
DEVELOPMENT & BUSINESS SERVICES 2024 ANNUAL REPORT



Development & Business Services Mission:

Through outstanding public service, proactive planning, and strong partnerships, we foster development of a vibrant community where people and businesses thrive.

INTRODUCTION

The Development and Business Services (DBS) department was created in 2021 to improve efficiencies and increase transparencies across previously separated departments. This effort highlights the city's commitment to improving customer service and continuous process improvements to achieve organizational excellence. DBS is comprised of four divisions:

- **Community Planning**

The Community Planning Division is responsible for managing Lynnwood's land use development approval process; SEPA environmental review; the Lynnwood Growth Management Act (GMA) Compliant Comprehensive Plan; developing special area plans; maintaining and applying Zoning and Subdivision Codes; and staff support for the Planning Commission.

- **Economic Development**

Economic Development undertakes targeted activities, programs, and projects to improve Lynnwood's economic well-being and quality of life by fostering development; diversifying the economy; recruiting and retaining jobs; and building the local tax base. The Economic Development Division is responsible for facilitating private development; implementing the City Center Plan; managing Sound Transit Light Rail; business recruitment, retention, and expansion; and tourism promotion.

- **Permits and Inspections**

The Permit and Inspections Division includes Permit Services, Plan Review and Inspection Services, Development Engineering Services, Fire Prevention (South Snohomish County Fire and Rescue), and Code Enforcement. This division is responsible for the intake, review and issuance of all construction permits to ensure that construction in Lynnwood is safe, built according to the plans, and consistent with adopted State and local codes. Code Enforcement addresses a variety of nuisances and code violations that pose a threat to public safety, health, and neighborhood stability.

- **Administration**

The Administration Division includes the DBS Director and Administrative staff. The Director oversees all functions of DBS. The Administration Division provides budget preparation and oversight, business license services, and administrative support for all DBS divisions.

DBS responsibilities are focused on the orderly growth and development of our community. DBS staff prepared a Mission Statement and Strategic Goals that guide the department. This collaborative effort identified shared priorities for community vitality, sustainability, and resiliency. The DBS Mission Statement and Strategic Goals focuses DBS on Lynnwood's Community Vision; the priorities of the Lynnwood 2022-2026 Strategic Plan; and public service.

DBS Mission:

Through outstanding public service, proactive planning, and strong partnerships, we foster development of a vibrant community where people and businesses thrive.

DEVELOPMENT & BUSINESS SERVICES STRATEGIC PLAN GOALS:

1. Create a positive service culture for applicants.
2. Build systems, processes, and codes to work smarter and more efficiently.
3. Develop staff expertise and a culture to address Lynnwood's future growth.
4. Enhance quality of life through implementing the Lynnwood Comprehensive Plan.
5. Attract businesses and development partners to succeed in Lynnwood.

ORGANIZATIONAL AND PROCESS IMPROVEMENTS

DBS STAFFING

DBS continued to make progress on the department's phased hiring plan approved by City Council in 2021-2022.

- **Community Planning**
 - Filled Senior Planner position that provides advanced professional planning services. Responsibilities include analyzing and preparing recommendations on land use, environmental, and urban planning issues, responding to land use inquiries, implementing plans and policies, and serving as a resource to the City Council, Planning Commission, Hearing Examiner and other City boards and committees.
- **Economic Development**
 - Filled Business Development Program Manager position that is responsible to develop, foster, and maintain professional relationships and partnerships with businesses, trade groups, service providers, Chamber of Commerce, non-governmental organizations, government agencies, and public authorities to undertake programs and facilitate economic growth, development, employment, and vibrancy in the City of Lynnwood.
- **Permits and Inspections**
 - The Permit Supervisor retired in early 2024 after successfully leading the Permit Center through the transition to remote work during the global pandemic, the re-opening of the office post-pandemic, and the design and launch of a new permitting system that improved the efficiency of permit processes.
 - Seamlessly filled the Permit Supervisor position through promotion of a Senior Permit Technician with over 14 years of experience with the City of Lynnwood. The Permit Supervisor oversees the work of the Permit Center and provides technical expertise related to permitting functions to DBS customers, Lynnwood departments, administrators, and outside agencies.
 - Filled Senior Permit Technician position. This position is responsible for processing large and complex projects that require a high level of coordination between customers, Lynnwood reviewers, and external partners to achieve project goals.
- **Administration**
 - Filled DBS Manager position. Reporting to the Director, this position is responsible for the administrative operations of the department, including budgeting.
 - Filled Business License Specialist position through promotion of the Administrative Assistant, who cross-trained extensively with the previous Business License Specialist before her retirement in 2023.
 - Filled Administrative Assistant position. This position supports inter and intradepartmental communications including website updates, purchasing and payments, and general office duties.
 - Filled Business Support Analyst position. This position is responsible for leveraging technology and data to further productivity, output, and efficiency through continuous process improvements.

