



## CITY OF UNIVERSITY PLACE AND FIERCEST DIVISION OF THE TACOMA-PIERCE COUNTY CHAMBER OF COMMERCE



### ECONOMIC DEVELOPMENT STRATEGIC ACTION PLAN

## STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS (SWOT) ANALYSIS

This document is an assessment of the City of University Places' strengths, weaknesses, opportunities and threats (SWOT). The document contains a collection of perspectives on the strengths, challenges and opportunities facing the City of University Place. The perspectives were gathered from multiple sources, including: Economic Development Task Force discussions and presentations, City Staff, the Economic Development Summit in May 2001, and the stakeholder interviews conducted prior to the Summit.

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### STRENGTHS

#### *Community Characteristics*

- The City is a good place to live. There is a high quality of life, with good schools and many recreation opportunities, and recent investments in bike paths, parks, beautification, Chambers Creek. Community events such as the Farmer's Market bring people into University Place and the Town Center.
- It is a safe community, with low crime rates, good police response, community-oriented policing strategies, business fax, and proactive programs.
- University Place provides aesthetically pleasing surroundings and views of the Puget Sound.

#### *Affluent and Growing Community*

- University Place is one of the most affluent communities in the Tacoma/Pierce County region. In 2000, University Place's median household income (\$50,287) was significantly greater than the average median household within Pierce County (\$45,204), and Washington State (\$45,776).
- High housing values and high quality housing make University Place an attractive place to own a home. University Place has a variety of housing options at all styles and price ranges for owning and renting. Average monthly rent for a University Place apartment is below the Pierce County average and comparable to those in surrounding communities.
- University Place's growing and relatively youthful, educated, family-oriented population base provides the human resources necessary to support the City's evolution into a more diverse, multi-faceted community.

### ***Benefits of Regional Location and Economic Trends***

- University Place is a high growth area, ideally located near Seattle, Tacoma, Vancouver, and Portland, Oregon – a prime location for businesses that need access to larger cities such as Seattle or Tacoma while enjoying the lifestyle associated with a suburban setting.
- University Place has excellent transit and trade route access including access to facilities such as port, railroads, and airports with proximity to the west coast, and international and Asian markets.
- The Puget Sound region continues to be the core component of the high-tech highway that extends from Seattle, through Portland and down to California's silicon valley.
- Office markets are shifting to the suburbs. University Place office rental rates are lower than surrounding areas making the area more competitive.
- Retail expansion and growth are expected to rebound with increases in income, home building, and interest rates.

### ***Plentiful Arts and Recreation Opportunities***

- University Place's location offers significant recreation opportunities with close proximity to mountains, the Pacific Ocean, and several major area cities, including the newly revitalized downtown Tacoma. The City, itself, has several semi-rural areas including wildlife sanctuaries and open space.
- The City's Parks and Recreation program offers numerous special programs including Late Night Out, Senior Services, and Day Camp programs. The City's Community/Senior Center provides a venue catering primarily to youth and senior citizen groups. In addition, numerous volunteer sports organizations provide and support local recreation programs.
- The City is home to a strong, organized performing arts community and cultural arts programming including efforts by the School District and Charles Wright Academy.

### ***High Quality Area Schools***

- University Place has local access to outstanding higher education opportunities through various types of academic institutions.
- Highly regarded public school system with a graduation rate of 96%, which is considerably higher than statewide average or that of surrounding school districts. The School District has undertaken a strong strategic planning effort and its outreach efforts are an excellent step to ensuring the continued support of all University Place residents for its regular maintenance and operation levies to continue providing basic education services.

### ***Business Friendly Environment***

- It is less expensive to do business in the City – there is no business and occupation tax; and lower rental rates compared to many surrounding areas.

- There is a responsive local government with a good track record of infrastructure investments – road improvements, street lights and parks. High-speed, fiber optics connections are a plus – on the Click list to get wired.
- The community has a lot to offer; the customer profile is ideal for businesses, with a relatively high income; a highly-rated school district; and educated and active residents.

### ***Leadership and Community Involvement***

- Citizens, businesses, and the City have done a good job at pulling the community together and helping to enhance the quality of life through the development of the Comprehensive Plan, Town Center, Bridgeport Way improvements, and recent changes to the signage code. The City follows through and has the credibility to get things done.
- University Place has a thriving and growing cadre of neighborhood activist and public-service volunteers. Representatives from the community, Council and Commission members involved and passionate about protecting and enhancing the quality of life.
- Representatives from the business community are very involved, knowledgeable, and committed. The Chamber is well organized and involved.
- City, School District and Fire District have a strong partnership and meet quarterly to discuss community issues and emergency operations. Other partnerships with the Fire District include the Police facility at the Public Safety Building and the Joint Emergency Operations Command Center. Other partnerships with the School District include the interlocal agreement for shared use of sites, Early Out Program, and two full time school resource officers dedicated to patrolling schools.

