

ECONOMIC DEVELOPMENT APPENDIX

INTRODUCTION

This appendix includes a summary of analysis and strategies that support the goals and policies in the Economic Development Element. The source of this information is the *City of Orting Economic Baseline Study* prepared by Property Counselors dated June 5, 2006. The appendix fulfills the City's obligations under the GMA to include an economic development element in the Comprehensive Plan.

BACKGROUND SUMMARY

Population

The City of Orting has an estimated population of 4,820 as of April 1, 2005. The City has showed very rapid population growth over the past 15 years.

Table ED-1

City of Orting Population

1990	2,106	
2000	3,931	6.4%
2005	4,820	4.2%

*Source: US Census Bureau
Washington Office of Financial Management*

Population growth greatly exceeded the average rate for Pierce County of 1.4% for the period 1990 through 2000, and 1.5% for the period 2000 to 2005.

Orting serves a large market area that extends north past McMillin, east toward South Prairie, south and west toward Graham along the Orting Kapowsin Highway. This area corresponds generally to the boundaries of Pierce County Fire District 18. The basis for this trade area determinate is described in the retail section provided later in this report. The population of this larger trade area is estimated to be 11,500. While this area does not correspond to any designated census tract, it has also experienced rapid growth over the past 15 years.

Orting is part of the Puget Sound Regional Council Forecast Analysis Zone (FAZ) 705. This FAZ includes Orting and Prairie Ridge north of the Puyallup River. This area is

projected by PSRC to grow at an average annual rate of 3.4% over the period 2000 to 2020. However, much of the growth is in the area north of the Puyallup River, and is not part of the City's natural trade area given current transportation links. However, the area to the south and west of Orting, FAZ 506, is projected to grow at an average rate of 3.0% per year, and a large portion of this growth is in the Orting trade area. The characteristics of the City of Orting population can be compared to those of the County as a whole.

Table ED-2

Comparison of Orting Population Characteristics

	Orting	Pierce County
Median Age	30.2	34.1
% of Population Under 18	32.8%	27.2%
Average Household Size	2.85	2.60
% Owner Occupied Housing	82.0%	63.5%
% of Population 65 or Older	8.8%	10.2%

Source: US Census Bureau, Demographic Profiles

The population is relatively young, with a high household size and incidence of home ownership. These relationships are typical of a community with a large number of families.

Housing

The population growth in Orting is reflected in the level of new housing activity in the City.

Table ED-3

City of Orting Building Permit Activity

Year	Single Family		Two Family		Three/Four Family		Five/More Family		Total	
	Bldgs	Units	Bldgs	Units	Bldgs	Units	Bldgs	Units	Bldgs	Units
1996	102	102	1	2	2	6	0	0	105	110
1997	139	139	0	0	0	0	0	0	139	139
1998	125	125	1	2	0	0	0	0	126	127
1999	73	73	4	8	0	0	0	0	77	81
2000	14	14	0	0	0	0	0	0	14	14
2001	53	53	0	0	0	0	0	0	53	53
2002	112	112	1	2	0	0	0	0	113	114
2003	36	36	0	0	1	4	1	5	38	45

2004	133	133	0	0	0	0	0	0	133	133
2005	267	267	0	0	0	0	0	0	267	267
Total	1,054	1,054	7	14	3	10	1	5	1,065	1,083

Source: U.S. Census Bureau, 2000.

The 359 homes receiving permits from 2000 to 2004 correspond roughly to the 889 person increase in population over the period.

Major new residential subdivisions completed in recent years include Village Green (398 lots), Whitehawk (268 lots), River’s Edge (139 lots), and Village Crest (225 lots). All these plats are located northwest of downtown Orting. River’s Edge and Village Crest are the only developments with unsold lots at this time, although each is expected to sell out by May 2006. Home prices range between \$209,000 and \$330,000.

Proposed subdivision plats in the City of Orting, most of which have preliminary plat approval at this time, are summarized in the following table.

Plat Name	No. of Lots
Village Green	230
Carbon River Landing	90
Rivers Edge	264
Meadows	148
Majestic View	74
Hidden Harbor	140
Total	946

At the current rate of growth, the City’s residential development will reach its zoned capacity in 2007. Cascadia, the state’s largest master planned community, is slated for development on the plateau north and east of Orting, outside the city limits. This 5,000-acre project will ultimately encompass 6,700 homes, 626 acres of business and industrial park, a 219-acre resort quality-hotel with conference faculties, a golf course, parks and open space. Initial access will be to Bonney Lake on the north, with additional access planned to the west toward Orting. Development commenced last year with land clearing, utility ditches and road construction underway. Lots have been sold to single family homebuilders. Other new residential development planned in the area south of Bonney Lake includes a 1,100-lot plat known as Falling Water and the 2,000-lot White River Estates development.

Employment

Employment has increased in Orting over the past 10 years at a rate comparable to population growth.

