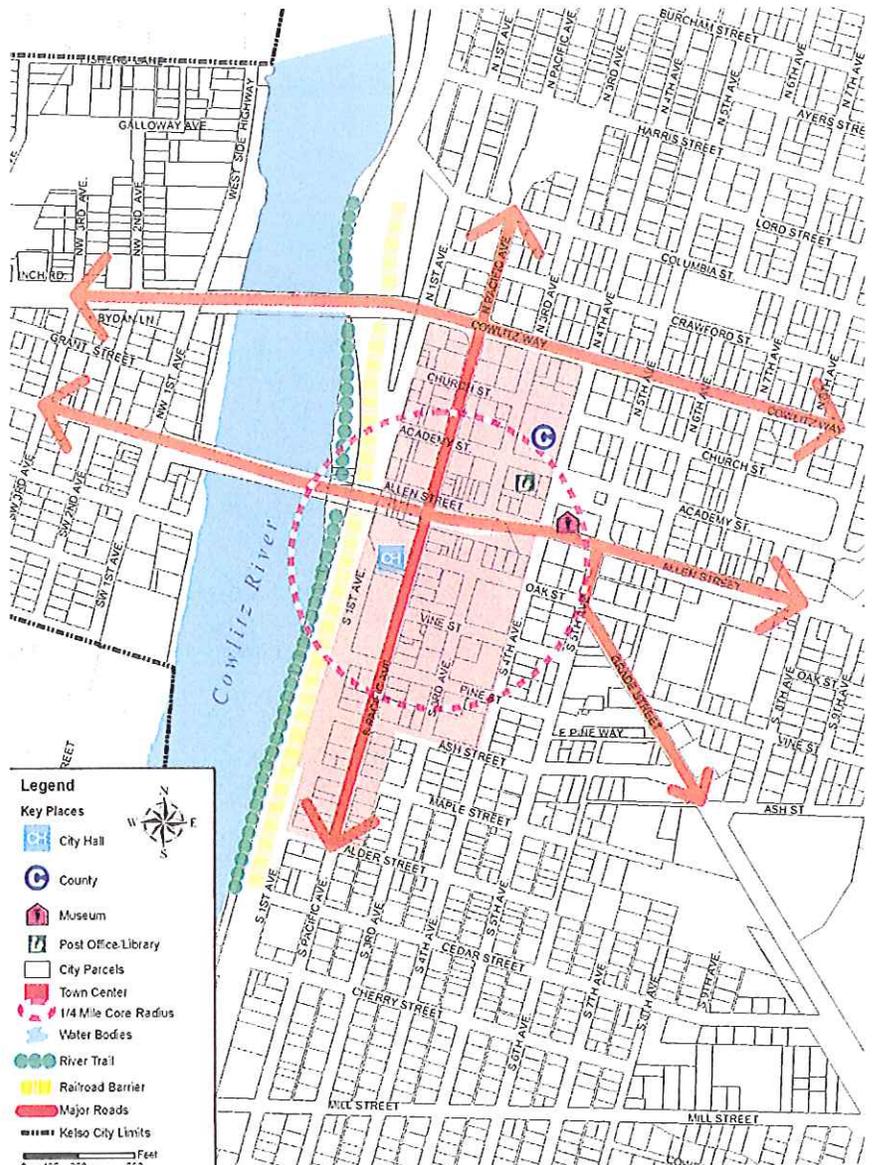


City of Kelso DOWNTOWN REVITALIZATION PLAN



Phase Two Report
BHC Consultants / Greg Waddell
November, 2006

Phase Two – November, 2006

DOWNTOWN KELSO – OPPORTUNITIES AND CHALLENGES

This report is a companion to the Phase One Report dated June, 2005. In Phase, we evaluated the current land use policy and regulatory framework; interviewed key local business and government leaders; and help public workshops to gain understanding of downtown Kelso's strengths, weaknesses, opportunities, and threats. This Phase Two report describes the current status of Downtown Kelso in terms of land ownership, land use and zoning; identifies potential development opportunities; and makes recommendations regarding town center boundaries; zoning and land use regulations. It also provides recommendations for further community and technical work that will lead to a new action plan. Some of the Phase One findings and recommendations are included here for consistency.

Background

Nearly 20 years ago, the City of Kelso completed *The Downtown Revitalization Plan* with broad community participation. That effort was triggered by the opening of the Three Rivers Mall as well as a broad consensus that the historic downtown area needed attention on a number of fronts. The resulting Plan identified over 30 discrete action steps that were recommended to address those issues. The actions ranged from the installation and maintenance of flower pots to construction of a new city hall. A surprising number of the actions have been completed.

In spite of the successes, the Downtown has not recovered as envisioned, and other events such as the construction of the new bridge on Allen Street have created new issues. These factors are addressed in the following.

Executive Summary

Purpose of Study

The City of Kelso received a matching grant from the State of Washington Department of Community, Trade and Economic Development to revise and update the 1988 *Downtown Revitalization Plan*. The purpose of the study is to review existing land ownership patterns, existing land use, existing zoning, and to assess development opportunities in downtown Kelso in light of local and regional development trends, land ownership and parcel sizes, and the suitability of downtown for various development types. This study also develops a set of revised and/or new action strategies aimed at boosting the revitalization of downtown Kelso.

