

A POLICY GUIDE

A PROSPEROUS COMMUNITY: *Economic Development Outcomes, Goals and Policies*

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Executive Summary

With the requirement to update comprehensive plans and regulations to meet growth management goals, cities and counties will consider how population, jobs and housing growth demands can be balanced with environmental, social, economic and other community goals. Economic goals and development practices provide the flow of revenues and dollars to achieve these other goals.

Economic goals and achieving results, also known as outcomes, are central to any community. Each jurisdiction is different. While some want to promote new business activity, others want to remain residential. The local plans and policies will define the balance of economic, social, natural amenities and other community features according to the vision set in each community.

All parts of a community's plan – housing, transportation, land use, finance, etc. – are interrelated. Changes to one have profound implications for other elements, including economic development and capital facilities. Adding an economic development element to a local plan elevates jobs, economic vitality, revenues, taxes, finances and cost issues so that they can be considered among all the others. The ultimate decisions local officials have to make are how to balance competing goals and expectations, and how to finance the necessary public investments to undertake community goals and achieve the desired outcomes.

Enhancing the community's prosperity and well-being is the primary outcome to be achieved. Parts of this outcome include a good business climate, a reasonable tax/fiscal structure, the ability to provide services to meet community business and commercial needs, and fund investments in the community.

Having a clear community statement of the intended outcomes is one of the most important elements of successful local planning. With a clear vision accompanied by a set of understandable outcomes, it is then possible to measure the community's progress. Economic-oriented outcomes are not isolated but are to be realized in conjunction with environmental, housing and other community plans. The outcomes considered that communities would look for as a result of successful local planning often include: support for new business and jobs, an increased tax base, increased housing supply, improvements to neighborhoods, sufficient lands for business, and investments and plans to achieve community goals.

Outcome-based planning benefits a community – its residents and its businesses – by creating new jobs. It benefits the local governments by leading to more efficient expenditures, and by increasing revenues for infrastructure.

As the economic base generates additional revenues, there are a wider variety of options available to meet local needs. The additional tax revenues can be budgeted over time to

meet infrastructure needs, maintain or expand key programs or be invested to encourage business and housing to meet local planning and economic development goals.

To develop an effective community plan, the county or city must involve a cross section of businesses, residents, councils and other civic groups who know the community and can be an integral part of the approach to the future. The first step is to identify the current economic activities and how they work within the community. Next is to prepare a draft plan, including outcomes, goals, policies and guidelines for future actions. The plans need public review, input and hearings by the local government to become adopted public policies and to meet funding requirements.

Written drafts of guiding principles defining current and future needs and opportunities should be in formats suitable for community review and discussion. In Part VII of this paper there is a presentation of recommended economic development goals and policies that can be useful as an example and guideline for local government and resident efforts to plan for the economic vitality and the quality of life of their community.

I. Introduction: Economic Development Outcomes, Goals and Policies

The time for community visions and related outcomes, goals and policies is now. With the requirement to update comprehensive plans and regulations to meet growth management goals, cities and counties will consider how population, jobs and housing growth demands can be balanced with environmental, social, economic and other community goals. The population, housing and job projections for counties are included in Appendix B.

To achieve the quality of life citizens want for their communities, cities and counties must work with residents and businesses to achieve these fundamental goals. In addition to meeting environmental, housing, public facilities and social services needs, **economic goals and development practices provide the flow of revenues and dollars to achieve these other goals.**

Economic goals and achieving results, also known as outcomes, are central to any community. The elected officials want a stream of income to meet the needs of residents and businesses. Finding ways to meet those needs without excessively raising taxes has become the primary criterion for meeting taxpayer expectations. As tax increases become more difficult to impose, the local officials must first look to other options.

The results of a few cities, Tacoma and Renton, for example, have shown that economic development visions and implementation measures can achieve results for both residents and businesses. Most notably, these cities have put the dynamics of taxes, incentives, investments and outcomes to achieve both healthy business climates and healthy neighborhoods.

These cities have created visions to respond to changing business trends, updated technology, and ever-increasing actions to make the community more “livable”. Annual budgets have been created to meet the goals. Staff is charged to implement the goals using innovative and efficient methods.

The results of some local jurisdictions are used as examples for other cities and counties to consider as part of the planning process. Each jurisdiction is different. While some want to promote new business activity, others want to remain residential. The local plans and policies will define the balance of economic, social, natural amenities and other community features. There are economic development examples included in Appendix C.

Why Should Outcomes, Goals and Policies Be in Comprehensive Plans?

Current planning practice recognizes that all parts of a community's plan are interrelated. Attempting to focus on only a single plan element would be a mistake. Housing, transportation, land use and finance are all related. Changes to one have profound implications for the other elements, including economic development and capital facilities. Adding an economic development element to a local plan elevates jobs, economic vitality, revenues, taxes, finances and cost issues so that they can be considered among all the others. The ultimate decisions local officials have to make are how to balance competing goals and expectations, and how to finance the necessary public investments to undertake community goals and achieve the desired outcomes.

Economic goals and related policies and programs, especially if seriously crafted, debated and adopted by cities and counties, should include the following elements:

- Support for existing and new businesses and jobs;
- Increased public investments in the community;
- Increased tax base;
- A multi-year fiscal and growth management planning program to achieve community goals;
- Suitable and sufficient supply of land for business;
- Increased housing supply to provide a reasonable balance of jobs and housing; and
- Increased improvements to neighborhoods.

Whether any or all of these outcomes is what your community seeks in economic goals, the initial step is recognizing the need for sound economic development planning – a business plan and financial base that can achieve your community goals over time.

