



# Business Retention & Expansion (BR&E)

## **2022 Annual Report**



*April, 2023*

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## 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 by identifying the needs, concerns, challenges, and opportunities they face. The program also provides information which informs programs and policies that benefit the overall health of the City.

The COVID-19 emergency is waning and health & social restrictions have been lifted. The pandemic affected businesses and industries in many ways. Some businesses were pushed out of the market while others saw record volumes. Supply chain issues continue into 2023, though many businesses report that supply chains are slowly returning to normal. Inflation is the new major economic concern facing business in Lakewood. Rising costs of products, materials, labor, and rent are squeezing businesses from every side. The main concerns voiced by businesses in Lakewood are homelessness, vagrancy, crime, open drug use, and dumping & litter cleanup.

Economic Development staff interviewed 103 businesses in 2022. This is in addition to outreach performed in collaboration with our partners, particularly the Economic Development Board of Tacoma/Pierce County and the Pierce County Economic Development Department. A business survey was also used to collect information from businesses in Lakewood in 2022-2023.

Lakewood continues to collaborate on weekly and bi-monthly BR&E calls, webinars, and training events. Partners who regularly participate include Pierce County, Workforce Central, Pierce Transit, Impact Washington, Invista Performance Solutions, Tacoma Public Utilities, and 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.

In 2021, American Rescue Plan Act (ARPA) monies were allocated to Pierce County for a Business Accelerator program. The program is taught in multiple languages, and continues in 2022.

## Industry Impacts

The largest growth industries of 2022 include Construction; Retail Trade; Professional, Scientific, and Technical Services; Arts, Entertainment, and Recreation; and Accommodation & Food Services. Several industries have declined slightly including Transportation & Warehousing and Health Care & Social Assistance.

**March 27-April 2, 2022**

	Occupancy (Y-O-Y)	ADR (Y-O-Y)	RevPar (Y-O-Y)
<b>Puyallup / Sumner +</b>	78.4% (+21.9%)	\$114.30 (+35.7%)	\$89.62 (+65.5%)
<b>Tacoma Mall / Hosmer +</b>	58.6% (-0.7%)	\$94.15 (+35.7%)	\$55.21 (+34.8%)
<b>Downtown Tacoma / Tacoma Dome +</b>	57.1% (-14.3%)	\$150.30 (+29%)	\$85.77 (+10.5%)
<b>DuPont / Lakewood +</b>	72.2% (+9.7%)	\$107.33 (+16.7%)	\$77.50 (+28%)
<b>Fife +</b>	64.2% (-9.8%)	\$86.58 (+28.6%)	\$55.57 (+16.1%)

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

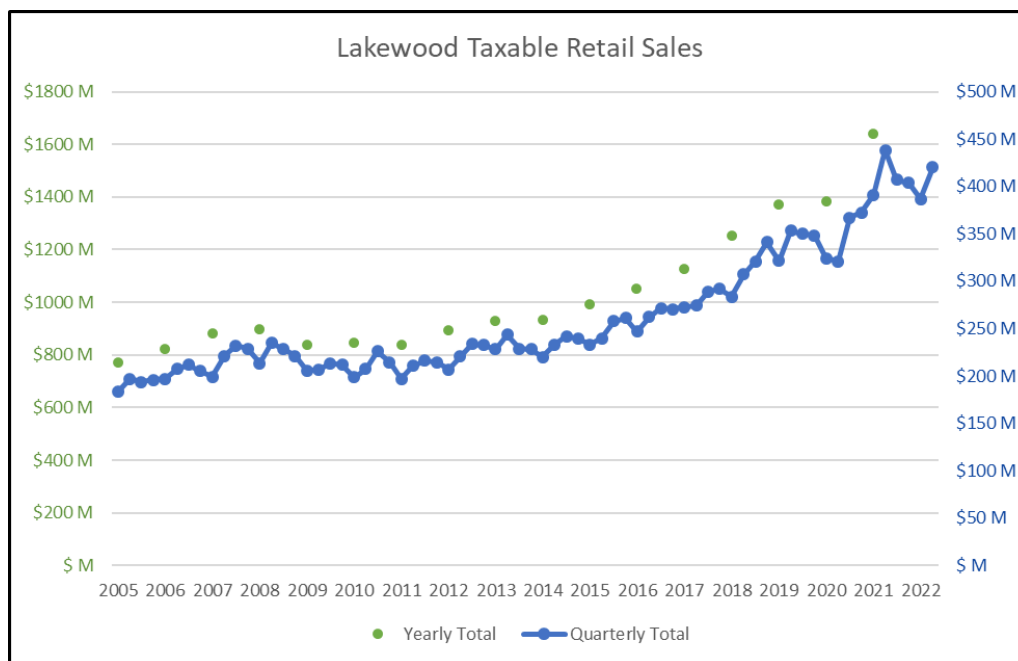
Source: Travel Tacoma Mt Rainier Tourism & Sports

