



City of Sultan

TO: MAYOR TOLSON AND SULTAN CITY COUNCIL

FROM: Rick Cisar, Director of Community Development

SUBJECT: Economic Development Strategic Plan (OEDP)

DATE: June 23, 2007

OVERVIEW OEDP

Many municipalities in an effort to encourage and support Economic Development have funded the development of an Overall Economic Development Plan (OEDP), which serves as a comprehensive statement of plans for city wide economic growth, and development. In many cases, the City, the Chamber of Commerce, and assistance from private fundraising efforts provide the funding for the OEDP. The development of the plan is guided by the OEDP Committee, which represents a broad cross section of the business, governmental, and community interests.

FEDERAL OEDP OBJECTIVES

The term "Overall Economic Development Plan (or Program)", commonly known as an "OEDP", and the process for creating an OEDP are defined by the U.S. Department of Commerce Economic Development Administration (EDA). Guidelines for preparing an OEDP are outlined by EDA. Considerable local discretion and flexibility is provided in the planning process subject to certain requirements as spelled out by EDA:

The Overall Economic Development Plan (OEDP) is a local planning and implementation process designed to create jobs, foster more stable and diversified economies, improve living conditions, and provide a mechanism for guiding and coordinating the efforts of persons and organizations concerned with economic development. The OEDP document describes the problems, needs, and resources of an area; identifies the goals and objectives of the development program; presents the strategies and action plans devised to achieve those goals; and outlines the standards for evaluation of the program's achievements.

Excerpted from the Introduction to Overall Economic Development Program
Guidelines for Economic Development Districts, U.S. Department of Commerce,
May 1992.

FEDERAL OEDP OBJECTIVES cont.

States, counties, or groups of counties (districts), in the ten U.S. regions, which prepare an OEDP, can become eligible to compete for federal money. Sub-county jurisdictions, which prepare an OEDP consistent with the applicable county or regional OEDP, are also eligible. Congress provides funds through EDA to support economic development projects including public works and business development activities, which are deemed to create jobs and industrial/economic diversification. Without an OEDP, this funding source is not available.

OEDP ASSESSMENTS

The OEDP will assess Sultan's Economic Development potentials and will involve an evaluation of strengths, weaknesses, opportunities, and threats, (SWOT) and the preparation of employment forecasts. Definitions of each category are described as follows:

Strengths:

Are those community attributes or assets that make Sultan a good place to do business or invest, as well as to live, work, and recreate?

Weaknesses:

Reflect local conditions that realistically may limit the extent or speed with which countywide objectives for economic development objectives can be realized.

Opportunities:

Represent good bets for business or community investment based on broader regional or global market conditions and trends.

Threats:

Are conditions or concerns from external as well as local sources that could undermine local economic stability?

Each of the latter categories is evaluated and summarized under general topics such as:

Business Opportunity:

With a goal of establishing a reputation for Sultan as a good place for business investment and sustained profitability. Implementation of this goal could be accomplished by prioritizing projects aimed to balance retention and expansion of existing business with attraction of new firms to address unmet needs or opportunities.

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Destination Sultan:

Create distinctive business districts offering a diversity of goods and services attractive to local residents and visitors. Propose action to aim to make a difference in Sultan's reputation as a place to do business particularly in the near-term.

Residential Diversity:

Encourage quality residential development to meet population growth expectations while maintaining affordability to the full ranges of the housing marketing segments. Adapt to changes in housing affordability and growth management by exploring higher densities, infill housing projects, and tax-exempt programs.

Employment and Human Services:

Increase opportunities for family wage jobs and a full array of human services meeting the needs of Sultan and Snohomish county residents. Facilitate employment opportunities long and short term.

Conservations and Economic Development:

Protect and enhance natural resources making Sultan a distinctive place to live and visit.

OEDP BENEFITS

In summary, an OEDP is a valuable Economic Development tool that addresses and provides the information many business ventures require in order to evaluate a potential opportunity. At the same time it provides implementation priorities to the local government in terms of infrastructure projects and policy actions that are (1) consistent with the Goals and Objectives of the OEDP; and (2) could make a difference for Economic Development in Sultan. Lastly, it supports funding opportunities for economic development.

OEDP COSTS

The cost of preparing an Overall Economic Development Plan for the City of Sultan is in the range of \$10,000 to \$12,500, which would include 2 to 3 on-site meetings with City Staff and the Steering Committee. However, City Staff would anticipate at least 6 to 9 meetings including the City Council; therefore the cost should be adjusted to a range of \$25,000 - \$30,000. The \$10,000 to \$12,500 estimate was provided by E. D. Hovee & Company, LLC. An overview of the firm and Eric D. Hovee, Principal is attached as Attachment 1. An example of Mr. Hovee's work with the City of Snohomish is attached as Attachment 2.

