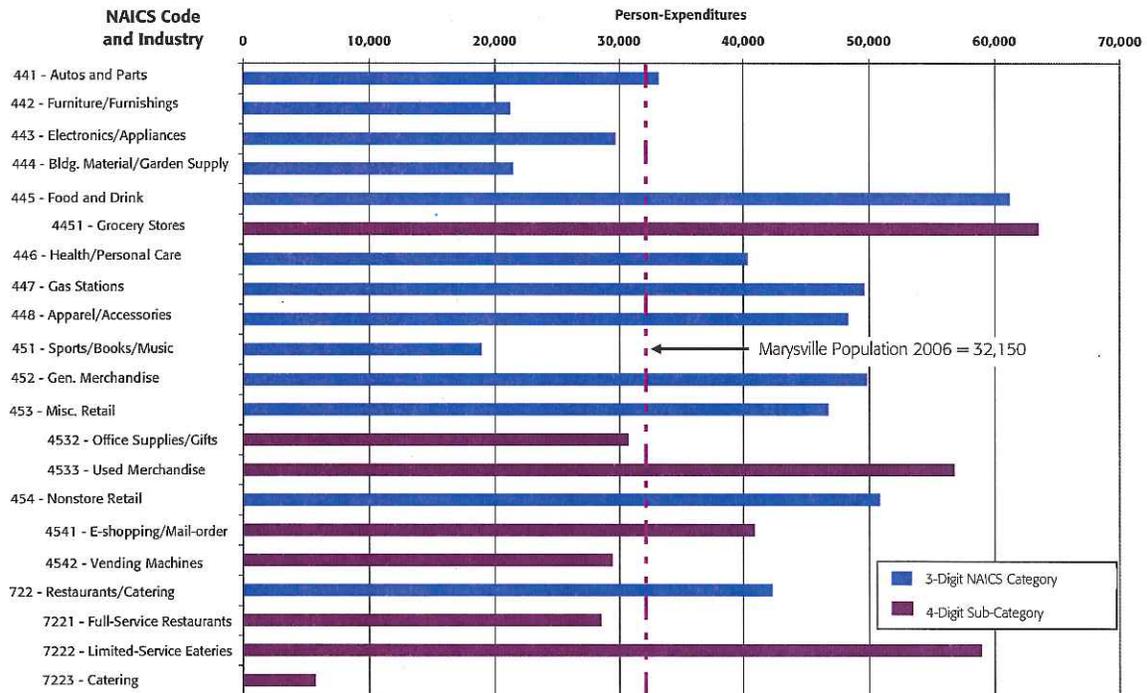
Exhibit 32 Person-Expenditures in Arlington by Retail Category 2006



Source: Washington Department of Revenue, 2007

- Expenditures in the building materials/garden supply category are very high: Arlington is capturing spending by residents of neighboring cities in this category
- Relatively high auto sales in Arlington are the result of capturing consumers from surrounding areas
- Sales in Furniture/Furnishings, Electronics/Appliances, Apparel/Accessories, Sports/Books/Music, and General Merchandise appear to be "leaking" to surrounding cities

Exhibit 33
Person-Expenditures in Marysville by Retail Category 2006



Source: Washington Department of Revenue, 2007

- Marysville has a strong retail base with high capture in Grocery Stores, General Merchandise, Miscellaneous Retail, and Limited Service Eateries; person-expenditures in these categories exceed Marysville’s population, indicating capture of spending by nearby residents and traffic along the I-5 corridor

APPENDIX C

FISCAL IMPLICATIONS OF LAND USE ALTERNATIVES

When considering opportunities for economic development, cities typically pursue two goals simultaneously: (1) the city seeks to promote development that helps achieve the city's overall vision and (2) it seeks development patterns that will strengthen the city's long-term fiscal sustainability. The overall objective is to move the city closer to achieving its broad vision for the future while simultaneously ensuring that the city maintains the financial means to provide services that residents desire.

This memorandum focuses on the latter of these two goals, providing an assessment of the fiscal implications of alternative land uses. The purpose of the memo is to inform decision-makers at the City of Stanwood and other stakeholders about implications for fiscal sustainability of the City as they consider land use choices designed to foster economic development. This fiscal lens should be considered together with discussion of the community's vision – the desired future of the City – and the Economic Demographic Profile, which provides insight into the City's market position.

Any use of land within city boundaries generates two counteracting fiscal forces:

1. It generates a stream of tax revenues, a share of which accrues to the city, principally from property tax, utility taxes, and retail sales tax; and
2. It also generates demands for public services, including those typically provided by cities such as construction and maintenance of infrastructure, public safety services, parks construction and maintenance, recreation and community services, and a host of other city services that may be consumed less directly, but are no less real.

The question that city policy-makers face when they consider the city's posture towards new development is: *How would the development in question affect each side of the city's fiscal equation?*

Within the world of municipal governance, a great deal of conventional wisdom exists about the relative fiscal attractiveness of different types of development. In reality, however, the net fiscal impact of a given development project varies tremendously from city to city. We have worked with cities in Washington State for which we could honestly say that *no* form of development would be a net fiscal winner for the city. And, much more common, we have worked with cities in circumstances in which virtually *any* form of development would represent a fiscal windfall for the city due to economies of scale in city services and synergies among uses.

The goals of this memo are to (1) outline *factors* that have a bearing on the relative fiscal attractiveness of different kinds of development, (2) outline a *general hierarchy* of the relative fiscal attractiveness of different uses, and (3) discuss some of the *potential synergies* that may make a given type of development more attractive under certain circumstances. Our hope is that, with this information in hand, decision-makers at the City of Stanwood will be in a better position to evaluate the implications of different forms of potential development.

INCREMENTAL COSTS VERSUS AVERAGE COSTS

When a city policymaker thinks about the fiscal implications of serving the city's constituents, he or she often thinks in terms of per-capita costs and per-capita revenues.

In reality, however, when a city thinks about the fiscal impact of adding *new* households or a *new* center of commercial activity, *average revenues* and *average costs of service* are not particularly helpful. In this situation, the key questions are related to *incremental* revenues and costs:

1. What *new* revenues will the new development bring to the city?; and
2. What *new* costs of service will the development introduce?

On the revenue side of the equation, new households or new businesses bring with them the full slate of new city revenues. They will pay property and utility taxes; residents will pay sales taxes on their purchases (some of which will be made locally); and to the extent that new businesses increase the city's overall capture of retail activity (attracting purchases that would otherwise be made elsewhere), new businesses will drive new sales tax revenues. In addition, increases in the city's population allow the city to collect additional revenues that are distributed at the state or county level based on population.

Some of these revenues may be thought of as *direct* revenues in that the revenues to the City are taxes or fees paid directly by the new resident or commercial establishment. Other revenues are *indirect*, meaning that the new resident or commercial enterprise provides greater demand for goods and services provided by other local establishments. *Secondary* or *tertiary* effects may also emerge and tend to be mutually reinforcing (e.g. new households may increase support for a local retail node, which in turn improves the node's ability to attract expenditures that would otherwise be lost to the city).

In contrast with new revenues, on the *cost* side of the equation, in many instances new households or new businesses may generate only modest increases in the cost of providing city services.

With a number of fixed costs already in place (e.g. key positions at City Hall and existing city systems and infrastructure) it is often the case that the *incremental* cost of serving a new household or a new business is significantly lower than the *average* cost of serving the city's existing constituents. Based on our experience working with cities across the state, we believe that virtually every small to mid-sized city enjoys *some* level of these so-called "economies of scale."

A city with 100 new households does not need to hire a new city manager, a new police chief, or a new finance director. Likewise, a city with five new businesses would not expect to spend significantly more on long-range planning. For a small city like Stanwood, where fixed costs for key positions represents a significant portion of the City's total operating budget, economies of scale from new development are often significant.

Another key cost center for Stanwood is the cost of public safety. While every city's circumstances are unique, Berk & Associates' experience is that most cities of Stanwood's size *do* enjoy significant opportunities for economies of scale for public safety services as they grow to a larger city.

FISCAL IMPACTS OF DIFFERENT LAND USES

From a city's perspective, every type of land use generates a unique mix of revenues and service costs. Inevitably, the balance between costs and revenues will vary by contemplated land uses. For most cities, the net contribution of land uses could generally be ranked as follows, ranking from most to least attractive:

1. Automobile dealer
2. Retailers of high-cost items like furniture, home electronics, etc.
3. Big and medium box retailers and restaurants
4. Small retailers and consumer service providers
5. Office
6. Industrial
7. High value residential
8. Mid-to-low value residential

Having ventured to present a ranked list of land uses, the very next thing we will say is that such a ranked list is of limited value. The inter-relationships between land uses and fiscal impacts are extremely complex, varying based on the place, time, and conditions surrounding the development in question.

For example, while multifamily housing may not offer the biggest fiscal windfall for a city *on average*, there are some circumstances where multifamily may be crucial to the city's fiscal success. In many cities, for example, close-in pockets of multifamily housing provide crucial support for adjacent retail establishments, serving as a critical foundation for the cities' ongoing economic development. If, on the other hand, multifamily units are built on the periphery of a city, where they provide little support for the city's commercial nodes, those developments would be less likely to offer significant benefits to the city's fiscal position.

When reviewing the above list, it is also important to bear in mind that the relative contribution of uses depend on future events. For example, if taxation of internet transactions becomes a reality, and households' purchasing patterns continue to shift towards internet purchases, then residential land uses become more attractive across the board (this is further discussed below, under *Challenges and Opportunities Related to New Sales Tax Sourcing Rules*).

Ultimately, rather than concentrating on the *typical* fiscal contribution of land uses, it is more valuable to understand the underlying mechanisms through which land use and fiscal sustainability relate. Stanwood is not in a position to compete for some of the uses listed above. However, we do believe it is worth walking through the rationale for the above hierarchy to demonstrate the effects at work.

High Value Retail

Among all potential uses of a given property, high value retail generates the greatest fiscal benefit to a city. An auto dealership can generate city sales taxes of \$100,000 to \$500,000 or more annually. At the same time, because the value of each transaction is so high, an auto dealership generates this revenue with very little incremental demand for city services. To a lesser degree, other retailers of high value goods, including furniture, appliances, or home electronics all generate relatively high revenues, while attracting relatively few trips compared with big box retail uses that generate lower average revenues per transaction.

Another benefit of high value retailers is that they have the ability to attract customers from a very large area. Auto dealers in Puyallup, for example, attract customers from a large portion of the Puget Sound area, allowing the City of Puyallup to draw on a tax base that extends far outside its municipal boundaries. In the realm of furniture stores, IKEA performs in a similar manner for the City of Renton, drawing customers from across King County and beyond, generating as much as \$1 million a year in City tax revenues.¹

Big Box Retail

Like auto dealerships and other high-value retailers, big box retailers like Costco, Wal-Mart, Target, Home Depot, or Lowes can generate anywhere from \$100,000 to \$500,000 or more a year in sales tax revenues for a city. The difference between the two categories is that big box retailers (1) generally attract greater numbers of trips and (2) generally draw on a slightly smaller trade area to attract their customers.

Overall, big box retail is very beneficial to a city's fiscal position, but generates greater demand for city services like public safety and transportation infrastructure. For the typical city in Washington State, a single big box store might generate \$300,000 in sales tax revenues annually, while at the same time, creating enough activity to demand, on average, one additional commissioned police officer on the city's police force. Big box retail also generates a high number of trips that must be supported by the city's transportation infrastructure. Traffic and impacts to a community's character can be minimized by locating large scale, auto-oriented retail in geographic locations that best support this use.

Regardless, a strategy to attract big-box retail to the City would need to weigh the potential fiscal benefits of such a store against the impact it may have on the existing retail businesses and community character.

Restaurant and Entertainment

By themselves, entertainment venues and restaurants can generate substantial revenues to a city. An added benefit of these categories of uses is that, in addition to generating revenues on their own, they also generate positive spillover effects.

Most shopping centers and traditional downtowns seek out restaurants, movie theaters, and performing arts venues as a way to attract a critical mass of activity. In most instances, people who travel to a commercial center to see a movie or a play will venture out for an entire evening, eating at a nearby restaurant and shopping at nearby stores. The more pleasant and seamless a district can make that experience, the better positioned that center is to generate revenues.

From a public amenity perspective, the benefits of establishing a shopping/entertainment node are substantial. From a fiscal-balance perspective, the net benefits are substantial as well, but entertainment uses can generate certain demands for city services like policing. Also, depending on the configuration of the district, public investment in infrastructure and amenities may be necessary to make the district attractive to potential visitors.

The good news is that public investments that make an entertainment district attractive to visitors are often the same investments that help to create a venue and focus for community activity—a goal that most cities have identified as desirable in its own right.

¹ Based on estimated average sales per square feet of \$500 and more than 200,000 square feet of retail space.

Lower Value Retail and Consumer Services

From a fiscal-balance perspective, the bottom rung in the hierarchy of retail attractiveness falls to community retail and consumer service uses. This category includes grocery stores, drug stores, fast food chains, banks, auto-services, video stores, and various other retail and consumer services.

All of these uses are attractive, because they generate net fiscal benefits to the city and because they provide services the community needs. For cities that are already seeing strains on the existing capacity of their police department, the activity surrounding these uses can drive additional costs of service.