Table ED-4

City of Orting Employment

	1995	2000	2004
Construction/Resource	23	11	*
Finance, Insurance, Real Estate	*	16	16
Manufacturing	*	*	*
Retail	50	45	42
Services	89	125	358
Wholesale Transportation Utilities	*	*	11
Education	205	197	287
Government	41	34	233
Total	441	450	954

* Not disclosed because 2 or fewer employers.
Source: PSRC Covered Employment Estimates

The fastest growth occurred between 2000 and 2004. Most of the growth was in the services and government sectors. Even with the job growth between 2000 and 2004, Orting still has only .21 jobs per capita compared to .33 for Pierce County and .47 for the region as a whole.

The largest single employer in Orting is the Orting School District with a 2005 employment level of 193. Hobart Baking Systems, located east of Orting is the largest private employer with 127 employees. Other major employees include Safeway and the High Cedar Golf Club (north of the City).

Income

The Office of Financial Management of Washington State has estimated the median income for Pierce County to be \$52,630 for 2004. No comparable estimates are available for smaller jurisdictions. However, 2000 Census Data for 1999 reported median household income in Orting to be \$53,464 compared to \$45,204 for Pierce County as a whole. If Orting household income grew at the same rate as the County's, the median household income in 2004 would be \$62,250.

Transportation

State Route 162 is the major arterial in the Orting area. Available daily traffic count data as of 2004 for this highway as well as Highway 410 through Bonney Lake to the north ave is summarized in the following table.

Arterial	Location of Count	Average Daily Traffic Volume
State Route 162	At State Route 410	19,000
State Route 162	South of junction with Pioneer Way E.	19,000

Arterial	Location of Count	Average Daily Traffic Volume
State Route 162	North of junction with Military Rd. E.	17,000
State Route 162	South of junction w/Old Pioneer Way E	15,000
State Route 162	South of junction with Orville Rd. E.	5,900
State Route 162	West of junction with State Route 165	5,000
State Route 410	East of junction with State Route 162	51,000
State Route 410	West of junct. w/Sumner Buckley Hwy.	50,000
State Route 410	East of junct. w/Sumner Buckley Hwy.	40,000
State Route 410	West of junction with 202nd Ave. E.	29,000
State Route 410	West of junction with 214th Ave. E.	27,000
State Route 410	East of junction with 214th Ave. E.	22,000
State Route 410	West of junction with State Route 165	18,000

The road network in the Orting area favors access to and from downtown Orting to the northwest and southeast along State Route 162, as well as to the south along the Orting Kapowsin Highway. Principal barriers to travel in the Orting area consist of vast tracts of undeveloped land that lack roads. Such areas are located north, east, and west of the city. In addition, the Puyallup and Carbon Rivers, which parallel the city on the west and east, have few road crossings, resulting in other barriers to travel in the area.

Major highway projects currently underway or that might affect Orting include improvements to SR-161 and construction of SR-704. SR-161 (Meridian Ave.) is being widened between 176th St. E. and 234th St. to four lanes. SR-704, also known as the Cross-Base highway project, is a proposed six-mile-long, multi-lane divided highway commencing at the Interstate 5 Thorne Lane interchange on the west end, connecting to 176th St. at SR-7 on the east. With further extension to the east, the project could greatly enhance access to Orting.

Business Mix

The mix of businesses in Orting can be summarized according to the amount and type of taxable business receipts. Table ED-5 summarizes the receipts by sector and compares them to levels for the surrounding cities of Bonney Lake and Puyallup and Pierce County. As shown, total taxable receipts for Orting were \$50.9 million. 36.9% of these receipts were in the construction sector. This factor reflects the high level of home construction in the area. (Construction receipts are reported at the place of construction rather than the address of the employer).

- Other sectors where Orting has a strong concentration are food and beverage services, and food services.
- Sectors where Orting has a relative lack of business activities are auto sales and general merchandise.

The latter categories are ones where small cities have difficulty attracting businesses, because of shopping patterns and retail location preferences. Specific businesses that serve as anchors for the area include Safeway, Cope's Orting Drug, Wild Rose (quilts), Post Office, and several restaurants.

