

VII. ECONOMIC DEVELOPMENT ELEMENT

INTRODUCTION

An important part of the vision of future Marysville that guides the City's Comprehensive Plan is the well-being of its residents and economic growth of the community. The Economic Development Element of the Comprehensive Plan analyzes the current economic situation of Marysville and formulates economic development policies to move the community towards its goals.

The City employed the firm of Gardner Johnson to develop a background report and strategic plan for economic development. The background report, completed in April 2002, included an economic and fiscal impact analysis of the Tulalip Tribes' Quil Ceda Village Development (findings summarized in Appendix B). The economic development plan that followed in November 2002 is the basis for the City's Economic Development Element. The plan addresses the fundamental principles of economic development as they relate to business retention, expansion and attraction (BREA) in the City of Marysville. The BREA strategy is intended to set a clear direction for enhanced economic growth and regeneration, which in turn creates high quality jobs, generates wealth and investment, and helps to ensure the City's long-term fiscal health, while at the same time maintaining the community's quality of life and small town feel.

The City of Marysville's effort in developing an Economic Development Element recognizes the important role that the City's government and residents have in forming partnerships with local and regional private sectors. The City can assist in the local economy by providing an atmosphere, as well as specific plans, regulations, projects, programs and facilities to stimulate specific areas of the economy.

This element of the Comprehensive Plan reviews and analyzes existing economic, demographic, population and real estate conditions, trends and the role of the City of Marysville through comparison to area cities and counties. The background information provides a basis for the strategic plan and economic development goals and policies.

A. STRATEGIC PLAN

The strategic action plan for economic development is a guide for the presentation and implementation of specific actions related to improving business retention, expansion and attraction efforts within Marysville's commercial core areas. The action plan consists of eight strategic directions derived from information obtained from the community outreach process (i.e. interviews, focus groups, and surveys). These strategic directions provide focus to the greater strategy and serve as a guide for the development of specific initiatives to be undertaken as part of the strategic action plan.

The eight strategic directions are as follows:

1. Foster Community Collaboration and Leadership
2. Enhance Image and Identity
3. Improve Existing Business Opportunities
4. Expand and Diversify the Economic Base
5. Support Recreation and Tourism Advantages
6. Improve Transportation and Infrastructure

- 7. Improve Government and Regulatory Environment
- 8. Enhance Employment and Housing Opportunities

B. JOBS TO HOUSING RATIOS AND EMPLOYMENT TARGETS

Jobs to Housing Ratios

Based on 2012 employment and housing estimates, Marysville currently has 0.54 jobs per housing unit. In 2013, there were approximately 17,568 more employed Marysville residents than jobs in Marysville. A jobs leakage ratio of 1.0 reflects an equal number of employed Marysville residents and jobs in Marysville, i.e. no net exportation of jobs. For all industries, Marysville scores 0.42, reflecting substantial employment leakage to other areas. While a balance of employed residents and jobs, thus no net commuting, is improbable, and given Marysville’s current ratios, unlikely, a more balanced employment and residential mix is desired from an economic (sales and property tax base) as well as social (transportation, land use mix) basis. The background analysis selected Mount Vernon as a similarly sized and located community. Their job leakage ratio is 0.86, or approximately half of Marysville’s.

In order to attain more balance in the jobs to housing ratios, this plan establishes an objective of a jobs/housing ratio of 1.0 by the year 2035 for the Marysville UGA. That represents a significant shift in current patterns of residential and employment growth over the next twenty years.

Employment Targets

The employment targets initially produced (prior to the 2005 Comprehensive Plan Update) by the Puget Sound Regional Council and Snohomish County Tomorrow for the Marysville Urban Growth Area were based on historical trends continuing. This pattern would create fiscal problems for the City as it relies on sales and property taxes from commercial properties to provide necessary services for the community at large. In addition, the imbalance results in additional impacts to traffic outside our community by encouraging longer commutes. In a citizen survey completed in 2002, Marysville residents identified business growth as a priority for the City. Therefore, this pattern must be reversed over the next twenty years to prevent the related fiscal and social impacts connected to this growth pattern. Using the 1.0 jobs to housing ratio noted above, this plan provides an alternative employment target for 2035. The current employment and employment targets for the Marysville UGA resulting from proposed land use patterns and growth are identified in Table 7-1.

Table 7-1 Employment Targets

	Existing Employment (2013 Estimate)	SCT 2035 Medium Employment Scenario	SCT 2035 Alternate Medium Employment Scenario	Employment Based on 1.0 Jobs to Housing Ratio
Employment (jobs)	12,409	26,944	28,113	32,876

Sources: Puget Sound Regional Council Covered Employment Estimates, 2013 & Housing Characteristics and Needs Report in Snohomish County, 2014.

This employment scenario is consistent with the economic goals, objectives and policies below, and the vision and ideas discussed by citizens, business, appointed and elected city leadership, through surveys, interviews, forums and committees described in the Citizen Participation section of this Plan.

C. ECONOMIC DEVELOPMENT ELEMENT GOALS, OBJECTIVES, AND POLICIES

I. Economic Development Goals

Marysville's objectives for improving the economic livelihood of its residents and businesses are:

- Transform from a residential and residentially-oriented retail city into a diverse employment center within Snohomish County and the Region.
- Balance, though not necessarily equalize, the City of Marysville's population growth with employment growth.
- Recognize the need for growth in the City's tax base from industrial and commercial development to provide quality public services and facilities for residents and businesses.
- Encourage expansion of commercial and industrial areas within the City and its UGA. Encourage annexation of UGA properties prior to their development.
- Prioritize capital facilities funds first for new and improved infrastructure in industrial and commercial areas with vacant land and secondly in areas with redevelopment potential.
- Increase employment in industrial and commercial areas to improve the jobs to housing ratio.
- Stimulate availability of vacant and in-fill commercial and industrial areas especially in North Marysville and expansion areas north of the City, and in the downtown areas.
- Raise and improve the image and knowledge of Marysville's economic assets within the region.
- Remove and/or reduce regulatory barriers to new commercial and industrial development as well as infill, redevelopment, and rehabilitation of existing employment areas within the City.
- Explore development of tourism and recreation-related facilities especially in the City's downtown and waterfront areas.
- Leverage traffic and visibility associated with the I-5 freeway to increase business within Marysville.
- Maintain areas of the City for smaller and locally-owned businesses.
- Maximize assistance and cooperation with other public and private sector economic development partners.

II. Economic Development Implementation Policies

a. General and Citywide Policies

ED-1 Through its plans, regulations, infrastructure investments, and public services encourage more manufacturing, wholesale, retail, warehouse, distribution, assembling, processing, producer's services, office-using and high technology firms to locate within Marysville.

ED-2 Work to develop efficient, flexible but certain land use and development regulations so that the development, redevelopment, and rehabilitation processes in the City are timely and improve the quality of residential, employment, and natural areas.

ED-3 Cooperate with organizations that represent businesses and property owners so that the City has active and effective input from entities in addition to residents.

ED-4 Separate and buffer newer commercial and industrial areas from residential areas. Allow mixed use throughout the downtown area.

ED-5 Examine current zoning categories and regulations for commercial - industrial areas in order to: increase flexibility of the mixture of uses within and among zoning categories; simplify zoning classes so that they are responsive to market forces; specify high quality amenities, design guidelines, and infrastructure to make commercial/industrial areas competitive within the region; make regulatory processes predictable, certain, flexible, and timely; review these land use regulations every five years and solicit input from the development and real estate communities.

ED-6 Monitor local economic conditions and update economic development policies at least every five years.

b. Specific and Subarea Policies

Not all of the subareas, as designated in the Comprehensive Plan, offer the same level of potential for future economic development for Marysville. Some areas will require more concentration of the City's energy, effort, and resources to realize their potential contribution to the community's long term economic success. The following is a list of prioritized areas for City activities discussed elsewhere in these economic development goals, objectives, and policies. The City is committed to each of these areas; none should or will be ignored. However, in order to be most effective, and to take advantage of timely opportunities, the economic development policies among City Planning Areas will follow these priorities:

Priority 1 Planning Area 10: Smokey Point Neighborhood particularly the Smokey Point Master Plan Area and proposed Arlington Marysville Manufacturing Industrial Center

Priority 2 Planning Areas 1, 6, and 8: Downtown, Downtown Marysville North, and Marshall/Kruse

Priority 3 Planning Areas 11: Lakewood and the East Sunnyside/Whiskey Ridge Master Plan areas

ED-7 Take the initiative to identify and prioritize areas with the best potential for subarea master plans, area-wide environmental impact statements, and traffic studies and capital facilities investments in advance of development so that the private sector will be able to quickly and efficiently ready sites for employment and business activity.

ED-8 Define areas of the downtown that could be redeveloped as pedestrian-oriented mixed use areas that also integrate open space and recreational opportunities.

ED-9 Examine methods to redevelop specific areas of the downtown commercial and residential areas for locally owned and small businesses and affordable housing.

ED-10 Formulate a long-term transition strategy to access the City's waterfront areas for recreation, tourism, and improve the image of Marysville from the freeway.

c. Coordination of Infrastructure, Planning, Development Regulations and Financing

ED-11 Prioritize necessary public infrastructure into new employment areas, existing commercial/industrial infill, redevelopment, and rehabilitation of buildings while maintaining adequate infrastructure in existing residential areas.

ED-12 Work actively with the State of Washington, Snohomish County, Tulalip Tribes, City of Arlington, and neighboring communities, school districts, and private property owners to develop joint plans, regulations, and finance necessary infrastructure and utilities in the areas within and to the north of Marysville so that this area becomes a major employment center in Western Washington. Continue to promote development in the Smokey Point Master Plan Area and to pursue a Manufacturing Industrial Center (MIC) with the City of Arlington.

ED-13 Leverage the visibility and traffic from I-5 into Marysville with: Appropriate urban design and signage regulations; traffic flow improvements including BNSF grade separation; freeway interchange improvements at, 156th Street Overpass, SR529, and 116th Street; and traffic grid improvements within the City to facilitate residential and nonresidential traffic on arterials and reduce congestion.

ED-14 Examine potential recreation and park projects that would complement and supplement tourism development drawn to the Marysville area as described in the Parks and Recreation Element of the Plan.

ED-15 Formulate a set of capital facilities financing tools, techniques, and strategies that allow appropriate public-private funding partnerships such as LIDs, impact fees, and necessary studies from future users.

d. Ongoing Commitment to Local and Regional Economic Development

ED-16 Work with local, regional and State agencies such as the Greater Marysville Tulalip Chamber of Commerce, Downtown Marysville Merchants Association, Economic Alliance Snohomish County, Private Industry Council, and Washington State Department of Commerce to market the economic assets and opportunities of Marysville.

ED-17 Undertake activities to enhance Marysville's identity and image within the region and beyond by working with the: Navy Relocation Services, Economic Alliance Snohomish County, Washington State Department of Commerce, Greater Marysville Tulalip Chamber of Commerce and Downtown Marysville Merchants Association, Snohomish County Tourism Bureau, and other groups.

ED-18 Improve marketing of the City's economic assets by: inventorying and describing subareas for new and redevelopment activity; engaging in cooperative activities with the Chamber, tourist development agencies, Navy, private developers and realtors; and authorizing an economic development commission that will act as a permanent, internal group to solicit new development, assist local businesses to expand, and represent and advocate economic development within the City in conjunction with local business organizations.

ED-19 Improve communications with the Marysville, Lake Stevens, and Lakewood school districts and other local entities concerned with enhancing the quality of life for Marysville's residents.

D. MARYSVILLE'S ECONOMIC DEVELOPMENT POTENTIAL

I. General Assessment

This section summarizes the economic development potential that will be the basis of Marysville's future. The market analysis of the previous section indicates that currently the City of Marysville functions as a retail and service center with a rapidly increasing housing stock. Local leaders view with concern Marysville's role as a "bedroom community." While population growth brings increased economic activity in the short run and more business for some local merchants, the concern is that longer term growth be a balance of commercial, industrial, and retail development. The desire is to grow the tax base so that the City of Marysville will be able to provide the public services and facilities consistent with citizens' needs and the needs of modern businesses.

The market analysis documented current and historic trends and conditions. This section provides an assessment of future development potential for Marysville. Table 7-2 summarizes the strengths and weaknesses facing Marysville in the future as well as the general opportunities and challenges that pertain to economic development.

The following is a brief explanation of the strengths and weaknesses, and opportunities and challenges, facing the City of Marysville.

Strengths

Location on I-5

This freeway is the major connection for travel and commerce in Western Washington. It is the major freeway that connects points on the West Coast and Canada. Highway 9 is the only other alternative north-south route except rail and air to move people and goods.

Access to I-5

There are currently four access points to this regional and international thoroughfare: 4th Street (SR 528), 88th Street, 116th Street, and 172nd Street NE (SR 531). In addition, a future access at 156th Street NE will assure that traffic will be better able to access commercial and industrial land in those areas. Considerable retail and services oriented development occurred from 2006 to 2007 along the 116th Street and 172nd Street NE corridors.

Strategic location in the north corridor of region between Seattle and Vancouver, BC

Geographic location, urban growth policies, natural features (EbaySlough, Snohomish River, Puget Sound), and the Reservation of the Tulalip Tribes will assure that the Marysville urban area is "in the way" of northward expansion of Snohomish County and the central Puget Sound metropolitan area. Proximity to employment and business generation centers are important considerations to stimulate future nonresidential and residential development. Job and business growth in the future may be associated with:

- Boeing's Everett Complex

- Naval Station Everett and Port of Everett facilities
- Improved US-Canadian trade and political relations.

In addition, the availability of well-located land could also attract a wide variety of diverse economic activity from outside the area.

Smokey Point Master Plan Area

The Smokey Point Master Plan Area (SPMPA) is located in the northeast corner of the City and consists of 675 acres of Light Industrial zoned land which is designated for a commercial/industrial park. The Smokey Point Master Plan was adopted in June 2008 and provides transportation analysis and standards; assessment of existing utility facilities and needs; development guidelines; design guidelines; natural resource enhancement plans for the Edgecomb and Hayho creek environments; and other standards to ensure coordinated, well-planned industrial development. The SPMPA will provide jobs for residents and expand the City's commercial and light industrial base.

Proposed Arlington-Marysville Manufacturing Industrial Center (MIC)

The City of Marysville and City of Arlington are actively pursuing an Arlington-Marysville Manufacturing Industrial Center (MIC). The regionally designated MIC would include land within both cities, with approximately 45 percent of the land area being within the City of Marysville. The MIC designation would identify the area as a major employment center that attracts manufacturing and industrial uses; would make the City eligible for competitive transportation grant funding; and may give the City higher priority for regional funding.

Quality residential areas

A key variable reviewed by firms considering locating in a community is whether there is a range of quality residential housing and neighborhoods that match the needs of its management and labor force. There is currently within the City and study area a range of quality housing from “affordable” to “higher-end” homes set in quality neighborhoods.