### ***Knowledgeable, Experienced Staff Planning for Future***

- Local government is committed to economic development, protection of the City's interests, meaningful civic participation, and reasonable, common sense regulation.
- Knowledgeable and experienced development services staff continues to revise and update its development services process to avoid unnecessary impediments to development and to encourage quality development and redevelopment.
- Primarily focused on partnering with developers to encourage economic development and revitalization and streamlined permit processing and development review procedures to make construction and remodeling work more efficient. Pre-application process, Technical Review Committee (TRC), provides up-front information to potential developers and applicants.
- Comprehensive Plan policies designed to protect neighborhood character and concentrate high density housing growth in the downtown core.
- Strong partnerships developed between the City and School District (cooperative relationship for use of public facilities); strong police leadership via partnership with Pierce County Sheriff's Office; and well-managed Fire District with emphasis on prevention. Continually benefiting from collaborative partnerships with other area cities, local business districts, and Tacoma-Pierce County Chamber of Commerce.

### ***Burgeoning Retail and Services Sector***

- There are three current business niches: (1) neighborhood-scale retail (restaurants, clothing stores); (2) professional services (legal, medical); and (3) home-based businesses. The City has a strong services sector, including medical, accounting, automotive, business, professional, etc
- A wide range of general and specialty health care service providers, including high quality medical facilities in Tacoma and Lakewood serve University Place and offer clustering opportunities. Large residential population makes University Place attractive office location for medical practices.
- Stable retail concentration is located in several distinct and separate retail areas for optimal merchandising.

### ***Utility Services are Available in all Areas of the City***

- Water, sewer, electrical power, natural gas, cable, and telecommunications are available in all areas of the City in support of economic development opportunities.
- The water, sewer, and surface water utilities all have good, up-to-date, long-range facilities plans which are being implemented. Even with projected rate increases, utility rates for residential and commercial customers will be below the average of utilities in this region.
- Telecommunication and broadband improvements are planned for University Place in the near future.

### ***Traffic congestion in Business Areas is Practically Non-existent***

- Transportation system improvements made since incorporation have stabilized or improved the level of service in University Place.

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## **KEY CHALLENGES**

### ***Revenues to Support Basic City Services***

- The City does not have any method for keeping track of businesses. Currently there is no B&O tax, no licensing permit, and businesses are not required register with the City. It's hard to plan for economic development when you don't know what you have.
- The City faces funding challenges; along with the elimination of motor vehicle excise tax (MVET) revenues, the City also lost its tax equalization revenues. This amounts to a nearly \$3 million loss in revenues.
- The City's Transportation Improvement Plan (TIP) is significantly underfunded.

### ***Current Business Climate and Challenges***

- Additional business revenues are needed to help support basic public services in the City. As some existing businesses are struggling, there is a need for more viable businesses and a more diversified economy.

- Need more businesses to be involved in the Chamber, and need joint marketing efforts. This is a challenge because many of the businesses are small (owner-operated or home-based businesses) and don't have a lot of time for involvement.
- There is a high rate of retail "leakage," i.e. residents are shopping at stores outside the City.
- There is relatively little land available for commercial development and there are no large undeveloped properties, limiting the City's ability to attract major businesses. In addition, there is a perception that the community is not interested in larger scale development.

### ***Becoming a Destination Community***

- Access is an issue – the City is not on a major transportation corridor. It is close to the water, yet direct access to waterfront is cut off by the railroad. Access to both North-South (I-5) and East-West (SR-16) corridors is limited.
- There is a disconnect between the Town Center vision and existing development. It may be a challenge to realize the Town Center vision from the current set of scattered, strip mall developments.
- The City is primarily a bedroom community, and there is concern about allowing additional multi-family housing or larger commercial development -- concern about the impacts on quality of life.
- The City's buildings lack character; are not architecturally interesting. There are a number of unattractive buildings and vacant/underutilized properties, particularly near downtown.
- University Place lacks certain amenities such as parks, ball fields, large community center, performing arts, etc. Lack of hotel/motel facilities and underserved in restaurants.

### ***Community Identity and Town Center***

- It's hard to tell when you're in UP. University Place lacks a community identity; the community needs to determine what it "wants to be."
- UP's existing environment is not supportive of traditional central business districts, which have more visibility of retail at-grade, smaller set backs and wider sidewalks. Little variation by district or zone and no group identify to or cross promotion of business districts.
- Lacks a large officially recognized Urban Center with great development potential, and an established corridor poised for redevelopment.
- Lack of shopping centers with regional appeal and retail concentration lacks diversity. Merchandising is mostly targeted to local customers. University Place supports a limited retail sector – need to maintain a diversified and more stable local economy.
- Predominantly a vehicular market with little pedestrian activity. Little/no shared parking.

