

CHAPTER 6

ECONOMIC DEVELOPMENT



1. INTRODUCTION

1.1 Growth Management Act

The state Growth Management Act (GMA) recognizes the importance of planning for economic development, and has included it as one of its thirteen planning goals:

”Encourage economic development throughout the state that is consistent with adopted comprehensive plans, promote economic opportunity for all citizens of this state, especially for unemployed and for disadvantaged persons, promote the retention and expansion of existing businesses, recognize regional differences impacting economic development opportunities, and encourage growth in areas experiencing insufficient economic growth, all within the capacities of the state’s natural resources, public services, and public facilities.”

1.2 Countywide Planning Policies

King County and Pierce County Countywide Planning Policies (CWPPs) give Pacific the opportunity to establish guiding policies for sustained economic growth, and require estimates of the type and number of jobs that will be available in Pacific by the year 2035. The City is asked to manage job increases by providing for and encouraging economic activity that will produce a diverse, stable, and vital local economy, as well as contributing to the economies of both counties and the state.

The City of Pacific has expanded the mandate for forecasting economic growth into the broader concept of “economic rebirth”. This innovative strategy expresses a new vision of what constitutes a strong economy and favorable business climate, which in turn, will make Pacific great place in which to work and reside.

Defining Economic Development

The adopted King County Countywide Policies define economic development as “growth and change in the economy whereby the economic health of the region—its people, its business, its governments—is enhanced.” An important component of achieving economic development is “the purposeful undertaking of public and private actions designed to achieve:

- ◆ maintenance of a strong economic base;
- ◆ diversification of the economy;
- ◆ improved job training and educational opportunities;
- ◆ protection of the natural environment;
- ◆ empowerment of economically disadvantaged citizens and neighborhoods;
- ◆ partnership between the private and public sectors; and
- ◆ maintenance and creation of higher (family) wage jobs.”

This element reflects King County and Pierce County Countywide Planning Policies, and provide a vision and policy direction for the entire City of Pacific.

1.3 Community Vision

The City's vision for economic rebirth is based on preserving the existing small town residential character while absorbing the dramatic growth of a potential Regional Employment Center designation for the southern 40% of its land area lying within Pierce County, along with balancing and mitigating environmental impacts.

Economic development may damage a city's existing residential character by increasing traffic, noise and air pollution, light and glare, and public services. Pacific proposes managing commercial and industrial growth to create a financial base for the economic health and quality of life of the entire community. The City is committed to ensuring that all of the components that contribute to the quality of life (affordable housing, natural environment, good schools, efficient government and excellent infrastructure) are available for current and future generations. In this way the City may continue to attract, retain and encourage growth of local and regional businesses.

1.4 Community Values

The Pacific community values local government that is efficient and works with business; high quality public services and excellent infrastructure; affordable and quality housing; good schools and child care services; diverse cultural and human resources; the natural environment and recreational activities. These all contribute to the overall quality of life and provide for a vibrant and diverse economy.

1.5 Framework Goals

The Economic Development Framework Goal is to infuse the local economy by:

- ◆ Providing a predictable development atmosphere,
- ◆ Emphasizing diversity in the range of goods and services, and
- ◆ Ensuring that as the economy changes, employment opportunities are balanced with a range of housing opportunities.

2. GOALS & POLICIES

ECONOMIC DEVELOPMENT

GOAL ED -1: Plan for sufficient economic growth and development to provide for an appropriate balance of land uses that will provide a sound financial future for the City of Pacific.

POLICIES

Policy ED-1: Encourage land uses that increase the City's tax base.

Discussion: The Zoning Code should be reviewed to identify land uses that do not contribute to the increase of the City's tax base. Storage is a permitted use in the Light Industrial (LI) zone. Storage

includes the storage of semi-truck trailers, cargo containers or other materials. Land values for properties used exclusively for storage have a lesser value than properties that are developed with structures on them. Storage lots/properties provide a negligible increase in employment for the City.

For example; in a comparison of two lots of relative equal size in Pacific, one being used for storage, the second containing a small manufacturing business, the lot with the manufacturing business has a property tax value of over 400% greater than the lot used exclusively for storage. Further, the manufacturing business generates approximately 30 family wage jobs where the lot used for storage may have one (1) or two (2) jobs generated for security guards. It is clear that land uses other than storage would generate a greater tax base than a storage use of the land.



Figure 6.1 Truck/Trailer Storage

Overall higher land use values would help increase the City's general fund budget. This would help the City to provide better services to the City's residents and businesses.

Policy ED-2: Encourage economic development that provides a reasonable balance between public costs and benefits.

