

DOWNTOWN PASCO WORK PLAN



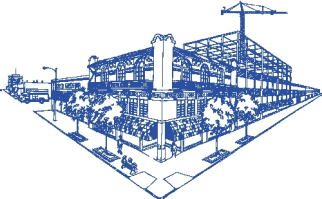
Prepared for:



June 2014

E. D. Hovee & Company, LLC

Economic and Development Services



Downtown Pasco Work Plan:

Prepared for:

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AT-A-GLANCE SUMMARY

This report provides a 1/3/5-year work plan prepared on behalf of the Downtown Pasco Development Authority (DPDA). What follows is a summary of background review analysis and resulting proposed work plan, as detailed through the remainder of this report.

Downtown Pasco Profile. A greater downtown study area defined for purposes of this analysis encompasses 1,979 tax parcels with 598 acres of land area. This area extends from “A” Street on the south to I-182 on the north, 14th Avenue on the west, to the railroad track on the east. Of this, 357 parcels with 110 acres are bounded by the area for focused DPDA attention. The DPDA also accounts for 233 businesses, 47% of which are retail and dining related.

Downtown Pasco was largely built in the 20 years from 1940-60. Currently, 73% of the land area is taxable, with the remainder comprising public and non-profit uses exempt from property tax. The greatest concentration of taxable commercial property is found in the DPDA core (with the 100% retail corner being 4th and Lewis). While much of the greater downtown is well utilized, about 17% of the land area is underused, offering the most potential for redevelopment.

Stakeholder Perspectives. Based on interviews conducted with a diverse set of downtown stakeholders, business prospects generally look good across the region for at least the near-term. The Tri-Cities are somewhat unique in offering not one, but three downtown centers for business, government and cultural activities. This creates the need for each downtown – including Pasco – to carve its own **distinctive niche** in the regional marketplace.

Topics of importance to those interviewed included discussion of the business climate for the core area, downtown customers, economic anchors, authentic building fabric, and future development opportunities. Suggestions for the DPDA work program are distinguished between existing programs of the Farmers Market, Specialty Kitchen, promotions and facade program. Prospective opportunities cover all four points of the nationally recognized Main Street program – organization, promotion, design, and economic restructuring.

Demographic & Market Overview. With 65,600 residents as of 2013, Pasco has been and is expected to continue growing faster than its counterparts elsewhere in the Tri-Cities and statewide. Visitor spending represents an important source of added economic potential. The regional market is already well served across many retail store types, but with opportunity for added retail in general merchandise, specialty/miscellaneous retail, and dining.

Strategic Options. Three potential options have been identified and reviewed with DPDA:

- Status Quo
- Retail Enhancement
- Mixed Use Development

A focus on **retail core enhancement** is recommended for the next 1-3 years with **mixed use development** becoming more pivotal in years 3-5 of a DPDA work plan. A draft of the plan was reviewed with the DPDA Board on May 15; public input was received at a meeting on June 4.

Work Plan. Guiding principles of the work plan are to build from strengths, be business driven, deepen and broaden the downtown customer base, go entrepreneurial, and plan for bi-annual plan updates. The resulting recommended DPDA work plan is comprised of specific actionable tasks, as depicted by the summary chart below.

Proposed Downtown Pasco Work Plan Overview (1/3/5 Years)

Year 1 Action:	
Customer Outreach: <ul style="list-style-type: none"> Internet & Social Media Presence Downtown Pasco Calendar Downtown Wi-Fi Downtown Customer Survey Pocket Park Clean-up Sponsor/Rewards Program Scholarship Grants 	Business Outreach: <ul style="list-style-type: none"> Expand DPDA Boundary Main Street Accreditation Property Development: <ul style="list-style-type: none"> Downtown Property Inventory Facade <i>Plus</i> Grant Program Brokers Breakfast
Years 1/3 (Depending on Readiness):	
Customer Outreach: <ul style="list-style-type: none"> Downtown Police Enforcement 	Business Outreach: <ul style="list-style-type: none"> Specialty Kitchen Enhancement Restaurant Recruitment Business Smart Seminars Property Development: <ul style="list-style-type: none"> PFM/PSK Expansion
Year 3 Action:	
Customer Outreach: <ul style="list-style-type: none"> DPDA Year 3-5 Operating Budget Downtown Signage Buy Downtown Campaign Friends of the Market Campaign Add 3rd/4th Annual Downtown Events 	Business Outreach: <ul style="list-style-type: none"> Business of the Month Award DPDA Membership Vacant Building Initiative Property Development: <ul style="list-style-type: none"> Downtown Investors Guide Building Design Handbook Property Re-Use Marketing
Year 5 Action:	
Customer Outreach: <ul style="list-style-type: none"> Parking Management 	Business Outreach (Could be Years 3/5): <ul style="list-style-type: none"> Lewis Street Overpass River Trail & DT Streetscape Plan Property Development: <ul style="list-style-type: none"> Mixed Use Development

Added project details are provided in the full report, especially for Year 1 actions. This work plan is intended to be revised and updated every other year. After 5 years, a full re-evaluation of plan successes, lessons learned, and evaluation of new opportunities is suggested.

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I. DPDA WORK PLAN INTRODUCTION

In cooperation with the City of Pasco, the Downtown Pasco Development Authority (DPDA) is preparing a strategic work program aimed to identify major public-private downtown initiatives to be implemented over the next 3-5 years.

Preparation of this Downtown Pasco work plan comes at an opportune time. The DPDA now is entering its 3rd year of operation with an established track record and leadership commitment to substantially *ramp up* business and investment activity for a re-energized downtown. This is a preliminary work plan *background report* introduced, first, by briefly profiling the DPDA and, second, by describing specific purposes of this work plan process.

DPDA PROFILE

Like other cities in Washington state and nationally, a public-private partnership has been forged over several decades to maintain and revitalize an active downtown business, civic and cultural core benefitting the greater Pasco community. As in other cities, both the organizational structure and the focus of downtown revitalization has changed over time – with two distinct phases noted in Downtown Pasco.

Initial PDDA Formation. Downtown-specific economic development activities date to 1985 with creation by business owners of the Pasco Downtown Development Association (PDDA) as a private organization to “revitalize the downtown and serve as an advocate for its members.”

In partnership with the City of Pasco, PDDA created the Pasco Farmers Market (PFM) in 1988 and the Pasco Specialty Kitchen (PSK) in 2002. PDDA also has organized downtown’s annual Cinco de May celebration and the Fiery Foods Festival. As an incentive for downtown building improvements, PDDA and the City have also implemented a Facade Improvement Program – with several completed projects to date.

Transition to DPDA. In 2012, PDDA transferred the responsibility for PFM and PSK to a newly created Downtown Pasco Development Authority (DPDA). DPDA operates as a public development authority established by the City of Pasco. As a public development authority and 501(c)3 non-profit, the organization has broader capabilities than previously to pursue its mission to “strengthen and develop Downtown Pasco” in the years ahead.

DPDA Mission & Vision

Our Mission: The mission of the DPDA is to strengthen and develop Downtown Pasco as a center for culture, business, and community spirit.

We accomplish this by promoting public safety, encouraging cultural understanding, strengthening and fostering a diverse business mix, improving Downtown’s appearance, providing business education, and serving as a liaison between local government and the Pasco community.

Our Vision: Downtown Pasco is an economically vibrant, culturally diverse destination for a family-friendly experience.

Source:
www.downtownpasco.com

With a 9-member board of directors, DPDA enlists volunteer committees consistent with *Main Street* principles of organization, promotion, design, and economic restructuring.

As of 2013, DPDA operated on revenues of about \$210,000. About half was generated as earned income from PFM and PSK activities and festivals plus public donations. The remaining 50% was funded through the City of Pasco from community development block grant and operating subsidy funding. Currently, DPDA is not a membership organization.

WORK PLAN PURPOSES

A downtown work plan is intended to be **action-oriented**. It should guide programs and activities of DPDA together with supportive efforts of other interested public and private partners, including the City of Pasco.

The work plan is to be comprised of discrete, actionable tasks. For each task or component activity, recommended implementation is to include delineation of anticipated lead organization and support responsibilities, timing focused on 1/3/5-year time periods, and anticipated resources required.

To get to the plan, purposes of this report document are to:

- Profile the Downtown Pasco area both in terms of the greater downtown and the more focused retail area, which reflects the current scope of DPDA responsibility.
- Obtain the perspectives of a diversity of stakeholders as to the regional business outlook, downtown strengths and weaknesses, and potential components of a 1/3/5-year DPDA work plan.
- Outline and evaluate strategic options – potentially ranging from status quo to retail enhancement to encouragement of new development.
- Obtain DPDA review and direction as to a preferred strategic option.
- Prepare a draft work plan addressing topics including business outreach, promotion/marketing, real estate marketing, and incorporation of the Main Street Four-Point approach to organization, promotion, design, and economic restructuring.¹

DPDA Enterprise Programs

Pasco Farmers Market

(PFM) has been operated since 1988 by PDDA, and then its successor organization DPDA, in partnership with the City of Pasco. Revenues from the Market are used for the revitalization of Downtown Pasco.

Using the tag line “*We have what you’re hungry for,*” what is now being renamed as the *Pasco Local Market* operates in season on Saturdays from 8 am - 1 pm and Wednesdays from 8 am - noon. The market features organic, locally grown and farm food plus live music/entertainment, free wine tasting, and covered pavilions for shopping in any weather.

Pasco Specialty Kitchen

(PSK) is a shared, certified commercial kitchen and another DPDA program. The facility is a business incubator for small, food-based businesses. The kitchen is available for rent by the hour to qualifying small businesses. Pasco Specialty Kitchen receives supplemental grant funding through the City of Pasco’s Community Development Block Grant funding in order to keep rental rates affordable. Revenues from the Kitchen are also used for the revitalization of Downtown Pasco.

WORK PLAN PROCESS

On behalf of DPDA and the City of Pasco, this work plan document has been prepared by the economic and development consultant E. D. Hovee & Company, LLC following a two-step process:²

- Preparation of an initial background report encompassing Sections I-V of this work plan document. The background report has provided the downtown, stakeholder and market context that is critical to realistically define and assess strategic options for the DPDA over the next five years.
- Based on review of this background report, the second step has been to prepare a detailed work plan – built around guiding objectives and followed by outlining a 1/3/5-year plan. Added detail is provided for the first year (2015) plan.
- A *review draft* of the plan was discussed with the DPDA Board on May 15, 2014. A public meeting was conducted at the Booth Building of the Pasco School District on June 4. Representatives of Hispanic business and civic interest participated with translation services provided. Comments from both sessions have been addressed in the work plan as described in Section VI of this report.

REPORT ORGANIZATION

The remainder of this work plan report is organized to cover the following topics:

Downtown Pasco Profile
Stakeholder Perspectives
Demographic & Market Overview
DPDA Strategic Options
DPDA Work Plan

Two appendices are also included with this Downtown Pasco Work Plan report. Appendix A briefly profiles the economic and development consulting firm E. D. Hovee & Company, LLC as preparer of this report. Appendix B provides detailed supplemental data tables.

II. DOWNTOWN PASCO PROFILE

Understanding the geography and the land use character of the downtown area is pivotal to identifying critical opportunities and issues to address with a DPDA work plan. This work plan report begins with a profile of Downtown Pasco – covering a downtown definition and area characteristics and businesses.

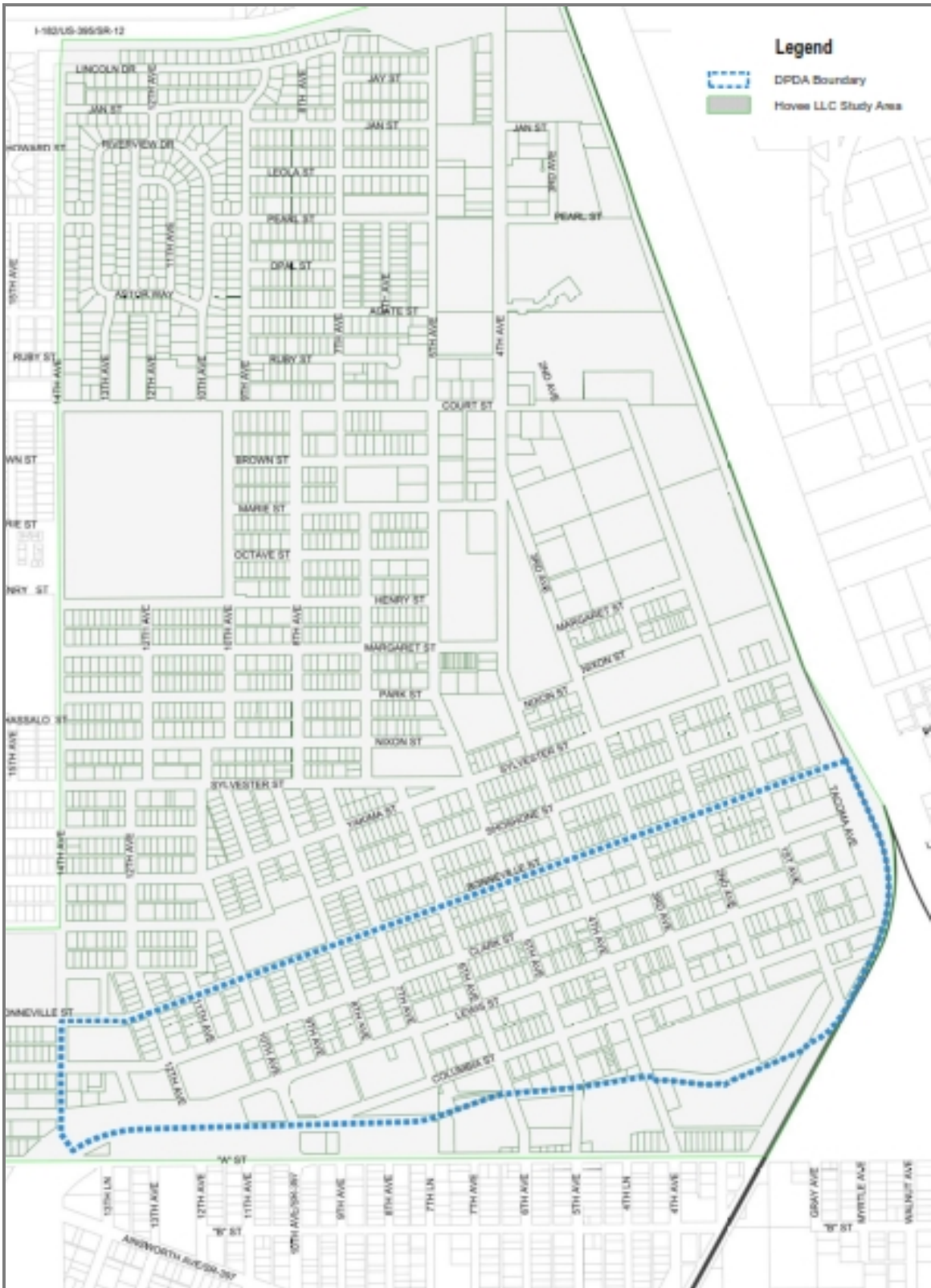
DOWNTOWN DEFINITION

As illustrated by the map on the following page, two potential definitions of the Downtown Pasco area are considered throughout this report:

- **DPDA Boundary** – This is the geographic area of the retail core for focused attention, which is encompassed by the original PDDA organization and currently by the DPDA. The DPDA area is bounded on the north by Bonneville Street, on the south between Columbia and “A” Streets, on the west by 14th Avenue, and on the east by Tacoma Avenue and rail yard area.
- **Greater Downtown Study Area** – This is a larger geographic area, which includes the DPDA area but extends further north to the I-182/SR-395/SR-12 freeway corridor and also includes major City/County offices, Lourdes Medical Center, Volunteer Park, and residential areas to the west. This larger study area (also denoted as Hovee LLC Study Area) is bounded by the freeway corridor on the north, “A” Street on the South, 14th Avenue on the west, and Tacoma Avenue/rail yards on the east.

Total land area encompassed by the DPDA boundary is 110 acres. The Greater Downtown Study Area is estimated as 598 acres. This land area covers tax parcels as identified by the City of Pasco. Not included is land area associated with public rights-of-way or related transportation corridors.

Current DPDA & Greater Downtown Study Area Boundaries



Sources: City of Pasco and E. D. Hovee & Company, LLC.

