

ECONOMIC VITALITY TRADITION

VISION INVENT MASTER PLAN

PROSPERITY DISCOVER PLAY

Preliminary Market Analysis Findings and Implications

COMMUNITY REVITALIZATION PARKS

TRANSIT NOURISH NEIGHBORHOODS

URBAN-VILLAGE IMAGINE LIVE

QUALITY ECONOMIC DEVELOPMENT

ENRICH

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Introduction

■ Purpose of Analysis

- Assess demand for retail, office, and industrial uses
- Assess competitive position of Snohomish and the SR9/US2 site
- Inform scale of development discussions

■ Where we are in the Process

- Finalizing market assessment
- Additional refinement of site characteristics and potential mix of uses
- Preliminary indicators of fiscal implications with more analysis coming

Market Demand Analysis

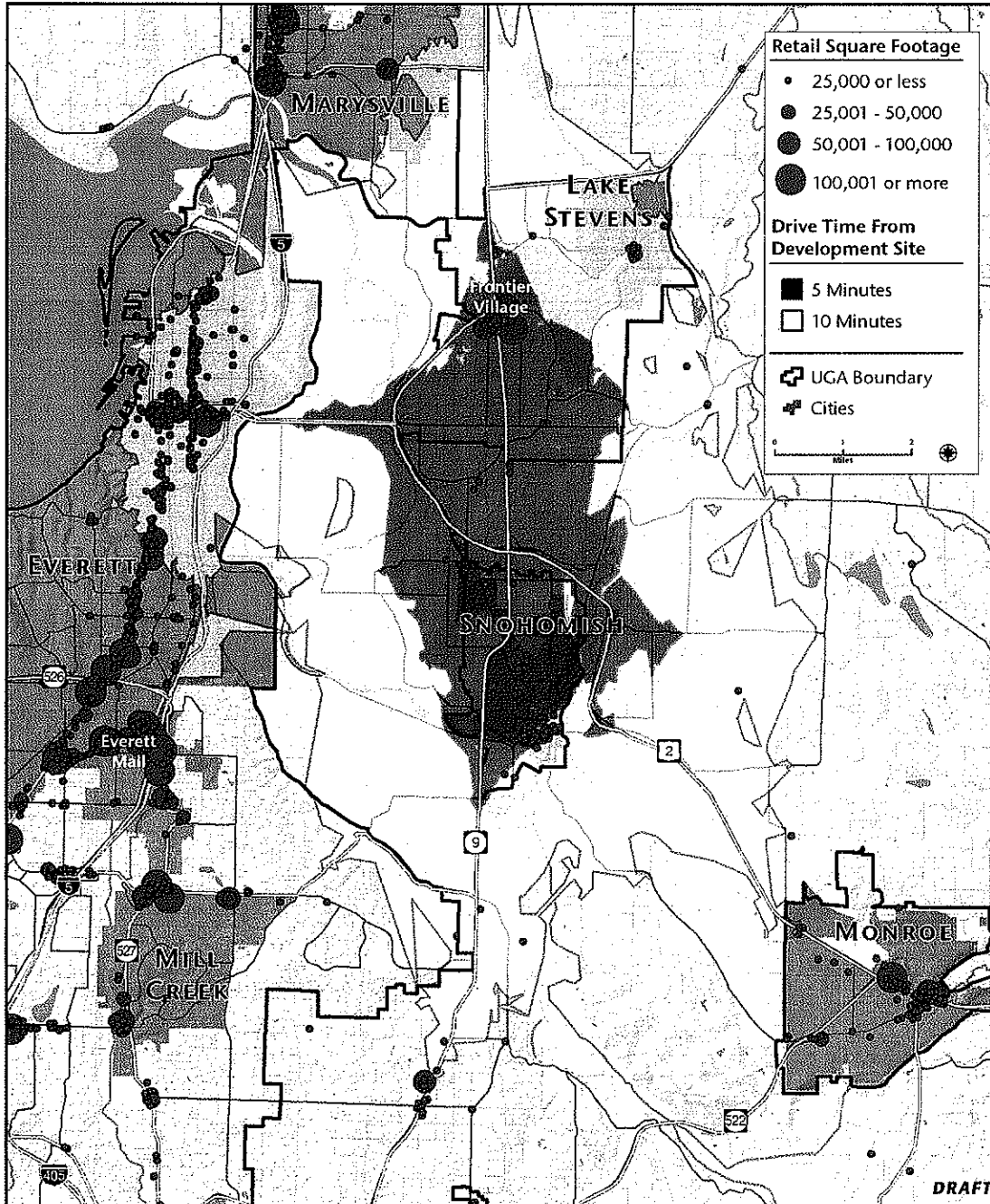