The development activities of the Tulalip Tribes

Especially visitors from out of the area attracted to the Tulalip Casino, Quil Ceda Village Business Park and associated commercial uses are an external asset that the City can try to leverage for its economic benefit.

Development attitude

Marysville appears to genuinely welcome development appropriate and consistent with the vision, goals, and objectives expressed elsewhere in the Comprehensive Plan. This is not true of many areas of Western Washington.

These positive attributes translate into three opportunities to assist the City of Marysville toward its vision:

- Utilize a large amount of vacant land in the northwest section of the Marysville study area to accommodate future development;
- Redevelopment of the small amount of visible waterfront for recreation and visitor-oriented activities after current manufacturing and non-water-related uses are ready for redevelopment; and
- Capacity for a range of types of housing to accommodate growth and attract employers and their employees.

Challenges

Alternatively, the economic development efforts of the City of Marysville will have to deal with a number of potential shortcomings:

Less central retail location

The current location of Marysville’s concentration of retail space is not centrally located within its market area. Areas to the southeast, east, and northeast of Marysville are areas where future residential activity is being funneled. Areas to the west, north and northwest are not expected or designated to accept large amounts of future growth. The Smokey Point and Lakewood Neighborhoods have locational and access advantages for future retail growth compared to Marysville’s downtown.

Access to I-5

While the City of Marysville does have access at several points to I-5 traffic, they also generate a degree of congestion which inhibits access to much of Marysville’s retail base.

High-quality areas for business parks

There does not exist within Marysville at this time any business parks or industrial areas with high-quality infrastructure and amenities on par with regional office parks in South Snohomish County (Canyon Park and Southwest Everett Industrial Park) or King County (Kent-Federal Way).

North/south circulation within the City

State Avenue/Smokey Point Boulevard is the main north/south arterial within Marysville. This contributes to internal congestion which may become a factor that is not positive for existing retail and business areas within Marysville compared to more accessible shopping areas to the north of the City and elsewhere in the region. Some of the north south circulation has been alleviated by construction of the 51st Avenue NE connector

Boeing

The cyclical nature of Boeing, the major employer in Snohomish County, could from time to time produce fluctuations in the local economy.

Tulalip Tribes' Quil Ceda Village Business Park

One of the clear potential assets for the future of Marysville is the vacant land potentially available for retail, business, industrial, and eventually office parks in the area to the north of older areas of Marysville. However, competition from a well-situated, high-quality, visible Quil Ceda Village could prove to be problematic.

Downtown

The downtown portion of Marysville is generally an area of small parcels and small businesses. Changes in regional and national retail patterns, and competition from Smokey Point and other Snohomish County shopping areas will present challenges to the businesses, property owners, and City that is concerned with the downtown areas. Assembling land, redeveloping buildings, providing adequate capital facilities for improved access and neighborhood amenities for residential and nonresidential areas in the current downtown is sure to be a challenge for Marysville in the future.

Waterfront

One of the most visible entries to the City of Marysville is from the south on I-5 (and SR-99). The existing development, remnants of earlier uses, and the generally disorganized pattern of development downtown could eventually be redeveloped into a modern complex of mixed uses with well thought-out and attractive public spaces, architecture, and landscaping that would better announce and attract visitors to the City.

If future growth is only related to residential areas within Marysville, and not balanced by commercial-industrial growth in the west and northwest parts of the City, the community will experience fiscal strain.

The foregoing non-positive attributes could combine to confront the future residents of Marysville with some challenges. These challenges could take the form of missed opportunities.

Table 7-2 Summary of Development Strengths and Weaknesses for City of Marysville

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> · Location on I-5 · Access to I-5 · Strategic location in north corridor of region * "Funnel" * U.S. – Canada * High - Tech Corridor * Boeing Quality Residential Areas · Tulalip Casino · Development Attitude · Rail Access · Arlington Airport proximity 	<ul style="list-style-type: none"> · Off-center retail location · Congestion due tol-5 and due to train traffic · No established, high quality business parks · North/south circulation within City increasing congestion · Shortage of land for commercial in old parts of Marysville · Building age and size of parcels in downtown retail areas · Boeing · infrastructure in industrial and business park areas · Tulalip Tribes' Retail Competition · Railroad Crossings and Physical Barrier · Arlington Airport flight path restrictions and regulations · Smokey Point area concentration: retail and industrial/business park development · Utilities without land use controls
OPPORTUNITIES	CHALLENGES
<ul style="list-style-type: none"> · Smokey Point Master Plan Area and Arlington-Marysville Manufacturing Industrial Center (MIC) · Waterfront · Potential high-quality residential 	<ul style="list-style-type: none"> · CBD residential and nonresidential · Waterfront · Unbalanced residential growth

II. Potential Development Opportunities

This section outlines the different types of development (i.e. retail, office/business park/industrial, residential, and recreation/tourism) which are possible within the City; the typical requirements for each type of development; and the current status of each type of development.

Each of these types of development is discussed in detail in its own section that includes a table that is arranged into three columns as follows. The first column provides some subtypes for each development type (i.e. retail, office/business park/industrial, residential, and recreation/tourism) that are typically found in urban areas in Western Washington. For example, fast food restaurants and convenience stores are subtypes in the retail development category. It should be noted that not all of the subtypes are appropriate for Marysville's Study Area. The second column provides a very brief summary description of typical requirements for these generalized development subtypes/land use categories. It should be emphasized that these are only typical relationships, specific market analysis for each use, or variant of each use, would be necessary before a definitive assessment

should be made. The purpose of this column is to provide a “first cut” assessment of a wide spectrum of uses for the general direction of future development in the Marysville Study Area. The third column presents a brief assessment and summary of the status of each type of use.

Retail Uses

Marysville’s current niche is neighborhood and community-scale retail centers with some “big box” development west of I-5 along 172nd Street NE and east of I-5 along the north side of the 116th Street NE corridor. The market area’s population, income, and general density and pattern are consistent with this type of retail development. The Lakewood and Marshall Neighborhoods, which are centrally located on I-5 between two major “big box” centers in Burlington and Lynnwood, were poised for similar development which took off from 2006 through 2007. Significant growth in “big box” retailers occurred in both the Lakewood Neighborhood with the construction of Lakewood Crossing and Lakewood Pointe which includes such major retailers as Costco, Target, Mor Furniture, and Firestone Tires, and the Gateway Shopping Center which includes such major retailers as WinCo, Kohl’s, and Ross.

Over the past sixteen years, the City has funded a large amount of public infrastructure in its downtown. In 2004, the City completed the reconstruction of State Avenue to provide pedestrian and aesthetic improvements between 1st Street and Grove Street. The City also invested in a spray park (completion 2014) and other park improvements at Comeford Park (completion 2004), construction of the Ebey Waterfront Park and Boat Launch (completion 2005), Skateboard Park (completion 2002), Ash Avenue Park and Ride (completion 2003), Downtown City Hall (completion 2003), and the Ken Baxter Community Center (1999). These improvements provide a more pedestrian character, and will help transform the downtown from the current auto-oriented retail development pattern. Pedestrian-oriented retail may find potential in the older areas towards the south portion of the downtown or on the waterfront.

The current niche for retail serves the population of the Marysville area, traffic on I-5, and has attracted smaller independent retailers who have exploited less expensive space within Marysville and, in some cases, has attracted specialized retail trade from Everett and outlying areas of Snohomish County.

CITY OF MARYSVILLE • COMPREHENSIVE PLAN

Table 7-3 Potential City of Marysville Development Opportunities - Retail Uses

RETAIL TYPE	TYPICAL REQUIREMENTS	CURRENT STATUS
Auto-Oriented		
<ul style="list-style-type: none"> · Traditional - Shopping Centers 	<ul style="list-style-type: none"> · Usually sited on freeways and major arterials · Depends on population and income typically <ul style="list-style-type: none"> - Neighborhood: 15,000 – 40,000 pop within 1–2 miles - Community: 40,000 –150,000 pop within 3 – 5 miles - Regional: 200,000+ pop within 8–10 mile radius 	<ul style="list-style-type: none"> · Marysville’s current niche · As central city along I-5, the regional population growth in Marysville, Arlington, Granite Falls, and Lake Stevens could create potential for regional center development, and certainly community center growth.
<ul style="list-style-type: none"> · Hybrids - Value Centers - Hyper - Power Centers 	<ul style="list-style-type: none"> · Locate on/near freeways and major arterials · Attracted to industrial and business parks · Market areas larger than traditional opportunities 	<ul style="list-style-type: none"> · Freeway exits most likely · Lakewood and Smokey Point have provided, and continue to provide, potential locations
Pedestrian-Oriented	<ul style="list-style-type: none"> · Has area, site and building amenities · Dense population, residential and/or office employment · Parking nearby 	<ul style="list-style-type: none"> · Downtown may provide future potential
“Festival”	<ul style="list-style-type: none"> · Building or area unique · Unique site/ area amenities · Changing mix of “unique” shops – mostly small · Large percent of food shops, restaurants · Entertainment available · High degree of programmed activity · Larger population of tourists 	<ul style="list-style-type: none"> · Future problematic in Marysville, not currently available
Eating / Drinking		
<ul style="list-style-type: none"> · Fast foods 	<ul style="list-style-type: none"> · Sufficient population and traffic counts · Demographics · Visibility 	<ul style="list-style-type: none"> · Current niche related to freeway and arterials
<ul style="list-style-type: none"> · Convenience/family 	<ul style="list-style-type: none"> · Sufficient resident population and/or employees · Parking and transit or arterial · Demographics · Visibility 	<ul style="list-style-type: none"> · Current niche related to freeway and arterials
<ul style="list-style-type: none"> · Destination/occasion 	<ul style="list-style-type: none"> · Site and area ambiance · Quality – experienced operator 	<ul style="list-style-type: none"> · Some potential in area with quality amenities and views such as waterfront.

Office, Business, and Industrial Parks

The types of offices that have developed in Marysville have primarily been small isolated offices that tend to accommodate consumer services, finance, real estate, insurance, medical, dental, and business services related to the market area's residential and small business population. There are some precursors of suburban-like office development near the Smokey Point freeway exit north of Marysville. The presence of labor resources, cheaper land, sewage capacity, and modern telecommunications technology could attract "back office" functions and small office parks in some areas of Marysville. These areas fall generally in the northern study areas or north of Marysville where they can be developed with appropriate market responsive amenities and infrastructure.

The City of Marysville and nearby areas have some scattered isolated manufacturing and processing businesses in industrial areas, especially along State Avenue (old SR-99) and Smokey Point Boulevard. There are the beginnings of modern light industrial parks in the north of the study area, but so far few industrial, business, or office parks that would be competitive to those in the High Technology Corridor or Eastside of King County.

Potentially cheaper and well-situated land for light industrial parks and areas, and business parks are Marysville's most valuable asset for future economic development. There are few areas elsewhere in the region that have the access to I-5 and availability of industrial land that is within the City.

Table 7-4 Potential City of Marysville Development Opportunities, Office, Business and Industrial Park Uses

TYPE	TYPICAL REQUIREMENTS	CURRENT STATUS
OFFICE (BUILDINGS and PARKS)		
Walk or Drive-in (personal services, medical, dental, FIRE)	<ul style="list-style-type: none"> · Sufficient population · Parking, traffic counts · Visibility · Public transit access 	<ul style="list-style-type: none"> · Meets some criteria
“General” (back office for large financial, insurance, computer, service, government agencies)	<ul style="list-style-type: none"> · Cheap space and large labor force · Reasonable wages · Cheap parking and/or transit · Dense development · Public transit 	<ul style="list-style-type: none"> · Meets some criteria · More potential than being utilized
Professional (services, headquarters, employees)	<ul style="list-style-type: none"> · Agglomerated activities · Clients convenient · Site, building and area amenities · Quality housing stock 	<ul style="list-style-type: none"> · Limited potential
Office-Showrooms	<ul style="list-style-type: none"> · Flexible space within building · Large number of businesses in area 	<ul style="list-style-type: none"> · Distance from regional centers a problem
INDUSTRIAL PARKS/AREAS		
Heavy (manufacturing/ resource processing)	<ul style="list-style-type: none"> · Rail and/or deep water necessary · Community acceptance · Location near resources and/or transportation hub · Skilled labor pool · Adequate utilities available 	<ul style="list-style-type: none"> · Probably lack of community support · Meets few criteria
BUSINESS PARKS		
“Light” (warehouse, assembly, distribution, service/repair, producer’s services, etc.)	<ul style="list-style-type: none"> · Public transit available · Freeway access · Scheduled airlines nearby · Large base of population or business nearby · Skilled labor pool 	<ul style="list-style-type: none"> · Meets most criteria · More potential than currently being utilized · Distance to scheduled commercial airlines problematic
“Flextech” (combinations including high percentage of office space)	<ul style="list-style-type: none"> · Access to business support services · Adequate utilities, roads, zoning, and infrastructure in place · Availability of rail · Quality executive housing nearby 	<ul style="list-style-type: none"> · Corporate jet and air freight available at the Arlington Municipal Airport · Few areas with high quality amenities at present · BNSF mainline, and rail spur nearby · High-end housing limited

Residential

Single family and suburban, garden-style multifamily apartments are the current niche for residential development in the Marysville study area. Employment growth and freeway access has, and will continue to, attract more multifamily housing. The older, smaller homes either in their current condition, or rehabilitated in older neighborhoods, could provide affordable housing. The newer housing has provided a broad price spectrum of housing, typically in traditional suburban patterns.

Local demographics have begun to drive the need for senior and elderly housing. Senior apartments, senior condominiums, and a dementia care facility have each been constructed since 2005. Senior and elderly housing needs may also be satisfied by assisted or congregate care, nursing homes, and Master Planned Senior Communities which provide a continuum of care. This different housing options may enable long-time residents to remain in the community.

Table 7-5 Potential City of Marysville Development Opportunities, Residential Uses

MULTI FAMILY RESIDENTIAL TYPE	TYPICAL REQUIREMENTS	CURRENT STATUS
<p>“High End”</p> <ul style="list-style-type: none"> · Apartments and condos 	<ul style="list-style-type: none"> · Small and middle-sized business owners · Sufficient population and professional, business and service employment · Demographics · Site, area and building amenities · Retail and service 	<ul style="list-style-type: none"> · Meets some criteria, particularly in east hills and may in future on waterfront
<ul style="list-style-type: none"> · Second homes 	<ul style="list-style-type: none"> · Distance from large residential areas · High amenities and recreation 	<ul style="list-style-type: none"> · Not likely except near Puget Sound
<p>“Mid/Moderate”</p> <ul style="list-style-type: none"> · Apartments 	<ul style="list-style-type: none"> · Close to employment centers · Sufficient population, employment · Zoning for density · Parking · Retail and service nearby 	<ul style="list-style-type: none"> · Meets most criteria
<ul style="list-style-type: none"> · Condominiums 	<ul style="list-style-type: none"> · Close to employment centers · Empty nesters, two workers, young professionals · Site and area amenities · Recreation nearby · Urban services, entertainment available · Retail and services nearby 	<ul style="list-style-type: none"> · Potential may exist in newly developing communities, where standard can be established through master planning (Lakewood)
<p>“Low Income”</p>	<ul style="list-style-type: none"> · Requires public financial subsidies 	<ul style="list-style-type: none"> · Funding problematic
<p>“Specialized Adult” includes congregate and continuing care, assisted living, licensed convalescence</p>	<ul style="list-style-type: none"> · Sufficient demographics, incomes · Amenities · Services (medical and dental) 	<ul style="list-style-type: none"> · Need is increasing

Recreation/Tourism

The Tulalip Casino is a recreational destination for the area. Wilderness and forest attractions to the east in the mountains and foothills can be accessed from Marysville as can the Puget Sound's waters from marinas on Marysville's waterfront. Development of the Ebey Slough Waterfront Trail and Centennial Trail connections could also create a regional recreational destination in our community.

