

**KING COUNTY  
ECONOMIC  
DEVELOPMENT  
PLAN**

**February 1989  
King County, Washington**



Amendment to the Executive-Proposed King County Economic Development Plan

1. Revise Police CD 10 or page 3.20 of the Plan to read:

"King County will initiate community plan amendment studies pursuant to K.C.C. 20.12.050 through K.C.C. 20.12.080 to evaluate rezone requests for new neighborhood centers in urban areas (in-areas) where the community plan is out of date and an update is not funded within a year and when the proposed location and mix of uses appears to meet Comprehensive Plan criteria."

(Parks, Planning, and Resources Committee - August 3, 1988)

Rationale: The policy was revised to include the King County Code citation for plan revision studies. The prerogative to initiate those studies is the Council's.

2. Add a new policy to the Business Development Section of the Plan which reads:

"King County will participate with affected municipalities in research to identify the potential impact of federal military spending cutbacks and to recommend steps to diversify the local economy and markets for local firms to prevent business and job loss."

The following explanatory text is added:

"Military contracts have been a major source of business earnings and jobs in King County. Department of Defense sales have averaged approximately \$3 billion dollars annually during the last five years. Conservatively, 20,000 jobs in King County depend directly on military spending.

Research is needed to: 1) identify industry sectors and major firms most vulnerable to military spending reductions; 2) anticipate the timing of probable reductions; and 3) recommend public/private actions needed to prepare for transition. Research well in advance of military expenditure reductions will allow enough lead time to create effective business diversification and retraining programs. Emphasis should be placed on diversifying the local economy while maintaining highly productive, well-paid jobs."

(Parks, Planning, and Resources Committee - August 19, 1988)

Rationale: SANE, a local organization promoting world peace, is concerned about the impact of federal cutbacks in military spending on the County. It requested the Council to acknowledge the potential problem. The Parks, Planning and Resources Committee agreed.

3. Add a new policy CD 9 to page 3.19 of the Plan which reads:

"Community plans for the Northshore, East Sammamish and Bear Creek planning areas should provide for additional business/industrial park development in conformance with the following criteria:

- A. New sites designated for industrial use should include parcels of 20 acres or more and should be within new or existing activity centers. Where possible, an aggregation of at least 200 acres of land for business park uses is preferred to allow concentrations of complementary businesses;
- B. Site plan and subdivision conditions should encourage retention of large parcels to allow business park development and should discourage speculative subdivision into small parcels;
- C. Sites designated for industrial and business park development should have primarily stable, well-drained soils on level or gently sloping topography (e.g., less than 15% slopes);
- D. Sewer, water, and communications services should be available or planned for the industrial or business park area;
- E. New sites designated for industrial use should have convenient access to existing or planned freeways or major arterials; necessary improvements should be assured before development is approved;
- F. Capital improvement plans developed in conjunction with community plans on the Eastside should place a high priority on transportation improvements for existing, underutilized industrial areas;
- G. Plans and development conditions should encourage retention of site amenities such as water features and natural vegetation and should encourage high quality development."

Add the following text to complement the policy:

"To implement this policy, a business/industrial park zone classification should be developed to ensure a high standard of development and site design while permitting the flexibility of complementary uses. (Please see policy CD 16 on page 3.27.)"

(Parks and Resources Committee - January 4, 1989)

Rationale: The Executive-Proposed plan states that there is a shortage of vacant "high quality" industrial or business park land in northeast King County. It is necessary to include a list of characteristics as a guide to future updates of community plans north of I-90.

4. Additional text was added to two parts of the Plan citing the lack of high quality industrial land in northeast King County:

A. Chapter One - Background and Information - Page 1.27, Paragraph 2.

The land supply/demand estimates in Figure 1.23 point out two areas of concern: potential shortages of vacant land zoned for commercial development in all urban areas; and a relatively limited supply of land for industrial development on the Eastside. South King County contains only an eleven year supply of commercial vacant land; the other areas have even less. The Eastside has less than twenty year's supply of vacant land for industrial use, as compared to 89 years in South King County. Both King County and private sector inventories indicate the Eastside has an inadequate supply of large parcels (i.e., over 20 acres) zoned for industrial or business park use. (Although Seattle and North King County have virtually no vacant employment land, this is not an issue because there is no vacant land in other categories to be redesignated.)

B. Chapter Three - Action Program - Page 3.18, Paragraph 3.

Expansion or intensification of existing Urban Activity Centers and designation of new Urban Activity Centers to meet regional economic development needs is anticipated by the Comprehensive Plan (see appendix). The currently identified need is for sites for high-quality business or industrial parks with campus-like environments in northeast King County. There are very few large, vacant industrial-zoned parcels on the Eastside. In particular, there is a need for more land in large parcels zoned for industrial or business parks in areas with stable, well-drained soils; level or gently sloping topography; good access to freeways or major arterials; and with sewer, water and communication services in place or planned. In South King County, a wide range of sites already planned for employment growth can accommodate the employment needs of the forecast population growth for the area. Employment growth should be encouraged there through continuing emphasis on good public facilities and services.

(Parks, Planning, and Resources Committee - December 7, 1988)

5. Add a paragraph to page 3.17 of the Plan which reads:

"The King County Code requires the County to review its Comprehensive Land Use Plan every five years. One of the issues which should be addressed in the 1990 review is the long term capacity of the County's land supply for industrial and commercial development. While near term supply of such land appears to be adequate, long term issues which should be addressed include: 1) whether balanced population/employment ratios are needed in rural areas; 2) whether additional employment sites are needed in or adjacent to rural activity centers; and, 3) whether land in rural areas

accessible to I-90 should be used for commercial or industrial development. It is the Council's intent that the data developed for the 1990 review of the Comprehensive Plan include the best available information about the long term supply for industrial and commercial development in both urban and rural areas of King County."

(Parks and Resources Committee - January 18, 1989)

Rationale: This is in recognition of continued public interest in this issue which is appropriately addressed through the 1990 update of the King County Comprehensive Plan as it is a land use issue. The 1985 Comprehensive Plan limits industrial and commercial development to urban areas and Rural Activity Centers.

6. Revise Policy HR 9e on page 3.41 to read:

"Provide health screening and training to child care providers and work ((work)) with other agencies through licensing, inspection and educational programs to assure safety, good sanitation and to promote quality programs."

Rationale: This revision better reflects the policy of the Council adopted Health and Human Services Expenditure Plan.





# KING COUNTY ECONOMIC DEVELOPMENT PLAN

## EXECUTIVE SUMMARY

The Economic Development Plan establishes goals and policies to guide King County's economic activities, and includes a five year work program of activities designed to encourage economic growth and diversity. The King County Comprehensive Plan, adopted in 1985, reaffirmed King County's commitment to maintaining a strong economy, and includes broad economic development goals and policies. The Comprehensive Plan also called for a more detailed study of local economic conditions and issues, through preparation of an economic development plan. The Economic Development Plan is a functional plan that is consistent with and implements the Comprehensive Plan.

### Need for Economic Development

A healthy local economy and economic opportunity are essential components of a high quality of life. King County needs a diverse and vital economy to provide employment opportunities that keep pace with a growing population, replace jobs lost to changes in the economy, and ensure a strong tax base. A vital local economy is also one of the major contributors to other important indicators of quality of life, providing the income levels and tax base to maintain and enhance community and environmental quality, educational and cultural excellence, social services, parks and open space.

King County's economy is generally strong, with a healthy rate of new business starts, strong employment growth, relatively low unemployment levels, and significant increases in business revenues. The economy has recovered from the employment losses of the early 1980s, and growth is stronger than forecast rates.

The fact that King County's economy is healthy at present allows the luxury of taking a longer range perspective on economic development needs and opportunities. That long range view includes identification of sources of continuing economic strength, including the region's highly educated and productive human resources — both workers and entrepreneurs — and supporting educational systems; transportation systems that link this area to the rest of the nation and world by water, air, road and rail; the presence of research institutions and incubator industries that generate numerous local business startups; and community quality and natural beauty that can attract and keep the best of the firms and workers.

Data on long term economic trends for this region and the nation also point out areas of concern for the region's economic future. These areas of concern include: (1) signs of potential, long term economic stagnation, as indicated by stagnating percapita income levels, lower wages overall, and decline of productive and higher paying industry sectors; (2) signs that significant numbers of people here are failing to benefit from economic activity, including high numbers of individuals with incomes at or near poverty levels, recurring cyclical unemployment that rose to nearly 10% in the 1980s, and structural changes in the economy that result in displacement and long term unemployment; (3) continuing dependence on a single manufacturing sector, making the economy vulnerable to the fortunes of one particular product; (4) lack of employment growth, business

investment and tax base increases in some communities, which also have higher concentrations of low income persons and unemployment; and 5) indications that the region may lack the long term capacity in land and infrastructure to accommodate desired levels and types of business growth.

Issues and concerns about the area's economic future resulted in the decision to further examine King County's economy, and alternative economic development strategies for King County, through preparation of an Economic Development Plan.

### **Process of Developing the Plan**

Work on the Economic Development Plan began with background studies of local economic conditions, program alternatives, and planned land and infrastructure capacity. To help develop an action program to address economic development issues, King County Executive Tim Hill asked the Seattle/King County Economic Development Council to appoint a resource group of experts knowledgeable about business, government, labor and educational aspects of economic development.

The Resource Group, county staff and a consultant team considered recommendations in the Economic Development Council's plan, Framework for the Future, policies in the Comprehensive Plan, and data conclusions in helping to formulate action recommendations for King County. A draft Economic Development Plan was published January 30, 1987 and distributed for public and departmental review through April. The Resource Group met in late April to recommend ways to resolve major policy issues. The Economic Development Plan incorporates many of the public suggestions for change, as well as Executive Direction on major policy issues.

### **Goals, Policies and Actions**

The goal of the Economic Development Plan is to encourage economic expansion that will enhance the quality of life in King County; increase the standard of living for all King County residents; maintain a healthy regional economy; and provide economic opportunity for all King County residents.

The directions and strategies King County will follow to further these goals are defined by ten economic development policies. The policies provide the framework for specific action recommendations contained in the Plan, and also provide the basis for evaluating and responding to unforeseen economic development opportunities and needs. The policies, summarized below, state King County's intent to:

- Emphasize economic development activities that contribute to real economic growth through increased productivity;
- Encourage economic diversification through growth in industries that expand the export base, substitute local products for imports, and those with high local value added or local linkages;
- Encourage growth in industries that have a high percentage of family wage jobs;
- Promote equal economic opportunity and achievement among all segments of society;
- Promote economic expansion and vitality in all communities;

**KING COUNTY  
ECONOMIC DEVELOPMENT PLAN**

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- Contribute to local business formation, retention and expansion by assuring a supportive business environment;
- Promote and welcome economic activity that enhances our high community and environmental quality;
- Focus on developing long term capacity for economic growth by strengthening planning, permitting, infrastructure, education, training, and human service systems;
- Strengthen cooperation among jurisdictions, government and private agencies in pursuit of economic development goals.
- Retain the flexibility to take advantage of unforeseen opportunities, within the context of broad goals and policies.

The goals and policies of the Economic Development Plan will be carried out through a five year work program that involves many County departments. The activities include programs that focus on business development, community development and human resources. The activities, programs, responsible County departments, a rough schedule and cost estimates are outlined in the attached Summary of Implementation Actions.



# SUMMARY OF IMPLEMENTATION ACTIONS

This chart summarizes the activities King County will undertake to support and encourage economic development. Activities include existing programs that will be continued, as well as new activities to be initiated within the five year life of the Economic Development Plan. The lead King County department and supporting departments are indicated. When an external agency is the primary actor, the appropriate agency is indicated in the right-hand column. Cost estimates for recommended new programs are included to provide an indication of the magnitude of the activity, but are very rough estimates. Actual cost proposals will be developed through the budget process each year.

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COST BEYOND  
REGULAR  
COUNTY  
PROGRAMS

YEAR

RESPONSIBLE DEPARTMENT\*\*

		Partners, Planning, Resources	Public Works	Human Resources	Executive Admin.	Health	Budget	External Agency Lead
<b>A. BUSINESS DEVELOPMENT</b>								
<b>Finance</b>								
BD 1: Help businesses obtain financing for projects that create or retain jobs by:	Ongoing	L						
a. Providing technical assistance in applying for public loan programs;								
b. Managing the King County Revolving Loan Fund; and								
c. Providing public information on economic development finance programs.								
BD 2: Identify, establish additional business finance tools.	Ongoing	L					S	
BD 3: Investigate potential use of local government investments for economic development, including:	1988/89	L					\$4,000 to \$6,000	S
a. Investigate potential use of County long term investments to lower loan costs;								
b. Support efforts to encourage use of State investments for economic development.								

\*\* L - Lead Role  
S - Supportive or partnership role

† Indicates new items included in the 1988 Proposed Budget.

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	Parks, Planning, Resources	Public Works	Human Resources	Executive Admin.	Health	Budget	External Agency Load
<b>County Property</b>	L	S		L			
BD 4: Investigate potential use of County property for joint public/private economic development projects						†1987/89	
\$6,000 to \$40,000							
<b>Information and Referral</b>							
BD 5: Help businesses obtain information, operations assistance by:	S					Ongoing	EDC
a. Serving as a participant on the EDC Business Help Center;	S			S			EDC, others EDC
b. Support other agencies' business assistance programs;	S						
c. Refer businesses to sources of help.							
BD 6: Provide information on land development, census, other data through:	L	S				Ongoing	
a. Publications such as the Annual Growth Report; and							
b. Special reports, studies as needed.							
BD 7: Provide business siting assistance through:						Ongoing	
a. Cooperation with the EDC on specific data for site needs;	S						EDC
b. Pre-application meetings regarding site requirements.	L						
<b>Contract Procurement Assistance</b>							
BD 8: Help local firms obtain a greater share of government contracts by:							
a. Participating in seminars to inform businesses of bidding procedures;		L				Ongoing	
b. Soliciting bids from local businesses;		L				Ongoing	
c. Work with the EDC to establish a procurement notification system re: federal, state and local government contracts; and	S	S				1988/89	EDC
\$10,000 to \$20,000							



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			Parks, Planning, Resources	Public Works	Human Resources	Executives Admin.	Health	Budget	External Agency Lead
d.	Maintain records on local business contract shares; investigate/recommend other tools as appropriate.	\$4,000 to \$6,000	1989/90	L		L			
BD 9:	Strengthen programs to assure minority and women-owned businesses have access to government contracts through:			S		L			
a.	Early notification to the MWBE Office on potential contracts;		1988/ Ongoing						
b.	Strengthen technical assistance to minority and women businesses in bid development;	\$30,000 to \$90,000/yr.	1989/ Ongoing						
c.	Develop better information on businesses owned by minorities and women, and potential assistance;	\$10,000 to \$15,000	1988/90						
d.	Evaluate potential outreach programs to solicit more bids;	\$4,000 to \$8,000	1988/89						
e.	Work with other public and private purchasers to expand use of minority and women business contractors.	\$20,000 to \$60,000/yr.	1988/92						
<b>Economic Development Research</b>									
BD 10:	Work with research and economic development groups to identify economic trends, opportunities, issues.		1986/ Ongoing	S					EDC EDD Other
BD 11:	Promote public understanding of the local economy, opportunities, success stories.		Ongoing	L					
<b>Business Retention</b>									
BD 12:	Work with other agencies to retain local business, prevent closures or relocations:		1987/89	S					SWC
a.	Work with the Seattle Worker Center's early warning system to identify plant closures and relocations;								

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RESPONSIBLE DEPARTMENT\*\*

				Parks, Planning, Resources	Public Works	Human Resources	Executive Admin.	Health	Budget	External Agency Lead
b.	Participate on the Seattle Worker Center early response team to prevent closures when feasible;	1987/89		S						SWC
c.	Assist with feasibility studies on business revitalization;	1989/92	\$10,000 to \$50,000/yr.	L						SWC WSLC EDC
d.	Work with the Economic Development Council on relocation or closure issues;	Ongoing		S						EDC
e.	Work with the EDC, cities and others to market the area to expanding local firms;	Ongoing	Base to \$100,000	L						EDC
f.	Work with others to identify and remove legislative problems such as tax laws that are disincentives to investment.	Ongoing		L						EDC SWC WSLC
BD 13:	Work with other groups to identify and address long term economic problems resulting in business loss.	1989/90	\$6,000 to \$12,000/yr.	L						EDC SWC WSLC
<b>B. COMMUNITY DEVELOPMENT</b>										
<b>Business District Revitalization</b>										
CD 1:	Strengthen the business district revitalization program, providing staff support to work with local business and community groups on needs assessment, land use planning and zoning, capital improvements, design studies, marketing programs.	†1986/ Ongoing	\$75,000 to \$150,000/yr.	L	S		S			
CD 2:	Encourage city participation in business district revitalization programs.	1987/ Ongoing	See CD1	L						
CD 3:	Review data to identify communities with revitalization needs.	1989/ Ongoing	See CD7	L						

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RESPONSIBLE DEPARTMENT\*\*

				Parts, Planning, Resources	Public Works	Human Resources	Executive Admin.	Health	Budget	External Agency Lead
<b>Land Use Planning</b>										
CD 4: Develop subregional employment targets to be implemented through community plans.	\$6,000 to \$8,000/yr.	1989/ Ongoing		L	S			S		
CD 5: Work with cities to plan for economic growth in cities and unincorporated areas:	May need to expand by \$50,000/yr.	Ongoing		L	S			S		
a. Promote city/county agreement on economic development strategies through interlocal agreements;										
b. Determine long range annexation and incorporation plans through interlocal agreements for commercial/industrial areas.										
CD 6: Maintain and expand data on land use and economic development trends, including:										
a. Maintain information on long term capacity for commercial/industrial development, and expand the data base to include information on underutilized land and buildings;	\$9,000 to \$15,000/yr.	1988/ Ongoing		L						
b. Establish the capacity to report on subregional unemployment rates;	\$15,000 to \$60,000	1988/89		L		S				
c. Establish the capability to report on employment by sector by sub-county areas;	See CD 6b	1988/92		L	S					
d. Strengthen capacity to forecast population and employment growth by subcounty area;		1989/92		S						PSCOG
e. Establish the capability to report on local business change by subcounty area.	\$6,000 to \$9,000/yr.	1989/92		L						
CD 7: Identify and report on economic development issues/needs/opportunities by county, sub-region and activity center.	\$6,000 to \$12,000/yr.	1989/ Ongoing		L	S	S				

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Parks, Planning, Resources  
Public Works  
Human Resources Admin.  
Executive Health  
Budget  
External Agency Lead

Parks, Planning, Resources	Public Works	Human Resources Admin.	Executive Health	Budget	External Agency Lead
L	S		S		
L	S		S		
L	S		S		
L		S			

Current Land Supply Issues

- CD 8: Identify additional opportunities for high quality business park development in northeast King County's urban areas, including:
  - a. Include a new activity center in the Bear Creek MPD; 1987/88
  - b. Identify new business park development opportunities through the Northshore and East Sammamish Community Plan updates; 1987/90
  - c. Work with cities to address long-range utility service, annexation plans. See CD5 1988/90
- CD 9: Designate new neighborhood or community centers in urban areas through community plans:
  - a. Establish new sites for centers through community plan updates/revisions underway; 1987/90
  - b. Identify opportunities for new neighborhood centers through any future plan updates/revisions in urban areas. 1988/92
  - c. Work with cities on infrastructure and annexation plans for the centers. 1988/92
- CD 10: Initiate community plan amendment studies to evaluate rezoning requests to establish new neighborhood centers in urban areas. \$6,000 to \$40,000/yr. 1988/92
- CD 11: Include an economic development analysis as part of future community plan updates and revisions. \$6,000 to \$10,000/plan †Ongoing

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			Parks, Planning, Resources Works	Human Resources Admin.	Executive Admin.	Health	Budget	External Agency Lead
CD 12: Develop plans for urban activity centers that provide for local and regional economic diversity, a local balance of jobs and workers, and include specific infrastructure funding and annexation/incorporation provisions.	See CD11	1987/92	L	S		S		
CD 13: Develop plans for rural areas that promote resource industries, tourism and recreation; promote employment growth and economic development within rural activity centers; include annexation agreements, infrastructure funding provisions.	See CD11	1987/92	L	S		S		
CD 14: Encourage resource industries by applying resource zoning and protective buffers; identify incentives through community plans; continue to implement Comprehensive Plan policies on utilities, taxation, planning, continue Cooperative Extension support.		Ongoing	L	S				
<b>Land Use Regulations/Permitting</b>								
CD 15: Incorporate flexibility into community plans, plan amendment process; update plans on schedule; fund plan amendments to facilitate consideration of privately initiated changes in areas with out-of-date plans.	See CD9 CD10	1987/92	L					
CD 16: Revise commercial and industrial zoning code to promote high quality design for industrial/business parks; retain ability to combine business, industrial uses; provide adequately for siting heavy industrial uses; encourage employment concentrations; provide child care incentives.	\$75,000 to \$150,000	1988/89	L	S		S		
CD 17: Continue improvements to the permit processing system to improve efficiency, predictability, shorten processing time.	Base to \$250,000	1986/92	L	S		S		

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			Parks, Planning, Resources	Public Works	Human Resources	Executive Admin.	Health	Budget	External Agency Lead
CD 18: Expand the permit coordinator program to ensure adequate support to handle major economic development projects.	\$40,000 to \$80,000/yr.	1989/92	L	S			S		
<b>Public Infrastructure Planning</b>									
CD 19: Strengthen work with cities and utility districts to identify and address regional infrastructure needs:									
a. Maintain information on road capacity problems for county roads and roads in other jurisdictions that are part of the regional road system;	\$30,000 to \$50,000/yr.	†1988/ Ongoing	S	L					
b. Work with others to plan and implement subregional transportation improvements;		Ongoing	S	L					
c. Strengthen work with Metro, cities on public transportation issues, joint projects;	\$35,000 to \$70,000/yr.	†1988/ Ongoing	S						
d. Work with cities to address existing and potential surface water problems;		Ongoing	S	L			S		
e. Work with other agencies on ground water management issues.		1987/89	L				L		
f. Work with sewer, fire districts to identify needs, set standards;		Ongoing	L				L		
g. Work with Regional Water Associations and water service agencies to provide adequate water supply.		1987/89	L				S		RWA
<b>Infrastructure Funding</b>									
CD 20: Work with cities, service providers to develop a countywide infrastructure funding strategy and appropriate tools for roads, surface water management, utilities, parks; support increased state and federal funding for infrastructure.	Base to \$100,000	†1987/89	S	L			S		

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	Parks, Planning, Resources Works	Public Resources Works	Human Resources Admin.	Executive Admin.	Health	Budget	External Agency Lead
CD 21: Ensure that assessments systems for any private contributions to finance off-site infrastructure result in fees that are predictable and reasonably related to project impacts.	L	L					
CD 22: Establish fee assessment approaches which reduce up front financial impacts to the private sector.	L	L					
CD 23: Incorporate adopted economic development policies into the CIP priority process.	S	L					
CD 24: Maintain and strengthen flexibility in the CIP process, to facilitate responsiveness to unforeseen projects that support economic development.	S	L					
CD 25: Continue to help cities and utility districts obtain grants and loans for capital improvements; work with other agencies to increase funding levels.	L	S					
CD 26: Investigate potential grant/loan programs to fund design/development of capital improvements to support small city development, business district revitalization.	L	S				S	
CD 27: Develop Infrastructure Improvement plans and funding strategies for each activity center, and take an active role to assure needed improvements.	L	S			S		
CD 28: Work with cities to develop complementary infrastructure plans for activity centers, through interlocal agreements.	L	S			S		
<b>C. HUMAN RESOURCES</b>							
<b>Basic Education</b>							
HR 1: Support efforts of educational groups to maintain, enhance educational quality.	S		L				

			Parks, Planning, Resources Works	Human Resources Admin.	Executive Health	Budget	External Agency Lead
HR 2:	Support programs to encourage young people to gain a high school education, employment skills.	Ongoing	S	L			
<b>Entrepreneurial Education</b>							
HR 3:	Promote entrepreneurial education in the schools by helping to publicize existing programs, encouraging expansion, referring potential students.	1989/90	L	L			
<b>Employment Training</b>							
HR 4:	Work with other groups to support continuing development of a countywide employment training system through assistance with planning, data and analysis, setting priorities, support for increased funding levels.	1989/92	S	L			PIC
HR 5:	Continue to provide work training programs, for youth, adults, disadvantaged persons, including working to identify priority needs and designing programs to meet needs.	Ongoing	L	L			PIC
HR 6:	Continue to promote PIC services with businesses, and assist businesses as needed to make use of PIC trained employees.	Ongoing	L	S			
<b>Affirmative Action</b>							
HR 7:	Expand the employment placement program for the mentally ill and persons with developmental disabilities.	1989/Ongoing	L	L			
HR 8:	Continue affirmative action programs to assure equal employment opportunities to women, minorities, the handicapped.	Ongoing		L			



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			Parks, Planning, Resources	Public Works	Human Resources	Executive Admin.	Health	Budget	External Agency Lead
<b>Child Care</b>									
HR 9: Promote provision of adequate and affordable child care in cooperation with other agencies;			S						
a. Identify and document child care needs;		1987/ Ongoing			L				
b. Establish a financial support program for child care for the working poor;	\$275,000 to \$750,000/yr.	†1988/92			L				
c. Work with employers to facilitate child care provision through information, incentives;		1988/ Ongoing			S				
d. Review/change zoning codes to facilitate child care center siting;	See CD16	1988/89			S				
e. Work with child care providers to increase health, safety, quality.	Base to \$60,000	Ongoing			S		L		
f. Provide incentives to public and private child care providers, to increase availability, affordability.		Ongoing			L				
HR 10: Promote flexible hours, part time employment, other options to allow parents to work.	Base to \$60,000	1989/91			L		S		
<b>Transition Assistance</b>									
HR 11: Work with other groups to identify potential plant closures, assure adequate training, information, counseling for unemployed, dislocated workers.		1987/92	S		S				SWC, EDC WSLC
HR 12: Promote long range economic development planning to address economic transition issues, through forums, improved information, supporting and using federal programs to improve transition assistance.	See BD-13, EV1	1988/ Ongoing	L		S				

ESTIMATED  
COST BEYOND  
REGULAR  
COUNTY  
PROGRAMS

YEAR

RESPONSIBLE DEPARTMENT\*\*

	Parks, Planning, Resources	Public Works	Human Resources	Executive Admin.	Health	Budget	External Agency Lead
L	S	S	S	S	S	S	

\$60,000 to  
\$100,000

1992/93

D. EVALUATION/REASSESSMENT

EV 1: Evaluate and reassess data, directions  
actions and revise the Economic Develop-  
ment Plan Action Program every five  
years.

