

# City of Tacoma Economic Development Strategic Plan

City Council Economic Development Committee

April 9, 2019

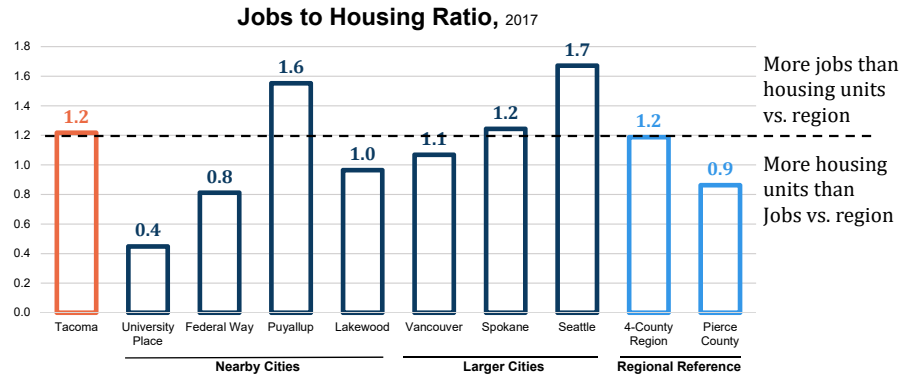


## Contents

1. Economic and Demographic Profile Overview
2. Working Draft Strategies

## Business Retention &amp; Expansion

## Economic Profile



**Tacoma has a good balance of jobs to housing units** compared with the region. Ratios exceeding 1.4 indicate a jobs center that imports labor, while ratios less than .8 indicates an area that exports labor.

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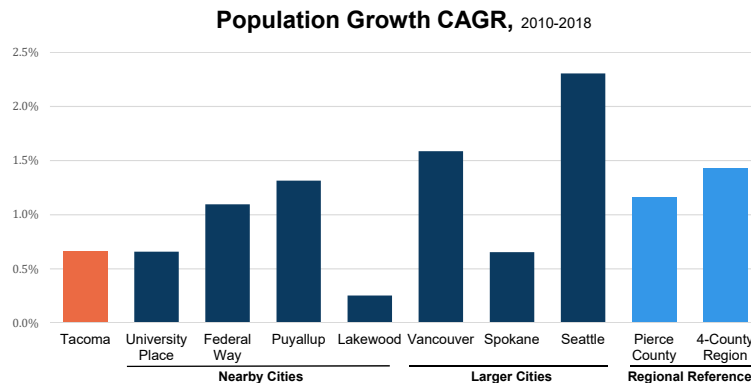
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3

## Business Retention &amp; Expansion

## Demographic Profile



**From 2010-2018 Tacoma's population grew by 10,703 persons to 209,100.** It's Compound Annual Growth Rate (CAGR) of .7% lagged the county, region, and most of its neighboring and peer cities. With an increasing focus on placemaking, Tacoma may be poised to capture a much greater share of the region's growth.

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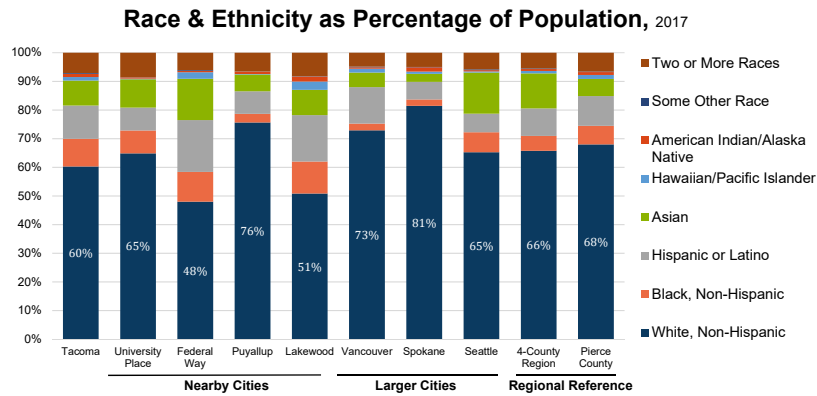
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4

Business Retention & Expansion

## Demographic Profile



In 2017, **Tacoma's population was more diverse** (greater non-white percentage) than the county, region, and all of its peer and neighboring cities but Federal Way and Lakewood. Fostering workforce diversity supports a resilient economic base.

