



## LAKWOOD CITY COUNCIL STUDY SESSION AGENDA

Monday, April 11, 2016

7:00 P.M.

City of Lakewood

City Council Chambers

6000 Main Street SW

Lakewood, WA 98499

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Page No.

### CALL TO ORDER

### ITEMS FOR DISCUSSION:

1. Western State Hospital update. – *Mr. Ron Adler, CEO, Western State Hospital*
- ( 3) 2. Tacoma-Pierce County Health Department presentation. – *Mr. John Sherman, Assistant Division Director for Environmental Health*
- (24) 3. Review of the Towne Center Covenants, Conditions and Restrictions and easements. – (Memorandum)
- (28) 4. Economic Development update. – (Memorandum)

### REPORTS BY THE CITY MANAGER

- (71) Review of City Council goals and objectives.

### ITEMS TENTATIVELY SCHEDULED FOR THE APRIL 18, 2016 REGULAR CITY COUNCIL MEETING:

1. Proclamation declaring April 23, 2016 as Parks Appreciation Day. – *Mr. Jason Gerwen, Chair, Parks and Recreation Advisory Board*
2. Business showcase. – *Ardesson's Shoe Repair*

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<http://www.cityoflakewood.us>

*The Council Chambers will be closed 15 minutes after adjournment of the meeting.*

3. Approving a collective bargaining agreement with the Lakewood Police Independent Guild. – (Motion – Consent Agenda)
4. This is the date set for a public hearing on the Fiscal Year 2016 Consolidated Action Plan and Amendments to the Fiscal Year 2013 and Fiscal Year 2014 Consolidated Action Plans. – (Public Hearings and Appeals – Regular Agenda Agenda)
5. This is the date set for a public hearing on vacating a portion of the 84<sup>th</sup> Street SW right-of-way. – (Public Hearings and Appeals – Regular Agenda Agenda)
6. Authorizing the deferral of sewer connections. – (Ordinance - Regular Agenda.)
7. Authorizing the submittal of a grant application to the Washington State Recreation and Conservation Office for Harry Todd Park waterfront improvements. – (Resolution – Regular Agenda)

## **COUNCIL COMMENTS**

## **ADJOURNMENT**

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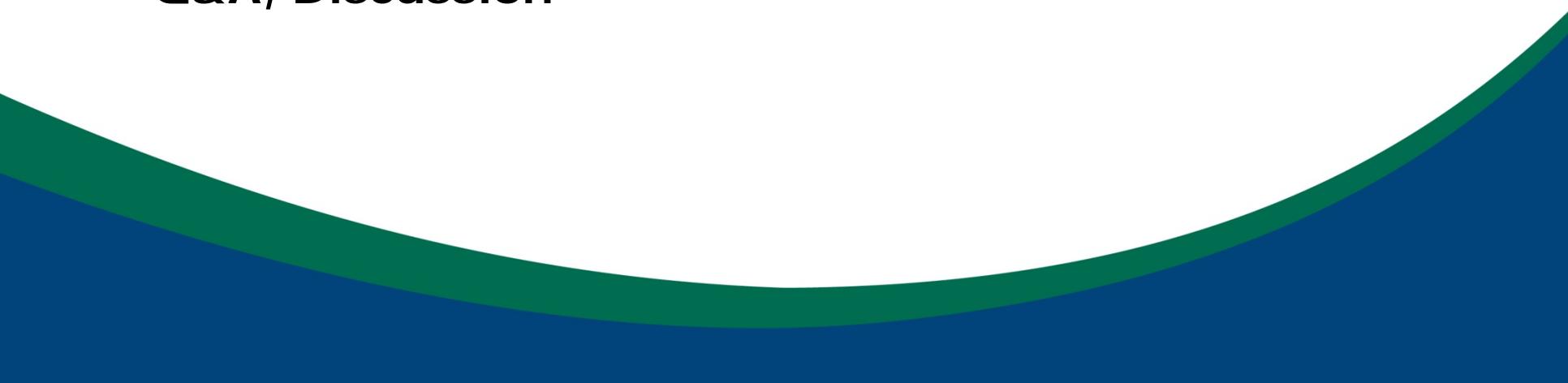
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*The Council Chambers will be closed 15 minutes after adjournment of the meeting.*

# Lakewood City Council Study Session

John Sherman  
Ass't Division Director  
April 11, 2016

# Plan for Today...

- **About the Health Department**
  - **Health Department's role with indoor air/housing quality**
  - **Health Department's role with septic systems**
  - **Q&A, Discussion**
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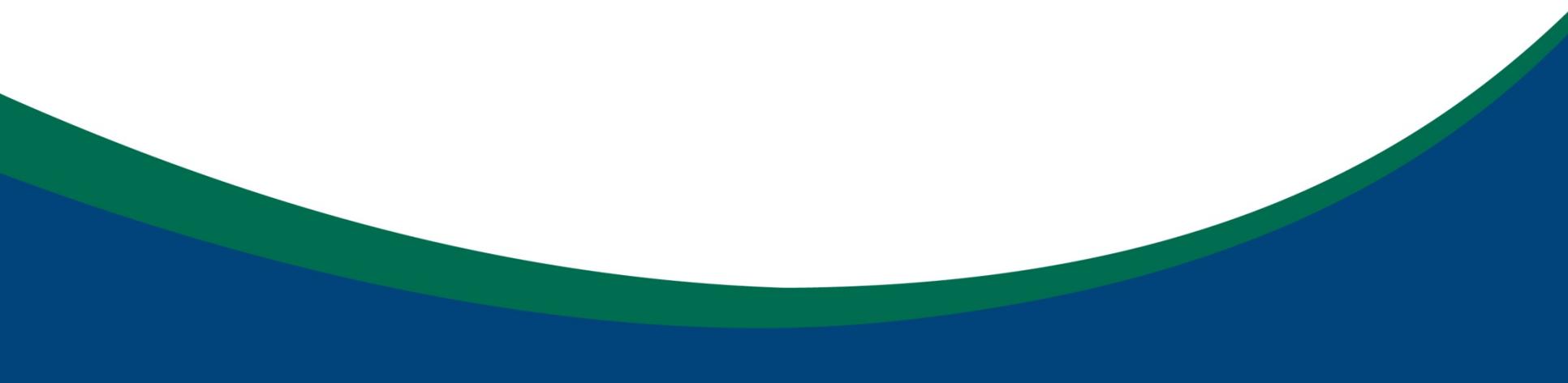
# The Health Department's Vision and Mission

## **Our Vision**

Healthy People in Healthy Communities

## **Our Mission**

To safeguard and enhance the health of the communities of Pierce County



# Healthy Air



# Healthy Water



# Healthy Communities



# Healthy Places



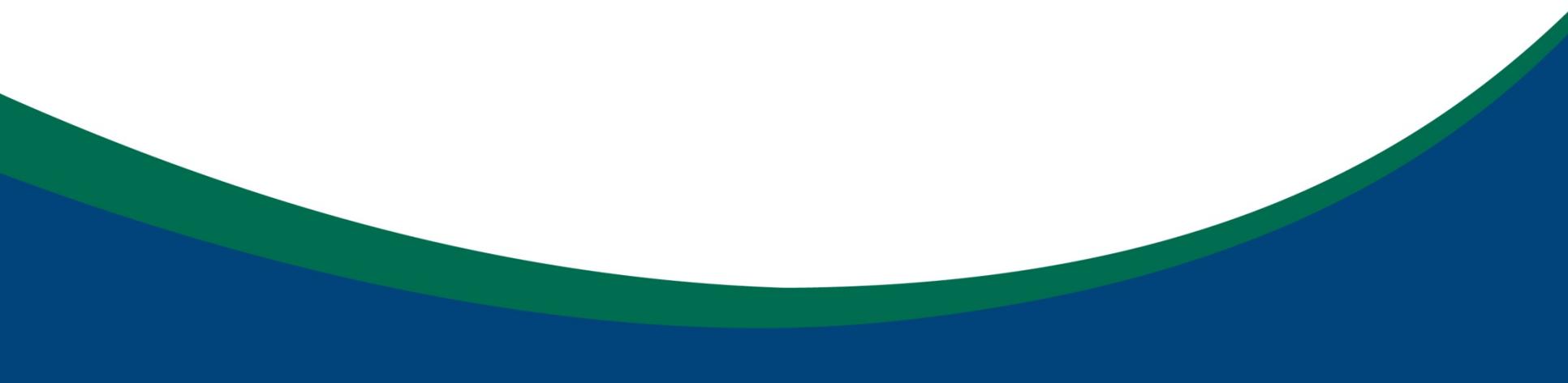
# Healthy Food



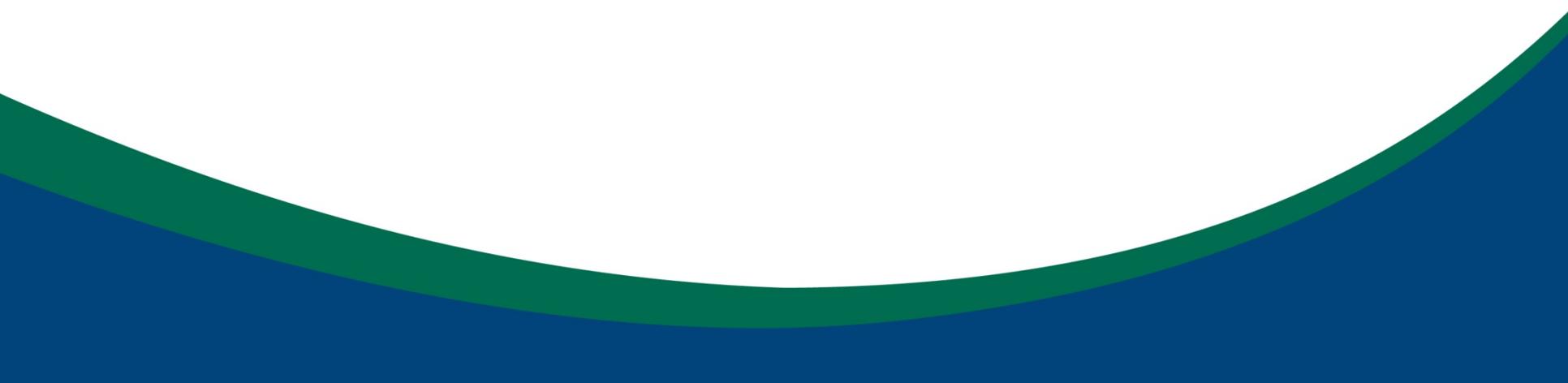
# Healthy Families



# Health Department & indoor air/housing

- Health Department's role is limited. . .
  - Clean Air for Kids (CAFK)
  - Healthy Housing Policy Project
- 

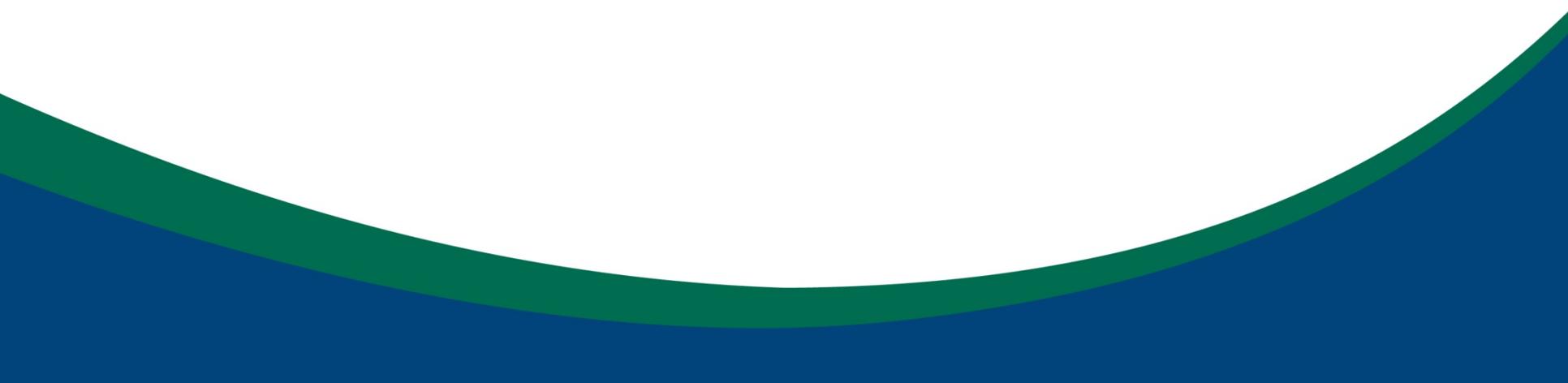
# Clean Air for Kids (CAFK)

- **Asthma education program in the Environmental Health Division.**
  - **Aims to reduce asthma morbidity and mortality by mitigating and eliminating environmental triggers and providing prevention and management services.**
- 

# Health Department's CAFK Services

- **Asthma home visits**
  - asthma education
  - medication review
  - inhaler technique
  - home environmental assessment
  - simple solutions to environmental triggers
  - connection to community resources
- **Referral sources**
  - self, physicians, school nurses and Weatherization Plus Health Program

# Healthy Housing Policy Project

- **Focus on moisture and mold in rentals.**
  - **Interview community partners and form an advisory board to discuss barriers and best practices to implement a code or regulation.**
  - **Pilot a code or regulation with an interested city.**
- 

# Mold Concerns

- Moisture and mold are major concerns in rentals in the Pacific Northwest.
- Mold is an asthma trigger and aggravates many other chronic conditions.
- Healthy housing disproportionately affects low-income residents.
- TPCHD receives mold complaint calls from residents, provides general information but does not conduct inspections.

# Where are calls about mold coming from?

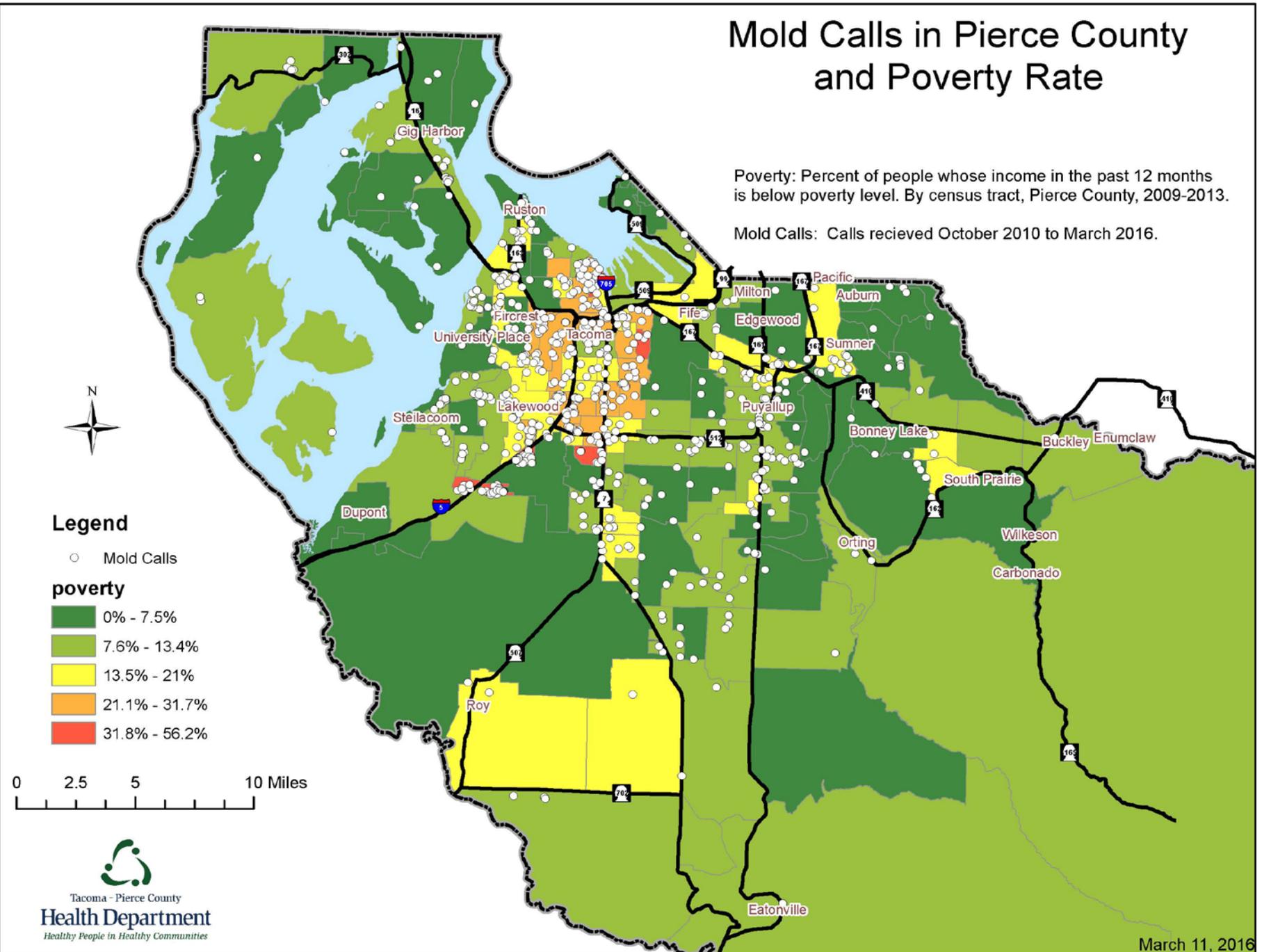
(October 2010 through March 2016 = 888 total calls)

- 296 - Tacoma
- 176 - Lakewood
- 108 - Puyallup
- 81 - University Place
- 60 - Parkland
- 42 - Spanaway

# Mold Calls in Pierce County and Poverty Rate

Poverty: Percent of people whose income in the past 12 months is below poverty level. By census tract, Pierce County, 2009-2013.

Mold Calls: Calls received October 2010 to March 2016.