Estimated Total Cost of New Activities

1988	Proposed:	\$ 676,000	
1989	Estimated:	\$ 909,000	- \$ 2,507,000
1990	Estimated:	\$ 593,000	- \$ 2,022,000
1991	Estimated:	\$ 589,000	- \$ 1,921,000
1992	Estimated:	\$ 649,000	- \$ 2,016,000
	* TOTAL:	\$3,416,000	- \$ 8,466,000

## **CHAPTER ONE INTRODUCTION AND BACKGROUND**

The King County Comprehensive Plan, adopted in 1985, calls for preparation of an Economic Development Plan to specify what King County government can and will do to promote a healthy local economy. The Economic Development Plan is a functional plan that defines economic development goals and policies, and outlines a five-year work program to implement those policies. Policies, information and recommended actions of the Economic Development Plan will be incorporated into other King County plans and actions, including community plans, capital improvements, business assistance activities, and numerous services programs.

This chapter describes the process of developing the Economic Development Plan and its relationship to other King County plans and policies. Also included is a summary of the key findings and conclusions of background studies prepared in connection with the Plan.

### **A. PROCESS OF DEVELOPING THE PLAN**

Work on the Economic Development plan began in 1985 with background studies on the King County economy, evaluation of the economic development potential of existing County programs, and a review of the types of economic development programs used by other jurisdictions. This work was completed by consultants CCA inc. and Stalzer and Associates, under the direction of a King County Department Steering Committee. The Steering Committee included County managers and staff as well as representatives from the Seattle/King County Economic Development Council. A report on the findings, entitled Background Analysis for the King County Economic Development Plan, was published in December 1985.

Also during 1985, the King County Planning Division developed a computerized inventory of vacant land in cities and unincorporated areas that is designated for commercial and industrial use. The results were published in the King County Industrial Area Atlas; results of a 1986 update were published in the 1987 Annual Growth Report.

In late 1985 and early 1986, King County officials participated in work on a five-year economic development action program developed by the Seattle/King County Economic Development Council (EDC). The resulting plan, entitled Framework for the Future: A Strategic Plan for Our Economic Future, 1987-1991, represents agreement among EDC member groups -- business, government, labor and educational institutions -- on overall directions and the range of actions King County leaders should undertake to contribute to a strong local economy. The Framework outlines actions to be undertaken by each member of the EDC coalition, including general types of actions that should be pursued by local governments such as King County.

Following completion of the Framework in 1986, King County Executive Tim Hill asked the Seattle-King County Economic Development Council to recommend a resource group of persons familiar with education, business, labor and community needs and issues to assist in preparation of an Economic Development Plan for King County government.

**Economic Development Plan Resource Group members include:**

**Cris Crumbaugh, Attorney  
Chair, King County Economic  
Development Plan Resource Group**

**Steve Abercrombie  
President  
National Bank of Tukwila**

**William B. Beyers, Professor  
Geography Department  
University of Washington**

**Alan Gibbs  
Executive Director  
Metro**

**Julie Hungar  
Vice Chancellor  
Education and Administration  
Seattle Community College District**

**Luke Lukoskie  
President  
Island Spring, Inc.**

**Mary McCumber  
Planning Director  
City of Auburn**

**David Moseley  
Director  
Department of Community Development  
City of Seattle**

**Penny Peabody  
President  
Seattle/King County Economic  
Development Council**

**Dan Ramirez  
Director  
Redmond Chamber of Commerce**

**Charles Regele  
Planning Director  
City of North Bend**

**Al Starr  
Executive Director  
Seattle-King County Private Industry Council**

**Burr Stewart  
Senior Planner  
Port of Seattle**

**Jim Tusler  
Labor Liaison  
Washington State Labor Council**

**The Honorable Gary Van Dusen  
Mayor  
City of Tukwila**

**Richard Weinman  
Consultant  
Huckell/Weinman Associates**

The consultant team, CCA inc, and Stalzer and Associates, prepared a public review draft of the Economic Development Plan reflecting data on county needs and advice/discussion among the consultants, Resource Group members, and County staff. The review draft, published January 30, 1987, was circulated to the public and King County departments for comments; public review concluded in April 1987.

The Economic Development Plan was revised based on issues raised through public and department review, and Executive policy direction. The Executive Proposed Economic Development Plan was transmitted to the King County Council in November 1987, for review and action.

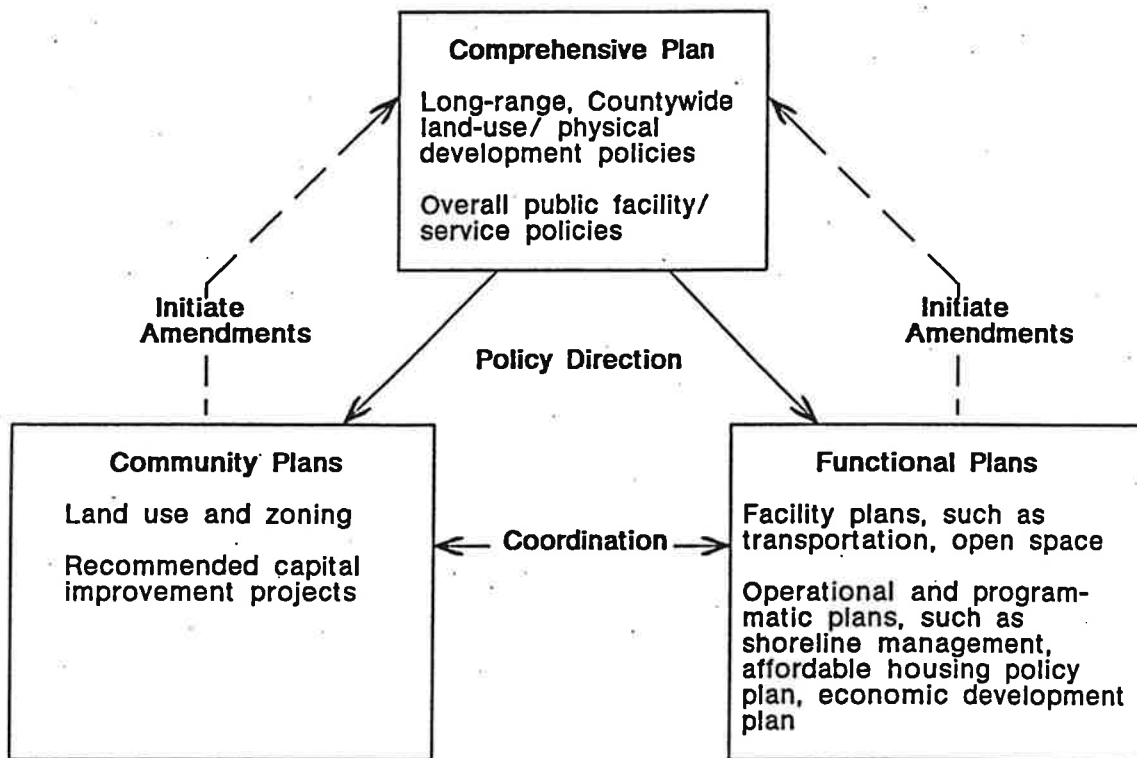
The Economic Development Plan will remain in effect for five years. The overall direction and specific actions will be reviewed and updated after five years to reflect new conditions and opportunities for economic development.

**B. RELATIONSHIP OF THE ECONOMIC DEVELOPMENT PLAN TO OTHER COUNTY PLANS**

The Economic Development Plan is a functional plan that implements the goals and policies of the King County Comprehensive Plan.

The Comprehensive Plan itself is the overriding county policy document that translates community values and goals into a framework for decisions on growth, land use, and public facilities and services. It specifies the location of land uses in King County and includes designations for open space, resource lands, rural areas, urban areas, transitional areas, and activity centers. This land use pattern is reflected in the Comprehensive Plan map. Other County plans affecting land use must be consistent with the Comprehensive Plan.

**Figure 1.1  
King County Planning System**



King County prepares community plans for sub-areas of King County to implement Comprehensive Plan policies and address local land use and facility issues. Community plans specify zoning and develop plans for needed public facilities and services in unincorporated areas; they also develop annexation plans in cooperation with adjacent cities.



**Functional plans such as the Economic Development Plan, the Affordable Housing Policy Plan and the Transportation Plan address regional needs and issues that are beyond the scope of community plans, either because they address Countywide issues, or because they require a level of technical analysis or research that is not appropriate within the context of a local community planning effort. Functional plans for facilities or programs must be consistent with the policy direction of the Comprehensive Plan.**

**Concepts in the Comprehensive Plan affecting economic development include the general goals, in Chapter One; and policies in the Plan Concept, Plan Implementation, Commercial and Industrial Development, Resource Industries, and Public Facilities and Services chapters. The policies and their implications are discussed throughout the plan; Appendix A includes a list of relevant goals and policies.**

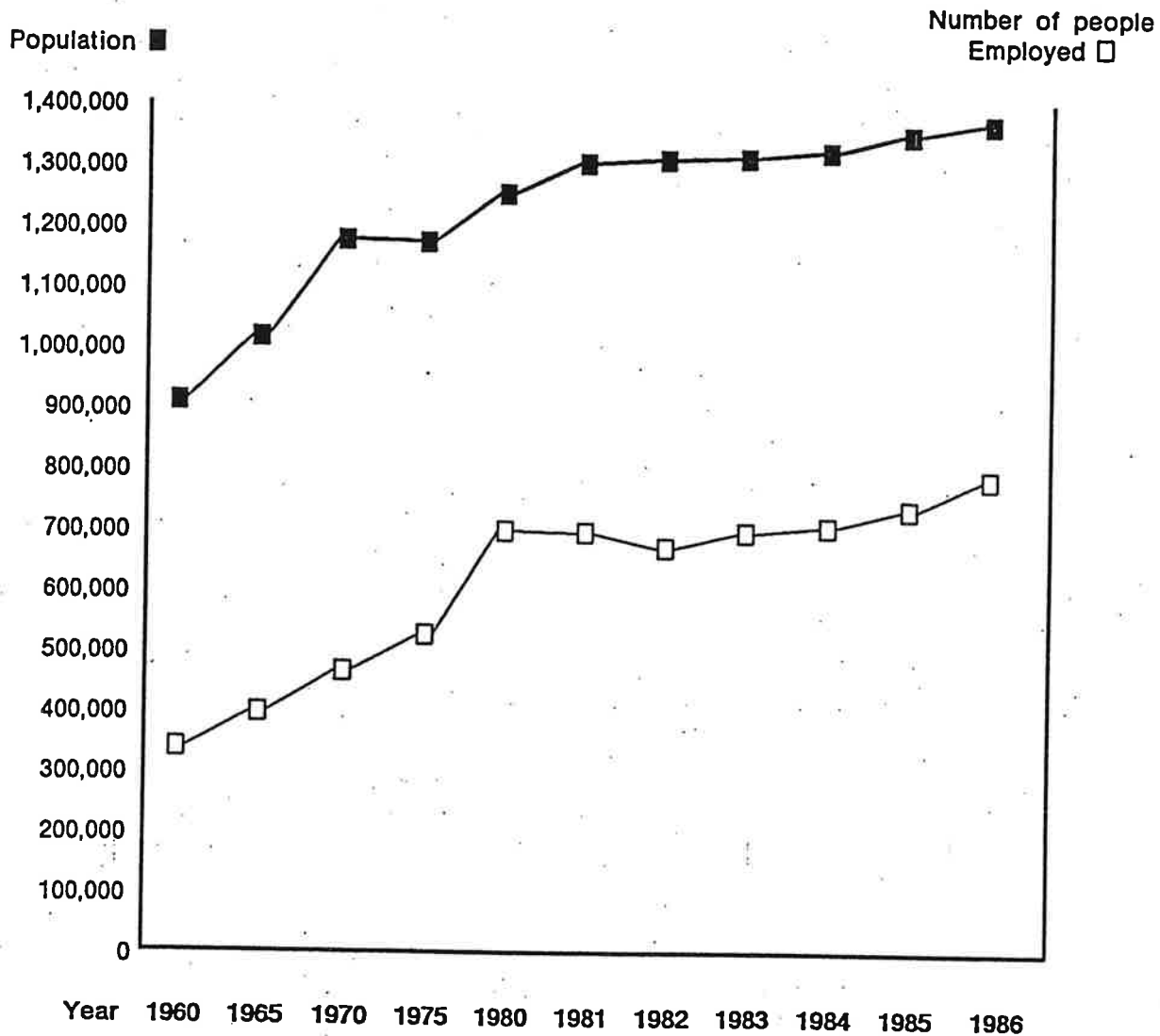
### C. KING COUNTY ECONOMIC CHARACTERISTICS AND ISSUES

This section summarizes the results of several recent studies describing King County's economy, including the Background Analysis for the King County Economic Development Plan prepared by CCA inc. and Stalzer and Associates, and several other studies. The studies describe local economic characteristics, identify local strengths, and also point out issues and areas of concern to be addressed through economic development.

#### 1. Employment and Population

Population and employment in King County continue to expand, despite periodic slowdowns, and prospects for continued growth are strong.

Figure 1.2  
Population and Employment in King County 1960-1986





Non-agricultural employment in King County averaged 771,300 jobs/year in 1986, more than double the number of jobs in 1960. The local economy has regained the employment losses of 1981-82, exceeding 1980 employment levels by over 90,000 jobs. Employment gains in the current decade have been strongest in non-manufacturing sectors, including services, trade, finance, insurance, real estate, transportation and utilities. Manufacturing employment overall shows little growth, as strong increases in aircraft and printing/publishing have been offset by employment declines in other manufacturing sectors (see Figure 1.6). The number of King County residents working has also increased, and unemployment has returned to 1980 levels (see Figure 1.3).

**Figure 1.3**  
**Resident Civilian Labor Force and Employment**  
**King County**  
**Annual Average, 1980-1986**

	1980	1981	1982	1983	1984	1985	1986
Resident Civilian Labor Force	684,400	687,400	696,000	686,900	688,000	721,300	760,200
Total Employment	642,400	635,800	627,200	621,000	635,100	675,500	712,900
Total Unemployment	42,000	51,600	68,800	65,900	52,900	45,800	47,300
Percent Unemployed	6.1%	7.5%	9.9%	9.6%	7.7%	6.3%	6.2%

**Source:** Washington State Employment Security Department. This table reports the resident civilian labor force for the King County portion of the Seattle-Everett Primary Metropolitan Statistical Area including residents of King County who are working or actively seeking work. Data are annual averages as revised in April, 1987.

### Central City Remains Strong

Most of the existing employment in King County is within Seattle and suburban city limits and nearly 80% of forecast employment growth is also expected to be within existing cities. The City of Seattle, the business center of the state, has remained strong economically, and continues to attract residential and commercial development. Over 50% of the jobs in King County are inside the City, and forecasts indicate that Seattle will gain the largest share of new jobs through the year 2000. Seattle was the leader in value of new commercial/industrial permits in 1986, with 49% of the value of all non-residential permits issued (see Figure 1.7). Industrial vacancy rates in Seattle are low, averaging less than 5% during the 1980s. Commercial vacancy rates averaging 15% in the last few years reflect the addition of over five million square feet of new office space since 1982.

Seattle's population has declined somewhat since 1960, as household sizes have declined. Residential building construction in Seattle remains strong, however, and despite the absence of vacant land, Seattle issued permits for 2,500 new units in 1986, a 25% increase from the previous year. Residential vacancy rates remain low, averaging less than 3% during the 1980's.

## Growth on the Eastside and South King County Is Also Strong

While Seattle continues to gain the largest share of employment growth, the Eastside gained 21% of the County's employment growth between 1970-1980; south King County gained 37% of the job growth. This strong suburban growth trend is expected to continue. South King County is forecast to gain about a third of all new jobs in King County through the year 2000, and the Eastside is expected to gain 31% of the new jobs. While employment growth in south King County has been greater in absolute numbers, the rate of growth on the Eastside has been remarkable. The Eastside has more than doubled its employment base between 1970 and 1980, and is expected to double employment again by the year 2000.

**Figure 1.4**  
**Shares of Employment Growth By Subregion**  
**King County**

Area	1970-1980		1980-2000	
	Estimated Increase in Jobs	Share of Total County Increase	Forecast Increase in Jobs	Share of Total County Increase
Seattle/North King County	94,710	42%	116,905	39%
Eastside	47,022	21%	95,296	31%
South King County	83,570	37%	91,809	30%
Total King County	225,302	100%	304,010*	100%

Source: Puget Sound Council of Governments, Population and Employment Forecasts, 1984.  
 \* Forecast job increases also include 50,000 new construction, resource industry and other employment not tied to place; these jobs are not included in the total, above.

Building permit information from cities and King County (Figure 1.7) indicates the distribution of growth. Investment in commercial/industrial development totaled \$636 million in 1986; 49% of the valuation was in the City of Seattle, 22% in the South King County cities (Auburn, Kent, Renton, Tukwila) and 17% in the Eastside cities (Bellevue, Redmond, Kirkland, Bothell, Issaquah and Mercer Island). South King County cities had most of the new industrial construction, with 41% of the total industrial permit valuation.

Population growth is expected to be distributed about equally between the Eastside and South King County in the future, with an increase of over 205,000 persons in South King County between 1980-2000, and an increase of over 175,000 on the Eastside. Seattle's population is expected to remain stable. As population continues to expand outside the City of Seattle, it will be increasingly important to provide employment growth in suburban employment centers as well, to reduce travel need and traffic congestion. Unlike employment growth, the largest share of population growth is locating in unincorporated areas.

## Employment and Population Growth Exceed Forecasts

Both population and employment in King County have grown at a rate faster than predicted between 1980-90, indicating the forecast levels will be exceeded. Population forecasts for 1990 indicated a population of 1,387,316. The King County population was estimated at 1,361,700 in 1986, up 92,000 since 1980, for an estimated average population increase of over 15,000 persons/year. If this average growth rate continues, 1990 population will exceed 1990 forecast levels. Forecasts for 1990 to the year 2000 predict a population increase of 250,000, an average annual increase of 25,000 per year.

Employment growth has also been stronger than expected, with the number of new jobs increasing by 92,000 since 1980, an increase in jobs equal to the population increase for the same period. If the average growth rate experienced in the 1980s continues, employment in 1990 will exceed forecast levels. The Council of Governments forecasts for the 1990-2000 period indicate stronger growth, with an average annual increase of about 20,000 jobs per year.

Figure 1.5  
1970-2000  
Population and Employment  
Trends and Forecasts By Subregion  
King County

Area	Number of Jobs		
	1970	1980	2000
Seattle/North King County	322,849	417,559	534,464
Eastside	44,036	91,058	186,354
South King County	107,375	190,945	282,754
<b>Total King County</b>	<b>474,260</b>	<b>699,562</b>	<b>1,003,572</b>

Area	Number of Persons		
	1970	1980	2000
Seattle/North King County	595,363	555,913	542,218
Eastside	202,441	287,726	464,884
South King County	361,571	426,110	631,818
<b>Total King County</b>	<b>1,159,375</b>	<b>1,269,749</b>	<b>1,638,920</b>

**Source:** Puget Sound Council of Governments, 1984 Population and Employment Forecasts. The Seattle/North King County grouping includes the city and the Shoreline community planning area north of the city. The Eastside grouping includes cities and unincorporated areas east of Lake Washington, including the I-90 corridor, and north to the King County line. South King County includes cities and unincorporated areas south of Seattle and south of the I-90 corridor, as well as Vashon Island.

**Figure 1.6**  
**Non-Agricultural Wage and Salary Workers in King County**  
**Average Annual Employment in thousands**

Industry	1960	1970	1980	1981	1982	1983	1984	1985	1986
<b>Manufacturing</b>	<b>102.3</b>	<b>98.3</b>	<b>139.3</b>	<b>136.0</b>	<b>131.6</b>	<b>123.3</b>	<b>127.8</b>	<b>133.8</b>	<b>140.4</b>
Durable Goods	81.1	75.9	113.5	111.2	106.5	98.2	101.7	106.8	113.1
Lumber & Wood Products	4.8	4.1	6.7	6.1	5.8	6.1	6.1	5.6	5.4
Stone, Clay & Glass	2.2	2.6	2.7	2.6	2.5	2.6	2.6	2.7	2.6
Primary Metals	2.3	2.8	3.1	2.7	2.3	2.0	2.1	2.0	2.1
Machinery (non-electric)	3.3	5.1	7.0	6.7	5.6	5.1	5.4	5.4	5.7
Electrical Machinery	NA	2.2	7.3	7.0	7.0	7.0	7.9	7.8	7.8
Transportation Equip.	62.9	53.3	73.8	73.7	71.2	63.3	65.0	70.7	76.7
Aircraft	56.8	43.9	61.3	61.6	60.0	53.7	55.5	63.2	69.6
Other Transp. Equip.	6.1	9.4	12.5	12.1	11.2	9.6	9.5	7.5	7.1
Instruments	NA	NA	NA	NA	3.6	3.5	3.2	3.1	3.2
Other Durable Goods	NA	NA	12.9	12.4	8.5	8.6	9.4	9.5	9.6
Non-durable Goods	16.5	18.2	25.8	24.8	25.1	25.2	26.2	27.2	27.4
Food & Kindred Products	9.0	9.2	9.5	9.3	9.3	9.0	8.6	9.0	8.8
Apparel	2.2	2.9	3.6	3.0	3.3	3.5	3.9	3.7	3.4
Paper & Allied Products	NA	NA	1.8	1.7	1.7	1.8	1.8	1.9	1.9
Printing & Publishing	4.2	5.0	7.6	7.6	7.5	7.6	8.1	8.6	9.1
Chemicals	1.1	1.1	1.0	1.0	1.1	1.1	1.2	1.3	1.4
Other Non-durables	NA	NA	2.3	2.2	2.2	2.2	2.6	2.7	2.8
<b>Non-Manufacturing</b>	<b>235.5</b>	<b>347.0</b>	<b>539.7</b>	<b>536.9</b>	<b>536.6</b>	<b>548.7</b>	<b>579.7</b>	<b>606.0</b>	<b>630.9</b>
Mining & Quarrying	NA	NA	0.3	0.3	0.3	0.3	0.3	0.3	0.4
Construction	15.7	21.2	33.9	31.8	29.2	29.5	32.9	34.9	37.6
Transp. & Utilities	27.4	35.4	47.8	46.2	47.2	47.2	48.8	50.0	51.5
Wholesale & Retail Trade	78.3	104.2	164.8	163.4	167.2	169.9	179.0	184.7	191.0
Fin. Ins. & Real Estate	20.9	33.0	53.2	53.9	53.6	54.4	56.9	58.8	62.2
Services	41.8	70.8	136.2	139.7	139.3	147.3	158.1	170.7	178.8
Gov'l. & Education	49.8	80.5	103.5	101.6	99.8	100.1	103.7	106.6	109.4
<b>Total Employment in King County</b>	<b>337.8</b>	<b>445.3</b>	<b>679.0</b>	<b>672.9</b>	<b>668.2</b>	<b>672.0</b>	<b>707.5</b>	<b>739.8</b>	<b>771.3</b>

Source: Washington State Employment Security Department, 1987

Note: The total figures are not comparable to PSCOG forecasts, as the PSCOG estimates include a greater range of employment types, such as self-employed, agricultural and military workers.

**Figure 1.7**  
**Selected New Commercial and Industrial Permits**  
**King County and its Cities**  
**1986**

Jurisdiction	Industrial		Office, Bank, Prof'l		Retail, Stores		Total	
	Permits	Value(\$)	Permits	Value(\$)	Permits	Value(4)	Permits	Value(4)
Seattle	0	\$ 0	23	\$293,377,228	28	\$ 23,960,867	51	\$317,338,095
Bellevue	0	0	23	65,753,081	6	2,458,480	29	68,211,561
Renton	0	0	31	63,782,572	0	0	32	63,982,572
Kent	3	1,721,375	7	2,008,285	52	54,829,090	62	58,558,750
Auburn	20	12,131,885	5	197,200	12	1,317,000	37	13,646,085
Redmond	2	566,500	26	12,942,200	0	0	28	13,508,700
Kirkland	4	2,273,960	6	6,871,747	3	723,178	13	9,868,885
Mercer Island	0	0	5	7,834,457	0	0	5	7,834,457
Bothell	9	4,329,880	4	2,280,201	1	7,950	14	6,618,031
Tukwila	4	2,539,947	6	1,539,130	2	604,340	12	4,683,417
Issaquah	1	2,060,026	3	1,206,600	2	203,800	6	3,470,426
Carnation	0	0	0	0	9	918,000	9	918,000
Enumclaw	1	210,000	0	0	2	195,271	3	405,271
Duvall	0	0	1	217,958	0	0	1	217,958
Pacific	0	0	1	150,000	0	0	1	150,000
Uninc. King County	16	\$13,896,121	49	\$ 26,280,400	37	\$ 26,850,000	102	\$ 67,026,500
King County Total	60	\$39,729,694	190	\$484,441,059	155	\$112,267,976	405	\$636,438,708

**Source:** 1987 Annual Growth Report

**Note:** These cities had no permits in these categories: Algona, Beaux Arts, Black Diamond, Clyde Hill, Des Moines, Hunts Point, Lake Forest Park, Medina, Normandy Park, North Bend, Skykomish, Snoqualmie, and Yarrow Point.

## 2. Economic Structure

Economic base studies, used to describe the structure of a regional economy, normally divide the economy into two segments: (1) firms which sell to markets outside the locality, and (2) firms which serve local markets. This method of economic analysis describes the operation of local economies in an open system of trade.

Economic base studies and theory reflect the fact that, as regions and nations evolve beyond subsistence economies, they find it advantageous to trade with one another. Regions tend to have natural endowments which give them a comparative advantage in producing certain goods. By specializing in the production of goods and services for which a region has an advantage, resources are used more efficiently. Through the trade of efficiently produced goods (usually produced on a large scale) and services, regions became more wealthy than if they produced everything themselves. Greater wealth is produced through trade because of comparative advantage, specialization and economies of scale. Today, comparative advantage has less to do with the endowment of natural resources and more to do with human resources, leadership, organization, technology and education.

Goods and services which are sold outside the local area are called exports, even though they may be going to other parts of the United States rather than foreign countries. Exports bring money into the local economy which supports the purchase of local goods and services, and pay for imports into the region. Export sales are considered "basic" sales while local sales are "non-basic." If employment in the basic sectors rises, employment in the non-basic sectors rises as well; if basic employment drops, so does non-basic. All non-basic activity is supported by the basic industries. Regions experience economic decline or increased unemployment when their basic employers lose sales and lay off workers, or when basic employment fails to expand in proportion to labor force growth.