■ Retail Market Analysis

- Existing conditions – geographic barriers, competitors
- Sources of demand – population growth, pass-through traffic, and recapturing retail sales leakage
- Anchor retail potential

■ Office and Industrial Market Analysis

- Existing conditions
- Sources of demand – employment and population growth and business relocation
- Important market considerations – land value, access, amenities, land availability

DRIVE TIME CONTOURS FROM DEVELOPMENT SITE AND RETAIL SQUARE FOOTAGE BY PARCEL, 2004



Map Created: November 15, 2006

Source: Snohomish County Assessors Office, 2005

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Patterns in Retail Development

- Geography and access constraints separate I-5 corridor and Snohomish trade area
- Three nodes in East Snohomish retail market: Frontier Village, City of Snohomish, and Monroe

Possible Capture of Retail Demand from all Trade Areas

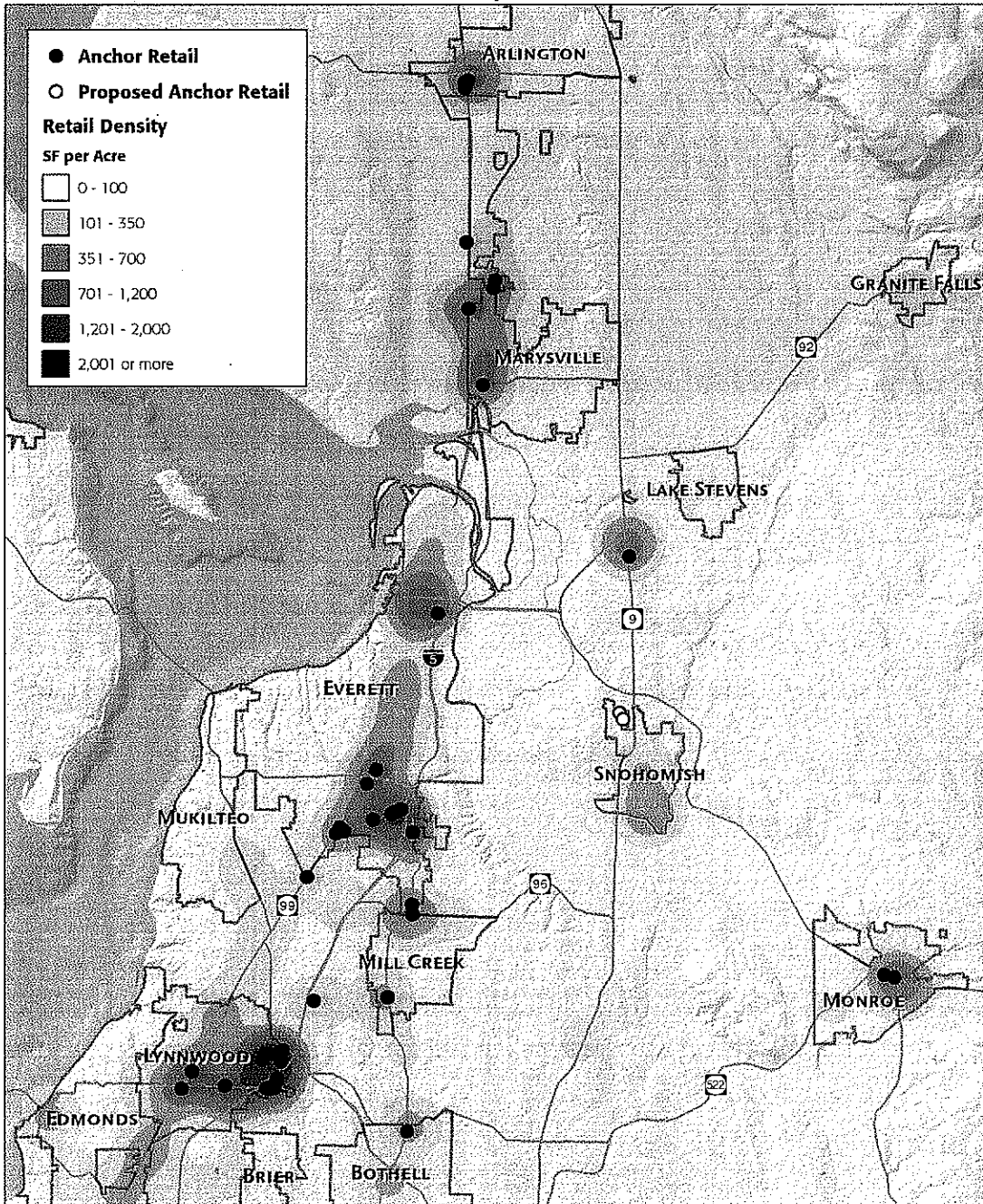
Supportable Space from New Population 2006-2030 (SF)	Trade Area			Total
	Primary	Secondary	East Snohomish	
Restaurants	76,000	102,000	135,000	313,000
Groceries	79,000	107,000	140,000	326,000
Drugstores	35,000	47,000	62,000	144,000
All Retail	1,000,000	1,400,000	1,800,000	4,200,000
Possible Retail Space Capture (SF)				
<i>% Capture Assumption</i>	50%	30%	10%	26%
Restaurants	38,000	30,600	13,500	82,100
Groceries	39,500	32,100	14,000	85,600
Drugstores	17,500	14,100	6,200	37,800
All Retail	500,000	420,000	180,000	1,100,000
Rest.+Grocery+Drugstore	95,000	76,800	33,700	205,500