### ***Office and Industrial Potential***

- Existing office spaces are predominately older developments.
- Lack of large regional or international firms that hire high skilled people at jobs, which pay high salaries.
- Minimal industry base – downsizing at Boeing coupled with pressure from large local and national retailers will place pressure on UP businesses.

### ***Potential for Development***

- No large-scale industrial space available to accommodate large manufacturing or industrial users. The inventory of underutilized and redevelopable property may not be available for sale or be available in appropriate parcel sizes and development quality is low primarily because of limited amenities and large parking lots.
- Development in the City of University Place relies working with different agencies (i.e., City of University Place, Tacoma Public Utilities, Pierce County Sewers, etc.) some whose processes are viewed as an impediment to development.
- Market availability, environmental constraints, and existing development regulations will limit the amount of land that is actually available for development or redevelopment at a given time or place. City is located in a valley.
- Reaching build out of residential areas for new home construction. Housing prices are less affordable than in other area communities. The average UP home remains generally unaffordable to employees in retail service jobs.

### ***Population is Changing, Requiring Different Services***

- Development of public amenities such as parks, recreation centers, senior services, and infrastructure have not kept pace with population growth. The high demand on area parks requires commitment of significant resources for ongoing maintenance.
- Aging population will require such services as in-home care, congregate and nursing care facilities, and transportation. Increasing elderly population and aging of housing stock may create need for housing rehabilitation and/or maintenance programs.
- Shortage of current and projected special needs housing (i.e., for the aging, physically challenged, etc.).
- Changing health care delivery system will put additional economic pressures on hospitals.

### ***Provision of Utility Services***

- University Place is not a full service City and has to work with Tacoma, Puget Sound Energy and Pierce County to provide services to area businesses and residents.
- New sources of water will be necessary to support additional growth and economic development.
- Sewer connections currently are not financially feasible through utility local improvement district (ULID). Approximately 30% of the City is un-sewered.

### ***Regional Economic Climate***

- Unemployment in the Puget Sound region and Washington State continues to be greater than regional and national averages.
- Employment growth in the Puget Sound region and Washington is expected to fall below national averages in the coming years.
- Continued in-migration and a shift to suburbs will fuel growth in housing permits. However, most of the growth will occur in the outlying regions of the Puget Sound region.

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## **OPPORTUNITIES**

### ***Development of a City Center and Common Identity***

- Currently there are various perspectives regarding what types and intensities of development should occur in the central business area. Some believe that the current condition is fine, some would like larger businesses or light industrial to generate more revenues, and others would like to see a set of small, storefront, mix used buildings. A shared community vision for the City's economic future, including development types.
- The City's strengths could be used to help define what the City should be known for and promote it within the business community. For this purpose, the City's strengths could include its citizens, location, wealth, school district, and an educated workforce.
- City identity could be communicated through signage and other wayfinding and identity mechanisms to create more of a sense of place in UP. A brand or positioning statement could help marketing efforts.
- City has made tremendous accomplishments over the last five years and can capitalize on its dynamic energy, good ideas and attitudes in the future. Build on momentum and highlight the great things that we have done in the last 5 years - infrastructure investments, investment of citizens.
- The Economic Development Task Force recommendations could be incorporated into the City's Comprehensive Plan, and into development of business plan goals, vision, and performance measures to ensure long-term economic development focus of City.

### ***Potential for Redevelopment***

- Current zoning allows infill development and redevelopment, and the City has a large inventory of underutilized and redevelopable property with zoning for non-residential land uses dispersed throughout the City providing opportunities to tap a variety of different local and regional markets.
- Underutilized and redevelopable property is located in high visibility locations (i.e., 27<sup>th</sup> Street, Town Center, Orchard, etc.), with good street access and utilities. Older buildings and single/low rise building provide significant redevelopment opportunity.
- The majority of Town Center and other business areas are small scale, which could easily be redeveloped. Height and density could enhance Town Center.

### ***Development of City Center and Distinct Business Districts***

- The City's distinct business districts represent an opportunity for creating synergy and co-location between tenants internal to and among separate business districts. Visibility of retail increases at-grade could also help to create some variation by zone. Zoning in some areas could allow for major retailer development.
- Potential of Town Center Plan for compact City Center to bring mixed use and diversity of housing types to UP. Densities in the area are low. Existing Town Center Plan could benefit from increased residential development; increased height limits; and revisiting of zoning and land assembly opportunities in the area.
- An influx of pedestrian services can generate higher day time population. Clustered services and shared parking will support pedestrian-oriented environment and use in non traditional hours.
- City is underserved in restaurants. Resident income suggests ability to support better variety and quality of restaurants, creating more pedestrian activity.
- Chambers Creek represents a major economic development opportunity -- an employment center and a destination -- or the City. Depending upon the type of development at the Chambers Creek Properties, community could capitalize on attracting numerous local, regional, and national events to the area.

