



Economic Development Update

Olympia Planning Commission
June 27, 2022

Amy Buckler, Strategic Projects Manager
Mike Reid, Economic Development Director

Topics

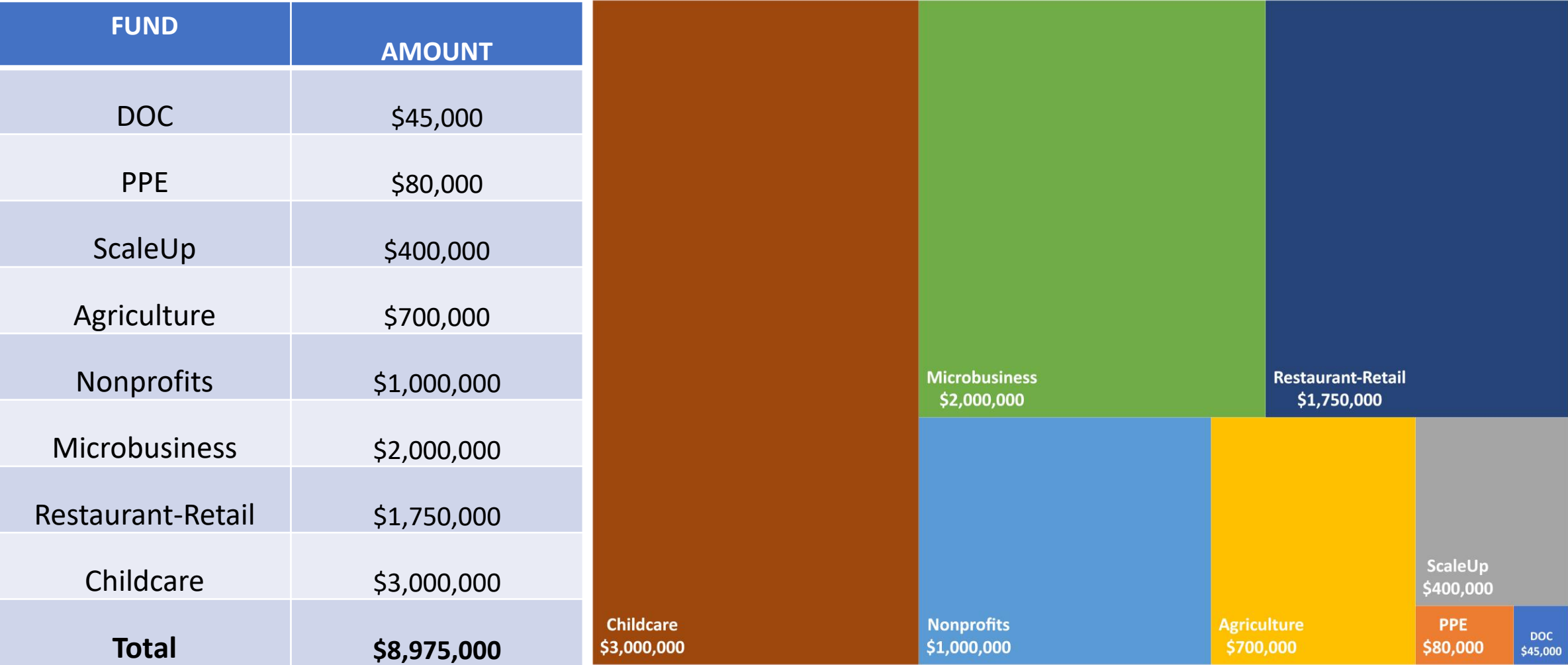
- Update on Thurston Strong (regional economic development response to the pandemic)
- Olympia Economic Snapshot
- Planning for the Future



THURSTON STRONG CORE TEAM



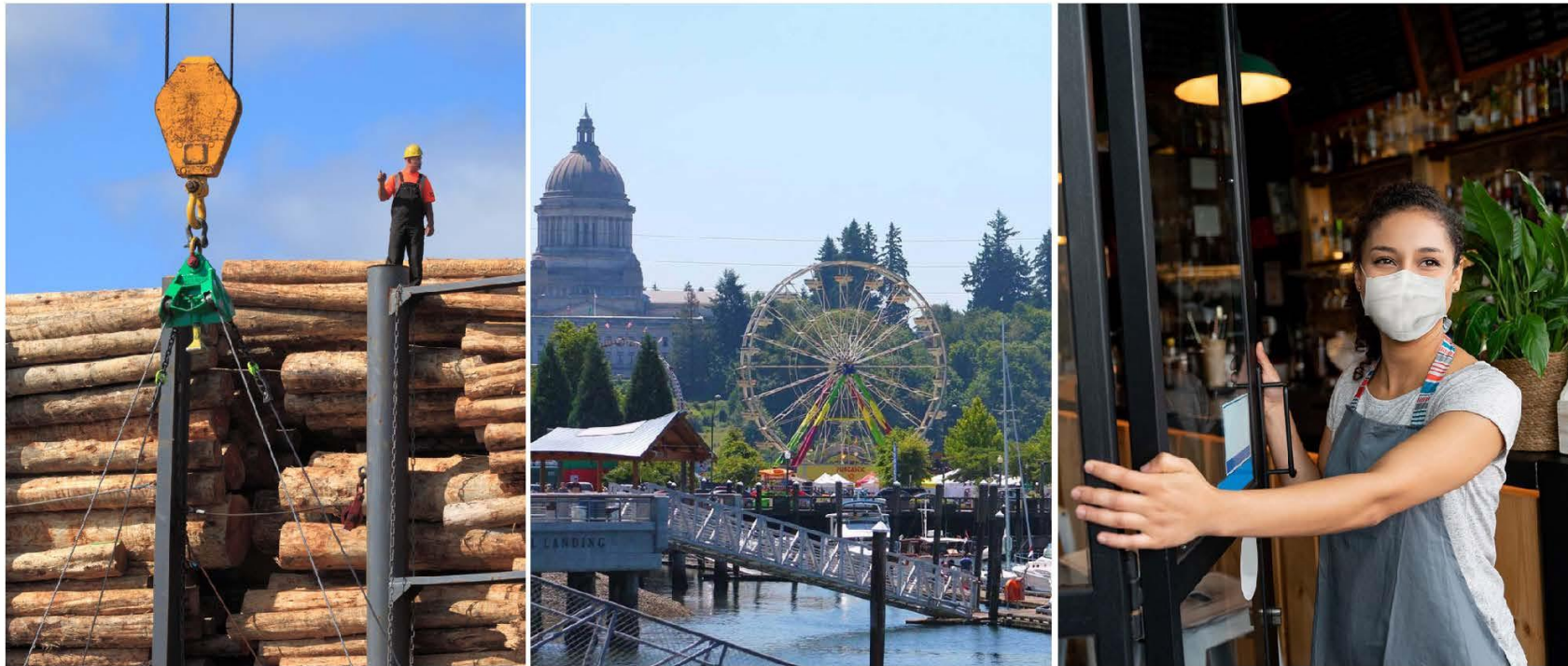
Phase 1 - Thurston Strong Direct Investment



