



City Council Study Session Agenda
Shelton Civic Center
November 27, 2018 at 6:00 p.m.

A. Call to Order

B. Business Agenda

1. Five-Year Economic Development Strategic Plan Implementation – Presented by Communications & Economic Development Officer Andy Arnes (Tab 1)
2. 2019 Fee Schedule Update – Presented by Public Works Director Craig Gregory (Tab 2)
3. Budget Discussion

C. New Items for Discussion

D. Adjourn



2018/19 Looking Ahead

(Items and dates are subject to change)

Thurs. 11/29 11:30 a.m.	Special Meeting with Executive Session	To discuss qualifications of a public employee City Manager Interviews #1 (11:30 a.m. – 5:00 p.m.) Community Open House (5:00 p.m. – 6:30 p.m.)
Fri. 11/30	Special Meeting with Executive Session	To discuss qualifications of a public employee City Manager Interviews #2 (9:00 a.m. – 3:00 p.m.) City Council Deliberations (3:15 p.m. – 4:15 p.m.)
Tues. 12/4 5:50 p.m.	Special Meeting Shelton Metropolitan Park District	Consent Agenda <ul style="list-style-type: none"> • Vouchers/Meeting Minutes Business Agenda <ul style="list-style-type: none"> • Action Agenda 2019 Budget Adoption
Tues. 12/4 6:00 p.m.	Regular Council Meeting	Council Reports & Presentations <ul style="list-style-type: none"> • Consent Agenda <ul style="list-style-type: none"> • Vouchers/Payroll Warrants/Meeting Minutes Business Agenda <ul style="list-style-type: none"> • Water & Sewer Rates • Mill Street Vacation Action Agenda <ul style="list-style-type: none"> • Budget Adoption • C Street Update – Public Comment Required Administration Report <ul style="list-style-type: none"> •
Tues. 12/11 6:00 p.m.	Special Meeting Study Session	Protocol Manual Resolution
Tues. 12/18 5:50 p.m.	Regular SMPD Meeting	Consent Agenda <ul style="list-style-type: none"> • Vouchers/Meeting Minutes Business Agenda <ul style="list-style-type: none"> • Action Agenda <ul style="list-style-type: none"> • Administration Report <ul style="list-style-type: none"> •
Tues. 12/18 6:00 p.m.	Regular Council Meeting	Council Reports & Presentations <ul style="list-style-type: none"> • Consent Agenda <ul style="list-style-type: none"> • Vouchers/Payroll Warrants/Meeting Minutes Business Agenda

		<ul style="list-style-type: none"> • Action Agenda <ul style="list-style-type: none"> • Water & Sewer Rates • Mill Street Vacation • Confirmation of Municipal Court Judge • Administration Report •
Tues. 12/25 6:00 p.m.	Special Meeting Study Session	Discussion on The Grinch
Tues. 1/8 ? 6:00 p.m.	Regular Council Meeting	Council Reports & Presentations <ul style="list-style-type: none"> • Consent Agenda <ul style="list-style-type: none"> • Vouchers/Payroll Warrants/Meeting Minutes Business Agenda <ul style="list-style-type: none"> • Action Agenda • Administration Report •
Tues. 1/15 6:00 p.m.	Regular Council Meeting	Council Reports & Presentations <ul style="list-style-type: none"> • Consent Agenda <ul style="list-style-type: none"> • Vouchers/Payroll Warrants/Meeting Minutes Business Agenda <ul style="list-style-type: none"> • Action Agenda • Administration Report •
Tues. 1/22 6:00 p.m.	Special Meeting Study Session	Tiny Homes Discussion
Tues. 1/29 6:00 p.m.	Special Meeting Study Session	
Tues. 2/5 6:00 p.m.	Regular Council Meeting	Council Reports & Presentations <ul style="list-style-type: none"> • Consent Agenda <ul style="list-style-type: none"> • Vouchers/Payroll Warrants/Meeting Minutes Business Agenda <ul style="list-style-type: none"> • Action Agenda • Administration Report •
Tues. 2/12 6:00 p.m.	Special Meeting Study Session	
Tues. 2/19 6:00 p.m.	Regular Council Meeting	Council Reports & Presentations <ul style="list-style-type: none"> • Consent Agenda <ul style="list-style-type: none"> • Vouchers/Payroll Warrants/Meeting Minutes Business Agenda <ul style="list-style-type: none"> •

		Action Agenda <ul style="list-style-type: none"> • Administration Report <ul style="list-style-type: none"> •
Tues. 2/26 6:00 p.m.	Special Meeting Study Session	

Other – TBD

- UGA/Annexation Policy (Water/Sewer Extensions)
- Outside City Water/Sewer Extensions



CITY OF SHELTON COUNCIL BRIEFING REQUEST (Agenda Item B1)

Touch Date: **06/19/18**
Brief Date: **09/04/18**
Action Date: **--/--**

Department: **Executive**
Presented By: **Andy Arnes, Communications & Economic Development Officer**

APPROVED FOR COUNCIL PACKET:

ROUTE TO:

- ☐ Dept. Head
- ☐ Finance Director
- ☐ Attorney
- ☐ City Clerk
- ☒ City Manager

REVIEWED:

PROGRAM/PROJECT TITLE:

Five-Year Economic Development Strategic Plan: Implementation

ATTACHMENTS:

Five-Year Economic Development Strategic Plan
Appendix 5. Implementation Matrix
Year One Staffing & Budget Recommendations

Action Requested:

- ☐ Ordinance
- ☐ Resolution
- ☐ Motion
- ☒ Other

DESCRIPTION OF THE PROGRAM/PROJECT AND BACKGROUND INFORMATION:

The Shelton City Council adopted a Five-Year Economic Development Strategic Plan on 9/04/18 to guide the community's economic growth over the next five years and beyond. TIP Strategies, an economic development strategic planning firm based in Seattle, WA was engaged to guide the project.

The resulting plan provides specific recommendations to promote economic growth in the city. The plan focuses on encouraging business development, entrepreneurship, and workforce development initiatives, as well as identifying methods to translate Shelton's unique attributes into an array of competitive advantages. The consulting team has recommended strategies based on their understanding of best practices from across the nation.

The plan is supported by an implementation matrix that outlines actions, priorities, and timeframes needed to execute the plan recommendations effectively.

ANALYSIS/OPTIONS/ALTERNATIVES:

N/A

BUDGET/FISCAL INFORMATION:

Estimated year-one plan implementation costs ≈ \$100,000.

PUBLIC INFORMATION REQUIREMENTS:

N/A

STAFF RECOMMENDATION/MOTION:

Staff is requesting direction from the Council on how to proceed with the adopted plan recommendations, including funding and resource allocation, staffing, and implementation priorities.

AUGUST 2018



FIVE-YEAR ECONOMIC DEVELOPMENT STRATEGIC PLAN

PREPARED FOR THE CITY OF SHELTON, WA

ACKNOWLEDGMENTS

The TIP Strategies consulting team would like to thank the many individuals and organizations who participated in the development of the City of Shelton, Washington, economic development strategic plan. Your insight and expertise helped us build a better understanding of the region's strengths and opportunities. A special thank you to the steering committee for contributing their time and input throughout the planning process. Members of this committee are listed below.

Andy Arnes, *City of Shelton, WA*

Melanie Bakala, *State Farm Insurance/Chamber Downtown Visioning Committee*

Jennifer Baria, *Economic Development Council of Mason County*

Jennifer Capps, *Mason General Hospital*

Patti Case, *Green Diamond Resource Company*

Andy Conklin, *Mason County Association of Realtors*

Marty Crow, *Habitat for Humanity of Mason County*

Craig Gregory, *City of Shelton, WA*

Vicki Look, *City of Shelton, WA*

Jacquie MacAlevy, *Shelton School District*

Heidi McCutcheon, *Shelton-Mason County Chamber of Commerce*

Jim Morrell, *Peninsula Credit Union*

Joel Myer, *Mason County Public Utility District No. 3*

Julie Nichols, *Shelton Branch Advisory Committee of the South Sound YMCA*

Lisa Perry, *Sierra Pacific Industries*

Allison Smith, *Olympic College, Shelton Campus*

Mark Ziegler, *City of Shelton, WA*



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TIP STRATEGIES, INC., is a privately held economic development consulting firm with offices in Austin and Seattle. TIP is committed to providing quality solutions for public and private sector clients. Established in 1995, the firm's primary focus is economic development strategic planning.

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STRATEGIC ACTION PLAN

The TIP Strategies consulting team developed the goals, strategies, and actions for the City of Shelton (City), detailed in this plan, based on the input of dozens of City stakeholders; a detailed analysis of demographic, economic, and market data; multiple community site visits and windshield tours; key findings from a review of relevant studies; and TIP Strategies' 23 years of experience working with communities across the country.

This strategic plan will guide Shelton's economic development efforts over the next 5 years. It sets out a vision—supported by a set of guiding principles, goals, strategies, and actions—to grow the City's economy. **The five goals are areas where the City and its partners should focus economic development efforts** to encourage business development, job growth, quality of place, and real estate development and redevelopment. This document is a roadmap for Shelton's economic development program. However, the ultimate success of the recommendations depends on the level of commitment from the City and its partners in executing the goals, strategies, and actions presented in this strategic plan.

GOAL 1. CITY ECONOMIC DEVELOPMENT PROGRAMS

Develop and formalize the City's baseline economic development programs.

Approximately half the world's population lives in cities. This percentage is the highest in history and continues to increase rapidly. Some projections indicate that by 2030, 60 percent of the world's population (five billion people) will be city dwellers. At the same time this population growth has occurred, the world's main source of economic growth and productivity has transitioned from rural to urban areas.

Although Shelton is located in a rural area, this trend presents major opportunities for the City, considering its 45-mile proximity to one of the fastest-growing metropolitan areas in the US. Shelton leaders must be forward thinking about how the metro's economic outgrowth might affect the City and be prepared to take advantage of potential "ripple-effect" opportunities. Establishing a dedicated City-level economic development effort is the most important means to make that happen.

STRATEGIC PLAN SUMMARY

VISION

"Shelton is a dynamic and vibrant city for residents to live, employees to work, visitors to enjoy, and businesses to thrive."

GUIDING PRINCIPLES

People. Provide economic opportunities that will enhance residents' well-being.

Place. Enhance and preserve existing place-based assets to create an appealing environment for residents and visitors.

Prosperity. Cultivate diverse, balanced, and shared economic growth, leveraging new opportunities while supporting the City's established industry sectors.

GOALS

1. City economic development programs
2. Economic development committee
3. Internal marketing
4. Place and talent
5. Industry attraction

TARGET INDUSTRIES

- Timber milling
- Specialized agriculture
- Hospitality and tourism
- Retail
- Light industrial

MEASURABLE OUTCOMES

- Employment opportunities for local residents
- New businesses locations
- Existing firm expansions
- Industry cluster ratio balance
- Local real estate market values
- Retail sales tax revenue

While Mason County has a dedicated organization that serves the primary economic development role within the region, its efforts should be supported and complemented by a local effort. The need for this type of effort is also bolstered by the fact that economic development is one of the few activities that provides a large return on investment in the form of increased jobs, capital injection, and tax revenue. With this in mind, Shelton should structure its economic development resources with the capacity to support the attraction, formation, retention, and expansion of businesses that form the economic backbone of the City—and provide economic opportunities for its residents.

STRATEGIES AND ACTIONS

1.1. Business retention and expansion (BRE). Grow Shelton's economy through BRE initiatives focused on the City's existing employers and target industries.

1.1.1. Establish a local business visitation program, whereby City economic development staff meet one-on-one with local employers, ensuring business needs are being heard and addressed.

1.1.2. Structure local business visits to achieve several specific outcomes, including education, data collection, risk management, and testimonial collection.

1.1.2.1. Educate the employer about the City's economic development function.

1.1.2.2. During in-person business visits, collect answers to a standard set of questions about the employer's challenges, and identify ways the City can help address those challenges.

1.1.2.3. During in-person business visits, ask about potential supplier recruitment opportunities that would benefit existing employers.

1.1.2.4. Capture testimonials from employers about why Shelton is a good business location for them.

1.1.3. Build an understanding of the major employers within each of the City's target industries and their corresponding emerging opportunities.

1.1.4. Given the City's limited economic development resources, identify and incorporate additional BRE outreach partners for increased collaboration, resource sharing, and reach.

1.1.4.1. Target groups that have extensive local business interface.

1.1.4.2. Educate these groups about economic development as needed. Reiterate that economic development is in their best interest and that BRE activities receive the best return on investment among economic development activities.

1.1.4.3. Partner with the Economic Development Council of Mason County (EDC) to support Shelton-focused BRE efforts. Gain a deeper quantitative and qualitative understanding of the challenges faced by local businesses operating in Shelton through the EDC's research and existing networks.

BUSINESS RETENTION AND EXPANSION

A vibrant BRE program should be the cornerstone of any economic development program. When existing businesses thrive, so does the community. The US Chamber of Commerce estimates that 40 to 80 percent of all new jobs are created by existing firms. Although this number is often debated, the underlying principle is relevant: prosperous, competitive businesses are more likely to remain and grow in a community, providing the best opportunity to expand a community's tax base. Successful companies also provide great case studies and testimonials for business relocation prospects.

1.1.4.4. Reach out to other potential BRE partners, such as the Shelton-Mason County Chamber of Commerce, Olympic College, professional service providers, and local nonprofits.

1.1.5. Identify local companies with the potential for a major expansion. Utilize publicly available information (e.g., news sources, Google Alerts, a Dun & Bradstreet Hoover's subscription) and partner research to aid in pinpointing these firms.

1.1.6. Identify local companies at risk of losing growth momentum, relocating, or downsizing (e.g., because of a recent merger or acquisition event).

1.1.6.1. Develop a communications system with City and county governments that notifies various department representatives within these entities how they can mitigate issues that might impede growth or lead to a specific company closure or departure.

1.1.7. Establish annual performance metrics for meeting with companies.

1.2. Economic development and workforce partnerships. Facilitate partnerships among the region's economic development partners, higher education institutions, and employers to ensure education and training programs are meeting the needs of the City's employers.

1.2.1. Evaluate and prioritize various initiatives that support economic development within the City and region. Determine the appropriate level of City support (including worker hours and/or financial contributions) and structure City resources to support these activities accordingly.

1.2.2. Partner with regional economic development organizations to support local entrepreneur, small business, and workforce development programs and efforts.

1.2.2.1. Maintain a strong partnership with the EDC of Mason County to connect Shelton entrepreneurs and small business owners to existing support structures, such as the Mason County Business Builder Course, Procurement Technical Assistance Center (government contracting help), Startup Washington, SCORE, Washington Small Business Development Center, The Start Your Business Playbook, and the Washington Center for Women in Business.

1.2.2.2. Forge an ongoing partnership with the Pacific Mountain Workforce Development Council (WDC), the state's designated workforce development board serving Mason County.

PACIFIC MOUNTAIN WORKFORCE DEVELOPMENT COUNCIL (WDC)

The Pac Mountain WDC is the designated workforce development board that serves Grays Harbor, Lewis, Mason, Pacific, and Thurston counties. As such, it is charged with the planning and oversight responsibilities for workforce programs and services in its service territory.

The Pac Mountain WDC is a hub for gathering and disseminating information about the area's labor market and business employment needs. It develops strategic partnerships and collaborations, convenes groups of businesses, and institutes programming and innovative solutions to enhance job skills and secure and maintain employment for job seekers. The City of Shelton should seek to maintain a strong partnership with the WDC to support its workforce development efforts.

For more information, visit www.pacmtn.org.

- Participate in established regional industry sector partnerships, including food production, forest and wood products, and hospitality and tourism. Attend events

around the region to learn more about workforce issues in these industries and utilize research and tools on www.pacmtn.org.

- In conjunction with the EDC, partner with the WDC to help identify creative solutions for providing training in work settings to encourage incumbent workers to maintain and enhance their skills (e.g., on-the-job training). The WDC currently offers programming for this area of need.
- Ensure the WDC's services are promoted at the new YMCA facility, as planned.

1.2.2.3. Evaluate Impact Washington's transition and succession planning program as a tool for local family-owned firms that are nearing a generational shift of ownership and operation. This program could help ensure that these leadership shifts do not disrupt the businesses' operations and success.

1.2.2.4. Sustain the City's alliance with Olympic College and facilitate ongoing partnerships between the college and local employers. Encourage connections among the local labor force and the college internship, on-the-job-experience, and résumé-writing programs.

1.2.2.5. Connect local aspiring and existing entrepreneurs with classes at the Shelton Timberland Library.

1.2.2.6. Cultivate relationships with the Rural Community Assistance Partnership and other economic development personnel at the Washington State Department of Commerce.

- Schedule biannual meetings with department heads and program managers at their places of business.
- Host these individuals in Shelton on an annual basis to showcase the City's assets.

1.3. External marketing. Establish an economic development identity that reflects the City's unique value proposition.

1.3.1. Coordinate a consistent and unified brand, marketing theme, and campaign that coordinates with the messaging of the EDC, Chamber of Commerce, downtown associations, and community events committees.

1.3.1.1. Create a brand for the economic development department. Add a graphic element to the City's logo that distinguishes it as an economic development version of the logo. The graphics could contain elements of industries, people, or places that are unique to Shelton.

1.3.1.2. Consider adopting a tagline, such as "Thrive Here," that ties to the EDC's current tagline. The term "thrive" could be used in various contexts, depending on the messaging or type of promotion (e.g., thrive personally, thrive professionally, thrive economically).

1.3.2. Promote the City's brand to key decision-makers in the Puget Sound region, state, and additional spheres of influence.

1.3.3. Place a high priority on expanding the economic development section of the City's website.

1.3.3.1. Utilizing the quantitative and qualitative data contained in this plan, focus on promoting relevant details that highlight what makes the City's business climate competitive for the growth of target industries and emerging opportunities.

- 1.3.3.2.** Actively promote Opportunity Zone designation.
- 1.3.3.3.** Showcase compelling real estate and retail data (as sourced from The Retail Coach findings).
- 1.3.3.4.** Promote access to a large regional labor pool (Kitsap, Olympia, and Tacoma).
- 1.3.3.5.** Include testimonials from area business executives who endorse Shelton as a great place to do business.
- 1.3.4.** Regularly (quarterly or annually) create talking points for City leaders and partner organizations that highlight positive developments in Shelton, success stories, and why it is a desirable place to visit, live, work, and invest.
- 1.3.5.** Actively project a positive image of Shelton as a location for business through online and social media channels, such as the City's Wikipedia page. *This is an important, but often overlooked, facet of economic development marketing, because many prospective business executives and relocating workers use Wikipedia and other online sources as their starting point for researching a community before they make a visit.*
 - 1.3.5.1.** Create an internship position and task a local college student with the above action, working under the supervision of the economic development director.
 - 1.3.5.2.** Develop a LinkedIn page specifically for the City's economic development department. According to the most current data, corporate decision-makers are more active on LinkedIn than any other social media platform.
 - 1.3.5.3.** Develop a more consistent and strategic economic development voice across social media platforms to develop a greater awareness of economic development activities in the region.
 - 1.3.5.4.** Work with economic development and other partner organizations to use LinkedIn, Facebook, Twitter, and other social media tools to provide up-to-date information about local businesses, developments, upcoming events, and other relevant information.
- 1.4. Resources.** Align City organizational resources with economic development efforts to ensure priority projects are accelerated and Citywide economic development programs are sustained.
 - 1.4.1.** Commit additional financial and human resources to the City's economic development program.
 - 1.4.1.1.** Ensure there's a culture of "economic development is everyone's job" among all City staff.
 - 1.4.1.2.** Identify a full-time City economic development manager to lead implementation of the strategic plan. This position should report to the community development director.
 - 1.4.1.3.** The economic development staff person should also charge appropriate City departments to execute on the appropriate recommendations in this plan.
- 1.5. Measurable outcomes.** Monitor and regularly report performance outcomes to City leadership, the economic development committee (detailed in Goal 2), and the general public (via the website). Proposed metrics include employment opportunities for local residents, new businesses locations, existing firm expansions, industry cluster ratio balance, local real estate market values, and retail sales tax revenue.

GOAL 2. ECONOMIC DEVELOPMENT COMMITTEE

Form an advisory body to support and advance the City's economic development activities.

Beyond a need for ongoing partnership and collaboration, this plan advocates for an increase in staff and financial resources for economic development to transition from concept to action and to take the City to the next level of economic success. While effective implementation of the plan rests primarily with the proposed economic development manager, a committee of local and regional partners will be critical in accomplishing the recommendations in this plan and growing Shelton's economy. This proposed committee should act as a catalyst by championing and supporting the City's economic development efforts.

STRATEGIES AND ACTIONS

2.1. Membership. Structure the committee with a diverse group of regional economic development partners and community leaders.

2.1.1. Designate the standing committee members according to the callout box on the right.

2.1.2. Allocate a select number of membership spots for the general public. Allow interested residents to apply for open seats.

2.2. Role. Communicate and document the committee's function in relation to the City's economic development efforts.

2.2.1. Characterize the committee's primary purpose as the provision of advisement and accountability regarding economic development strategic plan implementation activities. The group should recommend priorities and establish a means to progress on measurable outcomes.

2.2.2. Describe the committee's secondary purpose as a forum for the coordination of information among entities identified as having economic development roles. As a part of ongoing discussions, ensure that there are no gaps or redundancies in economic development service provisions among partner organizations.

2.2.3. Emphasize that the committee operates as an advisory body and is nonpartisan (in all internal and external communications).

2.2.4. At a minimum, meet monthly at Shelton City Hall. Meet more frequently if warranted. Ensure meetings are open to the public if required by City ordinance.

2.2.5. The committee chair should report annually to the City Council on committee discussions and advisement.

2.3. Issues-based approach. Keep the meetings as informal as possible. Conduct an open dialogue with committee members regarding their views about the most important economic development issues that are facing Shelton.

2.4. Topics and messaging. Ensure the proper messages are being delivered during committee meetings.

CITY OF SHELTON ECONOMIC DEVELOPMENT COMMITTEE MEMBER ORGANIZATIONS AND NUMBER OF POSITIONS

- Shelton City Council (1 seat)
- Shelton EDSP Steering Committee (2 seats)
- EDC of Mason County (1 seat)
- Port of Shelton (1 seat)
- Shelton-Mason County Chamber (1 seat)
- Mason Transit Authority (1 seat)
- Local employers (3 seats)
- Pac Mountain WDC (1 seat)
- Downtown associations (1 seat)
- Shelton residents (2 seats)

- 2.4.1.** City economic development staff should provide an update of all activities at each meeting.
- 2.4.2.** Ensure committee members are regularly updated on local economic development news and activities, so they can serve as ambassadors in the community. Provide talking points on a regular basis.
 - 2.4.2.1.** Consider the following topics as future agenda item: Shelton SWOT (strengths, weaknesses, opportunities, and threats), business permit and licensing activity, available real estate, tax revenue trends, future annexation and growth management, and infrastructure projects.

GOAL 3. INTERNAL MARKETING

Launch a City-led internal marketing campaign to educate Shelton residents about the importance of economic development and to instill civic pride.

A successful marketing program requires highly targeted messaging that is directed at specific audiences. As revealed in the consulting team's stakeholder outreach, one barrier to Shelton's success is the internal perception of the City (the perception held by Shelton residents). The internal component of Shelton's marketing will rely on a greater level of engagement with residents and businesses. This perception can be influenced through clear and transparent communications, consistent messaging, and education. New marketing initiatives that use local assets to tell Shelton's story internally and throughout Mason County will help enhance the City's image over time.

STRATEGIES AND ACTIONS

- 3.1. Communication tools.** Utilize various tools to deliver targeted internal messages.
 - 3.1.1.** Implement a quarterly electronic newsletter that highlights economic development achievements, department news, new projects, existing project updates, and various community events.
 - 3.1.1.1.** Encourage economic development partners to devote a portion of their existing newsletters to the City's economic development efforts.
 - 3.1.2.** Tell stories of Shelton's successes via multiple social media channels to instill community pride.
 - 3.1.2.1.** Leverage active local social media users for internal and external marketing efforts.
 - 3.1.2.2.** Encourage economic development partners to devote a portion of their social media to the City's economic development efforts.
 - 3.1.3.** Unify internal messaging among partner organizations.
 - 3.1.3.1.** Ensure that all regional partners (county, EDC, chamber, Olympic College, port, and downtown associations) are seeing and hearing the same messages.
 - 3.1.3.2.** Create talking points to share with partner organizations that touch on key messages (e.g., the chamber's marketing committee).
 - 3.1.4.** Promote a positive perception and a greater community pride among Shelton residents through a strong partnership with the *Shelton-Mason County Journal* and other local media outlets, including public radio (e.g., iFIBER One News), community websites, and social media outlets.

3.1.4.1. Build awareness of the City’s positive momentum by reporting City investments, new businesses, and other economic development successes. Showcase improved efficiencies and process innovations for new projects and programs.

3.1.4.2. Profile and interview Shelton residents who are involved in interesting activities and are affecting positive change in the community.

3.1.5. Leverage local events to continue building civic pride and culture (e.g., OysterFest, Forest Festival, Community & Business Expo, and Bite of Mason County).

3.2. Education. Keep Shelton residents informed about various economic development topics.

3.2.1. Utilize the language from this plan’s vision statement and guiding principles to help residents envision Shelton’s potential economic growth.

3.2.2. Inform Shelton residents about the City’s expanded role in economic development and how this effort is important to the City’s future vitality.

3.2.3. Ensure internal audiences have an adequate understanding of the City’s strategic assets by communicating the many strengths and opportunities identified in this plan’s SWOT analysis.

3.2.4. Position the City as a local resource for the most current quantitative and qualitative data on the City’s economy. The economic development department should take a lead role in sourcing and maintaining this data.

3.2.5. Celebrate current and future investments in place-based assets, such as the YMCA and the water treatment facility.

3.3. Buy local campaign. In coordination with the chamber and local businesses, institute a buy local campaign to foster solidarity within the community and help local businesses network and grow.

VISION

“Shelton is a dynamic and vibrant city for residents to live, employees to work, visitors to enjoy, and businesses to thrive.”

GUIDING PRINCIPLES

People. Provide economic opportunities that will enhance residents’ well-being.

Place. Enhance and preserve existing place-based assets to create an appealing environment for residents and visitors.

Prosperity. Cultivate diverse, balanced, and shared economic growth, leveraging new opportunities while supporting the City’s established industry sectors.

GOAL 4. PLACE AND TALENT

Support the creation of amenities that attract a 21st-century workforce.

The US economy is increasingly being driven by human knowledge-based resources. In other words, people, rather than raw materials, are the most important input to companies’ value and success. This shift of economic focus from resources to people has been accompanied by a change in what motivates talented workers to locate and stay in communities. Now more than ever, place-based assets and livability dictate workers’ location decisions. A desirable workforce now wants to live in a place that offers transportation and housing choices, recreational and cultural opportunities, vibrancy, authenticity, and inclusiveness. The strength of the downtown, connectivity among different districts of the community, and urban amenities are what make communities attractive to talented individuals and to dynamic businesses in today’s world. As a result, placemaking has emerged as an important tool in economic

development. Placemaking is defined as the practice of creating or enhancing a community's assets to improve its overall attractiveness and livability. According to some experts, place will eventually become more important than incentives in business expansion decisions. The consideration of quality of place is essential to a successful economic development strategy. With an adequate supply of land, few natural barriers, a pro-growth mindset, and already established greenways and trails, Shelton is on its way to realizing this goal. Several improvements need to be enacted, however, for Shelton to reach its full economic potential.

STRATEGIES AND ACTIONS

4.1. Real estate development. Support efforts to accelerate real estate development projects that will have the highest long-term impact on business development opportunities, employment growth, quality-of-place amenities, and tax revenue generation.

4.1.1. Develop a system to educate businesses, developers, and brokers about real estate development and redevelopment opportunities available within the City.

4.1.1.1. Track and evaluate local real estate market trends and publish an annual report that can be distributed to business, brokerage, and development communities.

4.1.1.2. Conduct regular forums with commercial brokers to discuss Shelton perceptions, opportunities, and regional development activity.

4.1.1.3. Support efforts to accelerate industrial and commercial real estate development projects that will have the highest long-term impact on business development opportunities, employment growth, quality-of-place amenities, and tax-base increase.

- Work closely with the EDC and the Port of Shelton to ensure that adequately sized industrial and commercial property is available and marketable for economic development projects.
- Promote the advancement of the Shelton Hills development.
- Hold regular meetings between Hall Equities Group and City leaders to maintain the momentum of the Shelton Hills development process.
- Encourage regular communications between the City economic development staff person and Hall Equities Group to track progress.

4.1.2. Expand the City's stock of diverse housing options.

PLACEMAKING DEFINED

"The practice of creating or enhancing a community's assets to improve its overall attractiveness and livability."

ELEMENTS OF QUALITY PLACES

- Mixed use developments
- Quality public spaces
- Broadband enabled
- Multiple transportation options
- Multiple housing options
- Preservation of historic structures
- Retention of community heritage
- Inclusive of arts, culture, and creativity
- Opportunities for recreation
- Green spaces for public use

Source: *Place Matters: The Role of Placemaking in Economic Development*, International Economic Development Council.

4.1.2.1. Explore creative solutions to expanding the City's housing, such as property tax abatement in conjunction with Opportunity Zones, an employee home purchase program, lease purchase bond program, or tax allocation district financing.

4.1.2.2. Conduct a housing-demand analysis to assess the existing housing market, evaluate the regulatory environment, identify potential capacity for new development, and provide clear recommendations about ways the City can attract new housing development.

- In the housing analysis request for proposal (RFP), request an evaluation and analysis of supply-and-demand drivers, historical trends, the regulatory environment, potential capacity, and possible locations.
- Utilize the existing statistical analysis included in this strategic plan to support potential strategies.

4.2. Downtown development and redevelopment. Encourage the development of a vibrant downtown. Collaborate with regional leaders to identify investment opportunities in downtown redevelopment.

4.2.1. Continue to execute on the recommendations of the Downtown Shelton Visioning plan.

4.2.2. Develop an investment brochure (electronic and print) for downtown that features a map with available parcels and redevelopment opportunities, key data and statistics, overview of public investment, available incentives, and photographs that highlight new investment and potential investments.

4.2.3. Evaluate possible tools to induce investment in downtown, including multifamily tax exemptions, a storefront improvement program, downtown zoning and design standards, comprehensive environmental impact review, and excess water treatment capacity.

4.2.4. Leverage local, regional, and state assets and tools to establish a local main street program or downtown improvement district to assist in revitalizing downtown Shelton.

4.2.4.1. Contact the Washington Trust for Historic Preservation (preservewa.org/programs/mainstreet/) about developing a formal program for Shelton. Apply for available grant funding and resources.

4.2.5. Institute a façade improvement program to preserve and enhance the exterior visual appeal of downtown properties. Establish a City-sponsored fund to be awarded annually to downtown property owners for the express purposes of strategic physical improvements. Use Auburn, Washington, as an example:
www.auburnwa.gov/doing_business/community_development/development/downtown_redev.htm

4.2.6. Improve the visibility of downtown Shelton from US Highway 101.

4.2.6.1. Work in tandem with the Shelton Historical Society and Shelton Historic Preservation Board to determine where signage could be located and the feasibility of constructing it.

4.2.7. Continue to align efforts with various regional groups to support downtown development.

4.2.7.1. Partner with the Squaxin Island Tribe to explore the development of a downtown hotel. Explore the possibility of potential mixed-use development in or adjacent to the downtown core.

4.2.7.2. Encourage downtown associations to collaborate in support of existing downtown businesses and to recruit new retailers and tenants.

4.3. Talent. Launch a new economic-development, committee-led talent attraction and retention campaign aimed at supporting employers in talent recruitment efforts.

4.3.1. Engage the Mason Transit Authority to take a lead role in the effort.

4.3.2. Partner with local high schools, Olympic College, and their respective alumni associations. Ask if they are willing to distribute content (via digital media outlets) to their alumni contacts.

4.3.3. Use various publicly available data tools to target areas of the country where there is a high graduate oversupply, and target audiences might be finding it difficult or highly competitive to find a job.

4.3.4. Locate former residents who grew up in the area who have in-demand job skills. Ensure these individuals are communicated with on a regular basis.

4.3.5. Work with local employers whose employees live outside of Shelton. Share information about opportunities to live in the City.

4.3.6. Create linkages among community events that draw out-of-town visitors and talent attraction. Promote living and working in Shelton at these events.

4.3.6.1. For example, explore options to have an economic development presence at a major Ridge Motorsports Park event (e.g., booth that provides information about living and working in Shelton).

4.4. Tourism. Promote Shelton's primary tourism assets to attract more visitors to the City.

4.4.1. Remain engaged with the Explore Hood Canal marketing coalition to jointly promote the region as a tourism destination.

4.4.1.1. Secure representation for the City's economic development staff person within the effort.

4.4.1.2. Ensure that the Shelton Caboose Visitor Information Center is appropriately maintained, staffed with volunteers, and displays the most current promotional information.

4.4.2. Raise awareness among local retailers of tourism assets and events (e.g., promote the number of visitors to the Ridge Motorsports Park, OysterFest, and Forest Festival each year, and encourage retailers to tailor hours and offerings to specific events).

4.4.2.1. Create an opt-in email distribution list to quickly and easily communicate with retailers about specific data and events.

4.4.3. Promote the Ridge Motorsports Park as the Pacific Northwest's premier destination motorsports complex to internal and external audiences.

4.4.4. Raise the profiles of the Mason County Forest Festival and OysterFest to garner larger regional visibility. Explore linkages with target industry and talent attraction.

4.5. Regulation. Promote consistency within the City's regulatory framework and strengthen code enforcement efforts.

4.5.1. Ensure that the proper City resources are dedicated to enforcing code.

- 4.5.2.** Help other City departments understand the vital role they play in economic development.
- 4.5.3.** Identify loan programs, home improvement programs, or home loan improvement programs to help keep up residential properties.
- 4.5.4.** Conduct outreach to absentee homeowners to ensure their properties are maintained.
- 4.5.5.** Promote the proper maintenance of residential and commercial properties through internal marketing efforts.
- 4.5.6.** Evaluate creating an economic-development, committee-led “Keep Shelton Beautiful” campaign.
- 4.6. Infrastructure.** Promote City infrastructure investments in all internal and external messaging efforts.
 - 4.6.1.** Tell the story of the new water treatment facility and the City’s commitment to investment that made it a reality.
 - 4.6.2.** Promote investments in the Shelton school system (including the new bond program) and integrate testimonials in existing internal and external marketing communications.
- 4.7. Regional transportation.** Continue to maintain and enhance regional transportation connections to ensure ease of travel to, from, and within Shelton.
 - 4.7.1.** Promote the Mason Transit Authority’s distinction as the premier rural mass transit system to both internal and external audiences.

GOAL 5. INDUSTRY ATTRACTION

Coordinate efforts with regional partners to recruit key industries to the City.

Since the economic recession ended, the battle to attract businesses has grown increasingly competitive nationwide. Communities with appealing business-attraction programs are reaping large returns on their investments.

In addition to supporting the growth of existing employers, the City should focus efforts on attracting new investment and job growth through business recruitment efforts. Shelton will only attain its highest potential if it can attract new investment and job growth from companies not currently located in the area. A focused business recruitment program that leverages Shelton’s unique assets, and complements existing employers, can provide lasting prosperity for the local economy.

Promotional activities geared toward a focused set of target industries will be required for Shelton to compete successfully for business expansions and relocations. Additionally, forming strategic partnerships within the broader region and capitalizing on Shelton’s proximity to a rapidly growing metropolitan area will be important in the business attraction process.