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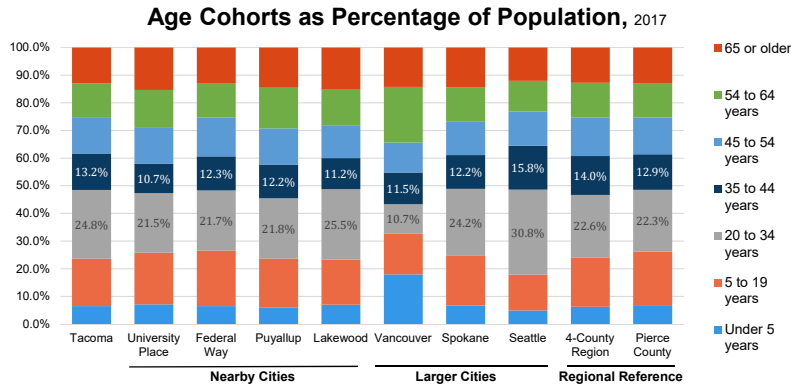
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5

Business Retention & Expansion

## Demographic Profile



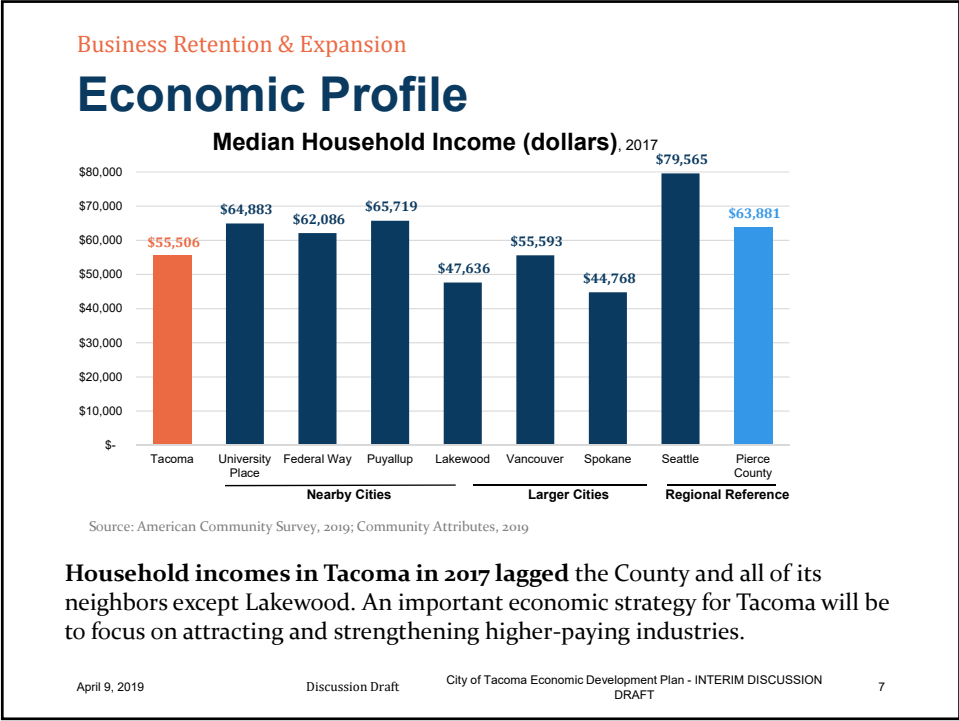
**Tacoma has a greater proportion of millennials** than the county, region, and all but two of its neighboring and peer cities. The **City also has more overall younger working-age people** (20-44 years) than all but Seattle.

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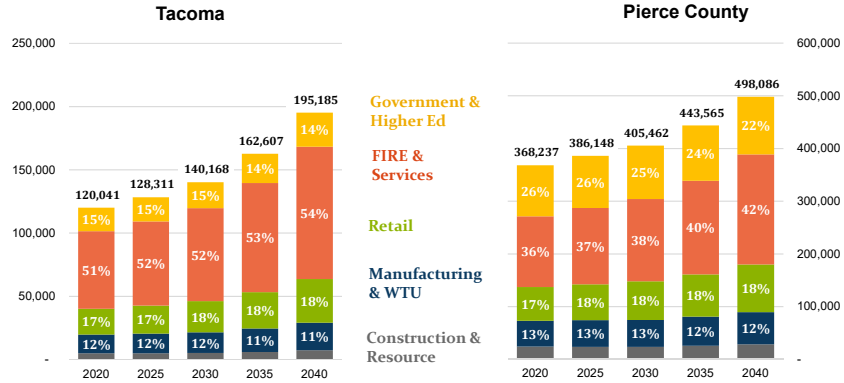
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6



