

VI. Market and Economic Conditions

This chapter was developed to address the essential relationship between Olde Town and the other competing local and regional residential and commercial areas. The information and format was largely derived from the Economic Vitality Element of the Issaquah Comprehensive Plan. Economic Consulting Services (Ben Frerichs) prepared the Economic Vitality Element reviewed and assisted in the preparation of this chapter.

A. Market Indicators

The City of Issaquah is a suburban village that has grown rapidly in the past though adding only a small part of the Eastside's growth. A projection of growth in Olde Town shows that up to 50% growth in population could occur in Olde Town area by 2015. The challenge for Olde Town is competing with and leveraging off of the potentially large population growth that will occur on the outskirts of the city (i.e. Issaquah Highlands and East Village and the increase in large commercial (retail and office) complexes closer to the I-90 corridor). These large increases have the potential to make the City and Olde Town very different from the neighborhood as it exists today. This is Olde Town's greatest challenge – to maintain and preserve a village like character in the face of this imminent potential for change and to use this potential growth to maintain its current viability.

The following briefly describes the current economic trends and conditions that define Olde Town's role within the city and the larger region.

1. **Household size is smaller** than the City and surrounding suburbs;
2. **Population density is higher** than Issaquah and surrounding suburban areas, but a similar density to the new Issaquah Highlands;
3. **Middle income households**, but Olde Town is also home for most of the city's low and moderate income households;
4. **Economic base typical of City's**, retail and service businesses and a concentration of government employment;
5. **Employment projections** show sizeable increases for the City, but not necessarily for Olde Town;
6. **Housing affordability** is better compared to the rest of the city, residential real estate is driven by convenient location, as well as, range of housing types;
7. **Multifamily housing**, significant percentage of duplex and multifamily housing units compared to the remainder of the city.
8. **Low Vacancy**, little or no office or retail space available for lease, usually at lower rents than newer space in the I-90 corridor.
9. **Small and older space**, being an older less efficient retail center amidst new auto oriented "big box" retail centers on Gilman Boulevard and SE 56th Street.

Challenges and opportunities for growth are part of Olde Town's future. The challenge is complicated by a desire to preserve the small town atmosphere and sense of community. The City has already accommodated significant commercial growth yet been able to maintain its unique character. Continued emphasis on commercial growth in the I-90

corridor and the new large residential developments on the outskirts will present a challenge for Olde Town.

Olde Town’s economic vitality rests on:

1. **Attracting residents** to quality natural settings in the small town atmosphere;
2. **Emphasizing and maintaining a character** that is historical and real and not newly contrived;
3. **Being able to encourage shopping** and local traffic flow given plans to divert pass-through traffic around this area.
4. **Easier accessibility** from Front Street and Sunset Way Interchanges;
5. **Attracting tourists** with a natural setting, connections to forest and mountain areas, availability of cultural and festival activities;
6. **Keeping historical roots** and community spirit.
7. **Providing parking** appropriate for the CBD businesses to maintain its viability.
8. **Concentration of Facilities and Government Offices** as employment base and draw to community.

Population and Household Growth

The City of Issaquah, between the census years 1980 and 1990, grew more than twice as fast as the State or King County, but at a similar pace to most major Eastside cities. From 1990 to 1997 the City continued to grow at a moderate pace compared to some cities, which annexed large developed areas. Issaquah has annexed large areas of undeveloped land, while other Eastside communities were annexing already developed areas and significantly adding to their population. However, soon these areas will contain significant future population and commercial space.

**Table VI-1
Issaquah Population Growth
1990-1997**

	1980 Population	1990 Population	1997 Population	% change over 17 years	% change per year
Issaquah	5,536	7,786	9,610	73.6%	3.3%
Bothell	7,943	12,345	26,350	231.7%	7.3%
Bellevue	73,903	86,874	104,800	41.8%	2.1%
Kirkland	18,779	40,052	43,720	132.8%	5.1%
Redmond	23,319	35,800	42,230	81.1%	3.6%
King County	1,269,749	1,502,428	1,646,200	29.6%	1.5%
State of Washington	4,132,156	4,866,692	5,606,800	35.6%	1.8%

Source: 1990 Almanac of Washington, 1997 Population Trends

Growth in Issaquah over the next 20 years will largely be influenced by the transition of large undeveloped areas into master planned development, like Issaquah Highlands. Smaller scale growth will also occur within the established areas of the City. Projections for growth in the established part of Issaquah are expected to show a moderate consistent

growth in population. In the future there will be substantial increases in the number of households (dwelling units) because of the projected region-wide trend for a continued decrease in household size. Currently, the number of single housing units being slightly over 50% may decrease with multifamily housing units becoming the majority in the future.

