

Economy

RECOMMENDED CHANGES HIGHLIGHTED WITH COLOR

Introduction



The strength of Olympia's economy is what determines whether we are able to pay for the public services and special features that make our community a great place to live. And the community we create is the most effective tool we have for attracting and maintaining high-quality job opportunities. The quality of the community is the most powerful economic engine we have.

Olympians have told us they value an economy where:

- There are plentiful living-wage jobs.
- Consumers and the City support local entrepreneurs.
- Residents and businesses want many of their goods and services to come from local sources.
- A highly educated workforce, entrepreneurial spirit and culture of innovation energize our economy.
- Art projects, art events, and support for the arts are integral to the community and its economy.

A healthy economy must provide jobs that pay a living wage, usually defined as a wage that allows a household to meet its basic needs without the need for public assistance. The level of a living wage will vary based on the size and makeup of the household.

The table below shows living wages calculated for Olympia residents, based on the cost of food, housing, transportation, child care, and other basic needs; it assumes full-time, year-round employment.

Olympia Living Wage

(2010 data)

Household type	Monthly Income Needed	Annual Income Needed	Living Wage Per Worker
Single Adult	\$2,365	\$28,378	\$13.64
One Adult, one child (6-8)	\$3,438	\$41,260	\$19.84
One Adult, two children (1-2, & 6-8)	\$4,103	\$49,232	\$23.66
Two adults (one working), two children	\$3,719	\$44,630	\$21.46
Two adults (both working), two children	\$5,286	\$63,430	\$15.25

For a healthy economy to thrive over the long run, it must be able to absorb market changes and business-cycle fluctuations. This often requires a diverse economy, which can cushion the impact of one or more sectors in decline. A healthy economy provides a reliable tax base that generates revenues sufficient to keep pace with inflation. When Olympia's economy stalls and taxes can't pay for existing programs, the City must eliminate jobs and services and construct fewer capital facilities to balance its budget.

Olympia's Economic Profile



In general, cities play a relatively small part in the economic development arena, and Olympia is no exception. However, the City has the following roles:

- Using its land-use authority to provide places for businesses to locate.
- Maintaining an efficient, fair, transparent, and predictable permitting process that reduces business-cost and timeline uncertainties. .
- Collaborating with other public and private entities that have a more direct role in economic development, such as ports, business

associations, and economic development associations.

- Developing and maintaining the infrastructure healthy businesses and neighborhoods need.
- Investing in, traditional infrastructure, such as roads, sewer and water service, as well as in schools, parks, arts, and our the natural environment.

In 2013 the City initiated an economic development planning process to consider creating a Community Renewal Area in downtown and to provide an assessment of broader real estate market. This process resulted in the preparation of two key reports: *Investment Strategy: Olympia's Opportunity Areas* and the *Downtown Olympia Community Renewal Area Feasibility Study*. These reports will help to refine the City's approach to economic development over the coming years and underpin the City's Community Renewal Area planning process.

The Investment Strategy Report provided a community-wide assessment of key redevelopment opportunity areas. Six geographic areas were examined in detail:

Opportunity Site	Council-identified development opportunity
Kaiser/Harrison	Potential for neighborhood commercial/mixed-use/retail district on large single-ownership tract
Olympia Landfill	City-owned, potential major retail site adjacent to existing major retail area
Division/Harrison	Potential neighborhood center adjacent to established neighborhoods
Headwaters	Large multi-ownership parcel with wetland amenity and infrastructure challenges.
Kmart Site	Former K-mart site (currently vacant) on major close-in retail corridor
Downtown	Focus area for Community Renewal Area planning

This report recommends the City manage its development area assets as a portfolio that adheres to the community vision. This approach includes: (1) strategically investing in infrastructure improvements, such as roadways,

streetscape improvements, and property acquisition; (2) making necessary or desired regulatory adjustments, such as zoning changes; and (3) creating partnerships with developers and property owners to generate development returns that remain sensitive to market demand.

Olympia's three top employers:

Government:

Olympia is the capital of Washington and seat of Thurston County, and both provide many local jobs. In fact, government was the largest employer in Thurston County in 2010, contributing nearly 36,000 jobs. What's more, many of these government jobs are tied to our more diverse, statewide economy, which helps to shield our community from economic swings. Fluctuations in state government can affect our local economy.