The hotel industry has recovered well following the pandemic and subsequent lifting of health & social mandates. This segment is expected to continue recovery.

## Taxable Retail

### Sales

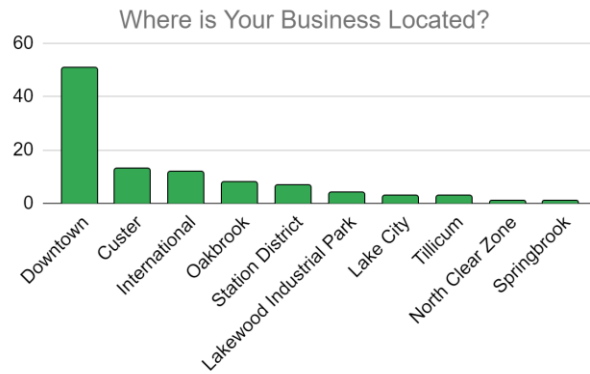
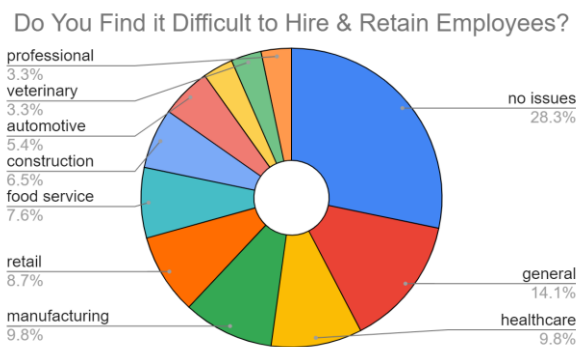
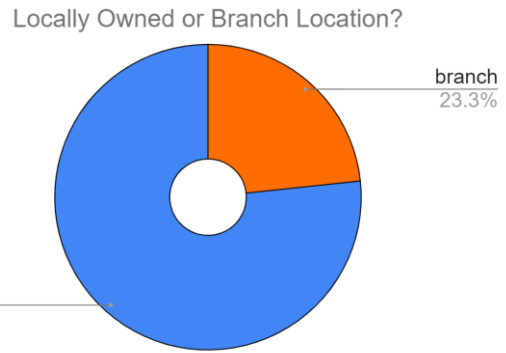
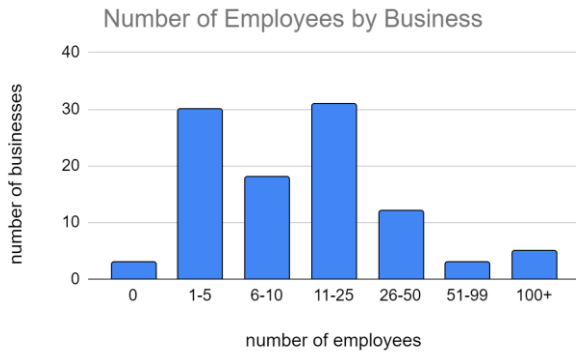
Taxable retail sales have been slightly down for the past two years in response to the COVID-19 emergency. Mask restrictions, vaccine restrictions, and social distancing have been lifted. As people return to business as usual, taxable retail sales are expected to resume their previous growth.



