



MEMORANDUM

Date: April 29, 2014
To: Planning Commission
From: Janice Coogan, Senior Planner
Teresa Swan, Senior Planner
Eric R. Shields, Planning Director
Subject: Comprehensive Plan Update, File No. CAM13-00465 #5

This memo addresses the following Comprehensive Plan Update topic:

- Economic Development Element Update, Study Session #2

I. RECOMMENDATION

Review and provide direction to staff on the draft outline of the goals and policies for the Economic Development Element in Attachments 1 and 2. Based on Planning Commission direction staff will return with a draft Economic Development Element including the goals, policies and supportive text.

The Element will continue to be shaped by the following ongoing processes:

- Neighborhood Plan update discussions
- Land Use and Transportation Elements
- Public input
- EIS analysis of growth alternatives
- Economic development related studies underway such as the Light Industrial Lands Study, Tourism Re-branding Study, and Waterfront Optimization Study

II. BACKGROUND DISCUSSION

The existing [Economic Development Element](#) is in chapter VIII of the Comprehensive Plan. At your March 27, 2014 study session, the Planning Commission received a briefing on the key issues to consider with the update. The link to that packet is available [here](#).

Staff is returning with an outline of the proposed goals and policies for the Element (Attachment 1 for clean draft and Attachment 2 shows a marked up version). Attachment 3 contains a checklist

of state GMA, regional Puget Sound Regional Council Vision 2040 or Countywide policy topics that are recommended be included in the Element. Staff has responded by indicating which draft policy matches each topic area.

III. KEY POLICY ISSUES FOR DISCUSSION

Where feasible, the existing goals and policies have been **clarified to be more succinct**. The draft goals and policies reflect the draft **citywide Vision Statement** and **Guiding Principles** and key themes regarding maintaining Kirkland as livable, sustainable and connected Kirkland for residents, business community and employees:

- Livable (quality of life, diverse, affordable, high quality community design)
- Sustainable (ecological, economic, social)
- Connected (sense of community, accessible, technology infrastructure)

One new goal (ED-5) was created to emphasize the importance of encouraging socially and environmentally responsible businesses. **One goal (ED-7) was deleted** and revised into a policy encouraging businesses involved in the arts, culture, historical and recreation areas.

Ten **new policies** were added to the Economic Development Element to encourage:

- Small startup businesses to support locally developed enterprises (ED-1.8)
- Businesses that encourage the health and wellbeing of people by providing convenient access to healthy, locally grown food (ED-3.4)
- A *potential* policy for industrial areas pending the outcome of the Heartland Industrial Lands Study (ED-3.5)
- Development of the Cross Kirkland Corridor as an economic development strategy to attract new businesses, housing development and a multi-modal transportation facility connecting employees with business centers (ED-4.4)
- Businesses that provide products and services that support resource, conservation and environmental stewardship (ED-5.1)
- Environmental responsible practices in business development and operations (ED-5.2)
- Private, public and non-profit organizations to incorporate social equity and responsibility into their practices (ED-5.3)
- Programs that provide employment, housing, economic development, infrastructure opportunities for the economically disadvantaged (ED-5.4)
- Remediation of contaminated sites (ED-5.5)
- Partnering with schools, businesses and educational institutions to provide job training and education for a skilled work force (ED-6.3)

Attachments:

1. Clean copy of draft economic development goals and policies outline
2. Marked up version of the existing and proposed goals and policies
3. Economic Development Element Compliance Checklist

Economic Development Element Outline

Clean -Draft Goals and Policies –4-29-2014

The economic strategy for Kirkland is:

- Strive for a sustainable and resilient economy
- Diversify tax base
- Provide access to job opportunities
- Provide goods and services to the community

Goal ED-1: Foster a strong and diverse economic base that supports city revenues, needed goods and services and jobs for residents.

Policy ED-1.1: Support activities that retain and expand existing businesses and target recruitment activities toward new businesses that provide family wage jobs.

Policy ED-1.2: Encourage a broad range of businesses that provide goods and services to the community.

Policy ED-1.3: Strengthen Kirkland's tax base to maintain long term fiscal sustainability.

Policy ED-1.4: Encourage clusters of businesses that bring revenue and jobs into the community, export goods and services to the region, and/or are involved in international trade.

Policy ED-1.5: Strive to maintain a balance of jobs and housing to enable residents to live near work.

Policy ED-1.6: Promote Kirkland as a visitor, cultural and entertainment destination.