The Parks and Recreation Element of the Comprehensive Plan discusses the recreation, parks and open space needs of the community. One opportunity may be to build on Marysville's past reputation as a sports community to develop a recreation complex that would attract visitors from outside of the community. This would be the subject of close scrutiny to determine the economic benefits and costs to the City as a whole.

Table 7-6 Potential City of Marysville Development Opportunities, Recreational/Tourism Uses

RECREATION TYPE	TYPICAL REQUIREMENTS	CURRENT STATUS
Resident Serving		
· Open space	· Public investment and subsidy that also provides area amenities for private development	· Open space and parks plan
· Parks		
· Marinas	· Access to large bodies of water	· Potential at waterfront and Ebey Slough
· Trails	· Sufficient population and demographics	· Meets some criteria
· Recreation (active and passive)	· Large public and/or private subsidies	· Cultural organizations and community support
· Movies and electronic amusement centers		
· Cultural facilities		
Visitor Industries		
· Hotel/Motel	· High traffic counts · Visibility · Highway-oriented or business versus amenity-oriented	· Explore potential near freeways
· Public Assembly	· Public subsidies - Large business and/or population base · Private - Isolated with amenities and/or activities, e.g., golf tennis, spas, etc. - Among attractions: close to shopping, business and Hotel rooms	· Regional competition · Private sector motel with adequate meeting space best prospect
· Tourism	· Unique national attraction	
- Destination	· Large capital costs · Large population and/or tourism · Heavy promotion · Freeway access and visibility	· Adjacent to I-5
- Casual (specific vs. combination)	· Less promotion necessary · Attracted to area not specific attractions · Quality operators · Typically public subsidies	· Potential with waterfront and recreation (trails, parks)

E. ECONOMIC DEVELOPMENT STRATEGIES FOR LOCAL GOVERNMENTS

Economic development has been stated as a clear goal for the Marysville community. This section discusses the role and activities available to cities the size of Marysville.

Traditionally cities in Washington State have not been directly involved in economic development. The laws and constitution of the State have not defined the economic role for cities very clearly. In some ways the State's institutions and laws have restricted cities' roles to indirectly influencing rather than directly influencing economic activity within their jurisdictions. In the 1970s, Seattle, Tacoma, Everett, and few others had active economic development staffs with specific economic development functions. These were largely financed with federal funds. In the 1980s, the State government expanded its own role for assisting the economy. During this period, the amount of federal loan, grant, and technical assistance declined. Heavy emphasis for current economic development efforts has been placed on joint public-private economic development efforts usually through joint public-private organizations like economic development boards, councils, or commissions.

The 1990 Growth Management Act, and the requirements of that act and subsequent legislation and quasi-judicial decisions, provide the communities of Washington State an opportunity to integrate economic development with land use, transportation, and capital facilities planning. In addition, it has sensitized many communities to the necessity for economic development as a means of improving the local tax base so that funds are available for planned public services and facilities commensurate with the citizens' vision of their community's future.

This section provides background materials so that the Marysville community may realistically understand what it may do to stimulate economic development. It also describes general economic development strategies and trade-offs of each, and then displays a range of programs, policies and activities that the City should carefully consider.

I. Economic Development Roles Available to Cities in Washington State

There are a number of roles for the city government to take with respect to economic development activities. The following list briefly relates the roles a city government in Washington State can use to influence local economic activity.

Direct Roles

- Comprehensive Planning
 - Economic development recognized as community goal
 - Adequate amounts of land designated for appropriate nonresidential development in strategic locations
 - Flexible, measurable, and certain zoning and regulations
 - Efficient land use processes
- Infrastructure planning, design, and financing
 - Plan for long-term capacity of community
 - Design systems and projects
 - Funds for implementation
 - Construction management

- Construction
- Financial institution/intermediary
 - Raise and borrow funds
 - Conduit for State, federal and intergovernmental funds
 - Joint funding partner with private sector
- Service delivery
 - Property and personal protection
 - Parks and recreation
 - Community events
 - Social services
 - Employer and purchaser of goods and services
 - Efficient and effective land use planning and regulatory processes
- Land owner and developer
 - Assemble and improve land
 - Joint ventures with private partners
- Information source that develops, maintains, and disseminates data and analysis on local development conditions and trends as well as monitors important trends and assumptions upon which plans, programs, and strategies are based.

Indirect Roles

- Act as a facilitator to convene multiple public and private entities to work on issues of local importance and reach consensus
- Maintain reasonable utility rates and adequate capacity
- Represent residents and businesses in regional and county-wide planning forums
- Mobilize community support by forming committees for issues, projects, and problem-solving
- Planning agency to select alternatives in land use and other infrastructure, environmental, and facilities areas with effective private sector input
- Regulatory body to enforce plans, policies, and regulations
- Low key marketing and image-maker to produce and maintain data and information usually through an organization like a chamber of commerce, visitors bureau, or other association of local businesses

In the State of Washington, the actions, especially direct roles a city may take are limited by the State Constitution and judicial interpretation. Direct financial assistance through loans, grants, and tax rebates are severely limited or forbidden. Voters have consistently reinforced this position when they have had the opportunity to authorize tax-increment financing¹. Often, available tools that directly provide public financial assistance in other states are not available to communities in Washington State.

¹Tax increment financing is a device for a city to invest in infrastructure in cooperation with development or redevelopment of property based on the future tax base generated by the development.

II. Specific Economic Development Activities of Cities in Washington State

Those local governments in Washington State that have had on-going economic development programs have concentrated activities in several types of programs. These economic development programs have been located in various parts of the City organization, for example:

- Executive Department including the Mayor or Chief Administrative Officer
- Planning and/or Community Development Department
- Finance Department
- Office of Intergovernmental Affairs, Community Relations, Neighborhoods, Policy Planning, or Long-Term Planning
- Public Utilities
- Separate departments or agencies for economic development

The following are examples of the types of activities that have typically been conducted:

- Data gathering, analysis, information systems maintenance and monitoring
- Program and project
 - Development
 - Evaluation
 - Implementation
 - Marketing
- Sponsored employment and training programs
- Coordinated and mobilized financial assistance using State and federal program funds, such as facility grants, loans, and revolving loan funds
- Provided support for chambers of commerce, development councils, tourist and convention bureaus
- Sponsored and funded area or issue-oriented planning programs
 - CBDs
 - Neighborhood business districts
 - International trade
 - Waterfront development
 - Historic preservation and cultural programs
- Coordinated intergovernmental and private sector liaison
- Served as ombudsperson for private firms dealing with public regulatory process
- Provided empathetic inspection and regulation by codes
- Public works and infrastructure investments in areas to prepare or repair them to entice private investment, projects have included:
 - Roads
 - Utilities
 - Parks and open space
 - Public assembly buildings
 - Arenas

- Parking facilities
- Stadiums
- Convention centers
- Tourist attractions
- Waterfront facilities
- Purchase of property with urban renewal or environmental remediation by the public agency and resale to the private sector

III. Guidelines for Effective Economic Development Programs

The success of economic development programs have rested on several characteristics:

- Material and leadership support from mayor, councils, and city managers
- Willingness of city elected and administrative leaders to work creatively and cooperatively with private sector leaders and businesses
- Ability and willingness for cities to fund dedicated technical staff
- Ability to target infrastructure projects and programs to encourage development or redevelopment of specific areas
- Working aggressively to secure state and federal funds for local public and private assistance
- Staff that have been proactive and knowledgeable in working at ways within city legal and budget constraints, and community tolerances to assist businesses and the real estate development process
- Ability to react quickly and consistently to provide assistance for private sector dealings with the public planning and regulatory process
- City staff's ability to link several programs, departments, and leverage limited funds together to take effective action
- Cities are really only limited by their imagination, community support, and persistence.

IV. Alternative Economic Development Strategies

Studies of employment growth experience in local communities has shown that the large majority of new employment opportunities are generated by expansion and retention of businesses that are already located in the community. The relocation of firms from other parts of the country or new plant locations are rare and do not account for a significantly large share of local employment growth relative to overall employment growth in the U.S. New businesses that are the result of new business start-ups, spin-offs from existing local firms and new business ideas and technologies are usually the second most effective way that communities increase employment and businesses within a local area.

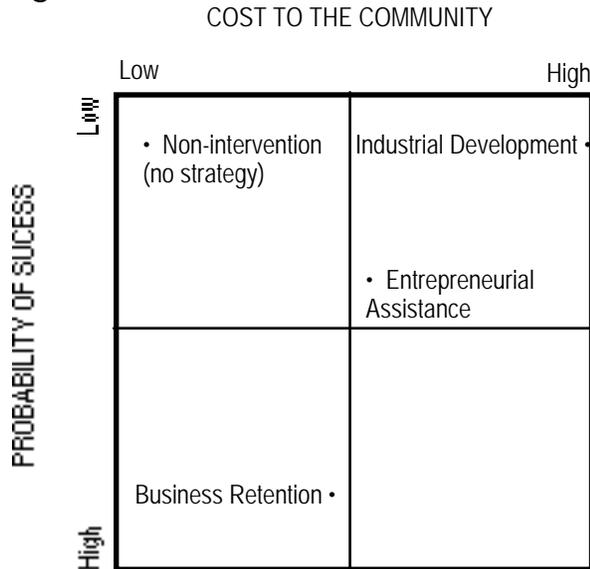
There are three main local economic development strategies or tools that a local government can utilize to impact the level of private business growth in a community. These economic development strategies are:

- Industrial Development:
I.e. programs and projects to recruit new businesses into a community often with direct financial incentives.

- Business Retention:
Resolving problems for local businesses so that they can expand locally rather than leave. This strategy also encompasses local real estate development to create spaces for jobs, i.e., the supply of job spaces or real estate.
- Entrepreneurial Assistance:
Encouraging new business formations usually through indirect methods.

Figure 7-1 graphically illustrates the trade-offs inherent in the four general alternative strategies that provide the focus for influencing private decision-makers. Industrial development or recruiting strategies require a significant investment in staff, travel and media, but large relocations only occur in a few communities each year so the probability of significant employment increases from outside the community are small. Doing nothing costs little but also has only a random chance of success. Assisting brand new firms has much better prospects for success but significant costs as technical assistance or direct subsidies are expensive; however, assisting existing local firms with expansion plans typically costs less with much better prospects for returns to the community.

Figure 7-1 Trade-offs with Economic Development Strategies



Human resource programs

Human resource programs are a fourth way besides the three alternative basic economic development strategies whereby cities can be effective at economic development. The previous three general approaches to economic development strategies try to raise revenues, reduce costs, or reduce risks for business location, facility investment decisions, and operating decisions of businesses. Human resource programs operate in several ways to improve the local labor force and household directly:

- Remediation
Temporary support for under and unemployed and their families
- Training and retraining
To improve individuals' abilities to enter or remain in the work force

- Job market improvements
Referral programs, etc. that allow labor resources to be mobile and respond to job openings
- Social service programs
That provide for the needs of community residents who are temporarily not able to participate in the economy

Usually cities help local social service agencies (public and private), schools, and federal and State agencies deliver these programs with finances, facilities, or leadership. In the State of Washington, most of these activities are either handled by the State or regional/county agencies, usually not by smaller cities and towns.

V. Corporate Decision Location Criteria

Whether firms move or expand within the Central Puget Sound region; locate into this community from outside of this region; or are brand new firms, these decision-makers consider the overall character of the community. Historically and traditionally, firms located close to the resources they needed or the transportation system, as those factors, along with labor, were important cost determinants. In recent years, firm location decisions are driven by a somewhat different set of factors.

Table 7-7 reports the results of an analysis of corporate decision factors and quality of life factors recently reported by one of the largest U.S. accounting/consulting firms. An indication of which of those factors are in the direct and indirect control of the City of Marysville has been added. In addition, the other agencies and entities that influence these factors besides the local city government have been added. Most of these factors are not directly under the influence of the City of Marysville.

CITY OF MARYSVILLE • COMPREHENSIVE PLAN

Table 7-7 Corporate Decision Location Criteria

FACTORS	CITY OF MARYSVILLE'S ABILITY TO INFLUENCE	INFLUENCE BY OTHER LOCAL AGENCY/GROUP
Quality of Life Index/Management and Employee Criteria		
Housing Quality/Neighborhood Integrity	I	S.C.H.A.*
Education Quality	N	School District
Employment Security and Choice	N	—
Police Services and Perception of Security	D	—
Shoppers Goods: Availability and Choice	I	—
Medical Services and Depth of Expertise	N	—**
Regional Recreational Offerings	I	Tulalip Tribes, U.S.F.S. and Snohomish County
Cultural Opportunities	P	Private Sector and Tulalip Tribes
Transportation System/Ease of Access	P	State and County
Taxation Levels/Public Services Provided	D	—
Integrity of Political System	D	—
Climate	N	—
Landscape Quality	I	Private Sector
Employer/Business Preference Criteria		
Quality of Life Index	See Above	—
Area Work Ethic	N	—
Area Tax Considerations	D	—
Available Labor/Clerical Pool	I	—
Political and Business Coalition	D	—
Advance Growth Planning	P	—
Regional Economic Outlook	N	—
Financing and Other Assistance	I	—
University R&D Capabilities	N	State
Gateway Airport Regional Transportation	N	Port of Seattle, State, Snohomish Co. and City of Arlington
Incubator Opportunities	N	State
Access to Foreign and Domestic Markets	N	Ports of Everett/Seattle

Source: Ernst & Young, 1994; Economic Consulting Services

Legend: D—Directly controls through services and facilities, P—Partial control with other local, regional or state agencies

I—Indirectly controls through planning and regulation

N—No control responsibility rests with other agencies or private market forces

* — Snohomish County Housing Authority and other groups concerned with meeting local needs for shelter and affordable housing

** — U.S. Forest Service

CITY OF MARYSVILLE • COMPREHENSIVE PLAN

There are many entities that have a role in local economic development within and near Marysville. Table 7-8 displays the entities and suggests roles that they play. Many of these roles are joint or cooperative activities or should be. There are some roles related to planning, regulation, and capital facilities where the City has a significant and initiating role.

