

ECONOMIC VITALITY

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1. INTRODUCTION

“Economic vitality is essential to ensure the continuous growth and development of Bonney Lake. Economic growth provides jobs and assures a stable tax base for a local community. In order to attract new commercial and industrial developments, Bonney Lake must develop a strategy for economic growth.”

*Comprehensive Plan
The City of Bonney Lake
October 23, 1985*

In his book on economic development planning, Edward J. Blakely defines local economic development as "a process by which local government and/or community-based groups manage their existing resources and enter into new partnership arrangements with the private sector, or with each other, to create new jobs and stimulate economic activity in a well-defined economic zone.¹" However, the Growth Management Act (GMA) – Chapter 36.70A RCW provides a broader definition of economic development beyond

the simple goal of stimulating economic activity:

- **Economic development.** Encourage economic development throughout the state that is consistent with adopted comprehensive plans, promote economic opportunity for all citizens of this state, especially for unemployed and for disadvantaged persons, promote the retention and expansion of existing businesses and recruitment of new businesses, recognize regional differences impacting economic development opportunities, and encourage growth in areas experiencing insufficient economic growth, all within the capacities of the state's natural resources, public services, and public facilities

Economic vitality is a better term given the GMA’s expanded view of economic development. Economic vitality is a process to improve the economic well-being of the community that protects the physical environment, provides a healthy economy, encourages employment opportunities, improves the socio-economic opportunities for citizens, expands the local tax base, facilitates economic opportunity and encourages the efficient use of land. It recognizes growth cannot out pace a local jurisdiction’s availability to provide public services and facilities.

Puget Sound Regional Council’s (PSRC) adopted multicounty planning policies (MPPs) provide in *VISION 2040* continues this theme of economic vitality. The economic goals and policies in *VISION 2040*:

“... promote a sustainable economy that creates and maintains a high standard of living and quality of life for all. To create stable and lasting prosperity, VISION 2040 focuses on businesses, people, and places, recognizing that growth management, transportation, economic, and environmental policies must be integrated, and must take social, economic, and environmental issues into account while preserving key regional assets.”

Additionally, Pierce County’s adopted county-wide planning policies (CPPs) relating to economic development and employment support a more expansive view of economic development providing that one of the goals of the County is to:

“... achieve a prospering and sustainable regional economy by supporting business and job creation, investing in all people, sustaining environmental quality, and creating great central places, diverse communities, and high quality of life.” (CPP-Ec-1)

This Economic Vitality Element was developed to further implement the goals and policies of the GMA, the adopted MPPs and CPPs, build on the work of the Prosperity Partnership^a and continue the nearly decade and half of work by the City of Bonney Lake to facilitate economic growth which includes the following:

➤ ***Bonney Lake Strategic Commercial Districts Plan*** (2001)

MAKERS Architecture and Urban Design prepared this plan, in collaboration with David Evans and Associates and the LeLand Consulting Group. The Strategic Commercial Districts Plan concentrated on developing a “downtown” for Bonney Lake, and formed much of the basis for the Community Character Element of the Comprehensive Plan. The plan divided the City’s commercial areas into three separate districts or centers: a “Civic Center Commercial District” (Downtown), the “Plaza Center District (“Midtown”), and the “Town Center Commercial District” (Eastown). The majority of the study concentrated on the “Civic Center Commercial District” (Downtown)

➤ ***Bonney Lake Economic Development Plan: An Element of the Comprehensive Plan*** (2005)

The City of Bonney Lake, in 2002, in response to amendments to the GMA prepared this plan, that build on the Strategic Commercial Districts Plan prepared in 2001. The Economic Development Plan relied on input from many sources, including economic development meetings attended by local leaders. The Economic Development Plan included generic information about economic development; discussions regarding key economic sectors; overview of economic development models; a community and economic profile; and goals, objectives, policies, and actions for achieving economic development.

➤ ***Regional Economic Strategy for the Central Puget Sound Region*** (2012)

Prepared by the Prosperity Partnership, the regional economic strategy lays out a comprehensive game plan to grow jobs and economic activity throughout the central Puget Sound region in order to comply with the federal requirement to have a regional comprehensive economic development strategy and to serve as the economic functional plan of VISION 2040.

^a Created by the Puget Sound Regional Council (PSRC) in 2004, the Prosperity Partnership is a coalition of more than 300 government, business, labor and community organizations dedicated to improving long-term economic prosperity for the central Puget Sound region.

➤ **City of Bonney Lake Economic Development Study (2015)**

BERK Associates in support of the preparation of the Economic Vitality Element completed this study to bolster Bonney Lake’s economic development strategy by identifying clear and direct goals and strategies that link a strong economy with business growth, the addition of new residents to the plateau, and the continued sustainability of Bonney Lake’s high quality of life. This study built upon the intrinsic link between the City’s economy and the City’s quality of life and image.

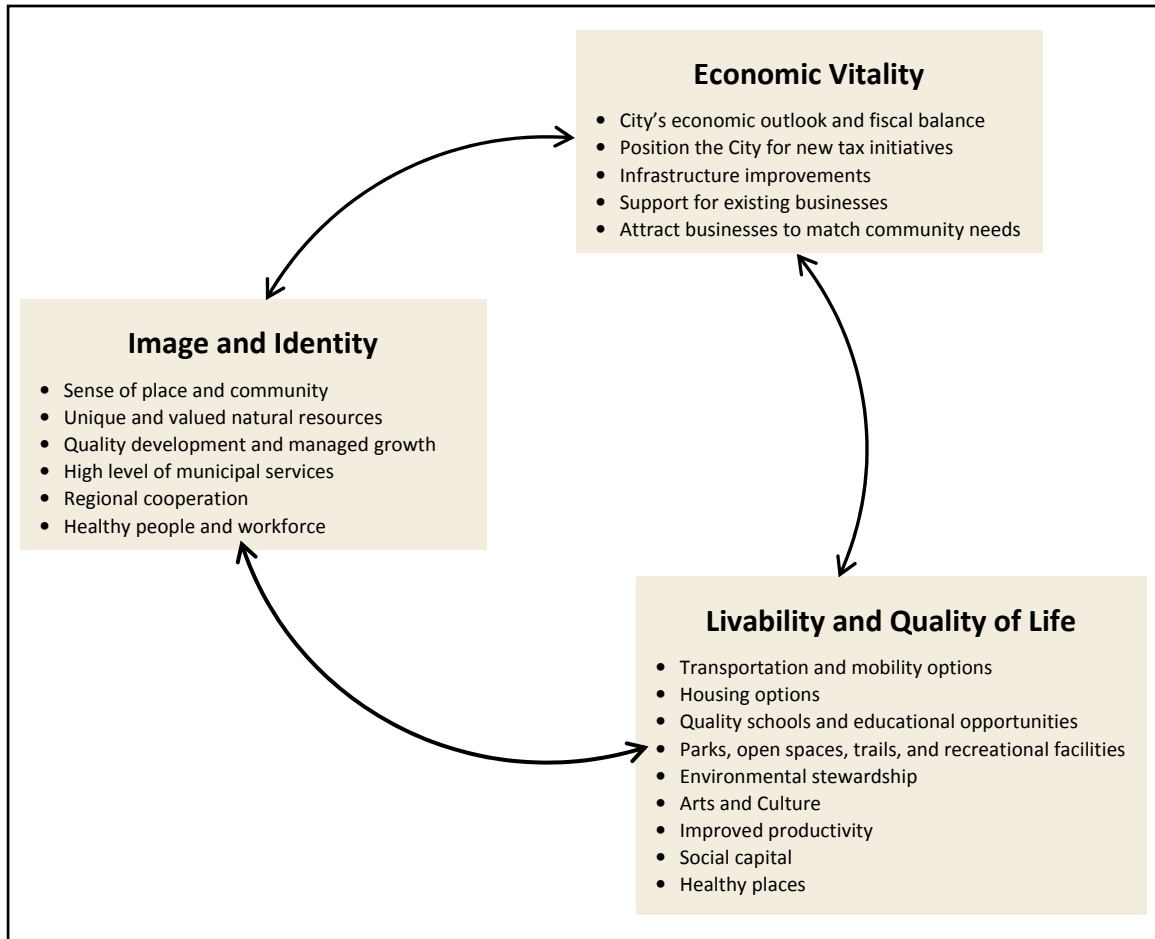


Figure 4-1: Relationship of Livability and Economic Vitality²

The Element consist of seven sections. The first section addresses the current socio-economic makeup of the City. The second section addresses the future economic prospects of the City. The third section addresses the City’s business and development climate. The fourth section discusses the City’s need to develop centers as part of the City’s economic development strategy. The fifth address the role that the City’s infrastructure improvements play in economic development. The policies in the Element will guide day-to-day City decisions on topics related to the economic development.

2. ECONOMIC VITALITY VISION

Bonney Lake is an economically self-sustaining community that is the commercial center of the plateau by being competitive, resilient, and attractive to private and public investments. Actively support the retention of existing businesses and development of new businesses in order to create robust commercial districts attractive to residents and visitors. This economic vitality promotes jobs, balances growth with the preservation of the City’s scenic resources, enables residents to enjoy a high quality of life, and sets the standard for long-term economic sustainability.

3. ECONOMIC PROFILE

Topics covered in this economic profile include taxable revenues, retail surplus and leakage, composition of the job base, occupation of Bonney Lake’s residents, and lifestyle information. The Community Development Element provides demographic information related to population size, ethnic makeup of the community, age, generational cohorts, job to housing ratio, and education attainment.