Policy ED-1.7: Support home-based businesses that are compatible with neighborhood character.

New Policy ED-1.8: Encourage small startup businesses to support locally developed enterprises.

Goal ED-2: Provide a positive business climate.

Policy ED-2.1: Create and maintain a competitive tax environment.

Policy ED-2.2: Foster a culture of creativity, entrepreneurship and innovation.

Policy ED-2.3: Consider the economic effects on businesses and the economic benefit to the community when making land use decisions.

Policy ED-2.4: Provide a regulatory environment that is predictable, fair, responsive and timely.

Policy ED-2.5: Establish or support incentives to encourage economic development.

Goal ED-3: Strengthen commercial areas to provide local goods, services, jobs and vibrant community gathering places to live, work, shop and play.

Policy ED-3.1: Encourage businesses to develop and operate in a manner that enhances the character of the community and minimizes impacts on surrounding development.

Policy ED-3.2: Encourage attractive infill and redevelopment of commercial and industrial areas consistent with the Land Use Element and neighborhood plans.

Policy ED-3.3: (Moved from Policy ED-7.1): Support businesses and organizations involved in the arts, cultural programs, historic preservation and civic activities.

New Policy ED- 3.4: Support businesses that encourage the health and well-being of all people by providing convenient access to healthy and locally grown food.

Potential New Policy ED-3.5: A policy for industrial areas pending guidance from the Heartland Industrial Lands Study.

Goal ED-4: Provide the infrastructure and public facilities to support economic activity and growth.

Policy ED-4.1: Encourage construction and maintenance of infrastructure systems for utilities, transportation and telecommunication that optimize service delivery to the business community.

Policy ED-4.2: Create strong multi-modal circulation linkages to and within commercial areas.

Policy ED-4.3: Support regional infrastructure initiatives that enhance economic development opportunities.

New Policy ED-4.4: Develop the Cross Kirkland Corridor to attract business and housing development and provide a multi-modal transportation facility connecting businesses and employees with local and regional employment centers.

New Goal ED-5: Foster social and environmentally responsible businesses

New Policy ED-5.1: Encourage businesses that provide products and services that support resource, conservation and environmental stewardship.

New Policy ED-5.2: Promote environmental responsible practices in business development and operations.

New Policy ED-5.3: Encourage the private, public, and non-profit sectors to incorporate social equity and responsibility into their practices.

New Policy ED-5.4: Support programs that provide employment, housing, economic development and public infrastructure opportunities for economically disadvantaged populations.

New Policy ED- 5.5: Help facilitate the environmental remediation of contaminated sites.

Goal ED-6: Foster collaborative partnerships among community groups and regional organizations to achieve Kirkland's desired economic goals.

Policy ED-6.1: Partner with business and community organizations to ensure a prosperous Kirkland economy.

Moved from Policy ED-6.2: Collaborate with other cities and agencies to enhance economic growth on the Eastside and region.

New Policy ED-6.3: Work with schools, businesses and other institutions to sustain a highly educated and skilled workforce through job training and education resources that lead to job opportunities.

Economic Development Element Outline

Marked Up -Draft Goals and Policies –4-29-2014

The economic strategy for Kirkland is:

- [Strive for a sustainable and resilient economy](#)
- Diversify tax base
- Provide access to job opportunities
- Provide goods and services to the community

Goal ED-1: Foster a strong and diverse economic base ~~y consistent with community values, goals and policies.~~ [that supports city revenues, needed goods and services and jobs for residents.](#)

Policy ED-1.1: ~~Work to retain existing businesses and attract new businesses.~~ [Support activities that retain and expand existing businesses and target recruitment activities toward new businesses that provide family wage jobs.](#)

Policy ED-1.2: ~~Maintain a strong job and wage base.~~

Policy ED-1.3: Encourage a broad range of businesses that provide goods and services to the community.

Policy ED-1.4: Strengthen Kirkland's tax base: [to maintain long term fiscal sustainability.](#)

Policy ED-1.5: Encourage clusters of complementary businesses: [that bring revenue and jobs into the community, export goods and services to the region, and/or are involved in international trade.](#)

Policy ED-1.6: Strive to maintain a balance of jobs and housing [to enable residents to live near work.](#)

Policy ED-1.7: Promote Kirkland as a visitor-[, cultural, and entertainment](#) destination.

Policy ED-1.8: Support home-based businesses that are compatible with neighborhood character.