**Table VI-2
Issaquah Population and Household
Growth Projections**

Issaquah (1998 city limits)	1990	2000	2010	2015 (estimated)	2020
TOTAL POPULATION	7,786	16,639	20,278	26,776	28,001
Avg. Household Size	2.32	2.34	2.31	2.29	2.28
TOTAL HOUSEHOLDS	3,348	7,113	8,746	11,698	12,253
Single Family	50%	50%	49%	48%	47%
Multifamily	50%	50%	51%	52%	53%

Source: Household projections from Issaquah Comprehensive Plan, Table L-2

**Table VI-3
Growth in Issaquah and Olde Town**

	1996		Projected 2015		Change	
	Pop.	DU's	Pop	DU's	Pop	DU's
Issaquah ⁽¹⁾	9,340	4,007	26,776	11,698	17,436	7,691
Issaquah with 1996 annexations & PAA's	28,326	10,406	55,613	22,418	27,287	12,012
Olde Town Subarea	1,685	732	3,735	1,660	2,050	928

Source: Issaquah Comprehensive Plan Table L-2, & Ryan Planning Resources

(1) Issaquah population with 1996 annexations.

The change in population (and housing) for the established parts of the city (not including major new developments) is expected to grow from 9,340 (4,007 DU's) in 1996 to 26,776 (and 11,698 DU's) in 2015. (See Appendix D) That is a change of 17,436 persons and 7,691 dwelling units. Olde Town has an estimated 732 dwelling units (1996) and will grow to 1,660 dwelling units by 2015, a difference of 928 dwelling units. Growth in Olde Town would be expected to accommodate about 12% of the projected infill City growth (1996 City Limits) not in major developments, but on individual sites and small parcels over the next 20 years. The growth in Olde Town would represent about 8% of the total City growth in dwelling units over the 20-year period.

Employment Growth

Employment within the City is clearly predominated by retail trade and services, as shown by the 1995 Employment table. (See Table VII-4.) The large percentage of retail employment is further accentuated by the retail sales dollars received by retailers in Issaquah. In 1997, Issaquah retailers took in \$93,315 per capita -- relating the retail sales in Issaquah to the number of residents in Issaquah. In contrast, Bellevue took in \$47,195 per capital in retail sales, and Mercer Island took in \$5,381 per capita on retail sales.

**Table VI-4
Issaquah 1995 Employment
(Within the Jurisdiction)**

Industry	1995	Percentage
Manufacturing	940	11.1%
Wholesale/Utilities/ Transportation /Communication	419	5.0%
Construction and Resources	1,102	13.1%
Retail	2,725	32.3%
Finance/Services	2,467	29.2%
Education	430	5.1%
Government	364	4.3%
Total	8,447	100%

Source: PSRC/WA State Employment Security Dept (1998).

1995 employment in Issaquah was largely comprised of retail and service jobs with these two categories representing 61.5% of the City’s employment. The trend for increasing service and retail employment is projected to continue through the year 2020. The government category of employment also shows increases within the Issaquah area.

**Table VI-5
Issaquah Area Employment Projections for Issaquah FAZ* 4300**

INDUSTRY	1990	2000	2010	2020
Manufacturing	1,161	1,028	893	739
Wholesale/Trans/Com m/ Utilities	297	456	568	649
Retail Trade	1,977	2,260	2,521	2,619
Services	1,476	2,530	3,612	4,521
Government	1,362	1,586	1,477	1,398
Total Employment	6,273	7,860	9,071	9,926

*FAZ = Forecast Area Zone, developed by Puget Sound Regional Council (PSRC).

Source: PSRC; 1995 Population and Employment Forecasts for the Central Puget Sound

Note: The FAZ is for a larger area than Olde Town. The FAZ area includes downtown Issaquah and commercial areas along Gilman Blvd., SR-900 and Maple Street. The FAZ projections provide the trend for employment over time, but do not distinguish where employment will occur within the FAZ. The loss of growth in the Government category, likely does not reflect the concentration of City government, School District, State and Library District facilities in Olde Town

The same dominance of retail and services is also reflected in the types of employment that occurs in Olde Town. In addition there are concentrations of government (City, School District and State) in or near Olde Town. The service and retail categories dominate the number of Olde Town businesses. With retail and services prevalent in the City, Olde Town's economic vitality will depend on how it can distinguish itself to its customers. The following sections frame the market for Olde Town.