## Legend

○ Mold Calls

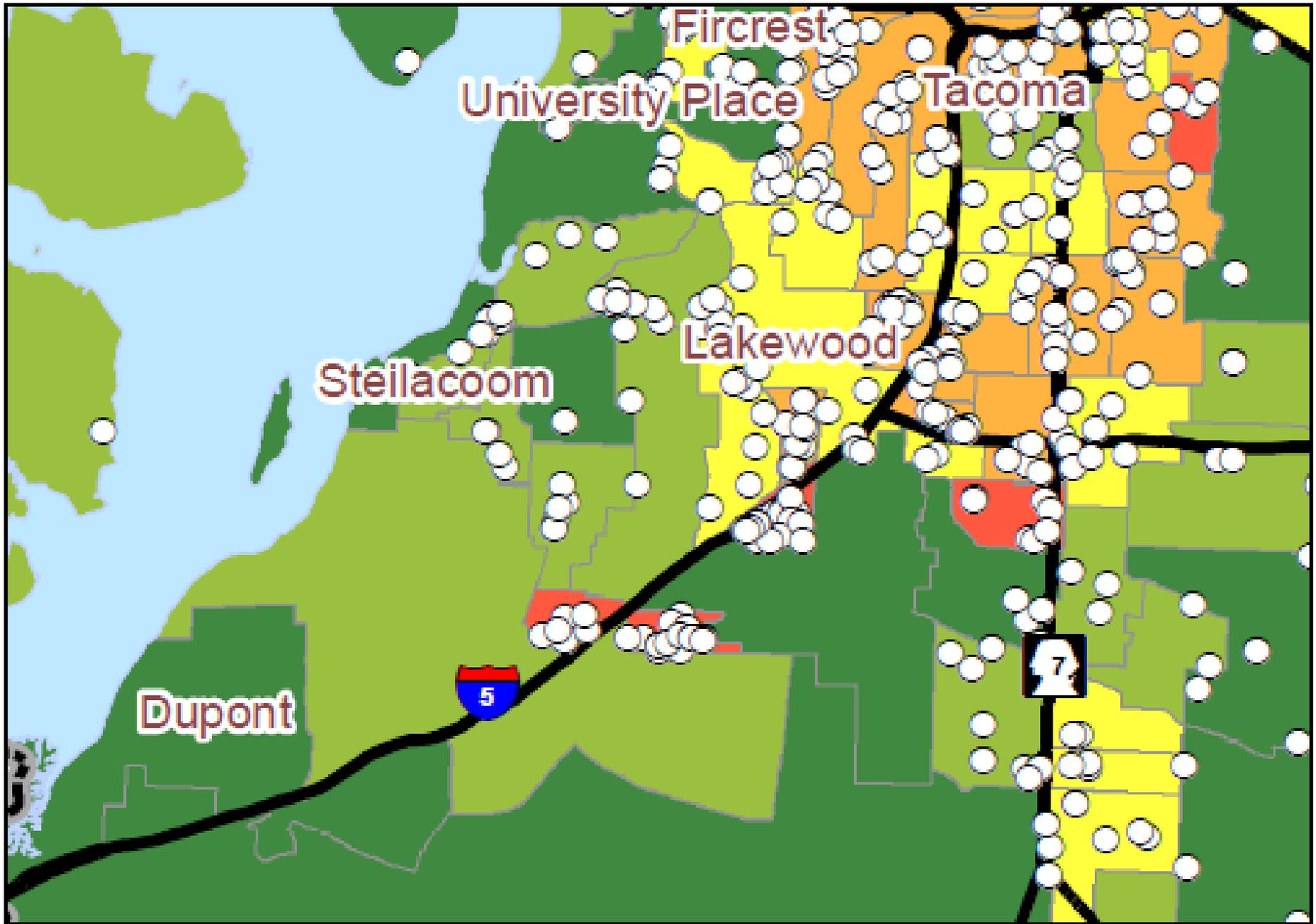
## poverty

- 0% - 7.5%
- 7.6% - 13.4%
- 13.5% - 21%
- 21.1% - 31.7%
- 31.8% - 56.2%

0 2.5 5 10 Miles



Tacoma - Pierce County  
**Health Department**  
*Healthy People in Healthy Communities*

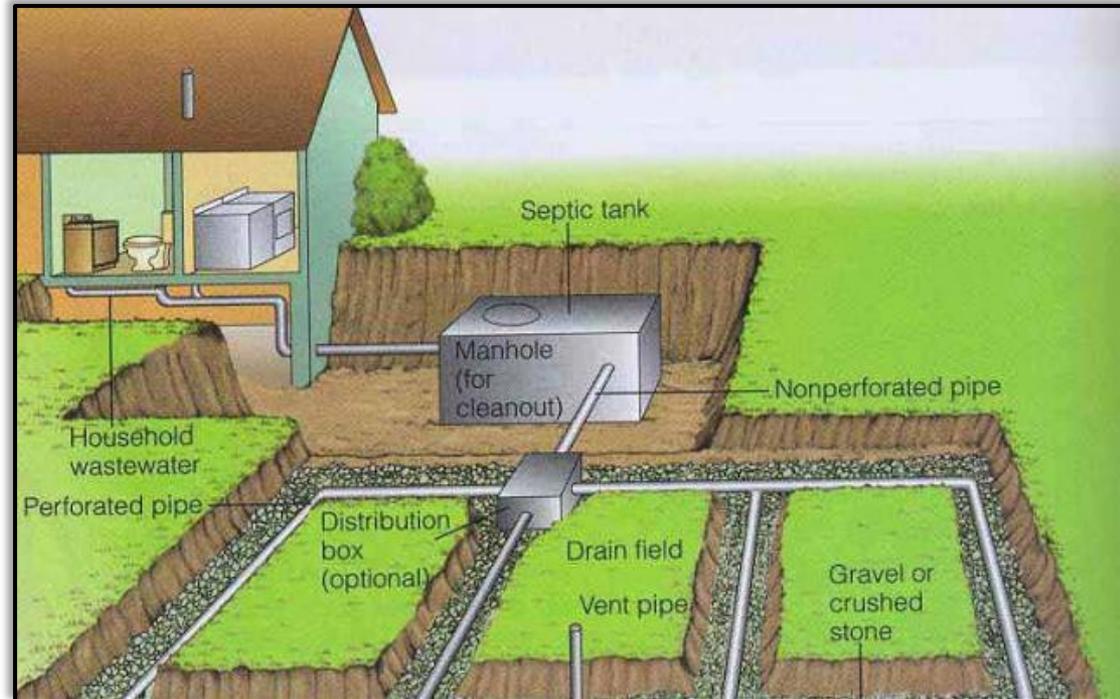


## Indoor Air & Housing Conclusion

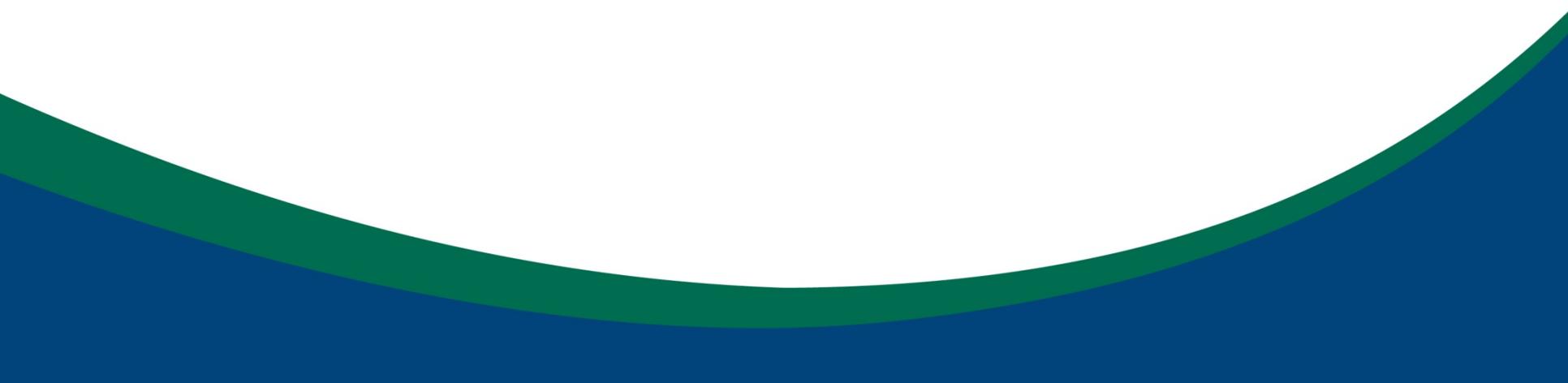
- Residents are seeking help with mold in their rentals.
  - The mold call map shows a high level of calls from residents in low-income areas of Lakewood; Lakewood has the leading number of mold calls after Tacoma.
  - CAFK has continuous challenges with several Lakewood rental properties (mold calls and asthma clients).
  - CAFK team would like to discuss City of Lakewood's interest in addressing mold concerns in rentals.
- 

# Health Department & septic systems

- Regulatory program
- Fee supported
- New designs and installation, repairs and remodels
- Ongoing operation and maintenance



# Health Department & septic systems

- **67,000+ Pierce County properties on septic systems**
  - **City of Lakewood: 1,184 known septic systems**
- 

# Health Department & septic systems

## City of Lakewood:

<b>Category</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Septic sytem complaints	19	22	3
Septic System Repairs	6	3	0
Septic System Remodels	1	3	0

# Health Department and septic systems

## Recognizing issues

- Odors
- Surfacing liquids
- Black staining
- Backing up into house
- Ignoring it can only make it worse
- Health Department will respond



# Health Department & septic systems

- **Connection to sewer...**
  - Required if the system has failed and a conforming repair is not feasible AND
  - Sewer is within 200'
- **Mobile Home Parks remain a challenge**

Q & A . . .

**John Sherman**  
**Assistant Division Director**  
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**253-798-6528**

**Gary Porter, Program Manager**  
**On-site Sewage and Wells**  
**[gporter@tpchd.org](mailto:gporter@tpchd.org)**  
**253-798-6569**

**Clean Air for Kids/Healthy Homes Policy**  
**Judy Olsen, Env Health Specialist**  
**[jolsen@tpchd.org](mailto:jolsen@tpchd.org)**  
**253-377-4390**  
**Hanna Zarelli-Jackson**  
**[hzarellikackson@tpchd.org](mailto:hzarellikackson@tpchd.org)**  
**253-255-8607**



To: Mayor and City Councilmembers  
From: Heidi Ann Wachter, City Attorney  
Through: John J. Caulfield, City Manager  
Date: April 11, 2016  
Subject: Review of Towne Center CCRs and Easements

This is to provide an overview of the Lakewood Towne Center in terms of history, ownership and applicable restrictions which may apply to part of or the entire Center as well as some introduction to an analysis of the potential future development at this location. A variety of maps are intended to be used in conjunction with this analysis.

The ultimate question is what is the highest and best use of the 'Lakewood Towne Center' and what steps must be taken to achieve that use?<sup>1</sup>

### **The Property**

For purposes of this analysis, the "Lakewood Towne Center" is the only land area considered. The Towne Center is within the Central Business District but does not constitute the entire Central Business District. The Lakewood Towne Center is identified in a "Declaration of Restrictions" from 2004 as "the mixed use retail and office complex" which is comprised of several parts as follows:

1. The "Entire Shopping Center", comprised of the following:
  - a. The "Neighborhood Center" (Applebees, Firestone)<sup>2</sup>; and
  - b. The "Power Center" (Barnes & Noble, Michaels)<sup>3</sup>; and
  - c. The "Northeast Center" (Five Guys)<sup>4</sup>; and
  - d. The "Eastern Outparcel Center" (Panera)<sup>5</sup>.
2. The "Hudesman Parcel"
3. The "Target Parcel"

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<sup>1</sup> Highest and Best use is an appraisal term which means: "The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported and financially feasible and that results in the highest value." This analysis involves a review of 4 basic factors: legal permissibility, physical possibility, financial feasibility and maximum productivity. Accordingly, some form of economic analysis must be considered.

<sup>2</sup> Identified on the provided map by blue lines.

<sup>3</sup> Identified on the provided map by black lines.

<sup>4</sup> Identified on the provided map by red cross-hatch.

<sup>5</sup> Identified on the provided map by green grid lines.

The “Entire Shopping Center” is subject to the “Declaration of Restrictions”, of which some apply to the “Entire Shopping Center” while others apply more specifically to one or more of the other centers. The “Hudesman” and “Target” properties are not part of the “Entire Shopping Center” and are not covered by the “Declaration of Restrictions”.

### **The History**

In 1957 a group of property owners filed with Pierce County a Declaration which proposed to “improve the Entire Premises as a community shopping center under a general plan or scheme.” The combined properties became the Villa Plaza shopping center, including Rhodes, Grants and J.C. Penney Department stores. The Declaration was supplemented in 1961 to recognize existing business rights of then-current tenants by restricting any “business or enterprise which will violate an exclusive business right or other limitation on competition contained in any lease of the Building Areas, executed on or before February 1, 1961, without the prior written consent of the tenant or tenants, and their assigns and subtenants...”<sup>6</sup>

The Tacoma Mall opened as the first fully-enclosed shopping center in Greater Seattle and originally encompassed 900,000 leasable square feet and seventy-six stores and services. The 40 million dollar shopping center was anchored by a 3-level (205,500 square foot) The Bon Marche, which opened August 3, 1964.

A 2-level (135,000 square foot) J.C. Penney came inline, with the bulk of the original mall, October 13, 1965. Thriftway Supermarket was one of the charter tenants. A 2-level (55,000 square foot), Seattle-based Best's Apparel joined the retail roster in August 1966. The single-screen -1,200 seat-Tacoma Mall Theatre opened, as a northeast parking area outparcel, on May 16, 1968.

In January 1972 a twenty-five store West Wing was added, including stores such as Orange Julius, Ben Bridge Jewelers, Waldenbooks, The Lemon Tree and House of Fabrics. This enlargement was anchored by a 2-level (72,000 square foot), Honolulu-based Liberty House / Rhodes, which became Frederick & Nelson.

The shopping venue's closest competitor was VILLA PLAZA (1957) / LAKEWOOD MALL (1989). Business for the Villa Plaza reportedly declined shortly after the Tacoma Mall opened.

The Second Supplement to Declaration, filed in 1984, was to delete the former plot plan and substitute a revised plot plan. This plan features a Frederick & Nelson, Ernst Hardware and J.C. Penney. After some other fairly inconsequential filings, in 1988 the First Amended and Restated Declaration, which appears to create an expanded partnership of land owners. This Declaration supercedes the previous one while retaining the language that requires consent of all land owners before admitting potentially competing businesses.

In 1985 the Villa Plaza changed format and became an enclosed shopping mall. By the time the City incorporated in 1996 the Lakewood Mall was one of the largest in the Puget Sound region, but with about half the sales per square foot of other area malls. In 1999 MBK Northwest toured the property and ultimately purchased and redeveloped the Lakewood Towne Center. A Declaration of Restrictions was filed on June 1, 2004 establishing restrictions protecting the exclusive business of each retailer in the Towne Center. These are beyond any terms contained in specific leases.

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<sup>6</sup> First Supplement to Declaration dated February 1, 1961, recorded August 23, 1961 under Pierce County Auditor's Fee No. 1934995, records of Pierce County, Washington.

## The Restrictions

1. **Exclusives** – there are restrictions which amount to protecting certain businesses from direct competition within the “Entire Shopping Center”. This means that no other business can include that business beyond a specific minor percentage without violating the exclusive.
  - 24 Hour Fitness
  - Barnes & Noble
  - Bed Bath & Beyond
  - Former GI Joes
  - La Palma Restaurant
  - Michaels
  - Office Depot
  - Old Country Buffet
  - Safeway
  - Safeway Gasoline
  - Subway Sandwiches
  - Wells Fargo Bank
2. **Restricted Areas** – there are areas that protect certain businesses from related business within a more limited area than the “Entire Shopping Center”.
  - Coffee Restricted Area
  - Firestone Restricted Area
  - Existing Health Club
  - Existing Theater
3. **Additional Restrictions** – For each business within the “Entire Shopping Center” is listed a set of restrictions specific to that business.

## Next Steps

1. Determine whether the ‘Towne Center’ is best addressed as part of a ‘Central Business District’ subarea plan. The draft outline for the CBD Subarea Plan is attached and specifically includes “Review Towne Center codes, covenants & restrictions”. By fully incorporating the ‘Towne Center’ as a significant portion of the subarea plan, development can occur in harmony with other parts of the CBD.
2. In determining the “existing conditions” referenced in the draft outline for the CBD Subarea Plan, identify the following with regard to the “Towne Center”

- a. Any physical considerations for development

While the property has some space for development and is generally flat, there is a creek running beneath portions of the property which should be considered for purposes of construction. It is also not large enough to accommodate certain large scale developments. The proximity of the property to freeway access should also be considered.

- b. Any legal constraints to development

This analysis should consider not only the restrictions previously discussed but also existing zoning and what action can be taken to change these conditions.

- c. Financial considerations related to development

Is there sufficient market demand to support the envisioned development? Are some aspects of the plan more economically viable than others? Further, City resources will be involved in all of the planning aspects of the subarea plan and additional resources may be needed to make changes necessary to carry out the plan, whether it is related to consultants, partnerships or litigation. Availability of resources will inform choices.

3. When the 'Towne Center' has been fully incorporated into the preparation for the subarea plan, approve a scope of work and schedule that will meet the needs identified and hire a consulting firm with sufficient expertise to address this part of the subarea plan effectively.

Once fully included in the subarea plan, the 'Towne Center' will be part of the economic analysis as well as the vision and changes to land use designations and development regulations which will work toward the vision.



To: Mayor and City Councilmembers  
From: Becky Newton, Economic Development Manager  
Through: John J. Caulfield, City Manager  
Meeting Date: April 11, 2016  
Subject: Economic Development Update

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### Summary

This memorandum provides an update of economic development activities for October 2015 through March 2016. At the study session staff will provide additional detail on the items contained in the attached PowerPoint presentation. Also attached is a retail leakage analysis performed by Berk and Associates with regard to the proposed Pacific Highway 35-acre redevelopment site.

### Topics of Discussion

Staff prepared this update based on feedback from the October 12<sup>th</sup> study session, questions and priorities presented, and a request for detail on industrial users searching for sites in this area. Therefore, the following topics will be discussed:

- Government Contracting / JBLM Actions
- Developer Outreach / Housing
- Motor Avenue and the Central Business District
- Pacific Highway Redevelopment
- Woodbrook Potential Industrial Users
- Springbrook & South Tacoma Way Activities
- Business Activities
- Project Map

## **Economy**

Lakewood is experiencing increased activity and positive movement across the board:

- 1) Retail sales tax increased by 5.3% in 2015
- 2) Retail vacancy rate decreased from 8.2% in 2013 to 5.8% in February 2016
- 3) The median home sales price rose from \$199,000 in 2013 to \$250,000 in 2015
- 4) Bank foreclosures and days on the market are half what they were in 2013
- 5) Average new home value is holding at roughly \$350,000.
- 6) Lakewood gained 861 jobs, 2012-2014, and another 719 in 2015

New jobs are up in construction, manufacturing, wholesale trade, professional/scientific & technology, healthcare, and food services. Interestingly, retail trade jobs have remained relatively flat despite gains in retail sales tax.

Attachment:

PowerPoint Presentation

Retail Leakage Analysis

## MEMORANDUM

**DATE:** March 21, 2016

**TO:** Becky Newton, City of Lakewood

**FROM:** Brian Murphy, Annie Saurwein, and Aaron Raymond, BERK

**RE:** City of Lakewood Retail Leakage Analysis

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The City of Lakewood is interested in catalyzing development on a 35-acre site adjacent to I-5 located along Pacific Highway. The City feels that the site, which currently features a WSDOT fleet maintenance facility and other uses, would be better used for retail purposes. The region's perception of Lakewood would also be further improved through retail redevelopment of the Pacific Highway site and strengthen Lakewood's ability to attract additional desirable development.

To evaluate this assumption, the City of Lakewood has completed both a fiscal benefits analysis of site redevelopment and a cost analysis that reviewed WSDOT relocation options. As part of the fiscal benefits analysis, we identified several redevelopment scenarios ranging from an outlet mall style redevelopment to a high end retail power center. The potential for an auto dealership was also evaluated separately for each scenario redevelopment. The City has identified two scenarios – an outlet mall similar to that in Centralia and a power center with retail such as a Tukwila Nordstrom Rack or Kohl's department store – as the low and high ends of the range of most likely redevelopment scenarios for this site. Given data availability, power centers as a discrete category of analysis has been excluded – as a proxy, department store and outlet mall retail analyses should be referenced.

The scope of this analysis is to evaluate retail leakage across retail sectors and evaluate the market feasibility of key retail sectors. This memo addresses the following:

- 1) **Retail leakage analysis** at the jurisdictional and regional level including pull factor analysis.
- 2) **Select retail sector analysis** including auto dealership, department stores, furniture and home furnishings, grocery stores, and outlet malls.
- 3) **Interview feedback** from local stakeholders.
- 4) **Additional considerations** for further analysis.

