



## Economic Development

*The following material is derived and condensed from a variety of sources (see list at end of document) and is intended to assist us in our thinking about the meaning of economic development. It also may be helpful in identifying actions the City of Mill Creek could take to stimulate economic development.*

Although there is no one definition of what economic development is, there are clearly some commonly accepted themes associated with the term. They include:

- Think, plan and act for the long term.
- Economic development is about sustained effort, by government, investors and others to create a vibrant community with amenities and services that conform with its values.
- There is a role for the public sector (e.g. cities, counties, etc.) in creating the environment that can initiate and sustain economic development.
- Economic development is not just about jobs, businesses and revenues, it is also about creating or strengthening community values. For Mill Creek, economic development might enhance home values, facilitate social and community events, keep the local environment one that is family-friendly and inviting to individuals of diverse cultures, backgrounds and ages.

In March of this year, the City of Everett hosted a Developers Forum, where six developers were asked to talk about their thoughts regarding Economic Development and to answer questions posed by the audience. Although a summary of that meeting is included in the meeting packet it is worth noting a few of the ideas that were voiced regarding ways government can help be a catalyst for economic development and which would seem to resonate with the City of Mill Creek. Those ideas include:

- Create a sense of place.
- Engage in public-private partnerships.
- City improvements can make a significant positive impact.
- Continued support for arts and activities is essential.
- Market a downtown identity.

Economic Development generally refers to the sustained, concerted actions of policymakers and communities to promote the standard of living and economic health of a specific area. Such actions can involve multiple areas including development of human capital (e.g. education, etc.), critical infrastructure, regional competitiveness, environmental sustainability, social inclusion, health, safety, literacy, and other initiatives. Economic development differs from economic growth. Economic development is a policy intervention with aims of economic and social well-being of people whereas economic growth is a phenomenon of market productivity and rise in GDP. Often communities mistakenly think they are practicing economic development when they engage in business attraction or retail attraction as their only economic development strategy.

The use of community profiling tools and database templates to measure community assets versus other communities is an important aspect of economic development. Job creation, economic output, and increases in taxable basis are the most common measurement tools. It is important to note that economic development does not typically create jobs, rather it facilitates the process for existing businesses and start-ups to do so.

In Washington State, the term economic development is not statutorily-defined, although various statutes describe its goals while providing authority for certain economic activities. For example, when setting up the state's Economic Development Tax Authority, the legislature stated that economic development is essential to the health, safety, and welfare of all Washington citizens by broadening and strengthening state and local tax bases, by providing meaningful employment opportunities and thereby enhancing the quality of life. The Community Economic Revitalization Board (CERB) fosters economic development through the stimulation of investment and job opportunities and the retention of sustainable existing employment for the general welfare of the inhabitants of the state. The Growth Management Act in RCW 36.70A.020(5) lists 13 planning goals, one of which is economic development.

Washington's local governments are limited as to what they may undertake in the area of economic development. For cities, the statutory provision is in RCW 35.21.703. The authority for counties to engage in economic development activities is RCW 36.01.085. Neither statute defines "economic development." The intent of these statutes was to enable cities and counties to join and pay dues to economic development councils and consortiums. The State of Washington is one of the more restrictive in the nation in regard to how public funds may be utilized to attract private investment. Specifically, Article 8, section 7 of the state constitution provides:

- No county, city, town or other municipal corporation shall hereafter give any money, property, or loan its money, or credit to or in aid of any individual, association, company or corporation, except for the necessary support of the poor and infirm.

**Economic development strategies.** Listed below are some common economic development strategies employed by communities, counties and states.

- Tourism
- Business attraction, business retention and entrepreneurship
- Downtown development
- Arts/Creative economy
- Cluster-based development
- Residential development

However, not all economic development strategies will be relevant to the City of Mill Creek. Tourism for instance is not likely to be an important economic development strategy for Mill Creek to pursue.

**Business Attraction, Business Retention and Entrepreneurship.** Generally, communities thinking about business attraction and retention should focus on improving quality of life measures relevant to businesses in their economic base. An economic base activity is one in which your community has a specialty. An entrepreneur means a person who starts a business and small businesses create as many as 90% of the jobs in some years. For the City's part, it needs to invest in ways that support the entrepreneur. Community leadership should be aware of the quality of life issues that are critical



when business growth is discussed. It's also essential that residents love their town, because their passion shows and businesses notice.

**Downtown and Retail Reinvestment.** Downtown improvements have become another indicator of a community's success and potential – and one this is easily observed by citizens, businesses and site selectors alike. Active, beautiful downtowns are an essential quality of successful regions. They provide a space in which locals can gather, create an immediate, visual impression of the health of the local economy, and draw in people from outside the immediate community. A thriving, interesting downtown keeps residents living in-close and helps communities preserve their natural environment and green space. A successful downtown also supports a knowledge economy that can be an integral part of a regional economic development strategy.

