

Economic Development Update

City Council Study Session
September 11, 2023



Current Priorities

Key Areas of Focus:

- Business Retention & Expansion
- Recruitment & Attraction
- Target Area Development
- Housing & Community Demographics
- Regional Leadership & Partnerships

Our mission is to improve the economic well-being of Lakewood through efforts that increase job creation, job retention, tax base enhancements & quality of life.



Business Retention & Expansion

2022 – Q2 2023 BRE Visits

Over 200 visits with local firms, including co-visits with partners

Increased outreach to minority owned businesses

Suggestions for improvement:

- More small business events on workforce & finance
- Offer small business starter packet/checklist
- Better communication/more communication with businesses
- Continue to improve on Lakewood's image
- Improved signage
- More sidewalks/walkability

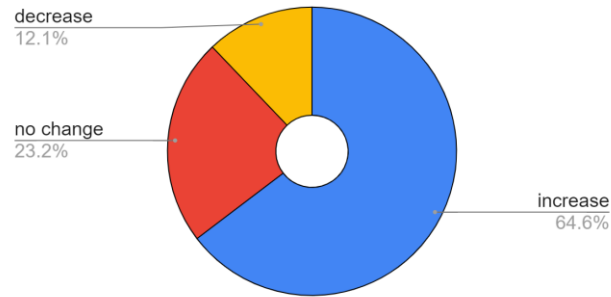
BRE Recent Staff Reports:

2022 Annual BRE Report

Q1 2023 BRE Report

Q2 2023 BRE Report

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



Opportunities/Concerns

- Disruptions pushed businesses out while others flourished
- Issues remain with supply chain, COGS, availability of products, timing for production; slow return to normal
- Workforce is the biggest challenge, causing businesses to pull back on growth (challenge meeting demand)
- Wages and costs both increasing
- Hotel industry has recovered well, but forecasting is spotty
- Hotel revenue per available room up; occupancy down from what was anticipated
- Retail trade recovering, trending upwards
- More businesses, particularly micro needing assistance
- Grants and loans helped many businesses survive
- Homelessness & vagrancy highest concern followed by crime
- Increase in assistance to businesses that import
- Still some concern about COVID and residual effects
- Traffic on I-5 a concern, need for more and better transportation options, more sidewalks/walkability



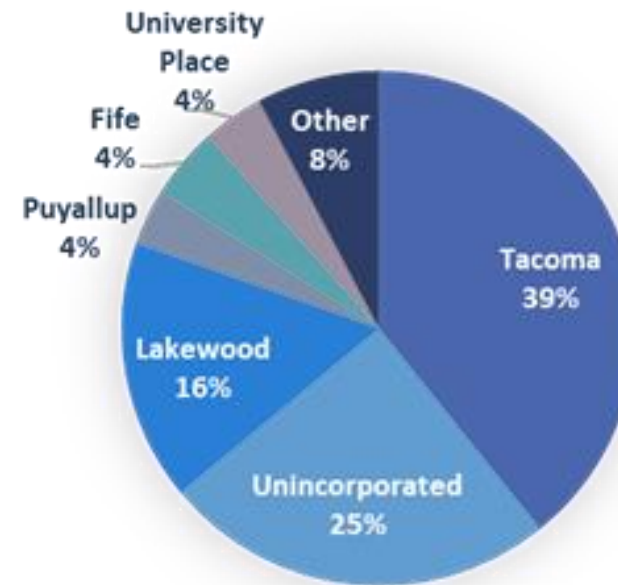
Business Retention & Expansion

BIPOC Accelerator Program

51 Lakewood business owners

- 94% Minority Owned
- 67% Women Owned
- 1% Veteran Owned
- 104.5 Coaching Hours
- 38 obtained Capital Matching Grants
- \$798,500 Capital Raised
- 29 Rent Reimbursement Grants
- 42 obtained Prof Services funding = \$200,174

311 Total PCBA Graduates to date



Business Retention & Expansion

Jobs in Lakewood		1 Year	2 Year	3 Year
Industry	Empl	Change	Change in	Change in
		in Empl	Empl	Empl
Total - All Industries	30,779	745	1,499	-300
Agriculture, Forestry, Fishing and Hunting	63	-3	-1	3
Utilities	90	5	11	10
Construction	1,863	43	110	59
Manufacturing	1,054	3	36	-63
Wholesale Trade	1,030	30	73	20
Retail Trade	3,220	2	18	70
Transportation and Warehousing	2,133	3	-165	-215
Information	217	9	51	-17
Finance and Insurance	560	-38	-36	-16
Real Estate and Rental and Leasing	692	-4	19	2
Professional, Scientific, and Technical Services	1,106	40	120	125
Management of Companies and Enterprises	13	-1	-1	-1
Admin & Support, Waste Management & Remediation	966	40	101	146
Educational Services	2,602	133	179	-51
Health Care and Social Assistance	9,718	184	-72	-486
Arts, Entertainment, and Recreation	767	6	182	2
Accommodation and Food Services	3,137	237	714	127
Other Services (except Public Administration)	1,118	40	133	-38
Public Administration	428	15	27	22

"3 Year Change in Empl" Reflects the difference in employment for an industry relative to pre-pandemic estimates. "2 Year Change" can be interpreted here as the difference in employment relative to the approximate economic low-point of the pandemic.

