# STAFF REPORT

Date: November 10, 2026
To: Planning Commission
From: Gene Angel, Economic Development Coordinator; Kelly Adams, Assistant City Administrator; Sharon Lumbantobing, Deputy Community Development Director

## 2026 Tumwater Comprehensive Plan Amendment – Economic Development Element Ordinance No. O2026-012 – Public Hearing

## 1. Recommended Action

Staff recommends that the Planning Commission hold a public hearing and forward a recommendation to the City Council to approve Ordinance No. O2026-012, amending the Comprehensive Plan to adopt the updated Economic Development Element.

## 2. Background

The Growth Management Act requires the City to review and update its Comprehensive Plan every ten years. Tumwater completed its most recent update in December 2025. The Economic Development Plan, which was last updated in 2019, was not updated as part of the 2025 periodic update and is being updated through the City's 2026 annual amendment process.

The Economic Development Plan is part of the Comprehensive Plan and guides the City's economic development policies and implementation actions. The update incorporates current economic, employment, workforce, and land capacity data and updates the City's economic development goals, policies, and implementation actions to reflect current conditions and priorities.

Amendments to the Comprehensive Plan may be considered once per calendar year under RCW 36.70A.130 and TMC 18.60.025(A)(2). Ordinance No. O2026-012, the City's 2026 Final Docket of Comprehensive Plan amendments, includes one City-sponsored amendment: adoption of the updated Economic Development Plan.

The proposed amendment was reviewed against the criteria in TMC 18.60.025(B):

1. *Does the amendment conform to the Growth Management Act?*
2. *Is it consistent with the Comprehensive Plan, Thurston County-Wide Planning Policies, and related plans?*
3. *Have area conditions changed or are changing to justify a change in land use for the area?*

4. *Is there a need to provide a community-related use not anticipated by the Comprehensive Plan?*

## 3. Key Changes in the Economic Development Plan

The Economic Development Plan update reflects changes in Tumwater's economy and provides a strategy for supporting economic growth over the next 20 years.

Tumwater has a strong employment base, but the local economy is heavily concentrated in public-sector employment. Approximately one-third of jobs in Tumwater are in public administration. While state and other government employment provides an important and stable economic base, the updated Plan recognizes the need to diversify the local economy and expand private-sector employment opportunities.

Key changes in the updated Plan include a greater emphasis on:

- **Economic diversification.** Support growth in a broader range of industries and reduce reliance on any single employment sector.
- **Business retention and growth.** Strengthen support for existing businesses while creating opportunities to attract new businesses and investment.
- **Employment land.** Preserve and make effective use of Tumwater's commercial and industrial land to accommodate long-term business and employment growth, including leveraging the Olympia Regional Airport to facilitate the creation of a local aerospace cluster.
- **Brewery and Brownfield Redevelopment.** Connects the Brewery redevelopment strategy with City's Brownfields Program.
- **District Vibrancy and Tourism.** Elevates coordination between tourism, district aesthetics, signage, and wayfinding as a primary district revitalization tool.
- **Affordability as Equity Strategy.** Identifies that cost-of-living issues stem from supply side barriers and that economic development policies can allow all individuals have equitable access to share in Tumwater's prosperity.

The updated Plan provides a framework for building on the stability of Tumwater's existing employment base while creating a more diverse and resilient economy with a broader range of businesses and employment opportunities.

As part of the update to test internal consistency, staff compared each of the 52 goals and policies in the proposed Economic Development Plan against the other elements of the updated Comprehensive Plan, the Shoreline Master Program, and the current Parks, Recreation and Open Space Plan. Staff have categorized these policy relationships and labeled each Supportive, Coordinate, or Tension. Of these, 117 are Supportive, 28 require Coordination, and one is identified as in Tension. The results indicate the proposed Plan is broadly consistent with adopted policy.

## 4. Summary of Public Participation Process

An Environmental Checklist for a non-project action was prepared on September 30, 2026, under the State Environmental Policy Act (Chapter 43.21C RCW). A Determination of Non-Significance was issued on October 2, 2026. A Notice of Determination of Non-Significance was published in The Olympian on October 2, 2026, beginning the 14-day public comment period, which ended on October 16, 2026, and the 6-day appeal period which ended on October 22, 2026. No comments were received.

The proposed amendments were submitted to the Washington State Department of Commerce on September 17, 2026, for the required 60-day review under RCW 36.70A.106. The 60-day review period will close on November 16, 2026.

