

## CHAPTER 5 ECONOMIC DEVELOPEMNT

### 5.1 Introduction

The Growth Management Act (GMA) includes economic development as one of its basic goals and it is a theme that runs throughout the GMA. It considers the need to stimulate economic development throughout the state, but requires that these activities be balanced with the need to protect the physical environment. It encourages the efficient use of land, the availability of urban services, and the financing strategies necessary to pay for infrastructure. Finally, the GMA mandates that communities do their planning and then provide the zoning and regulatory environment so that appropriate development can occur. It recognizes that while the public sector can shape and influence development, it is the private sector that generates community growth.

The Puget Sound Regional Council (PSRC) has also adopted region-wide goals and objectives to guide multi-jurisdictional transportation and land use policies that will be implemented through local comprehensive plans. Economic development is implicit in many of the goals and objectives of VISION 2040. The VISION 2040 strategy emphasizes that continued economic stability and diversity is dependent upon public and private sector collaboration to identify needs, business existing retention and expansion, and the creation of new businesses.

VISION 2040 designates growth centers and manufacturing/industrial centers. These centers are prioritized for economic development and transportation funding. The safe and reliable movement of people, goods and services, and information through the region is recognized as crucial for the region's economic well-being.

Pierce County, through its growth management planning policies and process, re-emphasizes the economic development implications of growth management. The Countywide Planning Policies (CWPPs) promote the creation of a healthy and diverse economic climate. The CWPPs describe the need to strengthen, expand, and diversify the economy. They encourage protection of our natural resources and enhancement of our human resources through education and job training. The CWPPs also speak of the need to make an adequate supply of land available for economic development by providing necessary infrastructure, but also to encourage the redevelopment of underutilized properties.

Within this policy framework, Lakewood has outlined a vision of its economic development future. Its vision is to transform itself from a largely bedroom-community of the City of Tacoma and Joint Base Lewis McChord into a diversified, full-service, and self-contained city. However, in doing so, it is important to remember that Lakewood is part of the larger Puget Sound economy, and therefore, this transformation will depend in large part on the market forces at work within the greater region. To achieve this vision, the City must:

- Continue to expand its infrastructure;
- Protect Joint Base Lewis McChord from urban encroachment as a means to fend off future Base Realignment and Closure rounds;
- Retain existing businesses and attract new businesses to build a diverse economic base;
- 4) Create new trade-based jobs;
- Foster redevelopment of the City from a fractured low-scale, suburbanized district to a more pedestrianly friendly, full-scale urban community; and
- Produce a housing stock that attracts new residents.

The potential is there. Lakewood's unique location along the I-5 Corridor and its juxtaposition near Joint Base Lewis McChord and the Port of Tacoma, combined with its relationship within the Central Puget Sound region, represent significant opportunities.

## **5.2 Existing Conditions and Trends**

Lakewood is a mature suburb whose basic land use pattern of suburban sprawl has shaped its economy. That pattern has resulted in an abundance of commercial zoning, simultaneously with inadequate commercial concentrations have resulted in some very spread-out, linear commercial areas. The layout of older businesses along arterials is problematic because of the lack of non-vehicular amenities and parking, and is further complicated by access difficulties and a competing need to increase right-of-way width for improvements. Unlike other cities of its size, it does not have an established downtown. These forces have shaped Lakewood's existing economy.

The City's position as a "bedroom community" means that often people are leaving or returning to the City, or may be driving through the City as they travel to an adjacent community, but the lack of a central core or sense of place leaves them without a focused destination point within the City. In capitalizing on Lakewood's existing concentration of commercial assets, the ongoing efforts to establish a downtown will help people connect with local businesses.

Lakewood competes in a regional market that includes Tacoma, South Hill, and even Olympia and Federal Way. National chains are well represented in this market as a whole, to the extent that some find they are "competing with themselves" in the various malls. In the past, cutbacks in locations have often focused on Lakewood rather than other areas where not only commercial development is strong, but the housing market is vibrant and median incomes are greater.

Because Lakewood is landlocked by the military bases and is largely built out, it is unlikely to experience much expansion to the east of I-5; therefore, revitalization will occur as redevelopment of existing lands. Lakewood's economic focus rests with establishing strong redevelopment strategies.

Economic development encompasses jobs as well as spending. It is important to capitalize on the growth plans of existing private sector employers such as St. Clare Hospital and Lakewood Industrial Park to stimulate job creation, as well as marketing the community for new business locations. Industrial redevelopment opportunities in Woodbrook are intended to act as a stimulus for this.

To establish a more stable and diverse economic base, Lakewood must focus on coordinating and establishing partnerships, implementing capital facilities funding programs that support redevelopment, developing market strategies for specific industries, improving upon its housing stock, and redeveloping vacant and underutilized commercial/industrial properties.

By its nature, economic revitalization is a long-term, incremental effort. Together with complementary land use and transportation goals and policies, an economic development program will help redefine Lakewood's image; provide a basis for relationships with developers, business operators, and lenders to invest in the community, and create a foundation for the City's future economy.

### **5.2.1 General Patterns of Existing Development**

### **5.2.2 Demographics**

Lakewood has historically been a bedroom community because of its proximity to services and employment and relatively low cost of living. While the number of jobs in the City has increased by over 2,000 since 2003, over 80% of residents commute beyond City boundaries for work.

Population has remained nearly unchanged since 2000. Lakewood's population stands at 58,569, with 63.7% being White, 17.4% Hispanic or Latino, 11.0% Black or African American, 8.6% Asian, and others of two or more races. The average age is 37.0, slightly higher than Pierce County (35.8), and Tacoma (35.1) and lower than Washington State (37.3).

According to the most recent US Census data, Lakewood's median household income is \$42,241. This number represents a modest 18% increase since 2000. However, this number is lower than the United States (\$53,046; +27%), Pierce County (\$59,105; +30%), and Tacoma (\$50,439; +34%). Per capita income at \$20,569 is higher than Tacoma (\$19,130). Unique to Lakewood is that the Average Family Income and Average Married-Couple income are both higher than the listed comparisons, at \$75,980, and \$91,673 respectively. This difference is due to the disproportionate number of high income families, and low to very low income families in Lakewood.

### **5.2.3 Lakewood's Regional Role**

Lakewood is situated along strong transportation networks. It is bordered by one of the largest military installations in the United States, just minutes away from Puget Sound and the Port of Tacoma, and 35 miles from SeaTac International Airport. The City is a major transportation hub for the lower Puget Sound Region with the Lakewood Station and Sounder commuter rail system directly connecting Lakewood to Seattle and Tacoma.