Note: Figures may not sum due to rounding. Growth demand is based on 4-qtr moving avg.

Data as of 2023Q1; Does not include seasonal or part time jobs.

Business Operations	
Type	Number
Homebased in Lakewood	1,092
Commercial Location in Lakewood	1,721
Subtotal, Lakewood	2,813
Doing Business (located elsewhere)	1,845
Total Businesses Operating in Lakewood	4,658

Total Lakewood Businesses down 305 as compared to April, 2022

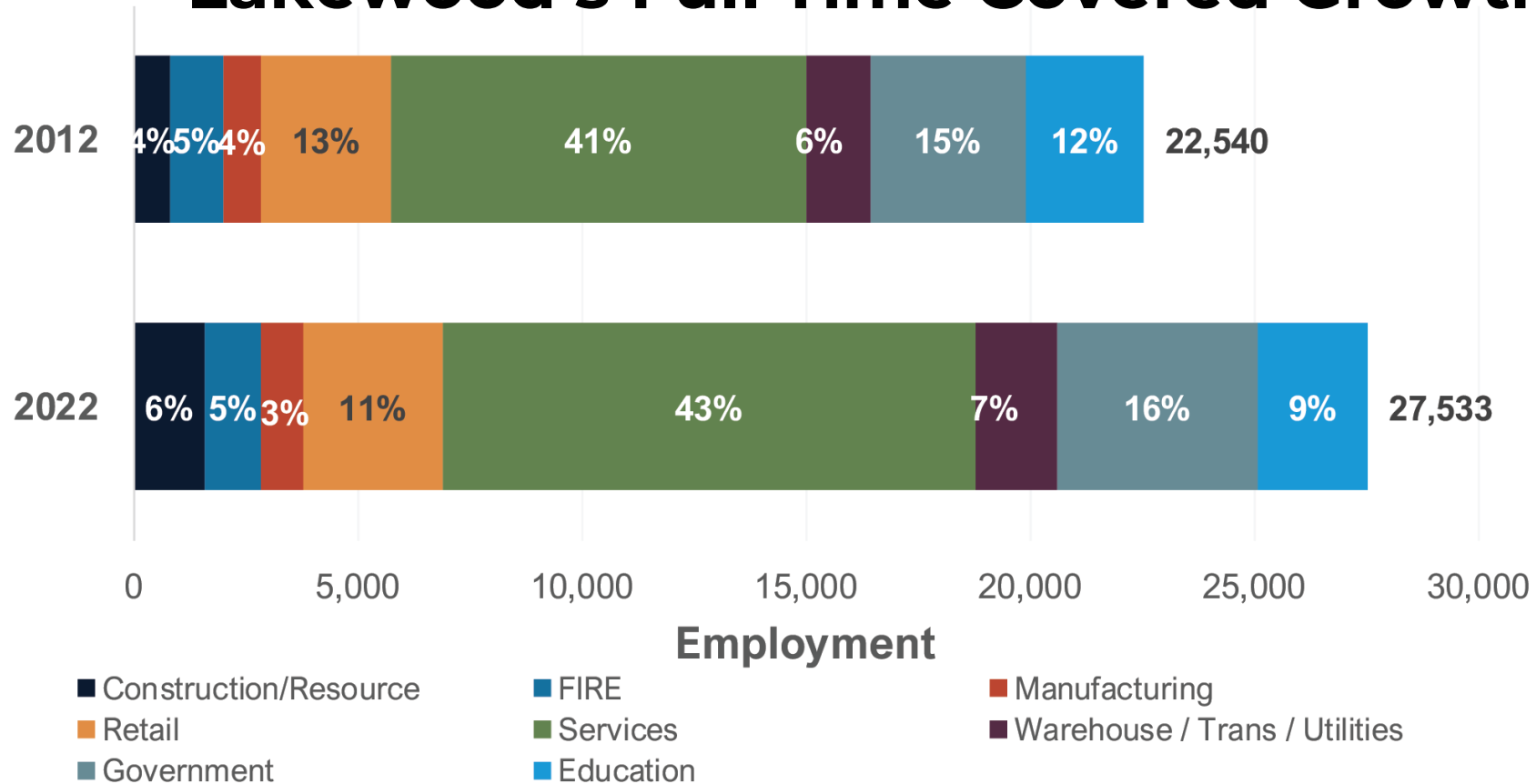
Homebased remains about the same

Doing business fluctuates, but generally stable



Business Retention & Expansion

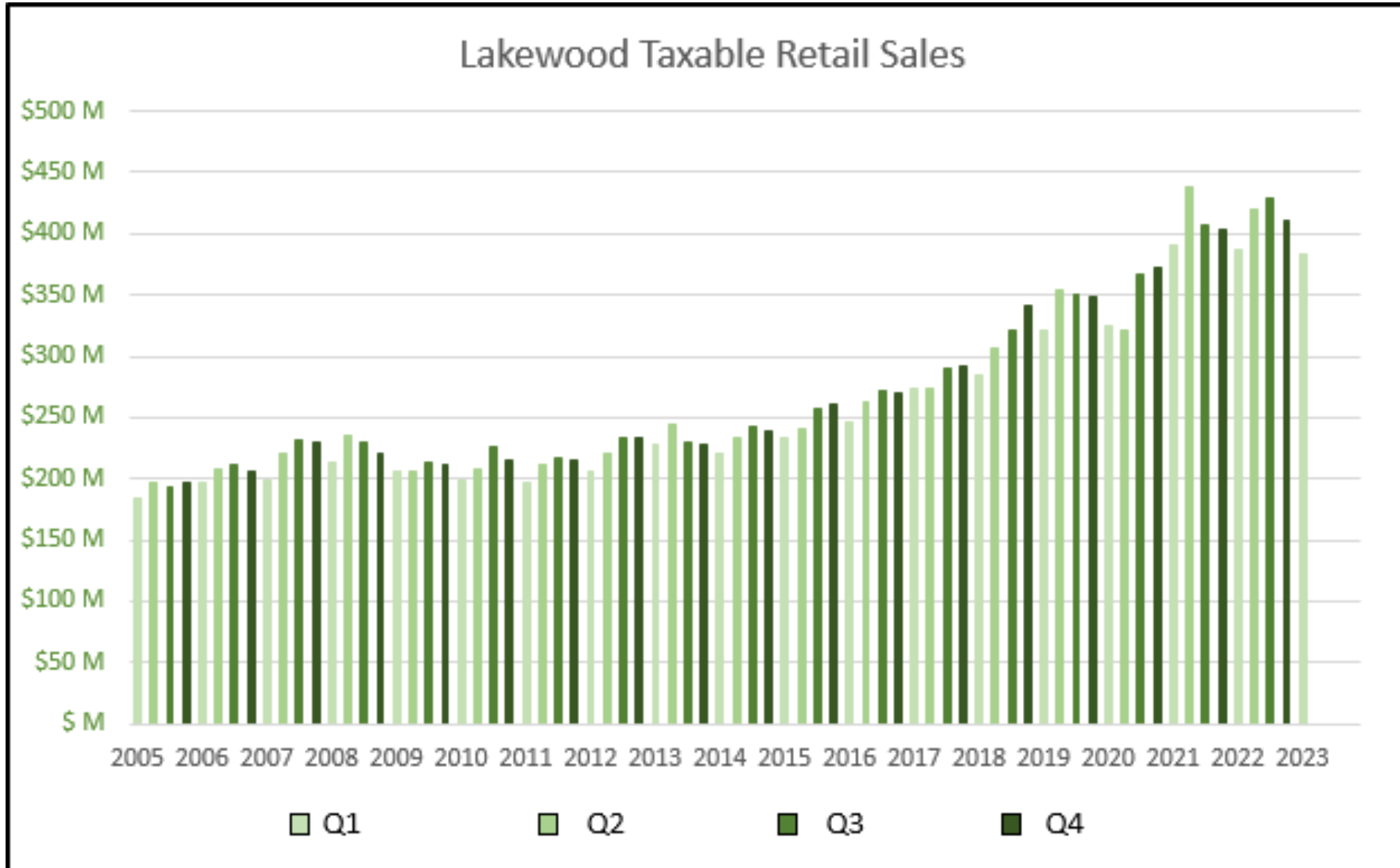
Lakewood's Full Time Covered Growth



Opportunities for growth: Construction/Resources, Manufacturing, Technology + Innovation, Healthcare/Personal Care/Social Services, Food Services



Business Retention & Expansion



Annual Totals:

- 2018: \$10,978,014
- 2019: \$11,955,004
- 2020: \$11,946,044
- 2021: \$14,413,902
- 2022: \$14,471,103



Business Retention & Expansion