Office

When thinking about development of office uses, it is useful to divide uses into two categories:

1. Those uses that provide services to local markets. This includes services like banks and investment services, real estate offices, and professional services like doctors, dentists, and lawyers.
2. Uses that provide services to broader markets (i.e. markets that are not concentrated in the immediate area).

The principal difference between these two categories of office uses is that the first category typically “needs” to be located in a given local area, while the second category has much more flexibility in its location choices.

Because Stanwood does not levy business and occupation tax, office uses in the City will not match retail uses for revenue generation. A typical, newly-developed office building might generate between \$80 and \$100 per employee in City property tax and another \$100 in utility taxes per year. In addition, with recent Legislative changes in Washington State’s sales tax sourcing rules, typical office uses can be expected to generate sales taxes as a result of delivered goods like furniture, equipment, and supplies. Depending on the nature of the office, these sales tax revenues from deliveries might equal an additional \$20 or \$30 per employee annually.

In addition to direct revenue, office employees typically make daytime expenditures for food, drink, and convenience purchases in nearby retail areas. For many districts, daytime support from office workers can represent an important source of support, adding (1) a small but stable source of spending in local restaurants and retail establishments and (2) bolstering activity in the area in a way that makes it more attractive for other users.

Another benefit of office uses is that they generally drive only modest demand for services. Office uses generate relatively few vehicle trips, they generate very little in the way of demand for police services, and any demand they generate for parks facilities is likely to occur during mid-day periods when existing park capacity may be underutilized.

Industrial

Like office, industrial uses in Stanwood would generate property taxes and utility taxes. The difference between industrial and office uses is that a typical industrial use generates less revenue per acre of land in terms of property taxes, utility taxes, taxes on delivered retail goods, and employee demand for local services:

- Industrial buildings cost less to construct (per square foot) and so generate less in property taxes and construction-related sales.

- Industrial uses typically require a lower ratio of building square footage to square footage of land (referred to as floor-area-ratio [FAR]). While a suburban office building might support more than 70 employees per acre, a typical industrial use is likely to support 25 or fewer.² In comparison with office, industrial uses with a lower density of workers provide more modest daytime expenditures to support nearby commercial centers.
- Lastly, analysis that Berk & Associates has performed in the past suggest that, on average, office uses generate more utility taxes than do industrial uses. While there are certainly exceptions where industrial uses demand large amounts of electricity or natural gas, we have found that, on average, office uses are more intensive in their use of electricity (to power lights, computers, etc.) and telephones.

On the cost side, the demands for service introduced by industrial uses can vary depending on the nature of the use and the general level of activity. Manufacturing and warehouse and distribution uses tend to put more stress on a city's road network. An acre of industrial uses, however, may generate as little demand for police services as does an acre of office.

While the direct fiscal impacts of industrial uses tends to be moderately positive, the real benefit of industrial uses come from their indirect effects. As a sector, industrial employers are often a key component of a city's economic and fiscal health. Industrial employers tend to produce goods for regional, national, or international markets. As a result, these employers tend to drive local economies by bringing in an infusion of dollars from outside the area. These dollars create crucial ripple effects throughout the local economy, serving as the engine that supports residential development, retail activity, and local services, including industrial support services.

Residential

Generally, each new resident in Stanwood translates to new demand for restaurants, retail, and consumer services. If that opportunity can be focused to support the City's vision of an attractive commercial center, then Stanwood will have an opportunity to enhance its market position, perhaps attracting more dollars from outside City boundaries and/or capturing a larger share of new and existing residents' expenditures. For a city like Stanwood, the extent to which developing new housing will represent a fiscal benefit to the city depends on a number of factors:

1. **How great are the city's opportunities for economies of scale?** If a city is in a position to absorb additional constituents without incurring incremental costs of service for police and fire services, then *any* form of new housing is likely to generate significant net fiscal benefits for the city.
2. **Where is the housing located? How does it contribute to Stanwood's economic development plans?** Given Stanwood's goal of developing an attractive downtown, new housing can play an important role by bolstering the "core" foundational market that supports such development. In particular, housing that is located in areas with easy pedestrian access to Stanwood's business districts would be especially effective in supporting additional commerce. Close-in housing offers:

² Assuming an FAR of 0.5 for office and 300 square feet per employee, versus an FAR of 0.3 for industrial, with 500 square feet per employee.

- a. **Assured Demand** – A supply of nearby housing is typically viewed as a guaranteed pool of customers for certain categories of businesses. The convenience of being able to access businesses simply by walking a few blocks predisposes residents to frequent nearby businesses.
- b. **Baseline Level of Activity** – Urban designers are quick to point out that, when it comes to making a traditional commercial center attractive, it is important to pay attention to a few key characteristics:
 - i. What is the speed and volume of traffic on the roadway?
 - ii. How does someone on the sidewalk relate to the roadway?
 - iii. How does someone on the sidewalk relate to sidewalk fixtures and the buildings lining the street?; and
 - iv. What is the general level of pedestrian *activity* on the street?

For the reasons noted above, close-in housing can help assure a baseline level of activity on the street, making the street a more inviting and interesting place for people to spend their time.

Opportunities for Economies of Scale

If the city is in a position to absorb additional constituents without incurring incremental costs of service for police services and staffing at City Hall, then *any* form of new housing is likely to generate significant net fiscal benefits for the city.

- **Revenue Impacts.** On the revenue side of the equation, new households bring with them the full slate of new revenues. They will pay property taxes and utility taxes, and they will pay sales taxes on all of their purchases (many of which will be made locally). In addition, the new population allows the city to collect additional revenues that are distributed at the state or county level based on the city population.
- **Cost of Service Impacts.** In contrast with new revenues, on the cost side of the equation, new residents in Stanwood may generate only modest increases in the cost of providing city services. City Hall, Public Works, Parks and even Planning would probably see fairly small differences in what they do. The Stanwood Police Department would probably see a few new calls for service in a given year, but because of the Stanwood's small size and relatively low crime rate, the Department may be in a good position to respond to these calls without increasing the number of patrol officers.

These *economies of scale* phenomenon means that, with a number of fixed costs already established, the *incremental* cost of providing services to 100 more residents may be significantly less than the *average* cost of providing services to *all* residents.

If the above discussions of incremental revenues and incremental costs do, in fact, apply to the City of Stanwood—new residents would represent a clear fiscal windfall to the City. Moreover, this discussion of direct fiscal impacts does not take into account the potential benefits that residential development could have on the City's overall market position. If such development did help Stanwood achieve a more vibrant Downtown, and if that success resulted in the City capturing a greater share of expenditures by locals and/or visitors, then the indirect fiscal benefits of the new residential development could exceed the direct benefits outlined above.

Multifamily Housing

From a decision maker's perspective, a few key characteristics distinguish multifamily housing:

- **Higher costs of police services:** Berk & Associates has analyzed the experiences of hundreds of cities across Washington State and has found that, on average, the addition of multifamily housing tends to increase demand for police services more than the addition of an equivalent number of single family units. When we talk with police chiefs at different cities, they agree that some forms of multifamily *do* generate higher demand for police services, but they suggest that not all multifamily housing is created equal. Most suggest that higher value multifamily tends to generate demand in a manner more similar to single family.³ Other anecdotal evidence suggests that demand for police services depends on how the housing relates to the surrounding urban environment. For decades, city planners have noted the importance of “eyes on the street”—the notion that, in settings where a few stories of multifamily housing are strongly connected to the street, residents take a certain degree of ownership over what happens in and around their building, increasing safety and security.
- **Opportunities for support of commercial and civic centers:** For many commercial centers, the dense, close-in support of multifamily housing is a key component of the center's success. The close support of multifamily housing provides restaurants and retailers with a *guaranteed base of sales*. *Moreover, multifamily support also provides a foundational baseline of activity that makes the center more attractive to residents in its broader market.* In this sense, multifamily housing can often act as a *critical* ingredient to the success of the center.
- **Housing options:** Multi-family housing also provides for a broader range of housing options delivered less cost than traditional single family homes.

In the end, the fiscal attractiveness of multifamily housing is heavily dependent on the type of multifamily housing in question and careful consideration of how the housing relates to Stanwood's commercial centers. If the housing is relatively low value and does not actively support the City's commercial centers, then addition of new multifamily is likely to introduce a net drain to the City's fiscal structure. If multifamily is of higher value and/or is designed to provide support to the City's commercial centers, then it can be attractive, and perhaps even crucial, to the City's long-run fiscal sustainability.

³ It is also worth noting that, statistically, renter-occupied single family housing tends to drive even higher demand for police services than does renter-occupied multifamily.

CHALLENGES AND OPPORTUNITIES RELATED TO NEW SALES TAX SOURCING RULES

In the last Legislative session, the Washington State Legislature enacted new rule changes for sales tax sourcing. Under the old rules, if a Stanwood resident purchased a new kitchen appliance in Marysville and the appliance was delivered to Stanwood from a warehouse in Kent, then the "location" of the sale for taxing purposes was deemed to be Kent (where the delivery of the good originated). The City of Kent, therefore, would collect the local sales tax revenues associated with this sale. Under the new sourcing rules, the "location" of the sale will now be Stanwood (the point of final delivery), which would collect the local sales tax revenues for this transaction. This rule change is slated to take place on July 1, 2008.

For cities like Stanwood, the short-term implications of the change in sourcing are difficult to forecast. The State Department of Revenue estimates that the City will see some net gain of sales tax revenues. In effect, they are estimating that the value of goods being delivered *to* Stanwood exceed the value of goods that are delivered *from* addresses within the City. Considering that sales taxes comprise approximately 22% of total General Fund revenues, even a 10% decrease in sales taxes would likely create a noticeable impact to City finances.

Notwithstanding the Department of Revenue's estimates of likely impacts, it *is* possible that new sourcing rules (and/or a longer-term shift to applying sales taxes to all internet/catalog sales) could represent a fiscal boon to Stanwood. If, for example, the City pursued a program by which it encouraged residents and businesses to have purchases of big-ticket items delivered to Stanwood addresses, then it is possible that the City could see an overall increase in sales tax revenues.

OTHER FISCAL CHALLENGES

Most of Stanwood's general operating revenues come from three sources: (1) the City's local retail sales tax (0.85% of taxable sales), (2) utility taxes, and (3) property taxes. These three sources generated roughly 58% of the City's total general fund revenue in 2006. Sales and property taxes account for approximately 22% each of the total General Fund revenue.

Stanwood, like many cities in Washington State, faces future fiscal challenges. Some of these fiscal challenges stem from the recent series of statewide initiatives that have eroded most cities' financial support from taxes and fees. From a city's perspective, the most damaging blow resulted from the 2001 statewide passage of Initiative 747 (limiting the growth of property tax levies on a city's existing property to less than the rate of inflation), which set up the long-run erosion of cities' property tax bases. In addition to I-747, voter-approved initiatives eliminated revenue sources such as Motor Vehicle Excise Tax and Vehicle License Fee distributions that were available to fund city services.

The table below summarizes the range of strategies cities may employ to establish a sustainable fiscal base, including (1) revenue generation through economic development (the primary subject of this memo) or tax and fee increases to (2) cost reductions through decreases in city services or the introduction of service efficiencies.

Table 1: Options for Addressing the Fiscal Sustainability Challenge

REVENUE-FOCUSED STRATEGIES	COST OF SERVICE FOCUSED STRATEGIES
<p>OPERATING AND CAPITAL DOLLARS</p> <p>Economic Development</p> <ul style="list-style-type: none"> • Economic development planning. Identify ways to enhance revenues by affecting the pace and mix of development types. • Land use policies. Review land use mix in Comp Plan to increase revenue generating capacity. <p>Taxes and Fees</p> <ul style="list-style-type: none"> • Tax policies. Consider options for new taxes or increased tax rates, including future levy lid lifts, voter-approved bond measures, and others. • User fees. Maximize fee utilization to reduce general fund demands (parks & recreation, current planning). • New taxing mechanisms. Encourage policy-makers (likely at the State) to expand the list of funding options (TIF, local option taxing authority). <p>CAPITAL DOLLARS</p> <ul style="list-style-type: none"> • “Growth pays for growth.” Review impact and development fees. • New special purpose districts or dedicated funding. Create dedicated funding for parks or other specialized services to avoid competition with general government services. • Local improvement districts. Assess beneficiaries for the cost of new capital. 	<p>OPERATING AND CAPITAL DOLLARS</p> <p>Economic Development</p> <ul style="list-style-type: none"> • Economic development planning. Identify ways to reduce costs by affecting the pace and mix of development types. • Land use policies. Review land use mix in Comp Plan to reduce the demand for City services. <p>Level of Service Adjustments</p> <ul style="list-style-type: none"> • Level of Service (LOS) standards. Assess current service standards and practices. • Focus on core business areas. Assess and prioritize demands for scarce resources. <p>Service Efficiencies</p> <ul style="list-style-type: none"> • Process redesign. Review how services are being delivered: look for efficiencies, make effective use of technology. • Zero-based or outcome-based budgeting. Consider alternative approaches to budgeting. • Labor policy review. Assess the role of labor agreements in growth of public service costs (COLA’s, step increases, health care costs, work rules). • Contracting. Identify opportunities to use the private sector. • Partnering. Further pursue opportunities to partner with other entities, including nonprofits and community groups. • Performance measures and benchmarks. Manage toward measurable objectives.