Table 7-8 Local Entities Strategic Roles

	City 1	County 2	Port 3	EDC 4	Chamber 5	School 6	PIC 7	HSS 8
ECONOMIC DEVELOPMENT								
· Industrial Development	B C	B	B	A	B	C	C	C
· Business Development & Retention	A	C	C	C	C	C	B C	—
· Entrepreneurial Development	A	C	C	C	C	C	B C	C
· Human Resources	B C D	B C D	C	C D	C D	A	A B	A
LAND USE								
· Planning	A	C	C	C	C	—	—	—
· Regulation	A	C	—	—	—	—	—	—
INFRASTRUCTURE								
· Planning	A	C	C	—	—	—	—	—
· Financing	B C	C	C	—	—	—	—	—
TRANSPORTATION								
· Planning	A	C	B C	—	—	—	—	—
· Financing	B C	B C	B C	—	—	—	—	—

Headings:

- 1 City of Marysville
- 2 Snohomish County
- 3 Port of Everett
- 4 Snohomish Economic Development Council
- 5 Chamber of Commerce and Downtown Assoc.
- 6 School District
- 7 Private Industry Council
- 8 Human and Social Service Agencies

Legend:

- A Leadership Role
- B Support with Financing
- C Support with Cooperation and input
- D Explore Options
- No Role

VI. Economic Development Policy Options

Communities have a choice about how active or passive they will be with respect to their role, policies, and activities for economic development. If a city decides to adopt the minimum functions required by law and community will, it leaves itself entirely to the whim of market forces. At the other end of the spectrum, to shape, divert, or change market forces, a community would have to expend a large amount of time, funds, and community energy. In the case of a smaller community, this is usually more difficult. However, occasionally a smaller community with the strength of a strong community consensus and tangible assets may reverse or even create market forces, e.g. Leavenworth, Washington.

Table 7-9 presents a range of philosophies, activities and tools that communities can use to implement economic development policies. The exact and specific details and issues will of necessity vary by community. The Economic Development Committee reviewed these illustrated ranges of policies before they crafted their own set of policies for economic development described in Section II. Those policies typically were a continuation of the "transformation" and "maintenance" policies. If one phrase were used it might be a "balanced policy."

The policies presented here are for informational purposes to illustrate the range of actions available to local communities.

Table 7-9 General Economic Development Policy Options

	AGGRESSIVE POLICY	TRANSFORMATION POLICY	MAINTENANCE POLICY	NON-INTERVENTION POLICY
1. GENERAL PHILOSOPHY	Growth-oriented	Growth moderate	Retain economic base related to market factors of locale	Only market forces decide growth
	Want rapid increase in population and business	Target certain industries or kinds of firms to diversify	Assist existing local firms to expand only	No particular protection of environment
	Few restrictions or regulations	Pursue a quality environment	Quality of environment important	Environmental quality directed by market forces
	Will accept any industry or firm	Growth funneled to certain areas or only for some industries	Protect and preserve current local character	No particular attempt to guide growth
	Stimulate growth in all areas of the community	Emphasis on redevelopment and annexations	Emphasis on in-fill and build-out within current boundaries	
2. ACTIVITY EMPHASIS	Industrial recruiting and business retention active; significant assistance to new businesses	Respond to specific requests by local and new firms for assistance; criteria for assistance	Emphasis on business development for existing businesses to expand	Only caretaker government functions for business
	Intense national and regional marketing and promotion	Emphasis on business development for existing businesses to expand	Respond only to specific requests by local firms for assistance	Routine public works and utilities - minimum expenditures for expansion as needed
	Public works for all industrial/commercial areas	Public works for some nonresidential areas only	Public works/utilities maintained so existing systems are not over utilized and costs are covered	Routine public service delivery
	Lowest possible public utility prices and facilities subsidized by community	Public works/utilities maintained so existing systems are not over utilized		

Table 7-9 General Economic Development Policy Options, continued

	AGGRESSIVE POLICY	TRANSFORMATION POLICY	MAINTENANCE POLICY	NON-INTERVENTION POLICY
3. EXAMPLES OF TOOLS NECESSARY	Special Emphasis on Direct Methods Financial assistance available to all new and existing businesses Significant economic development staffing Heavy private sector funding Government and business resources very active - boosterism Large local, state or federal assistance to all City resources for external marketing Use infrastructure investment to attract new firms to some areas Infrastructure built in advance Master plan nonresidential areas and issue Environmental Impact Statement (EIS) Favorable development regulations and incentives	Selective Use of Direct and Indirect Methods Financial assistance for specific industries or areas Economic development staff focused on specific areas Government and private resources targeted to areas Local, State-federal funds targeted to industries or areas Use infrastructure investment to attract new firms to some areas Actively utilize State and County external marketing resources Development and financing incentives for limited nonresidential areas Infrastructure planned and designed, financed in partnership Subarea plans and issue Environmental Impact Statement (EIS) Favorable development regulations and incentives	Limited Use of Direct Methods No special tax breaks or incentives provided Area renewal programs Assistance only to halt flight of businesses Government and private resources to maintain status quo Maintain existing infrastructure Provide information through local organizations Maintain current infrastructure equity with residential areas Concurrency policy for infrastructure Comprehensive plan designations and zoning Status quo in development regulations	Minimize Government Actions No subsidies No area renewal programs No state or federal funds used Private sector only for fraternal activities No government leadership No special marketing efforts Concurrency policy for infrastructure Comprehensive plan designations and zoning Minimal development regulations

Economic Development Element

F. STATE, REGIONAL AND COUNTY ECONOMIC DEVELOPMENT GOALS AND POLICIES

The City of Marysville's Economic Development Policies will not operate in a vacuum. Besides the dimensions of local, regional, national, and international market forces, there are State, regional (the four-county Puget Sound Regional Council), as well as Snohomish County economic development policies. In addition, the Economic Alliance Snohomish County has suggested policies for local governments to adopt under the Growth Management Act. To some extent, the City of Marysville is bound by such policies except they are typically so general that each specific community has to interpret and shape their own to deal with their own issues.

The policies from the following documents were reviewed and incorporated as appropriate into this document: Growth Management Act, Puget Sound Regional Council's Vision 2040, and Snohomish County's General Policy Plan and Economic Development Element. Please see the full Economic Development Element for a more extensive discussion of these plans.

G. STRATEGIES FOR PLANNING AREAS WITH HIGHEST ECONOMIC DEVELOPMENT POTENTIAL

North Marysville provides a rare opportunity to provide suitable land for large or extremely large industrial or commercial uses. The Smokey Point Neighborhood located east of I-5 from 122nd Street to the north City limits is the City's planned jobs center. The Smokey Point Master Plan Area will accommodate much of this growth. The Smokey Point Master Plan Area exhibits several characteristics that make it appealing to larger industrial and commercial users. It is located within two miles of I-5, with access to the freeway at 172nd Street (SR 531) and at 116th Street. An opportunity exists to provide an additional freeway access between 172nd and 136th at 156th Street which presently has an overpass but is not a full interchange. Access to the Smokey Point Master Plan Areas is provided by a grid arterial system that includes 172nd Street, 152nd Street, 136th Street, Smokey Point Boulevard, and 51st Avenue. This area is also served by a railroad spur leading to Arlington from the north-south BNSF main line.

The parcels in the Smokey Point Neighborhood and Smokey Point Master Plan Area are generally flat, vacant, or under developed, an important characteristic for large industrial and commercial users. Sewer and water service are provided by the City of Marysville, which has treatment and source capacity for such uses already available or under construction. Major sewer and water lines are near the area and available for extension.

Parcels within the area range from 5 acres to over 90 acres, with the potential to assemble much larger parcels. Designating this area for industrial use, and adoption of the Smokey Point Master Plan, has laid the foundation for the area potentially becoming the next Canyon Park, Harbour Pointe, or Southwest Everett in Snohomish County. As Snohomish County becomes increasingly urbanized, the options for significant areas for large industrial and commercial activities have been eliminated south of Arlington. North Marysville is the next, and possibly last, logical area along I-5 to accommodate such activity.

The Canyon Park industrial area has been substantially developed. Height limits in some areas are expected to increase to attract the more intense office and research activities expected as the "eastside" of King County continues to fill up. Extensive industrial and commercial uses will have difficulty finding space in the Canyon Park area.

Harbour Pointe still has some potential, and some vacant existing buildings and land. This area, together with Southwest Everett, can be expected to absorb much of the growth associated with the Boeing Company, as they seek to contract out major portions of the aircraft production. Southwest Everett still has about 300 to 400 acres of vacant land available for industrial development. However, the largest remaining contiguous parcel is about 200 acres.

Necessity for Pre-Planning

History of Canyon Park and Harbour Pointe.

In 1961, a 6,700 acre area near Paine Field Airport was annexed to the City of Everett. Approximately 4,000 acres, the area closest to Paine Field, was designated for industrial park uses and zoned industrial. Due the availability of this unique combination of proximity to Paine Field, existing large parcels, appropriate zoning and reasonable proximity to I-5, in the mid 1960's Boeing purchased about 700 acres for their 747 plant. The availability of adjacent vacant industrial land permitted Boeing to continue land acquisition, ultimately assembling 1,000 acres in Southwest Everett. Boeing also purchased hundreds of acres in Harbour Pointe, and leased substantial land and buildings throughout Southwest Everett and the other industrial areas near their plant. These actions enabled Boeing to expand their plant to accommodate the 767 and 777 model aircraft. In 2004, Boeing began restructuring its manufacturing processes by contracting out many of the parts for the 7E7 (now 787 Dreamliner) airplane and for future construction of all of their Everett built aircraft models. Many Boeing suppliers have located near their campus. In addition to Boeing, a number of large and small industrial and warehouse companies have elected to locate in Southwest Everett, Harbour Pointe, and the nearby industrial area.

Planning and development of the infrastructure serving Southwest Everett began in the mid 1960s when Boeing announced their 747 Plant. Further planning and development of the infrastructure began in the mid 1970s. The long lead times were necessary to develop the plans, establish the funding, and construct the significant capital facilities necessary to serve this area. Improvements to the freeway's access and capacity, a new arterial network, additional sewer and water treatment and transmission capacity, sewer collection, and water distribution grids evolved over the next 25 plus years.

In the 1990s, Everett worked with Boeing to convince the State Legislature to create an opportunity for communities to pre-plan for development of designated areas. These "planned action" areas are intended to encourage development in appropriate locations by preparing the necessary plans for development in advance of that development, and to create a streamlined land use process. The first planned action area was created in Southwest Everett by the City of Everett. This action strengthened Everett's market position for industrial development. If Everett had not had the foresight in the 1960s to designate Southwest Everett for industrial uses, and planned and constructed the necessary infrastructure, Boeing and the other employers would not have been able to locate in this community.

Certainly there are few Boeing companies seeking such large parcels. However, the world economy does occasionally generate such a user. At such times, most communities have failed to set aside the assemblage of property necessary to be competitive in the world market. Marysville's and Snohomish County's last and best chance to be ready to compete in that market lies in north Marysville. As stated before, the area has freeway and arterial access, flat ground, and sufficient size to meet the needs of most large projects. Annexation of this area, zoning of the area for industrial uses, and adoption of the Smokey Point Master Plan are key attributes that make the area competitive.

Logical Boundaries

Historically, the City of Marysville expanded to the north and east from its origins on Steamboat and Ebey Sloughs. Proximity to the I-5 corridor and utility services provided incentives for the City and property owners to seek annexation. In 1990, the State adopted the Growth Management Act that identified 13 goals for development within the State. Local communities worked together to designate area appropriate for urban growth, rural and resource lands, and transition areas. Only areas within the Urban Growth Area (UGA) were eligible for annexation to cities. In fact, the process resulted in dividing UGAs between adjoining municipal corporations.

In the case of north Marysville, the situation was further guided by a 1996 agreement on the boundaries for Marysville and Arlington. An unusual element of the agreement was the designation of a large area as falling within Marysville's UGA, which, however, was only contiguous with the Marysville city limits at one corner of the property. In effect, it was separated from Marysville by an area not designated for urban growth.

Expansion of Marysville's UGA boundaries to include this undesignated area, has resulted in more logical municipal boundaries, and extension and delivery of services. Such action also resolved a conflict on a specific property that straddles the existing UGA/Non-UGA boundary. Marysville police, roads, and utilities no longer have to leave the City to serve this isolated property.

Unique opportunities

The State's Growth Management Act strongly encourages developments that are of an urban character to locate within existing cities or the UGA boundaries. This action facilitates the logical and efficient use of public facilities and services. It also supports the preservation of important rural, agricultural, and resource lands.

Occasionally, a use is identified that is unique and challenging to locate within the areas designated for urban development. It may be challenging to locate these unique uses because of the amount of land necessary for the use, functional requirements of the use, or its impacts on the surrounding community. Nevertheless it is important that they be located within the urban area.

APPENDIX A – MARYSVILLE EMPLOYMENT AND WAGE BACKGROUND SUMMARY, 2013

Since the last Comprehensive Plan Update in 2005, the City has experienced significant growth in population due in large part to several annexations, the largest of which was the Central Marysville Annexation which was finalized in December 2009. This has resulted in the City growing from approximately 30,507 citizens in 2005 to an estimated 62,100 citizens in 2013. The City, like the rest of the nation, has also been impacted by, and emerged from, the Great Recession. Given the population growth and recessionary impacts the City has experienced, updated employment and wage information is provided to reflect more recent economic conditions, and to compare the City's position in these areas relative to Snohomish County and the State of Washington.

a. Snohomish County Population Characteristics

- Snohomish County population growth (169%) outpaced the State's population growth (97%) from 1970 to 2010.
- Snohomish County's population over age 65 has also grown faster (186%) than the rate for the State (101%).