Changes between 2014 and 2021 suggest local retail is becoming stronger with attracting retail business from outside of Lakewood

Description	2016	2017	2018	2019	2020	2021
Retail Trade	1.20	1.23	1.30	1.33	1.32	1.35
Motor Vehicle and Parts Dealers	1.13	1.21	1.28	1.42	1.36	1.43
Furniture and Home Furnishings Stores	1.56	1.50	1.64	1.62	1.41	1.41
Electronics and Appliance Stores	0.76	0.75	0.77	0.78	0.72	0.78
Building Material and Garden Equipment and Supplies Dealers	1.04	1.01	1.12	1.15	1.19	1.16
Food and Beverage Retailers	1.42	1.40	1.51	1.61	1.75	1.71
Health and Personal Care Stores	1.14	1.07	1.14	1.25	1.20	1.43
Gasoline Stations	1.35	1.35	1.28	1.18	1.22	1.32
Clothing and Clothing Accessories Stores	1.04	1.08	1.20	1.24	1.23	1.28
Sporting Goods, Hobby, Musical Instrument, and Book Stores	1.20	1.40	1.52	1.54	1.42	1.41
General Merchandise Stores	1.49	1.58	1.72	1.77	1.75	1.78
Miscellaneous Store Retailers	1.39	1.30	1.15	1.02	1.10	1.16
Nonstore Retailers	0.84	0.84	1.03	0.94	1.08	0.94
Food Services and Drinking Places	1.62	1.64	1.73	1.74	2.18	2.01
Total Restaurant + Retail	1.27	1.30	1.38	1.40	1.42	1.44



