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### IMPLEMENTATION
01: INTRODUCTION
INTRODUCTION

BACKGROUND AND PURPOSE

The City of Spokane Valley is a relatively new city in terms of incorporation and together with the City of Spokane is home to the majority of Spokane County’s population and employment. With more than 93,000 residents and a role as a major housing and employment center in the greater Spokane area, the City appears well positioned to expand upon and diversify its current retail offerings.

City staff and policymakers seek an analysis that will not only inform their understanding of the City’s retail trade area, retail demand and demographics, but also a tool that can be leveraged to attract businesses and facilitate growth in the City’s retail footprint.

Above: Spokane Valley Mall
Source: www.visitspokane.com
Our approach provides a retail demand analysis and improvement strategy centered on the following factors:

- Anecdotal evidence that residents are often traveling to other destinations for their retail needs, particularly in food and beverage
- Uncertainty surrounding the amount of retail space Spokane Valley residents can support
- A demonstrated desire to add retail as part of the City’s civic hub but also a general preference to expand and improve retail throughout the City

Our approach is divided into two phases. The first phase consists of assembling a baseline of information and analysis to inform an economic understanding of Spokane Valley’s assets, opportunities and challenges in the near and long term related to retail. The second phase is a collaborative process of refining a strategic vision to support a series of action steps the City can commit to pursuing. This result is an actionable plan that can be leveraged by city staff as a tool for recruitment, with benchmarks and performance metrics that will help policymakers monitor progress towards the City’s goals. The technical analysis draws from data compiled specifically for this analysis, including:

- Spokane County Assessor Data
- Washington Department of Revenue taxable retail sales data
- Hoovers Business Data
- CoStar Real Estate Data
- American Community Survey and US Census data
- Local Employment Household Dynamics (LEHD) data

**PHASE I: Trade Area Analysis and Retail Trade Capture Assessment**

Analysis of the City’s retail trade area base to assess:

- Retail offerings within the City and emerging retail destinations
- Estimate the City’s primary and secondary retail trade areas based on established retail zones, travel time, population and other influencing factors
- Overview of household demographics, employment and other factors that influence retailers’ decision-making process
- Analysis of trade capture rates and assessment of gaps in retail offerings and competitiveness within the region

**PHASE II: Retail Strategy and Action Plan**

Develop an action-oriented retail strategy:

- Gather input from local retail stakeholders who are knowledgeable in local real estate and retail commerce dynamics
- Leverage analysis from Phase I and insights from local retail stakeholders to develop a retail strategy
02: RETAIL PROFILE
There is a significant amount of retail space in Spokane Valley, with retail uses clustered along Sprague and Appleway, as well as many of the City’s north-south corridors like Argonne and Sullivan and the area near the Spokane Valley Mall. To better understand how these retail areas function, this study evaluates the City’s retail trade area.

SPOKANE VALLEY’S RETAIL TRADE AREA

The concept of a retail trade area has been used by analysts and practitioners in retail site evaluation and other market studies for a very long time. Retail trade area analysis focuses on locating and describing the target market. This knowledge is critical for both marketing and merchandising purposes, as well as for choosing new retail locations. In site evaluation, trade area analysis is combined with many operational requirements of the retail chain (Jones, Simmons 1993).

Put simply, a trade area is the geographic region that generates the majority of customers for a given commercial district retail location. It can also be thought of as the geographic area from which customers are most likely to come.

Exhibit 1 illustrates where retail is located within Spokane Valley and highlights locations where larger clusters of retail currently exist. The City has retail spread out along its major travel corridors with larger clusters anchored by several large big box stores. In addition, the Spokane Valley Mall is a major retail presence in the City. The following is a partial list of key retail anchors within the City.

- Fred Meyer
- Costco
- Walmart
- Home Depot
- Lowe’s
- Winco Foods
- Rosauers
- Target
- Shopko
- Office Depot
- Safeway
- Kohl’s
- Rite Aid
- Walgreens
- Auto Row
- Spokane Valley Mall
For the purposes of evaluating retail in Spokane Valley, retail trade areas are defined by the location of the City’s major retail locations (see: Exhibit 1) and drive times from those sites. The 5-minute drive time can be considered the City’s primary trade area and the 10-minute drive time can be considered the City’s secondary trade area. Drive times from the City’s major retail concentrations are illustrated in Exhibit 2. It is important to note that trade areas vary greatly depending on their size, offerings and the patrons they serve.

The City’s primary trade area (see 5-minute drive time) generally encompasses the City’s boundaries and extends westward into the City of Spokane and its downtown area. The secondary trade area (see 10-minute drive time) encompasses a much larger travel shed and includes overlaps with several retail destinations in the City of Spokane and Liberty Lake.
To better understand the existing retail clusters within the City, half mile and one mile buffers from key retail nodes are shown to illustrate relative physical gaps in retail offerings within the City (see Exhibit 3). The buffers also illustrate the geography of retail in terms of overall walkability and access. The large majority of retail in the City is auto oriented with limited amounts of retail accessible by foot from the City’s larger residential neighborhoods.

Exhibit 4 illustrates the relative mix of retail in the City in terms of retail establishments. Existing retail centers are also shown and largely defined by the presence of major retail anchors.
EXHIBIT 3. RETAIL TRADE AREAS WITH WALKABLE BUFFERS, SPOKANE VALLEY, 2015
TRADE AREA PROFILE

The following section provides details on the City’s trade area and people and jobs that lie within it. As previously mentioned, the City’s primary and secondary trade areas are largely defined by travel times from key retail destinations. Below are key considerations when examining a retail trade area.

- Population of your community: Generally the larger your community’s population, the bigger your trade area is.

- Proximity of other competing business districts: Typically there is a cutoff point where customers are drawn to the competing center instead of your community.

- Mix of businesses in your community: A critical mass of businesses pulls customers from a farther distance than a more limited mix of businesses.

- Destination attractions: A significant destination business (such as a large discount department store) or community attraction can expand your trade area—drawing customers from a long distance. It’s important to note one cannot match a single business’s trade area to the whole community. Rarely do other businesses match the pull of a prominent destination business.

- Traffic patterns: Each region has distinct traffic patterns strongly impacted by its network of streets and highways, as well as major landforms such as rivers, lakes, and mountains.

Trade Area Indicators

On the following pages are key demographic indicators depicted geographically to illustrate various patterns within the City’s trade areas.

- Population Density

- Median Household Income

The indicators chosen represent attributes important for both strategic planning and retail site selection. For example, the population density and related concentration of households is a key attribute for many retailers when choosing a location. In addition, understanding where higher incomes are concentrated allows one to better understand the purchasing power on the trade area and where opportunities for new types of retail may exist.

Exhibit 4 illustrates the population density within Spokane Valley and the relative proximity of population centers to Spokane Valley retail. Population density is a key factor for many retailers looking for access to larger populations and more rooftops. 96,750 people live within 5 minutes of a major retail destination in the City (the City’s primary trade area). Additionally, 263,875 people live within 10 minutes of a major retail destination in Spokane Valley (the City’s secondary trade area).

For City policymakers it is also important to consider how retail is concentrated in relation to where its residents live. How do people access retail now and how can they access it in the future? Currently, retail in Spokane Valley is largely accessed by vehicle. Exhibit 4 further emphasizes that majority of the City’s population does not live immediately adjacent to or near the City’s retail offerings.
EXHIBIT 4. RETAIL TRADE AREAS WITH WALKABLE BUFFERS, SPOKANE VALLEY, 2015
Exhibit 5 illustrates the distribution of population growth from 2010 to 2013. Much of the region’s most rapid population growth has occurred in the City of Spokane. Spokane Valley also experienced growth in certain neighborhoods, especially in the southeast portion of the City (south of the proposed City Hall site). As population and household density is an important factor for prospective retailers, it’s important to understand where growth is occurring within the City and where such growth can be leveraged to support existing and new retail. It is also important to consider the impact of land use policy on housing densities and where growth is encouraged through said policies.
EXHIBIT 5. HOUSING BURDEN, SPOKANE VALLEY, 2015

Population Change
2010-2013 Change / Acres
-5 to -12
-5 to -2.5
-2.4 to -0.5
-0.4 to 0.5
0.5 to 2.5
2.5 to 5
5 to 15

Source: ACS 2015; Community Attributes, 2015.