Discussion: In implementing this policy, the City should emphasize attracting living wage jobs to the community and encourage high tech businesses.

Policy ED-3: Preserve the community's unique qualities through the concentration of new commercial and industrial development, in both King and Pierce Counties, while protecting the residential areas in King County.

Discussion: The Sumner-Pacific Manufacturing Industrial Center (SPMIC) Subarea Plan was recently adopted to protect the industrial zoned properties in the Pierce County portion of the City.

Policy ED-4: Support the growth of home telecommuting options and home employment opportunities that are compatible with the character of single-family neighborhoods.

Discussion: The City should encourage home-based businesses provided that signage, parking, storage, and noise impacts are compatible with adjacent land uses and comply with appropriate City codes.

Policy ED-5: Support regional policies for balancing commercial and residential development in Pacific.

Discussion: The City has implemented land use policies regarding commercial and residential development consistent with such policies within the King and Pierce County Comprehensive Plans.

Policy ED-6: Increase and improve the City's economic base to encourage Pacific residents to work and shop in the community.

Discussion: Providing incentives, such as a family wage job credit to attract new businesses to the City would help expand its economic and employment base and possibly bring more residents to the City.

Policy ED-7: Ensure that land use and zoning provisions support businesses and industry.

Discussion: The City should review its zoning regulations to determine where they could be revised to allow new development that could maximize new construction techniques to compete with other cities for new economic growth. For example: Do the maximum height requirements in the light industrial zone provide sufficient height to allow for maximum flexibility to attract new businesses (stacking of product).

Policy ED-8: Promote and retain existing businesses for the optimum development of commercial and industrial property.

Discussion: The Pacific Business Retention & Expansion (BRE) report completed through a grant with the Port of Seattle indicates at least 14 businesses are headquartered in Pacific and that 43% of businesses would consider expansion in Pacific. The City could promote and retain these businesses in part through the following:

- Participating with the Auburn Chamber of Commerce
 - Participating with the Sumner-Puyallup Chamber of Commerce
 - Providing businesses, the opportunity to meet with City staff on a monthly or quarterly basis to discuss business concerns.
 - Arranging to meet with business owners on-site.
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Policy ED-9: Promote new industry by attracting light industry which offers secure, quality employment opportunities, sensitivity to community values and development of attractive facilities.

Discussion: Providing incentives, such as a family wage job credit could attract new businesses to the City. Attractive facilities could be guaranteed through development design standards and landscaping.

Policy ED-10: Ensure a customer service approach in City services to commercial improvements, expansions, and developments.

Discussion: The City will continue a customer service approach to the delivery of City services, including economic development and permitting activities. The process and timing of building permit review will be expedited under this approach and under the provisions of RCW 36.70B. In addition to the processing of permit requests, the City will hold pre-development meetings with prospective developers and business owners to identify, facilitate, and expedite proposals that are consistent with the adopted zoning and Comprehensive Plan.

CITY IMAGE

GOAL 2: Enhance the image of Pacific as a great place in which to work, shop, live, and recreate.

POLICIES

Policy ED-11: Improve the character and function of Community Center, business and industrial districts, neighborhoods.

Discussion: Businesses with attractive site, landscaping, and building designs improve the character of the community. Design standards and zoning regulations can encourage high quality commercial development. The City can implement this policy by cooperating with the business community.

Policy ED-12: Promote the image of Pacific through an active advertising.

Discussion: The City could use the following methods to advertise the City.

- By using the Hotel/Motel Tax.
 - Through the City Website.
 - Participation in the Auburn, Sumner and Puyallup Chambers of Commerce.
 - A City “Newsletter”.
 - On a City sponsored “Facebook” page.
 - Participation with the Green and White River valley cities in creating a regional marketing website.
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Policy ED-13: Work with other organizations to promote civic and community events which foster community pride and promote the downtown and other critical commercial areas.

Discussion: The City should continue to work with Pacific Partnerships or other organizations to stage Pacific Days. The City could also work with the Auburn Chamber of Commerce to promote City events.

Policy ED-14: In conjunction with transit agencies, explore linking the community center with the other parts of the City with a community based transit system which compliments the special needs of the community center.

Discussion: The City should continue to work with Pacific Partnerships or other organizations to stage Pacific Days. The City could also work with the Auburn Chamber of Commerce to promote City events.

Policy ED-15: Encourage increased density of housing near commercial districts.

Discussion: Providing denser housing next to commercial districts provides the following benefits.

