

# CHAPTER 8: Economic Development Element

## BACKGROUND AND CONTEXT

The Washington Growth Management Act (GMA) emphasizes county-wide coordination of economic development planning, and economic development is one of the elements of a growth management comprehensive plan (see RCW 36.70A.070 (7)). Likewise, VISION 2050 sets a goal for the Economy: The region has a prospering and sustainable regional economy by supporting businesses and job creation, investing in all people and their health, sustaining environmental quality, and creating great central places, diverse communities, and high quality of life. Primarily developed as a suburban residential community, the City is poised to evolve into a vibrant community and fulfill its role as a High Capacity Transit Community pursuant to VISION 2050.

The GMA requires local comprehensive plans to contain economic development elements. However, this requirement will not be enforced until state funding is made available. Nevertheless, Des Moines recognizes that good growth management planning should factor in economic considerations and include an economic element to the previous comprehensive plan update. Local governments also prepare other types of economic development plans, including strategic action plans and plans focused on job creation and retention, job training programs, public and private capital investments, and business and community capacity-building. (MRSC, 2024).

The purpose of the Economic Development Element is to establish the goals, policies and strategies for economic growth and vitality that will enhance the City's identity, quality of life, and ability to attract a variety of business and industries. A healthy economy plays an important role in ensuring that Des Moines is a vibrant and sustainable community for living and working. Economic diversity is widely recognized as a key factor in a robust local economy, reflected in varied job types, investments across different sectors, a range of income levels, and a mix of business types and sizes.

The Economic Development Element can be utilized as the basis for an Economic Development Strategic Plan identifying a specific set of actions and strategies to achieve the policies established in the Economic Development Element. This element describes Des Moines' economic role locally and identifies appropriate partnerships within the South King County and the Central Puget Sound regional economy. It discusses the importance of economic development to address priorities and needs of the community while accommodating the City's employment growth targets of 2,380 new jobs by the year 2044.

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## What is Economic Development?

Economic development can be defined as actions taken to increase local economic activity (acknowledging that different states, regions, counties and cities have different tools available to them) resulting in a stronger more diverse economic base. This element identifies policies that promote economic development including an expansion of the City's economic base to promote job creation and expand the local tax base, increase revenue for the public sector, increase goods, and services to residents and businesses, and establish appropriate public/private partnerships, all of which contribute to a strong, sustainable, and resilient economy.

## KEY STRATEGIC ADVANTAGES

Des Moines is centrally located within the Puget Sound region, midway between Seattle and Tacoma. The city is easily accessible from neighboring communities via Highway 509 and Interstate 5, and benefits from reliable public transit through RapidRide and light rail mass transit. The proximity of SeaTac International Airport and two deep-water seaports enhances access to freight movement, goods, and services. While the nearby airport offers clear advantages for connectivity and commerce, it can also pose challenges related to noise and traffic that impact local quality of life.

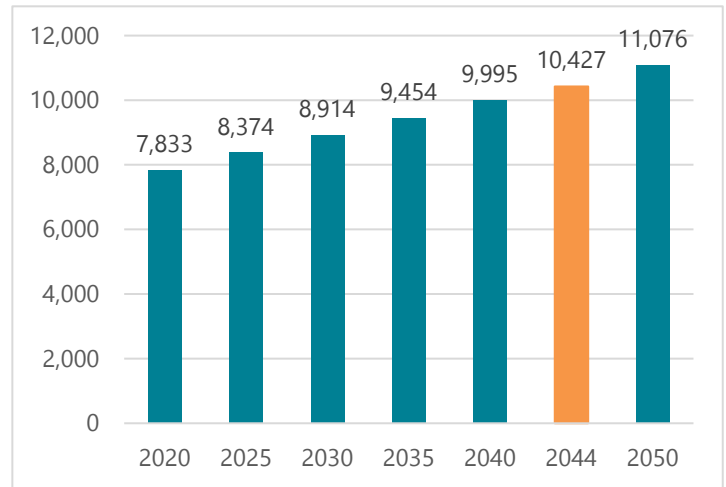
The city's proximity to the airport and Port facilities have resulted in development of the Des Moines Creek Business Park spanning approximately 3 million square feet of new office, light industrial, distribution, manufacturing across a variety of businesses. The northwest regional headquarters of the Federal Aviation Administration, comprised of a new 280,000 square foot building employing over 1000 federal employees was recently built and occupied at the Des Moines Creek Business Park. Additionally, the city's nearby location to the Green River Valley, the fourth largest warehouse and distribution center in the United States and the second largest manufacturing center on the West Coast, makes Des Moines a prime location for customers, vendors, and suppliers to call home.