Whether solving infrastructure or human service problems or achieving business goals – a plan is a way to proceed with future actions. You anticipate the revenues, the potential for future actions or additional revenues and what you can spend, invest or save over time. The following are possibilities of benefits to the community:

- Balance jobs and housing needs;
- Building new or remodeling existing schools;
- Improved or expanded roads and other infrastructure;
- Conserving natural features and acquisition of new open spaces and parks;
- Improved recreation programs; and
- Meeting and providing social service and health needs.

A plan for action, rather than reaction, is the first step. The plan includes deciding what results are to be achieved, setting goals, activating implementation strategies, following benchmarks and reporting back to the community at regular intervals.

II. The Major Parts of Plan

A. About the Future

Our urban and rural areas will be affected by technology, the information industry and changing choices of where we live and do business. These changes will affect the location of businesses, shopping, where we live, and how we interact within our communities and how our cities and counties plan and operate over time. In addition, public policies and programs are changing the form of growth from suburban to urban.

It is important to understand there are different expectations for cities and counties under the current planning statutes. There is an explicit expectation that cities will be the provider of urban services. Similarly, counties are explicitly expected to be regional service providers. Understanding this distinction can make a significant difference in what should be expected and how services and facilities will be provided.

The changes will not affect all cities and counties in the same way. Some cities and counties will have assets or amenities that will attract new residents and businesses. Some areas may not experience great change.

B. Residents and Businesses May Have Similar Goals

In many instances, there may be similar ideas, for both residents and businesses, as to why a particular jurisdiction may be the best place to locate. These similar ideas may be more related to the physical, social or natural amenities of the area.

The information industry is an intellectual resource – basically, the people employed in the industry. The hiring and continuing benefits to the information specialists are based on factors related to the needs and wants of those specialists. The people-centric criteria relate more to the quality of life factors rather than market or resource location attributes.

What businesses are searching for, and why, is a key ingredient for local jurisdictions to understand. Understanding the criteria businesses use to locate and build new facilities is important to determine if the local attributes fit together with the business criteria. Many local governments seek many of the technology, information and arts/culture businesses as “clean” industries with “family” wage jobs. Business location choices are further described in Appendix F and generally include:

- A sense of place, including where it fits within the “region;”
- Being near other businesses for interactions and trade; and
- Life-style preferences.

C. Plans and Demands

What residents are searching for and why is another key ingredient to effective planning in both rural and urban areas. The demographics have changed – the “baby boomers, new immigrants and the “baby boom echo” (Generation Ys) are the dominant forces in the markets. These groups are demanding a wider variety of housing in different urban and rural settings. They also want to work in good surroundings and the ability to move between housing and workplace in an efficient manner. There is more flexibility and choice in the market due to the technology, wealth, attitudes and inclinations of the demographic groups.

These large segments of the population create markets for housing and types of business and employment. These groups have life-style preferences favoring urban neighborhoods and rural communities with natural amenities. The preferences also include amenities in or near the workplace, shopping options that include local businesses and nearby natural amenities and recreation.

Growth and change is considered the only constant in our lives. To do so creatively offers the possibilities to achieve desired outcomes through effective goals, policies and programs. How cities and counties react to growth can be structured to define where and how. Defining the timing of growth is difficult due to changes in national policies, business decisions, technology and other events outside local control.

What the local jurisdictions can define and influence are the standards and the expectations for the new and redeveloped critical areas, housing, businesses, parks, public facilities and other elements in the community. These elements are the physical outcomes, which shape our changing and future communities.

III. OUTCOMES – THE RESULTS

Enhancing the community's prosperity and well-being is the primary outcome to be achieved. Parts of this outcome include a good business climate, a reasonable tax/fiscal structure, ability to provide services to meet community business and commercial needs and fund investments in the community.

As noted above, the strategy and actions for local officials is one of balancing goals, objectives, areas of emphasis and resource allocations. Having a clear community statement of the intended outcomes is one of the most important elements of successful local planning. With a clear vision accompanied by a set of understandable outcomes, it is then possible to measure the community's progress. In addition, it provides a way to keep everyone (elected officials, governmental employees, interest groups and citizens) focused in the same direction. It makes it difficult for the community to get distracted or diverted by extraneous issues.

The outcomes define the future as a way to respond to changes or opportunities in local, regional, national or international markets. Outcomes are also potential results related to current problem solving or changing current directions. **These economic oriented outcomes are not isolated but are to be realized in conjunction with environmental, housing and other community plans.** In many ways, this description works in a similar way as a family or business must establish goals, produce incomes and budget for the future.

A. Outcome – Support for New Businesses and Jobs

Additional businesses and new jobs can reduce the dependency on one or a number of existing businesses and provide some diversity to the local economy. Also, attracting businesses responding to changes in the market or technological innovations is an important component for adding new businesses and educational programs for residents.

A broader economic base can provide more predictability to local residents and businesses as well as governments. A diversified economy can level some of the peaks when the economy moves up or down.

The ups and downs affect business hiring levels as well as disposable income/spending of local residents, public revenues and program levels.

Investing in local businesses provides encouragement to new ideas and small businesses. Small businesses provide some alternatives to large corporations in terms of service levels and unique products. Many local or small businesses can be found in smaller shopping areas or on "Main Street".

Supporting existing business is an essential part of the local economy. Local businesses may require area-wide programs to make improvements to infrastructure or changes to regulations to permit mixed-use opportunities and expansions to office or plant facilities.

The multiplier effect of investments in local businesses is a key to success. The multiplier is the gauge for determining local growth. The multiplier is based on export businesses or residents bringing dollars into the local economy.

