

# City of University Place



# Economic Development Strategic Action Plan

2012-2016

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Adopted by the City Council, November 19, 2012

# City Listings

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## University Place City Council

Ken Grassi, Mayor  
Denise McCluskey, Mayor Pro Tem  
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Chris Nye, Councilmember  
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## Acknowledgements

*This Plan is the result of contributions by many individuals.*

*The members of the City's Economic Development Commission spent many hours, both during and outside of their regular meetings, conducting interviews, considering research findings and developing the themes, strategies and priorities of this Plan. The opinions and unique perspectives of these individuals form the backbone of this document.*

*Thanks must also be extended to City staff, City Councilmembers, and the City's Planning Commission for their thoughtful consideration and contributions. We are particularly grateful to Steven Buter, Community Services Manager, for the considerable time and energy he contributed to this effort.*

*Many U.P. residents and business owners, as well as a number of outside stakeholders shared their opinions, insights and questions, contributing to the quality and comprehensiveness of the final Plan.*

## Economic Development Commission

Rich Berndt, Chair (1/2011 – 9/2011)  
John Siridakis, Current Chair (Vice Chair, 1/2011 – 9/2011)  
Ron Kent  
Rick Larson, Current Vice Chair  
Ruthann McCaffree  
Dirk Thompson  
Peggy Rose Webster  
Chuck Foster

# Executive Summary

The Strategic Action Plan (SAP) is based on the City Council's desire to increase economic development in University Place, as identified in the Council goal to increase opportunities for consumers, business owners and workers. The Strategic Action Plan (SAP) provides an economic development blueprint for the City, including goals and action strategies. The year-long process to develop the SAP began in early 2011 and involved a careful review of the City's strengths and weaknesses, a study of the current local economic environment, and the identification of both ambitious and practical ways to help develop University Place's economy.

City staff and the Economic Development Commission led a process of gathering data and evaluating local information and perspectives, including:

- Business Survey – a business survey mailed to all University Place businesses
- Stakeholder Interviews – interviews with local business and civic leaders and economic development professionals
- Focus Groups – two focus groups with local stakeholders
- Community Profile – quantitative research and analysis on the local economy and environment

The goals and action strategies developed based on the research take advantage of community strengths while targeting potential growth areas. The three main goals are:

**Goal 1: Retain Existing Businesses and Assist In Their Development and Expansion**

**Goal 2: Market and Promote University Place Businesses, Events, Schools, Arts and Other Community Assets**

**Goal 3: Create a Competitive Business Environment for Current and Future Businesses**

Each of these three main goals offers opportunities for the City to work locally with U.P. businesses and in partnership with regional organizations and businesses on larger programs and development efforts. The goals are broken into specific action strategies that the City uses to create an **Implementation Plan**. The Implementation Plan is a separate document from the SAP and will continue to be updated as the local environment changes and develops during the 2012-2016 time period.

Working together with local businesses and regional partners, the City will utilize the SAP to help facilitate economic development in University Place.