## Business Contact by Industry

<b>2022 BRE Outreach</b>	<b>Employers</b>	<b>Jobs</b>	<b>Employment by Industry</b>	<b>Jobs 2019</b>	<b>Jobs 2022</b>
Ag., Forestry, Fishing, Hunting	-	-	Ag., Forestry, Fishing, Hunting	45	72
Mining, Quarrying, Oil & Gas	-	-	Mining, Quarrying, Oil & Gas	-	-
Utilities	1	27	Utilities	63	84
Construction	9	173	Construction	1,626	1,867
Manufacturing	7	238	Manufacturing	1,047	1,077
Wholesale Trade	3	8	Wholesale Trade	872	1,055
Retail Trade	17	172	Retail Trade	4,047	3,943
Transportation and Whsing	1	100	Transportation and Whsing	2,174	2,064
Information	1	3	Information	225	215
Finance and Insurance	4	127	Finance and Insurance	1,065	587
Real Estate	2	6	Real Estate	794	701
Prof., Sci., and Tech. Svcs	9	150	Prof., Sci., and Tech. Svcs	929	1,303
Mgmt of Companies	-	-	Mgmt of Companies	2	21
Admin and Support	3	125	Admin and Support	1,010	981
Educational Services	-	-	Educational Services	3,607	2,635
Health Care and Social	17	606	Health Care and Social	11,338	10,025
Arts, Entertainment, and Rec.	5	315	Arts, Entertainment, and Rec.	1,132	1,118
Accomm. and Food Svcs	18	256	Accomm. and Food Svcs	2,973	3,027
Other Services	6	50	Other Services	1,503	1,054
Public Administration	-	-	Public Administration	501	445
<b>Total</b>	<b>103</b>	<b>2208</b>	<b>Total</b>	<b>34,953</b>	<b>32,274</b>

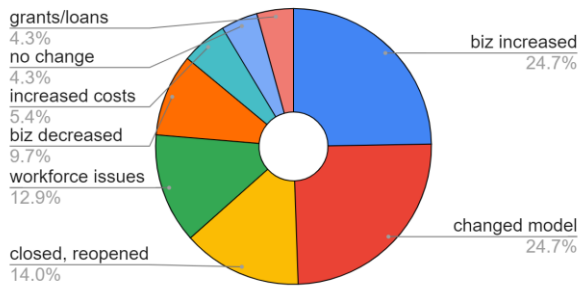
# Engagement Overview



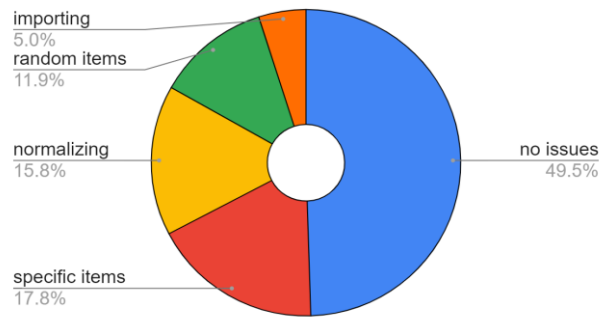
<b>Key Business Activities and Experiences</b>
Business is increasing, but we cannot hire employees fast enough to meet demand
Business models changed to adapt to post-pandemic environment, volume about the same
More people are retiring due to COVID/post-pandemic environment
Lakewood needs more commercial/industrial space for businesses larger than retail stores
Difficulty hiring new employees, many applicants wash out quickly
Difficulty retaining employees, high turnover
Wages and costs both increasing
Grants and loans kept several businesses from closing permanently

# Recovery from the COVID-19 Emergency

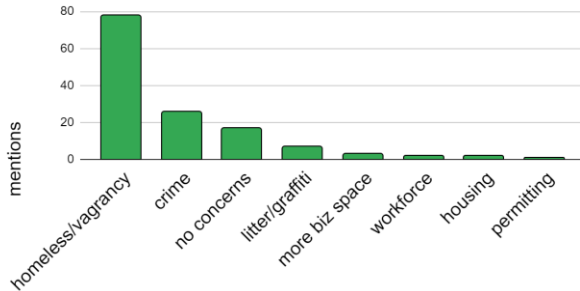
How did Your Business Experience the COVID-19 Emergency?



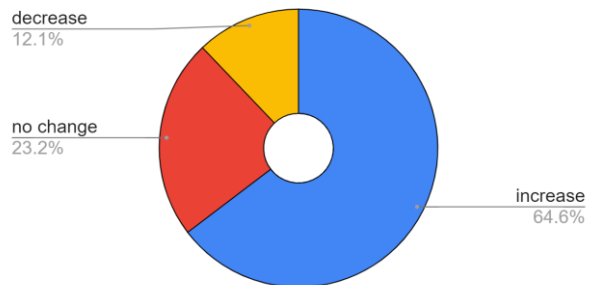
Do You Have Supply Chain Issues?