Phase Two Tasks and Findings

Inventory and map land uses by category. Identify historic or "icon" buildings.

Findings and Observations: The area bounded by Allen Street, Cowlitz Way, Pacific Avenue N. and 5th Avenue North is dominated by government uses and religious institutions. This area, which includes parking lots, covers more than seven square blocks.

As would be expected, most of the retail, office and entertainment uses are sited along the arterials of Allen Street and Pacific Avenue, which were the two primary "main" streets prior to construction of the new Allen Street Bridge. There is also a potential "core" of commercial uses south of Allen Street between 1st Avenue South and 5th Avenue South.

There is a significant amount of warehouse and service/repair uses east of 5th Avenue South and south of Allen Street.

Inventory and map land ownership including City of Kelso, Cowlitz County, non-profit organizations/private clubs and lodges, and private ownerships showing ownership adjacency.

Findings and Observations: The ownership patterns reflect the land use patterns discussed above. There are a number of instances of contiguous ownership of private property where consolidation may increase development potential.

Assess traffic flow patterns and develop way-finding signage scheme to enhance access to Town Center and public buildings.

Findings and Observations: The new Allen Street Bridge serves to fragment the Town Center into north and south sections. The "weaving" of traffic from Allen Street over to Grade Street exacerbates this fragmentation. Because of one-way streets (3rd, 4th and 5th) and intersection control along the west side of Grade Street, there is a proliferation of traffic-control signage that can be confusing and intimidating to the unfamiliar. The perception is that the signage is intended to speed you through the Town Center, and not into it.

A wayfinding (signage) scheme was developed to help overcome this confusion and direct drivers to Town Center uses.

Inventory and map building conditions by exterior appearance.

Findings and Observations: By its nature, this inventory is somewhat cursory. However, it provides a base-line as to the overall condition of buildings in the Town Center area.

The external assessment of building conditions rates the buildings on a sliding scale of 1 to 10, (in increments of one) with 1 being new or nearly new buildings and 10 being buildings that appear severely dilapidated.

Single-family and multi-family residential structures were not included, nor were most warehouse/manufacturing uses.

Map businesses by business name and address.

Finding and Observations: This map will be a valuable tool in interfacing with members of the community at public meetings because it provides a familiar point of reference.

Research and document downtown land use regulations for Kelso and six other Washington cities.

Findings and Observations: It is nearly a uniform mission of all communities researched to “revitalize” their town centers to reflect what they were before freeway interchanges and box-stores changed the commercial marketplace.

Common themes are pedestrian friendly, storefront retail, upper-story residential and a consistent design component. To a large degree, cities have exempted their downtown areas from maximum lot coverage, minimum setbacks, and density requirements in order to ensure compact development (and, presumably, to attract developers). In many cases, mechanisms have been developed to provide alternatives to the provision of off-site parking by each individual development. Design review is also a common component of regulating downtown development.

Assess Kelso’s position in taxable sales with Cowlitz County and the State.

Findings and Observations: The city of Kelso compared favorably to both Cowlitz County and the State showing higher taxable sales per capita. This data includes all taxable sales within the entire city of Kelso and is not segregated to identify taxable sales within only the downtown area. Appendix A includes the detailed findings of the sales analysis.

Downtown Kelso does not enjoy the same strength as a retail center. The strong overall picture for the City promises hope for downtown in at least two respects.

1. The Kelso trade area is a strong source of potential sales.
2. The nearby mall is attracting consumers to the area, and they could potentially be diverted into downtown.

Assess the market for selected retail businesses and services and determine the suitability of downtown Kelso for those uses.

Findings and Observations: Regardless of the spending power in the local trade area, a Downtown such as Kelso’s will not be competitive in all retail sectors. Consumer spending patterns and retailer location preferences will dictate that Downtown will never compete for building material sales or department store sales.

Develop recommendations regarding zoning and land use code amendments, town center boundaries and key strategies.

Summary Recommendations: This report concludes that the Town Center area should be reduced in size; that zoning changes should be initiated to reflect the new boundaries; and that land use regulations within the Town Center should be modified to provide more incentive for development, particularly for mixed-use development. The

City of Kelso should work with other government agencies to boost the revitalization of the town center.

Next Steps

- Determine space and program needs for Post Office and Public Library.
- Research to find examples of development/redevelopment of Post Offices in support of downtown redevelopment.
- Research and provide examples of library development that provide alternatives to free-standing, single-use structures.
- Identify potential locations for Post Office and Public Library within the Town Center.
- Develop conceptual alternative plans that include:
 - ✓ Location and development alternatives for public and private uses
 - ✓ Location of pedestrian interconnects between public facilities and amenities
- Recommend alternative organizational structures to focus on, promote and guide revitalization efforts.
- Identify potential funding sources/mechanisms including local, state and federal.
- Prioritize projects and recommend phasing options.
- Conduct public meetings/workshops.