- Population growth in the market area will generate demand for 4.2M SF of retail in the region
- City of Snohomish is competitive for about 1.1M SF

SELECTED ANCHOR RETAILERS IN WEST SNOHOMISH COUNTY, 2006

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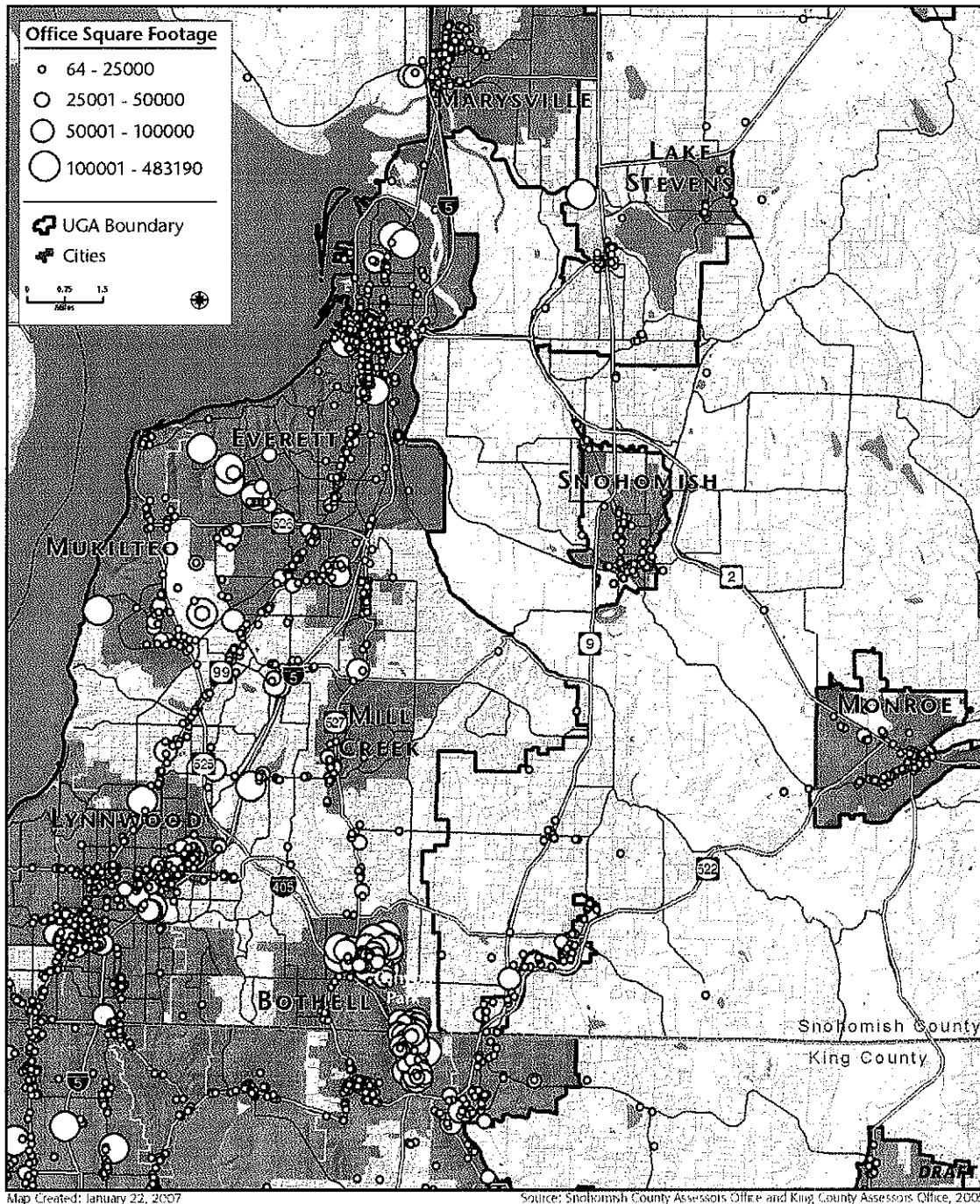


Potential to Attract Anchor Retailers

- Anchor retailers are beginning to move east – away from the I-5 corridor
- Snohomish station will give the City a presence in the market
- Anchor retailers locating in Snohomish will reclaim leakage

