



# *Cosmopolis*

## Revitalization Study

### Brownfields Area-Wide Planning

**Version:** May 4, 2020

Prepared by:  
Stantec

*In partnership with:*  
Leland Consulting Group & Walker-Macy

Prepared for:  
Grays Harbor Council of Governments &  
The City of Cosmopolis



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# *Executive Summary*

*(Source: Ju-On-E | Unsplash)*



*Cosmo Specialty Fibers mill facility and the Chehalis River shoreline (Source: Stantec)*

## PROJECT INTRODUCTION

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During fiscal year 2017, the United States Environmental Protection Agency (EPA) awarded a \$600,000 Brownfield Community-Wide Assessment (CWA) Coalition Grant to the Grays Harbor Council of Governments (GHCOG) and its coalition partners (the cities of Aberdeen, Hoquiam, and Cosmopolis). The grant funds the inventory, assessment, and cleanup planning for brownfield sites in the community. A brownfield is defined by EPA as, “a property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant.” Former industrial sites and rail lines, former gas stations, abandoned houses, and many other types of properties are included in the EPA definition of brownfields. Properties that contain buildings or other structures with hazardous building materials (e.g., asbestos and lead-based paint) may also fall within this definition.

The EPA CWA grant funded a brownfield inventory process in the City of Cosmopolis (City). Through this inventory, the Coalition discovered that all waterfront properties and most of the downtown parcels bordering Highway 101 (1st Street) are brownfields. These brownfield conditions are in many instances associated with the City’s industrial past and timber mills and rail lines that occupied the areas near the Chehalis River. The City saw an opportunity to use portions of the EPA grant to fund a community planning initiative aimed at spurring brownfield redevelopment and downtown revitalization.

### ***Brownfields Definition:***

*The EPA defines a brownfield as “real property, the expansion, redevelopment or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant.”*



## BROWNFIELD CHALLENGES

Brownfield sites can present a multitude of challenges for local communities associated with their blighted condition, documented (and undocumented) environmental liabilities, and underutilized status. The environmental liabilities can include the presence of hazardous chemicals or petroleum products in soil, groundwater, and soil vapor, as well as hazardous building materials (such as asbestos, lead-based paint, and polychlorinated biphenyls) commonly used in the past in the construction or maintenance of older buildings. These conditions can pose a hazard to both humans and environmental receptors (such as rivers and wetlands). The presence of the environmental and other liabilities can complicate the redevelopment of these sites, as well as result in added costs (and delays) for abatement, demolition, and environmental investigation and cleanup. In extreme cases, brownfield cleanup costs can far exceed a site's market value. Thus, many developers avoid brownfield sites and focus on development of other properties, including "greenfield" sites located on the edges of cities (contributing to urban sprawl). Many brownfield sites remain underutilized and hinder revitalization efforts in the larger community as a consequence of their blighted condition and documented (or feared) environmental conditions.

## AREA-WIDE PLANNING (AWP)

An eligible activity under EPA CWA Grants is the performance of area-wide reuse planning for target areas, corridors, or neighborhoods impacted by the presence of multiple brownfield sites. The brownfields AWP process is designed to help communities confront local environmental, public health, and other redevelopment challenges related to the presence of brownfield sites. The resulting area-wide plans establish a vision and action plan to bring positive change to these areas. Rather than a site-by-site approach, an AWP process considers several brownfields and their challenges/liabilities simultaneously in the context of other properties and redevelopment challenges within a defined focus area. An effective AWP process identifies a reuse strategy for areas with brownfield sites and considers other shared impediments to redevelopment (such as missing or inadequate public or private infrastructure components). AWP for brownfields encourage community involvement in site assessment, cleanup, and reuse planning, as well as overall neighborhood revitalization.



*Top: Existing businesses along Highway 101 / 1st Street | Lower: Existing vacant waterfront with the informal Dike Trail in foreground (Source: Stantec)*



## COSMOPOLIS AWP

This document presents an AWP for downtown and waterfront areas in the City of Cosmopolis. The City and its coalition partners worked with local property owners and other stakeholders to identify an economic development strategy for the downtown core encompassing the areas along Highway 101 (1st Street) and the Chehalis River from the northern municipal limits and south to Maple Street, and these areas define the AWP “focus area.” The area has experienced stagnant growth, and there are several underutilized properties that could support new uses to serve immediate community needs including housing, commercial services, and recreation. The AWP project team comprised the City, GHCOG, Stantec Consulting Services Inc. (Stantec), Leland Consulting Group, and Walker-Macy. Together, the project team embarked on an AWP process for Cosmopolis. Figure ES-1 presents a Cosmopolis AWP Context Map that includes a current aerial, the focus area boundaries, and key area features or conditions.

The project team chose to complete an AWP project to define an economic development strategy to bring increased private and public investment to the focus area. At the core of this effort, the City wants to support Cosmo Specialty Fibers (the City’s largest employer) to grow within the community and provide long-term employment. The City wants to help the company attract and retain industry talent by planning for additional housing, services, and public amenities. At the same time, the City wants to improve the quality of life for its other existing businesses and residents. The City saw an opportunity to focus

its redevelopment efforts on the downtown and waterfront brownfields. Through the AWP, the City identified a vision and strategy to redevelop major brownfield sites with future commercial, recreational and residential uses that will support its major employer and elevate the quality of life for current and future residents.

There are several factors that affect investment within the focus area. These includes the following key considerations:

- **Major Employer:** Cosmo Specialty Fibers is the City’s largest employer and has plans to expand, but they continually experience challenges in talent recruitment. In the company’s experience, many qualified applicants are from outside the region and these prospective hires find housing, services, and local amenities to be lacking in Cosmopolis and subsequently turn down employment offers at Cosmo Specialty Fibers. The company’s future growth is closely tied to its ability to recruit and retain a talented workforce. The company has a good working relationship with the City.
- **Public River Access:** Cosmopolis rests along the Chehalis River, which has superb fishing and recreational opportunities, but for which there is currently no publicly-owned access to the River within the City limits. There is currently an informal trail on located on top of the dike along the Chehalis River (locally referred to as the Dike Trail) that provides water views, but the land between

the dike and the River is privately owned. Cosmo Specialty Fibers maintains a private boat launch along the river at the end of F Street and allows the public to use its private property for recreational purposes. The boat launch property has a gravel parking lot and is devoid of services or shelters. Over the long-term, the City would like to work with Cosmo Specialty Fibers to formalize the boat launch property as a public park with amenities.

- **Future City Building:** The City has plans to build a new municipal services building and community gathering spaces on the block along Highway 101 (1st Street) at C Street. Currently, the City’s fire station, City Hall (a former bank), and a modular building are located on this block. If implemented, the project will replace the current City Hall and modular structures with a new municipal services building, which is dependent on future public funding sources.
- **Brownfield Sites:** All of the waterfront properties and most of the sites west of Highway 101 (1st Street) are brownfield sites, which further complicates redevelopment within the focus area. The project team identified four priority brownfield properties that would serve as catalyst sites for redevelopment. The team prioritized these particular sites since they are vacant, at prominent locations within the AWP focus area, and are large enough to support infill redevelopment projects.







Figure: ES-1 - Cosmopolis AWP Context Map

## COMMUNITY PLANNING OBJECTIVES

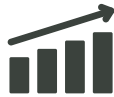
The City used the AWP process to develop a series of economic development strategies that will support its largest employer, plan for redevelopment on brownfield catalyst sites, create public waterfront access, and enhance the public realm through streetscape enhancement and trail expansions. The City approached the AWP process as a collaborative effort with government partners, community stakeholders, and the general public. The City structured the AWP process around the following community planning objectives:



**Address Brownfield Sites and Challenged Properties:** the focus area contains numerous brownfield sites that pose challenges for redevelopment. Through this AWP process, the City and Coalition partners, identified strategies to evaluate and prioritize these sites for possible future performance of environmental site assessments (ESAs) and cleanups .



**Collaborate with Community Stakeholders:** The City wanted to collaborate with its citizens, property owners, and governmental partners to define a vision and to create a redevelopment strategy to bring investment to Cosmopolis. Through this process, the City wanted to create relationships and support partnerships that will lead to implementation.



**Retain and Grow Existing Employers:** The City and the Coalition partners want to support and retain existing employers (notably Cosmo Specialty Fibers) through enactment of flexible regulatory standards, implementation of complementary economic development efforts, completion of needed infrastructure improvements, and continued collaboration.



**Attract Reinvestment:** The City wants to position the community to better attract long-term investment from both public and private entities. The City wishes to attract investment in terms of additional housing, commercial services, and employment. Furthermore, the City wants to collaborate with other public agencies (e.g., Washington State Department of Transportation [WSDOT]) to invest in infrastructure and services.



**Provide Community Amenities:** The City recognizes that quality community amenities such as parks, restaurants, retail, and services are essential for both its major employers (to attract and retain workers and talent), as well as to maintain the quality of life for both existing and future residents.



**Identify Supportive Capital Improvements:** The City recognizes that public infrastructure is essential to support reinvestment and to secure its current employers, and wants to ensure that infrastructure and public amenities help to incentivize redevelopment of key catalyst brownfield sites.

# KEY COMPONENTS OF THE COSMOPOLIS AWP

The AWP for Cosmopolis included three key components: (a) planning for catalyst redevelopment sites, (b) creating an AWP “Framework Plan,” and (c) establishing an “Action Plan.” Together, these components create a comprehensive economic redevelopment strategy for the focus area and the larger community. These components are described below.



Waterfront properties along the Chehalis River in the City's commercial core area (Source: Google Earth)

## PLANNING FOR CATALYST SITES

The project team identified four priority brownfield properties within the focus area that have the potential to serve as catalyst sites for redevelopment. The catalyst sites are all vacant and remain in private ownership. Three sites rest along the City's waterfront, east of Highway 101 (1st Street), and comprise approximately 4.37 acres. The fourth site encompasses 0.33 acre at 2nd and I streets on the edge of downtown and adjacent to the City's residential neighborhoods. The catalyst sites have direct roadway access, high visibility, and utility service, and are located near public amenities (e.g., the riverfront and parks). The community envisions future residential and/or mixed-use development on the catalyst sites. If redeveloped, the catalyst sites would help Cosmo Specialty Fibers to attract and retain industry talent in Cosmopolis and provide additional housing and services for existing city residents. The AWP project was used to perform detailed reuse planning on these sites.

## AWP FRAMEWORK PLAN

This AWP process included the creation of a “Framework Plan” that graphically identifies general land uses, capital projects, and the locations of catalyst sites within the focus area. The Framework Plan is a map that graphically illustrates a series of projects that the City can employ to guide and support economic

development within the focus area. The City's economic development approach includes two important strategies: (1) designate catalyst sites to be redeveloped with housing and services that will help attract and retain employees and workers with talents critical to key local employers in Cosmopolis, and (2) identify the public infrastructure and amenities that will help to incentivize redevelopment throughout the focus area. The Framework Plan includes individual components that align with the City's overall economic development strategies. These components include streetscape enhancements, public access to the waterfront, parks and recreation, and catalyst sites.

## ACTION PLAN

The City wants to define a vision, catalyst sites, and supporting capital projects that will improve economic conditions in the focus area. The project team created an Action Plan that identifies the specific actions, initiatives, and schedule that the City can employ to ensure that the AWP vision and economic development strategies are implemented in future years. The Action Plan lists the community goals and objectives that were identified through the AWP process. Each objective includes a series of action items the City can perform or help facilitate to bring the community closer to its economic development goals.



*Cosmopolis waterfront with remnant pilings along the shoreline (Source: Stantec)*

## COMMUNITY VISION OVERVIEW

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The City, its coalition partners, and participating stakeholders envision economic prosperity, quality housing choices, amenities, and supporting services. Specifically, the community wants to maintain support for Cosmo Specialty Fibers, the City's largest employer, to grow and provide additional employment opportunities. At the same time, the community vision centers around quality of life enhancements to serve existing residents and attract new talent to the region. The community envisions a reconnection with the Chehalis River through redevelopment projects, trails, and recreational amenities. The community envisions quality infill projects along Highway 101 (1st Street) that include supporting services and community destinations like retail and dining venues. The community also envisions an array of housing options to serve multiple generations, household types, and incomes. Most of all, the community envisions redevelopment that complements its small-town character and builds upon its existing assets and setting.

The project team captured this vision through an engagement plan that included community meetings with the general public and focused conversations with area stakeholder groups. The engagement plan included two main components:

- **Public Meetings (General Public):** The City held two public meetings to provide project information, solicit community sentiment, and build public consensus on key AWP initiatives. The meetings were interactive and provided multiple ways for participants to provide feedback. The first meeting aimed to identify community priorities and to understand the public's preferences regarding development scale, services, and amenities. The second meeting allowed the project team to report back to the community on key redevelopment recommendations.
- **Working Group Meetings (Stakeholders):** The City hosted four working group meetings with the GHCOG and area stakeholders that included government partners, local business owners, property owners, developers, and real estate professionals. The working group meetings engaged stakeholders and technical advisors to address specific project topics such as economic opportunities, investment constraints, and overall planning guidance. The project team structured these meetings as roundtable discussions and an open dialogue.

## GUIDING PRINCIPLES

The City, area stakeholders, residents, and government partners provided input and opinions about Cosmopolis' needs and future opportunities. The project team reviewed the stakeholder information and arranged the ideas into key overarching priorities. These community priorities served as guiding principles for the Cosmopolis Area-Wide Planning initiative. The AWP process aimed to address these principles through recommended policies and actions.



### **PRINCIPLE A: Create Housing**

The City and greater community need additional housing to support its current and future populations. Furthermore, housing is essential to attract and retain employees at local businesses. The region has few apartment and rental options. Much of the entry-level housing stock remains in poor condition. The City should promote the development of a variety of new housing types (single-family, duplex, townhouse, and apartment-style dwelling units) at a variety of price points.



### **PRINCIPLE B: Provide Recreation**

The City and region need to enhance and maintain quality recreational amenities that elevate the area's livability and attract visitors. The City should plan for recreational amenities that complement regional systems so that local communities have a large collection of leisure activities. The region should build upon its existing recreational assets in terms of trails, water access, and the greater outdoors. At the local level, the City should connect missing pieces in the area's trail system.



### **PRINCIPLE C: Provide Amenities**

The City and region need to attract and retain local amenities such as restaurants, shopping, and gathering spaces that create a sense of place, meet daily consumer needs, and create local connections. The City should promote development of amenities along Highway 101 (1st Street) to create a local commercial main street for residents, local employees, and visitors. The City should support new development and adaptive reuse of existing buildings to support future amenities.



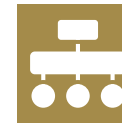
### **PRINCIPLE D: Retain and Support Existing Businesses**

The City and the region have some significant employers; the mill (Cosmo Specialty Fibers) is a major employer and the keystone to the City's economic health. It's vital that the region retain its existing businesses. In doing so, the City should plan for enhancing the quality of life, local amenities, and housing options so that the mill can better attract and retain talented workers. The City should plan and advance the construction of infrastructure improvements needed to better serve employers and businesses.



### **PRINCIPLE E: Embrace and Rediscover Assets**

The region's setting and surrounding context is full of natural, cultural, and recreational assets. The City and the greater region should embrace and build upon their existing assets in terms of water access, outdoor recreation, infrastructure, education, and local businesses. The Grays Harbor cities should collaborate on regional marketing efforts, master planning, and business recruitment.



### **PRINCIPLE F: Enhance Access and Connections**

The City and the region should identify additional street, trail, and water access improvements that will help to achieve a better connected community. The City should explore opportunities to create additional roadway connections for commerce and safety. The City should address missing links in the regional trail connections and explore opportunities for system expansions. The City and region should identify and advance opportunities to improve water access for both commercial and recreational users.



(Source: Daniel McCullough | Unsplash)

## AWP FRAMEWORK PLAN

To support the community's vision for the focus area, the project team created an AWP Framework Plan that graphically illustrates near and long-term projects and initiatives for the focus area. By using the Framework Plan as a guide, the community will implement an array of projects and initiatives that will bring increased prosperity to the City. The Framework Plan is depicted on Figure ES-2.

### AWP FRAMEWORK PLAN THEMES

The AWP Framework Plan is rooted in four overarching themes: (A) create activity nodes, (B) perform street enhancements, (C) create water access and amenities, and (D) designate catalyst sites. Each theme includes an array of capital projects and/or policy initiatives that would improve the focus area and serve its residents while supporting economic development.

**Theme A: Activity Nodes** – The AWP Framework Plan identifies three distinct activity nodes. The idea is to create individual activity centers along Highway 101 (1st Street) to create distinct areas for redevelopment; the properties between the nodes will experience reinvestment over time. Each node includes its own land use mix and community character.

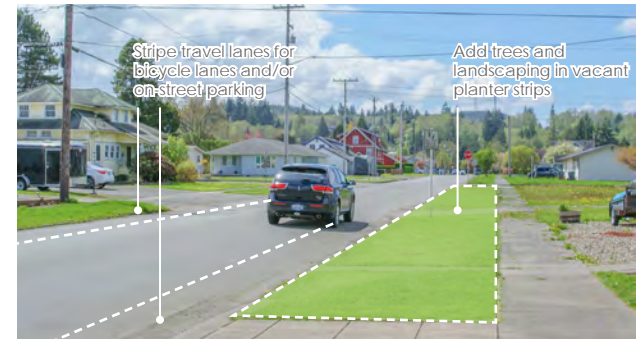
- **City Hall Activity Node** - The City envisions a new municipal services complex on the block along Highway 101 (1st Street) between C and D streets. The City's preliminary plans for the block include retaining the existing Fire Station, constructing a new City Hall/Municipal Court building, and providing enhanced community open space. The existing City Hall Building may be repurposed for future uses. The project may include flexible, multi-purpose community space to host a variety of civic events. This node would be the center of civic activity in Cosmopolis.
- **Community Crossroads Activity Node** - The community desires to grow a strong community commercial area at the crossroads of Highway 101 (1st Street) and F Street. The activity node builds upon existing community assets such as the existing service businesses, the two restaurants, a retail store, fuel station, and the post office. Preliminary plans include intersection enhancements, infill development, and facade improvements. Other amenities include a formal trailhead for the Dike Trail and enhanced boat launch facility. This node would be the center of community commerce in the City.
- **Lions Club Park Activity Node** - The community wants to recognize and enhance Lions Club Park as its signature recreational destination. The theme builds upon the existing park amenities at Lions Club Park, Puddles Pity Dog Park, and the Basich Trailway. This activity node includes additional

trail connections, streetscape improvements, and complementary land uses (such as multi-family residential). This node would be a major recreational destination in the AWP focus area.

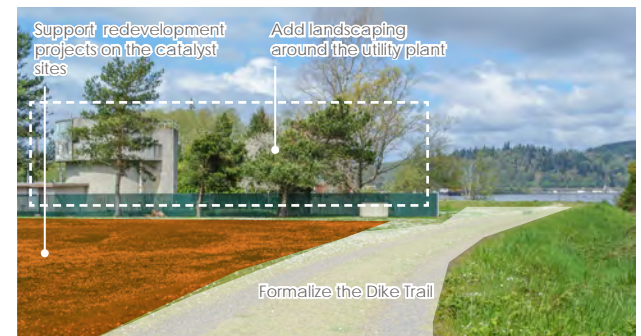
**Theme B: Streetscape Enhancements** - The AWP Framework Plan identifies several streetscape projects to improve aesthetics and multi-modal capacity. The streetscape enhancements would help prioritize certain streets as primary corridors to reach community destinations. Many of the City's streets have excessively wide paved areas (over 30 feet in width); there is opportunity to add striping to designate paved areas for other purposes. Streetscape improvements should include trees, decorative lighting, bicycle lanes, and striped parking stalls. Specifically, J Street may be considered the City's second main street; this corridor should receive iconic streetscape treatments in terms of paving, street furniture, and landscaping. The Plan designates the unimproved G and I streets rights-of-way north of Highway 101 (1st Street) for future street construction to provide access to adjacent sites and the waterfront.

**Theme C: Water Access & Amenities** - The AWP Framework Plan identifies several projects to improve water access and amenities in the community. The Framework Plan recognizes the existing (private) boat launch along the Chehalis River at F Street; the AWP process identified potential enhancements to open the property to additional users. The Framework Plan also calls for the community to formalize the trail atop the riverside dike and provide additional trail connections to the nearby neighborhoods. The Framework Plan outlines the potential to transform the unimproved sections of the J and H streets rights-of-way into formal bicycle and pedestrian accessways to the Dike Trail from Highway 101 (1st Street).

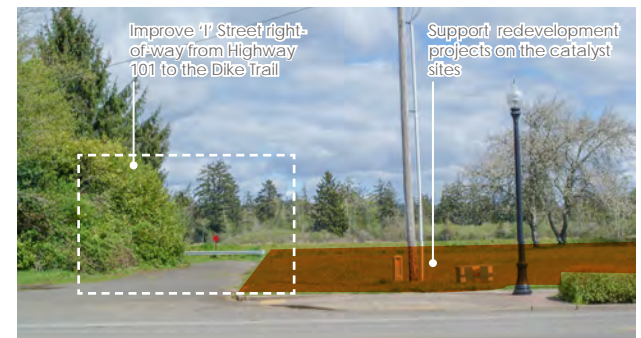
**Theme D: Catalyst Sites** - The AWP Framework Plan designates four catalyst brownfield sites that the community can target for advancing their redevelopment goals. The Framework Plan designates three large, vacant waterside sites along Highway 101 (1st Street) and one property at 2nd and I streets. The project team envisions private entities redeveloping the catalyst sites with future housing that will help attract talented workers needed by local businesses, in particular Cosmo Specialty Fibers. The catalyst designation will support the City in focusing future economic development efforts on these sites, and increase the likelihood the conditions will be improved at these sites.



*The Framework Plan calls for streetscape elements on Cosmopolis streets such as trees, striped parking/bicycle lanes (Source: Stantec)*



*The Framework Plan calls for an enhanced waterfront environment such landscaping, a formalized Dike Trail, and catalyst redevelopment projects (Source: Stantec)*



*The Framework Plan calls waterfront redevelopment including streetscape improvements to I Street and catalyst projects (Source: Stantec) | Left: Example of a new three-level apartment community along a waterfront. (Source: Stantec)*

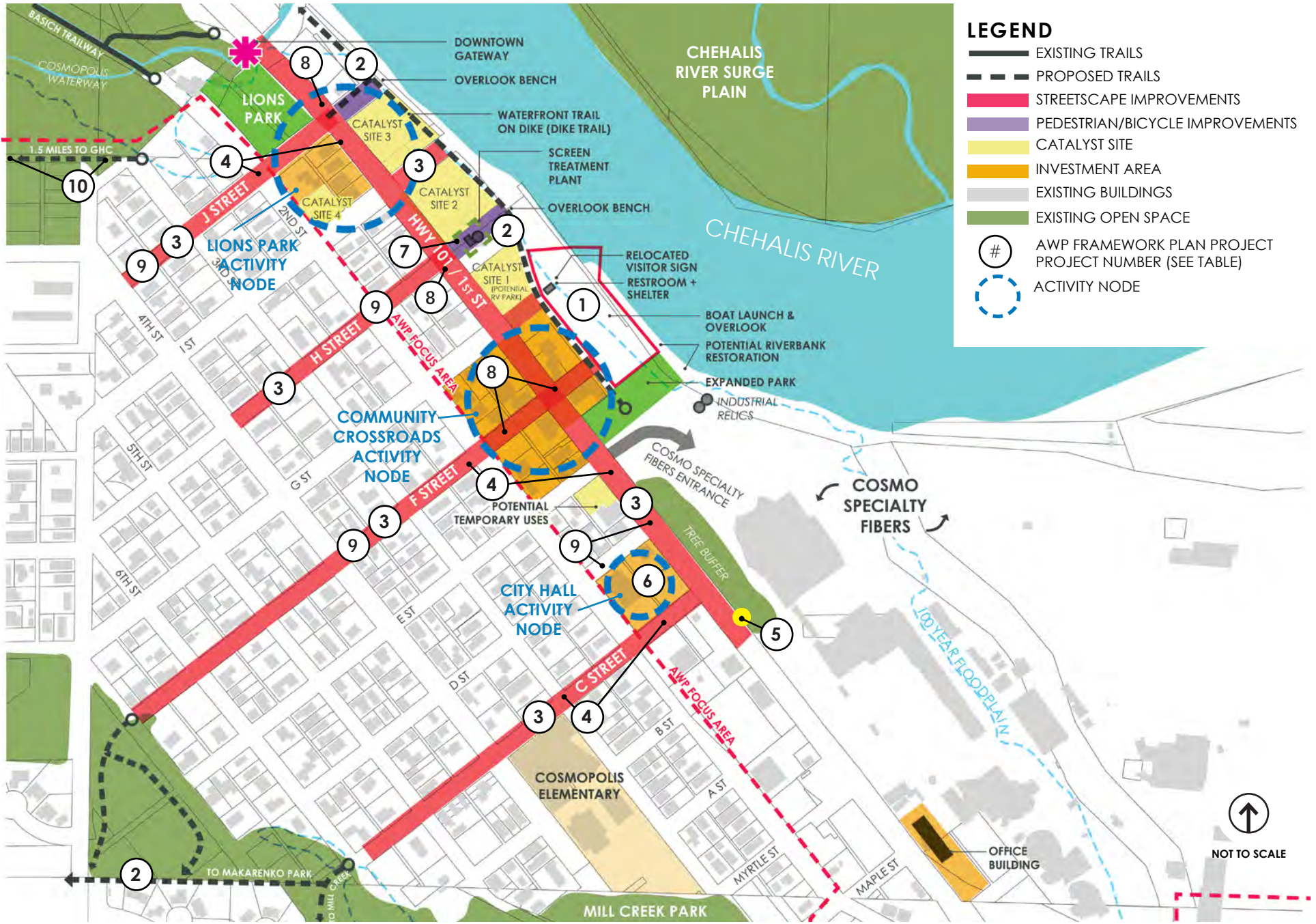


Figure: ES-2 - AWP Framework Plan (Source: Walker-Macy)



# FRAMEWORK PLAN PROJECT LIST

The AWP Framework Plan includes several projects and initiatives that if implemented will enhance the community for the benefit of both its residents and businesses. The Framework Plan's projects will create an attractive community environment for businesses, residents, and visitors. These projects will lay the foundation for attracting future services, amenities, and housing. The following table lists the key projects identified on the AWP Framework Plan.

<b>Project #</b>	<b>Project</b>	<b>Summary</b>
<b>1</b>	<b>Improve/develop The Boat Launch</b>	Cosmo Specialty Fibers provides a semi-public boat launch along the river at J Street. There is opportunity for the company and the City to partner on future improvements to the boat launch property in terms of access, signage, and amenities. Future improvements should include a paved parking area, landscaping, wayfinding, a new boat launch feature, restrooms, and a dock for small watercraft such as kayaks.
<b>2</b>	<b>Expand Trail Connections</b>	<p>The City has several trail connections that pass through and/or terminate within the municipal limits. Trails provide both recreation and mobility choices for residents, employees, and visitors. The City should collaborate with regional partners to eliminate trail system gaps and improve informal segments. The City's planning should consider the following trail projects:</p> <ul style="list-style-type: none"> <li>• Create a trail connection to the Blue Slough Trailhead.</li> <li>• Create a trail/multi-use pathway within the Huntley Road right-of-way.</li> <li>• Link Makarenko Park to Grays Harbor College, Highway 101 (1st Street), and the waterfront.</li> <li>• Make the Dike Trail an official public pathway.</li> <li>• Connect Lions Park to the Dike Trail within the unimproved J Street right-of-way; buffer the adjacent residence(s) with landscaping and/or screening.</li> <li>• Collaborate with Aberdeen to connect the Basich Trailway to the Chehalis River Trail.</li> </ul>
<b>3</b>	<b>Perform Streetscape Enhancements</b>	<p>Cosmopolis has several wide side streets that connect its neighborhoods to Highway 101 (1st Street) and the waterfront. These streets are modest in appearance and devoid of streetscape elements. The City should perform streetscape enhancements on key side streets to improve community aesthetics, enhance functionality, and strengthen the community's urban design context. Streetscape improvements should include trees, decorative lighting, bicycle lanes, and striped parking stalls. J Street may be considered the City's second main street; this corridor should receive iconic streetscape treatments in terms of paving, furniture, and landscaping. The City's streetscape planning should focus on the following roadways:</p> <ul style="list-style-type: none"> <li>• Add trees, bicycle lanes, and designated parking stalls on C, F, H, and J streets</li> <li>• Add bike lanes and add shade trees to Highway 101 (1st Street).</li> <li>• Install specialty paving and crosswalks at Highway 101 (1st Street) and F street.</li> </ul>

**Table ES-1 - AWP Framework Plan Projects List**

Project #	Project	Summary
4	<b>Establish City-wide Wayfinding</b>	Cosmopolis has several public amenities and community assets; whereas, users can benefit from signage and other wayfinding enhancements to locate these destinations. The City should create a city-wide wayfinding plan to identify key destinations, civic buildings, and trail routes.
5	<b>Construct Gateway Elements</b>	Cosmopolis has a gateway sign near the north municipal limits; whereas, there are no monuments/landmarks that welcome visitors from the south. Gateway elements can create a sense of arrival for visitors, strengthen community identity, and assist with City branding. There is opportunity for the City to add gateway elements to the south end of the municipal limits. This could include monument signage, landmarks, art, and/or landscaping.
6	<b>Redevelopment and Create a Civic Node</b>	<p>Cosmopolis City services occupy the entire block along Highway 101 (1st Street) at C Street; this includes the City Hall, the Fire Station, and an ancillary modular building. The City is exploring opportunities to redevelop the block with a new municipal services building and community space. The City should continue to redevelop the site as a key civic node that co-locates municipal services and creates flexible, multipurpose community spaces. The plan should create a strong streetscape appearance along Highway 101 (1st Street). The City's planning should consider the following elements:</p> <ul style="list-style-type: none"> <li>• Create a strong streetscape character along Highway 101 (1st Street); orient buildings to 1st, C, and D streets.</li> <li>• Add flexible, multi-purpose community space to host a variety of civic events.</li> <li>• Create outdoor gathering spaces.</li> <li>• Repurpose the existing City Hall Building.</li> <li>• Limit surface parking lots; use adjacent street parking.</li> </ul>
7	<b>Enhance the Historical Marker</b>	The Historical Marker at Highway 101 (1st Street) and H Street identifies the City's incorporation, Tribal history, and the treaty signing. Currently, the marker includes a sign and painted mural on the adjacent utility plant. The grounds include nominal landscaping and modest seating. The City should create an enhanced historical marker and a signature public gathering space. The City should explore options to improve the current site or create a new monument plaza as part of the civic node at City Hall. The City should partner with the Quinault Tribe to showcase cultural resources.

**Table ES-1 - AWP Framework Plan Projects List**

Project #	Project	Summary
8	<b>Perform Pedestrian Enhancements</b>	<p>Cosmopolis is laid out as a traditional town plan with an urban street grid and civic destinations nestled in its neighborhoods. As the community grows, the City should perform pedestrian enhancements that ensure safe mobility and promote a walkable environment. The City's pedestrian enhancement plan should include the following elements:</p> <ul style="list-style-type: none"> <li>• Construct additional, designated pedestrian crosswalks along Highway 101 (1st Street) at C, F, H, and J streets.</li> <li>• Explore the feasibility of user activated crosswalk signals at key intersections.</li> <li>• Orient new commercial and multi-family buildings to adjacent streets; create pedestrian pathways from the right-of-way to the main entrances.</li> <li>• Upgrade key pedestrian crossings with Americans with Disabilities Act (ADA) accessible ramps.</li> </ul>
9	<b>Address and Plan for Vehicle Parking</b>	<p>The City's recreational amenities, businesses, and residents depend on available vehicle parking. The City roadways are wide and can accommodate substantial street parking; moreover, private parking lots increase impervious surfaces and are expensive components of property development. The City should create a strategy to utilize street parking to serve existing and new destinations and reduce the need for new surface parking lots. The City's parking strategy should consider the following elements:</p> <ul style="list-style-type: none"> <li>• Add roadway striping and signage for parking on City Streets.</li> <li>• Collaborate with Washington Department of Transportation (WSDOT) to incorporate the parking strategy into all future Hwy 101 (1st Street) improvement plans.</li> <li>• Design and manage future municipal parking lots to be used by other uses during weekends and evenings.</li> </ul>
10	<b>Extend Huntley Road</b>	<p>Cosmopolis City has limited roadway access into the community; Highway 101 (1st Street) remains the only route in and out of the City. Huntley Road has an unimproved east-west right-of-way extending between the City and Grays Harbor College. There is opportunity to create an additional connection within this right-of-way; the City should explore the feasibility to improve the Huntley Road right-of-way as a formal street or multi-use trail. In doing so, the City should be mindful to minimize adverse impacts on surrounding neighborhoods.</p>

## CATALYST SITES

The project team designated the catalyst sites as key properties to support future housing in the Cosmopolis community. Ideally, the private sector would redevelop the properties with townhouses or apartment buildings that provide additional rental options for residents and future employees at Cosmopolis' businesses. The City would support redevelopment on the catalyst sites by streamlining the development review processes and participating in marketing efforts to private investors.

The properties are currently vacant. The sites near the waterfront (sites #1-3) formerly were subject to industrial uses and are likely to have some level of soil contamination as a result of these historical land uses. Further research is needed for Catalyst Site #4 to document past land uses and to identify potential environmental concerns. Phase I and II environmental site assessments (ESAs) are needed on all four catalyst sites to fully document past land uses and potential environmental concerns, and then to verify whether these concerns have impacted soil and/or groundwater or resulted in other environmental liabilities. Remedial and/or reuse planning may be needed to devise clean-up strategies, and create a path forward towards property development. Table ES-3 provides catalyst site information (See Chapter 4: Brownfields Inventory).

The project team did not create concept plans for the catalyst sites as part of this AWP document since they are in private ownership, and future developers would explore their own development programming based on market conditions at that time. Moreover, the project team wanted to focus initially on establishing the community's desire

for these properties in terms of land uses and development scale. The following lists the City's desired development programming options for the catalyst sites.

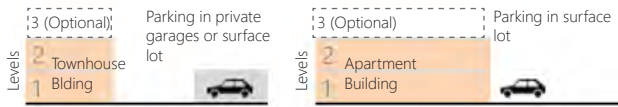
- **Housing:** The City envisions that all four catalyst sites would develop with future housing. Future housing may come in the form of townhouses or small-scale apartments (two to three levels). Given the area's market conditions and probable development costs, the project team anticipates wood-frame construction and surface parking lots; a townhouse option may support private garages. The City would review its land use regulations to ensure that the zoning can support either redevelopment scenario. See Figure ES-3 and Table ES-2 for residential development scenario programming.
- **Mixed-Use:** The catalyst sites are in the heart of the City's commercial core; therefore, the City also supports a mixed-use option for future development projects. In this scenario, ground floor commercial spaces could be viable along Highway 101 (1st Street) and the portions fronting the Dike Trail. Adjacent streets and small surface lots would support customer parking. A mixed-use component on the catalyst sites would support much needed commercial services in the focus area.
- **Pedestrian-Oriented Design:** Through the AWP process, the City expressed its desire for Highway 101 (1st Street) to redevelop as a traditional main street with distinctive urban design. The City wants the catalyst sites to redevelop, with new buildings that create a strong pedestrian-oriented design; buildings would be sited close to public sidewalks and

streets, facades would have window coverage and architectural interest, and the building materials would respond to the City's historical past (e.g., wood siding).

- **Interim Uses:** The City understands that housing and/or mixed-use development may occur in the future when the market conditions support the development costs. There is an opportunity to allow interim, temporary uses on the catalyst sites to bring activity and commerce to the focus area until the properties are redeveloped with permanent structures. The City would examine its zoning and regulatory standards to allow compatible interim uses. These may include but would not be limited to food trucks, recreational vehicle parks, and event space.
- **Employment Uses:** While the City desires additional housing within the focus area, it also supports redevelopment of the waterfront catalyst sites (#1-3) with employment uses such as manufacturing and light industrial uses. The City would permit other uses on the waterfront catalyst sites to allow flexibility. At the same time, the City should consider adopting compatibility standards to buffer the surrounding area from more intensive land uses.



*Top: Example of pedestrian scale mixed-use development in Issaquah, WA (Source: Stantec)*



**Scenario 1: Townhouse**

**Scenario 2: Apartments**

This exhibit is a diagrammatic cross section depiction of the two redevelopment scenario options for the catalyst sites. This diagram is intended to compare the development scale between the two scenarios.

**Figure: ES-3 - Catalyst Redevelopment Programming Diagram**

Source: Leland Consulting Group



Left: Example three-level townhouse development



Right: Example of a three-level apartment community (Source: Stantec)

	Scenario 1	Scenario 2
<b>Housing Type</b>	Townhouses	Apartments
<b>Parking Configuration</b>	Surface Lots / Private Garages	Surface Lot
<b>Levels (min.)</b>	2	2
<b>Levels (max.)</b>	3	3
<b>Typical Density</b>	16 dwelling units per acre	30 dwelling units per acre

Catalyst Site #	Size	Parcel Number(s)	Address	Owner	Current Zoning
<b>#1</b>	52,532-sf. / 1.21-ac.	417091431003	1701 1ST ST	Cosmo Specialty Fibers	Waterfront Use District
<b>#2</b>	57,600-sf. / 1.32-ac.	031001200000	825 1ST ST	Weyerhaeuser	Waterfront Use District
<b>#3</b>	80,088-sf. / 1.84-ac.	031001300300, 031001301900, & 031001300100	733 1ST ST	Weyerhaeuser and Dave Dove (2 separate owners)	Waterfront Use District
<b>#4</b>	14,400-sf. / 0.33-ac.	031001801600	Unspecified	Chad and Kellie Larson	Mixed Use District

# ACTION PLAN GOALS AND OBJECTIVES

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The project team created an action plan that responds to community sentiments, market opportunities, and the individual projects that the community identified through the AWP process. The Action Plan includes three overarching goals that respond to the community's priorities. These goals build upon the AWP's guiding principles that were established early in the planning process and aim to implement individual projects from the AWP Framework Plan. For brevity, this subsection summarizes the action plan goals; whereas, Chapter 7 provides additional detail in terms of supporting action items, schedule, and community partners. The following lists the action plan goals and their associated objectives.

## GOAL 1: ENHANCE THE COMMUNITY TO KEEP AND ATTRACT TALENT

Many people of different ages desire access to a dynamic urban environment and lifestyle that provides a wide variety of housing, restaurants, entertainment, and retail options within a downtown core. Providing access to this "lifestyle" does not require that an entire community be developed at urban densities. What is important is that some elements of an urban lifestyle and dynamic urban environment be provided in select areas via a healthy Main Street, revitalized traditional downtown, or suburban "town center." Such areas are important for employers to be able to attract and keep talent. It is important for Cosmopolis to define and actively grow the downtown that reflects the City's unique values and attributes.

### OBJECTIVE 1.1: FOSTER DIVERSE HOUSING DEVELOPMENT

A consistent message from the community was concern over the lack of diverse housing types, especially for high-wage earners. Interviews with real estate brokers suggested that housing developers are choosing to build in Olympia as the return-on-investment is higher considering the marginal difference in land costs and construction costs and improved access to building supplies. This limited housing supply is a barrier to Cosmopolis employers recruiting new

out-of-town employees with specific needed skills. Furthermore, a limited option on housing types is forcing some people to "buy-down" and occupy homes that would otherwise be available for lower-income residents.

### OBJECTIVE 1.2: SUPPORT LOCAL RETAILERS AND EXPAND THE MARKET

New local sector businesses are important as they make a community distinct and provide amenities to attract emerging professionals and families that drive the new economy. As identified in the Market Analysis, attracting new retail development will be challenging. Therefore, alternative and more approachable options to serve the market are needed. The City is very flexible with its code and regulations, thereby making it very business friendly. This flexibility could facilitate the City attracting food trucks and carts that could eventually become brick-and-mortar locations, such as Frontagers Pizza.

### OBJECTIVE 1.3: INVEST IN PUBLIC INFRASTRUCTURE

A great place is defined by both public and private investment in the community. When a community invests in infrastructure and public projects, it conveys to private developers and the community that it has a vision and desire to provide necessary services to make a place great. Furthermore, strategic public infrastructure constructed in conjunction with private development serves as an important incentive.

#### OBJECTIVE 1.4: CONTINUE TO IDENTIFY AND ADDRESS BROWNFIELD CONDITIONS

Phase I/II ESAs should be completed on additional brownfield sites within the focus area as a means to advance redevelopment by characterize property conditions and confirm if site cleanup activities are needed. Brownfield sites include properties with confirmed or perceived contamination that may deter investors and hinder redevelopment. There is opportunity for the City to play a proactive role in identifying potential brownfield sites and securing grant funding for Phase I/II ESAs and cleanup plans. Specifically, the City can seek federal, state, and local grants to assist property owners, prospective purchasers, and developers with securing funds for Phase I/II ESAs and cleanup planning activities for catalyst and other brownfield sites.

### GOAL 2: EMBRACE ACCESS TO WATER AND OUTDOORS

The City of Cosmopolis and the Grays Harbor region are fortunate to be surrounded by some of the most compelling outdoor landscape and outdoor amenities within the Pacific Northwest. This access to the outdoors and gorgeous waterways can be leveraged in helping the community to attract talent. As communities consistently compete to retain and attract businesses, it is critical for the City to understand, enhance, and promote the elements that make it special.

#### OBJECTIVE 2.1: ENHANCE THE REGIONAL TRAIL SYSTEM

Throughout the April 2019 stakeholder meetings, it was repeatedly conveyed how much the community values the trail system. Enhancing river viewing opportunities along the trails would enhance the system and only encourage more use and attract more visitors.

#### OBJECTIVE 2.2: ENCOURAGE DEVELOPMENT OF THE BOAT RAMP

Throughout the development of the Action Plan, all stakeholders and community members clearly supported the development of the boat ramp to enhance access to the river. In addition, this compelling feature serves as critical amenity that can focus additional investments in housing and retail. While this feature is clearly desired, the property owner, Cosmo Specialty Fibers, must be willing to sell their property. Public-private collaboration is a critical element in moving this objective forward.

### GOAL 3: FOSTER CONNECTIONS

Cities can rarely enhance the local economy on their own. It requires collaboration with an array of stakeholders to effectively support local businesses and enhance the quality of the urban environment. Regional collaboration is also essential, and it is important for the City to work in partnership with adjacent cities and the Grays Harbor region to realize its full potential.

#### OBJECTIVE 3.1: ENHANCE MULTI-MODAL OPTIONS

As identified above, in attracting younger talented workers, it is important to provide multi-modal transportation options in addition to vehicle access. Supporting regional transportation investments that provide this desired community asset is an important economic development objective.

#### OBJECTIVE 3.2: COLLABORATE WITH REGIONAL PARTNERS

The City is a part of the broader Grays Harbor region. Furthermore, business functions on a regional metropolitan statistical area level because assets such as workforce and transportation infrastructure are not constrained by local municipal boundaries. Therefore, to effectively grow an economy, it is important to leverage existing assets and collaborate on a regional level.

Like other communities in the Grays Harbor region, many of the properties in the AWP focus area are brownfield sites, and future redevelopment projects will require Phase I/II ESAs to determine whether hazardous substances are present. There is opportunity for the City to play a proactive role in identifying potential brownfield sites and securing grant funding for Phase I/II ESAs and cleanup plans. Specifically, the City can seek federal, state, and local grants to assist property owners, prospective purchasers, and developers with securing funds for Phase I/II ESAs and cleanup planning activities for catalyst sites.



# COSMOPOLIS AWP BROWNFIELD INVENTORY

As a key initial step in refining their revitalization strategy, the City of Cosmopolis and its coalition completed an inventory to identify potential brownfield sites. In 2019, the project’s consultant (Stantec) completed an inventory and analysis of 185 parcels (encompassing over 447.5 acres) within the AWP focus area and two other strategic enclaves in the City - two parcels in the Highland Golf Course and 8 parcels in the western residential area. Through an evaluation of the 185 parcels, Stantec identified 68 parcels that were “confirmed” brownfields and 67 parcels that were “suspected” brownfields.” The inventory was used to help identify catalyst brownfields sites that could be a focus for the AWP project.

*Top: Vacant former industrial site along the Chehalis waterfront (Source: Stantec)*

## INVENTORY METHODOLOGY AND CRITERIA

Stantec created the brownfield inventory by using geographic information system (GIS) parcel data sources and applying property conditions criteria to determine which sites have “brownfield characteristics.” Stantec began the inventory process by initially uploading County GIS data to a spreadsheet, creating a parcel base map, and assigning a map identification number (Map ID) to each parcel in the inventory. Next, Stantec linked property condition data to each parcel using data obtained from various property records review as well as field observations by Stantec staff. Stantec used the following sources to obtain data for each site.

- **Data Source A: Grays Harbor County Assessor’s/Treasurer’s Office Data** – Stantec obtained current parcel information from the Grays Harbor County Assessor’s/Treasurer’s

Office and applied key attributes including parcel identification number (PIN), acreage, building and land values, property class, and property owner name and mailing address.

- **Data Source B: Improvement to Land Value Ratio (ILVR)** – Stantec used the assessor data to calculate the ILVR for each parcel to help identify sites having the greatest future development potential. The ratio was calculated by dividing the assessed improvement value by the assessed land value. Properties with high land values when compared to structure values indicate the property is underutilized and could support future development (e.g., an ILVR of  $\leq 0$  indicate a site is vacant or underutilized).
- **Data Source C: Environmental and Historical Databases** – Stantec reviewed public environmental database listings and historical records to identify parcels with



potential environmental impacts. Stantec reviewed the Washington State Department of Ecology Environmental Information Management System (EIM) Database and the EPA Facility Registry System (FRS) to identify parcels that were included in these state and federal environmental databases. Stantec purchased an Environmental Data Resources, Inc. (EDR) Report that included three types of records useful for identifying historic land uses (Sanborn fire insurance maps, historic aerial photographs, and historic city business directories). The historic land uses are relevant to identifying potential environmental hazards associated with these land uses.

- **Data Source D: Water-Related Characteristics** – Stantec reviewed readily available public data sources to identify sites that are within a flood zone, contain a wetland, or are near a well. The data sources included Federal Emergency Management Agency (FEMA0 maps, GIS parcel data, and aerial photographs.

Stantec linked data obtained from the data sources to each parcel in the inventory, and then used the data to identify sites with “brownfield characteristics” based on the criteria listed in Table ES-4. Points were assigned to each parcel based on whether they had characteristics associated with each criterion.

<b>Table ES-4 – Brownfield Inventory Criteria</b>		
<b>Criterion</b>	<b># of Parcels</b>	<b>Criterion and Scoring Description</b>
<b>Criterion 1: Record in EPA or Ecology Data-bases</b>	22	1 point was assigned if the site is listed in either the EPA FRS and/or Ecology EIM database.
<b>Criterion 2: Environmental Risk (Parcel)</b>	113	1 point was assigned if the site has no environmental database records but documented historical uses (identified via Sanborn fire insurance maps and/or city directories) and/or current uses commonly associated with environmental concerns.
<b>Criterion 3: Environmental Risk (Adjacent Parcel)</b>	139	1 point was assigned if the site has no environmental database records but the site is directly adjacent to a site with environmental records and/or site with historical uses or current uses commonly associated with environmental concerns.
<b>Criterion 4: Hazard Area</b>	91	1 point was assigned if the site is in a flood zone, wetland or near a well.
<b>Criterion 5: Improvement Value to Land Value Ratio (ILVR)</b>	111	1 point was assigned if the improvement value of the building (if any) is lower than the land value and yielded a ratio less than 1:1. The ratio was calculated by dividing the assessed improvement value by the assessed land value.
<b>Criterion 6: Underutilized</b>	83	1 point was assigned if the property is underdeveloped, partially occupied, or vacant.
<i>Source: Stantec</i>		



*Cosmo Specialty Fibers mill facility (Source: Stantec)*



*Undeveloped property adjacent to the Cosmo Specialty Fibers mill operations (Source: Stantec)*



*Two undeveloped parcels are near the waterfront; the City's utility plant is near the river, there is opportunity for pedestrian access between Highway 101 and the Dike Trail (Source: Stantec)*

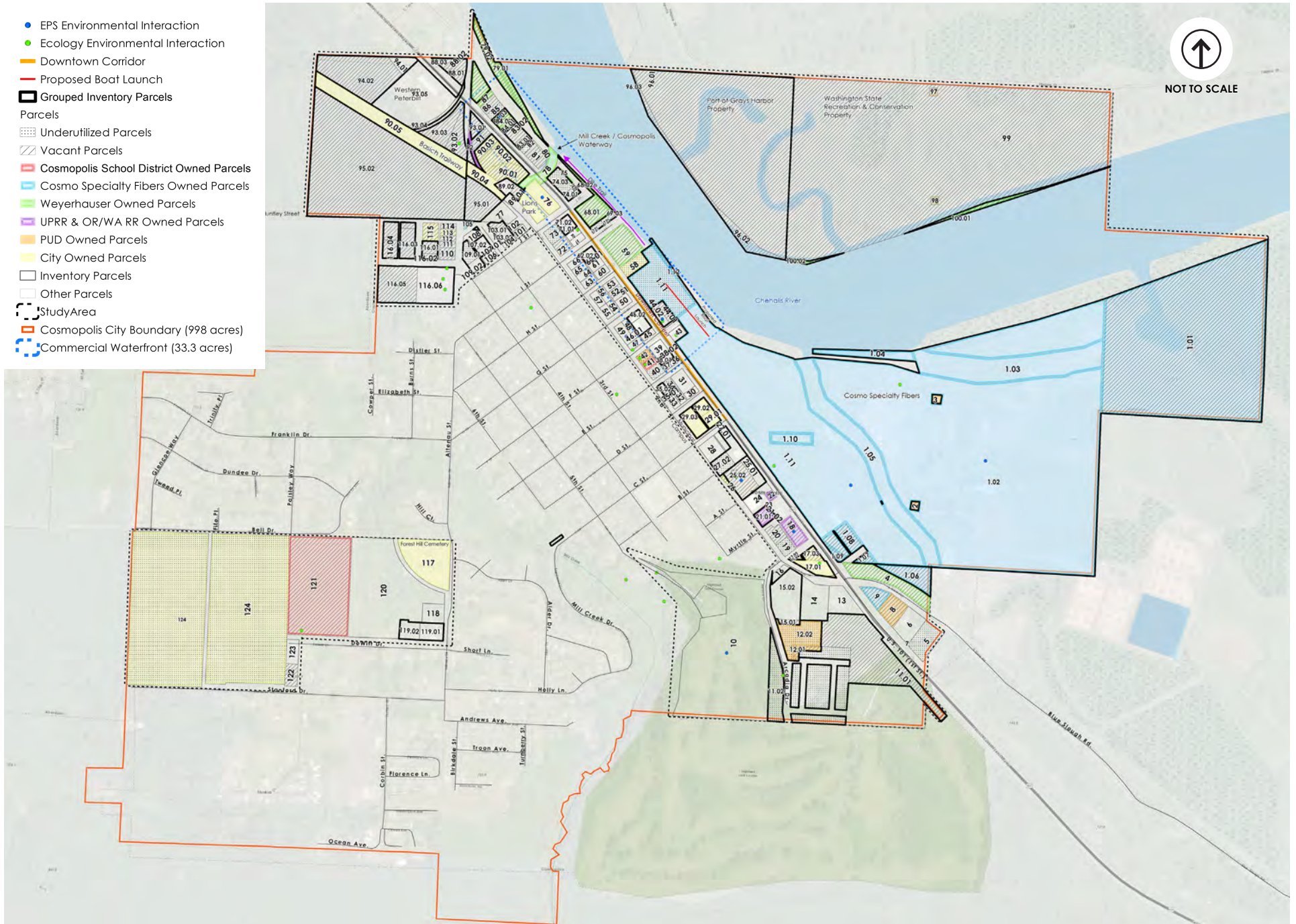
## INVENTORY RESULTS

Stantec calculated a score for each parcel based on the number of criteria that applied, resulting in total scores ranging from 0 to 6. Parcels were then categorized based on these scores as confirmed brownfields (scores of 5-6), potential brownfields (scores of 3-4), unlikely brownfields (scores of 1-2), or non-brownfields (score of 0). Table ES-5 summarizes the number of parcels in each category. Figure ES-4 illustrates the Cosmopolis brownfield inventory and property characteristics.

Point Range	# of Parcels	Brownfield Determination
<b>5-6 Points</b>	40	Confirmed Brownfield Site
<b>3-4 Points</b>	76	Potential Brownfield Site
<b>1-2 Points</b>	57	Unlikely Brownfield Site
<b>0 Points</b>	12	Not a Brownfield Site
<b>Total Parcels</b>	185	

*Source: Stantec*

- EPS Environmental Interaction
- Ecology Environmental Interaction
- Downtown Corridor
- Proposed Boat Launch
- ▭ Grouped Inventory Parcels
- ▭ Parcels
- ▭ Underutilized Parcels
- ▭ Vacant Parcels
- ▭ Cosmopolis School District Owned Parcels
- ▭ Cosmo Specialty Fibers Owned Parcels
- ▭ Weyerhaeuser Owned Parcels
- ▭ UPRR & OR/WA RR Owned Parcels
- ▭ PUD Owned Parcels
- ▭ City Owned Parcels
- ▭ Inventory Parcels
- ▭ Other Parcels
- ▭ Study Area
- ▭ Cosmopolis City Boundary (998 acres)
- ▭ Commercial Waterfront (33.3 acres)



**Figure: ES-4 - Cosmopolis Brownfield Inventory Map**  
 (Source: Stantec)

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The background of the slide is a close-up, high-resolution photograph of a tree trunk's cross-section. The wood grain is clearly visible, showing concentric growth rings and a radial pattern. The colors range from light tan to dark brown, with some darker, charred-looking areas. A semi-transparent dark grey horizontal band is overlaid across the middle of the image, serving as a background for the chapter title.

# *Chapter 1:* Introduction & Project Overview

*(Source: Joel Jasmin | Unsplash)*



Cosmo Specialty Fibers mill facility (Source: Stantec)

**Brownfields Definition:**  
The EPA defines a brownfield as “real property, the expansion, redevelopment or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant.”

## 1.1 - EPA ASSESSMENT PROGRAM

During fiscal year 2017, the United States Environmental Protection Agency (EPA) selected the Grays Harbor Council of Governments (GHCOG) and the cities of Aberdeen, Hoquiam, and Cosmopolis (collectively referred to as the “Coalition”) as a recipient of a \$600,000 Brownfield Community-Wide Assessment Coalition Grant. The Coalition partners are working to strengthen the local economy by retaining and attracting major employers. Their economic development efforts are focused on talent recruitment to the area so that local businesses have access to a qualified labor pool. This economic development strategy depends on creating communities with quality housing, amenities, and services. However, a surplus of brownfield sites in the Grays Harbor region impedes this economic development strategy.

A brownfield is defined by EPA as, “a property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant.” Former industrial sites, rail lines, former gas stations, abandoned houses, and many other types of properties are included in the EPA definition of brownfields. Properties that contain structures with hazardous building materials (e.g., asbestos and lead-based paint) also fall within this definition.

### BROWNFIELD AND FORMER INDUSTRIAL SITES REDEVELOPMENT CHALLENGES

Brownfield sites can present a multitude of challenges for local communities associated with their blighted condition, documented (and undocumented) environmental liabilities, and underutilized status. The environmental liabilities can include the presence of hazardous chemicals or petroleum products in soil, groundwater, and soil vapor, as well as hazardous building materials (such as asbestos, lead-based paint, and polychlorinated biphenyls) commonly used in the past in the construction or maintenance of older buildings. These conditions can pose a hazard

to both humans and environmental receptors (such as rivers and wetlands). The presence of the environmental and other liabilities can complicate the redevelopment of these sites, as well as result in added costs (and delays) for abatement, demolition, and environmental investigation and cleanup. In extreme cases, brownfield cleanup costs can far exceed a site’s market value. Thus, many developers avoid brownfield sites and focus on development of other properties, including “greenfield” sites located on the edges of cities (contributing to urban sprawl). Many brownfield sites remain underutilized and hinder revitalization efforts in the larger community as a consequence of their blighted condition and documented (or feared) environmental conditions.