According to the Investment Strategy Report, "State government will remain a key industry in Thurston County, but its employment is forecast to decrease. State government is the largest employer in Thurston County, with 20,071ⁱ employees in 2013. Total state employment has been fairly flat since 2002, and has decreased since 2008. State government employment appears not to be growing in the near-term. This will likely affect demand for office space within the County. However, almost a third of state government employees statewide (32%) are over 55 years of age. As these employees retire over the next decade, many of those positions will likely be filled with younger employees. This trend could impact the demand for residential housing within Thurston County, regardless of the overall size of state government."

The report continues, "while the State's office use has recently declined, in the last legislative session, it committed to consider a major investment in a 200,000 square foot office building downtown to accommodate its own needs for new office space. Adding this new square footage for State uses suggests that the existing vacancies in the private office market are unlikely to be filled with State workers, and that the City may continue to see a trend toward conversion of downtown office space to housing and other uses".

Healthcare:

Olympia is also a regional medical center, serving Thurston, Mason, Gray's

Harbor and Lewis counties. Health care is the Thurston County's second-largest employment sector, with an estimated 11,595 jobs.

Retail:

Olympia's shopping mall, auto mall, and downtown business core make it the region's largest retail center, providing significant sales tax revenue. Retail provides an estimated 11,076 jobs in 2010 and is the county's third largest employment sector. However, unlike our government and health care employers, retail provides an average living wage that is just under what the City estimates is needed for a single adult in Olympia.

Industry	Avg # Employees	Avg. Annual Wage
Ag., forestry, fishing, hunting	1,370	\$32,491
Mining	35	\$41,204
Utilities	169	\$75,435
Construction	3,274	\$41,893
Manufacturing	3,088	\$43,234
Wholesale Trade	2,697	\$83,700
Retail Trade	11,076	\$26,316
Transportation, warehousing	1,684	\$34,449
Information	991	\$46,379
Finance & Insurance	2,159	\$53,953
Real Estate & Rental, & Leasing	1,272	\$28,824
Professional & Technical Services	3,244	\$54,790
Management of Companies & Enterprises	663	\$59,515
Administrative & Waste Services	3,319	\$25,449
Educational Services	1,271	\$42,351
Health Care & Social	11,595	\$42,206

Assistance		
Arts, Entertainment & Recreation	1,189	\$16,783
Accommodation & Food Service	7,517	\$15,665
Other Services, except Public administration	4,431	\$25,753
Government	35,867	\$53,014
Not Elsewhere Classified	0	\$0
Total	96,767	\$42,370

The Investment Strategy Report adds, "The City of Olympia is projected to accommodate an estimated additional 18,000 jobs by 2035.ⁱⁱ Of those, almost 75% of new jobs in Olympia will be in commercial sectors. Jobs in industrial sectors (10%) and government (15%) will make up the remainder of new employment. Countywide, the sectors with the largest forecasted new jobs are professional and business services. However, Thurston Regional Planning Council's forecasts have construction employment growing substantially with total construction employment more than doubling by 2040 from 5,620 in 2010 to 12,700. Manufacturing employment is also forecasted to increase but at a much slower rate adding about 500 jobs from 2010 to 2040."

Education and entertainment

Olympia is the region's restaurant, art and entertainment Center. There are three nearby colleges, The Evergreen State College, St. Martin's University, and South Puget Sound Community College, which have a major impact on the culture of our community, and our high average level of education.

The Port of Olympia

Olympia is also the only city in Thurston County with a deep water harbor. The Port of Olympia operates a marine import and export terminal, the largest recreational boating marina on South Puget Sound, and a state-of-the-art boatyard. The Port is also the home of many private, marine-related businesses, the Batdorf and Bronson Roasting House, the Olympia Farmers' Market, and many professional offices and retail businesses.

Among our partners in economic development, the Port of Olympia has the closest relationship to Olympia's economy, and its mission is to grow the Thurston County economy, move people and goods, and improve the County's recreation options and environment. The Port is a special-purpose district, and its boundaries are the same as Thurston County's.