A wide range of multi-family, retail, lodging, office, and light industrial properties are found along the Pacific Highway South commercial node, presenting ideal choices for business investment.

Businesses flourish in Des Moines, where residents are well-educated and provide a ready workforce, thanks in part to nationally recognized schools. Highline College and a satellite campus of Central Washington University are two institutions in the City that continue to prepare individuals to join high-tech, manufacturing, medical, biotech, and hospitality industries.

## EMPLOYMENT DATA

The Puget Sound Regional Council (PSRC) estimates that there were 7,833 jobs in the City in 2020 and forecasts that the jobs count will increase to 10,427 jobs by the year 2044 as depicted in **Figure 1**. That means that employment growth is projected to increase by about 33% overall (with a corresponding Average Annual Growth Rate (AAGR) of about 2.53%). The City of Des Moines has sufficient land capacity to accommodate its 2019–2044 employment growth target. With an estimated capacity for 2,410 jobs and a target of 2,380 jobs, the city exceeds its employment goal by 30 jobs, indicating that current land use policies and zoning provide adequate space for anticipated job growth.<sup>1</sup>

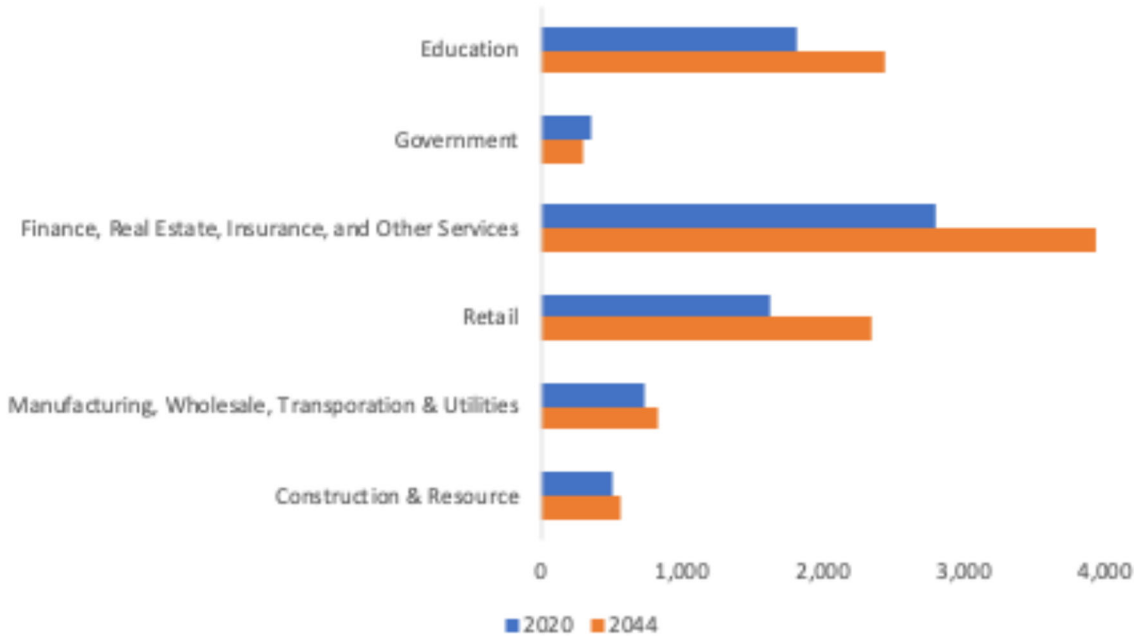


*Figure 1: Employment Trends*

The PSRC also provides employment data according to broad sector categories. According to the PSRC datasets, the sector having the highest number of jobs in Des Moines for the year 2020 was “FIRES” or Finance, Insurance, Real Estate and Other Services (36%) followed by Public and Private Education (23%), Retail and Food Services (21%). The remaining sector groups of Manufacturing, Wholesale, Transportation and Utilities, Construction and Resource, and Public Sector comprised about 20%. (See **Figure 2**). By 2044 the distribution of jobs by sector groups will remain fairly consistent, with gains in the share of FIRES Retail and Food Services.

<sup>1</sup> King County 2021 Urban Growth Capacity Report

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*Figure 2: Des Moines Employment by Primary Sectors*

US Census Inflow/ Outflow Analysis data<sup>2</sup> indicate that in the year 2021 there were approximately 449 people living in Des Moines and were also employed within the city's geographical boundaries. Approximately 4,998 workers were employed in Des Moines but live outside of Des Moines while 13,161 city residents were employed outside of the city.