Table ED-5

Taxable Retail Sales Analysis

Orting, Bonney Lake, Puyallup, and Pierce County

Industry	4th Qtr 2004 - 3rd Qtr 2005 City of Orting		4th Qtr 2004 - 3rd Qtr 2005 City of Bonney Lake		4th Qtr 2004 - 3rd Qtr 2005 City of Puyallup		4th Qtr 2004 - 3rd Qtr 2005 Pierce County	
	Taxable Retail Sales	% of Total	Taxable Retail Sales	% of Total	Taxable Retail Sales	% of Total	Taxable Retail Sales	% of Total
Retail Trade								
Motor Vehicles & Parts	\$349,212	0.7%	\$10,614,872	3.8%	\$438,441,734	26.3%	\$1,854,046,013	16.9%
Furniture & Home Furnishing	\$734,706	1.4%	\$3,720,644	1.3%	\$27,490,094	1.6%	\$224,424,891	2.0%
Electronics & Appliances	\$453,415	0.9%	\$2,884,349	1.0%	\$50,051,895	3.0%	\$248,073,235	2.3%
Building Materials, Garden Equip &	\$2,203,553	4.3%	\$8,616,686	3.0%	\$118,373,487	7.1%	\$553,881,761	5.0%
Food & Beverage Stores	\$5,157,667	10.1%	\$12,617,788	4.5%	\$20,049,233	1.2%	\$282,553,809	2.6%
Drug/health Stores	\$164,711	0.3%	\$2,495,263	0.9%	\$11,099,353	0.7%	\$126,812,276	1.2%
Gas Stations & Convenience Stores	\$778,910	1.5%	\$4,371,578	1.5%	\$10,021,187	0.6%	\$139,954,902	1.3%
Apparel & Accessories	\$1,160,379	2.3%	\$2,197,336	0.8%	\$65,109,088	3.9%	\$321,648,212	2.9%
Sporting Goods, Toys, Book & Music	\$21,884	0.0%	\$1,584,712	0.6%	\$26,870,555	1.6%	\$204,033,594	1.9%
General Merchandise Stores	\$511,928	1.0%	\$90,210,439	31.9%	\$276,982,732	16.6%	\$1,033,746,995	9.4%
E-commerce & Mail Order	\$247,603	0.5%	\$843,776	0.3%	\$4,081,656	0.2%	\$31,542,830	0.3%
Miscellaneous Retailers	\$1,866,939	3.7%	\$12,019,481	4.2%	\$71,806,369	4.3%	\$446,193,612	4.1%
Total Retail Trade	\$13,650,907	26.8%	\$152,176,924	53.8%	\$1,120,377,383	67.1%	\$5,466,912,130	49.7%
Agriculture, Forestry, Fishing	\$96,610	0.2%	\$33,524	0.0%	\$187,184	0.0%	\$9,628,120	0.1%
Mining	\$0	0.0%	\$0	0.0%	\$58,941	0.0%	\$7,595,149	0.1%
Utilities	\$0	0.0%	\$0	0.0%	\$113,499	0.0%	\$3,874,586	0.0%
Construction	\$18,797,165	36.9%	\$61,521,087	21.7%	\$191,135,910	11.4%	\$1,950,604,213	17.7%
Manufacturing	\$523,774	1.0%	\$3,671,002	1.3%	\$20,821,331	1.2%	\$316,775,384	2.9%
Wholesale Trade	\$1,988,365	3.9%	\$6,881,489	2.4%	\$71,830,020	4.3%	\$703,313,648	6.4%
Transportation & Warehousing	\$18,279	0.0%	\$462,491	0.2%	\$1,199,447	0.1%	\$41,050,736	0.4%
Information	\$3,080,685	6.1%	\$8,797,640	3.1%	\$36,348,647	2.2%	\$474,076,210	4.3%
Finance, Insurance	\$520,021	1.0%	\$1,272,411	0.4%	\$19,753,161	1.2%	\$121,337,147	1.1%
Real Estate, Rental/leasing	\$1,355,134	2.7%	\$5,317,347	1.9%	\$25,102,775	1.5%	\$273,592,494	2.5%
Professional, Scientific & Technical	\$331,827	0.7%	\$2,128,399	0.8%	\$9,989,562	0.6%	\$112,284,961	1.0%
Management, Education & Health Services	\$1,872,822	3.7%	\$3,468,286	1.2%	\$24,659,281	1.5%	\$214,942,096	2.0%
Arts, Entertainment & Recreation	\$129,903	0.3%	\$1,245,743	0.4%	\$7,880,524	0.5%	\$83,442,271	0.8%
Accommodations & Food Services	\$7,382,853	14.5%	\$28,204,426	10.0%	\$108,242,656	6.5%	\$876,950,017	8.0%
Other Services	\$1,155,893	2.3%	\$7,779,284	2.7%	\$32,232,528	1.9%	\$338,606,892	3.1%
Public Administration, Other	\$6,906	0.0%	\$0	0.0%	\$42,614	0.0%	\$4,495,739	0.0%
Total All Industries	\$50,911,144	100.0%	\$282,960,053	100.0%	\$1,669,975,463	100.0%	\$10,999,481,793	100.0%

Visitor Industry

Eastern Pierce County is home to several major tourist attractions.

- Mount Rainier National Park attracts 2 million visitors per year for year-round interpretive and recreational activities.
- The City of Eatonville to the south of Orting offers Northwest Trek and Pioneer Farms (both outside the City).
- Puyallup to the west advertises such attractions as a farmers market, the Meeker Mansion, outdoor art, and antiques.

Orting is located in a beautiful natural setting between two rivers with framed views of Mount Rainier. However, the City offers few identified attractions to draw visitors. The Foothills Trail is a walking and biking trail linking Orting and McMillin. There is a fish hatchery located at the south end of town. There are no attractions listed on the Tacoma Pierce County Conventions and Visitors Bureau.

There are opportunities for communities like Orting to serve the visitor industry. The Washington State Visitors Profile study conducted in 1997 by the Washington State Tourism Division identified the activities that visitors participated in.