- A built in clientele is provided in close proximity to the businesses.
 - Residents living within such areas have the benefit of commercial businesses within walking distance to their residences.
 - Less traffic will be generated on nearby streets with increased pedestrian traffic.
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Policy ED-16: Use incentives to ensure quality development that enhances the image of the City.

Discussion: Examples of incentives include development agreements, tax credits, infrastructure improvements, expediting permitting processes, transfers of development rights and grants, loans, or revenue bonds. The City can also engage in public/private partnerships and facilitate Local Improvement Districts.

Policy ED-17: Recognize Ellingson Road as an important economic commercial corridor of the City with potential for development and revitalization, providing services, employment and opportunities, while becoming an activity center for Pacific.

Discussion: The Commercial Residential Mixed Use (MC) Zoning at Ellingson Road and Milwaukee Boulevard is intended to provide incentives for development at this important node. Development allowed in the MC zone includes ground floor commercial with residential above. Extensions along Ellingson Road, west toward its intersection with Frontage Road



Figure 6.2 Milwaukee, Oregon

may be considered through the annual Comprehensive Plan or the parcel rezone processes.

Policy ED- 18 Work with property and business owners and the community to create an image for the specialty manufacturing and artisan district, which is located in the Pacific portion of the Sumner-Pacific MIC, and engage owners and the community in implementing related improvements and standards.

Discussion: Artisan zoning is an approach to land use and development that provides space for small-scale manufacturers that produce little to no vibration, noise, fumes, or other nuisances, meaning they can fit within a wide variety of industrial, commercial, and even residential districts.

Policy ED-19: Support and retain small businesses for the employment and services they provide to the community.

Discussion: With smaller lot sizes within Pacific’s portion of the Sumner-Pacific Manufacturing Industrial Center area, the City should actively recruit new small scale businesses to these areas. Typically, these smaller businesses have a higher ratio of employees per acre and provide higher paying family wage jobs versus large warehouse developments. Methods to recruit these businesses include in part a current buildable lands survey show the location of potential properties where these businesses could locate.

Policy ED-20: Develop a consistent, appropriate image for the Neighborhood Center of Pacific.

Discussion: The City could explore special design standards for the Neighborhood Center (NC) District to ensure that the NC district has a distinctive architectural style. This could be achieved in part through the following:

- Building off-sets
 - The use of building colors
 - The type of window design
 - The design of outside lighting fixtures
 - Half-flight Stairs
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ECONOMIC DEVELOPMENT OPPORTUNITIES

GOAL 3: Improve the City’s role in facilitating and initiating economic development opportunities.

POLICIES

Policy ED-21: Maintain an inventory of commercial and industrial sites.

Discussion: An inventory of commercial and industrial sites is an important tool for planning purposes. Knowing the location of these site, the City can direct prospective developers to the appropriate contacts.

Policy ED-22: Provide economic information to existing and potential businesses within the community.

Discussion: The City can implement this policy through market studies, inventories of commercial sites, and customer service. Further, approximate housing costs, work force education and age information can be provided regarding Pacific. This could be done through the use of census information.

Policy ED-23: Involve the business community in comprehensive land use planning efforts.

Discussion: The City should work with its business community to create an atmosphere that helps existing businesses thrive. The City should encourage public/private partnerships and support businesses that provide services to Pacific and surrounding communities. To implement this policy, the City should cooperate with businesses to create strategies and action plans.

Policy ED-24: Develop a formal economic development strategy as an element of the Comprehensive Plan to specifically identify the types of businesses most consistent with community aspirations and lay out a program to attract those businesses.

Discussion: The City could team with the local universities to formulate an overall development strategy for the City. Such a program would coordinate closely with the business community to maximize quality economic development in the City.

Policy ED-25: Work jointly with other jurisdictions to stimulate business retention and implement interlocal and regional strategies.

Discussion: The City of Pacific and City of Sumner have worked jointly to create a “Manufacturing Industrial Center” to protect and to highlight industrial zoned properties in each City. Both cities have adopted the Sumner-Pacific Manufacturing Industrial Center (SPMIC) Subarea Area and has been recognized as a MIC area by the Puget Sound Regional Council (PSRC).

Policy ED-26: Create public/private partnerships with major landholders to accomplish the goals and policies of the Comprehensive Plan and enhance the economic well being of the community.

Discussion: With the recently completed Pacific Business Retention & Expansion (BRE) report, an economic development study created jointly by the City and Port of Seattle (POS), the City can contact landowners regarding the implementation of polices within this chapter.

Policy ED-27: Actively recruit and promote new businesses and industries to take advantage of market opportunities.

Discussion: New businesses improve Pacific's image and provide services to Pacific and surrounding areas. The City can implement this policy by providing marketing information to businesses that would enhance the economic image of the community.

