

ECONOMIC VITALITY ELEMENT

ECONOMIC VITALITY ELEMENT

INTRODUCTION

In Mountlake Terrace, the City's comprehensive plan helps establish long-term goals and policies for economic vitality. This fits with the intent of the state's Growth Management Act, which the legislature passed, in part, to encourage sustainable economic development statewide. One of the Act's required goals, Goal 5, for comprehensive plans is:

- "Economic development. 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."

The City views economic development as a vital function for a healthy community. The economic vitality chapter reflects the commitment the City has made to plan for economic development, to provide for the long-term financial stability of the City and realize the community's priorities.

BACKGROUND

Economic vitality is the result of many people in a given area having decent jobs, viable businesses, and/or profitable investments, with very few people at a poverty level. On the opposite end, a lack of economic vitality would result in property values decreasing and the quality of life declining. Mountlake Terrace has a moderately strong business base, along with opportunities for greater economic vitality.

To some extent, economic vitality is a product of what is happening in the wider region. Mountlake Terrace is part of a larger economy that includes Seattle, Everett, and the surrounding Central Puget Sound region. While many people who live in this city work elsewhere, an increasing number of people have their jobs or businesses here. Either way, these people are contributing to the regional economy.

Businesses in Mountlake Terrace not only contribute to the regional economy, they also benefit the local community by providing nearby jobs and paychecks to residents. They provide things people want to buy and save time they would otherwise spend elsewhere. Businesses are an important part of the local tax base, helping to pay a large part of the cost of streets, schools, and other public services.

Location

The City of Mountlake Terrace is conveniently and strategically located along the I-5 corridor in the central Puget Sound Region, within easy reach of numerous important economic centers and related employment, cultural and recreational opportunities.

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Figure EV-1 Regional Location Map

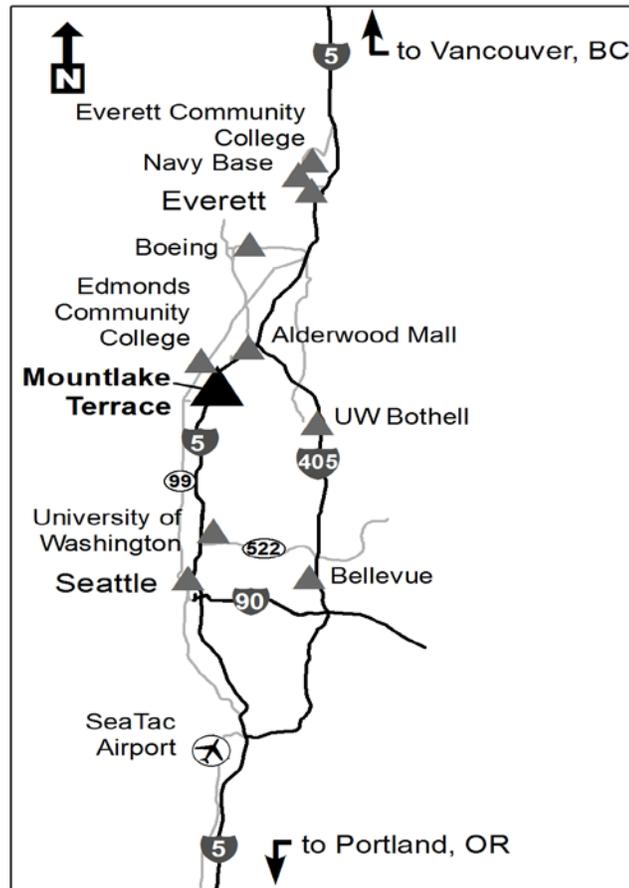


Table EV-1 Distance from Mountlake Terrace

Destination	In Miles, Center to Center
Alderwood Mall	4.4 mi
Bellevue	21.6 mi
Boeing (Everett)	11.3 mi
Edmonds Community College	2.8 mi
Everett	15.6 mi
Everett Community College	17.5 mi
Navy Base (Everett)	17.5 mi
Portland, Oregon	186 mi
SeaTac Airport	26.9 mi
Seattle	13.6 mi
University of Washington	10.1 mi
UW Bothell	10.2 mi
Vancouver, BC	128 mi

The City has three access points along its 2 miles of frontage on I-5; one each at 220th Street SW, 236th Street SW and 244th Street SW. The Transit Center at 236th Street SW is served by Community Transit, METRO and Sound Transit which operate bus routes between Mountlake Terrace, Seattle and key parts of Snohomish County. About 70% of the City is within ¼ mile of a bus stop.

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The City

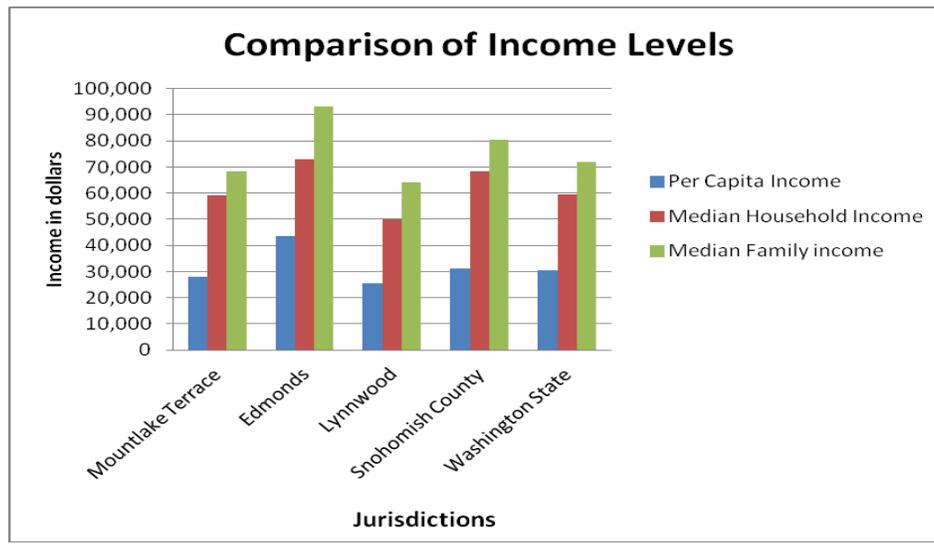
The City of Mountlake Terrace is a mixed-use community with the majority of its single and multi-family homes in the middle price range. The community has movie theaters, shops, restaurants, offices, medical clinics (complemented by Swedish Hospital just west of city limits), a library, first class school district, an educated workforce, a variety of housing and a growing business sector. It also has an extensive park system with 366 acres of recreation attractions including a regionally-recognized recreation pavilion and water recreation on Lake Ballinger.

LOCAL ECONOMY

Income

One perspective on economic vitality is based on income, such as, the median income level for households or families in a community. This can be compared to income levels in nearby communities or regions (see Figure EV-2).

