

# **2021 Annual Business Retention & Expansion Report**

*February 1, 2022*

## **BR&E Program & Activities**

Business Retention & Expansion (BR&E) is a core program for the City of Lakewood. The purpose of the program is to support our local businesses, identify needs, concerns, and opportunities, and to provide guidance to the City on policies and programs beneficial to the overall health of Lakewood. A significant amount of job growth has typically come from established businesses, about 70-80%.

The pandemic continued in 2021, and state restrictions were cause for more closures. Biggest challenges were workforce recruitment and retention, supply chain issues, rising costs (including rent), and concern over housing prices and the homeless.

Our team interviewed 106 businesses in 2021. This is in addition to outreach performed in collaboration with our partners, particularly the Economic Development Board of Tacoma/Pierce County and Pierce County Economic Development Department. There were also retention cases where we assisted businesses in danger of closing or going elsewhere to do business, as well as expansion cases where we assembled a team of experts to provide assistance. We conducted business surveys to identify sentiments regarding the market, business health, quality of life, and city services.

Lakewood continued to collaborate on weekly, and bi-monthly BR&E calls, webinars, and training events. Partners regularly participating were Pierce County, Workforce Central, Pierce Transit, Impact Washington, Invista Performance Solutions, Tacoma Public Utilities, and various other municipalities.

Lakewood partnered with the Economic Development Board of Tacoma/Pierce County to host a two-hour business resource webinar including topics on finance, workforce, healthcare, real estate, regulatory tax code, and, diversity, equity, and inclusion. We also partnered with the Lakewood Chamber on multiple business webinars. These events provided knowledge for business in various disciplines, and access to diversified streams of income for local businesses.

American Rescue Plan Act (ARPA) monies were allocated to Pierce County for a Business Accelerator program. The program was taught in multiple languages, and has continued into 2022.

Other partnerships included work with the Manufacturing Industrial Council around Port of Tacoma industrial lands, and South Sound Military & Communities Partnership to resolve North Clear Zone issues, and to address economic development and housing strategies around Joint Base Lewis-McChord.

Permit assistance was regularly provided for tenant improvements in navigation and support through the permitting process.

## Industry Impacts

Industry expansions included construction, warehousing & transportation, manufacturing, and government. Healthcare saw some retraction in revenues.