3.1 TAXABLE REVENUES

Key indicators of the economic health and vitality of the jurisdiction’s tax bases is the total amount collected and diversity of those taxable revenues.^b Bonney Lake’s total taxable sales in 2013 was 156% higher than the average of four of the comparable cities^c and similar to Covington’s total taxable sales.

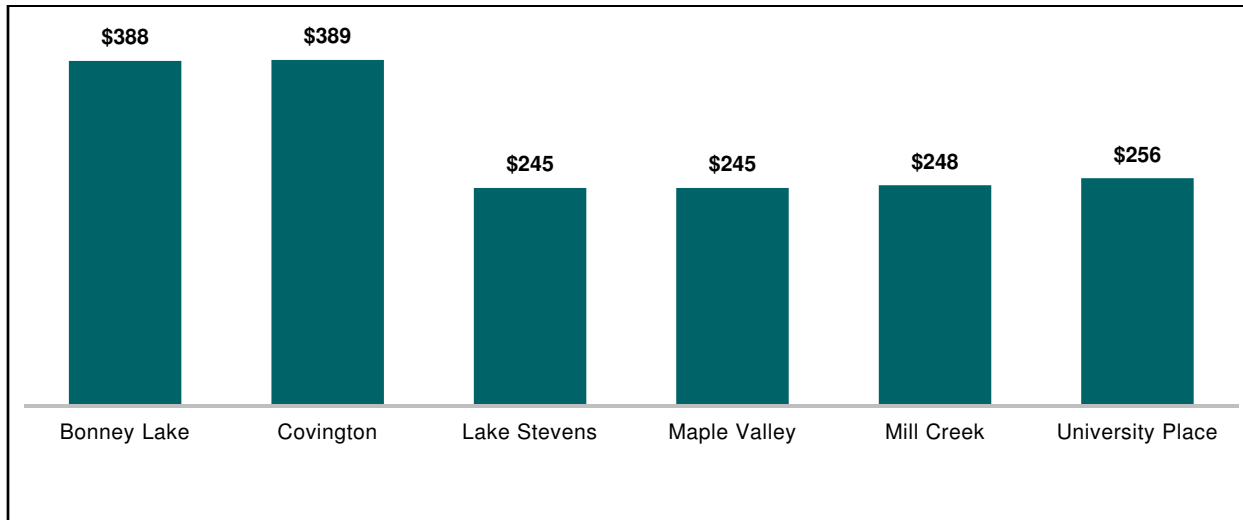


Figure 4-2: Total 2013 Taxable Retail Sales for Comparable Cities in Millions

^b Total taxable revenue is the total revenue collected by a business on which sales taxes are paid. The total sales tax collection is the amount collected by a jurisdiction based on the tax rate multiplied, by the total taxable revenue.

^c Comparable cities are jurisdictions that similar to Bonney Lake based on six criteria, which looked at the location and makeup of the community and used to provide context for the information. More information on the selection of these cities is in the Introduction Element of Bonney Lake 2035.

The City's total taxable sales experienced significant growth in between 2003 and 2006, which decreased during the Great Recession and the following three years. In 2013, Bonney Lake's total taxable sales recaptured gains lost during the Great Recession and were 10% higher than pre-recession levels.



Figure 4-3: Total Taxable Sales in Millions 2003 – 2013³

Bonney Lake's current taxable sales are significantly homogenous with retail sales accounting for 78% of the total taxable sales within the City. Professional Services account for 10% of the total taxable sales, while construction and resource management accounts for 9%. The smallest portion of Bonney Lake's taxable sales come from Manufacturing – Warehousing, Transportation, Utility (WTU); accounting for only 3% of the overall sales. Bonney Lake's total retail sales (TRS) is nearly double that of all of the comparable cities, except for one.

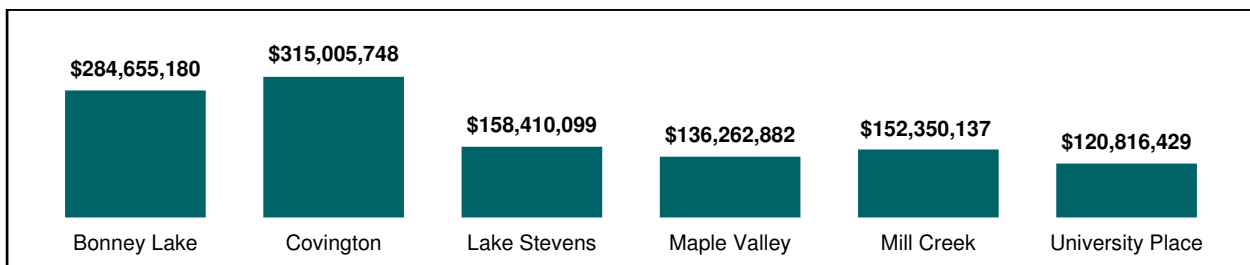


Figure 4-4: 2013 Total Retail Sales⁴

This stratified tax base results in a higher TRS per capita, which is more than triple that of three of the comparable cities. However, Bonney Lake's TRS per capita is half of Puyallup's TRS per capita and is about a third less than Sumner's TRS per capita. The primary reason for this discrepancy is the car dealerships located in each of these jurisdictions, which accounts for over a third of Puyallup's TRS and nearly half of Sumner's TRS.

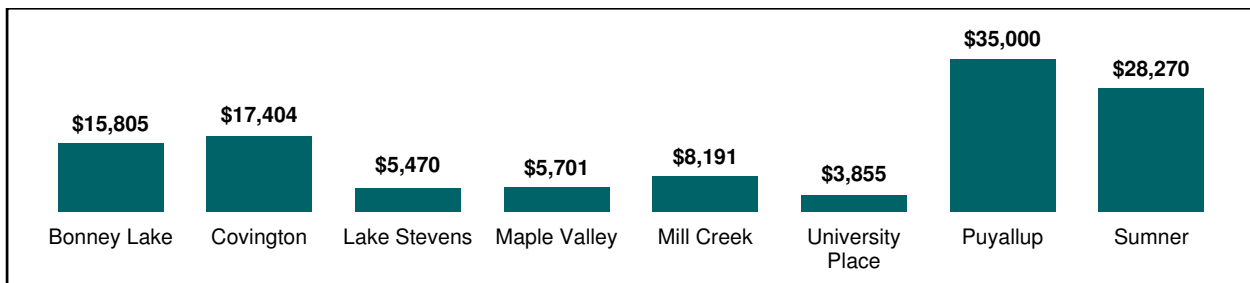


Figure 4-5: 2013 Total Retail Sales Per Capita

3.2 RETAIL SURPLUS AND LEAKAGE

Retail demand relates to the volume of retail purchases made by local residents, whether made in the local trade area or elsewhere. Supply is the volume of retail sales activity actually experienced by local businesses.

In some communities, the volume of sales will outstrip locally generated demand, creating a retail surplus meaning that a community's trade area is capturing the local market plus shoppers not living within the trade area. Having a retail surplus does not necessarily translate into a lack of market share for new retailers as communities can have clusters of destination retail stores that have a geographical appeal larger than the trade area.

When demand outstrips supply, retail sales leakage occurs as local residents travel outside the immediate trade area to shop. Retail leaking can indicate either areas of unmet demand or the presence of strong competitor in a neighboring trade area that dominates and captures that demand. For example, Puyallup and Sumner have a significant number of car dealership that capture the demand from Bonney Lake's trade area, which translates into a retail leakage, but not necessary unmet demand that the City could capitalize on to increase retail sales.

This retail surplus and leakage analysis examines the retail market for the City and the City's trade area to identify possible retail opportunities. The Bonney Lake trade area is larger than the incorporated boundaries of the City and contains approximately 63,000 people. The trade area for this analysis is within the geographical area that is within a ten (10) minute drive of the intersection of 192nd Avenue East and State Route 410.

The City prepared a leakage index to identify leakages and surpluses for each of the categories of retail, based on North American Industrial Classification System (NAICS). The Washington State Department of Revenue also uses the NAICS to report total retail sales for each category listed below.

By multiplying the population of the trade area and the City by the statewide retail sales per capita average for each NAICS category and then dividing that number by the City's actual retail sales for same NAICS category, the City was able to calculate a leakage ratio for both the trade area and the City.

In interpreting the ratio in the leakage index, a value of 1.00 indicates equilibrium meaning that the demand and sales are in balance. A value of 0.80 or less means that demand exceeds sales indicating that consumers are leaving the trade area. A value of 1.20 or greater means that sales exceeds demands, which indicates that consumers are coming from outside the trade area.

