

## OLYMPIA NEIGHBORHOOD CENTERS STRATEGY

# City Council

May 21, 2024

# What are Neighborhood Centers?

*Intended to be small walk and transit-friendly business clusters within residential neighborhoods that serve the day-to-day retail and service needs of local residents and foster community interaction.*



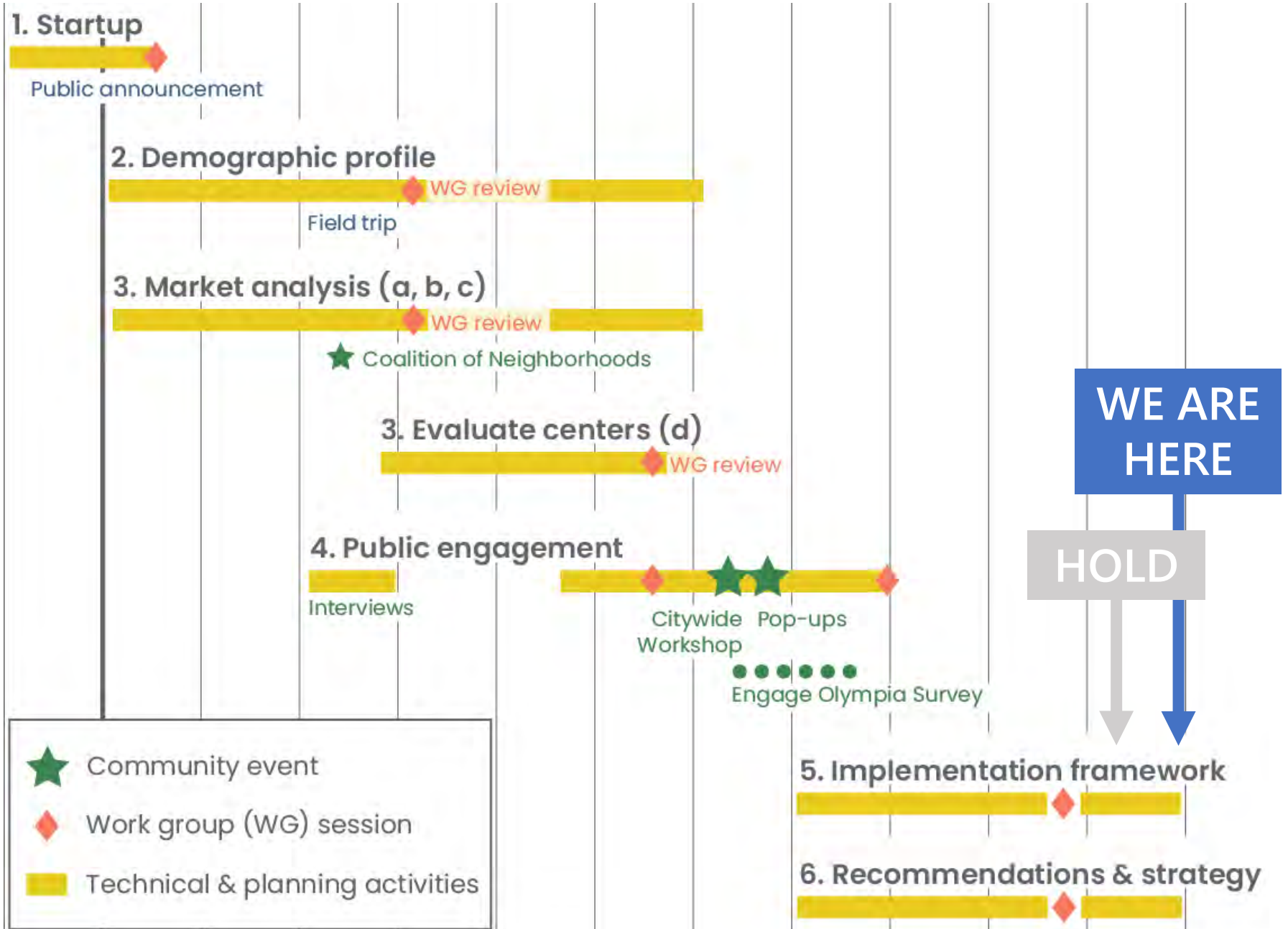


# Project Purpose

- Evaluate current status of neighborhood centers
  - Market conditions
  - Physical characteristics
- Identify barriers to vision, e.g., development regulations
- Engage community through survey, pop-ups, workshop, briefings
- Identify policies and actions to support healthy centers