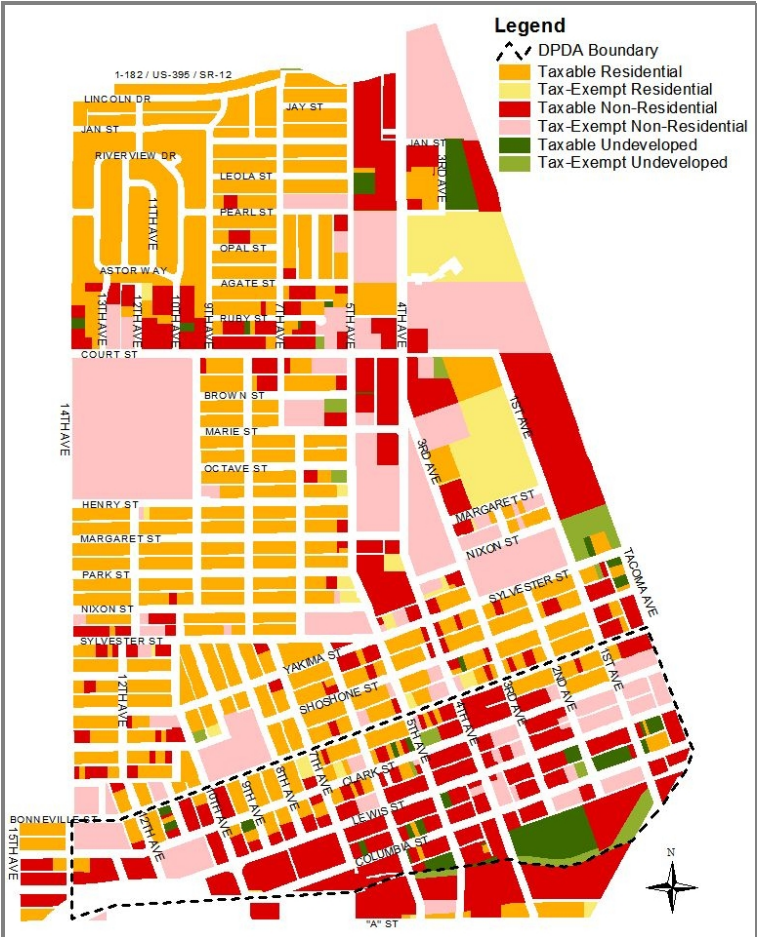
DOWNTOWN AREA CHARACTERISTICS

Key characteristics considered based on GIS/Assessor’s data as provided by the City of Pasco include land use and taxable status, age of building structures, and patterns of improvement valuation relative to land valuation. This greater downtown study area comprises 1,979 tax parcels with 598 acres of land area. Of this, 357 parcels totaling 110 acres are in the DPDA area.

Use & Taxable Status. The map to the right shows residential and non-residential use together with taxable versus non-taxable status:

- Throughout the greater downtown, 73% of the land is taxable and 27% is exempt from property tax. Public and other tax exempt acreage is particularly pronounced at north of the DPDA boundary (and at the eastern and western edges of the DPDA area).
- Tax-exempt entities include the Pasco School District, City of Pasco, Franklin County, Housing Authority of Pasco, as well as non-profits, and some medical center and railroad properties.
- The greatest concentration of taxable non-residential property is in the core of the DPDA area – but also to the north along 4th and Court Streets.
- Residential uses tend to be situated north of the DPDA (and partially within the DPDA in the blocks from about Clark to Bonneville).
- Approximately 12% of the land area is shown as vacant/underdeveloped (with no identified improvements valuation). Another 5% is developed, but with low value uses.

Residential/Non-Residential Use & Taxable Status



Sources: City of Pasco, Franklin County Assessor, and E. D. Hovee & Company, LLC.

Overall, land uses in the DPDA core are commercially focused; uses elsewhere in the greater downtown are more diverse, but with substantial public and institutional employment activity.

Age of Structure. Out of 1,979 tax parcels, 1,791 (over 90%) include information as to the year when a structure on-site was built. As indicated by the chart below, the majority of tax parcels (59%) had structures built during the two decades from between 1940-60. Less than 2% of tax parcels have had new structures completed from 2000 to the present.

Age Distribution of Greater Downtown Area Structures

Year Built	# of Parcels	% of Total
2010-Present	7	0.4%
2000-09	27	1.5%
1990-99	29	1.6%
1980-89	22	1.2%
1970-79	83	4.6%
1960-69	171	9.5%
1950-59	644	36.0%
1940-49	415	23.2%
1930-39	161	9.0%
1920-29	110	6.1%
1910-19	89	5.0%
1900-09	30	1.7%
Pre-1900	3	0.2%
Total*	1,791	100.0%

* Note: Covers tax parcels in the greater Downtown area for which a year built is indicated.

Sources: City of Pasco, Franklin County Assessor, and E. D. Hovee & Company, LLC.

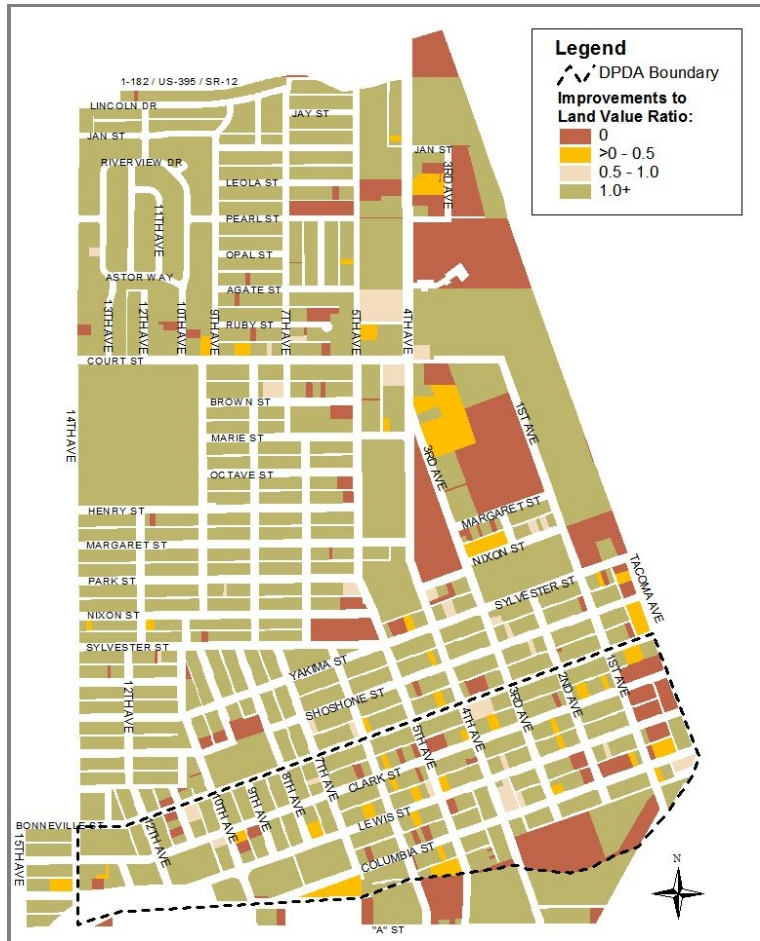
The re-emergence of new non-residential and residential construction (as well as building rehabilitation) will be a clear sign of renewed vitality for the DPDA core and greater downtown area. This will occur after property occupancies, rents and values have increased to the point needed to support the costs of new construction and major remodeling.

Improvements to Land Value. The following map depicts the relationship of building (or other) improvements to land value using market value assessment information from Benton County. Improvement to land value (or I:L) ratios are illustrated on a parcel by parcel basis.

Key observations are noted as follows:

- For the entire downtown study area, approximately 73 acres (12% of the total) are indicated as having no improvements value. The majority of this acreage is located east of 4th Avenue. Approximately 63% of this land area consists of tax-exempt properties. The 27 acres that are taxable (privately owned) but with no improvements value may represent the best opportunities for new development in the years ahead.
- About 20 acres have improvements valued at less than 50% of land value; of this, 14 acres represent underutilized taxable properties that also may include selected opportunities for new construction or redevelopment. These sites tend to be smaller and relatively dispersed parcels for infill development, especially in the DPDA boundary.
- 10 acres have improvements valued at 50-100% of land value. While there may be property-specific opportunities for additional development on-site, these are less likely to experience wholesale redevelopment in the foreseeable future.
- Finally, 495 acres have improvements valued at more than land value. These sites representing 83% of downtown area acreage are the least likely to experience full-scale redevelopment. However, there may be opportunities for re-investment to make the existing buildings more attractive for higher value activity, especially in the downtown core area. Higher value properties include 75% of land in the DPDA core area and also much of the residential area situated toward the western side of the greater downtown.

Improvements to Land (I:L) Valuation



Sources: City of Pasco and E. D. Hovee & Company, LLC.

DOWNTOWN BUSINESSES

Based on City of Pasco permit data, there are a total of 233 businesses located within the downtown core area, which is within the primary purview of the DPDA.

DPDA Area Business Inventory (2013)

Type of Business	# of Businesses	% of Total
Auto Service	15	6.4%
Business/Professional/Real Estate Service	57	24.5%
Dining	13	5.6%
Financial Service	5	2.1%
Health Service	4	1.7%
Lodging	2	0.9%
Personal Service	39	16.7%
Retail	98	42.1%
Total	233	100.0%

Source: E. D. Hovee & Company, LLC.

Of the 233 businesses:

- Just under half (48%) are retail and dining businesses.
- A majority of businesses are service-related – led by business-related services and then followed by personal, auto, financial, health, and lodging-related services.

Some businesses may well be disproportionate in economic importance as compared to their numerical listing. For example, Fiesta Foods is a major downtown employer as one of 98 identified retailers. Similarly, Moon Security is one of 57 business service firms, but has a substantial downtown employment base.

Looking to the future, economic vitality of the downtown will be dependent on re-energizing not just the retail and dining sectors, but also service businesses that represent sources of major employment or entrepreneurship. Some service firms focusing on *business-to-business* services are well suited for non-prime retail locations, as on upper floors of buildings or away from the prime commercial streets of 4th and Lewis.

Other service businesses depend on the general public for their clientele, and so need the street visibility and traffic similar to a pure retailer. Examples range from hair salons to theaters to auto insurance agents.

And some services, notably lodging (as with a boutique hotel), will be dependent on a mix of business and general tourism visitation. Hotel and motel investment generally can be expected to follow clear evidence of existing retail and recreational core area attractions – in a non-suburban environment that is pleasant for walking with pedestrian friendly shops.

III. STAKEHOLDER PERSPECTIVES

An important step taken at the outset of this work plan process has been to interview a representative set of downtown stakeholders. Purposes of the interviews included obtaining a better understanding of the Tri-Cities area business outlook, followed by observations specific to Downtown Pasco. Comments also were received regarding current functional responsibilities of DPDA and work plan options to consider over the next 3-5 years.

INTERVIEW PROCESS

In consultation with DPDA, a cross-section of downtown interests was interviewed. Included were existing and prospective downtown businesses, public agency liaison, and financial, real estate, business development and visitor organizations. Contact and interview arrangements were made through DPDA. Persons interviewed were:

- David Morgan – Versatile (Graphic Design)
- Hector Cruz – Tri -Cities Hispanic Chamber of Commerce and Visitors Bureau
- Isaac Cortez – Bank of the West
- Kevin Cole – Graphic Design/Marketing
- Kevin O’Rourke and Jason Goffard – NAI Tri Cities Commercial Real Estate Services
- Kris Watkins – Tri-Cities Visitor & Convention Bureau
- Michael Goins – DPDA
- Michael Miller – Moon Security (and DPDA Board President)
- Mollie Van Sickle and Donna Mendenhall – Sterling Bank
- Rick White – City of Pasco

Interviews were conducted primarily in person, supplemented by phone interviews. The time and expertise of those who participated is gratefully acknowledged. Comments are aggregated without attribution to specific individuals.

REGIONAL BUSINESS TREND & OUTLOOK

The perspectives of those interviewed coincide with what economic data has to say for the Tri-Cities area. Regional business prospects look good for at least the near-term. Access to local financial services and cost of financing is of great importance to realization of business prospects, especially for small, independent businesses throughout the Tri-Cities.

Among Washington cities, the Tri-Cities are somewhat unique in offering not one, but three downtown centers for business, government and cultural activities. This creates the need for each downtown – including Pasco – to carve its own distinctive niche in the regional marketplace.

Overall Trend & Outlook:

- The Tri-Cities economy fared better than most through the economic downturn. While Hanford has been and remains a significant presence for the Tri-Cities, the region's economy is increasingly diverse.
- Other economic anchors are noted as including agriculture, bio and high technology, manufacturing, service firms, and government. The overall business trend for the Tri-Cities is described by one interviewee as "still strong" and with not many businesses closing.
- Strong market activity is currently reported for industrial development together with commercial activities, including retail and medical offices. Columbia Center is perceived as offering the best retail location with the most traffic. Professional service businesses are finding niches offering opportunity to extend the customer base well beyond the Tri-Cities (as is occurring with design and marketing organizations serving the wine industry).
- Tourism is of increasing importance and visitors stay throughout the Tri-Cities area. While Hanford is a major source of business travel, ag-related activity also is a source of business travel to Pasco. Sports and convention-related activity is increasing. As of early 2014, there were three hotel/motel projects under construction or being considered – one each in Richland, Kennewick and Pasco.
- Pasco's Red Lion retains a strong market presence for a competitive portion of the region's convention market – due to room availability, attractive rates, and good service. Attractions to promote include wineries (with the Tri-Cities as the "epicenter"), golf, water recreation, the 2014 opening of the Hanford REACH Interpretive Center, anticipated wine science center, and recreation ranging from trails to rivers.



The iconic Cable Bridge serves as a stunning gateway to Pasco across the Columbia River from Kennewick.

Importance of Financial Service to Business Vitality:

- With economic recovery nationally, commercial lending is again on the upswing. Factors that could blunt continuing economic improvement are recent and prospective increases in interest rates. One local observer cited the prospect of rates increasing by about ¼-½ percentage point this year.
- Of related importance is that national and regional lending institutions have not yet substantially loosened up availability of financing for small businesses – even as credit availability has improved for households and for real estate development. Retail lending is viewed as particularly high risk due to high rates of business turnover.
- Securing a small business loan can be predicated on the owner establishing a relationship covering the full range of their anticipated banking needs. While some businesses have strong assets, others may be operating on a credit card, or in some cases a purely cash, basis. Either approach can make establishing a financing relationship more challenging.

- Lending can be easier to secure for a firm that has multiple lines of business, for example, operating its own business while also leasing space to others in property owned by the firm. Recognizing the large number of “mom and pop” shops, one banker notes their willingness to go to the business owner and provide services such as night drops and remote deposit capture. Banking services extend to include SBA (secured and unsecured), equipment and commercial real estate loans.

Downtowns of the Tri-Cities:

- Among Washington state metro areas, a challenge somewhat unique to the Tri-Cities area is the presence of three geographically separate downtowns – none of which stands out as the *go to* destination for retail, entertainment or cultural activities in the region. Downtown Kennewick is a walkable 2-3 blocks – with a reputation for an active night-scene of taverns/wine bars and night clubs. Richland’s downtown is centered around the Uptown shopping center – originally developed with the Hanford war effort. In recent years, Downtown Pasco has been noted for reaching out to serve the local and region-wide Hispanic population.
- Downtown presence for all of the Tri-Cities is further diluted by the emergence of non-downtown/suburban shopping areas – including Columbia Center in Kennewick, Columbia Point in Richland, and Road 68 in Pasco, as well as numerous added neighborhood and specialty districts.
- As is true in many communities with less urban demographics, the downtown areas of the Tri-Cities are associated with older, less maintained properties accompanied by lower rental rates. Annual retail rents for downtown space reportedly range from about \$10-\$15 per square foot in the three downtowns (and toward the lower end of this range in Pasco), as compared with newer suburban locations ranging between \$18-\$22. Top of the market for office space is the Gage Boulevard area (Kennewick/Richland) with space available at rents of as low as \$15 (but required rates to support new construction more in the range of \$21-\$24 per square foot annually).³

DOWNTOWN PASCO OBSERVATIONS

With the regional outlook in mind, interview conversations turned to Downtown Pasco – both opportunities and challenges. Despite its longstanding role as a major economic and governmental center, Downtown Pasco today appears to be perceived as stable to stagnant.

Key questions to focus on include such items as:

- Who is downtown’s customer? Today and tomorrow?
- What are downtowns anchor uses? How might these change?
- What opportunities exist for building reinvestment? For new development?
- Looking to the next 3-5 years, what else is on the horizon?

Insights offered by those interviewed helps to give a sense of direction in shaping future options, with the DPDA work plan extending over the next five years.

