

**ECONOMIC VITALITY ELEMENT  
BACKGROUND REPORT**

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**TABLES AND FIGURES**  
(None in Volume 2)

**TECHNICAL APPENDIX, VOLUME 3**

|             |   |                    |
|-------------|---|--------------------|
| Table EV-1  | 1980 to 1990 Population Growth Comparisons  | Technical Appendix |
| Table EV-2  | 1990 Household Size   | Technical Appendix |
| Table EV-3  | 1991 Population Density   | Technical Appendix |
| Table EV-4  | Demographic Comparison  | Technical Appendix |
| Table EV-5  | Employment Base   | Technical Appendix |
| Table EV-6  | Service Industries  | Technical Appendix |
| Table EV-7  | Comparison of Eastside Job Centers  | Technical Appendix |
| Table EV-8  | Employment History and Projections: 1980-2020                                       | Technical Appendix |
| Table EV-9  | Percentage of Multifamily Units   | Technical Appendix |
| Table EV-10 | Eastside Office Space Available for Lease   | Technical Appendix |
| Table EV-11 | Eastside Industrial/Business Park Space for lease                                   | Technical Appendix |
| Table EV-12 | Local Tax Base Available  | Technical Appendix |
| Table EV-13 | Corporate Decision Location Criteria  | Technical Appendix |
| Table EV-14 | General Economic Vitality Policy Options  | Technical Appendix |
| Figure EV-1 | Economic Development: Public-Private Roles  | Technical Appendix |
| Figure EV-2 | Trade-offs for General Economic Development<br>Strategies and Cost to the Community | Technical Appendix |

Note: Comprehensive Plan Technical Appendix contained in a separate document.

# ECONOMIC VITALITY ELEMENT BACKGROUND REPORT

*"The city is one thing, a place of dynamic activity . . . the countryside is another, with its own rhythm and its own beauty. The two environments need and complement each other." (Theo Crosby, Architecture: City Sense)*

## 1. Introduction

Planning for economic vitality, as directed by King County Countywide Planning Policies (KCPP), provides Issaquah the opportunity to establish guiding policies for the City's sustained economic growth. The KCPP mandate includes an estimate of our growth including the type and number of jobs predicted for Issaquah in the next 20 years. The City is asked to manage this job growth by taking an active approach to providing for and encouraging the type of growth that will provide stability for our local economy, as well as economic growth for the entire region.

Issaquah expanded this mandate to forecast our economic growth into a broader concept of economic development. The term "Economic Vitality" expresses a new vision of economic development. In this vision, what constitutes a strong economic and business climate also supports quality of life.

It used to be that economic vitality contradicted a community's quality of life. In the industrial age, businesses were often polluting and, while providing communities with jobs, also diminished the quality of people's lives through spoiled air, water and soil. This equation has changed.

The most recent trend in real estate and economic development industries is to recognize and embrace the concept that people and environmental concerns are business concerns. General real estate, economic and business decision-makers are recognized as human beings, and their workers are viewed as investments, not costs. Businesses looking to attract the best employees are concerned about the local quality of life when they decide where to locate their new offices, plants and stores.

For a community to have economic vitality, it must look at the community's entire picture. Quality of life requirements within this entire picture include: good schools, an efficient local government that works with business, government that provides high quality services and excellent infrastructure, affordable and quality housing, affordable and quality child care, high quality natural environment and recreational amenities, diverse cultural resources, as well as a multicultural population with

an international perspective. Quality of life requirements become a necessity for our community's future success.

Issaquah's unique character, quality built environment, and majestic natural environment - necessities for our future success - are present and highly valued in this community. The quality of life requirements, as listed above, are also present to some extent in the community; however, diligent efforts to enhance and sustain them are necessary to ensure the community's economic vitality. Goals and policies within this plan seek to sustain and enrich all the quality of life requirements.



Issaquah's economic vitality strategy pursues the type of growth and development patterns which support and complement quality of life. This strategy also seeks to stimulate business activity in order to achieve the economic vitality necessary to realize the community's vision. Through subarea plans and incentives, the City seeks to concentrate new growth and development into specific activity areas. The tax base that results from business activity and high quality residential areas will then allow the City to provide an improved level and quality of services and facilities.

This Economic Vitality Element Background document provides supplementary information that complements the text, goals, objectives and policies found in the Economic Vitality Element of the Comprehensive Plan (see Volume 1). A detailed economic rationale and data base that supports these policies is found in the Economic Vitality Technical Appendices.

## 2. Existing Conditions

**2.1 Job Growth:** Job growth in Issaquah is projected to double from 1990 to 2022. Based on 1992 Puget Sound Regional Council information (see Economic Vitality Technical Appendix, Table 6), the 4,968 jobs reported for Issaquah in 1990 should grow to approximately 6,700 jobs by 2000 (3.1% average annual increase) and should grow to approximately 9,800 jobs by 2022 (1.9% average annual increase).

