

SECTION V – ECONOMIC DEVELOPMENT ELEMENT

Introduction

The purpose of the Economic Development Element is to provide guidelines for maintaining and enhancing economic activity in appropriate locations in Stanwood’s UGA so as to guarantee long-term fiscal stability, provide a variety of employment opportunities and ensure adequate selection and availability of goods and services for all Stanwood residents.

The Growth Management Act does not specifically require the inclusion of an Economic Development Element. However, the Act contains the following goal promoting economic development:

Economic Development. Encourage economic development throughout the state that is consistent with adopted comprehensive plans, that promotes economic opportunities for all citizens of the state, especially the unemployed, disadvantaged persons, and encourage growth in the areas experiencing insufficient economic activity. All this should be done within the capacity of the state and local region’s natural resources, public services, and utilities.

Moreover, the Act requires countywide planning policies to address economic development and employment. Accordingly, Snohomish County’s Countywide Planning Policies contain policies addressing these topics (see Appendix B).

It is especially important that Stanwood focus on economic development. Economic development in north Snohomish County is gaining momentum, particularly in the Stanwood area. Special attention has been paid to how Stanwood compares to its neighboring communities.

Economic Development Goals and Policies

Goal

EDG-1 - Promote economic vitality.

Policies

EDP-1.1 – Promote mixed use (residential over commercial) in areas designated on the Future Land Use Map.

EDP-1.2 - Encourage civic organizations to sponsor and promote public improvement programs.

EDP-1.3 - Assist in the promotion of community events and tourism.

EDP-1.4 - Encourage businesses and recreational activities that promote tourism.

EDP-1.5 - Where appropriate, participate or otherwise assist in business sponsored activities to increase local awareness of goods and services available in Stanwood.

EDP-1.6 - Promote participation in the Stanwood Chamber of Commerce and work with the Chamber to promote the City.

Goal

EDG-2 - To promote a strong, diversified and sustainable local and regional economy, respecting the natural environment and preserving or enhancing the quality of life in the community.

Policies

EDP-2.1 - Identify sectors of the economy within Stanwood where opportunity might exist to create additional jobs and identify potential strategies for attracting employment. In particular, provide a supportive business environment for start-up of commercial businesses, light manufacturing, and assembly businesses throughout the City.

EDP-2.2 - Strive to create jobs in order to promote economic opportunity for Stanwood citizens.

EDP-2.3 - Allow for the development of home-based businesses.

EDP-2.4 - Provide incentives to attract new industry.

Goal

EDG-3 - To encourage economic development activities which take into consideration the area's natural resources, public services, and facilities.

Policy

EDP-3.1 - Consider resource, service, and infrastructure limitations while reviewing applications for new commercial and industrial development.

EDP-3.2 - Consider the protection of the natural features that may exist on a property undergoing development, consistent with the Natural Features Element of this Plan.

Goal

EDG-4 - Incorporate transit, bicycle, and pedestrian access in the design of business, commercial, and industrial developments.

Policies

EDP-4.1 - Encourage new commercial development that incorporates site and building design features, and promotes pedestrian, bicycle, carpool, park-and-ride lots, and/or transit. Such features include, but are not limited to, shower facilities, bicycle lockers, convenient carpool parking, and shelters at transit stops.

EDP-4.2 - Promote transportation system improvements that ensure efficient transport of goods and convenient access for employees and customers to and from places of business. Such system improvements shall include transit facilities and services, and pedestrian and bicycle facilities.

EDP-4.3 - Promote commercial development that is pedestrian-oriented, incorporates a focus of activity, and is architecturally compatible.

Goal

EDG-5 - To encourage and promote the development or enhancement of retail areas to achieve a balanced shopping, dining, cultural, and entertainment experience in the Central Business District (CBD).

Policies

EDP-5.1 - Explore ways in which the downtown retail shopping area might be further enhanced.

EDP-5.2 - Encourage mixed-use structures in the CBD that combine residential and commercial uses where deemed appropriate.