In the Puget Sound region, lumber, pulp, paper, aircraft, ships, and seafood are products which most residents recognize as components of the economic base. Recent studies of the local economy found that services such as transportation and financial services are also exports and therefore part of the economic base. Examples of non-basic businesses include most retail stores, dentists, barber shops, attorneys, grade and high schools and local governments.

Many industries actually have basic and non-basic components. For example, most of the medical services in our area are rendered to local residents and hence are non-basic. However, the presence of the University of Washington has led to the development of several facilities and programs of international significance. People from all over the world come here for treatment of cancer and liver disorders, which makes these services part of our economic base.

Economic base analysis helps explain and increase understanding of the engines of growth (or decline) in the local economy, making it possible to identify policies and actions which strengthen those industries, and avoid policies which would unnecessarily hinder growth of basic firms. Localities can prepare for the impacts of growth or decline even if they cannot prevent them. By definition, basic industries are driven by market forces outside the region, forces usually beyond industry or local government. By monitoring trends in the national construction industry for example, we can better anticipate sales and employment levels in forest products firms. This in turn allows state and local governments to make better tax revenue projections, anticipate education, land use and infrastructure needs, and prepare for transitions.

Most economic base analyses in Washington State rely on three survey-based input-output models for the state, conducted in 1963, 1967, and 1972. The Input-Output Study of the Washington State Economy indicated that most of the manufacturing sectors export a significant portion of their product, and that some services, such as transportation services, trade, finance, insurance and real estate also export a portion of their product.

A model of the King County economy developed by Seattle City Light indicates important export sectors for the local economy (see Figure 1.11). The City Light model provides employment forecasts for many industrial sectors, and indicates export ratios and employment multipliers for several of the sectors: Multipliers are estimates of the number of non-basic jobs created by each basic unit, such as one basic job, or dollar volume of exports. The multipliers in the City Light model are shown as a total increase in non-basic jobs for each job related to exports in a particular industry. The City Light model estimated the highest multiplier for aerospace manufacturing, an estimated 3.39 non-basic jobs for every job in the aerospace industry.

### **Service Exports are a Significant Portion of the Local Economic Base**

A recent study of the export base in the Puget Sound Region explored the service sector to identify percentages of services exported and the effect of service exports on the local economy and local employment. The study, performed by the Central Puget Sound Economic Development District (CPSEDD), published findings in the report, "The Service Economy: Export of Services in the Central Puget Sound Region" in April 1985. (The percent of exports for service firms and employment levels are shown in Figures 1.12 and 1.13). More than 2,000 service firms were interviewed. Major findings of the study include the following:

- The number of jobs resulting from exported services is now larger than the number of jobs tied to the export of manufactured goods. Service exports grew significantly over the past five years and are expected to continue to grow for at least the next five.
- Small firms are just as successful in penetrating export markets as large firms. There is no correlation between size of firm and export sales. Most of the firms providing business and professional services are small. Seventy percent of the firms in the study had five or fewer employees.
- Service exporting firms are young: Half of the firms have been in business 18 years or less and one quarter have been in business only eight years or less.
- Two-thirds of the service exporting firms are home grown — that is, they were local startups.
- The study concluded that the youth and home grown nature of these service exporting firms makes a strong case for devoting resources to nurturing home-grown enterprises in services as well as manufacturing.

### **Small, Local Firms Are an Important Source of Employment Growth**

National studies by Dr. David Birch of Cognetics, Inc., a Cambridge, Massachusetts firm have documented the important role that small, young companies play in our economic system. Birch documented the fact that small, young firms create the vast majority of new jobs. His studies indicate that the rate of job loss among various regions of the

country is relatively similar. What distinguishes healthy economies from stagnant or declining ones is the rate of new business startups and expansion. The Seattle/King County EDC commissioned Dr. Birch to do a study of the King County economy. Dr. Birch's analysis reported the following:

- Nearly three-quarters of the job growth in King County between 1980 and 1984 occurred in small firms with fewer than 20 employees.
- Two-thirds of the net job growth occurred in local, independently owned firms.
- Young firms accounted for virtually all job growth in the 1980-1984 time period. All net job growth occurred in companies four years old or younger. As a group, older companies experienced a net loss of jobs.

About 95% of all businesses operating in King County and the rest of the state are small, employing less than 50 people (see Figure 1.8). These small businesses provide nearly half of all jobs in the state. Growth in the number of businesses has been strong, nearly doubling in King County since 1970. This strong growth in businesses indicates potential for continuing startups and expansion of local firms.

**Figure 1.8**  
**Firm Size and Employment Levels**  
**Washington State**  
**1986**

Firm Size	Number of Firms	Number of Employees	Percent of Employment
1-4	51,979	108,674	8%
5-9	19,932	131,192	9%
10-19	12,132	163,056	12%
20-49	8,332	252,544	18%
50-99	2,854	196,286	14%
100-249	1,381	199,597	14%
250+	457	355,630	25%
<b>Total</b>	<b>97,067</b>	<b>1,406,979</b>	<b>100%</b>

Source: Washington State Department of Employment Security

### Importance of Large Firms

Figure 1.8 also points out the importance of retaining existing large firms. Statewide, 457 firms account for over 355,000 jobs, or 25% of all state employment. Because of their importance to the local economy and local employment, public policies and programs should help to support stability and growth of the larger employers, as well as encourage startups and expansion of small, rapidly growing firms.

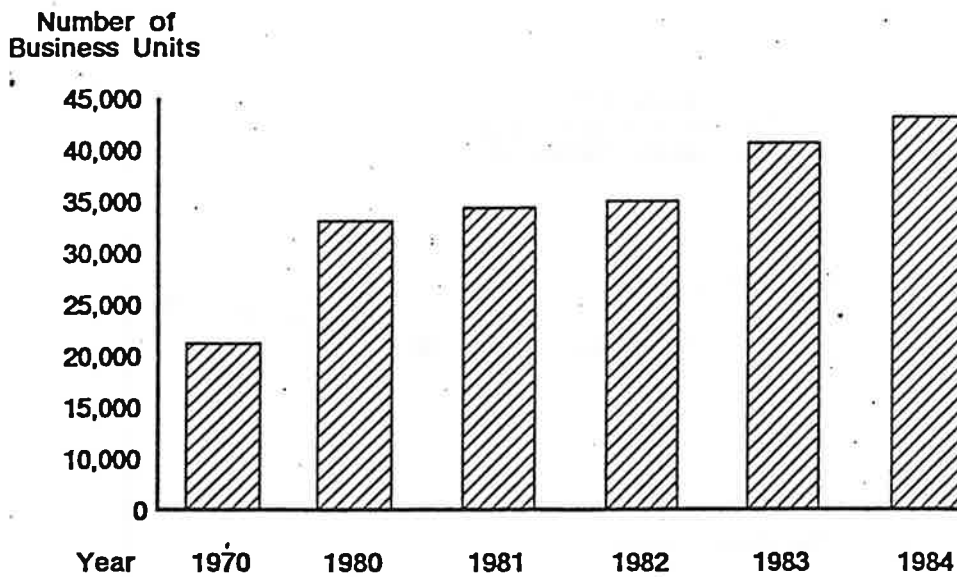
48792  
2733



## Economic Diversification Needed

The local economy has diversified somewhat since 1960, lessening slightly the importance of manufacturing in general, and especially aircraft manufacturing, to employment and tax base. Manufacturing employment represented 30% of all local jobs in 1960, and accounts for only 18% of jobs in 1986. The manufacturing sector remains a key component of this nation's productivity, however, and the total output both nationally and locally has remained relatively constant, despite the decline in relative shares of employment. This is possible because significant increases in productivity per worker-hour have allowed manufacturing output to increase in proportion to the rest of the economy, while employment in manufacturing has grown much more slowly than other employment.

Figure 1.9  
Business Growth in King County

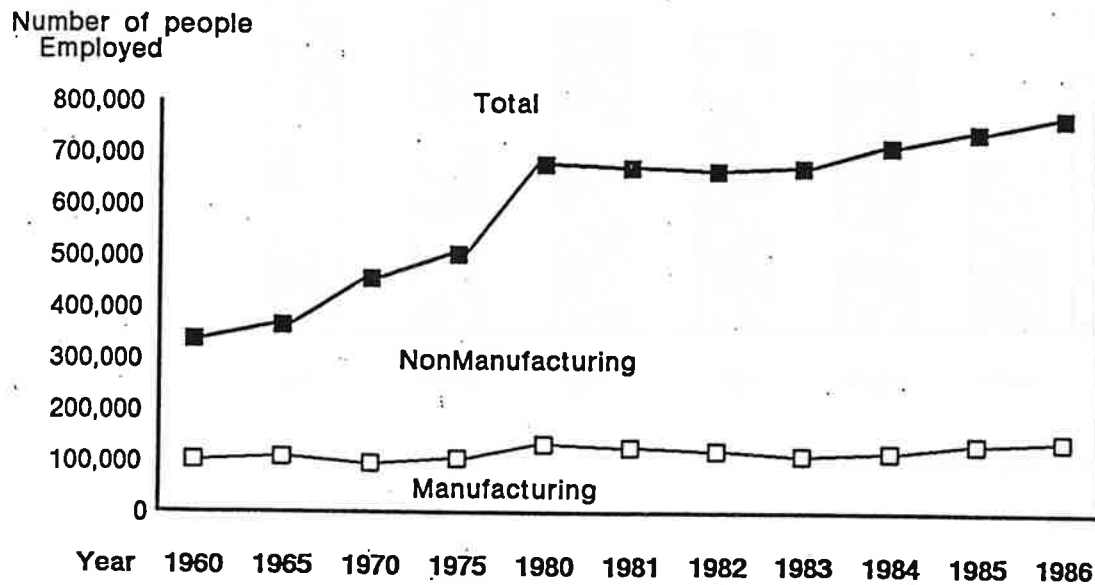


Source: County Business Patterns

Despite some diversification since 1960, in terms of employment types and export sectors, the economy remains dominated by a single industry, aircraft manufacturing, and a single employer, the Boeing Company. In 1986, 49% of all manufacturing employment in 1986 was in aircraft manufacturing (see Figure 1.5). Since manufacturing employment is roughly half of the region's basic employment, as indicated by the Export of Services Study, aircraft employment accounts for a significant share of the region's economic base. In addition, the output and earnings from aircraft manufacturing remain at a relatively constant proportion of the total output, even though employment levels have dropped considerably since 1960 (see Figure 1.14).

In general, economic upturns and downturns in the Puget Sound area have mirrored national cycles. Diversification will not change this pattern, but diversification is important to provide regional independence from the fortunes of one particular industrial sector, which may suffer from market trends or management concerns that don't affect other industries. King County should devote resources, to the extent possible, to encouraging growth of export sectors not tied to aerospace.

Figure 1.10  
Employment by Sector  
King County, 1960-2000



**Figure 1.11**  
**Employment, Exports and Job Multipliers for Industry Sectors**  
**King County, 1980 - 2009**

Industry Sector	Employment (thousands)			Export Ratios (1977,1985)	Job Multiplier (1985)
	1980	2000	2009		
<b>Resources</b>					
Agriculture	2.76	1.93	1.52	22.3%	
Forestry, fishing	1.74	1.97	1.73	53.2	
Mining	0.27	0.37	0.38	24.0	
<b>Manufacturing</b>					
Food products	9.60	9.89	9.69	50.4	
Apparel	3.67	3.57	3.59	82.6	
Wood products	7.44	4.67	3.59	79.5	
Paper products	1.67	2.08	2.26	80.7	
Printing and publishing	8.02	11.27	13.97	20.6	
Chemicals products	1.02	0.83	0.65	70.2	
Petroleum products	0.17	0.17	0.17	52.4	
Stone, clay, glass	2.76	3.05	3.15	30.9	
Primary metals	3.11	3.15	3.52	70.2	
Fabricated metals	6.78	7.48	8.40	58.5	
Nonelectrical machinery	7.13	11.69	15.31	78.9	
Electrical machinery	7.31	10.33	11.99	88.1	1.97
Aerospace	65.70	65.00	65.00	99.1	3.39
Shipbuilding	7.88	9.97	10.42	95.5	
Other transportation equipment	4.72	5.89	6.92	94.5	
Other manufacturing	8.24	11.87	13.30	70.2	
<b>Nonmanufacturing</b>					
Construction	40.74	48.55	57.57	7.7	
Transportation services	33.97	38.28	40.84	53.0	2.94
Communications	12.81	11.88	10.39	43.0	2.74
Utilities	2.82	2.79	2.61	43.0	2.74
Wholesale trade	55.79	67.79	72.49		
Food stores	15.98	20.56	23.38		
Auto dealers, service stations	11.99	14.43	16.73		
Apparel stores	8.04	13.97	18.05		
Eat, drink places	44.41	79.43	108.03		
Other retail trade	43.45	52.88	60.24		
Finance, insurance, real estate	59.41	86.73	123.67	35.0	2.31
Hotels, lodging	8.49	16.80	25.13		
Businesses, legal and misc. services	46.77	95.42	131.45	20.0	2.48
Auto repair service	6.67	10.03	12.83		
Health services	38.20	72.57	100.22		
Educational services	5.52	5.40	5.32		
Other services	55.78	70.20	78.36		
State and local government	85.56	105.69	128.98	0.0	1.88
Federal government	19.36	34.65	38.79		
Military federal government	8.07	8.10	8.10		

Source: Seattle City Light

Figure 1.12  
Export Base Estimate  
Central Puget Sound Region, 1984

	Employment (000)(4)	Export Percent	Export Jobs (000)
Ag, Forestry, Fishing, Mining	8.2	25	2.1
Construction	45.2	12	5.4
Manufacturing	174.4	92	160.4
Transportation, Communications, Private Utilities	60.9	48	29.2
Trade	238.0	26	61.9
Fire	67.2	30	20.2
Business Services (SIC 73, 89)	52.1	36	18.8
Personal Services	159.3	5	8.0
Federal Government	28.2	50	14.1
State Government	48.2	25	12.1
Local Government	82.9	0	0.0
<b>Total</b>	<b>964.6</b>	<b>34%</b>	<b>332.2</b>

Source: Central Puget Sound Economic Development District, The Service Economy: The Export of Services in the Central Puget Sound Region, 1985.

Figure 1.13  
Level of Export Sales in Selected Services  
Central Puget Sound Region

SIC Group	Sum of Employment	Percent Exports
Transport Carriers	7,341	55.6
Transport Services	1,843	53.6
Communication and Utility	10,078	42.6
Finance	14,661	48.5
Insurance	14,054	34.5
Real Estate	14,300	7.5
Advertising/Commercial Art	4,043	25.4
Computer Programming Service	11,704	45.2
R & D Laboratories	3,336	79.8
Management/Public Relations	2,437	40.9
Other Business Services	7,266	14.5
Legal Services	5,080	31.3
Equipment Rental	667	21.6
Architect/Engineer	6,100	42.2
Accounting/Bookkeeping	2,101	15.7
Other Services	26,721	36.2
<b>All Firms</b>	<b>131,705</b>	<b>36.2%</b>

Source: Central Puget Sound Economic Development District, The Service Economy, 1985.

**Figure 1.14**  
**Total Gross Business Income in King County**  
**by Industry, in Millions of Dollars**  
**Fiscal Years 1981 - 1986**

Industry	1981	1982	1983	1984	1985	1986
<b>Manufacturing</b>	<b>16479.8</b>	<b>12636.1</b>	<b>13812.0</b>	<b>13924.0</b>	<b>15350.2</b>	<b>18442.5</b>
Food & Kindred Products	1307.9	1312.6	1331.0	1424.5	1467.2	1487.9
Apparel & Textiles	357.3	355.8	327.4	350.3	380.7	368.7
Lumber & Wood Products	507.6	439.1	453.7	610.3	580.6	632.2
Furniture	35.5	30.7	32.1	35.4	37.8	36.9
Paper & Allied Products	309.6	282.2	294.4	366.6	371.1	406.2
Printing & Publishing	386.3	411.5	403.8	460.5	512.4	545.2
Chemicals, Plastics	190.6	182.3	179.9	200.0	226.7	230.8
Stone, Clay & Glass	211.1	205.9	195.0	216.1	237.6	242.6
Primary Metals	181.7	159.8	124.3	148.3	172.5	176.5
Fabricated Metals	301.2	295.0	266.0	285.0	360.0	364.7
Machinery (non-electric)	470.3	486.2	406.5	444.7	460.1	465.5
Electrical Machinery	169.3	204.1	202.9	256.5	266.1	249.4
Transportation Equip.	11795.7	7983.4	9280.1	8780.8	9885.8	12841.8
Instruments	152.3	190.9	215.3	228.4	262.8	266.4
Miscellaneous Mfg.	103.2	96.4	99.6	116.6	128.8	127.7
<b>Non-Manufacturing</b>	<b>29136.8</b>	<b>31501.6</b>	<b>32109.7</b>	<b>35689.1</b>	<b>39709.6</b>	<b>40925.6</b>
Agric, Forest, Fish	115.9	132.5	129.9	144.6	141.8	154.0
Mining & Quarrying	33.9	30.6	24.6	25.5	29.9	31.6
Construction	2756.8	2738.5	2610.4	2789.1	2981.3	3516.9
Transportation	518.8	589.1	636.2	702.0	771.6	738.7
Railroads & Transit	38.1	42.7	51.3	60.0	70.4	27.7
Motor Freight, Warehse	104.7	109.9	105.2	105.4	123.5	112.4
Water Transp.	267.0	313.0	344.8	374.8	375.1	379.5
Air & Other Transp.	108.9	123.5	134.9	161.9	202.7	219.1
Communic'n, Utilities	370.8	473.2	612.3	1472.0	1474.0	1272.0
Communication	169.0	262.2	398.8	1243.7	1227.6	1171.6
Electric Utilities	50.8	40.8	21.0	20.4	15.1	16.0
Gas Companies	17.9	17.1	15.6	16.8	21.2	27.4
Water & Other Utils	133.2	153.1	176.9	191.1	210.1	56.9
Wholesale Trade	8530.4	8793.3	8797.1	9181.4	11249.6	10913.5
Retail Trade	8720.0	9315.5	9720.9	10627.1	11214.7	11795.7
Bldg Material, Hdwe	612.6	611.5	657.6	671.1	676.2	701.5
Gen'l Merchandise	934.8	912.6	920.4	1073.2	1252.7	1222.4
Food Stores	2691.8	3094.7	3155.2	3207.0	3146.1	3240.8
Car Dealers, Gas Stn.	1676.9	1689.8	1849.6	2187.2	2374.2	2557.9
Apparel & Accessories	582.7	621.7	669.8	771.0	810.7	913.8
Furniture	396.0	401.5	438.4	537.7	585.3	716.0
Eating & Drinking	694.6	789.4	780.8	836.5	890.8	943.2
Misc. Retail	1130.8	1194.3	1249.0	1343.3	1478.9	1500.1
Fin. Ins. & Real Estate	3941.7	4743.7	4380.3	4773.2	5103.5	5419.0
Services	4143.3	4677.7	5187.0	5961.7	6727.5	7073.3
Hotels, Motels	172.8	181.9	205.1	230.3	238.4	262.5
Personal Services	199.4	209.1	223.2	240.9	262.6	273.0
Business Services	1074.1	1269.9	1493.2	1883.2	2321.9	2597.0
Repair Services	474.1	508.7	514.2	567.3	634.6	671.2
Amusement, Recreation	242.4	272.2	279.8	323.5	300.3	325.5
Health & Medical	920.7	1078.8	1253.2	1399.2	1482.3	1390.1
Legal Services	269.0	336.3	394.4	450.0	512.9	584.9
Other Services	790.8	820.6	823.9	867.4	974.6	969.1
Government & Other	5.3	7.5	11.2	12.6	15.7	10.9
<b>Total Business Income</b>	<b>45616.6</b>	<b>44137.7</b>	<b>45921.7</b>	<b>49613.1</b>	<b>55059.8</b>	<b>59368.2</b>

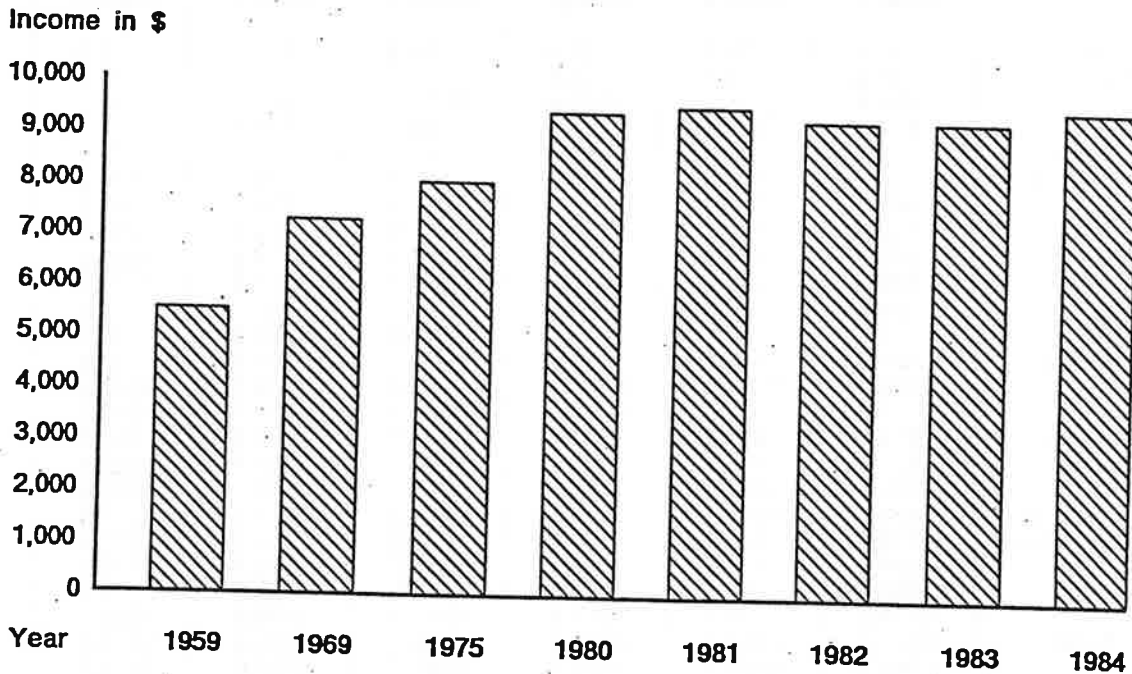
**Note:** Includes all receipts by businesses headquartered in King County for income subject to the Washington State business and occupation tax. It overstates business activity in certain sectors because income is reported by headquarters location, not by location of the business transaction. The table understates government and utilities income not subject to the business and occupation tax.

**Source:** Washington State Department of Revenue, 1987

### 3. Wealth, Income, Distribution

The growth in non-manufacturing jobs has raised concern about income levels as non-manufacturing jobs generally have a lower wage scale. Personal income per person increased by 73% from 1959 to 1981, but has not increased since then, despite increased labor force participation rates and the fact that a greater proportion of the population is of working age. Personal income measures money people receive in terms of wages and salaries, interest, dividends, rent and transfer payments. As an indicator of material standard of living, it indicates economic decline or stagnation. Although income levels in the Puget Sound area are still slightly higher than the rest of the state and the nation, the difference has decreased in this decade, raising concern that per capita income levels here may drop below the national average, an indicator of economic decline.

Figure 1.15  
Real Personal Income per capita King County (in 1977 \$)



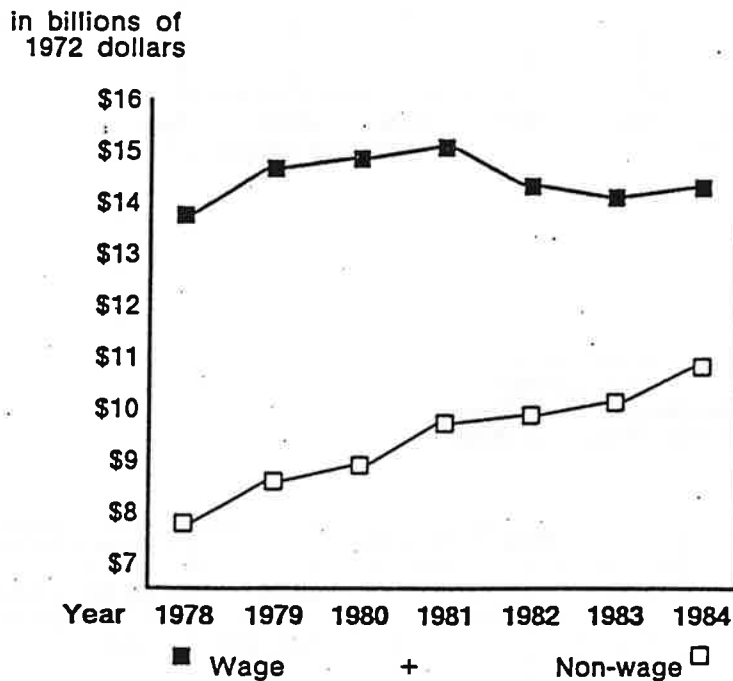
Source: Puget Sound Council of Governments, Puget Sound Trends, No. 6, July, 1985.

The overall personal income measures masks real declines in wages and salaries since 1981, since personal income consists of components other than wages. Wage and salary income represents about 58% of total personal income in the State; interest, dividends, rents and proprietor's income make up 26% of the total. Non-wage income has increased since 1981, while wage and salary income has declined. This means that those with assets to invest may be increasing their income, while those workers dependent solely on wages will experience a decline in standard of living.

### Most Recent Job Growth Has Been in Lower Wage Jobs

Workers wages vary considerably, depending on the industry. Nearly half of the employment growth in King County over the last 15 years has been in services, where average earnings tend to be relatively low. Most of the forecast employment growth to the year 2000 is also expected to be in non-manufacturing sectors (see Figure 1.18). Average annual earnings per job are highest in manufacturing and distributive services, and lowest in consumer services (see Figure 1.20). Manufacturing industries have been able to pay higher wages as a result of new technology and capital investments that increase productivity and output. Some service sectors will be able to sharply increase productivity in the future as well through increased use of technology and better organization that boosts output. Only through increased productivity can a region improve its material standard of living. In the past, productivity gains have resulted primarily through technological advance.

