

CHAPTER 8

ECONOMIC DEVELOPMENT ELEMENT

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A. INTRODUCTION AND PURPOSE

The purpose of the Economic Development Element is to establish local goals, policies, objectives, and provisions for pursuing economic growth, community vitality, sustainability, and a high quality of life for North Bend.

Inclusion of this Economic Development Element in the North Bend Comprehensive Plan ensures compliance with the State of Washington Growth Management Act (GMA) RCW 36.70A.070.

According to the Washington Administrative Code (WAC) 365-196-435, the economic development element should include:

- (i) A summary of the local economy such as population, employment, payroll, sectors, businesses, sales, and other information;
- (ii) A summary of the strengths and weaknesses of the local economy; and
- (iii) An identification of policies, programs, and projects to foster economic growth and development and to address future needs.

B. ECONOMIC CONTEXT

The gateway to countless recreational adventures and outdoor experiences in the Washington Cascades and Snoqualmie Valley, at the foot of prominent Mt. Si and just 30 miles east of Seattle, North Bend is experiencing a period of unprecedented interest as a place to live, work, shop, and play.

North Bend is experiencing increasing development pressure that will continue for the foreseeable future as the Puget Sound region continues to thrive and quality of life becomes a chief factor in residential and business decisions. This critical period of growth presents both challenges and opportunities for North Bend that merit attention and understanding to inform decisions and direct growth in a way that best meets the needs and desires of the community.

The City of North Bend is located within a designated Urban Growth Area and required to meet population growth targets as established under the Washington State Growth Management Act. Following a

development moratorium in the early 2000s, North Bend has experienced rapid residential growth since 2010 that has greatly increased demand for commercial goods and services, employment opportunities, and quality of life amenities such as parks, safe streets, pathways, and gathering places.

In response to this growing list of needs, City Council directed staff to create an economic development strategy to inform and guide decision making related to the city's recent, ongoing, and anticipated growth and ensure balanced and sustainable revenue sources to meet the needs of a growing community. The City, with input from the Economic Development Commission, City Council, and community stakeholders developed an Economic Development Action Plan in 2022-2023. This Economic Development Element reflects the goals, objectives, and strategies identified in the Economic Development Action Plan, approved by Council in June 2023.

B.1. North Bend Brand And Related Documents

B.1.a. North Bend Brand and Tagline

In 2006, the City engaged citizen volunteers in a process to establish a branding and tagline to establish a tourism identity and serve as a guideline for city marketing decisions. While the Brand Statement has since been updated (see 2018 Branding Guidelines), the tagline remains:

Easy to Reach...Hard to Leave.

B.1.b. 2008 Downtown Master Plan

The Downtown Master Plan recommended short and long-term improvements to establish Downtown North Bend as a vibrant commercial district while maintaining its small town character. Action items were developed and organized to fall under nine goals. Many proposed action items have been completed, such as establishing the North Bend Downtown Foundation, creating a form-based code, and completing roundabouts along North Bend Way at Park St and Cedar Falls Way.

The Master Plan includes many additional recommendations and conceptual sketches that remain relevant today, such as the desire to improve the appearance and function of McClellan Street, improving the connection between North Bend Way and the train depot, and creating a graduated gateway to downtown along Bendigo to better connect interstate-adjacent retail areas to the historic center.

B.1.c. 2018 Brand Implementation Guidelines

The Brand Implementation Guidelines ensure the city's brand and vision are integrated into the City's decision-making process. The Guidelines include 8 "spokes" – themes that are important considerations in all decisions made by the city. Each agenda bill going to City Council includes the relevant spoke(s) to help inform and guide decision making. This document also establishes a new brand statement for the city:

We are a highly livable small town that is the premier outdoor recreation destination in the Puget Sound Region.

B.1.d. 2018 Economic Profile

The Economic Profile provided the city with a snapshot of important economic and demographic data and analysis to guide future economic development efforts. The Economic Profile provides important historic data points that help establish baselines and/or trend lines for key metrics such as taxable retail sales, sales tax revenues, income levels, commute and travel patterns, and commercial vacancy rates.