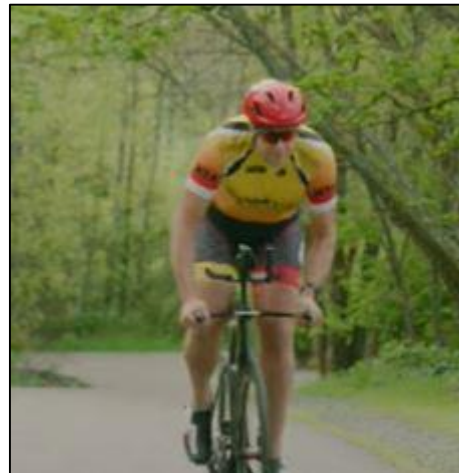
Recruitment & Attraction



Updated pages – Retail; Restaurants + Food Service; Technology + Innovation; Military + Government; Healthcare + Services

Focus on Incentives, Target Print & Social
MFTE, FTZ, OZ +
Why Live, Work, and Shop in Lakewood

How did you build your better here?



Recruitment & Attraction

New Businesses Opened with 10 or more Employees Q1 2022 – Q2 2023*

Homebase	firm-name	# Employees	ProdDescription
N	TRUSTED DELIVERY SOLUTIONS	168	Transportation, Freight.
N	INFINITY MANAGEMENT LLC	100	Management Company
N	BUILDERS FIRSTSOURCE	80	Building Materials
N	PRIME EXPRESS LLC	78	Delivery Service
N	CATAPULT ADVENTURE PARK	69	Adventure Sports
N	PARADIGM DELIVERY LLC	51	Delivery Service
N	PACE DERMATOLOGY	42	Healthcare
Y	MARKHAM INVESTIGATION	40	Security Guard
N	SCHYLLING INC.	40	Childrens toys
N	WOODSPEAR PROPERTIES	34	Property Management
N	LIBERTY TIRE RECYCLING, LLC	31	Used Tire Recycling
N	APEX MOVING & STORAGE	25	Moving Company
N	EMERALD CITY HEALTH	24	Enhanced Medical Services
N	DAMCO DISTRIBUTION	20	Warehousing and Storage
N	OMARS TIRE SHOP	20	Sales of used tires

Homebase	firm-name	# Employees	ProdDescription
N	WOODSPRING SUITES	19	Hotel
N	TIFFANY & JAY INC	17	Beauty Supplies
N	CHO DANG TOFU	16	Restaurant
N	COLE PEDIATRIC THERAPY	13	Occupational Therapy
N	DAISO JAPAN	12	General Retail
Y	PK PACKAGES	12	Delivery Services
N	MANIC MEATBALLS, LLC	12	Restaurant
N	JACKS BBQ	12	Restaurant
N	PACIFIC EQUITY AND LOAN	12	Real Estate Funding
N	ALPHABET PRESCHOOL, INC.	11	Childcare
Y	SAVAGE OPERATIONS	11	Security Guard
N	BLUE TICK INCORPORATED	10	Contract Drivers
Y	VINTAGE MEDICAL STAFFING LLC	10	Home Health Agency
Y	WESTCARE MEDICAL CLINIC	10	Healthcare Clinic
N	ASIAN AMERICAN CHEMICAL DEPENDENCY	10	Substance Abuse Treatment
	TOTAL	1,009	

Lakewood business activity during this period: 934 New; 1,332 Closed
***does not include Aero Precision USA**



Recruitment & Attraction

Permit Stats

Permit Type (sample)	2018	2019	2020	2021	2022
Commercial Addition	\$3,414,932	\$10,582,060	\$21,836,280	\$21,305,000	\$1,632,504
New Commercial Building	\$44,112,699	\$40,797,590	\$67,947,656	\$24,951,587	\$10,412,517
New Commercial Bldg - Multifamily	\$26,345,144	\$1,102,392	\$8,850,680	\$0	\$7,935,751
Commercial Remodel	\$11,497,158	\$7,801,427	\$23,416,462	\$16,101,545	\$22,727,765
New Single Family Residence	\$20,586,518	\$2,703,254	\$6,814,207	\$14,235,257	\$11,345,544
Residential Accessory Structure	\$886,810	\$613,229	\$906,235	\$599,237	\$398,197
Residential Addition	\$1,941,963	\$2,756,971	\$3,179,267	\$1,488,391	\$1,765,115
Residential Accessory Dwelling	\$749,320	\$332,824	\$349,875	\$649,141	\$507,947
Residential Demolition Permit	\$381,269	\$1,083,900	\$516,840	\$330,115	\$395,984
Residential Remodel/Repair	\$6,151,940	\$6,226,198	\$6,237,812	\$4,115,117	\$4,451,167
Totals (all permits)	\$124,074,316	\$88,335,917	\$160,582,777	\$163,206,389	\$89,663,318