STRATEGIES AND ACTIONS

- 5.1. Partnership.** In tandem with regional economic development partners, focus business attraction efforts on five target industries—timber milling, specialized agriculture, hospitality and tourism, retail, and light industrial industries—to grow the economy and enhance Shelton’s quality of place.
 - 5.1.1.** Cultivate a strong partnership with the EDC to support its business recruitment efforts for the City of Shelton. Respond quickly and effectively to incoming project leads and opportunities.

5.1.2. In conjunction with the EDC, partner with the Washington State Department of Commerce to identify co-marketing opportunities and joint trade missions to strengthen Shelton’s lead generation network.

5.1.3. Work with regional economic development partners to build relationships with commercial and residential real estate developers, brokers, site location consultants, and other corporate real estate “influencers” in the Seattle metro area and the state of Washington.

5.1.3.1. Form a Shelton Real Estate Council.

Partner and collaborate with the Mason County Realtors Association to focus on Shelton’s real estate market. The working group should provide the City with closer, more direct lines of communication to the most important business decision-makers in the local and regional marketplace. Relying on these professionals will yield a thorough understanding of the dynamics of the local and regional commercial real estate market.

5.1.4. Strengthen relationships with brokers, developers, and industry associations in the metro area and create an education outreach program targeted at these groups to ensure that Shelton stays top of mind for business relocation. NAIOP (Commercial Real Estate Development Association), International Council of Shopping Centers (ICSC), and Urban Land Institute (ULI) are important organizations in which to be actively involved.

5.2. Retail attraction. Execute on the recommendations of The Retail Coach study to attract targeted retail investment in the City.

5.3. Proximity to major markets. Capitalize on the City’s proximity to the Puget Sound region and Portland, Oregon, by building a knowledge base of target industry decision-makers activity in each market.

5.3.1. Leverage Shelton’s community of business leaders and executives to reach target industry peers in their networks. Cultivate stronger relationships and keep them well-informed of Shelton’s strengths and resources available for economic development.

RETAIL RECRUITMENT

A core component of Shelton’s business attraction activities is retail recruitment. A strong retail sector generates sales tax for the City and enhances the City’s quality of place by providing additional amenities for residents and visitors. Retail recruitment can help achieve the City’s efforts to diversify the tax base, attract new employers and residents, and revitalize target areas.

As part of this strategic planning process, the City of Shelton engaged The Retail Coach (TRC) to provide a retail recruitment study. TRC followed a five-phase process.

1. Analyzing the market
2. Determining retail opportunities
3. Identifying development and redevelopment opportunities
4. Identifying retailers and developers for recruitment
5. Marketing and branding

As part of the study, TRC defined Shelton’s primary retail trade area. For each area, TRC summarized key demographic characteristics, examined retail opportunities, and established major psychographic profiles. These analyses are provided separately and are available through the City of Shelton.

TRC then identified target retailers, created custom retailer feasibility packages for each retailer, and sent these packages to the real estate departments of each of the retailers. Any leads that came about from this outreach were referred to the City’s Economic Development department.

In addition, TRC created retail market profiles that the City and its partners can use to reach out to additional retailers.

For more information about TRC, visit www.theretailcoach.net.

5.3.2. Take advantage of the Seattle-Tacoma-Olympia metro’s position as a global destination for conferences. Follow the regional conference schedule and look for opportunities to meet with prospects while they attend conferences in the region.

5.4. Incentives. In coordination with the EDC, explore a set of available incentives to offer businesses that relocate to or expand in the City of Shelton.

- *Employee training.* Washington employers can access over 30 state and federal programs to assist in accessing labor market information, recruiting new employees, and designing customized training.
- *Foreign Trade Zones.* Washington State currently has 12 designated foreign trade zones. These are legally secured areas outside the nation’s custom territory that operate as duty-free areas. Firms pay no tariffs on any imported raw materials used to create their products when the products are shipped overseas. If these products are sold in the US, companies pay duty only when the products are shipped and only on that portion of foreign materials that actually went into the product, not the waste. Foreign and domestic goods might be processed or stored without payment of customs duties and without being subject to other regulations normally applied to customs entries. Materials might be sorted, reassembled, repackaged, manipulated, processed, used in manufacturing, or stored in a Foreign Trade Zone.
- *WA Economic Development Finance Authority.* The Washington Economic Development Finance Authority (WEDFA) is a public corporation of the state authorized to issue nonrecourse tax-exempt and taxable economic development revenue bonds. The Mason County Tax-Exempt Manufacturing and Processing Equipment Financing Program (TEMPE) allows bond interest to be exempt from federal income tax. This program is designed for equipment financings of \$250,000 or greater.
- *Community Economic Revitalization Board.* When access roads and rail lines, sewer and water extensions, or some other public improvement is needed to spur private sector investments in King County, the revolving loan and grant program of the Community Economic Revitalization Board (CERB) might be utilized. CERB monies are awarded to local communities on an “as needed” basis for public works projects.
- *Sales tax deferral on construction.* For qualifying manufacturers, deferrals are available on the sales tax associated with the construction of new manufacturing facilities.
- *Warehouse distribution facilities.* Qualifying distribution centers might apply for exemption of the state portion of sales tax on the construction of new warehouse distribution facilities over 200,000 square feet.
- *Distressed Area Business & Occupation Tax Credit.* A \$2,000 or \$4,000 credit against the business and occupation tax is available for each new employment position created by a qualifying manufacturer.
- *Sales and Use Tax Exemption on Machinery and Equipment.* If qualified, processors for hire and manufacturers conducting research and development are not required to pay local or state sales or use tax on machinery and equipment used directly in the manufacturing or research and development process. In addition, charges for labor and services for installing machinery and equipment are exempt from the sales or use tax.
- *.09 Fund.* Funding is available for qualifying public facilities improvements. This is a special program directed by Mason County. This fund is only available to rural communities in Washington State. Mason County can provide public infrastructure improvements through this fund.

- *Industrial revenue bonds.* Industrial revenue bonds (IRBs) serve to finance the acquisition, construction, enlargement, or improvement of industrial development facilities. These bonds are issued by local governments to honor that purpose. The key advantage of IRBs is in their tax-exempt status. Interest paid to the buyer of the bonds is not subject to federal income tax. As a result, the bond buyer will accept a lower rate of interest on the bonds.

APPENDIX 1. SWOT ANALYSIS AND ECONOMIC ASSESSMENT

SWOT ANALYSIS

A SWOT analysis can be defined as follows.

- **STRENGTHS.** Assets and resources that can be built on to grow, strengthen, and diversify the local economy.
- **WEAKNESSES.** Liabilities and barriers to economic development that could limit growth potential.
- **OPPORTUNITIES.** Competitive advantages and positive trends that hold significant potential for the attraction of new businesses, investments, and skilled workers.
- **THREATS.** Unfavorable factors and trends (often external) that could negatively affect the local economy.

Below are the strengths, weaknesses, opportunities, and threats of the City of Shelton.



STRENGTHS

- Geographic location; "The Gateway to the Olympics"
- Outdoor recreation resources, natural environment
- Quality and proximity of transportation assets (major roads and highways, rail access, regional airport presence)
- Low cost of living compared to surrounding metro area (especially in terms of housing costs)
- Appealing quality of life; lack of traffic congestion
- Downtown development potential
- Infrastructure quality and capacity (e.g., new wastewater treatment plant)
- Local Olympic College campus
- Active and committed community leaders
- Telecommunications and broadband development
- Strong utilities (diamond level)
- Transit system
- School bond approval



WEAKNESSES

- Limited City resources devoted to economic development
- Lack of industry diversity
- Slower population growth and housing development in comparison to the surrounding region
- Lack of unified direction within City leadership
- Lack of City identity
- History of limited business code enforcement
- Negative perception of downtown (e.g., attractiveness, safety, lack of lodging)
- Limited amenities and activities to attract young adults
- Urban growth area restrictions
- Negative perception of school system
- Limited housing stock



OPPORTUNITIES

- Coordinated economic development efforts with regional partners
- Downtown development and redevelopment; City of Shelton Community Vision & Action Plan project
- Promotion of school system improvements that will come as a result of the new bond package
- Opportunity zones
- Promotion of healthcare assets that will come as a result of the hospital expansion
- Employer and college partnership on workforce enhancement efforts
- Promoting the City as a destination for telecommuters
- Potential YMCA project
- Possible sale of the marina; Shelton Yacht Club (SYC) creating potential for public access to the waterfront
- Leveraging infrastructure capacity for industry recruitment and retention
- Communication strategy to increase community pride
- Hall Equities Group development
- Talent attraction and retention strategy
- Rebranding the City
- Growth of specialized agriculture (geoduck, cannabis, etc.)
- Fiber promotion and further development



THREATS

- Water rights issues
- Resistance to change
- Perceptions of the size and scope of homeless issue
- Continuation of demographic and economic trends
- Continuation or escalation of negative perceptions among internal and external audiences
- Economic downturn

ECONOMIC ASSESSMENT

The purpose of an economic assessment is to understand a community's relative economic position and highlight its competitive advantages and disadvantages. The data assessed provide context for the target industry analysis and help build a framework for the strategic recommendations. TIP Strategies' consulting team conducted an economic assessment of the City of Shelton using statistical data on the City, with comparisons to Mason County, Washington State, and the US, where appropriate.

The findings presented in this assessment are based on several sources.

- A review of relevant studies, plans, and other material provided by the City of Shelton partners and others.
- A review of economic and demographic data from primary and secondary sources, including the US Census Bureau, the US Bureau of Labor Statistics, Economic Modeling Specialists International (Emsi), and Environmental Systems Research Institute (Esri).
- Findings from community site visits, roundtables, and interviews with regional representatives and stakeholders.
- TIP's 20 years of experience working with communities (including rural and small communities, such as Shelton) across the country and compiling best practices.

ASSESSMENT HIGHLIGHTS

The economic assessment provided numerous insights into Shelton's economy. The most significant findings are highlighted below.

POPULATION AND DEMOGRAPHICS

Shelton is growing more slowly than the state and the nation.

Since 2010, the City of Shelton (City) and Mason County have experienced slower population growth than Washington and the US. Although domestic migration in the City was relatively volatile from year to year during the period it was analyzed, it was consistently the most significant factor affecting population growth, followed by immigration. Natural increase, or the difference between births and deaths, was only a small factor during the period analyzed.

The City's population has relatively low educational attainment levels.

Approximately 20 percent of Shelton's adult population (age 25 and over) lacks a high school diploma, almost 50 percent greater than the US rate of 13 percent. The share of Shelton adults with a bachelor's degree or higher is less than 15 percent, almost half the rates of the US (30 percent) and the state of Washington (31 percent). The proportion of Mason County residents with a bachelor's degree or higher is slightly larger at 19 percent.

Shelton's population is younger than the surrounding region and has comparatively low income levels.

The median age in Shelton of 36.4 is approximately a year younger than the Washington and US median and over 8 years younger than the Mason County median. Shelton's \$38,550 median household income is substantially lower than Mason County's median of \$51,764. And the City's 24.3 percent poverty rate is significantly above the county, state, and US. Shelton's population is also highly mobile, with 20 percent of City residents having moved within the past year, compared with 15 percent in Mason County.

Shelton's housing is more affordable than the state and has a high share of renter-occupied units.

The City's housing affordability is on par with the surrounding region, more affordable than the state, but less affordable than the US. Estimated median home values in Shelton hovered just above \$150,000, much lower than the US, state, and regional median values. At 47 percent, Shelton has a much higher number of renter-occupied housing units than the region, state, or nation.

COMMUTING TRENDS

The City is a net importer of labor.

According to commuting inflow and outflow patterns, Shelton brings in more labor than it exports. This phenomenon has held relatively constant over the decade ending 2015, which is the latest data available. In terms of net flow, Shelton is losing the most workers to Olympia, followed by Seattle, Tumwater, and Lacey. The largest industry sector of workers who commute into Shelton are healthcare and education, and the largest number of workers leaving the City are arts & entertainment and construction.

The County is a net exporter of labor.

In reviewing commuting patterns at the county level, it was revealed that Mason County ships out more labor than it imports. For the decade leading up to 2015, outbound commuters outpaced inbound by a significantly large margin. In terms of net flow, Mason County is losing the most workers to King County, followed by Thurston, Pierce, and Kitsap counties. The largest industry sector of workers who commute into Mason County are arts & entertainment (Little Creek Casino Resort employees), and the largest number of workers leaving the county are healthcare and retail.

WORKFORCE AND EMPLOYMENT

Employment levels in Shelton are lower than they were 10 years ago.

The unemployment rate in Mason County is 6.5 percent, which is over 2 percentage points higher than the US and 1.5 percentage points higher than Washington State. In the ZIP code covering Shelton (98584), the number of jobs decreased from approximately 12,315 in 2007 to approximately 11,500 in 2017. Year-over-year job growth rates in Shelton have largely mirrored Mason County, with a decline in of 2 percent in 2015, robust job growth in 2016, and another slight dip in 2017.

Mason General Hospital is a major source of employment and growth for the City and the region.

The largest single industry in Shelton by employment is healthcare, with about 1,600 jobs. Since the 2007–2009 recession, healthcare has led the City in terms of job growth. Local government, retail, and education round out the top four industries, which are each over 1,000 workers each. Retail is projected to have the largest increase in employment over the next 5 years.

Manufacturing holds the largest share of any industry in the City.

Manufacturing makes up 16.1 percent of the economy, followed by healthcare (13.2 percent) and retail (10.6 percent). In terms of industry concentration, forestry has the largest, followed by state government and local government. These numbers are mirrored at the county level.

OCCUPATIONAL STRUCTURE

Shelton has fewer middle-skill and high-skill jobs than the US.

The leading occupation in terms of total jobs is office & administrative support. Shelton is on par with the nation in terms of the percentage of low-skill occupations, higher than the US in terms of middle-skill jobs, and about 4 percentage points lower in terms of high-skill jobs.

The City benefits from specific occupational strengths.

Compared with the US, Shelton has a significantly higher share of workers in forestry; protective service (Washington Corrections Center); life, physical, & social science; community & social service; and education. Shelton has a relatively small share of workers in computer & math, architecture & engineering, and business & financial operations.

Shelton's wages are relatively low.

In terms of low-skill and middle-skill occupations, Shelton's wages are on par with the US median. The only exceptions are forestry and protective service, which pay a premium. Shelton's wages are lower in all major high-skill occupational groups than the US median, except for healthcare-related occupations.

PEER BENCHMARKING

TIP provided statistical comparisons between Shelton and several similarly situated benchmark regions around the nation. US data was also included in these comparisons. The regions were chosen based on TIP research and stakeholder feedback. TIP used population change, industry job change, current average earnings, cost of living index, and educational attainment as baseline criteria in identifying communities with economic profiles similar to Shelton.

Benchmark regions that were selected include the following cities.

- Hood River, Oregon
- Port Townsend, Washington
- Leavenworth, Washington
- Camden, Maine
- Trinidad, Colorado

In comparison to the five peer communities, Shelton ranked as follows.

RANKING	CATEGORY
2	Housing affordability (2012–2016)
3 (tie)	Annual average earnings (2017)
3 (tie)	Population increase (2010–2016)
3 (tie)	Jobs increase (2010–2017)
3 (tie)	Share of bachelor's degree or higher (2016)
3 (tie)	Share of single-family housing (2017)
4	Share of multifamily housing (2017)
5 (tie)	Housing expense (2016)
5 (tie)	Housing permits per capita (2010–2017)
6	Median household income (2012–2016)

Source: TIP Strategies research.

POPULATION AND DEMOGRAPHICS

FIGURE 1. POPULATION

GEOGRAPHY	2011	2012	2013	2014	2015	2016
Shelton	9,863	9,813	9,755	9,787	9,846	9,980
Mason County	60,858	60,666	60,462	60,568	60,984	62,123
Washington	6,819,155	6,890,899	6,963,410	7,046,931	7,152,818	7,280,934
US	311,644,280	313,993,272	316,234,505	318,622,525	321,039,839	323,405,935

FIGURE 2. COMPARATIVE POPULATION TRENDS

INDEXED TO 2010

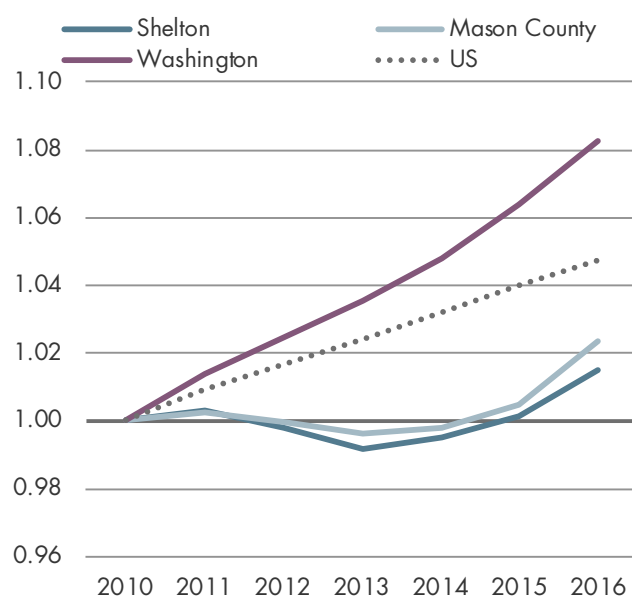


FIGURE 3. MASON COUNTY COMPONENTS OF POPULATION CHANGE

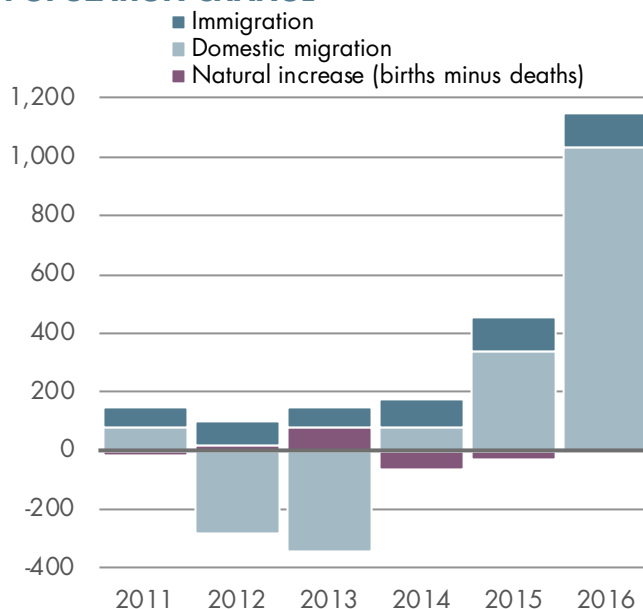
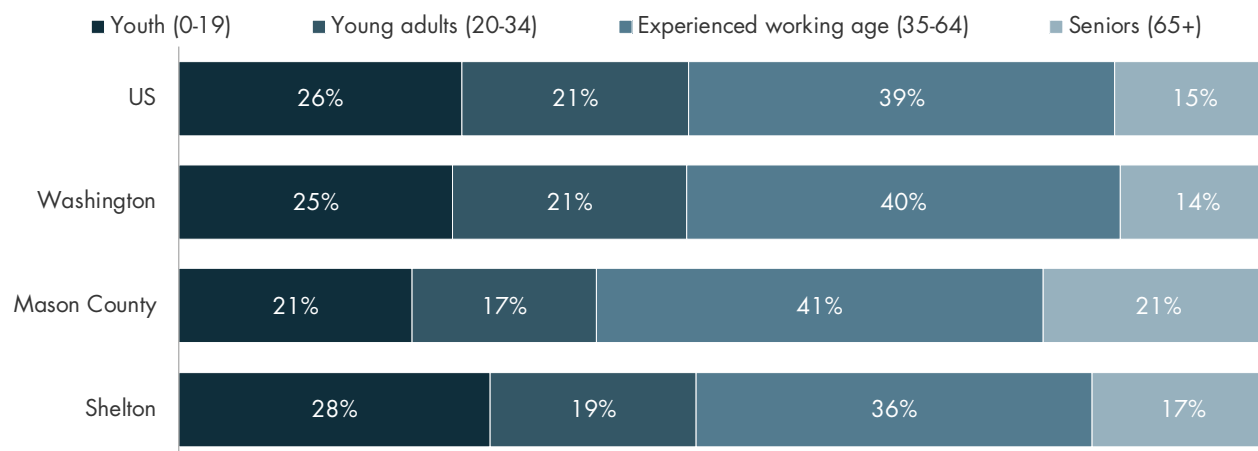
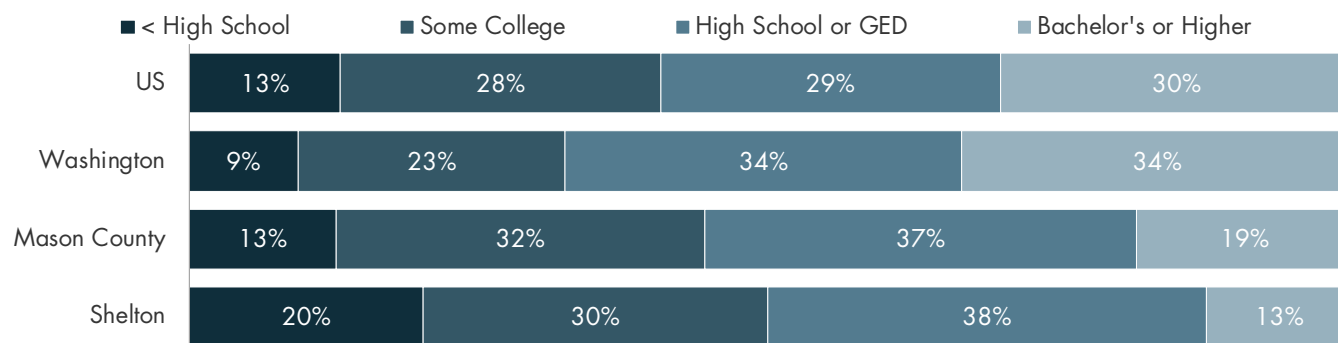
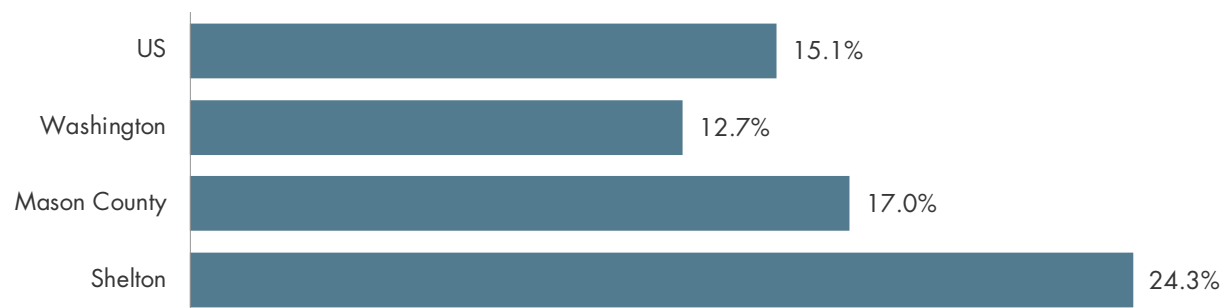
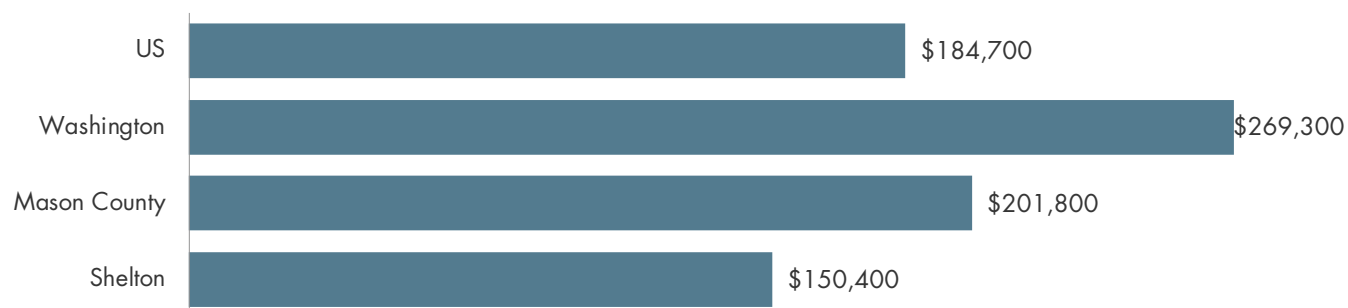


FIGURE 4. AGE STRUCTURE

5-YEAR AVERAGES FOR THE PERIOD 2012–2016



Sources: (Figure 1–Figure 3): US Census Bureau, Population Estimates Program; (Figure 4) US Census Bureau, American Community Survey, 5-year averages for the period 2012–2016.

FIGURE 5. EDUCATIONAL ATTAINMENT, 2016**FIGURE 6. MEDIAN HOUSEHOLD INCOME, 2016****FIGURE 7. POVERTY RATE, 2016**
PERCENT OF POPULATION BELOW THE POVERTY LEVEL**FIGURE 8. MEDIAN HOME VALUE, 2016**
OWNER-OCCUPIED UNITS

Source (all figures this page): US Census Bureau, American Community Survey, 5-year averages for the period 2012–2016.

FIGURE 9. HOUSING AFFORDABILITY INDEX, 2016
RATIO OF MEDIAN HOME VALUE TO MEDIAN HH INCOME*



FIGURE 10. MOBILITY OF THE POPULATION, 2016
PERCENT OF POPULATION AGE 1 YEAR OR OLDER CHANGING RESIDENCE IN THE PAST YEAR

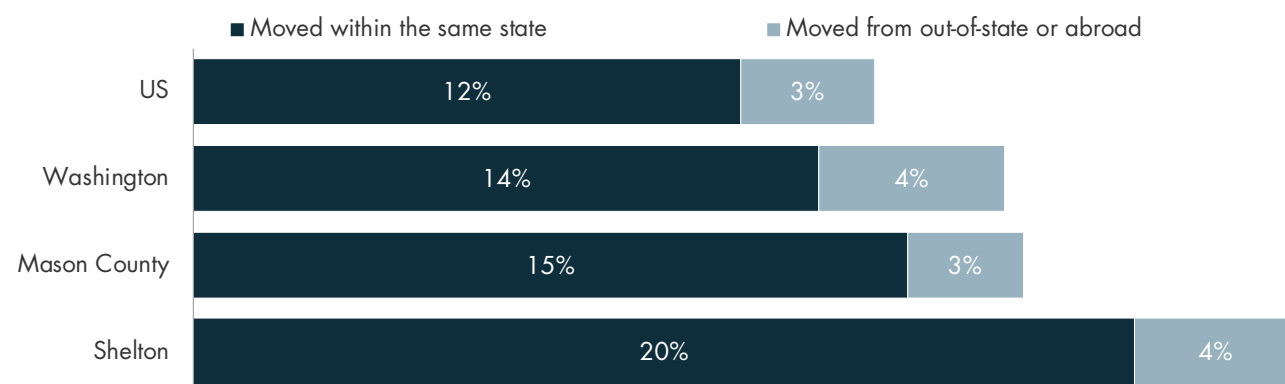
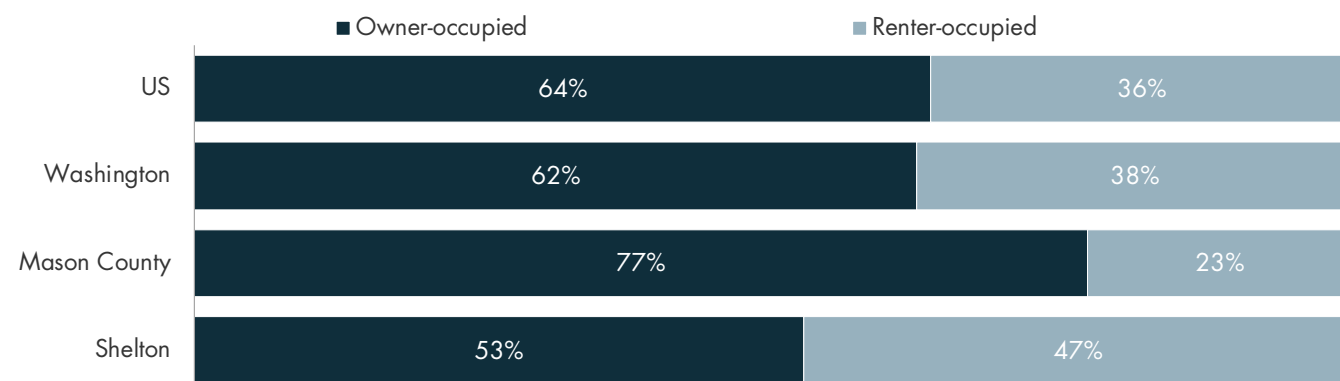


FIGURE 11. HOUSING OCCUPANCY, 2016
SHARE OF OCCUPIED HOUSING STOCK BY OWNERSHIP/RENTAL STATUS



Source (all figures this page): US Census Bureau, American Community Survey, 5-year averages for the period 2012–2016.

*Household (HH) income expressed in current dollars.

COMMUTING TRENDS

CITY OF SHELTON

FIGURE 12. SHELTON INFLOW/OUTFLOW, 2015

FLOW OF WORKERS TO/FROM THE CITY

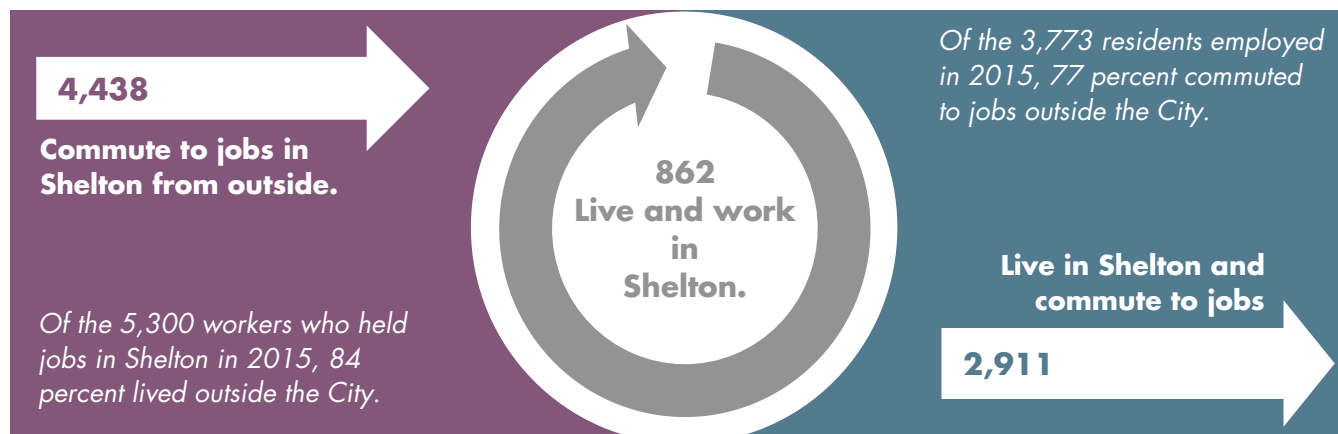
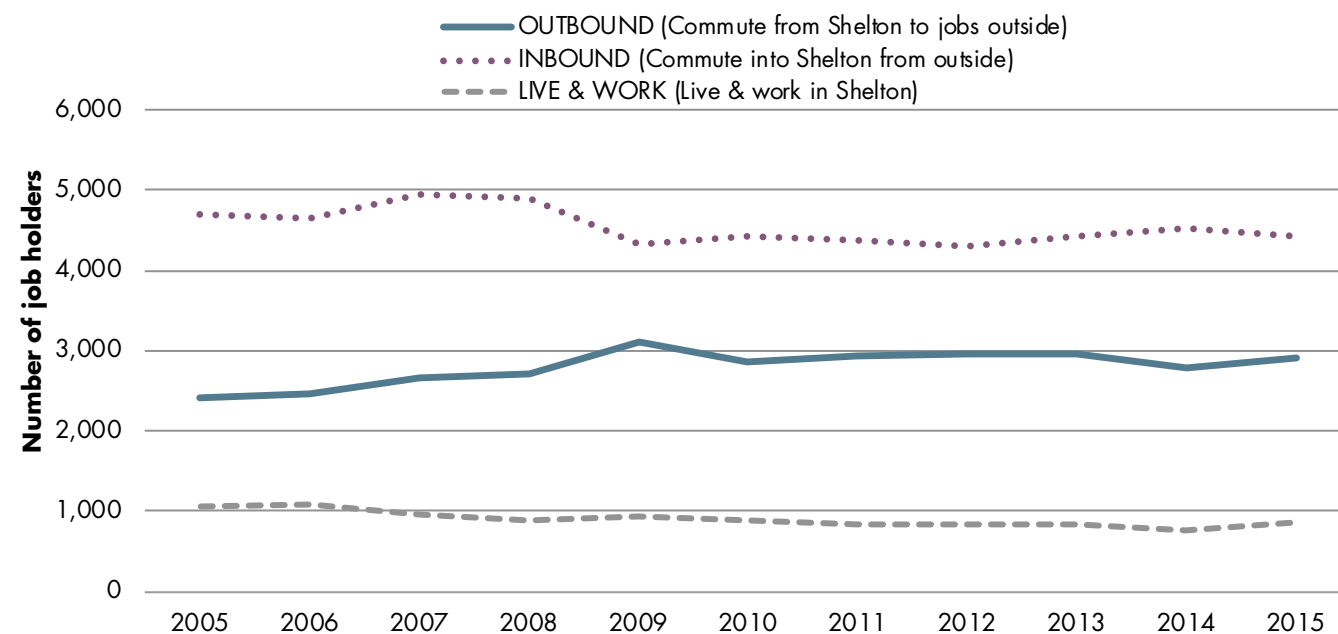


FIGURE 13. SHELTON COMMUTING FLOWS



Source (all figures this page): US Census Bureau, Local Employment Dynamics.

Note (Figure 12): Overlay arrows are for illustrative purposes and do not indicate directionality of worker flow between home and employment locations.