Table ED-6

Washington State Visitor Profile, Participation in Visitor Activities

(% of Visitors Participating as Main or One of Several Other Activities)

	Main Activity	All Activities
Visit Friends/Relatives	21%	54%
Relax/Sightsee	23	47
Visit National Park	8	39
Shop in Metro Area	8	38
Visit Zoo/Wildlife	5	21
Fair/Festival/Rodeo	4	20
Shop in Small Community	3	38
Museum/Historical Site	3	29
Camping	3	13
Hiking	1	18

Source: Washington Tourism Division, Washington State Visitor Profile, 1997

Each activity in the table was identified by more than 10 percent of visitors as the main reason for their visit. Two observations have relevance to Orting.

1. Several of these activities are available in or near Orting: Mt. Rainier National Park, small community shopping, camping and hiking.
2. Visitors generally participated in more than one activity. A community which can offer a combination of activities can increase its attractiveness.

There is a rule of thumb that the duration of a visitor experience must exceed four times the length of time to travel to it. While the exact factor may be subject to argument, the concept is clearly true. Further, in order to maximize the economic impact of visitor spending, it is important to provide an experience or combination of experiences which can support an overnight stay.

STRENGTHS, WEAKNESSES, OPPORTUNITIES, AND THREATS

Given the characteristics of the City described in the preceding profile, the City's competitive position can be summarized in terms of strengths, weaknesses, opportunities and threats.

Strengths

1. The strong recent population growth can create demand for additional business.
2. The strong growth in Puget Sound region creates demand for visitor activities and regional business opportunities.
3. The physical setting of Orting makes it attractive as a place to live, work, and visit.
4. The City has utility service capacity to serve additional development.
5. The City has underdeveloped land that can accommodate residential or commercial/industrial growth.
6. The City has an established Downtown with a clear town center.

Weaknesses

1. There are natural barriers that serve to isolate the City, specifically rivers and plateaus.
2. Transportation access and capacity is limited, with a two lane arterial through town, and a two lane arterial serving the area to the west.
3. There are few publicized visitor attractions in the City. The City has a wonderful view of Mount Rainier, but it isn't on any of the main routes to Park entrances.

4. The threat of lahars (mud slides triggered by volcanic activity on Mount Rainier) requires hazard planning and response programs.

Opportunities

1. The City can fill some of the gaps in its businesses mix and recapture lost retail sales.
2. The City can increase its stature as a visitor destination.
3. The interest of residents and visitors in pedestrian scale shopping districts, enhances the potential for small communities with established downtowns.
4. Growth and development throughout the region creates demand for development in secondary markets.
5. Cascadia, the master planned community on the plateau to the east, will gain increasing attention, and provide a higher profile for Orting, if not additional retail sales.

Threats

1. The established retail centers in Bonney Lake and Puyallup South Hill will continue to attract spending activity outside the City.
2. Cascadia may attract some of the employers that might otherwise consider Orting.
3. The lahar hazard threat may discourage some investment.

In summary, the City's competitive position is that of a small community offering an alternative to urban settings with scarce land, higher prices, and limited natural amenities.

RETAIL MARKET POTENTIAL

Types of Retail Development

Retail development occurs in stand-alone buildings or shopping centers. Shopping centers fall into several categories, which differ according to the number and type of stores, the amount of space and site area, and the size of the market area, both in terms of population and distance. Table ED-7 summarizes the characteristics of the major types of shopping centers. Pioneer Village is an example of a neighborhood shopping center. Fred Meyer in Bonney Lake is an example of a community shopping center. South Hill Mall in Puyallup is a regional mall.

The market area for Orting retail is an area determined by natural boundaries, transportation routes, location of residential development, and location of competition. The market area for Orting is an area that extends beyond city boundaries to the south and west along the Orting Kapowsin Highway to 224th, to McMillin on the north, to the Puyallup River to the east. The population of this area is estimated to be 11,500 currently as presented in the profile section. With projected growth of 3% per year over the next 20 years, it could reach 20,700 by 2025. The current population is at the lower end of the range for a neighborhood shopping center. The projected population would fall within the middle of that range.