b. Snohomish County Employment Characteristics

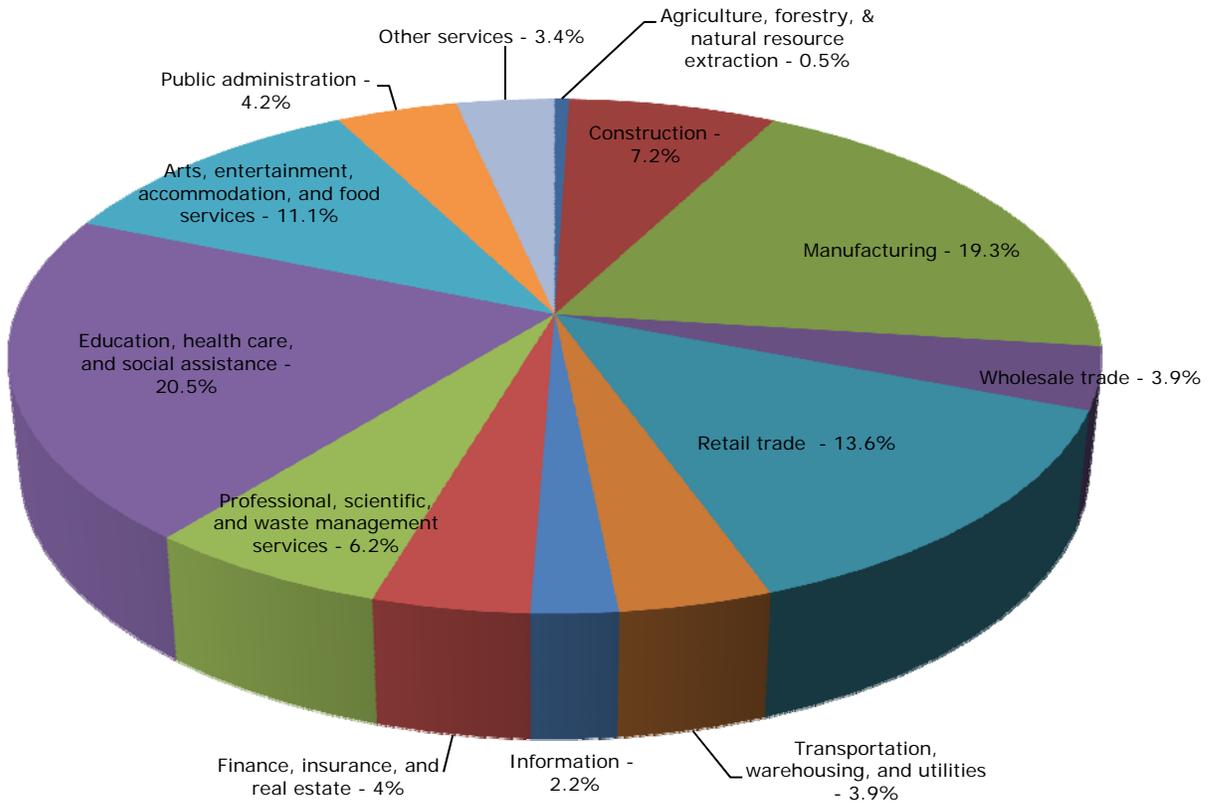
- Non-agricultural employment accounts for 99.6% of Snohomish County's labor force.
- Snohomish County has a greater concentration of manufacturing jobs than the State as a whole. In 2013, 17% of jobs in Snohomish County were in manufacturing while just 10.5% of jobs in Washington State were in manufacturing.
- Jobs in the construction sector account for 7% of jobs within Snohomish County and 6% of jobs within the State.
- Educational services, health care and social assistance, and retail trade are other major employment sectors in both Snohomish County and the State. In Snohomish County, 19.7% of jobs are in educational services, health care, and social assistance compared to 21.6% of jobs within the State. Retail trade accounts for 12.2% of employment in Snohomish County and 11.8% in the State.

c. Marysville Employment Characteristics

- Education, health care, and social assistance is the largest employment sector in the City (20.5 percent of employment followed by manufacturing (19.3 percent of employment). Rates of employment in manufacturing within the City exceed both State and County industry shares.
- Retail and wholesale trade is the third largest employment category in the City (17.5 percent of employment) and also exceeds both State and County rates.
- Marysville exhibits greater concentrations of employment than the State of Washington and Snohomish County in the following sectors: manufacturing; retail and wholesale trade; and entertainment, accommodation, and food services.

Figure 7-2 Employment by Industry within Marysville, 2013

Employment by Industry within Marysville



Source: U.S. Census Bureau, 2011-2013 American Community Survey 3-Year Estimates

Table 7-10 Employment by Industry – Washington State, Snohomish County, & Marysville, 2013

	Washington		Snohomish County		Marysville	
	Employees	Percentage of total	Employees	Percentage of total	Employees	Percentage of total
Agriculture and natural resources extraction	81,956	2.6%	2,672	0.8%	132	0.5%
Construction	191,470	6.0%	24,853	7.0%	2,112	7.2%
Manufacturing	334,625	10.5%	60,432	17.0%	5,635	19.3%
Wholesale trade	93,601	2.9%	8,752	2.5%	1,145	3.9%
Retail trade	375,280	11.8%	43,284	12.2%	3,975	13.6%
Transportation, warehousing, and utilities	163,769	5.1%	14,697	4.1%	1,131	3.9%
Information	73,119	2.3%	8,051	2.3%	637	2.2%
Finance, insurance, and real estate	175,109	5.5%	20,857	5.9%	1,157	4.0%
Professional, scientific, management, administrative, and waste management services	385,258	12.1%	38,102	10.7%	1,818	6.2%
Education, health care, and social assistance	686,109	21.6%	70,303	19.7%	5,998	20.5%
Arts, entertainment, recreation, accommodation, and food services	295,274	9.3%	31,453	8.8%	3,254	11.1%
Public administration	172,566	5.4%	13,910	3.9%	1,234	3.4%
Other services	154,324	4.8%	18,782	5.3%	1,004	3.4%
Total population or percentage of population 16 years and older employed	3,182,460	100%	356,148	100%	29,232	100%

Source: U.S. Census Bureau, 2011-2013 American Community Survey 3-Year Estimates, Selected Economic Characteristics for Washington State, Snohomish County & Marysville

d. Wage Summary

- In 2013, Snohomish County wages were 11.3 percent higher than the Statewide average. Wages within Marysville were about 9.8 percent lower than the Snohomish County average and 0.5 percent higher than the Statewide average.
- Marysville wages lag behind those paid elsewhere in Snohomish County in ten of thirteen industry sectors (see Table 7-11).

- Several sectors within Marysville experienced faster wage growth from 2009 to 2013 than Snohomish County. These sectors include wholesale trade (+11.6 percent); arts/entertainment/recreation/accommodation/food services (+56 percent); transportation/warehousing/utilities (+15.6 percent); public administration (+15.2 percent); education/health care/social assistance (+11 percent); and other services (+35.3 percent).
- Marysville's strongest three wage sectors include public administration, manufacturing, and transportation/warehousing/utilities.

e. Wage Trends

Total payroll in the City of Marysville increased 88.9 percent from 2009 to 2013 or from approximately \$595 million to \$1.12 billion. This dramatic increase in payroll appears to be a consequence of the substantial increase in the City's population that resulted from the Central Marysville Annexation which was finalized December 30, 2009. From 2009 to 2013, there was an 84 percent increase in the population over 16 years within the City from 25,579 in 2009 to 47,084 in 2013. Average wages per employee were stagnant during this period, growing only 1.4 percent from \$36,376 to \$36,887 during this period. While average wage growth was only 1.4 percent in the City during this time period, growth within Snohomish County was only moderately greater at 3.9 percent. The City fared far better than the State overall during this period, as there was over a 20 percent contraction in wages from an average annual wage of \$45,956 in 2009 to just \$36,722 in 2013.

In the City of Marysville, public administration, manufacturing, and transportation/warehousing/utilities are the highest paying sectors with a combined average wage per employee of nearly \$57,000 per year. Construction, information, and wholesale trade are also strong wage-earning sectors in the City. General services, retail trade, arts/entertainment/recreation/food services, and agriculture are the lowest paying sectors, with combined average wages per employee of approximately \$25,044, 126 percent lower than the average for the highest paying sectors combined. A summary of the City of Marysville's wages among the thirteen industry sectors is shown in Table 7-11 below, along with a comparison of City wages to wages in Snohomish County and the State of Washington. When comparing City wages to County figures, average annual wages per employee in the City exceed those in Snohomish County in only four of thirteen industry sectors (arts/entertainment/ /food services, construction, public administration, and other services.

Table 7-11 Marysville, Snohomish County, and Washington State Wages by Industry and Marysville Payroll, 2013

	2013 Total Estimated Marysville Payroll	2013 Total Number of Employees	2013 Annual Median Earnings Marysville	2013 Annual Median Earnings Snohomish County	2013 Annual Median Earnings Washington State	Marysville Earnings Relative to Snohomish County	Marysville Earnings Relative to Washington State
Agriculture and natural resources extraction	\$3,636,732	132	\$27,551	\$29,941	\$36,722	-8%	-25%
Construction	\$104,246,208	2,112	\$49,359	\$44,334	\$41,550	+11%	+18.8%
Manufacturing	\$295,138,760	5,635	\$52,376	\$61,167	\$52,258	-14.4%	-
Wholesale trade	\$47,911,380	1,145	\$41,844	\$47,740	\$41,506	-12.4%	-
Retail trade	\$89,306,325	3,975	\$22,467	\$27,908	\$25,710	-19.5%	-12.7%
Transportation, warehousing, and utilities	\$58,500,975	1,131	\$51,725	\$54,786	\$48,371	-5.9%	+6.9%
Information	\$27,689,753	637	\$43,469	\$52,231	\$51,735	-16.8%	-16%
Finance, insurance, and real estate	\$43,256,759	1,157	\$37,387	\$44,383	\$43,449	-15.8%	-14%
Professional, scientific, management, administrative, and waste management services	\$61,937,442	1,818	\$34,069	\$47,801	\$49,475	-28.8%	-31.1%
Education, health care, and social assistance	\$209,840,030	5,998	\$34,985	\$36,817	\$35,619	-1.8%	-1.8%
Arts, entertainment, recreation, accommodation, and food services	\$73,527,384	3,254	\$22,596	\$18,800	\$17,144	+20.2%	+31.8%
Public administration	\$80,981,250	1,234	\$65,625	\$61,691	\$55,473	+6.4%	+18.3%
Other services	\$27,674,256	1,004	\$27,564	\$26,618	\$23,811	+3.6%	+15.8%
Total or Average	\$1,123,647,254	29,232	\$36,887	\$40,901	\$36,722	-9.8%	+0.5%

Source: U.S. Census Bureau, American Community Survey 2013 Year Estimates

The following are key points regarding the data in Table 7-11:

- Public administration and manufacturing are the highest and second highest paying sectors respectively in the State, Snohomish County, and the City. Public administration compensation within the City is 6.4 percent higher than in Snohomish County and 18.3 percent higher than within the State overall. In 1999, manufacturing wages in the City were 39 percent lower than those in Snohomish County; however, by 2013 this gap had closed substantially with manufacturing wages in the City now only 14.4 percent less than in Snohomish County. There is no significant difference between manufacturing wages in the City compared to the State overall.
- Transportation, warehousing, and utilities are the third highest paying sector in both Snohomish County and the City, and the fifth highest paying sector in the State. Wages within this industry are fairly comparable among the City, Snohomish County, and State, with compensation being 5.9 percent lower in the

City than in Snohomish County and 6.9 percent higher in the City than in Washington State.

- Information is the fifth highest paying sector in the City, fourth highest paying sector in Snohomish County, and the third highest paying sector in Washington State; however, compensation in the City lags significantly behind compensation seen in Snohomish County (16.8 percent less) and the State (16 percent less).
- The compensation within the City for professional, scientific, management, administrative, and waste management services is substantially lower than in both Snohomish County and the State with City compensation 28.8 percent and 31.1 percent lower respectively. Compensation within the City is also substantially lower than in both Snohomish County and the State in the retail trade, information, finance/insurance/real estate, and agricultural and natural resource extraction industries.
- Compensation in the City lags behind Snohomish County in 9 of 13 industries, and exceeds Snohomish County in only 4 of 13 industries.
- Compensation in the City lags behind the State in 6 of 13 industries, exceeds the State in 5 of 13 industries, and is on par with the State in 2 of 13 industries.

Table 7-12 Percentage Change in Average Annual Wage per Employee (2009-2013)

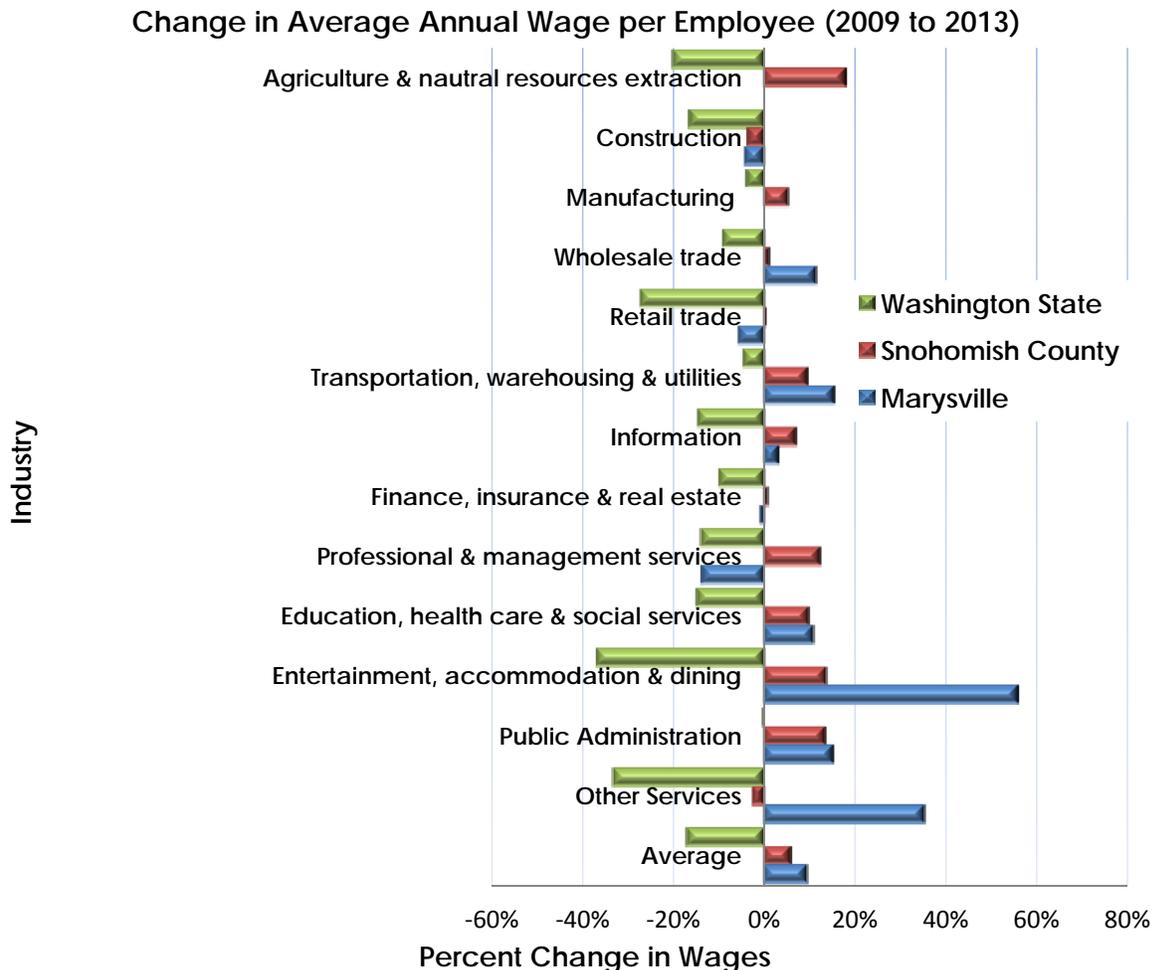
	2009 Annual Median Earnings Marysville	2013 Annual Median Earnings Marysville	Difference in Earnings in Marysville 2009 to 2013	2009 Annual Median Earnings Snohomish County	2013 Annual Median Earnings Snohomish County	Difference in Earnings in Snohomish County 2009 to 2013	2009 Annual Median Earnings Washington State	2013 Annual Median Earnings Washington State	Difference in Earnings in Washington State 2009 to 2013
Agriculture and natural resources extraction	\$2,500	\$27,551	-	\$25,392	\$29,941	+17.9%	\$45,956	\$36,722	-20.1%
Construction	\$51,508	\$49,359	-4.2%	\$45,996	\$44,334	-3.6%	\$49,755	\$41,550	-16.5%
Manufacturing	\$52,358	\$52,376	+0.03%	\$58,009	\$61,167	+5.4%	\$54,354	\$52,258	-3.9%
Wholesale trade	\$37,500	\$41,844	+11.6%	\$47,204	\$47,740	+1.1%	\$45,661	\$41,506	-9.1%
Retail trade	\$23,786	\$22,467	-5.6%	\$27,809	\$27,908	+0.4%	\$35,308	\$25,710	-27.2%
Transportation, warehousing, and utilities	\$44,745	\$51,725	+15.6%	\$50,033	\$54,786	+9.5%	\$50,674	\$48,371	-4.6%
Information	\$42,083	\$43,469	+3.3%	\$48,750	\$52,231	+7.1%	\$60,607	\$51,735	-14.6%
Finance, insurance, and real estate	\$37,708	\$37,387	-0.86%	\$43,974	\$44,383	+0.9%	\$48,207	\$43,449	-9.9%
Professional, scientific, management, administrative, and waste management services	\$39,493	\$34,069	-13.7%	\$42,541	\$47,801	+12.4%	\$57,432	\$49,475	-13.9%
Education, health care, and social assistance	\$31,528	\$34,985	+11%	\$33,505	\$36,817	+9.9%	\$41,812	\$35,619	-14.8%
Arts, entertainment, recreation, accommodation, and food services	\$14,473	\$22,596	+56%	\$16,548	\$18,800	+13.6%	\$27,141	\$17,144	-36.8%
Public administration	\$56,984	\$65,625	+15.2%	\$54,384	\$61,691	+13.4%	\$55,581	\$55,473	-0.2%
Other services	\$20,375	\$27,564	+35.3%	\$27,284	\$26,618	-2.5%	\$35,636	\$23,811	-33.2%
Total or Average	\$36,376	\$36,887	+1.4%	\$39,379	\$40,901	+3.9%	\$45,956	\$36,722	-20.1%