Jan. 2-8, 2022

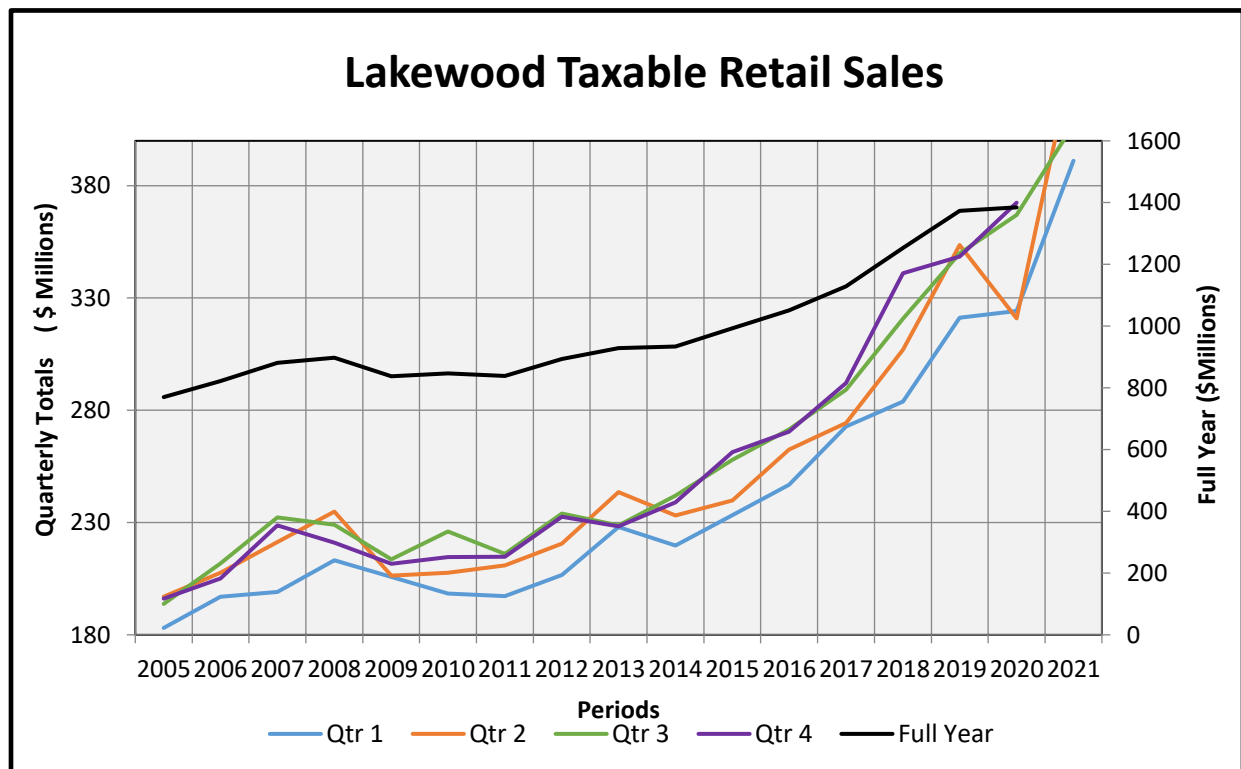
	Occupancy (Y-O-Y)	ADR (Y-O-Y)	RevPar (Y-O-Y)
<b>Puyallup / Sumner +</b>	66.4% (+33.1%)	\$102.78 (+28.1%)	\$68.29 (+70.5%)
<b>Tacoma Mall / Hosmer +</b>	53.1% (+15.2%)	\$87.74 (+30.2%)	\$46.57 (+49.9%)
<b>Downtown Tacoma / Tacoma Dome +</b>	35.8% (+8.4%)	\$125.85 (+16.3%)	\$45.04 (+26%)
<b>DuPont / Lakewood +</b>	63.5% (+21.9%)	\$97.64 (+6.3%)	\$61.96 (+29.5%)
<b>Fife +</b>	65.3% (+8.8%)	\$74.81 (+17.8%)	\$48.83 (+28.2%)

One of the hardest hit during the pandemic, the hotel industry, experienced some return to normalcy, and occupancy generally outpaced the nation overall.

Hotel data: ADR = Average Daily Rate; RevPAR = Revenue Per Available Room

Source: Travel Tacoma Mt Rainier Tourism & Sports

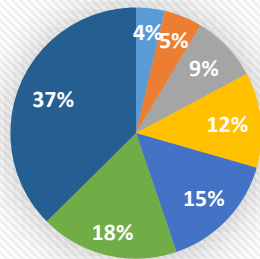
While local retail trade jobs were down in 2020 and 2021 as compared to 2019, the retail sales collection trend continued to rise. There was a significant uptick in homebased and online sales. Local Sales & Use Tax increased 20.1% over 2020.



## 2021 Annual Survey (163 Respondents)

### Business and Industry

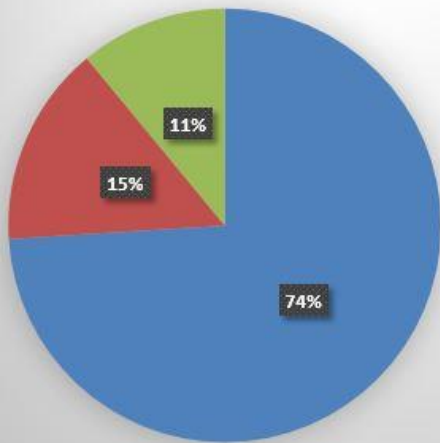
#### What year was your business established?



