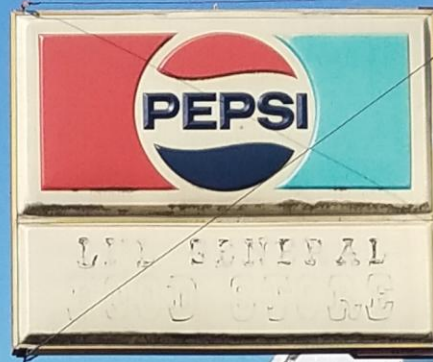




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5 Economic Development

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For a city of its size, The City of La Center delivers a high level of service to its residents. Historically, this has been possible, in large part, because of the disproportionately large portion of the city revenues that come from the La Center card room industry. The current challenge is one of economic diversification, based on diminished card room revenue. The City is actively working to attract new jobs and development opportunities that increase investments and employment diversification. Specifically, the City is by seeking funding for essential public infrastructure that will decrease development costs for the private sector at the Interstate 5 (I-5) Junction, a natural location for such diversification; and by creating subarea plans for downtown and Timmen Landing that include catalyst development sites. Our challenge now is to These plans embody a community vision to overcome these recent setbacks and move toward a bright future and to continue to plan for and encourage spurred by new economic diversification.

We have done the following:

- » Rezoned the remaining area at Interstate 5I-5 to allow for mixed-mixed-use, and light industrial land uses by implementing the Junction Plan;
- » Rezoned the Timmen Road area as a Mixed Umixed-u district to encourage commercial activity and medium density housing; and
- » Created a {R/P} zoning district, which allows a mix of residential, commercial, and office uses close to downtown.

La Center's ability to grow at Timmen Road and the Interstate 5I-5 Junction is dependent upon its ability to build essential capital facilities, such as wastewater, internet, water, and roads, to serve these areas. This effort requires partnerships with utility providers and funding from public and private entities to contribute to the cost of such essential services. The City will continue to search for and encourage such partnerships. La Center's ability to grow at Timmen Road and the Interstate 5I-5 Junction is more attainable with the recent construction of the La Center Road sewer and water lines.

Downtown and Timmen Landing Subarea Plans

The City is also working on developing and implementing two subarea plans: Downtown and Timmen Landing. These subarea plans represent a community vision developed through City staff, with land owner, developer, and community input. Both plans will strategically promote economic and community growth to complement existing businesses and residences in these areas. The Downtown and Timmen Landing subarea plans will implement area-specific land use zones and uses for employment and business growth with an overall goal to make La Center a local and regional destination center. The subarea plans will include incentives, such as pre-clearance on broader environmental permitting, and a unified plan that can be used to gain access to infrastructure investments. The subarea plans will also add certainty and reduce costs for developers. The new subarea plans are to be implemented in summer 2025.

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Market Analysis

The following is a summary of the La Center Economic Conditions Analysis¹ (Attachment X) generated for the Downtown and Timmen Landing subarea plans. This analysis contextualizes existing conditions with respect to demographic and market factors that will influence demand for residential and commercial land uses in these subareas.

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Regional growth pressure is pushing north. Shifting migration trends have accelerated macro-economic growth in Clark County. Combined with land scarcity and higher housing costs in Vancouver, this pressure is pushing into tertiary markets. This will begin to drive more market support for residential uses to markets like La Center and Ridgefield.

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La Center has the assets to attract growth. La Center is well positioned as a bedroom community to employment centers in both Clark County and South Cowlitz County. This is exemplified in the growth trend. Since 2020, among cities with greater than 1,000 residents, Ridgefield and La Center ranked first and eighth in the state in population growth, respectively. This growth will drive market support for new development forms in the coming years as pricing begins to support higher density development forms.

Thus far, the majority of growth in La Center has been single-family homes, with residents that are commuting to other markets for employment. While this can support growth in demand for retail services, it can have negative fiscal impacts to the city and perpetuates an incomplete community that does not offer a variety of housing types and affordability levels. Planning for a more diverse range of housing types that are supported by market fundamentals will improve this condition.

Recent apartment construction shows potential for La Center's rental market. East Fork Commons was introduced to the market in 2022 and units filled up quickly, with a vacancy of around 5 percent within a year--and-a-half of construction being finished. More broadly in the region, vacancy rates for the 19 new multifamily developments built since 2010 average around 4 percent. Apartment market conditions in Clark County are generally softening as of this draft, with a slight over-supply across the region leading to higher vacancies and moderating rent growth. This is a transitory condition that should not extend into the development window of subarea plan implementation. With several thousand employees at Ilani and over 15,000 within a 5-mile radius, there should be a market for more workforce or moderate-income rental housing in the area.

