



ECONOMIC DEVELOPMENT

ECONOMIC DEVELOPMENT ELEMENT TABLE OF CONTENTS

THE NEED FOR ECONOMIC SUSTAINABILITY	ED-2
BACKGROUND.....	ED-4
What Follows in This Element.....	ED-5
ANALYSIS OF STRENGTHS AND CHALLENGES	ED-5
Capacity Analysis.....	ED-6
Strengths.....	ED-6
Weaknesses	ED-7
Opportunities.....	ED-7
Threats.....	ED-8
Competitiveness Analysis.....	ED-9
Strengths.....	ED-9
Weaknesses	ED-10
Opportunities.....	ED-11
Threats.....	ED-12
RECOMMENDATIONS FOR IMPLEMENTATION	ED-12
Building Capacity for Economic Development.....	ED-13
Make the Case for Economic Development	ED-13
Establish an Economic Development Service Model	ED-15
Develop a Business Retention and Expansion Strategy.....	ED-16
Work with the Chamber	ED-16
Maximizing Employment Opportunities on Available Land.....	ED-20
Prepare and Market the North End as a Regional Employment Center	ED-20
Position Summit Place Now for Longer-Term Potential.....	ED-25
Preserve the Legacy Site for a Future Centerpiece Project for the Community	ED-27
Lay the Groundwork for Future Economic Development Success	ED-29
Leverage Opportunities and Partnerships Around Workforce Development.....	ED-29
Tahoma School District.....	ED-29
Foster Small Business Development and Entrepreneurship Opportunities.....	ED-31
Plan for Redevelopment Potential	ED-32
Support Infrastructure Projects that Benefit Existing Commercial Districts	ED-33
GOALS & POLICIES	ED-34
COMPREHENSIVE PLAN	ED-1

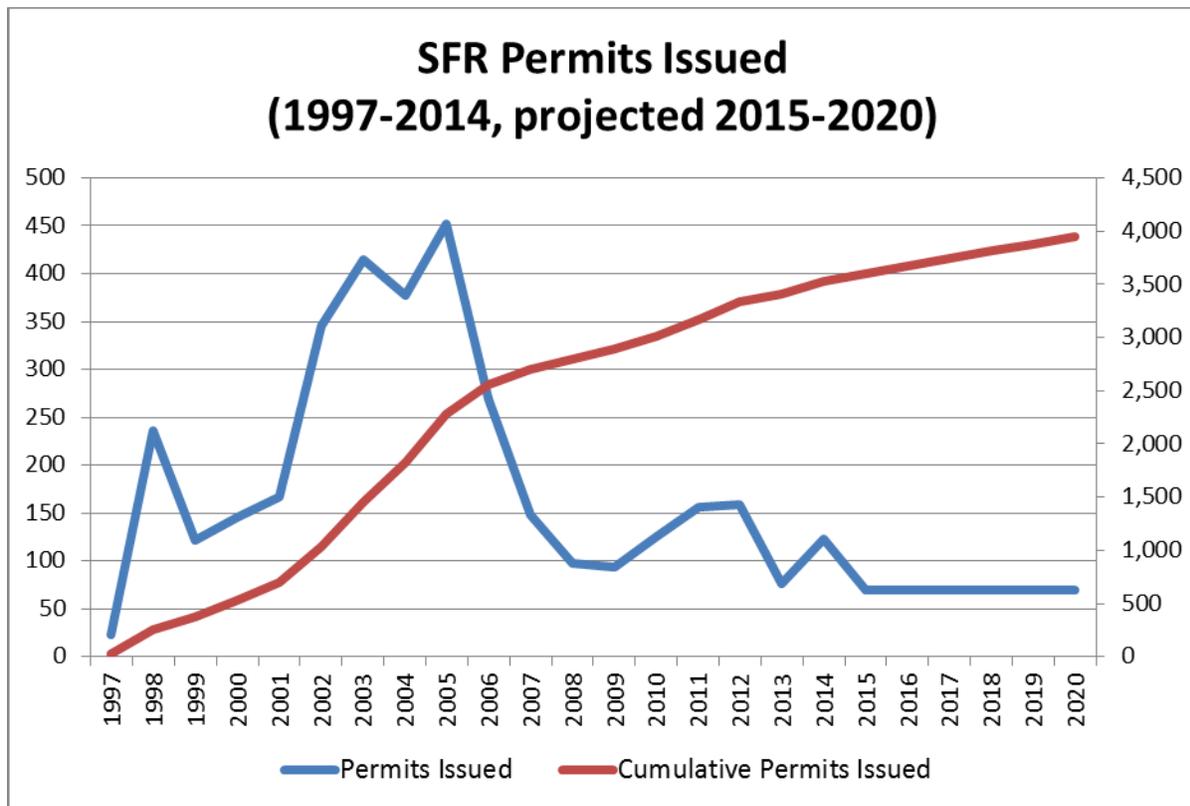


ECONOMIC DEVELOPMENT

Support Analysis

THE NEED FOR ECONOMIC SUSTAINABILITY

In the formative years of Maple Valley, growth in revenue and expansion of services offered by the City was driven by residential development. During the first ten years of the City's existence, 2,700 single-family residential (SFR) permits were issued at an average of 245 per year. Since that time the City averaged less than 100 permits per year and anticipates approximately 70 permits to be issued annually going forward.



The rapid growth and associated revenue generated contributed to the expansion of revenue for the City as well as growth in the cash reserves the City maintains. The General Fund budget grew from \$2.6 million in 1998 to \$11.2 million in 2014. The City added, over that time, a Parks & Recreation Department with active and passive recreation, as well as increased the number of police officers in Maple Valley.

The growth also helped fund capital expansion within the City. In the last ten years, the City has spent \$36.6 million on transportation improvements within the City, in addition to \$20 million of other capital improvements and debt-financed infrastructure projects.

Since the start of the recession in 2007, the number of SFR permits issued has declined and has not returned to pre-recession levels. SFR permits have historically been an indicator of future economic

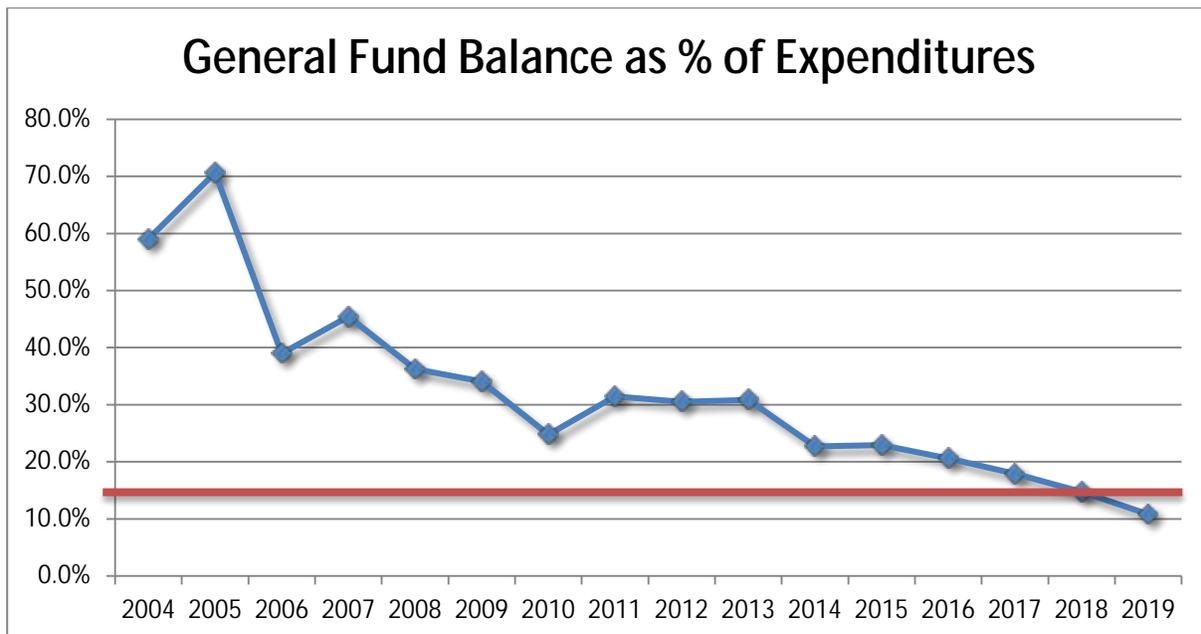


ECONOMIC DEVELOPMENT

Support Analysis

growth given the steps in the revenue process for the City. Permits issued by the City result in construction sales tax while the homes are being built. Sales tax is the second largest revenue source for the City, after property taxes, and construction sales tax makes up approximately 20% of total sales tax collections. Once the home is constructed, the City receives a portion of real estate excise taxes (REET) based on the value of the home sold. REET by definition is a one-time revenue source collected at the time the new home is initially sold, then collected again later when and if the home is resold. The use of REET revenue is restricted to certain capital improvements. In Maple Valley, REET has historically been used to fund transportation and recreation improvements. Once the home is sold, the City annually receives additional property taxes based on the assessed value of improvements to the property. The City also receives a number of other on-going revenue sources from new SFR units including sales tax from purchases made within the City, utility taxes, and various other taxes and fees.