■ Prior to 1970 
 ■ 1971-1996 
 ■ 1997-2000 
 ■ 2001-2005  
■ 2006-2010 
 ■ 2011-2015 
 ■ 2016-2021

55% of business were established after 2010

#### How would you describe this business location?



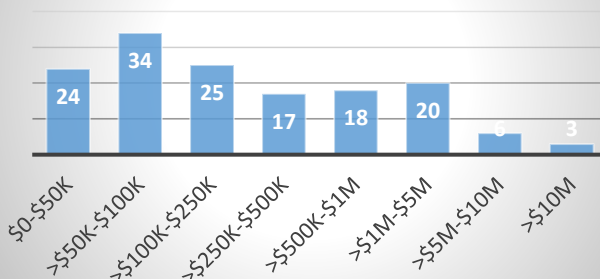
■ Locally owned and operated with one location  
■ Locally owned and operated with additional locations  
■ Branch or division of a regional, national or international company

73% of respondents were locally owned

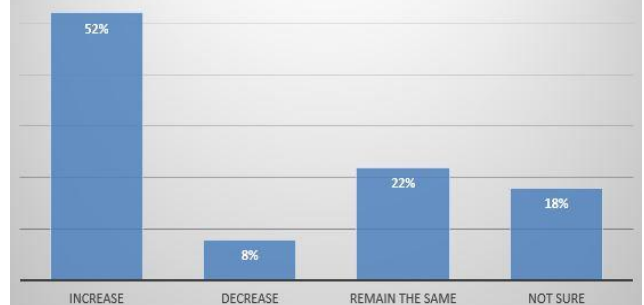
Headquarters for branches & divisions

- California
- Washington
- Illinois
- Nevada
- Colorado
- Montana

#### What is your gross annual revenue?

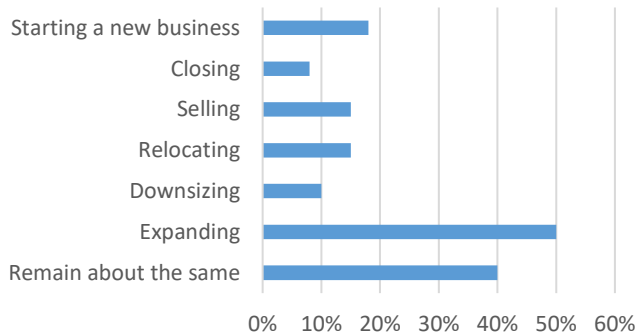


#### Projected sales in the next year are expected to-

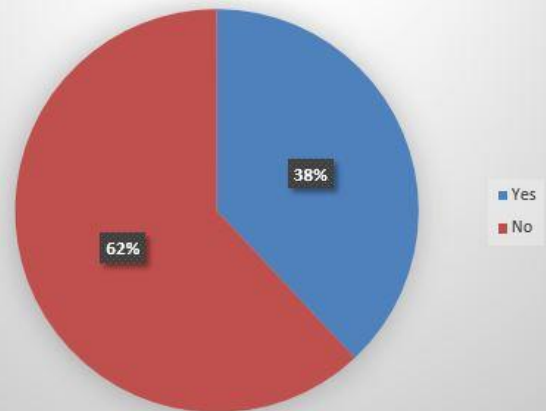


## 2021 Annual Survey (continued)

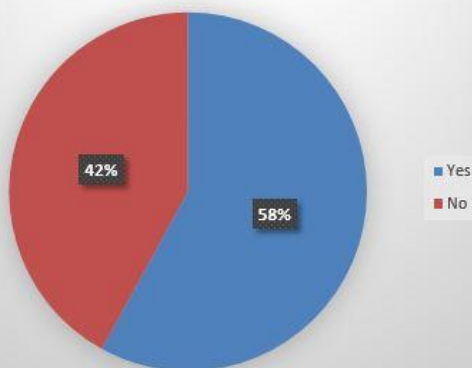
What are your plans over the next two years (check all that apply)?



