



BUSINESS RETENTION & EXPANSION (BRE) REPORT

JANUARY, 2021



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BR&E Program & Activities

What is the Lakewood Business Retention and Expansion (BR&E) Program?

BR&E is a core program of any economic development plan. Lakewood's program is designed to retain existing businesses in the community, to provide assistance, and to help businesses expand. Lakewood staff visits with and assists over 100 companies each year. The visits are fairly informal, providing an opportunity to get to know the business, and to learn more about the challenges they face on a daily basis, as well as what's really working for them. The City acts as a connection to resources, a partner for success, and an ambassador for prosperity. Often times we work in partnership with many other organizations to bring resources to each business as needed.

Lakewood has always worked with Pierce County and the Economic Development Board of Tacoma/Pierce County on outreach to business. In 2020, those partnerships were even more critical and we provided "wrap-around" services for multiple businesses that were facing extenuating circumstances or that were relocating and/or expanding.

Lakewood collaborated on weekly BR&E calls, webinars, and training events. These calls included Pierce County, other municipalities, workforce, transportation partners, financial institutions, and others. We've helped one another adapt to the continual disruption.

Pierce County headed up another county-wide working group to address important issues facing business and we came together to offer Personal Protective Equipment for our community.

Other groups we became more closely involved with included the Manufacturing Industrial Council, South Sound Alliance, Greater Seattle Partnership, Workforce Development Council, Washington Hospitality Association, Washington Economic Development Association, and the local Lakewood Chamber of Commerce.

The Economic Development Department played a critical role in the development and deployment of coronavirus relief fund programs for local businesses, and commercial landlords.

We maintained relationships with North Clear Zone businesses as a part of the effort to resolve encroachment on the base. Extensive work with the Department of the Army, our respective legal teams, South Sound Military & Community Partnership, and JBLM in 2020 has strengthened these partnerships and enabled us to move forward in purchasing critical parcels. We've worked diligently to retain businesses, and to help them relocate within Lakewood.

Industry Impacts

While many businesses have been devastated by the Impacts of COVID-19 and restrictions imposed by the state of Washington, the South Sound region has seen less of a shock than Seattle, other major metropolitan areas, and the nation as a whole for hardest hit retail, restaurants, accommodations, and food services. This is due to lower employment density, less exposed occupations, and, here in Lakewood, newer hotels. While economic recovery could take five years for some industries, permitting is up substantially for Lakewood, and expected to continue on an upward trend. Retail sales increased by 10% in 2019, and flattened to an estimated 2% increase in 2020.

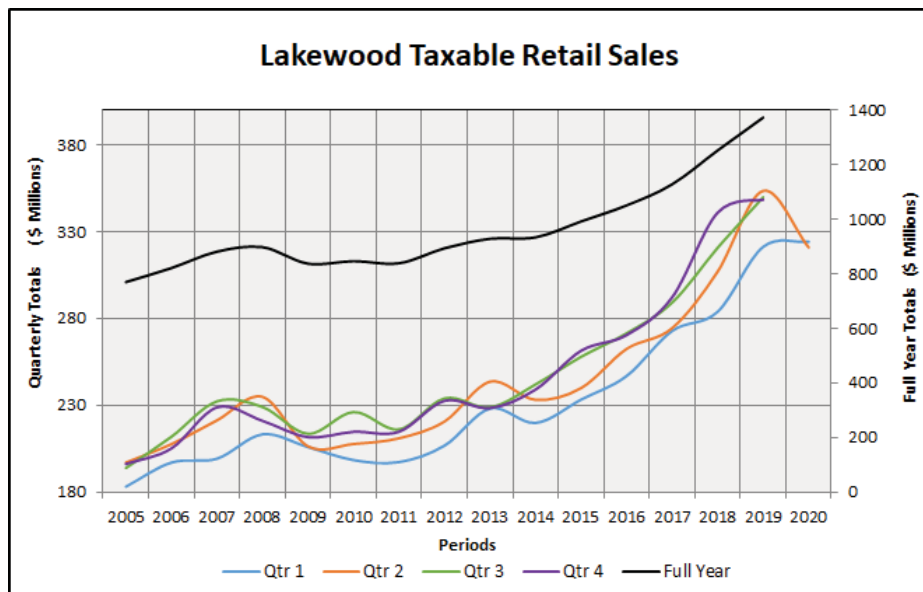
Small local businesses have seen significant struggle, particularly those undercapitalized and in competition with online services and products. Those that have adapted quickly, embraced technology, and pivoted to new ways of doing business have survived. More businesses will close in 2021 due to the pandemic. Getting to Phase 4 will be critical for recovery.