DBS staff engaged in professional development related to the core functions of the department. Training, certifications, and continuing education credits were obtained through multiple professional associations including but not limited to the American Institute of Certified Planners (AICP), International Code Council (ICC), Washington Association of Building Officials (WABO), and Washington Economic Development Association (WEDA).

FIRE PREVENTION STAFFING: SOUTH COUNTY FIRE INTERLOCAL AGREEMENT

DBS provided fire prevention plan review and inspection services through an interlocal agreement with South Snohomish County Fire & Rescue Regional Fire Authority (RFA). This contract was renegotiated effective July 1, 2024, strengthening the relationship between DBS and the RFA, preserving existing services, and significantly reducing the cost of services to Lynnwood. New staff was brought on by the RFA to increase the Fire Prevention staffing for DBS.

PROCESS IMPROVEMENTS

Process improvements advanced the DBS mission and strategic plan goals of creating a positive service culture for applicants and building systems, processes, and codes to work smarter and more efficiently. Key process improvements included a streamlined permit process, new customer service portal, and new permit/project management software.

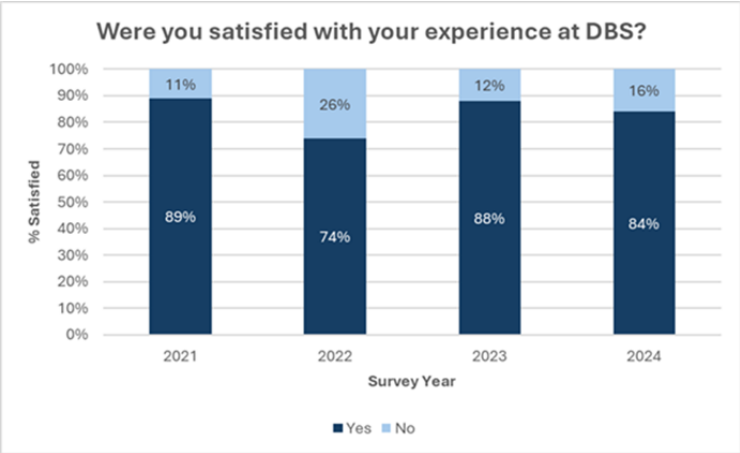
- Streamlined Permit Process**
DBS streamlined the permit application process for customers by bundling permits at the project level. This reduced the application time for customers and made it easier to see what permits are required for a project.
- Implemented Online Customer Service Portal**
On January 10, 2024, DBS launched a new 24/7 Customer Service Portal. The new portal is mobile friendly and has a translation feature that allows customers to select the language they would like to use to access services. In addition to applying online for building, development engineering, electrical, fire, and land use permits, customers can easily check the status of their applications, pay fees, request inspections, view inspection results, download and print approved permits, and report potential code violations.
- Implemented SmartGov Permit/Project Management System**
DBS implemented a new permit/project management software that was identified as a priority need for development and business services. Launched on January 10, 2024, the SmartGov system brings permitting and inspection functions together across planning and zoning, development engineering, building services, fire prevention, and code enforcement. In addition to improving workflows, the program enables baseline measures that can be used to assess future performance.

COST RECOVERY FOR PERMIT ISSUANCE

On October 14, 2024, City Council adopted a clear process for continued cost recovery for permit issuance for 2025 – 2028 based on a comprehensive fee study by FCS Group. The next fee study will be in 2028.

DEPARTMENT METRICS

DBS continued to monitor customer satisfaction with DBS services and process improvements through an online survey. In 2024, customer satisfaction remained above the original benchmark/target of 75%.



DEVELOPMENT ACTIVITY

DBS is responsible for planning and projects that support Lynnwood's Community Vision and Strategic Plan. Development activity in 2024 remained steady and many existing projects continued or were near completion. Development projects are throughout Lynnwood, including the Regional Growth Center, Highway 99, and the College District.