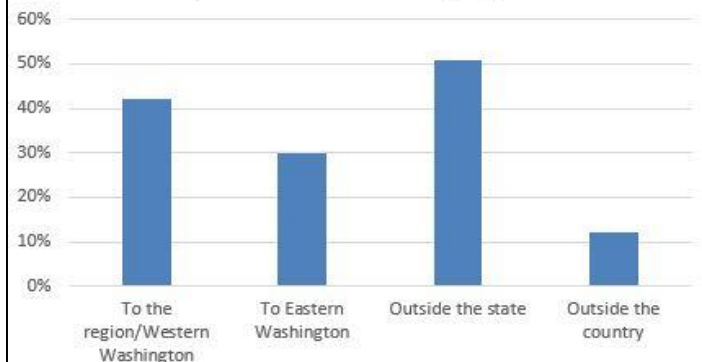
Does your business have a succession plan?



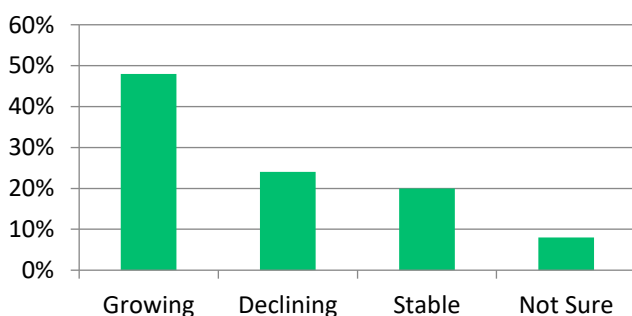
Do you export goods or services/sell outside Lakewood?



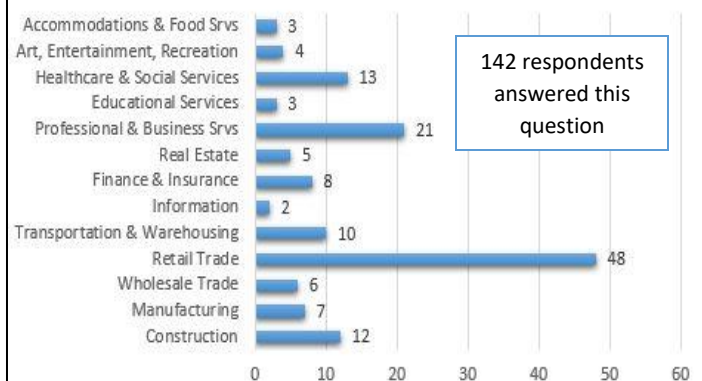
If you export, where do you export to (Choose all that apply)?



How would you best describe your industry?



