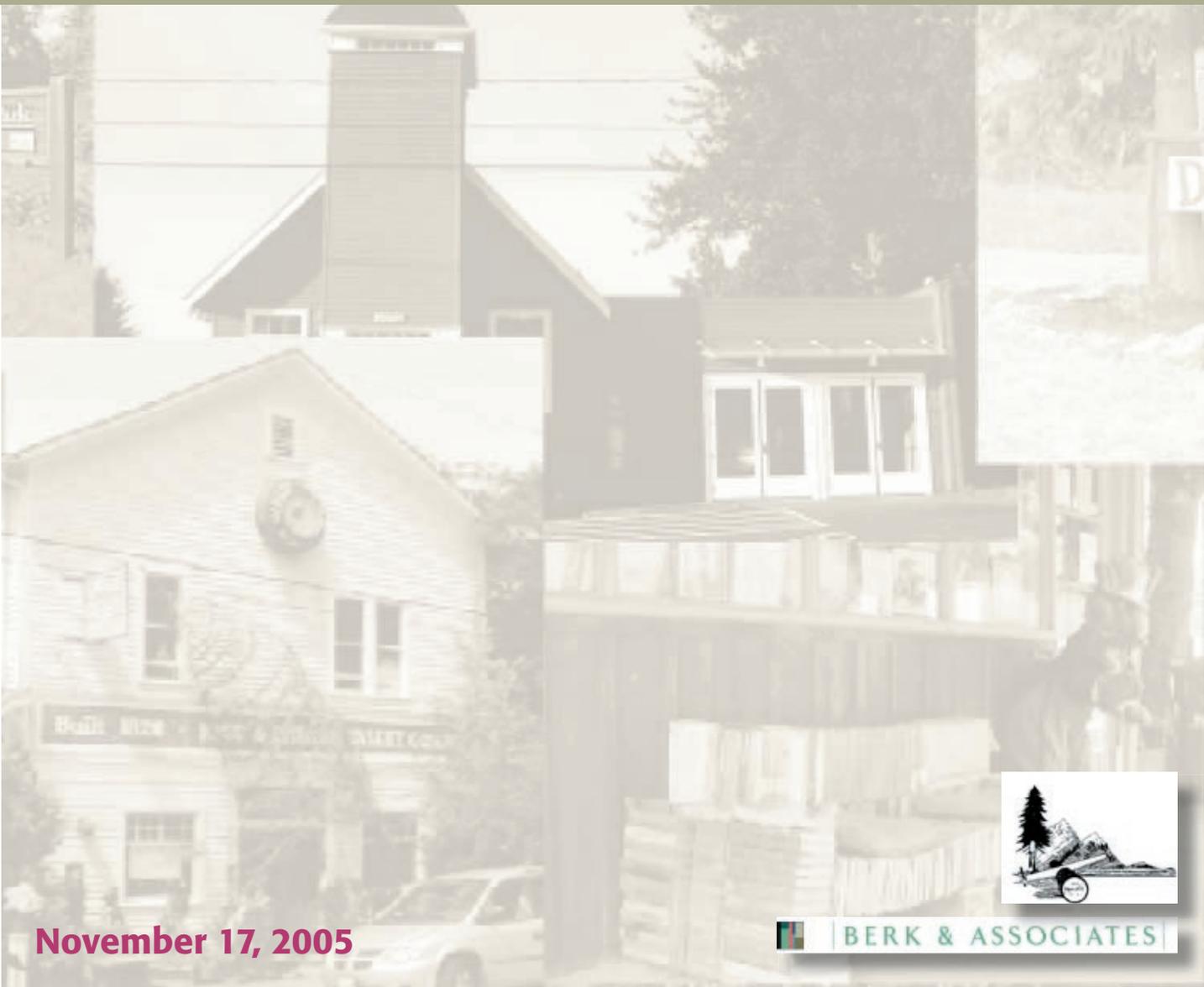




City of Duvall Economic Development Profile



November 17, 2005



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DUVALL ECONOMIC DEVELOPMENT PROFILE



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DEMOGRAPHICS AND HOUSING

Duvall Population

- Average annual population growth has been steady at 5% since 1990 (**Exhibit 1**).
 - Population growth is targeted by the Duvall Comprehensive Plan to slow slightly through 2022.
- Large population growth from 2000 to 2004 when compared with most peers and neighbors (**Exhibit 2**).
 - The average annual growth rates in Snoqualmie and the Incorporated Snoqualmie Valley Region are inflated because Snoqualmie annexed the Snoqualmie Ridge development prior to the sale of new homes.

Regional Definitions

Throughout this document the following regions are defined as

Snoqualmie Valley:

Incorporated Duvall, North Bend, Snoqualmie, and Carnation

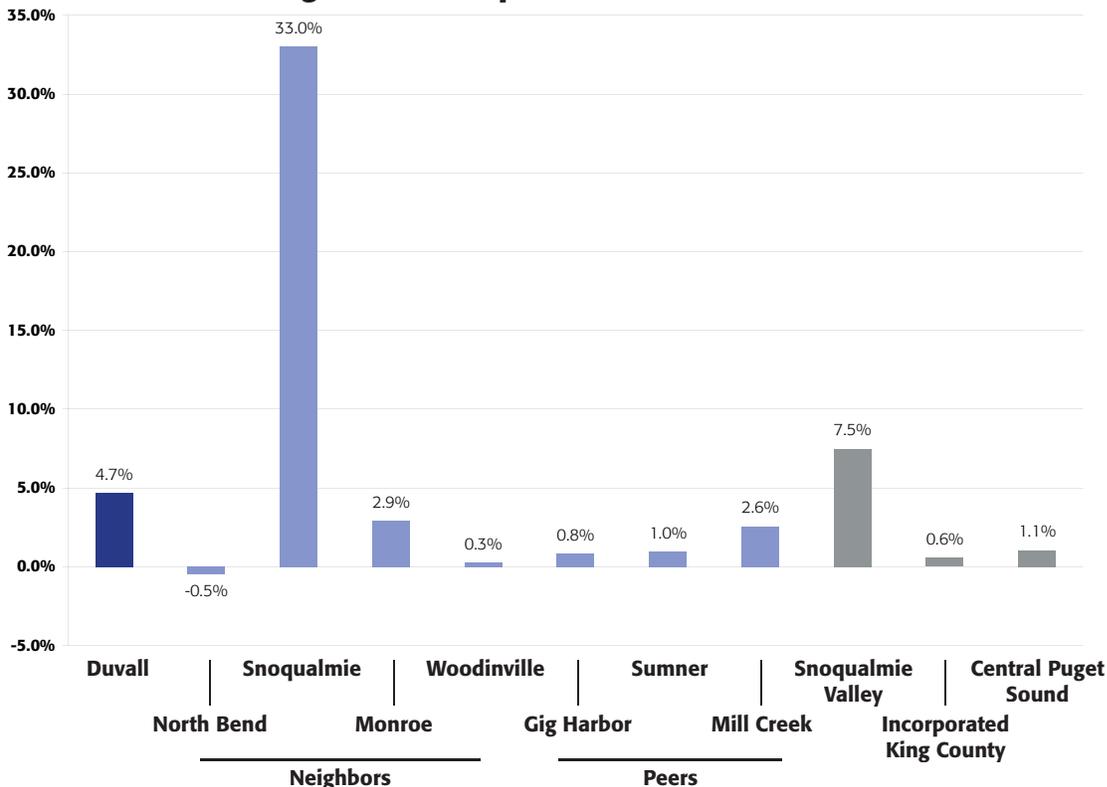
Central Puget Sound:

King, Kitsap, Snohomish, and Pierce Counties

Exhibit 1
Historic Population Growth and Population Target for Duvall

Duvall Population	1990	2000	2004	Projected 2022
US Census	2,770	4,616		
OFM			5,545	
Duvall Comp Plan Target				10,268
Average Annual Growth Rate		5.2%	4.7%	3.5%

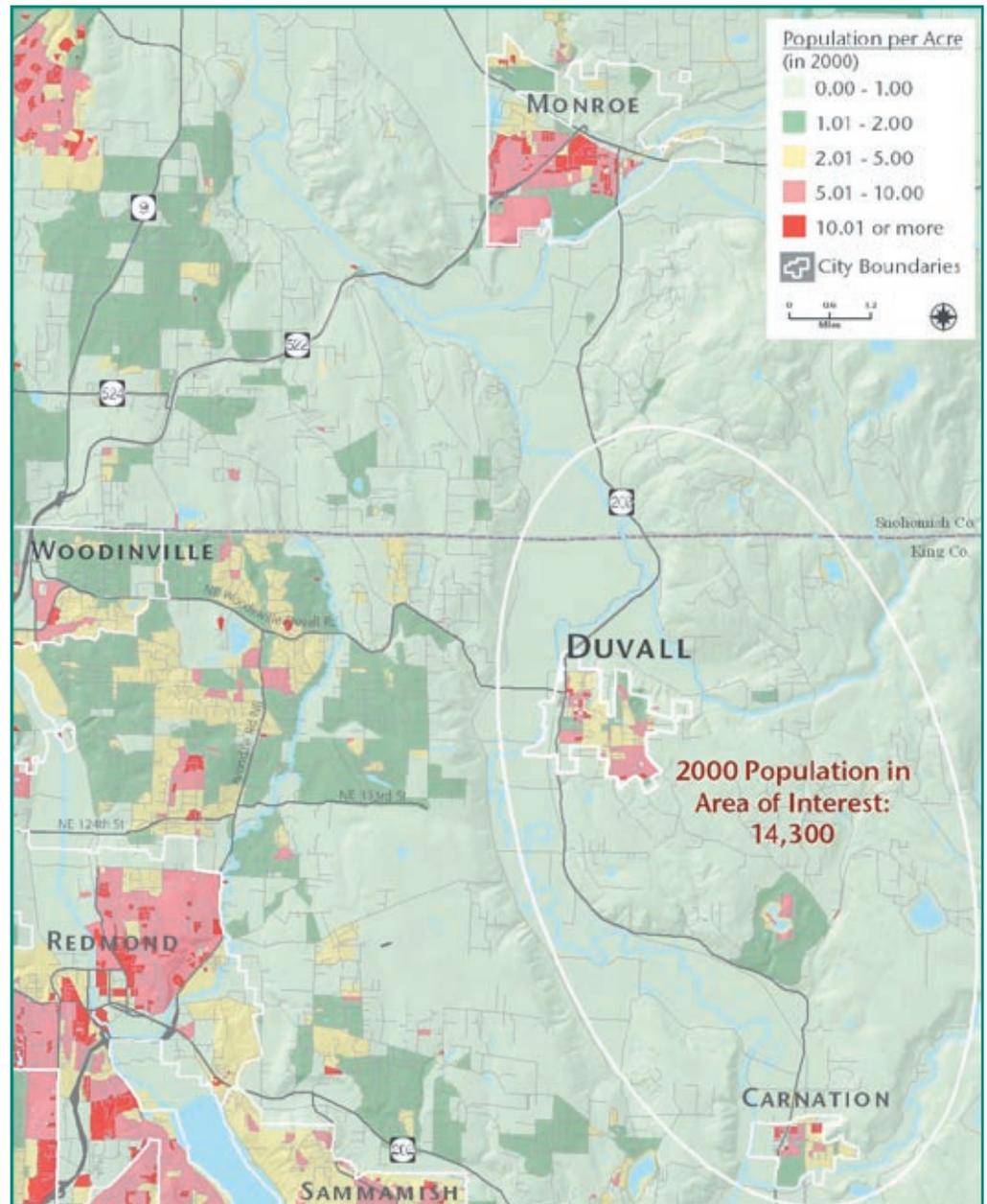
Exhibit 2
Average Annual Population Growth, 2000-2004



Source: Office of Financial Management, 2004

- The City of Duvall has a moderate population density (**Exhibit 3**).
 - The areas immediately surrounding the Duvall city limits are sparsely populated unincorporated areas.
- While the current population of Duvall is just over 5,500, the City serves a population base of over 14,000 – the area of interest.
 - This area includes most the population east of the City and south down to Carnation.

Exhibit 3
Population by Census Block, 2000

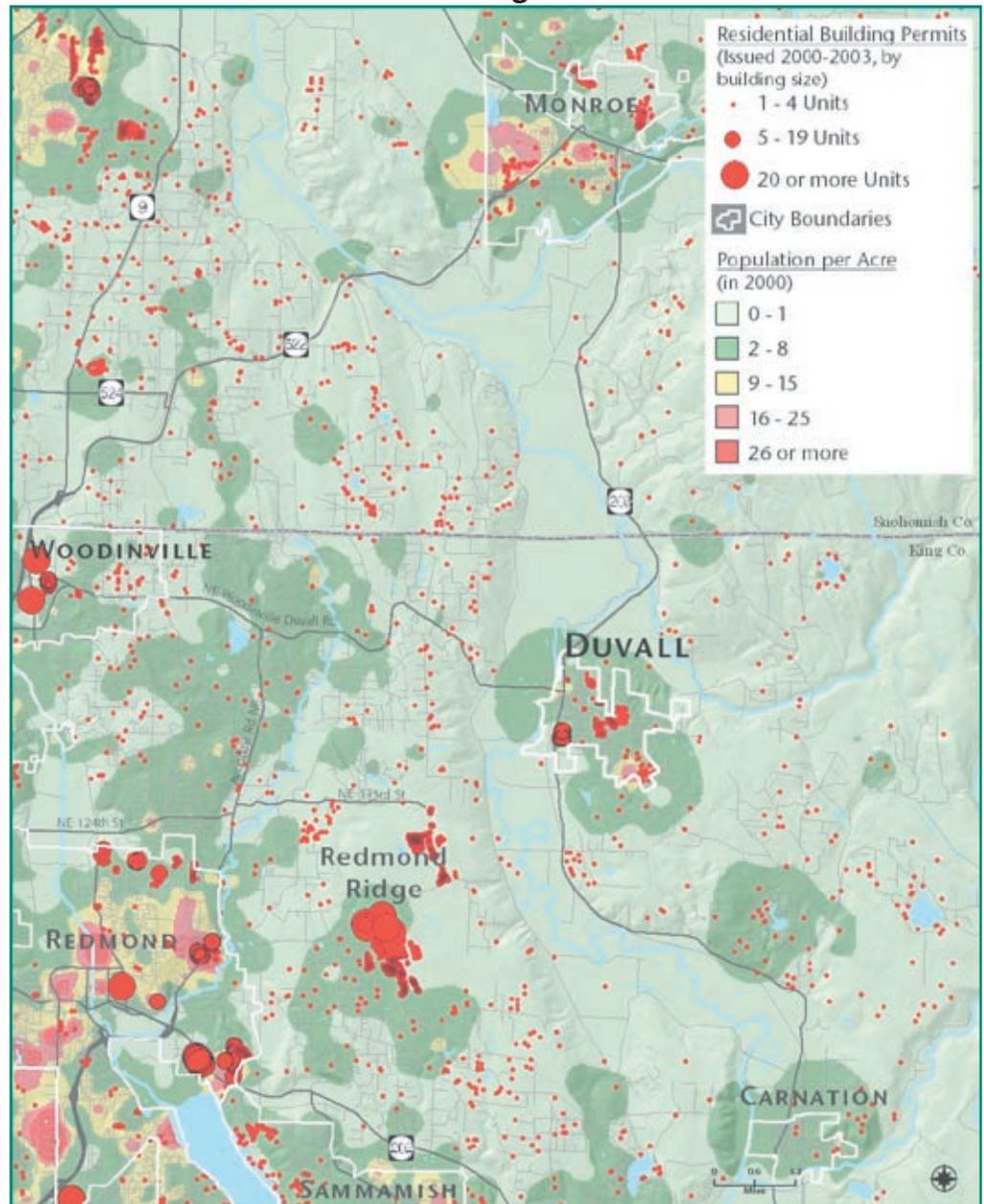


Source: US Census, 2000



- Recent residential building activity in Duvall is concentrated in the south end of town (**Exhibit 4**).
- The majority of recent residential permitting in the Duvall vicinity has occurred in Redmond Ridge, southwest of Duvall.

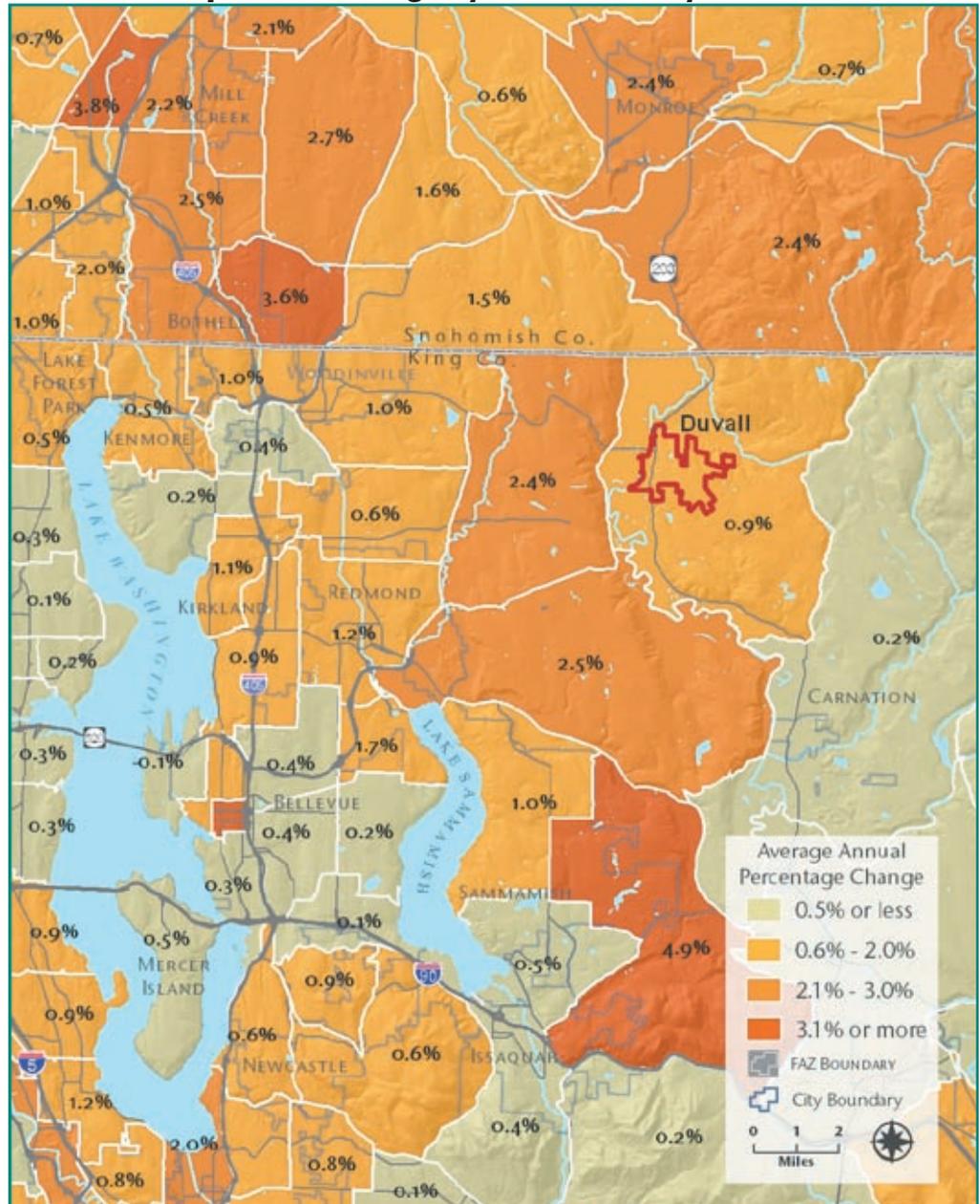
Exhibit 4
Population Density, 2000
and Residential Building Permits, 2000-2003



Source: US Census, 2000 and Puget Sound Regional Council, 2000-

- **Exhibits 5 and 6** are complementary. **Exhibit 5** shows the rate of forecasted population growth and **Exhibit 6** shows the magnitude and density of population growth.
- Duvall's population is expected to grow at a low to moderate rate over the next 15 years (**Exhibit 5**).
- Areas to the west and southwest of Duvall, including Redmond Ridge, are expected to grow more rapidly.