FIGURE 14. SHELTON NET COMMUTING FLOWS BY NAICS* INDUSTRY SECTOR, 2015
 NET FLOWS = INBOUND - OUTBOUND FLOWS

SECTOR	INFLOW	OUTFLOW	NET
Healthcare	1,066	507	559
Education	842	316	526
Retail Trade	808	513	295
Government	650	436	214
Finance & insurance	218	67	151
Utilities	174	40	134
Manufacturing	454	350	104
Restaurants, bars, & hotels	408	306	102
Agriculture	114	94	20
Personal & other services	115	103	12
Transportation & warehousing	113	109	4
Information & media	59	55	4
Property sales & leasing	46	43	3
Oil, gas, & mining	0	0	0
Professional services	106	123	-17
Corporate & regional HQs	0	24	-24
Wholesale Trade	12	117	-105
Administrative services	27	136	-109
Construction	71	212	-141
Arts & entertainment	17	222	-205

FIGURE 15. WHERE SHELTON WORKERS LIVE, 2015
 TOP 10 CITIES

City (Place)	Count	Share
1 Shelton city, WA	862	16.3%
2 Lacey city, WA	146	2.8%
3 Olympia city, WA	143	2.7%
4 Tumwater city, WA	79	1.5%
5 Tacoma city, WA	52	1.0%
6 Aberdeen city, WA	47	0.9%
7 Seattle city, WA	44	0.8%
8 Centralia city, WA	38	0.7%
9 Union CDP, WA	37	0.7%
10 Hoquiam city, WA	31	0.6%
All Other Locations	3,821	72.1%
Total	5,300	100.0%

FIGURE 16. WHERE EMPLOYED SHELTON RESIDENTS WORK, 2015
 TOP 10 CITIES

City (Place)	Count	Share
1 Shelton city, WA	862	22.8%
2 Olympia city, WA	303	8.0%
3 Seattle city, WA	185	4.9%
4 Tumwater city, WA	166	4.4%
5 Lacey city, WA	111	2.9%
6 Tacoma city, WA	102	2.7%
7 Bellevue city, WA	58	1.5%
8 Everett city, WA	42	1.1%
9 Bremerton city, WA	41	1.1%
10 Federal Way city, WA	38	1.0%
All Other Locations	1,865	49.4%
Total	3,773	100.0%

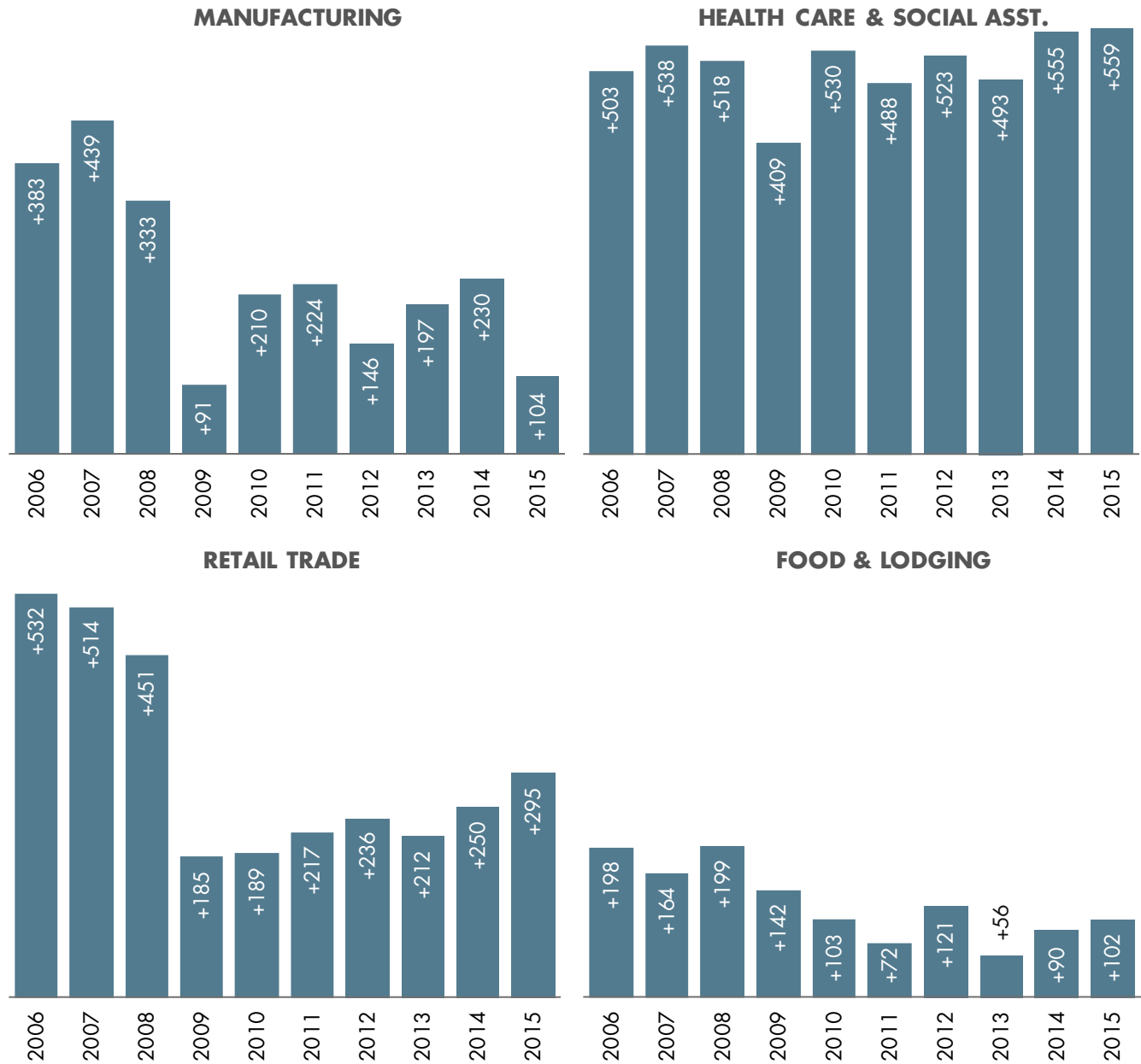
Source (all figures this page): US Census Bureau, Local Employment Dynamics.

*North American Industry Classification System (NAICS) is the federal standard to classify business establishments.

Note: CDP indicates a census-designated place used to identify a concentration of population for statistical purposes by the US Census Bureau.

FIGURE 17. SHELTON NET COMMUTING FLOWS BY NAICS INDUSTRY SECTOR

NET FLOWS = INBOUND-OUTBOUND FLOWS



Source: US Census Bureau, Local Employment Dynamics.

MASON COUNTY

FIGURE 18. MASON COUNTY INFLOW/OUTFLOW, 2015
FLOW OF WORKERS TO/FROM THE COUNTY

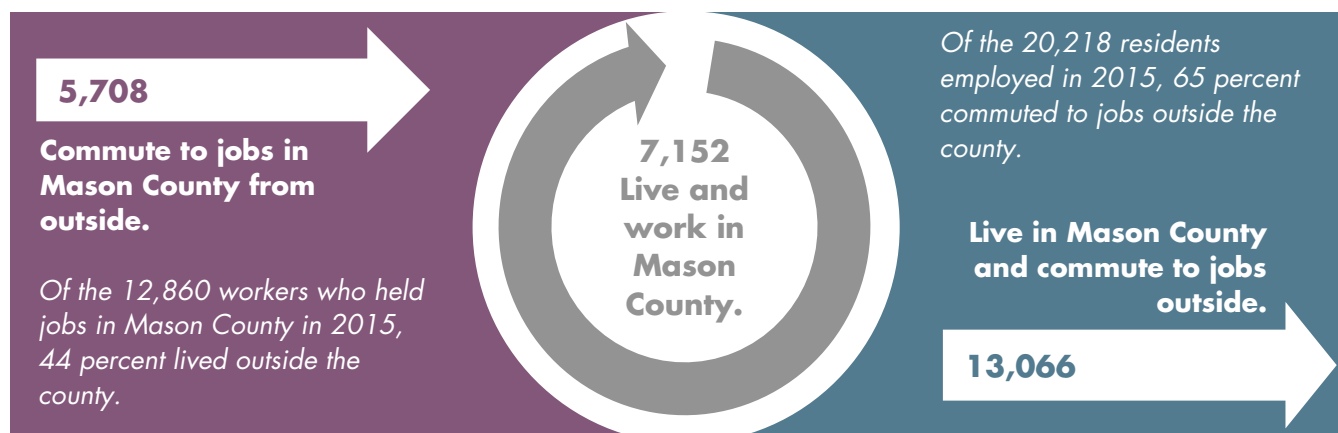
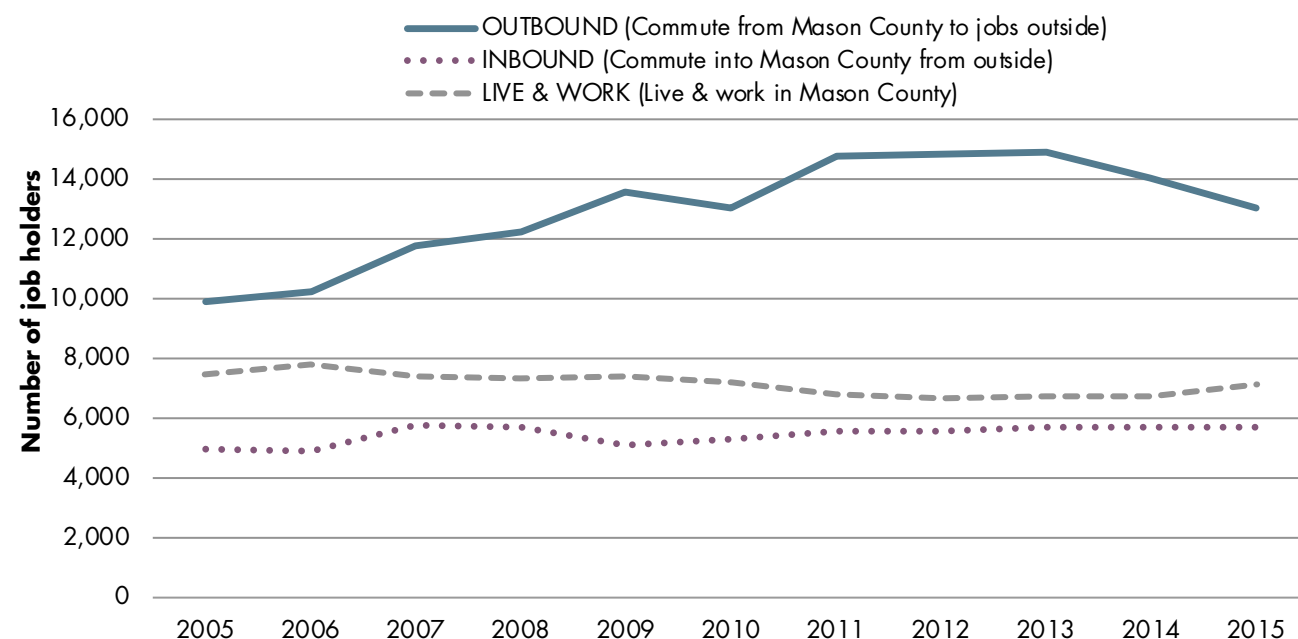


FIGURE 19. MASON COUNTY COMMUTING FLOWS



Source (all figures this page): US Census Bureau, Local Employment Dynamics.

Note (Figure 18): Overlay arrows are for illustrative purposes and do not indicate directionality of worker flow between home and employment locations.

FIGURE 20. MASON COUNTY NET COMMUTING FLOWS BY NAICS INDUSTRY SECTOR, 2015
 NET FLOWS = INBOUND - OUTBOUND FLOWS

SECTOR	INFLOW	OUTFLOW	NET
Arts & entertainment	1,082	865	217
Agriculture, Forestry, Fishing and Hunting	444	444	0
Utilities	219	223	-4
Oil, gas, & mining	9	25	-16
Corporate & regional HQs	0	131	-131
Property sales & leasing	80	247	-167
Finance & insurance	260	447	-187
Information & media	103	300	-197
Personal & other services	363	621	-258
Wholesale Trade	291	674	-383
Education	1,481	1,889	-408
Manufacturing	1,309	1,724	-415
Transportation & warehousing	246	668	-422
Government	1,890	2,365	-475
Administrative services	262	773	-511
Professional services	226	759	-533
Restaurants, bars, & hotels	934	1,468	-534
Construction	497	1,243	-746
Retail Trade	1,627	2,653	-1,026
Healthcare	1,537	2,699	-1,162

FIGURE 21. WHERE MASON COUNTY WORKERS LIVE, 2015
 TOP 10 COUNTIES

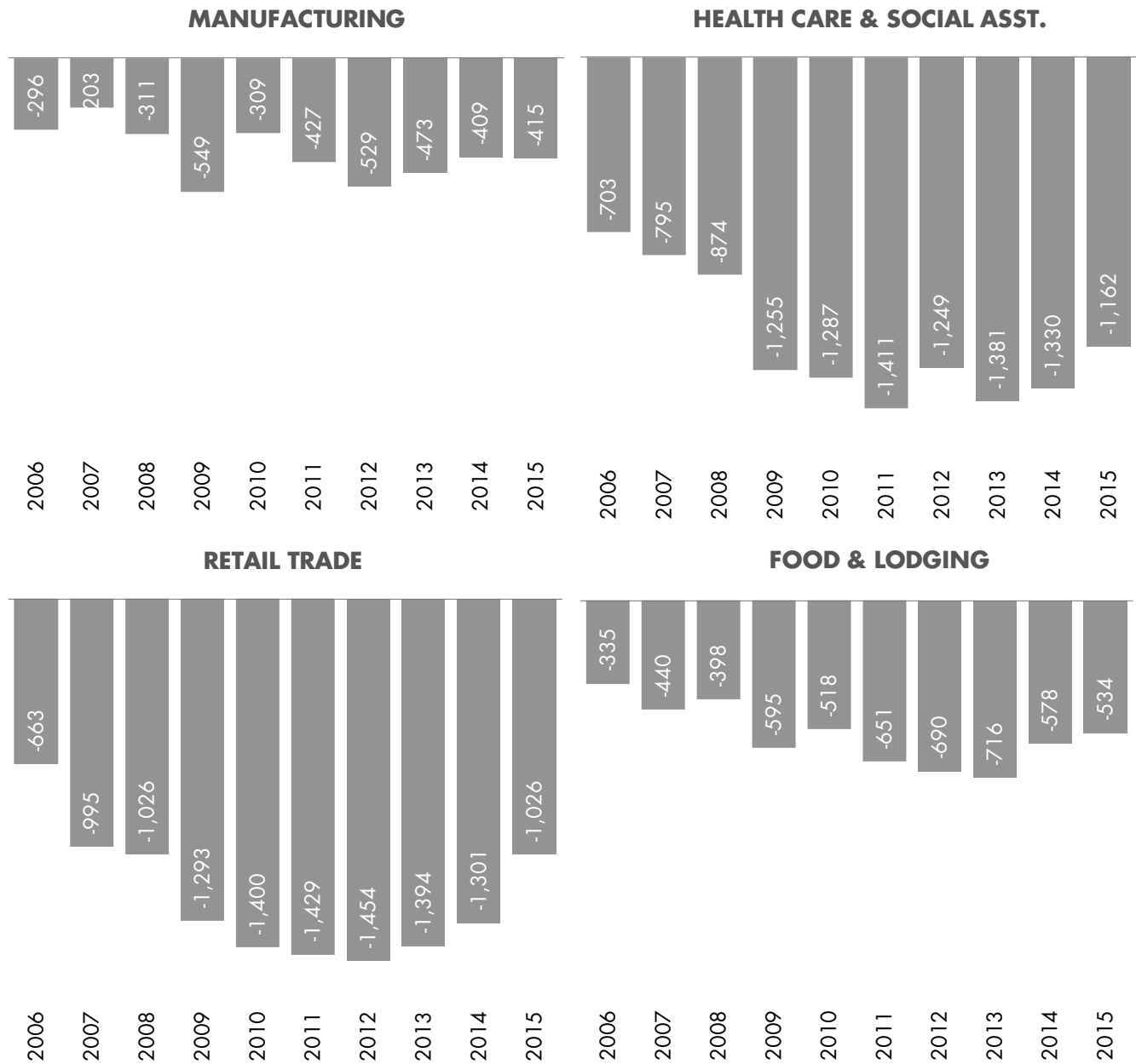
County	Count	Share
1 Mason County, WA	7,152	55.6%
2 Thurston County, WA	1,964	15.3%
3 Pierce County, WA	792	6.2%
4 Kitsap County, WA	742	5.8%
5 Grays Harbor County, WA	458	3.6%
6 King County, WA	455	3.5%
7 Lewis County, WA	245	1.9%
8 Clallam County, WA	172	1.3%
9 Snohomish County, WA	150	1.2%
10 Cowlitz County, WA	105	0.8%
All Other Locations	625	4.9%
Total	12,860	100.0%

FIGURE 22. WHERE EMPLOYED MASON COUNTY RESIDENTS WORK, 2015
 TOP 10 COUNTIES

County	Count	Share
1 Mason County, WA	7,152	35.4%
2 King County, WA	3,197	15.8%
3 Thurston County, WA	3,043	15.1%
4 Pierce County, WA	1,989	9.8%
5 Kitsap County, WA	1,793	8.9%
6 Snohomish County, WA	803	4.0%
7 Grays Harbor County, WA	508	2.5%
8 Clallam County, WA	243	1.2%
9 Skagit County, WA	229	1.1%
10 Lewis County, WA	137	0.7%
All Other Locations	1,124	5.6%
Total	20,218	100.0%

Source (all figures this page): US Census Bureau, Local Employment Dynamics.

FIGURE 23. MASON COUNTY NET COMMUTING FLOWS BY NAICS INDUSTRY SECTOR
 NET FLOWS = INBOUND-OUTBOUND FLOWS



Source: US Census Bureau, Local Employment Dynamics.

WORKFORCE AND EMPLOYMENT

FIGURE 24. LABOR MARKET OVERVIEW, 2017
IN THOUSANDS

GEOGRAPHY	CIVILIAN LABOR FORCE	EMPLOYMENT	UNEMPLOYMENT	UNEMPLOYMENT RATE
Mason County	23.8	22.3	1.5	6.5%
Washington	3,725	3,547	177	4.8%
US	160,320	153,337	6,982	4.4%

FIGURE 25. LABOR FORCE PARTICIPATION RATE, 2016

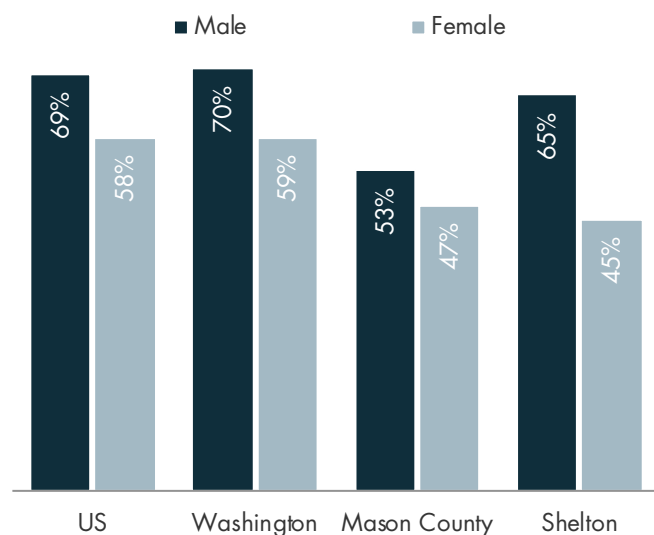


FIGURE 26. HISTORICAL RANGE AND CURRENT UNEMPLOYMENT RATE

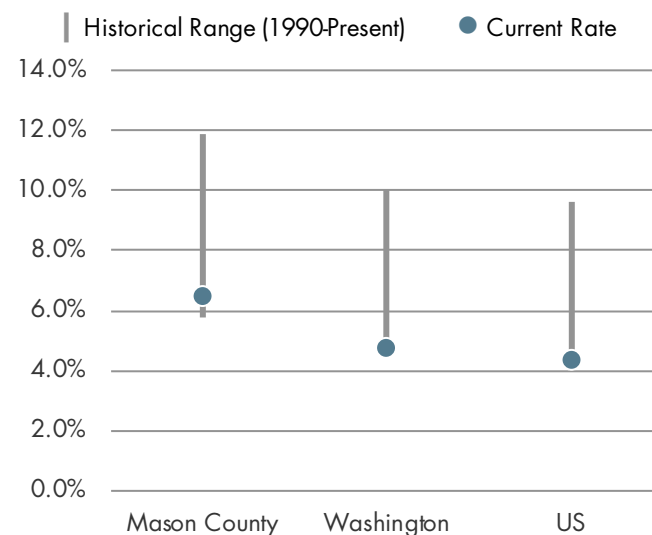
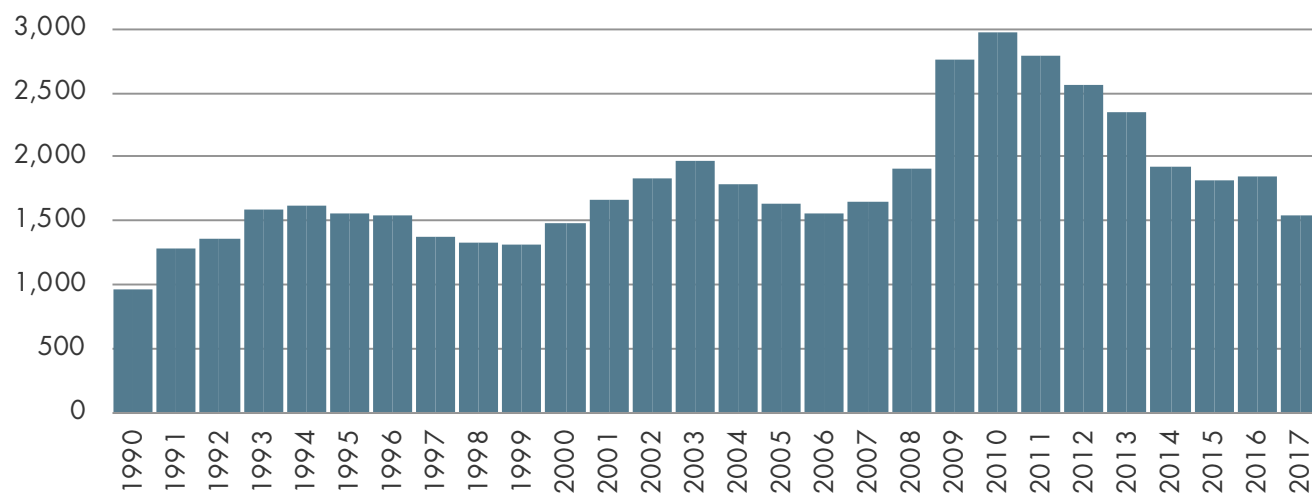
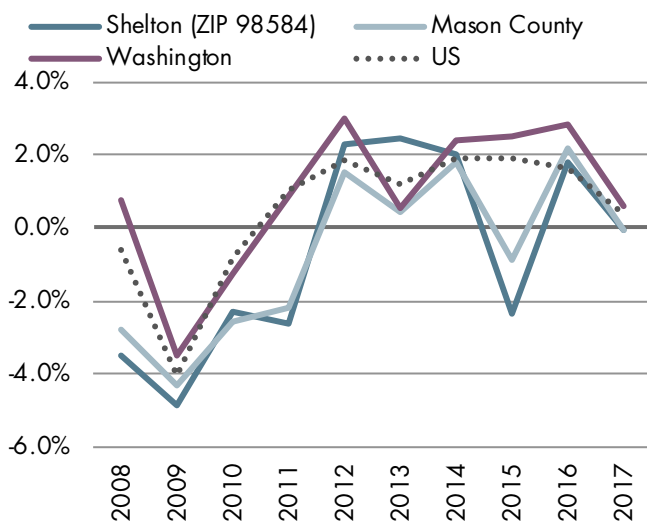
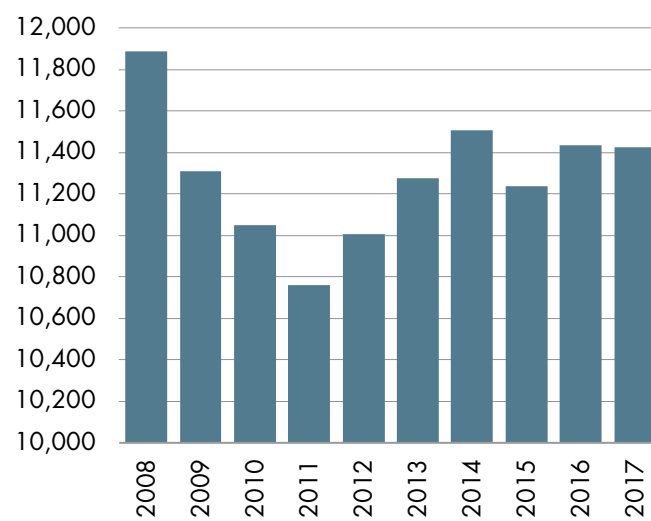
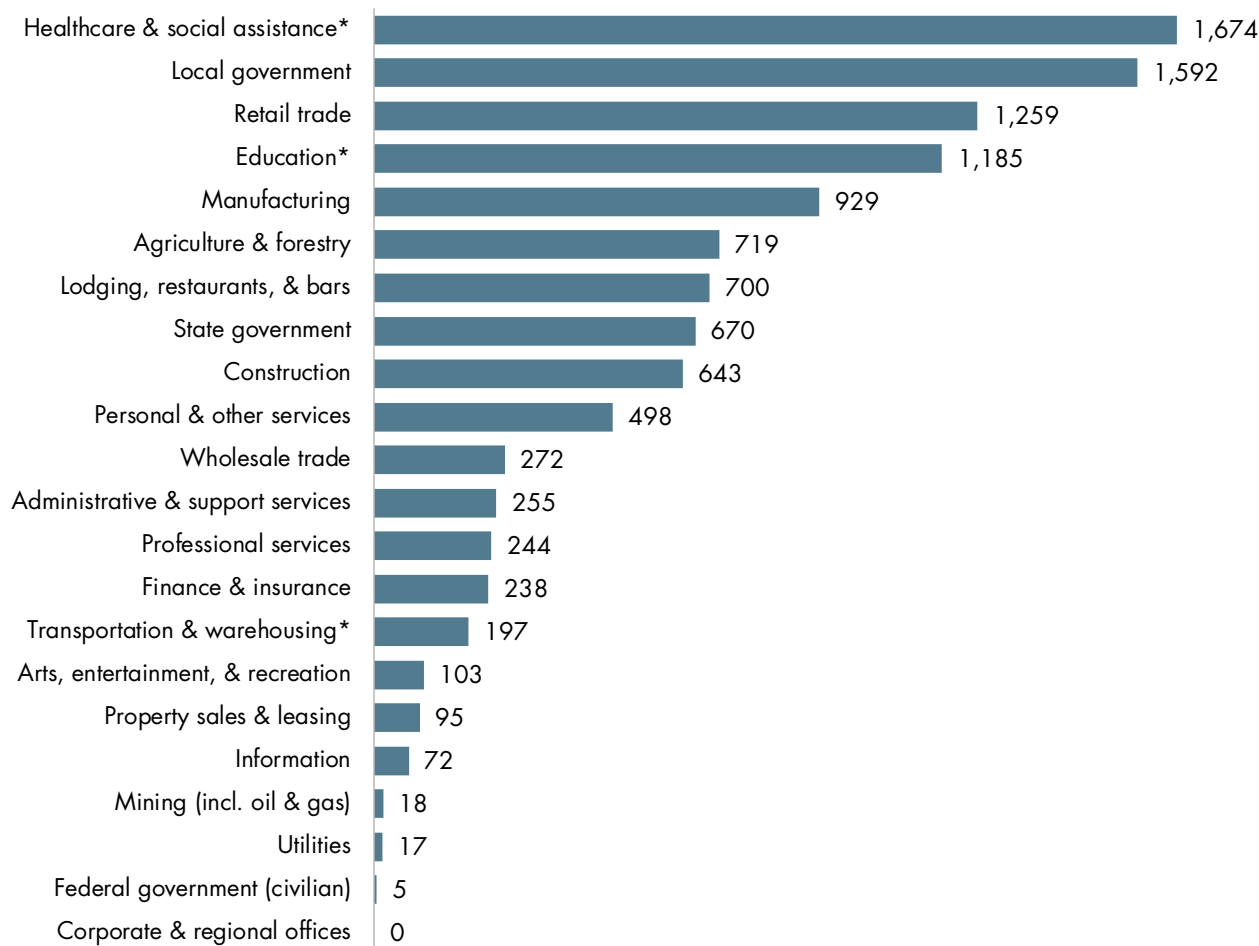


FIGURE 27. MASON COUNTY CIVILIAN LABOR FORCE

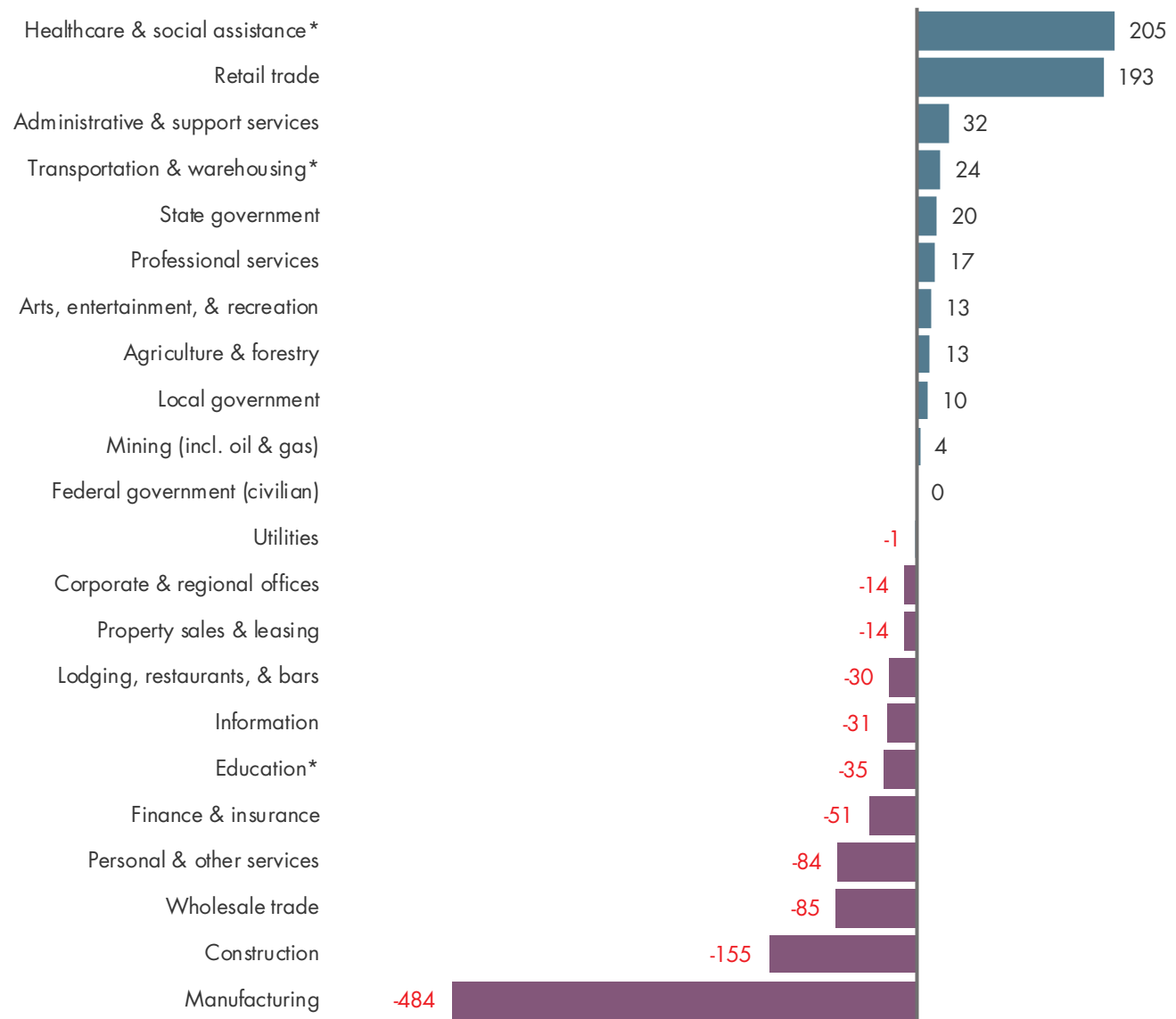


Sources: (All figures this page, except Figure 25) US Bureau of Labor Statistics, Current Population Survey (national figures) and Local Area Unemployment Statistics (state and local); (Figure 25) US Census Bureau, American Community Survey, 5-year averages for the period 2012–2016. Notes: Annual averages for 2017 were calculated based on available monthly figures and are not official releases. Shelton not shown because Local Area Unemployment Statistics does not cover cities with populations under 25,000.

FIGURE 28. ANNUAL JOB GROWTH**FIGURE 29. SHELTON (ZIP 98584) EMPLOYMENT****FIGURE 30. SHELTON (ZIP 98584) JOB BASE BY INDUSTRY SECTOR, 2017**

*Education includes all public schools, colleges, and universities. Healthcare includes all public hospitals. Transportation & warehousing includes USPS.
 Source (all figures this page): Emsi 2018.1 —QCEW Employees, Non-QCEW Employees, and Self-Employed.

Note: Excludes military and unclassified employment.

FIGURE 31. SHELTON (ZIP 98584) NET CHANGE IN JOBS SINCE THE RECESSION, 2008–2017





























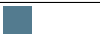



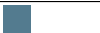



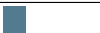



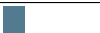



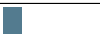



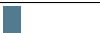



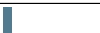







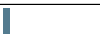







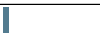



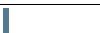







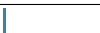







*Education includes all public schools, colleges, and universities. Healthcare includes all public hospitals. Transportation & warehousing includes USPS.

Source: Emsi 2018.1—QCEW Employees, Non-QCEW Employees, and Self-Employed.

Note: Excludes military and unclassified employment.

FIGURE 32. INDUSTRY DISTRIBUTION, 2017

COMPARISON OF SHELTON (ZIP 98584) WITH SELECTED GEOGRAPHIES AND US

NAICS Code & Description	Shelton (ZIP 98584)	Mason County	Washington	US
31-33 Manufacturing	16.1% 	13.4% 	16.1% 	8.0% 
62 Healthcare & social assistance*	13.2% 	14.6% 	13.2% 	13.4% 
44-45 Retail trade	10.6% 	12.3% 	10.6% 	10.5% 
61 Education*	9.4% 	9.2% 	9.4% 	9.4% 
72 Lodging, restaurants, & bars	8.2% 	9.1% 	8.2% 	8.7% 
56 Administrative & support services	6.2% 	4.6% 	6.2% 	6.3% 
23 Construction	5.1% 	6.2% 	5.1% 	5.5% 
81 Personal & other services	4.9% 	5.4% 	4.9% 	4.9% 
48-49 Transportation & warehousing*	4.6% 	5.0% 	4.6% 	3.9% 
54 Professional services	3.8% 	2.8% 	3.8% 	6.5% 
42 Wholesale trade	3.7% 	2.9% 	3.7% 	3.8% 
52 Finance & insurance	3.1% 	2.1% 	3.1% 	3.9% 
9039 Local government	3.0% 	4.2% 	3.0% 	3.6% 
71 Arts, entertainment, & recreation	1.4% 	2.4% 	1.4% 	1.7% 
53 Property sales & leasing	1.2% 	1.1% 	1.2% 	1.7% 
51 Information	1.1% 	0.7% 	1.1% 	1.9% 
55 Corporate & regional offices	1.1% 	0.7% 	1.1% 	1.4% 
11 Agriculture & forestry	1.0% 	1.2% 	1.0% 	1.2% 
9029 State government	0.9% 	0.8% 	0.9% 	1.5% 
9011 Federal government (civilian)	0.8% 	0.3% 	0.8% 	1.5% 
22 Utilities	0.4% 	0.7% 	0.4% 	0.4% 
21 Mining (incl. oil & gas)	0.2% 	0.0% 	0.2% 	0.4% 

*Education includes all public schools, colleges, and universities. Healthcare includes all public hospitals. Transportation & warehousing includes USPS.

Source: Emsi 2018.1—QCEW Employees, Non-QCEW Employees, and Self-Employed.

Notes: Excludes military and unclassified employment. Three largest industries are highlighted.