Adjacent to I-5 and SR512, Lakewood has access to populations beyond its borders. Lakewood is an easy driving distance between two large metropolitan areas, Seattle and Portland. The I-90 major east-west route connecting Seattle with Chicago and Boston is only 40 miles away. There is convenient access to three ports – the Port of Seattle, the Port of Tacoma and the Port of Olympia. Sound Transit's commuter rail is close to the I-5/SR512 intersection on Pacific Highway and provides the ability to live in Lakewood and commute to locations north of Lakewood.

Two military bases are at Lakewood's eastern and southern borders, Camp Murray and Joint Base Lewis McChord (JBLM). JBLM is one of the largest military installations in the United States. Proximity to military bases provides access to over 55,000 soldiers and their families. Current and potential military contracting opportunities attract businesses that work on JBLM or Camp Murray and/or have locations in the vicinity. They lodge in City hotels, reside in the community, and buy goods and services from local companies. There remains a significant need for access to off base restaurants, shopping, and various services.

Amenities and educational opportunities are significant considerations for many companies when considering a new location. Culture, innovation, creativity, and quality of life for employers will become increasingly important for the next generations of workers and leaders. Pierce College and Clover Park Technical College offer access state-of-the-art facilities and educational opportunities. In recent years, the City has enhanced its recreational opportunities by expanding and improving parks and recreational activities. Lakewood manages Fort Steilacoom Park, a 340-acre regional park facility, located adjacent to Pierce College. The park is popular with the community and region as a whole. About 900,000 people visit the park annually.

Lakewood plays a key role in commerce and trade with its industrial properties. The Lakewood Industrial Business Park (IBP) offers 2.5 million square feet of leasable space. There are approximately 64 companies in the park employing 1,200–1,300 people, making this IBP the 4th largest for-profit employer in Pierce County. Transportation, warehousing and distribution are primary uses with some manufacturing, retail, and wholesale trade operations. Approximately 150 acres in the Woodbrook area have been zoned for industrial use. Industrial lands are also available in the Woodworth Industrial Park, and northeast Lakewood in the vicinity of Durango Street SW and South Tacoma Way.

- Industry sectors expected to have significant increases in the area include:
- Construction, both new and rehabilitation of existing properties;
- Transportation, warehousing and distribution;
- Health care and education;
- Professional business services;
- Professional, scientific and technical Services; and
- Manufacturing.

Growth in these areas will be largely natural to support aging population, population growth, JBLM needs for off-base housing, demand for export/import trade companies, a desire for higher wage jobs with higher economic impacts, and increasing technology related efficiencies.

#### **5.2.4 Joint Base Lewis-McChord (JBLM)**

JBLM is the largest Army installation in the Western United States, and it is the third largest employer in the entire State of Washington. Its presence is recognized throughout Pierce and Thurston Counties and Washington State as a significant economic benefit to the South Puget Sound. In turn, communities surrounding JBLM enhance the quality of life for military personnel and families by providing high quality neighborhoods, schools, recreation opportunities, and other services.

Recent United States Congress and Department of Defense actions have enhanced JBLM's position as a "Power Projection Platform" with a specific focus on the Stryker Brigade Combat Teams. With this designation, JBLM has experienced significant population growth to support its mission. Since 2003, nearly 40,000 people have arrived at JBLM and more continue to arrive. The total military-connected population is estimated to be 136,000 by 2016.

In early 2010, the Department of Defense, Office of Economic Adjustment awarded a grant for the region to study the military growth impacts in the area. A planning document

emerged called the JBLM Growth Coordination Plan. The Coordination Plan has three intended uses:

- To provide regional service providers with more information about JBLM population and employment they can use to better support military families in the region;
- To provide JBLM and community providers with recommendations for leveraging the economic opportunities of base expansion and for providing adequate off-base support services; and
- To provide public agencies with a consolidated document that provides supporting data for the opportunities and needs identified that can support future grant applications, and inform decision-makers of the urgency for implementation and benefits to both JBLM and the larger region.

The Plan also recommended establishing a new JBLM regional partnership. That partnership was established in May 2011 via a memorandum of agreement (MOA) as the South Sound Military Communities Partnership or SSMCP. The original MOA was superseded by a second MOA in early 2014.

The SSMCP provides a framework for collaboration in the South Sound region between local governments, military installations, state agencies, and federal agencies to better coordinate efforts in areas such as: military relations; transportation and land use planning; environmental protection; emergency preparedness; grant applications; health care; population forecasting; workforce development; education; housing; and economic development.

One of the major assignments of the SSMCP is to update the 1992 Joint Land Use Study (JLUS) for Pierce and Thurston counties. This update process began in 2014 and is expected to be completed in 2016. The JLUS identifies actions that can and should be taken jointly by the surrounding community and military installation to solve existing encroachment problems and prevent future ones.

In 2012, the Department of Defense (DOD) issued a new Defense Strategic Guidance Report, *Sustaining U.S. Global Leadership: Priorities for the 21<sup>st</sup> Century Defense*, to identify strategic interests and guide defense spending in light of the transition in the role of American forces in Afghanistan and reductions in federal spending.

To implement this new strategy, the Secretary of Defense has indicated that the Joint Force of the future will be smaller and leaner, but at the same time be more technologically advanced and agile, flexible, and ready to act.

Current trends in public defense strategy continue to promote and advocate the need for reductions in federal spending which have a direct impact on the military and defense supply chain at the state and local level.

In 2013, the Department of the Army released a Programmatic Environmental Assessment (PEA) for Army 2020 Force Structure Realignment proposing a potential Army military and Army civilian population loss of 8,000 at JBLM. Thereafter, in June 2014, a Supplemental Programmatic Environmental Assessment (SPEA) was released. The SPEA increased population loss to 16,000. In response, the SSMCP has partnered with the Washington Military Alliance (WMA) to study impacts to industries statewide and region-wide.

Companies at risk will receive assistance in diverting revenue streams away from DOD contracting.

### 5.2.5 Economic Base

Lakewood's retail trade areas capture both resident and non-resident shoppers. Overall, the City has a retail surplus of 130 percent. However, Lakewood has significant room to grow its per capita retail sales. In Pierce County, per capita retail sales is highest in Gig Harbor (\$604.41), followed by Fife (\$504.45), Sumner (\$374), Puyallup (\$370.45), Roy (\$212.68), Ruston (\$194.02), Tacoma (\$179.55), and Lakewood (\$133.53). The local population shops elsewhere for automobiles and other high ticket items, high end apparel, some personal care, and general merchandise.