Exhibit 5
Population Forecast 2000-2020: Average Annual Percentage Population Change by Forecast Analysis Zone

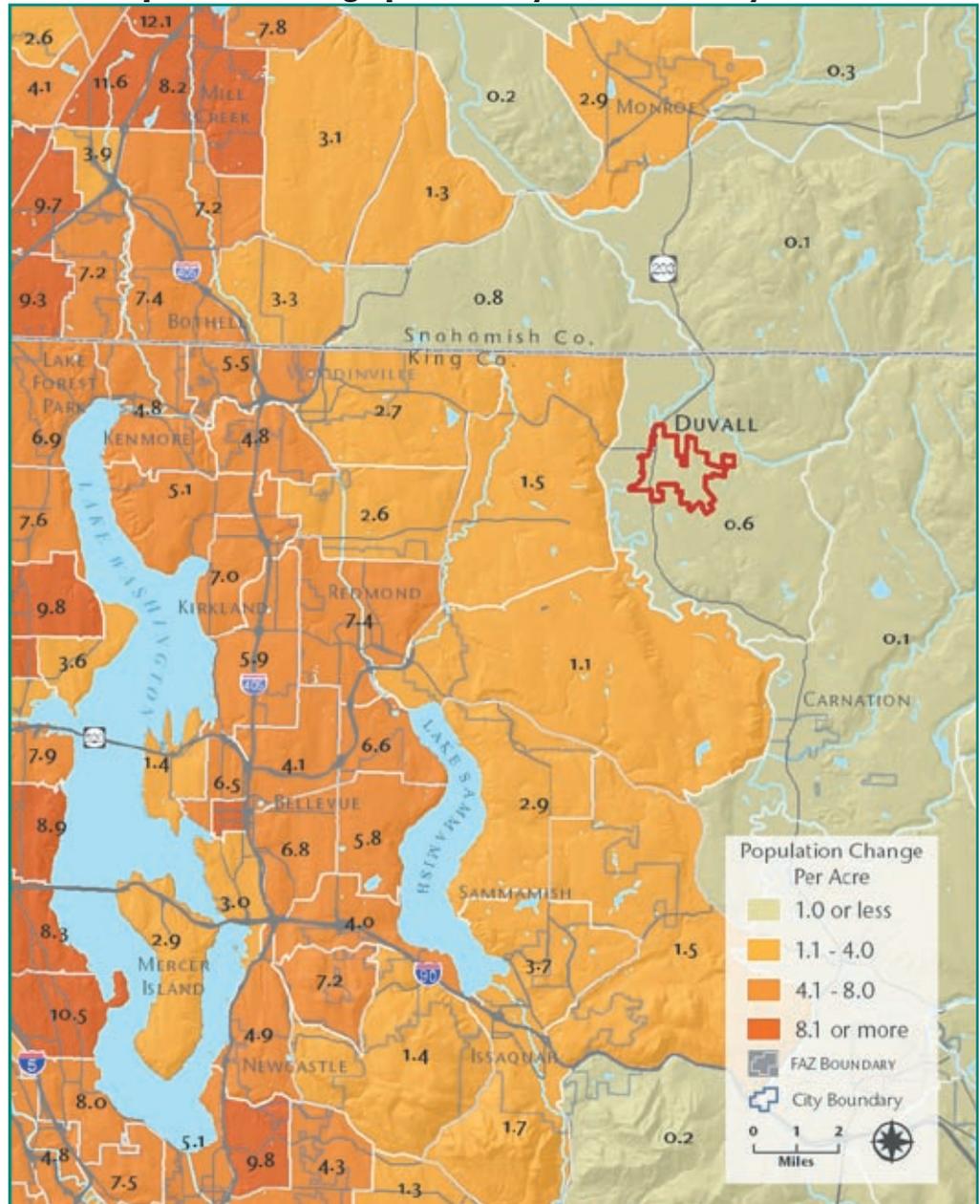


Source: Puget Sound Regional Council, 2002



- The density of Duvall’s population is expected to continue to increase at a low rate over the next 15 years (**Exhibit 6**).
- Similarly, areas to the north, east, and south through the Snoqualmie Valley are expected to increase at a low rate.
- In contrast, population density to the west is predicted to increase about twice as much as is expected in Duvall.

Exhibit 6
Population Forecast 2000-2020:
Population Change per Acre by Forecast Analysis Zone



Source: Puget Sound Regional Council, 2002

Duvall Foreign Born and Minority Residents

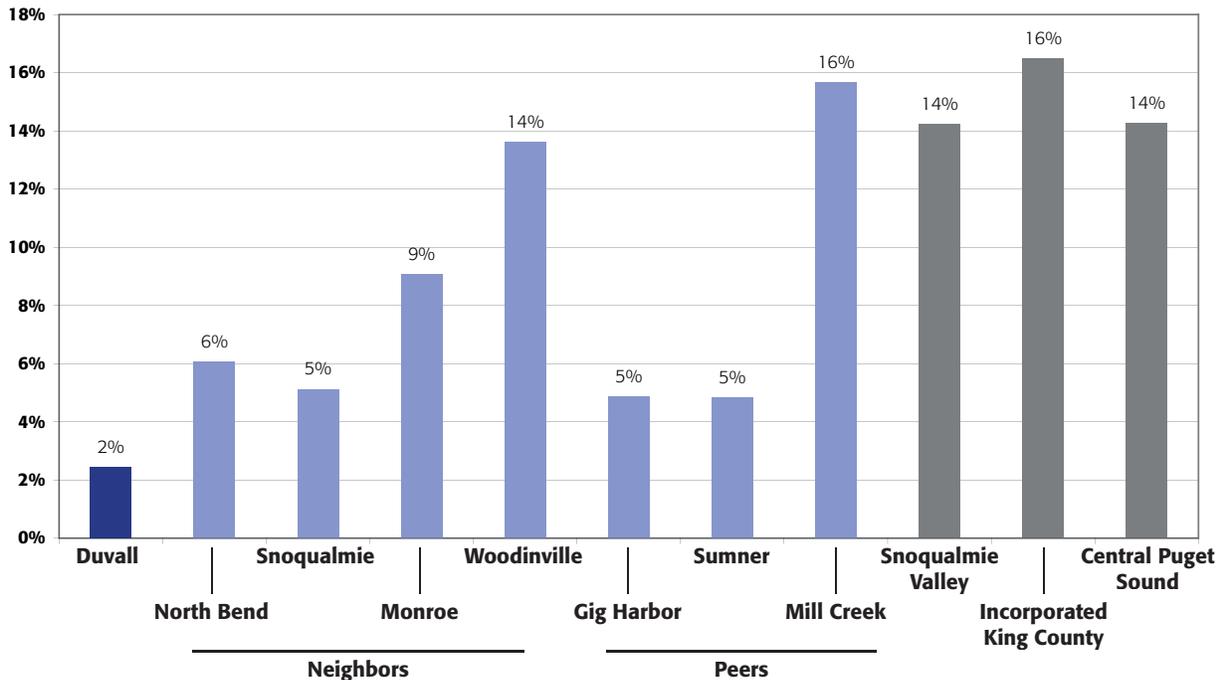
- Duvall's foreign born population (2%) is lower than comparable cities and much lower than incorporated King County and the Region (**Exhibit 8**).
- Relatively stronger concentration of people from South/Central America (**Exhibit 9**)
 - Polynesia and Guatemala, in particular (**Exhibit 7**).
- Lower representation of minority races, particularly Asian, relative to incorporated King County and the Region, though similar to the Snoqualmie Valley (**Exhibit 10**).

Exhibit 7
Origin of Foreign Born Population, 2000

Duvall		
Polynesia	29	25%
Guatemala	23	20%
United Kingdom	19	17%
Canada	17	15%
Germany	9	8%
Czechoslovakia	9	8%
Mexico	8	7%

Source: US Census, 2000

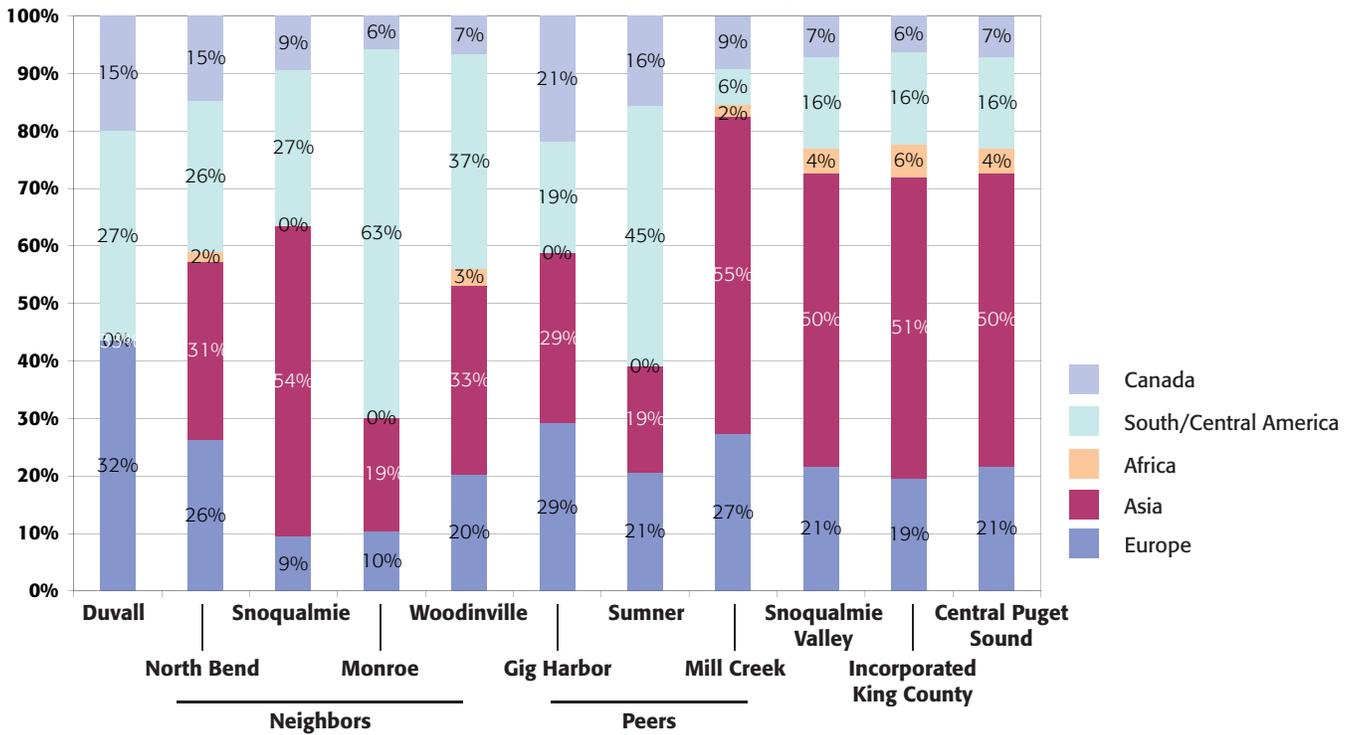
Exhibit 8
Percentage of Foreign Born Population, 2000



Source: US Census, 2000

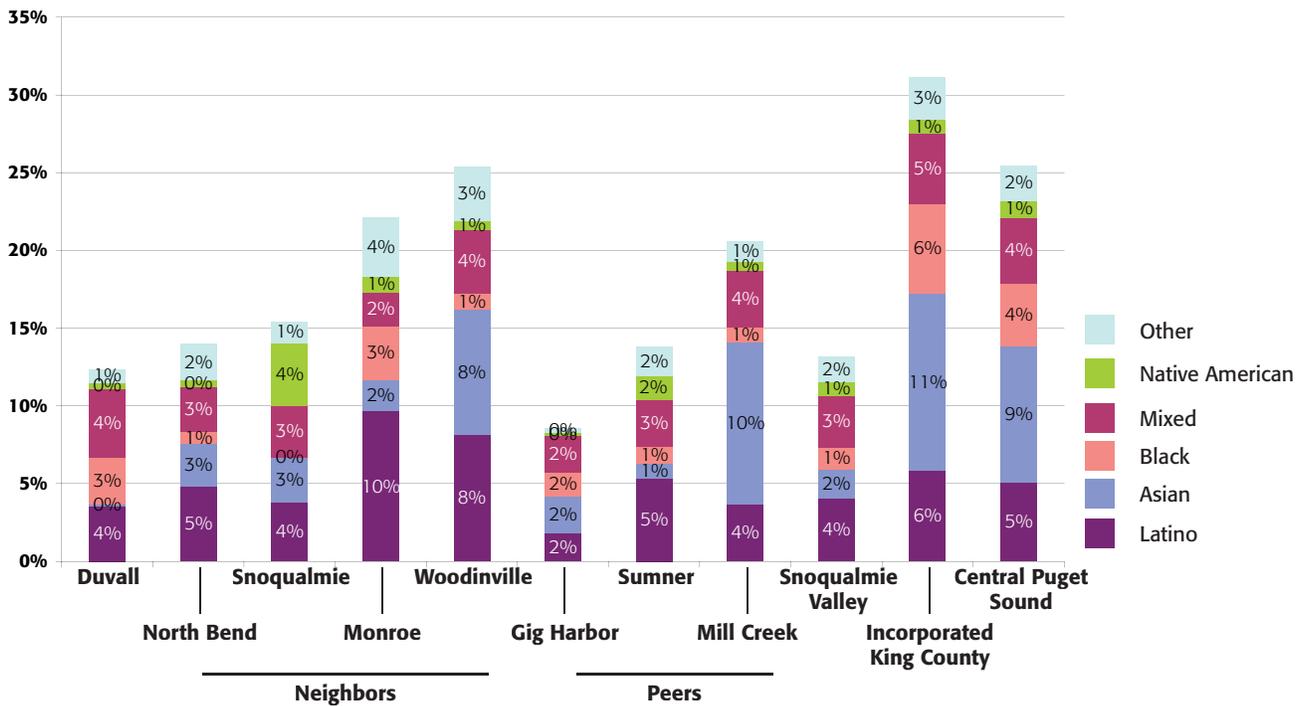


Exhibit 9
Distribution of Foreign Born Population, 2000



Source: US Census, 2000

Exhibit 10
Minority Races Share of Total Population, 2000

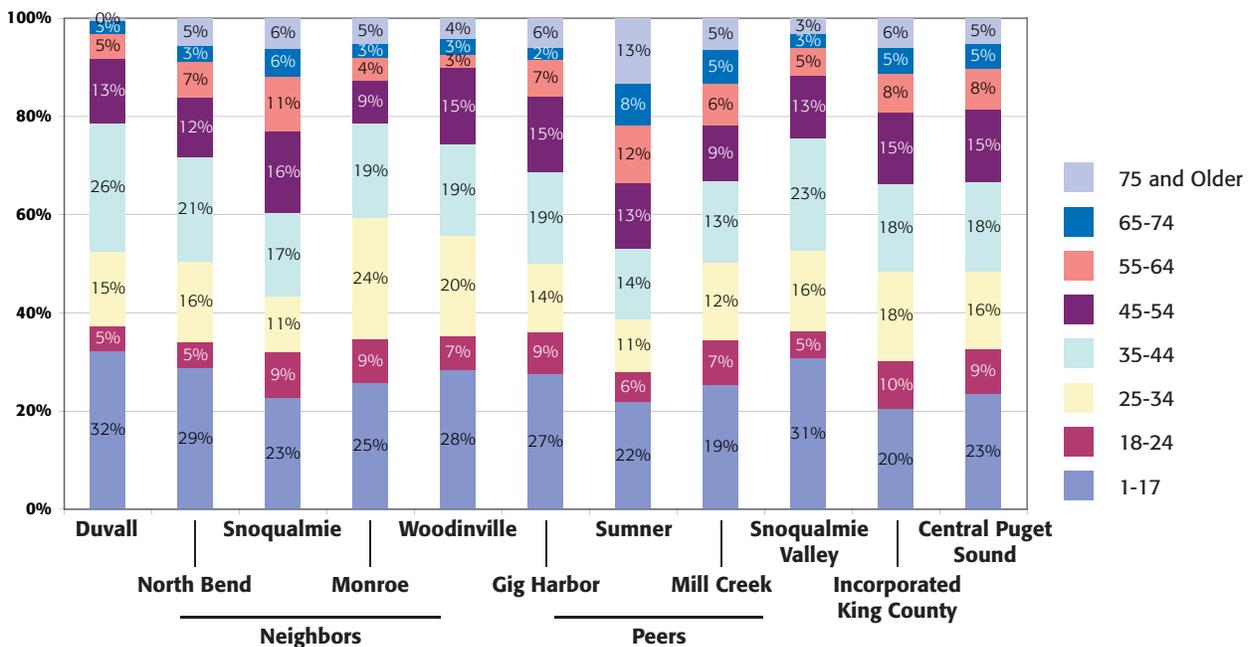


*Latino Populations are not additive with others
Source: US Census, 2000

Age of Duvall Residents

- Relatively young population (only 8% is over 55)
 - A strong family presence as 32% of the City's population is under 18 (**Exhibit 11**).
- Compared with 1990, Duvall's families have more older children, 6 to 18, and parents, 35 to 44 (**Exhibit 12**).
- The "1990 population aged by ten years" in **Exhibit 13** shows the age distribution one would expect in 2000 given no in or out migration, deaths or births between 1990 and 2000.
- When the "1990 population aged ten years" is compared to the actual 2000 age distribution, there appears to have been a significant immigration of the 30 to 49 age group over the past 10 years (**Exhibit 13**).