EDP-5.3 - When appropriate, site new civic and cultural facilities, including City Hall and the Library, in the CBD.

EDP-5.4 - Stimulate public and private financing of downtown improvement projects for immediate and long-term objective of revitalization.

EDP-5.5 - Encourage the connection and infill of the east and west downtown business districts.

EDP-5.6 - Encourage small scale specialty retail along the front of 271st Ave. Encourage larger-scale specialty retail services and light manufacturing between 271st Ave (behind storefronts) and SR 532.

Goal

EDG-6 - Develop a vital, attractively designed downtown.

Policies

EDP-6.1 - The City recognizes the importance of a well designed, aesthetically pleasing built environment in attracting customers to its commercial centers. Therefore, the City supports the adoption of design/development guidelines that contribute to pedestrian scale.

EDP-6.2 - Require pedestrian access and circulation.

EDP-6.3 - Strive for an atmosphere in the CBD in which customers are encouraged to park their cars and walk.

EDP-6.4 - Revise downtown design guidelines to promote greater pedestrian scale and attractive façades.

EDP-6.5 - Regulate signage in downtown to address pedestrians and contribute to quality downtown atmosphere.

EDP-6.6 - Promote restoration of historic buildings and encourage compatibility of new developments with historic structures.

EDP-6.7 - Provide and require of new developments open spaces for public gathering, seating, eating, etc.

EDP-6.8 - Reward appropriate investment and redevelopment in downtown.

Goal

EDG-7 - To support local business through equitable and efficient licensing permitting procedures.

Policies

EDP-7.1 - Ensure that City licensing and permitting procedures and development regulations are coherent, fair, and expeditious.

EDP-7.2 - Where specialized industry requirements call for the inspection by government agencies, coordinate with those agencies to eliminate duplication of efforts.

EDP-7.3 - To encourage active cooperation between the City and local businesses concerning economic development issues, particularly the support of those businesses which have specialized infrastructure, building design, transportation, or other needs.

EDP-7.4 - Expedite permits for projects that further goals and polices in this Element and that meet specific criteria, while still providing equitable service for all.

Goal

EDG-8 - Encourage services to improve conveniences for shoppers and merchants alike.

Policies

EDP-8.1 - Provide public or private parking that is convenient with safe pedestrian access to entries.

EDP-8.2 - Encourage pedestrian mobility for shopping.

EDP-8.3 - Provide and require open spaces for public gathering and resting.

EDP-8.4 - Consider the use of awnings and other weather protection.

Goal

EDG-8 - To implement the economic development aspects of the Downtown Sub-Element.

Policies

EDP-8.1 - Develop a marketing plan to encourage appropriate development on vacant and redevelopable parcels.

EDP-8.2 - Encourage business retention.

EDP-8.3 - Encourage businesses to join and strengthen the Chamber of Commerce.

EDP-8.4 - Streamline the permit process for developments that are consistent with the Downtown Sub-Element.

EDP-8.5 - Pursue economic development grants for projects creating jobs.

EDP-8.6 - Work with a local bank to provide a revolving or dedicated loan fund to assist in façade, building, and site improvements for local businesses.

EDP-8.7 - Assist in providing public education regarding programs such as tax-exempt financing for income qualified projects and property tax exemptions for historical renovations.

Inventory and Analysis

Income Levels

Stanwood has a lower per capita income and medium household income when compared to other communities in the area, Snohomish County, and the State of Washington.

