



# Economic Development Update

Lakewood City Council

Study Session

August 23, 2021

# What Are We Talking About?

**Business and Outreach**

**Workforce**

**New Businesses**

**Permitting & Projects**

**Media & Attraction**

**Economic Development Strategic Plan**

- Regional Context
- Analytics (Retail Capture/Leakage & Trends)
- Council Vision/Goals
- Review of Strategies (Citywide & Focus Areas)

# Businesses & Outreach

## Businesses in Lakewood

Doing Business in Lakewood	5,085
Physically Located in Lakewood	3,228
-Homebased	1,138
New Businesses as of Q2 2020	322
New Businesses as of Q2 2021	493

Source: DOR.WA, Point in time, August 16, 2021

### CHALLENGES:

Supply Chain  
 Hiring, Retaining Talent  
 Uncertainty/COVID-19  
 Lack of Capital  
 Marketing & Advertising  
 Decrease in Profitability/  
 Cost of Goods  
 Low Margins for  
 Manufacturing

### OPPORTUNITIES:

Innovation  
 Strategic Location  
 Access to Resources  
 Partnerships  
 Cash/Equity for Investment  
 Expansion Support  
 Tech/Healthcare  
 JBLM  
 Supportive Council

## Q2 2021 Outreach

### Outreach by Industry

Type	Number	Jobs
Construction	3	73
Manufacturing	3	165
Wholesale Trade	1	2
Retail Trade	12	1,285
Transportation and Warehousing	4	392
Information	2	89
Finance and Insurance	3	340
Real Estate and Rental and Leasing	2	167
Prof., Scientific, and Technical	2	51
Management of Companies	1	1
Admin., Waste Mngmt & Remediation	1	380
Educational Services	3	18
Health Care and Social Assistance	6	1,870
Arts, Entertainment, and Recreation	3	132
Accommodation and Food Services	6	844
Other Services (except Public Admin.)	2	101
<b>TOTALS</b>	<b>54</b>	<b>5,910</b>
<b>Daytime Population</b>		<b>66,535</b>

# Workforce Data

Lakewood is culturally diverse, with a younger population

Demographics	Percent			Value		
	Lakewood	Pierce County	Washington	Lakewood	Pierce County	Washington
Population	-	-	-	60,111	877,013	7,404,107
Median Age	-	-	-	35.7	36.1	37.7
Race: White	58.9%	72.9%	75.4%	35,421	639,612	5,581,128
Race: Black or African American	12.8%	6.8%	3.8%	7,667	59,213	281,683
Race: American Indian & Alaskan Native	1.4%	1.3%	1.3%	839	11,170	94,449
Race: Asian	8.6%	6.3%	8.5%	5,176	55,571	631,333
Race: Hawaiian & Other Pacific Islander	2.6%	1.5%	0.7%	1,528	12,848	49,090
Race: Other	6.0%	3.0%	4.5%	3,630	26,090	333,038
Race: Two or More	9.7%	8.3%	5.9%	5,840	72,509	433,386
Hispanic or Latino (of any race)	16.9%	10.9%	12.7%	10,180	95,327	937,579

Workforce Data Source: Workforce Central; Quarterly Census of Employment and Wages from the Bureau of Labor Statistics.

# Workforce Data

Lakewood’s labor force participation is lower overall, with a higher percentage of Veterans participating. Opportunity exists to assist residents achieve higher education goals, and to become homeowners.

Economic & Education	Percent			Value		
	Lakewood	Pierce County	Washington	Lakewood	Pierce County	Washington
Labor Force Participation Rate	59.9%	64.0%	64.2%	28,117	432,579	3,781,609
Prime-Age Labor Force Participation Rate	77.6%	80.5%	82.4%	17,744	283,012	2,471,747
Veterans, Age 18-64	15.6%	10.4%	6.3%	5,660	55,700	288,387
Median HH Income	-	-	-	\$51,972	\$72,113	73,775
Educational Attainment, Age 25-64: Bachelor’s	13.4%	18.2%	23.4%	4,321	85,582	932,550
Postgraduate	6.7%	8.6%	13.4%	2,142	40,708	533,758
Housing: Renter-Occupied	56.6%	37.9%	37.0%	13,985	122,460	1,055,157
Occupied Housing Units w/No Vehicle Available	9.0%	5.2%	6.8%	2,218	16,726	194,383

Workforce Data Source: Workforce Central; Quarterly Census of Employment and Wages from the Bureau of Labor Statistics.

# Workforce Data

Lakewood's poverty rate is higher than Pierce County, and the state, but trending downward. Opportunity exists to help residents obtain good paying jobs, or start a business.

Social	Percent			Value		
	Lakewood	Pierce County	Washington	Lakewood	Pierce County	Washington
Poverty Level (All)	16.6%	10.4%	10.8%	9,793	89,714	785,244
HH w/Food Stamps	18.4%	12.7%	11.9%	4,557	41,043	338,160
Children in Single Parent Households	41.1%	30.7%	28.5%	4,786	60,110	447,471
Uninsured	9.3%	6.0%	6.3%	5,380	51,554	457,471
With a Disability, Age 18-64	15.9%	11.8%	10.4%	5,704	62,977	475,578
Foreign Born	15.7%	9.8%	14.3%	9,414	86,037	1,056,534
Speak English less than very well (Age, 5+)	8.3%	5.5%	7.6%	4,613	45,207	525,988

## Cost of Living

The cost of living is 11.0% higher in the City of Lakewood, WA than the U.S. average, but lower than the state.

	Annual Average Salary	Cost of Living Index (Base US)	US Purchasing Power
City of Lakewood, WA	\$61,101	111.0	\$55,065
Pierce County, WA	\$57,853	111.0	\$52,138
Washington	\$76,592	130.4	\$58,752
USA	\$63,393	100.0	\$63,393

Workforce Data Source: Workforce Central; Quarterly Census of Employment and Wages from the Bureau of Labor Statistics.

# Workforce Data

## **Employment Trends**

As of 2021Q1, total employment (full time) for the City of Lakewood, WA was 30,974 (based on a four-quarter moving average). Over the year ending 2021Q1, employment declined 5.4% in the region due to COVID-19.

## **Wage Trends**

The average worker in the City of Lakewood, WA earned annual wages of \$61,101 as of 2021Q1. Average annual wages per worker increased 7.8% in the region over the preceding four quarters. For comparison purposes, annual average wages were \$63,393 in the nation as of 2021Q1.

## **Industry Snapshot**

The largest sector in the City of Lakewood, WA is Health Care and Social Assistance, employing 11,057 workers. The next-largest sectors are Retail Trade (3,309) and Educational Services (2,469). Sectors in the City of Lakewood, WA with the highest average wages per worker are Finance and Insurance (\$91,247), Public Administration (\$87,787), and Management of Companies (\$85,740). Best job growth (or most moderate job losses) over the past 5 years are Health Care and Social Assistance (+799 jobs), Transportation and Warehousing (+422 jobs), and Construction (+294).

The complete Economic Overview may be obtained on the [City Website](#).

Workforce Data Source: Workforce Central; Quarterly Census of Employment and Wages from the Bureau of Labor Statistics.

# New Businesses

Business Name	Number of Employees	Industry
AERO PRECISION	598	Advanced Manufacturing
KOREAN WOMEN'S ASSOCIATION	533	Home Care
TORRES CONTRACTORS LLC*	200	Construction
THE OAKS AT LAKEWOOD	75	Healthcare
HOPE HUMAN SERVICES LLC	75	Healthcare
EXTRUSION TECHNOLOGY GROUP, INC	48	Manufacturing
SA FOOD SERVICE LLC	23	Restaurant
BLUEPEARL VETERINARY HOSPITAL	23	Veterinary Healthcare
DAMCO DISTRIBUTION SERVICES INC.	16	Transportation & Warehousing
ACEITUNOS MEXICAN FOOD	15	Restaurant
PRECISION COUNTERTOPS INC.	15	Manufacturing
BBQ PETE'S	15	Restaurant
ALADDIN FOOD MANAGEMENT SVCS	14	Food Service
AMERICAN ONCOLOGY PARTNERS	13	Healthcare
BENCHMARK PINNACLE PARTNERS, LLC	12	Healthcare
AUTO-CHLOR SYSTEM OF WASHINGTON, INC.	12	Retail
RAPID RELIABLE TESTING, LLC	10	Transportation & Warehousing
WOODSPRING SUITES	10	Hotel
YUMM & YUMMER II LLC	10	Restaurant
LET FOUNDATION*	10	Social Services

- 1,900 new jobs in companies with 5 or more employees
- Significant uptick in new Homebased

\*Homebased  
 Note: DAMCO left Lakewood in 2019 and returned in 2021

# Permitting: Comparisons

[View the Business Update and July Permit Report](#)

Permit Valuation					
Sample Permit Type Description	2019	End of Q2 2019	2020	End of Q2 2020	End of Q2 2021
Commercial Addition	\$10,582,060	\$49,154	\$21,836,280	\$78,000	\$158,864
New Commercial Building	\$40,797,590	\$1,800,578	\$67,947,656	\$12,932,641	\$17,814,332
New Commercial Building - Multifamily	\$1,102,392	-	\$8,850,680	\$4,973,332	-
Commercial Remodel	\$7,801,427	\$3,467,096	\$23,416,462	\$7,756,992	\$35,683,322
New Single Family Residential	\$2,703,254	\$2,703,254	\$20,498,217	\$6,814,207	\$20,401,412
Residential Addition	\$2,756,971	\$765,845	\$3,179,267	\$1,019,752	\$962,023
Residential Remodel/Repair	\$62,261,968	\$1,828,116	\$6,237,812	\$3,234,042	\$2,905,849
<b>Total Valuation*</b>	<b>\$88,335,917</b>	<b>\$14,647,920</b>	<b>\$160,600,776</b>	<b>\$40,950,667</b>	<b>\$88,923,591</b>

\*Sample types listed do not equal totals

## New Single Family

As of June 30, 2021, there were 41 market rate new single family residences completed as compared to 25 in all of 2020, and 48 in 2019. Another 80 new single family residences have been applied for this year.

