

SECTION IV – ECONOMIC DEVELOPMENT ELEMENT

Introduction

The purpose of the Economic Development Element is to provide guidelines for maintaining and enhancing economic activity in appropriate locations in Stanwood’s UGA so as to guarantee long-term fiscal stability, provide a variety of employment opportunities and ensure adequate selection and availability of goods and services for all Stanwood residents.

The Growth Management Act does not specifically require the inclusion of an Economic Development Element. However, the Act contains the following goal promoting economic development:

Economic Development. Encourage economic development throughout the state that is consistent with adopted comprehensive plans, that promotes economic opportunities for all citizens of the state, especially the unemployed, disadvantaged persons, and encourage growth in the areas experiencing insufficient economic activity. All this should be done within the capacity of the state and local region’s natural resources, public services, and utilities.

Moreover, the Act requires countywide planning policies to address economic development and employment. It is especially important that Stanwood focus on economic development. Economic development in north Snohomish County is gaining momentum, particularly in the Stanwood area. Special attention has been paid to how Stanwood compares to its neighboring communities.

The Economic Development Element is implemented through the Economic Development Action Plan¹. The Action Plan implements key goals and policies described in the Land Use and Economic Development Elements of the Comprehensive Plan. Goals outline broad programs and actions that considered together portray an image of the future city with a strong and active economy. Policies focus on maintaining the city’s role as a regional center for retail and services, on downtown revitalization, a modern commercial center at the entry to the city, and a strengthened industrial sector.

Stanwood of the future will:

- Retain its small town character and high quality of life.
- Continue to function as a regional center for retail and services.
- Be a leader in and a beneficiary of a robust regional focus on sustainable development and local agriculture.
- Feature a diverse economy.

¹ Adopted July 8, 2010

- Have a reputation as a business-friendly community that facilitates business success by providing quality, responsive services.
- Enjoy the benefits of functioning as a regional tourism destination.
- Be a leader in coordinating efforts with neighbors and partners to maximize regional benefits and address regional challenges.

Economic Development Goals and Policies

Goal

EDG-1 - Promote economic vitality defined as a lively growth oriented business climate that supports a wide range of private and public investments resulting in development and business activity that diversifies the City's tax base and provides both employment and consumer shopping opportunities for city and unincorporated area residents.

Policies

EDP-1-1 – Develop a toolkit of incentives such as property tax exemptions density bonuses or public private partnerships to attract desired uses such as mixed use development or retail businesses that would not be viable based on current market conditions, but would contribute to the economic vitality of the city.

EDP 1-2 – Develop incentives for property owners to improve deteriorating facades, signage and the general outside appearance of buildings.

EDP 1-3 Develop marketing tools to advertise recent design improvements and investments in the Downtown and Uptown Centers.

Goal

EDG 2 Develop strong community partners

EDP-2.1 - Encourage civic organizations to sponsor and promote public improvement programs.

EDP-2.2 – Assist in the promotion of community events.

EDP-2.3 – Support participation in the Stanwood Chamber of Commerce and work with the Chamber to promote the City.

EDP-2.4- Encourage cooperative downtown improvement planning and implementation efforts between the City and private partners and other business organizations.

EDP-2.5-Coordinate with universities, community colleges, the local Workforce Investment Board, private firms, and other community stakeholders to align research, workforce

development, and resources to support targeted industry sectors.

EDP-2.6-Support expansion of higher education programs to address the educational and training needs of the local workforce.

EDP-2.7-Collaborate with private, non-profit, and regional organizations to increase access to and participation in the arts.

Goal

EDG-3 - Promote a strong, diversified and sustainable local and regional economy, preserving or enhancing the quality of life in the community.

Policies

EDP-3.1 - Identify sectors of the economy within Stanwood where opportunity might exist to create additional jobs and identify potential strategies for attracting employment.

EDP 3.2 - Provide a supportive business environment for start-up of commercial businesses, light manufacturing, and assembly businesses throughout the City.

EDP-3.3 - Strive to create jobs in order to promote economic opportunity for Stanwood citizens.

EDP-3.4 – Recognize the importance of home-based businesses as a source of new business development.

EDP-3.5 – Provide incentives to attract new industry.

EDP-3.6 - Encourage businesses and recreational activities that promote tourism.

EDP-3.7 - Participate or otherwise assist in business sponsored activities to increase local awareness of goods and services available in Stanwood.

EDP-3.8 – Stimulate public and private financing of improvement projects for immediate and long-term objective of revitalization.

EDP-3.9- Adopt a strategic plan to protect, enhance, and expand the community’s arts and cultural resources and strengthen creative industries.

EDP-3.10-Provide for financial or logistical support to local arts, festivals, performances, or cultural tourism.

Goal

EDG-4- Encourage economic development activities which respect the natural environment and take into consideration the area’s natural resources, public services, and facilities.

Policy

EDP-4.1 - Support new commercial and industrial businesses that are resource based and build on the natural amenities present in the community.

EDP-4.2 - Consider service and infrastructure implications during business recruitment and address needs in the Capital Improvement Plan.

EDP-4.3- Balance the continued need to protect the natural features of property with the desire for growth and development

Goal

***EDG-5* - Support economic development strategies by including amenities attractive to employees and investors into project design.**

Policies

EDP-5.1 - Encourage high quality site and building design with “curb appeal” that encourages further investment in the area.

EDP-5.2 - Create incentives for amenities such as exercise facilities, showers, bicycle parking, carpool parking and shelters at bus stops.

EDP- 5.3- Promote transportation system improvements that support economic development by ensuring efficient transport of goods and convenient access for employees and customers to and from places of business. Such system improvements shall include multimodal facilities, delivery routes and access, as well as, pedestrian and bicycle facilities.

Goal

***EDG-6* - Support local business by providing up to date information and equitable and efficient licensing permitting procedures.**

Policies

EDP-6.1 - Ensure that City licensing and permitting procedures and development regulations are coherent, fair, and expeditious.

EDP-6.2 - Coordinate with other government entities to eliminate duplication of efforts where specialized industry requirements call for the inspection by government agencies.

EDP-6.3 - Encourage active cooperation between the City and local businesses concerning economic development issues, particularly businesses which have specialized infrastructure, building design, transportation, or other needs.

EDP-6.4 - Expedite permits for projects that further Economic Development, while still providing equitable service for all.

Goal

***EDG-7* – Within Commercial Centers support amenities such as convenient parking,**

weather protection and public spaces to improve conveniences for shoppers and business owners.

Policies

EDP-7.1 - Provide public or private parking that is convenient with safe pedestrian access to entries.

EDP-7.2 - Encourage pedestrian mobility for shopping.

EDP-7.3 – Provide and require open spaces for public gathering and resting.

EDP-7.4 – Consider the use of awnings and other weather protection.