The Profile also includes potential policies and broad-brush actions organized under strategic focus areas as well as key characteristics, challenges, and opportunities for each of the primary commercially-zoned areas of the city. Relevant policies include ensuring development standards are clear and predictable, providing more housing opportunities near employment, and developing a more diverse tax base by expanding commercial business opportunities and attracting more visitors to downtown who are visiting nearby recreation and cultural destinations.

B.1.e. 2023 Economic Development Action Plan

The Economic Development Action Plan considers and builds upon the findings from the previous documents outlined above, as well as information from an updated economic profile and retail leakage analysis included in the Action Plan.

The Action Plan establishes a vision and five goals for economic development and captures primary issues and challenges established from data analysis and conversations with key stakeholders, including commercial property and business owners, existing and prospective developers, City Council and staff, and implementation partners such as the SnoValley Chamber of Commerce and North Bend Downtown Foundation.

The Action Plan identifies four objectives that support and build upon the vision and goals and identify potential metrics the city may baseline and track to help measure success and monitor trends. Finally, the Action Plan identifies 12 recommended actions that 1) respond to one or more of the identified challenges and 2) align with the Action Plan's goals and objectives. Each strategy includes a brief description, the city's role, key partner(s), rough timeline, and relative resource needs.

B.2 RECENT MAJOR ACCOMPLISHMENTS

The City has completed or made significant progress on several strategies included in the last update of the Economic Development Element in 2015. These accomplishments include:

- Downtown Streetscape Improvements (2017)
- Completion of Brand Implementation Guidelines (2018)
- Adoption of Downtown Form Based Code (2021)
- Launch of Discover North Bend website (2021)

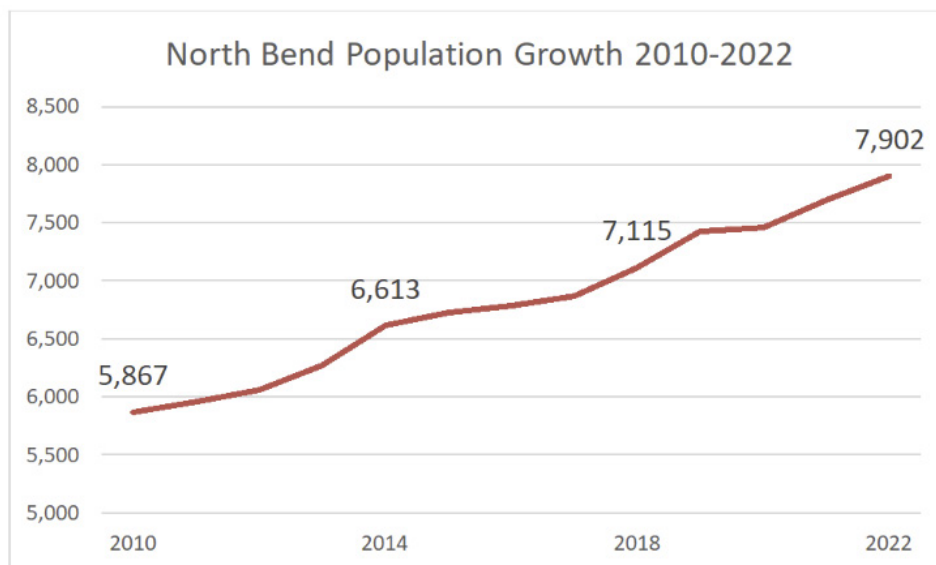
In addition, there are many initiatives underway that are contributing to advancing existing and new economic development strategies. These include:

- Design of improvements to William H Taylor Park and Riverfront Park.
- Conceptual design of North Bend Way “complete street” to improve access for all modes of transportation.
- Agreement with Sallal Water Association to allow for access to water for properties on North Bend Way in eastern half of city.
- Establishment of a funding plan to extend sewer to properties west of downtown
- Expansion of a wastewater treatment facility.
- Strengthened partnerships with SnoValley Chamber of Commerce and North Bend Downtown Foundation.
- Strengthened partnerships with the Snoqualmie Tribe and other affected tribes whose ancestral lands includes the City of North Bend.