## Business Retention & Expansion

# Employment



Source: Puget Sound Regional Council, 2018; Community Attributes, 2019

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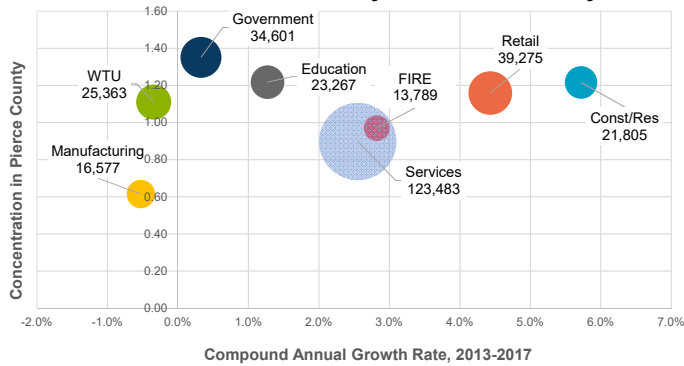
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9

## Business Retention & Expansion

# Key Industries

### Location Quotient Analyses, Pierce County, 2017



Source: Puget Sound Regional Council, 2018; Community Attributes, 2019

Sectors above 1.0 on the vertical axis were more highly concentrated in Pierce County than in the nation; sectors right of the 0% on the horizontal axis had a positive growth rate. This means that the **Government, Education, Retail & Construction / Resource macro sectors are more highly concentrated, and are growing, in Pierce County.**

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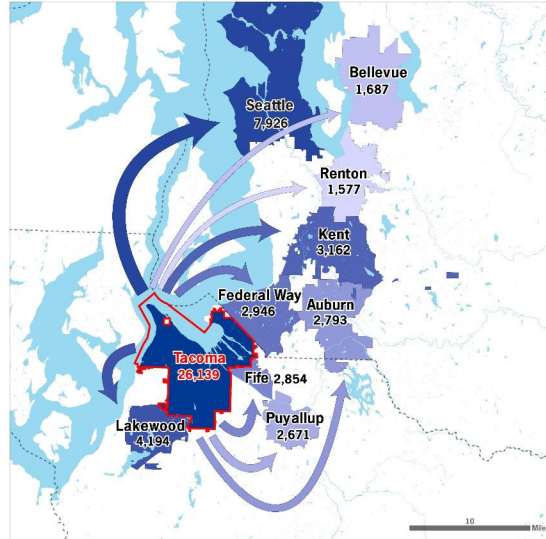
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10

Small Business Assistance

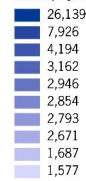
## Workforce Profile



Besides Tacoma itself, **Seattle is the next largest destination for Tacoma workers**, followed by Lakewood, Kent, and Federal Way.

### Journey to Work: Work Destination Analysis

Job Counts Where Tacoma Workers Are Employed



Source: LEDH On The Map, 2019; Community Attributes, 2019

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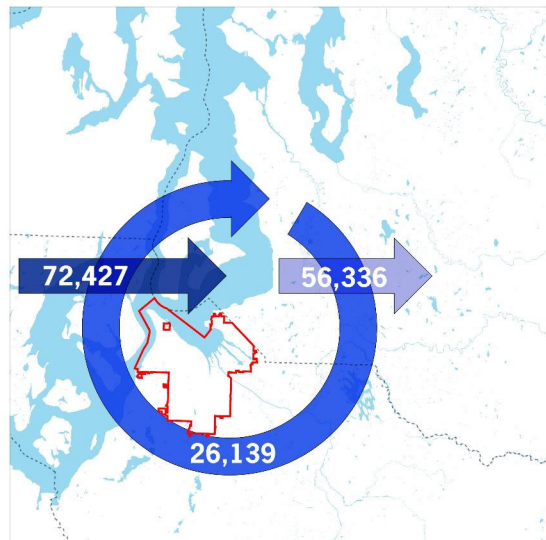
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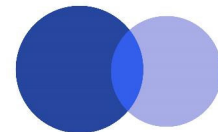
11

Small Business Assistance

## Workforce Profile



More than **2.75 times the number of Tacoma jobs are filled by workers living elsewhere than Tacoma workers**. At the same time, 56k workers leave the city to work in jobs located elsewhere.