Goal

***EDG-8* – Enhance the city’s historic downtown commercial areas.**

Policies

EDP-8.1 – Develop a marketing plan to encourage appropriate development on vacant and redevelopable parcels.

EDP-8.2 – Encourage business retention.

EDP-8.3 – Streamline the permit process for developments that are consistent with the Downtown Plan.

EDP-8.4 – Pursue economic development grants for projects creating jobs.

EDP-8.5 – Work with a local bank to provide a revolving or dedicated loan fund to assist in façade, building, and site improvements for local businesses.

EDP-8.6 – Assist in providing public education regarding programs such as tax-exempt financing for income qualified projects and property tax exemptions for historical renovations.

EDP-8.7 – Ensure city codes support desired improvements and downtown aesthetics such as street planters, façade and sidewalk improvements.

EDP-8.8 – As funding allows, use street trees, planting strips, sidewalks, banners and other infrastructure and amenity investments to establish a unifying urban character within the downtown.

EDP-8.9 – Seek opportunities to use public facilities, parks, and open spaces to attract users into the downtown and promote economic activity by creating attractive and dynamic multi-use

places.

EDP-8.10 – Work with regional transit agencies to ensure that bus routes serve downtown and Stanwood Station as a jumping off point for further exploration.

EDP-8.11 – Create an interconnected grid street system that gives public access to the interior of large parcels.

EDP – 8.12 – Encourage additional residential development within walking distance of the downtown commercial area.

EDP-8.13 – Create incentives for new development and redevelopment that fills in the gap between the east and west commercial centers.

EDG-9 Strengthen Stanwood’s concentration of “green” businesses and its reputation as an environmentally-friendly community.

EDP-9.1- Engage in business recruitment efforts that serve the agricultural and food-service industry.

EDP-9.2 – Develop relationships with potential partners in the emerging clean technology sector.

EDP-9.3 – Preserve farmland around Stanwood and enhance agricultural economic activity in the region.

EDP-9.4 – Support a local farmer’s market that specializes in local food products.

EDP-9.5 – Identify opportunities to reduce city resource consumption and waste production.

EDP-9.6 – Develop a sustainability strategy to encourage environmentally sound practices as the city and among local residents and businesses.

EDP-9.7 – Use new public facilities as demonstration projects as sustainable building practices and to support the market for locally-produced clean technologies and other products.

EDP-9.8 – Use planned community marketing efforts to promote a green image and business climate supportive of agricultural and environmental firms.

Stanwood's Economy

The City of Stanwood is the urban commercial center for city residents and residents of Camano Island, in Island County to the west, and the rural Skagit and Stillaguamish river valleys in Skagit and Snohomish Counties east of Interstate 5 and north of the City of Arlington. Residents and businesses in and around Stanwood consider themselves part of the Stanwood community.

The city is divided into three main commercial areas along State Route 532 (SR532); "West Stanwood" from the west city limits to 98th Ave NW; "Center District" from 98th Ave NW to 90th Ave NW; "East Stanwood" from 90th Ave to Pioneer Highway; and "Hilltop Village" from Pioneer Highway to the east city limits.

Historically, Stanwood's economy was based on the logging industry, forestry activities and farming. Commercial activity was focused on the delta where the Stillaguamish River entered into Port Susan and Port Skagit Bays. In its earliest days, the river was wide enough to allow steamboats to navigate its winding route through its tide flats six river miles up to Florence, the site of another early river community. The Stillaguamish River was rerouted to the north by the Army Corps of Engineers in the 1930's. The north fork of the Stillaguamish River or "Old Stilly Channel" is currently used by Transocean Seafood to access their oyster beds in Skagit Bay just north and west of Stanwood.

Today, the economic base has diversified into retail, light industrial, agricultural and professional services. Business growth has been steady with cyclical economic slowdowns. The city is still surrounded by farm fields, wildlife-rich shorelines, and views of the Olympics and Cascades -- attractive as a small community with many natural and economic assets and with many people who are involved in helping it grow and change sensibly. Despite the sense that Stanwood is a bedroom community, the city has a positive housing to jobs ratio indicating there are sufficient jobs within Stanwood compared to its population. This is driven in part by the city's largest employers including The Josephine Sunset Home (303 employees) and the Stanwood Camano School District (550) employees.

Historic Commercial Development 1880-1980

The city was platted in 1888 and incorporated in 1903. A second community, "East Stanwood," located one mile east of the original Stillaguamish waterfront business district, was platted in 1906 and incorporated in 1922. East Stanwood was built around the Great Northern Railroad. The original train depot was demolished in 1972. It should be noted that a new Amtrak platform and second rail line were constructed in 2009. There is a railroad spur running east and west just north of the city limits through the adjacent farm fields. The spur was installed to serve Twin City Foods.

The line is in place but unused west of 102nd Ave NW (Old Highway 99). The city is currently experiencing a higher than historic amount of railroad traffic due to coal and oil production in the mid-west entering ports on the West Coast.

Two large lumber mills operated on the waterfront with several small shingle mills in surrounding areas. Hay and oats from valley farms were shipped out on steamboats as cash crops. As lumber mills closed in the 1930s, the agricultural economy grew. After World War II, Twin City Foods, located on the bank of the Stillaguamish River in west Stanwood, changed from a vegetable cannery to a freezing plant and expanded along the waterfront.

Stanwood and East Stanwood consolidated in 1960. After the merger in 1960, the waterfront was all but forgotten. New development occurred in East Stanwood and between the towns. In the following decade, State Route 532 bypassed the old highway through the town to Camano Island.

Commercial Development 1980-2015

Since the 1980's, the City has grown to the east, above the Stillaguamish River floodplain, on both sides of State Route 532. In the historic commercial districts of east and west Stanwood, businesses are located along four main arterials: SR532, 271st Street NW (Main Street), 92nd Ave NW and 102nd Ave NW. East Stanwood and West Stanwood maintain distinctive historical commercial areas. Buildings are occupied by small retail, professional and service-based businesses. Most of the business owners live within the larger Stanwood community. The commercial area in-between the two historic communities has been slowly converting from single-family residential housing into small service based businesses. The "Center District" between east and west Stanwood includes the Stanwood Library, Stanwood Middle School (formally Stanwood High School), Community Resource Center and Post Office.

In the 1990's new housing developments and commercial activity grew around Stanwood High School at the intersection of State Route SR532 and 72nd Ave NW. A commercial development known as the Stanwood-Camano Village opened in 1995. The 55 acre development includes 50+ businesses and over 300,000 square feet of commercial space. The village features a supermarket, medical center, restaurants and other service based businesses.

In 2003, the Stanwood Towne Center opened on the corner of State Route 532 and 92nd Ave NW. The shopping center is anchored by the 50,645 QFC supermarket and an additional 40,336 square feet of retail space. Not long after, the 30,000 square foot Camano Commons retail-office project was completed on Camano Island.