B. Outcome – Increased Tax Base

Expansion of existing businesses creates local jobs and additional revenues.

Business creates the opportunity for additional public revenues. These revenues range from real estate excise, property, sales and other taxes. These revenues become the basis for public programs and any multi-year financing.

In many communities, businesses supply a large percentage of the local tax base. If the local *tax base* can be expanded, additional revenues may be generated to meet local needs *without increasing tax rates* imposed on the entire community.

C. Outcome - Increased Housing Supply

Investments in new housing and maintaining existing housing stock is critical to meeting the needs of local families and those choosing to move to the community.

New housing and the maintenance of the existing housing supply is also an important component of economic development – where employees can live and work in the same community.

New housing is a critical ingredient for the economic and social health of a community. Housing provides a revenue base that is substantial, from the permitting stage, development, construction, sales/resale and through occupancy by families and individuals.

D. Outcome - Improvements to Neighborhoods

Improving neighborhood quality is related to housing, jobs, families and change. Neighborhoods need to be good places to live and attract new residents as well as benefit the current residents.

A broader economic base can provide more predictability to local residents and businesses for solving problems, making improvements to neighborhoods or adding recreational programs.

E. Outcome – Suitable and Sufficient Lands and Facilities for Business

The needs of local businesses and the projections for future jobs begin to define the land and facilities required over time. Planning, zoning and infrastructure provisions for business and commercial lands to meet future needs are necessary to balance other land uses and capital needs.

Sufficient urban land, and designated rural land, needs to be planned and zoned for business and commercial uses. Without adequate land to meet projections or to allow for these uses will cause potential businesses to look for such land in other jurisdictions.

Provisions for infrastructure, from needs analysis, capital plans and funding options, should be part of the land availability equation. Without these provisions, the lands planned or zoned will not be available or suitable for business or commercial uses.

The permitting system, both regulatory requirements and timing, can affect the location of new businesses and the expansion of existing businesses. Usually, an ill-defined and lengthy permitting system discourages new businesses as well as the expansion of existing businesses, in the jurisdiction. Jurisdictions having clear regulations and workable guidelines, good customer services and reasonable timelines and fees will be attractive to new and existing businesses.

F. Outcome – Investments and Plans to Achieve Community Goals

Sufficient revenues to meet community goals are the key factor for annual budgeting and longer-term understanding of on-going maintenance and operation costs. Investments in the community can vary from infrastructure to open space acquisition to neighborhood sidewalks.

Most infrastructure is locally financed for both new facilities and upgrades to existing facilities. The cost is usually born by city, county or state government. Special districts, such as school, fire, water, sewer and ports finance and build infrastructure independent from general-purpose local governments.

The planning, design and construction of infrastructure is normally included as part of a capital facilities plan. The engineering, purchase of land, and construction is usually financed through bonds over a period of time. The payment of the bonds is a cost to the annual budgets for the life of the bonds. Some portion of the cost may be reduced through mitigation fees.

Other than private contributions from individuals, corporations or non-profit groups, the purchase of critical area and open space land is by cities, counties or

state government. The identification and purchase of lands are normally included as part of a capital facilities plan. The public purchase of land is usually financed through bonds over a period of time.

Effective planning for growth of jobs and housing within communities will help identify where appropriate investments should be made – helping prevent more expensive projects later. The significant relationships between jobs and housing are land use and transportation. The more jobs provided in a local community will substantially increase the need for more housing opportunities for people to live close to where they work and communities may need to offer a wider array of housing options in addition to major physical investments in infrastructure.

IV. Benefits

A. To Residents and Businesses

These outcomes can help define the future if meeting the needs of residents and businesses is the focus, not an afterthought. Outcome-based planning envisions the community as a place to live, work, shop, recreate, meet friends and undertake other activities. This approach can bring the community together to define the future in terms of standards, needs and costs.

The retention and creation of new jobs and businesses, especially family wage incomes, is an important outcome. The quality of life is linked with a good job. Job retention and creation goals are needed in community economic development planning for the benefit of current and future residents.

The opportunities for the community and its residents are as follows:

- Changing technology, innovations and market preferences are transforming the nature of doing business, creating new businesses and the types of required job skills in all communities;
- Changing job requirements are defining new skills to meet the needs of existing and new employers. Being able to compete for new jobs, to help educate residents and to maintain existing businesses going through transitions are potential benefits;
- Meeting the employment needs of local citizens such as college graduates, seniors, and the under-employed or unemployed workers; and
- Creating opportunities for residents to work and live in the community as they form or change occupational goals.

There are secondary benefits also affecting the community:

- Maintaining successful existing businesses can provide a greater choice of goods and services for the community;
- Taxes received by state and local governments could provide additional services and facilities;
- An expanded tax base can reduce the tax burden on existing residents;
- Enhances disposable income within the community;
- Increased purchases of daily needs in grocery, clothing, hardware and other stores. Increased taxes paid by merchants and businesses;

- Increased purchase of “big ticket” items;
- Greater sense of the community and possible increased participation; and
- More time with family and family activities.

There are costs associated with creating benefits, both for residents, businesses and communities. A list of possible costs should be assessed along with these and other benefits, both short-term expenditures and long-term obligations. The types of programs require that the cost/benefit trade-offs be analyzed as well as the options for meeting past needs and future needs of the community.

