

Employment Forecast Allocations

For Thurston County



**Final Report
Thurston Regional
Planning Council
February 2013**

THURSTON REGIONAL PLANNING COUNCIL (TRPC) is a 22-member intergovernmental board made up of local governmental jurisdictions within Thurston County, plus the Confederated Tribes of the Chehalis Reservation and the Nisqually Indian Tribe. The Council was established in 1967 under RCW 36.70.060, which authorized creation of regional planning councils.

TRPC's mission is to "Provide Visionary Leadership on Regional Plans, Policies, and Issues."

To Support this Mission:

- A. Support **regional transportation** planning consistent with state and federal funding requirements.
- B. Address **growth management, environmental quality**, and other topics determined by the Council.
- C. **Assemble** and **analyze data** that support local and regional decision making
- D. Act as a "**convener**", build regional **consensus** on issues through information and citizen involvement.
- E. Build **intergovernmental consensus** on regional plans, policies, and issues, and advocate local implementation.

This report was prepared as part of the Thurston Regional Planning Council's 2012 regional work program.

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Tyle Zuchowski	Capital Planning Manager, LOTT (also on Tumwater Planning Commission)

Thurston Regional Planning Council Staff

Veena Tabbutt	Senior Planner
Holly Gilbert	Senior Planner
Thera Black	Senior Planner
Michael Burnham	Assoc. Planner
Scott Carte	GIS Manager
Jeff Holcomb	GIS Analyst
Michael Ambrogi	GIS Analyst
Jolene Stanislawski	Intern
Rosalie Bostwick	Office Manager
Burlina Montgomery	Office Specialist III
Lon D. Wyrick	Executive Director
Jared Burbidge	Assistant Director

Acknowledgments

The Thurston Regional Planning Council wishes to thank the many public agencies that have provided source data and information in this edition of the Population and Employment Forecast. In particular, we wish to thank the Washington Department of Employment Security, Labor Market and Economic Analysis Branch and the Washington Department of Enterprise Services as well as Local Planning Staff.

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Summary

The Thurston Regional Planning Council (TRPC) develops updated population and employment forecasts every three to five years. These forecasts are used for transportation, sewer, water, land use, school, and other local governmental planning purposes. They are also used by the private sector for market studies and business planning. They address both the county level and the neighborhood level. TRPC has been preparing these forecasts since the late 1960s. This report documents the development of the 2012 land employment allocations to the city and planning area level/neighborhood level.

Overall, it's anticipated that:

- Olympia will continue to be the central city of the region, capturing regional growth shares for retail trade (Westside) and health services (Lilly Road and West Side) and auto sales in particular. Olympia's downtown economy will continue to be tied to growth on the Capitol Campus. By the waterfront, Olympia will support a mix of smaller-scale retail shops and services.
- Lacey will continue to transition from a suburban community to a community with a strong job base. Strongly influenced by the growth on Joint Base Lewis-McChord, Hawks Prairie will continue to attract manufacturing, wholesale trade, transportation and warehousing. It is anticipated that the Gateway Center will emerge as a mixed-use residential and commercial center.
- Tumwater will continue to grow a retail and services base to support its population. The Littlerock Road area, in particular, will see strong growth. The industrial areas of Tumwater will continue to attract growth.
- Yelm will continue to grow a retail and services base to support its growing population. As the planned community of Thurston Highlands begins to develop, a commercial/services center will emerge to support the residential growth. This may lag the residential development, as businesses will need to be ensured that the rooftops are there to support their businesses before locating in the area.
- Tenino will continue to grow as residential growth continues.
- Rainier's economic growth will be dependent on available infrastructure such as sewer service and a focused center of activity.
- Bucoda's economic growth will be constrained by infrastructure needs and suitable land.
- Grand Mound's economic growth will continue to be fairly unpredictable.

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Introduction

Over the past three decades, Thurston County has experienced one of the highest growth rates in the nation. This growth has generated a need for new schools and hospitals, and prompted major investments in water, sewer, and transportation facilities. As these investments are expensive and must be planned many years in advance, forecasts of future population growth and its distribution are used to estimate where and when new facilities will be needed. For this reason, TRPC has prepared population and employment forecasts periodically since 1969. Local jurisdictions, however, were not required to use the figures for the purposes of developing comprehensive planning documents and capital facilities plans prior to 1990.

This all changed with the passage of Senate Bill 2929 in 1990, known as the Growth Management Act (GMA), which required that certain fast growing counties plan for the future in a very specific and prescribed manner.

A key provision in the GMA required that the state Office of Financial Management (OFM) prepare a twenty year population forecast for each county in the state.

OFM's forecast is provided to the counties as a low-to-high range. Counties required to plan for growth under GMA are directed that:

“Based upon the population forecast made for the county by the Office of Financial Management, the urban growth areas in the county shall include areas and densities sufficient to permit the urban growth that is projected to occur in the county for the succeeding twenty year period.”

In 1992 Thurston County, in consultation with the cities and towns within its borders, adopted the County-Wide Planning Policies. One provision in these policies was that:

“The state Office of Financial Management growth management planning population projections for Thurston County will be used as the range of population to be accommodated for the coming 20 years.

Within the overall framework of the OFM population projections for the County, Thurston Regional Planning Council will develop county-wide and smaller area population projections, pursuant to RCW 36.70A.110 and based on current adopted plans, zoning and environmental regulations and buildout trends.”

The Population and Employment Forecast is conducted in two phases – first at the county-wide level, and then a further distribution to cities, towns, planning areas, neighborhoods, and traffic analysis zones. The forecast allocations – or “smaller area population projections,” along with employment allocations, provide information to assist local governments in their planning efforts.

This report documents the employment allocations phase of the forecast.

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Background

Once the county-wide population and employment forecast is complete, a forecast is generated to identify where the new growth is likely to occur, based on the adopted plans and policies of local cities, towns, and the county and market realities. Only then can planning for roads, utilities, school sites, park sites, and other public services and facilities take place.

TRPC has been providing population forecasts since 1969. Over time the techniques used to forecast growth have changed, but the basic premise remains the same. Where employment locates within Thurston County is related to many factors. TRPC uses as detailed of an approach to allocate employment by individual sector. Employment is allocated based on existing patterns, trends, land supply, and available infrastructure.

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Base Year 2010 Estimates

Overview

Before generating an employment forecast, TRPC must generate employment base year estimates. These estimates are available at the jurisdiction, planning area and traffic analysis zone level, to assist with planning and GMA related activities. There is no one single source of employment for local jurisdictions. The multi-step process to generate current employment estimates is as follows:

1. Obtain covered employment records from the Washington State Employment Security Department.
2. Locate work sites to a physical location.
3. Allocate out any firm or agency headquarters employment to suitable sites.
4. Estimate and allocate non-covered workers.

Base Year Estimates

Information on current employment doesn't come from one source. Using a database from the Department of Securities, a large part of the county's employment can be identified. For the remainder, reasonable assumptions must be used to estimate where jobs are located.

Source: TRPC Employment Forecast.

Employment Categories

All previous TRPC employment estimates and forecasts have been consistent with the Standard Industrial Code (SIC) categories. A national shift to North American Industrial Classification System (NAICS) led to the 2010 forecast being reported in NAICS codes. For the crossover between the two categories, please see Appendix 1.

A general description of each NAICS category within Thurston County is below:

Agriculture: Agriculture includes all types of farming, including mushrooms, poultry, alpacas, turf farms, fish farms, blueberries and other berries, and tree farms. Nurseries open to the public are included in retail trade, and not agriculture.

Forestry and Fishing: This category includes logging and log-hauling companies, and reforestation.

Mining: Mining is for the most part gravel or basalt mines.

Utilities: This category includes both businesses involved in both energy and water utilities.

Construction: This category includes firms associated with the residential and commercial construction industry, including, contractors, electricians, air and HVAC, painting, drywall, windows, excavating, and fencing.

Manufacturing: The manufacturing category includes firms that manufacture or process goods.

Wholesale Trade: Wholesale trade includes firms that sell goods at wholesale rates, often to other businesses. *NOTE: office supply stores and home-improvement centers are no longer in this category.*

Retail Trade: Retail Trade includes those firms that sell good directly to consumers. It includes department stores, grocery stores, home improvement centers, and office supply stores, as well as other retailers.

Transportation and Warehousing: This sector consists of firms that transport and distribute goods. It includes distribution centers, couriers and package delivery, moving companies, and those employed in trucking.

Information: This sector includes firms that distribute information, such as newspapers, radio stations, movie theaters, telephone, cable and wireless technology companies.

Finance and Insurance: This sector includes banks, credit unions, and insurance agencies.

Real Estate, Rental and Leasing: This sector is varied, and it includes firms involved in renting or leasing apartments or other real estate, movie/video rental firms, equipment rental firms, mini-storage, and real estate firms.

Professional Services: This category is a large and varied set of firms that provide services to other firms or individuals. It includes corporate offices, consultants, veterinarians, landscaping services, legal services, house cleaning and janitorial services, and engineering and architectural firms.

Education Services: This category includes private (not public) education such as private four year colleges (St. Martin's University), private K-12 schools, daycares and pre-schools. It also includes gymnastics clubs, and dance schools.

Health Care and Social Assistance: This category includes hospitals, medical offices and clinics, retirement homes with medical staff, and dentists.