Overall Downtown Business Climate:

- For several of those interviewed, Pasco (and its downtown) is viewed as distinctive if not unique – the first established of the three cities, with the most ethnically diverse population, and the most historic downtown area. Perhaps the most significant credit goes to the “Farmers Market which started to bring new awareness of Downtown Pasco.”
- With more than 230 businesses within just the DPDA boundary area, downtown serves an important role both for major employers and as a small business incubator. However, access into downtown is confusing due to location away from major freeway and travel corridors together with inadequate gateways and wayfinding.
- Business in Downtown Pasco is viewed as relatively “stable or stagnant.” Too many may be selling ethnically oriented apparel and food. What downtown needs is a “big name,” even a Starbucks.
- Despite declining crime rates, the reality or perception of crime is seen as a deterrent to drawing customers and business investment. Pasco police have played a proactive role supportive of downtown improvement, with a focus on community policing and quick response to issues as they arise.

Downtown Customers:

- The perception is that downtown businesses cater primarily to those who live in Pasco, especially those areas closest to the downtown. With more 2nd generation owners, the emphasis is shifting to finding added opportunities for increased business profitability.
- Pasco also has served as the hub of agri-business related activity for the Tri-Cities region. However, there is turnover underway of ag-related business owners and leadership – including more corporate ownership. Of particular importance is the need to cultivate the next

As Downtown & Area Stakeholders See It

Downtown Pasco offers:

“A vibrant cultural destination, you’ll find ethnic restaurants, panaderias (Mexican bakeries) and Hispanic shops and markets.”

- TCVCB “Where to Shop”
Official 2014 Visitor Guide

“... likes what’s happening downtown ... appreciates the Hispanic flavor ... has concern with hand-to-mouth business ... likes downtown retail ... but concerned that there are no restaurants except at the Plaza.”

- DPDA participant

“... Downtown Pasco has long been ignored and it transcends beyond the cultural differences.”

- Stakeholder interviewee

“... get more food choices downtown”

- Business owner

“Some businesses have strong assets ... others do it all on a credit card”

- Regional organization

“... the biggest thing going for Pasco is a handful of people” – both in the public and private sectors.

- Long-time downtown advocate

generation of ag-leaders, especially in terms of changing needs for support business and investment in Pasco’s downtown.

- Advertised by the Tri-Cities Visitor & Convention Bureau (TCVCB) as “the largest open-air, fresh produce farmers’ market in Washington State,” the PFM is regionally promoted as a significant Pasco visitor attraction. Historic Downtown Pasco is promoted specifically as “home of the Pasco Farmers’ Market.”
- Over the last 20 years, a major strength of Downtown Pasco retailing has been its perceived appeal to the Hispanic shopper – with ethnically oriented businesses such as restaurants, bodegas, dress shops, and salons. However, it is less clear today whether this focus is sustainable as the major engine for downtown revitalization. More shoppers of all ethnicities shop at large format stores like Walmart and Costco. Restaurants have almost disappeared from Downtown Pasco.

Economic Anchors:

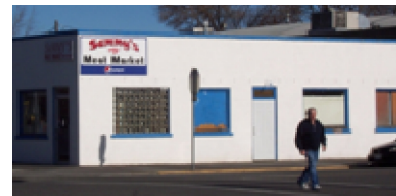
- Major downtown retail anchors include the Fiesta Foods grocery together with major space users such as Mi Casa and La Estrella Furniture, and smaller specialty food merchants such as Viera’s Bakery. The PFM is a pivotal draw, reaching a broader Tri-Cities demographic – with added opportunities related to organic, healthy foods.
- In the greater downtown area, major employment anchors include City of Pasco and Franklin County offices and the Lourdes Medical Center – all situated between the retail core and Interstate 182. Closer to the retail core is perhaps the largest private employer – Moon Security.
- Despite the presence of city and county offices, limited market demand is currently noted for office space in Downtown Pasco. There are few office-related service businesses currently in the downtown core. A CPA firm is cited as an example of a professional service that moved to the Road 100 area to be closer to clients.
- However, renewed interest is expressed by service firms that might consider locating or expanding in



Specialty apparel – a great asset for any downtown. Build on and diversify from what’s working now!



Fiesta Foods – located at the edge of downtown represents a vital economic anchor for the Pasco community.



Closer to the downtown core, this type of traditional specialty market is coming back in vibrant urban neighborhoods across the Pacific Northwest. Specialty grocery thrives on nearby housing and jobs.



The north downtown area is anchored by Volunteer Park and the Franklin County Courthouse.

downtown. For example, an established firm might consider a 2-3 floor expansion in the future. Key needs are convenient highway access together with redundant power and broadband telecommunications capacity.

Authentic Building Fabric:

- With a traditional *100% retail corner* at 4th and Lewis, Downtown Pasco can lay claim to having an historic building fabric that is the most authentic in the Tri-Cities area. As one interviewee noted, downtown represents a “hidden gem” with an authentic market feel from a visitor perspective.
- There is apparent opportunity for renovation of existing buildings, as well as for new development, on underutilized sites as needed to better meet contemporary business needs. Filling building space is suggested by one interviewee as more important than letting the space remain vacant – even if the owner has to take a loss in the early going.

Looking to the Future:

- A service business owner expressed interest to locate downtown for space that might be combined with other service or retail businesses. Businesses that might be interested include firms involved with graphic design, print companies, and small tech-oriented firms – possibly with office incubator or co-working spaces.
- As one interviewee commented, tech firms want nearby services like coffee/espresso shops, fitness center, readily available Wi-Fi, and to operate from buildings with “an exposed look.” Increasingly for these creative firms, “your place is your brand.”
- A question for downtown is whether and in what manner to introduce added housing – especially market rate apartments and possibly live-work units.
- As in many downtowns, there is a perceived lack of adequate downtown parking. Yet numerous lots remain near empty, suggesting opportunities for better management of the available combined public and private sector parking inventories. Mentioned as a



4th & Lewis – Downtown’s 100% retail corner. Northside anchor is the Franklin County Courthouse.



La Estrella – holding down the 100% corner with home furnishings focused on Pasco’s strong Hispanic market.



On Lewis, La Posada East provides affordable, temporary housing for seasonal workers. Downtown Pasco could benefit from more residential rooftops – both affordable and market rate housing (ranging from apartments to townhomes).



Clark Street exemplifies the transition of commercial to residential and institutional/community service uses. Commercial resurgence can be expected to hinge on added, but thoughtful, neighborhood residential investment in years to come.

potential opportunity would be to reduce parking at the PFM site if a portion of the structure were to eventually be enclosed to provide more year-round capability.

- Also cited is the need for public policies to be flexible. The City currently allows residential use above the first floor. Zoning code improvements have included “bold actions” to place needed limitations on pawn shops, used merchandise, and soup kitchens.

EXISTING DPDA RESPONSIBILITIES

Suggestions for the DPDA work program can be distinguished between existing and potential future activities of the organization. What follows are comments related to what is already on the books or already planned for DPDA.

Farmers Market. The PFM is complimented as offering good quality, but with need for more variety (e.g. herbs). In contrast to markets in more temperate climates, hot summer days means that the market closes by 1 pm – limiting options for food vendors. Also of interest is finding vendors capable of providing goods through an extended season beyond September.

Planned is the addition of a “graffiti wall” to bring a more youthful vibe to the market. Permanent vandal-resistant restrooms are mentioned as a priority for the market; longer-term, enclosure for more permanent and weather protected space is also mentioned. A related option would be to utilize a portion of the adjoining building, which could be configured for high ceiling market/dining space together with availability of an existing cooler.

Specialty Kitchen. A new focus is to expand the PSK’s role as business incubator, offering more consultation to entrepreneurs seeking to go from their own kitchen into a sustainable business. Providing Wi-Fi service is one small step that can make a difference for those using the kitchen as a base for their start-up operations. Also offer more consumer oriented classes – such as cuisine for diabetics.

Existing Promotions. DPDA currently is focused on two major festivals – Cinco de Mayo and the Fiery Foods Festival reinstated last year. With about 6,000 attendees this past year, marketing is aimed at both Hispanic and Anglo audiences – as well as to garner corporate sponsorships. A third event with added potential for the future is the Christmas tree lighting.

Facade Program. The City has made available a portion of its Community Development Block Grant (CDBG) program to fund facade grants for downtown businesses such as Viera’s Bakery and the former Mi Hacienda restaurant. Funding is 75% city / 25% business owner.



On Lewis Street, Viera’s Bakery represents a new downtown anchor and an outstanding example of City/DPDA facade improvement program implementation.

PROSPECTIVE DPDA WORK PLAN OPTIONS

The final portion of the interview focused on suggestions as to potential options for DPDA to consider with its work plan over 1/3/5 years. Suggestions received are organized around the *four-point approach* of the nationally and state recognized Main Street program – addressing organization, promotion, design, and economic restructuring (or business development).

Organizational Needs. Washington State’s Main Street Program is conducting a board orientation for DPDA – as one key step to positioning Pasco to qualify for a state business and occupation (B&O) 75% credit program. A business improvement district was previously attempted, but did not receive owner support needed for approval. A question for the future is whether DPDA could or should expand its funding base to include a membership program – and also find avenues for community involvement.

With DPDA now in its 3rd year of operation, communications between the organization, City and area business is reported as greatly improved. There are good opportunities to further build on existing institutional partnerships – including the City of Pasco, Lourdes Medical Center, Town Square, BDI (waste management firm), PUD, and Pasco School District.

Suggested by several interviewees is the potential to expand the earlier PDDA (and current DPDA) boundary to the north to encompass major civic and employment anchors, as part of a full service downtown.

Promotion Opportunities. As of March 2014, DPDA is launching a Passport stamp and rewards program with an Imagination Station theme targeted specifically toward a younger demographic via social media and networking. The DPDA web site is being expanded to make it more current and interactive – and to link to commercial real estate information for available downtown buildings and properties. DPDA is also engaged in re-branding the downtown.

Suggestions include advertising Pasco as the “Mercado” – whether for Hispanic or Anglo fare, or a combination. Another option for the future: reintroducing a 3-on-3 basketball tournament (which reportedly started years ago in the Tri-Cities). Continue to build relationships with area media – including already strong interest and support from media such as the Tri-City Herald. As one interviewee commented, it is important “to know the story first, before advertising.”

There are added opportunities for joint, as well as downtown-specific, promotions. For visitors, consider pitching stories for travel and food writers in cooperation with the TCVCB. Downtown information can be included in the regional visitors guide distributed to more than 70,000. The TCVCB also now has 16,000 fans on Facebook – and is receptive to posting information regarding the downtown PFM, festivals and events.

As Downtown Pasco is positioned as a fun place to go, consider advertising through the visitors guide – possibly at a discount or in exchange for services to the TCVCB. Downtown information can also be included as a flyer in packets provided to visiting sports groups.

Provide “wow” photos for posting by the TCVCB and other organizations. Give TCVCB staff a tour. Also regularly update things going on downtown as part of the “your weekend starts here” posting distributed weekly to a list of 5,000 email recipients throughout the Tri-Cities area.

Design Enhancement. Construction of a new (approximately \$35 million) overpass on Lewis can better link downtown with growing East Pasco neighborhoods – with improved connections for pedestrians and for motorists via U.S. 12 to points east. Design of this overpass will be critical to maximizing opportunities for improved connectivity to and from downtown. One issue to address will be whether the streets leading to the overpass (Lewis and Clark) remain 2-way or become converted to 1-way traffic.

Good access routing and wayfinding, including freshened welcome signs at key entry points, are also suggested. Street trees have lifted sidewalks and will need to be replaced (and/or have larger tree wells installed). Funding for some of these improvements may come from the City’s capital improvement program, which includes General Fund, State Shared and Grant funding resources.

As the building facade program is not fully subscribed, one option to consider would be to expand and convert the program to a revolving loan fund with loans available for interior as well as exterior (facade) improvements. This is a possibility, as long as permanent jobs are created.

Improvement of downtown public spaces – starting with Peanuts Park – is suggested as a possible priority (as for B&O tax credit funding). Reinstating the fountain or redesign for another art feature would help to improve the sense of vitality of this important visual focus and gathering space.

A related priority may be to more proactively pursue clean-up and eventual redevelopment of properties that are not in conformity with code requirements or that are deterring others from coming downtown. Increased code enforcement and voluntary programs, such as placing art in windows of vacant spaces, could be useful to mitigate the negative impact of empty buildings. As one business representative suggested, downtown has a “better chance of being a walk-around” destination, as with wine festivals and art fairs.



Going from underpass to overpass – a pivotal opportunity to better connect downtown with East Pasco residential.



Access from the north via the I-182/SR-395/SR12 corridor provides little iconic evidence of entry into a vibrant downtown community.



Updated entry signs are encouraged.



Great example of a nicely completed facade – ready for occupancy by a new business tenant.

Beautification and a more vibrant feel are both needed to make downtown “appealing to the eye.” Flowers can help to make the downtown “more festive and alive.” Consider encouraging food vendors on the street. Or colorful umbrellas ... so the visitor or repeat customer knows that “you’ve arrived.”

Parking is identified as an issue in the downtown retail core. Improved coordination of public and private options may become of increased importance as downtown use intensifies.

The City is proceeding with plans for a River Trail that will stop at 4th. Signage may be coordinated with the downtown branding initiative. Consider more color with downtown buildings, reflecting Pasco’s Hispanic business and cultural influence – as exemplified by the building front of the bakery.

Consider a stronger theme that emphasizes elementary colors or washed out tans – a combination that could be “really eye appealing.” Downtown Pasco is “on to something” with what has been done already; downtown “needs to embrace that” going forward. “Be authentic to who you are.”

Economic Restructuring. Strong interest is expressed in creating incentives to encourage both independent and regionally or nationally recognized businesses to locate downtown. A long-term vision might include a role for the DPDA to acquire and position property for redevelopment – as a means to ramp up the pace of business and investment interest.

A focus of business recruitment should be to “get more food choices,” with renewed dining activity downtown. Key questions for DPDA are “how to grow business and employment” downtown. Another interview participant stressed the importance of identifying “what’s not being offered now.” What is the sales leakage that could be recaptured?

A challenge is to accommodate firms that have limited financial resources at initial start-up. Access to financing is also challenging, especially for independent retailers.

As there is a shortage of modern commercial shell buildings, DPDA and the City might explore ways of helping fund building



Parking is an issue to be expected in a hopping downtown. Before building new, look for ways to better manage the existing public and private inventory – both on- and off-street.



On Lewis Street, there are more facades yet to be upgraded.



Downtown can be home both to successful independent and recognized national retailers. The combination provides the best opportunity to capture the most retail sales dollars.



Rehabilitating old buildings – including this fire damaged structure on 4th Avenue. It’s happening!

shell space (as was done with the PSK).

Market rate residential development in the downtown area is worth pursuing. For lenders, the Community Reinvestment Act (CRA) provides added impetus to lend for core area housing. Mixed use development is also worth considering – as with retail or office commercial use on the ground floor and residential above.

The Post Office has indicated that it is planning to vacate the existing downtown facility – though the date has been delayed. If vacated, one priority as a City-owned property would be to secure a private mail service, if feasible. As the building already houses the offices of DPDA, there may also be opportunities to re-tenant the space with other signature uses at what is a potentially prime corner in Downtown Pasco.



If and when the U.S. Post Office closes, there may be opportunity for conversion to retail or office use – ideally including a private mail service.

Engage other economic development organizations (such as TRIDEC) as partners to help small, as well as large, business to locate and thrive in the Tri-Cities. A particular need is training for persons starting a small business – in basics such as accounting, tax reporting, crime prevention, establishing and building a banking relationship, marketing, merchandising, and storefront design.

As one interviewee noted, small business owners can be tempted to “deduct everything they have as a business expense.” However, this can make the firm more vulnerable to audit and reduced financing ability (with less net income showing on the books). Business-to-business training – on topics ranging from financing to marketing – can generate networking opportunities and improve chances for business sustainability.