What are Your Most Pressing Concerns?



Do You Expect Business to Increase or Decrease in the Next Year?



## Pandemic, Supply Chain, Import & Export Notes

Port of Tacoma is easier to work with than Seattle

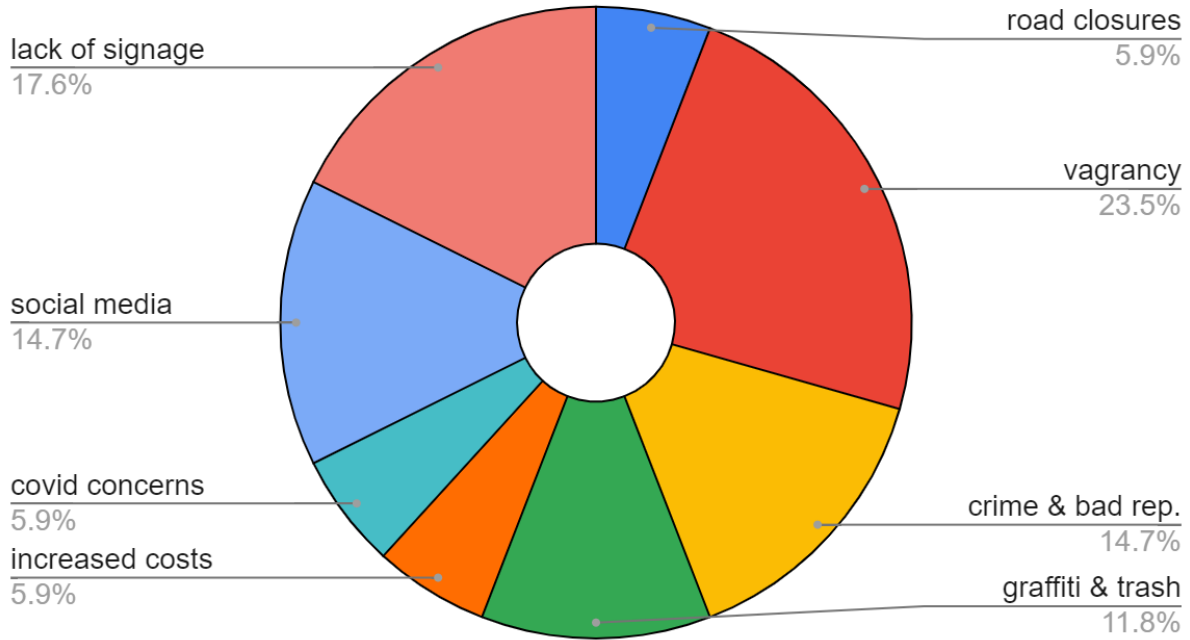
Importing from certain countries is very difficult

Construction materials and medical supplies are still difficult to procure

Costs are increasing across the board

# Lost Connections

What Prevents People from Connecting with Your Business?