**Table ED-7
Types of Shopping Centers**

Neighborhood Shopping Center Anchors Supermarket and drug store Number of Stores 10-40 stores Total Retail Space 30,000-100,000 square feet Site Area 3-10 acres Market Area Population 10,000-30,000 people Market Area Radius 1-3 miles	Off-Price Center Anchors Off-price/discount store Number of Stores 20-60 Total Retail Space 100,000-500,000 square feet Site Area 5-15 acres Market Area Population 80,000-250,000 square feet Market Area Radius 6-15 miles
Community Shopping Center Anchors Junior department or discount store Number of Stores 25-80 stores Total Retail Space 100,000-450,000 square feet Site Area 10-30 acres Market Area Population 30,000-75,000 people Market Area Radius 3-8 miles	Specialty Center Anchors Specialty/theme retailer(s) Number of Stores varies widely Total Retail Space varies widely Site Area varies widely Market Area Population varies widely Market Area Radius varies widely
Regional Shopping Center Anchors 1 or 2 full-line department stores Number of Stores 50-100 stores Total Retail Space 300,000-750,000 square feet Site Area 30-50 acres Market Area Population 100,000-250,000 people Market Area Radius 8-15 miles	Outlet Center Anchors Manufacturer's outlet stores Number of Stores 30-100 stores Total Retail Space 200,000-800,000 square feet Site Area 20-50 acres Market Area Population 200,000-600,000 square feet Market Area Radius over 50 miles
Super-Regional Shopping Center Anchors 3 or more full-line department stores Number of Stores 100-300 stores Total Retail Space 600,000-2,000,000 square feet Site Area 40-100 acres Market Area Population 250,000-600,000 people Market Area Radius 12-50 miles	Power Center Anchors Large warehouse/discount retailers Number of Stores 10-20 stores (mainly large retailers) Total Retail Space 250,000-800,000 square feet Site Area 20-50 acres Market Area Population 250,000-500,000 square feet Market Area Radius 12-50 miles
Strip Retail Center Anchors Convenience Grocery Number of Stores 3-20 stores Total Retail Space 10,000-30,000 square feet Site Area 1-3 acres Market Area Population under 20,000 people Market Area Radius under 2 miles	Sources: Urban Land Institute, Dollars and Cents of Shopping Centers Property Counselors

Leakage

Retail leakage is defined as the difference between market area spending and actual retail sales. Table ED-8 provides a leakage analysis for the Orting market area for

retail trade and selected service sectors. As shown, market area spending in these sectors of \$156 million greatly exceeds Orting gross receipts of \$40 million. The difference of \$116 million is net leakage.

The major categories of leakage are motor vehicles and parts, general merchandise, miscellaneous retailers, gas stations/convenience stores, drug/health, apparel/accessories, and food services.

Table ED-8

Retail Sales Analysis

Retail Sales Analysis – Net Leakage

	Orting 2005 Taxable	Orting 2005 Gross	Spending /Capita	Resident Spending Orting Mkt Area	Net Leakage Orting Mkt Area
Retail Trade					
Motor Vehicles & Parts	349,212	393,465	2,377	27,335,331	26,941,867
Furniture & Home Furnishing	734,706	1,062,070	424	4,870,755	3,808,684
Electronics & Appliances	453,415	633,989	504	5,794,614	5,160,625
Building Materials, Garden Equip & Supplies	2,203,553	2,307,550	759	8,724,323	6,416,773
Food & Beverage Stores	5,157,667	14,510,615	1,766	20,312,874	5,802,259
Drug/health Stores	164,711	588,495	628	7,220,458	6,631,962
Gas Stations & Convenience Stores	778,910	3,779,948	919	10,572,416	6,792,468
Apparel & Accessories	1,160,379	1,684,763	712	8,183,442	6,498,678
Sporting Goods, Toys, Book & Music	21,884	25,137	340	3,912,630	3,887,492
General Merchandise Stores	511,928	922,198	2,087	24,005,734	23,083,536
E-commerce & Mail Order	247,603	2,642,509	623	7,163,599	4,521,090
Miscellaneous Retailers	1,866,939	2,518,872	872	10,031,177	7,512,304
Total Retail Trade	13,650,907	31,069,614	12,011	138,127,352	107,057,738
Selected Services					
Arts, Entertainment & Recreation	129,903	140,655	156	1,796,602	1,655,947
Food Services	7,382,853	7,688,156	1,234	14,189,823	6,501,666
Personal Services	511,119	606,153	141	1,619,811	1,013,658
Subtotal	8,023,875	8,434,965	1,531	17,606,236	9,171,271
Total Retail and Selected Services	21,674,782	39,504,579	13,542	155,733,588	116,229,009

Retail Inventory

The retail inventory of Orting and surrounding area consists of a mix of shopping centers, a concentration of individual buildings, highway-oriented strip development, and stand-alone facilities. Table ED-9 summarizes the characteristics of existing shopping centers, strip centers, and major stand-alone retail facilities.