Hotel Data for January 10-16, 2021

	Occupancy (Y-O-Y)	ADR (Y-O-Y)	RevPAR (Y-O-Y)
Puyallup / Sumner+	63.6% (-13.1%)	\$85.11 (-12.3%)	\$54.11 (-23.8%)
Tacoma Mall / Hosmer+	46.6% (-14.4%)	\$69.17 (-3.9%)	\$32.26 (-17.8%)
Downtown Tacoma / Tacoma Dome+	37.3% (-41.3%)	\$112.64 (-13.3%)	\$41.99 (-49.1%)
DuPont / Lakewood+	62.8% (+2.0%)	\$93.00 (-6.2%)	\$58.37 (-4.3%)
Fife+	62.7% (-7.7%)	\$66.44 (-4.0%)	\$41.67 (-11.4%)

ADR = Average Daily Rate; RevPAR = Revenue Per Available Room

Source: Travel Tacoma Mt Rainier Tourism & Sports



Source: City of Lakewood

2020 Outreach and Local Jobs

2020 BRE Outreach			Employment by Industry	2012	2019
Outreach by Industry			All Jobs	29,714	34,948
Type	Number	Jobs	Health Care & Social Services	9,192	11,338
Construction	9	580	Educational Services	3,300	3,602
Manufacturing	7	244	Retail Trade	3,114	4,047
Wholesale Trade	3	120	Accommodation & Food Serv.	2,440	2,973
Retail Trade	21	1,984	Transportation & Warehousing	1,815	2,174
Transportation & Warehousing	18	780	Wholesale Trade	868	872
Information	5	89	Construction	1,024	1,626
Finance and Insurance	8	340	Manufacturing	903	1,047
Real Estate, Rental, Leasing	4	167	Prof., Scientific, Tech Services	842	929
Prof, Scientific, and Technical	3	278	Admin Support & Waste Mgmt	762	1,010
Management of Companies	1	1	Finance & Insurance	898	1,065
Admin, & Waste Management	2	380	Arts & Entertainment	984	1,132
Educational Services	6	76	Real Estate	599	794
Health Care & Social Assistance	11	2,760	Public Administration	654	501
Arts, Ent, and Recreation	3	340	Information	211	225
Accomm & Food Services	17	1,535	Utilities	60	63
Other Srvs (not Public Admin.)	9	230	Management of Companies	3	2
TOTALS	127	9,904	Ag, Forestry, Fishing & Hunting	52	45
Daytime Population	66,535		Other Services	1,993	1,503