[New Policy ED-1.9: Encourage small startup businesses to support locally developed enterprises.](#)

Goal ED-2: ~~Promote~~[Provide](#) a positive business climate.

~~Policy ED-2.1: Recognize that businesses are a valued part of the community.~~

Policy ED-2.2~~1~~: Create and maintain a [competitive tax and regulatory environment.](#) ~~environment that is reasonable, responsive and timely.~~

Policy ED-2.3~~2~~: Foster a culture of creativity, entrepreneurship and innovation.

Policy ED-2.4~~3~~: Consider the economic effects on businesses and the economic benefit to the community when making land use decisions.

~~Policy ED-2.5: Support the provision of educational and training opportunities to maintain a skilled work force.~~

[Policy ED-2.4: Provide a regulatory environment that is predictable, fair, responsive and timely.](#)

Policy ED-2.65: Establish or support incentives to encourage economic development.

Goal ED-3: Strengthen ~~the unique role and economic success of Kirkland's commercial areas~~ areas to provide local goods, services, jobs, and vibrant community gathering places to live, work, shop and play.

~~Policy ED-3.1: Promote economic success within Kirkland's commercial areas.~~

Policy ED-3.21: Encourage businesses to develop and operate in a manner that enhances the character of the community and minimizes impacts on surrounding development.

Policy ED-3.32: Encourage attractive infill and redevelopment ~~of commercial~~ of commercial and industrial areas consistent with the Land Use Element and neighborhood plans.

~~Policy ED-3.4: Establish development standards that promote attractive commercial areas and reflect the distinctive role of each area.~~

~~Policy ED-3.5: Encourage mixed-use development within commercial areas.~~

Policy ED-3.3: (Moved from Policy ED-7.1): Support businesses and organizations involved in the arts, cultural programs, historic preservation and civic activities.

New Policy ED-3.4: Support businesses that encourage the health and well-being of all people by providing convenient access to healthy and locally grown food.

Potential New Policy ED-3.5: For industrial areas pending the guidance from the Heartland Industrial Lands Study.

~~Goal ED-4: Develop and implement economic development strategies that reflect the role of Kirkland businesses in the regional economy.~~

~~Policy ED-4.1: Enhance the competitive advantage of Kirkland businesses.~~

~~Policy ED-4.2: Collaborate with other cities and agencies to enhance economic growth on the Eastside and region.~~

Goal ED-54: Provide the infrastructure and public facilities to support economic activity and growth.

Policy ED-54.1: ~~Build and maintain infrastructure systems for utilities, transportation and telecommunications to optimize service delivery to the business community.~~ Encourage construction and maintenance of infrastructure systems for utilities, transportation and telecommunication that optimize service delivery to the business community.

Policy ED-54.2: Create strong ~~multi-circulation~~ modal circulation linkages to and within commercial areas.

Policy ED-54.3: Support regional infrastructure initiatives that ~~will~~ enhance economic development opportunities.

New Policy ED-4.4: Develop the Cross Kirkland Corridor to attract business and housing development and provide a multi-modal transportation facility connecting businesses and employees with local and regional employment centers.

New Goal ED-5: Foster social and environmentally responsible businesses.

New Policy ED-5.1: Encourage businesses that provide products and services that support resource, conservation and environmental stewardship.

New Policy ED-5.2: Promote environmental responsible practices in business development and operations.

New ED-5.3: Encourage the private, public, and non-profit sectors to incorporate social equity and responsibility into their practices.

New Policy ED-5.4: Support programs that provide employment, housing, economic development and public infrastructure opportunities for economically disadvantaged populations.

New Policy ED-5.5: Help facilitate the environmental remediation of contaminated sites.

Goal ED-6: Foster collaborative partnerships among community ~~interest~~ groups and regional organizations to achieve ~~desired~~ Kirkland's desired economic goals.

Policy ED-6.1: ~~Actively work Partner~~ Partner with business and community ~~stakeholders~~ organizations to ensure a prosperous Kirkland economy.

~~Policy ED-6.2: Support a partnership of diverse community representatives to develop and implement economic development strategies.~~

New Policy ED-6.2: Collaborate with other cities and agencies to enhance economic growth on the Eastside and region.

New Policy ED-6.3: Work with schools, businesses and other institutions to sustain a highly educated and skilled workforce through job training and education resources that lead to job opportunities.