**Arts and a Creative Economy.** While companies seek to attract a young professional workforce, these workers are attracted to regions with interesting and vibrant downtowns at their core. There are a number of reasons for this. These employees put an emphasis on living in places that are interesting, exciting and tolerant. Diversity is also important to the “creative class,” and vibrant downtowns give them diversity of space, businesses, ideas and people. Communities can encourage new businesses, artists and non-profits by creating a vibrant downtown.

**Business Clusters.** The idea of business clusters is important even in smaller cities. A cluster consists of businesses logically grouped together because they are similar, related, complementary, or up and down the supply chain from one another.



**Some Keys to Mill Creek's Long Term Success?** Some possible approaches to successful economic development in Mill Creek might include:

- Preserve and enhance Mill Creek's unique atmosphere and appearance.
- Ensure that economic and community growth is sustainable.
- Preserve substantial amounts of open space.
- Generate public support for new community investments – public and private.
- Be a catalyst for economic development by creating an enhanced city center – a sense of place.
- Ensure that architecture and planning enhance quality of life.
- Seek out public-private sector partnerships.
- Provide strong public and private sector leadership.
- Create and market a sustainable community identity.

Sources: Municipal Research and Services Center of Washington (MRSC)  
University of North Carolina School of Government  
National League of Cities (CitiesSpeak.org)  
City of Everett's Developers Forum (March 2013)

## City of Everett: Innovative Approaches for Population and Job Growth

### STAFF WORKSHOP #2: DEVELOPERS FORUM

MEETING SUMMARY

MARCH 7, 2013, 2:00 – 4:00 PM

#### PANELISTS

Glen Bachman, Kemper Development Company

C.J. Ebert, Harbor Mountain  
Development

Tim Farrell, Tarragon

Tom Fitzsimmons, Lorig

PJ Santos, Lorax Partners

Gary Young, Polygon Northwest

Joe Tovar, Facilitator, inova



#### MEETING SUMMARY

The purpose of this workshop was to hear perspectives from those who work in land development about the future feasibility of infill and redevelopment in Everett. Developers who have worked in Everett and in other parts of the Puget Sound region were invited to join in the discussion. The meeting was conducted as a facilitated discussion in which the panelists were asked to provide their insights and experiences with infill development as well as a look forward to what Everett can do to support continued high quality growth and redevelopment. In addition, questions and comments from the audience were taken at several points during the conversation. Audience members included city staff, Planning Commission members, and interested members of the public.

***Opening Question: Please describe your experiences working in infill/redevelopment projects. What lessons learned can you share with us?***

#### *Panelists:*

- Need to create a sense of place and synergy between uses.
- Focus energy in one area and do not fracture energy into multiple focal areas. Focus area does not have to be large.
- Look for opportunities to separate people from cars; surrounding properties around Everett Station for example.
- Sense of place is key and city improvements can make a significant positive impact.
- Look for ways to link Everett Station and Comcast Arena.
- Make improvements to downtown entryways, including landscaping and wayfinding signs. Note that the downtown is a mile from the freeway off-ramps into Everett and those entryways are confusing and not inviting. Need proper wayfinding signs.

- Make sure that you know what problem you are trying to solve. In this case it seems to be how to provide for growth without harming the fabric of the community. Requires careful calculation of where greater density can be afforded.
- People want to live in an attractive neighborhood that suits their needs. Define the brand and who the customer is for that brand.
- Everett is in transitional period and looking for revitalization. Heading in the right direction. Continued support for arts and activities is essential.
- Define what makes the City's strong neighborhoods work and work from those strengths. Create a pathway from strong neighborhoods to the downtown core.
- Entice younger generation to move to Everett.
- Focus on periphery between the core neighborhoods and the growth boundaries.
- Selectively densify neighborhoods and support increased densities with amenities – parks, waterfront access for example.
- Strengths in Everett – strong arts community, large public marina, mountain and water views, Everett Station, seasonal farmers market, potential mix of technical, medical and marine industrial employment, future WSU 4-year college campus.
- Challenges – retail base due to competition from Alderwood Mall to the south and Tulalip outlet mall to the north.
- In some ways, it is good that Everett is a "blank slate" to some, because that means the opportunity still exists to shape identity and "brand."

*Audience Questions/Comments:*

- Many panelists have talked about the "Gen Y" as part of Everett's housing market, but it's also important to remember the baby boomers – people looking forward to retirement and being free of auto ownership.
- Need to remember the environment and to enhance existing neighborhood character; want people coming to the City to feel a part of a neighborhood. Concerned that high density development would detract from character.



***Question 1: From the perspective of a potential investor/developer and your target residential customers, what is Everett's "brand" or "image"?***

- Everett's brand is not now centralized or focused. Need to establish and market a downtown identity.
- City has had a good strategy for visioning and working to create a downtown identity. Agree that office development in Riverfront or Port Gardner areas would detract from downtown.