Change = +5,194 or +17.48%

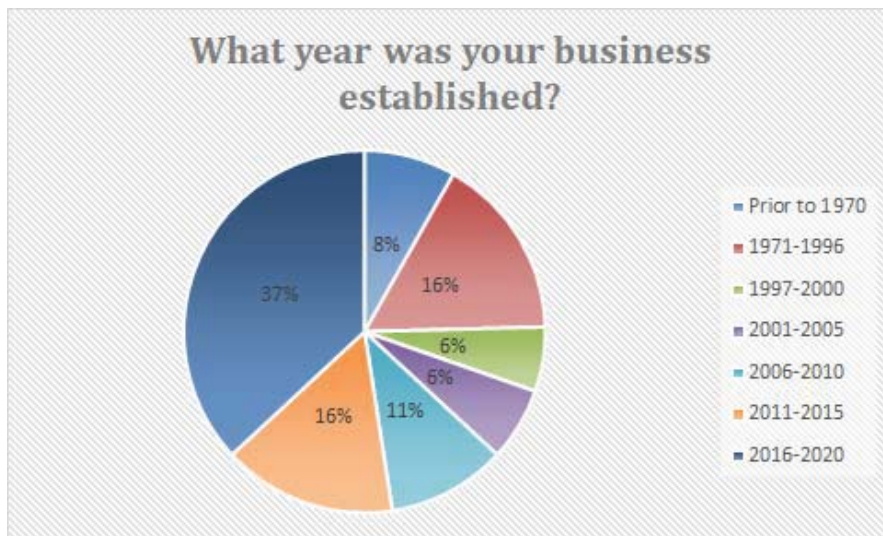
Key Business Activities and Experiences

Massive Layoffs and Furloughs; Lakewood Unemployment was 17.7% in April, and 8.3% in December
Looking for and forming new partnerships
Businesses implementing new policies and procedures
Rapid deployment of work-from-home technology
Rapid facility sanitation needs and scrambling for specialized PPE
Supply chain issues throughout the year, more significant March - May
New HR policies and labor union agreements
Expanding paid sick leave; safety training; massive free education online and free news
Some businesses increased wages (hazard pay) for front line workers
Renegotiation of leases for commercial tenants across the board
Applying for PPP, EIDL, and other grants
Managing customer expectations and revamping social media and marketing efforts
Reducing expenses and overhead
Taking care of employees on payroll and on unemployment
Pivot to manufacturing PPE and other products and services to replace losses
Cancelled trade shows, events, and non-essential travel
Some businesses ramping up to match increased demand
Some businesses temporarily shut down or reduced hours
Membership losses significant for gyms and other organizations
Online, technology, and some restaurants doing very well
High number of tenants not paying rent, both commercial and residential
Banks accommodating for mortgage/deferrals, some overwhelmed with Paycheck Protection Program
Addressing diversity, equity, & inclusion, workforce needs & re-employment in competitive market
Exhaustion, feeling of being overwhelmed, and mental health concerns increasing for some

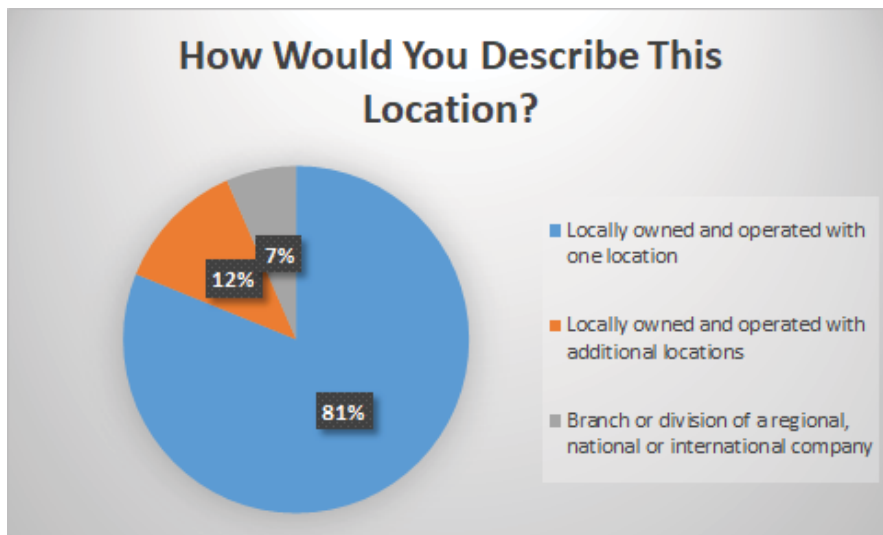
2020 Annual Survey

(122 respondents)

Business and Industry



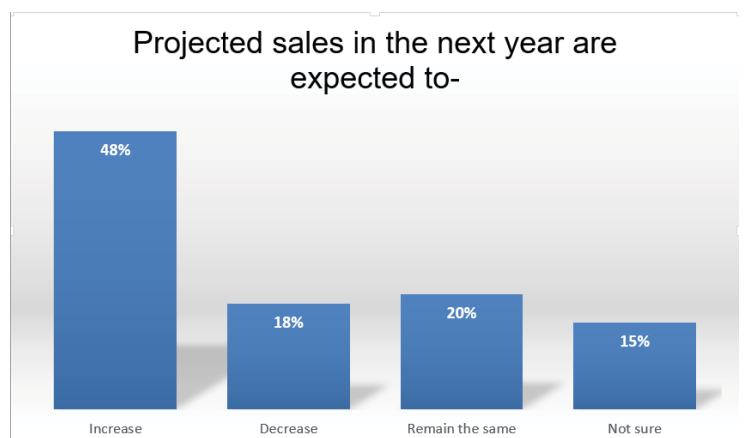
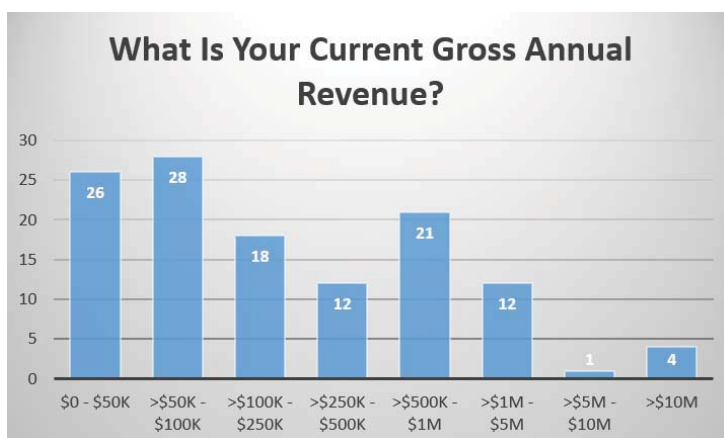
53% of businesses were established after 2000