Without intervening measures (i.e. a public vote to approve a levy lid lift), Stanwood's levy rate will almost certainly continue to drop in the coming years, as will the purchasing power of the City's property tax base. There are two ways to counter the effects of I-747 and maintain a solid property tax base in the face of inflation:

- **Encourage new construction to enlarge the City's base.** The 1% revenue growth limit does not apply to the value of new construction, so any new development in Stanwood, residential or commercial, will contribute to higher property tax revenues for a given year, as well as to building a larger property tax base.
- **Seek levy lid lifts to maintain the City's levy rate.** The one method available to the City for increasing property tax revenues at higher rates is to commit to seeking "levy lid lifts" from voters. If voters were to approve a series of levy lid lifts that allowed the City to maintain its current levy rate over the coming years, then property tax revenues from "built" areas of the City (the existing base) could increase at a faster rate (driven by overall increases in property values). Levy lid lifts are ways to maintain the City property tax levy rate and to sustain its revenue base.

CONCLUSION

Ultimately, a city's strategy for attaining fiscal sustainability has to approach questions of governance and land use as a whole. When approaching questions of economic development, cities have multiple goals:

1. Seeking development that helps to achieve the city's overall vision *and*
2. Seeking development that will strengthen the city's long-term fiscal sustainability.

In any given instance, however, cities can, and do, choose to give priority to one goal over the other.

In one instance, a city may alter its land use policies to attract a high-revenue-generating big box store, and in a separate deal, the very same city may choose to forego a potential high-revenue-generating opportunity, preferring to promote development that will move the city closer to achieving its long-term vision.

From a purely fiscal perspective, all cities would like to attract or retain an auto dealership, an IKEA, or a Costco. For the most part, however, whether or not a city gets such a fiscal boon depends on the luck of geography, the availability of suitable sites, and established shopping patterns and the strengths of other sites in the market area.

For most cities, the key to achieving fiscal sustainability is to (1) have a realistic understanding of where the city stands; (2) provide development opportunities that will serve the city well, both fiscally and in terms of achieving the city's overall vision; and (3) take advantage of the potential for supportive direct and indirect relationships between land uses.

A city is well served when it looks carefully at the role that each type of land use can play in supporting its vision. Most cities share Stanwood's goal of creating a sense of *place* for its residents and businesses. One way to strengthen such a center(s) is to encourage development patterns that will generate mutual support among land uses. This requires focusing residential and commercial development in ways that give the city's central place(s) the best chance to enhance its position in the market.

APPENDIX D SUMMARY OF INFRASTRUCTURE & FLOODPLAIN ISSUES

INFRASTRUCTURE

Water and Sewer

- The City is in the process of building a water treatment plant and one of two identified new reservoirs. The City is also reviewing and updating the Water, Wastewater and Drainage Comprehensive Plans in which existing and future infrastructure needs will be evaluated to ensure the City has sufficient capacity to accommodate projected growth within the City and UGA.
- Status and needs for specific districts:
 - **Downtown.** A new waterline has been laid down 271st Street; the water main may need to be expanded to support future growth on the north side of town; sewer extensions may also be needed in this area
 - **Uptown.** Adequate water and sewer capacity, though additional upgrades would be needed to support both water and sewer flow associated with substantial new development
 - **UGA – Residential.** Currently no sewer service and some water.
 - **UGA – Light Industrial.** Currently water, but no sewer. Extension of sewer would require a lift station and additional infrastructure at a cost of roughly \$3-5 million in 2008 dollars. This cost will increase more rapidly than general inflation, getting more expensive with time.

Roads

- Status and needs for specific districts:
 - Road investments depend upon the nature of new development and the projected increase in Average Daily Traffic counts. The City assesses a traffic impact fee for residential and commercial development.
 - **UGA – Light Industrial.** Development of this area would have significant impacts on 268 Street Northwest, which runs parallel to SR-532. WSDOT is building a bypass road which will provide some improvement; additional investments would be required. Additional infrastructure needs in this area include sidewalks and drainage.

Electricity and Telecommunications

- Wave Broadband and electric power are easily available throughout the City.

Potential Economic Development Strategy Items

- Consider investment in infrastructure to support development of Light Industrial parcels; pursue grants to offset costs to City
- Other?

FLOODPLAIN ISSUES

Players

- Players include: Snohomish County, the Stillaguamish River Flood Control District, the Lower Stillaguamish Clean Water District, Diking District #7, the City of Stanwood, and others

The Lower Stillaguamish Strategic Planning Initiative

- A community-based strategic planning initiative recently kicked-off to look at interconnections between various issues in the Lower Stillaguamish floodplain area and estuary
- Developing three year work plans among watershed partners, recognizing the variety of interests and inherent tensions and opportunities for collaboration among various constituents and user groups: restoration of estuary habitat; management and promotion of agricultural uses; public access for bird watching and other recreational uses; and flood hazard management

Impacts on the City of Stanwood

- Uptown is above the floodplain, while much of Downtown is on the floodplain (see map)
- Development requirements are based on FEMA requirements and codified in City ordinances; every three years the City is audited by FEMA, so compliance is strictly monitored
- Commercial development options
 1. Raise building to 11' above sea level (1' above base flood level)
 2. Flood proof building to 11' above sea level and make assemblies readily available to place in doors, windows, and other openings in the case of a flood
 - Design must be done according to FEMA guidelines by a registered architect or engineer
 - QFC and nearby buildings have been elevated to 11' above sea level using trucked-in fill
 - Other commercial buildings often use brick, concrete blocks, or poured concrete walls, with assemblies stored nearby and put into windows and doors in the event of a flood; additional measures include pressure-treated studs and waterproof membranes
 - Stanwood is the biggest floodplain builder in the State; the requirements and additional cost associated with development requirements do not appear to be major deterrents; this cost is typically offset by the lower cost of the land
 - The elevation of new buildings can lead to design challenges when they are adjacent to older buildings at a lower elevation
- Residential development options
 - The first habitable floor must be 11' above sea level: the use of flood proof construction is not an option as it is with commercial development
 - Mechanical, electrical, and plumbing systems must also be elevated 11' above sea level



From Lindstrom Development Group Website

Economic Development Action Plan Technical Appendix: Summary of Infrastructure & Floodplain Issues

- Builders often put a garage on the first floor, using water resistant plywood and other materials
- Education and understanding of issue
 - Builders and developers are reportedly familiar with the issue, drawing on the City, FEMA, and registered architects and engineers as needed
 - The City provides advice and ideas, but the final design must be passed by a licensed architect or engineer

Potential Economic Development Strategy Items

- Provide additional educational material and resources on the City's website with a single page devoted to the floodplain issue and additional resources for addressing the challenges of working with older buildings

APPENDIX E BUILDABLE LANDS ANALYSIS

BUILDABLE LANDS POLICY CONTEXT

In 1990 the State Growth Management Act (GMA) was passed requiring local cities, towns, and counties to develop detailed Comprehensive Plans for how they planned to accommodate growth. A key component of the comprehensive planning process is the establishment of urban growth areas (UGAs), which designate the area where the next 20 years of growth will take place in a jurisdiction. Development is limited outside UGA boundaries to promote urban densities within the boundary and protect rural and natural resource lands outside the boundary.

In 1997, as a result of uncertainties about whether UGA boundaries were too large or too small, the Washington State legislature passed a series of amendments to the GMA to improve data on land supply and assessments of long-range planning goals. The amendments, commonly referred to as the Buildable Lands Program, require the six most populous counties in Western Washington (King, Kitsap, Pierce, Snohomish, Clark, and Thurston) to:

- Collect annual data on the amount and density of commercial, industrial, and residential development;
- Update inventories of land suitable for development with the UGAs (i.e. buildable land);
- Assess whether actual development activity is consistent with growth estimates laid out in city and county comprehensive plans;
- Determine whether there is an adequate land supply in the UGAs to accommodate anticipated future growth in population and employment; and
- Implement measures to correct land supply shortfalls if necessary.

In theory, Buildable Lands assessments will help ensure that an adequate supply of buildable land is available to accommodate long-term growth in population and employment. If there is an insufficient amount of buildable land, regional economic growth could be constrained. Conversely, too much land could hinder the economy by allowing inefficient development densities and sprawling patterns of residential and workplace development.

Buildable Lands reports were completed in 2002 and the most recent update for Snohomish County was completed by the County in October 2007. The following exhibits provide summary statistics on Stanwood's commercial and residential land supply based on this recent analysis.

The purpose of this analysis to evaluate – at an aggregate level – whether the City has adequate long-term land supply to accommodate projected future demand for specific uses. The bottom line, comparing current land supply to projected demand, is presented beginning on page 10.

RESIDENTIAL LAND SUPPLY AND GROWTH TARGETS

The Snohomish County buildable lands analysis was first done in 2002 and updated in 2007. Through this process, parcels with additional developmental potential were classified in four categories (defined in the 2007 Buildable Lands Report for Snohomish County):

- **Vacant:** parcels without structures.
- **Partially used:** parcels where existing structures use a portion of the site and where additional development is possible without demolition.
- **Redevelopable:** parcels with existing structures that are expected to be demolished and replaced with new and more intensive uses.
- **Pending:** parcels with pending development applications for new construction (development that was either proposed and/or built after April 1, 2006).

Unbuildable areas, such as environmentally critical areas, were then subtracted from the parcels, leaving the acres of buildable land. A density factor is applied on a parcel-by-parcel basis to the acreage figures to obtain housing unit or employment capacity estimates. These capacity figures are then reduced to account for development uncertainties based on a number of reduction factors such as zoning, site layout, and market factors. Population capacity was estimated by applying the average household size and a 96% occupancy rate to the housing unit estimates.

Exhibit 1 shows the acreage of available residential land in Stanwood by structure type and whether the land is vacant, partially-used, redevelopable, or pending. Collectively, these are the buildable lands available to accommodate the next 20 years of population growth in the City and its UGA (actual planning horizon is 2025).

Exhibit 1 – Residential Land Supply, Stanwood & Urban Growth Area

	Existing City			Urban Growth Area			Totals		
	Residential			Residential			Residential		
	Buildable Acres	Housing Unit Capacity	Population Capacity	Buildable Acres	Housing Unit Capacity	Population Capacity	Buildable Acres	Housing Unit Capacity	Population Capacity
Pending	168.1	900	2,454	1.4	52	145	169.4	952	2,599
Single-Family		846	2,355		52	145		898	2,500
Multi-Family		54	99		-	-		54	99
Vacant	43.5	301	591	45.4	230	511	88.9	531	1,102
Single-Family		41	114		93	259		134	373
Multi-Family		259	477		137	253		396	730
Partially Used	59.2	128	308	43.9	114	279	103.0	242	587
Single-Family		77	213		74	206		151	419
Multi-Family		51	94		40	73		91	167
Redevelopable	137.7	442	1,049	133.1	574	1,599	270.8	1,016	2,648
Single-Family		250	698		574	1,599		824	2,297
Multi-Family		190	351		-	-		190	351
Totals	408.5	1,771	4,402	223.7	970	2,534	632.2	2,741	6,936
Single-Family		1,214	3,380		793	2,209		2,007	5,589
Multi-Family		554	1,021		177	326		731	1,347

Source: 2007 Buildable Lands Report for Snohomish County, October 2007.

- The 2007 Buildable Lands Report estimates that the City of Stanwood has the capacity to add 1,771 housing units under current zoning policies. There is an additional capacity of 2,534 units in the unincorporated portions in the city's UGA bringing the city's total to 2,741 units. These units provides

Economic Development Action Plan Technical Appendix: Buildable Lands Analysis

capacity to house an additional 6,963 people within the UGA by 2025 – well above the City’s long range growth target of 8,840 people.

- A majority of the city’s land capacity is in the Pending and Redevelopable categories. The large amount of Redevelopable capacity signals that much of the capacity lies in under-utilized property.

NON-RESIDENTIAL LAND SUPPLY

Exhibit 2 shows the acreage of available non-residential land in Stanwood by land use and whether the land is vacant, partially-used, redevelopable, or pending. These lands are available to accommodate the next 20 years of commercial and industrial growth in the City and its UGA (actual planning horizon is 2025).

Exhibit 2 – Non-Residential Land Supply and Estimated Building Square Footage, Stanwood & Urban Growth Area

	Existing City		Urban Growth Area		Totals	
	Commercial/Industrial Buildable Acres	Estimated SF Capacity	Commercial/Industrial Buildable Acres	Estimated SF Capacity	Commercial/Industrial Buildable Acres	Estimated SF Capacity
Pending	22.7	509,804	0	-	22.7	509,804
Commercial	5.7	72,384	0	-	5.7	72,384
Industrial	17.0	437,421	0	-	17.0	437,421
Vacant	33.0	668,690	13.8	345,000	46.8	1,013,689
Commercial	13.7	173,443	0.7	9,095	14.5	182,538
Industrial	19.3	495,247	13.1	335,904	32.3	831,151
Partially Used	35.9	557,259	21.7	535,104	57.6	1,092,363
Commercial	28.0	353,455	1.7	21,096	29.7	374,551
Industrial	7.9	203,804	20.0	514,008	27.9	717,812
Redevelopable	38.4	509,800	34.2	878,954	72.6	1,388,754
Commercial	36.4	460,198	0	-	36.4	460,198
Industrial	1.9	49,602	34.2	878,954	36.1	928,555
Totals	130.0	2,245,553	69.7	1,759,057	199.7	4,004,610
Commercial	83.9	1,059,479	2.4	30,191	86.3	1,089,671
Industrial	46.2	1,186,073	67.3	1,728,866	113.4	2,914,939

Source: 2007 Buildable Lands Report for Snohomish County, October 2007.