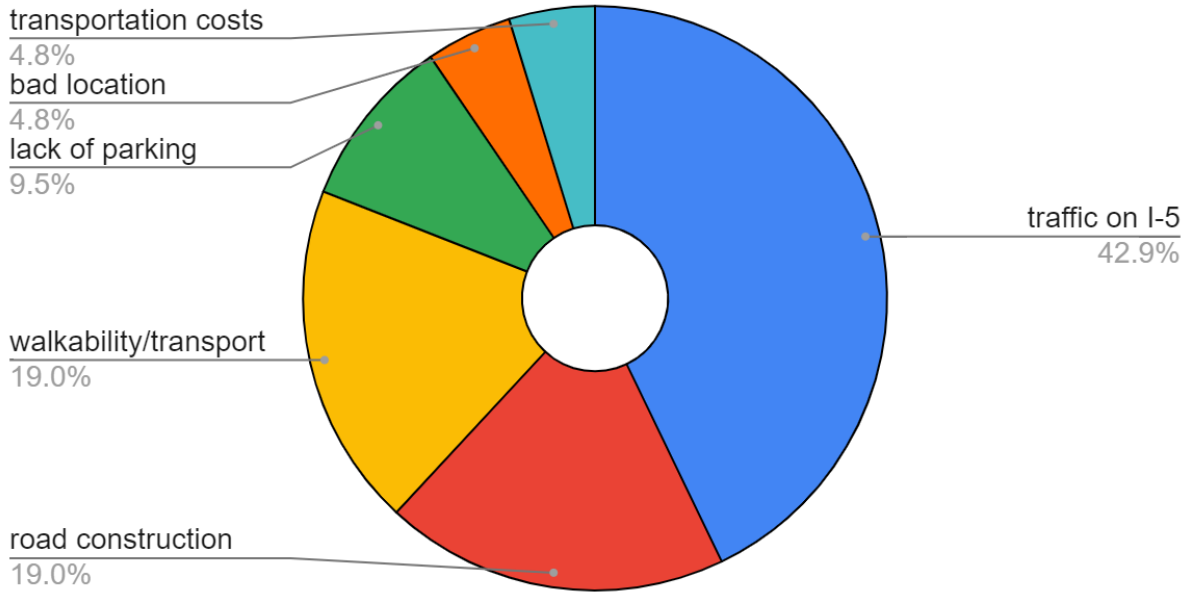


Issues which prevent people from connecting with your business
General lack of signage due to signage regulations
Lack of frontage signage for businesses not on main road or in odd locations
Low foot traffic
Homelessness & vagrancy is a mostly nonviolent nuisance - litter, optics
Petty crime and auto theft are increasing concerns
Employees use 'buddy system' to walk through dark parking lots
Lakewood has a reputation of being "Lakehood"
Some people are still concerned about covid & in-person business



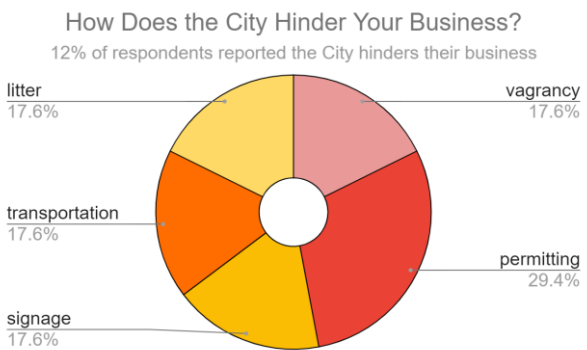
# Transportation

Do You Have Issues with Transportation?  
 12% of respondents reported transportation issues

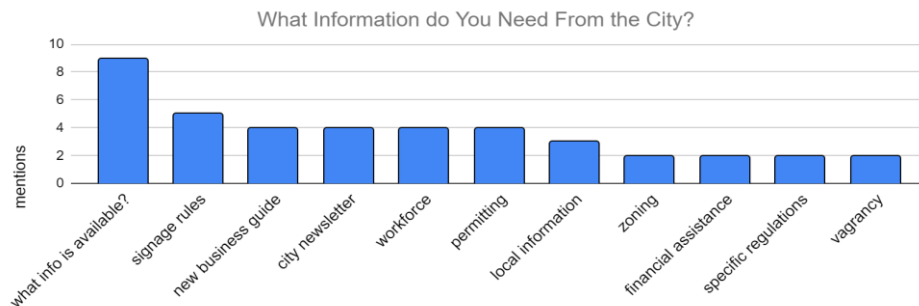


Transportation Specific Suggestions
Better communication from the city about construction, especially road closures
For closures/construction, do not send out mailers - talk to the affected businesses
More sidewalks, more frequent busses, more parking
Intersection - Gravelly Lake & 112th: people do not see cars coming out of the parking lot
Intersection - 75th/Lakewood Dr. dangerous intersection
Intersection - pac highway northbound turning west onto bridgeport: light does not change
Intersection - left from Bridgeport to Mt. Tacoma: light takes forever
Drainage off I-5 ramp - draining into parcel
Street - resurface 112th St.
Street - rush hour is starting to get bad downtown