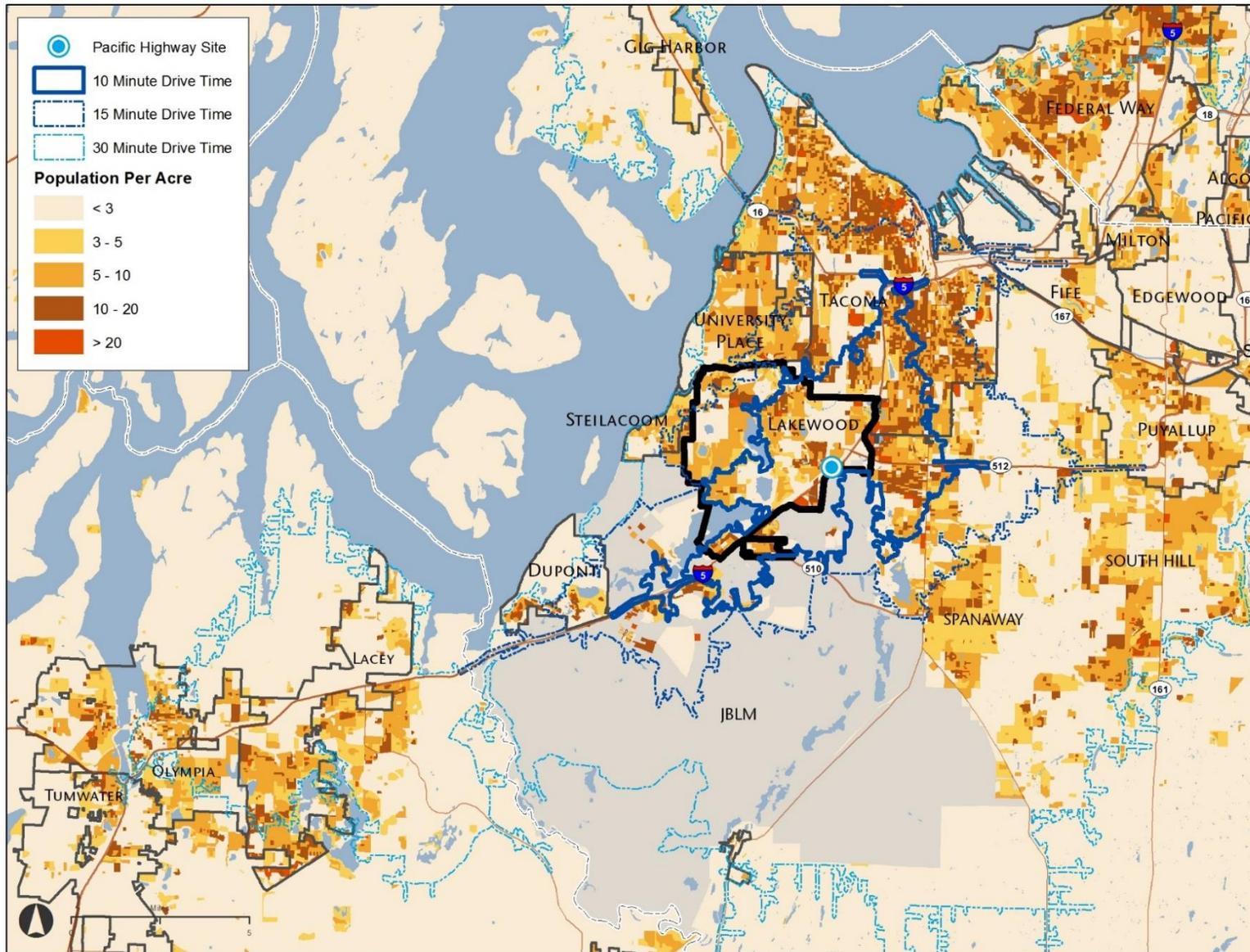
Since the previous iteration of this memo in January 2016, mapping of retailers in key market sectors has occurred along with completion of stakeholder interviews with local commercial brokers and developers to better understand the relative strengths and weaknesses of the WSDOT site.

### GEOGRAPHIC CONTEXT

The market potential of the site is based in part on the spending potential of the market area. The market area, which will vary by retail category, refers to the geographic area from which customers will come. As baseline context, **Exhibit 1** and **Exhibit 2** illustrate current population density and retail development.

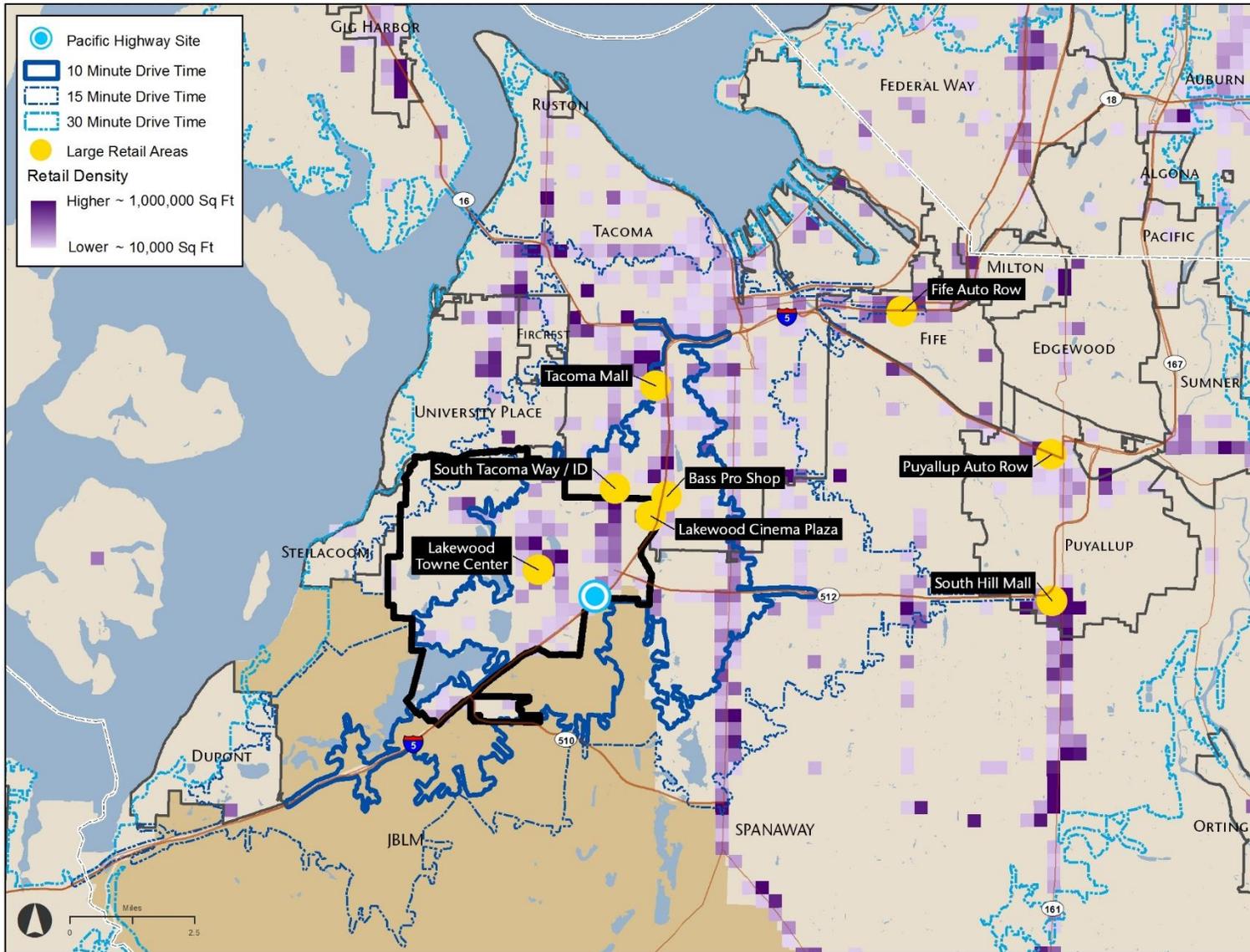
The market potential of the site is also affected by the potential capture of pass-through traffic traveling on neighboring roads. These traffic volumes are shown in **Exhibit 3** and reflect average daily traffic counts traveling in both directions.

Exhibit 1: Population Density



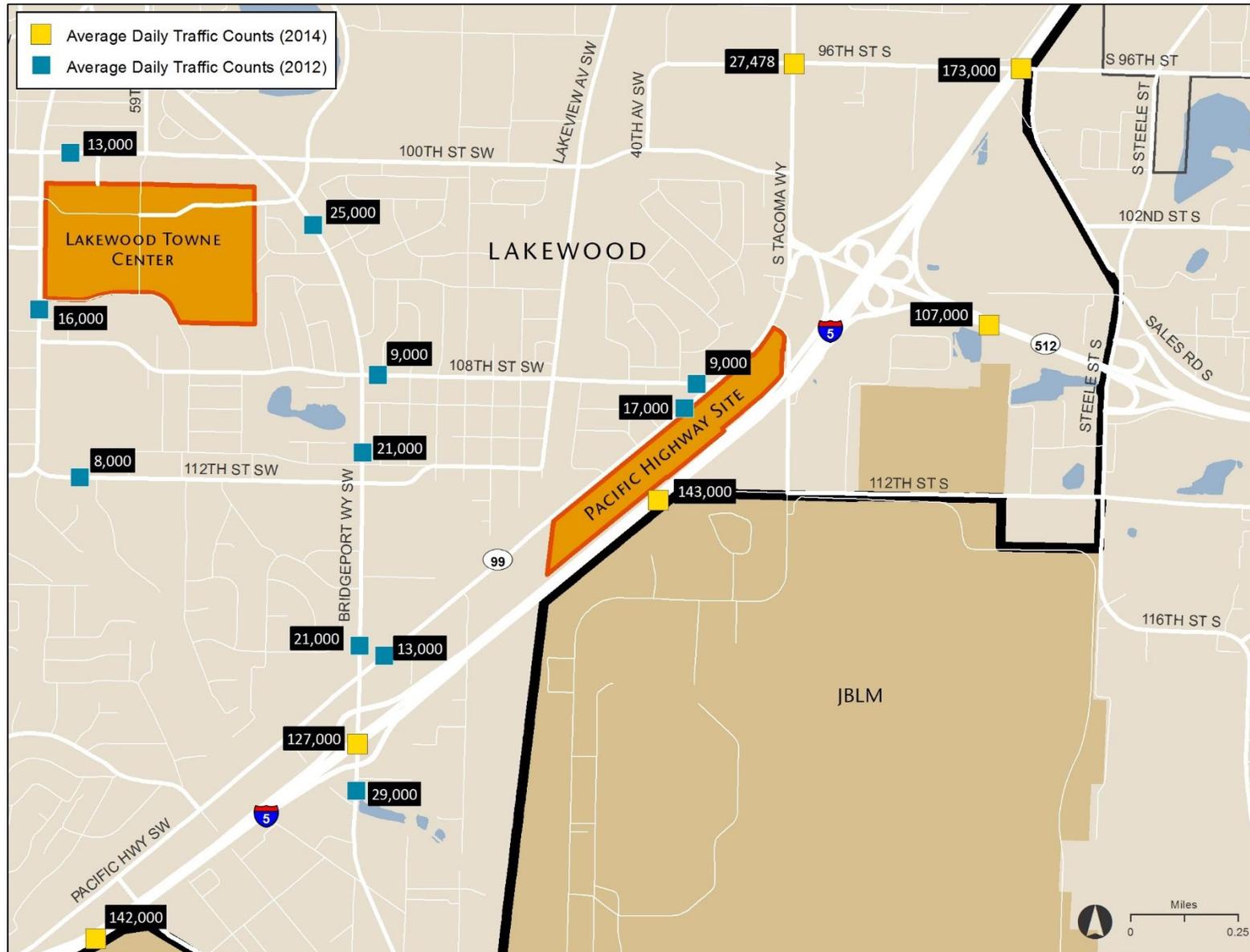
Source: Office of Financial Management, April 1<sup>st</sup> Estimates, 2014; and BERK Consulting, 2015.

Exhibit 2: Existing Retail Development



Source: Pierce County Assessor, 2015; BERK Consulting, 2015.

Exhibit 3: Average Daily Traffic Counts (Both Directions)

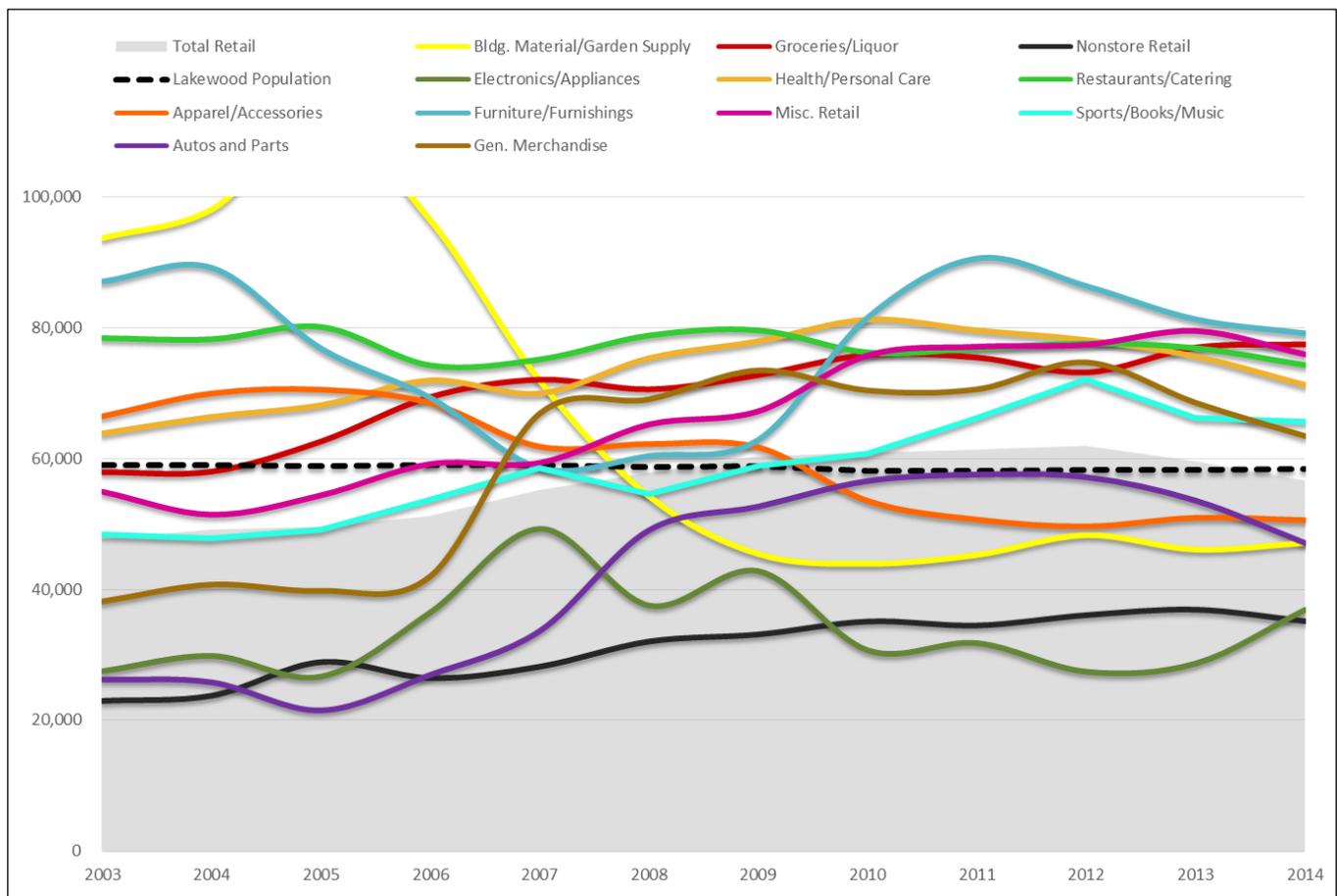


Source: City of Lakewood, WSDOT, 2014; Google Earth (KSS Fuels), 2012; BERK Consulting, 2015.

## LAKWOOD'S HISTORICAL RETAIL MARKET CAPTURE

Spending per capita (per person expenditures) can be used to translate spending into the number of people supported by the retail market for a good or service. When the number of people purchasing a good or service in an area is higher than its population, a “retail surplus” exists. A surplus may indicate the market is saturated, or constitute a retail opportunity as additional retailers may be attracted to a strong cluster that draws customers from a wider geography. When the number of people purchasing a good or service in an area is lower than the market area population, “retail leakage” may (or may not, depending on the availability of competing shopping options) indicate a market opportunity. **Exhibit 4** shows Lakewood’s retail sales over time.

**Exhibit 4: Lakewood Historical Retail Market, 2003 to 2014**



Source: Department of Revenue, 2015; BERK Consulting, 2015.

- Lakewood has historical retail surplus for groceries and liquor, restaurants and catering, health and personal care, and furniture and furnishings.
- Lakewood has historical retail leakage for electronics and appliances.
- Although non-store retail data suggests historical retail leakage in this sector, this data point is better interpreted as a reflection of less online retail sales than would be expected for Lakewood’s population.
- Lakewood’s capture for general merchandise and sporting goods/books/hobbies has been increasing.

- Lakewood's market capture for apparel and accessories as well as building materials and garden supply have been decreasing over time. Building materials and garden supply prior to 2006/7 was a strong surplus for the city, while sales now are less than the base population.

## PULL FACTOR ANALYSIS FOR LAKEWOOD AND SURROUNDING MARKET AREAS

Pull factor is another way to express the ability of retailers to capture the expected spending (based on population) of a given market area:

- A pull factor of 1.00 indicates that retailers in the market area are capturing the expected retail sales for that good or service.
- A pull factor less than 1 indicates "leakage," with retailers capturing less than the expected retail sales for that good or service.
- A pull factor greater than 1.00, indicates that retailers are capturing the spending of consumers from beyond the market area.

Retail pull factors (inclusive of restaurant sales) for broad categories of goods and services (3-digit NAICS) in Lakewood and specific jurisdictions in Pierce County, as well as the County overall are presented in **Exhibit 5**. This exhibit demonstrates that City of Lakewood retailers, overall, capture more retail spending than the City's population as reflected in their calculated pull factor of 1.25. Pierce County as a whole as an overall retail pull factor of 1.06, meaning that collectively, retailers in incorporated and unincorporated Pierce County capture the majority of spending by Pierce County residents. The following bullets summarize observations for Lakewood and Pierce County retail performance:

### History of Retail Surplus

- **Groceries and Liquor.** Lakewood has a significant retail surplus (1.62) in this category, while the County overall has a very small amount of leakage (0.96).
- **Restaurants and Catering.** Lakewood has a significant retail surplus (1.55) in this category, while the County overall has a very small amount of leakage (0.92).
- **Health and Personal Care.** Lakewood has a significant retail surplus (1.49) in this category, while the County overall has a very small amount of leakage (0.94).
- **Furniture and Furnishings.** Lakewood has a significant retail surplus (1.66) in this category, while the County overall has a very small amount of leakage (0.92).

### History of Retail Leakage

- **Electronics and Appliances.** Lakewood has some retail leakage (0.77) in this category, while the County overall has a small amount of leakage (0.87).
- **Non-Store Retail.** Lakewood has some retail leakage (0.74) in this category, while the County overall has a small amount of leakage (0.87). However, non-store retail leakage is better interpreted as Lakewood residents not making the anticipated level of online retail purchases that would be expected given its population.

### History of Increasing Market Capture

- **General Merchandise.** Lakewood has a significant retail surplus (1.32) in this category, however the County overall also has a small amount of surplus (1.06).
- **Sporting Goods/Books/Hobbies.** Lakewood has a significant retail surplus (1.37) in this category, while the County overall has a small amount of leakage (0.96).

Exhibit 5: Pull Factors for Retail Sales in Lakewood and Other Jurisdictions, 2014

Category	Lakewood	All of Pierce County	DuPont	Edgewood	Fife	Fircrest	Orting	Puyallup	Steilacoom	Sumner	Tacoma	University Place	Unincorporated Pierce County
Furniture/Furnishings	1.66	0.92	0.41	0.41	3.82	0.31	0.74	2.08	0.53	8.95	1.14	0.40	0.33
Groceries/Liquor	1.62	0.96	0.03	0.18	0.11	0.27	2.13	1.24	0.07	2.38	1.34	0.87	0.52
Misc. Retail	1.59	0.98	3.65	0.24	1.64	0.39	0.59	2.57	0.18	2.35	1.46	0.58	0.38
Restaurants/Catering	1.55	0.92	1.12	0.08	2.18	0.40	0.97	2.46	0.21	1.61	1.42	0.52	0.34
Health/Personal Care	1.49	0.94	0.09	0.81	1.29	0.09	0.19	2.44	0.05	0.28	1.51	1.07	0.39
Sports/Books/Music	1.37	0.96	0.12	0.23	6.85	0.07	1.89	3.80	0.08	0.96	1.98	0.12	0.15
Gen. Merchandise	1.32	1.06	0.03	0.02	1.99	0.02	0.04	5.00	0.02	2.14	1.36	0.60	0.32
Apparel/Accessories	1.06	0.79	0.12	0.08	0.17	0.18	0.10	2.73	0.09	0.47	1.92	0.17	0.12
Autos and Parts	0.98	1.44	0.06	0.21	29.90	0.01	0.02	7.59	0.00	7.88	1.94	0.05	0.21
Bldg. Material/Garden Supply	0.98	1.03	0.11	0.22	1.45	0.11	1.26	2.68	0.10	3.90	1.30	0.14	0.46
Electronics/Appliances	0.77	0.87	0.64	0.22	1.12	0.23	0.43	2.35	0.24	1.42	1.97	0.38	0.27
Nonstore Retail	0.74	0.87	0.93	0.64	1.79	0.84	0.99	1.72	0.61	1.86	1.12	0.64	0.60
<b>Total</b>	<b>1.25</b>	<b>1.06</b>	<b>0.59</b>	<b>0.20</b>	<b>7.48</b>	<b>0.20</b>	<b>0.63</b>	<b>3.83</b>	<b>0.17</b>	<b>3.36</b>	<b>1.56</b>	<b>0.40</b>	<b>0.33</b>

> 1.1 jurisdiction is capturing **more than the expected** amount of retail sales based upon the population within its boundaries

0.9-1.1 jurisdiction is capturing **near the expected** amount of retail sales based upon the population within its boundaries

< 0.9 jurisdiction is capturing **less than the expected** amount of retail sales based upon the population within its boundaries

Source: Department of Revenue, 2015; BERK Consulting, 2015.