Note: Buildable acres are taken from the 2007 Buildable Lands Report for Snohomish County; estimated building square footages are estimated using observed floor area ratios (FAR) cited in the Buildable Lands Report for the City of Stanwood. The FAR used are conservative as they are based on currently observed conditions. General Commercial FAR is 0.29. Light Industrial FAR is 0.59.

- The 2007 Buildable Lands Report estimates that the City of Stanwood has the capacity to add approximately 2.2 M square feet of non-residential building space within the City under its current zoning policies, made up of approximately 1.1 M square feet of commercial space (a combination of retail and office space) and 1.2 M square feet of industrial space.
- There is an additional capacity of 1.8 M square feet in the unincorporated portions of the City’s UGA, bringing the City’s total to approximately 4.0 M square feet available for projected growth to 2025.
- Within the existing city, there is a relatively equal amount of capacity across Vacant, Partially Used, and Redevelopable lands; while most of the capacity in the unincorporated UGA is in the Redevelopable category.

LONG-TERM RETAIL SPACE PROJECTIONS

The Snohomish County buildable lands report combines retail and office uses under the commercial category, and does not split out retail capacity specifically. This section details Berk & Associates projections of the amount of retail space that will be demanded by population growth through 2030. These projections will allow for a more detailed assessment of the City's commercial land supply and assist in the economic development planning process.

In the long run, retail development in a given market is driven by three key factors:

1. **Increases in spending** within the area's existing market area—which in turn is driven by increases in population and/or household income;
2. **Increases in penetration** of the existing market (i.e. capturing a larger share of local spending); and/or
3. **Expansion of market area** by attracting shoppers from areas that have historically fallen outside a node's retail trade area.

The following section discusses the potential implications that these three drivers of growth will have for long-term retail space demands in Stanwood.

Increases in Spending: Population Growth and Demographic Trends

Stanwood has been growing at a faster pace in recent years than the rest of the region. It has seen a moderate boom in housing and population growth and has added a higher income population. In terms of market penetration, the City has relatively strong capture of local retail spending in most categories – specifically in convenience oriented retail. The City faces challenges in trying to maintain its current capture and to add destination-retail due to competition from other offerings in Marysville, Mount Vernon, Arlington, and Everett. In terms of market area expansion, the City is anchored by two grocery driven neighborhood retail centers located on the west and east sides of the City. The City already draws from a large trade area given its fortunate location, capturing spending from residents living on Camano Island.



In addition to the City of Stanwood itself, a larger geographic area covering the City, Camano Island, and areas north and south of the City define its market area. This larger area, shown in the map, illustrates Stanwood's location and functional status as a both a gateway and commercial center to close-in communities.

The area roughly approximates the Stanwood School District boundary. The market area contains a primary and secondary market area. Generally, the primary market is defined as those living in closer proximity to Stanwood's retail centers and will feel a greater "pull" towards Stanwood's retail centers than those living in the secondary market areas. Population and income growth within these trade areas will drive a significant amount of future retail demand in Stanwood. It is important to note that destination retailers in Mount Vernon, Arlington, Marysville, and Everett will also draw customers from inside Stanwood's market area. This secondary market area will feel this draw to a greater degree than those living in the primary area.

**Exhibit 3
Population Growth in Trade Area, 2007-2030**

Population	2007	2030	Growth 2007-2030	Projected Growth Rate 2007-2030
Primary Trade Area	18,200	29,400	11,200	2.11%
Secondary Trade Area	15,700	22,800	7,100	1.64%
Total Trade Area	33,900	52,200	18,300	1.89%
Snohomish County	686,300	966,900	280,600	1.50%

Source: PSRC; OFM, 2007

- Between 2000 and 2007, the Stanwood grew at an annual rate of 4.1%. In 2007, the Office of Financial Management (OFM) estimates that the market trade area had approximately 34,000 people living in it. This area grew at an annual rate of 1.7% between 2000 and 2007.
- Between 2007 and 2030, the Puget Sound Regional Council (PSRC) is projecting that the pace of growth will slow to historic and regional averages in Stanwood’s market area. The City, its UGA, and surrounding communities are expected to grow by 18,300 people by 2030, a 1.9% annual average growth rate – similar to the overall Snohomish County growth rate (1.5%).

The spending power of local residents has grown significantly in the past seven years. The most significant shift is in the share of households with incomes more than \$75,000, increasing from 14% in 2000 to 24% in 2007. This trend in household incomes is likely driven by the increase in Snohomish County employment and the influx of commuters working in King County seeking more affordable, suburban housing options. This household income trend increases the spending power of the local residential base.

Projections of Demand for Retail Space

Demand for retail space in a particular area is driven by increases in population and household income. The spending power of a trade area’s population can be converted into estimates of retail square footage using assumptions about the average spending per capita in various retail categories and the average sales per square foot generated at typical retailers in those same categories.

For example, if a trade area comprised 1,000 persons who spent on average \$2,000 per person per year on groceries, and grocery stores in the area average \$400 of sales per square foot, one could calculate the square footage of grocery store space supported by these residents to be 5,000 SF. Exhibit 4 shows a detailed representation of this sample calculation for demand generated by population growth in the Stanwood retail trade area.

Exhibit 4

Estimates of Retail Space Demand from Primary Trade Area Population, 2007-2030

How many people will move into the Stanwood Market Area in the next 24 years?

1 Population in 2007 (within Trade Area)	33,900
2 Annual average population growth rate 2007-2030	1.89%
3 Estimated population in 2030	52,200
4 Estimated population growth between 2006 and 2030	18,300 persons

How much new retail space will these new residents support?

	All Retail
5 Income adjusted retail revenue (GBI) per capita, 2006 <i>(The average amount each resident in the trade area spends annually)</i>	\$16,760
6 Estimated increase in retail revenue due to population growth <i>(Line item 4 multiplied by line item 5)</i>	\$306.7 M
7 Dollars per s.f. of retail space <i>(Assumption based on regional averages)</i>	\$320
8 Total increase in retail space demand (s.f.) <i>(Line item 6 divided by line item 7)</i>	960,000

Source: Berk & Associates, 2008

Note: Some totals may not add up exactly due to rounding. GBI is Gross Business Income.

- 18,300 persons are expected to move into the trade area by 2030, generating enough spending power to support about 960,000 SF of additional retail and restaurant space.
- It is important to note that Exhibit 4 is estimating the entire pool of retail demand in the trade area. ***Retailers and restaurants in Stanwood can only expect to capture a portion of this new demand since much of the spending will be captured by the regional retail competition in northwest Snohomish County.*** This issue is explored in the next section.

Potential Retail Market Capture

Typically, increases in retail market penetration or capture are driven by the emergence of compelling retail centers that are large enough to attract nearby consumers, creating spillover effects for other retailers. The resulting retail energy competes with other retailers in the area. On the flip side, if these compelling retail centers emerge in competing jurisdictions, market penetration and capture will be reduced.

Based on the most recent taxable retail sales (TRS) data collected for Stanwood, Arlington, Mount Vernon, Marysville, and La Conner, Stanwood currently captures about 6% of the all retail expenditures in the regional market area with wide variations among different retail categories. Using these capture rates as a baseline, three possible scenarios of future retail capture by Stanwood businesses were developed. The Baseline Capture Scenario assumes the Stanwood market captures most of the spending in the primary market area and the secondary market has a similar capture rate as the regional market. The Low Capture Scenario assumes that Stanwood loses market share for all retail to growing retail nodes in the region. The High Capture Scenario assumes that Stanwood increases capture its capture retail spending in all categories. These three scenarios provide a range of estimates for future demand in Stanwood.

**Exhibit 5
Sensitivity Analysis of Retail Space Estimates**

Baseline Capture Scenario	Convenience Retail	All Retail
Demand for Select Retail and Services From Population Growth 2007-2030 (SF)	93,000	303,000
Low Capture Scenario	Convenience Retail	All Retail
Demand for Select Retail and Services From Population Growth 2007-2030 (SF)	79,000	258,000
High Capture Scenario	Convenience Retail	All Retail
Demand for Select Retail and Services From Population Growth 2007-2030 (SF)	107,000	349,000

Source: Berk & Associates, 2008

- Stanwood can expect to see roughly 300,000 – 350,000 SF of new retail development by 2030 (23 year time frame) based on population growth in the trade area alone. To put this in context, this is the equivalent of about 10-15 additional restaurants (@ 1,500 to 3,000 SF each), one additional grocery store (@ 25,000 to 40,000 SF), possibly an additional drugstore (@ 10,000-15,000 SF), several additional specialty retailers, and a few additional anchor retailers.
- This analysis does not include additional demand from outside the trade area. If Stanwood were to attract destination retailers such as a Costco or Home Depot, the capture of demand outside the trade area could be significant. This may be unlikely given both the location decisions of such retailers and the historical opposition by many Stanwood residents to keep such establishments out of the community.
- Another factor that should be considered is recapture of existing leakage. If Stanwood successfully increases the attractiveness and diversity of its retail offerings, it could recapture some of the leakage it is currently experiencing in certain categories such as auto parts, apparel, books/music, and general merchandise (see Person-Expenditures exhibits in the Economic and Demographic Profile). Again, this may be unlikely given the regional nature of these kinds of retailers and their preference for locations that allow them to serve a larger market area, such as the growing retail nodes along the I-5 corridor.

LONG-TERM OFFICE AND INDUSTRIAL SPACE PROJECTIONS

The Snohomish County buildable lands report groups all retail and office land under the commercial category, and does not split out office capacity specifically. This section details Berk & Associates projections of the amount of office space that will be demanded by employment growth out to 2030. In addition, projections of the amount of industrial space that will be demanded by employment growth are estimated.

For this analysis, projections of office and industrial employment are used to estimate a range of office and industrial space that would be needed by the respective industries. The employment estimates used to drive this analysis do not include retail employment, making this projection separate from the above retail analysis. The Puget Sound Regional Council recently released updated Small Area Forecasts of Population and Employment for the region. These employment forecasts are used to estimate the long range demand for office and industrial space that can be expected in Stanwood and the areas around the city.

For this analysis, employment projections in Forecast Analysis Zone (FAZ) 8935 (Stanwood) and FAZ 8936 (Lakewood/Warm Beach) are used to estimate the potential cumulative employment base that would drive demand for office and industrial building space in the Stanwood area. FAZs comprise one or more Census tracts.

Exhibit 6 shows the estimated employment growth in four industry category groups that would demand office and industrial building space. The assumptions used to allocate these jobs to office or industrial are based on approximate regional observations. It is important to note these assumptions are subject to wide variations across industry groups and are used here for long-range planning purposes.

The industry groups are:

- **FIRES: Finance, Insurance, Real Estate, and Services.** The number of jobs in Standard Industrial Code (SIC) 07, 60 - 67, 70, 72 - 74, 75 - 76, 78 - 81, 83 - 84, 86, 89.
- **MANU: Manufacturing.** The number of jobs in SIC 19 – 39.
- **WTCU: Warehousing, Transportation, Communications, Utilities.** The number of jobs in wholesale trade, transportation services, communication, and utilities, SIC 40 - 42, 44 - 51.
- **GOVED: Government/Education.** The number of jobs in SIC 43, 82, 92 - 97, and government enterprises.

Exhibit 6 – Estimates of Office and Industrial Jobs, 2007-2030

	Employment				Total
	MANU	WTCU	FIRES	GOVED	
Estimated Employment in 2007	530	170	1,290	1,470	3,460
Estimated Employment in 2030	730	510	1,850	2,310	5,400
Employment Growth 2007-2030	200	340	560	840	1,940
Assumptions for Office Space					
Demanding Jobs	10%	20%	90%	90%	69%
Assumptions for Industrial Space					
Demanding Jobs	90%	80%	10%	10%	31%
Estimated Office Jobs (2007-30)	20	68	504	756	1,348
Estimated Industrial Jobs (2007-30)	180	272	56	84	592

Source: PSRC, 2007; Berk & Associates, 2008

- Between 2007 and 2030, 1,940 jobs are expected to move or be created in the area.
- Applying the allocation assumptions for office and industrial job approximates this total is comprised of approximately 1,350 office jobs and 590 industrial jobs.

- The majority of growth is driven by the FIRES employment category.

Projections of Demand for Office Space

Exhibit 7 shows the estimated office space demanded by growth in employment.

Exhibit 7 – Estimates of Office Space Demand from Employment Growth, 2006-2030

	Potential Office Employment and Space				Total
	MANU	WTCU	FIRES	GOVED	
Estimated Office Jobs (2007-30)	20	68	504	756	1,348
Assumptions for Building SF per Job					
Low	250	250	250	250	
High	500	500	500	500	
Estimated Demand for Office Space					
Low Building SF (2007-2030)	5,000	17,000	126,000	189,000	337,000
High Building SF (2007-2030)	10,000	34,000	252,000	378,000	674,000

Source: PSRC, 2007; Berk & Associates, 2008

- Between 2007 and 2030, 1,348 office space using jobs are expected to move or be created in the area.
- It is estimated that employment growth in the area will generate between approximately 335,000 and 675,000 square feet of office space demand.
- The majority of demand is in the GOVED and FIRES employment sectors.