THURSTON **STRONG**

ECONOMIC RECOVERY + RESET PLAN

MARCH 2021



Three Focus Areas: Resiliency, Inclusivity, Economic Expansion

Thurston Strong Recovery + Reset: \$11+ Million Investment*

*Updated April 2022

	Initiative	Activities Description	Thurston Co	Olympia	Other
1	Thurston Business Relaunch	Business grants (targeted sectors TBD) (EDC); Certain childcare providers eligible	\$2,200,000		
2	Minority Enterprise Investment (incl. target zone startup grants)	Grants (EDC), including \$500k for target zone startups; New Minority Business Advisory Council; Outreach to establish CDFI lender locally	\$2,800,000		
3	Nonprofit Grants	Grants (The Community Foundation)	\$900,000		
4	Thurston Food System (Agriculture) Business Grants	Grant/capacity/market expansion (WSU Extension). \$100k allocated to food aid boxes to nonprofits through SW WA Food Hub.	\$1,100,000		
5	Business Resiliency Training	Prepaid business training tuition, technical assistance; Training for COVID-response business plan (EDC)		\$100,000	
6	Thurston Works Jobs Program	Employees for nonprofits (PacMtn); Pilot program; Possible year 2 renewal; PacMtn/SPSCC worker pool, building equity/stability	\$1,300,000		
7	City of Olympia Journey2Jobs	Workforce Development for Homeless Populations		\$625,000	
8	Thurston Workforce Training Center	Scholarships for training certs and programs (Trades); Workforce Training (Construction, Fiber, Hospitality, etc.)		\$575,000	
9	Thurston Ag Industry Reinforcement	(Pending) Ag Employment Initiative	\$1,000,000		
10	Tourism-Rec-Ent. Recovery	Marketing, promotion, events (VCB)	\$100,000		
11	Economic Dev. District	EDA funding to support CEDS (EDC)			
12	Thurston Strong Support	Operations and Planning (EDC); surge demand funding to support all Thurston Strong programs		\$75,000	
13	General: City of Tumwater	Use for shortcomings in one or more identified program			\$350,000
14	General: Port of Olympia	Use for shortcomings in one or more identified program			\$10,000
15	Bz Grants: Private Donations	(EDC) Grant fund to help businesses that fall through the cracks of other grant programs			\$10,000
	Investment		\$9,400,000	\$1,375,000	\$370,000
Total Regional Investment: \$11,145,000					

Olympia Strong:

A Roadmap for Economic Resiliency

“Resiliency”

Ability to adapt quickly and thrive in the face of challenge

Planning process kicks off July 2022

Focus on economic resiliency for:

- Residents
- Community (Businesses, Organizations, Etc.)
- City Organization

Long-term Planning

- 20-yr goals and policies
- 6-year implementation strategy
- Will guides City investments, partnerships, programs



Olympia Demographics

2020 Population: **55,605**

Percentage of county population: **18%**

Total Jobs 2017 estimate: **58,620**

Percentage of total jobs in Thurston County: **39%**

Working age 18-64: 34,136 (61%)

Jobs per person of working age: **1.62**

2019 Taxable Retail Sales: \$2,405,258,159

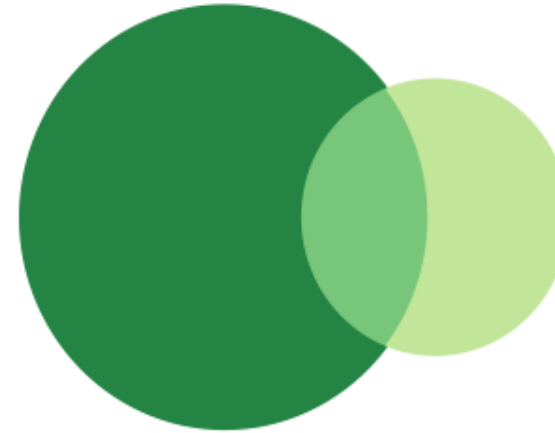
Percentage of total County taxable retail sales: **38%**

Source: TRPC Profile





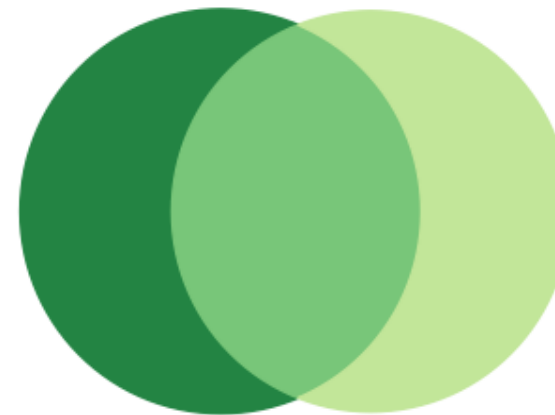
Inflow/Outflow Job Counts in 2019



48,534 - Employed in Selection Area, Live Outside
 15,204 - Live in Selection Area, Employed Outside
 9,116 - Employed and Live in Selection Area



Inflow/Outflow Job Counts in 2019



54,181 - Employed in Selection Area, Live Outside
 52,034 - Live in Selection Area, Employed Outside
 66,398 - Employed and Live in Selection Area

Population and Employment Distribution in Thurston County



Source: TRPC Population and Employment Forecast (2018 Update)