# Background and Introduction

## Opportunities

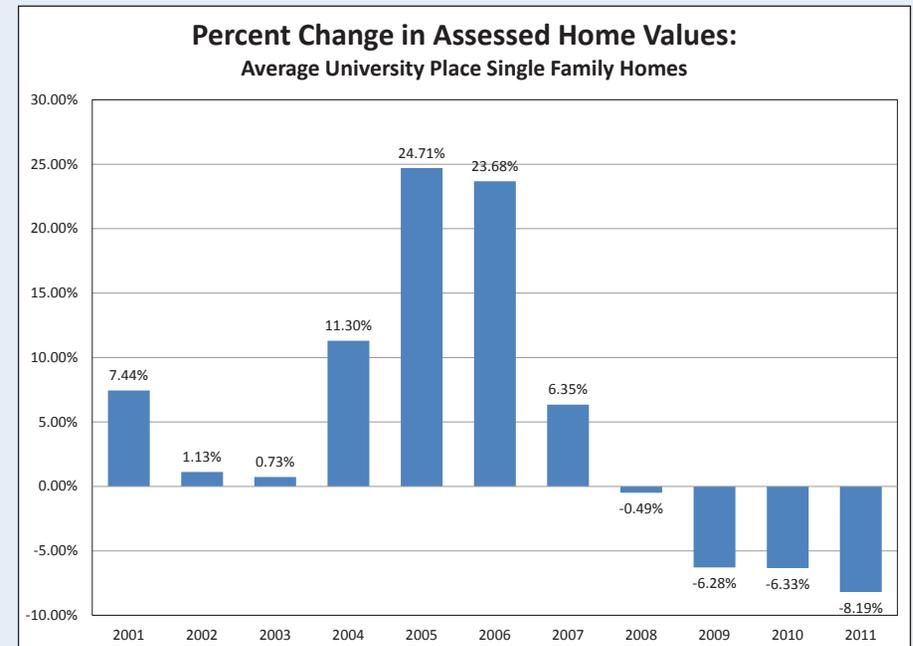
The Economic Development Strategic Action Plan 2002-2007 was the City's first economic development plan. It identified key opportunities and developed a strategy to help assist and grow the City's local economy. Community stakeholders developed a vision and identified a set of goals that were based on taking advantage of the City's strengths and opportunities, while working to address potential growth areas.

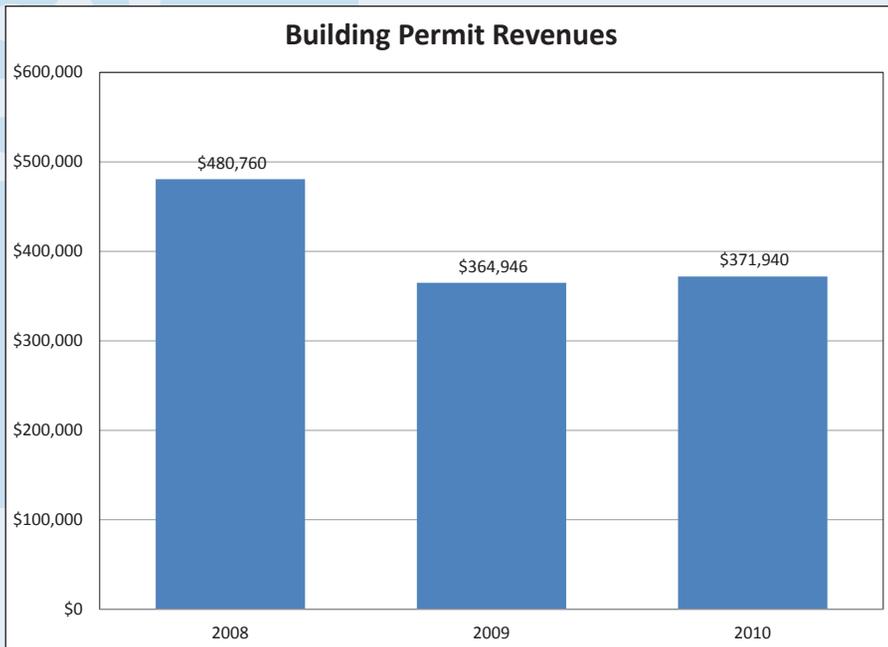
The first plan was followed by the Economic Development Strategic Action Plan 2007-2011. The second plan built on the vision and strategies identified in the first plan, and highlighted new strengths and opportunities as well, most notably Chambers Bay. Chambers Bay Golf Course was completed in 2007 and immediately became one of the City's most significant community assets, opening up new tourism and development opportunities in University Place.

The accelerated development of the Chambers Creek Properties, including Chambers Bay Golf Course, continues to be one of the City's most valuable opportunities. With the recent success of the U.S. Amateur in 2010 and the highly anticipated hosting of the U.S. Open in 2015, the City is poised to capture numerous benefits that only such a unique asset can bring. In addition to the Chambers Creek Properties, Town Center, the City's primary development project, continues to provide the City's best opportunity to enhance its economic retail base and create an urban downtown. While completion of Town Center has proceeded more slowly than anticipated primarily due to the national economic downturn, this city-owned project continues to be the City's best investment for a sustainable future.