B.3 ECONOMIC DATA PROFILE

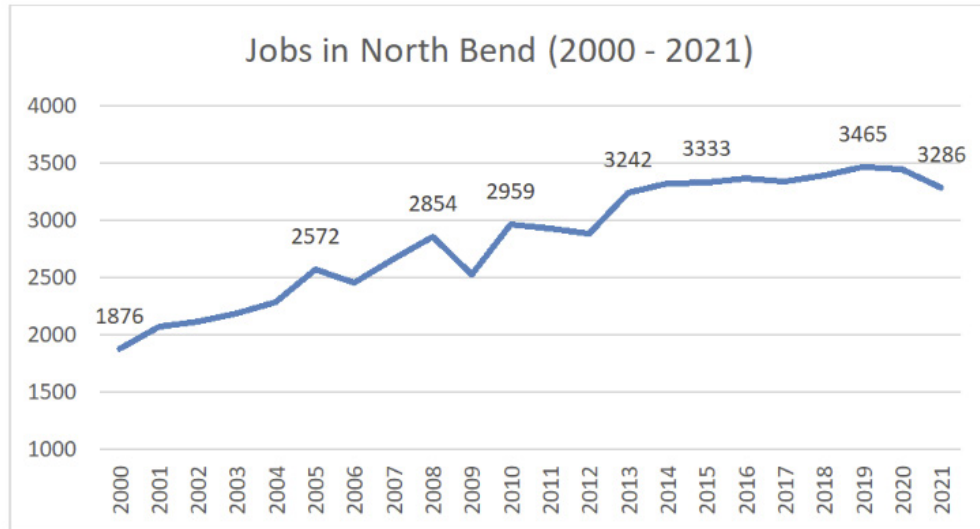
Population

The U.S. Census listed North Bend’s population at 7,902 as of July 1, 2022. The chart shows population growth since 2010, an increase of 35%. This period experienced relatively high growth due to pent-up demand triggered by insufficient water rights and a development moratorium from 1999 – 2009.



Employment Information

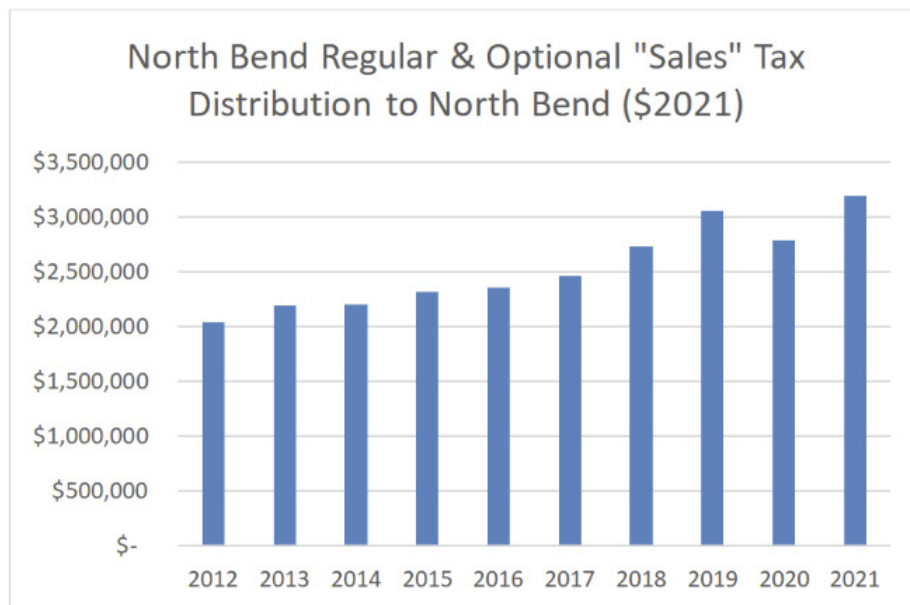
Puget Sound Regional Council publishes the number of jobs in North Bend by year. Jobs in North Bend have increased from less than 2,000 in 2000 to over 3,300 beginning in 2014. Job growth dipped slightly in 2020 and 2021, likely stemming from response to the pandemic.