## AREA-WIDE PLANS

An eligible activity under EPA CWA Grants is the performance of area-wide reuse planning in target areas, corridors, or neighborhoods impacted by the presence of multiple brownfield sites. The resulting area-wide plans (AWPs) are useful in helping local communities establish a vision and action plan to bring positive change to these areas. Rather than a site-by-site approach, an AWP process considers several brownfields simultaneously in the context of other properties in a defined focus area. An effective AWP process identifies a reuse strategy for areas with brownfield sites and considers other shared impediments to redevelopment (such as missing or inadequate public or private infrastructure components).

The brownfields AWP process is designed to help communities confront local environmental, public health, and other redevelopment challenges related to the presence of a large brownfield site or multiple brownfields in close proximity to one another. Brownfield AWPs are place-based planning strategies that considers surrounding conditions, community assets, public needs, and barriers to brownfield redevelopment. AWPs for brownfields encourage community involvement in site assessment, cleanup, and reuse planning, as well as overall neighborhood revitalization.

## AWP IN COSMOPOLIS

Using the brownfields AWP approach, the City of Cosmopolis (City) and its coalition partners worked with local property owners and other stakeholders to identify an economic development strategy for the downtown core encompassing the areas along Highway 101 (1st Street) and Chehalis River from the northern municipal limits and south

to Maple Street—this vicinity is the AWP focus area. The area has experienced stagnant growth, and there are several underutilized properties that have the potential to support new uses. Early in the process the Coalition assembled a formal AWP project team that comprises the City, GHCOG, Stantec Consulting Services Inc. (Stantec), Leland Consulting Group, and Walker-Macy. Together, the project team embarked on an AWP process for Cosmopolis.

Today, Cosmo Specialty Fibers remains the only active mill in the City, and the company continues to be the community's largest employer and economic source. The mill rests along the Chehalis River and occupies a third of the AWP focus area. The City maintains a positive partnership with Cosmo Specialty Fibers and wants to create an economic development plan that supports the company's operations and expansion goals. A key economic development strategy is for the City to create an urban environment that attracts additional talent for the mill and supporting businesses.

Through a separate brownfield inventory process, the Coalition discovered that all the waterfront properties and most of the downtown parcels along Highway 101 (1st Street) are brownfields. These brownfield conditions are mostly contributed to the City's industrial past where timber mills and rail lines occupied the areas near the Chehalis River. The project team identified four priority brownfield properties that could serve as catalyst sites for redevelopment. Three sites are vacant waterfront properties that comprise approximately 4.37- acres. The fourth is a vacant 0.33-acre site at 2nd and I streets. Additionally, the focus area has older buildings that may have hazardous building materials. All of these

sites can be instrumental in the City's economic development strategy as they can support new uses that address local market demand for housing, services, and amenities. Most notably, future uses can complement Cosmo Specialty Fibers' goal to attract worker talent. The project team saw the AWP process as an opportunity not only to spur the redevelopment and reuse of the City's brownfield sites but to create a revitalization plan for the area as a whole.



*Existing businesses along Highway 101 / 1st Street  
(Source: Stantec)*

# 1.2 - PROJECT OVERVIEW AND OBJECTIVES

The project team chose to complete an AWP project to define an economic development strategy to bring private and public investment to the focus area. The City has experienced economic stagnation in the past and wants to use the AWP process to improve its economic conditions. At the core of this effort, the City wants to support Cosmo Specialty Fibers (the City's largest employer) to grow within the community. The City wants to help the company attract and retain industry talent by planning for additional housing, services, and public amenities. At the same time, the City wants to improve the quality of life for its other businesses and existing residents. The AWP process is important to GHCOG because the future economic recovery in Cosmopolis will benefit the greater region. Figure 1.2.a illustrates the Cosmopolis AWP Context Map including a current aerial, focus area boundary, and area conditions.

There are several factors that affect investment within the focus area. This includes the following key considerations:

- **Major Employer** - Cosmo Specialty Fibers is the city's largest employer and has plans to expand, but they continually experience challenges in talent recruitment. In the company's experience, many qualified applicants are from outside the region and these prospective hires find housing, services, and local amenities to be lacking in Cosmopolis and subsequently turn down employment offers at Cosmo Specialty Fibers. The company's future growth is tied to its ability to recruit and retain a talented workforce. The company has a good working relationship with the City.
- **Public River Access:** Cosmopolis rests along the Chehalis River, but there is currently no publicly-owned access to the river within the City. There is currently an informal trail on top of the dike along the Chehalis River (locally referred to as the Dike Trail). The trail provides water views, but the land between the dike and the river is privately owned. Cosmo Specialty Fibers maintains a private boat launch at the end of F Street and allows the public to use its property for recreational purposes. The boat launch property has a gravel parking lot and is devoid of services. Over the long-term, the City would like to work with Cosmo Specialty Fibers to formalize the boat launch property as a public park with amenities. The parties have not entered into a formal agreement.
- **Future City Building:** The City has plans to build a new municipal services building and community gathering spaces on the block along Highway 101 (1st Street) at C Street. Currently, the City's fire station, existing City Hall Building (a former bank), and a modular building are located on this block. If implemented, the project will retain the fire station and replace the current City Hall and modular structures with a new municipal services building, which is dependent on future public funding sources.
- **Brownfield Sites:** All of the waterfront properties and most of the sites west of Highway 101 (1st Street) are brownfield sites, which further complicates redevelopment within the focus area. The project team identified four priority brownfield properties that would serve as catalyst sites for redevelopment. The team prioritized these particular sites since they are vacant, at prominent locations within the AWP focus area, and are large enough to support infill redevelopment projects.



*Cosmo Specialty Fibers mill facility (Source: Stantec)*



*Waterfront properties along the Chehalis River in the City's commercial core area (Source: Google Earth)*





NOT TO SCALE

**LEGEND**







-  AWP FOCUS AREA
-  PRIORITY BROWNFIELD SITES (CATALYST SITES)
-  CITY HALL BLOCK
-  POST OFFICE
-  COSMO SPECIALTY FIBERS PRIVATE BOAT LAUNCH PROPERTY
-  COSMO SPECIALTY FIBERS MILL OPERATIONS

Figure: 1.2.a - Cosmopolis AWP Context Map (Source: Walker-Macy & Google Earth)



Highway 101 (1st Street) streetscape (Source: Stantec)

## COMMUNITY PLANNING OBJECTIVES

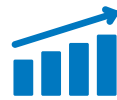
The City used the AWP process to develop a series of economic development strategies that will support its largest employer, plan for redevelopment on brownfield catalyst sites, create public waterfront access, and enhance the public realm through streetscape enhancement and trail expansions. The City approached the AWP process as a collaborative effort with government partners, community stakeholders, and the general public. The City structured the AWP process around the following community planning objectives:



**Address Brownfield Sites and Challenged Properties:** The focus area contains numerous confirmed and perceived brownfield sites that pose challenges for redevelopment. Through this AWP process, the City and Coalition partners, identified strategies to evaluate and prioritize these sites for possible future performance of environmental site assessments (ESAs) and cleanups .



**Collaborate with Community Stakeholders:** The City wanted to collaborate with its citizens, property owners, and governmental partners to define a vision and to create a redevelopment strategy to bring investment to Cosmopolis. Through this process, the City wanted to create relationships and support partnerships that will lead to implementation.



**Retain and Grow Existing Employers:** The City and the Coalition partners want to support and retain existing employers (notably Cosmo Specialty Fibers) through enactment of flexible regulatory standards, implementation of complementary economic development efforts, completion of needed infrastructure improvements, and continued collaboration.



**Attract Reinvestment:** The City wants to position the community to better attract long-term investment from both public and private entities. The City wishes to attract investment in terms of additional housing, commercial services, and employment. Furthermore, the City wants to collaborate with other public agencies (e.g., Washington State Department of Transportation [WSDOT]) to invest in infrastructure and services.



**Provide Community Amenities:** The City recognizes that quality community amenities such as parks, restaurants, retail, and services are essential for both its major employers (to attract and retain workers and talent), as well as to maintain the quality of life for both existing and future residents.



**Identify Supportive Capital Improvements:** The City recognizes that public infrastructure is essential to support reinvestment and to secure its current employers, and wants to ensure that infrastructure and public amenities help to incentivize redevelopment of key catalyst brownfield sites

# 1.3 - KEY COMPONENTS OF THE AWP PROCESS

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The AWP for Cosmopolis included three key components: (a) planning for catalyst redevelopment sites, (b) creating an AWP “Framework Plan,” and (c) establishing an “Action Plan.” Together, these components create a comprehensive economic redevelopment strategy for the focus area and the larger community. These components are described below.

## CATALYST SITES

The project team designated four priority brownfield properties within the focus area that have the potential to serve as catalyst sites for redevelopment. The catalyst sites are all vacant and remain in private ownership. Three sites rest along the City’s waterfront, east of Highway 101 (1st Street), and comprise approximately 4.37 acres. The fourth site encompasses 0.33 acre at 2nd and I streets on the edge of downtown and adjacent to the City’s residential neighborhoods. The catalyst sites have direct roadway access, high visibility, and utility service, and are located near public amenities (e.g., the riverfront and parks). Chapter 4 provides additional information on the brownfield conditions, and Chapter 6 identifies the long-range plans for these properties as catalyst sites. The project team envisions future residential and/or mixed-use development on the catalyst sites. If redeveloped, the catalyst sites will help Cosmo Specialty Fibers to attract and retain industry talent in Cosmopolis and provide additional housing and services for existing city residents. Through the AWP process, the project team identified housing has the preferred use on the catalyst sites; this AWP document does not include specific concept plans for these properties.

## AWP FRAMEWORK PLAN

A key community priority is to “*Identify Supportive Capital Improvements.*” To ensure that infrastructure and public amenities incentivize redevelopment of key catalyst sites, the project team identified the land uses, supporting infrastructure, and public amenities that would strengthen economic conditions in the City and improve quality of life for residents. This AWP process resulted in an AWP Framework Plan that graphically identifies capital projects and designates the catalyst sites in the focus area. The Framework Plan is a diagrammatic map that includes a series of projects that the City can employ to help guide and support economic development within the focus area. The City’s economic development approach includes two important strategies: (1) designate catalyst sites to be redeveloped would redevelop with housing and services that will help attract and retain employees and workers with talents critical to key local employers in Cosmopolis, and (2) identify the public infrastructure and amenities that will help to incentivize redevelopment throughout the focus area. The Framework Plan includes individual components that align with the City’s overall economic development strategies. These components include streetscape enhancements, public access to the waterfront, parks and recreation, and catalyst sites. Chapter 6 provides detail on the AWP Framework Plan and its components.

## ACTION PLAN

The City wants to define a vision, catalyst sites, and supporting capital projects that will improve economic conditions in the focus area. The project team created an Action Plan that identifies the specific actions, initiatives, and schedule that the City can employ to ensure that the AWP vision and economic development strategies are implemented in future years. The Action Plan lists the community goals and objectives that were identified through the AWP process. Each objective includes a series of action items the City can perform or help facilitate to bring the community closer to its economic development goals.

# 1.4 - AWP FOCUS AREA SUMMARY

The Cosmopolis AWP focus area includes the properties along Highway 101 (1st Street) and the waterfront areas on both sides of the Chehalis River. The focus area south of the river includes the City's primary commercial spine and previous mill/production sites. The focus area north of the river are a part of the Chehalis River Surge Plain. These vacant parcels are slated for long-term preservation; the project team acknowledged early in the AWP process that these preservation areas would not support urban redevelopment. The urbanized sections of the focus area include a variety of land uses including commercial, industrial, manufacturing, residential, and open space. The area has several vacancies and vastly underutilized properties. The entire Chehalis River waterfront is privately-owned, and there are no publicly-owned properties along the river. Figure 1.4.a illustrates the focus area boundaries and existing site characteristics. Chapter 2 provides greater detail for the focus area in terms of existing conditions, current regulations, and demographics.

The Cosmopolis Comprehensive Plan acknowledges that the community has been subject to economic restructuring due to the erosion of its economic base in timber processing and commercial fishing. Many of the historic employers have either left the City or dramatically reduced production. The City's Comprehensive Plan recognizes that the economy needs to diversify, retain existing businesses, attract new businesses, and support start-up enterprises. The Comprehensive Plan also identifies a local housing need and acknowledges that its land supply has adequate residential growth capacity. This AWP process addresses the Comprehensive Plan's goals for economic development in the focus area.



Figure: 1.4.a - Cosmopolis AWP Focus Area (Source: Google Earth)



*Chehalis River Surge Plain preservation areas across the river from downtown Cosmopolis (Source: Stantec)*

## 1.5 - AWP PROJECT SCOPE

The following section outlines the scope and main tasks for the Cosmopolis AWP project. This planning project included community engagement, data collection, market analysis, concept alternatives, financial feasibility analysis, and a redevelopment strategy plan. The Coalition hired consultant partners to co-facilitate the process, provide technical assistance, and package the AWP components. The Coalition and its consultant partners conducted the brownfields inventory and site assessment as a separate but parallel project; this AWP process incorporated brownfield findings. The following lists the main project tasks.

### TASK 1: COMMUNITY ENGAGEMENT

The project included a meaningful community engagement plan that involved GHCOG, the City, government partners, property owners, key stakeholders, and the general public. The engagement plan included two main components.

- **Public Meetings (General Public)** – The City held two public meetings to provide project information, solicit community sentiment, and build public consensus on key AWP initiatives. The meetings were interactive and provided multiple ways for participants to give feedback. The first meeting aimed to identify community priorities and to understand the public’s preferences to development scale, services, and amenities. The second meeting allowed the project team to report back to the community on key redevelopment recommendations.
- **Working Group Meetings (Government Partners and Stakeholders)** – The City hosted four working group meetings with the GHCOG and area stakeholders that included government partners, local businesses, property owners, developers, and real estate professionals. The working group meetings engaged stakeholders and technical advisors to address specific project topics such as economic opportunities, investment constraints, and overall planning guidance. The project team structured these meetings as roundtable discussions and an open dialogue.

## TASK 2: EXISTING CONDITIONS ANALYSIS

The AWP process included a high-level existing conditions analysis of the focus area. This analysis served as a baseline for expectations and potential policy changes. This process explored land use, zoning, the City's Shoreline Master Program, flood designations, utilities, and transportation, which collectively affect redevelopment options. This analysis also examined the existing development pattern and land use characteristics. Chapter 2 of this document summarizes the key findings. The existing conditions analysis included the following components:

- **Community Context:** The project team reviewed the community context in terms of existing development pattern, community assets and amenities, and land uses.
- **Comprehensive Plan:** The project team reviewed the City of Cosmopolis Comprehensive Plan to understand and acknowledge the community's adopted policies relating to land use, growth, public services, and mobility.
- **Land Development Code:** The project team reviewed and noted the applicable land development requirements for the focus area including associated zoning districts, allowable uses, design criteria, dimensional standards, and parking requirements.
- **Transportation:** The process noted the area's transportation networks, including roadway classifications, pedestrian access, bicycle routes, and transit services, as well as capital improvement projects and known transportation issues in the vicinity.

- **Utilities:** The project team reviewed readily available information and interviewed City staff to determine the potable water and sanitary sewer services in the focus area.
- **Shoreline Master Program and Floodplains:** The project team reviewed the Shoreline Master Program (SMP) and noted the applicable development standards affecting development close to the river. The team reviewed Federal Emergency Management Agency (FEMA) flood maps to understand potential hazards and adopted base flood elevations for new habitable structures.

## TASK 3: MARKET ANALYSIS

The AWP process included a market analysis to understand the current condition, future opportunities, and potential barriers to reinvestment in the focus area. The market analysis identified the potential land uses and development scale that may be successful in the focus area. The Coalition's consultant partner, Leland Consulting Group (LCG), led the market analysis task. LCG prepared a market analysis report that evaluated current economic, demographic, market, and real estate conditions. The report compared the findings to national trends and their impact on Grays Harbor. LCG used statistical data and industry interviews to conduct the market analysis.

## TASK 4: CONCEPTUAL PLANS (FRAMEWORK PLAN)

The project team developed conceptual plans to illustrate the area's redevelopment potential and to graphically communicate the community's desires for projects and amenities in the focus

area. Based on public preferences, the project team created a locally preferred AWP Framework Plan to convey the vision, catalyst sites, and capital projects that would align with the City's economic development goals.

## TASK 5: REDEVELOPMENT STRATEGY

The project team defined a redevelopment strategy for the focus area. These strategies incorporate the findings and recommendations from tasks 3 and 4. The project team identified a set of implementation strategies that would support the AWP and specifically brownfield site redevelopment. The team organized the implementation strategies in a matrix with descriptions, actions, responsible party, and phasing and sequencing. The matrix includes recommendations and implementation strategies to address known and potential environmental liabilities related to the catalyst brownfield sites. This resulted in the AWP Action Plan.

## TASK 6: AREA-WIDE PLANNING DOCUMENT

The project team created this final AWP document to describe the process, findings, and recommendations. This document integrates the previous tasks and deliverables into a single user-friendly document and serves as an implementation manual for economic development efforts and brownfield redevelopment in Cosmopolis.



# *Chapter 2:* Community Conditions

*(Source: Ramiz Dedakovic | Unsplash)*

## 2.1 - GRAYS HARBOR COMMUNITY

The City is a prominent community in Grays Harbor County (County). Water, mountains, forests, parks and protected areas dominate the landscape in the County. Grays Harbor is a 17-mile long estuarine bay located in the southwestern portion of the County around which the cities of Cosmopolis, Aberdeen, and Hoquiam are located (the Three-City vicinity). The Chehalis, Hoquiam, and Humptulips rivers all flow into the harbor. The Olympic Mountains rise in the north portions of the County. The Black Hills rest in the southeast area, which is home to the Capital State Forest. Figure 2.1.a shows the Three-City vicinity map.



**Figure: 2.1.a - Three-City Vicinity Map**  
(Source: *alvarcarto.com*)

In a larger context, Grays Harbor's proximity to the Washington coast places the County approximately 2 hours from major metropolitan markets in Seattle, Washington, and Portland, Oregon. The Olympia metropolitan statistical area is only an hour away and serves as an important source of commerce and workforce development in the region.

Known as the gateway to the Olympic Peninsula, the Three-City area of Cosmopolis, Aberdeen, and Hoquiam is frequented by those en route—via US Highway 101 and US Highway 12—to the Washington coast and the Olympic National Forest. The region experiences high volumes of through traffic by visitors from other Pacific Northwest regions. As such, there are potential opportunities for the City to capture additional spending in the form of new investment, partnerships, and tourism.

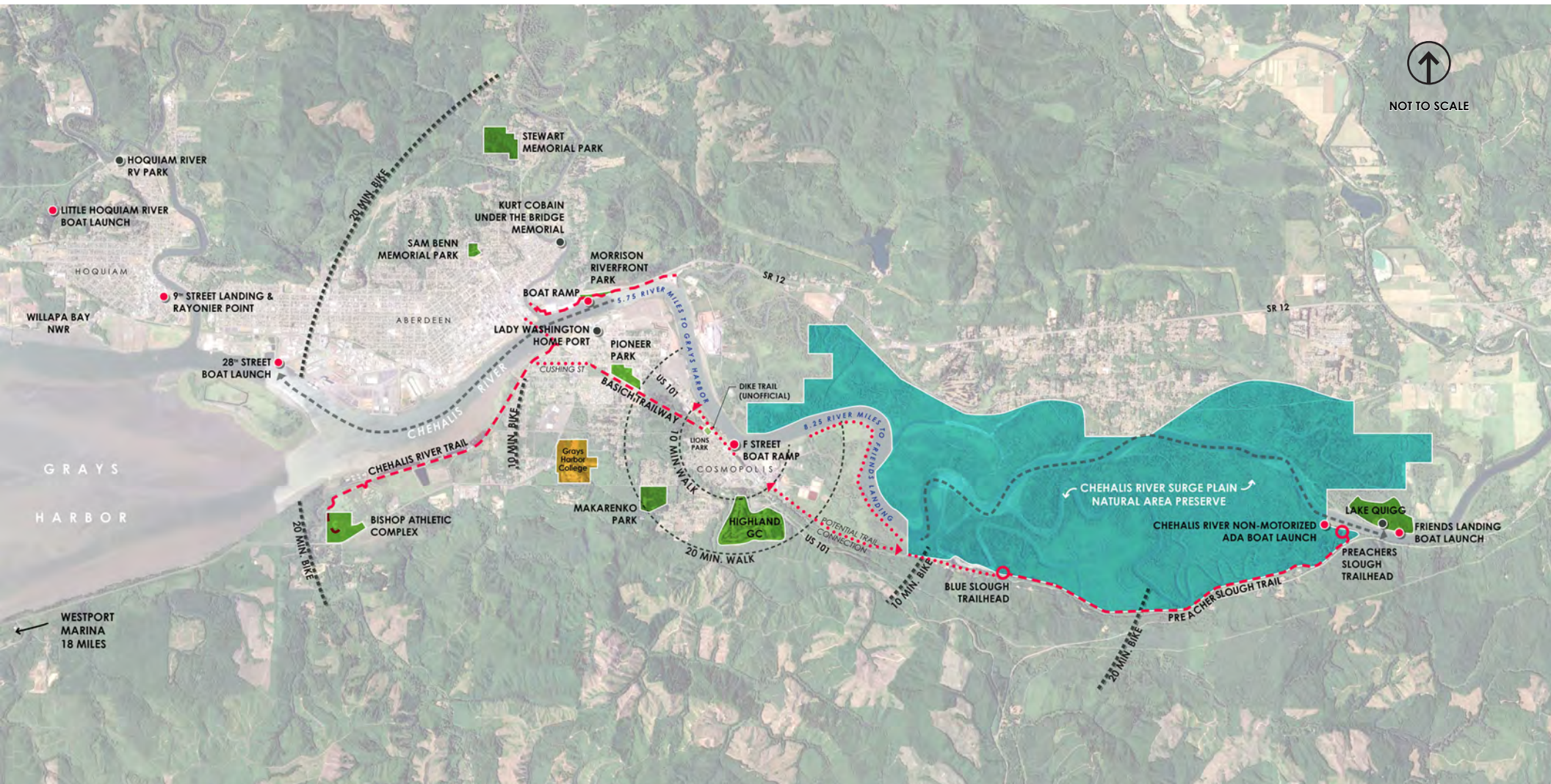
Grays Harbor has a rich industrial history linked to the timber and wood products economy, as well as a strong tourism economy along the coast. There is a total of seven state parks and seven nationally protected areas within the County. The Olympic National Forest and Park, and the Capitol State Forest are the most recognizable forests in the area. Furthermore, the greater Grays Harbor region has several outdoor amenities, including parks, wildlife preserves, waterways, trails, and

boat launch facilities. The City is at the center of these recreational amenities. Figure 2.1.b shows the Grays Harbor region and its recreational amenities.

Until the 1980s, the area was home to a booming logging industry, but as the industry declined, so did the economy. Over the last decades, the City of Cosmopolis experienced unplanned economic restructuring. Specifically, there is tremendous slowdown of the timber processing and commercial fishing industries. As a result, land use issues became intertwined with economic issues. The economy needed to diversify, with an emphasis placed during this transition period on the retention of existing businesses, attracting existing businesses into the area, and encouraging the start-up of new business. Revitalization efforts have begun in recent years, led by area businesses, the cities, and the residents, focused on retail and tourism.

Miles of riverfront shoreline dominate the area, where activities such as fishing, recreating, commerce, and industrial uses take place. The riverfront is recognized as one of the most important economic and natural resources. Thus, providing appropriate development and redevelopment of riverfront areas has become increasingly important for Cosmopolis and the other communities in Grays Harbor.





- PUBLIC DESTINATION
- BOAT LAUNCH
- PARK
- TRAIL (EXISTING - POTENTIAL)
- TRAILHEAD
- NON-PARK DESTINATION

Figure: 2.1.b - Grays Harbor Recreational Context Map

(Source: Walker-Macy)

## 2.2 - HISTORICAL CONTEXT IN THE REGION

### TRIBAL HISTORY

The City of Cosmopolis AWP focus area has a historical marker that recognizes indigenous inhabitants in the area; thus, it is important to acknowledge the City's Tribal History. The area's original residents were members of the Quinault Tribe along the coast north of Grays Harbor and the Chehalis Tribe of the lower Chehalis River. The Grays Harbor area Tribes lived in permanent villages along rivers and lakes as water defined their economic and cultural lives. They harvested salmon in rivers and whales and seals along the coast. The Tribes carved canoes from cedar trees and developed various types for swift-flowing rivers, broad estuaries, and the sea. In summer, hunters ranged inland and into the Olympic Mountains for game and to trade with other Tribal groups.

The Tribes traded with other indigenous people and European explorers. The Quinault's first contact with Spanish explorers in 1775 resulted in conflict. Contact with Europeans and the frequent interaction between Tribes caused several health epidemics that swept the region between the 1770s and 1850s. This significantly reduced the Tribal populations in the areas around Grays Harbor.

In 1855, the Quinault, Hoh, Queets, and Quileute Tribes signed the Quinault River Treaty with the United States government. As part of the treaty, the Tribes ceded 1.2 million acres of the Olympic Peninsula in exchange for a common reservation and fishing rights. Congress expanded the

reservation in 1873. Non-treaty Chinook, Chehalis, and Cowlitz tribal members were also allowed to apply for land allotments. In many cases, Tribal members sold their allotments to timber companies, and Tribal presence declined in the region.

The Chehalis Tribe received a 4,214-acre reservation in 1864 near what would become Oakville; over time, large portions of this land were distributed to non-native settlers through an executive order. In 2003, the remaining 1,952 acres was governed by the Confederated Tribes of the Chehalis Reservation. On March 22, 1975, the members formed the Quinault Indian Nation, with headquarters in Taholah. The interactions with European explorers and US Treaties displaced the area's native inhabitants.<sup>1</sup>

### AMERICAN EXPANSION & THE EARLY TIMBER INDUSTRY

In the late 1800s, early American settlers established a timber and mill industry in the Grays Harbor Region. Around this time, 13 timber mills operated in the region. Grays Harbor and the river systems supported product shipment, and the area's forests provided raw timber resources.

The wood-products industry began a long, slow decline in the 1920s. In many cases, the industry practiced unsustainable harvesting practices, and the companies depleted old-growth timber resources. Most timber was cut from private land. In many cases, companies did not replant or

repurpose the properties after they cleared the land. As a result, the properties had little industrial value after timber harvesting, and several property owners stopped paying land taxes. As a result, many properties fell into public ownership. As the region lost its old-growth trees, many logging companies and associated mills gradually closed. The Great Depression (1929-1939) further complicated the timber industry in the region.

In the 1940s, the region's companies started to implement more sustainable forest practices. The Weyerhaeuser Company opened its first tree farm near Montesano in 1941 to create a long-term timber supply. In 1946, Congress passed the Forest Practices Act, which introduced policies to manage timber harvesting in National Forests in concert with the replanting of private lands. These practices help ensure long-term timber supplies in the region.

By the 1960s, Asia's economic boom created an accelerated demand for Washington trees. Due to their economic advantage, mills in Asia purchased raw timber from the state. This took business away from Grays Harbor mill operations and created additional economic hardship in the region. Between 1965 and 1975, over 40% of Washington's wood-processing capacity dissolved.

In the early 1980s, the American economy experienced a substantial recession. The weak dollar made British Columbia lumber cheaper than domestic supplies. At the same time, Northwest Spotted Owl became a critical concern, and federal officials started limiting the sale of trees from public land. By the 1990s, officials expanded

<sup>1</sup> David Wilma, "Grays Harbor County — Thumbnail History," 27, May 2006, Living Link.org, Web, 9 April 2019.



*Historical view of mill and neighborhoods in Cosmopolis ca. 1910 (Source: Washington Historical Society)*

these protection measures to private land. In 1999, the government listed salmon as a threatened species. Environmental protection policies created further complications for the timber industry.

The turn of the twenty-first century saw some new opportunities. Beginning in 2000, the prison at Stafford Creek accommodated 1,900 inmates and employed close to 600 people. The Quinault Tribe opened a casino and resort complex at Ocean Shores in 2000. The natural wonders of Olympic National Park, charter fishing, and the ocean beaches brought in other tourist dollars. Some mills and timber processing remain in the area; however, the capacity is much lower than in the region's past.<sup>2</sup>

## COSMOPOLIS' HISTORICAL CONTEXT

Cosmopolis is the oldest city on Grays Harbor. Its original non-Tribal residents incorporated the City in 1891. Prior to that time, the City emerged as an industry town. The community developed along a formal street grid, with industry along the river

<sup>2</sup> David Wilma, "Grays Harbor County — Thumbnail History," 27, May 2006, Living Link.org, Web, 9 April 2019.

and residential neighborhoods to the southwest.

Starting in 1860, several industries were established in Cosmopolis. These early industries included a brickyard, a tannery (to process animal hides), and a grist mill to process wheat. In 1888, the Grays Harbor Mill Company opened a sawmill on the Chehalis River. In 1957, the Weyerhaeuser Company purchased the property for a pulp mill and continued processing pulp for an array of consumer products (e.g., paper, plastic molding, filters, etc.).

Over time, the City enjoyed a comfortable quality of life, and by the 1960s, residential neighborhoods expanded into the southwest hill. In 1997, the City built a new fire station. In 2001, the City performed beautification enhancements on Highway 101 (1st Street) and 2nd Street.

In the early 2000s the City experienced traumatic financial hardship. Weyerhaeuser closed the pulp mill in October 2005. The mill's closure cost the City 40% of its tax revenue, and the community lost more than 200 jobs. Prior to its closure, the mill was the most prominent employer in the City.

To the community's fortune, Cosmo Specialty Fibers acquired and reopened the mill in 2010. The company opened a dissolving wood pulp sulfite mill that produces high-alpha pulp bales and rolls as feedstock for a wide variety of end products. The new company created more than 200 jobs, many of which were filled by former Weyerhaeuser staff. The restoration also funneled more than \$110 million into the economy annually. The company remains in operation and continues to fuel the local economy.<sup>3</sup>

<sup>3</sup> City of Cosmopolis, "History," [www.cosmopoliswa.gov/history.html](http://www.cosmopoliswa.gov/history.html), Web, 9 April 2019



*Historical view of Spiegle's Pharmacy in Cosmopolis ca. 1910 (Source: Washington Historical Society)*

## 2.3 - DEVELOPMENT AND LAND USE PATTERNS

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When pursuing an AWP process, it's important to consider the existing development and land use pattern within the larger community. The AWP process should create a redevelopment strategy that complements the larger city context in terms of amenities, transportation connections, land uses, and development scale. Figure 2.3.a shows Cosmopolis' existing development pattern and key designations.

The City is laid out on a traditional town grid that extends from the Chehalis River. The City is a compact and walkable community, streets form compact city blocks averaging 275 feet in length, and rear-alleys provide service and access. In general, the City maintains a traditional development pattern. Many of the older buildings are small in scale, sit close to streets, and average one to two stories. The streets are wide and provide on-street parking. Sidewalks and planter strips stretch along the rights-of-way.

Much of the City rests on a flat plain of the Chehalis River valley; there is a wooded hillside and upper plateau to the southwest and beyond the original neighborhoods. A riverside dike extends along the Chehalis River to guard against flooding. Highway 101 (1st Street) is the City's major thoroughfare and serves as the only access in to and out of the City. The northern segments blend into South Aberdeen, and the southern portions connect to Raymond and Highway 107 to Montesano.

Cosmopolis has several established neighborhoods. Most of the neighborhoods are comprised of single-family houses, but duplexes and small-scale apartments are scattered through the City. There are no large apartment communities in and around the City, and rental

housing is difficult to find. Most new housing is on the upper plateau.

Most commercial real estate is clustered along Highway 101 (1st Street) at F Street. The City lacks a variety of commercial amenities and does not have a vibrant main street that is sometimes associated with small Washington towns. There is a gas station, three restaurants, a handful of retail boutiques, a law office, and building supply businesses. These businesses are small in scale and generally serve the local population. Most residents travel to Aberdeen for consumer goods, restaurants, and entertainment.

The City has several parks and recreation areas, including three large parks: Lions Club has a baseball field, multi-use sports field, and play equipment; Mill Creek Park boasts a juvenile fishing pond, trails, and tennis courts; and Makarenko Memorial Park has trails in a natural setting. The eighteen-hole Highland Golf Course rests on the south side of town and is the oldest golf course in Grays Harbor County. Puddles Pity Dog Park is adjacent to Lions Park and across a small waterway. Smaller recreational areas are nestled through the City. There are no publicly-owned recreational areas that access the Chehalis River, but Cosmo Specialty Fibers maintains and allows the public to use a private boat launch

at the end of F Street. Moreover, the Dike Trail provides hikers with a river view, but the shoreline remains in private ownership. The City has a trail and sidewalk network that interlink the recreation amenities, but there are some network breaks and a lack of wayfinding and signage.

Overall, the City has a lot of redevelopment opportunities to improve amenities, provide services, increase housing, and accelerate economic prosperity in the community. The City has several vacant or underused properties in and around Highway 101 (1st Street). Cosmo Specialty Fibers has vacant property along the waterfront and to the southeast. There is also some infill capacity within the residential neighborhoods. There are several potential brownfields within the municipal boundaries. Chapter 4 provides greater detail pertaining to brownfield properties.

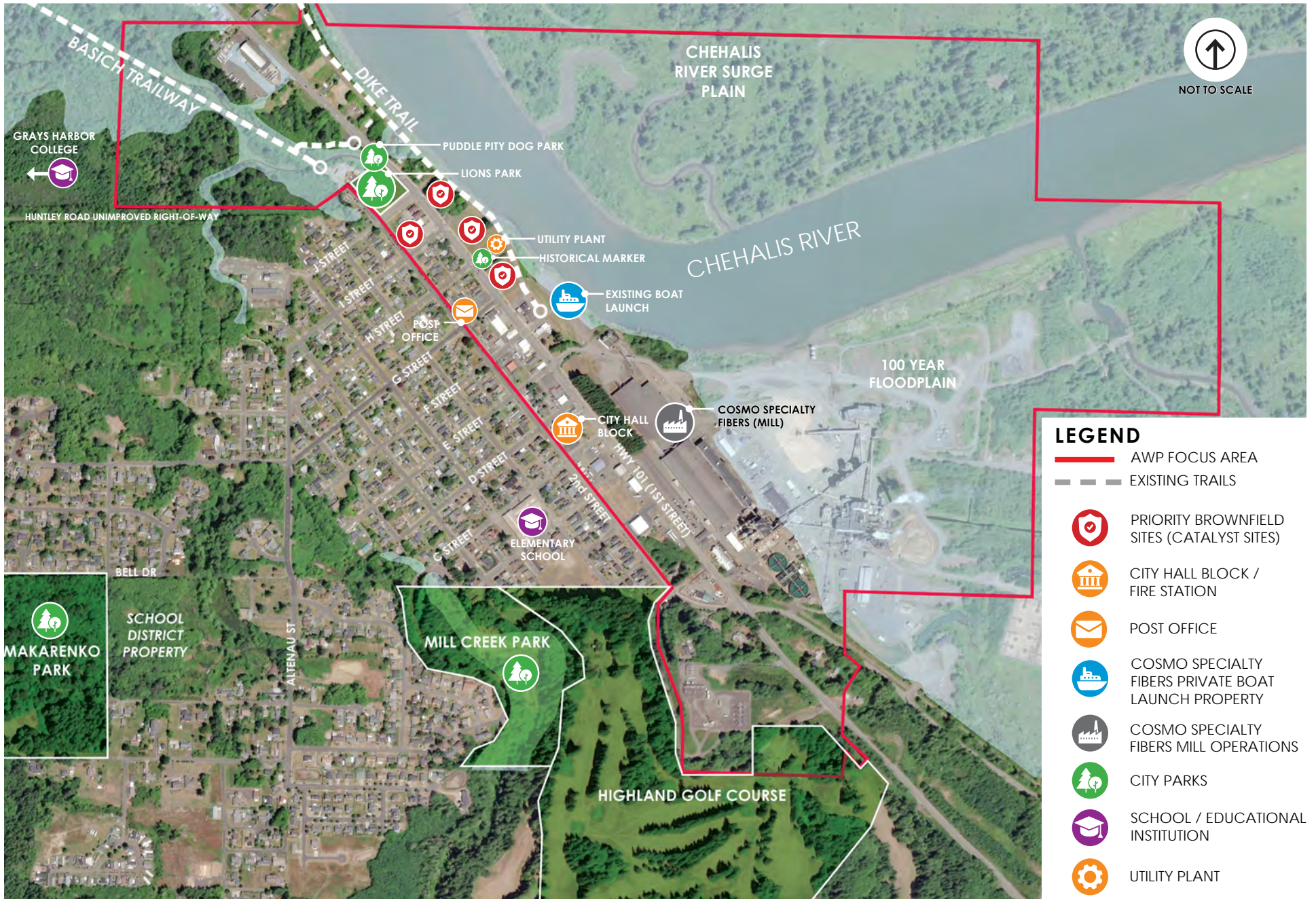


Figure: 2.3.a - Cosmopolis Existing Development Map (Source: Walker-Macy & Google Earth)

## AWP SUBDISTRICTS

While the preceding paragraphs describe the City in general terms, the AWP process can best examine Cosmopolis at a subdistrict level. The Cosmopolis AWP focus area has two specific subdistricts: The Waterfront and The Commercial Core along Highway 101 (1st Street). A third subdistrict is just outside the AWP focus area and is comprised of the City's residential neighborhoods; the AWP process should consider the potential impacts and opportunities to the nearby residential areas. Each of these subdistricts have their own character, local need, and redevelopment potential. The area-wide planning efforts are focused along the Waterfront and the Commercial Core. The following subsections describe these subdistricts. Figure 2.3.b depicts the AWP subdistricts in the City.



*2nd Street is the transition area between Cosmopolis' residential neighborhoods and its commercial core/waterfront (Source: Stantec)*

### RESIDENTIAL NEIGHBORHOODS SUBDISTRICT

The City's residential neighborhoods occupy the areas west of 2nd Street. Though these areas are just outside the AWP focus area, it's important to acknowledge the neighborhoods to guide development scale and economic development strategies in the commercial core and along the waterfront. There are a wide variety of single-family styles ranging in size, architecture, and lot area. Some duplex-style dwellings are interspersed and generally follow the same style and scale as houses in the City. A planter strip and sidewalks line each residential street, but there are little to no street trees. Streets are wide enough to accommodate street parking and two-way travel lanes. The City's residential neighborhoods are accessible to the commercial core and the waterfront areas. Cosmopolis Elementary School rests along C Street and is central to the residential area. Mill Creek Park sits at the southern end of C Street.

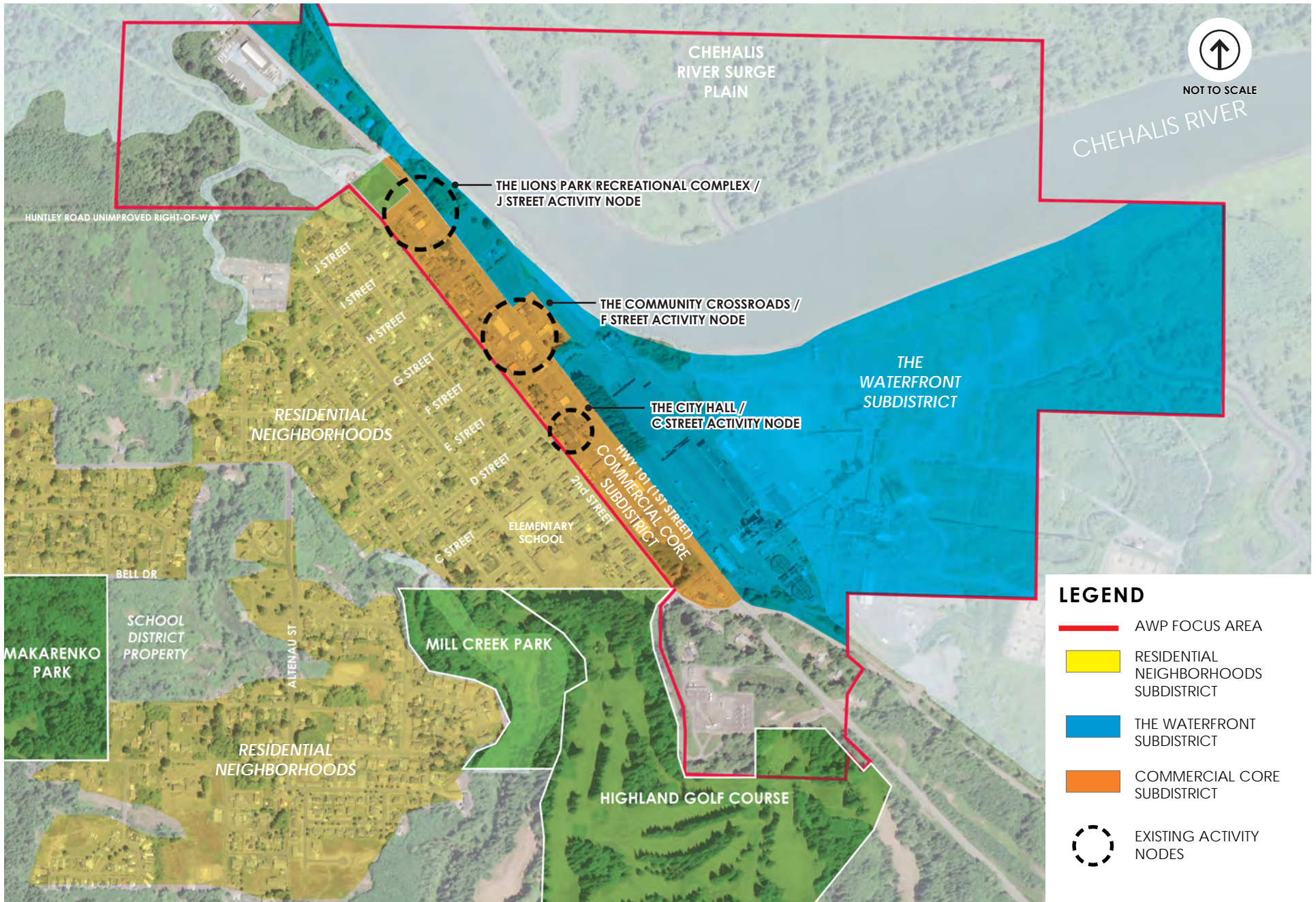


Figure: 2.3.b - AWP Subdistricts Map (Source: Statnec & Google Earth)



*Existing Cosmopolis shoreline along the Chehalis River  
(Source: Stantec)*

### THE WATERFRONT SUBDISTRICT

The City has waterfront along the Chehalis River, and it is in transition from its manufacturing roots. The City's waterfront rests between Highway 101 (1st Street) and the shoreline. The United States Army Corps of Engineers constructed a dike along the riverbank, and while this provides flood protection, the shorelines are not visible to most of the town. A lot of the shoreline is rocky, and the water shows remnants of docks and pilings. Today, most of the waterfront is inaccessible to the public, and it lacks views and water-based businesses. In general, the City's waterfront has two distinctive development character areas, which include the areas north and south of F Street.

Several vacant and/or underused properties occupy the northern waterfront areas from F Street to the north municipal limits. A gravel multi-use path runs atop the river dike from F Street and north into South Aberdeen. This is an informal public trail that local residents refer to as the Dike Trail. The parcels between the dike and the shoreline are privately owned and prevent public access to the water. Cosmo Specialty Fibers owns a private boat launch at the F Street terminus, and the company grants public use of the facility. The boat launch has a gravel parking lot but lacks restrooms, lighting, and security.

Some City streets terminate at the Dike Trail and many of the rights-of-way are unimproved, though they grant public access to the trail. Three large vacant blocks rest along the waterfront between G and J streets. The project team designated these properties as catalyst sites. The City maintains a tribal historical marker at H Street. The City has a small utility plant between the historic marker and the Dike Trail. There are also some houses near the river. There is tremendous redevelopment potential on the waterfront properties north of F Street.

Industrial mills and processing operations occupy much of the southern waterfront parcels that extend from F Street to the southern municipal limits. Cosmo Specialty Fibers operates a pulp mill on the previous Weyerhaeuser Company high-purity cellulose mill property. This includes large manufacturing buildings and outdoor processing areas. Cosmo Specialty Fibers repurposed the original buildings to serve their operational needs. Intermittent canals and wetlands extend across the properties. In general, industrial operations are setback from the river shoreline. There are several underused areas within the industrial complex that could support additional uses.





*The informal Dike Trail is situated atop the dike along the Chehalis River; most of the private properties near the waterfront are undeveloped (Source: Stantec)*



*Undeveloped property adjacent to the Cosmo Specialty Fibers mill operations (Source: Stantec)*



*Existing unimproved J Street right-of-way between the Dike Trail and Highway 101 / 1st Street (Source: Stantec)*



*Two undeveloped parcels are near the waterfront; the City's utility plant is near the river, there is opportunity for pedestrian access between Highway 101 and the Dike Trail (Source: Stantec)*

## HIGHWAY 101 (1ST STREET) / COMMERCIAL CORE SUBDISTRICT

The City's commercial core runs along Highway 101 (1st Street), with most consumer businesses clustered around F Street. The corridor includes a mix of heritage buildings with traditional architecture that are sited close to the roadway. Other buildings are more suburban in character with simple façade design and surface parking lots in the front of the properties. The corridor has a fuel station, contractor's office, medical building, restaurants, an art shop, and other miscellaneous businesses. Several metal buildings house light-industrial businesses on the south end.

The north end of Highway 101 (1st Street) mostly contains houses and apartments. There are some commercial buildings interspersed amongst these blocks. The corridor has several vacancies, undeveloped lots, and underused properties. In general, the City's commercial core has three activity nodes: The Lions Park Recreational Complex at J Street, The Community Crossroads at F Street, and the City Hall at C Street. Each activity node has its unique character and redevelopment opportunities. There is opportunity to focus on these activity nodes for redevelopment so that future infill and reinvestment occurs in the areas in between.

- **The Lions Park Recreational Complex / J Street Activity Node** - The Cosmopolis Waterway (a tributary inlet), Puddles Pity Dog Park, and Lions Club Park bookend the Highway 101 (1st Street) corridor to the north. A flood gate structure controls water flow in the waterway. Highway 101 (1st Street) and the Dike Trail pass over the water. Lions Club Park occupies the entire block and utilizes street parking on 2nd Street. The park has a baseball field, a basketball half court, soccer field, play structures, and restrooms. The Cosmopolis Lions Club is nestled between the park and the waterway. Puddles Pity Dog Park is situated north of the waterway and has trail connections to Lions Club Park.

The Basich Trailway is a paved multiuse pathway that connects Lions Club Park with Pioneer Park in South Aberdeen. The trailhead commences at the 2nd Street terminus, and a trail spur connects to Puddles Pity Dog Park. There are no direct trail connections from Basich Trail/Lions Park to the Dike Trail. Housing surrounds Lions Park, a small apartment building rests at Highway 101 (1st Street) and J Street, and the subdistrict has several vacant or underused properties. 2nd Street has a landscaped median and designated on-street parking. Most side streets are devoid of street trees, striped parking, bicycle lanes, and wayfinding signage. The Lions Club Park vicinity has the potential to emerge as the corridor's signature recreational node and residential neighborhood.

- **The Community Crossroads / F Street Activity Node:** The crossroads of Highway 101 (1st Street) and F Street feels like the community's prominent commercial enclave. Four heritage buildings frame the intersection and include two restaurants, a convenience store, and small retail businesses. F Street extends southwest into the residential neighborhoods. The Post Office is situated at F and 2nd streets. The Dike Trail terminates at F Street, but the trail terminus is on private property. There is opportunity to strengthen this area as the City's signature commercial node.
- **The City Hall / C Street Activity Node:** City services occupy the entire northwest block at C Street. This includes the City Hall Building, Fire Department, Municipal Court, and modular buildings. The block has two surface parking lots and a large undeveloped area. The City is presently exploring opportunities to redevelop the block for future civic uses. Tentative plans include a new municipal building, open space areas, and community use facilities. The existing City Hall building (a former bank) may be preserved and repurposed for other uses. The existing fire station will remain on the block.



*Existing Lions Club building next to Lions Park (Source: Stantec)*



*Existing Basich Trail with a trail spur to Puddles Pidy Dog Park (Source: Stantec)*



*Existing sports fields in Lions Park (Source: Stantec)*



*Existing businesses along Highway 101 at F Street (Source: Stantec)*



*Existing businesses along Highway 101 at F Street (Source: Stantec)*



*Existing Post Office Building at 2nd Street and F Street (Source: Stantec)*



*Existing City Hall Building and modular building (Source: Stantec)*



*Existing Fire Station building (Source: Stantec)*



## 2.4 - TRANSPORTATION SYSTEMS

### PRIMARY STREETS AND ROADWAYS

The existing streets within the Cosmopolis AWP focus area form a traditional urban grid. The area has a clear street hierarchy ranging from main arterials to local residential streets. 1st Street is a part of Highway 101 and provides regional connections between Grays Harbor and the southern coastal communities (Raymond, South Bend, and Ilwaco). Highway 101 (1st Street) is the main route in to and out of the City. Recently, the City completed streetscape improvements to the corridor that include decorative pavers, landscaping, traditional lighting, and crosswalks. Notably, there are no street trees along Highway 101 (1st Street). The corridor has parallel street parking and a striped, yet undesignated shoulder for bicycles.

Many of the side streets are quite wide and provide ample street parking for area homes and businesses. Sidewalks and a planter strip line most streets, and most rights-of-way are devoid of trees and landscaping. The following summarizes the primary streets within the focus area and their associated roadway elements.

### TRANSIT FACILITIES

Grays Harbor Transit provides bus service to the City. Specifically, Route 30 runs along Highway 101 (1st Street) and through the City's residential neighborhoods. Route 30 connects to downtown Aberdeen. Additionally, Route 30 allows for passengers to transfer to other lines, including South Aberdeen's Route 105 and Westport-Grayland Route 70.

**Table 2.4.1 - Cosmopolis AWP Focus Area – Existing Street Conditions**

<i><b>AWP Street</b></i>	<i><b>Travel Lanes</b></i>	<i><b>Sidewalks</b></i>	<i><b>Bicycle Lanes</b></i>	<i><b>Street Parking</b></i>	<i><b>Transit Lines (Bus Routes)</b></i>	<i><b>Street Trees</b></i>
<b>Highway 101 (1st Street)</b>	2	Y	Y/UD	Y	Y	Y
<b>C Street</b>	2	Y	N	Y/UD	Y	N
<b>D Street</b>	2	Y	N	Y/UD	N	N
<b>F Street</b>	2	Y	N	Y/UD	N	N
<b>H Street</b>	2	Y	N	Y/UD	N	N
<b>J Street</b>	2	Y	N	Y/UD	Y	N
<b>2nd Street</b>	2	Y	N	Y/UD	N	Y

Notes:  
 Yes (Y) = complete coverage  
 No (N) = no or no coverage  
 Intermittent (Int) = some coverage but not continuous  
 (UD) = undesignated

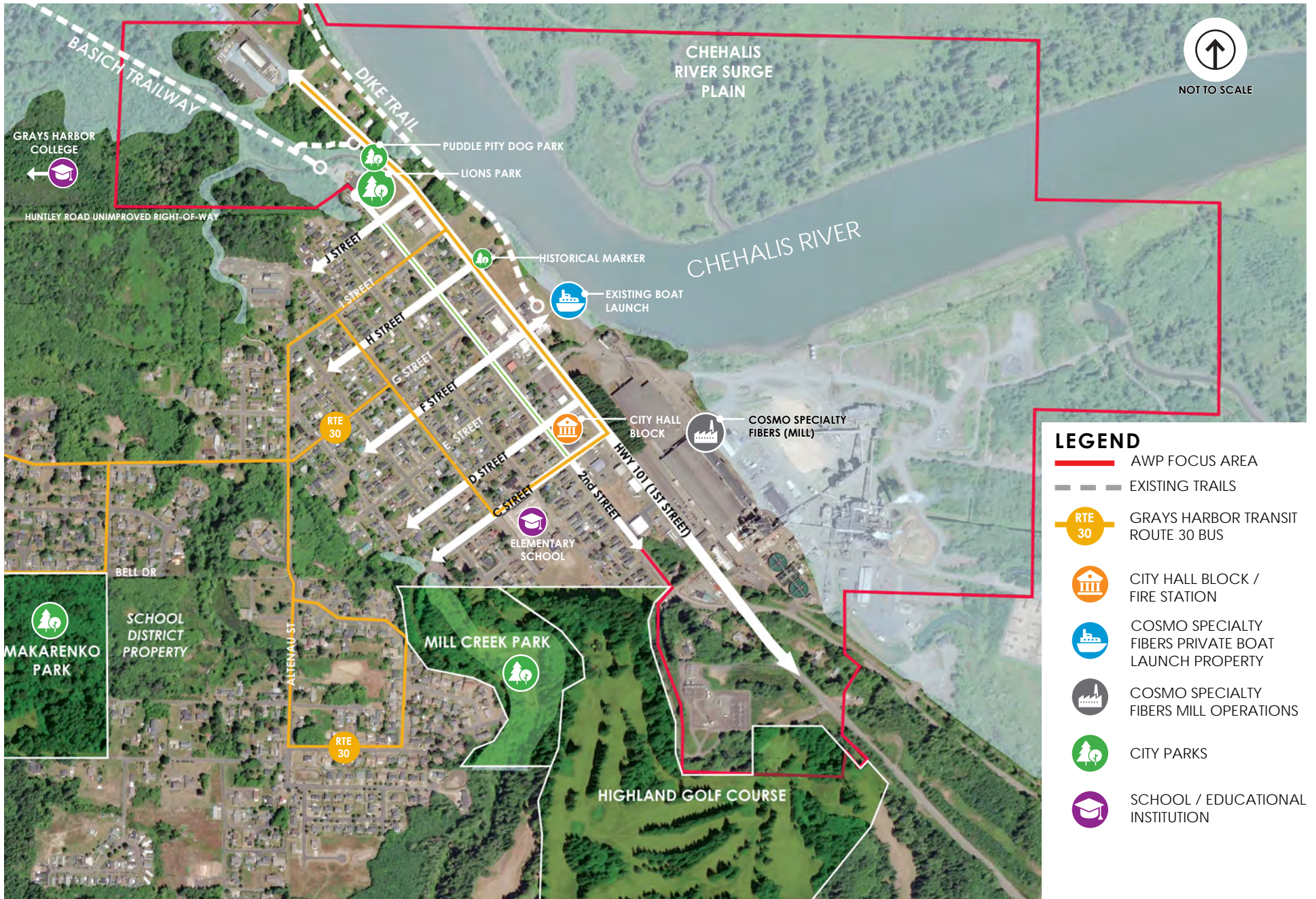


Figure: 2.4.a - Cosmopolis Existing Transportation Map (Source: Grays Harbor Transit & Google Earth)

## 2.5 - COSMOPOLIS COMPREHENSIVE PLAN

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The AWP project is subject to the City of Cosmopolis Comprehensive Development Plan in terms of its goals, objectives, and policies. Specifically, the plan's Land Use Element guides land usage and development within the City. Furthermore, the City adopted specific policies that align with this redevelopment initiative. Through these policies, the City acknowledges its potential, challenges, and necessary actions. The City's current Comprehensive Plan lacks mapping detail with regard to land use designations and transportation and roadway classifications. However, its policies guide the community towards management, future priorities, and project implementation. The following subsections list applicable Comprehensive Plan policies. The AWP process incorporates the Comprehensive Plan goals and policies and uses them as a springboard for guiding redevelopment in the community.

### ADOPTED COMPREHENSIVE PLAN POLICIES

The following lists Cosmopolis' adopted goals and policies that are applicable to the AWP focus area.

#### URBAN AREA GOALS

- U-1 The City should encourage most population and employment growth to locate in urban areas.
- U-3 The City should encourage commercial development in appropriate locations to meet the needs of the region's economy and to provide employment, retail shopping, services, and leisure-time amenities in diverse settings in all urban areas.

