

# ECONOMIC DEVELOPMENT

## PURPOSE

The overriding goal of this element is the enhancement of the community’s economic well-being. Through a series of policy recommendations, the Economic Development Element identifies a means of stimulating economic improvement for business and the community as a whole. It lays out a direction and strategies for dealing with economic variables and adjusting to economic forces that cannot be predicted or controlled. It is a key component to the integration of all elements of the Comprehensive Plan, suggesting ways in which the City and its partners can use effective economic strategies in order to achieve the goals of the Plan.

There are three primary ways in which local economic activity can be affected:

- Land use and utility planning that determine, within the local infrastructure, the space available for residential and nonresidential development
- Directly or indirectly influencing private-sector decisions as to location, operation, and development of business real estate
- Helping coordinate public and private sector efforts to enhance the employability and job progression of the residential population.

The Economic Development Element presents a focused approach to enhancing our City's economic well-being. This approach can be summarized as follows:

- Sustain moderate growth
- Target high salary industries
- Improve the opportunities for education and job acquisition for Tukwila residents
- Provide capacity to meet Tukwila’s employment targets as set by the Countywide Planning Policies
- Encourage growth into certain areas through the use of zoning and developmental regulations
- Encourage the retention and growth of existing local firms
- Encourage entrepreneurs and small businesses

**Comment [BM1]:** Third way added to address what economic development can do for residents.

**Comment [BM2]:** The old element discussed code enforcement in Economic Development. This no longer seems proper. All references to code enforcement have been removed.

**Comment [BM3]:** Economic Development is more than just businesses, but also needs to focus on residents.

**Comment [BM4]:** Language added.

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- Provide efficient and timely administration of City services
- Expand and diversify the City's sources of revenue

**Comment [BM5]:** Language added to reflect the decline that is occurring in the City's sales tax market share.

The following are activities that the City emphasis in order to accomplish the City's economic development goals:

- Respond to specific requests for assistance from local firms
- Emphasize business development to encourage existing businesses to expand
- Maintain public works and utilities so the City's infrastructure can meet both existing and future needs of the economic sector
- Support job enhancement programs to increase residents' employability through coordination of private and public sector activities

**Comment [BM6]:** Additional language added regarding job enhancement.

The following are potential tools available to the City to enhance economic development in the City:

- Industrial revenue bonds for certain areas
- Multi-family property tax exemption
- Targeted government and private resources
- Targeted local, state, and federal funds
- Use of infrastructure investment to attract new firms and development to designated areas
- Funded, staffed, and administered economic development work group
- Timely, predictable customer -oriented permitting and City services
- Lodging tax for tourism promotion

## Economic Setting

**Comment [BM7]:** This section was completely updated with new data.

In this way, local government can play an important role in the economic vitality of the community. The policies developed in this element are aimed at implementing that role.

The following statistics may be useful in setting the background for the economic development policies. In 2003, the population of Tukwila was 17,270; estimated 2011 population was 19,050. The City's daytime population is estimated between 150,000 to 170,000. Taxes collected in 2003 were estimated to be \$28.2 million, which increased to \$39.78 million by 2012.

During the same period the assessed valuation of the City grew from \$3.340 billion to \$4.64 billion. In 2002 there were 7,628 housing units; by 2010 this number increased to 7,989 units.

In 2010, the median age of Tukwila residents was 33.6 years; nearly eight percent of all citizens were older than 65; and 24 percent of the residents were under 18. In 2010, residents of color were 50.1 percent of the population. Foreign-born residents account for 36.2 percent of the population, and over 70 languages are spoken in the Tukwila School District.

The median household income in the City in 2010 was \$44,271 and is below King County's median income of \$66,174. Adjusting for inflation, Tukwila's median income fell between 2000 and 2010. Tukwila's 2000 adjusted median income (in 2010 dollars) was \$53,127. Thus, real median income in the City fell 16.67 percent from 2000 to 2010.

In 2000, Tukwila had nearly three times as many jobs as it had residents. That number fell to 2.27 in 2010. There were over 2,000 licensed businesses of all types in Tukwila in 2000. The total number of jobs in Tukwila has declined since 2000. In 2000, the City had approximately 48,000 jobs. In 2010, the total number of jobs in the City fell 11.6 percent to just over 43,000.

Employment within Tukwila is distributed among a number of different sectors. Service composes the largest percentage of jobs with 32 percent of all jobs.

Manufacturing is next with 25 percent of jobs in the City. In 1991, 56 percent of all jobs in the City were related to manufacturing. In 2002, the number of jobs in manufacturing dropped to 28 percent. Manufacturing continues to decrease in the City. This trend likely reflects the diminished presence of jobs with Boeing and other manufacturing firms in the City's industrial areas.

Retail accounts for 14 percent of jobs in Tukwila. Warehousing, Transportation, and Utilities make up 12 percent.

While Tukwila remains a strong attractor of consumer spending, the City has experienced a significant reduction in taxable retail sales, once adjustments are made for inflation. When adjusted for inflation, taxable retail sales in 2010 were lower than any time within the previous 15 years. The City's sales tax decline began to occur roughly around the late 1990s. Competition for retail sales among regional retail center has grown stronger over the last ten years.