# Permitting: Downtown

- Contaminated Sites Status (Chevron, Ken's Tire, SWAN, BG Olsen)
- Downtown Park
  - Land Value
  - Retail Market Analysis
- Projects
  - Former QFC Mixed Use Proposal
  - Bristol Apartments
  - Other Activity



# Permitting: Lakewood Landing

- PSA on 9.2 acres for Phase I, Aug. 2
- 60-day due diligence, 30-day closing
- Mixed use
- Pre-application
- Increment area



# Permitting: Woodbrook



# Media & Attraction

## [Build Your Better Here Refresh](#)

- *Updated website*
- *New Videos*
- *Authored Articles*
- *Lead Generation*
- *Social Media*

[Nearcation.com](#) (lodging tax grant funded)

Monthly Business Updates

View the [2020-2021 Editorial Calendar](#)

# Context and Contents

- \* **Purpose of the Economic Development Strategy**

- \* Advance the City Vision and Implement Goal 1 of the City's Strategic Plan
- \* Align efforts across City departments

- \* **Objectives for this presentation**

- \* Provide an update on work-in-progress
- \* Prepare Council to review a full draft Economic Development strategy this Fall

## **Presentation Contents**

- \* City Vision and Strategic Plan
- \* Market Context
- \* Strategies
  - \* Citywide Strategies
  - \* Focus Area Strategies
- \* Close

# City of Lakewood Vision Statement

Adopted by City Council June 21, 2021

## Lakewood at its 30-year anniversary is a community:

- \* Inspired by its own sense of history and progress
- \* Known for its safe and attractive neighborhoods, vibrant downtown, and active arts and cultural communities
- \* **Sustained by robust economic growth and job creation**
- \* Recognized for the excellence of its public and private schools, and its community and technical colleges
- \* Characterized by the beauty of its lakes, parks and natural environment
- \* Acknowledged for excellence in the delivery of municipal services
- \* That actively cultivates, embraces, and continually strives to create a more inclusive community with the equitable delivery of City services
- \* Supportive of Joint Base Lewis McChord (JBLM), Camp Murray, service members and their families

# Economic Development Goals

2021-2024 City of Lakewood City Council Goals (2021)

## GOAL 1.

The City of Lakewood promotes and supports a **dynamic** and **robust local** economy.

*An adaptive  
and growing  
economy*

*A diversified and  
resilient economy*

*An economy that  
supports local businesses  
and residents*

# Economic Development Goals

2021-2024 City of Lakewood City Council Goals (2021)

**GOAL 1.** The City of Lakewood promotes and supports a dynamic and robust local economy.

**1.1 Align economic goals and resources across departments.**

- A. Implement and continue to adjust the City's comprehensive economic development strategy to **attract and preserve family and high wage jobs.**
- B. Review and develop prudent business incentives that enhance economic development.
- C. **Direct growth through sound planning.** Update land use codes as necessary and continue to improve internal processes, including the implementation of new technologies.

## Our Focus

- \* Wealth generation for Lakewood residents
- \* Encourage desirable development in geographic Focus Areas with distinct and complementary functions and land uses

# Economic Development Goals

2021-2024 City of Lakewood City Council Goals (2021)

**GOAL 1.** The City of Lakewood promotes and supports a dynamic and robust local economy.

**1.2 Pursue infrastructure improvements vital to economic development and to bolster the City's competitiveness.**

- A. Implement **catalyst projects** that promote private investment, i.e., the Downtown Plan, Lakewood Station District Plan, and the development of the Woodbrook Business Park and Lakewood Landing.
- B. **Improve underutilized commercial and mixed-use areas**, e.g., the WSDOT facility, revise zoning regulations where appropriate and minimize nonconforming uses.
- C. **Expand and improve utilities and community assets**, such as sewers, libraries, parks, public spaces, etc.

## Our Focus

- \* Advance planning and attract investment in Focus Areas
- \* Invest in placemaking, community amenities, and quality of life



# Economic Development Goals

2021-2024 City of Lakewood City Council Goals (2021)

**GOAL 1.** The City of Lakewood promotes and supports a dynamic and robust local economy.

## **1.3 Enhance and diversify housing stock and improve multi-generational community assets.**

- A. Improve and expand programs and policies to **increase homeownership, diversify housing stock, and preserve existing housing** to meet community needs.
- B. Continue to support youth and senior programming and expand community events.
- C. Support and preserve historical, cultural, and ecological places of significance.

## **Our Focus**

- \* Provide affordable housing options and attract middle income households
- \* Encourage development of a range of housing types and mixed-use projects in Focus Areas



# Economic Development Goals

## 2021-2024 City of Lakewood City Council Goals (2021)

**GOAL 1.** The City of Lakewood promotes and supports a dynamic and robust local economy.

**1.4 Foster collaborative and advantageous partnerships with businesses, community members, non-profits, and regional partners.**

- A. **Be a leader** in local economic development, regional transportation and planning policies.
- B. **Continue partnership** with JBLM and Camp Murray to improve communication and connectivity, land use development, and transportation.
- C. **Expand partnerships** with the Chamber of Commerce, neighborhood groups and associations, and other civic groups.
- D. Develop an **educated workforce** through collaboration with local educational institutions to leverage collective resources and to enhance K-12 and higher education opportunities.

### Our Focus

- \* Align, collaborate, and coordinate efforts with partners
- \* Leverage the economic opportunities associated with JBLM



# Economic Development Goals

2021-2024 City of Lakewood City Council Goals (2021)

**GOAL 1.** The City of Lakewood promotes and supports a dynamic and robust local economy.

## **1.5 Promote and facilitate sustainable economic development.**

- A. Focus resources on **business creation, attraction, retention, and expansion.**
- B. Promote an **entrepreneurial environment**, encourage a balance of manufacturing, commercial, professional, and retail and service businesses.
- C. Continue to **leverage and improve City assets**, e.g., location, access, lakes, parks, civic engagement opportunities, transit options, cultural amenities, activity hubs, and utilities

## **Our Focus**

- \* Establish a strong brand and pursue citywide business outreach and media promotion strategies
- \* Retain and grow small and local businesses
- \* Use placemaking to strengthen Lakewood's identity and sense of community and attract visitors and business investment

# Market Context

- \* Retail leakage analysis
- \* Employment
  - \* Trends over time
  - \* Journey to work

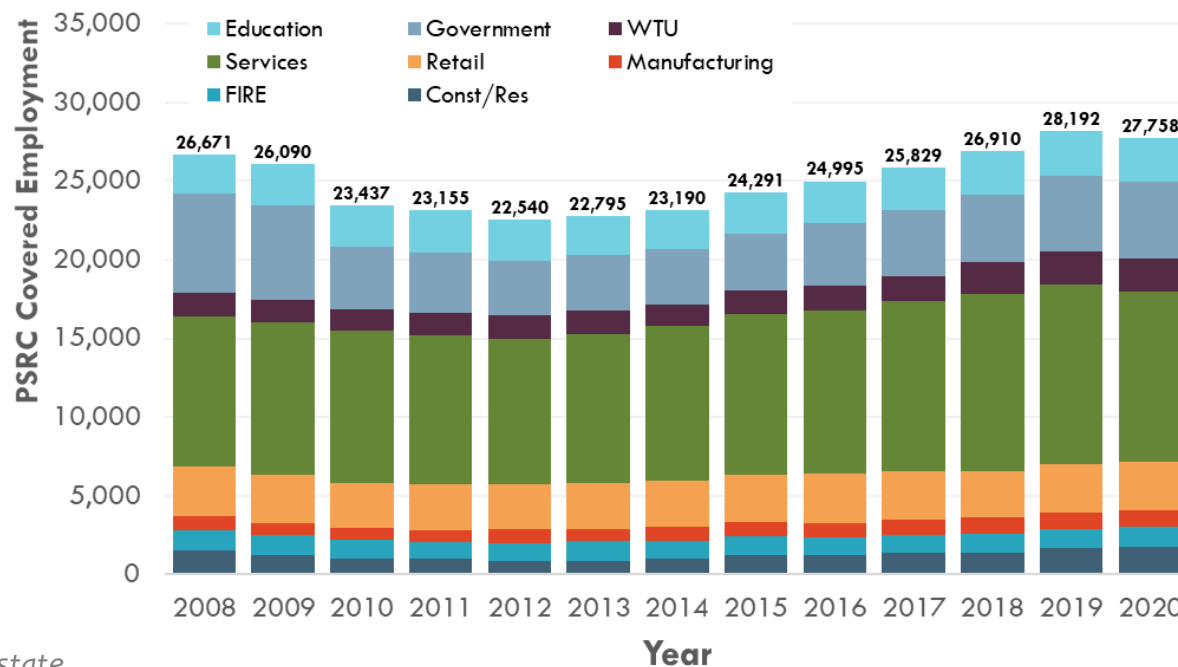
# Market Context: Leakage Analysis

Changes between 2014 and 2019 suggest local retail is becoming **stronger with attracting retail business** from outside of Lakewood:

NAICS (3-digit)	2014 Pull Factor	2019 Pull Factor	Change	
441 Motor Vehicle and Parts Dealers	0.98	1.48	+0.50	
442 Furniture and Home Furnishings Stores	1.66	1.69	+0.03	
443 Electronics and Appliance Stores	0.77	0.82	+0.05	
444 Building Material and Garden Equipment and Supplies Dea	0.98	1.20	+0.21	
445 Food and Beverage Stores	1.62	1.67	+0.05	
446 Health and Personal Care Stores	1.49	1.26	-0.23	
447 Gasoline Stations	1.25	1.23	-0.03	
448 Clothing and Clothing Accessories Stores	1.06	1.28	+0.23	
451 Sporting Goods, Hobby, Musical Instrument, and Book Store	1.37	1.61	+0.24	
452 General Merchandise Stores	1.32	1.83	+0.51	
453 Miscellaneous Store Retailers	1.59	1.06	-0.53	
454 Nonstore Retailers	0.74	0.97	+0.23	
722 Food Services and Drinking Places	1.55	1.82	+0.27	
<b>TOTAL</b>	23	<b>1.20</b>	<b>1.40</b>	<b>+0.20</b>

# Market Context: Employment

Local covered employment has increased from **22,540 jobs in 2012** to **27,758 jobs in 2020**, an average increase of **3.1% per year**.