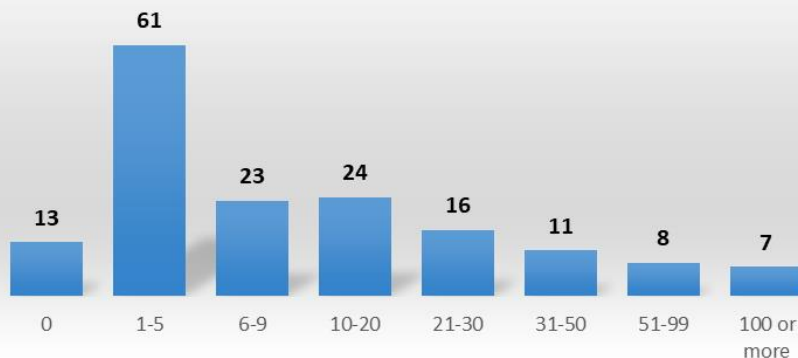
Respondents by Industry



## 2021 Annual Survey (continued)

### Workforce

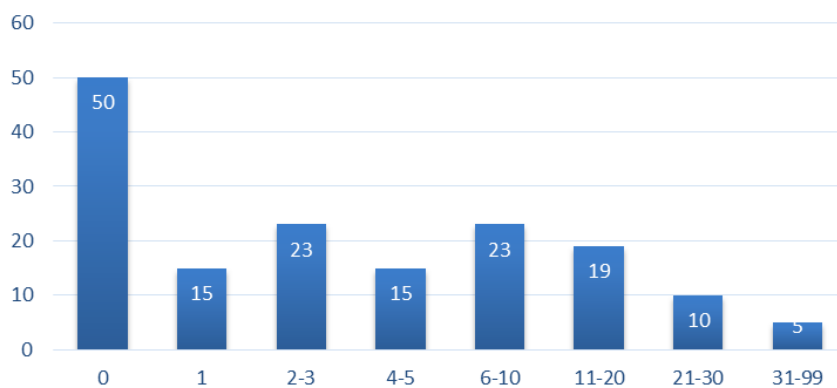
How many full time employees do you have in Lakewood?



As of the end of 2021, there were just over 3,000 businesses with locations in Lakewood with approximately 2,090 having commercial locations.

Of all Lakewood businesses, 45% had no employees as compared to 50% of respondents in 2020. 70% had five or fewer employees as compared to 81% of respondents in 2020.

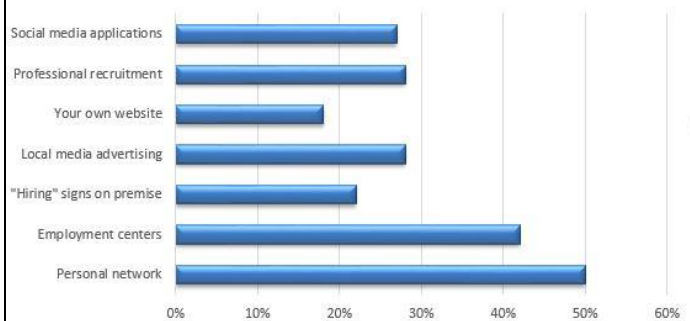
How many part-time employees do you have (less than 30 hrs/wk)?



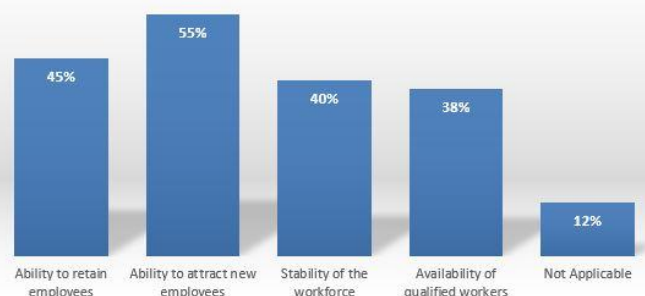
31% of respondents said they had no part-time employees, about the same as 2020 respondents.

22% of respondents said they had 10 or more part-time employees, as compared to 20% of respondents in 2020.

How do you currently recruit new employees (check all the apply)?



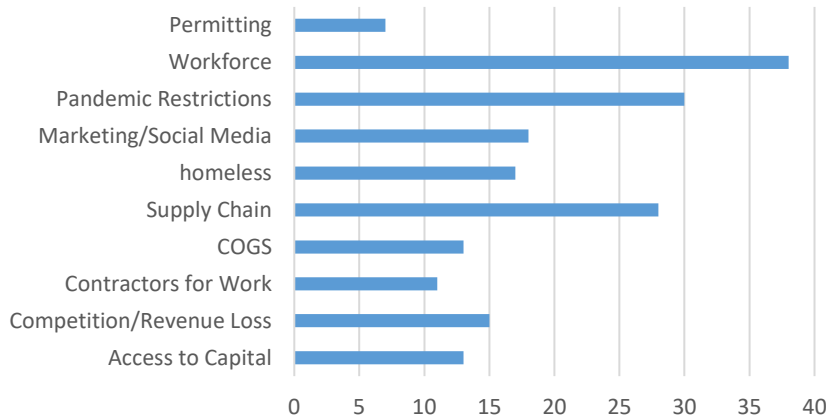
What workforce challenges are you experiencing (check all that apply)?