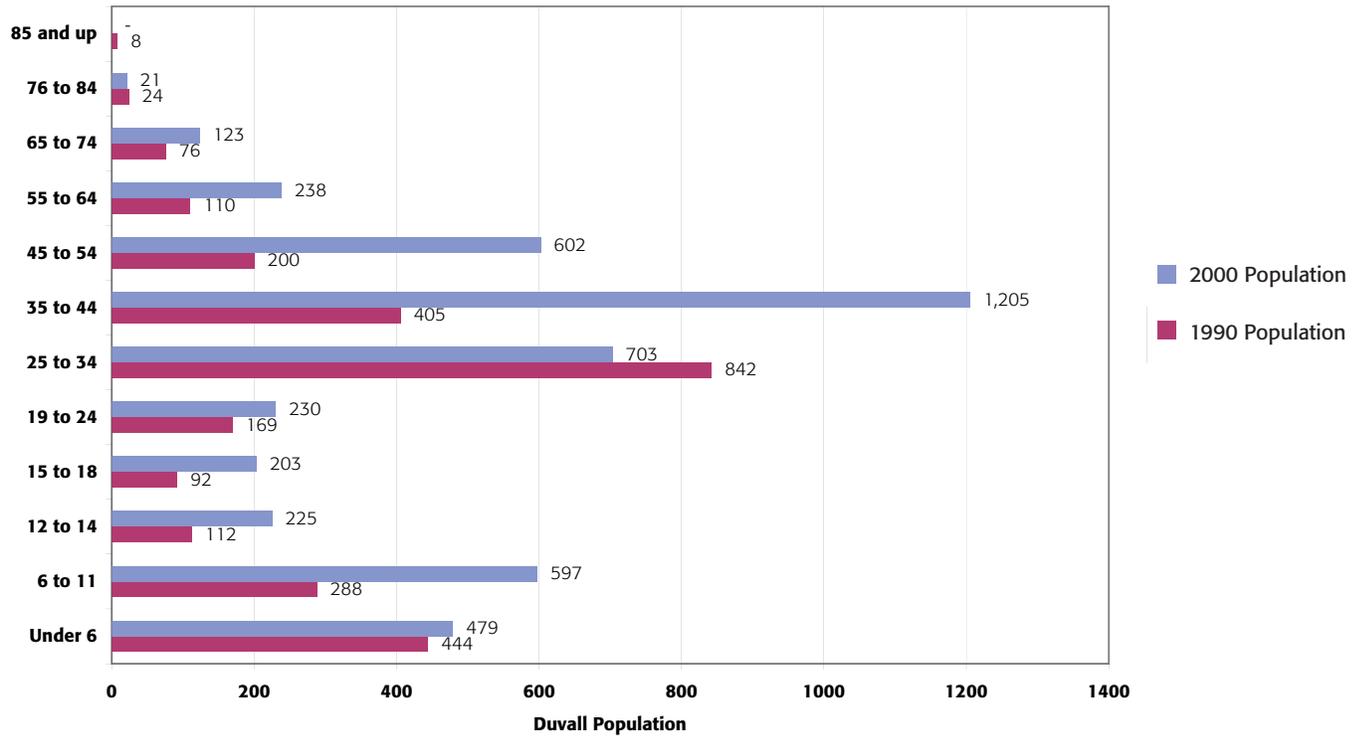
Exhibit 11
Distribution of Age, 2000



Source: US Census, 2000

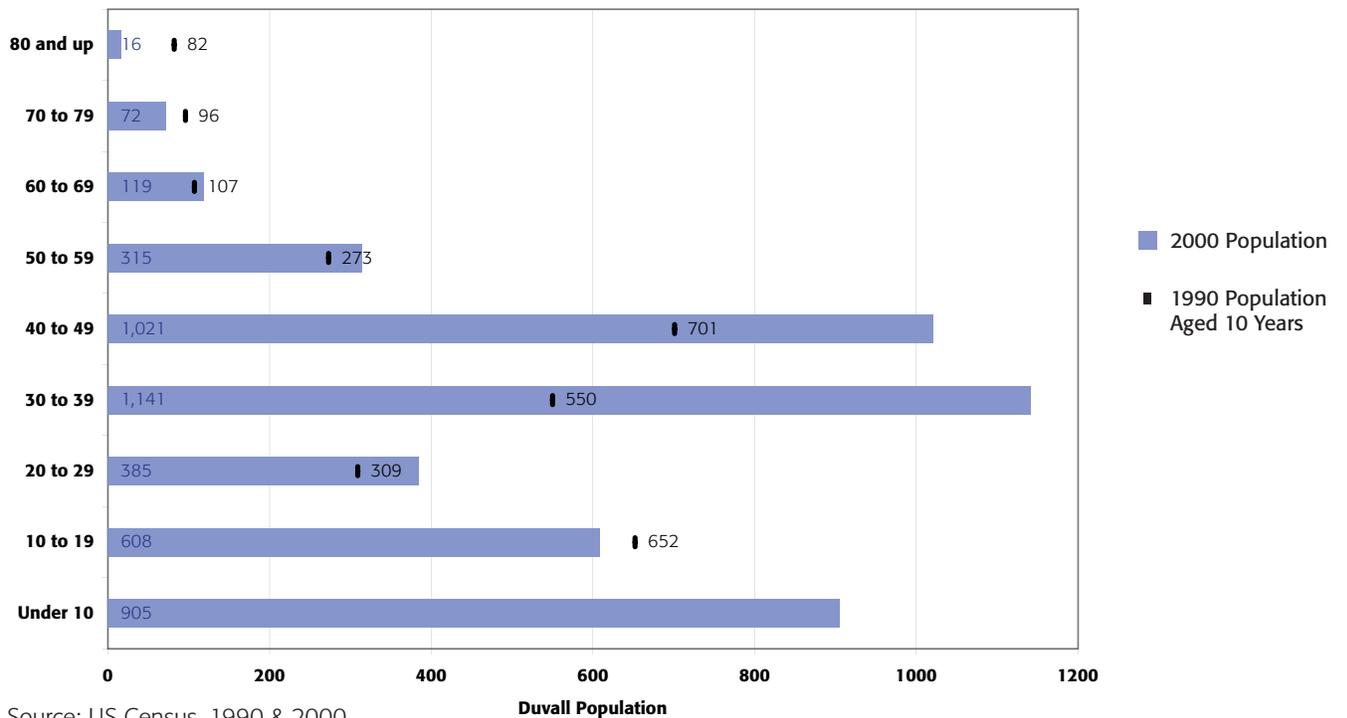


Exhibit 12 Comparison of Age Distribution, 1990 & 2000



Source: US Census, 1990 & 2000

Exhibit 13 Age Cohort Analysis, 1990-2000

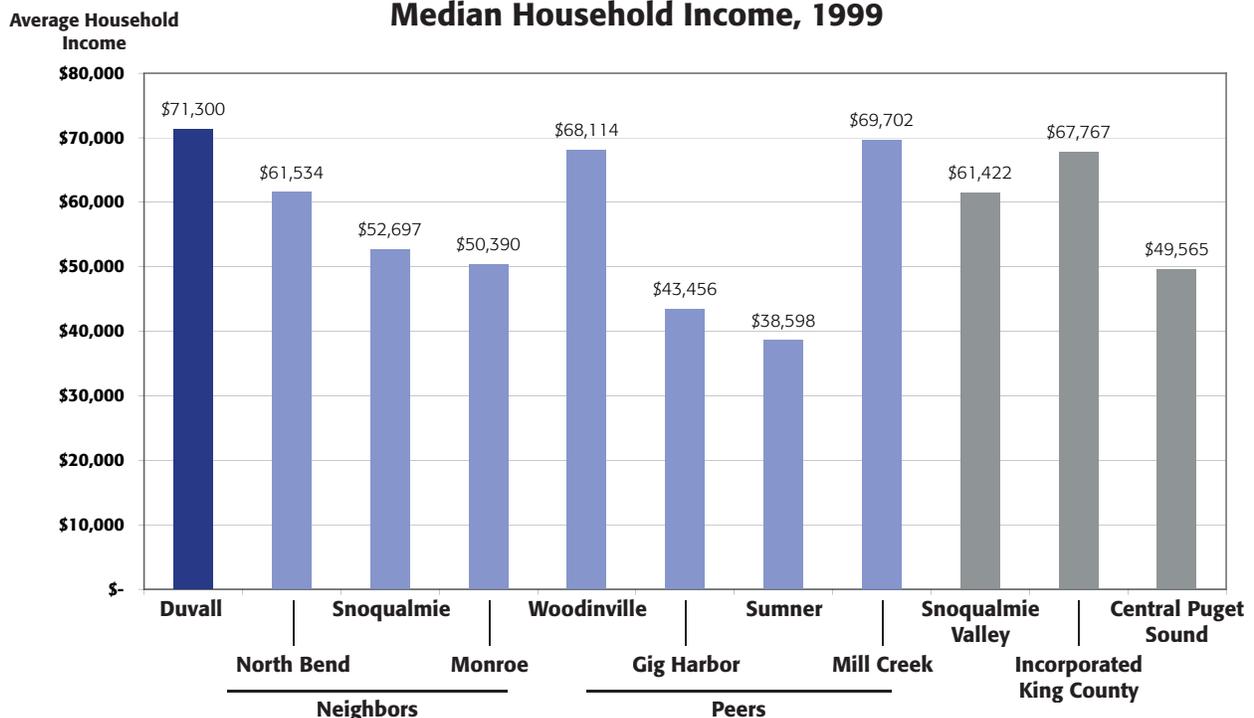


Source: US Census, 1990 & 2000

Duvall Household Incomes

- Duvall has a high median household income (\$71,000 in 1999); higher than all neighbors and regional medians including the incorporated areas of Snoqualmie Valley (**Exhibit 14**).
- Low percentage of households in lower income brackets (17% with household incomes less than \$35,000; compared to 32% for incorporated King and 33% for the region) (**Exhibit 15**).
- Nearly 50% of Duvall households have an income of over \$75,000 (**Exhibit 15**).
- While Duvall households have a relatively high median income compared with their peers and neighbors, income per capita is more in line with peers and Incorporated King County (**Exhibit 16**).
- Duvall's income per capita remains higher than several neighbors and the Snoqualmie Valley as a whole.
- The large number of families in Duvall lowers the income per capita.

Exhibit 14
Median Household Income, 1999

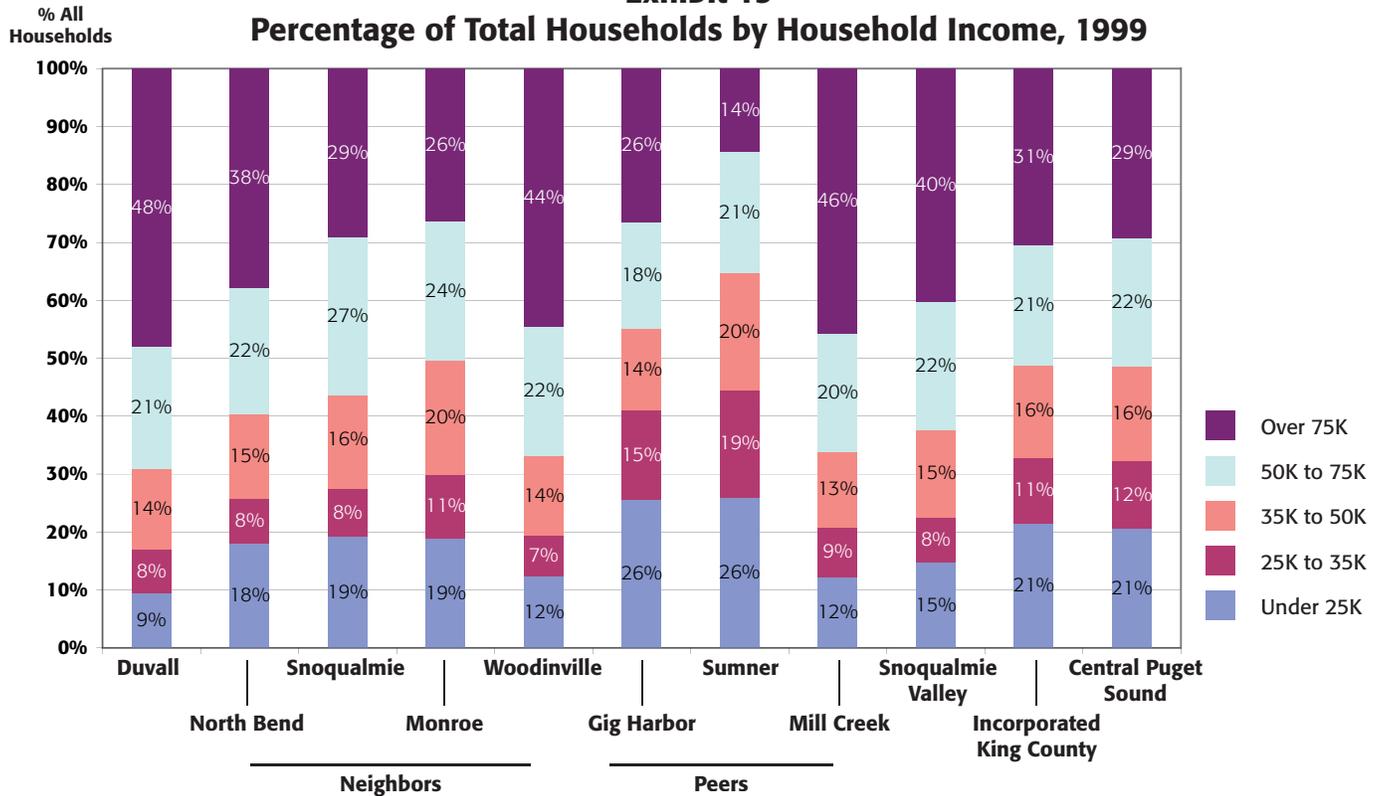


Source: US Census, 2000



Exhibit 15

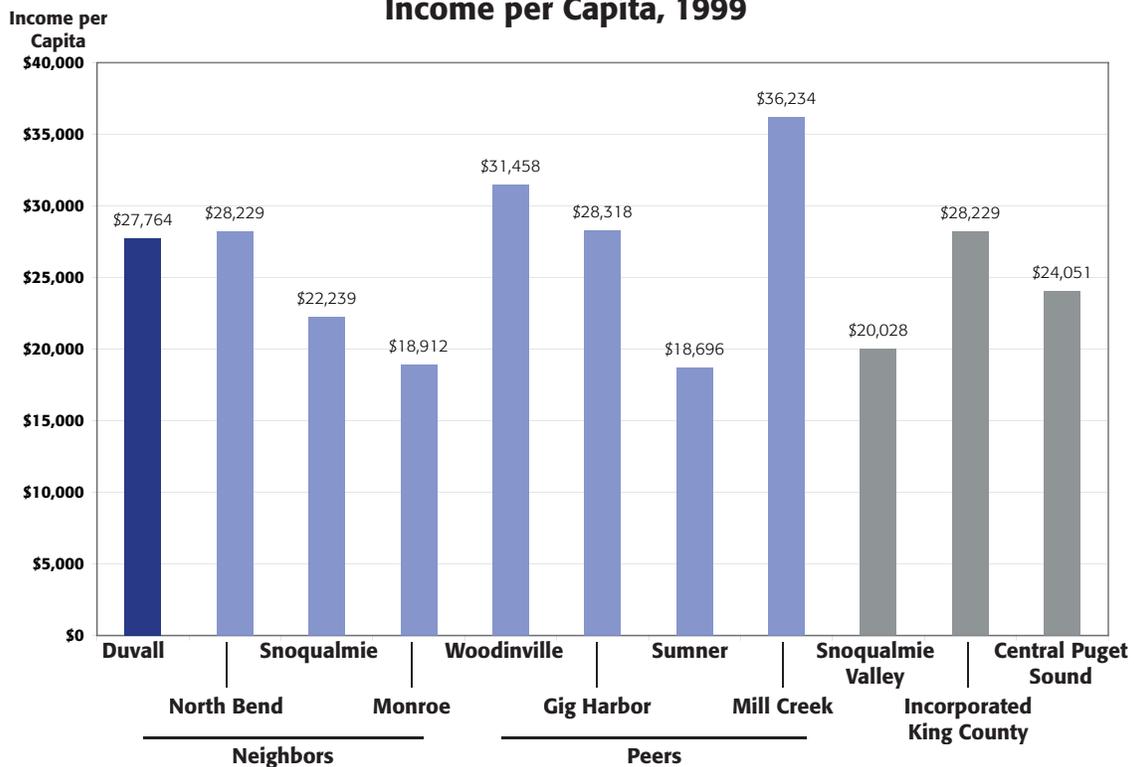
Percentage of Total Households by Household Income, 1999



Source: US Census, 2000

Exhibit 16

Income per Capita, 1999

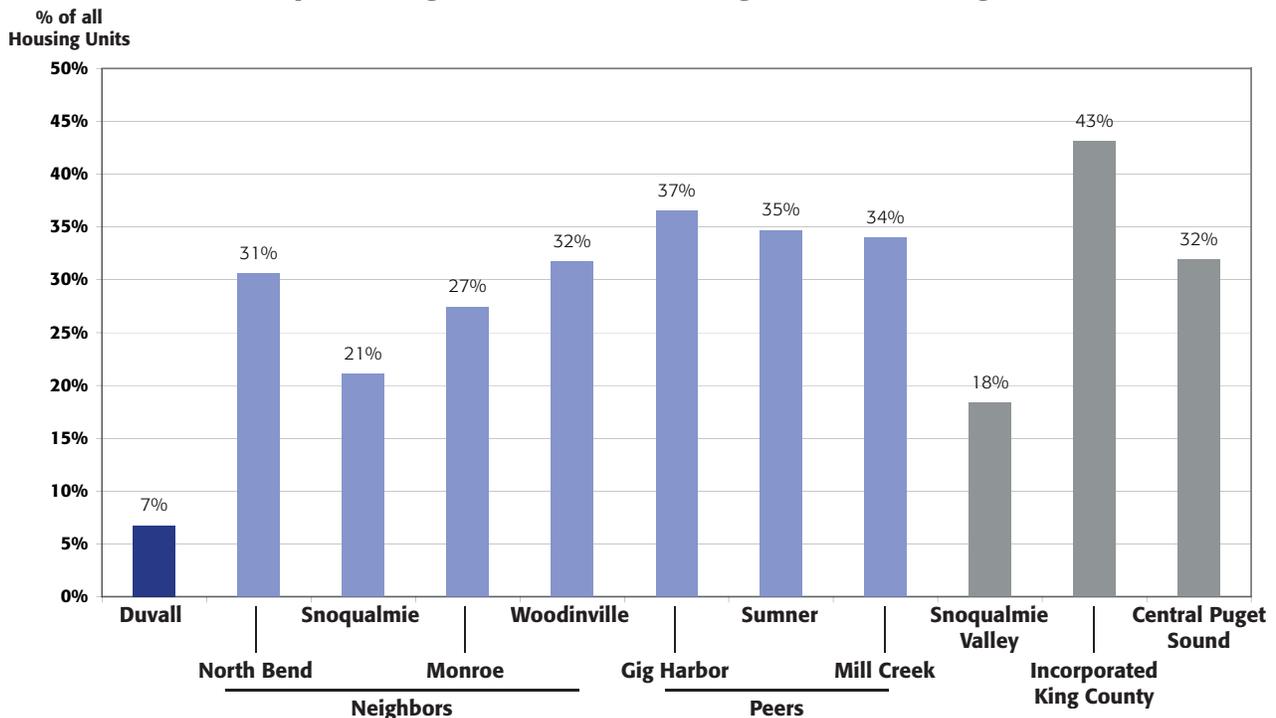


Source: US Census, 2000

Housing in Duvall

- Multifamily housing, as a percentage of all housing in Duvall (7%), represents a much smaller percentage than Incorporated King County (43%) and the Region (32%) (**Exhibit 17**).
- Neighboring cities all have a larger share of housing devoted to multifamily housing, though Duvall has a higher percentage of mobile homes and other housing (9%) (**Exhibit 18**).
- Within multifamily, the percentage of units that are owner-occupied is relatively high in Duvall (34%) compared to most other cities and to incorporated King (26%) (**Exhibit 19**).