Olde Town Businesses

The Olde Town business district is comprised of a mix of small, unique and independent businesses. Some of these businesses have been operating for many years as part of downtown, for example, Issaquah Press (established in 1900). There are approximately 83 businesses identified in the area zoned as Cultural and Business District (CBD). Most activities are categorized as personal services, sales and service, instruction, restaurant, cultural and office professional. Restaurants, pubs, educational services, insurance are the categories with multiple businesses. Many of these businesses located in Olde Town because of the ambience of the location, the attractive setting and natural beauty. Business owners are attracted by Olde Town's smallness, oldness and quaintness. But like all businesses, they locate here and stay here because of the business opportunity and growth potential and appropriately sized and priced space.

A Main Street™ Issaquah survey of downtown businesses (1997) found that 39% of the respondents have businesses in additional locations to downtown Issaquah. The largest employer is the Village Theatre, which employs 20 persons full time and 50 part time. However, most businesses are less than 10 employees. The average number employees per business are 3 full time employees and 1 part time employee. The busiest days of the week for business are Friday and Saturday. About 25% of the businesses share the same hours. About one third of the businesses are open from Monday through Friday and about one third are open from Monday through Saturday. Most businesses open between 8 and 9 AM and close by 7 PM. This leaves the downtown largely inactive on the weekday evenings and on Sundays. The average stay of customers is about 40 minutes.

The local residents depend on many of the services provided within the CBD such as laundry/dry cleaners, banking, market, hardware and barber. Olde Town differentiates itself from other retail developments by serving the daily needs of the immediate neighborhood. This local-serving premise is encouraged by the Olde Town Plan to continue as a central focus.

Offices and professionals are frequently found in Olde Town. With their practices and services they add another market for using the available daily services by their employees and clients. However, the office and professional locations have located in some of the prominent spaces along Front Street, which are better suited for retail, personal services, eating and drinking establishments and entertainment. Office and business services are good uses for Olde Town, but they typically do not open evenings or weekends. This leaves inactive storefronts along Front Street. Opportunities for office use in the Olde Town Plan are encouraged on conversion of single family homes, or within new office construction in the mixed-use areas immediately surrounding Front Street. Remaining street-front locations need retail activities that generate and serve foot traffic.

**Table VI-6
Olde Town Businesses/
Primary Employers**

Types	Number of Businesses	Primary Employers
Retail Trade: Antiques, Auto Supply, Pubs, Bike Shops, Book Stores, Camera/Photo, Carpet/Floors, Clothing, Crafts, Electronics, Daycare, Espresso, Florist, Framing, Galleries, Gas, Glass, Grocery, Hardware, Health Food, Hearing Aids, Hobbies/Games, Home Furnishings, Kitchen & Bath, Musical Instruments, Restaurants, Saddle and Tack, Upholstery, Variety.	49	Front Street Market, Stars Children’s Store, Ben Franklin Crafts; Allen’s Furniture.
Services: Architects, Auto Repair/Rebuild, Banks, Barber Shop, Beauty Shop, Brokers/Investment, Chiropractor, Clock Repair Computer Services, Dentists, Dry-cleaning, Educational, Graphic Design, Insurance, Attorneys, Locksmith, Mailing Services, Theater, Photofinishing Lab, Property Management, Real Estate, Tanning, Title Company, Veterinarian	49	Village Theater, Issaquah Press, Cascade Bank, Seafirst Bank, Kenyon Law Firm, Learning Garden Child Care, Baima-Holmberg Engineers, Flintoff’s Mortuary, Bush Collision and Restaurants: JaKs, Las Margaritas, Athens Pizza, Flying Pie Pizza Mandarin Garden, Shanghai Garden, Issaquah Brewhouse, and Stage Right Cafe
Government	3	City of Issaquah: Police, Fire and Administration, Community Center; Issaquah Library; Fish Hatchery
Education	4	Issaquah Schools: Issaquah Middle School, Issaquah High School, Tiger Mt. Community School, Clark Elementary School
Manufacturing	1	Darigold
Wholesale/Trans/Communication /Utilities	0	
Total	106 businesses	

Source: Main Street™, Issaquah 1997 and modified for areas outside the CBD zone.

Storefront spaces are consistently filled in the CBD, but not necessarily with the mix of businesses that invite frequent visits or patronage. The existing merchants support increased businesses within Olde Town, provided they are complementary uses and help to fill in the gaps of business mix, to keep Olde Town a vital commercial core. **Table VI-7** identifies some of the gaps in retail and services uses that should be encouraged to locate within Olde Town. Filling the gaps in the mix of retail and service businesses would help invite more visits or patronage.