Arts, Entertainment and Recreation: This category includes theaters and the Washington Center for the Performing Arts, bowling alleys and non-tribal casinos, fitness centers, golf clubs (private), mini-golf, sailing clubs and marinas (private), other clubs, museums and zoos.

Accommodation and Food Services: This category includes hotels and restaurants.

Other Services: This is a large broad category and includes associations such as the YMCA, clubs, automobile services, beauty services, and religious services (churches). This also includes in-home service providers such as nannies and home health care workers.

Sources of Data and Allocation of Base Employment

More details on the Base Year Employment Estimates can be found in Appendix 2.

Employment Forecast Allocations

Overview

The regional Employment Forecast is allocated to jurisdictions and planning areas to assist with local planning efforts. The forecast allocations are developed by employment sector using different approaches for each of the 20 industrial sectors. In general:

1. Assume current employment (2010) will remain in the future unless there is specific information of relocation or business closure.
2. Where specific information is available — use it. For instance, many local agencies have capital facilities plans. Rely on local knowledge from the Port of Olympia, Tribes, municipal planners, colleges/universities, Thurston County Economic Development Council, state Department of Enterprise Services, school districts, fire districts, chambers of commerce, etc. to inform the forecast.
3. Use reasonable assumptions for future home-based employment. The forecast is for both full- and part-time jobs and therefore has a fairly high percentage of home-based employment.
4. With the Great Recession, there is a higher-than-normal vacancy rate in commercial/industrial buildings. Assume vacant space will be utilized before new construction occurs.
5. New construction and/or redevelopment will occur in areas where zoning, transportation and market conditions make it feasible. Over the long term, it is assumed that infrastructure (local roads, sewer, stormwater, etc.) will be extended into some areas that are currently without infrastructure in the urban areas.
6. Analyze existing employment patterns to gain an understanding of changing land use and employment patterns.

Employment Forecast Allocations

Employment forecast allocations are completed by using a set of assumptions that vary by employment industry. For instance, where schools are likely to locate is very different than major retail centers.

Source: TRPC Employment Forecast.

Allocation Methods

Table 1 shows a breakdown of current employment estimates and the forecast by 20 industrial sectors. The forecast allocations to cities, towns, tribes, and planning areas vary depending on employment sector. In general, the allocations are spread to various types of areas within the county based on existing employment patterns, population growth, transportation access, anticipated market conditions, and the buildable/redevelopable land supply. Not all employment is allocated to areas zoned for mixed use, commercial, or industrial growth. Over 10 percent of Thurston County's employment is estimated to be home-based in 2010. This includes people with home businesses or working from home the majority of their time. Other employment, including schools, churches, daycares, and assisted-living facilities can be located in residential areas as well as commercial or mixed use areas.

Table 1: Thurston County Employment Forecast by Industrial Sector.

Industry	2010 Estimate	2035 Forecast	Change
Agriculture, Forestry and Fishing, Mining	2,889	2,863	(26)
Utilities	180	294	114
Construction	5,623	11,812	6,189
Manufacturing	3,099	3,540	441
Wholesale Trade	3,245	4,104	859
Retail Trade	14,658	20,472	5,814
Transportation and Warehousing	2,311	3,942	1,631
Information	1,284	1,961	677
Finance and Insurance	4,605	6,004	1,399
Real Estate, Rental and Leasing	5,473	6,532	1,059
Professional Services	12,965	23,935	10,970
Education, Health, & Social Services	17,034	26,018	8,984
Arts, Entertainment and Recreation	2,752	4,605	1,853
Accommodation and Food Services	8,270	12,174	3,904
Other Services	7,375	12,875	5,500
Federal	1,009	1,115	106
State	22,990	27,190	4,200
State Education	1,286	2,097	811
Local and Tribal Government	10,221	14,084	3,863
Tribal Enterprise	1,208	2,800	1,592
Total	128,477	188,418	59,941

Source: Thurston Regional Planning Council County-wide Employment Forecast, 2012.

Private Employment

Agriculture, Forestry and Fishing, Mining

There is no growth forecast for this sector. Existing employment was decreased slightly.

Utilities

There is very little growth forecast for this sector, so growth was allocated to existing sites.

Construction

The construction sector is projected to almost double in numbers. In large part, this is due to the Great Recession affecting this sector in the base year (2010), more so than other sectors. Approximately 22 percent of the jobs in this sector are estimated to be home-based (people working from home.) The remainder of the growth is distributed between what is assumed to be residential construction sites (sites where residential growth was allocated) and commercial/industrial construction sites (sites where commercial/industrial growth was allocated).

Manufacturing, Wholesale Trade, and Transportation and Warehousing

In Thurston County today jobs in these sectors is distributed:

- 60 percent of jobs in these sectors are found in industrial areas;
- 10 percent are located in urban/city centers;
- 5 percent in urban corridor business areas;
- 15 percent are located in rural areas.

Many of the jobs in rural areas are resource-based (mining and forestry) with a manufacturing or transportation component. There is not expected to be much of an increase in these sectors in rural areas. Other rural areas (such as Maytown) will see a small increase in jobs (see assumptions below).

The growth in these sectors was allocated using the following assumptions:

- Explicit growth (that has occurred since 2010 base year) such as the Trader Joe's distribution warehouse, Valley Freightliner opening on the former Ritchie Brother's site in Maytown, Sealy Mattress factory in Hawks Prairie was allocated to specific parcels.
- Some future growth was allocated to vacant or recently permitted buildings in existing industrial areas such as Hawks Prairie, Tumwater (near airport), and the Mottman Industrial Park.

Industrial Growth

Industrial jobs such as a manufacturing are an important component of Thurston County's economy. The location of these jobs is usually influenced by a variety of factors including land supply, transportation access (roads, rail, water, airport), supporting infrastructure, and workforce. Tumwater has historically been the industrial center of our region. In recent years, Lacey's share of jobs in these sectors has grown.

Home-based Employment

Home-based employment is defined as people using their home as a work place (primary or secondary job) or leaving from their home to varied sites on a regular basis (construction, temporary agency workers). Home-based employment is currently estimated at over 10 percent of total employment, but varies by industry (Table 2.) Keeping the percent by industry constant, it is estimated that home-based employment **for new jobs** will be around 13 percent between 2010 and 2035. This is consistent with research that shows home-based employment has increased steadily since 1997¹. Overall, it is expected that if there is no change in trends in home-based employment, over 11 percent of Thurston County's jobs will be home-based in 2035. Home-based employment is allocated per new dwelling unit.

Home-Based Employment

It is expected that approximately 11.4 percent of Thurston County's jobs will be home-based in 2035. This does not include people who telework part of the time.

Source: TRPC Employment Forecast.

Table 2: Home-based employment estimates, 2010 and 2035.

Industry	2010		2035	
	Total	Home-based	Total	Home-based
Private Employment				
Agriculture, Forestry and Fishing, Mining	2,889	0	2,863	0
Utilities	180	0	294	0
Construction	5,623	1,237	11,812	2,599
Manufacturing	3,099	0	3,540	0
Wholesale Trade	3,245	0	4,104	0
Retail Trade	14,658	0	20,472	0
Transportation and Warehousing	2,311	670	3,942	1,143
Information	1,284	128	1,961	196
Finance and Insurance	4,605	1,059	6,004	1,381
Real Estate, Rental and Leasing	5,473	2,463	6,532	2,940
Professional Services	12,965	1,815	23,935	3,351
Education, Health, & Social Services	17,034	3,577	26,018	5,464
Arts, Entertainment and Recreation	2,752	826	4,605	1,381
Accommodation and Food Services	8,270	0	12,174	0
Other Services	7,375	1,770	12,875	3,090
Private Employment Total	91,763	13,545	141,132	21,545
Public Employment and Tribal Enterprise				
Federal	1,009	0	1,115	0
State	22,990	0	27,190	0
State Education	1,286	0	2,097	0
Local and Tribal Government	10,221	0	14,084	0
Tribal Enterprise	1,208	0	2,800	0
Public Employment and Tribal Enterprise	36,714	0	47,286	0
Total	128,477	13,545	188,418	21,545
Percent		10.5%		11.4%

¹ Home-Based Workers in the United States: 2010 Household Economic Studies. Current Population Reports by Mateyka, P.J., and Rapino, M.A., October 2012. U.S. Department of Commerce, Economics and Statistics Administration.

- Home-based. Twenty-nine percent of the growth in transportation and warehousing is estimated to be home-based. An example of this would be truck drivers.
- Grand Mound has just over 40 jobs in these sectors (in non-home based employment.) Assume another 30 jobs for the future.
- For Tenino and Rainier, assume about half the number of jobs in these sectors as Grand Mound has today.
- Bucoda does not have the infrastructure or zoning to attract these sorts of jobs.
- Centers and corridors in Lacey, Olympia, Tumwater, and Yelm
 - 11 percent of manufacturing jobs
 - 22 percent of wholesale trade jobs
 - 15 percent of non-home-based transportation and warehousing jobs
 - Distributed based on population growth
- Industrial Zoned Areas
 - Olympia: Port of Olympia properties in downtown Olympia are likely to support some additional growth in these sectors.
 - Lacey: Hawks Prairie Industrial Area will continue to be attractive jobs in these sectors due to access to Interstate 5, buildable land and supporting infrastructure.
 - Tumwater: Port of Olympia developable land near airport – some transportation-related (airport) activities along with general manufacturing, wholesale trade and transportation and warehouse activity closer to Interstate 5. Other industrial-zoned lands to the south with Interstate 5 access.
 - Yelm: industrial area.