# Schedule



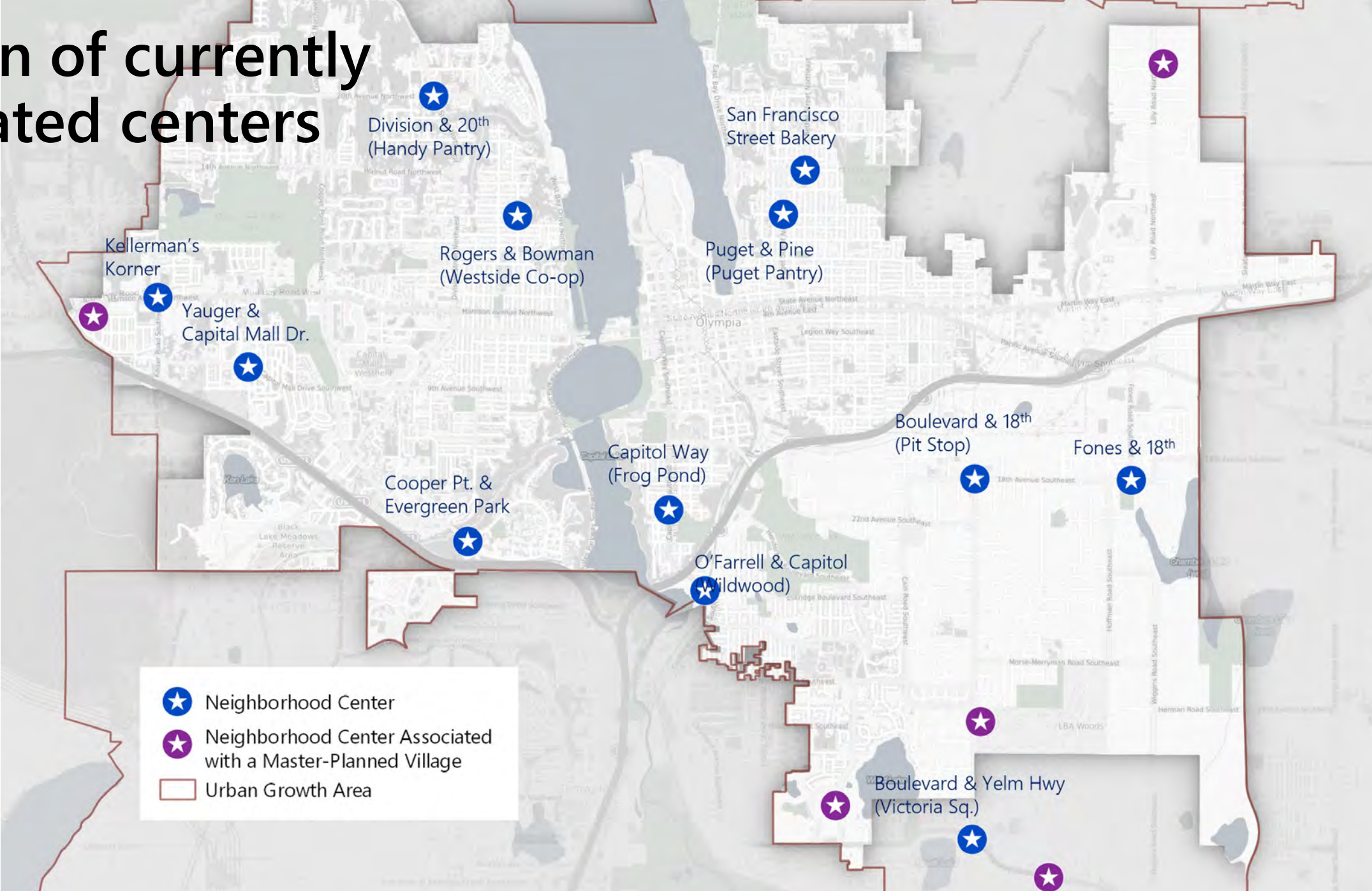




# Evaluation



# Location of currently designated centers

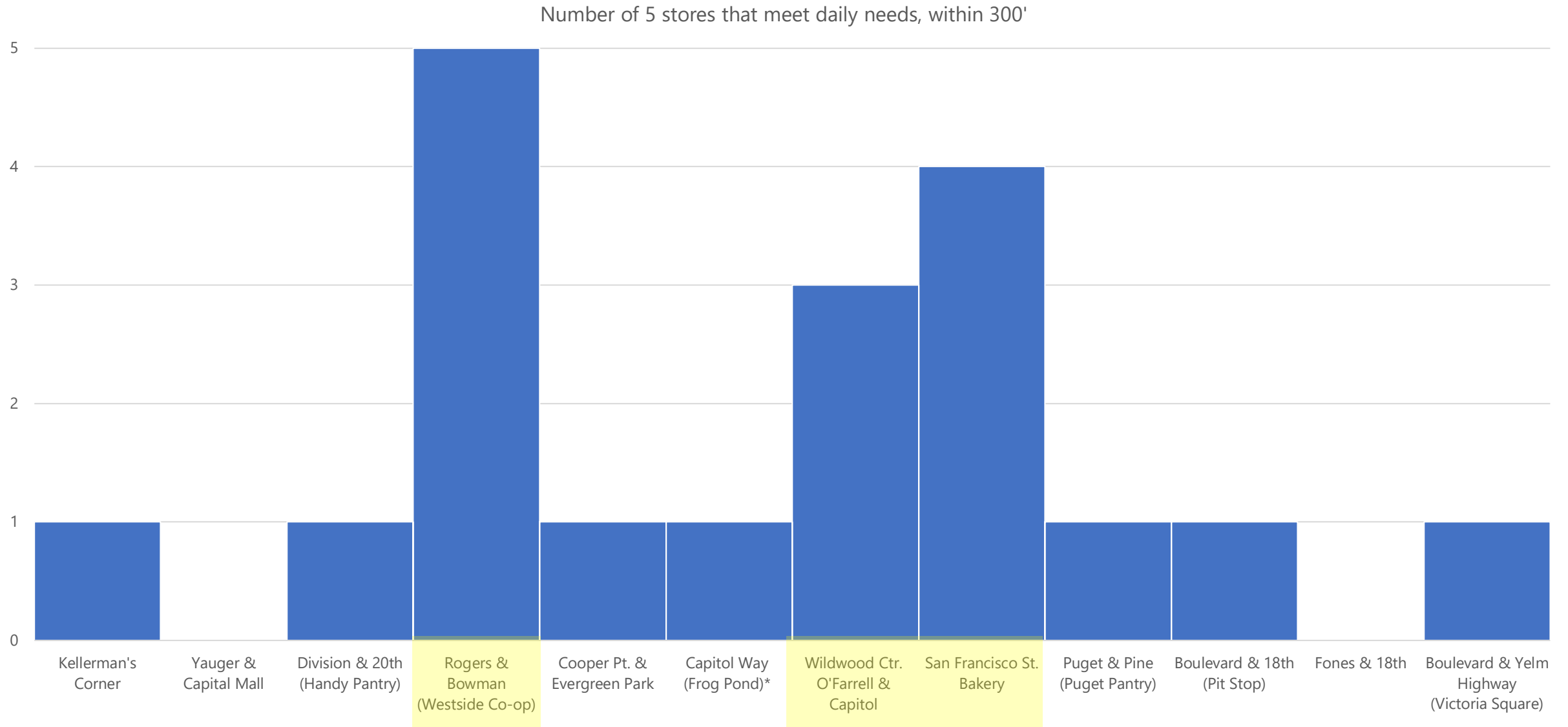


-  Neighborhood Center
-  Neighborhood Center Associated with a Master-Planned Village
-  Urban Growth Area



# Presence of Five Key Commercial Destinations

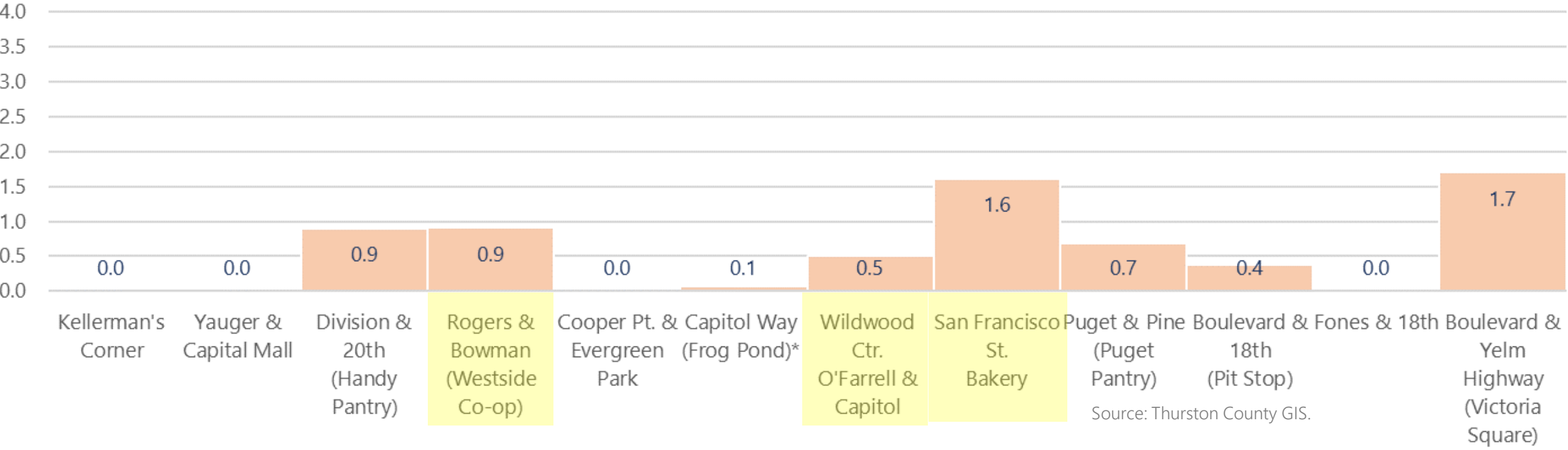
(Bakery, Coffee Shop, Restaurant, Food Store (e.g., corner store or convenience store), and Grocery Store.)



Source: Leland Consulting Group.

# Barriers: Land Zoned Neighborhood Retail

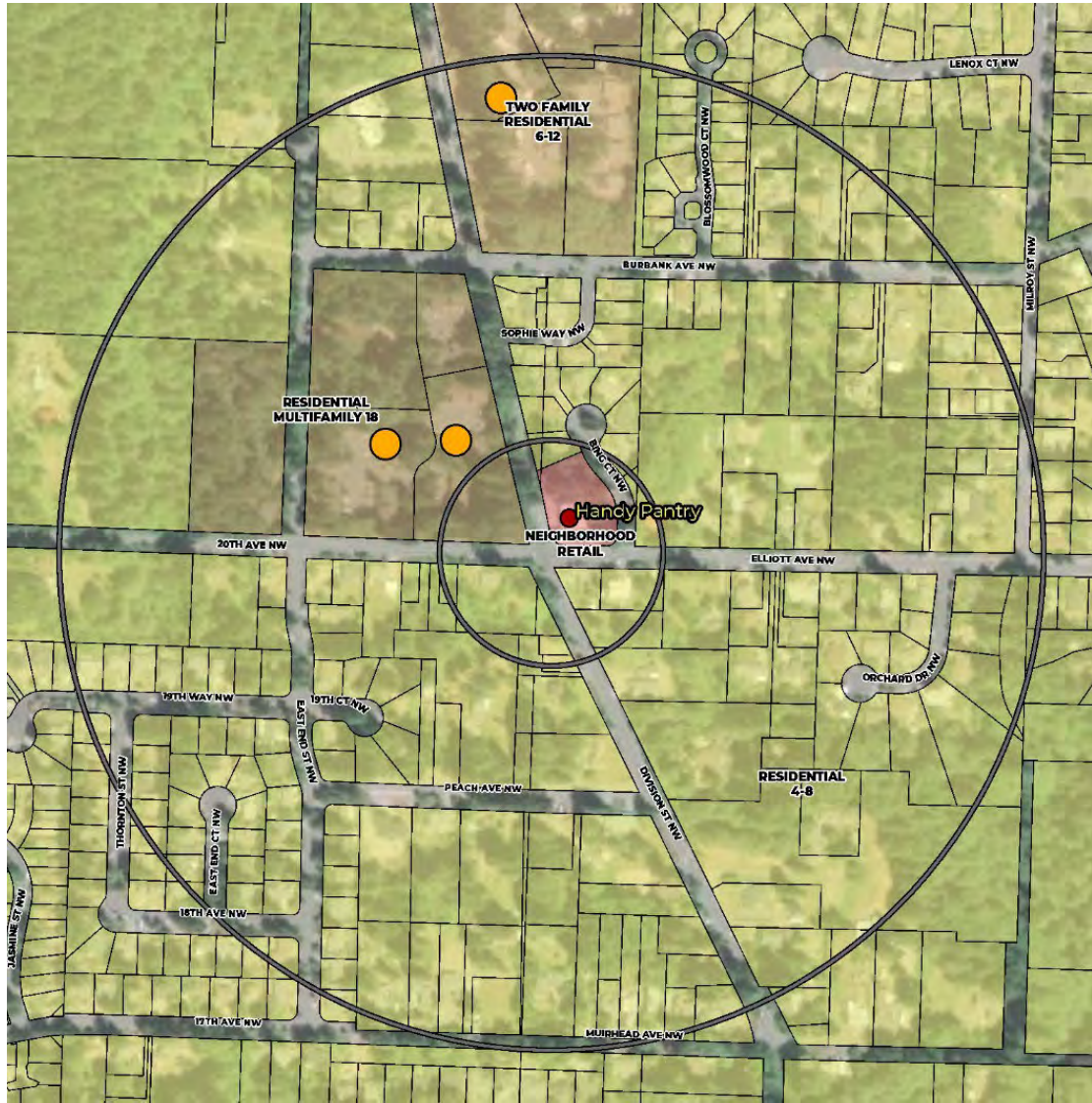
Ac. Zoned N'hood Retail within 300'