**Table VI-7
Gaps In the Retail Mix**

Retail Uses		Service Uses	
Bakeries	Lamps & Lighting	Advertising/Marketing	Interior Design
Balloons	Luggage and	Answering	Market Research
Beauty Supplies	Leather	Services	Messenger Service
Candies and Nuts	Linens	Astrologer	Photocopy
Cards	Lingerie	Auto Repair	Photography Studio
Clothing	Liquor Store	Beauty School	Post Office Annex
Family	Newsstand	Credit Unions	Rental Equipment
Maternity	Office Supply	Costume Shops	Secretarial Service
Men's	Optical	Doctor's Office	Security/Detective
Women's	Pawn Shop	Health Clinic/Club	Shoe Repair
Coin & Stamp Shop	Pet Store	Hotel/Motel	Sign Shop
Cookies	Records, Tapes, CD		Tailoring
Computers/Software	Religious goods		Temporary Agency
Drapery, Blinds	Shoe Stores		Ticket Outlets
Drug Store	Sporting Goods		Travel Agent
Formal Wear	Stationary		Uniform Supply
Garden Supplies	Tobacco		Utility Customer
Gifts	Toys		Service
Jewelry Stores	Trophies		Video Rental
Kitchen Equipment			

Source: Main Street™, Issaquah Survey 1997, modified to remove new businesses and uses that would not be expected to locate in Olde Town because of the needed size of their market, of the needed size of their space.

Organizations like the Chamber of Commerce and Main Street™ and the City of Issaquah assist in locating desired businesses into Olde Town. The Chamber and Main Street are often contacted about their knowledge of Issaquah. The City receives early inquiries about potential building or development. In addition to the assistance they now provide, there are other actions that they can take to encourage desired businesses in to Olde Town.

Incremental actions can be taken by the Chamber, Main Street™ and Issaquah to support new business in Olde Town. Main Street™ can recruit target businesses to fill vacancies

or proposed vacancies. Civic organizations can promote Olde Town at periodic business development or economic development conferences. Publicizing Olde Town businesses would be another way to encourage the desired businesses to stay, while bringing them publicity for new customers. A local paper or marketing program could feature an article on restaurants, women business owners or real estate services. The Community Center could be the target area for hosting a business opportunity conference. Locating desired businesses in Olde Town should be made a simple process, from acquiring a business license and sign and improvement permits, to making new development and redevelopment permits timely.

Civic and Cultural Activities. A substantial part of Olde Town (120 acres or 40%) is used for government functions. There are about 29 acres of land owned by the City of Issaquah, 78 acres owned by Issaquah School District #411, and 4.5 acres owned by the State of Washington. The location of the government land and its uses are a dominant factor within the subarea. The location of the government land and its uses are a dominant factor within the subarea (See **Figure VII-B**, in the Utilities and Facilities Chapter for location of facilities.)

Olde Town, however, provides more than just daily goods and services. It attracts customers for arts and cultural events and recreation. Customers come to see, the Village Theatre, the old Village Theatre, Salmon Days Festival, the Community Center and urban trail and connections to Tiger Mountain trails. Again, the smallness, oldness and quaintness features of Olde Town have a hand in making it a place to go to for special occasions.

Cultural efforts are having an impact on Olde Town. Public art is making its appearance in the CBD with local history murals and strategically placed sculptures. The Historical Society's Historic Depot and Museum, Gilman Town Hall Museum, the Village Theatre (new and old sites) provides cultural enrichment and attracts visitors that might not come to the Olde Town area. The creation of a "Theatre District" has been discussed for Main Street. Library development and Community Center expansion will provide additional civic/cultural assets for and visitors to Olde Town. The City has adopted a citizen drafted Cultural Plan Element to the citywide Comprehensive Plan.

Affordable Olde Town. Within Olde Town the retail and office rates for space are very similar. However, Olde Town commercial (retail and office) space is substantially lower than similar uses located elsewhere in the city, particularly in newer and larger developments in the I-90 corridor. With new development occurring in Olde Town, the rental rates are increasing. Yet new development in the private sector is being outpaced by development in the public sector.