Due to the slowed pace of residential development within the City and the resulting impact on City revenue, the City has made use of reserves to fund the purchase of the Lake Wilderness Golf Course in 2006 as well as made various other investments in other operating and capital needs. This has resulted in a decline in the General Fund balance from a high of over 70% to just over 20%. With the declining inventory of available new but as yet undeveloped SFR plots, it is anticipated the use of City reserves will continue into the future. The City's six-year financial forecast shows reserves declining below the Council-adopted target of 16.7% of General Fund expenditures sometime in late 2017 or early 2018.



The forecast assumes 70 SFR permits per year issued between 2015 and 2020, as well as annual permitting of 100,000 square feet of commercial development. The City is rapidly approaching build-out of available residential lots. The inventory of approved but undeveloped lots was 49 as of

COMPREHENSIVE PLAN ED-3



ECONOMIC DEVELOPMENT Support Analysis

June 2015. Developers have approval from the City's Public Works & Community Development Department for an additional 183 expected to receive engineering approval by the end of 2015. At the projected rate of 70 SFR permits issued annually, those lots will only last just over two years. There is currently no other SFR development of any significant size that would materially change the date at which the inventory of SFR plots will effectively be depleted with the exception of the possible annexation of approximately 70 lots on the Rainier Ridge development.

The forecast for 2015 through 2019 currently shows expenditures exceeding revenue by approximately \$500,000 to \$1,000,000 each year. Economic development has the potential to provide the City with additional revenue, preserve existing services, and potentially provide new or expanded services. While residential development is on the decline perhaps indefinitely, there is potential for economic development through commercial development and/or redevelopment. Through zoning and a business-friendly regulatory environment, the City has the potential to attract and retain businesses in Maple Valley. Commercial development generates significant revenue for the City's operating and capital budget including building permit and plan review fees, transportation impact fees, construction sales tax, and real estate excise tax. In addition to these one-time revenue sources, commercial development will also provide on an on-going basis increased property tax through higher assessed valuation, and depending on the type of development possibly sales tax generated within the City, utility taxes, and various other taxes and fees. Development in the Four Corners Square area, including Fred Meyer, Hop Jacks, a new Johnson's Hardware, and a number of other businesses, offset the decline the City experienced with the loss of State shared revenue for liquor profits and liquor taxes. Similarly, future commercial development has the potential to offset flat or declining residential development.

BACKGROUND

Since its incorporation in 1997, Maple Valley's growth has been driven by its attractiveness as a bedroom community for the greater Seattle and King County region. The City's jobs-housing ratio is low, which is reflected in its tax base: 80% of revenues derive from residential taxes and 20% from commercial sources. Commuting patterns also reflect the low jobs-housing ratio, with an estimated 60% of residents leaving the City every day to go to work.

Elected officials, City staff and volunteers on the City's Economic Development Committee have recognized the importance of bringing new, higher-skill jobs to the City. The Fred Meyer development that opened in 2011 is an important new source of revenue and jobs for the City, but the jobs are at a lower wage level. City stakeholders who met with the International Economic Development Committee (IEDC) panel expressed interest in attracting high-technology, corporate, or light manufacturing uses that provide "living-wage" jobs, ideally located on some of the City's larger vacant parcels.

In addition to a desire for more living-wage jobs, a more diversified tax base is a pressing need because Maple Valley is approaching residential build-out. Though the City went through a real



ECONOMIC DEVELOPMENT

Support Analysis

estate boom that increased housing stock roughly 40% from 2000 to 2010, the recent recession and the shortage of available land for additional housing means that future revenue growth will have to come from other sources. City Manager David Johnston spoke to the IEDC panel which visited the City in 2014 about the City's approaching "fiscal cliff," in which it will not meet the required reserve ratio for its funds if it continues to spend and generate revenues at current levels. It needs to generate new forms of revenue outside the residential tax base.

At the same time, City leaders and residents value Maple Valley's high quality of life, and therefore seek job growth that preserves and reinforces its brand as an attractive community for both residents and businesses in the region.

What Follows in This Element

This element is organized into four principle sections. The section following this overview provides an analysis of the City's strengths and challenges in the form of a SWOT analysis (strengths, weaknesses, opportunities and threats) in the areas of capacity and competitiveness.

The third section presents detailed recommendations for implementation organized into three broad areas:

1. Building capacity for economic development.
2. Maximizing employment opportunities on available land.
3. Setting the stage for long-term economic development success.

The fourth section of this element provides best practices and case studies of projects and initiatives from other communities that are relevant to Maple Valley. Case studies address capacity-building and communication initiatives, business retention and expansion programs, the development of an office park, and the establishment of a Regional Learning and Technology Center.

The fifth section of this element Are the goals and policies of the Economic Development Element.

ANALYSIS OF STRENGTHS AND CHALLENGES

The following section analyzes the strengths and challenges to economic development in Maple Valley, focusing first on capacity and second on competitiveness.



ECONOMIC DEVELOPMENT Support Analysis

Capacity Analysis

<p>Strengths</p> <ul style="list-style-type: none"> • Change in City Council orientation toward economic development. • Economic development background of City Manager. • Engagement of private sector with Economic Development Committee (EDC). 	<p>Weaknesses</p> <ul style="list-style-type: none"> • Reactive economic development approach. • No economic development staff/ ED point of contact. • No program of work.
<p>Opportunities</p> <ul style="list-style-type: none"> • Untapped regional partners. • More defined alignment with the Chamber of Commerce. • Expanded contributions of EDC. 	<p>Threats</p> <ul style="list-style-type: none"> • Stronger economic development organizations in other communities. • Political risk. • Fiscal cliff. • Growth opponents.

Strengths

- Change in City Council Orientation Toward Economic Development
In the last five years, Maple Valley’s City Council has been more active in prioritizing economic development for the City. Ushered in by changes in composition in 2008 and 2010, the Council has made decisions that have helped facilitate economic development, including passing an ordinance in 2009 to increase the maximum allowable square footage for a building from 60,000 (dating back to 1997) to 200,000 square feet, paving the way for Fred Meyer. In a process that moved quickly over about six months, the Council also approved the rezoning of the majority of the Brandt and Gravel Pit areas to Service Commercial (SC) to allow for industrial and commercial development.
- Economic Development Background of City Manager
Since he joined Maple Valley as City Manager in 2009, David Johnston has drawn on the background he gained while managing municipalities in Illinois and Indiana to bring economic development issues to the fore in Maple Valley. The existing Economic Development Committee formed in 2011 is taking steps to diversify the City’s fiscal base by seeking to develop vacant parcels, as appropriate, into employment centers in the City.
- Engagement of Private Sector with Economic Development Committee (EDC)
The Economic Development Commission was reconstituted as the Economic Development Committee in 2011; since then the Economic Development Committee has become an important resource for the City. Its members are rooted in the community and region and contribute a wide range of private and public-sector background and expertise. Members have a strong grasp of economic development issues as evidenced in their February 2012



ECONOMIC DEVELOPMENT

Support Analysis

recommendations to the City Council. This group can continue to play a role in supporting community and economic development initiatives in Maple Valley.

Weaknesses

- Reactive Economic Development Approach
In the past, the City has been perceived more as being “open to business” than “open for business.” The experience of the Fred Meyer development that took several years to bring to fruition is a case in point. With the development, the City experienced a learning curve in terms of facilitating the attraction and development of a new business, from land use changes to permitting and other facets of service delivery.
- No Economic Development Staff/Point of Contact
Maple Valley is a small municipality and budget constraints will likely prevent it from having a full-time economic development staff person in the near future. Improvements can be made by establishing a single point of contact for existing businesses and new prospects that walk into City Hall, as well in determining the City’s follow-up approach.
- No Program of Work
Though the City has taken steps to focus on economic development, it does not have a specific program of work in place.

Opportunities

- Untapped Regional Partners
Many entities in the region can become stronger partners with Maple Valley as it embarks on its economic development efforts, including, most notably, the Economic Development Council of Seattle and King County, the Puget Sound Regional Council, and the community of real estate developers in the region. There is a lack of awareness among these partners about the City’s change in orientation toward economic development and its vacant parcels for industrial development.
- Partner With the Chamber of Commerce
The Maple Valley-Black Diamond Chamber of Commerce performs a valuable service to Maple Valley by serving many local businesses’ needs, especially in the retail sector – including assistance with permitting and licensing, marketing for the retail industry, and lobbying on behalf of the business community. The City can build upon the Chamber’s existing capacity and networks.
- Expanded Contributions of the EDC
The EDC has members from a wide variety of private and public backgrounds who can provide expertise in terms of site development, developer connections, communication with the public, business retention, and more.



