

VII. Appendices

Appendix A Economic Study



A. ECONOMIC STUDY

INTRODUCTION

The purpose of this study is to analyze the economic factors affecting Downtown Mountlake Terrace and how those factors should be taken into account in planning improvements to 56th Ave. W.

Included is an analysis of *Demographics and Housing, Population, Income and Employment and Purchasing Patterns*. Selected information regarding *Land Use, Transportation and General Observations* is also included. The study concludes with *Recommendations* to guide the planning and decision making for 56th Ave. W improvements.

Analysis of both public and private investments is critical to effective community planning. Public investments are needed for infrastructure such as streets and sewers. Private investments are necessary to build and operate most housing and commercial developments.

One of the purposes of the 56th Ave. W Beautification Project is to help create an economic climate that will attract more customers to existing businesses as well as encourage new businesses and investors.

Following is an analysis of economic data to guide the study and subsequent policies regarding improvements to 56th Ave. W. This is also the kind of information that developers and investors will consider when making their investment decisions in the Downtown area of Mountlake Terrace.

DEMOGRAPHICS AND HOUSING CURRENT CONDITIONS

1. Almost 1/4 of Mountlake Terrace's population lives within a half mile of the Downtown area.
2. Household size and age profile are similar for the Downtown, City and County.
3. Household income in the Downtown area is lower than in the City or County.
4. Home ownership in the Downtown area is considerably higher than the City or County.
5. Home values in the Downtown area are considerably lower than the City or County.
6. Rent in the Downtown area is probably higher because rentals are mainly houses instead of apartments.

TABLE #1
DEMOGRAPHIC AND HOUSING INFORMATION
FOR
THE DOWNTOWN AREA, MOUNTLAKE TERRACE AND
SNOHOMISH CO.

	DOWNTOWN (1/2 mile radius) 1994 EST.**	MOUNTLAKE TERRACE 1994 EST.**	SNOHOMISH CO. 1990 CENSUS
DEMOGRAPHICS			
POPULATION	4,684	20,050	465,642
HOUSEHOLD SIZE	2.62	2.54	2.68
MEDIAN AGE	33.7	31.5	32.2
WHITE	89.4%	88.3%	93.3%
NON-WHITE	10.6%	11.7%	6.7%
MED. HH INCOME	\$36,334	\$38,120	\$39,585
HOUSING			
OWNER HH	72.6%	52.4%	66.3%
RENTER HH	27.4%	47.6%	33.7%
AV. HOUSE VALUE	\$97,331	\$112,100	\$127,200
AVERAGE RENT	\$567	\$530	\$467

* 1/2 mile radius of 234th SW and 56th Ave W
 ** 1994 estimate provided by First American Title
 HH - Household

DEMOGRAPHIC TRENDS ASSUMPTIONS FOR THE FUTURE

1. Mountlake Terrace's population is projected to grow an average of about 1% per year compared with the county-wide average of over 2%.
2. The number of persons per household is expected to decline, but not as severely as the county over the long run.
3. Mountlake Terrace is projected to follow the county-wide trend of proportionally more households living in multiple family dwellings.

TABLE #2
DEMOGRAPHIC TRENDS*
FOR
MOUNTLAKE TERRACE AND SNOHOMISH COUNTY

	Actual			Forecast		
POPULATION						
	1970	1980	1990	2000	2010	2020
Mountlake Terrace						
- Population	17,440	16,534**	19,320**	20,904	23,620	25,375
- Av. Annual Growth	NA	-.4%	1.7%	.8%	1.3%	.7%
- Households	4,603	5,923	7,410	8,152	9,654	10,377
- Household Size	3.78	2.82	2.6	2.56	2.44	2.44
Snohomish Co.						
- Population	265,271	337,720	465,642	587,065	706,959	833,661
- Av. Annual Growth	NA	2.7%	3.8%	2.6%	2%	1.8%
- Households	80,908	120,699	171,713	218,442	276,549	326,014
- Household Size	3.24	2.76	2.68	2.65	2.52	1.8
SINGLE FAMILY HOUSEHOLDS						
Mountlake Terrace						
- Percent of total	96%	79%	65%	60%	56%	50%
Snohomish Co.						
- Percent of total	86%	80%	76%	71%	69%	64%

*Source: Puget Sound Regional Council

**Mountlake Terrace Comprehensive Plan

Note: - 4/1/95 population is estimated at 20,050

- Comprehensive Plan projects 2012 population to be 22,100

**INCOME
AND
EMPLOYMENT INFORMATION**

1. Average household income is anticipated to remain about 1/2 upper and 1/2 lower income levels -- about the same as county-wide figures.
2. Edmonds is included for the purpose of comparison.
3. Almost 75% of the jobs in Mountlake Terrace are, and are projected to be, in areas of Retail and Services. The county-wide figures in these areas of employment are about 50%.
4. Based on current projections and zoning, Mountlake Terrace's employment profile is projected to remain relatively constant with some shift from "Wholesale/Transportation/Communications" to "Retail."