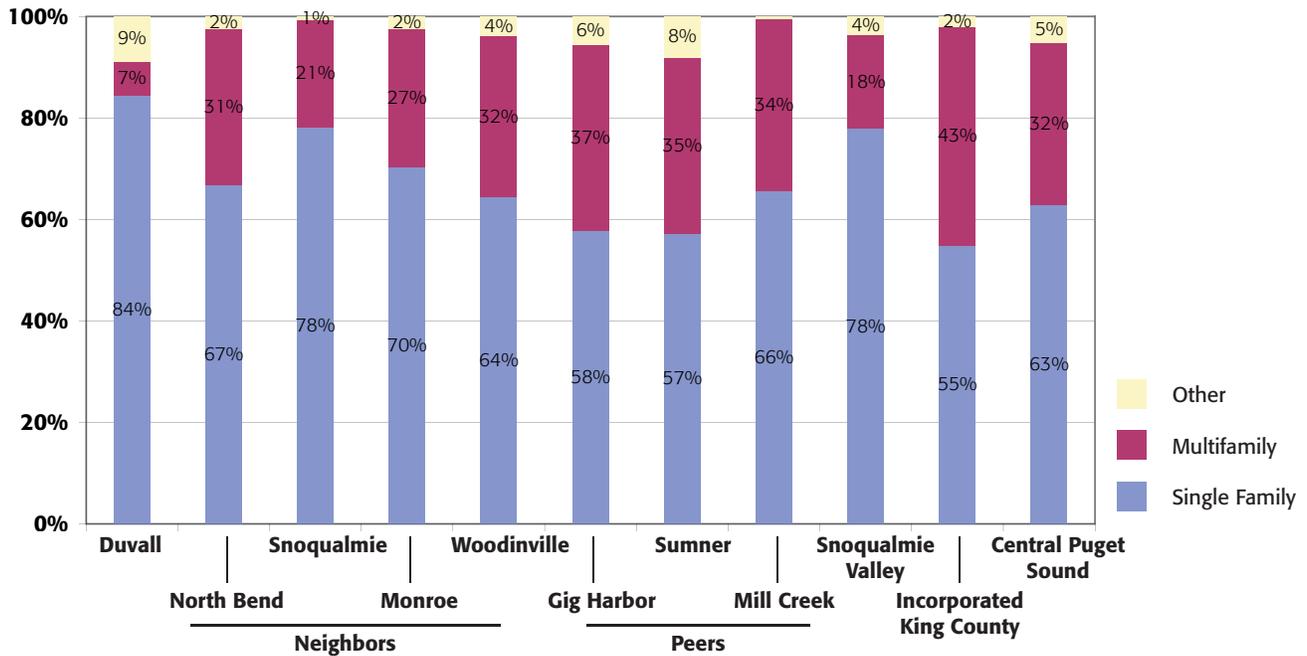
Exhibit 17
Multifamily Housing Units as a Percentage of All Housing Units, 2000



Source: Office of Financial Management, 2004

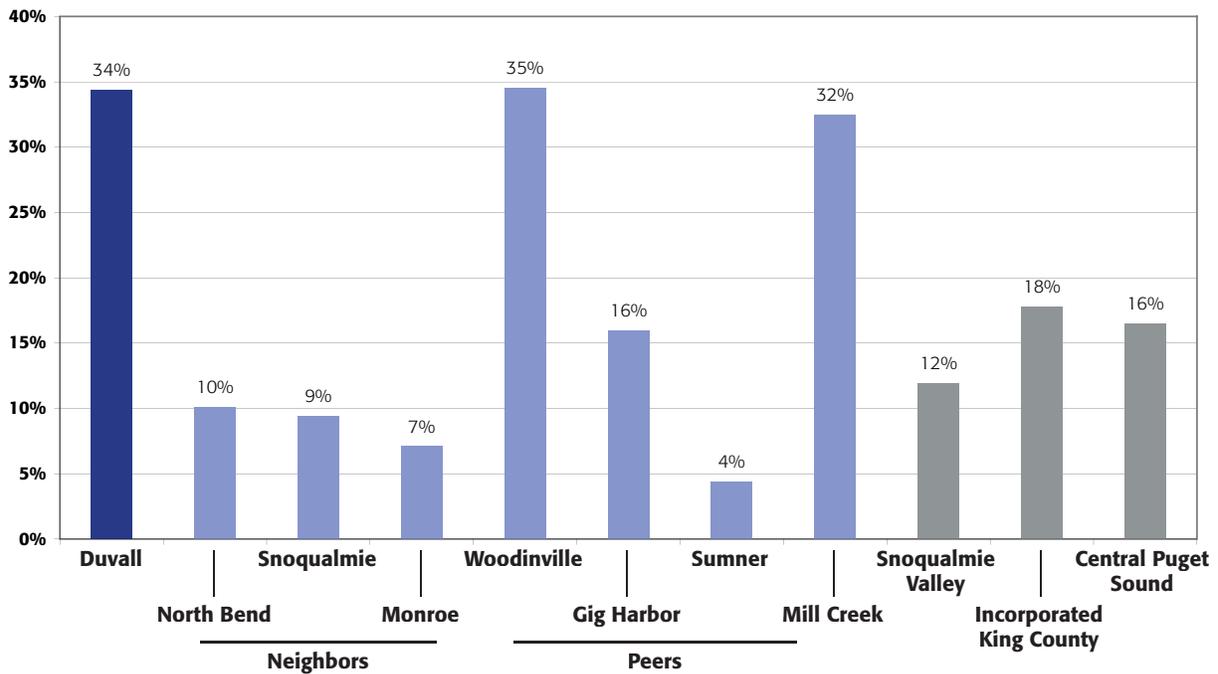


Exhibit 18
Distribution of Housing Units by Type, 2004



Source: Office of Financial Management, 2004

Exhibit 19
Owner-Occupied Multifamily Housing Units as a Percentage of All Multifamily Housing Units, 2000



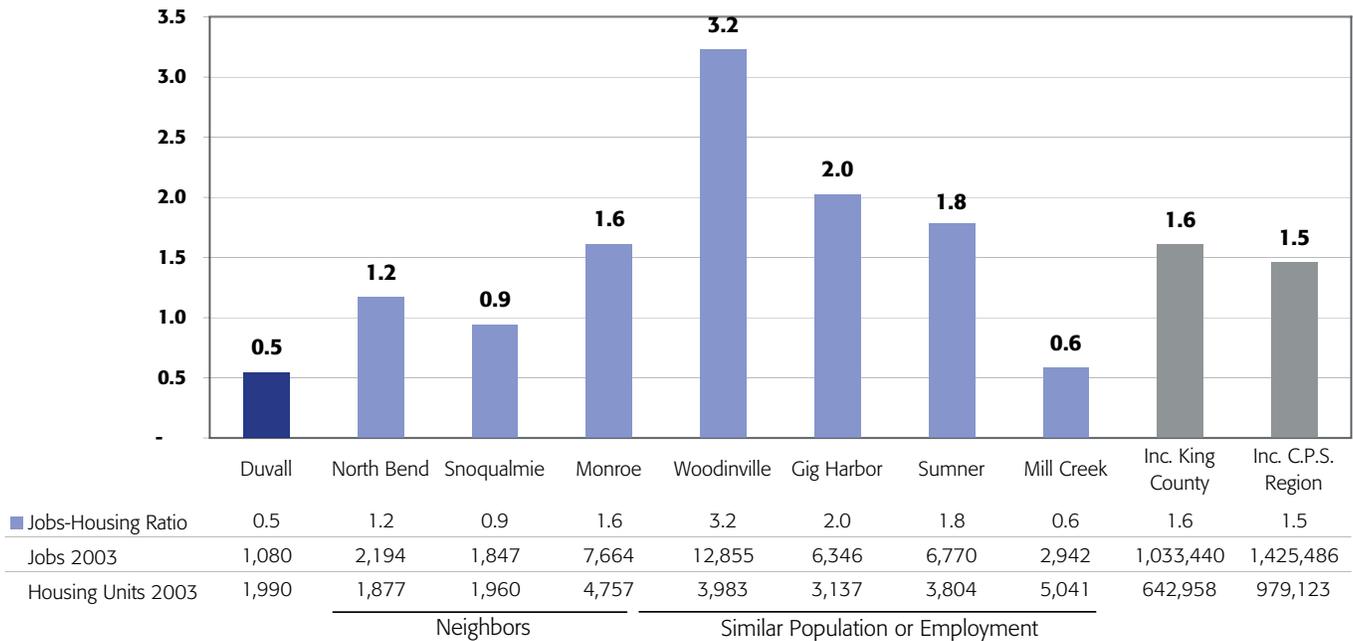
Source: US Census, 2000

ECONOMIC SECTORS

Jobs-Housing Balance:

- Duvall's jobs-housing balance is 0.5. — lower than the totals for incorporated King County (1.6) and for incorporated portions of the region (1.5) (**Exhibit 20**).
 - A jobs to housing ratio of less than one means Duvall has more homes than jobs.

Exhibit 20
Ratio of Jobs to Housing Units, 2003

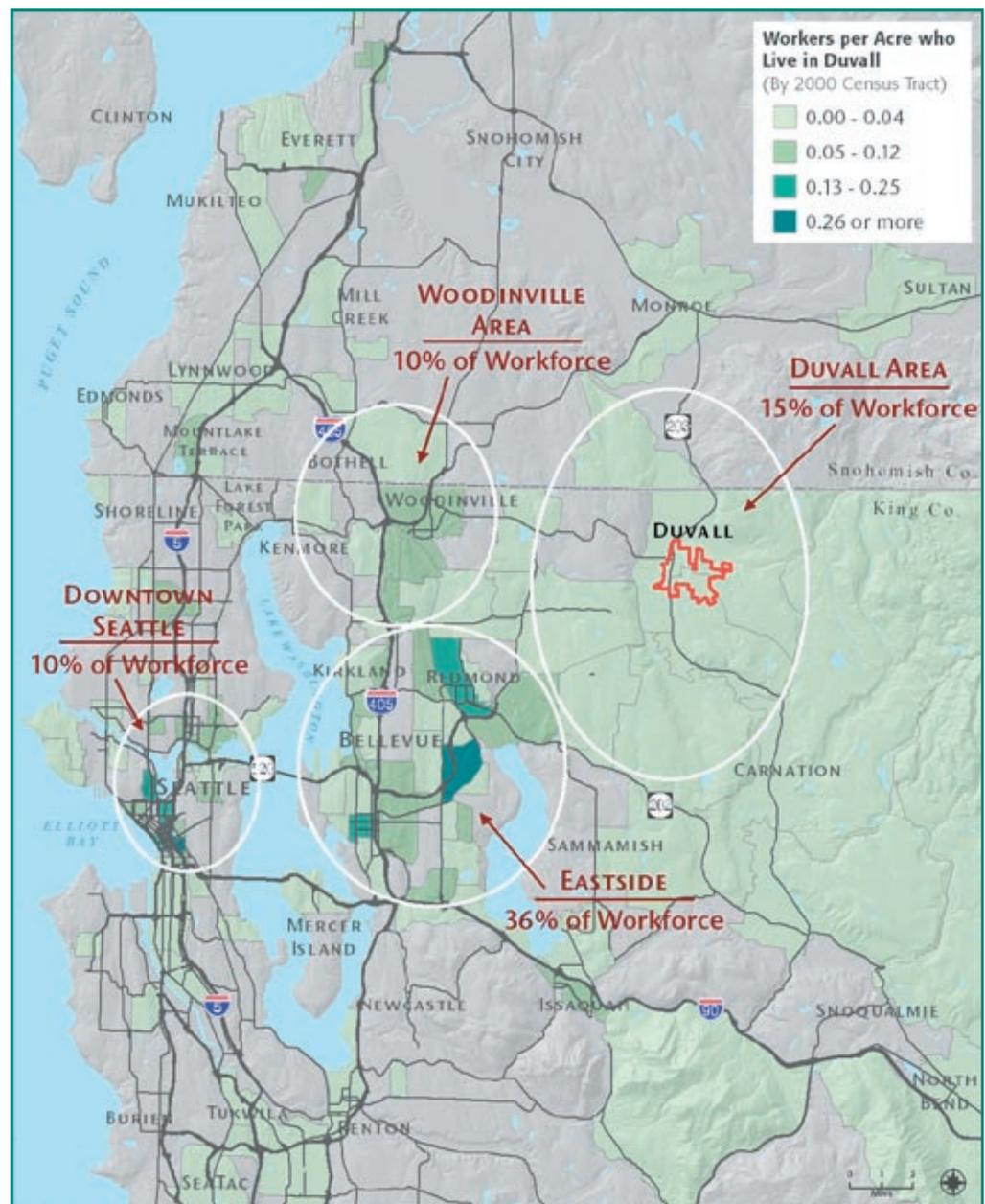


Source: Employment Security Department and Office of Financial Management, 2003

Journey to Work for Duvall's Residents and Workforce

- **Exhibits 21 and 22** are complementary. **Exhibit 21** shows where Duvall residents go to work and **Exhibit 22** shows where workers in Duvall commute from.
- The majority of Duvall residents are employed outside of the Duvall area.
 - The largest share of Duvall residents work on the Eastside (36%).

Exhibit 21
Where Duvall Residents Go To Work, 2000

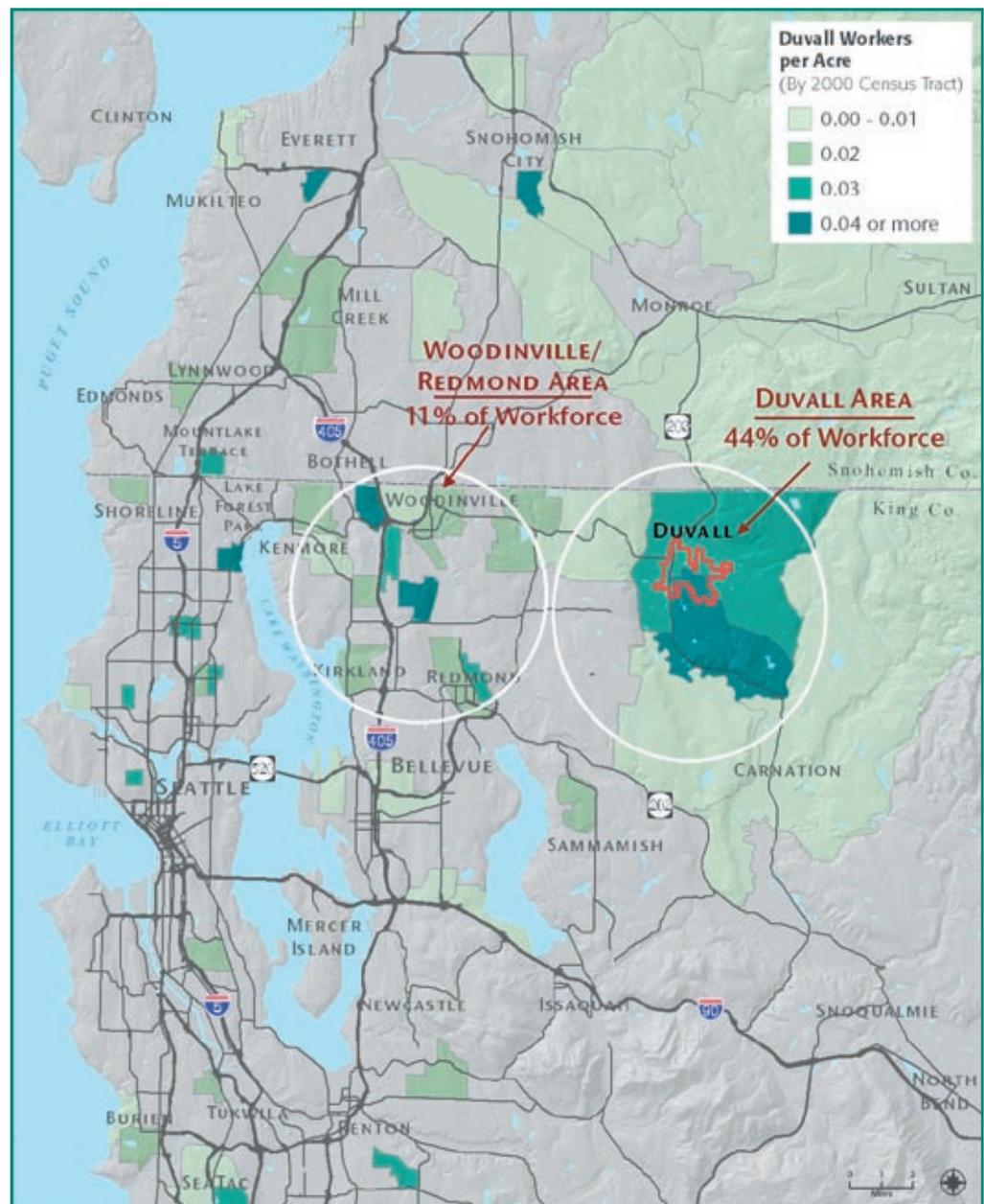


Source: US Census, 2000



- Nearly half of Duvall's workforce commutes from the Duvall area (44%).
- Smaller concentrations of Duvall workers commute from the Woodinville and Redmond area.
- The jobs to housing ratio, journey to work data, and Duvall's location northeast of the Eastside have created a role for Duvall as a bedroom community.

Exhibit 22
Where Duvall Workers Commute From, 2000



Source: US Census, 2000

Employment in Duvall

Sectoral Employment in Duvall

- Duvall has a comparable share of jobs as its peers and the Region (**Exhibits 23, 24**).
- Duvall has a large percentage of Services jobs (46%).
- Retail (16%) and Education (14%) are the second and third highest shares of employment in Duvall.