#### LAND USE GOALS AND POLICIES

- L-4 Encourage the redevelopment of under-utilized and blighted areas.
- L-8 Provide support for private sector developers to produce in-fill development, while encouraging in-fill development which is attractive to potential residents that is both beneficial and acceptable to existing residents.
- LP-41 Safe and convenient pedestrian access to and along the waterfront shall be provided where required by the policies of this plan, the City's Shoreline Master Plan, and the Grays Harbor Estuary Management Plan.
- LP-44 Residential and commercial uses adjacent to the shorelines should be designed to maximize the buildings waterfront views and encourage use of the waterfront areas. Where public waterfront access is provided or designated, adjacent residential and commercial uses should provide an entrance fronting on the path.

## ECONOMIC DEVELOPMENT GOALS AND POLICIES

- EG-2 Encourage increases in the number and variety of jobs available to local residents.
- EG-3 Encourage the retention of existing economic activities and jobs.
- EG-6 Encourage the appropriate redevelopment of vacant and under-utilized commercial and industrial sites.
- EG-8 Work cooperatively with all elements of the local economy, including labor, businesses, and other local governments.
- EG-9 Work cooperatively with new businesses considering locations within Cosmopolis and the region.
- EG-10 Provide the opportunity for the efficient utilization of the area's natural resources and conserve the natural resources upon which the economy depends.
- EP-8 Adequate areas should be provided to enable the expansion of existing businesses and industries where consistent with the policies of protecting existing neighborhoods and resource areas.
- EP-10 Economic development activities and planning for economic growth should be coordinated with public and private economic development groups and other jurisdictions.
- EP-11 The City should continue to participate in cooperative, regional economic development and marketing efforts.
- EP-27 Increased retail trade and tourism should be encouraged by protecting and enhancing the appearance of the built and natural environments.

## DEVELOPMENT SITING POLICIES

- SP-2 In designating new or expanded commercial and industrial areas priority should be given to under-utilized and blighted lands suitable for redevelopment for those uses.
- SP-4 Concentrations of businesses which are complimentary, which attract increased customers, and which provide needed services or goods for nearby producers and consumers, should be encouraged by the land use pattern and its policies.

## REDEVELOPMENT POLICIES

- RP-2 Redevelopment of distressed commercial and industrial areas should be allowed through development incentives and public improvements.
- RP-3 Redevelopment efforts should be planned in cooperation with the businesses, property owners, and residents of the area and the community.

## 2.6 - LAND USE AND ZONING REGULATIONS

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The City of Cosmopolis has existing zoning regulations, development standards, and a Shoreline Master Program that guide land usage and development within its municipal boundaries. The following subsections summarize these regulations. The City may consider amendments so that development regulations align with the community's renewed vision for the AWP focus area.

### Zoning / Development Standards

The AWP focus area is subject to Cosmopolis Municipal Code Title 18 – Zoning. The properties are within one of four zoning districts: Manufacturing District (M), Multiple-use District (MU), Public Reserve District (PR), or Waterfront Use District (WUD). Most of the adjacent residential neighborhoods rest within the Residential Medium Density District (R57). The tables in this subsection summarize the dimensional standards (e.g., setbacks, height). Figure 2.6.a illustrates Cosmopolis' current zoning map. The following describes the zoning districts within the AWP focus area that the allowed land uses.

- **Manufacturing District** - The Manufacturing District (MD) is a classification to provide manufacturing, production, and general employment uses. The MD classification allows businesses relating to lumber and wood products, furniture and fixtures, paper and allied products, water transportation, and similar uses. The MD classification may allow some activities with a conditional use approval such as but not limited to dairy and bakery products, concrete and gypsum products, general industrial machinery, electric and motor vehicle equipment, ship building, and wholesale trade.
- **Waterfront Use District:** The Waterfront Use District (WUD) is a classification to provide space for water-related activities. The WUD classification allows retail, professional businesses, restaurants, accommodations, condominiums, and townhouses. The WUD classification allows most recreational uses and may permit recreational vehicle parks and camping as a conditional use.
- **Multiple-Use District:** The Multiple Use District (MU) is a classification providing for the development of commercial establishments such as retail, wholesale, and high-density residential. The MU classification allows retail, professional businesses, restaurants, accommodations, vehicle service stations, recreation, and all types of multifamily residences. The MU classification allows light manufacturing, temporary amusement, and single-family residences as a conditional use.
- **Public Reserve District:** The Public Reserve District (P-R) is a special use classification to provide for the retention of lands necessary for open space, parks, playgrounds, and public facilities. The P-R classification allows public buildings, educational institutions, and recreation. The P-R classification may allow single-family residences as a conditional use.
- **Residential Medium Density:** The Residential Medium Density District (R57) is a residential classification to provide housing in the City. The R57 classification allows single-family and two-family dwellings and court apartments. The R57 classification may allow day nurseries, public buildings, schools, and places of worship as a conditional use. The neighborhoods that abut the focus areas are within the R57 zoning district.



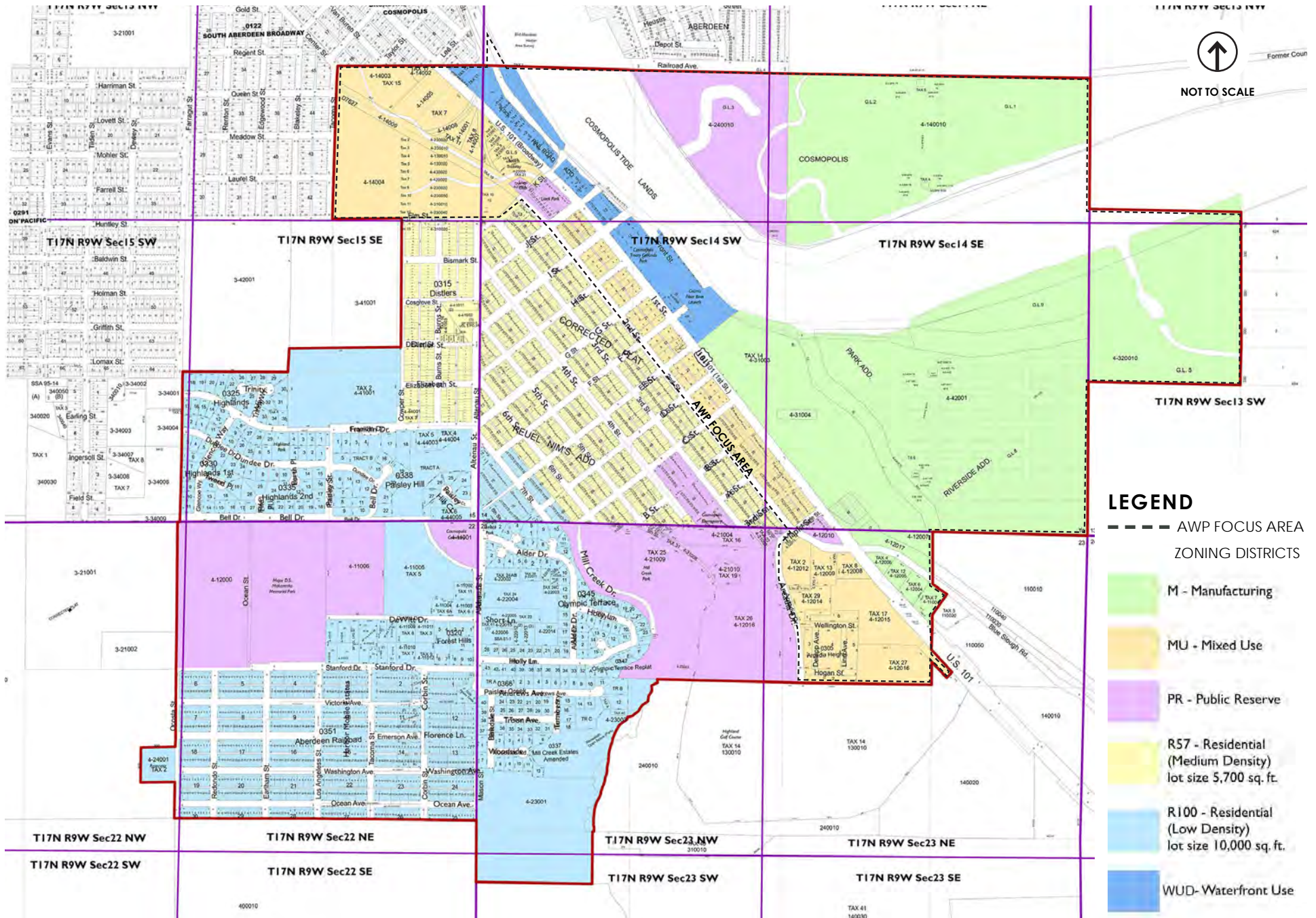


Figure: 2.6.a - Cosmopolis Zoning Map (Source: Grays Harbor Council of Governments)

**Table 2.6.1 - Cosmopolis AWP Focus Area – Zoning Dimensional Standards (Current)**

	<b>Manufacturing District (M)</b>	<b>Multiple Use (MU)</b>	<b>Public Reserve (PR)</b>	<b>Waterfront Use (WUD)</b>	<b>Residential Medium Density (R57)</b>
<b>Lot Area (min)</b>	None	Unspecified	Unspecified	None	Single-Family Dwellings: 5,700 square feet (sf) Two-family Dwellings: 8,000-sf Court Apartments: 11,500-sf
<b>Lot Width (min)</b>	None	Unspecified	None	None	Unspecified
<b>Setbacks (min)</b> <i>Measured between a structure and the property line, unless otherwise specified.</i>	Front: 40 feet from street centerline Side: None Rear: None	Business Uses: none Res. 4 or more Units: Front: 20 feet Side: 10 feet Rear: 10 feet Res. 3 or less units: Front: 25 feet Side: 5 – 15 feet Rear: 20 feet	Front: 30-ft Side: 30-ft Rear: 30-ft	Front: 40 feet from street centerline Side: None Rear: None	Front: 25 feet Side: 20 feet Rear: 20 feet
<b>Height (max.)</b>	None	40 feet and/or three stories	50 feet	40 feet	25 feet and/or two-stories
Lot Coverage (max.)	Unspecified	Unspecified	Unspecified	Unspecified	33%
Landscaping (min.)	5% of total property area	5% of total property area	Unspecified	5% of total property area	Unspecified

## SHORELINE MASTER PROGRAM STANDARDS

The AWP focus area includes shoreline along the Chehalis River and is subject to the City's SMP. Specifically, this includes the upland areas that are within 200 feet of the ordinary high-water line. The SMP standards are in addition to and supersede the underlying zoning requirements. In general, the SMP strives to implement statewide goals for water quality, environmental protection, and public access to shorelines.

The City adopted a new SMP, which was effective beginning April 24, 2017. The SMP designates the shoreline areas as Aquatic, High-Intensity, or Urban Conservancy. Each of these mapped areas allow certain land uses and include specific development criteria. The City's SMP is both complex and comprehensive; see the SMP for specific land use allowances. Figure 2.6.b shows the City's shoreline areas. The following describes the mapped shoreline areas in general terms and intended character.

- **Aquatic** - The purpose of the Aquatic shoreline environment designation is to protect, restore, and manage the unique characteristics and resources of shoreline jurisdiction waterward of the ordinary high-water mark (OHWM). The Aquatic designated areas greatly limit urban development; whereas, some uses may be allowed as a conditional use.
- **High Intensity** - The purpose of the High Intensity shoreline environment designation is to provide for high intensity water-oriented commercial, industrial and port, mixed-use, transportation, and navigation uses while

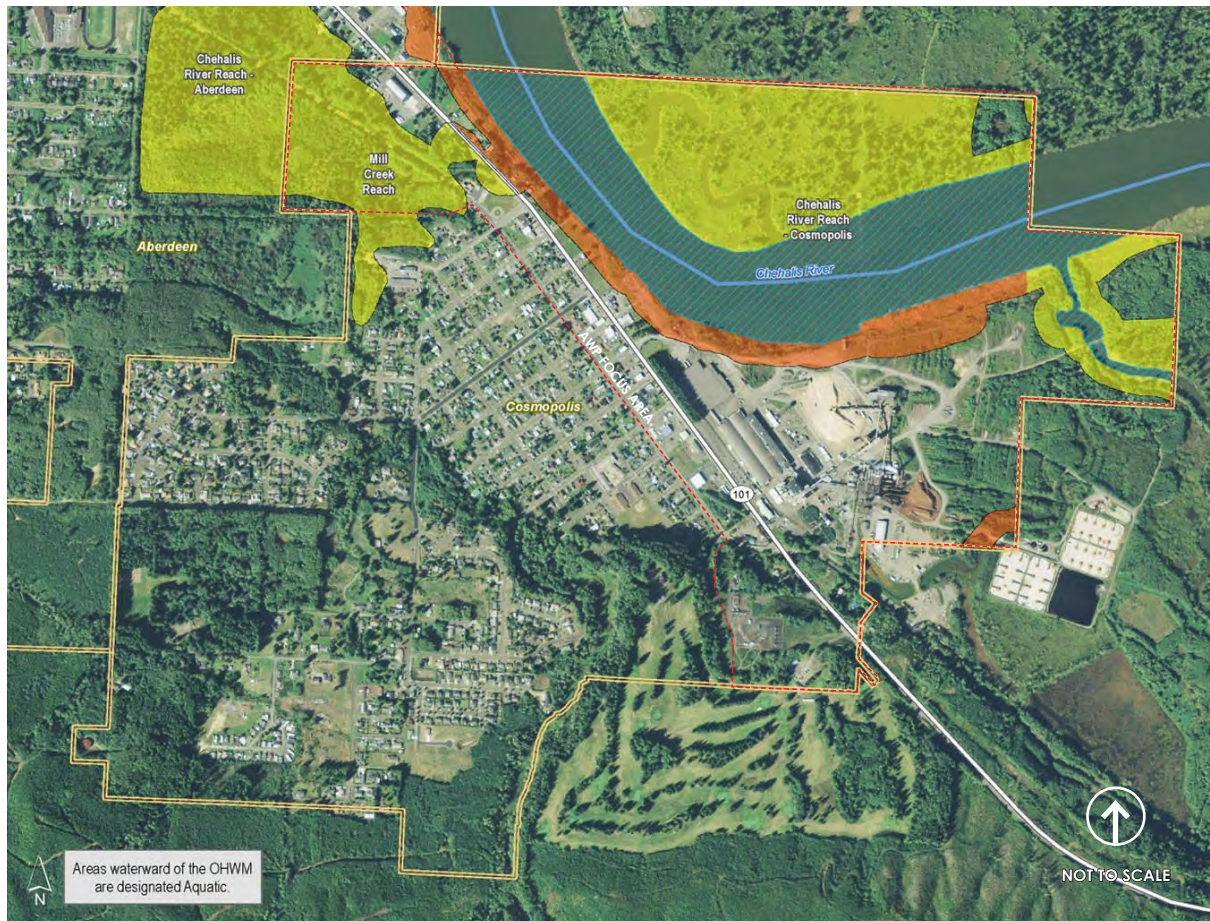
protecting existing ecological functions and restoring ecological functions in shoreline jurisdiction that have been degraded.

- **Urban Conservancy** - The Urban Conservancy shoreline environment designation is intended to provide for ecological protection and rehabilitation in relatively undeveloped areas in shoreline jurisdiction. The Urban Conservancy areas allow some agricultural uses, water-oriented and non-water-oriented recreational development, low intensity residential development, and limited development suitable to lands characterized by ecological and flood hazard constraints.

In Cosmopolis, the underlying zoning district AND the Shoreline Master Program must both allow a particular use. Additionally, projects within the SMP jurisdiction require a shoreline permit in addition to land use and/or building permits.

The most compelling aspect of the City's SMP is the buffer requirement from the ordinary high-water mark. This requires that new projects provide a buffer area PLUS an additional 15-ft building setback from the buffer. These buffer standards affect redevelopment projects close to the river and specifically the waterfront catalyst sites in the AWP focus area. The following table lists the typical SMP buffers.

<i>i. The Shoreline Buffers are established for individual and uses and by shoreline mapped areas.</i> <i>ii. Shoreline buffers are measured landward from the OHWM in a horizontal direction perpendicular to the OHWM.</i> <i>iii. The minimum shoreline buffer from the OHWM for a particular use is determined by finding the use and the most appropriate subcategory row and then finding the intersection with the appropriate shoreline environment designation column.</i> <i>iv. Structural (building) setbacks of 15 feet are required from the landward edge of the shoreline buffer.</i>	<b>Shoreline Master Program Mapped Areas</b>		
	<b>High Intensity</b>	<b>Urban Conservancy</b>	<b>Aquatic</b>
<b>Typical Shoreline Buffer from the OHWM</b>			
<b>Water-dependent structures and uses</b>	0 feet	0 feet	N/A
<b>Water-related and water-enjoyment mixed-use structures and uses</b>	75 feet	75 feet	N/A
<b>Non-water-oriented structures and uses</b>	150 feet	150 feet	N/A



**LEGEND**

- AWP FOCUS AREA
- HIGH INTENSITY
- URBAN CONSERVANCY
- AQUATIC
- REACHES
- CITY BOUNDARY

Figure: 2.6.b - Cosmopolis Shoreline Master Program Map (Source: City of Cosmopolis)

# 2.7 - FEMA MAPPING

The City and the AWP focus area have properties within FEMA flood hazard areas. Generally, this includes areas along the Chehalis River and Mill Creek. The FEMA maps identify flood-prone areas and establish the required finished floor elevations within buildings. Generally, these elevations apply to new construction but could apply to substantial renovations.

The areas along the River are in Zone AE (100-year floodplain) with a 14-foot base flood elevation. The AE flood zone extends to the areas north of the river and to the southeast portions of the focus area. The areas along the waterway (Lions Club and Puddles Pity Dog parks) are in Zone AH with a 12-foot base flood elevation (See Figure 2.7.a for the FEMA map). To comply with these FEMA standards, sites may be raised with fill material and/or buildings must be designed with finished floors above these elevations.

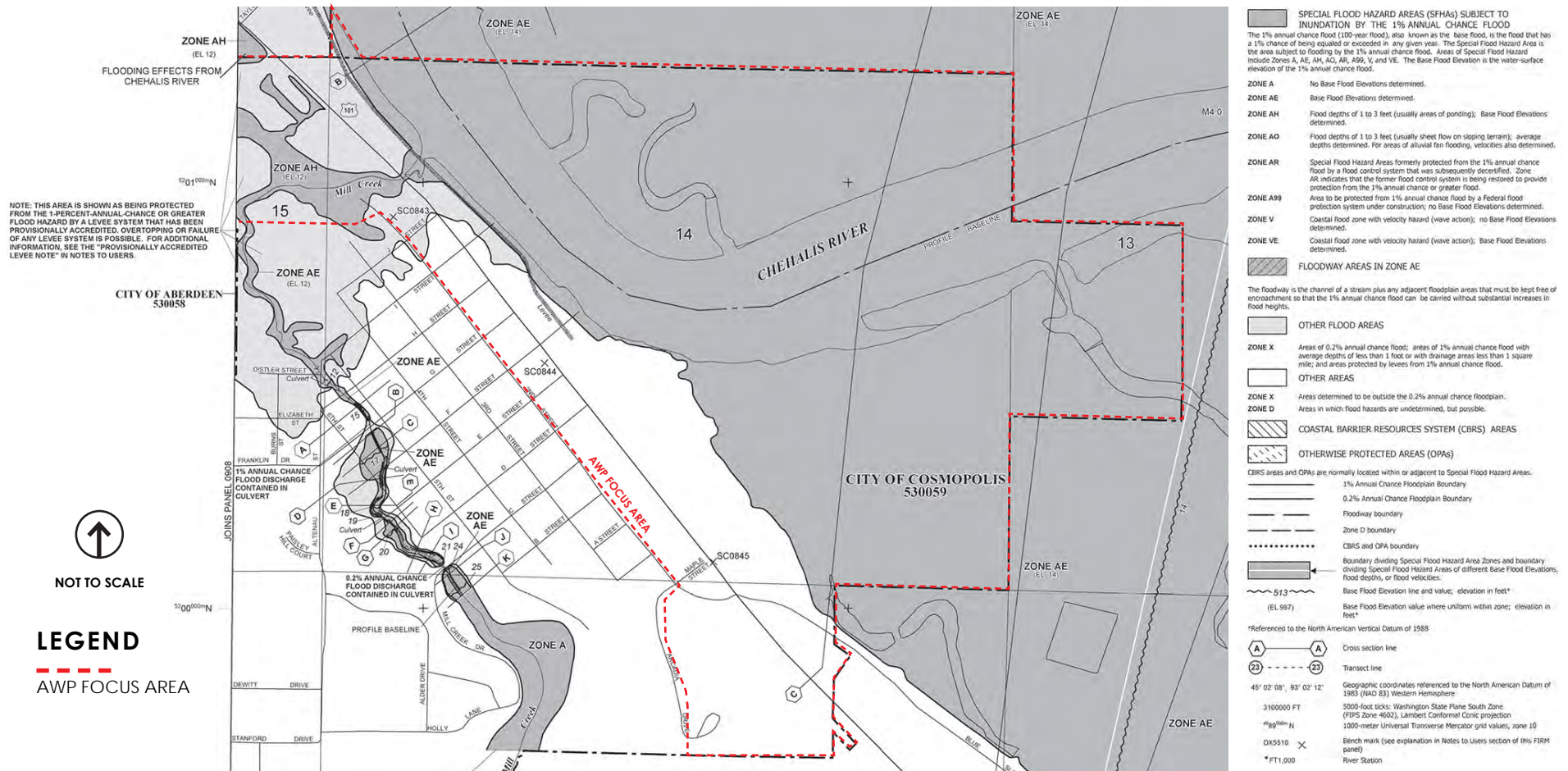


Figure: 2.7.a - Cosmopolis FEMA Map (Source: FEMA)

## 2.8 - UTILITIES

The focus area has utility service, and most parcels are within proximity to connection, but public utilities are not available for the Chehalis River Surge Plain preservation properties on the north side of the river. The City of Aberdeen provides water and sanitary sewer service to Cosmopolis; but Cosmopolis applies a utility charge to local customers. The City does not have a lot of utility data available for public review, but the Cosmopolis Comprehensive Plan and the Cosmopolis 2014 Water System Plan Update provide some utility information to aid in area-wide planning. More simply, the project team interviewed City staff to understand whether utilities are available in the focus area. Overall, City staff indicated that utility service and capacity are available to serve redevelopment in the downtown core.

The 2014 Water System Plan Update includes a map of the current water lines, which shows that most of the urbanized properties within the AWP focus area can connect to public water service. The City does not have sanitary sewer maps, but City staff confirmed the AWP focus area has adequate sewer lines and capacity to serve the properties and future redevelopment. The following table summarizes key utility information.

<b>Table 2.8.1 - Cosmopolis AWP Focus Area – Utilities Information</b>	
<p><b>Domestic Water</b> <i>(Pursuant to Cosmopolis Comprehensive Plan)</i></p>	<p>Provider: Aberdeen’s municipal utility system provides domestic water service to Cosmopolis residents.</p> <p>Source: Aberdeen distributes water from the sole surface water source of the Wishkah River watershed.</p> <p>Water Lines:</p> <ul style="list-style-type: none"> <li>Between C and J streets: There is an 8-inch waterline within the alley between 1st and 2nd streets. There are 6-inch waterlines that extend east of 1st Street at D, F, and J streets. There is a 10-inch waterline that extends east of 1st Street at C Street.</li> <li>Between A and C streets: There is an 8-inch water line in 1st Street.</li> </ul>
<p><b>Sanitary Sewer</b> <i>(Pursuant to Cosmopolis Comprehensive Plan)</i></p>	<p>Provider: Aberdeen owns and operates the sewer treatment plan; Cosmopolis participates through a utility charge.</p> <p>Discharge: Aberdeen treats sewage for discharge to the Chehalis River at the mouth of Grays Harbor</p> <p>Sewer Lines: The blocks along 1st Street have sewer lines in the alleys.</p>

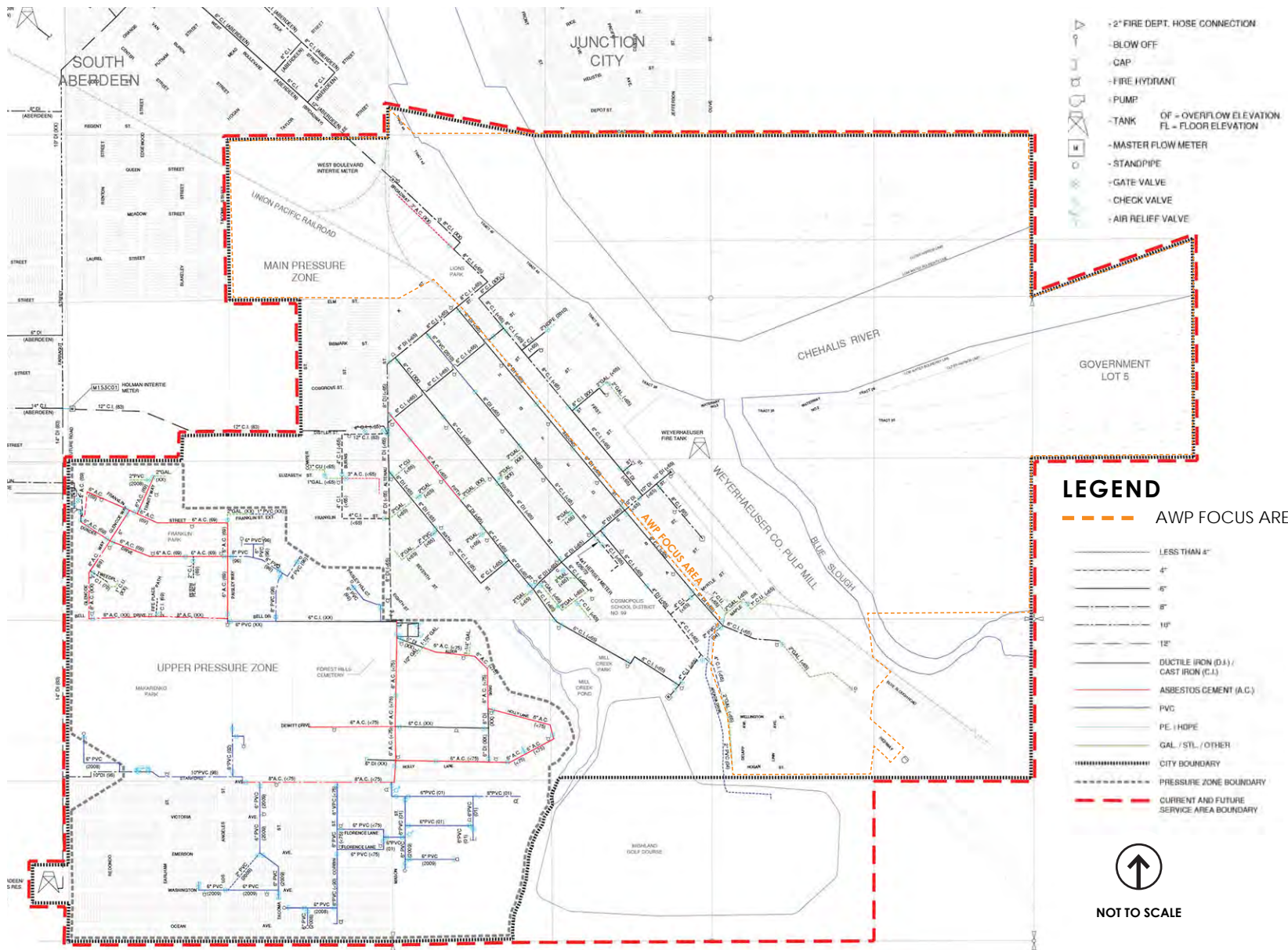


Figure: 2.8-a - Cosmopolis Water  
 (Source: City of Cosmopolis)

## 2.9 - DEMOGRAPHICS AND POPULATION STATISTICS

Cosmopolis and the greater Grays Harbor region have their own unique demographic and population characteristics. When planning for a community's future, it is important to plan for the current residents and households in terms of services, land use, and amenities. At the same time, it's important to acknowledge and plan for impending demographic trends and population forecasts to ensure that the community accommodates both current and future populations. As part of the Cosmopolis area-wide planning process, LCG conducted a market analysis report (May 21, 2019). The following subsections summarize the City's population statistics from the report.

### COMMUNITY POPULATION AND FUTURE GROWTH

The population in the City has generally remained the same for the past 10 years. Cosmopolis had a population of 1,649 people in 2010 and 1,656 people in 2018; this represents a modest 0.05 percent annual growth rate. By contrast, the County currently has an estimated population of 74,215 and experienced an annual growth rate of 0.24 percent from 2010 to 2018.

The Washington State Office of Financial Management projects that the population of the County in 2040 will be between 67,846 and 84,665 people, with 75,589 people at medium population growth. Seniors (65+) comprise most of the population growth in the County between 2010 and 2019. The population cohorts between ages 25 to 34 and ages 55 to 64 experienced more growth during this timeframe, while other age cohorts lost population. As such, senior households are projected to become increasingly dominant in Cosmopolis through 2030, which suggests a need for senior living facilities and comprehensive quality healthcare in the area.

**Table 2.9.1- Population and Population Growth, 2000-2018**

	Cosmopolis	Three-City Area	Grays Harbor Co.	State of Washington	USA
2000 Population	1,577	27,252	67,194	5,894,121	281,421,906
2010 Population	1,649	27,271	72,797	6,724,540	308,745,538
2018 Population	1,656	27,155	74,215	7,452,102	330,088,686
2000-2010 CAGR*	0.27%	-0.02%	0.55%	1.31%	0.89%
2010-2018 CAGR*	0.05%	-0.05%	0.24%	1.29%	0.84%

Source: ESRI, from ACS and US Census  
\*CAGR = Compound Annual Growth Rate

Unlike US Census and Washington Office of Financial Management data, ESRI provides the ability to draw custom geographies, which is helpful for populating the demand models for which the results are presented later in this report. ESRI also provides the latest and most diverse data in comparison to other demographic data vendors.

### INCOME CHARACTERISTICS

The City has a median household income of \$50,278 and a per capita income of \$26,373, with 11.5 percent of the population having a bachelor's degree or higher. By contrast, the State of Washington has a median household income of \$68,734 and a per capita income of \$38,796, with 36 percent of the population having a bachelor's degree or higher. Census data identified that 16 percent of the County's residents are living below the poverty level. Poverty statistics for the City were not available at the time of this AWP analysis.



## HOUSEHOLDS AND HOUSING CHARACTERISTICS

The City has the higher household incomes and smaller household sizes compared to other communities in the region. Residents of the City have lower levels of educational attainment than the rest of the County. The median age of the City's residents is 42.0 years, lower than the County median of 43.7 years but higher than the State median of 38.4 years. The City's average household size is 2.46 people, similar to the County's average of 2.48 and slightly less than the state's average of 2.54.

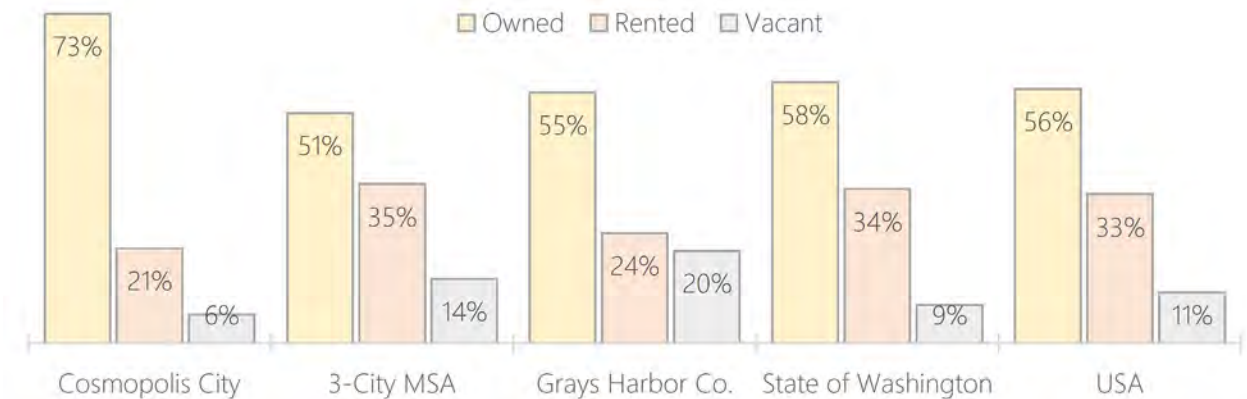
Owner-occupied housing is predominant in the City, comprising 73 percent of all housing units. The City has a vacancy rate of 6 percent. This is contrasted with the County vacancy rate of 20 percent. Through this research, the project team discovered that there is a large share of unmaintained housing units that have fallen into disrepair. While the region appears to have housing capacity to accommodate its population; some of the building conditions are undesirable for many households. Dilapidated housing is a main concern for Cosmopolis. If renovated, tenanted, and/or sold, these dilapidated homes could likely absorb some of the growing residential demand and attract further development

**Table 2.9.2 - Select Household Characteristics**

	Cosmopolis	Three-City Area	Grays Harbor Co.	State of Washington	USA
Avg. Household Size	2.46	2.56	2.48	2.54	2.59
Median HH Income	\$50,278	\$41,833	\$47,369	\$68,734	\$58,100
Per Capita Income	\$26,373	\$22,005	\$24,189	\$36,796	\$31,950
Median Age	42.0	38.1	43.7	38.4	38.3
Non-white Pop	15.4%	22.4%	18.9%	28.4%	31.8%
Bachelor's Degree or higher	11.5%	15.8%	16.8%	36.0%	31.8%

Source: ESRI, from ACS and US Census

**Graph 2.9.3 - Tenure of Housing Units (2018)**



Source: ESRI and Leland Consulting Group

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# *Chapter 3:* Market Conditions and Opportunities

*(Source: Markus Spiske | Unsplash)*



*Cosmopolis' commercial core along Highway 101 / 1st Street (Source: Stantec)*

## 3.1 - MARKET CONDITIONS SUMMARY

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The County (which includes the Three-City area of Cosmopolis, Aberdeen, and Hoquiam) has several opportunities and barriers to economic development and growth. It is important to align community planning with market conditions to ensure that any redevelopment plans would be implemented by the finance and development community. As part of and parallel to the City's area-wide planning process, LCG prepared a market assessment report (May 21, 2019). This section summarizes the key findings from the assessment report.

The County has a rich industrial history linked to the timber and wood products economy, as well as a strong tourism economy along the coast. The decline of mill activity has shifted the economy and created potential brownfield sites in the community that are ready for redevelopment. To pursue brownfield revitalization, the County must pivot toward current and future trends, while still retaining roots to the foundation of the community.

Until the 1980s, the area was home to a stable logging industry, but as the industry declined, so did the economy. Revitalization efforts have begun in recent years, led by area businesses, the City, and residents, focused on retail and tourism. At the same time, the City has an important employer, Cosmo Specialty Fibers. The company employs well over 200 individuals and has plans for expansion.

The communities are tied to three significant assets that can positively shape future growth:

1. proximity to amazing natural beauty,
2. the Washington Coast and Olympic Peninsula, and
3. outdoor recreation. The region benefits from quick access to several highways and aligns with Puget Sound regional prosperity. For this analysis, these opportunities and challenges are specific to the AWP focus area, which generally covers the City's waterfront area along US Highway 101 (1st Street).

## STRENGTHS AND OPPORTUNITIES

- **Locational Strengths:** As jobs become increasingly flexible and remote capabilities increase, many people will seek areas with natural beauty and bountiful recreational opportunities. The County appears set to take advantage of these emerging trends.
- **Attracting Talent:** As recent trends show a loss in younger populations, increasing the range of commercial amenities and residential options may prove to be an important component of talent retention and attraction.
- **Residential Opportunities:** The region has a tight residential market. Housing appears to be the strongest land use for the County and the City to pursue. The City is one of the few areas in the vicinity of the Three-City area to experience new residential growth, and the City is primed to leverage its unique position on the waterfront.
- **Senior Housing Opportunities:** Demographic trends suggest an aging population with potential demand for senior-oriented housing. Senior and/or affordable housing developers may have access to additional financial subsidies to build higher density residential structures, potentially catalyzing market growth for other compatible uses (e.g., retail, healthcare).
- **Retail Opportunities:** Retail spending leakage indicates immediate opportunities

for additional retail development, although this does not appear to be supported by the market, which demonstrates low and stagnant rents and increasing vacancies. New construction, which has been largely food oriented in keeping with wider national trends, is a positive indicator of feasibility for new construction.

- **Specialized Office Opportunities:** Healthcare and build-to-suit opportunities may arise that are compatible with existing facilities, serve new household growth, and leverage the County's unique setting. Tenants may include healthcare clinics, banks, dentist offices or incubator/co-working spaces with potential linkages to Grays Harbor College.
- **Strong Tourism Opportunities:** Grays Harbor is poised to leverage its unique position as the only noteworthy urban area serving the Washington coastal region. Lodging and continued retail development, including food-based and other experiential retailers, are two primary sectors that should be able to tap into this market.
- **Industrial Opportunities:** While industrial development is not recommended for the Cosmopolis focus area, there are opportunities for the County to tap into the burgeoning marijuana/hemp industry for warehousing and production, as demonstrated in nearby communities.

## WEAKNESSES AND CHALLENGES

- **Low Growth Patterns:** The lack of employment and residential growth contrasts with the strength of the greater Puget Sound region and limits demand for new development in the Three-City area.
- **Retail Challenges:** Retail is struggling at the national level, as traditional brick-and-mortar stores adapt to changes in consumer behavior and compete with e-commerce. Food-oriented and experiential retail remains strong.
- **Industrial Challenges:** The industrial market is dominated by large employers, and therefore, has experienced substantial fluctuations in jobs.
- **Office Challenges:** Little office demand is projected for the next decade. Employment sectors fundamental to the office market are lacking, and the state projects little new growth. Absorption of existing vacancies, as opposed to new construction, is more likely.
- **Construction Costs:** All new developments face feasibility barriers because of high construction costs. These costs have risen rapidly since the recession due to labor and material shortages and continued demand in the Puget Sound region. Lower market rents in the County are likely to only support the construction of low-rise, surface parked developments.

## POTENTIAL DEVELOPMENT PROGRAM

The following table provides a summary of total forecasted demand across residential, retail, office, and industrial land uses, as well as a potential capture rate of the Cosmopolis AWP focus area.

Land Use	Market Area Demand (Grays Harbor Region)	Estimated Cosmopolis AWP Focus Area Capture	Notes
<b>Owner-occupied Housing</b>	700 units	50-75 units	The focus area could accommodate townhome development (14 to 20 units per acre) in the northern segments of Highway 101 where existing industrial uses is less imposing. Given the unique but limited space along the waterfront, single-family structures would not be recommended to the east of Highway 101.
<b>Renter-occupied Housing</b>	500 units	100-150 units	A wood-framed low-rise apartment building (3-story / 20 to 40 units per acre) could capture upwards of 20% of total regional demand. Housing should, however, primarily target low and median-income households and seniors to serve the current need.
<b>Office</b>	53,000 sq. ft.	5,000-10,000 sq. ft.	Local-service offices—such as banks and small healthcare facilities—may be considered as part of a horizontal mixed-use development (surface parked, single- or two-story structure). The market does not show demand for larger format speculative office development in the focus area, although build-to-suit opportunities may arise in the future.
<b>Retail</b>	200,000 sq. ft.	30,000 sq. ft.	There is demand for additional small-format, destination retailers in the focus area. Waterfront restaurants and bars would leverage Cosmopolis' location, attract tourism dollars, and provide amenities to the wider community. With continued residential growth, demand would likely support a small, 20,000-square foot grocery store.
<b>Industrial</b>	76,000 sq. ft.	20,000	The area may support small-scale industrial/manufacturing uses. Specifically, there are examples where light or craft industrial uses have combined successfully with front-of-house retail uses. These uses act as important destinations for the surrounding community and can often catalyze the development of other, higher value land uses.
<b>Hotel</b>	NA	NA	While a hotel would leverage the increasing tourist visitation and provide much-needed meeting room space, the lack of a prominent office sector restricts prospective hotel users to tourists, which are seasonal and do not drive hotel demand alone. Potential future demand may exist for a boutique-style hotel (typically up to 80 rooms) on the waterfront. However, further analysis is necessary to gauge whether demand exists.

*Source: Leland Consulting Group, Market Assessment Report – May 21, 2019*

## 3.2 - MARKET CONDITIONS

### EMPLOYMENT

Washington's economy is one of the strongest in the nation, driven by high population and employment growth and the business environment. The state's unemployment rate was measured at 4.5% in January 2019 (seasonally adjusted), according to the Washington Department of Labor and Employment. Sustained growth has involved attracting talent from other places, including the East Coast and the San Francisco Bay Area.

However, rural Washington, like most rural places in the nation, has been slower to recover from the Great Recession from 2008 to 2010. The County region is a prime example of a boom-bust economy, where an over-reliance on the natural resources industry has resulted in economic decline.

The regional outlook is considered guarded, meaning that investors and real estate experts remain cautious about investing as the County struggles to get back to pre-recession employment levels. The unemployment rates continue to fall, but non-farm job growth has been mixed and hard to sustain. While tourism facilities are beginning to be developed, these tourism destinations are typically constrained to coastal communities such as Westport, Ocean Shores, and Seabrook. Healthcare and social assistance jobs are responsible for almost 20% of all jobs in the County, followed by retail, education, and manufacturing. Industries that are traditionally considered the greatest drivers

of office space, such as business services, finance, information, and management of companies are relatively insignificant.

#### Top 10 Employment Sectors

The top ten employment sectors of Cosmopolis and the surrounding region are as follows:

1. **Healthcare: 2,190 jobs**
2. **Retail: 1,630 jobs**
3. **Education: 1,370 jobs**
4. **Manufacturing: 1,150 jobs**
5. **Accommodation & Food Services: 910 jobs**
6. **Admin & Waste Services: 630 jobs**
7. **Other Services: 590 jobs**
8. **Construction: 560 jobs**
9. **Public Administration: 410 jobs**
10. **Finance & Insurance: 370 jobs**

#### LARGEST INDUSTRIAL JOB GAINS

While local employment declined from 2005 through 2013, job gains have since been positive, albeit only moderate. Area job gains have largely been in the following industries:

- **Administrative and Waste Services,**
- **Healthcare and Social Assistance,**
- **Retail, and**
- **Accommodation and Food Services.**

The Washington Employment Security Department projects annual growth to the tune of 1.22% across all industries in the Pacific Mountain Region of Grays Harbor, Pacific, Mason, Thurston, and Lewis counties. Thurston County will likely absorb most of the region's job growth, particularly in education, professional and technical services, information, and public administration; the projections provide a useful indication of employment strength in the region. By combining historical job growth trends with these broader regional projections, the following assumptions can be made about employment growth in the Three-City area:

- Healthcare and social assistance jobs are likely to continue rapid growth, particularly with the aging demographics and existing medical facilities that serve the broader region.
- Jobs in tourism-related industries, such as retail and hospitality and food services can expect to grow relatively quickly, as long as regional efforts to grow these sectors are successful.
- Industries that are typically the major drivers of office demand—such as financial activities, business services, management of companies and enterprises—are not prevalent in the Three-City area, nor are they expected to see significant growth over the next decade.

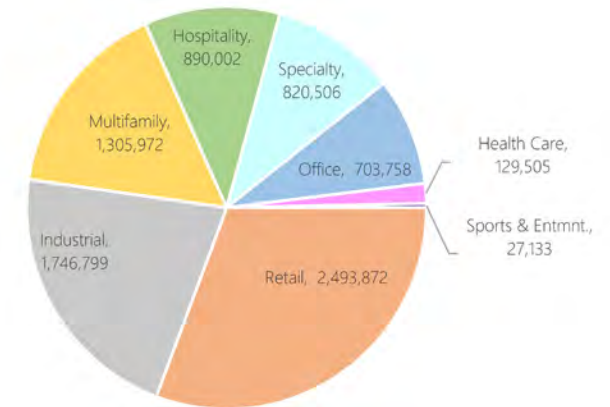
## SUPPLY BY LAND USE MIX

The Three-City region has an abundant building supply to serve all land use categories; this will influence the feasibility of new development in the area. The following graphic shows regional development in total building square feet by land use. Of all commercial land uses (not including institutional), retail is the predominant land use in the Three-City region, comprising one-third of total square building footage. Multi-family, industrial, and hospitality comprise 21, 16, and 11% respectively.

However, the past two to three decades has seen little development of any land use, most likely reflecting challenging economic conditions due to the decline of the logging industry. In recent years, new challenges have also emerged. The rising cost of construction, combined with limited rent growth and negative migratory trends, have generally been barriers to development in rural areas across the nation since the recession. Largely as a result, investors have focused on urban metropolitan areas where rent growth has largely kept pace with construction costs, and a higher profit margin is possible, leaving behind an aging inventory.

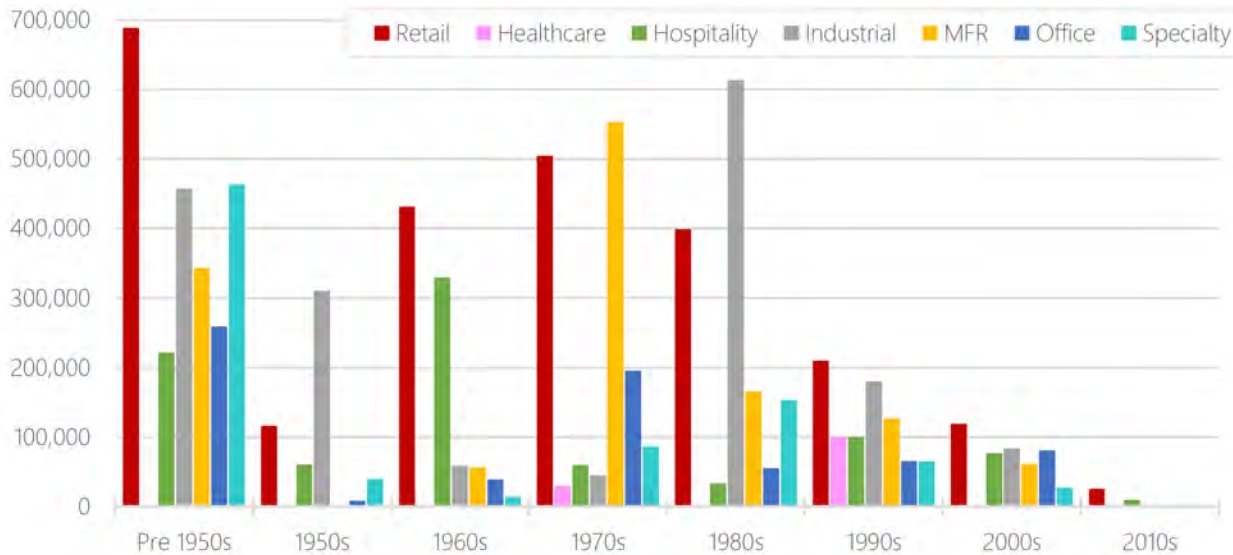
Subsequently, existing vacancy rates may show a relatively constrained market, yet this data does not provide an indication of the quality of the space. Further, vacancy rates typically only show for leased space, excluding space that is perhaps abandoned or has been chronically vacant.

**Chart 3.2.1 - Land Use Mix by Building Square Feet, Three-City Area**



Source: ESRI and Leland Consulting Group

**Graph 3.2.2 - Square Feet of Development by Land Use and Decade Built, Three-City Area**



Source: Costar and Leland Consulting Group



## 3.3 - COMMERCIAL REAL ESTATE MARKET ASSESSMENT

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The cities of Cosmopolis, Aberdeen, and Hoquiam contain about two-thirds of the existing retail inventory in the County, acting as a retail hub that has seen a moderate amount of new development, and sales estimates for the County increased by 7 percent over the previous year to over \$1 billion. The largest retail increase was in Cosmopolis at 25 percent.

### COMMERCIAL AVAILABILITY

The retail industry has more businesses than any other industry in the region and is the second-largest employment category in terms of employees. Retail space vacancies have been rising for the past five years. For instance, in 2018 the vacancy rate was under 9 percent, while in 2008 the vacancy rate was nearly 2 percent.

As a result, average rents have declined greatly over the past few years. In 2018, the average commercial rent was nearly \$2 per square foot, while in 2008 the average rent was approximately \$12 per square foot. Rising vacancies and declining rents generally mean that the market will not support a lot of new retail development. However, data suggests that many residents leave the County to shop, indicating that existing retail spaces are not adequately meeting the County's current needs for goods and services.

Similarly, office rents in the region were approximately \$16 per square foot until 2013, declining to approximately \$8 per square foot between 2014 and 2017. The vacancy rate for office space in the region peaked at approximately 19 percent in 2016 before declining to its current rate of approximately 12 percent. Most existing office space has been built before 2000 and is typically small-scale. The most significant new office space is a 43,000 square foot building in the Satsop Business Park east of Cosmopolis.

### RECENT COMMERCIAL DEVELOPMENT TRENDS

Given the low projected growth rate for the County, total retail demand for the next decade is low. Opportunities abound for small-scale retail that diversifies the range of amenities and products available. Tourism is likely to be a major driver of additional retail.

Existing vacancies and rehabilitation projects are likely to absorb most new retail demand in the City. With a 9 percent vacancy rate in the County, there are enough existing vacancies in the retail market to absorb all new demand over the next decade. However, these spaces are unlikely to be up to par in terms of quality and location, so new construction or major rehabilitation projects would be necessary to respond to this elevated demand. Retail rents are unlikely to support new construction.

Future demand for new office and industrial space is likely to be limited in the City. Stagnant rent growth and existing vacancy rates indicate a soft market in which rent is not likely to be able to cover the rising cost of new construction. Existing vacancies are likely to be absorbed, with most new facilities tied to the medical sector. The rising popularity of online shopping may generate demand for warehousing, wholesale, and transportation-related development. With the rapidly changing nature of the economy,

flex-space, which can easily transition to office or industrial with changing demand, would be an appropriate development type.

## 3.4 - RESIDENTIAL REAL ESTATE MARKET ASSESSMENT

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Currently, Cosmopolis is lacking quality and well-priced housing options. Previous studies have identified housing affordability as a concern in the County. The data from the 2015 American Community Survey showed that half of all renter-occupied households in the County between 2011 and 2015 paid more than half their monthly income on rent.

The 2015 Washington Housing Needs Assessment found that there is a shortage of subsidized housing inventory in the County, with a higher proportion of low-income renter households than existing inventory. A household must earn 74 percent of median income to afford fair market rent of a three-bedroom unit, and 57 percent for a one-bedroom unit. In 2015, the maximum affordable housing value was \$206,000, while 67 percent of owner-occupied housing in the County was deemed affordable.

Household growth is the primary driver of new housing demand, and the area is projected to experience growth of only 0.22 percent annually through 2028. The City is estimated to have about 80 abandoned and dilapidated single-family homes, which would account for 40 percent of total demand over the next 10 years if fixed and tenanted. Additional residential units in Cosmopolis would likely total the remainder of forecasted 10-year demand. Higher-quality housing is likely to attract both outsiders and people already living in the area in lower-quality housing.

### MULTI-FAMILY AVAILABILITY

Renter-occupied units currently comprise 21 percent of all occupied units in the City, while multi-family building growth has slowed to essentially zero in recent years. Most multi-family permits were issued in coastal cities such as Westport and Ocean Shores, although permits were also issued for about 45 multi-family units in Montesano, just east of the City. Shortages of livable, available rental properties tend to be one of the top hindrances to attracting new businesses and industries because it prohibits employees finding adequate housing in new areas.

The vacancy rate has declined slightly over time, staying between 5 and 7 percent. Vacancies under 5 percent indicate a market where demand is higher than supply. Existing multi-family stock in the area consists of older properties with no new, high-quality multi-family product. Therefore, it is reasonable to assume that demand exists despite a slightly higher vacancy rate.

The average multi-family rents in the County are below the cost of construction and cost increases. Typically, construction costs have had more of an impact in rural areas where it is hard to secure labor and transport of materials is higher. If rents are not high enough to cover the cost of construction, a feasibility or funding gap

occurs. Additional strategies and assistance are therefore required for new development within the City to become feasible. These strategies and tools include public-private partnerships, public subsidies, tax incentives, and grants.

### SINGLE-FAMILY AVAILABILITY

Residential permit activity in the County surged in the mid-2000s, largely due to the single-family residential market, and peaked in 2006. Single-family homes have been the predominant residential building type over the past two decades. Single-family residential construction appeared to have rebounded to close to the 2006 peak in 2018. Single-family “for-sale” housing has experienced growth. Between Q1 2017 and Q1 2018, the County ranked number one in the state for annual change in home sale prices, increasing 27.5 percent, and the state ranked number two for annual change in home sales, increasing 7.7 percent. However, coastal communities in the County have experienced approximately ten times as much single-family development than inland communities such as the City.

## 3.5 - MARKET CONCLUSION

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The City is part of a larger region that shares common markets, technologies, and worker skill needs. Firms and workers in targeted industries can draw competitive advantage from their proximity to growing competitors, skilled workforce, specialized suppliers, and a shared base of research-driven knowledge within each growing segment.

Cosmopolis reflects the strength of the wood product cluster with the active presence of Cosmo Specialty Fibers and the legacy of Weyerhaeuser. These businesses provide family-wage jobs for the community and remain an important part of the overall regional economy. An important component to fostering the growth and expansion of industries such as these is making Cosmopolis a great community that retains and attracts talent.

## 3.6 - ECONOMIC DEVELOPMENT IN COSMOPOLIS

Economic development can be defined as efforts that seek to improve the economic well-being and quality of life for a community by creating and/or retaining middle and high-income jobs and supporting or growing incomes and the tax base through diversification of the local economy. These jobs are generally placed into two different categories defined as (1) traded and (2) local sector. Each has distinct needs in terms of workforce and business location. In addition, sectors require different types of support and investments from various stakeholders.

### TRADED SECTOR VS. LOCAL SECTOR JOBS

Traded sector (also referred to as an export or basic sector) businesses include industries and employers that produce goods and services that are consumed outside the region where they are produced and therefore bring in new income to the area (i.e., Cosmo Specialty Fibers). Workers in the traded sector tend to have higher educational attainment, work more hours, and earn higher average wages than local sector business.

As the traded sector increases employment and wages, it also enables entrepreneurs to develop skills and resources to foster innovation and start new businesses and increase employment opportunities. Furthermore, certain traded sector companies foster a supply chain effect that creates the need for additional companies to supply components of a product that is manufactured.

Local sector businesses consist of industries and firms that are in every region. They produce goods and services that are consumed locally in the region where they were made, and therefore circulate existing income in the area (e.g., breweries, physician offices, banks). These businesses are important as they make a community distinct and provide amenities to attract young professionals and families that drive the new economy.

As the job base expands, a community is more attractive to employees because they have more options for career growth. In turn, once the employment base grows, competition will occur and ultimately increase wages.

### IMPORTANCE OF TALENT

The national economy is becoming increasingly more talent- and knowledge-based than resource-based, meaning that people, rather than raw materials, are the most important asset to a company's value and prospects for growth. This applies to all industries, including manufacturing, professional services, and technology. It is important to acknowledge that the modern economy depends upon highly skilled people for local economies to thrive. For this reason, a company's number one priority today is attracting talent.

A major cohort of the talent in demand consists of the "millennial" generation (generally ages 22 to 38 in 2019), made up of approximately 76 million people. As this generation shapes our talent-based economy, it is important to understand what motivates them and the communities that they choose. Furthermore, it is likely that today's high school generation will adopt many of the same values that are driven by affinity for technology. This specific talent pool wants to be

in great places with jobs. Such an environment includes the following elements:

- **Job Base** - Talent moving to a new community wants to know that there are other opportunities if the job that brought them there does not fulfill expectations.
- **Housing Options:** All talent, including Millennials, desire affordable housing near employment. To maximize opportunities for talent attraction and retention, it is important for communities to provide a variety of options to meet a diversity of population needs.
- **Simple Commute:** Many Millennials prefer simple commutes and multi-modal transportation options. This generation is not defined by the automobile, and they do not want to drive if they don't have to. Locally, the average miles travelled by any mode—walking, driving, biking, or taking transit—is the lowest for Millennials.
- **Urban Amenities & Lifestyle:** Millennials are looking for ample amenities, especially restaurants and access to outdoor recreation. Millennials tend to prefer density with alternative transportation modes and retail nearby.
- **Open Culture:** Millennials embrace social or ethical causes and communities that are more diverse, accepting, and open to change.