The Port owns 200 acres along Budd Inlet near Olympia's central business district. The Comprehensive Scheme of Harbor Improvements, the Port's land-use plan for its Olympia properties, includes industrial uses in the vicinity of the Marine Terminal, recreational boating uses at the Swantown Marina and Boatyard, and mixed uses in the Market, North Point, and East Bay Districts. Recreational uses are envisioned throughout its mixed-use districts and the Marina. For example, the East Bay District is a significant investment and downtown redevelopment opportunity, home to the Hands On Children's Museum and East Bay Plaza.

Although a smaller factor in our local economy than state government, the Port's potential is significant and gives the City an opportunity to further diversify its economy.

In addition, Olympia is well-served by its highway network, which includes Interstate 5 and Highway 101, with links to State Route 8 and the Olympic and Kitsap Peninsulas. All of this means Olympia's location provides easy access to a variety of recreational opportunities -- from bike trails and kayaking within our city limits, to skiing and hiking in the mountains, to beachcombing along the coast and regional customers for the area's retail businesses and health care providers.

Key findings from the Feasibility Study include:

- State government anchors the employment base in Thurston County. Government employment is down though in recovery. State government employment does not look to be growing in the near term and will not be a driver of the regional economy in the near future. This trend impacts the demand for office space, both existing and new development.
- Thurston County benefits from regional economic growth and activity in the Puget Sound region that filters down to the County as the region grows. Joint Base Lewis McChord has increased demand for housing in the region, particularly in Lacey.
- Rents for most development types are still at a low point from the recession, which makes it difficult for new development to substantially increase the income potential of a property through redevelopment. There are a number of sites throughout the region for development to choose from. New development will likely choose the easiest and cheapest sites before more challenging in-fill development.

- Suburban/urban infill development continues to be oriented towards vacant land. Much of the new development in areas since 2000 (for all product types) has been oriented around areas easily accessibility from Interstate-5 and major arterials with less expensive land.
- There are growing signs of an urban infill market in Olympia in part driven by a changing demographic oriented urban living. In the last ten years, most recent building activity in Olympia has focused on rehabilitation or remodeling of existing space with limited new development. As growth picks up, multi-family development is the most likely market ready, and it likely will occur in easily developable and/or high amenity areas that are most attractive.
- Continued population growth in the region will generate demand for additional housing and commercial services, such as general services, retail, and health care. However, there is not a shortage of easily developable sites, (e.g. vacant, low intensity) throughout the region, which gives uses a number of site options to choose from.

The Downtown Olympia

Downtown Olympia is a special place, with the only urban waterfront in the area, it serves as not just Olympia's downtown but the region's. Downtown Olympia is home to the region's major performing arts, museums, banking, dining and entertainment facilities as well as the Port of Olympia and the LOTT Clean Water Alliance regional treatment facility.

Thursday, Friday and Saturday evenings see the streets of downtown come alive with theater patrons, dinners and a lively bar scene. Recent enhancements such as the Hands on Children's Museum, East Bay Plaza, LOTT's WET Center and Percival Landing reconstruction only add to downtown's status as a destination.

The proximity of the Capital Campus to downtown create a strong relationship between the campus and downtown that is enhanced by the presence of the Dash Shuttle an Intercity Transit bus that operates on 10 to 15 minute headways.

Starting in 2012 there have been several conversions of second floor offices to residential units. Over 50 new units are either finished or under construction. These units represent the first new market rate housing in downtown in many years. A large apartment building is currently proceeding through the City's permitting process representing another significant step forward for downtown housing.

Downtown remains a work in progress and the City has invested heavily

from both a capital facilities and services perspective. Over the past three years the City has used an action oriented program known as the Downtown Project to effect change. The Downtown Project has included key elements such as enhancing the downtown walking patrol, replacing parking pay stations, creating a Downtown Ambassador program, establishing an Alcohol Impact Area, and construction of parklets to name just a few.

The City has initiated a Community Renewal Area (CRA) planning process for downtown. The *Downtown Olympia Community Renewal Area Feasibility Study* was the second significant work product related to Olympia's CRA process. This report provides the outline and support materials for the ultimate creation of a CRA in Downtown Olympia.