ECONOMIC DEVELOPMENT

Support Analysis

Threats – as Identified in the IEDC Report

- Stronger Economic Development Organizations in Other Communities
This is a threat that Maple Valley will continue to face but can mitigate somewhat by making the best of its existing assets and building its capacity.
- Political Risk
Community surveys indicate a split opinion among Maple Valley residents when it comes to economic development.¹ Some support growth that prioritizes employment centers, while others oppose it or are wary of its need in a historically residential community. This diversity of opinion was evident during the IEDC panel's visit, during which some stakeholders described Maple Valley as "rural" and "residential" while others spoke about its "potential." Any growth will inevitably be seen as positive by some and negative by others.
- Fiscal Cliff
The City Council recently increased the reserve requirement for the City from 10% to 16.7%. Based on current cash flow projections, by 2018 the City will no longer meet the required fund balance of 16.7% if its revenues and expenditures remain the same. Because the City's revenue base growth has slowed with the declining rate of new residential construction, new sources of revenue are needed.
- Growth Opponents
Some residents resisted changes to the zoning code for properties in the North End. Growth opponents are likely to be a vocal force when specific proposals are on the table and development ensues in the North End, and may be as well when zoning changes and developments are proposed with regard to Summit Place.

¹ Herbert Research, Inc. (May 12, 2012). *City of Maple Valley Community Survey 2012 Executive Summary*.
COMPREHENSIVE PLAN



ECONOMIC DEVELOPMENT

Support Analysis

Competitiveness Analysis

<p>Strengths</p> <ul style="list-style-type: none"> • Available land. • Fiber capacity. • Proximity to international airport. • High City bond rating. • Regional growth. • Location out of flood plain. • Lower-cost location. 	<p>Weaknesses</p> <ul style="list-style-type: none"> • “Outer ring” location. • Traffic congestion. • No building inventory. • Lack of site readiness. • Lack of business case for the City. • Brand/reputation.
<p>Opportunities</p> <ul style="list-style-type: none"> • Regional Learning and Technology Center. • Regional workforce draw. • Strong developer market. • Underutilized zoning. 	<p>Threats</p> <ul style="list-style-type: none"> • Increasing traffic congestion. • Competitor communities.

Strengths

- Available Land
Maple Valley has a critical mass of vacant property that could come online for development in the near future. This is a major strength for the City, as sizeable, industrial-zoned vacant parcels are rare in King County. The 154-acre “Summit Place” site will have a new high school/Regional Learning and Center on 35 acres, while commercial and industrial uses could follow on much of the balance of the property. The 50-acre Legacy Site, owned outright by the City, has potential for a mix of public and private uses further down the line.
- Fiber Capacity
The City has three fiber lines operated by Integra Telecom, Century Link and WAVE that are currently not being utilized. Additionally the City is served by Comcast Broadband Cable. All of these offer sufficient capacity to meet the computing needs of technology companies.
- Proximity to International Airport
Maple Valley is 20 miles from Seattle-Tacoma International Airport.
- High City Bond Rating
The City’s AA+ bond rating is strong signal for investors.
- Regional Growth
Recent figures from the U.S. Bureau of Labor Statistics show that King County has recovered faster from the recession than both the state of Washington and the United States. As identified by the Economic Development Council of Seattle-King County, the region has



ECONOMIC DEVELOPMENT

Support Analysis

strong economic performance in sectors that include aerospace, clean tech, financial services, interactive media, life science, international trade, and technology.

- Location Out of the Green and Cedar River Flood Plains
Relative to other neighboring cities in the region, Maple Valley has an advantage by being located outside of both the Green and Cedar River flood plains, which reduces insurance rates (according to Herbert and Associates).²
- Lower-Cost Location
Because it is located farther from the major metro centers of Seattle and Tacoma, Maple Valley can offer greater cost competitiveness for land and associated development compared to other communities in the Puget Sound Region (an “undiscovered bargain”).

Weaknesses

- “Outer Ring” Location
Maple Valley is located roughly 30 minutes from both Seattle and Tacoma, at the edge of the county’s urban growth boundary and the foothills of the Cascade Mountains. The City’s setting is picturesque, but its “outer ring” location is a detractor for businesses that want to be closer to the Seattle City Center, I-90, Sea-Tac, or other such assets. For these reasons, the City must document a stronger business case in comparison to many competitor communities.
- Transportation
The City is located on SR 169, a two-lane State highway that becomes congested with commuters. The City lacks direct access to Interstates 5 and 90, although the SR 18/SR 169 interchange is located halfway between them.
- No Building Inventory
While there are a few vacant retail buildings in the City, there are no vacant flex-tech, manufacturing, or large-scale office buildings available for new or expanding businesses.
- Lack of Site Readiness
While Maple Valley has vacant sites, they currently are not fully ready to be successfully marketed. Detailed site documentation is needed, and a data package needs to be assembled that provides all the information a developer would need to take on a project.
- No Business Case for Maple Valley
Documentation of the assets that prove Maple Valley is a choice location for business needs to be assembled. A business case is more than a marketing tool; it demonstrates that the City understands the needs of business and can address those needs. While quality of life is valuable for residents, factors such as labor draw, site readiness, and other variables are

² Jim Herbert, Hebert Research Inc., personal communication, Nov. 22, 2013.



ECONOMIC DEVELOPMENT

Support Analysis

critical in the decision-making process of a developer or business (end user) and need to be identified and supported with data. The business case should be written in specific terms relevant to business, rather than a marketing brochure.

- Brand/Reputation
Historically, Maple Valley has been perceived not particularly friendly to development, due in part to a slow permitting process and regulations limiting size and height of buildings. It also has a strong brand as a residential community, which comes with advantages and disadvantages. It highlights Maple Valley's strengths in quality of life, including schools, recreation, and natural beauty, but it detracts from its identity as a place where developers would build employment centers or where primary employers would locate.

Opportunities

- Regional Learning and Technology Center (RLTC)
The bond measure paving the way for the new high school to be built on the Donut Hole/Summit Place property is an exciting beginning to a planned multi-institutional Regional Learning and Technology Center. The Center will occupy 35 acres of the 154-acre site, leaving space for businesses to locate adjacent. Synergies between educational institutions and business could come in the form of a workforce pipeline of graduates, apprenticeship and learning opportunities, and worker training programs. Additionally, current discussions about the curriculum and design of the Regional Learning and Technology Center can bring together a range of partners that will be important to Maple Valley moving forward, including workforce development, industry associations, major area companies, and business development interests.
- Workforce Draw
Anecdotal assessments of the Maple Valley workforce indicate a talented pool of workers in professional services, technology, and other high-skill industries. These workers commute to Microsoft, Boeing, and other major (and minor) companies across the region. Maple Valley has access to its own pool of skilled workers as well as those available throughout the regional laborshed, a compelling draw for new employers.
- Strong Developer Market
King County and the four-county region have a strong market of developers with whom Maple Valley can build relationships.
- Underutilized Zoning
Zoning changes can be made to ensure that sites of future employment centers are restricted to uses that produce living-wage jobs. Zoning changes also can be made to encourage greater mixed uses and employment generation on existing inventory.



ECONOMIC DEVELOPMENT Support Analysis

Threats

- Increasing Traffic Congestion
SR 169 is already a major source of congestion through the area, and further development in Black Diamond and from other uses will exacerbate the traffic. Some changes undertaken by the City to improve traffic flow of SR 169 in the Four Corners area will improve this, but traffic problems related to SR 169 are largely an exogenous issue.
- Competitor Communities
Competitor communities include Black Diamond to the south that has a master plan for a mixed-use development that could include 6,000 to 8,000 residential units and one million square feet of commercial space. Other neighboring communities in South King County also are trying to attract economic-base businesses and some are pursuing economic development niches in particular sectors.

RECOMMENDATIONS FOR IMPLEMENTATION

The following recommendations are organized under three themes:

1. Building capacity for economic development.
2. Maximizing employment opportunities on available land.
3. Setting the stage for long-term economic development success.

Maple Valley is in a good position to begin focusing on economic development. As it does so, however, it should be mindful of the critical role that partnerships will play as it proceeds. The City's small size and limited staff capacity, as well as its location in a competitive, multi-city metropolitan region, mean that Maple Valley will need to focus externally in a way that it has not in the past. Cultivating partnerships with a range of groups in the region will be key to maximizing its capacity.