Visitor Information

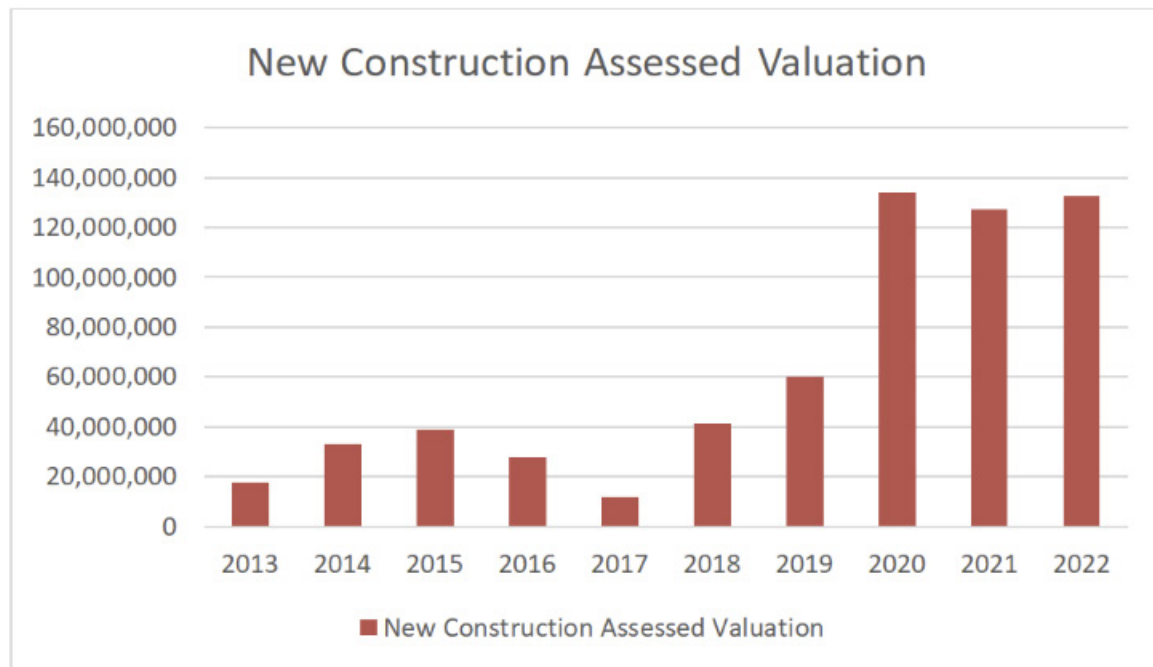
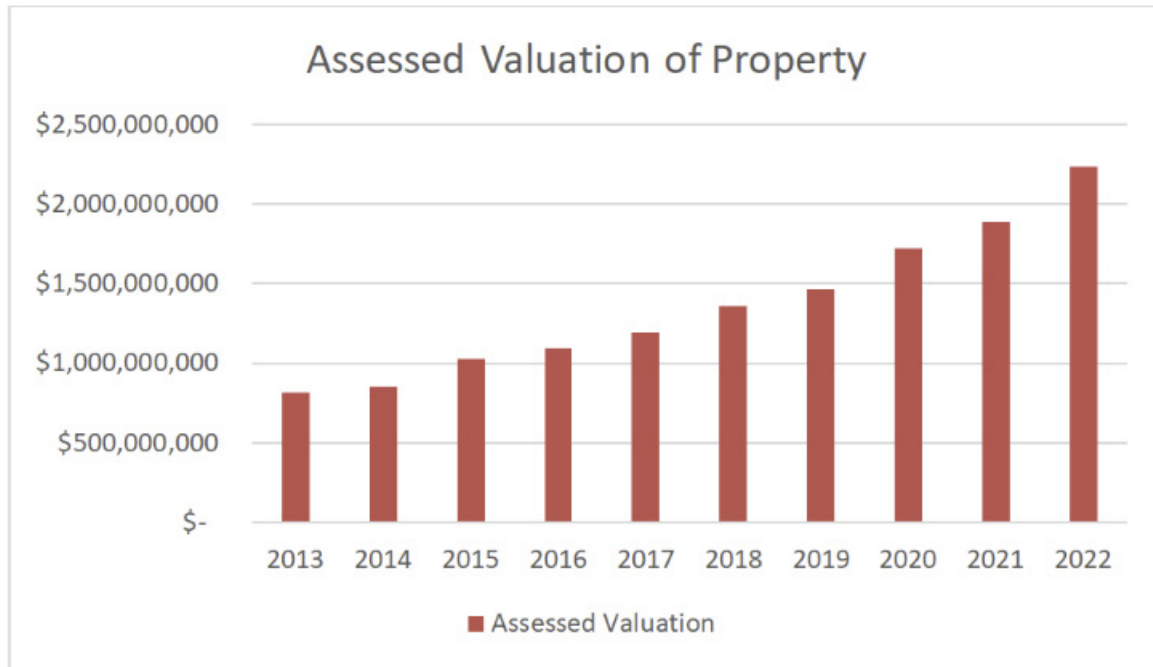
Sales Tax Information

The Washington State Department of Revenue publishes sales tax distribution information. This data demonstrates North Bend's sales tax growth between 2012 and 2021 – a 56% increase over this 10-year period, adjusted for inflation.

