

## CHAPTER EIGHT -- ECONOMIC DEVELOPMENT

### I. INTRODUCTION

**Growth Management Act:** Many of the Comprehensive Plan chapters, like Housing and Transportation, are required by the Growth Management Act (GMA). The Economic Development Chapter, however, is optional. The State, recognizing the importance of economic development efforts, included an economic development planning goal in the GMA that is to guide the development and adoption of comprehensive plans and associated regulations:

- "Encourage economic development throughout the state that is consistent with adopted Comprehensive Plans;
- Promote economic opportunity for all citizens of this state, especially for unemployed and for disadvantaged persons; and
- Encourage growth in areas experiencing insufficient economic growth, all within the capacities of the state's natural resources, public services, and public facilities."

**County-Wide Planning Policies:** The County, in association with its seven cities and towns, developed and adopted GMA-required County-Wide Planning Policies. These now provide the planning framework that allows community individuality while ensuring regional consistency on major policy issues. The GMA requires the Economic Development section of the Comprehensive Plan to be consistent with the County-Wide Planning Policies. Section VI. Economic Development and Employment states:

"City, town, and county governments in Thurston County encourage sustainable economic development\* and support job opportunities and economic diversification that provide

---

\* Sustainable economic development is defined as continually adding higher value to the work of residents in the community in order to provide:

- A. Quality and diversity of employment opportunities:
  - Family wage jobs and entry level jobs offering career paths;
  - A mix of skilled, semi-skilled and professional job opportunities and trained residents to fill those jobs;
  - A healthy balance of private and public job opportunities;
  - A business climate that encourages entrepreneurship, innovation, new business start-up and business expansion.
- B. Stability and diversity of the revenue base:
  - Adequate revenues to fund priority community services;
  - More equitable distribution of the tax burden;
  - Flexibility in the tax structure to encourage high value-added job creation and investment.
- C. Better environmental quality and use of limited natural resources:
  - Waste reduction through recycling;
  - Maximum use of human potential in products and services;
  - Continued development and use of better technology;
  - Pollution reduction;
  - Environmental protection.

economic vitality and ensure protection of water resources and critical areas. In order to attain an economic base that provides an adequate tax base revenue source, enhances the quality of life of community residents, and maintains environmental quality, the cities, towns, and county will:

- 6.1 Provide in their comprehensive plans for an adequate amount of appropriately located land, utilities, and transportation systems to facilitate environmentally sound and economically viable commercial, public sector, and industrial development;
- 6.2 Support the retention and expansion of existing public sector and commercial development and environmentally sound, economically viable industrial development and resource uses;
- 6.3 Provide assistance in obtaining funding and/or technical assistance for the expansion or establishment of environmentally sound and economically viable economic development;
- 6.4 Support recruitment of environmentally sound and economically viable economic development that helps to diversify or strengthen local economies;
- 6.5 Support work force training that will facilitate desirable economic development that helps to diversify or strengthen local economies;
- 6.6 Improve regulatory certainty, consistency, and efficiency;
- 6.7 Coordinate economic development efforts with other jurisdictions, the Port, the Economic Development Council, chambers of commerce, and other affected groups; and
- 6.8 Encourage the utilization and development of areas designated for industrial use, consistent with the environmental policies in Section IX."

**2004 Update:** The Economic Development Chapter has been revised realizing that the chapter was last updated in 1995. This effort has included coordinating policies on commercial development with the Land Use Chapter of the Comprehensive Plan, updating data related to Thurston County's economy, ensuring that policies are stated in terms of "should" and an overall review of the "actions needs" sections and turning those into policy statements.

## II. THURSTON COUNTY ECONOMY

Thurston County serves as the regional center for much of the economic and business activity of Southwest Washington. This includes education, health, business services, retail, finance, cultural attractions, and government.

Thurston County is greatly influenced by its position as the seat of state government. Its economy is dominated by government employment, which has grown considerably since 1970. During that same period, employment mushroomed in the trade and service sectors. Manufacturing continues to occupy a comparatively small role in the economy. Thurston County's total employment and wage earnings in manufacturing is near 5%, illustrating the county's lack of diversity in its economic base. This reliance on one sector is cause for caution. Many other areas have felt insulated with their stability coming from a single major sector, only to find years later serious changes affecting that stability (e.g., forest products in the 30's, 40's, and 50's and nuclear energy in the 50's, 60's, and 70's).