**Figure EV-2
Comparison of Income Levels**



The 2012-2014 American Community Survey (“the 2014 Survey”) from the U.S. Census Bureau showed that the median household income in Mountlake Terrace was ~~\$59,099~~\$61,477. That amount was lower than the Snohomish County median of ~~\$68,338~~\$69,433, but slightly higher than some communities, including Lynnwood at approximately \$49,839. It was close to the statewide median household income.

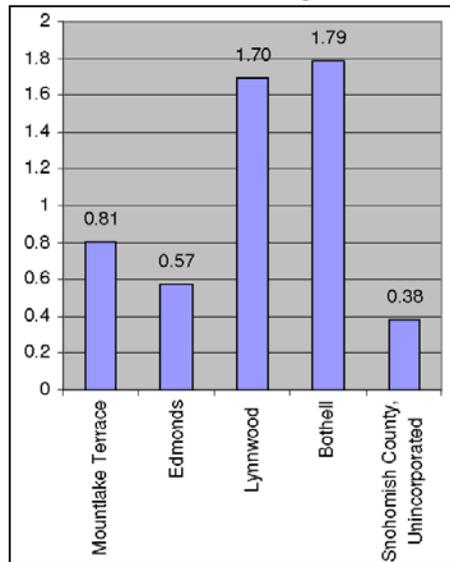
The 2012-2014 Census Survey also showed that for the City, ~~11.9% of families with children less than 18 years of age~~9.5% of the population was below the poverty level; this compares to 10.53% for the County as a whole, and ~~14.13.5%~~13.5% for the State.

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Jobs to Housing Ratio

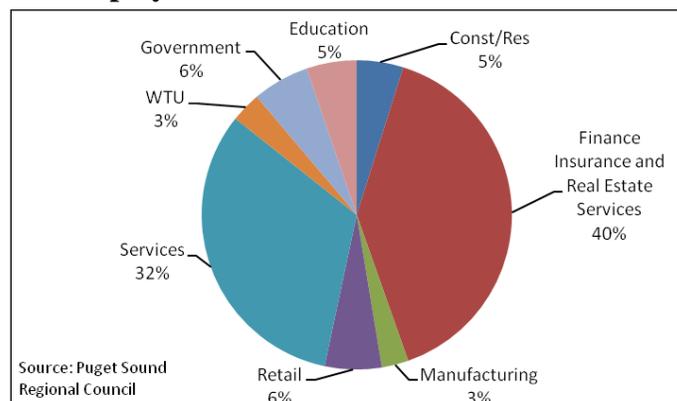
Another way of viewing economic vitality is to consider how many jobs are in a community compared to how much housing is in it. This is called the jobs/housing ratio. Some nearby communities, like Edmonds, have a similar jobs/housing ratio to Mountlake Terrace (0.68/1, that is 0.68 jobs to 1 housing unit in year 2012). Others, like Lynnwood, have a much higher ratio (1.66/1 in year 2012). Mountlake Terrace had a jobs/housing ratio of 0.78/1 (that is, 0.78 jobs per each housing unit) in year 2012.

**Figure EV-3
Jobs to Housing Ratio**



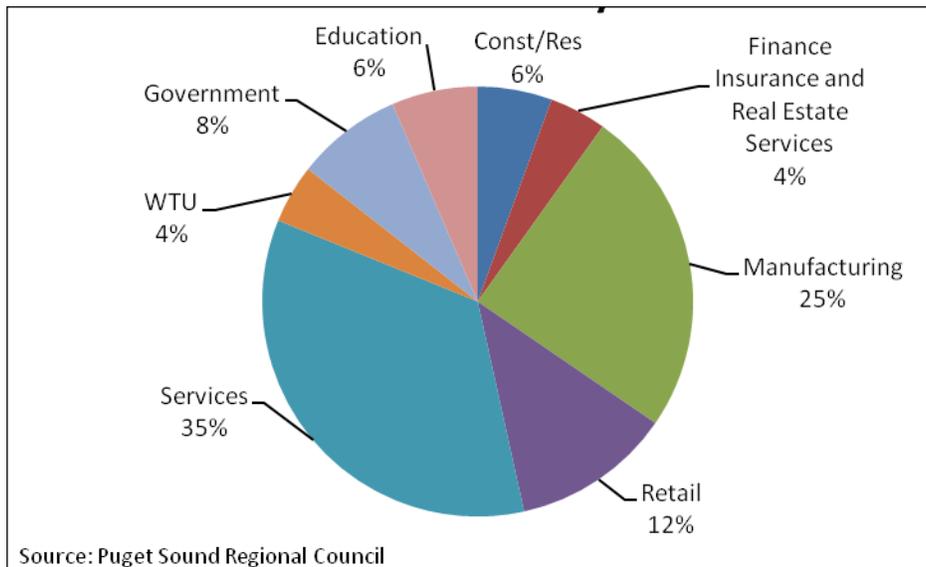
A simpler measure is the total number of jobs within a community. In 2000, an estimated 6,404 jobs were located within Mountlake Terrace. In 2008, the City had 6,923 jobs. By 2012, that had decreased slightly to 6,783, according to data from the Puget Sound Regional Council. Nonetheless, this means that Mountlake Terrace is still exceeding its 2012 target of 4,798 jobs by a substantial margin. The employment growth target for the year 2035 is 9,486, an increase of 2,703 jobs over 2012.

**Figure EV-4
Covered Employment Estimates for Mountlake Terrace, 2012**



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**Figure EV-5
Covered Employment Estimates for Snohomish County, 2012**



Between 2000 and 2012, jobs in the Construction/Resource, and Manufacturing sectors decreased by 35% in the City of Mountlake Terrace. Government employment also decreased, by 14%. During the same period, 2000-2012, jobs in the Services, FIRE (Finance, Insurance, Real Estate, and Services sectors), and Education sectors, increased by 16%, 19% and 20% respectively. Employment trends in Snohomish County differed from City trends with growth in Services, WTCU (Wholesale Trade, Communications and Utilities) and Government. (See Table EV-2 for Covered Employment numbers.)

**Table EV-2
Covered Employment Estimates and Changes 2000-2012**

Covered Employment						
Sector Type	Mountlake Terrace			Snohomish County		
	2000	2012	Percent change	2000	2012	Percent change
Const/Res	512	330	-35%	16,659	14,132	-15%
FIRE	2,196	2,695	19%	9,088	10,840	16%
Manufacturing	292	190	-35%	53,454	62,292	14%
Retail	452	403	-11%	27,020	30,307	11%
Services	1,840	2,193	16%	62,102	87,440	29%
WTCU	200	214	7%	7,862	11,135	29%
Government	464	401	-14%	15,957	20,126	21%
Education	448	357	20%	15,622	16,406	5%
Total	6,404	6,783	6%	207,764	252,678	18%

Source: Puget Sound Regional Council

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Major Employers

The single largest employer in the City is Premera Blue Cross of Washington and Alaska, a prepaid health care organization with approximately 2,445 employees in 2015. Other large employers within Mountlake Terrace are Edmonds School District (1,350), Umpqua Bank (165), City government (154 employees), and Albertson’s grocery store (100).