FIGURE 33. INDUSTRY CONCENTRATION, 2017

COMPARISON OF SHELTON (ZIP 98584) WITH SELECTED GEOGRAPHIES AND US BY LQ*

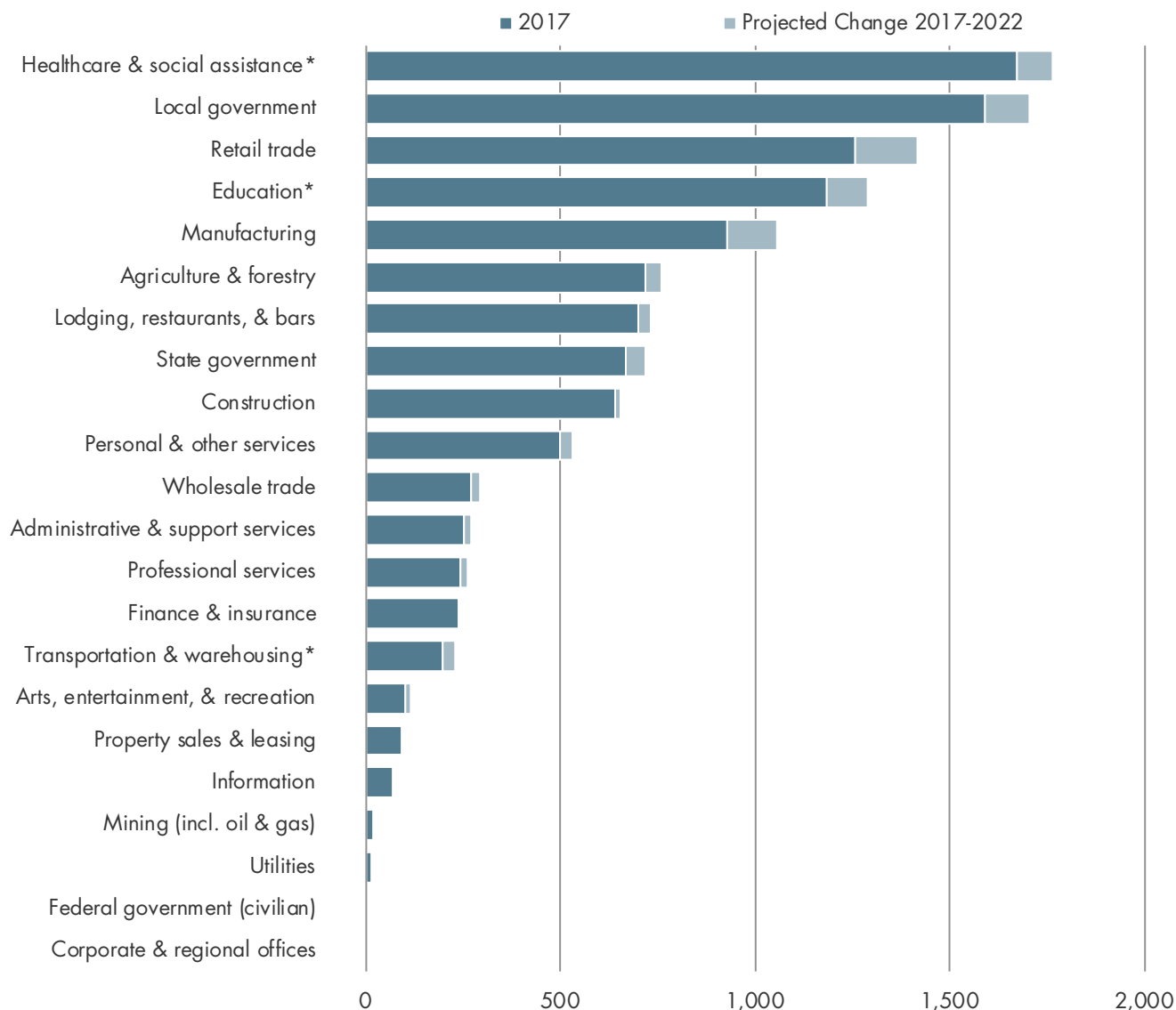
NAICS Code & Description		Shelton (ZIP 98584)	Mason County	Washington	US
11	Agriculture & forestry	5.20	3.85	2.68	1.00
9029	State government	4.10	4.37	1.14	1.00
9039	Local government	3.93	4.20	1.19	1.00
61	Education*	1.11	1.13	0.97	1.00
62	Healthcare & social assistance*	1.10	0.86	0.95	1.00
44-45	Retail trade	1.06	1.14	1.00	1.00
23	Construction	1.04	1.08	1.13	1.00
31-33	Manufacturing	1.03	0.83	1.00	1.00
81	Personal & other services	0.91	0.97	0.95	1.00
72	Lodging, restaurants, & bars	0.72	0.84	0.88	1.00
42	Wholesale trade	0.63	0.73	0.97	1.00
52	Finance & insurance	0.54	0.49	0.70	1.00
71	Arts, entertainment, & recreation	0.53	0.69	0.99	1.00
53	Property sales & leasing	0.50	0.72	1.02	1.00
48-49	Transportation & warehousing*	0.44	0.51	0.86	1.00
22	Utilities	0.43	0.43	0.37	1.00
21	Mining (incl. oil & gas)	0.41	0.29	0.17	1.00
56	Administrative & support services	0.36	0.50	0.81	1.00
51	Information	0.34	0.31	1.84	1.00
54	Professional services	0.33	0.37	0.97	1.00
901199	Federal government (civilian)	0.04	0.05	1.21	1.00
55	Corporate & regional offices	0.00	0.00	0.84	1.00

*Education includes all public schools, colleges, and universities. Healthcare includes all public hospitals. Transportation & warehousing includes USPS.
Source: Emsi 2018.1 —QCEW Employees, Non-QCEW Employees, and Self-Employed.

Notes: Excludes military and unclassified employment. LQs greater than 1.25 are presumed to show competitive advantage and are highlighted.

*A location quotient (LQ) conveys the intensity of employment locally relative to the US. If a traded cluster represents 1 percent of US employment and 5 percent of local employment, its LQ would be 5, meaning that the traded cluster is five times larger in the local area than would be expected based on national patterns.

FIGURE 34. SHELTON (ZIP 98584) TOTAL EMPLOYMENT BY INDUSTRY
 2017 JOB BASE + PROJECTED 5-YEAR CHANGE



*Education includes all public schools, colleges, and universities. Healthcare includes all public hospitals. Transportation & warehousing includes USPS.
 Source: Emsi 2018.1—QCEW Employees, Non-QCEW Employees, and Self-Employed.
 Note: Excludes military and unclassified employment.

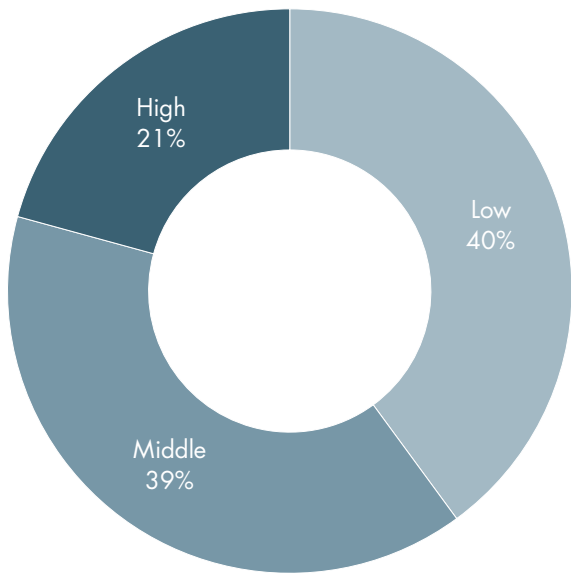
OCCUPATIONAL STRUCTURE

FIGURE 35. SHELTON (ZIP 98584) EMPLOYMENT BY OCCUPATION, 2017

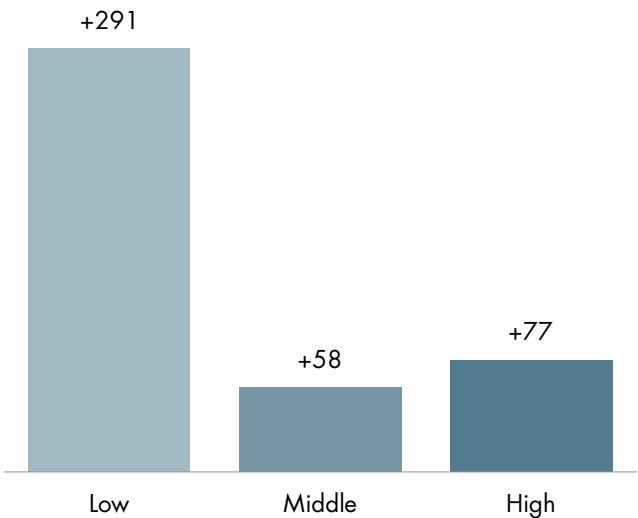


Source: Emsi 2017.4—QCEW Employees, Non-QCEW Employees, and Self-Employed.
 Note: Excludes military and unclassified occupations.

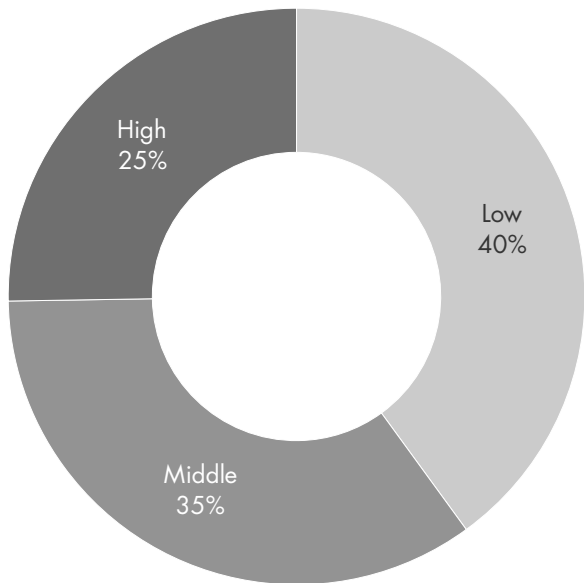
**FIGURE 36. SHELTON (ZIP 98584)
OCCUPATIONS BY SKILL LEVEL, 2017**



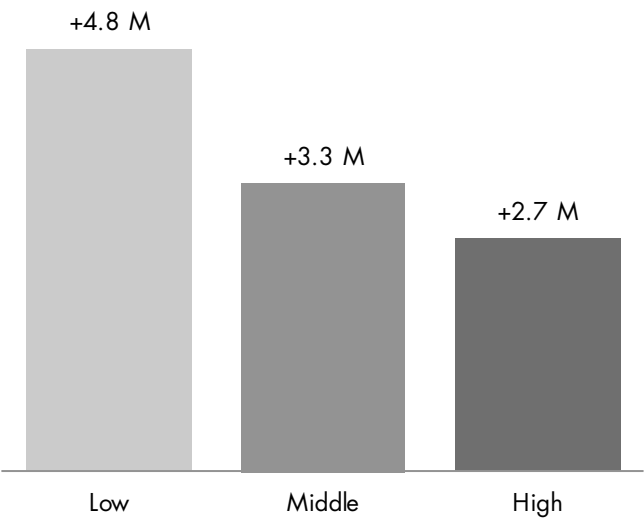
**FIGURE 37. SHELTON (ZIP 98584)
OCCUPATIONAL CHANGES BY SKILL LEVEL,
2012-2017**



**FIGURE 38. US OCCUPATIONS BY SKILL LEVEL,
2017**



**FIGURE 39. US OCCUPATIONAL CHANGES BY
SKILL LEVEL, 2012-2017**



Source (all figures above): Emsi 2017.4—QCEW Employees, Non-QCEW Employees, and Self-Employed.

FIGURE 40. SHELTON (ZIP 98584) EXPECTED OCCUPATIONAL CHANGES BY SKILL LEVEL
ESTIMATED OPENINGS 2017–2022

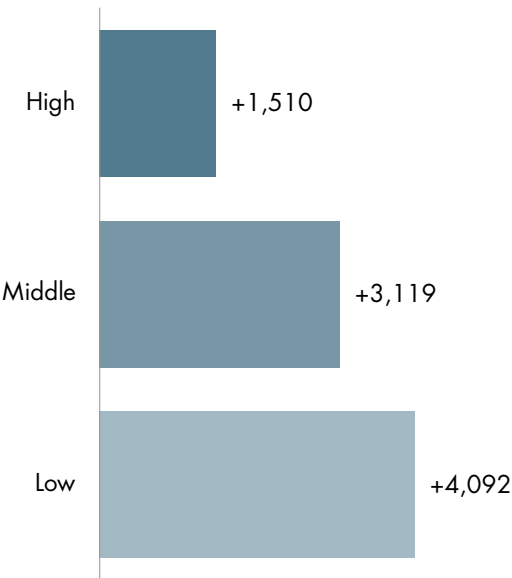


FIGURE 41. SHELTON (ZIP 98584) EXPECTED OCCUPATIONAL CHANGES BY DEMAND FACTOR
ESTIMATED OPENINGS 2017–2022

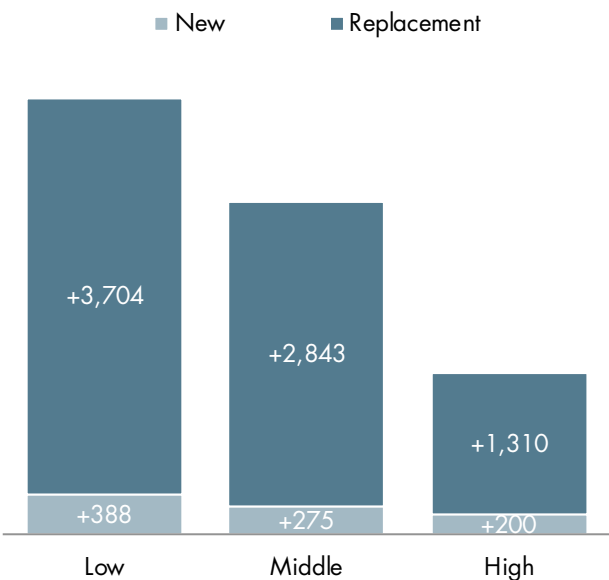


FIGURE 42. US EXPECTED OCCUPATIONAL CHANGES BY SKILL LEVEL
ESTIMATED OPENINGS 2017–2022

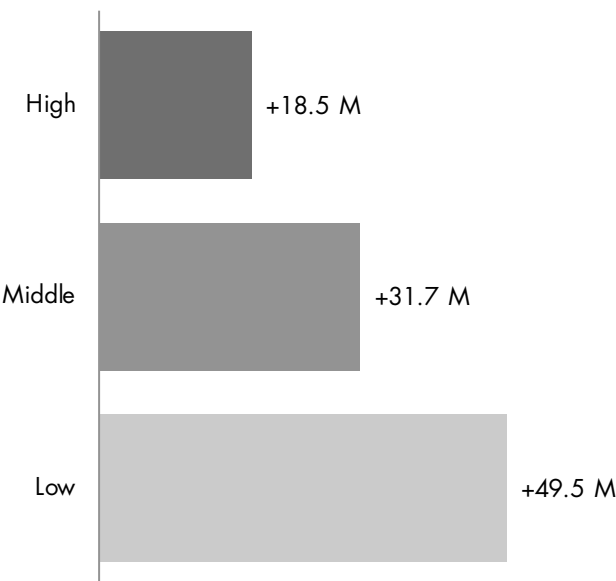
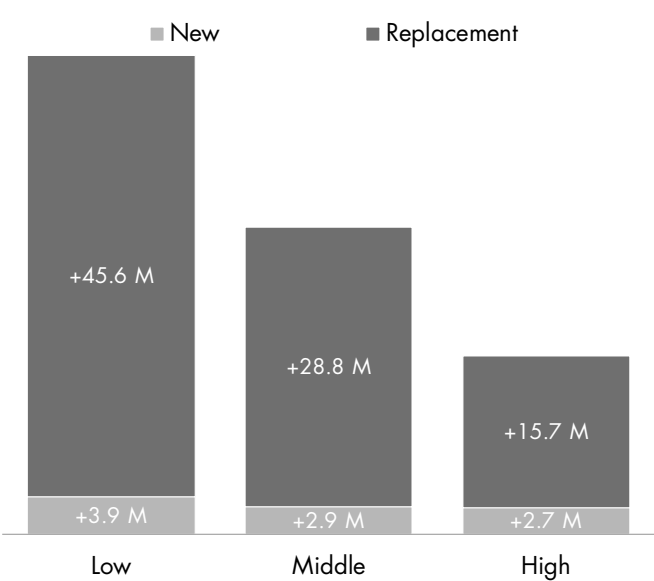


























































































FIGURE 43. US EXPECTED OCCUPATIONAL CHANGES BY DEMAND FACTOR
ESTIMATED OPENINGS 2017–2022



Source: Emsi 2017.4—QCEW Employees, Non-QCEW Employees, and Self-Employed.

FIGURE 44. OCCUPATIONAL DISTRIBUTION, 2017
COMPARISON OF SHELTON (ZIP 98584) WITH SELECTED GEOGRAPHIES AND US

SOC Code & Description	Shelton (ZIP 98584)	Mason County	WA	US
43 Office & Administrative Support	12.9% 	13.2% 	13.6% 	15.1% 
41 Sales & Related	9.1% 	9.8% 	9.5% 	10.1% 
35 Food Preparation & Serving Related	7.8% 	8.0% 	8.2% 	8.5% 
25 Education, Training, & Library	7.3% 	7.4% 	5.5% 	5.8% 
53 Transportation & Material Moving	6.2% 	6.2% 	6.5% 	6.7% 
51 Production	6.0% 	5.2% 	5.4% 	6.0% 
47 Construction & Extraction	5.5% 	5.7% 	5.0% 	4.5% 
11 Management	4.9% 	4.8% 	5.4% 	5.5% 
37 Building/Grounds Cleaning & Maint.	4.6% 	5.4% 	3.5% 	3.8% 
39 Personal Care & Service	4.6% 	4.6% 	4.0% 	4.2% 
49 Installation, Maintenance, & Repair	4.6% 	4.7% 	3.8% 	3.8% 
33 Protective Service	4.5% 	5.1% 	1.9% 	2.3% 
29 Healthcare Practitioners & Technical	4.3% 	3.5% 	4.8% 	5.6% 
45 Farming, Fishing, & Forestry	4.3% 	3.4% 	2.1% 	0.8% 
31 Healthcare Support	2.8% 	2.3% 	2.4% 	2.8% 
13 Business & Financial Operations	2.8% 	2.9% 	6.0% 	5.1% 
21 Community & Social Service	2.4% 	2.3% 	1.6% 	1.7% 
27 Arts, Design, Entertainment, & Media	1.5% 	1.8% 	2.1% 	1.8% 
19 Life, Physical, & Social Science	1.3% 	1.4% 	1.1% 	0.8% 
15 Computer & Mathematical	0.9% 	0.9% 	4.5% 	2.8% 
17 Architecture & Engineering	0.7% 	0.8% 	2.3% 	1.7% 
23 Legal	0.7% 	0.7% 	0.7% 	0.8% 

Source: Emsi 2017.4—QCEW Employees, Non-QCEW Employees, and Self-Employed.

Notes: Excludes military and unclassified employment. Three largest occupations are highlighted.

FIGURE 45. OCCUPATIONAL CONCENTRATION, 2017

COMPARISON OF SHELTON (ZIP 98584) WITH SELECTED GEOGRAPHIES AND US BY LQ

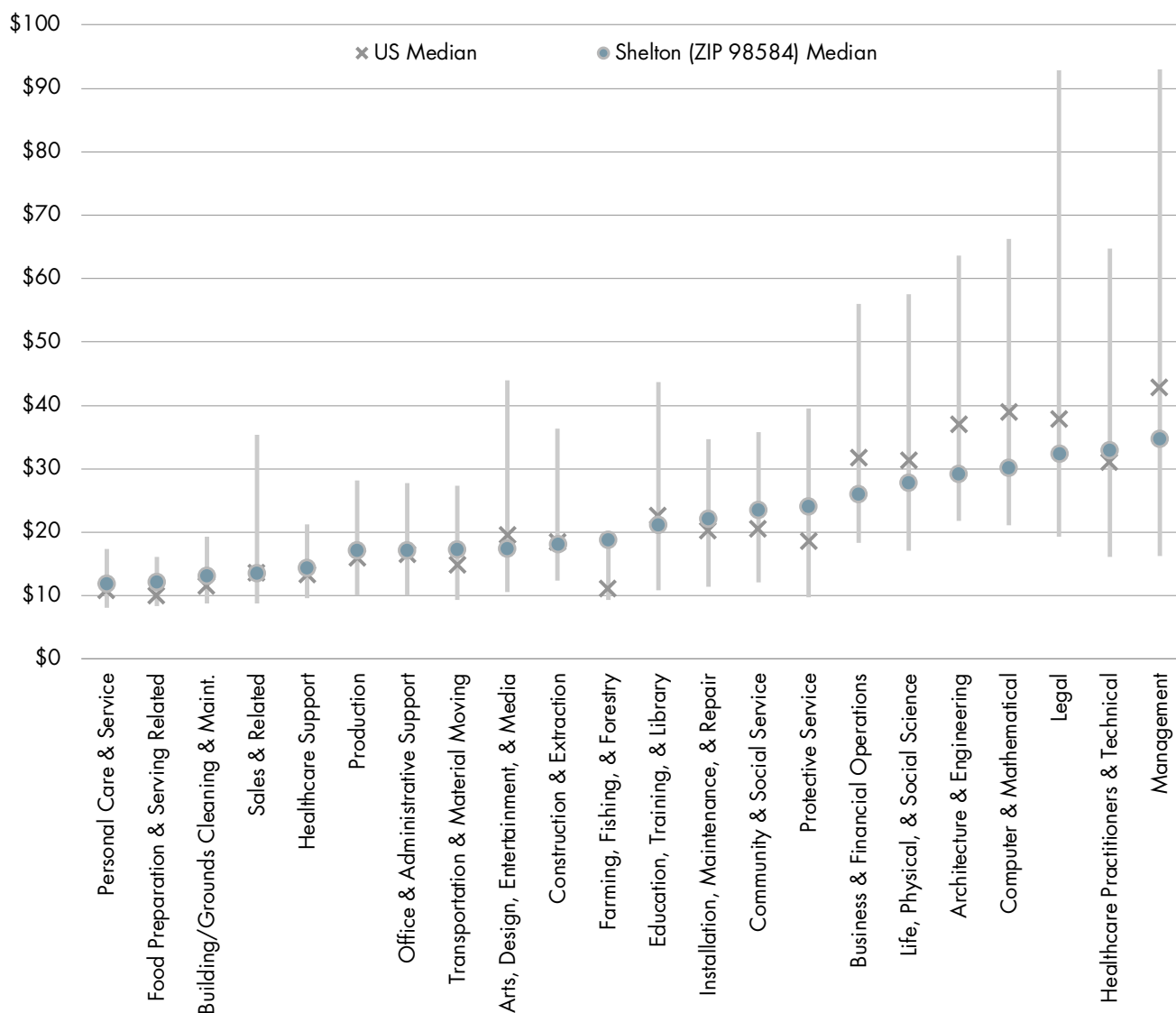
SOC Code & Description	Shelton (ZIP 98584)	Mason County	WA	US
45 Farming, Fishing, & Forestry	5.65	4.49	2.81	1.00
33 Protective Service	1.98	2.25	0.83	1.00
19 Life, Physical, & Social Science	1.64	1.69	1.32	1.00
21 Community & Social Service	1.46	1.39	0.98	1.00
25 Education, Training, & Library	1.26	1.28	0.96	1.00
47 Construction & Extraction	1.23	1.26	1.12	1.00
37 Building/Grounds Cleaning & Maint.	1.22	1.43	0.93	1.00
49 Installation, Maintenance, & Repair	1.19	1.21	0.98	1.00
39 Personal Care & Service	1.11	1.10	0.96	1.00
31 Healthcare Support	1.02	0.84	0.87	1.00
51 Production	1.01	0.87	0.90	1.00
53 Transportation & Material Moving	0.94	0.93	0.98	1.00
35 Food Preparation & Serving Related	0.92	0.95	0.97	1.00
41 Sales & Related	0.90	0.97	0.94	1.00
11 Management	0.90	0.88	0.99	1.00
23 Legal	0.87	0.87	0.88	1.00
43 Office & Administrative Support	0.86	0.87	0.90	1.00
27 Arts, Design, Entertainment, & Media	0.80	1.00	1.12	1.00
29 Healthcare Practitioners & Technical	0.78	0.63	0.86	1.00
13 Business & Financial Operations	0.54	0.56	1.16	1.00
17 Architecture & Engineering	0.44	0.46	1.37	1.00
15 Computer & Mathematical	0.32	0.32	1.56	1.00

Source: Emsi 2017.4—QCEW Employees, Non-QCEW Employees, and Self-Employed.

Notes: Excludes military and unclassified employment. LQs greater than 1.25 are presumed to show competitive advantage and are highlighted.

FIGURE 46. SHELTON (ZIP 98584) WAGES IN THE CONTEXT OF NATIONAL WAGE RATES
BY MAJOR OCCUPATIONAL GROUP

Line = US wage range from the 10th to the 90th percentile



Source: Emsi 2017.4—QCEW Employees, Non-QCEW Employees, and Self-Employed.

Note: Figures exclude military occupations.

PEER BENCHMARKING

FIGURE 47. TOTAL POPULATION, 2010–2016

Geography	2010	2016	Net Change	Percent Change	% Bachelor's or higher (2016)
Hood River, OR	14,334	15,176	842	6%	38.9%
US	308,746	325,719	16,974	5%	30.0%
Port Townsend, WA	18,226	18,844	618	3%	51.3%
Shelton	9,834	9,980	146	1%	12.6%
Leavenworth, WA	3,930	3,964	34	1%	38.6%
Camden, ME	4,850	4,850	0	0%	48.0%
Trinidad, CO	18,192	15,982	-2,210	-12%	18.6%

FIGURE 48. TOTAL EMPLOYMENT, 2010–2017

Geography	2010	2017	Net Change	Percent Change	Annual Avg. Earnings
Leavenworth, WA	3,295	3,953	657	20.0%	\$39,004
US	144,239	159,733	15,493	10.7%	\$63,614
Port Townsend, WA	6,801	7,228	427	6.3%	\$44,498
Shelton	10,903	11,220	317	2.9%	\$48,022
Camden, ME	2,899	2,928	29	1.0%	\$40,955
Trinidad, CO	5,284	4,884	-400	-7.6%	\$41,736

FIGURE 49. HOUSING AFFORDABILITY
HOME VALUE TO INCOME RATIO

Geography	Median Home Values	Median Household Income	Housing Affordability Index
Hood River, OR	\$324,600	\$47,967	6.8
Port Townsend, WA	\$301,700	\$44,753	6.7
Camden, ME	\$328,500	\$50,521	6.5
Leavenworth, WA	\$266,400	\$45,184	5.9
Shelton	\$150,400	\$38,550	3.9
US	\$184,700	\$55,322	3.3
Trinidad, CO	\$127,500	\$39,379	3.2

Sources: (Figure 47) Census Bureau, Population Estimates Program and American Community Survey, 5-year averages for the period 2012–2016; (Figure 48) 2018.1—QCEW Employees, Non-QCEW Employees, and Self-Employed; (Figure 49) Census Bureau, American Community Survey, 5-year averages for the period 2012–2016.

FIGURE 50. BUILDING PERMITS, 2010–2016

Geography	Total Permits 2010-2016	Population 2016	Total Housing Permits per 1,000 Residents
Chelan County (Leavenworth, WA)	2,213	75,968	29.1
Jefferson County (Port Townsend, WA)	882	30,909	28.5
Hood River County (Hood River, OR)	632	23,064	27.4
Knox County (Camden, ME)	735	39,655	18.5
Mason County (Shelton)	915	62,123	14.7
Las Animas County (Trinidad, CO)	126	14,087	8.9

FIGURE 51. BUILDING PERMITS, 2010–2016

BY TYPE

Geography	Total Permits 2010-2016	Multi-Family (%)	Single Family (%)
Las Animas County (Trinidad, CO)	126	0%	100%
Jefferson County (Port Townsend, WA)	882	1%	99%
Mason County (Shelton)	915	2%	98%
Knox County (Camden, ME)	735	8%	92%
Hood River County (Hood River, OR)	632	16%	84%
Chelan County (Leavenworth, WA)	2,213	16%	84%

Source (both figures): US Department of Housing and Urban Development (HUD), State of the Cities Data Systems (SOCDS) Building Permits Database.

APPENDIX 2. COMMUNITY PERCEPTION SURVEY

In addition to conducting numerous stakeholder interviews and focus groups, a 12-question community perception survey was crafted to glean as much insight as possible. The survey was made available via multiple online channels, including email, social media, and the City of Shelton's website. The survey opened on April 15, 2018, and closed on May 14, 2018, yielding 236 partial responses and 162 complete responses.

The final slate of survey questions is below. The questions in blue italics are analyzed on the following pages of this appendix.

- 1.** *Please let us know who you are. (Your contact information will only be used in the event that we have any clarifying questions. It will not be published or shared with any third parties.)*
- 2.** *How do you view Shelton's competitiveness for attracting economic growth, investment, and employment opportunities?*
- 3.** *What are the most important issues facing Shelton's economic growth? (Please rate each item using the scale indicated.)*
- 4.** *In your view, which of the City of Shelton's economic development activities are most critical to enhancing economic vitality in Shelton? (Please rate each item using the scale indicated.)*
- 5.** *Which industry sectors should the City of Shelton focus on attracting, retaining, and growing in the Shelton area? (Please rank each industry on a scale of 1 to 7, 1 being the most important industry and 7 being the least important industry.)*
- 6.** *Using just one word, how would you describe the current economic conditions in the City of Shelton?*
- 7.** *What are the biggest opportunities the City of Shelton should pursue to accomplish short-term economic wins?*
- 8.** *In your view, what does economic success look like for Shelton?*
- 9.** What other cities should we look to for examples of success that can be replicated locally? Please list any that come to mind.
- 10.** *Are you optimistic or pessimistic about the economic future of Shelton?*
- 11.** *What generation are you in?*
- 12.** Please share any additional thoughts you have about advancing Shelton's economy.

RESPONSE ANALYSIS

Key findings from survey responses are summarized below. All responses were documented and shared in electronic format with the City of Shelton.

- The majority of respondents (150) live in the 98584 zip code, with 12 respondents indicating they live in other zip codes (98592, 98512, 99584, 98585, 98528, 98660, 98541, 98484, and 98546).
- The majority of respondents viewed Shelton's economic development competitiveness as "below average."
- Respondents ranked "lack of a plan to grow the economy" the top issue facing Shelton's economic growth, followed by "attracting family-wage job growth."
- "Coordinating activities to remain and expand in Shelton" was the highest ranked economic development activity to enhance Shelton's vitality, followed by "recruiting new employers."
- Respondents rated manufacturing, healthcare, and tourism as the top-rated target industry sectors.
- Shelton residents see tourism and retail as the biggest economic opportunities for the City.
- The majority of respondents (73 percent) are optimistic about the economic future of Shelton.
- The majority of respondents are Gen Xers (48 percent).

In summary, the community perception survey was successful in gaining additional understanding about the economic vision of Shelton residents.