ERIC D. HOVEE, PRINCIPAL

E. D. HOVEE & COMPANY, LLC



PROFESSIONAL EXPERIENCE

E. D. Hovee & Company, LLC, 1984 - Present. Principal and Owner. Eric Hovee founded the consulting firm E. D. Hovee & Company to provide economic and development services to public agencies, non-profit organizations and private clients. As principal of the firm, Mr. Hovee conducts economic and market research, facilitates community and business assessments, prepares economic development and diversification strategies, and assists in project implementation. Since its inception, the firm has been directly involved in assignments resulting in more than \$5 billion of planned and completed capital investment from public and private sources.

City of Vancouver, Washington, 1979-1984. Economic Development Manager. Mr. Hovee was responsible for planning and negotiation of over \$30 million in public and private investment, primarily in the downtown Vancouver area.

City of Portland, Oregon, 1976-1979. Economic Development Coordinator. Responsibilities included the development and administration of a \$12 million Comprehensive Economic Development Strategy comprising: public works; a business revolving loan fund; planning and technical assistance for the city's 16 industrial districts; and preparation of a draft citywide economic development policy.

Prior to beginning public service work in Portland in 1976, Mr. Hovee was employed in real estate sales and development and as sales administrator for a computer peripheral equipment manufacturer in Kent, Washington.

EDUCATION

University of Pennsylvania, Philadelphia, Pennsylvania, 1969-1973. Economics and Urban Studies. Co-winner of Joseph Warner Yardley Award for senior thesis in economics.

Portland State University, Portland, Oregon, 1976-1977. Graduate courses in real estate finance and environmental economics.

National Development Council and National Council for Urban Economic Development, 1980-1983. Courses in real estate development and finance.

PROFESSIONAL AFFILIATIONS & ACTIVITIES

Affiliations: Urban Land Institute. National Trust for Historic Preservation. National Association of Housing and Redevelopment Officials. Vancouver Housing Authority, Commissioner. Columbia River Economic Development Council, Past Chair. Southwest Washington Workforce Development Council, Executive Board.

Speaking Activities: U.S. Conference of Mayors, National Main Street Center (Instructor and Speaker), National Council for Urban Economic Development.

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Attachment 1

E. D. HOVEE & COMPANY, LLC



From the planning to the completion of strategic business, real estate and public investments, E. D. Hovee & Company, LLC, provides consulting services for public agencies, private firms, and individual investors. Our economic and development services include:

- *Economic research* – from economic forecasting to impact analysis.
- *Market and feasibility assessments* – for private business and development projects as well as for public/private ventures.
- *Development planning and strategic services* – to better position businesses and communities for success in today's increasingly competitive marketplace.
- *Development packaging and marketing* – for public/private projects from public parking facilities to redevelopment of downtown buildings to convention centers and destination resorts.

The firm's principal, Eric Hovee, has been directly involved in project assignments leading to \$5 billion of announced and completed public and private investment over the last 20+ years. The firm's participation in strategic planning and development has fostered additional investment well above this amount. Our effectiveness is indicated by repeat business: more than half our clients have retained E. D. Hovee & Company for multiple projects.

We have extensive experience with economic development planning. Our services are focused primarily in the Pacific Northwest states of Washington and Oregon – but we have conducted assignments in California, Idaho and Colorado. Outside the western states, we have served as an advisor to the National Main Street Center and National Trust for Historic Preservation on economic restructuring for downtown and commercial districts throughout the U.S.

PROJECTS

Mount Vernon Overall Economic Development Plan (OEDP)

E. D. Hovee & Company prepared an Overall Economic Development Plan for Mount Vernon to serve as a comprehensive statement of the community's priorities for short and long-term economic development as well as assure eligibility of funding for specific priority projects from the U.S. Economic Development Administration. The OEDP was updated in 1999.

Skagit County Overall Economic Development Plan (OEDP) & Updates

Since 1993, E. D. Hovee & Company has assisted Skagit County and local jurisdictions to conduct a coordinated OEDP/GMA planning process for Skagit County to further economic development objectives. In 1995, the firm expanded the OEDP to include a detailed analysis of industrial and commercial employment and land demand for urban, rural and natural resource activities; the firm later incorporated a rural industrial/commercial lands analysis and updated project priorities. This plan (as updated) has served as the Economic Development elements of Skagit County's Comprehensive Plan. Project participants have included citizens advisory and technical committees with representation from area cities, Skagit County, local ports and the Economic Development Association of Skagit County. In 2003, E. D. Hovee & Company converted from the OEDP to Comprehensive Economic Development Strategy (CEDS) format for EDA funding eligibility.