Businesses

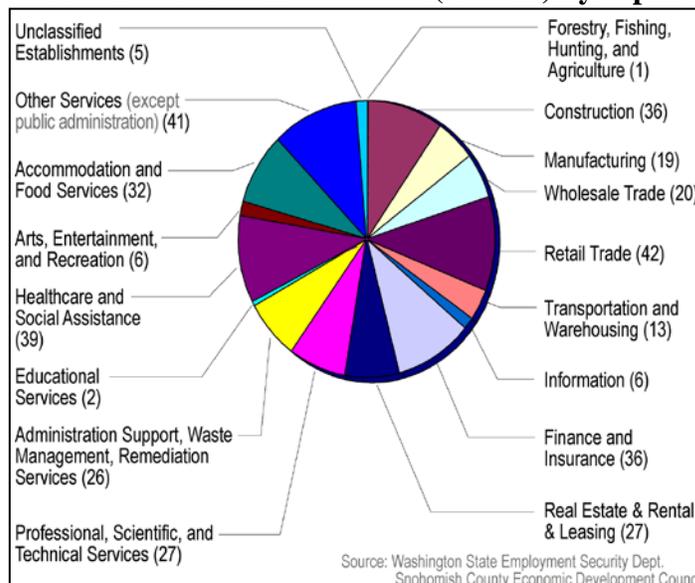
Sometimes, the longer view for economic vitality is important to consider too. What happens if one large business closes its doors? A community can be devastated—first, for the loss to individuals who worked at the business; second, for the impact the closure may have on nearby businesses; and third, for the loss to the city’s revenue base—which ultimately affects all residents.

That is why diversity in the business sector can be an indicator of long-term economic vitality. When one type of business (e.g., airplane production) is not doing well, another type (e.g., biotechnical research) may be.

Achieving business diversity means having a variety of industry types. Mountlake Terrace has a business sector that is heaviest in the finance/insurance/real estate services sector (FIRES), followed by “Services”, and is lightest in the “Manufacturing” and Warehouse, Transportation, Construction and Utilities (WTCU) sectors (see Figure EV-6). Of course, when the regional economy is strong, all business sectors usually do well.

Information reported on the numbers of business establishments within the City is reported for the Zip Code 98043, which closely coincides with the City boundaries. In 2012, the largest number of businesses was “Other,” followed by retail, health care, finance and insurance, construction, and accommodations and food service.

**Figure EV-6
Number of Business Establishments (NAICS) by Zip Code 98043**



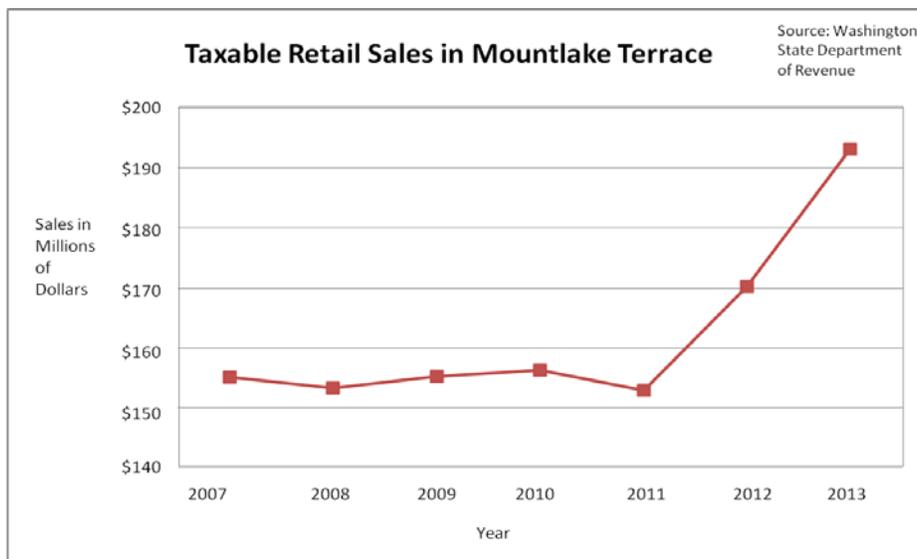
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Retail Sales

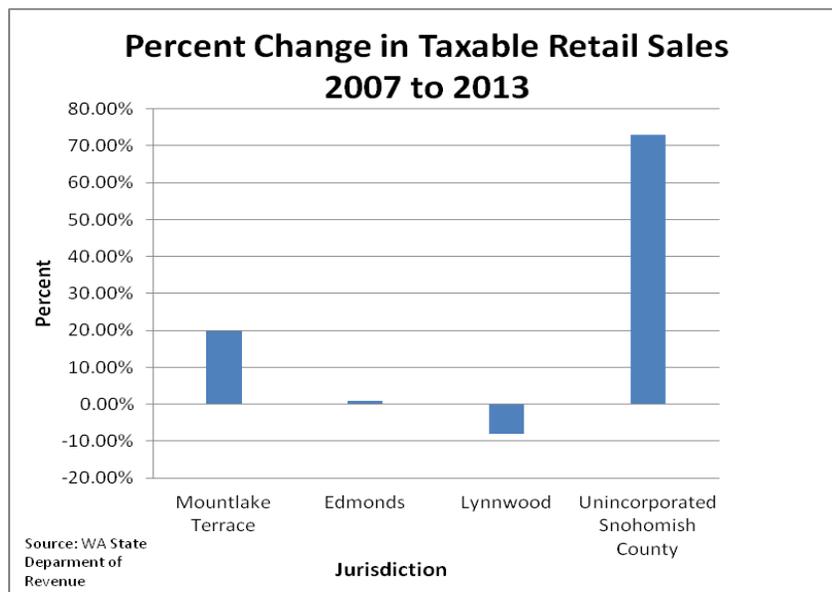
Economic vitality can also be viewed in terms of how much business is being done in a community. For example, in year 2005, taxable business sales in Mountlake Terrace amounted to a little below \$158,000,000, while in year 2013; business sales equaled about \$200,000,000. (See Figure EV-7.)

Retail sales reported within the City increased 20% between 2007-2013. Comparisons to Edmonds, Lynnwood, and the County for this same time period. (See Figure EV-8).