City Boundaries
- Incorporated City
- Spokane Valley
- Drive Time Destination
- 5 Minute Drive Time
- 10 Minute Drive Time

Map Prepared by Community Attributes, 2015.
Exhibit 6 illustrates the relative distribution of income throughout Spokane Valley and the region. Within a 5-minute drive of the City’s primary retail destinations, there exists a broad range of household incomes. Based on the geographic distribution of the data there is a relatively high concentration of households earning between $30,000 and $75,000 annually. Within the secondary trade area there are pockets of higher incomes, especially on the outskirts of the City’s boundary. Overall the distribution of incomes throughout the primary trade area is similar to the distribution found across the incorporated areas of the county. In comparison to the City of Spokane for example, Spokane Valley has a higher median household income ($47,897 to $42,092), larger household sizes (2.43 to 2.32) and a lower concentration of multifamily housing units (26.7% to 30%).
EXHIBIT 6. MEDIAN HOUSEHOLD INCOME, SPOKANE VALLEY, 2015
Exhibit 7 illustrates the relative concentration of households that are considered burdened by the cost of housing. Burdened is generally defined as those households spending 30% or more of their income on housing. This attribute relates directly to household incomes and the amount of disposable income residents have for non-essential items. While the City of Spokane has several areas with high concentrations of burdened households, there exists a substantial number of such households in the City of Spokane Valley. This has implications on retail spending and how and where people access both essential and non-essential goods. For example, are lower income or cost burdened households able to cheaply and efficiently access retailers in the City?
EXHIBIT 7. HOUSING BURDEN, SPOKANE VALLEY, 2015

Home Owners Housing Burden
30% or More of Income Spent on Housing

More Households

Less Households

Source: ACS 2015;
Community Attributes, 2015.
Exhibit 8 illustrates the relative mix of retail in the City in terms of retail establishments and types.

The largest segments of retail in terms of number of establishments in Spokane Valley are:

- Food Services and Drinking Places (restaurants) – 19%
- Miscellaneous Store Retailers (a mix of medium and small businesses) – 13%
- Motor Vehicle and Parts Dealers – 12%

It is important to note that while the previously mentioned retail categories are the city’s largest when measured by number of retail establishments, such establishments are smaller on average in terms of square footage than other retail typologies such as general merchandise stores, which consists of large big box stores like Target and Fred Meyer. Therefore, other retail categories may exert disproportionate influence on the local retail market.

Restaurants in Spokane Valley

Almost half of all restaurants in Spokane Valley are considered fast food restaurants or limited service restaurants (approximately 90 establishments), whereas Spokane has a greater proportion of full service restaurants (more than 300 establishments). Restaurants in general have been highlighted as a key component of the retail environment in Spokane Valley. Encouraging and facilitating establishment of new locally-owned restaurants should be one goal of the City.
Real Estate Conditions

Examining real estate conditions in the City and region also offers insights into the state of retail in Spokane Valley. Exhibit 9 illustrates vacancy rates, net absorption and lease rates in Spokane Valley compared to downtown Spokane and the larger metropolitan area (defined as the County).

- Retail vacancy rates in Spokane Valley have decreased from approximately 10% to just over 6% since 2011, more so than the Spokane Central Business District or the region.

- Net absorption has been positive in Spokane Valley over the last year with major leases occurring in 2012 and the beginning of 2015.

- Retail lease rates have remained relatively flat in the region since 2013 with the Spokane CBD demanding higher lease rates on average than the region.
RETAIL IMPROVEMENT STRATEGY
for the City of Spokane Valley

RETAIL TRADE CAPTURE

An analysis of retail sales within the City was conducted to gain a more complete understanding of how retail is performing in the City of Spokane Valley. Below is a summary of the steps taken to assess Spokane Valley retail and where retail sales and trade capture analysis fit within the overall analysis.

1. Definition of the Spokane Valley Primary Trade Area

2. Assessment of the population characteristics in the City’s trade areas to determine potential consumer demand for products and services

3. Assessment of total taxable retail sales and taxable retail sales per capita within the City compared to region

4. Identification of retail trade capture rates within the City by retail category

The trade capture analysis includes a detailed study of retail spending within the City. The analysis uses taxable retail sales data collected by the Washington State Department of Revenue. The data is collected and organized by NAICS categories (industry classifications) and location, allowing analysis and comparison of distinct retail types and geographic areas. The data allow for comparisons between different retail categories as well as overall assessment of trade capture within the Primary Trade Area (Exhibit 10).

- Motor Vehicles and Parts represents the largest retail spending category in Spokane Valley

- General Merchandise stores are also a major spending category within the City, representing major big box retailers like Target and Fred Meyer

Combined, these two categories represent two-thirds of all retail sales in the City.
EXHIBIT 10. TAXABLE RETAIL SALES, SPOKANE VALLEY AND SPOKANE, 2014

City of Spokane Valley

<table>
<thead>
<tr>
<th>Retail Type</th>
<th>Taxable Retail Sales (millions $)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motor Vehicles and Parts</td>
<td>$406.74</td>
</tr>
<tr>
<td>General Merchandise</td>
<td>$302.86</td>
</tr>
<tr>
<td>Clothing and Clothing Accessories</td>
<td>$90.94</td>
</tr>
<tr>
<td>Sporting Goods, Hobby, Book, and Music</td>
<td>$58.39</td>
</tr>
<tr>
<td>Building Material and Garden Equipment</td>
<td>$105.06</td>
</tr>
<tr>
<td>Gasoline Stations</td>
<td>$23.78</td>
</tr>
<tr>
<td>Misc. Retailers, Non-store Retailers</td>
<td>$89.63</td>
</tr>
<tr>
<td>Electronics and Appliance</td>
<td>$52.20</td>
</tr>
<tr>
<td>Food Services and Drinking Places</td>
<td>$153.21</td>
</tr>
<tr>
<td>Furniture and Home Furnishings</td>
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</tr>
<tr>
<td>Accommodation</td>
<td>$31.26</td>
</tr>
<tr>
<td>Food and Beverage Stores</td>
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</tr>
<tr>
<td>Performing Arts, Spectator Sports</td>
<td>$8</td>
</tr>
<tr>
<td>Health and Personal Care</td>
<td>$0.17</td>
</tr>
</tbody>
</table>

City of Spokane

<table>
<thead>
<tr>
<th>Retail Type</th>
<th>Taxable Retail Sales (millions $)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motor Vehicles and Parts</td>
<td>$375.92</td>
</tr>
<tr>
<td>General Merchandise</td>
<td>$403.41</td>
</tr>
<tr>
<td>Clothing and Clothing Accessories</td>
<td>$163.00</td>
</tr>
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<td>Sporting Goods, Hobby, Book, and Music</td>
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<tr>
<td>Building Material and Garden Equipment</td>
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<tr>
<td>Gasoline Stations</td>
<td>$37.25</td>
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<tr>
<td>Misc. Retailers, Non-store Retailers</td>
<td>$142.67</td>
</tr>
<tr>
<td>Electronics and Appliance</td>
<td>$78.34</td>
</tr>
<tr>
<td>Food Services and Drinking Places</td>
<td>$121.45</td>
</tr>
<tr>
<td>Furniture and Home Furnishings</td>
<td>$138.80</td>
</tr>
<tr>
<td>Accommodation</td>
<td>$86</td>
</tr>
</tbody>
</table>
Population estimates for Spokane Valley and the region are utilized to establish per capita retail spending (Exhibit 11). Spokane Valley has higher per capita sales in almost all retail categories:

- Food Services (restaurants) and Food Stores (groceries) sales are similar to regional and statewide sales.
- General Merchandise stores (Target for example) sales are approximately double the regional and statewide average.