The City already has working relationships with many of the partners that the IEDC team sees as critical moving forward. However, some partnerships will be new and the nature of existing partnerships with other entities will change. Those key partners are:

- The City's Economic Development Committee.
- The Maple Valley-Black Diamond Chamber of Commerce.
- The Economic Development Council of Seattle and King County.
- The Puget Sound Regional Council.
- The Workforce Development Council of Seattle-King County.
- King County.
- State of Washington.
- Tahoma School District
- Washington State CAMPS



ECONOMIC DEVELOPMENT Support Analysis

Each of these partnerships are discussed in greater detail below according to function.

Building Capacity for Economic Development

Make the Case for Economic Development Through a Comprehensive, Ongoing Education and Communication Program

Having been a rural community just 20 years ago and then growing into a bedroom community, Maple Valley's new focus on economic development may be somewhat surprising to many of its residents.

To gain support for these efforts and keep citizens informed, the City has an important role to play in helping them understand why focusing the City's time and resources on economic development is necessary. At the same time, it will be critical also to provide reassurance that economic development can be achieved in Maple Valley without compromising the high quality of life those residents rightly prize. This communication and education will be especially important as the City seeks to attract economic-base employers to undeveloped parcels.

Key messages around shifting to an economic development focus can be shaped around averting the "fiscal cliff." This is a compelling concept that, reiterated in multiple ways through multiple venues, stakeholders, and communication vehicles, should resonate with City residents and businesses. Previous City surveys indicate that residents dislike the idea of reduced services or higher taxes, and City leadership should be commended for being proactive and taking actions with a long-term view.

Themes that tie into the fiscal cliff conversation include:

- How the City's Revenue Base is Changing
Part of the discussion of the "fiscal cliff" involves educating residents about the way that growth in City services has been funded in the past – through residential/building permit growth – and the options for growing the revenue base in the absence of continued housing development. City Manager David Johnston noted during a meeting with the IEDC team his goal of reducing the City's tax base from 80% residential to 60%.

This would include, for example, education on how economic development works (e.g., "The Flow of Money"); the difference between "economic base" or "primary" employers and local-serving businesses, and the multiplier effect.³ These concepts can be simplified and reiterated as part of a public outreach program.

³ The multiplier effect occurs when an increase in employment in an export (or economic base or primary) industry leads to an increase in employment in non-export (secondary) industry. In other words, increased export industry activity increases the dollars circulating in the local economy, which then increases demand for the products and services provided by non-export industries. Source: IEDC Economic Development Planning manual.



ECONOMIC DEVELOPMENT

Support Analysis

- Job Growth will Benefit Residents and Local Businesses, Not Just City Coffers
The possibility of increasing living-wage jobs in Maple Valley brings with it the possibility of increased daytime activity and population to patronize local businesses. It also brings with it the possibility that fewer residents will have to commute 20, 30, 60 minutes or more each way to a good job.
- The Limited Supply of Available land
Because it is unlikely that the City will expand geographically, the remaining large tracts need to be preserved for job growth.
- Improving Options for Eventual Development of the Legacy Site
Economic development and improved City revenues will allow for more flexibility, and opportunity, in the eventual planning and development of the Legacy site.

There are multiple avenues the City can use to transmit these messages. Until such time as the City can hire a dedicated Economic Development professional, elected officials and the City's Economic Development Committee likely will be the most credible and influential ambassadors. They can assist in educating and communicating with residents through City Council meetings, attendance at service clubs and similar civic and association functions, and other methods including use of traditional and social media. Both in manner and content, communication with residents and businesses should be transparent and timely.

Cultivating positive working relationships with local and regional journalists can help ensure that key initiatives are covered in the media. Key players in economic development (e.g., the City Manager, Mayor, or Chair of the Economic Development Committee) could consider writing a weekly, regular or even occasional column in the Voice of the Valley, Maple Valley Reporter, and/or other local, regional or national publications. The City also should leverage social media as an economic development tool.

In terms of communicating with existing businesses, the City has an opportunity to provide assurance that it values them and that non-retail businesses growth will complement, rather than compete, with the existing base. The growth of new businesses in Maple Valley will generate new revenues, decreasing the prospect of tax increases for existing businesses and residents. Furthermore, by virtue of a multiplier effect, new businesses may create new markets for existing businesses. Technology, office, and industrial development will employ a high density of workers per square foot that will increase the daytime population and support existing retail businesses, as well as spur demand for new retail businesses (e.g., cafes and business services).



ECONOMIC DEVELOPMENT

Support Analysis

Partner Spotlight: Maple Valley Economic Development Committee

The 18-member Economic Development Committee (EDC), created in 2011 (restructured from the previous Economic Development Commission), is a valuable group of stakeholders who have knowledge of the City and of economic development, and have been effective in recommending and pushing for such initiatives in the community.

The EDC has public-sector members from utilities and the school district, nonprofit members from the Chamber of Commerce and the Center for Advanced Manufacturing-Puget Sound, and private-sector members involved in real estate, environmental engineering, and other industries. In short, the committee represents the spread of interests necessary to guide and further economic development in the City.

The IEDC team believes that the EDC can continue to play an important role moving forward. The group can be useful in outreach and communication efforts around “making the case” for economic development (discussed above), participating in business visits as part of a business retention program, outreach to developers and new business prospects in the City, and participating in discussions to shape the development of the new Regional Learning and Technology Center (RLTC)

Establish an Economic Development Service Model within the City

Maple Valley is a small municipality and budget constraints may prevent it from hiring a full-time economic development staff person in the near term. However, as it prepares to market its larger properties for development, it will be important for the City to have a single point of contact for developers, expanding businesses or new prospects that walk through the doors of City Hall.

Beyond establishing an initial point of contact, a team approach for follow-up on specific issues with individual businesses is necessary. Timely, efficient, and responsive follow-up is crucial to strengthen the City’s claim of readiness and commitment to business. For example, such a team may include the City Manager, Public Works and Community Development Director, with other City employees assisting on an ad hoc basis when necessary.

Although the City needs to organize an internal service model, it is important to also remember that economic development is a team sport. In other words, the City’s role is to facilitate resources for businesses that are both internal to the City and those that involve external resource partners. Common partners for a city’s economic development team include service providers such as public and private workforce agencies, utilities, financing, etc. The City’s economic development team should meet regularly to share updates on projects, general economic issues, new resource offerings and services, and other specific inquiries.



ECONOMIC DEVELOPMENT Support Analysis

Develop a Business Retention and Expansion Strategy

Because 70 to 80% of all job creation reportedly comes from existing companies, business retention and expansion (BRE) is considered the bedrock of an effective economic development program. At its most effective, business retention is a customer satisfaction program designed to gain intimate knowledge of local businesses and their industries, as well as to provide seamless service to address problems businesses face as they operate in a community. Business retention is also about building long-term relationships.

Another advantage of participating in a business retention and outreach program is the opportunity it provides the City to deliver the message about the benefits that economic development can bring to new and existing businesses. From conversations with the IEDC panel, it seems that many Maple Valley businesses understand this advantage and support the idea of bringing more jobs to the community. It will be important that the City stresses in its communication with businesses that its economic development focus does not mean a tradeoff to the detriment of existing businesses, or between retail businesses and other commercial/industrial businesses.

Partner with the Chamber to Define Roles Regarding Business Retention and Expansion

The Greater Maple Valley-Black Diamond Chamber of Commerce already engages in many business retention and expansion activities. It serves as the “welcome wagon” for new businesses, refers businesses to service providers, provides networking opportunities, and advocates for business interests. It is the one with the information at its fingertips regarding inventory for businesses inquiring about locating or expanding in the City, and it helps existing businesses navigate the City process of inspections, licenses, fees, and other needs. By virtue of its existing work, the Chamber will continue to play an important role in business retention.

However, a formal business retention program goes further, with regular calls and visits to businesses. The IEDC recommends that the City (perhaps in partnership with volunteers from its Economic Development Committee) begin a program of identifying and calling on non-retail/primary/economic base firms that provide living-wage jobs and have the potential to grow in Maple Valley. The Chamber with support of the city, would remain responsible for business retention activities that involve retail and local-serving businesses.

Such a program will help the City better understand its business community and build relationships that can lead to firm growth and to the possible location of employers at the new sites it plans to develop as employment centers.

Although the Chamber currently plays an important role in BRE and will continue to do so, the City needs to be a participant in the process, and the division of responsibilities needs to be formalized so that the partners know their role and businesses know where to go for assistance.

Engage in Calls, Visits, and Ongoing Relationship-Building With Local Businesses

Developing relationships and a continual dialogue with existing businesses is where a BRE program begins. The IEDC panel recommends that the City's BRE program include calls, visits, and ongoing



ECONOMIC DEVELOPMENT

Support Analysis

relationship-building. In the short term, one way the City can overcome its limited staff capacity for such activities is by having volunteers assist – a common approach in many communities – which could be a role for the Economic Development Committee.

A calling program can help the City identify issues facing businesses that are hampering their growth or may influence them to close or leave. It can also help the City and EDC gain knowledge of potential growth firms that currently fly under the radar and that, connected to the right resources, could grow and employ more Maple Valley residents with living-wage jobs.



