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[OLYMPIA DOWNTOWN]

Business Outreach & Executive Summary

The Thurston Economic Development Council (EDC) is pleased to partner with the City of Olympia. The EDC was contracted to conduct outreach to local businesses located within the Olympia downtown core.

Project Overview

The project was managed by EDC Project Manager, Kyle Wiese. Mark Rentfrow, Thurston Energy Manager and Joseph Little, Senior Fellow, provided additional staffing throughout the project along with volunteers from partner organizations such as the City of Olympia, Thurston County Chamber of Commerce, Public Business Improvement Area (PBIA) members and Olympia Downtown Association. In coordination with city staff, the EDC developed an outreach strategy and set of survey questions designed to understand the characteristics of businesses located in the target area. The survey was intended to solicit input from local businesses on issues and subjects currently affecting business, and provide feedback to the City of Olympia.

Between August and September of 2015 the EDC staff and community volunteers canvassed the target area and reached out to approximately 465 businesses located within the designated area defined by the City of Olympia. The goal was to complete a minimum of 80 confidential surveys and provide a detailed summary of the feedback. At the completion of the project, 104 businesses had participated and completed the survey process. (Please see enclosed copy of outreach letter, Local Business Profile/Visitation Form [survey] and a complete report of outreach results).

Survey Findings

A total of 104 surveys were completed representing the following industry categories: retail, personal services, office, food, entertainment, and industrial.

The following table provides a breakdown of business type:

Businesses Surveyed vs. Total Businesses In Target Area					
Industry	Retail	Office	Food & Entertainment	Industrial	Personal
Surveyed (104)	35%	29%	22%	7%	7%
Targeted Businesses (465)	21%	36%	25%	7%	11%

Market & Sales

Of the 104 participants surveyed, 66% indicated their business is either emerging or growing, 29% are maturing and 5% are declining within their **lifecycle**. Businesses identified their **primary markets** as 33% local (within a ten mile radius), 48% regional (outside a ten mile radius), 13% national and 6% international. **Market share and general sales** have shown to be fairly linear between the two categories. Of those surveyed 56% have increased their market share and 63% have increased sales; 4% have seen a decrease in market share and 6% a decrease in sales.

The following table is a summary of responses:

Primary Market		Lifecycle		Market Share		General Sales	
Local	35	Emerging	9	Increasing	58	Increasing	63
Regional	50	Growing	60	Stable	42	Stable	30
National	13	Maturing	30	Decreasing	3	Decreasing	6
International	6	Declining	5				
<i>*No Response</i>	0	<i>*No Response</i>	0	<i>*No Response</i>	1	<i>*No Response</i>	4

A total of twenty-four businesses **sell to the government**. Of these twenty-four businesses, 46% have increased government sales and 8% have experienced a decrease.

The following table is a summary of responses:

Government Sales			
Sell to Government	24	Increasing	11
Do not sell to Government	73	Stable	11
<i>*No Response</i>	8	Decreasing	2

Workforce

Businesses were asked to provide information regarding their overall workforce. Questions addressed **current and future needs and the quality of an available workforce**. Between 2013 and 2015, 43% of businesses surveyed increased their workforce while 45% remained stable and 12% declined.

The following is a summary of workforce fluctuation from 2013 to 2015:

Workforce Fluctuation		
Increased	Remained Stable	Decreased
43%	45%	12%

Of those who responded, 31% indicated they have a **current job opening at the time the survey was conducted**. These job openings represent part-time and full-time positions in the categories of retail, personal services, office, food, entertainment and industrial.

The following is a list of job openings at the point of survey:

- Personal Assistant
- Legal Assistant
- Sales
- Stylist
- Food Preparers, Cooks, Expeditors
- Delivery Driver
- Baristas
- Bartender
- Cashier
- Dishwasher
- Independent Contractor
- Inspector
- Project Manager
- Principal
- Tax Preparation Professional
- Auto Technicians
- Upholster
- Software Developer
- Branch Manager
- Fish Husbandry
- Broker
- Massage Receptionist

*(*editor's note: the above job openings represent a wide range of skills, knowledge and abilities required to fill these positions)*

In addition to current job openings, 45% of businesses surveyed indicated that they will be looking to **increase their workforce within the next two years** while the remaining 55% project a stable workforce. Of those who expect to hire, positions will represent part-time and full-time work in the categories of retail, personal services, office, food, entertainment and industrial.