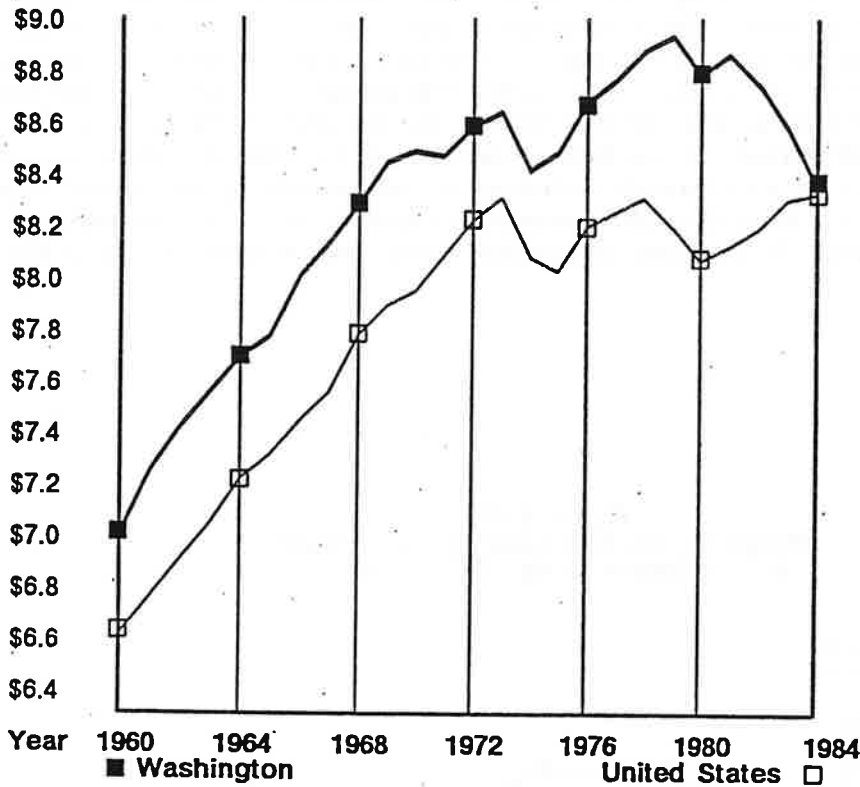
Figure 1.16  
Wage Versus Non-wage Income Growth  
in Washington State 1978 - 1984



Source: Washington Economic Revenue and Forecast Council

**Figure 1.17**  
**Range in Wage Levels**  
**United States and Washington**  
**1960 - 1984**

in thousands of  
1972 dollars



**Figure 1.18**  
**King County**  
**Employment by Sector**  
**1980, 1990, and 2000**

Employment Sector	Number of Jobs			Percent Increase	
	1980	1990	2000	80-90	90-2000
Manufacturing	142,598	136,719	144,901	4.2	5.9
Wholesale Trade, Transportation, Communications, Utilities	106,086	114,254	135,362	7.7	18.5
Retail Trade	124,177	148,827	193,044	19.9	29.7
Services	216,698	282,006	376,847	30.1	33.6
Government, Education	110,000	124,698	153,418	13.4	23.0
Resource/Construction	47,900	52,100	59,100	8.8	13.4
<b>Total</b>	<b>747,561</b>	<b>858,604</b>	<b>1,062,672</b>		

**Source:** Puget Sound Council of Governments, 1984 Population and Employment Forecasts.

**Note:** Forecasts by the Puget Sound Council of Governments (PSCOG) include all employment, including proprietors, self-employed, military and other categories not reported by the Dept. of Employment Security.

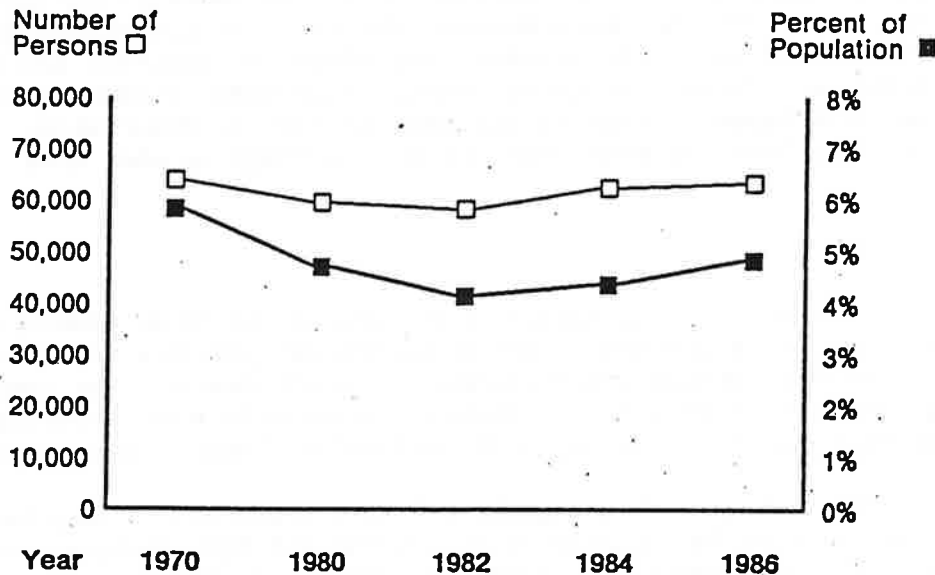


## Significant Population at Poverty Levels

While economic growth in King County has provided over 90,000 new jobs in the last few years, the area still has a large population living at or near poverty levels. Recent state estimates indicate that over 60,000 persons in King County depend upon public assistance (see Figure 1.19), and the Bureau of Labor Statistics indicate that over 138,000 persons here in 1986 were classified as "disadvantaged," meaning their family incomes are at or less than 125% of the poverty level. This includes households dependent on public assistance, as well as households dependent on minimum wage jobs.

Although the overall percentage of people in poverty in this area did not increase significantly between 1970 and 1980, the absolute numbers of people missing the benefits of economic growth is cause for concern. The poverty rate underscores the importance of training, employment counseling, and economic development programs that result in higher paying jobs, and prepare the disadvantaged to fill these jobs. Low wage jobs, such as minimum wage jobs paying less than \$7,000/year, keep a two-person family below the poverty level. The Bureau of Labor Statistics estimates that about 30% of all minimum wage earners are heads of households. For families that must secure child care at market rates ranging from \$2,400/year to over \$4,800/year, wage rates or child care assistance make a significant difference in whether a worker with a family can afford to work and provide adequately for the family.

Figure 1.19  
Public Assistance Recipients in King County



## Poverty Rates Higher for Women and Minorities

Minorities and women continue to benefit less from general economic prosperity than the population as a whole, an issue being addressed through education, employment counseling and affirmative action programs. Programs to encourage entrepreneurialism among women and minorities can also help reduce disproportionality. As an example of the continuing inequalities among population groups, in 1984 the poverty rate for blacks

nationally was three times as high as for whites (33% as compared to 11.5% for whites); the poverty rate for female household heads, at 34%, was also three times as high as for the population in general.

### **Forcast Labor Force Shortages**

Some labor force observers and training institutes are predicting a severe shortage of trained labor in the future due to a long period of low birth rates. Since labor force participation rates are already high for women, with 55% of working age women currently in the workforce, substantial growth cannot be expected from that sector of the labor force. Other areas of potential labor force growth will be immigration and full employment. Both will require educational support, to provide basic work skills to new workforce entrants, english language for immigrants, and retraining for displaced workers. Shortages of entry level workers could also be an incentive to young people to complete high school and gain work skills.

Educational attainment in King County is up substantially since 1960, when Census data indicated that 57% of persons over 25 years old were high school graduates. In 1980, 83% of King County residents were high school graduates, and 26% had graduated from college. Several educational institutions in and near King County enable residents to acquire the basic, technical and professional skills needed to participate in growing technology based and knowledge based industries. Local institutions include seven community colleges, two vocational technical institutes, the University of Washington, three major private universities, and several small private colleges.

Despite the overall increase in educational attainment, current estimates set the high school drop out rate at 20% to 25%. Some students return to finish school later, as adults, but the high drop out rate results in more costly educational programs, and loss of career progress for the individual. Nationally, unemployment rates for high-school drop-outs are three times higher than for the population as a whole, indicating the lack of basic skills is a strong barrier to employment, despite a shortage of labor force entrants.

### **Economic Transitions**

Transition assistance is a necessary support for an economy as chaotic as America's, including education and training programs to ensure workers can gain new skills needed by emerging new industries; unemployment insurance to alleviate somewhat the impacts of industry changes and job losses; and other forms of assistance to help people get through economic downturns, and to participate in the benefits of economic upswings.

Despite the current period of economic prosperity and rising employment in King County, the economy has just emerged from a period of net job loss and high unemployment rates in the early 1980s. The economy, which had been adding jobs at a rapid rate in the 1970's, slowed considerably in the early 1980s, and employment dropped by over 10,000 jobs. Such cycles occur periodically, reflecting national and global economic cycles, and will continue, despite efforts to diversify, because the local economy is linked to the rest of the world. These periods of unemployment, though temporary, can wreak havoc on individuals and communities.

Another type of economic transition results in displaced workers, defined as those who are unemployed, and who are not likely to be re-employed in the same field because the industry as a whole is in decline here or world-wide. Business retention efforts can pre-

vent some plant closures or declines in basic industries, by assessing industry revitalization potential, including analyzing potential new products, markets, or management options that would make the industry viable. In many cases, however, employment will be lost, and workers will need to update skills to regain employment.

**Figure 1.20**  
**Average Annual Earnings per Job in Selected Industries**  
**Washington State**  
**(1985 Dollars)**

Constant 1985 Dollars	Average Earnings per Job		
	1970	1980	1984
<b>All Jobs</b>	<b>\$18,470</b>	<b>\$19,735</b>	<b>\$18,260</b>
<b>Manufacturing</b>	<b>25,515</b>	<b>30,350</b>	<b>30,135</b>
Lumber and Wood Products	22,040	27,840	25,980
Aerospace	31,660	36,900	39,675
Electronics Products	23,810	24,135	25,050
Instruments	20,600	25,330	28,300
<b>Distributive Services</b>	<b>25,330</b>	<b>29,700</b>	<b>29,430</b>
Air Transportation	32,335	36,860	37,860
Transportation Services	19,385	21,880	20,355
Communications	24,950	31,400	35,850
<b>Producer Services</b>	<b>17,135</b>	<b>16,875</b>	<b>14,590</b>
Finance, Insurance	20,345	21,790	22,410
Business Services	15,420	17,350	12,550
Legal Services	37,460	31,975	28,835
Misc. Professional Serv.	21,135	19,525	17,750
<b>Consumer Services</b>	<b>9,360</b>	<b>9,225</b>	<b>8,365</b>
Hotels	9,830	10,600	9,825
Personal Services	12,420	9,875	7,660
Repair Services	14,920	15,175	13,100
Membership Organizations	12,380	12,860	13,075
<b>Health Services</b>	<b>21,740</b>	<b>20,250</b>	<b>18,675</b>

Source: W.T. Watterson, "Manufacturing and Service Industries: Issues for Economic Growth in The Puget Sound Region," Puget Sound Council of Governments, 1986.

#### 4. Community Development Issues

Long term capacity of King County and its cities to accommodate commercial and industrial development and employment growth is provided in part through land use plans and zoning that provide sites for development, and infrastructure (roads, water, sewer, surface water management) that supports business activity. Although these assets do not, themselves, result in growth, lack of appropriately zoned land, lack of utilities, or traffic congestion can deter economic expansion in particular places.

#### Land Supply

To help assess long term demand for developable commercial and industrial land, in 1986 King County completed an inventory of vacant land in cities and unincorporated areas designated for commercial and industrial development. The inventory is based on actual city and county zoning or plan designations as of 1985, and Assessor information on development status of each parcel. Parcels are included in the inventory if they had no assessed valuation for structures as of 8/1/85. This measure tends to underestimate supply somewhat, as many parcels can be segregated in the future, or marginally useful buildings demolished to accommodate newer structures. The inventory provides a rough and conservative measure of land capacity, which should be refined through future planning efforts. (See Appendix B for a more detailed description of the Commercial/Industrial Land Inventory.)

Figure 1.21  
Acres of Vacant Commercial/Industrial Land By Subregion  
King County, 1985

	Commercial	Industrial	Total
<b>Urban Area Subregion</b>			
North King County*	24.63	8.22	32.85
Eastside	1521.08	1311.06	2832.86
South King County	1671.14	5316.67	6987.81
<b>Urban Total</b>	<b>3217.57</b>	<b>6635.95</b>	<b>9853.52</b>
<b>Rural Area Subregion</b>			
Snoqualmie Valley	276.19	540.49	816.68
South King County/Vashon	80.07	259.70	339.77
<b>Rural Total</b>	<b>356.26</b>	<b>800.19</b>	<b>1156.45</b>
<b>KING COUNTY TOTAL</b>	<b>3573.83</b>	<b>7436.14</b>	<b>11009.97</b>

Source: King County Commercial/Industrial Land Inventory, 1985.

\* Excludes Seattle.

As shown in Figure 1.21, the inventory identified 11,009 acres in vacant parcels, with 3,574 acres, or 32% zoned for commercial use, and 7,436 acres or 68% zoned for industrial use. Approximately 90% of the vacant land zoned for commercial and industrial use is in areas designated as urban by the King County Comprehensive Plan. The Comprehensive Plan encourages most employment growth and commercial/industrial development in urban areas, where supporting public facilities and services will also be assured. Areas designated as rural areas by the Comprehensive Plan also have substantial capacity for employment growth, with 10% of the total vacant land supply, and over 1,100 vacant acres.

Most of the vacant land in urban areas is in South King County, including the South King County cities – Renton, Tukwila, Kent, Auburn, Algona, Pacific – and unincorporated areas such as Federal Way, Sea Tac, and Tahoma. South King County contains 71% of the urban area total vacant land supply, and 80% of the industrial land supply. The Eastside includes 2832 acres of vacant parcels, and has nearly half of the urban area's vacant land supply for commercial use.

Estimates of demand for land are based on Puget Sound Council of Governments (PSCOG) employment forecasts, and employee per acre ratios found in newer suburban commercial and industrial developments. Figure 1.22 indicates forecast employment change by sector for each subregion of King County; Figure 1.23 indicates acreage needed to accommodate employment growth at trends densities, and the number of years vacant land would last if all new employment growth were accommodated on vacant land. Estimates of land consumption include the assumption that all employment growth in government/education will be accommodated on publicly owned land, so that additional vacant land will not be required. The estimates also assume that the employment forecast for Seattle will locate there, despite the absence of vacant land.

As Figure 1.22 indicates, the Eastside is expected to gain 11,000 manufacturing jobs by the year 2000, even though countywide growth in manufacturing is expected to be very low (less than 2,000 new jobs). The countywide low forecast for manufacturing growth may be proven inaccurate, given the Boeing Company's recent increases in employment. Regardless of whether or not the forecasts are too low overall, they reflect trends of the late 1970s, which saw significant market interest in sites on the Eastside for research and manufacturing firms such as PhysioControl, Data I/O, and similar high technology firms.

**Figure 1.22  
Employment Change by Sector and Subregion  
1980-2000**

Subregion	Total Change	Increase or Decrease in Employment in:				
		Manufac- turing	WTCU*	Retail	Services	Government Education
Seattle/North King County	116,905	-5,978	6,866	19,955	73,612	22,492
Eastside	93,743	11,005	7,577	23,446	44,100	7,613
South King County	93,172	-2,724	14,833	25,506	38,676	13,313
Total King County	304,010	2,303	29,276	68,867	160,149	43,418

Source: Puget Sound Council of Governments, 1984 Population and Employment Forecasts. Subarea forecasts exclude forecast employment in construction and resource industries, where places of work are not typically fixed.

\* Wholesale, transportation, communications, utilities.

South King County is expected to gain the largest share of employment growth in wholesale, transportation, communications and utilities; building permit information for South King County supports this forecast, indicating significant new investment in industrial facilities. Seattle/North King County is expected to gain the largest share of new jobs in services, with most of this growth expected to be within the city limits.

### Urban Area Capacity

The land supply/demand estimates in Figure 1.23 point out two areas of concern: potential shortages of vacant land zoned for commercial development in all urban areas; and a relatively limited supply of land for industrial development on the Eastside. South King County contains only an eleven year supply of commercial vacant land; the other areas have even less. The Eastside has less than twenty year's supply of vacant land for industrial use, as compared to 89 years supply in south King County. (Although Seattle and North King County have virtually no vacant employment land, this is not an issue because there is no vacant land in other categories to be redesignated.)

The relative shortage of land for commercial development is being expressed in the market in several ways: (1) continuing concentration and increased densities in commercial centers; (2) requests for new regional shopping center sites near areas of population growth; and (3) requests for new neighborhood shopping center sites in many urban areas of King County. Lack of vacant land does not appear to be an overall hindrance to office development, because of the increased concentration possible. The greatest share of new investment in office buildings was in Seattle and Bellevue, which have little to no vacant land.

**Figure 1.23  
Supply/Demand Estimates for Commercial/Industrial Land  
By Subregion, King County Urban Areas**

Urban Area Subregion	Vacant Land, 1985		Acres Needed <sup>2</sup> per year, 1980-2000**		Years Supply	
	Commercial	Industrial	Commercial	Industrial	Commercial	Industrial
North King County*	24.60	8.20	9	1	2.70	8.20
Eastside	1521.80	1311.06	148.50	66.50	10.20	19.70
South King County	1671.14	5316.67	144	59.50	11.60	89.35
Totals	3217.57	6635.95	301.50	127.0	10.70	52.25

\* Excludes Seattle

\*\* Acres needed excludes land needs for employment growth in government/education, which is expected to be accommodated in publicly owned land and structures.

In contrast, most of the new investment in industrial facilities in 1986 was in areas with larger supplies of vacant land, including unincorporated areas of King County, and cities such as Auburn and Bothell. (See permit information, Figure 1.7.) In general, manufacturing firms seek lower cost sites, which tend to be undeveloped, since the kind of high rise developments that lower the cost of land per square foot are not practical for most industrial operations. There are some types of industrial firms that can concentrate and

use high rise structures; industrial research firms such as Immunex and Microsoft are good examples. These kinds of firms are the exception rather than the norm in industrial space requirements. Since manufacturing is a preferred type of basic employment, adequate land supply to meet needs of various market segments should be assured through land use and facility plans.

The King County Comprehensive Plan directs King County to encourage continuing employment growth in existing activity centers in urban areas, and to designate new activity centers in urban areas when regional economic development needs cannot reasonably be accommodated in existing activity centers, or to provide a local balance of jobs and households (see Appendix A for a list of policies). The Comprehensive Plan promotes planning for a local balance of jobs and households, to reduce travel need and thereby reduce traffic congestion, road deterioration, and energy consumption. This policy indicates that King county should continue to encourage employment growth in South King County, to provide jobs near existing and growing residential areas. In addition, King County should plan for a diversity of employment types on the Eastside, to take advantage of market demand that would also meet public goals of increasing basic employment, and providing employment near existing and planned concentrations of population.

The relatively short supply of vacant industrial land on the Eastside could be addressed by designating new activity centers, or by expanding and intensifying existing activity centers that have vacant land nearby, such as Issaquah, Redmond, Kirkland or Bothell. The shortage of commercial land can also be addressed in part through activity center expansion or designation, and intensification. In addition, Comprehensive Plan policies that call for numerous neighborhood shopping centers in urban areas should be implemented, to increase commercial land supply.

There are currently several large tracts of vacant residential land in urban areas that can be considered for new activity centers or neighborhood shopping centers, including large tracts in the Bear Creek and East Sammamish planning areas. The rapid rate of subdivision and development in the areas with large tracts will foreclose the option to add industrial or commercial land in the near future, so needed land capacity for commercial and industrial development should be addressed as soon as possible.

### **Rural Area Capacity**

In rural areas, the supply of commercial and industrial vacant land in the Snoqualmie Valley, especially in the towns along the I-90 corridor, could accommodate 8,000 to 16,000 or more new jobs, meaning the area has capacity for significant growth. In South King County, rural areas have less overall capacity for employment growth. The Comprehensive Plan supports growth in Rural Activity Centers, which are mostly cities, to provide for local shopping and services, and a strong local tax base. Questions of whether land for commercial and industrial development in rural areas is adequately located and sufficient to meet rural city needs for a strong economic base should be addressed through community planning efforts in those areas, as overall estimates for the rural areas as a whole do not provide enough information. King County should work with the rural cities to take advantage of employment growth opportunities, consistent with Comprehensive Plan policies, including defining future annexation areas and facility needs.

Land supply in rural areas, even along the I-90 corridor, should not be viewed as a way to meet the need for employment land on the Eastside, however, for several reasons. First, the rural cities are too far from growing populations in Bear Creek and Northshore

to allow for convenient commutes. Second, although land along the I-90 corridor would expand the land available for basic employment, it would require a commitment of urban facilities and new roads in an area designated as rural by the Comprehensive Plan. Based on Comprehensive Plan policies, employment growth to meet regional needs should be accommodated in urban areas, and facilities and services should be concentrated primarily in urban areas. Promoting extensive urban growth in the I-90 corridor would not be a low-cost alternative, as environmental constraints limit the long term potential for expanding sewer treatment capacity, surface water facilities and road capacity. Since urban areas have several potential sites for new or expanded activity centers, and since employment growth in urban areas would better meet industrial market requirements, expansion sites to meet regional employment needs should be identified in the urban area.

### Land For Heavy Industrial Uses

The land inventory also identified a second kind of capacity problem for industrial development, as the vacant land findings indicate very little land Countywide for heavy industrial uses (see Figure 1.24). Only 17% of the land designated for industrial use is zoned for heavy industrial use, and almost all of that is in South King County. Since industrial uses classified as "heavy" by zoning codes are primarily basic employment, such as most assembly and fabrication, adequate capacity for growth of such firms is needed to assure expansion of the economic base can be accommodated. In the past, many uses classified as heavy manufacturing required land along rail lines and generated high volumes of rail and truck traffic. This is not the case today for some of the industries classified as heavy.

Figure 1.24  
Vacant Industrial Land by Zone Type  
Urban King County, 1985

Urban Subregion	Acres in Industrial Park Zoning	Acres in Light Industrial Zoning	Acres in Heavy Industrial Zoning
North King County	—	8.22	—
Eastside	451.53	799.27	60.26
South King County	2121.09	2113.43	1082.15
TOTALS	2572.62	2920.92	1142.41
% of Total	38%	44%	17%

Source: King County Commercial/Industrial Land Inventory, 1985.



Some cities have newer zoning codes that do not include a specific heavy industrial classification, but allow an industry to locate in any industrial zone if able to limit impacts to adjacent properties. It may be easier to site heavy industries in the future through such an approach, which provides for case by case review of impacts. In addition, some of the industries classified as heavy in the past may no longer have the impacts they once did. It would be timely for King County to review its zoning code, through the update currently underway, to ensure heavy industrial uses will not be excluded here in the future because of difficulties in locating expansion sites.

### **Communities With Special Needs**

Not all existing communities and business districts are sharing in the economic growth of the region. Building permit information indicates that nearly all the new commercial and industrial development in 1986 located in 11 of King County's 29 cities. Some cities, such as those whose employment base is dominated by resource industries, also have unemployment rates much higher than the countywide average, and employment cycles more severe than the rest of the County. Demographic information for King County indicates several communities that have household incomes much lower than the Countywide average. A study for the King County Community Development Block Grant Program identified 16 communities (outside the cities of Auburn and Seattle) with a large concentration of low and moderate income persons, or where 51% or more of the population had low or moderate incomes.

Focused business district revitalization programs can be effective in encouraging economic growth in such communities to add business that would strengthen the local tax base and provide jobs for local residents. Revitalization programs can help secure needed infrastructure improvements, land use changes, business investment, local training programs and other programs designed to stimulate growth in particular places. Business district revitalization programs are also an efficient way to increase capacity for employment growth, by extending the physical capacity and market attractiveness of existing commercial and industrial areas. Established areas provide for jobs and services near existing population centers, and growth there takes advantage of extensive road networks, utilities, and well-developed police, fire and social services already in place.

### **Infrastructure Systems**

Public infrastructure systems, including transportation networks, utilities, police and fire protection and social services infrastructure are an essential part of economic growth capacity. King County and the cities provide public facilities and services deemed to be high quality by businesses and residents in most areas.

King County has excellent access to interstate freeways, cross country railroads, and national and international airline destinations. The Port of Seattle and the Port of Tacoma are modern and efficient ports which enjoy a distance advantage to the Pacific Rim, reducing travel time and costs of U.S. exporters and importers. The Washington Council on International Trade identified the following assets as strong attractions for trade: the area is at the crossroads of two major interstate freeways, is served by two transcontinental rail systems, has a deepwater port among the ten busiest in the world, and has an airport with an air cargo value among the ten highest in the nation, and passenger volume among the top twenty.

Despite the excellent connections for national and international trade, several local studies, including the King County 2000 study, the King County Transportation Plan, and the

Critical Water Supply Planning Act have identified infrastructure deficiencies that will hinder economic development within the region. Many of King County's activity centers, in cities and unincorporated areas, have roads with level of service ratings that will foreclose continuing development if not corrected. The complex network of water and sewer service providers also raises concerns that overall capacity is not adequately assured. Several programs are now underway to address long range infrastructure and funding deficiencies at the regional and subregional level, including the King County Transportation Plan, Funding Strategy and Fee Mitigation Program; the Economic Development Council's Infrastructure Funding Project; planning programs for water supply and groundwater management; and planning to address long term public transportation issues. These efforts to look at infrastructure needs for the region as a whole, and identify effective ways to address needs, are essential to future economic development.

## 5. Conclusions

The King County Economy is healthy and expanding, with expanding employment, low unemployment rates, incomes somewhat above the national average, and strong prospects for continuing growth and economic expansion.

Within the overall context of a healthy local economy, the data on local economic trends and conditions also indicate several areas of concern that are addressed by policies and actions of the Economic Development Plan. These issue areas include:

- Continuing economic dependence on aircraft manufacturing;
- Structural changes in the economy that result in lower incomes and long term unemployment;
- Unacceptable levels of unemployment and poverty;
- Inequities in the distribution of employment and poverty among racial groups;
- Communities with greater than average poverty and unemployment;
- Road congestion, infrastructure funding shortfalls, and long term shortages of planned capacity for commercial and industrial land uses that could hinder economic expansion.

The Economic Development Plan addresses these issues by supporting, through land use, infrastructure, business finance and other programs, those portions of the economy that show promise in providing jobs, raising the standard of living, and increasing economic diversity; and through human resources, affirmative action, business district revitalization and similar programs designed to encourage broader participation and distribution of economic benefits.

## **D. KING COUNTY DEPARTMENT PROGRAMS AFFECTING ECONOMIC DEVELOPMENT**

Economic development goals and policies should be incorporated into all County programs that have the potential to stimulate business development, enhance human resources, or increase land and infrastructure capacity for business expansions. To view economic development as the responsibility of a single office or division would ignore the affects that other agencies currently have on economic activity, and miss opportunities for more effective policy implementation through use of the entire range of County tools and programs.