## ISSUES

Current and existing economic trends provide a variety of complex issues for economic development in the City of Tukwila:

- Provide access to the regional highway, transit and air transportation system in a way that does not handicap local property development and redevelopment efforts

- Explore possible City actions to increase the median income of Tukwila’s residents, including support for entrepreneurship, small business startups, and vocational training.
- Establish coordinated transit hubs in the Tukwila Urban Center that efficiently mix modes of travel and stimulate development of real estate associated with transportation facilities
- Study and understand the factors causing the inflation-adjusted reduction in the City’s overall taxable retail sales.
- Support further enhancement of commercial and residential areas in the Tukwila International Boulevard neighborhood
- Foster environmental remediation, land conversion and redevelopment in the Manufacturing Industrial Center (MIC) and Interurban Avenue areas
- Increase development, intensity, and the diversity of uses in the Southcenter area, including the development of housing and entertainment
- Develop policies, programs, projects and plans that include input from diverse groups within the residential and business community
- Seek opportunities to join other organizational entities to accomplish effective public-private partnerships to promote economic development in the City
- Enhance regional recognition of Tukwila as an economic hub, promoting its businesses and focusing on its positive business climate.
- Explore strategies to maintain a favorable and diverse tax base to support the needs of our daytime and nighttime populations
- Meet the needs of our residential neighborhoods while maintaining the economic health of our business community
- Ensure that adequate public services are in place to support existing and proposed commercial, mixed use and industrial developments
- Fund infrastructure and services by maintaining a solvent and diversified revenue stream

**Comment [BM8]:** Old language reflected one transit hub; however, the Urban Center will likely have two.

**Comment [RF9]:** Strategic Plan 3.A.3

## GOALS AND POLICIES

### Community Well-Being

**Goal 2.1** Tukwila has a strong role as a regional business and employment center which allows it to enhance and promote the community’s well-being.

**Comment [RF10]:** Combines existing goal 2.1 with Strategic Plan 3.A

### Policies

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- 2.1.1 Develop the tools needed to improve the economic development climate.
- 2.1.2 Strengthen Tukwila’s engagement and partnership with other jurisdictions, educational institutions, agencies, economic development organizations, and local business associations to encourage business retention and growth, and implement interlocal and regional strategies.
- 2.1.3 Expand access to quality foods and groceries for Tukwila residents.
- 2.1.4 Monitor City actions and impacts on the local economy and review economic development incentives for all sizes of businesses.
- 2.1.5 Continue to fund economic development staff to serve as a single contact point and information source for the business community.
- 2.1.6 Leverage capital improvement funds to encourage in-fill, land assembly, redevelopment, and land conversion for family-wage jobs, but only if concurrent with substantial private actions.
- 2.1.7 Partner with the private sector to fund infrastructure as part of a sub-area plan to encourage redevelopment and as an inducement to convert outdated and underutilized land and buildings to high-valued and/or appropriate land uses.
- 2.1.8 Consider nonfinancial ways (such as brokering and interlocal agreements) to assist industrial land owners to comply with state and federal government environmental remediation requirements.
- 2.1.10 Consider studying a public-private partnership to examine creating a small business incubator space in the City.
- 2.1.11 Improve Tukwila ’ s image, participation, and influence in regional forums, especially those that influence Tukwila ’ s future and interests.
- 2.1.12 Promote understanding of the interdependencies and mutual interests among Tukwila businesses, residents and the City of Tukwila.
- 2.1.13 Promote an economic climate that supports business formation, expansion and retention, emphasizing the importance of the City ’ s entrepreneurs and small businesses in creating jobs.
- 2.1.14 Seek funds from non-City sources for the City to directly encourage economic development.
- 2.1.10 Design and support human service programs, such as partnerships for interns and job training to enhance the economic well-being of the City ’ s residents.
- 2.1.11 Promote Tukwila as a regional confluence of commerce, housing and entertainment.

**Comment [NG11]:** Local business

**Comment [RF12]:** Strategic Plan Goal 3.A.4

**Comment [RF13]:** Per Strategic Plan Goal 3 and King County Countywide Planning Policy EC-7

- 2.1.12 Promote and preserve economic use of industrial lands outside the Manufacturing Industrial Center (MIC) through appropriate buffering requirements and use restrictions.
- 2.1.13 Include standards in the development regulations for industrial uses that adequately mitigate potential adverse impacts on surrounding properties and public facilities and services.
- 2.1. **Actively promote development in the Southcenter area by supporting existing uses, proactively developing programs and incentives to attract new businesses, investing in infrastructure and public amenities, and encouraging business owners and developers to invest in the quality of both the built and natural environment.**

**Comment [BM14]:** Relocated from the old Southcenter Element.

## Implementation Strategies

- Consider preparing overall area environmental impact statements for the Interurban/West Valley Highway Corridor and Tukwila International Boulevard area
- Develop a freight mobility plan that addresses the efficient and safe movement of freight in the City, while also ensuring that impacts to adjacent land uses are reduced and, where possible, eliminated
- Zoning regulations that facilitate commercial in-fill development and redevelopment consistent with the Comprehensive Plan vision
- Take joint owner-City-regulatory agency environmental remediation actions to facilitate brownfield redevelopment and in-fill
- Focus public infrastructure investment to provide capacity in areas targeted for growth
- Create Local Improvement Districts to finance specific transportation and utility in-fill improvements
- Identify and eliminate confusing or outdated regulations
- Encourage redevelopment through an informed business and real estate community
- Support collaborative marketing initiatives with businesses
- Develop an Economic Development Strategic Plan
- Partner with non-profits or the private sector to develop a facility for food-related workforce development and entrepreneurship training

- Support environmentally sustainable practices by offering energy and resource conservation and solid waste and energy reduction assistance programs for businesses, property owners and managers.
- Encourage businesses to incorporate environmental and social responsibility into their practices
- Increase communication between the City of Tukwila and Tukwila businesses
- Support business skills training for entrepreneurs and small businesses through partnerships with universities, colleges, community colleges and other third parties.
- Support the food economy, including production, processing, wholesaling and distribution, as a means to provide job training, employment opportunities and increased access to healthy food for the diverse community
- Support public/private partnerships to enhance existing and future business activity in the Urban Center

**Comment [RF15]:** Multi-county planning policy MPP-Ec7