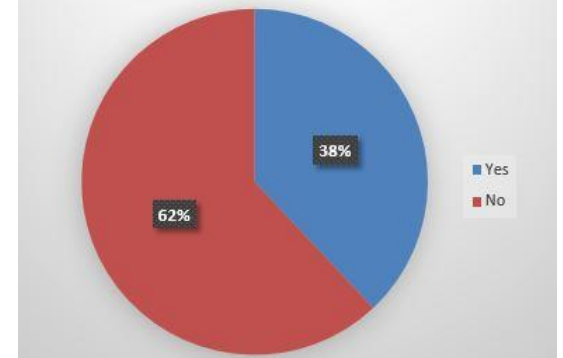
## 2021 Annual Survey (continued)

### Business Needs, Assistance, and Pandemic Impacts

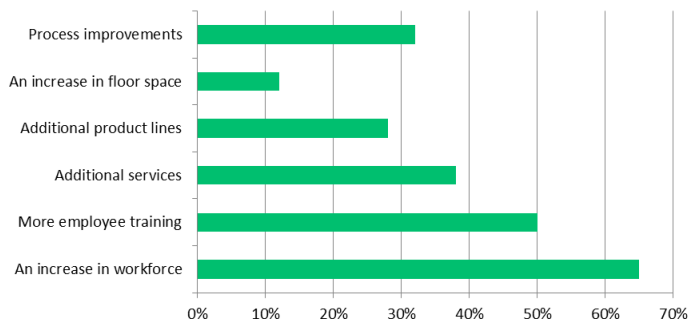
Biggest Challenges (check all that apply)



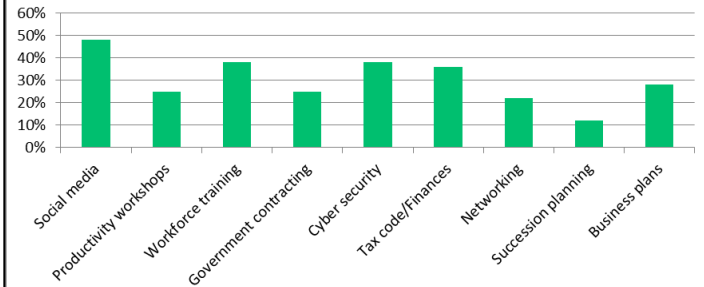
Do you plan to remodel or upgrade your current space within the next year?



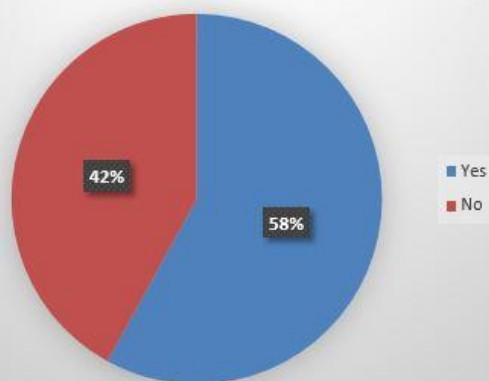
Will you have need for any of the following (check all that apply)?



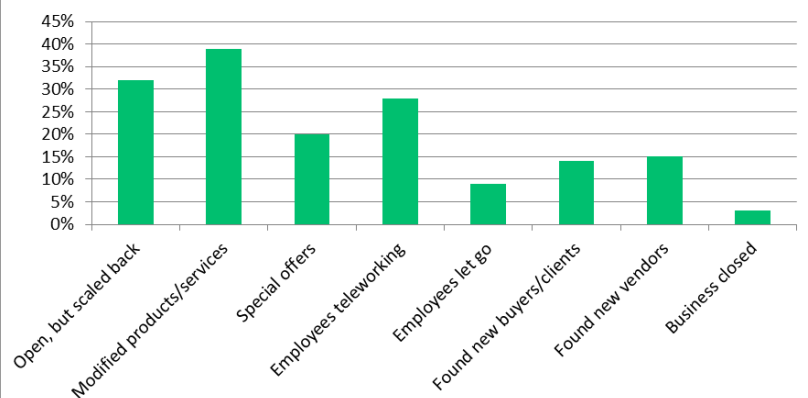
What assistance, opportunities, or business forums and trainings would be beneficial to support your business?