IV. DEMOGRAPHIC & MARKET OVERVIEW

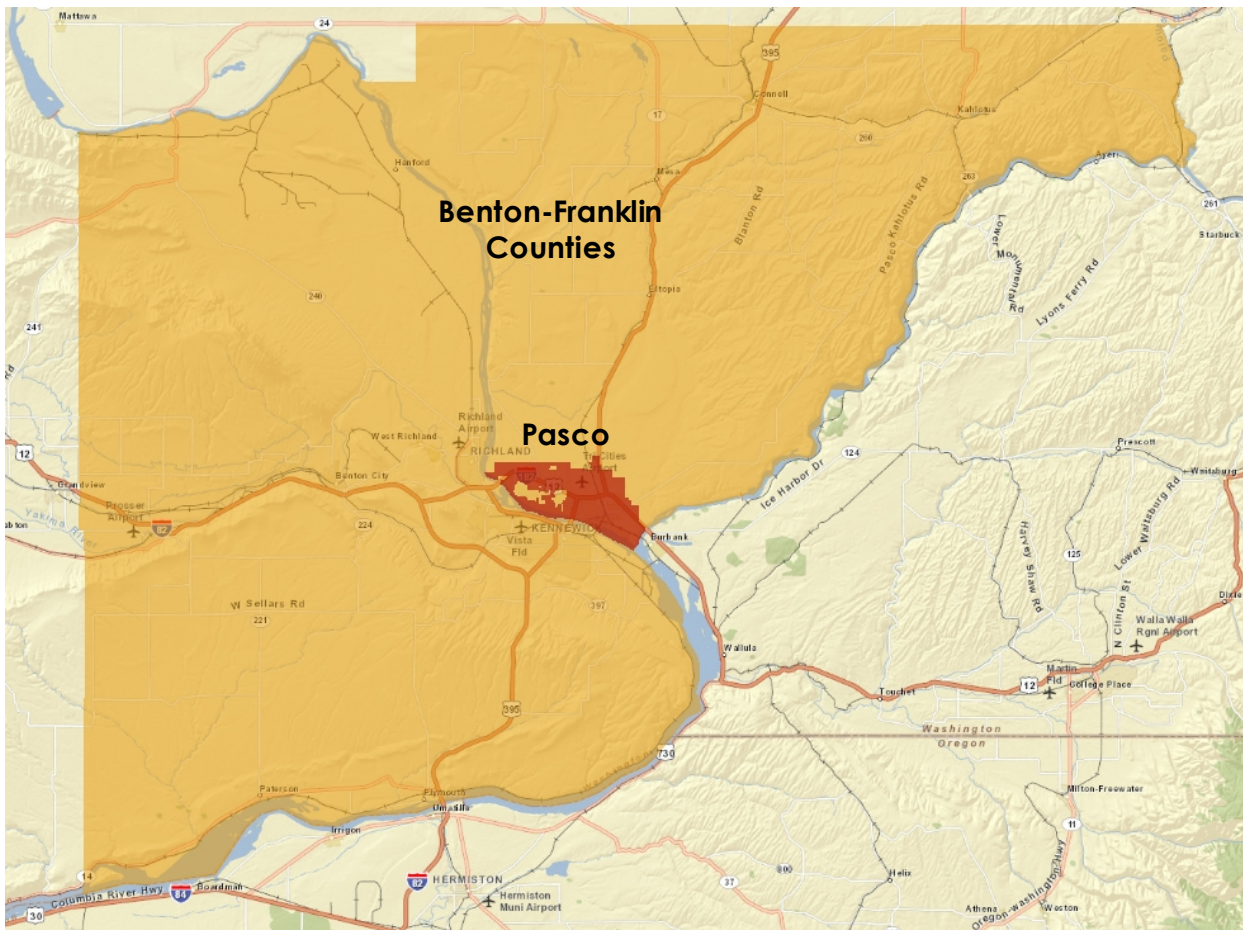
A downtown work plan should be rooted in a good understanding of market dynamics. Topics covered by this overview assessment include market area geographies, population, employment, visitors, housing characteristics, and retail sales potential.

MARKET AREA GEOGRAPHIES

For purposes of this background review, three economic and jurisdictional areas are of interest:

- **City of Pasco** – of which Downtown Pasco serves as the historic commercial and continuing governmental center.
- **Benton-Franklin Counties** – which also comprises the Tri-Cities metro area as defined by the U.S. Census Bureau.
- **State of Washington** – as a point of comparison with selected local and regional market data indicators.

Pasco & Regional Trade Areas



Sources: Esri, Washington State Department of Transportation, U.S. Census Bureau, and E. D. Hovee & Company, LLC.

POPULATION, EMPLOYMENT & VISITORS

This demographic and market overview begins with a description of population, employment and visitor trends locally and regionally. Detailed market information is provided by Appendix B to this report. What follows is a summary of major trends together with implications for Downtown Pasco.

Population Trends. As of 2013, Pasco had an estimated 65,600 residents – as estimated by the Washington State Office of Financial Management (OFM). Pasco represents 24% of the population of Benton-Franklin Counties, which comprise the Tri-Cities metro area.

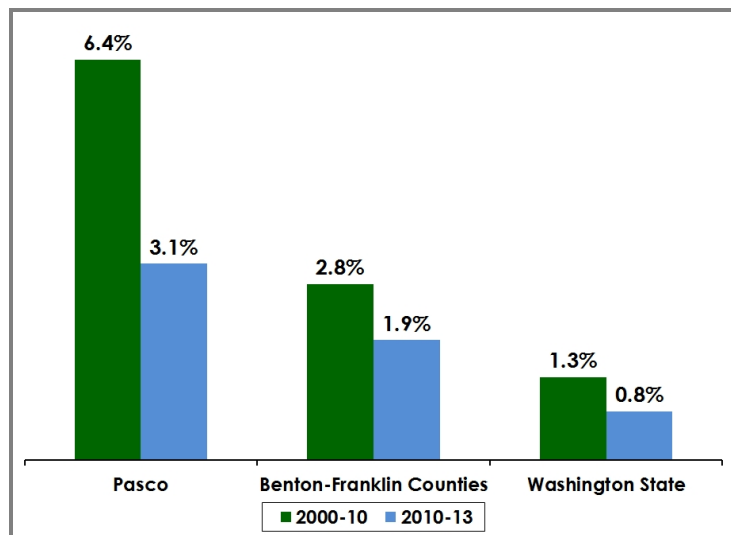
In the decade from 2000-10, Pasco’s population increased at the remarkable rate of 6.4% per year. This was well ahead of growth rates of the entire metro area (which increased by 2.8% annually) and nearly five times the population growth rate of the entire state.

During this time period, Pasco went from being the smallest of the Tri-Cities to 2nd largest behind Kennewick (but growing at more than double Kennewick’s rate of population increase).

To date in this current decade, population growth rates are below what was experienced in the prior decade, due to factors such as a reduced pace of economic growth and aging of the population regionally and nationally. However, Pasco’s population growth continues to substantially outpace what is being experienced for the rest of the Tri-Cities metro area and the entire state of Washington.

Employment Trends. Employment data from the Washington State Employment Security Department (ESD) is readily available on a county-by-county basis for jobs covered by unemployment insurance (excluding many sole proprietors). As of 2012, the Benton-Franklin Counties regional economy encompassed a total of nearly 109,350 jobs, with annual payroll of \$4.9 billion and an annual average wage of over \$44,800.

Comparative Population Growth Rates (2000-13)



Sources: U.S. Census, Washington State Office of Financial Management, and E. D Hovee & Company, LLC.

From 2002-12, regional employment increased at an average rate of 2.2% per year. Fast growing sectors included management of companies, educational services, and transportation/warehousing – all of which experienced job growth rates in excess of 5% per year.

Over this same time period, average annual wages increased at a pace of 2.5% per year. The most rapid wage increases were experienced with management of companies, finance and insurance, educational services, and health care – all at 4% or better per year.

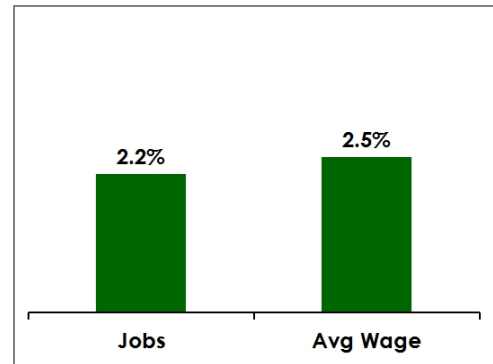
Visitor Spending. With an estimated \$384 million in annual spending, including \$120 million in retail shopping and dining, tourists represent an important source of added economic potential for destinations in the Tri-Cities area including Downtown Pasco.

A good indicator of the growth of tourism is indicated by hotel/motel tax distributions. In the 10 years from 2003-13, hotel/motel tax receipts increased by an average of 4.8% per year for the three cities combined. While Pasco accounts for less than one-quarter (23%) of lodging receipts, revenue growth has been substantially greater (at 6.7% annually) than for the rest of the Tri-Cities region.

Area hotel-motel room growth has been slow to catch up with this apparent demand – with the lodging room inventory increasing by only 1.2% per year from 2003-13.

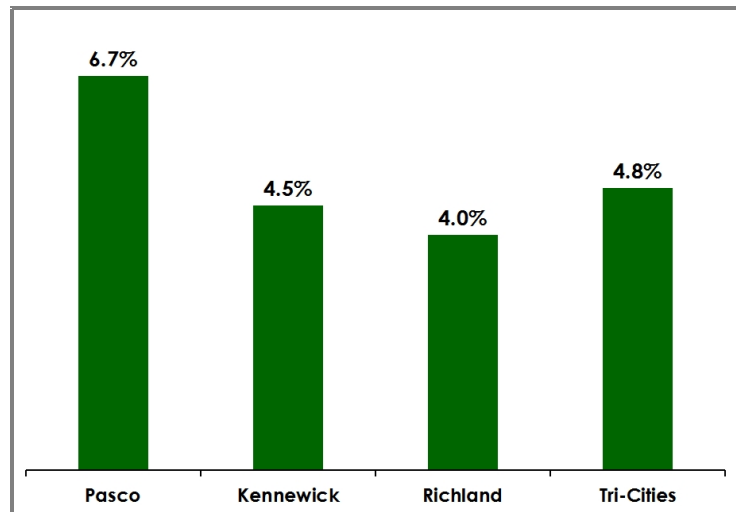
However, as of 2014, new hotels will increase the region’s lodging inventory by 7% in just one year. As yet, none of the new hotel/motel inventory is in Pasco, though reportedly a new property may be in consideration.

Average Annual Change in Jobs & Wages (2002-12)



Source: Washington State Employment Security Department.

Comparative Hotel/Motel Tax Distribution Growth (2000-13)



Sources: Washington State Department of Revenue, as compiled by TCVCB.

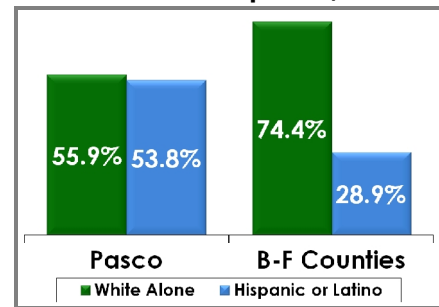
MARKET AREA DEMOGRAPHICS

Market area demographic data, including current 2014 estimates, are provided via the national data firm Claritas.⁴ Five year population forecasts are also covered. From 2014-19, Claritas forecasts that Pasco’s population will increase by 2.5% per year. This would be a slower growth rate than previously, but with Pasco still experiencing more rapid growth than the 1.7% rate forecast for the full metro area. Other demographics of note include the following:

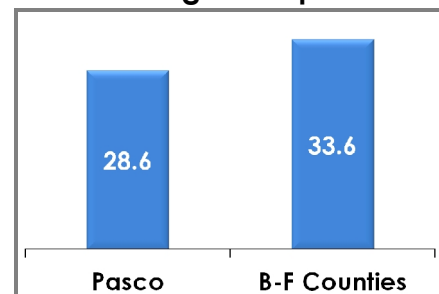
- Pasco’s population is more diverse racially and ethnically than the metro region. Close to 56% of Pasco’s population is white alone. Persons of Hispanic origin (who can be of white or other racial groupings) comprise 54% of Pasco’s population.
- Pasco’s population is also relatively young – with a median age of 28.6 years as compared with the Benton-Franklin region median figure of 33.6 years. Almost 38% of Pasco’s population is under age 21.
- Pasco and the greater Tri-Cities are very family-oriented. Over 77% of Pasco households are comprised of families. A relatively low 23% are non-family households (including single residents).
- About 16% of Pasco adults (age 25+) have a college degree or better – compared with 26% region-wide. Over 30% have not completed high school.
- At \$52,100, median household income is 82% of the two-county median. Over 58% of Pasco households have incomes in the range of \$25,000 - \$74,999 per year. A greater proportion of Pasco adults are in the work force than is the case regionally – with a relatively high proportion employed in blue collar, service or farm occupations.

Overall, Pasco demographics indicate a population that is diverse, young, family-oriented – and rapidly growing. Incomes and educations reflect those of working families – seeking value and opportunity for advancement. A question for Downtown Pasco is over the extent to which local businesses should cater to local versus wider regional demographics – a topic explored later in this report.

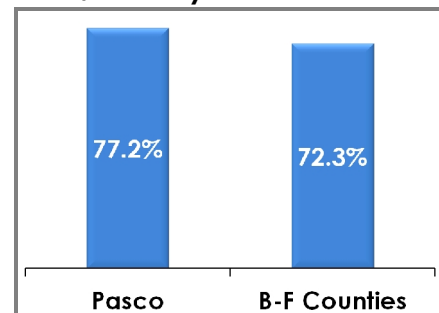
% White & % Hispanic/Latino



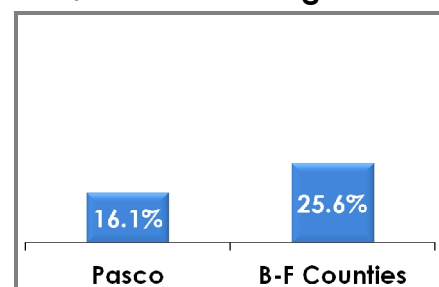
Median Age of Population



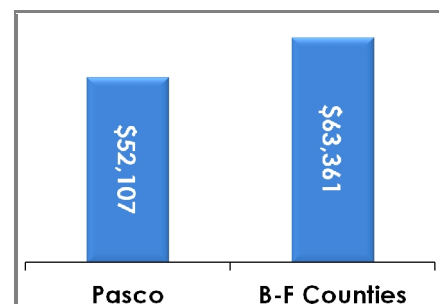
% Family Households



% Bachelor’s Degree+



Median Household Income



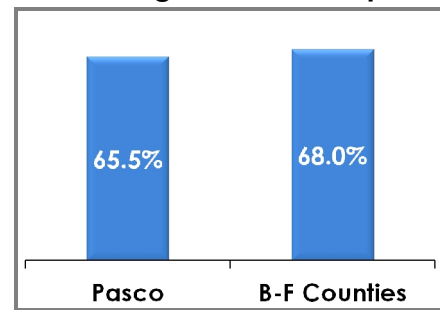
HOUSING CHARACTERISTICS

Housing is of interest for Downtown Pasco from two perspectives – as one indicator of market opportunity for downtown business activity and for the potential of attracting residents to live in new or renovated housing units directly in the downtown area. As of 2014, Pasco had more than 21,260 housing units – representing 21% of all housing in the Tri-Cities region. Housing characteristics of interest include the following:

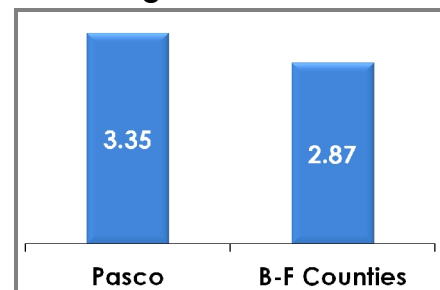
- About two-thirds (66%) of occupied housing is owner-occupied, a slightly lower rate than for the full Benton-Franklin region (68%). Put another way, just under 35% of Pasco households are renters.
- At 3.35 persons per unit, average household size is considerably greater in Pasco than for the region, which averages 2.87 persons per unit.
- The median value of owner-occupied housing is just over \$174,000 – only 6% below the median value of housing throughout Benton and Franklin Counties.
- Over 70% of Pasco housing is comprised of single-family, detached units – a proportion that is above the two-county average of 65-66%. Pasco is somewhat underrepresented by 1-unit attached housing (as with townhomes), duplexes, and also larger complexes of 50+ units.
- Consistent with a pattern of rapid population growth, about 39% of all housing in Pasco has been constructed since 1999 – well above the two-county figure of less than 25%. However, little housing or other new construction has occurred in the greater downtown area in recent years.

The re-introduction of housing and mixed use development has become increasingly instrumental to downtown revitalization across the Pacific Northwest and nationally. Consequently, residential development is also suggested as a new strategic initiative to be considered with a 5-year Downtown Pasco work plan. Options as to how this might be approached are detailed later in this report.