Table ED-9

Retail Centers and Stand-Alone Facilities

Map No.	Identification/ Location	Type of Center	Year Built	Size (Sq Ft)	Anchor Tenants	Other Tenants
	Orting					
1	Pioneer Village NW corner SR-162 and Whitsell St.	Neighborhood	2000	71,500	Safeway	Blockbuster Papa Murphy's Dollar Store Pink Coconut Tanning TGF Cuts Terriyaki McDonalds Anytime Fitness Subway John L. Scott Cash Advance Cleaners
	Sumner					
2	Fred Meyer Main St. and Valley Ave.	Community	2003	186,000	Fred Meyer	Great Clips Baskin Robbins Hollywood Video Cash Advance Hair Masters Quiznos Desert Sun Mongolian Grill H & R Block Starbucks Taco del Mar Best Sewing Cleaners Terriyaki
3	Sumner Square 15600 Block Main St.	Neighborhood	1960/94	76,000	Pet Center	U.S. Bank Salon Insurance office Restaurant
4	Washington Court 15300 Block Main St.	Strip Center	1976	31,390		Curves Gymnastics Salon Restaurant Edward Jones Terriyaki Nails
	Bonney Lake					
5	Market at Lake Tapps SR-410 and 192nd Ave. E.	Community	1989/92	172,000	Wal-Mart Office Depot	Dominos Key Bank Jack in the Box Subway 911 Driving School Liquor store Dollar Wise Starbucks Parker Paine Cleaners Mexican restaurant Edward Jones Realty office Terriyaki
6	Bonney Lake Village SR-410 and 214th Ave. E.	Community	1989	150,000	Safeway Ben Franklin	Burger King Taco Bell/Pizza Hut Hair Masters Radio Shack Cleaners US Bank Cash Advance Mad Dogs Diner Optician Nails
7	Fred Meyer SR-410 and 211th Ave. E.	Stand-Alone	1996	120,000	Fred Meyer	
8	Cedarview Plaza NE corner SR-410 and 208th Ave. E.	Strip Retail	2000	33,284		Bonney Lk Fitness Party Plus Rose Bistro Washington Mutual Allstate Game Stop
9	Bonney Lake Plaza Northeast corner SR-410/214th Ave.	Strip Retail	1997	18,823		Blockbuster Video Papa Murphy's Great Clips Pink Coconut Tanning Terriyaki Schucks
10	410 Plaza Buildings (Four) 21509 SR-410	Stand-alone	2006	7,061		Taco Time Auto Zone Dentist Cascade Ortho. Physical Therapy Salon
11	McHugh Plaza 9925 214th Ave. E.	Strip Retail	1998	17,240		Sports Connections Pet Store Chiropractor Nails Cigar World Terriyaki Wok Salon Dentist

Map No.	Identification/ Location	Type of Center	Year Built	Size (Sq Ft)	Anchor Tenants	Other Tenants
12	Proposed Retail SR-410 and 211th Ave. E.	Strip Retail	Proposed	40,000		
13	Home Depot NW quadrant SR-410/214th Ave.	Stand-Alone	2006	115,000	Home Depot	
14	Rite Aid NW corner SR-410/214th Ave.	Stand-Alone	1999	16750	Rite Aid	
15	Tall Firs Place 20800 Block SR-410	Strip Retail	1997/99	27,000	Regal Cinema	Godfather's Pizza Rainier Mortgage Salon Payless Shoes Cascade Clinic A&W/KFC
16	Strip Retail NW corner SR-410/208th Ave.	Strip Retail	2003	7,535		Midas Papa John's ReMax
17	Bonney Lake Center SE quadrant SR-410/198th Ave.	Neighborhood	2001	99,000	Albertsons	Hollywood Video Desert Sun Tanning Fantastic Sams Pet Pros Clippers Express Fuel/Mart Quiznos State Farm insurance Pizza Hut Checkmate Columbia Bank Teriyaki
18	Target 9400 192nd Ave. E.	Stand-Alone	2004	121,842	Target	
19	Strip Retail 19102 SR-410	Strip Retail	1994	15,920		Chiropractor Mike's Brake/Muffler Bicycle Shop
	Buckley					
20	Buckley Plaza SR-410 and SR-165	Strip Retail	1993	16,637		Subway Pizza Time H & R Block Physical therapy Money Stop Chiropractor Real estate office Smoke Shop
21	Rose's IGA SR-410, one block west of SR-165	Stand-alone	1959	19,456	Rose's IGA	Dollar Store
	Graham					
22	Graham Towne Center/Graham Sq. NW quadrant SR-161/224th St. E.	Community	1984/2000	128,213	Safeway Ace Hardware	Subway Movie Gallery Amici Restaurant Tanning Cash & Dash Quizno's Pizza Valley Bank Graham Fitness Schucks Money Depot Computer Store Dry Cleaners Mongolian Grill Sylvan Teriyaki Pet Clinic Health Store Nail Salon Fantastic Sam's Martial Arts Gift Shop Sun Shoppe Fashion Accessories Mexican Restaurant Dominos

The primary retail center in Orting is the Pioneer Village, a 71,500 square foot center anchored by Safeway. Bonney Lake to the north features three community scale retailers within 10 miles of Orting: Fred Meyer, Wal-Mart and Target. Puyallup South Hill Mall features the same community scale retailers, as well as the anchor tenants of the South Hill Mall. The presence of this competitive development in close proximity will hurt Orting's ability to attract this type of tenant.

Projected Demand

Future growth in retail levels will come from increased trade area resident spending, plus increased visitor spending. The method for estimating increased resident spending involves the following assumptions.

- Trade area population growing to 20,700 by 2025.
- Per capita spending estimated at average levels for State with 1% real growth per year. Constant capture rate by Orting businesses.
- Retail development estimated from sales per square foot factors for each sector.

Visitor spending is estimated from average daily visitor spending factors updated from the State's 1997 Visitor Profile.

Restaurants	\$13.50 /visitor/day
Groceries	3.70
Transportation	8.30
Recreation	5.40
Shopping	16.20
Other	0.40
Total	<u>\$47.50</u>

The number of annual visitors could vary over a wide range. As noted earlier, Mount Rainier attracts 2 million visitors per year, with most visitors entering from the Nisqually River entrance. The City of Leavenworth attracts an estimated one million visitors per year. For purposes of this analysis, 500,000 annual visitors is considered a useful benchmark for estimating potential visitor spending. Assuming three-fourths of those are new visitors who don't currently shop in Orting, the average visitor spending factors above can be applied to 375,000 new visitors.