Map created by Park & Associates, December 2006

OFFICE SQUARE FOOTAGE BY PARCEL, 2004

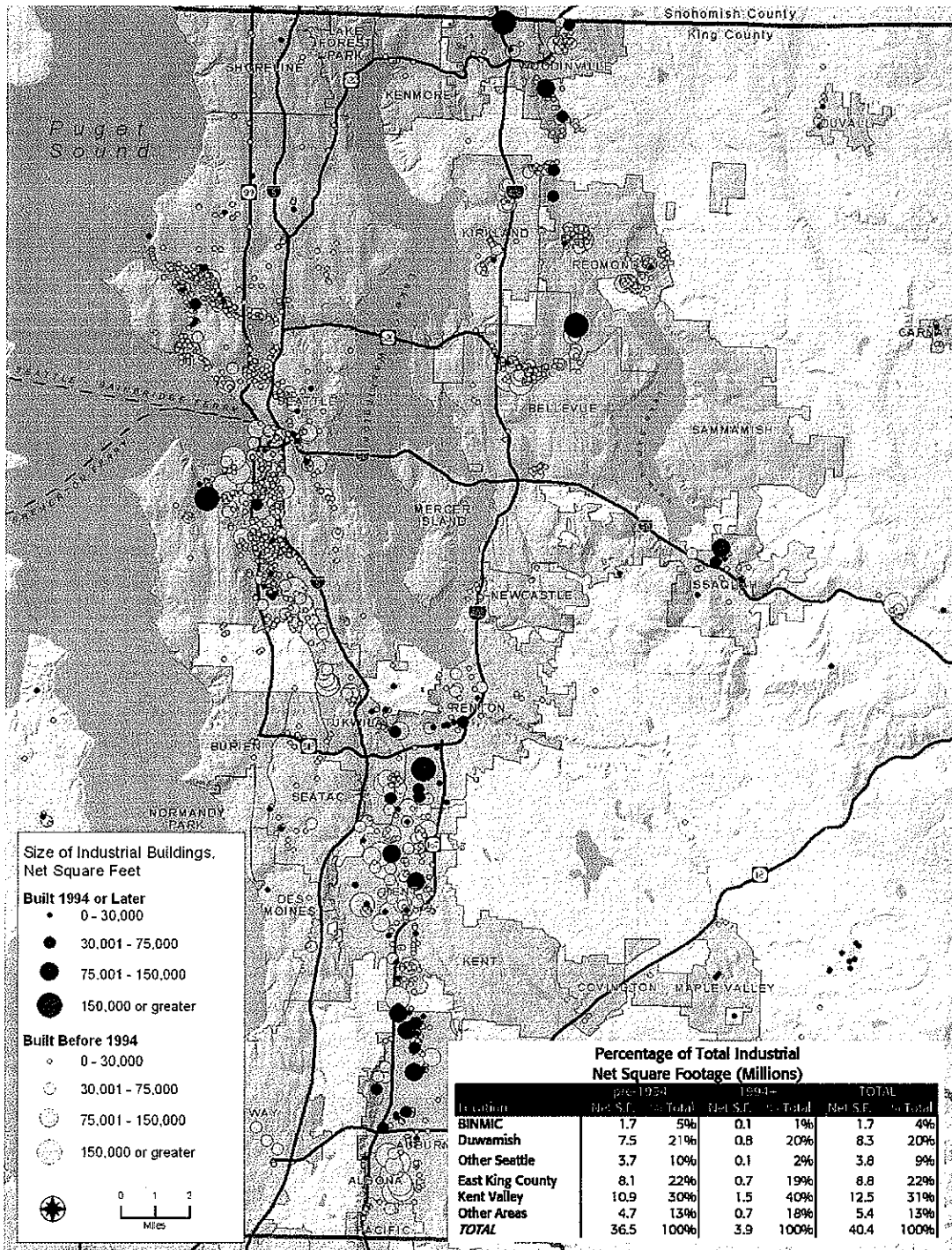


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Patterns in Office Development