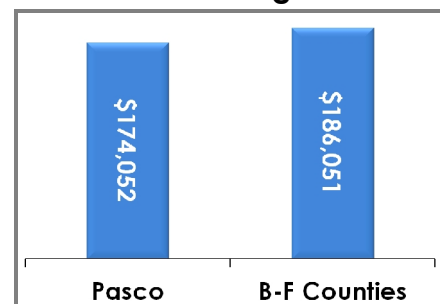
% Housing Owner-Occupied



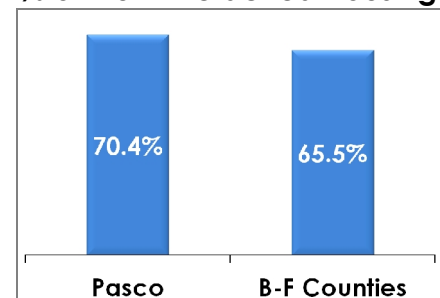
Average Household Size



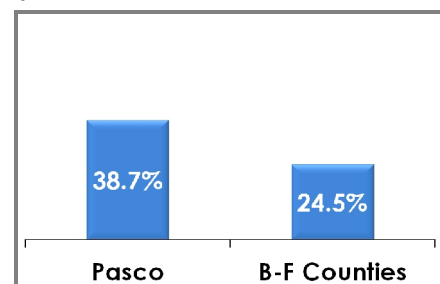
Median Housing Values



% of 1 Unit Detached Housing



% of Homes Built 2000 or Later



RETAIL SALES POTENTIAL

A question of importance to this assessment is whether and to what extent the Pasco and regional market is adequately covered by a full range of retail goods and services. Put another way, the question becomes: *Where are the gaps that offer added retail opportunity?*

A second set of questions is: *Which of these gaps might be met by added business in Downtown Pasco? And, under what conditions?*

These questions are addressed from the dual perspectives of Pasco residents and the greater Tri-Cities market area.

Retail Demand, Supply & Sales Leakage. Demand for retail services can be estimated based on resident incomes and typical consumer spending patterns. As of 2014, Pasco residents had an annual consumer buying potential estimated at \$946 million. Annual consumer demand from the full two-county region is estimated at \$4.6 billion.

Both for Pasco and the full Tri-Cities region, actual retail sales exceed resident-generated demand. Sales of retail goods and services in Pasco are estimated at \$1.629 billion, exceeding resident generated demand by \$683 million.

A similar condition of apparent oversupply exists for Benton-Franklin Counties combined. 2014 retail sales are estimated at \$6.2 billion, exceeding two-county demand by \$1.6 billion.

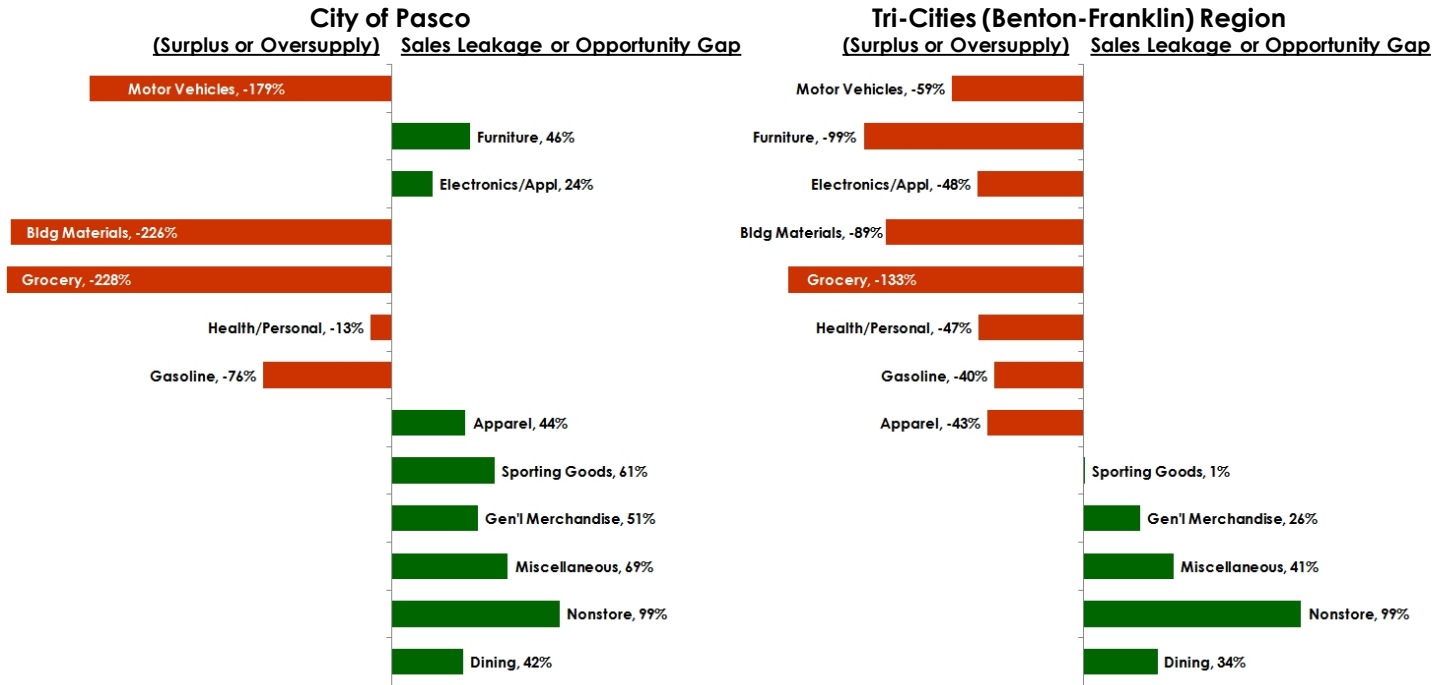
Actual retail sales that are in excess of resident-generated demand occurs when the market area under consideration is attracting more consumer spending from non-residents than it is losing from local residents leaving town to shop elsewhere:

- A surplus of retail sales in Pasco means that Pasco retailers are benefitting from a significant influx of shoppers from elsewhere in the Tri-Cities region or beyond – at least for some retail items.
- A surplus of retail sales in the two-county region similarly means that the Tri-Cities area is attracting considerable inflow of dollars from residents of surrounding counties and/or tourism activity.

In contrast, *retail sales leakage* is observed when actual retail sales fall short of meeting local consumer demand. When considered across *all retail categories*, neither Pasco nor the two-county region appears to be experiencing sales leakage. However, a somewhat different picture emerges when retailing is considered for specific store types.

Categories of Retail Surplus & Leakage. The two graphs on the next page provide a *category-by-category* delineation of sales surplus versus leakage. The graph to the left depicts results for the City of Pasco alone; the graph on the right shows results for the full two-county region. Sales surplus can be considered as evidence of *local market oversupply*. Sales leakage can be considered as an *opportunity gap* – for added local retail to meet unmet local demand.

Pasco & Tri-Cities Retail Opportunity Gaps (2014)



Sources: Claritas, E. D. Hovee & Company, LLC.

Key observations from this review are noted as follows:

- Market oversupply** (both locally and regionally) appears to be present for retail categories including motor vehicles, building materials/garden, grocery, health/personal care, and gasoline sales. Categories in which sales exceed locally generated demand are those in which local and area retailers have a strong market presence and demonstrated competitive advantage – realized by achieving a significant market draw from well beyond the Tri-Cities metro area.

However, these also represent categories where the prospects of introducing yet more retail could prove challenging – unless accompanied by the ability to draw even more customers from beyond the Tri-Cities market area. A less pleasant alternative is that the success of one new retailer may come at the expense of another existing store.
- Opportunity gap** (locally and regionally) is indicated for retail categories including general merchandise (discount and/or department store), specialty/miscellaneous retail, and dining.⁵ Added retail in Downtown Pasco could be positioned to draw customers both from within Pasco and more broadly from the full Tri-Cities market area. The best opportunity is for those businesses that can cater to resident and also visitor preferences.
- Mixed results** are indicated for furniture/home furnishings, electronics/appliances, and apparel. These are retail categories that appear to be well served for the entire Tri-Cities, but underserved by retailers in Pasco. The ability to draw retail back into a local downtown in a regionally oversupplied category works best for convenience-oriented

retail. In other words, a submarket that is underserved can present a strong case to the resident consumer to shop local for those items for which the customer shops for on a day-to-day basis (as with grocery store purchases).

Going head-to-head with established Tri-Cities retail is more difficult for comparison purchases made less frequently but on the basis of price, selection or a known brand preference – as is the case with apparel and furniture. In these instances, the odds for sales leakage recapture are better if the local retailer can carve a distinctive niche not effectively served by existing established retailers – as a destination draw for Tri-Cities residents and visitors alike.

An example of such a niche is provided by the existing cluster of Hispanic-oriented women’s apparel shops in Downtown Pasco. A pivotal question is whether the market for this particular niche has already been fully addressed or whether added retail sales opportunity remains.

The work plan for Downtown Pasco as outlined later in this report includes discussion of retail options aimed first at what are clear opportunity gaps in the local and regional market. The extent of the challenge should not be underestimated – due to the weak market presence and image of Downtown Pasco for retail today. A second and more intensely focused priority may be on retaining and strengthening the existing ethnic women’s specialty apparel niche in Downtown Pasco – perhaps by expanding the demographic for broader customer appeal.

V. DPDA STRATEGIC OPTIONS

The preceding background sections of this work plan report have profiled existing property and business conditions in the greater Downtown area, as well as for the more geographically targeted DPDA boundary area. Stakeholder perspectives together with demographic and market reviews have also been provided. From this combined dataset, it has been possible to outline and evaluate a broad range of strategic options for DPDA consideration.

Based on selection of a preferred strategic option DPDA, it is then possible to prepare a task-specific work plan as a *second phase* of this Downtown Pasco work plan assignment.

OPTIONS CONSIDERED

Three overall strategic options have been considered and discussed with DPDA:

- A) **Status Quo** – assuming that Downtown Pasco largely continues the course taken in recent years.
- B) **Retail Enhancement** – a strategy aimed at building on and out from retail-related anchors and attractions that have proven successful to date (including the DPDA-sponsored Pasco Farmers Market and Specialty Kitchen).
- C) **Mixed Use Development** – as a broader strategy aimed to also make Downtown Pasco a preferred address for creative business and professional services and, over time, as a desired urban residential address.

The matrix chart on the following page provides a more detailed comparison of these three strategic options – including a brief outline of respective advantages, disadvantages, and potential implementation features for each of the options considered.

Selection of an approach that represents a combination of Options B and C is recommended as a basis for preparing a 1/3/5-year DPDA work plan:

- *Option B retail enhancement* builds on existing DPDA capacities including recent ramped up initiatives – and would serve as the primary recommended focus of the DPDA work plan for the next 3 years. If successfully executed, this option would also create the momentum needed to execute an even broader strategy in the out-years of the five year work plan.
- *Option C involving mixed use development* would be targeted to account for an increased share of DPDA work plan investment in years 3-5 – depending on success of the Option B approach and continued appetite for Downtown Pasco to go prime time, 24/7. Years 1-3 would include some preliminary initiative to begin the business and developer networking that will be needed in Years 3-5, to secure a broader mix of creative/professional service, residential and arts/cultural options, as well as continued retail strengthening.⁶

DPDA Strategic Option Evaluation Matrix

Strategic Option	Features	Advantages	Disadvantages	Implementation Requirements
A) Status Quo	Continues focus on downtown retail in DPDA area with public sector funding reliance.	<ul style="list-style-type: none"> • Can be continued with existing enterprise & public funding sources • Reflects well-accepted DPDA mission & role • May continue to build on Farmers Market & Specialty Kitchen success 	<ul style="list-style-type: none"> • Market & Specialty Kitchen may prove insufficient to revitalize the Downtown core area on their own • Misses the chance to capture growing interest of Tri-Cities residents in a fully authentic urban experience 	No major changes in DPDA funding. Assumes continued emphasis on targeted event coordination & facility market (to vendors & customers).
B) Retail Enhancement	Focuses on building on & out from existing proven retail anchors & Hispanic theme. Strengthens DPDA initiatives & profitability of Farmers (Local) Market & Specialty Kitchen.	<ul style="list-style-type: none"> • Leverages existing DPDA experience & organizational capabilities • Broadens to more pro-active business assistance for the existing downtown retail community • Adds in significant retail business recruitment effort (independents + recognized chains) 	<ul style="list-style-type: none"> • DPDA core has too much land area to be effectively & fully occupied by reliance on retail alone • Difficult to convert the weekend event customer to everyday shopper • Misses opportunity to draw on job & housing strengths of greater downtown area 	Requires expanded DPDA funding from both enterprise activities & a broader range of contributed public-private sources. Also depends on major ramp up in customer marketing & PR (as is now underway).
C) Mixed Use Development	Broadens from a primarily retail focus to also include creative & professional business recruitment. Adds in the urban core area attraction of downtown residential, arts/ cultural & mixed use development.	<ul style="list-style-type: none"> • Currently the most proven model for successful urban revitalization in the PNW & nationally • Broadens the base of downtown aficionados & funding resources • More resilient in face of economic change over time 	<ul style="list-style-type: none"> • Requires the greatest level of DPDA financial & organizational resources over a sustained multi-year period • Residential not likely to materialize until downtown is viewed as a good place to be 24/7 	Depends on further step-up of funding resource capability, likely with major public & developer commitments to getting housing going. Cannot occur prior to community conversation about downtown as a place to live, as well as shop & recreate.

FROM STRATEGY TO WORK PLAN

Background downtown property and business, stakeholder and demographic information were used as a means to outline three strategic options for DPDA consideration. Based on the overall path selected, it is now possible to proceed to a detailed work plan with key plan components addressing:

- **Customer outreach** – with distinct promotion and marketing programs related to neighborhood and destination customers.
- **Business outreach** – covering both near-term priorities and ongoing outreach role.
- **Property development** – focused on existing business and property owners and on prospective development interests through property and real estate marketing.

The work plan also is linked to the Main Street Program – addressing the nationally and state-recognized four-point approach to organization, promotion, design, and economic restructuring.

For each plan component, recommended implementation will include delineation of anticipated lead and support responsibilities, timing focused on 1/3/5-year time periods, and anticipated resources required.

As outlined in the next section of this report, the work plan has been prepared in a manner to assure consistency with existing DPDA priorities and resources. While 1/3/5-year actions are outlined, the greatest level of detail is provided for Year 1 initiatives as critical to demonstrate success and momentum for subsequent year implementation.

Impetus for DPDA Strategic Initiative

Because DPDA did not have a direct work plan when the current Executive Director was hired, a different approach was taken with a philosophy of building a network while gaining momentum to set up successful programs that build the Pasco community, making it more attractive for new residents and businesses alike.

A key priority is to identify and secure alternative revenue sources. As was the case with the prior PDDA organization, there is continuing interest in re-starting a membership program. However, given the current state of businesses struggling to stay afloat, DPDA has seen a need to think outside the box in developing an alternative approach. This approach is illustrated by the DPDA Passport to Pasco rewards program launched in early 2014.

VI. WORK PLAN

A downtown work plan is intended to be **action-oriented** – guiding programs and activities of DPDA together with supportive efforts of other interested public and private partners, including the City of Pasco. This work plan covers guiding objectives, a 1/3/5-year work plan with added detail as to 1st year implementation, plan review/public input, and a future update process.

GUIDING OBJECTIVES

From the background review, five overall objectives have been identified as guiding principles for work plan preparation, implementation and refinement over time:

- **Build from strengths** – addressing weaknesses as you go. Pivotal DPDA strengths to date are the Pasco Farmers Market and Specialty Kitchen. The organization is stepping forward to make these existing operations become even more successful in the years ahead, as a springboard to leverage other supportive work plan activities.
- **Be business driven** – organized around enterprise functions generating measurable return on investment (ROI). Long-standing programs like the Farmers Market and Specialty Kitchen should aim to generate earned and contributed income yielding a net profit as a cushion for unforeseen contingencies and to support new DPDA initiatives.
- **Deepen & broaden the downtown customer base** – generating repeat business and attracting new customers. This strategy is dependent on increasing Hispanic and Anglo sources of business, attracting customers not just from within Pasco but from the greater Tri-Cities area plus visitors to the area. And it means extending beyond traditional retail to include business-to-business services and reinforcing downtown neighborhoods as a residential community of choice.
- **Go entrepreneurial** – recognizing that Downtown Pasco is like a mature but stagnant firm that is reinventing and re-branding its core business functions. To its credit, DPDA has already made organizational changes and hired executive leadership prepared to press for positive change. As entrepreneurs, DPDA is prepared to take calculated risks, to learn by doing, to partner with those who share its values, and to reward success.
- **Plan for bi-annual plan updates** – on a rolling calendar basis. Suggested is the implementation of an updated plan at 1-, 3-, and 5-year intervals. With this arrangement, review and updating could occur at 2-, 4- and 6-year intervals. As an example, the 1st year plan would be target for implementation in 2015 and reviewed in 2016. This would lead to a new 1-year plan that is on the ground by 2017.