Key findings related to downtown from the *Feasibility Study* include:

- Demand from those users who need to be downtown (such as state government, the Port, and related uses) is not a growing part of the economy.
- The redevelopment hurdle downtown is higher than other locations because of higher land and construction costs.
- Commercial rents are not yet high enough to justify new commercial construction in Downtown Olympia.
- Office rents have decreased from(\$19.60/SF/Yr in 2009 to \$15.70/SF/Yr today as vacancies have increased.
- Retail rents are more stable, but decreased from \$14.10/SF/Yr in 2009 to \$12.10/SF/Yr today.
- Low vacancy rates and modest rent increases for apartments citywide, as well as some anecdotal evidence suggest that there is near term demand for multi-family housing. Recent successful multi-family(housing projects, building(reuse) have occurred downtown as well.
- Over \$100 million of public investment has been made downtown by the City and Port of Olympia in new buildings and parks, including a new City Hall, the Hand On Children's Museum, LOTT Clean Water Alliance offices, East Bay Plaza, and Percival Landing.

The Community Renewal Area law was created by the state specifically to give communities the tools that they need in order to help areas such as the downtown move forward. Washington law (RCW 35.81) allows cities to establish a Community Renewal Area through the designation of a geographic area that contains blight and the creation of a Community

Renewal Plan for addressing that blight. Many Washington cities have used CRA to develop and implement redevelopment plans, including Vancouver, Shoreline, Everett, Bremerton, and Anacortes.

Olympia's downtown is the urban center for the entire region; residents and business owners would all benefit from a more active, vibrant downtown. However, parts of downtown are widely recognized as "blighted," with several condemned or obsolete buildings occupying key properties. Soil contamination, soils subject to liquefaction and rising seas also contribute to the blight. Re-development is stuck despite the area's unparalleled assets. The City has an interest in improving the downtown and enhancing its economic productivity in a manner consistent with the rest of this plan. The creation of a CRA may be one way to accomplish this objective.

A Healthy Economy Enhances our Quality of Life



Olympia enjoys a relatively healthy economy and stable revenue base, making it possible for it to invest in public improvements and services. These include the Washington Center for the Performing Arts, The Olympia Center, Percival Landing, the Farmers Market, new sewer capacity, new roads, and other needed infrastructure. All of this makes Olympia increasingly attractive to private investors, which will further increase our revenue base, and make more community improvements possible.

[Table here](#)

Olympia's revenue comes from a mix of taxes and fees. The Olympia General Fund Revenues Per Capita table shows the sources of the City's General Fund revenues, over the last 15 years on a per capita basis. Olympia's largest revenue source is taxes, which represents well over half of the General Fund's revenue. The Olympia Tax Revenues Per Capita table provides a breakdown of taxes by various categories. Significant tax revenues come from commercial hubs such as the auto mall and regional shopping areas, construction and construction related industries.

[Olympia Tax Revenues per capita are here](#)

While taxes on a per-capita basis have generally increased during the last few decades, our revenue from sales, business and property taxes fluctuates with the state of the general economy. Revenue from sales tax

falls when consumers spend less. The property tax we collect per capita falls when property tax levies don't keep pace with population growth. Finally, property taxes have been limited by Initiative 747, passed by Washington voters in 2001, which limits growth in property tax revenue to 1 percent per year a rate that generally lags well behind the increasing costs of providing those services.

Yet major City services depend on these tax revenues. City residents, as well as workers and shoppers coming to Olympia require maintained streets, police and fire protection, water and sewer service, and more. Growing neighborhoods require these same services, plus parks (provided by the City) and schools (provided by the school district). The challenge is to provide these services at high quality for the best cost, and meet those standards when City revenues decline, by finding new revenue options or cutting services.

Maintaining and improving Olympia's infrastructure puts another large demand on the City's funds, made even more challenging as federal and state assistance has declined. Yet, an adequate and dependable infrastructure is critical to our ability retain and attract businesses.

Community Investment



Private investment can expand a community's economy and strengthen its material prosperity. But an infrastructure needs to be in place, or underway, to interest private businesses in locating or expanding in Olympia. For this reason, it's critical for any community to invest resources in capital facilities that will support a healthy local economy *and* its values and vision for the future.

Recent capital investments have included:

- Olympia's new City Hall and the reopening of Percival Landing (Phase 1) in 2011, together an investment of over \$50 million.
- In the East Bay area, the LOTT WET Science Center, East Bay Plaza, and the Hands On Children's Museum are providing more family activities downtown.
- New sidewalks and transportation corridors at Boulevard Road and Harrison Avenue now make it easier to get around by foot, bike,

- bus or car.
- Our new Fire Station 4 has lowered 911 response times.
- Planned upgrades to our water supply will help to ensure an adequate and high quality water supply for decades to come.