There is market support for retail. A combination of forecasted household growth, growth in real median incomes, and potential for retail spending recapture would support additional retail

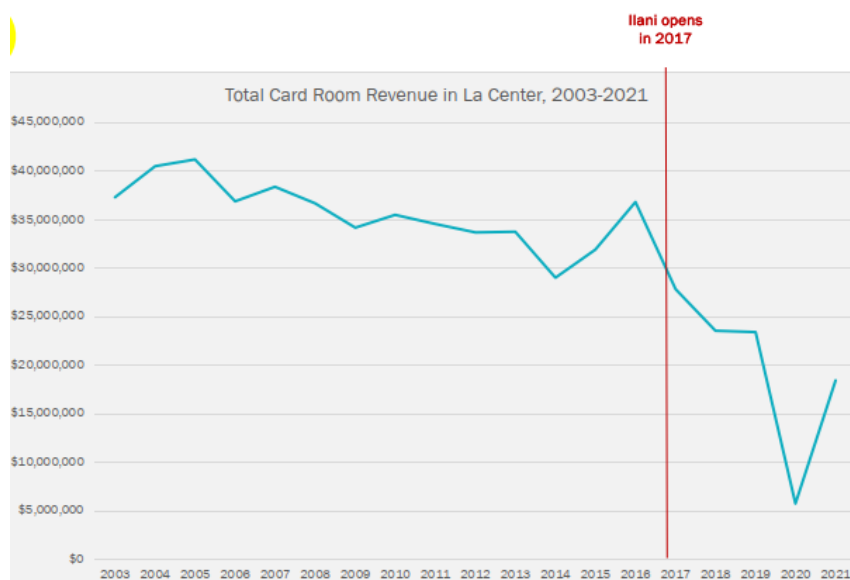
¹ La Center Economic Conditions Analysis, ECONorthwest, December 2023

services in the area consistent with a small neighborhood retail center. However, to a large degree, households are spending their retail dollars outside of La Center.

Opportunities for suburban office space are limited in the near term. Despite low vacancy rates, the market is not showing any interest in development of speculative professional office space. There is no product under construction and nothing in the pipeline. Market rents are low relative to the Vancouver market. Over the near-to-intermediate term, office uses will be limited to local household serving services (e.g., banks, insurance, and medical).

The opening of the ilani Casino in 2017 coincided with a decline in card room revenue among (at the time) La Center's four commercial card rooms as shown in Figure 1. This decline was exasperated by the COVID-19 pandemic. It also resulted in a slight decline in taxable retail sales in La Center. Overtime, there should be opportunities for La Center to capitalize on ilani Casino's attraction of millions of visitors per year. Execution of the subarea plans, improving access to recreational amenities, and expanding economic diversification will be essential in La Center changing the status quo and turning casino activity into an asset as opposed to detracting from economic growth.

Figure 1: La Center Cardroom Revenue



Coming out of the pandemic, taxable retail sales in La Center across all industries had ballooned to \$72.6 million in 2022, up 356 percent from 2013 to 2022. When isolated to just the retail trade sector, taxable retail sales in the city are up 284 percent. While residential growth has likely resulted in a small increase in retail sales growth, the vast majority of growth in taxable retail

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sales both in the retail trade and non-retail trade sector can be attributed to an increase in construction activity in the city.

La Center Jobs Analysis

In 2013-2021, the U.S. Census calculated 690800 primary jobs (one person holding one job and excluding part time employees) in La Center. Approximately 8064% percent of all jobs in La Center come from three industries: Arts & Entertainment, Educational Services, Education, Accommodation and Food Services, and Retail Trade. Arts, Entertainment, and Recreation. These three job sectors correlate with the largest employers in La Center: the La Center School District, card rooms, restaurants, and small shops and convenience stores. The largest employer in La Center in 2013, more than 47% of the employment sector, is the gaming industry. (See Table 6 Table X – La Center Jobs by the North American Industry Classification System (NAICS) Industry Sector.)