Source: U.S. Census Bureau, 2007-2009 and 2011-2013 American Community Survey 3-Year Estimates, Selected Economic Characteristics for Washington State, Snohomish County & Marysville

The following are key points regarding the data in Table 7-12:

- Between 2009 and 2013, wages in public administration, education/health care/social assistance, transportation/warehousing/utilities, and information experienced growth similar to rates found in Snohomish County. Construction wages contracted at similar rates both within the City (-4.2 percent) and Snohomish County (-3.6 percent). Wages in the arts, entertainment, recreation, accommodation and food services industry grew significantly more within the City (+56 percent) than in Snohomish County (+13.6 percent). Conversely, local wages in professional/scientific/management/administrative/waste management and other services diverged from countywide averages during the period with wages in the professional, scientific/management/administrative, /waste management industry decreasing by 13.7 percent in the City while increasing by 12.4 percent in the County, and wages in other services increasing by 35.3 percent in the City and decreasing by 2.5 percent in the County.

Figure 7-3 Percentage Change in Average Annual Wage per Employee (2009 to 2013)



Source: U.S. Census Bureau, 2007-2009 and 2011-2013 American Community Survey 3-Year Estimates, Selected Economic Characteristics for Washington State, Snohomish County & Marysville

APPENDIX B – QUIL CEDA VILLAGE ECONOMIC IMPACT STUDY (GARDNER/JOHNSON, APRIL 2002)

A. QUIL CEDA VILLAGE ECONOMIC AND FISCAL IMPACT ANALYSIS

The following are the major findings of the economic and fiscal impact analysis of Quil Ceda Village on the City of Marysville, completed by Gardner Johnson LLC. This analysis is based on the continuation of employment trends identified in 2002. All figures expressed are in constant 2002 dollars. The report provided the impetus for the City of Marysville to investigate new economic development strategies and has resulted in the City taking a more active role in encouraging and facilitating economic growth in our community. Assuming the economic initiatives, goals and policies herein are implemented, the City should be able to avoid some of the implications predicted by these findings.

- Federal regulations and tax exemptions associated with tribal lands provide significant development cost, financing, and tax advantages over non-tribal lands.
- The majority of research about the economic impacts of Indian casinos on nearby non-Indian communities has found that communities see positive, but frequently modest economic growth and little measurable social problems like crime.
- The majority of studies, however, have looked at casinos operated by more rural, economically isolated tribes and nearby equally distressed communities. Studies acknowledge that casinos in suburban areas may likely have different impacts on surrounding communities than expressed in past research including business leakage and capture.
- Construction of Quil Ceda Village through 2020 will create 2,476 jobs, with an additional 1,954 jobs created indirectly by ripple effects. Because construction is a temporary activity, the great majority of jobs will not be sustained permanently.
- Operation of the new casino complex will create roughly 1,300 jobs by 2012, with an additional 247 jobs created by ripple effects. New jobs as a result of casino operations will be permanently sustained so long as the casino is in operation. (Exhibits 2 and 3)
- Non-casino development at Quil Ceda Village will house 6,600 jobs, 77% of which will be in Retail Trade, Services and Finance, Insurance & Real Estate (F.I.R.E.). (Exhibits 4-6)
- Presently, roughly 13,000 more residents work outside of Marysville than work in Marysville (job leakage or job export). When compared to Mount Vernon, a similarly sized regional city with a lesser identity as a bedroom community, Marysville exports 10,000 too many (excess leakage).
- Assuming current trends, Marysville can be expected to have nearly 13,000 jobs in excess leakage by 2020. In addition, \$227.7 million in retail sales spending by Marysville residents can be expected to occur outside of Marysville by 2020 (retail sales leakage). (Exhibit 8)
- By 2020, development advantages on tribal land will have significant economic impacts on the Marysville economy. Non-casino development at Quil Ceda Village could capture as much as 41.3% of Marysville's excess job leakage and nearly 100% of Marysville's retail sales leakage. (Exhibit 9)

- Quil Ceda Village could capture as much as \$380 million in taxable sales leakage from Marysville. Taxable sales include transactions in all industries subject to retail sales tax, including retail sales, manufacturing, services and other sectors. The taxable sales leakage could amount to \$3.6 million annually. (Exhibit 10)
- Development locating in Quil Ceda Village rather than Marysville, due to cost and tax advantages on tribal land, would have contributed as much as \$768,000 annually in Marysville property taxes. (Exhibits 11 and 12)
- Quil Ceda Village traffic and associated law enforcement, road improvements, maintenance and emergency medical services will pose the greatest public service costs to the City of Marysville. The costs will go largely unrecovered because the traffic will be due to transactions and development outside of the Marysville tax structure.
- Law enforcement costs to Marysville related to Quil Ceda Village could reach as much as \$120,000 annually (Exhibit 14).
- Marysville road and intersection improvements for Quil Ceda Village traffic will cost roughly \$2.8 million through 2020. (Exhibit 14)
- The City of Marysville Public Works Department estimates annual street maintenance costs as a result of Quil Ceda Village traffic on Marysville roads to reach \$150,000 by 2006 and \$268,000 by 2020. (Exhibit 14)
- Emergency medical service to Quil Ceda Village-related traffic accidents in Marysville is estimated to cost from \$8,000 in 2003 to \$38,000 in 2020. After patient billing revenues are received for roughly 24% of calls, net costs are anticipated to range from \$6,000 in 2003 to \$29,000 in 2020. (Exhibit 14)
- Total fiscal loss, the combination of tax revenue leakage and public service costs, is projected to grow from as much as \$1.3 million annually in 2003 to as high as \$5.0 million annually in 2020. Revenue leakage will be the greatest factor (79% of total fiscal impacts). (Exhibit 15)
- Greater success in attracting future economic growth and expanding Marysville's existing economic base would serve to reduce future City revenue leakage. However, Quil Ceda Village will produce comparable traffic levels, and resulting City costs, no matter what success Marysville has in shoring up existing and projected future economic leakage.

B. MARYSVILLE BASELINE ECONOMIC ANALYSIS

Comparison of local economic trends with surrounding areas provides the base to evaluate microeconomic influences such as employment and payroll trends, sales tax characteristics and baseline business indicators. This section analyzes economic trends within Marysville, Snohomish County and the State of Washington. Comparative analysis of Marysville's economy with other communities throughout the County provides benchmarks for measuring the health of Marysville's economy.

a. Snohomish County Population Characteristics

- Snohomish County population growth (128%) outpaced the State's population growth (73%) from 1970 to 2000.
- Snohomish County's over age 65 population has also grown faster (186%) than the rate for the State (101%).

b. Snohomish County Employment Characteristics

- Non-agricultural employment accounts for 85% of Snohomish County's labor force.

- Snohomish County has a greater concentration of construction and manufacturing type jobs than the State as a whole.
- 25% of all jobs in Snohomish County are in the manufacturing sector (twice the State average).

c. Marysville Employment Analysis

- As compared to Snohomish County, Marysville has a higher concentration of jobs in Construction, Trade and Services.
 - Marysville's share of Construction jobs (12%) has been centered in new home construction.
 - Manufacturing job growth has largely been tied to growth at Boeing.
 - Trade jobs (34%-both retail and wholesale) are the largest employment sector for Marysville.
 - Service jobs (29%) are at a higher concentration than for the County but recent growth has lagged both the County and the State.
 - The fastest growing Marysville employment sector is wholesale trade.
 - Total employment for the City of Marysville increased 13% from 1995 to 1999, or from 8,784 employees to 9,949 employees. The City's five-year rate of employment growth equaled the State. However, Snohomish County as a whole grew faster, expanding by 16% in the five-year period.
- Between the years 1995 and 1999, employment in the City of Marysville increased the most rapidly from 1997 to 1998, when employment increased nearly 5%. The following year, the Marysville economy recorded its lowest growth rate in five years, expanding 1% from 1998 to 1999.

Table 7-13 1999 Employment by Industry

	Washington		Snohomish County		Marysville	
	Employee's (1000's)	% of Total	Employee's (1000's)	% of Total	Employee's	% of Total
Constr. & Mining	157.0	6%	15.9	7%	1,168	12%
Manufacturing	364.2	14%	60.3	28%	1,703	17%
TCPU ¹	139.8	5%	6.4	3%	301	3%
Trade	636.1	24%	48.0	22%	3,310	34%
FIRE	137.6	5%	9.3	4%	435	4%
Services	739.7	28%	45.6	21%	2,891	29%
Government	474.3	18%	31.6	15%	NA	NA
TOTAL	2,648.7	100%	217.1	100%	9,808	100%

¹TCPU, Transportation/Communication/Public Utilities

Source: Draft Economic Development Plan, November 2002, Gardner Johnson.

d. Wage Analysis – Industry Sectors Paying Family-Supporting Wages

- In 1999, Snohomish County wages were 5% lower than the Statewide average.
- In all classifications, Marysville wages lag behind those paid elsewhere in Snohomish County.
- Manufacturing and Construction jobs in Marysville were the only sectors to experience faster wage growth than Snohomish County.

- Marysville's strongest three wage sectors include Manufacturing, Construction, and Transportation/Communication/Public Utilities.
- In terms of future growth, Finance/Insurance/Real Estate might be the biggest growth sector for Marysville.

e. Sales Tax Analysis

- Taxable sales in Marysville has grown at a slightly faster rate than for the County as a whole.
- Marysville is highly dependent on retail commerce but has seen a drop in retail sales since the opening of Quilceda Village.
- Non-retail sales has grown in Marysville in recent years.
- Sales tax activity in Marysville has seen different eight-year trends than the County as a whole.
- Manufacturing in Marysville experienced the fastest growth in sales tax activity.
- Transportation, Communications, and Public Utilities is considered an up and coming business sector for Marysville.
- The Construction sector in Marysville is dominated by major building contractors and heavy construction contractors.
- The growth in manufacturing activity is centered in food products, textile mill products, paper/allied products and fabricated metal products.
- Retail activity (notably apparel and accessories) has taken the largest hit while other sectors (retail furniture, food stores, eating establishments, and building materials) have remained strong.
- Finance/Insurance/Real Estate (especially credit agencies) is one of the fastest growing sectors of the City's economy.

f. Small Business Administration (SBA) Activity

- Marysville Small Business Administration (SBA loan) amounts have been smaller than the State average.
- As compared to our neighboring cities, Marysville businesses have not used the SBA as a lending source.
- The City should consider increasing the awareness of the SBA program to local businesses.

g. SBIR (Small Business Innovation Research) & STTR (Small Business Technology Transfer Research Grants) Activity

- Roughly 60% of the State grant activity was centered in the Marysville market area (50-mile radius which includes Seattle)
- Small business research grants in the Marysville market area experienced greater growth rates than the State as a whole.
- With a high concentration of technology development firms in the City of Kent, combined with the high percentage of firms considering relocation, northern areas may be at a competitive advantage to capitalize on future technology opportunities.
- Electronics is the most dominant field for technology research.

h. Patent Activity

- Electronics, machinery (including computers), and measuring devices may be potential industry spin-offs from the Life Science and Biotechnology sectors and possible targets for future growth.

i. Summary of Major Findings

- Marysville exhibits greater concentrations of employment than the State of Washington and Snohomish County in the following sectors; construction, trade, and services.
- From 1995 to 1999, construction growth in Marysville far outpaced Snohomish County and the State of Washington, largely due to Marysville’s growth as a residential “bedroom” community for Everett and King County to the South.
- Although experiencing positive trends, manufacturing employment in the City of Marysville has not caught up with the high concentration due to Boeing operations in Everett.
- Despite increases countywide, transportation, communication and public utilities is the only declining, non-agriculture industry in Marysville.
- Trade (retail and wholesale combined) is the largest employment category in the City, outpacing both State and County industry shares.
- As Marysville’s retail employment growth has slowed, wholesale activity has dramatically picked up and has resulted in the fastest growing employment sector in the City.
- Finance, insurance and real estate employment has outpaced both County and State trends and reports the third fastest growing employment of all Marysville industries.
- The rate of Marysville service sector employment growth lagged behind the rates of growth in both State and County.

I. Wage Trends

Total payroll in the City of Marysville increased 23% from 1995 to 1999 or from approximately \$206 to \$254 million. However, with an increase from roughly \$23,500 to \$25,500, average wages per employee did not increase as rapidly as payroll, as evidenced by a 9% increase in wages despite a 23% increase in payroll during the same period. Although payroll outpaced wages from 1995 to 1999, the City of Marysville’s wages increased 2 percentage points faster than Snohomish County as a whole. Despite the faster growth at the City level, average annual wages decreased from roughly 73% of the County average wage in 1995 to approximately 66% of the County figure in 1999.