*Existing properties along Highway 101 / 1st Street  
near the City Hall (Source: Stantec)*

## THE CITY'S ROLE IN ECONOMIC DEVELOPMENT

A municipality does not create jobs; moreover, it creates a great environment so that businesses can easily invest and create jobs. To create local opportunity, the City should focus on the following elements to promote economic development.

**Element 1: Sites and Infrastructure** - Businesses need to go into buildings and/or develop on sites with adequate infrastructure. Furthermore, similar types of businesses like to physically group together to build a destination and allow for collaboration. Where an employer locates depends on the industry. Software is dependent on highly skilled talent and will locate where talent wants to be. In addition, because of lower capital investments and less dependence on transporting finished products, they can afford higher rents that allow them to locate in more urban and downtown locations. In contrast, manufacturing, while also needing talent, must consider access to transportation infrastructure and lower land and building costs to offset capital equipment investments. Additionally, some manufacturing is dependent on rail infrastructure to lower operational costs. Aligning industry clusters with available subareas (sites with appropriate infrastructure) is an important role for the City to convey genuine support for economic growth.

**Element 2: Focus on Existing Residents and Businesses** - As the community makes commitments to land use designations and infrastructure funding, it is important to make sure that the existing residents and businesses also benefit. Cosmopolis should support and promote programs that allow existing residents to start their own businesses or gain skills that improve opportunities to work at expanding companies. The majority of job growth across the United States comes from local start-ups and expansions of existing businesses.

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# *Chapter 4:* Brownfields Inventory

*(Source: Takanori Nishika | Unsplash)*



*Existing Dike Trail along the Chehalis River  
(Source: Stantec)*

## 4.1 - BROWNFIELD SITUATIONS

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The EPA defines a brownfield as, “real property, the expansion, redevelopment or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant.” This is a broad definition, meaning that many developed or previously used properties could be classified as a brownfield. Brownfield sites could have hazardous chemicals including petroleum products, chlorinated solvents or metals in soil, groundwater, and soil vapor as the result of past uses. Other brownfield sites may include hazardous building materials (such as asbestos, lead-based paint, and polychlorinated biphenyls) commonly used in the construction or maintenance of older structures. Cosmopolis’ former industrial sites, rail lines, and older structures are included in the EPA definition of brownfields based on the past land use activity, building materials, and maintenance practices.

Brownfield sites can present a multitude of challenges for communities due to their blighted condition, documented (and undocumented) environmental liabilities, underused status, and redevelopment challenges. The environmental liabilities associated with brownfields and their impacts on redevelopment or reuse prospects vary significantly. At some sites, the costs for environmental cleanup may substantially exceed the current land value, whereas at other sites, the environmental costs may represent only a small percentage of overall site redevelopment costs. At other sites, the costs associated with cleanup may be less of a concern than the potential for future litigation, the possibility of delays in the construction schedule, or restrictions that may exist on use of certain portions of the property.

Developers, investors, and potential tenants sometimes avoid brownfield sites because of the

cleanup or liability perceptions. This negative perception could hinder the City’s redevelopment goals. Therefore, it is vital that redevelopment initiatives identify potential brownfield sites and obtain a good understanding of the associated environmental liabilities and their potential impacts in the planning process.

The EPA defines a ***brownfield*** as “real property, the expansion, redevelopment or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant.”



## BROWNFIELDS AND AREA-WIDE PLANNING (AWP)

The EPA defined the AWP program to help communities confront local environmental and public health challenges related to brownfield conditions in a defined geographic area. Specifically, the AWP program allows communities to define a vision for the area and create redevelopment strategies for brownfield sites and the surrounding context. The AWP approach allows communities to plan for several brownfield sites simultaneously, so they fit into a larger vision for the area in which they exist. When a community has a vision and strategy in place, there tends to be escalated market interest to redevelop brownfields sites for new and beneficial uses.

The initial steps in brownfield AWP include an assessment of existing conditions, market

potential, and the state of existing infrastructure; interfacing with local citizens, stakeholders, and organizations; and prioritizing brownfield sites within the focus area. Initial findings inform a set of targeted strategies for the focus area that will guide future planning and implementation.

As brownfield AWP is implemented by the community, and properties within the brownfield focus area are cleaned up and reused, the EPA expects that there will be positive outcomes related to public health and the environment. Air and water quality improvements include reduced human health and environmental exposure to contaminants; reduced greenhouse gas emissions and other air pollutants; reduced stormwater runoff; and substantial reductions in pollutant loadings in local waterways. The EPA expects these types of environmental outcomes at brownfields and other infill properties will accommodate the growth and development that would otherwise

have occurred on undeveloped, greenfield properties on the urban periphery – contributing to urban sprawl.

For Cosmopolis, it is anticipated that the AWP process will provide a strategy for some property owners to redevelop sites with new uses that fit into a larger vision for the downtown vicinity. For other sites, the AWP will serve as a tool for attracting increased interest of developers who will purchase, cleanup, and redevelop these sites; providing the confidence and knowledge that the projects have community support and that the government agencies have strategies to address associated infrastructure needs. Brownfield redevelopment will capitalize on existing infrastructure, benefit from nearby amenities, build upon established business enterprises, and help complete the City's vision for the area.

## 4.2 - COSMOPOLIS BROWNFIELD INVENTORY

As an initial step to their revitalizations strategy, the City of Cosmopolis and its coalition completed an inventory to identify properties that possess brownfield characteristics so they could achieve a redevelopment strategy through property assessment, cleanup, and reuse. Early in the planning process, the City decided to create an inventory that included all the parcels in the AWP focus area and 10 additional parcels just outside the focus area. These additional properties outside the AWP focus area included two parcels in the Highland Golf Course and 8 parcels in the western residential neighborhoods. Specifically, the

City looked at properties outside the focus area to identify additional brownfield sites in strategic areas that could accommodate future residential development to address the City's housing demand.

In 2019, the project's consultant (Stantec) completed an inventory and analysis of 185 individual parcels (encompassing over 447.5 acres) within the AWP focus area and two other strategic enclaves in the City. These properties were predominately zoned for commercial or industrial use. Through the inventory process,

Stantec identified 68 parcels that were "confirmed brownfields", 67 were "suspected brownfields", and the residual were not believed "to be brownfield sites". The inventory was used to help identify catalyst brownfields sites that could be a focus for the AWP project.

## INVENTORY METHODOLOGY AND CRITERIA

Stantec created the brownfield inventory by using GIS parcel data sources and applying property conditions criteria to determine which sites have brownfield characteristics. To start the inventory process, Stantec uploaded County GIS data to a spreadsheet, creating a parcel base map, and assigning a map identification number (Map ID) to each parcel in the inventory. Next, Stantec linked property condition data to each parcel using data obtained from various property records review as well as field observations by Stantec staff. Stantec used the following sources to obtain data for each site.

- **Data Source A: Grays Harbor County Assessor's/Treasurer's Office Data** – Stantec obtained current parcel information from the Grays Harbor County Assessor's/Treasurer's Office and applied key attributes including parcel identification number (PIN), acreage, building and land values, property class, and property owner name and mailing address.
- **Data Source B: Improvement to Land Value Ratio (ILVR)** – Stantec used the assessor data to calculate the ILVR for each parcel to help identify sites having the greatest future development potential. The ratio was calculated by dividing the assessed improvement value by the assessed land value. Properties with high land values when compared to structure values indicate the property is underutilized and could support future development (e.g., an ILVR of  $\leq 0$  indicate a site is vacant or underutilized).
- **Data Source C: Environmental and Historical Databases** – Stantec reviewed public environmental database listings and historical records to identify parcels with potential environmental impacts caused by past property use. This includes state/federal environmental records and historical site data as described in the following bullets.
  1. **State and Federal Environmental Records** – Stantec reviewed the Washington State Department of Ecology Environmental Information Management System (EIM) Database and the EPA Facility Registry System (FRS) and identified parcels that were included in these state and federal environmental databases. Examples include sites with registered underground storage tanks, sites that have been issued federal or state permits for discharge of wastewater to surface water, and sites that have been permitted as small or large quantity generators of hazardous waste.

Being listed on one or more of these databases does not necessarily mean a site has contamination or is a brownfield. The use/storage of petroleum products or other hazardous substances does not always result in releases to the environment. Many of the sites listed in these databases are in productive use and are not in any respect underutilized or in need of redevelopment. However, some of the databases are specifically associated with sites with documented contamination. Inclusion on many of the other databases is an indication of sites

that have a suspected increased potential for contamination, even if the presence of contamination has not yet been confirmed.

2. **Historical Data:** Stantec purchased an Environmental Data Resources, Inc. (EDR) Report for the 185 parcels to determine past uses that may have caused environmental hazards. The report included analysis of the following historical documents:

Sanborn® Fire Insurance Maps: Sanborn Maps were reviewed to understand the historical conditions for sites within and around the focus area. These maps document building materials, businesses, and land uses for select years from 1901 through 1969.

Aerial Photos: Aerial photos were reviewed to understand the historical conditions in the city. These photos document land uses for select years from 1901 through 1969.

City Directories: City directories were available in approximately five-year increments from 1970 through 2016. These directories specify active businesses in the focus area at the time they were published. The data were used to identify the type and longevity of businesses at potential brownfield sites.

- **Data Source D: Water-Related Characteristics** – Stantec reviewed readily available public data sources to identify sites that are within a flood zone, contain a wetland, or are near a well. The data sources included Federal Emergency Management Agency (FEMA) maps, GIS parcel data, and aerial photographs.

Stantec linked data obtained from the data sources to each parcel in the inventory, and then used the data to identify sites with “brownfield characteristics” based on the criteria listed in Table 4.2.1. Stantec assigned a point system to each parcel based on whether they had characteristics associated with each criterion.

<b>Table 4.2.1 – Brownfield Inventory Criteria</b>		
<b>Criterion</b>	<b># of Parcels</b>	<b>Criterion and Scoring Description</b>
<b>Criterion 1: Record in EPA or Ecology Data-bases</b>	22	1 point was assigned if the site is listed in either the EPA FRS and/or Ecology EIM database.
<b>Criterion 2: Environmental Risk (Parcel)</b>	113	1 point was assigned if the site has no environmental database records but documented historical uses (identified via Sanborn fire insurance maps and/or city directories) and/or current uses commonly associated with environmental concerns.
<b>Criterion 3: Environmental Risk (Adjacent Parcel)</b>	139	1 point was assigned if the site has no environmental database records but the site is directly adjacent to a site with environmental records and/or site with historical uses or current uses commonly associated with environmental concerns.
<b>Criterion 4: Hazard Area</b>	91	1 point was assigned if the site is in a flood zone, wetland or near a drinking water well.
<b>Criterion 5: Improvement Value to Land Value Ratio (ILVR)</b>	111	1 point was assigned if the improvement value of the building (if any) is lower than the land value and yielded a ratio less than 1:1. The ratio was calculated by dividing the assessed improvement value by the assessed land value.
<b>Criterion 6: Underutilized</b>	83	1 point was assigned if the property is underdeveloped, partially occupied, or vacant.
<i>Source: Stantec</i>		

## INVENTORY RESULTS

Stantec calculated a score for each parcel based on the number of criteria that applied, resulting in total scores ranging from 0 to 6. Parcels were then categorized based on these scores as confirmed brownfields (scores of 5-6), potential brownfields (scores of 3-4), unlikely brownfields (scores of 1-2), or non-brownfields (score of 0). Table 4.2.2. summarizes the number of parcels in each category. Figure 4.2.a. illustrates the Cosmopolis brownfield inventory and property characteristics.

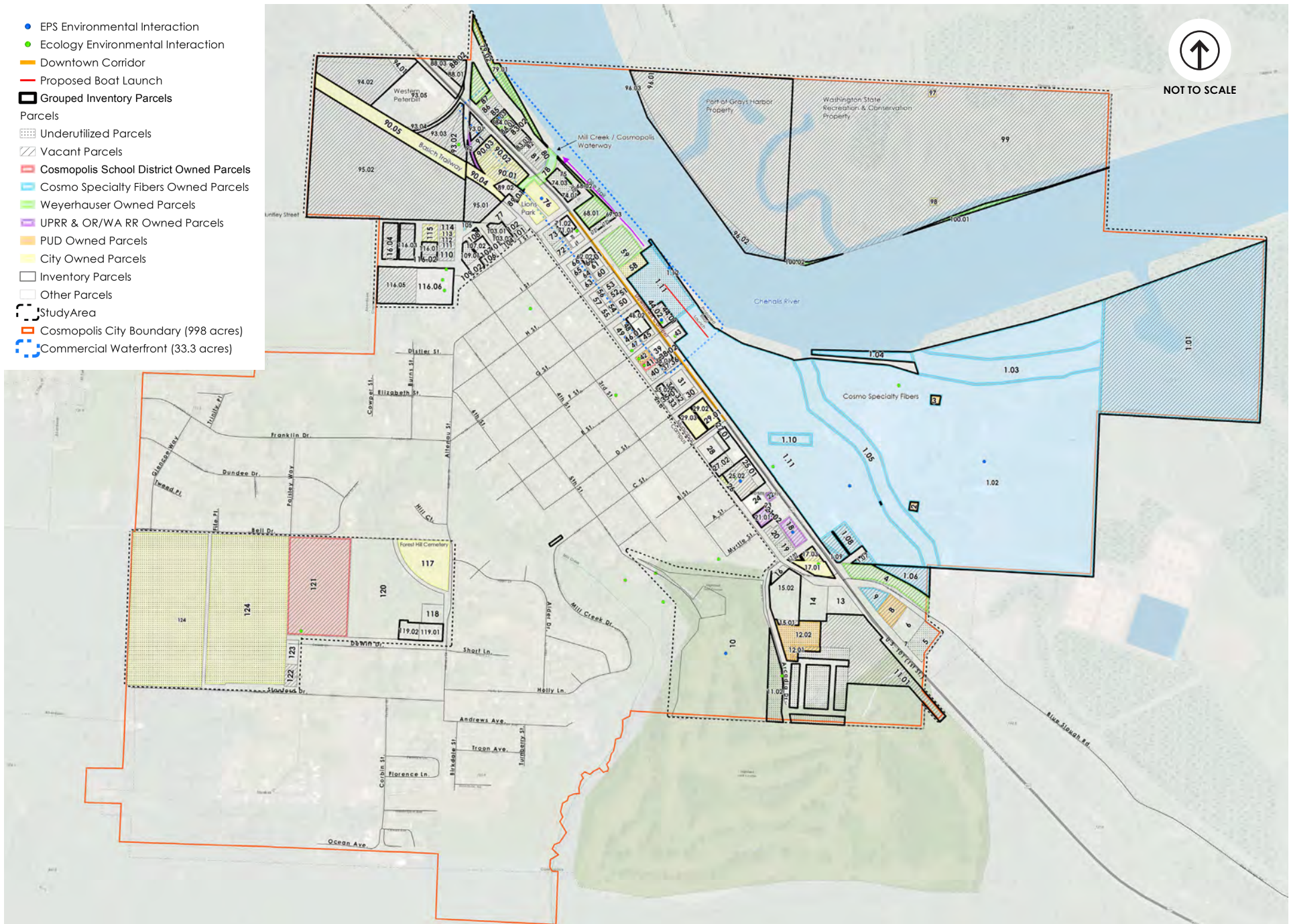
Point Range	# of Parcels	Brownfield Determination
5-6 Points	40	Confirmed Brownfield Site
3-4 Points	76	Potential Brownfield Site
1-2 Points	57	Unlikely Brownfield Site
0 Points	12	Not a Brownfield Site
<b>Total Parcels</b>	185	

Source: Stantec

## ENVIRONMENTAL SITE ASSESSMENTS

Now that the City has a brownfield inventory, the next steps to understand and address specific brownfield conditions is for property owners to conduct environmental site assessments (ESAs) for the 116 sites identified on the inventory as “confirmed” or “potential” brownfield sites. The City and coalition did not fund any ESAs in Cosmopolis through its 2017 EPA CWA brownfield grant. It’s recognized that some properties may have ESA reports but were not shared with the project team as part of this AWP process. ESA reports include site specific analysis of past use and environmental conditions; thus, it is important that property owners with confirmed and potential brownfield sites conduct ESAs as part of their redevelopment planning. To assist in property redevelopment, the City may choose to seek future state and federal grants to fund ESA reports. ESAs fall into two categories: Phase I and Phase II (ESAs).

- Phase I ESA:** A Phase I generally includes historical research to evaluate a site’s (and contiguous parcels’) past and current use (such as industrial, commercial, agricultural, or residential); location and age of former and current site buildings; past and current site operations (such as a dairy farm, fuel/service station, retail shop, restaurant, or vehicle repair facility); and a site visit to document current site (and contiguous parcel) conditions. The purpose of a Phase I ESA is to gather information and identify recognized environmental conditions (RECs) which indicate the presence or likely presence of any hazardous substances or petroleum products in, on, or at a property due to a release to the environment; under conditions indicative of a release to the environment; or under conditions that pose a material threat of a future release to the environment.
- Phase II ESA:** A Phase II generally includes environmental media sampling (such as soil, groundwater, surface water, sediment, indoor and outdoor air, and/or building materials) and performing chemical analysis to confirm or deny the presence of suspected contaminants in the sampled media. The Phase II sampling and analysis plan is based on the results of the Phase I historical data review and identification of recognized environmental conditions which are used to systematically develop data quality objectives and identify the potential contaminants of concern.



**Figure: 4.2.a - Cosmopolis Brownfield Inventory Map**  
 (Source: Stantec)

## 4.3 - BROWNFIELD PRIORITY RANKING

The City and the coalition also wanted to identify which sites in the inventory to prioritize their redevelopment efforts. Specifically, they wanted to prioritize brownfield sites with property conditions that have a high probability of redevelopment (e.g., good access, ample buildable land area, and located near other utilized properties). To do so, the project team used the inventory scoring and applied site observations to develop a brownfield priority ranking for each parcel (i.e., High, Medium, Low, and not a priority). The project team chose to rank sites based on the following prioritization criteria:

1. a confirmed/potential brownfield (sites with a brownfield scoring 3-6),
2. a property with underutilized status, *and*
3. a site that exhibited higher levels of redevelopment/reuse potential.

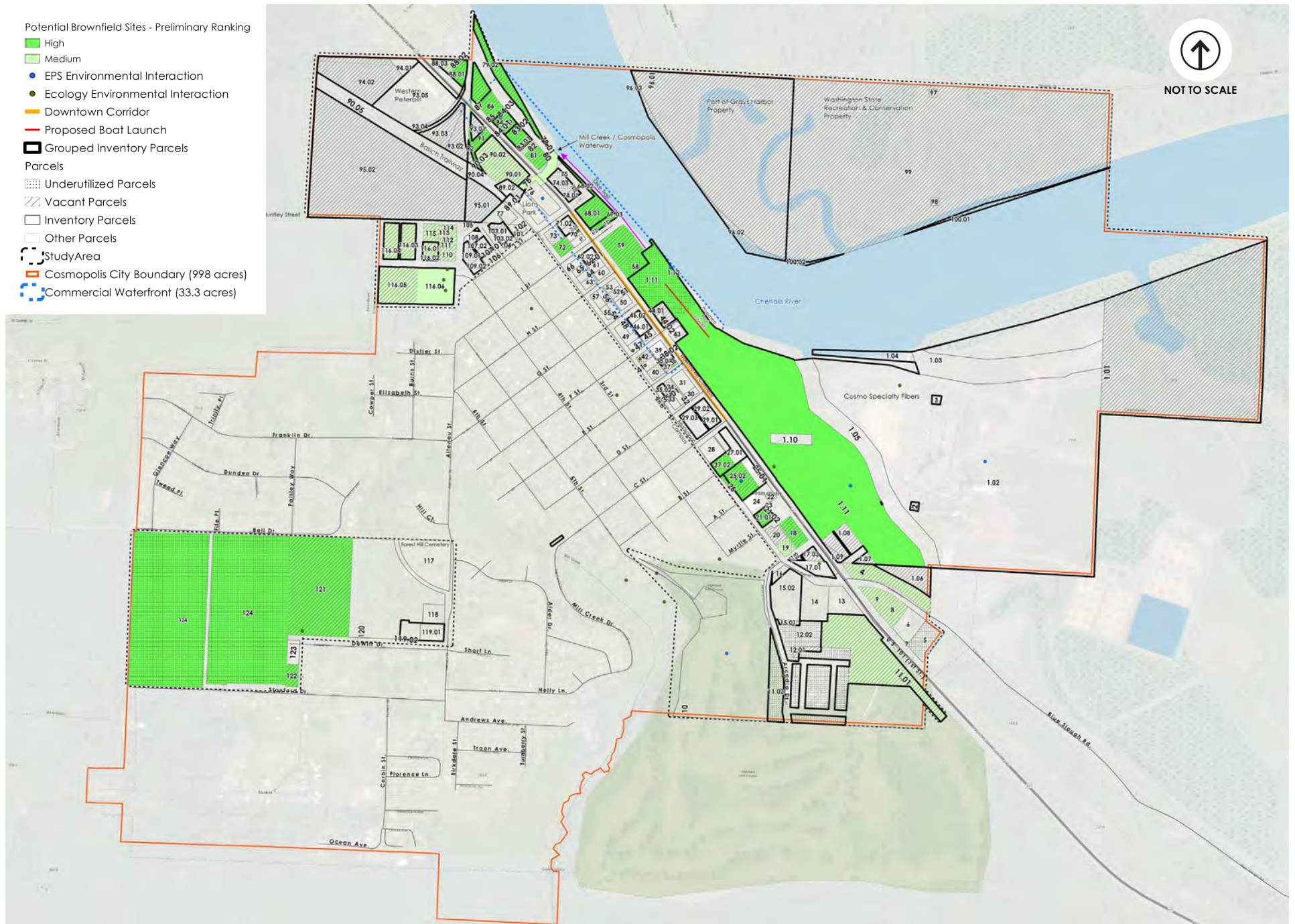
The first two criteria were based on the brownfield inventory and parcel information. The last prioritization criterion, redevelopment/reuse potential, was less scientific and based on the project team's field observations relating to parcel size, buildable area, location, and property configuration. As an example, small and irregularly shaped parcels were determined to have low redevelopment/reuse potential; moreover, sites with limited roadway access and/or inundated with wetlands were also determined to have low redevelopment potential.

After applying the prioritization criteria, the project team determined that 36 parcels were a high priority for redevelopment and 25 were medium priority. Table 4.3.1 lists the priority ranking results. Figure 4.3.a. illustrates the Cosmopolis high and medium priority brownfield sites based on the prioritization criteria.

**Table 4.3.1 – Brownfield Prioritization Scoring and Determination**

Priority Rank	# of Parcels	Prioritization Criteria
<b>High Priority</b>	36	(1) Confirmed or potential brownfield (2) Underutilized (3) Exhibits high redevelopment/reuse potential
<b>Medium Priority</b>	25	(1) Confirmed or potential brownfield, and (2) Underutilized and/or exhibits moderate redevelopment/reuse potential
<b>Low Priority</b>	14	(1) Potential brownfield, and (2) Exhibits low redevelopment/reuse potential
<b>Not a Priority</b>	102	(1) Utilized and/or (2) Exhibit low to no redevelopment/reuse potential
<b>Total Parcels</b>	185	

Source: Stantec



**Figure: 4.3.a - Cosmopolis Brownfield Priority Map**  
 (Source: Stantec)

# 4.4 - BROWNFIELD INVENTORY PARCEL DATA

The following table lists the parcel data, scoring and prioritization ranking for all the properties included in the Cosmopolis brownfield inventory.

**Table 4.4.1 – Brownfield Inventory Parcel Data**

MAP ID	GIS PARCEL DATA					SITE OBSERVATION  OCCUPANCY (Occupied, Partially Occupied, Unoccupied, Undeveloped) ( - ) = undetermined	BROWNFIELD INVENTORY CRITERIA						RANKINGS	
	POSTED ADDRESS	PARCEL ID	ZONING	ACRES	VALUE RATIO		Records in EPA or Ecology Databases	Env. Concerns Associated with Current or Historical Property Use	Env. Concerns Associated with Adjacent Parcel(s)	Water-Related Characteristics	ILVR	Underutilized	Total Score	Priority Level (High / Medium / Low / None)
1.01	none (adjacent to 1701 1st St)	417091332001	M	37.30	0.00	-	0	1	1	1	1	1	5	None
1.02	none (adjacent to 1701 1st St)	417091442001	M	73.92	0.00	-	1	1	1	1	1	1	6	None
1.03	none (adjacent to 1701 1st St)	035502900000	M	7.26	0.00	-	0	1	1	1	1	1	5	None
1.04	none (adjacent to 1701 1st St)	035503500001	M	1.19	0.00	-	0	1	1	1	1	1	5	None
1.05	none (adjacent to 1701 1st St)	035503400000	M	6.57	0.00	-	0	1	1	1	1	0	4	None
1.06	none (adjacent to 1701 1st St)	417092312007	M	1.27	0.00	Undeveloped	0	1	1	1	1	0	4	None
1.07	none (adjacent to 1701 1st St)	031005500000	M	0.24	0.00	Occupied	0	1	1	0	1	0	3	None
1.08	none (adjacent to 1701 1st St)	031005302101	M	1.13	0.00	Undeveloped	0	1	1	0	1	0	3	None
1.09	none (adjacent to 1701 1st St)	031005302102	M	0.20	0.00	Undeveloped	0	1	1	1	1	0	4	None
1.10	none (adjacent to 1701 1st St)	417091431004	M	0.66	N/A	Occupied	0	1	1	0	1	0	3	None
1.11	1701 1st St	417091431003	M	35.07	17.77	Partially Occu-pied	1	1	1	1	0	1	5	High
1.12	none (adjacent to 1701 1st St)	035503900000	WUD	0.24	0.00	Undeveloped	1	1	1	1	1	1	6	High
2	none (located in middle of CSF property)	417091443002	M	0.11	0.00	-	0	1	1	1	1	0	4	None



**Table 4.4.1 – Brownfield Inventory Parcel Data**

MAP ID	GIS PARCEL DATA					SITE OBSERVATION  OCCUPANCY (Occupied, Partially Occupied, Unoccupied, Undeveloped) (- ) = undetermined	BROWNFIELD INVENTORY CRITERIA						RANKINGS	
	POSTED ADDRESS	PARCEL ID	ZONING	ACRES	VALUE RATIO		Records in EPA or Ecology Databases	Env. Concerns Associated with Current or Historical Property Use	Env. Concerns Associated with Adjacent Parcel(s)	Water-Related Characteristics	ILVR	Underutilized	Total Score	Priority Level (High / Medium / Low / None)
3	none (located in middle of CSF property)	417091442002	M	0.12	0.00	-	0	1	1	1	1	0	4	None
4	none (corner of 1st St & Blue Slough Rd)	417092312017	M	1.89	0.00	Undeveloped	0	1	1	1	1	1	5	Medium
5	2033 1ST ST	417092311001	M	0.21	0.44	-	0	0	1	0	1	0	2	None
6	2025 1ST ST	417092312004	M	0.98	2.94	Occupied	0	0	1	0	0	0	1	None
7	none (adjacent to 2025 1st St)	417092312003	M	0.01	0.00	-	0	0	1	0	1	0	2	None
8	none (Bank Road)	417092312005	M	0.84	0.00	Undeveloped	0	0	1	0	1	1	3	Medium
9	none (corner of 1st St & Bank Rd)	417092312006	M	0.58	0.00	Undeveloped	0	0	1	0	1	1	3	Medium
10	1709 5TH ST	417092312016	PR	22.05	3.01	Occupied	1	1	1	1	0	0	4	Low
11.01	none (Arcadia Drive)	417092312015	MU	6.55	0.00	Undeveloped	0	0	1	1	1	1	4	Medium
11.02	none (Arcadia Drive)	030500000100	MU	6.19	0.41	Occupied	1	1	1	1	1	0	5	None
12.01	none (1st Street)	030500000601	MU	0.28	0.00	Occupied	0	1	1	0	1	0	3	None
12.02	none (1st Street)	417092312014	MU	1.74	0.40	Occupied	0	1	1	0	1	0	3	None
13	1928 2ND ST	417092312008	MU	1.10	3.00	Occupied	0	0	0	0	0	0	0	None
14	1836 2ND ST	417092312009	MU	1.63	5.64	Occupied	0	0	1	0	0	0	1	None
15.01	none (2020 1st St)	417092312013	MU	0.16	0.00	Undeveloped	0	1	1	0	1	0	3	None
15.02	2020 1ST ST	417092312012	MU	2.08	3.51	-	0	0	1	0	0	0	1	None
16	205 MAPLE ST	417092312011	MU	0.22	6.13	Occupied	0	1	0	0	0	0	1	None

**Table 4.4.1 – Brownfield Inventory Parcel Data**

MAP ID	GIS PARCEL DATA					SITE OBSERVATION	BROWNFIELD INVENTORY CRITERIA						RANKINGS	
	POSTED ADDRESS	PARCEL ID	ZONING	ACRES	VALUE RATIO	OCCUPANCY (Occupied, Partially Occupied, Unoccupied, Undeveloped) (- ) = undetermined	Records in EPA or Ecology Databases	Env. Concerns Associated with Current or Historical Property Use	Env. Concerns Associated with Adjacent Parcel(s)	Water-Related Characteristics	ILVR	Underutilized	Total Score	Priority Level (High / Medium / Low / None)
17.01	1800 1st St	417092312010	PR	0.67	1.02	Occupied	1	1	1	0	0	0	3	None
17.02	1800 1st St	034006701100	R57	0.45	0.00	-	0	1	1	1	1	0	4	None
17.03	1820 1ST ST	031005400000	PR	0.32	0.00	Undeveloped	0	1	1	1	1	1	5	None
18	none (1st Street)	031005300101	MU	0.66	0.00	Undeveloped	1	1	1	1	1	1	6	High
19	1727 2ND ST	031005301601	MU	0.32	0.74	Occupied	0	1	1	1	1	0	4	Medium
20	none (2nd St)	031005301101	MU	0.33	0.00	Undeveloped	0	1	1	0	1	1	4	None
21.01	none (2nd St)	031002701600	MU	0.37	0.00	Undeveloped	0	1	1	0	1	1	4	High
21.02	none (2nd St)	031002700104	MU	0.02	0.00		0	1	1	0	1	1	4	High
22	none (2nd St)	031002700601	MU	0.12	0.00	-	1	1	1	0	1	0	4	Low
23	1620 1ST ST	031002700103	MU	0.01	N/A	Occupied	0	1	1	0	0	0	2	None
24	1608 1ST ST	031002700900	MU	0.74	4.61	Occupied	0	1	1	0	0	0	2	None
25.01	1524 1ST ST	031002600101	MU	0.43	2.18	Occupied	0	1	1	0	0	0	2	None
25.02	none (adjacent to 1524 1st St)	031002600102	MU	1.09	0.00	Undeveloped	1	1	1	0	1	1	5	High
26	none (adjacent to 1524 1st St)	031002601101	MU	0.10	0.00	Undeveloped	0	1	1	0	1	1	4	High
27.01	1400 - 1424 1ST ST	031002500101	MU	0.65	1.23	Occupied	0	1	1	0	0	0	2	None
27.02	none (adjacent to 1400-1424 1st St)	031002501800	MU	0.49	0.15	Unoccupied	0	1	1	0	1	1	4	High
28	111 C ST	031002501101	MU	0.78	1.44	Occupied	0	1	1	0	0	0	2	None
29.01	1312 1ST ST	031002400100	MU	0.32	1.09	Occupied	0	1	1	0	0	0	2	None

**Table 4.4.1 – Brownfield Inventory Parcel Data**

MAP ID	GIS PARCEL DATA					SITE OBSERVATION  OCCUPANCY (Occupied, Partially Occupied, Unoccupied, Undeveloped) (- ) = undetermined	BROWNFIELD INVENTORY CRITERIA						RANKINGS	
	POSTED ADDRESS	PARCEL ID	ZONING	ACRES	VALUE RATIO		Records in EPA or Ecology Databases	Env. Concerns Associated with Current or Historical Property Use	Env. Concerns Associated with Adjacent Parcel(s)	Water-Related Characteristics	ILVR	Underutilized	Total Score	Priority Level (High / Medium / Low / None)
29.02	1300 1ST ST	031002400300	MU	0.33	1.51	Occupied	0	0	1	0	0	0	1	None
29.03	111 D ST	031002400501	MU	0.67	8.00	Occupied	0	1	1	0	0	0	2	None
30	1232 1ST ST	031002300100	MU	0.16	2.69	Occupied	0	1	1	0	0	0	2	None
31	1212 1ST ST	031002300200	MU	0.48	1.52	Occupied	0	1	1	0	0	0	2	None
32	110 D ST	031002300701	MU	0.16	2.45	Occupied	0	0	1	0	0	0	1	None
33	118 D ST	031002300702	MU	0.18	1.50	Occupied	0	1	1	0	0	0	2	None
34	111 E ST	031002300501	MU	0.19	0.98	Occupied	0	0	1	0	1	0	2	None
35.01	1209 2ND ST	031002300601	MU	0.05	6.55	Occupied	0	1	1	0	0	0	2	None
35.02	1209 2ND ST	031002300502	MU	0.10	1.05	Occupied	0	1	1	0	0	0	2	None
36	1136 1ST ST	031002200101	MU	0.07	4.21	Unoccupied	0	1	1	0	0	1	3	High
37	108 E ST	031002200103	MU	0.08	5.40	Occupied	0	1	1	0	0	0	2	None
38.01	1116 1ST ST	031002200102	MU	0.14	6.04	Occupied	0	1	1	0	0	0	2	None
38.02	1112 1ST ST	031002200201	MU	0.03	2.03	Occupied	0	1	1	0	0	0	2	None
39	1100 1ST ST	031002200300	MU	0.33	1.49	Occupied	0	1	1	0	0	0	2	None
40	118 E ST	031002200800	MU	0.26	0.09	Occupied	0	1	1	0	1	0	3	None
41	1117 2ND ST	031002200601	MU	0.21	2.09	Unknown	1	1	1	0	0	0	3	None
42	1107 2ND ST	031002200500	MU	0.20	0.17	Occupied	1	1	1	0	1	0	4	None
43	1101 1ST ST	031000900500	WUD	0.25	1.54	Unoccupied	1	1	1	0	0	0	3	None

**Table 4.4.1 – Brownfield Inventory Parcel Data**

MAP ID	GIS PARCEL DATA					SITE OBSERVATION  OCCUPANCY (Occupied, Partially Occupied, Unoccupied, Undeveloped) (- ) = undetermined	BROWNFIELD INVENTORY CRITERIA						RANKINGS	
	POSTED ADDRESS	PARCEL ID	ZONING	ACRES	VALUE RATIO		Records in EPA or Ecology Databases	Env. Concerns Associated with Current or Historical Property Use	Env. Concerns Associated with Adjacent Parcel(s)	Water-Related Characteristics	ILVR	Underutilized	Total Score	Priority Level (High / Medium / Low / None)
44.01	1025 1ST ST	417091431002	WUD	0.35	0.00	Occupied	1	1	1	0	1	0	4	None
44.02	1033 1ST ST	031001000701	WUD	0.16	11.50	Occupied	1	1	1	0	0	0	3	None
45	106 F ST	031002100100	MU	0.16	4.91	Occupied	0	0	1	0	0	0	1	None
46.01	1020 1ST ST	031002100200	MU	0.34	2.61	Occupied	0	1	1	0	0	0	2	Low
46.02	1020 1ST ST	031002100400	MU	0.17	2.71	Occupied	0	1	1	0	0	0	2	Low
47	114 F ST	031002100800	MU	0.16	3.31	Occupied	1	1	1	1	0	0	4	None
48	117 G ST	031002100501	MU	0.12	1.22	Occupied	0	1	1	0	0	0	2	None
49	119 G ST	031002100502	MU	0.38	2.94	Occupied	1	1	1	0	0	0	3	None
50	932 1ST ST	031002000100	MU	0.24	1.47	Occupied	0	0	0	0	0	0	0	None
51	916 1ST ST	031002000202	MU	0.08	1.89	Occupied	0	0	0	0	0	0	0	None
52	908 1ST ST	031002000300	MU	0.17	0.82	Occupied	0	0	0	0	1	0	1	None
53	904 1ST ST	031002000400	MU	0.20	2.33	Occupied	0	0	0	0	0	0	0	None
54	114 G ST	031002000701	MU	0.15	2.13	Occupied	0	0	0	0	0	0	0	None
55	118 G ST	031002000702	MU	0.18	1.39	Occupied	0	1	1	0	0	0	2	None
56	111 H ST	031002000501	MU	0.17	2.16	Occupied	0	0	0	0	0	0	0	None
57	117 H ST	031002000502	MU	0.21	2.82	Occupied	0	1	1	0	0	0	2	None
58	901 1ST ST	417091431001	WUD	0.51	0.43	Occupied	0	1	1	0	1	1	4	High
59	825 1ST ST	031001200000	WUD	1.61	0.00	Undeveloped	0	1	1	1	1	1	5	High
60	832 1ST ST	031001900100	MU	0.20	2.34	Occupied	0	0	0	0	0	0	0	None

**Table 4.4.1 – Brownfield Inventory Parcel Data**

MAP ID	GIS PARCEL DATA					SITE OBSERVATION  OCCUPANCY (Occupied, Partially Occupied, Unoccupied, Undeveloped) (- ) = undetermined	BROWNFIELD INVENTORY CRITERIA						RANKINGS	
	POSTED ADDRESS	PARCEL ID	ZONING	ACRES	VALUE RATIO		Records in EPA or Ecology Databases	Env. Concerns Associated with Current or Historical Property Use	Env. Concerns Associated with Adjacent Parcel(s)	Water-Related Characteristics	ILVR	Underutilized	Total Score	Priority Level (High / Medium / Low / None)
61	812 1ST ST	031001900200	MU	0.08	1.71	Occupied	0	0	0	0	0	0	0	None
62.01	none (adjacent to 804 1st St)	031001900301	MU	0.08	1.81	Undeveloped	0	0	0	0	0	1	1	None
62.02	804 1st St	031001900400	MU	0.17	2.40	Occupied	0	0	0	0	0	0	0	None
63	116 H ST	031001900800	MU	0.20	1.95	Occupied	0	1	1	0	0	0	2	None
64	825 2ND ST	031001900700	MU	0.17	2.35	Occupied	0	1	1	0	0	0	2	None
65	813 2ND ST	031001900600	MU	0.17	1.52	Occupied	0	1	1	0	0	0	2	None
66	117 I ST	031001900500	MU	0.18	4.01	Occupied	0	1	1	0	0	0	2	None
67.01	733 1ST ST	031001301900	WUD	0.13	0.53	Unoccupied	0	1	1	0	1	1	4	High
67.02	none (adjacent to 733 1st St)	031001300100	WUD	0.14	0.00	Unoccupied	0	1	1	1	1	1	5	High
67.03	none (adjacent to 733 1st St)	035504000001	WUD	0.02	0.00	Unoccupied	0	1	1	1	1	1	5	High
68.01 and .02	none (adjacent to 605 1st St)	031001300300	WUD	0.95	0.00	Undeveloped	0	1	1	1	1	1	5	High
69	732 1ST ST	031001800100	MU	0.16	3.56	Occupied	0	0	1	0	0	0	1	None
70	714 1ST ST	031001800400	MU	0.17	1.69	Occupied	1	0	0	0	0	0	1	None
71.01	712 1ST ST	031001800600	MU	0.17	3.99	Occupied	0	0	1	0	0	0	1	None
71.02	704 1ST ST	031001800900	MU	0.17	3.99	Occupied	0	0	1	0	0	0	1	None
72	none (adjacent to 117 J St)	031001801600	MU	0.34	0.00	Undeveloped	0	1	1	0	1	1	4	High
73	117 J ST	031001801100	MU	0.35	0.95	Occupied	0	1	1	0	1	0	3	None

**Table 4.4.1 – Brownfield Inventory Parcel Data**

MAP ID	GIS PARCEL DATA					SITE OBSERVATION  OCCUPANCY (Occupied, Partially Occupied, Unoccupied, Undeveloped) (- ) = undetermined	BROWNFIELD INVENTORY CRITERIA						RANKINGS	
	POSTED ADDRESS	PARCEL ID	ZONING	ACRES	VALUE RATIO		Records in EPA or Ecology Databases	Env. Concerns Associated with Current or Historical Property Use	Env. Concerns Associated with Adjacent Parcel(s)	Water-Related Characteristics	ILVR	Underutilized	Total Score	Priority Level (High / Medium / Low / None)
74.01	20 J St	035001400018	WUD	0.18	0.30	Occupied	0	1	1	0	1	0	3	None
74.02	none (adjacent to 20 J St)	417091423006	WUD	0.01	0.00	Undeveloped	0	1	1	0	1	1	4	None
74.03	605 1st St	035001400015	WUD	0.57	0.90	Unoccupied	0	1	1	1	1	1	5	None
75	-	035001400017	WUD	0.03	0.00	-	0	1	1	1	1	1	5	Medium
76	none (adjacent to 601 2nd St)	035000100001	PR	1.38	0.22	n/a	1	1	1	1	1	0	5	None
77	608 2nd St	035001300700		0.66	1.82	Occupied	0	1	1	1	0	0	3	None
78	-	035504300000	WUD	0.76	6.65	Undeveloped	0	1	1	1	1	0	4	Medium
79.01	-	035504000002	n.a.	0.29	0.00	-	0	1	1	1	1	1	5	High
79.02	-	035504200000	WUD	0.61	0.00	-	0	1	1	1	1	1	5	High
79.03	-	035001400003	n.a.	1.55	0.00	-	0	1	1	1	1	1	5	High
80	-	035001400013	WUD	0.05	0.00	-	0	0	1	1	1	1	4	High
81		035001400014	WUD	0.46	0.00	Undeveloped	0	0	1	1	1	1	4	High
82	505 1ST ST	035001400012	WUD	0.16	0.13	Occupied	0	0	1	1	1	1	4	Medium
83.01		035001400011	WUD	0.15	0.00	Undeveloped	0	0	1	1	1	1	4	High
83.02		035001400010	WUD	0.42	0.00	Undeveloped	0	0	1	1	1	1	4	High
84.01	413 1ST ST	035001400009	WUD	0.16	0.00	Undeveloped	0	1	1	1	1	1	5	High

**Table 4.4.1 – Brownfield Inventory Parcel Data**

MAP ID	GIS PARCEL DATA					SITE OBSERVATION  OCCUPANCY (Occupied, Partially Occupied, Unoccupied, Undeveloped) (- ) = undetermined	BROWNFIELD INVENTORY CRITERIA						RANKINGS	
	POSTED ADDRESS	PARCEL ID	ZONING	ACRES	VALUE RATIO		Records in EPA or Ecology Databases	Env. Concerns Associated with Current or Historical Property Use	Env. Concerns Associated with Adjacent Parcel(s)	Water-Related Characteristics	ILVR	Underutilized	Total Score	Priority Level (High / Medium / Low / None)
84.02	none (1st Street)	035001400008	WUD	0.16	0.00	Undeveloped	0	1	1	1	1	1	5	High
84.03	321 1ST ST	035001400007	WUD	0.17	0.00	Undeveloped	1	1	1	1	1	1	6	High
85	317 1ST ST	035001400006	WUD	0.22	1.04	Occupied	0	0	1	0	0	0	1	High
86	none (adjacent to 317 1st St)	035001400005	WUD	0.28	0.00	Undeveloped	0	1	1	0	1	1	4	High
87	none (1st Street)	035001400004	WUD	0.18	0.00	Undeveloped	0	1	1	0	1	1	4	High
88.01	none (1st Street)	035001400002	WUD	0.45	0.00	-	0	1	1	0	1	1	4	High
88.02	201 1ST ST	035001400001	WUD	0.26	0.00	-	0	0	0	0	1	1	2	Medium
88.03	125 1ST ST	035001400016	WUD	0.08	0.00	-	0	0	0	0	1	1	2	Medium
89.01	none (adjacent to 601 2nd St)	035000101001	PR	0.18	0.00	Occupied	0	1	1	1	1	0	4	None
89.02	601 2nd St	417091423004	PR	0.32	2.29	Occupied	0	1	1	1	0	0	3	None
90.01	-	417091423009	MU	0.91	0.00	Undeveloped	0	1	1	1	1	1	5	Medium
90.02	-	417091423003	MU	0.90	0.00	Undeveloped	0	1	1	1	1	1	5	Medium
90.03	-	417091423002	MU	0.44	0.00	Undeveloped	0	1	1	1	1	1	5	Medium
90.04	-	417091423007	MU	0.79	0.00	-	0	1	1	1	1	0	4	None
90.05	-	417091514009	MU	3.99	0.00	-	0	1	1	1	1	0	4	None
91	none	417091423008	MU	0.33	0.00	Undeveloped	0	1	1	1	1	1	5	High
92		417091431006	MU	0.33	0.00		0	1	1	1	1	1	5	High
93.01	none (adjacent to 317 1st St)	417091423001	MU	0.35	0.00	Undeveloped	0	1	1	1	1	1	5	Low

**Table 4.4.1 – Brownfield Inventory Parcel Data**

MAP ID	GIS PARCEL DATA					SITE OBSERVATION  OCCUPANCY (Occupied, Partially Occupied, Unoccupied, Undeveloped) (- ) = undetermined	BROWNFIELD INVENTORY CRITERIA						RANKINGS	
	POSTED ADDRESS	PARCEL ID	ZONING	ACRES	VALUE RATIO		Records in EPA or Ecology Databases	Env. Concerns Associated with Current or Historical Property Use	Env. Concerns Associated with Adjacent Parcel(s)	Water-Related Characteristics	ILVR	Underutilized	Total Score	Priority Level (High / Medium / Low / None)
93.02	none (adjacent to 112 1st St)	417091514007	MU	0.13	0.00	Undeveloped	0	1	1	1	1	1	5	Low
93.03	none (adjacent to 112 1st St)	417091514001	MU	1.07	0.00	Undeveloped	0	1	1	1	1	1	5	Low
93.04	none (adjacent to 112 1st St)	417091514008	MU	0.36	0.00	Undeveloped	0	1	1	1	1	1	5	Low
93.05	112 1ST ST	417091514005	MU	4.73	2.60	Occupied	0	1	1	1	0	0	3	None
94.01	90 1ST ST	417091514002	MU	0.45	3.27	Occupied	0	0	1	1	0	0	2	Low
94.02	none (adjacent to 112 1st St)	417091514003	MU	4.13	0.00	Undeveloped	0	0	1	1	1	1	4	Low
95.01	-	417091423005	MU	1.66	0.00	Undeveloped	0	1	1	1	1	1	5	None
95.02	-	417091514004	MU	20.79	0.00	Undeveloped	0	1	1	1	1	1	5	None
96.01	-	417091424001	PR	28.27	0.00	Undeveloped	0	1	1	1	1	1	5	None
96.02	-	035503700000	PR	0.91	0.00	Undeveloped	0	0	1	1	1	1	4	None
96.03	-	035504100000	PR	0.68	0.00	Undeveloped	0	1	1	1	1	1	5	None
97	-	417091413002	M	0.10	0.00	-	0	0	0	1	1	1	3	None
98	-	417091413001	M	0.09	0.00	-	0	0	0	1	1	1	3	Low
99	-	417091414001	M	65.44	0.00	Undeveloped	0	0	0	1	1	1	3	Low
100.01	-	035502700000	M	0.68	0.00	Undeveloped	0	0	0	1	1	1	3	Low
100.02	-	035503600000	M	0.18	0.00	Undeveloped	0	0	0	1	1	1	3	Low
101	210 J ST	031003800100	R57	0.00	0.00	-	0	0	0	1	1	0	2	None
102	620 2ND ST	031003800400	R57	0.00	3.79	-	0	0	0	1	0	0	1	None



**Table 4.4.1 – Brownfield Inventory Parcel Data**

MAP ID	GIS PARCEL DATA					SITE OBSERVATION  OCCUPANCY (Occupied, Partially Occupied, Unoccupied, Undeveloped) (- ) = undetermined	BROWNFIELD INVENTORY CRITERIA						RANKINGS	
	POSTED ADDRESS	PARCEL ID	ZONING	ACRES	VALUE RATIO		Records in EPA or Ecology Databases	Env. Concerns Associated with Current or Historical Property Use	Env. Concerns Associated with Adjacent Parcel(s)	Water-Related Characteristics	ILVR	Underutilized	Total Score	Priority Level (High / Medium / Low / None)
103.01	-	031003801100	R57	0.00	0.00	-	0	0	0	1	1	1	3	None
103.02	625 3RD ST	031003801600	R57	0.00	5.15	-	0	0	0	1	0	0	1	None
104	222 J ST	031003801900	R57	0.00	7.19	-	0	0	0	1	0	0	1	None
105	-	031004000100	MU	0.00	0.00	-	1	0	1	1	1	1	5	Medium
106	306 J ST	031004100100	R57	0.00	3.36	-	0	0	0	1	0	0	1	None
107.01	620 3RD ST	031004100400	R57	0.00	4.95	-	0	0	0	1	0	0	1	None
107.02	612 3RD ST	031004100700	R57	0.00	4.30	-	0	0	0	1	0	0	1	None
108	604 3RD ST	031004100900	R57	0.00	3.94	-	0	0	0	1	0	0	1	None
109.01	316 J ST	031004101100	R57	0.00	0.72	-	0	0	0	1	1	1	3	None
109.02	316 J ST	031004101800	R57	0.00	5.98	-	0	0	0	1	0	0	1	None
110	-	031500100100	R57	0.00	0.00	-	0	0	0	1	1	1	3	Medium
111	-	031500100500	R57	0.00	0.00	-	0	0	0	1	1	1	3	Medium
112	-	031500100700	R57	0.00	0.00	-	0	0	0	1	1	1	3	Medium
113	-	031500100900	R57	0.00	0.00	-	0	0	0	1	1	1	3	Medium
114	-	031500101101	R57	0.00	0.00	-	0	0	0	1	1	1	3	Medium
115	-	031500101300	R57	0.00	0.00	-	0	0	0	1	1	1	3	Medium
116.01	-	031500101900	R57	0.00	0.00	-	0	0	0	1	1	1	3	Medium
116.02	-	031500102300	R57	0.00	0.00	-	0	0	0	1	1	1	3	Medium
116.03	-	031500200100	R57	0.00	0.00	-	0	0	0	1	1	1	3	Medium

**Table 4.4.1 – Brownfield Inventory Parcel Data**

MAP ID	GIS PARCEL DATA					SITE OBSERVATION  OCCUPANCY (Occupied, Partially Occupied, Unoccupied, Undeveloped) (- ) = undetermined	BROWNFIELD INVENTORY CRITERIA						RANKINGS	
	POSTED ADDRESS	PARCEL ID	ZONING	ACRES	VALUE RATIO		Records in EPA or Ecology Databases	Env. Concerns Associated with Current or Historical Property Use	Env. Concerns Associated with Adjacent Parcel(s)	Water-Related Characteristics	ILVR	Underutilized	Total Score	Priority Level (High / Medium / Low / None)
116.04	-	031500201100	R57	0.00	0.00	-	0	0	0	1	1	1	3	Medium
116.05	-	031501500000	R57	0.00	0.00	-	0	1	1	1	1	1	5	Medium
116.06	632 4TH ST	031501600000	R57	2.05	3.60	-	1	1	0	1	0	0	3	Medium
117	1220 ALTENAU	417092211001	PR	3.79	0.29	-	0	1	0	0	1	0	2	None
118	1420 ALTENAU	417092211002	R100	0.62	3.65	-	0	0	0	0	0	0	0	None
119.01	708 DEWITT DR	417092211003	R100	0.00	2.89	-	0	0	0	0	0	0	0	None
119.02	724 DEWITT DR	417092211004	R100	0.48	1.80	-	0	0	0	0	0	0	0	None
120	810 DEWITT DR	417092211005	R100	10.19	1.17	-	0	0	1	0	0	0	1	None
121	1000 DEWITT DR	417092211006	PR	10.02	0.00	-	1	0	1	0	1	1	4	High
122	-	417092211014	R100	0.45	0.00	-	0	0	1	0	1	1	3	High
123	1021 DEWITT DR	417092211015	R100	0.43	9.08	-	0	0	1	0	0	0	1	None
124	1200 STAN-FORD DR	417092212000	R100	39.25	0.38	-	0	1	1	1	1	1	5	High

# *Chapter 5:* Community Vision

*(Source: Mockup Photos | Unsplash)*



*(Source: Kair Shea | Unsplash)*

## 5.1 - VISION OVERVIEW

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The City, its coalition partners, and participating stakeholders envision their future to have economic prosperity, quality housing choices, amenities, and supporting services. The community vision focused on an economic development plan to increase jobs and prosperity in the City. Specifically, the community wants to maintain support for Cosmo Specialty Fibers, the City's largest employer, to grow and provide additional employment opportunities.

At the same time, the community vision centers around quality of life enhancements to serve existing residents and attract new talent to the region. The community envisions a reconnection with the Chehalis River through redevelopment projects, trails, and recreational amenities. The community envisions quality infill projects along Highway 101 (1st Street) that include supporting services and community destinations like retail and dining venues. The community also envisions an array of housing options to serve multiple generations, household types, and incomes. Most of all, the community envisions redevelopment that complements its small-town character and builds upon its existing assets and setting.

## 5.2 - GUIDING PRINCIPLES

The City, area stakeholders, residents, and government partners provided input and opinions about Cosmopolis' needs and future opportunities. The project team reviewed the stakeholder information and arranged the ideas into key overarching priorities. These community priorities served as guiding principles for the Cosmopolis Area-Wide Planning initiative. The project aims to address these principles through recommended policies and actions.



### **PRINCIPLE A: Create Housing**

The City and greater community need additional housing to support its current and future populations. Furthermore, housing is essential to attract and retain employees at local businesses. The region has few apartment and rental options. Much of the entry-level housing stock remains in poor condition. The City should promote the development of a variety of new housing types (single-family, duplex, townhouse, and apartment-style dwelling units) at a variety of price points.



### **PRINCIPLE C: Provide Amenities**

The City and region need to attract and retain local amenities such as restaurants, shopping, and gathering spaces that create a sense of place, meet daily consumer needs, and create local connections. The City should promote development of amenities along Highway 101 (1st Street) to create a local commercial main street for residents, local employees, and visitors. The City should support new development and adaptive reuse of existing buildings to support future amenities.



### **PRINCIPLE E: Embrace and Rediscover Assets**

The region's setting and surrounding context is full of natural, cultural, and recreational assets. The City and the greater region should embrace and build upon their existing assets in terms of water access, outdoor recreation, infrastructure, education, and local businesses. The Grays Harbor cities should collaborate on regional marketing efforts, master planning, and business recruitment.



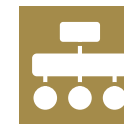
### **PRINCIPLE B: Provide Recreation**

The City and region need to enhance and maintain quality recreational amenities that elevate the area's livability and attract visitors. The City should plan for recreational amenities that complement regional systems so that local communities have a large collection of leisure activities. The region should build upon its existing recreational assets in terms of trails, water access, and the greater outdoors. At the local level, the City should connect missing pieces in the area's trail system.



### **PRINCIPLE D: Retain and Support Existing Businesses**

The City and the region have some significant employers; the mill (Cosmo Specialty Fibers) is a major employer and the keystone to the City's economic health. It's vital that the region retain its existing businesses. In doing so, the City should plan for enhancing the quality of life, local amenities, and housing options so that the mill can better attract and retain talented workers. The City should plan and advance the construction of infrastructure improvements needed to better serve employers and businesses.