The Action Program described in Chapter Three includes activities for many County departments, including existing and recommended new activities. The King County departments and programs with the greatest existing or potential effect on economic development are listed below. The Summary of Implementation Actions, in the Executive Summary, indicates which activities each County department will be involved in.

### **County Departments/Programs**

**Budget Office:** reviews budget requests, monitors department budgets; manages County investments.

**Executive Administration:** includes the Purchasing Office, Personnel Division, Affirmative Action Office, Real Property Division.

**Human Resources:** manages work training programs, women's programs, veterans services, developmental disabilities programs, Cooperative Extension services; serves as County liaison with the Private Industry Council.

**Parks, Planning and Resources:** manages community planning, permitting, housing and economic development planning, housing assistance and business finance programs, business district revitalization programs, Land Development Information System, the Community Development Block Grant Program, environmental planning, parks and open space programs, arts and cultural resources programs, and the Centennial program.

**Public Health:** responsible for preventing the spread of communicable disease, including approval of water supply and wastewater management systems in connection with development.

**Public Works:** responsible for road planning, construction, maintenance, and surface water management programs; manages the King County airport and adjacent lands.

## CHAPTER TWO FRAMEWORK FOR THE PLAN

The Economic Development Plan includes both a long range vision of the economic future desired in King County, as well as a five year action plan designed to help that vision become a reality. This chapter focuses on that long range vision, defining King County's concept of economic development and outlining the assumptions central to the Plan, the appropriate role of government, and the goals and policies that guide the action program detailed in Chapter Three.

### WHAT IS ECONOMIC DEVELOPMENT?

Economic development is the purposeful undertaking of public and private actions designed to stimulate the economy, encouraging economic expansion to meet public goals. The range of actions and the focus of resources for economic development program should vary in response to current conditions, within the context of defined public goals such as diversification of equitable distribution.

Economic development requires a long term commitment. Although programs are frequently initiated when the nation, states or regions are in serious economic decline, the more effective programs set a clear direction, begin implementation and make small adjustments as needed to better achieve public goals. Just as "eternal vigilance is the price of freedom," so one might say that "eternal nurturing is the price of economic stability."

The Economic Development Plan provides long-term guidance on the overall direction for King County economic development activities, yet also maintains flexibility for action. The Plan's goals and policies will remain relatively stable over time, whereas the actions are expected to change in response to rapidly changing economic conditions. An economic development plan, to be effective, should be "like using a compass to point direction rather than wander aimlessly over uncharted territory, or at the other extreme, following a detailed road map that is well out of date."<sup>1</sup>

### ECONOMIC CONTEXT

The Economic Development Plan's recommendations are based on assumptions about how the economy works. These assumptions, and their implications for local actions, are summarized below.

The local economy is part of a global economic system. The local economy, because it is heavily involved in trade, is part of a global economic system continuously in flux with new trends and business cycles. Events anywhere in the world can and do influence King County's economy. Technological developments, oil and grain embargos, and political conflict all affect the demand for locally produced goods and services. Although government has no control over these political economic forces, King County can monitor trends to better prepare for and facilitate change, taking advantage of emerging opportunities and preparing for unavoidable downturns.

<sup>1</sup>Committee for Economic Development, Leadership for Dynamic State Economies, 1986, p. 10.

The local economy is larger than King County. Just as it would be illogical for Seattle to think of its economy as distinct or unaffected by economic growth or decline within the rest of King County, so King County recognizes key economic links to Pierce, Snohomish and Kitsap counties in particular. Important links to the rest of the state have also been demonstrated by surveys and state and local econometric models. It is not as important to identify the exact geographical boundaries of the local economy as to recognize that King County's economy affects and is affected by decisions made by business, labor, and governmental units within neighboring counties and the state, as well as by decisions within King County.

The engine of growth and development is a dynamic, market-driven private sector. Local government influences events only at the margin. For this reason it is critical that any economic development program be opportunistic, capitalizing on opportunities as they present themselves. The Plan recommends goals and policies as the basis for actions to encourage desired economic activity, including actions described in the Plan, as well as actions not yet foreseen.

## **GOVERNMENT'S ROLE**

Historically, governments in the United States have provided basic services in support of economic growth. Governments built roads, bridges, ports and canals in direct support of commerce. The early Continental Congress established the U. S. Navy largely to protect the merchant marine fleet; waterborne trade was critical to the colonial economy. Today, state and local governments support economic growth through hundreds of programs including debt and equity financing, business incubators, basic and higher education, job training and placement, research and development, marketing and management assistance, land use planning, and public capital improvements. Policy development and leadership are two additional, important requisites of economic development for all levels of government.

King County's current role in economic development includes a diversity of programs, including business finance assistance; information and referral services; land use plans and capital improvements that support commercial and industrial development; employment training programs, and similar activities. The Economic Development Plan describes ways for King County to strengthen and expand its economic development activities, focussing on activities for which local government is particularly well-suited, and areas where King County can most effectively complement actions of the private sector, local communities, and other government agencies.

## **Public Facilities and Services**

King County is an important provider of basic services such as roads, solid waste disposal, surface water management, land use planning, permit processing, law enforcement, resource management and human services, and works with cities and other service providers to assure water, sewer and power. The Plan recommends that King County continue to provide such basic services, and recognize the essential role they play in supporting employment growth and increased productivity. In addition, quality of basic services is consistently identified as a major determinant of quality of life, and research over the last 20 years has documented the growing importance of quality of life as an important factor in business siting decisions (start-ups as well as branch plant and relocations). Since the Puget Sound area is endowed with great natural beauty, its historical availability of efficiently operated public services has placed King County as one of the nation's most desirable places to live and do business.

## **Environmental and Community Quality**

King County must also protect and enhance other aspects of quality of life such as environmental and community quality. State and local government are the primary guardians of the environment. Their role is to accommodate residential and employment growth in a manner which prevents environmental degradation when reasonable alternatives exist and mitigate environmental impacts when reasonable alternatives cannot be found. The Economic Development Plan reconfirms King County's commitment to the comprehensive Plan in general, and environmental protection in particular. As a practical matter, we are continuously deciding what is acceptable and what is not through planning, zoning, and permitting. The Plan recognizes that these activities are de facto components of a sound, long term economic development policy. Regions with chronic high unemployment, such as Appalachia, generally are not considered to have a high quality of life, even though they may have great natural beauty. Conversely, other areas with phenomenal job growth are considered to have a low quality of life if the natural features were knocked-down, paved-over and polluted. Other aspects of community quality -- such as historic preservation, public area design, open space -- are also the responsibility of King County.

## **Coordinate and Form Partnerships**

An important role that a countywide government such as King County can and should play is to coordinate actions, bringing individuals and agencies together to work toward common goals when joint action will be more effective. Economic development is the cumulative impact of individual decisions by business, citizens, government, organized labor and educators. Government exists to coordinate and bring order to the many individual decisions of members of society, to balance the right of individuals against those of society as a whole, and to correct failures in the marketplace. Government coordination brings actors together to form and implement plans for the future; these plans are expressed in adopted policy, regulations, procedures and programs.

As activities undertaken in the name of economic development have proliferated in recent years, the need for coordination among governmental actors has also expanded. In the King County area, important programs are currently operated by federal, state and local governments and nonprofit organizations. To be effective, we must understand these institutional relationships. As this plan was developed, the institutional roles were examined and the actions recommended for the County were judged to be the most appropriate given historical precedent and legal constraints. For example, the federal Small Business Administration (SBA) and the federal Department of Housing and Urban Development (HUD) offer certain business loan programs. It would be inappropriate for King County to offer a loan program which duplicates or competes with these federal programs. Similarly, King County should not duplicate the effective programs of nonprofit groups, but should coordinate to share information or offer joint programs.

## **Information and Technical Assistance**

Because regional governments such as King County collect, maintain and analyze data, maintain ongoing working partnerships with other public and private agencies, and are relatively stable organizations compared to private firms, governments are well-suited to providing information and technical assistance provided by King County includes data on demographics, land development and environmental features, as well as technical assistance with business development and business district revitalizations. The Economic

Development Plan recommends that King County expand its information and technical assistance role, including expanding data and analysis capability and research on economic trends and innovative economic development tools.

### **An Active Role**

The Plan outlines an active role for King County in economic development through County actions, and through strong partnerships with the private sector, nonprofit groups, labor, and other government agencies in programs designed to stimulate the economy. The Washington State Constitution severely limits state and local government roles in economic development making it difficult to adopt tools from other regions. King County should work with others to modify this limitation to make economic development a recognized public purpose. Even with this limitation, however, King County can make contributions to business development, community development and human resource programs that increase the region's capacity for economic growth.

### **GOALS AND POLICIES**

The purpose of the Economic Development Plan is to facilitate change, including promoting change that will contribute to community goals, and guiding undesired but inevitable changes to minimize negative consequences. Issues raised during discussion of economic trends and early drafts of the Plan indicate strong public concern about the region's economic future, including concerns about the trend toward lower wages, slow growth in personal income, continued dependence on a single manufacturing section, continuing cycles of unemployment, unacceptable numbers of displaced workers and disadvantaged families, inequities in economic achievement among population groups, and lack of economic vigor in some poorer communities. Many of these issues can be addressed only through economic growth.

The King County Comprehensive Plan includes ten goals; one of them states the County's overarching economic development goal:

**King County Comprehensive Plan Goal 6: Encourage economic development that provides diverse and continuing employment opportunities for King County residents.**

The Economic Development Plan further defines King County's economic development goals, and includes specific policies and actions to promote economic growth. The goals of the Economic Development Plan are to:

- o Enhance the quality of life in King County
- o Increase the standard of living for all King County residents
- o Maintain a healthy regional economy
- o Provide economic opportunity for all King County residents

Quality of life is the overarching goal that encompasses a high quality natural environment, a pleasing and efficient built environment, an adequate level of public services, recreation and leisure opportunities, and educational and cultural opportunities. Economic opportunity is also an essential part of quality of life; we define our well-being in part by our opportunities to work, contribute and create. The Economic Development Plan focuses on increasing economic opportunity, encouraging creation of jobs and expanding business opportunities through actions consistent with King County Comprehensive Plan policies that assure environmental protection and protect/enhance community quality.

The goals indicate a difference between economic activity and real economic growth. More jobs can mean increased economic activity, but this does not mean economic growth if the jobs are low-paying and replace higher paying jobs. Real economic growth results in an increase in the material standard of living of a community; real economic growth is what we need to maintain and improve upon our quality of life. The heart of economic growth is increased productivity, or output per worker hour. The Plan recommends policies and actions to increase wealth and productivity by strengthening our already highly productive human resources, and promoting growth in those basic industries where technology, organization, and capital investment can increase productivity and result in high economic multipliers.

A healthy economy, with the ability to expand to provide jobs for all members of the workforce, to provide an increased standard of living, and to provide a stable tax base, is necessary to support other aspects of quality of life. Individual economic self-sufficiency is important to the well-being of the community as well as to the individual: only a healthy community can afford to pay for schools, public facilities, environmental restoration and protection, and the services and amenities that add up to a high quality of life. Plan policies and actions are intended to contribute to a healthy economy through land use, infrastructure, business development, and human resource programs that encourage growth in productive basic industries.

The goals also reflect community opinion that the economy is not considered healthy when large groups of people or whole communities fail to benefit from economic growth. Plan policies and actions seek to include all residents and communities through actions that remove obstacles to participation.

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## **CHAPTER THREE ACTION PROGRAM**

This chapter contains an action program outlining the specific tasks and activities King County will undertake to implement the economic development goals of the King County Comprehensive Plan, and the policies outlined in Chapter Two of the Economic Development Plan.

The action program is divided into four sections, reflecting the types of activities King County will use to promote economic development. Section A, Business Development, describes activities such as financial and technical assistance that support growth of individual businesses. Section B, Community Development, includes activities such as land use planning and public capital improvements that increase King County's capacity to accommodate economic growth. Section C, Human Resources, describes programs such as education and training that enable people to take advantage of economic opportunities. Section D describes an approach to evaluating and revising the Plan in five years - 1992.

### **A. BUSINESS DEVELOPMENT**

The creation and management of a successful business demands many resources, including market opportunity, entrepreneurial talent, financing, raw materials, qualified workers, a place to conduct business, utility service, and efficient transportation networks. The existence of a strong economy in King County, with hundreds of new business starts annually and many rapidly growing companies, indicates local entrepreneurs have found these resources here. The public role in business development is to build on existing strengths and to address any gaps in the resources needed to encourage business development. King County works with other public agencies and the private sector to provide or link businesses with a wide range of such resources.

Business development activities described in this section implement Economic Development Plan policy to focus on developing a homegrown economy; most activities will also benefit businesses from outside the region seeking to locate here. Activities described in this section include business finance assistance, information and referral, economic research, and other actions to promote business development and retention. Activities described elsewhere in the Plan also benefit individual businesses indirectly, such as the infrastructure and land use planning activities described in the Community Development section, and the education and training activities described in the Human Resources section of this chapter.

#### **Business Finance**

Capital is an essential ingredient to fuel the growth of local businesses, yet the small and medium sized businesses that create most new jobs often have difficulty obtaining financing. Commercial banks are the traditional source of financing for small firms, yet they are not always able to provide financing appropriate to the needs of small business, since banks, by regulation, are primarily short-term lenders. The shorter the term, the greater the monthly debt service for a business. A short-term loan, therefore, requires a business to use more of its cash to repay debt, which leaves the business with less cash

to pay operating expenses. The greatest danger to the success of a new business or a business which is rapidly expanding is to run out of cash. Cash pays bills, whereas increased sales in the form of receivables do not. Many business starts or expansions are postponed or canceled because the higher debt service associated with short-term financing competes for and reduces cash needed for operations. Other financing sources with longer terms and lower rates are not practical for most small firms. For example, corporate bonds and stocks involve high transaction costs; pension funds and insurance companies generally have a \$5 million investment minimum.

To address the need for long-term financing, King County assists eligible and creditworthy small businesses to obtain long-term loans, sometimes at below market rates, from a variety of public/private finance programs. County staff trained in finance and in the requirements of federal, state and local programs facilitate business/project financing by working with businesses, developers, commercial lenders, public lending agencies, and others to select the most appropriate program, structure the financing, and package the final loan application. King County assists businesses in unincorporated areas and all cities outside Seattle; Seattle offers similar kinds of assistance to businesses within the City. The finance program for small businesses is one of King County's most productive and effective tools for promoting business development.

- BD 1: King County will continue to help businesses obtain financing for projects that create or retain jobs, by:
- a. Providing technical assistance to eligible and credit worthy businesses in applying for local, state and federal loan programs;
  - b. Operating the local revolving loan fund to assist credit worthy businesses (new and existing) that are not eligible for other loan programs; and
  - c. Informing lenders, businesses and the public about the availability and benefits of public/private loan programs.

Public announcements of loan approvals, for example, help advertise the program, as well as providing information on the diversity of businesses in King County.

The various loan programs with which King County staff work include Small Business Administration (SBA) loan programs, industrial revenue bonds (IRB), Urban Development Action Grants (UDAG), the Community Development Interim Loan, and the County's own Revolving Loan Fund (RLF). The interim loan and the RLF also generate additional revenue for King County that can be used for economic development and other programs to benefit low and moderate income persons. Figure 3.1 provides a summary of the currently available finance programs; all of these loan programs require bank participation, demonstrated repayment ability, management experience, adequate collateral, and sufficient equity.

In addition to the existing loan programs, new business finance opportunities are being developed by state and federal agencies and private organizations to address needs not well met by established programs. King County should continue to monitor new developments in the area of business finance, and work with financial institutions, businesses and economic development groups to expand the range of financial assistance available. Experience with individual businesses through the business district revitalization program (described in Section B) may also result in identification of local needs for business finance that King County should work to address.

**Figure 3.1  
King County Economic Development Financing Programs**

King County's Economic Development Office provides technical assistance to businesses, developers, and public entities in packaging and applying for loans and grants from public financing programs. This chart lists the current finance programs King County works with.

<u>Program Name</u>	<u>Program Purpose/Eligible Projects</u>
<b>Small Business Administration</b>	
7-A Loan Guarantee Program	Loan guarantees for small business, long term financing for land/buildings, equipment, and working capital.
504 Loan Program	Loans to existing small businesses for expansion projects, providing long term, fixed rate financing for land/buildings, equipment.
King County Revolving Loan Fund	Loans for small businesses, economic development projects that create jobs, facilitating long term fixed rate financing for land/buildings, equipment, working capital, off-site infrastructure.
Industrial Revenue Bonds	Lower interest, long term loans for land/buildings, equipment for manufacturing firms.
Urban Development Action Grants	Grants to distressed cities to help finance private development projects at low interest rates, including land/buildings, equipment.
Community Development Interim Loan	Short term, low interest loans to finance land/buildings, equipment, working capital.
Infrastructure Grants and Loans	Low interest grants and loans to construct sewer, water, road improvements. Funding sources include Economic Development Administration, Community Economic Revitalization Board, Farmers Home Administration, Public Works Trust Fund.

**BD 2:** King County will identify unmet or emerging business finance needs, and will work cooperatively with businesses, economic development groups, and other jurisdictions to develop and implement new finance tools.

One promising new tool currently being investigated is greater use of public investments, such as local and state government reserve funds or pension funds to encourage greater bank participation in small business loans, while also maintaining or increasing investment income for the jurisdiction. A model used successfully elsewhere in the nation is local or state government purchase of small business loan guarantees. These loans, guaranteed by the Small Business Administration, provide a secure investment for local government, and a good rate of return. When local government purchase of the loan guarantees lowers transaction or finance costs, businesses can also benefit.

**BD 3:** King County will investigate the potential for use of local government investments to stimulate private sector loan activities and lower financing costs, including:

- a. Investigate ways to use King County investments to lower small business finance costs, and establish programs beneficial to both businesses and King County revenues; and
- b. Support efforts of other organizations to promote use of state investments to stimulate increased private sector business loan activity, and lower finance costs.

#### **King County Property**

King County owns nearly 2,000 parcels of vacant land, and underutilized land and buildings in cities and unincorporated areas. Although some of these properties are being held or evaluated for future parks, roads, and other County purposes, there are many other vacant parcels and underutilized facilities for which King County has no specific use. Many of the surplus vacant parcels have development constraints or suffer from local market conditions that have limited their sale or lease; these constraints can be corrected in some cases. In addition to vacant land and buildings, King County has properties currently committed to commercial uses, such as the King County airport (Boeing Field), the Kingdome and adjacent lands that stimulate business development. Some of these facilities and adjacent lands could be used more directly to encourage economic growth. County-owned property is a major asset which should be used to foster business development, thereby contributing to economic growth and increasing the tax rolls.

**BD 4** King County will identify and take advantage of opportunities to use County-owned property to stimulate business development by:

- a. Evaluating vacant and underutilized properties in County ownership to assess their potential for stimulating commercial or industrial development;
- b. Evaluating the potential for using County facilities such as the airport and the stadium to further stimulate economic development;
- c. Working with the private sector to market or develop properties jointly, to create jobs, increase revenue for King County, or meet other County goals such as promoting affordable housing.

Assessing alternative uses for any County-owned properties requires review by all County departments and programs to ensure full consideration of alternate uses. For example,

most County-owned land is in residential areas not appropriate for commercial development, but with potential for low and moderate income housing. Other parcels may be appropriate for future open space use; King County should not commit land or facilities to development until all potential County uses have been evaluated.

### **Information and Referral**

Information is a vital resource for small business owners and managers, who typically have very little free time to collect data or maintain information on sources of assistance. Several agencies in the area support business development by providing data, management assistance, financial assistance, and marketing assistance including help in developing business plans; assistance in reaching export markets; assistance in recruiting and training qualified workers; assistance in working with local governments, and other forms of assistance. The Seattle/King County Economic Development Council (EDC), through its Business Help Center, serves as an umbrella referral source, and also organizes teams of professionals to help meet more specialized needs. King County works cooperatively with the EDC, and will continue to support this essential component of the EDC's work program. Local groups such as chambers of commerce, and industry-specific groups such as the visitor and convention bureaus, also help promote business development by helping to market the businesses as a group, and working to meet business needs in certain locations or for groups of similar industries. Industry-specific groups/agencies such as King County Cooperative Extension also assist with farming and forestry business planning and marketing.

King County works with other groups to help address business and community needs. By working as a supportive member of the business assistance network, King County can contribute to business development without duplicating other efforts.

- BD 5:** King County will help businesses obtain management, operations, marketing, and other information and assistance by:
- a. Serving as a participant with the EDC Business Help Center;
  - b. Supporting the efforts of the EDC, the chambers of commerce, the visitors and convention bureaus, and other business assistance agencies to strengthen their information and assistance programs; and
  - c. Maintaining information on the range of services offered, and referring businesses to appropriate sources of help.

Data regularly collected and analyzed by King County for planning purposes can also be useful to businesses. For example, King County's Land Development Information System (LDIS) maintains information on demographics by subarea; current building permit and subdivision information; data on vacant land, parcel sizes, zoning and environmental constraints; and for example, similar data that is useful to businesses seeking to locate or expand in King County. The data helps in evaluating Countywide market strength or a product, assessing different areas within the County for the local market potential, for other uses. By sharing development information, through publications such as the Annual Growth Report, Building Permit reports, and more specialized reports and computer runs, King County can reduce the cost of such information to small businesses.

- BD 6:** King County will continue to make County and development data available to interested business and other users, by:

- a. Continuing to publish and distribute standardized reports on a regular basis to provide information on vacant land; planned business/industrial areas; community demographic, transportation, utility, housing and planning data, and
- b. Preparing specialized information from County files to help meet business data needs.

Actions in the Community Development section describe needed additions to existing land use and economic data; this expanded data will also be useful for business planning.

In addition to supporting general business planning, much of the data King County maintains is useful in business siting decisions, particularly vacant land information for commercial and industrial areas, information on current land use plans for various subareas of unincorporated King County, and Assessor records on vacant and developed properties and structures. To help firms find suitable sites, King County works cooperatively with the Seattle/King County Economic Development Council (EDC); the EDC works with realtors to help answer questions or provide data to firms seeking to locate in the area, or seeking expansion sites. Automation and a computerized file on land parcels, currently being developed by King County, will increase the availability of useful information.

King County also offers site assistance through pre-permit application meetings. Building and Land Development Division staff meet with potential permit applicants to discuss particular sites and special permit needs related to the site. These kinds of site location assistance help businesses obtain essential information, reducing their long-term costs and contributing to business expansion.

**BD 7:** King County will help businesses obtain information useful in siting decisions by:

- a. Working with the EDC to assist businesses, including providing data on parcels zoned for commercial and industrial use, and data on land use descriptions, transportation, utilities, environmental features and similar data for unincorporated areas;
- b. Continuing to meet with firms in a pre-permit application setting to discuss permit requirements related to a particular site, to help identify any particular problems that may affect the permit process.

Siting assistance is a specialized form of information that can be very helpful by reducing a business's time requirements for site selection or development.

### **Contract Procurement Assistance**

One effective means of business development is to help small businesses expand their markets. Several agencies in the area provide such services, including help with foreign markets. In addition, the EDC evaluates and takes advantage of programs to help local businesses sell to major public and private purchasers in the state, thereby helping the local business expand its market, and increasing local linkages or local value added, a concept encouraged by the Economic Development Plan. In many cases, local suppliers can provide needed goods and services more quickly and cost-effectively than firms from outside the area.

Local government purchasers -- such as the City of Seattle, the federal government, the State of Washington and the University of Washington -- present a strong local market

for local businesses. For small businesses, however, local government purchasing procedures can be a strong barrier to this local market. King County provides staff assistance to help local firms bid on County contracts – for example, by participating in SBA seminars on how to sell to government, offering bidders conferences, maintaining lists of local businesses to notify of potential contracts, and similar services. King County also provides technical assistance to businesses owned by minorities and women to help these typically small businesses develop successful proposals for County contracts. By strengthening activities designed to increase the ability of local business to sell to the government, King County can further Economic Development Plan policies to support growth of local businesses and to promote import substitution.

**BD 8:** King County will help local businesses obtain a greater share of local government contracts for goods and services through the following actions:

- a. Participate in SBA, chambers of commerce, EDC and other seminars to inform local businesses of the magnitude of the market, and how to access this market;
- b. Work with organizations of local small businesses to solicit bids, and place businesses on bid and proposal notification lists;
- c. Work with the EDC and other appropriate organizations to establish and maintain a procurement notification system, to ensure that local businesses are aware of opportunities to sell to local, state and federal government;
- d. Maintain records on local business shares of County contracts, and investigate and recommend other approaches for encouraging a greater percentage of local businesses to sell to the County.

In addition to programs designed to increase local sales to government, King County participates with the EDC in its programs to increase the ability of small firms to sell to major private purchasers. King County also has programs to ensure businesses owned by women or minorities obtain an appropriate share of County contracts. Efforts to stimulate start-up and expansion of firms owned by minorities and women help implement the Plan's policy to promote economic development opportunities and achievement for all groups. National estimates indicate that the percentage of minority and women-owned businesses, though rapidly rising, is still disproportionately low. For example, in 1984, there were an estimated ten black non-family businesses per 1,000 black persons, as compared to 63 white-owned non-family businesses per 1,000. King County should also evaluate the potential for encouraging private firms to increase their contracting with minority and women businesses.

**BD 9:** King County will expand and strengthen programs to encourage start-up and expansion of minority and women owned businesses through the following actions:

- a. Strengthen linkages among King County departments and the County's Minority/Women Business Enterprise (MWBE) Program, to provide early notification to minority- and women-owned businesses of potential contracts and to assist County departments in their efforts to solicit contracts with such businesses;
- b. Strengthen technical assistance to minority and women-owned businesses, to improve their ability to successfully bid for County contracts;

- c. Develop an information base to provide data on the number of businesses owned by minorities or women and provide information on their needs and effective approaches to support business development;
- d. Evaluate potential outreach programs and methods of recruiting additional minority- and women-owned business contractors; and
- e. Work with other purchasing agents in King County, including major corporations, to expand and strengthen private and public programs to promote start-up and expansion of minority- and women-owned businesses.

Some of the larger corporations in the area, such as Boeing, have programs to ensure a share of purchasing contracts go to minority businesses. King County should work with such firms to share approaches, and to encourage other firms to begin similar programs.

King County can also link its contractors with hiring services, such as the PIC's which help businesses fill new jobs with trained workers. These linkages are described in Section 3, Human Resources.