FIGURE 52. INDICATE THE ZIP CODE IN WHICH YOU LIVE. (Q1)

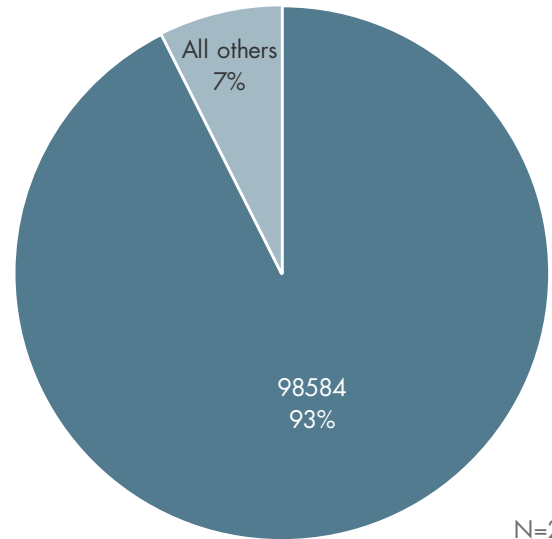


FIGURE 53. HOW DO YOU VIEW SHELTON'S COMPETITIVENESS FOR ATTRACTING ECONOMIC GROWTH, INVESTMENT, AND EMPLOYMENT OPPORTUNITIES? (Q2)

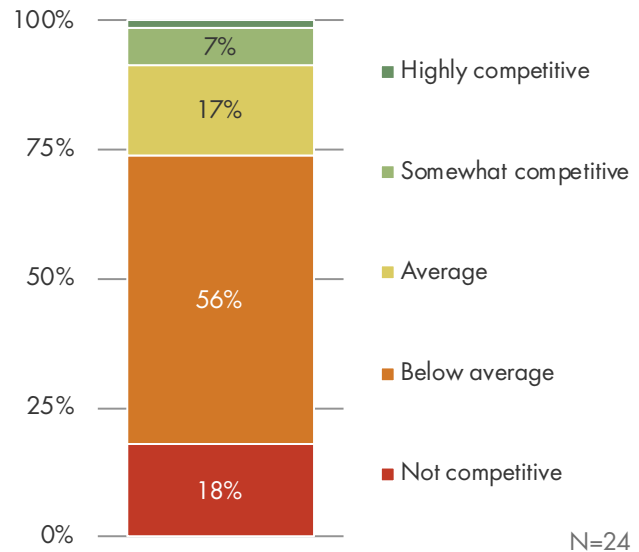


FIGURE 54. WHAT ARE THE MOST IMPORTANT ISSUES FACING SHELTON'S ECONOMIC GROWTH? (PLEASE RATE EACH ITEM USING THE SCALE INDICATED.) (Q3)

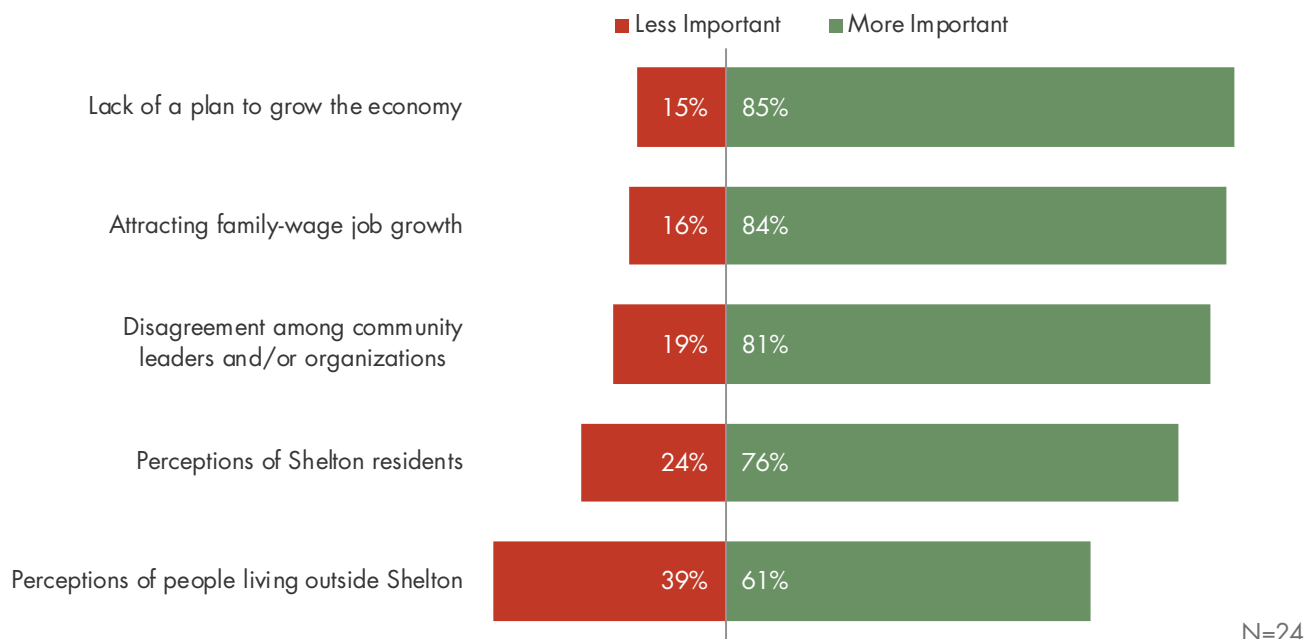


FIGURE 55. IN YOUR VIEW, WHICH OF THE CITY OF SHELTON'S ECONOMIC DEVELOPMENT ACTIVITIES ARE MOST CRITICAL TO ENHANCING SHELTON'S ECONOMIC VITALITY? (Q4)

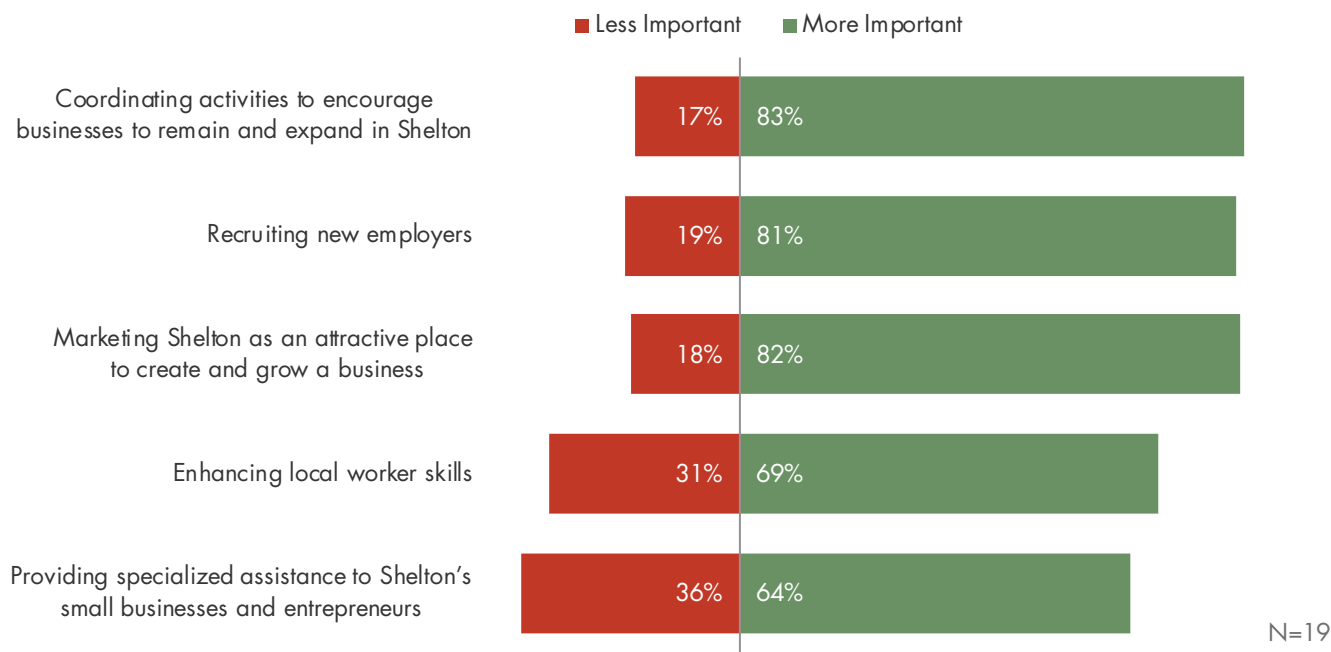
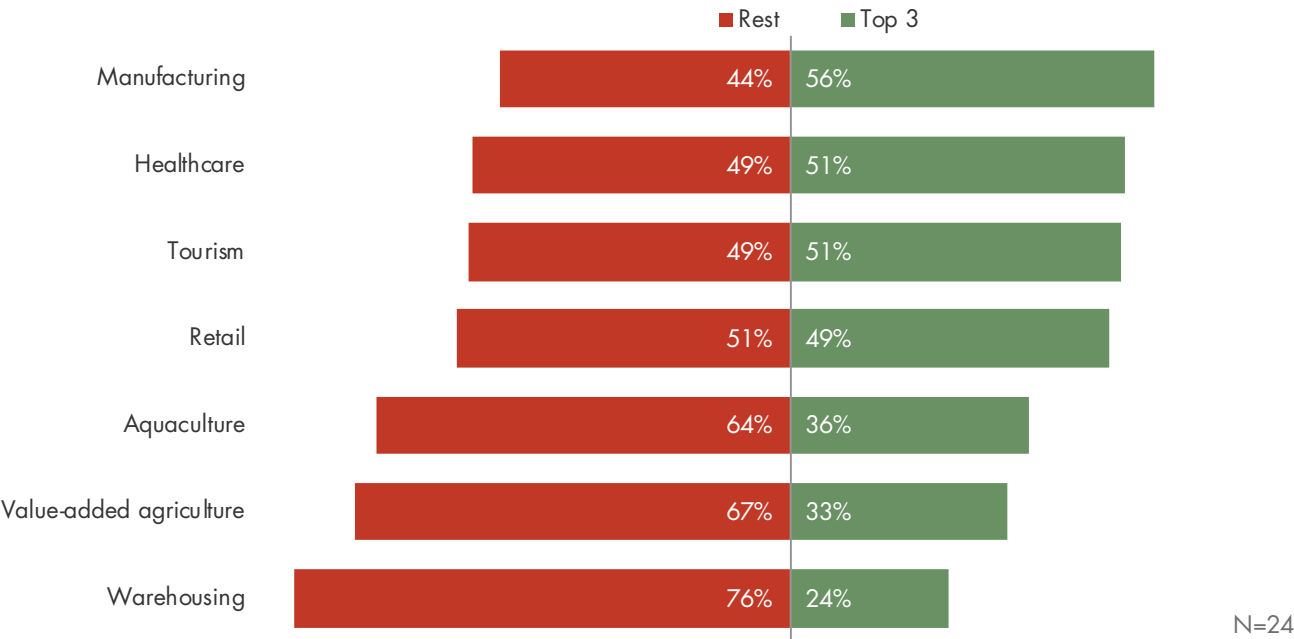


FIGURE 56. WHICH INDUSTRY SECTORS SHOULD THE CITY OF SHELTON FOCUS ON ATTRACTING, RETAINING, AND GROWING IN THE SHELTON AREA? (Q5)



Most respondents were having difficulty filling positions. When asked which occupations or skills were most difficult to find, common answers included skilled labor, teachers, and healthcare professionals in regard to occupations. The skills most often selected by participants were soft skills.

FIGURE 57. USING JUST ONE WORD, HOW WOULD YOU DESCRIBE THE CURRENT ECONOMIC CONDITIONS IN THE CITY OF SHELTON? (Q6)



FIGURE 58. WHAT ARE THE BIGGEST OPPORTUNITIES THE CITY OF SHELTON SHOULD PURSUE TO ACCOMPLISH SHORT-TERM ECONOMIC WINS? (Q7)



FIGURE 59. ARE YOU OPTIMISTIC OR PESSIMISTIC ABOUT THE ECONOMIC FUTURE OF SHELTON? (Q10)

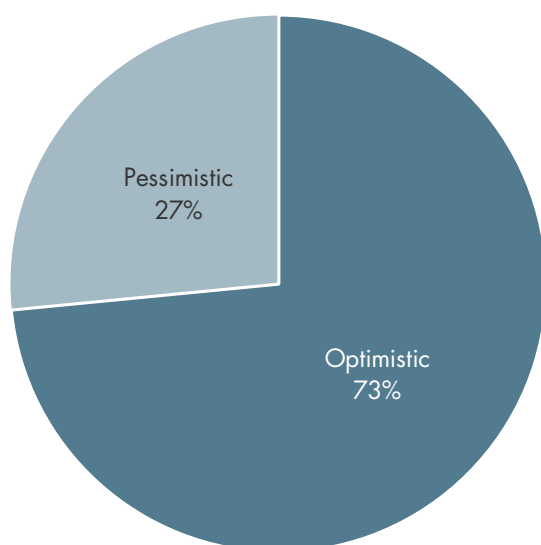
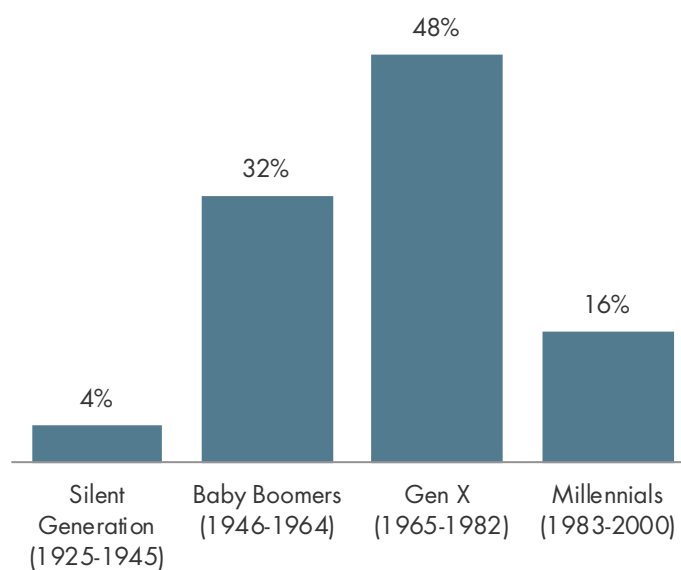


FIGURE 60. WHAT GENERATION ARE YOU IN? (Q11)



APPENDIX 3. COMMUNITY WORKSHOPS ANALYSIS

On May 9, 2018, the TIP consulting team and the City of Shelton conducted two community workshops to gain a better understanding of Shelton community values, build consensus, and create a shared vision for the City's economic future. Input received during the workshops is outlined in the following pages of this appendix and was used to guide development of Shelton's 5-year economic development strategic plan.

The objective of the workshops was to ensure as many Shelton voices were heard as possible and to do so in an organized, efficient, and constructive manner. The two workshops were held at the Mason Public Utility District (PUD) 3 in Shelton on May 9, 2018. The workshops were offered at 1:00 PM and 6:00 PM and lasted approximately 2 hours. The workshops were promoted through several media outlets and were attended by approximately 30 people.

Interested participants were asked to register, and registered attendees were randomly assigned to tables led by table facilitators. After the consulting team presented a brief project overview and summary of preliminary key findings, the lead facilitator and table facilitators walked attendees through a set of seven questions. Table attendees were given approximately 10 minutes to discuss each question and come to a consensus on their response. If the opinions among table attendees differed, potential responses were prioritized and discussed further. If an agreement still wasn't reached, table attendees took a vote, but only as a last resort.

The final responses were submitted by the table facilitator through Mentimeter, an online survey tool. The aggregated results were projected for the entire audience to view. This format allowed those who were uncomfortable speaking in public to share their thoughts and prevented others from monopolizing more than their share of the meeting time.

The survey questions were as follows.

- 13.** Describe the current economy of Shelton in just a few words.
- 14.** What are the most important issues facing Shelton over the next 5–10 years?
- 15.** What do you want the Shelton economy to look like in 20 years?
- 16.** Using just one word, what is holding the Shelton back from achieving economic success?
- 17.** What are the top three qualities that define the character of the people of Shelton?
- 18.** Are you optimistic or pessimistic about the future of Shelton?
- 19.** Are there any additional comments we should capture as a part of this process?

KEY FINDINGS

Key findings from survey responses are summarized below. All responses were documented and shared in electronic format with the City of Shelton. These files included various attendee comments captured by table facilitators but not officially submitted as survey responses.

- The most frequently recurring themes describing the current Shelton economy were (1) potential for growth, (2) struggling, and (3) slow.
- According to a weighted average of responses, the most important issue facing Shelton over the next 5–10 years by a significant margin is “attracting family-wage job growth,” followed by “lack of a plan to grow the economy.”
- The most frequently recurring themes regarding how the Shelton economy should look in 20 years were “diverse,” “stable,” and “growing.”
- “Perception” was regarded as the top barrier to economic success.
- “Proud” was the most-referenced quality that defined the character of Shelton residents, followed by “friendly,” “independent,” “honest,” and “hard-working.”
- Workshop attendees were unanimously optimistic (100 percent) about the future of Shelton.
- In summary, the community workshops were successful in gaining additional understanding about the character and aspirations of Shelton residents.

SURVEY RESPONSE ANALYSIS

The figures below provide an analysis of responses from each survey question.

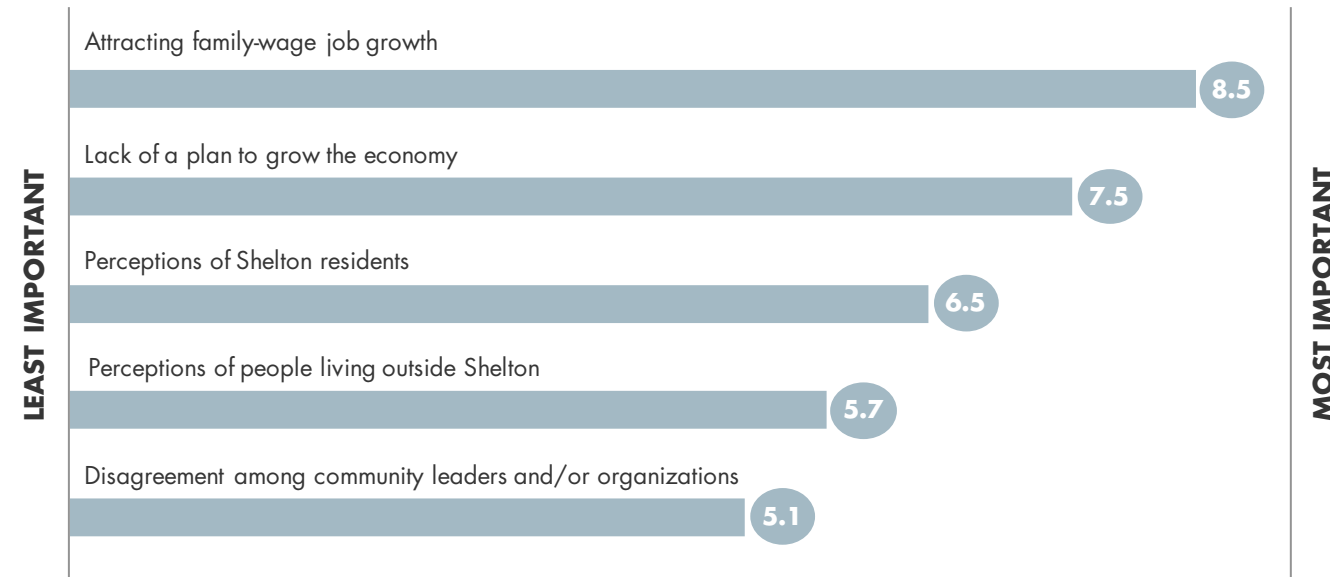
Question 1 was an open-ended question. Figure 61 lists recurrent themes by frequency as expressed per each workshop table. Only final responses that occurred two or more times are listed. The top two responses occurred more often than other responses by a significant margin. While many respondents felt the currently economy was not ideal, the opinion that potential for growth exists was prevalent.

FIGURE 61. DESCRIBE THE CURRENT ECONOMY OF SHELTON IN JUST A FEW WORDS (Q1)

RESPONSE	FREQUENCY
Potential for growth	3
Struggling	3
Slow	3
Stagnant	2
Needs diversity	2

Question 2 asked respondents to rate a list of statements on a scale of 1 to 10, based on perceived importance for the economic future of Shelton. “Attracting family-wage job growth” was rated the highest by a significant margin according to a comparison of the weighted averages.

FIGURE 62. THE MOST IMPORTANT ECONOMIC ISSUES FACING SHELTON OVER THE NEXT 5–10 YEARS (Q2)
RATED ON A SCALE OF 1 (LEAST IMPORTANT) TO 10 (MOST IMPORTANT)



Question 3 was the second open-ended question. Figure 63 lists recurrent themes by frequency of workshop table responses. Only responses that occurred two or more times are listed. Economic diversity was seen as the most important outcome for the Shelton economy.

FIGURE 63. IN JUST A FEW WORDS, WHAT DO YOU WANT THE SHELTON ECONOMY TO LOOK LIKE IN 20 YEARS? (Q3)

THEME	FREQUENCY
Diverse	4
Stable	3
Growing	3
Robust	2
Self-sufficient	2
Inviting	2
Vibrant	2
Civic pride and ownership	2

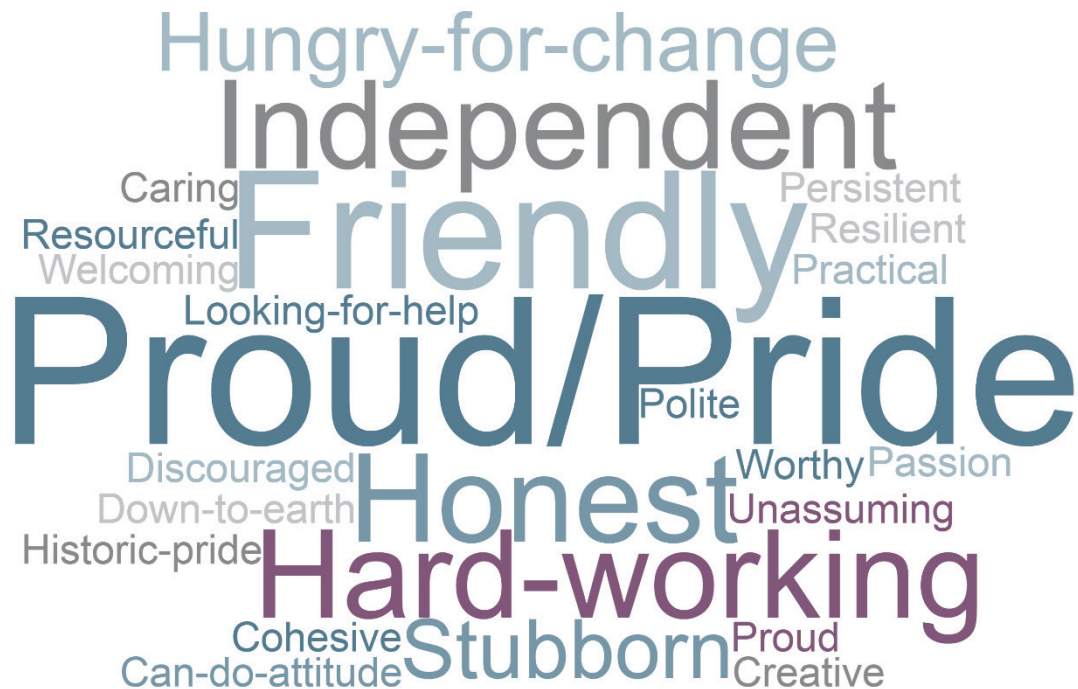
As shown in the word cloud below, only one term was repeated. “Perception” was seen as the greatest factor holding Shelton back from economic success.

FIGURE 64. WHAT IS HOLDING SHELTON BACK FROM ACHIEVING ECONOMIC SUCCESS? (Q4)
DESCRIBED IN ONE WORD



As shown in Figure 65, according to workshop respondents, “proud/pride” was the top quality that defines the character of Shelton’s citizens, followed by “friendly,” “hard-working,” “independent,” and “honest.”

FIGURE 65. TOP THREE QUALITIES THAT DEFINE THE CHARACTER OF THE PEOPLE OF SHELTON (Q5)



Question 6 asked respondents if they were optimistic or pessimistic about the future of Shelton. Every single respondent indicated that they were optimistic about Shelton's future.

Question 7 collected any additional comments that respondents thought needed to be considered as part of the planning process. The following is a list of those comments as provided. Minor punctuation and spelling errors have been corrected.

- Look at timber-related industries. Look for ways to bridge gap between existing building conditions, current regs, and market conditions.
- Want an educational system that attracts diverse interest; plan for climate change; great opportunity for involvement.
- Make a plan, engage the citizens, and we'll make it happen.
- Protection of retail space downtown; homeless population.
- Infrastructure in place. Promotion of tourism. Capture outdoor rec. experiences/opportunities. Themed or concerted efforts.
- Building cooperatives as a part of diversity and sustainable growth.
- Vision! We need to want to grow, not stay stagnant. The "We want to stay a small town" mentality needs to go.
- Further development of a "new business" group within the City government to assist in the process of "opening the doors ASAP."
- What role does the EDC [Economic Development Council] play in Shelton City plans?

APPENDIX 4. TARGET INDUSTRY ANALYSIS

Target industry analysis is an analytical methodology used to identify business clusters that best fit and would likely benefit from a community's assets. If the business clusters succeed, the resulting economic activity provides stimulus to the community. Effective target industry analysis forms the foundation of a successful business attraction program. It provides a more focused approach to conducting outreach and external marketing activities, thus appealing more directly to corporate decision-makers in the identified target industries.

Target industries are a reflection of which industries are important to a local or regional economy, now and in the future. The identification of target industries matters less than what a community does to actually "target" an industry. Specific strategies to grow the Shelton economy through marketing and recruitment initiatives, incentives, policies to support growth, and talent and workforce initiatives are detailed in the strategic plan. However, strategies should not be applied in a haphazard manner. A successful target industry recruitment initiative must begin with a solid framework that employs quantitative, qualitative, and strategic methods to identify a narrow set of industries that represents the most promising opportunities for new investment and job growth.

In the first phase of this project, the economic assessment, TIP team members reviewed employment using the standard North American Industry Classification System (NAICS). For the targeting analysis, TIP takes this a step further by filtering employment within an industry "cluster" framework developed by the US Economic Development Administration in conjunction with the Institute for Strategy and Competitiveness at Harvard Business School.

In identifying target sectors, TIP examined detailed data to identify which industries are well-established in the region, how they performed in recent years, and how they are expected to perform in the near term. For this analysis, TIP looked at factors including strategic assets, existing initiatives, critical mass, competitive advantage, growth prospects, and cross-sector synergies.

THE TARGETING APPROACH

QUANTITATIVE

What do the data tell us?



QUALITATIVE

What have we learned about the region's assets and challenges?



STRATEGIC

What trends, relationships, etc., will influence opportunities going forward?

The TIP Strategies consulting team used a three-pronged approach—quantitative, qualitative, and strategic—to identify the City's best prospects for growth. This approach helped match local assets with long-term trends to identify the industries that represent the highest potential for relocation or expansion.



Image courtesy City of Shelton.

THE TARGETING PROCESS



Source: TIP Strategies.

EXPLANATION OF TERMINOLOGY

LOCATION QUOTIENTS (CONCENTRATION)

Location quotient (LQ) analysis is a statistical technique used to suggest areas of relative advantage based on a region's employment base. LQs are calculated as an industry or occupation's share of total local employment divided by the same industry or occupation's share of employment at the US level.

$$\frac{(\text{local employment in occupation } x / \text{total local employment—all occupations})}{(\text{national employment in occupation } x / \text{total national employment—all occupations})}$$

If local and national employment levels in the occupation are perfectly proportional, the LQ will be 1.00. LQs greater than 1.25 are presumed to indicate a comparative advantage; those below 0.75 suggest areas of weakness but also point to opportunities for retention or attraction of talent.

OPENINGS

Openings provide a measure of demand for a given occupation. Figures are comprised of two components: an estimate of net job change during the period of analysis and anticipated replacement demand during the same period due to workers leaving the profession for reasons including retirement, changing careers, etc. The latter portion of the openings calculation is produced by the US Bureau of Labor Statistics as part of its Employment Projections program.

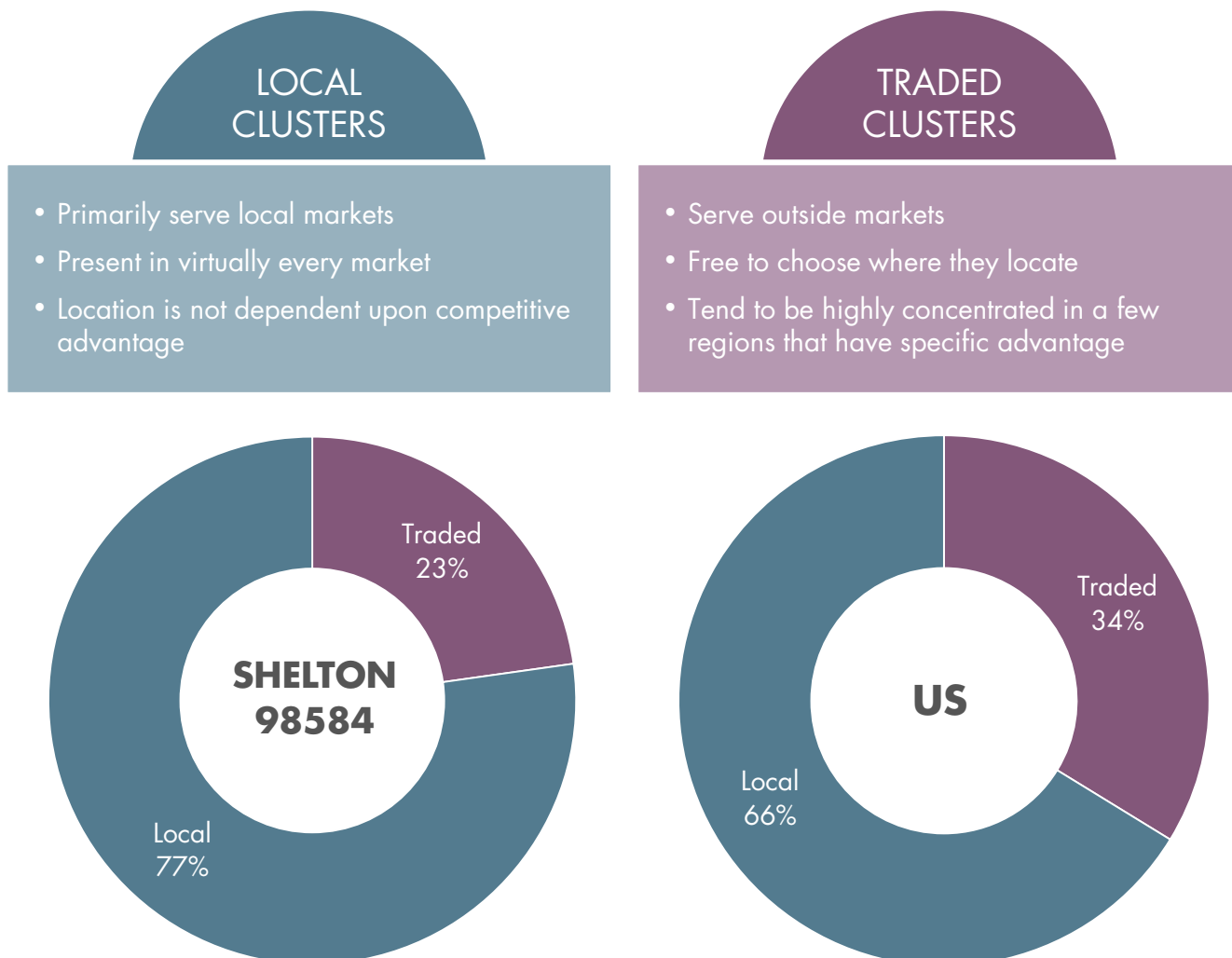
STRATEGIC ASSETS



Sources: TIP Strategies, Esri ArcGIS.

EMPLOYMENT CLUSTERS: TRADED VS. LOCAL

EMPLOYMENT IN 2017 BASED ON CLUSTER TYPE



Sources: US Bureau of Labor Statistics; Emsi 2018.1—QCEW Employees, Non-QCEW Employees, and Self-Employed; Institute for Strategy and Competitiveness at Harvard Business School; TIP Strategies.

Note: The cluster methodology developed at Harvard Business School has been adjusted by TIP Strategies to align with the six-digit NAICS classifications used by Emsi.

WHY IT MATTERS

Increasing the ratio of traded-to-local clusters is a common strategy for enhancing economic prosperity. “Traded” clusters are emphasized by economic developers because they include industries and firms that typically produce goods and services for customers beyond the local region. These traded activities are thus more likely to produce externally generated revenues, which can, in turn, help boost local tax coffers. As an example, a dentist’s office might serve local customers exclusively, while a manufacturing plant, a data center, or a hotel would typically serve paying customers beyond the local area. The ability of traded clusters to serve larger markets also presents greater opportunity for employment growth, whereas a dentist’s office might face more finite geographic limits to expansion. Shelton should track this ratio on an ongoing basis and seek to increase its share of traded clusters.

EMPLOYMENT CLUSTERS—WEIGHT (SIZE & CONCENTRATION)

TRADED CLUSTERS EMPLOYING THE MOST WORKERS LOCALLY IN 2017

LOCATION QUOTIENTS

←BELOW AVG ABOVE AVG→

















	US		SHELTON 98584		
	% of national employment		% of local employment		LQ
Agricultural Inputs & Services	1.1%		4.4%		3.88
Distribution & E-commerce	3.7%		3.3%		0.90
Wood Products	0.2%		2.6%		10.72
Fishing & Fishing Products	0.0%		2.6%		61.48
Forestry	0.1%		1.8%		29.00
Business Services	5.9%		1.2%		0.21
Hospitality & Tourism	2.1%		1.1%		0.54
Food Processing & Mfg.	0.7%		0.8%		1.19
Education & Knowledge Creation	4.2%		0.8%		0.20
Recreational & Small Goods	0.1%		0.8%		6.22
Transport. & Logistics	1.3%		0.5%		0.36
Federal Government (military)	1.2%		0.4%		0.29
Marketing, Design, & Publishing	1.1%		0.4%		0.33
Financial Services	1.3%		0.3%		0.20
Insurance Services	0.9%		0.3%		0.31
Other traded clusters	9.8%		1.5%		
All local clusters	66.2%		77.2%		
Total	100.0%		100.0%		

Sources: US Bureau of Labor Statistics; Emsi 2018.1—QCEW Employees, Non-QCEW Employees, and Self-Employed; Institute for Strategy and Competitiveness at Harvard Business School; TIP Strategies.

Note: The cluster methodology developed at Harvard Business School has been adjusted by TIP Strategies to align with the six-digit NAICS classifications used by Emsi.

EMPLOYMENT CLUSTERS—PROJECTED GROWTH

TRADED CLUSTERS WITH PROJECTED LOCAL JOB GAINS OF 100 OR MORE, 2017-2022

US			SHELTON 98584		
	5-year % change in national employment		5-year % change in local employment		net gain
Agricultural Inputs & Services	2.0%		14.7%		+74
Fishing & Fishing Products	-1.2%		21.8%		+65
Distribution & E-commerce	7.6%		7.9%		+30
Hospitality & Tourism	6.8%		21.9%		+28
Wood Products	3.3%		6.7%		+20
ALL TRADED CLUSTERS	5.5%		9.5%		+256
ALL LOCAL CLUSTERS	6.2%		7.0%		+635
Total	6.0%		7.6%		

Sources: US Bureau of Labor Statistics; Emsi 2018.1—QCEW Employees, Non-QCEW Employees, and Self-Employed; Institute for Strategy and Competitiveness at Harvard Business School; TIP Strategies.

Note: The cluster methodology developed at Harvard Business School has been adjusted by TIP Strategies to align with the six-digit NAICS classifications used by Emsi.

WHY IT MATTERS

While local clusters (such as dentist's offices) typically account for a similar share of employment across communities of varying size, the share of total employment represented by traded clusters (such as automotive assembly plants) might differ dramatically from one community to the next. Traded clusters that account for a larger-than-average share of total employment can suggest areas of competitive advantage. This figure compares the distribution of employment by cluster in the US (first column) with the local area (second column).

TALENT DEMAND INDICATORS

ANALYSIS OF UNIQUE LOCAL JOB POSTINGS DURING CALENDAR YEAR 2017

INTENSITY OF JOB POSTINGS RELATIVE TO US

←BELOW AVG ABOVE AVG→

HIGH-DEMAND LOCAL OCCUPATIONS		HIGH-DEMAND LOCAL SKILLS	
	<i>location quotient</i>		<i>location quotient</i>
Licensed Practical/Licensed Vocational Nurses	6.44	Equipment Maintenance	4.92
Personal Care Aides	6.40	Pediatrics	2.87
Telecom. Equip. Installers and Repairers	4.90	Medicaid	2.38
Mental Health/Subst. Abuse Social Workers	4.03	Behavioral health	2.34
Social and Human Service Assistants	3.17	Food preparation	1.87
Advertising Sales Agents	2.98	Mathematics	1.56
Janitors and Cleaners, Except Maids	2.73	Bilingual	1.12
Tellers	2.68	Forklifts	0.96
Nursing Assistants	2.67	Technical support	0.96
First-Line Supervisors of Administrative Workers	1.50	Quality Assurance	0.93
Registered Nurses	1.39	Quality control	0.79
Medical and Health Services Managers	1.32	Preventive maintenance	0.78
First-Line Supervisors of Food Workers	0.87	Geriatrics	0.77
Heavy and Tractor-Trailer Truck Drivers	0.61	Freight+	0.64
First-Line Supervisors of Retail Sales Workers	0.60	Tractor-trailers	0.56

Sources: CEB TalentNeuron; TIP Strategies.

LEADING LOCAL JOB RECRUITERS

ANALYSIS OF UNIQUE LOCAL JOB POSTINGS DURING CALENDAR YEAR 2017

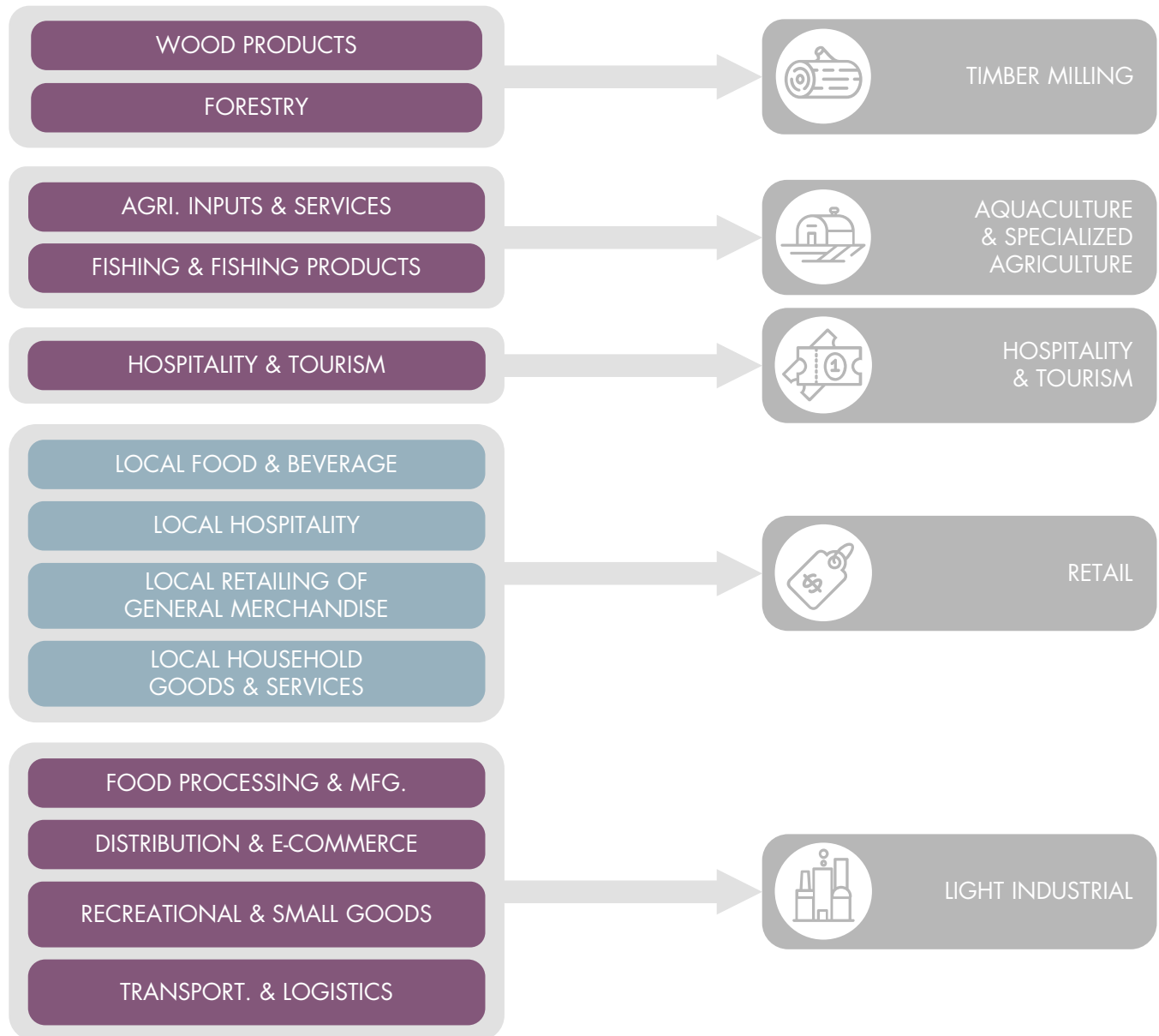


Sources: CEB TalentNeuron; TIP Strategies.