Proposed Endangered Species Listings

In late 2012, the U.S. Fish and Wildlife Service (USF&W) announced proposals to list the Mazama Pocket Gopher and streaked horn lark as threatened species and the Taylor's checkerspot butterfly as an endangered species under the national Endangered Species Act. These species live in the region's prairie habitat. The proposals are under consideration and have not been finalized. If the three federal listings are finalized, local land use permitting processes in the jurisdictions in Thurston County will need to change. It is too early to tell what effect those changes may have on future employment.

The minimum impact will likely be no new development in prairie habitat as a Habitat Conservation Plan (HCP) is developed. A Habitat Conservation Plan can typically take around five or more years. During this time land unaffected by the listing will see increased development pressures.

Because it is so early in the process, the forecast assumption is that the land supply for employment within the areas designated for urban growth (cities and towns and their growth areas) will be available to accommodate projected employment growth over the long term planning horizon. If local governments make changes to land use regulations or permitting processes that affect this assumption, **the forecast will be updated**. There is very little employment growth forecast for the rural areas of the county.

In short, it is too early to tell what the implications may be of the proposed listings on urban land supply and employment projections, however a delay in employment growth in some areas of the county is anticipated.

Retail Trade and Accommodations and Food Services

Places where people travel to shop, eat, or spend time tend to be clustered together in fairly similar patterns in Thurston County. Much of the growth in these sectors is related to population growth, although overall, Thurston County is an attractor for retail sales.

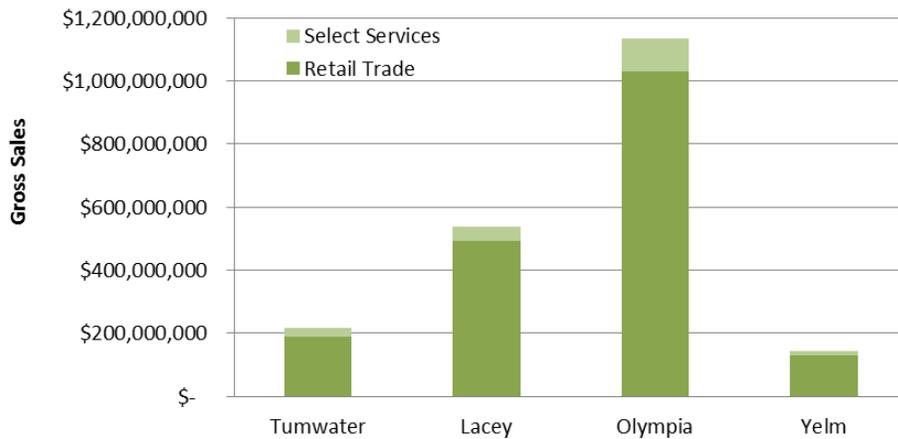
As part of the Tumwater Capitol Boulevard Corridor Analysis, Property Counselors conducted a “retail leakage analysis for 2010.” A leakage analysis is conducted by comparing local spending to local residents. The analysis uses taxable retail sales data that are collected by the State and converted to gross sales using state-wide adjustment factors. The analysis indicated that Thurston County as a whole is an attractor of retail sales (and select services). Simply put, the county captures more retail sales than are supported by people that live within the county. This is likely due to the commuters who bring home their paychecks and spend them, as well as the county having a regional mall that serves a population that extends outside of the county borders. Tumwater, Lacey, Olympia, and Yelm are also attracting retail sales from the rural portions of the county as most of the stores are located in the urban areas. A summary of the leakage analysis is shown in

Regional Attractor

Thurston County is a regional attractor for goods and services for the counties to the south and west (Lewis, Mason, Grays Harbor). Examples of facilities that serve a large service area are Capital Mall, the two local hospitals, the automall and Cabela’s.

Figure 1. *NOTE: In the original table, leakage was shown as a negative number; however, in the figure it is shown as how much each city captures in gross sales.*

Figure 1: Retail Capture, 2012



Source: Washington State Department of Revenue; Property Counselors.²

² Capitol Boulevard Plan Market Analysis prepared for City of Tumwater by Property Counselors. July 2012. <http://www.trpc.org/regionalplanning/landuse/Pages/HeretoThereCapitolBlvd.aspx>

Shopping Patterns

Shopping patterns give an indication of where larger-scale retail growth will be located in the future. The shopping patterns shown below are modified from the 1998 Household Travel Survey.

Table 3: Retail Shopping Patterns to Major Destination Areas.

Area of County	Households			% of Shopping Trips to Major Destination Areas				
	2010	2035	Growth	Lacey	Olympia	Tumwater	Yelm	Total
Lacey & UGA	31,738	45,563	13,825	75%	21%	3%	1%	100%
Olympia & UGA	26,950	40,414	13,464	16%	77%	7%	0%	100%
Tumwater & UGA	10,568	19,168	8,600	7%	18%	75%	0%	100%
Yelm & UGA	3,050	10,253	7,203	13%	12%	0%	75%	100%
Bucoda & UGA	243	465	222	13%	45%	41%	1%	100%
Rainier & UGA	767	1,299	532	8%	17%	5%	70%	100%
Tenino & UGA	745	1,549	804	13%	45%	41%	1%	100%
Grand Mound UGA	376	685	309	13%	45%	41%	1%	100%
Rochester Sub-Area	3,471	3,964	493	13%	45%	41%	1%	100%
County Northeast	4,463	5,232	769	45%	45%	10%	0%	100%
County Cooper Point	1,840	2,028	188	9%	77%	14%	0%	100%
County Steamboat Island	2,539	2,816	277	9%	77%	14%	0%	100%
County Northwest	3,255	3,912	657	9%	77%	14%	0%	100%
County Southwest	1,265	1,598	333	13%	45%	41%	1%	100%
County South Central	4,847	6,310	1,463	8%	17%	5%	70%	100%
County Southeast	9,585	12,035	2,450	8%	17%	5%	70%	100%
County East	2,259	2,583	324	43%	45%	9%	3%	100%
Total				29%	36%	18%	17%	100%

Source: TRPC estimation based on modification of 1998 Household Travel Survey shopping patterns.

Supportable Square Feet of Retail and Select Services per Household

National and local market analyses use a rule of thumb that each household can support around 71 square feet of retail space. Assuming 15 square feet of this is typically located in neighborhood-scale retail centers, the remainder is likely to locate in larger retail centers.

Table 4: Supportable Square Feet of Retail per Household.

Store Type	Supportable Sq. Ft. Per Household	% in Neighborhood Scale Retail Centers	Neighborhood sq. ft. per Household
Building Material	2.6	0.0%	-
Hardware	0.5	5.0%	0.0
Department/Variety	13.4	0.0%	-
Food/Grocery	11.6	45.0%	5.2
Auto supply	2.6	5.0%	0.1
Gas stations	5.5	0.0%	-
Apparel	4.5	17.5%	0.8
Shoe	1.3	17.5%	0.2
Furniture	3.5	5.0%	0.2
Home furnishings	1.6	5.0%	0.1
Appliance	0.5	5.0%	0.0
Radio/TV/Computer/Music	2.3	5.0%	0.1
Eating places	12.4	45.0%	5.6
Drinking places	1.5	45.0%	0.7
Drug	3.1	45.0%	1.4
Sporting goods	1.4	5.0%	0.1
Book	1.0	17.5%	0.2
Hobby/Toy	1.0	17.5%	0.2
Gift	1.0	17.5%	0.2
Flower	0.5	17.5%	0.1
Total	71.8		15.1

Source: Center for Economic Development, University of Wisconsin Extension and Property Counselors. Creating Neighborhood Walkable Business Districts. Gregory Easton and John Owen, 2009.

This rule of thumb seems supported by Thurston County local conditions, where approximately 20 percent of retail jobs are currently located in centers and corridors – or the type of areas that better support neighborhood-scale retail businesses. In the last decade 15 percent of retail job growth has been going into these areas.

Historic Trends

There has been a sharp change in the location of retail trade and select services over time in Thurston County.