5-Year Average = \$125,172,543



Target Area Development

Downtown

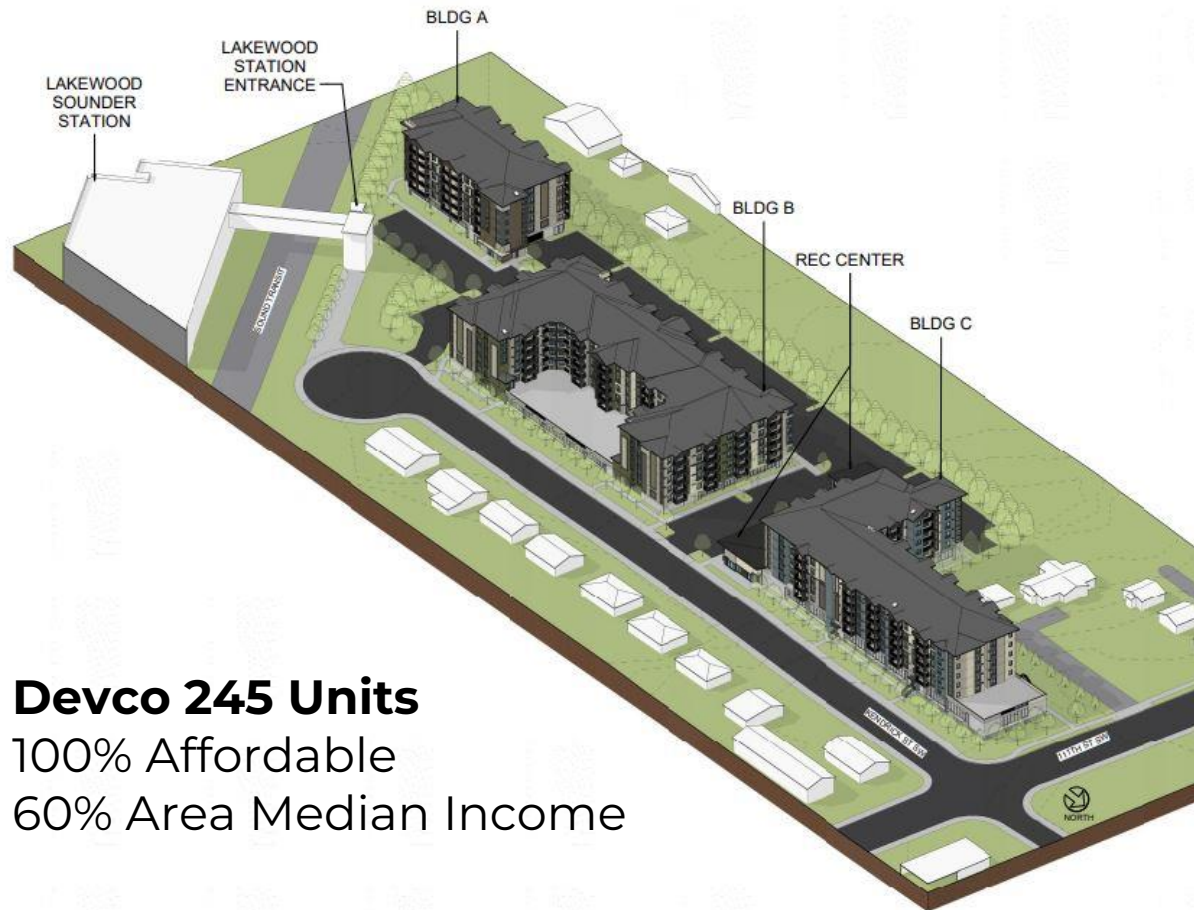
- Downtown Park
- Retail Attraction
- 400+ MF Project + Other Residential
- Former QFC + Underutilized
- TIF Analysis
- Beautification + Safety
- Contamination Cleanup

Subareas are working to attract investment + Opportunity
TMF to be reviewed as a part of the 2024 Comp Plan Update
Significant investment from outside Lakewood



Target Area Development

Lakewood Station District



Devco 245 Units

100% Affordable

60% Area Median Income



Neighborhood Fulfillment Center

- \$84,000 Average Annual Wage

Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	330	\$27,690,489	\$34,324,106	\$57,360,841
Indirect Effect	116	\$6,872,117	\$10,280,958	\$16,744,407
Induced Effect	133	\$6,976,788	\$12,909,470	\$20,384,789
Total Effect	579	\$41,539,395	\$57,514,534	\$94,490,036



Target Area Development

Lakewood Station District



Toto Townhomes

- 50 units
- MFTE, includes affordable



Springhill Suites

- 122 Units
- All Suites (not extended stay)