**EXHIBIT 11. TAXABLE RETAIL SALES PER CAPITA, SPOKANE VALLEY AND REGION, 2014**

The figures on the following page represent the trade capture rate of each major retail category. Spokane Valley captures more than 100% of the spending power of its primary trade area (defined as a 5-minute drive time) for all but four retail categories verifying the premise that shoppers come to Spokane Valley from throughout the region to shop.

For example, Clothing and Clothing Accessories businesses in Spokane Valley are capturing 117% of the estimated spending power of the residents that live within the City’s primary trade area. This indicates that there are retailers that draw spending from the City’s secondary trade area (see Exhibit 2 for map of trade areas). This emphasizes the impact of a major retail center like the Spokane Valley Mall.
EXHIBIT 12. RETAIL TRADE CAPTURE, SPOKANE VALLEY, 2014

The expected trade capture rate depends on the type of retail that exists in the City and the area from which it draws customers. In the case of Spokane Valley, the primary trade area represents a geographic area from which customers are likely to come and is large in terms of population and geographic extent. Because there is a relatively high concentration of destination and big box retailers in the City, one would expect that trade capture rates within the primary trade area would be high. The secondary trade area represents a larger geography and therefore more people. It represents an area where people will travel from but the overall percentage of spending power captured is less. It also overlaps directly with other competing retail centers.

Trade capture can be interpreted in the following manner: If a neighborhood retail corridor had a trade capture rate of exactly 100%, then sales in that neighborhood would be equivalent to all trade area residents conducting all of their retail spending within their neighborhood retail corridor. In reality, the trade capture rates for Spokane Valley represent the percentage of Primary Trade Area retail spending power (local resident spending power) captured by Spokane Valley retail businesses. It represents the percentage of local residents’ retail spending power captured by local businesses.
Strategic Themes from the Retail Profile

The Trade Area Analysis and Retail Trade Capture Assessment articulated a number of key themes that emerged from the data and analysis to inform the development of goals and strategies for retail in Spokane Valley.

- Regional Draw for Retail. Spokane Valley draws shoppers from throughout the region, indicated by its high retail sales per capita and trade capture rates. This means many of its retailers are reliant on drawing traffic from throughout the region.

- Auto Oriented and Concentrated along East West Corridors. Retail is clustered along the City’s major thoroughfares and is generally auto oriented and relatively spread out. There are few neighborhood serving retail locations throughout the City and most of the City’s retail clusters are anchored by a large-format (i.e. big box) retailer.

- Large Format Retailers. General merchandise stores, represented by such brands as Kohl’s and Target, represent a significant portion of the retail sales in the City.

- Impact of the Spokane Valley Mall. The Spokane Valley Mall serves as a major retail draw and anchor for the city, luring customers from a larger region and impacting the development patterns found in the surrounding area.

- Opportunity for full service restaurants to serve the City’s existing population. Approximately half of all restaurants in the City are fast food/limited service establishments; the City of Spokane has significantly more (and a greater proportion of) full-service restaurants than Spokane Valley.

- Income and Housing. Higher-income households tend to cluster outside the City’s boundaries to the north and the south, though neighborhoods within the City boundaries are more populous and host higher population densities. Generally, the City is largely single family with little retail dispersed within the City’s residential areas.

- Market Indicators. Although retail vacancy rates have declined significantly over the last five years, there still exists a number of underutilized and underperforming properties in the City. On average, retail lease rates are similar to those found regionally but well below rates found in downtown Spokane.
STAKEHOLDER ENGAGEMENT: VETTING INITIAL FINDINGS

To better inform the retail strategy and leverage local expertise, CAI worked closely with City staff and stakeholders to solicit feedback and insights on retail in Spokane Valley. The information, ideas and contributions solicited from participants was used to inform the overall retail strategy and identify specific actions the City can take to enhance its retail environment. CAI facilitated engagement in the following ways:

> A comprehensive tour of the City and its retail and cultural offerings

> With the help of the City, organization of a representative group of stakeholders with experience in local real estate, retail sales, development and regional economic development

> Facilitation of a stakeholder workshop hosted by City of Spokane Valley

> Additional feedback through City-led interviews and a workshop activity
The following is a summary of the retail strategy workshop that took place on July 15, 2015. The intent of the workshop was to incorporate the ideas and expertise of local stakeholders. The workshop provided an opportunity to not only learn more about the retail environment in Spokane Valley but also to align the strategy with the challenges and opportunities cited by stakeholder participants. Alongside City staff, the following people participated in the workshop representing a mix of real estate professionals, property owners and regional economic development specialists. Workshop participants include the following:

- Jim Koon – NAI Black
- Justin Folkins – Cantu Commercial Properties
- John Miller – Divcon
- John Guarisco – MDI Marketing
- Katherine Morgan – Spokane Valley Chamber
- Sam Morse – Cantu Commercial Properties
- Wendy Smith – Greater Spokane Incorporated
- City of Spokane Valley staff

CAI facilitated an informal discussion centered on establishing areas of focus for the retail strategy and potential retail strategies to consider. Several retail “subdistricts” that exist within the City were utilized to frame the conversation. The workshop format provided the opportunity to:

- Establish a common understanding of current retail conditions and goals for retail in Spokane Valley
- Utilize the knowledge and experience of participants to formulate strategies on retail
- Answer the question: What do you want us to know about retail in Spokane Valley and the greater Spokane Area?
STRATEGIC THEMES FROM THE STAKEHOLDER WORKSHOP

Existing Conditions

Stakeholder workshop participants offered their insights on the local real estate market and other factors as they relate to retail in Spokane Valley. These shorthand notes from the workshop help formulate findings and implications for strategy development.

Real Estate Market

> There could be a mix of office, retail and multifamily. Argonne and Pines are both corridors to consider. Questions: Is there an opportunity for multifamily in office corridors of the City? Would a change to mixed use be appropriate or beneficial?

> The north-south corridors of the City are good locations for retail due to commute patterns.

> Land pricing is a challenge in the City of Spokane Valley. Many landowners are willing to wait until the market can support higher sales prices and thus are not motivated to sell/lease in current conditions.

> New developments need to achieve $22 to $24 per square foot lease rates in order for new development to be realistic.

Commuting Patterns

> Many people work north of the freeway (I-90) and live to the south, resulting in north-south commuting patterns through the City (few people have a home-bound commute on Fancher or Trent). This is reflected in some street corridors where retail has concentrated to serve commuters.

Challenges and Opportunities

The following stakeholders’ thoughts and questions identify existing and potential challenges and opportunities for retail in the City.

Challenges

> Key challenges for retail are the decentralized nature of the City and the lack of concentrated attractions in any one area. The City needs an anchor attraction for the area around City Hall. Question: How can you draw people to the center of the City?

> It is hard for mom and pop shops/retailers to compete with national chains and online retailers that are present in Spokane Valley. The Perry District in Spokane is an example of local retailers succeeding in today’s evolving retail market.

> High levels of traffic volume and rooftops (households) are necessary for successful retail. Throughout the City, higher concentrations of rooftops (households) are needed to drive business for more small scale retailers.

Opportunities

> There is an opportunity for a regional sports facility in the City that could drive retail spending. Opportunity exists to locate it close to shopping in the City. There is also an opportunity for an indoor recreation facility in the City. Look at the impact of basketball tournaments in Spokane and Spokane Valley.

