



TO: Elizabeth Pauli, City Manager

FROM: Ricardo Noguera, Director, Community and Economic Development Department

COPY: Economic Development Committee

SUBJECT: City of Tacoma Economic Indicators Summary – Second Quarter Report 2017

DATE: October 10, 2017

Attached is the City of Tacoma Economic Indicators Summary – Second Quarter Report 2017. The local economy improved between Q2-2016 and Q2-2017 in Sales tax revenues, Business & Occupation tax revenues and in nearly every sector of employment as well as the number of businesses opening. More specifically:

- The City of Tacoma experienced 5.4% overall growth in Sales tax revenues from Q2-2016 to Q2-2017, ending Q2-2017 at \$11,197,841. Business and Occupation tax revenues grew 8.6%, ending Q2-2017 at \$8,982,263. For Sales tax revenue, the Construction sector increased the most at 33.6% year over year. Every sector had a positive increase in the Business and Occupation tax revenues. The largest were Retail Services at 66.8% and Wholesaling at 13.5%.
- The number of residential building permits decreased 19% from Q2-2016 to Q2-2017, but their value decreased by less than 1%. The number of commercial building permits decreased 28%, however their value increased by 40% for the same period. The largest commercial permit issued in Q2-2017 was a \$48 million dollar permit for the IPT Interfor Building B, part of the 1.1 Million square foot industrial development on the former Simpson lumber mill site.
- The Port of Tacoma container volumes decreased 10% from Q2-2016 to Q2-2017. Total year-to-date Northwest Seaport Alliance volumes are up 7 percent. Year to date, full import volumes were up 7% to 694,175 TEUs (20-foot equivalent units). Meanwhile, full exports grew 2% to 476,745 TEUs. Total international container volume, including empties, increased 10% year to date to 1,477,870 TEUs. The National Retail Federation recently projected in its June – October forecast that imports are expected to continue their strong growth trend.
- Tacoma followed the State's trend with a decreasing unemployment rate. The City of Tacoma's unemployment rate decreased from 6.6% to 5.5% between Q2-2016 and Q2-2017. The State of Washington unemployment rate decreased from 5.6% to 4.4% during the same period. This places Washington State at 34 out of 50 states. The national unemployment rate was 4.4% for Q2-2017.
- In Q2 2017, Education and Health Services remained the largest employment cluster with 54,500 jobs. It gained 1,700 jobs (3.2%) since Q2 2016. From Q2 2016 to Q2 2017, employment grew primarily in Construction 6.5% (1,400 jobs) and in Trade 3.9% (2,000 jobs). Overall, the total number of jobs increased by 7,900 year over year.
- The City issued 1,708 new business licenses in Q2 2017. Of those, 865 are TNC drivers.

An overview of the Tacoma area economy and supporting data are provided in the report.



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