# Improving the Business Climate



Suggestions for the City to Improve Business
More community events with local businesses represented
Deal with homelessness & vagrancy; clean up trash & graffiti; more police presence
Improve Lakewood's image - difficult to recruit professionals to work or live in Lakewood
More programs for small business - workforce & financial support
Better communication between the city and businesses - newsletters, be more involved
More commercial & industrial spaces for businesses larger than retail shops
Enforce city codes on businesses not in compliance
Get to 'Yes' on permits, permitting can be a large burden in certain cases
Offer a small business starter packet or checklist
Support local businesses with coupon books, events, chamber of commerce
More parks, trees, green spaces, sidewalks, transportation, and parking
Allow for more signage, especially frontage signage for businesses off arterial roads



## Discussion

### How are businesses recovering from the COVID-19 emergency?

Many businesses felt the impact of the COVID-19 emergency. Restaurants, entertainment venues, health care providers, in-home services, hotels, and manufacturing were hit particularly hard. Though some businesses were unable to weather the storm, many businesses made changes to their day-to-day operations, relationships with their employees, and some changed their business models completely in order to continue operating in a post-pandemic environment.

Many restaurants and retail establishments offered curbside assistance to avoid face-to-face contact in physical store locations. Many businesses realized the changing labor market and increased pay or offered flexible or hybrid schedules, including work-from-home to incentivize employees. Of the businesses who reported a loss of business volume, many did not make changes to their business model or did not adjust pay to meet the rising standard. The key to surviving - and in some cases, thriving - during the pandemic seems to be the ability of a business to change with the times and to accept the new status quo. Although some businesses report that 'people just don't want to show up to work', not many businesses have that issue. The businesses which made adjustments to pay, schedule, business model, etc. rarely report that particular issue.

### What are businesses most concerned about?

The top concern of businesses in Lakewood is homelessness, vagrancy, transience, and petty crime. Many businesses have experienced break-ins, theft, and the general nuisance of people taking up residence in or near their business. Grocers and corner stores report that shoplifting is a major concern. They report that transients and teenagers seem to be shoplifting more now than ever before. Some stores have implemented no bags and one-at-a-time rules to attempt to curtail the issue. Businesses also report that petty crime seems to not be taken seriously by Lakewood Police Department, as response times and results for non-violent petty crimes are lackluster. In cases of violent crime and other serious issues, businesses report mostly positive responses from the Lakewood Police Department.

Many businesses are also concerned with signage rules and regulations. Businesses which are not on a major road or have odd locations or access are particularly affected by this issue. Current signage regulations bar many businesses from adding signage or frontage signage to inform customers of their location and offerings.

### What do businesses think Lakewood is doing well?

The sidewalk expansion projects are almost unanimously beloved by all the businesses that are affected by them. Retail businesses, restaurants, healthcare providers, and professional service providers are all affected by customers' ability to travel to and from their location conveniently. Sidewalks are greatly improving Lakewood's ability to move people from place to place safely.

Although some businesses report permitting as a hindrance to their business, the majority of businesses report that permitting in Lakewood is improving, especially since implementing the PALS permitting interface. Most negativity around permitting tends to be about specific permitting issues, and not the permitting process itself.

## What do businesses think Lakewood can do better?

Businesses want cleaner, more walkable streets, and less vacant buildings. Many businesses are concerned with Lakewood's appearance and image to both residents of Lakewood and prospective customers from outside Lakewood.

Newer businesses have experienced some difficulty in starting a new business in Lakewood. Many businesses have requested a 'new business guide' or 'new business checklist' to assist new businesses in preparing to go through the business licensing and startup process in Lakewood.

Businesses want clearer, more accommodating signage rules along with fair enforcement of those rules. Several businesses have voiced concern that they have been told by code enforcement to remove signs or advertisements that are very similar to signs and advertisements displayed by other businesses.

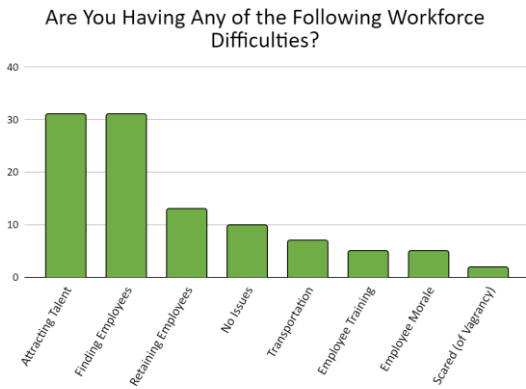
Transportation is a mixed bag in Lakewood. Some areas of the city are very well served by transportation. The Downtown Subarea has a bus transportation hub and sidewalks along many streets, making it very easy for people to get around without a car. Other areas of the city have no transportation options or sidewalks. Businesses in Tillicum/Woodbrook report the only reasonable way to get to Downtown Lakewood from there is via I-5, which can be a large hindrance depending on the time of day. A connection from Tillicum/Woodbrook to the main body of Lakewood via surface streets would be helpful during high-traffic times.