Employed in Tacoma, Live Outside  
Live in Tacoma, Employed Outside  
Employed and Live in Tacoma

Source: LEDH On The Map, 2019; Community Attributes, 2019

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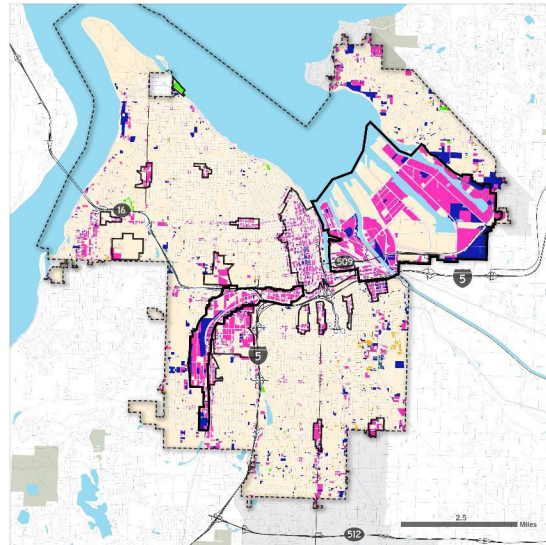
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12

## Commercial &amp; Industrial Property Activation

## Commercial &amp; Industrial Lands Profile



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13

## Commercial &amp; Industrial Property Activation

## Commercial &amp; Industrial Lands Profile



Pierce County

Buildable Lands Report 2014

Type	Zoning District <sup>1</sup>	Adjusted Net Acres	Employees per Acre	Pipeline <sup>2</sup>	Employment Capacity
Commercial	C1	53.41	45	0	2,404
	C2	138.21	45	0	6,220
	HM	0.88	600	0	526
Industrial	M1	21.23	25	0	531
Commercial	PDB	5.38	25	0	135
	R2	19.77	19.37	0	383
	R2-SRD	0.25	19.37	0	5
	R3	0.94	19.37	0	18
	R4	0.61	19.37	0	12
	R4L	0.60	19.37	0	12
	S15	0.00	25	450	450
	T	36.98	25	0	924
Total Employment Capacity Outside of Centers					11,619

<sup>1</sup>Land reflects zone outside of Mixed Use and Manufacturing/Industrial Centers.<sup>2</sup>See Appendix C for list of pipeline projects.

\*Numbers are rounded and may not calculate correctly as shown.

Pierce County's 2014 BLA found that Tacoma's commercial / industrial districts outside of mixed-use centers had 278 acres, net of deductions, available for development.

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DRAFT

14

## Commercial &amp; Industrial Property Activation

## Commercial &amp; Industrial Lands Profile

Table 11b - City of Tacoma: Employment Capacity within Centers

Center Type	Center	Gross Acres	Employment Capacity minus 25% Market Factor <sup>1</sup>
Mixed Use Center	34th & Pacific	57.92	5,599
	38th & G	57.92	1,194
	56th & South Tacoma Way	64.35	6,488
	6th Ave & Pine St	55.18	997
	72nd & Pacific	58.88	5,252
	72nd & Portland	68.15	5,112
	James Center	228.33	3,559
	Lower Portland Ave	63.86	6,400
	Martin Luther King	170.40	11,473
	McKinley	31.10	356
	Narrows	39.85	529
	North Downtown	282.72	30,756
	Proctor	26.19	686
	South Downtown	364.66	26,029
	Tacoma Central	174.55	10,297
	Tacoma Mall	389.25	33,570
	Westgate	76.97	5,505
	<b>Mixed Use Centers Total</b>	<b>2,210.26</b>	<b>153,804</b>
Manufacturing/Industrial Center	Tideflats	3,912.05	43,321
	South Tacoma	689.89	16,727
	<b>Manufacturing/Industrial Centers Total</b>	<b>4,601.94</b>	<b>60,048</b>
<b>Total Employment Capacity within Centers</b>			<b>213,852</b>

In Tacoma's mixed-use and manufacturing / industrial centers, there were over 4,600 acres available for development.

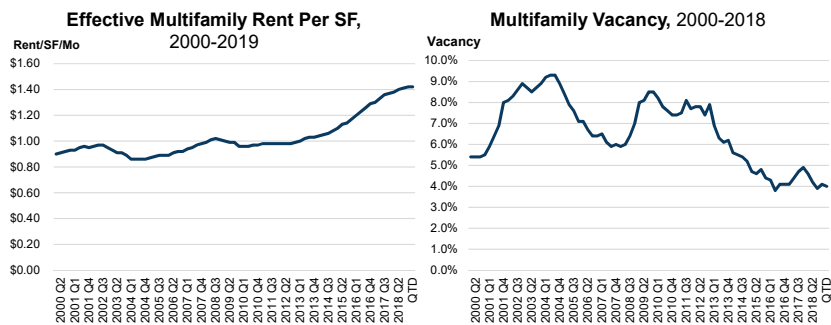
Combined, this land was found capable of supporting over a quarter of a million additional jobs.