**Table VI-8
Comparison of Business Rental/Lease Rates 1998**

<i>Office Space</i>	
I-90 Corporate Office Park	\$20.50 per SF per year
Creekside Office	\$17.00 to \$18.00 per SF per year
Rowley Agency Office Park	\$13.00 per SF per year
Older Downtown Office	\$12.00 to \$14.00 per SF per year
New Downtown Office	\$15.50 to 16.50 per SF per year
<i>Retail Space</i>	
Older Downtown Retail Space	\$12.00 to \$14.00 per SF per year
New Downtown Retail	\$15.00 per SF per year
Gilman Blvd. Retail	\$16.00 to \$24.00 per SF per year

B. Economic Vitality

Influencing Economic Activity in Olde Town

The Olde Town Plan considers changing what has traditionally been a linear commercial area and expanding it to become a crossroads and activity center. The CBD form will become like that of a cross with commercial activity extending back from the main crossroads (Front Street and Sunset Way). By broadening the commercial district and adding a crossroad element, the area remains compact yet enlarged. With minimal consumption of new land, the CBD becomes a stronger commercial district, rather than a continuous line on shops. The crossroads will be able to access a larger market area, and will provide a continuous commercial district at the north, east and west edges of the Olde Town area. A grid type of concentrated commercial area can be traversed in a few blocks in any direction as a pedestrian friendly area. The shape helps emphasize the existing grid street pattern in Olde Town. This also sets Olde Town apart from any other commercial area in Issaquah that relies on a linear pattern.

Current development activity within Olde Town is being led by public facility development. These projects provide the beginning emphasis on a crossroad pattern and act as key anchor points (like major tenants) within Olde Town. The 1998-1999 projects initiating construction in Olde Town include:

1. Issaquah Salmon Hatchery Expansion (\$555,000)
2. City Police and Jail facility with City offices (\$10,300,000)
3. Issaquah Library and Garage (\$2,800,000)

Future public facility development will also include expansion of the Community Center to include more recreation space and supplement city government offices. There is a strong commitment by the city to keep the civic center in Olde Town. The City has also spent public dollars that have improved the Rainier Greenway Urban Trail, CBD lighting and walkway improvements, Second Avenue improvements, Depot Park, the Trails

Center and Centennial Park. It is time for the private sector to respond with the same level of commitment to downtown as demonstrated by the City of Issaquah.

Land Availability. The availability of scattered small vacant parcels and lack of large vacant parcels limits the amount and type of new development within Olde Town. Within the planning area there are 38 vacant parcels suitable for development of a total of 13.03 acres ranging in size from less than .01 acre to .5 acre. The largest vacant parcels occur in the South Olde Town neighborhood, and many small isolated parcels occur in the Historic Residential neighborhood. (See **Figure III-D**, in the Land Use chapter) Vacant parcels along Front Street are rare, but two sizable parcels (about one-half acre each) are located along 1st Place NW. There may be other parcels that could be assembled or house conversions used, demolished and redeveloped.

Plans and Regulations in Place. The City's Comprehensive Plan land use designations and zoning provide the one tool to fulfill the plan. Modifications to zoning or development regulations are recommended to encourage development within the CBD. The changes are identified in the Land Use and Implementation chapters of the Plan. The proposed changes concern the reduction of pervious surface requirements and modification to parking requirements in the CBD only. The Main Street™ Issaquah organization is working with City staff and business owners to review and update design guidelines for the CBD area. When adopted by City Council, the guidelines or standards will become part of the implementation to the Olde Town Subarea Plan.

Parking. Parking location, quantity and accessibility continue to be a concern for Olde Town merchants. With about 450,300 square feet in existing commercial buildings (including government and schools), this represents 3 parking spaces for every 1,000 square feet. Current parking code requirements for retail range from 2 to 5 spaces per 1,000 square feet. Current parking code requirements for offices range from 3.5 to 5 space per 1,000 square feet. There are 1,369 parking spaces within the area identified as Historic Downtown Issaquah. This total parking space includes on-site and street parking. From 1,420 to 2,390 on-site parking spaces are needed (per the Land Use Code including the 15% reduction for CBD) in the CBD to accommodate existing uses. The low ratio of parking reflects the substantial portion of older development, which required minimal parking on-site. The City's Land Use Code requires higher rates for parking, and reflect a population that drives to its commercial destination rather than walking. Even if every new business provided the code required parking on-site, there would still be a lack of available parking in the CBD. With so many small Olde Town commercial lots, on-site parking to these new ratios is very difficult to achieve. Providing parking for the CBD will have to be address on an area-wide scale, through an oversight agency or organization that can both administer parking strategies and lead the effort to construct more and strategically placed parking.

The parking area developed near the historic Train Depot has been a success, and is heavily used. The Olde Town Plan identifies new locations for on-street parking and potential areas for an off-street parking facility. Additional parking areas are recommended for:

1. NE 1st Place between NW Dogwood and W Sunset Way.
2. N. Rainier Boulevard from the creek bridge to its terminus at Front Street,
3. NE Creekway along the north side of Memorial Park, and
4. A parking facility located between NW 1st Avenue and NW 1st Place.