**Table ED-1
Per Capita Income**

State	Stanwood	Arlington	Marysville	Snohomish County	Skagit County
22,973	16,775	19,146	20,414	23,417	21,256

Source: U.S. Census, Profile of Selected Economic Characteristics: 2000

**Table ED-2
Median Income Per Household**

State	Stanwood	Arlington	Marysville	Snohomish County	Skagit County
45,776	44,512	46,302	47,088	53,060	42,381

Source: U.S. Census, Profile of Selected Economic Characteristics: 2000

The following tables also show that Stanwood does not compare favorably in economic terms, with its neighbors, Snohomish or Skagit Counties, or the State as far as the percentage of people whose incomes are below the poverty level. Poverty level is defined by the U.S. Census as an individual whose annual income was below \$8,501, approximately \$10,869 or less for two persons, \$13,290 for a family of three, and \$17,029 for four persons.¹

¹ Puget Sound Regional Council, *Census 2000: Journey to Work*, October 2002

**Table ED-3
Percent of People With Income Below Poverty Level**

State	Stanwood	Arlington	Marysville	Snohomish County	Skagit County
10.6	12.0	7.2	5.6	6.9	11.1

Source: U.S. Census, Profile of Selected Economic Characteristics: 2000

**Table ED-4
Percent of Families With Income Below the Poverty Level**

State	Stanwood	Arlington	Marysville	Snohomish County	Skagit County
7.3	9.0	5.8	3.7	4.9	7.9

Source: U.S. Census, Profile of Selected Economic Characteristics: 2000

**Table ED-5
Percent of Persons 65 and Older With Income Below the Poverty Level**

State	Stanwood	Arlington	Marysville	Snohomish County	Skagit County
7.5	23.4	10.4	5.9	7.8	6.8

**Table ED-6
City Unemployment Status**

Year	State	Stanwood	Arlington	Marysville	Snohomish County	Skagit County
2000	4.1	3.7	3.7	3.3	3.5	10.2

(Based on State of Washington Department of Employment Security Census Share Disaggregation Formula, 1994)

U.S. Census, Profile of Selected Economic Characteristics, 2000

There is an obvious correlation between the unemployment rate in Stanwood and the high percentage of persons that live below the poverty level.

Profile of Planning Area

As part of the Puget Sound Economic Region, Stanwood will be impacted over the next 20 years by several factors:

- Developing Pacific Rim nations use the Puget Sound as a destination for goods and services. The demand for good and service in the Pacific Rim will likely fuel active markets throughout the Northwest over the next 20 years.
- Stanwood is located in the “next tier” of industrial development in the Puget Sound region. As King County becomes saturated with business activity and as land prices increase in the areas closer to the urban centers of King County, companies will tend to seek homes for business outside of the first tier of suburbs like Bothell, Lynnwood, Renton, and Everett. Many industrial parks located in these areas are either full or filling up rapidly. It is expected that this activity will impact Stanwood within the next 10-15 years.
- The tourist and recreation industry is markedly increasing as a result of continued growth in leisure-time activities. The aging of the “baby-boomer” generation will result in a larger increase in this trend. It is also believed that commercial activity associated with growth on Camano Island will continue to rise.
- The U.S. Navy has established a major facility in Everett at the home Port and Congress has underwritten the security of this investment by their decisions to close bases in California and other parts of the United States while maintaining Everett’s Home Port. The Navy’s presence will continue to positively impact Stanwood, and require additional public services for new residents that live in Stanwood.
- Stanwood has unique resources: close proximity to Camano Island, many choice undeveloped waterview properties, easy accessibility to Interstate 5, the railroad, and emerging new recreation and tourist businesses. These resources can work together to create a dynamic and healthy environment for economic growth.

Socio-Economic Characteristics

The following general discussion includes an inventory and analysis of the socio-economic characteristics of Stanwood today.

The City of Stanwood includes approximately 1240 acres and has a total planning area population of 4085 and an employment base of approximately 4,175 jobs in 2000. Several important conclusions can be drawn from this analysis.

Stanwood's primary sources of employment are processing of agricultural products, educational services, retail and tourism expansion. The downtown commercial area is continuing to grow as the population of Stanwood and Camano Island grows. Table ED-7 compares 2000 employment in Snohomish County and Stanwood by 1) Occupation Categories and 2) Industrial Categories. The later table can be instructive to utilize an "economic base modeling/employment category analysis" to determine which areas of employment vary from State, county, and other jurisdictions to show opportunities for more balanced job, income and economic diversity for the next 20 years.