Des Moines functions predominantly as a residential hub within the larger regional labor market, with the majority of its residents seeking employment outside the city limits. An important strategy for bolstering the local economy will involve attracting a diverse range of businesses to the area to generate more job opportunities and potentially reducing the outflow of workers and strengthening the city's economic foundation.

The following goals and policies provide the framework for growing the Des Moines economy. The mission is to provide a climate that maintains a healthy economy for jobs and businesses without sacrificing the qualities that make Des Moines a great place to live.

## GOAL

**Goal ED 1** Promote economic stability, growth, and vitality to support a prosperous and sustainable economy for all people.

<sup>2</sup> US Census Bureau, OnTheMap application and LEHD Origin-Destination Employment Statistics (Beginning of Quarter Employment, 2<sup>nd</sup> Quarter of 2002-2021).

## POLICIES AND IMPLEMENTATION STRATEGIES

**ED 1.1 Increase the self-reliance of the City by diversifying revenue streams, reducing dependence on property tax, and increasing revenues generated from retail sales and other commercial economic activity.**

ED 1.1.1 Identify ways the City can ~~designate appropriate entitlements, leverage land use entitlements and associated processes to incentivize and facilitate to property to encourage~~ quality development ~~that aligns with the City's vision and goals, including land use, zoning, expedited permitting and infrastructure investment where feasible to define development patterns.~~

ED 1.1.2 ~~Expand utilization of design guidelines to accomplish quality development. Implement clear and objective development standards that incorporate built-in flexibility mechanisms to help streamline review processes while still achieving desired design outcomes across diverse neighborhood contexts.~~

ED 1.1.3 Incorporate ~~comprehensive support for local business retention and new business development throughout all economic development efforts, leveraging Des Moines' competitive advantages and addressing underserved retail segments. in all aspects of economic development efforts to support and retain local businesses and expansion of opportunities for new businesses; to some degree these can be enhanced by a focus on understanding Des Moines competitive advantages and underserved retail components.~~

**ED 1.2 Reduce retail leakage within the City by identifying those sectors where the City is underserved by retail business and increasing our competitive advantage to attract new retail development and customers.**

ED 1.2.1 Conduct an analysis of retail consumption patterns in the City in order to:

1. Establish metrics to determine success in recapturing retail leakage, and
2. Attract businesses in sectors where the City is underserved, thereby increasing the City's retail business activity and increasing retail sales tax.

**ED 1.3 Increase opportunities for higher density, urbanized development focusing on mixed-use projects.**

~~ED 1.3.1 Utilize principles from Congress on New Urbanism, and Urban Land Institute and others to establish appropriate mixed-use targets for Des Moines, taking advantage of increasing public amenities associated with urban development.~~

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ED 1.3.1 Develop standards for mixed-use development that balance the integration of residential, commercial, and community spaces and promotes livability through green space, accessibility, pedestrian, and transit access.

ED 1.3.2 Review development standards for increasing building heights and density standards downtown, in existing centers, and along major transit corridors.

ED 1.3.3 Consider creating overlay districts in targeted areas to encourage transit-oriented development with reduced parking requirements and increased height allowances.

ED 1.3.4 ~~ED 1.7.1~~ Identify sustainable approaches to project development that encourage energy efficiency, and sustainable environmental design as a means to mitigate potential impacts of development.

## **ED 1.4 Encourage and leverage the value of ~~public/private~~ partnerships.**

ED 1.4.1 Explore ways in which the City, and other public agencies, can partner with the private sector to achieve development objectives while at the same time providing public benefits.

ED 1.4.2 Continue to coordinate economic development efforts within our region to increase the value of regional integration and assets.

ED 1.4.3 ~~ED 1.6.1~~ Continue participation and collaboration with regional partners, for example, Soundside Alliance, Port of Seattle, and Economic Development Council of Seattle and King County.

ED 1.4.4 Support, recognize, and empower the contributions of the region's culturally and ethnically diverse communities, institutions, and Native Tribes.

## **ED 1.5 Continue to provide expedited review and streamlined permitting services to foster confidence in the development community and assure the City is known as a good business partner.**

ED 1.5.1 Maintain and improve (where possible) the development review process to encourage project applicants to take advantage of pre-application meetings that identify critical project dynamics. The private sector (and public projects) can take advantage of the City's emphasis to front load project review resulting in fewer iterations in the submission process, providing for cost savings and speed-to-market opportunities for development projects.