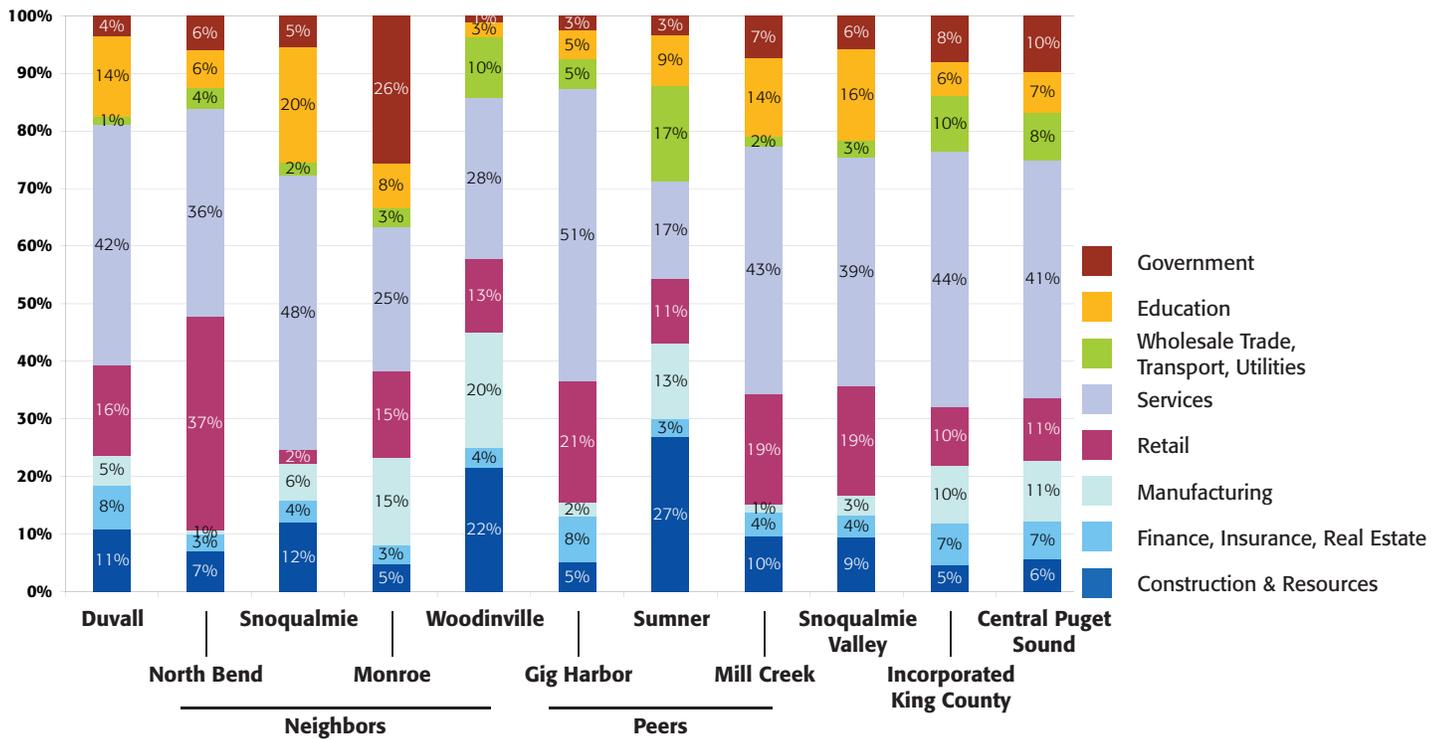
Exhibit 23
Employment Summary by Sector, 2003

	Duvall	North Bend	Snoqualmie	Monroe	Woodinville	Gig Harbor	Sumner	Mill Creek	Snoqualmie Valley	Incorporated King County	Central Puget Sound
Construction & Resources	118	156	223	363	2,766	324	1,823	284	529	47,715	90,992
Manufacturing	56	15	115	1,156	2,553	148	895	37	187	103,759	170,165
Wholesale Trade, Transport, Utilities	13	82	39	240	1,345	320	1,118	48	162	101,340	132,728
Retail	168	814	44	1,149	1,656	1,341	750	563	1,068	104,702	172,360
Finance, Insurance, Real Estate	82	63	72	262	458	508	204	124	217	75,126	104,144
Services	453	789	882	1,929	3,589	3,225	1,156	1,268	2,224	457,422	660,738
Education	152	141	372	607	350	318	594	400	887	60,739	114,139
Government	38	132	100	1,958	138	162	230	219	325	82,637	155,137
Total	1,080	2,194	1,847	7,664	12,855	6,346	6,770	2,942	5,716	1,033,440	1,600,403

Source: Puget Sound Regional Council and Washington State Employment Security Department, 2003 Data, Published



Exhibit 24
Share of Employment by Sector, 2003



Source: Puget Sound Regional Council and Washington State Employment Security Department, 2005

Service Sector Employment in Duvall

- Because of the size of Duvall’s economy, much of the detailed employment data are suppressed.
- Of the large share of Service jobs in Duvall, 26% are in Accommodation and Food Services (**Exhibits 25, 26**).

**Exhibit 25
Employment by Detailed Service Sectors, 2003**

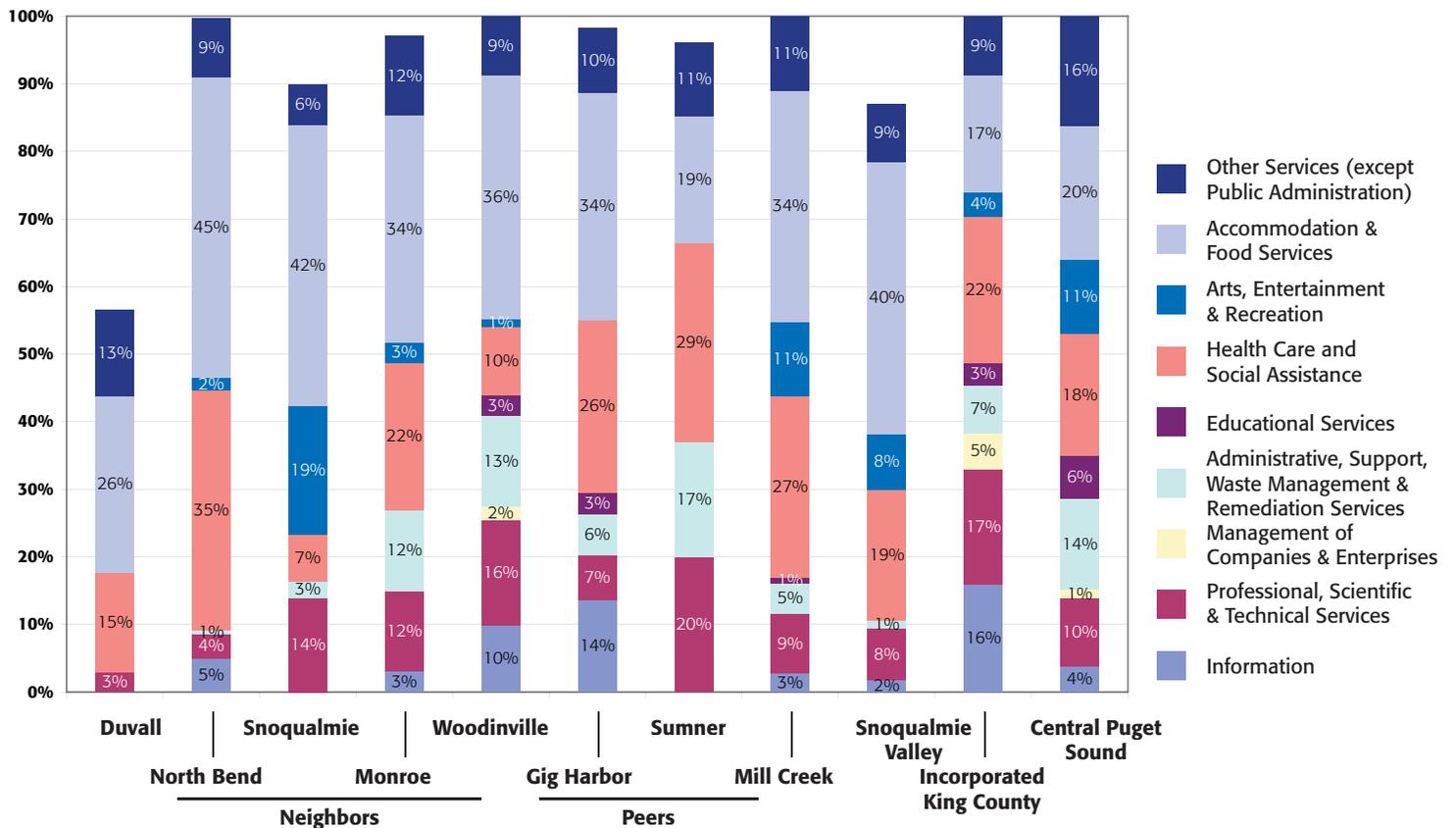
	Duvall	North Bend	Snoqualmie	Monroe	Woodinville	Gig Harbor	Sumner	Mill Creek	Snoqualmie Valley	Incorporated King County	Central Puget Sound
Other Services (except Public Administration)	58	69	52	227	316	310	126	140	190	39,729	2,586
Accommodation and Food Services	118	351	367	648	1,292	1,081	218	433	896	79,387	3,160
Arts, Entertainment and Recreation	*	14	169	57	41	*	*	140	183	16,354	1,771
Health Care and Social Assistance	67	280	60	421	362	828	340	339	430	99,187	2,866
Educational Services	*	*	*	*	113	101	*	11	*	15,064	1,020
Administrative and Support and Waste Management and Remediation Services	*	4	22	232	478	198	197	58	27	32,564	2,158
Management of Companies and Enterprises	*	*	*	*	71	*	*	*	*	24,346	191
Professional, Scientific and Technical Services	13	29	122	230	565	211	231	111	170	78,105	1,628
Information	*	39	*	58	350	440	*	35	39	72,687	597
Total	453	789	882	1,929	3,589	3,225	1,156	1,268	2,224	457,422	15,978

* Data have been suppressed for confidentiality purposes (occurs either when employment for any one firm is more than 80% of cell total or when fewer than three firms are represented)

Source: Puget Sound Regional Council and Washington State Employment Security Department, 2005



Exhibit 26
Share of Employment by Detailed Service Sector, 2003

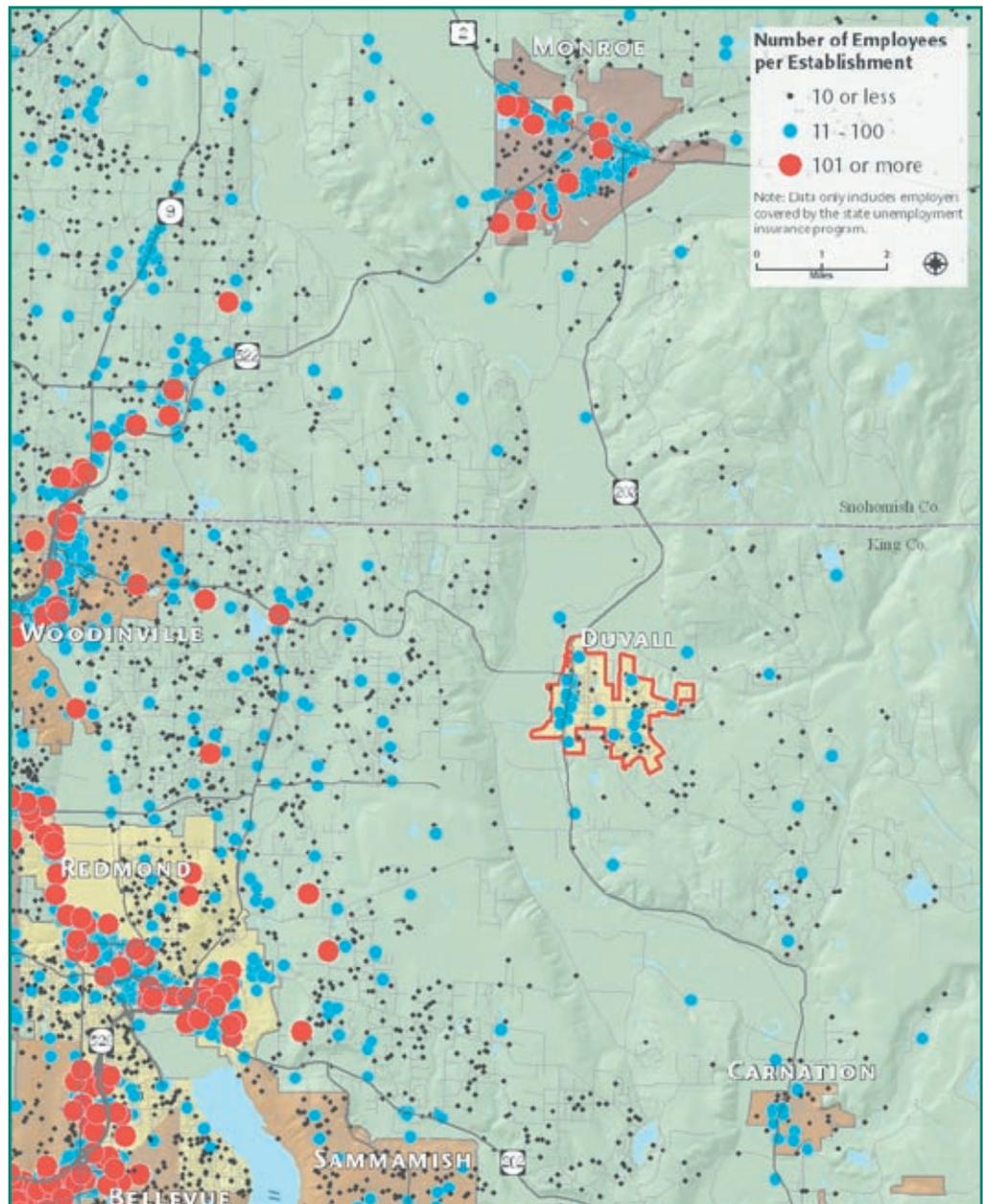


* Employment percentages represented do not total 100% as data suppressed for confidentiality purposes are not shown here
Source: Puget Sound Regional Council and Washington State Employment Security Department, 2005

Employment Distribution and Density

- Duvall has a relatively small center for employment compared with the closest cities to the north and west (**Exhibit 27**).
 - Employment clusters are primarily west of Duvall in Redmond and Woodinville, with some to the north in Monroe.
- Unincorporated areas to the east and south of Duvall have less employment density.

Exhibit 27
Regional Employment Distribution, 2003

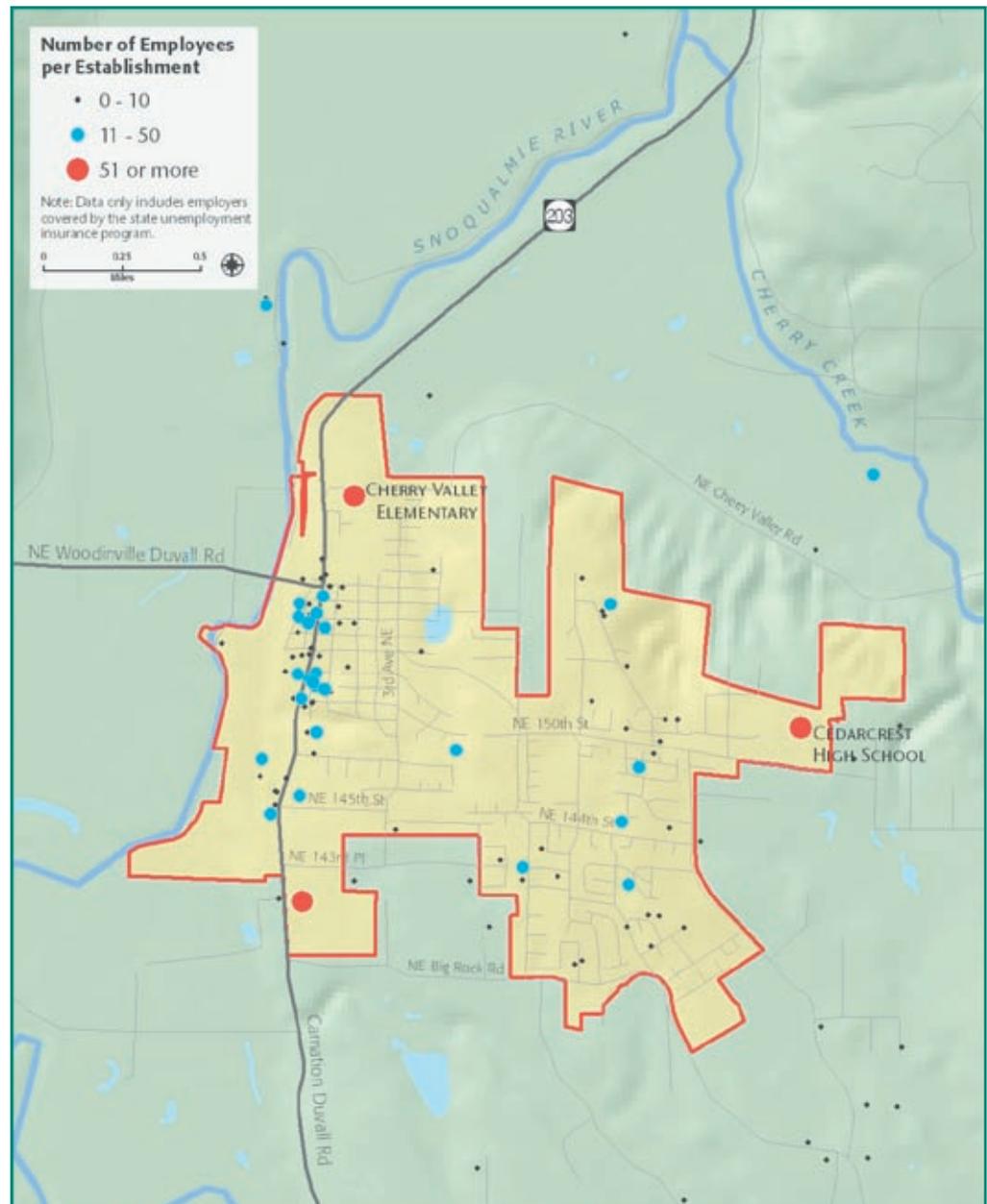


Source: Puget Sound Regional Council, 2005



- Duvall has a large concentration of small to mid-sized employers (**Exhibit 28**).
- Most employers are clustered along State Route 203, particularly in Old Town.

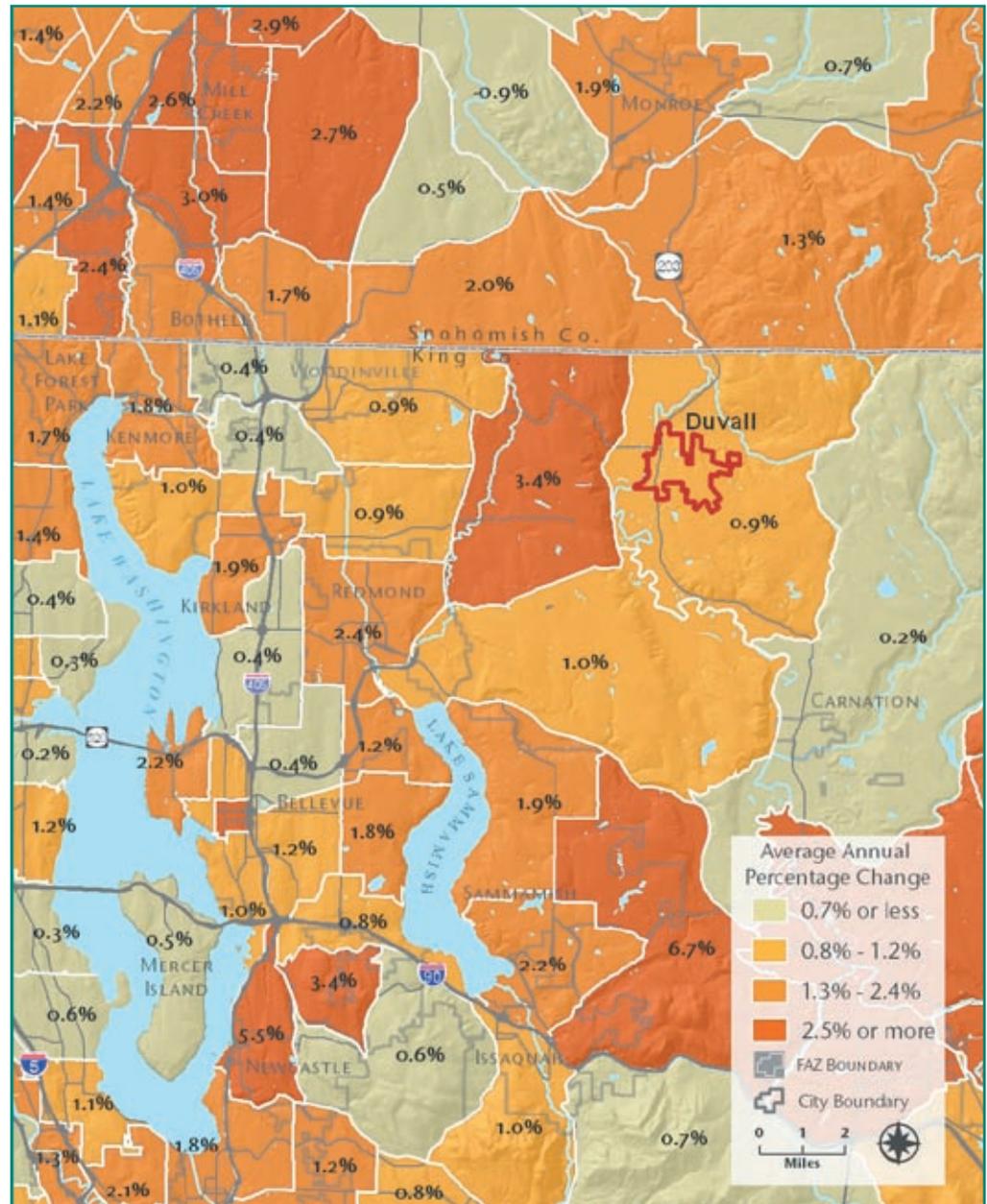
Exhibit 28
Duvall Employment Distribution, 2003



Source: Puget Sound Regional Council, 2005

- **Exhibits 29 and 30** are complementary. **Exhibit 29** shows the rate of forecasted employment growth and **Exhibit 30** shows the magnitude and density of employment growth.
- Duvall is forecasted to have moderate employment growth over the next 15 years (**Exhibit 29**).
- The area between Duvall and Woodinville, directly west of Duvall, is projected to have high employment growth.