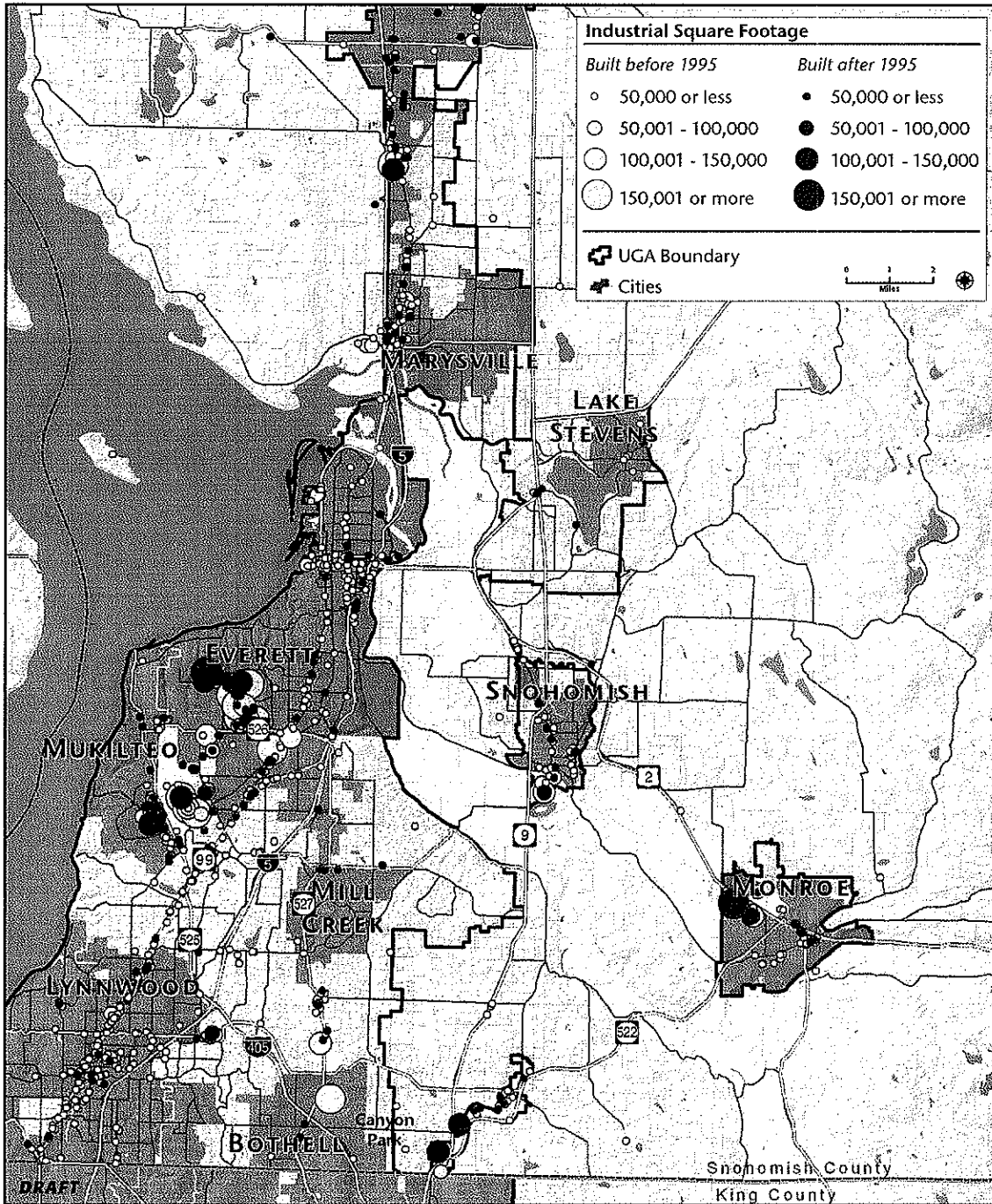
- Largest clusters along I-5 corridor and in Canyon Park
- Small office in Snohomish, Monroe, and Lake Stevens
- Key driver of demand: job growth

Patterns in Industrial Development – King County



- Industrial uses are moving farther from urban core
- Seeking locations with transportation access, lower rents, larger parcels
- Key drivers of demand: job growth and relocation

INDUSRIAL SQUARE FOOTAGE BY PARCEL, 2004



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Patterns in Industrial Development – Snohomish County

- Industrial uses moving north from King County
- Everett industrial space being used up, particularly large parcels

Long Range Employment Projections – Commercial (Non-retail) Demand from Planning Perspective