Policy ED-28 The City should work with the private sector, school districts and Green River Community College to develop programs to provide training for different jobs requiring an array of skills.

Discussion: With the retirement of Baby Boomers, it has become increasingly difficult to hire experience employees in many fields. The City could poll its businesses to help determine what deficiencies they see in hiring new staff and coordinate with educational institutions to create courses to provide the skill sets needed.

Policy ED-29: Coordinate and initiate financial assistance.

Discussion: The City can implement this policy by using county, state, and federal program funds, facility grants, loans, and revolving loan funds.

CAPITAL FACILITIES

GOAL 4: Plan for sufficient capital facilities in order to maintain existing economic activities and allow for the development of new businesses.

POLICIES

Policy ED-30: Ensure adequate transportation infrastructure to support and promote economic development.

Discussion: An adequate transportation infrastructure needs to be provided to support commercial and industrial uses. For example, a road system that cannot support the traffic volumes generated by commercial and industrial development would dampen the interest of commercial and industrial development from locating in the City. Further, designing intersections to accommodate the turning radius of semi-trucks needs to be considered as part of infrastructure design.

Policy ED-31: Direct capital facilities in key locations to encourage and promote node-like business districts.

Discussion: Focusing capital facilities improvements in designated areas can promote the City's image; create a sense of place, and a place to locate business. The City should provide for phasing of capital facilities to key locations to promote concurrent economic development. The City can implement this policy by creating physical plans to improve the appearance and function of streets, sidewalks, utilities, access points, lights, buildings, signage, landscaping, and other facilities.

Policy ED-32: Facilitate infrastructure improvements to increase economic opportunity.

Discussion: The City can implement this policy through public/private partnerships.

Policy ED-33: Make improvements to the Community Center to make it functional, attractive, and pedestrian friendly.

Discussion: A vibrant, modern community center could act as a center piece for the development of the “Neighborhood Center” (NC) district around City Hall.

Policy ED-34: Create strong pedestrian and circulation linkages between commercial areas and neighborhoods.

Discussion: Pedestrian linkages help provide for a vibrant cohesive community. The sense of community is enhanced when community members can interact on a more intimate basis as pedestrian versus being enclosed in cars.

Policy ED-35: Use underground utilities, where feasible, to enhance the appearance and appeal of commercial and industrial areas.

Discussion: Where possible, based on soil types and water tables, undergrounding of utilities should be required to enhance the aesthetics of the City.

Policy ED-36: Promote high quality transportation and transit facilities for commercial development.

Discussion: Attractive, safe transit facilities near commercial areas increase the likelihood that people would use the public transit system to access commercial areas.

3. BACKGROUND AND EXISTING CONDITIONS

A. Background

Pacific has historically been a predominantly residential community containing small, mainly locally-owned, businesses.

Until 1995, the largest employer in town was the Auburn School District, followed by the Pacific City government. In 1995 and 1997 the City of Pacific annexed a total of approximately 400 acres of mostly vacant industrial and commercial land in Pierce County, and the economic potential of the community changed significantly. Gordon Trucking/Valley Freightliner, Pacific’s largest employer, is located in the Pierce County portion of the city.

The City of Pacific’s 2002 assumption of the Webstone Water District gave it the means to provide reliable water service in Pierce County, thereby making the area more attractive for a variety of businesses. In the recent past, larger regional and international businesses have located in Pacific adding a new dimension to Pacific’s economic fabric.

