



## Overall Development Attractiveness

**CITY**  
Tumwater

## CORRIDOR LOCATION

Southwest of the Tumwater Valley Golf Course along Capitol Blvd. with major intersections at Trosper Rd. SW and Dennis St. SE.

The Southgate/ DOT district is auto-oriented. The area initially developed as the route for Highway 99 in the early 1910s, and grew further with the parallel alignment of Interstate 5 and the resulting shift to auto-oriented commercial uses. This historic automobile orientation is reflected in the design and use of the buildings in the area today, which include several fast food restaurants and drive-up banks, as well as a number of structures along the old highway route that are primarily accessed via the automobile.

Transformation of the old Highway 99 corridor, which is today's Capitol Boulevard, is a key goal of the City of Tumwater. Development of attractive places along Capitol Boulevard is an important theme in the community's Economic Development Plan: "While Capitol Boulevard functions as a major arterial, carrying heavy traffic around and through the City, there are opportunities to improve its visual appeal and economic functioning through infrastructure enhancement and the development of attractive places in key nodes near residential concentrations."

Amenities to support development include 15-minute bus service, a variety of restaurants, and a park/trail that will eventually connect with a bike trail along the Deschutes River and the regional trail system. In addition, the district has a large employment base, a relatively high commercial development inventory, and relatively high redevelopment capacity. However, it is below average in terms of land value and transit boardings, and is unfriendly to pedestrians due to the lack of separation between the sidewalk and traffic on the 35 mph corridor, as well as the low number of crosswalks and other pedestrian amenities.

## AMENITIES



- **Parks:** Future park/trail that will connect with a bike trail along the Deschutes River and the regional trail system.
- **Shopping:** Southgate Shopping Center
- **Other:** Restaurants, banks, and a bowling alley

Southgate/DOT includes the Southgate Shopping Center, as well as a lot of restaurants, banks, and a bowling alley along Capitol Boulevard.

### Capitol Way



### DOT Building



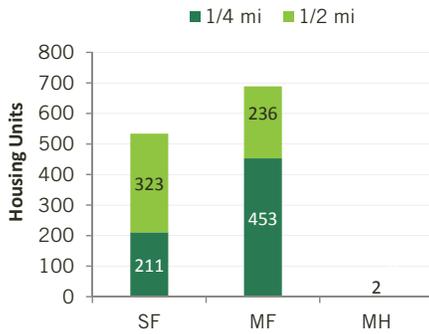
# Southgate/DOT

## MARKET FACTORS



### Housing Units/Population

■ Total Population: 2,506



Relative to other urban districts, Southgate/DOT is average in terms of housing units, with 1,225 single-family homes. Multi-family housing is most common, although there are also a significant number of single-family units.

### Commercial Rents (per SF)

	Quoted Rates	Vacancy Rates
<b>Retail</b>		
General Retail	\$14.72	2.3%
General Retail (Avg.)	\$12.73	3.3%
Shopping Center	\$17.01	15.5%
Shopping Center (Avg.)	\$17.22	10.8%
<b>Office</b>		
All Classes	\$15.30	7.5%
All Classes (Avg.)	\$17.02	10.6%

Source: CoStar Property, Year-end 2011  
 \* All office rental rates reported have been converted to a full service equivalent rental rate, and all retail rates have been converted to triple-net (NNN) equivalent rates.

Overall, rents within the broader Tumwater-South Olympia market, which the Southgate DOT District is within, are near the countywide market average. General retail rents are higher than the countywide average at \$14.72 per square foot, while rents at shopping centers are slightly below the countywide average at \$17.01 per square foot. At \$15.30 per square foot, office rents are lower than the countywide average.

Vacancy rates within the Tumwater-South Olympia market are lower than the countywide average for general retail and office uses. Shopping center vacancy is fairly high at 15.5%.

### Employment

■ Total Jobs: 2,521

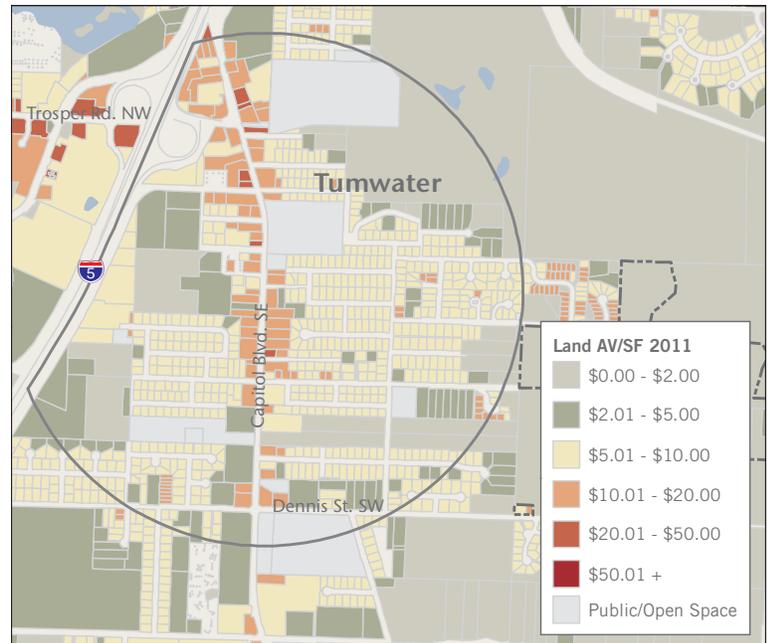
- Commercial/Service: 1,798
- Government: 592
- Industrial: 125