In 2003, the City and business community hosted a professional design charette over an intense three-day period ("Design Stanwood"). The Design Stanwood charette resulted in many new ideas for downtown Stanwood and also confirmed some of the existing vision for downtown. In 2004, the city incorporated the results of the Design Stanwood charette into the Comprehensive Plan. In 2007, the Stanwood city council turned down a proposal for a Walmart outlet at the north east corner of SR532 and 72nd Ave NW in east Stanwood.

In 2008 the city started an Economic Development Action Plan. A community stakeholder group provided input to the economic development and downtown plan goals and strategies in the context of a future action plan. The Action Plan outlined specific steps to develop Stanwood as a business-friendly community with a diverse economy providing retail services, connectivity to local farms and tourist activities.

In 2008, the nation experienced the largest economic down-turn since the great depression. There has been no significant commercial development in Stanwood since 2003. The Stanwood and Camano commercial markets are comparatively small serving primarily local residents.

There is a surplus of vacant office space. Office leasing activity in the Stanwood-Camano area has been stagnant since early 2008. Twin City Foods moved the majority of its processing equipment to Eastern Washington in 2010. The Stanwood facility is currently operating at half-capacity as a private-label frozen vegetable processing facility.

Development on Camano Island, to the west, has changed from second homes and summer cabins to year-round single-family residential development. The island has attracted wealthy, well-educated retirees and families seeking access to water views within driving distance of the Seattle metro area. Camano Island residents have higher median incomes and education levels than Stanwood residents. Commercial development on Camano Island and surrounding rural areas is limited by the State Growth Management Act which prohibits the construction and extension of sewer systems on Camano Island outside the urban growth area. This allows Stanwood to attract more service related industries than would normally be found in a similarly sized community.

Development in the rural communities outside of Stanwood around the Skagit and Stillaguamish River valleys has been much slower than in Stanwood or Camano Island. Residents in these communities are connected to Stanwood through the Stanwood Camano School District or by proximity and convenience to shopping and services. Recent commercial development and big box retailers along the I-5 corridor, south of Stanwood, has been slowly drawing customers away from shopping in Stanwood.

In 2012, a second charette (Sustainable Destiny By Design) was held with a grant and assistance from the American Institute of Architects (AIA). The purpose was to discuss bringing back urban forms of mixed-use, pedestrian oriented development, moving and connecting commercial and activity centers; achieving a sense of place without the “spawl” pattern of development; invigorating the historic commercial areas of east and west Stanwood; mitigating flood risk; and valuing the community’s agricultural heritage and integrating agriculture life into the city.

Since 2012, the city council has undertaken a number of specific initiatives to achieve some of the goals outlined in the final report submitted by the members of the AIA who lead the charette. Specific initiatives included joining the FEMA Community Rating System Program, updating the Stormwater Comprehensive Plan, connect the neighborhoods on the hill with the downtown

commercial centers, providing public access to the Stillaguamish River; creating gateways to guide visitors and adopting regulations to create a unified highly memorable place.

Future Commercial Development

Federal and State requirements for developing in the floodplain, changes to the National Flood Insurance Program and climate change initiatives are likely to impact future development in the historic centers of east and west Stanwood. The city will need to proactively seek solutions to maintain existing infrastructure and businesses in east and west Stanwood while attracting new investment capable of weathering an unknown future.

The city is seeking to amend its Urban Growth Area (UGA) from north of 288th Street NW to west of 64th Ave NW adjacent to SR532. Many commercial enterprises prefer the visibility and easy access provided by SR532.

Current land use and transportation patterns continue to encourage commercial development along the I-5 corridor south of Stanwood. Given the surplus of available commercial land closer to the Seattle Metro Area it is unlikely Stanwood's pattern of development will change within the planning period.

Agritourism

The City of Stanwood is located in a beautiful setting at the confluence of the Stillaguamish River and Puget Sound that includes natural areas, working farms, and wide range of recreation opportunities. The delta bottom lands of the Stillaguamish River have provided economic benefit to the City of Stanwood for over 100 years. First as family farms, then as crop farms for mass production, and finally as niche farms for specialty crops such as certified cold weather seeds. Over the last thirty years, the area in and around Stanwood has moved from a rural to suburban community putting economic pressure on local farms. Recently, local farms such as the Ovenell Dairy Farm and the Matterand Farm have been converted to other uses.

The City's 2009 Economic Development Action Plan envisions the Stanwood of the future as benefiting from a robust regional focus on local agriculture. This includes seeking opportunities for the City's economy to function as an urban hub, providing goods, services, and tourism opportunities related to agriculture and recreation. The 2013 Sustainable Design Action Team report, states that "agriculture can be an important component in the incubation of a creative economy."

Agritourism is defined as any business conducted by a farmer for the enjoyment or education of the public, to promote the products of the farm and to generate additional farm income. It includes a variety of facilities and activities that are increasingly available in Snohomish County, such as agricultural festivals, farm visits, farm tours, demonstration farms, farm stays, wineries, nursery trails and agricultural museums. In addition, there are more than 20 Certified Farmers'

Markets that operate in most incorporated communities of the county including Stanwood. Combining the large tourism industry with the uniqueness and diversity of Stanwood's local farms may offer a whole new set of opportunities for farmers to diversify their operations and their revenue sources.

The potential benefits of agritourism for local agriculture and the City are varied. First, agritourism may allow local farmers to diversify their income, increase revenues and enhance the viability of their operations. Second, it may be an excellent tool to educate the public about the importance of agriculture and its contribution to the county's economy and quality of life. Third, it may provide economic incentives helping to preserve agricultural land in Snohomish County. Finally, agritourism may enhance the appeal and demand for local products, foster regional marketing efforts and create value-added and direct-marketing opportunities that may stimulate economic activity in Stanwood and spread the benefits to other communities in the county.

Developing agritourism activities in Stanwood is a logical strength and opportunity given the city's location, natural assets, and community values. Stanwood is well positioned to serve as the launch point for tourism destinations focused on farmers who open their doors to visitors. Sharing farm culture on a personal level, bridges the gap between urban and suburban communities with farm families, enhancing quality of life for all involved. Including Agritourism as a part of the City's economic plan will help diversify the region's economy and help suburban residents understand the important role that farming and rural life plays in our history.

Socio-Economic Characteristics

The following general discussion includes an inventory and analysis of the socio-economic characteristics of Stanwood today.

The City of Stanwood includes approximately 1,240 acres and has a total population of 6,530 in 2014, while Camano Island had a population of 15,922 in 2013. The population of the combined Stanwood/Camano area in 2013 was 33,470 (Stanwood/Camano School District boundary) representing a larger service area population and an employment base. Stanwood had approximately 3,135 jobs in 2013. The majority of these jobs were in the Service sector (1,282). The two other largest sectors are Education (603) followed by Retail (419).