**Figure EV-7
Taxable Retail Sales in Mountlake Terrace 2007-2012**



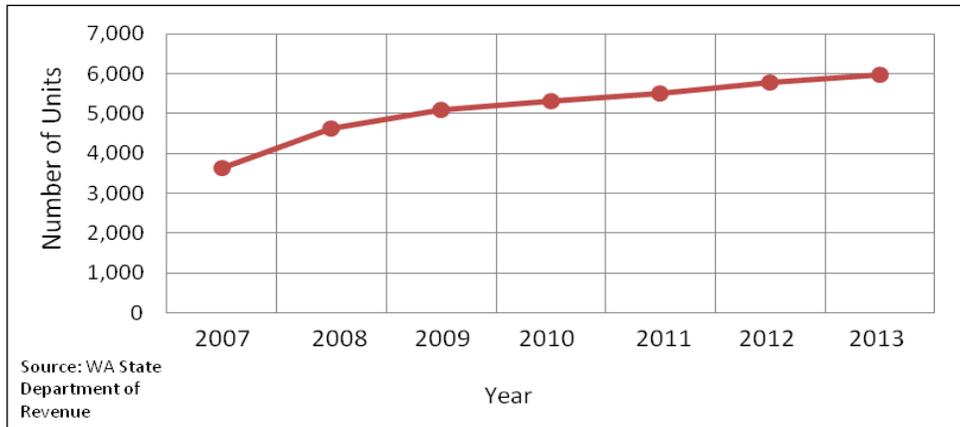
**Figure EV-8
Percent Change in Taxable Retail Sales**



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~~In general, the same period also saw an increase in taxable units, i.e., the number of items sold. (See Figure EV-9.) The change in amounts from year to year reflects various factors, such as new businesses being opened in town and fluctuations in the larger region's economic health.~~

**Figure EV-9
Number of Taxable Units in Mountlake Terrace 2007-2013**



Permitting Policy

Each year, the City of Mountlake Terrace processes thousands of applications for development permits. Applications are diverse in type, ranging from minor home improvement projects to subdivisions, and large-scale commercial projects.

Reviewing applications has to take into account many needs. For example, most people want projects in their neighborhood to meet community standards for safety, transportation, environment, land use, health, property rights, infrastructure, design, and other priorities. Developers have special concerns for fast turn-around times, as well as flexibility in dealing with their specific needs. They also want to know the rules up-front and expect permit applications to be treated fairly and consistently. Goal 7 of the state's Growth Management Act weighs in too, calling for timely, fair, and predictable permitting. To meet all these expectations can be challenging for any local government, especially when resources are tight.

Mountlake Terrace recognizes the economic importance of having a permit process that is clear, fast, fairly administered, predictable, and responsive to community objectives. The City is engaged in quality improvement efforts to speed up the permit process while ensuring community objectives and standards are met. Such "streamlining" actions have already included a one-stop permit counter, pre-application information, an electronic permit-tracking system, and coordinated project reviews. Other improvements are being sought too, with special attention to speed, fairness, and predictability.

Policies to address efficient permitting are contained in the Plan Administration Element.

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Commercial Development

All commercial development provides the community with benefits such as jobs, training, taxes and desired services. The City has three major commercial centers, several secondary commercial nodes and a handful of neighborhood nodes. (See Land Use Map, Figure LU-6 for locations of commercial districts.)

- The **major commercial centers** are located in Town Center, Gateway Place/Freeway Tourist, and the 220th Street SW corridor west of I-5. These areas provide the highest employment and tax revenue to the City.
- **Secondary commercial nodes** are located at 44th Avenue W and 228th Street SW (Cedar Plaza) and at 44th Avenue W and 212th Street SW (Albertson's). Commercial nodes located on the east side of the City are more oriented toward serving the immediate vicinity with daily services such as grocery, hardware, personal care, and restaurants.
- **Neighborhood nodes** are found on the east side of I-5, at three intersections (52nd Avenue W and 48th Avenue W on 212th Street SW and at 44th Avenue W at 224th Street SW). These nodes are comprised of one to four smaller parcels of land.

Major Commercial Centers

The greatest commercial/retail and office opportunities are located on the east side of I-5 in the Town Center and Gateway Place/Freeway Tourist commercial areas. The commercial area located on the 220th Street SW corridor, on the west side of I-5, has the highest concentration of employment and collectively generates the most sales tax revenue for the City. The major commercial areas tend to attract professional and medical services and specialties, as well as offering daily services such as food, gas and personal care services.

Town Center

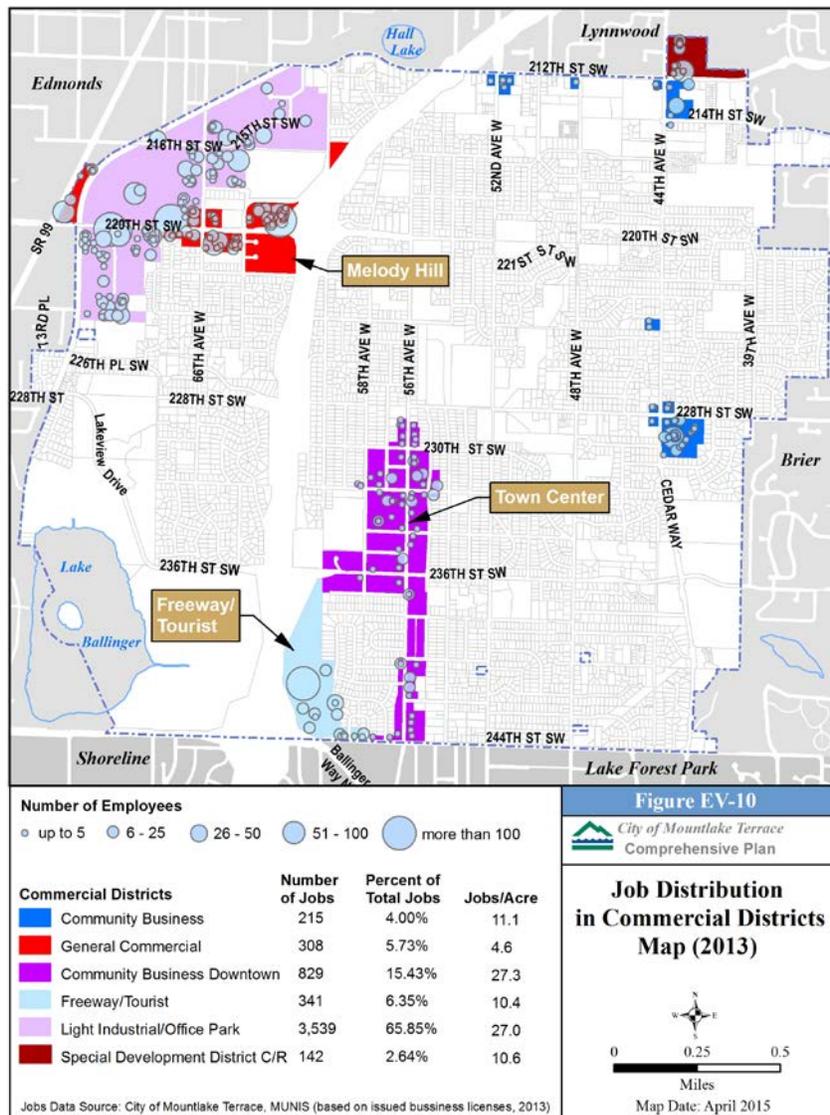
Town Center has been the City's primary focus for creating jobs and housing options. The purpose of the Town Center plan is to create a vibrant mixed-use district, where the commercial/retail component will serve and support the downtown residents and be an attraction for, and attractive to, the surrounding community as a place to live, work, congregate, socialize, receive personal and professional services, and find small retailing, entertainment, and eating opportunities. A subarea plan, A Vision for Mountlake Terrace Town Center (2007), outlines a plan to redevelop and revitalize the downtown core and increase the quality of life for Mountlake Terrace residents by providing new shopping, housing, work and recreational activity choices. The intent of the plan is to strengthen the business community, expand the tax base, and enhance community services without adding an undue tax burden on residents.