All of these projects are examples of how our investments have improved our public spaces and quality of life and have provided the impetus for more private investment to follow.

Over the next 20 years, Olympia must continue to make judicious "up-front" investments that bring development to targeted areas, using its partnerships as effectively as possible. To keep them affordable, such investments will need to be located in the downtown, *Investment Strategy Report* opportunity areas or Urban Corridors. Projects that "leap-frog" to remote sites outside of our existing infrastructure can be prohibitively expensive to develop.

The *Investment Strategy Report* recommends that the City should proactively:

- **Review changing market dynamics** to identify new barriers and opportunities to allow the City to invest in the most market-feasible projects.
- **Develop relationships with property owners and other stakeholders to learn about their interests and short-term and long-term development goals.** Given the barriers to development described in the report, the City will need to establish new partnerships with property owners and developers if it wishes to achieve development in the opportunity areas that is compatible with the City's Comprehensive Plan. Community and neighborhood stakeholders are also critical to this process.
- **Continue and improve community conversations to better clarify and articulate desired development outcomes and coordinate stakeholders' visions for development.** This work would help to refine the City's policy goals for the opportunity areas and other areas through the comprehensive planning process. Given long-term demographic shifts, the City should support higher density, infill development to achieve multiple public policy goals.

- **Take advantage of opportunities when they present themselves**, which may mean that the City would focus on new opportunity areas, or move forward with actions in existing opportunity areas ahead of schedule.
- **Coordinate funding opportunities with other public stakeholders** (the County, transit agency, the Port of Olympia, the State of Washington, others) with the City's CFP for major infrastructure investments that move the implementation forward.

Coordinate with planning and implementation in key opportunity areas. Some initial steps toward implementation are already underway, including the Martin Way Corridor Study and the Comprehensive Plan update. The Martin Way Corridor Study is evaluating infrastructure investments that can improve access and safety for all transportation modes, and spur higher density development. The City could consider combining subarea planning efforts with the comprehensive planning process for the Kaiser/Harrison and Division/Harrison areas.

In addition to the City's work on the Community Renewal Area Olympia has recently established a Section 108 Loan Program. This program leverages the City's annual CDBG Allocation to create a loan pool to promote economic development opportunities within our community. These funds must be used in a manner consistent with the Department of Housing and Urban Development's regulations. Generally these funds can be used to support economic development projects that create jobs for low to moderate income people or support reinvestment in areas such as downtown where low to moderate income people live.

Economic development efforts must be consistent with growth management goals and not strain the capacity of our natural resources. They must be consistent with the efficient and appropriate use of land. The impact of new business must not compromise the local environment. Economic development does not mean "growth," although growth of jobs, population and revenue may be a byproduct. While growth can improve a community's quality of life, economic development must be carefully planned. Our investment today in new buildings, streets and should not damage the ability of future generations to meet their needs.

Change:

Goals and Policies

 SHARE

Olympia has a stable economy that provides jobs that pay a living wage.

 SHARE

PE1.1 Provide a desirable setting for business investment and activity.

PE1.2 Develop or support programs and strategies that encourage living-wage jobs.

Olympia has a strong revenue base.

 SHARE

PE2.1 Encourage retail, office, **medical** and service activities for their value in providing employment and tax revenues.

PE2.2 Identify major revenue-generating sectors and identify actions the City can take to help maintain their economic health.

PE2.3 Ensure that the total amount of land planned for commercial and industrial uses is sufficient for expected demand.

PE2.4 Diversify the local economy in a way that builds on our stable public sector base, and by supporting businesses that can reduce reliance on goods and services from outside the community.

PE2.5 Support employers who export goods and services to regional, national or international markets, but keep jobs and dollars in Olympia.

PE2.6 Regularly review the development market to identify changing circumstances that create barriers or opportunities for investment in our community.

PE2.7 Use the City's Section 108 Loan program to promote job creation and redevelopment activity that benefits low to moderate income people in our community.

A vital downtown provides a strong center for

Olympia's economy.

 SHARE

PE3.1 Support a safe and vibrant downtown with many small businesses, great public places, events, and activities from morning through evening.

PE3.2 Support lively and active downtown parks and waterfront attractions.