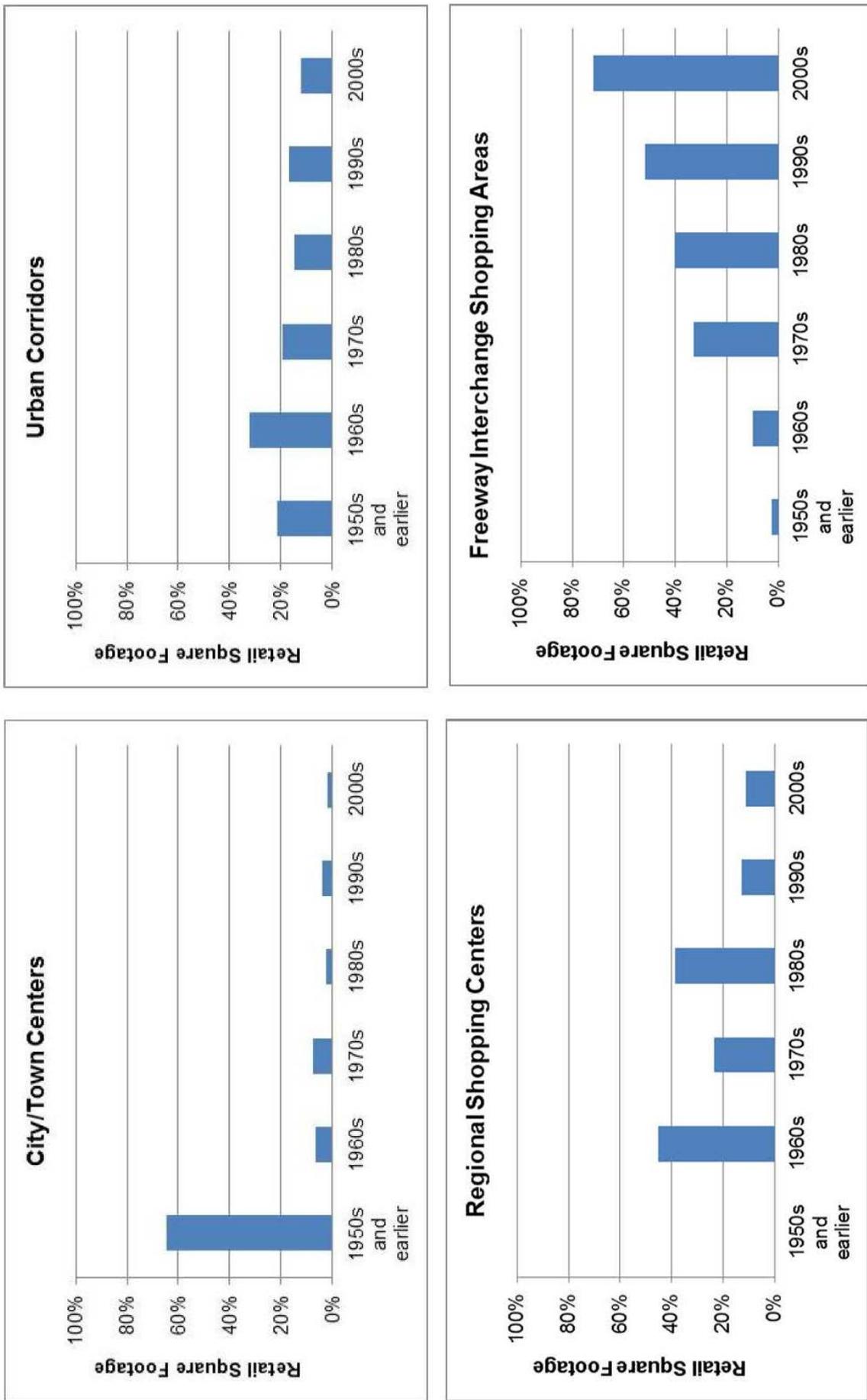
- **Urban and South County Centers.** At the end of the 1950s, sixty-five percent of retail square footage was in urban and south county city and town centers. These areas included the downtowns of Olympia, Tumwater (by the Brewery), Tenino, Yelm, Bucoda, and Rainier. In subsequent decades, new retail construction slowed in these areas – ranging from two to eight percent of new retail space in the last 50 years.
- **Urban corridors.** Urban corridors are the areas that link the urban areas of Olympia, Lacey, and Tumwater, as well as the west side of Olympia. They are defined as Capitol Boulevard / Capitol Way, Martin Way, Pacific Way, and Harrison Avenue and a quarter mile on either side. These areas were developing by the 1950s, where they held around 22 percent of retail square footage. In the 1960s as automobile access to retail stores increased, they captured a larger share of growth – 32 percent. After that period they saw a slow decline in growth shares – from around 19 percent in the 1970s, to 12 percent in the last decade.
- **Regional Shopping Centers.** Regional Shopping Centers or Regional Malls began to emerge in the 1960s. The first in our region was South Sound Center, which later converted to a Power Shopping Center (retail center with bigger scale stores). The second was Capital Mall in west Olympia, which continues to function as a regional mall. Construction on this mall began in the late 70s through the 80s, with a major addition in the 2000s.
- **Freeway Interchange Shopping Areas** began to emerge in the late 1960s and 1970s. These areas were traditional auto-oriented strip malls such as Southgate Center or the developments near the intersection of Cooper Point and Black Lake Boulevard. The percentage of retail development going into this scale of development has increased steadily over the decades with the development of the Littlerock Road commercial area in Tumwater, and the Hawks Prairie commercial area in Lacey.

National Trends

The movement from city centers to the suburbs occurred for both residential and commercial development over the last 50 years. Thurston County's development patterns are typical of those seen throughout the United States. Nationally, young adults are moving back to city centers and owning fewer cars. These trends are likely to lead to a change in how retail stores are designed and located.

It should be noted that the distinction between many of these areas is not particularly clear and is somewhat overlapping – especially in terms of corridors and areas along a corridor that are more oriented to the freeway rather than a major arterial street. The gradient between larger Freeway Interchange Shopping Areas and the two Regional Shopping Centers is similarly blurred, with retail businesses that serve both types of markets.

Figure 2: Retail Square Footage in Thurston County by Type of Area.



Source: Thurston Regional Planning Council Commercial Building Database

Attracting Retail Growth to Existing City Centers and Corridors

Residents of Thurston County have expressed a desire for more walkable urban environments – areas where they can live, work, play, and shop, and that have a range of transportation choices including frequent transit service. The best opportunities for these places are existing centers and corridors. To create these live, work, play, shop areas will require additional retail and services within walking distance of places where people live — a full range of retail and services including drug stores and grocery stores. Yet much of growth in the retail and services continues to be located in suburban shopping centers predominately accessible by car.

What Could Reverse This Trend?

- 1) Locating more housing near existing retail areas
- 2) Transitioning existing retail areas in centers and corridors to a more walkable urban form
- 3) Focusing commercial areas
- 4) Local investments in amenities

Households Support Neighborhood Retail

National research suggests that a typical household supports approximately 70 square feet of retail space - 15 square feet of which could reasonably be neighborhood retail or services (such as the type of retail found along Capitol Boulevard in Tumwater or Martin Way in Olympia and Lacey) within walking distance. Neighborhood retail and services are generally things such as drug stores, small grocery stores, specialty stores such as bike stores, convenience stores, coffee shops and restaurants and personal services such as nail and beauty salons.

A small neighborhood retail center – say 30,000 square feet or around the size of Southgate Center in Tumwater — could be supported by around 1,000 homes within a convenient walking distance of a quarter-mile, and another thousand households nearby. This is an overall residential density of 8 units per acre assuming the retail centers are distinct and separated. The keys are focusing the commercial areas into a walkable urban environment, making convenient connections to adjacent neighborhoods, paying attention to safety, attractiveness, and a sense of place, and providing amenities such as parks. Larger mixed-use centers, such as those envisioned for “downtowns” would require more people to support them – either workers or residents.

Strategies

Local governments can help achieve a more walkable urban environment by investing in these areas focusing on safety, transportation improvements for walkability, cyclists, transit, and traffic flow, aesthetics including urban design and street improvements, and amenities such as parks. These investments will support neighborhood-scale businesses, and create an attractive and safe urban environment.

It will take a large range of strategies, from financing, incentives, investments, and public-private partnerships to reverse the trends of locating neighborhood-type retail and services in auto-oriented shopping plazas. Our region is hard at work looking at solutions. For more information on this, please visit the Sustainable Thurston and Creating Corridor Communities webpages at www.trpc.org.

Baseline Forecast Versus Vision

This Forecast projects the trends “as is”. The visions outlined in Sustainable Thurston for more activity in the centers and corridors will be forecast as alternatives.

Smaller Cities/Towns

The smaller cities and towns and rural communities in Thurston County have struggled to keep their existing storefronts full during the recession. Tenino and Rochester have grocery stores. Rainier's grocery store closed this year. The ratio of retail/service jobs to population in these smaller communities varies considerably. Tenino has a well-developed downtown and has a fairly robust jobs-to-population ratio compared to nearby Rainier. Rainier is the closest to Yelm, and as Yelm grows as a retail center it meets many of the shopping needs of other rural communities. While Rochester has a grocery store, it has very little in the way of retail and service jobs compared to the overall population. Most are located in nearby Grand Mound that has urban sewer and water infrastructure and is near to Interstate 5. Bucoda is a smaller community that is struggling to keep storefronts full and retain population, as the younger generation graduates from high school and moves out of town.

Local Neighborhood Commercial Centers

Some local jurisdictions have designated areas for future neighborhood commercial centers. These centers are envisioned to serve the local needs of nearby residents by having a mix of retail and services, including grocery stores, small pharmacy, restaurants, dry cleaners and other services. The scale of these can range from one small store to a small center — perhaps 30,000 to 60,000 square feet in total to Brigg's Village, which is envisioned to be slightly larger. These centers will be supported by a mix of walk-up and drive-up customers.

New Centers

Both Lacey (Gateway) and Yelm (Thurston Highlands) have plans for emerging centers over the next 20 to 30 years. These centers are envisioned to be a mix of retail, office, service, and residential growth. These areas were considered major retail/service areas in the allocations – and significant portions of the respective cities' employment growth were allocated to their areas.