Inefficient use of parking has an impact of available parking. Parking usage averages 32% for all times, with 34% usage on weekdays and 26% on weekends. The most used area is Rainier Boulevard N. The least used area is 1st Avenue and 1st Place from Sunset to Alder. In the CBD it will be necessary to make underutilized parking easier to find and access through Olde Town easier through clear signage, circulation improvements and pedestrian upgrades, coordination of parking areas (timed and shared parking). To do this an oversight agency or organization, such as Main Street™ or a business improvement association (BIA) is needed to act as an authority to coordinate and regulate the use of parking. Such an organization could also acquire and manage parking that could be used in common or form an LID to do this. The focus should be on making Front Street on-street parking, behind building parking and other on-street parking available for the retail customers on a short-time basis (up to 4 hours). There may be a way to establish time limits, shortening the time length the closer parking is to Front Street or Sunset Way. Parking streets on the perimeter areas can be used for retail tenants, other businesses and their employees. The oversight agency should work with the City of Issaquah in planning for the supplemental CBD perimeter parking streets, developing parking facilities. The recommendation provides an opportunity to consolidate parking and provide convenient parking for shops and offices as a part of the larger transportation system.

Pushing for Technology Upgrades. Telecommunication companies continue to plan for new technology based wiring as their demand increases. TCI Cable and US West both have fiber optic cable crossing Olde Town. Other companies are also interested in or are installing fiber optic cable. TCI is slowly rebuilding its current system. Existing cables are being replaced using fiber optic cable and digital compression technology. Rewiring of Olde Town could provide a services and technological advance to modernize the residences and businesses, education and government. These facilities are necessary to attract the self employed, sole proprietor and “lone eagles” who could be attracted to Old Town.

C. Tourist Activities

Tourism in Olde Town is a successful component of the CBD economic vitality. But with the tourism comes some positive and negative impacts. The spirited Salmon Days festival brings in tourists from the region, to see the beauty and community spirit in Issaquah and Olde Town. The tourists spend dollars in the community and come back again. With the influx of visitors come road closures and vendors booths that obscure the CBD businesses. Parking is at a premium. These are the tradeoffs for having a large scale cultural event every year.

Hosting other festival events is a possibility for Olde Town, but not necessarily the best for keeping Olde Town neighborhood businesses active more hours and thriving year round. The 4th of July community parade, offers a good example of bringing people to town for a short duration activity, on a day when most Olde Town businesses would be closed anyway. Both of these tourism events are complicated because of a sudden influx of users and the lack of available parking in Olde Town.

Other cultural events showcase Olde Town, and may result in future visits. The Village Theatre consistently brings visitors to town. Its regular production schedule of plays invites local and regional patrons to enjoy Olde Town. Getting the theatre patrons to come early or stay late after the play, is a way to naturally increase tourism with minimal effort. The concept of the Theatre District is the premise for locating accessory uses and activities for patrons to visit before or after the show. The Theatre District is to be composed of restaurants, galleries, bookstores and nightclubs that extend the evening's activities. Under the City's CBD zoning, these kinds of uses are allowed. A special district to support the Theatre is not needed from a regulation standpoint, but perhaps needed from a marketing standpoint.

Olde Town can look for small ways to bring visitors and locals frequently into Olde Town. Making the streetscape attractive, connecting it with trails and allowing seasonal vendors (ice cream, espresso, hot dogs, news stands) will bring more activity to the streets. Creating special days or nights (Bite of Olde Town, Olde Town Brewfest) extended hours or nights (like Gilman Village) will keep patrons staying longer in Olde Town. Main Street™ already markets "Senior Tuesday" and will soon launch "Kids Saturday" in Olde Town. Special recreation events, such as swim meets at the pool, 5 kilometer runs, or Volksmarch should be used as a way to build on a captive audience coming to Olde Town and stretch their visit with a chance to dine, shop or tour.

There is another form of tourism that can occur in a small scale and year round. It is tourism that caters to organization get-togethers and conferences. This could range from dinner meetings of local or regional Veterans groups to hobby and craft fairs and from a square dance convention to Shriner's circus event. This type of tourism has been given the acronym of SMRF tourism. This stands for the **S**ocial, **M**ilitary, **R**eligious and **F**raternal (SMRF) organizations that attend gatherings on weekends and evenings. They often attract visitors who shop, eat and utilize local businesses. They also require less expensive, lower quality and flexible meeting space found in community centers. The concept requires that accommodations are available for group meetings, dances and conferences.