KELSO TOWN CENTER

LAND USE AND ASSESSED VALUATION – PRIVATE LAND

Land Use	Total Land Area (Square Feet)	Total Assessed Value (2006)
Retail Stores	185,485	\$3,298,500
Business/Professional Office	37,132	\$1,197,800
Repair Service	38,545	\$384,100
Tavern	22,200	\$630,000
Warehouse	53,900	\$1,298,000
Private Organizations	26,172	\$560,500
Religious Organizations	80,446	\$2,770,900
Multi-Family	9,799	\$428,600
Single-Family	79,924	\$1,126,900
Parking	100,328	\$629,800
Vacant Land	78,487	\$293,200
Total	712,415 s.f.	

Source: Cowlitz County Assessor

**KELSO TOWN CENTER
PUBLIC LAND**

City of Kelso - Total Land = 282,575 Square Feet

Uses: City Hall and Police, Old City Hall, Customer and Employee Parking, Public Parking, Library, Park, Riverfront, Leased Land

Cowlitz County – Total Land = 143,579 Square Feet

Uses: County Courthouse, Museum, Parking, Riverfront

Federal – Total Land = 15,000 Square Feet

Use: U.S. Post Office

Kelso Housing Authority – Total Land = 10,450 Square Feet

Uses: Multi-family Residential and Commercial

Emergency Support Services – Total Land = 13,808 Square Feet

Uses: Social Services

Total Public Land = 465, 412 Square Feet





Legend

- Downtown Kelso
- Downtown Parcels
- Kelso Parcels
- Downtown Streets

BUILDING CONDITIONS

ASSESSMENT OF BUILDING CONDITION*

A preliminary external assessment of building conditions rates the buildings on a sliding scale of 1 to 10 in increments of one.

- A ranking from 1 - 4 is applied to new or nearly new buildings and to buildings that have undergone significant restoration. Buildings of any age that have been well maintained to a degree that they appear to be sound condition are included in this ranking level.
- A ranking of 5 - 7 is applied to those buildings that appear from external examination to be sound, structurally, but that could benefit from cosmetic or minor architectural improvements. Such improvements may include the removal of previously installed facades that hide the original architectural characteristics of the building. The improvements may also include minor additions/alterations that would reflect the Downtown Design Guidelines.
- Buildings with a ranking of 8 - 10 are those that show probable structural deterioration to a point where the cost of repair or renovation would likely exceed the value, in terms of return of investment, of the resulting structure.
- This assessment only considers the external visual appearance of structures and is not meant to imply structural, mechanical or electrical conditions as can only be determined by interior inspections.

This assessment does not reflect nor equate the condition of a building to the development potential of the site on which it is located. For example, a building in very good structural condition may be underutilizing the use of the parcel in terms of zoning and parcel size.

Single-family (SF) and multi-family (MF) residential structures were not included in this assessment, even though they may be used for commercial purposes.

Most warehouse/manufacturing uses were also not included in this assessment.

SOURCES: CITY OF KELSO 2005



NUMBER	OWNER NAME	ADDRESS	NUMBER NAME	ADDRESS	NUMBER NAME	ADDRESS
1	GOVERNMENT OF WA	41 PACIFIC AVE N				
2	HOLTS & CO INC	41 PACIFIC AVE N				
3	GOVERNMENT OF WA	41 PACIFIC AVE N				
4	LAURENTER LLC	41 PACIFIC AVE N				
5	WOLFE BLANK	41 PACIFIC AVE N				
6	ATTC TRADING INC	41 PACIFIC AVE N				
7	GOVERNMENT OF WA	41 PACIFIC AVE N				
8	PAFFENBARGER GROUP	41 PACIFIC AVE N				
9	GOVERNMENT OF WA	41 PACIFIC AVE N				
10	GOVERNMENT OF WA	41 PACIFIC AVE N				
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65	GOVERNMENT OF WA	41 PACIFIC AVE N				
66	GOVERNMENT OF WA	41 PACIFIC AVE N				

Parcel Data Created by City of Kelso GIS Department on 11/15/2006

SOURCES: CITY OF KELSO 2005

City of Kelso, Downtown Revitalization Plan - Comparison of Zoning Requirements in Similar Downtowns