To help facilitate redevelopment, a Planned Action Environmental Impact Statement (EIS) was prepared to evaluate development thresholds and mitigation measures needed to minimize impacts on, among other elements, traffic, recreation, and environment. The Planned Action eliminates the need for each proposed development to conduct their own environmental analysis (such as a traffic study) when consistent with the Planned Action Ordinance (PAO). Adopted transportation and park impact fee ordinances have established the fair share contribution for each net new peak hour trip and net new dwelling unit, respectively, in the Town Center (and citywide).

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The City is in the process of developing Main Street reconstruction plans for the full right-of-way width. The Main Street project encompasses 56th Avenue W between 230th and 236th Streets SW continuing west on 236th Street SW to the Transit Center. The work includes undergrounding all utilities, intersection improvements, up to 10 feet of the 15-foot pedestrian activity area with sidewalk and street trees, decorative street and pedestrian scale lights, bike lanes, stormwater upgrades and other related streetscape improvements (the additional 5 feet are to be provided by private development). The Main Street project will set the stage for new development to simply “connect” to the public improvements and signals the City’s commitment to the redevelopment of the downtown core. The Main Street plans include future extensions of such improvements, on 232nd and 234th west of 56th to 58th Avenue W.

**Figure EV-10
Job Distribution in Commercial Districts**



Source: City of Mountlake Terrace, MUNIS Financial System (Based on Business Licenses, 2013)

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Gateway Place/Freeway Tourist

This commercial area, zoned Freeway/Tourist district, consists of Gateway Place, a 22-acre master planned commercial/business park, and an abutting 9.8 acre vacant property (formerly the site of an Edmonds School District elementary school, demolished in 2011). The area is located adjacent to I-5, between the City of Shoreline/King County line and 236th Street SW, generally east of 60th Avenue W. A collector street or boulevard is planned through the Freeway/Tourist zoned district to connect 244th Street SW/SR 104 with 236th Street SW. The connection points are in close proximity to I-5 exits (#177 and #178). The district property is ideally situated near the Transit Center for transit-oriented development (TOD). City planning efforts should continue to aggressively support the future light rail connectivity to this area, commercial/retail/office development and TOD options.

The Freeway/Tourist district is currently developed with a cinema, restaurant, hotel, office supply, medical facilities, a banking headquarter, and retail space. A Planned Action Environmental Impact Statement (EIS) (February 2013) for this district determined this commercial district would, through 2025, support development of 755,360 sq. ft. of commercial/office space, 45,354 sq. ft. of retail space, and 373 residential units. The PAO Ordinance permits shifting the total build-out between categories of uses so long as the total build-out does not exceed the aggregate amount of development, trip generation and parking thresholds reviewed in the EIS, and so long as the impacts of that development have been identified in the Planned Action EIS and are mitigated consistent with Exhibit B of the Planned Action EIS (Chapter 19.100 MTMC). The PAO also identified trip generation thresholds for the district. Proximity of a project to the transit center could allow discretionary consideration of credit for trip reduction.

A major factor in attracting significant, transit-oriented development or redevelopment in the Gateway area is through a connection street between 244th and 236th Streets SW. (See also Transportation Element, New Street Connections section). In 2014, the City completed 30% design work on the connector street and is actively seeking funding sources for its construction. Construction could also be undertaken by a private party or public/private partnership.

220th Street SW Corridor

The 220th corridor lies between I-5 on the east and SR/Hwy 99 on the west. It is served by a full interchange on I-5 (Exit #179) providing the shortest connection between I-5 and Hwy 99. In 2007, the City adopted the Melody Hill subarea plan which includes the corridor. The Premera campus, several Class A office buildings, manufacturing and light industry, as well as a retail area at 66th and 220th with abutting residential development, are located along 220th. The corridor is within a mile of the Swedish Edmonds Hospital campus and the numerous medical services that surround it. A significant economic opportunity lies in a 6.4 acre vacant parcel on the southwest corner of the I-5 interchange. Mixed use development is the preferred use for this site which has potential to be served by a future phase of the Lynnwood Light Rail extension due in 2023. However, the site has significant access limitations that must be addressed to make the site viable for mixed-use redevelopment.

Premera Blue Cross is an important business to the City for the jobs and economic contribution it makes to local business and taxes generated. In addition, Premera continues to upgrade the

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campus and may make additional improvements and add structures to the existing site improvements in the future.

Secondary Nodes

These areas are commonly strip malls containing multiple businesses in multiple buildings. They offer goods and merchandise that serves daily needs such as grocery store, personal care, and restaurants. They also offer items that are in less frequent demand such as hardware store (appliances, tools, and building materials) or gift shop items. They serve a larger population area, drawing from the immediate vicinity but also attracting business from pass-by traffic and nearby communities. All the secondary commercial nodes in the City are located on the east side of I-5. A brief description of each node is provided.

Cedar Plaza

Located in the southeast quadrant of 44th Avenue W and 228th Street SW, Cedar Plaza is a secondary node combined with the neighborhood business node at the intersection itself. Residents from Brier use 228th as one of few east/west access routes between I-5 and Brier (and further east). Businesses include a QFC grocery, True Value Hardware, Bartells, a convenient store, sit-down and fast food restaurants (including Voula's, Las Espuelas and Subway), pub (Sharkey's), Starbucks coffee shop, bank, gas station, health care services (dental) and personal services shops (hair salon, fitness center and additional businesses. Many of these businesses have served the neighborhood for decades. It is a convenient place to work and live nearby.

Albertson's at 44th Avenue W and 212th Street SW

Located in the northeast quadrant of 44th Avenue W and 212th Street SW, this a secondary node anchored by the Albertson's grocery store, and complimented by a dozen other businesses including veterinary care, hair care, coffee shop, and fast food. A business is also located at each of the other corners of the intersection. The intersection is located at a crossroads; east/west travel between Edmonds and Brier/Snohomish County/Bothell, and north/south travel between Lynnwood and Mountlake Terrace, bring many pass by travelers. Higher density multi-household development is located south of 212th. A 300-unit development that will wrap around the Albertson's is in the permitting stage with Snohomish County. Albertson's is one of the larger employers in the City.