~~**Goal ED-7: Recognize Kirkland's artistic, cultural, historic and recreational resources as important contributors to economic vitality.**~~

~~Policy ED-7.1: Support businesses and organizations involved in the arts, historic preservation and civic activities.~~

**Economic Development Element
Key Statutory & Policy Requirements**
Revised 4/29/2014

GMA Statutory Requirements	Response
<p>RCW 36.70A.070. 7 GMA – Mandatory elements</p> <p>An economic development element establishing local goals, policies, objectives, and provisions for economic growth and vitality and a high quality of life. The element shall include: (a) A summary of the local economy such as population, employment, payroll, sectors, businesses, sales, and other information as appropriate; (b) a summary of the strengths and weaknesses of the local economy defined as the commercial and industrial sectors and supporting factors such as land use, transportation, utilities, education, workforce, housing, and natural/cultural resources; and (c) an identification of policies, programs, and projects to foster economic growth and development and to address future needs. A city that has chosen to be a residential community is exempt from the economic development element requirement of this subsection.</p>	<p><i>Done. Will update economic and demographic data. Requirements are linked with other General Elements such as Land Use, Transportation, Housing, Natural Environment</i></p>
<p>PSRC Vision 2040</p> <ul style="list-style-type: none"> • Include economic development element that address: business, people and places (Ec-Action-6. MPP-Ec-1 through 22) • Include provisions that address industry clusters (MPP-Ec-3) • Focus retention and recruitment efforts on business that provide family wage jobs, industry clusters that export goods and services, and small/start-up companies that are locally owned MPP-Ec-1, 3, 4, 5) • Include provisions and programs for distressed areas or areas with disadvantaged populations MPP-Ec-11 and 12) • Ensure adequate housing growth in centers working collaboratively with the private sector – through provision of infrastructures (MPP-Ec-6, 18, 20) 	<p><i>Will update Element to include:</i></p> <ul style="list-style-type: none"> • Business that are part of international gateway (MPP-Ec-4) <i>(See ED-1.4)</i> • Support business start-ups, small businesses and locally owned businesses (MPP-Ec-5) <i>(See ED-1.8)</i> • Encourage private, public and non-profit sectors to incorporate environmental and social responsibility in to their practices (MPP-Ec-7)<i>(See ED-5.3)</i> • Support culturally and ethnically diverse community in helping regional continue to expand its international economy (MPP-Ec-13).<i>(See ED-1.4 and will include in text)</i> • Support agricultural and aquatic uses that produce local fresh food (MPP-DP-44-47) <i>(See ED-3.4)</i>

	<ul style="list-style-type: none"> • Policy on industrial clusters for those that export goods and services, import capital and have growth potential (MPP-Ec-3) <i>(See ED-1.1, 1.4, 1.8, 4.3)</i> • Policy to sustain and respect regional’s environmental quality (MPP-Ec-15) <i>(See ED-5.1, 5.2, 5.5)</i> • Policy to address special needs and assets of disadvantaged and culturally diverse populations (MPP-Ec-11 thru 13) <i>(See ED-5.3,5.4)</i>
<p>Population and Employment Growth (MPP-G-4, 5; MPP-DP-1 through 28, 33 through 42, 48 through 56; MPP-H-1 through 9, MPP-Ec-1 through 22; MPP-PS-2, 4, 5, 21 through 24) Explain how the plan guides residential and job growth. At a minimum, please discuss the following:</p> <ul style="list-style-type: none"> • Planning targets (housing and employment) that align with VISION • Planning for and achieving housing production (to meet the needs of all income levels and demographic groups) • Adequate infrastructure and financing to serve existing communities and future development (including amenities) • Promoting centers and compact urban development (including density, redevelopment and infill, design) • Economic development 	<p><i>Done throughout Comprehensive Plan Elements: Housing, Parks, Recreation & Open Space, Utilities, Transportation, Capital Facilities, Public Services, Land Use and Economic Development.</i></p>
<p>PSRC Economic Strategy</p>	
<p>Ensure the Economic Element is consistent with the goals of the Regional Economic Strategy for the Central Puget Sound Region Report prepared by the Prosperity Partnership in 2012</p>	<p><i>Done</i></p>
<p>Countywide Planning Policies</p>	
<p>EC-1 Coordinate local and countywide economic policies and strategies with Vision 2040 and the Regional Economic Strategy (see above)</p>	<p><i>Done</i></p>
<p>EC-2 Support economic growth that accommodates employment growth targets (see table DP-1) through local land use plans, infrastructure development, and implementation of economic development strategies.</p>	<p><i>Done</i></p>
<p>EC-3 Identify and support industry clusters and sub-clusters within King County that are components of the Regional Economic Strategy or that may otherwise emerge as having significance to King County’s economy.</p>	<p><i>See ED-1.1 and 1.4)</i></p>
<p>EC-4 Evaluate the performance of economic development policies and strategies in business development and job creation. Identify and track key economic metrics to help jurisdictions</p>	<p><i>Ongoing as part of performance report.</i></p>