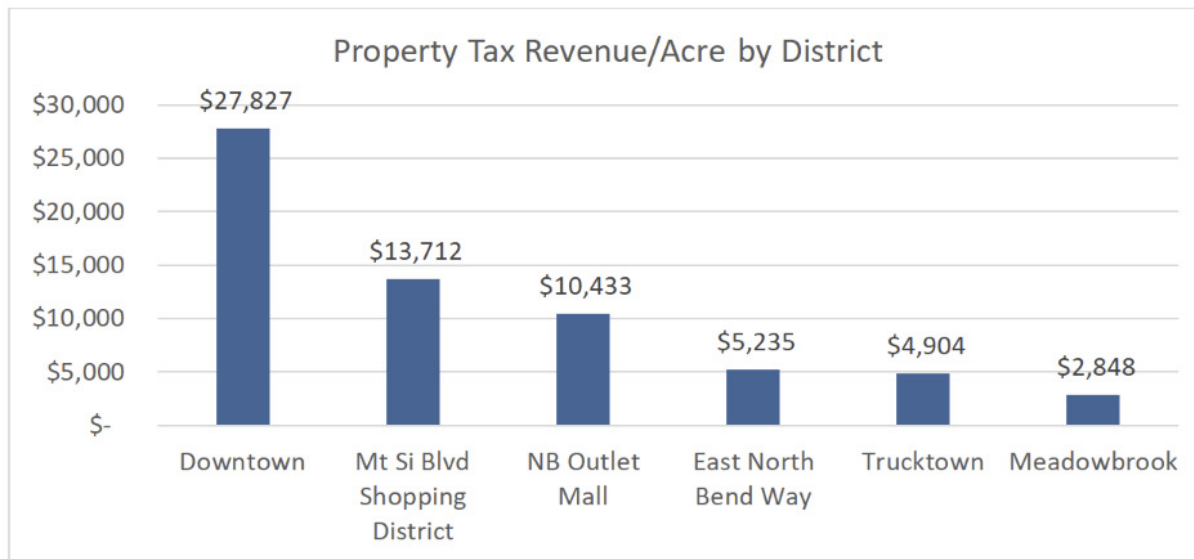


Property Valuation and Tax Information

Property valuation data between 2013-2021 was collected from the Washington State Department of Revenue and a Property Tax Presentation compiled by the city in 2021. The charts below show assessed valuation of property in North Bend and the assess valuation of new construction by year – both indicating the strong growth in North Bend in recent years.



Property tax data was collected for all commercially-zoned properties in North Bend using King County iMap. The chart below shows total revenue/acre by geographic district. On a per acre basis, downtown's compact building form creates relatively high property tax revenues relative to other commercial areas. This data may justify a higher level of public spending in the downtown area and indicates opportunity for higher property tax revenues in commercial areas that have vast parking lots or under-developed property.