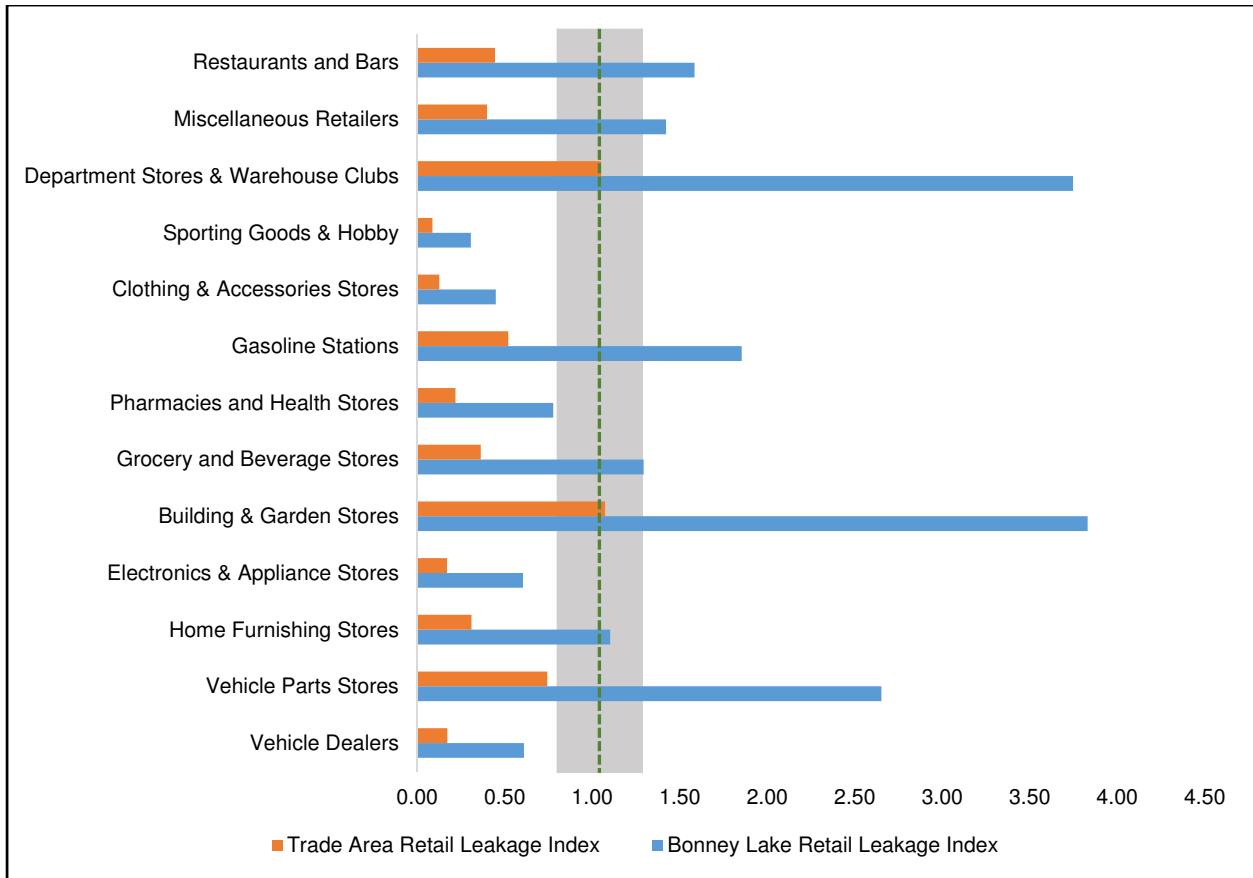


Figure 4-6: Retail Leakage Analysis

3.3 JOB BASE AND WAGES

According to the Puget Sound Regional Council’s 2013 *Land Use Targets* (September 2013), which is based on the 2010 Census data, Bonney Lake’s largest employment base is in the Retail and Food Service sectors which accounts for 50% of the jobs within Bonney Lake, which is the highest out of all of the comparable cities and the counties. Professional services (e.g. doctors, lawyers, financial institutions, architects, etc.) account for 30% of the employment base in Bonney Lake. The remaining 20% of the City’s employment base consist of Educational Services: K- 12 (9%), Government/Higher Education (5%), Construction (5%) and Manufacturing/WTU (1%).

“Create opportunities for diverse employment compatible with Bonney Lake’s environment.

*Comprehensive Plan
The City of Bonney Lake
October 23, 1985*

Due to the City’s high concentration of retail and service employment, which are typically minimum wage jobs. As a result, the average wages paid to individuals employed in Bonney Lake is lower than the average wage in Pierce County and Washington State. The average wage paid to employees in Pierce County’s is \$44,541 and the statewide average is \$53,029.⁵ In Bonney Lake, nearly 70% of the employees working within the City have an annual wage that is lower than the average wage in Pierce County and Washington State.

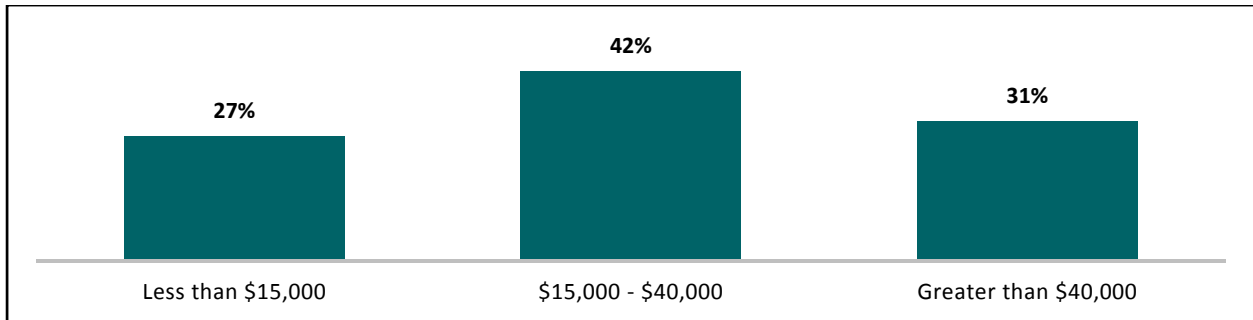


Figure 4-7: Bonney Lake Wages⁶

The lower average wages means that some individuals employed in Bonney Lake do not meet the Self-Sufficiency Standard. The Self-Sufficiency Standard is the amount of annual income required to meet basic needs differentiated by family type and location without the help from public subsidies (e.g. public housing/housing assistances, Medicaid, SNAP/WIC, childcare assistance) or private/informal assistance (e.g. unpaid babysitting by a relative or friend, food from food banks, or shared housing).⁷ It is difficult to determine the exact number of families work in the City that do not meet the Self-Sufficiency Standard as the amount of income needed is highly depended on family type. For example, the annual self-sufficiency wage for a single adult is \$22,754 as compared to the annual self-sufficiency wage for a single adult with a child, which is between \$44,135 and \$58,472.⁸ Families that have two parents, both working, and one kid require annual self-sufficiency wage between \$26,312 and \$41,808 per adult.⁹

Goal EV-1: Expand socio-economic opportunity for the citizens of Bonney Lake.

Policy EV-1.1: Recruit business enterprises that will provide residents with employment wages at or above county median income levels.

Policy EV-1.2: Encourage institutions of higher education to create online or satellite educational and training programs that are readily available to Bonney Lake citizens, or within reasonable commuting distance.

Policy EV-1.3: Work with other public agencies and private interests, including the Tacoma-Pierce County Economic Development Board (EDB), Sumner and White River School Districts, Chamber of Commerce, and others to promote employment and occupational training and advancement programs and job placement skills.

Policy EV-1.4: Work with other public agencies and private interests to promote daycare services and facilities for pre-school children, before and after school latchkey children, and special populations including elderly and handicapped adults to support working household members.

Policy EV-1.5: Work with other public agencies and private interests to create interactive and linked websites listing employment opportunities.

Policy EV-1.6: Identify and encourage programs that will reduce the gap between wages paid and the Self Sufficiency Standard.

3.4 RESIDENT OCCUPATIONS

“Employment opportunities near Bonney Lake are increasing as new industries locate in the Kent, Auburn, and Sumner Valleys. During the past four years many new industrial plants have located in Auburn and Kent, and major industrial employers in Sumner have increased their employment. This trend is continuing, and will affect population growth in Bonney Lake.”

*Plan for Bonney Lake, Washington
May 2, 1964*

However, while the wages for people employed within the City are lower than average in Pierce County, the average income of households living in Bonney Lake is \$77,432, which is significantly higher than the average household income in Pierce County, which is \$59,105. This high average household income is due to the number of residents employed outside of the City.

Table 4-1 provides the percentage of residents employed in each of the two digit (NAICS) sector codes and identifies which regional industry clusters^d may include jobs from that NAICS sector. The figure also provides the PSRC grouping of employment.^e It is difficult to determine exactly what percentage of Bonney Lake residents employed in each of

the industry clusters as the data available to the City only provides employment information at the NAICS two digit sector code. Whereas, the cluster groups in the *Regional Economic Strategy for the Central Puget Sound Region* (Regional Economic Strategy) utilize the six digit national identity NAICS code and includes employment within a number of NAICS sectors.

^d An industry cluster as defined by the *Regional Economic Strategy for the Central Puget Sound Region* as geographical concentration of interconnected business and organizations. The ten key industry clusters are Aerospace, Business Services, Clean Technology, Information Technology, Life Science and Global Health, Maritime, Military, Philanthropies, Tourism and Visitors, and Transportation and Logistics. These industries were selected based on the size of the employment within the cluster, industry dynamism (how much and how quickly a cluster is changing), and location quotient (concentration of that type of employment in the region relative to the United States).

^e PSRC’s classification scheme is based on the NAICS but grouped into a different classification system that includes Manufacturing; Warehousing, Transportation, and Utilities (WTU); Finance, Insurance, and Real Estates (FIRE); Service Industries; Construction and Resource; Retail Government; and Education.