### **PRINCIPLE F: Enhance Access and Connections**

The City and the region should identify additional street, trail, and water access improvements that will help to achieve a better connected community. The City should explore opportunities to create additional roadway connections for commerce and safety. The City should address missing links in the regional trail connections and explore opportunities for system expansions. The City and region should identify and advance opportunities to improve water access for both commercial and recreational users.

## 5.3 - COMMUNITY SENTIMENTS AND DESIRES

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The City and its coalition partners wanted to approach area-wide planning in collaboration with the community and local experts. The AWP process included opportunities for the general public and strategic planning partners to provide feedback on existing conditions, local needs, opportunities for improvements, and options towards implementation. This community involvement identified common themes that shaped the project's guiding principles.

The initial community engagement portions occurred during the week of April 29, 2019. The project team reported back to the community on the AWP recommendations at a second community workshop on July 30, 2019. The following subsections summarize the information, advice, and preferences that the project team heard through the process.

### STRATEGIC REDEVELOPMENT PARTNERS AND ADVISORS

The City and the coalition partners invited several local stakeholders to participate in four independent round table discussions to understand existing conditions, current initiatives, future expectations, and areas where the City can support economic development. The round table discussions included: (1) economic development partners, (2) brokers and developers, (3) business and property owners, and (4) government partners.

The City selected local business owners, government agencies, real estate professionals, developers, and non-profit organizations to serve as partners and advisors throughout the process. As the City's major employer and property owner, Cosmo Specialty Fibers also participated in the process. The following summarizes the key information items that the participants conveyed at each roundtable discussion.

### ECONOMIC DEVELOPMENT PARTNERS

**Attendees/Participants:** Darrin Raines, City of Cosmopolis; Vicki Cummings, Zana Dennis, GHCOG; Jim Minkler, Grays Harbor College; Grant Jones, Dru Garson, Greater Grays Harbor

- **Current Economic Development Conditions:** There is a long-time sentiment amongst some residents and elected officials that large-scale mill and manufacturing industries will return to the region. The participants recommended that the City focus on business retention. They acknowledged that businesses need housing and amenities to attract and retain workers. Development and construction projects are more profitable in communities closer to Seattle; whereas, there is less of a financial incentive to develop in Grays Harbor.
- **Regional Economic Development Trends:** Generally, the participants acknowledge that success in one community benefits the larger region. There is opportunity to leverage the waterfront and to enhance recreation in the region to provide "family-friendly" options. The region needs senior housing to serve its aging population. There is little interest in

office development; whereas, there may be demand for co-working space. Greater Grays Harbor conducts its own marketing; whereas, there is a separate tourism organization that is tied to hotel tax revenues.

- **Grays Harbor College:** The college has several career development programs with focus on in hospitality and the culinary arts. The college is exploring a full-time maritime program (e.g., repair derelict vessels and tugboat licensing). The college has a 500-seat community event center. The college struggles to recruit and maintain staff due to the region's tight housing supply. Furthermore, many staff are nearing retirement.
- **Retail Market:** The participants acknowledge that there is a regional demand for retail in terms of restaurants, grocers, and banks. Specifically, area workers need lunch options and the residents need commercial options every day of the week. The participants acknowledged that there are no retail strategies in the Gray Harbor region and many new restaurants locate in Ocean Shores. Furthermore, the region may not have the workforce to staff commercial operations.

- **Recreation Opportunities:** The participants indicated Grays Harbor is one of the busiest sport fishing areas in the country; whereas, there are limited activities for families. Clam digging and guide fishing are popular activities. The region's hotels and campgrounds are booked during these seasons; however, the region does not have accommodations that compare to Seattle-area quality. There is opportunity to expand on ecotourism and specifically focus on trail-hiking, kayaking and birdwatching. There is opportunity to promote the golf course in tourism marketing. The region can expand its trail networks to interconnect the communities and outdoor destinations.

#### BROKERS AND DEVELOPERS

**Attendees/Participants:** Darrin Raines, City of Cosmopolis; Vicki Cummings, Zana Dennis, GHCOG; Craig Dublanko, Coastal Community Action Program (CCAP); David Murne, NeighborWorks of Grays Harbo

- **Regional Observations:** According to participant perspectives, the region is experiencing two important development projects; Forterra is leading a student housing project at Grays Harbor College and an investment group is renovating the Morck Hotel in downtown Aberdeen. The region's waterfront areas need recreational amenities. Cosmopolis is an attractive haven for arts. Further redevelopment plans in Cosmopolis should respect the rural and small-town character. People in Grays Harbor generally prefer single-family housing over other housing types. At the same time, the school system drives many housing decisions:

Cosmopolis is attractive because families can choose between Montesano or Miller High Schools.

- **Barriers to Redevelopment:** The participants noted several barriers to redevelopment in Cosmopolis and the region. Specifically, many properties have potentially unstable fill materials; whereas, future projects may require buildings on pilings. The construction codes and the return on investment is less lucrative in Grays Harbor as oppose to other Washington regions. There are opportunities for the City to focus on direct developer recruitment.
- **Housing Conditions and Opportunities:** The participants expressed that the region has insufficient housing options. Many of the existing houses are in disrepair; whereas, remodeling costs may not align with return on investment. Additionally, there are many lots within the region's floodplains and FEMA requirements pose construction and insurance hardships. They acknowledged that the region does not have a lot of contractors for remodels and new construction. Participants recommended that the City develop a housing strategy for both low and high income households. There is demand for senior housing and there are opportunities for new housing around the golf course in Cosmopolis. Furthermore, they recommended that the region focus on a new 50-60-unit apartment community along the waterfront or atop the hill in Cosmopolis.
- **Retail Conditions and Opportunities:** The participants acknowledged that many people

use the gas station in Cosmopolis and there is opportunity to develop additional retail on the adjacent sites along Highway 101 (1st Street). The participants recommended a retail strategy that captures travelers passing through the City. Specifically, the City can repurpose its current City Hall building for a commercial tenant once they construct a new municipal services building.

#### BUSINESS AND PROPERTY OWNER

**Attendees/Participants:** Darrin Raines, City of Cosmopolis; Vicki Cummings, Zana Dennis, GHCOG; Larry Davis, Cosmo Specialty Fibers

- **Company Update (Cosmo Specialty Fibers):** The company's new CEO is visionary and forward thinking in terms of operations, future products, and community partnering. The company continually explores new product lines and ways to repurpose current wood by-product for new materials. Future options require 25 acres for expansion and additional employees. The company may need its waterfront property for material transport; thus, the company will retain all its property holdings in the near-term.
- **Employment Support:** The representative acknowledged that the company has difficulties recruiting new employees due to the location, climate, and housing availability. Specifically, there are few available housing options; quality rental housing is limited. Cosmopolis does not have enough lunch and service options to support employees. Luckily, the company has low employee turn-over (typically 1%); whereas, most of the workforce were former Weyerhaeuser mill employees.

- **Company Products:** The company is one of only three facilities that produce very pure pulp. The current process creates by-products including sugars and other chemicals. The company is exploring opportunities to diversify will need to attract additional employees.

## GOVERNMENT PARTNERS

**Attendees/Participants:** Darrin Raines, City of Cosmopolis; Vicki Cummings, Zana Dennis, GHCOG; Craig Charles Warsinske, Quinault Tribe; Kris Koski, City of Aberdeen Engineer; Frank Chestnut, Mayor of Cosmopolis; Gary Nelson, Port of Grays Harbor

- **Recreational Opportunities:** The participants acknowledged that the community has a big opportunity to develop and expand its trail facilities into a robust regional system. They acknowledged concurrent efforts to identify and fill gaps in the system. The participants pointed to water access as a large opportunity for tourism and employee recruitment strategies. The group identified the Washington Recreation Conservation Office (RCO) as a potential funding source for additional boat launches and public water access points.
- **Housing Conditions and Opportunities:** The participants expressed their concern that the region has a housing shortage at the detriment of employment prospects. They agreed any new apartment development will benefit the entire region. At the same time, the participants noted that single-family houses remain in high demand. Cosmopolis

is a prime location for a new medium to upscale apartment community; the school district property atop the west hill may be appropriate for a large residential project and the City should streamline the regulatory process (e.g., rezone the property for medium density residential). The participants identified the vertical housing tax credit program as an incentive for residential development.

- **Mobility Conditions and Opportunities:** The participants noted that Cosmopolis needs additional transportation connections. WSDOT will repave Hwy 101 in 2022; there is opportunity to plan for design enhancements as part of these improvements. The participants recommended that the City study options to utilize the unimproved Huntley Street right-of-way for future mobility options to Grays Harbor College (e.g., a new street connection verse multi-use trail).
- **Amenity/Service Conditions and Opportunities:** The governmental partners expressed a desire to bring more amenities and services to Cosmopolis. They acknowledged that Cosmopolis has several advantages; the community has a distinctive character and many of the properties are outside of the floodplain. Specifically, the community needs retail and family-oriented land uses. There is opportunity to build upon the region's trail system.
- **Port of Grays Harbor Initiatives:** The representative explained that the port is focused on industrial manufacturing to regain an industrial core. He noted that many potential industries do not require waterside

access; whereas many businesses choose to locate in the northern cities because of rail access. The business cluster includes grain products, heavy equipment, and automobiles. The representative noted that the Washington Department of Ecology permitting duration is a deterrent to many potential businesses.

- **Quinault Tribe Initiatives:** The representative explained that the Tribe is presently pursuing village relocation projects to areas outside the Tsunami Zone (e.g., houses, fire stations, and schools). The Quinaults are concerned about climate change, environmental quality, and resiliency. They want to align fishery and timber industries with environmental sustainability goals. The Tribe is participating in the Asia fiber landing station. The Tribe wants to expand upon its tourism opportunities (e.g., Point Grenville). The Quinault's completed their casino expansion but continue to diversify its entertainment offerings.



## COMMUNITY WORKSHOP

The City and the Coalition partners hosted a community workshop in May 2019 to engage participants to provide their redevelopment ideas and to identify their preferences for development styles and scale. Specifically, participants communicated community elements that they would like to see in the City. Additionally, the participants provided feedback on which types of services, building styles, and amenities that they felt were appropriate in the City. The City structured the meeting with a presentation on the project objectives, engaged a community dialogue, and provided engagement stations for participants to respond to preliminary project concepts/ideas. The following summarizes the community's feedback at the initial workshop.

### THE COMMUNITY'S BIG IDEAS

Many participants provided their individual ideas for redevelopment components within the AWP focus area. The project team compiled these ideas from both written comments and individual discussions.

**Table 5.3.1- Community's Big Ideas**

Big Idea Topic	Implementation Focus Projects/Initiatives
<b>Waterfront Uses and Redevelopment</b>	<p><b>Water-Oriented Buildings</b> – Create a plan to orient new buildings to the waterfront. Create outdoor patios/walkways that encourage people to view the river.</p> <p><b>Waterfront Access (rights-of-way)</b> – Improve the rights-of-way between Highway 101 (1st Street) and the shoreline to allow public access to the Dike Trail (e.g., paving, sidewalks, parking).</p> <p><b>Dinner Boat Cruise</b> – Explore the feasibility to incorporate dinner boat cruises on the river which may include gambling.</p> <p><b>Boat Ramp</b> – Acknowledge that the boat ramp requires a big discussion with the property owner (Cosmo Specialty Fibers) and the larger community. Incorporate a recreational vehicle (RV) park and support boat ramp redevelopment.</p> <p><b>Boardwalk</b> – Explore design options that incorporate a boardwalk along the river.</p> <p><b>Waterfront Plan</b> – Research the previous waterfront plan that was drawn for the waterfront (developed in the early 2000s). Build upon the previous planning efforts.</p> <p><b>Example Communities</b> – Look at Mystic Seaport, CT and San Pedro, CA as potential examples for waterfront development. Create a waterfront environment that reflects the community's maritime history.</p>

<b>Table 5.3.1- Community's Big Ideas</b>	
<b>Big Idea Topic</b>	<b>Implementation Focus Projects/Initiatives</b>
<b>Surrounding Development</b>	<p><b>City/Civic Block</b> – Incorporate the city's plans to redevelop the city/civic block.</p> <p><b>Retail/Restaurant</b> – Develop a strategy to attract more retail and restaurant options in Cosmopolis.</p> <p><b>Walk-in the Park Event</b> – Explore opportunities for the City to sponsor the event and reintroduce this previous civic tradition in the community.</p> <p><b>Mixed-use Senior Housing</b> - Explore opportunities for mixed-use development near the river with retail on the ground floor and senior residential units on the upper floors.</p>
<b>Broader City Opportunities</b>	<p><b>City Success</b> – Create a strategy for Cosmopolis to become successful in terms of jobs, housing, and quality of life.</p> <p><b>Makarenko Park</b> – Plan for Makarenko Park and incorporate the property into the City's redevelopment strategy. Consider a public/private partnership to develop a large equestrian center.</p> <p><b>Pedestrian City</b> – Explore the feasibility to turn Cosmopolis into a pedestrian city with areas that are closed to motorized vehicles.</p> <p><b>Visually Impaired</b> – Plan the City to be accessible to the blind and visually impaired. Create the final plan in a digital format that blind people can use software to read the text aloud.</p> <p><b>Cooney Mansion</b> – Explore opportunities to incorporate the historic Cooney Mansion into the City's economic development strategy (the mansion is located north end of 5th Street within Mill Creek Park). Acknowledge that the house was once a bed and breakfast.</p> <p><b>Housing</b> – Develop a strategy to attract more housing. Explore opportunities to rezone property to allow more housing.</p> <p><b>School District Property</b> – Proactively work with the property owners to develop a housing project.</p>

## PARTICIPANT PREFERENCES

The City asked participants to identify their personal preferences for a variety of potential services and development styles in the AWP focus area. The project team provided engagement boards with a list of development and land use options. Participants were asked to indicate their personal preferences with sticker dots. The responses will help guide the City to provide future services and employ certain design criteria. The following summarizes the participant responses.











<b>Table 5.3.2- Participant Preferences</b>	
<b>Topic Group</b>	<b>Participant Preferences</b>
<p><b>Future Business and Services:</b></p> <p>What types of businesses/services would participants like to see in Cosmopolis?</p>	<p><b>Top Rankings:</b> Restaurants, coffee shops, and bakeries.</p> <p><b>Mid-Level Rankings:</b> Drinking establishments, breweries, and grocery stores.</p> <p><b>Lower-level Rankings:</b> Banks, hardware stores, auto-service, gas stations, medical offices/clinics, childcare, and business incubator spaces</p>
<p><b>Future Recreation:</b></p> <p>What types of recreational amenities would participants like to see in Cosmopolis?</p>	<p><b>Top Rankings:</b> Kayaking/boating facilities and boardwalks.</p> <p><b>Mid-Level Rankings:</b> Nature trails, outdoor seating, marina, RV park, and camping.</p> <p><b>Lower-level Rankings:</b> Paved trails, fishing locations, and playgrounds.</p>
<p><b>Housing:</b></p> <p>What housing types do participants feel are appropriate in the focus area?</p>	<p><b>Top Rankings:</b> Apartments and condominiums.</p> <p><b>Mid-Level Rankings:</b> Townhouses, duplexes, and small houses with shared outdoor space.</p> <p><i>Participants did not identify any lower level rankings</i></p>
<p><b>Commercial:</b></p> <p>What commercial building types do participants feel are appropriate in the focus area?</p>	<p><b>Top Rankings:</b> Traditional main street-style development, mixed-use buildings, and innovation/makers/artisan spaces.</p> <p><i>Participants did not identify any mid to lower level rankings</i></p>

## FUTURE BUSINESSES + SERVICES

WHAT WOULD YOU LIKE TO SEE IN COSMOPOLIS?

What type of new businesses or services would you like to see within the Cosmopolis focus area?  
Stick a dot on types of uses you would like in the focus area.

Have another idea not shown on the board? Write it in the OTHER column below!











GROCERY STORE / PRODUCE STAND 	RESTAURANT 
BANK 	COFFEE SHOP / BAKERY 
HARDWARE STORE/BUILDING SUPPLY 	DRINKING ESTABLISHMENT / BREWERY 
AUTO SERVICE/GAS STATION 	CLOTHING STORE 
MEDICAL OFFICES/CLINIC 	OTHER / WHAT ELSE? Share your ideas here.  ● Small business space / incubator
CHILD CARE 	

## FUTURE RECREATION

WHAT WOULD YOU LIKE TO SEE IN COSMOPOLIS?

What type of new recreational or outdoor uses would you like to see within the Cosmopolis focus area?  
Stick a dot on types of uses you would like have in the focus area.

Have another idea not shown on the board? Write it in the OTHER column below!

PAVED TRAILS 	OUTDOOR SEATING 
BOARDWALK 	SIDEWALK CAFE 
NATURAL TRAILS 	MARINA 
KAYAKING/BOATING 	RV PARK/CAMPING 
FISHING 	OTHER / WHAT ELSE? Share your ideas here.
PLAYGROUND 	

*Covered Play area*

## ARCHITECTURE + CHARACTER

WHAT TYPE OF HOUSING IS NEEDED IN COSMOPOLIS?

Stick a dot on types of housing that you think would be appropriate in the focus area.

SINGLE-FAMILY HOMES



COTTAGES/SMALL HOUSES WITH SHARED SPACE



TOWNHOUSES/DUPLEX



APARTMENTS/CONDOS



WHAT TYPES OF COMMERCIAL BUILDINGS ARE NEEDED IN COSMOPOLIS?

Stick a dot on types of commercial buildings that you think would be appropriate in the focus area.

SHOPPING CENTER



TRADITIONAL MAIN STREET



MIXED USE BUILDING



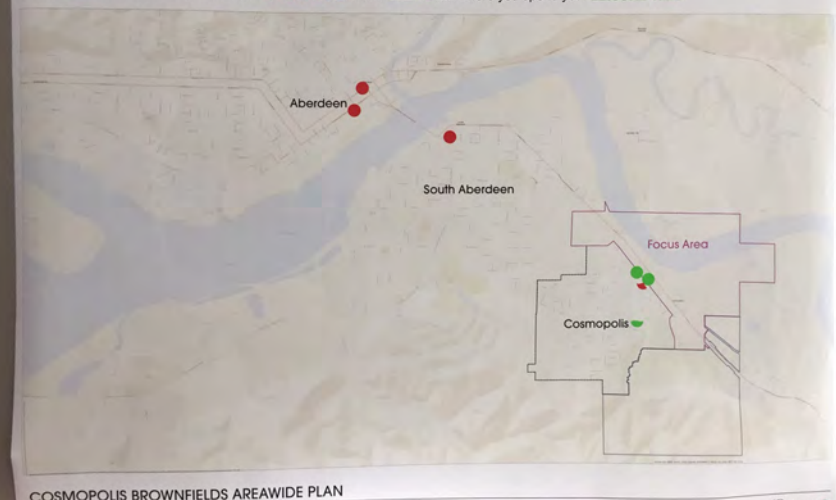
INNOVATION / MAKERS / ARTISAN SPACE



COSMOPOLIS BROWNFIELDS AREAWIDE PLAN

## WHERE DO YOU SPEND YOUR LEISURE TIME?

We want to know some of the important places in and around Cosmopolis and Grays Harbor County!  
Place a RED dot on the map where you SHOP / DINE and a GREEN dot where you spend your LEISURE TIME.

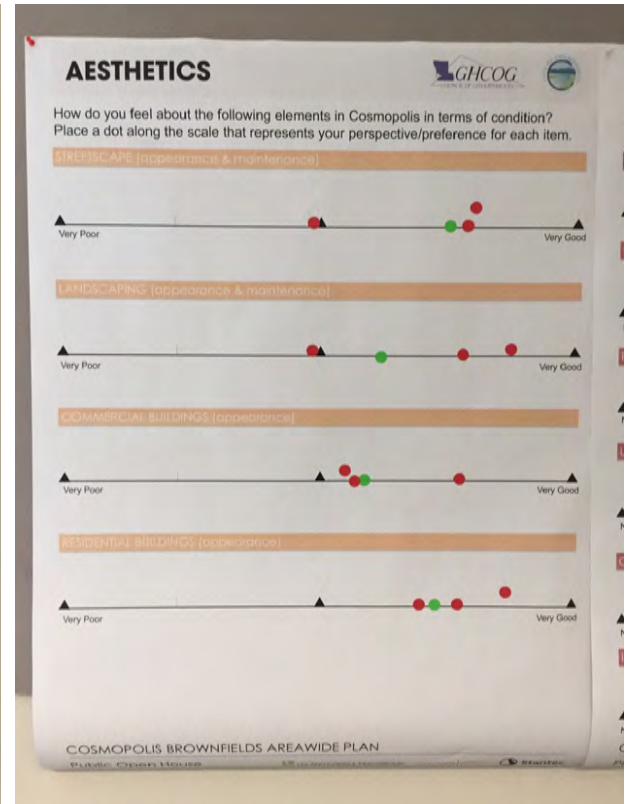
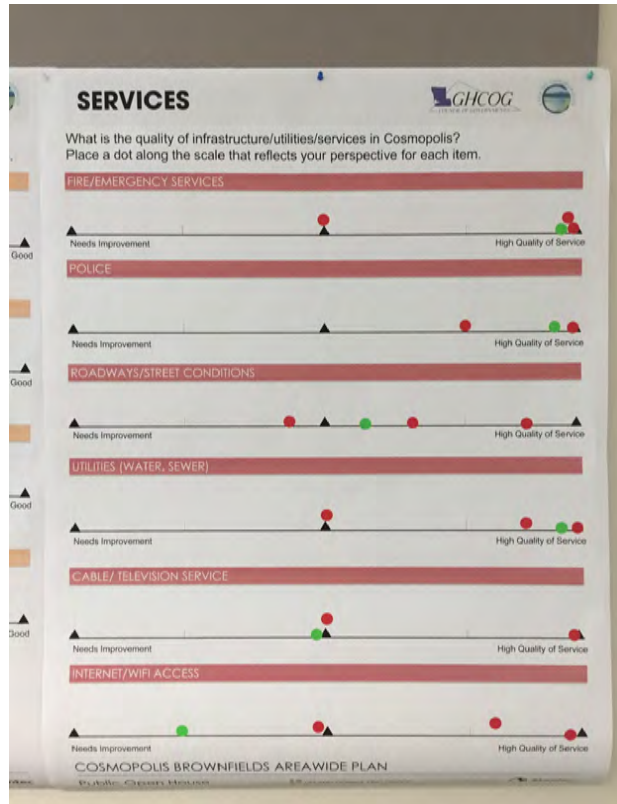
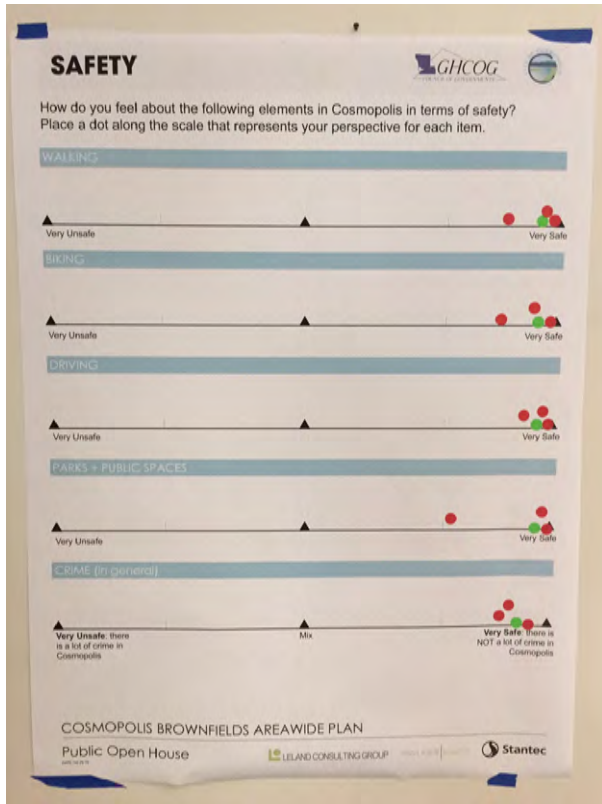


Participant responses to the community preferences engagement boards (Source: Stantec)

## PARTICIPANT COMMUNITY PERCEPTIONS

The City asked participants to identify their perceptions of several community elements such as safety, services, and amenities within the City of Cosmopolis. The feedback will help the City prioritize what services and community design elements they should enhance. The participants provided the following responses.

<b>Topic Group</b>	<b>Participant Preferences</b>
<p><b>Safety:</b></p> <p>What are participants' perceptions towards various safety elements in Cosmopolis?</p>	<p><b>Walking:</b> Very Safe</p> <p><b>Cycling:</b> Very Safe</p> <p><b>Driving:</b> Very Safe</p> <p><b>Parks and Open Space:</b> Most participants feel Very Safe; whereas a few feel Moderately Safe.</p> <p><b>Crime (in general):</b> Very Safe</p>
<p><b>Services:</b></p> <p>What are participants' perceptions towards various services in Cosmopolis?</p>	<p><b>Fire/Emergency Services:</b> Most participants rated the service as High Quality; whereas, few rated the service to be Moderate Quality.</p> <p><b>Police:</b> Most participants rated the service as High Quality; whereas some rated the service to be Good Quality.</p> <p><b>Roadway/Street Condition:</b> Most participants rated road and street conditions between Good to Moderate Quality.</p> <p><b>Utilities (Water/Sewer):</b> Most participants rated the service as High Quality; whereas some rated the service to be Moderate Quality.</p> <p><b>Cable/Television Service:</b> Most participants rated the service as Moderate Quality; whereas some rated the service to be High Quality.</p> <p><b>Internet/WiFi Access:</b> Participants offered a variety of ratings between Needs Improvement to High Quality.</p>
<p><b>Aesthetics:</b></p> <p>What are participants' perceptions towards various aesthetics in Cosmopolis?</p>	<p><b>Streetscape:</b> Most participants rated the City's streetscapes as Moderate to Good.</p> <p><b>Landscaping (appearance and maintenance):</b> Most participants rated the City's landscaping as Moderate to Good.</p> <p><b>Commercial Buildings (appearance):</b> Most participants rated the commercial buildings within the City as Moderate to Good.</p> <p><b>Residential Buildings (appearance):</b> Most participants rated the residential buildings within the City as Good.</p>



Participant responses to the community perception engagement boards (Source: Stantec)

The background of the entire page is a close-up photograph of vertical wooden planks. The planks are light-colored, possibly pine or spruce, with visible grain patterns and several dark knots. The lighting is even, highlighting the texture of the wood.

# *Chapter 6:* Area-Wide Planning Framework Plans

*(Source: Bernard Hermant | Unsplash)*



(Source: Daniel McCulloug | Unsplash)

## 6.1 - AWP FRAMEWORK PLAN OVERVIEW

The community wants to foster redevelopment and economic development in Cosmopolis to serve its residents, support existing businesses, and attract new worker talent. In doing so, the project team created an AWP Framework Plan that graphically illustrates near and long-term projects and initiatives for the focus area. The Framework Plan addresses the project's guiding principles for (a) brownfield redevelopment, (b) increased connectivity, (c) amenities, (d) catalyst sites, and (e) economic development in and around the AWP focus area. By using the Framework Plan as a guide, the community will implement an array of projects and initiatives that will bring increased prosperity to the City.

### AWP FRAMEWORK PLAN THEMES

The AWP Framework Plan is rooted in four overarching themes: (A) create activity nodes, (B) perform street enhancements, (C) create water access and amenities, and (D) designate catalyst sites. Each theme includes an array of capital projects and/or policy initiatives that would improve the focus area and serve its residents while supporting economic development.

**Theme A: Activity Nodes** - The AWP Framework Plan identifies three distinct activity nodes. The idea is to create individual activity centers along Highway 101 (1st Street) to create distinct areas for redevelopment; the properties between the nodes will experience reinvestment over time. Each node includes its own land use mix and community character.

- **City Hall Activity Node** – The City envisions a new municipal services complex on the block along Highway 101 (1st Street) between C and D streets. The City's preliminary plans for the block include retaining the existing Fire Station, constructing a new City Hall/Municipal Court building, and adding community open space. The existing City Hall Building may be repurposed for future uses. The project may include flexible, multi-purpose community space to host a variety of civic events. This node would be the center of civic activity in Cosmopolis.
- **Community Crossroads Activity Node** – The community desires to grow a strong community commercial area at the crossroads of Highway 101 (1st Street) and F Street. The activity node builds upon existing community assets such as the existing service businesses, the two restaurants, a retail



store, fuel station, and the post office. Preliminary plans include intersection enhancements, infill development, and facade improvements. Other amenities include a formal trailhead for the Dike Trail and enhanced boat launch facility. This node would be the center of community commerce in the City.

- **Lions Park Activity Node** – The community wants to recognize and enhance Lions Club Park as its signature recreational destination. The theme builds upon the existing park amenities at Lions Club Park, Puddles Pity Dog Park, and the Basich Trailway. This activity node includes additional trail connections, streetscape improvements, and complementary land uses (such as multi-family residential). This node would be a major recreational destination in the AWP focus area.

**Theme B: Streetscape Enhancements** – The AWP Framework Plan identifies several corridors that should receive future streetscape enhancements to achieve aesthetic improvements and multi-modal capacity. Additionally, the streetscape enhancements would help prioritize certain streets as primary corridors to reach community destinations. Many of the City’s streets have excessively wide paved areas (over 30 feet in width); there is opportunity to add striping to designate paved areas for other purposes. Streetscape improvements should include trees, decorative lighting, bicycle lanes, and striped parking stalls. Specifically, J Street may be considered the City’s second main street; this corridor should receive iconic streetscape treatments in terms of paving, street furniture, and landscaping. The Plan designates the unimproved G and I streets rights-of-way north of Highway 101 (1st Street) for future street construction to provide access to adjacent sites and the waterfront.

**Theme C: Water Access & Amenities** – The AWP Framework Plan identifies several projects to improve water access and amenities in the community. The Framework Plan recognizes the existing (private) boat launch along the Chehalis River at F Street; the AWP process identified potential enhancements to open the property to additional users. The Framework Plan also calls for the community to formalize the Dike Trail and provide additional trail connections to the nearby neighborhoods. The Framework Plan outlines the potential to transform the unimproved sections of the J and H streets rights-of-way into formal bicycle and pedestrian accessways to the Dike Trail from Highway 101 (1st Street).

**Theme D: Catalyst Sites** – The AWP Framework Plan designates four catalyst brownfield sites that the community can target for advancing their redevelopment goals. The Framework Plan designates three large, vacant waterside sites along Highway 101 (1st Street) and one property at 2nd and I streets. The project team envisions private entities redeveloping the catalyst sites with future housing that will help attract talented workers needed by local businesses, in particular Cosmo Specialty Fibers. The catalyst designation will support the City in focusing future economic development efforts on these sites and increase the likelihood the conditions will be improved at these sites.

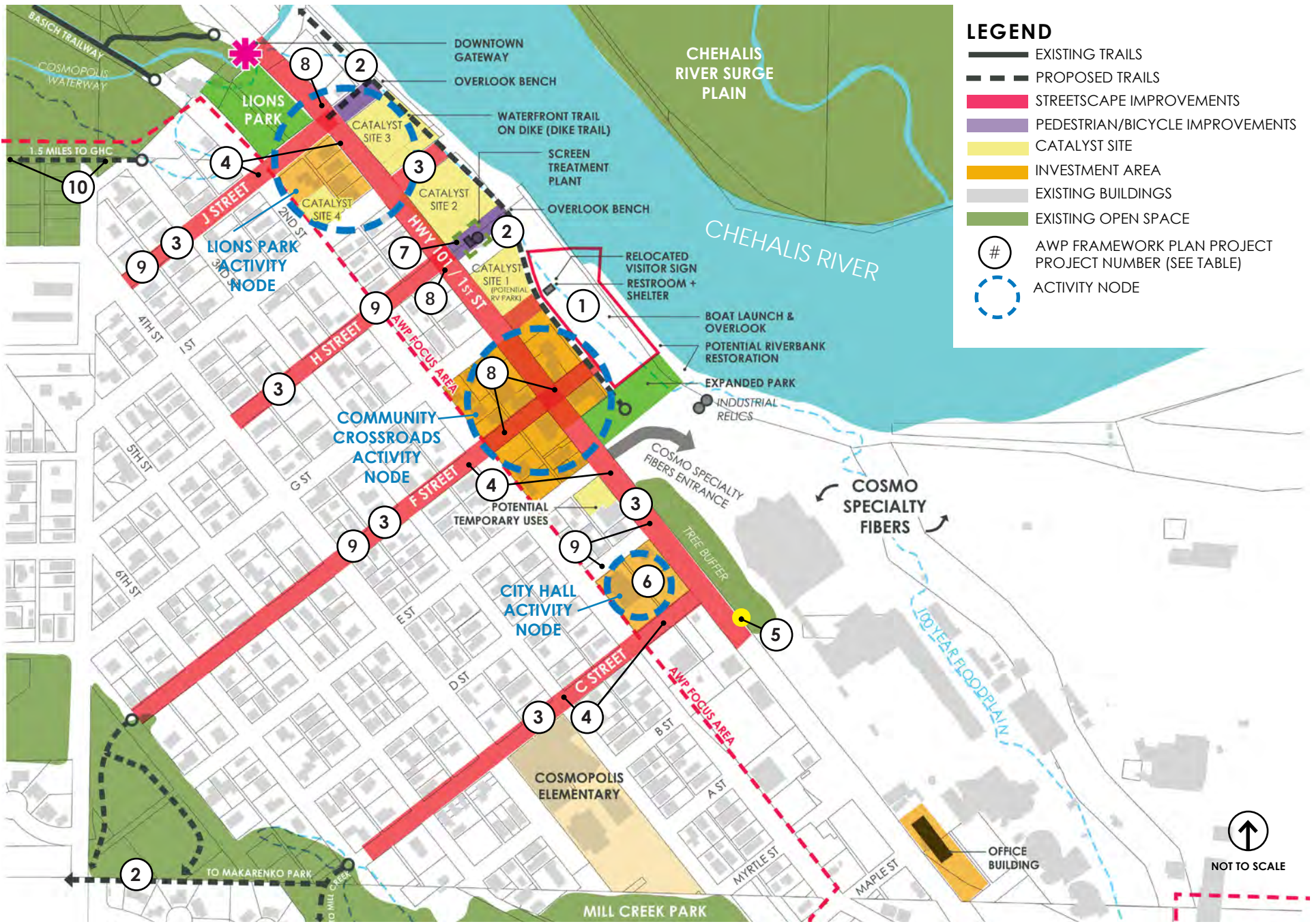


Figure: 6.1.a - AWP Framework Plan (Source: Walker-Macy)

## 6.2 - FRAMEWORK PLAN PROJECT LIST

The AWP Framework Plan includes several projects and initiatives that if implemented will enhance the community for the benefit of both its residents and businesses. The Framework Plan's projects will create an attractive community environment for businesses, residents, and visitors. These projects will lay the foundation for attracting future services, amenities, and housing. The following table lists the key projects identified on the AWP Framework Plan.

<b>Project #</b>	<b>Project</b>	<b>Summary</b>
<b>1</b>	<b>Improve/develop The Boat Launch</b>	Cosmo Specialty Fibers provides a semi-public boat launch along the river at J Street. There is opportunity for the company and the City to partner on future improvements to the boat launch property in terms of access, signage, and amenities. Future improvements should include a paved parking area, landscaping, wayfinding, a new boat launch feature, restrooms, and a dock for small watercraft such as kayaks.
<b>2</b>	<b>Expand Trail Connections</b>	<p>Cosmopolis Specialty Fibers provides a semi-public boat launch along the river at J Street. There is opportunity for the company and the City to partner on future improvements to the boat launch property in terms of access, signage, and amenities. Future improvements should include a paved parking area, landscaping, wayfinding, a new boat launch feature, restrooms, and a dock for small watercraft such as kayaks.</p> <ul style="list-style-type: none"> <li>• Create a trail connection to the Blue Slough Trailhead.</li> <li>• Create a trail/multi-use pathway within the Huntley Road right-of-way.</li> <li>• Link Makarenko Park to Grays Harbor College, Highway 101 (1st Street), and the waterfront.</li> <li>• Make the Dike Trail an official public pathway.</li> <li>• Connect Lions Park to the Dike Trail within the unimproved J Street right-of-way; buffer the adjacent residence(s) with landscaping and/or screening.</li> <li>• Collaborate with Aberdeen to connect the Basich Trailway to the Chehalis River Trail.</li> </ul>

**Table 6.2.1 - AWP Framework Plan Projects List**

3	<b>Perform Streetscape Enhancements</b>	<p>Cosmopolis City services occupy the entire block along Highway 101 (1st Street) at C Street; this includes the City Hall, the Fire Station, and an ancillary modular building. The City is exploring opportunities to redevelop the block with a new, municipal services building and community space. The City should continue to redevelop the site as a key civic node that co-locates municipal services and creates flexible, multipurpose community spaces. The plan should create a strong streetscape appearance along Highway 101 (1st Street). The City's planning should consider the following elements:</p> <ul style="list-style-type: none"> <li>• Add trees, bicycle lanes, and designated parking stalls on C, F, H, and J streets</li> <li>• Add bike lanes and add shade trees to Highway 101 (1st Street).</li> <li>• Install specialty paving and crosswalks at Highway 101 (1st Street) and F street.</li> </ul>
4	<b>Establish City-wide Wayfinding</b>	<p>Cosmopolis has several public amenities and community assets; whereas, users can benefit from signage and other wayfinding enhancements to locate these destinations. The City should create a city-wide wayfinding plan to identify key destinations, civic buildings, and trail routes.</p>
5	<b>Construct Gateway Elements</b>	<p>Cosmopolis has a gateway sign near the north municipal limits; whereas, there are no monuments/landmarks that welcome visitors from the south. Gateway elements can create a sense of arrival for visitors, strengthen community identity, and assist with City branding. There is opportunity for the City to add gateway elements to the south end of the municipal limits. This could include monument signage, landmarks, art, and/or landscaping.</p>
6	<b>Redevelopment and Create a Civic Node</b>	<p>Cosmopolis City Services occupy the entire block along Highway 101 (1st Street) at C Street; this includes the City Hall, the Fire Station, and an ancillary modular building. The City is exploring opportunities to redevelop the block with a new municipal services building and community space. The City should continue to redevelop the site as a key civic node that co-locates municipal services and creates flexible, multipurpose community spaces. The plan should create a strong streetscape appearance along Highway 101 (1st Street). The City's planning should consider the following elements:</p> <ul style="list-style-type: none"> <li>• Create a strong streetscape character along Highway 101 (1st Street); orient buildings to 1st, C, and D streets.</li> <li>• Add flexible, multi-purpose community space to host a variety of civic events.</li> <li>• Create outdoor gathering spaces.</li> <li>• Repurpose the existing City Hall Building.</li> <li>• Limit surface parking lots; use adjacent street parking.</li> </ul>

**Table 6.2.1 - AWP Framework Plan Projects List**

7	<b>Enhance the Historical Marker</b>	The Historical Marker at Highway 101 (1st Street) and H Street identifies the City's incorporation, Tribal history, and the treaty signing. Currently, the marker includes a sign and painted mural on the adjacent utility plant. The grounds include nominal landscaping and modest seating. The City should create an enhanced historical marker and a signature public gathering space. The City should explore options to improve the current site or create a new monument plaza as part of the civic node at City Hall. The City should partner with the Quinault Tribe to showcase cultural resources.
8	<b>Perform Pedestrian Enhancements</b>	<p>Cosmopolis is laid out as a traditional town plan with an urban street grid and civic destinations nestled in its neighborhoods. As the community grows, the City should perform pedestrian enhancements that ensure safe mobility and promote a walkable environment. The City's pedestrian enhancement plan should include the following elements:</p> <ul style="list-style-type: none"> <li>• Construct additional, designated pedestrian crosswalks along Highway 101 (1st Street) at C, F, H, and J streets.</li> <li>• Explore the feasibility of user activated crosswalk signals at key intersections.</li> <li>• Orient new commercial and multi-family buildings to adjacent streets; create pedestrian pathways from the right-of-way to the main entrances.</li> <li>• Upgrade key pedestrian crossings with Americans with Disabilities Act (ADA) accessible ramps.</li> </ul>
9	<b>Address and Plan for Vehicle Parking</b>	<p>The City's recreational amenities, businesses, and residents depend on available vehicle parking. The City roadways are wide and can accommodate substantial street parking; moreover, private parking lots increase impervious surfaces and are expensive components of property development. The City should create a strategy to utilize street parking to serve existing and new destinations and reduce the need for new surface parking lots. The City's parking strategy should consider the following elements:</p> <ul style="list-style-type: none"> <li>• Add roadway striping and signage for parking on City Streets.</li> <li>• Collaborate with Washington Department of Transportation (WSDOT) to incorporate the parking strategy into all future Hwy 101 (1st Street) improvement plans.</li> <li>• Design and manage future municipal parking lots to be used by other uses during weekends and evenings.</li> </ul>
10	<b>Extend Huntley Road</b>	The City has limited roadway access into the community; Highway 101 (1st Street) remains the only route in and out of the City. Huntley Road has an unimproved east-west right-of-way extending between the City and Grays Harbor College. There is opportunity to create an additional connection within this right-of-way; the City should explore the feasibility to improve the Huntley Road right-of-way as a formal street or multi-use trail. In doing so, the City should be mindful to minimize adverse impacts on surrounding neighborhoods.

## 6.3 - KEY FRAMEWORK PLAN PROJECTS

The AWP Framework Plan for Cosmopolis includes a list of capital projects that are planned to improve the focus area in terms of future aesthetics, services, access, and housing. The previous section lists all the projects, and this section provides more detail on key projects that the project team identified through the AWP process.

### BOAT LAUNCH PROPERTY

Cosmo Specialty Fibers allows the public to use their private boat launch along the Chehalis River at the end of F Street. The boat launch is an important community asset as it is the only facility within the City that provides water access to the general public. Over the long-term, the City would like to work with Cosmo Specialty Fibers to formalize the boat launch as a public park. This effort would require further negotiation between the two parties; the City wants Cosmo Specialty Fibers to be a willing seller. Furthermore, the property is a former industrial site and ESAs would be necessary to understand and respond to potential site contaminants.

The property presently has a gravel parking lot and a boat launch into the river, and its shoreline has remnants of docks and pilings. Through the AWP process, the project team and the community participants identified their preferences on how the boat launch could be improved to serve more users and become a signature public amenity in the City. Since the property is currently privately held, the project team did not create a concept plan as part of this AWP document. If the City can negotiate property acquisition in the future, the community would explore design alternatives for the site.

These improvements could be phased over time. The following lists the desired boat launch improvements:

- **Parking Lot Improvements** – The parking lot should be paved with formal drive aisles and parking stalls for boat trailers and vehicles. The parking lot design should accommodate boat trailer maneuvering at the boat launch.
- **Boat Launch** – The property should include at least two boat launch ramps in the Chehalis River with docks to allow passengers to board watercraft. The new boat launch would serve motorized watercraft.
- **Small Craft Launch** – The property should include a separate dock and river path to accommodate small, nonmotorized watercraft like kayaks, paddle boards, and canoes.
- **Restrooms and Shelters** – The property should include restroom facilities, a water source, and shelters.
- **Riverbank Restoration** – The property should include riverbank restoration with native plants and erosion control features. Restoration plans should remove remnant docks and pilings.



*Top: Example of a paved boat ramp | Middle: Example of floating docks for small watercraft access | Lower: Example of a restroom facility with view deck in Gig Harbor, WA (Source: Stantec)*

## CATALYST SITES

The AWP Framework Plan designates four catalyst sites within the focus area. The properties are privately-owned: three sites rest near the waterfront and along the Dike Trail and the fourth is at 2nd and I streets. Table 6.3.1 summarizes each catalyst site in terms of parcel identification number, size, and owner.

The project team designated the catalyst sites as key properties to support future housing in the Cosmopolis community. Ideally, the private sector would redevelop the properties with townhouses or apartment buildings that provide additional rental options for residents and future employees at Cosmopolis' businesses. The City would explore potential regulatory changes to ensure that the zoning and Shoreline Master Program supports housing development on these sites. The City would partner with property owners to market the catalyst sites to residential developers. The project team did not create concept plans for the catalyst sites as part of this AWP document since they are in private ownership, and future developers would

explore their own development programming based on market conditions at that time. Moreover, the project team wanted to establish the community's desire for these properties in terms of land uses and development scale.

The catalyst sites are currently vacant. Specially, the sites near the waterfront (sites #1–3) used to contain industrial uses and are likely to have some level of soil and/or groundwater contamination as the result of the historical property use. Further research is needed for Catalyst Site #4 to document past land uses and to identify potential environmental concerns. Phase I ESAs on the catalyst sites are warranted to determine whether the properties contain recognized environmental conditions from previous activities. If recognized environmental conditions are identified by the Phase I ESAs, then a Phase II ESA may also be warranted. In the near-term, it is vital to conduct ESAs on the catalyst sites to understand the property conditions, devise clean-up strategies, and create a path forward towards property development. (See Chapter 4: Brownfields Inventory)

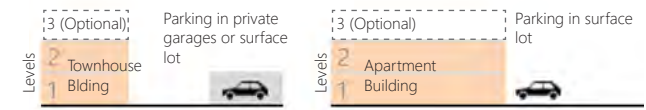
Catalyst Site #	Size	Parcel Number(s)	Address	Owner	Current Zoning
#1	52,532-sf. / 1.21-ac.	417091431003	1701 1ST ST	Cosmo Specialty Fibers	Waterfront Use District
#2	57,600-sf. / 1.32-ac.	031001200000	825 1ST ST	Weyerhaeuser	Waterfront Use District
#3	80,088-sf. / 1.84-ac.	031001300300, 031001301900, & 031001300100	733 1ST ST	Weyerhaeuser and Dave Dove (2 separate owners)	Waterfront Use District
#4	14,400-sf. / 0.33-ac.	031001801600	Unspecified	Chad and Kellie Larson	Mixed Use District



*Top: Example of new townhouse community in Issaquah, WA | Middle: Example new residential development that mimics the historical context | Lower: Example of wide public sidewalks (Source: Stantec)*

Through the AWP process, the City and project team identified their ideal development programming for the catalyst sites in terms of land use and design elements. The project team acknowledges that the catalyst sites could redevelop under two scenarios; Table 6.3.2 summarizes the two redevelopment scenarios in terms of housing type and potential density. Scenario 1 includes townhouse construction with surface parking lots and/or private garages for each unit. Units are arranged side by side and could include two to three levels. Scenario 2 includes rental apartment construction with surface parking lots. The apartment scenario includes multiple units housed within a single structure. A mixed-use component could be a part of Scenario 2 with ground floor commercial along Highway 101 (1st Street) or the Dike Trail. The following lists the City's desired development programming options for the catalyst sites.

- **Housing** – The City envisions that all four catalyst sites would develop with future housing. Future housing may come in the form of townhouses or small-scale apartments (two to three levels). Given the area's market conditions and probable development costs, the project team anticipates wood-frame construction and surface parking lots; a townhouse option may support private garages. The City would review its land use regulations to ensure that the zoning can support either redevelopment scenario.
- **Mixed-Use:** The catalyst sites are in the heart of the City's commercial core; therefore, the City also supports a mixed-use option for future development projects. In this scenario, ground floor commercial spaces could be viable along Highway 101 (1st Street) and the portions fronting the Dike Trail. Adjacent streets and small surface lots would support customer parking. A mixed-use component on the catalyst sites would support much needed commercial services in the focus area.



**Scenario 1: Townhouse**      **Scenario 2: Apartments**

*This exhibit is a diagrammatic cross section depiction of the two redevelopment scenario options for the catalyst sites. This diagram is intended to compare the development scale between the two scenarios.*

**Figure: 6.3.a - Catalyst Redevelopment Programming Diagram**

Source: Leland Consulting Group

<b>Table 6.3.2 - AWP Catalyst Site Redevelopment Programming</b>		
	<b>Scenario 1</b>	<b>Scenario 2</b>
<b>Housing Type</b>	Townhouses	Apartments
<b>Parking Configuration</b>	Surface Lots / Private Garages	Surface Lot
<b>Levels (min.)</b>	2	2
<b>Levels (max.)</b>	3	3
<b>Typical Density</b>	16 dwelling units per acre	30 dwelling units per acre



Left: Example three-level townhouse development  
 Right: Example of a three-level apartment community  
 (Source: Stantec)



- **Pedestrian-Oriented Design:** Through the AWP process, the City expressed their desire for Highway 101 (1st Street) to redevelop as a traditional main street with distinctive urban design. The City wants the catalyst sites to redevelop, with new buildings that create a strong pedestrian-oriented design; buildings would be sited close to public sidewalks and streets, facades would have window coverage and architectural interest, and the building materials would respond to the City's historical past (e.g., wood siding).
- **Interim Uses:** The City understands that housing and/or mixed-use development may occur in the future when the market conditions support the development costs. There is an opportunity to allow interim, temporary uses on the catalyst sites to bring activity and commerce to the focus area until the properties are redeveloped with permanent structures. The City would examine its zoning and regulatory standards to allow compatible interim uses. These may include but are not limited to food trucks, recreational vehicle parks, and event space.
- **Employment Uses:** While the City desires additional housing within the focus area, it also supports redevelopment of the waterfront catalyst sites (#1-3) with employment uses such as manufacturing and light industrial uses. The City would permit other uses on the waterfront catalyst sites to allow flexibility. At the same time, the City should consider adopting compatibility standards to buffer the surrounding area from more intensive land uses.



*Left: Example of two-level mixed-use development sited close to public sidewalks in DuPont, WA | Right: Example of tiny pop-up shops as an interim use in Anacortes, WA (Source: Stantec)*

*Top: Example of pedestrian scale mixed-use development in Issaquah, WA | Lower: Example of active street level uses such as outdoor dining (Source: Stantec)*



Figure: 6.3.a - Cosmopolis Catalyst Site Map

(Source: Stantec & Google Earth)

# *Chapter 7:* Action Plan

*(Source: PeterAschoff | Unsplash)*

# 7.1 - ACTION PLAN OVERVIEW

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In order to prepare a community to proactively engage with rapidly changing trends, it must have an Action Plan in place. Without a plan, efforts are often reactive, non-collaborative, and not connected for meaningful impact. The project team created an economic development action plan that responds to community sentiments, market opportunities, and the individual projects that the community identified through the AWP process. This economic development action plan includes two vital components:

**Action Plan Component #1: Document a Playbook** - For a plan to succeed, numerous partners and organizations must be engaged and collaborate toward common goals. At the same time, it is essential for public and private entities to recognize that they are partners in economic development efforts, as one cannot be sustained without the other. To efficiently and effectively align goals, a community must understand, document, and achieve consensus on its vision, values, opportunities, and objectives.

The world's economy is changing rapidly. An established playbook provides enough broad goals to recognize opportunities when they arise. Clear direction regarding the City's roles will help determine projects that should be pursued and those that should be opposed. To effectively implement a strategy, it is as important to say no to certain opportunities as it is to say yes to others.

**Action Plan Component #2: Identify Specific Actions** - Once goals and objectives are defined, action must be taken. Often these actions will appear minor without the overall context of the City's AWP document and the Action Plan. The intent of the Action Plan is to provide several action items by several partners, all working toward the same overall goal. The Action Plan is a flexible list of initiatives that would be shaped as opportunities arise. Finally, it is important to annually revisit the Action Plan to determine where progress is being made and where other areas are deficient. It would be necessary to update the document every 3 to 5 years in keeping with the rapid pace of change in the economy. In addition, it would be important for the City to allocate its budget to the specific actions.

## 7.2 - ACTION PLAN GOALS AND OBJECTIVES

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The Action Plan includes three overarching goals that respond to the community's priorities that were identified through the AWP process. These goals build upon the AWP's guiding principles that were established early in the planning process (Refer to Section 5.2, Guiding Principles). These goals also aim to implement the individual projects from the AWP Framework Plan. Each goal includes a set of objectives and action items.

The ultimate actions would implement the following economic development goals and objectives for the City. The following information is the result of market research that is supplemented by stakeholder interviews and community input discovered throughout the overall AWP process. In addition, the goals and objectives align with existing efforts throughout the region to supplement and leverage current work rather than creating distinct programs that may not align with overall regional goals.

### GOAL 1: ENHANCE THE COMMUNITY TO KEEP AND ATTRACT TALENT

Many people of different ages desire access to a dynamic urban environment and lifestyle that provides a wide variety of housing, restaurants, entertainment, and retail options within a downtown core. Providing access to this "lifestyle" does not require that an entire community be developed at urban densities. What is important is that some elements of an urban lifestyle and dynamic urban environment be provided in select areas via a healthy Main Street, revitalized traditional downtown, or suburban "town center." Such areas are important for employers to be able to attract and keep talent. It is important for Cosmopolis to define and actively grow the downtown that reflects the City's unique values and attributes.

#### OBJECTIVE 1.1: FOSTER DIVERSE HOUSING DEVELOPMENT

A consistent message from the community was concern over the lack of diverse housing types, especially for high-wage earners. Interviews with real estate brokers suggested that housing developers are choosing to build in Olympia as the return-on-investment is higher considering the marginal difference in land costs and construction costs and improved access to building supplies. This limited housing supply is a barrier to Cosmopolis employers recruiting new out-of-town employees with specific needed skills. Furthermore, a limited option on housing types is forcing some people to "buy-down" and occupy homes that would otherwise be available for lower-income residents.

#### OBJECTIVE 1.2: SUPPORT LOCAL RETAILERS AND EXPAND THE MARKET

New local sector businesses are important as they make a community distinct and provide amenities that drive the new economy. As identified in the Market Analysis, attracting new retail development will be challenging. Therefore, alternative and more approachable options to serve the market are needed. The City is very flexible with its code and regulations, thereby making it very business friendly. This flexibility could facilitate the City attracting food trucks and carts that could eventually become brick-and-mortar locations, such as Frontagers Pizza.

#### OBJECTIVE 1.3: INVEST IN PUBLIC INFRASTRUCTURE

A great place is defined by both public and private investment in the community. When a community invests in infrastructure and public projects, it conveys to private developers and the community that it has a vision and desire to provide necessary services to make a place great. Furthermore, strategic public infrastructure constructed in conjunction with private development serves as an important incentive.

#### OBJECTIVE 1.4: CONTINUE TO IDENTIFY AND ADDRESS BROWNFIELD CONDITIONS

Phase I/II ESAs should be completed on additional brownfield sites within the focus area as a means to advance redevelopment by characterize property conditions and confirm if site cleanup activities are needed. Brownfield sites include properties with confirmed or perceived contamination that may deter investors and hinder redevelopment. There is opportunity for the City to play a proactive role in identifying potential brownfield sites and securing grant funding for Phase I/II ESAs and cleanup plans. Specifically, the City can seek federal, state, and local grants to assist property owners, prospective purchasers, and developers with securing funds for Phase I/II ESAs and cleanup planning activities for catalyst and other brownfield sites.

## GOAL 2: EMBRACE ACCESS TO WATER AND OUTDOORS

The City of Cosmopolis and the Grays Harbor region are fortunate to be surrounded by some of the most compelling outdoor landscape and outdoor amenities within the Pacific Northwest. This access to the outdoors and gorgeous waterways can be leveraged in helping the community to attract talent. As communities consistently compete to retain and attract businesses, it is critical for the City to understand, enhance, and promote the elements that make it special.

### OBJECTIVE 2.1: ENHANCE THE REGIONAL TRAIL SYSTEM

Throughout the April 2019 stakeholder meetings, it was repeatedly conveyed how much the community values the trail system. Enhancing river viewing opportunities along the trails would enhance the system and only encourage more use and attract more visitors.

### OBJECTIVE 2.2: ENCOURAGE DEVELOPMENT OF THE BOAT RAMP

Throughout the development of the Action Plan, all stakeholders and community members clearly supported the development of the boat ramp to enhance access to the river. In addition, this compelling feature serves as critical amenity that can focus additional investments in housing and retail. While this feature is clearly desired, the property owner, Cosmo Specialty Fibers, must be willing to sell their property. Public-private collaboration is a critical element in moving this objective forward.

## GOAL 3: FOSTER CONNECTIONS

Cities can rarely enhance the local economy on their own. It requires collaboration with an array of stakeholders to effectively support local businesses and enhance the quality of the urban environment. Regional collaboration is also essential, and it is important for the City to work in partnership with adjacent cities and the Grays Harbor region to realize its full potential.