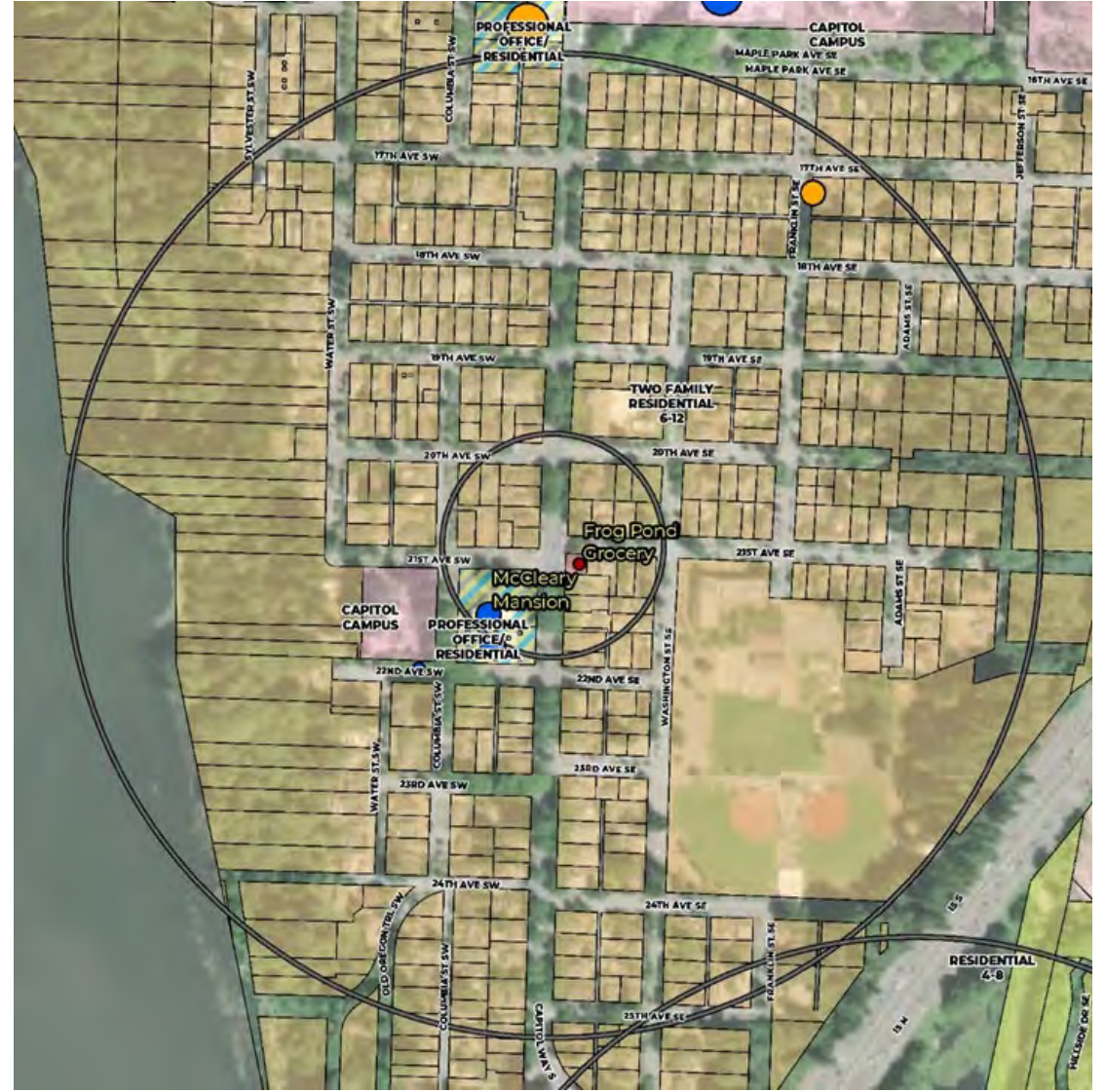




# Division St. and 20<sup>th</sup> Ave. (Handy Pantry)



# Capitol Way (Frog Pond)





# Barriers: Rent vs. Construction Cost for New Development



- Rents in centers:  
\$13 to \$20 per square foot

- Required for new development:  
\$30+ per square foot, NNN

- Construction loan rates: From 3.0% (2020) to 8.0% (2024)



# Market Analysis Findings

- The strongest indicator of a center's success is the presence of a handful of small, local retailers, such as a bakery and coffee shop.
- There is market demand (households' spending capacity) to support more commercial uses at most centers.
- The main barriers to adding more local retailers to centers are:
  - Lack of land zoned NR or other that allows small commercial spaces
  - Lack of low-cost land
  - Commercial lease rates that are lower than necessary to support most new construction
- While rents will often not support new construction, they could enable the adaptive reuse of existing structures.



**What we heard**

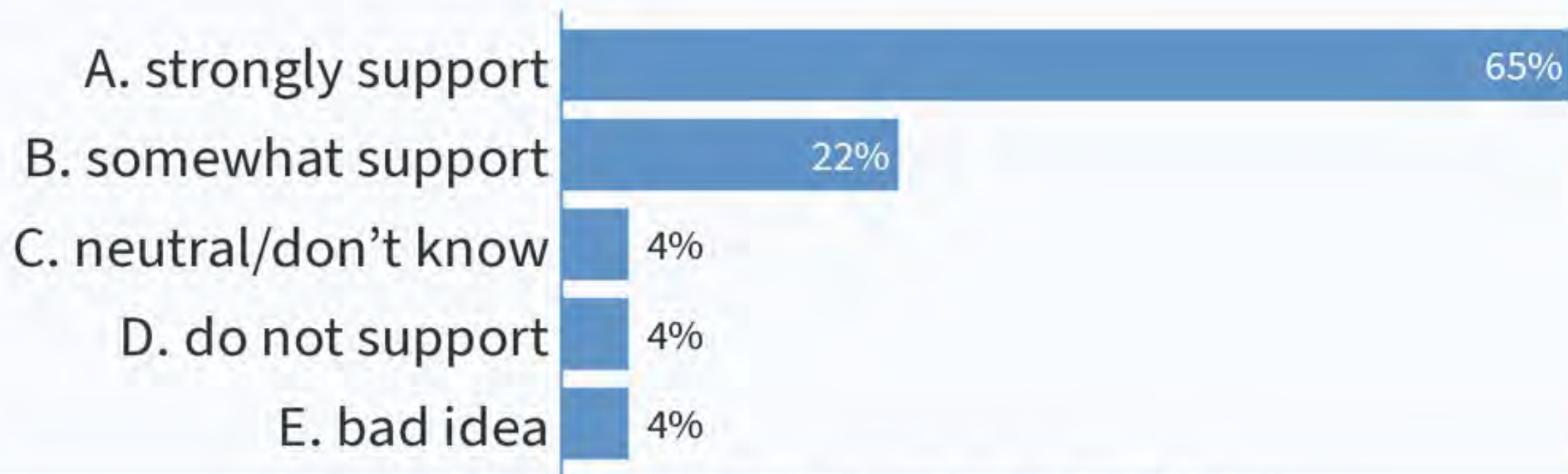


# Small Scale Commercial – Community Views

- Allow small-scale neighborhood commercial development in low density residential zones in/near neighborhood center locations *provided they fit with the community vision*
- Flexibility allows for organic arising of new locations

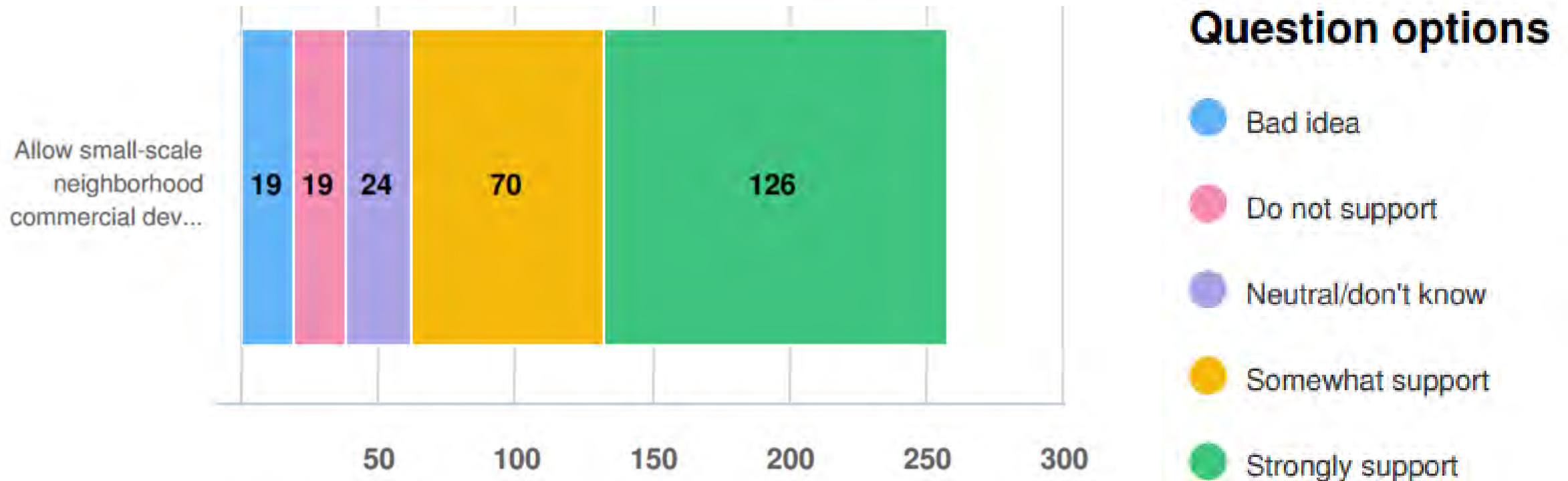


**ii. Allow small-scale neighborhood commercial development in low density residential zones in/near neighborhood center locations provided they fit with the community vision.**





**Allow small-scale neighborhood commercial development in low density residential zones in/near neighborhood center locations provided they fit with the community vision. (Traditionally, residential zones do not allow businesses mixed in with residences.)**



*Optional question (258 response(s), 2 skipped)*  
*Question type: Likert Question*

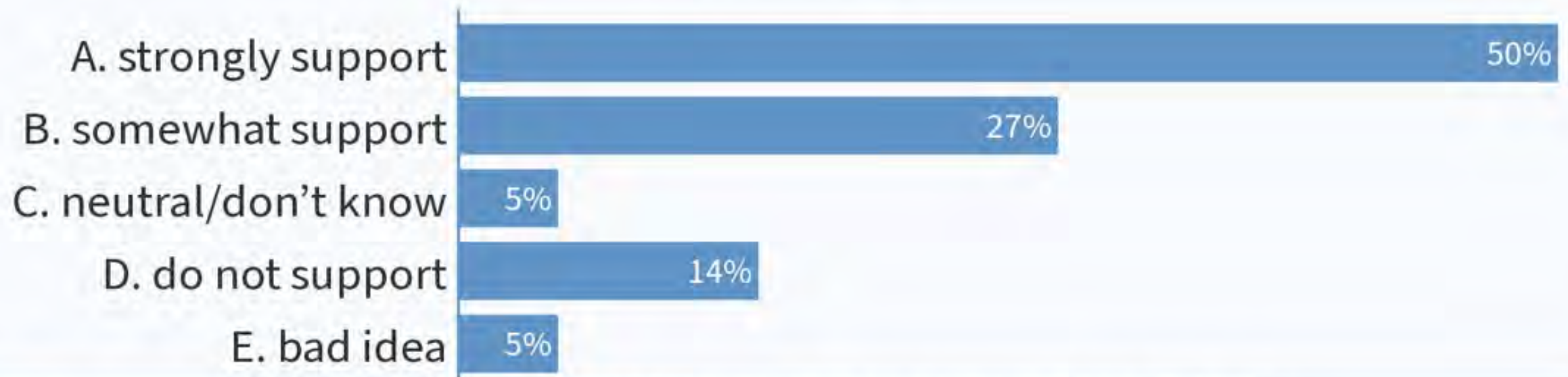
# Mixed-use Buildings (NR zone) – Community Views

- Allow buildings with businesses on the ground floor and residences or offices above
- Limited locations at center