NAICS Code	NAICS Description	Residents Employment by NAICS Sector	Regional Economic Strategy Industry Cluster	PRSC Grouping
11	Agriculture, Forestry, Fishing and Hunting	0.78%	Maritime	Construction and Resource
21	Mining, Quarrying, and Oil and Gas Extraction	0.06%		
22	Utilities	0.29%	Clean Technology	Wholesale Trade, Transportation, and Utilities
23	Construction	7.69%	Clean Technology	Construction and Resource
31 - 33	Manufacturing	12.94%	Maritime	Manufacturing
			Clean Technology	
			Aerospace	
			Information Technology	
			Life Science and Global Health	
42	Wholesale Trade	6.17%	Maritime	Wholesale Trade, Transportation, and Utilities
			Aerospace	
			Information Technology	
			Life Science and Global Health	
44 - 45	Retail Trade	11.37%	Information Technology	Retail Trade
48 - 49	Transportation and Warehousing	6.44%	Transportation and Logistics	Wholesale Trade, Transportation, and Utilities
			Maritime	
			Tourism and Visitor	
51	Information	1.92%	Information Technology	Services
52	Finance and Insurance	2.57%	Business Services	Finance, Insurance, and Real Estate
53	Real Estate and Rental and Leasing	1.56%	Transportation and Logistics	
			Business Services	
54	Professional, Scientific, and Technical Services	3.30%	Clean Technology	Services
			Business Services	
			Information Technology	
			Life Science and Global Health	
55	Management of Companies and Enterprises	1.20%		

NAICS Code	NAICS Description	Residents Employment by NAICS Sector	Regional Economic Strategy Industry Cluster	PRSC Grouping
56	Administrative and Support and Waste Management and Remediation Services	4.65%	Clean Technology	Services
			Tourism and Visitor	
61	Educational Services	8.90%		Education
62	Health Care and Social Assistance	11.93%	Life Science and Global Health	Services
71	Arts, Entertainment, and Recreation	1.95%	Tourism and Visitor	
			Business Services	
72	Accommodation and Food Services	6.20%	Tourism and Visitor	
81	Other Services (except Public Administration)	4.32%	Philanthropies	
92	Public Administration	5.76%		Government

Table 4-1 Resident Employment Percentage by NAICS Sector¹⁰

Residents primarily commute to six communities for employment:

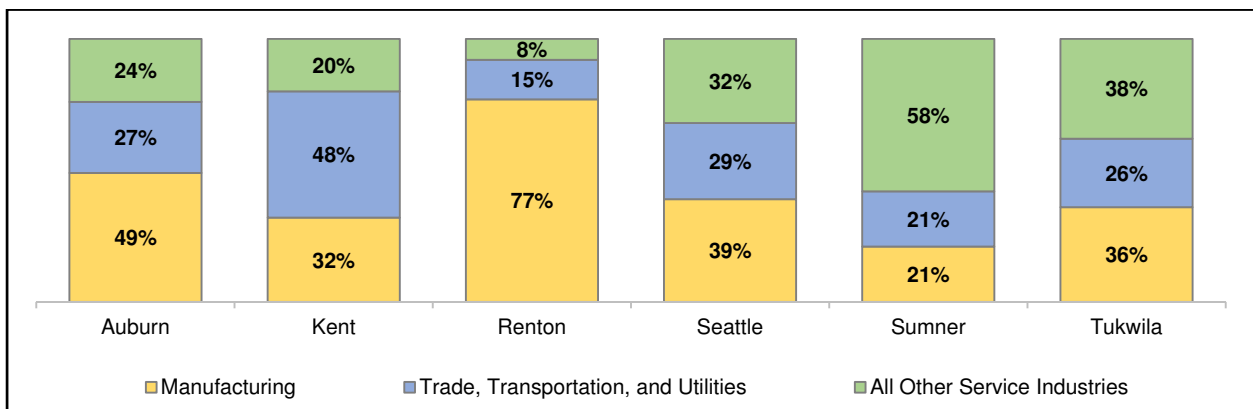


Figure 4-8: Employment Industry for Commuting Bonney Lake Residents¹¹

Residents commuting to out of the City are overwhelmingly commuting to jobs at that over \$40,000.

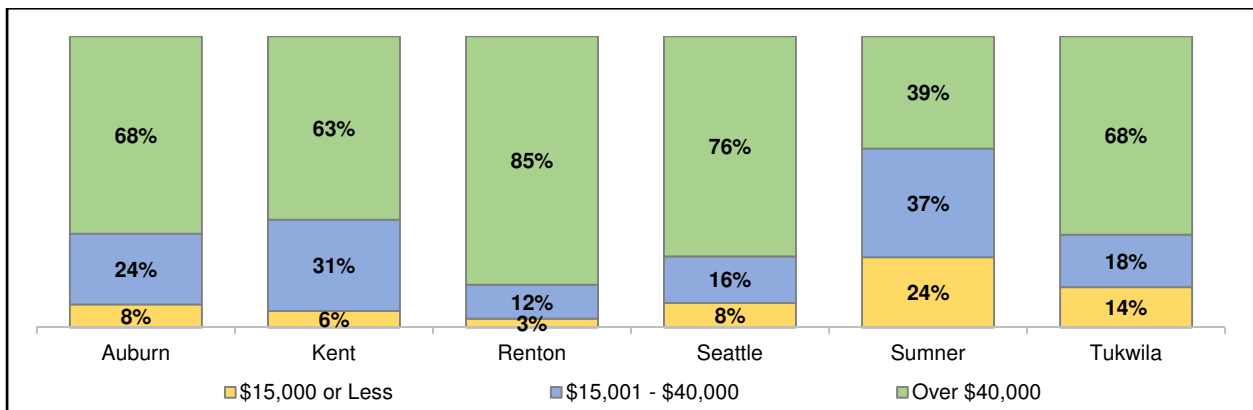


Figure 4-9: Annual Individual Job Salary for Commuting Bonney Lake Residents¹²

The City’s quality of life will be important to continue to attract individuals employed in these regional industry clusters to live in Bonney Lake. Quality of life is a political concept often used to describe an individual’s or group’s satisfaction with a residential location based on number of factors, which can include traffic, crime, availability of open space and parks, quality of local public schools, job opportunities, and housing affordability.¹³

Bonney Lake’s semi-rural setting, proximity to recreational offerings, local access to a variety of goods and services, and relative housing affordability are key factors related to Bonney Lake’s quality of life.¹⁴ A recent report identified Bonney Lake as one top ten best place for homeownership in Washington.¹⁵ The high importance of housing affordability is evident in PSRC’s 2014 *Puget Sound Travel Study*, which clearly identified affordability as the most significant factor influencing where individuals chose to live in the Puget Sound region.

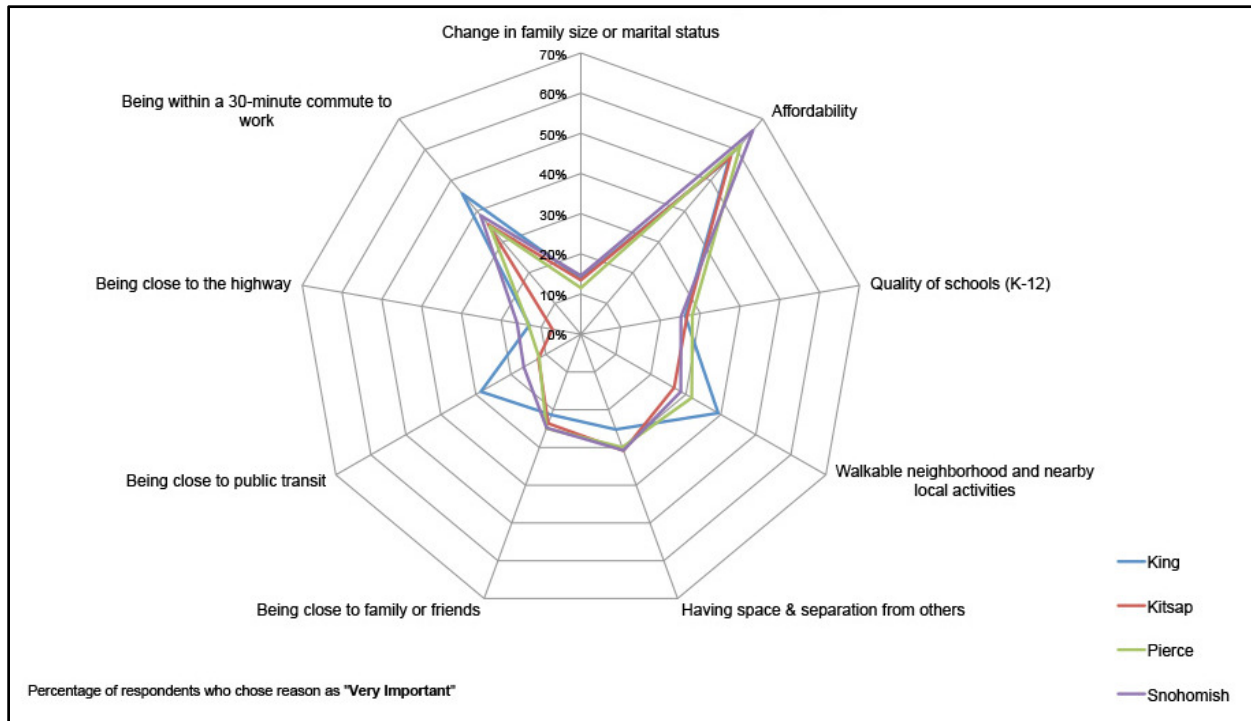


Figure 4-10: Reason for Residential Choice by County¹⁶

As population gains are the main driver behind Bonney Lake’s large retail sector and ultimately its overall economic development, maintaining its high quality of life is an important consideration for future economic development planning. To help maintain and enhance Bonney Lake’s quality of life, the following areas are priorities for the City to make continued investments: traffic mobility; recreational amenities including parks and trails; creating some type of city or civic center; and improving the look and feel of the SR 410 retail corridor¹⁷

Goal EV-2: Enhance and maintain Bonney Lake’s residential quality of life as an economic development strategy, capitalizing on Bonney Lake’s affordability, recreational amenities, and scenic resources in order to attract people to live and work within the City.