- Residential development around the downtown is important.
- Everett is moving in a good direction; seeing younger, more contemporary clients buying/renting here.
- Brand is "city of neighborhoods," but these need to be linked together and with downtown using wayfinding signage and better pathways/transit.
- Over time, City will brand itself, pay attention to gateways because that conveys a first impression.
- Everett is poised for the future. Has the potential to be stuck if it lets its past encumber its future. Need to transition to the future while embracing the past.
- Recognize that the future is going to be very different. Create brand by preservation of core neighborhoods while allowing for greater density. Focus on corridors and key redevelopment areas. Create a collection of right-scale places
- Recognize that just coming out of recession and market cycles will continue in the future. Be patient, recognize the changes and work with them.
- Brand is going to be unique to Everett, which is an emerging city.
- Note that parking is at capacity at Everett Station – that is a good thing.
- City is on the right track, continue to improve, do not take foot off of the gas pedal.
- Do a better job than Seattle – better infill, play up great views of water, open green areas and mountains, and Everett's historical roots.
- Brand depends on where you are. Could be for aircraft industry, technology, education, arts, etc.
- Paint Everett's strengths with bright colors.
- Recognize how to work with multigenerational and multicultural groups.

***Audience Questions/Comments:***

- Protect wildlife and habitat areas, Everett estuary.
- Waterfront is a huge asset, should be opened up to provide greater access.
- South part of City does not lend itself to non-motorized travel.
- Linkages and connectivity to waterfront would provide a lot of value.
- Events Center is a huge asset.
- Need more pride in schools, concerns about Everett High School.
- Don't recall Everett having a brand.
- What will happen to downtown? Maintain historic character or high rises?
- In the future, water will be a big issue. Everett has plentiful water.

***Question 2: What incentives offered by public agencies are most effective in attracting infill development or redevelopment? What obstacles are the most serious?***

- Need leadership around a multi-level platform for change. Include bike trails, signage, street improvements, and important pet projects, such as Riverfront, Everett Station
- Strategic plan for change should include multiple strategies, not just one path forward
- Designate priority areas for infill, which may mean core residential neighborhoods take more density.
- Find ways to get people to support retail.

- Look for opportunities with high return on investment.
- Everett Station is ripe for new development and would leverage prior investments in public transit.
- Everett Station should have housing on top of parking garage.
- Look for opportunities for public/private partnership collaboration.
- Consider residential in all projects.
- Should have a robust wifi system
- Make sure that you have parking everywhere – retail on bottom, green on top.
- Safety – consumer first question is how safe is it?
- Pay attention to financial implications; recognize that finances/lending are tight
- Once have entitlement, try not to make any changes to permitting; keep speed in permitting process
- City has good existing regulatory incentives to promote density and a predictable and timely permit processing system.
- Consider expanding MFTE program to areas around the downtown.
- Look for tax increment financing-like opportunities.
- Use monetary incentives to shape future development; do not give away financial incentives, enforce design standards, other measures.

*Audience Questions/Comments:*

- No questions/comments from the audience at this time.

***Question 3: What recommendations would you make to Everett to attract new private investments and new residents?***

*Panelists*

- Locational decisions for offices are being made by human resources departments of businesses.
- Big question relates to what's your public transit system like?
- Keep the push going for next 10 – 20 years.
- Support flights out of Paine Field.
- For the next 5 – 10 years out, look for urban density at nodes.
- Need to be competitive similar to private firms, define what reasons people have to be at this location.
- Recognize that the pendulum swings back and forth, but if you have a sense of place, you can create a welcoming atmosphere and long-term sustainability.
- Look at examples outside of the area to learn how other cities have overcome the obstacles.

*Audience Questions/Comments:*

- No questions/comments from the audience at this time.

**Question 4: Can you speculate how employment, transportation, and social trends in this region will affect the housing choices people make five years from now? Ten years?**

**Twenty years?**

- Think in the long term – example of the South Kirkland Park and Ride, started life as a drive-in movie theater, became parking lot, now transit oriented development. Required public/private partnership, \$8m from federal government. Hard to do this kind of project, very complex and takes a long time. Need long term flexibility to make this succeed.
- Employment density increasing in new office development; has major implications.
- Increasing transportation costs will be important factor in where decide to live; people will turn to public transit.
- Jobs will be centralized in Seattle for the next 15 years, although will change over the long term.
- Social trends – salaries not going to grow, senior population is emerging, houses are going to get smaller.

**Audience Questions/Comments:**

- What about affordable housing, do the panelists have experiences to share? Panelist discussion that affordable housing development typically needs strong non-profit partnerships that are connected to the federal government and possible funding sources. General comment that Everett already has affordable housing, relative to regional housing costs. Everett Housing Authority has worked to try to assimilate lower cost housing into the community.
- City has a lot of renters, which has impact on transience and neighborhood quality. City needs to address lack of maintenance in order to preserve strong neighborhoods.
- One person felt public transit is good to get to Seattle and to travel within Seattle, but difficult to use to travel within Everett.
- Should industrial zoning continue to be preserved? Panelist response that, around Everett Station, can better use land than what is there now. Larger block sizes also make it easier to handle residential development, compared to smaller sites around the City.

Following closing comments from Allan Giffen, City of Everett Planning and Community Development Director, the meeting was adjourned at 4:00 pm.