## IDENTIFYING MARKET OPPORTUNITIES FOR LAKEWOOD

Several factors influence the ability of a locality to capture market share, including:

- **Existing Market Competition.** The retail market in Pierce County is extremely competitive. There are many existing retail nodes across the County, as shown in **Exhibit 2**.
- **Commute and Shopping Patterns.** People are likely to shop near work as well as near home. They are also likely to combine trips to one or more retailers. The proximity of employment centers and complementary retail offerings can strengthen a site's retail attractiveness.
- **Willingness to Travel.** This factor is assessed qualitatively by retail sector. For example, people might be willing to travel some distance for an auto purchase—they are infrequent and expensive—but less willing to travel for groceries they purchase more frequently and for much less money.
- **Desirability of Retailers.** While this kind of generalized analysis is helpful for planning level estimates of opportunity, it does not provide the level of detail necessary to ascertain whether a store will be successful or not. Some retailers are more desirable than others and their existence in the market will influence the success of others in the same good and service category, whether or not there is retail leakage.

These jurisdictional level retail leakage calculations are a good initial screen for narrowing down retail opportunities for the WSDOT site. Additionally, based on our understanding of the City's desire to redevelop the WSDOT site with uses that help substantially strengthen the City's retail position, we exclude some categories that may be *feasible* but are not *desirable* uses.

There are two primary ways in which the City of Lakewood can increase overall market capture for specific goods and services: building on strengths or addressing retail gaps. Building on the 3-digit NAICS analysis shown in **Exhibit 5**, we conducted additional analysis at the 5-digit level to hone in on the specific goods and services in these two categories (see **Appendix A**):

- 1) **Capitalize on Strengths by Becoming a Destination Provider.** This strategy is most feasible in retail categories where Lakewood already has a significant retail surplus and the broader market area has some leakage. Qualitatively, we also considered how willing people might be to travel for this good or service, privileging retail categories for which customers may be willing to travel. We identified the following opportunity categories (and their pull factors):

### Groceries and Liquor

- Fruit and Vegetable Markets (8.71).
- Other specialty food markets (3.26).

### Restaurants and Catering

- Restaurants (1.66).

### Health and Personal Care

- Cosmetics, Beauty Supplies, and Perfume Stores (2.14).

### Furniture and Furnishings

- Furniture Stores (1.55).
- Home Furnishing Stores (2.14).

### General Merchandise

- Department Stores (2.12).

2) **Address Weaknesses, Reducing Current Leakage.** This is most feasible in retail categories where Lakewood has significant retail leakage and the market area overall has some leakage. Qualitatively, we also considered how unwilling people might be to travel for this good—as this would be most feasible for goods people are less willing to travel for. The goods and services for which this may be possible (and their pull factors) are:

### Sporting Goods/Books/Hobbies

- Sewing, needle work, and piece goods (0.14).

## SELECT RETAIL SECTOR ANALYSIS

Based on our market analysis and discussions with City staff, the following retail sectors were identified for additional detailed analysis and mapping:

- Auto dealers
- Department Stores.
- Furniture and Home Furnishing Stores.
- Specialty/High End Grocery Offerings.
- Outlet Malls.

Findings for each of the above retail sectors have been summarized within respective retail sector sheets as part of **Appendix B**. Contents of the retail sector sheets include regional retail mapping, jurisdictional retail pull factor results and mapping, interview feedback, and summary analysis.

## STAKEHOLDER INTERVIEWS

As part of the analysis, a total of five stakeholder interviews with brokers, developers, and a local urbanist took place in February 2016. Stakeholders were asked about the potential redevelopment of the WSDOT location overall as well their thoughts about specific retail sectors. The following stakeholders were interviewed:

- Dan Durr, First Western Properties
- Jeff Habersetzer, Principal Real Estate Investors
- Ron Irwin, Reeder Management
- Tim Johnson, Johnson Commercial
- Ali Modarres, UW Tacoma Urban Studies Program

In addition to the interview feedback noted within each of the retail sector sheets (see **Appendix B**), the following are additional highlights garnered from the interview process:

**Strengths:**

- Site location is excellent from a vehicular perspective – i.e. the intersection of I-5 and SR 512 is widely considered one of the sites leading advantages.
- Most respondents felt that the large volume of vehicular traffic would positively affect retailers located at the site.

**Challenges:**

- The configuration of the site may detract from certain retailers pursuing redevelopment given the narrow lots and a developer preference for larger, more uniform square lots for development.
- The price of land has gone up significantly in the past 5-7 years making parcel aggregation more expensive and potentially more difficult.
- The location of JBLM nearby may hinder the location of certain retailers (i.e. Trader Joe's) given the location of a commissary on base.
- The [Lacey Gateway](#) project being developed at I-5 & Marvin Road in Lacey may negatively impact Lakewood's retail market share capture to the south

**Relationship to Lakewood Towne Center:**

- Response was mixed as to whether retail development at the site would “cannibalize” retail dollars from Lakewood Towne Center (LTC). Overall, the sentiment expressed was that it would depend on the type of retailer.
- One respondent suggested that Lakewood Towne Center should be refocused as a mixed-use development and area citing the success of restaurants at LTC as an indicator of demand for mixed-use type development.

**Retail Suggestions:**

- Having a key anchor such as a Nordstrom Rack can go far in influencing the type of other retailers that may be interested in the site.
- Some felt that an auto dealer would be an ideal use of the site in that it could bring in large tax revenues for the City. Others questioned the ability of a car dealership to perform well in the role of an anchor store for different types of retail redevelopment on the site.
- Focus should be made to include a retailer that is unique to the region (i.e. “one of a kind”) that could act as a regional draw for shoppers. Nordstrom Rack was referenced often by many respondents as the ideal candidate.

**Potential City Actions:**

- The City should consider investing in the appropriate infrastructure and streetscape improvements to increase the desirability of the site for potential retailers.
- Many respondents indicated that the City should continue to reach out to local developers and land owners to more fully gauge interest in redevelopment of the site as well as land owner interest in potentially selling their properties.

**Miscellaneous:**

- Freeway signage would be an important consideration as the freeway exits to access the site are located north and south of the site itself.
- Some called for consideration of making the site more of a destination through the inclusion of entertainment uses (e.g. movie theater, bowling alley) to enhance the potential of the site to become a “lingering” place.
- One respondent suggested that SR 99 should be rerouted east to Halcyon Rd and then back south to create a larger, more regular shape area for redevelopment. Recent rerouting of SR 522 in Bothell was noted as an example.

**ADDITIONAL CONSIDERATIONS FOR FURTHER ANALYSIS**

As the City further considers moving forward with redevelopment of the Pacific Highway site, there are additional avenues of analysis that can be perused to help better inform future decisions and directions for next steps. The alternatives listed below can be pursued either independently or in combination with one another where appropriate.

**Zoning**

Currently, the majority of the parcels on the site are located south of 108th Street SW and zoned Transit Oriented Commercial (TOD). The few parcels north of 108th Street SW are zoned Commercial (C2). As the vision and planned uses for the site become more defined, underlying zoning should be examined and updated if needed to better align planned and allowable uses. Additionally, the City may want to consider if there are any zoning incentives that could be put into place that would make the development at the site more attractive (e.g. density bonuses).

**Master Plan**

If parcel aggregation is completed by the City establishing under public ownership of the site, the City may consider drafting a master plan that details the type of development and uses the City envisions. This would enable the City to better show what they plan for the site is reasonable. Additionally, the City could get help to draft the design of the sit at a high level.

**Surplus Property**

As an alternative to creating a master plan, if the City were to acquire the site parcels the City could then consider to “surplus” the property. This would entail the City selling the aggregated properties via an RFP to developers. The RFP would outline types of uses, design guidelines, and development criteria to better ensure the City’s vision for the property is ultimately built by private developers.

**Aggregation**

To facilitate private aggregation of parcels instead of public aggregation, the City may consider waiving fees for lot consolidation. This may help incentivize private parcel aggregation and combined with zoning incentives may make redevelopment of the site more attractive for private developers.

**Site Specific Studies**

The City may consider creating either stand alone studies or drafting a Planned Action EIS to remove potential disincentives for private development. For example, the City may draft a hazardous clean-up study that could

more clearly articulate the extent of clean-up needed including listed mitigation steps. This could potentially alleviate hesitation on the part of developers to pursue redevelopment related to undefined risks and costs.

Additionally, the City could draft a planned action EIS for the site. This would more fully define current conditions at the site, document anticipated environmental impacts, and list associated steps for mitigation. The planned action EIS would reduce costs for developers by establishing an envelope within which developers could redevelop the site without triggering SEPA/EIS requirements. As a result, private developers may likely be incentivized to pursue redevelopment. The recent Shoreline [Community Renewal Area effort for Aurora Square](#) was cited as a project that Lakewood may consider as an example.

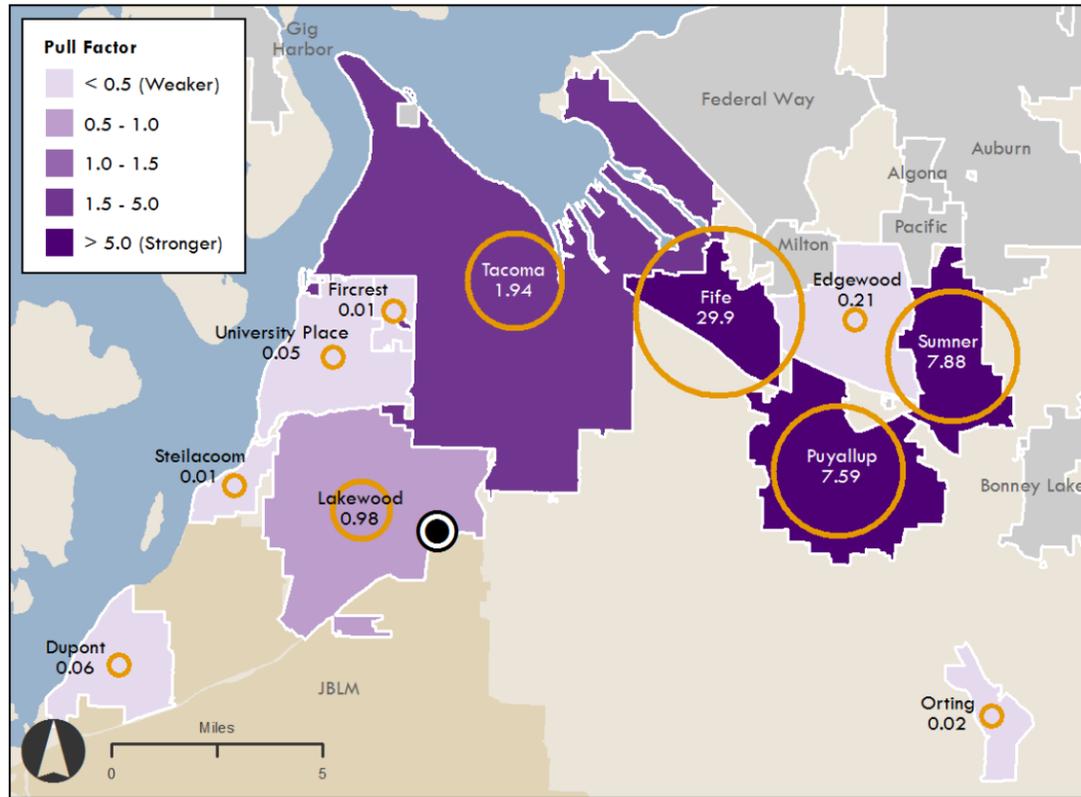
## APPENDIX A: DETAILED PULL FACTOR ANALYSIS (5 DIGIT NAICS)

NAICS Category & Description	Lakewood Potential Retail Sales (2014)	Lakewood Actual Retail Sales (2014)	Pull Factor
<b>441 Motor Vehicle and Parts Dealers</b>	<b>\$ 92,971,389</b>	<b>\$ 91,524,847</b>	<b>0.98</b>
4411 Automobile Dealers	\$ 73,909,551	\$ 50,779,519	0.69
44111 New Car Dealers	\$ 62,968,926	\$ 35,222,547	0.56
44112 Used Car Dealers	\$ 10,940,625	\$ 15,556,972	1.42
4412 Other Motor Vehicle Dealers	\$ 7,673,798	\$ 7,435,638	0.97
44121 Recreational Vehicle Dealers	\$ 2,627,413	D	-
44122 Motorcycle, Boat, and Other Motor Vehicle Dealers	\$ 5,046,385	\$ 7,423,997	1.47
4413 Automotive Parts, Accessories, and Tire Stores	\$ 11,388,040	\$ 33,309,690	2.92
44131 Automotive Parts and Accessories Stores	\$ 5,695,022	\$ 22,307,777	3.92
44132 Tire Dealers	\$ 5,693,019	\$ 11,001,913	1.93
<b>442 Furniture and Home Furnishings Stores</b>	<b>\$ 14,860,928</b>	<b>\$ 24,598,927</b>	<b>1.66</b>
4421 Furniture Stores	\$ 8,246,350	\$ 12,744,194	1.55
44211 Furniture Stores	\$ 8,246,350	\$ 12,744,194	1.55
4422 Home Furnishings Stores	\$ 6,614,578	\$ 11,854,733	1.79
44221 Floor Covering Stores	\$ 2,920,068	\$ 3,963,730	1.36
44229 Other Home Furnishings Stores	\$ 3,694,510	\$ 7,891,003	2.14
<b>443 Electronics and Appliance Stores</b>	<b>\$ 22,338,988</b>	<b>\$ 17,193,153</b>	<b>0.77</b>
4431 Electronics and Appliance Stores	\$ 22,338,988	\$ 17,193,153	0.77
44314 Electronics and Appliance Stores	\$ 22,338,988	\$ 17,193,153	0.77
<b>444 Building Material and Garden Equipment and Supplies Dealers</b>	<b>\$ 36,723,839</b>	<b>\$ 36,118,701</b>	<b>0.98</b>
4441 Building Material and Supplies Dealers	\$ 32,709,027	\$ 35,920,821	1.10
44411 Home Centers	\$ 19,133,747	\$ 23,538,755	1.23
44412 Paint and Wallpaper Stores	\$ 1,131,229	\$ 342,163	0.30
44413 Hardware Stores	\$ 5,240,235	\$ 7,206,217	1.38
44419 Other Building Material Dealers	\$ 7,203,816	\$ 4,833,686	0.67
4442 Lawn and Garden Equipment and Supplies Stores	\$ 4,014,812	\$ 197,880	0.05
44421 Outdoor Power Equipment Stores	\$ 824,672	\$ 33,660	0.04
44422 Nursery, Garden Center, and Farm Supply Stores	\$ 3,190,140	\$ 164,220	0.05
<b>445 Food and Beverage Stores</b>	<b>\$ 25,485,474</b>	<b>\$ 41,250,773</b>	<b>1.62</b>
4451 Grocery Stores	\$ 22,989,577	\$ 36,400,599	1.58
44511 Supermarkets and Other Grocery (except Convenience) S	\$ 19,618,099	\$ 25,083,945	1.28
44512 Convenience Stores	\$ 3,371,478	\$ 11,316,654	3.36
4452 Specialty Food Stores	\$ 1,128,840	\$ 3,764,772	3.34
44521 Meat Markets	\$ 88,198	D	-
44522 Fish and Seafood Markets	\$ 32,351	D	-
44523 Fruit and Vegetable Markets	\$ 76,758	\$ 668,919	8.71
44529 Other Specialty Food Stores	\$ 931,532	\$ 3,037,829	3.26
4453 Beer, Wine, and Liquor Stores	\$ 1,367,058	\$ 1,085,402	0.79
44531 Beer, Wine, and Liquor Stores	\$ 1,367,058	\$ 1,085,402	0.79
<b>446 Health and Personal Care Stores</b>	<b>\$ 12,443,704</b>	<b>\$ 18,540,379</b>	<b>1.49</b>
4461 Health and Personal Care Stores	\$ 12,443,704	\$ 18,540,379	1.49
44611 Pharmacies and Drug Stores	\$ 6,201,738	\$ 9,621,842	1.55
44612 Cosmetics, Beauty Supplies, and Perfume Stores	\$ 1,796,830	\$ 3,606,244	2.01
44613 Optical Goods Stores	\$ 140,047	\$ 4,955	0.04
44619 Other Health and Personal Care Stores	\$ 4,305,088	\$ 5,307,338	1.23
<b>447 Gasoline Stations</b>	<b>\$ 11,093,743</b>	<b>\$ 13,921,043</b>	<b>1.25</b>
4471 Gasoline Stations	\$ 11,093,743	\$ 13,921,043	1.25
44711 Gasoline Stations with Convenience Stores	\$ 9,105,826	\$ 10,716,302	1.18
44719 Other Gasoline Stations	\$ 1,987,917	\$ 3,204,741	1.61
<b>448 Clothing and Clothing Accessories Stores</b>	<b>\$ 28,153,304</b>	<b>\$ 29,785,368</b>	<b>1.06</b>
4481 Clothing Stores	\$ 22,400,473	\$ 23,579,014	1.05
44811 Men's Clothing Stores	\$ 688,579	\$ 108,821	0.16
44812 Women's Clothing Stores	\$ 2,384,129	\$ 4,481,005	1.88
44813 Children's and Infants' Clothing Stores	\$ 576,551	\$ 1,389	0.00
44814 Family Clothing Stores	\$ 15,501,543	\$ 17,537,667	1.13