Policy EV-2.1: Promote the proximity of Lake Tapps, Crystal Mountain, and Mount Rainier as part of business recruitment and marketing efforts.

Policy EV-2.2: Maintain and increase City investment in public amenities that contribute to high quality of life for Bonney Lake residents, including parks, public spaces, civic gathering places, sidewalks and streetscapes.

Policy EV-2.3: Utilize design guidelines to improve the City’s physical environment and make the City an attractive destination.

Policy EV-2.4: Develop a system of sidewalks, bicycle lanes and trails to provide pedestrian and bicycle connection between residential neighborhoods, parks, civic gathering spaces and centers.

4. FUTURE ECONOMIC PROSPECTS

Looking toward the future, the forecast for Bonney Lake’s population is continued strong growth with an anticipated population of 28,654 by 2035. This would represent an additional 10,134 residents from the 18,520 estimated in 2014 and a 55% overall increase. Population growth moving forward will likely follow the residential pattern of past growth; namely, the addition of more single family homes whose residents commute outside the City for work. Furthermore, the an additional 11,160 people are expected to be added to the population of the area as a result of the Tehaleh master planned community, which south of Bonney Lake. Development in Tehaleh will occur into two major phases.

The increased population base will act as a potential catalyst for some new economic sectors to develop including medical and health services, professional services, and potentially higher education. These occupational groups are expected to add somewhere between 18,000 and 23,000 jobs in the Puget Sound over the next four years.¹⁸ Bonney Lake should capture growth in these economic sectors on the plateau given the established retail and commercial core within the City upon which to build.

However, even with the increase population, development of general office and industrial/warehousing economic sectors in Bonney Lake would face significant challenges given the areas peripheral location, relative isolation of Bonney Lake’s transportation network from major transportation nodes, and lack of rail infrastructure.

4.1 RETAIL AND PROFESSIONAL SERVICES

In the near term, these new residents within the City and the surrounding area will have a positive impact on Bonney Lake's retail and personal service sectors, as they look to Bonney Lake to satisfy their retail and service needs.

In the long term, retail development in Tehaleh will likely consist of retail serving the demand for daily goods (grocery and some retail, restaurant, and services sectors) which could affect these types of providers within the City. However, there will be little opportunity to compete with Bonney Lake's regional retailers based on the relatively small size of the Tehaleh population and the established nature of Bonney Lake's regional retail base; therefore, Bonney Lake's current role and success as the retail center for the plateau will continue as both the City's and nearby population increase over time.¹⁹

"It is desirable to provide sufficient space, in appropriate locations, to meet the demands for Bonney Lake's present and future needs for modern commercial and business services."

*Plan for Bonney Lake, Washington
May 2, 1964*

&

*Comprehensive Plan
The City of Bonney Lake
October 23, 1985*

The one exception is auto dealers. While increases in population on the plateau will generate more demand for cars, the tendency for car dealers to form clusters, the proximity of Bonney Lake to the existing Puyallup dealership cluster act as an overall disincentive for new auto dealerships to open in Bonney Lake.²⁰ As a result, there is limited potential growth in the auto dealer economic sector. However, there may be an opportunity to add additional RV dealers in Easttown in support of a growing population with potential for building a regional RV cluster.

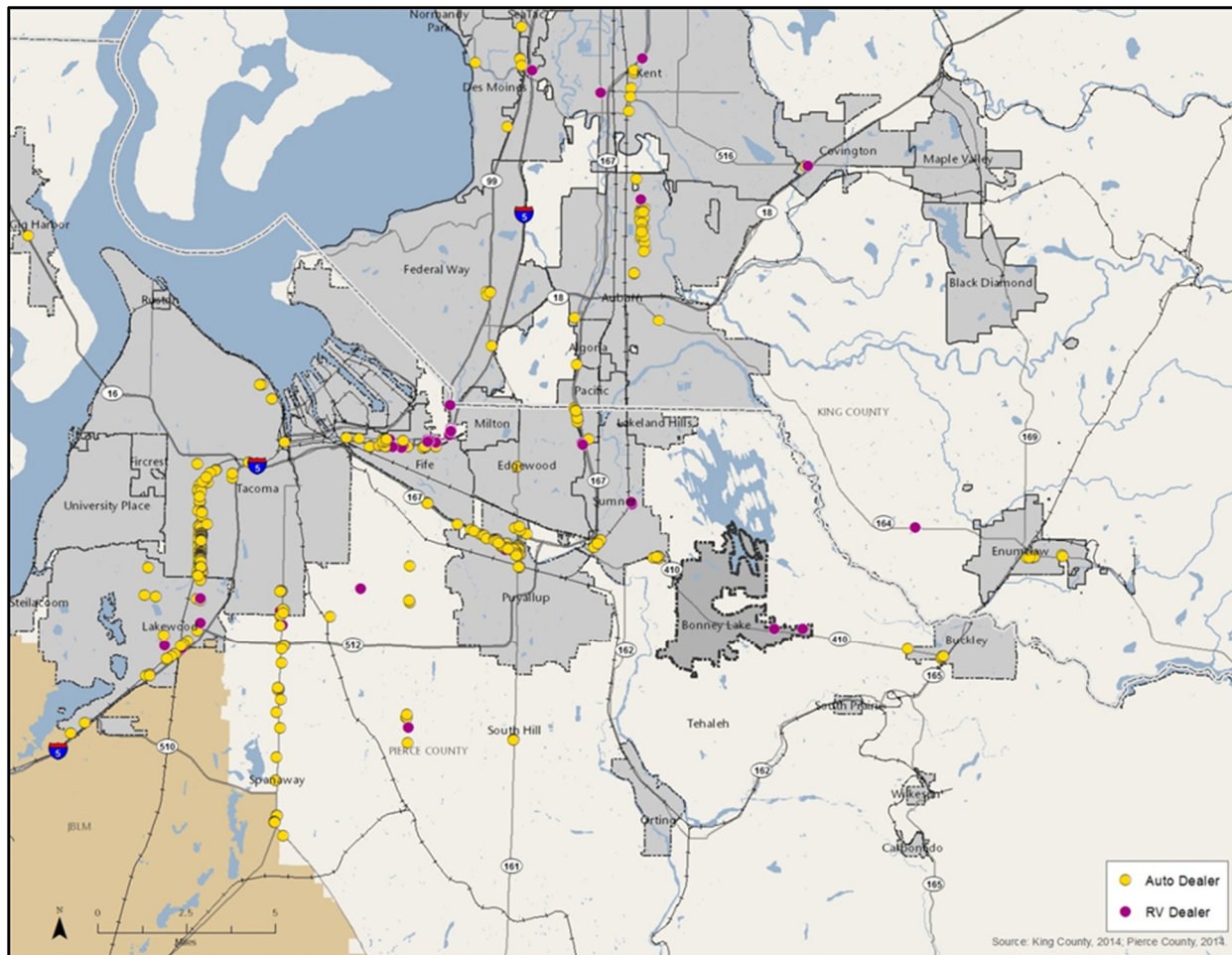


Figure 4-11: Regional Auto and RV Dealers²¹

Besides retail services, future population growth will attract medical and health services to the City, which pay higher wages than retail and would be a desirable complement to the current high concentration of retail jobs in Bonney Lake. As the population of Bonney Lake increases, along with the development of Tehaleh there will be more regional demand for medical, dental, and other health services, creating an opportunity for Bonney Lake.²²

4.2 HIGHER EDUCATION

Currently there are no higher education facilities or operations either in Bonney Lake or on the plateau. Regionally, there are three higher education facilities near the plateau: Pierce College Puyallup, a stand-alone community college located west of Bonney Lake; a satellite campus of Green River Community College in Enumclaw; and a satellite campus of Clover Park Technical College in South Hill.