Exhibit 29
Employment Forecasts 2000-2020:
Average Annual Percentage Employment Change

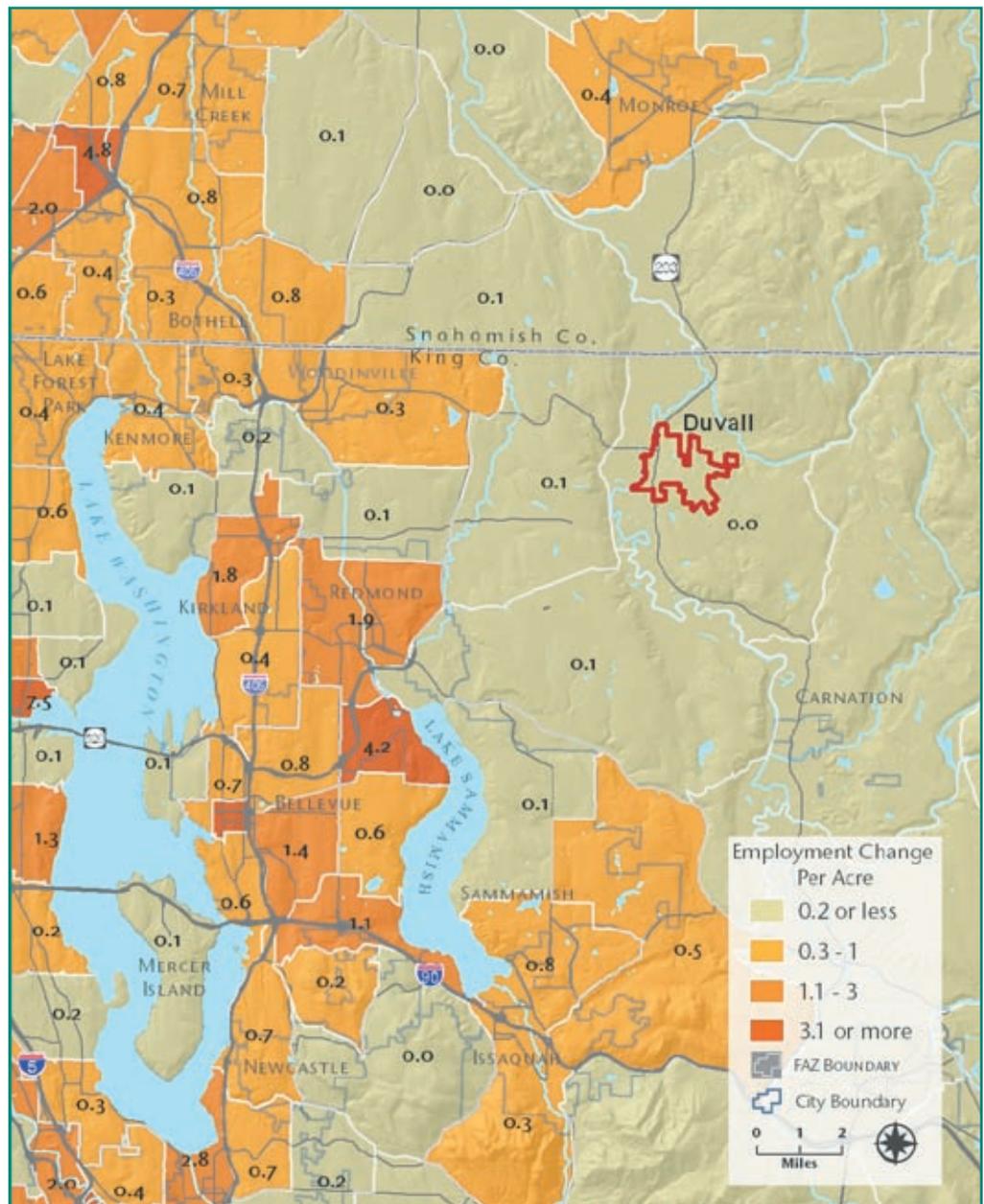


Source: Puget Sound Regional Council, 2003



- Similar to population projections (see **Exhibit 6**), employment density in Duvall is not expected to increase significantly over the next 15 years (**Exhibit 30**).
- The areas surrounding Duvall are also not expected to experience increased density.

Exhibit 30
Employment Forecasts 2000-2020:
Employment Change per Acre



Source: Puget Sound Regional Council, 2003

MARKET ANALYSIS

Background and Purpose

- The City of Duvall required an updated analysis of development markets for its land use and economic development planning. The City's objectives in making decisions about land use are to create jobs within a diversified economy and make decisions that optimally affect the City's fiscal conditions.
- City leaders and staff understand that in the long run the City of Duvall needs to have a well-diversified economy within which its residents can find ample employment opportunities and avoid driving long distances to jobs elsewhere in the region.
- The City also understands that in the long run the City's fiscal conditions depend on a sustainable, diversified economy that provides a steady employment base, property tax base and retail environment.
- The City wishes to accelerate and guide economic growth, making decisions for the City's long-term well-being.
- These overarching objectives for the local economy drive the need to understand the current and future role of the City's vacant land zoned commercial and industrial.

Report Contents

- Current Conditions. A summary of vacant lands zoned commercial, mixed-use or industrial.
- Retail Analysis and Absorption Scenarios. Analysis of current and future retail trade conditions related to varying amounts of retail space absorption.
- Office and Industrial Analysis and Absorption Scenarios. Analysis of current and future employment conditions related to varying amounts of office and industrial space absorption.
- Duvall's Commercial Development Market Factors. A summary of local and regional attributes that affect development decisions in Duvall.
- Conclusions and Other Considerations. Key findings of the analysis and topics that affect its interpretation.
- Commercial Development Market Factors. Qualitative assessment of market factors in the City's developable areas, with particular focus on those zoned for commercial, industrial, or mixed-use.



Current Conditions

- Currently in the City, more than 122 acres are vacant and zoned commercial and light industrial (**Exhibit 31**). An additional 44 acres are considered redevelopable.

**Exhibit 31
Duvall Vacant Commercial and Mixed-Use Land, 2004**

	Zoning Designation		Total
	Vacant	Redevelopable	
Gross Land Area (acres)			
Within City Limits			
Mixed-Use			
Old Town (Mixed-use)	3.4	5.9	9.3
South of Old Town (Mixed-use)	2.5	16.9	19.4
Total Mixed-Use	5.9	22.8	28.7
Commercial			
South of Old Town (Commercial)	34.0	7.9	41.8
South of Old Town (Employment)	5.3	13.3	18.6
Total Commercial	39.3	21.1	60.4
Outside City Limits			
South UGA (Commercial)	16.2		16.2
South UGA (Commercial/Light-Industrial)	61.2		61.2
Total C/LI (Acres)	77.5		77.5
Total Vacant & Redevelopable Acres Zoned for Jobs	122.6	43.9	166.6

Source: City of Duvall Comprehensive Plan, 2004

- Of the 167 vacant and redevelopable acres, 79 acres are assumed to be developable (**Exhibit 32**).
- Of the 29 mixed-use acres, 80% is projected to be absorbed by residential use.
- 31 acres are proposed to be converted to R-12 (residential) zoning.
- Of the remaining 113 acres, 30% is assumed to be undevelopable due to sensitive areas (steep slopes, for example), rights of way (utilities, for example), public purposes and market considerations (such as a fragment of a parcel inconvenient to accommodate developed space).

**Exhibit 32
Duvall Net Developable Land, 2004**

	Acres
Mixed Use (All Within City Limits)	28.7
Less: Projected Residential Absorption (80%)	(23.0)
Mixed-Use Available for Commercial Uses (A)	5.7
Commercially Zoned Land	
Within City Limits	60.4
Beyond City Limits	77.5
Less: Proposed Conversion to R-12	(31.0)
Total Commercially Zoned Land Available (B)	106.9
Total Gross Land Available for Commercial (A+B)	112.6
Less: Developable Land Discount Factor (30%)	(33.8)
Net Developable Land (acres)	78.8
Net Developable Land (s.f.)	3,433,094

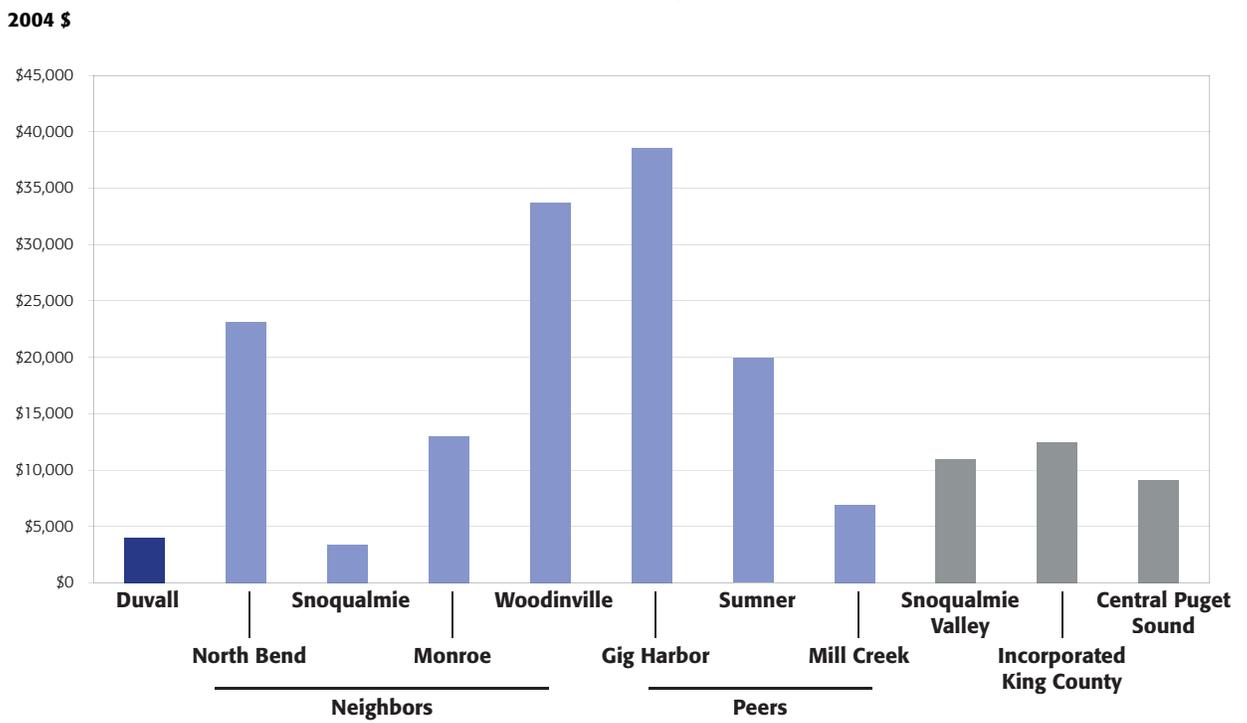
Source: City of Duvall Comprehensive Plan, 2004

Retail Analysis

Taxable Retail Sales Comparison

- As is perceived by stakeholders interviewed for this study, Duvall retailers capture relatively little of local household spending. **Exhibit 33** shows this to be true. On a per capita basis, City retail sales lag behind the region as a whole and all neighboring areas except Snoqualmie.

Exhibit 33
Taxable Retail Sales Per Capita, 2004



	Neighbors				Peers				Incorporated King County		
■ TR\$ Per Capita	\$4,036	\$23,135	\$3,371	\$12,982	\$33,750	\$38,544	\$19,921	\$6,912	\$10,977	\$12,457	\$9,138
Population	5,545	4,660	5,110	15,480	9,915	6,680	8,835	12,760	32,690	1,431,505	3,177,100
Taxable Retail Sales (millions)	\$22.4	\$107.8	\$17.2	\$201.0	\$334.6	\$257.5	\$176.0	\$88.2	\$358.9	\$17832.8	\$29033.0
Pull Factor	0.4	2.5	0.4	1.4	3.7	4.2	2.2	0.8	1.2	1.4	1.0

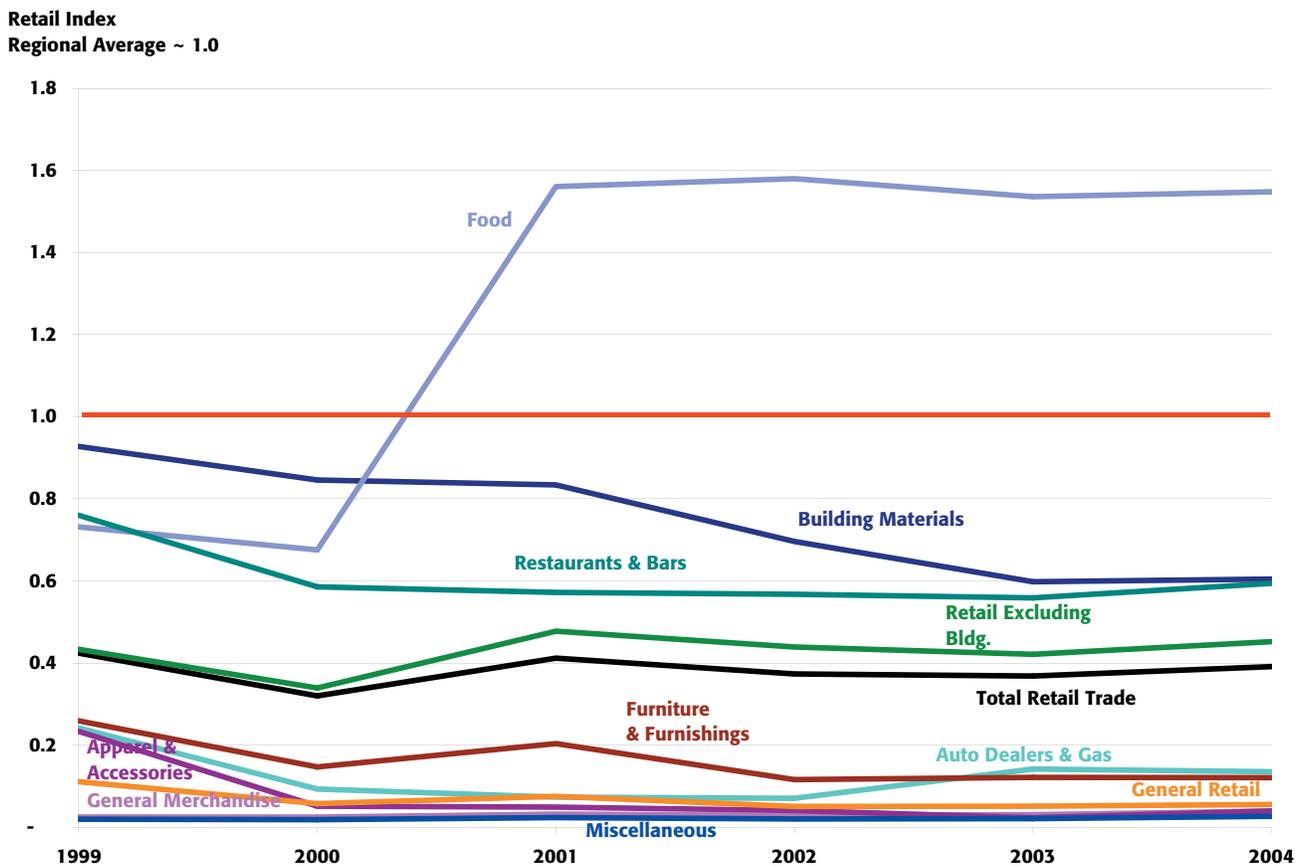
Source: Department of Revenue, 2005



Duvall Retail Index Trends

- Most categories of retail sales in Duvall have lagged behind regional trends for several years, as shown in **Exhibit 34**. Sales were boosted in recent years only by the new Safeway opening in 2001. Local food sales now exceed the amount of spending expected by local residents. Sales in all other retail categories lag behind the total spent by local residents.
- **Exhibit 34** looks at retail sales in Duvall compared only to spending associated with residents living within the Duvall City limits. Subsequent exhibits analyze a larger trade area for retail potential.

Exhibit 34
Retail Sales Index, 1999-2004



Duvall Trade Capture

- Duvall's retail trade area includes residents beyond the City limits. Stakeholders interviewed for this study spoke of the connection between Duvall and Carnation residents, and pointed to households to the east and south of Duvall, in particular, as areas that define Duvall retailers' primary customer base. In 2004, this area included an estimated 16,100 people. This trade area is shown in the map in **Exhibit 40**.
- The retail data presented earlier suggest that Duvall retailers capture just 19% of the spending in this trade area, as shown in **Exhibit 35**.

Exhibit 35
Duvall Trade Capture Estimates Derived from Taxable Retail Sales
for the Duvall Trade Capture Area, 2004

Trade Area Population (2004 Estimate)	16,100
Groceries	75%
Eating and Drinking Places	29%
Building Materials and Hardware	29%
Auto Dealers and Gas Stations	7%
Furniture, Furnishings and Equipment	6%
General Merchandise	2%
Apparel and Accessories	2%
Miscellaneous Retail	1%
Total Retail Trade	19%
Retail excluding Auto	22%
General Retail: General Merchandise; Apparel; Furniture; Misc	3%

Source: Washington State Department of Revenue, 2005



Duvall Trade Capture and Spending Analysis

- Analyzing household spending estimates provides an alternate method to estimating trade capture. This method suggests that local retailers are capturing the equivalent of 17% of trade area household spending on retail items, shown in **Exhibit 36**.
- The analysis also reveals that trade area household retail spending totals \$251 million in excess of local retail sales. This analysis does not take into account spending that occurs locally from households located outside of the trade area. Therefore trade area households actually spend more than \$251 million on items outside of Duvall.