Projections of Demand for Industrial Space

Exhibit 8 shows the estimated industrial space demanded by growth in employment.

Exhibit 8 – Estimates of Office Space Demand from Employment Growth, 2006-2030

	Potential Industrial Employment and Space				Total
	MANU	WTCU	FIRES	GOVED	
Estimated Industrial Jobs (2007-30)	180	272	56	84	592
Assumptions for Building SF per Job					
Low	450	700	500	500	
High	650	900	700	700	
Estimated Demand for Industrial Space					
Low Building SF (2007-2030)	81,000	190,400	28,000	42,000	341,400
High Building SF (2007-2030)	117,000	244,800	39,200	58,800	459,800

Source: PSRC, 2007; Berk & Associates, 2008

- Between 2007 and 2030, approximately 590 industrial space using jobs are expected to move or be created in the area.

- It is estimated that employment growth in the area will generate between approximately 340,000 and 460,000 square feet of industrial space demand.
- The majority of demand is in the WTCU and MANU employment sectors.

Potential Market Capture

By 2030, approximately 335,000 and 675,000 square feet of office space and 340,000 and 460,000 square feet of industrial space will be needed due to employment growth in the northwest Snohomish County area. It is important to note that there is no guarantee that this demand for office and industrial space will locate in Stanwood since the location decision of business firms are complex and are dictated by both the form and function of their production inputs in addition to the physical suitability of the site.

COMPARISON BETWEEN AVAILABLE COMMERCIAL/INDUSTRIAL LAND AND PROJECTED DEMAND

After assessing buildable land supply and estimated demand for space within the 20-year planning horizon, the amount of land (in building square footage) needed to accommodate future retail and employment growth is calculated by using a series of assumptions about the space requirements for various job types and probable density of commercial and industrial development.

Exhibit 9 shows the land available in Stanwood and its UGA compared to the land needed to accommodate 20 years of commercial and employment growth.

**Exhibit 9
Land Available and Projected Demand for Land, Stanwood & UGA**

Commercial Use	Estimated Demand		Industrial Use	Estimated Demand	
	Low	High		Low	High
Retail Space (SF)	258,000	349,000			
Office Space (SF)	337,000	674,000	Industrial Space (SF)	341,400	459,800
Total	595,000	1,023,000	Total	341,400	459,800

	Estimated Supply			Estimated Supply	
	City	With UGA		City	With UGA
Commercial Space (SF)	1,059,479	1,089,671	Industrial Space (SF)	1,186,073	2,914,939

Source: 2007 Buildable Lands Report for Snohomish County, October 2007.

- Overall there are about 130 acres of commercial and industrial lands within the existing City limits available to accommodate future commercial and employment growth, equating to approximately 1.1 M SF of building space (these figures do not include parking).
- Projected commercial job growth (retail and office uses) is only expected to require between 600,000 and 1.0 M SF of building space, leaving an excess of land under current zoning and building intensity assumptions.
- Projected industrial job growth is only expected to require between 600,000 and 1.0 M SF of building space, leaving an excess of land under current zoning and building intensity assumptions.
- Most of the City's excess capacity in buildable lands is in industrially-zoned land. Commercial or mixed-use land has a much smaller portion of excess capacity.

Buildable Lands and Economic Development

There is a large degree of uncertainty in buildable lands analysis due to assumptions about market factors, critical areas, employment density ratios, site quality, and population and employment growth projections. Keeping this uncertainty in mind, it appears that Stanwood's available land supply is sufficient for the time being. It will be important to reassess buildable land supply, particularly in more scarce commercial or mixed-use areas, in the next round of buildable lands analysis in 2012.

In an economic development context, it is important to distinguish between the aggregate capacity available and the individual land needs of commercial and industrial firms. Stated another way, there is no degree of certainty that the available land supply meets the specific needs of a single business – this is particularly poignant in the case of a business that Stanwood residents would like to locate in the City. While the buildable lands analysis concludes that there is adequate capacity within the UGA, a strong economic development strategy recognizes the complexity of land development and business location decisions with an eye on recognizing the opportunities to promote development that is in line with a community's vision for the future.

APPENDIX F STAKEHOLDER INTERVIEW SUMMARIES

INTRODUCTION

This document summarizes the results of phone interviews with 16 individual stakeholders. Interviews were conducted in March and April of 2008.

The document is organized by question, and within some questions by theme. Each bulleted point represents a quote or paraphrase from a single stakeholder. The interviews were conducted as a conversation, with the questions serving as a guide.

It is important to note that this outreach process is not a scientific or comprehensive survey of stakeholders, and should be taken as one piece of input to be considered with others.

CONTENTS

What is your vision for Stanwood: what do you hope it is like 20 years from now?	F-3
What are Stanwood's greatest strengths and assets?	F-4
What are Stanwood's greatest challenges?	F-4
What are Stanwood's greatest opportunities?.....	F-6
What supports exist within the City to strengthen entrepreneurship and foster the success of new and existing businesses?	F-7
What retail sectors should the City focus on strengthening or expanding?	F-7
What employment sectors would create additional well-paying jobs in Stanwood?	F-8
What is your vision for downtown Stanwood?	F-9
How can the City best take advantage of its setting in a beautiful natural environment, including neighboring agricultural lands?	F-10
How can the City best capitalize on its tourism potential?	F-11
How would you describe the business environment in the City, considering such factors as permitting, regulations, fees, and other City policies and practices?	F-13
What are the top two or three actions you would like to see the City take to support economic development?	F-13
How could Stanwood be a better partner?	F-15

INTERVIEWS CONDUCTED

Business Community

1. Jeff Hindman, Pacific Centerfuge
2. Steve Jones, Vice President, First Washington Corporation
3. Tristen Klesick, Klesick Family Farms
4. Dave Lipscomb, President, Rotary
5. Carrie Richardson, Developer
6. Bob Sandoz, Windermere Real Estate
7. Pearl Schaar, Pelletier & Schaar Architecture
8. Keith Yarter, President, Stanwood Chamber of Commerce

Area Non-Profits

9. Dave Eldridge, Stanwood Area Historical Society
10. Theresa, Metzger, Stanwood-Camano Area Foundation

City of Stanwood

11. Mayor Dianne White
12. Linda Utgard, Planning Commission Chair

Partners

13. Joy Munkers, Director of Planning, Community Transit
14. Steve Pottle, Manager, Snohomish County Economic Development Program
15. Jean Shumate, Superintendent and Gary Platt, Executive Director of Business and Operations, Stanwood-Camano School District
16. Patsy Martin, Executive Director, Port of Skagit

INTERVIEW RESPONSES

What is your vision for Stanwood: what do you hope it is like 20 years from now?

The Need for a Clear Vision Building on Existing Strengths

- My advice to the City is to choose what they want to be and what their assets are and then figure out how to take best advantage of them.
- Do Stanwood residents have a clear vision for the future? Do they want to implement a theme? The City could transition quickly to a strip-mall city as Burlington did. Do they want 7-Elevens and cash advance stores?
- Every small town in Snohomish County believes they can attract family wage jobs through some sort of new employer. You want to go out and attract business to fill a niche – for example, if Stanwood believes it could appeal to small software companies to locate their headquarters in Stanwood, they should pursue it. Or they might want to be artsy, for example, going after individuals that do glass. Or maybe they want to become a Granville Island with shops, small manufacturers (such as trendy furniture), with arts and a farmers market, complimented by some nice condominiums.
- We need to assess what we *can* do – strengthen the things that remain. We should work with the foundation we've got, even if it's in rubble.

Grow, but Maintain Stanwood's Charm

- I hope Stanwood continues to look like it does now – if anything spiffed up a little bit. I'd like to see a spur to do some clean-up and improvement in how both residential and commercial areas look.
- Growth in itself isn't bad, but I hope we keep the identity that we have. Having design standards that encourage people to blend new buildings in commercial areas with historic buildings is important, not allowing them to go in a completely new direction.
- What we have heard for many years is support for a small town flavor, which is hard to do when you have growth. It may be hard to retain that feeling but we have to go with the growth: what we need is more economic development in the community, more businesses to sustain us. Stanwood has become a bedroom community, and we need to get new businesses in.
- We need more types of housing. Right now we're predominantly single-family housing, and we need more of a variety in housing types.
- Which way should the city expand: north or east? I don't think we want to go all the way east to the freeway, if only because of traffic concerns. If we go north to 300th, you've created a fourth business district, and I think we should infill downtown first. I'm torn and I don't know which way is the best.
- Historic preservation of the older buildings is critical, retaining that flavor and architecture.
- A sense of history is important so you can have pride in your community. With that pride comes people who will stay here and shop here, and the enhanced sense of place will allow us to capture more Camano traffic or other tourists.

What are Stanwood's greatest strengths and assets?

Our People and a Small Town Feel

- We have great businesses and community-minded people – more than I've seen in other communities. If there are needs like coaching kids or helping the food bank, the Chamber steps up, right along with the Kiwanis and Rotary.
- People here give a damn!
- Our people are our greatest strength. We have a giving and caring community. That is what we've tried to preserve with our small town flavor and people are generous.
- The arts community is pretty fun, as is the Snow Goose Festival, the fair, and the car show. There are lots of neat things about Stanwood, even though it's getting more urban. It's still a pretty neat small town.
- Stanwood has the charm of a farming community.

Location and Available Land

- Stanwood has so much land out of the floodplain which is a huge advantage. Most of the cities up here can't find land for industrial development and for Stanwood to have so much is a major strength. Stanwood is right on the I-5 corridor as well, making them that much closer to Seattle and the urbanizing areas.

City Government

- One of the best things the City has going for it is the Building Official, Tim Nordtvedt. He'll tell you: you can't do this, can't do that, but you can do this. He's very helpful and very positive.
- Mayor White has made every effort to be in the loop with business needs; she knows that's the life blood of this area. When we've spoken to her on specific issues, she has been very open and in some cases very immediate in her response, taking issues to her staff or to council.

What are Stanwood's greatest challenges?

- People view Stanwood as a dying town – that's the view of people who live on the island. People plan their shopping trips to Mount Vernon and elsewhere.
- Stanwood is a conglomeration of older development, and it's even more disjointed now with upper Stanwood and lower Stanwood. But that's the layout – the monster's already been built – and the next thing to do is to figure out what we can do that will enhance people stopping rather than being frustrated by having to go from one point to another: from this point on, what's the smartest way to design to make this a more connected community?

Traffic Infrastructure

- A big challenge is to maintain the infrastructure, particularly roads in and out of the community, as well as within the community.
- With bumper-to-bumper traffic today, the community won't support employment growth if the City isn't seen as addressing the traffic issue aggressively.

- Many people work at the Everett plant – we need to make it more convenient for people to get there.
- They should start by stopping the bleeding – people are leaving because they can't get work locally. Start by not losing people, helping them get to the Boeing plant in Everett for example, and then focus on generating more local employment – or maybe need to do both at the same time.
- Some sort of mass transportation system is needed that provides a faster connection to Seattle though you don't want to encourage people to go to jobs outside the area.

City Leadership

- The City has grown, but our leadership hasn't changed. We're no longer a small town; Stanwood has some big time issues that require leadership, knowledge, and expertise. It was a wise move to hire [Public Works Director] Andy Bullington. They need to hire people with more experience, from larger cities.
- Stanwood won't prosper as a bedroom community; they need to think of it as a hub. This will irritate some, but it has a key role to play. This is what happens to cities as they evolve – it happened to Seattle, Everett, even New York.
- One big roadblock is that across the bridge you have a whole other government – Island County.

Demographics and Quality of Life

- One of the lynch pins in our quality of life is our school district. It used have an excellent reputation, but no longer does. The district administration has not developed a good relationship with the community; they only come to us when they want money. The fact that they no longer have a good reputation affects our economic development because people take the education system into account when deciding where to live and work.
- We're not seeing new families moving in with school-age children – in fact we're having people leave because there's no local employment and the cost of gas is increasing. People can't afford to live here.
- It would be nice to attract white collar families – middle and upper class families. It matters because your population affects schools and neighborhoods.

Older Buildings

- Take a look at some of our older buildings: we have some vacant buildings that need to be used, like the Thrifty Foods building and the Viking Village.
- Older buildings are by nature harder to work with. You may have to stabilize them and make modifications to make them suitable to modern tenants. You might also run into lead paint, which can cost considerably. Plus it's just more complicated to build in the floodplain because you need architectural leadership and engineering – often these are costs that developers would rather not deal with. Older lots that were platted in 1800s are only 30 feet wide so it creates challenges for parking. The building floors are small as well, and many people don't like to walk upstairs. All this means you need more creativity – the City could really provide leadership in this area.

- There's lots of beautiful land waiting to be developed, some of which is surely held up by the impact fees the City would charge. They need to evaluate fees from a developer's perspective and assess what is more important: maybe getting the fee or the community benefit the redevelopment of an old building would provide to the community.
- There is a clash of codes including city and federal regulations. It can be confusing. Architects want to deal with a fresh lot, not a preexisting structure; they encourage people to knock down buildings.