81% of respondents were locally owned

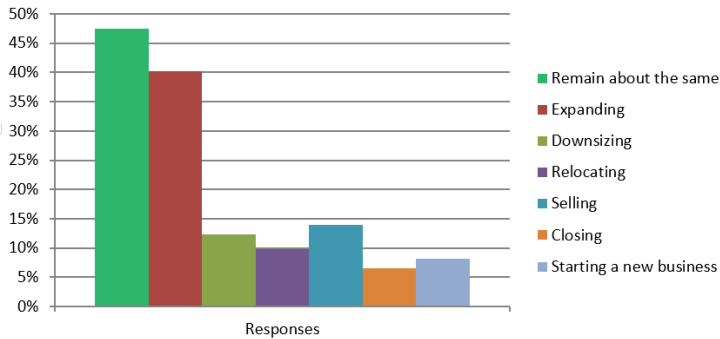
Headquarters for branches & Divisions

- Bozeman, MT
- Chicago, IL
- Henderson, NV
- Irvine, CA
- Kirkland, WA

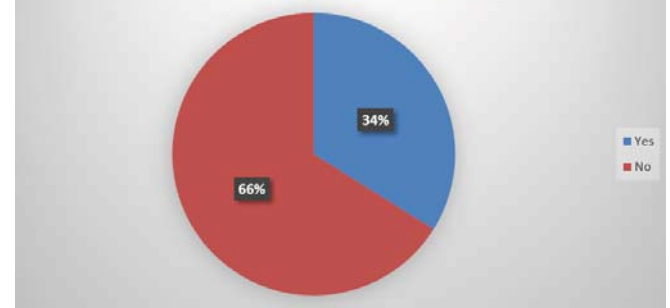


2020 Annual Survey (continued)

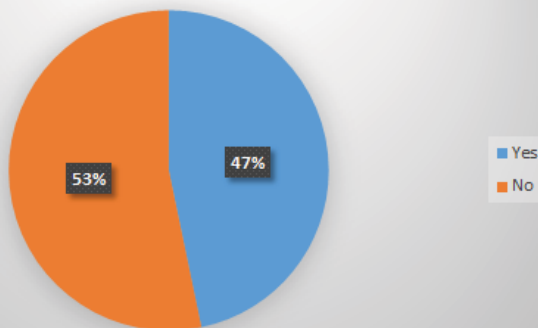
What are your plans over the next two years (check all that apply)?



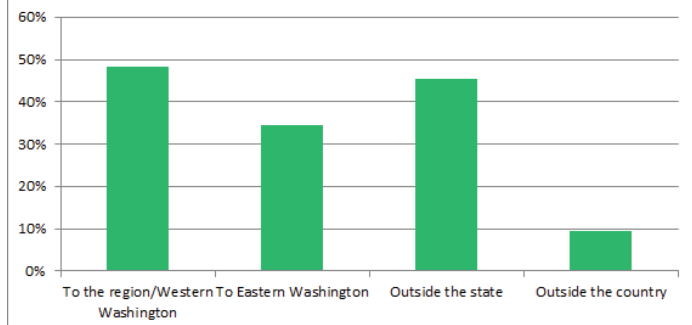
Does your business have a succession plan?



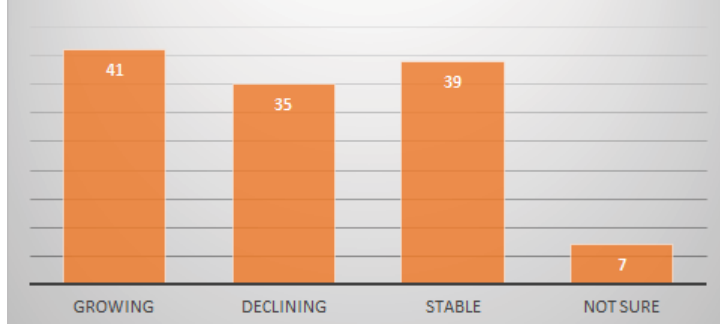
Do You Export Goods Or Services?



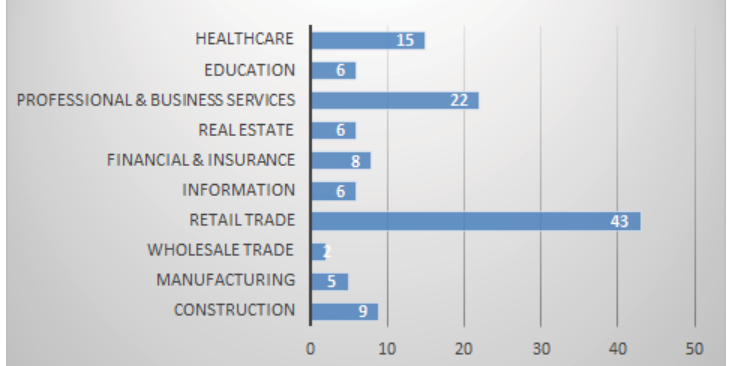
If you export, where do you export to (Choose all that apply)?