■ Major Employers/Businesses:

- State Offices (DOT, DOR)
- Southgate Shopping Center
- Peter G. Schmidt Elementary School

Relative to other urban districts, Southgate/DOT has the fourth highest total number of jobs. The majority of jobs are in the commercial/service sector, although there are also a substantial number of jobs in the government sector, and some in the industrial sector.

### Land Values



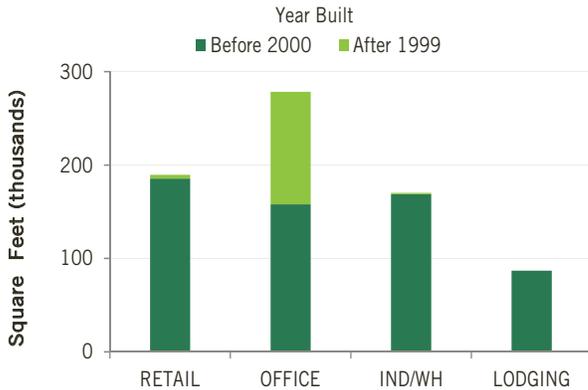
Average land value within the district is \$6.25 per square foot, which is on the lower half of the spectrum relative to other urban districts. The highest average land value is \$23.66 per square foot, in Downtown Olympia, while the average land value for all districts is \$6.02 per square foot.

# Southgate/DOT

## DEVELOPMENT CHARACTER

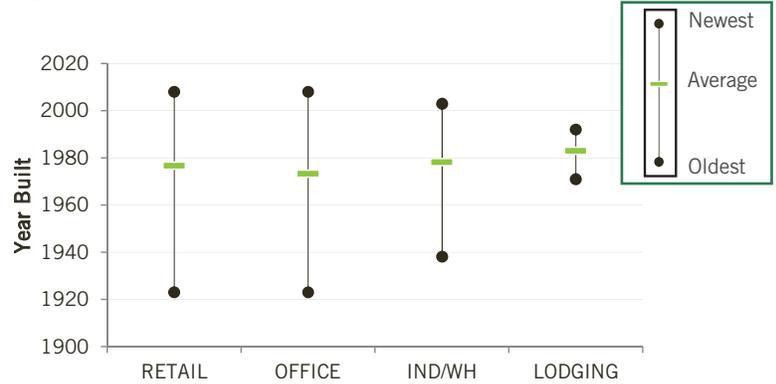


### Commercial Development Inventory



Relative to other districts, Southgate/DOT has a higher than average amount of commercial development. Office use is most prevalent, with a substantial amount of retail and industrial use, as well as some lodging use. A large increase in state office development recently occurred at the far south end of the district.

### Age of Development

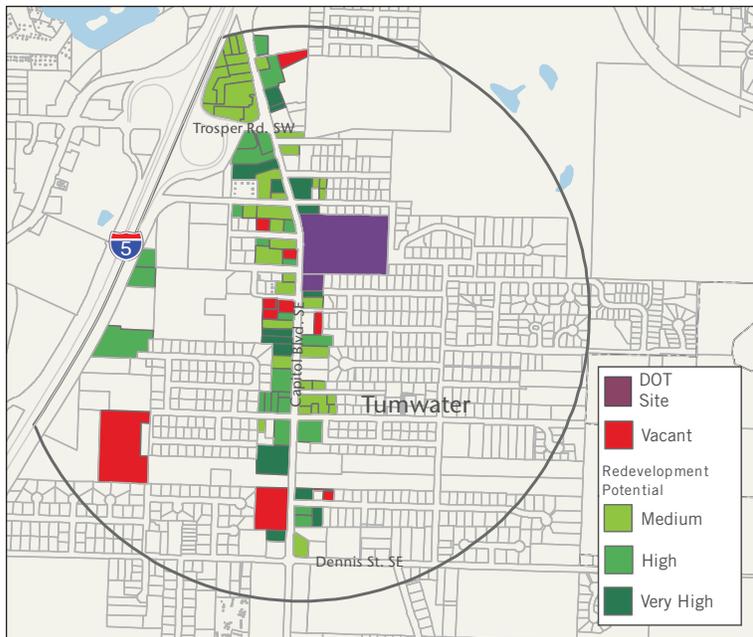


The majority of the building inventory in the Southgate/DOT district was built before 2000, although nearly half of the office space was built after 1999. Average year built for lodging use is highest, at 1982, with industrial use at 1977, retail use at 1975, and office use at 1972.