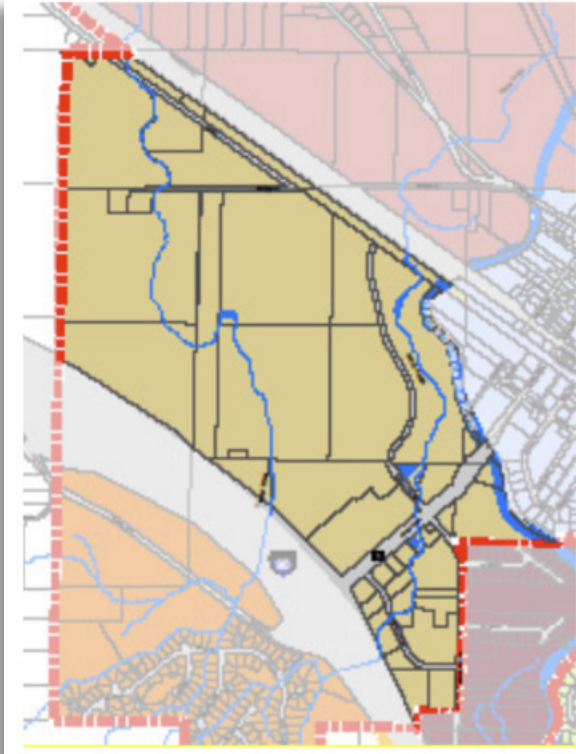
B.4 COMMERCIAL DISTRICTS

This section provides a brief description of the primary commercial districts in North Bend and provides additional context for some of the strategies outlined in Section C.



Downtown Commercial and Historic District

Downtown North Bend continues to be the community's heart and core. Since 2015, many new businesses have opened and filled vacancies along North Bend Way, Main Ave, and 2nd Street. Vacancies and redevelopment opportunities remain that could lead to additional commercial and residential growth in downtown. To better understand these opportunities, a first step will be to develop a prioritized list of "opportunity sites" and consult with property owners and other stakeholders about possible redevelopment plans.

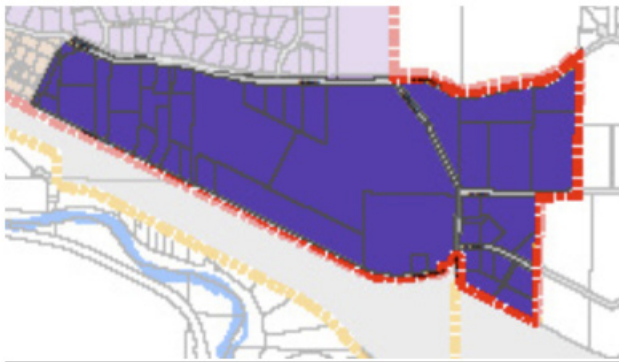


Exit 31 - South Fork Interchange

The South Fork Interchange area includes the North Bend Premium Outlet Mall, Mt Si Shopping Center, freeway-oriented services. It also functions as a vital gateway to downtown via Bendigo Boulevard. The 2008 Downtown Master Plan establish an attractive streetscape and “graduated gateway” concept for this corridor that should continue to be pursued. These plans promote a visual and physical connection between the downtown commercial district, the Snoqualmie River, and businesses near the freeway. These enhancements will help provide a welcoming gateway from the freeway to downtown, improve walking and biking paths along Bendigo Boulevard, and enhance connectivity to neighborhoods on the south side of the interstate.

Strategies for this area include pursuing a plan for a new hotel within the footprint of the Outlet Mall and pursuing broader redevelopment plans of the Outlet Mall to bring new vibrancy to the property, increase tax revenues, and address vacancies and underutilized parking areas.

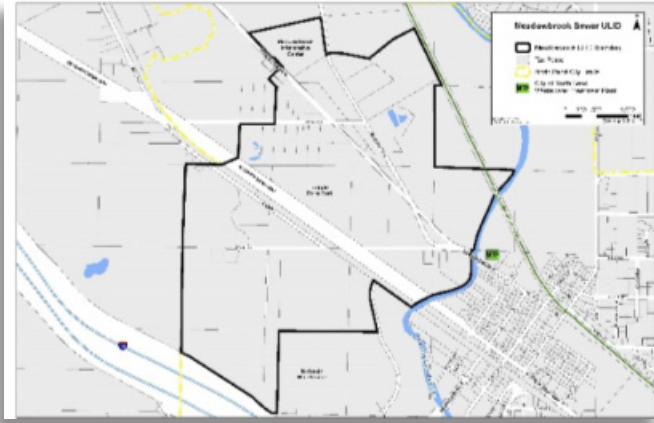
A new roundabout at Bendigo and Mt Si Boulevard as well as a proposed new street extending South Fork Ave to the north and west and connecting to North Bend Way will have significant impacts on this area.



Exit 34 - Truckdown

The area near Exit 34 currently contains a large truck stop. The truck stop is currently undersized and ill-configured for its current level of use leading to underutilized space and frequent parking of trucks along the on and off ramps to the freeway.