How Would You Best Describe Your Industry?



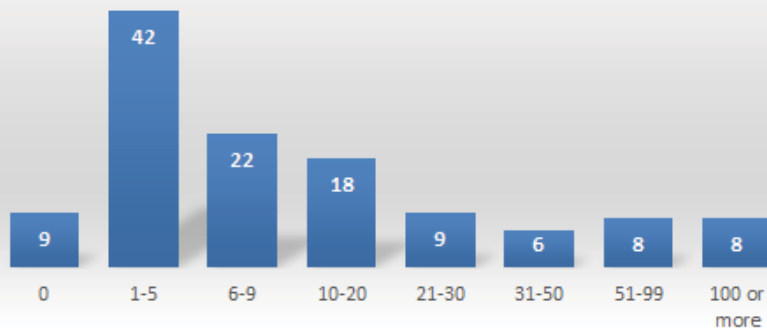
Respondents by Industry



2020 Annual Survey (continued)

Workforce

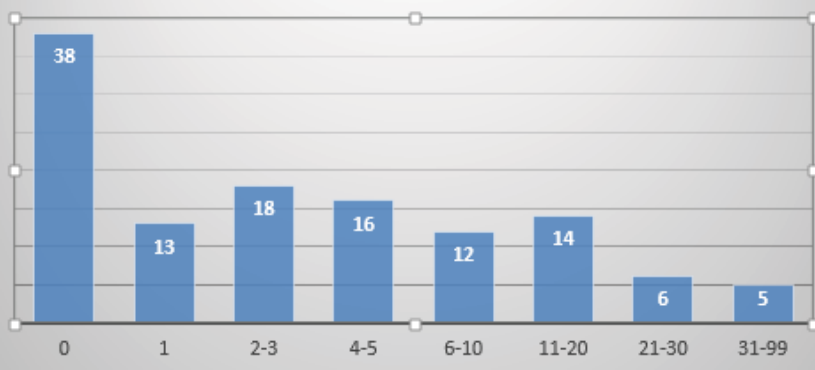
How Many Full Time Employees Do You Have in Lakewood?



Of the 2,600 businesses in Lakewood, *approximately* 81% have 5 or fewer employees

- 1,300 with no employees
- 800 with 0-5 employees
- 200 with 6-10 employees
- 135 with 11-20 employees
- 120 with 21-50 employees
- 30 with 51-99 employees
- 20 with >100 employees

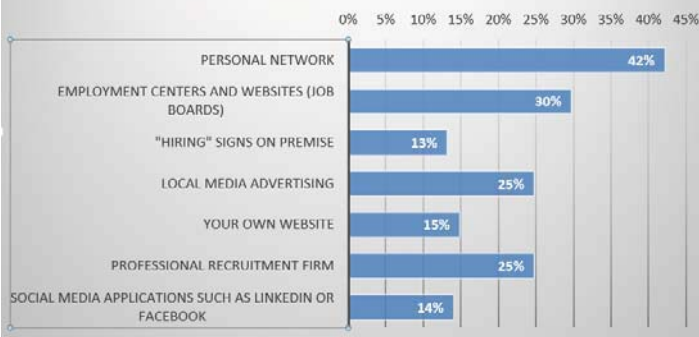
How Many Part-Time Employees To You Have (less than 30 hrs/week)?



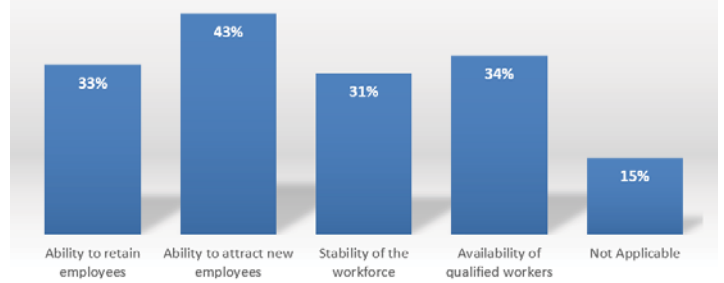
31% of respondents had 0 part-time employees as compared to 40% of respondents in 2019.

20% of respondents had more than 10 part-time employees as compared to 6% in 2019.

How do you currently recruit new employees (select all that apply)?