TARGETING FRAMEWORK

TRADED and **LOCAL**
clusters emerge from the analysis...

...to provide a foundation for
TARGET SECTORS



Sources: Institute for Strategy and Competitiveness at Harvard Business School; TIP Strategies.

Shelton is largely dependent on one traded industry sector: forestry. This sector forms the foundation of the City’s economy and serves local, regional, and global supply chains. The large anchor institution is Sierra Pacific Industries. The City’s industrial assets—its abundance of natural resources, transportation infrastructure (road and rail), geographic location (proximity to the Seattle-Bellevue-Tacoma metropolitan area and Interstate 5), and an abundant regional workforce—has enabled this sector to thrive over the past several decades.

Shelton’s future growth should come from a more diversified mix of established and emerging industries. The City’s current industry base will continue to provide downstream business development opportunities. However, it will be important for the City to pursue new avenues for investment, employment growth, and industry diversity. Niche opportunities are emerging in the nearby aquaculture, cannabis, fungi, recreational goods, and transportation sectors.

Based on the findings of the demographic and economic assessment, SWOT analysis, and targeting assessment—and utilizing TIP’s three-phase targeting framework—the consulting team recommends five broad sectors that would benefit from a targeting initiative: **timber milling, aquaculture & specialized agriculture, hospitality & tourism, retail, and light industrial.** Together, these broad sectors currently make up nearly 2,500 of the 11,400-plus jobs across nearly 360 of the approximately 1,300 business establishments in Shelton.



Image courtesy City of Shelton.



TIMBER MILLING

Along with farming, dairying, ranching, and oyster cultivation, the forestry industry has played a vital role in Shelton’s economy since the City’s establishment. Founded as a logging company in 1890, Simpson Lumber was one of the City’s largest employer for many years. The mill on Oakland Bay dominated the landscape of the downtown area for many years. In 2015, the company closed, resulting in over 250 lost jobs. Another wood products manufacturer, Olympic Panel Products, had announced its closure earlier that year. Fortunately, Sierra Pacific Industries replaced most of the lost employment with a state-of-the-art sawmill and lumber-planing operation.

In the context of this analysis, the timber milling sector includes the component clusters of wood products and forestry. The sector’s establishment employment (i.e., jobs located in Shelton) was over 500 in 2017, according to the latest data available. Employment in both component clusters declined from 2007 to 2017 (at just over 60 percent) and is projected to continue decreasing modestly between 2017 and 2022. Industry concentration (LQ) has experienced a downward trend since 2007 but is projected to flatten out through 2022.

The City of Shelton should pay close attention to the continued development of biofuel and cross-laminated timber, which are likely to boost industry growth at an increasing rate in the future.

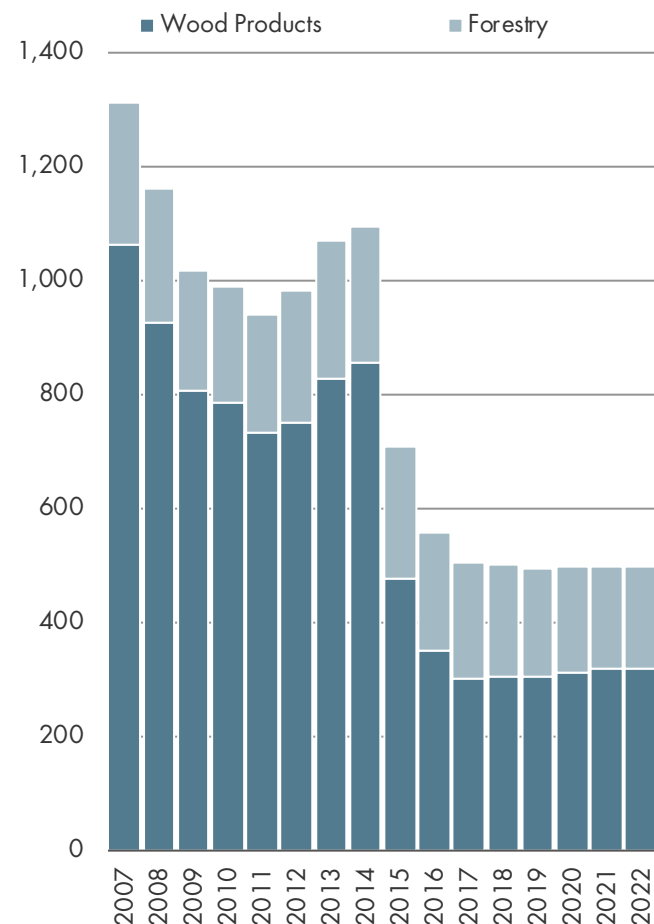
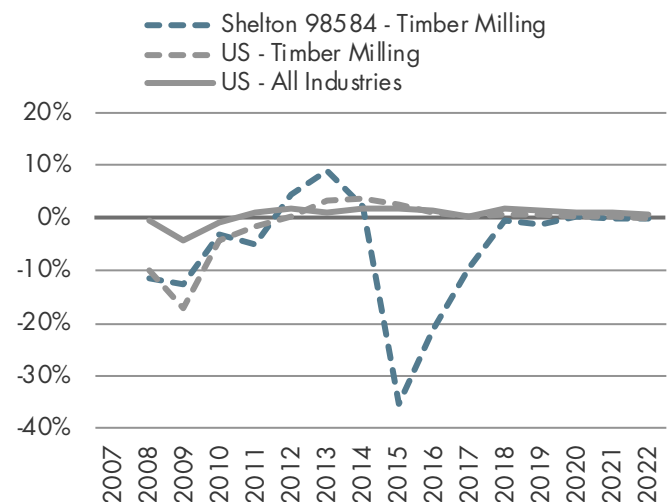
MARKET OPPORTUNITIES	SHELTON’S ADVANTAGES
<ul style="list-style-type: none">• Research conducted by the University of Washington and Washington State University regarding forest-driven fuel, which has drawn interest from the Department of Defense, the Boeing Company, and Alaska Airlines.• Advances in tree growth and timber management practices will likely yield a steady supply of forest products for the industry.• The emergence of cross-laminated timber (CLT) in construction practices will continue to fuel industry growth for the foreseeable future.	<ul style="list-style-type: none">• Location in one of the largest timber-producing regions of the country.• Opportunities to leverage and build on an existing skilled workforce.• Proximity to I-5 and extensive rail access.• The Economic Development Council (EDC) of Mason County’s “no skills gap” training program and recruitment plan to attract young people to the forestry industry.• The EDC of Mason County’s CLT program.• Potential development of an Innovation Partnership Zone.• No personal or corporate taxes in Washington State.• Shelton’s distinction as “Christmas Tree Capital of the US.”• Above-average industry concentration (LQ).

TARGET SNAPSHOT

SHELTON 98584	TOTAL	TARGET
2016 Establishments*	1,319	24
2017 Employment	11,427	504
Net Chg., 2007-2017	-888	-807
Pct. Chg., 2007-2017	-7.2%	-61.6%

EMPLOYMENT OUTLOOK

US OVERALL	TOTAL	TARGET
Net Chg., 2017-2022	+9,492,023	+11,371
Pct. Chg., 2017-2022	+6.0%	+2.3%
SHELTON 98584	TOTAL	TARGET
Net Chg., 2017-2022	+880	-7
Pct. Chg., 2017-2022	+7.7%	-1.4%

TARGET COMPONENTS**ANNUAL EMPLOYMENT****TARGET CONCENTRATION****LOCATION QUOTIENT TREND****TARGET GROWTH****ANNUAL % CHANGE IN EMPLOYMENT****KEY FOCUS AREAS**

NAICS	DESCRIPTION
113310	Logging
115310	Support Activities for Forestry
321211	Hardwood Veneer and Plywood Mfg.
321912	Cut Stock, Resawing Lumber, and Planing
321918	Other Millwork (including Flooring)

Sources: US Bureau of Labor Statistics; Emsi 2018.1—QCEW Employees, Non-QCEW Employees, and Self-Employed; Institute for Strategy and Competitiveness at Harvard Business School; TIP Strategies.

Note: The cluster methodology developed at Harvard Business School has been adjusted by TIP Strategies to align with the six-digit NAICS classifications used by Emsi.

*The count of business establishments is for Mason County overall. All other figures are for Shelton's ZIP code 98584.

INDUSTRY INTELLIGENCE, NETWORKING, AND RESOURCES

TIMBER/FOREST PRODUCTS	
TRADE ASSOCIATIONS	
Forest Products Society	www.forestprod.org
Western Wood Products Association	www.wwpa.org
APA (The Engineered Wood Association)	www.apawood.org
American Wood Council	www.awc.org
TRADE PUBLICATIONS	
<i>Forest Products Journal</i>	www.forestprodjournals.org
<i>TimberLine</i>	www.timberlinemag.com
<i>LBM Journal</i>	www.lbmjournal.com
<i>Evergreen Magazine</i>	www.evergreenmagazine.com
<i>Timber Processing</i>	www.timberprocessing.com/magazine
<i>Wood Industry</i>	www.woodindustry.ca

Source: TIP Strategies.



AQUACULTURE AND SPECIALIZED AGRICULTURE

The aquaculture and specialized agriculture target sector is a “catch-all” for a number of specific food-related subsectors, including shellfish, cannabis, and fungi. These niche sectors have a strong and growing presence in Shelton and should be understood and monitored to leverage future opportunities.

Aquaculture is the practice of cultivating freshwater and saltwater populations under controlled conditions. The shellfish industry has been a foundational industry for Shelton since the City’s establishment. The global seafood market is expected to grow by 3.6 percent annually through 2023. Thus, this is a promising industry for the area.

Cannabis is a tall plant with a stiff upright stem, divided serrated leaves, and glandular hairs. It is used to produce hemp fiber and medicinal and recreational products. According to Forbes, the legal cannabis industry is poised for big growth in North America and globally, reaching a projected \$57 billion in spending by 2027.

Fungi are any of a group of unicellular, multicellular, or syncytial spore-producing organisms feeding on organic matter, including molds, yeast, mushrooms, and toadstools. The global mushroom market is expected to reach nearly \$60 million in 2021.

The aquaculture and specialized agriculture sector includes the component clusters of fishing and fishing products, and agricultural inputs and services. The sector’s establishment employment (i.e., jobs located in Shelton) was just over 800 in 2017, according to the latest data available. Employment in both component clusters grew rapidly from 2007 to 2017 (at just over 30 percent) and is projected to grow almost 20 percent between 2017 and 2022. Industry concentration (LQ) has experienced an upward trend since 2007 and is projected to continue to increase through 2022.

MARKET OPPORTUNITIES

- Growing consumer demand for both medical and recreational cannabis will drive increasing demand for research, development, and testing.
- The growing health-conscious middle class is driving new supply chains for locally and regionally sourced seafood and medicinal mushrooms.
- The rapidly expanding aquaculture industry is creating the need for new fish feeds and technologies to boost production.
- Potential growth of Fungi Perfecti’s distribution operations, specifically in the mushroom extract supplement market.

SHELTON’S ADVANTAGES

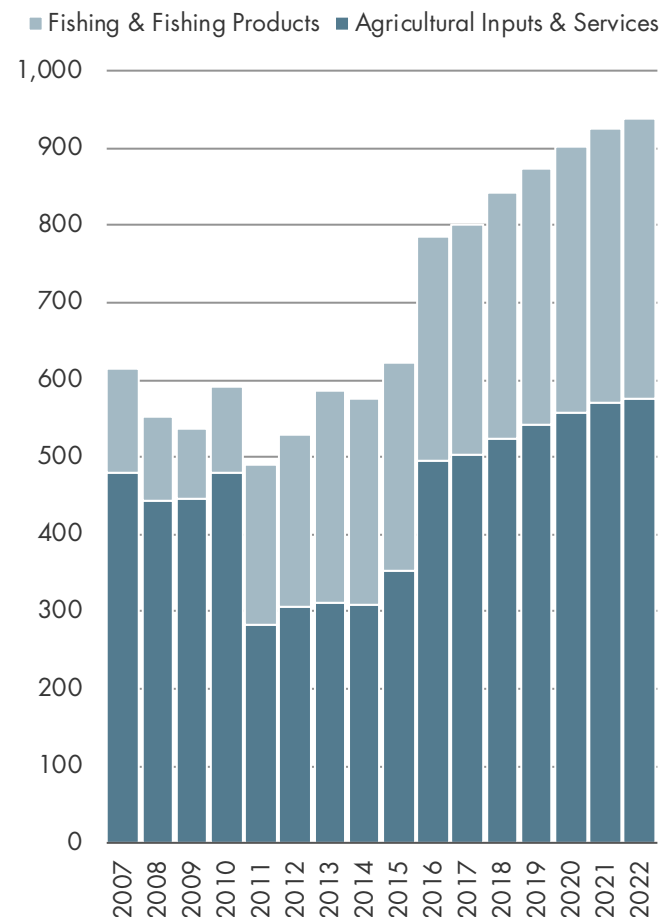
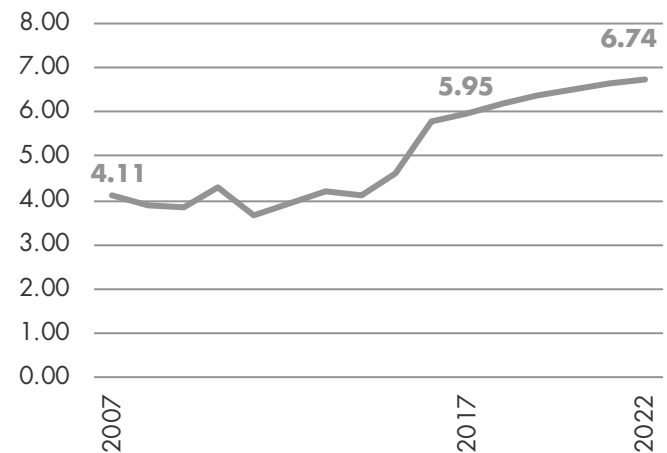
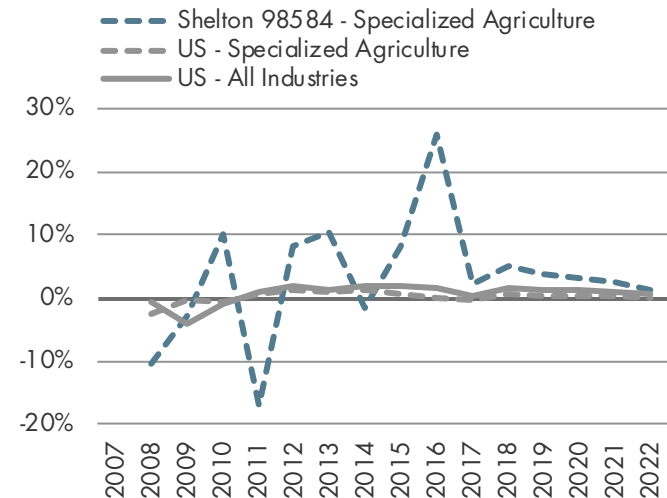
- Wealth of natural water resources in the area.
- Strong regional talent pool.
- Washington State University Mason County Extension’s shellfish farm map and website, which can be used to promote the industry to business prospects.
- Success and knowledge base of fungi and cannabis producers and processors in the area.
- Fungi Perfecti’s 20 years in business and largest library of mushroom spores in the world.
- Current lobbying efforts for cannabis revenue retention.
- Infrastructure quality and capacity.

TARGET SNAPSHOT

SHELTON 98584	TOTAL	TARGET
2016 Establishments*	1,319	48
2017 Employment	11,427	801
Net Chg., 2007-2017	-888	+186
Pct. Chg., 2007-2017	-7.2%	+30.3%

EMPLOYMENT OUTLOOK

US OVERALL	TOTAL	TARGET
Net Chg., 2017-2022	+9,492,023	+35,604
Pct. Chg., 2017-2022	+6.0%	+1.9%
SHELTON 98584	TOTAL	TARGET
Net Chg., 2017-2022	+880	+138
Pct. Chg., 2017-2022	+7.7%	+17.2%

TARGET COMPONENTS**ANNUAL EMPLOYMENT****TARGET CONCENTRATION****LOCATION QUOTIENT TREND****TARGET GROWTH****ANNUAL % CHANGE IN EMPLOYMENT****KEY FOCUS AREAS**

NAICS	DESCRIPTION
111000	Crop Production
112000	Animal Production
114112	Shellfish Fishing
311710	Seafood Product Preparation and Packaging

Sources: US Bureau of Labor Statistics; Emsi 2018.1—QCEW Employees, Non-QCEW Employees, and Self-Employed; Institute for Strategy and Competitiveness at Harvard Business School; TIP Strategies.

Note: The cluster methodology developed at Harvard Business School has been adjusted by TIP Strategies to align with the six-digit NAICS classifications used by Emsi.

*The count of business establishments is for Mason County overall. All other figures are for Shelton's ZIP code 98584.

INDUSTRY INTELLIGENCE, NETWORKING, AND RESOURCES

SPECIALIZED AGRICULTURE	
TRADE ASSOCIATIONS	
Northwest Mushroomers Association	www.northwestmushroomers.org
North American Mycological Association	www.namyco.org
World Aquaculture Society	www.was.org
Northwest Fisheries Association	www.northwestfisheries.org
The Washington Fish Growers Association	www.wfga.net
Pacific Coast Shellfish Growers Association	pcsga.org
National Cannabis Industry Association	thecannabisindustry.org
American Trade Association for Cannabis and Hemp	atach.org
Washington Cannabusiness Association	www.wacannabusiness.org
Western Regional Cannabis Business Alliance	wrcba.org
TRADE PUBLICATIONS	
<i>Journal of the World Aquaculture Society</i>	onlinelibrary.wiley.com/journal/17497345
<i>Aquaculture North America</i>	www.aquaculturenorthamerica.com
<i>FUNGI Magazine</i>	www.fungimag.com
<i>The Mycophile</i>	www.namyco.org/mycophile.php
<i>CannaBiz Journal</i>	www.cannabizjournal.com
<i>Cannabis Industry Journal</i>	www.cannabisindustryjournal.com

Source: TIP Strategies.

CANNABIS

*Cannabis is a broad term that can be used to describe organic products (e.g., cannabinoids, marijuana, hemp) derived from the Cannabis sativa plant. These various forms are used for a number of different purposes (e.g., medical, industrial, recreational). Given its broad potential, the blanket term "cannabis" has been adopted as the standard terminology within scientific and scholarly communities.**

#3

Washington's rank among US states in job postings mentioning the word "cannabis" in contexts unrelated to mandatory drug testing.

THE POLICY LANDSCAPE OF CANNABIS

The legacy of Schedule 1. The most stringent classification under the 1970 US Controlled Substances Act, Schedule 1, designates a substance with high potential for abuse and no accepted medical use. The US Drug Enforcement Administration (DEA) historically classifies cannabis as Schedule 1.

Enter Epidiolex. In June 2018, Epidiolex became the first drug derived from cannabis to be approved by the US Food & Drug Administration (FDA). This approval created a classification discrepancy under the Controlled Substances Act, which the DEA must address within 90 days of the FDA approval. The DEA is widely expected to leave cannabis, in general, unchanged at Schedule 1—implying no medicinal use—while more narrowly rescheduling cannabidiol (CBD) as a non-intoxicating compound of cannabis used to produce Epidiolex.

A web of state legal frameworks. As of mid-2018, 31 states allow comprehensive medical marijuana programs. Policies in another 15 states outline a more limited medical framework and are not considered comprehensive programs.

WHO ARE SOME OF THE MAJOR INVESTORS?

FIRM	HQ
Casa Verde Capital	West Hollywood (CA)
Poseidon Asset Management	San Francisco (CA)
Tuatara Capital	New York (NY)
iAnthus Capital Holdings	New York (NY)
Presidio View Capital	San Francisco (CA)
Arcadian Fund	Beverly Hills (CA)
Hypur Ventures	Scottsdale (AZ)

WHAT INSTITUTIONS ARE ACTIVE IN RESEARCH?

- ▶ Univ. of Mississippi, Ntl. Ctr. for Natural Products Research
- ▶ Northeastern University, Center for Drug Discovery
- ▶ Colorado State Univ.-Pueblo, Institute of Cannabis Research
- ▶ UC San Diego, Center for Medicinal Cannabis Research
- ▶ UCLA, Cannabis Research Initiative
- ▶ Institute for Research on Cannabinoids (Colorado Springs, CO)
- ▶ Humboldt State Univ., Humboldt Inst. for Interdisciplinary Marijuana Research
- ▶ Hebrew Univ., Multidisciplinary Ctr. on Cannabinoid Research

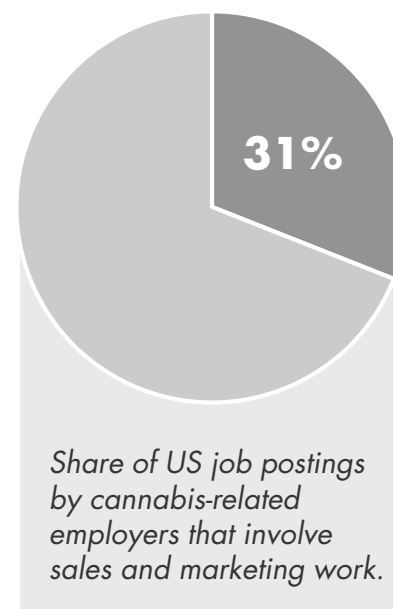
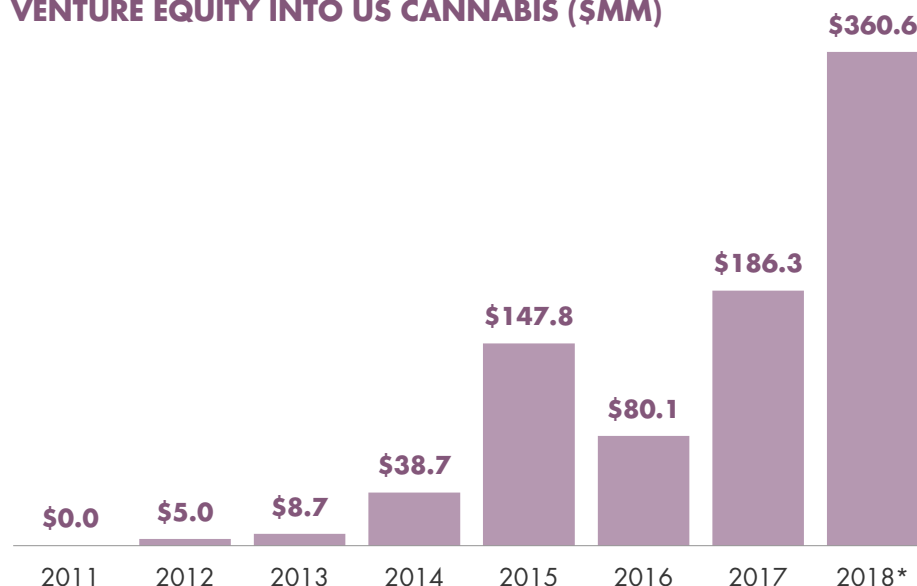
HAVE ANY STRATEGIC CANNABIS ACQUISITIONS OCCURRED RECENTLY?

ACQUIRING FIRM	ACQUISITION TARGET	ANNOUNCED	PRICE (\$MM)
Aurora Cannabis	MedReleaf	2018	\$2,499.2
Aphria Inc.	Nuvera	2018	\$669.4
Canopy Growth	Mettrum Ltd.	2016	\$430.0
Aphria Inc.	Broken Coast Cannabis	2018	\$230.0
Canopy Growth	Hiku Brands	2018	\$205.6
Aurora Cannabis	Anandia Labs	2018	\$115.0
Oreva Capital	High Times	2017	\$42.0
Cannex Capital Group	Jetty Extracts	2018	\$30.0
MMJ PhytoTech	MMJ Bioscience Inc	2015	\$24.4
Canadian Cannabis Corp	The Hydropothecary Corp	2015	\$21.3
MPX Bioceutical	Canveda	2018	\$18.0
iAnthus Capital Holdings	Valley Agriceuticals	2017	\$17.3

*National Academies of Sciences, Engineering, and Medicine, "The Health Effects of Cannabis and Cannabinoids: The Current State of Evidence and Recommendations for Research." Washington, DC: The National Academies Press, January 2017, p. 38.

Sources: National Academies of Sciences, Engineering, and Medicine; STAT; National Conference of State Legislatures; Crunchbase; fDi Markets; CEB TalentNeuron; TIP Strategies.

VENTURE EQUITY INTO US CANNABIS (\$MM)



Highly sought-after "hard skills" in job postings for cannabis-related work —
CUSTOMER RELATIONSHIP MGMT., QUALITY CONTROL & ASSURANCE

WHICH EMERGING STARTUPS ARE AMONG THE BEST FUNDED?

STARTUP	FOUNDED	HEADQUARTERS	EQUITY FUNDING (\$MM)
Privateer Holdings	2011	Seattle (WA)	\$182.0
Aphria Inc.	2013	Leamington (ON), Canada	\$79.8
Aurora Cannabis	2013	Cremona (AB), Canada	\$69.0
Eaze	2014	San Francisco (CA)	\$51.5
Kush Bottles	2010	Garden Grove (CA)	\$42.0
CannTrust	2013	Vaughan (ON), Canada	\$29.3
Canopy Growth	2014	Smiths Falls (ON), Canada	\$26.0
Surterra Holdings Inc.	2014	Atlanta (GA)	\$25.3
Flow Kana	2014	San Francisco (CA)	\$22.5
MJardin Group	2012	Denver (CO)	\$20.0

HAVE THERE BEEN ANY NOTABLE CROSS-STATE OR FOREIGN INVESTMENTS?

FIRM	HEADQUARTERS	DESTINATION	YEAR	JOBS	CAPEX (\$MM)
AmeriCann	Denver (CO)	Freetown (MA)	2016	134	\$76.6
Cannabis Science	Irvine (CA)	Lincoln County (NV)	2016	134	\$76.6
Kush Bottles	Garden Grove (CA)	Woodinville (WA)	2016	30	\$7.5
Cannabis Science	Colorado Springs (CO)	Irvine (CA)	2016	163	\$44.6
Iron Laboratories	Walled Lake (MI)	Eugene (OR)	2015	4	\$1.7
Steep Hill Labs	Berkeley (CA)	Albuquerque (NM)	2015	103	\$8.8

Sources: National Academies of Sciences, Engineering, and Medicine; STAT; National Conference of State Legislatures; Crunchbase; fDi Markets; CEB TalentNeuron; TIP Strategies.



HOSPITALITY AND TOURISM

Shelton is rich with scenic, cultural, and recreational amenities that draw visitors from all over the world. Hospitality and tourism continue to attract a great deal of interest from the Shelton community, and an emphasis on tourism makes sense given the City's and region's many assets.

The hospitality and tourism sector presents opportunities to diversify and enhance Shelton's economy. Hospitality and tourism is a traded sector, meaning it pulls in revenue from outside the City, injecting new dollars into the tax and wage base. Hospitality and tourism creates small business development opportunities and offers employment options for younger workers. In addition, the sector can play a role in recruiting and retaining talent by raising awareness of a region among visitors who might later become residents, start families, and establish businesses in Shelton. Well-coordinated tourism promotion can also garner positive media exposure, which can dramatically enhance a community's overall brand. This can, in turn, raise the profile of a region and help to change perceptions of an area (among both internal and external audiences).

The hospitality and tourism sector includes the component clusters of cultural and educational entertainment, spectator sports, tourism-related services, other tourism attractions, and amusement parks and arcades. The sector's establishment employment (i.e., jobs located in Shelton) was nearly 130 in 2017, according to the latest data available. Employment in both component clusters grew significantly from 2007 to 2017 (at just under 20 percent) and is projected to grow by over 20 percent between 2017 and 2022. Industry concentration (LQ) has experienced an upward trend since 2007 and is projected to continue to grow through 2022.

MARKET OPPORTUNITIES

- Community events (e.g., Ridge Motorsports Park, Forest Fest, OysterFest) will draw thousands of new visitors to the region for years to come.
- Growing interest in "experiential tourism," based on tailor-made tours of unique and authentic destinations. This trend fits with Shelton's location and proximity to recreational opportunities.
- Potential to link tourism assets with assets in nearby regions (e.g., via Explore Hood Canal) to create wayfinding opportunities for visitors.
- Partner with the Squaxin Tribe to explore opportunities to develop a hotel and/or retail in downtown Shelton.

SHELTON'S ADVANTAGES

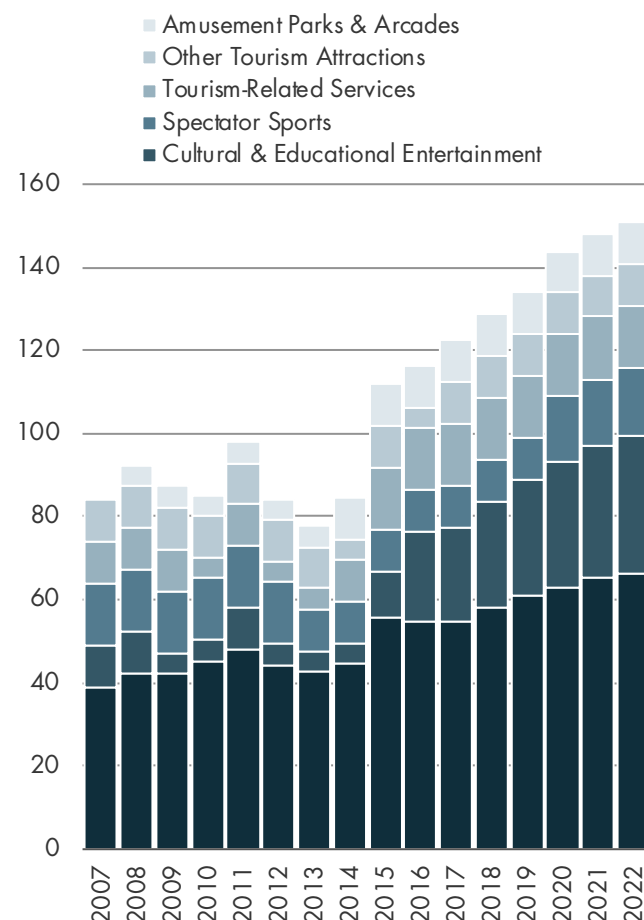
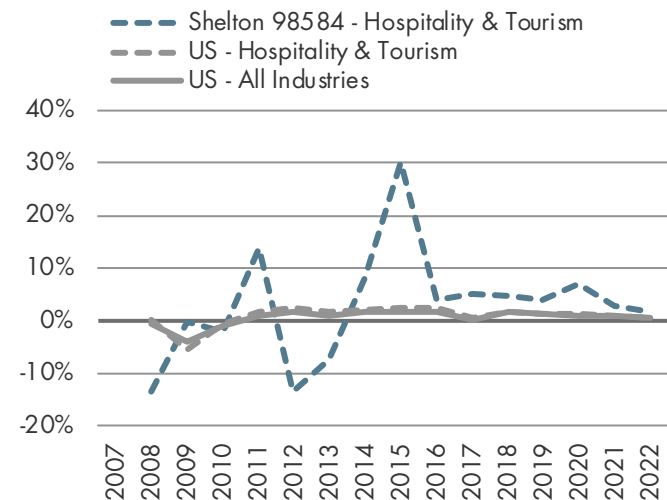
- A diversity of scenic, cultural, and recreational amenities and opportunities within close proximity (e.g. kayaking, hiking, SCUBA, sailing, camping, fishing, gaming, birding).
- Proximity to well-regarded tourist destinations (e.g., Little Creek Casino Resort, Salish Cliffs Golf Club, Ridge Motorsports Park, Skydive Kaposwin, Oakland Bay Marina, Alderbrook Resort).
- Access to a growing population of nearly 4 million residents in Puget Sound metro areas and nearly 1.9 million residents within a 90-minute drive.
- Location within a thriving regional culinary scene, including wineries, and craft breweries and distilleries.
- Highway access along 101 and other major highways connecting the area to two large metropolitan areas.
- Sanderson Field airport access.

TARGET SNAPSHOT

SHELTON 98584	TOTAL	TARGET
2016 Establishments*	1,319	23
2017 Employment	11,427	128
Net Chg., 2007-2017	-888	+21
Pct. Chg., 2007-2017	-7.2%	+19.5%

EMPLOYMENT OUTLOOK

US OVERALL	TOTAL	TARGET
Net Chg., 2017-2022	+9,492,023	+222,782
Pct. Chg., 2017-2022	+6.0%	+6.8%
SHELTON 98584	TOTAL	TARGET
Net Chg., 2017-2022	+880	+28
Pct. Chg., 2017-2022	+7.7%	+22.2%

TARGET COMPONENTS**ANNUAL EMPLOYMENT****TARGET CONCENTRATION**
LOCATION QUOTIENT TREND**TARGET GROWTH****ANNUAL % CHANGE IN EMPLOYMENT****KEY FOCUS AREAS**

NAICS	DESCRIPTION
712110	Museums
721110	Hotels (except Casino Hotels) and Motels

Sources: US Bureau of Labor Statistics; Emsi 2018.1—QCEW Employees, Non-QCEW Employees, and Self-Employed; Institute for Strategy and Competitiveness at Harvard Business School; TIP Strategies.

Note: The cluster methodology developed at Harvard Business School has been adjusted by TIP Strategies to align with the six-digit NAICS classifications used by Emsi.

*The count of business establishments is for Mason County overall. All other figures are for Shelton's ZIP code 98584.

INDUSTRY INTELLIGENCE, NETWORKING, AND RESOURCES

HOSPITALITY AND TOURISM	
TRADE ASSOCIATIONS	
U.S. Travel Association	www.ustravel.org
American Hotel & Lodging Association	www.ahla.com
Washington Hospitality Association	wahospitality.org
Washington Tourism Alliance	watourismalliance.com
TRADE PUBLICATIONS	
<i>Washington Hospitality</i>	wahospitality.org/news/magazine
<i>Journal of Tourism & Hospitality</i>	www.omicsonline.org/tourism-hospitality.php
<i>Journal of Hospitality & Tourism Research</i>	journals.sagepub.com/home/jht
<i>Tourism Management</i>	www.journals.elsevier.com/tourism-management
<i>International Journal of Hospitality Management</i>	www.journals.elsevier.com/international-journal-of-hospitality-management

Source: TIP Strategies.



RETAIL

Brick-and-mortar retail is in the throes of change due to the growth of online retail. Nonetheless, retail developments remain critical to communities, because they exude a certain quality of life, add tax dollars to the community, and help attract other developments to the market. Significant or unique retail developments often become an important part of a community’s image and reputation, and attract people from multiple locations. Retail trade also plays an important role in a successful tourism program.

The City of Shelton funded a separate retail study completed by The Retail Coach. The intent of that study was to provide a better understanding of Shelton’s retail opportunities and provide a foundation for attracting new retail development. The TIP consulting team worked in collaboration with The Retail Coach to understand Shelton’s strengths and opportunities in this sector.