Table X: La Center Jobs by NAICS Industry Sector (2013-2021)

	Count	Share
Transportation and Warehousing	2	0.3%
Administration & Support, Waste Management and Remediation	3	0.4%
Accommodation and Food Services	6	0.9%
Professional, Scientific, and Technical Services	10	1.4%
Health Care and Social Assistance	10	1.4%
Other Services (excluding Public Administration)	14	2.0%
Wholesale Trade	15	2.2%
Information	19	2.8%
Manufacturing	30	4.3%
Public Administration	30	4.3%
Retail Trade	72	10.4%
Educational Services	154	22.3%
Arts, Entertainment, and Recreation	325	47.1%

Industry Sector	Count	Share
Educational Services	227	28.4%
Accommodation and Food Services	174	21.8%
Arts, Entertainment, and Recreation	109	13.6%
Wholesale Trade	65	8.1%
Manufacturing	43	5.4%
Construction	33	4.1%

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Retail Trade	33	4.1%
Health Care and Social Assistance	22	2.8%
Public Administration	21	2.6%
Professional, Scientific, and Technical Services	17	2.1%
Administration and Support, Waste Management, and Remediation	15	1.9%
Other Services (excluding Public Administration)	14	1.8%
Information	13	1.6%
Transportation and Warehousing	7	0.9%
Real Estate and Rental and Leasing	5	0.6%
Agriculture, Forestry, Fishing, and Hunting	2	0.3%
Mining, Quarrying, and Oil and Gas Extraction	0	0.0%
Utilities	0	0.0%
Finance and Insurance	0	0.0%
Management of Companies and Enterprises	0	0.0%

The majority of Most jobs currently in La Center enable the worker to rise above the federal poverty level. Only 15.16 percent of the 690-800 jobs in La Center pay \$15,000 or less per year.

These workers make \$7.50 per hour or less. Thirty nine Twenty-four percent (39%) of the workers earn between \$15,000 and \$39,9996 per year and 45.60 percent of the work-workforce earns more than \$40,000 per year. The work-workforce is relatively young with approximately 59.55 percent of the employees working in La-Center are between the ages of 30 and 54. The U.S. Census classifies the work-workforce as 83.85 percent White, 11.56.5 percent Asian, and all other ethnic origins comprising less than under 2 percent.

In 2013-2021, the 961-1,388 primary workers lived in La Center but only 54-61 workers, less than 8.5 percent of the in-town workers, live and work in town La Center.

The largest employment sector for this out-migration of jobs is Manufacturing Health Care and Social Assistance, presenting 13.28 percent of the jobs, which require residents people to travel commute to work.

for Health Care and Social Assistance Construction is the second largest sector as 12.3 percent. (See- Table 8X, Table 7– Outflow Jobs by NAICS Industry Sector.) More than half Almost two-thirds (53.463.5 percent) of these workers earn more than \$39,960 40,000 per year.

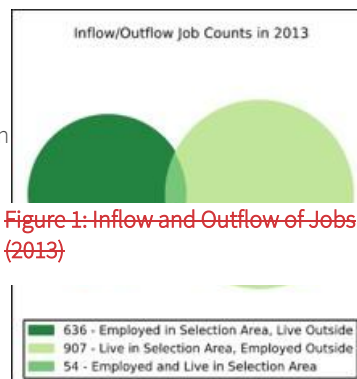


Table 7: Outflow Jobs by NAICS Industry Sector (2013-2021)

	Count	Share
Manufacturing	133	13.8%
Health Care and Social Assistance	118	12.3%
Educational Services	81	8.4%
Construction	78	8.1%
Retail Trade	78	8.1%
Accommodation and Food Services	58	6.0%
Arts, Entertainment, and Recreation	56	5.8%
Public Administration	51	5.3%
Wholesale Trade	48	5.0%
Professional, Scientific, and Technical Services	45	4.7%
Transportation and Warehousing	40	4.2%
Administration & Support, Waste Management and Remediation	39	4.1%
Other Services (excluding Public Administration)	33	3.4%
Management of Companies and Enterprises	22	2.3%
Finance and Insurance	19	2.0%
Utilities	17	1.8%
Information	17	1.8%
Agriculture, Forestry, Fishing and Hunting	15	1.6%
Real Estate and Rental and Leasing	12	1.2%
Mining, Quarrying, and Oil and Gas Extraction	1	0.1%

Industry Sector	Count	Share
Health Care and Social Assistance	183	13.2%
Construction	166	12.0%
Manufacturing	159	11.5%
Retail Trade	133	9.6%
Educational Services	97	7%
Professional, Scientific, and Technical Services	89	6.4%
Accommodation and Food Services	85	6.1%
Wholesale Trade	75	5.4%
Transportation and Warehousing	60	4.3%
Public Administration	60	4.3%
Administration & Support, Waste Management, and Remediation	47	3.4%

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Industry Sector	Count	Share
Finance and Insurance	39	2.8%
Information	32	2.3%
Other Services (excluding Public Administration)	32	2.3%
Real Estate and Rental and Leasing	28	2.0%
Agriculture, Forestry, Fishing, and Hunting	26	1.9%
Management of Companies and Enterprises	26	1.9%
Arts, Entertainment, and Recreation	26	1.9%
Utilities	23	1.7%
Mining, Quarrying, and Oil and Gas Extraction	2	0.1%