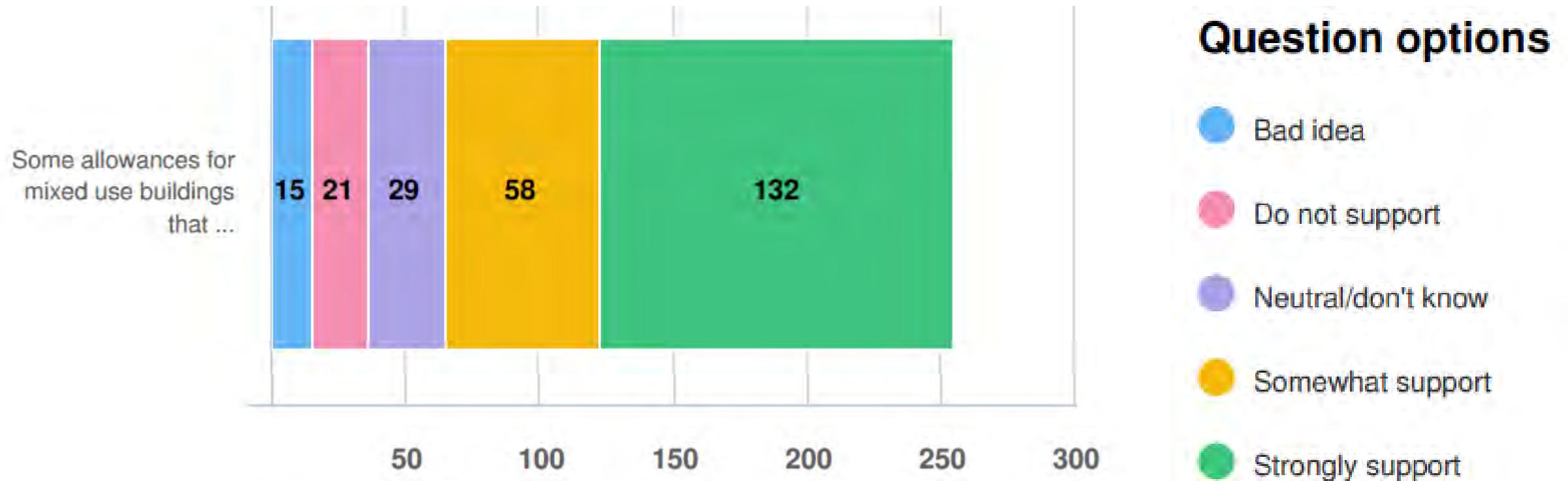




**i. Some allowances for mixed use buildings that have businesses on the ground floor and residences or offices above. (Existing centers have small or no areas zoned to support mixed-use format, and many office uses are not allowed.)**



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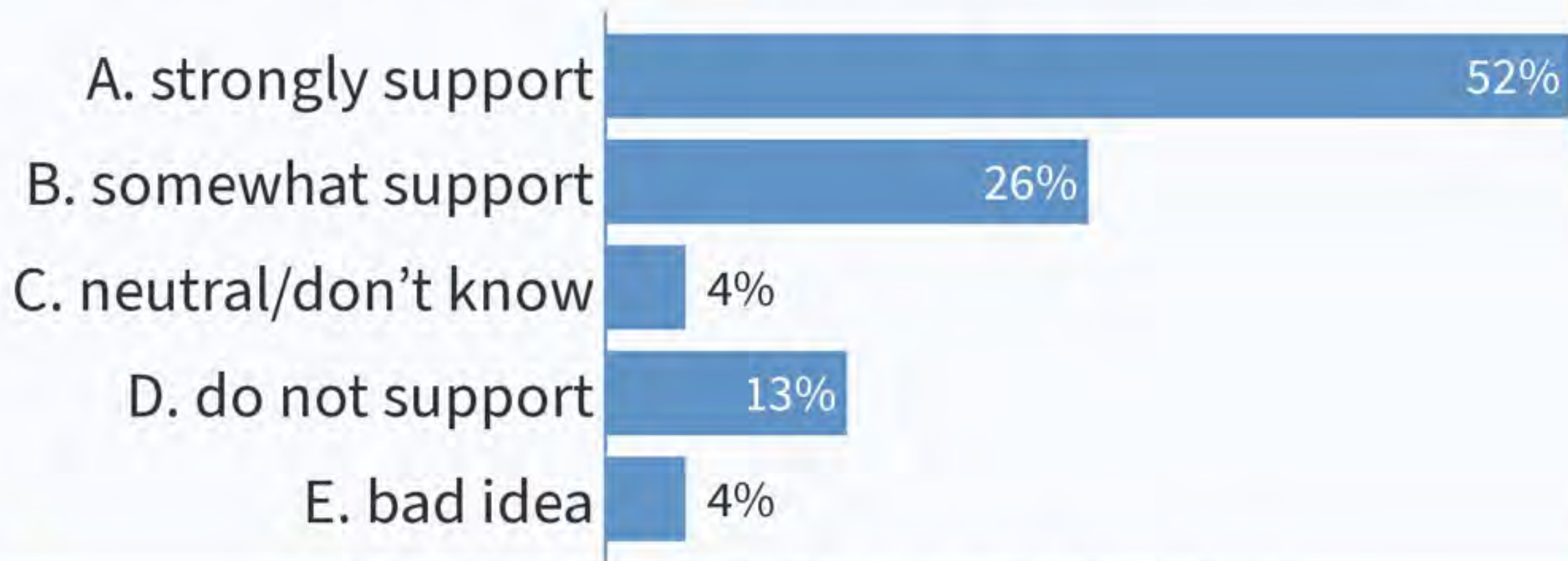
# Home Variety – Community Views

- Allow greater variety of home types within a ¼ - ½ mile of the neighborhood center
- Greater consumer base, vibrancy, and housing options and affordability





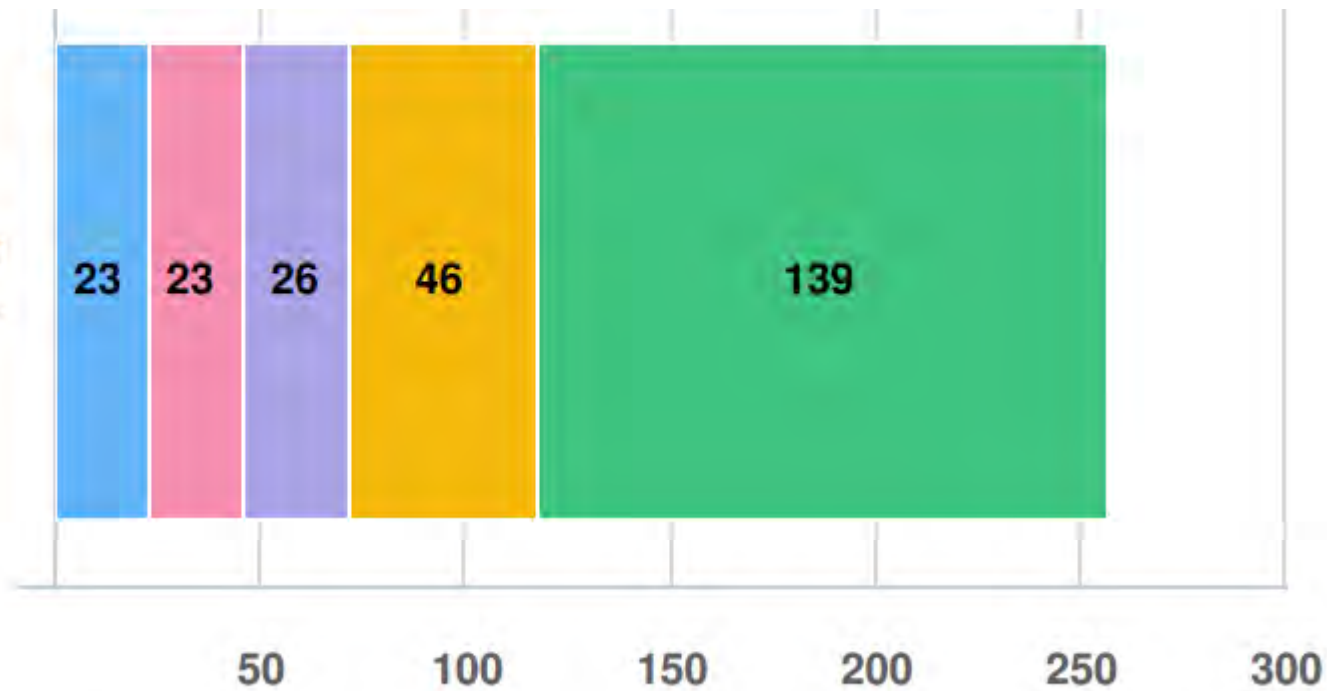
**iii. Allow greater variety of home types within a 1/4 - 1/2 mile of the neighborhood center for greater consumer base, vibrancy, and housing options and affordability.**





**Allow greater variety of home types within a ¼ - ½ mile of the neighborhood center for greater consumer base, vibrancy, and housing options and affordability. (Most are currently zoned low density residential even though the Comprehensive Plan vision calls for greater variety.)**

Allow greater variety of home types within a ...