Historic Downtown Snoqualmie Retail Market Study, Commercial Retail/Service Demand Update & Retail Evaluation Review

Initially, E. D. Hovee & Company conducted a retail market study for historic downtown Snoqualmie and the City's other commercial districts, with an emphasis on small-scale, locally-owned firms. Results were used to assess commercial land needs citywide and address non-retail uses of downtown commercial property.

In 2003, E. D. Hovee & Company updated commercial retail/service demand. The following year, the firm evaluated alternative locations for community and convenience retail in Snoqualmie and reviewed a work scope for obtaining an updated retail market analysis.

Economic Development Study for City of Snohomish

E. D. Hovee & Company conducted an economic development study for City of Snohomish covering four business districts, including the historic downtown. Firm work involved stakeholder interviews and market forecast.

Kitsap County Comprehensive Plan Update

E. D. Hovee & Company provided an employment forecast and industrial/commercial land needs analysis as part of an update of the Kitsap County Comprehensive Plan.

Economic Development Element for Cities of Quincy & George

E. D. Hovee & Company is currently underway with a project to prepare economic development elements for the Comprehensive Plans of the Cities of Quincy and George and an economic development strategy for the Port of Quincy in Grant County, Washington. Quincy is undergoing rapid change due to the construction of major data centers by Microsoft, Yahoo! and Intuit. George is situated close to a regionally recognized amphitheater entertainment venue on the Columbia River.

Regional Economic Profile & Strategic Assessment

E. D. Hovee has recently completed a regional economic profile and strategic assessment of Marion, Polk and Yamhill Counties in Oregon for the Strategic Economic Development Corporation (SEDCOR). This assessment is providing the background context for economic planning and implementation by public agencies and economic development organizations serving the mid-Willamette valley region with 460,000 residents.

Assessment of Industrial & Business Park Demand & Market Analysis of Columbia River Property

E. D. Hovee & Company recently completed an assessment of industrial and business park demand for Columbia River waterfront properties owned by the Port of Hood River, Oregon. In a previous project, the firm evaluated the market potential for up to 45 acres of Columbia River waterfront situated on the opposite side of Interstate 84 from downtown Hood River. Uses being evaluated include continuation of industrial (on an interim or permanent basis), professional office, destination and local retail, lodging/conference facilities, and mixed use residential. This analysis was used as part of a due diligence review by the Port of Hood River in its negotiations with a third party private development firm from Central Oregon.



CITY OF SNOHOMISH

Founded 1859, Incorporated 1890

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2001 Economic Development Plan

Executive Summary

Introduction

The Washington State Growth Management Act calls for 12,910 people to live in the City of Snohomish by 2012. This will be an increase of 50% over the 8,494 residents living here in 2000.

Change of this magnitude brings with it a number of issues. If local jobs aren't created, then commuters will further clog already-crowded highways. With a new resident for every two existing, how will the local identity and sense of community be transmitted and maintained? And, most critically, what needs to be done today to achieve the vision of the Comprehensive Plan... *"to provide Snohomish residents with a community where ample opportunities exist to work, shop and play."*

This plan offers research, analysis, and insight to the issues of growth, and points out opportunities for achieving a successful, prosperous and livable city. It discovered an unexpectedly consistent vision among the plan's participants for the future of the different commercial districts. Analysis also confirmed that sufficient land is zoned for family-wage employment, provided that this land is protected from lower-intensity development in housing, service industry, and warehouse uses.

Process

This plan was produced with funding from the U.S. Forest Service, City of Snohomish, Chamber of Commerce, and the former Historic Snohomish Business Association, and in cooperation with the Snohomish County Economic Development Council, Snohomish County Convention and Tourism Bureau, and local citizens. The plan identifies a multi-agency approach to economic development.

The 2001 Economic Development Plan was adopted by the City Council on February 20, 2001. A citizen committee was created in March to (a) monitor implementation of the plan and (b) act as a catalyst to communicate and coordinate with the various agencies and organizations which contribute to economic development in Snohomish. This is the strategy.

The City will:

- Develop the web page as a platform for exchange of development information, particularly for property development.
- Host a coordinating committee as a forum to clarify economic development activities.
- Implement Geographic Information Systems (GIS) capabilities for improved access to development information.
- Allocate additional resources to city planning functions to improve development regulations and complete 5 neighborhood plans/design standards.
- Develop city capital projects identified as priorities in the Economic Plan.
- Update the city's Comprehensive Plan to incorporate the Economic Plan.