Neighborhood Nodes

Neighborhood nodes are usually smaller scale, with only one or a few businesses located in one, or a handful of buildings, often at or near an intersection. The locations tend to be more walkable than larger commercial nodes or centers due principally to the smaller footprint/land area they occupy, and because they are in closer proximity to surrounding residential areas. The businesses tend to cater to quick stop items and there is often a high degree of vehicular and pedestrian traffic in and out of these locations. Ideally, each would have a business that attracts the surrounding residents to gather, linger and create some sense of community. A brief description of the neighborhood nodes in the city is provided.

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52nd Avenue W at 212th Street SW

Three commercial buildings are located on the south side of the intersection, all in Mountlake Terrace (the north side of 212th is in Lynnwood). The existing businesses include a Chinese buffet restaurant, 7-11 gas station/convenience store, and a strip mall building housing a laundry mat, ceramics craft shop and teriyaki.

48th Avenue W on 212th Street SW

A single business, Goodies, a convenience store, is located in the southwest corner of the intersection. This is a repurposed building, originally built as a commercial bakery and outlet (Langendorf/Gai's). It is surrounded by multi-household development. The site is underutilized.

44th Avenue W at 224th Street SW

This commercial node is located on the west side of 44th Avenue W between Cedar Plaza to the south and Mountlake Terrace High School and Albertson's to the north. The site was more intensely developed prior to competition from shopping malls in neighboring cities. A single building, occupied by Sorrelli's Pizza and a vacant space, serve the local community.

ECONOMIC DEVELOPMENT OPPORTUNITIES

Market Studies

To ensure economic vitality, many communities have assessed their opportunities for economic development and put strategies in place to achieve desired outcomes, consistent with the unique characteristics and opportunities in that community. Several market studies have been conducted in Mountlake Terrace during its history. The most recent economic development market analysis was completed for Mountlake Terrace in 2008. It concluded that Mountlake Terrace had opportunities for being able to attract economic development, as well as challenges.

Opportunities included:

- Good location with access to major transportation arterials and modes of transportation;
- Access to quality residential areas and major employment centers;
- Diverse community;
- Small spaces that could accommodate start-ups and provide valuable incubation space;
- New development and renovation projects currently underway;
- Major property owners;
- City and community interest in maintaining the vitality and quality of the community.

Challenges included:

- Limited vacant, developable land;
- Small parcels – making it difficult to assemble land for large projects;
- Community vision vs. property-owner vision;
- Low “visual quality” of many buildings and streetscapes;
- Transportation and access issues;
- Development regulations/building requirements.

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A market study, completed in 1999, described¹ the commercial development potential for the City as follows. The observations can help the City identify actions to increase opportunities and minimize challenges.

- Commercial uses that could generally be supported within Mountlake Terrace include **neighborhood-scale retail development** (e.g. small shops that provide goods and services to meet the everyday shopping needs of local residents) and small, professional offices or offices for expanding home-based businesses.
- Mountlake Terrace has a **good central location along the I-5 corridor**, and is proximate to arterials and freeway access, concentrations of retail development, and major employment centers—all attractive characteristics for residential development.
- The City should continue to see developers expressing an interest in **higher density infill development** projects, especially for housing.
- Commercial **development in the Town Center is affected** by smaller sized, underutilized parcels, often occupied by small, older and often deteriorated single-family structures which have little incentive to be abated or consolidated to facilitate reuse.
- A portion of the existing commercial buildings within the City are of an **age and condition that precludes** near-term redevelopment (i.e. current market rents would not support the costs of redevelopment).
- In general, higher residential densities in the downtown core would be required to **support additional commercial development**. In particular, higher densities and compact, mixed uses would be required to foster a more pedestrian-friendly environment.
- The **existing zoning** could limit near-term development potential; lot coverage, building heights, structured parking standards, maximum structural coverage and floor area ratio (FAR) affect the economic infeasibility of redevelopment.
- The **existing development patterns** in the downtown commercial area could limit near-term development potential. This includes that much of the Town Square block is occupied by a tax-exempt use, and general small parcel size, narrow lot width, and shallow lot depth which makes development less feasible. Parcel assembly has proven difficult, time consuming and requires many willing property owners.
- **Compelling incentives** to redevelop are likely needed, such as restrictions on reuse, pre-development construction of infrastructure (including undergrounding of utilities and installation of streetscape features), and tax abatement.
- A longer-term development opportunity may exist at the existing Community Transit park-and-ride lot for **TOD development**. The lot, located at 236th Street SW and I-5, is approximately 6.91 acres in size and is owned by the State of Washington. The site is zoned Public Facilities and Services (PFS) and would require a rezone or text amendment for commercial or multi-family development. The limitation placed on co-development of this site is the requirement that the State be compensated at “market rates” for an underlying lease.²

The 1999 study also included recommendations for economic development strategies and specific actions. Many are consistent with the findings in the 2008 market analysis.

- Focus on attracting selective office and housing development;
- Make the permitting process work smoothly;

¹ The descriptions given here are a condensed paraphrasing of the original report summary and are not inclusive.

² Economic Development Market Analysis Study, Bucher, Willis and Ratliff, p. Chapter 1-11 and 1-12.

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- Improve the circulation system (i.e., provide better transportation access to businesses);
- Encourage retail activity in existing business districts;
- Increase potential for building on sites in key areas;
- Explore joint-use opportunities for the park-and-ride lot at 236th and I-5;
- Encourage attractive buildings and landscaping throughout the city;
- Use a redevelopment specialist to help interested land-owners.

The findings in these past market studies are still relevant in 2014. Changes have been made in zoning requirements, permitting procedures, transportation planning in the Town Center and Freeway/Tourist area have occurred to respond – in the long term – to those recommendations. Further evaluation and changes are possible such as incentives, providing options and allocating resources.

The most likely locations for new commercial development within Mountlake Terrace are the downtown commercial area, followed by the Freeway Tourist district. Downtowns are an essential element for any region-wide economic development strategy because they are traditionally the hubs of economic activity in any community. Redevelopment is already occurring on underdeveloped parcels in the downtown area and interest is increasing as the transit options just west of the downtown continue to increase.

There is also growing interest in development of the Freeway Tourist area. This is in part due to the activity in the Town Center, as well as its proximity to the Transit Center, the future light rail along the I-5 boundary and the planned connector road between 244th and 236th Street SW.

Consideration should be given to conducting a new market study for the City, or portions thereof, on a regular basis. This would help assess changes in conditions, what actions seemed to be effective (or ineffective), identify current needs, guide decision making, and evaluate and amend development regulations to create a supportive business climate, consistent with the Comprehensive Plan and community values.