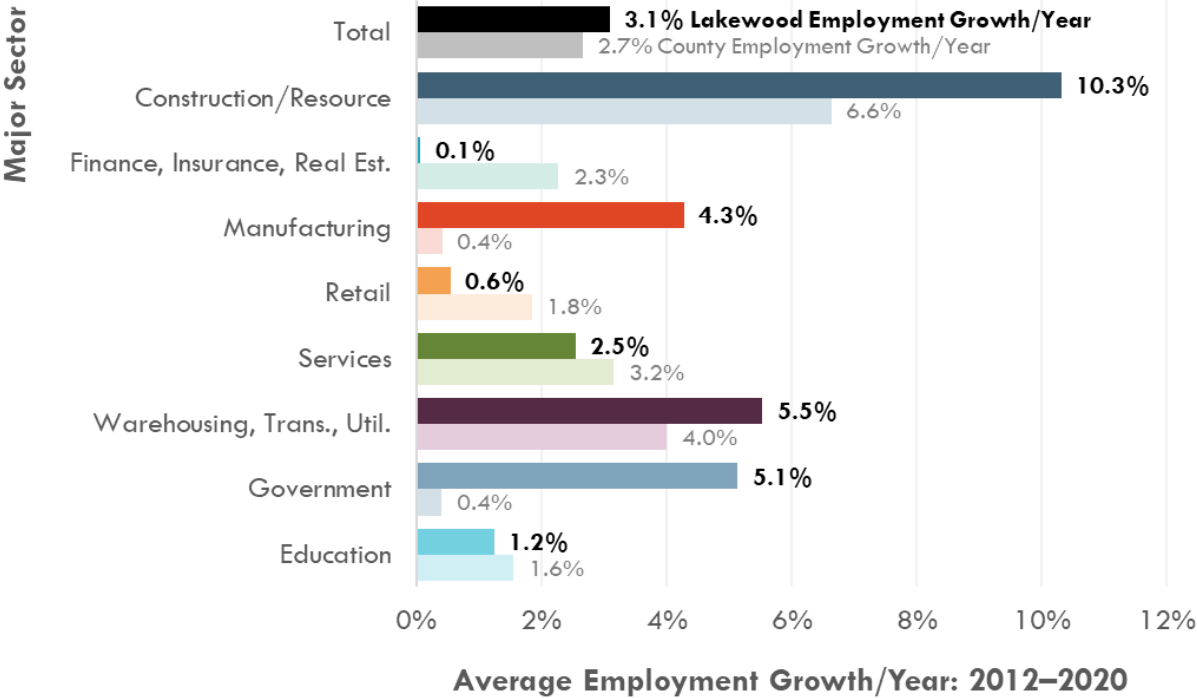


FIRE = Finance, Insurance, Real Estate  
 WTU = Warehousing, Transportation, Utilities  
 Const/Res = Construction and Resource

Covered employment means wages that are covered by unemployment insurance.

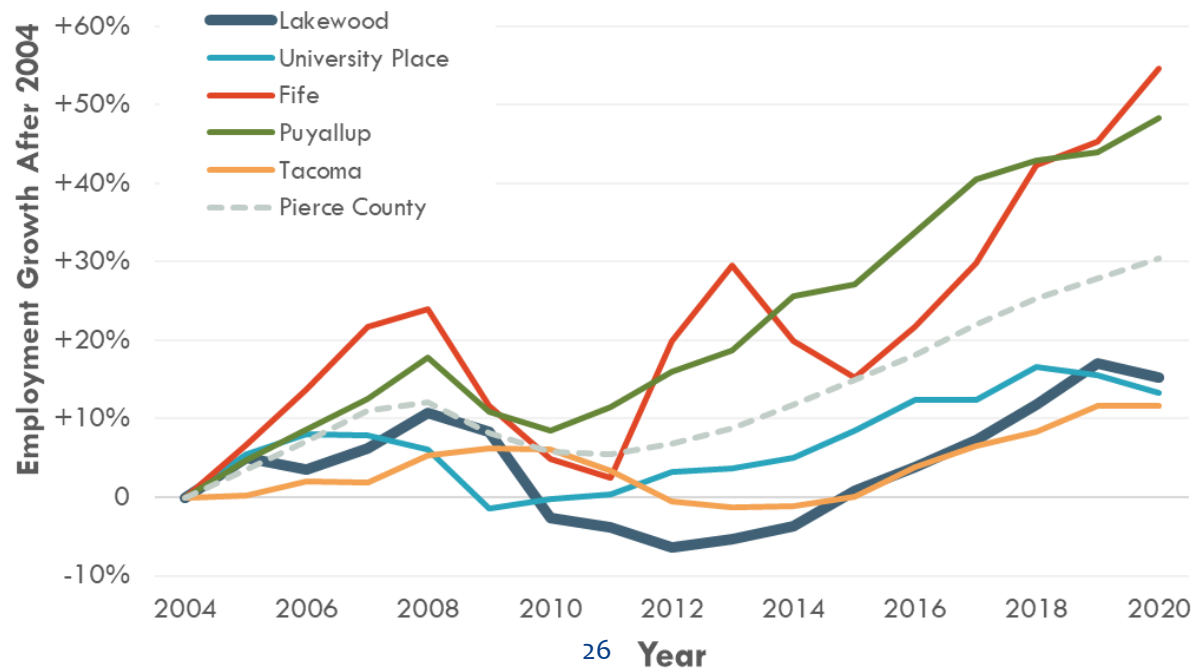
# Market Context: Employment

Lakewood’s **3.1% per year** growth in employment is led by higher increases in **Construction/Resource, Manufacturing, WTU, and Government.**



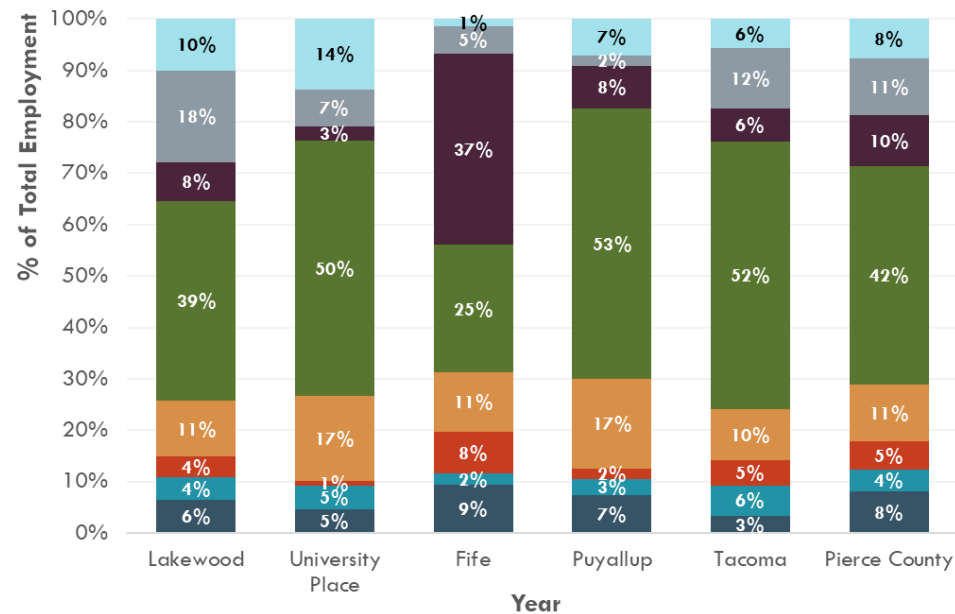
# Market Context: Employment

Lakewood's employment was impacted by the Great Recession, but recent employment gains have **outpaced Tacoma and the County overall**, with employment in Lakewood **increasing by 23% since 2012**.



# Market Context: Employment

Lakewood's local employment is generally the same as the County overall, with a **higher proportion of employment in Government.**



FIRE = Finance, Insurance, Real Estate  
 WTU = Warehousing, Transportation, Utilities  
 Cons/Res = Construction and Resource

■ Const/Res ■ FIRE ■ Manufacturing ■ Retail ■ Services ■ WTU ■ Government ■ Education

# Market Context: Journey to Work

- \* **Based on 2018 US Census data:**

- \* 3,837 people live and work in Lakewood
- \* 24,991 people are employed in Lakewood but live elsewhere
- \* 20,004 people live in Lakewood but work elsewhere