Has your business added products or services due to the pandemic?

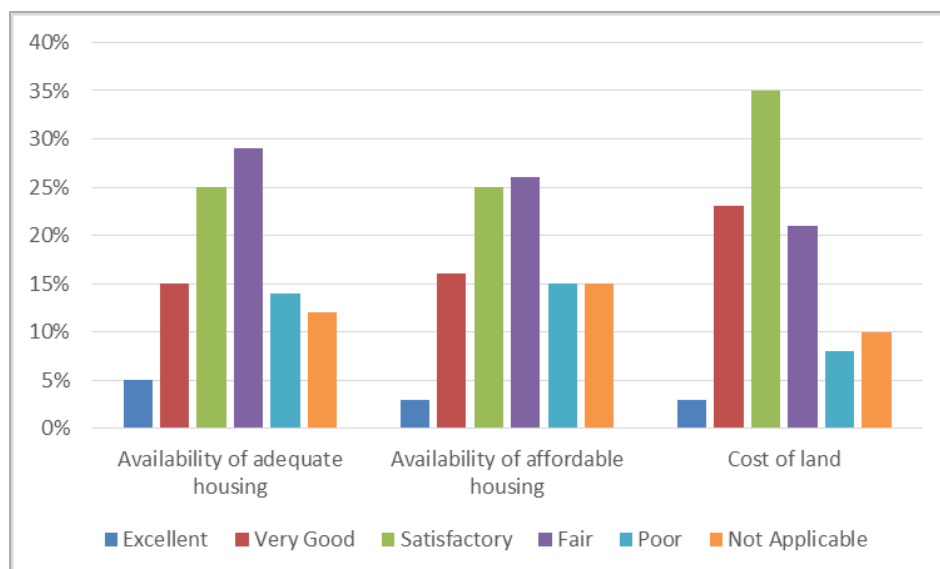
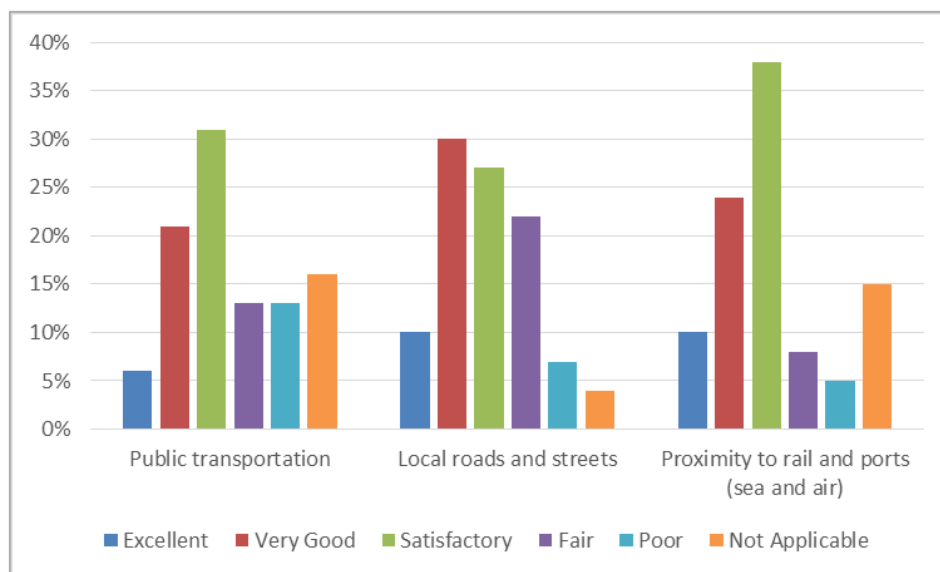
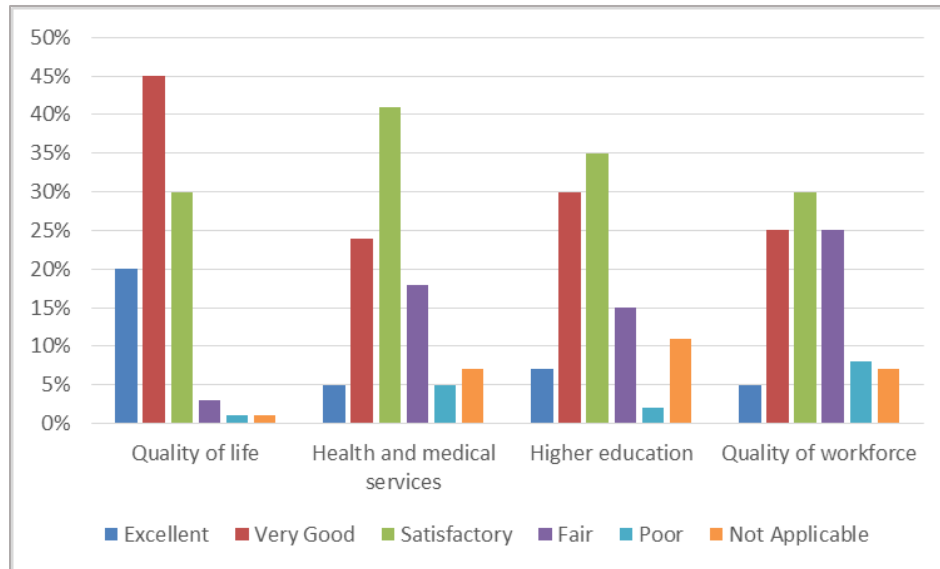