1/3/5-YEAR PLAN

The DPDA work plan is comprised of specific actionable tasks – organized by topics of **customer outreach, business outreach, and property development**. For each action, recommended implementation includes delineation of the Main Street program linkage, implementation roles, resources required, and timing – as detailed by the chart on the following pages.

Downtown Pasco Work Plan Summary

Action	Year	Main Street Link	Description	Responsibility (& Resources)
Customer Outreach				
Internet & Social Media Presence	1	P	Interactive web site fully integrated with social media	DPDA , media consultant (Already underway)
Downtown Pasco Calendar	1	O,P	Weekly updated events calendar, distributed widely	DPDA , media, City, TCVCB (DPDA staff support)
Downtown Wi-Fi	1	P,ER	Free downtown zone w/100% Wi-Fi coverage	DPDA, Franklin PUD (Franklin PUD)
Downtown Customer Survey	1	P,ER	Annual web based survey of PFM/downtown customers	PFM , participating businesses (Sponsor(s) such as CBC)
Pocket Park Clean-up	1	P,D	Peanuts Park as first focus <i>plus</i> others with sponsor support	DPDA , City, Port, CBC, owners (City & private sponsors)
Sponsor/Rewards Program	1	O,P	Expand Rewards Program as platform for multiple projects	DPDA , media, businesses (Project-driven + admin \$\$)
Scholarship Grants	1	O,P	Fund ag-related scholarships to high school/CBC students	DPDA , Pasco HS and CBC (Sponsor funded)
Downtown Police Enforcement	1/3	P	Multiple steps w/possible <i>sit-lie</i> ordinance as in other cities	DPDA, City , service providers (No specific funding need)
DPDA Year 3-5 Operating Budget	3	O,P,D,ER	New budget goals for earned & contributed income	DPDA , City, DT businesses, sponsors (\$\$ goals for each)
Downtown Signage	3	P,D	New entry signs, wayfinding & downtown banners	City , DPDA, business sponsors (City with business match)
Buy Downtown Campaign	3	P	Markets downtown attractions & successes; updates branding	DPDA , media, business orgs (Sponsors, net from PFM/PSK)
Friends of the Market Campaign	3	P,D,ER	Non-profit donations to augment \$\$ for new facilities	DPDA/PFM, TCVCB (Endowment + capital options)
Add 3rd/4th Annual Downtown Events	3	P	To fill in the calendar between Fiery Foods & Cinco de Mayo	Festival sponsor(s) (DPDA memberships, sponsors)
Parking Management	5	P,D,ER	DPDA coordination of on-/off-street parking availability	DPDA , interested owners, City (New \$\$ such as member dues)
Business Outreach				
Expand DPDA Boundary	1	O	Expand DPDA boundary for employers & neighborhoods	DPDA , City, affected employers (No immediate funding need)
Main Street Accreditation	1	O,D	Main Street designation w/state B&O tax funding	DPDA , City, state Main Street (State B&O tax funding credit)
Specialty Kitchen Enhancement	1/3	D,ER	Business incubator & consumer food programs	PSK , City, ag/dining businesses (User fees, CDBG & sponsor \$\$)
Restaurant Recruitment	1/3	ER	Attract 1-2 new restaurants to fill vacant downtown space	DPDA , City, lenders, brokers (Sponsor & facade <i>plus</i> loans)

Action	Year	Main Street Link	Description	Responsibility (& Resources)
Business Smart Seminars	1/3	D,ER	Short courses from security to marketing to financial mgmt	DPDA , CBC, TRIDEC, sponsors (Sponsor funded)
Business of the Month Award	3	P	For excellent customer service, new & expanded business	DPDA or sponsor organization (Sponsor funded)
DPDA Membership	3	O,ER	Reinstate membership program w/low base fees	DPDA , business task force (possible match to DPDA)
Vacant Building Initiative	3	D,ER	Include vacant space window display & code enforcement	DPDA, City (with owner factsheet)
Lewis Street Overpass	3/5	D,ER	Design & funding for improved downtown/East Pasco linkage	City, WSDOT, DPDA, Port (Transportation funding)
River Trail & DT Streetscape Plan	3/5	D	Complete river trail, replace trees damaging sidewalks	City, DPDA (City, CDBG, transportation \$\$)
Property Development				
DT Property Inventory	1	P,D,ER	Updatable database to ID/market available sites	DPDA, City, owners, brokers (Sponsor funding – if needed)
Facade Plus Grant Program	1	D,ER	Allow interior upgrades; also consider soft loan terms	City with DPDA/lender support (CDBG + possible bank lending)
Brokers Breakfast	1	P,ER	Start annual event for brokers, owners, & business prospects	DPDA, brokers, City, sponsors (Registration fee + sponsors)
PFM/PSK Expansion	1/3	ER	Secure suitable property for expanded season & operations	DPDA, City, interested owner(s) (City backed w/revenue match)
DT Investors Guide	3	P,ER	Web-based info on properties & public-private incentives	DPDA, City, interested lenders (to include incentives listing)
Building Design Guidebook	3	P,D,ER	Tips for building rehabilitation & new downtown construction	DPDA, City, area design firms (Local design or other sponsor)
Property Re-Use Marketing	3	P,D,ER	Test marketing for creative, mixed use & cultural space	DPDA, City, interested owners (Grant funding or sponsors)
Mixed Use Development	5	ER	Residential/commercial/arts rehab & new construction	DPDA, owner/developer (Private + incentive gap \$\$)

Notes: Lead responsibility indicated by **bold face** type.

Main Street Linkage Abbreviations: O – Organization; P – Promotion; D – Design; ER – Economic Restructuring.

In total, there are 32 project actions shown with this *review draft* 5-year work plan:

- Of these, there are 12 projects recommended for implementation in the first year of the work plan. Another 5 projects could start in Year 1 or might be delayed to Year 3, depending on organizational capacity and interest to proceed sooner than later.
- Wherever possible, project actions are intended to build on existing work priorities of DPDA and supporting organizations. Similarly, Year 3/5 actions will, in many cases be dependent on the level of implementation success experienced with Year 1 priorities.

- Over half of Year 1 project actions are oriented to customer outreach – continuing to build greater awareness of Downtown Pasco locally and throughout the Tri-Cities. Other Year 1 actions aim to strengthen the internal infrastructure for better business-to-business communications. Subsequent Year 3/5 initiatives shift to the more challenging process of facilitating renewed business and property investment in Downtown Pasco.

FIRST YEAR PLAN (2015)

While projects for all 5 years of the full work plan have been outlined, the 1st year plan requires the most detail – with initial implementation beginning now and in 2015. With subsequent review of the early phase plan implementation by Year 2, it will be time to similarly refine and detail out specifics of Year 3 actions.

A more detailed explanation of **Year 1 recommended actions** follows.

Customer Outreach. A major focus of the existing DPDA work program is to strengthen customer-oriented promotion and marketing activities for Downtown Pasco. This is occurring, for example, with a comprehensive identify and branding initiative now underway for DPDA by Sara Nelson Design. This includes freshened logos for DPDA, PFM and PSK. DPDA has also updated and re-launched a more vibrant, interactive web site as of May 2014.

As is already occurring, Year 1 activities provide increasing opportunity to introduce the DPDA mission and work plan to the varied customer and business interests that access Downtown Pasco – and to the broader community. This communication process is dynamic and can be expected to change over the next 5 years. This will occur as public perceptions of the downtown change for the better with visible improvements.

Downtown Pasco identity positioning is being initiated at the same time as a region-wide community branding program is underway. TCVCB, TRIDEC, the Tri-City Regional Chamber of Commerce, and area ports have contracted with the brand marketing company Brooks International to forge a common identity that can be used for regional economic development and tourism marketing.

By coordinating place-specific with regional initiatives, there is opportunity to leverage greater combined marketing impact than occurs when each organization proceeds independently. For DPDA, 7 related customer-outreach actions are recommended as Year 1 priorities. Each action is intended to build on the existing regional and local identity efforts already underway:

- **Internet & Social Media Presence.** Creating an interactive web site fully integrated with social media represents an existing work priority already underway by DPDA. Full use of social media – including Facebook, Twitter, and Instagram – is of particular importance for the Pasco Farmers Market (PFM). Other similar markets around Washington state – such as Vancouver – are finding use of social media as essential for attracting customers of the younger Millennial or Generation X age group. Similar efforts are noted for the

Pasco Specialty Kitchen (PSK) as it reaches out to grow the customer base of on-site businesses (in conjunction with broader downtown Wi-Fi capability as described below).

DPDA is developing the capability for user interaction – as with *Imagination Station*, a traffic cam, and online scheduling for PSK. Planned is the capability to track site message posts – with separate databases for each category of respondent interest. With the re-launch of an updated web site, there should also be an opportunity to expand the web site for business-to-business (B2B) as well as customer outreach activity.

Responsibility: Will continue to be led by DPDA working with its media consultant.

Resources: No additional resources are contemplated as this work is already underway (though the time frame for completion or refinement may be extended into 2015).

- **Downtown Pasco Calendar.** As DPDA ramps up its customer and business-oriented events, there is more value to diverse constituencies in offering a regularly (weekly) updated calendar that can be informative, fun, and widely distributed. Partner organizations such as the TCVCB may also be interested in publicizing events of interest to its members, if provided with regular, timely updates. In addition to major downtown and PFM/PSK activities, information also may be provided for activities ranging from new business starts to youth-oriented events, as with *Imagination Station* and *Play Pasco*.

Responsibility: DPDA as lead organization, with involvement from partner organizations such as the *Tri-City Herald* and other local/area media, the City of Pasco, Pasco Chamber of Commerce, Tri-Cities Hispanic Chamber of Commerce, TCVCB, Port of Pasco, Columbia Basin College, Pasco School District, and Franklin Public Utility District.

Resources: DPDA staff. Additional volunteer or part-time staff may be required as monitoring downtown related activities becomes more time-intensive (along with expansion of other staff responsibilities).

- **Downtown Wi-Fi.** DPDA has moved to provide internal local area wireless technology (Wi-Fi) capability as a service to tenants and users of the PSK. Interest has now been received from Franklin PUD to provide downtown

Downtown Pasco & DPDA Strengths

Multiple assets can be deployed as *value differentiators* both for the downtown area and DPDA organization.

Downtown Strengths:

- ✓ Situated to serve a rapid growth city / metro area
- ✓ Young, diverse & family-oriented community
- ✓ Oldest & most authentic downtown in the region
- ✓ Walkable retail core + major nearby employers
- ✓ Farmers market as pivotal regional icon
- ✓ Most vibrant & diverse Tri-Cities destination
- ✓ Affordable rents & property values
- ✓ Proximity to residential neighborhoods
- ✓ Appeal to creative firms & urban dwellers

DPDA Strengths:

- ✓ PFM/PSK entrepreneurial visibility & track record
- ✓ Organizational capacity as 501(c)3 & public development authority
- ✓ Internet savvy & networking orientation
- ✓ Availability of economic incentives (as with facade program)
- ✓ Demonstrated public & private support

Now is the time to get in on the ground floor of a revitalized Downtown Pasco

core free Wi-Fi (in an area covering the “hub” at 4th and Lewis plus adjoining 2-block radius). Initial 24/7 coverage was launched as of the first week of May 2014.

Responsibility: Lead role for implementation is with the participating telecom provider, supported and publicized by DPDA and its subsidiary PFM/PSK operations.

Resources: Cost has been the responsibility of participating telecom providers.

- **Downtown Customer Survey.** Creating and sustaining a brand identity requires constant awareness of what the customer – both long-time and newcomer – thinks of doing business in Downtown Pasco. Why is the customer coming downtown? What are the key likes and dislikes? What could be done better?

With internet research tools (such as Survey Monkey), methods of keeping in regular touch with downtown’s customers have become much more affordable and easy to use. Proposed is that DPDA survey downtown customers at least annually, with awareness of survey availability promoted by PFM, PSK and other interested downtown area businesses. Results would be made available to participating organizations.

Responsibility: DPDA in cooperation with Pasco High School and Columbia Basin College (CBC).

Resources: While much of the tabulation is done electronically, added staff support may be needed for survey design and interpretation and communication of results. This is a project suggested for sponsorship support with interested organizations, for example, with assistance from pertinent classes at CBC.

- **Pocket Park Clean-up.** As the *front door* to the Pasco Local Market from Lewis Street, Peanuts Park warrants priority attention for clean-up and possibly for replacement of worn-out or misplaced existing park features (such as a fountain no longer in use). If Peanuts Park can be successfully improved, then there appears to be interest from other organizations in clean-up of other downtown pocket park areas.

Responsibility: DPDA as project facilitator with support from the City of Pasco and other interested parties such as the Port of Pasco, CBC, and downtown business/property owners.

Resources: To the extent funds are available, a priority source, at least for Peanuts Park, is proposed as the City of Pasco (facility owner). Based on the level of success, clean-up and improvements to other parks might be made by other interested organizations. DPDA has preliminarily targeted a budget of about \$5,000 per pocket park with an expense of \$2,500 for on-site work, \$1,000 for upkeep, and \$1,000 for DPDA revenue.

- **Sponsor/Rewards Program.** DPDA has just launched an innovative *Passport to Pasco Rewards Program* – initially for overall organizational activities, but with potential to serve as a funding platform for a broader range of individual short- or long-term projects in the future. As is indicated from this 1/3/5-year work program, there are a number of projects that appear well suited to engender private and public sponsor interest. Initial results will strongly influence the subsequent setting of longer term 3/5-year budget goals – yielding a potentially substantial funding resource that often is not effectively tapped in many communities.

Responsibility: DPDA would take the lead to coordinate work plan actions involving existing sponsors and to encourage interest from other organizations wanting to be on board with the *Downtown Pasco comeback*. Examples of potential sponsor participants would include media, business and non-profit organizations.

Resources: The sponsor/rewards program is essentially *project-driven*, with some funding needs only for a single event, others potentially on an annually recurring basis. For ease of patron use, DPDA offers credit card payment capability.

Separate dedicated funds may be created for distinct program activities, but with the capability to re-allocate funds if program priorities change in the future. As sponsorship becomes a larger part of the overall DPDA budget, some portion of project funding likely will need to be allocated for overall project administration.

- **Scholarship Grants.** Consistent with the organization's 501(c)3 non-profit charitable/educational tax status, creation of a DPDA scholarship program is recommended for start-up in 2015, with future enhancements based on sponsor funding interests. The program would be targeted to graduating high school students and/or CBC students who are focused on academic programs related to agriculture, agri-business, or food service.

Responsibility: PFM/DPDA (as lead role) with participating business support.

Resources: Dedicated funding from interested sponsors. While this could be initially established with annual contributions, a longer term objective could be to create an endowment providing a funding resource sustainable over a multi-year period.

Business Outreach. Two project priorities are noted for Year 1 – setting the stage for subsequent year, more intensive business outreach activities:

- **Expand DPDA Boundary.** A more cohesive promotion and development program can occur if both retail commercial and major employers are working together on behalf of the greater downtown area. Opportunities range from cooperative downtown area signage to promotion of walkable amenities ranging from Volunteer Park across from the courthouse to Peanuts Park in the retail core. With more businesses and employers involved, DPDA funding capacity and downtown clout are also correspondingly enhanced.

Options potentially available for expansion beyond the original PDDA boundaries include: a) extension north of Bonneville Street to encompass major public and medical center employers along the 4th/5th Street corridor; or b) further extension to include downtown residential neighborhoods and industrial employers between "A" Street and Tacoma Avenue. Recommended is option (a) as an initial step with possible future option (b) extension after further discussion with affected neighborhood and industrial interests.

Responsibility: DPDA as lead for boundary proposal, with review by the City and in discussion with interested property owners, employers and residents.

Resources: No immediate funding implications are identified with this action; however, boundary expansion may create added downtown funding opportunities longer term.

- **Main Street Accreditation.** Washington State’s Main Street program is expected to be open for application by additional communities in the summer to fall of 2014. Accreditation is integral to qualifying Pasco for a state business and occupation (B&O) 75% tax credit program. The Main Street program also includes board training and orientation in the nationally recognized Four-Point Main Street approach.

Responsibility: DPDA as lead organization with support from the Washington State Main Street Program through the Office of Archaeology and Historic Preservation.