> There is an opportunity for a recreational activity hub in the City. Potential exists for recreational equipment rental services as well as complementary retail and restaurants. Connect to river and trails system in the City and beyond.

> There is existing demand for higher density multifamily development.
Approach to Land Use and Zoning

Workshop participants focused a portion of their discussion on land use policy and its relationship to retail development.

» To promote retail development in areas with supportive housing densities, there should be a focus on infrastructure improvements in such areas, especially those lacking public infrastructure that would support retail development.

» Align permitted housing and commercial densities with market demand.

» Develop long term strategies addressing retail and housing densities and their relationship.

Retail Subareas and Trends

The stakeholder group discussed the Argonne retail subdistrict and its role within the City. This conversation led to a broader discussion of retail in the city and in other retail subdistricts identified through the study. This section is broken into several categories for clarity.

Argonne Junction

» There are high levels of traffic from commuters traveling from the north of the freeway.

» The area hosts a number of major employers.

» The central hub of the neighborhood consists of food/restaurant retail.

» Argonne is a good fit for neighborhood-serving retail. Question: Is there room for additional grocery retail in this location?

» There are roles for retail growth and a continued office presence in the neighborhood.

Western Spokane Valley

» Not walkable and low demand after business hours.

» There is low retail draw to this subarea.

» This area is destination driven (major destination retailers).

» In some cases, lease rates have to be lowered to keep and/or attract tenants.

Industrial Retail

» Businesses that include a mix of retail and industrial activities, such as a brewery, can have a difficult time finding spaces that fulfill their large floor area requirements and allow for such a mix of uses. Questions: How do we fit them into our code/land use regulations? Where can they grow?

» In many cases such businesses are priced out of Spokane. Spokane Valley has a relative pricing advantage with somewhat lower land values and required lease rates.
Draws to the City

On several occasions participants discussed the need to draw more people to the city. Thoughts from this discussion are summarized below.

> Downtown Spokane has cultural draws to complement retail, something Spokane Valley lacks. There is a lack of a center of town where you can conduct multiple activities. There are various opinions on where this can/should be such as near City Hall or the Mall.

> How does tourism fit into the City’s plan and ambitions for retail? What role can an athletic facility play in drawing people to the City? A major facility or event would draw lots of regional/state visitors to Spokane Valley. The City should focus on drawing people that may otherwise spend their money and time in the City of Spokane.

> Look to Kendall Yards as a transformative project to draw people to the City

Retail Strategy Outcomes and Focus

The following represents areas or topics that the group recommended the strategy focus on and/or include.

> City has had a great start with branding & identity and needs to continue to establish a clear identity. Market the city’s outdoor recreation opportunities

> What’s the city’s brand going to be? Emphasize “Hometown America”

> Focus on utilizing on-line/social media resources

> Retailers associations and special events

> Explore public and private partnerships/investment opportunities that will increase opportunities for new and better types of retail. Land use policy as well as infrastructure improvements are important factors in creating a better retail environment

> Plan for the continued and growing role of on-line shopping

> Focus on the following customer segments: young people, students, families, visitors, current residents
03: GOALS, STRATEGIES & ACTIONS
GOALS, STRATEGIES AND ACTIONS

The strategic planning framework relies on Goals, Strategies and Action Steps to organize the content and speed implementation.

- A **goal** provides a high-level objective
- A **strategy** is an approach to achieving a goal
- An **action step** is a critical task in pursuing a strategy

Because this plan draws on content from other plans, and because it may require action from several different city departments, icons are used to track items that have been prioritized for early action. Such actions were selected because they represent critical first steps, quick wins or will have a profound impact on retail in the city.

There are six goals in this Retail Improvement Plan, and though they sometimes overlap or are mutually reinforcing, they each contain unique strategies united by a common theme. Every goal is an essential component of Spokane Valley’s comprehensive retail strategy.

Some of the strategies have longer implementation timelines or refer to continuing action by the city, while others are more discrete or time-delimited. Further study may be needed to refine the city’s prioritization of these strategies, and even when strategies are completed, there will likely be next steps that become apparent and that guide future expenditures of time and money. For these reasons, this plan is not exhaustive, but rather presents the City’s decision makers with a robust list of opportunities to improve local retail options; when new opportunities surface that are not included in the plan, they should be evaluated for their fit with the City’s vision and the spirit of these goal statements.

HIGH PRIORITY ACTION
This goal is about crafting the City's adopted policy to support quality retail in appropriate locations. Key policy documents may include the Comprehensive Plan, the land use code and the building code. Because these policy documents specify where retail uses may be located, as well as allowable development intensities, they need to be carefully reviewed to ensure that they encourage landowners to build projects that clearly serve the city's residents. Key strategies within this goal include increasing allowable multi-family densities and permitting denser single family development to increase the “rooftops” that support local retailers. This goal also contains strategies that aim to encourage smaller-scale retail and “local production” uses in appropriate places.

This goal pertains to infrastructure development that improves the accessibility and aesthetic quality of retail centers. Good infrastructure investments also provide the setting for private investment and send signals to retailers both locally and regionally that Spokane Valley is open for business. Strategies include improving landscaping standards, prioritizing capital projects with input from retailers, investing in the appearance of key gateways and planning for multimodal access to retail centers.

This goal aims to improve the city’s identity both locally and regionally and to ensure that any branding efforts are tailored to reinforce this image. Perceptions of Spokane Valley will drive locational decisions for prospective retailers and will shape consumer opinions about the City’s retail offerings. Key strategies in this section include updating wayfinding and signage and using natural assets and existing brand perceptions to anchor targeted marketing campaigns for retail districts and retail segments. This goal also includes strategies relating to the city’s permitting process, as a “business friendly” disposition is an important component of a city’s identity.
This goal intends to increase retail traffic by drawing on existing assets in the greater Spokane region and in Spokane Valley, specifically. From malls to trail networks to special events, local commerce and retail spending are driven by local and regional assets that the City should strive to better leverage. Strategies ask the city to expand its event offerings locally, increase participation in events regionally, connect businesses with event sponsorship opportunities and leverage natural amenities and key facilities like the Spokane River and Centrplorer.

This goal is about supporting existing retail centers and focusing efforts on core retail areas. The city has a number of distinct retail centers and corridors and some suffer from increasing vacancies, poor upkeep and other market challenges. As such, strategies include increasing support for entrepreneurship, offering financial incentives to business owners, matching tenants with available spaces, networking with real estate professionals and intensifying retail recruitment efforts.

Though goals one through five may all support the development of catalytic projects to some extent, goal six is focused on identifying and implementing ambitious visions for key retail and mixed-use sites in the city. Strategies include a review of development guidelines for larger development projects, as well as specific actions pertaining to sites like Mirabeau Point and City Hall area.
**Strategy**

This line presents the numbered and named strategy, organized by goal.

**Action Steps**

Actions are identified by number and name, with a description provided for each.

**High Priority**

An icon is used to indicate whether the action is deemed “high-priority”.

**Context**

Data, case studies and other information is interspersed throughout the plan to provide key context for the strategies and action steps.
1.1.1 Change Multifamily Limits
Consider increasing the residential density limit in multifamily residential and mixed use commercial zones and audit other relevant policy documents to ensure compatibility with mixed-use multifamily construction.

1.1.2 Encourage Cottages and ADUs
Encourage higher density single family housing typologies, such as cottage housing and detached accessory dwelling units, where they are compatible with the existing residential development pattern.

1.1.3 Rezone Commercial Corridors
Rezone the north/south corridors of Pines and Argonne to a mixed use designation allowing office, retail and residential.