Economic Base Analysis

Table ED-7 provides insight into the balance of employment in Stanwood both in terms of Occupations and also by Industrial Category. Stanwood was overall as similarly diversified as Snohomish County. Higher percentages in service occupations (18.4% vs. 13.5% and production, transportation, and moving occupations 15.4% vs. 13.2 and slightly lower in management/professional 30.0% vs. 33.7%) provide insight into the community's strengths and future employment opportunities.

In terms of Industrial category comparisons, Stanwood is slightly higher in manufacturing, retail, and education, and slightly lower in selected other categories. This shows a reasonably diverse economic base with opportunities for growth in most categories (other than agriculture) that will in turn support population growth, housing demand, and an orderly growth for the community for the next 20 years.

**Table ED-7
Comparison - Profile of Selected Economic Characteristics: 2000**

Comparison - Profile of Selected Economic Characteristics: 2000	Snohomish County		Stanwood, City	
	Number	Percent	Number	Percent
Employed civilian population 16 years and over	302,051	100.0	1,401	100.00
OCCUPATION				
Management, professional and related occupations	101,720	33.7	420	30.0
Service Occupations	40,656	13.5	258	18.4
Sales and office occupations	80,813	26.8	339	24.2
Farming, fishing, and forestry occupations	1,631	0.5	9	0.6
Construction, extraction, and maintenance occupations	37,239	12.3	159	11.3
Production, transportation, and material moving occupations	39,992	13.2	216	15.4
INDUSTRY				
Agriculture, forestry, fishing and hunting, and mining	2,748	0.9	9	0.6
Construction	27,347	9.1	101	7.2
Manufacturing	53,376	17.7	265	18.9
Wholesale trade	10,817	3.6	73	5.2
Retail trade	39,168	13.0	202	14.4
Transportation and warehousing, and utilities	14,644	4.8	65	4.6
Information	10,616	3.5	46	3.3
Finance, insurance, real estate, and rental and leasing	21,513	7.1	94	6.7
Professional, scientific, management, administrative, and waste management services	26,048	8.6	64	4.6
Educational, health and social services	49,324	16.3	239	17.1
Arts, entertainment, recreation, accommodation and food services	20,604	6.8	73	5.2
Other services (except public administration)	14,105	4.7	101	7.2
Public administration	11,741	3.9	69	4.9

¹ Source

[Detailed Industry Code List \(PDF 44KB\)](#)

[User note on employment status data](#)

U.S. Census Bureau, Census 2000 Summary File 3, Matrices P30, P32, P33, P43, P46, P49, P50, P51, P52, P53, P58, P62, P63, P64, P65, P67, P71, P72, P73, P74, P76, P77, P82, P87, P90, PCT47, PCT52, and PCT53

A goal of adding base industry jobs at 2.0 to 2.5 employees per 1,000 sq. ft. of building area would mean an addition of 100 acres of land zoned for these uses would yield at 30% site coverage as follows:

100 acres x 30% site coverage x 43,560 sq. ft. /acre = 1.3+ million square feet
1.3 million sq. ft. x 2.0 to 2.5 employees/1,000 sq.ft. = 2,600 - 3,250 new employees

This expansion would yield on average 100 to 120 jobs annually; base industry jobs that would in turn promote 1 to 2 service industry jobs each, or an additional 2600 to 3,250 jobs over the 20 year planning period.

Another approach used to describe Stanwood's economy is its current ratio of jobs per household. The Puget Sound average for communities like Stanwood is 1.25 jobs per household. Seattle, an employment center, has approximately 1.8 jobs per household. Stanwood has approximately 1.3 to 1.5 jobs per household, depending on the time of year. Based on this information, Stanwood is about average as an employment center compared to the entire Puget Sound region. Assuming 1,263 new households over a 20 year period at 1.4 jobs/household average will equate to 1,780± jobs in the community for the projected housing increase. This means approximately 70% of new base industry or 35% of all new employment would find housing opportunities in the Stanwood UGA.