Resources: Business district donations of up to \$133,333 per year as a 50-75% credit to the state B&O tax from private entities donating on behalf of eligible downtown organizations.

Property Development. Three project priorities are suggested with a Year 1 work plan:

- **Downtown Property Inventory.** The ability to provide comprehensive and readily updatable data is pivotal to recruiting new businesses and encouraging property re-investment. Assessor’s data compiled for this report provides a starting point for this database – with parcel specific information now available covering such items as ownership, parcel size, and land and improvements values. This basic information could be supplemented by additional data focused on properties available for sale or lease – including such items as property description, building area, integration of business listing by property parcel, sale/lease pricing and terms, and contacts for further information. This might serve to help identify code enforcement issues for buildings in a state of significant repair (and for a vacant building initiative recommended in Year 3).

This inventory information and referral service is proposed in cooperation with interested business and property owners, realtors, and development firms. Regularly updated summary information can be posted to the DPDA web site as part of an added business-to-business (B2B) page.

Responsibility: DPDA as inventory compiler and repository – in coordination with the City and interested owners and brokerage firms.

Resources: Initial compilation by DPDA staff or contracted services with ongoing maintenance by DPDA staff. May require sponsor funding for at least initial database setup.

- **Facade Plus Grant Program.** As noted, the City currently makes available a portion of its CDBG funding for facade improvement grants – with 75% from the City and 25% from the business owner. Recommended is that the City consider expanding the program to include grants for pivotal interior as well as exterior improvements – as grants or as a soft loan to be repaid at a below market rate with terms related to business volume or on a graduated annual basis. This offers the potential to increase participation in what has been an undersubscribed program to date. As a possible subsequent step, the program might be further augmented in the future with participation from private

lenders as a grant *plus* loan program. Also under consideration is application of a revolving loan program currently run on a countywide basis for use in downtown.

Responsibility: City with lead role to refine the loan program in cooperation with DPDA and possibly interested lender support.

Resources: Continued or expanded CDBG funding with possible supplemental bank lending for additional investment leveraging (possibly in conjunction with bank Community Reinvestment Act requirements).

- **Brokers Breakfast.** With the initial phases of a downtown property inventory and refined facade plus program in hand, recommended is a meeting event to which brokers and other potentially interested downtown owners and business prospects are invited. Purposes would be to reacquaint the Tri-Cities real estate community with opportunities and resources available to facilitate business and property development in Downtown Pasco. Depending on initial year outcomes, this might be structured as an annual event, updating the investment community on continuing opportunities as they materialize in the future.

Responsibility: DPDA would take a lead role in organizing this initial event in cooperation with interested commercial real estate brokerage firms. Other participants could include the City and other potential public/private sponsors.

Resources: Funding could be provided from an event registration fee and/or event sponsor(s).

Year 1/3 Combined Initiatives. From the action list, 4 projects are identified as representing initiatives that could occur in Year 1 of the 5-year plan if ready – or delayed to Year 3 if there is not adequate resource capability to proceed immediately. Two of these projects are identified in conjunction with business outreach items, with one each as a customer outreach and as a property development action:

- **Downtown Police Enforcement.** Pasco police already are playing a proactive role supportive of downtown improvement, with a clear focus on community policing and quick response to downtown issues as they arise. However, as indicated from stakeholder interviews, the reality or perception of crime is seen as a continuing deterrent to drawing customers and business investment. At a public meeting to review the plan, concerns were raised by Hispanic business community representatives regarding the critical importance of addressing safety, physical security and loitering issues in Downtown Pasco.

Ongoing police presence together with application of technology may be useful to deter crime and better address issues as they arise. As an example, the installation of a video camera at 4th and Lewis may serve to publicize activity at the nearby market and as added eyes-on-the-street to discourage threatening behavior.

Downtown loitering issues might be addressed through measures such as City consideration and adoption of a “sit-lie” ordinance that may more clearly prohibit sitting

or lying on the sidewalk or other public space in the downtown area. Also of importance is more active discouragement of open containers of alcoholic beverages in public place. Sit-lie ordinances have been adopted in a number of west coast cities, which have experienced significant social issues with vagrancy and loitering, deterring residents and visitors from coming downtown. Spokane, Seattle, Portland, and a number of San Francisco Bay area cities all have passed such ordinances. In some cities such as Portland, more active police enforcement has been accompanied by provision of added services in conjunction with existing service providers – such as restrooms, benches and day shelters. To be effective, any ordinance will need to be customized to meet needs and issues specific to the Pasco community.

Responsibility: DPDA as lead for assessing property and business community interest, followed by City Council review of a proposed ordinance. Also would involve coordination with affected downtown area social service providers including operators of the planned new Tri-City Union Gospel Mission facility.

Depending on level of stakeholder, City and DPDA Board support, some initial actions could take place with Year 1 implementation; other actions might take longer to develop a level of consensus needed for successful implementation. Priority for a comprehensive agenda is suggested to occur by no later than Year 3 of the work plan.

Funding: No specific funding need anticipated, at least with initial adoption. Could involve longer term consideration or support for services that would meet the needs of specific populations ranging from homeless to displaced youth in a manner that maintains safety and access for all downtown residents and customers.

- **Specialty Kitchen Enhancement.** With new management and continuing interest regionally in local foods, there is the opportunity to take the PSK to the next level by marketing services throughout the Tri-Cities area and providing consumer food programs (such as cooking and food preparation classes). While recently PSK has had to make several key equipment purchases as part of ongoing facility maintenance, of equal importance is the need to ramp up facility capabilities to better serve the needs and interests of its small business entrepreneurs.

Perhaps the best opportunity is for PSK to more actively position its facilities and services to encourage food business incubation. In other words, provide not only the facilities, but also the business planning and related support services that are needed for small start-ups and entrepreneurial ventures to successfully transition to full-fledged food production companies. This is already being accomplished, in part, with the current tiered rate structure offering lower rates (with HUD funding) for PSK-related businesses based on job development.

Offering on-site Wi-Fi represents one example of the types of on-site services important to professional business operations. A related improvement would be to provide cooperative desk/work space that PSK businesses can share – possibly by reconfiguring the existing building area to more efficiently serve client needs. And PSK may consider making available e-commerce services to its vendors/clients in exchange for a small service fee.

Responsibility: PSK as lead role with supportive services from the City of Pasco and interested ag/food services businesses and economic development organizations.

Resources: User fees plus likely requirement of additional funding from the City/CDBG or other interested sponsor organizations with opportunity for recognition given to funding partners – for supporting added business vitality that fits the culture of the Tri-Cities region as well as burgeoning consumer interest in local, healthy food alternatives.

- **Restaurant Recruitment.** A range of dining options is vital to the retail, business and residential vitality of any downtown. With the near disappearance of downtown restaurant activity, recruitment of new food service operations will inevitably be viewed as a key indicator of whether downtown is turning the corner for the better. Options for added dining could range from coffee/espresso or wine/bistro operations to microbrewery, ethnic or traditional cuisine.

Consequently, a key goal of the work plan should be to attract at least 1-2 new restaurants back to downtown in the next 1-3 years. Restaurant theming can build on PFM marketing of “we have what you’re hungry for.” In addition to the financial resources of a City facade *plus* program, the DPDA can play a pivotal role by talking to potential restaurant owners and linking them to suitable downtown property funding alternatives.

Responsibility: DPDA as lead recruitment organization in cooperation with the City together with interested lenders and brokerage firms.

Resources: Facade plus grants/loans and possible sponsor funding for the recruitment effort. Could include property owner agreement to discount rents early on, with rental rate increases tied to increasing business volume over time.

- **Pasco Farmers Market (PFM)/Pasco Specialty Kitchen (PSK) Expansion.** Long term growth of PFM operations will likely require added indoor facilities for a variety of potential purposes including food cold storage, wine tasting program, ability to extend afternoon hours (with indoor food vendors) as well as the market season (into shoulder months) and possibly for evening use (with

A New Look, Feel & Taste for Downtown Pasco: Building Momentum for Renewed Success



Source: DPDA photo gallery, per www.downtownpasco.com

entertainment as is occurring at other markets). For PSK, facility expansion could serve purposes such as providing space for consumer/educational classes, food preparation business services, and possibly added food kitchen space. This is all part of PFM's objective to build on the personalized *face of the farmer* branding initiative.

One building adjacent to PFM has been on the market and potentially could serve several of these purposes. If this property opportunity does not materialize, other nearby lease or purchase options, including potential enclosure of a portion of the PFM site with a permanent building structure, might be considered.

A related objective would be to remove the parking from under the structures – creating a viable people gathering place in conjunction with Peanuts Park clean-up even on those days with the market is not in operation. However, any removal of PFM parking should be accompanied by identification of alternative parking locations, as needed to meet demonstrated demand.

Responsibility: DPDA as lead role in cooperation with the City and interested nearby owners of potentially suitable buildings/properties.

Resources: May require City funding for purchase or capital funding to be repaid over time from expanded PFM/PSK operations. Up-front funding needs may be reduced if the property is initially leased rather than purchased. Private sponsor or grant funding might also be considered.

- **Business Smart Seminars.** Suggested from stakeholder interviews is the possibility of conducting short courses for business and property owners covering topics such as building security, marketing, merchandising, business accounting, financial management, and business financing. Year 1 implementation was recommended as a priority from the public input session with Hispanic business representatives.

A challenge with seminars is securing participant interest for topics and at times convenient to multiple businesses. As a related option, DPDA may arrange for in-service or one-on-one business consultations more tailored to individual business interests or needs.

Responsibility: DPDA as lead role with involvement of organizations such as CBC, TRIDEC, business professionals and/or associated sponsor organizations.

Resources: Informal in-service or one-on-one business consultations through DPDA might occur on a limited basis with existing resources. Formalized programs likely would involve dedicated funding or in-kind services provided via sponsors.

PLAN REVIEW

A *review draft* of the proposed work plan was presented and discussed with the DPDA Board at its meeting of May 15, 2014. Subsequently, a public meeting was conducted at the Booth Building of the Pasco School District on June 4.

Representatives of Hispanic business and civic interests participated in the June 4 discussion with Spanish language translation services provided. A summary of comments received at the meeting and subsequently via written correspondence is provided by the inset to the right.

Objectives and concerns heard during review of the draft plan correspond in large part with input received via stakeholder perspectives expressed early-on in the work plan process. While most of the suggestions received were covered in some form with the initial draft plan, portions of the work plan have been revised to better reflect concerns as expressed in DPDA Board and public meeting discussions.

As detailed by the work plan, timing of some actions will depend not only on assuring technical feasibility and funding availability, but on achieving reasonable consensus across a broad range of stakeholder interests as to the best course of action to take. In some cases, this consensus is already in hand or will emerge quickly. With some of the more challenging issues that Downtown Pasco faces, forging consensus may require additional dialogue including options not yet identified or considered to date.

While not called out in any one specific action item, continued initiatives to improve and maintain full communication within the downtown business and civic community will prove pivotal to successful plan implementation. This implementation process is intended to include future updating in response to new issues and opportunities as they arise. As stated in correspondence resulting from this meeting: "The (Hispanic business) community stands ready to work with other interested stakeholders to achieve the much-needed economic development goals of downtown Pasco."

Hispanic Business Community Comments

Comments provided by attendees at the June 4, 2014 public meeting and as stated by correspondence of June 9 are summarized as follows.

General Comments:

- ✓ Mixed use retail and housing appears do-able, provided that housing is of high standards to attract business investors
- ✓ Work plan actions for downtown police enforcement and business smart seminars should move up to Year 1
- ✓ Year 1 should also include presentation of the DPDA mission to the downtown business community

Impediments to Development:

- ✓ Infrastructure – with many of the buildings used for business purposes in disrepair and need for street lighting/sidewalk upgrades
- ✓ Safety & Physical Security – to address acts of downtown area vandalism and violence
- ✓ Loitering & Actions of Street People – which discourage downtown business patronage together with concerns over plans for a new Tri-City Union Gospel Mission facility

Requested is a good-faith effort to take views of the Hispanic business community into account and to collaborate on next steps for work plan implementation

PLAN UPDATING

As noted, this work plan is intended for implementation action, then to be revised and updated on a rolling calendar basis. Annual milestones anticipated over the next 5 years are outlined as follows:

- **2014** – Adoption of 5-year work plan by DPDA and Pasco City Council
- **2015** – Year 1 plan implementation (may continue as needed into 2016)
- **2016** – Year 1 plan review with update and refinement of Year 3 plan
- **2017** – Year 3 plan implementation (may continue as needed into 2018)
- **2018** – Year 3 plan review with update and refinement of Year 5 plan
- **2019** – Year 5 plan implementation

Year 1 plan actions are oriented to building customer awareness – building awareness and renewed confidence in Downtown Pasco as a good place to shop, dine and recreate. Coalition building and open communication will be integral to both to Year 1 and longer term action implementation.

Year 1 customer awareness initiatives will be coupled with early phase business outreach and property development initiatives. Depending on initial results, subsequent Year 3/5 actions may be better positioned to shift to the more challenging process of facilitating renewed business and property investment in Downtown Pasco.

At the end of this 5-year plan, a major re-evaluation of plan successes, lessons learned, and wholesale evaluation of new opportunities will be in order. At this future point in time, DPDA together with the City and other partner organizations could either decide to terminate their mutual partnership or to continue with a second 5-year plan.

The job of making and sustaining downtown as a competitive location for economic and residential vitality is never done. There will never be a time when Downtown Pasco can be expected to be 100% healthy without continued aggressive public-private participation. Whether it is in the form of a second and then third 5-year plan or some other form is a matter to be determined based on demonstrated results of the first 5 years of project implementation experience.

A New Look (& Logo) for DPDA



Source: Downtown Pasco Development Authority.

APPENDIX A. PREPARER PROFILE

This strategic work plan analysis has been conducted for DPDA by the by the economic and development consulting firm E. D. Hovee & Company, LLC (EDH).

Since 1984, EDH has provided economic and development services focused on the Pacific Northwest of Oregon and Washington, but with substantial experience throughout the United States as well. Services provided include economic and market research, community and business assessments, economic development and diversification strategies, and assistance with project implementation.

Market feasibility and development planning assignments have been prepared for a wide range of public, non-profit and private clients – primarily in the Pacific Northwest states of Washington and Oregon. Relevant project experience is summarized as follows:

- 1999 evaluation of the board vision and economic restructuring committee work program for what was then constituted as the Pasco Downtown Development Association (PDDA).
- Market opportunities analysis for East Pasco neighborhoods.
- Preparation of the draft charter and operating agreement for the City of Pasco and what was established as the Downtown Pasco Development Authority (DPDA).
- Assessment of potential regional centers for voter consideration on behalf of the Tri-Cities Regional Public Facilities District.
- Market analysis for Walla Walla's Marcus Whitman hotel and financial due diligence evaluation for Spokane Convention Center expansion.
- Strategic economic development planning for the Port of Quincy.
- Consultation to the Main Street Program of the National Trust for Historic Preservation / National Main Street Center as economic restructuring specialist in resource teams assisting more than 30 communities across the U.S.
- Similar resource team assistance to the Washington State Main Street Program in resource teams for Walla Walla, Wenatchee, Shelton, Puyallup, Ellensburg, Chelan, and Mount Vernon.
- Farmers market evaluations conducted for markets in Olympia and Vancouver.
- Retail strategies for communities as diverse as Downtown Kirkland (Washington), St. Joseph (Missouri), Santa Cruz (California), and Portland's Pearl District (Oregon).

Report preparers are Eric Hovee (Principal) and Andrea Logue (Research Coordinator).

APPENDIX B. SUPPLEMENTAL DATA TABLES

Population Trends (2000, 2010, 2013)

Jurisdiction	Census 2000	Census 2010	OFM 2013	Annual % Change 2010-10	Annual % Change 2010-13
Pasco	32,066	59,781	65,600	6.4%	3.1%
Kennewick	54,751	73,917	76,410	3.0%	1.1%
Richland	38,708	48,058	51,150	2.2%	2.1%
Benton-Franklin Counties	191,822	253,340	268,200	2.8%	1.9%
Washington State	5,894,143	6,724,540	6,882,400	1.3%	0.8%
Benton County	142,475	175,177	183,400	2.1%	1.5%
Franklin County	49,347	78,163	84,800	4.7%	2.8%

Sources: US. Census, Washington State Office of Financial Management (OFM).