The following is a list of anticipated job openings between October 2015 and 2017:

- Management
- Coaching
- Sales
- Investments
- Marine Technician
- Baristas
- Drivers
- Office Support
- Tasting Room Manager
- Distilling Teacher
- Lawyers
- Optician
- Principal
- Mechanics
- Receptionist
- Data Technician
- Customer Service
- Consultants
- Service Technician
- Bartenders
- Upholster
- Teller
- Cashier
- Researchers
- Architect
- Software Developer
- Stylist

*(*editor’s note: the above future job openings represent a uniquely diverse workforce that will provide a wide range of opportunities for residents within the community)*

Businesses were asked to **rate the availability of quality workers**. The scale ranges from one to seven. If a business rates the availability of quality workers as a “one”, this would indicate that they cannot find someone to fulfill their needs. If a business rates the availability of quality workers as a “seven”, this would indicate the workforce they are recruiting is highly qualified and will fulfill their needs. 69% of businesses indicated they have access to a quality workforce. and 31% indicated they were challenged in finding quality workers. This may have a long term negative impact upon the vibrancy of the employer community.

The following is a summary of responses:

Availability of Workers						
1	2	3	4	5	6	7
5%	12%	15%	20%	12%	8%	28%
* No Response = 11 businesses						

Facility & Location

Businesses were asked questions regarding their **building condition and ownership, landlord responsiveness and whether or not they have plans to expand in the next three years**. Of the 85% who lease, most rate their building condition as average or good. About one-third of businesses have plans to physically expand their operations within the next three years.

The following is a summary of responses:

Facility & Location									
Building		Building Condition			Landlord Responsiveness			Plans to Expand in Next Three Years	
Owned	Leased	Poor	Average	Good	Poor	Average	Good	Yes	No
15%	85%	14%	43%	43%	11%	31%	58%	30%	70%

Businesses were asked to identify **factors they considered when choosing to locate their business in downtown**. The most common reasons included centralized location between Lacey, Olympia and Tumwater, high visibility, cultural amenities and an urban setting along with nearby opening or acquisition of similar types of businesses.

The following is a summary of the most common responses:

- Centrally located between Lacey, Olympia and Tumwater
- High visibility and desire for urban setting & vibe
- Cultural amenities
- Nearby opening or acquisition of similar types of businesses

Businesses were asked if they are a **destination business or primarily supported by foot traffic and what percent of their business was regular vs. drop-in while also indicating seasonal changes**. Most businesses in downtown consider themselves to be a destination business in the community, claiming “drop in” foot traffic accounts for approximately 25% of overall sales. The feedback also indicated that sales levels are affected by year round seasonal changes.

(Please see following page for a summary of the most common responses)

The following is a summary of the most common responses:

- Businesses consider themselves to primarily be a destination business
- “Drop in” foot traffic accounts for a low percentage of overall sales
- Three-quarters of taxable sales are attributed to a repeat customer base
- Sales levels are affected by seasonal differences

*(*editor’s note: foot traffic is used to describe unplanned or spontaneous retail activity)*

Businesses were asked what **works well and what does not work well them about their business location**. High visibility, foot traffic, and being a part of the downtown community appear to be strong drivers for locating and thriving in downtown. A vast majority of the challenges identified centered on perceptions from business owners and their customers that there is a lack of parking availability and heightened enforcement. Additionally, a vast majority of business respondents spoke to negative perceptions, either from themselves or from the community that downtown is unsafe. This feedback was fueled by concerns with homelessness, vagrancy and open drug use and refuse in the downtown core. The overall cleanliness was also cited in numerous surveys as a detriment to business and the overall perceptions of downtown.