The projected increase in spending, sales, and supportable retail development is summarized in Table ED-10. As shown, the assumed increased sale would support 238,000 square feet of new development, approximately 140% of the amount of space in Pioneer Village.

Table ED-10
Orting Market Area
Summary of Retail Potential

	Recapture Leakage	Resident Spending Grwth 2005-2025	Growth Visitor Spending	Total Potential Spending	Projected Sales Grwth 2005-2025	Supportable Development 2005-2025
Retail Trade						
Motor Vehicles & Parts	26,941,867	32,906,243	-	59,848,109	473,653	474
Furniture & Home Furnishing	3,808,684	5,863,409	-	9,672,093	1,278,519	6,393
Electronics & Appliances	5,160,625	6,975,551	-	12,136,176	763,196	3,816
Building Materials, Garden Equip & Su	6,416,773	10,502,330	-	16,919,103	2,777,827	9,259
Food & Beverage Stores	5,802,259	24,452,616	1,387,500	31,642,375	18,855,363	37,711
Drug/health Stores	6,631,962	8,691,979	-	15,323,942	708,430	3,542
Gas Stations & Convenience Stores W/ƒ	6,792,468	12,727,063	3,112,500	22,632,030	7,662,797	30,651
Apparel & Accessories	6,498,678	9,851,218	-	16,349,897	2,028,116	10,141
Sporting Goods, Toys, Book & Music S	3,887,492	4,710,019	-	8,597,511	30,260	151
General Merchandise Stores	23,083,536	28,898,077	-	51,981,613	1,110,141	4,441
E-commerce & Mail Order	4,521,090	8,623,533	-	13,144,623	3,181,050	
Miscellaneous Retailers	7,512,304	12,075,520	6,075,000	25,662,824	9,107,216	45,536
Total Retail Trade	107,057,738	166,277,560	10,575,000	283,910,298	47,976,569	152,114
Selected Services						
Arts, Entertainment & Recreation	1,655,947	2,162,748	2,025,000	5,843,694	2,194,321	10,972
Food Services	6,501,666	17,081,693	5,062,500	28,645,860	14,317,494	71,587
Personal Services	1,013,658	1,949,927	-	2,963,585	729,686	3,648
Subtotal	9,171,271	21,194,368	7,087,500	37,453,139	17,241,502	86,208
Total Retail and Selected Services	116,229,009	187,471,928	17,662,500	321,363,437	65,218,070	238,322

The amount of supportable space would be greater if the City could capture an increased market share in any of the categories. In general, a trade area of 20,700 is not large enough to support community scale retail development (such as Fred Meyer or Target). Until the City can support that type of development, it will continue to achieve similar market shares as the current ones. If there were a convenient transportation link across the river to the east to connect with Cascadia, the trade area population could support additional growth.

Generally, the type of retail development that is supportable includes:

- Grocery: another major grocer
- Gas and Convenience; several such businesses
- Misc. Retail and Apparel: various specialty retail businesses
- Food Services: a variety of local and national restaurant outlets

OFFICE/INDUSTRIAL DEMAND

Office Market Conditions

The office market in Orting primarily houses local-serving office tenants. Tenants such as doctors and dentists, finance, insurance, real estate offices, and various business services locate near the population they serve. However, Orting is also part of the larger Pierce County office market that may provide additional opportunities for growth over time. The office market in Pierce County is generally soft at this time with high vacancy, particularly in the Puyallup/Sumner area.

Table ED-11
Pierce County - Office Market Conditions
Fourth Quarter 2005

	Total Inventory	Vacancy Percent	Absorption 4th Quarter 2005
Tacoma CBD	3,609,187	7.7%	19,911
Central Tacoma	1,387,953	5.0%	6,226
Fife	391,494	8.1%	(8,270)
Puyallup Sumner	291,432	13.0%	11,406
North Tacoma	194,577	5.6%	13,632
I-5 Corridor	637,848	6.9%	(680)
Lakewood	521,097	12.7%	5,128
South Pierce County	394,050	5.6%	0
Gig Harbor	515,443	4.1%	0
Pierce County Total	7,943,081	7.3%	47,353

Source: Colliers International, Pierce County Office Statistical Research Report, Fourth Quarter, 2005

- Average asking office rental rates in the Puyallup/Sumner range from \$22.25 per sq ft per year for Class A space to \$19.50 for Class B space to \$15.00 for Class C space.
- New office space completed in the area in the past year consists of the Wynstone Professional Building (12,918 sq ft) and Riverside Professional Building (9,500 sq ft), both in Puyallup, and the Graham Business Center in Graham (15,000 sq ft).
- Currently under construction or planned office product consists of a new two-story, 5,040 sq ft building at 639 Elizabeth Street in Sumner, and additional buildings in the Graham Business Center, resulting in a total of 60,000 sq ft at this complex.