Special Study Areas and Planned Actions

Areas of interest warrant further evaluation for possible development. A combined environmental impact statement and subarea plan for such areas helps sort out the issues and identify development controls. This kind of subarea plan can lead to a “planned action” under the Growth Management Act. “Planned actions” have environmental and other issues worked out early, so that ultimately, permitting can occur quickly and smoothly. Several subarea Planned Actions have already been completed – Town Center Subarea and the Gateway Place/Freeway Tourist district. Other areas would benefit from early environmental review. (See detailed discussion in Land Use Element.)

Melody Hill Area

The Melody Hill area, a superblock in the Melody Hill Subarea Plan, is located on the southwestern corner of I-5 and 220th Street SW, bordered on the west by 64th Avenue W and on the south by 222nd Street SW. The Melody Hill area consists of an approximately 5.91 acre vacant property (former old elementary school site) together with an abutting residential area to

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the west consisting of 19 single-family residences, 3.61 acres in size. The vacant site is adjacent to the I-5/220th Street SW interchange, which provides freeway access to both the north and the south. The east margin, abutting I-5, is a potential location for a future Sound Transit light rail station. The entire Melody Hill area has high potential for commercial and mixed-use development. (See Figure EV-10.)

Although the area lies in a desirable geographic location, has good visibility from the freeway and offers territorial views, access from 220th is constrained by the abutting WSDOT R/W. 64th Avenue W at 220th is a signalized intersection and currently provides the best access to the area. Two existing cul-de-sacs off 64th Avenue W provide access to most of the residential lots within the area, but do not connect to the larger vacant parcel to the east. Access to the area is possible from 66th Avenue W via 222nd Street SW but this is not necessarily an appropriate route—through a single family residential neighborhood—for commercial and mixed-use development to take. (See also discussion about 220th Street SW corridor under the “Commercial Development” section, above.)

Sustainability Strategy

A citywide Sustainability Strategy was adopted in 2008. (“Sustainability” is a term often used to mean a way of ensuring quality for the environment, economy, and community livability *all together* over the long term.) The Sustainability Strategy focuses on proactive ways that the city can encourage economic vitality, while simultaneously promoting a healthy natural environment and broad community livability. An implementation matrix identifies specific short, medium and long term actions the City can take to further the City’s economic growth and financial stability. Some of the strategies include cultivating a culture supportive of economic development, strong communication, and good customer service, timely processing of permits, and updated regulations to stay current with changing technologies. The Sustainability and Economic Vitality Strategies complement one another.

Economic Vitality Strategy

Economic development is a means of encouraging and supporting desirable investment in the community in a manner that is consistent with resident’s vision and desires for the future. An Economic Vitality Strategy was adopted in 2008 to further that purpose. It builds upon existing planning and development efforts and reflects the City’s unique resources and characteristics. The Economic Vitality Strategy identifies the kinds of businesses that are especially important to the city’s economic future. These include medical, professional and daily services, as well as businesses in new sectors such as biomedical and clean technology. At the same time, the strategy encourages retaining and/or growing existing businesses. It also encourages adding more small scale retail and restaurants into the community, particularly those which act as gathering places.

Four goals establish the framework of the Strategy:

1. Create a business and development climate that facilitates desirable investment.
2. Strengthen the City’s identity and communications to enhance the City’s image.
3. Actively encourage desirable investment in Mountlake Terrace
4. Facilitate the Development of a vibrant and defining Town Center.

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In addition to identifying goals, the Strategy identifies Actions Strategies, and Implementation Steps which collectively provide a blueprint for the city to enhance its economic prosperity. An important factor to implementing the Strategy is an economic development lead internal to the City.

The Economic Vitality Strategy includes a technical annex containing an Economic Profile, a Clean Technology Opportunities Assessment, and the Stakeholder Interview Summary.

The Strategy is not intended to function as a standalone effort. It is integrated and aligns with all elements of the Comprehensive Plan which, when combined, provide a sustainable quality of life as envisioned by the community.

GOALS AND POLICIES

Goals

The Economic Vitality Element is guided by several key goals, as follows. These goals are stated at a very broad level to indicate the desired end-result for key topics. An additional goal for ensuring economic vitality is an efficient permitting system. This goal, with related policies, is contained in the Plan Administration Element of this Comprehensive Plan.

- GOAL EV-1.** Create opportunities for economic development
- GOAL EV-2.** Encourage businesses and business opportunities that add value to the community or region
- GOAL EV-3.** Balance economic development with quality of life

Policies

Below are the Comprehensive Plan policies that correspond with each economic vitality goal. The City of Mountlake Terrace shall implement the following policies.

- GOAL EV-1. Create opportunities for economic development**
 - Policy EV-1.1 Develop and implement a marketing program for economic development in the City.
 - Policy EV-1.2 Identify and directly focus on economic opportunities that will have a long-term presence in the City.
 - Policy EV-1.3 Work with the local and regional business associations to facility interest in locating in the City.
 - Policy EV-1.4 Facilitate consolidation of properties in the Town Center to achieve ground floor commercial uses, structured parking, efficient circulation, and cost-effective use of land.

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- Policy EV-1.5 Ensure that development patterns in the Town Center support retail clustering, ensure a retail continuum along principle commercial streets, and promote pedestrian-level shopping opportunities.

- Policy EV-1.6 ~~Attract customers to the City's Town Center and Gateway Place/Freeway Tourist districts by providing~~ Encourage a shopping/dining/entertainment experience,environment in the City's Town Center and Gateway Place/Freeway Tourist districts that attracts customers, using ~~through~~ such techniques as architectural appeal, ~~visual draw,~~ pedestrian amenities, art features, cultural opportunities, specialty uses, and social gathering, and vibrantinteresting -activities.

- Policy EV-1.7 Consider options for city partnership in assembling land for future development.

- Policy EV-1.8 Use grant programs to help support projects that foster economic vitality.

- Policy EV-1.9 Provide opportunities for adding new land uses to, or near, existing or planned parking structures, such as transit-oriented development at the Community Transit park-and-ride lot on 236th and I-5.

- Policy EV-1.10 Use a “planned action” approach, which combines growth management and environmental review, to streamline the development process for certain areas or sites. As financially feasible, such areas shall include: the Town Center, Gateway Place vicinity including the Park-and-Ride lot, and the Melody Hill area.

- GOAL EV-2. Encourage businesses and business opportunities that add value to the community or region**

- Policy EV-2.1 Encourage efficient use of existing buildable lands, including vacant and redevelopable sites.

- Policy EV-2.2 Encourage businesses that can expand and provide a reliable tax base.

- Policy EV-2.3 Designate lands for commercial and industrial development, while protecting nearby residents from incompatible uses.

- Policy EV-2.4 Annually monitor land supply and development, consistent with the county-wide process, and consider opportunities and incentives for housing and jobs that make it possible for people to work close to where they live and vice-versa.