What are Stanwood's greatest opportunities?

Downtown

- Stanwood needs a core – a centralized downtown. While it's not ideal because of the floodplain, we're not going to change that.

Amtrak Station

- The land to the north of the proposed platform is zoned commercial and with the development of the intermodal station it will attract coffee shops, dry cleaners, and other services.
- The station will help revitalize the east end of downtown and help create a core. Ancillary businesses will benefit. Haggen now commuters us park in their lot because they know we'll shop there.
- With the platform, more people will see Stanwood as an alternative. Driving is intimidating and the bus is not perfect – small seats, no bathroom. The train will provide a more predictable schedule – it won't be dependent on everyone doing everything right on I-5.

The River

- Twin City Foods won't be here forever, but they don't know what to do with the land. They need a developer to come in and propose a solution for a hotel or a restaurant. It would transform the City by opening it up to the river.

Tourism

- [see page 11]

Transit

- Transit can have a strong role in economic development, but it is different on a smaller scale like in Stanwood. Usually economic development related to transit is about bringing employees in or, for a high density residential population, bringing them out. In the context of Stanwood, transit is more about quality of life as opposed to a major economic driver given location and community size. The City is not a major destination node for employment.
- The transit market in Stanwood is some commuter service to Boeing and downtown Seattle – it's good commuter service. Beyond that it is largely local community connections through Warm Beach to Smokey Point. Smokey Point is a major transit hub; from there you can connect to most parts of Snohomish County and other commuter routes.

What supports exist within the City to strengthen entrepreneurship and foster the success of new and existing businesses?

- We should focus on a mix of both increasing our market area capture and bringing in tourists who will shop at local stores.
- There are lots of possibilities for cross-pollination among business owners; there is a lot of expertise in town that we could tap into with a business mentorship program. For example, people may not understand what business plans are – how to measure cash flow, how to make projections, etc. Local banks have indicated they may be willing to offer business planning training. Plus you could bring in outside trainers.
- I'm a sentimentalist and I love old towns, but if I can't get what I want, or if I can get it but get a bunch of attitude, I'll go somewhere else. Some trainings about customer service and carrying the right products could be very helpful.
- It's about focusing on the attractiveness and variety of shops. We should do outreach to businesses and encourage them to carry a wider variety of goods, including kites, toys, etc. The cooking store on the island does well and while we have a lot of second hand shops and antique shops, I look at La Conner and see the same sort of mix, but they also have a toy store, a kite store. We should encourage more specialty stores.
- There has always been a group of supporters involved with the Chamber of Commerce, but lots of smaller businesses don't participate. They can't always leave their business to go to a noon luncheon.
- The level of organization among downtown businesses is getting better. The bookstore is a driver, and Kristine Kauffman has really reached out to neighboring businesses, encouraging mutual landscaping. In general they are working more together than they have been. Business has been good, and it's easier to work together when business is good.

What retail sectors should the City focus on strengthening or expanding?

Grocery, Retail Stores, and Restaurants

- QFC is good, but a Fred Meyer would have been better because they carry more daily goods.
- QFC has stepped up because Mayor Diane White asked them to carry more general merchandise.
- We don't have a major clothing store.
- We have plenty of grocery options, but no clothing stores.
- A clothing store or low-cost grocery options would attract people to our community.
- We need a variety store and an entertainment venue.
- How about a big thrift store: a Goodwill, Salvation Army, or canned food outlet in back of the Country Store?
- We are a gateway to a beautiful island. We have lots of waterways, which causes flooding, but also is an asset. For example, I could see restaurants locating here.

Big Box

- Discussion may be best around the long-term, reserving the option for big box in the future. The community had the discussion recently about Wal-Mart – do we really want to re-open it?
- We haven't been able to attract a commercial tenant that brings tax revenues. However, that is partly our fault because, as a community, we turned away Wal-Mart.
- I would oppose a big box outfit of any kind – I don't care if it's Wal-Mart or any of the other big box stores; we're a community of just over 3,000 people so we'd be drawing people from all over and the infrastructure would be very challenged to support that.
- If there weren't a Wal-Mart nearby it would be a different story; but there's one not too far away so it doesn't make sense to bring that kind of disruptive business in.
- I'm not so convinced we need a big box store – maybe we ought to look at Stanwood as a residential community with some manufacturing.

What employment sectors would create additional well-paying jobs in Stanwood?

- Retail is great, but we need jobs. People shop where they work.

Skills and Specialties

- The construction trade is slowing down and boat builders are hurting at the moment, but generally struggle to find employees. They need skilled laborers who can do finished woodwork; pipe fitters; electricians; welders; and glass workers. A recent cluster study found a lot of call in this region for that and it's definitely something Stanwood could tap into.
- We should target specialty people including real estate firms or companies like Pelletier + Schaar. They're based here, but serve a much larger area.

Manufacturing

- Our best bet to build employment is to build off of what we have. We have a machine shop that builds molds for Boeing turbines and the Skagit Valley College has an excellent apprenticeship program for many trades.
- We already have some very good businesses. Think about Carlson Trucking – milk haulers – or Wesweld. He does work all over the world and just built a big welding shop behind the bowling alley.
- Stanwood should start courting more industry, including high tech, like Index Sensors, or manufacturing like Wesweld. The City treated Wesweld extremely poorly, making it hard for them to build their new space.
- There is an opportunity for growth if they want to attract businesses. We have retail businesses but people can't afford to live here. There is developable land, so they need to have a vision and to make it easier for businesses to come here. In the past, the focus has been on attracting retail which ends up competing with existing businesses. It's now time to focus on manufacturing, especially those that are seen as community-friendly and support the economy. We have a lot of white collar workers who commute out of here every day and when they work out of town they also shop out of town.

Economic Development Action Plan Technical Appendix: Stakeholder Interview Summary

- I would look at things dependent on truck traffic: businesses that have to go up and down I-5. Having to go through an urban area is just too much congestion for them.
- We're constantly seeing people wanting to relocate from busy, traffic congested areas. I would have to think Stanwood would be an attractive option if they choose to gear up. They would have to provide the infrastructure to make it happen.

Land

- The Planning Commission put in height and square foot restrictions [on Light Industrial land], which have handicapped us. We may need to rethink it.
- The community has a need for light industrially zoned land, thinking about things like clean manufacturing in a light industrial park.
- I've looked for warehouse space for my business and there is virtually none available for rent. It would be great if the City would develop a zone for light industrial – there is a need for that. They should have a port mentality, developing it and leasing it out. We need something more attractive: a Smokey Point type of urban/commercial center.
- It's pretty expensive to build in the industrial park towards old the part of town behind the bus barn, because of the floodplain. Does the city have another site for business development?
- We've heard people have had a tough time finding additional industrial land. There is a certain amount of Light Industrial-designated area and we could work with such uses on the fringes of commercial areas. We could act to communicate this flexibility in zoning.
- One would hope a developer would participate in the costs to extend infrastructure out to that area [the Light Industrial land in the City's eastern UGA]. One would hope they would pay their own way, but hopefully this study can provide an analysis of how much the City can give: how much the City can pay for infrastructure and still make it worthwhile?

Green Businesses

- The City could provide some additional support of the digester project.
- I don't know of a lot of green businesses in the area, but there are lots developing across the United States.

What is your vision for downtown Stanwood?

- We don't want a theme.
- Heritage Park should play a role in redeveloping downtown: money needs to go in to support it.
- Downtown needs another anchor store and there is some space east of QFC that could be developed.
- It doesn't have to be all small shops for tourists: we have some commercial space that needs to be developed.

A More Cohesive Downtown

- I support a more cohesive and beautified downtown as was recommended by Design Stanwood.
- The divide between the eastern and western portions of downtown is a traditional problem. QFC has helped a lot, but the goal is still to fill the gap between east and west Stanwood.

Downtown Appearances – and Viking Village

- Some of the stores' window displays are not that inviting. Some look like second hand stores, without much visual appeal. Others like the art shop, or the antique and book stores do well.
- They should improve the façades in East Stanwood – it has the basics, but needs to be improved.
- In general, downtown needs to be cleaned up. Empty storefronts look bad and Viking Village looks like a dump. It's hard to attract people to town when there is such a prominent eyesore. The old Thrifty Foods store has been sitting empty forever as well. We've made great strides in terms of cleanup, but need to continue with that effort.
- Even though the architecture of Viking Village is quite unique – it's shaped like a prow of a ship and even had a figurehead at one point – the determination needs to be made whether it should be preserved or redeveloped. The property is worth a lot because it borders 532.

How can the City best take advantage of its setting in a beautiful natural environment, including neighboring agricultural lands?

Farming Supply Businesses

- The farm store is not designed for a farm community, but more caters to urban community with pet food, chicken food, and farming clothing – it's a good lawn and garden store.
- Mount Vernon is the main shopping center for farmers in terms of bigger equipment. Or one salesman can come from Mount Vernon and service everyone because it's just 30-45 minutes away. There's not enough demand for a local provider because there's only about 20 farmers here.

Processing Businesses

- Agriculture doesn't pay taxes because their goods aren't taxed – there's no revenue generation compared to a Costco. It might create jobs, but I'm not sure if a community would want a food processor like Twin City Foods to stay because of the drain they have on the water supply. Agricultural uses in general are a big drain on future water resources.
- It might be possible to get commodity moving out of here once again. What about using rail to get locally grown peas or wheat to the port?

Agritourism

- The City was a good neighbor when we did the Harvest Jubilee.
- The City is a big helper in establishing agritourism. Mayor White and her folks embraced the Fall Festival and signed up to do it again.

- Snohomish has a big “agritainment” base but we don’t have that in our valley; our farmers are productive farmers.

Preservation of Surrounding Natural and Agricultural Lands

- As farms face more challenges to stay in businesses, they’ll sell and you’ll get more rooftops. If the valley gets built up, there will be less runoff storage and the floodwaters will rise up. It’s in the City’s best interests to preserve agricultural uses around them. Plus, it creates a beautiful Stanwood to the north and south.
- Agriculture needs a stable investment horizon with stable zoning because investments may take 10, 20, or even 30 years to pay out. As soon as we know the farmland around us will be protected by zoning and current uses, I can make that investment. The County needs to create a stable environment without too much mixed use. If the County would do that, they could court famers from California. The City should definitely work with the County to keep zoning in place, as well as encouraging TDR and PDR programs [Transfer of Development Rights and Purchase of Development Rights]. Stanwood has the most to gain of any of the Snohomish County cities from these kinds of programs.
- Resource lands help the bottom line; they require fewer City services and so are less of a drain.
- Stanwood would lose its ability to build out into the floodplain, but that’s ok because we shouldn’t be in the floodplain! They should encourage the County to hold the line on development in the floodplain. Don’t increase the City’s UGA: we need to encourage density and proximity.
- There is a lot of angst among City staff about TDR, largely because they haven’t been seen to work yet. In Arlington nothing has happened yet.
- The City should support a TDR program to preserve the farmland right around them. The local example – Arlington – isn’t working because it’s not a free market system. They needed to create a firmer line and not mess with the ratios.

How can the City best capitalize on its tourism potential?

The Importance of a Positive Impression

- We need to make our community more attractive with plantings and a nice environment.
- We have some of the physical structure, but the layout needs to be an eye-popper; I think of Leavenworth. The east side of Stanwood could take on that look if they’re willing to invest. Some may be, but others are content to just let the rent come in without making investment. The train platform may help catalyze efforts in that part of town; it will take time. We need to promote the City on the platform itself with messages about what’s happening in Stanwood, developing people’s curiosity and creating a desire to return.
- How do we expose, showcase our town? Businesses need to improve their showcasing, inventory, and exterior look. We have to be a place to be remembered. If they go to the Snow Goose Festival, they have to leave with a positive impression and want to come back!
- You have to have something to draw them here. For those who are ecologically oriented we’re doing pretty well and have a number of drawing cards including the Snow Goose Festival and the August fair. It’s smart to have bus service in town: it reduces traffic and increases exposure to the community, including our bookstore and restaurants.

Opportunities

- We need to promote what we have more! The history of our community is a huge asset.
- If they've got huge challenges to develop the waterfront [because of environmental restrictions], they could put in a bird refuge and build up a bed and breakfast to overlook it.
- We have great beaches and wildlife: come to a place that's quiet.
- A marina might be possible, but it's very difficult to do any new development over water. They would have to develop a business plan that shows they can stomach the time it would take to build it. Over the long-term, it might be a good investment. There are more and more people wanting slips, especially bigger slips in the 70-80' range.
- We need to pull people off of I-5 and get them to come to Stanwood and Camano, thinking of them together. They complement each other and are physically connected.

Challenges

- There's no draw other than Camano, which is pretty weak in the winter.
- I just don't see people coming to Stanwood for itself. I suppose there's potential, but the downtown would have to change dramatically. We have a ton of bankers, real estate, and accountants while a town like La Conner has more variety, better restaurants, and places to stay. There isn't a destination restaurant here that attracts people here – they all cater to the local crowd. In order for Stanwood to attract people, the services need to be better than "good enough." They need to step it up a notch, clean up the place, do a better job serving people, and diversify their offerings.
- Look at what you see from the road: the Viking Village, which is now the dollar store; a car wash; QFC which might be a quick stop; fast food; real estate agents; and a burned out house!