### OBJECTIVE 3.1: ENHANCE MULTI-MODAL OPTIONS

As identified above, in attracting younger talented workers, it is important to provide multi-modal transportation options in addition to vehicle access. Supporting regional transportation investments that provide this desired community asset is an important economic development objective.

### OBJECTIVE 3.2: COLLABORATE WITH REGIONAL PARTNERS

The City is a part of the broader Grays Harbor region. Furthermore, business functions on a regional metropolitan statistical area level because assets such as workforce and transportation infrastructure are not constrained by local municipal boundaries. Therefore, to effectively grow an economy, it is important to leverage existing assets and collaborate on a regional level.

Like other communities in the Grays Harbor region, many of the properties in the AWP focus area are brownfield sites, and future redevelopment projects will require Phase I/II ESAs to determine whether hazardous substances are

present. There is opportunity for the City to play a proactive role in identifying potential brownfield sites and to secure grant funding for Phase I/II ESAs and cleanup action plans. Specifically, the City can seek federal, state, and local grants to assist property owners, prospective purchasers, and developers with securing funds for Phase I/II ESAs, remedial investigation and feasibility studies, and cleanup action planning activities for catalyst site.

# 7.3 - COSMOPOLIS ACTION PLAN ROADMAP

The following Cosmopolis Action Plan Roadmap lists the individual action items that the City can employ to address the individual project goals and objectives from the AWP Action Plan. The Roadmap is a matrix that lists specific actions, timeline, responsible parties, and deliverable. The City can use this Action Plan Roadmap in their annual work programs and municipal budgeting processes to ensure each action item is addressed in the upcoming years. The project team created the Action Plan Roadmap so that the City can lay the foundation for private investment in the AWP focus area and redevelopment of the City's brownfield sites.

<b>Table 7.3.1 - Cosmopolis Action Plan Roadmap</b>								
Action	2020	2021	Yrs 3-5	Lead Org./ Staff	City Support	External Partners	Resource Requires	Deliverable
<b>GOAL 1: ENHANCE THE COMMUNITY TO KEEP AND ATTRACT TALENT</b>								
<b>Objective 1.1 Foster Diverse Housing Development</b>								
<b>Outcome: Employees can live and work in Cosmopolis</b>								
<b>A. Foster site availability for housing development</b>	X	X	X	Community Development Director (CDD)	Mayor, City Council	Grays Harbor Council of Governments (GHCOG)	Staff time	<ul style="list-style-type: none"> <li>• Rezone school district site with following by Q1 2020</li> <li>• Amend the City's Comprehensive Development Plan to allow apartment-style and attached residential on the Cosmopolis School District and private properties.</li> <li>• Rezone the Cosmopolis School District site from Public Reserve (PR) to Residential Medium Density (R57).</li> <li>• Rezone private, vacant sites adjacent to the School District property from Residential Low Density (R100) to Residential Medium Density (R57).</li> <li>• Allow for Flexibility in Urban Residential Zone per recommendations in Stantec memo dated June 12, 2019. Q2 2020</li> <li>• Talk to vacant property owners to determine level of interest and share Framework Plan vision. Ongoing</li> </ul>

**Table 7.3.1 - Cosmopolis Action Plan Roadmap**

Action	2020	2021	Yrs 3-5	Lead Org./ Staff	City Support	External Partners	Resource Requires	Deliverable
<b>B. Engage housing developers</b>	X	X	X	CDD	Mayor, City Council	GHCOG	Staff time	<ul style="list-style-type: none"> <li>Adopt multiple-unit tax credit (RCW 84.14) incentive. Q2 2020</li> <li>Talk to Grays Harbor Community College about potentially locating student housing in Cosmopolis. Q4 2020</li> <li>Once available properties and incentives are determined, begin engaging housing developers. Specifically reach out to Tobias Levy with Forterra. Q4 2020</li> </ul>
<b>Objective 1.2 Support Local Retailers and Expand the Market</b>								
<b>Outcome: Community has desired amenities that serve employees and residents</b>								
<b>A. Encourage flexible uses.</b>	X	X		CDD	Mayor, City Council	Greater Grays Harbor (GGH), GHCOG	Staff time	<ul style="list-style-type: none"> <li>Allow on-street parking to meet all or some of parking requirements. Q4 2020</li> <li>Amended the City's codes/regulations to allow for food trucks and carts on private property and potentially within on-street parking spaces. Q4 2020</li> <li>Support food cart/brewery concept next to Iron Wing coffee shop by determining if EDA grant funding is available. Q4 2020</li> <li>Talk to restaurants such as Frontagers regarding status of the food truck. Q1 2021</li> </ul>
<b>B. Support local businesses</b>	X	X		CDD	Mayor, City Council	Washington Small Business Development Center (WSBDC), GGH	Staff time	<ul style="list-style-type: none"> <li>Meet with Mia Johnston at WSBDC to help share resources with local businesses and introduce her to Cosmopolis Framework Plan vision. Q4 2020</li> <li>Determine if a micro-loan program is or can be made available. Q4 2021</li> </ul>



<b>Table 7.3.1 - Cosmopolis Action Plan Roadmap</b>								
<b>Action</b>	<b>2020</b>	<b>2021</b>	<b>Yrs 3-5</b>	<b>Lead Org./ Staff</b>	<b>City Support</b>	<b>External Partners</b>	<b>Resource Requires</b>	<b>Deliverable</b>
<b>C. Promote vacant buildings</b>		X	X	CDD	Mayor, City Council	WSBDC, GGH	Staff time	<ul style="list-style-type: none"> <li>Meet with vacant building owners to discuss Framework Plan. Q3 2021</li> <li>Coordinate with WSBDC and GGH regarding tenant opportunities. Q3 2021</li> </ul>
<b>Objective 1.3 Invest in Public Infrastructure</b>								
<b>Outcome: Encourage private investment</b>								
<b>A. Enhance and leverage local streets</b>	X			Public Works	CDD	Property owners	Budget allocation	<ul style="list-style-type: none"> <li>Engage a design/build landscaping firm to prepare a tree planting plan on streets identified in Framework Plan. Q2 2020</li> <li>Prepare an on-street parking striping plan that delineates bike lanes and parking stalls on streets identified in Framework Plan. Q2 2020</li> <li>Implement plans. Q4 2020</li> </ul>
<b>B. Maintain streetscape</b>	X	X	X	Public Works	CDD	Property owners	Budget allocation	<ul style="list-style-type: none"> <li>Maintain and enhance planter beds, especially at 1st and F Streets. Ongoing</li> <li>Sweep streets to remove rocks so retail customers can safely sit outside. Ongoing.</li> </ul>
<b>C. Determine future improvements for sewer treatment plant.</b>	X	X	X	Public Works	CDD	Native American Tribes	Staff time	<ul style="list-style-type: none"> <li>Recognize that landscape screening may be required to encourage adjacent housing development. Q3 2020</li> <li>Determine if moving visitor sign and historic sign are appropriate and desired. Q3 2020.</li> <li>Designate right-of-way for bike/ped use to provide clarity for future adjacent development. Q3 2020.</li> </ul>
<b>D. Leverage civic site development if bond is approved</b>		X	X	CDD	Mayor, City Council	WSBDC, GGH	Staff time	<ul style="list-style-type: none"> <li>Work with GGH and WSBDC to determine if there is a user for the old city hall building and actively promote use. Q1 2021</li> <li>Consider, in cooperation with tribes, moving tribe historic marker to more prominent and visible location at civic center. Q1 2021.</li> </ul>

**Table 7.3.1 - Cosmopolis Action Plan Roadmap**

Action	2020	2021	Yrs 3-5	Lead Org./ Staff	City Support	External Partners	Resource Requires	Deliverable
<b>GOAL 2: EMBRACE ACCESS TO WATER AND OUTDOORS</b>								
<b>Objective 2.1: Enhance the Regional Trail System</b>								
<b>Outcome: Promotes a distinct recreation asset for the community</b>								
<b>A. Make the Dike Trail an official public pathway</b>		X	X	Public Works	CDD	GHCOG	Budget allocation	<ul style="list-style-type: none"> <li>Prepare a plan to improve informal trail along dike from boat launch to Waterway bridge crossing. Q1 2021</li> <li>Consider relocating underutilized benches on 1st Street to enhance Dike Trail. Q1 2021</li> <li>Provide bike/ped trail connection from Dike Trail to Lions Park along existing J Street right-of-way. Q1 2021</li> </ul>
<b>B. Enhance connections to Grays Harbor College</b>			X	Public Works	CDD	GHCOG, City of Aberdeen	Budget allocation	<ul style="list-style-type: none"> <li>Determine if Huntley Road right-of-way can be improved for multi-use path. Q4 2022</li> <li>Determine if trail between Makarenko Park and College can be improved as multi-use path. Q4 2022</li> </ul>
<b>C. Improve regional trail system</b>			X	Public Works	CDD	GHCOG, City of Aberdeen	Budget allocation	<ul style="list-style-type: none"> <li>Determine if Basich Trail and Chehalis River Trail can be connected. Q4 2023</li> </ul>
<b>Objective 2.2: Encourage Development of the Boat Ramp</b>								
<b>Outcome: Creates a catalytic amenity to attract additional private investment</b>								
<b>A. Determine property ownership status.</b>	X			CDD	Mayor, City Council	Cosmo Specialty Fibers	Staff time	<ul style="list-style-type: none"> <li>Share Framework Plan vision and boat launch concept with Cosmo Specialty Fibers leadership. Q3 2019</li> <li>Continue to work with leadership at Cosmo Specialty Fibers to determine if the company will allow the City to acquire the property. Ongoing</li> </ul>

<b>Table 7.3.1 - Cosmopolis Action Plan Roadmap</b>								
<b>Action</b>	<b>2020</b>	<b>2021</b>	<b>Yrs 3-5</b>	<b>Lead Org./ Staff</b>	<b>City Support</b>	<b>External Partners</b>	<b>Resource Requires</b>	<b>Deliverable</b>
<b>B. If city can acquire site, secure funding and design of improvements</b>	X	X	X	CDD	Mayor, City Council	GHCOG	Matching funds for grants	<ul style="list-style-type: none"> <li>Apply for Washington State Recreation and Conservation Office (RCO) grant to prepare engineered site plan and cost estimate for boat launch. Q4 2020</li> <li>Include relocation of the visitor map at the sewer treatment plant with design. Q4 2021</li> <li>Work with regional partners to secure grant to construct boat launch. Ongoing.</li> </ul>
<b>GOAL 3: FOSTER CONNECTIONS</b>								
<b>Objective 3.1: Enhance Multi-modal Options</b>								
<b>Outcome: Provides desired alternative transportation options</b>								
<b>A. Support transit investments</b>	X	X	X	CDD	Public Works	Grays Harbor Transit	Staff time	<ul style="list-style-type: none"> <li>With the development of the civic center, consider if covered transit stops can be provided. Q1 2020</li> <li>Work with future housing developers to integrate transit stops. Ongoing</li> </ul>
<b>B. Support pedestrian and bike improvements</b>	X	X	X	Public Works	CDD	GHCOG	Budget allocation	<ul style="list-style-type: none"> <li>Work with City of Aberdeen and WSDOT to improve Highway 101 with bike and ped improvements. Ongoing</li> <li>Prepare and implement a Safe Routes to school improvement plan. Q2 2020</li> </ul>
<b>Objective 3.2: Collaborate with Regional Partners</b>								
<b>Outcome: Participation in regional efforts that benefit Cosmopolis</b>								
<b>A. Connect business and resources</b>	X	X	X	CDD	Mayor, City Council	GGH, WSBDC	Staff time	<ul style="list-style-type: none"> <li>Connect GGH with Cosmo Specialty Fibers leadership. Q1 2020</li> <li>Determine if Cosmo Specialty Fibers will lease office space and share with GGH and WSBDC to potentially recruit tenants. Ongoing</li> </ul>

**Table 7.3.1 - Cosmopolis Action Plan Roadmap**

Action	2020	2021	Yrs 3-5	Lead Org./ Staff	City Support	External Partners	Resource Requires	Deliverable
<b>B. Promote and connect regional trail system and recreation.</b>		X	X	CDD	Mayor, City Council	GHCOG	Budget allocation	<ul style="list-style-type: none"> <li>Support GHCOG existing plans and need for staff to implement regional trail system. Ongoing</li> <li>Construct trail elements within Cosmopolis. Q4 2021</li> <li>Collaborate on regional marketing and promotion of regional recreation assets. Ongoing</li> </ul>
<b>C. Continue to identify and address brownfield conditions</b>	X			CDD	Mayor, City Council	GHCOG	Staff time	<ul style="list-style-type: none"> <li>Work with GHCOG to apply for Federal, State, and local grants to assist property owners, prospective purchasers, and developers with securing funds for Phase I/II Environmental Site Assessment (ESA) and cleanup planning activities for catalyst sites. Q4 2019</li> <li>Create and implement a public engagement plan to educate property owners on the City's brownfield conditions, ESA requirements, and public funding sources. Q1 2020</li> <li>Require properties in the City AWP focus area to complete Phase I/II Environmental Site Assessments in advance of redevelopment to characterize property conditions and confirm if site cleanup activities are needed. Q4 2020.</li> </ul>



# *Appendices*

## **Appendix A: Market Analysis** (Leland Consulting Group)

*(Source: Artiom Vallat | Unsplash)*



# Cosmopolis Market Analysis

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## EXECUTIVE SUMMARY

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Grays Harbor County has a rich industrial history linked to the timber and wood products economy, as well as a strong tourism economy along the coast.

The decline of mill activity has shifted the economy and created potential brownfield sites in the community ready for redevelopment. To pursue brownfield revitalization, Grays Harbor must pivot toward current and future trends, while still retaining roots to the foundation of the community.

Grays Harbor (which includes the Three-City area of Cosmopolis, Aberdeen, and Hoquiam) would like to better understand the opportunities and barriers to economic development and growth based on data analysis and evaluation of the national and regional trends impacting the community. Additionally, there is a need and desire for the broader community to provide input on these opportunities to confirm that a potential direction for growth and revitalization aligns with community values.

These communities are tied to three significant assets that can positively shape future growth: proximity to amazing natural beauty, the Washington Coast and Olympic Peninsula, and outdoor recreation. The region benefits from quick access to several highways and alignment with Puget Sound prosperity. They are well positioned to enhance and celebrate these differences to foster private investment that will continue to make them a distinct place for a variety of residents, employees, and visitors.

### **Cosmopolis Study Area**

This report provides key market information for Grays Harbor County, including economic, demographic, market, and real estate conditions, as well as pertinent trends and their impact on the local community.

While these trends are generally discussed at a national and regional level, they are critical to better understanding the unique economic and development opportunities for the City of Cosmopolis. For this analysis, these opportunities are specific to the project study area, which generally covers the Cosmopolis waterfront area along US Highway 101 (1<sup>st</sup> Street). The study area is shown in the following map.



Figure 1. Project Study Area



Source: City of Cosmopolis, Leland Consulting Group, Google Imagery

## Key Findings

### Strengths and Opportunities

- **Locational Strengths:** As jobs become increasingly flexible and remote capabilities increase, many people will seek areas with natural beauty and bountiful recreational opportunities. Grays Harbor appears set to take advantage of these emerging trends.
- **Attracting Talent:** With recent trends showing a loss in younger populations, increasing the range of commercial amenities and residential options may prove to be an important component of talent retention and attraction.
- **Residential Opportunities:** With a tight residential market, housing appears to be the strongest land use for Grays Harbor and Cosmopolis to pursue. Cosmopolis is one of the few areas in the vicinity of the Three-City area to experience new residential growth, and the City is primed to leverage its unique position of the waterfront.
- **Senior Housing Opportunities:** Demographic trends suggest an aging population with potential demand for senior-oriented housing. Senior and/or affordable housing developers may have access to

additional financial subsidies in order to build higher density residential structures, potentially catalyzing market growth for other, compatible uses (e.g. retail, healthcare).

- **Retail Opportunities:** Significant retail spending leakage indicates immediate opportunities for additional retail development, although this does not appear to be supported by the market, which demonstrates low and stagnant rents and increasing vacancies. New construction—which has been largely food oriented in keeping with wider national trends—is a positive indicator of feasibility for new construction.
- **Specialized Office Opportunities:** Healthcare and build-to-suit opportunities may arise that are compatible with existing facilities, serve new household growth, and leverage Grays Harbor’s unique setting. Tenants may include healthcare clinics, banks, dentist offices or incubator/coworking space with potential linkages to Grays Harbor College.
- **Strong Tourism Opportunities:** Grays Harbor is poised to leverage its unique position as the only significant urban area serving the Washington coastal region. Lodging and continued retail development—including food-based and other experiential retailers—would likely provide are two primary sectors that should be able to tap into this market.
- **Industrial Opportunities:** While industrial development is not recommended for the Cosmopolis study area, there are opportunities for Grays Harbor to tap into the burgeoning marijuana industry for warehousing and production, as demonstrated in nearby communities.

## Weaknesses and Challenges

- **Low Growth Patterns:** The lack of employment and residential growth contrasts with the strength of the Puget Sound region and limits demand for new development.
- **Retail Challenges:** Retail is struggling at the national level, as traditional brick-and-mortar stores struggle to adapt to changes in consumer behavior and compete with e-commerce. Food-oriented and experiential retail remains strong.
- **Industrial Challenges:** The industrial market is dominated by large employers and therefore has experienced significant fluctuations in jobs.
- **Office Challenges:** Little office demand is projected for the next decade. Employment sectors fundamental to the office market are lacking and the State projects little new growth. Absorption of existing vacancies—as opposed to new construction—is more likely.
- **Construction Costs:** All new development face feasibility barriers because of high construction costs. These costs have risen rapidly since the recession due to labor and material shortages and continued demand in the Puget Sound region. Lower market rents in Grays Harbor are likely to only support the construction of low-rise, surface parked developments.

## Potential Development Program

The following table provides a summary of total forecasted demand across residential, retail, office, and industrial land uses, as well as a potential capture rate of the Cosmopolis focus area.

**Table 1. Summary of 10 Year Study Area Development Potential**

<b>Land Use</b>	<b>Market Area Demand</b>	<b>Est. Study Area Capture</b>	<b>Notes</b>
Owner-occupied Housing	700 units	50-75 units	Townhomes, at 14 to 20 units per acre could be accommodated in the study area, most likely located in the northern half where existing industrial uses is less imposing. Given the unique but limited space along the waterfront, single-family structures would not be recommended to the east of US-101. Condominiums are currently out-of-favor with residential developers due to liability challenges but may be suitable at a later date.
Renter-occupied Housing	500 units	100-150 units	At 20 to 40 dwelling units per acre, a wood-framed low-rise (3-story) apartment building could capture upwards of 20 percent of total regional demand. Additional units and/or a higher density project may be feasible if the unique waterfront location is leveraged for rent premiums, especially with the provision of additional commercial and recreational amenities in the area which could be developed with horizontal mixed-use components. Housing should, however, primarily target low and median-income households to serve the current need.
Office	53,000 sq. ft.	5,000-10,000 sq. ft.	Locally-service offices—such as banks and small healthcare facilities—may be considered as part of a horizontal mixed-use development (surface parked, single- or two-story structure). Demand for larger format speculative office development is not anticipated in the study area, although build-to-suit opportunities may arise in the future.
Retail	200,000 sq. ft.	30,000 sq. ft.	Given the unique advantages and constrained nature of the sites and the clustering of mid- and large-format retailers elsewhere in the region, small-format, destination retailers are recommended here. Waterfront restaurants and bars would leverage Cosmopolis' location, attract tourism dollars, and provide amenities to the wider community. With continued residential growth, demand would likely support a small, 20,000 sq. ft. grocery store.
Industrial	76,000 sq. ft.	20,000	While this is not a traditional industrial site, there have been many examples where light or craft industrial uses have combined successfully with front-of-house retail uses. Pfriem Brewery in Hood River is one such example. These uses act as important destinations for the surrounding community and can often catalyze the development of other, higher values land uses.
Hotel	NA	NA	While a hotel would leverage the increasing tourist visitation and provide much-needed meeting room space, the lack of a prominent office sector restricts prospective hotel users to tourists, which are seasonal and do not drive hotel demand alone. Potential future demand may exist for a boutique-style hotel (typically upwards of 80 rooms) on the waterfront. However, further analysis is necessary to gauge whether demand exists.

Source: Leland Consulting Group

# INTRODUCTION

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## Background

This report provides a summary analysis of the current Grays Harbor County economic, demographic, market, and real estate conditions, their comparison to national trends, and their impact on these communities. Specifically, the report includes the following market indicators: population growth; household growth; household income levels; age-by-income patterns (including relevant generational cohort trends); tenure (rent-versus-own) patterns; household composition (size, family orientation, etc.); lifestyle segmentation (psychographics); regional industry cluster evaluation; employment growth and location; and other indicators, as identified.

## Purpose

This Grays Harbor County Market Analysis prepared for the City of Cosmopolis, Washington will help support area-wide brownfield planning and help attract private investment to the area.

Project Goals & Desired Outcomes:

- Prepare vacant & underutilized sites for redevelopment
- Encourage site reuse & revitalization projects
- Focus on sites with the greatest redevelopment potential
- Transform blighted properties into community assets
- Restore the environment & protect public health
- Prepare a redevelopment strategy

## Target Industries

Greater Grays Harbor, Inc. has targeted five cluster industries with a competitive advantage that share common markets, technologies, worker skill needs, while still linked to the buyer-seller relationships of Washington.

Firms and workers in these targeted industries can draw competitive advantage from their proximity to growing competitors, skilled workforce, specialized suppliers, and a shared base of research-driven knowledge within each growing segment.

- Forestry
- Fishing and Fishing Products
- Wood Products
- Water Transportation
- Financial Services

# COMMUNITY OVERVIEW

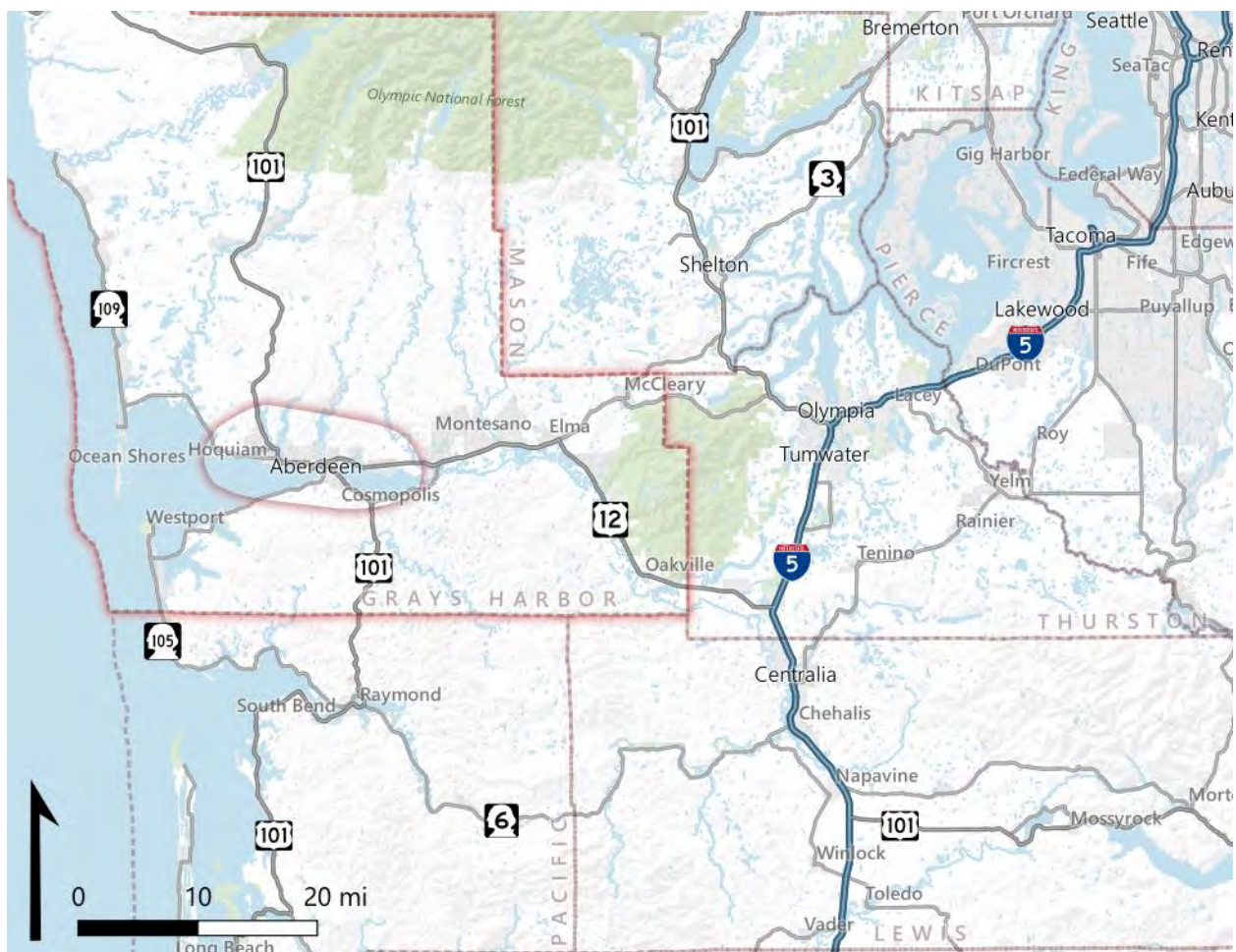
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Grays Harbor County is bounded by the Pacific Ocean (west), Thurston and Mason County (east), Pacific County (south), and the Olympic National Forest and Jefferson County (north). Grays Harbor's proximity to the Washington Coast places the county approximately two hours from major metropolitan markets in Seattle, Washington and Portland, Oregon. The Olympia metropolitan statistical area is only an hour away and serves as an important source of commerce and workforce development in the region.

Water, mountains, and forests, parks and protected areas dominate the landscape in Grays Harbor County. Grays Harbor is a 17-mile long and 12-mile wide estuarine bay located in the southwestern portion of the county around which the cities of Cosmopolis, Aberdeen and Hoquiam, are located. Chehalis River, Hoquiam River, and Humptulips River all flow into the harbor. Further north in the county is the Olympic Mountains, where Colonel Bob Mountain and Gibson Peak climb to about 4,500 feet above sea level. In the southeastern end of the county are the less prominent Black Hills, which are home to the Capital State Forest.

Known as the Gateway to the Olympic Peninsula, the Three-City area of Cosmopolis, Aberdeen, and Hoquiam is frequented by those on route—via US Highway 101 and US Highway 12—to the Washington Coast and the Olympic National Forest and sees significant through traffic by visitors from the Seattle and Portland metro regions especially. As such, there are potential opportunities to capture additional spending in the form of new investment, partnerships, and tourism.

**Figure 2. Grays Harbor County Regional Context**



Source: State of Washington, TIGER, OSM, and Leland Consulting Group

### Economic Indicators

Greater Grays Harbor Inc. suggested positive movements in many of their leading indicators in 2017. The unemployment rate is declining (measured at 8.2 percent—not seasonally adjusted—for January 2019), while steady increases were seen in taxable retail sales and county hotel/motel taxes, median home prices, and shipping activity at the Port of Grays Harbor (especially with the growth of liquid bulk and dry bulk cargo).

Figure 3. Grays Harbor 2017 Year in Review



Source: Grays Harbor Economic Vitality Index, 2018, Grays Harbor Inc.

### Community Assets

Grays Harbor has a rich industrial history linked to the timber and wood products economy, as well as a strong tourism economy along the coast. There is a total of seven state parks and seven nationally protected areas within the county. The Olympic National Forest and Park, and the Capitol State Forest are the most recognizable forests in the area.

Until the 1980s, the area was home to a booming logging industry, but as the industry declined, so did the economy. Revitalization efforts have begun in recent years, led by area businesses, the city, and the residents, focused on retail and tourism.

Miles of riverfront shoreline dominate the area, where activities such as fishing, recreating, commerce, and industrial uses take place. The riverfront is recognized as one of the most important economic and natural resources. Thus, providing appropriate development and redevelopment of riverfront areas has become increasingly important.

### New Market Tax Credits

This development potential is heightened by the fact that almost the entire Three-City area is located within New Market Tax Credit (NMTC) Qualified census tracts (tracts shown in the map at right in both yellow and orange). These tracts are considered “severely distressed” based on census data.

The NMTC Program incentivizes community development and economic into low-income communities by permitting individual and corporate investors to receive a tax credit against their federal income tax in exchange for making equity investments in specialized financial intermediaries called [Community Development Entities \(CDEs\)](#). The credit totals 39 percent of the original investment amount and is claimed over a period of seven years.



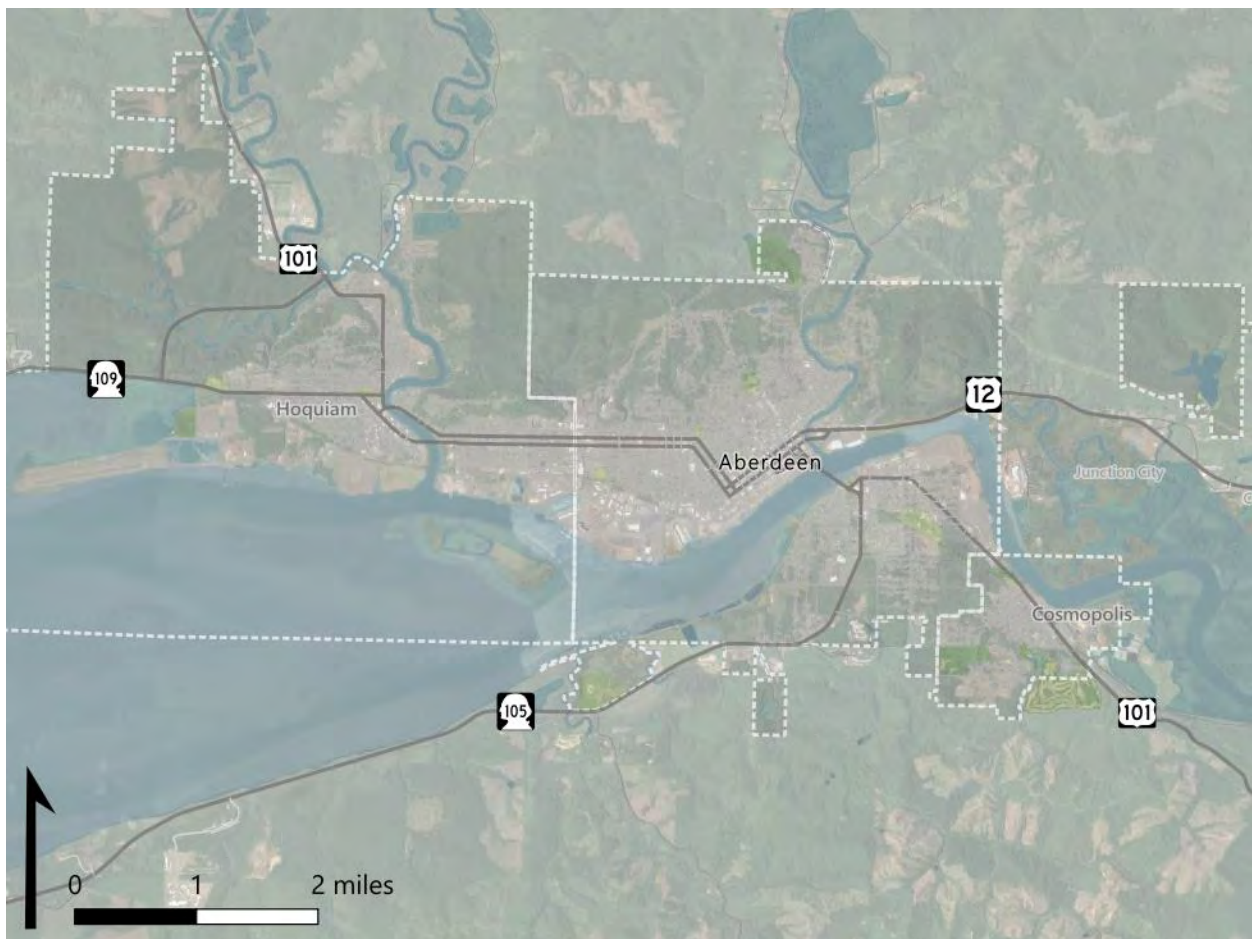
## Opportunity Zones

Parts of the Three-City area are also located in an Opportunity Zone (tracts shown in orange only), a new tax program created by the 2017 Tax Cuts and Jobs Act designed to spur investment in distressed communities. Investors may defer tax on capital gains up to December 31, 2026, by making an appropriate investment through a qualified opportunity fund (QOF) in accordance with certain requirements. This will increase returns and should make investing in opportunity zones more appealing.

## Market Area Discussion

In order to understand competitive supply and likely demand forces affecting development potential, we look beyond the borders of the immediate study area to consider broader geographies likely to directly influence market performance for relevant land use categories.

Figure 5. Three-City Area



Source: Google Imagery, TIGER and Leland Consulting Group

## Residential and Office Market Area

For residential and office, we define the market area as the Three-City area of Cosmopolis, Aberdeen and Hoquiam as well as Central Park CDP (census-designated place) to the east.

The residential and office market area represents the area from which the most demand for residential, commercial, and industrial demand will originate, and where most of the competitive development is located.

Residents and businesses located in this area are the most likely groups to support retail on site, lease/utilize office space, and live in the Three-City area.

### Retail Market Area

The primary retail trade area covers a significantly greater region, extending southwest and northwest to the coast from the Three-City area and Montesano to approximate one-hour drive time.

For retail, the primary trade area is the consumer market where the study area has a significant competitive advantage because of access, design, lack of quality competition and traffic and commute patterns. This competitive advantage equates to potential domination of the capture of consumer expenditure by the retailers in the study area.

## Demographics

Data for residents in the Three-City area shows a more challenging environment for new development than the County and the wider region. Given the strength of the Washington market, driven primarily by the Seattle metropolitan region, this is to be expected.

As the following table shows, population growth stagnated at 0.55 percent annually in Grays Harbor County between 2010 and 2018. In contrast, the state of Washington has experienced significant growth during the same period, driven predominately by the Seattle Metropolitan Area.

**Table 2. Population and Population Growth, 2000-2018**

	Cosmopolis City	Three-City Area	Grays Harbor Co.	State of Washington	USA
2000 Population	1,577	27,252	67,194	5,894,121	281,421,906
2010 Population	1,649	27,271	72,797	6,724,540	308,745,538
2018 Population	1,656	27,155	74,215	7,452,102	330,088,686
2000-2010 CAGR*	0.27%	-0.02%	0.55%	1.31%	0.89%
2010-2018 CAGR*	0.05%	-0.05%	0.24%	1.29%	0.84%

Source: ESRI, from ACS and US Census<sup>1</sup>

\*CAGR = Compound Annual Growth Rate

Some clear trends emerge when we explore certain socioeconomic and household information, as shown in the following summary table. Grays Harbor County residents typically tend to be older and earn significantly less than the state average. Within the region, Cosmopolis has the highest household incomes, the smallest household size, and the oldest population. Despite having the highest incomes, residents of Cosmopolis have lower levels of educational attainment.

<sup>1</sup> Unlike US Census and Washington Office of Financial Management data, ESRI provides the ability to draw custom geographies, which is helpful for populating the demand models for which the results are presented later in this report. ESRI also provides the latest and most diverse data in comparison to other demographic data vendors.

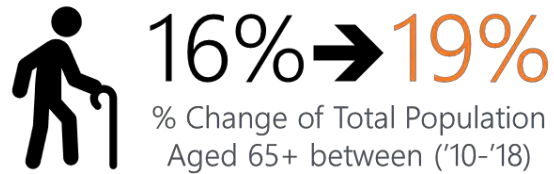


**Table 3. Select Household Characteristics**

	Cosmopolis City, WA	Three-City Area	Grays Harbor Co.	State of Washington	USA
Avg. Household Size	2.46	2.56	2.48	2.54	2.59
Median HH Income	\$50,278	\$41,833	\$47,369	\$68,734	\$58,100
Per Capita Income	\$26,373	\$22,005	\$24,189	\$36,796	\$31,950
Median Age	42.0	38.1	43.7	38.4	38.3
Non-white Pop	15.4%	22.4%	18.9%	28.4%	31.8%
Bachelor's +	11.5%	15.8%	16.8%	36.0%	31.8%

Source: ESRI, from ACS and US Census

However, the age of existing residents only tells half the story. The vast majority of population growth in Grays Harbor over the past eight years has been in the senior age cohorts (65+). While there was also more limited growth in the 25 to 34 and 55 to 64 age cohorts, other age cohorts under 55 years of age lost population from 2010 to 2018.



Conversely, population growth across the state has occurred in the younger age cohorts (under 34)—in addition to those aged 55 to 74—reflecting Seattle’s draw.

The following table provides income data for *householders* in the Three City Area, broken down by the age of the householder. Householders in the region are slightly older than the U.S. on average with 50 percent over 55-years-old, compared to 45 percent for the nation. The main difference, however, is in the 25 to 34 cohort. Proportionally, there are three times more householders aged between 25 and 34 than the national average (15 percent versus only four). This may reflect the lower barrier to entry and lower cost of for-sale housing in the area.

**Table 4. Households by Income and Age of Householder, Three-City Area, 2018**

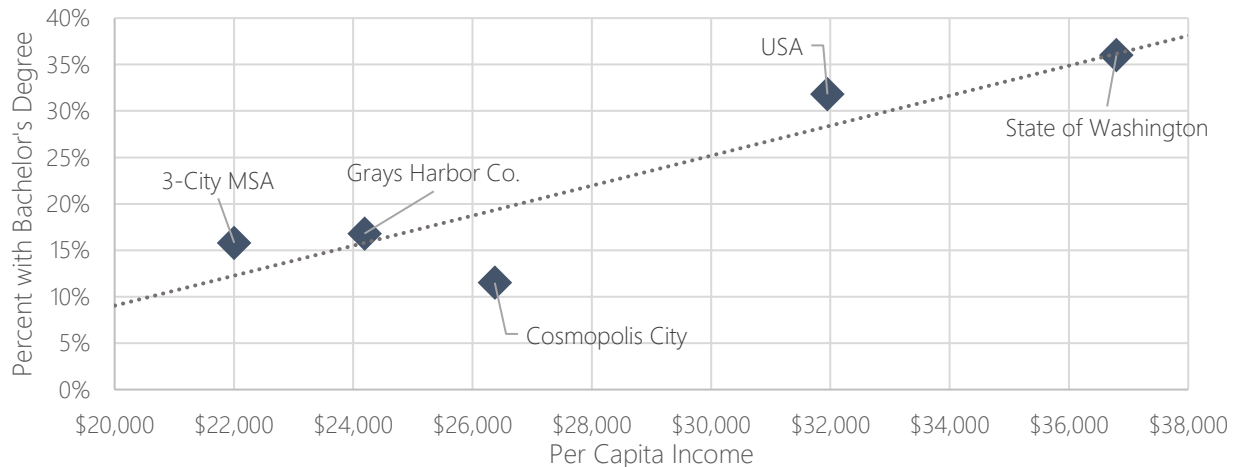
	Total	<25	25-34	35-44	45-54	55-64	65-74	75+
Householders	12,509	510	1,911	1,816	1,983	2,442	2,214	1,633
Percent of Total		4%	15%	15%	16%	20%	18%	13%
U.S. Average		4%	4%	17%	18%	19%	15%	11%
Household Income								
<\$15k	1,854	1.0%	1.9%	1.9%	2.1%	3.0%	2.4%	2.5%
\$15k-\$25k	1,697	0.7%	1.8%	1.3%	1.2%	2.2%	2.6%	3.7%
\$25k-\$35k	1,496	0.6%	1.7%	1.5%	1.5%	1.9%	2.7%	2.2%
\$35k-\$50k	1,931	0.8%	2.4%	2.3%	2.4%	2.7%	3.2%	1.6%
\$50-\$75k	2,258	0.6%	3.3%	2.9%	3.1%	4.1%	2.8%	1.3%
\$75k-\$100k	1,471	0.3%	2.0%	1.8%	2.2%	2.5%	2.0%	1.1%
\$100k-\$150k	1,271	0.2%	1.6%	2.0%	2.5%	2.0%	1.4%	0.5%
\$150k-\$200k	306	0.0%	0.4%	0.3%	0.5%	0.8%	0.3%	0.1%
\$200k+	225	0.0%	0.2%	0.5%	0.4%	0.4%	0.2%	0.1%
Median HH Income	\$43,190	\$30,611	\$48,683	\$51,294	\$54,803	\$49,531	\$39,069	\$25,987
Avg. HH Income	\$57,625	\$38,266	\$59,237	\$65,876	\$68,790	\$61,666	\$53,051	\$39,207

Source: ESRI

## Educational Attainment

The following figure provides a comparison of the educational attainment levels and household incomes across many different geographies. The residents of Cosmopolis generally have one of the lowest educational attainment levels in the region, while per capita income is \$38,000, which is slightly above Grays Harbor and the Three-City region. In contrast, Washington is significantly ahead in terms of both per capita income and educational attainment, with almost 40 percent of all residents over the age of 25 with a bachelor's degree and median household earnings of \$64,400. As the following graph shows, income and educational typically has a very strong correlation.

Figure 6. Educational Attainment Versus Per Capita Income, 2018

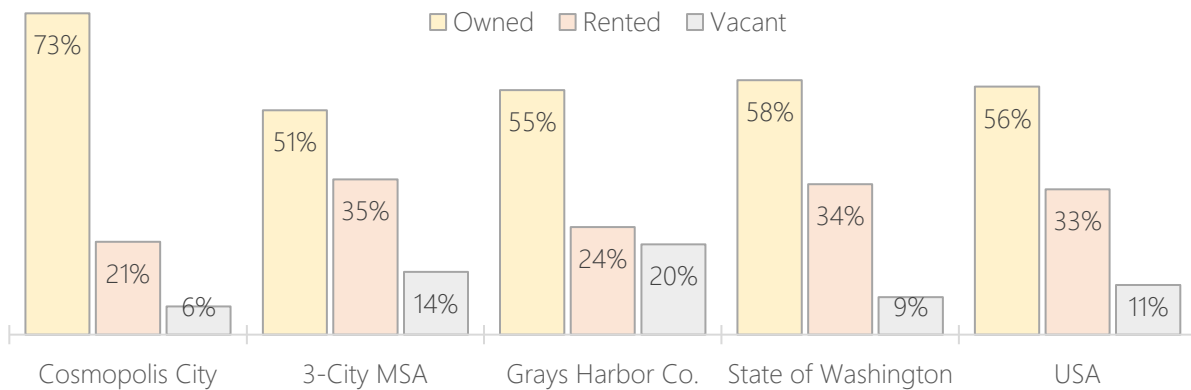


Source: ESRI

## Housing Unit Characteristics

As the following graph shows, the region's households show a propensity for owner-occupied housing rather than rental housing. Most strikingly, however, is the high proportion of vacant housing units. In fact, vacant and rented housing units are almost the predominant tenure type. This housing reflects ownership of second homes tied to the hunting and outdoor recreation industry, lower incomes, and residual impacts of the recession and loss of the energy industry. Dilapidated housing is a significant concern for Cosmopolis and the Three-City area. If fixed, tenanted, and/or sold, these dilapidated homes in the region would likely absorb much of the growing residential demand and attract further development. However, as discussed later in this report, housing supply is constrained, and prices are increasing at an unprecedented rate. At the same time, wages have not increased accordingly to off-set this rise in prices to make home purchases affordable.

Figure 7. Tenure of Housing Units, 2018



Source: ESRI and Leland Consulting Group

## Psychographics

Tapestry segmentation (ESRI, Inc.) groups households based on similarities in age, income, housing and cultural variables to help understand and predict consumer behavior. While the following information is for national averages, it is useful for understanding the consumer habits of Grays Harbor residents.

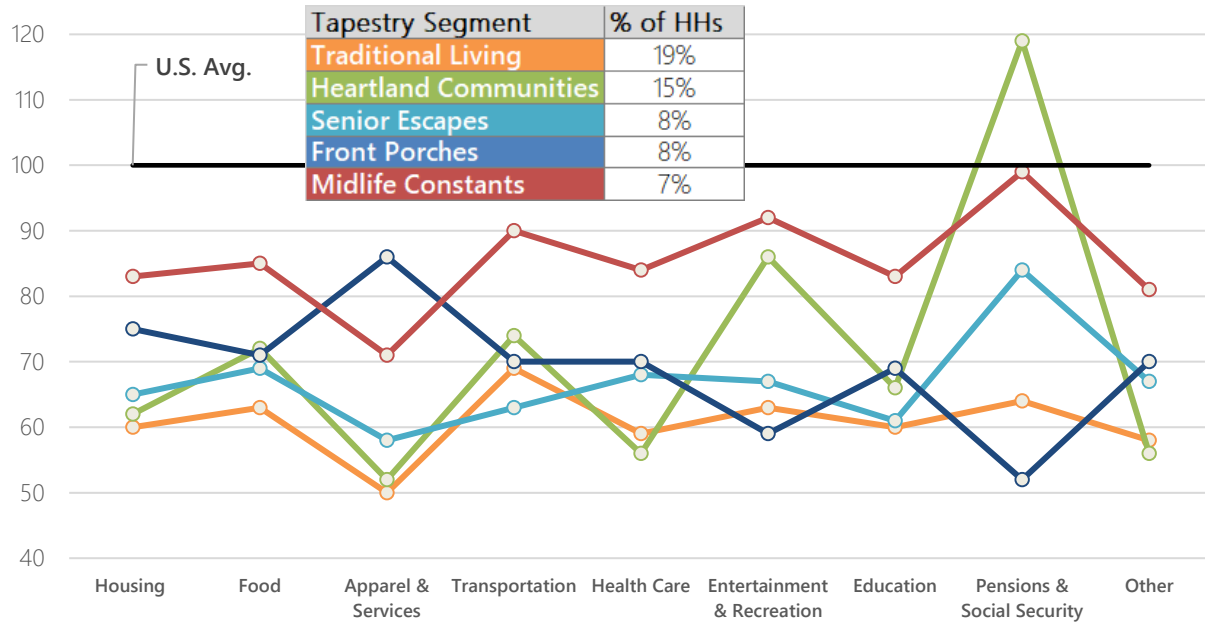
The index compares the average amount spent in this market's household budgets for housing, food, apparel, etc., to the average amount spent by all US households. An index of 100 is average. An index of 80 shows that average spending by consumers in this market is 20 percent below the national average. Consumer expenditures are estimated by ESRI.

The top tapestry segments in the Three City Area – which account for about 57 percent of all households – include Traditional Living, Heartland Communities, Senior Escapes, Front Porches, and Midlife Constants. ESRI's psychographic data suggests a more financially constrained community than the greater region.

- *Traditional Living* households are primarily single-family or duplexes in older neighborhoods, housing relatively young families who are typically cost-conscious consumers. Almost three-quarters of households derive income from wages and salaries, augmented by Supplemental Security Income and public assistance. As the top tapestry segment for the Three-City area, this tapestry demonstrates the constrained financial nature of much of the region.
- *Heartland Communities* residents are typically semiretired, living in semirural settings. Motorcycling, hunting, and fishing are popular; walking is the main form of exercise. The strong budgetary focus on *pensions and social security* shows significant retirement savings, suggesting a cost-conscious and savings-oriented demographic group.
- *Senior Escapes* are typically seasonal households, yet owner-occupied. Nearly one-fifth of the population is between 65 and 74 years old. Entertainment typically includes watching TV, cycling, boating, and fishing, and tend to be health-conscious.
- *Front Porches* blends household types, with more young families or single households than average. Most householders are renters and income and net worth are typically well below the US average.
- *Midlife Constants* are the most financially mobile group within the top five tapestry segments and are most likely to spend on entertainment and recreation, as well as save for retirement—as indicated by the high budgetary focus on *pensions and social security*. They are typically seniors, at or approaching

retirement, with above average net worth. They are primarily married couples living in single-family neighborhoods.

Figure 8. Household Budget Index\*, Three-City Area



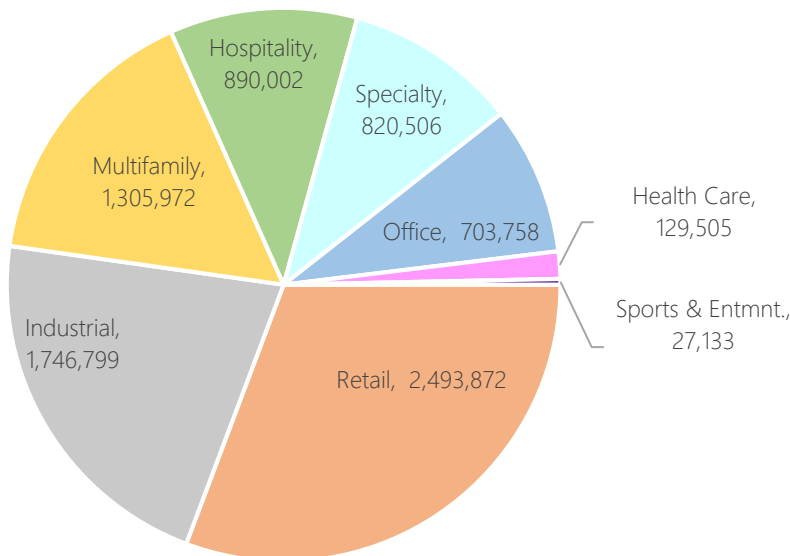
Source: ESRI, Leland Consulting Group

\* The Pensions and Social Security category indicates money being saved for retirement rather than spent elsewhere.

## Land Use

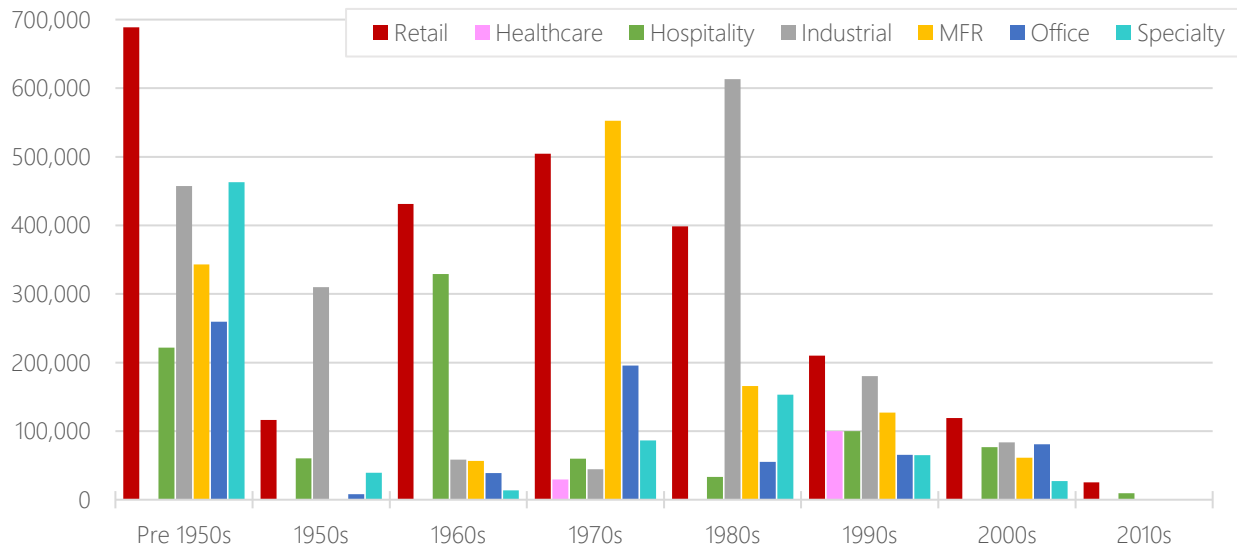
The following graphic shows regional development in total building square feet by land use. Of all commercial land uses (not including institutional and single-family residential), retail is the predominant land use in the Three-City region, comprising one-third of total square building footage. Multifamily, industrial, and hospitality comprise 21, 16, and 11 percent respectively.

Figure 9. Land Use Mix by Building Square Feet, Three-City Area



However, as the following chart shows, the past two to three decades has seen little development of any land use, most likely reflecting challenging economic conditions in part as a result of the decline of the logging industry.

**Figure 10. Square Feet of Development by Land Use and Decade Built**



Source: Costar and Leland Consulting Group

In more recent years, new challenges have also emerged. The rising cost of construction, combined with limited rent growth and negative migratory trends, have generally been significant barriers to development in rural areas across the nation since the recession. Largely as a result, investors have focused on urban metropolitan areas where rent growth has largely kept pace with construction costs and a higher profit margin is possible, leaving behind an aging inventory.

Subsequently, existing vacancy rates (which are discussed in the following few sections) may show a relatively constrained market, yet this data does not provide an indication of the *quality* of the space. Further, vacancy rates typically only show *for-lease* space, excluding space which is perhaps abandoned or has been chronically vacant.

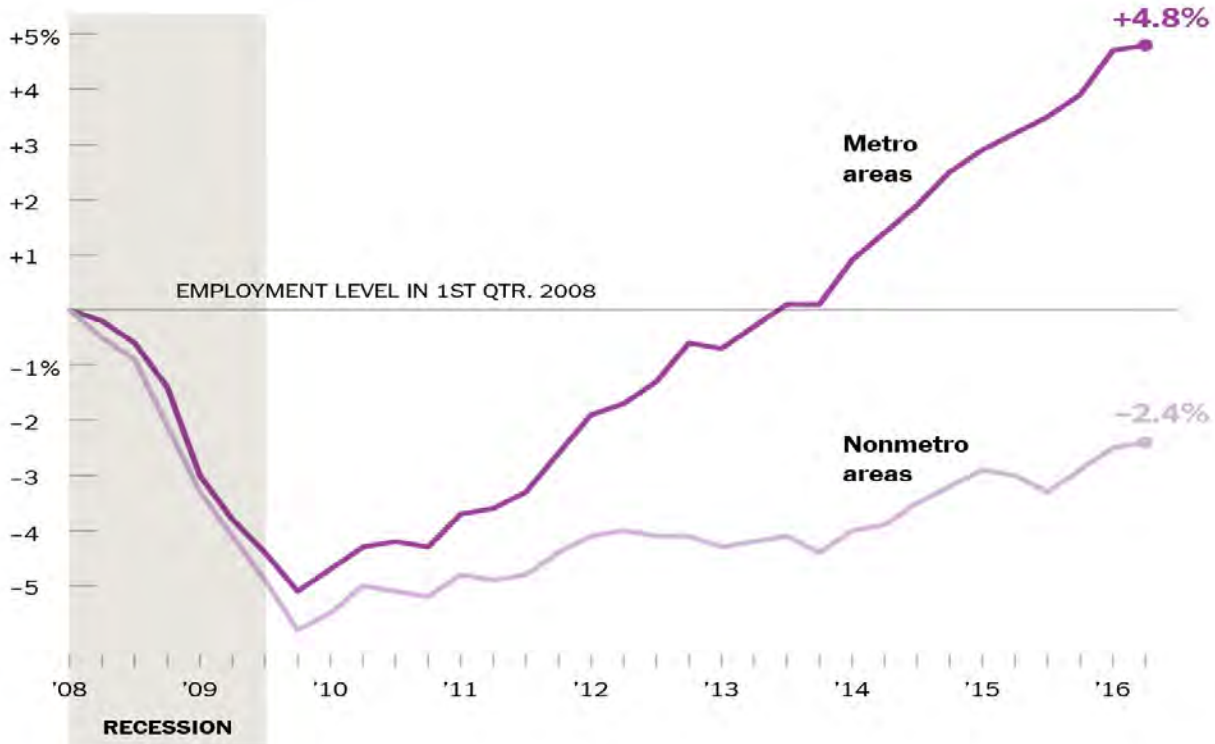
## EMPLOYMENT

Washington’s economy is one of the strongest in the nation, driven by high population and employment growth and the business environment. The state’s unemployment rate was measured at 4.5 percent in January 2019 (seasonally adjusted), according to the Washington Department of Labor and Employment. Sustained growth has involved attracting talent from other places, including the East Coast and the San Francisco Bay Area.<sup>2</sup>

However, rural Washington—like most rural places in the nation—has been slower to recover from the Great Recession from 2008 to 2010. The Grays Harbor County region is a prime example of a boom-bust economy, where an over-reliance on the natural resources industry has resulted in economic decline.