In the City of Marysville, T.C.P.U., manufacturing and construction are the highest paying sectors with a combined average wage per employee of nearly \$34,000 per year. Wholesale and F.I.R.E. are also strong wage-earning sectors in the City. Services, retail and agriculture are the lowest paying sectors, with combined average wages per employee of approximately \$20,400, 40% lower than average for the highest paying sectors combined.

A profile of the City of Marysville’s wages among the eight industry sectors is shown in Table 7-14 below, along with a comparison of City wages to Snohomish County and State of Washington. When comparing City wages to County figures, average annual wages per employee in the City do not exceed those in Snohomish County in any of the eight industry sectors, while only wages in the City’s agriculture, forestry and fishing sector exceed State figures.

Table 7-14 1999 Marysville Payroll and Wages by Industry

	1999 Total Payroll	1999 Total # of Emp.	1999 Annual Wage / Emp.	Wage Relative to Sno. Co.	Wage Relative to WA State
Ag., Forestry & Fishing	\$2,897,455	143	\$20,262	-16%	10%
Mining & Const.	\$38,100,603	1,168	\$32,620	-14%	-23%
Manufacturing	\$56,525,607	1,703	\$33,192	-39%	-31%
TCPU ¹	\$10,868,594	301	\$36,108	-8%	-22%
Wholesale	\$15,470,483	481	\$32,163	-13%	-27%
Retail	\$50,597,231	2,829	\$17,885	-9%	-14%
FIRE	\$13,327,009	435	\$30,637	-22%	-32%
Services	\$66,309,238	2,891	\$22,936	-13%	-49%
TOTAL	\$254,096,221	9,949	\$25,540	-30%	-34%

¹ TCPU, Transportation/Communication/Public Utilities

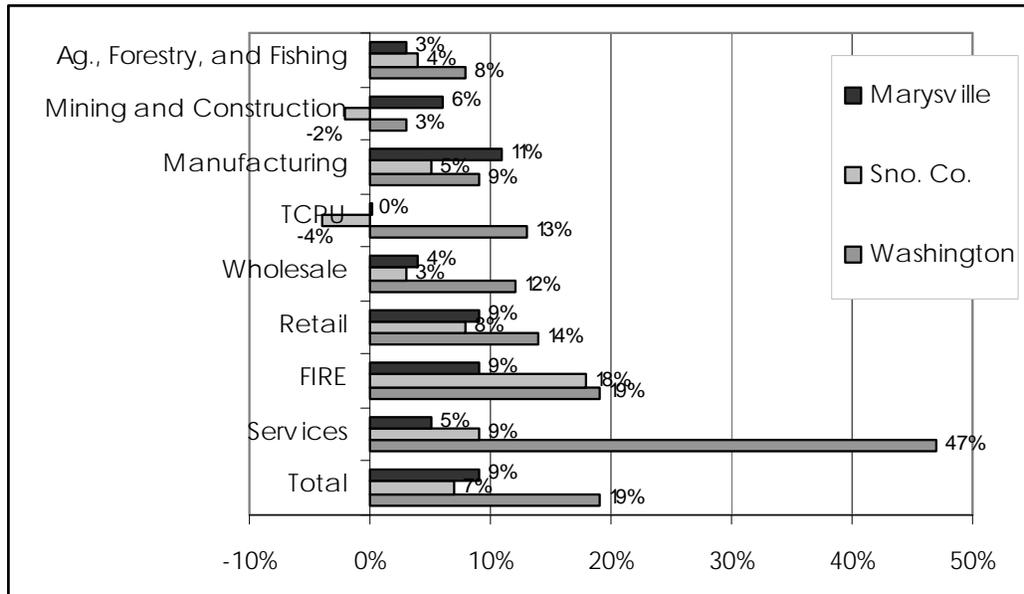
Source: Draft Economic Development Plan, November 2002, Gardner Johnson.

From Table 7-14 the following should be noted:

- Manufacturing is the highest paying sector in the State and County and is the second highest paying sector in the City of Marysville. Despite this, manufacturing wages in the City are 39% lower than Countywide.
- With an average employee wage of roughly \$23,000, services sector wages in Marysville are 49% lower than statewide and 13% lower than countywide.
- Although Marysville agriculture industry pays higher annual wages than statewide, agricultural wages in the city are 16% below the countywide levels.
- Construction is the third highest paying sector in Marysville despite being the sixth highest paying sector in the state.
- Between 1995 and 1999, wages in construction, manufacturing, T.C.P.U., wholesale and retail grew closer to countywide in those industries. Conversely, local wages in agriculture, F.I.R.E., and services diverged from countywide averages during the period

To further analyze wages in Marysville, the project team looked at the growth rates at the City level compared to County and Statewide trends from 1995 to 1999. Figure 7-4 illustrates the percentage changes in wages by industry sector for the State Washington, Snohomish County, and Marysville.

Figure 7-4 Percentage Change in Average Annual Wage Per Employee (1995 – 1999)



TCPU, Transportation/Communication/Public Utilities

Source: Draft Economic Development Plan, November 2002, Gardner Johnson.

From Figure 7-4 the following should be noted:

- For all industries, Marysville wages grew slightly faster than Snohomish County, although wages in both areas grew significantly slower than the State.
- All sectors at the State and City level reported positive growth, while construction and T.C.P.U. were the only two sectors at the County level to report negative growth.
- State wages grew at a faster rate than County or City wages in all sectors except for manufacturing and construction.
- Manufacturing and construction were the only sectors to experience more than a 1-point faster growth rate than Snohomish County growth during the same period.
- Despite increasing 13% at the State level, T.C.P.U. wages decreased in Snohomish County and stayed the same in Marysville.
- Manufacturing, retail, and F.I.R.E. reported the fastest growing wages within Marysville's industry sectors, while services, retail, and F.I.R.E. are the fastest growing at the State level.

II. Sales Tax Analysis

The velocity of taxable sales is a useful measure of the economic well being within the Marysville trade area. Therefore, this section provides an analysis of taxable sales for the City of Marysville for 1993, 1996, 1997, and 2001. As a result, the analysis identifies emerging trends in the City's economic base, as well as trends in sales tax activity since the construction of the Tulalip Tribes' Quil Ceda Village.

Taxable sales in the City of Marysville have grown at a slightly faster rate than the same data at the County level. From 1993 to 2001, total sales at the City level grew from approximately \$307 million to \$394 million, or 28%. In contrast, Snohomish County activity increased 23% during the same period. Like wholesale activity throughout Snohomish County, City sales tax activity increased faster between 1997 and 2001 (15%) than between 1993 and 1997 (12%).

The Marysville economy is highly dependent upon retail commerce. Retail accounted for roughly 59% of all taxable activity in 1993, outpacing Snohomish County, and increased its industry share to 61% in 1997. However, since 1997, Marysville’s retail outlets have felt the affects of the Tulalip Tribes’ retail developments. Retail sales within the City only increased by 6% from 1997 to 2001 after increasing more than 15% from 1993 to 1997. As a result, retail-related commerce lost industry share, decreasing from 61% in 1997 to 56% in 2001, an 8% decrease in activity.

Conversely, non-retail related activity increased 37% from 1993 to 2001, 11 percentage points higher than retail activity during the same period. Also, the majority of non-retail growth occurred from 1997 to 2001 when City activity increased 29%. This increase outpaced countywide growth of 8% during the same period and City growth of 6% from 1993 to 1997. Table 7-15 provides taxable sales by industry for years 1993 and 2001.

Table 7-15 Marysville Taxable Sales (in Millions) by Industry for Years 1993 and 2001

	1993 Sales	2001 Sales	City Share 1993	City Share 2001	1993-2001	1993-2001	1993-2001
Construction	\$47.4	\$57.2	15%	15%	21%	0%	21%
Manufacturing	\$19.7	\$18.0	6%	5%	-9%	-76%	282%
TCPU ¹	\$8.0	\$16.3	3%	4%	103%	35%	50%
Wholesale	\$16.7	\$20.2	5%	5%	21%	62%	-26%
Retail	\$181.4	\$221.5	59%	56%	22	15%	6%
FIRE	\$3.6	\$4.7	1%	1%	30	26%	3%
Services	\$29.1	\$52.9	9%	13%	82	28%	42%
Other (Pub Admin and Ag)	\$1.6	\$3.4	1%	1%	110%	47%	43%
TOTAL	\$307.4	\$394.2	100%	100%	28%	12%	115%

¹ TCPU, Transportation/Communication/Public Utilities

Source: Draft Economic Development Plan, November 2002, Gardner Johnson.

From Table 7-15 the following should be noted:

- As with Countywide trends, retail activity in the City of Marysville comprised the largest share of activity with 56% of the total sales in 2001. However, retail share decreased from a 1993 percentage of 59%.
- T.C.P.U. and Services were the only sectors to increase industry share while all other sectors either stayed the same or decreased.
- Marysville construction, manufacturing, T.C.P.U., and services sectors experienced greater growth from 1997 to 2001 than from 1993 to 1997. Only two sectors (construction and T.C.P.U.) at the county level grew faster from 1997 to 2001 than from 1993 to 1997.
- Manufacturing experienced the fastest growth in activity from 1997 to 2001 with 282% followed by, T.C.P.U. (50%), public administration and agriculture (43%),

and services (42%). Conversely, wholesale, retail, and F.I.R.E. experienced the slowest growth from 1997 to 2001.

- In the City of Marysville, construction, T.C.P.U., wholesale, and service sectors reported faster growth rates from 1993 to 2001 when compared to countywide trends.

III. Small Business Administration (SBA) Lending Activity

The level and diversity of lending to small businesses in an area can serve as one indicator of entrepreneurial activity and small business formation within a region. Consequently, the project team researched loans granted by the US Small Business Administration (SBA) to small firms in the State of Washington and the Marysville market area (as defined by a 50 mile radius around the City of Marysville) between 1990 and 2001. Specifically analyzed were trends in the number and dollar amount for SBA 7a and 504 loans, defined as:

SBA 7a Loans, A loan guaranty program designed for small business lending, typically filling gaps in capital needs including inventory, lines of credit, and real estate acquisition; and

504 Certified Development Company (CDC) Program, Assists growing businesses with financing for major fixed assets such as purchasing land and improvements, buildings, grading, street improvements, utilities, parking lots, and landscaping which typically contribute to community and economic development.

With a total of 4,421 SBA loans from 1990 to 2001, the Marysville market area accounted for roughly 36% of statewide activity. However, only 30% of the statewide total dollars were awarded to market area businesses during the study period, resulting in a 16% less average award per business from 1990 to 2001. Furthermore, lending requirements for market area businesses did not grow as rapidly as statewide needs as evidenced by a 42% increase in the number of loans from 1990 to 2000, compared to a 53% increase statewide during the same period.

From 1990 to 2001 and within a 78 zip code "market area", Marysville has the 13th highest SBA activity with 103 loans and over 24.2 million dollars. However, activity within the Marysville community, defined as zip code 98270, decreased 29% during the period, or from 14 loans in 1990 to 10 loans in 2000. Activity in the entire City of Marysville decreased 50% from 1990 to 2001. Furthermore, lending activity in the City of Marysville experienced declining trends from 1993 to 1997, with total number of loans decreasing an average of 26% per year, while total dollars awarded decreased an average of 19% per year during the same period.

From 1997 to 1999, SBA lending activity in the City of Marysville increased from 4 loans in 1997 to an eleven-year peak of 16 loans in 1999 (a 300% increase) before decreasing an average of 33% per year from 1999 to 2001. Communities nearby Marysville, such as Arlington (300%) and Everett (250%) saw dramatic increases in activity during the same period.

A summary of major findings of SBA lending activity analysis in the Marysville area follow:

- On average, a Marysville market area business requires smaller sized loans when compared to statewide averages as evidenced by an average market area loan award 16 % lower than the state average.
- Mainly due to decreasing trends in Agriculture and Mining activity, Marysville businesses do not have the lending requirements they once had a decade ago as evidenced by decreasing trends in the total number of loans awarded.

- Businesses in the Marysville's border cities historically have larger lending needs than Marysville based businesses, as evidenced by larger growth in lending activity and average loan amount.
- At the State level, even though SBA lending activity is dominated by the Retail and Service sectors, FIRE,
- Transportation/Communication/Public Utilities (TCPU), and Construction have increased their industry share more rapidly than any other sector.
- Although FIRE, TCPU, and Construction seem to be the emerging sectors in the State, within the Marysville border city area (Marysville, Everett, Arlington), activity in those sectors has decreased while Retail and Manufacturing remain high.

IV. Small Business Innovation Research (SBIR) and Small Business Technology Transfer Research Grants (STTR) Activity

The Small Business Administration maintains a database for all small firms engaging in technology research and development grants supported by the agency. The two main types of small business research grants are SBIR and STTR.

Small Business Innovation Research (SBIR), is designed to encourage small business product commercialization by providing incentives to explore technological enhancements. Since most innovation occurs, and innovators thrive within the entrepreneurial sector, the SBIR program targets small businesses with serious research and development needs. In turn, these businesses may not be able to incur the expense of facilitating these needs. Therefore, the program reserves a specific percentage of federal R&D funds for small businesses, and through the SBIR program enables small businesses to compete on the same level as larger businesses by awarding grants to qualified businesses to fund the critical startup and development stages and encourage the commercialization of technology products, or service, which, in turn, stimulates the economy.

Small Business Technology Transfer Research Grants (STTR), is designed to expand small business funding opportunities in the federal innovation research and development arena as it relates to expanding public/private sector partnerships and fosters joint venture opportunities for small businesses, as well as nonprofit research institutions. As with the SBIR programs, STTR is a highly competitive program focusing on the transition of technological theory into practical application.

Small businesses must meet all the requirements for the SBIR program with the one exception that the principal research does not need to be employed by the business. Furthermore, the grant process is very similar to the three-step process for SBIR; however the maximum Phase II award is limited to \$500,000, rather than the \$750,000 Phase II cap for SBIR.

The primary findings of analysis of small business research in the State of Washington and the Marysville area market follow:

- Small business research in the Marysville market area experienced greater growth rates than the State as a whole.
- With high concentrations of technology development within the City of Kent, combined with the high percentage of firms considering relocation, northern areas may be at a competitive advantage to capitalize on future technology opportunities.
- The high nine-year increases in total dollars and average award size of Phase II grants indicates an increasing cost of commercialization and product

development. As future research and development costs increase, assistance programs should be designed to support this phase of technological development.

- Electronics is the most dominant field for technology research and seems to be moving north to Bellevue, Woodinville, and Kirkland. With the Marysville market area accounting for a large percentage of state technology research, Marysville should position itself to further capitalize on spin-off activity and to collaborate with regional support programs.

V. Patent Activity

The United States Patent and Trademark Office (USPTO) tracks the number of patents filed and awarded in geographic regions of the United States. Patent data is also available at the county level by a unique technology classification system solely used by the USPTO. The USPTO records patent data, based on the residence of the inventor; therefore, patents may be assigned and eventually commercialized outside of the country in which the inventor resides. Consequently, this information is just one indicator of the entrepreneurial spirit and business activity that may result from patent activity.