A Notice of Public Hearing for the Planning Commission was published in The Olympian on October 30, 2026.

The General Government Committee is scheduled to review the proposed amendments on November 18, 2026. The City Council is scheduled to consider the proposed amendments on December 15, 2026.

Additionally, staff have developed an outreach strategy to gather input from Tumwater residents, businesses, and regional partners. The strategy includes community surveys on goals and policies and leveraging regional partner social media and newsletter platforms to boost survey populations.

Staff presented the plan to several interest groups including:

a. Thurston Chamber of Commerce Business and Economics Committee on July 17, 2026,
b. Thurston Economic Development Council Board on September 23, 2026, and
c. Tumwater Area Chamber of Commerce on October 16, 2026.

Staff and partners have shared survey and plan information in their newsletters and social media to help inform the public and gather additional responses from their audiences. The survey is also posted in a press release on the City of Tumwater Website. https://www.ci.tumwater.wa.us/Home/Components/News/News/10037/554. Outreach will continue through November 15, 2026, when the survey will close.

Lastly, staff also plans press releases to *The Olympian* and *The Jolt* and is pursuing a *Thurston Talk* feature.

## 5. Applicable Criteria, Evaluation, and Findings

Comprehensive Plan amendments are subject to the criteria in TMC 18.60.025(B):

**1) Growth Management Act**

***All amendments to the Comprehensive Plan must conform with the requirements of the Washington State Growth Management Act, Chapter 36.70A RCW, and all amendments for permanent changes to the Comprehensive Plan must be submitted to the Washington State Department of Commerce pursuant to RCW 36.70A.106.***

The proposed Economic Development Plan update is being considered through the City's annual Comprehensive Plan amendment process. If approved by the City Council, the amendment will be submitted to the Washington State Department of Commerce pursuant to RCW 36.70A.106.

The proposed amendment is consistent with the applicable Growth Management Act planning goals as follows:

1) **Urban growth.** *Encourage development in urban areas where adequate public facilities and services exist or can be provided in an efficient manner.*

   **Finding:** The Economic Development Plan supports employment and business growth within the City and identifies strategies to make efficient use of Tumwater's employment lands and existing infrastructure.

2) **Reduce sprawl.** *Reduce the inappropriate conversion of undeveloped land into sprawling, low-density development.*

   **Finding:** The Economic Development Plan supports economic growth within the City's urban growth area and encourages efficient use and redevelopment of existing commercial, mixed-use, and industrial lands.

3) **Transportation.** *Encourage efficient multimodal transportation systems that will reduce greenhouse gas emissions and per capita vehicle miles traveled, and are based on regional priorities and coordinated with county and city comprehensive plans.*

   **Finding:** The Economic Development Plan recognizes the relationship between economic development, employment growth, land use, and transportation and supports access to employment areas by multiple modes of transportation.

4) **Housing.** *Plan for and accommodate housing affordable to all economic segments of the population of this state, promote a variety of residential densities and housing types, and encourage preservation of existing housing stock.*

   **Finding:** The Economic Development Plan recognizes the relationship between housing and economic development, including the importance of an adequate and affordable housing supply to attract and retain Tumwater's workforce.

5) **Economic development.** *Encourage economic development throughout the state that is consistent with adopted comprehensive plans, promote economic opportunity for all citizens of this state, especially for unemployed and for disadvantaged persons, promote the retention and expansion of existing businesses and recruitment of new businesses, recognize regional differences impacting economic development opportunities, and encourage growth in areas experiencing insufficient economic growth, all within the capacities of the state's natural resources, public services, and public facilities.*

   **Finding:** The Economic Development Plan directly implements this goal. The update evaluates current economic and employment conditions and establishes goals, policies, and actions to support business retention and expansion, attract new

investment, strengthen employment opportunities, and maintain an adequate supply of land for future economic growth.

6) **Property rights.** *Private property shall not be taken for public use without just compensation having been made. The property rights of landowners shall be protected from arbitrary and discriminatory actions.*

   **Finding:** The proposed amendment does not change development regulations or authorize the taking of private property and does not conflict with this goal.

7) **Permits.** *Applications for both state and local government permits should be processed in a timely and fair manner to ensure predictability.*

   **Finding:** The Economic Development Plan supports a predictable and efficient development environment and does not conflict with this goal.

8) **Natural resource industries.** *Maintain and enhance natural resource-based industries, including productive timber, agricultural, and fisheries industries. Encourage the conservation of productive forestlands and productive agricultural lands, and discourage incompatible uses.*

   **Finding:** The proposed amendment does not change regulations governing natural resource lands or industries and does not conflict with this goal.