SOUND TRANSIT

LYNNWOOD LINK LIGHT RAIL EXTENSION (ST2)



Construction of the Lynnwood Link Extension continued to advance. In August 2024, Sound Transit opened for revenue service! Paired with bus services, improved pedestrian and bicycle connections, and structured parking, the Lynnwood Link provided more than **380,000 Boardings** in 2024.

SOUND TRANSIT (ST3)

DBS has continued to lead Lynnwood's planning and coordination with Sound Transit for the ST 3 funded Everett Link Extension (EVLE) from Lynnwood to Everett, and the I-405 Bus Rapid Transit (BRT) STRIDE project from Lynnwood to Bellevue.

Everett Link Extension: DBS coordinated the City's participation in planning, scoping, and environmental review of a future light rail station at West Alderwood in the vicinity of Alderwood mall. This effort includes the review of alternative guideway routes and station locations.

I-405 Bus Rapid Transit (BRT) STRIDE: DBS coordinated review of improvements including bus only ramps at I-5 and 196th St SW, and improvements needed for STRIDE bus service at the Lynnwood Transit Center. This project will provide express bus service to Bellevue and Burien beginning in 2029.

REGIONAL GROWTH CENTER

Lynnwood's Regional Growth Center, as designated by the Puget Sound Regional Council, is located along I-5 between Alderwood Mall and Sound Transit's future City Center light rail station. Lynnwood is preparing for future population growth and development in the Regional Growth Center through land use planning, zoning, and investments in infrastructure improvements. DBS has initiated planning with Sound Transit for the extension of light rail north to Everett.



EMBER

Located at the corner of 40th Ave W and 198th St SW, Ember finished construction of an 8-story mixed-used development with 361 housing units and approximately 10,000 square feet of commercial space on the ground floor. Amenities include a central courtyard and a multi-level parking garage. *Ember was awarded a Vision 2050 Award by the Puget Sound Regional Council for 'on the ground' implementation of transit-oriented development.*

COMMUNITY JUSTICE CENTER

DBS worked collaboratively with the Lynnwood Police Department and their design team on the permitting and inspection of the Community Justice Center project. This project includes a 66,414 square foot justice center that will house a new police station, jail, offices, court facilities, a 9,910 square foot Community Recovery Center, and a 70,450 square foot two-level parking structure. This project received a temporary certificate of occupancy as additional work is being completed.



NORTHLINE VILLAGE

Northline Village by Merlone Geier Partners is located directly north of the Lynnwood City Center Light Rail Station. This 18-acre transit-oriented development represents private investment in the City Center of over \$700 million. This past year, Merlone Geier installed new sewer and water utility lines along 200th Street SW, demolished a large vacant building in preparation for future development, and coordinated with WSDOT for a new signal at 198th Street SW and 44th Avenue West. City staff and consultants facilitated coordination between Merlone Geier and Sound Transit on plans to reconstruct 200th Street SW.



LYNNWOOD EVENT CENTER MASTER PLAN

The Lynnwood Public Facilities District advanced a preliminary master plan for their property (formally known as the Lynnwood Convention Center). Rebranded as "The District", the master plan envisions expansion of the Lynnwood Event Center; a mix of residential, retail, and hospitality uses; community amenities; and a parking garage. In 2024, DBS participated in the master planning process by providing regular guidance and feedback on development options, utility and transportation design and requirements, and permitting approaches. DBS meets regularly with the Public Facilities District and their consultants to resolve the many technical challenges and begin drafting a development agreement to guide future development of this unique public asset.

KOZ DEVELOPMENT

This project, located directly across from the Lynnwood City Center Station, creates transit-oriented housing opportunities for all. Koz includes 199 units of affordable housing and is supported by the 12-year multi-family tax exemption (MFTE). Completion of the project was anticipated in February 2025.



44TH AVENUE WEST UNDERPASS IMPROVEMENT PROJECT

The 44th Avenue West Underpass Improvement Project will provide a shared use path connecting the Interurban Trail and Lynnwood City Center Station to South Snohomish County, including the Puget Sound Regional Council's designated Lynnwood Regional Growth Center. The new shared path will be located on the east side of



44th Avenue West and vastly improve pedestrian and bicycle access between the Lynnwood Transit Station, businesses, and residents on the other side of I-5. Staff are working to complete the design phase of the project in 2025.

ENSO LYNNWOOD



Enso Lynnwood by American Capital Group broke ground in 2024 to develop 316 units of housing and approximately 6,000 SF of commercial space next door to the future City Center Park. This project received approval for the use of the 8-year MFTE program, the first project to use the 8-year exemption. Enso development will further develop the City Center Promenade along 198th Street SW.