The Issaquah Community Center is one building poised to be able to house these types of activities, and is already marketing for its use. The Library and Historic Depot have meeting space available now, and the new Library will have a larger meeting space when built. Keeping the attendees staying in Olde Town overnight, or to dine or attend the theatre is a way of bringing economic vitality back to the neighborhood. This type of tourism would be able to support the addition of Bed and Breakfast operations in Olde Town. The frequency of group activities will increase the need for an inn or hotel. The

SMRF activities include trails tours, historic walk, or other activities that highlight Olde Town and its assets. Main Street™ and the Chamber of Commerce are the ideal type of organizations to act as focal point for marketing for the SMRF tourism.

D. Revitalization Roles of the Public and Private Sector

Olde Town has the basis for growth and viability of its businesses. The Front Street corridor contains commercial uses that have been a central part of this neighborhood, forming a solid economic base. The CBD businesses have several factors that support their ability to grow. Growth factors are:

1. Residential traffic that passes through the CBD, used to gain visibility,
2. Concentrations of residents and employment (now and in the future) within walking distance (usually ¼ mile to ½ mile) of the business,
3. Small, more affordable commercial spaces as a place to begin new businesses,
4. A core of viable businesses and some improved new buildings,
5. Specialty retail also called “festival retail”,
6. A quality of life environment for businesses and residents,
7. Acceptance of multifamily in proximity to the CBD and
8. Cultural visitors.

Occasionally a strong retail business or a whole district can attract customers from a much larger area if it has a noted specialty or a very strong reputation. This is found in businesses like the Saddlery or Stars Children’s Store.

The major challenges to the business district are:

1. Utilizing small parcels and buildings,
2. Few vacant parcels,
3. Remodeling older inefficient buildings,
4. Organizing haphazard parking,
5. Fragmented ownership, absentee ownership, and
6. Need for cohesive groups and sustained efforts to mobilize CBD revitalization.

Any type of community economic development or revitalization is likely to be a public-private proposition. Both the private business and property owners and the community, through the government agencies have a role. **Table VI-9** outlines those roles. The table highlights how businesses focus their efforts on a short term (up to about 5 years) while public planning efforts extend well beyond that from 5 to 25 years. The actions and view then reflect the difference in short term and long term focus. Both short term considerations and long term considerations need to be included in planning for Olde Town’s economic success.

**Table VI-9
Public-Private Development Roles**

Aspect	Private Real Estate Planning Process	Public Real Estate Planning Process
Timing	Short term, typically present to 5 years.	Longer term, emphasis often 5 to 25 years.
Participation	Internal to property owner and developer.	Community-wide with significant input from business and property owners.
Objective	“Bottom line” of investors or firm that commissions the development program.	Community concerns or appropriate expenditure of Public dollars.
Decision Process	<ol style="list-style-type: none"> 1. Internal by developer representatives with input from legal, planning and technical professionals. 2. Eventually marketability to potential tenants and competitive projects or functional needs of the firm who will use facility. 	<ol style="list-style-type: none"> 1. Negotiation within the legal and judicial structures and interpretations that guide regulation of private property use. 2. Negotiation within the community and between private property owners and residents of community through some representative process.
Scope	One or a few parcels controlled by firm and/or developer.	Large areas in multiple ownership and sizes without unified control or objectives.
Key Considerations	<ol style="list-style-type: none"> 1. Functionality of site 2. Maximizing use and area of site 3. Visibility and profitability of investment 4. Compliance with regulations and public processes 5. Costs and share of infrastructure investment 6. Short term during lease-up and sale to institutional investors and/or long term functionality and expansion for needs of owner-user. 7. Time in development process increases interest and project costs. 8. Quality of life and work for tenants, firms and employees 9. Good citizenship. 	<ol style="list-style-type: none"> 1. Appearance 2. Impact on adjacent areas 3. Impact on natural and community system. 4. Off-site impacts, e.g. traffic, storm water. 5. Costs and shares of infrastructure investment. 6. Long-term payback to community and protection of quality of life. 7. Participation in process and consensus building area crucial, time and accountability are secondary. 8. Gains to community via tax base, employment and economic functions (i.e. goods and /or services generated for lands.)

Source: SR 527 Corridor Subarea Market Analysis, Economic Consulting Services, 1996.

An important understanding for communities is that economic development is largely driven by a large number of complex market factors; international, national, regional, as well as local real estate markets. Many of the variables that influence the complex market factors are out of the control of local communities. There are three primary ways that local communities, acting through their governments, have to influence their economic fate:

1. Regulation of the supply and condition of the supply of real estate (land use and environmental plans, zoning and regulations).
2. Effective government services, e.g., police, fire, regulation and inspection, etc., and
3. Adequate (for retail and commercial uses) and attractive infrastructure (roads, parking, utilities, streetscape, lighting and transit, etc.).