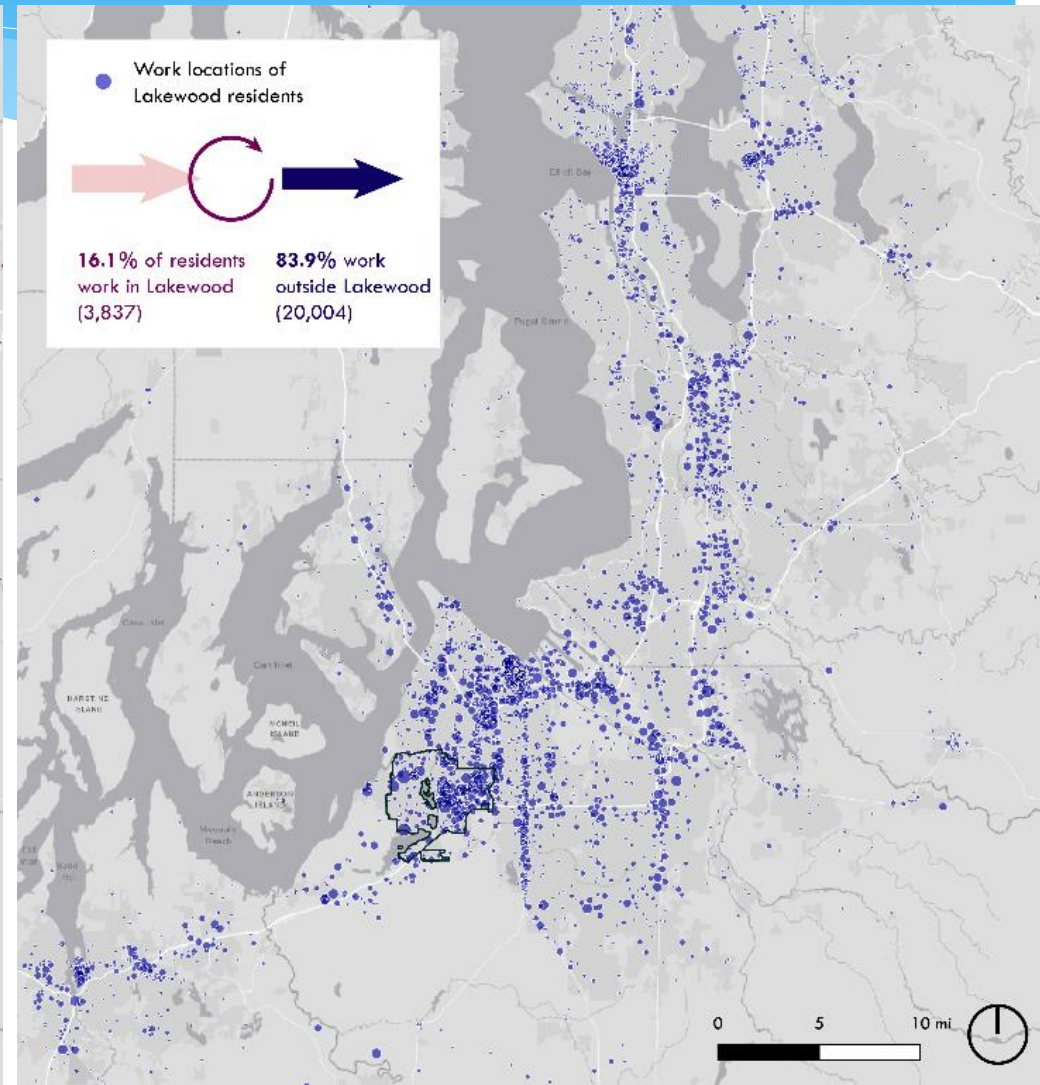
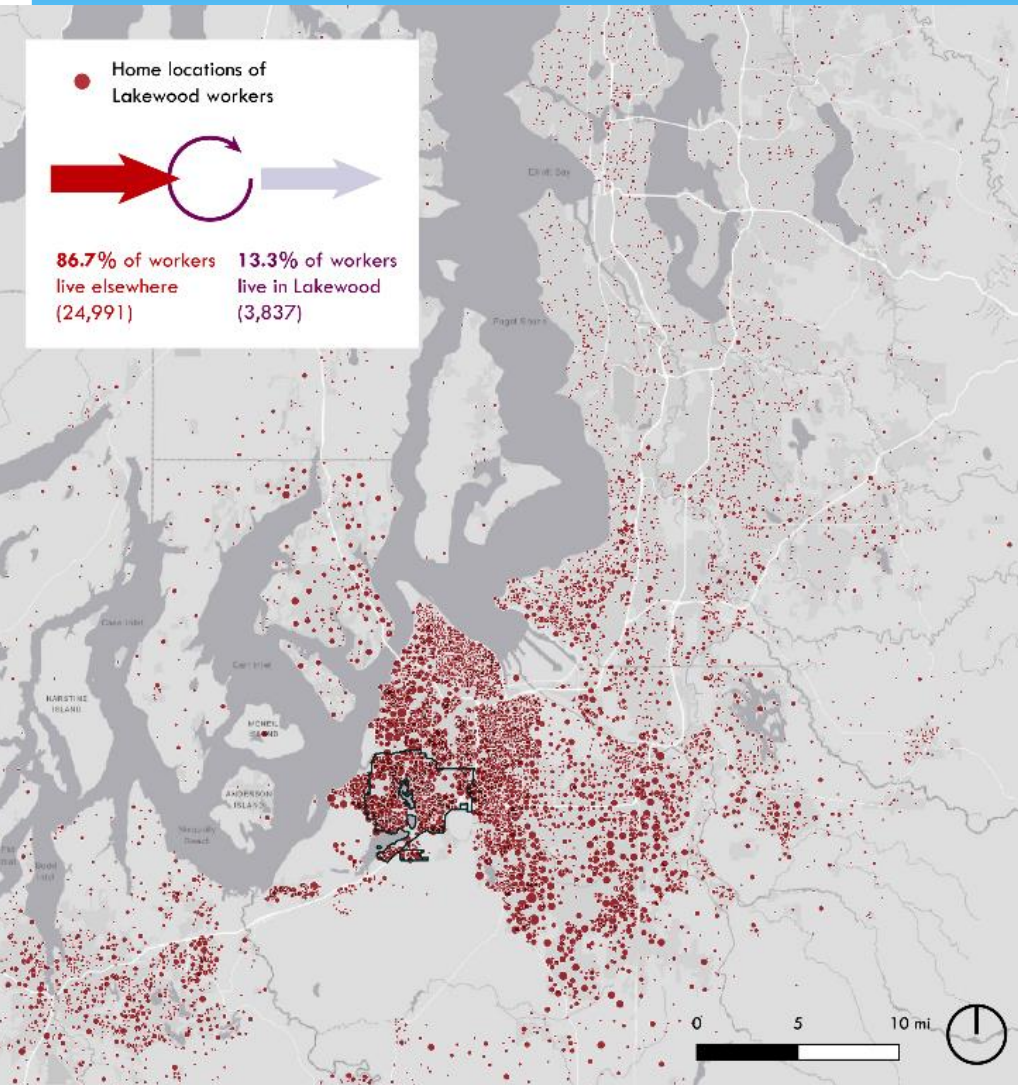
- \* **About 13% of Lakewood workers live in Lakewood**

- \* Lower than Tacoma (25%)
- \* Higher than Puyallup (8%), Fife (2%)

About 13% of workers live in Lakewood, with employees of city businesses drawn from surrounding communities.

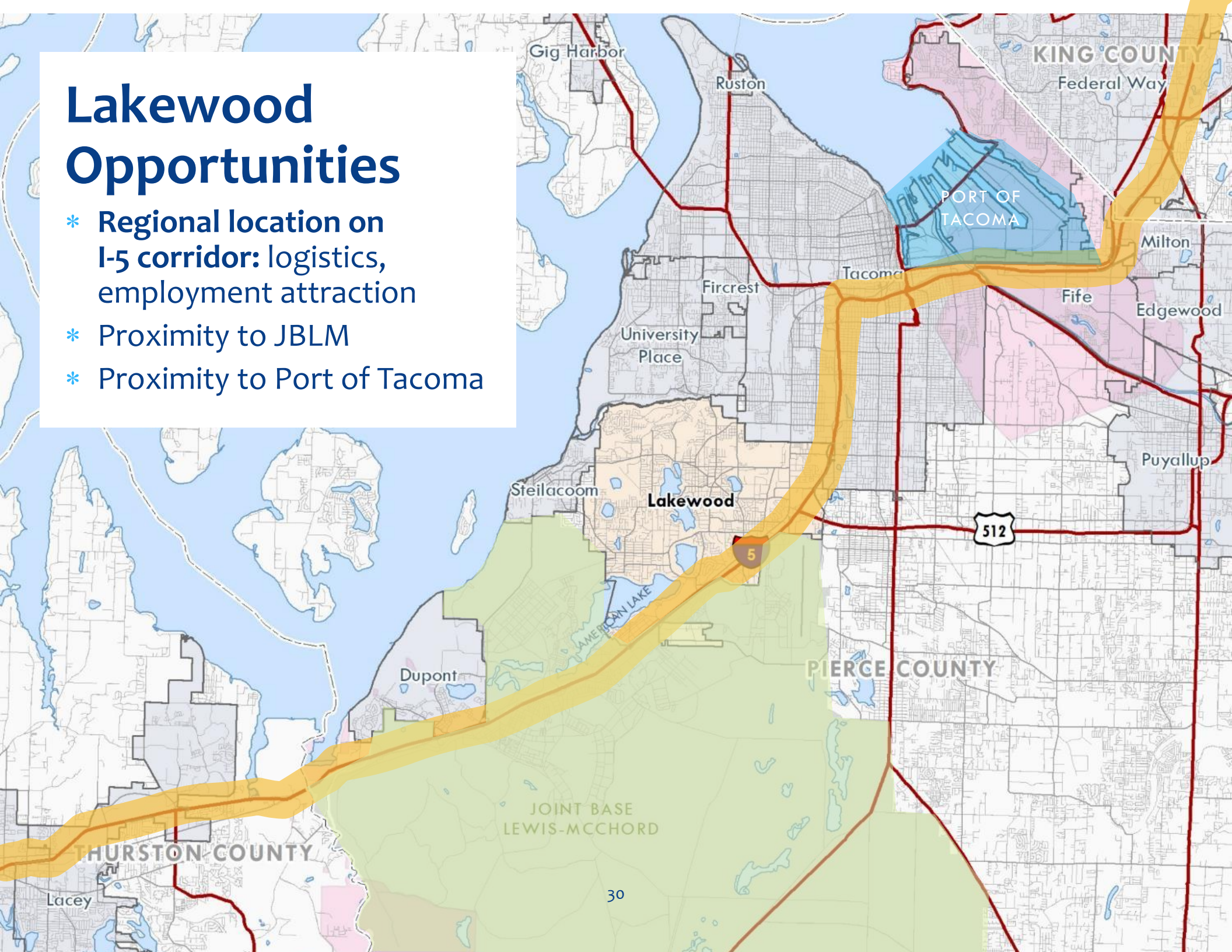
### Where do Lakewood workers live?