As of 2014, sales tax and retail spending have regained pre-recession numbers despite employment being down to 3.4% from its 2006-08 peak. Currently, retail sales tax provides 23.7% of General Fund operating income to the City of Lakewood.

### 5.2.6 Workforce

Jobs and the economy are subject to broad economic trends within and beyond the Puget Sound region. Washington State experienced an economic downturn in 2001, recovered and peaked in 2008, and has since suffered a difficult recession. Lakewood's employment data shows that it is making progress toward reaching pre-recession employment levels. Three-year US Census Bureau ACS estimates show an employment peak of 23,638 (2006-08) dropping 6.9% to 22,706 (2007-09) and slowly rising 3.6% to 23,523 (2010-12).

As of March 2014, Lakewood's unemployment rate was 8.1 percent which is higher than Pierce County (7.8%), Washington State (6.3%) and the United States (6.7%). This is due to the low income neighborhoods of Springbrook, Tillicum, and Woodbrook where the average unemployment rate is approximately 25%.

Table 5.1 provides information on 2010 employment estimates based on industries, as well as providing earnings data for males and females. Tables 5.2 and 5.3 list Lakewood's top employers. Lakewood's largest employers are Health Care and Education (23.4%) followed by Retail Trade (15.0%). Table 5.4 compares employment and poverty rates for Lakewood, Tacoma, Pierce County, and the state of Washington.

Industry	Lakewood , Washington					
	Total	Male	Female	Median earnings (dollars)	Median earnings for male	Median earnings for female
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Civilian employed population 16 years and over	22,769	52.2%	47.8%	\$30,123	\$35,400	\$25,912
Agriculture, forestry, fishing and hunting, and mining:	184	58.7%	41.3%	\$27,436	\$35,417	\$27,308
Construction	1,748	90.8%	9.2%	\$33,814	\$33,708	\$37,981
Manufacturing	1,875	70.4%	29.6%	\$39,544	\$48,520	\$28,073
Wholesale trade	650	75.2%	24.8%	\$33,346	\$35,795	\$31,605
Retail trade	3,355	38.8%	61.2%	\$19,590	\$25,556	\$16,623

**TABLE 5.1  
2010 Employment Estimates  
City of Lakewood**

Industry	Lakewood , Washington					
	Total	Male	Female	Median earnings (dollars)	Median earnings for male	Median earnings for female
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Transportation and warehousing, and utilities:	1,307	72.8%	27.2%	\$40,964	\$41,435	\$40,000
Information	196	41.8%	58.2%	\$19,879	\$37,000	\$18,625
Finance and insurance, and real estate and rental and leasing:	1,170	48.5%	51.5%	\$36,819	\$37,303	\$36,346
Professional, scientific, and management, and administrative and waste management services:	2,007	68.0%	32.0%	\$26,106	\$29,254	\$24,222
Educational services, and health care and social assistance:	5,141	28.0%	72.0%	\$34,739	\$40,625	\$32,984
Arts, entertainment, and recreation, and accommodation and food services:	2,376	44.7%	55.3%	\$17,291	\$17,604	\$17,131
Other services, except public administration	908	39.4%	60.6%	\$19,236	\$40,673	\$17,703
Public administration	1,852	67.5%	32.5%	\$49,028	\$51,627	\$44,454

Source: U.S. Census Bureau, 2010

**TABLE 5.2**  
**2013 Lakewood Top Employers**

Company Name	Emp.
JBLM* ‡	55000
Madigan Army Hospital* ‡	5100
Clover Park School District*	1833
Western State Hospital*	1750
Camp Murray* ‡	1000
Pierce College*	887
St Clare Hospital	848
Pierce Transit*	827
Aacres WA LLC	436
McLane Northwest	425
Clover Park Tech College	400
Walmart	372
Greater Lakes Mental Health	300
St Andrews Management Svc	300
City of Lakewood*	248
Centerforce	230
City Beverages	200
Dameron Property Mgmt.	186
Harborstone Credit Union	184
Target	180
Columbia Bank	170
Great American Casino	160
Lowe's Home Improvement	210
Safeway	140
Chips Casino Lakewood	130
Macau Casino	110
Comfort Design Windows & Doors	100
Lakewood Ford	100
Tacoma Roofing & Waterproofing	100
Tactical Tailor	100
Print Northwest	100
First Transit	100