### Question options

- Bad idea
- Do not support
- Neutral/don't know
- Somewhat support
- Strongly support

Optional question (258 response(s), 2 skipped)

Question type: Likert Question





# Recommendations



# Key Findings

- Reliance on auto access: Need policy support for healthy neighborhood centers and holistic land use/transportation planning
- Permit small commercial uses (SCUs) in residential zones near centers and/or update the Neighborhood Retail zone and other regulations to remove barriers to neighborhood commercial use
- Provide economic development programs: matching grants, ROW allowances, support the Transportation Master Plan

# Comprehensive Plan Policies

## Holistic Land Use and Transportation Planning

- Refine criteria for siting neighborhood centers
- Strengthen policies to support neighborhood centers, e.g.:
  - Sidewalks
  - Transit access
  - Civic activities
  - Surrounding housing types for supportive population

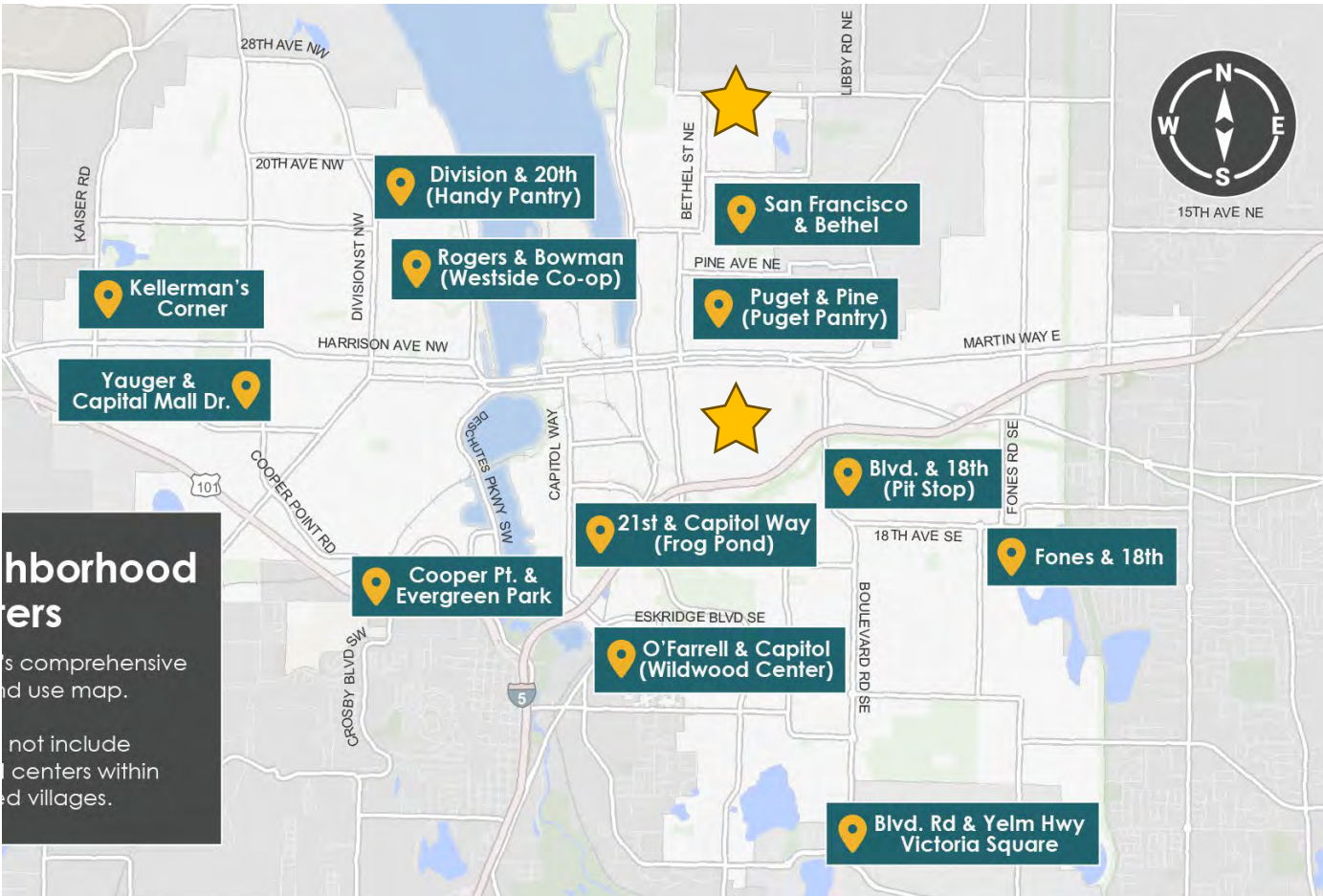




# Comprehensive Plan Policies

## Center Designations

- Remove designation from centers planned for higher intensity uses:
  - **Kellerman's Corner**
  - **Yauger Way and Capital Mall Drive**
- Consider moving Cooper Point Rd/Evergreen Park Dr
- Explore options for new centers during Comprehensive Plan process
  - **Eastside** neighborhood near Swantown Inn
  - **Friendly Grove**



# Update NR Zone and Other Reg's

- Reduce parking requirements
- Ensure development can fit on site (e.g., reduce side yard setback)
- Allow carts instead of dumpsters for solid waste pick-up options
- Uses:
  - Remove gas station
  - Add small scale healthcare
  - Evaluate small pub/wine tasting
- Simple administrative design review







# Permit Small Commercial Uses in Residential Zones near Centers

- Add a new use: "Small Commercial Uses (SCUs)" to Chapter 18.04
- 1,000 square feet or less of customer serving area
- Must be part of an existing home or other structure
- Allow SCUS to meet sidewalks (0- to 5-foot front setbacks)
- Within 300 feet of an existing center



# Consider Citywide Programs

- Establish a building improvement grant program
  - Competitive program
  - To building owners seeking to build small commercial uses or other desired improvements
  - Facade improvements, potentially building interiors and systems
  - \$5,000 to \$50,000 matching grants
  - Models: Tacoma, Auburn; Beaverton OR
  - Identify funding source