PE3.3 Promote high-density housing downtown for a range of incomes.

PE3.4 Protect existing trees and plant new ones as a way to help encourage private economic development and redevelopment activities.

PE3.5 Support continuation of the Dash Shuttle as a means of linking the Capital Campus and downtown.

PE3.6 Use tools such as the Downtown Project, establishment of a Community Renewal Area, creation of a downtown master plan and other planning efforts to improve the economic and social health of downtown.

PE3.7 Use the Section 108 Loan Program to encourage economic investment and job creation in our downtown that benefits low to moderate income people.

The City achieves maximum economic, environmental and social benefit from public infrastructure.

 SHARE

PE4.1 Plan our investments in infrastructure with the goal of balancing economic, environmental and social needs, supporting a variety of potential economic sectors, and creating a pattern of development we can sustain into the future.

PE4.2 Stimulate and generate private investment in economic development and redevelopment activities as recommended in the Investment Strategy Report.

PE4.3 Make decisions to invest in public infrastructure projects after analysis determining their total costs over their estimated useful lives, and their benefit to environmental, economic and social systems.

PE4.4 Consider whether the public cost of new or improved infrastructure can be recovered through increased revenues the City can expect from the

private investment the improvement will attract.

PE4.5 Identify and take advantage of infrastructure grants, loans, and other incentives to achieve the goals of this Comprehensive Plan.

PE4.6 Economic uncertainty created by site contamination can be a barrier to development in downtown and elsewhere in our community; Identify potential tools, partnerships and resources that can be used to create more economic certainty for developments by better characterizing contamination where doing so fulfills a public purposes.

PE4.7 Identify where new and upgraded utilities will be needed to serve areas zoned for commercial and industrial use, and encourage the development of utilities to service these areas.

PE4.8 Investigate the feasibility of the City providing telecommunications infrastructure, or other new forms of infrastructure.

PE4.9 Collaborate with public and private partners to finance infrastructure needed to develop targeted commercial, residential, industrial, and mixed-use areas (such as Downtown Investment Strategy Report opportunity areas and along Urban Corridors) with water, sewer, electricity, street, street frontage, public parking, telecommunications, or rail improvements, as needed.

PE4.10 Encourage new development in areas the City has designated for "infilling," before considering proposals to expand land-use areas, or add new ones.

PE4.11 Serve sites to be designated for industrial or commercial development with required utilities and other services on a cost-effective basis and at a level appropriate to the uses planned for the area and coordinated with development of the site.

PE4.12 Avoiding building lengthy and expensive service extensions that would cost more than could ever be recovered from revenues.

The City has responsive and efficient services and permitting processes.



PE5.1 Maintain the City's high quality customer service and continuously seek to improve it.

PE5.2 Use regulatory incentives to encourage sustainable practices.

PE5.3 Improve the responsiveness and efficiency of the City's permit system, in part by identifying and removing waste, lack of clarity, duplication of efforts and other process inefficiencies that can occur in the development review process.

PE5.4 Create more predictability in development review process to reduce costs, without eliminating protections.

PE5.5 Eliminate redundancy in review processes, and create clearer rules.

PE5.6 Create a review process that is easy for all parties to understand at every stage and that invites input from affected parties as early as possible in the development process.

PE5.7 Use tools such as Form Based Codes, Subarea Plans, Focus Area Plans, Community Renewal Area planning and other proactive planning processes and tools to define and develop a shared redevelopment vision for specific areas within the community such as those identified in the Investment Strategy Report and elsewhere in this plan.

Collaboration with other partners maximizes economic opportunity.

 **SHARE**

PE6.1 Support appropriate economic development efforts of our neighboring jurisdictions, recognizing that the entire region benefits from new jobs, regardless of where they are.

PE6.2 Collaborate with neighboring jurisdictions to develop a regional strategy for creating a sustainable economy.

PE6.3 Look for economies of scale when providing services at the regional level.

PE6.4 Prepare preliminary studies for priority development sites (such as Downtown, Investment Strategy Report opportunity areas or Urban Corridors) in advance, so the City is prepared for development applications, and the process can be more efficient.

PE6.5 Collaborate with local economic development organizations to create

new and maintain existing living-wage jobs.