HIGHWAY 99

Lynnwood's Highway 99 corridor is identified in the Lynnwood Comprehensive Plan as a key activity center for accommodating a large portion of projected employment and population growth. Through the Highway 99 Subarea Plan, adopted in 2011, the area will evolve from an auto-oriented commercial strip to a multi-modal, multi-use corridor featuring strategically placed mixed-use centers connected by a diversity of commercial uses.



SWICKARD BMW: BMW continued construction on a new dealership at the former Harley Davidson property at 188th ST SW and Highway 99. DBS assisted with permitting to start this project. The Community Planning team completed all land use approvals including rezoning and design review of the dealership.

AUDI LYNNWOOD: Joining Lincoln, Porsche, and BMW, AUDI began permitting for construction of a new dealership at 176th Street SW and HWY 99. Construction is anticipated in late 2025.



COLLEGE DISTRICT

Lynnwood's College District Subarea Plan was adopted in 2002 and includes the Edmonds College Campus and adjacent neighborhoods. Lynnwood envisions the entire College District as one cohesive place which blends college activities, multi-family residential and community-oriented commercial facilities as one complete district. The College District Plan strives to strengthen the college's presence and visibility along the edge of the neighborhood and improve vehicular, transit, and pedestrian access and circulation.

EDMONDS COLLEGE TRANSIT CENTER / COMMUNITY TRANSIT SWIFT ORANGE LINE TERMINUS STATION

The Swift Orange Line Bus Rapid Transit (BRT) terminus at Edmonds College includes the Swift BRT station and passenger drop-off, four local bus stops with layover area, and associated landscaping, lighting, and signage. DBS approved permits for the Orange Line including construction of the new transit station. The new rapid transit will connect Edmonds College to McCollum Park & Ride with a stop at Sound Transit's Lynnwood City Center Station. The project opened in Spring 2024 ahead of the light rail opening later in the year.

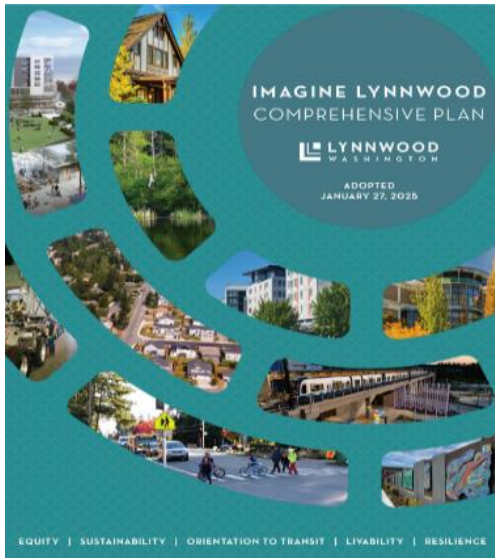


TRITON LEARNING COMMONS



Edmonds College proposed a 48,622 square foot addition of Lynnwood Hall to support students, including classrooms, study areas, library, and offices. The project 'Triton Learning Commons' is a 3-story addition adding to the north of Lynnwood Hall as infill space of existing covered exterior walkways on the 1st and 2nd Floor. The project also seeks to improve the landscaping area north of Lynnwood Hall. DBS assisted with plan design review and lot combination to support this project.

COMMUNITY PLANNING



Imagine Lynnwood Comprehensive Plan

DBS, Community Planning, finalized the draft Lynnwood Comprehensive Plan. The Washington State Growth Management Act (GMA) requires all jurisdictions in Pierce, King, and Snohomish County to update their comprehensive plans and development regulations by December 31, 2024. These updates serve to ensure that local government plans and regulations remain consistent with the GMA. The City Center / Regional Growth Center; South Lynnwood Neighborhood Subarea Plan; and the Housing Action Plan contributed to the 2024 Comprehensive Plan.

HOUSING ACTION PLAN / UNIFIED DEVELOPMENT CODE (UDC)



The Housing Action Plan was adopted by City Council on May 24, 2021. Subsequently, DBS received a grant from the Washington State Department of Commerce for Housing Action Plan Implementation. This implementation effort continued through 2022 with review of Lynnwood's regulatory framework and creation of a Unified Development Code (UDC). The UDC serves to restructure development regulations to make Lynnwood's development code less complex and more user friendly; and identifies process improvements, streamlining opportunities and/or code changes for Council consideration.