ECONOMIC DEVELOPMENT

Support Analysis

Regional Partner Spotlight: The Economic Development Council of Seattle and King County

The Economic Development Council of Seattle and King County (EDC-SKC) is a public-private partnership focused on economic development for King County and its 39 cities. One of the Council's primary functions is to *"provide confidential consulting services free of charge to businesses seeking to relocate, grow, or establish themselves in Seattle and King County."*

Through interviews as part of this process, it emerged that the EDC-SKC has been insufficiently aware in the recent past of some of the large, vacant parcels that Maple Valley can offer to newly locating businesses. This is due partially to the fact that the parcels may comprise several contiguous lots (in the case of the North End) and not turn up in real estate search engine results, or that the property has just become available under the City's jurisdiction (as in the case of Summit Place). It is crucial that the City stay in regular contact with EDC-SKC to update it on available land and building inventory options for new businesses seeking to locate in King County.

Additionally, the City should engage EDC-SKC to tour the properties and become acquainted with their location, infrastructure, and other characteristics so that the council can better inform prospects. The City has taken steps in the past few months to coordinate with the EDC-SKC to update Maple Valley's information on its website to reflect current data and vacant land opportunities. Because there are few undeveloped, industrially zoned parcels in King County, this kind of update is crucial so that Maple Valley is visible with current information.

The City should ensure that all its strategic partners have updated information about Maple Valley, including baseline data and information on development prospects for their websites, marketing materials, and general knowledge base, especially those strategic partners that may represent the city in any capacity to the developer community.

The EDC is also a valuable source of information for strategic planning in economic development. The EDC has targeted eight industry clusters: aerospace, clean tech, financial services, interactive media, life sciences, international trade, technology, and fashion. The organization also provides a valuable data bank on doing business in Washington, economic basics, key industries, and forecasts. If and when Maple Valley targets a niche industry or cluster, it should consult EDC-SKC (as well as the Puget Sound Regional Council) for information on industry clusters in the county and region.



ECONOMIC DEVELOPMENT

Support Analysis

Regional Partner Spotlight: Puget Sound Regional Council

The Puget Sound Regional Council (PSRC) represents the four-county region of King, Pierce, Snohomish, and Kitsap Counties with the mission of ensuring a thriving region through planning for regional transportation, growth management, and economic development. The City should tap into the resources of the PSRC for technical assistance, data and research, transportation funding, and possible participation in programs such as its regional growth center program.

The time is ripe for Maple Valley to engage with PSRC. Its new Director, Josh Brown, is interested in meeting all members in the region, including smaller members. Maple Valley Mayor Bill Allison initiated a relationship with the previous director, Bob Drewell, who was in touch with PSRC's economic development arm about Maple Valley after the Director toured the City with the Mayor. Now that a new Director, Josh Brown, is at the helm of PSRC, the City should reengage with the Council.

There are multiple benefits to engagement with PSRC. It is the metropolitan planning organization for the four-county region charged with disbursing federal transportation funds. Among other criteria, disbursement is based on the "regional good" – i.e., transportation improvements that benefit not just one jurisdiction but also the region as a whole. Some of Maple Valley's transportation projects, especially related to state highways SR 169 and SR 516 (and in conjunction with a new regional employment center and regional education center) could meet this criterion. Becoming more familiar to PSRC can only help Maple Valley with its requests for transportation funding.

Maple Valley also can avail itself of PSRC's repository of data and information and its technical assistance. PSRC will conduct custom data searches upon request and maintains a wealth of information about industry clusters. It also offers technical assistance, including with review of a community's draft comprehensive plan ahead of certification of the plan.

While Maple Valley may not be eligible for designation by PSRC as a regional growth center or regional manufacturing/industrial center in the short term, it can examine the criteria and consider applying for designation as a regional growth center when conditions are ripe. Currently, 27 cities and neighborhoods are designated as regional growth centers, while eight areas are designated regional manufacturing/industrial centers. The regional growth centers have criteria including a focus on high density and planning for a city center, something Maple Valley could achieve in the future. (Manufacturing/industrial centers are applicable to communities with a minimum of 10,000 manufacturing jobs and therefore would not apply to the City.) Designation as a center gives a city more "points" when it comes to receiving regional funding, and PSRC also works with these centers to develop and implement their plans.



ECONOMIC DEVELOPMENT

Support Analysis

Maximizing Employment Opportunities on Available Land

The availability of large parcels of land for potential industrial development is a distinct advantage Maple Valley has over other communities in King County. However, among the three major sites the IEDC team reviewed – the North End (Gravel Pit property), Summit Place (Donut Hole) and the Legacy site – each has varying advantages and limitations for development (discussed in more detail below). Therefore, the IEDC team recommends that the City prioritize development of the sites in the following order:

1. North End.
2. Summit Place.
3. Legacy Site.

The team recommends that the City approach projects sequentially for several reasons. First, the City will be beginning its first major economic development project with limited staff, organizational capacity, and experience with such projects. Sequencing also will have the benefit of building both capacity and momentum for development among developers, residents, and potential end users. The success of one project breaking ground and generating jobs will increase the likelihood of success for future projects.

Regarding Summit Place, appraisals by both King County and developers (completed as recently as 2013) have indicated that the highest and best use for the site was residential/mixed-use. (The name “Summit Place” actually came from a proposal by the developer YarrowBay for a master-planned development with more than 1,600 residences along with some retail and commercial uses.) However, more residential does not fit with the City’s aspiration to increase its jobs to housing ratio.

The appraisals do not mean that technology-based, office, or light industrial development is not possible on the site; however, the City will need to work, over time, to position the site for employment-generating uses. Success with the development of the North End site, increased capacity for economic development at the City, improved perception of City interest in economic development, stronger and more robust partnerships, and the development of the Regional Education Center (high school and community college) all will help build interest and feasibility in Summit Place for employment-generating uses. In other words, the North End site has the best potential, to catalyze high-level employment and development opportunities at Summit Place and elsewhere in the City.

Prepare and Market the North End as a Regional Employment Center

The North End is comprised of the 60-acre J.R. Hayes Gravel Pit property, and smaller residential lots adjacent to the Brandt property and Gravel Pit. The properties are located at the northern end of the city near the intersection of SR 169 and SE 240th Way, extending northwest to the east of SR 169.



ECONOMIC DEVELOPMENT Support Analysis

Improving Readiness

Maple Valley has begun to change its orientation toward economic development in the last few years, but it now must focus on specific steps to improve its readiness that match the change in orientation.

The steps discussed below are included in this section of the North End because the IEDC team believes this property should be the City's priority for development, as discussed earlier. However, many of the steps outlined below will apply to later development projects in the City.

- Revise the Zoning Code to Maximize Economic Development Potential

Recent zoning changes to North End properties applying a SC designation allow for commercial and industrial uses but do not restrict uses to those that generate living-wage jobs (in alignment with the City's goals). Retail uses are still a potential outcome for the site. The City recommends changing its zoning designations on the North End site to preserve it as a site for primary/economic base employers with limited retail. For example, in some communities, a "business park" zone will allow for limited service businesses and retail that supports business park tenants but not outside customers (allowing for uses such as coffee shops, delis and copy shops). The primary purpose is to add convenience, not expand the market.

- Compile and Prepare Data to Inform a Request for Proposals

Preparing to go to market with a property requires considerable homework. Securing a developer for a major project is no easy feat, and the numbers have to match up. This section outlines the documentation the city should compile to make its case to the development community.

- *Market Analysis*

To prepare to work with a developer(s), the City needs to have a market analysis completed for the North End. This analysis should include information on other comparable building inventory in the region and a brief target industry analysis describing what types of tenants would be most attracted to the product.

Components of a Market Analysis

- Non-residential land use map/land use designations.
- Average lot and build sizes.
- Parking ratios.
- Vacancy rates.
- Projected absorption rates for land.

Data from the Puget Sound Regional Council could be used as a base for estimating business growth and relating that to physical space and other locational determinants.

Once a developer signs on to the project, they will conduct more sophisticated market analysis, but the city needs to have baseline information available at its fingertips to offer to prospects.



ECONOMIC DEVELOPMENT Support Analysis

- *Laborshed Analysis*

Laborshed studies are now part of the package that developers and prospects expect as part of a city's marketing materials. The availability of labor is among the most critical location factors for a business.

The IEDC team believes that Maple Valley's workforce, as well as the regional laborshed (the area from which an employment center draws commuting workers) is one of the City's strongest selling points. The laborshed analysis will be one of the most important resources for motivating a developer because it provides an incentive for companies to locate in Maple Valley. The analysis will provide greater characterization of the occupational skills of the local and regional labor force. Communities that can document wages, education, current areas of employment and other characteristics of their workforce have a competitive advantage over those that rely on anecdotal, outdated or less detailed information.