WHAT IS COTTAGE HOUSING?
WHAT ARE ACCESSORY DWELLING UNITS?
Cottage housing is an innovative single family housing product that consists of small, detached homes (often less than 1,500 square feet) clustered around a common open space, with garages and parking located peripherally. These “cottages” are an emerging trend across the Pacific Northwest and the nation because they offer a more affordable home ownership option for smaller families, young professionals, singles, and empty nesters. The smaller structures and central open spaces create a neighborly feel, and cottage housing developments are typically designed to fit the character of existing single family neighborhoods.

Accessory dwelling units (ADUs) are additional dwelling units that may be attached to or detached from a single family home. These units generally contain their own kitchen, bathroom and sleeping area, but are secondary to the main home in scale, location and appearance. ADUs are a minimally-invasive means of increasing density in single family neighborhoods.
Housing Densities

Retail is an indirect function of housing, since retailers rely on capturing the everyday spending of people that live nearest to their store. Communities seeking to attract a greater number and diversity of retailers need residents to drive demand. Therefore, the most effective way to increase the retail presence in Spokane Valley may be to increase the city’s population. Multifamily housing units, like those at River House (pictured), have the added benefits of concentrating population near shared amenities, like the Centennial Trail and the Spokane Valley Mall. Data from the profile (see the population density map, below) indicate an opportunity to achieve more urban densities in portions of Spokane Valley.
STRATEGY 1.2
TAILOR ZONING TO PROMOTE SMALL-SCALE RETAIL USES IN NEIGHBORHOOD COMMERCIAL AREAS

1.2.1 Add an Overlay or New Zone
Assess the feasibility of adding a neighborhood commercial overlay zone to critical intersections, particularly in residential areas south of Sprague. The city should evaluate several intersections, including 16th/Dishman Mica, 16th/Pines, 16th/Hwy. 27, 16th/Sullivan, 32nd/Pines, 32nd/Hwy. 27, Dishman Mica/Bowdish and the area south of Coyote Rock. Criteria may include:

- Availability/developability of land
- Neighborhood support
- Supportive zoning/land use
- Adequacy of infrastructure

1.2.2 Create Overlay Requirements
Create overlay development regulations and design guidelines that require or encourage minimal setbacks, smaller building footprints, significant façade transparency, and other key characteristics of neighborhood retail.
1.3.1 Encourage “Local Production” Uses
In specific areas, allow and encourage specific uses that are not otherwise permitted, like breweries, metallurgical studios, tanneries, art galleries, etc. Areas may include the west Spokane Valley industrial area, the Montgomery Road industrial area, and the Spokane Business and Industrial Park.

1.3.2 Facilitate Short-Term Leases
Work with landowners and brokers to facilitate short-term leases for pop-up retail uses in underutilized retail and industrial spaces.

WHAT ARE LOCAL PRODUCTION USES? WHY WOULD WE WANT THEM?
In recent years, cities around the country have begun to recognize the value of local manufacturing, a sector that typically offers high wages and is accessible to workers with relatively little education. While most large-scale factories have relocated to other countries to take advantage of lower costs, the local manufacturing movement seeks to create unique artisan and craft products that evoke pride of place.

Examples of local producers include breweries, chocolatiers, tile makers, apparel and custom electronics manufacturers. Their facilities tend to be multi-purpose, featuring a retail storefront or taproom in the front and a larger space with manufacturing equipment located in the back. Encouraging local production uses supports an entrepreneurial culture that can help cities develop a brand identity in addition to creating employment and diversifying retail offerings.

Spokane Valley’s 12 String Brewing Company is an example of a local production use, and certain parts of the city, including western Spokane Valley (below) could benefit from more of these types of uses.
2.1.1 Encourage Attractive Landscaping
Evaluate landscaping and screening standards for sufficiency in new developments and encourage sustainable and attractive landscaping treatments like xeriscaping.

2.2.2 Fund Needed Maintenance
Identify and catalogue needed capital improvements to existing retail centers (e.g. consistent sidewalks, healthy street trees) and match property managers with relevant funding mechanisms.

2.2.3 Prioritize Capital Improvements
Commission a study or consult with retailers, retail brokers and commercial property managers to evaluate the return on investment to the City and the impact on retailers of proposed capital improvement projects; use the analysis to prioritize projects from the capital facilities plan that have significant returns for the City.

2.2.4 Improve Key Gateways
Invest in the aesthetic appearance of key gateways into and through Spokane Valley, and ensure that these gateways communicate Spokane Valley’s vision and key investments and attractions (for an example, see the regional wayfinding plan completed by the Downtown Spokane Partnership and Spokane County).

WHAT IS XERISCAPING? WHY WOULD I USE IT?
Spokane Valley’s arid climate lends itself to xeriscaping, a landscaping strategy that uses drought-tolerant plants to reduce or eliminate the need for irrigation. Xeriscapes are not necessarily comprised of native plants; rather, the emphasis is on plants that are best suited to thrive in local environment conditions. This helps to conserve water, lower maintenance costs and reduce water pollution caused by fertilizers, particularly when lawn areas are minimized. Ultimately, xeriscaping can add value to retail properties in Spokane Valley because it creates an attractive shopping environment while minimizing maintenance costs.
2.3.1 Leverage the Appleway Trail
Harness the potential of the Appleway Trail to spur retail development on nearby parcels that fit the city’s criteria for retail development; specific actions may include: expansion of the Appleway Trail, improved connections to retail properties and added trail signage to indicate nearby shopping destinations, the creation of public spaces that link retail centers with the trail, improved marketing materials for retail centers that are adjacent to the trail corridor and promotion of vacant retail sites adjacent to the trail.

2.3.2 Assess Transit Access
Assess the accessibility of key retail centers by public transit, and use this assessment to inform future investments and route planning; ensure that major retail centers benefit from multimodal connections within 1/4 mile.

2.3.3 Coordinate Multimodal Planning Efforts
Work with the Spokane Transit Authority to ensure that multimodal planning efforts treat retail centers as critical nodes in motorized and non-motorized networks and plan and fund bicycle facilities accordingly.

As new retail centers emerge, periodically review the Bike and Pedestrian Master Plan to reprioritize projects that serve these centers.
Multimodal Connections

The success of the Centennial and Appleway Trails illustrates the appeal of a robust network of non-motorized trails in the community. Similarly, pedestrian amenities, like wider sidewalks with landscaping, plazas and small parks improve the quality of life for residents and create attractive, vibrant places. For developers and retailers, these features offer a more utilitarian purpose: facilitating commerce.

Recent economic research has led to the discovery of a “walkability premium” in commercial real estate. Commercial properties located in places with high walkability have demonstrably higher appreciation trends, as compared to those in car-dependent locations. This is, in part, driven by a shift in demographic trends and consumer preferences as people move back into urban centers, seeking greater work-life balance. Increasing multimodal connectivity between commercial centers can boost consumer activity and make these centers more appealing for development.
**STRATEGY 3.1**

ENSURE THAT THE CITY’S OVERALL BRAND REINFORCES MARKETING EFFORTS FOR EXISTING RETAIL CENTERS

3.1.1 Create a Brand
Leverage key assets in a professional branding effort (engaging a branding consultant if necessary); include the city’s access to outdoor recreation, excellent sports facilities, natural amenities, family-friendly atmosphere and other perceived strengths.

3.1.2 Update Wayfinding and Signage
Update wayfinding and signage standards to reflect marketing and branding efforts, and implement a cohesive wayfinding program that links disparate retail centers.

**STRATEGY 3.2**

CREATE A STRATEGIC MARKETING PLAN FOR RETAIL CENTERS WITHIN THE CITY

3.2.1 Identify Marketing Gaps
Speak with retailers, property managers and commercial brokers to identify gaps in existing marketing efforts.