Allocation

Employment forecast allocations in these sectors followed the following patterns:

- Smaller cities/towns based on population growth.
- Local neighborhood centers based on best judgment.
- New and/or vacant buildings based on building permits, vacant building square footage, and average employee-per-square-foot estimates.
- Home-based employment based as 2010 patterns, as indicated in Table 2.
- Centers and corridors
 - 15 percent of retail growth based on trends in building permits

- 37 percent of accommodations and food services growth based on existing patterns

with distribution to Lacey, Olympia, Tumwater and Yelm based on population growth as the type of retail and services located in centers and corridors will be supported by a smaller market area than that in major retail centers.

- Remaining growth allocated to major retail/service areas such as Regional Shopping Centers and Freeway Interchange Areas and emerging centers with distribution to the four cities following that pattern indicated by estimated regional shopping patterns (Table 3).

Information

Information is an eclectic category that includes newspapers, radio stations, and movie theaters. This sector was allocated as follows:

- Smaller cities/towns based on population growth.
- Home-based employment based as 2010 patterns, as indicated in Table 2.
- Residential areas based on existing patterns.
- Centers and corridors based on existing patterns with distribution to Lacey, Olympia, Tumwater and Yelm based on population growth.
- Remaining growth allocated to major retail/service areas such as Regional Shopping Centers and Freeway Interchange Areas with distribution to the four cities following that pattern indicated by estimated regional shopping patterns to account for regional attractors such as movie theaters (Table 3).

Finance and Insurance

Employment forecast allocations in these sectors followed the following patterns:

- Smaller cities/towns based on population growth.
- New buildings based on building permits and average employee per square foot estimates.
- Home-based employment based as 2010 patterns, as indicated in Table 2.
- Centers and corridors based on existing patterns with distribution to Lacey, Olympia, Tumwater and Yelm based on population growth.
- Remaining growth allocated to major retail/service areas (including regional shopping centers) emerging centers, and business districts with distribution to the four cities following that pattern indicated by estimated regional shopping patterns (Table 3).

Real Estate, Rental and Leasing

Real Estate, Rental and Leasing includes property managers for both residential and commercial properties, including retirement facilities. The forecast allocations followed the following pattern:

- Smaller cities/towns based on population growth.
- Home-based employment based as 2010 patterns, as indicated in Table 2.
- Residential areas based on existing patterns.
- Local neighborhood centers based on best judgment.
- New buildings based on building permits.
- Centers and corridors based on existing patterns with distribution to Lacey, Olympia, Tumwater and Yelm based on population growth.
- Remaining growth allocated to major retail/service areas such as Regional Shopping Centers and Freeway Interchange Areas along with emerging centers with distribution to the four cities following that pattern indicated by estimated regional shopping patterns (Table 3).

Professional Services

Professional services are firms that provide services to other firms or individuals. Most of the professional services firms in Thurston County are fairly small businesses.

The employment forecast allocations for Professional Services were as follows:

- Adjust for the relocation of one large professional services firm from Tumwater (where their building burned) to Lacey
- Smaller cities/towns based on population growth.
- Home-based employment based as 2010 patterns, as indicated in Table 2.
- Local neighborhood centers based on best judgment.
- Residential areas based on existing patterns.
- Centers and corridors based on existing patterns with distribution to Lacey, Olympia, Tumwater and Yelm based on population growth.
- Remaining growth allocated to other employment areas including medical concentrations, business districts, neighborhood and regional shopping areas where space may be available in “strip mall” type setting, along with emerging centers. Distribution to the four cities following that pattern indicated by estimated regional shopping patterns to account for regional attractors such as movie theaters (Table 3).

Education, Health, and Social Services

Education, Health, and Social Services is the largest private employment sector in Thurston County. The employment forecast allocations for Education, Health, and Social Services were as follows:

- The two regional hospitals represent 23 percent of the total covered (for definition of covered employment see Appendix 2) Education, Health, & Social Services jobs today. The forecast assumption is that 23 percent of the non-home-based growth in this sector is assigned to the hospitals for future expansion near existing facilities.
- Growth at St. Martin’s University was assigned to the existing campus.
- Smaller cities/towns based on population growth.
- Local neighborhood centers based on best judgment.
- New buildings (including medical clinics in Yelm and Lacey) based on building permits and average employee-per-square-foot estimates.
- Home-based employment based as 2010 patterns, as indicated in Table 2.
- Residential areas based on existing patterns (includes daycares and medical facilities in retirement communities).
- Centers and corridors based on existing patterns with distribution to Lacey, Olympia, Tumwater and Yelm based on population growth.
- Remaining growth allocated to other employment areas including medical concentrations, business districts, neighborhood and regional shopping areas where space may be available in “strip mall” type setting Areas along with emerging centers. Distribution to the four cities following that pattern indicated by estimated regional shopping patterns to account for regional attractors such as movie theaters (Table 3).

Regional Hospitals
The two regional hospitals in Thurston County provide services to a broad region - serving Grays Harbor, Lewis, and Mason counties as well as Thurston County. Jobs in the health sector have continued to grow during the recession.

Arts, Entertainment and Recreation

The employment forecast allocations for Arts, Entertainment and Recreation were as follows:

- Smaller cities/towns based on population growth.
- New buildings based on building permits and average employee per square foot estimates.
- Home-based employment based on 2010 patterns, as indicated in Table 2.
- Residential areas based on existing patterns.
- Centers and corridors based on existing patterns with distribution to Lacey, Olympia, Tumwater and Yelm based on population growth.
- Remaining growth allocated to other employment areas including medical concentrations, business districts, neighborhood and regional shopping areas where space may be available in “strip mall” type setting. Distribution to the four cities following that pattern

indicated by estimated regional shopping patterns to account for regional attractors such as movie theaters (Table 3).

Other Services

The employment forecast allocations Other Services were as follows:

- Smaller cities/towns based on population growth.
- Local neighborhood centers based on best judgment.
- New buildings based on building permits.
- Home-based employment based as 2010 patterns, as indicated in Table 2.
- Residential areas based on existing patterns (includes home health care workers and churches).
- Centers and corridors based on existing patterns with distribution to Lacey, Olympia, Tumwater and Yelm based on population growth.
- Remaining growth allocated to other employment areas including business districts, neighborhood and regional shopping areas where space may be available in “strip mall” type setting. Distribution to the four cities following that pattern indicated by estimated regional shopping patterns (Table 3).

Public Employment

Federal Government

Growth in Federal Government employment was allocated to existing sites such as post offices and some small federal agency departments. Employment on Joint Base Lewis-McChord is in the Pierce County portion of the base.

State Government

With Olympia being the State Capital, state government employment is a large employment sector in Thurston County. State government agency headquarters are located in the Capital Region of Olympia, Lacey, and Tumwater. The State has three campuses. The largest campus is around the State Capitol Building; there are satellite campuses in Lacey and Tumwater.

The state, cities, Port of Olympia and Intercity Transit have also worked together to designate Preferred Development and Preferred Leasing areas for state offices. Preferred Development Areas (PDAs) are areas where state ownership is preferred by local agencies. Preferred Leasing Areas (PLAs) are areas where state leasing is preferred by local agencies.

The state also has several major facilities outside of these core areas:

- The Evergreen State College located in unincorporated Thurston County,
- Maple Lane Correctional Facility located in Grand Mound (and currently empty), and
- Cedar Creek Correctional Facility located in southwest rural Thurston County.

Vacancies

Vacancies for large office buildings — both private and state-owned — are higher than usual at this time for several reasons, including:

- Recent opening of the Jefferson Street Building (1500 Jefferson) on the Capitol Campus with around 238,000 square feet of office space. This resulted in the consolidation and relocation of several state agencies (General Administration, Personnel, Information, Printing, and portions of Office of Financial Management) into two new agencies — the Department of Enterprise Services and Consolidated Technology Services.
- General reduction in state employment over the last few years.
- Relocation of several agencies from Lacey and Tumwater campuses to vacant space in either state-owned facilities on the Capitol Campus or to state-obligated leased facilities adjacent to the Capitol Campus vacated by the relocation to the Jefferson Street Building.

State of Washington Capitol Master Plan

Policy 3.1 – Preferred Development and Leasing Areas

The state shall concentrate state offices in medium-to-high density locations that are well served by public transportation. To this end, the state will build to own in Preferred Development Areas (PDAs) and lease facilities in Preferred Leasing Areas (PLAs).