Internationally, nationally, and now locally, economies are dramatically changing. State fiscal belt-tightening may impact government employment levels. Corporate downsizing is a nation-wide phenomenon. International economies influence us more immediately and more directly - interdependence is a greater player than in the past. This offers opportunities but also requires adaptability and responsiveness to fluctuating conditions. In times of change, economic diversity helps maintain an area's resilience when downturns occur in individual economic sectors.

Two tables illustrate the position of the various sectors in Thurston County's economy. The first compares employment and wages:

**Table 8-1**  
**Comparison of Thurston County Economic Sectors**  
**By Employment and Wage Earnings**

Thurston County's Economic Sector	Percentage of Employment		Percentage of Wage Earnings	
	1992	2001	1992	2001
Government	42.3%	40.3%	53.0%	47.0%
Retail Trade	17.6%	17.2%	9.9%	12.3%
Services	19.0%	23.0%	16.4%	19.7%
Manufacturing	5.5%	4.4%	6.5%	5.1%
Finance, Insurance, Real Estate	3.3%	3.7%	3.2%	3.7%
Construction	4.3%	4.2%	3.8%	4.3%
Wholesale Trade	3.1%	2.5%	3.0%	3.0%
Transportation, Communication, Utilities	2.4%	2.6%	2.6%	3.4%
Agriculture, Forestry, Fishing	2.4%	2.1%	1.5%	1.4%
Mining	.1%	≤.1%	.1%	≤.1%
Total	100.0%	100.0%	100.0%	100.0%

- Source: Labor Market Information Center, Washington State Department of Employment Security, Labor Market, and Economic Analysis ([www.wa.gov/esd/lmea](http://www.wa.gov/esd/lmea)). Most recent available data.

The second table shows the great increase in trade and service employment although it is important to note that growth in these sectors, albeit strong, is slowing. The manufacturing sector was showing increasing growth until 1990 and, furthermore, has lost ground as a percentage of the overall economy and wage earnings:

**Table 8-2**  
**Trade and Service Employment**  
**Economic Sector Changes**  
**By Total Increase and Average Annual Rate of Increase**

Thurston County's Economic Sector	Total Percent Increase			Percent of Total Employees		
	1970- 1980	1980- 1990	1990- 2000	1980	1990	2000
Population	62%	30%	29%	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Government	58%	44%	24%	43.7%	41.6%	39.4%
Wholesale and Retail Trade	92%	53%	26%	20.2%	20.5%	19.8%
Services	150%	87%	68%	14.7%	18.2%	23.3%
Manufacturing	28%	25%	-4%	7.9%	6.6%	4.8%
Finance, Insurance, Real Estate	56%	30%	37%	3.8%	3.3%	3.5%
Construction	19%	82%	24%	3.8%	4.6%	4.4%
Transportation, Communication, Utilities	12%	35%	29%	3.0%	2.7%	2.6%
Agriculture, Forestry, Fishing	N/A	43%	11%	2.7%	2.5%	2.1%
Mining	-74%	39%	75%	0.1%	0.1%	0.1%

- Sources: Washington State Department of Employment Security, Labor Market Information, Covered Employment and Wages by Industry ([www.wa.gov/esd/lmea](http://www.wa.gov/esd/lmea)). "The Profile," TRPC.

The growth in trade and service sectors is linked to several factors: first, the expansion of state employment which provided a local market for the trade and service sectors; second, local consumers are making more local purchases due to regional shopping facilities built in the county; third, shopping centers and medical facilities are serving more consumers from outside the county; fourth, manufacturing is moving off-shore to countries that supply

cheaper labor; and finally, the shift in the national economy from traditional manufacturing to a service-based information economy.

Thurston County has fared better than other places with narrow economic bases because of the relative stability in income level of state government. This is particularly apparent when comparing to those counties with an economic base relying primarily on wood products.

### **III. ECONOMIC DEVELOPMENT IN THURSTON COUNTY**

Both Thurston County's private and public sectors are actively promoting improved economic health and diversification of the economic base in the Thurston Region. This is important to our area in order to meet social needs (reduce crime, abuse, government support payments, etc.), support educational excellence and to provide a tax base necessary for meeting lifestyle goals.