B. Benefits to Local Governments

The benefits of outcome-based planning to government can provide a wide range of possible services and facilities for the community:

- Strategic, coordinated decisions lead to efficient expenditures. Mistakes can be avoided by making major one-time expenditures at appropriate times or anticipating ongoing maintenance and operation costs;
- Taxes create city and county revenues to build infrastructure, provide essential services such as roads to meet safety and capacity needs, schools for changing populations, parks for expanding recreation needs and/or fish habitat/conservation areas;
- Cities can invest revenues to generate additional revenues such as incentive programs and grants to meet local economic development goals and/or focus future development in targeted areas; and
- Businesses pay for local infrastructure investments on an area wide benefit basis (tax increment financing) or as the “economic engine” for the entire community.

C. Significant Outcomes – Implementation and Results

There are major benefits that can be achieved based on an economic development plan and associated implementation strategy. These benefits have been achieved in some cities within the region. See Appendix C for examples of economic development activities undertaken by cities and counties to achieve community goals and results.

Creating ongoing tax revenues for local governments meets local needs by establishing greater tax flow over time, expanding tax base for future tax levies and utilizing revenues to provide other incentive investment programs.

Actions of local governments can be proactive and achieve positive goals. Using “carrots” (incentives, such as coverage bonuses, public parking structures) to achieve community goals rather than prohibitions. The community helps create a place to live and do business by purchasing “quality of life” elements (i.e. parks) and maintaining needed services.

Counties and cities can create opportunities to live and work in the same community by reducing longer distance commutes, offering more focus on community activities and more family time.

Provisions for basic elements of an economic development plan implementation offer:

- Adequate supply of commercial and industrial lands;
- Reasonable, workable and time predictable implementation measures;
- Effective capital development plans and funding program; and,
- Monitoring of plan to assess results/determine when changes are needed.

V. Recommended Economic Development Planning, Goals and Policies

A. Course of Action – Outcomes, Goals and Incentives

As the economic base generates additional revenues, there are a wider variety of options available to meet local needs. The additional tax revenues can be budgeted over time to meet infrastructure needs, maintain or expand key programs or be invested to encourage directed business and housing to meet local planning and economic development goals.

While cities and counties depend on additional revenues from new and expanding businesses to meet shrinking infrastructure or maintain current programs, some local governments are now utilizing a “carrots” rather than “sticks” approach. This approach begins with a community vision/outcomes, related goals and policies with implementation measures to create their futures.

The approach to the future also begins with a concept that the primary function of our communities is the center of our economic activities. That is, to be the primary location of our business activities as well as safe, clean and green places to live.

There are many benefits to the community beyond the economic and expanded tax base. Being able to live and work in the same community can reduce commute times. Reduced commute times can enhance family and community oriented activities.

Also, a community is viewed by its strengths, including its overall quality of life, financial soundness, abilities to solve problems and plans to manage change.

B. Local Planning Program

To develop an effective community plan, the county or city must involve a cross section of businesses, real estate professionals, builders, residents, economic development councils, chambers of commerce, and other civic groups who know the community and can be an integral part of the approach to the future.

The first step is to identify the current economic activities and how they work within the community. Some of these initial tasks are:

- Defining the current business climate;
- Identifying community assets/liabilities;
- Assessing the current jobs and housing ratio; and
- Identifying strengths/weaknesses in the local economy.

Prepare written drafts of guiding principles defining current and future needs and opportunities in formats suitable for community review and discussion.

To define the current state, what key changes and outcomes may be desired would include:

- Identifying the reasons for change;
- Identifying business and job creation opportunities;
- Recognizing local preferences, limitations and barriers; and
- Identifying linkages between the economic base and local and state taxes.

Prepare a draft plan, including outcomes, goals, policies and guidelines for future actions. This economic activities and needs plan should include infrastructure requirements and funding sources, housing linkages, and quality of life standards to attract new business and jobs. The relationships to community areas and environmental protections and enhancements are also prime elements along with clear ways to measure performance and meet local goals.

These activities can be initiated and facilitated by local businessmen and women, residents, real estate professionals, development community, economic development councils, downtown associations, Chambers of Commerce or other groups having knowledge and interests in the local community and economy.

However, the plans need public review, input and hearings by the local government to become adopted public policies and to meet funding requirements.

VI. Recommended Economic Development Goals and Policies

The following economic development goals and policies are offered for local participants in the planning process, so they may help in their own communities to sort the issues most important to our industry. The goals and policies are not original – many communities have used similar statements. And they are not exhaustive. They don't include statements on workforce training or transportation, for example, that are legitimate issues that should be addressed in an economic development plan. Rather, they are a sampling of development community goals and policies. Specific communities may not require each of these; others may want to develop goals or policies that are not included here.

An area's economic goals and policies are important. How they are worded and the level of detail provided are important, because they establish the legal framework within which development issues will be judged and the basis on which projects will be allowed to move forward. An area's economic plan is likely to eventually provide the basis for establishing compliance with the state's Community Readiness Initiative being administered through the Office of Trade and Economic Development.

Sample of Economic Development Goals and Policies

1. Our community is made up of:

Livable areas with sufficient opportunities for affordable housing;
Job opportunities for our residents;
Tax-paying, job-creating businesses;
Advanced telecommunication systems, utility and public infrastructure necessary to allow our residents and businesses to participate fully in 21st century;
Safe neighborhoods;
Strong educational facilities; and
Recreational and cultural amenities.

It is supported by a transportation system that encourages our contact with and support of one another and links us to the region and the rest of the world.
It is our policy:

Policy 1.1 – To have specific plans for accommodating the population, housing, and jobs increases forecast to occur, and to adjust annually, as necessary, to meet higher demands.

Policy 1.2 – To integrate the regulations, guidelines, infrastructure plans, and funding packages of our community with other communities in our urban growth area.