Target Area Development



1,000 new jobs

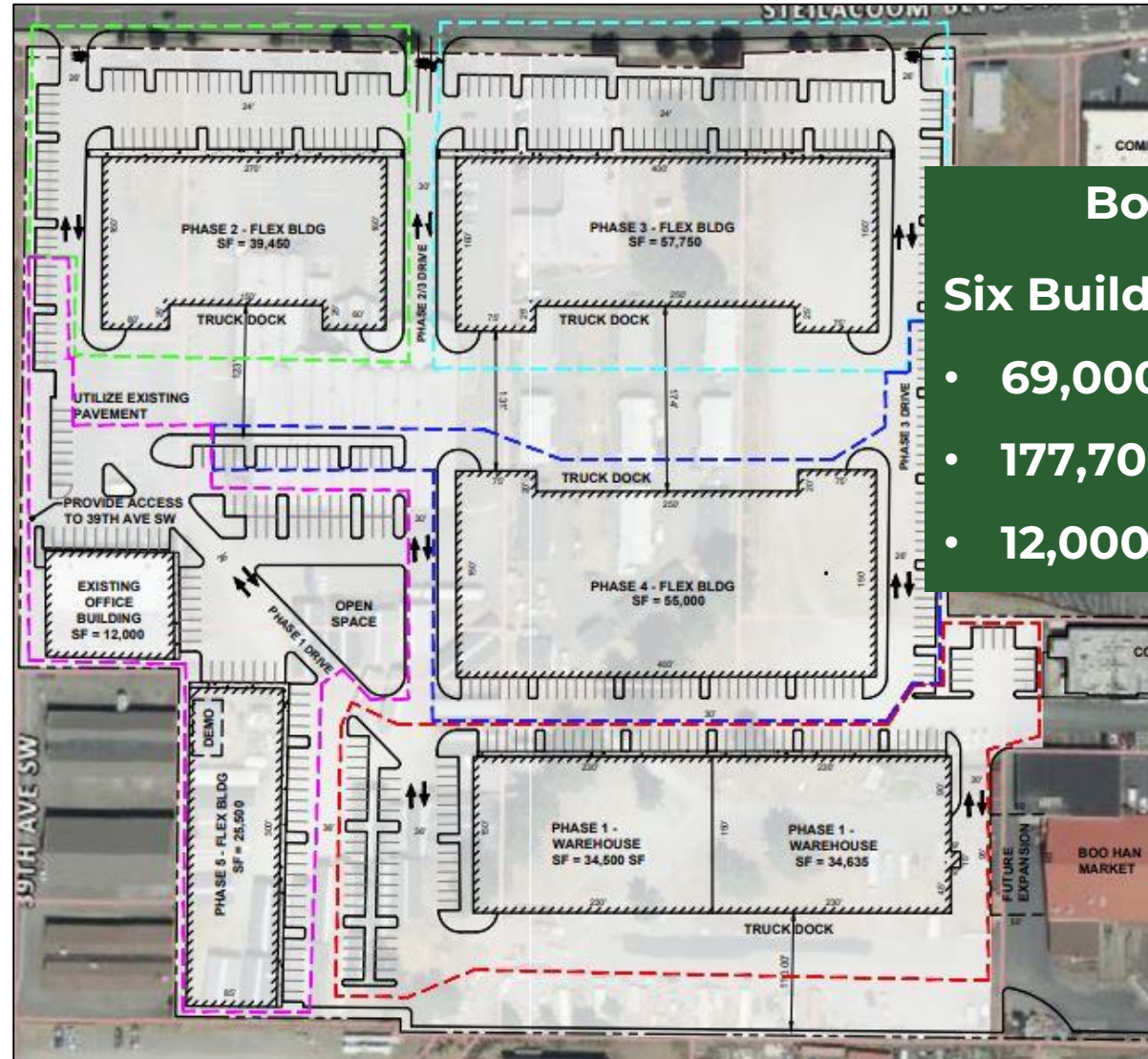
Additional
285,000 SF
Planned



Target Area Development

International District

- Distribution Center Operating
- Coleman Moving & Storage
- Transportation Improvements
- New Businesses



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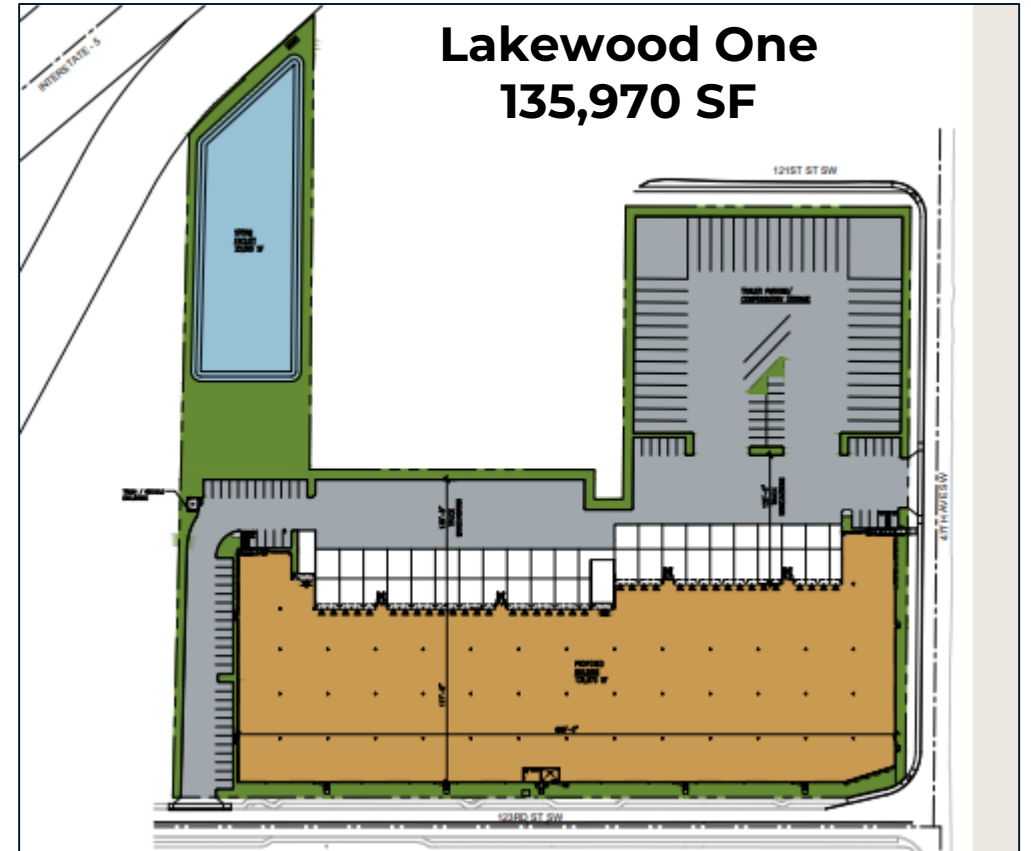
Six Buildings