Promotion

- With our concerts we bring in midsized acts from Seattle. We try to get word out there, but many people still didn't know what was happening.
- We need better promotion – the City or Chamber needs to have someone who helps to promote events.
- The first thing businesses want to do is marketing: how do we market our town effectively? Are we utilizing our investments well? We have ads in papers, but I wonder if what Ballard or other communities do is more effective – more targeted.

How would you describe the business environment in the City, considering such factors as permitting, regulations, fees, and other City policies and practices?

Positive Experiences with the City

- I'm happy with the City – I think they're very proactive. You often hear comments that they're too restrictive, but I've always found them to be a team player. The Mayor is proactive and takes a lot of civic pride in her city.
- I think the City works very well, though every city makes some faults.

Challenges Working with the City and City Staff

- The reputation is that City staff operate by the letter of the code and zoning, without being accommodating or flexible.
- It is very difficult to build a facility or office in Stanwood. There are obstructionist people at the City. We know people who moved to Arlington because it's easier for them to do what they want to there.
- I have had some difficulties with individuals who review plans and proposals.
- The City should be asking for input and providing information up front and being predictable. We just want clear answers.
- Among staff there is no consistency and bad customer service. I've heard comments from people like, "This is the last time I'm going to develop in Stanwood." It is really a systemic culture at City Hall that is not open to economic development: they need a plan to change it.

Recent Changes for the Better

- There have been recent improvements with Mayor Diane White and recent changes in staffing at City Hall. The new Public Works director is very open. It is more of a partnership and the City is committed to working together on things.
- There is still room for improvement in the permitting area. I had a recent permit process that took too long. It is usually much quicker.

What are the top two or three actions you would like to see the City take to support economic development?

Create a Welcoming Climate for Business

- The City should encourage business in any and all ways.
- We need to create a climate for business growth and various and sundry types of projects.
- Opening the channels of communication with the business community is important.
- The City should entice businesses by examining opportunities for different fee structures and permitting processes.
- Improve the permitting process!

- I'd like to see the City consider creating a traditional neighborhood zoning district that allows some neighborhood business in addition to residential uses in Stanwood's neighborhoods.

Identify Community Needs and Attract Appropriate Businesses

- I would like them to look at the holes that they have and target retailers in those areas.
- We're serving an ever-increasing Camano population; for them it's already a half hour to the City from the south end of the island. Because of fuel pressure in the future, we're going to need more convenient choices, maybe not cheaper choices.
- [See additional comments under retail and employment targets, above.]

Promote Stanwood

- I hope that out of this process comes some information in black and white to share with prospective businesses. Specifically what Stanwood has to offer and how much open land is available for development. This can be used to promote the City.

Tourism, Arts Related

- Having a plan that engages tourism is important.
- A lot happens in town through the arts associations. There is one gallery owner in town that puts on a lot of events. They get pretty good coverage. We should consider broader promotion, potentially an events calendar.

Access to Natural Resources

- Increase public access to the natural part of the community including the bay.

Encourage Downtown Development

- Make City Hall a center. You need those centers to anchor a community.
- The Odd Fellows Hall was supposed to be a center and it is to some degree, but it could be better. We have had a lot of tourists and local renters interested in it.

Encourage Historic Preservation and Strengthen Design Standards

- Set policies through the Planning Commission to encourage historic preservation. Through the State and County we have preservation of the old barns.
- Grants need to be available for historic preservation and the City could work on publicizing them.
- The City should reduce taxes for historic preservation. For example, if you invest in preservation efforts, your taxes could be lowered for a certain amount of time. We need to make it worthwhile for people to preserve what we have in this community.
- Design Stanwood had good ideas for ways to spruce things up and make things more inviting for the public. Our design standards need to ensure that new development is in line with existing buildings and the overall feel.

Implementation of the Economic Development Strategic Plan

- We need to build a plan and then implement based on the recommendations.
- They took everyone through Downtown Stanwood – people gave a lot, but there was little in terms of actual outcomes. I think they have one more opportunity. I don't want to participate in anything that is just an exercise!
- The final plan should have a mix of things, some maybe market-dependent and others should be within the direct control of the City. Livability is important, including highway improvements.

Reach out to and Cooperate with Partners

- In the planning phase, you need to continually loop back with Chamber and other stakeholder organizations, business leaders, and property owners are not part of that network. This frequent communication will help build enthusiasm and support for implementation.
- We have had great ideas in the past, but we don't get to the point of action because we haven't built support. We need to show people the potential return on their investment.
- You have to build the vision first and get people to buy off on it!
- The Chamber, a volunteer organization, could be more in the forefront to market us as a nice place for a business.
- Snohomish County Tomorrow is a great way to stay in touch on planning issues with local jurisdictions.
- A staff person or committee focused on Economic Development sounds very expensive to me. There is a very strong EDC in Snohomish County that helped bring Index Sensors to town. Rather than have Stanwood reinvent the wheel, I would rather we provide information and partner with the EDC and the Chamber.

How could Stanwood be a better partner?

- It is all a matter of relationships.
- The City isn't reaching out to the volunteer and non-profit community to support them. They need to identify all the groups that are trying to make a difference and support them and help make sure the efforts are coordinated.

Partnering with Community Transit

- Stanwood is in a unique situation with three transit agencies [Community Transit, Island Transit, Skagit Transit]. It would be very beneficial to invite all the planning groups together to have a meeting. For people in the Stanwood area, a lot of their interest crosses over into Island and Skagit Transit service areas.
- It is really important that City staff participate in long-range planning efforts. In many cities, staff don't get assigned to the project and so no one gets engaged. We are looking for feedback and involvement and we would really encourage them to really participate.
- Stanwood needs to coordinate employment and population density with public transportation corridors. We really do react to the vision of the communities we serve: we plan transit around city plans, visions, zoning, land use, residential and employment projections. We use the formal planning documents in developing our plans, so it is crucial that communities stick to what they have set out to do.

APPENDIX G COMMUNITY OPEN HOUSE SUMMARY

Community Open House – March 12, 2008

The following feedback was compiled from feedback forms received at and following the meeting, as well as comments recorded on Post-It Notes at several of the stations. Comments are mostly verbatim, with some effort made to clean up and group similar comments under themes.

Community Vision

What role would you like the City to play in Snohomish, Island, and Skagit three-county region? Think about commercial services, residential growth, and political leadership.

- We need a vision of who we are—what do we stand for? Culture, education, agriculture
- Role model/pace setter for a good combination of residential, business, parks/recreation (with linking bike and walking trails). Using river access and connecting to other communities.
- A strong part of the regional arts community
- Stanwood should become a transportation hub for the three county's surrounding it
- The City is in a unique location to be a leader for the three-county region, be it in transportation, political leadership, or community outreach to its citizens of all ages
- Connect the three counties with public transportation: buses and trains

What do you see as the greatest opportunities for the community of Stanwood?

Tourism, the river, and heritage

- Focus on our past as an opportunity to serve the future, get tourism in
- Heritage—could use Norwegian roots as artistic motto/murals/"dress-code" for businesses (like Leavenworth)
- Dredge and use river for tourist rides, kayaking, camping sites
- River access
- We should pursue farming, antiques (like Snohomish), a theme (like Leavenworth), the arts (like La Conner)
- Build a motel in Stanwood and develop a theme based on its Scandinavian heritage, farming, and birding opportunities in snowgeese, swan, raptors, and others
- Build on the City's agriculture and farms, farmer's market, and proximity to Camano
- Capitalize on the City's Scandinavian heritage with bakery, shops, etc.

Downtown and Commercial

- A niche of antique/boutique shops in lower Stanwood
- Beautification
- Plan for retail that is desirable and needed
- Attract clothing stores that fit our rural environment, not elegant stores that would not fit our needs
- Bed and Breakfasts
- Boutique shopping

What are the city's greatest challenges?

- Invest in what we have, don't build new
- Improving the City's tax base
- Getting people to shop and spend time in Stanwood—people are always passing through

Commercial and Employment

- Expensive leases for new business
- Few jobs for residents, thus more commuting required
- Lack of affordable grocery and apparel stores
- Older rundown shop/stores, City Hall, police station, library
- Bring in retail stores that serve the citizens with clothes, appliances, and household items that fit our rural small town lifestyle

Community

- Residents fighting change
- We need to bring segments of Stanwood together—unify our community
- Appearance that the community does not support families and youth—no community center, parks and recreation opportunities
- Integrate the widely diverse segments of the City into a cohesive unit

Physical Constraints

- No "linking" trails between parts of town
- Flood plain—use drainage to alleviate
- Funding, division of Uptown and Downtown, flood plain
- Limitation of 532 and the fact that it divides the community

What would you like the City to be like in the next 20 years?

- Viking Village—tear down and convert to City Center
- Get rid of eyesores like the Viking Village
- City Hall—Library, where Viking is now let old roof be shelter for farmers' market, bands, etc
- Civic center for gatherings, concerts, speakers, events, etc.
- Need a clothing store
- Keep "small" town atmosphere, keep mini-mansions out
- We do not need a Lakewood Crossing!

Economic Development Action Plan Technical Appendix: Community Open House Summary

- If there is a shopping center with big box stores, look at the Fred Meyer-Kohl's complex on Bickford Ave in Snohomish; it is designed so there is no visual blight and can't even be seen from road
- No strip mall—focus on country retail
- Pedestrian-oriented Downtown
- Wider, well-lit sidewalks with planters
- Tree-lined streets
- Brew pub
- A fun DESTINATION—outdoor recreation tourism destination
- A boat launch and river access recreation
- A place where kids can safely participate in sports and activities with more outside sport areas—archery, lacrosse

What cities would you like Stanwood to be like in the future?

- Anacortes
- Coupeville (unique, sustainable)
- Fairhaven
- La Conner
- Leavenworth
- Lynden
- Mill Creek
- Snohomish

What cities do you not want to be like?

- Kent
- Kirkland
- Lynnwood
- Marysville
- Redmond

Other comments?

- No big box, no big name restaurants, no auto dealers
- Lots more litter along the highways—we need an “adopt-a-highway” program
- People are dumping trash on the side of the road instead of taking it to the dump. Much of it is recycling type of trash—how about a well-managed recycle center? (We use the Burlington dump which is very inexpensive and well-managed)

Economic Development Vision

What are the benefits of residential growth? The challenges? What level of residential growth would you like to see?

- Any development that comes should be responsible for parks, sidewalks, bike and jogging along roads, plantings
- Benefits: more population with expertise in diverse areas (more people to gain insight from); Challenges: commuting to jobs elsewhere leads to less of a community orientation. We should see growth in balance with jobs and parks
- Benefits: we have the space to build; Challenges: unaffordable housing
- Benefits: tax revenue for City
- Residential growth can increase our tax base which is good as long as it does not outpace the City's ability to absorb and support it with its utilities

What are the benefits of commercial growth? The challenges? What level of commercial growth would you like to see?

- Boutiques, great restaurants
- Benefits: sales tax and more local jobs (less commuting)
- Benefits: keeping tax dollars here
- Benefits: providing more jobs can keep a larger percentage of local citizens here rather than commuting to other communities
- Challenges: box developments are ugly with no charm
- Stanwood needs a shot in the arm with commercial growth for retail and also employment opportunities. This would keep both people in town—jobs/shopping. Challenge is to keep box stores out and figure out what would "sell" in Stanwood

If Stanwood were to see "big box" development, where would you prefer to see it locates?

None, or Located Outside of Town

- Do not let more big box developers in
- No big box stores
- Towards I-5 (east of Stanwood)
- No place—if any by freeway (I-5) entrance; not near our community—it would drain our existing downtown economy
- On the freeway
- Mt. Vernon
- Outside of old downtown—probably east of Stanwood High School
- East of I-5 preferably, or east of the Stanwood/Camano shopping center

Possible Locations

- Uptown Stanwood

If Stanwood were to see office development, where would you prefer it to be located?

- Anywhere
- Anywhere as long as it fits into existing architecture
- In abandoned buildings
- In older homes that need remodeling anyway. (It's starting to look good in old Stanwood!)
- In existing buildings—if Viking Village were renovated, it would house a lot of office space
- Uptown Stanwood
- Downtown, between east and west Stanwood
- In the old downtown so employees can go out to lunch or shop on lunch breaks

What commercial opportunities exist related to the arts, active recreation, and agriculture/food?

- Walking, bike paths, river activities, farming heritage, maybe an agricultural festival, farmers' market
- Museums, art galleries, antiques, small bakeries/coffee shop, clothing (not glam, but basic)—I don't have to leave town much but for shopping for clothing
- Could put in "kid-related" shopping near Heritage Park and make it more like an amusement park. Add a roller-skating rink, indoor badminton, volleyball, basketball, etc.
- Adding a motel would bring business to the City and be a plus for the arts, recreation, birding, etc.
- A Farmers' Market or co-op and specialty foods stores like a cheese factory where you can see it made
- Studio space rentals and an arts supply store
- Sports clothing stores that support biking, birding, kayaking, walking, and running as well as bicycle rental

How can the City enhance its business climate and provide better services to the business and development communities?