NAICS Category & Description	Lakewood Potential Retail Sales (2014)	Lakewood Actual Retail Sales (2014)	Pull Factor
44815 Clothing Accessories Stores	\$ 1,376,853	\$ 247,654	0.18
44819 Other Clothing Stores	\$ 1,872,818	\$ 1,202,478	0.64
4482 Shoe Stores	\$ 2,338,184	\$ 3,423,739	1.46
44821 Shoe Stores	\$ 2,338,184	\$ 3,423,739	1.46
4483 Jewelry, Luggage, and Leather Goods Stores	\$ 3,414,647	\$ 2,782,615	0.81
44831 Jewelry Stores	\$ 2,774,379	\$ 778,336	0.28
44832 Luggage and Leather Goods Stores	\$ 640,268	\$ 2,004,279	3.13
<b>451 Sporting Goods, Hobby, Book, and Music Stores</b>	<b>\$ 15,942,768</b>	<b>\$ 21,877,601</b>	<b>1.37</b>
4511 Sporting Goods, Hobby, and Musical Instrument Stores	\$ 13,914,050	\$ 13,574,766	0.98
45111 Sporting Goods Stores	\$ 9,676,840	\$ 3,792,627	0.39
45112 Hobby, Toy, and Game Stores	\$ 2,467,054	\$ 9,025,166	3.66
45113 Sewing, Needlework, and Piece Goods Stores	\$ 957,005	\$ 135,286	0.14
45114 Musical Instrument and Supplies Stores	\$ 813,151	\$ 621,687	0.76
4512 Book Stores and News Dealers	\$ 2,028,718	\$ 8,302,835	4.09
45121 Book Stores and News Dealers	\$ 2,028,718	\$ 8,302,835	4.09
<b>452 General Merchandise Stores</b>	<b>\$ 73,550,558</b>	<b>\$ 97,416,920</b>	<b>1.32</b>
4521 Department Stores	\$ 20,343,656	\$ 43,089,193	2.12
45211 Department Stores	\$ 20,343,656	\$ 43,089,193	2.12
4529 Other General Merchandise Stores	\$ 53,206,902	\$ 54,327,727	1.02
45291 Warehouse Clubs and Supercenters	\$ 49,552,368	\$ 50,647,087	1.02
45299 All Other General Merchandise Stores	\$ 3,654,534	\$ 3,680,640	1.01
<b>453 Miscellaneous Store Retailers</b>	<b>\$ 31,321,922</b>	<b>\$ 49,706,999</b>	<b>1.59</b>
4531 Florists	\$ 560,196	\$ 596,218	1.06
45311 Florists	\$ 560,196	\$ 596,218	1.06
4532 Office Supplies, Stationery, and Gift Stores	\$ 5,843,184	\$ 7,826,795	1.34
45321 Office Supplies and Stationery Stores	\$ 4,242,428	\$ 6,721,291	1.58
45322 Gift, Novelty, and Souvenir Stores	\$ 1,600,756	\$ 1,105,504	0.69
4533 Used Merchandise Stores	\$ 2,385,948	\$ 3,579,666	1.50
45331 Used Merchandise Stores	\$ 2,385,948	\$ 3,579,666	1.50
4539 Other Miscellaneous Store Retailers	\$ 22,532,594	\$ 37,704,320	1.67
45391 Pet and Pet Supplies Stores	\$ 2,978,102	\$ 8,059,107	2.71
45392 Art Dealers	\$ 359,406	\$ 83,084	0.23
45393 Manufactured (Mobile) Home Dealers	\$ 360,573	D	-
45399 All Other Miscellaneous Store Retailers	\$ 18,834,514	\$ 29,115,503	1.55
<b>454 Nonstore Retailers</b>	<b>\$ 21,867,431</b>	<b>\$ 16,082,977</b>	<b>0.74</b>
4541 Electronic Shopping and Mail-Order Houses	\$ 14,379,020	\$ 8,915,859	0.62
45411 Electronic Shopping and Mail-Order Houses	\$ 14,379,020	\$ 8,915,859	0.62
4542 Vending Machine Operators	\$ 173,107	\$ 137,699	0.80
45421 Vending Machine Operators	\$ 173,107	\$ 137,699	0.80
4543 Direct Selling Establishments	\$ 7,315,304	\$ 7,029,419	0.96
45431 Fuel Dealers	\$ 1,598,848	\$ 570,901	0.36
45439 Other Direct Selling Establishments	\$ 5,716,456	\$ 6,458,518	1.13
<b>721 Accommodation</b>	<b>\$ 19,723,768</b>	<b>\$ 8,393,273</b>	<b>0.43</b>
7211 Traveler Accommodation	\$ 19,356,595	\$ 8,393,273	0.43
72111 Hotels (except Casino Hotels) and Motels	\$ 18,425,752	\$ 7,515,370	0.41
72112 Casino Hotels	\$ 13,971	\$ -	-
72119 Other Traveler Accommodation	\$ 916,871	\$ 877,903	0.96
7212 RV (Recreational Vehicle) Parks and Recreational Camps	\$ 271,233	\$ -	-
72121 RV (Recreational Vehicle) Parks and Recreational Camps	\$ 271,233	\$ -	-
7213 Rooming and Boarding Houses	\$ 95,940	\$ -	-
72131 Rooming and Boarding Houses	\$ 95,940	\$ -	-
<b>722 Food Services and Drinking Places</b>	<b>\$ 78,912,044</b>	<b>\$ 122,486,100</b>	<b>1.55</b>
7223 Special Food Services	\$ 3,960,969	\$ 818,101	0.21
72231 Food Service Contractors	\$ 2,613,916	\$ 119,722	0.05
72232 Caterers	\$ 1,079,777	\$ 619,385	0.57
72233 Mobile Food Services	\$ 267,277	\$ 78,994	0.30
7224 Drinking Places (Alcoholic Beverages)	\$ 4,956,751	\$ 5,607,364	1.13
72241 Drinking Places (Alcoholic Beverages)	\$ 4,956,751	\$ 5,607,364	1.13
7225 Restaurants and Other Eating Places	\$ 69,994,323	\$ 116,060,635	1.66
72251 Restaurants and Other Eating Places	\$ 69,994,323	\$ 116,060,635	1.66

**APPENDIX B: RETAIL SECTOR SHEETS**

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**Local Retail Analysis:** Overall, Lakewood meets its relative local market demand for auto and auto part retailers as indicated by its auto retail pull factor (PF) of 0.98. At the subsector level, Lakewood is over-performing in three segments: auto parts and accessories (3.92 PF); motorcycles and boats (1.47 PF); and used cars (1.42 PF). Retail analysis suggests potential market opportunity in the new car segment with a 0.56 PF or within the RV segment as there are currently not any RV dealers in Lakewood.

**Regional Context:** The location of nearby auto dealers and auto rows suggest that the regional strength of these nearby competitors may mitigate the market opportunity suggested by local retail analysis. In particular, Fife is a large regional player in the auto market with an overwhelmingly strong 29.90 PF. Puyallup is also a strong regional auto center with a 7.59 PF while Sumner's high PF of 7.88 reflects its strength in the RV sector. For Lakewood, the concentration of new auto dealers, just north of the City in South Tacoma as well as Olympia, to the south also act as a potential mitigating factor for the market potential of a new car dealership in Lakewood.

**Interview Feedback:** All respondents indicated that a new car dealership may be successful at the project location with many citing Lakewood Ford as a successful example. The location of the site next to and visible from the highway was also cited as a strength. Although many respondents mentioned that a new car dealer would be a bonus to the City in terms of tax revenue, some expressed doubt as to whether this would be the best use of the site either from an image enhancement perspective for the City or whether a car dealership could perform as an effective anchor, drawing visitors who would do more than purchase a vehicle at the site.

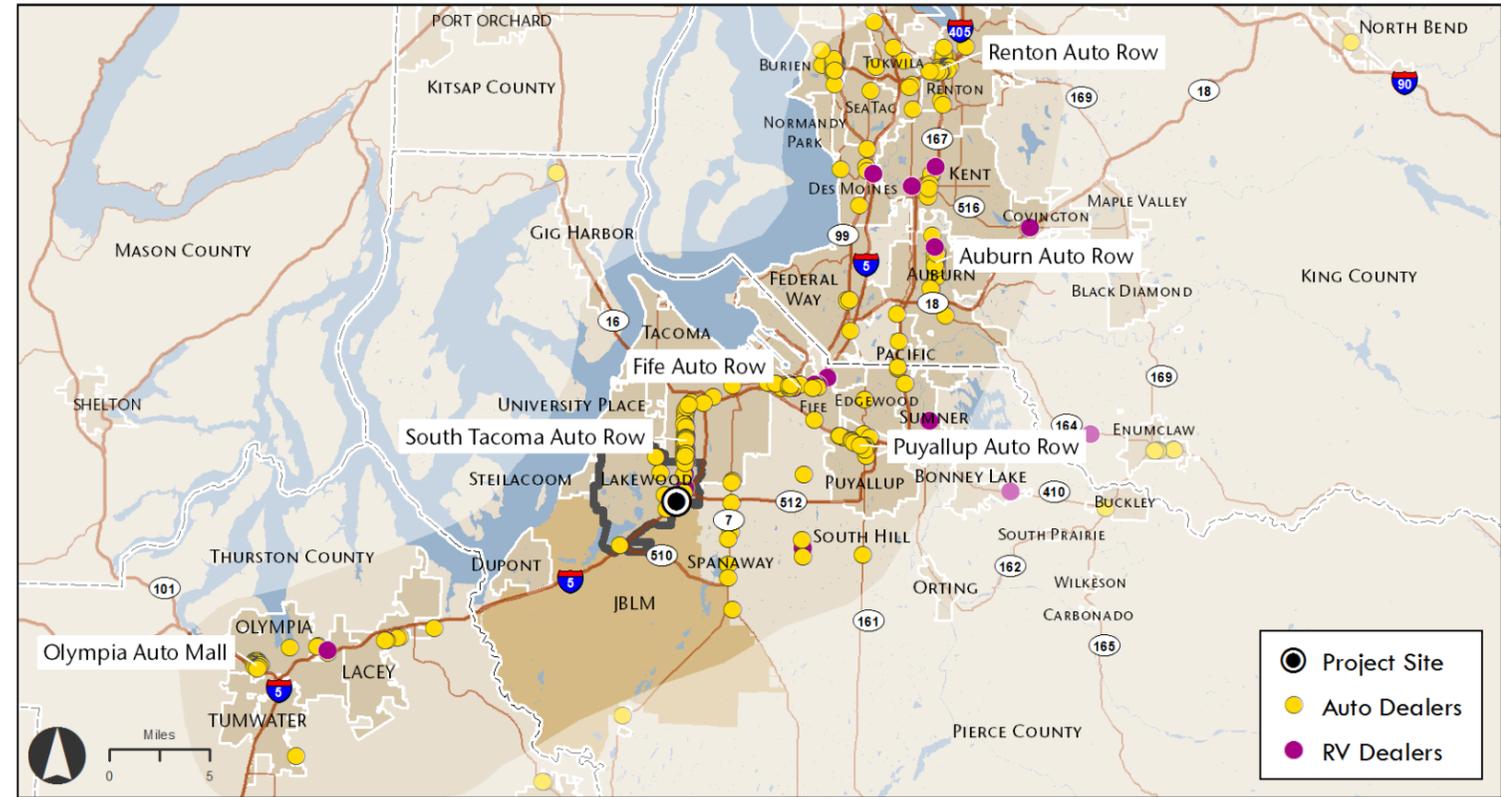
### Retail Pull Factors

Retail pull factors are another way to express the ability of retailers to capture the expected spending (based on population) of a given market area:

- > A pull factor of about 1.00 indicates that retailers in the market area are capturing the expected retail sales for that good or service.
- > A pull factor less than 1.00 indicates "leakage," with retailers capturing less than the expected retail sales for that good or service.
- > A pull factor greater than 1.00, indicates that retailers are capturing the spending of consumers from beyond their market area.

Regional Retail Pull Factor	
Jurisdiction	Auto & Auto Parts
Lakewood	0.98
DuPont	0.06
Edgewood	0.21
Fife	29.90
Fircrest	0.01
Orting	0.02
Puyallup	7.59
Steilacoom	0.00
Sumner	7.88
Tacoma	1.94
University Place	0.05
Unincorporated	0.21
Pierce County	
Pierce County	1.44

Lakewood: Detailed Retail Pull Factors	
Retail Sectors & Subsectors	Pull Factor
<b>Motor Vehicle &amp; Parts Dealers</b>	<b>0.98</b>
Automobile Dealers	0.69
New Car Dealers	0.56
Used Car Dealers	1.42
<b>Other Motor Vehicle Dealers</b>	<b>0.97</b>
Recreational Vehicle Dealers	0.00
Motorcycle, Boat, and Other	1.47
<b>Auto Parts, Accessories &amp; Tires</b>	<b>2.92</b>
Auto Parts and Accessories	3.92
Tire Dealers	1.93



**Summary:** A new car dealer at the site may be successful and provide a sizable new retail tax revenue stream for the City. However, a new car dealership at the site may present challenges from an image enhancement perspective or from being able to perform as an effective anchor capable of drawing visitors to the site who would purchase more than a new vehicle at adjacent retailers.

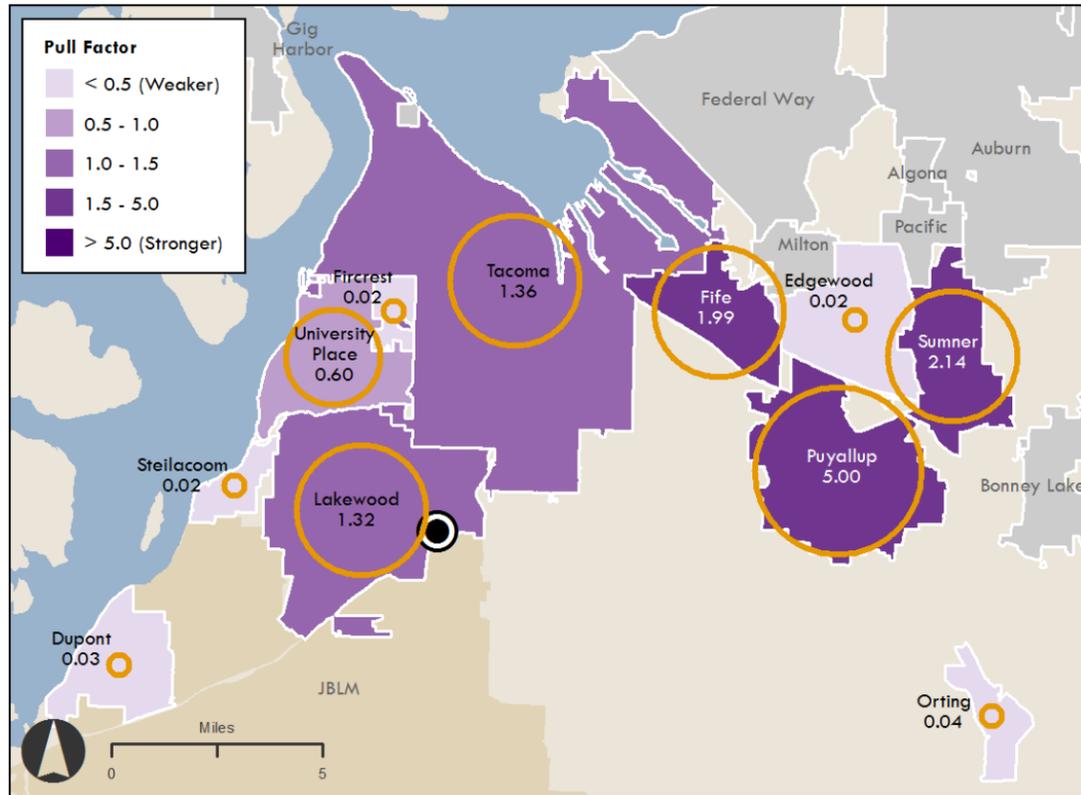
### Auto Sector Pros

- Both retail analysis and stakeholder interviews suggest that the location of a new car dealership at the site would be successful.
- A new car dealership would be a large benefit the city in terms of generating retail tax revenues.
- The location and visibility of the site itself are positive factors that would aid in making a new car dealer successful.
- A car dealership would not provide competition to current retailers at the current Lakewood Towne Center.

### Auto Sector Cons

- A car dealership would likely not enhance or improve the image and perception of Lakewood within the region.
- An auto or RV dealer would likely not act as a strong anchor that would bring in shoppers for other retailers located at a redeveloped site.
- As many car brands have dealerships located nearby, it may be a challenge to bring a new car dealer to the site that is not already represented in the market area.

# Department Stores & Large Format Retail



**Retail Pull Factors**

Retail pull factors are another way to express the ability of retailers to capture the expected spending (based on population) of a given market area:

- > A pull factor of about 1.00 indicates that retailers in the market area are capturing the expected retail sales for that good or service.
- > A pull factor less than 1.00 indicates "leakage," with retailers capturing less than the expected retail sales for that good or service.
- > A pull factor greater than 1.00, indicates that retailers are capturing the spending of consumers from beyond their market area.

Jurisdiction	General Merchandise
Lakewood	1.32
DuPont	0.03
Edgewood	0.02
Fife	1.99
Fircrest	0.02
Orting	0.04
Puyallup	5.00
Steilacoom	0.02
Sumner	2.14
Tacoma	1.36
University Place	0.60
Unincorporated	
Pierce County	0.32
Pierce County	1.06

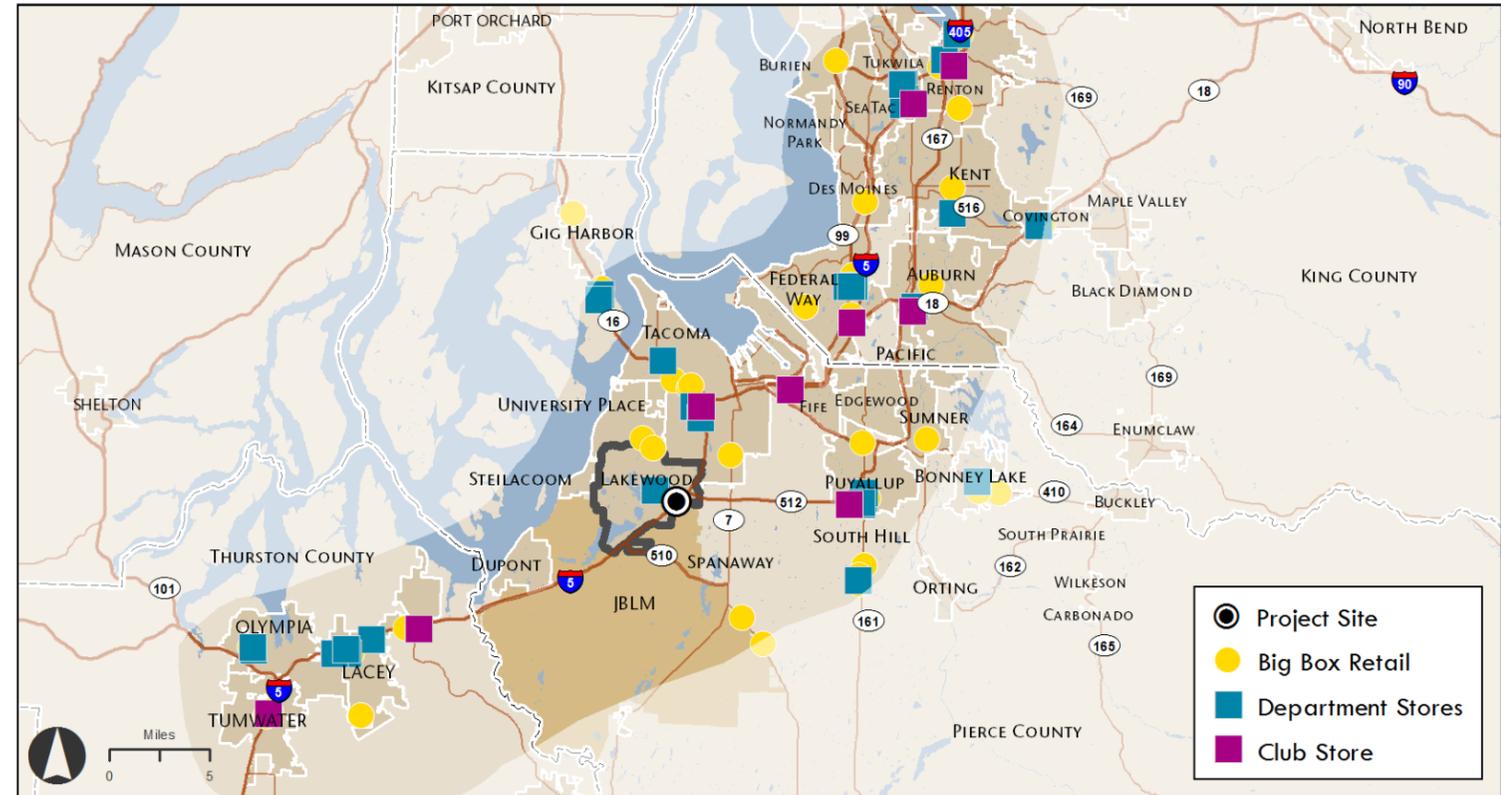
Retail Sectors & Subsectors	Pull Factor
General Merchandise Stores	1.32
Department Stores	2.12
Department Stores	2.12
Other General Merchandise	1.02
Warehouse Clubs & Supercenter	1.02
All Other General Merchandise	1.01

**Local Retail Analysis:** Lakewood's overall retail pull factor (PF) of 1.32 for department stores suggests that the City enjoys a relatively moderate strength in this sector. In particular, for department stores alone Lakewood enjoys a pull factor of 2.0 capturing more than its local market share and drawing shoppers in from nearby jurisdictions in the region. In the warehouse club retail subsector, Lakewood is performing at market level with a 1.02 PF. Local retail analysis does not suggest any particular subsectors as an area for potential market expansion.

**Regional Context:** There are a variety of department, big box retail, and warehouse club retail stores located in the nearby region including Tacoma Mall. Puyallup in particular enjoys strength in this retail sector with a pull factor of 5.00. As shown in the map, there is a relatively uniform distribution of department stores across the region with concentrations in Tacoma, Puyallup, Federal Way, Tukwila, and Renton.