There is longer-term strategy to convene key regional stakeholders, including the owner of the truck stop, WSDOT, Port of Seattle, and King County, to explore opportunities to improve the availability and safety of truck stop facilities while also allowing for additional economic development opportunities that build upon this key gateway to the Puget Sound and the area’s proximity to innumerable recreation options along the I-90 corridor and the Middle Fork Natural Area.



Meadowbrook

The formation of a utility improvement district will allow for the extension of sewer services to many commercially zoned properties on city's west side providing new opportunities for appropriately scaled manufacturing, office, and retail space.

C. ECONOMIC DEVELOPMENT GOALS, OBJECTIVES, AND STRATEGIES

C.1 BACKGROUND

The goals, objectives, and strategies within this Economic Development Element are based upon the recently completed Economic Development Action Plan and reflect the hard work of the Economic Development Commission.

Goals are high-level outcomes the city aspires to achieve. Objectives support the goals, add detail, and include a set of potential metrics that City may baseline and track to measure success and monitor trends.

Each objective is followed by 3-4 strategies (or policies) that align to their respective objective, respond to one or more of the primary challenges identified within the Economic Development Action Plan, and establish the basis for economic development initiatives carried forward by the city and its partners. These objectives and strategies can be used to further develop the city's economic development work program and guide policy decisions by staff and elected officials.

C.2 GOALS

Goal 1: Healthy, Thriving Businesses

Businesses are successful in North Bend and can access City services with predictability and consistency.

Goal 2: Fiscal Sustainability

The City of North Bend is able to meet its financial obligations, promotes efficient development, and creates the conditions for development to be successful.

Goal 3: Leverage Tourism, Arts & Culture, & Recreation Opportunities

Utilize the area's natural resources as well as arts, cultural, and recreation assets to attract both visitors and potential residents.

Goal 4: Improve Accessibility of Downtown, Commercial Districts, & Neighborhoods

Make the community safe for pedestrians of all ages and abilities to traverse the community on foot or bicycle.

A fifth goal, Increase Housing Opportunity, was identified in the Economic Development Action Plan. The Housing Element outlines the policies and strategies to address this goal.

C.3. OBJECTIVES AND STRATEGIES

Objective 1: Make North Bend a Desirable Place to Do Business

Pursue actions that entice and support businesses and build upon North Bend's brand and identity

- Improve development services for prospective businesses & small-scale developers, especially those within the recreation, technology, and medical/health care economies
- Improve resources for, and communication with, existing businesses owners that will strengthen their operations

Metrics to consider:

- Time to achieve building and occupancy permits
- Number of sector-specific incentives provided
- Number of existing businesses receiving support services

Strategies

1. Create a Development Guide and Dedicated Support Services for Small Businesses and Developers to Encourage Targeted Development

To encourage incremental development, the creation of an easy-to-understand guide and designated staff support will help facilitate the development review process for smaller developers and businesses.

In addition, clarification of incentives offered to targeted development types that meet specific requirements will improve transparency, predictability, and desirable development outcomes for both the city and small-scale developers.

2. Enhance Presence of Marketing Materials to Attract Prospective Businesses

Creating marketing materials will help promote North Bend and attract targeted sectors such as light manufacturing, technology, incubator space, and/or health care. This may include sharing the available inventory of properties suitable for businesses, demographic trends, and retail leakage data through one-page summaries, robust marketing packets, or a targeted website.

3. Partner with Downtown Business Community to Identify and Pursue Projects and Programs Aimed at Enhancing Downtown as a Destination

The recent completion of a downtown Form Based Code in 2021, and a stronger partnership with the North Bend Downtown Foundation established in 2023, have set the stage for continuing improvements and enhancing downtown as a destination.

Pursuing designation as a Main Street Community will bring added awareness to the city and its downtown and build organizational capacity to pursue programs that will further engage downtown businesses, boost economic vitality, and increase sense of place in and around downtown.