What steps has your business taken so far in response to COVID-19?



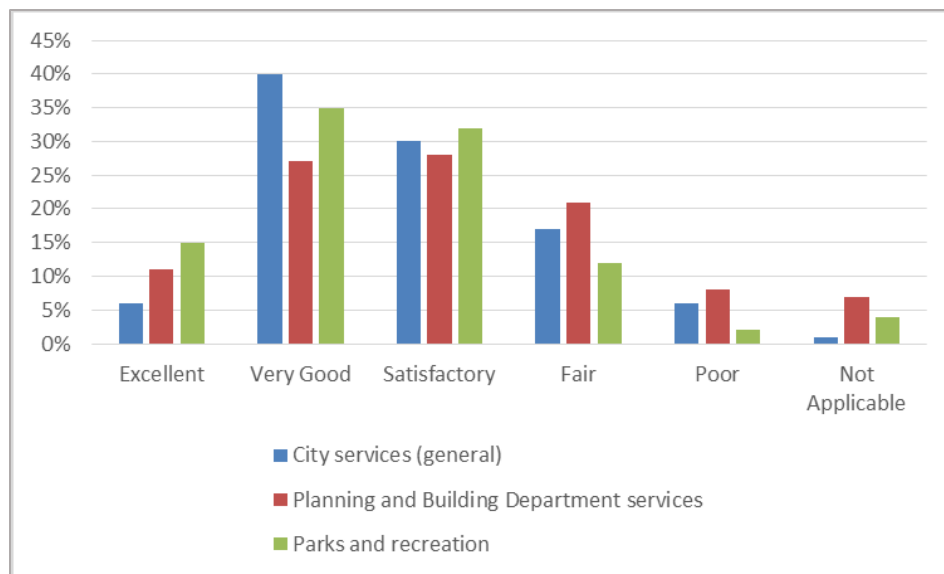
## 2021 Annual Survey (continued)

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



## 2021 Annual Survey (continued)

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



Respondents were asked what has worked well and not so well in 2021.

Continued collaboration and forming partnerships has been helpful. Open communication and providing assistance to employees regarding training, and being flexible with work schedules has proved to be beneficial. Providing exceptional customer service and building those relationships has been critical. Local government connection and allowance for outdoor seating, and grants to businesses and landlords has helped.

Many businesses noted concern over supply chain issues, ability to attract and retain talent, and well as homelessness and vagrancy. Uncertainty has continued and growing concern over government and business stability with looming inflation and unrest has kept business owners on their toes.