At the North End site, Maple Valley will be developing a Regional Employment Center that will draw workers not just from the city but also from the region. The same is likely to hold true for new businesses at the Summit Place site.

The Washington State Employment Security Department is a good source of labor data for the city. It will do free or low-cost custom analyses on the workforce in King County, Pierce County and for specific zip codes and municipalities, and document characteristics including age, education, SIC, and NAICS codes.

- *Benchmark Entitlements and Taxes to Neighboring Competitors*

Multiple municipalities in the area are seeking developers and economic-base employers. In order to compete successfully, the city needs to be knowledgeable of the impact fees, license fees, taxes and costs of other entitlements associated with development in surrounding jurisdictions. This is another area in which the EDC-SKC may be able to provide assistance.

- Take Steps to Engage a Developer

- *Host a Pre-Conference and Conference with Developers*

In advance of creating a request for proposals, the IEDC team recommends that the City hold a pre-conference with developers to get to know prospective players in the field. The goal is to gauge interest, answer questions and address concerns. This will give the City valuable feedback it can use to address strengths and weaknesses as it crafts an initial RFP and help ensure that it has sufficient information on hand to help a developer

Components of a Workforce / Laborshed Analysis

- Demarcation of "laborshed" area and associated data.
- Projected population, age, and race.
- Education and income levels.
- Employment by industry type (2-digit NAICS code)
- Employment growth projections



ECONOMIC DEVELOPMENT Support Analysis

commit to a project. The EDC-SKC should be a resource to help the City connect with developers.

Following the RFP's issuance, the City should host another conference to answer additional questions and continue to build relationships and establish accessibility with potential developer partners.

- *Prepare a Request for Proposals Package with Detailed Site Analysis Information*
The RFP package should outline the City's vision for the property as an employment center and provide all the basic information that the developer would need to make a preliminary decision on the feasibility of the site for a project.

The RFP package will need to include elements of the market analysis, workforce analysis and a site analysis. Once the City has secured a developer partner, all of these elements will become more detailed, but a strong preliminary package that contains these elements is crucial to recruiting a developer.



ECONOMIC DEVELOPMENT Support Analysis

Site Analysis Checklist

Prepare general background information on the site, including:

- Brief description of proposed development (types of uses and characterization).
- Site specifications (location, size, slopes, services, other factors affecting development).
- Net buildable area of site.
- Proposed site coverage.
- Projected building costs per square foot.
- Projected net leasable space.
- Proposed number and sizes of lots.
- Building(s) sizes and characteristics (number of floors, ceiling heights, special features).
- Acquisition cost of site.
- Parking, landscaping, common areas.

Perform initial site planning to determine barriers, costs, special considerations to determine the suitability and costs of developing the site for the intended uses. These include:

- Topographic survey of the site.
- Soils and foundation conditions.
- Lot layout plan.
- Street system plan.
- Main highway access plans.
- Utility capacities, off-site and on-site requirements to serve the site.
- Water line infrastructure.
- Wastewater line infrastructure.
- Drainage issues.
- Environmental issues.
- Site-specific analysis.

- Utilize Incentives

Incentives can take many forms. Though Washington State prohibits giving incentives in the form of cash or in-kind offsets, Maple Valley has other assets it can use to attract businesses. Chief among these is the level of service Maple Valley can offer, marketing its ability as a nimble and efficient municipality with minimal red tape. With the residential boom of 2000 to 2007 effectively at a close, City resources previously devoted to this development may possibly be redeployed to devote time to economic development projects.

Expedited permitting and 24-hour inspection response time are two examples of high-value services to developers for whom time equals money. Developing capability and a reputation around efficient, responsive service will create a “virtuous circle” that both changes any preconceived notions about Maple Valley not welcoming new development (based on stories from the past) and encourages new businesses and developers to consider the City.



ECONOMIC DEVELOPMENT

Support Analysis

Other ways that the City can incent development include:

- Deferring permitting fees until the developer lands a tenant.
- Dedicating an ombudsman to developers or end users for permitting and development services.
- Working with a developer to package and articulate state and federal statutory incentives for end users. Incentives frequently go unused because of the complexity of the programs. The city can play a service role to facilitate greater utilization of available incentives.

Position Summit Place Now for Longer-Term Potential

Summit Place (previously known as the “Donut Hole”) is a 154-acre property off Kent-Kangley Road SE and SE 228th Street. It is previously home to nine holes of Elk Run Golf Course, wooded areas, and the County’s 13-acre roads maintenance facility. The remainder of the site is vacant.

Key Assets of the Site

The City and County have entered into an interlocal agreement that allows the City to control development of the site while enabling continued operation of the County’s roads maintenance facility until the County is able to relocate it.

The Tahoma School District is building the new Tahoma High School on 35 acres of the Summit Place property. The new school will be a significant asset for Maple Valley. The site is planned to be a Regional Learning and Technology Center – a multi-use campus that also will provide community access for learning and training to compliment the new high school campus. The high school is scheduled to open in September 2017. Apart from the 35-acre Regional Learning and Technology Center, over 100 acres will remain available for development on the site.

Many partners are involved in the development of the Regional Learning and Technology Center, including the Tahoma School District, Green River Community College, Renton Technical College, Center for Advanced Manufacturing Puget Sound (CAMPS), and area companies and workforce partners. These partnerships reflect the innovative nature of the Regional Learning and Technology Center that will help feed a workforce pipeline that can supply highly skilled workers to companies in Maple Valley and the region.

Recommended Approach

Previous appraisals of the site by the County and developers notwithstanding, the IEDC team believes there is potential to develop and attract businesses with high-quality jobs at the site, especially those that can have a synergistic relationship with the educational resources at the learning center. Students can receive hands-on education at the businesses, while businesses can benefit from a pipeline of new workers and also have a facility for training their workers nearby.



ECONOMIC DEVELOPMENT

Support Analysis

- Rebrand the Site

The IEDC team recommends that the City rebrand the site (which could be as simple as renaming it). The name “Summit Place” refers to a former proposed residential development at the site, a vision from the past, not the future. Furthermore, the name “Donut Hole” does not present a vision of the site’s future potential, but rather its configuration in terms of local jurisdictions. The new name should reflect the visionary spirit of the Regional Learning and Technology Center and reflect the synergy of education, workforce, and industry that will be a unique regional asset.

Branding suggestions from the IEDC team include “Puget Sound Technology Center” to elevate its prominence in the region.

- Capitalize on the “Regional Learning and Technology Center” Concept

Maple Valley has the potential to be widely and uniquely known as home to a novel multi-institutional, public-private training, educational, and industrial center in the region. The City should realize and take advantage of the potential economic development benefits presented by such a unique opportunity.

Major companies already are involved in Maple Valley by virtue of their engagement with the Tahoma School District in developing curricula and training programs for the center. These and other companies are potential employers for vacant sites that will be developed in Maple Valley, including Summit Place itself. In its communication with prospective developers and businesses for current vacant sites, the City should aggressively promote the opportunities to be a partner in development of the Regional Learning and Technology Center to take advantage of the workforce and training opportunities it presents.

- Partner with Educational, Workforce and Industry to Maximize the Potential of the Programming and Land Use at the RLTC

School district representatives, in meeting with the IEDC team, noted that the City had been an important partner in helping pass the bond initiative for construction of the school. To the extent possible, the City should also be a partner at the table when stakeholders relevant to workforce, industry, and education discuss goals for the Regional Learning and Technology Center, in order to assure alignment with local economic development goals.

Through its “visioning project” for a multiple-use facility at the Regional Learning and Technology Center, the Tahoma School District is building important relationships with workforce and industry partners, including Green River Community College, Renton Technical College, (CAMPS), and private businesses. These same stakeholders are important for economic development projects the City is undertaking and the City should be an active participant.



ECONOMIC DEVELOPMENT

Support Analysis

- Zone for Maximum Economic Development Benefit

As noted above in the discussion of the North End-Phase One site, the remaining property at Summit Place (apart from the RLTC) should be zoned to allow for uses consistent with an employment center for the City. The employment center should be oriented toward technology, light industrial, and office campus uses that would be complementary to the training and education facilities at the RLTC and aligned with the City's goals to secure living-wage jobs. Any retail or local services permitted at the site ideally should serve the site only, not a broader market.

Partner Spotlight: King County Government

King County and the City of Maple Valley are partners on the joint planning of the Summit Place property following an interlocal agreement that allows the City to control its development. Under the agreement, the County will continue road maintenance and continue to operate its gravel mine and other current facilities until the property is sold. To date, 35 acres of the property have been sold to the Tahoma School District. The City can undertake comprehensive planning for the site, although the County must be informed of any proposal to change the land use or zoning on the property. This allows the County to provide input regarding impacts to its current operations on the property.