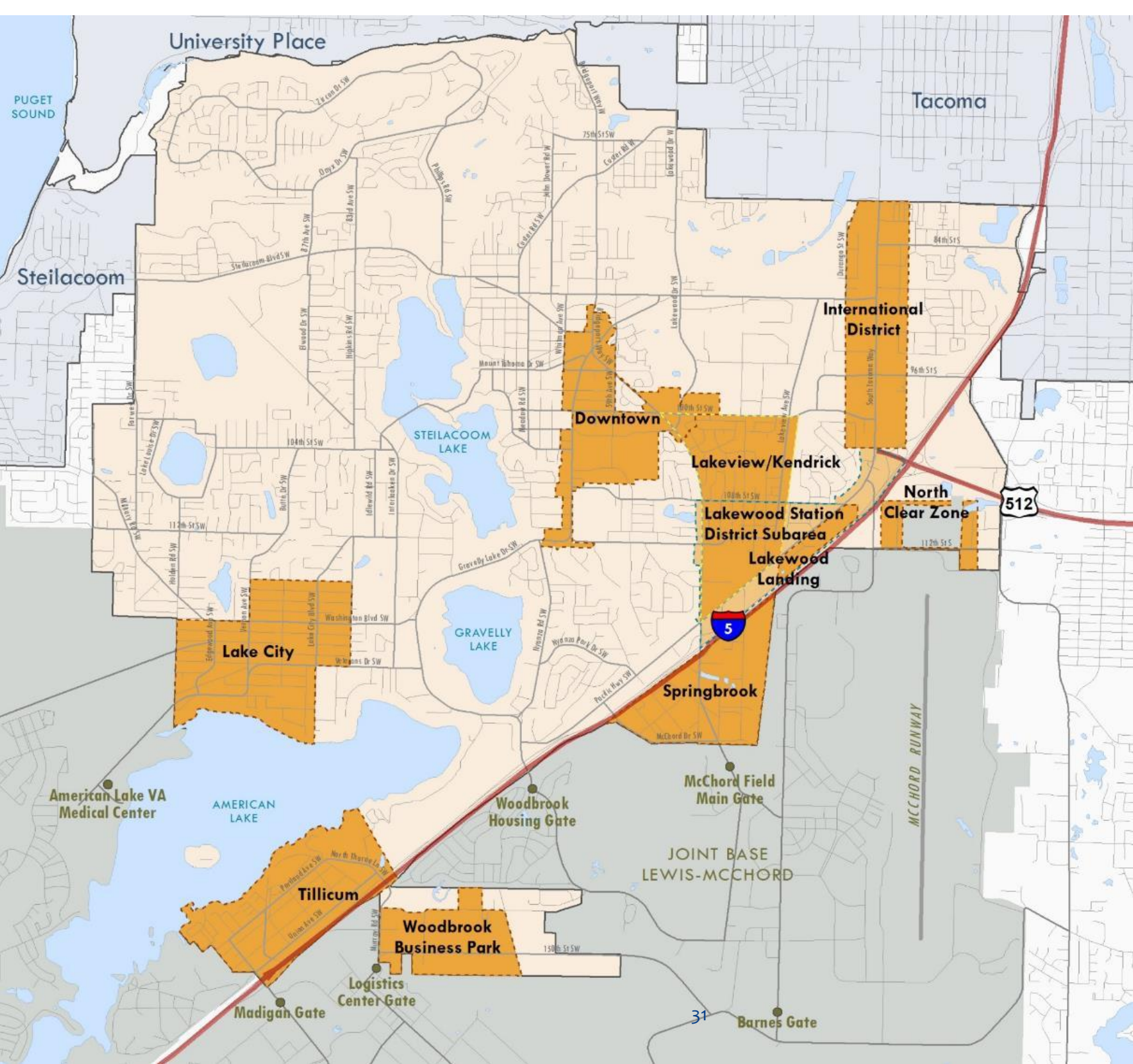
### Where do Lakewood residents work?



# Lakewood Opportunities

- \* Regional location on I-5 corridor: logistics, employment attraction
- \* Proximity to JBLM
- \* Proximity to Port of Tacoma





- LEGEND**
-  Major Highways
  -  Focus Areas
  -  Lakewood
  -  Cities
  -  JBLM



 0 1 Miles

Map Date: August, 2021

# Strategies

- \* **Citywide strategies**
- \* **Place-based strategies in distinct Focus Areas**
  - \* Downtown
  - \* Lakeview/Kendrick
  - \* Station District with Lakewood Landing
  - \* International District
  - \* North Clear Zone
  - \* Springbrook
  - \* Woodbrook Business Park
  - \* Tillicum

# Citywide Strategies

- \* **Business Retention and Expansion**

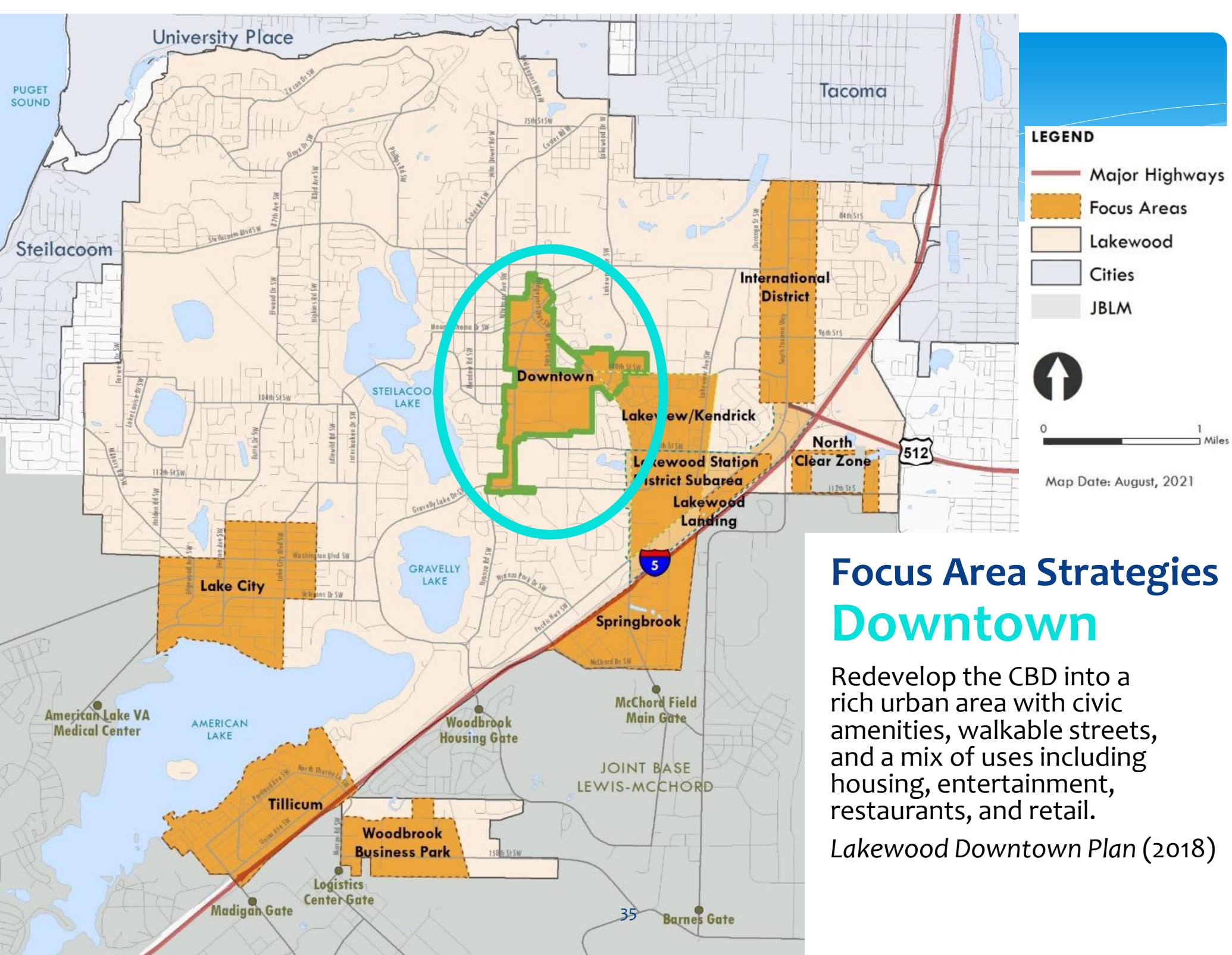
- \* Outreach to businesses and business organizations
- \* Identifying barriers and opportunities, ensuring the City is poised to be adaptive and responsive to changing business and development climate

- \* **Media and Promotion Strategy for Recruitment and Attraction**

- \* Build strong Lakewood brand
- \* Promote benefits of investing, living, and working in Lakewood
- \* Coordinate messaging with other agencies, including importance of supporting JBLM

# Focus Area Strategies

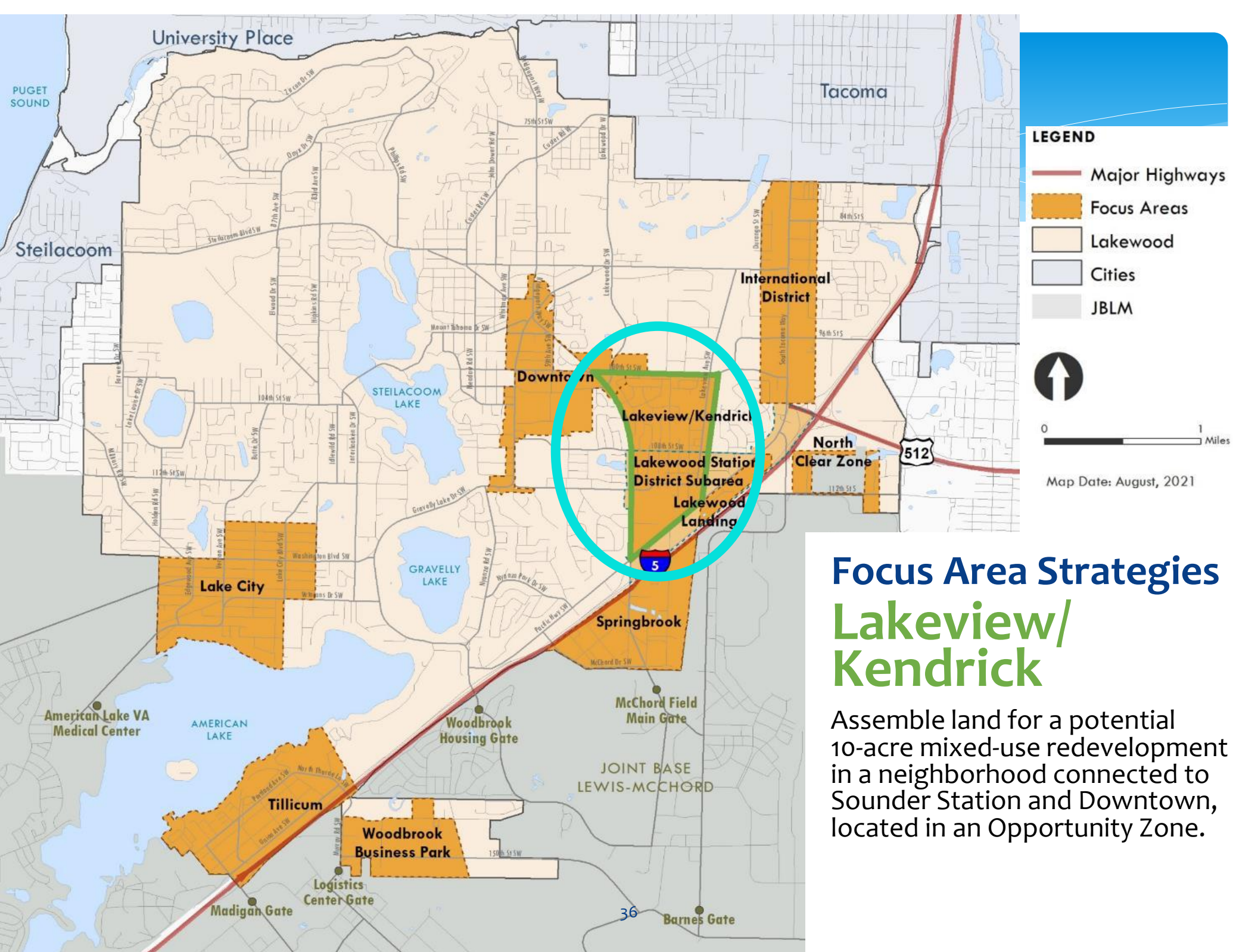
- \* Plan, invest in, and promote each Focus Area to support a robust and diverse economy in Lakewood
- \* Each of these areas have distinct strengths, opportunities, and challenges that will require specific, tailored strategies