**Interview Feedback:** Although most respondents indicated that retail in general would be successful at the site, many respondents indicated that a key to successful redevelopment of the site is having the right commercial anchor that would act both as a draw for shoppers across the region and as a catalyst for bringing more desirable retailers to the site. In particular, Nordstrom Rack and its current retail setting in Tukwila was mentioned as a successful model that should be pursued.

Some respondents indicated that narrow parcel widths at the site could act as deterrent for large format retailers as these types of retailers prefer broader, unconfined parcels for development. Others expressed concern that large scale retail development at the site may compete with established retailers at Lakewood Towne Center.



**Summary:** Opportunities for large scale retail development of the site would likely be more successful if a leading, key anchor such as Nordstrom Rack could be located at the site. Potential obstacles for large scale retail development at the site include shallow parcel configuration and the possibility of creating new competition for established retailers at Lakewood Towne Center.

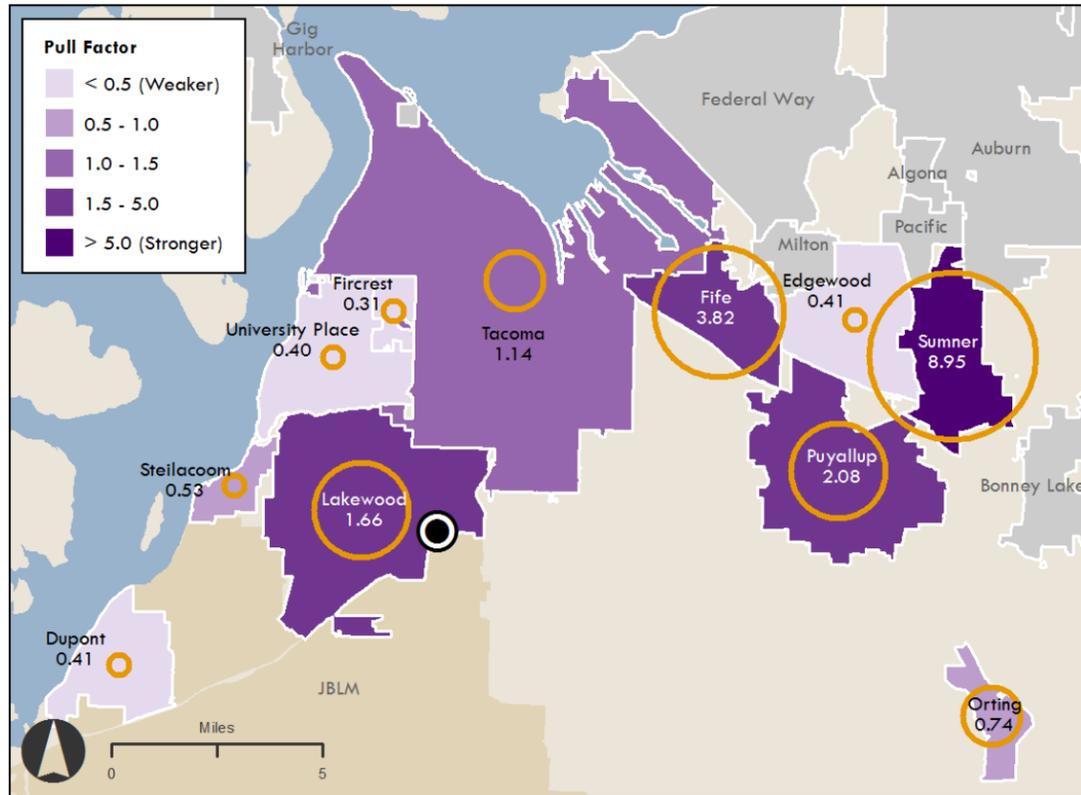
### Department Stores & Large Format Sector Pros

- If a leading key anchor for the site can be obtained, the likelihood of attracting more desirable complementary retailers and achieving overall retail success at the site increases.
- Site location at the juncture of I-5 and SR 512 provides a significant benefit to future retailers due to cross traffic volumes.

### Department Stores & Large Format Sector Cons

- Narrow and shallow parcel configuration at the site may hinder the ability to fully accommodate development requirements of some large scale retailers.
- Large scale retail development at the site may create competition with established retailers at the Lakewood Towne Center.

# Furniture & Home Furnishings



**Local Retail Analysis:** Overall Lakewood performs well in the furniture and home furnishings retail sector exhibiting a retail pull factor (PF) of 1.66. This indicates that Lakewood is providing more than the local demand for furniture and is moderately drawing shoppers from adjacent jurisdictions in the region. At the subsector level, although retail analysis suggests that there may be little opportunity in this sector, there may be market opportunities to further enhance Lakewood’s position in the furniture sector in the overall region.

**Regional Context:** In the immediate region, there are stronger jurisdictions in the furniture and home furnishings sector including Sumner (8.95 PF), Fife (3.82 PF), and Puyallup (2.08 PF). Across the broader region, there are furniture and home furnishing retail concentrations in Olympia to the south and Tukwila and Renton to the north. Most retailers in this sector are located along major highways and thoroughfares.

**Interview Feedback:** Respondents expressed a range of enthusiasm for development of furniture and home furnishing retailers at the site. More optimistic respondents suggested that furniture retail at the site could be successful either in conjunction with a strong non-furniture retail anchor or in combination with other furniture retailers which in turn would form a critical mass. One suggested that the recent placement of Mor Furniture in Tacoma could have definitely been located at the Lakewood site. Others questioned the viability of a furniture retailer on the site and mentioned that this type of retail is not a strong revenue generator. Another respondent suggested that furniture retail would not be a good use of the site as other more dynamic retailers would be a more attractive draw for shoppers.

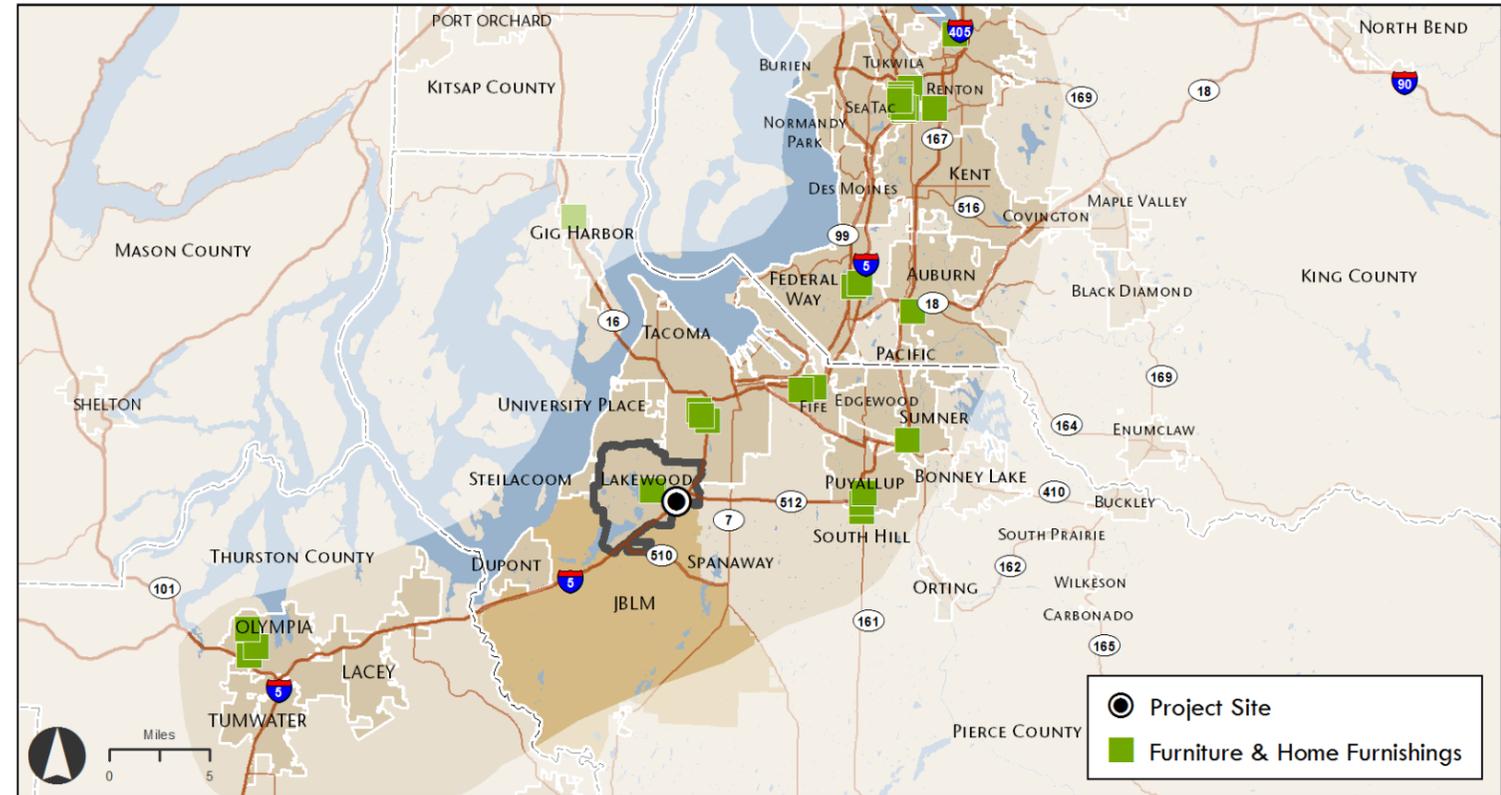
**Retail Pull Factors**

Retail pull factors are another way to express the ability of retailers to capture the expected spending (based on population) of a given market area:

- > A pull factor of about 1.00 indicates that retailers in the market area are capturing the expected retail sales for that good or service.
- > A pull factor less than 1.00 indicates “leakage,” with retailers capturing less than the expected retail sales for that good or service.
- > A pull factor greater than 1.00, indicates that retailers are capturing the spending of consumers from beyond their market area.

Jurisdiction	Furniture & Home Furnishings
Lakewood	1.66
DuPont	0.41
Edgewood	0.41
Fife	3.82
Fircrest	0.31
Orting	0.74
Puyallup	2.08
Steilacoom	0.53
Sumner	8.95
Tacoma	1.14
University Place	0.40
Unincorporated	
Pierce County	0.33
Pierce County	0.92

Retail Sectors & Subsectors	Pull Factor
Furniture & Home Furnishings	1.66
Furniture Stores	1.55
Furniture Stores	1.55
Home Furnishings Stores	1.79
Floor Covering Stores	1.36
Other Home Furnishings Store	2.14



**Summary:** There are limited and mixed opportunities in the furniture and home furnishings retail sector. Although furniture retailers may be more successful with key anchors or in combination with clusters of other furniture retailers, there is a potential for higher opportunity costs associated with forgoing more dynamic retail sectors in terms of both revenue and regional appeal.

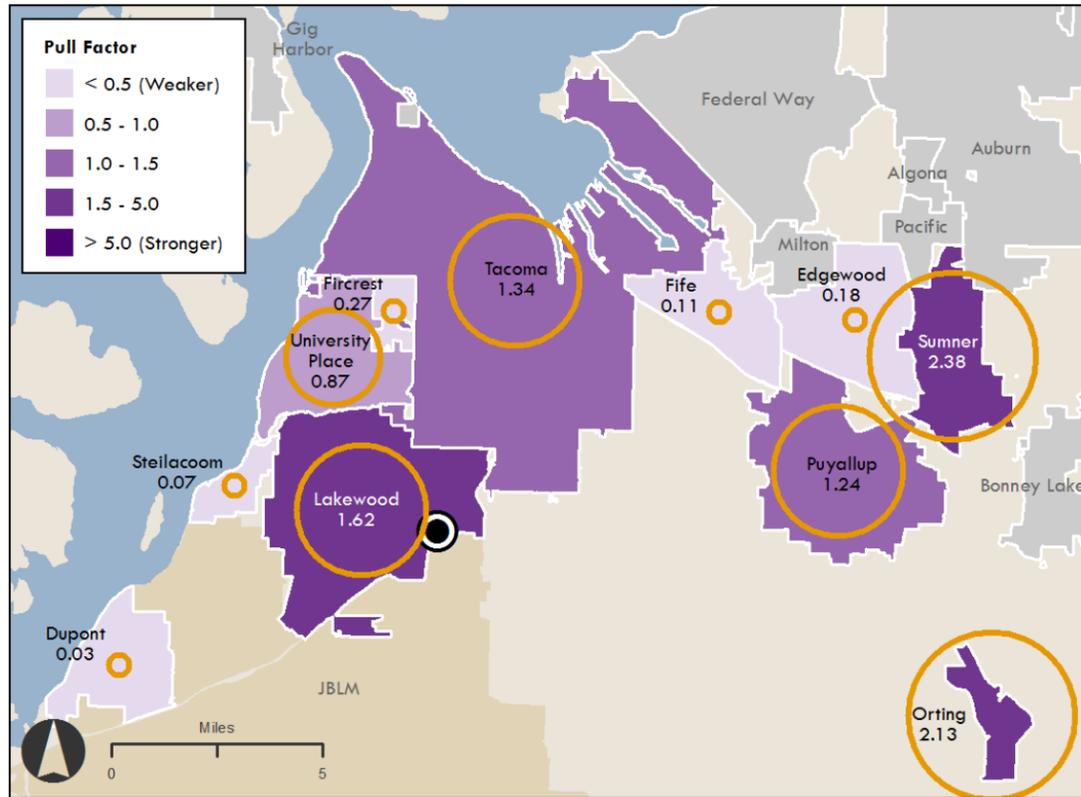
**Furniture and Home Furnishings Sector Pros:**

- Furniture retailers would likely be successful at the site given its location at the intersection of I-5 and SR 512.
- Additionally, furniture and home furnishing retailers would likely be more successful either in conjunction with a key anchor or with other furniture retailers forming a critical mass.

**Furniture and Home Furnishings Cons**

- Possibility that furniture retailers may not be a large draw for shoppers.
- Revenues generated in the furniture and home furnishings sector are potentially lower than in other retail sectors.
- Locating furniture retailers at the site presents the risk of potentially forgoing more dynamic retail uses of the site.

# Grocery Sector



**Local Retail Analysis:** Retail analysis at the city scale suggests that Lakewood is slightly exceeding its local demand for grocery stores and beverage retailers with a pull factor (PF) of 1.62. At the subsector level, Lakewood enjoys a strong retail position in both convenience stores (3.36 PF) and fruit and vegetable retailers (8.71 PF). At the grocery store level, Lakewood has a pull factor of 1.28 indicating that it is performing at slightly above local market demand for groceries. Compared with other jurisdictions, Lakewood has a relatively higher concentration of discount grocers and a relatively lower concentration of mainline grocers. Currently, there are no high-end grocery stores located in Lakewood which may signal a potential market opportunity.

**Regional Context:** In urban areas, grocery stores generally serve nearby populations and may serve shoppers from adjacent rural and smaller jurisdictions. At the regional level, Lakewood is a relatively stronger player in this sector with only Sumner and Orting scoring higher pull factors. University Place has the nearest concentration of high end grocery stores with both a Trader Joe's and Whole Foods. Another high-end grocery retailer, Metropolitan Market, has a location in Tacoma.

**Interview Feedback:** Some respondents indicated that a mainline or discount supermarket would likely be successful at the site. However, a consensus emerged that a high end grocery store would not likely be located at the site both because: 1) Lakewood demographics do not provide a market for a high end grocer and 2) the regional market for high end grocers is already being met in University Place. Additionally, some respondents mentioned that the condition of the area immediately around the site would not be attractive to a high-end grocer.

## Retail Pull Factors

Retail pull factors are another way to express the ability of retailers to capture the expected spending (based on population) of a given market area:

> A pull factor of about 1.00 indicates that retailers in the market area are capturing the expected retail sales for that good or service.

> A pull factor less than 1.00 indicates "leakage," with retailers capturing less than the expected retail sales for that good or service.

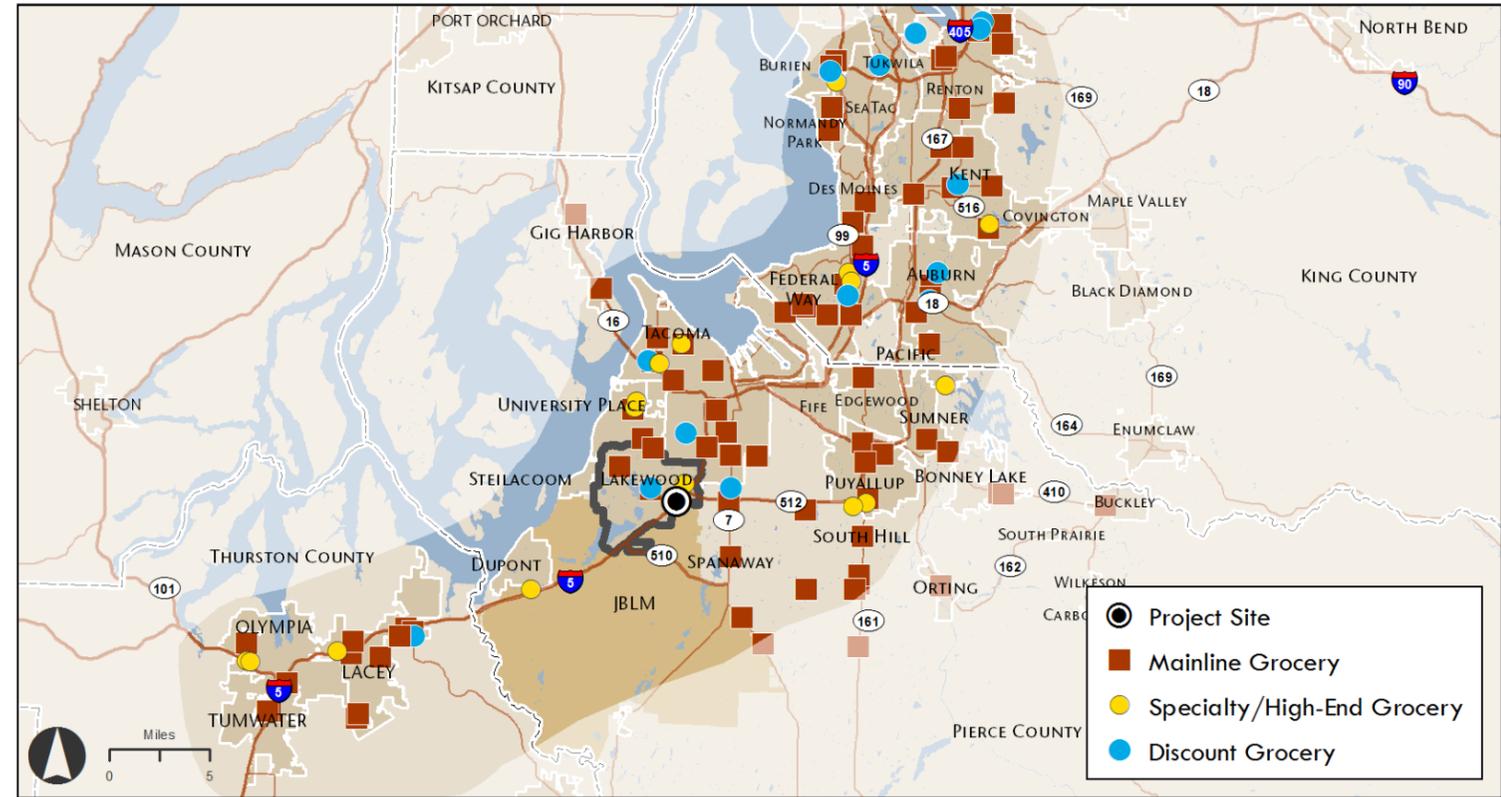
> A pull factor greater than 1.00, indicates that retailers are capturing the spending of consumers from beyond their market area.

## Regional Retail Pull Factor

Jurisdiction	Groceries/Liquor
Lakewood	1.62
DuPont	0.03
Edgewood	0.18
Fife	0.11
Fircrest	0.27
Orting	2.13
Puyallup	1.24
Steilacoom	0.07
Sumner	2.38
Tacoma	1.34
University Place	0.87
Unincorporated	0.52
Pierce County	0.52
Pierce County	0.96

## Lakewood: Detailed Retail Pull Factors

Retail Sectors & Subsectors	Pull Factor
<b>Food and Beverage Stores</b>	<b>1.62</b>
Grocery Stores	1.58
Supermarkets & Grocery	1.28
Convenience Stores	3.36
Specialty Food Stores	3.34
Meat Markets	0.00
Fish and Seafood Markets	0.00
Fruit and Vegetable Markets	8.71
Other Specialty Food Stores	3.26
Beer, Wine, and Liquor Stores	0.79
Beer, Wine, and Liquor Stores	0.79



**Summary:** Local retail analysis suggests that there may be a market opportunity for a high end grocer at the site. However, local demographics, the location of high end grocers in nearby communities, and the physical conditions of the area immediately surrounding the site combine to act as a mitigating force against this potential market opportunity.