Inventory and Analysis

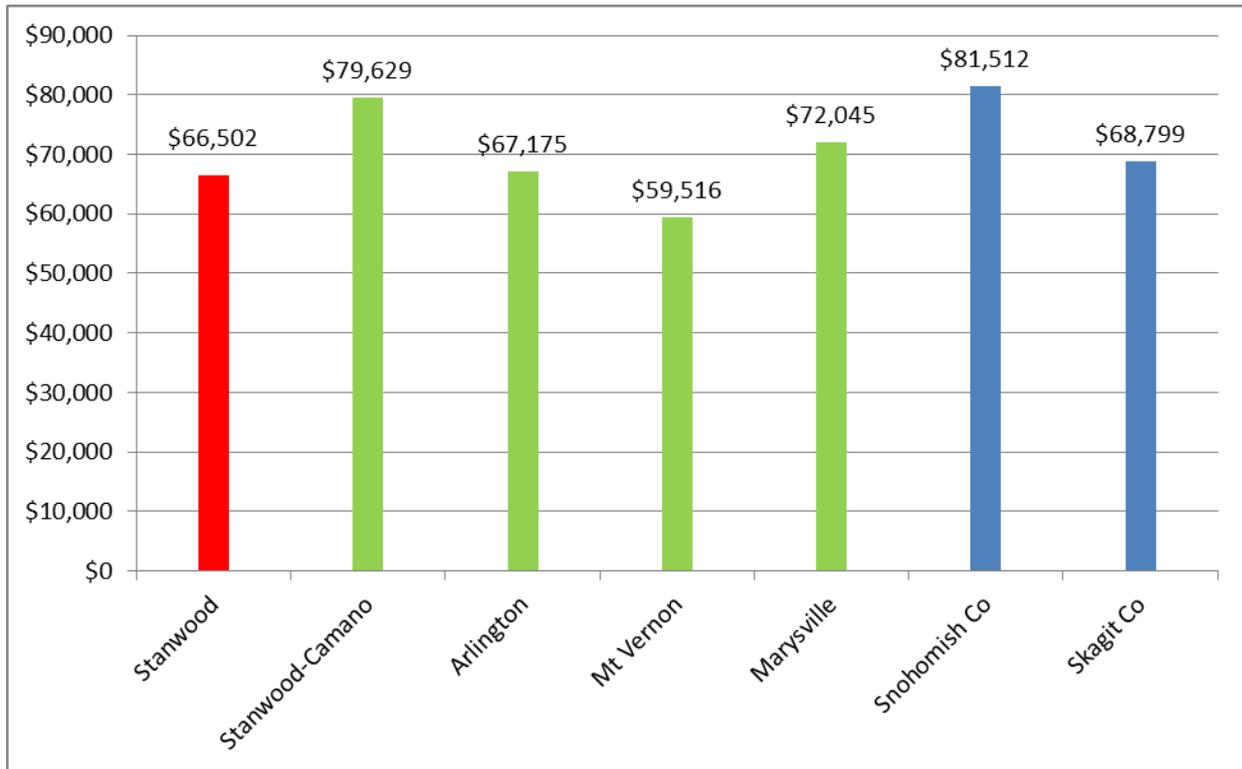
Exhibit 1
Median Household Income 2012



Source: 2008-2012 American Community Survey 5-Year Estimates

- Median household income in Stanwood is similar to that of the other areas profiled. It is higher than the City of Mount Vernon and Skagit County median income.
- The Stanwood-Camano area has a slightly higher median household income than the City of Stanwood.
- Stanwood's median income has grown since 2007 from \$51,773 to \$61,637 in 2012.

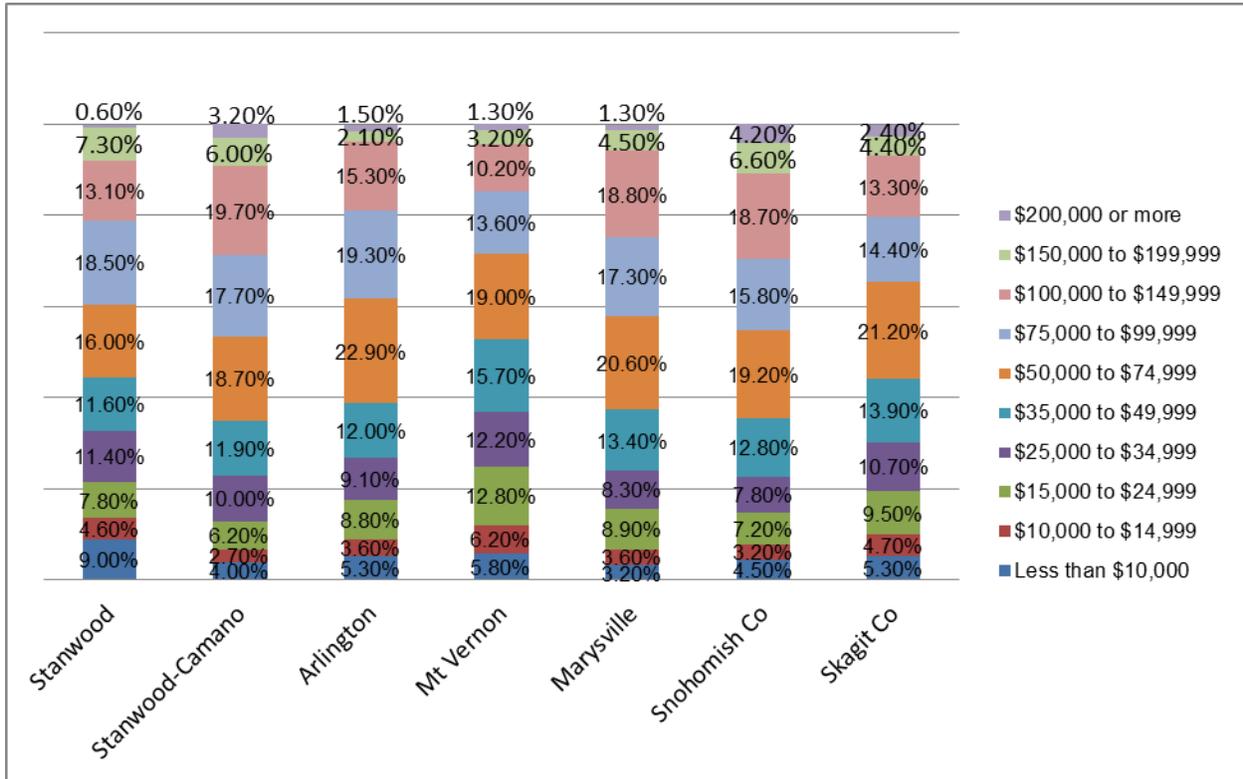
Exhibit 2 Mean Household Income 2012



Source - US Census | American Community Survey | 5-year estimates 2007-2012 | from Table DP03.