2017 Employment

2045 Employment

2017 Employment Density

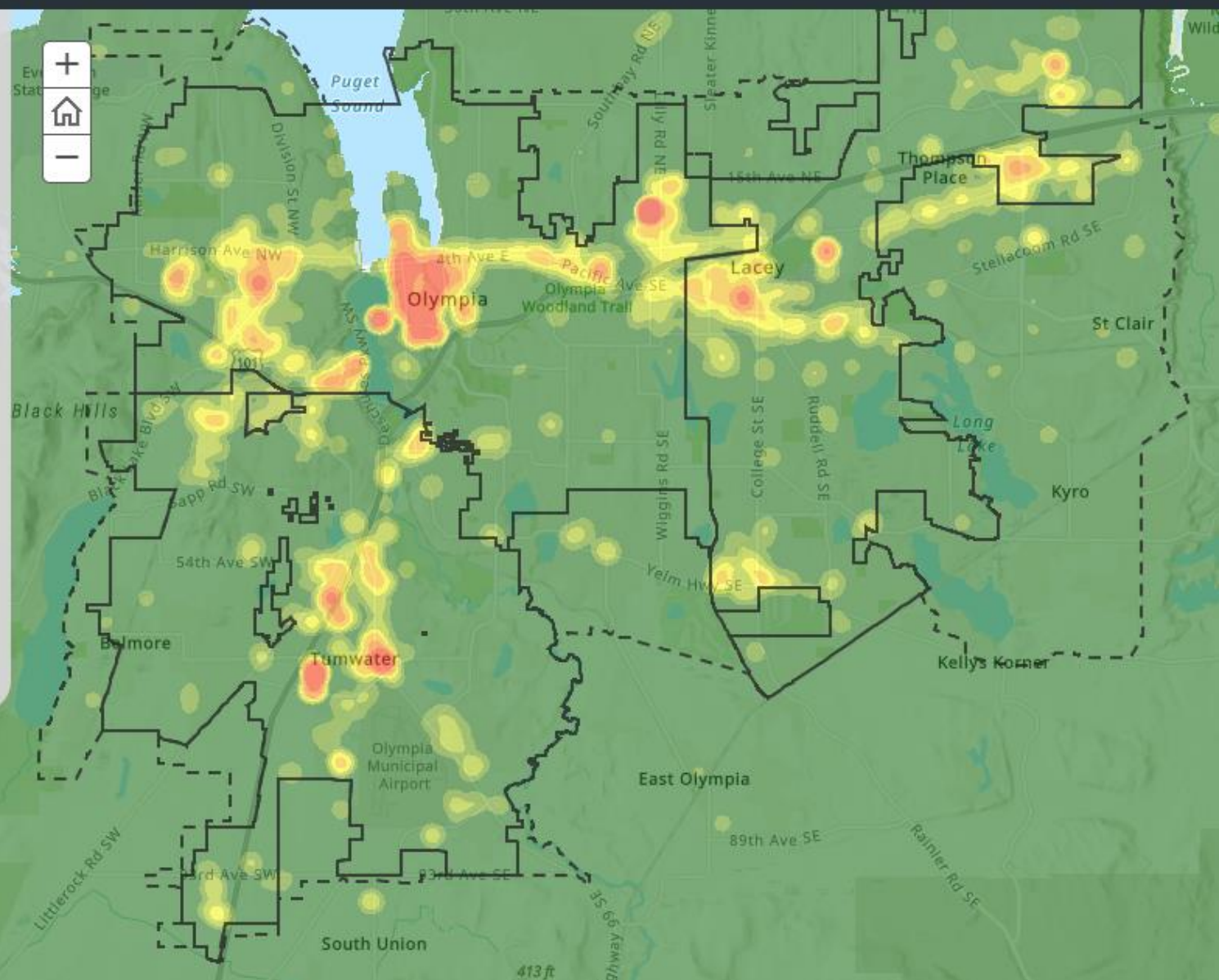
Thurston Regional Planning Council estimates that 148,700 jobs were located in Thurston County in 2017. The majority of these jobs were clustered in the urban areas of Lacey, Olympia and Tumwater.

Use the map to explore where employment opportunities were concentrated within the County.