9) **Open space and recreation.** *Retain open space and green space, enhance recreational opportunities, enhance fish and wildlife habitat, increase access to natural resource lands and water, and develop parks and recreation facilities.*

   **Finding:** The proposed amendment does not change the Comprehensive Plan policies governing open space and recreation and does not conflict with this goal.

10) **Environment.** *Protect and enhance the environment and enhance the state's high quality of life, including air and water quality, and the availability of water.*

    **Finding:** The Economic Development Plan supports economic growth within the existing urban area and recognizes the need to balance economic development with environmental protection.

11) **Citizen participation and coordination.** *Encourage the involvement of citizens in the planning process, including the participation of vulnerable populations and overburdened communities, and ensure coordination between communities and jurisdictions to reconcile conflicts.*

    **Finding:** The Economic Development Plan update included opportunities for public and stakeholder participation. Notice and public hearing requirements for the Comprehensive Plan amendment are being completed through the City's annual amendment process.

12) **Public facilities and services.** *Ensure that those public facilities and services necessary to support development shall be adequate to serve the development at the time the*

*development is available for occupancy and use without decreasing current service levels below locally established minimum standards.*

**Finding:** The Economic Development Plan recognizes the importance of infrastructure and public services to support existing businesses and future economic growth. The proposed amendment does not change the City's adopted standards for public facilities and services.

13) **Historic preservation.** *Identify and encourage the preservation of lands, sites, and structures that have historical or archaeological significance.*

**Finding:** The proposed amendment does not change the Comprehensive Plan policies or regulations governing historic and archaeological resources.

14) **Climate change and resiliency.** *Ensure that the City's Comprehensive Plans and development regulations adapt to and mitigate the effects of a changing climate; support reductions in greenhouse gas emissions and per capita vehicle miles traveled; prepare for climate impact scenarios; foster resiliency to climate impacts and natural hazards; protect and enhance environmental, economic, and human health and safety; and advance environmental justice.*

**Finding:** The Economic Development Plan supports a resilient local economy and coordination of economic development with land use, housing, transportation, and infrastructure planning.

15) **Shorelines of the state.** *For shorelines of the state, the goals and policies of the Shoreline Management Act as set forth in RCW 90.58.020 shall be considered an element of the City's Comprehensive Plan.*

**Finding:** The proposed amendment does not change the City's Shoreline Master Program or policies governing shorelines.

***2)*** **Comprehensive Plan and County-Wide Planning Policy Consistency**

***Amendments and site-specific rezone applications should be evaluated for internal consistency with the comprehensive plan, and for consistency with the county-wide planning policies, related plans, and the comprehensive plan of Thurston County or cities which have common borders with Tumwater.***

**Comprehensive Plan**

The proposed Economic Development Plan update is internally consistent with the Comprehensive Plan. The update supports the City's adopted direction for accommodating employment growth, making efficient use of commercial and industrial land, providing housing for Tumwater's workforce, and coordinating land use and transportation planning.

The following Comprehensive Plan goals and policies are particularly applicable to the proposed amendment:

1) **Land Use Element**

Goal LU-8: *Support development of commercial and mixed uses in appropriate areas.*

Goal LU-9: *Support development of manufacturing, industrial, and warehouse uses in appropriate areas.*

Goal LU-13: *Protect the Olympia Regional Airport from incompatible land uses that could affect present and future use of airport facilities and operations while acknowledging the existing urban environment adjacent to the Airport.*

**Finding:** The Economic Development Plan is consistent with these provisions by supporting efficient use of Tumwater's commercial, mixed-use, and industrial lands and identifying strategies to retain and expand existing businesses, attract new investment, and accommodate future employment growth.

**2) Housing Element**

Policy H-1.5: *Direct mixed use and high density residential development along transit corridors and into urban centers to support employment and place-making opportunities.*

**Finding:** The Economic Development Plan recognizes that housing and economic development are closely connected. An adequate supply of housing at a range of prices is important to attract and retain Tumwater's workforce and allowing workers to live near employment opportunities.

**3) Transportation Element**

Policy T-4.1: *Develop a transportation system that supports compact, mixed-use development and related active transportation travel to reduce per capita vehicle miles travelled, increase energy efficiency, reduce environmental impacts, and encourage physical activity and community health.*

**Finding:** The Economic Development Plan recognizes that businesses and employment centers depend on safe and efficient access for employees, customers, services, and goods. The Plan supports coordination of economic development with transportation investments and multimodal access.