- Median household income in Stanwood is similar to that of the other areas profiled. It is higher than the City of Mount Vernon.
- The Stanwood-Camano area has a slightly higher median household income than the City of Stanwood.
- Stanwood’s median income has grown since 2007 from \$51,773 to \$61,637 in 2012.

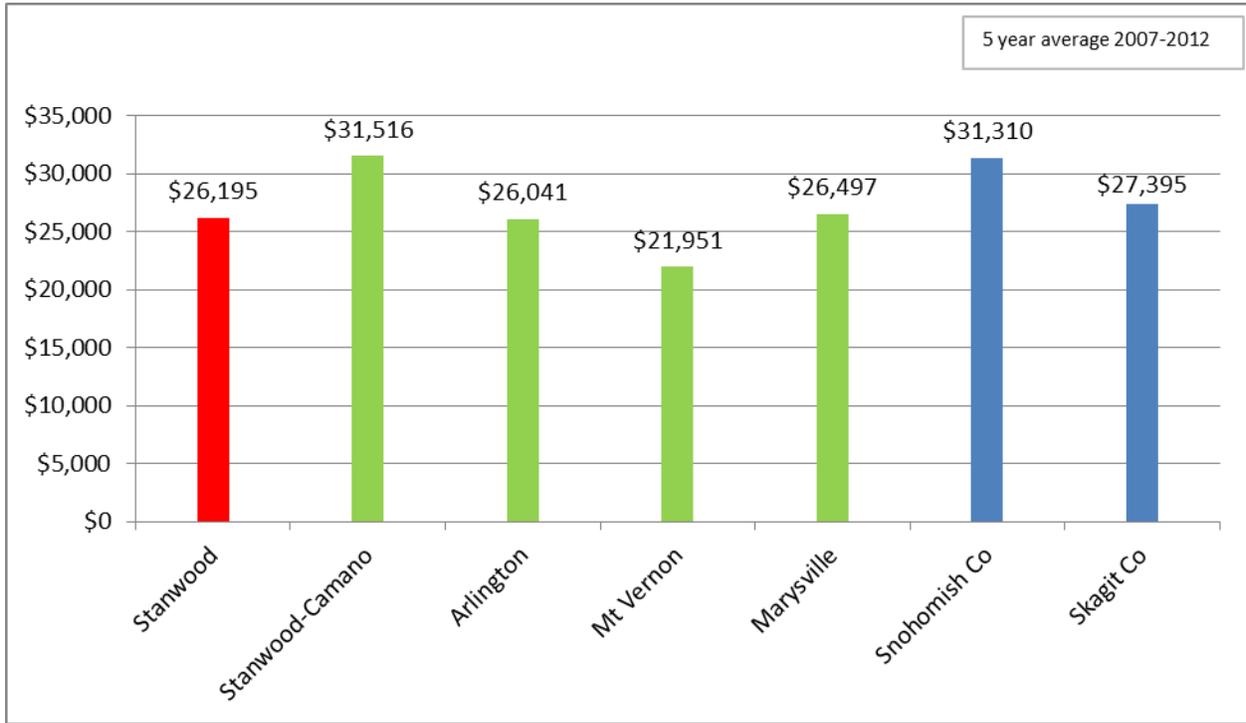
Exhibit 3 Household Income Distribution 2012



Source - US Census | American Community Survey | 5-year estimates 2007-2012 | from Table DP03.

- Stanwood households earning more than \$50,000 a year accounts for 55% of households, slightly less than Snohomish County at approximately 64%.
- Household earnings less than \$35,000 constitute approximately 33% of the Stanwood’s total, more than Snohomish County at approximately 23%.
- Relatively to all of the comparable cities and counties, Stanwood has a fairly comparable percentage to those in the table.
- Stanwood has fewer households in 2012 (22%) earning under \$25,000 than in 2007 (27%).

Exhibit 4 Per Capita Income 2012

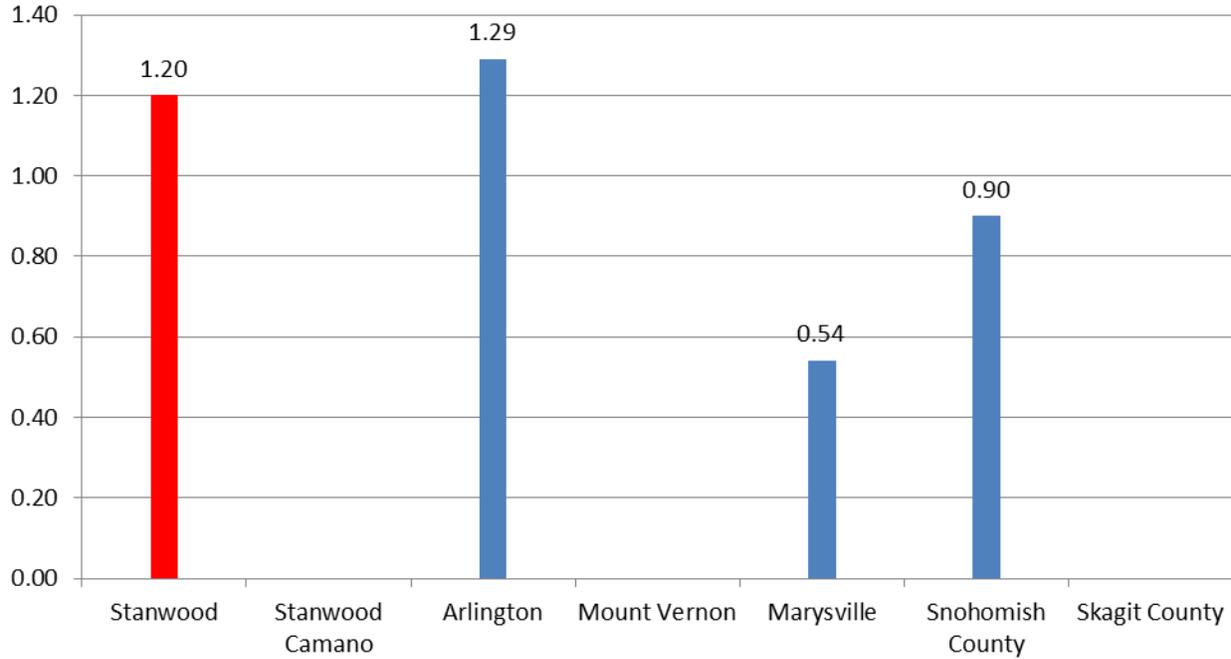


Source - US Census | American Community Survey | 5-year estimates 2007-2012 | from Table DP03.