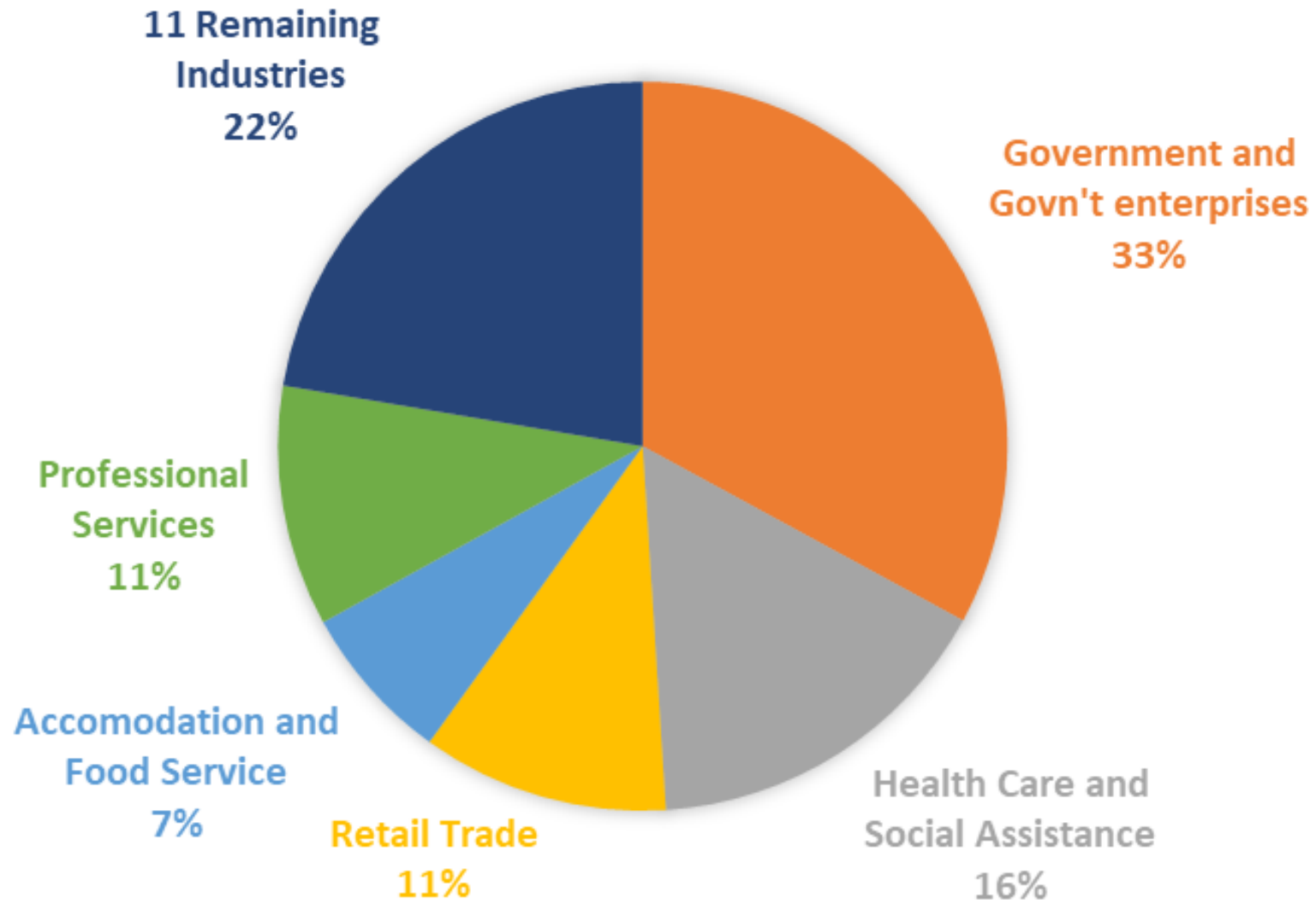
2017 Employment Density

Employees per Acre

- <2 employees per acre
- 2-5 employees per acre
- 5-10 employees per acre
- 10-15 employees per acre
- 15-25 employees per acre
- 25-40 employees per acre
- >40 employees per acre



2017 OLYMPIA EMPLOYMENT BY INDUSTRY



Source: TRPC Population and Employment Forecast (2018 Update)

Thurston County Employment

Growth 2000 to 2020

- Population: 42%
- Jobs: 40%
- Government Jobs: 13%
- Private Sector Jobs: 52%

	2000	2005	2010	2015	2020*
Private Employment	75,935	87,643	91,133	103,135	115,600
Government Employment	35,556	36,660	37,625	37,640	40,300
•State	22,732	23,896	24,367	24,174	25,000
•Local, Tribal	10,933	10,981	11,432	11,827	13,500
Total Employment	111,491	124,303	128,758	140,775	155,700
Population	207,355	229,286	252,264	267,410	294,300
* Projection					

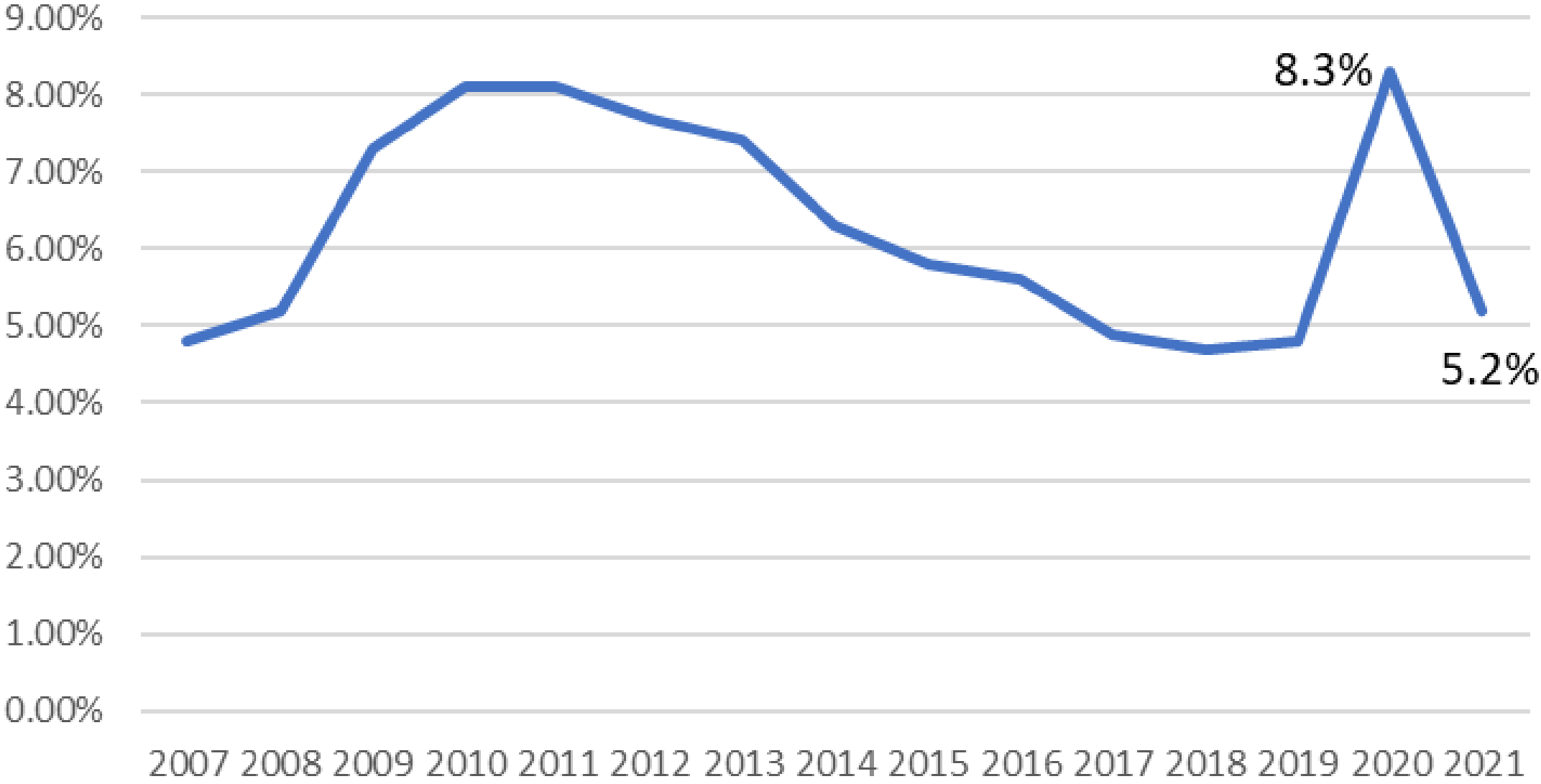
Source: TRPC Population and Employment Forecast (2018 Update)