<sup>2</sup> <http://gazette.com/Washington-no.-1-for-economy-no.-10-overall-report-says/article/1621797>

Figure 11. Change in Employment since the Great Recession, Rural Versus Urban Areas<sup>3</sup>



Source: USDA Economic Research Services, Charts by Bill Marsh/The New York Times

## Employment Profile

The regional outlook is considered guarded—meaning investors and real estate experts remain cautious about investing—as the county struggles to get back to pre-recession employment levels. The unemployment rates continue to fall but non-farm job growth has been mixed and hard to sustain.

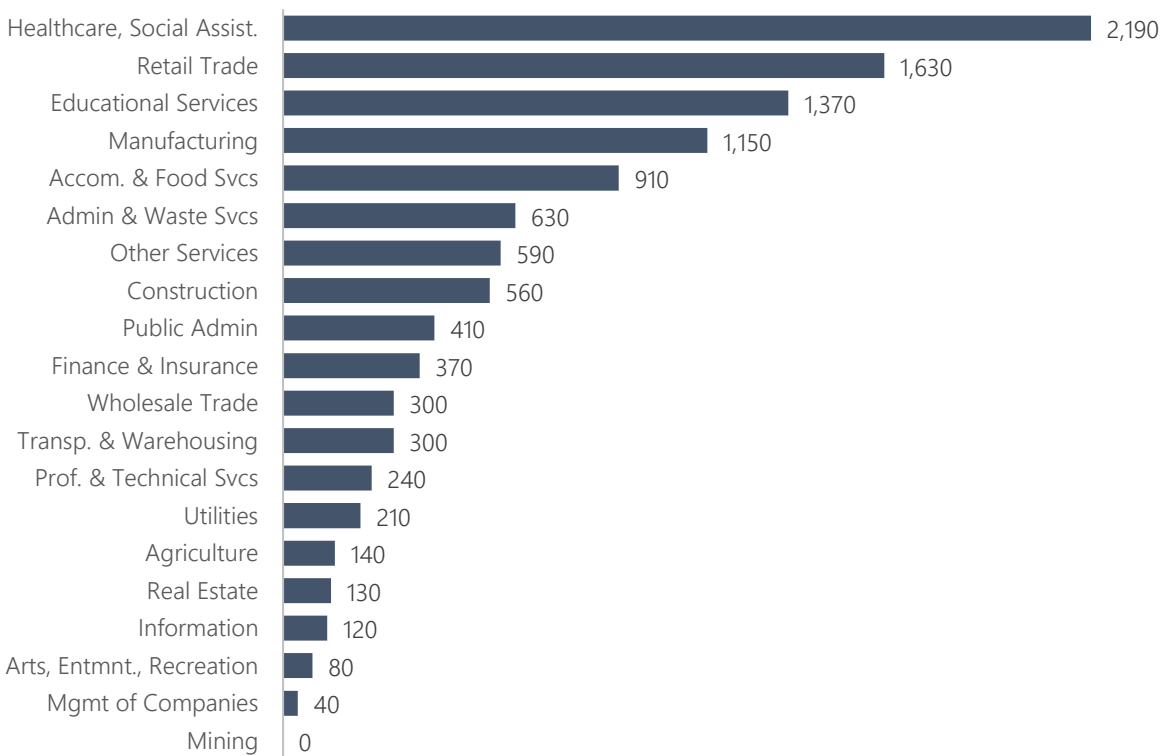
The Port of Grays Harbor continues to expand its lines of business including increased log exports, a new compressed natural gas (CNG) facility, and a proposed crude oil facility. Tourism facilities are still beginning to be developed and tourism has been identified as a major player with efforts being made for impactful tourism efforts. However, these tourism destinations are typically constrained to the coast, such as Westport, Ocean Shores and Seabrook.

The following chart shows estimated employment in the Three-City area of Cosmopolis, Aberdeen and Hoquiam. Healthcare and social assistance jobs are responsible for almost 20 percent of all jobs, followed by

<sup>3</sup> In 2013, OMB defined metropolitan (metro) areas as broad labor-market areas that include: (1) central counties with one or more urbanized areas; urbanized areas (described in the next section) are densely-settled urban entities with 50,000 or more people; and (2) outlying counties that are economically tied to the core counties as measured by labor-force commuting. Outlying counties are included if 25 percent of workers living in the county commute to the central counties, or if 25 percent of the employment in the county consists of workers coming out from the central counties—the so-called "reverse" commuting pattern. Nonmetro counties are outside the boundaries of metro areas and are further subdivided into two types: (1) micropolitan (micro) areas, which are nonmetro labor-market areas centered on urban clusters of 10,000-49,999 persons and defined with the same criteria used to define metro areas; and (2) all remaining counties, often labeled "noncore" counties because they are not part of "core-based" metro or micro areas. (Source: USDA Economic Research Service, "What is Rural?")

retail, education, and manufacturing. Industries that are traditionally considered the greatest drivers of office space, such as business services, finance, information, and management of companies are relatively insignificant.

**Figure 12. Estimated 2019 Employment, Three-City Area**



Source: LEHD, WAOFM

### Target Industries

Greater Grays Harbor, Inc. has targeted five cluster industries with a competitive advantage that share common markets, technologies, and worker skill needs.

Firms and workers in these targeted industries can draw competitive advantage from their proximity to growing competitors, skilled workforce, specialized suppliers, and a shared base of research-driven knowledge within each growing segment.

- Forestry
- Fishing and Fishing Products
- Wood Products
- Water Transportation
- Financial Services

These targeted industries fall under several different industries, including but not limited to: manufacturing; finance and insurance; transportation and warehousing; and agriculture.

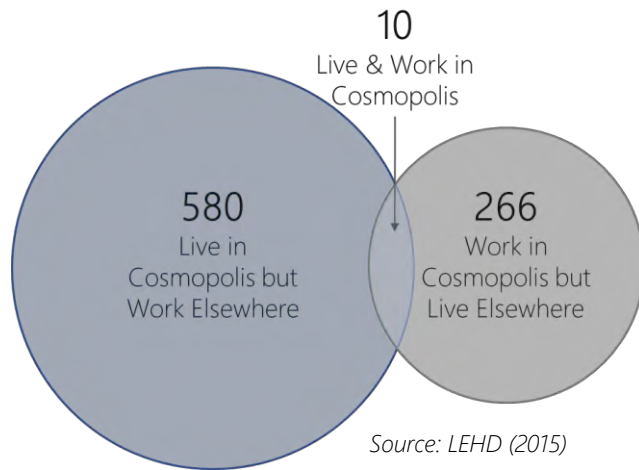
Cosmopolis reflects the strength of the wood product cluster with the active presence of Cosmo Specialty Fiber and the legacy of Weyerhaeuser. These businesses provide significant family-wage jobs for the community and remain an important part of the overall regional economy. An important component to fostering the growth

and expansion of industries such as these is making Cosmopolis a great community that retains and attracts talent.

### Workforce Analysis and Commute Patterns

Workforce patterns help convey the number of employment opportunities with a community as well as the distance that residents must travel for work.

**Figure 13. Characteristics of Inflow/Outflow Jobs, Cosmopolis**



Very few people both live and work in Cosmopolis, as the graphic at left shows, meaning most people commute in or out of the city.

This same commute data for the Three-City area of Cosmopolis, Aberdeen and Hoquiam, shows a far greater proportion of people both living and working in the area, demonstrating the interconnectedness between the three cities (as well as the two nearby CDPs).

To better understand the commute patterns for the area, the following maps provide detailed locations of where commuters are going and coming from.

The following map shows where employed residents of Cosmopolis, Aberdeen and Hoquiam commute to work. Not surprisingly, the highest concentration is located in the Three-City region, but many people commute to cities along the Highway 12 corridor and Olympia, Tumwater, and the rest of the Seattle Metropolitan Region. Others appear to commute to coastal cities like Ocean Shores and Westport. These are likely tourist-based employees. Few residents commute south of Cosmopolis.

**Figure 14. Inflow/Outflow Jobs, Three-City Area**

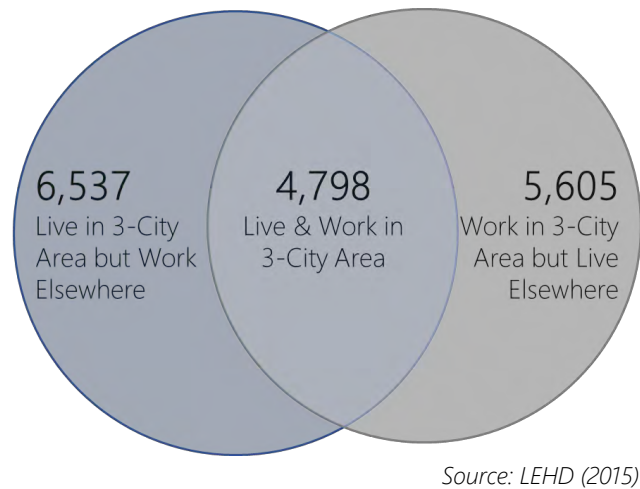
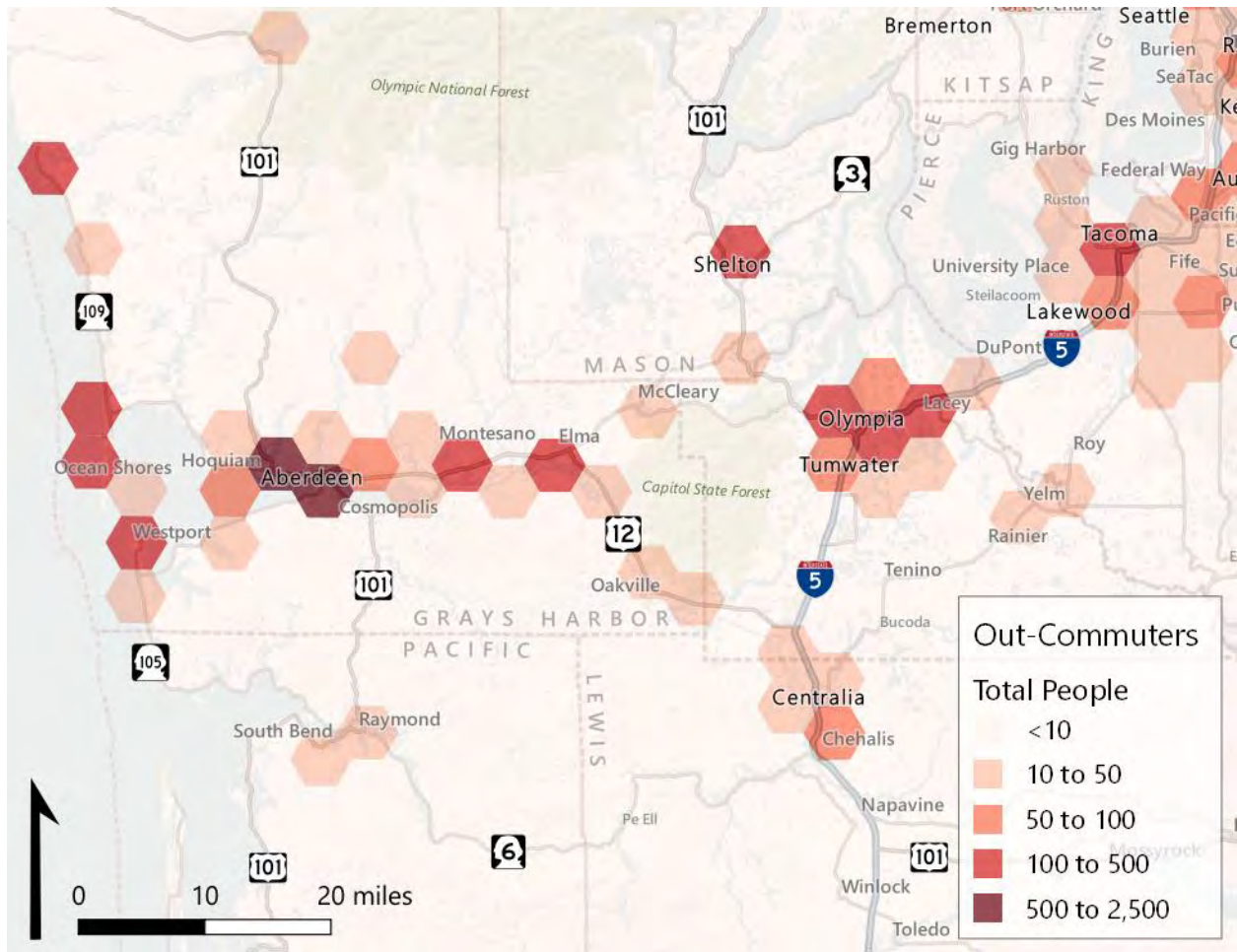




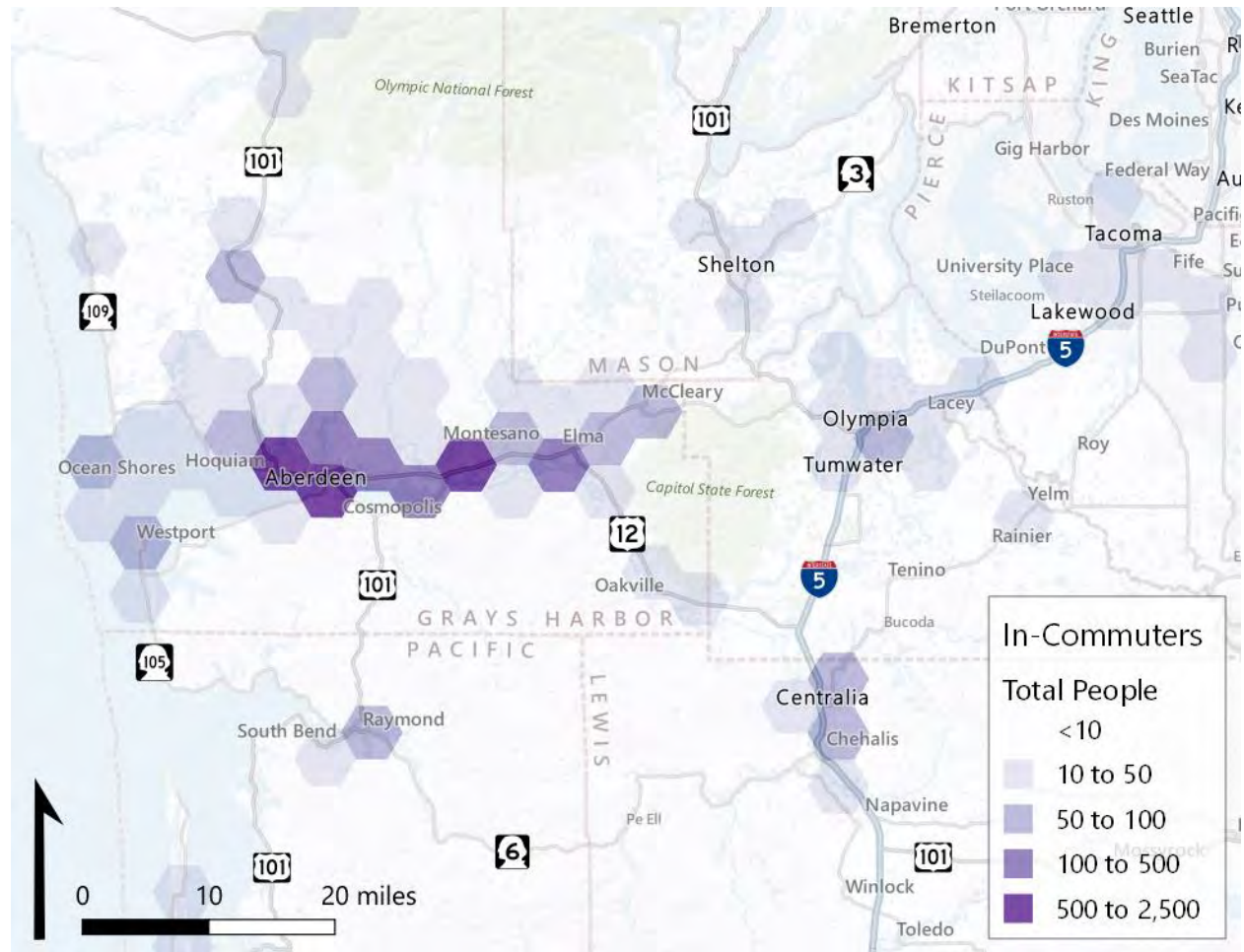
Figure 15. Where Residents of Cosmopolis, Aberdeen and Hoquiam Commute to Work



Source: LEHD (2015) and Leland Consulting Group

Conversely, the following map shows where employees in Cosmopolis, Aberdeen, and Hoquiam commute from (in other words, where they live). In contrast to the previous map, most of the people that work in the Three-City area live nearby. Far fewer people commute from the Seattle metropolitan region.

Figure 16. Where Employees of Cosmopolis, Aberdeen and Hoquiam Commute From



Source: LEHD and Leland Consulting Group

### Importance of Talent

The national economy is becoming increasingly more talent/knowledge-based than resource-based, meaning that people, rather than raw materials, are the most important asset to a company’s value and prospects for growth. This applies to all industries, including manufacturing, professional services, and technology. This is not to suggest that the Three-City area needs to focus its industrial base entirely on technology companies but to understand that the modern economy depends upon highly skilled people to thrive. For this reason, a company’s number one priority today is attracting talent. Verifying this is the Duke Fuqua School of Business CFO Global Business Outlook Survey<sup>4</sup>. The school has conducted the survey 91 consecutive quarters since July 1996. The years 2017 and 2018 are the first time that CFO’s cited attracting and retaining qualified employees was their number one concern over other factors such as input costs or regulations.

A significant cohort of the talent in demand consists of the “millennial” generation (generally ages 21 to 37 in 2018), made up of approximately 76 million people – the largest demographic group our country has seen. As this generation shapes our talent-based economy, it is important to understand what motivates them and the communities they choose in such a highly mobile environment. This group has been slower to marry and move

<sup>4</sup> <https://www.cfosurvey.org/wp-content/uploads/2018/12/O4-2018-US-KeyNumbers.pdf>

out on their own and have shown different attitudes to ownership that have helped spawn what's being called a "sharing economy" which suggests these trends are likely to continue<sup>5</sup>. Furthermore, it is likely that today's high school generation will adopt many of the same values that are driven by an affinity for technology. This desired talent is attracted to a great place with jobs.

Such an environment includes the following elements.

### Key Talent Attractors:

- **Job Base** Talent moving to a new community wants to know that there are other opportunities if the job that brought them there does not fulfill expectations.
- **Simple Commute** Many millennials are not defined by the automobile and do not want to drive if they don't have to. As reported in Urban Land Institute (ULI) Emerging Trends 2016, miles traveled by car for those people 34 years old or younger are down 23 percent nationally. The American Automobile Association reports that the percentage of high school seniors with driver's licenses declined from 85 percent to 73 percent between 1996 and 2010, with federal data suggesting that the decline has continued since 2010. Locally, the average miles traveled by any mode – walking, driving, biking, or taking transit – is the lowest for millennials.
- **Housing Options** All talent, including Millennials, desire affordable housing near employment. In order to maximize opportunities for talent attraction and retention is important for communities to provide a variety of options to meet a diversity of population needs.
- **Urban Lifestyle** Millennials tend to prefer density with alternative transportation modes and retail nearby, which provides alternatives to owning a car. This urban lifestyle does not mean that an entire community must conform to urban densities. What is important is that some element of an urban lifestyle through either a healthy Main Street in a traditional downtown or denser town centers in suburbs is provided.
- **Amenities** Millennials are looking for ample amenities, especially restaurants and access to outdoor recreation.
- **Open Culture** Millennials embrace social or ethical causes<sup>6</sup> and communities that are more diverse, accepting, and open to change.

## Regional Employment Projections

While local employment declined from 2005 through 2013, job gains have since been positive, albeit only moderate. Job gains have largely been in the industries of:

- Administrative and Waste Services,
- Healthcare and Social Assistance,
- Retail, and
- Accommodation and Food Services.

The Washington Employment Security Department projects annual growth to the tune of 1.22 percent across all industries in the Pacific Mountain Region of Grays Harbor, Pacific, Mason, Thurston, and Lewis Counties. While

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<sup>5</sup> Millennials Coming of Age, Goldman Sachs, 2017

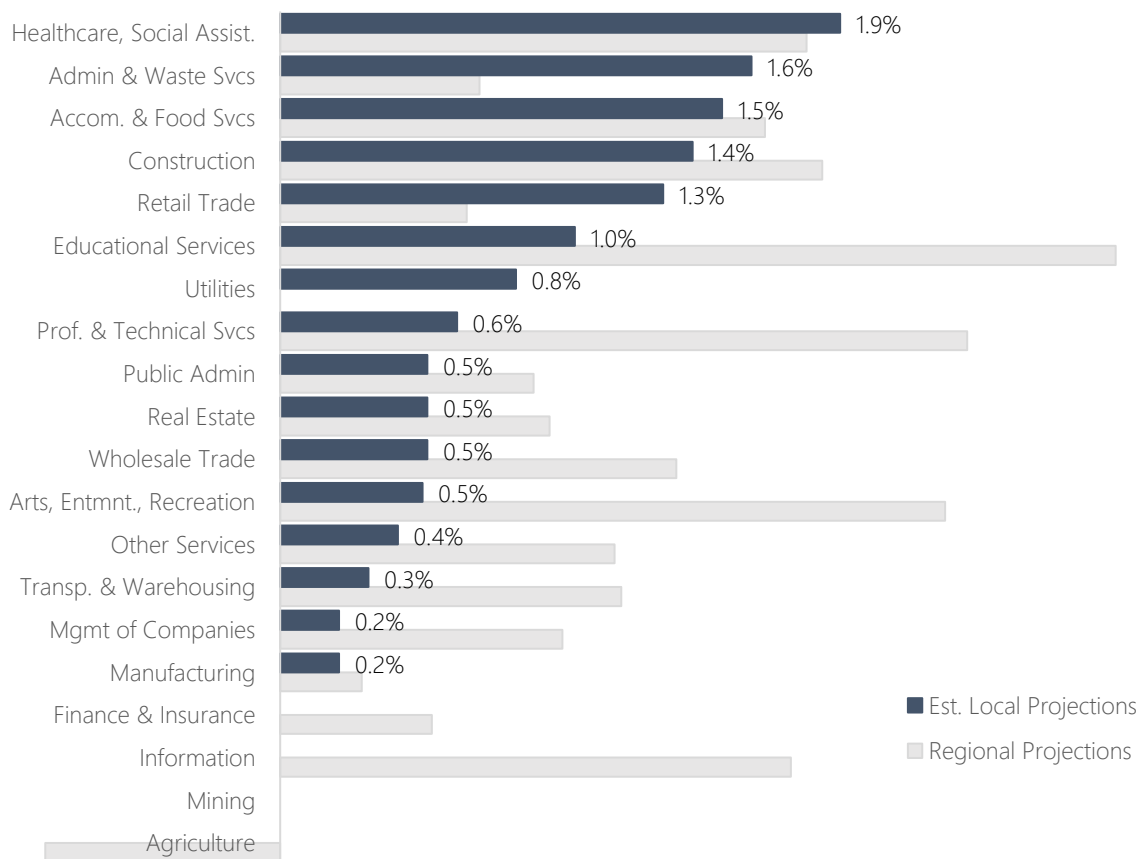
<sup>6</sup> Brookings Institution, 11 Facts about the Millennial Generation, June 2014

Thurston County will likely absorb the majority of job growth projected for this region—particularly in education, professional and technical services, information, and public administration—the projections provide a useful indication of employment strength in the region.

By combining historical job growth trends with these broader regional projections, the following assumptions can be made about employment growth in the Three-City area:

- Healthcare and social assistance jobs are likely to continue rapid growth, particularly with the aging demographics and existing medical facilities that serve the broader region.
- Jobs in tourism-related industries, such as retail and accommodation and food services can expect to grow relatively quickly, as long as regional efforts to grow these sectors are successful.
- Industries that are typically the major drivers of office demand—such as financial activities, business services, management of companies and enterprises—are not prevalent in the Three-City area, nor are they expected to see significant growth over the next decade.

**Figure 17. Estimated Local and Pacific Mountain Region\* Annual Employment Growth Through 2026**



Source: Washington Employment Security Department  
 \*Includes Grays Harbor, Pacific, Mason, Thurston, and Lewis Counties

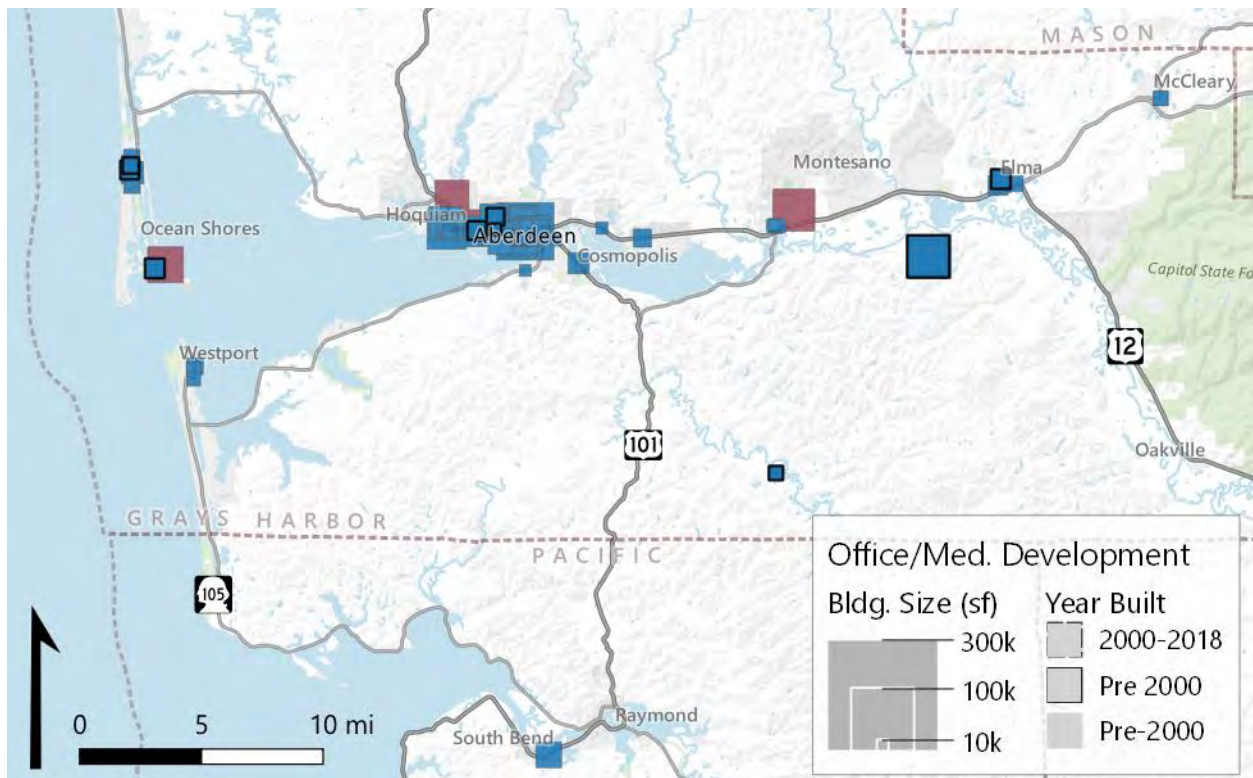
## Grays Harbor Office and Industrial Overview

The following information provides locational context for industrial and office space, an overview of trends impacting both markets, and an analysis of regional real estate market conditions.

### Office Market

The existing office inventory in the region is limited, with only around half a million square feet of space in the Three-City region. The most significant new build—of which there have been few—is a 43,000 square foot building in the Satsop building park east of Cosmopolis. Mostly, however, existing office space was built before 2000 and is typically small-scale.

Figure 18. Location of Office and Healthcare Development

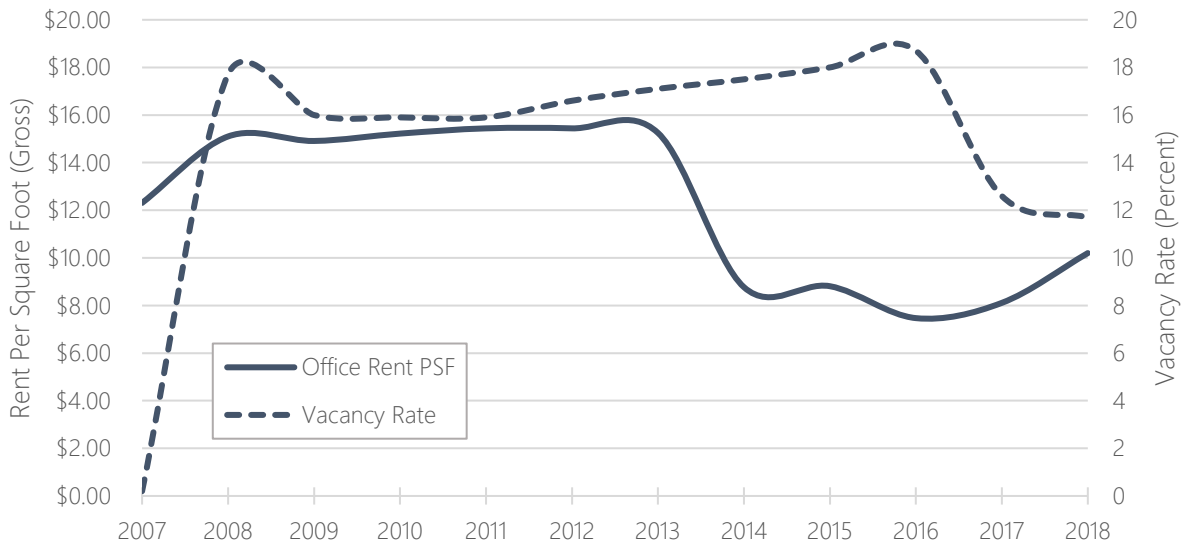


Source: Costar and Leland Consulting Group

The following chart shows rent and vacancy trends in the Three-City area. However, with such a limited market, lease comps and rent data are challenging to obtain. The following information, therefore, are crude estimates based on historical data and the quality of the space. If relatively accurate, the following conclusions can be made:

- Rent growth has been stagnant, if not negative, reflecting the limited nature of the office market.
- A significant year of negative absorption prior to the recession resulted in a high vacancy rate that the area is yet to recover from.
- Vacancies may, in fact, be higher given the limited presence of commercial brokers in the area and the fact that the data does not include spaces which are not currently being marketed for lease. For example, permanently shuttered office space would be excluded.

Figure 19. Office Rent and Vacancy Trends, Three-City Area

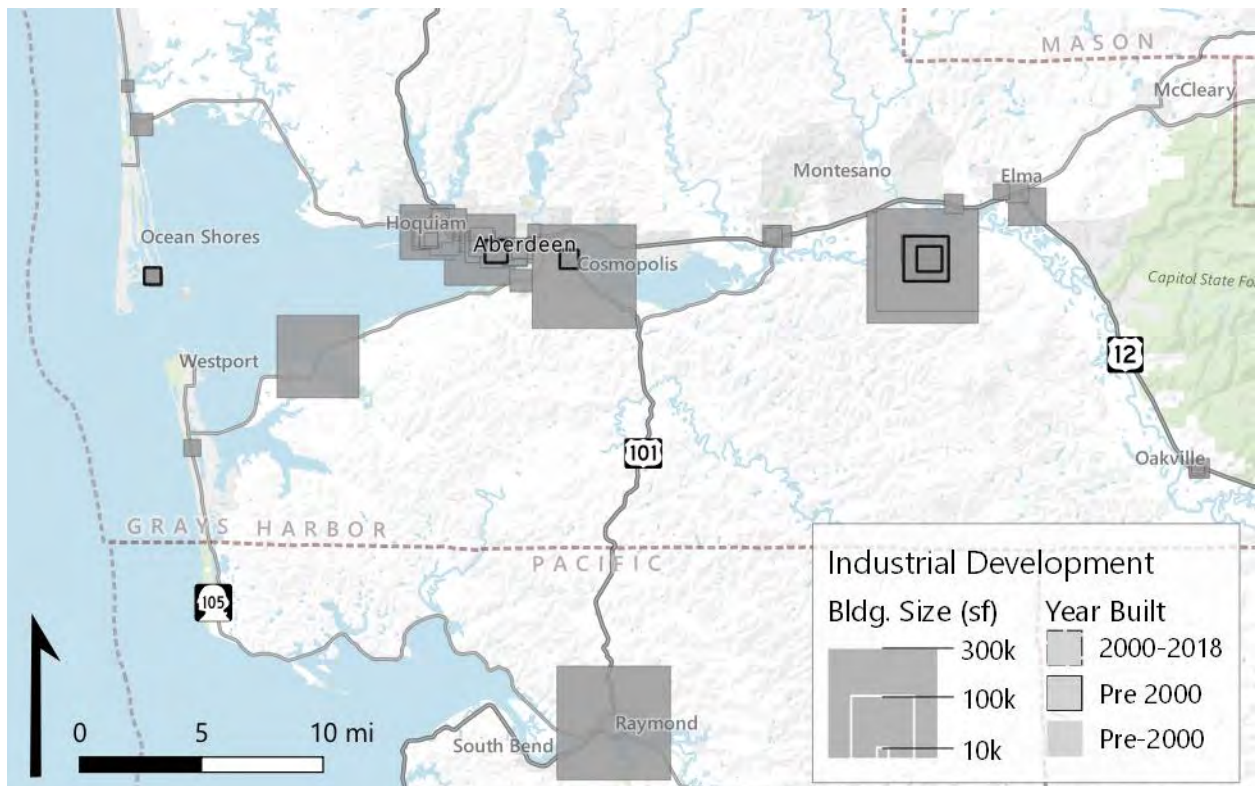


Source: Costar and Leland Consulting Group

### Industrial Market

The regional industrial market is dominated by a handful of large-scale properties that have typically been tied to the water. However, some new construction has occurred in the Satsop Business Park to the east. This area would appear most poised for new construction.

Figure 20. Location of Industrial Development



Source: Costar and Leland Consulting Group

## The Impact of Cannabis on Commercial Real Estate

The State of Washington is one of several states to have adopted laws legalizing marijuana for recreational use. Unlike some “virtual” businesses, marijuana businesses need real estate to cultivate, manufacture, warehouse and sell product. As a result, many cities are seeing a real estate boom powered by the marijuana industry, particularly with regards to industrial development.

Since marijuana cannot be transported across state lines due to federal law, it must be cultivated in the state in which it will be sold and consumed. This has helped to revitalize some deteriorating industrial districts in cities where warehouses and factories are being converted into cultivation/manufacturing facilities and retail shops. Warehouses are particularly accommodating for conversion to cultivation/manufacturing facilities because they are large enough to hold thousands of plants and can be modernized to be climate controlled. Data centers, self-storage properties, and factories are also being repurposed for cultivation and manufacturing of marijuana, and land values have escalated in states where outside cultivation is permitted. In fact, industrial land in metropolitan areas typically transacts for no more than \$5 per square foot, but cannabis businesses are regularly paying two or three times this amount, demonstrating the high demand for such a product.

These are positive trends for the Three-City area given the recent uptick in industrial vacancies and are reflected in some significant developments in the region. In 2017, the Fuller Hill Development Company—through its subsidiary, Global Real Estate Properties—moved into a 50,000-square-foot warehouse in the Satsop Business Park to operate an indoor cannabis-cultivation facility. The company invested \$6.5 million in the building and employs approximately 70 people.

In the nearby City of Raymond in Pacific County, public officials saw an opportunity to tap into the market and worked to make sure its zoning and codes were clear and gave producers clear direction. The port authority identified properties in the industrial area and the cannabis businesses quickly responded. The year before the cannabis businesses arrived in the area, Pacific County had an average unemployment rate of 11.3 percent. In 2017, that had dropped to 7.0 percent.<sup>7</sup>

## Office and Industrial Demand

The following chart shows the estimated 10-year demand for additional office and industrial development in Grays Harbor County based on local trends and regional employment projections.

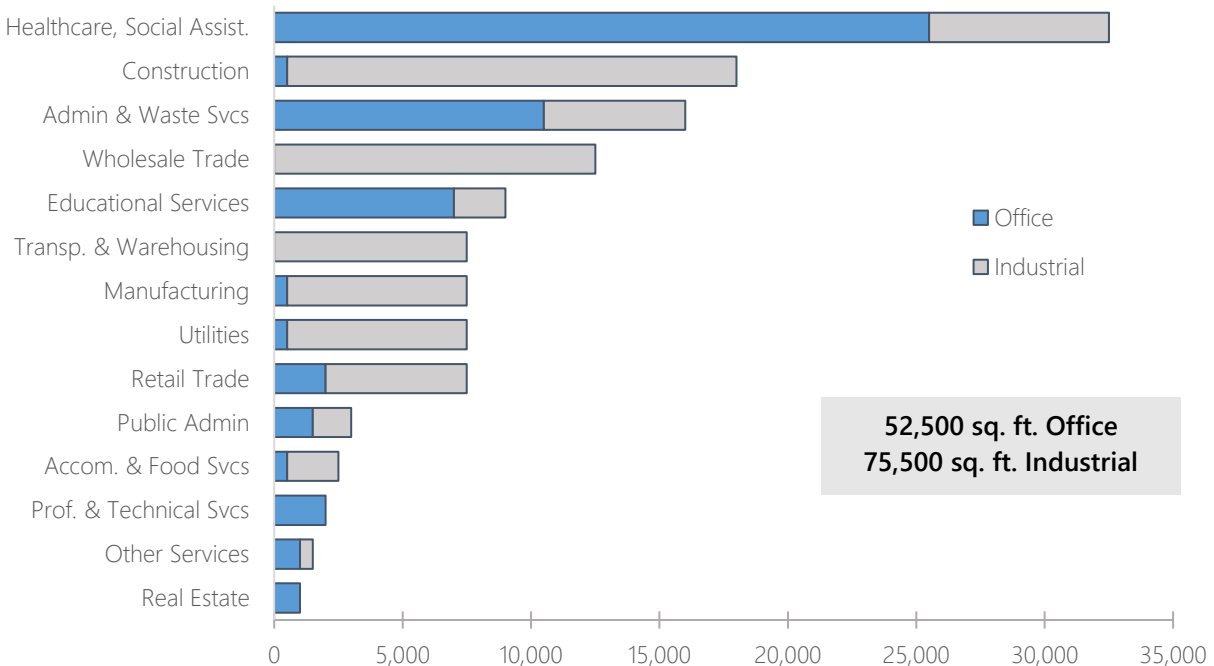
In short, future demand for new employment-oriented development like office and industrial space is likely to be limited. Significant job growth—the primary driver of new development—is not anticipated. Further, stagnant rent growth and existing vacancy rates indicate a soft market in which rent is not likely to be able to cover the rising cost of new construction.

Instead, we anticipate existing vacancies to get absorbed and perhaps some new construction of medical office tied to existing facilities, as well as small-scale, build-to-suit office. For industrial, the rising popularity of online shopping and recent growth of marijuana production may generate demand for warehousing, wholesale, and transportation-related development. With the rapidly changing nature of these two industries, flex-space—which can easily transition to office or industrial with changing demand—would be an appropriate development type.

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<sup>7</sup> Puget Sound Business Journal, July 2018, “Marijuana jobs surpass the sawmill as an old timber town pivots to cannabis,” [URL](#)

**Figure 21. 10-year Three-City Area Employment Demand by Industry**



Source: QCEW, State of Washington, Leland Consulting Group

## HOUSING

### National Overview

Nationally, there is a shortage in the availability of affordable rental units. Very few apartments remain affordable for very low-income families, and one-in-four renters in the country are severely cost-burdened (defined as those spending over 50 percent of their income on rent). The affordable housing market is very tight, with vacancies well below-market-rate apartment developments across the country.

Affordable “for-sale” housing is typically limited to the suburbs where land is cheaper. However, the market is severely constrained by rapidly increasing construction costs which force developers to seek significantly higher prices to make new development feasible. As such, new single-family housing units are generally targeting upper-income levels, while affordable rental housing is reliant on a wide array of tax credits and other funding sources to help bridge feasibility gaps.

### Shifting Housing Needs

The movement of America’s generations through their age-driven life stages is a remarkably useful lens for understanding the shifts in housing demand – especially when overlaid with national business cycle ups and downs over the past two decades.



**Table 5. Generations and Housing Needs**

Generation & Age	Housing Needs
<p>Baby Boomer</p> <p>55 to 73</p>	<p>Many still heading single-family households with children nearing college age – <b>holding on to larger, higher-priced ownership housing</b></p> <p>Increasingly empty-nesters, with shrinking households and <b>less need for a big high-maintenance house</b>, but the decision on when and where to move is complex.</p> <p>The coming decade will see housing <b>demand spread across a spectrum</b> from low-density legacy homes to smaller attached ownership (condo, townhouse) &amp; rental units (with or without age restrictions). Some will need assisted living &amp; related housing.</p>
<p>Generation X</p> <p>39 to 54</p>	<p>This group typically makes up the bulk of <b>“move-up” ownership housing</b> demand, with larger single-family homes in <b>convenient locations</b> close to work and well-rated schools among the primary preferences. Despite a propensity for suburban living, <b>access to entertainment, food and activities remain desirable</b>.</p> <p>However, many people were just buying homes and investing in properties when the market crashed during the Great Recession, so a large portion has been renting in recent years. With the market looking up, Gen X’ers have had a chance to recover and is looking to buy again.</p>
<p>Millennials</p> <p>23 to 38</p>	<p>Millennials have been the driving force behind a housing recovery largely driven by apartment construction. With the leading half of Millennials set to enter their 30’s and early 40’s, homeownership rates have been increasing in recent years after an unprecedented low.</p> <p>Debates still persist about whether pre-recession homeownership rates will return given Millennials delaying marriage and averse to financial risk, but the sheer size of this group will eventually bolster the home-building market. However, the years of sustained apartment growth may continue longer than expected in part due to the lack of attainable ownership housing in convenient, interesting, amenity-rich locations.</p>

*Source: Pew Research Center, U.S. Census; and Leland Consulting Group*

## Homeownership

There were steady annual declines in homeownership from 2005 through 2016, from a high of 69 percent down to just below 63 percent, reflecting both the shakeout from the recession and the smaller size of Gen X as the nation’s primary “move-up” home-buyers. The prolonged recovery cycle and aging of Millennials appear to have finally combined to produce an uptick in ownership in both 2017 and 2018, with the latest data showing 65 percent.

## Rising Mortgage Rates

The recession produced nearly a decade of historic lows in mortgage interest rates, even as lending practices tightened considerably. Although rates are still low relative to long-term averages, 2018 produced a four-year high in 30-year interest rates. Increases have been fairly gradual, however, and most analysts seem to think they should not pose too much deterrent in the face of mounting generational demand.

## Affordability Declines and Lagging Supply

Steady employment gains over the past eight years have spurred general economic momentum, but real (inflation-adjusted) wage growth has been slow to materialize. In combination with a sluggish rebound in the construction of new housing supply, this has created a widening affordability gap (or difference) between median home prices and median incomes. This problem is worse in core (especially coastal) urban areas with dwindling land supply.

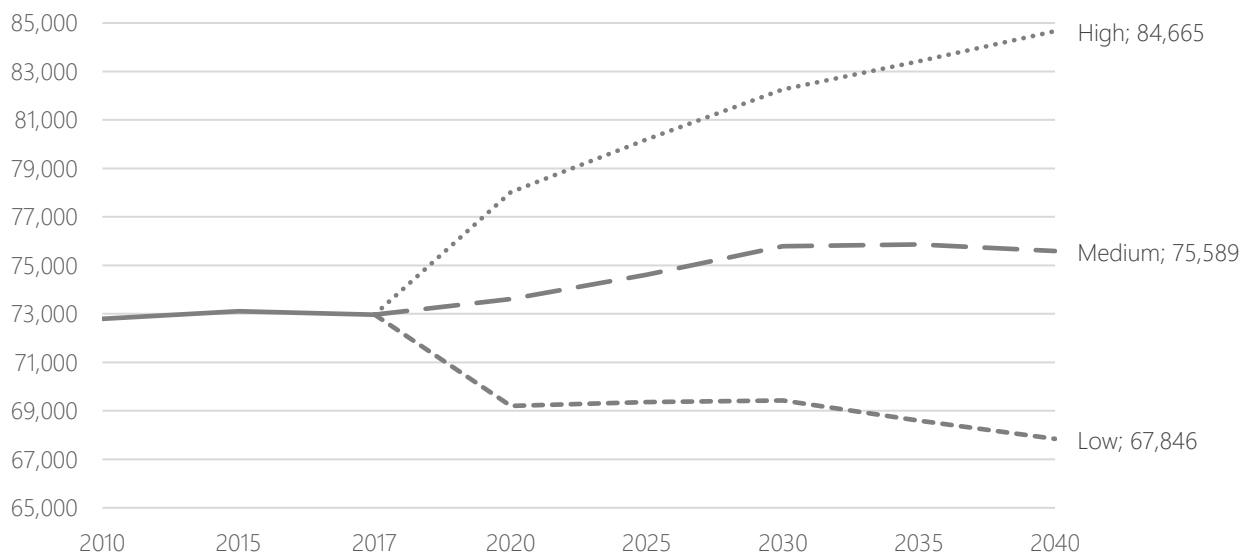
Renters, especially in lower-income populations, are increasingly cost-burdened, even as rent increases show signs of leveling off – a problem made worse by a multi-decade trend among developers of increasingly favoring higher-end apartments, with more room for profit-taking through value-added amenities.

## Regional Household Projections

While there has been negative growth in Grays Harbor County and the wider region for the best part of the past two decades, the Washington State Office of Financial Management projects positive household growth in the county through 2030 at an average rate of 0.29 to 0.53 percent annually using the *medium* and *high* projection scenarios, respectively. In fact, the *medium* scenario projects the total number of households to peak around 2029, with negative growth (i.e. household loss) through 2040.

However, these projections are based on anticipated growth patterns based on existing conditions. For this analysis, we expect positive growth to continue, especially if a strong foundation for economic development is established in the region. For this reason, we disregard the *low* scenario and use the *medium* and *high* as the foundational numbers to populate demand models.

Figure 22. Projected Population Growth, Grays Harbor County



Source: Washington State Office of Financial Management

Additionally, WAOFM provides projections for different age cohorts. In keeping with recent growth patterns, senior householders (aged 65 and over) are projected to become increasingly dominant through 2030, increasing the need for senior living facilities and comprehensive quality healthcare in the area.

## Grays Harbor Residential Overview

### Housing Affordability

Previous studies have identified housing affordability as a concern in Grays Harbor. In fact, 2015 data from the American Community Survey (ACS) showed that half of all renter-occupied households in Grays Harbor County between 2011 and 2015 were considered cost-burdened.<sup>8</sup> Further, according to the 2015 Washington Housing Needs Assessment for Grays Harbor:

- A household must earn 74 percent of median income to afford fair market rent of a three-bedroom unit, and 57 percent for a one-bedroom unit.
- The maximum affordable housing value is \$206,000. Two-thirds (67%) of owner-occupied housing in the county were deemed affordable in 2015.
- There's a shortage of subsidized housing inventory, with a higher proportion of low-income renter households than existing inventory.

### The Impact of Seasonal Homes

Seasonal homes have been expanding rapidly in some counties across Washington. The expanding inventory of units includes growing supplies of seasonal-use housing. In 2012 it was determined that one-third of vacancies consisted of properties for seasonal, recreational or occasional use. The counties with the largest differences between the number of housing units and the number of households tend to be counties where seasonally vacant properties are especially prevalent. While the total vacancy rate across the state has been declining, vacancies in Grays Harbor have been increasing, with almost one-quarter of all housing units considered vacant in 2018. Conversions of permanent homes to seasonal homes may reduce the number of affordable units and further constrain the housing supply.

### Residential Building Activity

Residential permit activity in Grays Harbor County surged in the mid-2000s, largely due to the single-family residential market, peaking in 2006 (well before the national recession). Single-family homes have been the predominant residential building type over the past two decades, while multifamily activity has since slowed from about 25 percent of all permitted residential units to basically zero percent in the years following the recession. Most permits issued for multifamily units were for projects in coastal cities like Westport and Ocean Shores, although permits were also issued for about 45 multifamily units in Montesano, just east of Cosmopolis, Aberdeen and Hoquiam.

This is a stark contrast to the Seattle Metropolitan Region, where permits issued for multifamily units outnumbered those issued by single-family units by about 50 percent. With rapidly rising construction costs and the fact that a project's "hard" costs would be the same in a semi-rural part of Grays Harbor County as in Downtown Seattle, most developers are choosing the latter, where rents are higher and opportunities to turn a profit are far greater.

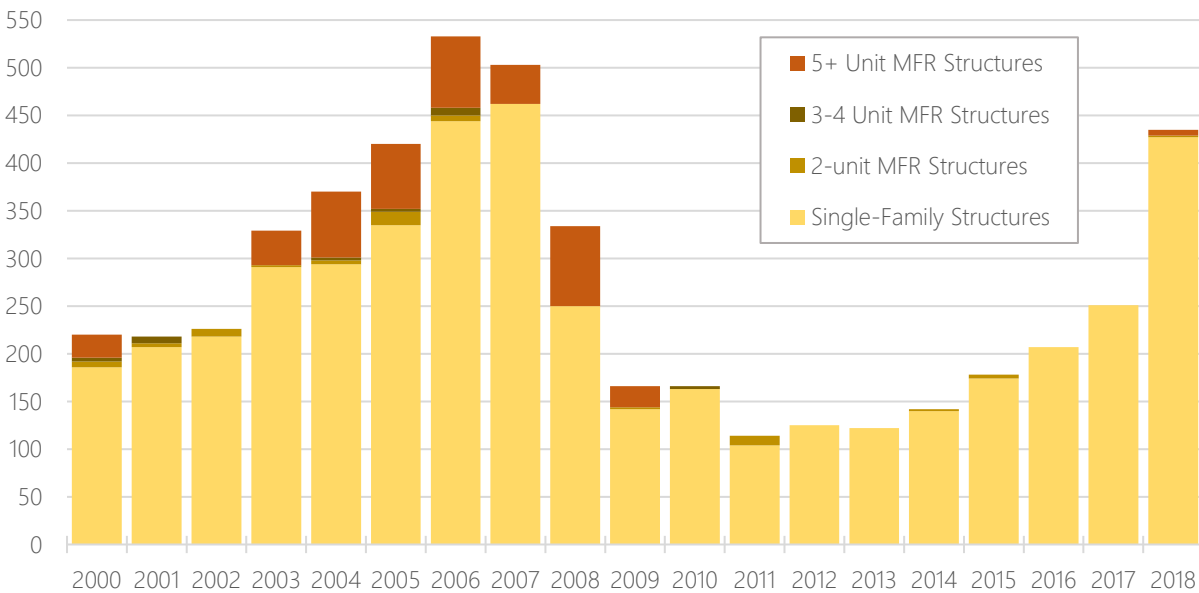
Conversely, single-family residential construction appeared to have rebounded to close to the 2006 peak in 2018, indicating potential market strength.

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<sup>8</sup> Severely cost-burdened households pay more than half their monthly income on rent. These households are primarily renters earning 50 percent or less of the Area Median Income.

Renter-occupied units currently comprise 30.5 percent of all occupied units in the County and approximately 41 percent of occupied units in the Three-City area. That rural areas tend to have higher home-ownership rates than urban areas may explain why the total proportion of renter-occupied housing is lower in the county than it is as at the state and national levels. Regardless, these low numbers suggest the potential for a constrained renter-occupied housing supply. Shortages of livable, available rental properties tend to be one of the top hindrances to attracting new businesses and industries because it prohibits employees finding adequate housing in new areas.

**Figure 23. Residential Permit Activity, 2000 to 2018, Grays Harbor County**

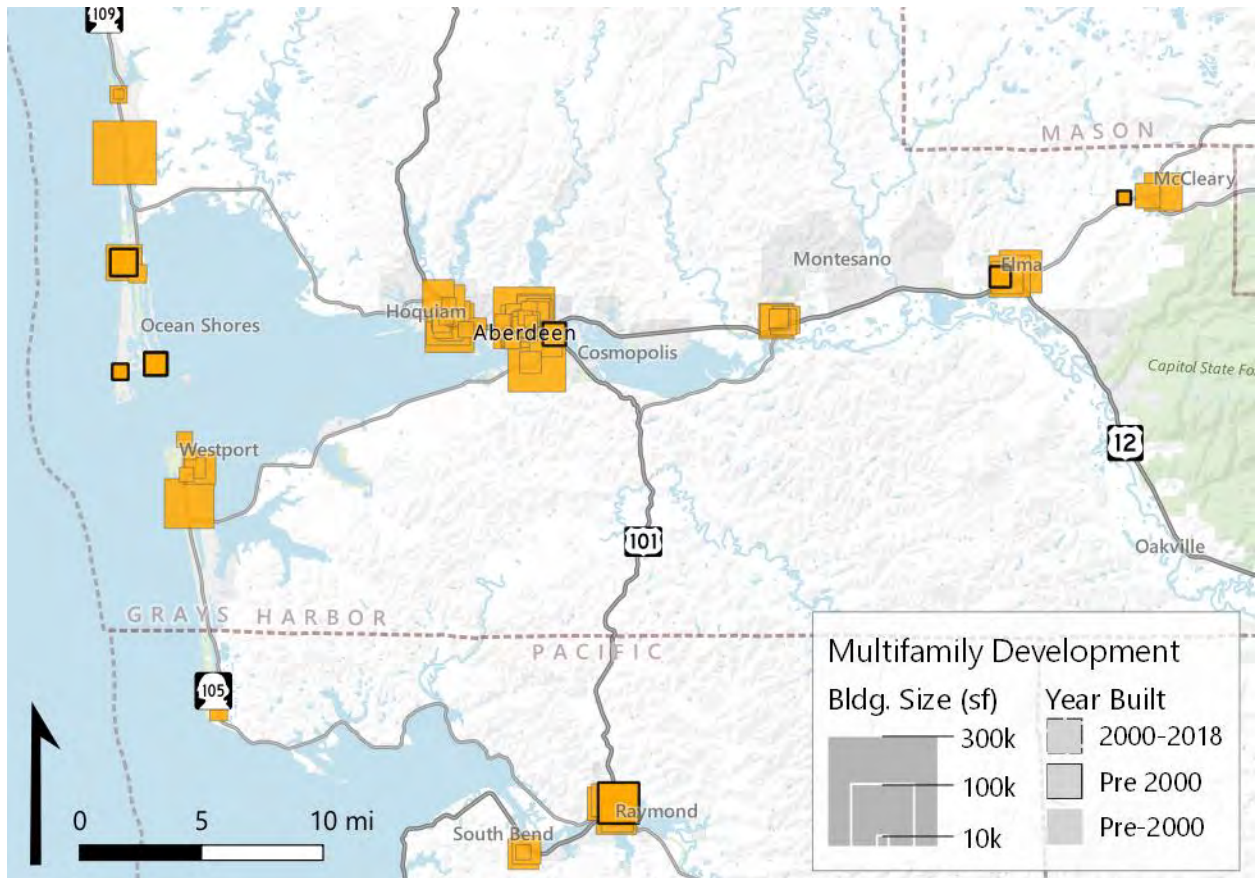


Source: SOCDS (from US Bureau), Leland Consulting Group

### Multifamily Residential

As the following map shows, the only significant multifamily housing construction has been in the cities of Raymond and South Bend in Pacific County to the immediate south. There are 136 apartment units in Raymond and 51 in South Bend, and have existing vacancy rates of 3.7 and 4.8 percent, respectively. The apartment stock there also tends to be newer, with the average structure built in 1994 and 1989. Most of these, however, are affordable and therefore the economics are significantly different to market-rate housing.

