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Economic  
Development  
Council**



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Councilmember,  
City of Lacey

September 29<sup>th</sup>, 2017

Ms. Nicole Floyd  
City of Olympia, Olympia Community Planning Development Department  
[nfloyd@ci.olympia.wa.us](mailto:nfloyd@ci.olympia.wa.us)  
cc: Heather Burgess, Phillips Burgess Law

RE: Views on 5<sup>th</sup>, Project, City of Olympia

Ms. Floyd,

Thank you for the opportunity to provide comment and input on this important project. The Thurston Economic Development Council operates with the mission of promoting and increasing the sustainable quality of life throughout Thurston County. The organization is the lead economic development organization for the county as designated by the Washington State Department of Commerce. Our Board of Directors is comprised of both private and public leadership from the region. Our Board has reviewed the proposal and is in support of the above referenced project. This support is based on the analysis outlined below.

Based off of the hard costs provided to the Thurston EDC for this project, we project that there will be a total economic impact of about \$26,740,000.00. In addition to revenues, a total of 203 jobs will be added to our community. These numbers account for the direct, indirect and induced impacts. The direct impact, the hard costs of construction, account for \$18,455,000.00 and will create 138 jobs. The indirect impact, impact on suppliers of goods and services, account for \$3,730,000.00 and will create 29 jobs. The Induced impact, new wages circulating through the economy, account for \$4,555,000 and will create 36 jobs. Construction lends itself to having a significant multiplier effect in comparison to other industries throughout our community. With the influx of the direct construction costs, we will see an additional 69% of economic activity that will circulate throughout our economy.

The above numbers are real numbers that we can expect based off of a modeling tool that captures information for our region. What it does not fully capture is the increase in individuals living in the downtown core that will patronize downtown businesses. Based off of U.S. Census data from the year 2015, there were 910 people who lived in the downtown core. Since 2015, there have been over 200 new housing units constructed, which have been quickly filled by residents. The proposed project will increase this number by over 138 (which is the proposed number of units – however some units will house more than just one individual). This is a significant increase in foot traffic for downtown businesses. The downtown Olympia business community prides itself on having a strong makeup of locally owned and operated businesses. In order for these businesses to remain competitive within a retail economy that has increasingly been dominated by chain retail and ecommerce, they need a higher density of individuals with a disposable income within close proximity to their business in order for them to prosper.

This project is in alignment with the Olympia Downtown Strategy Plan which has a strong focus on increasing housing options in the downtown core. It takes into



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account that a prosperous downtown is one that has a variety of housing options with an appropriate mix of low-income and market rate housing. This project moves these goals forward by providing new housing units in the downtown core.

One of the issues that should be considered when reviewing this project is the impact that redevelopment will have upon the blight of this site – but also the positive impacts it will have upon other pockets of blight of the downtown core of Olympia. The City has undertaken a series of significant efforts to address blight, or rather areas that have historically been neglected by the economy for some reason. This redevelopment of the site, coupled with the infusion of direct investment and the multiplier impacts upon the city's economy, will act to drive new interest and investment into the region. The positive impact upon the blighted areas cannot be understated.

In addition to current retail in the downtown core, the proposed project has retail and live/work components as well. This will provide local businesses the opportunity to expand as the economy continues grow. The new retail space will also attract more individuals to the downtown core as retail options increase and become more diverse, which will benefit the surrounding businesses as well. The live/work spaces will promote new ideas and innovation which will continue to foster the downtown core as a more robust and vibrant place to live, work and recreate.

On behalf of our organization, thank you for your consideration on this important project.

Sincerely,

Michael Cade  
Executive Director