In the context of this analysis, the retail sector includes the component clusters of local hospitality establishments, local retailing of clothing and general merchandise, local food and beverage processing and distribution, and local household goods and services. The sector’s establishment employment (i.e., jobs located in Shelton) was over 600 in 2017, according to the latest data available. Employment in component clusters increased modestly from 2007 to 2017 (at nearly 3 percent) but is projected to grow nearly 10 percent between 2017 and 2022. Industry concentration (LQ) has increased since 2007 and is projected to steadily rise through 2022.

MARKET OPPORTUNITIES	SHELTON’S ADVANTAGES
<ul style="list-style-type: none">• The current movement to revitalize aging downtowns presents opportunities for the retail sector.• Demographic changes (e.g., aging and migration) are leading to rapid growth in specific market segments.	<ul style="list-style-type: none">• Third largest industry sector in terms of employment in 2017.• Largest projected growth between 2017 and 2022.• An above-average industry concentration (LQ).• Stable traded industry sectors to support retail development.• Existing planned retail developments (e.g., Shelton Hills).• Downtown development potential.• Geographic location; quality and proximity of transportation assets.

TARGET SNAPSHOT

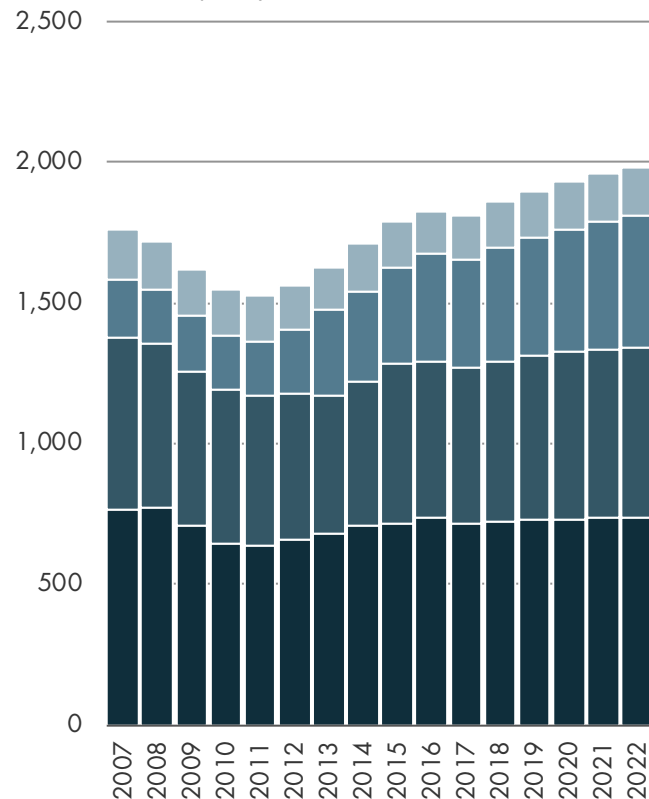
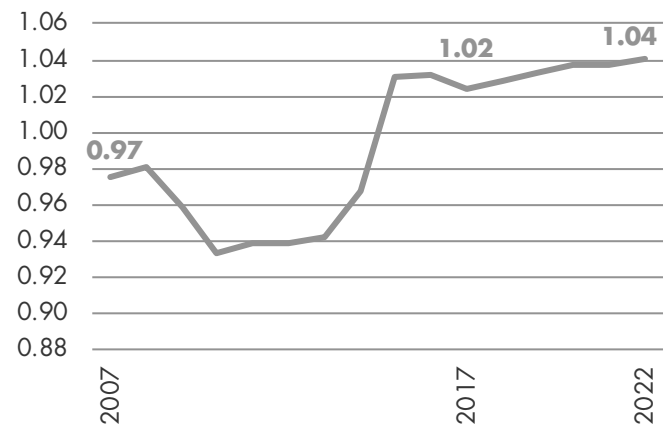
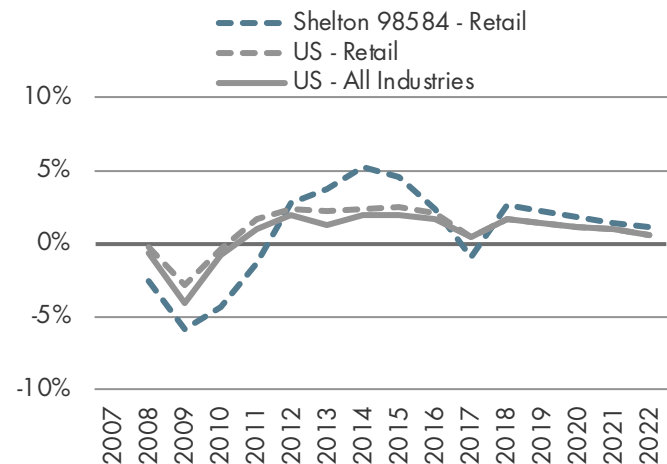
SHELTON 98584	TOTAL	TARGET
2016 Establishments*	1,319	201
2017 Employment	11,427	1,812
Net Chg., 2007-2017	-888	+48
Pct. Chg., 2007-2017	-7.2%	+2.7%

EMPLOYMENT OUTLOOK

US OVERALL	TOTAL	TARGET
Net Chg., 2017-2022	+9,492,023	+1,428,169
Pct. Chg., 2017-2022	+6.0%	+5.8%
SHELTON 98584	TOTAL	TARGET
Net Chg., 2017-2022	+880	+169
Pct. Chg., 2017-2022	+7.7%	+9.3%

TARGET COMPONENTS**ANNUAL EMPLOYMENT**

- Local Household Goods & Services
- Local Food & Beverage Processing & Distribution
- Local Retailing of Clothing & Gen. Merchandise
- Local Hospitality Establishments

**RETAIL TARGET CONCENTRATION****LOCATION QUOTIENT TREND****TARGET GROWTH****ANNUAL % CHANGE IN EMPLOYMENT****KEY FOCUS AREAS**

NAICS	DESCRIPTION
311811	Retail Bakeries
444220	Nursery, Garden, and Farm Supply Stores
445220	Fish and Seafood Markets
445230	Fruit and Vegetable Markets
445299	All Other Specialty Food Stores
445310	Beer, Wine, and Liquor Stores
611620	Sports and Recreation Instruction
713940	Fitness and Recreational Sports Centers
722330	Mobile Food Services
722410	Drinking Places (Alcoholic Beverages)
722511	Full-Service Restaurants
722515	Snack and Nonalcoholic Beverage Bars

Sources: US Bureau of Labor Statistics; Emsi 2018.1—QCEW Employees, Non-QCEW Employees, and Self-Employed; Institute for Strategy and Competitiveness at Harvard Business School; TIP Strategies.

Note: The cluster methodology developed at Harvard Business School has been adjusted by TIP Strategies to align with the six-digit NAICS classifications used by Emsi.

*The count of business establishments is for Mason County overall. All other figures are for Shelton's ZIP code 98584.

INDUSTRY INTELLIGENCE, NETWORKING, AND RESOURCES

RETAIL	
TRADE ASSOCIATIONS	
Washington Retail Association	retailassociation.org
National Retail Federation	nrf.com
Retail Industry Leaders Association	www.rila.org
North American Retail Dealers Association	www.narda.com
TRADE PUBLICATIONS	
<i>Journal of Retailing</i>	www.journals.elsevier.com/journal-of-retailing
<i>International Journal of Retail & Distribution Management</i>	www.emeraldinsight.com/journal/ijrdm
STORES	
<i>Retail Leader</i>	retailleader.com
<i>TotalRetail</i>	www.mytotalretail.com
<i>Independent Retailer</i>	independentretailer.com

Source: TIP Strategies.



LIGHT INDUSTRIAL

The growing role of technology in all industries indicates the inevitable direction of virtually all manufacturing. Technology improvements are enabling process automation to become increasingly sophisticated, even in downstream industries. Consequently, new manufacturing operations do not create nearly the same number of jobs as more traditional, labor-intensive manufacturing that was common decades ago.

However, light industrial still makes sense as a target for Shelton. Shelton has numerous assets that make sporting goods and outdoor recreation a logical target industry, most notably its proximity to the Oakland Bay, Olympic National Park, and hike-bike trails. In addition to the natural and scenic amenities, the area contains a growing set of cultural amenities in the region. Moreover, Shelton has a significant opportunity to leverage its outdoor recreation assets to become a center for the production of related products, similar to the manner in which Portland and Seattle have developed companies and industries around sports and outdoor activities. For instance, Portland is a national leader in sporting and athletic goods manufacturing, largely driven by the Nike global headquarters.

The light industrial sector includes the component clusters of distribution & electronic commerce, food processing & manufacturing, recreational & small goods, and transportation & logistics. The sector’s establishment employment (i.e., jobs located in Shelton) was over 600 in 2017, according to the latest data available. Employment in both component clusters fell from 2007 to 2017 (at just over 15 percent) and is projected to grow over 5 percent between 2017 and 2022. Industry concentration (LQ) has decreased modestly since 2007 but is projected to remain constant through 2022.

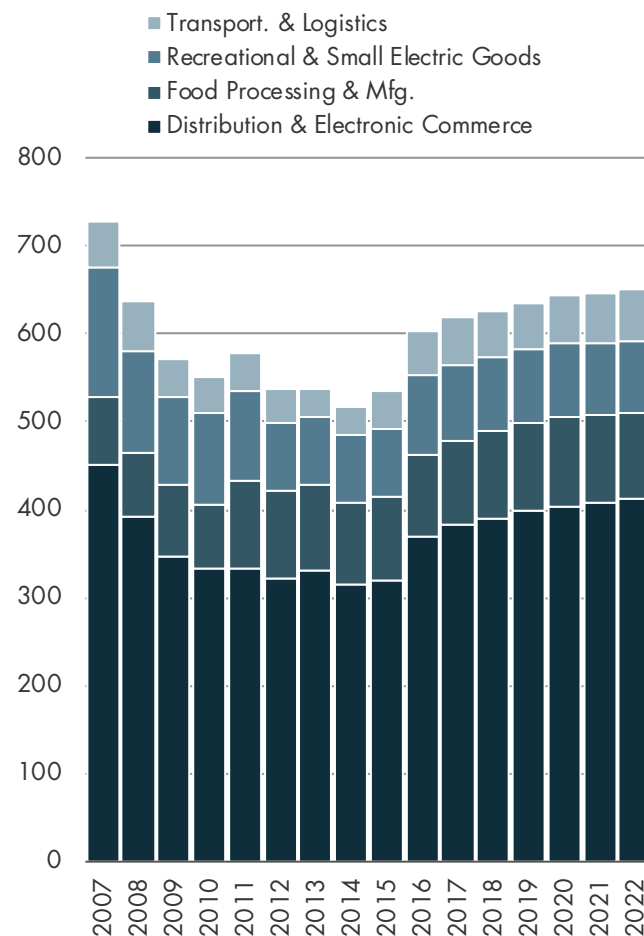
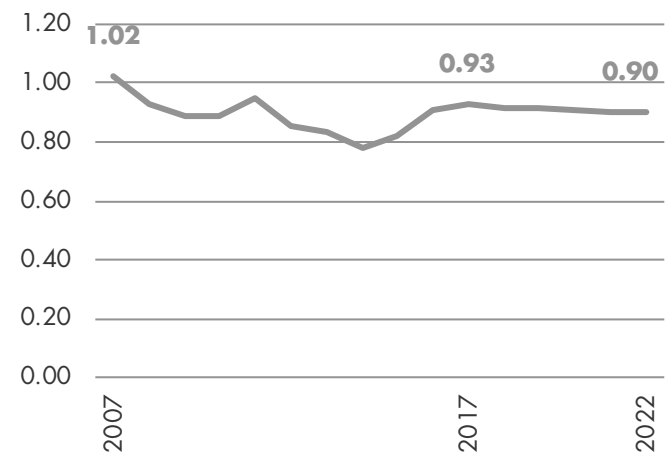
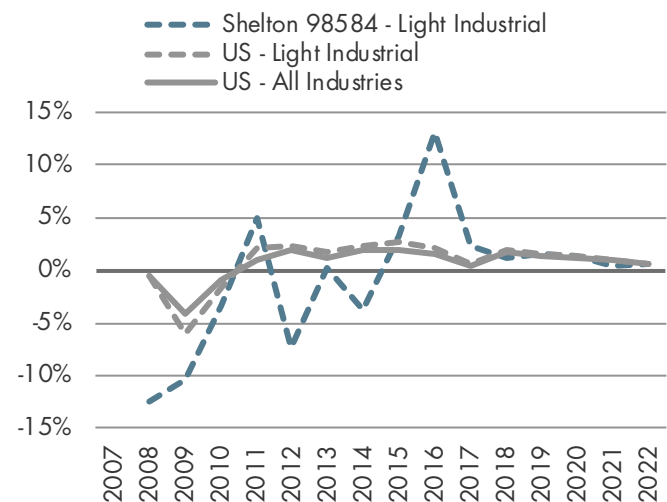
MARKET OPPORTUNITIES	SHELTON’S ADVANTAGES
<ul style="list-style-type: none">• Growth of sporting goods and outdoor recreation manufacturing nationwide.• Increasing convergence of digital technology (software and data analytics) in manufacturing.• Growing demand for US-made products, along with increased demands on transportation (just-in-time supply chain management) driving growth of domestic manufacturing.	<ul style="list-style-type: none">• Proximity to large, diverse cluster of manufacturing firms in the Puget Sound region.• Manufacturing was the fifth-highest ranked industry in terms of employment growth in Shelton in 2017, and is the second highest in terms of projected growth between 2017 and 2022.• Opportunity Zone status.• Sanderson Field Airport and Industrial Park.• Johns Prairie Industrial area.• Strong concentration of workers in production occupations in comparison to Mason County and the state.• Geographic location; quality and proximity of transportation assets.• Telecommunications and broadband development• Strong utilities (diamond level).

TARGET SNAPSHOT

SHELTON 98584	TOTAL	TARGET
2016 Establishments*	1,319	63
2017 Employment	11,427	618
Net Chg., 2007-2017	-888	-110
Pct. Chg., 2007-2017	-7.2%	-15.1%

EMPLOYMENT OUTLOOK

US OVERALL	TOTAL	TARGET
Net Chg., 2017-2022	+9,492,023	+621,502
Pct. Chg., 2017-2022	+6.0%	+6.7%
SHELTON 98584	TOTAL	TARGET
Net Chg., 2017-2022	+880	+32
Pct. Chg., 2017-2022	+7.7%	+5.2%

TARGET COMPONENTS**ANNUAL EMPLOYMENT****TARGET CONCENTRATION****LOCATION QUOTIENT TREND****TARGET GROWTH****ANNUAL % CHANGE IN EMPLOYMENT****KEY FOCUS AREAS**

NAICS	DESCRIPTION
311423	Dried and Dehydrated Food Manufacturing
339920	Sporting and Athletic Goods Manufacturing
424460	Fish and Seafood Merchant Wholesalers
424930	Nursery and Florist Supplies Wholesalers
424990	Misc. Nondurable Goods Wholesalers
454110	Electronic Shopping and Mail-Order Houses
481212	Nonscheduled Freight Air Transportation
493110	General Warehousing and Storage

Sources: US Bureau of Labor Statistics; Emsi 2018.1—QCEW Employees, Non-QCEW Employees, and Self-Employed; Institute for Strategy and Competitiveness at Harvard Business School; TIP Strategies.

Note: The cluster methodology developed at Harvard Business School has been adjusted by TIP Strategies to align with the six-digit NAICS classifications used by Emsi.

*The count of business establishments is for Mason County overall. All other figures are for Shelton's ZIP code 98584.

INDUSTRY INTELLIGENCE, NETWORKING, AND RESOURCES

MANUFACTURING	
TRADE ASSOCIATIONS	
Manufacturing Industrial Council	seattleindustry.org
National Association of Manufacturers	www.nam.org
Fabricators & Manufacturers Association, International	www.fmanet.org
The Association for Manufacturing Technology	www.amtonline.org
Society of Manufacturing Engineers	www.sme.org
TRADE PUBLICATIONS	
<i>Manufacturing Today</i>	www.manufacturing-today.com
<i>Journal of Manufacturing Processes</i>	www.journals.elsevier.com/journal-of-manufacturing-processes
<i>Manufacturing Global</i>	www.manufacturingglobal.com
<i>IndustryWeek</i>	www.industryweek.com
<i>The Manufacturer</i>	www.themanufacturer.com
<i>Assembly</i>	www.assemblymag.com

Source: TIP Strategies.

APPENDIX 5. IMPLEMENTATION MATRIX

★ = least priority

★★★ = moderate priority

★★★★★ = highest priority

	PRIORITY	POTENTIAL PARTNERS	TIMEFRAME			
			Ongoing	Next 12 mo.	1 to 3 years	3 to 5 years
GOAL 1: CITY ECONOMIC DEVELOPMENT PROGRAMS						
Strategy 1.1. Business retention and expansion (BRE)						
1.1.1. Establish a local business visitation program, whereby City economic development staff meet one-on-one with local employers, ensuring business needs are being heard and addressed.	★★★★★	EDC, Chamber		●		
1.1.2. Structure local business visits to achieve several outcomes, including education, data collection, risk management, and testimonial collection.	★★★★★	EDC, Chamber	●	●		
1.1.3. Build an understanding of the major employers within each of the City's target industries and their corresponding emerging opportunities.	★★★★★	EDC, Chamber		●		
1.1.4. Given the City's limited economic development resources, identify and incorporate additional BRE outreach partners for increased collaboration, resource sharing, and reach.	★★★★★	EDC, Chamber		●		
1.1.5. Identify local companies with the potential for a major expansion. Utilize publicly available information (e.g. news sources, Google Alerts, a Dun & Bradstreet Hoover's subscription) and partner research to aid in pinpointing these firms.	★★★★★	EDC, Chamber		●		
1.1.6. Identify local companies at risk of losing growth momentum, relocating, or downsizing (e.g. because of a recent merger or acquisition event).	★★★★★	EDC, Chamber	●	●		
1.1.7. Establish annual performance metrics for meeting with companies.	★★★★★	EDC, Chamber		●		
Strategy 1.2. Economic development and workforce partnerships						
1.2.1. Evaluate and prioritize various initiatives that support economic development within the City and region. Determine the appropriate level of city support (including worker hours and/or financial contributions) and structure City resources to support these activities accordingly.	★★★★★	City leadership	●	●		

	PRIORITY	POTENTIAL PARTNERS	TIMEFRAME			
			Ongoing	Next 12 mo.	1 to 3 years	3 to 5 years
1.2.2. Partner with regional economic development organizations to support local entrepreneur, small business, and workforce development programs and efforts.	★★★★★	EDC, Chamber, WDC	●	●		
Strategy 1.3. External Marketing						
1.3.1. Coordinate a consistent and unified brand, marketing theme, and campaign that coordinates with the messaging of the EDC, Chamber of Commerce, downtown associations, and community events committees.	★★★★★	EDC, Chamber, downtown orgs	●	●		
1.3.2. Promote the city's brand to key decision-makers in the Puget Sound region, state, and additional spheres of influence.	★★★★★	N/A	●		●	
1.3.3. Place a high priority on expanding the economic development section of the city's website.	★★★★★	City leadership	●	●		
1.3.4. Regularly (quarterly or annually) create talking points for City leaders and partner organizations that highlight positive developments in Shelton, success stories, and why it is a desirable place to visit, live, work, and invest.	★★★★★	EDC, Chamber	●	●		
1.3.5. Actively project a positive image of Shelton as a location for business through online and social media channels, such as the City's Wikipedia page. <i>This is an important, but often overlooked, facet of economic development marketing, because many prospective business executives and relocation workers use Wikipedia and other online sources as their starting point for researching a community before they make a visit.</i>	★★★★★	EDC, Chamber, Mason Transit	●	●		
Strategy 1.4. Resources						
1.4.1 Commit additional financial and human resources to the City's economic development program.	★★★★★	City leadership		●		
Strategy 1.5. Measurable Outcomes						
GOAL 2. ECONOMIC DEVELOPMENT COMMITTEE						
Strategy 2.1. Membership						
2.1.1. Designate the standing committee members.	★★★★★	City leadership		●		
2.1.2. Allocate a select number of membership spots for the general public. Allow interested residents to apply for open seats.	★★★★★	City leadership	●	●		

	PRIORITY	POTENTIAL PARTNERS	TIMEFRAME			
			Ongoing	Next 12 mo.	1 to 3 years	3 to 5 years
Strategy 2.2 Role						
2.2.1. Characterize the committee's primary purpose as a provision of advisement and accountability regarding economic development strategic plan implementation activities. The group should recommend priorities and establish a means to progress on measurable outcomes.	★★★★★	City leadership		●		
2.2.2. Describe the committee's secondary purpose as a forum for the coordination of information among entities identified as having economic development roles. As a part of ongoing discussions, ensure that there are no gaps or redundancies in economic development service provisions among partner organizations.	★★★★★	City leadership		●		
2.2.3. Emphasize that the committee operates as an advisory board and is nonpartisan (in all internal and external communications).	★★★★★	City leadership		●		
2.2.4. At a minimum, meet monthly at Shelton City Hall. Meet more frequently if warranted. Ensure meetings are open to the public if required by City ordinance.	★★★★★	City leadership	●			
2.2.5. The committee chair should report annually to the City Council on committee discussions and advisement.	★★★★★	City leadership	●			
Strategy 2.3. Issues-based approach. Keep the meetings as informal as possible. Conduct an open dialogue with committee members regarding their views about the most important economic development issues that are facing Shelton.	★★★★★	N/A	●			
Strategy 2.4. Topics and messaging.						
2.4.1. City economic development staff should provide an update of all activities at each meeting.	★★★★★	N/A	●			
2.4.2. Ensure committee members are regularly updated on local economic development news and activities, so they can serve as ambassadors in the community. Provide talking points on a regular basis.	★★★★★	Multiple	●			
GOAL 3. INTERNAL MARKETING						
Strategy 3.1. Communication Tools						
3.1.1. Implement a quarterly electronic newsletter that highlights economic development achievements, department news, new projects, existing project updates, and various community events.	★★★★★	City staff	●		●	

	PRIORITY	POTENTIAL PARTNERS	TIMEFRAME			
			Ongoing	Next 12 mo.	1 to 3 years	3 to 5 years
3.1.2. Tell stories of Shelton's success via multiple social media channels to instill community pride.	★★★★	City staff	●		●	
3.1.3. Unify internal messaging among partner organizations.	★★★★	Name	●		●	
3.1.4. Promote a positive perception and a greater community pride among Shelton residents through a strong partnership with the <i>Shelton-Mason County Journal</i> and other local media outlets, including public radio (e.g. iFIBER One News), community websites, and social media outlets.	★★★★	All	●		●	
3.1.5. Leverage local events to continue building civic pride and culture (e.g. OysterFest, Forest Festival, Community & Business Expo, and Bite of Mason County).	★★★	All	●		●	
Strategy 3.2. Education						
3.2.1. Utilize the language from this plan's vision statement and guiding principles to help residents envision Shelton's potential economic growth	★★★★	City staff		●		
3.2.2. Inform Shelton residents about the City's expanded role in economic development and how this effort is important to the City's future vitality.	★★★★★	All		●		
3.2.3. Ensure internal audiences have an adequate understanding of the City's strategic assets by communicating the many strengths and opportunities identified in this plan's SWOT analysis.	★★★★	City staff			●	
3.2.4. Position the City as a local resource for the most current quantitative and qualitative data on the City's economy. The economic development department should take a lead role in sourcing and maintaining this data.	★★★	City staff	●		●	
3.2.5. Celebrate current and future investments in place-based assets, such as the YMCA and the water treatment facility.	★★★★★	All	●			
Strategy 3.3. Buy local campaign. In coordination with the chamber and local businesses, institute a buy local campaign to foster solidarity within the community and help local businesses network and grow.	★★★	Chamber			●	
GOAL 4. PLACE AND TALENT						
Strategy 4.1. Real estate development						
4.1.1. Develop a system to educate businesses, developers, and brokers about real estate development and redevelopment opportunities available within the City.	★★	Local real estate community	●			●

	PRIORITY	POTENTIAL PARTNERS	TIMEFRAME			
			Ongoing	Next 12 mo.	1 to 3 years	3 to 5 years
4.2.1. Expand the city's stock of diverse housing options.	★★★★	Local real estate community	●			●
Strategy 4.2. Downtown development and redevelopment						
4.2.1 Continue to execute on the recommendations of the Downtown Shelton Visioning plan.	★★★★★	Downtown partners	●			
4.2.2. Develop and investment brochure (electronic and print) for downtown that features a map with available parcels and redevelopment opportunities, key data and statistics, overview of public investment, available incentives, and photographs that highlight new investment and potential investments.	★★	Name				●
4.2.3. Evaluate possible tools to induce investment in downtown, including multifamily tax exemptions, a storefront improvement program, downtown zoning and design standards, comprehensive environmental impact review, and excess water treatment capacity.	★★★	Downtown partners	●		●	
4.2.4. Leverage local, regional, and state assets and tools to establish a local main street program or downtown improvement district to assist in revitalizing downtown Shelton	★★★★★	Downtown partners			●	
4.2.5. Institute a façade improvement program to preserve and enhance the exterior visual appeal of downtown properties. Establish a City-sponsored fund to be awarded annually to downtown property owners for the express purpose of strategic physical improvements.	★★★	Downtown partners			●	
4.2.6. Improve the visibility of downtown Shelton from US highway 101.	★★★★★	Downtown partners		●		
4.2.7. Continue to align efforts with various regional groups to support downtown development.	★★★	All			●	
Strategy 4.3. Talent						
4.3.1. Engage the Mason Transit Authority to take a lead role in the effort.	★★★	Mason Transit				●
4.3.2. Partner with local high schools, Olympic College, and their respective alumni associations. Ask if they are willing to distribute content (via digital media outlets) to their alumni contacts.	★★★	Mason Transit, Olympic College				●

	PRIORITY	POTENTIAL PARTNERS	TIMEFRAME			
			Ongoing	Next 12 mo.	1 to 3 years	3 to 5 years
4.3.3. Use various publicly available data tools to target areas of the country where there is a high graduate oversupply, and target audiences might be finding it difficult or highly competitive to find a job.	★★	Mason Transit, Olympic College				●
4.3.4. Locate former residents who grew up in the area who have in-demand job skills. Ensure these individuals are communicated with on a regular basis.	★★★	All			●	
4.3.5. Work with local employers whose employees live outside of Shelton. Share information about opportunities to live in the City.	★★★	Local employers			●	
4.3.6. Create linkages among community events that draw out-of-town visitors and talent attraction. Promote living and working in Shelton at these events.	★★★	City staff			●	
Strategy 4.4. Tourism						
4.4.1. Remain engaged with the Explore Hood Canal marketing coalition to jointly promote the region as a tourism destination.	★★★★★	Chamber, Explore Hood Canal	●	●		
4.4.2. Raise awareness among local retailers of tourism assets and events (e.g., promote the number of visitors to the Ridge Motorsports Park, OysterFest, and Forest Festival each year, and encourage retailers to tailor hours and offerings to specific events).	★★★★★	Chamber	●		●	
4.4.3. Promote the Ridge Motorsports Park as the Pacific Northwest's premier destination motorsports complex to internal and external audiences.	★★★★★	EDC, Chamber			●	
4.4.4. Raise the profiles of the Mason County Forest Festival and OysterFest to garner larger regional visibility. Explore linkages with target industry talent attraction.	★★★★★	EDC, Chamber			●	
Strategy 4.5. Regulation						
4.5.1. Ensure that the proper City resources are dedicated to enforcing code.	★★★★★	City leadership	●		●	
4.5.2. Help other City departments understand the vital role they play in economic development.	★★★★★	City staff	●	●		
4.5.3. Identify loan programs, home improvement programs, or home loan improvement programs to help keep up residential properties.	★★★	City staff	●			●
4.5.4. Conduct outreach to absentee homeowners to ensure their properties are maintained.	★★★	City staff	●		●	

	PRIORITY	POTENTIAL PARTNERS	TIMEFRAME			
			Ongoing	Next 12 mo.	1 to 3 years	3 to 5 years
4.5.5. Promote the proper maintenance of residential and commercial properties through internal marketing efforts.	★★★★★	City staff	●	●		
4.5.6. Evaluate creating an economic-development, committee-led “Keep Shelton Beautiful” campaign.	★★	All				●
Strategy 4.6. Infrastructure						
4.6.1. Tell the story of the new water treatment facility and the City’s commitment to investment that made it a reality.	★★★★★	All	●	●		
4.6.2. Promote investments in the Shelton school system (including the new bond program) and integrate testimonials in existing internal and external marketing communications.	★★★★★	All	●	●		
Strategy 4.7. Regional transportation						
4.7.1. Promote the Mason Transit Authority’s distinction as the premier rural mass transit system to both internal and external audiences.	★★★★★	All	●	●		
GOAL 5. INDUSTRY ATTRACTION						
Strategy 5.1. Strategies and Actions						
5.1.1. Cultivate a strong partnership with the EDC to support its business recruitment efforts for the City of Shelton. Respond quickly and effectively to incoming project leads and opportunities.	★★★★★	EDC	●	●		
5.1.2. In conjunction with the EDC, partner with the Washington State Department of Commerce to identify co-marketing opportunities and joint trade missions to strengthen Shelton’s lead generation network.	★★★★★	EDC, WA Commerce	●	●		
5.1.3. Work with regional economic development partners to build relationships with commercial and residential real estate developers, brokers, site location consultants, and other corporate real estate “influences” in the Seattle metro area and the state of Washington.	★★★★	Chamber, EDC	●		●	
5.1.4. Strengthen relationships with brokers, developers, and industry association in the metro area and create an education outreach program targeted at these groups to ensure that Shelton stays top of mind for business relocation. NAIOP (Commercial Real Estate Development Association), International Council of Shopping Centers	★★★★	All	●		●	

	PRIORITY	POTENTIAL PARTNERS	TIMEFRAME			
			Ongoing	Next 12 mo.	1 to 3 years	3 to 5 years
(ICSC), and Urban Land Institute (ULI) are important organizations in which to be actively involved.						
Strategy 5.2 Retail attraction. Execute on the recommendations of The Retail Coach study to attract targeted retail investment in the City.	★★★★★	Retail Coach, Chamber	●	●		
Strategy 5.3. Proximity to major markets						
5.3.1. Leverage Shelton’s community of business leaders and executives to reach target industry peers in their networks. Cultivate stronger relationships and keep them well-informed of Shelton’s strengths and resources available for economic development.	★★★★★	All	●	●		
5.3.2. Take advantage of the Seattle-Tacoma-Olympia metro’s position as a global destination for conferences. Follow the regional conference schedule and look for opportunities to meet with prospects while they attend conferences in the region.	★★★	All	●		●	
Strategy 5.4. Incentives. In coordination with the EDC, explore a set of available incentives to offer businesses that relocate to or expand in the City of Shelton.	★★★	EDC	●		●	

CITY OF SHELTON ECONOMIC DEVELOPMENT STRATEGIC PLAN

STAFFING & BUDGET RECOMMENDATIONS - YEAR 1

This strategic plan calls for an expansion of Shelton’s economic development efforts to capitalize on the City’s economic potential. Successful implementation will involve collaboration with the Chamber, Port, EDC, and a variety of other local and regional partners. It will also require full integration with all City departments. City staff should embrace a culture of “economic development is everyone’s job.” The consulting team believes this can be executed under the current organizational structure.

The City should act as the lead entity charged with promoting economic development in Shelton. Effective implementation of this plan will require an increase in the City’s economic development staff capacity and resources to guide the implementation of this plan, which includes a set of new economic development programs and projects.

The TIP consulting team recommends expanding the current half-time economic development position by 50% to create one full-time economic development position. A sample position description is below, followed by a breakdown of anticipated budget expenditures for the first year of implementation.

STAFF POSITION	OVERVIEW OF FUNCTIONS
Economic Development Manager	<ul style="list-style-type: none">• Responsible for all aspects of the City’s economic development program.• Cultivates and maintains relationships with local and regional economic development partners, property owners, brokers, real estate developers, and business owners.• Manages the economic development department’s budget in collaboration with City leadership• Develops marketing program and work plan to include events, promotions, and communications.• Develops content and manages operations for the EDC website and social media accounts.• Creates marketing materials to support target industry recruitment and business development efforts.• Provides economic development strategic guidance to City Leadership.• Conducts research and analysis as needed.• Prepares reports, proposals, and other documents.• Must have strong speaking, analytical, and writing skills with a solid understanding of economic development.

STRATEGY (IN ORDER OF PRIORITY)	DESCRIPTION	RESPONSIBLE PARTY	BUDGET ESTIMATE (ANNUAL BASIS)
Strategy 1.4.1.2.	Identify a full-time City economic development manager to lead implementation of the strategic plan.	City of Shelton	\$60,000–75,000 plus benefits
Strategy 1.3.3.	Place a high priority on expanding the economic development section of the City's website.	City of Shelton	\$11,400 (\$950/month retainer fee)
Strategy 3.1.1.	Implement a quarterly electronic newsletter that highlights economic development achievements, department news, new projects, existing project updates, and various community events.	City of Shelton	\$2,500
TOTAL			\$73,900–88,900 (excluding the manager's benefit package)



CITY OF SHELTON COUNCIL BRIEFING REQUEST (Agenda Item B2)

Touch Date: 11/13/18
Brief Date: 11/27/18
Action Date: **12/4/18**

Department: Public Works
Presented By: **Craig Gregory**

APPROVED FOR COUNCIL PACKET:

Action Requested:

ROUTE TO:

REVIEWED:

PROGRAM/PROJECT TITLE:
2019 Fee Schedule Update

☐ Ordinance

☒ Dept. Head

☒ Finance Director

☐ Attorney

☐ City Clerk

☐ City Manager

ATTACHMENTS:
Resolution 1141-1118
Exhibit A - Proposed Fee Schedule
with Changes

☒ Resolution

☐ Motion

☒ Other

DESCRIPTION OF THE PROGRAM/PROJECT AND BACKGROUND INFORMATION:

The City has created a Fee Schedule by resolution so that costs can be reviewed annually and fees can be updated to recover costs with little administrative burden.

Each department head has been contacted and was requested to review the current fee schedule and make any changes/adjustments as needed. The changes/additions are noted in red text on the attachment.

ANALYSIS/OPTIONS/ALTERNATIVES:

N/A

BUDGET/FISCAL INFORMATION:

See attached information for fee schedule changes.

PUBLIC INFORMATION REQUIREMENTS:

The adopted fee schedule will be posted to the City's website.

STAFF RECOMMENDATION/MOTION:

Staff requests feedback from the Council to allow a final proposed fee schedule to move forward during an upcoming Council meeting.

RESOLUTION NO. 1141-1118

**A RESOLUTION OF THE CITY OF SHELTON SUPERSEDING RESOLUTION #1139-1118,
THE CITY FEE SCHEDULE, REVISING FEES AND ADOPTING NEW FEES.**

WHEREAS, Shelton Municipal Code 3.01 allows fees to be fixed by resolution; and

WHEREAS, to the extent possible, the City desires to work toward establishment of all fees of an administrative nature by resolution in a document referred to as the fee schedule;

WHEREAS, to the extent possible, the City desires to recover its administrative costs of providing services to the public, costs above those already paid by taxpayer dollars;

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Shelton, Washington, as follows:

Section 1.

The City of Shelton adopts the fee schedule outlined in Attachment “A” together with Exhibits “A through F”.

Section 2.

This Resolution shall become effective on the first day of January, 2019.

INTRODUCED the 27th day of November, 2018.