Toward this end, the private sector and the Thurston Economic Development Council coordinates assisting and attracting new businesses and industries to the area. All of the local governments, including Thurston County, support and participate in economic development programs. County government further supports business development by maintaining responsive and coordinated governmental service and an upgraded development permitting and customer service system. It also enhances employment opportunity through job training programs and has allocated nearly 4000 acres to commercial and industrial zoned lands. However, in the unincorporated county, the amount of commercial and industrial zoned lands are relatively minor in comparison to the urban growth areas with under 1,000 total acres zoned industrial or commercial which are either undeveloped or re-developable. Commercial and industrial development in rural areas is limited by the Growth Management Act to small-scale uses providing economic opportunity to rural area residents.

**Table 8-3<sup>1</sup>**  
**2000 Land Supply in Thurston County – Industrial and Commercial Zoning**

Jurisdiction	Industrial Land Supply (acres)			Commercial Land Supply (acres)		
	Vacant or Partially Used Land	Land with Redevelopment Potential	Total	Vacant or Partially Used Land	Land with Redevelopment Potential	Total
Bucoda	1	0	1	7	2	9
Lacey & Lacey UGA	1,184	70	1,254	2,202	396	2,598
Olympia & Olympia UGA	44	64	108	626	380	1,006
Rainier & Rainier UGA	0	0	0	47	2	50
Tenino & Tenino UGA	32	2	34	20	6	26
Tumwater & Tumwater UGA	2,480	289	2,768	853	155	1,008
Yelm & Yelm UGA	226	26	251	325	75	400
Grand Mound UGA	264	32	296	119	26	145
<b>Total Urban Areas</b>	<b>4,229</b>	<b>483</b>	<b>4,712</b>	<b>4,200</b>	<b>1,042</b>	<b>5,242</b>
<b>Rural Unincorporated County</b>	<b>568</b>	<b>43</b>	<b>611</b>	<b>279</b>	<b>92</b>	<b>371</b>
<b>Thurston County Total</b>	<b>4,797</b>	<b>526</b>	<b>5,323</b>	<b>4,479</b>	<b>1,134</b>	<b>5,613</b>

<sup>1</sup> Source: Buildable Lands Work Program, TRPC.

A focus of economic development activity in Thurston County is the relationship between the economy and the environment. Economic development and environmental quality can be mutually supportive. Protecting and enhancing the environment is critical to the effective

and sustainable development of the area as well as to the health and well being of Thurston County residents.

#### **IV. GOALS, OBJECTIVES AND POLICIES**

Economic growth, diversity, sustainability, and environmental protection constitute the policy focus of the following goal and policies. Economic growth in the industrial and commercial sectors will be found primarily within Urban Growth Areas. This is where urban services and utilities, transportation systems, population concentrations, and the capacity (present and future) to serve and support these businesses are located.

**GOAL 1:** SUPPORT SUSTAINABLE BUSINESS AND INDUSTRIAL DEVELOPMENT WHICH (1) STRENGTHENS AND DIVERSIFIES THE ECONOMIC BASE; (2) CREATES JOBS AND ECONOMIC OPPORTUNITIES FOR ALL CITIZENS; AND (3) DEVELOPS AND OPERATES IN A MANNER THAT MAINTAINS A HIGH-QUALITY OF LIFE AND ENVIRONMENT.

**OBJECTIVE A:** *Economic Development Programs* - Programs, especially those involving inter-jurisdictional coordination, should be supported that:

- Help locate and expand sustainable and environmentally sound business and industry;
- Contribute to full utilization of the county's business and industrial land base; and
- Strengthens and diversifies the economic base.

#### **POLICIES:**

1. The county should support economic development efforts that identify the types of jobs, industries, and businesses to be targeted for focused attention to maximize the return on economic development efforts.
2. The county should ensure adequate amounts of properly zoned and located land required by those businesses and industries identified for targeted attention (in Policy 1 above) in economic development plans adopted by the county.
3. The county should support private and public job training programs to meet the labor force needs of the targeted businesses and industries.
4. The county should support referral assistance programs through the Thurston County Economic Development Council (EDC) for persons and firms inquiring about business opportunities in Thurston County.
5. The county should assist in obtaining grants and loans that will support expansion or establishment of businesses and industries.
6. The county should support a public/private effort to identify a discrete set of types of jobs, industries, and businesses for targeted economic development attention in

order to most efficiently utilize limited resources and maximize the return on economic development efforts.