## Focus Area Strategies Downtown

Redevelop the CBD into a rich urban area with civic amenities, walkable streets, and a mix of uses including housing, entertainment, restaurants, and retail.

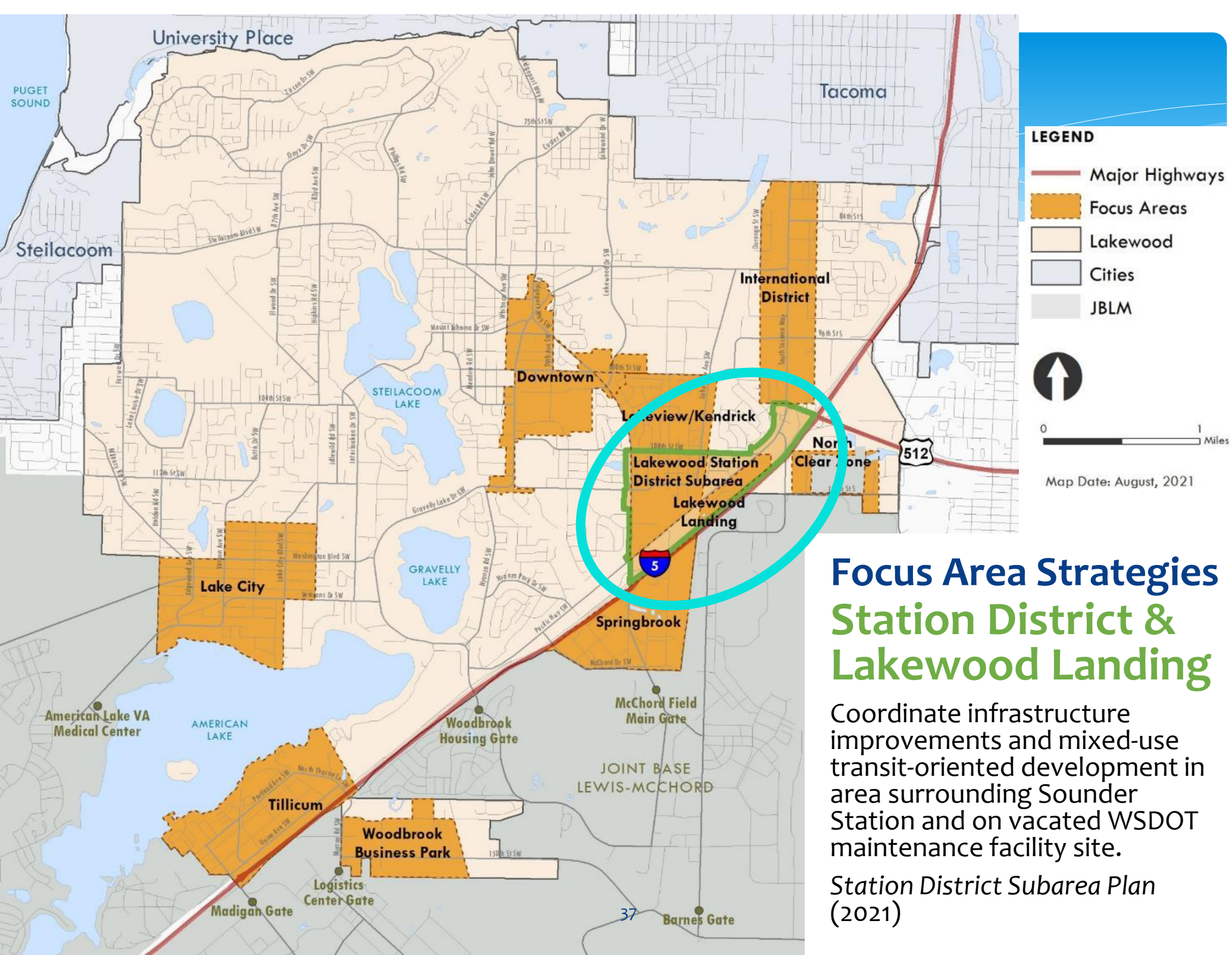
*Lakewood Downtown Plan (2018)*



# Focus Area Strategies

## Lakeview/ Kendrick

Assemble land for a potential 10-acre mixed-use redevelopment in a neighborhood connected to Sounder Station and Downtown, located in an Opportunity Zone.

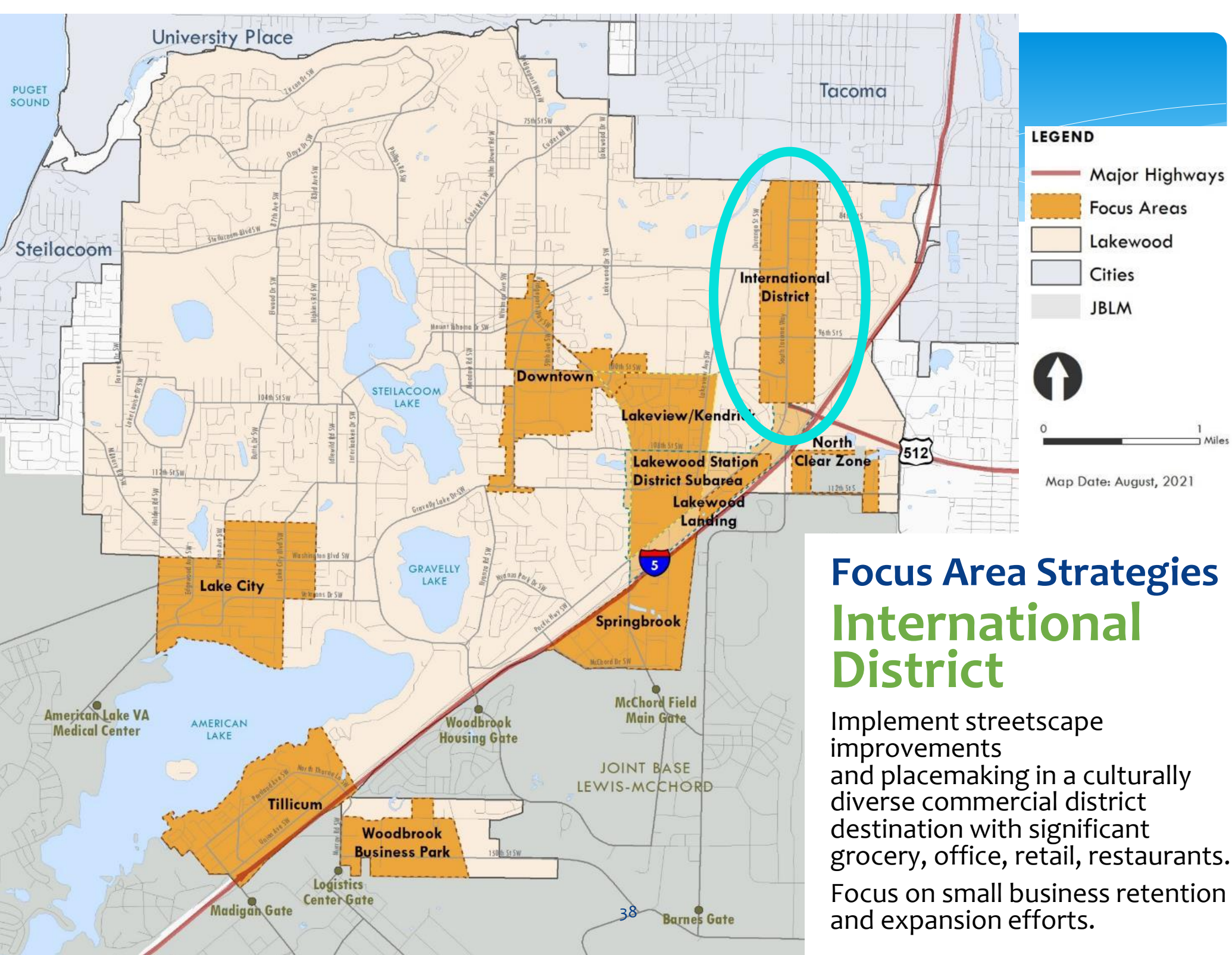


# Focus Area Strategies

## Station District & Lakewood Landing

Coordinate infrastructure improvements and mixed-use transit-oriented development in area surrounding Sounder Station and on vacated WSDOT maintenance facility site.