### **Economic Development Research**

Information on economic conditions and trends that affect King County is essential to effective economic development planning. Examples of the importance of research are the two recent studies, described in Chapter One, which substantially changed perceptions of the driving forces in this region's economy. These studies include David Birch's report for the EDC on the contribution of a few hundred small business to net employment growth in King County; and the Central Puget Sound Economic Development District's study on the contribution of service businesses to the economic base of the region. Additional, ongoing local studies are necessary to increase understanding of the economy. For example, the EDC's research on the most promising firms, in terms of likely expansion potential, will help identify additional supportive actions to help such firms succeed and remain here.

King County should support and use studies initiated by research organizations and should also monitor and regularly report on economic trends studies elsewhere in the nation, and their implications for this region. Several organizations and the state's universities follow national economic development trends and studies, and can provide information useful to King County programs.

**BD 10:** King County will support and participate in research efforts of the Central Puget Sound Economic Development District, the Seattle King County Economic Development Council, the Seattle Chamber of Commerce, the Puget Sound Council of Governments, the universities, and other organizations to describe the changing economic structure, labor force trends and other economic trends and opportunities, and to identify and address related business development opportunities.

Research will be particularly important to implement Economic Development Plan policies to support growth in basic industries by ensuring King County is aware of opportunities and issues and will also help prepare for potential economic changes.

Research findings should be widely publicized and distributed, to facilitate use by local businesses and planners, as well as contributing to increased public understanding of the economy. Public information helps workers and existing and potential businesses plan for



the future, and promotes informed choices about local, state and national legislation affecting future business growth and economic development.

**BD 11:** King County will work with other economic development organizations to build public understanding of the local economy, industry trends and opportunities, and the effects of alternative government programs on economic trends and individual business development.

### **Business Retention**

As a companion activity to efforts to promote business start-ups and expansion, effective economic development programs should also work to retain the County's existing economic base. Since about 40% of all employment is concentrated in a few hundred large firms, these firms are very important to the local economy.

The incentives and approaches used to encourage business expansion can also be used to retain existing firms that are considering new locations, or facing closure. In some cases, a need for better transportation facilities, or a larger site or building may lead a firm to consider relocating. To the extent that the relocation is within the same region and can employ the same workforce, relocation is not necessarily a problem. Relocations out of the region, however, can result in unemployment or a decline in the diversity and strength of the local economic base. In some cases, businesses facing closure can also be assisted. For example, a potential closure may be precipitated by a need for affordable financing, inability to sell a business, or a decision to close a profitable local branch of a national business. In these cases, closure may be preventable through local action to arrange financing, find a new local owner, or promote worker cooperatives or other forms of employee ownership. In other cases, business failures or relocations are related to changes in the national economy, market changes or other forces beyond the influence of a local retention effort.

The objective of a business retention effort is to identify potential losses, determine whether the loss can or should be avoided through public intervention, and organize public resources to solve any issues that can be addressed at the local level. If businesses cannot be retained, early warning of a potential closure or relocation enables local organizations to begin transition assistance programs before workers are unemployed (see Section C, Human Resources, for a description of transition assistance efforts). King County cooperation with other organizations to keep viable businesses in the area is an important part of the overall economic development effort.

Several organizations in King County, including the EDC, the Seattle Worker Center, and the King County and the Washington State labor councils actively pursue businesses retention programs that bring appropriate government and private agencies together, and encourage labor/management/government cooperation to keep viable businesses in the region. King County will continue to support these projects as an active participant.

**BD 12:** King County will work with other economic development organizations to retain basic industry in the County, in the following ways:

- a. Support the Seattle Worker Center's early warning system, by participating in surveys and other efforts to identify potential relocations or closures which could result in significant unemployment or a declining economic base;
- b. Participate as a member of the Seattle Worker Center's business retention response team, cooperating in efforts to encourage labor/management

cooperation in addressing problems, and to bring finance, site assistance, capital improvements, management assistance, worker training and other assistance to companies considering closure or relocation;

- c. Assist with feasibility studies on alternatives for business revitalization, and encourage businesses to solicit ideas from workers on revitalization.
- d. Work with the Economic Development Council (EDC) to help individual businesses locate alternative sites in King County, and to resolve any infrastructure, permit, finance or other problems that might result in closure or relocation of basic industry;
- e. Work with the EDC, the cities and the chambers of commerce to provide data and help develop and distribute marketing information presenting the assets King County and the cities can offer existing as well as new businesses; and
- f. Work with the EDC, the cities and counties, and other organizations to identify problems in local and state laws, such as tax laws, and promote changes that would be more favorable to business investment, while also meeting other public objectives.

As organizations in King County identify the range of reasons businesses close or relocate, additional incentives or tools to help retain business can be developed to address the particular circumstances. For example, in some communities within King County, there may be a need for lower cost space, which could be addressed through a business incubator or development of County-owned land; in other communities there may be a need for a local promotional group to help increase the market of the local businesses. For industries facing long-term stagnation or decline, there may be opportunities for local support to find appropriate incentives for continued investment, such as help in identifying alternative products or markets. An example of potential success in the area of finding new markets can be seen in the agricultural industry here. Local marketing cooperatives, formed with the assistance of Cooperative Extension staff trained in agricultural marketing help identify and access new local and national markets for local products. King County and other agency studies of the needs of resource industries led to changes in County policy. Continuing work in business retention and business development efforts will lead to a better understanding of needs, and appropriate local solutions.

**BD 13:** King County will work with other groups to identify ongoing problems leading to loss of basic industries in King County communities, and will work with cities, labor groups, business and educational organizations and others to develop tools and approaches to prevent losses where desirable.

Major closures of plants such as the shipyards and lumber mills highlight the effects of plant closures and stimulate local retention efforts. These concentrated efforts can result in new, long-term approaches to retention, as well as solving immediate needs. Ongoing activities to track business loss, such as the surveys conducted through business retention programs (EDC and SWC) help identify patterns of loss, and causal elements that can or cannot be addressed by local efforts. Documentation of these kinds of changes increases understanding of the region's economy, as well as helping to identify new tools that may be effective in business retention.

## B. COMMUNITY DEVELOPMENT

Government services linked to land development, such as land use planning, road improvements, and utility services, are also tools local governments can use to encourage and support economic development. Planning and public infrastructure improvements provide capacity for the continuing commercial and industrial development that accommodates business and employment growth; they are also key tools King County can use to maintain and improve environmental and community quality. Land use plans designate sites for commercial and industrial development, and enable utility providers to anticipate and provide needed sewers, water, and drainage systems; public transportation systems enable businesses to ship products, and enable workers to commute to and from employment centers. King County should implement the goals and policies of the Economic Development Plan by incorporating economic development needs into such ongoing community development activities.

Community development activities described in this section include business district revitalization projects, regional and local land use planning, land use regulations and permitting systems, and public infrastructure.

### 1. Business District Revitalization

Established business districts in cities and unincorporated areas contain most of the commercial and industrial space in the County, and are the principal centers of employment. Business districts include existing urban and rural activity centers, community centers and small neighborhood centers. These centers have existing public infrastructure systems in place, and provide leaseable space and building sites for new and expanding businesses. Their proximity to populated residential areas makes them convenient locations for local employment and shopping, and they are often focal points of community identity and community events.

While business districts in King County are generally experiencing strong growth, some have constraints which limit their potential for planned growth; others have been hurt by market changes. As data in Chapter One indicate, nearly all of the new commercial and industrial development in 1986 was concentrated in a handful of cities. Business areas may need major road or utility improvements in order to accommodate planned growth. A different set of problems may exist in business areas left behind by market changes. For example, a new shopping center nearby may have reduced the number of retail businesses and customers in the business district; new industrial development trends may require transportation facilities not available in established industrial areas. In other cases, towns dependent on industries that are now declining may need to develop recruitment strategies.

Many business district problems can be corrected through combined public and private actions to stimulate new investment, such as improvements to public facilities, landscaping or building facades; land use plans that provide for a healthy mix of businesses; marketing strategies to attract new businesses or new customers, and similar actions. Successful programs result in business centers and communities that are better places to live, work and do business, and also stimulate private investment, resulting in local employment growth and a stronger local tax base.

CD 1: King County will expand and strengthen its business district revitalization program, providing staff support to work with local business and community leaders in unincorporated areas and small cities on projects such as:

- a. Business district evaluation, needs assessment, and project organization;
- b. Land use planning and zoning for the business district, to accommodate needed business growth, specify design criteria, or encourage an appropriate range of business types;
- c. Obtaining needed capital improvements through grants, low cost loans, formation of local improvement districts, use of the County capital improvement program and other sources;
- d. Technical assistance with building and business area design or service needs, and projects to establish appropriate funding programs, such as business associations, business improvement area formation, or other options;
- e. Marketing programs to improve the local market strength of the area, or the businesses; and
- f. Business development programs that identify and link local businesses with sources of help, such as programs to bring in public or private financial or management assistance services and employment training; or through design of more specialized approaches for meeting local needs, such as establishing business incubators.

The business district revitalization program is a cooperative effort with the Seattle/King County Economic Development Council, local chambers of commerce, and other established business organizations. Local business organizations and local officials play a lead role in most activities, providing the ongoing organization necessary to ensure successful projects.

King County work on business district revitalization requires close cooperation with the cities. Although King County activities are focused primarily in unincorporated business areas and the small cities without staff resources, business districts in all the cities are important to implementing the goals and policies of the Economic Development Plan. Cities contain nearly 80% of all employment in King County and are projected to gain about the same share of future employment growth. King County should work cooperatively with cities on business district revitalization programs, to contribute to the health of city business areas, and to ensure plans for unincorporated business areas complement city programs.

**CD 2:** King County will work with cities on joint business district revitalization projects, to involve cities in county projects, pool resources and expertise on projects of mutual interest, and to ensure economic development plans and strategies for unincorporated business areas and cities are complementary.

King County's initial approach to business district revitalization efforts has been to respond to local initiatives and timely opportunities. Local interest provides the necessary leadership and commitment for success, and, combined with public resources, produces greater benefits. There are some small cities and business areas, however, that could benefit significantly from new investment but currently lack the local organization to initiate a revitalization program. King County can help these communities by identifying potential problem areas, and by working with local businesses and officials to strengthen community organizations and initiate local improvement efforts.

**CD 3:** King County will analyze available data on economic trends by local community, to identify communities where income, unemployment levels and investment activity indicate problems, and to initiate business district revitalization programs where appropriate to meet needs.

King County currently monitors similar data to track housing needs and targets programs to meet those needs. Action CD 3 states King County's intent to establish a similar effort for business areas.

## **2 Land Use Planning**

Land use planning is a basic government service that can contribute to economic development. In addition to protecting public safety and ensuring environmental protection, good land use plans provide attractive sites for businesses in locations that meet business needs for efficient transportation services, utilities, and a mix of similar and supporting uses nearby; and also address workforce needs for short and lower cost commutes, and affordable housing near places of employment.

Land use decisions in unincorporated areas are guided by the long range, Countywide policy direction of the King County Comprehensive Plan. Cities develop plans for incorporated areas. The Comprehensive Plan states King County's intent to work cooperatively with the cities to provide for employment growth and economic vitality, and to develop land use plans that provide suitable sites and supporting public improvements to accommodate commercial and industrial development in communities throughout the County. The Comprehensive Plan also recognizes the need for an Economic Development Plan to identify specific needs and define strategies for promoting a strong economy. (An Affordable Housing Policy Plan adopted in October, 1987, similarly implements the Comprehensive Plan's broader housing goals.)

King County's primary means of implementing Countywide land use policies is through community plans developed for subareas of the County. Community plans apply the Countywide policies of the Comprehensive Plan and functional plans, and also address local issues through local land use policies, zoning, and capital improvement recommendations. Community plans, developed with extensive public review, ensure local values as well as regional policies are considered in decision making.

King County's land use planning system was designed to allow consideration of both Countywide and local issues in developing plans. The capacity to address Countywide economic development issues through the many separate planning activities outlined above can be strengthened by: 1) a clear definition of how land use plans should address economic development goals, policies and issues; 2) a strong commitment to intergovernmental coordination; and 3) current data on development trends and capacity, and their implications for economic development.

### **Countywide Land Use Planning Policies/Approach**

Direction on how land use plans should support and provide for economic development is found in both the King County Comprehensive Plan, and the Economic Development Plan policies in Chapter Two.

The Comprehensive Plan states King County's intent that land use plans and actions provide for economic growth and diversity, and provide for public facilities and services needed for growth (see Appendix A for a list of policies). The Comprehensive Plan promotes most growth and provision of public services in existing Urban Activity Centers,

concentration of commercial and industrial uses in cities and unincorporated areas. The Plan also provides for consideration/designation of new centers when economic development cannot be accommodated in existing centers, or to provide for nearby employment and shopping for urban residents. Urban Activity Centers are intended to develop at frequent intervals, and may be located three to six miles apart. The emphasis on frequent locations is based on public transportation and road studies which indicate that local employment and shopping reduce commute lengths, thereby reducing energy use, travel cost and road congestion. Forecasts indicate that not many jobs will locate in unincorporated areas. However, King County develops long-range plans for employment growth in areas where residential development is encouraged, to provide long-term capacity for a local balance of employment and households.

Implementation of the Comprehensive Plan's recommended land use pattern will also support Economic Development Plan goals and policies. Specifically, community plans and city land use plans should provide attractive sites for growth and relocation of basic industries in a variety of locations; should assure a distribution of economic growth that helps revitalize existing communities; and should provide for employment growth near existing or planned population centers.

Because land use plans are prepared by a variety of jurisdictions, and through community plans for smaller areas of unincorporated King County, King County should develop an annual assessment of the capacity of land use plans for employment growth, to determine whether the sum of community plans and city plans effectively address regional needs. These assessments should look at the Countywide picture, and should evaluate capacity in the County as a whole, and in urban subregions of the County, such as the Eastside, South King County, North King County. The assessments can be translated into planning targets to guide community planning efforts, and to guide King County's work with cities in planning for land use and economic development.

- CD 4: King County will develop employment and industry growth targets, to provide direction on regional economic development needs to be addressed through specific community plans, revisions and updates. The targets should provide direction on how to carry out the following principles:
- a. King County as a whole should have zoned capacity for long term employment growth that equals or exceeds the zoned capacity for household growth, to assure employment growth equal to workforce growth can be accommodated;
  - b. King County as a whole should have planned and zoned capacity for a diversity of basic and other industries and employment opportunities, including manufacturing and other industrial uses, wholesale and retail trade, and services;
  - c. Each subregion should have zoned capacity to achieve a local balance of jobs and workers at buildout, as well as providing for local shopping and services to reduce travel needs and road congestion;
  - d. Community plans, in cooperation with the cities, should identify and address local area needs for employment, shopping, services, community revitalization, and a strong tax base.

Although employment growth in newly urbanizing areas will lag behind residential growth, King County plans, in combination with city plans, should provide capacity to eventually

accomplish the principles outlined above. In order to achieve these objectives, supporting data on local capacity for a plan area and adjacent plan areas and cities is essential. An effective system of intergovernmental coordination in developing plans is also essential.

### **Intergovernmental Coordination**

The Comprehensive Plan directs King County to work with cities to plan for growth, encouraging most urban growth in existing, expanded or new cities, and encouraging incorporation or annexation to facilitate provision of urban facilities and services. Comprehensive Plan policies recognize that urban development is best accommodated in cities, which have the authority to provide the full range of facilities and services needed to support urban development.

The 29 cities in King County develop land use plans within their jurisdictional boundaries, and also work with King County on Countywide plans, and/or local land use plans for unincorporated areas adjacent to the cities. Since cities contain approximately half of King County's urban area, about 80% of the jobs, and 60% of the population, economic development programs and land use planning require cooperation among the cities and King County.

The unincorporated Activity Centers that provide for employment, shopping and services in currently unincorporated areas will, in most cases, either become the center of future new cities or be annexed to nearby cities. Because of this long term relationship between unincorporated areas and cities, cooperative planning for commercial and industrial areas is essential to provide predictability and stability on land use and service provision. Each jurisdiction has separate legislative responsibility and authority to enact land use and infrastructure plans, but cooperative planning can usually produce better long term plans through identification, discussion and consideration of the needs of each jurisdiction.

**CD 5:** King County will work with cities to plan for economic growth in both cities and unincorporated areas, as follows:

- a. Promote city and county agreement on economic development strategies and land use plans for incorporated and unincorporated Activity Centers through cooperative planning projects and interlocal agreements; and
- b. Determine long range annexation and incorporation plans and establish interlocal agreements as needed to implement economic development policies for existing and new commercial and industrial areas.

Interlocal agreements can strengthen cooperative planning, providing clear long term policy guidance on difficult issues such as future annexation or incorporation. These agreements are also essential for developing and implementing long range capital improvement plans.

### **Regional Data/Analysis**

Because there are many agencies with local land use and infrastructure planning responsibility, regional land development and capacity data and analysis are important parts of Countywide land use planning. King County collects and publishes information on development trends and vacant land supply, and also publishes related information on population and employment growth, forecasts, and demographics from other sources such as the Census Bureau and the Puget Sound Council of Governments. Data is maintained on

computerized files and published in an Annual Growth Report, as well as in other reports and issue papers.

The region's capacity for identifying trends and issues early enough to formulate actions should be strengthened by expanding available data. One important data gap is information on employment and unemployment levels for communities within King County; expanded data on vacant land and underutilized structures is also needed. This information is important for long range land use and transportation planning, and local marketing efforts; unemployment data would improve planning for employment training programs. Another type of information that would be very useful in local land use and economic development planning is local information on business changes and business vitality. Information on expanding industries or communities with greater needs would help identify needed land use changes, public improvements, or other public actions and would be especially useful for business district revitalization efforts. Most data of interest is already collected and maintained by major institutions, such as the State Department of Employment Security and the Department of Revenue, so can be acquired at relatively little cost to King County.

- CD 6: King County will maintain and expand data needed for economic development, land use, and infrastructure planning, including:
- a. Maintain current information on long term capacity for commercial and industrial development in King County, and expand the existing Commercial/Industrial Land Inventory to include information on underutilized land and buildings, and qualitative characteristics that affect market potential;
  - b. Establish the capability to report on local unemployment rates for subregions within King County;
  - c. Establish the capability to report on existing employment levels and changes by sector, for small areas within King County;
  - d. Work with the Puget Sound Council of Governments to expand/strengthen the ability to report on existing population by subarea, and to forecast population and employment growth by subarea; and
  - e. Establish the capability to report on major businesses and business changes within communities in King County, including births and deaths of firms, employment levels of major employers, business revenue levels, and similar sub-County data.

King County will work with other jurisdictions and agencies such as the Employment Security Department, the Puget Sound Council of Governments, the EDC, the Central Puget Sound Economic Development District, Metro, and the cities, to access existing computerized data files maintained by other institutions.

Expanded data will allow ongoing review and analysis to identify potential problems, and emerging economic development opportunities. Just as King County's monitoring of regional housing trends has helped to identify current and potential problems, regular reports on development trends and their implications for adopted economic development goals will help ensure these goals and policies are achieved. King County should establish a specific report on the implications of development trends for economic development goals, to examine how the sum of local plans provide for Countywide economic development.



**CD 7:** King County will expand its series of reports and issue papers on development trends to strengthen data and analysis on commercial and industrial development trends and their implications for adopted economic development goals and policies. Data/analysis should include:

- a. Countywide capacity of city and unincorporated employment centers to accommodate regional employment growth, including vacant land and capacity for redevelopment;
- b. A comparison of the region's employment growth capacity with residential development capacity;
- c. Countywide capacity of land use plans to accommodate growth in basic industries and to maintain economic diversity;
- d. Capacity of local land use plans to accommodate a balance of households and employment at build out;
- e. Capacity of public infrastructure serving Activity Centers, such as roads, sewers and water supply systems, to accommodate forecast and planned growth and economic development;
- f. Indications of potential community distress, based on regional economic changes and local indicators of distress; and
- g. Recommendations for county action to address identified issues or expand study of the issue.

The report on trends and issues could be incorporated into the County's annual growth report, which already includes some of the needed data, or could be in a separate report. The results can be used to determine needed County or city action, such as the need for a business district revitalization program, a community plan update, a facility study, or other appropriate actions.

Some issues identified through regular reports will lead to community plan updates or revisions. The data in reports can be used to provide specific direction on the regional issues to be addressed at the local planning level as discussed in action CD 4. This kind of specific direction will strengthen the effectiveness of community plans and updates in implementing regional policy.

### **Current Land Supply Issues**

Data collected and analyzed as background for the Economic Development Plan indicates long range capacity problems that will limit the ability of King County and the cities to accommodate needed commercial and industrial development. The 1985 and 1986 results of the Commercial/Industrial Land Inventory indicate that the supply of vacant land planned for commercial and industrial development is insufficient to implement King County Comprehensive Plan policies and Economic Development Plan policies promoting economic diversity, accommodating industries of significant benefit, and providing for a local balance of households, employment and retail services in urban areas.

The land inventory identifies two kinds of land shortages. First, the inventory found relatively little land for business/industrial park development in the urban areas north of I-90; available land is limited in supply, and unable to meet the near term or long term site

requirements of many of the research, electronics, medical and other knowledge-based industries seeking locations in the area. (See Figure 1.22 and 1.23, Chapter One). Second, there is a shortage of sites for commercial centers in all urban areas of King County, limiting opportunities to accommodate commercial employment growth in localities that will provide for shopping and services within a short distance of each residential area, as envisioned by the Comprehensive Plan. Local employment, shopping and services reduce travel need and resulting public costs, and contribute to a local economic base that can support local taxing districts and public services. The King County Comprehensive Plan indicates that Urban Activity Centers should provide employment within a three-to-six mile commute of urban residents, to reduce travel need, energy use and traffic problems. Traffic models indicates employment near residences significantly reduces traffic congestion. The development of several activity centers, and a local balance of employment and workers, also assures a variety of sites to accommodate the differing needs of a diverse economy.

King County and the cities should take action now to provide for long term capacity for economic development, before extensive residential development forecloses those opportunities. King County's ability to designate land for employment growth will become increasingly limited, as most vacant land is currently committed to residential use, and is being developed at a rapid rate. Once developed for residential uses, it is disruptive and costly to convert areas to commercial or industrial use. Planning for future commercial and industrial development must go beyond short term needs to assure adequate capacity, provide predictability for those investing in both business and residential areas, and minimize unanticipated disruption of established areas. Suitable commercial and industrial sites should be identified and designated now, including both vacant land, and sites in established business areas with potential for redevelopment.

Expansion or intensification of existing Urban Activity Centers and designation of new Urban Activity Centers to meet regional economic development needs is anticipated by the Comprehensive Plan (see appendix). The currently identified need is for sites for high-quality business/industrial parks with campus-like environments in northeast King County. In south King County, a wide range of sites already planned for employment growth can accommodate the employment needs of the forecast population growth for the area. Employment growth should be encouraged there, through continuing emphasis on good public facilities and services.

Business/industrial development capacity is also needed in northeast King County for several reasons. First, employment growth in the manufacturing sector is forecast primarily for northeast King County, reflecting past trends, current market trends, and the tendency of expanding firms to locate near similar firms and near their existing workforce. Manufacturing growth is especially desirable as such firms are usually basic industries that export products, and generally pay higher wages.

Second, although land in south King County can accommodate long term employment growth, a strategy to shift growth entirely to south King County would have two problems: it would conflict with or ignore a strong and continuing market trend to locate research firms in northeast King County; and it would not provide for employment growth near the rapidly growing population in northeast King County. Providing expansion sites for desirable firms in urban parts of northeast King County will provide for long term employment growth to accompany rapid residential growth, significantly reducing travel need and resulting road congestion. Providing for housing development and employment growth in proximity can help reduce infrastructure cost in the long run.

To accommodate employment growth in basic sectors such as manufacturing, the market demand for high quality business/industrial parks in northeast King County should be met

through future community plans for urban areas north of I-90. Background studies for the Economic Development Plan indicate there are ample opportunities to expand industrial development opportunities in urban parts of northeast King County, so that significant development in unincorporated rural areas is not warranted to meet this need (see Chapter One).

Community plans, developed in cooperation with cities, local residents and property owners, should be the vehicle for identifying and designating new business areas, and addressing the environmental, transportation, utility, and annexation issues inherent in developing land for commercial or industrial use.

- CD 8:** King County will identify additional opportunities for high quality business/industrial parks to accommodate research, electronics, medical and similar basic, light industries in urban parts of northeast King County, through work on community plans, and in cooperation with cities, as follows:
- a. Include a new activity center in the master plan development proposed through the Bear Creek Community Plan, to provide for business/industrial park development;
  - b. Identify/designate additional business/industrial park development opportunities through work on the Northshore Community Plan and the East Sammamish Community Plan, either by expanding existing city or unincorporated activity centers or establishing new activity centers, and providing plans and incentives for redevelopment of underutilized industrial areas;
  - c. Work with cities to determine road and utility needs for new activity centers, and establish interlocal agreements on long range annexation plans for the centers.

Figure 3.3 indicates planning areas affected by this action. Complementary strategies to take advantage of existing industrial park development opportunities in south King County include infrastructure actions and joint marketing and revitalization programs outlined in other portions of this Plan. Most new employment growth will be accommodated in existing activity centers, and this trend is supported by plan actions.

The limited supply of sites for retail, office and other types of commercial development in urban areas should also be addressed by future community plans and updates, in cooperation with cities. Much commercial development in King County occurs in established centers through redevelopment, so vacant land is not the primary means of providing capacity for growth. However, in areas with extensive vacant land and steady residential development, the opportunity to set aside land for future neighborhood or community centers should be pursued. The Comprehensive Plan concept encourages development of many small neighborhood centers throughout urban areas, containing retail stores, services, and professional offices near residential areas. These centers provide relatively low cost leaseable space for small firms and also provide jobs in local communities, many of which are available to young people. In rapidly growing portions of King County, opportunities for future neighborhood centers should be reserved while that option is still available, to implement adopted land use policies and economic development objectives. In more developed areas, there are few vacant parcels available for new centers. However, there are opportunities to provide for retail and commercial space through redevelopment and mixed use developments.

**CD 9:** King County will establish additional neighborhood or community centers in urban areas, in locations consistent with Comprehensive Plan policies, as follows:

- a. Establish new sites for neighborhood centers through the community plan updates currently underway or scheduled for the Northshore, East Sammamish, and Soos Creek planning areas in locations consistent with Comprehensive Plan policies;
- b. Identify opportunities to designate additional neighborhood centers in urban areas, consistent with Comprehensive Plan policies, through all future community plans, updates and revisions; and
- c. Work with cities to plan for needed roads and utilities, and establish agreements on long term annexation plans for the centers.