7. The county should work with the Economic Development Council to support the development of "environmentally sound" and "economically viable" as called for in the adopted County-Wide Planning Policies.
8. The county should support efforts and strategies to diversify Thurston County's economy through the encouragement of more manufacturing-based industries and enhance the economic return to forestry, fishing, and farming.

**OBJECTIVE B: *Business Expansion, New Businesses, and Home Businesses*** Land use permits and procedures should provide for expanding existing businesses, establishing new businesses which diversify the economy, and for home occupations and small-scale home-based industries.

**POLICIES:**

1. The county should allow limited changes or expansions to nonconforming businesses in the rural area provided (a) any detrimental impacts to adjacent properties will not be increased or intensified; (b) changes or expansions comply with performance standards; (c) the change does not result in a formerly small operation dominating the vicinity; and (d) any expansion or change of use will be in keeping with rural character.
2. The county should encourage business development in the Grand Mound Urban Growth Area, which is served by the county-owned water and sewer system.
3. The county should provide for certainty, consistency, and timely processing of land use permits.
4. The county should provide some zones that allow both manufacturing and retail in order to permit manufacturers to engage in limited retailing of their products within industrially zoned areas.
5. The county should provide help to persons requiring development assistance to understand and work through regulations and permit processes by offering timely assistance in a helpful, non-adversarial environment.
6. The county should allow home occupations to be permitted everywhere in the county, provided these businesses do not adversely impact rural character.
7. The county should allow home-based industries to be permitted only in residential districts with densities of two units per acre or lower and in the Rochester Sub-Area.
8. The county should ensure that home businesses maintain and enhance the residential character of their areas and should not:

- Detract from the residential character of the surrounding area, and
  - Result in a defacto cluster or strip of commercial and/or non-residential uses nor start the conversion to that condition, and
  - Otherwise negatively impact rural character.
9. The county should ensure that standards for home based industries should address such issues as screening, buffering, noise, lighting, and increased setbacks to assure compatibility with neighboring properties. Standards should also provide for considerations of safety on private roads and equitable sharing of private road maintenance costs.
  10. The county should review all county development-related requirements and procedures for the purpose of simplifying and lessening the bulk of requirements and providing a helpful environment for persons requiring development assistance.
  11. The County should review all new development regulations to determine their impact on existing businesses.

**OBJECTIVE C: Utility Planning for Economic Development** - Utility planning should be done by identifying the funding for and locations of new utilities and upgrades which serve commercially and industrially zoned areas.

**POLICY:**

1. The county should continue to work jointly with the appropriate jurisdictions and private sector to annually develop capital facility plans and funding strategies for utilities, transportation, and other services to serve industrial and commercial areas.
2. The county should work with other appropriate jurisdictions to determine the feasibility of shared public capital facilities and shared funding of those facilities, especially as they benefit economic development efforts.

**OBJECTIVE D: Industrial and Commercial Lands** - Commercial and industrial land should be designated in adequate amounts and appropriate locations to meet current and future needs, maintain a quality environment, and provide economic opportunity to rural residents while preserving character in the rural area.

**POLICIES:**

1. The county should ensure that the size of commercial areas are appropriate to the uses to be accommodated and the area being served as follows:
  - a. Neighborhood Convenience Commercial. These are single stores or a group of very small stores (including residences in conjunction with the businesses) located throughout rural areas of the county. They should be located on no more than one acre and would serve rural populations of less than 5,000.