TABLE #3

INCOME AND EMPLOYMENT INFORMATION FOR
MOUNTLAKE TERRACE, EDMONDS AND SNOHOMISH
COUNTY

	Actual			Forecast		
	1970	1980	1990	2000	2010	2020
INCOME LEVEL						
MOUNTLAKE						
-Lower & mid	34%	44%	49%	50%	50%	50%
-Mid & upper	66%	56%	51%	50%	50%	50%
EDMONDS						
-Lower & mid	35%	37%	40%	42%	41%	42%
-Mid & upper	65%	63%	60%	58%	59%	58%
SNOHOMISH CO.						
-Lower & mid	53%	47%	49%	50%	50%	50%
-Mid & upper	47%	53%	51%	50%	50%	50%
EMPLOYMENT						
MOUNTLAKE						
-Manufacturing	40%	11%	8%	8%	4%	3%
-Whol/trans/com/util	2%	13%	9%	7%	6%	5%
-Retail	11%	31%	16%	19%	22%	28%
-Services	14%	24%	53%	55%	54%	51%
-Govt/education	32%	20%	13%	13%	13%	13%
EDMONDS						
-Manufacturing	5%	3%	5%	4%	4%	4%
-Whol/trans/com/util	3%	3%	4%	4%	4%	4%
-Retail	24%	19%	20%	25%	27%	29%
-Services	30%	35%	39%	35%	37%	35%
-Govt/education	38%	41%	31%	32%	28%	29%
SNOHOMISH CO.						
-Manufacturing	43%	33%	31%	26%	22%	19%
-Whol/trans/com/util	8%	9%	8%	7%	8%	8%
-Retail	16%	21%	21%	21%	22%	23%
-Services	16%	20%	25%	27%	30%	31%
-Govt/education	18%	17%	15%	18%	18%	19%

Source: PSRC and Al Elliott -- Mountlake Terrace = FAZ 7100 - Edmonds = FAZ 7026 & 7025

PURCHASING ANALYSIS

1. Mountlake Terrace residents spent an average of 27 cents out of each dollar of their *retail purchases* within the City -- they spend the other 73 cents elsewhere.
2. In regard to *total taxable purchases* Mountlake Terrace residents spent 39 cents out of each dollar in the City and 61 cents outside the City.
3. Edmonds is included for comparison.

TABLE #4

TAXABLE SALES - 1993*
FOR
MOUNTLAKE TERRACE, EDMONDS AND SNOHOMISH
COUNTY

The figures are average per capita sales stated as a ratio to the average per capita state wide sales in various categories. A figure greater than 1 indicates local sales greater than the state average in that category. A figure less than 1 indicates per capita sales less than the state average.

State of Washington average =1

	Mountlake Terrace	Edmonds	Snohomish County
RETAIL TRADE	.27	.98	1.00
- Bldg. Material	.11	.76	.46
- Gen. Merchandise	D**	.49	1.11
- Food	.72	1.00	1.10
- Auto	.05	1.48	1.04
- Apparel	.06	1.05	.95
- Furniture	.16	.58	.95
- Eating and Drinking	.37	1.31	.90
- Misc. Retail	.58	.80	.97
SERVICES	.43	.66	.82
CONTRACTING	.51	.70	1.16
MANUFACTURING	.58	.57	1.16
TRANS/COMM/UTIL	.52	.89	.77
WHOLESALE	.57	.40	.71
FIRE***	.81	.63	.88
OTHER BUSINESS	.39	.97	.82
TOTAL	.39	.97	.82

* Washington State Dept. of Revenue - Revenue Research Report, June 1994

** D indicates there are too few businesses to disclose the information

*** Finance/Insurance/Real Estate

LAND USE CONSIDERATIONS IN THE DOWNTOWN AREA

1. There is little unbuilt land available for development.
2. The recently adopted comprehensive plan formalized commercial zoning for several blocks which are adjacent to and south of the Downtown. Single family residential is the current use of most of this property and most of the property is improved with single family houses.
3. The asking price for these properties appear to be in the \$100,000 – \$125,000 range. Lot sizes are 7,200 - 8,400 square feet. This is probable a higher square foot value than is normally paid for similar commercial property in the area.
4. *The Downtown Revitalization Report* envisioned a traditional downtown of a small town – low key - low rise – and primarily catering to needs of the surrounding community.
5. There are good examples of former houses being attractively adapted for commercial uses.

TRANSPORTATION

1. The Downtown is centrally located within Mountlake Terrace.
2. The Downtown area has convenient freeway access.
3. The freeway interchange changes (currently under construction) will probably direct more traffic onto 56th.
4. 170 Community Transit busses per day travel through the Downtown, connecting the area with other centers in Snohomish County and Seattle.
5. Metro (King County) bus service will soon create even stronger public transportation ties to the Seattle area.

GENERAL OBSERVATIONS

The following observations are the result of numerous meetings and discussions with business people, property owners and citizens. They are generally consistent with the Final Report of the Downtown Revitalization Committee. And, they come from personal observations over an extended period of time. These subjective observations are included here to help create a more complete economic framework, along with the statistical data in the report, to guide the planning for 56th Ave. W.

- The Downtown primarily provides goods and services to the surrounding community, and secondarily to the region.
- The Downtown lacks visibility.
- There is not an articulated, positive, far-sighted "vision" for the Downtown to guide its revitalization.
- The City would like for the Downtown to be a more attractive "town center," and to contribute more to the City's tax base.
- There is an insufficient "customer base" to attract new retail businesses.
- Commercial rental rates are too low to attract investors for new retail buildings.
- "Main Street" programs, similar to the program being managed by the Downtown Development association, have been effective in many communities across the country in the revitalization of older commercial areas.

RECOMMENDATIONS

1. **Create and adopt an attractive design for 56th Ave. W.** This will help to establish a vision for the downtown and encourage more shopping by people in the surrounding community and attract those from outside the area.
2. **Increase the commercial density by reducing building set-backs and allowing on-street parking and additional commercial uses.** This will allow for denser commercial development that is more pedestrian friendly and that creates more employment opportunities and customers.
3. **Undertake revitalization efforts to the housing surrounding area that builds on home ownership and locate some of the City's projected growth in multi-family housing in the Downtown area.** This could increase the customer base.
4. **Increase convenience to transit riders and develop efforts to capture them as shoppers.** This could increase the customer base.
5. **Continue the Main Street program.** This an effective means of community involvement in revitalization and increasing visibility of the Downtown.

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