Source: http://www.ga.wa.gov/masterplan/CMP-Part_2.pdf

State Government employment (excluding education) is projected to grow by 4,200 jobs between 2010 and 2035. The forecast makes the following general assumptions regarding where those jobs will locate:

- Maple Lane Correctional Facility will be re-purposed
- Large office buildings that have housed state agencies in the past but are currently vacant are likely to be reoccupied unless there are specific conditions that make this unlikely. An estimate of vacant office space likely to be re-occupied by state offices (includes public and private space):
 - 200,000 square feet in Lacey Woodland Square (will require upgrades of available building space)
 - 62,000 square feet in Downtown Olympia³
 - 13,000 square feet in Tumwater Town Center
- The Regional Office of the State’s Department of Transportation has purchased a vacant site on Marvin Road in Hawks Prairie. The forecast assumption is that they build a new facility there and relocate before 2035
- In the longer term, the State is likely to plan for new space. This space will be in both state owned and state leased facilities – based on past patterns of funding availability. For this reason, the remainder of the job growth will be allocated to large vacant or redevelopable parcels already identified (in the Capitol Master Plan, 2006 edition) as possible sites for state facilities:
 - Lacey Campus (capacity for two more building sites remain on this campus),
 - Tumwater Town Center on Port of Olympia property,
 - Tumwater area on state-owned property adjacent to the Edna Goodrich Building and Labor and Industries Building on Linderson Way, and
 - Capitol Campus sites such as the General Administration Building, ProArts Building and Visitor Center areas⁴

One caveat is that the State is currently working on the next rendition of the Six Year Facilities Plan that outlines the State’s space needs for the next 6 years. A significant objective in this plan is to reduce the State portfolio’s footprint and bring down operating costs. Currently, it is estimated that the State has around 290 square feet per full-time equivalent employee. Their

³ Assuming the building at 600 Franklin will be sold or re-purposed by the State, and not including empty space at 210 11th Avenue (General Administration Building - GA).

⁴ Department of Enterprise Services (DES), is engaged in a re-evaluation of whether to renovate or not the GA Building. This report should be concluded soon. DES will be requesting funding in the next Legislative Session to conduct re-evaluations of existing plans for the “north edge” (where the current GA Building is located, and including the Capitol Park Building—where Children’s Museum was—and the Pro Arts property), the “south edge” (where the Visitor Center is currently located). Each of these “opportunity areas (as identified in the Capitol Master Plan) have had some level of planning completed previously.

target would be to reduce this to the standard of 215 square feet per full-time equivalent. Examples of public- and private-sector offices from other states and other nations show that even further reductions are possible through the emphasis on more efficient workspace designs and mobile work-force strategies.

State Education

State Education employment was allocated to:

- The Evergreen State College Campus
- Three campuses of South Puget Sound Community College:
 - Existing Mottman Campus in Olympia
 - Future (and possibly short term) campus in Woodland Square, and the
 - Vacant site designated for a future campus in Hawks Prairie.

The projected distribution of State employment is shown in

Table 5.

Table 5: Location of State Employment within Thurston County, 1994 to 2012 and 2035 Forecast.

Jurisdiction	1994	1998	2005 ¹	2008	2012	2035
Lacey & UGA	2,620 13%	2,570 12%	3,550 16%	3,150 13%	2,396 10%	4,372 15%
Olympia & UGA	12,300 62%	14,260 66%	12,040 53%	12,210 50%	12,096 53%	14,360 49%
Tumwater & UGA	4,120 21%	3,720 17%	6,030 26%	7,970 32%	7,502 33%	9,158 31%
Other Locations in Thurston County ²	790 4%	1,200 6%	1,210 5%	1,210 5%	840 4%	1,397 5%
Total	19,830 100%	21,750 100%	22,830 100%	24,540 100%	22,834 100%	29,287 100%

Source: Washington State Departments of Employment Security and General Administration; TRPC.

Explanation: Numbers may not add due to rounding. ¹2003 employment numbers allocated to 2005 locations. ²Includes The Evergreen State College; Maple Lane Facility was closed in 2012; 2035 forecast assumes the reuse of this facility.

Local and Tribal Governments

The regional model forecast local and tribal government employment as one category. For the forecast allocations, the forecasts are generated for the following categories:

- Tribal Government
- Schools Districts
- Cities/Towns
- Thurston County
- Fire Districts
- Libraries
- Other Local Government

The assumptions are:

- Growth in Tribal Government will grow at a robust pace as the Nisqually Indian Tribe in particular expands their Public Safety Facility⁵
- School District employment will grow at the same rate as school-age population
- Employment by Thurston County government has already downsized since the 2008 estimate; growth is expected to occur over the long-term horizon, but at a slower pace than before
- Growth in the remaining government sectors will be at a lower-pace than School District Employment

A summary is provided in Table 6.

Table 6: Local and Tribal Government Employment Forecast.

Sector	Estimate 2003		Estimate 2008		Forecast 2035		Av. Ann. Rate of Growth	
	Number	Share	Number	Share	Number	Share	2003-2008	2008-2035
Tribal Government	254	2.5%	297	2.9%	417	3.0%	3.2%	1.3%
Schools Districts ¹	6,383	63.8%	6,298	60.8%	8,935	63.4%	-0.3%	1.4%
Cities/Towns	1,045	10.4%	1,165	11.2%	1,579	11.2%	2.2%	1.2%
Thurston County	1,197	12.0%	1,418	13.7%	1,582	11.2%	3.4%	0.4%
Fire Districts	303	3.0%	264	2.5%	350	2.5%	-2.7%	1.1%
Libraries	184	1.8%	226	2.2%	300	2.1%	4.2%	1.1%
Other Local Government ²	642	6.4%	694	6.7%	921	6.5%	1.6%	1.1%
Total	10,008	100.0%	10,362	100.0%	14,084	100.0%	0.7%	1.2%

⁵ Please note that Tribal Services/Enterprises such as hotels, retail stores, and casinos are forecast in a separate category. Tribal Government Facilities for the Confederated Tribes of the Chehalis Reservation are in Grays Harbor County.

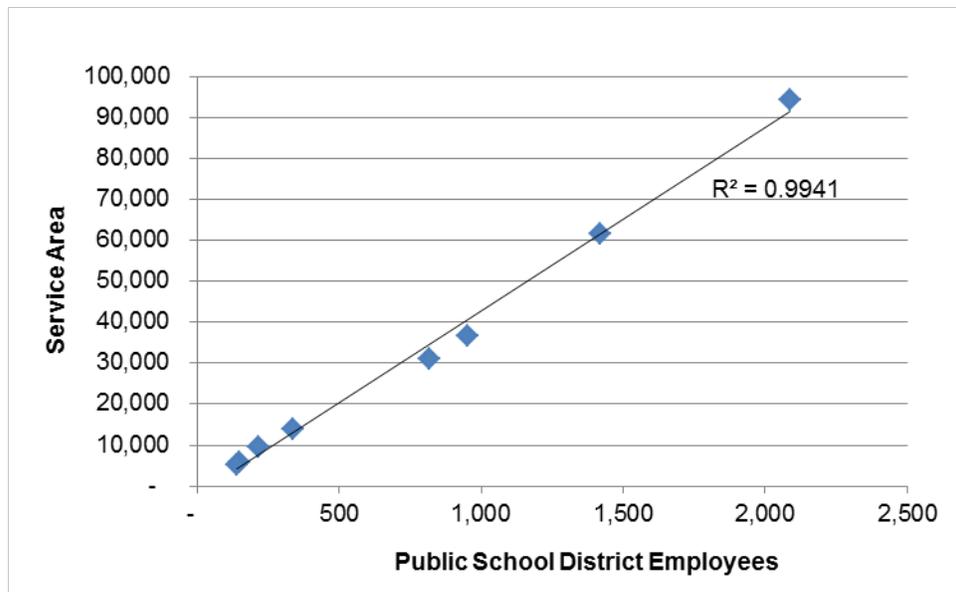
Tribal Government Forecasts

The Nisqually Indian Tribe is in the midst of expanding its services. An administration building is under construction near the existing Tribal Government Facilities. By 2013/2014, the Tribe's public safety facility will open. This facility is expected to have beds for 288 people, and add another 75 or so jobs. In addition, it is expected that the Tribe will invest in a new water system, wastewater treatment plant, and roadway improvements over the next 20 years. This, in addition to expansion of existing government services, will lead to robust growth in tribal government employment over the next 20 years.

Public Schools Forecasts

Thurston County has eight public school districts with schools within county boundaries. The number of kindergarten through grade 12 public education employees is strongly correlated with service area population, as shown in Figure 2.

Figure 2: Relationship between Service Area Population and K-12 Public Education Employees, 2010.



Note: Adjusted for Griffin School District students attending Capital High School in Olympia School District. Yelm service population includes McKenna. Does not include employees related to providing school transportation.

The forecast assumes that employment in Local Public schools (kindergarten through grade twelve) will be proportional to the service area population – with adjustment for the percentage of K-12 school-aged children county-wide. School district forecasts were allocated based on expected population growth adjusted by school district specific factors. Details regarding school district estimates can be found in Appendix 3.

Cities/Towns and Fire Districts

Growth forecasts for cities, towns, and fire districts were based on forecasts of service population. Three cities have municipal fire departments (Bucoda, Olympia, and Tumwater). The forecasts for the fire departments were developed with the forecasts for fire districts. All forecasts include the assumption that the urban growth areas of Tumwater and Olympia will be annexed during the planning horizon, fire department service areas will extend to city limits.

The forecast are shown in Table 7.

Table 7: Forecast for Cities, Towns, and Fire District Service Population and Employment, 2010 to 2035.