~~ED 1.67 Continue to coordinate economic development efforts within our region to increase the value of regional integration and assets including Sea-Tac Airport and the Port of Seattle.~~

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~~ED 1.6.1 ——— Continue participation and collaboration with regional partners, for example, Soundside Alliance, Port of Seattle, and Economic Development Council of Seattle and King County.~~

## **ED 1.67**

**Promote environmental and socially responsible business practices, especially those addressing climate change, resilience, and improved health outcomes.**~~Focus on strategies to integrate sustainable development through design, energy efficiency, environmental mitigation and project development.~~

~~ED 1.67.1 ——— Utilize~~Consider incentive programs to promote sustainable practices, including the use of eco-friendly materials, low-impact techniques, waste reduction, and resource efficiency.

~~ED 1.6.2 ——— Promote environmental and socially responsible business practices, especially those addressing climate change, resilience, and improved health outcomes.~~

## **ED 1.78**

**Foster strategies that support small local businesses, facilitating their growth, while attracting new businesses that can create a diverse and resilient local economy.**~~to support local small business, and retention and expansion of local businesses, in addition to business attraction activities.~~

~~ED 1.78.1 ——— Work with Highline College~~the Small Business Development Center (a Small Business Association program) at Highline College and other organizations to foster the success of small business.

~~ED 1.7.2 ——— Strive to reduce disparities in access to opportunity and expand employment opportunities including economically disconnected neighborhoods.~~

~~ED 1.7.3 ——— Support a positive business climate and foster employment opportunities for businesses providing living wage jobs. This includes local enterprises, women- and minority-owned businesses, and start-up companies.~~

~~ED 1.7.4 ——— Provide a welcoming business atmosphere that supports established and emerging industries, technologies, and services promoting environmental sustainability, especially those addressing climate change and resilience.~~

~~ED 1.7.5 ——— Consider ways to address and prevent potential physical, economic, and cultural displacement of existing businesses that may result from redevelopment and market pressure.~~

## **ED 1.89**

**Invest in infrastructure improvements to foster economic development and increase opportunities for transportation, pedestrian connections, and walkability, recreation, and within economic districts in Des Moines, particularly within the Marina District, and Pacific Ridge Neighborhood.**~~define economic development district boundaries (for example, the Marina District).~~

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~~ED 1.9.1 — Establish a Marina District Economic Development Plan that incorporates all development elements and objectives to help guide development patterns in these key areas. Elements of the Plan can include the following (some of which already exist): design elements, infrastructure improvements, landscaping, recreation, parking, land use and zoning that will define and distinguish the Downtown/Marina area.~~

~~ED 1.89.1 — Develop a multi-modal transportation plan that prioritizes pedestrian-friendly streetscapes, bike lanes, and corridors to better connect key economic districts, prioritizing improvements that link the marina to downtown.~~

~~ED 1.89.2 — Fund projects that maintain and upgrade public spaces, parks, and recreational facilities within existing economic centers, as feasible. Prioritize infrastructure investments that enhance walkability, public amenities, and multimodal connectivity, including the Marina Steps, Waterland Loop, and South 223rd Green Street Project.~~

**ED 1.10911 Invest in public amenities that help create a vibrant, recreation-oriented, healthy destination city, that includes quality education facilities, and activities for the community.**

~~ED 1.940.1 — Build on the strong amenities that exist in the city, in terms of including parks, beachfront, recreational opportunities, and view corridors by prioritizing the preservation existing features and expanding them into new areas where possible. to assure development of new and maintenance of exiting amenities.~~

~~ED 1.9.2 — Promote Des Moines' image and identity for purposes of attracting and growing business, tourism, and local spending. This would include work to partner and support agencies involved in promotion, marketing, and tourism.~~

**ED 1.11102 Collaborate with schools, colleges and local companies to foster a well-trained and educated workforce.**

~~ED 1.140.1 — Evaluate on an ongoing basis the types of jobs being created in Des Moines and coordinate information with our local schools and the college to assure workforce programs that address local employment needs.~~

**ED 1.12113 Establish-Develop destination branding and marketing programs and economic development for the Marina District, Redondo, and the Pacific Highway South corridor, to attract and promote economic activity within areas with existing amenity assets. maximizing our current assets to generate economic activity.**

~~ED 1.112.1 — Develop materials that summarize the Des Moines "story" and work with developers and investors to further the development of projectscreate development projects and encourage uses that support the destination brand.~~



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ED 1.1~~1~~2.2 Work with the private sector to reinforce the brand and articulate Des Moines' value as a destination site, maximizing existing resources.