PMA:jt
6/11/85

ORDINANCE NO. 1257

AN ORDINANCE OF THE CITY OF REDMOND, WASHINGTON, RELATING TO LAND USE, AMENDING THE REDMOND MUNICIPAL CODE AND COMMUNITY DEVELOPMENT GUIDE, DGA 85-6, BY REVISING GOALS AND POLICIES CONCERNING ECONOMIC DEVELOPMENT.

WHEREAS, the Planning Department of the City of Redmond has reviewed the Community Development Guide, and has recommended that certain sections establishing goals and policies for the economic development of the City be updated, and

WHEREAS, the Redmond Planning Commission held a public hearing on May 8, 1985, for the purpose of considering the proposed update to the Redmond Municipal Code and Community Development Guide, and all members of the public desiring to do so were given an opportunity to speak, and

WHEREAS, at the conclusion of the public hearing the Planning Commission recommended denial of the proposed update of the Development Guide, and

WHEREAS, the City Council has considered the recommendations of the Planning Commission and the Mayor, and has determined that the proposed amendments to the Redmond Municipal Code and Community Development Guide should be made as set forth on Exhibit A hereto, now, therefore,

THE CITY COUNCIL OF THE CITY OF REDMOND, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Section 20B.40 of the Redmond Municipal Code and Community Development Guide is hereby repealed.

Section 2. A new Section 20B.40 is hereby adopted as part of the Redmond Municipal Code and Community Development Guide to read as set forth in Attachment A hereto, which is incorporrated herein by this reference as if set forth in full.

Section 3. If any section, sentence, clause or phrase of this ordinance should be held to be invalid or unconstitu-

tional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this ordinance.

Section 4. This ordinance, being an exercise of a power specifically delegated to the City legislative body, is not subject to referendum, and shall take effect five (5) days after its passage and publication by posting as provided by law.

CITY OF REDMOND:

Doreen Marchione
MAYOR, DOREEN MARCHIONE

ATTEST/AUTHENTICATED:

Doris A Schaible
CITY CLERK, DORIS SCHAIBLE

APPROVED AS TO FORM:
OFFICE OF THE CITY ATTORNEY:

BY Jerry C. Gates

FILED WITH THE CITY CLERK: June 12, 1985
PASSED BY THE CITY COUNCIL: June 25, 1985
SIGNED BY THE MAYOR: June 26, 1985
POSTED: June 26, 1985
EFFECTIVE DATE: July 02, 1985
ORDINANCE NO. 1257

20B.40.010 ECONOMIC PROFILE

REGIONAL ECONOMIC TRENDS

Positive aspects of the economic situation are beginning to emerge related to rising productivity in agriculture, growth in high-technology businesses, gains in the trade and service sectors, and growing interest in expansion of the tourist industry. Most encouraging is the growth in Pacific Rim markets and the attraction of international trade-related services to the region.

Since 1970 the Pacific Northwest economy has moved increasingly toward greater diversification and less dependence on a traditional resource-based economy. This is a healthy trend consistent with the national shift to a service and information economy. The Puget Sound region, which is already a major financial and service center for the Pacific Northwest, will particularly benefit from this trend. A well-educated labor force, proximity to international markets and a highly attractive living environment will continue to reinforce the economic potential of the area.

Population and employment forecasts prepared by the Puget Sound Council of Governments for east King County indicate substantial employment growth, particularly in the retail and service sectors.

Services represent a significantly high proportion (71%) of the economic base on the eastside with this sector showing substantial gains by 1990.

LOCAL TRENDS

The existing economic base in Redmond is characterized by a high proportion of jobs to population, and diversity of jobs. The positive aspects of this characteristic are that there are greater opportunities for residents of the community to find work near their homes--a factor greatly contributing to the quality of life, and the community is generating its own economic base.

Employment in Redmond has expanded from the 1970 level of 3,500 to more than 18,500 in 1984. Manufacturing accounts for 39% of this growth while services comprises 27% and retail 17%.

Small business are particularly active in the community. In 1970 the 10 largest employers in Redmond had 3,186 people on their payroll, or 46% of all jobs. By 1983, the 10 largest employers hired 1,500 more people, representing 28% of Redmond's total employment. The high proportion of small businesses indicates that the City provides an excellent "incubating" environment for small businesses where most new employment occurs. In addition, these businesses may be marginal in the early years of operation and extremely sensitive to taxation, assessments or other public impacts.

ECONOMIC SECTORS:

Manufacturing

The City of Redmond has been particularly attractive to light manufacturing industries during the last decade because of labor availability, vacant land at reasonable prices and a favorable taxing climate. A survey conducted by the City of Redmond in 1981 indicated that more than half of the land zoned for commercial and industrial use was undeveloped. Nearly 33% of the land in the city is zoned for commercial and industrial use, with about 25% in business park and industrial uses, which is a very high percentage for a suburban community. 1984 estimates of the rate of consumption of Business Park and Light Industrial land indicate that an adequate but diminishing supply of land is presently available.