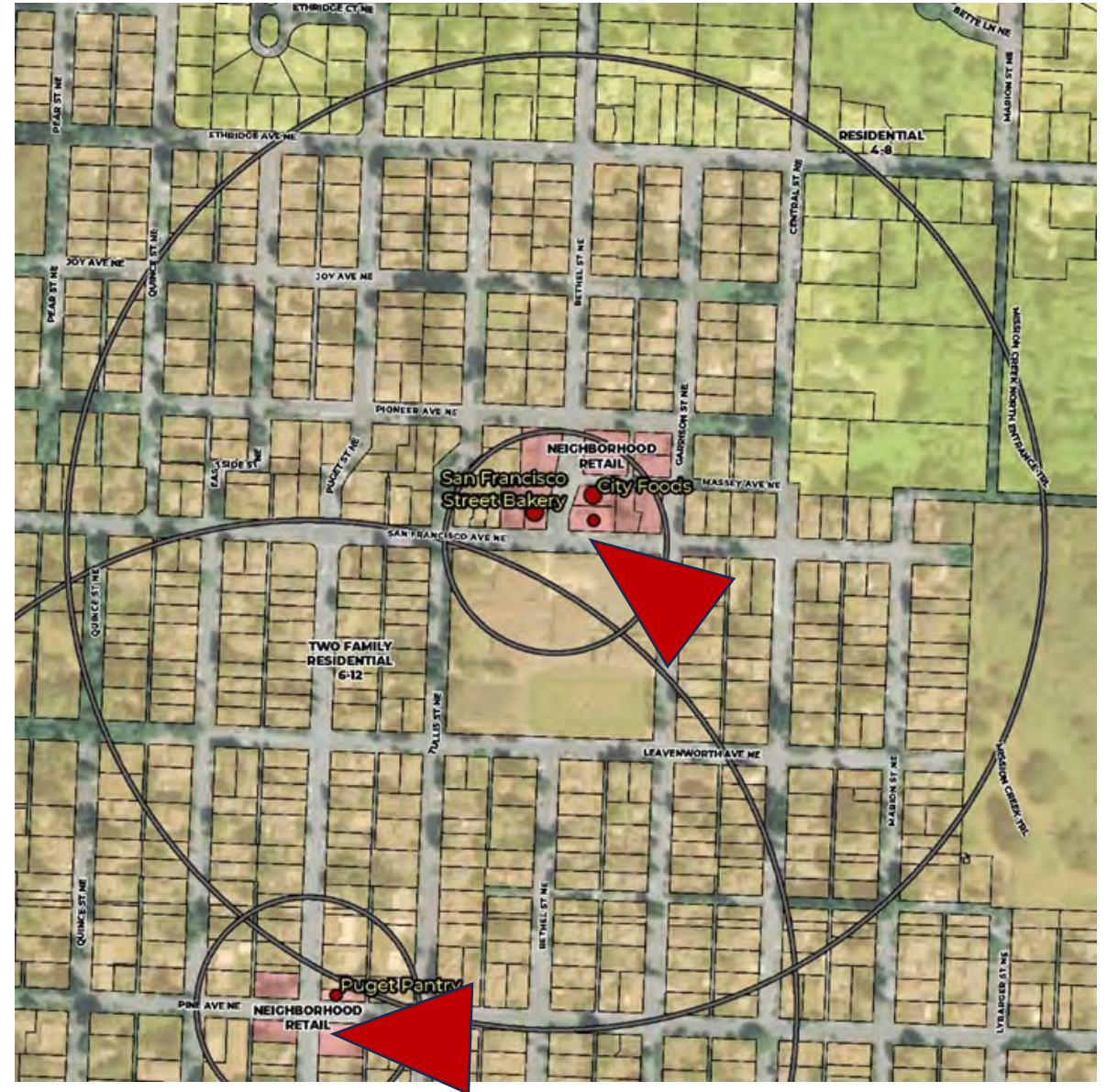


Bank to restaurant conversion, Beaverton, Oregon



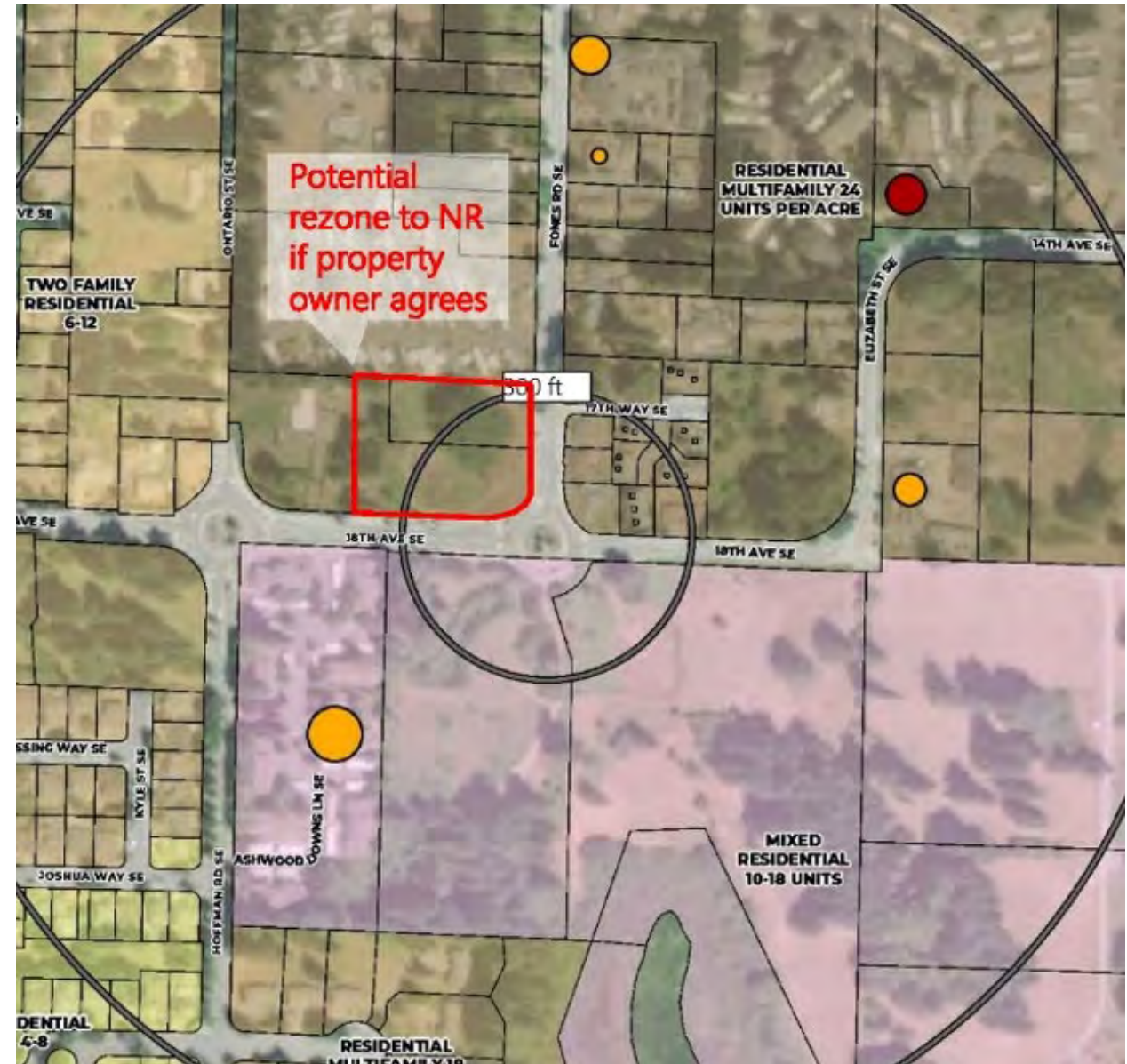
# Consider Citywide Programs

- Site-specific development evaluation and/or pilot projects
- See specific sites mentioned in report
- Where budget allows, work with property owners to complete design and feasibility assessment of small-scale development



# Pursue Neighborhood-Specific Actions

- Sidewalk and street improvements
- Meet with local property owners and neighbors to explore:
  - Options for small rezones
  - Redevelopment opportunities
- Floating center (Fones & 18<sup>th</sup>)





# Great neighborhood centers are possible!

*Small walk and transit-friendly business clusters within residential neighborhoods that serve the day-to-day retail and service needs of local residents and foster community interaction.*







**Thank you!**



**Reference Slides**



15TH AVE NE

KAISER RD

28TH AVE NW

20TH AVE NW

DIVISION ST NW

BETHEL ST NE

LIBBY RD NE

PINE AVE NE

MARTIN WAY E

HARRISON AVE NW

DESCHUTES PKWY SW

CAPITOL WAY

FONES RD SE

COOPER POINT RD

18TH AVE SE

ESKRIDGE BLVD SE

BOULEVARD RD SE

CROSBY BLVD SW

5

Division & 20th  
(Handy Pantry)

San Francisco  
& Bethel

Rogers & Bowman  
(Westside Co-op)

Puget & Pine  
(Puget Pantry)

Kellerman's  
Corner

Yauger &  
Capital Mall Dr.

Bldv. & 18th  
(Pit Stop)

21st & Capitol Way  
(Frog Pond)

Fones & 18th

Cooper Pt. &  
Evergreen Park

O'Farrell & Capitol  
(Wildwood Center)

Bldv. Rd & Yelm Hwy  
Victoria Square

## Neighborhood Centers

From Olympia's comprehensive plan future land use map.

This map does not include neighborhood centers within master planned villages.



# Where it all started...

- Neighborhood centers part of Olympia's vision as a vibrant, sustainable community for over 20 years
- Land Use Goal 21: Neighborhood centers are focal points
- Policies address preferred land uses, proximity to transit and major streets, and neighborhood compatibility
- Sustainable Thurston Plan:  
*By 2035, 72% of region's households should be within 1/2 mile of an urban center, corridor, or neighborhood center = 20-minute neighborhood*



# Previous Work: 2014 - 2015

- Neighborhood centers have not developed as envisioned
- Planning Commission set out to find out why neighborhood centers were not being developed, and to create a path to implement the community's vision
- Phased approach:
  - Phase 1 – Information gathering  
Online questionnaire, interviews – results compiled in summary document
  - Phase 2 – Outreach
  - Phase 3 – Code amendments
- Phase 1 work completed, then project put on hold





# Neighborhood Centers: Context and Community Vision

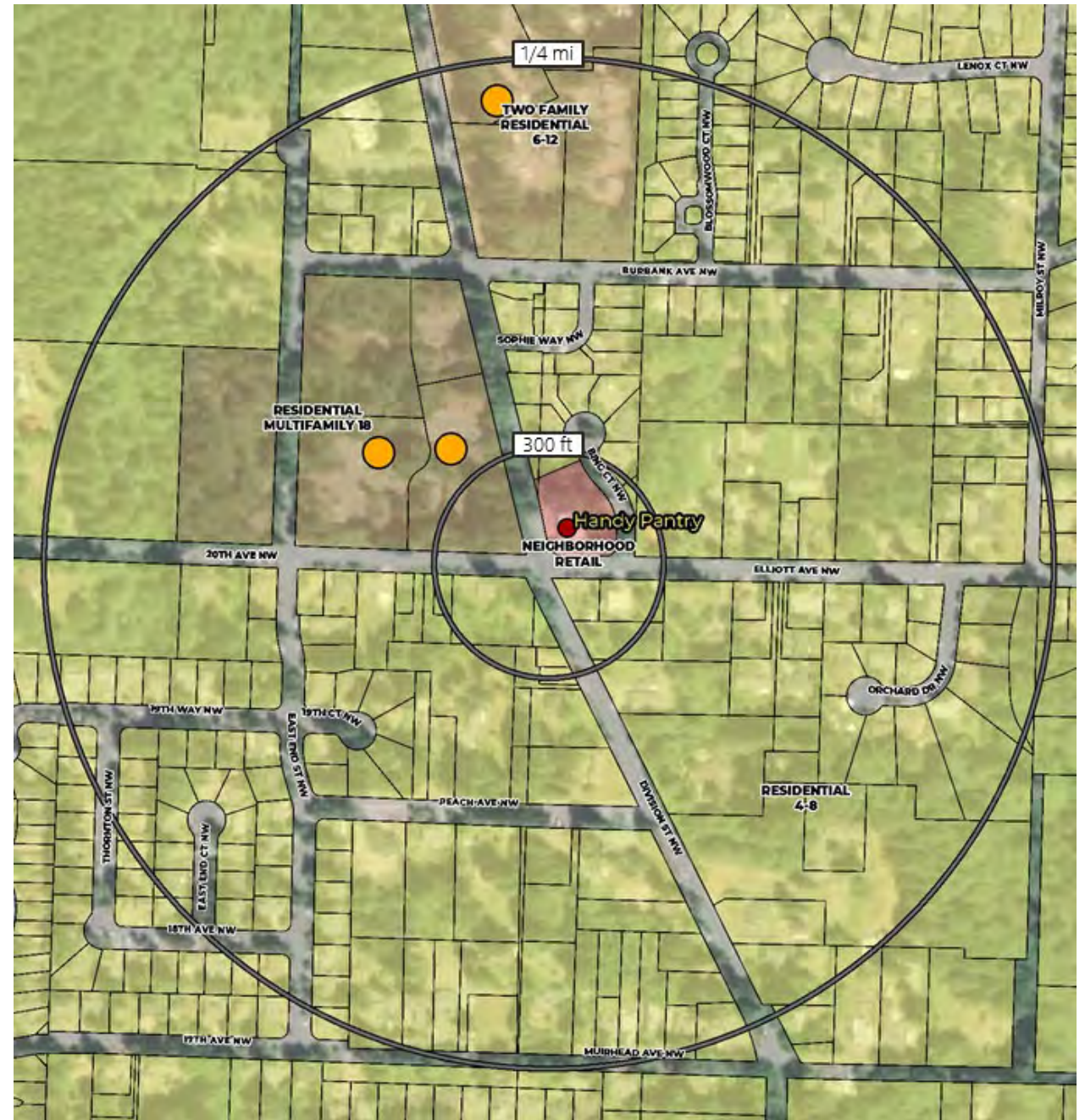
- Focal points of neighborhoods
- A network of walking and biking routes
- Small-scale convenience and service businesses
- A transit stop
- A neighborhood park
- Moderate or high-density housing
- Activity hubs that foster social interaction and a sense of community and accommodate nearby residents' routine shopping needs