3.2.2 Brand Retail Centers
Work with retailers, neighborhood groups and residents to cultivate specific identities for major and minor retail centers, and use these identities to anchor branding and marketing efforts.

3.2.3 Promote Retail Segments
Promote individual retail segments (e.g. food services, hospitality) through targeted regional marketing campaigns and unique marketing materials.
STRATEGY 3.3

PARTICIPATE IN REGIONAL BRANDING AND MARKETING EFFORTS THAT SUBSTANTIALLY ADVANCE THE CITY’S RETAIL GOALS

3.3.1 Evaluate Current ROI
Evaluate the return-on-investment of participation in regional tourism promotion activities.

3.3.2 Participate in Regional Efforts
Participate in regional marketing efforts to ensure that these efforts reflect Spokane Valley’s priorities, assets and local branding and marketing efforts.
3.4.1 Expand the New Business Welcome Program
Build on the new business/retailer welcome program in partnership with local business organizations, and expand welcoming activities to potentially include additional temporary signage, press releases, how-to guides and technical assistance and branded marketing materials.

3.4.2 Disseminate Business Resources
Create branded online and print materials to market business resources, potentially including a small business resource directory, a “how to do business in Spokane Valley” guide and a handbook on licensing and permitting.

3.4.3 Employ Permitting Best Practices
Ensure that current permitting processes for commercial developments are streamlined and convey a business friendly approach to encouraging good development.

3.4.4 Publicize Retailers and Events
Consider new tools, including social media and an expanded online presence, to tell the city’s story and highlight unique retailers and retailing events.

3.4.5 Communicate Retail Successes
Communicate successes frequently to regional media outlets, including new developments in key commercial corridors.

HOW AND WHY SHOULD CITIES USE SOCIAL MEDIA?
Social media has created a method by which cities can communicate in a more interactive manner with their residents, particularly those who may not receive information from more traditional news sources. Rather than rely on local news outlets to convey information from the city, city staff can reach their target audience more directly and ensure that the message is delivered as intended. An additional benefit of social media is that, other than staff time, there is no cost associated with creating a post on Facebook, Twitter or Instagram.

In addition to buy-in from city leaders, centralized control over content publication is important. Coordinating internally helps staff understand the purpose of social media, creating more effective messaging and consistency between different departments. Cities must also work to proactively build their audiences by regularly cross-promoting their various social media accounts and promoting their presence through traditional media outlets.

These represent a few key strategies for harnessing the power of social media. Cities that post regularly and share their accomplishments can begin to bridge the divide between the government and its people, encouraging more open communication, and ideally, a community that is more civically engaged.
STRATEGY 4.1
DEVELOP A LARGE ANCHOR TO ATTRACT VISITORS AND INCREASE CUSTOMER TRAFFIC FOR RETAILERS

4.1.1 Explore Investment in Tourism Anchors
Identify potential projects that could spur tourism and drive traffic, and study these projects to evaluate their ROI and prioritize city investments.

4.1.2 Find Funding for Implementation
Allocate funds to implement projects, in accordance with the results from 4.1.1.
4.2.1 Create an Event Management Playbook
Design and develop an event management “playbook” that outlines city codes and requirements, available and appropriate venues and associated costs, and volunteer organizations and other partners, including the city, available to help with hosting events.

4.2.2 Promote Athletic Events
Promote and expand existing regional athletic events held in or around Spokane Valley, including Spokane Indians games and regularly occurring events at Plante’s Ferry, and work with event organizers to engage local retailers in sponsorship opportunities for these events.

4.2.3 Implement a “Night Out”
Consider implementation of a “night out” program throughout the city or in specific neighborhoods where retailers periodically extend their hours and invite customers to socialize in their stores.

4.2.4 Support Food-Related Events
Consider implementation of a “taste of Spokane Valley” or “restaurant week” event to highlight area restaurants.

4.2.5 Encourage Food Trucks
Permit food trucks in Spokane Valley and encourage them to locate near event venues to provide “pop-up” retailing.
Retailers that provide an experience along with something to purchase will be rewarded.

Urban Land Magazine
“Retail Futures” (2010)
4.3.1 Increase Regional Participation
Promote Spokane Valley retailers and hoteliers at regional events, such as Spokane HoopFest, Bloomsday and the Ironman Triathlon.

4.3.2 Advertise Natural Amenities
Pursue differentiation strategies based on connections to the Spokane River and other unique quality-of-life assets.

4.3.3 Fill Existing Facilities
Actively seek conferences, conventions and other events for spaces like CenterPlace, and expand the city’s role in marketing key facilities.
Regional Events

Spokane County is home to a variety of major annual events, such as Spokane Hoopfest (pictured), a street basketball tournament held in June that involves around 7,000 teams and 250,000 players and fans. Other notable events in Spokane are Bloomsday, a weekend of festivities capped off by a 12 kilometer run, and the 4th of July celebration on the Riverfront Park. Valleyfest is Spokane Valley’s largest annual celebration of all things Spokane Valley, including myriad events, musical entertainment, performances, and craft and food vendors. Spokane Valley also hosts the Spokane County Interstate Fair, Bighorn Outdoor Adventure Show, Spokane Boat Show and the Farm Chicks Antique Show. To the east, the Coeur d’Alene Ironman triathlon also bring thousands of visitors to the region annually. Spokane Valley’s retailers—particularly hoteliers and restaurants—would benefit greatly from increasing involvement in these events.
5.1.1 Identify Business Incentives
Continue to identify and catalogue sources for federal, state and local business incentives and evaluate the city's dissemination of these resources.

5.1.2 Promote Crowdfunding and Microfinance
Connect small businesses with crowdfunding and crowdsourcing platforms and other forms of microfinance to aid start-up activities.

5.1.3 Convene a Technical Assistance Panel
Work with post-secondary institutions and economic development organizations to convene a volunteer-based technical assistance panel that could offer periodic workshops on topics of interest to business owners.

5.1.4 Offer Financial Incentives
Explore the feasibility of façade improvement grants, tax credit/abatement programs or revolving loans for property owners that voluntarily make physical improvements to their properties.
5.2.1 Address Market Challenges
Work with local brokers and property owners to address the challenges that face small businesses and land owners as they pertain to low land prices, low lease rates, competition from national retailers and other factors that make small-scale retail development challenging.

5.2.2 Match Businesses with Available Space
Using GIS, maintain a list of available commercial properties and assist small businesses in finding space that meets their needs; make this information available online.

5.2.3 Maintain Industry Relationships
Develop and maintain relationships with property managers and commercial brokers who market Spokane Valley’s commercial properties.

5.2.4 Engage the Brokerage Community
Invite locally-based real estate brokers to write periodic “state of the market” articles that highlight available properties in Spokane Valley.

5.2.5 Intensify Recruitment Efforts
Develop and vet a list of retail recruitment targets (e.g. high-quality grocer, locally-owned restaurants), and mobilize resources to institute intensive recruitment campaigns. See page 76 for recruiting targets.
5.2.6 Highlight Lower Costs
Market Spokane Valley’s relative assets, such as low land prices, in recruitment efforts.

5.2.7 Develop a Site Selection Dashboard
Develop an online “dashboard tool” that will serve as a communication platform with potential retailers and investors about key locational criteria for various retail types, as well as market data for retail and related uses.

5.2.8 Consider Land Use Alternatives
Evaluate alternative land uses, such as office, flex or mixed-uses, for chronically under-performing retail locations, and encourage new retail to locate in existing, high-performance centers.

5.2.9 Hire a Retail Recruiter
Where needed, explore hiring a retail recruiter with a focus on filling identified gaps in retail offerings and services.
“Today, partnerships are used not only in transportation projects but also for water and wastewater systems, delivery of social services, building schools, and a wide range of other applications. By far the fastest-growing arena for the use of PPPs is urban economic development.”