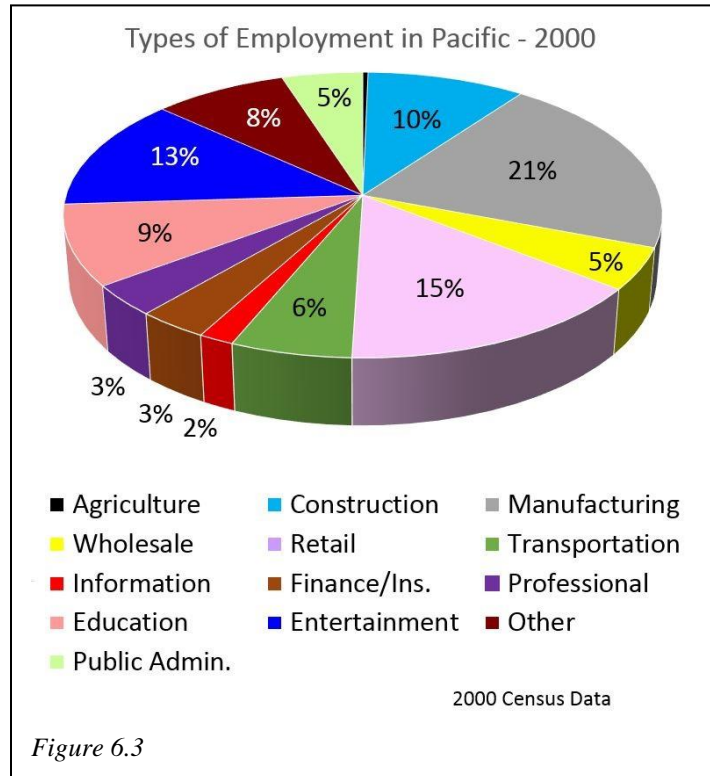


Figure 6.3

King and Pierce county Buildable Lands statistics indicate there were approximately 2,529 jobs in the City of Pacific in the year 2018. These jobs were employed in the sectors as illustrated in Figure 6.2. The Manufacturing sector employed the largest number of employees in 2000. Major employers in 2000 are shown below.

**TABLE ED-1
CITY OF PACIFIC MAJOR EMPLOYERS**

EMPLOYER	SERVICE	EMPLOYEES*
Auburn School District #408		50
Freightliner:	Truck Sales & Repairs	130
Ups	Distribution Center	120
Firesystems West:	Service	100
Chemlawn:	Lawn Care & Maintenance	75

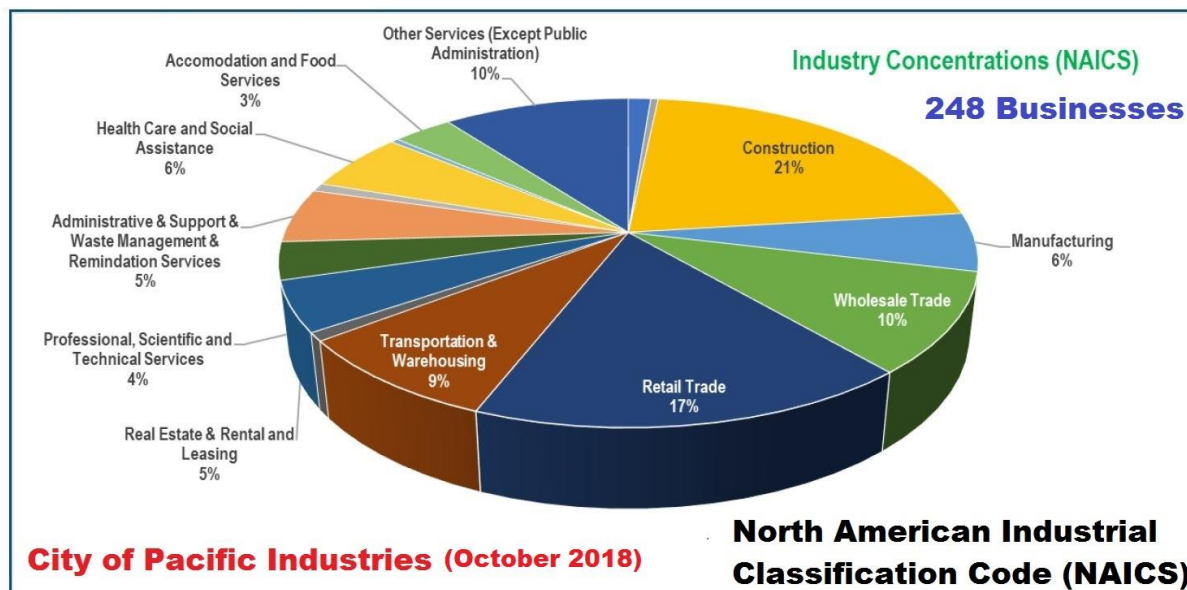
Apply-A-Line:	Traffic Pavement Markings	45
City of Pacific	City Government	45

**Full Time Employees: Numbers are approximate*

B. Existing Conditions – Economic Development Survey

The City completed an Economic Development Survey in October of 2018. The survey identified 248 businesses located in Pacific and classified each business by the NAICS Code (North American Industrial Classification Code) and Standard Industrial Classification Codes (SIC). The survey included person to person surveys with businesses and digital surveys. The largest block of businesses identified were construction related followed by retail trade (See Figure 6.1)

Figure 6.4 City of Pacific Industries 2018



The survey contained a number of questions to gauge the business owner’s perceptions, in part regarding the following (See Figure 6.4):

- Challenges businesses face in Pacific.
- Traffic congestion
- Concerns about services provided by the City.
- Housing Costs.