Figure 24. Regional Multifamily Development



Source: Costar and Leland Consulting Group

Table 6. Multifamily Residential Summary, Grays Harbor County

City	Buildings	# Units	County Share	Vacant Units	Vacancy Rate	Avg. Yr Built
Aberdeen	31	631	47.0%	15	2.4%	1943
Hoquiam	12	291	21.7%	13	4.5%	1954
Elma	4	129	9.6%	9	7.0%	1984
Montesano	6	110	8.2%	5	4.5%	1976
Ocean Shores	9	88	6.6%	4	4.5%	1993
McCleary	2	58	4.3%	0	0.0%	1983
Westport	2	36	2.7%	1	2.8%	1975
<b>Total</b>	<b>66</b>	<b>1,343</b>	<b>-</b>	<b>47</b>	<b>3.5%</b>	<b>1959</b>

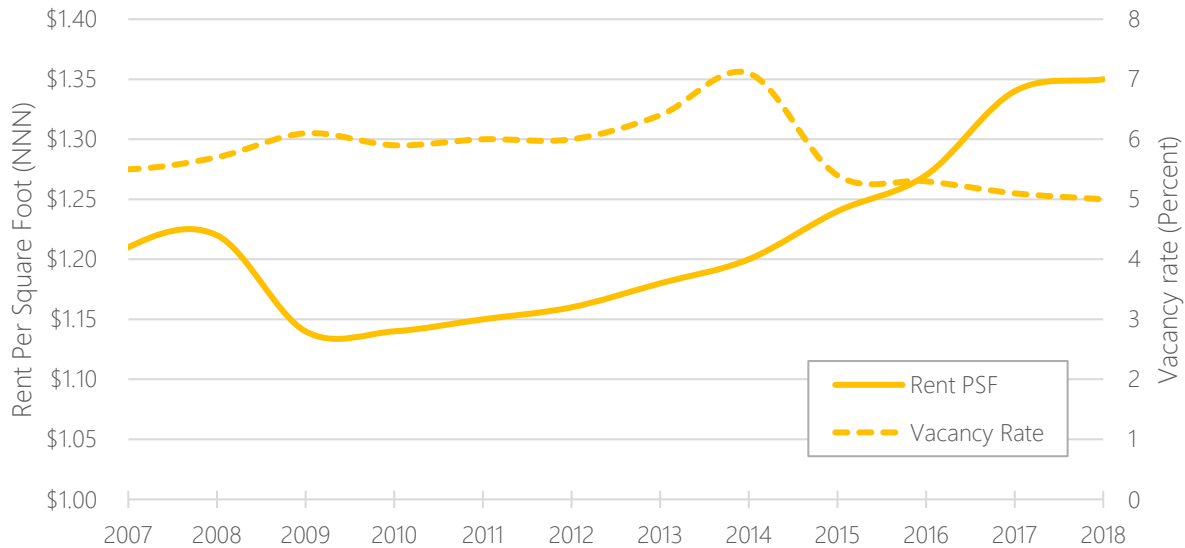
Source: Costar and Leland Consulting Group

The following charts show longitudinal market data for the Three-City area, including absorption, deliveries, rent, and vacancy.

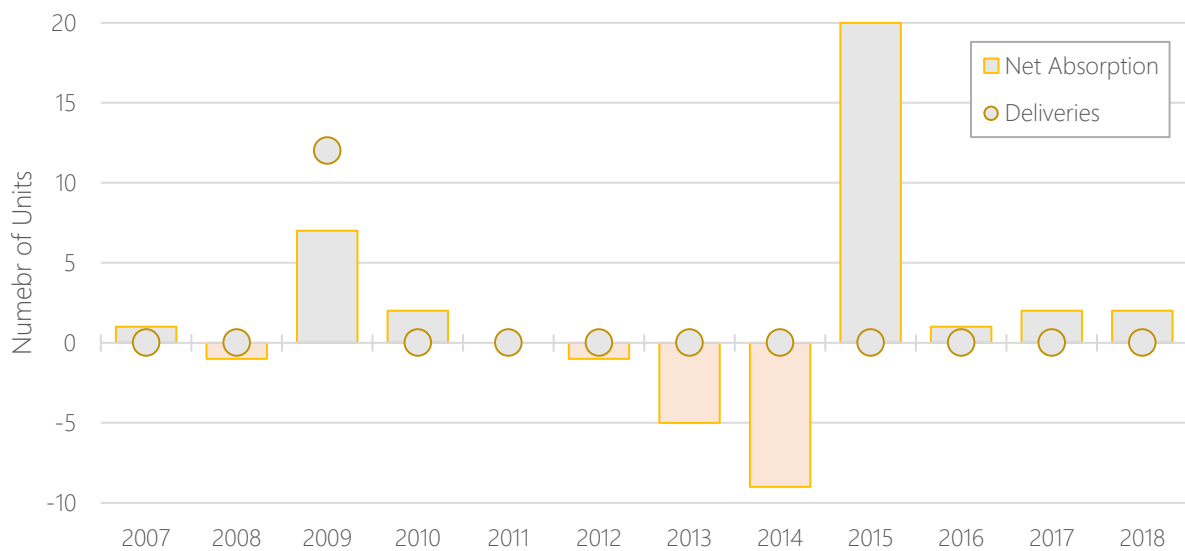
Given the lack of new multifamily builds, the net absorption of multifamily units in the area has remained near zero for a significant length of time. Meanwhile, the vacancy rate has declined slightly over time, staying between five and seven percent.

Five percent is generally considered market “equilibrium” where supply is meeting demand. Vacancies under five percent indicate a market where demand is higher than supply. For the market area, the existing multifamily stock consists of older properties with no new, high-quality multifamily product. It is, therefore, reasonable to assume demand exists, despite a slightly higher vacancy rate.

**Figure 25. Multifamily Rent and Vacancy Trends, Three-City Area**



**Figure 26. Multifamily Trends: Net Unit Absorption and Deliveries, Three-City Area**



Source: Costar

Typically, construction costs have had more of an impact in rural areas where it is hard to secure labor and transport of materials is higher. This higher cost makes new construction even more challenging where rents are lower than urban metropolitan areas.

Both average multifamily rents and year-over-year rent growth in Grays Harbor County are significantly below the cost of construction and cost increases. If rents are not high enough to cover the cost of construction, a feasibility or funding gap occurs. Additional strategies and assistance are therefore required in order for new

development to become feasible. These strategies and tools include public-private partnerships, public subsidies, tax incentives, and grants, among others.

### Single-Family Residential

For single-family “for-sale” housing, Grays Harbor County is experiencing significant growth and change. In fact, between Q1 2017 and Q1 2018, the County ranked:

- Number one in the state for annual change in home sale prices, increasing 27.5 percent.
- Number two in the state for annual change in home sales, increasing 7.7 percent.

**Figure 27. Median Home Price, Grays Harbor County**



Source: Grays Harbor Year in Review, 2018, Grays Harbor Inc, [URL](#) (using Windermere Real Estate, NWMLS Data)

As the following tables show, despite the new inventory the regional single-family market is very tight, with only three months of inventory in 2018. Inventory in the Three-City area was deemed even tighter, with only 2.4 months of inventory.

**Table 7. Owner-Occupied Housing, Months of Inventory, Grays Harbor County and Select Areas**

	2010	2014	2015	2016	2017	2018
Months of Inventory (Closed Sales)	15.0 months (Dec. 2010)	7.2 months (Dec. 2014)	8.6 months (Dec. 2015)	4.9 months (Dec. 2016)	4.6 months (Apr. 2017)	3.1 months (April 2018)

Area	April 2017 Inventory	April 2018 Inventory
North Beach and Ocean Shores	5.6 months	3.7
Elma, McCleary and Montesano	3.2	1.6
Westport and Grayland	7.7	5.9
Cosmopolis, Aberdeen, and Hoquiam, Central Park	3.9	2.4

Source: Grays Harbor Year in Review, 2018, Grays Harbor Inc, [URL](#) (using Windermere Real Estate, NWMLS Data)

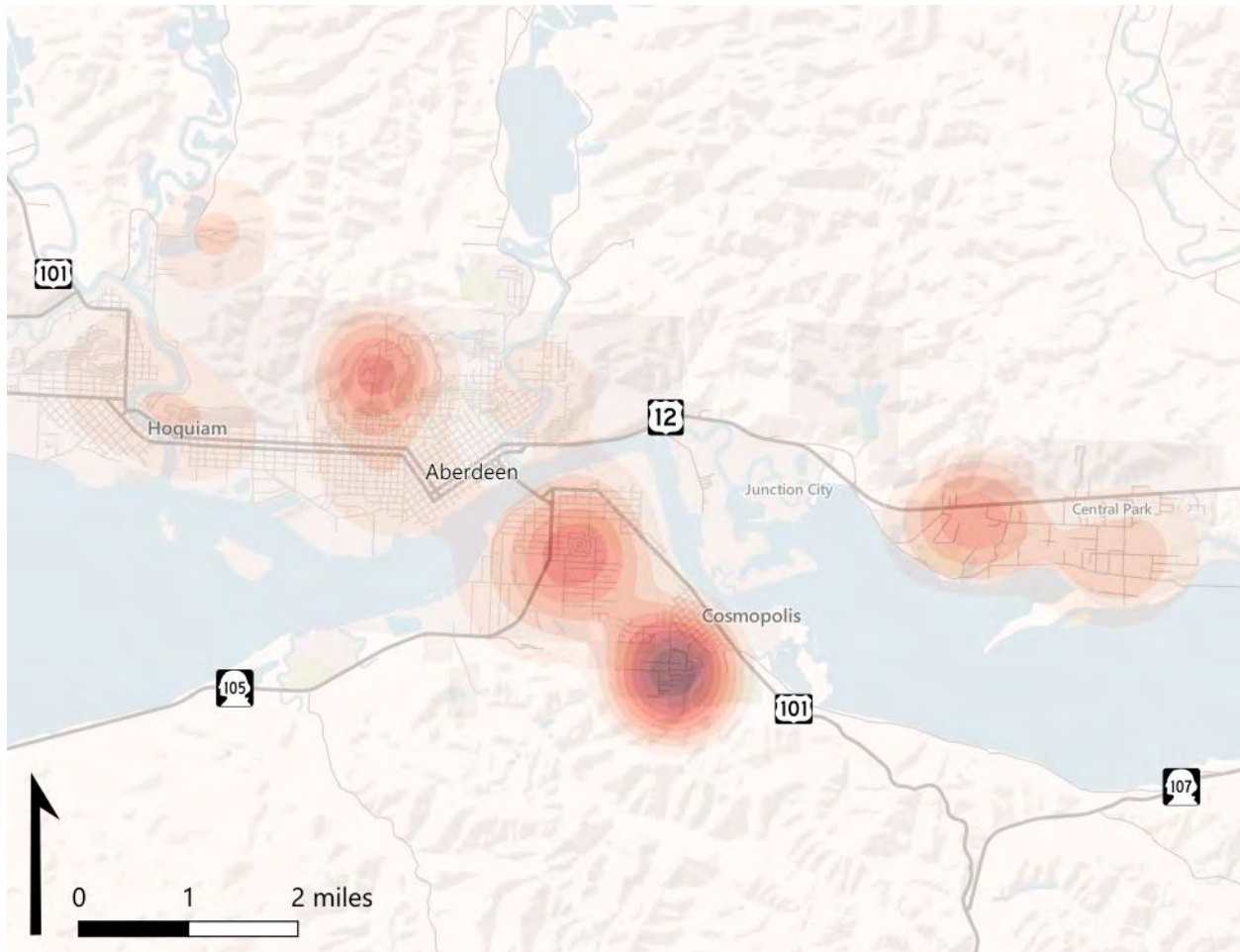
Within the Three-City area, new home homes construction has been sparse and concentrated in Cosmopolis and northwest Aberdeen.

In contrast, the coastal areas of Grays Harbor County collectively have seen about 10 times more single-family development. Since 2010, the contrast between the Three-City and the coastal areas has been notably more

pronounced, with practically no new construction in the Three-City Area and over 200 new builds in Ocean Shores.

This serves as a poignant reminder that Grays Harbor is a county with unique and contrasting markets and housing needs.

**Figure 28. Recent (2000-2018) Single-family Development**



*Source: Costar and Leland Consulting Group*

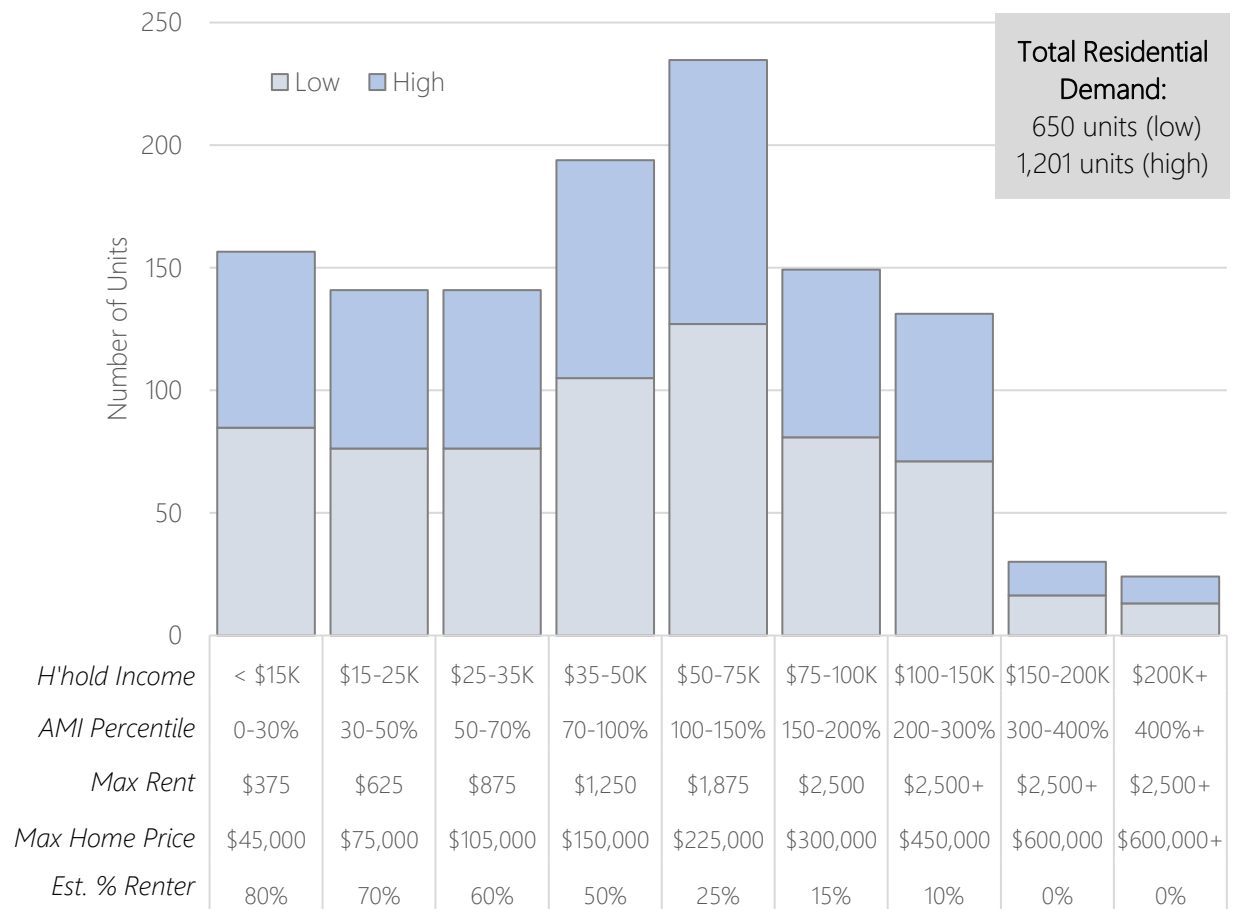
## Housing Demand

Household growth is the primary driver of new housing demand, and the area is projected to experience only slow growth of 0.22 percent annually through 2028. If the actual rate were to be higher, the total residential demand would subsequently increase.

While the county-wide vacancy for residential units is high, Cosmopolis alone is estimated to have about 80 abandoned and dilapidated single-family homes, which would account for 40 percent of total demand over the next 10 years if fixed and tenanted. Additional residential units in downtown projects and proposed projects elsewhere in Cosmopolis would likely total the remainder of forecasted 10-year demand. This is not to say that new residential units will struggle, however. Higher-quality housing is likely to attract both outsiders and people already living in the area in lower-quality housing.



Figure 29. 10-year Regional Housing Demand, Three-City Area



Source: Leland Consulting Group

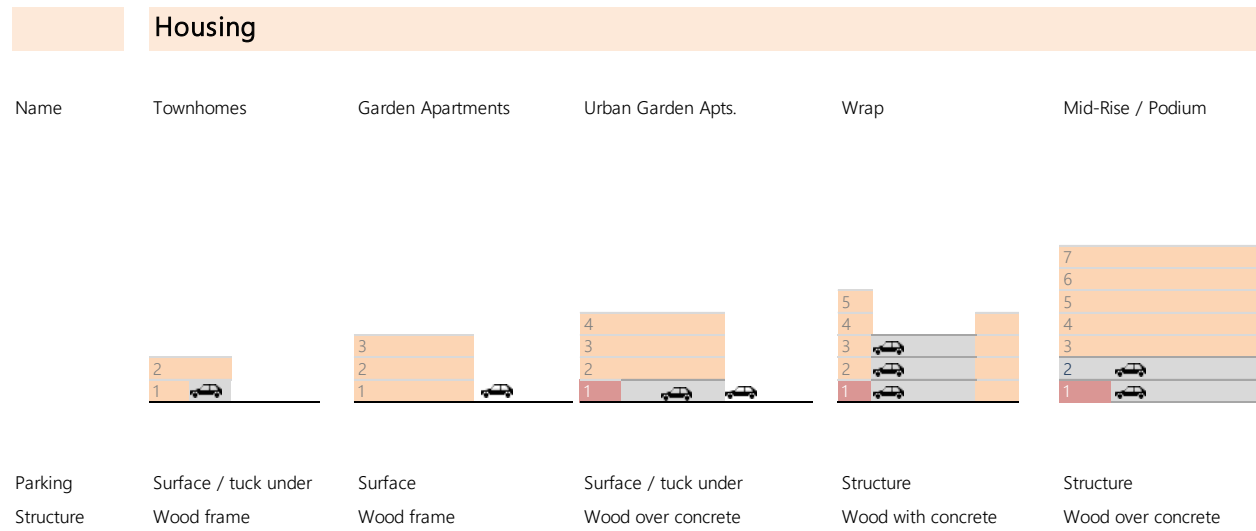
### Housing Prototypes

Most housing can be categorized within a set of "prototypes," which are shown below (single-family residential is not included). The prototypes increase in scale and density moving from left to right. Parking is a key factor that affects housing density and financial feasibility. Typical types of parking are surface, tuck under, structured, and below-grade structured. Surface parking is the least expensive and below-grade structured parking is the most expensive. Structured parking can add tens of thousands of dollars of construction cost per housing unit, which often means that only hot housing markets with high rents can accommodate higher-density housing types with structured parking. Construction materials also change as housing density increases. Townhomes, low-rise (garden) apartments, and low-rise apartments with tuck-under parking (urban garden apartments) are typically entirely wood-frame buildings; while wrap and mid-rise/podium structures require concrete construction for parking areas; in addition, steel is sometimes used instead of wood for the apartment areas. The construction complexity and specialization required for these building types also increases costs.

Single-family, townhomes and low-rise apartments appear to be the most financially feasible housing development types in the near- and mid-term. Urban garden apartments (which often include tuck-under parking and sometimes ground-floor retail) may be feasible in the mid- and long-term, particularly with financial subsidies. Affordable and/or mixed-income projects can sometimes achieve higher densities than market-rate

projects since they have access to additional public funding sources. While the vacancy rate across multifamily apartments is relatively low, current rents will be challenging for market-driven high-density developments.

Figure 30. Housing Development Prototypes



## RETAIL

### National Retail Trends

#### Large-Format Decline and The Rise of E-commerce

While the retail industry is always in flux, the market has undergone a seismic shift in recent years. Bankruptcies have skyrocketed to levels that have surpassed even the Great Recession as national retailers continue to close. The following graphic shows some of the higher-profile bankruptcies over the past few years.

Figure 31. Retail Bankruptcies Timeline, 2015 to March 2018



Source: CBInsights.com

Among the major trends affecting the retail industry are e-commerce and ever-changing consumer preferences. E-commerce sales growth continues to pull ahead of total retail sales (17 percent versus six percent for year-over-year in Q4 2017) and Amazon is controlling upwards of 40 percent of online sales in the US, according to the US Department of Commerce and Slice Intelligence, respectively. This is not only putting pressure on brick-and-mortar retailers, but it is also impacting real estate development prospects, as distribution needs increase demand for logistics, warehousing, and other related land uses.

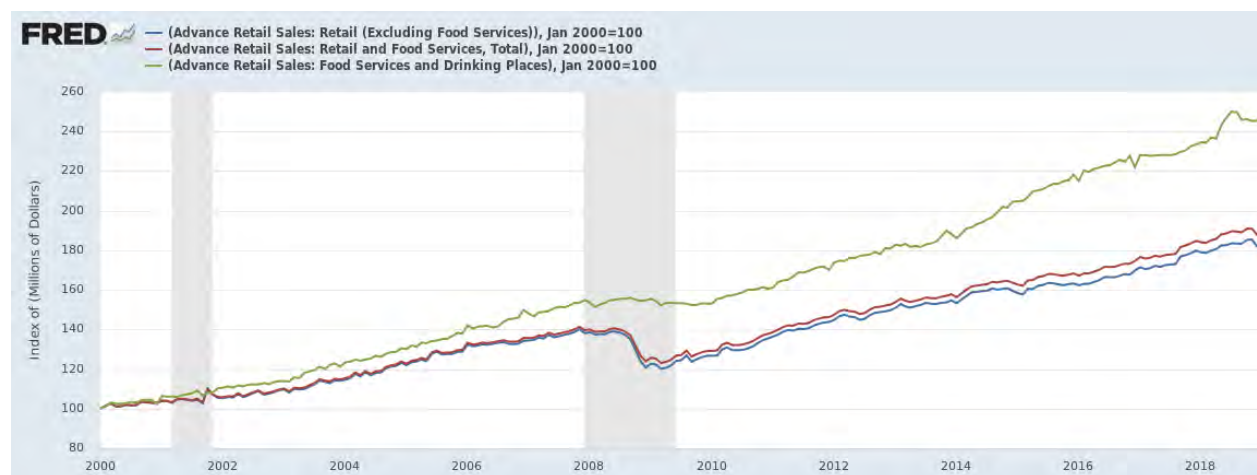
However, many traditional retailers are bucking the trends, with hundreds of stores opened in 2018. These include general merchandisers, such as Target, Walmart and Costco; discount retailers, such as Dollar General, Dollar Tree; and emerging, streamlined grocers such as Aldi.

Brick-and-mortar retailers that are able to adapt and use new technologies and methods to stay competitive in the marketplace in the face of e-commerce and a shifting consumer landscape remain set to be successful.

## The Rise of Food

While the “retail apocalypse” is a common phrase in today’s retail discussions, overall spending on retail goods and services at bricks and mortar locations has actually continued to grow. However, this is largely because of food. Americans’ spending at restaurants and bars is growing faster than spending at other retail establishments—as the following chart shows—reflecting both cultural changes, and Americans’ increasing interest in sharing experiences with family and friends (sometimes at the expense of spending on goods). Since 2005, sales at “food services and drinking places” have grown twice as fast as all other retail spending. And in 2016, for the first time ever, Americans spent more money on restaurants and bars than at grocery stores.<sup>9</sup>

Figure 32. Sales at Non-Food Retail vs. Restaurants and Bars



Source: Federal Reserve Economic Data (FRED)

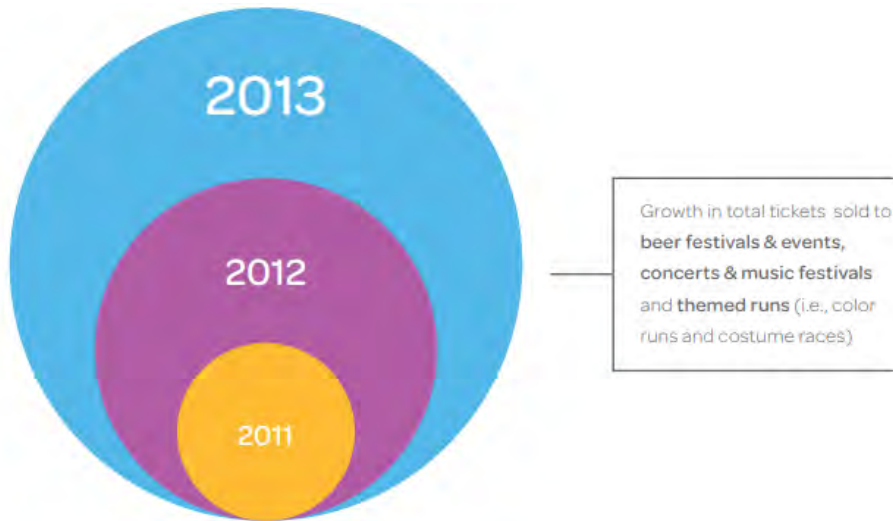
## Experiential Retail

In a similar vein to food, experiential retail is also on the rise, especially with younger generations. In fact, more than three-quarters of millennials would choose to spend money on a desirable experience or event over buying something desirable, and 55 percent of millennials say they’re spending more on events and live experiences than ever before.<sup>10</sup>

<sup>9</sup> The Atlantic

<sup>10</sup> Source: The Harris Group, data from Eventbrite 2011-2013, URL

Figure 33. Growth in Events/Experiential Businesses (total tickets sold)



### Retailers go Local

Localization means the customization of inventory, in-store services, and products to appeal to the tastes and preferences of local consumer demographics. Many national and regional retailers have gone through localization efforts. Major examples include the following:

- Target is expanding its urban small format stores. Each location tailors its in-store inventory to the demographics of the surrounding neighborhood through community-based research.
- Kohl's localized 95 percent of the inventory at its stores to appeal to local consumers by analyzing customer purchasing data.

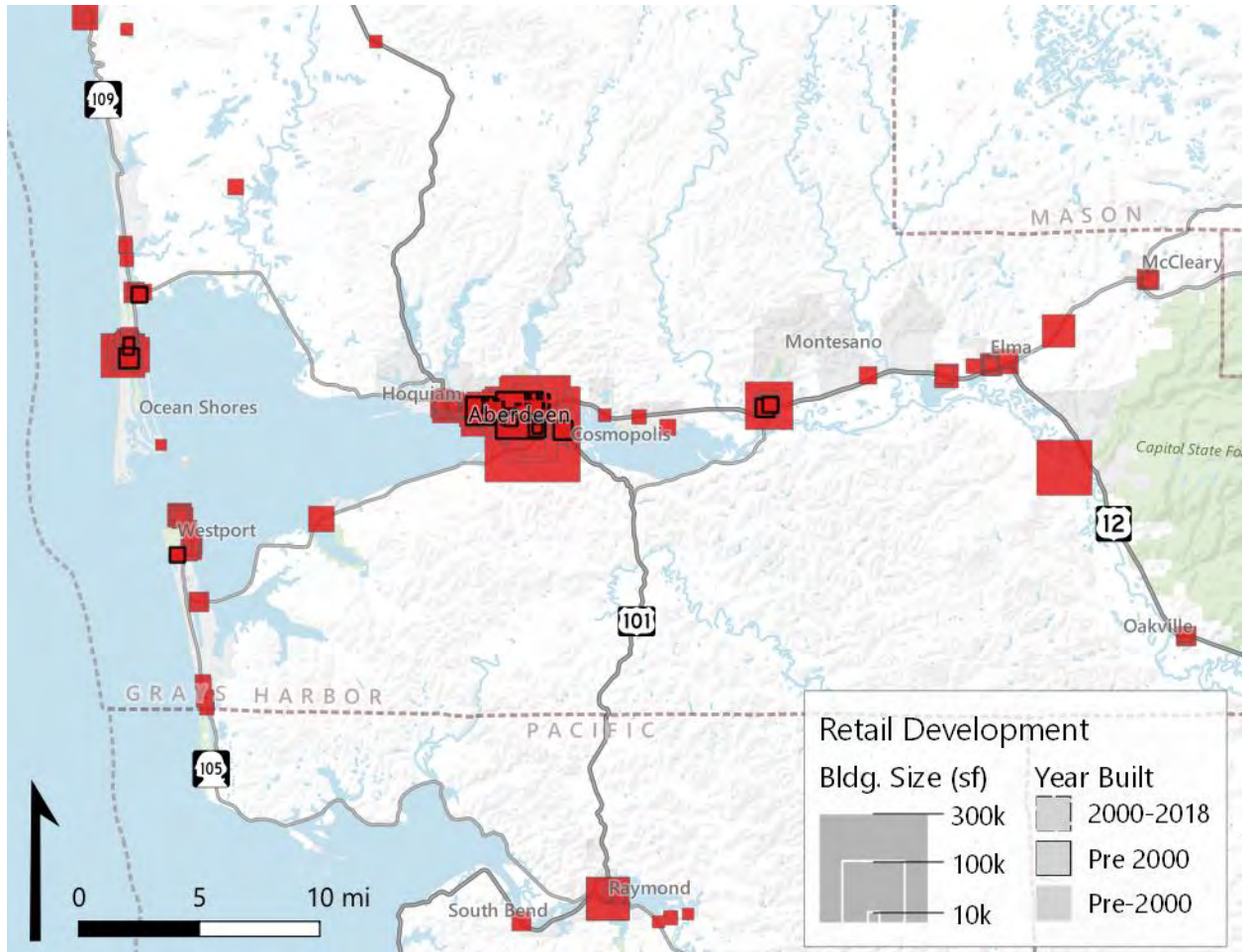
### Grays Harbor Retail Overview

The following information pertains to the existing conditions of the retail market within the Grays Harbor region.

The Three-City area contains about two-thirds of the existing retail inventory in the region shown in the following development map. While the local market appears weak, the Three-City area is a clear retail hub for the region and has seen a moderate amount of new development and improvements, particularly in Aberdeen. In keeping with the national retail trends, most new development over the past decade or two has been food oriented.

The retail industry has more businesses than any other industry in the region and is the second-largest retail category in the region in terms of employees. Within the retail industry, grocery is the largest employers, followed by general merchandise stores and motor vehicle and parts dealers.

Figure 34. Regional Retail Development

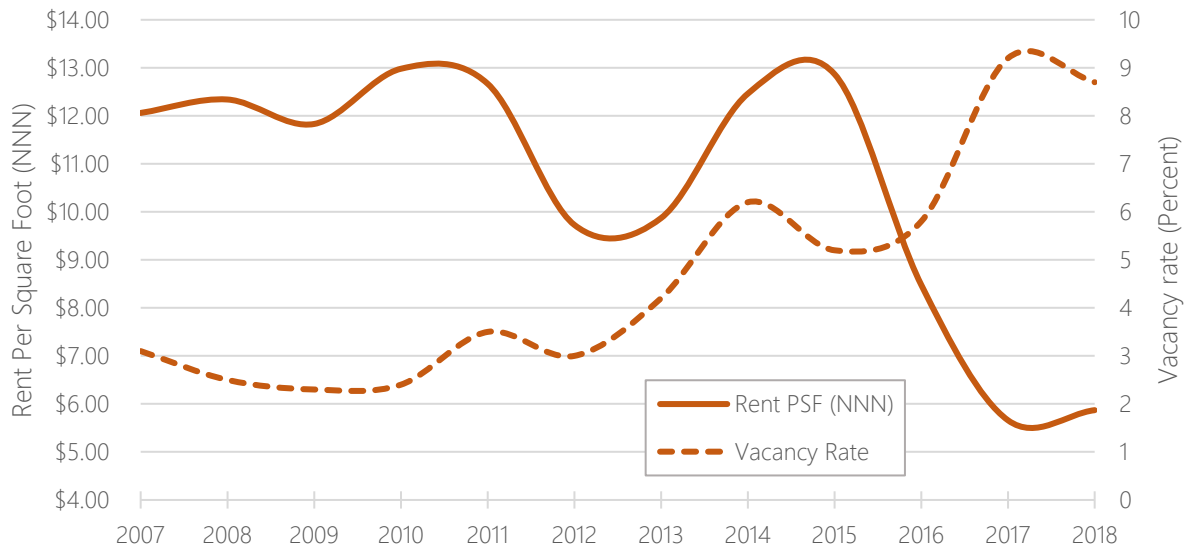


Source: Costar and Leland Consulting Group

As with the office market, lease comps for retail space are highly limited, so rents are generally unavailable. However, Costar provides rent estimates based on the market and the quality of the space. These rent estimates are provided in the following graph.

Vacancies in retail space have been rising for the past five years. As a result, average rents have declined significantly over the past few years as landlords try to entice new tenants to this newly vacated space. Rising vacancies and declining rents generally mean that the market will not support significant new retail development.

**Figure 35. Retail Rent and Vacancy Trends, Three-City Area**

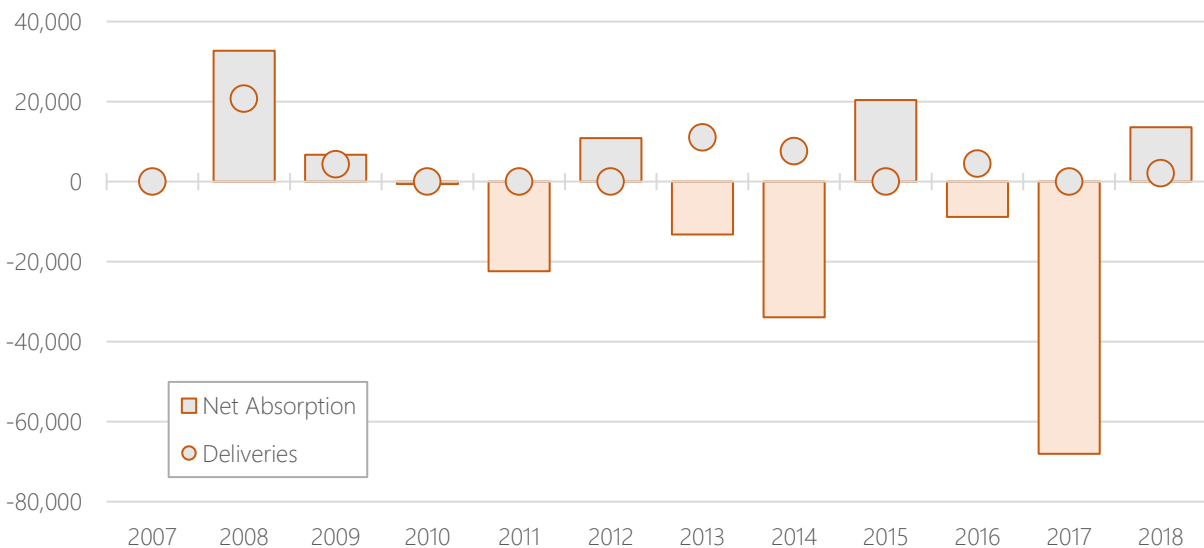


Source: Costar

However, some of this new vacancy may simply be new development cannibalizing existing, dated space, which is particularly true in markets where the existing supply is not adequately meeting the needs of residents. While a vacancy rate under nine percent isn't necessarily indicative of a failing industry (although it also isn't indicative of a thriving market, either), the presence of recent development is more of a positive sign.

The following chart shows these deliveries, and given the fluidity of the retail industry, it is no surprise to see inconsistent absorption trends.

**Figure 36. Retail Absorption and Deliveries, Three-City Area**



Source: Costar

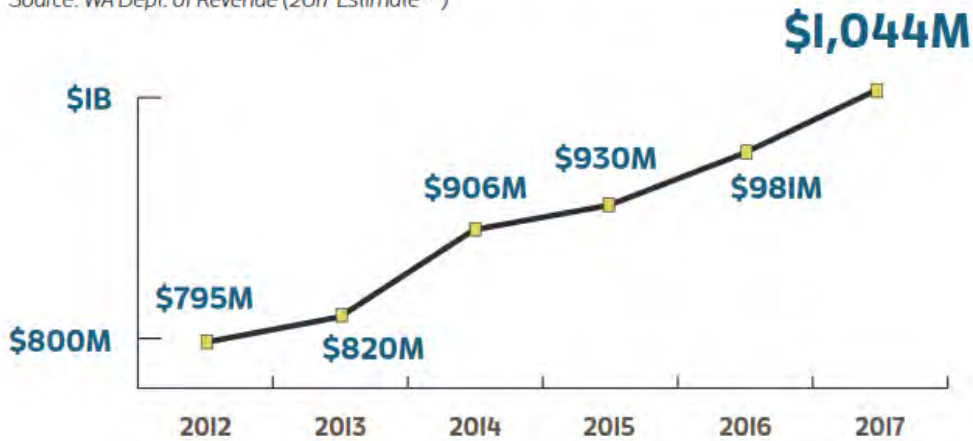
In 2017, taxable retail sales estimates for Grays Harbor County increased by seven percent over the previous year to over \$1 billion. The most significant increases were in the following communities:

- Cosmopolis (+25%),

- Westport (+15%),
- Montesano (+8%),
- Hoquiam (+7%),
- Unincorporated Grays Harbor County (+7%),
- Elma (+6%), and Aberdeen (+6%),
- Ocean Shores (+3%) and
- Oakville (+1%).

## Taxable Retail Sales totals for Grays Harbor County

Source: WA Dept. of Revenue (2017 Estimate\*\*)



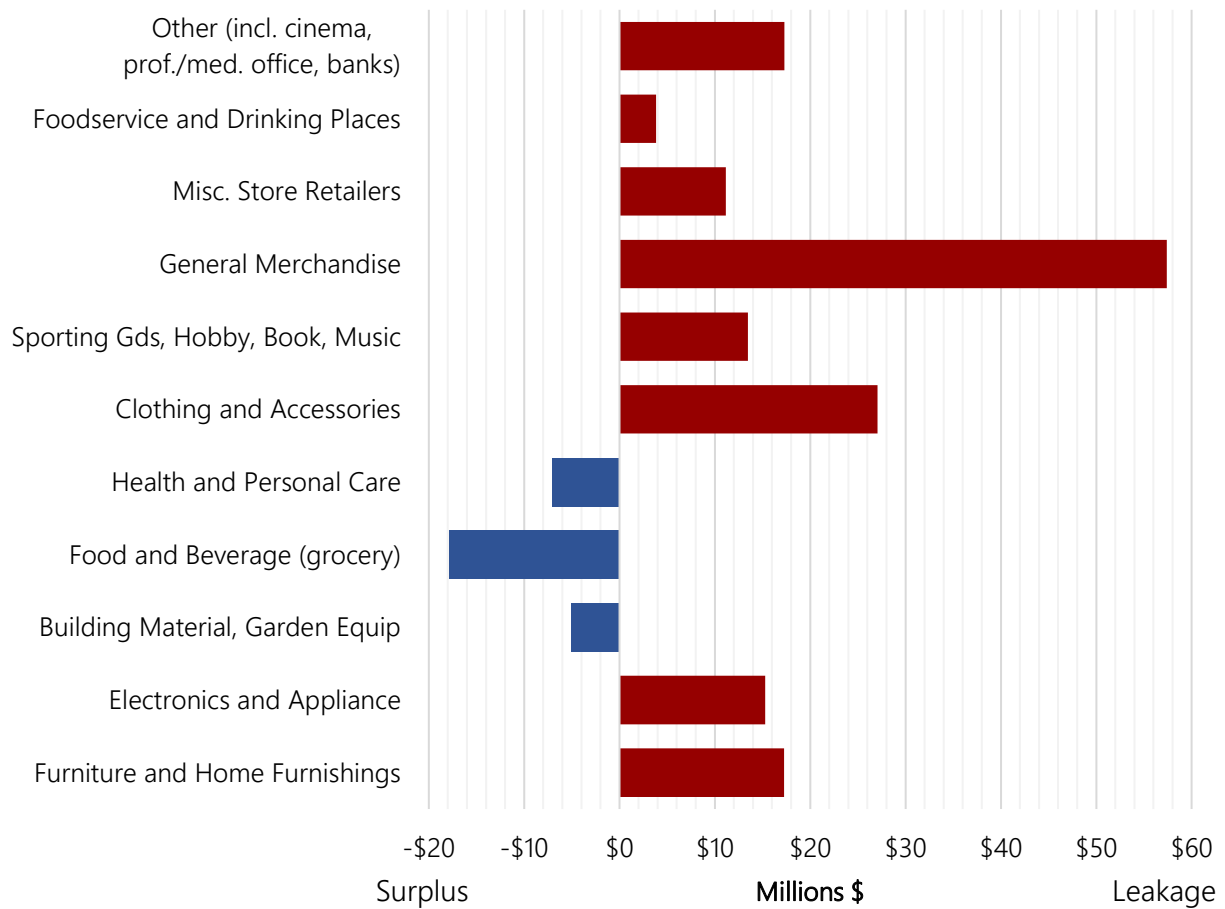
### Retail Demand

Despite being the central retail hub, annual retail spending data from ESRI indicates that the region is underserved by retail. In fact, the data shows a significant amount of leakage in most retail categories, meaning household spending is not fully captured within the defined trade area. When local demand for a specific product is not being met within a trade area, consumers are going elsewhere to shop, creating retail leakage.

As the following figure shows, surplus spending is seen primarily in grocery and health and personal care, indicating the area is attracting customers that do not live there. This aligns with the idea that the region is the gateway to the coast, with tourists and other visitors stopping off primarily for groceries and other products before continuing on to the Washington Coast and Olympic National Forest—among other tourist attractions.

Each of the other retail categories show a leakage, suggesting immediate demand for new retailers in the area. However, only a finite amount of leakage will reasonably get recaptured.

**Table 8. Grays Harbor County Retail Spending: Surplus/Leakage, Retail Trade Area**



Source: ESRI & Leland Consulting Group

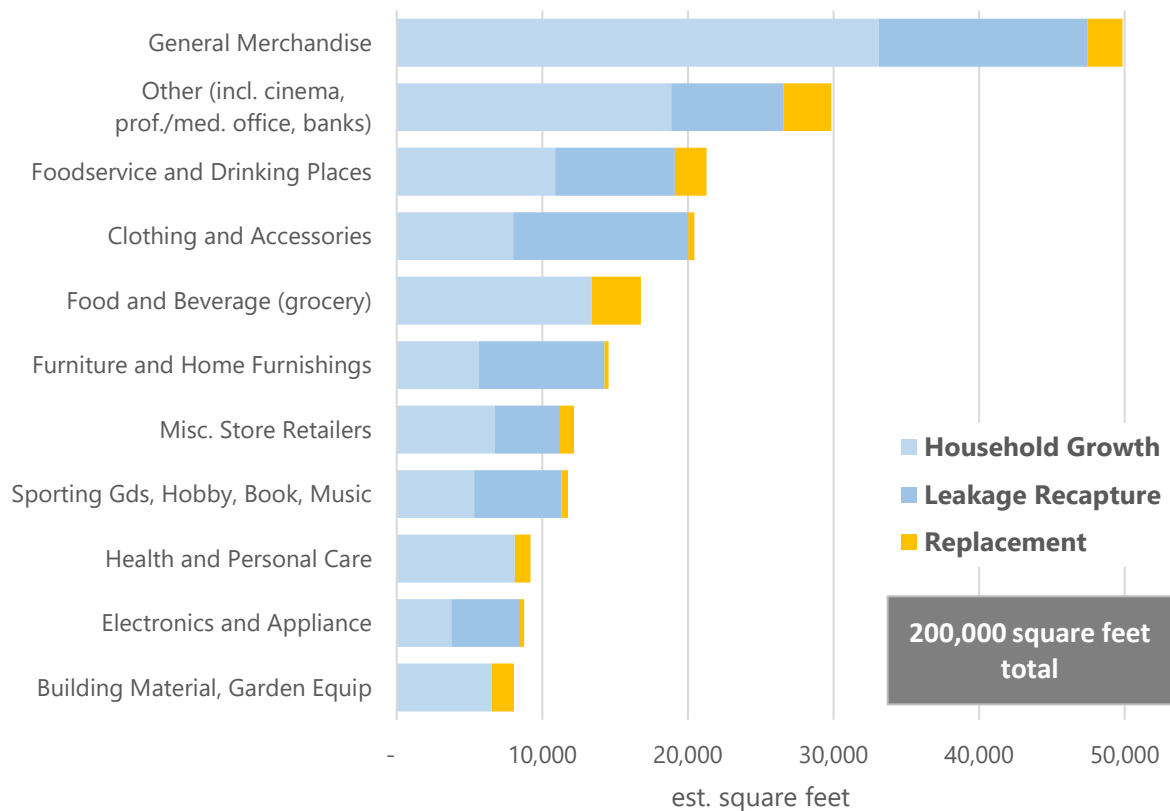
Total retail demand for the primary trade area over the next is shown in the following figure. This shows the total retail square footage expected to be supported by existing and future households and visitors, calculated using Grays Harbor County’s projected long-term household growth rate (the *high* scenario of 0.5 percent).

The chart shows three sources of demand for the development of new retail space:

- Household growth, i.e., from new households moving into the market area;
- Leakage recapture, i.e., by “recapturing” some of the retail spending that households who live in the Grays Harbor County are making outside of the market area; and
- Replacement, reflecting the fact that existing space becomes obsolete over time. This is a small share of overall demand, but potentially a significant source in Gray Harbor.



Figure 37. 10-Year Retail Demand by Source, 2018



Source: Leland Consulting Group

Given the low projected growth rate for Grays Harbor County, total retail demand for the next decade is low (less than 10 percent of total retail inventory) relative to the size of the trade area. Existing leakage categories present immediate opportunities abound for small scale retail that diversifies the range of amenities and products available to residents, employees, and visitors.

Further, existing vacancies and rehabilitation projects are likely to absorb the vast majority of new retail demand. Indeed, at nine percent vacancy, there are enough existing vacancies in the retail market to absorb all new demand over the next decade. However, these spaces are unlikely to be up to par in terms of quality and location, so new construction or major rehabilitation projects will be necessary to respond to this elevated demand. Retail rents are unlikely to support new construction.

While demand is minimal based on existing annual leakage, household growth, and replacement of obsolete retail space, tourism is likely to be a major driver of additional retail.

# TOURISM

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## National Overview

As tourism outpaces other industries—forecasted to grow 3.7 percent in the face of other economies this year—it has experienced a revitalization. Experiential, adventure, responsible, and green travel are reinventing the way communities, ecosystems, economies, and brands interact.

### Experiential Tourism

Experiential travel is a form of tourism in which people focus on experiencing a country, city or particular place by connecting to its history, people and culture. Many companies operating in the hospitality and tourism sector are marketing themselves as an experience versus a product, based on rising demand from consumers for more authentic and engaging travel experiences.

As "authenticity" ascends as the travel buzzword of the moment, packaged tourism is quickly losing its appeal. People want to reclaim what's real. Mass tourism is no longer sufficient.

To escape from run-of-the-mill and homogenized experiences, travelers are seeking out more adventurous and experiential travel. Travelers view many different sites before booking a trip, with one of the biggest drivers behind this the thirst for visual content that shows authentic travel.

Social media, digital innovation, and the desire for bigger and better experiences helped trigger the rise of experiential travel, and these keen social media users often want to stay connected while they're seeking out authentic experiences. This is even more so the case for highly-connected travel bloggers, remote workers, or digital nomads who simply need WiFi.

### Lodging & Hospitality

The United States hotel market grew for the seventh consecutive year in 2017 and exceeded performance expectations, reaching record occupancy percentage levels and average room rate. The increase in tourism is largely driven by the Millennial generation, which has now surpassed both the Gen-X and Baby Boomer generations in numbers of business and recreation travelers, and they tend to value "experiences" over things and generally prefer hotels that incorporate unique design, local touches and inviting public spaces over opulent lobbies and large guest rooms. Furthermore, with this new demographic driving tourism demand, it is less important to be located next to freeway exits, or major intersections and far more important to be within walking distance of a variety of interesting food choices and other attractions and activities. Smartphones lead travelers with turn-by-turn directions to hotels, and so being visible from the freeway is no longer as important, customers often prefer downtown locations with walkable points of interest.

The primary demand driver for hotel development include:

- Tourism and tourist destinations
- Entertainment activities
- Business activity (number of jobs and businesses)
- Business conferences and conventions
- Travel patterns (visibility)

## Active Tourism – Recreation & Open Space

Infrastructure—the physical facilities and systems that support economic activity—is a key driver of real estate investment and development. Historically, real estate was influenced by the quality and location of roads, bridges, and other forms of auto-oriented infrastructure. The Interstate Highway System, for example, was a critical factor in the growth of suburban America.

More recently, transit-oriented development has become a common term in the lexicon of real estate and transportation officials. Transit-oriented development is characterized by compact, mixed-use, residential, and commercial development that is clustered around a transit stop or a rail station. Today, bike trails, bike lanes, bike-share systems, and other forms of active transportation infrastructure are helping spur a new generation of “trail-oriented development.” This trend reflects the desire of people around the world to live in places where driving an automobile is just one of a number of safe, convenient, and affordable transportation options. The Urban Land Institute’s America in 2015 report found that, in the United States, over half of all people (52 percent) and 63 percent of millennials would like to live in a place where they do not need to use a car very often; half of U.S. residents believe their communities need more bike lanes.

Active transportation was, until recently, an overlooked mode of travel. However, in recent years, investments in infrastructure that accommodates those who walk and cycle have begun to reshape communities.

Bike-friendly cities are also finding that bicycle facilities boost the tourism economy and encourage extended stays and return visits. Tourism is one of the world’s largest industries. The U.S. Travel Association explains that U.S. residents spend over \$800 billion a year on travel and recreation away from home.

## Grays Harbor Tourism Overview

Grays Harbor County has an excellent opportunity to tap into these trends given the strength of Washington’s tourism industry. In 2016, the state set an all-time record for total visitors, visitor spending and tax generation, welcoming 82.4 million visitors who spent \$19.7 billion and generated \$1.2 billion in state and local tax revenue. It was the sixth consecutive year the Washington Tourism Office (CTO) has seen record-setting growth. Since the depths of the recession in 2009, the state has posted a 37 percent increase in visitation, more than double the 17 percent growth in travel nationally.<sup>11</sup>

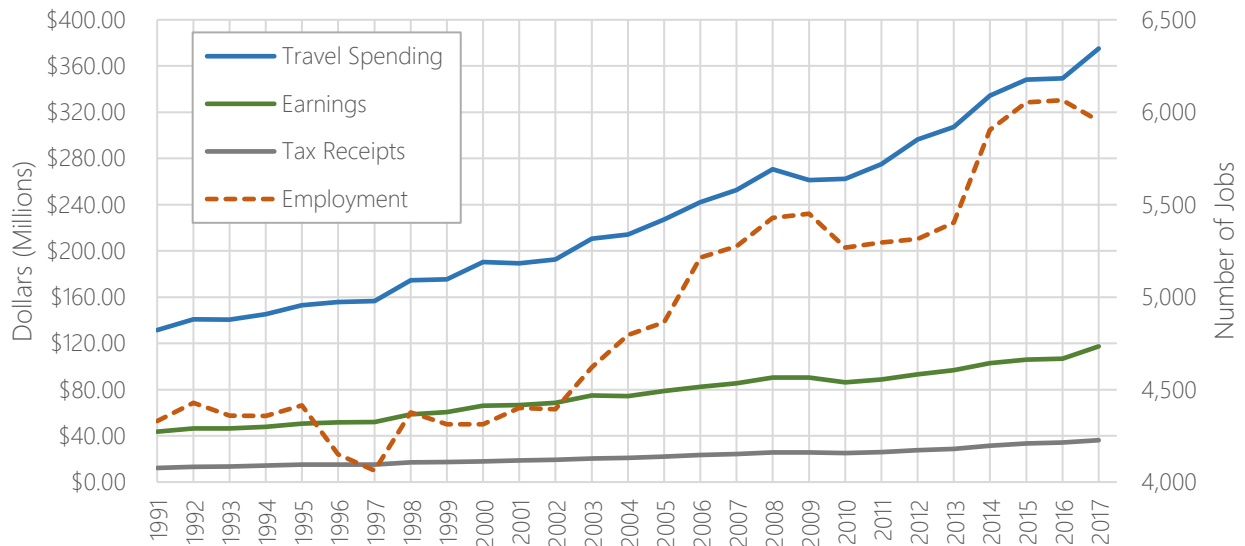
Grays Harbor County’s tourism industry has continued to grow over the past two decades, according to data from Dean Runyan Associations.

Between 1991 and 2017, as the following chart shows, travel spending, tourism-related payroll, and local and state taxes all increased significantly. Employment has, on average, also increased, although the trendline is more sporadic.

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<sup>11</sup> <https://www.Washington.com/news/Washington-tourism-sets-all-time-records-sixth-consecutive-year>

## Grays Harbor Tourism, Financial Characteristics, 1991-2017



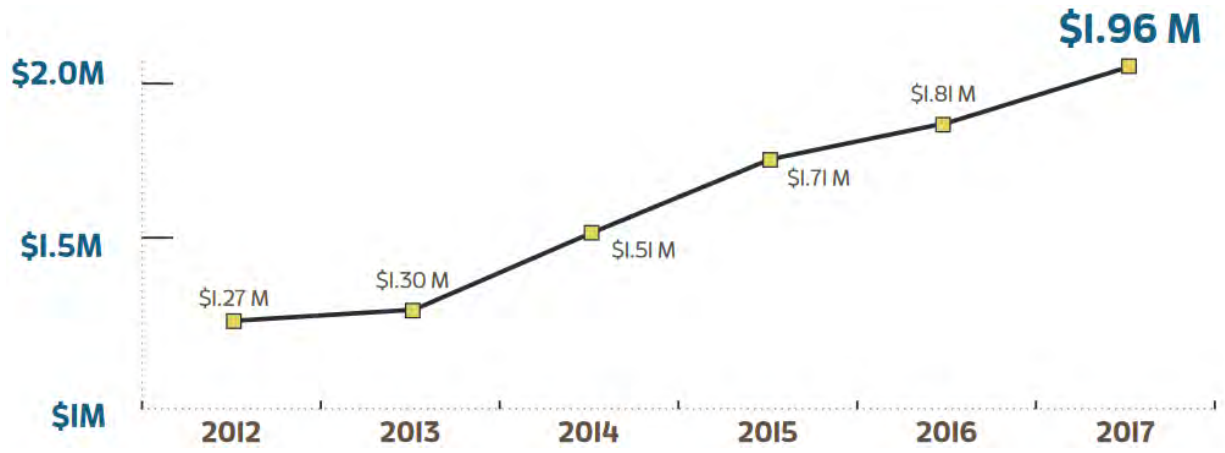
Source: Dean Runyan Associates, June 2018, "Washington Travel Impacts," [URL](#)

The importance of tourism and recreation to coastal communities' economies is well-recognized at the local level. For example, a recent report by the Grays Harbor Economic Development Council states, "[t]he beach is the driving force for tourism, a \$30 million per year industry, in Grays Harbor" (Greater Grays Harbor Inc. 2014). Anecdotal evidence from interviews with local stakeholders indicates that for Ocean Shores, and likely for other coastal towns, tourism is the heart of all business (Personal comm. M. Plackett 2014). Interviewees for a previous economic analysis cited tourism activities as drivers of the economy and tax base for both ports and municipalities along Washington's coast (University of Washington 2013).<sup>12</sup>

This industry trend of outdoor and touring trips growth is a significant opportunity for Grays Harbor County, which is rich in natural amenities and already home to many outdoor and touring guide services. Indeed, visitation levels continue to rise as indicated by recent trends in hotel/motel tax revenue. Grays Harbor County experienced an eight percent overall increase in hotel/motel tax revenues in 2017. Aberdeen also saw significant increases, with 31 percent, as did Hoquiam with 11 percent. Surprisingly, the coastal areas of Grays Harbor County saw the least gains.

<sup>12</sup> From: <http://msp.wa.gov/wp-content/uploads/2014/03/RecreationSectorAnalysis.pdf>

Figure 38. Hotel/Motel Tax Trends, Grays Harbor County



Source: Grays Harbor County Management Services