	Service Population				Employment			
	2010		2035 ¹		2010		2035	
Cities (excluding Fire Departments)								
Bucoda	562	0%	1,064	0%	3	0%	6	0%
Lacey	42,398	36%	107,717	40%	326	31%	518	36%
Olympia	46,513	40%	84,396	31%	489	46%	570	40%
Rainier	1,794	2%	3,148	1%	6	1%	16	1%
Tenino	1,695	1%	3,189	1%	19	2%	15	1%
Tumwater	17,334	15%	42,883	16%	154	15%	210	15%
Yelm	6,777	6%	26,283	10%	58	5%	100	7%
Total	117,073	100%	268,682	100%	1,055	100%	1,435	100%
Municipal Fire Departments²								
Bucoda Fire Department	562	0%	1,064	0%	3	1%	4	1%
Olympia Fire Department	46,513	18%	84,396	23%	82	22%	101	20%
Tumwater Fire Department ³	18,464	7%	42,883	12%	25	7%	39	8%
Fire Districts								
01 - Rochester	12,280	5%	15,322	4%	25	7%	30	6%
02 - Yelm	17,540	7%	37,668	10%	18	5%	50	10%
03 - Lacey	86,420	34%	111,910	30%	96	26%	137	28%
04 - Rainier	5,240	2%	7,621	2%	18	5%	22	4%
05 - Black Lake	5,300	2%	4,222	1%	9	2%	7	1%
06 - East Olympia	12,440	5%	9,609	3%	15	4%	10	2%
07 - North Olympia	4,030	2%	4,238	1%	6	2%	6	1%
08 - South Bay	7,780	3%	10,508	3%	16	4%	20	4%
09 - McLane	10,260	4%	8,441	2%	26	7%	23	5%
11 - Littlerock	9,450	4%	10,690	3%	18	5%	20	4%
12 - Tenino	5,990	2%	8,553	2%	6	2%	10	2%
13 - Griffin	5,000	2%	5,627	2%	5	1%	6	1%
16 - Gibson Valley	570	0%	1,004	0%	2	1%	3	1%
17 - Bald Hills	3,960	2%	5,331	1%	4	1%	6	1%
Total	251,799	100%	369,087	100%	374	100%	495	100%

¹ Future service population assumes annexation of unincorporated growth area. ² Municipal Fire Department Employment included in city totals in summary tables. ³ Tumwater Fire Department provides services to Munn Lake Fire District.

Thurston County, Libraries, Other Local Government

Employment for Thurston County, Libraries, and Other Local Government was allocated to existing sites.

Tribal Enterprise

Growth in Tribal Enterprise employment was allocated to both the Nisqually Indian Tribe and Confederated Tribes of the Chehalis Reservation, including new tribal enterprises in the Hawks Prairie — Gateway site.

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Employment Allocations

Table 8: Employment Forecast Allocations by Jurisdiction.

Jurisdiction	Resources		Industrial		Commercial		Government		Total	
	2010	2035	2010	2035	2010	2035	2010	2035	2010	2035
Bucoda City	3	3	8	30	119	221	8	12	138	266
Lacey City	74	74	2,468	4,753	16,127	26,125	4,956	6,761	23,626	37,713
Lacey UGA	245	219	1,106	1,997	3,259	5,971	705	1,220	5,314	9,407
Olympia City	91	91	2,761	4,751	32,239	45,832	16,256	18,977	51,346	69,651
Olympia UGA	13	13	407	588	1,210	1,669	112	294	1,741	2,564
Rainier City	3	3	53	89	216	343	170	215	441	650
Rainier UGA	-	-	3	39	9	42	-	-	12	80
Tenino City	36	36	82	187	519	928	249	298	887	1,449
Tenino UGA	-	-	0	2	1	5	-	-	1	8
Tumwater City	41	41	3,143	4,547	8,436	13,674	9,469	11,387	21,089	29,649
Tumwater UGA	53	53	1,063	1,430	1,014	1,590	276	544	2,406	3,616
Yelm City	12	12	345	1,322	2,919	8,250	717	1,154	3,993	10,739
Yelm UGA	72	72	23	124	105	325	71	71	271	592
Grand Mound UGA	20	20	143	215	680	1,024	276	208	1,120	1,467
Chehalis* Reservation	19	19	5	36	599	1,219	-	-	623	1,273
Nisqually* Reservation	5	5	7	49	667	1,290	200	313	879	1,657
County Rural	2,203	2,203	2,839	3,535	7,507	8,868	2,041	3,032	14,590	17,638
Total	2,889	2,863	14,458	23,692	75,624	117,376	35,506	44,486	128,477	188,417

Note: * Tribal enterprises such as hotels and casino are included in commercial. Industrial includes construction which is distributed to anticipated construction sites.

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Appendix 1: Crossover between SIC and NAICS codes

Both SIC and NAICS codes identify a firm's primary business activity. NAICS codes, however, provide a greater level of detail about a firm's activity than SIC codes. NAICS includes 1,170 industries and SIC includes 1,004 industries. There are 358 new industries recognized in NAICS, 250 of which are services producing industries. Additionally, NAICS codes are based on a consistent, economic concept, while SIC codes are not. For NAICS codes, establishments that use the same or similar processes to produce goods or services are grouped together. Industries under the SIC codes were grouped together based on either demand or production. The NAICS codes were developed by the U.S. federal government in cooperation with Canadian and Mexican statistical agencies.

Error! Reference source not found. shows the relationship between SIC and NAICS codes for Thurston County employment.

For some categories, the SIC categories are essentially folded into a corresponding NAICS category. Examples of these are:

- Agriculture, once agricultural services such as veterinarians are removed.
- Mining
- Construction
- Retail Trade (for the most part)
- Insurance
- Health Services
- Government (not shown in table)

Others, such as services, have been redistributed into new categories based on how the services are produced, rather than to whom they are distributed.

Table 9: The relationship between SIC and NAICS categories for 2008 covered private employment in Thurston County.

NAICS Sectors (2012 Forecast)

SIC Sectors (2004-2007 Forecast)	Agriculture	Forestry and Fishing	Mining	Utilities	Construction	Manufacturing	Wholesale Trade	Retail Trade	Transportation and Warehousing	Information	Finance and Insurance	Real Estate, Rental and Leasing	Professional Services	Education Services	Health Care and Social Assistance	Arts, Entertainment and Recreation	Accommodation and Food Services	Other Services	Total
Agriculture, except agriculture services	100%																		100%
Forestry, fishing, & hunting	9%	90%											1%						100%
Mining			100%																100%
Construction					99%								1%						100%
Manufacturing - Durable Goods		11%				87%	1%											1%	100%
Manufacturing - Non-durable Goods						82%				15%			3%						100%
Transportation, except trans. services								81%				6%	9%		3%	1%			100%
Communications								9%		91%									100%
Utilities				93%									7%						100%
Wholesale trade							82%												100%
Retail trade - Auto dealers & service stations								100%											100%
Retail trade - Eating & drinking places																	100%		100%
Retail trade – Except those listed above					1%	1%	<1%	96%	1%		<1%		2%				100%		100%
Finance											77%		23%						100%
Insurance											100%								100%
Real estate					5%							93%	1%					1%	100%
Services - Consumer Services							<1%	1%	1%	2%		1%	9%	9%	20%	11%	5%	41%	100%
Services - Producer Services					1%		1%	1%		7%	<1%	3%	88%	<1%	<1%	<1%	<1%	<1%	100%
Services - Health Services						1%									99%				100%

Appendix 2: Sources of Data and Base Year Employment Estimates

Covered Employment and Total Employment

Employment records are available from two sources at the county level.

- Covered Employment: The Washington State Employment Securities Department maintains a database of worksites and employees for all employed persons covered by the Washington Employment Security Act or by Title 5, U.S.C. 85. Covered employment is approximately 73 percent of the workforce in Thurston County.
- Total Employment: The U.S. Department of Commerce, Bureau of Economic Analysis provides estimates of total employment by employment sector at the county-wide level through the Regional Economic Information System (REIS) system.

Examples of non-covered employment includes:

- Self-employed workers (sole proprietors, partnerships, tax-exempt cooperatives)
- Railroad employees
- Military employees
- Farm workers
- Casual labor
- Newspaper carriers
- Insurance and real estate agents receiving commissions
- Enrolled students working for a school
- Private schools and religious organizations (partially reported)
- Nonprofit organizations with fewer than four employees
- Certain family employment
- Certain construction, contractor, barber, hairdressing, and cosmetology services

Both covered and total employment are measured as average jobs over a specified time period, and include both full and part-time jobs.

Employment Estimates – Covered Employment

TRPC entered into a Memorandum of Understanding with the Washington State Employment Security Department (ESD) to utilize covered employment data as the base year data for the 2010 Population and Employment forecast. Records on number of employees by sector were provided to TRPC in a database format, with the firm name and address included for each record. Firms were located to X-Y coordinates using the following methodology:

- For private firms with 10 or more employees, addresses were matched to tax-parcel addresses. Care was taken to ensure that buildings of sufficient size were located on the site to accommodate the stated number of employees. If discrepancies occurred, records were researched and fixed individually. It should be noted that for some businesses such as employment agencies, where the

agency headquarters is not the place of business for all employees, employees were assigned to suitable locations.

- For private firms with less than 10 employees, addresses were either matched to a nearby parcel with geo-coding software, or matched to tax parcel address. Employee counts for firms without valid address records were assigned to suitable locations.
- Employment at government sites is generally reported by the main address of the employer. TRPC worked with local jurisdictions and the state Department of General Administration to break down employment by site for each agency or jurisdiction. Sites were located to individual tax-parcels for increased accuracy.
- Some firms did not have valid addresses. Their employees were allocated along with the non-covered employment.