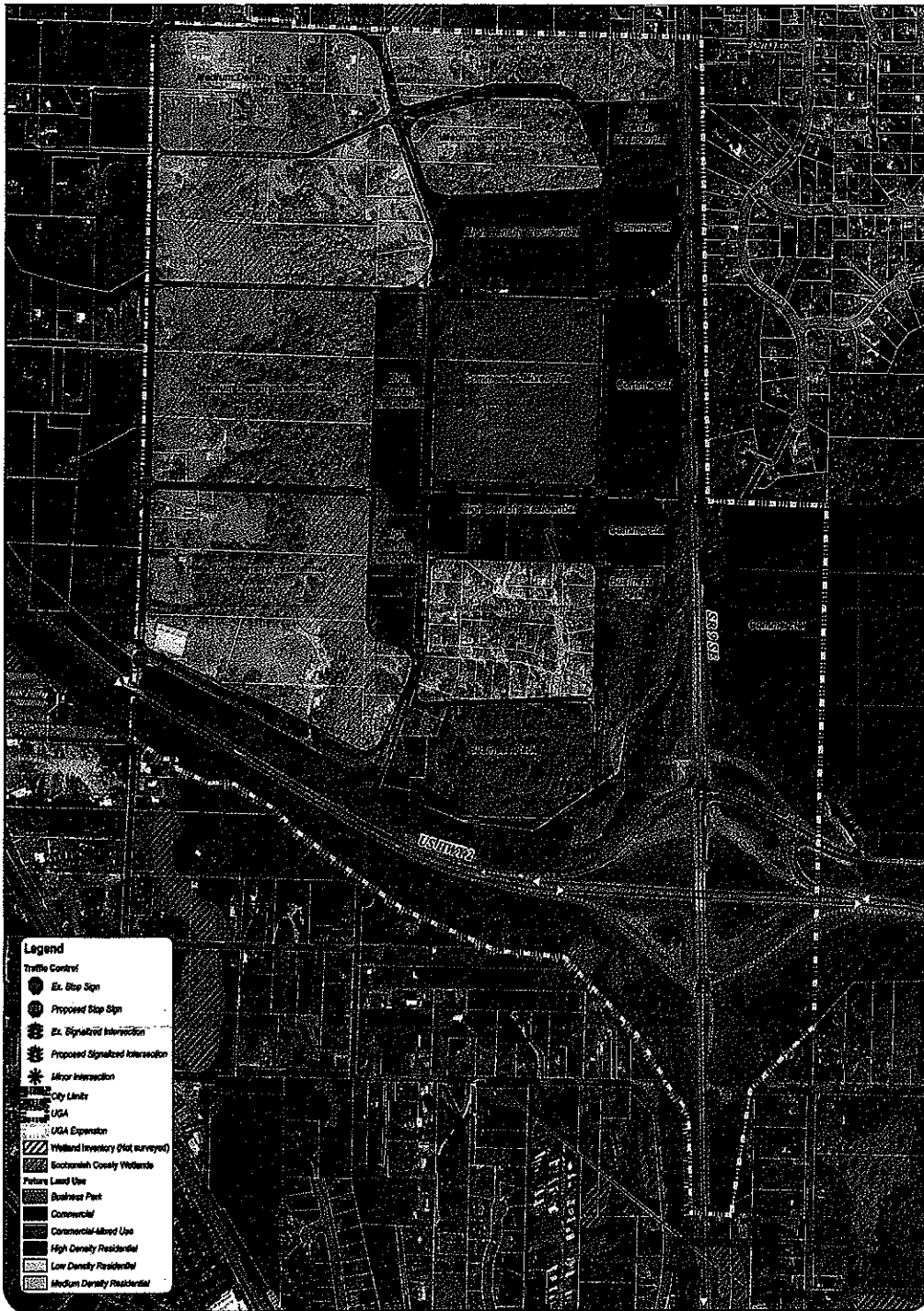
Commercial SF Supported by Employment Growth			
	2006-2010	2006-2020	2006-2030
High Estimate			
Snohomish Vicinity	350,000	1,800,000	3,500,000
Rural Snohomish County	75,000	700,000	1,600,000
Snohomish County	2,800,000	18,000,000	34,400,000
Low Estimate			
Snohomish Vicinity	225,000	1,100,000	2,200,000
Rural Snohomish County	50,000	500,000	1,000,000
Snohomish County	1,675,000	11,100,000	21,200,000

- Demand for 2.2M-3.5M SF of commercial space in Snohomish vicinity by 2030, assuming land is available
- SR9/US2 site can be very competitive for this space due to its strengths (transportation access and large parcels)