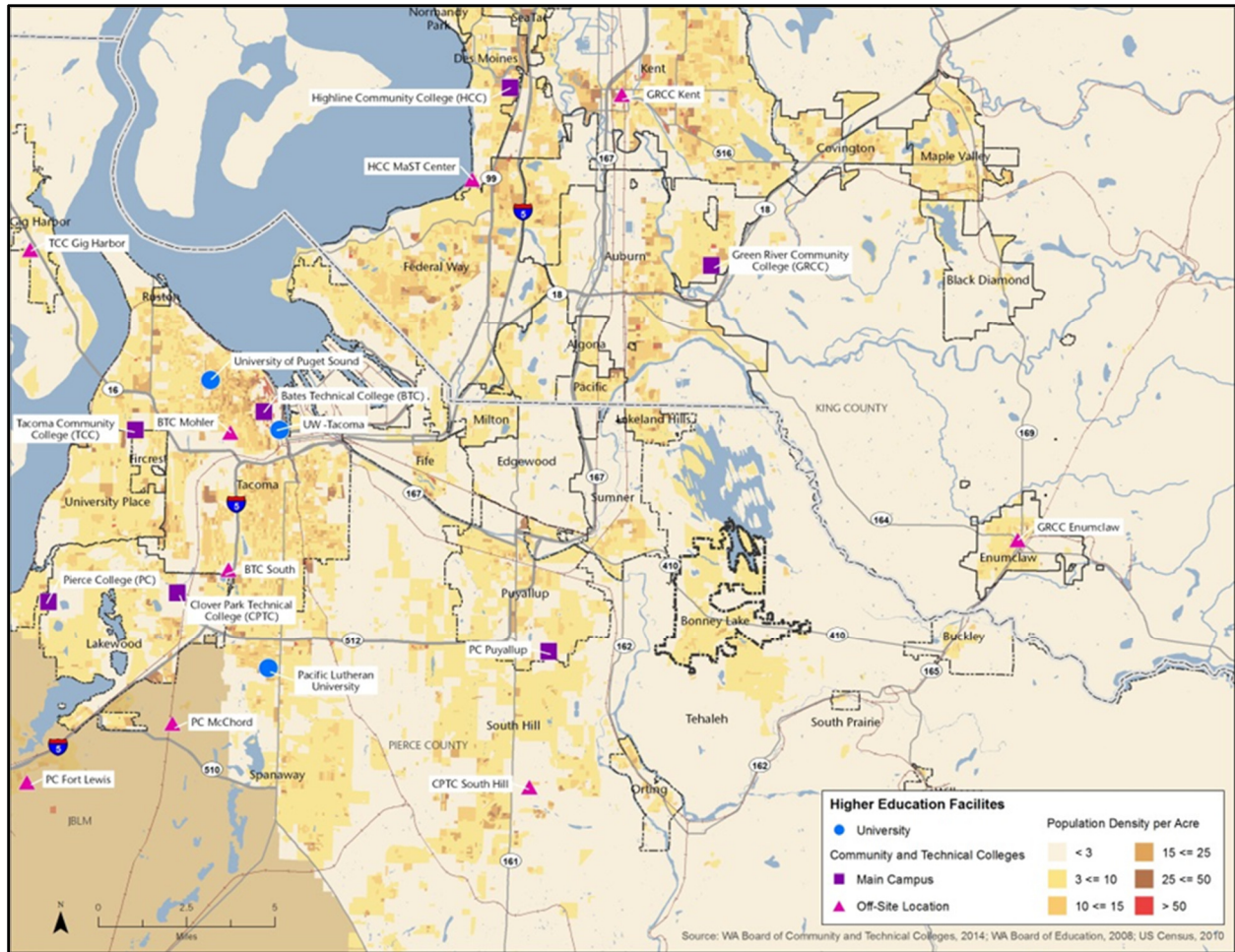


Figure 4-13: Higher Education Facilities²⁴

Regional population and demographic trends help drive the location decisions behind locating a new traditional two-year community college campus. Although population growth on the plateau over the next 20 years will be significant and could support a branch or potentially a full campus of a technical or community college, based on current population trends, a new community college would more likely be located in southeast rather than northeast Pierce County.²⁵ Therefore, realizing the potential in this economic sector would require a long-term and committed strategy on the part of the City involving relationship building and recruitment.

Goal EV-4: The City will strive to have higher and technical educational opportunities available to all residents within Bonney Lake.

Policy EV-4.1 Build relationships community colleges and technical colleges in order to develop a long-term strategy to locate a technical college, community college extension, or training programs within Bonney Lake.

4.3 OVERNIGHT LODGING

There are currently no hotels or motels located in Bonney Lake as hotels and motels typically concentrate along major highways and close to larger populations and employment centers. Bonney Lake's lack of major employers or employment centers that would create workweek demand for overnight lodging is likely to prohibit overnight lodging development as regional visitors and overnight guests, who tend to travel on weekends, are not sufficient to support a hotel or motel on their own.²⁶

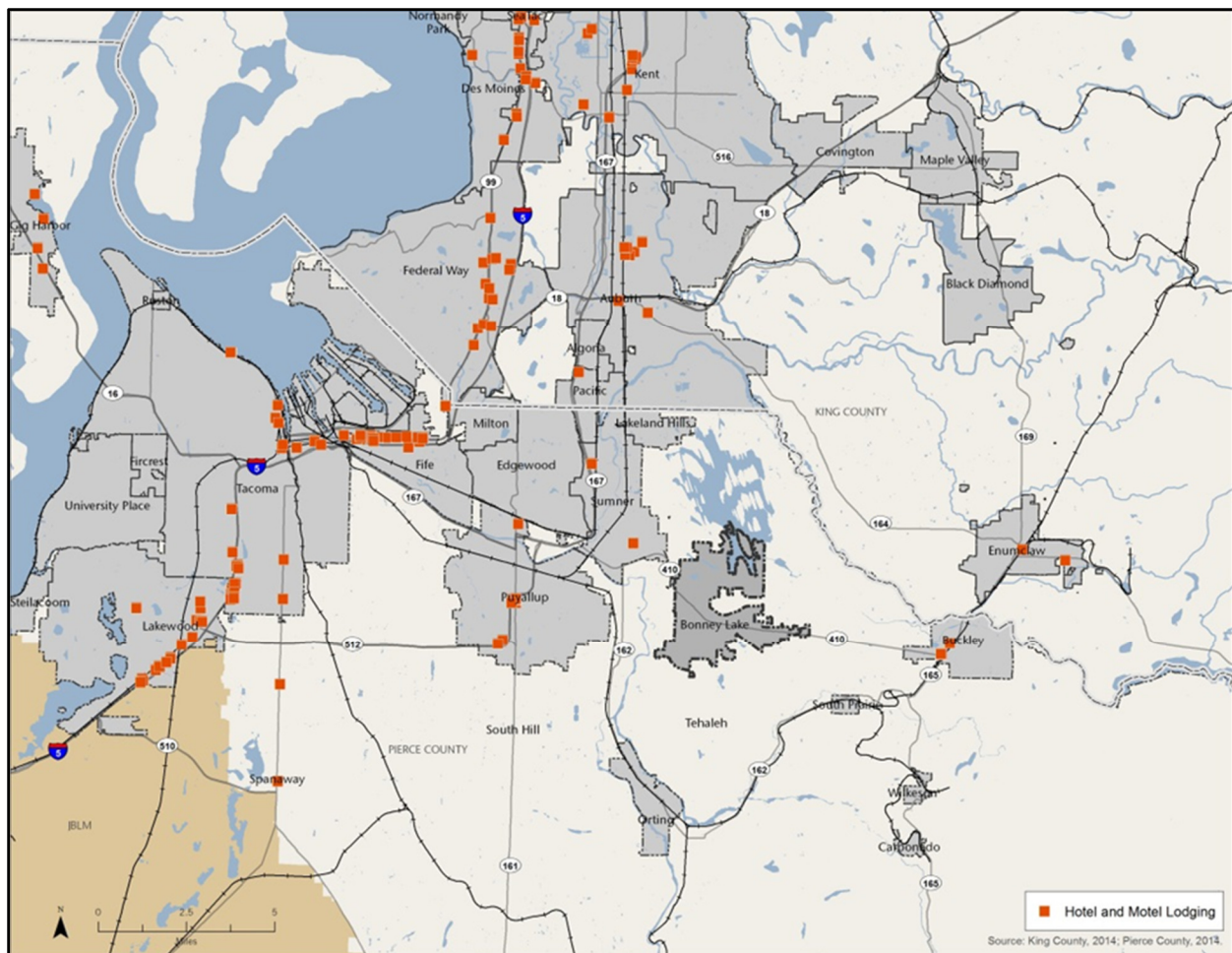


Figure 4-14: Regional Hotel and Motel Locations²⁷

4.4 GENERAL OFFICE

There is currently a limited amount of office building space in Bonney Lake, which appears to consist of professional service firms (financial and tax services, attorneys, etc.) that serve the local and regional population. There are small pockets of office space located along SR 410, but the majority of larger office spaces in the region remain concentrated either in established urban centers, employment centers, or along major highway and transit routes. Large employers who occupy large amounts of office space tend to locate along major transit corridors and within urban hubs. From this perspective, Bonney Lake is at a comparative disadvantage regionally in terms of attracting large office-based employers.²⁸