The preferred means to designate additional land for commercial development is through regular community plan updates, a process that allows for consideration of a wide variety of issues and alternative land uses. Once plans are adopted, they remain in effect for six or more years, providing long term predictability on land use decisions. In some areas, however, community plans are out-of-date and not in compliance with Comprehensive Plan and Economic Development Plan policies. In areas with out-of-date plans, King County should consider plan amendment requests initiated by the private sector as a way to implement adopted policies. These amendment requests indicate market interest, and may provide sound, low cost opportunities to implement County policies in cooperation with the private sector.

**CD 10:** King County will initiate community plan amendment studies to evaluate rezone requests for new neighborhood centers in urban areas, in areas where the community plan is out-of-date and an update is not funded within a year, and when the proposed location and mix of uses appears to meet Comprehensive Plan criteria.

Community plan amendments or revisions focusing on small geographic areas may be the most appropriate means of considering potential land use changes and addressing local site, facility and other issues before determining whether or not to approve new commercial zoning, especially in areas where a full community plan update is not warranted. Other strategies described later in this section also recognize the value of reducing the need for plan amendment studies, by building flexibility into the plans and updating them on a timely schedule.

#### **Local Economic Development Strategies**

The tasks involved in developing or revising a community plan are well suited to consideration of local economic development issues, as well as identification of local actions that would help implement regional economic development goals. Community plans are King County's primary tool for implementing land use policies of the Comprehensive Plan and functional plans such as the Economic Development Plan. King County applies zoning and identifies necessary public improvements through the community planning process. The plans provide for commercial, industrial and residential development, environmental protection, community quality, and address a range of related issues important to both local and regional quality of life.

Local economic development strategies developed through community plans will differ based on whether the plan area is urban or rural. The King County Comprehensive Plan

distinguishes between urban and rural areas, and directs King County to locate most growth, and provide supporting public facilities and public services in urban areas, with employment growth concentrated in Urban Activity Centers, as well as smaller community and neighborhood centers. In rural areas, Comprehensive Plan policies recognize the need for employment growth in Rural Activity Centers, and also encourage continuing resource industries and tourism in rural residential areas, farm and forest areas outside the Rural Activity Centers. The distinction between urban and rural areas offers a diversity of development patterns and land uses that is highly valued by County residents, and is an important part of the region's quality of life. Economic development plans for local areas should identify opportunities that maintain and take advantage of those differences.

Routine planning tasks for both urban and rural areas include collecting and analyzing data on local conditions, problems and needs; formulation and evaluation of alternative land use plans and policies; and extensive public discussion and consensus building on plan alternatives and recommended actions. Specific Countywide economic development needs identified through the Economic Development Plan, and regular data reports on regional economic issues and opportunities, will strengthen the ability of future community plans and plan updates/revisions to address economic development issues. In addition to dealing with Countywide issues, the plans must continue to address local needs for employment, a healthy local tax base, business district revitalization and other local issues.

In addition to regional data, data on local economic development needs and opportunities collected through the community planning process is important to assure local needs for employment, business district revitalization, a stronger tax base and other issues are identified and addressed in the planning process. Local analysis often identifies needs or opportunities that may not appear significant in a regional context, but that can be very important to improving the vitality and economic diversity of the local community.

- CD 11:** King County will include an analysis of local economic conditions, needs and opportunities in community plan profiles and in background data prepared for future community plan updates, including:
- a. Economic attributes of the plan area and adjacent cities, such as local employment sources and levels; major local employers, growth trends and forecasts; information on where residents work and population/demographics;
  - b. Capacity to accommodate employment growth and economic diversity in the plan area and adjacent cities;
  - c. Comparison of long term household growth capacity, and capacity for employment growth in the plan area, adjacent areas and cities;
  - d. Information on work and shopping trip destinations and average commute lengths;
  - e. An assessment of potential future economic development opportunities and options for taking advantage of desirable opportunities;
  - f. Assessment of tax revenue issues for Urban and Rural Activity Centers.

This analysis/assessment will provide a strong basis for local economic development strategies for urban communities and rural areas.

## Community Plans for Urban Areas

The King County Comprehensive Plan envisions most commercial and industrial development and most new employment in urban areas; growth is particularly encouraged in Urban Activity Centers, which are to develop as concentrations of employment, shopping, and services within short commutes of urban residential areas. Urban Activity Centers include cities with major employment concentrations, and similar concentrations in unincorporated areas. Urban Activity Centers will contain most of the regions employment.

The designated Urban Activity Centers are mapped in Figure 3.4 and listed below:

### Cities With One or More Urban Activity Center

Auburn  
Bellevue  
Bothell  
Des Moines  
Issaquah  
Kent  
Kirkland  
Lake Forest Park  
Mercer Island  
Redmond  
Renton  
Seattle  
Tukwila

### Unincorporated Urban Activity Centers

Aurora Village  
Burien  
Covington  
Duwamish  
Factoria  
Four Corners  
Federal Way  
Kenmore  
Richmond Highlands  
Sea Tac  
White Center  
Wilderness Village  
Woodinville

Growth and expansion plans for Urban Activity Centers, including the size, mix of land uses and supporting infrastructure are developed through community plans, in cooperation with affected cities. Community plans customarily accommodate local shares of regional employment forecasts, as well as addressing local tax base and employment issues and the broad range of other local community development issues.

The practice of addressing both local and regional needs should be continued. Regional data and definitions of desired industry types and employment targets, as defined in actions CD 4, CD 6 and CD 7, will provide direction on the kinds of regional economic development needs to be addressed by local community plans; the local data described in CD 11 will be the basis for identifying local economic issues to be addressed by community plans in urban areas.

**CD 12:** Community plans for urban areas and Urban Activity Centers will address regional and local economic development issues as follows:

- a. Work with cities to determine expansion needs of city or unincorporated activity centers, to accommodate industry and employment growth targets as described in CD 4;
- b. Develop plans for urban activity centers that encourage employment diversity, including basic industries, support services, wholesale and retail trade;
- c. Address local tax base and revitalization issues;

- d. Designate neighborhood or community centers in locations consistent with Comprehensive Plan direction to provide for small, frequent centers for local shopping and service businesses;
- e. Evaluate plan alternatives to ensure that each action alternative provides zoned capacity for a local balance of jobs and households at buildout, considering capacity in the plan area, and adjacent plan areas and cities; and
- f. Establish interlocal agreements with appropriate cities to indicate future annexation or incorporation plans for unincorporated activity centers, as needed to implement County plans and policies.

These principles will apply to future community plans, plan revisions and updates, and business district revitalization programs.

Other actions important to implementation of economic development plans, as well as other community plan goals, are actions to assure that supporting infrastructure can be put in place as needed to accommodate growth, so that infrastructure deficiencies will not be major barriers to growth. In addition to planning and providing for capital improvements needed to support land development, King County must also provide for infrastructure that meets workforce needs and enhances the attractiveness of activity centers. These kinds of infrastructure include parks and other amenities, human services such as child care, education and training, and other essential services. Community plans should play an active role in assuring the full range of infrastructure. Actions to implement this concept are included in this Section, in Part 4, Public Infrastructure, below, and in C. Human Resources.

#### **Community Plans for Rural Areas**

Comprehensive Plan policies for rural areas indicate King County's intent to maintain their distinctive character by conserving farmlands, forests, rural residential areas, and encouraging commercial and industrial development in existing or expanded Rural Activity Centers. Rural areas offer residential and economic choices not possible in urban areas, including farming, forestry, cottage industries, and life in a country setting within a short commute from major employment and retail/service centers.

The Comprehensive Plan recognizes that rural areas need economic growth and diversity, to meet local needs by replacing jobs and tax base lost to structural changes in the economy, and to provide some independence from the economic cycles of resource industries. Local economic activity in King County's rural areas currently consists primarily of resource industries such as farming, forestry, mining, and businesses in Rural Activity Centers that provide goods and services to tourists, residents and other businesses. A degree of independence from local businesses is provided by rural residents who earn their incomes in urban areas but choose to live and spend part of that income in a rural setting. This interdependence among urban and rural areas will continue, but rural areas also need business investment and business development to maintain or improve local employment and tax base levels.

Comprehensive Plan policies support continuation of resource industries and also envision a healthy diversity of business and industrial uses in Rural Activity Centers, recognizing that the centers may need to expand or intensify to accommodate both economic and housing growth. A local balance of jobs and population may not be desirable or possible in all rural communities as expansion of Rural Activity Centers will be limited by the absence, in most areas, of high capacity public facilities such as highways and urban

sewer and water systems, and by the desire to conserve adjacent resource lands and rural residential areas. Within this policy context, economic and land use plans for rural areas should seek appropriate levels of economic activity, encouraging tourism, cottage industries, and home occupations in rural areas outside the towns, and providing for the public facilities needed to support the full range of commercial and industrial development envisioned for Rural Activity Centers.

Most rural activity centers are incorporated cities; only Vashon and Fall City are unincorporated. The designated Rural Activity Centers are mapped in Figure 3.5, and listed below:

Incorporated Rural  
Activity Centers

Black Diamond  
Carnation  
Duvall  
Enumclaw  
Skykomish  
Snoqualmie  
North Bend

Unincorporated Rural  
Activity Centers

Fall City  
Vashon

Since the health and vitality of rural towns is important to implementation of King County's land use plans, King County works with rural city officials to develop land use plans and economic development goals and policies for both incorporated and unincorporated rural areas. King County should continue to work with the towns to plan and secure funding for needed infrastructure improvements, as described in the infrastructure section, below. Annexation agreements for planned growth areas outside of towns will also be important, to provide for efficient and timely extensions of facilities and services.

**CD 13:** Community plans for rural areas will address regional and local economic development issues through the following actions:

- a. Develop plans for Rural Activity Centers that provide capacity for retail stores and services adequate to meet the frequent shopping needs of the population that can be accommodated at build-out;
- b. Develop land use plans that encourage a variety and diversity of industries and businesses in Rural Activity Centers to provide for a healthy local tax base for rural cities and service districts, and to provide relief from severe local unemployment problems;
- c. Develop plans and programs for unincorporated areas outside of activity centers that encourage productive management of resource lands, and that take advantage of the potential for tourism and recreation provided by the open space, farms and forests, mining operations, historic sites, small towns, and scenic natural features in rural areas;
- d. Establish interlocal agreements to promote cooperative land use, facility and economic development planning, including agreement on annexation areas.

Planning for rural areas and Rural Activity Centers will continue to occur through community plans and updates, and through business district revitalization programs.



Resource industries in King County, including farming, forestry and extractive industries, are located predominantly in areas designated as agricultural and forest production districts, and in the adjacent rural areas where large tracts of land and low population densities permit continued, productive operations. The King County Comprehensive Plan states King County's intent to retain resource industries as part of King County's economic base. Community plans for rural areas will have a major role in implementing this goal by applying resource zoning and buffering resource industries from incompatible adjacent uses.

**CD 14:** King County will encourage continuation of resource industries through the following actions:

- a. Through community plans for rural areas and resource production districts, apply appropriate resource zoning and apply land use designations and conditions on adjacent lands to buffer resource lands from incompatible uses;
- b. Through work on community plans and business development activities, identify potential incentives King County can use to encourage resource industries and eliminate disincentives;
- c. Continue the Comprehensive Plan implementation program to ensure land use, taxation and utility policies designed to provide opportunities for mining, forestry and agriculture are implemented;and
- d. Continue to provide technical assistance on business development and management practices through Cooperative Extension programs.

### **3. Land Use Regulations/Permitting**

King County has initiated comprehensive changes to land use regulations and the permit process, to improve efficiency, and implement new County policies. Changes currently being considered or underway for community plan documents, the plan amendment process, the zoning code, and the permit processing system provide an opportunity to incorporate economic development goals.

#### **Community Plan Documents/Amendments**

King County is currently evaluating potential changes to the community planning system, including changes to the content of future plan documents and plan maps, and changes to the plan amendment process outlined in King County Code Title 20. Changes to the system should incorporate greater flexibility, to expand King County's ability to evaluate and take advantage of newly emerging economic development opportunities that are consistent with Comprehensive Plan policies and the broad policy intent of community plans. Several kinds of changes could be built into the community planning system to add some degree of flexibility on specifics, while also maintaining the overall emphasis on continuity and predictability by providing clear, long range policy direction.

**CD 15:** King County will build flexibility into planning documents and codes, to allow timely consideration of changes that are consistent with Comprehensive Plan and Economic Development Plan policies and community plan intent, as follows:

- a. In future community plans, amendments and revisions, emphasize policy intent, to clarify the goals/purposes for specific land use designations, and to provide clear guidance for evaluating potential changes;

- b. In future community plans and updates, establish general land use designations or a range of acceptable land uses, to allow consideration of minor shifts in uses, such as from one business zone to another;
- c. Revise the plan amendment criteria and procedures in King County Code Title 20, to allow changes to area zoning when consistent with Comprehensive Plan policies and the broad policy intent of community plans;
- d. Maintain a regular schedule of plan updates and revisions, to prevent plans from becoming outdated and reduce the need for amendments; and
- e. Establish and fund a community plan amendment process that allows timely consideration/evaluation of proposed rezones and plan amendments to implement new Countywide policies and goals, in areas where plans are out of date and revision are not funded.

### Commercial/Industrial Zoning Code

A comprehensive revision to the the King County Zoning Code (Title 21) was initiated to address a number of issues regarding format and intent; this thorough review and reconsideration is an opportunity to incorporate policy directions of the Comprehensive Plan regarding commercial and industrial development, and to address the needs of a rapidly changing economy and employment structure.

Several kinds of changes should be considered. First, the code revisions should seek to strengthen requirements for quality development. Firms and developers have expressed strong support for promoting high visual quality in industrial areas, such as requiring extensive master planning projects, screening of outside storage and other features to maintain or increase the attractiveness of industrial areas, and thus expand the range of potential users.

Second, the Commercial/Industrial Land Inventory identified a very limited supply of land zoned for heavy industrial uses, and there has been reluctance in cities and unincorporated planning areas to establish areas that categorically allow such uses. Since many firms that require heavy industrial zones are manufacturers that export and pay higher wages, King County should assure that new code provisions provide opportunities for such uses. One potential system for addressing problems in siting heavy industrial uses would be to allow such uses in any industrial zone if the firm demonstrated the ability to limit off-site impacts. Another option would be to strengthen visual and sound buffering to facilitate application of the zone to specific properties.

A third issue to be addressed in the code revision project is employment densities. Comprehensive Plan policies promote increased employment densities in Urban Activity Centers, with densities in the range of 50 employees per acre seen as desirable to promote more efficient use of land, and increased use of public transportation. The code should be reviewed to ensure that floor area ratios, height limitations, calculations for parking structures, and other requirements are consistent with this concept.

Another consideration in the zoning code revision project should be to maintain the features of the code that allow flexibility to businesses, and also provide the flexibility for each community to promote a mix of businesses and site requirements appropriate to the area. The code currently allows a wide range of uses in industrial zones, so that a mix of business/industrial uses can occur. This approach is desirable because its focus on

controlling impacts rather than uses, provides considerable flexibility for siting new combinations of uses, or for siting future uses not common today. This feature should be retained or expanded. The code also allows community plans, in certain circumstances, to restrict the range of uses in a particular area, through specific limits applied to the area zoning. Although, in general, maximum flexibility is beneficial to economic development, in some cases community and business needs may be better served by restricting uses in a particular area; for example, to reserve some portions of an industrial area for manufacturing use only, or to emphasize pedestrian-oriented retail uses, or similar limits. The code currently provides this option, which should be maintained.

**CD 16:** Through work on the zoning code revision project, King County will investigate approaches for incorporating the following concepts:

- a. Encourage creation of mixed business/industrial areas with high quality design features, including ample landscaping, screening of loading areas and outside storage, screening of uses within the industrial area from arterials and adjacent residential areas, and other conditions to maintain or create a quality appearance within the area, and from adjacent areas;
- b. Retain the maximum feasible flexibility of uses within business/industrial zones, provided the code assures adequate buffering from adjacent, incompatible uses allowed within the same classification;
- c. Ensure the code provides for siting of heavy industrial uses, including reviewing the classifications to determine whether the category is still appropriate, providing for adequate buffering of high impact users to limit off-site impacts, and other approaches to assure a variety of basic industries can be sited in King County;
- d. Review the code to identify and remove unnecessary barriers to employment density, and to incorporate incentives for density and public transportation facilities; and
- e. Include provisions in the code to allow community plans to specify use restrictions when appropriate to reserve parcels for specific uses.

In addition to these changes to business zones, a recommendation in Section 3, Human Resources, calls for review of all zones to identify incentives for providing child care at employment centers, in schools, and in neighborhoods, and to remove unnecessary barriers to such uses.

### **Permit Processing**

King County procedures and schedules for issuing commercial and industrial development permits are currently being revised to increase efficiency and shorten the time it takes to issue permits. The requirements for obtaining permits for commercial and industrial buildings necessarily involve numerous, detailed reviews, to ensure adequate protection of public health, safety, and environmental quality. The great volume of permits processed by King County, and significant annual fluctuations in permit activity, make the task of processing permits efficiently a difficult management and procedural challenge.

Ongoing actions to ensure an efficient, predictable permit system capable of issuing permits within a reasonable time period are important to King County's ability to accommodate economic development. Delays and uncertainties in obtaining permits can add

significantly to the cost of construction, and can discourage investments in plant expansion. Particularly for smaller businesses, a relatively short and predictable processing time is important to reduce finance costs and other costs of delay.

King County has already instituted several changes to improve the system, with the assistance of the Economic Development Council. In 1986, the permit management system was reorganized to increase the authority of the Building and Land Development Division, the permit issuing agency. In 1987, work on a computer management system for permit tracking began, and is expected to be completed in 1989. King County will focus on shortening the issuance time for commercial and industrial permits, which tend to be relatively complex. Improvements currently underway will make a substantial difference in helping King County meet its permit processing efficiency targets.

**CD 17:** King County will continue to identify and implement improvements to the permit processing system to increase efficiency and shorten processing time requirements, through the following actions:

- a. Establish reasonable processing time targets for commercial and industrial permits, to provide predictability to users;
- b. Provide for adequate funding and staffing levels to meet and maintain target processing timelines; and
- c. Work with private sector users and the Economic Development Council to identify remaining problems and evaluate alternative actions to improve efficiency and timelines.

In addition to overall improvements in the permit processing system, King County has assigned staff to coordinate review of complex permits to be sure they move through the system in a timely manner. The task of the complex permit coordinator is to ensure permits which require additional reviews are not unnecessarily delayed by King County or the applicant. Even with the significant improvements to the regular permit system currently underway, the complex permit coordinator will likely be needed at least for the life of this Plan. This system can also be used for projects that need special handling when unusual circumstances make speedy processing critical to the ability of the project to be completed.

**CD 18:** King County will continue and expand staff assistance to ensure complex permits are processed efficiently and quickly, and to provide additional assistance to projects that are time sensitive due to unusual circumstances.

As routine permit processing becomes more efficient, permit coordinators will be able to focus on unusually complex or time sensitive projects.

## **5. Public Infrastructure**

An adequate, safe and well maintained infrastructure system — including both public facilities and services — is an essential support for economic development. For example, transportation systems that can efficiently move raw materials and finished goods, and enable efficient commutes for workers, can reduce the cost of doing business, and reduce unproductive time for the workforce. Sewer and water service, surface water management facilities, and police and fire protection are fundamental government services needed to support development, and make communities and activity centers attractive places to work and do business. Efforts by King County and other service providers to

maintain and improve the public infrastructure system meet a variety of public goals, and also provide an environment conducive to continuing economic development. This section deals primarily with infrastructure facility improvements. Human services infrastructure, such as child care centers and education and training facilities, also a critical part of community and economic development, are discussed below, in C. Human Resources.

### **Infrastructure Planning**

The task of developing a regional infrastructure system is especially difficult in King County, where public infrastructure responsibility is shared by many jurisdictions and agencies. In unincorporated areas, King County manages infrastructure planning and provision of roads, bridges, surface water management facilities, and parks; sewer and water service and improvements are the responsibility of special purpose districts or cities that provide service to unincorporated areas. Within city boundaries, the cities provide the entire array of local facilities and services, or contract with other local governments to arrange service. To provide an effective Countywide infrastructure system through this array of providers requires a strong commitment to cooperative planning among jurisdictions and agencies.

King County is currently working cooperatively with other public agencies and the private sector to identify and address regional and subregional infrastructure needs for transportation, surface water management, water and sewer service, and fire protection. In addition, King County participates in private sector efforts to address regional infrastructure needs, such as the King County 2000 Study, the Valley Area Transportation Alliance project, and the Economic Development Council's infrastructure financing project.

Regional efforts to address common problems are more effective than case by case approaches, and should be continued. A clear perspective on multijurisdictional public improvements important to economic development, or major infrastructure deficiencies that will significantly limit growth capacity is essential in setting priorities for improvements.

**CD 19:** King County will strengthen its work with cities and local and regional service providers to identify and address regional infrastructure needs, through the following actions:

- a. Maintain and update information on capacity problems in the Countywide road system, including County roads in unincorporated areas, and roads in cities that are part of the regional transportation system, through periodic updates to the Transportation Plan;
- b. Continue to work with cities, businesses, property owners and economic development groups to plan and implement subregional transportation improvements that promote efficient commutes for workers, and efficient business travel between activity centers, through projects such as the Eastside Transportation Program and the Green River Valley transportation program;
- c. Strengthen work with Metro and the cities, through participation on the Metro Council and joint public transportation projects and programs, to address public transportation needs that either expand road capacity or promote more efficient use of existing roads;
- d. Continue to work with cities, and other public agencies to identify and address existing and potential surface water problems in urbanizing areas,

through basin planning and through the Surface Water Management Program;

- e. Continue to work with cities and other public agencies to identify/address existing and potential ground water problems through ground water management programs to protect important recharge areas;
- f. Continue to participate in regional and subregional planning projects with sewer and water service providers and fire districts to identify Countywide needs, set standards, establish priorities and identify funding mechanisms;
- g. Continue to take an active role in regional and subregional water service planning, through work with Regional Water Associations and other water supply planning programs, to agree upon service areas, set common facility standards, and assure adequate long term water supply.

The King County Comprehensive Plan recognized the need for a Countywide infrastructure capacity study, and groups such as King County 2000 have pointed out the value in having a solid overview of all competing projects and relative priorities. Projects that contribute to economic development goals should be among those priorities.

#### **Infrastructure Funding Approaches**

Infrastructure plans cannot be implemented without assurance of adequate funding, an increasing concern as federal funding sources for infrastructure diminish, and as development interest outpaces local government's ability to fund improvements. Several regional studies have identified significant gaps between needs and funds, at both the regional and local levels. In general, governments need a wide range of funding sources and approaches to draw upon, to ensure improvements and services are not a long term obstacle to meeting economic development goals.

Funding for infrastructure improvements comes from a combination of private and public sources. The public sector allocates public funds through capital improvement programs prepared by the individual jurisdictions responsible for the specific facilities. State and federal programs offer grants and loans that can be used in communities with special needs or promote basic economic development; King County staff help cities and special districts obtain these funds. In addition, the private sector funds much of the new infrastructure needed for roads and utility improvements, and provides some contributions to off-site improvements needed for the project.

As public sources of funds for infrastructure have lagged behind need, local jurisdictions have increased their studies of alternate funding systems, discussing the possibility of bond issues, special taxing districts, and private sector contributions or fees to mitigate development impacts on roads and other public facilities. Although it is difficult to identify funding systems supported equally by all interests, it is essential to establish systems that will assure adequate funding levels and that are generally perceived as equitable.

Funding systems that are most supportive of economic development goals and encourage investment in business expansion are those that are predictable in terms of costs and point of assessment; minimize front end assessments, which result in high finance costs and business cash flow problems; and produce adequate revenue levels to make the improvements when they are needed. A discussion of business finance issues is contained in Section 1, Business Development. King County should consider these issues in instituting funding systems for infrastructure.

**CD '20:** King County will work with cities, special districts, and economic development groups to develop infrastructure funding strategies that assure adequate funding levels and sources for planned growth, through the following actions:

- a. Identify the public costs of road improvements to serve existing developments and planned growth, and the portion of future costs that should be the responsibility of the public sector, through work on the King County Transportation Plan Mitigation Payment Program, and funding strategy;
- b. Identify costs associated with surface water improvements in developing areas, and identify appropriate sources of funding to implement basin plans and establish surface water management facilities;
- c. Support increased funding for state and federal infrastructure grant and loan programs for community and economic development, especially for communities with special needs; and
- d. Evaluate costs and funding sources for the full range of public improvements, including roads, public transportation, sewer and water improvements, parks, and work with others to establish funding approaches that assure adequate funds to make needed improvements, while also supporting economic development goals.

The range of funding options King County will consider include bond issues, increases to the tax on gasoline, developer contributions and mitigation fees, special improvement districts and benefit districts, tax increment financing, and increased use of state and federal grants and loans. These and other mechanisms should be evaluated to help expand the range of available infrastructure funding tools.

Among the potential funding tools being considered are private contributions to off-site infrastructure, such as fees assessed to new development to cover the costs of mitigating off-site impacts connected with the development. The advantage of a system of private contributions and/or development fee mitigation to the private sector is that developments can proceed without the delays that would result if improvements were to be funded wholly from public sources. The disadvantage is that private sector contributions to infrastructure increase the cost of investment in plant and equipment, at a time when basic industries are experiencing real economic difficulties, and tax incentives for investment have been reduced. The method of collecting private sector contributions can play a major role in raising or lowering development finance charges, as well.

**CD 21:** King County will work with cities and economic development groups to examine alternative systems for assessing new development for infrastructure improvements, and will establish systems that have the following features:

- a. Public and private shares of costs are reasonably related to direct public and private benefits;
- b. The private share of costs is predictable and known at the beginning of the development project; and
- c. The public's share of costs is assured and the improvement schedule predictable.

If fee mitigation of development impacts is necessary to assure adequate facilities and services, methods of reducing the cost consequences for economic development projects

should also be explored. In general, methods which take advantage of lower cost public financing, link the payment schedule to the life of the improvement, and do not require improvements significantly ahead of need will reduce overall and upfront costs to the private sector while still assuring adequate funding to meet public goals.

**CD 22:** King County will establish fee assessment approaches which reduce upfront financial impacts to the private sector.