The following is a summary of the most common responses:

- Things that work well
 - High visibility
 - Foot traffic
 - Being part of the downtown community
- Things that do not work well
 - Availability of parking
 - Perception of downtown being unsafe
 - Homelessness & vagrancy
 - Open drug abuse and refuse
 - Overall cleanliness

Business owners were asked whether the success and profitability of their organization was **most dependent on interstate, local or pedestrian accessibility**. Quantifying data on how customers made their way to downtown businesses can be used to identify trends in sales, customer demographics, and future transportation and infrastructure needs for the City of Olympia. Respondents tended to group their answers together in terms of local and pedestrian activity, indicating that the majority of customers either drove their car from a relatively nearby location or that they made their way to the business on foot, bike or public transit. These two options were cited as the method of access most frequently observed by business owners. Very few businesses named the interstate solely as their most dependent transportation infrastructure resource for business activity. The interstate was more frequently mentioned in a grouping where all three choices were selected together, although here too the ratio was roughly three to one in favor of local/pedestrian when compared with interstate access.

The following is a summary of the most common responses:

- Local accessibility
- Pedestrian accessibility

Top Three Improvements

Businesses were asked to provide feedback on the **three most important improvements that they would like to see happen in downtown Olympia**. Nearly all respondents cited parking and vagrancy issues as their top priorities for improvement. Many other reoccurring themes included increased police presence and walking patrol, public restroom availability, increased market rate housing and urban density, and a need for festivals and events (such as Arts Walk and Procession of the Species) to draw the population to the City center and experience what downtown has to offer for the entire community. There were also suggestions to improve the communications and business data networks of business owners in downtown to help coordinate improvements and development as well as a desire to see the overall downtown reflect a greater level of overall cleanliness.

The following is a summary of the most common responses:

- Increase parking options
- Address vagrancy
- Increase police presence and walking patrol
- Increase public restroom availability
- Increase market rate housing and urban density
- Additional festivals and events
- Improve communications from the City to help coordinate improvements and development
- Improve overall cleanliness of sidewalks and store fronts

Respondents were asked **what additional businesses, or other types of uses they would like to see locate in downtown and what would not be a good fit in downtown.** Local business was a strong theme with ideas that included local grocery options, pharmacy, small electronics, artisan, craft and boutique offerings and service related businesses (laundromat, office supply) and a community pool. Feedback also indicated that downtown needs more family friendly businesses that are welcoming to all segments of the population and not exclusive to specific age groups. Tattoo parlors, vape and smoke shops, bars and big box stores were all consistently cited as retail that existing business owners would not like to see locate in downtown. (Please see following page for a summary of the most common responses)

The following is a summary of the most common responses:

- Additional businesses or other types of uses that respondents would like to see locate in downtown
 - Local grocery
 - Pharmacy
 - Small electronics
 - Artisan, craft and boutique shops
 - Service related businesses such as a laundromat and office supply
 - Community pool
- Businesses that would not be a good fit in downtown
 - Tattoo parlors
 - Vape and smoke shops
 - Bars
 - Big box

Businesses were asked how they anticipate **increased market rate housing in downtown impacting their own business.** This response was overall very positive with nearly all of the respondents claiming that it will have a positive impact in attracting additional downtown development and redevelopment. Other comments indicate that market rate housing will increase safety and financially benefit local businesses. A few critics cited increased strain on downtown parking availability and a lack of street/garage parking to accommodate the increase in population.

The following is a summary of the most common responses:

- Increased market rate housing is positive
- Will potentially attract other development opportunities
- Will increase safety
- Will be positive for businesses financially

Businesses were asked **what ways the City of Olympia could help downtown be more successful for business**. Many owners cited the need for better tenant mix planning or incentives as a means of making their businesses more successful. Helping to solve issues of vagrancy in downtown through increased walking patrols and better promotion of downtown events and amenities were cited as ways to support improved perception of the area for both locals and tourists. Parking availability was also noted as integral to downtown business success with many respondents suggesting that a public parking structure could be a preferred solution.

The following is a summary of the most common responses:

- Better tenant mix
- Improve issues of vagrancy
- Increase walking patrols
- Better promote downtown event and amenities
- Improve perception for locals and tourists
- Increase parking availability

Financial

Businesses were asked if they **anticipate using outside financing to fund growth, expansions or acquisitions in the next 18 months**. Nearly one-quarter of the businesses indicated they may have a need for this type of assistance.