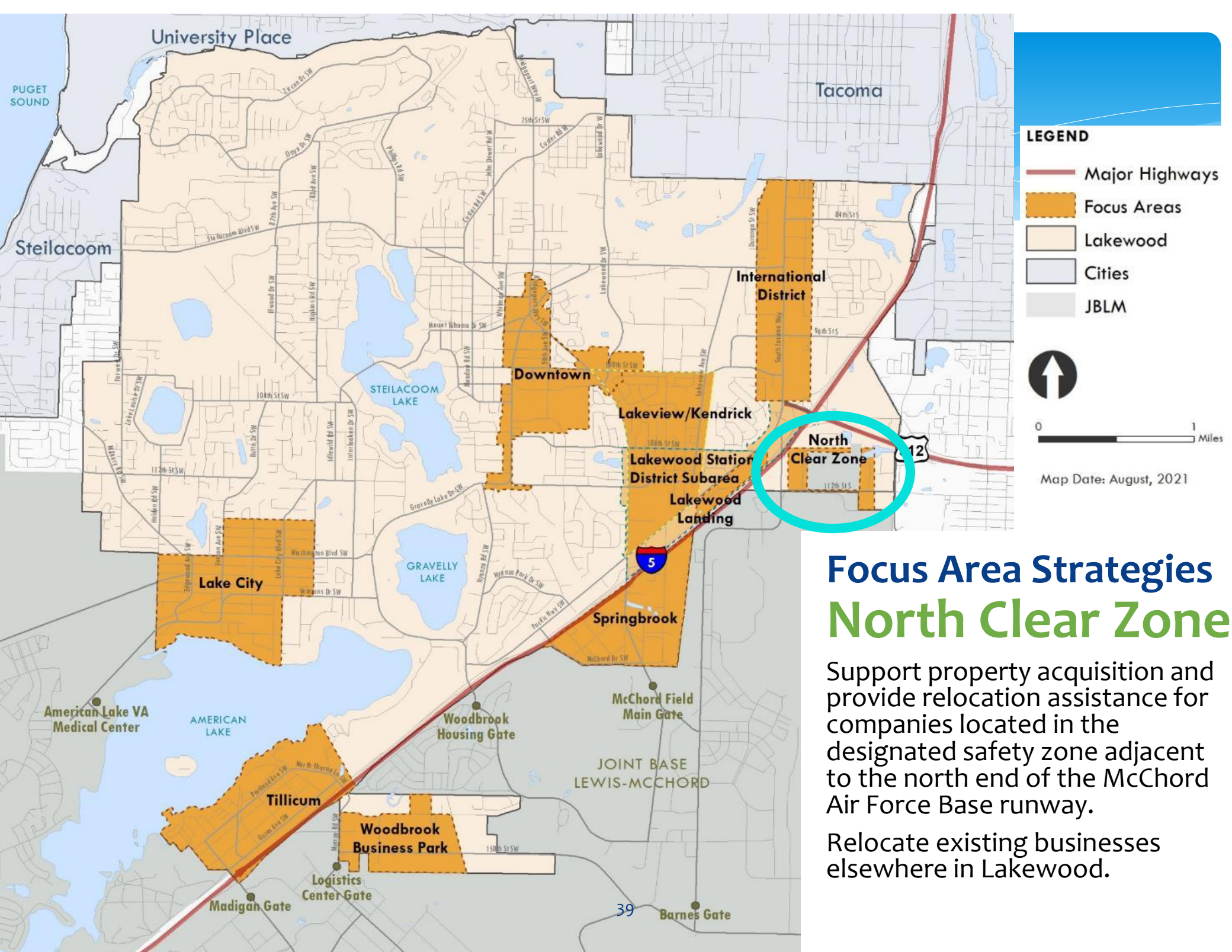
*Station District Subarea Plan (2021)*



## Focus Area Strategies

# International District

Implement streetscape improvements and placemaking in a culturally diverse commercial district destination with significant grocery, office, retail, restaurants. Focus on small business retention and expansion efforts.

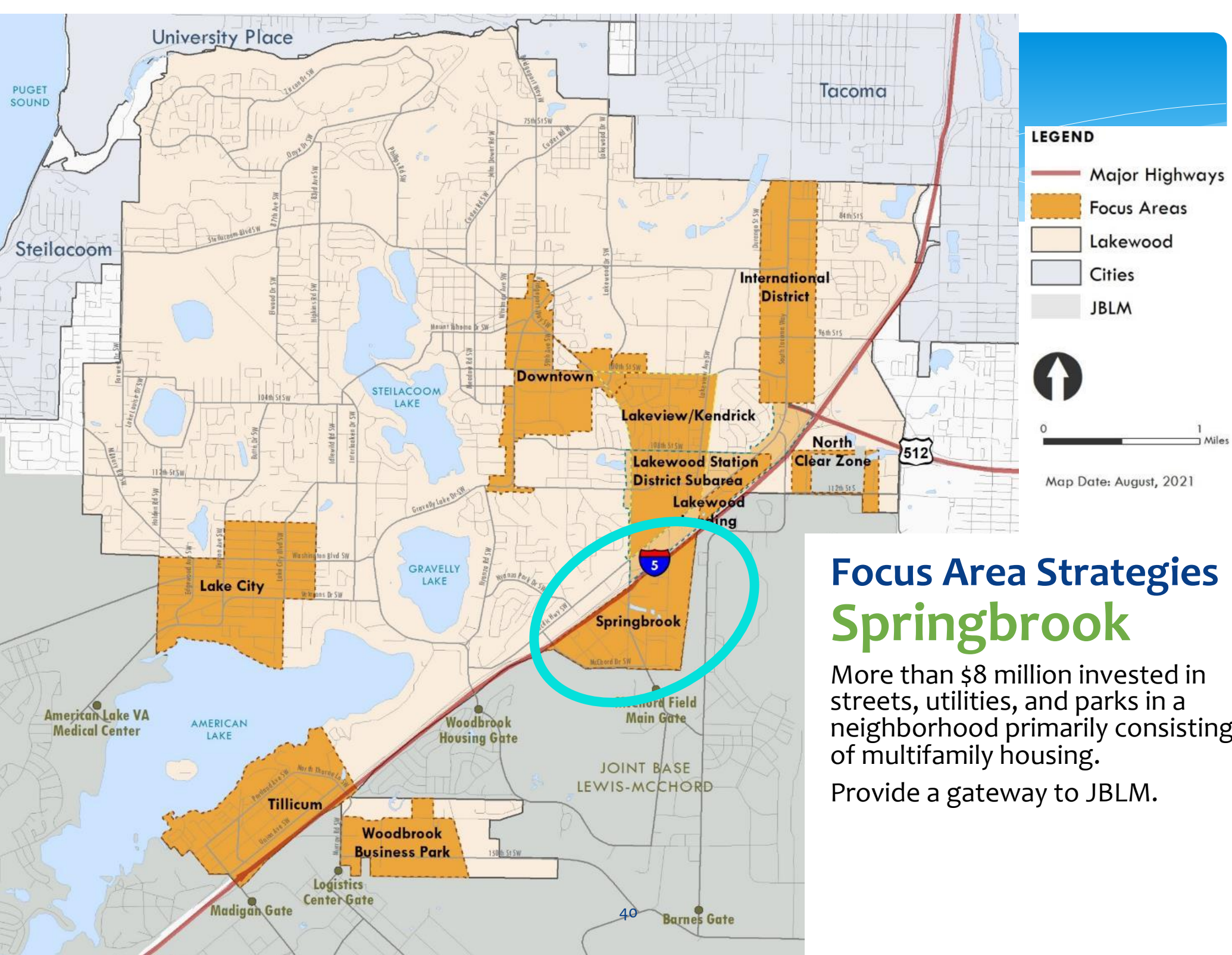


## Focus Area Strategies

# North Clear Zone

Support property acquisition and provide relocation assistance for companies located in the designated safety zone adjacent to the north end of the McChord Air Force Base runway.

Relocate existing businesses elsewhere in Lakewood.