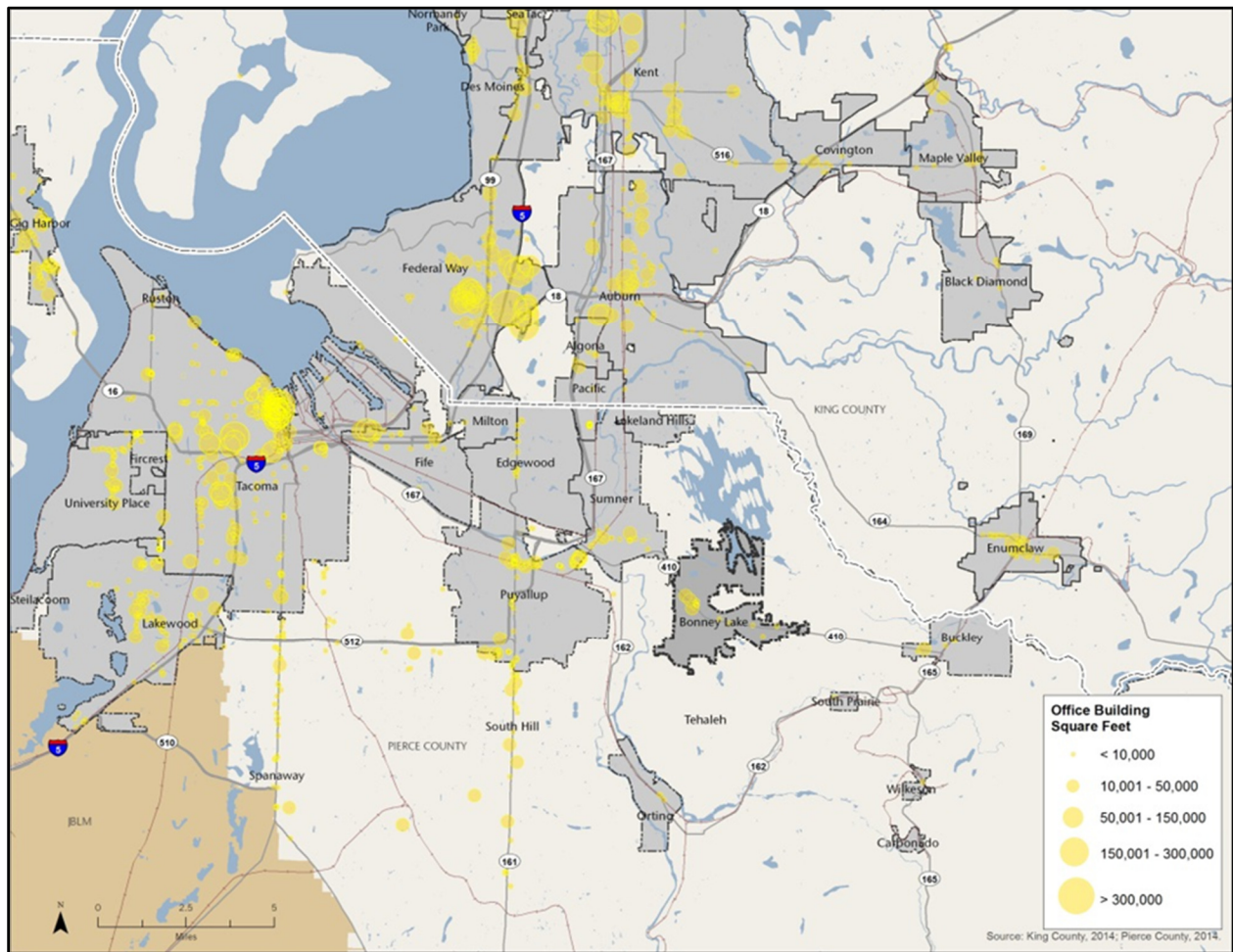


Figure 4-15: Office Space in Bonney Lake Region²⁹

Opportunities do exist to increase Bonney Lake’s professional service offices as the City and regional population grows. Medical and health services, a subset of the office sector, offer additional opportunities for growth (*see discussion of Medical and Health Services earlier*).

4.5 MANUFACTURING, INDUSTRIAL, AND WAREHOUSING

Manufacturing/industrial and warehouse economic activity in the region is located along established major transportation routes, especially railways and port facilities, and in geographic clusters. Manufacturing/industrial and warehouse facilities are often located near one another as can be seen in Sumner Industrial Park, Kent Valley, Auburn Valley, and the Port of Tacoma.

Bonney Lake currently has a very small amount of warehousing and manufacturing/industrial economic activity. Given the historic absence of railways, relative isolation from major transportation routes, and limited number of large, industrially zoned developable parcels, future growth in the manufacturing/industrial and warehousing sector will be negligible within Bonney Lake.³⁰

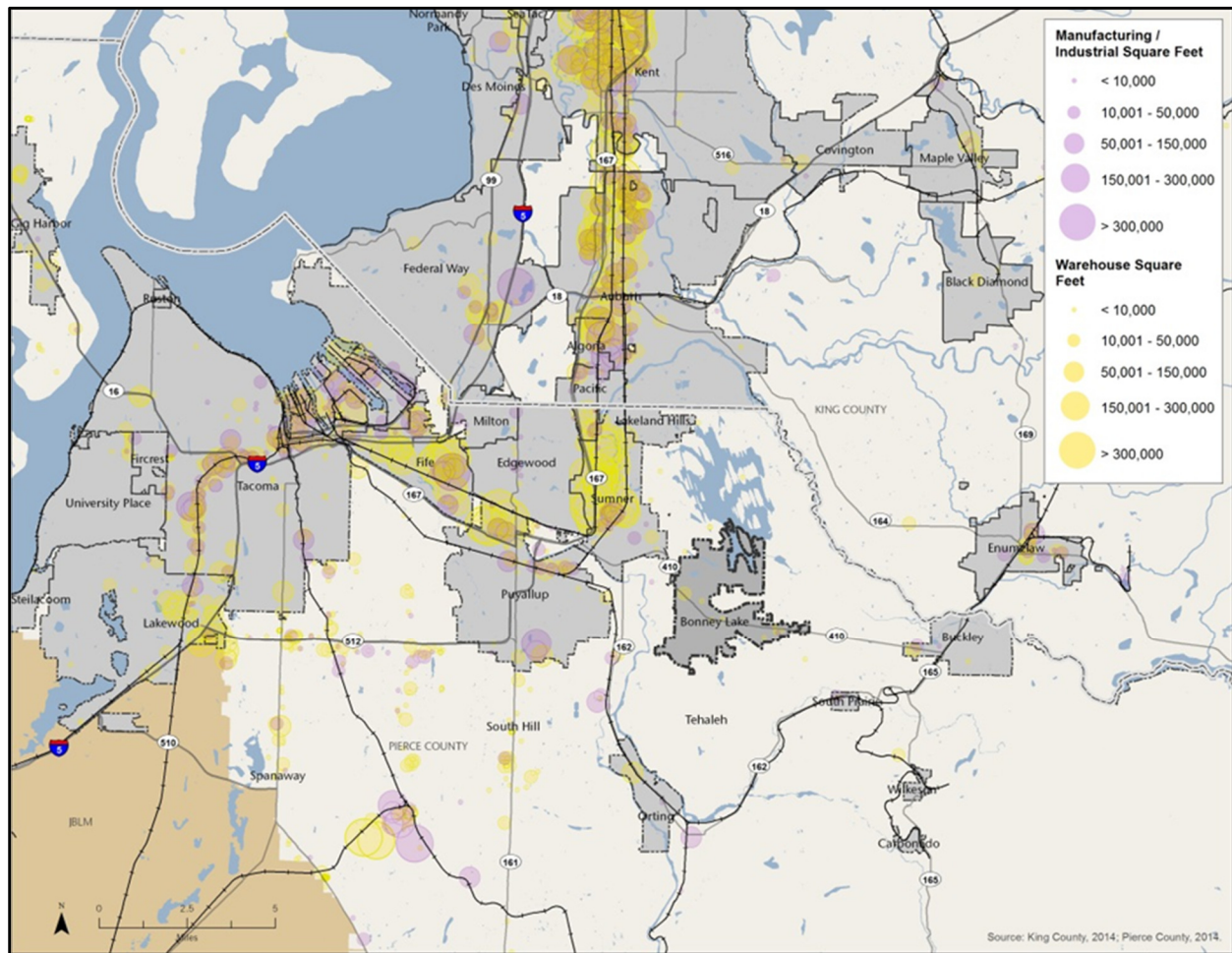


Figure 4-16: Manufacturing, Industrial, and Warehouse Activity³¹

Bonney Lake has greater opportunities for growth in the light industrial sector, by supporting the development of “flex tech” spaces – large, open space buildings with flexible formats that accommodate a variety of uses. Easttown may be particularly well suited to such uses, which can add diversity to Bonney Lake’s economy and job base.

5. BUSINESS CLIMATE

Every year there is a limited pool of money that spent in Central Puget Sound Region and Pierce County by businesses either to expand current operations or to enter a new market. Unfortunately, no one knows the exact amount that is in this pool or where development will occur. For Bonney Lake, this means that the City must compete with other communities in the Central Puget Sound Region and Pierce County to attract businesses that provide jobs for residents, as well as to recruit businesses that offer goods and services needed and desired by the community.

A local jurisdiction cannot fully control a number of the factors used by business to determine where to invest (e.g. the availability of skilled workers, location of a City in relationship to the regional transportation systems, or the number of residents meeting certain demographic criteria). However, a jurisdiction can help to attract new business and retain existing business by creating a positive business climate by:

- Ensuring that the cost for development (e.g. permit fees, impact fees, connection charges, taxes, etc.) is equal to the benefit received by the business and community.
- Providing quality of public services and facilities.
- Ensuring development review process is reasonable, predictable and stable development regulation.
- Building the social capital of existing business by facilitating interactions between businesses by supporting organizations like the Bonney Lake Chamber of Commerce and Beautify Bonney Lake.

When the factors not controlled and controlled by the City align, Bonney Lake has a powerful advantage in the marketplace. Bonney Lake must take a facilitative approach to encouraging business investment, study options for development fees, and communicate the City's interest in business growth. This will help to ensure that when there is an opportunity for investment between similar communities in the area; Bonney Lake will be the preferred location.