Policy 1.3 – To have consistent regulations and standards on which to encourage redevelopment of appropriate commercial, business and residential areas. We will:

- Create and adopt redevelopment codes and procedures;
- Reinforce existing urban centers or planned new centers; and
- Strive to balance the number of new jobs with the appropriate level of new housing.

2. Economic activities should be encouraged to locate in areas specifically designated for business, commercial, industrial and mixed uses. It is our policy:

Policy 2.1 – To develop land use plans and regulations that encourage business location and retention in designated areas including urban activity centers; community, neighborhood and smaller retail centers; business parks; and other planned business and industrial locations.

These designated areas should be mapped as part of the comprehensive planning effort and appropriate regulations should be created to encourage such development.

Policy 2.2 – To prepare a range of outcome-based design and development standards for designated areas that accommodate changing consumer trends, market demands, and economic feasibility.

Policy 2.3 – To adopt infrastructure plans and funding measures for each designated area.

Policy 2.4 – To encourage compatible, mixed uses, such as housing, retail, and public facilities, where possible, in order to ensure a balance of jobs and housing.

3. Designated funding sources will be used for building new infrastructure or replacing existing sub-standard infrastructure. It is our policy:

Policy 3.1 – To maximize our infrastructure investment by:

- Prioritizing capital facilities expenditures for strategic infrastructure investments that accommodate growth and encourage quality housing and economic development;
- Coordinating infrastructure investments of various public entities (including special purpose districts);
- Creating tax investment areas where community revitalization projects and programs encourage private development;
- Obligating future general tax revenue flows for building new and replacing existing infrastructure at the state and local levels; and

-Identifying state and federal funding available to assist the fastest growing areas, as well as resources of local special districts, such as school, water, and sewer districts that can assist in accomplishing community investment goals.

Policy 3.2 – To create methods and authorize ways of raising local funds necessary to correct existing deficiencies.

4. Buildable lands designated for growth shall be sufficient to accommodate forecasted population, employment, and housing growth. It is our policy:

Policy 4.1 – To increase the supply and capacity of buildable land available for commercial, housing and related urban uses to meet 20-year forecasted demand.

Policy 4.2 – To regularly update buildable lands studies and inventories that evaluate changes in supply and demand indicators such as land and housing availability and pricing, job/housing demand relationships, and other related indicators of affordability.

Policy 4.3 – To create measures for assessing the effect of public policies, codes, and other actions on the availability and capacity of buildable lands.

Policy 4.4 – To consider land constraints, market factors, economic feasibility, and the willingness of individual landowners to develop or re-develop property in determining the availability and capacity of buildable lands.

5. Neighborhoods and urban-area business centers will be livable, integrated parts of the community. It is our policy:

Policy 5.1 – To employ flexibility in our development standards in order to accommodate different in-fill conditions.

Policy 5.2 – To create and implement design guidelines for urban centers, neighborhoods, and other areas designated for infill development, which consider consumer trends, market demands, and economic feasibility.

Policy 5.3 – To encourage clustering of business and commercial sites in relationship with transportation systems and other community activities.

Policy 5.4 – To adopt and employ a range of outcome-based standards that:

- Encourage planned unit, cluster, and mixed-use developments;
- Permit greater height and bulk development;
- Increase allowable lot coverage;
- Allow reduced lot sizes, setbacks, and street and parking standards; and
- Offer density bonuses to encourage development in target growth areas.

Policy 5.5 – To articulate specific measures with which to gauge progress in meeting our community’s local economic development, housing, and construction goals.

6. Applications for development permits shall be reviewed and processed in a timely manner. It is our policy:

Policy 6.1 – To work with real estate and development interests toward common goals that are profitable to the developer and beneficial to the community.

Policy 6.2 – To ensure timely, fair, efficient, flexible, and predictable permit management systems that:

- Facilitate desirable development;
- Recognize the constraints of developing projects;
- Consolidate and coordinate the review process.

Policy 6.3 – To have a one-stop permitting system with simultaneous review of permits, administrative review and action, a single staff contact assigned to coordinate all reviews for a particular applicant, and contracted review of applications, where necessary.

Policy 6.4 – To fast-track permit procedures within designated development areas.

Policy 6.5 – To encourage pre-application meetings with planning staff to identify problems before significant resources have been invested in a project proposal.

Policy 6.6 – To permit more uses by right through specific, well-crafted standards and final decisions made within certain limits.

Policy 6.7 – To review projects in a spirit of collaboration.

Policy 6.8 – To require a super-majority vote of the legislative body to override planning commission decisions.

7. We will work closely with the business community to market our area to new and expanding businesses and to assure that our goals for economic development are being achieved. It is our policy:

Policy 7.1 – To participate with business leaders and organizations like real estate professionals, developers, chambers of commerce, economic development councils, downtown associations, and other groups to address current and changing business and job requirements.

Policy 7.2 – To adopt land use policies and to construct the necessary public infrastructure to assure a positive business climate.

Policy 7.3 – To monitor or support monitoring of our community’s progress toward accomplishing all the implementation tasks outlined in the annual work plans.

Policy 7.4 – To assist in developing an economic development marketing strategy for the community and to participate, as appropriate, in accomplishing the tasks identified.

VII. Next Steps

The above goals and policies define a group of elements requiring local review in order to create or meet existing visions for the community. Prioritization and the establishment of action plans outlining timetables for action and related coalition building must be developed and implemented to meet the individual needs of each city or county.