Urban Land Institute
“Ten Principles for Successful Public-Private Partnerships” (2005)
STRATEGY 5.3
EXPAND THE ROLE OF THE LOCAL BUSINESS COMMUNITY

5.3.1 Establish a Retailers Association
Establish or support a local retailers association for the City and/or within distinct neighborhood clusters.

5.3.2 Create a Business Improvement District
Support the creation of a Business Improvement District (BID) or similar special assessment district to improve the function and aesthetics of existing retail centers.

5.3.3 Conduct Small Business Forums
Periodically conduct small business forums or distribute surveys to connect with stakeholders and determine the challenges and opportunities facing Spokane Valley’s business community.

5.3.4 Explore Public-Private Partnerships
Explore the potential for public/private partnerships that will support or include new high quality retail.
6.1.1 Encourage Good Design
Coordinate with the Comp Plan to ensure that adopted policy facilitates the development of high-quality commercial space, particularly in large developments. Consider design details that include architectural quality, orientation to the street, landscaping and facade transparency.

6.1.2 Evaluate Parking Standards
Assess the potential for reduced parking requirements in large, retail-anchored catalytic projects and small-scale neighborhood retail projects that incorporate multimodal connections or shared parking arrangements.

6.1.3 Review the Planned Development Process
Evaluate the planned development process (or similar master planning frameworks) to ensure that it effectively accommodates the evolution of retail development over time and the changing needs of large, mixed-use and “traditional neighborhood design” projects.

6.1.4 Encourage Innovation
Encourage innovative retail concepts in the redevelopment of existing retail centers. See Old Town Square in Wilsonville, Oregon as an example of innovation in suburban shopping centers.

6.1.5 Locate the Next “Kendall Yards”
Identify a location and support the development of a mixed-use development, similar to Kendall Yards, that integrates retail with housing and other uses.
Catalytic Projects

Communities that seek to move away from a primarily auto-oriented development pattern towards a more pedestrian-friendly environment often need a catalytic project that can demonstrate the feasibility of a walkable retail model. In Spokane, Kendall Yards is a large mixed use development that features open spaces, retail and a range of housing types. At a smaller scale, revitalization of the South Perry District through streetscape improvements funded through Spokane’s Centers & Corridors Program improved pedestrian safety and made the area more pedestrian friendly with benches, trash cans and sidewalk paving. Partly due to this public investment, the neighborhood has successfully added a number of new shops and restaurants that were attracted by the walkability and proximity to other businesses. Recently, a developer has proposed a mixed use development in a vacant lot in the South Perry District, which would be the district’s first housing development.

A successful retail strategy for Spokane Valley will support the development of catalytic projects that help the city achieve its vision for quality regional and local retail centers.
6.1.6 Support the Development of Mirabeau Point
Encourage the Mirabeau Point site to develop high quality retail and supportive uses, including restaurants, hospitality and recreational services (e.g. equipment rentals).

6.1.7 Encourage Retail near the Fairgrounds
Support innovative and compatible retail concepts (e.g. “make in back, sell in front”) in western Spokane Valley, especially in locations that capitalize on existing traffic at the Fairgrounds and the baseball stadium.

6.1.8 Execute the Vision for City Hall Area
Participate in a subarea planning process for the City Hall area and encourage a progressive vision for development around City Hall, supporting investments that advance that vision.

6.1.9 Support Plante’s Ferry
Evaluate the opportunity to provide supporting retail and services near Plante’s Ferry, and communicate the city’s desire for the development of uses that support park users.

6.1.10 Encourage Retail Near Coyote Rock
Work with developers and land owners to identify key sites near Coyote Rock for neighborhood-serving retail, and communicate the city’s vision for these sites.
6.2.1 Conduct a Market Analysis and Business Plan
Conduct a market analysis to ensure sufficient demand and scale initial efforts for the farmer’s market, and use this market analysis to inform a detailed business plan.

6.2.2 Recruit an Operator
Recruit an organization to operate or aid in the operation of the farmer’s market and evaluate the potential to network or affiliate with other successful markets in the area.

6.2.3 Identify Synergistic Sites
Identify locations for the farmer’s market that contribute to the vitality of existing retail centers.

6.2.4 Plan for Expansion
Plan for opportunities to scale the farmer’s market up to a local or regional food hub that incorporates more intensive production activities.

Rusty’s Produce, in operation since 1984, offers residents of Spokane Valley a variety of fresh fruits and vegetables from its location on E Sprague Ave.
04: IMPLEMENTATION
## PRIORITIZED ACTIONS

The table on pages 72-74 presents a list of the “high priority” actions from this plan. Each action is mapped to retail centers throughout the city, so that implementers of the plan can target their actions within the community. The table also provides a starting point for immediate action by isolating the first step in pursuing each prioritized action.

<table>
<thead>
<tr>
<th>Priority Level</th>
<th>Action Description</th>
<th>Where to start?</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1.3</td>
<td>Rezone Commercial Corridors</td>
<td>Coordinate with long-range planning efforts, such as the Comprehensive Plan update, to conduct due diligence and initiate rezone.</td>
</tr>
<tr>
<td>1.2.1</td>
<td>Add an Overlay or New Zone</td>
<td>Coordinate with long-range planning efforts, such as the Comprehensive Plan update, identify procedures for adding a retail zone or overlay.</td>
</tr>
<tr>
<td>1.3.1</td>
<td>Encourage “Local Production” Uses</td>
<td>Coordinate with the Planning Division to evaluate and amend applicable codes to allow retail in industrial zones, as conditional uses and home occupations.</td>
</tr>
<tr>
<td>2.2.2</td>
<td>Fund Needed Maintenance</td>
<td>Use the current Capital Improvements Plan to categorize needed improvements by retail area; seek funding for prioritized areas.</td>
</tr>
<tr>
<td>2.2.4</td>
<td>Improve Key Gateways</td>
<td>Coordinate with Public Works to ensure that the CIP treats key gateways appropriately; use branding guidelines to prioritize improvements.</td>
</tr>
<tr>
<td>2.3.1</td>
<td>Leverage the Appleway Trail</td>
<td>Identify retail zoned sites adjacent to trail and coordinate with representative brokers to market trail access; influence planning for future trail segments.</td>
</tr>
<tr>
<td>3.2.3</td>
<td>Promote Retail Segments</td>
<td>Using the retail profile in this study, select target segments and work internally to craft marketing materials; coordinate with regional brokers.</td>
</tr>
<tr>
<td>Citywide</td>
<td>Gateways Western S.V.</td>
<td>City Hall</td>
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</tr>
<tr>
<td>3.3.2 Participate in Regional Efforts</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>3.4.4 Publicize Retailers and Events</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>4.1.1 Explore Investment in Tourism Anchors</td>
<td>X</td>
<td></td>
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<tr>
<td>4.2.3 Implement a “Night Out”</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>4.2.4 Support Food-Related Events</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>5.1.4 Offer Financial Incentives</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>5.2.2 Match Businesses with Available Space</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Where to start?</td>
<td>Citywide</td>
<td>Gateways Western S.V.</td>
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<tr>
<td>5.2.5 Intensify Recruitment Efforts</td>
<td>X</td>
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<tr>
<td>5.2.8 Consider Land Use Alternatives</td>
<td></td>
<td>X</td>
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<tr>
<td>5.3.2 Create a Business Improvement District</td>
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<tr>
<td>6.1.5 Locate the Next “Kendall Yards”</td>
<td>X</td>
<td></td>
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<tr>
<td>6.1.6 Support the Development of Mirabeau Point</td>
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<tr>
<td>6.1.7 Encourage Retail near the Fairgrounds</td>
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<tr>
<td>6.1.8 Execute the Vision for the City Hall Area</td>
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<td></td>
</tr>
<tr>
<td>6.2.1 Conduct a Market Analysis and Business Plan</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>

- Use vacancy data to identify underperforming retail centers; areas with sustained, higher than average vacancy rates are candidates for rezoning.
- Reach out to local businesses to establish interest and start an initiation petition; see: “Parking and Business Improvement Areas” at http://mrsc.org/.
- Facilitate integration of economic development priorities into the Mirabeau Point plan, or other subarea plans of similar scale.
- Identify business and land owners in close proximity to the Fairgrounds and discuss specific impediments to retail development to formulate next steps.
- Identify complementary retail activities and development opportunities to market to local brokers and potential developers.
- Reach out to local or regional operators of existing farmer’s markets and contract with an operator or consultant to begin business planning.
# Retail Recruitment Targets

The following table draws on data from the retail profile and findings from workshops, interviews and other research to prioritize recruiting targets for Spokane Valley.