\* Public Sector ‡ Regional

**TABLE 5.3**  
**Employment Percentage by Industry**

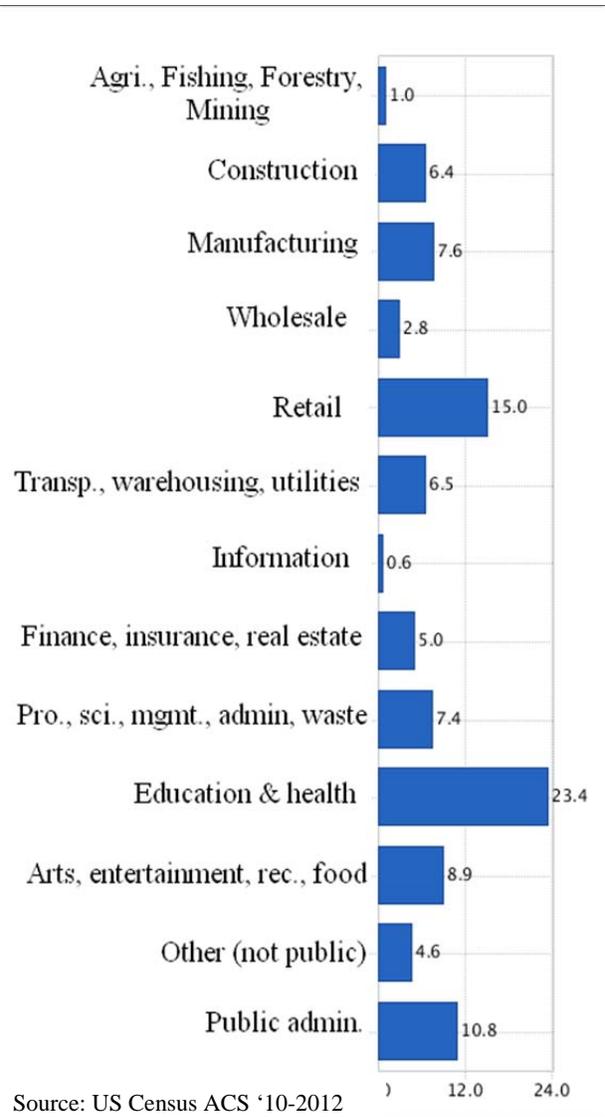


TABLE 5.4 Unemployment & Poverty Data								
US Census ACS 2010-12	Washington		Pierce County		Lakewood		Tacoma	
	Estimate	Percent	Estimate	Percent	Estimate	Percent	Estimate	Percent
EMPLOYMENT								
In labor force	3,525,446	65.1%	414,323	65.9%	28,579	60.0%	103,886	65.3%
Civilian labor force	3,477,803	64.2%	397,775	63.3%	26,817	56.3%	101,681	63.9%
Employed	3,130,464	57.8%	351,526	55.9%	22,844	48.0%	88,427	55.6%
Unemployed	347,339	6.4%	46,249	7.4%	3,973	8.3%	13,254	8.3%
Armed Forces	47,643	0.9%	16,548	2.6%	1,762	3.7%	2,205	1.4%
Percent Unemployed	(X)	10.0%	(X)	11.6%	(X)	14.8%	(X)	13.0%
Median household income (\$)	57,966	(X)	57,837	(X)	43,801	(X)	49,556	(X)
POVERTY %								
All families	(X)	9.3%	(X)	8.8%	(X)	12.7%	(X)	13.6%
All people	(X)	13.7%	(X)	12.4%	(X)	18.4%	(X)	17.8%

Source: U.S. Census Bureau, 2010-2012 American Community Survey

### 5.2.7 Employment Base

Table 5.5 in part provides an inflow/outflow analysis which shows the count and characteristics of worker flows in to, out of, and within Lakewood. Lakewood's labor force equals 25,251 persons. Of that amount, 80% commute to jobs outside the City, and 20% live and work in Lakewood. Table 5.5 also provides historical information of jobs by earnings, and the number of jobs by industry sector. Health care and social assistance, educational services and retail trade are the top three employers. Excepting for health care, the percentages of jobs by sector have not changed significantly over the past 10 years. This situation is likely tied to the current economy and the community's built-out nature.

### 5.2.8 Retail & Lodging Development

In 1998, the Community Shopping Center, now known as Lakewood Pavilion was built at the corner of 100<sup>th</sup> and Bridgeport Way. It has since been remodeled to include Rite Aid, Multicare, Verizon, Radio Shack, AT & T, restaurants, and other small retailers.

In 2001, the enclosed portion of Lakewood Mall was demolished, leaving anchor stores largely intact and making way for Lakewood Towne Center which opened in 2002. Bed, Bath & Beyond, Burlington Coat Factory, Pier One Imports, Ross, and Old Navy were among the new long-term tenants to open stores in the center. In 2009, both Gottschalks and Joe's closed leaving two large box stores empty. In 2013, the Gottschalks building was demolished to make way for new restaurants set to open in 2015.

Lakewood Towne Center is a site of open air destination with four distinct components: A City Hall as its centerpiece; a power center; an entertainment center; and a neighborhood center, all of which need further development to create a greater sense of place and gathering area for the community and visitors.

The International District is located along South Tacoma Way, from the City's entrance at 80<sup>th</sup> Street to the North and the 512 interchange to the South. Although Korean settled and developed, the area is a mix of cultures, restaurants, grocery, and other retail. Paldo World, Boo Han Market, and HMart are the most prominent stores along this corridor. The Great American Casino to the South, at the 512, was built in 2007. This district currently brings in more retail sales tax to the City than any other combined area in the City. The district is also the focus of major redevelopment, particularly at the City's entrance.

In 2008/2009, the City conducted both a hotel study and market analysis on Pacific Highway from 108<sup>th</sup> to Bridgeport. Development followed with the construction of Candlewood Suites, Lakewood Station and Pedestrian Bridge, Lakewood Ford, and the Nisqually Market. In 2012, LaQuinta Inn was converted to a Holiday Inn, and the Sounder Train service was extended to Lakewood Station. In 2013, Kenworth Northwest built a state-of-the-art new truck sales and service facility. A mobile home park was closed in preparation for two Marriott Hotel properties, one of which is planned for construction in 2015.

Numerous older motels have been closed along South Tacoma Way and Pacific Highway in anticipation of redevelopment.

In 2008, Walmart opened a new supercenter at the City's entrance to the Northwest on Bridgeport Avenue, and Lowes opened on 100th and Lakewood Drive. In 2014, Hobby Lobby and Big Lots opened at 100th and Bridgeport, site of the former Kmart store.

The Colonial Shopping Center, which included a former QFC, was purchased by an equity firm in 2013. It is currently being re-designed. New tenants are being recruited to the site.

### **5.2.9 Office Development**

There is some office space within the business parks, along major corridors and, small office space within the Central Business District. The most significant office developments have been medical facilities, a professional services office on Main Street SW, and the new Harborstone Credit Union. Office buildings have constituted minimal new development. This may be a future focus as business and healthcare campuses develop.

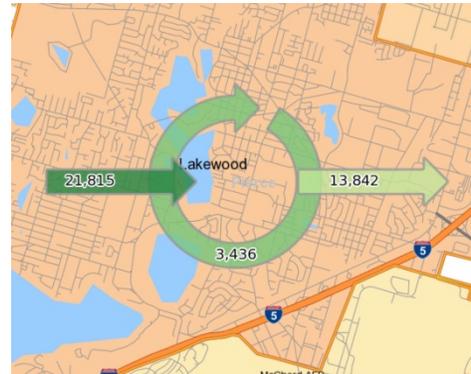
### **5.2.10 Commercial Enterprise**

Lakewood Industrial Park added over 400,000 square feet of industrial space to its 2.5 million square feet of space. Zoning was changed in the Woodbrook area to allow for a new 150 acre Industrial Business Park (IBP). A \$440,000+ square foot manufacturing/warehouse use building has been approved in the IBP. Existing manufacturing/warehouse space is available in the Durango industrial area. Manufacturing is slightly expanding on other industrial lands. The Air Corridor may cause some businesses to move, depending upon JBLM future plans.