PE6.6 Work closely with state and county governments to ensure their offices and facilities are in the City of Olympia, which is both the state's capitol and the county seat. Continue to work with the State of Washington on its Preferred Leasing Areas Policy and collaborate with Thurston County government to accommodate the needs for county courthouse-related facilities.

PE6.7 Collaborate with The Evergreen State College, St. Martin's University, and South Puget Sound Community College on their efforts to educate students in skills that will be needed in the future, to contribute to our community's cultural life, and attract new residents.

PE6.8 Encourage Evergreen State College, St. Martin's University, and South Puget Sound Community College to establish a physical presence in downtown.

PE6.9 Collaborate with hospitals and other health care providers to identify actions the City could take to support their role in ensuring public health and their vitality as a major local employment base and to establish a physical presence in downtown.

PE6.10 Work with the Thurston Economic Development Council to identify businesses that support the health care sector, and identify what the City can do to help them succeed.

PE6.11 Support our neighboring jurisdictions in their role as the regional center for other activities, such as manufacturing, freight transportation, and air transportation.

PE6.12 Collaborate with the Port in its role of facilitating economic development, while continuing to exercise regulatory control over Port development and operations.

PE6.13 Balance the Port's need for truck and rail transportation corridors, while minimizing conflicts with other traffic needs and land use goals.

PE6.14 Coordinate funding opportunities with other public stakeholders (the County, Intercity Transit agency, the Port of Olympia, the State of Washington, Olympia School District, others) with the City's CFP for major infrastructure investments to maximize the impact of those investments.

Community and Economy



In 2009, Olympia was selected as one of the Top 10 Best Cities in the nation, by Kiplinger's Personal Finance Magazine. While identifying state government as the "keystone of Olympia's economy," it called Olympia itself a "cultural diamond in the rough" where a thriving visual and performing arts scene is celebrated. It is our individuality as a community -- and our quirkiness -- that sets us apart from other communities, and which makes Olympia such a great place to live and start a business.

According to the 2011 Thurston County Creative Vitality Index, more than 650 "creative jobs" were added to the community between 2006 and 2009. These include public relations specialists, writers, librarians, photographers, architects, and others in "creative occupations."

Olympia has received many awards for livability over the years. In 2010, Olympia was recognized as the most secure mid-sized city in the U.S by Farmers Insurance, based on factors that included crime statistics, weather, risk of natural disasters, housing depreciation, environmental hazards, and life expectancy. In 2010, the *Gallup-Healthways Well-Being Index* ranked Olympia in the top 20% of cities in Washington State. Its survey categories included life evaluation, emotional health, physical health, healthy behaviors, work environment, clean water, and general satisfaction with life and work.

Several recent studies suggest that a sense of "place" - a sense of authenticity, continuity and uniqueness - is the key to a community's future economic opportunity. One study found that cities in which residents reported highest levels of attachment to and passion for their communities also had the highest rates of economic growth over time. These studies also discovered that qualities such as a welcome and open feeling, attractiveness, and a variety of social events and venues all contributed to this emotional bond. Parks and trees, community and historic landmarks, and public art also contributed to that hard-to-define "sense of place."

A Diverse Economy



Those same qualities that contribute to the strong emotional bonds many residents form with Olympia also appeal to visitors. Visitors contribute to our economy by shopping, dining, taking in a performance in one of our theaters, and spending the night in a hotel. According to the Thurston Visitor and Convention Bureau, in 2009, Thurston County businesses generated an estimated \$66.9 million from tourism alone – spending on accommodations and food service, arts, entertainment and recreation, retail and travel. This revenue generated an estimated \$19.6 million in local and taxes that year, and employed an estimated 3,000 people.

Olympia's arts community is also a draw for tourism, and one of its beneficiaries.

Music

According to findings from a study completed by students at The Evergreen State College for the Olympia Arts Commission, the music industry in Olympia generated an estimated \$27 million in total business revenues --including manufacturing, retail, and venue receipts-- in 2008, contributing approximately \$2.5 million in local and state taxes for that year.

Theater

The Arts Alliance of Downtown Olympia determined that in 2009, local theaters brought 167,000 people downtown to attend more than 500 live performances, primarily in the evenings and Sunday matinees. The industry had a \$3.8 million operating budget, and brought in an estimated \$1.6 million to the community in local pay and benefits.