Remote/Hybrid Work Rates

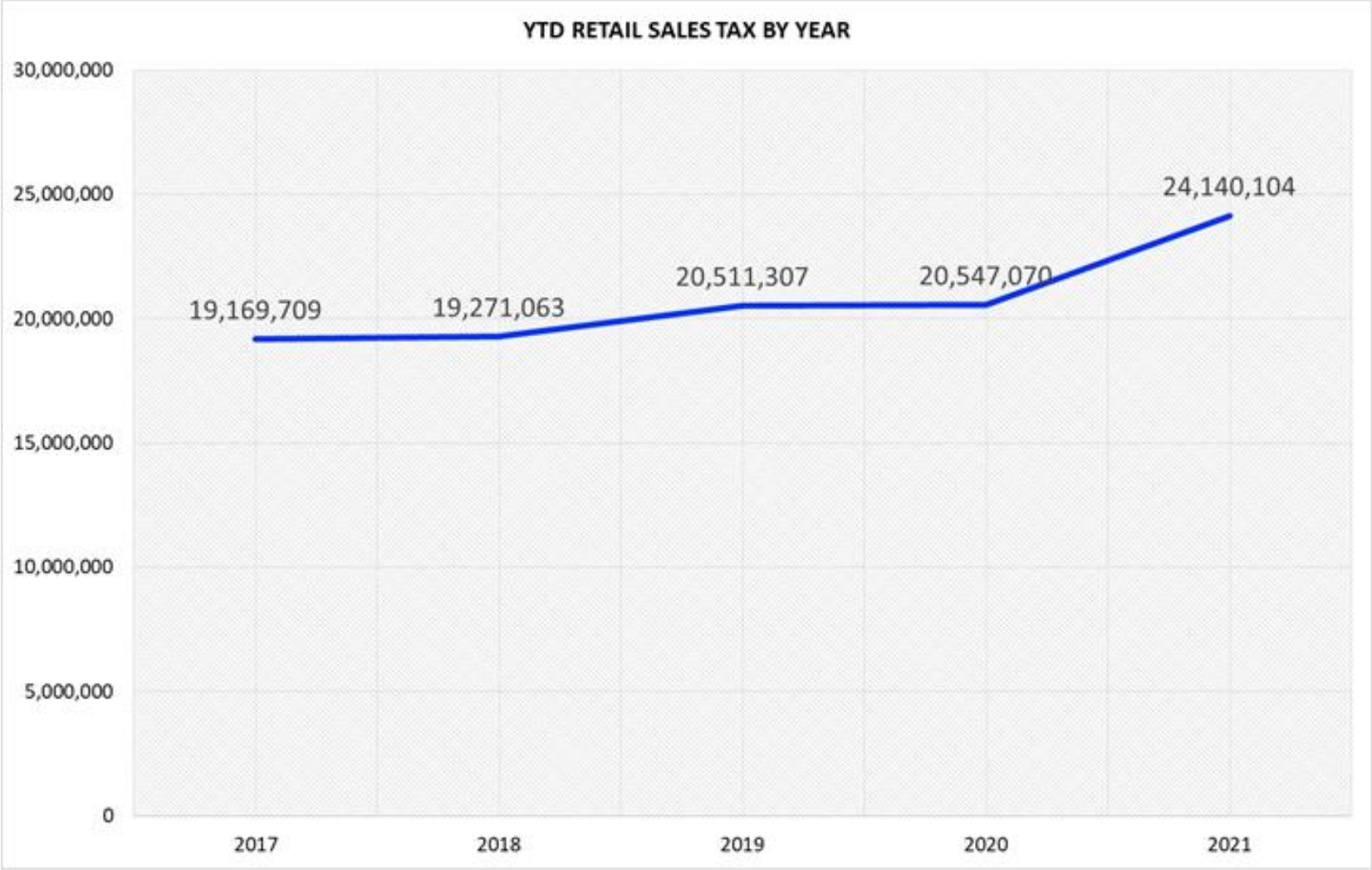
	Capitol Campus	Thurston
2007/08	1.3%	1.2%
2009/10	1.3%	1.5%
2011/12	1.8%	1.7%
2013/14	1.5%	1.8%
2015/16	2.0%	2.1%
2017/18	3.7%	3.1%
2019/20	4.4%	5.5%
2021/22	71.1%	63.3%

- Generally, the area hasn't settled in yet as to hybrid/remote/in person. This will take a while.
- The State is currently working on two budget provisos related to facilities locally:
 - Reduction in leased office space by agency for 2024-25
 - Evaluation of short and long-term facility and information technology needs, based on the new hybrid work environment
- The state plans to develop many buildings into hybrid/drop-in work spaces
- Even more opportunity for converting office space into housing and mixed use
- Seeing larger investment firms buy some of our local real estate as part of a portfolio

Thurston County Unemployment



Olympia Sales Tax



U.S. Inflation

Highest in four decades

Consumer Price Index:
Up 8.6% since last year (May)