- Policy EV-2.5 Encourage home occupations where their scale and character are compatible with the neighborhood.

- Policy EV-2.6 Market our community to desirable new and expanding businesses.

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- Policy EV-2.7 Ensure that land use policies and development regulations provide for a positive business climate, while protecting the environment and community quality of life.
- Policy EV-2.8 Provide adequate infrastructure to support economic development to meet projected growth, within constraints of local resources.
- Policy EV-2.9 Seek financing to provide adequate infrastructure by identifying sufficient resources, including the use of local improvement districts, tax increment financing, and public/ private partnerships.
- Policy EV-2.10 Develop and implement multi-year strategies for economic vitality.
- Policy EV-2.11 Work closely with interested organizations and agencies, including the Economic Alliance Snohomish County to achieve local economic goals.
- Policy EV-2.12 Recognize our community as one part of a larger regional economy.
- Policy EV-2.13 Coordinate with nearby jurisdictions on projects of joint economic benefit.
- Policy EV-2.14 Collaborate with local businesses on issues that affect them.
- Policy EV-2.15 Encourage business investment and the retention and addition of employment within the City, consistent with the City’s target employment of 9,486 by the year 2035.
- Policy EV-2. 16 Target recruitment and retention of clean technology firms and medical uses in Mountlake Terrace.
- Policy EV-2.17 Maintain a high level of customer service that conveys an “open for business” message to customers and that demonstrates an effort to achieve customer objectives within the parameters of adopted standards.
- [Policy EV-2.18 Provide opportunities for medical-related services in proximity to the Town Center.](#)
- [Policy EV-2.19 Promote business in the Town center that offer goods and services targeted to current and future Mountlake Terrace residents.](#)
- [Policy EV-2.20 Provide incentives for local businesses in the Town Center.](#)

GOAL EV-3. Balance economic development with quality of life

- Policy EV-3.1 Promote high-quality design for all types of development.
- Policy EV-3.2 Encourage the ability of each business district to provide jobs, services, and goods, consistent with the urban and neighborhood characteristics.

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- Policy EV-3.3 Provide for a balanced transportation system that supports business needs, including pedestrians, transit, bicycles, cars, and trucks.
- Policy EV-3.4 Ensure that the City is visually attractive to residents, visitors, and businesses.
- Policy EV-3.5 Provide a regulatory environment that will support good schools, parks, transportation, civic buildings, and other services or amenities.
- Policy EV-3.6 Encourage housing that will be attractive and convenient to employees of businesses located within the City.
- Policy EV-3.7 Encourage mixed uses in designated areas.
- Policy EV-3.8 Limit stress from noise, pollution, or traffic congestion.
- Policy EV-3.9 Foster a variety of businesses representing a range of services to their respective districts.
- Policy EV-3.10 Use design guidelines for specific districts to support healthy economic uses while maintaining the integrity of adjacent neighborhoods.
- Policy EV-3.11 Facilitate the development of a vibrant, walkable Town Center.
- Policy EV-3.12 Further development of the Freeway Tourist district as a commercial and transit-oriented gateway to the City.
- Policy EV-3.13 Develop a Main Street streetscape plan that unifies the pedestrian activity area elements (sidewalk, landscaping and fixtures) with redevelopment of the downtown core.
- Policy EV-3.14 Develop a parking plan for downtown to include evaluation of public parking facilities and off-site parking options.

PERFORMANCE MEASURES

Measuring performance or progress is an important way to see whether that expectations are being met. In this Comprehensive Plan, one performance measure has been selected for each major topic. Annually, the City will make a good faith effort to meet or exceed the performance measures, check data, with respect to each of the performance measures, and report the results.

Measures for major topics have been selected with the following criteria in mind:

- Relevance to goals
- Meaningfulness to the public
- Availability of data

Performance Measures

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For the Economic Vitality Element, the City of Mountlake Terrace has the following performance measures and will annually report on their progress.

- On average, employment in the City increased by 100 jobs per year.
- Businesses in the community employ a total of 6,000 or more people.
- ~~Have achieved, by the date indicated, the stated actions in the “Actions to Take” section of this chapter.~~

ACTIONS TO TAKE

To help carry out this chapter, the following action steps are needed during the next several years.

- ~~In 2015~~ By the end of 2018, propose an update to the Community Business Downtown (BC/D) district (Town Center) ~~zoning standards~~ development regulations, including the Town Center Design Standards, to ensure the continued viability of the Town Center for economic growth.
- ~~In 2016~~ By the end of 2017, develop a strategy to more fully market the Town Center and other commercial areas in the City to outside investors.
- ~~Annually, beginning 2016, evaluate and propose updates to at least one City policy document (such as comprehensive plan, subarea plans, and strategies) and identify changes that would enhance economic development or redevelopment issues.~~
- ~~In 2016, update the Town Center Design Standards to improve clarity, to achieve greater consistency with the Town Center vision, and to instill confidence to invest in the Town Center by ensuring quality development.~~
- ~~In 2016, identify ways to capitalize on regional economic growth strategies by:~~
 - ~~Identifying through existing or developed market studies opportunities for economic growth in the south county region.~~
 - ~~Identifying space and facility needs of businesses and industries drawn to the south county region.~~
 - ~~Identifying opportunities within Mountlake Terrace to provide space, facility and service needs of regional business and industry.~~
- ~~In 2016, identify through a more focused market study for Mountlake Terrace opportunities for attracting businesses to the City, particularly those types of businesses that can be supported by the more localized population and geographic area of the City.~~
- ~~In 2016~~ By spring the end of 2018, determine what ~~is yet the next steps are to be done~~ to address challenges and opportunities identified in the 2017/2018 Market Strategy Economic Profile study, done in 2008 which may identifying include space and facility needs unique to Mountlake Terrace, business opportunities to capitalize on those needs, and other ways to promote economic development for Mountlake Terrace.
- ~~In 2017/2018, propose ways~~ explore benefits of implementing Landscape Conservation and Local Infrastructure Program (LCLIP) to incentivize development and generate funds for public improvements related to development such as through the use of the Landscape Conservation and Local Infrastructure Program (LCLIP) and other appropriate programs.
- ~~In~~ By the end of 2018, evaluate public or public/private partnership options for parking in the Community Business Downtown (BC/D) or/and Freeway/Tourist districts.
- ~~Annually, track and evaluate the number of new businesses in the City by type and identify any trends and opportunities these may indicate.~~

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- ~~• On an annual basis, demonstrate measurable progress on at least one of the economic vitality strategies identified in the Sustainability Strategy Implementation Matrix.~~
- ~~• Promote and provide for the City's continuing development as an attractive community with opportunities for business, housing, and education. The strategy should identify the types of jobs and businesses that meet community and overall market needs for location, retention, or expansion in the community.~~
- ~~• Continue to implement the strategies in the Economic Vitality Strategy.~~

[Per CC.11/16/2017](#)

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