The City should take advantage of the County's resources, including its economic development expertise and its knowledge of the property as a result of its long ownership and management of Summit Place. The County cannot only be a willing but a helpful partner in the process of engaging developers through an RFP process and other methods of communication.

Preserve the Legacy Site for a Future Centerpiece Project for the Community

The Legacy site is a 50-acre parcel owned by the City, located on Maple Valley Highway across from the Rock Creek Elementary School complex. It is located across the Lake Wilderness from Lake Wilderness Lodge and Golf Course.

As well, the short-term exigencies of the "fiscal cliff" mean that the City will be in a better position for eventual development of the Legacy site after developing the site(s) discussed above that are more likely to have a larger and quicker payoff.

Given these issues, and with its central location in the City, the IEDC team recommends that the site be considered for a municipal center and with accompanying recreational and general amenities uses. The IEDC team envisions that the City's development options for the site could include a sort of downtown center, sports and recreation facilities, a hotel, or other uses compatible with a municipal center. Such uses can be conceptualized to reflect the brand of the community.

By waiting until the City achieves some economic development successes and its fiscal position is stronger, options for development of the Legacy site could be more flexible, wide-ranging and



ECONOMIC DEVELOPMENT

Support Analysis

ambitious. In other words, Maple Valley residents may be more likely to get a more satisfying product on the site in the long run.

Partner Spotlight: The State of Washington

The State of Washington has a number of resources available to Maple Valley to aid in its economic development strategy and attraction of new businesses to vacant land. The City should actively seek the assistance of the State to avail itself of free resources in economic development before hiring outside consultants.

Workforce Information: The State's Employment Security Department can help with data through various workforce analyses of local employment dynamics for King County, Pierce County, and neighboring jurisdictions. It can also respond to a customized query isolating particular zip codes and/or municipalities.

The department provides these laborshed analyses free of charge. They include analysis of labor force by age, education, industry, NAICS, and SIC code. The department also can help the City utilize resources including the Census Bureau's "On the Map" tool that provides workforce data on employees in Maple Valley and other jurisdictions. (The City itself can go online and use the "On the Map" tool for more detailed economic and demographic information.)

Business Attraction/International Marketing: While the State Department of Commerce assigns many duties related to business attraction to local Associate Development Organizations (for Maple Valley, the EDC-SKC), it does some direct business attraction activities itself, especially in the area of foreign investment. Through its activities with the U.S. Department of Commerce's SelectUSA initiative (to attract foreign direct investment to the U.S.), it represents the inventory of available, industrially zoned parcels to developers and companies representing foreign interests. Maple Valley should keep the department's Business Services Division informed of its vacant parcels in order to take advantage of opportunities that arise as a result of inquiries from foreign companies (especially given the scarcity of large vacant parcels in King County).

Innovation Partnership Zone: The Department of Commerce also operates an Innovation Partnership Zone program, though at this time, Maple Valley is not a strong candidate for the designation. The designation is generally not given to cities until partners are on board and/or innovation is in the pipeline or clearly set for takeoff. (Through the program, 18 communities are designated as "innovation partnership zones" for their achievement in economic development efforts that partner research, workforce training and private sector participation in furtherance of industry cluster development, technology development, and jobs. New zones are designated every two years. The designation does not come with any financial award though it does confer status and help the community compete for other awards.)



ECONOMIC DEVELOPMENT

Support Analysis

Lay the Groundwork for Future Economic Development Success

As the City was starting on economic development, the IEDC team has focused portions of its recommendations on building capacity and on steps it can take toward site development that should pay off in the near term. However, to lay the groundwork for the City's longer-term prosperity, the IEDC team recommends that the City continually build capacity around the two main drivers of long-term economic development success: workforce development and entrepreneurship. This section also briefly addresses preparing for redevelopment opportunities.

Leverage Opportunities and Partnerships Around Workforce Development

Largely due to the lack of large employers in Maple Valley and its history as a residential community, the City does not have strong existing relationships with workforce partners.

Yet workforce development is key to any economic development strategy. Access to skilled workers is a top priority for most employers that has become only more critical in recent years. The new Regional Learning and Technology Center presents an exciting opportunity for Maple Valley to partner with secondary and post-secondary educational institutions to become known as a community that values and fosters innovative learning opportunities.

The IEDC team encourages the City to explore ways it can partner with the Tahoma School District, local community colleges, area companies, and workforce and industry groups to optimize preparation of the workforce for advancement into the local and regional economy in living-wage jobs in growth industries. Discussion of the City's opportunities with workforce partners is outlined below.

Tahoma School District

The door to greater workforce involvement on behalf of the City was discussed above in regard to the new Regional Learning Center, which will be a point of pride and an asset that will serve to make the City more attractive to both residents and employers.

Local K–12 schools are increasingly important to a successful workforce development pipeline. Maple Valley is fortunate that it is served by an excellent school system, but looking beyond past success, it is even more fortunate that the Tahoma School District is a nimble organization with innovative, forward-thinking leaders. It aims, with the new high school, to help students be “future ready” for STEAM (science, technology, engineering, arts and math) and other fields that require four-year degrees, as well as to provide training in skilled fields for students who are not on a four-year track. The district's grant from the Workforce Development Center is helping it develop readiness skills for careers after graduation.

The City (through the City Council, staff, or Economic Development Committee involvement) should offer its involvement and support to the Tahoma School District to align the planning and programming of the Regional Learning and Technology Center with the workforce needs of the regional business community. For example, the school district is working with Boeing to incorporate



ECONOMIC DEVELOPMENT

Support Analysis

the company's material into the curricula for the high school. As the Regional Learning Center is developed, now is an important time to be listening and participating in the conversation that includes local companies, educators, and associations. The City's business retention and expansion (BRE) program will be a useful avenue for documenting employers' workforce skill needs.

As another example, the school district's high school robotics program is one of the top in the state, presenting an attractive opportunity for companies who may want to work with the school system to provide learning opportunities for students, perhaps locating nearby to do so. In turn, these companies would benefit from the training facilities and worker pipeline.

Post-Secondary Education Institutions

During meetings with the IEDC team, other organizations mentioned as potential partners in the Regional Learning and Technology Center include Green River Community College (GRCC), Renton Technical College, and possibly the University of Washington and Washington State University. The eventual location of a Small Business Development Center office at the Regional Learning Center by GRCC was mentioned as a long-term vision. The City of Maple Valley should explore opportunities to support the involvement of these organizations in the regional employment center.

GRCC appears to be a particularly promising partner for the Tahoma School District and the City. It offers professional technical classes and has the ability to offer college-level information technology classes in areas such as application development and secured networking. These offerings have the potential to be of significant value to students at the Regional Learning and Technology Center. Further discussion of GRCC as a partner is included in the section below on entrepreneurship.

The Workforce Development Council of Seattle-King County

The IEDC team believes the City would benefit from increased engagement with the primary local workforce partner, the Workforce Development Council of Seattle-King County (WDC).

The WDC frequently works with the Economic Development Council of Seattle and King County to conduct talent pipeline studies and industry workforce need studies. While the WDC's primary client is the individual job-seeker, it holds regular panels convening companies from various industries to determine their needs and then works with educational institutions to develop a curriculum and training program to meet them. As Maple Valley looks to develop employment centers, the WDC's industry research will be particularly valuable. Much of this information is available on its website, and WDC also works directly with communities to help them get information they need.

The WDC is already involved with the Tahoma School District. The Tahoma School District is one of ten school districts in King County that received a grant under the WDC's "Careers Plus Contract." The one-year, \$32,000 grant commenced in September 2013 and was for the purpose of helping the school district develop curriculum and programs to help students who are destined for a four-year college education, as well as to help those who are not identified and achieve a career path beyond high school.



ECONOMIC DEVELOPMENT

Support Analysis

Foster Small Business Development and Entrepreneurship Opportunities

Entrepreneurship has come to the fore as a key economic development strategy in recent years. As the pipeline for business recruitment prospects has shrunk and globalization affects many existing employers, communities have realized that homegrown businesses are the ones most likely to stay put and grow.

The IEDC team encourages the City, over the long term, to seek to grow, attract, and support a portfolio of small to medium-sized employers to mitigate risk to the community. In other words, an economy that has 20 businesses of 20 employees each is likely to be healthier in the long run than a community that has one business that employs 400.

In meetings with business and educational stakeholders, it emerged that Maple Valley appears to have a high degree of entrepreneurship in comparison to neighboring communities. This is a special asset for the community that should be nurtured. The City should build upon existing support for business development and seek to add additional resources in the future dedicated to entrepreneurship and business incubation.

However, it is important to stress that entrepreneurship is a long-term strategy. One reason it traditionally has received short shrift in economic development strategies is that its payoff is often well beyond that of local election cycles. Given the current limited capacity of the City as it begins its focus on economic development, the team recommends that the City begin with small steps to build capacity to support entrepreneurs and startup businesses with an eye to ramping up these efforts over the longer term.