### ***Regulation and Zoning***

- Addressing some of the areas of inconsistency between the Comprehensive Plan and Land Use Code could result in mixed-use development regulations to encourage development where people can work, shop, live, and play in the same neighborhood.
- Significant housing stock means residents can work and live in the same community, reducing commute times and increasing quality of life. Additional programs and policies to reconcile conflicting needs of work and family such as transportation, childcare, employment training, etc.
- Continuing code revisions to amend trouble spots and make codes more user friendly will result in simplifications in the code to help increase permitting speed and streamline development processes.
- Development of a land use inventory cataloguing comprehensive plan, zoning codes, available land development possibilities could lead to advertisement of vacant and idle facilities.

### ***Array of Development Tools Available***

- The City has low business tax rates and the capacity to assemble and purchase of key properties for specific purposes; packaging land and tax incentives to encourage development.
- Local governments can buy down the cost of development by subsidizing the cost of providing utilities and the cost of providing streets and transportation facilities. In addition, the City of University Place can create other incentives or financing tools.

### ***Business Attraction***

- The City is “business-friendly” and has created an “incubator environment” where businesses can thrive, particularly start-up and entrepreneurial companies or expansion of existing business and recruitment of firms to the area. The City could identify spin-off businesses of major industries and capitalize on their roles as new business opportunities.
- Building on the City’s existing strength and experience of growing small businesses, there may be opportunities and strategies for increasing the number of home-based businesses, including technology requirements.
- Desirable amenities, quality of life and a highly educated workforce could be used to attract high tech companies to University Place for both expansion and entrepreneurial start-ups. City residents have a high potential purchasing power.
- Potential telecommunications opportunities may appeal to the high-tech, institutional, and corporate park users.
- Marketing and promotion strategies can increase economic growth and development of the City’s businesses. Develop a marketing plan to attract key uses and development to the City.

### ***Business Retention and Growth***

- Many long-term businesses and home-based businesses are operating successfully in University Place. There are plans to identify local area businesses and work towards development of a proactive business retention program to help businesses stay and expand. With this information, the City can help area small businesses with development of business management skills.
- Existing businesses are the foundation of the City’s economic base. The City should create opportunities for the niches it already has, including a professional base, neighborhood retail areas, and home-based businesses.
- How we can identify unmet needs to stop leakage (not only what do people want but what can the market support?) Develop strategies for and public understanding of the impacts of “buying local” and bring in new businesses to attract other businesses and shopping – businesses that work well within our community and improve quality of life.
- Resources from potential business licensing program will allow for personalized relationship with area businesses and could result in development business associations.
- Partnerships with business cohesive marketing and community events; attract a diverse set of businesses and develop an information packet for businesses, detailing business assistance, market analyses, and including a video.
- Local businesses may be able to capitalize on the increased pass-through traffic because of the proposed Walmart development in Lakewood.

### ***Area Influences***

- Pacific Northwest growth continues to move south of Seattle and into Pierce County as the area north of Seattle and in King County reaches build out.
- Changes in the region could help spur opportunities for development in UP. Changes at Fort Lewis could create opportunity to attract corporate headquarters to the City of University Place. Hotel and motel development could be leveraged by activity at Chambers Creek.
- Growing needs for assisted and long term care services for the aging presents opportunities for service industry growth and skilled jobs for our community.

### ***Build on Strength of Existing Local Partnerships***

- There is an opportunity to create partnerships and linkages among the City, community, school district, Tacoma Community College, businesses, banks and real estate agencies, which will shore up businesses. Foster cooperation and understanding among all these organizations.
- Ensure that educational institutions are in tune with business needs, including small business. Focus higher education programs on skills needed in growing industries. Local community and technical colleges are willing to tailor classes for a specific industry/business needs.
- University Place has a large, captive residential market for recreation services. Development of public/private partnerships to develop recreation facilities (i.e., sports fields, recreation centers, performing arts center, etc.) could expand local facilities.
- The City of University Place should continue to work with Pierce County Utilities to ensure the availability of sewer services to all of its citizens.
- Cooperation and coordination with local economic development organizations.

### ***Continued Communication***

- A key strength of the community is its informed, interested, and involved citizens, business representatives, employers, school district representatives and others. It is important to continue to solicit community input and encourage participation.
- Develop a communications plan where businesses and community know what's going on. Use existing gatherings, ball games, events, and others to distribute information. Should focus on economic marketing such as brochures explaining what people want, what land is available, etc. City's newsletter should allow ads and sponsorships. The City could have banners across the street to announce events, and sponsors.
- Web site could be used to advertise all activities.
- Police Department's community policing philosophy has great potential for promoting safety –perception is important for economic development.