Exhibit 36 Duvall Trade Capture and Trade Area Household Spending, 2004

		Citywide	Trade Area
Households 2004		1,992	5,568
	Household Average Spending		
2004 Household Spending Directly Related to Retail		Total Spending by All Households	
		Citywide	Trade Area
Restaurants and Bars	\$6,665	\$13,279,486	\$37,109,728
Groceries	\$8,508	\$16,951,496	\$47,371,216
Auto Purchases, Gas, Service	\$13,555	\$27,006,401	\$75,469,802
All Other Retail (Clothing, Home Furnishings, Other)	\$25,489	\$50,783,807	\$141,916,128
Total Retail Spending	\$54,217	\$108,021,190	\$301,866,875
	Total Revenue for All Duvall Businesses (2004)	Local Revenues in Excess of Spending (Spending Occurring Elsewhere)	
Restaurants and Bars	\$5,107,924	(\$8,171,562)	(\$32,001,804)
Groceries	\$31,784,354	\$14,832,858	(\$15,586,862)
Auto Purchases, Gas, Service	\$2,572,652	(\$24,433,749)	(\$72,897,150)
All Other Retail (Clothing, Home Furnishings, Other)	\$11,508,832	(\$39,274,975)	(\$130,407,296)
Total Retail Spending	\$50,973,762	(\$57,047,428)	(\$250,893,112)
Trade Capture		Citywide	Trade Area
Restaurants and Bars		38%	14%
Groceries		188%	67%
Auto Purchases, Gas, Service		10%	3%
All Other Retail (Clothing, Home Furnishings, Other)		23%	8%
Total Retail Spending		47%	17%

Source: Claritas, Inc., Washington State Department of Revenue (2005)

Retail Absorption – Population Forecasts

- The trends and analysis presented earlier provide a benchmark for retail space absorption projections. A key determinant of future retail demand is the population growth in the study area. Recent growth in the City of Duvall and forecasts for the surrounding area and the region are presented in **Exhibit 37**.
- Duvall’s recent growth has been far higher than forecasts for the area and for the region. This trend suggests using a forecasted growth rate above existing forecasts for the study area and the region as a whole. An annual forecasted growth rate of 1.5% to 2.5% would seem conservative and yet consistent with stakeholder interviews showing continued strong demand for housing in the area.

**Exhibit 37
Population Trends and Forecasts for Duvall and the Region**

OFM Estimates	2000	2005	Annual % Change
City of Duvall	4,616	5,595	3.9%
King County	1,737,034	1,808,300	0.8%
Snohomish County	605,986	655,800	1.6%
King & Snohomish County Combined	2,343,020	2,464,100	1.0%

PSRC Forecasts	2000	2030	Annual % Change
FAZ 6605 (Duvall)	9,671	13,242	1.1%
Snoqualmie River Valley	48,158	62,577	0.9%
King County	1,737,034	2,202,366	0.8%
Snohomish County	605,986	985,181	1.6%
King & Snohomish County Combined	2,343,020	3,187,547	1.0%

Note: Snoqualmie Valley includes FAZs 4706, 6505, 6506, 6605, 6606, 6910
 Source: U.S. Census, 2005, Washington State Office of Financial Management, 2005 Puget Sound Regional Council, 2003



Retail Absorption – Population Projections

- The two methods of estimating trade capture presented in the previous section provide two foundations for projecting retail space absorption, presented in **Exhibit 38**. The analysis for both methods assumes, for discussion purposes, a continuation of the same trade capture percentages found earlier (in **Exhibit 35** for Method 1 and **Exhibit 36** for Method 2)
- Based on trade capture rates found from analyzing taxable retail sales, population growth of 1.5% in the trade area would drive demand for an additional 57,000 square feet of retail space by 2020. This relatively low amount would materialize only if the City maintained its low share of retail capture.
- A future increase in local trade capture is a possibility, assuming a “tipping point” phenomenon occurs where enough population triggers a disproportionate increase in retail trade capture (not just a linear extrapolation of current market shares). New commercial growth in Redmond Ridge will challenge increases in market share, so assumptions of trade capture growth should be held in check. Modest increases in local retail trade capture would make for good planning nonetheless.

Exhibit 38 Retail Space Absorption Projections, Current Trade Capture Scenarios

Taxable Retail Sales-Based Projections (Method 1)

		Retail Segments			Total Retail Spending
		Restaurants and Bars	Groceries	General Retail (Clothing, Home Furnishings, Other)	
Population Within Study Area, 2004	16,100				
Population Growth of Trade Area (AAGR), 2004 - 2025	1.5%				
Population Within Study Area, 2025	22,010				
Retail Revenue (GBI) Per Capita, 2004		\$1,298	\$3,100	\$6,913	\$11,311
Duvall's Current Trade Capture, 2004 (for categories shown)		29%	75%	3%	25%
Increase in Dollars Spent in Duvall from Population Growth Alone		\$2,200,014	\$13,689,712	\$1,096,416	\$16,986,142
Dollars per s.f. of Retail Space		\$275	\$300	\$350	\$298
Total Increase in Retail Space Demand, Driven by Population Growth (s.f.)		8,000	46,000	3,000	57,000

Consumer Buying Power Spending-Based Projections (Method 2)

		Retail Segments			Total Retail Spending
		Restaurants and Bars	Groceries	General Retail (Clothing, Home Furnishings, Other)	
Total Households Within Study Area, 2004	5,568				
Population Growth of Trade Area (AAGR), 2004 - 2025	1.5%				
Total Households Within Study Area, 2025	7,611				
Total Spending Per Household in Study Area, 2004		\$6,665	\$8,508	\$25,489	\$40,662
Duvall's Current Trade Capture, 2004		14%	67%	8%	21%
Increase in Dollars Spent in Duvall from Population Growth Alone		\$1,874,904	\$11,666,696	\$4,224,407	\$17,766,007
Dollars per s.f. of Retail Space		\$275	\$300	\$350	\$306
Total Increase in Retail Space Demand, Driven by Population Growth (s.f.)		7,000	39,000	12,000	58,000

Source: Washington State Department of Revenue; Office of Financial Management; Claritas, Inc.; Urban Land Institute

Alternative Retail Absorption Projections

- Varying the population growth rate for the trade area along with the trade capture assumptions lead to varying amounts of retail space absorption, as shown in **Exhibit 39**.
- The low end absorption is consistent with the analysis shown in **Exhibit 38** (57,000 s.f.). The high end shows 268,600 s.f. of additional retail space, using the Consumer Buying Power method (Method 2), and assuming 2.5% annual population growth and a trade capture rate of 35%. (A growth rate of 2.5% would mean that the population of the trade area would increase to slightly more than 27,000 by 2020.)
- Existing retail activity is so low that the sensitivity analysis only considers changing conditions that result in increased retail activity.
- In addition to a more aggressive capture rate, the City should plan for additional retail absorption to come from services-oriented businesses that are not included in this analysis. Beauty salons, banks and quick-lube auto service stations are examples of service businesses found frequently in retail developments. Such businesses can locate within retail space, or on development pads on the parcel for more convenient access (the Bank of America in the Safeway lot, for example).
- Planning for 150,000 s.f. to 200,000 s.f. with all of these factors in mind appears within the City's long-term evolution, provided successful development and retail strategies take place and no further moratoria or City policies obstruct development that the market would otherwise support.

Exhibit 39
Alternative Retail Absorption Projections
(S.F. per Scenario)

Taxable Retail Sales (Method 1)

Pop. Growth	Trade Capture		
	25%	29%	35%
1.5%	57,000	85,600	135,300
2.0%	80,000	111,700	166,800
2.5%	105,300	140,500	201,500

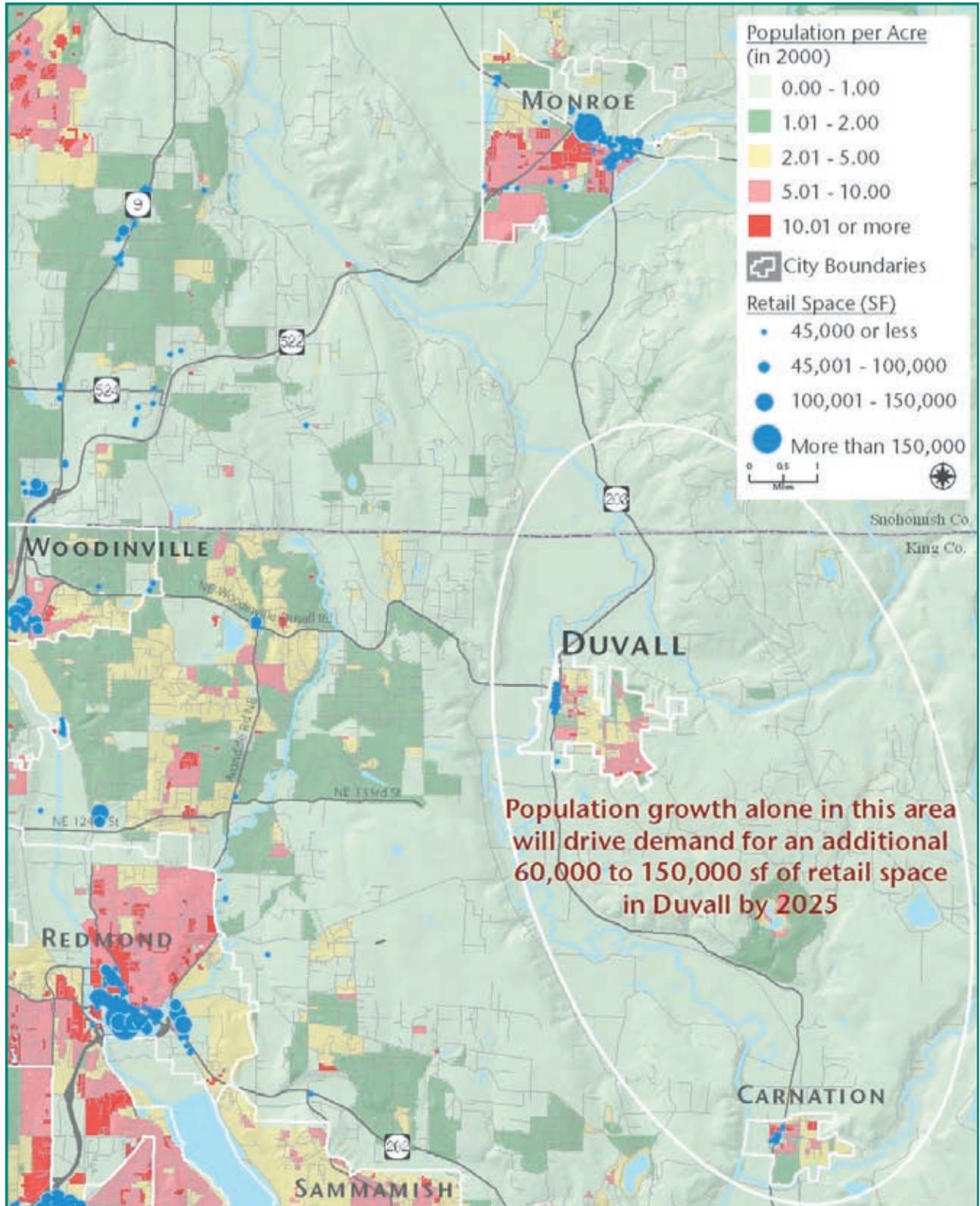
Consumer Buying Power (Method 2)

Pop. Growth	Trade Capture		
	21%	25%	35%
1.5%	58,000	97,300	189,400
2.0%	81,400	125,000	227,100
2.5%	107,200	155,500	268,600

Source: Washington State Department of Revenue;
Office of Financial Management; Claritas, Inc.;
Urban Land Institute



Exhibit 40 Duvall Retail Trade Capture Area



Source: US Census Bureau, 2000, King and Snohomish County Assessor, 2003

Office and Industrial

Existing Forecasts and Historic Trends

- Existing employment and forecasts of employment for Duvall and the surrounding areas provide an indication of how regional and local economic growth might drive demand for vacant lands in the long-run. **Exhibit 41** shows the PSRC employment forecasts for their model's Forecasts Analysis Zone 6605 (FAZ 6605) and for the FAZs that compose the Snoqualmie Valley.
- The Exhibit shows constant growth forecasts of 0.9% for Duvall. The forecasts also suggest very rapid increases in FIRES (Finance, Insurance, Real Estate and Services) for the Snoqualmie Valley through 2010 growth (5.3% per year; 4,576 jobs over the 10-year period), falling off to growth rates of 0.7% and 0.9% thereafter. Much of this growth in FIRES is forecasted for the City of Snoqualmie.

Exhibit 41
PSRC Employment Forecasts for Duvall and the Snoqualmie Valley, 2000 - 2030

	Duvall (FAZ 6605)				Snoqualmie Valley FAZs			
	2000	2010	2020	2030	2000	2010	2020	2030
Total Employment								
Construction/Resources	690	756	825	903	2,449	4,122	4,430	4,866
Manufacturing	131	100	88	85	547	410	339	315
Wholesale, Transp., Comm. & Utilities	44	44	56	62	405	342	420	474
Retail	236	238	235	242	2,099	2,333	2,640	3,107
Finance, Insurance, Real Estate, Services	290	382	485	581	2,527	7,103	7,578	8,199
Government & Education	319	354	355	365	1,879	2,365	2,512	2,724
Total	1,710	1,874	2,044	2,238	9,906	16,675	17,919	19,685
10-Year Growth		164	169	194		6,769	1,243	1,767
Avg. Annual Growth Rate		0.9%	0.9%	0.9%		5.3%	0.7%	0.9%

Source: Puget Sound Regional Council, 2005

Note: WTCU is Wholesale Trade, Transportation, Communication and Utilities; FIRES is Finance, Insurance, Real Estate, Services



Economic Activity and Development Patterns

- Employment forecasts can be grouped by employment activity, or sector. These employment sectors are not land use codes and do not directly correlate to the type of development that can accommodate each sector. For example, retail businesses can occupy industrial spaces and manufacturing companies can sometimes occupy office space.
- Assumptions are required to correlate the employment sectors to development type (office and industrial development in this case). The percentages of employment in each sector assumed to go into offices and industrial buildings are shown in **Exhibit 41**. The assumptions are derived from studies conducted by the Puget Sound Regional Council and by Torto Wheaton.

Exhibit 42 Percentage of Employment Assigned to Industrial and Office Use

	Industrial	Office
Construction/Resources	30%	10%
Manufacturing	70%	10%
WTCU	50%	35%
FIRES	20%	10%
Retail	10%	40%
Gov/Ed	20%	20%

Source: Torto Wheaton, Puget Sound Regional Council,
Berk & Associates

Note: WTCU is Wholesale Trade, Transportation,
Communication and Utilities; FIRES is Finance,
Insurance, Real Estate, Services

Office and Industrial Employment Forecasts

- Applying the assumptions in **Exhibit 42** to the employment forecasts yields office- and industrial-using employment forecasts presented in **Exhibit 43**. The PSRC forecasts and the assumed percentages suggest 450 office-using employees and 541 industrial-using employees working in Duvall by 2030.

**Exhibit 43
Office and Industrial Using Employment Forecasts
for Duvall and Snoqualmie Valley, 2000-2030**

	% of Total	Duvall (FAZ 6605)				Snoqualmie Valley FAZs			
		2000	2010	2020	2030	2000	2010	2020	2030
Office-Using Employment									
Construction/Resources	10%	69	76	82	90	245	412	443	487
Manufacturing	10%	13	10	9	9	55	41	34	32
WTCU	35%	15	15	20	22	142	120	147	166
Retail	10%	24	24	24	24	210	233	264	311
FIRES	40%	116	153	194	232	1,011	2,841	3,031	3,280
Gov/Ed	20%	64	71	71	73	376	473	502	545
Total		301	348	399	450	2,038	4,120	4,421	4,819
10-Year Growth			48	51	51		2,083	301	398
Avg. Annual Growth Rate			1.5%	1.4%	1.2%		7.3%	0.7%	0.9%
Industrial-Using Employment									
Construction/Resources	30%	207	227	247	271	735	1,237	1,329	1,460
Manufacturing	70%	92	70	62	60	383	287	237	221
WTCU	50%	22	22	28	31	203	171	210	237
Retail	20%	47	48	47	48	420	467	528	621
FIRES	10%	29	38	49	58	253	710	758	820
Gov/Ed	20%	64	71	71	73	376	473	502	545
Total		461	475	503	541	2,368	3,345	3,564	3,904
10-Year Growth			15	28	37		976	220	339
Avg. Annual Growth Rate			0.3%	0.6%	0.7%		3.5%	0.6%	0.9%

Source: Puget Sound Regional Council; Torto Wheaton; Berk & Associates

Note: WTCU is Wholesale Trade, Transportation, Communication and Utilities; FIRES is Finance, Insurance, Real Estate, Services



Duvall and Snoqualmie Valley Office and Industrial Employment Forecasts

- **Exhibit 44** presents the totals of the office and industrial employment forecasts for Duvall relative to the Snoqualmie Valley forecasts. The PSRC forecasts show that Duvall's share of the Valley's office and industrial using employment will decline from 15% and 19% in 2000 to 9% and 14%, respectively, in 2030. The forecasts suggest that the Duvall FAZ will receive just 5% of Valley job growth in each category.
- Similar methods of evaluating historic job growth suggest office and industrial jobs grew by 5.6% per year from 1995 to 2003.
- Estimates of Office-Using Employment suggest annual growth rates of 6.3%;
- Industrial-Using Employment estimates suggest annual growth rates of 5.1%;
- Overall job growth in Duvall was 7.5% per year during this period – far higher than PSRC forecasts for Duvall's FAZ.

Exhibit 44 Duvall Office and Industrial Employment Forecasts As a Percentage of Snoqualmie Valley, 2000-2030

	2000	2020	2030	2000-2020	
				Change	Annual % Chg.
City of Duvall					
Office-Based Jobs	301	399	450	98	1.4%
Industrial-Based Jobs	461	503	541	43	0.4%
Office & Industrial Jobs	762	903	991	141	0.9%
Snoqualmie Valley					
Office-Based Jobs	2,038	4,421	4,819	2,384	3.9%
Industrial-Based Jobs	2,368	3,564	3,904	1,196	2.1%
Office & Industrial Jobs	4,406	7,986	8,723	3,580	3.0%
Duvall's Share of Valley Jobs					
Office-Based Jobs	15%	9%	9%	4%	
Industrial-Based Jobs	19%	14%	14%	4%	
Office & Industrial Jobs	17%	11%	11%	4%	

Source: Puget Sound Regional Council; Torto Wheaton; Berk & Associates

Vacant Commercial Land Capacity

- The employment forecasts presented in the previous section provide important context for absorption projections. In addition to the forecasts, an understanding of the capacity of the vacant lands is required. The total vacant lands shown in **Exhibit 31** provide the parameters for discussing land capacity.
- One development scenario, chosen only for illustrative purposes, is presented in **Exhibit 45**. Assumptions of development square feet and the square feet per job are presented, to represent a build-out scenario (representing build-out of all vacant or redevelopment commercial land shown in **Exhibit 32**) expressed in terms of built space (assumed only for discussion purposes), floor-to-area ratios (derived) and employment (also derived). (For example, the total developed space in **Exhibit 45**, 1.2 million s.f., divided by the net land available from **Exhibit 31**, 3.4 million s.f. yields the FAR 0.35, as shown.)
- The configuration of retail, office and industrial development assumptions comes from the retail analysis above (150,000 s.f. represents a middle scenario within the sensitivity analysis presented in **Exhibit 39**), and a mix of office and industrial development chosen to yield FARs typical for Duvall and smaller cities on the periphery of the urbanized portion of the Puget Sound region.
- The jobs per square foot assumptions are conservative in nature; employment centers will typically include fewer s.f. per job than those assumed in the Exhibit.