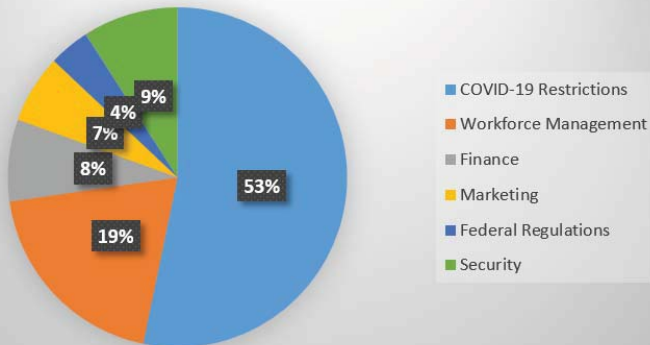
What workforce challenges are you experiencing, if any (check all that apply)?



2020 Annual Survey (continued)

Business Needs, Assistance, and Coronavirus Impacts

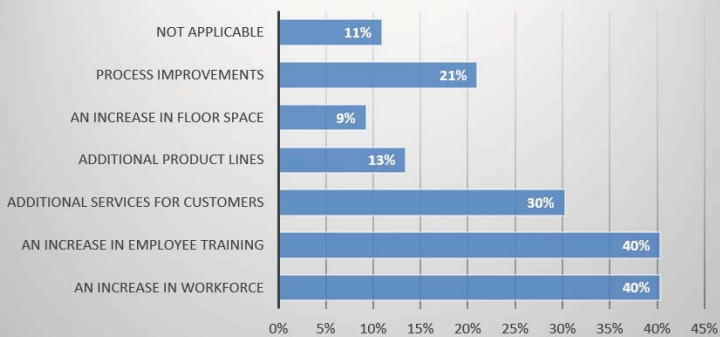
Biggest Challenges



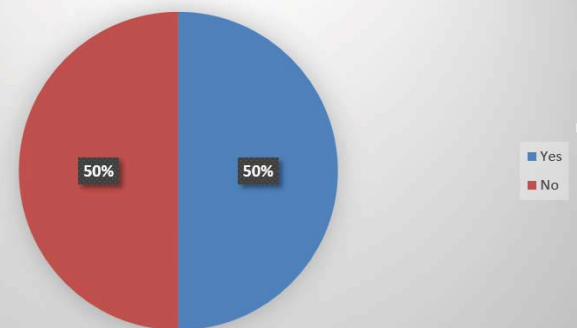
What assistance, opportunities, or business forums and trainings would be beneficial to support your business (check all that apply)?



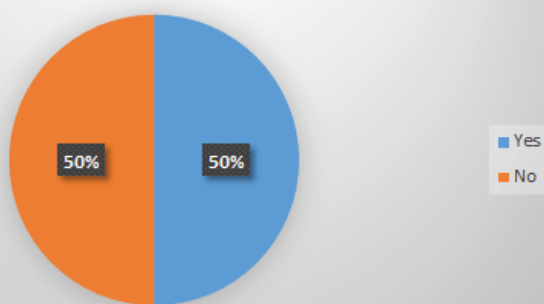
Will you have need for any of the following (check all that apply)?



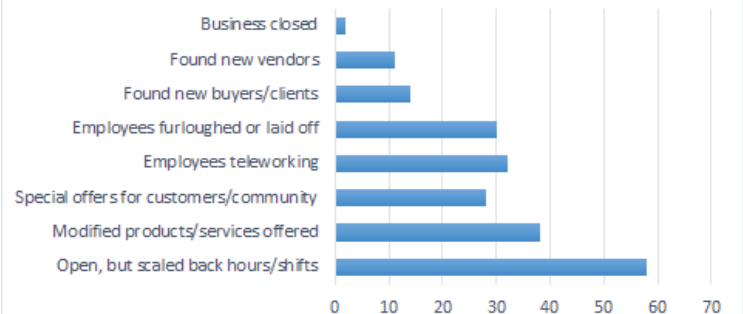
Do you plan to remodel or upgrade your current space within the next year?



Has Your Business Added Services Due To The Coronavirus Pandemic?