**TABLE 5.5  
Inflow/Outflow Analysis & Area Jobs by Industrial Sector**

**Lakewood Inflow/Outflow Report**

	Count	Share
<i>Source: Employment Security</i>		
Employed in the Selection Area	25,251	100.0%
Living in the Selection Area	17,278	68.4%
Net Job Inflow (+) or Outflow (-)	7,973	-



**In-Area Labor Force Efficiency (All Jobs)**

	Count	Share
Living in the Area	17,278	100.0%
Living and Employed in the Selection Area	3,436	19.9%
Living in the Area, Employed Outside	13,842	80.1%

**Area Jobs**

	2011		2007		2003	
	Count	Share	Count	Share	Count	Share
Total All Jobs	25,251	100.0%	24,453	100.0%	23,163	100.0%

**Jobs by Earnings**

*Source: Employment Security*

	2011		2007		2003	
	Count	Share	Count	Share	Count	Share
\$1,250 per month or less	6,308	25.0%	6,719	27.5%	7,343	31.7%
\$1,251 to \$3,333 per month	9,664	38.3%	9,835	40.2%	9,872	42.6%
More than \$3,333 per month	9,279	36.7%	7,899	32.3%	5,948	25.7%

Jobs by NAICS Industry Sector	2011		2007		2003	
	Count	Share	Count	Share	Count	Share
Ag, Forestry, Fishing, Hunting	12	0.0%	13	0.1%	5	0.0%
Mining, Oil, Gas Extraction	0	0.0%	0	0.0%	0	0.0%
Utilities	59	0.2%	54	0.2%	68	0.3%
Construction	953	3.8%	1,252	5.1%	842	3.6%
Manufacturing	776	3.1%	886	3.6%	966	4.2%
Wholesale Trade	866	3.4%	1,127	4.6%	1,105	4.8%
Retail Trade	3,212	12.7%	3,076	12.6%	2,908	12.6%
Transport / Warehousing	1,996	7.9%	1,621	6.6%	1,318	5.7%
Information	189	0.7%	199	0.8%	172	0.7%
Finance and Insurance	624	2.5%	836	3.4%	800	3.5%
Real Estate and Leasing	528	2.1%	653	2.7%	564	2.4%
Prof, Scientific, and Tech Services	909	3.6%	653	2.7%	643	2.8%
Management of Companies	117	0.5%	51	0.2%	38	0.2%
Admin & Support, Waste Mngmt	510	2.0%	665	2.7%	851	3.7%
Educational Services	3,621	14.3%	3,281	13.4%	3,543	15.3%
Health Care and Social Asst	5,998	23.8%	4,982	20.4%	4,682	20.2%
Arts, Entertainment, and Rec	617	2.4%	804	3.3%	663	2.9%
Accommodation, Food Services	2,344	9.3%	2,294	9.4%	2,086	9.0%
Other (excluding Public Admin)	1,375	5.4%	1,388	5.7%	1,430	6.2%
Public Administration	545	2.2%	618	2.5%	479	2.1%

### 5.2.11 Residential Development

Lakewood has 26,924 households with a vacancy rate of 10.5 percent. The median home value is \$223,800, with homeowner costs of \$1,671/month. The median rental rate is \$826. The percent of owner occupied properties in Lakewood is 21.2% below the national average, and rental properties are 29.62% above the national average. As of March 2014, there were 149 active listings, 28.2% of which were distressed. Fifty percent of the housing stock is between the age of 1969 and 1979. There is a disproportionate amount of middle income housing (11%) as compared to the rest of Pierce County. Sixty-four percent of housing is low to very low income while 25% is upper income.

Since 2000, single family and multifamily development has been moderate. A fairly significant number of blighted homes, multifamily units, and mobile homes have been demolished.

Subject	NEW SFR	SFR Remodel	Multifamily	Multifamily Remodel	Multifamily Proposed 2014	Single Family Proposed 2014
Valuation	\$117,335,162.12	\$28,378,757.26	\$80,999,084.66	\$6,141,315.22	--	--
Number of Projects	533	147	106 (398 units)	23	323 Units	109
Average Value	\$220,141.02	\$193,052.77	\$764,142.31	\$267,013.71	--	--

Source: Lakewood Community Development Department

Subject	Washington		Pierce County, Washington		Lakewood		Tacoma	
	Estimate	Percent	Estimate	Percent	Estimate	Percent	Estimate	Percent
<b>HOUSING OCCUPANCY</b>								
Total housing units	2,901,351	2,901,351	326,979	326,979	26,924	26,924	85,273	85,273
Occupied housing units	2,624,689	90.5%	299,514	91.6%	24,085	89.5%	77,704	91.1%
Vacant housing units	276,662	9.5%	27,465	8.4%	2,839	10.5%	7,569	8.9%
Owner-occupied units	1,648,396	1,648,396	183,852	183,852	10,874	10,874	39,704	39,704
Median (dollars)	256,500	(X)	235,700	(X)	223,800	(X)	211,500	(X)
<b>MORTGAGE STATUS</b>								
Owner-occupied units	1,648,396	1,648,396	183,852	183,852	10,874	10,874	39,704	39,704
Housing units with a mortgage	1,180,916	71.6%	139,923	76.1%	6,852	63.0%	30,884	77.8%
Housing units without a mortgage	467,480	28.4%	43,929	23.9%	4,022	37.0%	8,820	22.2%
GROSS RENT	953	(X)	987	(X)	826	(X)	909	(X)

Source: U.S. Census Bureau, 2010-2012 American Community Survey

### 5.2.12 Institutional, Educational, Cultural, and Recreation Development

Residents and surrounding communities come to Lakewood for comprehensive healthcare options. Lakewood's St. Clare Hospital recently completed a \$15.5 million renovation to support the areas growing patient population. The hospital offers state-of-the-art primary

care, orthopedics, therapy, diagnostics imaging, a chronic pain center, and a cancer center. Multicare and medical specialists also serve the community. An influx of national dental chains has entered the market. Western State Hospital offers a wide range of mental health services, psychiatric treatments, and a recovery center.

Lakewood has two colleges, Pierce College and Clover Park Technical College, with a combined attendance of over 16,500.

Pierce College offers 39 certificate programs, e-learning, running start, worker retraining, and continuing education. Clover Park Technical College (CPTC) offers 40 programs, including aerospace, advanced manufacturing, health sciences, human services, business, hospitality, science, technology, engineering, transportation and trades.