What does this mean to Stanwood's economic future? Because of Stanwood's good location within the Puget Sound Region, and its growing tourism, art and retail opportunities, it is expected that economic growth will continue. Although the impact of Boeing and dot.com layoffs has affected the County, economic growth has not been impacted as greatly in Stanwood. It is expected that Stanwood will continue to see stable growth in its economy and in turn a significant increase in its residential population. With this in mind, commercial activity will surely increase as the population of Stanwood and Camano Island increases. Adding industrial/office parks would add to economic stability and long-term growth.

Transportation

Interstate 5 (I-5) is the backbone of the county's road system. It is the major West Coast freeway, extending from the Canadian border to Southern California. I-5 connects the county to the state's largest city, Seattle and to Vancouver, B.C., and each community's ports and airports. Interstate 405 intersects with I-5 near the city of Lynnwood. I-405 provides an alternative route south and connects Snohomish County with the City of

Bellevue. Direct, easy access via SR-532 to I-5 provides both business and housing opportunities.

Boeing

The Boeing Company is Snohomish County's largest employer. Currently the company employs over 18,000 people. Since 1998, Boeing has reduced its employment from 40,000 to less than 20,000, or a 50% reduction. Boeing, however, remains the main economic base industry in Washington State and a the primary base industry in Snohomish County. Decisions for new programs like the 7E7 will continue to dominate Snohomish County both in direct jobs – i.e. base industry employment and its service industry multiplier (i.e.: 1 to 2).

Economics and Land Use

The planning area of Stanwood can be divided into several significant economic sub-areas. The two most significant are downtown and uptown village. (Lesser pockets of minor commercial activity do exist in the growth area and surrounding unincorporated area). Downtown itself can be divided into three districts – Old West End, the Central area, and the Commercial main street of east Stanwood. These areas were analyzed in the Design Assistance Team Study and Report and are summarized in the Downtown Sub-Element of the Land Use Element. For the full report please contact the City of Stanwood Community Development Department.

Economic Development Strategy

This Economic Development Strategy provides a blueprint for achieving Stanwood's objectives by translating the community's broader vision and goals into economic initiatives.

1. To give Stanwood the identity of an efficient and desirable place to shop and do business. To provide a wider variety of shopping opportunities from convenience, full service grocery to unique shops, retail, "agri-business" and tourist support facilities.
2. To develop Stanwood's economic base and infrastructure so that both commercial and industrial growth can occur when demand warrants it, while

- minimizing the potential conflicts between the two land uses, as well as residential, and public facilities uses.
3. To balance the economic needs of the local residents of Stanwood while recognizing the growing commercial demands of North Snohomish County, Camano Island, and regional tourism.
 4. Implement the DAT findings on land use, transportation, recreation, employment and revitalization.
 5. Improve the SR-532 corridor for both local residents and “pass-through” trips.

Just as important, the vision states that the City of Stanwood will meet its challenge to accommodate regional growth by preserving the best of the “twin cities” character and encourage well-designed development.

The Economic Development Goals and Policies translate Stanwood’s concerns and goals for its economy to clear statements of public intent. These policies will guide the public and private investment in development activities. The economic policies will also provide a framework for comprehensive planning.

As described in Stanwood’s vision and in other elements of this Comprehensive Plan, Stanwood’s economic development goals are relatively simple:

1. To aggressively promote industrial development. To achieve this goal, Stanwood needs to identify suitable lands, establish zoning districts that encourage industrial use, and provide infrastructure to support it.
2. Re-establish the identity of Stanwood’s downtown by providing a framework for which the retail and commercial economy can evolve into a civic and retail specialty area that incorporates the unique Main Street character of Stanwood with vital and diverse specialty retail and service businesses. To accomplish this, the City needs to establish design standards, create a pedestrian-friendly, attractive area, and implement elements of the Design Stanwood DAT recommendations.
3. To promote commercial areas that provide local and accessible services for both the residential neighborhoods and highway commercial customers.
4. To encourage a multimodal transportation system that allows local resident to move more easily from homes to jobs to necessary services without the use of single-occupancy vehicles.