- Gas: Up 50%
- Groceries: Up 12%
- Restaurants: Up 7.4%
- Airline Tickets: 38%

Source: Us Labor Dept



POVERTY, ALICE AND COST BURDEN

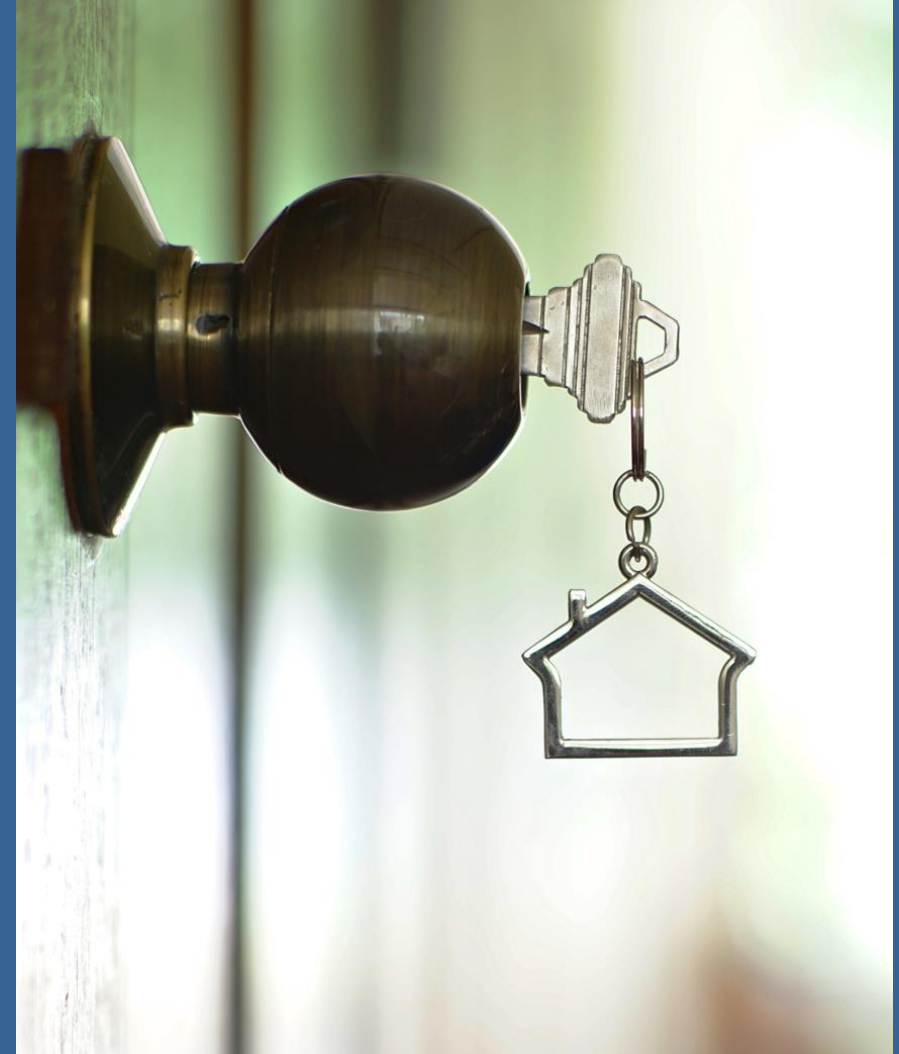
- **16%** of Olympia households are below the federal poverty line, a rate twice that of Lacey or Tumwater. (8,896 households)
- **34%** of children in Olympia-Lacey-Tumwater live in households that fall below the United Way's ALICE threshold - may be above the poverty line but can't afford the basics. ALICE: Asset Limited, Income Constrained, Employed. (12,634 children)
- **30%** of Olympia households are housing cost burdened - spend more than 30% of their income on housing (rent/mortgage, utilities). Of those, half are severely cost burdened, meaning they spend more than 50% of their income on housing.
- People of color, immigrants and those with disabilities are disproportionately affected by poverty, ALICE and cost burden.

Housing (Un)Affordability

- Although the housing market is cooling, housing prices are still at record highs
- Median Home Price, April 2022:
 - \$510,000
 - Up 19% from last year
- Median Rent, 2022:
 - \$1,540
 - Up 9.9% from 2019
- Especially challenging market for renters and first time home buyers
- Affects workforce recruitment

Sources: Realtor.com

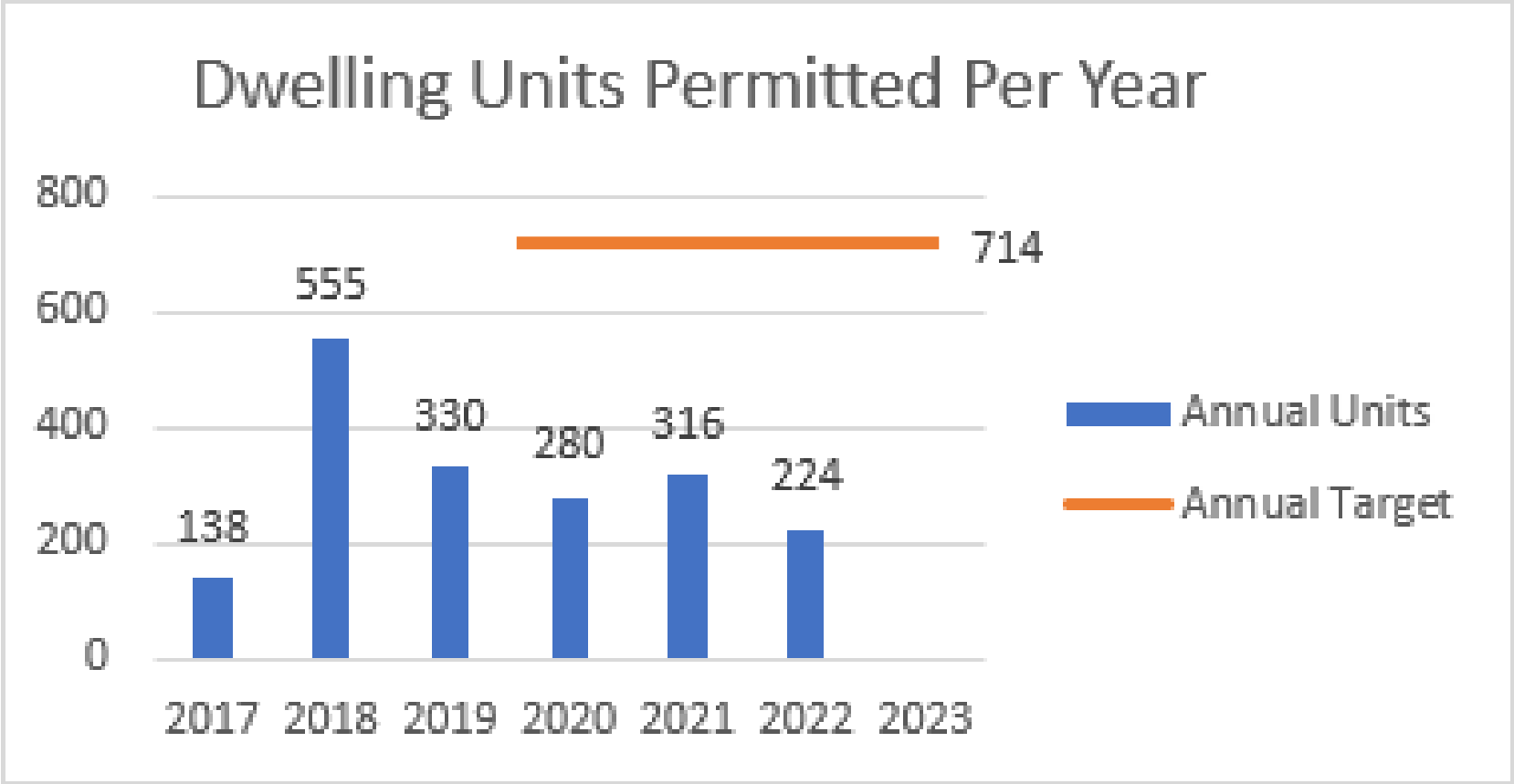
The Olympian, <https://www.theolympian.com/news/local/article261578947.html>