	KELSO	LONGVIEW	CAMAS	ANACORTES	BLAINE	ENUMCLAW	ISSAQUAH
Permitted Uses (Summarized)	Commercial; office; lodging; entertainment; government; cultural facilities; eating and drinking	Commercial; office etc. Single purpose parking permitted	Commercial; office etc. Auto related by CU. All residential except SF and manufactured.	Commercial; office etc. Public bldgs; arts and culture; multi-family above 1 st floor.	3 areas: CB-Market; CB-Transition; CB-Wharf	CB-1 and CB-2 Broad range of commercial uses either permitted or conditional.	Commercial; office etc. Multi-family on upper floors; public-uses; tourist oriented uses.
Prohibited Uses	Business w/drive thru; Auto sales and services; warehousing;	Note: public buildings, schools, transit facilities, clubs & lodges, restaurants > 50 occupancy require city council approval	Wholesale,; manufacturing; warehousing; adult entertainment	All those not listed as permitted or conditional	No residential 1 st floor in CBM No non-retail 1 st floor in CBM No taverns, bars etc. in CBT	Manufacturing, compounding or processing of products other than those sold retail on site.	Manufacturing, warehousing, large scale commercial
Lot Size Minimum	None	None	None	None	None	None	None
Maximum Site Coverage	None	None specified*	None	None	None	None	85% impervious max.
Required Setbacks	0' minimum/5' maximum for commercial; 10' minimum/15" maximum for residential*	None specified*	None	None, except 10 ft. adjacent to residential zone	None: Must abut front line unless setback is for pedestrian oriented use.	None	None
Maximum Height	35' basic 45' by Conditional Use 60' if parking is underground	None specified*	None	50' non-residential 35' residential	36' and 46' CBM	4 ½ floors or 40'	45" base 60' max
Residential Density	8 dwelling units / acre (5,540 sq. ft. per unit)	None specified*	None	None	None	None specified	None specified. Limited by other site/height standards
Required Parking	Commercial: 2/1000 square feet Residential: 1/unit in mixed use. New adjacent on-street parking counts toward	None required for retail or office of less than 18,000 sq. ft. Multi-family = 1.5/unit	None required in Downtown Commercial	As per code unless part of parking program action through City. Parking minimum cannot be exceeded in CBD.	Comprehensive Parking Plan	As per code in CB-1 None required in CB-2	25% reduction in downtown zone. Other exemptions

City of Kelso, Downtown Revitalization Plan - Comparison of Zoning Requirements in Similar Downtowns

	KELSO	LONGVIEW	CAMAS	ANACORTES	BLAINE	ENUMCLAW	ISSAQUAH
	requirement						
Design Review	Downtown Design Review Overlay Administrative approval with appeal to Planning Commission	None except for site plan review as part of Special Property Use permit.	Yes: Seven-member Design Review Committee	Basic design standards relating to building modulation etc. in zoning code.	Yes. Turn of the century theme. "Review Specialist" (architect appointed by Council) and director are review team.	Yes. Five member board. Non-thematic guidelines in zoning code. + design manual.	Olde Towne Design Guidelines
Signs	Special section for 200 block of Allen Street. Generally signs limited to 32 square feet in area.	Extensive requirements	Part of design review		Part of design review		Design guidelines
Bonus Incentives	Parking exemption if participate in downtown parking Business Improvement Area.				10' height increase for architectural details and public amenities		
Overlay Zones	Design Review Overlay Parking Overlay					Old Town Overlay – Requires SEPA review for demolition permits.	
Special Features	CTC is only zone where Post Office is allowed.	*Standards may be applied as part of Special Property Use approval process					
Quirks			"No limits" applies to downtown commercial, community commercial and regional commercial zones			No restrictions on auto sales and service, nor on drive-thru businesses.	
General Comments	*Do residential setbacks apply in mixed use building?		No requirement for first-floor commercial for residential uses.		Public-use buildings require conditional use permit	Public-use buildings are not specifically mentioned in CBD zoning as either permitted or conditional uses.	

KELSO TOWN CENTER MARKET OPPORTUNITIES

Comparison of Taxable Sales – Per Capita

- State of Washington - \$16,328
- Cowlitz County - \$13,333
- Kelso - \$18,286

Source: Washington State Department of Revenue

BUSINESS SUITABILITY ANALYSIS

	Examples	Market Preferences	Suitability for Downtown
Retail Trade			
Building Materials	Local Hardware Store Big Box	Big Box dominates. Need larger site	?
General Merchandise	Macy's Target, Fred Meyer	Department stores seek mall sites with 500,000+ population. Others seek stand-alone	?
Food	Grocery Specialty food	Neighborhood center sites serving 10,000 – 30,000 population.	Moderate
Auto Dealer/Gas	New and Used Car Sales Gas Stations	Auto sales need large sites, high visibility. Gas stations need high visibility.	?
Apparel/Accessories	Specialty stores	National retailers prefer mall sites. Local stores need established reputation.	Moderate
Furniture Furnishings	Furniture, Appliances, Electronic	National firms in Big Box. Local stores need established reputation.	Moderate
Eating Drinking	Restaurants, Bar/Tavern Fast Food	Demand for national and local businesses.	High
Misc. Retail	Books Sporting Goods	Benefit from concentration.	Moderate
Selected Services			
Hotel/Motel	Full Service Limited Service	Demand generators: highway sites, employment base, tourist attractions.	Moderate
Personal Services	Hairstyle Dry Cleaning	Neighborhood malls. Stand-alone sites.	Moderate
Business Services	Printing, Copying	Near business center.	High
Repair Services	Auto Equipment	Local businesses. Don't need prime site	Moderate
Professional Services	Legal, Accounting, Doctor, Dental, Consultant	Quality office space Malls, Downtown, Stand-alone.	High
Finance Insurance Real Estate	Banks, Realtors Insurance Agencies Investment Brokers	Quality office space. Malls, Downtown, Stand-alone.	High