**Applicable County-Wide Planning Policies**

The applicable Thurston County County-Wide Planning Policies that support the proposed Economic Development Plan update are as follows:

**1) Economic Development and Employment**

a. **Policy 7.1:** *Encourage an economy that is diverse, can adapt to changing conditions, and takes advantage of new opportunities.*
b. **Policy 7.2:** *Support the recruitment, retention, and expansion of environmentally sound and economically viable commercial, public sector, and industrial development and resource uses, including the provision of assistance in obtaining funding and/or technical assistance.*
c. **Policy 7.3:** *Provide in comprehensive plans for an adequate amount of appropriately located land, utilities, and transportation systems to support*

*desirable economic development. Create and maintain regulatory certainty, consistency, and efficiency.*

d. **Policy 7.4:** *Acknowledge and look for opportunities to engage with regional economic drivers such as state government, the Port of Olympia, and Joint Base Lewis-McChord. Coordinate economic development efforts as well with other jurisdictions, the Economic Development Council, Chambers of Commerce, and other affected groups.*

e. **Policy 7.5:** *Build a vital, diverse, and strong local economy, including job opportunities that support community and household resilience, health, and well-being, by:*

*a. Supporting workforce training and offering opportunities for education and entrepreneurial endeavors.*

*b. Supporting creativity, arts, and culture.*

*c. Providing opportunities for a range of business types to succeed.*

*d. Emphasizing policies that support locally owned businesses including home-based, entrepreneurial, and nonprofit business and organizations.*

*e. Encouraging the development of local services for food, clothing, and other basic human needs.*

*f. Nurturing urban and rural agricultural and food-oriented businesses.*

*g. Protecting resource lands.*

*h. Encouraging the utilization and development of areas designated for industrial use, consistent with the environmental policies in these County-Wide Planning Policies.*

*i. Connecting economic health with personal health and well-being and the advancement of environmental health.*

*j. Adding incentives for businesses to demonstrate their environmental sustainability including reduction in greenhouse gas emissions.*

**Finding:** The Economic Development Plan update is consistent with Economic Development Policies 7.1 through 7.5. The Plan evaluates current economic and employment conditions and establishes goals, policies, and actions to support a diverse and resilient economy, retain and expand existing businesses, attract new investment, maintain an adequate supply of employment land, support workforce development and entrepreneurship, and strengthen coordination with regional economic development partners.

**2) Affordable Housing Policy 8.1:** *Increase housing choices to support all ranges of lifestyles, household incomes, abilities, and ages. Encourage a range of housing types and costs that are commensurate with the employment base and income levels of jurisdictions' populations, particularly for low, moderate and fixed income families.*

**Finding:** The Economic Development Plan update is consistent with Affordable Housing Policy 8.1 by recognizing the relationship between housing and economic development, including the importance of housing availability and affordability to attracting and retaining Tumwater's workforce.

**3) Change in Conditions**

***Whether conditions in the area for which comprehensive plan change/zoning amendment is requested have changed or are changing to such a degree that it is in the public interest to encourage a change in land use for the area.***

**Finding: :** This criterion does not apply because the Economic Development Plan update does not propose a zoning amendment or change in land use.

**4) Community-Related Use**

***Whether the proposed comprehensive plan zoning amendment is necessary in order to provide land for a community-related use which was not anticipated at the time of adoption of the comprehensive plan.***

**Finding:** This criterion does not apply because the Economic Development Plan update does not propose providing land for a community-related use.

**Overall Findings:** The proposed Economic Development Plan update meets the applicable Comprehensive Plan amendment criteria in TMC 18.60.025(B). The amendment is consistent with the applicable Growth Management Act planning goals, including those related to economic development, urban growth, housing, transportation, and climate resiliency. It is internally consistent with the City's Comprehensive Plan and is consistent with the applicable Thurston County County-Wide Planning Policies and related plans.

The criteria related to changed conditions supporting a change in land use and the need to provide land for an unanticipated community-related use do not apply because the amendment does not propose a Comprehensive Plan map amendment, zoning amendment, or change in land use.

Based on this review, the proposed Economic Development Plan update meets the applicable criteria for approval.

## 6. Next Steps

The General Government Committee will review the proposed amendments at a work session on November 18, 2026. The City Council is scheduled to consider adoption on December 15, 2026.

## 7. Staff Contacts

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