Olympia Annual Housing Permits

To keep pace with population growth Olympia should be building an average of 714 housing units over a 5-year period between 2020-2025.

We are building about half that much.



Six Strategies for Addressing Needs

1. Increase the supply of low-income affordable housing
2. Expand the overall housing supply by making it easier to build all types of housing projects.
3. Increase the variety of housing choices.
4. Make it easier for households to access housing and stay housed.
5. Establish a permanent source of funding for low-income housing.
6. Continually build on resources, collaboration, and public understanding to improve implementation of housing strategies.

Development Activity

- Development activity is robust
- Multifamily dominates (in the pipeline)
 - Downtown (441 units)
 - Eastside (505 units)
 - Westside (678 units)
 - includes West Bay Yards – 478u
- Single family subdivisions picking up after years-long lull
 - 481 lots in review and construction
- Commercial interest picking up
 - Restaurant/drive-thru

Source: The Olympian





[A Roadmap for Economic Resiliency]

- 12-18 month planning process
- Kicks off in July
- Resiliency strategies to support Olympia residents, businesses, overall community and City organization

Olympia Strong | Timeline





Discussion and Questions

Amy Buckler

Strategic Projects Manager

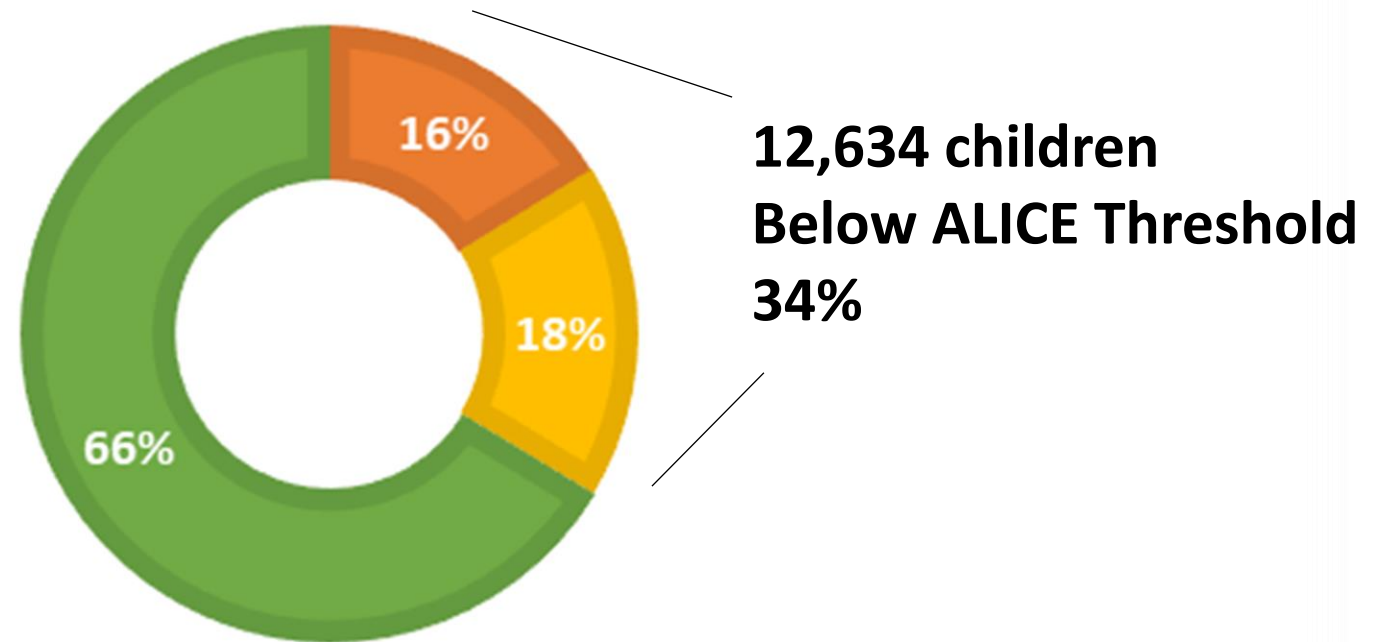
Economic Development

abuckler@ci.olympia.wa.us

360.280.8947

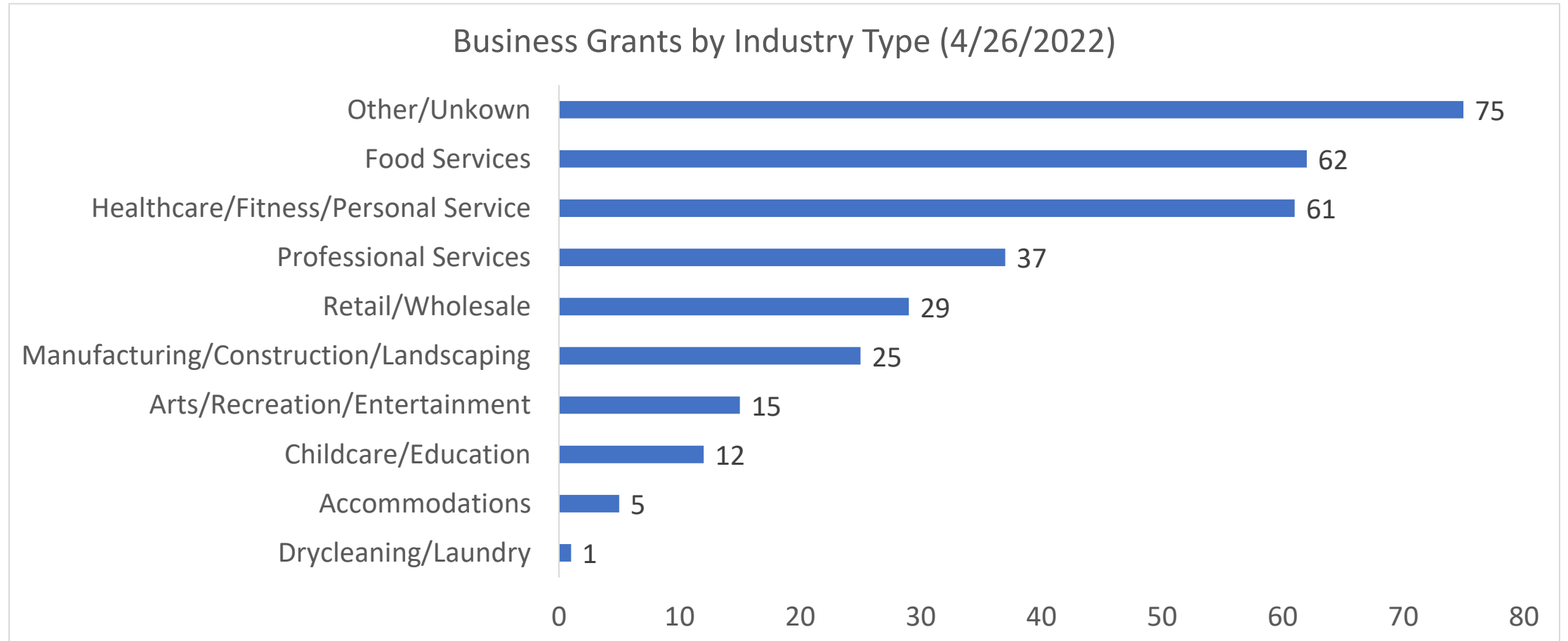
CHILDREN BY HOUSEHOLD OLYMPIA, LACEY & TUMWATER, 2019

■ Poverty ■ ALICE ■ Above the ALICE Threshold

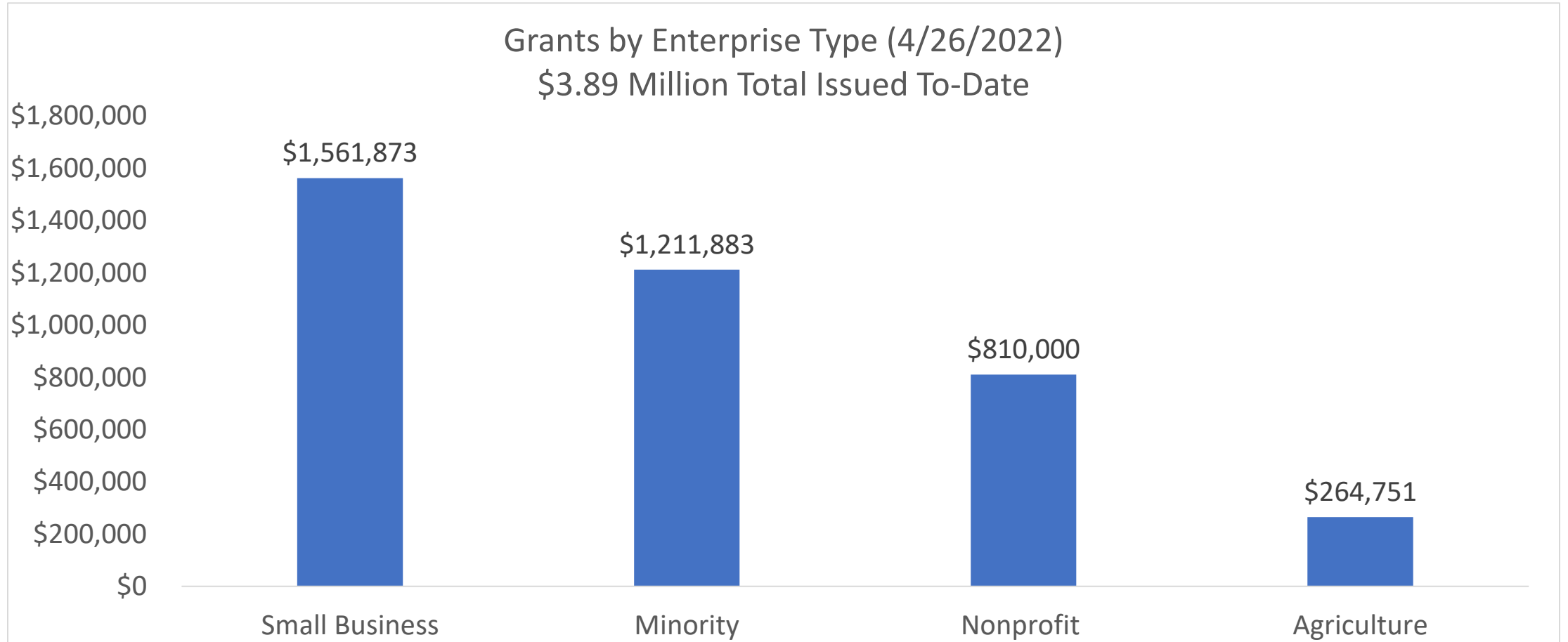


Number of children in Olympia, Lacey and Tumwater = 37,510

Business Grant Summary



All Grant Summary



All Grant Summary