- 69,000 SF WH
- 177,700 SF Flex
- 12,000 SF Office



Target Area Development

Springbrook



Target Area Development

Tillicum



- Plan Update
- Increase Density
- Habitat for Humanity
- Business Activity

Lake City

- Outreach



Western State Hospital



\$750 - \$800 Million Project

350 net new beds

5 years (2028 completion goal)

1,000's of construction workers



Housing & Community Demographics

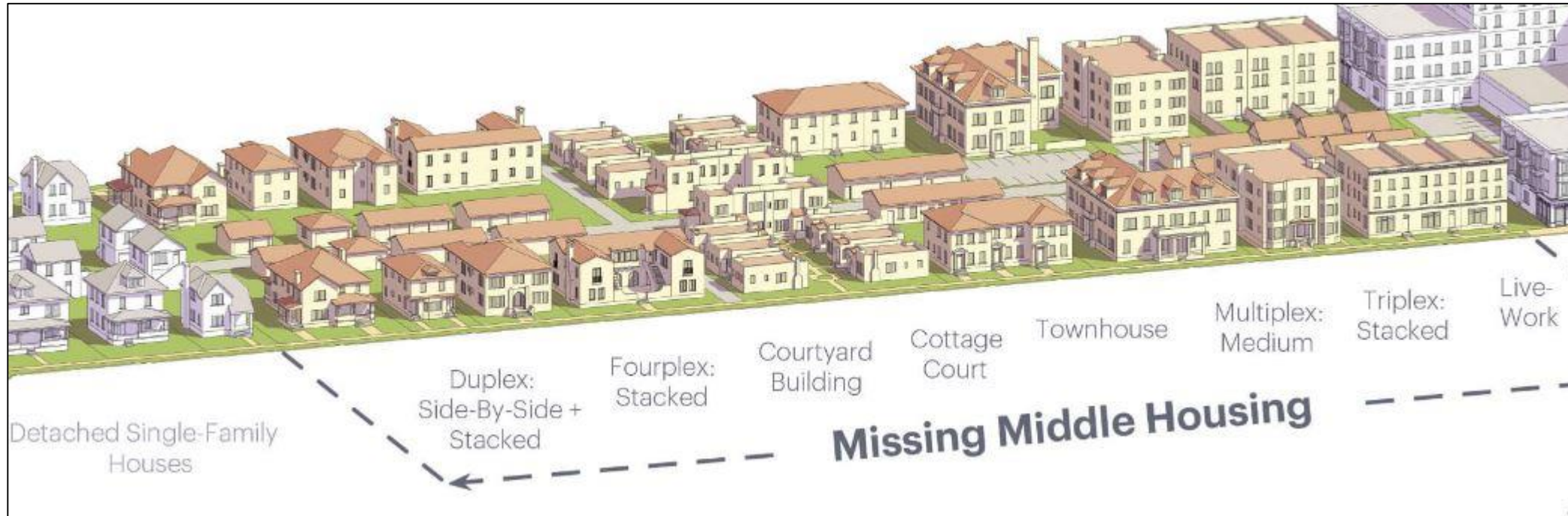
2023 YTD Lakewood Residential/ Condo Combined As of 7/31/23		Percent Change
Avg Sales Price	\$546,100	<2.9%>
Avg List Price	\$734,378	+1.5%
# of Listings	380	<26%>
# Closed Sales	323	<18%>
Avg Days on Market	39	+160%

Housing vacancy rate approximately 5%

- Spring/Summer Price Declines
- 3% Overall Price Increase YTD
- Market demand = Firm Pricing
- Transaction volume down 33% (due to interest rates)
- No market crash
- Credit Crunch = Project Delays