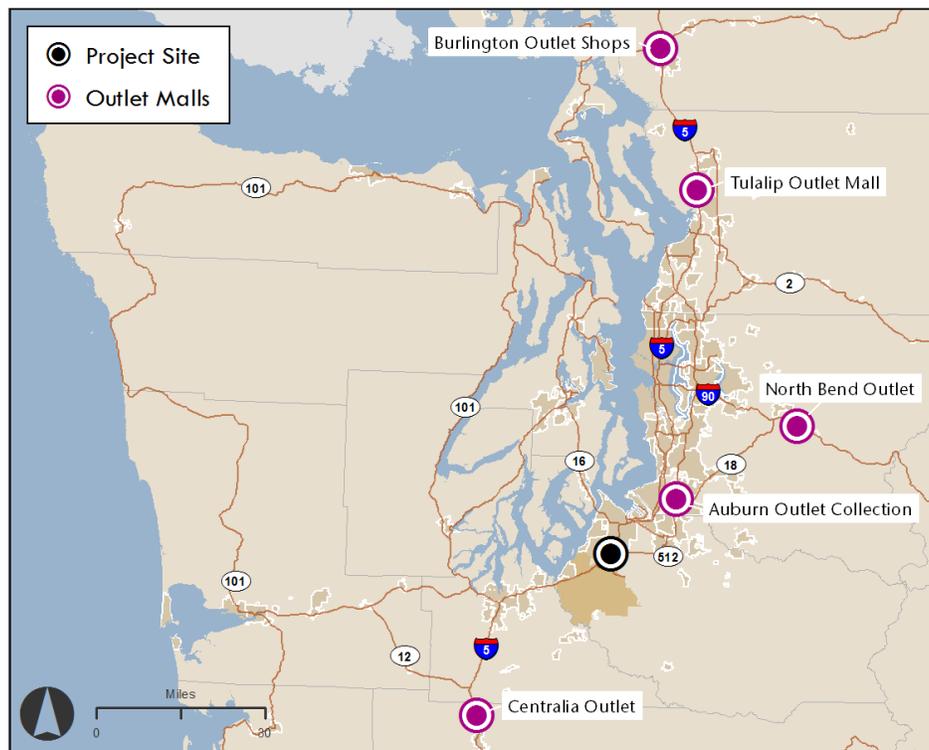
## Grocery Sector Pros

- Lakewood enjoys a strong regional position in the produce retail and convenience store retail sectors.
- Relative to other jurisdictions in the region, Lakewood's grocery sector is comparably strong.

## Grocery Sector Cons

- Lakewood demographics and the location of JBLM near the site may act as inhibitors for locating a high-end grocery store.
- Additionally, the physical and aesthetic condition of the area immediately surrounding the site may also negatively impact the ability to attract a high-end grocer to the site.
- The location of high-end grocery stores in nearby jurisdictions may also undermine the high-end grocery store market potential of the site.

# Outlet Mall Sector



**Regional context:** There are currently five outlet malls located within the Puget Sound region located between Centralia and Bellingham. The outlet malls range in quality of design and traffic with the North Bend outlet mall representing the lower end and the Tulalip outlet mall representing the higher end. All of the outlet malls are located adjacent to main interstates that traverse the state: I-5 and I-90.

**Interview Feedback:** A few respondents indicated that an outlet mall may perform well at the site due to its prime location at the intersection of two major freeways. One respondent mentioned that a high-end outlet mall combined with an entertainment venue (e.g. movie theater) would help foster the creation of a “lingering place” where visitors would be incentivized to spend more time at the site. Good design of an outlet was mentioned as having potential to help generate traffic, improve site appeal, and enhance the image of the City. Another respondent mentioned the narrow parcel configuration as potential challenge to the development of an outlet mall. One respondent mentioned the recent revamp of the Auburn Outlet Collection, the nearest outlet mall to the site, as a potential mitigating factor.

**Summary:** An outlet mall has the potential for success especially due to the site’s location at the intersection of two main freeways. The addition of good design or the incorporation of entertainment venues may add to the overall attractiveness of the site and may also offer the potential to enhance the City’s image. The narrow site configuration and the location of a newly revamped outlet mall in nearby Auburn may pose challenges to locating an outlet mall at the site.

## Outlet Mall Pros

- Potential to generate high volume of tax revenue.
- Opportunity to create a destination space beyond retail that may generate broader appeal across the nearby region.

## Outlet Mall Cons

- Recent remodel and upgrades to the Auburn Outlet Collection has potentially captured the regional demand for outlet malls.
- Long and narrow site configuration of the site parcels may present challenges in construction of an outlet mall.



# Economic Development Update

Lakewood City Council  
April 11, 2016



# Mission

- *“To improve the economic well-being of Lakewood through efforts that increase job creation, job retention, tax base enhancements and quality of life”*



# Priorities Oct '15 – Mar '16

## Part A:

- Contracting Forums (1/29 & 2/19)
- JBLM Business Survey
- North Clear Zone
- Developers Forum - June 15, 2016
- Developer Outreach / Middle Market Housing
- Motor Avenue “Complete Streets” Project
- CBD – Town Center Development
- Woodbrook IBP
- Springbrook & South Tacoma Way
- BRE, Recruitment, and Attraction City-Wide

## Part B:

- Pacific Highway



# Part A

## Government Contracting

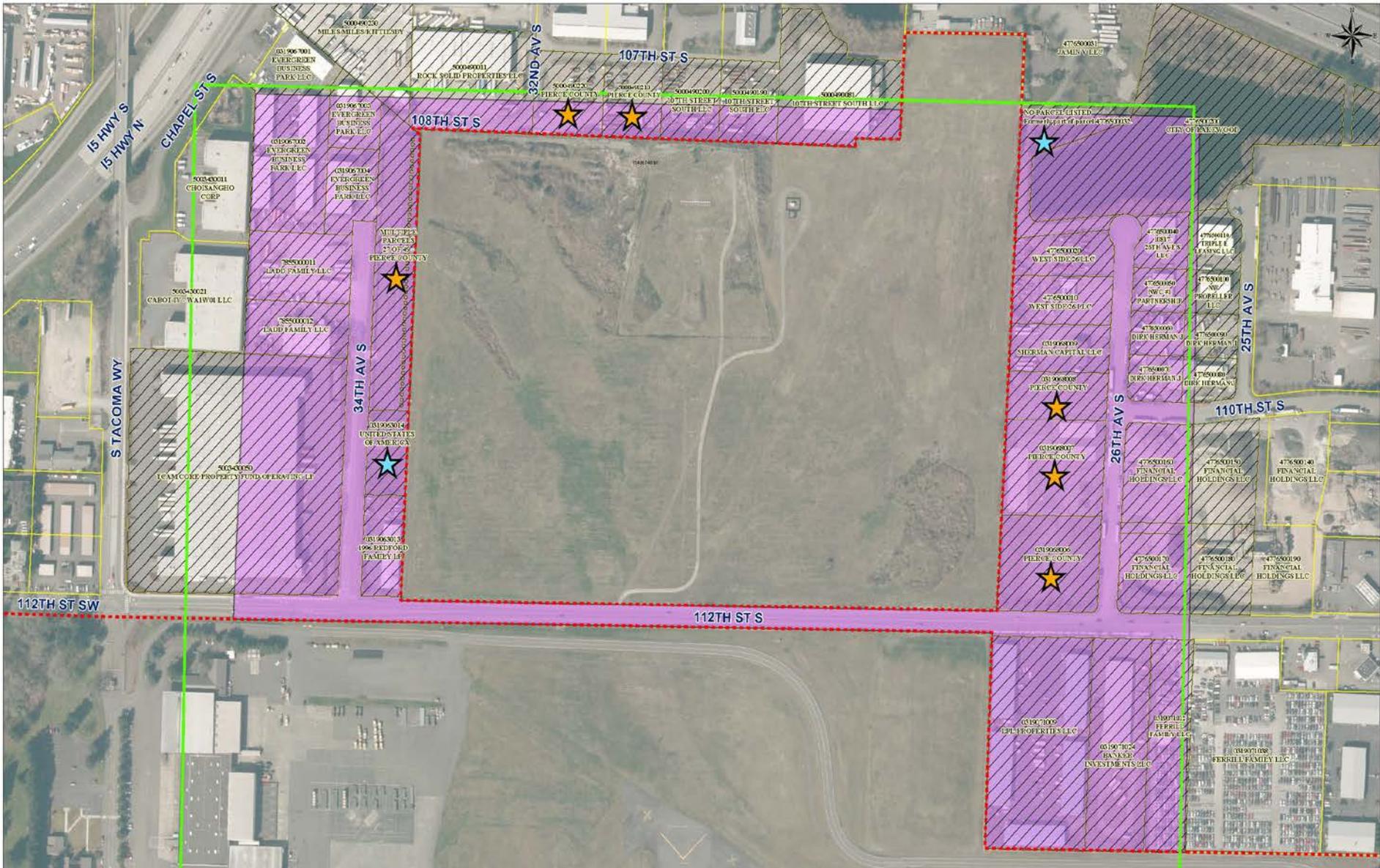
### Contracting Forums

- Doing Business with JBLM
- Marketing to the Federal Government

### JBLM Survey

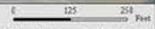
### North Clear Zone Options

1. Purchase the properties and relocate the businesses
2. Land Swap with JBLM
3. Runway restrictions
4. Extend the runway to the south



-  Purchased (Pierce County)
-  Purchased (USA)
-  Clear Zone North (JBLM Data)
-  Clear Zone (Lakewood Zoning Designation)
-  Clear Zone Tax Parcel
-  Tax Parcel
-  Lakewood City Limit

# City of Lakewood Clear Zone

  
 This product was prepared with care by City of Lakewood GIS. City of Lakewood expressly disclaims any liability for any inaccuracies which may yet be present. This is not a survey. Datasets were collected at different accuracy levels by various sources. Data on this map may be shown at scales larger than its original compilation. Call 253-582-2639 for further information.  
 \*2012 USGS Ortho Photography  
 Map Date: April 05, 2016      \Projects\GIS\Analysis\CZ-4.mxd



## Federal Contracting 2012-2015

All Agencies	2012	2013	2014	2015
Washington State	\$10.8B	\$10.2B	\$10.6B	\$8.7B
Lakewood	\$55,450,572	\$125,152,998	\$167,572,065	\$87,815,660
DOD Nationwide Spending by Year	\$367.2B	\$315.7B	\$290.6B	\$279.3B
DOD – All Bases				
Washington State	\$7.8B	\$7.4B	\$7.5B	\$5.7B
Lakewood	\$48,368,617	\$65,748,186	\$112,588,969	\$32,338,374
DOD – JBLM Only				
Washington State	\$169.5M	\$151.1M	\$179.7M	\$169.6M
Lakewood	\$6,323,173	\$18,399,400	\$16,971,740	\$19,878,269

Source: USASpending.gov



# Lakewood DOD Contract Awards

VendorName	2014 Contract Obligation	2015 Contract Obligation	Services
MACNAK - SAYBR/KORTE	\$85,014,732.96	\$13,558,825.16	General Contracting
PEASE CONSTRUCTION, INC.	\$10,207,480.13	\$10,533,241.64	General Contracting
GENEVA FOUNDATION , THE	\$7,994,620.82	\$6,815,647.89	Medical Research
ALLIANCE PROPERTY SERVICES LLC	\$1,694,794.12		General Contracting
NW PROPELLER OPERATIONS, INC.	\$1,276,497.00		Propeller Repair
HUGHES GROUP L.L.C.	\$1,252,677.81		Logistics
U.W.D. MFG., INC.	\$1,189,691.72	\$495,566.89	Vehicle Parts Manufacturing
GEORGIAN REHAB, LLC	\$671,857.00		Physical Rehab
GOLDEN SERVICES LLC	\$671,857.00		Moving Services
COOK LUMBER COMPANY, INC.	\$581,389.63		Lumber
FLOYD & ASSOCIATES LLC	\$548,915.21		Vocational Councelling
TACTICAL TAILOR, INC., THE	\$293,806.83	\$75,742.07	Tactical Gear
CLOVER PARK TECHNICAL COLLEGE	\$222,209.24	\$222,349.24	Education
FORT LEWIS TAXI, INC.	\$188,618.26		Transportation
KINDRED HEALTHCARE OPERATING INC	\$163,684.14		Healthcare
PACIFIC ALASKA LUMBER COMPANY, LLC	\$138,154.62	\$221,626.00	Lumber
OTHER CONTRACT <=\$100,000	\$477,982.51	\$415,375.11	
<b>TOTALs</b>	<b>\$112,588,969.00</b>	<b>\$32,338,374.00</b>	



# Developer Outreach / Middle Market Housing

- Developers Forum - June 15, 2016
- Cottage Housing
- Walker Ridge (Copper Ridge)
- Interlaaken
- Developer Tours



## New Residential Construction October 2015 through March 2016

<i>Single Family</i>	<i># Units</i>	<i>Total Valuation</i>	<i>Average Valuation</i>
New Single Family	8	\$2,792,253	\$349,031
SFR Additions/Remodels	61	\$2,945,800	\$48,291
SFR Re-roof/Windows	31	\$296,837	\$9,575
SFR Demolition	12	\$140,561	\$11,713
<i>New Multifamily</i>	<i># Units</i>	<i>Total Valuation</i>	<i>Average Valuation</i>
Rybachuk - New Duplex	2	\$491,379	\$245,690

*SFR Pending = 6 (4 for Copper Ridge of 41 planned)*



# Central Business District (CBD)

## Motor Avenue Urban Design Project

### Next Steps:

- April 6th - Draft Report for Public Review and Comment
- May 4th – Advisory Committee Meeting to Review Draft Report
- May 18th – Revised Draft Report Submitted to Advisory Committee + Staff
- June 1st – Joint Meeting with Planning Commission and PRAB to review report
- June 27th – City Council Study Session
- July 5th – Plan adoption





## Priority Projects - CBD:

- New Library, Potential Co-Location
- Redevelopment, WFC / Colonial Center
- Sports Arena
- Mixed Use Redevelopment
- SubArea Plan



# Woodbrook

## LARGE INDUSTRIAL USERS I-5 CORRIDOR

Monthly Market Report | March 2, 2016

Kidder Matthews

### ACTIVE PROSPECTS

PROSPECT (INDUSTRY)	SIZE (OFFICE)	Acreage	TERM	OCCUPANCY	BROKER	COMMENTS	COMPETITION
Auto Auctions (CoPart)	20,000.00	60-80	Purchase	TBD	Price	Need auto auction yard. Prefer gravel vs. asphalt. Low price, close to I-5.	Graham, Centralia, Lewis County
Manufacturing, undisclosed	400,000.00	20-60	Leases	TBD	Ulch/Willhite Newmark Brubb Knight Frank	Initial search. Washington and Oregon search. Rail preferred. Sounds like a wide range of options could work.	
Rail Car repair facility	50,000.00	15	Lease or Purchase		Troy Stark	Need 1/2 mile spur with 30,000 - 50,000 SF building. Rail car refurbishment. Initial search, requirement is 12 months out.	Frederickson, Tacoma Tideflats
Wilcox/ Flagel, tank farm and refueling requirement	20,000.00	20	Land Purchase		Unrepresented	Rail served land requirement. Sent site information this week. Propane and NG refueling station. 15 jobs. Tank farm.	Port of Centralia 20 acre site Foron Road.
Walmart (Project Twilight)	1,000,000.00	77	Land Purchase		JLL Boudwin	Project is stalled	
Undisclosed Distribution (Project WAVE)	400,000 - 750,000	77	Land Purchase	1st Qtr 2018	JLL Boudwin	Sent initial information in December. Property was toured in December. Les is waiting for follow up instructions from Client. Expected Mid Feb.	I-5 Corridor, South
Undisclosed Food Distribution	500,000.00	40	Land Purchase	2017	Zane, WAREA	Sent initial information and waiting for tour.	I-5 corridor
SF Totals	1,990,000.00	229					



Direct inquiries to the City of Lakewood– 2015

Ted Knapp, Developer - <http://www.sumnercorporatepark.com/contact.html>

Active West Coast Distribution Center – 1.5M SF needed/50 Acres - 600 jobs – Average wage \$50,000 +

### NON-ACTIVE PROSPECTS

PROSPECT (INDUSTRY)	SIZE (OFFICE)	Acreage	TERM	OCCUPANCY	BROKER	COMMENTS	COMPETITION
Pacific Paper	350,000.00	20	Land Purchase	2017	Kidder Mathews	Selected site in Oregon. Looking for ready to build sites close to I-5. Market distribution was from Oregon to Canada.	Oregon, Washington
AmerisourceBergen	365,000.00	20	15 year lease	2016	CBRE	Landed in Des Moines at Des Moines Creek with Panattoni. Project had a 10 month building timeline. Selected a building with full permits and getting ready to pour foundations.	Oregon, Washington
Medline Industries	700,000.00	35	Land Purchase	2007	CBRE	Project had a 12 month timeline. Landed in Lacey. Under construction in April 2016.	Oregon, Washington
Proctor Gamble (Project Northwest)	1,000,000.00	77	Land Purchase		JLL Boudwin	Project is stalled	Oregon, Washington
Waste Management	-	15			Herzog	Contract has not been approved yet. Competing with Cowlitz County, Port of Kelso.	
Northwest Hardwoods	20,000.00	20	Land Lease	2017	None.	Gone quiet. Looking to lease land for expansion.	
Project Rover	513,000.00	67	Land Purchase		EDB		
SF Totals	1,533,000.00	179					



# Springbrook & South Tacoma Way

## MEET & GREETINGS

### SPRINGBROOK

- I-5 to JBLM Bridgeport Road Improvements
- Livable Communities
- Springbrook Park Improvements

### SOUTH TACOMA Way

- 512 to 96<sup>th</sup> Road Improvements
- Steilacoom Blvd. and South Tacoma Way
- Durango/Steilacoom Signalization
- Enhancing the Retail Corridor



# BRE, Recruitment & Attraction

Primary Jobs by Industry	2012	2013	2014	2015	Share
<b>TOTAL</b>	22,359	22,664	23,220	23,939	
Agriculture, Forestry, Fishing, Hunting	14	7	11	10	0.1%
Utilities	64	63	67	65	0.3%
Construction	764	793	976	1007	3.4%
Manufacturing	782	705	877	920	3.5%
Wholesale Trade	867	883	985	998	3.9%
Retail Trade	3,072	3,070	3,021	3,066	13.7%
Transportation and Warehousing	1,611	1,578	1,643	1,698	7.2%
Information	193	217	209	218	0.9%
Finance and Insurance	567	605	582	570	2.5%
Real Estate and Rental and Leasing	445	462	423	414	2.0%
Prof, Scientific, and Tech Services	587	742	801	862	2.6%
Management of Companies	63	89	57	61	0.3%
Admin & Support, Waste Management	556	536	570	553	2.5%
Educational Services	3,100	3,017	3,063	3,125	13.9%
Health Care and Social Assistance	5,398	5,351	5,845	6,105	24.1%
Arts, Entertainment, Recreation	510	499	502	493	2.3%
Accommodation and Food Services	2,059	2,355	2,265	2,354	9.2%
Other Services (excluding Public)	1,193	1,190	850	886	5.3%
Public Administration	514	502	473	475	2.3%