Source: Property Counselors

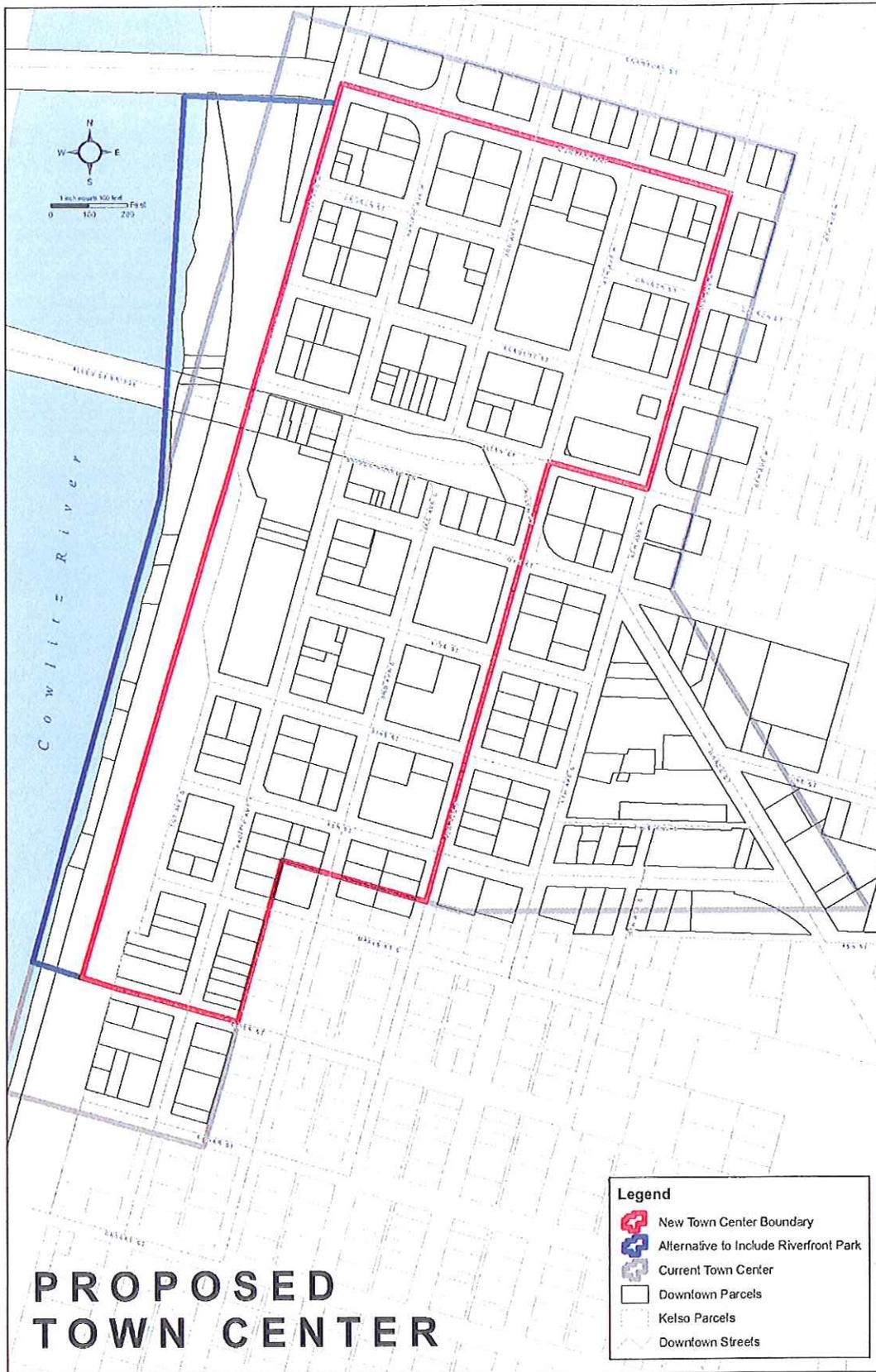
COMPARISON OF CURRENT COMMERCIAL ZONED USES With Recommended Changes Shown by Strike-outs & Underlining

Use	CTC	CSR
Commercial		
Post Office	P	X
Retail sales and services with drive-through business	X	P
Retail sales and services without drive-through business	C/P	P
Retail sales and services with screened outdoor storage	C	N/A
Manufactured homes sales lots	X	X
Cart vendors	P	X
Automobile sales – new or used	X	P
Uses which service the automobile (e.g. gasoline service stations, car wash, minor/major vehicle repair)	X	P
Personal and professional services	P	P
Small engine repair	N/A	P
Entertainment (e.g. theaters, video arcades etc; except adult oriented entertainment)	P	P
Fitness centers/sports clubs	<u>PC</u>	P
Participant sports and recreation – indoor	C	P
Participant sports and recreation – outdoor	X	C
Hotels, motels and inns	P	P
Bed and breakfasts	<u>P¹/C</u>	P
Restaurants	P	P
Formula take-out restaurant without drive-through	P	P
Formula take-out restaurant with drive-through	X	P
Day care facilities	<u>P¹/C</u>	P
Transit facilities	P	X
Taverns	P	P
Warehousing (wholesale, bulk retail and trade)	X	X
Miscellaneous		
Government, educational, and cultural/institutional facility	P	P
Gallery and cultural/institutional facility	P	X
Religious institution	C	P
Medical, dental, <u>Clinics</u> and emergency health care facilities	<u>CP</u>	P
Veterinarian clinics	N/A	C
Auditoriums, clubhouses, meeting halls	C	P
Recycling centers	N/A	C
Parking as principal use	<u>XG</u>	P
Park and ride lots	X	P
Marinas, boardwalks, public piers	P	P
Parks	P	P
Other uses deemed to be similar	N/A	C
Residential		
Multi-family dwellings (must be in mixed use buildings)	P	P
Single-family dwellings (pre-existing only)	P	P