A positive economic climate requires sustained efforts by numerous parties. Many factors are beyond the City's control, such as the educational resources allocated by the Sumner School District, or the housing investment decisions made by the private sector. Additionally, by virtue of being an incorporated city in Pierce County, the City is included in a variety of countywide and regional economic development efforts, including those of the Puget Sound Regional Council, Prosperity Partnership, the Pierce County Regional Council, the Port of Tacoma, the Economic Development Board of Tacoma-Pierce County, and the Pierce County Economic Development Division.

Given a community will maintain a strong economy; the City can act in a leadership role to communicate the importance of a positive business climate and work with others to achieve it.

Goal EV-5: Establish a supportive climate that encourages the retention of existing businesses and encourages business investment in the community.

Policy EV-5.1: Promote economic development as a City priority, tied directly to the City's ability to serve residents and businesses well. Ensure City staff members have appropriate understanding of the City's economic development interests and their individual roles in contributing.

Policy EV-5.2: Promote a customer-service orientation in development services that facilitates development aligned with the community's vision and land use regulations.

Policy EV-5.3: Clearly establish and communicate the community's vision for Bonney Lake as a whole, as well as for major sub-geographies, to provide the local business community with clear direction on the appropriateness of various types of development in different parts of the City.

Policy EV-5.4: Ensure that taxes, fees, and dedications assessed as part of the development review process do not become an undue obstacle to economic growth.

Policy EV-5.5: Enforce development regulations in a consistent, objective manner, encouraging and facilitating investment that adheres to these policies.

Policy EV-5.6: Promote public understanding of the City's positive development climate and desire for business investment, both within the local business community and for the public.

Policy EV-5.7: Consider the use of organizational and financial tools to leverage private sector resources in accomplishing the city's economic development and land use vision.

POLICY EV-5.8: Facilitate economic development in commercial areas through public/private partnerships if the activity is consistent with the city's adopted policies, if there is a compelling public benefit, and if there is an acceptable level of risk.

6. CENTERS

The development of local and regional centers is the critical component of implementing *Vision 2040*, *Metropolitan Transportation Plan* and the *Regional Economic Strategy*. The development of the four centers in Bonney Lake will provide access to a diverse collection of services, shopping, recreation, and jobs, would further the goals of *Vision 2040*, *Metropolitan Transportation Plan* and the *Regional Economic Strategy*, facilitate economic

development, foster an enhanced sense of community for residents and help better define Bonney Lake's overall identity. The *City of Bonney Lake Economic Development Study* (2015), prepared by BERK

"Promote a mixed use center that will provide a unique and attractive setting, and act as a major focal point for civic, retail, and commercial activities in Bonney Lake."

*Comprehensive Plan
The City of Bonney Lake
October 23, 1985*

Consulting discussed the following ways the City's centers play a role in economic development and actions the City should consider to facilitate development within these centers:

Downtown

As described in the 2007 Downtown Plan, elements of good urban design can shape the built environment Downtown to help create a stronger sense of place. Main components of the plan include a civic center, central plaza, and retail core ringed with commercial, residential, office, and mixed-use buildings with the potential for creating multiple story structures. The envisioned role central plaza is to be Bonney Lake's most public space with a capacity to serve several thousand visitors from across the plateau for formal events and casual socializing. For example, the central plaza could host a farmer's market and community events similar to Bonney Lake Days. To help advance the creation of a more defined downtown core, the City should actively facilitate communication and coordination with landowners and businesses.

To facilitate the redevelopment of Downtown as a focal point for the community with pedestrian-scale development and retail diversity, the City should create opportunities for boutique retail and restaurants that add diversity and foster a sense of place. Pursuing this strategy will help achieve the goals of creating a community gathering space and reinforce the creation of a sense of identity for Bonney Lake.

Midtown

In the Midtown Center, the City should focus on quality corridor development and encourage pedestrian connections between commercial areas and adjacent neighborhoods. Examples of creating a quality corridor include sidewalks, pedestrian amenities near commercial nodes, improvements in the design of street medians and the use of art to improve the experience of the space. Development along SR 410 should be encouraged to be accessible both from the highway and from adjacent local streets (i.e. do not "turn your back" to the neighborhood).

In support of this strategy, the City should develop nodes to help break up the SR 410 corridor, which should take into account the future Tehaleh traffic flow. Models of similarly sized cities successfully addressing access and street design include Kenmore, Bothell, and Shoreline. Enhancements to the Midtown retail corridor along SR 410 are strategic investments that would help maintain Bonney Lake's role as the retail center of the plateau.

Eastown

The City should maintain a long-term view of development in Eastown allowing for flexibility in uses (e.g. flex-tech office space as discussed above). The long-term view of Eastown includes continued infrastructure investment and incentives to encourage additional development.

Lake Tapps

In the Lake Tapps Center, the City should maintain existing concentration of higher residential development with consideration of possible changes in zoning to support higher density housing with the

potential for mixed-use development. In addition, the City should help foster retail development that facilitates recreational use of Lake Tapps and nearby parks (e.g. restaurants, small-scale retail, equipment rentals, etc.). City ownership of property in the Lake Tapps sub-area provides flexibility for additional action toward place making.

Goal EV-6: Implement subarea plans for the Downtown, Midtown, Eastown, and Lake Tapps centers to ensure a balanced mix of jobs and businesses and to enhance Bonney Lake’s built environment.

Policy EV-6.1: Establish a regular review and update cycle for the Downtown, Midtown, and Eastown Subarea Plans to keep these plans current with emerging economic trends and changing development conditions in Bonney Lake.

Policy EV-6.2: Ensure the vision statements of the Downtown, Midtown, and Eastown Subarea Plans each promote a particular mix of businesses and define land uses that are most appropriate and desirable for each subarea.

Policy EV-6.3: Ensure the policies and standards of the Downtown, Midtown, and Eastown Subarea Plans establish distinct identities for each subarea and for Bonney Lake as a whole.

7. INFRASTRUCTURE DEVELOPMENT

One of the City’s other critical economic development roles is to plan, design, and build the infrastructure that support the City’s continued development. By adopting a investing in the necessary infrastructure to support this desired land use, the City lays the foundation upon which development can occur.

Every other year, Bonney Lake updates the City’s Capital Improvement Plan, and thus is able to respond to changing development pressures and needs. This allows the City to grow gracefully, to meet the needs of both existing neighborhoods and new development.

Likewise, the City encourages the deployment of private sector infrastructure, such as telephone, electricity, and natural gas distribution systems, to meet the needs of development. When new infrastructure needs emerge, such as broadband and wireless communication systems, the City encourages the extension of these services to residences and businesses.

As areas mature and market conditions change, new challenges and opportunities arise and the City undertakes planning activities to help areas adjust. By doing this basic task well, Bonney Lake is able to ensure infrastructure improvements will attract and retain the desired economic development, while protecting neighborhoods from the impacts of unplanned growth.

One of the biggest infrastructure issues that the City must address, in addition to water and sewer service, is the transportation network. This is especially true for SR 410, which serves as both the primary thoroughfare and artery into and out of Bonney Lake and as the main commercial and retail corridor for the City and plateau. There are few alternative routes to travel in and out of Bonney Lake with limited

public transit service. With the majority of residents commuting to and from Bonney Lake for work, the current traffic loads on SR 410 will only increase as population on the plateau continues to grow in the future and could negatively affect Bonney Lake’s residential quality of life, attractiveness to new businesses, and overall economic development.

Goal EV-7: Provide well-planned, maintained, and high quality public infrastructure that supports business and community growth.

Policy EV-7.1: Coordinate with the Washington Department of Transportation (WSDOT) to plan for access improvements and infrastructure maintenance in the SR 410 corridor.

Policy EV-7.2: Partner with local businesses to identify infrastructure conditions that pose obstacles to economic growth.

Policy EV-7.3: Maintain updated plans for water, sewer, stormwater, and transportation infrastructure to ensure that the facilities necessary to serve desired commercial growth are in place.

Endnotes:

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 - ⁵ Vleming, J. (2014) Pierce County Profile. Prepared for the Washington State Employment Security Department. <https://fortress.wa.gov/esd/employmentdata/reports-publications/regional-reports/county-profiles/pierce-county-profile>. Accessed on February 27, 2015.
 - ⁶ U.S. Census Bureau. (2011) Longitudinal Employer – Household Data: Origin-Destination Employment Statistics. <http://lehd.ces.census.gov/data/>
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 - ⁸ *ibid.*
 - ⁹ *ibid.*
 - ¹⁰ U.S. Census Bureau. (2011) Longitudinal Employer – Household Data: Origin-Destination Employment Statistics. <http://lehd.ces.census.gov/data/>
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- ¹⁴ BERK Consulting Inc. (January 2015). *City of Bonney Lake Economic Development Study – Final Report*. Prepared for the City of Bonney Lake.
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- ¹⁸ Prosperity Partnership. (July 2012). *Regional Economic Study for the Central Puget Sound Region: Strategy*. Prepared for the Puget Sound Regional Council.
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- ²² *ibid.*
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- ²⁴ *ibid.*
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- ²⁶ *ibid.*
- ²⁷ *ibid.*
- ²⁸ *ibid.*
- ²⁹ *ibid.*
- ³⁰ *ibid.*
- ³¹ *ibid.*