APPROVED by the City Council of the City of Shelton, Mason County, Washington at a regular open public meeting held the 4th day of December, 2018, the following Councilmembers being present and voting in favor of this resolution.

ATTEST:

Mayor Rogers

Interim City Clerk Nault

Deputy Mayor Peterson

Councilmember Cronic

Councilmember Dorcy

Councilmember McDowell

Councilmember Onisko

Councilmember Schmit

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Water Fees and Charges	Page	17

Attachment A

DEPARTMENT AND TYPE OF FEE OR CHARGE

NOVEMBER 27, 2018

General Government Fees and Charges

Annual Report	\$	10.00	
Documents provided at Public Hearings Audio Reproduction (other than Police): no fee when requested within one year of hearing.			
Tape or CD	\$	10.00	
Copies of Public Records			
Copies	\$	0.15	per page
Page scanned into electronic format	\$	0.10	per page
Files or attachments provided by electronic delivery	\$	0.05	per 4 files or attachments
Gigabyte of electronic records transmission	\$	0.10	per gigabyte
Storage media, container, envelope, postage and delivery charge RCW 42.56.120(2)(b), (c) and (e)		actual costs	
Parking Lot Permit (City Lot)			
Annual billing	\$	150.00	per year
Semi-Annual billing	\$	175.00	per year
Quarterly billing	\$	200.00	per year
Lost Permit replacement fee	\$	10.00	
Regular Business Licenses - New	\$	50.00	
Regular Business Licenses - Renewals	\$	50.00	
Returned Check Charge	\$	40.00	
VISA/MC Chargeback Fee	\$	35.00	
Sexually Oriented Business License	\$	100.00	
Sexually Oriented Manager or Entertainer License	\$	50.00	
Special Events Permits			
Permit Application	\$	35.00	per application
Late Application	\$	25.00	one-time penalty for missed deadline (25 days prior to event)
City Services (street barricades & garbage)	\$	25.00	per event
Taxi Operator License	\$	40.00	per operator
Taxi Vehicle License	\$	40.00	per vehicle
Video Reproduction (other than Police): Tape or DVD	\$	10.00	
Map Reproduction			
Colored 36x48	\$	18.00	
Colored 24x36	\$	12.00	
Special Order 36x48	\$	30.00	
Special Order 24x36	\$	20.00	
Black Line	\$	1.00	per square foot

Animal Shelton Fees and Charges		
Adoption Fee	\$	80.00
Adoption Fee - with Rabies Vaccine	\$	112.50
Animal License	\$	15.00
Rabies Vaccination	\$	32.50
Surrender of Dog (City Residents Only)	\$	25.00
Animal Impound Fee - First Impound	\$	30.00
Animal Impound Fee - Second Impound.	\$	50.00
Animal Impound Fee - Third & Subsequent Impound	\$	100.00
Boarding Fee (over 48 hours of impound)	\$	15.00
Lost license or transfer of license	\$	5.00
Non-resident Animal Impound Fee - First Impound	\$	80.00
Non-resident Animal Impound Fee - Second Impound	\$	130.00
Non-resident Animal Impound Fee-Third & Subsequent Impound	\$	180.00

plus unpaid animal license

plus unpaid animal license

plus unpaid animal license

per day

Building Department Fees and Charges

After Hours Inspection	Per Exhibit A (attached)	
Building Permit	Per Exhibit A (attached)	
Residential (and accessory) building valuations		
1) New construction, and remodels greater than 50%, of "R" occupancies (including finished basements and additions) are valued per the most current August version of the (ICC) International Code Council's Building Valuation Data for the specified occupancy.		
2) Private garages, storage buildings, green houses and similar structures shall be valued as Utility, Miscellaneous		
3) Remodels less than 50% shall be valued at 50% of the table value from the ICC Building Valuation Data for the occupancy specified		
NOTE: all footnotes of Building Valuation Data as published by ICC shall apply		
Building Permit Expiration	Per Exhibit E (attached)	
Bulkheads	\$ 20.00	per cubic foot
Decks	Per Exhibit A (attached)	
Demolition Permit	\$ 120.00	(plus state surcharge fee)
Duplicate (stock) Residential Plan Check	50% of ICC Fee	
Fences	\$ 75.00	
Fill and Grade Permit	See Exhibit B (attached)	
Solid Fuel/Gas Insert	\$ 140.00	
Fireplace Double Single		
Double	\$ 3800.00	(valuation)
Single	\$ 3200.00	(valuation)
Garages		
Wood Frame	Per Exhibit A (attached)	
Open Carports	Per Exhibit A (attached)	
Garage Conversion to Living Area	\$ 70.23	per sq ft valuation Exhibit G and Exhibit A (attached)
Hearing Examiner Appeal (Building Related)	\$ 1000.00	
Request for Reconsideration	\$ 500.00	
Investigation Fee	\$ 70.00	per hour
Mechanical Permit	Per Exhibit C (attached)	
Res #1141-1118		

Mobile/Manufactured Homes Set-Up		
Individual Lot	\$ 472.00	base fee (includes 4'x4' landing)
Park Set	\$ 165.00	base fee (includes 4'x4' landing)
Mobile Home Title Eliminations	\$ 30.00	
Miscellaneous Inspection	Per Exhibit A (attached)	
Plan Review		
Plan review fees include the initial plan review plus one (1) recheck. When substantial revisions occur, additional fees shall be charged at the hourly rate of \$70.00 per hour* with a one two hour minimum.		
*Or the total hourly costs to the jurisdiction, whichever is the greatest. The cost shall include supervision, overhead, equipment, hourly wages and fringe benefits of the employees involved		
Building/Commercial/Industrial	65% of building permit fee per Exhibit A	
IMC	25% of the mechanical permit fee per Exhibit C for commercial	
UPC	65% of the plumbing permit fee per Exhibit D for commercial	
NOTE: Commercial kitchen based on project valuation of engineer's written estimate.		
Plumbing Permit	Per Exhibit D (attached)	
Porches	Per Exhibit G - Utility Miscellaneous (attached)	
Propane Tanks and Piping (above and below ground)	\$ 12.00	per tank
Out Buildings (Residential Storage)	Per Exhibit A (attached)	
Refund	Per Exhibit F (attached)	
Reissuance of Lost Permit Card	\$ 30.00	
Replacement of Issue Plan Pack	\$ 140.00	plus copies
Reroof Permit		
Note: Per square fee is used to determine valuation of project to apply to IBC fee schedule.		
Class A&B (Hotmop,Torchdown)	\$ 275.00	per square
Composition (Roll, 3-tab)	\$ 250.00	per square
Composition with Plywood Replacement	\$ 325.00	per square

Attachment A

DEPARTMENT AND TYPE OF FEE OR CHARGE

NOVEMBER 27, 2018

Metal	\$	300.00	per square
Shake	\$	275.00	per square
Shingle	\$	300.00	per square
Siding (commercial only)			
Signs	Valuation		
	\$	50.00	when no building permit is required
	\$	55.00	per sq ft valuation, with building permit
Sign Permit - Sandwich Board/Sidewalk Sign	\$	25.00	per year
State Surcharge Fee	\$		Applicable fees imposed by state
	\$	4.50	each building permit
		2.00	each additional residential unit, not including the first residential unit in each building
Stop Work Posting & Investigation Fee			Double permit fee per posting
Temporary Use Building Permit (Modular, Commercial, Coach)	\$	429.00	per year (1 year minimum fee)
Structure Moving Permit	\$	110.00	
Change of Use, No Construction	\$	140.00	plus additional plan reviews if needed
Valuation			Per Exhibit A (attached)
Residential (and accessory) building valuations			
1) New construction, and remodels greater than 50%, of "R" occupancies (including finished basements and additions) are valued per the most current August version of the (ICC) International Code Council's Building Valuation Data for the specified occupancy.			
2) Private garages, storage buildings, green houses and similar structures shall be valued as Utility, Miscellaneous			
3) Remodels less than 50% shall be valued at 50% of the table value from the ICC Building Valuation Data for the occupancy specified			
Variance to Flood Ordinance	\$	1000	
Windows	Valuation		

Civic Center Rental Fees and Charges

Damage Deposit	\$	300.00	
Kitchen	\$	50.00	
Event Serving Alcohol	\$	100.00	
Black Drapery	\$	2.00	per 10' section
Staging	\$	10.00	use of 1-4 sections
Equipment Rental:			
25" TV Monitor/VCR	\$	10.00	per day
Multimedia Projector	\$	20.00	per day
Coffee Service	\$	20.00	25.00 per gallon
One Meeting Room (600 sq ft)	\$	15.00	22.00 per hour
Two Meeting Rooms (1200 sq ft)	\$	30.00	44.00 per hour
Three Meeting Rooms (1800 sq ft)	\$	45.00	66.00 per hour
Main Meeting Room (7040 sq ft)	\$	50.00	75.00 per hour

Note: Non-profit and public entities receive a 50% discount on room rentals when used between 8:00 a.m. and 5:00 p.m.

Code Enforcement Fees

Voluntary Compliance

\$ 0.00

Infraction issued

\$ 67.54

Base fee (2hrs Community Service
Officer)

Fees including site visit(s), photos, file creation, documentation, etc)

Plus itemized fees to include: attorney fee, additional tracked staff time & costs,

Title searches, service, court filing fees, etc. which may be included in City's request
for abatement cost reimbursement per RCW 35.21.955

Fire Department Fees and Charges			
Automatic Fire Alarm Permit, Plan Review, Inspection	\$	265.00	350.00
Flow Test (one-time analysis)	\$	40.00	140.00
	\$	20.00	first hydrant
	\$	10.00	second hydrant
	\$		each additional hydrant
Fixed Fire Suppression Permit, Plan Review, Inspection	\$	140.00	210.00
Auto Sprinkler System Permit, Plan Review, Inspection	\$	205.00	280.00
Commercial Project Plan Reviews:			
Plan Review for project up to 3,600 square feet	\$	100.00	140.00
Plan Review for project 3,600 to 10,000 square feet	\$	250.00	280.00
Plan Review for project over 10,000 square feet	\$	500.00	560.00
Overtime Plan Review (Fire)	\$	94.00	per hour
Public Fireworks Display Permit	\$	100.00	

Parks & Recreation Fees		
Parks Master Plan	Actual Cost	
Ballfields and Playfields (Callanan Park/Loop Field):		
Field Rental	\$ 12.00	per hour
Softball Field Preparation	\$ 20.00	each field
City Recreation Programs	Fee based on cost of doing program	
Refunds		
Before First Class	100%	
Before Second Class	80%	
Before Third Class	50%	
After Third Class	No Refund	
Picnic Shelters	\$ 12.50	per hour, two hour minimum, plus applicable fees for garbage, labor, and misc.
Commercial Park	\$ 25.00	per hour plus applicable fees for garbage, labor, and misc.
Use by individual, corporation, company, or business for purposes of selling, distributing, promotion		

Planning Department Fees and Charges

Annexation:	\$	1200.00	base fee plus
	\$	40.00	for each acre
Appeal to the Hearings Examiner	\$	1000.00	
Appeal to the City Commission	\$	250.00	
Boundary Line Adjustment	\$	350.00	plus recording fees
Comprehensive Plan Amendment	\$	450.00	plus pro-rata share of SEPA cost
Comprehensive Plan Copies	\$	37.00	primary document, plus copy cost for supplemental documents
Conditional Use Permit	\$	3400.00	
Displays/Notices on City Message Boards	\$	30.00	application fee
EIS (SEPA)	\$	900.00	plus consultant costs
Environmental Checklist (SEPA)	\$	350.00	
Review of Supplemental Environmental Info	\$	350.00	plus consultant costs
Legal Notice Publication	Actual Cost to be billed to applicant		
Note: This cost applies to all actions requiring legal notice publication.			
Limited Use Application	See Rezone Fees		
Plat / Binding Site Plan:			
Preliminary	\$	1750.00	plus \$40.00 per lot
Extension	\$	175.00	
Final	\$	550.00	plus \$30.00 per lot
Amendments for Short Plats and Subdivisions	\$	55.00	per hour plus recording fees
Planned Unit Development:			
Preliminary	\$	900.00	plus \$40.00 Per Lot
Extension	\$	175.00	
Final	\$	550.00	plus \$30.00 Per Lot
Plan Adjustment			
Administrative Approval	\$	130.00	plus recording fees
Commission Approval	\$	600.00	plus recording fees
Parcel Combination	\$	120.00	plus recording fees
Pre-submission Conference			
Plat Review	\$	\$300.00	
Proposals Requiring Site Plan Review < 2 acres	\$	\$150.00	
Proposals Requiring Site Plan Review >2 acres	\$	\$300.00	
One Single Family/Minor Land Use	\$	\$100.00	
One Single Family/Duplex/Minor Land Use			\$200.00
Triplex or Larger/Commercial			\$400.00
Shoreline Management Program Copy	Actual Cost		

Attachment A

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Shoreline Management Application

SDP, CUP, Variance		
1-2 Dwelling Units	\$ 500.00	
3+ Dwelling Units	\$ 500.00	
Commercial/Industrial/Other	\$ 500.00	
SDP that requires a public hearing before the Hearings Examiner	\$ 1000.00	
Short Plat	\$ 750.00	plus recording fees
Site Plan Review		
Per 1,000 square feet of non-residential floor area	\$ 50.00	(\$400 minimum)
Per residential unit	50.00	(\$400 minimum)
Per 1,000 square feet of impervious coverage	20.00	(\$400 minimum)
Note: Civil Review Fees will also apply.		
Site Plan Amendments	\$ 53.00	
Special Use Permit	\$ 1200.00	
Subdivision Alterations	\$ 350.00	
Variance Application	\$ 1000.00	plus \$5 per lot & recording fees
Wetlands Permit	\$ 400.00	
Zone Change Application	\$ 950.00	
Zoning Ordinance Text Amendment	\$ 450.00	
Address Assignment	\$ 47.00	plus codification costs
Forest Practices Application	\$ 350.00	up to 20 acres Additional \$10 per acre 21 acres and more.

Police Departement Fees		
Fingerprints (per card)	\$ 10.00	\$60.00
Fingerprints for Taxi Driver's License	\$ 52.75	\$60.00
Video Reproductions - Tape or DVD	Time and Material	
Audio Reproduction - Time or CD	\$ 10.00	for fiirst 30 minutes, time & material thereafter
Weapons Permit-Renewal	\$ 32.00	
Weapons Permit-Late Renewal	\$ 42.00	
Weapons Permit	These fees are set by the state at \$48.00	
Weapons Permit-Replacement	\$ 10.00	
Weapons Dealer Permit	\$ 125.00	
Copies of Photographs (scanned, digital, digital disks)	Time and Material	
Excess Alarm Fee	\$ 25.00	after three false alarms
Annual Report	\$ 10.00	

Public Works Department Fees			
Right of Way & Easement Access Permits			
Short-term Maintenance Permit	\$	\$15.00	
Temporary Construction Permit	\$	\$75.00	application fee plus inspection fees
Fixture and Encroachment Permit	\$	\$30.00	application fee plus \$15.00 renewal fee
Heavy Use Permit	\$	\$100.00	application fee plus inspection fees
Commercial Permit	\$	\$200.00	application fee plus inspection fees
Special Development Studies			
Traffic Impact Studies, Hydraulic Modeling, ect		Contract consultant charges plus applicable indirect costs	
Traffic Impact Fee		As identified in Traffic Impact Ordinance# 1733-1008	
Civil Review			
Commercial Civil Plan Review	\$	750.00	plus \$185 per hour after first four
Residential Civil Plan Review	\$		370 plus \$185 per hour after first two
Inspection Fees			
Pump Station	\$	500.00 per inspection	
Street or Street with curb, gutter, walk, Alley	\$	135.00 per inspection	1st 100' + .25/If thereafter
Curb, Gutter & Sidewalk Only	\$	135.00 per inspection	1st 100' + .25/If thereafter
Lighting	\$	135.00 per inspection	+ \$5.00 per pole
Signals	\$	500.00 per inspection	per intersection
Overhead	\$	50.00 per inspection	1st 100' + .03/If thereafter
Underground	\$	135.00 per inspection	1st 100' + .25/If thereafter
Right of Way & Easement Access	\$		50.00 per inspection
Sediment & Erosion Control/BMP's	\$	25.00 per inspection	for 0-.5 acres

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Sediment & Erosion Control/BMP's	\$	25.00 per inspection	for each additional .5 acre or portion thereof
Latecomer Agreement Application	\$	300.00	plus \$50.00 per parcel
Fee for Work in Right of Way without Permits	\$	250.00	plus permit fee
Design & Construction Standards Details (digital w/hardcopy)	\$	25.00	
Sediment & Erosion Control Permit	\$	50.00	for 0-.5 acres
	\$	25.00	for each additional .5 acre or portion thereof
Street or Alley Vacation Application	\$	2000.00 500.00	
Bonds, Cash Deposits and Letter of Credit Agreements for the purposes of securing City Required improvements	\$	275.00	
Transportation Impact Deferral Fee	\$	250.00	
Vehicle Price for Work Orders			
Boom Truck	\$	43.00	per hour, plus operator costs
Bucket Truck	\$	43.00	per hour, plus operator costs
Camera Truck	\$	60.00	per hour, plus operator costs (2)
CSI Water Truck	\$	40.00	per hour, plus operator costs
Dump Truck-6 Yard	\$	28.00	per hour, plus operator costs
Dump Truck-12 Yard	\$	60.00	per hour, plus operator costs
Flat Bed Truck	\$	17.00	per hour
Garbage/Recycle Truck	\$	85.00	per hour, plus operator costs
Patch Truck	\$	33.00	per hour
Roll-Off Truck	\$	65.00	per hour, plus operator costs
Service Truck	\$	35.00	per hour
Sludge Truck	\$	53.00	per hour, plus operator costs
Standard Truck	\$	15.00	per hour
Standard Van	\$	15.00	per hour
Utility Truck	\$	20.00	per hour
Vacuum Truck	\$	105.00	per hour, plus operator costs (2)
Water Truck	\$	53.00	per hour, plus operator costs
Mini Excavator	\$	20.00	per hour, plus operator costs
Equipment Price for Work Orders			
Air Compressor	\$	15.00	per hour
Backhoe	\$	36.00	per hour
Backhoe w/hoe pack or breaker	\$	40.00	per hour
Boring Mole	\$	32.00	per hour

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Box Paver (Layton)	\$	30.00	per hour, plus operator costs (2)
Chain, Chop, Extension			
Saw	\$	10.00	per hour
Chipper	\$	30.00	per hour
Concrete Saw	\$	10.00	per hour
Crack Sealer	\$	20.00	per hour
Fork Lift	\$	15.00	per hour
Grader	\$	58.00	per hour, plus operator costs
Hand Push Mower	\$	7.50	per hour
Loader	\$	46.00	per hour, plus operator costs
Mid Mount Broom	\$	30.00	per hour
Paint Machine	\$	30.00	per hour, plus operator costs
Pipe Pusher	\$	32.00	per hour
Riding Mower (Parks)	\$	20.00	per hour
Roller	\$	19.00	per hour
Scissor Lift	\$	5.00	per hour
Shoring	\$	10.00	per hour
Small Tractor (Parks)	\$	28.00	per hour
Sweeper	\$	40.00	per hour, plus operator costs
Tack Oil Sprayer	\$	20.00	per hour
Tow Master Trailer	\$	10.00	per hour
Tractor Mower	\$	40.00	per hour, plus operator costs
Weed Eater	\$	8.00	per hour
Mini Excavator	\$	20.00	per hour, plus operator costs

Sewer Fees**Sewer Connection Charges**

Utility Application			
Permit	\$	0.00	235.00 plus applicable GFC's
City Crew Work	No Charge		Contractor Installed

General Facility Charges (Grandview Heights Development Only)

Water Meter Size:	Weighting Factor		
3/4"	1.00	\$	1,629.00
1"	2.50	\$	4,072.50
1 1/2"	5.00	\$	8,145.00
2"	8.00	\$	13,032.00
3"	16.00	\$	24,435.00
4"	25.00	\$	40,725.00
6"	50.00	\$	81,495.00
8"	80.00	\$	130,320.00

General Facility Charges

Water Meter Size:	Weighting Factor		
3/4"	1.00	\$	3,258.00
1"	2.50	\$	8,145.00
1 1/2"	5.00	\$	16,290.00
2"	8.00	\$	26,064.00
3"	16.00	\$	48,870.00
4"	25.00	\$	81,495.00
6"	50.00	\$	162,900.00
8"	80.00	\$	260,640.00

Class A Bio-Solids Fertilizer Fee

\$

20.00 per 1.66 cyd bag

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Water Fees

Water Turn On (minimum charge after hours)		\$	155.00	
Water Turn On (charge per hour after three hours)		\$	50.00	
Water Turn Off (regular business hours)		\$	100.00	
Water Turn Off (minimum charge after hours)		\$	155.00	
Water Turn On (after 2 month time period)		\$	250.00	
Annual Hydrant Water Usage Permit		\$	100.00	
Hydrant Water Load		\$	42.00	Quarterly Fee, if water used, plus \$1.40 per cubic ft of water used
Hydrant Meter Fee & Deposit		\$	25.00	Plus \$750.00 Refundable Deposit
Hydrant Gate Valve Fee & Deposit		\$	25.00	Plus \$300.00 Refundable Deposit
Hydrant Wrench Fee & Deposit		\$	10.00	Plus \$50.00 Refundable Deposit
Water Connection Charges				
Utility Application				
Permit		\$	117.00	235.00 plus applicable GFC's
3/4" Meter		No-Charge		Contractor Installed
1" Meter		No-Charge		
1 1/2" Meter		No-Charge		
2" Meter		No-Charge		
4" Meter		No-Charge		
6" Meter		No-Charge		
Above 6" Meter		No-Charge		
Water Meter Charge				
3/4" Meter				\$150.00
1" Meter				\$270.00
1 1/2" Meter				\$1,420.00
2" Meter				\$1,490.00
3" Meter				\$1,790.00
4" Meter				\$1,890.00
6" Meter				\$4,670.00
Above 6" Meter				\$5,000.00
General Facility Charges				
Water Meter Size				
3/4"	1.00	\$	1,260.00	
1"	2.50	\$	3,150.00	
1 1/2"	5.00	\$	6,300.00	
2"	8.00	\$	10,080.00	
3"	16.00	\$	18,900.00	
4"	25.00	\$	31,500.00	
6"	50.00	\$	63,000.00	
8"	80.00	\$	100,800.00	
Commercial Fire Line	400.00	\$		
Backflow Device Testing				Contractor charges plus additional staff time and indirect cost.

Exhibit A

Building permit and plan review fees are based upon the building valuation. The City of Shelton will utilize the International Code Council's "Building Valuation Data Table" as published in the August edition of the Building Safety Journal. The square footage valuations from this table will be implemented on the first day of September following publication and remain in force through August of the following year. For occupancies or structure types not addressed by the building valuation table, please refer to Table 1 below. The building permit fees are based on Table 1 below and the plan review fee is calculated at 65% of the building permit fee.

Table 1

FEE	TOTAL VALUATION
\$23.50	\$1.00 to \$500.00
\$23.50 for the first \$500.00 plus \$3.05 for each additional \$100.00, or fraction thereof to and including \$2,000.00	\$501.00 to \$2,000.00
\$69.25 for the First \$2,000.00 plus \$14.00 for each additional \$1,000.00, or fraction thereof to and including \$25,000.00	\$2,001.00 to \$25,000.00
\$391.25 for the first \$25,000.00 plus \$10.10 for each additional \$1,000.00, or fraction thereof to and including \$50,000.00	\$25,001.00 to \$50,000.00
\$643.75 for the first \$50,000.00 plus \$7.00 for each additional \$1,000.00, or fraction thereof to and including \$100,000.00	\$50,001.00 to \$100,000.00
\$993.75 for the first \$100,000.00 plus \$5.60 for each additional \$1,000.00, or fraction thereof to and including \$500,000.00	\$100,001.00 to \$500,000.00
\$3,233.75 for the first \$500,000.00 plus \$4.75 for each additional \$1,000.00, or fraction thereof to and including \$1,000,000.00	\$500,001.00 to \$1,000,000.00
\$5,608.75 for the first \$1,000,000.00 plus \$3.65 for each additional \$1,000.00, or fraction thereof	\$1,000,001.00 and up

Other Inspections and Fees

Inspections outside of normal business hours	\$	70.00	per hour (two hour minimum)
Reinspection fees	\$	70.00	per hour
Inspections for which no fee is specifically indicated	\$	70.00	per hour (one-half hour minimum)
Additional plan review required by changes, additions or revisions to plans	\$	70.00	per hour (one-half hour minimum)

¹Or the total; hourly cost to the jurisdiction, whichever is the greatest. This cost shall include supervision, overhead, equipment, hourly wages and fringe benefits of the employees involved.

²Actual costs include administrative and overhead costs.

Exhibit A is adopted by reference in Attachment A of Resolution #1141-1118

Exhibit B Table A-33-A-Grading Plan Review Fees ²		
Fill and Grading Plan Review Fee		
	\$	185.00 per hour
0 to 100 cubic yards (40 m³ to 76.5 m³)	\$	23.50
101 to 1,000 cubic yards (77.2 m³ to 764.6 m³)	\$	37.00
1,001 to 10,000 cubic yards (765.3 m³ to 7645.5 m³)	\$	49.25
10,001 to 100,000 cubic yards (7646.3 m³ to 76455 m³) for the first 10,000 cubic yards (76455 m³)	\$	49.25
100,001 to 200,000 cubic yards (76456 m³ to 152911 m³) for the first 100,000 cubic yards (76455 m³)	\$	269.75
Each additional 10,000 cubic yards (7645.5 m³) or fraction thereof.	\$	13.25
200,001 cubic yards (152912 m³) or more for the first 200,000 cubic yards (152911 m³)	\$	402.25
Each additional 10,000 cubic yards (7645.5 m³) or fraction thereof.	\$	7.25
Other Fees		
Additional plan review required by changes, additions or revisions to approved plans	\$	70.00

~~*Or the total hourly cost to the jurisdiction, whichever is the greatest. This cost shall include supervision, overhead, equipment, hourly wages and fringe benefits of the employees involved.~~

Exhibit B is adopted by reference in Attachment A of Resolution #1141-1118

Table A-33-B-Grading Permit Fees²

50 cubic yards (38.2 m³) or less	\$	23.50
51 to 100 cubic yards (40 m ³ to 76.5 m ³)	\$	37.00
101 to 1,000 cubic yards (77.2 m ³ to 764.6 m ³) for the first 100 cubic yards (76.5 m ³)	\$	37.00
Each additional 100 cubic yards (76.5 m ³) or fraction thereof.	\$	17.50
1,001 to 10,000 cubic yards (765.3 m ³ to 7645.5 m ³) for the first 1,000 cubic yards (764.6 m ³)	\$	194.50
Each additional 1,000 cubic yards (764.6 m ³) or fraction thereof	\$	66.00
10,001 to 100,000 cubic yards (7646.3 m ³ to 76455 m ³) for the first 10,000 cubic yards (7645.5 m ³)	\$	325.00
Each additional 10,000 cubic yards (7645.5 m ³) or fraction thereof.	\$	14.50
100,001 cubic yards (76456 m ³) or more for the first 100,000 cubic yards (76455 m ³)	\$	919.00
Each additional 10,000 cubic yards (7645.5 m ³) or fraction thereof.	\$	36.50
Other Inspections and Fees:		
Inspections outside of normal business hours per hour* (minimum charge two hours)	\$	70.00
Reinspection fees	\$	70.00
Inspections for which no fee is specifically indicated per hour* (minimum charge-one half hour)	\$	70.00

¹ The fee for a grading permit authorizing additional work to that under a valid permit shall be the difference between the fee paid for the original permit and the fee shown for the entire project.

*Or the total hourly cost to the jurisdiction, whichever is the greatest. This cost shall include supervision, overhead, equipment, hourly wages, and fringe benefits of the employers involved.

Exhibit B is adopted by reference in Attachment A of Resolution #1141-1118

Exhibit C Table 1-A Mechanical Permit Fees

Permit Issuance and Heaters

1	For the issuance of each mechanical permit	\$	25.85
2	For issuing each supplemental permit for which the original permit for the original permit has not expired, been canceled, or final	\$	8.00

Unit Fee Schedule (note: the following do not include permit issuing fee)

1	Furnace		
	For the installation or relocation of each forced-air or gravity-type furnace or burner, including ducts and vents attached to such appliance, up to and including 100,000 Btu/h (29.3kW)	\$	16.28
	For the installation or relocation of each forced-air or gravity-type furnace or burner, including ducts and vents attached to such appliance, over 100,000 Btu/h (29.3 kW)	\$	20.00
	For the installation or relocation of each floor furnace, including vent	\$	16.28
	For the installation or relocation of each suspended heater, recessed wall heater on floor-mounted unit heater	\$	16.28
2	Appliance Vents		
	For the installation, relocation or replacement of each appliance vent and not included in an appliance permit	\$	8.00
3	Repairs or Additions		
	For the repair of, or addition to each heating appliance, refrigeration unit, cooling unit, absorption unit, or each heating, cooling, absorption or evaporative cooling system, including installation of controls regulated by the Mechanical Code	\$	15.00
4	Boilers, Compressors, and Absorption Systems		
	For the installation or relocation of each boiler or compressor to and including 3 horsepower (10.6 kW), or each absorption system to and including 100,000 Btu/h (29.3 kW)	\$	15.00
	For the installation or relocation of each boiler or compressor over three horsepower (10.6 kW) to and including 15 horsepower (52.7 kW), or each absorption system over 100,000 Btu/h (29.3 kW) to and including 500,000 Btu/h (146.6 kW)	\$	30.00
	For the installation or relocation of each boiler or compressor over 15 horsepower (52.7 kW) to and including 30 horsepower (105.5 kW), or each absorption system over 500,000 Btu/h (146.6 kW) to and including 1,000,000 Btu/h (293.1 kW)	\$	41.00

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	For the installation or relocation of each boiler or compressor over 30 horsepower (105.5 kW) to and including 50 horsepower (176 kW), or each absorption system over 1,000,000 Btu/h (293.1 kW) to and including 1,750,000 Btu/h (512.9 kW)	\$	61.00
	For the installation or relocation of each boiler or compressor over 50 horsepower (176 kW), or each absorption system over 1,750,000 Btu/h (512.9 kW)	\$	101.70
5	Air Handlers		
	For each air-handling unit to and including 10,000 cubic feet per minute (cfm) (4719 L/s), including ducts attached thereto	\$	11.70
	Note: This fee does not apply to an air-handling unit, which is a portion of a factory- assembled appliance, cooling unit, evaporative cooler or absorption unit for which a permit is required elsewhere in the Mechanical Code for each air-handling unit over 10,000 cfm (4719 L/s)	\$	19.90
6	Evaporative Coolers		
	For each evaporative cooler other than portable type	\$	11.70
7	Ventilation and Exhaust		
	For each ventilation fan connected to a single duct	\$	8.00
	For each ventilation system which is not portion of any heating or air-conditioning system authorized by a permit	\$	11.70
	For the installation of each hood which is served by mechanical exhaust, including the ducts for such hood	\$	11.70
8	Incinerators		
	For the installation or relocation of each domestic-type incinerator	\$	20.00
	For the installation or relocation of each commercial or industrial-type incinerator	\$	15.95
9	Miscellaneous		
	For each appliance or piece of equipment regulated by the Mechanical Code but not classed in other appliance categories, or for which no other fee is listed in the table	\$	11.70
Other Inspections and Fees			
1	Inspection outside of normal business hours, per hour (minimum charge-two hours)	\$	70.00
2	Reinspection fees assessed*	\$	70.00

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3	Inspections for which no fee is specifically indicated per hour (minimum charge- one half hour)	\$	70.00
4	Additional plan review required by changes, additions or revisions to plans for which an initial review has been completed (minimum charge is one hour)	\$	70.00
5	Solid or gas fireplace systems	\$	70.00

*Or the total hourly cost to the jurisdiction whichever is the greatest. This cost shall include supervision, overhead, equipment, hourly wages and fringe benefits of the employees involved.

Exhibit C is adopted by reference in Attachment A of Resolution #1141-1118

Exhibit D Table 1-1 Plumbing Permit Fees

Permit Issuance

1	For issuing each permit	\$	22.00
2	For issuing each supplemental permit	\$	11.00

Unit Fee Schedule (in addition to items 1 and 2 above)

1	For each plumbing fixture on one trap or a set of fixtures on one trap (including water, drainage piping, and backflow protection therefore)	\$	7.70
2	For each building sewer and each trailer park sewer	\$	16.50
3	Rainwater systems per drain (inside building)	\$	7.70
4	For each cesspool (where permitted)	\$	27.50
5	For each private sewage disposal system	\$	44.00
6	For each water heater and/or vent	\$	7.70
7	For each industrial waste pretreatment interceptor including its trap and vent, except kitchen-type grease interceptors functioning as fixture traps	\$	7.70
8	For each installation, alteration or repair of water piping and/or water treating equipment, each	\$	7.70
9	For each repair or alteration of drainage or vent piping, each fixture	\$	7.70
10	For each lawn sprinkler system on any one meter including backflow protection devices therefore	\$	7.70
11	For atmospheric-type vacuum breakers not included in item 12:		
	1 to 5	\$	5.50
	over 5, each	\$	1.10
12	For each backflow protective device other than atmospheric type vacuum breakers:		
	2 inch (51 mm) diameter and smaller	\$	7.70
	over 2 inch (51 mm) diameter	\$	16.50

Other Inspections and Fees

1	Inspections outside of normal business hours (minimum charge-two hours)	\$	70.00
2	Re-inspection fee	\$	70.00
3	Inspections for which no fee is specifically indicated	\$	70.00
4	Additional plan review required by changes, additions, or revisions to approved plans (minimum charge-one hour)	\$	70.00

* Per hour for each hour worked or the total hourly cost to the jurisdiction, whichever is greater. This cost shall include supervision, overhead, hourly wages and fringe benefits of all the employees involved.

* A medical gas system shall be reviewed per Engineers valuation and fees assessed per Exhibit A
Exhibit D is adopted by reference in Attachment A of Resolution #1141-1118

Exhibit E Permit Expiration

2015-IBC Section 109.6 / 2015-IRC Section R108.5

Every permit issued by the building official under the provisions of this code shall expire by limitation and become null and void if the building or work authorized by such permit is not commenced within 180 days from the date of such permit, or if the building or work authorized by such permit is suspended or abandoned at any time the work authorized by such permit is suspended or abandoned at any time the work is commenced for a period of 180 days. Before such work can be recommenced, a new permit shall be first obtained to do so, and the fee therefore shall be one half the amount required for a new permit for such work, provided no changes have been made or will be made in the original plans and specifications for such work, and provided further that such suspension or abandonment has not exceeded one year. In order to renew action on a permit after expiration, the permittee shall pay a new full permit fee.

Any permittee holding an unexpired permit may apply for an extension of the time within which the work may commence under that permit when the permittee is unable to commence work within the time required by this section for good and satisfactory reasons. The building official may extend the time for action by the permittee showing that circumstances beyond the control of the permittee have prevented action from being taken. No permit shall be extended more than once.

Exhibit E is adopted by reference in Attachment A of Resolution #1141-1118

Exhibit F Refund**2015-IBC Section 109.6 / 2015-IRC Section R108.5**

The building official may authorize refunding on not more than fifty percent (50%) of the permit fee paid when no work has been done under a permit issued in accordance with this code. The building official may authorize refunding of not more than seventy-five percent (75%) of the plan review fee paid when an applicant for a permit for which a plan review fee has not been paid is withdrawn or canceled before any plan reviewing is done. The building official shall not authorize refunding of any fee paid except on written application filed by the original permittee no later than 180 days after the date of fee paid.

Exhibit F is adopted by reference in Attachment A of Resolution #1141-1118