Some businesses report they have been negatively affected by construction on streets and infrastructure. Occasionally, businesses have no idea construction will be happening or that the entrance to their business will be impeded or even temporarily closed. It is imperative that the City improve its communication to businesses that will be affected by construction in this way. Instead of only posting information to the City's website or sending out mailers, businesses would like a representative from the City to contact them directly, preferably in person, to explain when and where construction will be happening so they may prepare for the circumstances.

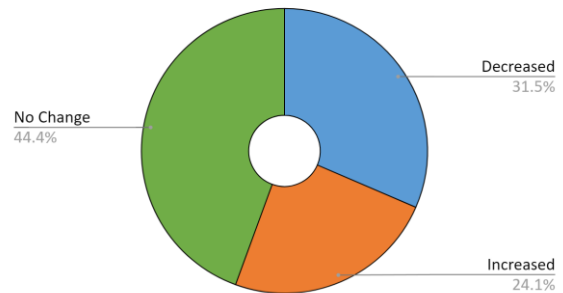
Many businesses have voiced a desire for increased communication from the City. Businesses contacted for BR&E engagement are mostly pleased to be involved in city activity and planning. Some businesses are wholly disinterested in engaging with the city on an engagement level - and that is their prerogative. Businesses are calling for more in-person engagement as well as an increased level of communication through sources like newsletters.

# 2022-2023 Business Survey Results

The 2022-2023 business survey includes 54 responses from businesses in Lakewood. Businesses surveyed reported a slight decrease in employment overall since March 2020. The main employment issues that businesses face are simply attracting talent and finding employees. Several businesses reported that they cannot find employees who ‘show up to work’. Less than half as many businesses reported they have difficulty retaining employees and finding employees with reliable transportation. About 20% of businesses surveyed reported they have no workforce issues. (Responses from businesses with no employees, reported they were not hiring, or responded “Other: N/A” are not included in this data.)



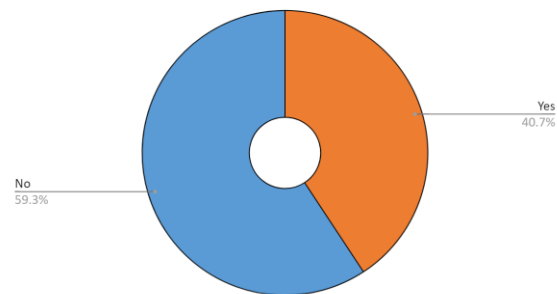
How Has Your Employment Changed Since March 2020?



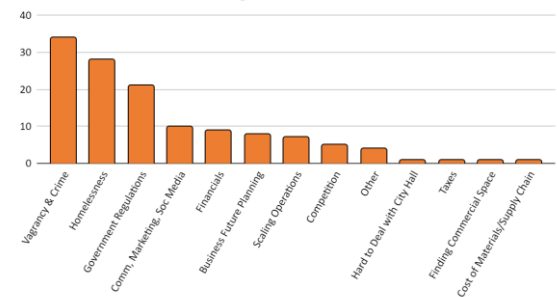
Supply chain issues have been plaguing businesses for the past few years. According to businesses surveyed, the supply chain has mostly recovered, though construction materials and some overseas wholesale & retail items are difficult to secure in a timely manner.

When asked about challenges facing businesses, the majority of respondents reported that Homelessness, Vagrancy, and Crime are the issues they are facing. These are followed closely by Government Regulations. To a lesser degree, businesses also reported that they are concerned with Communications & Social Media, Financials, Business Future Planning, and Scaling Operations. This is also reflected in the open comments left by businesses. The most common issues reported in open comment fields were homelessness, vagrancy, and crime. Businesses also reported in open comment fields that finding commercial space in Lakewood is very difficult.

Are You Experiencing Supply Chain Issues?



What Other Challenges or Concerns do You Have?



# Survey Demographics