The expanded UGA at the I-5 Junction ~~has~~ ^{was} part of the last urban growth area (UGA) expansion of La Center in 2016 largely inspired by the prospect~~the~~ ^{potential to generate} of higher paying jobs. ~~However,~~ ^{However,} this area of the city has not seen substantial development except for several sites immediately next to the eastern I-5 on- and off-ramps on Northwest La Center Road. The MX and RP zoning districts ~~also~~ ^{also} have the potential to generate office and retail jobs. ~~Map 3~~ ^{Map X} is a graphic representation of the inflow and outflow of jobs in La Center. ~~The implementation of the Downtown and Timmen Landing subarea plans~~ ^{will also create additional opportunity to generate office and retail jobs, especially with the commercial and mixed-use corridors of the Downtown plan. Lastly, to accommodate the County's 2045 job allocations to the City, the La Center Urban Growth Boundary is planned for expansion to the north and southwest of the Junction Plan to accommodate anticipated job growth. This planned expansion will also provide opportunities to generate commercial and light-industrial jobs.}

The challenge for the ~~e~~City is ~~create~~ ^{ing} the opportunity for job growth within city limits. The ~~C~~city's goals and policies and the zoning districts established for job creating enterprises are a step towards addressing this issue.

Every work day in

~~2013~~ ²⁰²¹, ~~54-61~~ ⁹⁹⁷ people lived and worked in La Center at one of the ~~699-800~~ ^{1,327} local jobs. However, ~~997~~ ^{1,327} La Center residents commuted to jobs outside of La Center. A challenge for La Center is to slow the leakage of better paid workers leaving La Center every day by creating opportunities for job creation in the UGA.

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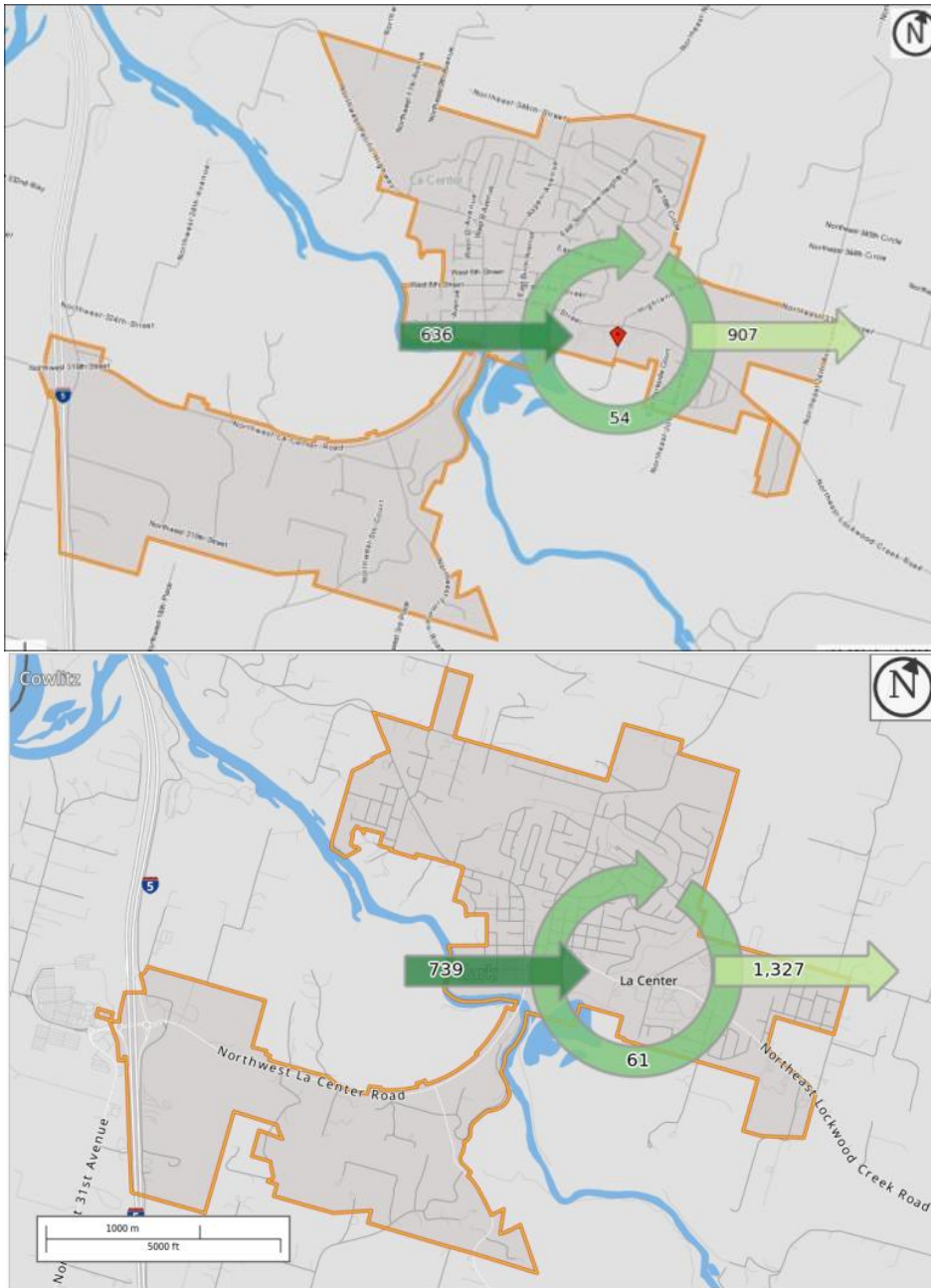
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Map 8: Inflow and Outflow of Jobs (2013-2021)