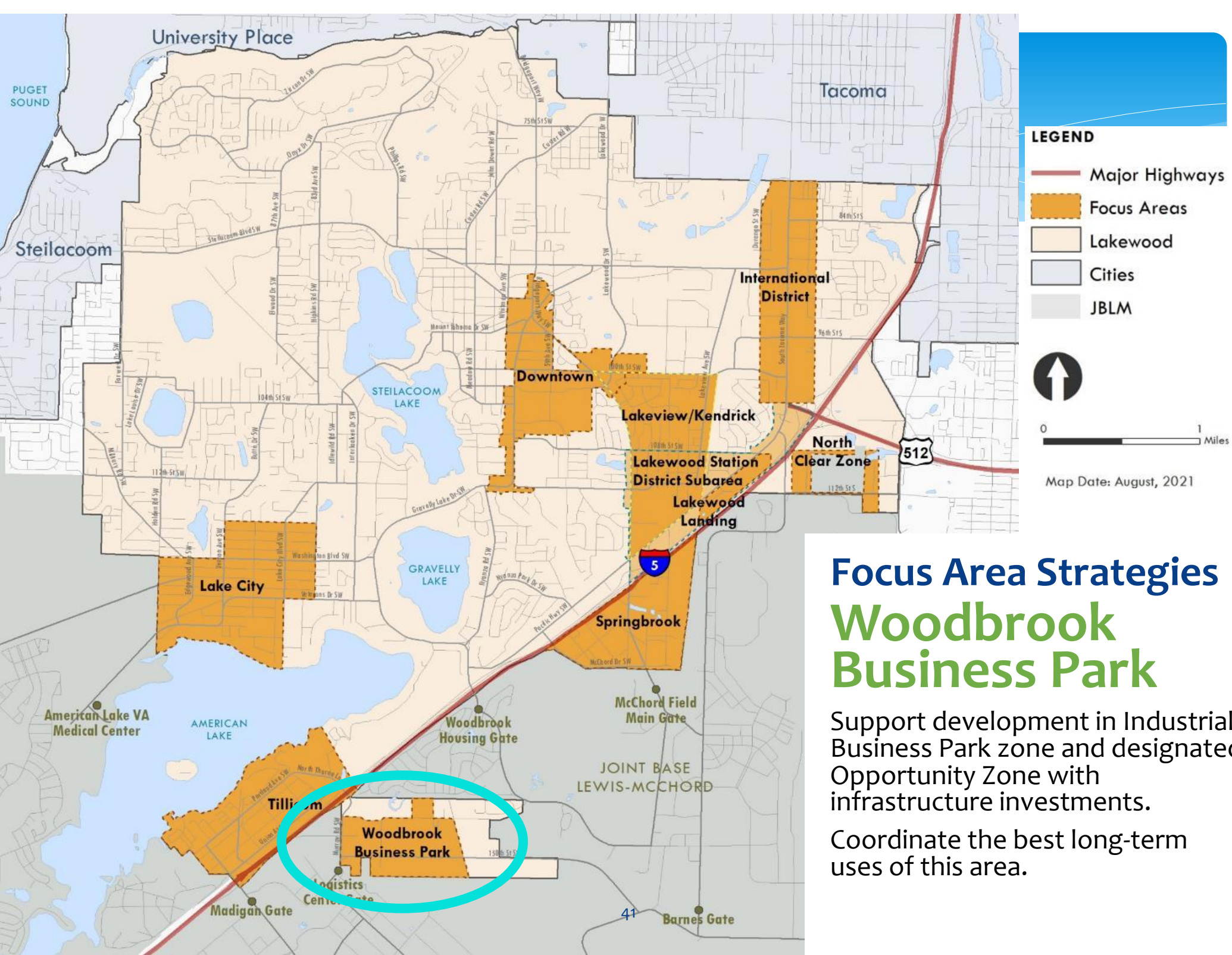


## Focus Area Strategies

# Springbrook

More than \$8 million invested in streets, utilities, and parks in a neighborhood primarily consisting of multifamily housing.

Provide a gateway to JBLM.

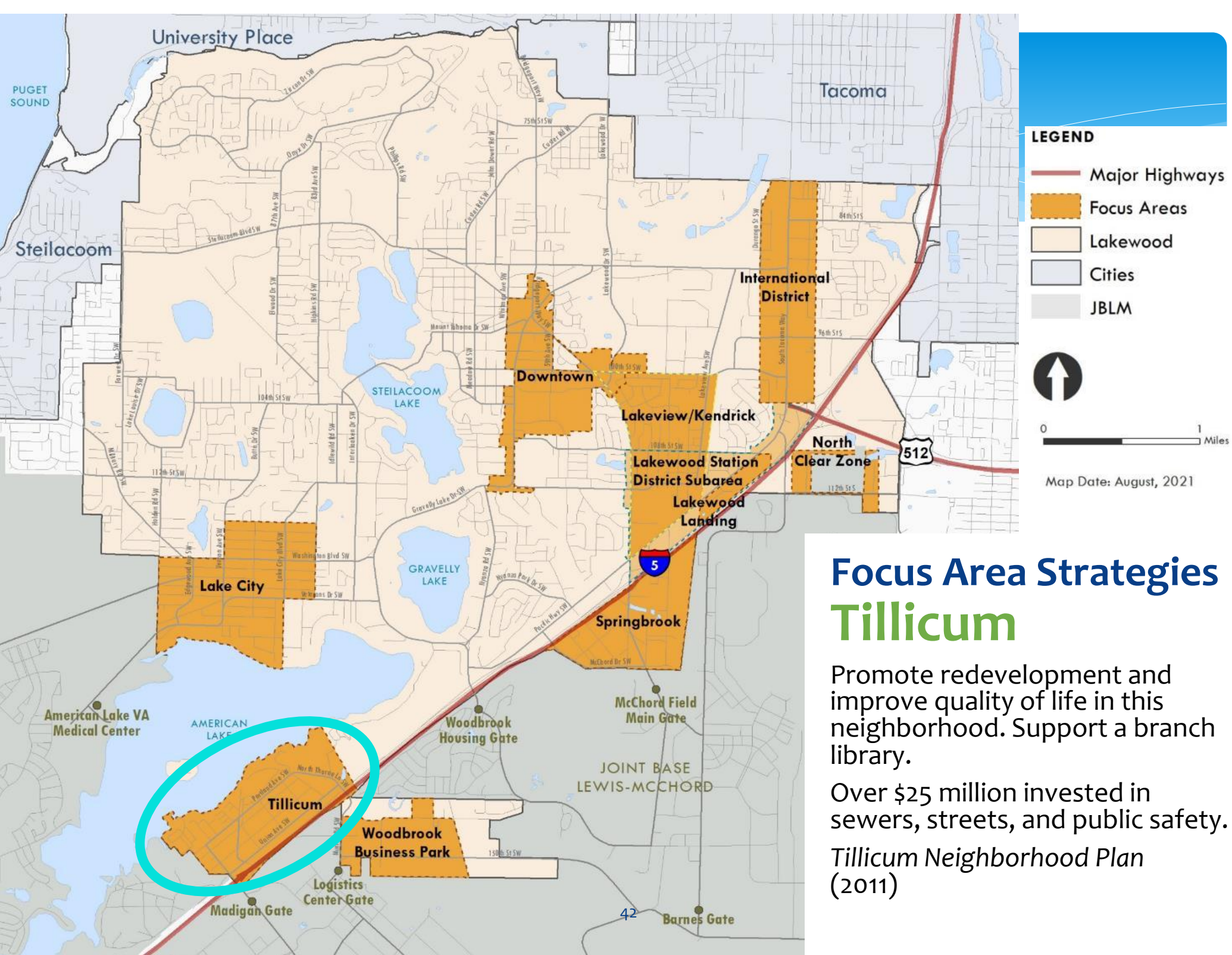


# Focus Area Strategies

## Woodbrook Business Park

Support development in Industrial Business Park zone and designated Opportunity Zone with infrastructure investments.

Coordinate the best long-term uses of this area.

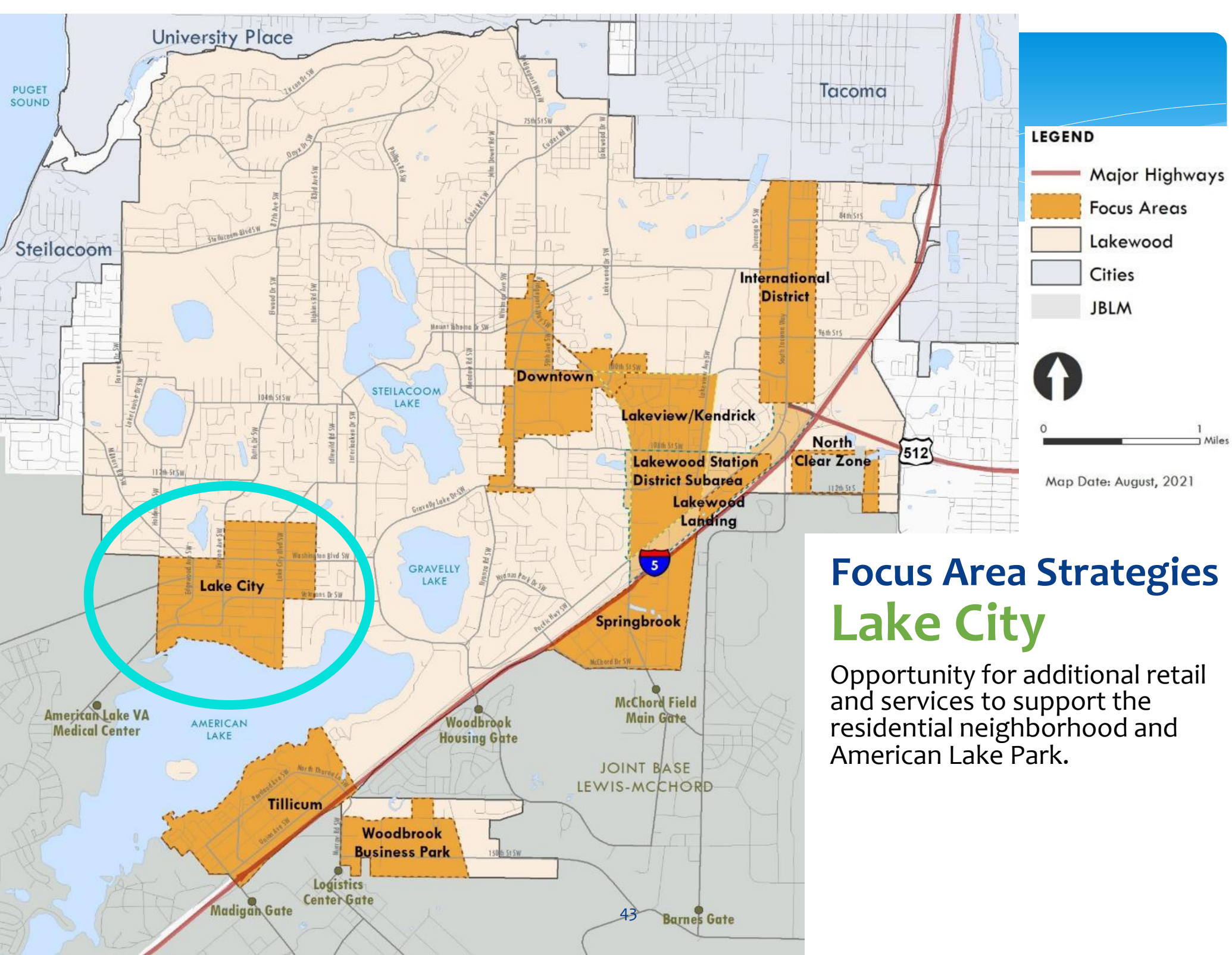


## Focus Area Strategies Tillicum

Promote redevelopment and improve quality of life in this neighborhood. Support a branch library.

Over \$25 million invested in sewers, streets, and public safety.

*Tillicum Neighborhood Plan*  
(2011)



- LEGEND**
- Major Highways
  - Focus Areas
  - Lakewood
  - Cities
  - JBLM

0 1 Miles

Map Date: August, 2021

# Focus Area Strategies

## Lake City

Opportunity for additional retail and services to support the residential neighborhood and American Lake Park.

# Next Steps

- \* **Continued work on Draft Economic Development Strategy**
  - \* Interviews with select City partners
  - \* Engagement of staff across City departments
  - \* Development of timebound and resourced action plans
- \* **Review with City Council in Fall 2021**