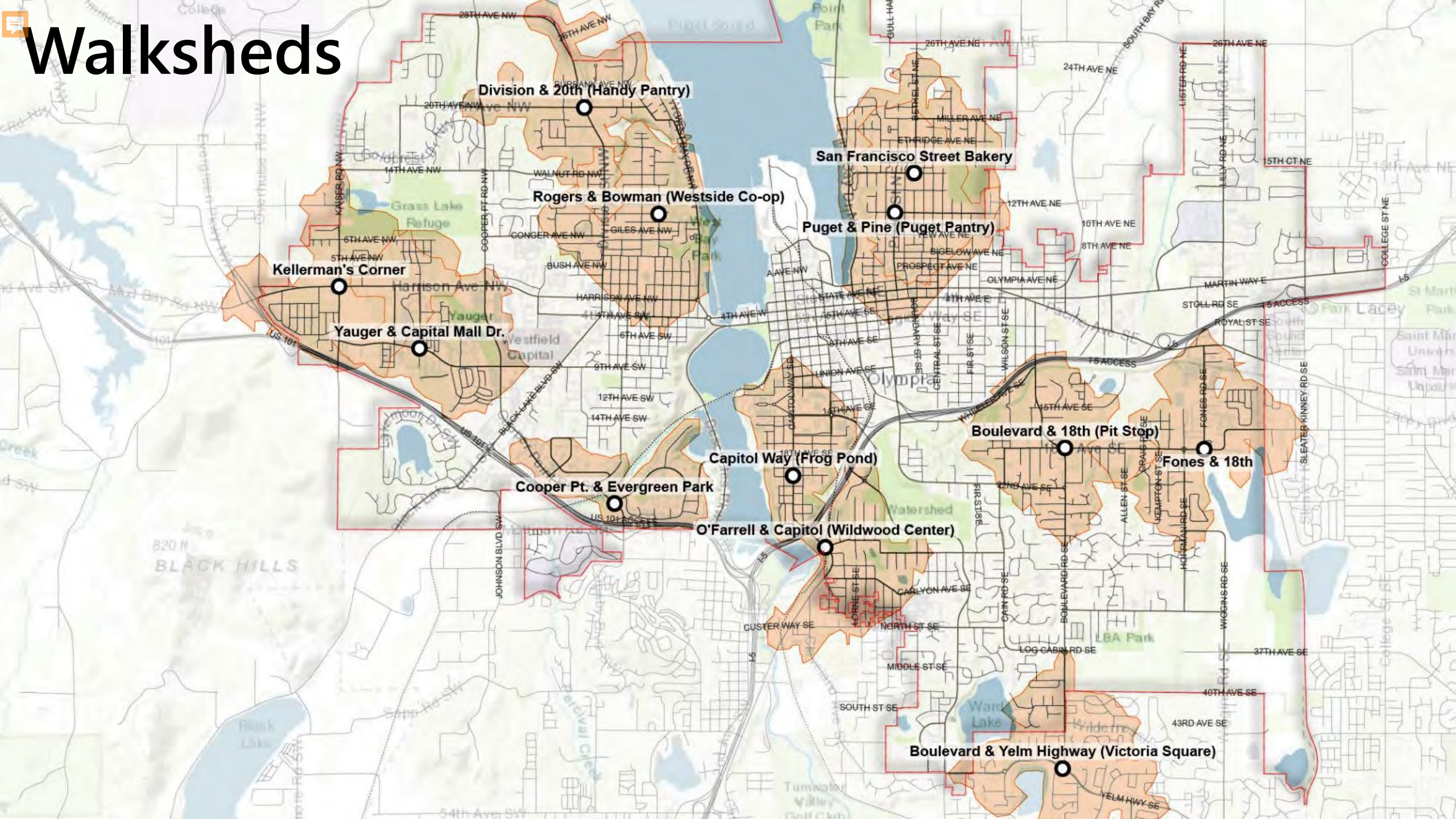
# The Scale of Centers

- A one block (300 feet +/-)
- A 5-minute walk: 1/4 mile
- Primary pedestrian market area: 1/2 mile
- 15-minute neighborhood: 3/4 mile
- Some centers depend on a wider market and are often accessed by auto (e.g., Wildwood, Westside Co-op)





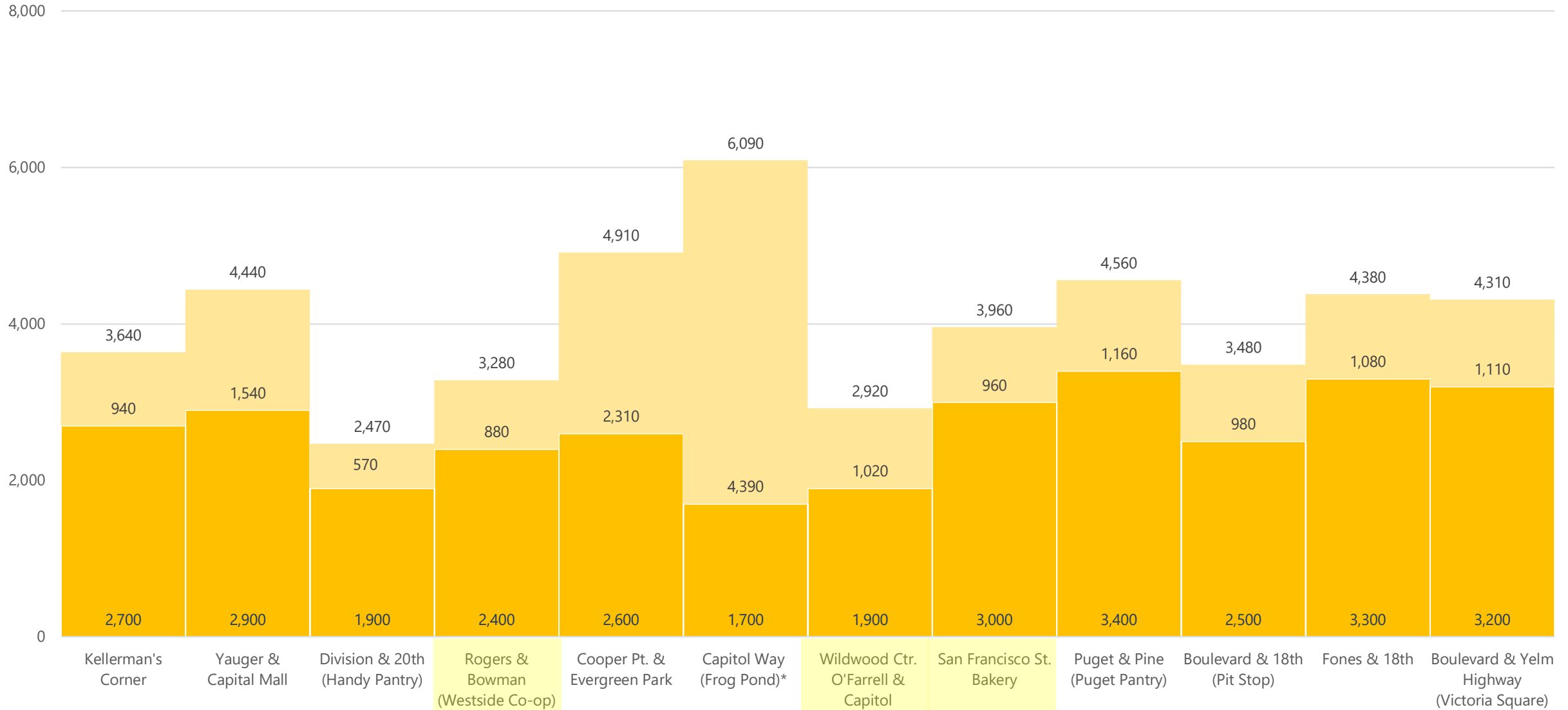
# Walksheds





# Population and Employees

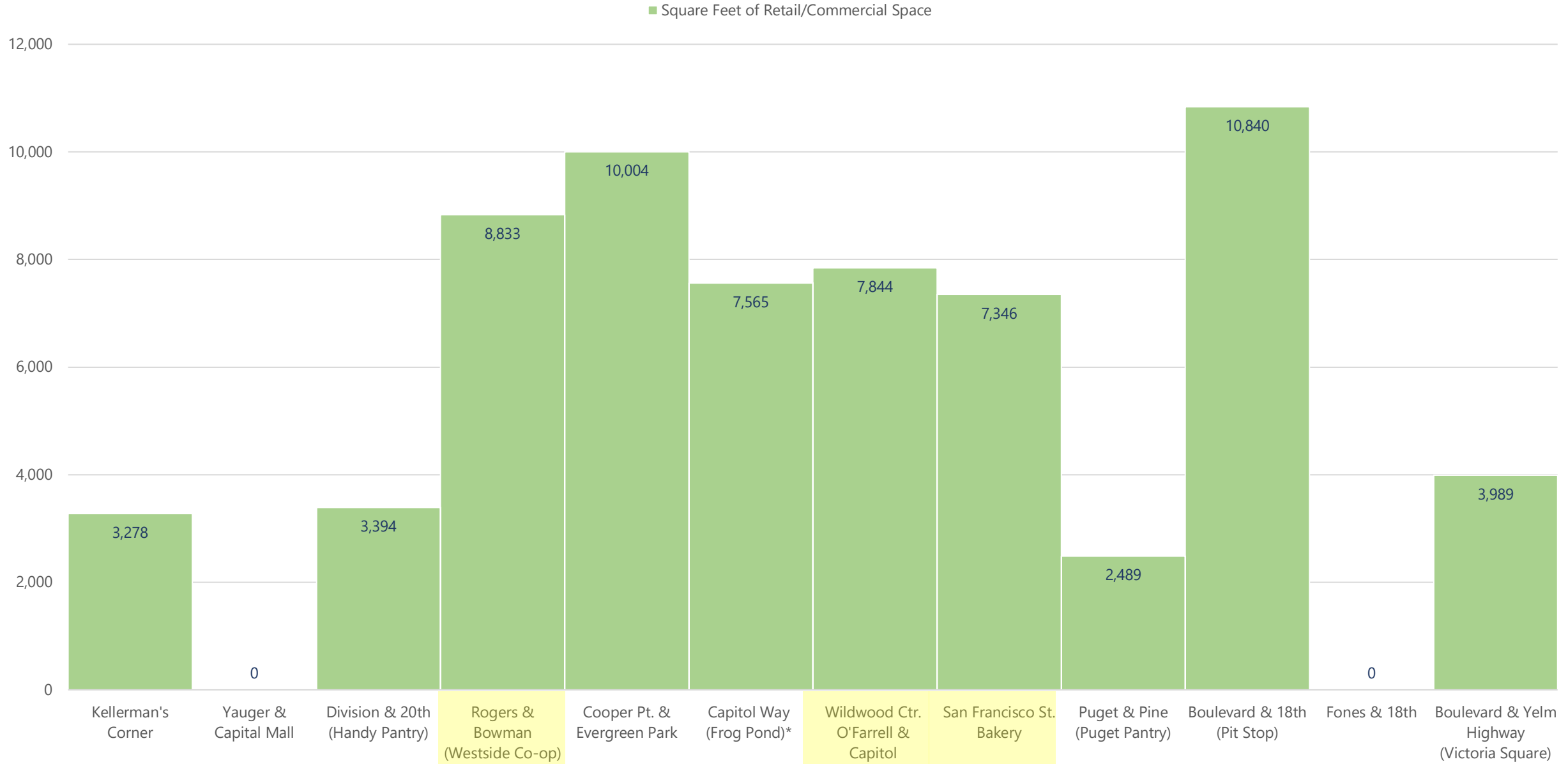
■ Population within 1/2 Mile
 ■ Employees within 1/2 mile
 ■ Combined Population and Employees within 1/2 Mile



Source: TPRC.