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Economic Development Goal

Goal 5.1 ~~La Center shall p~~Provide for, encourage, and actively market to ~~attract industrial, employment, and commercial businesses of various sizes in order to the City and its attract them to locate within La Center's Urban Growth AreaUGA.~~

Economic Development Policies

Policy 5.1.1 ~~La Center shall s~~Strive ~~for toward~~ economic diversity by providing ~~for~~ orderly long-term ~~retail, commercial, and industrial growth and an adequate supply of land suitable for compatible commercial, employment, mixed-use, and industrial development.~~

Policy 5.1.2 ~~La Center shall e~~Encourage long-term ~~retention and growth opportunities for~~ existing businesses.

Policy 5.1.3 ~~La Center shall s~~Support and promote local education programs as a means of improving the quality of high school graduates and ~~the skill~~eds of the labor force.

Policy 5.1.4 ~~La Center shall s~~Support and participate in activities of the local business organizations to facilitate ~~business retention and~~ economic development and diversity in the La Center area.

Policy 5.1.5 ~~La Center shall a~~Actively explore means of attracting additional local ~~ly-oriented~~ commercial activity to the downtown area through incentives, marketing programs, or other methods, ~~including implementing the Downtown subarea plan.~~

Policy 5.1.6 ~~La Center shall consider to e~~Establishing benchmarks to measure economic ~~activitydevelopment~~ that has ~~taken or is certain if forecast to~~ taken place within the city's Urban Growth Boundary.

Policy 5.1.7 ~~The cityLa Center~~ shall make reasonable efforts to develop an inventory of local economic indicators, such as population, employment, sectors of employment, types and location of business, and ~~gross~~ sales.

Policy 5.1.8 ~~La Center shall consider e~~Economic development planning, ~~should~~ including an ~~assessment~~eknowledgment of the strengths and weaknesses of the local economy, including such factors as land use, transportation, utilities, education, work-force, housing, natural and cultural resources, competition, ~~and~~ cooperation, ~~and market factors.~~

Policy 5.1.9 ~~The CityLa Center~~ shall consider developing a comprehensive economic development strategy ~~in coordination with the Cowlitz Indian Tribe.~~

Policy 5.1.10 ~~The CityLa Center~~ shall engage in cooperative ~~economic development~~ relationships with its sister jurisdictions ~~and the Cowlitz Indian Tribe.~~

Goal 5.2 ~~The city's long term goal is for the~~La Center shall ensure that La Center Junction ~~to provide~~s an employment area for the benefit of the citizens of La Center and north Clark County.

Goal 5.2 La Center Junction Policies

Policy 5.2.1 ~~La Center shall consider d~~Developing a strategic action plan to help the eCity prepare for and adjust to potential seismic changes in the city economy ~~at-with development consistent with the I-5 Interchange Junction Plan and in the downtown core.~~

Policy 5.2.2 ~~La Center shall consider reducing development regulations and design requirements at the Junction Plan to increase the market feasibility of development and economic opportunity.~~

Policy 5.2.3 ~~La Center shall consider an economic development strategy specific to the Junction Plan. The strategy should include how to maximize benefits of development at the Junction can be extended to the City and its citizens and business community.~~

~~Policy 5.2.1~~Policy 5.2.4 ~~La Center shall focus and diversify economic development in the Junction Plan and in relation to the ilani Casino for commercial retail, services, recreational commercial, and other compatible commercial uses.~~

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