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15

## Commercial &amp; Industrial Property Activation

## Real Estate Market Profile



Source: CoStar, 2019

- Multifamily rents have been rising steadily since 2010, while vacancy has been dropping.
- Vacancy has been lower than 5% since 2015, which is a level commonly associated with a tight rental market

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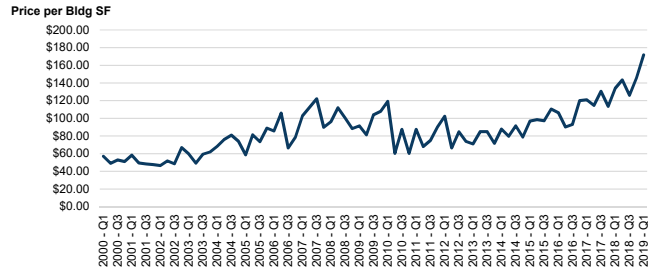
16



Commercial & Industrial Property Activation

## Real Estate Market Profile

Median Sale Price per Building SF, Multifamily, 2000-2019



Source: CoStar, 2019

- Multifamily building sale prices have been increasing at a steadily faster pace since 2010.
- The median price per square foot has more than doubled over the past 9 years.

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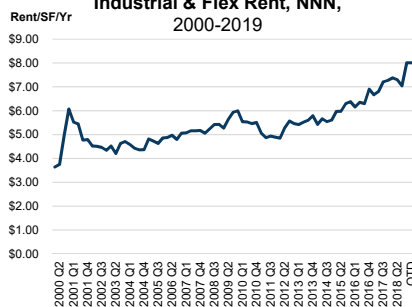
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17

Commercial & Industrial Property Activation

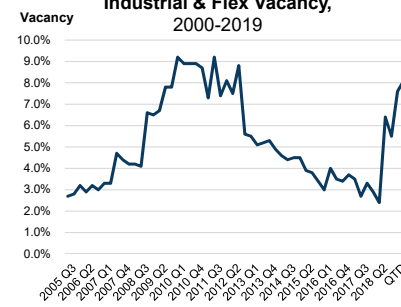
## Real Estate Market Profile

Industrial & Flex Rent, NNN, 2000-2019



Source: CoStar, 2019

Industrial & Flex Vacancy, 2000-2019



- Industrial & Flex rents have been rising steadily since 2012 while vacancy dropped from 2012-2018.
- Vacancy spiked recently, potentially explained by new development.

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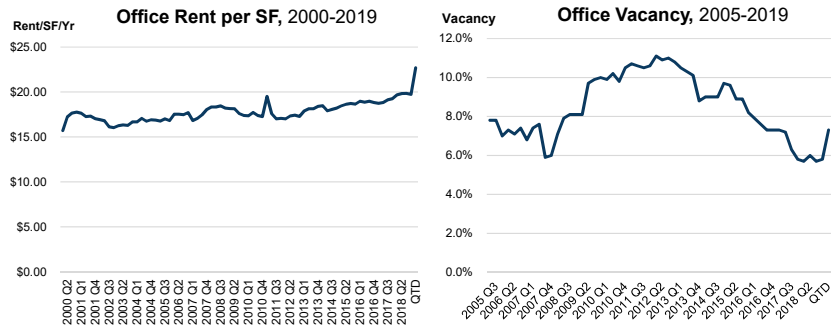
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18

Commercial & Industrial Property Activation

## Real Estate Market Profile



Source: CoStar, 2019

- Office rents have been rising steadily since 2000, but increases have been more significant for other categories.
- Vacancy has been dropping since 2012, with a recent jump that is not explained by new development.

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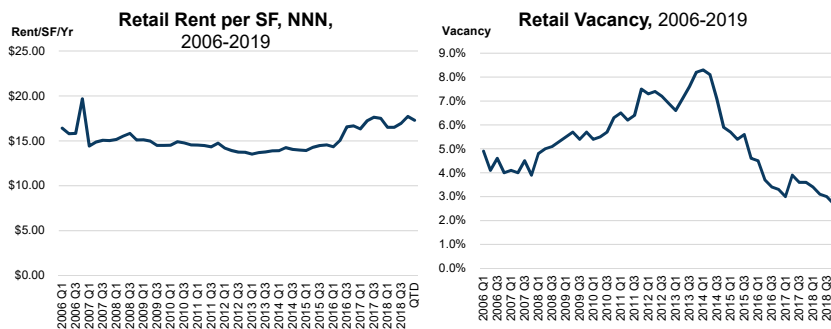
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19

Commercial & Industrial Property Activation

## Real Estate Market Profile



Source: CoStar, 2019

- Following a period of decline, retail rents have been rising slowly since 2013.
- Vacancy has dropped steeply since 2013, and is currently under 3%.

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City of Tacoma Economic Development Plan - INTERIM DISCUSSION  
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20

# Strategies