Exhibit 45
Build-Out Scenario of Vacant Commercial Lands, 2005

	Zoning Designation		Total
	Vacant	Redevelopable	
	Development Square Footage		
Retail	125,000	25,000	150,000
Office	300,000	100,000	400,000
Industrial/Flex	350,000	300,000	650,000
Total Development	775,000	425,000	1,200,000
FAR			0.35
	Jobs/s.f.	Jobs	
Office	350	857	1,143
Industrial/Flex	750	467	867
Total Jobs		1,324	2,010

Source: Berk & Associates, City of Duvall Comprehensive Plan, 2004

Office and Industrial Absorption Scenarios

- The employment forecasts presented in **Exhibits 43** and **44**, along with the jobs per s.f. assumed in **Exhibit 45**, provide context for absorption projections. Four absorption scenarios are presented in **Exhibit 46** along with the associated employment forecast context.
- The **“PSRC Forecasts”** Scenario references the latest PSRC forecasts that show Duvall receiving 98 office-using jobs and 43 industrial-using jobs (see **Exhibit 44**), representing a combined total of 0.9% increase per year, or 4% of the Valley’s employment growth assumed to be destined for offices or industrial space.
 - When combined with the 10 acres absorbed by retail (correlating to the 150,000 s.f. of retail assumed and shown in **Exhibit 45**), this scenario would absorb 14 acres of vacant or redevelopable land.
- The **“Current Share Scenario”** assumes that Duvall employment growth will grow at the same rate as the Snoqualmie Valley as a whole, and that the City’s share of the Valley’s future office and industrial employment will be the same as current. The scenario assumes that all of the job growth will be accommodated in new development on lands currently vacant.
 - This scenario includes 352 office jobs and 233 industrial jobs. When combined with the 10 acres absorbed by retail (correlating to the 150,000 s.f. of retail assumed and shown in **Exhibit 45**), this scenario would absorb 29 acres of vacant land.
 - This scenario assumes office and industrial jobs growing by 3.9% and 2.1% per year, respectively, or 2.9% per year combined.
- The **“Rapid Growth Scenario”** assumes Duvall office and industrial jobs would grow at roughly the same rate of such jobs from 1995 to 2003. The scenario assumes job growth of 6.5% of office-using employment and 4.3% of industrial-using employment for a combined employment growth of 5.2% per year.
 - This scenario would show Duvall receiving 31% of the Valley’s office jobs and 50% of the Valley’s industrial jobs.
 - Absorption would be 57 acres in total – 17 acres for office and 30 acres for industrial and 10 acres for retail (correlating to the 150,000 s.f. of retail assumed and shown in **Exhibit 45**).
- Finally, the **“Build-Out Scenario”** assumes that all of the development shown in **Exhibit 44** will be absorbed within 20 years. The scenario shows a total of 79 acres absorbed by 2025, with 26 acres dedicated to office use and 43 acres devoted to industrial and 10 acres for retail (correlating to the 150,000 s.f. of retail assumed and shown in **Exhibit 45**). The total 79 acres of development is equal to net developable land shown in **Exhibit 32**.
 - This scenario includes office and industrial jobs growing by 6.7% year – and taking 72% of the industrial jobs forecasted for the Snoqualmie Valley and 48% of the Valley’s office jobs.



Exhibit 46 Office and Industrial Absorption Scenarios

	PSRC Forecasts	Current Share Scenario	Rapid Growth Scenario	Build-Out Scenario
New Duvall Jobs Over 20 Years				
Job-Growth per Scenario (Based on PSRC Forecasts)				
Office Using Employment Growth	98	352	750	1,143
Industrial Using Employment Growth	43	233	600	867
Total Office and Industrial Jobs	141	585	1,350	2,010
Average Annual Growth Rates				
Office Using Employment Growth	1.4%	3.9%	6.5%	8.2%
Industrial Using Employment Growth	0.4%	2.1%	4.3%	5.4%
Total Office and Industrial Jobs	0.9%	2.9%	5.2%	6.7%
Share of Snoqualmie Valley Jobs Forecasts				
% of Jobs Forecast for Snoqualmie Valley (PSRC Forecasts)				
Office Using Employment Shares	4%	15%	31%	48%
Industrial Using Employment Shares	4%	19%	50%	72%
Total Office and Industrial Jobs	4%	16%	38%	56%
New Development Over 20 Years (s.f.)				
Total Area by Development Type				
Retail (from Exhibit 45)	150,000	150,000	150,000	150,000
Office	34,500	123,200	262,500	400,000
Industrial	32,100	174,500	450,000	650,000
Total New Development	216,600	447,700	862,500	1,200,000
Acres Absorbed Over 20 Years				
Acres of land absorbed by retail	10	10	10	10
Acres of land absorbed by office, per share scenario	2	8	17	26
Acres of land absorbed by industrial, per scenario	2	11	30	43
Total acres absorbed	14	29	57	79
Excess Vacant and Redevelopable Land (Acres)				
Available land in excess of 20-year demand (acres, net)	65	49	22	0
Available land in excess of 20-year demand (acres, gross)	92	71	32	0

Source: Berk & Associates; City of Duvall Comprehensive Plan, 2004

Major Employer Scenario Considerations

- The above analysis of commercial and industrial demand is based on employment trends and forecasts, relying on PSRC forecasts for context, and incorporating alternate futures for Duvall. Another alternate future to consider is that of a major employer choosing to locate in Duvall.
- Successfully recruiting an existing major office or industrial employer would require overcoming significant disadvantages (discussed in the following section), but understanding the impacts to land capacity if it were to happen is important nonetheless.
- Sonicare, now owned by Philips, in Snoqualmie, provides an excellent example of an employer that has located in the Snoqualmie River Valley.
 - Sonicare is a major employer; the number of jobs at Snoqualmie alone is unknown; the Puget Sound Business Journal reports that the company has 480 employees in the region, including those at a distribution facility in Auburn.
 - Sonicare occupies a relatively new building the company designed and built itself. The building totals 173,900 s.f. and sits on an 11 acre parcel for an FAR of 0.36 – average to relatively dense for a suburban assembly facility.
 - For Duvall, this comparable employer profile suggests that an 11-acre parcel of land could accommodate a significant industrial employer locating in Duvall.
 - This would be somewhat of a “forecast buster” and would likely support the more aggressive market shares assumed for retail and other commercial development.



DUVALL'S COMMERCIAL AND INDUSTRIAL DEVELOPMENT MARKET FACTORS

Strengths

- Duvall is growing rapidly and is expected to grow much more rapidly beginning in late 2005 when the sewer moratorium is lifted.
- The City's image of a pleasant small town accessible to Redmond, Seattle and other urban areas in the region is a positive image that will attract attention.
- Duvall is well known for its relative housing affordability and as a good place to raise a family.
- The City's labor force is skilled with many connections to Microsoft.
- Duvall's residents express enthusiasm for more shopping and employment options within the City.
- The local development community is aware of opportunities in Duvall and generally appears ready to respond when the moratorium is lifted.

Challenges

- Duvall's moratorium has turned away the regional development community.
- Stiff competition surrounds Duvall: Redmond Ridge and Snoqualmie Ridge expansions have the attention of regional developers. Monroe's and Woodinville's economies are expanding and attracting development as well.
- Duvall's location within the Highway 202 and 203 corridor is challenging for major office and industrial activity:
 - Nearly all industrial businesses require movement of equipment or large volumes of product
 - Distribution networks and access to regional transportation facilities becomes the primary consideration for industrial location
 - Distribution activities best suited for Duvall would be revolve around companies that primarily serve other businesses and households within the north-south corridor spanning from Monroe to Snoqualmie /North Bend
 - Other cities rank higher for access to the major transportation facilities and commercial centers to the west within the Puget Sound region as follows:
 - Snoqualmie/North Bend favors access to I-90, I-405, Seattle and central King County
 - Woodinville favors access to SR 522, I-405, upper Eastside and North King County, SW Snohomish County
 - Monroe favors access to central Snohomish County, Everett, Lynnwood
 - Similar challenges to those cited above apply to firms who desire access to large labor pools. Other areas located near major regional transportation facilities will rank higher in terms of access to labor.

CONCLUSIONS AND OTHER CONSIDERATIONS

Retail

- The City's aggregate retail sales lag far behind the revenue retailers would otherwise generate if they simply sold the equivalent of what their resident households purchase (or if they matched per capita averages, given the City's population).
- The reasons for the retail shortfalls are well known locally: the City's residents primarily work in other parts of the region; shopping opportunities are abundant around all of their workplaces and driving to retail centers in Woodinville, Monroe, Issaquah and even Bellevue and Seattle is too convenient for local retailers to compete for local dollars.
- Commercial growth in Redmond Ridge and Monroe is sure to challenge local retail development further, as well as unforeseen development that may come to Woodinville, Snoqualmie or other centers.
- Still, an increasing market share in Duvall should be within local retailers reach with effective strategies and good developments. An absorption target of 150,000 s.f. to 200,000 s.f. over a 20-year period appears reasonable for planning purposes. Achieving those targets will require increasing market share (expressed in this report as trade capture) for local retailers.
- The City's retail environment appears to have reached a plateau. Retailers and developers seem to be waiting for a tipping point in population growth to be reached, at which point they will more comfortably risk new development to capture local spending.
- Accommodating more housing growth, in general, is among the more effective strategies the City can implement to attract more retail development in the long-run.

Office and Industrial

- As the City grows, more office and industrial space will be in demand. The question is, "How much more?"
- PSRC employment forecasts for the region suggest regional economic trends alone will not drive demand.
 - The growth forecast for the Snoqualmie Valley is substantially concentrated around Snoqualmie and in the FIRES sector.
 - Assuming a share of Valley employment growth consistent with the City's current share suggests an additional 123,200 s.f. of office and nearly 175,000 s.f. of industrial space to be demanded in the City by 2020.
 - This is based on growth rates somewhat slower than Duvall has experienced in the past few years.



- The source of demand for office and industrial space is most likely to come from local entrepreneurs or local residents moving their business to be close to home.
 - Flexible space—ranging from space like the City’s Valley Tech Center to more up-scale versions offering store-front access and ample parking—cater to these businesses and entrepreneurial activity.
 - The City’s Valley Tech Center has long been a successful property and is indicative of the type of tenants a commercial developer would likely locate.
- The City’s comparative advantages do not appear to favor relocating an existing or growing office or industrial business to the City; growing employment centers surrounding the City offer better access to the region’s key transportation facilities—a key determinant for intraregional location decisions.
- These factors suggest that continuing to focus efforts on making the City an excellent place to live and to accommodate household growth are among the better strategies for encouraging office and industrial growth in the long run.

Land Capacity

- The absorption scenarios and projections suggest the City has more than enough vacant land to accommodate new development in retail, office and industrial (and any combinations of commercial mixed-use).
- This analysis provides a good long-run, gross indication that the City’s vacant land is more than enough to accommodate foreseeable commercial development. However, the analysis is not precise in either its gross findings nor in consideration of individual parcels.
- The analysis does conclude with confidence, however, that within a 20 to 30 year horizon, converting a significant portion of the vacant land currently zoned commercial and industrial to allow residential uses would not deter commercial or industrial development opportunities. Moreover, allowing additional households nearer to retailers would provide support for local retailers and incrementally strengthen the local economy.

COMMERCIAL DEVELOPMENT MARKET FACTORS

In addition to the analysis of the City's economic and market conditions, the City asked for a qualitative assessment of market factors in the City's developable areas, with a particular focus on the areas zoned for commercial, industrial or mixed-use. This section provides that assessment, drawing from the key findings in the Economic Development Profile, market analysis and stakeholder interviews.

The section is organized for discussion purposes according to the City's three primary areas for commercial development, referred to in this section as Old Town, the southern portion of town, and the Main Street Corridor. The latter area refers to the commercially zoned land along Main Street, spanning from Old Town to the land adjacent to Big Rock Road, the Safeway Development and the rest of the South UGAs.

Old Town

Infill and redevelopment, with retail, services, housing and civic uses, including open space, are the prime objectives for Old Town, as captured by the Downtown Sub-Area Plan. Old Town has the character, the town design and the mix of uses to serve as the true City Center for Duvall. As such, the mix of uses and services that all city centers desire will tend to look first for development opportunities in Old Town.

Currently demand is low from retailers and commercial businesses for space in Duvall. Merchants cite Bank of America's move from Old Town to the Safeway pad as a significant negative impact on Old Town vitality and shopping. No other services or shopping outlets currently bring in the daily and weekly activity necessary to spur Old Town growth. Attracting such anchors must be the highest priority. For an area as small as Old Town, relatively small businesses – such as a bank branch – can make a big difference in local activity.

Traffic access and circulation and compatibility with City policies will be among the more important considerations for Old Town development. Old Town appears to have ample in-fill and redevelopment opportunities. Much of the land is not used as intensely as possible. Surface parking lots and aging buildings provide plenty of land for land owners, developers and the City to work with to accommodate denser development in Old Town, which in turn would lead to a more thriving downtown for Duvall.

Housing

As is the case throughout Duvall, Old Town retail and restaurants require "more rooftops" (developer parlance for more housing units) conveniently located near Old Town retailers and restaurants. Old Town retailers currently rely heavily on out of town visitors patronizing their establishments.

Duvall residents "up on the hill", the locals' way of referring to the newer housing establishments in the eastern portions of the City, tend to drive past Old Town businesses to shopping, dining and workplaces in other cities. More residents within walking distance of Old Town would provide a more accessible local customer base for Old Town retailers.

Old Town has much potential for residential development. The hillside, the riverfront and the pedestrian-friendly design of the center provide key components attractive to housing development (multifamily, in particular). A lack of quality services is a clear deterrent, however.



Additional amenities, such as a park and playground, river access and better developed community spaces would help attract housing to Old Town.

Office

Office uses would in general fit well in any of the City's commercial areas, and given the City's need for more jobs and daytime population, newly occupied offices anywhere in the City's commercially zoned areas would be a benefit to the local economy.

The scale of any one office development might suggest a better fit in one location or another. Scattered offices for small businesses and service-oriented businesses would fit well in Old Town. Old Town is more pedestrian-friendly than other commercial areas in town. More offices in Old Town would support local restaurants and shopping in Old Town. Offices in Old Town would also support merchants in and around Safeway given the short drive-time and convenient parking. This easy access would allow Old Town workers plenty of convenient alternatives for mid-day shopping and dining.

The Southern Portion of Town

Retail

The Safeway-anchored development has established a major presence that will affect the types of tenants and development in the vicinity. Retail clustering thrives on anchors, and grocery stores are among the most typical anchors of retail concentrations.

Safeway's auto-oriented design, designed in typical fashion to suit grocery shopping, features a very large parking lot, with pad development offering additional retail, financial services and personal services. The lot appears to have capacity for additional pad development, suitable for quick-food restaurants or additional retail and services. Many of Safeway's other developments in the region feature gasoline stations within their parking lots, as well.

A new retail center adjacent to Safeway, across Big Rock Road might represent the City's most favorable chance to increase trade capture of the City's total retail activity. A retail development offering similar auto-oriented access and a complementary mix of retail and services would likely succeed. Developers of such centers would value highly the sites adjacent to the Safeway development.

The Safeway store's regional draw (see retail analysis for local food sales trade capture), provides customers that other retailers could attract. Retailers near Safeway would benefit from the visibility to Safeway's customers, even if Safeway shoppers did not shop at the other businesses during the same trip. Adding more retail and services to the immediate vicinity could provide synergies, thereby further increasing the local draw.

Currently, when residents in the Duvall trade area come to Safeway, there is little to attract them for further spending. Stores in Old Town and along Main Street between Safeway and Old Town, are not along the way to or from Safeway for most of the trade area. Additional retail development in the immediate vicinity of Safeway offers the best opportunity to capture additional retail activity from Safeway shoppers.

Multifamily

Multifamily housing in the south can help support local businesses. In Duvall's current conditions, retailers benefit from the addition of new housing, particularly higher-end housing. In Duvall's case, this suggests owner-occupied multifamily units would serve retail in the vicinity the best, but renter-occupied housing could be a plus, too.

Valley views might be achievable on sites east of Safeway, possibly attracting higher income households that would value the views. This would apply to renter- or owner-occupied units. Multifamily housing in the vicinity would help to attract additional retail of the type described in the previous section.

Office

Office could also fit nicely as part of an absorption strategy for mixed-use development along the Corridor or in the southern portion of town. Housing, retail and office can all work together to support each other for a developer's mixed-use strategy. From a development perspective, this type of strategy includes leased space that functions well for either retail or service-oriented office.

A larger, stand-alone office building would fit well in the south, if the demand exists for such a building. Developers would choose the vacant, larger parcels, to have more flexibility in planning for access and parking.

Industrial

The southern portion of town can also accommodate a mix of industrial and flex-tech space. The greatest visible demand for industrial uses in Duvall appears to be smaller spaces that can flexibly accommodate light assembly and production space for businesses which also might need retail frontage and parking, and/or office space for management or customer service. This type of flexible industrial space would work well along the Main Street Corridor, as well.

Distribution and heavier industrial space would fit better in larger parcels, generally away from residential and retail traffic circulation. The south may offer the largest developable parcels, but the area may already have too much residential and retail activity to accommodate the truck traffic required to support heavier industrial uses.

Several other locations would compete formidably with Duvall for regional distribution facilities. Industrial users desiring access to I-90 to the south would likely prefer sites south of Duvall to have quicker access to I-90. Businesses with distribution networks to the north or west, would prefer locations in Monroe, Woodinville or Redmond. If such a business would prefer Duvall, then a location north of Old Town would likely be more attractive, for easier access to Woodinville-Duvall Road or SR 203.

Moreover, the south end of town is likely the "wrong" side of town for heavy distribution uses. Trucks entering industrial centers in the south would either need to approach the area from the south or drive through the City from the northwest or north. None of these travel patterns would likely appeal to industrial users.



Main Street Corridor

With established centers in Old Town and at the Safeway, the land for development in between will take on a corridor activity pattern. Individual developments will require and foster their own internal circulation patterns, with access coming from major entryways on and off of Main Street.

Mixed-Use Centers

Copperhill Square offers an excellent example of a mixed-use development that fits well along the corridor – the City would do well to have Old Town and the southern portion of town connected by developments much like Copperhill Square. Copperhill Square represents an improvement over typical strip-commercial centers. The housing above and behind the commercial development, with access to the center, will create opportunities for high-quality tenants and access to services.

Office and Institutional

A larger, stand-alone office building, would fit well along the Corridor or in the southern portion of town. From a market perspective, developers would choose the vacant, larger parcels, to have more flexibility in planning for access and parking.

Recent discussions of a community/technical college locating in Duvall would be an excellent use for the Main Street Corridor as well. More jobs located in between retail centers in Old Town and in the south would provide daytime population and daytime shoppers that the City is missing badly right now (see the Economic Development Profile discussion on the City's jobs-housing balance).

Industrial/Business Park

The Corridor could also accommodate a mix of industrial and flex-tech space. A well designed industrial/business park that provides convenient access and parking could work well in the Corridor though large trucks would likely find the traffic along Main Street to be challenging for frequent entry to and egress from a business park. The smaller, flexible spaces described in the previous section would likely be the best-suited industrial space for the corridor.