The Clover Park School District has 31 schools and an enrollment of 11,947 students in PK-12 programs. Nearly a quarter of the population, 5 and older speaks a language other than English.

Educational attainment information is listed in Table 5.8.

The City of Lakewood is one of 100 schools across the nation to have received the America's Promise Award. The award is given to cities that meet high standards in five areas: caring adults, safe places, healthy start, effective education, and opportunities to help others. The City has received this award several years in a row. The school district partnership is integral to the future of our citizens.

	<b>Lakewood</b>	<b>Tacoma</b>	<b>Pierce County</b>	<b>Washington State</b>	<b>United States</b>
<b>Population 25 and over</b>	39,979	131,732	519,965	4,507,469	308,745,538
<b>Less than 9th grade</b>	4.4%	4.7%	3.0%	4.1%	6.0%
<b>9th to 12th grade, no diploma</b>	8.7%	7.3%	6.5%	5.9%	8.2%
<b>High school graduate (includes Equivalency)</b>	27.8%	29.0%	29.2%	23.6%	28.2%
<b>Some college, no degree</b>	29.3%	25.0%	27.7%	25.3%	21.3%
<b>Associate's degree</b>	9.1%	9.2%	9.9%	9.5%	7.7%
<b>Bachelor's degree</b>	14.2%	15.9%	15.5%	20.2%	17.9%
<b>Graduate or professional degree</b>	6.6%	8.8%	8.2%	11.4%	10.6%

Source: U.S. Census Bureau, 2012 5-year average

Lakewood's Sister Cities Association develops and promotes activities that support exchanges of delegations, educational and informational exchanges and events including the Annual International Festival and Artfest.

The City of Lakewood Parks, Recreation and Human Services Department maintains 12 parks and offers events throughout the year. SummerFest is held annually and includes a sprint triathlon. The parks department also works with the Community Garden program, Healthy Start, the Senior Activity Center, and human services to create livable communities

where all individuals have access to the resources they need. A Legacy Parks Plan prepared by the parks, recreation, and human services department has been adopted by Council.

### **5.3 Summary**

Lakewood is defined by its location – a suburb of Tacoma, adjacent to one of the largest military installations in the United States, and connected by I-5 and State Highway 512. It is a mature suburb with 80% of its workforce leaving the community every day. Lakewood's economy is based on retail, education, and health care systems. The community's housing stock is older and less vibrant than surrounding communities.

Yet, the City has many bright spots:

- The redevelopment of the Lakewood Towne Center in 2002 helped revitalize the City's core.
- Much of the highway oriented commercial development has been starting to undergo redevelopment.
- Over the past 14 years, \$200 million was invested in new schools and health care facilities. Pierce College and Clover Park Technical College added health sciences and technical buildings, and completed renovations. New elementary schools, the Hudtloff Middle School and Harrison Preparatory School were constructed. Saint Clare/Franciscan Health care facilities, Multicare and other medical and dental offices have grown to meet increasing demand.
- Over \$20 million in new infrastructure improvements have been made in Tillicum and Woodbrook.
- Major corridor investments have taken place including the establishment of the Souder Station adjacent to the I-5 Corridor. Additional road projects are also planned - Berkley interchange, Union Avenue, and on Bridgeport Way from I-5 to the Springbrook neighborhood.

In the future, Lakewood must establish a more stable and diverse economic base, focus on coordinating and establishing partnerships, implementing capital facilities funding programs that support redevelopment, developing market strategies for specific industries, improving upon its housing stock, redeveloping vacant and underutilized commercial/industrial properties, and enhancing the City's regional image as a desirable community offering a high quality environment for living and working.

### **5.4 Lakewood's Competitive Position in the Region**

Many of the existing urban development patterns are already set within the South Sound, and Pierce and Thurston counties. It is within this geographic area that Lakewood vies with other cities and Pierce County in relation to economic development. These cities include Tacoma, Lacey, Puyallup, Federal Way and Pierce County.

Table 5.9 compares each of these areas current market niches, as well as their opportunities and challenges, in order to help understand how Lakewood relates to its neighbors. Tacoma and Puyallup provides the region's stiffest competition for regional retailers and retail establishments. Lakewood finds itself "in the middle" between these two markets, but also having to compete with retail sales located on JBLM. Lodging appears underrepresented and based on past reports, this is a niche that Lakewood has yet to capitalize.

Lakewood does experience a “competitive” relationship with several nearby municipal governments that must be taken into account. Tacoma is the county leader with respect to economic development. Tacoma is an older city that has made many efforts to improve its downtown, and image, often at the expense of Lakewood, for more than a quarter of a century. Tacoma has an aggressive economic development mission. The city has devoted its own funds, as well as state and federal grants, to stimulate economic development. Tacoma has a strategic location on the highway system and a strong port.

One of the biggest challenges that faces Lakewood is infrastructure, particularly as it relates to utilities. Three power purveyors have boundaries that all come together within Lakewood. Parts of the service areas are disputed. In addition, water and sewer are provided by two separate entities, the Lakewood Water District, and the Pierce County Public Works & Utilities Department. This current situation complicates many aspects of development.

In summary, any program of economic development for Federal Way must monitor conditions and trends in Tacoma and elsewhere, and act decisively and aggressively to increase Lakewood’s strategic position.

<b>TABLE 5.9 Summary of Economic Conditions in the South Sound</b>			
<b>Location</b>	<b>Current Niche</b>	<b>Opportunities</b>	<b>Challenges</b>
<b>Lakewood</b>	-Retail Trade -Health Care -Education (2 colleges) -Regional park -Lakewood Industrial Park	-Construction -Manufacturing -Professional, scientific and technical services -Leisure/hospitality -No local B&O tax	-Five different utility providers -Infrastructure -Unemployment -Housing -Image -Lack of a walkable downtown
<b>Tacoma</b>	-Growth culture -Industrial infrastructure -Neighborhoods -Institutional capacity -Port of Tacoma	-Advanced technology -Cultural attractions -Entertainment	-Congestion -Class-A office space -Unskilled workforce -Underserved retail -B&O tax
<b>Lacey</b>	-Retail trade -Healthcare and social services -Accommodations -Food services -IT/communications -Warehouse/distribution	-Retail Trade; Gateway Project -Class A office space -Industrial lands	-Urban densities -Infrastructure costs -Congestion/transportation
<b>Puyallup</b>	-Retail trade -Automobile sales -Downtown community -Health care services	-Health care services -Professional & business services -Medical devices and technologies -Advanced material manufacturing -Green technologies	-Buildable lands -Diversification -Workforce to support health care services -Congestion/transportation
<b>Pierce County</b>	-Military-related employment -Health care services -Aerospace -Industrial land -Tourism	-Aerospace -Urban Waters -Research (UW) -Clean -Technology/innovation -Global health -Cyber security	-Preservation of agricultural lands -Transportation networks -Cyber security -Harbor maintenance tax -Business related taxes & expenses