High-technology industries can be a viable element of a community's economic strategy. However, only a few cities or regions in the nation are prime centers for these activities and can provide the support facilities on which they thrive. Although they can be an important sector of the economy, it is important to maintain a well diversified economic base.

Retail

Substantial potential for retail growth exists as the City becomes a sub-regional activity center serving northeast King County residents. This trend is supported both by market data and public planning, but will need to be managed carefully to minimize impacts to existing businesses and supporting public services.

Studies conducted for the Maingate Shopping Center proposal in 1981 and the 1985 Redmond Town Center Environmental Impact Statement indicate that an unused capacity of approximately 26% exists in the Redmond market area. Many residents of the area shop elsewhere, either due to distance to shopping or personal preference, however adjustments to this figure still leave a significant margin for growth.

Services

Office-based uses--finance, real estate, insurance, professional and consulting services--are a fast growing sector of the economy. Although some larger firms may continue to be attracted to the Seattle and Bellevue CBD's, local markets in outlying communities should develop if economic decentralization continues to be a significant trend in the region. This pattern may be strongly affected by the increasing use of telecommunications.

Tourism

The development of tourist facilities such as a hotel/motel complex may be feasible in Redmond. It may be worthwhile to examine the potential impact of increased tourism on the community. One of the primary benefits of tourist industries is the availability of jobs for younger, less skilled people.

BUSINESS CLIMIATE:

Redmond has a favorable business climate for several reasons. Direct taxation of businesses is low, as there is no business and occupation tax, development regulations are stringent but relatively efficient, and community attitudes support balanced and managed growth. The open, semi-rural appearance of the community has proven to be a positive attribute in attracting new businesses seeking a pleasant suburban environment.

Although the City has grown rapidly, service levels have generally been maintained and the City is operating effectively with a low debt and modern management techniques. The City has been aggressive in seeking programs that will benefit business such as industrial revenue bonds, and has worked directly with the business community, as well as other jurisdictions, to resolve intra-regional land use and transportation problems affecting economic growth.

Local governments in Washington State are limited by statutory and constitutional law in their authority to work with the private sector. Presently, innovative mechanisms such as community redevelopment financing and economic development corporations are not tools that are available to local governments in Washington although they have been used successfully in many communities elsewhere. Local governments and businesses should work cooperatively to change the State Constitution so these tools can be made available.

The three areas where local governments may be most effective in working with the private sector are in land acquisition and development, manpower training, and access to capital for business and infrastructure investment.

An effective manpower training/retraining program is an essential ingredient for a viable local economy. It can provide a skilled labor force to not only attract new businesses, but to retain existing businesses as well. It can also assure a certain amount of stability in the community because people no longer have to move elsewhere in order to become or remain employed in what is now an ever-changing job market. The Lake Washington Vocational Technical Institute is a valuable local source for manpower training. A joint effort by local government and businesses is needed to fully utilize this and similar resources for the benefit of the entire community.

Mechanisms are available to produce capital for large public works projects. Some tools, such as local improvement districts which tax adjacent or directly benefitted properties may be used for street and utility improvements.

With the existing tax structure in Washington State, the most elastic revenue source for local government is the sales tax which now represents more than 35% of Redmond's general fund revenues. Although highly sensitive to recession, it is also the tax most directly responsive to growth. A healthy and growing retail sector reinforces and expands this source of revenue, and is a particularly effective way to capture revenues from outlying areas that do not provide other revenues to the City.

Redmond is generally a positive environment for economic development. Some issues have been identified for each of the primary commercial areas in the Economic Development Phase I Report (Analysis of Trends and Existing Conditions, December, 1984) on file with the City of Redmond Planning Department.

Potential for significant economic growth in the retail sector exists particularly for the downtown area. The retail sector should be encouraged to expand.

The presence of a large number of small businesses in Redmond indicates that they are a major part of the economic life of the community. Small businesses also create jobs. Studies show that two-thirds of new jobs created are in businesses with fewer than 20 employees. Much of the potential for new growth will be found in the ability of local businesses to expand.

The challenge of providing adequate services and facilities to support economic development continues to be a crucial issue at the state and local levels. This has occurred as the result of a combination of factors: aging facilities, reduction in federal support, rapid urban growth and high costs of borrowing which impacts government as painfully as the private sector.

Redmond has been impacted by population growth in surrounding areas for which there is no compensation in increased tax base. In the meantime, the costs of constructing capital facilities has risen dramatically. Although the costs of arterial streets in particular should be spread over a broader tax base, the City has been forced to impose many of these costs on site-specific developments. Although increased state funding will be available for arterial streets,

there will be a significant amount of competition for these funds among jurisdictions.