Figure 6.5 Impacts to City Businesses

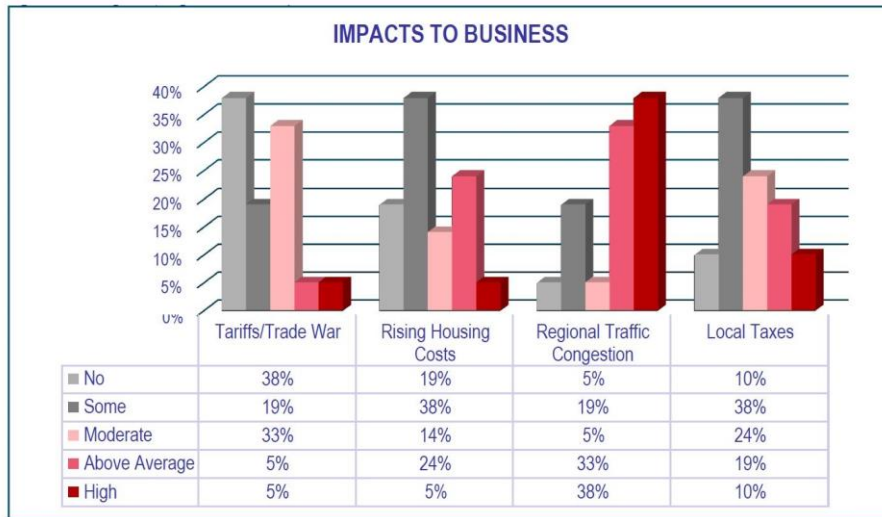
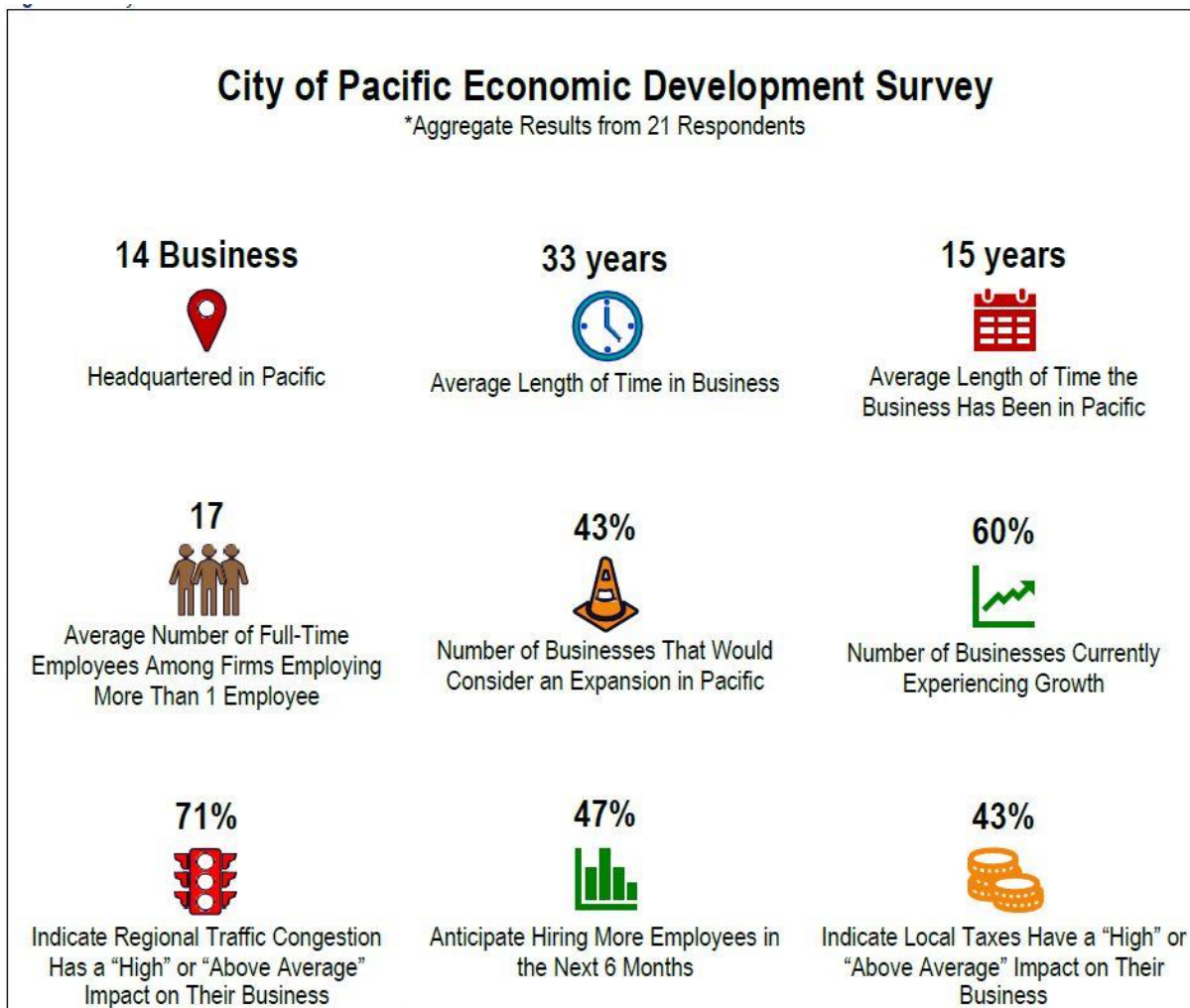