BUSINESS OUTREACH

LYNNWOOD BUSINESSES

DBS partnered with the Washington State Department of Revenue to issue Lynnwood Business License Endorsements. All four categories of general business license endorsement saw year-over-year increases from 2023 to 2024: general resident business licenses increased from 216 to 297 (+81, 38%), non-resident business licenses increased from 1,016 to 1,901 (+885, 87%), home occupation licenses from 209 to 402 (+193, 92%) and non-profit business licenses from 7 to 19 (+12, 171%). Lynnwood businesses employed over 20,000 people in 2024.

LYNNWOOD REGIONAL JOB FAIR

DBS partnered with Lynnwood Chamber of Commerce, Edmonds College and WorkSource to host our annual Lynnwood Regional Job Fair in March 2024. The event moved to the gymnasium at Edmonds College and hosted 64 local and regional employers looking to interview and fill jobs on-site. The event was attended by nearly 500 job seekers during the three-hour job fair. DBS will continue to work with our partners to host the job fair in 2025 as long as the employers and the market call for one.



PARTNERSHIPS

DBS continues to build strong partnerships with other local, regional, and state organizations to support Lynnwood's goals for growth and development, business attraction and support, transportation improvements and tourism.

- American Planning Association
- Economic Alliance Snohomish County
- Edmonds College
- Edmonds School District
- Housing Authority of Snohomish County
- Housing Hope
- Lynnwood Chamber of Commerce
- Lynnwood Event Center
- Lynnwood Public Facilities District
- Puget Sound Regional Council
- Snohomish County Public Utilities District #1
- Small Business Development Center
- Snohomish County Tourism
- South Snohomish County Fire and Rescue Regional Fire Authority
- Urban Land Institute
- Washington Economic Development Association
- Washington State Hospitality Association
- Washington State Tourism



Puget Sound Regional Council Staff Retreat

TOURISM PROMOTION

TOURISM MARKETING

Throughout 2024, our marketing efforts continued to build off the successes of the previous year. Throughout the timeframe we continued to develop custom online content including blogs, social media posts, and email newsletters. Our social media channels transitioned to focus on video content which helped increase reach and followership. Social media video views increased by 167,000. In addition, the total following on Instagram increased by 989%. For the first time, we partnered with social media influencers to create content on our behalf and showcase the things to do while staying overnight in Lynnwood. Based on the success of digital marketing in 2024, the tourism marketing budget will increase in 2025 and focus on more video content.

GRANTS

In 2024, the City successfully received two grants to help promote tourism in Lynnwood. The City received \$50,000 from the Snohomish County Hotel-Motel Small fund. This grant will be used to help supplement the costs of replacing the lighting at the Meadowdale Athletic Fields. The City also received \$50,800 from the Snohomish County Tourism Promotion Area to develop a video advertising campaign highlighting how light rail can enhance overnight travel in Lynnwood. Through this grant we developed three videos to target families, businesses, and adults to highlight how you can stay in Lynnwood and visit the region via light rail. The videos were filmed in Q4 of 2024 for release in 2025.

GO WEST SUMMIT

For the first time since 2021, Lynnwood attended the Go West Summit in early 2024. Go West is an international business to business tourism and travel trade show. The event unites tour operators with destinations in hopes to promote and sell your destination to future group travel. We partnered with Snohomish County Tourism to attend this event and met with more than twenty tour operators. Through these appointments, we were able to reconnect with tour operators that brought groups to Lynnwood prior to the pandemic. Since attending this event, multiple groups booked hotel stays in Lynnwood later in 2024 and for Summer of 2025. Based on the success of this event, Lynnwood continued to budget to attend this sales event.