Existing Entrepreneurship Initiatives and Partners

The primary organizations providing assistance to small businesses and entrepreneurs in Maple Valley are the Greater Maple Valley-Black Diamond Chamber of Commerce and the Green River Community College Small Business Assistance Center (SBAC).

The Chamber does this primarily through the rental of office suites at its Business Development Center and through linking businesses with legal, land use, finance, and business development experts. The Chamber also arranges for a consultant from the Green River SBAC to provide businesses with technical assistance to develop business plans and grow to become independent or more thriving entities. The SBAC offers counseling sessions, assessment, and resource referrals.

Potential Roles for the City

The City of Maple Valley should support the efforts of the Green River Community College SBAC, now and as the relationship potentially grows. The Chamber and the City of Maple Valley partner to support SBAC programs locally.

Down the road, Green River Community College has expressed interest in housing a small business development center at the Regional Learning and Technology Center at Summit Place. The IEDC team recommends the City work with the Tahoma School District and Green River Community College to



ECONOMIC DEVELOPMENT

Support Analysis

make this project a reality. During interviews, the team also heard discussion of potentially developing an incubator at the Regional Learning and Technology Center site. Incubators are an excellent tool for developing new businesses, but require robust support services and a strong pipeline of potential clients. If a feasibility study eventually indicates that an incubator could succeed in Maple Valley, the team encourages the City to support such an effort.

The City may also have a role in supporting efforts to incorporate entrepreneurship into the K-16 educational system. This is already an initiative of Green River Community College, which is currently developing a new degree program around entrepreneurship. The inclusion of entrepreneurship into the curriculum and culture at the Regional Learning and Technology Center, paired with the future development of a small business development center and incubator, would be key steps in rebranding Maple Valley as a place that caters to and develops entrepreneurship.

Another entrepreneurship support program that the City could consider implementing in the long run, with partners, is economic gardening. Economic gardening is a “grow from within” strategy that targets existing growth companies and offers them critical strategic information customized to their needs. This information can be key to propelling the company to its next phase of growth.

Economic gardening is not about connecting entrepreneurs with support institutions or helping them with their operations, workforce development, or tax credits. It is about leveraging research using sophisticated business intelligence tools and databases that growth companies either aren't aware of or cannot afford. Research specialists typically assist in four key areas: strategic market research, geographic information systems, search engine optimization, and social media marketing. More information about economic gardening can be found at the website of the Edward Lowe Foundation (edwardlowe.org), which hosts the National Center for Economic Gardening.

In sum, there is a variety of ways the City can get involved with partners to support entrepreneurship in Maple Valley.

Plan for Redevelopment Potential

Though it may be some time before redevelopment is a viable or attractive option for selected commercial areas in Maple Valley, optimizing the potential for redevelopment sooner rather than later, is an important facet of the City's economic development strategy.

Zone for Higher Density in Selected Areas

Particularly around the Four Corners area, zoning for higher density would allow buildings that currently face height restrictions to eventually build up, increasing options for mixed-use commercial/office and residential uses. The current 35-foot height limitation on commercially zoned buildings (with 45-foot allowances in some cases) does not facilitate the development of multi-use buildings. Raising the height limit to at least 55 feet (to allow for five-story developments) would allow for a mix of office and/or retail with residential units constructed on separate levels.



ECONOMIC DEVELOPMENT Support Analysis

Additionally, the IEDC team understands that some underutilized and vacant property exists in other parts of the city, including the northwest quadrant of the Four Corners Area. The City should continue investigating how to optimize development possibilities for economic development in these areas.

Support Infrastructure Projects that Benefit Existing Commercial Districts and Vacant Parcels

While understanding the reality of limited dollars for infrastructure, the IEDC team recommends that the City prioritize projects that support imminent economic development opportunities (e.g., the North End). One such project is to create a second northbound lane on SR 169 between Witte Road and 240th Street. This adds to the second southbound lane on SR 169 built last year.

Although mitigation agreements with a future developer could pave the way for some cost-sharing for future road improvement (as YarrowBay had negotiated with the City of Black Diamond in conjunction with a proposed 6,000 residential unit development), infrastructure investment by the City in advance of a developer agreement can help market the site and produce otherwise needed traffic improvements in the meantime.

Traffic improvements in the Four Corners Area also would further efforts to develop the district into a vibrant mixed-use, higher density area in the future.



ECONOMIC DEVELOPMENT

Goals & Policies

INTRODUCTION

The intent of the Economic Development Element is to improve the quality of life by encouraging a greater number and variety of commercial businesses that provide services and create employment opportunities for Maple Valley residents, as well as grow the tax base to take the burden off residential property tax.

The policies in this element address four aspects of creating a healthy economic climate for Maple Valley; quality of life, sustainable revenue sources, opportunities, and partnerships. The policies presented in this element will guide future City initiatives that, together with private sector actions, will produce a strong economy. The results will preserve and improve the quality of life that Maple Valley's residents and workers currently enjoy.

The Economic Development Support Analysis section of this Plan contains background data and analysis, which describe the existing economic conditions of the City, and provide the foundation for the following goals and policies.

GOALS & POLICIES

Goal ED-1: Develop a business retention and expansion program, and support efforts that foster small business development and entrepreneurship.

- Policies:**
- ED-P1.1** Partner with the Maple Valley-Black Diamond Chamber of Commerce to establish effective roles for business outreach efforts.
 - ED-P1.2** Support a portfolio of small to medium-sized employers to mitigate risk to community.
 - ED-P1.3** Establish a business retention and expansion program that encourages dialogue with existing non-retail and local service businesses. The program should aim to identify specific issues hindering the growth of both individual businesses and specific industries in order to help them succeed, expand, and create jobs in the City.
 - ED-P1.4** Support business development initiatives of the Maple Valley-Black Diamond Chamber of Commerce, Green River Community College Business Development Center, and similar partners.
 - ED-P1.5** Make entrepreneurship a priority in current and future economic development policy.

Goal ED-2: Develop and promote a culture oriented to economic development in City services and communicate that priority to residents and externally.

- Policies:**
- ED-P2.1** Develop ongoing education programs regarding the benefits of economic



ECONOMIC DEVELOPMENT

Goals & Policies

development for the community and deliver it through both formal and informal communication channels.

ED-P2.2 Maximize economic development capacity by enhancing the scope and strategic role of the Economic Development Committee.

ED-P2.3 Develop ongoing relationships with regional and state partners such as the Economic Development Council of Seattle-King County, the Puget Sound Regional Council, King County Government, the State of Washington, and other similar entities in positions to further Maple Valley's economic development interests.

ED-P2.4 Establish an initial point of contact for economic development within the City as well as a team to respond to broader issues and assume specific projects.

Goal ED-3: Utilize an approach to land use, transportation, and infrastructure development that promotes the generation of living-wage jobs and diversifies the City's revenue base.

Policies: **ED-P3.1** Prioritize Employment Center development over residential uses and community amenities on large, undeveloped parcels, with the exception of the Legacy and Brandt properties.

ED-P3.2 Prioritize development of vacant sites to optimize economic development outcomes in the near term.

ED-P3.3 Utilize zoning of undeveloped sites to allow maximum flexibility for job-creating development and to limit retail and other uses not compatible with an employment center producing living-wage jobs.

ED-P3.4 Employ the zoning code to maximize the economic development potential of existing commercial areas, e.g., by addressing building height and use designations.

ED-P3.5 Prioritize infrastructure projects that are beneficial to sites proposed for office campus, technology, and light/advanced manufacturing development.

ED-P3.6 Support infrastructure projects that are beneficial to existing commercial areas.

ED-P3.7 Pursue opportunities for mixed-use development and higher density development that are compatible with the City's character.

Goal ED-4: Attract family-wage employers to the City in order to diversify the City's revenue base, provide employment opportunities for Maple Valley residents, and increase the City's daytime population.

Policies: **ED-P4.1** Gather and package detailed development data related to specific sites, market analysis, and workforce availability.

ED-P4.2 Build relationships within the regional development community.

ED-P4.3 Develop and release a request for proposals in order to secure a developer for the City's priority parcels for development.



ECONOMIC DEVELOPMENT

Goals & Policies

ED-P4.4 Consider tax and service-based incentives to attract development.

Goal ED-5: Build and promote existing and new relationships with workforce development organizations, training providers, and educational institutions to strengthen the City's workforce pipeline and its reputation for skilled workers.

Policies: **ED-P5.1** Participate in the planning and programming of the Regional Learning and Technology Center.

ED-P5.2 Support efforts of the Tahoma School District, Green River Community College, and other workforce partners to work with industry to develop curricula related to industry skill needs, especially in STEAM (Science, Technology, Engineering, Arts, and Mathematics) education.

ED-P5.3 Use data collected on the City and regional workforce to identify other workforce opportunities related to economic development.