Importance of Monitoring and Updates

A good economic development plan is only valuable if it is moving the community in the desired direction. A commitment **by elected officials** to monitor the progress of any plan, or plan implementation element, is essential. Setting clear measures by which to judge progress is key. Establishing a periodic review schedule announces to everyone that outcomes are important and, if the plan isn't being successful, changes will be considered.

APPENDIX A

The Growth Management Act and Economic Development

GMA Goals

The Legislature recognized that unplanned and uncoordinated growth, along with a lack of common goals, posed a threat to the environment, sustainable economic development, and the quality of life in the state. The Growth Management Act establishes 13 goals to be used by cities, towns and counties in developing their comprehensive plans and implementing development regulations. The goals are not listed in any order of priority and reflect the broad range of issues, which must be balanced as each community develops and implements their plan.

These goals are:

1. Urban growth. Encourage development in urban areas where adequate public facilities and services exist or can be provided in an efficient manner.
2. Reduce sprawl. Reduce the inappropriate conversion of undeveloped land into sprawling, low-density development.
3. Transportation. Encourage efficient multi-modal transportation systems that are based on regional priorities and coordinated with county and city comprehensive plans.
4. Housing. Encourage the availability of affordable housing to all economic segments of the population of this state, promote a variety of residential densities and housing types, and encourage preservation of existing housing stock.
5. Economic development. Encourage economic development throughout the state that is consistent with adopted comprehensive plans, promote economic opportunities for all citizens of this state, especially for unemployed and for disadvantaged persons, and encourage growth in areas experiencing insufficient economic growth, all within the capacities of the state's natural resources, public services and public facilities.
6. Property rights. Private property shall not be taken for public use without just compensation having been made. The property rights of landowners shall be protected from arbitrary and discriminatory actions.
7. Permits. Applications for both state and local government permits should be processed in a timely and fair manner to ensure predictability.
8. Natural resource industries. Maintain and enhance natural resource-based industries, including productive timber, agricultural, and fisheries industries. Encourage the conservation of productive forestlands and productive agricultural lands, and discourage incompatible uses.

9. Open space and recreation. Encourage the retention of open space and development of recreational opportunities, conserve fish and wildlife habitat, increase access to natural resource lands and water, and develop parks.
10. Environment. Protect the environment and enhance the state's high quality of life, including air and water quality, and the availability of water.
11. Citizen participation and coordination. Encourage the involvement of citizens in the planning process and ensure coordination between communities and jurisdictions to reconcile conflicts.
12. Public facilities and services. Ensure that those public facilities and services necessary to support development shall be adequate to serve the development at the time the development is available for occupancy and use without decreasing current service levels below locally established minimum standards.
13. Historic preservation. Identify and encourage the preservation of lands, sites, and structures that have historical or archaeological significance.

GMA Updates

The Legislature contemplated regular review and updates for local plans. In 1997 the GMA was amended to provide more specific direction for "continuing review and evaluation." There have been a number of other changes to the GMA since 1995, which may require modification to local plans and ordinances. These include best available science, essential public facilities, general aviation airports, integrating environmental review with the permit process, natural resource lands of long-term commercial significance (for counties), Shoreline Master Programs and transportation. More detailed information can be found on the Office of Community Development – Growth Management Program's website listed in Appendix D. An electronic copy of the Office's guidance for updating comprehensive plans is available at http://www.ocd.wa.gov/info/lgd/growth/publications/word/2002_Update.doc

GMA – The First Ten Years

Since the Growth Management Act (GMA) was enacted in the early 1990s, cities and counties adopted comprehensive plans and regulations to meet the state statutory requirements and guidelines. These requirements included population targets, infrastructure/land use relationships, protection of critical areas, buildable land studies, planning and regulatory consistency and some sanctions for not meeting state-generated growth targets or noncompliance with the Act.

Most of the comprehensive plans were adopted between 1994-96. There has been a variety of local regulatory schemes to further implement the plans, preserving critical areas and buffers, some capital facilities planning, countywide delegating of jobs,

housing and population data, imposing new or increased mitigation fees, the use of concurrency provisions, and expanding the use of moratoria as a growth strategy. There have also been a variety of regional growth hearings board decisions to clarify or expand portions of the adopted plans.

Under the GMA, comprehensive plans and development regulations are subject to continuing review and evaluation by each jurisdiction. These reviews enable the cities and counties monitor changes for ensuring a sufficient land supply (with applicable development regulations) is available for development to accommodate residential and non-residential growth.

Every community is required to review and update their comprehensive plans regularly. Since the local comprehensive plans were adopted, and we've had a few years of experience implementing the plans, we should reflect on the basic concepts and the results to date. What are the successful parts of the GMA or the comprehensive plans or implementation tools? What needs to be modified? What is not working?

There are key areas to focus on: economic development, housing, infrastructure, critical areas/endangered species and their inter-related implementation plans

Most Local Governments Were Not Ready For GMA Implementation

During the last half of the 1990s, the Puget Sound region has experienced dramatic job, population and housing growth. As a result, the local economies have seen the rapid increase of jobs spawn new development and housing increases, both in number and price.

These demographic and market driven actions offered a view how the local governments respond to fairly rapid growth. It became evident that the urban growth areas and higher residential densities and more intensive commercial activities strained the operations of most governments.

While the stage was clearly set for higher density developments in the local plans, there were signs of early problems for integrating more intensive project in neighborhoods and funding the existing and growing needs. The growth management plans, now beginning to integrate land use and capital facilities, were not designed to react to "spikes" in the growth rates or reflect a coordinated approach for a more dense and intense urban environment.