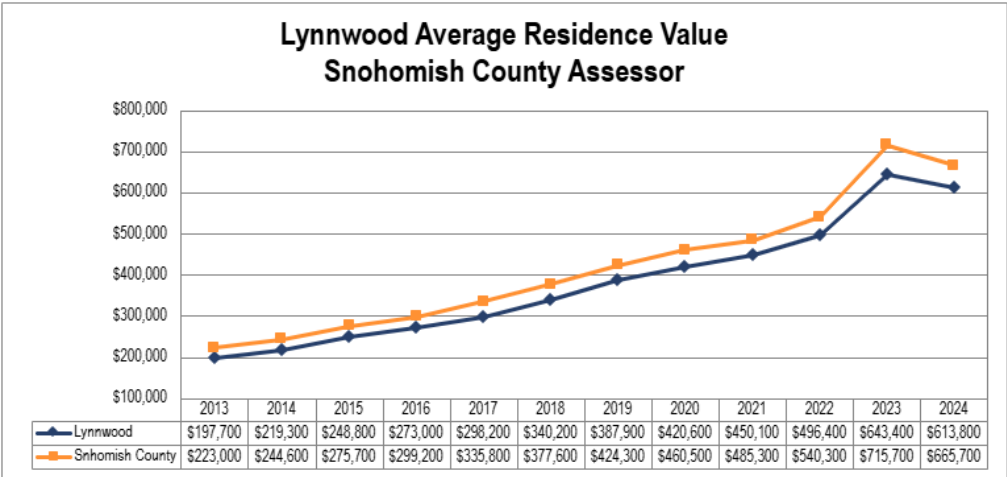
TOURISM ADVISORY COMMITTEE

Throughout 2024, City staff worked with the committee to prepare, plan, and approve the Fund 101 budget for the 2025-2026 biennium. The group forecasted lodging tax revenues and developed the tourism work plan for the new biennium. The budget consists of increasing tourism marketing slightly to ensure Lynnwood is an option for travelers looking to stay overnight in the region.

METRICS REPORT

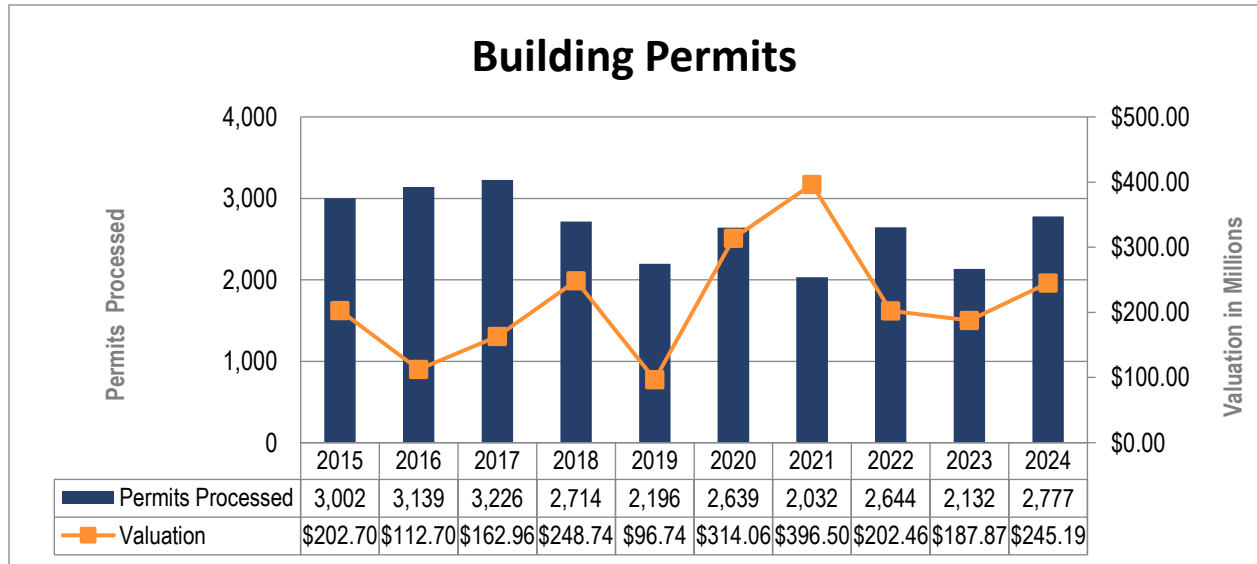
HOME VALUE

The average home value, according to the Snohomish County Assessor’s office, has been steadily increasing since 2013 until 2024. The average value of a Lynnwood residence decreased by 4.5% between 2023 and 2024. The average value of a home in Lynnwood in 2024 was \$613,800, which is \$51,900 below the County average of \$665,700.