Benton-Franklin Counties Employment Trends (2002, 2012)

NAICS	Industry	Benton-Franklin Counties (2012)			Avg Annual % Chg 2002-12		
		Wages	Jobs	Avg Wage	Wages	Jobs	Avg Wage
	Total	\$4,901,167,380	109,348	\$44,822	4.7%	2.2%	2.5%
11	Agriculture, forestry, fishing and hunting	\$279,703,436	12,101	\$23,114	13.6%	9.6%	3.6%
21	Mining	*	*	*	*	*	*
22	Utilities	*	*	*	*	*	*
23	Construction	\$286,104,677	5,589	\$51,191	6.0%	2.4%	3.6%
31-33	Manufacturing	\$328,738,453	7,313	\$44,953	4.0%	2.7%	1.3%
42	Wholesale trade	\$141,774,516	2,896	\$48,955	7.6%	3.8%	3.7%
44-45	Retail trade	\$308,043,503	11,485	\$26,821	4.1%	1.8%	2.2%
48-49	Transportation and warehousing	\$71,773,767	1,902	\$37,736	7.7%	5.1%	2.5%
51	Information	\$33,770,942	883	\$38,246	0.2%	-0.7%	0.9%
52	Finance and insurance	\$109,734,658	2,034	\$53,950	6.9%	2.4%	4.3%
53	Real estate and rental and leasing	\$39,636,040	1,402	\$28,271	2.7%	1.2%	1.5%
54	Professional and technical services	\$891,966,119	10,643	\$83,808	3.8%	1.2%	2.5%
55	Management of companies and enterprises	\$30,997,149	325	\$95,376	18.5%	8.4%	9.3%
56	Administrative and waste services	\$748,984,297	10,508	\$71,278	3.1%	0.6%	2.5%
61	Educational services	\$24,582,002	746	\$32,952	12.1%	7.6%	4.2%
62	Health care and social assistance	\$428,023,358	10,042	\$42,623	7.5%	3.3%	4.0%
71	Arts, entertainment, and recreation	\$26,729,406	1,675	\$15,958	6.7%	3.8%	2.8%
72	Accommodation and food services	\$120,309,791	7,614	\$15,801	5.2%	2.5%	2.7%
81	Other services, except public administration	\$82,177,351	4,209	\$19,524	4.9%	2.6%	2.2%
GOV	GOVERNMENT	\$932,510,600	17,774	\$52,465	4.4%	1.9%	2.4%
NEC	NOT ELSEWHERE CLASSIFIED	\$15,607,315	208	\$75,035	-14.7%	-26.4%	15.9%

Source: Washington State Employment Security Department.

Population Demographics (Claritas)

Description	Pasco	B-F Counties
Population		
2019 Projection	77,458	299,260
2014 Estimate	68,473	275,321
2010 Census	59,781	253,340
2000 Census	34,258	191,824
Growth 2014-2019	13.12%	8.69%
Growth 2010-2014	14.54%	8.68%
Growth 2000-2010	74.50%	32.07%
2014 Est. Pop by Single Race Class (%)		
White Alone	55.9%	74.4%
Black or African American Alone	2.1%	1.8%
Amer. Indian and Alaska Native Alone	0.7%	0.9%
Asian Alone	2.1%	2.6%
Native Hawaiian and Other Pac. Isl. Alone	0.1%	0.2%
Some Other Race Alone	35.1%	16.2%
Two or More Races	3.9%	3.9%
2014 Est. Pop Hispanic or Latino by Origin (%)		
Not Hispanic or Latino	46.2%	71.1%
Hispanic or Latino:	53.8%	28.9%
Mexican	90.5%	89.7%
Puerto Rican	0.5%	0.7%
Cuban	0.2%	0.4%
All Other Hispanic or Latino	8.7%	9.2%
2014 Est. Population by Age (%)		
Age 0 - 4	9.7%	8.0%
Age 5 - 9	10.2%	8.0%
Age 10 - 14	8.7%	7.7%
Age 15 - 17	4.9%	4.6%
Age 18 - 20	4.4%	4.2%
Age 21 - 24	6.0%	5.5%
Age 25 - 34	16.7%	14.1%
Age 35 - 44	13.6%	12.6%
Age 45 - 54	10.2%	12.4%
Age 55 - 64	8.1%	11.5%
Age 65 - 74	4.6%	6.8%
Age 75 - 84	2.1%	3.2%
Age 85 and over	0.9%	1.4%
2014 Est. Median Age	28.6	33.6
2014 Est. Average Age	31.1	35.5
2014 Est. Pop Age 15+ by Marital Status (%)		
Total, Never Married	34.2%	29.5%
Males, Never Married	19.0%	16.7%
Females, Never Married	15.3%	12.8%
Married, Spouse present	44.7%	50.0%
Married, Spouse absent	6.5%	4.1%
Widowed	3.9%	4.6%
Males Widowed	0.8%	1.0%
Females Widowed	3.0%	3.7%
Divorced	10.6%	11.7%
Males Divorced	6.0%	6.1%
Females Divorced	4.6%	5.6%
2014 Est. Pop. Age 25+ by Edu. Attainment (%)		
Less than 9th grade	22.4%	9.8%
Some High School, no diploma	8.2%	7.1%
High School Graduate (or GED)	26.4%	24.8%
Some College, no degree	20.0%	23.8%
Associate Degree	6.8%	8.9%
Bachelor's Degree	9.9%	16.1%
Master's Degree	4.8%	7.1%
Professional School Degree	0.7%	0.9%
Doctorate Degree	0.7%	1.5%

Household & Income Profile (Claritas)

Description	Pasco	B-F Counties
Households		
2019 Projection	23,159	104,213
2014 Estimate	20,460	95,804
2010 Census	17,980	88,549
2000 Census	10,385	67,703
Growth 2014-2019	13.19%	8.78%
Growth 2010-2014	13.79%	8.19%
Growth 2000-2010	73.13%	30.79%
Est. Average Household Size		
2019 Projection	3.34	2.87
2014 Estimate	3.35	2.87
2010 Census	3.32	2.86
2000 Census	3.30	2.83
2014 Est. Households by Household Type (% of Total)		
Family Households	77.2%	72.3%
Nonfamily Households	22.8%	27.7%
2014 Est. HHs by HH Income (%)		
< \$15,000	11.1%	8.5%
\$15,000 - \$24,999	12.0%	9.3%
\$25,000 - \$34,999	10.7%	9.3%
\$35,000 - \$49,999	14.6%	13.3%
\$50,000 - \$74,999	18.7%	17.9%
\$75,000 - \$99,999	14.1%	15.0%
\$100,000 - \$124,999	7.5%	10.0%
\$125,000 - \$149,999	3.9%	6.6%
\$150,000 - \$199,999	4.7%	6.1%
\$200,000 - \$249,999	1.9%	2.3%
\$250,000 - \$499,999	0.7%	1.5%
\$500,000+	0.1%	0.3%
2014 Est. Average Household Income	\$65,955	\$77,793
2014 Est. Median Household Income	\$52,107	\$63,361

Employment & Transportation Indicators (Claritas)

Description	Pasco	B-F Counties
2014 Est. Pop Age 16+ by Employment Status (% of Total)		
In Armed Forces	0.2%	0.1%
Civilian - Employed	59.1%	58.2%
Civilian - Unemployed	5.8%	4.9%
Not in Labor Force	34.9%	36.9%
2014 Est. Pop 16+ by Occupation Classification (%)		
Blue Collar	23.7%	22.1%
White Collar	40.8%	54.0%
Service and Farm	35.5%	23.9%
2014 Est. Households by Number of Vehicles (% of Total)		
No Vehicles	6.1%	4.6%
1 Vehicle	24.6%	26.4%
2 Vehicles	38.4%	38.8%
3 Vehicles	22.3%	20.3%
4 Vehicles	5.8%	6.9%
5 or more Vehicles	2.8%	2.8%
2014 Est. Workers Age 16+, Transp. To Work (%)		
Drove Alone	72.5%	76.3%
Car Pooled	19.0%	14.8%
Public Transportation	2.3%	1.6%
Walked	1.5%	2.3%
Bicycle	0.1%	0.4%
Other Means	0.5%	0.8%
Worked at Home	4.1%	3.8%
2014 Est. Workers Age 16+ by Travel Time to Work (%)		
Less than 15 Minutes	32.4%	31.6%
15 - 29 Minutes	42.3%	43.2%
30 - 44 Minutes	15.6%	12.5%
45 - 59 Minutes	5.0%	6.7%
60 or more Minutes	4.7%	6.0%
2014 Est. Avg Travel Time to Work in Minutes	23.9	24.7

Housing Profile (Claritas)

Description	Pasco	B-F Counties
2014 Est. Tenure of Occupied Housing Units (%)		
Owner Occupied	65.5%	68.0%
Renter Occupied	34.5%	32.0%
2014 Owner Occ. HUs: Avg. Length of Residence (Years)	11.9	15.1
2014 Renter Occ. HUs: Avg. Length of Residence (Years)	5.6	6.2
2014 Est. All Owner-Occupied Housing Values (% of Total)		
Value Less than \$20,000	2.5%	3.0%
Value \$20,000 - \$39,999	0.3%	1.3%
Value \$40,000 - \$59,999	1.2%	1.6%
Value \$60,000 - \$79,999	1.5%	1.5%
Value \$80,000 - \$99,999	3.6%	5.0%
Value \$100,000 - \$149,999	25.5%	19.3%
Value \$150,000 - \$199,999	31.9%	25.4%
Value \$200,000 - \$299,999	20.5%	24.2%
Value \$300,000 - \$399,999	6.7%	10.8%
Value \$400,000 - \$499,999	3.2%	4.2%
Value \$500,000 - \$749,999	2.3%	2.5%
Value \$750,000 - \$999,999	0.7%	0.6%
Value \$1,000,000 or more	0.1%	0.6%
2014 Est. Median All Owner-Occupied Housing Value	\$174,052	\$186,051
2014 Est. Housing Units	21,263	100,312
2014 Est. Housing Units by Units in Structure (% of Total)		
1 Unit Attached	1.9%	2.6%
1 Unit Detached	70.4%	65.5%
2 Units	1.8%	3.1%
3 or 4 Units	3.5%	2.5%
5 to 19 Units	8.3%	8.4%
20 to 49 Units	4.8%	3.0%
50 or More Units	1.5%	2.9%
Mobile Home or Trailer	7.6%	11.7%
Boat, RV, Van, etc.	0.2%	0.2%
2014 Est. Housing Units by Year Structure Built (%)		
Housing Unit Built 2005 or later	20.1%	11.7%
Housing Unit Built 2000 to 2004	18.7%	12.8%
Housing Unit Built 1990 to 1999	12.4%	16.6%
Housing Unit Built 1980 to 1989	5.0%	7.5%
Housing Unit Built 1970 to 1979	16.7%	22.8%
Housing Unit Built 1960 to 1969	9.2%	8.4%
Housing Unit Built 1950 to 1959	9.6%	9.0%
Housing Unit Built 1940 to 1949	5.0%	8.4%
Housing Unit Built 1939 or Earlier	3.5%	2.8%
2014 Est. Median Year Structure Built	1991	1979

Sources: Claritas, E. D. Hovee & Company, LLC.

Pasco Retail Sales & Leakage (2014)

NAICS	Retail Categories	2014 Demand (Retail Potential)	2014 Supply (Retail Sales)	Leakage (Demand-Supply)
44-45, 72	Total Retail Trade and Food & Drink	\$946,029,556	\$1,629,096,885	(\$683,067,329)
441	Motor Vehicle & Parts Dealers	\$198,570,573	\$553,749,018	(\$355,178,445)
442	Furniture & Home Furnishings Stores	\$17,824,073	\$9,567,448	\$8,256,625
443	Electronics & Appliance Stores	\$17,885,975	\$13,588,519	\$4,297,456
444	Bldg Materials, Garden Equip. & Supply Stores	\$91,618,033	\$298,788,844	(\$207,170,811)
445	Grocery (Food & Beverage Stores)	\$121,104,310	\$397,610,474	(\$276,506,164)
446	Health & Personal Care Stores	\$40,913,324	\$46,136,308	(\$5,222,984)
447	Gasoline Stations	\$90,736,083	\$160,025,540	(\$69,289,457)
448	Clothing and Clothing Accessories Stores	\$44,384,510	\$25,027,627	\$19,356,883
451	Sporting Goods, Hobby, Book, & Music Stores	\$19,987,507	\$7,770,418	\$12,217,089
452	General Merchandise Stores	\$116,189,332	\$56,587,742	\$59,601,590
453	Miscellaneous Store Retailers	\$23,692,497	\$7,404,698	\$16,287,799
454	Nonstore Retailers	\$72,327,296	\$449,262	\$71,878,034
722	Dining (Food Services & Drinking Places)	\$90,796,043	\$52,390,987	\$38,405,056

Source: Claritas and E. D. Hovee & Company, LLC.

Benton-Franklin Counties Retail Sales & Leakage (2014)

NAICS	Retail Categories	2014 Demand (Retail Potential)	2014 Supply (Retail Sales)	Leakage (Demand-Supply)
44-45, 72	Total Retail Trade and Food & Drink	\$4,651,260,360	\$6,228,179,621	(\$1,576,919,261)
441	Motor Vehicle & Parts Dealers	\$975,431,202	\$1,552,426,650	(\$576,995,448)
442	Furniture & Home Furnishings Stores	\$94,577,570	\$188,147,382	(\$93,569,812)
443	Electronics & Appliance Stores	\$89,413,838	\$132,041,155	(\$42,627,317)
444	Bldg Materials, Garden Equip. & Supply Stores	\$479,013,887	\$906,129,320	(\$427,115,433)
445	Grocery (Food & Beverage Stores)	\$574,090,084	\$1,338,883,906	(\$764,793,822)
446	Health & Personal Care Stores	\$216,593,198	\$319,101,244	(\$102,508,046)
447	Gasoline Stations	\$436,397,014	\$612,040,493	(\$175,643,479)
448	Clothing and Clothing Accessories Stores	\$215,426,444	\$308,370,040	(\$92,943,596)
451	Sporting Goods, Hobby, Book, & Music Stores	\$95,347,083	\$94,634,941	\$712,142
452	General Merchandise Stores	\$543,164,816	\$402,081,187	\$141,083,629
453	Miscellaneous Store Retailers	\$120,349,851	\$71,072,473	\$49,277,378
454	Nonstore Retailers	\$361,271,009	\$4,661,093	\$356,609,916
722	Dining (Food Services & Drinking Places)	\$450,184,364	\$298,589,737	\$151,594,627

Source: Claritas and E. D. Hovee & Company, LLC.

END NOTES

¹ The *Main Street* approach was formulated by the National Main Street Center of the National Trust for Historic Preservation. Since 1984, this approach has also served as the backdrop for Washington State’s Main Street program, now under the auspices of the Washington Trust for Historic Preservation. As noted by the program’s web site, the Main Street approach is intended to provide a “flexible framework” that capitalizes on the traditional assets of downtown as “a catalyst for economic growth and community pride.” Web site link is: <http://www.dahp.wa.gov/programs/mainstreet-program>.

Other approaches have adapted from the Main Street model. One such “new approach” noted by a DPDA Board Member is found in the book *Resilient Downtowns* by Michael A. Burayidi. *Resilient Downtowns* is aimed to offer an “en-RICHED” approach, focusing on residential development, immigration strategies, civic functionality, heritage tourism, and good design practices.

² Information for this work plan document has been obtained by sources generally deemed to be reliable. However, the accuracy of this information is not guaranteed and data provided may be subject to change without notice.

The findings and recommendations contained in this report are those of the authors. They should not be construed as representing the opinion of any other party prior to express approval, whether in whole or in part.

³ Based on NAI Tri-Cities data last updated January 2012, land values for land in CBD or office park areas are indicated as ranging from about \$5.50 to over \$8.50 per square foot. Retail and commercial land values range more widely from about \$5.00 to over \$16.00 per square foot in prime locations.

⁴ Claritas is a national provider of demographic data customized to county, city or sub-jurisdiction geographies as determined by the user. In addition to providing current estimates and trend data, the firm also provides 5-year forecasts for selected data items. Claritas is a division of The Nielsen Company.

⁵ Sales leakage both in Pasco and regionally is also noted for non-store retailers – including internet and mail-order sales. These are not factored into the analysis because such stores do not require a local brick and mortar storefront presence.

⁶ Support for mixed use commercial-residential development was expressed in stakeholder interviews and through the public meeting session of June 4, 2014. Written correspondence of June 9 regarding Hispanic business community comments to the proposed Downtown Pasco work plan indicated that mixed use opportunity is do-able, contingent on resolving safety and security issues, and taking steps to “ensure that the apartment housing is of sufficiently high standards so that business investors will be attracted.”