COMPARISON OF CURRENT COMMERCIAL ZONE STANDARDS

With Recommended Changes Shown by Strike-outs & Underlining

	CTC	CSR
Building Height Limit	45 feet	45 feet
Optional building height with under building parking	60 feet	60 feet
Building height limit when property adjoins a lower density residential zone	For the first 30 feet of the building from the property line of an adjoining lower density residential zone, the building height shall <u>have a base with a be the building height of the residential zone. The remaining tower portion of the building shall be setback a minimum of 10 feet from the property line.</u>	Same
Residential density	8 units per acre <u>None</u>	8 units per acre
Minimum site area	None	None
Front yard setback	Commercial: 0 ft. minimum, 5 ft. maximum Residential: 10 ft. minimum, 15 ft. maximum <u>Subject to Design Review</u>	None
Side and rear yard setback	0 ft. Site triangle on corner lots	None unless adjacent residential zone, then same as residential zone
Parking requirements for retail, commercial and personal services.		
Minimum spaces per 1000 sq. ft.	2	Per code depending on use type
Maximum spaces per 1000 sq. ft.	3	No more than 10% above requirement by approval of PD
Residential minimum per unit	1	2 or 1 if above commercial
Residential maximum per unit	1.5	N/A



Key Strategies

- **Work with Federal Government to ensure that the U.S. Post Office remains in the Town Center**
- **Explore public/private partnership to develop a new, larger library in the Town Center**
- **Change boundary to create a more compact Town Center area**
- **Provide incentives for development of mixed-use projects in the Town Center by amendments to the zoning code**
- **Fund façade improvement program for buildings within the Town Center**
- **Improve gateways and way-finding to and within Town Center**
- **Provide safe connection from Town Center to riverfront**

Market Opportunities for Downtown

(Property Counselors)

Kelso Business Climate

The business climate in Kelso is strong based on an analysis of taxable sales data for the City. Table I compares sales data by sector for the City, the County, and the State of Washington. On a per capita basis, Kelso's total taxable sales of \$18,280 greatly exceeds sales for the County, and the State as well. This is unusual for a smaller community in a non-metropolitan county. For the retail trade sector, the difference is ever greater, with general merchandise, miscellaneous retail, apparel and accessories, and motor vehicles showing high per capita levels. The City compares most favorably with the State on categories represented in the Three Rivers Mall. It falls short in categories such as building materials, electronics, and furniture that locate in big box stores.

Table 2 summarizes sales trends for the period 1994 through 2004. The data shown are in Standard Industrial Classification (SIC) format, which differs somewhat from the North American Industrial Classification System (NAICS). Total taxable sales and retail trade grew at an average rate approximately equal to inflation over the period. Retail sectors showing growth were General Merchandise, Auto Dealers/Gas, Eating/Drinking, and Misc. Retail. Sectors showing decreases were Building Materials, Food, Apparel, and Furniture.

These figures reflect economic conditions in the City as a whole, rather than Downtown Kelso. In particular, they reflect the strength of the Mall. While redevelopment of the Triangle Mall in Longview has affected Kelso sales, renovations at the Mall should strengthen its position.

Downtown Kelso does not enjoy the same strength as a retail center. The strong overall picture for the City promises hope for Downtown in at least two respects.

3. The Kelso trade area is a strong source of potential sales.
4. The nearby mall is attracting consumers to the area, and they could potentially be diverted into Downtown.

Table 1
Comparison of Taxable Sales
Kelso, Cowlitz County and Washington State
(North American Industrial Classification System)