Objective 2: Strengthen & Diversify Economic Base

Increase the number and type of businesses located within the city to better match demand for services

- Increase information and resources to facilitate (re)development of priority vacant or underused properties within existing infrastructure footprint
- Extend, acquire, or upgrade infrastructure needed to develop vacant or underutilized parcels in appropriately zoned areas

Metrics to consider:

- Jobs/housing ratio
- Commercial acres readily developable
- Property tax revenue by geographic area or by zone type
- B&O and/or sales tax receipts
- Retail/commercial vacancy rate
- Number of active business licenses
- Property and sales tax revenue estimates per acre for commercial and industrial areas

Strategies

4. Continue Addressing Critical Infrastructure Needs Including Water, Sewer, and Streets

Addressing critical infrastructure needs will encourage development that matches current zoning expectations within the Urban Growth Area. Three main areas of focus include:

- Continue pursuing the recently formed Utility Local Improvement District (ULID) and build out of sewer infrastructure in the Meadowbrook area west of downtown
- Ensuring appropriate water allocation to all commercial properties on East North Bend Way to mitigate the impact of Sallal Water's moratorium
- Continue pursuing funding and implementation strategies for improvements to North Bend Way identified in the concurrent North Bend Way Complete Streets Plan

5. Develop and Market a Prioritized Inventory of Redevelopment Opportunities in the Downtown Core

Creating an inventory of vacant and underutilized parcels will help the city define priority locations for redevelopment and signal the city's desire to pursue redevelopment at these locations to create additional commercial, office, or housing opportunities.

The City may also consider additional incentives or seek public and/or private investments to accelerate desirable redevelopment for targeted sites.

6. Convene a Team of Stakeholders and Create a Redevelopment Strategy for Trucktown and Surrounding Properties at Exit 34

Convening a team of private and public stakeholders will allow for a coordinated plan to improve the safety and functionality of the truck stop and enhance the appearance of this area that serves as both North Bend's and the Puget Sound's eastern gateway as well as a key location for myriad outdoor recreation opportunities along the Middle Fork and I-90.

7. Partner with Property Owner(s) to Develop a Master Plan for the Outlet Mall

Coordinating with the property owner of the North Bend Premium Outlets to pursue a shared vision will facilitate increased utilization of the land, enhance economic activity, and improve connectivity between the property and the remainder of the city.

Objective 3: Invest in Quality-of-Life Infrastructure, Connectivity, and Activities

Increase community connectivity and vibrancy to foster a strong sense of place and build upon North Bend's brand as a highly livable town and outdoor recreation destination

- Improve physical connections throughout the city, including non-motorized mobility options
- Celebrate and expand upon cultural and historic resources through events, marketing, and art

Metrics to consider:

- Miles of sidewalk and pathways
- Number of attractions or events
- Annual number of visitors

Strategies

8. Partner with Business and Nonprofit Community to Enhance Marketing Strategies to Attract Tourists and Outdoor Enthusiasts

The development of the North Bend Brand Implementation Guidelines in 2018 and the Discover North Bend website in 2021 were important steps to marketing North Bend as an outdoor recreation destination.

Creating or supporting sustained marketing materials, in partnership with others such as the SnoValley Chamber, Snoqualmie Tribe, and Mountains to Sound Greenway, to showcase the city and its surrounding outdoor, historic, and cultural assets will attract more visitors and businesses to the community and further enhance North Bend's position as a regional destination. In addition, the City of North Bend plans to work with these and other partners to promote responsible and sustainable recreation to protect and respect the natural environment for current and future generations to enjoy.

9. Partner with Developers and Property Owners to Complete Hotel at Outlet Mall and Consider Additional Hotel Sites to Encourage Longer Stays in North Bend

Working with key property owners and developers to bring one or more full-service hotels to the community will further increase the community's ability to attract visitors to the city, encourage longer stays, and increase support of local businesses.

10. Advocate for Improved Transit to Better Connect North Bend to the Region

Ensuring the availability of transit to and from North Bend to surrounding communities will help improve safe, affordable, and convenient mobility options for both residents and workers. The City should continue building partnerships with local, regional, and state agencies to improve transit convenience and connectivity.

11. Inventory the Current Network of Sidewalks and Pathways and Identify Key Gaps

Walking and biking are key elements of increasing vitality and quality of life. This is especially true for families with young children in a city that has excellent parks and surrounding recreational assets.

An inventory of sidewalks, trails, and pathways throughout North Bend and the development of a citywide bicycle and pedestrian plan will identify both key gaps in the existing network and opportunities for expansion that should be prioritized for design and construction funding.