## POTENTIAL DEVELOPMENT SITES



### Map of Vacant and Redevelopable Sites



Source: TRPC & Thurston County Assessor, 2011; BERK, 2011

### Vacant and Redevelopable Sites (Acres)

Use	Vacant	Redevelopment Potential			
		Very High	High	Medium	Other
<b>Commercial</b>	11.3	7.8	14.8	17.3	0.0
<b>DOT Site *</b>	0.0	0.0	0.0	0.0	10.6
<b>Mixed Use</b>	0.4	0.2	0.0	0.5	0.0

\*Either commercial, residential or a combination of commercial/residential.

\*\* Redev. potential estimated based on size of bldg. and bldg to land value ratio:  
 Very High - Less than 3000 building SF per acre or building to land value ratio <0.5  
 High - More than 3000 building SF per acre and building to land value between 0.5 and 1  
 Medium - More than 3000 building SF per acre and building to land value between 1 and 2

Relative to the other districts, Southgate/DOT has an average amount of redevelopment capacity. Nearly all of the vacant and redevelopable lots are along Capitol Boulevard. City leadership has identified the current DOT site as having the potential for a large-scale redevelopment project, due to the large lot size and central location within the district. The Southgate Shopping Center also presents a significant redevelopment opportunity.

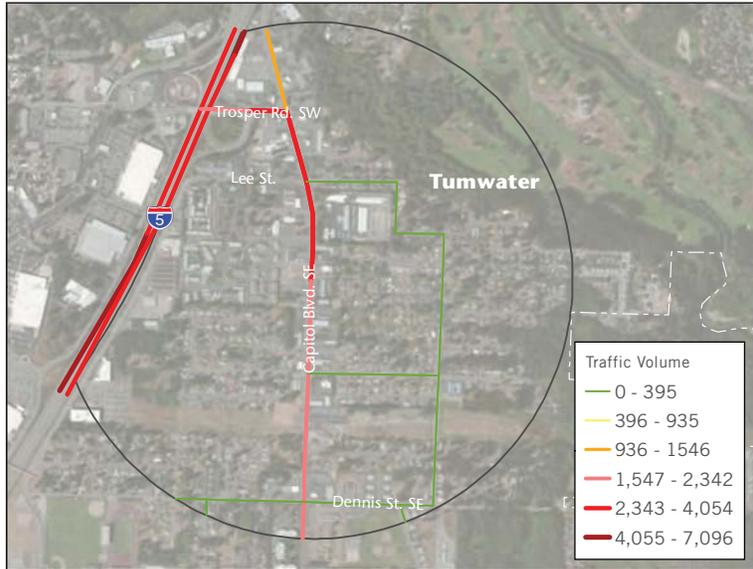
However, there are a number of constraints to redevelopment along the corridor, including traffic congestion, close proximity of access points, lack of internal circulation between adjacent properties, lack of right-of-way width for installation of planter strips and bike lanes, etc.

# Southgate/DOT

## TRANSPORTATION



### Traffic Volumes



Southgate has excellent accessibility to I-5, with an on-ramp within the district. Traffic volumes are moderate to high, with the heaviest traffic along I-5 and the stretch of Capitol Blvd. South of Trooper. The district is served by one bus route and has 401 transit boardings per day, the Third lowest amongst the nine districts served by public transit.

The main traffic issues relate to the large volumes being funneled into the section of roadway between Lee Street and Trooper Road. The large number of business access points directly on the roadway combined with the peak volumes and the freeway access issues create significant congestion during peak morning, peak afternoon, and during lunchtime.

### Transit Routes

Focus Area	Route	Peak Frequency (Min.)	Total Boardings (On and Off) per Weekday	Destinations
Southgate / DOT	13	15	401	Olympia Transit Center, Tumwater Square, Capitol Blvd, Labor & Industries, Tumwater Town Center

■ 2010 Boardings per Day in District: 401

This commercial market analysis was developed as part of the **Sustainable Thurston Project** ([www.sustainablethurston.org](http://www.sustainablethurston.org)). It will provide background information for the allocation of TRPC's 2040 Employment Forecast and the Regional Plan for Sustainable Development.



Founded in 1988, BERK is an interdisciplinary strategy and analysis firm providing integrated, creative, and analytically rigorous approaches to complex policy and planning decisions. BERK's team of strategic planners, policy and financial analysts, economists, cartographers, information designers, and facilitators work together to bring new ideas, clarity, and robust frameworks to the development of analytically-based and action-oriented plans.