Figure 6.4 highlights a number of key results of the survey.

Figure 6.6 City of Pacific Economic Development Survey

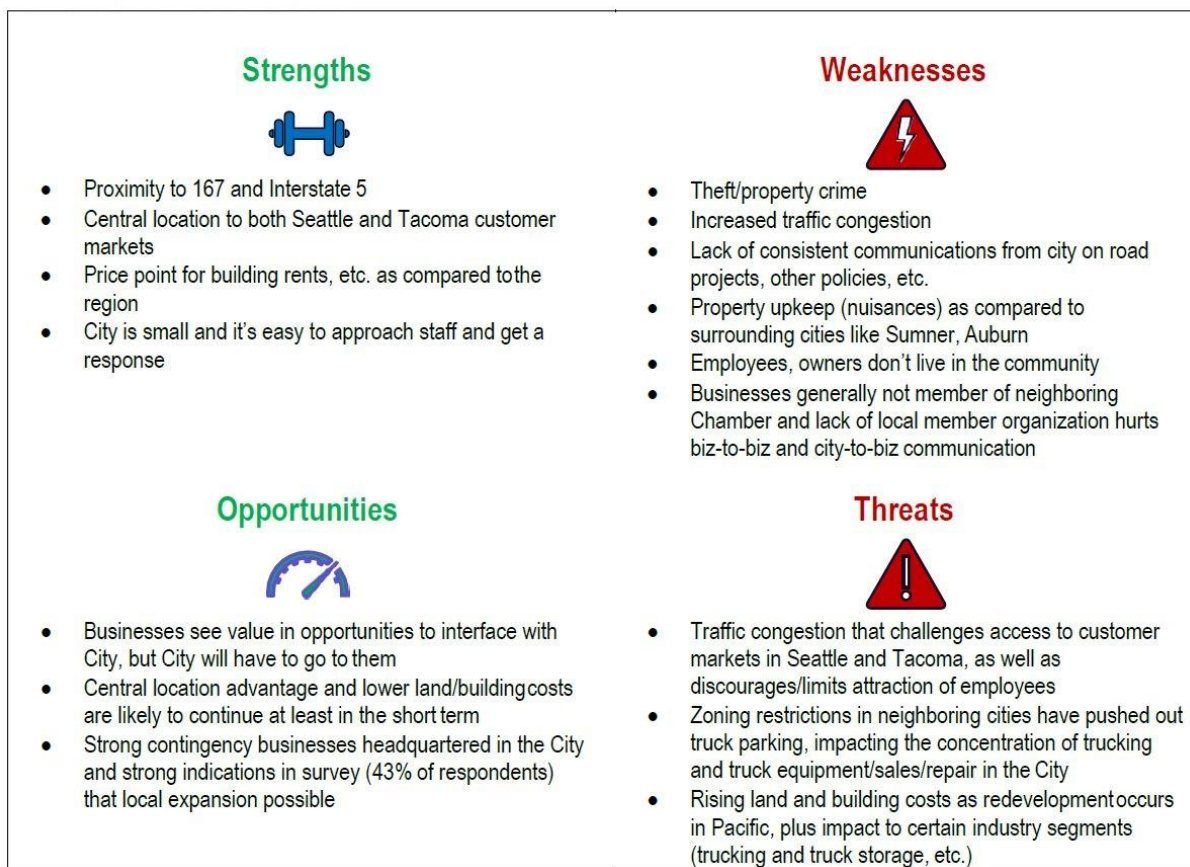


Of the businesses that indicated that they may be expanding in the future, the businesses indicated that:

- Sixty-seven (67%) of the businesses stated that expansion would involve new capital investments
- Seventy-eight (78%) indicated that expansion would involve the additions to existing buildings or construction of new buildings.
- Seventy-eight (78%) indicated that expansion add additional full-time and/or part-time employees.