- Stanwood has the third lowest per capita income of the comparison area examined.
- The per capita income total for the larger Stanwood-Camano area is more than all comparable geographies, including Snohomish County as a whole.
- Relatively to all of the comparable cities and counties, Stanwood has a fairly comparable percentage to those in the table.
- Stanwood’s per capita income has grown since from \$20,812 (2007) to \$26,195 (2012).
- Per-capita incomes can be distorted and can indicate the presence of non-wage or fixed income earning persons, including children and older persons, both of which are represented a higher proportion of the population in Stanwood than in neighboring cities.

Exhibit 5

Jobs to Housing Ratio 2013



	Stanwood	Stanwood Camano	Arlington	Mount Vernon	Marysville	Snohomish County	Skagit County
Jobs-Housing Ratio	1.20	-	1.29	-	0.54	0.90	-
Jobs 2013	3,134	-	9,106	-	12,409	264,844	-
Housing Units 2014	2,620	-	7,053	12,436	23,064	293,586	52,218

Source: Puget Sound Regional Council, 2013; Office of Financial Management, 2013 (Skagit County cities are not shown due to data limitations).

- Stanwood has a relatively high jobs-to-housing ratio (1.20), similar to Arlington (1.29), and it is clearly a job center in Snohomish County.

Exhibit 6

Employment

All employment data in this section refers to “covered” employment. These are jobs covered by the state unemployment insurance program, which is administered by the Washington State Employment Security Department (ESD). Workers excluded from covered employment totals include members of the armed forces, self-employed workers, sole proprietors, and other non-insured workers. Total job numbers are likely to be about 10 to 15 percent higher than the number of covered jobs. City level data is available for Puget Sound Regional Council cities.

Total Employment, 2013

	Construction and Resources	Finance, Insurance, Real Estate	Manufacturing	Retail	Services	Wholesale Trade, Transport, Utilities	Education	Government	Total Jobs
Stanwood	61	133	257	419	1,282	122	603	258	3,135
Stanwood Camano	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Arlington	2,087	133	2,087	1,192	2,408	832	684	929	9,107
Mount Vernon	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Marysville	957	446	1,513	2,379	4,697	568	1,248	601	12,409
Snohomish	15,732	11,774	65,116	31,485	92,846	11,328	16,537	20,026	264,844
Skagit	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

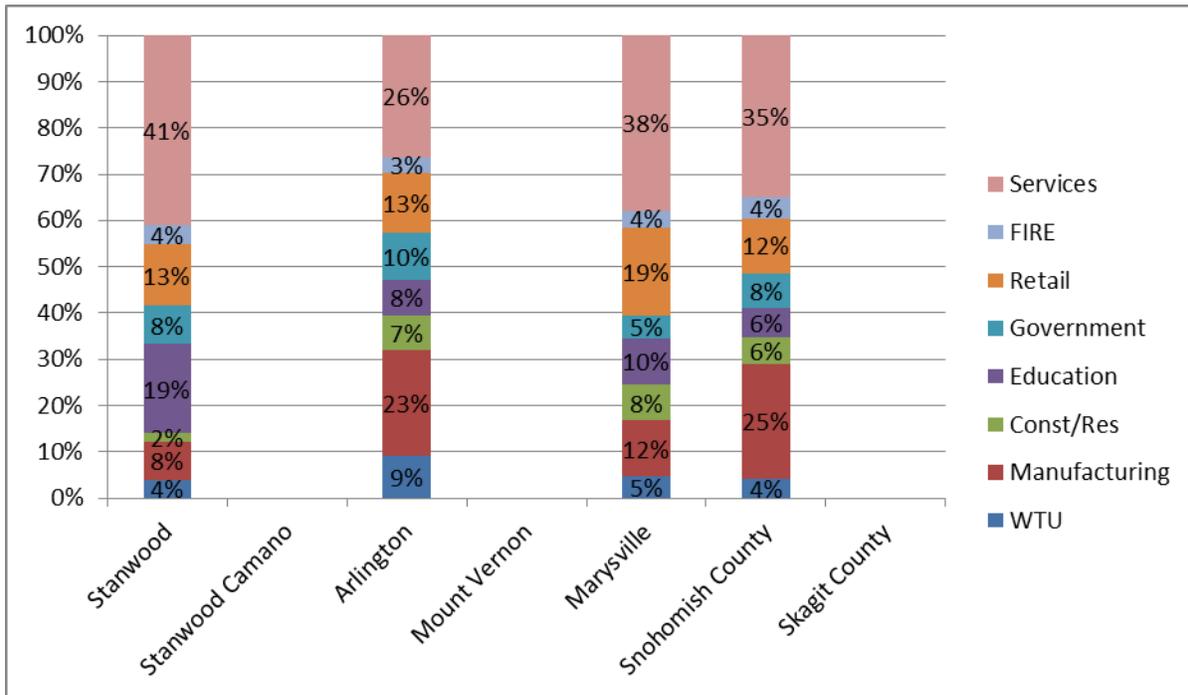
Source: Puget Sound Regional Council, 2013 (Skagit County and Skagit cities are not shown due to data limitations)

- Stanwood had 3,135 covered jobs in 2013.
- The majority of these jobs were in the Services sector (1,282). The next largest sector is Education (603), followed by Retail (419).

Definitions of employment categories

- Construction and Resources: (NAICS codes 11, 21, and 23). Includes agriculture, forestry, fishing, mining, and construction.
- Finance, Insurance, Real Estate (FIRE): (NAICS codes 52 and 53).
- Manufacturing: (NAICS codes 31, 32, and 33).
- Retail: (NAICS codes 44 and 45).
- Services: (NAICS codes 54-81, without Education, NAICS code 61). See descriptions of sub-categories in the Services Employment section.
- Wholesale Trade, Transport, Warehousing, and Utilities (WTU): (NAICS codes 22, 42, 48, and 49).
- Government: (NAICS code 92).
- Education: (NAICS code 61).

Exhibit 7 Employment Distribution 2013



Source: Puget Sound Regional Council, 2014 (Skagit County and Skagit County cities are not shown due to data limitations)

- Stanwood’s largest employment sector (Services), provides 41% of the City’s total employment base. This is higher than comparison cities and Snohomish County total.
- The City’s second largest employment sector is Education, accounting 19% of the city’s jobs. In contrast to other cities, and the region as a whole, Stanwood has a higher concentration of its population employed in the Education sector (603 jobs).
- The City’s retail employment base (13%) is comparable to that of Arlington (13%), and Marysville (19%), and Snohomish County as a whole (12%).
- Stanwood has a lower percentage of people employed in Construction & Resources (2%) than the comparison areas.
- The City’s share of employment in Manufacturing (8%) is less than neighboring Arlington (23%) and Marysville (12%), as well as Snohomish County as a whole (25%).
- The City’s share of employment in WTU (Wholesale, Trade, Transport, Warehousing, and Utilities) (4%) is also less than Arlington (9%) and the Snohomish County total (4%).