<table>
<thead>
<tr>
<th>Retail Type</th>
<th>Trade Capture Local/Regional</th>
<th>Suitability for Recruitment</th>
<th>Rationale</th>
<th>Key Retail Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motor Vehicles and Parts</td>
<td>199% 73%</td>
<td>High</td>
<td>Opportunity to build upon success of existing auto row</td>
<td>Auto Dealers&lt;br&gt;Auto brands not currently present in the City of Spokane Valley or brands lacking a regional presence</td>
</tr>
<tr>
<td>General Merchandise</td>
<td>187% 69%</td>
<td>Low</td>
<td>Existing presence and abundance of big box retailers</td>
<td>Existing auto dealers looking to expand or improve facilities&lt;br&gt;Auto services (repair shops, accessories) that complement auto dealers</td>
</tr>
<tr>
<td>Clothing and Clothing Accessories</td>
<td>171% 63%</td>
<td>Low</td>
<td>Presence of regional mall and associated department stores</td>
<td></td>
</tr>
<tr>
<td>Sporting Goods, Hobby, Book and Music</td>
<td>153% 56%</td>
<td>Medium</td>
<td>Opportunity to attract unique small scale retailers and entrepreneurs</td>
<td>Local Production Retailers and Shops&lt;br&gt;Local businesses small scale production and manufacturing companies with retail component&lt;br&gt;Breweries, distilleries, wineries and commercial kitchens&lt;br&gt;Local furniture producers and carpentry facilities&lt;br&gt;Makers studios and collaborative work spaces</td>
</tr>
<tr>
<td>Building Material and Garden Equipment</td>
<td>133% 49%</td>
<td>Low</td>
<td>Presence of major big box retailers</td>
<td>Smaller limited service chains with either local or regional presence (Examples: MOD Pizza, Ezells’ Famous Chicken)&lt;br&gt;Locally owned full service restaurants with potential for expansion or relocation&lt;br&gt;Destination restaurants with interest in collocating near regional malls or major recreation destinations (Examples: Anthony’s, The Ram)</td>
</tr>
<tr>
<td>Gasoline Stations</td>
<td>133% 49%</td>
<td>Low</td>
<td>Existing presence of freeway oriented gas stations</td>
<td></td>
</tr>
<tr>
<td>Miscellaneous Retailers/Non-Store</td>
<td>120% 44%</td>
<td>Low</td>
<td>Largely made up of on-line retailers</td>
<td></td>
</tr>
<tr>
<td>Electronics and Appliance</td>
<td>113% 42%</td>
<td>Low</td>
<td>Existing strong presence and growth in on-line sales</td>
<td></td>
</tr>
<tr>
<td>Food Services and Drinking Places</td>
<td>107% 39%</td>
<td>High</td>
<td>Lack of locally owned and full service restaurants</td>
<td>Local and Regional Restaurants&lt;br&gt;Existing local organic or cooperative grocery store in the City of Spokane or with a regional presence in eastern Washington or northern Idaho</td>
</tr>
<tr>
<td>Furniture and Home Furnishings</td>
<td>104% 38%</td>
<td>Medium</td>
<td>Opportunity for local production and makers spaces</td>
<td>Local Production Retailers and Shops&lt;br&gt;Leverage existing facilities for live music and festivals not currently present in the region (fairgrounds and baseball stadium)&lt;br&gt;Regional and national sporting events (Plante’s Ferry, Spokane River)</td>
</tr>
<tr>
<td>Accommodation</td>
<td>93% 34%</td>
<td>Medium</td>
<td>Continued demand associated with mall and local employment growth</td>
<td></td>
</tr>
<tr>
<td>Food and Beverage Stores</td>
<td>91% 33%</td>
<td>High</td>
<td>Lack of local or specialty food presence</td>
<td>Niche Grocery Store/Food Store&lt;br&gt;Leisure dining and bars&lt;br&gt;Drinks*&lt;/br&gt;Locally owned wine bars*&lt;br&gt;Alternative to Spokane’s current big box players (examples: The Capital Grille, The Polo Club, Ciao Bello)</td>
</tr>
<tr>
<td>Performing Arts, Spectator Sports</td>
<td>77% 28%</td>
<td>High</td>
<td>Existing facilities within City offer opportunity for additional events</td>
<td>Special Events&lt;br&gt;Live music and festivals not currently present in the City of Spokane&lt;br&gt;Regional and national sporting events (Plante’s Ferry, Spokane River)</td>
</tr>
<tr>
<td>Health and Personal Care</td>
<td>67% 25%</td>
<td>Low</td>
<td>Although retail trade capture is low number of drug stores is high</td>
<td></td>
</tr>
</tbody>
</table>
RETAIL RECRUITMENT CHECKLIST

The following actions add granularity to the actions detailed in this plan. They provide a framework for evaluating and pursing retail recruitment activities. These actions are intended to complement the information provided in the retail recruitment targets table on page 75.

Develop a list of desirable retail businesses with a local, regional or statewide presence

- Focus on locally owned and operated businesses
- Develop “packages” of restaurants and retailers: businesses that would like to locate near each other
- Create a list of at least a dozen such businesses that you’d like to see expand in the City

Establish a relationship(s) with local and regional brokerage firms and commercial developers

- The City will need to work with and/or hire local real estate professionals that will support the City’s goals and retail recruitment priorities
- The broker should serve as a facilitator for recruitment and be involved in actual lease transactions where appropriate
- Alternatively, meet with local, regional and statewide developers that have built or repositioned high quality retail developments
Identify local property and building owners with available land and spaces in key locations within the City

- The City needs to help businesses find good spaces, therefore the City should develop and maintain an inventory of land and existing commercial space that could house the next great retail shop or restaurant
- The inventory should focus on areas identified in the plan and locations that support the City’s overall economic development goals

Prioritize available spaces and match with potential retail types and specific businesses

- Using the list of desired retail businesses, contact businesses owners and provide marketing materials about the City of Spokane Valley
- Provide them a copy of the retail recruitment strategy so they better understand the City’s intent
- Setup meetings with potential retailers and learn about their growth plans, space needs and perceptions of Spokane Valley
- Identify locations that may be attractive to them and work to facilitate further conversations with the City’s broker and/or brokers representing said properties
- Where needed, explore hiring a retail recruiter with a focus on filling identified gaps in retail offerings and services.

Identify any zoning, permitting and/or fire and building code issues that may need to be resolved

- Serve as a resource for businesses that may need assistance with permitting and resolving potential fire or building code issues
- Let them know that the economic development office at the City is a resource for them and will work with the City’s other staff to facilitate their projects

PROGRESS MEASURES

- Meet with at least a dozen retailers and restaurateurs in the next year
- Meet with at least a dozen property owners and/or developers in the next year
- Develop a list of at least a dozen suitable spaces/properties suitable for future retail recruitment
- Regularly update all of these efforts as none of the efforts are static