For data analysis purposes, utility patent data within the State of Washington from 1990 to 1999 was collected. In addition to yearly trends for the nine-year period, historical data was also compared to 2000 and 2001 activity. In order to identify specific industry trends within patent activity, patent data was collected by technology classification; however, no correlation to Standard Industrial Classifications could be made.

During the study period, a combined 11,749 utility patents were awarded within the State of Washington; however roughly 71% of the State activity occurred in the five county . Marysville market area, or 8,369 total patents. Furthermore, King and Snohomish Counties lead the State in terms of total number of patents during the same period with 6,863 and 1,097, respectively; Clark (711), Pierce (543), and Spokane (444) round out the top five counties in the State. However, Lewis, Kitsap, and Walla Walla are the top three counties in terms of percentage growth in number of patents awarded from 1990 to 1999. Snohomish County ranked 16th in the state in terms of percentage growth, increasing 58% or from 85 patents in 1990 to 134 patents in 1999.

VI. Industry Cluster Analysis

This section evaluates the strengths and weaknesses of existing business clusters in the Marysville market area, generally defined as a fifty-mile radius around the City. The geographic comparison is then utilized to identify potential growth characteristics and opportunities facing both local and regional industries.

Business clusters are geographically defined, often concentrating in sub-regions within a state. The success of an individual company is not only affected by the companies own efforts, but also the success of regional clusters and inter-firm networks which ultimately produce supporting sectors through a multiplier effect. Therefore, the results of this analysis will identify potential sectors that may provide a framework to focus current and future business attraction and retention efforts within the City of Marysville.

General Regional Industry Characteristics

Washington State and the greater Seattle region are home to a diverse range of business sectors. As identified in a strategic plan prepared by the Northwest Policy Center for the State of Washington's Office of Trade and Economic Development, in 2001 the region saw an emergence of six clusters that have been identified based on the regions economic strength of business clusters when compared to the nation as a whole. The following industry sectors were profiled in the State report:

- Agriculture / Food Processing
- Biotechnology
- Forest Products
- Health Care
- Measuring Devices and Instruments
- Semiconductors

Of the six sectors identified in the State report, only one sector, Measuring Devices and Instruments, was identified as a predominant emerging sector in Snohomish County, largely due to concentrated activity in Everett. One emerging predominant sector, Biotechnology, was identified in King County, mainly due to activity in Bothell. Therefore, of the six sectors identified in the State report, there are no clear results as to which sectors are suitable for expansion in Snohomish County and the City of Marysville.

In addition to the six sectors identified in the State report, the Puget Sound Regional Council also identified regional industry clusters in 1999. These sectors include:

- Aerospace
- Biotech and Medical Research
- Maritime (including Fishery & Seafood, Ship & Boat Building, and Water Transportation)
- Computer-Related Companies: Software, Hardware, and Networking
- Telecommunications
- Wood Products

Of the sectors identified above, no clusters reported strong activity in the City of Marysville. With several large employers located in Everett and Marysville, however, aerospace or its supporting subsectors seem to be potentially well-suited for the City of Marysville. Furthermore, with over 600 jobs at 15 wood products companies in or near Arlington in 1999, wood products also had a strong economic impact in the area. An expanded list of industry clusters follows.

Table 7-16 Expanded Industry Clusters - Defined

Cluster	SIC	Description	Industry Sector	MSVL's LC
Aerospace	2672, 2891, 348, 372, 3812, 5088	Cellophane adhesive, Other Adhesives (plastics, epoxy, and paste), Ordnance and Accessories, Except Vehicles, Aircraft Parts and Supplies, Acceleration Indicators and System Components, Aerospace Types, and Aeronautical Equipment and Supplies.	Manufacturing and Wholesale	1.08
Biotech	28, 8731, 8733	Chemicals and Allied Products, Commercial Physical Research (including agricultural, biological, biotechnical and food research), Noncommercial Research Organizations (including biological, bacteriological, biotechnical, and medical research).	Manufacturing and Services	0.58
Electronics and Computers	35, 36	Industrial and Commercial Machinery, Computer Equipment, Electronic and Other Electrical Equipment and Components.	Manufacturing	1.36
Fabricated Textiles	34	Fabricated Metal Products (except machinery and transportation equipment).	Manufacturing	1.44
Information Technology and Electronics	481, 737, 871, 873, 874	Communication Services (including wireless), Computer Programming (including data processing), Engineering, Architectural, and Planning Services (including research and development services and business consultants).	TCPU and Services	0.68
Measuring Devices	38	Measuring, Analyzing, and Controlling Instruments; (including photographic, medical and optical, watches and clocks).	Manufacturing	0.77
Printing and Publishing	26, 27	Paper and Allied Products and Printing, Publishing, and Allied Industries.	Manufacturing	0.62
Wood	24	Establishments Engaged in Cutting Timber and Pulpwood;	Manufacturing	1.23

Products		Merchant Sawmills, Lath Mills, Shingle Mills, Cooperage Stock Mills, Plywood Mills and Veneer Mills Engaged in Producing Lumber and Wood Basic Materials; and Establishments Engaged in Manufacturing Finished Articles Made Entirely or Mainly of Wood or Related Materials.		
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¹ TCPU, Transportation/Communication/Public Utilities

Source: Draft Economic Development Plan, November 2002, Gardner Johnson.

Market Area and Snohomish County

The Marysville market area is home to over 113,000 businesses. Of these, over 85% are small or very small, each employing fewer than 25 people. Also, service and retail related business make up the majority of the business base with slightly over 60% of the total activity, while no other industry in the market area makes up more than 8% of total activity.

Conversely, the Snohomish County business base is slightly more diverse with 56% of businesses falling under the service and retail categories. Growing construction firms follow, comprising 12% of total activity. Snohomish County, as with the smaller Marysville market area, has a high percentage of small or very small business with 85% of firms falling into these two categories. In all sectors, however, very small businesses in Snohomish County have a higher percentage of industry totals when compared to the market area. The most notable difference is in the Transportation/Communication/Public Utilities (TCPU), as very small businesses in this sector represent 68% of all TCPU firms in Snohomish County while only 56% in the market area. Overall, there are over 32,000 businesses in Snohomish County, 69% of which, or 22,372 total, are defined as “very small”, employing fewer than five people.

Primary findings of analysis of industry clusters follow:

- Construction, manufacturing, and retail are the only industry sectors to report a location coefficient greater than one, indicating a competitive advantage in the City of Marysville.
- When comparing Snohomish County to the Marysville market area and Marysville to Snohomish County, Marysville businesses have a greater competitive advantage in only two industries: manufacturing and services.
- Manufacturing is the only Marysville industry to report a true specialization in the City within Marysville city limits with an estimated location coefficient 1.22 in all business regardless of size.
- Manufacturing in the City of Marysville reports a location coefficient greater than 1.0 in four of the five business size categories. “Small”, “medium”, and “large” sized manufacturing firms reported location coefficients greater than 1.20, indicating a true specialization in Marysville.
- However, with a location coefficient approaching 1.0, Transportation/Communication/Public Utilities (TCPU) and services may have a future competitive advantage in the City of Marysville.

Based on results of two-digit SIC code analysis, it is evident that manufacturing businesses have a strong competitive advantage in both Snohomish County and the City of Marysville. In addition to manufacturing, other industries that are prevalent and may have future opportunities at the local level are: services and TCPU. Although construction and retail businesses have a strong presence in both the City of Marysville and Snohomish County, due to the nature of these sectors (i.e. abundance of retail firms, Tulalip Tribes retail growth, housing market, low percentage of large firms, etc.) future business retention, attraction, and expansion opportunities may not be well-suited for these sectors.

APPENDIX C – EXECUTIVE SUMMARY WITH RECOMMENDED INITIATIVES FROM NOVEMBER 2002 CITY OF MARYSVILLE ECONOMIC DEVELOPMENT PLAN.

I. FOSTER COMMUNITY COLLABORATION AND LEADERSHIP

Initiative 1A – Strengthen Local Administrative Body

Recommended Actions:

- Select and implement appropriate organizational structure(s) to implement strategic plan.
- Establish an implementation task force and support committees.

Initiative 1B – Unite Participating Organizations

Recommended Actions:

- Engage a professional mediator.
- Conduct team building exercises.
- Improve leadership skills.
- Obtain commitments and support.

II. Enhance Community Image and Identity

Initiative 2A – Beautification of Commercial Core Areas

Recommended Actions:

- Establish a beautification and landscape committee.
- Establish a façade improvement program.
- Establish a theme/motif for each commercial core area.
- Improve and enforce design standards and code enforcement.
- Expedite State Avenue improvements.
- Enhance the appearance of overpasses, off-ramps, and freeway right-of-way.
- Create a mechanism for maintaining landscaping improvements.

Initiative 2B – Establish Commercial Core Gateways

Recommended Actions:

- Improve signage (theme) at gateways for each commercial core area.
- Promote Highway 9 as an alternative regional gateway into the City.

Initiative 2C – Establish Focal Points within Each Commercial Core Area

Recommended Actions:

- Expedite the development of the waterfront park.
- Enhance and maintain existing focal points.
- Expand commercial and industrial nodes.

III. Improve Existing Business Opportunities

Initiative 3A – Provide Support to Local Businesses

Recommended Actions:

- Establish a mailing and e-mail list of business and property owners.
- Expand awareness of, and availability to, local business and support programs.
- Conduct business workshops.
- Establish a city revolving loan fund.

- Utilize and promote proposed city programs.
- Conduct annual survey to identify service gaps and develop supplemental services as needed.

Initiative 3B – Implement a Business Retention Program

Recommended Actions:

- Establish and maintain a directory of businesses in each commercial area.
- Establish a proactive business visitation program.
- Conduct annual business satisfaction survey.
- Monitor, track, and assist businesses that had reported plans for relocation and/or expansion.

Initiative 3C – Improve Awareness of Commercial/Retail Establishments

Recommended Actions:

- Establish a permit and signage committee.
- Clarify and evaluate existing signage guidelines and ordinances.
- Promote historic registry and maintain historic sites.
- Develop and market a map of services within each commercial core area.

IV. Expand and Diversify Economic Base

Initiative 4A – Integrate Marysville into Regional Business Recruitment and Attraction Efforts

Recommended Actions:

- Develop an aggressive program to create new partnerships among regional agencies.
- Develop an inventory of commercial and/or industrial properties/land.
- Develop and maintain an online service referral program.
- Actively participate in local, regional, and national membership organizations.
- Prepare and market an informal package.

Initiative 4B – Strive to Become More Business and Industrial Friendly

Recommended Actions:

- Actively promote the City for its assets and attributes.
- Streamline existing and/or proposed development projects.
- Encourage mid-rise development.
- Investigate opportunities to offset environmental mitigation costs.
- Improve regulatory and government need.

Initiative 4C – Promote and Attract an Economic Catalyst for the Northern Commercial Core

Recommended Actions:

- Streamline existing and/or proposed development projects in the northern core.
- Proactively work with business and property owners to determine levels of interest in various types of development.
- Prepare market and/or feasibility study to identify and target suitable development projects.
- Prepare a competitive analysis for all proposed developments.
- Develop and implement an appropriate business attraction plan.
- Encourage cluster development in the northern commercial core.
- Monitor demand for existing and proposed business parks.
- Provide assistance to encourage development.

V. Support Recreation and Tourism Advantages

Initiative 5A – Improve Tourist Information

Recommended Actions:

- Develop a welcome package.
- Develop a binder of local and regional attractions.
- Develop and enhance existing regional flyers.
- Develop a local map of services within the commercial core areas.
- Support tourist and business organizations.

Initiative 5B – Expand Recreational and Tourism Business Opportunities

Recommended Actions:

- Establish a full-time events coordinator.
- Continue to support recreational assets and community events.
- Investigate additional community events.
- Actively promote activities with the Tulalip Tribes without surrendering identity.
- Attract regional events that utilize Marysville Parks and Recreation assets.
- Investigate opportunities to expand bus/shuttle services linking City attractions to proposed developments and regional sites.
- Improve pedestrian walkways and paths linking assets to business opportunities.

VI. Improve Transportation and Infrastructure

Initiative 6A – Improve Automobile and Pedestrian Circulation

Recommended Actions:

- Expand the traffic advisory committee.
- Expedite State Avenue improvements.
- Implement recommendations and actions established from existing traffic circulation plans.
- Improve bicycle pathways linking residential areas to each commercial core area.
- Create incentives and promote the utilization of public transportation.
- Investigate the opportunities to develop a train stop for regional commuters.

Initiative 6B – Improve Traffic Flow on Overpasses and Off-Ramps

Recommended Actions:

- Investigate opportunities for additional I-5 off-ramps.
- Improve appearance of overpasses, freeway right-of-way, and off-ramps in conjunction with theme.
- Promote Highway 9 as an alternative regional gateway into the City.
- Expand east/west capacity for access to I-5 and Highway 9.

Initiative 6C – Increase Infrastructure Support throughout Commercial Core Areas

Recommended Actions:

- Prepare a strategic plan to support infrastructure advancement.

VII. Improve Government and Regulatory Environment

Initiative 7A – Improve Responsiveness and Sensitivity to Local Conditions

Recommended Actions:

- Establish a permitting and signage committee.
- Develop a suggestion box and/or e-mail for communication.

Initiative 7B – Simplify the Permitting Process

Recommended Actions:

- Streamline the permitting process.
- Develop a uniform plan to improve the consistency between City departments.

Initiative 7C – Expand Opportunities to Develop/Redevelop Properties in the Commercial Core Areas

Recommended Actions:

- Hire a consultant to prepare an industrial lands need analysis based on a population growth projection.
- Identify environmental and other development constraints associated with commercial and industrial properties in the commercial core areas.
- Develop a mechanism to assist property/business owners with better understanding of the development and environmental review procedures associated with commercial and industrial zoned properties.
- Evaluate land uses in conjunction with build out and industrial land goals.
- Investigate opportunities to revise existing or adopt own DOE stormwater manual.

VIII. Enhance Employment and Housing Opportunities

Initiative 8A – Prepare Marysville Residents for Current and Future Jobs

Recommended Actions:

- Expand opportunities to improve workforce preparedness at the K-12, community college, and university levels.
- Investigate opportunities to create youth training centers.
- Improve existing school system and facilities.
- Aggressively continue to attract a higher learning institution.

Initiative 8B – Improve Awareness of Employment Opportunities

Recommended Actions:

- Establish a workforce development committee.
- Establish and maintain linkages with local career centers.
- Establish a program to have employment information distributed utilizing the internet.

Initiative 8C – Provide Direct Educational Support to Marysville Employees

Recommended Actions:

- Develop employee training kit.
- Develop and conduct classroom training sessions.
- Establish an employee evaluation and award program.

Initiative 8D – Maintain Employee Housing Opportunities

Recommended Actions:

- Prepare a comprehensive housing needs and analysis.
- Increase quality of housing stock to own or rent.