	Washington	Cowlitz Co.	Kelso	Washington	Per Capita Cowlitz Co.	Kelso
RETAIL TRADE						
MOTOR VEHICLES & PARTS	12,049,173,832	219,588,356	32,387,133	1,926	2,290	2,740
FURNITURE & HOME FURNISHINGS	2,091,863,348	11,735,478	2,928,380	334	122	248
ELECTRONICS & APPLIANCES	2,598,411,264	11,782,949	3,474,566	415	123	294
BUILDING MATERIALS, GARDEN EQUIP & S	4,936,022,736	77,303,909	4,687,154	789	806	397
FOOD & BEVERAGE STORES	2,920,445,718	44,446,993	9,357,807	467	463	792
DRUG/HEALTH STORES	1,196,897,310	11,766,564	2,952,176	191	123	250
GAS STATIONS & CONVENIENCE STORES W	1,269,033,040	54,492,956	4,061,260	203	568	344
APPAREL & ACCESSORIES	3,136,151,255	12,064,366	6,717,869	501	126	568
SPORTING GOODS, TOYS, BOOK & MUSIC S	1,814,933,345	12,932,394	3,139,712	290	135	266
GENERAL MERCHANDISE STORES	8,907,049,031	130,499,509	46,078,165	1,424	1,361	3,898
E-COMMERCE & MAIL ORDER	446,385,863	3,208,832	702,148	71	33	59
MISCELLANEOUS RETAILERS	4,821,141,458	68,816,550	11,988,795	771	718	1,014
TOTAL RETAIL TRADE	46,187,508,200	658,638,856	128,475,165	7,382	6,868	10,869
AGRICULTURE, FORESTRY, FISHING	114,904,407	1,069,312	73,029	18	11	6
MINING	95,027,058	1,261,115	19,060	15	13	2
UTILITIES	77,077,071	519,267	28,507	12	5	2
CONSTRUCTION	18,515,382,892	206,971,340	12,918,847	2,959	2,158	1,093
MANUFACTURING	2,491,993,533	35,075,899	2,955,260	398	366	250
WHOLESALE TRADE	8,239,811,378	89,521,545	17,781,855	1,317	933	1,504
TRANSPORTATION & WAREHOUSING	409,481,475	8,170,329	853,935	65	85	72
INFORMATION	4,627,782,944	46,866,430	5,985,343	740	489	506
FINANCE, INSURANCE	989,009,803	7,163,631	1,082,516	158	75	92
REAL ESTATE, RENTAL/LEASING	2,653,622,633	29,416,868	3,919,279	424	307	332
PROFESSIONAL, SCIENTIFIC & TECHNICAL SE	1,757,579,657	16,449,795	1,688,020	281	172	143
MANAGEMENT, EDUCATION & HEALTH SERV	2,378,533,648	20,927,891	1,868,360	380	218	158
ARTS, ENTERTAINMENT & RECREATION	914,764,456	9,878,151	3,165,993	146	103	268
ACCOMMODATIONS & FOOD SERVICES						
ACCOMMODATIONS	1,703,785,366	12,381,131	7,595,068	272	129	643
RESTAURANTS, FOOD SERVICES & DRINKIN	7,816,527,882	97,931,028	21,354,746	1,249	1,021	1,807
OTHER SERVICES						
REPAIR & MAINTENANCE	2,203,097,655	26,375,936	4,012,198	352	275	339
PERSONAL SERVICE	833,865,603	6,852,557	1,135,244	133	71	96
RELIGIOUS, CIVIC & OTHER ORGANIZATIOI	87,294,724	2,006,984	1,085,098	14	21	92
PUBLIC ADMINISTRATION, OTHER	57,039,355	1,130,703	138,514	9	12	12
TOTAL ALL INDUSTRIES	102,154,089,740	1,278,608,768	216,136,037	16,328	13,333	18,286