Exhibit 8

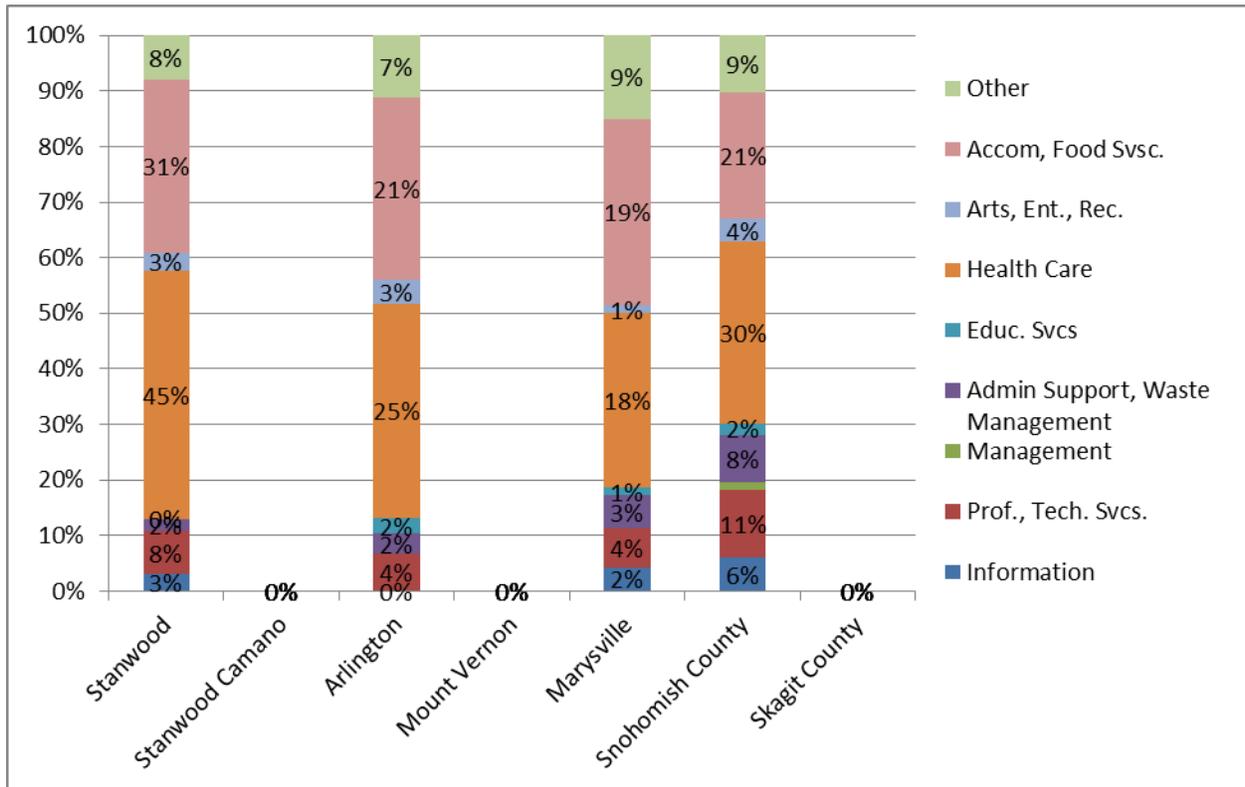
Service Employment Sub-Categories

This section analyzes the sub-categories of Service employment, which typically make up the largest portion of a city's employment base.

Definitions

- Other Services: (NAICS code 81). Includes auto repair shops, personal and laundry services, and religious and civic organizations.
- Accommodations and Food Services: (NAICS code 73). Includes hotels, restaurants and bars. Does not include groceries, which fall under retail trade rather than services.
- Arts, Entertainment and Recreation: (NAICS code 71).
- Health Care and Social Assistance: (NAICS code 62).
- Education Services: (NAICS code 61). Includes jobs at schools and other educational institutions.
- Administrative, Support, Waste Management and Remediation Services: (NAICS code 56).
- Management of Companies and Enterprises: (NAICS 55).
- Professional, Scientific, and Technical Services: (NAICS 54). Includes legal, accounting, architectural, computer systems, advertising, and scientific research services.
- Information: (NAICS code 51). Include publishing, broadcasting, and telecommunications.

Exhibit 9 Services Employment Distribution 2013



Source: Puget Sound Regional Council, 2013 (Skagit County and Skagit County cities are not shown due to data limitations)

- Stanwood’s services sector is primarily composed of Health Care (45%) and Accommodations/Food Services (31%). These distributions are largely similar to the comparison cities but higher than the regional benchmarks.
- Stanwood (8%) follows Snohomish County (12%) as having a higher percentage of people employed in Professional, Technical Services than in any of the comparison areas.

Profile of Planning Area

As part of the Puget Sound Economic Region, Stanwood will be impacted over the next 20 years by several factors:

- Developing Pacific Rim nations use the Puget Sound as a destination for goods and services. The demand for good and service in the Pacific Rim will likely fuel active markets throughout the Northwest over the next 20 years.
- Stanwood is located in the “next tier” of industrial development in the Puget Sound region. As King County becomes saturated with business activity and as land prices increase in the areas closer to the urban centers of King County, companies will tend to seek homes for business outside of the first tier of suburbs like Bothell, Lynnwood, Renton, and Everett. Many industrial parks located in these areas are either full or filling up rapidly. It is expected that this activity will impact Stanwood within the next 10-15 years.
- The tourist and recreation industry is markedly increasing as a result of continued growth in leisure-time activities. The aging of the “baby-boomer” generation will result in a larger increase in this trend. It is also believed that commercial activity associated with growth on Camano Island will continue to rise.
- The U.S. Navy has established a major facility in Everett at the Home Port and Congress has underwritten the security of this investment by their decisions to close bases in California and other parts of the United States while maintaining Everett’s Home Port. The Navy’s presence will continue to positively impact Stanwood, and require additional public services for new residents that live in Stanwood.
- Stanwood has unique resources: close proximity to Camano Island, many choice undeveloped water view properties, easy accessibility to Interstate 5, the railroad, and emerging new recreation and tourist businesses. These resources can work together to create a dynamic and healthy environment for economic growth.

What does this mean to Stanwood’s economic future? Because of Stanwood’s good location within the Puget Sound Region, and its growing tourism, art and retail opportunities, it is expected that economic growth will continue. It is expected that Stanwood will continue to see stable growth in its economy and in turn a significant increase in its residential population. With this in mind, commercial activity will surely increase as the population of Stanwood and Camano Island increases. Adding industrial/office parks would add to economic stability and long-term growth.

Transportation

Interstate 5 (I-5) is the backbone of the county’s road system. It is the major West Coast freeway, extending from the Canadian border to Southern California. I-5 connects the county to the state’s largest city, Seattle and to Vancouver, B.C., and each community’s ports and airports. Interstate 405 intersects with I-5 near the city of Lynnwood. I-405 provides an alternative route

south and connects Snohomish County with the City of Bellevue. Direct, easy access via SR-532 to I-5 provides both business and housing opportunities.