The Chamber of Commerce will:

- Market and promote individual sites.
- Promote annexation efforts.
- Recruit daycare providers.
- Work with the Snohomish County EDC to secure capital investment funds for local venture capital, capital investment revolving funds and low-cost incubator space.

The Snohomish County Economic Development Council will:

- Provide job training programs.
- Assist with communication infrastructure development.
- Secure capital investment funds for local venture capital and capital investment revolving funds.

The Snohomish School District, Community Colleges and University of Washington will:

- Link web pages to the city and others to highlight job and training opportunities
- Increase offerings in adult education/job training.

And the end results will be:

- Higher quality commercial development.
- Improved access to timely and accurate development information.
- Higher median income.
- Growth in local employment opportunities at family wage levels.
- Growth in city revenues and greater capital investment in city infrastructure.
- Utility rates in line with neighboring communities.
- Compliance with the Growth Management Act.

Priorities

The following actions were given the highest support in a telephone survey of one hundred Snohomish voters. (Accuracy plus or minus ten percent.) The percentage of respondents who considered the task a high priority is noted. A full tabulation of results is shown on pages 138-139.

Highest Priorities

- | | |
|---|-----|
| 1. Bickford fiscal strategy for infrastructure improvements. | 71% |
| 2. Avenue D development plan and design standards. | 71% |
| 3. After-hours educational programs for youth and adults. | 67% |
| 4. Develop Maple Avenue civic center plan. | 63% |
| 5. Implement design and development standards that protect buildings/historic district. | 61% |
| 6. Develop the waterfront trail. | 56% |

Critical Resources

Listed in order of priority, the following types of resources were identified in the planning process as essential for the continued economic health of the city.

1. **High Quality Schools and Public Facilities** – create a secure method of funding Snohomish School District facilities and program.

2. **Simple, Predictable Regulatory Procedures** – streamline and clarify development permit and review procedures; provide sufficient staff resources.
3. **Investment Capital** – organize local capital lending to meet local company and entrepreneurial needs.
4. **Skilled Labor Force** – continue to attract, train, house, and service a diverse resident labor force able to support local business requirements.
5. **Quality of life** – improve quality of life issues including education, recreation, safety and security, health, and other public services, in order to attract capable and competitive companies and employees.

Best of Snohomish - 2000

The best features of Snohomish in the year 2000 were identified by plan participants and are shown in rank order, items of greatest agreement listed first. They identify what is important to protect about Snohomish.

Best Features of Snohomish

- **Historic nature** of areas and buildings.
- **Proximity to big city, urban services,** and Puget Sound recreation amenities.
- **Small town** - physical size of the city with clear boundaries.
- **Natural beauty** provided by surrounding hills, farms, and the river.
- **Unique sense of social community** - reliant, diverse, and responsive residents.
- **Parks,** recreation, and the Centennial Trail.
- **Safety and security** of the city. The city's **established reputation.**

Vision

The following descriptions of the five economic areas of Snohomish represent the shared vision of planning workshop participants. The characteristics in each section are listed in order of preference, beginning with the most consistently shared. Please refer to Chapter 7 and the Appendix for greater detail.

Bickford Avenue

- **High tech business park** with open spaces.
- **Light industrial center** with common open space amenities.
- **Job center** for local residents to reverse trend of commuting elsewhere.
- **A gateway** defining entrance into the city.

Avenue D Commercial Area

- **Convenience shopping district:** More intensely developed, community-oriented.
- **Design standards** to improve streetscape, parking, signage, building appearance.

Maple Avenue

- **Government services center:** schools, parks, trails, library, other public services.
- **Village center** with independent small retail, office, services for local residents.
- **Mixed-use neighborhood;** Residential uses on upper floors over store, office, or business uses; a more modern or funky version of the Historic Business District.
- **Professional services center** with offices for medical, legal, accounting, and others.

Historic Business District

- **Regional historical center** preserving significant sites, buildings, and features.
- **Destination center for tourists** retail specialty and niche goods and services.
- **Destination center for arts, boutiques, and crafts** - to complement historic setting.
- **Regional center for entertainment** providing eating and drinking establishments, parks, trails, and river-oriented recreational activities.
- **Entrepreneurial center** for software and other developers
- **Mixed-use district:** offices and residences in upper stories of new and old buildings.

Riverfront/Airport Area

- **River-oriented recreation:** Airplanes, ultra-lights, balloonists, parachutists, trails, boating and other recreation appropriate to the setting and environmental constraints.
- **Airport** providing for general and recreational aircraft.
- **Flood-proofed light industrial and commercial center** providing job opportunities.