- Ask for a Grocery Outlet, a Goodwill store, "mall-type" stores... businesses that will provide shopping and jobs
- Be more open to women
- Keep rents from running tenants out
- Make 532 four lanes
- We should establish a Port District and a Free-Trade Zone
- Create a municipal campus: police, fire, public works, and the building department are spread out

How can the City and its partners best support existing businesses (consider City services, City policies, or business services such as business planning, technical support, marketing, workforce development, etc)?

- Get youth involved (High School Youth for Christ) having students/schools adopt a lot and keep it clean and planted with greenery
- Talk landlords into lowering lease amount for office space

- Provide a business climate that encourages and supports working together for the mutual benefit of all. This can include annual grants to non-profit organizations that help the citizens enjoy a better lifestyle.
- Actively work on “marketing” Stanwood—take an active approach to economic development—work with Snohomish County Tourism Bureau, North Cascades, etc.

Other comments?

- Make use of and protect our abundant wildlife! Plan natural habitat areas such as a shoreline or beach walk —this would promote bird watching, support the Snowgoose Festival

Business District-Specific Visions

What other city or downtown district would you like Downtown Stanwood to be like?

- Snohomish, La Conner-like—small retail where you can stroll
- La Conner, Snohomish—Downtown historical feel
- Issaquah—the downtown area: it has destinations worth visiting such as the Village Theater, the train depot/museum, the fish hatchery, a downtown park, Gilman Village, a large library, a variety of restaurants—all within walking distance. Stanwood and Issaquah had similar beginnings: farming, logging, a major processing plant (Twin City Foods and Darigold) and were built up along major highways and waterways.

What changes or improvements would you like to see in Downtown?

- Storefronts revitalized, embossed sidewalks (like Arlington); a park downtown; wrought iron benches; better bus stops—in vintage keeping, with a theme to follow
- Do away with the eyesore of Viking Village
- Establish a pedestrian only zone
- Central parking with trees, etc—clear out all parking in front of stores and have pedestrian-only access
- Murals on the sides of buildings with common theme (use artistic talent in the area)
- Beautification
- Beautify by undergrounding wires and cleaning up Downtown
- Turn old historic district (West Stanwood) into an pedestrian street
- 271st has a confused identity—it needs to draw people in
- The downtown area needs to be spruced up. Viking Village looks shabby and could be made very attractive. The lake that forms behind Viking Village is an eyesore and an inconvenience during the rainy season
- Close down the brick road street to allow walking only
- Renovate or use incentives to encourage the renovation of old downtown buildings into restaurants, boutiques, a general store, etc.
- More walking opportunities!
- Downtown needs a cleaner, tighter feeling; right now everything is different, with no theme tying it together

How could the Downtown shopping environment be enhanced?

- Develop a historic theme
- Renovate store fronts
- Repair parking lots (especially the one by the museum across from the S.W.A.N. Thrift Store)
- Maybe beautify, get variety of shops to come—kitchen, pet, clothing, music
- Develop historical-looking buildings and develop themes of boutique and antique
- Motivate the grain and fish factories to relocate smells out of town (downwind). It will be hard to attract railroad users to Stanwood if they are hit by the smells and unsightly businesses right away...put in more attractive businesses in their place
- Need to add stores that will keep the local citizens shopping in Stanwood rather than going elsewhere to find suitable clothes, appliances, good restaurants, etc.
- Establish a Nordic heritage theme: use gnomes and trolls to say "Welcome to Stanwood"
- We need better signage: everyone drives right past on 532. The signs for the City are horrid and people can't even find City Hall
- We need seasonal and year-round street banners and signage with a theme

What changes or improvements would you like to see in Uptown, thinking both sides of the highway?

- "Mall" areas, with walking trails like the existing one—combination of parks and shopping
- We need more services, more stores, big box
- Stop housing developments
- Clean up road side! Get rid of blackberries, mow
- Put in turn lanes from 532 east to Haggen area
- Better signage for organizations and businesses

What additional services, retailers, or amenities would you most like to see?

Services

- Campus—office campus, business district, medical aerospace—to pull in businesses
- Could encourage a book publishing company to come to Stanwood and publish church recipes, local artist books, etc.
- A wholesome wellness center

Specific Retailers

- I would like to see more "mom & pop" small business ventures. A baker, coffee shop, Lefsa, antiques—places people can browse, stop and visit—destination locations
- Clothing store
- Affordable clothing options like a Fred Meyer
- Fred Meyer
- Hunting/fishing/sports stores

- An Apple Computer store
- Teaching supplies—education (school district and home schooling)

Restaurants and Lodging

- A brew pub downtown in a pedestrian district
- A Red Robin or another major restaurant
- Quality dining experiences: fresh, local; a brew pub
- Motel/hotel
- A hotel at Viking Village—get investors to remodel and promote the existing Stanwood hotel—promote history

Community Amenities

- A big swimming pool
- A community center with a pool
- Post-office needs to be cleaned up
- Affordable housing

Other comments?

- I am the chairperson for Beautification and Landscaping. I'd love to be contacted for collaboration

The Natural Environment

How can the City better take advantage of the river or the shoreline?

- Encourage Twin City Foods to relocate
- Put in park/trail/kayak access
- Bike/walking/jogging paths
- Fishing/observing docks
- We need access across 532 via a pedestrian overpass
- Develop a park and walkway along the river
- Park with picnic spaces, views, wildlife watching, and opportunities to walk, run, or put a kayak out

What development would you like to see along the river to support recreation, retail, or tourism uses?

- Marina
- Parks with river access
- Bike trails/walking trails...kayak route—like the Centennial Trail with bathrooms, vendors, and water periodically
- A park, walkway, and boat launch would attract people
- Think "Alki in Seattle"
- Require people to pay to park to generate revenue and rent out BBQ spaces in the summer

Economic Development Action Plan Technical Appendix: Community Open House Summary

- I'd love to see a riverfront fish 'n' chips place
- The river would be a great place to have a farmers' market or arts festival

How can the City best connect to and take advantage of surrounding agricultural lands?

- Reinforce our agricultural roots
- Have more farm stands
- Bike trails
- Put up signs for crops, put up "we 'heart' farmers" signs
- We need a Farmers' Market to promote local farmers
- Support activities such as Harvest Jubilee

How important is it to preserve open space and agricultural lands around the City?

- VERY
- Whatever it takes to keep tourism and ecology in balance...if Stanwood becomes "tourism" related, we need farmlands to bike alongside and retain some heritage/history
- Open space and agricultural lands add to the uniqueness of Stanwood and help it retain a village atmosphere
- Open space is very important—it's core to Stanwood's Identity! We should build a farm/food/people connection.
- Encourage restaurants to use farm-grown produce and promote local farms on their menus

Neighborhoods and Residential Quality of Life

What quality of life improvements would best enable Stanwood to retain and attract businesses and their employees?

- Community Center
- Low-cost activities for families and kids
- Industrial park like Burlington (near airport), with trails and forests
- Making city space and residential developments more pedestrian friendly would help, with narrower streets to keep traffic slower, sidewalks, small playgrounds or green-spaces for families to recreate in
- Use of connecting trails—use the gas pipeline areas and clear them, put in paved or gravel trails
- Re-do Viking Village; remove grain and fish factories and replace with other, cleaner, businesses
- Boys and Girls Club would be great for teens
- We need more bicycle and walking paths around Stanwood—for example, along 80th Street
- Stanwood should be more walker- and runner-friendly
- More youth and family activities, including a farmers' market

How can Stanwood’s existing neighborhoods best be strengthened or enhanced?

- Treat them as a unified package and not as individual segments
- Create old town style neighborhoods with businesses like in Seattle’s old neighborhoods: Ballard, Phinney Ridge, Greenwood. This also creates more small business opportunities.

Are there gaps in the City’s housing options (single family, multi-family, rentals, etc.) or certain price points that you’d like to see more of in Stanwood? Are there particular parts of town you’d like to see this development locate in?

- There is a lack of affordable housing. People are being priced out of Stanwood. There needs to be more multi-family housing, lower-priced housing, and rentals
- More affordable housing, particularly multifamily dwellings, but also including town homes and single family residences. It would be great to see these clustered throughout the city.
- Do not put more apartments, keep single family dwellings
- No more tract housing
- We need “starter homes” for young couples (soon! Our kids couldn’t pay rent, so had to move back in with us)
- Out of the flood plain is best; one less issue for young couples to deal with
- A nice motel would be a great asset for the City

Other Comments?

- USDA loans are supposed to cover rural areas for housing—but only for “moderate” homes (not the luxury ones that are currently being built)
- I would like to see Heritage Park improved, with trees planted for a wind-block and the skate park improved

Tourism and Communication of the City’s Desired Image

What are key words, themes, or messages you’d suggest to communicate what is special about Stanwood?

- Go Green; be environmentally friendly
- Pedestrian-friendly
- Theme heritage!
- Destination core
- Character
- Secure
- Unique!
- Parking access
- Infrastructure 532

What are Stanwood's greatest assets as a tourism destination? How can these tourism opportunities best be communicated?

- The river!
- A monument of welcome, some icon that tells people who we are
- Historical Downtown, background
- Snowgeese, wildlife, history, historic buildings, art galleries, thrift/antiques, Lefsa
- Museum; art shops; thrift stores; antique stores; (used to be known for baking shop, until went out of business)
- We are en route to Camano Island State Park
- I've had tourists ask for bike ride areas, but there aren't any trails here...
- We need to establish a Scandinavian theme and provide a motel
- Reconstruct a little train from East to West Stanwood
- Website is a good place to promote the City—or a central sign like on Camano Island
- Our Scandinavian heritage, farming community, and herding opportunities all provide a great attraction for tourism
- I believe we should capitalize on our Nordic/Scandinavian heritage and really "brand" the city (a Poulsbo of the North). Expound on this idea with the existing Nordic heritage businesses like the UffDa Shoppe. Stanwood lost the Scandi Bakery a year ago. This history exists—when people hear Stanwood they think farms and Nordic heritage. Use it!

What role should the arts community play in supporting the City's economy? How can the City support the arts?

- Start a theater group using local talent (or WWU students)
- Could do a "colonial" town in summer, with residents in costume (like Colonial Williamsburg)
- City could hire artists to paint murals on walls of buildings
- Could have "chalk painting" on sidewalk, contests
- Murals, statuary, fountains, reader board of community events
- Establish smaller roads and encourage people to get out of their cars
- Utilize "the Floyd"
- Like La Conner or Snohomish with arts, antiques, farmer's market
- The City needs to be fully in support of the arts, local events and activities that are scheduled. We should advertise outside the area through magazines, newspapers, TV and radio to bring tourists to Stanwood. Advertising pays!
- Help artists! They draw people in! The City could create a more supportive environment by assisting in advertising or creating incentives for artists like a City calendar or gallery, and studio space.

What are key words, themes, or messages you'd suggest to communicate what is special about Stanwood?

- A theme: emphasize the historic aspect of Stanwood—a city on the river, a center for the arts. An agricultural center, with Norwegian heritage. Think La Conner, Poulsbo, Leavenworth Snohomish.
- Wildlife, hiking, birds
- Fishing, hunting, birding
- Trolls

How can the City attract more recreational and environmental tourists? How can local businesses benefit from this tourist traffic?

Water Access

- Access to the water
- River use for boating, kayaking, and tours—possible foot ferry
- Water access on the river or bay—marina or boating
- Increase water access—area marshy, private, etc—now no place to get to it
- The river, parks, and trails along the river with access for kayaks and canoes
- Marina, Port of Stanwood, kayaking launch, hotel for events

Parks and Facilities

- A river park
- A kite park
- Model plane runway
- Roller skating/figure skating rink with music

Birding and Fishing

- Commercial fishing and fishing reserves
- Fishing businesses and opportunities
- Bird watching

Trails and Boating

- Bike trails and street lights along highways
- Bike trail system from La Conner/Conway through Stanwood

Activities and Events

- Farm tours
- Photography contests
- Kayak races
- Running races
- Build your own go-cart contests
- Local bands in park
- Square-dancing in summer
- As activities increase, so will the need for businesses to provide supplies such as model building kit shops, kayak dealers, a rollerskating store, and sports stores

Supporting Services and Infrastructure

- CAMA Beach State Park is being marketed widely, with limited room for cars—needs transportation infrastructures
- Center for Wooden Boats at CAMA—kayakers, sailors need supplies

Economic Development Action Plan Technical Appendix: Community Open House Summary

- Be a green community, like Bellingham
- A place to get a fishing/hunting licenses
- Camping/hotels
- A focus on the organic farming community

Overall and General Comments

- Something needs to be done about the Post Office: it is becoming an eyesore and the parking lot is a hazard
- We have kids who need jobs and homes, if we want to maintain a family community
- We all need recreation and places to gather to get to know each other—as in a community resource/recreation building
- We could offer co-op education classes, taking turns teaching arts, crafts, sports, and music (if City Hall were increased in size to accommodate class and gym areas)
- The little girls in our neighborhood have no place to roller/figure skate except on bumpy sidewalks...if the "guys" get a new skateboard park, what about a roller-rink for the girls? (and for those of us who can't ride a skateboard, but could still manage roller skates)
- We need a Tri-County bus schedule showing interconnections for entire region: schedules, routing, fare, etc.