Ideally, the cities and King County would develop similar infrastructure funding systems, including similar definitions of public and private shares of costs, and similar financing tools. The varied financial situations and powers of the cities, however, will likely result in somewhat different approaches. For example, some cities eager to encourage a particular kind of development may choose to contribute what might normally be considered the private sector share; in other cases, the local jurisdiction may have no means for raising the portion that should reasonably be funded by the public sector. King County can encourage complementary systems to some extent by sharing data and information on alternatives, by seeking city input on programs the County is considering, and by working on joint studies to address the topic, such as the Economic Development Council's infrastructure financing project.

#### **Capital Improvement Program**

King County indicates plans and schedules for funding road and surface water improvements through the six year capital improvement program (CIP). Funding needs are evaluated through the CIP priority process, a complex system that weighs current and projected system needs, and recommends funding priorities based on County plans, growth projections and existing needs. Projects needed to serve planned commercial and industrial development are included in the CIP priority process. The priority process has the capability to incorporate adopted economic development goals or changing strategies among the factors weighed in establishing priorities.

The Comprehensive Plan indicates that King County should use capital improvement targeting to support growth in areas where implementation of county policies for economic development or affordable housing could most effectively be achieved, such as in areas where most facilities are in place, and where additional improvement would remove a major obstacle to planned growth, or to stimulate growth in areas of specified need. King County should implement this policy to support economic development.

**CD 23:** King County will establish criteria for recommending high priority economic development projects for consideration in establishing the CIP, to implement the Economic Development Plan, and to implement economic development strategies established through business district revitalization projects and community plans.

The Roads CIP is based on a complex system of setting priorities, using quantifiable factors to compare and evaluate funding needs. A system for quantifying and ranking economic development priorities will be necessary in order to provide input to the CIP priority process.

The concept of flexibility to respond to opportunity, one of the basic themes of the Economic Development Plan, should be incorporated into capital improvement funding decisions as well as other county regulations and procedures. Available funds for the six-year CIP period are usually fully committed to specific projects. However, King County should retain the ability to change CIP schedules as needed to assure funding for the public share of projects that help implement adopted economic goals. This does not



necessarily mean that an improvement can be made immediately, but that King County should be able to commit to making the improvement when needed.

**CD 24:** King County will maintain and strengthen its ability to revise the CIP schedule to take advantage of significant economic development opportunities that implement adopted County policies.

The Surface Water Management Program has a small opportunity fund that allows flexibility to respond to unforeseen opportunities. A similar, flexible system should be investigated for roads needs.

### **Infrastructure Grants and Loans**

King County currently works with small cities and utility districts to help them obtain state and federal grants and loans for infrastructure, for projects that create jobs, increase the tax base, and contribute to economic diversity. The County also has a small revolving loan fund that can be used for utility improvements. These tools help remove infrastructure obstacles to economic development, serving as incentives to business expansion, and helping to stimulate other investments in the business districts.

**CD 25:** King County will continue to assist cities and utility districts obtain grants and loans for infrastructure improvements to support economic development, including:

- a. Provide technical assistance to help evaluate alternate funding sources, and to package and apply for appropriate grants and loans; and
- b. Work with cities and other counties to encourage state and federal officials to increase funding levels and funding tools, especially for projects which support basic industries or encourage employment in communities with special needs.

King County should also investigate the possibility of increasing its own infrastructure grant and loan funds to help support economic development. State and federal grant and loan programs do not meet the needs of many typical business districts such as design of public spaces or building facade improvements, or may be targeted too narrowly to certain industry types. King County should investigate establishing its own funding systems and programs to meet needs not addressed by other programs.

**CD 26:** King County will investigate the potential for establishing grant and loan programs for design and development of capital improvements to promote economic development, including investigating the following potential tools:

- a. Expand the revolving loan fund to assist with a broader range of projects in small cities and utility districts;
- b. Establish an incentive program to support locally initiated business district revitalization programs to allow assistance with projects such as sidewalk or landscape improvements, local business area design studies, and other projects that affect public spaces but are low on the CIP priority list.

A greater assortment of funding tools will allow King County more flexibility to respond to emerging opportunities and needs identified through community plans and business district revitalization projects.

## **Infrastructure Plans for Activity Centers**

Specific infrastructure improvement plans and funding strategies for unincorporated activity centers are developed through community plans and business district revitalization projects in cooperation with the agencies responsible for the improvements. Infrastructure improvements are often the key to implementing economic development strategies, indicating public commitment to an area, removing deficiencies that are obstacles to planned growth, and encouraging accompanying private investment. The Comprehensive Plan concept encouraging most commercial and industrial development in concentrated patterns in Urban and Rural Activity Centers requires that supporting infrastructure improvements be put in place.

King County should strengthen its emphasis on implementation of infrastructure plans for activity centers, working with local leaders and service providers to assure adequate funding commitments. Now that Countywide funding approaches are in place or being developed, and now that King County is working with a broader range of funding tools, King County should strengthen its efforts to develop and follow through on public improvement plans that support planned economic development, especially in activity centers.

- CD 27:** King County will work with cities and utility service providers to develop and implement infrastructure improvement plans for unincorporated urban and rural activity centers, through the following actions:
- a. Based on Countywide assessments and local studies, identify infrastructure deficiencies in unincorporated Rural and Urban Activity Centers that present significant obstacles to planned commercial and industrial development;
  - b. Through community plans, business district revitalization programs and other actions, establish a funding strategy and timetable for each activity center to accomplish priority improvements, including identifying specific funding sources from the range of available King County tools, such as the CIP, grants and loans, and private contributions;
  - c. Take an active role in working with state and other public agencies to secure needed improvements, help obtain grants and loans, help form local taxing districts, and other actions needed to implement funding strategies; and
  - d. Evaluate progress and reassess needs periodically, through community plan updates, progress reports on business district revitalization efforts, community plan implementation reports, and monitoring reports.

An overall assessment of needs for the unincorporated activity centers and identification of workable funding strategies should be completed within the five year life of the Economic Development Plan, to provide a realistic, Countywide picture of growth capacity and to contribute to formulation or strengthening of regional funding strategies.

An integral task in developing infrastructure improvement plans for unincorporated areas will be coordination with the cities and special districts that provide service in unincorporated areas. King County will be encouraging annexations in some cases as the ideal way to implement land use plans for activity centers; in these cases, cities should play a major role in helping to outline long range improvement and funding plans for activity centers. Since cities and special districts play a key role in providing needed sewer,

water and fire service to support economic development in unincorporated areas, they should be active participants in determining schedules and funding tools for infrastructure.

**CD 28:** King County will continue to work with cities and utility districts to develop plans for infrastructure in unincorporated activity centers and business districts, through the following actions:

- a. Establish interlocal agreements with cities to develop agreement on potential annexation areas, municipal service areas and planning areas for unincorporated commercial and industrial areas;
- b. Develop complementary infrastructure improvement standards for unincorporated areas within potential annexation areas, to ensure efficient links between systems, and to facilitate planned annexation;
- c. Develop joint funding strategies with cities and special districts, to assure all improvements needed to implement economic development plans for unincorporated activity centers can be funded.

Ongoing work with cities to develop interlocal agreements will be the primary way King County ensures adequate participation in developing long range service plans. Community planning and business district revitalization efforts will also contribute to this goal.

## C. HUMAN RESOURCES

Among King County's greatest assets for economic development are its human resources. Human creativity and productivity are key factors in the ability of an economy to expand. King County residents are generally well-educated, with work and business skills that contribute to high productivity and a variety of new and expanding businesses that create new jobs.

The ability of existing and future King County residents to take advantage of economic opportunities and contribute to economic growth can be enhanced through supportive public and private programs. Programs that enable people to adapt to economic changes, expand their skills and knowledge, and take advantage of employment and business opportunities increase the region's capacity for economic expansion.

King County works with public and private education, business and labor organizations on joint programs aimed at increasing human resource potential, including basic education, employment and entrepreneurial training, child care assistance, and transition assistance for persons hurt by economic changes.

### Basic Education

The development of this country's economy has been supported by its strong educational system, providing most adults with basic skills such as reading, writing, math and science skills. Our future economic prosperity also depends on educational quality, as the region and the nation move toward a knowledge-based economy. High quality education at every level — primary, secondary and post-secondary — is essential to provide workers and entrepreneurs with the basic skills needed to understand and meet work requirements and adapt to emerging job requirements.

The skills required by productive and higher paying industries are, in large part, basic communication skills (reading and writing); math and science competency; and analytical or problem solving abilities. These skills require a solid foundation obtained in the elementary and secondary schools. Secondary and post-secondary schools which provide professional and technical training, research and technological skills, are also an essential contribution to the region's capacity for economic development. A sound education prepares new entrants to the work force, and enables people to adapt more easily to rapid technological change.

King County has an indirect role in basic education, primarily supporting the efforts of the public and private schools to maintain and enhance educational quality. This supportive position should continue, and King County should help build public understanding of the link between education and economic development.

- HR 1: King County will support quality education in local public and private schools by:
- a. Working with the educational institutions as a supportive partner on joint programs to strengthen education at each level; and
  - b. Promoting public understanding of the fundamental contribution of education to economic development.

HR-1 provides principles to guide potential future action, indicating that King County will be receptive to opportunities for cooperative programs at the local or Countywide level. In addition, the important link between education and economic development can be explained through regular King County reports on economic trends.

King County supports basic education indirectly through programs to help disadvantaged or troubled youth resolve problems that are obstacles to education and future employment. Current estimates indicate that 20 to 25 percent of students drop out of school, and also indicate that high school dropouts have a high rate of unemployment (about 28 percent). Programs run cooperatively with school districts and private social service agencies such as Youth Service Bureaus provide job placement, work to prevent drug abuse and teen pregnancies, and provide family counseling and other support services to enable teenagers to complete school. King County also works with the Private Industry Council (PIC), supporting efforts such as the Registry program to involve businesses in providing student internships, scholarships and summer jobs as incentives to encourage students to complete their high school education and gain employment skills.

- HR 2: King County will continue to support programs to encourage youth to complete high school and gain employment skills, by:
- a. Supporting and offering programs that help youth take advantage of educational opportunities; and
  - b. Working with the Private Industry Council and local businesses to promote business involvement in developing incentives for youth to obtain a sound education and employment.

King County's objectives in youth support programs also aim to strengthen the human services infrastructure in rapidly urbanizing areas of King County.

#### **Entrepreneurial Education**

An aspect of education important to business development is entrepreneurial education. Information on how to develop a business plan, financial management, sources of expansion financing, and other practical information useful to smaller businesses are not necessarily taught in traditional business education programs, which usually focus on preparing people to work as middle managers in large corporations. The community colleges, in cooperation with the Small Business Administration, provide courses on all aspects of business management, attracting those who have already begun a business or are considering starting one. Some of the universities in the area are also emphasizing education for those who may eventually start a business. By including this kind of educational material in schools, training resources will be expanded, and more potential entrepreneurs will be encouraged. In addition, the existing network of business assistance services will be more effective if complemented by a stronger range of educational opportunities designed to promote small business start-ups and expansion.

- HR 3: King County will promote entrepreneurial education in the colleges, community colleges, technical schools, and high schools, to encourage those with entrepreneurial talent to form and expand new businesses, by:
- a. Working with the institutions to publicize and expand existing programs for young people and adults; and
  - b. Maintaining information on the range of programs being offered, and referring business people to the appropriate educational institution.

King County should also investigate the potential for reinstating its former entrepreneurial program for unemployed persons, as described in the employment training section below.

## Employment Training

Employment training enhances general skills acquired in elementary and secondary schools, and strengthens the ability of the workforce to contribute to economic growth and adapt to a changing economy. People need training to keep up with new job requirements, and to prepare for new jobs when old jobs are lost through changes in the economy. The presence of a trained and skilled work force is also an asset for firms considering expanding or locating in the region.

Technical, professional and other work training programs in King County are offered by the community colleges and vocational technical institutes, as well as several private schools. Federal funding helps provide work training for disadvantaged persons, such as people with very low incomes. The Private Industry Council (PIC) manages federal funds for training and placement of disadvantaged and unemployed persons, including funding specialized training to help meet the labor force needs of expanding or new firms. King County is a member of the PIC, and through participation on the Joint Executive Board plays an active role in planning for training needs. In addition, King County applies for funds through the PIC to offer work training programs, including on-the-job training for disadvantaged youth and adults; job search training; remedial education; and a summer youth employment program. King County also manages employment and training programs for groups of people with unique employment and training needs, such as refugees, veterans, and persons with developmental disabilities or the mentally ill.

Training programs enable people to take advantage of economic opportunities, and also enable the local economy to grow by contributing to workforce productivity. King County should continue to play an active role in identifying and meeting training needs, and will work with other agencies to shape a long range vision of an effective training system for this region. King County can contribute data and analysis, assist with needs identification, and help establish funding priorities.

HR 4: King County will work with other organizations to support continued development of a Countywide training system capable of preparing the region's workforce for jobs that will be in demand, provide for career advancement, and pay a living wage through the following actions:

- a. Serving as a member of the PIC Joint Executive Board to plan and set priorities for PIC funded training programs for the disadvantaged and unemployed;
- b. Working with the PIC, the EDC, the community colleges and vocational schools to assess long term training needs and remedial education needs, and develop effective long-range approaches for meeting those needs;
- c. Acquiring subcounty data on employment by industry sector, employment change, and unemployment, in cooperation with the State Department of Employment Security and interested local agencies; and
- d. Working with other agencies and governments to increase federal, state and local funding for training programs, to ensure all disadvantaged persons and the long term unemployed have access to training.

By continuing to play an active role in planning for training, King County can contribute to a training system that is responsive, prepares people for a wide range of potential jobs, and provides work skills needed by growing industries in the region.

In addition to its active role in planning, King County will continue to manage training programs to meet special needs. King County also encourages private sector involvement in training. A particularly effective method of employment training requiring private sector participation is the apprenticeship model, which combines studies with on-the-job experience under the supervision of an experienced worker. This model is used by the trade unions, by on-the-job training programs, and by some businesses involved in the Registry program, a program sponsored by local businesses to provide young people with work experience, good work skills, and a job when schooling is completed. This type of program is an ideal incentive for high school students, and can be used by both large and medium sized business. Some businesses see this program as a contribution to the community; others view it as a way to meet their future labor needs.

Through ongoing contacts with employers, King County can promote awareness of training needs and programs. King County should also monitor state and federal programs to promote support for training, and take advantage of any new funding.

**HR 5:** King County will continue to promote and offer training programs to help disadvantaged persons gain employment and become self-sufficient, including:

- a. Continue to offer summer work training programs for youth;
- b. Design and manage work training and on-the-job training programs for disadvantaged youth and adults, including refugees, and veterans;
- c. Work with other groups to encourage private firms to offer their own work training programs and participate in on-the-job training;
- d. Investigate the potential for re-establishing the entrepreneurial training component of the work training program; and
- e. Continue to work with other agencies to identify unmet training needs, and design and manage programs to address the needs.

King County contacts with businesses through the finance program, the business district revitalization program, and other projects provide opportunities to promote training programs and to promote the PIC's services in providing trained workers to fill new or replacement jobs. By encouraging businesses to use the PIC's services, King County can help disadvantaged persons find potential jobs, and also help link businesses to a source of trained labor. Stronger links with the PIC also promote affirmative action, as PIC programs activity seek a high percentage of participants from minority groups.

**HR 6:** King County will continue to seek opportunities to promote PIC services, by providing information on PIC services to businesses involved in King County finance, revitalization, and planning projects; by encouraging County contractors to use PIC services; and by helping businesses pool their training needs in order to take advantage of customized training programs.

The training programs discussed above are focused on those who can become self sufficient, competitive members of the workforce, given basic educational and training support. King County also works with groups of persons with developmental disabilities or mental illness; some of these persons cannot become self sufficient, but can contribute to the economy and their own livelihood and increase their self-esteem by working. The concept of providing employment for people with such limitations is being used successfully in King County, in cooperation with companies such as Microsoft and Puget Power.

King County and the state provide support, in enclave programs, to groups of workers who can perform needed tasks that industries are willing to pay for. This program provides industry with needed workers to perform relatively repetitive tasks, while also increasing self esteem among the workers and reducing public costs.

HR 7: King County will continue and expand its employment placement program for the mentally ill and persons with developmental disabilities, to reduce cost of care and provide needed labor.

#### **Affirmative Action**

King County has well-established goals and programs designed to promote affirmative action hiring, to ensure women, minorities, and people with handicaps have equal access to better paying jobs with potential for advancement. King County departments work to meet affirmative action goals in hiring decisions, and King County requires its contractors to use similar programs. By continuing such programs, King County can increase opportunities for all potential workers/entrepreneurs to contribute to the economy.

HR 8: King County should continue/strengthen programs to assure equal employment opportunities, especially in higher paying professional, technical and managerial jobs, by pursuing affirmative action goals in King County hiring practices and by encouraging County contractors to meet similar goals.

#### **Child Care**

An adequate system of affordable, high quality child care service is an increasingly important economic development concern, for a number of reasons. Approximately two-thirds of all mothers with children under twelve years old are in the work force now; over 44 percent of women with pre-school children work. Forecast labor force shortages indicate child care will be increasingly necessary, to allow parents to work. In addition to being a necessity for working parents, high quality child care is also a source of family enrichment, providing preschool educational experiences and school readiness, similar to the Head Start Program, as well as opportunities to interact with other children and other adult role models.

King County can promote greater choice and quality in child care services for middle and high income families by providing data on market demand, and helping to increase understanding of the components of quality care. Parents working for low wages, however, face a different set of problems. Child care is an essential prerequisite to allow single parents to work for a living; about 1/6 of all families are single parent families. For single parents working for low wages, child care costs can be significant, serving as the barrier to ending dependence on public assistance, or keeping the family in poverty. Market rate child care for infants and toddlers is \$350 to \$450/month; market rates for preschoolers run \$200 to \$300/month. These are significant costs for minimum wage workers who may earn as little as \$630/month. King County should work with other local and state agencies to assure adequate, affordable child care is available to the working poor.

Child care is currently provided by private businesses and nonprofit groups throughout the County. Some employers also provide on-site child care for employees, or help employees with child care through assistance in locating suitable providers, automatic payroll deductions/payments to the employee's chosen child care provider, or various forms of cost subsidy. King County can offer incentives such as data/information; grants for facilities serving low income families; assistance with business loan applications for



private providers; zoning code changes to make it easier to site new centers; and other actions to encourage private and nonprofit sectors to provide needed child care. King County should also continue to work with other social service groups to promote safety and quality in child care facilities and services.

**HR 9:** King County will promote provision of adequate and affordable child care throughout the County by:

- a. Working with other public and private agencies to identify and document child care needs and to develop workable approaches for meeting the needs;
- b. Establishing a program of financial support to assist the working poor, and especially recent PIC graduates, in obtaining adequate child care services;
- c. Encouraging employers to contribute to child care by developing informational materials on potential forms/benefits of employer assistance;
- d. Reviewing King County codes such as the zoning code to identify and remove unnecessary barriers to child care facilities in neighborhoods and places of employment;
- e. Working with other agencies through licensing, inspection, education programs to assure safety, good sanitation, and to promote quality programs.
- f. Continuing to provide incentives to child care providers, such as small business loans, or grants for nonprofit organizations providing child care for low and moderate income workers.

Another form of child care assistance that can allow more parents to work is increased use of part-time employment and flexible hours of employment. While part-time employment is not a useful option for single parents earning low wages, it can enable parents with school age children to enter the workforce, allowing them to supplement family income while also contributing to the economy. Dramatic increases in flexible hours would also help reduce peak hour traffic.

**HR 10:** King County should promote flexible hours and part time employment through its own hiring practices, and by joining with other agencies to promote greater public and private sector exploration of the concept.

#### **Transition Assistance/Planning**

A characteristic of this country's economy is rapid change, including the decline and replacement of industries that are no longer productive, or not competitive with other regions or nations. Much of this change moves our economy towards greater productivity and growth. Even changes that may result in long term benefits, however, can be devastating to individuals whose incomes are eliminated, or whose jobs skills and years of experience are no longer in demand. Decline of businesses that can and should be prevented will be addressed by business retention programs (see Section A). In cases where the loss cannot be prevented, there is a need for support systems to ease the transition for individual workers, through unemployment assistance, retraining, employment counseling, and crisis counseling.

Several organizations in King County are providing programs to reduce the negative effects of business closures on workers, including the Washington State Department of Employment Security, the Washington State and King County Labor Councils, and the Seattle Worker Center, among others. Federal worker adjustment legislation currently under discussion may provide increased funding for training and assistance for these workers. King County should continue to assist with programs that enable workers to use their skills and experience in new industries, and that help minimize community disruption linked to unemployment.

**HR 11:** King County will work with other public and private organizations to minimize the community and individual impacts of economic transitions, and to help individuals find new economic opportunities as follows:

- a. Help identify potential plant closures or relocations through work with the Seattle Worker Center's job retention response team and other efforts, and where closure cannot be avoided, encourage joint employer/public sponsored training and employment counseling to workers before they are displaced;
- b. Work with others to support effective/enhanced state and federal assistance to unemployed and dislocated workers, including training, unemployment benefits, and employment counseling;
- c. Take an active role in providing training and other assistance to dislocated workers, and manage federally funded training and assistance programs when available; and
- d. Support and contribute to development of new models of transition assistance, especially models that provide assistance to individuals before they are in crisis, and that provide a comprehensive range of services to unemployed and dislocated workers and their families.

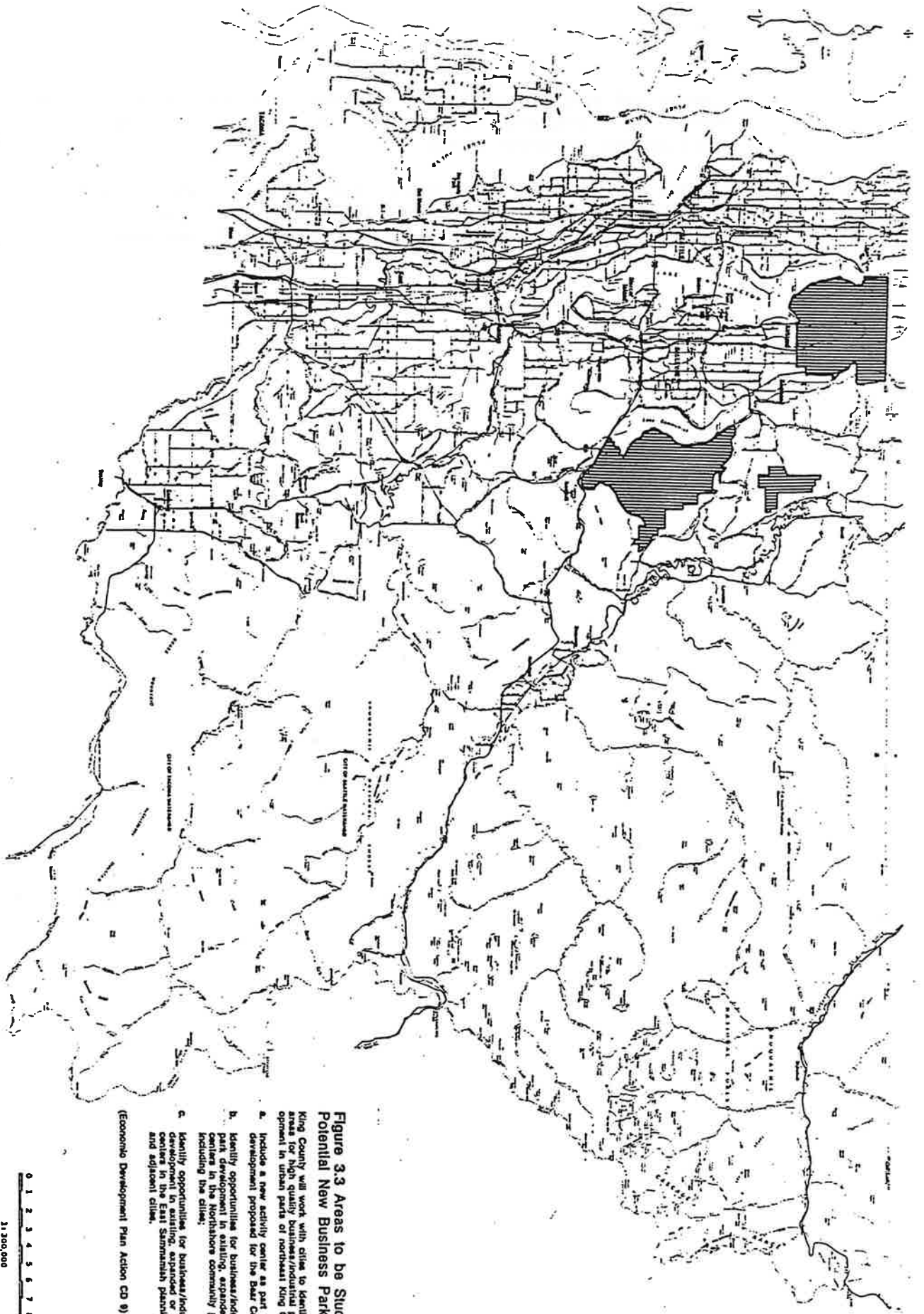
In addition to the immediate kinds of assistance described above, King County can benefit from an improved data base, better economic forecasting, and economic development planning that addresses economic issues and examines the opportunities provided by an available, skilled labor force. Information building and economic development planning must be undertaken in cooperation with worker advocate organizations, business groups, and service providers familiar with the range of needs and resources. King County should also monitor state and federal programs, and support programs to assure adequate resources to aid in retraining and other necessary support services.

**HR 12:** King County will promote long range economic development planning to address economic transition needs and opportunities through:

- a. Work with public and private organizations, including labor and management in affected industries, to increase understanding of the region's economy, its likely future, effects on workers and business, and ways to prepare for change;
- b. Sponsoring or co-sponsoring a periodic forum, along with other interested groups, to seek ideas from workers, management and others on an effective regional and statewide industrial policy, and economic development and revitalization strategies that utilize the skilled workforce;

- c. **Monitor and support federal and state programs that encourage development of basic industries, consistent with the economic base strategies of the Economic Development Plan.**

**HR 12 recognizes that improved information and periodic discussions among affected workers, businesses and others will help to identify new local and national economic development strategies that return displaced workers to employment, and reduce further displacement when possible.**



**Figure 3.3 Areas to be Studied for Potential New Business Parks**

- King County will work with cities to identify potential areas for high quality business/industrial park development in urban parts of northeast King County as follows:
- a. Include a new activity center as part of the master plan development proposed for the Bear Creek planning area;
  - b. Identify opportunities for business/industrial park development in existing, expanded or new activity centers in the Northshore community planning area, including the cities;
  - c. Identify opportunities for business/industrial park development in existing, expanded or new activity centers in the East Sammamish planning area and adjacent cities.

(Economic Development Plan Action CD 9)