<b>TABLE 5.9</b>			
<b>Summary of Economic Conditions in the South Sound</b>			
<b>Location</b>	<b>Current Niche</b>	<b>Opportunities</b>	<b>Challenges</b>
<b>Federal Way</b>	-Regional Mall -Weyerhaeuser -Vacant Land & redevelopable land	-Weyerhaeuser -Retail Trade -Land Assembly & re-development -Centrally located between Seattle and Tacoma	-Distance from I-5 and major economic concentrations -Low-scale development -Wetlands -Boeing reduction -Vacant buildings -Congestion/transportation

## 5.5 Summary of Achievements

- The establishment of Lakewood’s own police department.
- Installation of over \$20 million in water and sewer infrastructure in Tillicum and Woodbrook.
- Required \$1.5 million in mitigation measures to offset the relocation of the main entrance into Camp Murray.
- Over \$5 million in improvements to the Berkeley Bridge and Union Avenue SW.
- Over \$5 million in new road improvements to Pacific Highway SW.
- Construction of the Sounder Station including parking garage and pedestrian overpass.
- In 2002, the redevelopment of the Lakewood Mall into the Lakewood Towne Center.
- Recruitment of National retailers to the CBD and the South Tacoma Way Corridor.
- The location of Tactical Tailor to Lakewood.
- The removal of blighted buildings and structures on South Tacoma Way and Pacific Highway SW.
- Construction of a Wal-Mart Super Center on Bridgeport Way, including \$1.5 million in new road improvements.
- Construction of the new Kenworth Truck Dealership on Pacific Highway SW.
- Construction of Lakewood Ford on Pacific Highway SW.
- Installation of major park upgrades at Fort Steilacoom Park.
- Extensive new road improvements on Murray Road SW, including a new roundabout, 59<sup>th</sup> Street SW, 104<sup>th</sup> Street SW, and Bridgeport Way from the northerly City limits to Gravelly Lake Drive SW.

## 5.6 Economic Development Strategy for Lakewood

As with many cities, Lakewood will have limited funds with which to pursue its economic development goals. The City’s policy makers will have to use its resources in a focused and

prioritized manner to have a positive impact on the local economic base. Table 5.10 summarizes how Lakewood will implement an appropriate economic development strategy.

<b>TABLE 5.10 Economic Development Areas and Actions</b>					
<b>Location</b>	<b>Who initiates action?</b>	<b>What land uses are being encouraged?</b>	<b>How are they encouraged?</b>	<b>Reasons</b>	<b>Timing</b>
Central Business District	Public with private support.	Mixed use. Office development. Expanded open space.	Formation of public/private partnerships. Transportation infrastructure.	Increased property values & tax base. New job creation & existing business expansion.	As appropriate for market
South Tacoma Way Corridor	Public with private support.	Maximize retail – facilitate build out & improve quality.	Removal or redevelopment of blighted, underutilized properties.	Removal of blighted conditions. Increased property values & tax base. New job creation & existing business expansion	Emphasis 0-5 years.
Pacific Hwy Corridor	Public with private support.	Auto-oriented retail. Destination retail. Expanded regional commercial. Maximize retail – facilitate build out & maintain quality.	Removal or redevelopment of blighted, underutilized properties.	Increased property values & tax base. New job creation & existing business expansion.	As appropriate for market.
Springbrook	Public with private support.	Neighborhood commercial. High quality residential. Expanded open space.	Removal or redevelopment of blighted, underutilized properties. New utility & transportation infrastructure.	Removal of blighted conditions. Increased property values & tax base.	As appropriate for market.
Tillicum	Public with private support.	Auto-oriented retail. Neighborhood commercial. Residential redevelopment (preference is increased homeowner-ship).	Aggressive infrastructure investment. New housing programs to encourage home ownership	Removal of blighted conditions. Improved housing stock. Increased property values & tax base.	Emphasis 0-5 years.
Woodbrook	Public with private support.	Industrial development including logistical, manufacturing, distribution, & warehousing.	Formation of public/private partnerships. Aggressive infrastructure investment	Expansion of City tax base. Creation of new jobs	Emphasis 0-5 years.
Lakeview	Public with private support.	Residential redevelopment.	Removal or redevelopment of blighted, underutilized properties.	Removal of blighted conditions. Improved housing	Emphasis 0-5 years.

TABLE 5.10 Economic Development Areas and Actions					
Location	Who initiates action?	What land uses are being encouraged?	How are they encouraged?	Reasons	Timing
			Housing programs to encourage home ownership.  Increased densities.  Capital improvements for gradual redevelopment & infill.	stock.  Increased property values & tax base.	
Lake City	Public with private support.	Residential redevelopment (preference is increased homeowner-ship).	Removal of blighted, underutilized properties.  Housing programs to encourage home ownership.  Capital improvements for gradual redevelopment & infill.	Removal of blighted conditions.  Improved housing stock.  Increased property values & tax base.	Emphasis 0-5 years.

**5.7 Economic Goals and Policies**

The City of Lakewood will not wait for market forces alone to create the future, but will act to shape and accelerate the evolving market trends in the direction of its vision. The City will pursue the following goals and policies to implement economic development.

**City's Overall Role in Economic Development**

**Goal ED-1:** Maintain a strong, proactive position toward economic development that promotes a positive civic image.

Policies:

- ED-1.1: Increase the retail sales tax base of the City.
- ED-1.2: Encourage public-private partnerships which further public goals while advancing economic development opportunities.
- ED-1.3: Promote partnerships with the State, Pierce County, Joint Base Lewis McChord, other cities and organizations to advance regional competitiveness and mutual economic development goals.