Boeing

The Boeing Company is Snohomish County's largest employer. Currently the company employs approximately 30,000 people at the Everett Boeing plant. Since 1998, Boeing employment has fluctuated from 40,000 to less than 20,000. Boeing, however, remains a primary economic base industry in Washington State and in Snohomish County. Decisions Boeing makes about new or existing production lines will continue to dominate Snohomish County both in direct jobs – i.e. base industry employment and its service industry multiplier (i.e.: 1 to 2).

Economics and Land Use

The planning area of Stanwood can be divided into several significant economic sub-areas. The two most significant are the Downtown District and the Uptown District. (Lesser pockets of minor commercial activity do exist in the growth area and surrounding unincorporated area). Downtown itself can be divided into three areas—Old West End, the 271st Corridor (Central area), and the Commercial main street of east Stanwood. These areas were analyzed in the Design Assistance Team Study and Report and are summarized in the Downtown Plan. For the full report please contact the City of Stanwood Community Development Department.

Economic Development Strategy

This Economic Development Strategy provides a blueprint for achieving Stanwood's objectives by translating the community's broader vision and goals into economic initiatives.

1. To give Stanwood the identity of an efficient and desirable place to shop and do business. To provide a wider variety of shopping opportunities from convenience, full service grocery to unique shops, retail, "agri-business" and tourist support facilities.
2. To develop Stanwood's economic base and infrastructure so that both commercial and industrial growth can occur when demand warrants it, while minimizing the potential conflicts between the two land uses, as well as residential, and public facilities uses.
3. To balance the economic needs of the local residents of Stanwood while recognizing the growing commercial demands of North Snohomish County, Camano Island, and regional tourism.
4. Implement the DAT findings on land use, transportation, recreation, employment and revitalization.
5. Improve the SR-532 corridor for both local residents and "pass-through" trips.

Just as important, the vision states that the City of Stanwood will meet its challenge to accommodate regional growth by preserving the best of the “twin cities” character and encourage well-designed development.

The Economic Development Goals and Policies translate Stanwood’s concerns and goals for its economy to clear statements of public intent. These policies will guide the public and private investment in development activities. The economic policies will also provide a framework for comprehensive planning.

As described in Stanwood’s vision and in other elements of this Comprehensive Plan, Stanwood’s economic development goals are relatively simple:

1. To aggressively promote industrial development. To achieve this goal, Stanwood needs to identify suitable lands, establish zoning districts that encourage industrial use, and provide infrastructure to support it.
2. Re-establish the identity of Stanwood’s Downtown District by providing a framework for which the retail and commercial economy can evolve into a civic and retail specialty area that incorporates the unique Main Street character of Stanwood with vital and diverse specialty retail and service businesses. To accomplish this, the City needs to establish design standards, create a pedestrian-friendly, attractive area, and implement elements of the Design Stanwood DAT recommendations.
3. To promote commercial areas which provide local and accessible services for both the residential neighborhoods and highway commercial customers.
4. To encourage a multimodal transportation system that allows local resident to move more easily from homes to jobs to necessary services without the use of single-occupancy vehicles.

In order to accomplish these goals, Stanwood needs to focus development regulations for these areas on “how” development should occur rather than “whether” it should occur, with incentives rather than restrictions. Regulations should clearly define permitted uses and development processes, and prescribe conditions. They should avoid vague criteria and standards. A clear and simple regulatory process is fundamental to the success of Stanwood’s economic strategy. Expedited, predictable permit processes are essential to meeting these goals and objectives.

In addition, a focus on expanding retail by linking the three City business nodes, providing hotel/conference facilities and public improvements to expand tourism/visitor expenditures would broaden the economic base. In terms of “base industry” jobs that support service, government, medical, retirement and other employment (i.e., one base industry job has an economic multiplier of 1:1 [1 new service job for each new base industry job] or upwards of 1 to

3 ratio should be a goal of the community). Expansion of industrial/warehouse – office/high-tech park in terms of new opportunities, should be pursued.

In less than two decades, Stanwood has experienced dramatic economic transformation. From a rural, agricultural community whose economic activity was generally confined to the provision of goods and services for the community, Stanwood has evolved into a commercial hub for northwest Snohomish County and Camano Island. This growth was initiated by the City's geographically advantageous position relative to Camano Island and within the Puget Sound region. A slower paced lifestyle attracts many people to this area. Moreover, sufficient capacity exists in the surrounding area to accommodate growth and employment projections well beyond that forecast for the next 20 years.

With respect to Stanwood's role as a commercial center, the emphasis is how to enhance the favorable business climate, which currently exists.

Conclusions

Linking Economic Development to Land Use, Transportation, and Future Capital Facilities Implementation

Analysis of population forecast, housing demand, land use carrying capacity, and available land analysis is critical to the underlying assumptions, conclusions, and projections for concurrency, and capital facilities under the Growth Management Act. Economic analysis of the community, its employment base, how it functions, and its future growth are essential to these conditions. The historical setting of Stanwood, with the "twin cities" retail areas and the new emerging "Uptown District" area at the eastern end of the community, along SR-532 provide three important employment community activity areas and tax base for the City. In addition, historical employment centers, such as Twin City Foods, the school district, medical clinics, and the industrial areas provide for employment areas. The Downtown Plan focuses on these ideas and how the community may be improved to provide a better "sense of place," as well as more attractive recreation and employment opportunities.

The community's long, lineal form and the importance of connecting the activity centers in the east and west ends, Main Street and the Viking Village, are important to the economic future of the community. This can be done through implementing the recommendations in Downtown Plan, including those related to signage, trails, parks, diversity of businesses, and capturing opportunities for visitors at recreational waterfront parks, viewing areas, kayak launching, and other agro-tourism activities.

Diversifying the Economic Base in the Community

The community needs to expand its retail area, provide a broader base, and build on recent trends in tourism, agricultural-based activities, such as niche foods – cheese, organic farming, wineries,

etc. In addition, the art and design community can be expanded upon and capture an opportunity with similar communities on Camano Island and La Conner. These types of cottage industry tourism activities can add to the “string of pearls tourism“ that occurs in this area, where people experience restaurants, small boutique shops, wineries, the Tulip Festival, and other events in the immediate area. The emerging wine community and its importance in the state economy can add to this mix of community retail growth.

Looking at the History and the Future of Job Growth

Employment, particularly base industry employment, is the engine that drives a healthy economy, a strong tax base, and housing opportunities for a variety of needs. Broadening the economic base provides taxes and income stream to local businesses, funds community facilities and services such as parks, recreation, improved streets, public services, and police and fire protection. Therefore, a well-balanced economic growth plan is key to long-range planning and the vitality of the community and forecasted housing demand must be key to this economic analysis.