Preliminary Commercial Site Capacity

Land Use Description	Commercial Space (SF)	Business Park Space (SF)
High Density Commercial Scenario		
Commercial Mixed Use	125,000	0
Business Park	0	225,000
Commercial	325,000	0
Total	450,000	225,000
Low Density Commercial Scenario		
Commercial Mixed Use	125,000	0
Business Park	0	150,000
Commercial	225,000	0
Total	350,000	150,000

- Capacities within range of potential demand:
 - 10% of new retail demand
 - 1% of office/industrial demand

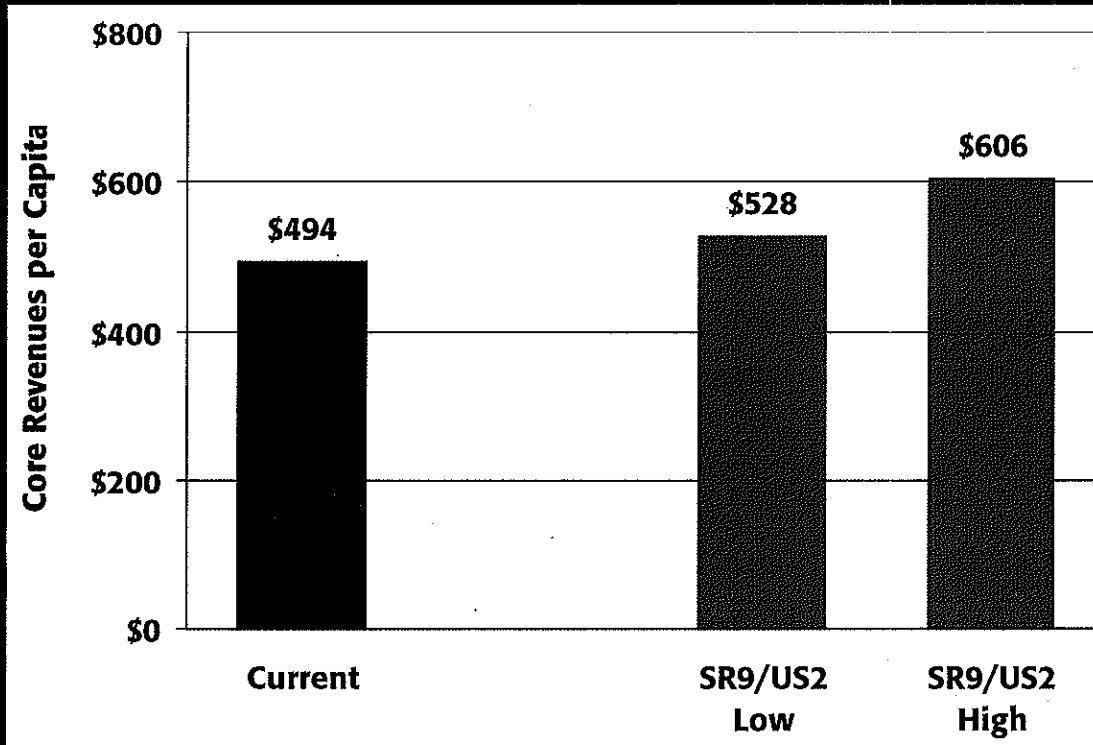


Competitiveness and Advantages of Site

- Location – intersection of two highways
- Buildable land – large contiguous plots of land
- On-site population – provides customers for retail and workforce
- Land prices – relatively affordable land/rents compared to urban centers
- Quality of life – schools, public and recreational amenities, range of housing options

Preliminary Fiscal Implications

Core Revenues per Capita (2006\$)



- \$600M to \$650M in new assessed property value – an increase of 75% to 80% of the current property tax base.
- \$100M to \$140M added to the City's taxable retail sales base – an increase of 40% to 55% over the 2006 tax base.
- Additional \$2.3M to \$2.6M in annual core General Fund revenues – an increase of 50% to 60% of these tax sources
- On a per-capita basis, area likely to provide more revenue than current City