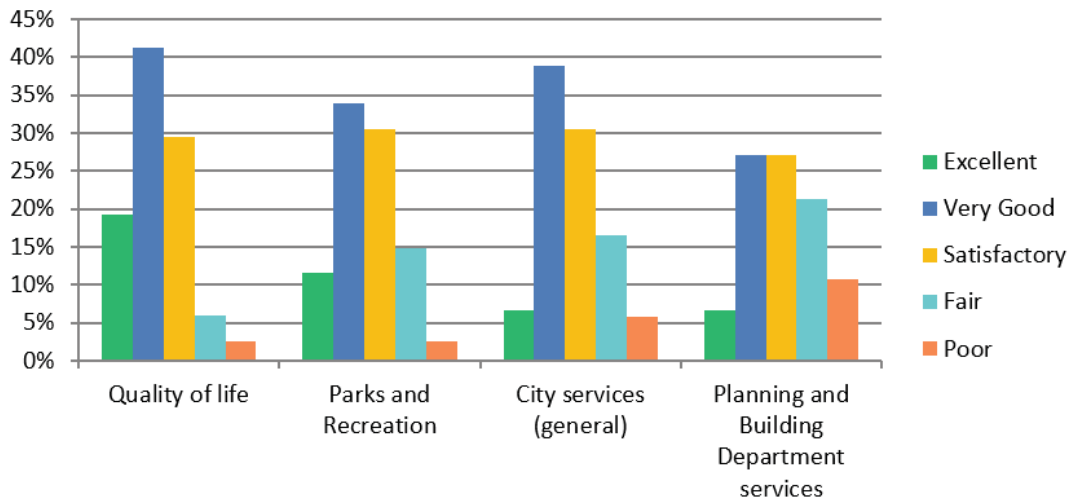
What Steps Has Your Business Taken In Response To The Coronavirus Pandemic?



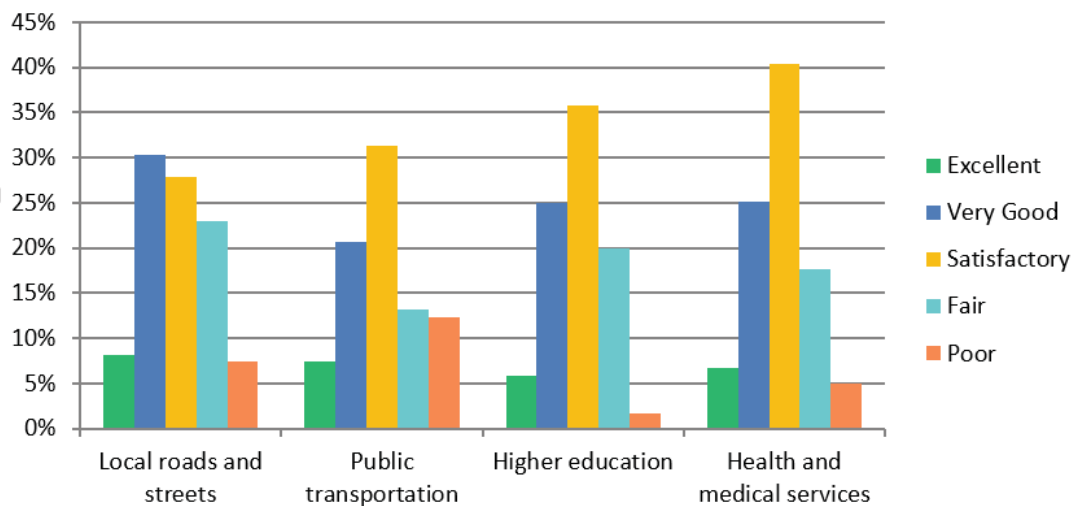
2020 Annual Survey (continued)

Satisfaction with Local Services

Please rate your level of satisfaction with the following at your Lakewood location.

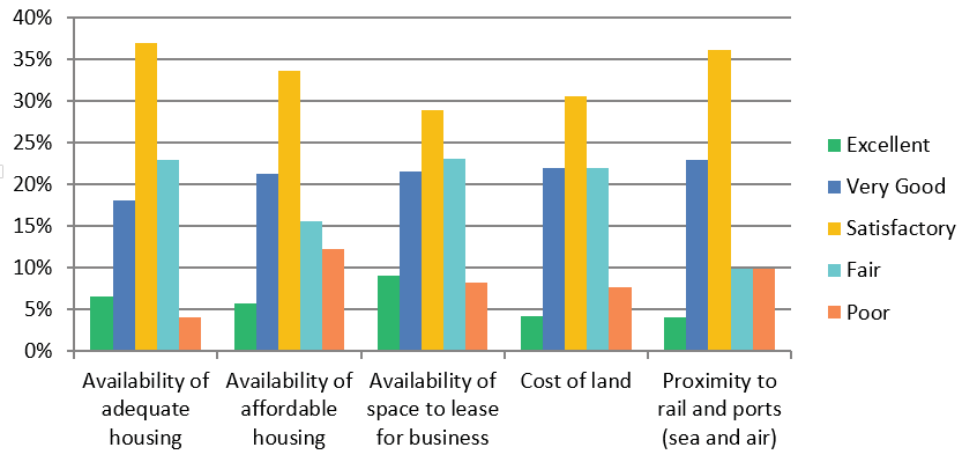


Please rate your level of satisfaction with the following at your Lakewood location.



2020 Annual Survey (continued)

Please rate your level of satisfaction with the following at your Lakewood location.