In order to project what form this future growth may take, it is important to examine the following economic trends as conditions that defined Issaquah's role in the region when this Comprehensive Plan was adopted in 1995:

- 2.1.1 Average household size identical to King County and fringe suburbs on the Eastside;
- 2.1.2 Lower density population than the surrounding suburbs;
- 2.1.3 Primarily middle class households;
- 2.1.4 Households able to afford rents and housing above typical values for King County;
- 2.1.5 An economic base comprised of retail, services, and government employment oriented toward serving the surrounding residential community; ;
- 2.1.6 A small employment center functioning with 4% of the Eastside's workers, and less than 1% of King County's workers;
- 2.1.7 A vigorous residential real estate market driven by convenient location, high quality neighborhoods, community character, amenities of the built (such as school system and parks facilities) and natural environment as well as a range of housing types and prices;
- 2.1.8 A percentage of multifamily dwelling units similar to incorporated King County and other suburban areas;
- 2.1.9 Office space available for lease in larger buildings is approximately 550,000 square

feet or 4% of the amount available on the Eastside;

- 2.1.10 It contains about 11% of the Eastside industrial/business park space, comparable to other outlying Eastside areas;
- 2.1.11 An active retail center amid a large population concentration that provides the City a relatively strong tax base for services and facilities;
- 2.1.12 Non-residential economic activity (office, intense commercial and retail) located within ready access to regional employment and residential concentrations as well as the interstate transportation network;
- 2.1.13 Employment projections indicating that Issaquah's role in the region will not change much in the next 25 years relative to the Eastside, but employment will gain relative to the County as a whole; and
- 2.1.14 An economy stimulated by high tech employment and international markets.

## 3. Community Character

A unique quality of life is enjoyed by Issaquah residents. It is important to residents that those qualities that they value, such as Issaquah's character, the built environment and the natural environment, are not diminished by future development. Potential annexations must be planned and implemented so that additional growth does not negatively impact those values.

The City exists in a region and market position that will encourage growth within the City and in Potential Annexation Areas (PAA). The City has developed criteria for annexation that recognizes that although some PAAs have a very different role and function than Issaquah, development should be compatible with the City's existing character. For example, a new business park may have little in common with the community character that local and regional residents associate with Issaquah; however, the City's Land Use Code establishes design standards that are sensitive to the surrounding landscape and support Issaquah's character. In addition, PAAs should not negatively impact resources needed to maintain the current character, quality of life, services and public facilities. Through annexation agreements and subarea planning, as described in the Land Use Element, Volume 1, annexed areas should meet the City's level of service standards.

Annexation areas should be considered for the tax base they provide and the population they bring into the City. PAAs that have a residential focus may need to be balanced with planned high quality business areas to provide enough potential tax base that adequate capital fa-

cilities and public services can be provided without detracting resources from existing areas of Issaquah.

### 3.1 Preserve the character of existing Issaquah



Within Issaquah's current boundaries and within small unincorporated areas of adjacent residential land, emphasis will be on infill development that maintains current residential use and character.

Issaquah's vision is to preserve its character as a desirable community although its role is as a suburban residential and commercial activity area will grow. The commercial

areas of the Cultural Business District (CBD) within the Olde Town Subarea and the Gilman Subarea should reinforce this character to serve community needs and attract regional tourism. The CBD should also be enhanced and revitalized in order to remain economically viable.

The East Cougar Mountain and Issaquah 69 PAAs and the Talus (formerly East Village) and Issaquah Highlands Subareas have the potential to continue the character of Issaquah on a larger scale, as referenced in the East Village 2-Party Agreement and the Grand Ridge 2-Party Agreement. As master planned communities, these areas will offer the City more opportunity to obtain quality residential and employment areas that will attract regional economic activity and also serve local needs.

**3.2 Freeway related non-residential areas** Special consideration is given to the areas along I-90, the Newport, and the North Issaquah sub area, as these areas are the economic "engine" for Issaquah. They attract economic activity from a wide market area that generates the economic activity and the funding to "fuel" Issaquah's economic vitality. By providing funds for infrastructure and public services, these areas help maintain Issaquah's quality and character. These areas are very attractive to developers of regional real estate and should be redeveloped as employment and tax base generating areas. In consideration of the City's large retail developments, additional development should be focused on other uses, such as business development that supplies higher than average wage jobs.

## 4. Subareas and Potential Annexation Areas

**4.1 Potential Annexation Areas and Subareas:** Consistent with the City's vision, the Economic Vitality Element is focused on enhancing the quality of life and assuring that future development, especially in Potential Annexation Areas (PAA) contributes to Issaquah's financial base. Enhancement of the quality of life while the City grows will require different strategies for different areas. In general, the economic roles of existing subareas and PAAs are:

4.1.1 Areas that emphasize preservation of natural systems, and sensitive areas that can accommodate limited uses such as Lake Tradition and Lake Sammamish State Park (PAA).

4.1.2 Areas that emphasize residential development with protection and preservation of natural systems and sensitive areas including:

- Montreux
- Squak Mountain
- Sycamore
- Greenwood Point (PAA)<sup>1</sup>
- East Cougar Mountain (PAA)<sup>1</sup>
- Issaquah 69 (PAA)
- East Village
- Tibbetts Creek Valley
- Park Pointe

4.1.3 Balanced areas that allow a mix of uses both vertically and horizontally through redevelopment, infill, subarea planning, and master planning including:

- Olde Town (Cultural and Business District)
- Newport
- Gilman
- I-90
- North Issaquah

4.1.4 Areas such as Park Pointe, Issaquah Highlands and Talus that can accommodate traditional mixed use development while emphasizing protection and preservation of natural systems and sensitive areas.

Proper planning in Issaquah 69 and East Cougar Mountain PAAs will allow the City to exercise control, phase development and focus traffic and other impacts away from already developed areas in Issaquah.

<sup>1</sup>Areas marked "PAA" are potential annexation areas, others are existing subareas within the City of Issaquah.