One of the most attractive features of the Redmond community is the fact that it is a pleasant place to work as well as live. There are many job opportunities here for a variety of people with all levels of skill. Maintaining this balance and reinforcing the positive aspects of economic development through planned economic growth should be a high priority for all members of the community.

20B.40.020 COMMUNITY GOAL
Create opportunities for diverse economic development that will provide a variety of job opportunities and contribute to a sound economic base for the community while maintaining a quality environment.

40.020(05) Policy - Actively support efforts to promote trade and tourism by participation in regional economic development programs.

40.020(10) Policy - Promote growth of tourism-related businesses and services, particularly for conference and meeting centers required by research and development industries.

40.020(15) Policy - Actively support economic development measures that serve to retain and promote the growth of existing businesses and attract new businesses.

40.020(20) Policy - Encourage development of a strong and competitive downtown that provides a variety of goods and services and supports the City's tax revenue base.

40.020(25) Policy - Actively support existing education and job training programs which address business and labor needs, and encourage the development of new, high quality programs.

40.020(30) Policy - Support and assist in the coordination of vocational education and retraining programs between the Vocational Technical Institute and the local business community.

20B.40.030 COMMUNITY GOAL
Allocate land for commercial and industrial uses based on appropriate site characteristics, market demand, community need, adequacy of facilities and services, and proximity to housing.

40.030(05) Policy - Maintain existing zoning for industrial uses and protect it from conversion to less appropriate uses.

40.030(15) Policy - Encourage energy conservation and reduce traffic impacts by providing locations for neighborhood businesses that are adjacent to arterial streets but not in proximity to existing shopping areas.

40.030(25) Policy - Encourage neighborhood convenience centers with a maximum of 10,000 square feet gross leasable area that are compatible in scale and design with adjacent areas.

40.030(30) Policy - Encourage development of higher density housing near commercial and employment centers.

40.030(35) Policy - Restrict the location of adult entertainment facilities to areas of intensive uses which serve a regional market.

40.030(40) Policy - Avoid locating adult entertainment facilities in proximity to one another to reduce potential for crime, protect property values and protect local business image.

40.030(45) Policy - Avoid locating adult entertainment facilities in proximity to any zone in which residential uses are an outright permitted use, or any public park,

public library, family day care home, mini-day care center, day care center, preschool, nursery school, public or private primary or secondary school, church, temple, or synagogue in order to reduce incompatibility.

20B.40.040 COMMUNITY GOAL
Maintain an attractive and high quality environment for economic activities through good design, landscaping and control of impacts which detract from the environment or create hazards.

40.040(05) Policy - Require landscaping in commercial and industrial areas to provide a unified design element, compatibility between varied uses, attractive entrances into the City, and amenities for users.

40.040(15) Policy - Establish standards for site planning and design that provide for efficient and safe function while contributing to an aesthetically pleasing development.

40.040(20) Policy - Regulate impacts from economic activities that may cause inappropriate noise, vibration, smoke, fumes, water or air quality degradation, hazardous wastes or risk from explosion.

40.040(25) Policy - Assure that adequate public access to shorelines in areas of commercial and industrial development is provided by dedications or easements and maintenance of view corridors.

40.040(30) Policy - Provide a special review process for uses possessing unique and special characteristics with economic benefit to the community to assure compatibility with adjacent uses.

40.040(35) Policy - Attempt to avoid strip commercial development because of traffic, safety and aesthetic problems, and provide for the location of commerce and industry in attractive centers.

20B.40.050 COMMUNITY GOAL
Develop implementation programs for economic objectives that will encourage economic growth and protect existing businesses and industries.

40.050(05) Policy - Encourage the funding of capital improvement projects in commercial and industrial centers to improve circulation systems, encourage redevelopment and stimulate more intensive and concentrated economic activity.

40.050(10) Policy - Prepare and implement an action plan for the City and the business community to carry out economic objectives through legislative activities, public/private cooperation in education and employment programs, and joint problem solving.

40.050(15) Policy - Prepare and implement a program which will facilitate commercial or public uses of historic facilities in the City Center.

40.050(20) Policy - Use federal block grant and state funds to support re-training and job displacement programs in the community.

40.050(25) Policy - Develop a formal mechanism to work cooperatively on economic issues with local businesses.

40.050(35) Policy - Review parking standards periodically to assure that different geographic areas as well as individual land uses have adequate but not excessive parking.

40.050(40) Policy - Develop an equitable tax structure that keeps and attracts businesses while maintaining the City's ability to provide a high level of services for commercial and industrial uses.

40.050(45) Policy - Review and up-date the Economic Development Section of the Community Development Guide at least once every three years.

40.050(50) Policy - Review and refine regulatory processes to assure that permits and licenses are issued promptly while allowing for legally mandated procedures and policies adopted for protection of the public.