Artists as business owners

As of January 2010, State Senate District 22, which includes Olympia, was home to 410 arts-related businesses that employed 1,374 people, according to a report published by the national organization, *Americans for the Arts*. According to the report, "Arts-centric businesses play an important role in building and sustaining economic vibrancy. They employ a creative workforce, spend money locally, generate government revenue, and are a cornerstone of tourism and economic development."

Small businesses

According to the Thurston Economic Development Council, an estimated

14,000 small businesses are registered in Thurston County, and 92% of them employ 10 or fewer people. Small businesses include service providers, small manufacturers, farmers, artists, and many of the retail businesses that set our community apart from others.

But for these businesses to provide a living wage [for their owners and employees], they need a strong customer base. Since 2007, the Olympia-based volunteer organization, *Sustainable South Sound* has hosted a “Buy Local” program, which encourages citizens to shop at local farms and businesses. The program has an education and outreach program that shows people where their dollars go, based on where they shop, and a savings book with incentives to shop at more than 140 participating farms, businesses and organizations. They also help businesses find local sources for the goods and services they need for their own operations. Business training and support is available through our local colleges and university, the Thurston Economic Development Council, and Olympia-based *Enterprise for Equity*, which helps people with limited incomes start and sustain small businesses.

Goals and Policies

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Public and private investors are aware of Olympia’s advantages.

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PE7.1 Actively promote economic activities that are consistent with the values expressed in this Comprehensive Plan.

PE7.2 Market Olympia’s advantages to local and out-of-town businesses that may be considering expansions or new facilities in the area.

PE7.3 Define a more active City role in stimulating development, and influencing the design and type of development.

PE7.4 Continue to coordinate and partner with the Thurston County Economic Development Council to promote Olympia’s economic redevelopment opportunities.

Historic resources are used to promote economic stability in the City.

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PE8.1 Strengthen economic vitality by helping to stabilize and improve property values in historic areas through the continued support of the Heritage Commission and planning to protect and promote our historic resources.

PE8.2 Encourage new development to harmonize with existing historic buildings and areas.

PE8.3 Protect and enhance the City's ability to attract tourists and visitors through preservation of historic resources.

PE8.4 Renovation, reuse and repair of existing buildings is preferable to new construction and should be done in a manner that protects and enhances the resource when historic properties are involved.

PE8.5 Help low- and moderate-income individuals rehabilitate their historic properties.

Tourism is a community revenue source.

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PE9.1 Provide or support, services and facilities to help visitors enjoy our community's special events and unique character, and work to fully capture the potential economic benefits of their visits.

PE9.2 Continue to support efforts to restore, maintain and improve Olympia's local museums and other attractions.

PE9.3 Support continued tree plantings as a way to continually improve on Olympia's natural beauty and attractiveness to tourists – and to help create a network of scenic roadways and streets.

PE9.4 Implement strategies to enhance heritage tourism opportunities.

Olympia is a regional center for arts and entertainment.

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PE10.1 Continue to provide programs and services that support arts activities in Olympia.

PE10.2 Support local art galleries, museums, arts and entertainment facilities, organizations, and businesses.

PE10.3 Examine the feasibility of establishing an arts center for the community.

Small businesses contribute to Olympia's economic diversity.

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PE11.1 Promote the concept that buying from local businesses is a way to strengthen the local economy.

Change:

PE11.2 Provide support for start-up businesses. Develop local awareness of the need for business incubator facilities, and allow for more home-based businesses.

For More Information

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- [Knight Soul of the Community Project](#)  studies that sense of "place" that attached people to their communities
- Port of Olympia Comprehensive Scheme of Harbor Improvements
- Port of Olympia 2013-2025 Strategic Plan Vision 2025
- [The Profile](#)  is the Thurston County Regional Planning Council's flagship document that provides demographic, statistical and mapping information. [Thurston Economic Vitality Index](#)  provides both a trend analysis and snapshot of Thurston County's economy based upon a series of key indicators
- [Washington State County Travel Impacts 1991-2009](#)  examines the economic significance of the travel industry in the 39 counties of Washington state from 1991-2009
- [Investment Strategies Report: City of Olympia Opportunity Areas](#)

- [Downtown Olympia Community Renewal Area Feasibility Study](#)

ⁱ Source: Washington Department of Personnel, 2013

ⁱⁱ Thurston County Employment Forecast Allocations, 2013. Thurston Regional Planning Council.

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