General office space and medical/dental office space in Orting and the nearby area is summarized in Table ED-12.

Table ED-12
Area Office Buildings

Identification/Location	Year Built	No. of Stories	Size (Sq Ft)	Available Space	% Available	Actual or Asking Rent (\$/SF)
Medical Office Building 124 Washington Ave. N. Orting	1917	1	3,066			
Medical/Dental Office 106 Calistoga St. W. Orting	1976	1	3,100			
Lake Place Prof. Bus. Ctr. 8412 Myers Rd. E. Bonney Lake	2000	3	16,000	2,200	14%	\$18.50
Rainier Professional Plaza 18209 SR-410 Bonney Lake	2003	3	32,448			
John L. Scott Building 18275 SR-410 Bonney Lake	2001	2	4,275			
Medical/Dental Building 18200 Block SR-410	1983	2	4,709			

*Asking rents quoted on full service basis unless noted otherwise
Sources: Property Counselors, MetroScan, Commercial Brokers Association*

There are no new office buildings in Orting to house the businesses supporting the increased local population.

Industrial Market Conditions

The industrial market in Orting is part of the larger Pierce County and Puget Sound industrial markets. Current market conditions in Pierce County are summarized in Table ED-13. Overall vacancy rates are low except for Puyallup/Sumner.

Table ED-13
Pierce County - Industrial Market Conditions
Fourth Quarter 2005

	Total Inventory	Vacancy Percent	Absorption 4th Quarter 2005
Port of Tacoma	8,973,526	1.2%	64,216
Fife/Milton	8,673,997	2.6%	72,139
Puyallup/Sumner	9,141,856	13.7%	11,691
I-5 Corridor	4,445,927	5.0%	(74,413)
Lakewood	3,512,142	4.3%	(4,131)
512 North	1,219,942	4.3%	0
South Pierce County	3,416,579	0%	580,115
Pierce County Total	39,383,969	5.1%	649,617

Source: Colliers International, Pierce County Industrial Statistical Research Report, Fourth Quarter, 2005

- Average asking industrial rental rates in Pierce County for shell space range from \$0.23 to \$0.56 per sq ft per month, with average rates forming a more narrow range of \$0.35 to \$0.49 per sq ft.
- A total of 2.88 million sq ft of new industrial space was completed during 2005, with approximately two-thirds of the new product built in Sumner.
- Currently under construction is an additional 1.14 million sq ft of industrial space in Sumner, while another 2.61 million sq ft is planned in Sumner.

The market for industrial land mirrors the market for industrial buildings. The industrial areas along the major freeways have traditionally experienced strong industrial demand. The Frederickson area between Orting and Tacoma developed more slowly, largely because of its distance from the Port and the freeways. The Port purchased 553 acres in the 1960's. The area has been attractive to large industrial users needing rail. Major tenants in the area include Boeing, Toray Composites (which provides materials to Boeing) and several building materials suppliers. The Port has recently sold all but a 30 acre piece of property in the area. The Port and the County are considering new sites for large scale industrial development. Parcels 15 acres or greater are in short supply.

There is industrial development in the Orting area as shown in Table ED-14. These industrial tenants demonstrate that relatively remote sites can be attractive for large scale development. There is a 19.3 acre site available in McMullen. 10.8 acres are usable, but can only be used as construction storage.

Table ED-14
Area Industrial Facilities

Identification/Location	Year Built	Size (Sq Ft)
McMillan Park of Industry SR-162 and 136 th St.		
Commencement Bay Corrugated	1985	163,450
Tubular Steel	2001	72,000
Morrow Equipment	1974	15,680
Hobart Bakery Systems – Baxter 19220 SR-162	1972/97	132,000

Asking rents quoted on full service basis unless noted otherwise

Sources: Property Counselors, MetroScan, Commercial Brokers Association

Potential Demand

The potential demand for office and industrial development is affected by several factors:

- The growth in population, as it affects demand for local serving office.
- The increased scarcity of large industrial sites in the County.
- The attractive natural setting of Orting, as a draw for back office functions that don't need to be in expensive urban settings.

The magnitude of this demand can be estimated.

Local Serving Office – The existing service sector employment in Orting could support 89,000 square feet of office development. Over time this demand could support 4,500 square feet of new local serving office space per year assuming growth and replacement. This space could be located throughout the City in retail complexes, Downtown buildings, or new commercial sites.

Regional Serving Office – location of such businesses is often a serendipitous event, as the CEO of a company desires to be close to his home or a recreation site. Otherwise, the location decision is the result of a competitive selection process, as in the case of several call centers or back office operations in the region.

Industrial Sites. A 1999 study of Puget Sound Regional Council projected a 25 year demand for industrial property in the 4 county Puget Sound region of 7,000 acres, or approximately 300 acres per year. Pierce County has the largest share of available industrial land at 37.3%, so should be able to absorb 75 to 100 net acres per year. The siting requirements for industrial uses vary widely as shown in Table 14. Orting would be a suitable candidate for industrial uses requiring large sites – 15 acres or more, with good truck or rail access. Such development would attract high wage jobs, but the number would be 11 or fewer per acre.