Those trying to meet the growth demands, both private and public interests, were left coping with a bundle of growth projections and infill policies without a new regulatory basis or funding for capital projects to successfully manage or house that growth.

The market began to respond to the mandated higher densities and a new array of housing stock. The housing market changed to a mostly higher density product located in existing

neighborhoods, often without clear public plans or infrastructure to meet the changing conditions. Citizen opposition to the new densities and the lack of new infrastructure became more intense as the targeted urban areas received a highly visible level of change.

New roadways and other needed infrastructure are lagging farther behind the unmet needs of the past and the demands created by new growth. As a result of the growth management paradigm shift and the increasing shortfall of urban infrastructure, the mood of the residents in both counties and cities has led to a questioning of the positive impacts of growth and whether the GMA is working as anticipated.

Also evident was the changing political make-up of local governments. Many of the elected local officials working through the initial GMA planning mandates, including extensive public participation efforts and charged hearings, left adopted plans and policies for others to implement. In addition, many of these elected officials did not run for reelection, were not reelected or became advocates for one growth position or another. Most of the task for implementing the plans and policies was left to newly elected officials, many unaware of the history or goals of growth management.

As a result, many jurisdictions did not implement the comprehensive plans, mostly the higher density concepts, did not create a new regulatory base, adequately fund needed infrastructure or cause organizational change to meet future requirements. A second result is that unhappy residents affected by growth raised emotionally charged questions about the plans or the validity of growing without adding new infrastructure.

Further complicating the ability to accommodate growth, the existing urban growth areas and buildable land available for development are “shrinking” due to implementation of the Endangered Species Act and revised shoreline rules. As a recent addition, the Endangered Species Act provisions created questions as to the urban growth areas status to protect the Chinook salmon and bull trout.

Whether or not there could be different standards for urban areas or parts of urban areas is not entirely clear. The primary impacts would be the 400-foot wide riparian corridor, increased drainage and construction requirements as well as procedural delays. In addition, recent DOE revisions to the Shoreline Management Act create an uncertain relationship between urban and other environments relative to optional local rules based on ESA guidelines and potentially more restrictive development standards.

Appendix B

Population, Jobs and Housing

There are a number of excellent data sources available. This list is not exclusive but is intended to direct the user to sources, which will provide an accurate and comprehensive picture.

The U.S. Census, the Washington State Office of Financial Management and local city, town and county planning department (and regional planning organizations) all are excellent sources. Often, local sources provide copies or links to state and federal sources.

OFM has the most comprehensive site maintaining both official Census figures, which are currently undergoing revisions where questions were raised with the original counts. Detailed information is available for the state, counties and individual cities and towns.

The OFM site is also the location for the official GMA Growth Projections, which are the target, ranges to which each county (including their individual cities and towns) must plan. OFM is circulating their proposed new projections to local governments and it should be anticipated that they will be finalized early in 2002. GMA population projections were previously issued in 1995 which are currently available from OFM or their website (See Appendix D). Only eight counties have substantially revised projections. Clark County shows a substantial increase. Clallam, Columbia, Grays Harbor, Island, Jefferson, Pacific and Wahkiakum Counties show substantial decreases in their projections. Distribution of each county's projected GMA population is conducted at the county level through a locally defined procedure involving both the county and the cities and towns within the county. Check with you local planning department for information on how the new population projections are going to be treated, including the process being used to make the allocation decisions.

While a substantial number of different data sets are available for employment, jobs and housing at the state and federal levels, the primary locations for finding the base data used to determine future population and job creation is developed at the local level. (As noted above, the Population, Economy and Research Division maintains the most comprehensive set of data, including the 2000 Census—all accessible through the Internet at <http://www.ofm.wa.gov/>.)

Many counties maintain their own demographic capabilities. In addition, within the four-county central Puget Sound, the Puget Sound Regional Council provides substantial support to the efforts of the counties and their cities and towns. Their comprehensive list of data are available at <http://www.psrc.org/datapubs/index.htm> .

Appendix C

Examples of Economic Development Programs

Cities and counties have adopted and implemented a variety of programs and projects to further economic development goals and policies. The following list includes programs and the city or county identifying a need, initiating or implementing an action. This list is included to describe possibilities requiring further investigation.

Business Plan Goals, City of Renton

- Encourage and support economic development and downtown development
- Encourage and support neighborhood revitalization
- Promote the City's image in the community and the region
- Meet the service demands that contribute to the livability of the community
- Influence regional decisions that impact the city

Business Plan, Goals, City of Tacoma

- Attract investment that builds a vibrant economy
- Strengthen the heart of the city
- Establish Tacoma as a destination city
- Enhance neighborhood livability

The Technology Corridor, East King County and South Snohomish County

Private consortium of business leaders to promote technology and related uses in existing and planned business parks

Ascent 21, Snohomish County

Public/private partnership to meet and fund a variety of existing infrastructure and open space needs
The \$600 million bond issues placed before voters

The wired city, City of Tacoma

Capital Facilities Planning, City of Cheney

Southwest Everett Sub area Plan/Planned Action Ordinance, City of Everett

Downtown Plan, City of Redmond

Thea Foss Waterway, City of Tacoma

Yakima Greenway, City of Yakima, Yakima County and Yakima Greenway Foundation

Commute Trip Reduction, City of Spokane

Historic Preservation, City of Port Townsend

Tourism (from Municipal Research and Service Center)

Cowlitz County

Forks

LaConner

Lake Chelan

Leavenworth

Long Beach Peninsula

Ocean Shores

Omak

San Juan Islands

Toppenish

Vancouver

Puget Sound Freight Customer Association, Kent Chamber of Commerce

Appendix D

Links to Websites

The Washington State Office of Community Development maintains a comprehensive website at <http://www.oed.wa.gov/info/lgd/growth/>