Based on the response to the surveys, the consultant conducting the survey was provided enough information to complete a preliminary economic development Strengths, Weaknesses, Opportunities and Threats (SWOT) matrix for the City. The results of this matrix is provided in Figure 6.5.

Figure 6.7 SWOT Matrix for Pacific



C. Sumner-Pacific Manufacturing Industrial Center (SPMIC) Subarea Plan

The City has recently adopted the Sumner-Pacific Manufacturing Industrial Center (SPMIC) Subarea Plan. The SPMIC incorporates 2,160 acres with approximately 10% of the SPMIC located in Pacific. The SPMIC is a recognized area by the Puget Sound Regional Council (PSRC) as an area that provides protections for retaining industrial zoned properties and offers additional funding sources to provide infrastructure for MIC areas. The subarea plan was a cooperative effort by Pacific and Sumner to explore strategies to enhance the SPMIC.

A component of the SPMIC Subarea Plan included a “Manufacturing-Industrial Center Market Analysis”. The analysis identified the advantages and disadvantages of the SPMIC in attracting new businesses to the City. The market study concluded that the SPMIC was in an advantages area to attract new businesses in the Puget Sound region. The Sumner-Pacific Manufacturing Industrial Center Subarea Plan was adopted by the City Council under Ordinance 2018-1982.

FUTURE NEEDS

In keeping with the City’s commitment to the preservation of its quality of life, Pacific’s future economic strategy rests on:

1. Optimizing Pacific's strategic location among expected growth areas for quality residential and commercial development;
2. Using a large amount of relatively scarce flat land for commercial and industrial parks that is currently undeveloped or underdeveloped;
3. Generating a significant tax base to enhance public services and facilities at service levels that enhance the quality of life for the community;
4. Encouraging a diversity of local businesses to attract and enhance regional tourism, with more dining and cultural opportunities, and events such as the Pacific Days Festival and a Public Market;
5. Creating better accessibility to regional employment and residential areas;
6. Providing residents with quality natural settings and preserving the City’s small town atmosphere;
7. Balancing sustainable growth and development that incorporates resource efficiency in design, development, construction and maintenance by minimizing damage to and improving the quality of the environment, community, and economy;
8. Balancing economic vitality with other elements such as transportation and human services;
9. Fostering a regulatory framework and providing incentives to encourage appropriate economic development; and

10. Addressing affordable housing concerns to provide opportunities for those employed in retail or service jobs to live close to their places of employment.

4. ECONOMIC DEVELOPMENT STRATEGIES

4.1 Providing a Predictable Development Atmosphere

Pacific's strategy for "economic rebirth" includes providing a predictable development atmosphere by:

- ◆ Emphasizing diversity in the range of goods and services,
- ◆ Ensuring that as the economy changes, employment opportunities are balanced with a range of housing opportunities,
- ◆ Encouraging the type of growth and development that supports and complements quality of life,
- ◆ Facilitating economic activity in order to achieve the economic vitality necessary to achieve the community's vision,
- ◆ Creating incentives to concentrate new growth and development into specific Activity Areas, such as the Neighborhood Center, Ellingson Road, Pacific/Sumner Station, and the Pacific/Sumner Employment Center as defined in the Land Use Chapter.

The resulting tax base from business activity and high quality residential areas will enable the City to provide an improved level and quality of services and facilities.

4.2 Keeping Up with Growth

Enhancing the City's economic health while it grows will require a variety of other strategies, such as:

- ◆ Balancing future development with the preservation of natural systems and sensitive areas that can accommodate limited uses;
- ◆ Allowing a mix of uses through redevelopment, infill, subarea planning and master planning;
- ◆ Developing and implementing clear economic policies; and
- ◆ Encouraging interaction between the private sector and the community.

4.3 Encouraging Economic Activity

Pacific can foster a regulatory environment that supports diverse businesses, property owners, and regional and local developers by providing:

- ◆ Adequate and well maintained city services, infrastructure, and facilities;
- ◆ Consistent and predictable planning, regulatory and permitting processes;
- ◆ Flexible City requirements such as zoning and development regulations that are responsive to market forces; and
- ◆ Efficient processing of applications and a healthy economic atmosphere.

This type of environment can accommodate and retain economic activity attracted to the community by local and regional market forces.

The Economic Development element is based on the City's Vision and Comprehensive Plan and Land Use Policies, as expressed in the City's Framework Goals. "Economic Rebirth" emphasizes enhancement of the City's character and location, both built and natural, which provide Pacific with a unique advantage in attracting jobs and residents.