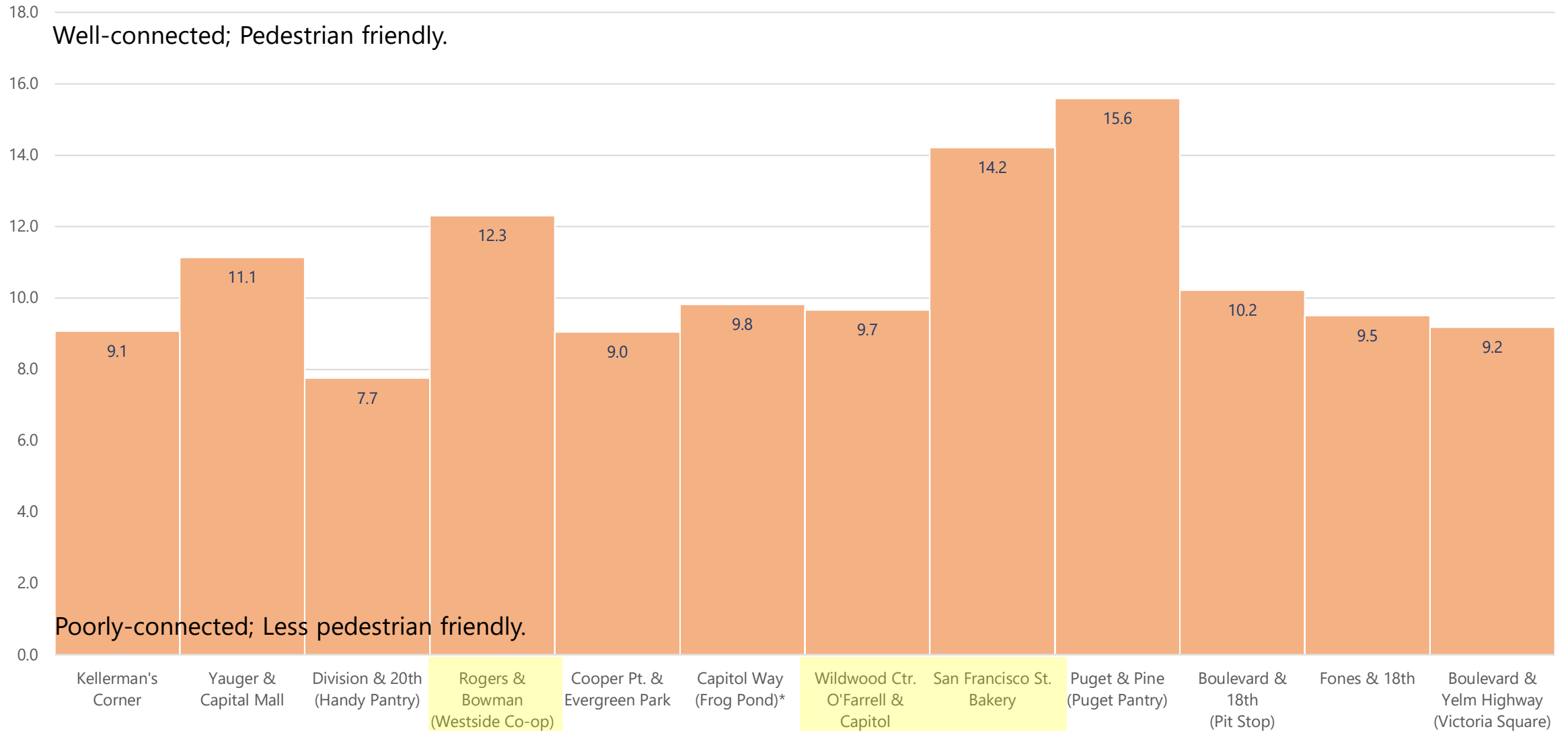
# Existing Square Feet of Commercial Space



Source: CoStar.

# Walk Shed / Pedestrian Connectivity

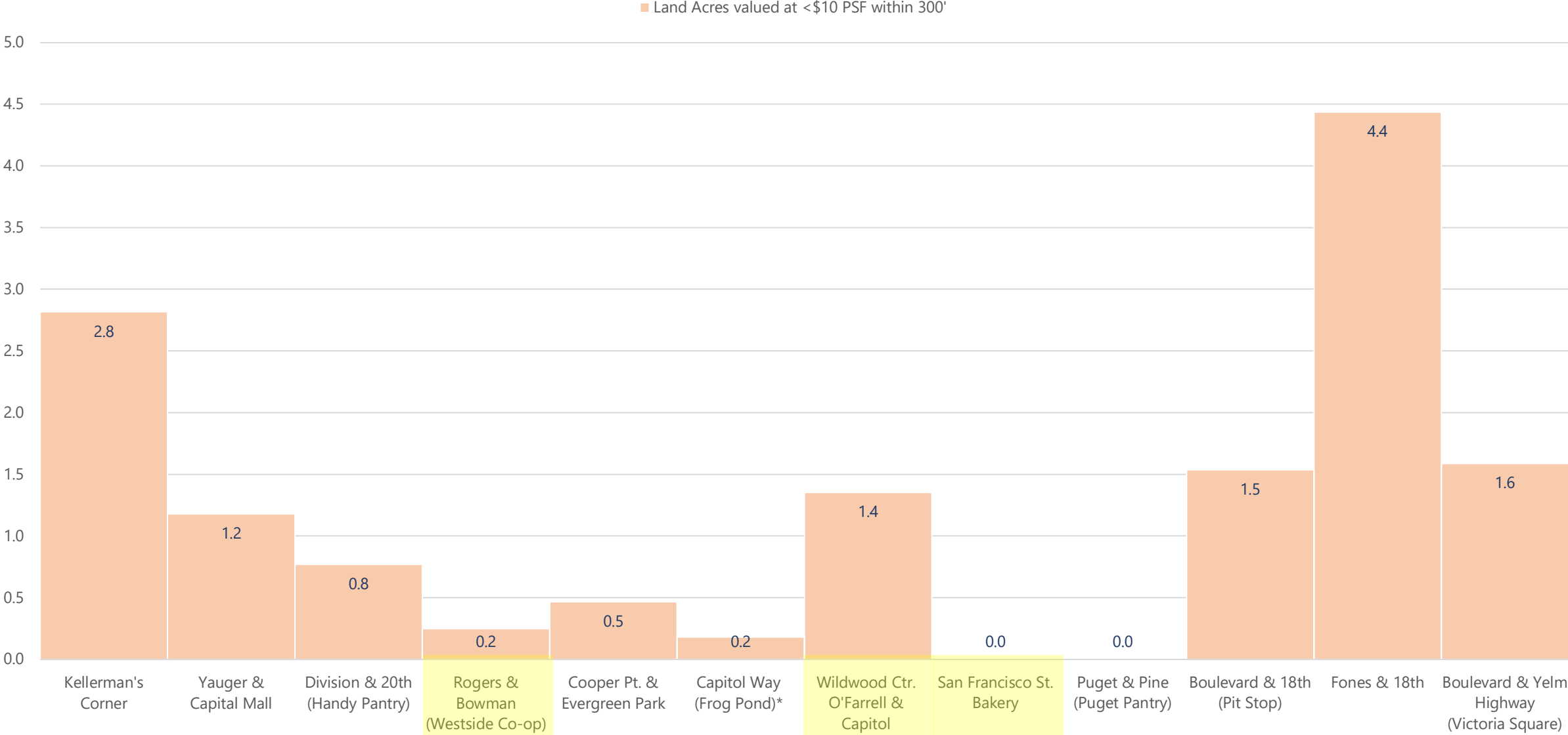
Walk Shed (Linear Miles)



Source: Thurston County GIS.



# Barriers: Low-Cost Land



Source: Thurston County GIS.

# Findings: Which Centers Meet City's Goals

Center		Kellerman's Corner	Yauger & Capitol Mall	Handy Pantry	Westside Co-op	Cooper Point	Frog Pond	Wildwood	SF Bakery	Puget Pantry	Pit Stop	Fones	Victoria Square
Type		Auto	Auto	Local Neighborhood	Auto/N'hood hybrid	Auto/Suburban	Local Neighborhood	Auto	Local N'hood	Local N'hood	Auto	Auto/Suburban	Auto/Suburban
<b>Keys to Success:</b> <b>ACCESS</b> <b>BUSINESSES</b>	<b>Criteria</b> People - Population and jobs	✓	✓	✓	✓	✗	✓	?	✓	✓	✗	?	✗
	Access - Walk and transit friendly	✗	?	✓	✓	✗	✓	?	✓	✓	✗	?	✗
	Places - Commercial	✗	✗	✓	✓	✗	✓	✓	✓	✓	?	✗	✗
	Places - Public	?	✗	?	✓	✗	✓	✓	✓	?	✗	✗	✗
<b>Overall current success evaluation</b>		?	✗	?	✓	✗	✓	✓	✓	✓	?	✗	✗
		Few services and arterial setting but market and potential for action is promising. Removed from analysis due to recent High Density Corridor designation.	No neighborhood-oriented commercial or public uses.	Corner grocery in a residential neighborhood.	A functioning neighborhood center with multiple draws including The Olympia Food Co-op grocery and nursery and the Bits Café.	Very poor location and connectivity. Area completely fragmented by creek, arterials, and freeway.	A beloved "pony keg" in an excellent pedestrian environment with a waxing studio, attorney, dental office, and a school with playfields nearby.	A high quality automobile-oriented stop for convenience grocery and food.	The bakery is a big draw and the elementary school increases activity. The corner convenience store provides services.	Corner grocery and a few small live/work businesses in a modest, traditional, single-family neighborhood.	Poor location and pedestrian connectivity. Excellent traffic volumes.	Approximately ¼+ mile to full-service shopping complex. Development south of 18 <sup>th</sup> constrained by Chambers Lake and wetlands.	Current uses include an AM/PM minimart-gas station and a small professional office cluster.