Housing & Community Demographics



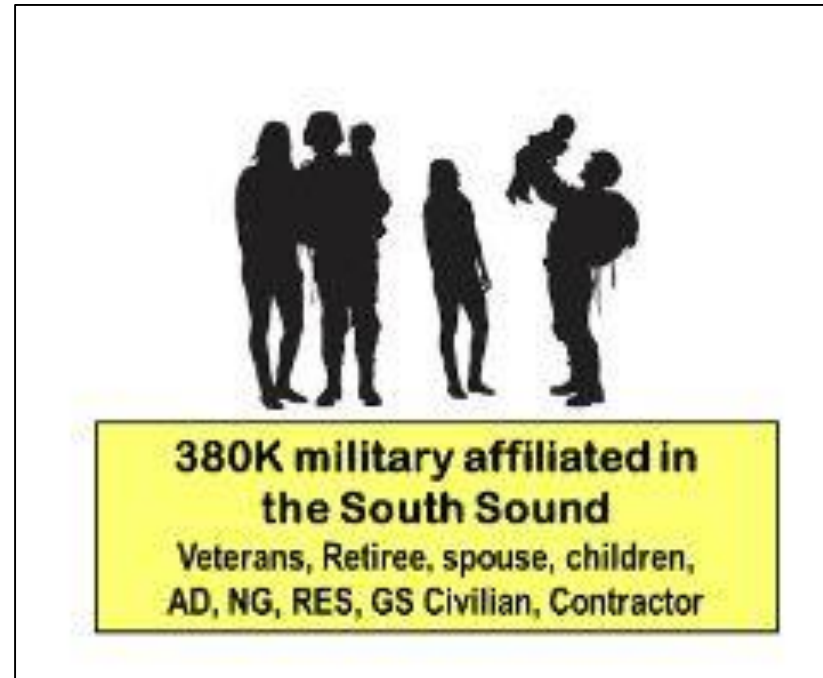
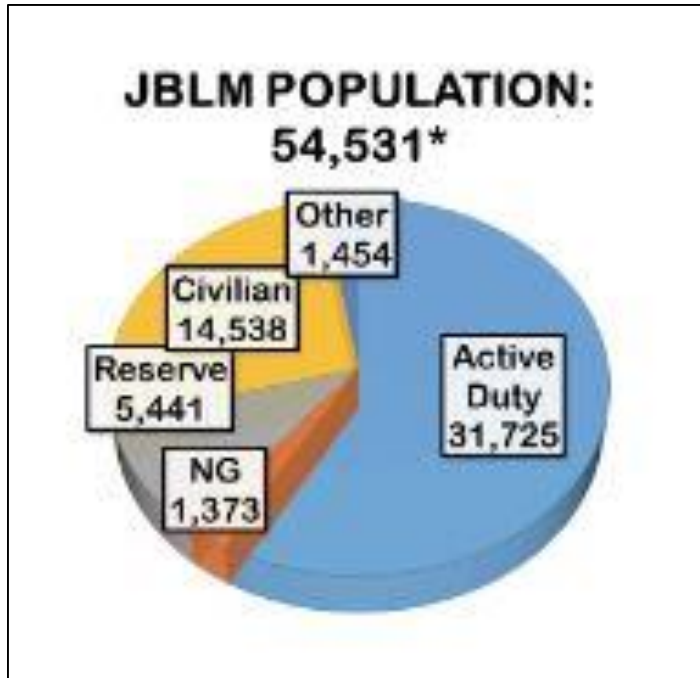
Mix of scale with multiple units compatible with detached single-family homes – located in a walkable neighborhood

ROW consideration, including cost for curb, gutter, sidewalk, and ADU accommodation



Housing & Community Demographics

JBLM's regional economic impact now reaches \$15B.



- Additional 2,800 service members estimated by 2025
- 750 unit housing shortage
- Need for childcare
- Need for retail, services, jobs, education, and more



Housing & Community Demographics

Sample Demographics	2019	2022
Median Age	36	35.7
Daytime Population	66,535	68,958
Foreign Born	14.2%	14.2%
Clover Park K-12 Grad Rate	89%	89%
Residents w/4-Year Degree+	20.9%	23.4%
Median Household Income	\$47,636	\$62,972
Average Household Income	\$63,638	\$82,179
Average Annual Wage	\$61,101	\$66,481
Percent Below Poverty Rate	19.3%	13.6%
Residential Units	26,453	27,370
Median Home Value	\$252,880	\$331,500

Lakewood has a younger population as compared to peer cities

Foreign born staying in Lakewood

Graduation rates holding

Increase in educational attainment

Increasing wages (average annual wage higher than Tacoma (\$63,849) and Pierce County (\$63,853))

Decreasing poverty rate

Increase in housing units



Regional Leadership & Partnerships

Regional Leadership

- TPA Commission
- Travel Tacoma
- EDB + EDCPC
- Port of Tacoma
- Department of Commerce
- WEDA
- PTAC (now APEX)
- Workforce Advisory
- MFTE Advisory Committee
- Pierce County
Economic Development
- Technology + Innovation Cluster

Upcoming Events

October 5: Manufacturing Day

October 18: Thriving Together
Business Resources Event