List of All RCW's, Other Related Statutes and Rules, WAC 365-190, and WAC 365-195 can be found at <http://www.oed.wa.gov/info/lgd/growth/law/>

The Washington State Office of Financial Management maintains a complete set of planning, population and economic data, which can be found at <http://www.ofm.wa.gov/demographics.htm>

Within the Central Puget Sound region, the Puget Sound Regional Council maintains an extensive set of data at <http://www.psrc.org/datapubs/pubs/trends/index.htm>

Each county and many cities maintain their own websites. One central location to find each of these is the one maintained by the State of Washington. An index for all local governments can be found at <http://access.wa.gov/government/awstate.asp#F> by clicking on the “Government”, then “Local” and then either “cities and towns” or “counties”.

Appendix E

Terms

Economic base – A theory and analytical technique that divides local economies into basic and non-basic sectors.

Basic/non-basic sectors. – The basic sector is that part of the economy consists of the parts of the economy whose activity is dependent upon **external** factors to the local economy. The non-basic sector is that part of the economy dependent upon the local economy.

Concurrency - After adoption of the comprehensive plan by jurisdictions required to plan or who choose to plan under RCW 36.70A.040, local jurisdictions must adopt and enforce ordinances which prohibit development approval if the development causes the level of service on a locally owned transportation facility to decline below the standards adopted in the transportation element of the comprehensive plan, unless transportation improvements or strategies to accommodate the impacts of development are made concurrent with the development. These strategies may include increased public transportation service, ride sharing programs, demand management, and other transportation systems management strategies. For the purposes of this subsection (6) "concurrent with the development" shall mean that improvements or strategies are in place at the time of development, or that a financial commitment is in place to complete the improvements or strategies within six years.

Consistency - Local comprehensive plans are required to be both internally and externally consistent with other plans. Each local jurisdictions development regulations are required to be consistent with and implement their comprehensive plans. See RCW 36.70A.070.

Countywide Planning Policies - A "county-wide planning policy" is a written policy statement or statements used solely for establishing a countywide framework from which county and city comprehensive plans are developed and adopted pursuant to this chapter. This framework is to ensure that city and county comprehensive plans are consistent. There are nine required elements. See RCW 36.70A.210.

Burden of proof - An important concept of the GMA is that local plans and regulation are presumed to be valid unless found to not meet the goals and requirements of the GMA. The Legislature increased the standard of review to be used by the hearings boards to give substantial deference to local governments decisions. The definition of “Burden of Proof” can be found in RCW 36.70A.320.

Appendix F

Location Decisions – The Demand Side

The location decisions of firms are based on a variety of factors. Each firm may have its specific criteria for choosing locations. Others may gravitate to areas where a variety of other firms are located. Some may choose where the CEO wants to live.

If the location choices are grouped, there are a few categories –

Governmental policies and actions affecting location choice

Tax breaks

Reasonable regulatory process

Sufficient land zoned

Infrastructure available or at a reasonable price

Production or service attributes of a location

Access to markets for goods and services

Cost of labor

Educational/skills of labor

Access to or available reasonably priced resources

Quality infrastructure

High technology level

Near others for business/information/research

Physical, natural or social attributes of a location

Good educational systems

Good place to live

Close to recreation

Housing choice/reasonable prices

Natural features

Where the CEO wants to live

Some of these attributes are weighted to put one or more in the higher priority category. For example, access to markets may be the highest choice for bottling or similar industries having transportation costs as the critical factor. Another example is related to companies providing intellectual services. These companies would put amenities and education or access to business contacts as the prime criterion.

Local governments should identify the key assets as to what would attract businesses and what kinds of businesses. If local governments also identify negative attributes, decisions can be made to change the negative attribute and encourage businesses.

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Mr. Spangenberg has more than ten years of land development management experience including business parks, residential and planned communities. That experience included project management and planning, financial analysis, permit processing, construction supervision, land sales, and public policy involvement for the Quadrant Corporation.

His public sector experience includes managing innovative public planning programs for the City of Kirkland, Washington. These programs included the city's first comprehensive plan, management of sensitive lands and local and regional shoreline planning.

He has been a director of government affairs for the Master Builders Association of King and Snohomish Counties involved in growth management planning, regulatory and plan implementation efforts, capital facilities planning, creating educational programs and coalition building.

His educational background includes degrees in architecture, urban planning and public administration.

John Spangenberg taught land use/urban planning and real estate development classes at the University of Washington and University of Puget Sound. He teaches housing, communities, transportation and private sector planning and development classes.

He has been actively involved in a wide variety of organizations, including chambers of commerce, Rotary, economic development council, multi-social services association, county-wide affordable housing, planning and environmental issues, and other governmental, educational and professional committees.

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Mike is an Olympia based planning consultant specializing in Intergovernmental Relations, Planning and Growth Management. Prior to establishing his firm in 1994, Mike completed a 25-year career with the State of Washington where he was one of the key people involved with creating Washington's Growth Management Act. As Assistant Director for Growth Management with Washington State's Department of Community Development, he led the state's effort to implement the Act. He was an early advocate for integrating environment protection and growth management planning.

He has continued to stay active in both the politics and implementation of GMA, Regulatory Reform and Infrastructure Finance. Mike is a frequent speaker on planning and growth management topics.

Mike is a member of APA's Washington Chapter and American Institute of Certified Planners. In 1999, he was elected to the Institute's College of Fellows in recognition of his contributions to the planning profession.