- ED-1.4: Review and respond to emerging issues, pending legislation, and provide guidance with regards to special projects and economic development initiatives.
- ED-1.5: Encourage development or maintenance of business recruitment programs.
- ED-1.6: Encourage development or maintenance of business expansion and retention programs.
- ED-1.7: Where feasible and appropriate, assist the business community in the collection of data relative to economic development.
- ED-1.8: Increase Lakewood's leadership, role and influence in local and regional forums in order to advance the City's economic development goals.
- ED-1.9: Continue to pursue aggressive public safety programs designed to protect residents, businesses, and their investments.
- ED-1.10: Maintain working partnerships with Pierce College and Clover Park technical College in order to encourage and support their expansion and further integration within the Lakewood economy, as well as to identify and exploit increasing opportunities for economic development.
- ED-1.11: Consider opportunities to partner with local human service organizations to assist in providing human services resource development programs for the unemployed or under-employed.

## **Permitting**

**GOAL ED-2:** Ensure a responsive and efficient business licensing and building permitting process.

- ED-2.1: Establish a permit process system that is fair and timely while promoting the public health, safety, and general welfare.
- ED-2.2: Work with adjacent cities and Pierce County on consistency among regulatory codes.
- ED-2.3: Encourage predictability and consistency in the City's land use regulations, while also allowing for flexibility and creativity in the site development process.
- ED-2.4: Promote a results-oriented permit process, which consolidates review timelines, eliminates unnecessary steps, and maintains a strong customer service approach.
- ED-2.5: Provide targeted assistance to businesses that may be unsophisticated in permitting and licensing requirements.
- ED-2.6: Allocate sufficient resources to process development projects quickly and efficiently.

## **Housing**

**Goal ED-3:** Encourage increased ownership and quality housing throughout the City.

Policies:

- ED-3.1: Encourage home ownership to increase the number of invested stakeholders in the community.
- ED-3.2: Expand the homeownership opportunities for existing residents in neighborhoods with homeownership rates are lower than the regional average.
- ED-3.3: Expand quality of middle income housing products.
- ED-3.4: Develop new relationships and mechanisms that increase private investment in, and production of high-quality housing for all income groups.
- ED-3.5: Consider the cumulative impact of regulations on the ability of housing developers to meet current and future housing demand.
- ED-3.6: Require owners, investors, and occupants, to be responsible for maintenance of the housing stock.
- ED-3.7: Ensure that owners, managers, and residents of rental property improve the safety, durability, and livability of rental housing.
- ED-3.8: Support the public and private actions that improve the physical and social environment of areas that have experienced disinvestment in housing, that have a concentration of low-income households, or that lack infrastructure.
- ED-3.9: Attract a proportionate share of the region's families with children in order to encourage stabilized neighborhoods and a vital public school system.
- ED-3.10: Promote housing opportunities that build a sense of community, civic involvement, and neighborhood pride.

## **Infrastructure**

**GOAL ED-4:** Leverage public infrastructure for private investment.

Policies:

- ED-4.1: Where public costs will be recouped from increased revenue resulting from private investment, invest in infrastructure to stimulate and generate private investment for economic development and redevelopment projects.
- ED-4.2: Consider public financing techniques such as the use of local improvement districts, public-private partnerships, and grants in targeted areas to accomplish specific economic development needs.
- ED-4.3: Work with community development on signage and frontage improvements and regulations that enhance the community and promote economic development.
- ED-4.4: Use HUD programs (CDBG allocations and the Section 108 loan program) to help fund infrastructure improvements.

## **Focused Redevelopment Emphasis**

**Goal ED-5:** Promote the revitalization/redevelopment of the following areas within Lakewood: 1) the Central Business District; 2) the South Tacoma Way & Pacific Highway Corridors; 3) Springbrook; 4) Tillicum/Woodbrook; 5) Lakeview (Lakewood Station District); and 6) Lake City.

Policies:

- ED-5.1: Where appropriate, develop and maintain public-private partnerships for revitalization.
- ED-5.2: Pursue regional capital improvement opportunities within these specific areas.
- ED-5.3: Promote the concentration of commercial uses and cultural activities in the Central Business District with the intent of increasing and maintaining the vitality of the community.
- ED-5.4: Promote industrial land development at the Woodbrook Business Park.
- ED-5.5: Continue existing programs to expand sewers throughout Tillicum and Woodbrook.
- ED-5.6: Expand commercial development along Pacific Highway SW by converting lands designated Public/Institutional into commercial uses.
- ED-5.7: Expand housing ownership opportunities.
- ED-5.8: Identify and implement strategies to foster small business development and expansion.
- ED-5.9: Aggressively market the Central Business District as a place to live, shop, and do business.
- ED-5.10: Encourage mixed use developments within the Central Business District and Lakeview.
- ED-5.11: Remove blighted buildings from residential neighborhoods.
- ED-5.12: Promote single family development in Lake City and Tillicum.
- ED-5.13: Develop and implement a sub-area plan for Springbrook.
- ED-5.14: Consider establishing a local development government corporation and an equity investment approach for land assembly within a designated target area. Under this model, landowners contribute their land (and improvements) as "shares" to the corporation and receive a portion of the distribution from cash flow generated by redevelopment.

## **Manufacturing/Industrial Areas**

**GOAL ED-6:** Ensure the logistical functions of Lakewood's industrial districts are not impaired by conflicts with other transportation system users.

Policies:

- ED-6.1: Where feasible and appropriate, promote freight mobility through grade separation of rail traffic from street traffic and improvement of existing Lakewood road connections.
- ED-6.2: Pursue regional capital improvement opportunities that will benefit Lakewood's industrial districts.
- ED-6.3: Coordinate with the Capital Improvement Program and Six-Year Transportation Improvement Plan to ensure the maintenance and expansion of infrastructure to support Lakewood's industrial districts.

**Joint Base Lewis McChord**

**GOAL ED-7:** Protect the mission of, and ensure the long-term viability of Joint Base Lewis McChord.

Policies:

- ED-7.1: Maintain the South Sound Military Communities Partnership.
- ED-7.2: Conduct a Joint Land Use Study and implement the resulting recommendations into Lakewood's Comprehensive Plan, development regulations, capital improvement programs, and other plans policies.
- ED-7.3: Work with federal, state, and local agencies to fund the acquisition of properties deemed unsafe in the Clear Zone.
- ED-7.4: Develop a JBLM Regional Policy Considerations Guide. The guide would include background text on JBLM operations and policies associated with economic development and housing.
- ED-7.5: Support workforce development programs for military personnel transitioning out of military service.
- ED-7.6: Continue to support the efforts of the South Sound Military Communities Partnership.
- ED-7.7: Conduct industry justification and economic diversification studies in response to drawdown and potential loss of Department of Defense contracts.