When asked what is working well, several businesses noted increased collaboration and cooperation with partners and employees. Others noted customer referrals, new products and services, reputation, and great customer service as key factors for success. Those that have done well utilized marketing efficiently and focused on clients changing needs.

What else is working well?

- Being able to offer employee training
- Attention to personal service
- Adapting to teleworking
- Maintaining a good reputation among local military
- Patient cooperation
- Professional marketing
- Online sales

What's not working so well?

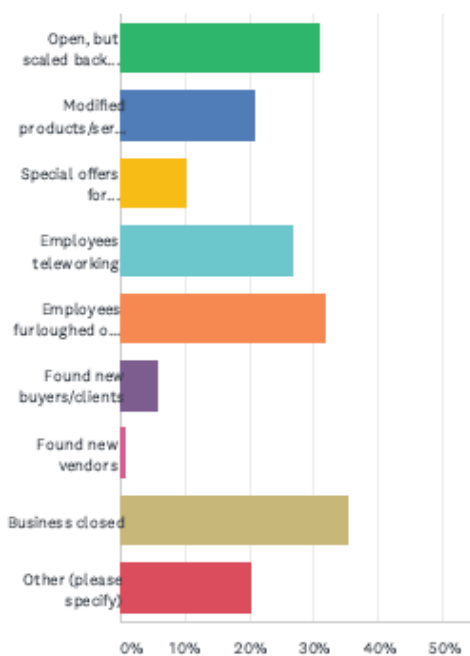
- Nothing, with all of the COVID-19 restrictions (many commented COVID-19)
- Finding good talent and managing workforce
- Face to face meetings
- Lack of location signage or community awareness due to location
- Technical difficulties
- Industry price fluctuation
- Supply issues
- funding

Other Surveys

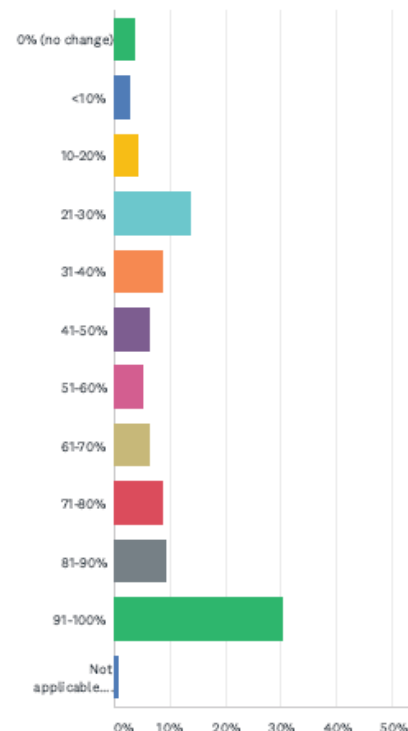
April/May, 2020: As we passed the one-month mark since Gov. Jay Inslee's Stay at Home, Stay Health proclamation took effect, the City of Lakewood's Economic Development Department asked business owners to complete this short survey to help the city better understand how COVID-19 has affected their operations. 139 businesses responded.

92% of respondents said they experienced losses due to the restrictions and 72% were very concerned about the impact to their business, while 40% feared their business would be closed permanently. Here's what else they said.

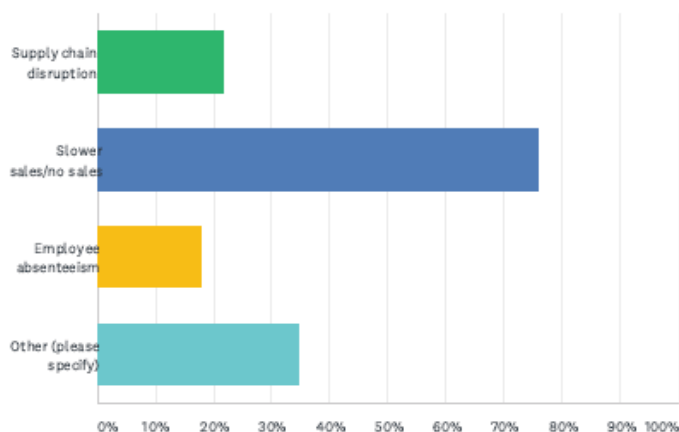
What steps has your business taken so far in response to COVID-19?



Please estimate your revenue declines as a result of COVID-19



Describe the Loss Your Business is Experiencing



July, 2020: Two months later we polled the business community again. At that time 56% of respondents were fully open and operational. 48% said they were feeling uncertain about the future of their business, and 56% said they had made no changes to their services or products. 33% were experiencing supply chain issues. There continued to be uncertainty for many while others were seeing an uptick in revenue.