In order to accomplish these goals, Stanwood needs to focus development regulations for these areas on “how” development should occur rather than “whether” it should occur, with incentives rather than restrictions. Regulations should clearly define permitted uses and development processes, and prescribe conditions. They should avoid vague criteria and standards. A clear and simple regulatory process is fundamental to the success of Stanwood’s economic strategy. Expedited, predictable permit processes are essential to meeting these goals and objectives.

In addition, a focus on expanding retail by linking the three City business nodes, providing hotel/conference facilities and public improvements to expand tourism/visitor expenditures would broaden the economic base. In terms of “base industry” jobs that support service, government, medical, retirement and other employment (i.e., one base industry job has an economic multiplier of 1:1 [1 new service job for each new base industry job] or upwards of 1 to 3 ratio should be a goal of the community). Expansion of industrial/warehouse - office/high-tech park in terms of new opportunities, should be pursued.

In less than two decades, Stanwood has experienced dramatic economic transformation. From a rural, agricultural community whose economic activity was generally confined to the provision of goods and services for the community, Stanwood has evolved into a commercial hub for northwest Snohomish County and Camano Island. This growth was initiated by the City’s geographically advantageous position relative to Camano Island and within the Puget Sound region. A slower paced lifestyle attracts many people to this area. Moreover, sufficient capacity exists in the surrounding area to accommodate growth and employment projections well beyond that forecast for the next 20 years.

With respect to Stanwood’s role as a commercial center, the emphasis is how to enhance the favorable business climate, which currently exists.

Conclusions

Linking Economic Development to Land Use, Transportation, and Future Capital Facilities Implementation

Analysis of population forecast, housing demand, land use carrying capacity, and available land analysis is critical to the underlying assumptions, conclusions, and projections for concurrency, and capital facilities under the Growth Management Act. Economic analysis of the community, its employment base, how it functions, and its

future growth are essential to these conditions. The historical setting of Stanwood, with the “twin cities” retail areas and the new emerging “Uptown Village” area at the eastern end of the community, along SR-532 provide three important employment community activity areas and tax base for the City. In addition, historical employment centers, such as Twin City Foods, the school district, medical clinics, and the industrial areas provide for employment areas. The Downtown Sub-Element focuses on these ideas and how the community may be improved to provide a better “sense of place,” as well as more attractive recreation and employment opportunities.

The community’s long, lineal form and the importance of connecting the activity centers in the east and west ends, Main Street and the Village, are important to the economic future of the community. This can be done through implementing the recommendations in Downtown Sub-Element, including those related to signage, trails, parks, diversity of businesses, and capturing opportunities for visitors at recreational waterfront parks, viewing areas, kayak launching, and other agro-tourism activities.

Diversifying the Economic Base in the Community

The community needs to expand its retail area, provide a broader base, and build on recent trends in tourism, agricultural-based activities, such as niche foods – cheese, organic farming, wineries, etc. In addition, the art and design community can be expanded upon and capture an opportunity with similar communities on Camano Island and La Conner. These types of cottage industry tourism activities can add to the “string of pearls tourism” that occurs in this area, where people experience restaurants, small boutique shops, wineries, the Tulip Festival, and other events in the immediate area. The emerging wine community and its importance in the state economy can add to this mix of community retail growth.

Looking at the History and the Future of Job Growth

Employment, particularly base industry employment, is the engine that drives a healthy economy, a strong tax base, and housing opportunities for a variety of needs. Broadening the economic base provides taxes and income stream to local businesses, funds community facilities and services such as parks, recreation, improved streets, public services, and police and fire protection. Therefore, a well-balanced economic growth plan is key to long-range planning and the vitality of the community and forecasted housing demand must be key to this economic analysis.