and the county as a whole evaluate the effectiveness of local and regional economic strategies.	
<p>EC-5 Help businesses thrive through:</p> <ul style="list-style-type: none"> • Transparency, efficiency, and predictability of local regulations and policies; • Communication and partnerships between businesses, government, schools, and research institutions; and • Government contracts with local businesses. 	<i>Some variation of this is in existing Policy. (See ED-2, ED-2.1, 2.3, 2.4, 2.5, ED-6.3)</i>
EC-6 Foster the retention and development of those businesses and industries that export their goods and services outside the region.	<i>Done (See ED-1.1, 1.4)</i>
EC-7 Promote an economic climate that is supportive of business formation, expansion, and retention and emphasizes the importance of small businesses in creating jobs.	<i>Done (See ED-2, 2.1-2.5, ED-1.7 and 1.8)</i>
EC-8 Foster a broad range of public-private partnerships to implement economic development policies, programs and projects	<i>Done (See ED-5.4, ED-6, 6.1, 6.2, 6.3)</i>
EC-9 Identify and support the retention of key regional and local assets to the economy, such as major educational facilities, research institutions, health care facilities, manufacturing facilities, and port facilities.	<i>Done (See ED-4.3, 4.4, 5.4)</i>
EC-10 Support the regional food economy including the production, processing, wholesaling, and distribution of the region's agricultural food and food products to all King County communities. Emphasize increasing access to those communities with limited presence of healthy food options.	<i>Done (See ED-3.4)</i>
EC-11 Work with schools and other institutions to increase graduation rates and sustain a highly-educated and skilled local workforce. This includes aligning job training and education offerings that are consistent with the skill needs of the region's industry clusters. Identify partnership and funding opportunities where appropriate.	<i>Done (See ED-5.4, 6.3)</i>
EC-12 Celebrate the cultural diversity of local communities as a means to enhance the county's global relationships.	<i>Done (See ED-1.4, 1.6, 1.8)</i>
EC-13 Address the historic disparity in income and employment opportunities for economically disadvantaged populations, including minorities and women, by committing resources to human services; community development; housing; economic development; and public infrastructure.	<i>Done (See ED-5.2, 5.4)</i>
EC-14 Foster economic and employment growth in designated Urban Centers and Manufacturing/ Industrial Centers through local investments, planning, and financial policies.	<i>Done for Urban Centers. N/A for other centers (See ED-3.5, pending outcome of Heartland Light Industrial Study)</i>
EC-15 Make local investments to maintain and expand infrastructure and services that support local and regional economic development strategies. Focus investment where it encourages growth in designated centers and helps achieve employment targets.	<i>Done (See ED-4, 4.1-4.4)</i>
EC-16 Add to the vibrancy and sustainability of our communities and the health and well-being of all people through safe and convenient access to local services, neighborhood-oriented retail, purveyors of healthy food (e.g. grocery stores and farmers markets), and transportation choices.	<i>Done (See ED-1.5, ED—3, 3.4,)</i>
EC-17 Promote the natural environment as a key economic asset. Work cooperatively with local businesses to protect and restore the natural environment in a manner that is efficient and predictable and minimizes impacts on businesses.	<i>Done (See ED-5, ED-5.1-5.5)</i>
EC-18 Maintain an adequate supply of land within the Urban Growth Area to support economic development. Inventory and monitor land supply and development capacity for manufacturing, industrial, commercial and other employment uses.	<i>Ongoing</i>
EC-19 Support manufacturing/industrial Centers by adopting industrial siting policies that limit the loss of industrial lands, maintain the region's economic diversity and support family wage jobs.	<i>N/A. Kirkland does not have such designated centers</i>
EC-20 Facilitate redevelopment of contaminated sites through local, county and state financing and other strategies that assist with funding environmental remediation.	<i>Done (See ED-5.5)</i>