Non-Covered Employment

In order to estimate total employment, estimates of non-covered employment were developed and allocated to suitable locations.

Allocations of non-covered employees fell into three major categories:

- Home-based – Census 2000 provided some information on the number of people who reported a journey to work of less than 5 minutes. These employees were assumed, for the most part, to be home-based employees. Assuming that the majority of home-based employees tend to be self-employed or sole-proprietors, and that many of the part-time jobs are held by home-based employees, a proportion of the allocated employees were assigned to residential areas.
- Site-based or existing employment sites – using the assumption that the proprietors would tend to be located near their employees, some employees were located to existing sites of the same employment sector. The employees were allocated evenly to all sites – the base assumption being that those sites that tend to report a small number of employees were likely to be owned by a local proprietor rather than a national chain.
- Other – for some sectors employees were allocated to other likely sites. In the mining sector for instance, all the mines in the county were located and a few employees assigned to each site. For the agriculture sector, large farms were identified and each assigned a few employees. In the retail and services sectors, employees were assigned to small stores or offices (depending on the sector) where small businesses with sole proprietors are likely located (Table 9).

Table 10: First Quarter 2008 Total Employment Estimates and Allocation Methods for Thurston County

Industry	Total Emp.	Emp. with Valid Addresses	Total to Allocate ¹	Allocation Methods			Home-based Estimate	
				Home-based	Site-based	Other	Number	% of Total
Agriculture, Forestry and Fishing, Mining Utilities	3,049	1,405	1,644	0%	0%	100%	-	0%
	278	186	92	0%	0%	100%	-	0%
Construction	7,647	4,279	3,368	50%	20%	30%	1,684	22%
Manufacturing	3,478	3,339	139	0%	100%	0%	-	0%
Wholesale Trade	3,314	2,136	1,178	0%	25%	75%	-	0%
Retail Trade	15,201	11,824	3,377	0%	30%	70%	-	0%
Transportation and Warehousing	2,446	1,516	930	75%	25%	0%	698	29%
Information	1,679	1,357	322	50%	10%	40%	161	10%
Finance and Insurance	4,357	2,354	2,003	50%	25%	25%	1,002	23%
Real Estate, Rental and Leasing	5,609	1,296	4,313	58%	10%	32%	2,502	45%
Professional Services	13,353	6,903	6,450	30%	20%	50%	1,935	14%
Education Services	2,704	865	1,839	50%	0%	50%	920	34%
Health Care and Social Assistance	13,619	10,125	3,494	70%	30%	0%	2,446	18%
Arts, Entertainment and Recreation	2,748	1,093	1,655	50%	0%	50%	828	30%
Accommodation and Food Services	8,625	7,512	1,113	0%	100%	0%	-	0%
Other Services	7,669	4,029	3,640	50%	50%	0%	1,820	24%
Federal	956	956	-	0%	0%	0%	-	0%
State	23,332	23,229	103	0%	0%	100%	-	0%
State Education	1,624	1,408	216	0%	0%	100%	-	0%
Local	10,133	10,133	-	0%	0%	0%	-	0%
Tribal Government	297	297	-	0%	0%	0%	-	0%
Tribal Enterprise	1,208	1,208	-	0%	0%	0%	-	0%
Total	133,326	97,450	35,876	0%	0%	0%	13,993	10%

Table 9: Allocation to Other sites.

NAICS Sector	Other Sites for Allocation of Non-Covered Employment
Agriculture	Farms and nurseries
Forestry and Fishing	Forest lands and other natural resources sites
Mining	Mines
Utilities	Community water systems; other utility sites
Construction	Employment sites with over 10 employees – assume tenant improvement related activities
Wholesale Trade	Other 1: Storage/industrial buildings greater than 1,000 square feet
Retail Trade	Other 2: Offices, stores, services, and shopping centers, smaller proportion to storage/industrial buildings
Information	Other 2 as above
Finance and Insurance	Other 2 as above
Real Estate, Rental and Leasing	Apartments; Real Estate Offices
Professional Services	Other 2 as above
Education Services	Other 3: Offices, stores, services, shopping centers and churches
Arts, Entertainment and Recreation	Other 4: Recreation buildings including bowling alleys, theaters, horse arenas, and skating rinks, plus golf courses. Smaller proportion distributed to offices, shopping centers, and services
Other Services	Other 5: Churches

Update to 2010 Base Year

Employment estimates updated to a 2010 base year using building permits and local knowledge about the movement of large employers.

Appendix 3: Detailed School District Estimates

Table 10: Public School District Forecast.

2010 Estimates		Number
Total K-12 employees		6,366
Estimate of K-12 employees (minus transportation)		6,126
Transportation		240
Total service population ¹		257,780
Estimate of school-age population ²		50,484
Employees per 1,000 school-age children		121
2035 Forecast		
Total service population ¹		376,560
Estimate of school-age population ²		71,501
Estimate of K-12 employees (minus transportation)		8,676
Estimate of total K-12 employees		9,003

Note: ¹Yelm Community Schools service population includes McKenna; ²Only available county-wide from regional forecast.

Table 11: Base year (2010) School District Service Population and Employment.

Public School District	Service Population	Percent	Employment	Percent	Adj factor ¹
Griffin School District	5,810	2.3%	113	1.8%	-0.2%
North Thurston Public Schools	94,140	36.5%	2,100	33.0%	-3.5%
Olympia School District	61,580	23.9%	1,508	23.7%	-0.5%
Rainier School District	5,060	2.0%	157	2.5%	0.5%
Rochester School District	13,900	5.4%	338	5.3%	-0.1%
Tenino School District	9,580	3.7%	218	3.4%	-0.3%
Tumwater School District	36,680	14.2%	1,077	16.9%	2.7%
Yelm Community Schools ²	31,030	12.0%	855	13.4%	1.4%
Total	257,780	100%	6,366	100%	0%

Note: ¹ Adjustment factor is used to adjust for specific district considerations such as Griffin School District students attending Capital High School in the Olympia School District. Tumwater School District hosting the New Market Skills Center, district-specific arrangements regarding contracted versus employees for transportation. ² Yelm Community Schools includes town of McKenna in Pierce County.

Table 12: 2035 Forecast for School District Service Population and Employment.

Public School District	Service			
	Population	Percent	Employment	Percent
Griffin School District	6,550	1.8%	143	1.6%
North Thurston Public Schools	131,200	35.5%	2,878	32.0%
Olympia School District	84,040	22.7%	2,002	22.2%
Rainier School District	12,130	3.3%	341	3.8%
Rochester School District	17,270	4.7%	413	4.6%
Tenino School District	14,280	3.9%	322	3.6%
Tumwater School District	59,840	16.2%	1,700	18.9%
Yelm Community Schools ¹	44,240	12.0%	1,203	13.4%
Total	369,550	100.0%	9,003	100.0%

Note: ¹ Yelm Community Schools includes town of McKenna in Pierce County.

Griffin School District

Currently operates a combined elementary and middle school. High school students attend Capital High School in the Olympia School District. With modest growth projected for this rural school district, it is likely that new students will be accommodated with expansion of the existing facility. The forecast assumes that high school students will continue to attend Capital High School in the Olympia School District.

North Thurston Public Schools

Two new schools have opened in the North Thurston School District since 2008:

- Aspire Middle School
- Chambers Prairie Elementary School.

The six-year Capital Facilities Plan for the North Thurston School District lists a projected need for a

- 5th Middle School in the short term, and a
- 6th Middle School, and a
- 14th Elementary School in the long term.

Olympia School District

The six-year Capital Facilities Plan for the Olympia School District includes:

- A new Olympia Regional Learning Academy (currently housed in the old John Rogers Elementary School Building) at Boulevard and 15th Avenue SE (Old McKinley Site)
- New Intermediate/Middle School at the Muirhead Site adjacent to Centennial Elementary School.
- Additions to Garfield Elementary School and additional portables at other elementary schools.

Longer-term plans include acquisition of land for two new elementary schools.

Rainier School District

The Rainier School District will serve a portion of the Thurston Highlands master-planned community. They have also purchased an 80-acre site for a new school to serve general population growth over the next 20 years.

The anticipated needs are:

- Two new elementary schools to serve Thurston Highlands
- One additional school to serve additional students across all grade levels (assume grade reconfiguration).

Rochester School District

The Rochester School District has no immediate plans for land acquisition or construction. It's likely there will be a need for additional space at existing facilities, or a new school in the 20-year horizon.

The district owns a 20-acre-plus piece of property.

Tenino School District

The Tenino School District has purchased a 40-acre site near Tilley Road. It is likely to house a new school in the future.

Tumwater School District

The six-year Capital Facilities Plan for the Tumwater School District has plans for a

- 7th elementary school by 2016.
- Six high school classrooms with capacity for 150 students.

In the longer term, the District anticipates the need for the following:

- 8th and 9th elementary schools
- Middle and/or high school

Yelm Community Schools

Yelm Community Schools has a projected need for:

- One elementary school to serve Thurston Highlands

It is also likely that there will be the need for:

- An additional high school
- Another elementary school
- An additional middle school

For More Information

Contact Veena Tabbutt, Senior Planner, (360) 956-7575, or email at tabbutv@trpc.org.