Anticipate using Outside Financing	
Yes	No
24	79
<i>*No Response = 2 businesses</i>	

Additional Challenges & Concerns

A majority of community wide concerns expressed by respondents had little to do with infrastructure, regulatory climate or market fluctuations. Most of the expressed concerns included previously mentioned challenges that include perceptions impacting safety, crime, cleanliness, parking and vagrancy. The feedback was strong among respondents that these top concerns have the most significant impact on the community-wide perceptions of downtown Olympia.

The following is a summary of responses (percentages represent amount of businesses who indicate each area of concern or difficulty):

Areas of Difficulty or Concern					
City Permitting	State Permitting	Regulations	Transportation	Supply Chain	Changing Market
16%	7%	14%	16%	2%	16%

Continued: Areas of Difficulty or Concern				
Parking	Vagrancy	Crime	Safety	Cleanliness
65%	78%	54%	53%	63%

Referral

Businesses were asked to identify resources and **topics that may be beneficial to their future success**. The most prominent responses were related to business advising, access to capital, energy efficiency and networking with local businesses. Growth strategy and government contracting were also indicated as a general interest.

The following is a summary of responses (percentages represent the amount of businesses that indicated each topic):

Resources to Benefit Success				
Access to Capital	Growth Strategy	Business Advising	Management Training	Available Real Estate to Expand Operations
26%	19%	29%	13%	10%

Continued: Resources to Benefit Success			
Energy Efficiency	Government Contracting	Networking with Local Businesses	Business Advocacy
26%	19%	29%	13%

Tourism

Businesses were asked to indicate the **percentage of their business (customers) was from tourists visiting Olympia and what types of inquiries they make about the local area.**

The range of tourists is on average between 10 – 20% and the most frequent inquiries revolve around the food industry. These inquiries include restaurants (regular, organic and vegan), coffee shops, breweries and bars. Other items of interest include “what is there to do?”

The following is a summary of the most common responses:

- 10 – 20% of customers are tourists
- They inquire about
 - Restaurants (regular, organic and vegan)
 - Coffee shops
 - Breweries
 - Bars
 - Local activities

Most Important Improvements

Businesses were asked to identify **the single most important thing that could be done to support business and economic development in downtown Olympia.** Two major themes arose; 1.) Address and improve issues which surround the homelessness/transient population and 2.) Access to parking. There is a desire to have free street parking and to create a parking garage. Multiple other topics were common throughout. These topics include: making downtown a destination, cleaning up downtown, creating a solid plan for future growth, filling vacant storefronts and creating a tax structure for start-up’s and small businesses to level playing field between corporate and small businesses. An overarching theme is to improve downtown Olympia’s image and change the perception that it is not a safe place to visit.

The following is an ordered list of the most common responses:

1. Vagrancy
2. Parking
3. Police presence and walking patrol
4. Increased market rate housing and urban density
5. Reflect a greater level of overall cleanliness
6. Pedestrian friendliness
7. Public restroom availability
8. Increased festivals and events
9. Improve communications to help coordinate improvements and development

Summary

The general tone from businesses who participated in the downtown Olympia business outreach survey was positive. This was reflected through their appreciation of being asked to solicit feedback to the City of Olympia.

Of the 104 businesses surveyed, 81% serve a local or regional market, while the remaining participate in national and international markets. The majority of survey respondents indicated that their business was emerging, growing or maturing with only 5% indicating a decline in their life cycle. From 2013 – 2015, 88% of businesses indicated that the size of their workforce is either stable or increasing, while the remaining businesses experienced a slight decline in employment. The most consistent themes throughout the survey were

- 1.) An increase in the homeless and transient population projects a negative perception to customers that makes downtown feel unsafe to visit and patronize business establishments, and
- 2.) Limited access to parking negatively impacts businesses by way of customers who choose not to shop in downtown because parking is difficult to locate and navigate.

Respondents were happy to take part in the survey and many expressed a warm “thank you” for involving them in the process. Through this initial survey effort, the Thurston Economic Development Council is optimistic that the outreach will aid in laying the groundwork for future dialogue and engagement between the City of Olympia and the local business community.



The Thurston Economic Development Council thanks all of the businesses who participated and provided feedback throughout the duration of this outreach. Additionally, the EDC thanks all of the partners who provided outreach support. These partners include the City of Olympia, Public Business Improvement Area (PBIA), Olympia Downtown Association (ODA) and the Thurston County Chamber of Commerce.