BUILDING AND DEVELOPMENT ACTIVITY

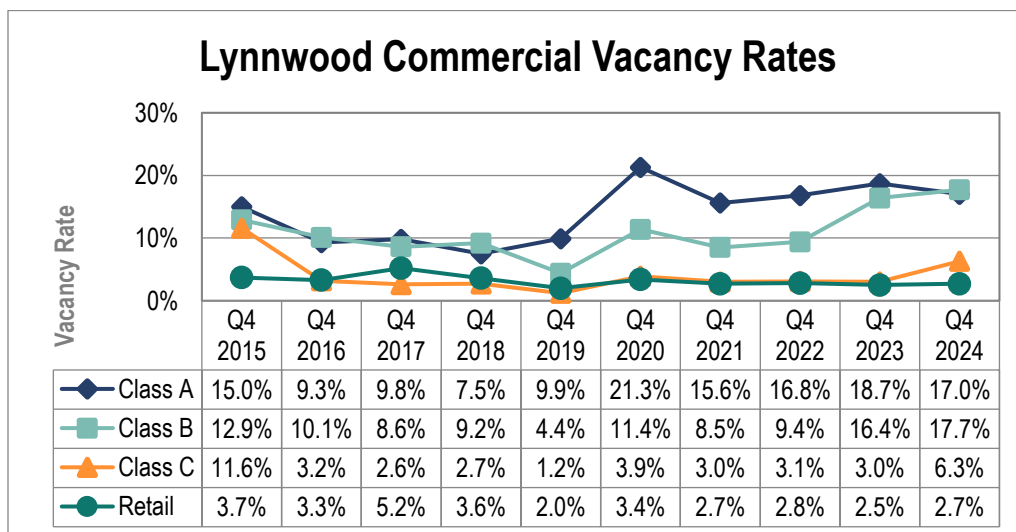
The number of building permits issued each year reflects the activities of the development community, future tax revenues, and potential jobs. In 2024, 2,777 building permits were issued with a valuation of just over \$245.19 million. The total number of permits increased by 30.3% from 2023. The total valuation of projects increased by 30.5% during the same period.



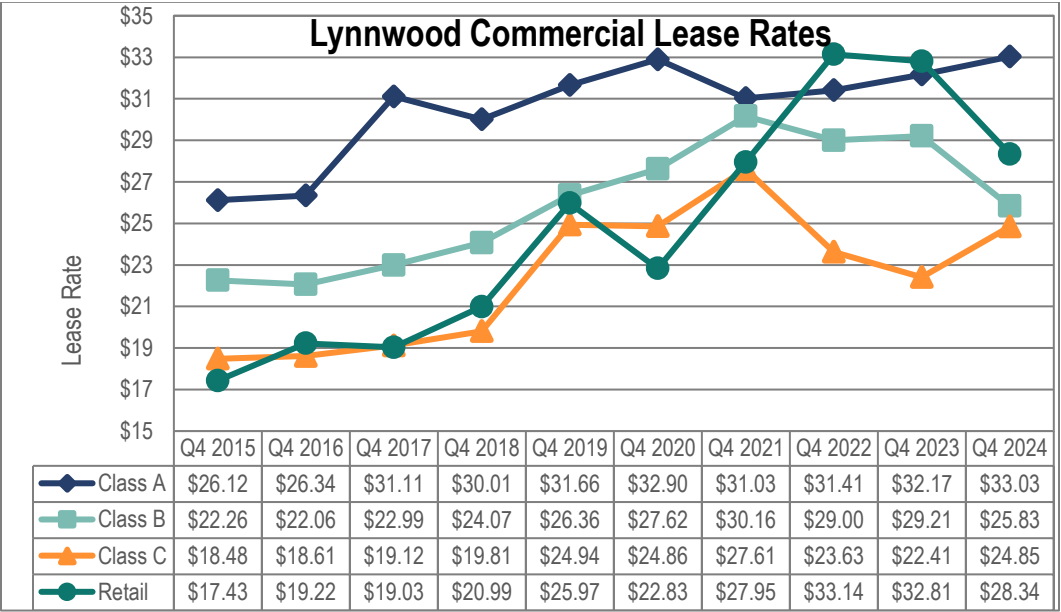
COMMERCIAL VACANCY AND LEASE RATES

Commercial vacancy rates help forecast new development, job growth and the desirability of doing business in Lynnwood. Office buildings are classified as Class A, B, or C, depending on the quality of the structure and available amenities.

In 2024, vacancy rates in Lynnwood fluctuated in all areas compared to 2023 except for retail vacancies. The Class A vacancy rates were 17% in Q4 2024, down from 18.7% in 2023. Class B vacancy rates were 17.7% in Q4 2024, up from 16.4% in 2023. Class C vacancy rates were 6.3% in Q4 2024, which was 3.3 percentage points higher than 2023. Retail vacancy rates remained relatively steady in 2024.