# 88 New Businesses

Type	# Businesses	Type	# Businesses
Accounting	6	Healthcare - General	5
Athletics/Sport Supply	1	Healthcare - Vision	1
Attorney	2	Insurance	1
Automotive Repair & Supply	3	Investigative & Security	2
Beauty Salon/Supply	6	Janitorial Services	3
Beer, Wine & Liquor	1	Jewelry	1
Business Consulting	3	Limited Service Restaurants	7
Apparel & Accessories	5	Management of Companies	2
Contractor Services	1	Manufacturing - durable	1
Convenience Store	2	Manufacturing - nondurable	2
Employment Agency	1	Massage	1
Engineering Firm	1	Nail Salon	2
Full Service Restaurants	7	Non-Profit Charity	1
Furniture & Appliances	2	Other - Personal Services	1
General Merchandise & Gifts	5	Pet Grooming & Supply	2
Healthcare - Ambulatory	1	Prof./Scientific/Tech	2
Healthcare - Chiropractic	1	Property Management	1
Healthcare - Counselling	2	Tool & Machine Shop	1
Healthcare - Equipment	1	Travel Agency	1

*Not including flea market, 2nd hand sales or Home Occupation*



# Permitting

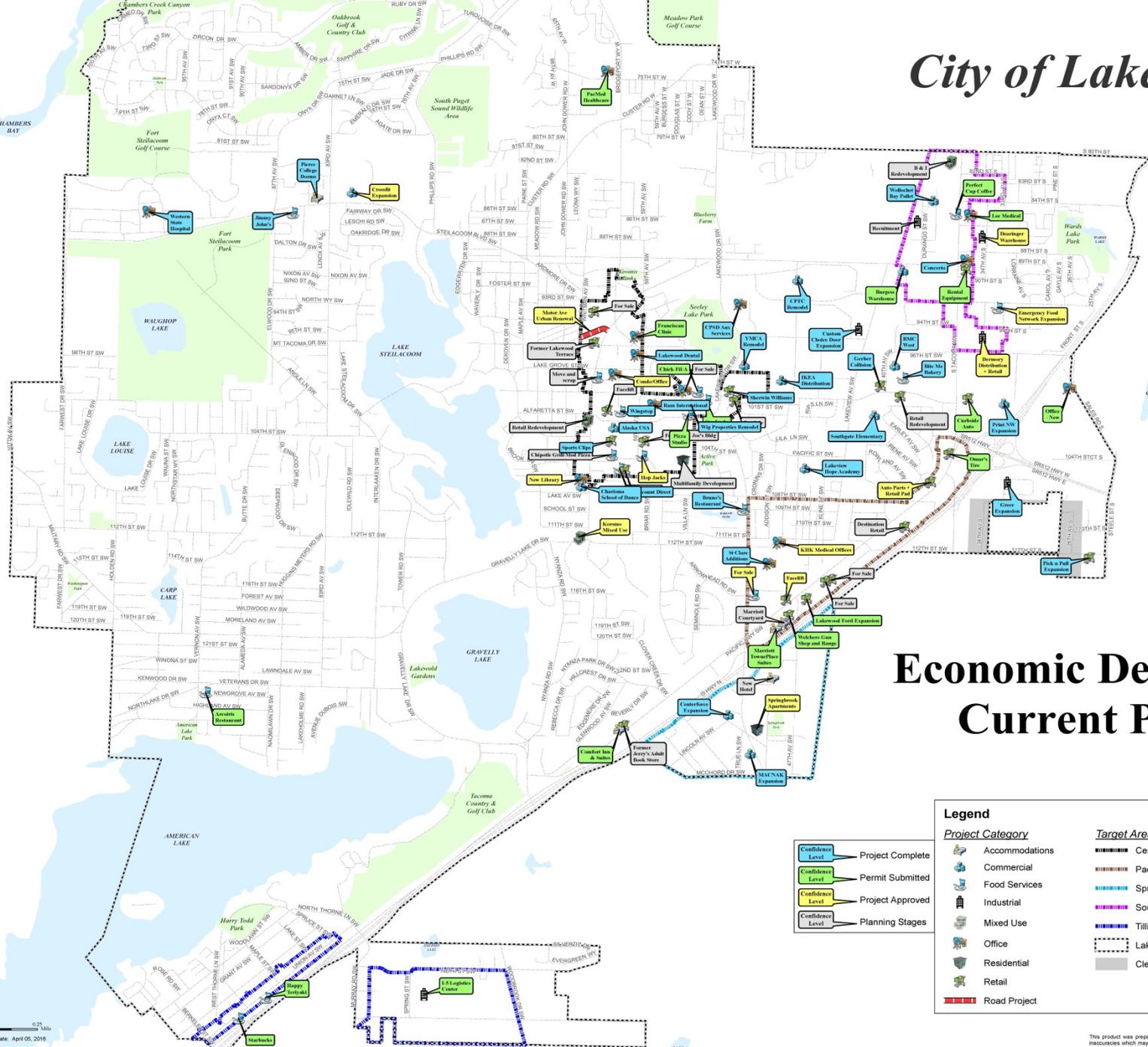
## Commercial Permits Issued with Valuation >= \$100,000 October 2015 through March 2016

Organization	Description	Valuation
Clover Park Technical College	Auxiliary Services	\$340,368
Centerforce	Reconfigure Workshop - TI	\$205,652
Northwest Building LLC	Lakewood Ind. Park Bldg 17 Demo	\$197,000
Northwest Building LLC	Lakewood Ind. Park Bldg 18 Demo	\$197,000
Target	Remodel for new Starbucks	\$188,900
Clover Park Technical College	Bldg 17 Remodel	\$188,900
Golden Lion	26 Room Remodel	\$186,800
AT&T Mobility	New Cell Tower	\$175,000
BMC West	New Comm Canopy Bldg	\$167,424
Clover Park Technical College	Aux Service Center 2-2400 SF Storage	\$167,424
Clover Park Technical College	Building 2 Reroof	\$125,000
Woodbrook Stables	New Comm Bldg - 12,096 SF Pole Arena	\$123,138
Northwest Building LLC	Peoples Furniture TI	\$120,000
	TOTAL	\$2,382,606

Total Value, Commercial Permits Issued: \$12,451,694



# City of Lakewood



## Economic Development Current Projects

**Legend**

Project Complete	Accommodations	Central Business District
Permit Submitted	Commercial	Pacific Hwy Corridor & Lakewood Station
Project Approved	Food Services	Springbrook
Planning Stages	Industrial	South Tacoma Way Corridor
	Mixed Use	Tillicum/Woodbrook IBP
	Office	Lakewood City Limit
	Residential	Clear Zone
	Retail	
	Road Project	



# Part B

## Pacific Highway

- Marriott TownePlace Suites – Open June 2017
- Gun Shop and Indoor Gun Range – Open Q4 2016
- Mixed Use on Kendrick Street
- Lakewood Ford Expansion
- Pacific Highway/WSDOT Retail Development Potential

# Pac Hwy Redevelopment Potential

LAKWOOD TOWNE CENTER

LAKWOOD

PACIFIC HIGHWAY SITE

JBLM

59TH AV SW

100TH ST SW

LAKEVIEW

40TH AV

S STACOMA WY

S 96TH ST

S STEELE ST

102ND ST S

108TH ST SW

5

512

SALES RD S

112TH ST SW

BRIDGEPORT WY SW

112TH ST S

99

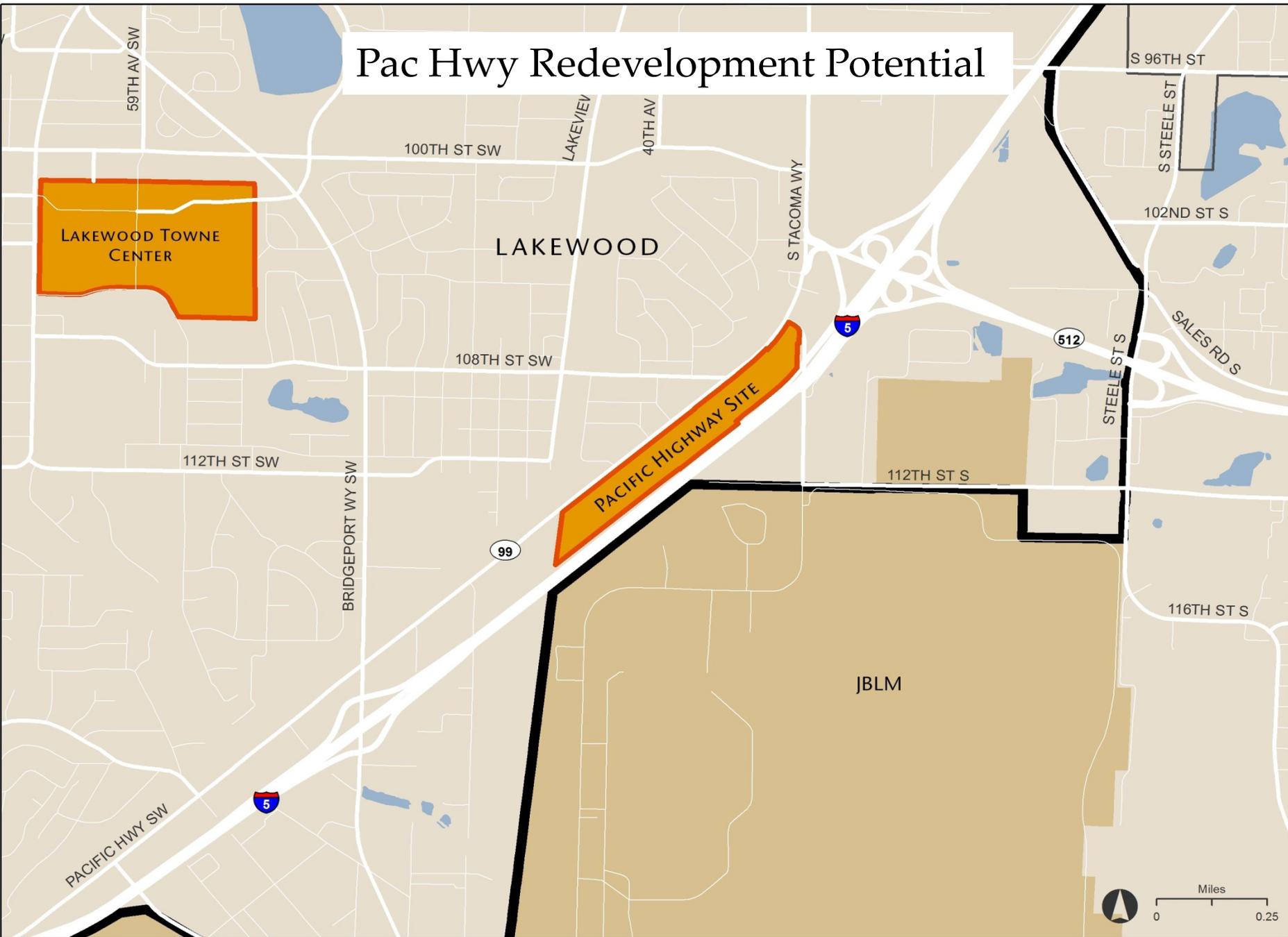
STEELE ST S

116TH ST S

PACIFIC HWY SW

5

Miles  
0 0.25





## **Priorities – Next 3 – 6 Months**

- Cyber Security (5/26), Developers Forum (6/15), Procurement Forum (10/6)
- Motor Avenue Urban Design Project
- Central Business District Market Analysis
- Pac Hwy – I-5 / TOC Retail Next Steps
- Woodbrook IBP
- Meet & Greet, Springbrook and STW
- BRE, Recruitment, and Attraction City-Wide



To: Mayor and City Councilmembers

From: Heidi Ann Wachter, City Attorney

Through: John J. Caulfield, City Manager

A handwritten signature in black ink that reads "John J. Caulfield".

Date: Review of Goals and Objectives

Subject: April 11, 2016

This is to provide an overview of the materials reviewed at the March 19, 2016 Council Retreat that were used to facilitate a discussion of the 2016-18 City Council Goals and Objectives. The purpose of the City Council Goals is to direct our community toward positive change and serve as the policy direction for City government as well as the policy guide for developing and implementing the City's 2017-2018 biennial budget. Council goals guide the allocation of resources through the budget and capital improvement program to assure that organizational work plans and projects are developed that incrementally move the community toward the stated goals.

The recommendation is to focus on some key policy areas within existing Council Goals. The following suggested key policy areas have been developed through conversations with city departments as well as the Council. Key policy areas for focus in the City Council Goals and Objectives for 2016-2018 are as follows:

### **Fiscal Responsibility**

- Development and implementation of 2017/2018 Biennial Budget (2016-2018)
- Update of six-year financial forecast (2016-2018)
- Storm Water Rate Analysis to include review of sewer availability program & finances (2017)

## **Economic Development**

- Rental Housing Inspection Program (2016-2018)
- Towne Center and/or CBD Sub Area Plan to include review of CC&Rs (2016-2018)
- Woodbrook Industrial Park Development (2016-2018)
- Pacific Highway South/WSDOT Maintenance Facility (2016-2018)
- New Library to include other amenities such as Senior Center, playhouse, historical museum (2016-2018)
- Implementation of Motor Ave Design (2016-2018)

## **Transparency**

- State Legislative Agenda
  - Fort Steilacoom Park: Transfer Ownership
  - Capital Funding Request: Fort Steilacoom Park improvements
  - Support for WSDOT Funding Request: Relocation of WSDOT Maintenance Facility in Lakewood
  - I-5 JBLM Corridor Improvement Project
  - Full funding for the Western State Hospital Community Policing Program
  - Legislative exceptions for population and housing in Air Corridor Zones (AC1/AC2)
- South Sound Military & Community Partnership (SSMCP)
  - Support Military Affairs Funding
  - Acquisition of JBLM North Clear Zone (NCZ)
- Federal Priorities
  - Federal Transportation and Economic Development Priorities
  - AMTRAK Rail Safety and Lakewood AMTRAK Station
  - Community Development Block Grant (CDBG) and HOME
  - I-5 JBLM Corridor Improvement Project
  - JBLM North Clear Zone (NCZ)
- County Priorities
  - Sewer Permitting Process
  - Acquisition of JBLM North Clear Zone (NCZ)

# City of Lakewood

## City Council Goals

**L**akewood is a thriving, urban, South Puget Sound City, possessing the core values of family, community, education and economic prosperity. We will advance these values by recognizing our past, taking action in the present, and pursuing a dynamic future.

*The City Council's vision for Lakewood at its 30 Year Anniversary is a community:*

- *Inspired by its own sense of history and progress;*
- *Known for its safe and attractive neighborhoods, vibrant downtown, active arts and cultural communities;*
- *Sustained by robust economic growth and job creation;*
- *Recognized for the excellence of its public and private schools, and its community and technical colleges;*
- *Characterized by the beauty of its lakes, parks and natural environment;*
- *Acknowledged for excellence in the delivery of municipal services;*
- *Leveraging and embracing of our diversity; and*
- *Supportive of Joint Base Lewis McChord (JBLM), Camp Murray, service members and their families.*

**The purpose of the City Council Goals** is to direct our community toward positive change and serve as the policy direction for City government as well as the policy guide for developing and implementing the City's 2017-2018 biennial budget. Council goals guide the allocation of resources through the budget and capital improvement program to assure that organizational work plans and projects are developed that incrementally move the community toward the stated goals.

**In addition** to the Council goal statements, there are operational values that guide how the City organization works toward goal achievement:

- **Regional Partnerships** – Lakewood encourages and participates in regional approaches to service delivery to the extent that a regional model produces efficiencies and cost savings, and ultimately improves service to our citizens.
- **Efficiency** – Lakewood is committed to providing public services in the most efficient manner possible and maximizing the public's return on their investment.
- **Accountability** – The City of Lakewood is accountable to the community for the achievement of goals. To that end, meaningful performance measures will be developed for each goal area to track our progress toward the stated goals.
- **Proactive Focus** – Lakewood proactively focuses on the total condition of the City and promotes long-term financial and strategic forecasting and planning.

## FISCAL RESPONSIBILITY

*The City of Lakewood maintains a strong fiscal position while providing quality municipal services.*

### **Policy Objectives & Action Strategies:**

- **Support a stronger, more prosperous community by making smart investments that accomplish lasting, tangible returns**
- **Adjust to changes in the service requirements of the community, maximizing resources and creating meaningful performance measures for programs and services**
- **Focus on total financial picture of the City rather than single-issue areas and promote long-term financial forecasting in support of day-to-day operations**
- **Continuously evaluate city revenues and expenditures with a view of maintaining a strong fiscal position while providing quality municipal services**
- **Continuously perform organizational structure review for economic efficiencies and effectiveness, including contract services and vendors**
- **Do not balance the operating budget with one-time monies and/or reserves; one-time monies should be used for one-time projects, not ongoing or reoccurring programs**
- **Use performance measures and benchmark key community characteristics**

## PUBLIC SAFETY

*The City of Lakewood is one of the safest cities in Washington State.*

### **Policy Objectives & Action Strategies:**

- **The City of Lakewood is safe**
- **Residents and visitors will experience a sense of safety in all neighborhoods and in all activities in the City of Lakewood**
- **Ensure adequate resources are available to maintain and ensure health, welfare, and safety of community**
- **Enhance community safety through expanded public awareness and educational programs**

## ECONOMIC DEVELOPMENT

*The City of Lakewood supports a dynamic and robust local economy through implementation of an effective economic development strategy.*

### **Policy Objectives & Action Strategies:**

- **Lakewood will support a dynamic and robust local economy with balanced and sustainable growth by implementing an economic development strategy that will create jobs and improve the tax base in the community with a particular focus on the community's commercial corridors**
- **Provide leadership and strategic guidance concerning economic development, including coordination with various stakeholders**
- **Create collaborative and effective working partnerships with the business community, and other key organizations to effectively manage the City's regulatory environment while accomplishing economic development goals**
- **Update and implement the Comprehensive Plan, Community Vision and key development regulations and other policies such as housing and capital facilities plan (CFP) in partnership with residents, neighborhoods and businesses**
- **Attract new housing development to accommodate military and all segments of population**
- **Explore ways the City can effectively stimulate economic development with our economic partners to address community-wide economic development issues (e.g., assistance to existing businesses, business recognition, business retention and expansion strategies, business attraction strategies, community marketing)**
- **Promote an attractive Lakewood image to include a positive message about doing business in the City and leverage existing competitive advantages such as location, access, military, lakes, parks, golf courses, civic and community involvement, transit options, and wide variety of retail, restaurant and cultural activities.**
- **Promote better access (e.g., I-5, Bridgeport, Gravelly Lake Dr, 100<sup>th</sup>, 108<sup>th</sup>) and increase visibility to Towne Center and other commercial centers to take advantage of proximity to I-5 and six freeway exits**
- **If feasible, pursue annexation of selected areas within the City's Urban Growth Area (UGA)**

## DEPENDABLE INFRASTRUCTURE

*The City of Lakewood provides a safe, clean, and well-maintained community and provides preventative maintenance to avoid greater replacement costs.*

### **Policy Objectives & Action Strategies:**

- **Implement a capital improvement program that provides a safe, clean, and well-maintained community for the enjoyment of all residents and to provide preventive maintenance to avoid greater replacement costs**
- **Identify, review and prioritize capital infrastructure projects for transportation and parks**
- **Explore, identify and develop long-term funding strategies to maintain the City's infrastructure assets (i.e., Transportation Benefit District, voter-approved initiative, grants, etc.)**
- **Enhance curb appeal with ramp beautification, well maintained properties on major thoroughfares, right of way maintenance, and beautification plan for all entry points to the City**
- **Develop and implement a vision for parks and public spaces to improve quality of life, ensure a healthy environment and attract residents**

# TRANSPARENCY

*The City of Lakewood engages the community in City government to include providing timely and accurate information about City services as well as information about City actions and decisions.*

## **Policy Objectives & Action Strategy:**

- **Enhance and promote the community's image – “#IamLakewood”**
- **Develop and implement a coordinated communication and engagement plan that will better allow the City to share information about the good work the City is doing, as well as obtain feedback from those the City serves about community priorities and public services**
- **Engage the community in City government to include providing timely and accurate information about City services and openly share information about City actions and decisions**
- **Ensure transparency between the City as an organization and the community to encourage and promote citizen and civic engagement**
- **Actively participate in local and regional issues that impact the Lakewood community to include coordination and partnerships with military partners and educational institutions**
- **Committed to developing and maintaining a professional, highly qualified, well-trained, and service-oriented City workforce that utilizes sound business practices rooted in accountability, ethical behavior, efficiency, technology, effectiveness, and responsiveness in the delivery of city services.**
- **Promote the interests and needs of Lakewood in local, state, and national affairs**
- **Support human services for the benefit of residents of all ages**
- **Continue to promote and partner with various volunteer group**