Source: Washington State Department of Revenue
Property Counselors

Table 2

**Kelso
Taxable Retail Sales 1994 to 2004
(Standard Industrial Classification Format)**

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	Avg. Annual Growth
Retail Trade												
Building Materials/Hardware	4,939,365	5,099,086	6,157,551	6,171,371	5,964,140	6,683,177	6,797,824	3,577,586	3,180,070	3,385,713	4,170,170	-1.7%
General Merchandise	42,271,779	44,181,574	42,823,072	43,280,202	43,956,292	44,619,305	47,737,940	44,879,326	42,813,994	44,874,978	46,234,701	0.9%
Food	15,560,444	14,781,618	14,192,983	14,218,339	13,342,561	13,066,680	14,191,291	11,152,004	9,678,624	9,545,971	10,537,086	-3.8%
Auto Dealers/Gas Stations	6,597,656	6,685,750	6,725,261	8,574,296	11,188,877	11,296,600	26,732,334	25,745,248	26,581,095	27,952,726	30,425,438	16.5%
Apparel/Accessories	6,520,340	6,285,285	5,194,215	4,760,485	4,292,798	3,665,658	3,264,613	2,765,502	2,406,751	2,553,305	3,411,913	-6.3%
Furniture/Furnishings	5,607,218	5,048,727	5,904,964	5,998,059	7,341,604	6,320,117	5,630,258	4,187,494	4,344,724	6,237,650	4,253,608	-2.7%
Eating/Drinking Places	16,194,245	17,828,831	19,885,183	19,080,339	18,349,525	19,219,351	18,919,401	20,097,976	20,202,142	20,329,046	21,332,940	2.8%
Misc. Retail	11,480,790	12,130,369	12,204,114	13,761,198	14,633,716	14,594,958	14,660,796	13,460,967	14,084,795	15,952,225	17,133,047	4.1%
Total Retail Trade	109,171,837	112,041,240	113,087,343	115,844,289	119,069,513	119,465,846	137,934,457	125,866,103	123,292,195	130,831,614	137,498,903	2.3%
Services												
Hotels/Motels	6,783,555	7,518,899	7,208,445	7,621,729	6,993,900	7,343,909	7,249,758	7,791,180	6,970,246	6,675,922	7,125,313	0.5%
Personal Services	1,873,937	1,966,423	1,950,373	1,906,367	1,885,519	1,663,957	1,491,221	1,479,834	1,869,456	1,690,705	1,756,586	-0.6%
Business Services	2,394,516	2,594,265	2,733,161	3,465,149	3,964,703	5,217,770	5,296,820	4,572,313	4,889,841	3,893,459	4,393,084	6.3%
Computer Services	302,416	404,995	395,663	488,987	841,843	1,367,476	1,071,443	469,640	449,567	295,989	663,513	8.2%
Automotive Repair Services	2,411,654	2,641,038	2,693,613	2,669,967	2,547,329	3,131,741	3,488,499	4,425,202	5,241,922	4,419,223	4,551,747	6.6%
Other	7,666,732	7,923,744	8,288,882	8,381,160	6,566,085	6,181,699	5,782,784	5,128,710	5,128,248	6,541,414	7,713,899	0.1%
Total Services	21,130,394	22,644,369	22,874,474	24,044,372	21,957,536	23,539,076	23,309,082	23,397,239	24,099,713	23,220,723	25,540,629	1.9%
Contracting	10,615,449	12,506,039	12,788,996	13,461,408	15,460,112	17,707,423	12,530,992	12,274,483	23,559,228	40,094,379	17,928,595	5.4%
Manufacturing	6,258,406	5,870,765	4,210,587	2,146,910	1,993,844	6,385,505	1,636,247	1,686,065	2,210,972	2,377,923	2,500,719	-8.8%
Transportation/Comm./Utilities	3,550,834	4,411,654	4,248,662	5,820,356	4,928,669	5,747,253	6,226,555	6,228,884	6,268,188	5,816,235	5,948,898	5.3%
Wholesaling	16,034,071	15,326,879	11,869,952	15,894,507	21,809,645	21,924,067	19,972,708	21,969,205	21,980,731	17,995,098	19,312,000	1.9%
Finance/Insurance/Real Estate	1,164,080	1,150,115	1,180,186	1,201,940	1,322,583	1,237,818	1,289,715	1,349,832	1,409,587	1,697,562	1,476,259	2.4%
Other Business	1,705,077	1,080,708	1,027,261	1,092,993	1,261,619	1,114,923	1,466,467	993,062	1,601,395	982,563	1,183,572	-3.6%
Total	169,630,148	175,031,769	171,287,461	179,506,775	187,803,521	197,121,911	204,366,223	193,764,873	204,422,009	223,016,097	211,389,575	2.2%

Source: Washington State Department of Revenue

Suitable Uses for Downtown Kelso

Regardless of the spending power in the local trade area, a Downtown such as Kelso's will not be competitive in all retail sectors. Consumer spending patterns and retailer location preferences will dictate that Downtown will never compete for building material sales or department store sales. Table 3 provides a summary of the market preferences within the retail trade and selected service sectors, and the implications for suitability of these sectors for a Downtown such as Kelso's.

Table 3
Downtown Kelso
Business Suitability Analysis

	Examples	Market Preferences	Suitability for Downtown
Retail Trade			
Building Materials	Local Hardware Store Big Box	Big Box dominates. Need larger site	Low
General Merchandise	Macy's Target, Fred Meyer	Department stores seek mall sites with 500,000+ population. Others seek stand-alone	Low
Food	Grocery Specialty food	Neighborhood center sites serving 10,000 – 30,000 population.	Moderate
Auto Dealer/Gas	New Car Sales Used Car Sales Gas Stations	Auto sales need large sites, high visibility. Gas stations need high visibility.	Low
Apparel/Accessories	Specialty stores	National retailers prefer mall sites. Local stores need established reputation.	Moderate
Furniture Furnishings	Furniture Appliances Electronic	National firms in Big Box. Local stores need established reputation.	Moderate
Eating Drinking	Restaurants Bar/Tavern Fast Food	Demand for national and local businesses.	High
Misc. Retail	Books Sporting Goods	Benefit from concentration.	Moderate

Selected Services

Hotel/Motel	Full Service Limited Service	Demand generators: highway sites, employment base, tourist attractions.	Moderate
Personal Services	Hairstyle Dry Cleaning	Neighborhood malls. Stand-alone sites.	Moderate
Business Services	Printing, Copying	Near business center.	High
Repair Services	Auto Equipment	Local businesses. Don't need prime site	Moderate
Professional Services	Legal, Accounting, Doctor, Dental, Consultant	Quality office space Malls, Downtown, Stand-alone.	High
Finance Insurance	Banks	Quality office space.	High
Real Estate	Realtors Insurance Agencies Investment Brokers	Malls, Downtown, Stand-alone.	

Source: Property Counselors

For those categories ranked high in suitability, it's realistic for a Downtown such as Kelso's to compete for these uses. However, there may be particular conditions in Downtown that must be addressed before it can be successful. It's also true that there may be successful existing businesses that are in categories that are shown as low suitability. Baker Lumber and Kelso Auto and Marine Supply are obvious examples of such businesses. They have established their reputations and clientele over a period of time. However new businesses in these categories would probably seek large sites outside the Downtown area.