Commercial lease rates in Q4 2024 fluctuated across all class types including retail. Rates increased for Class A and Class C office space, while Class B and Retail space decreased. Class A lease rates went from \$32.17 in 2023 to \$33.03 in Q4 2024. Class B lease rates were \$25.83 in 2024, an 11.6% decrease from 2023. Class C lease rates were \$24.85 in 2024, increasing from \$22.41 in 2023. Retail space lease rates for Q4 2024 were \$28.34, a 13.6% decrease from 2023.



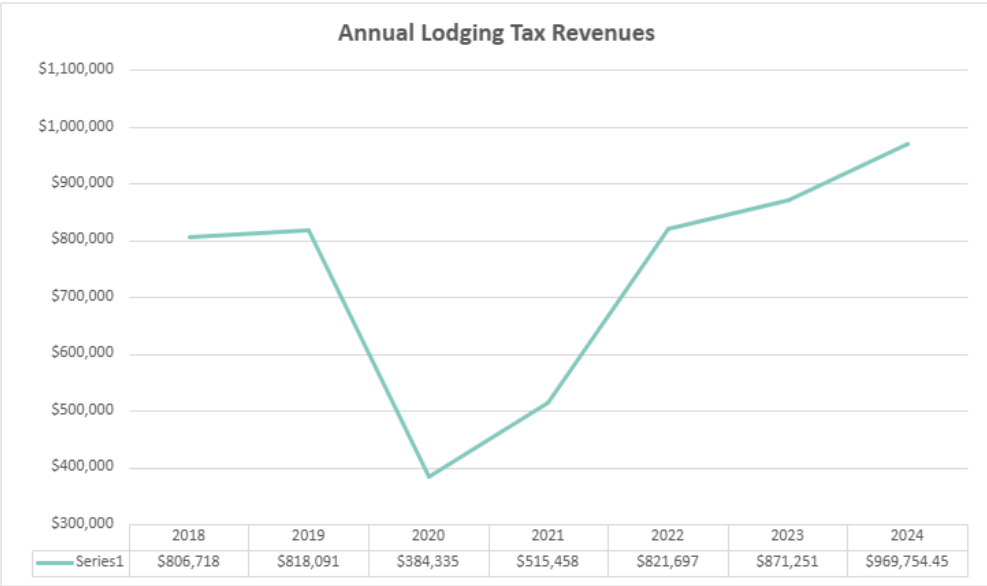
LODGING METRICS

DBS, Economic Development, manages the Lynnwood Tourism Program. Tourism benefits Lynnwood through economic vitality created by visitor spending on lodging, food, entertainment, shopping, and transportation. Tourism also creates employment opportunities and supports Lynnwood businesses that provide supplies and services.

The chart to the right details Lynnwood’s lodging trends since 2018. In 2024, lodging metrics were up slightly up compared to last year. Annual occupancy rates increased by 2.2 percentage points from 67.2% to 69.4%. The Average Daily Rate (ADR) increased by \$1.02 from \$131.33 in 2023 to \$132.35 in 2024. Revenue per Available Room (RevPAR) increased 4.1% from last year, moving from \$88.29 in 2023 to \$91.89 in 2024.



The graph below shows annual lodging tax revenues. Lodging tax in Washington state is 4%. Two percent is distributed to Snohomish County and 2% is distributed to Lynnwood as the local jurisdiction in which the lodging tax is collected. In 2024, Lynnwood generated \$1,939,508.90 in lodging tax and received a lodging tax distribution of \$969,754.45. This was an 11% increase in lodging tax revenue compared to 2023. Lodging tax distributions also surpassed pre-pandemic levels by over 18%. This highlights the return of our tourism industry over the past five years.



LYNNWOOD TOURISM WEBSITE METRICS

For the third consecutive year, ExploreLynnwood.com received the most visits since the website launch in 2013. In 2024 the website received 131,823 total visits. This was a strong 83% increase of website visits compared to 2023. Organic search traffic drove the most visitors to the website over the past year. Other than the homepage, the hotel page was the most visited page of the site.



SUMMARY

In 2024, Development and Business Services remained committed to the department's mission: *Through outstanding public service, proactive planning, and strong partnerships, we foster development of a vibrant community where people and businesses thrive.* As highlighted in this annual report, the department made progress on its strategic plan goals and helped to advance the City of Lynnwood's top priorities for 2022-2026:

1. Fulfill the community vision for City Center, the Regional Growth Center, and light rail service through Lynnwood.
2. Ensure financial stability and economic success.
3. Nurture operational and organizational Excellence.
4. Be a safe community.
5. Pursue and maintain collaborative relationships and partnerships.

The department extends its gratitude to everyone whose hard work made these accomplishments possible.