



Planning Commission

PUBLIC HEARING on Proposed Scope of Actions for Neighborhood Centers

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Title

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Recommended Action

Following an introduction from staff, open the public hearing, take oral testimony and hold the written record open through Sunday, November 23.

Report

Issue:

The Planning Commission will hold a public hearing to gather input on a scope of proposed actions the City can take to help neighborhood centers develop according to community goals. Public input will inform the Commission's recommendation to the City Council regarding priorities for future work plans and resources.

Staff Contact:

Amy Buckler, Associate Planner, 360.570.5847

Presenter(s):

Amy Buckler

Background and Analysis:

The City has had a policy of encouraging the development of neighborhood centers for over 20 years, but they have not developed as described in the Comprehensive Plan, but for a few exceptions. Neighborhood Centers are 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. These are important to community-wide goals to increase walkability, reduce our carbon footprint, improve human health, and foster neighborhood connections and resiliency.

The Planning Commission seeks to further community goals for neighborhood center development. As a first step, the Commission has gathered input about the public's desires as well as barriers to neighborhood center development. With help from staff, they launched an online questionnaire on OlySpeaks.org and received 668 responses. Meanwhile, staff interviewed 13 business owners and 8 property owner/developers who have operated a business, designed or developed a neighborhood

center in Olympia.

See Attachment 1 for a summary of what was learned.

ADDITIONAL FINDINGS:

- **Neighborhood centers vary:** The 17 areas identified for neighborhood centers in the Comprehensive Plan are not one-size-fits-all. They are currently in various stages of development, from thriving mixed retail to abandoned gas station, or designed as part of a planned village but not developed to green field with no known future development plan. The envisioned characteristics for each location may vary. Feasibility of operating a successful business will vary by location as well.
- **The number of households within ½ mile is one key to determining center feasibility,** especially pertaining to new construction. Many developers will refer to the industry rule of thumb that states at least 1,000 households within a ½ mile are required to support a small convenience store; this number goes up to 2,000 households for a small neighborhood business district with a mix of retail uses (see article in Attachment 3).

If the number of households within ½ mile do not meet the industry standard, achieving construction of new commercial buildings in neighborhood centers will be a challenge (see Attachment 4 for population data.) In most cases, the developer and the business owner are not the same entity. Construction costs are tacked onto the lease paid by the business, resulting in higher lease rates for new construction vs. existing buildings. A developer will be unlikely to finance development of a new building if he or she does not believe likely tenants would be able to afford the lease.

This is support by the fact that almost all the businesses operating in one of our neighborhood centers today are housed in a building constructed between 1902-1957 (exception: data on Victoria Square and Glenmore areas not available.)

- **Other characteristics besides number of households within ½ mile impact business feasibility as well.** Location on a well-traveled street increases visibility and the potential customer base for a business. Other avenues to increase business revenue may help as well. For example, The San Francisco Street Bakery includes a wholesale component, which provides additional revenue beyond the retail bakery.
- **What ‘comes first’ in each center may vary:** An October 28, 2014 article in The Olympian hailed the Wildwood Center as the “poster-child for Olympia’s neighborhood centers.” However, in the short-term it may not be feasible for undeveloped neighborhood centers to achieve construction of a new mixed retail building. But smaller-scale uses, such as community gardens and food stands, and other place-making could be a start to creating activity in neighborhood centers. We have seen this in places such as The Commons on 9th & Adams.
- **There are areas within the City that are not identified for future neighborhood centers, but seem as though they fit the concept.** This includes The Commons and the Medical

Arts/Capitol Apartments area on the westside at 4th and Sherman.

Based on preliminary input and analysis, staff proposes a scope of actions for public and Planning Commission review - See attachment 2. Other background information about neighborhood centers is also attached.

Neighborhood/Community Interests (if known):

- See Attachment 1
- A summary of responses from the OlySpeaks questionnaire will be provided at the hearing, and posted online November 17.

Options:

Following an introduction from staff, open the public hearing, take oral testimony and hold the written record open through Sunday, November 23.

Financial Impact:

Included in base budget