The private sector actions that are successful are generally among or a combination of the following:

1. Running or learning to run their businesses as effectively as they can,
2. Maintaining and reinvesting in buildings and equipment,
3. Working together to influence the three sets of general public actions listed above, and
4. Investing along with the community in infrastructure.

E. Alternative Development Strategies for Olde Town

The primary economic development role or directive for Olde Town is to provide adequate and convenient goods and services for residents. If the number of residents in Olde Town (and the market area south of Olde Town) is not great enough to sustain these businesses, then those businesses will have to supplement themselves by attracting trade from outside the area or traffic through the area. Or alternatively, residents will have to have ready access to meet their retail and commercial service needs elsewhere via transit, auto and car pooling to commercial goods and services outside the area. The potential for losing resident customers exists because of the draw of retail businesses along the I-90 corridor. Retaining and retrieving these customers may be difficult with the current mix of retail and services in Olde Town.

Table VI-10 summarizes three strategic approaches for Olde Town. The Olde Town Subarea Plan support the “Revitalization” strategy. The other chapters of the Olde Town Subarea Plan provides recommendations on infrastructure, transportation, urban design, housing and other activities that should be pursued in concert with the selected economic development strategy.

Continued and concerted action by a small group of motivated business and property owners will be required to attract support from the City and other agencies. Bringing the variety of business owners interest into a focused group will allow shared efforts and shared benefits for business improvement. Public actions will be necessary to leverage

the available market support in order to overcome Olde Town's market limitations and achieve a base of businesses and services to serve Olde Town.

Future successful development will require a balance, including:

- a) Development of the physical built environment so to maintain and protect the natural environment and scenic beauty.
- b) Residential and non-residential development to enable a tax base adequate to support the level of expected City services and infrastructure to serve private and public needs, and
- c) Residential and office development to support the market for neighborhood goods and services.

The Olde Town Subarea Plan allows the City of Issaquah to exercise control, phase development and steer traffic and other impacts away from the areas of Issaquah that it wants to preserve. Change to Olde Town as an economic unit of the city will occur with extensive private sector and community participation. The downtown and cultural business district (CBD) is a unique feature that gives character and sets the tone for other areas of the City and projects the image of the City to visitors and future residents, employers and investors. Therefore, it is an important economic vitality asset to preserve and enhance.

**Table VI-10
Alternative Economic Development Strategies**

Strategy	Private Actions	Public Actions	Consequences	
			Short Term	Longer Term
1) Minimal Effort	<ol style="list-style-type: none"> 1. Improve appearance. 2. Clean-up, paint-up buildings and areas around commercial neighborhood. 	<ol style="list-style-type: none"> 1. Enforce current plans, zoning & regulation. 2. Maintain infrastructure. 3. Simplify permits for new construction/ 4. Remodels. 	<input type="checkbox"/> Continuation of existing conditions with gradual improvement depending on private business & property owners action.	<input type="checkbox"/> As buildings deteriorate, parcels are assembled and redeveloped.
2) Stabilize and Halt Decline	<ol style="list-style-type: none"> 1. Reinvestment in buildings. 2. Concerted group action to attract City and business support. 	<ol style="list-style-type: none"> 1. City investment to correct deferred maintenance. 2. Streetscape improvements. 	<ol style="list-style-type: none"> 1. Increased business activity. 2. Reversal of decline in physical and business conditions. 3. Increase capture from neighborhood. 	<input type="checkbox"/> More businesses attracted to new infill buildings or improved businesses with general improvement in the impact and function of the neighborhood.
3) Revitalization	<ol style="list-style-type: none"> 1. Land assembly and redevelopment with a combination of residential and businesses serving other businesses. 2. Capture of neighborhood and diversion of Bypass customers. 3. Focus on greater building intensity in the CBD. 	<input type="checkbox"/> Investment in urban design, streetscape, amenities, infrastructure, plus public parking and transit improvements to attract local and Bypass customers, and regional attraction (Theatre, Salmon Days, Trail System) users.	<input type="checkbox"/> Attract more residents and businesses to Olde Town as problems are reduced.	<input type="checkbox"/> Mix of retail and personal service businesses for residents, financial and professional offices, start-up businesses and tourism.

Note: 3) Revitalization strategy, shown in bold type, is the strategy selected for the Olde Town Subarea Plan.

F. Goals, Objectives and Policies

The City's adopted Economic Vitality Element provides guidance for the economic well being of Olde Town. These policies provide the framework for making Olde Town a strong economic entity in the community.