- b. Arterial Commercial. For limited urban growth areas where large acreage sites and visibility on arterial roads is needed; not to be a strip configuration. Existing strips should be upgraded and infilled prior to establishing new arterial commercial sites.
  - c. Highway Commercial. For freeway or major highway interchanges to accommodate businesses serving travelers.
  - d. Rural Commercial Center. For identified rural communities to serve the everyday needs of the surrounding rural residential community.
2. The county should designate industrial areas in sufficient quantity and quality to meet current and future needs.
  3. The county should evaluate industrial land use designations made through Joint Plans to assure that adequate supplies of industrial lands are available for both short- and long-term use and that this plan's revised guidelines for locating industrial lands are met.
  4. The county should ensure that the size of industrial areas are large enough to accommodate a number of industrial uses in clusters so that the area may be developed in a coordinated fashion and be provided with a variety of parcel sizes.
  5. The county should ensure that industrial and commercial areas are able to be served by required utilities, transportation, and other services at a level appropriate to the uses within the industrial/commercial area.
  6. The county should ensure that commercial and industrial areas are located where there is a low risk of potential adverse impacts to environmental quality. For example, commercial and industrial areas should be sited where aquifer protection can be assured. Also, the county should analyze the lands designated for commercial and industrial uses to determine which, if any, pose hazards to aquifers such that aquifer protection is jeopardized.
  7. The county should encourage that in rural parts of the county, priority business activities should be:
    - Home occupations and home based industries;
    - Neighborhood convenience stores and rural commercial centers;
    - Industries associated with the natural resource base;
    - Industries that are dependent upon a rural setting without urban services;
    - Commercial recreational uses such as horse racing tracks and arenas, car racing tracks, and shooting ranges; and
    - Tourism.

8. The county should encourage that in urban growth areas, priority business activities should be commercial, tourism and industrial uses.
9. The county should encourage commercial centers rather than narrow strip development in order to protect the county's quality environment, provide efficient land use, and improve traffic safety and travel.

**OBJECTIVE E: *Tourism*** - Land use activities and planning programs should be supported that will promote tourism as an activity for generating expanded employment in Thurston County.

**POLICIES:**

1. The county should encourage cultural and social activities, emphasizing natural attractions, historic places, and activities unique to our area.
2. The county should provide and publicize public access to waterbodies that are tourist attractions, provided public access is consistent with environmental needs.
3. The county should designate scenic drives and special setback and clearing regulations implemented for them.
4. The county should support signage, maps, and other means of identifying areas and features of interest.
5. The county should support the development of facilities that enable tourist activities to take place, such as convention centers (within urban growth areas), bed and breakfast facilities, private and public parks, campgrounds, recreational areas, overnight facilities and facilities associated with local economic activities that would attract tourists. In the rural area, small-scale tourist activities should be in keeping with rural character.
6. The county should review land use regulations for their impact on private or public development of tourist facilities.
7. The county should support a public/private effort to identify strategies and programs that will promote tourism in Thurston County including support of a public/private effort to investigate the viability of expanding existing county tourism facilities. The County should also support a public/private approach, coordinated with state tourism resources, to identify cultural, social, natural, and historical sites and activities to promote as part of county tourism efforts.
8. Support a public/private approach, coordinated with state tourism resources, to identify cultural, social, natural, and historical sites and activities to promote as part of county tourism efforts. The county should encourage others to develop a map/brochure that illustrates tourist-oriented sites, facilities, and activities such as:
  - Public access to waterbodies

- Scenic drives and vistas or view points
  - Historic points of interest
  - Festivals and annual special events
  - Camping facilities
  - Parks and trails
  - Recreation sites and facilities
  - Other points of interest
  - State government points of interest
  - Tour packages
  - Museums
  - Historic sites
9. The county should designate scenic drives and implement special setback and protective clearing regulations for them. The county should also investigate techniques and/or incentives that might be used to compensate property owners for these restrictions.

**OBJECTIVE F: Development Standards** - Standards for industrial and commercial areas and activities should be provided to promote optimal working environments, worker health and safety, and compatibility with adjoining areas while ensuring sustainable and environmentally sound developments.

**POLICIES:**

1. The county should provide standards that should generally be performance-oriented and should address buffers, traffic access, noise, screening, landscaping, and signs.
2. The county should encourage screening with mature plantings, fences, and buffers should isolate such uses as junkyards.
3. The county should encourage commercial activities involving trucking within sites that are adequate for loading, unloading, and maneuvering trucks.
4. The county should periodically review and update Zoning Ordinance standards for industrial and commercial areas to be consistent with Comprehensive Plan policies.