Staying true to the community's vision, Town Center provides opportunities for specialty retail, housing and other commercial uses. With the recent completion of the Civic Building, the parking garages, street and utility infrastructure, and the much anticipated opening of the Library, Town Center is now more poised and ready than ever to partner with private developers to accomplish the rest of the community vision. Developers and retailers have taken notice and the first private development, a mixed-use building, began construction in 2012, shortly after the first private retailer opened in the Civic Building.

In addition to the potential public/private opportunities in the Town Center project, once completed and developed it will likely be a catalyst for other redevelopment along Bridgeport Way. Uptown, the district south of the Town Center project area (from 37th through 44th along Bridgeport), can provide valuable opportunities for redevelopment and commercial in-fill development as Town Center is completed.





Also located in the City are several older commercial centers and hubs that, if redeveloped, could see significant restructuring towards higher quality uses and product and service clusters. The City has worked in various capacities in partnership with the private property owners of several of these commercial centers. However, achieving their full development potential and capacity is still a work in progress.

One of the most promising of these commercial areas is the 27th Street business corridor, from Mildred through Grandview. Historically, this arterial acted as the main commercial corridor serving the residents of University Place. Today, it is still home to an eclectic group of local service and retail businesses integrated among residential and other uses.

The City has long targeted 27th Street for redevelopment. In 2005, through partnership with local businesses, the City completed and adopted the 27th Streetscape Master Plan. The Plan envisions an integrated design that includes curbs, sidewalks, street lights and other amenities. In 2011, the City successfully applied for and received grants to implement the first phase of this streetscape master plan with construction to follow. This construction project could be the impetus to re-energize and re-engage

the business community to more actively market and promote 27th Street as a distinct and unique business district. With the right tools and partnership with the local businesses, 27th Street can be revitalized as one of the City's premier business districts.

## Challenges

The City's greatest challenge is the slow economy. While the City and the Puget Sound region managed to stave off the national economic slowdown starting with the housing bubble in 2007 and the credit crisis that followed in late 2008, the City, along with the rest of the region, has succumbed to the pull of the worsening national economy.

The collapse of the national and world economy hit home, negatively impacting attraction of private development for the Town Center, and future lodging and commercial development for Chambers Bay, the City's two most important economic opportunities. In 2009 City of University Place cut approximately 30 percent of its staff, reduced service levels, and adopted a conservative and no-frills budget. In the short run, the total impact of decreased services will likely not be obvious, especially in areas such as street maintenance with indicators of lagging spent resources. However, this decreased investment in infrastructure and maintenance will eventually present future challenges for major arterials and infrastructure.

2008	2011	3-Year Change
\$592,982	\$359,570	-\$233,412

On the private investment side, the sagging economy managed to stall other proposed local development projects, from residential to commercial. Real estate activity, as reflected by a decrease in Real Estate Excise Tax Fees collected since 2008, show the downward trend from lower real estate sales and transfers.

This is further evidenced by the decrease in revenues generated through building and site development permits and fees. Development Services permit revenue decreased from 2008 to 2010, and these revenues are expected to continue to decline. Property values have also decreased after years of increased assessed values, and are not expected to rebound.

## City's Role

Local economic development does not occur in a vacuum. Successful economic development efforts require partnerships and collaboration with the private sector and other economic development organizations. The City will work with partners to take advantage of the local opportunities and address the challenges as the SAP is implemented. The City's role, described below, focuses on facilitating economic development through a variety of tools and approaches that help support local businesses and improve the business environment, reducing local government barriers and making the City of University Place an attractive place to conduct business.

### Governance and Service Delivery

One of the primary functions of government is to provide and maintain infrastructure, and govern through policies that provide quality services for the community.

- Provide infrastructure – streets, sewer, roads, etc.
- Administer and regulate land use codes and regulations
- Technical Review Committee – site planning and building review assistance

### Business Retention and Expansion

Maintaining and growing existing businesses is a core focus of the City's economic development effort. Supporting and growing existing businesses helps sustain a strong local economy.

- Conduct site visits
- Business networking through City run or supported programs such as Partner UP
- Provide technical assistance through the Business Solutions Program
- Conduct regular business survey to help assess needs and gaps

### Business Recruitment

Active business recruitment is not a major focus except for the City-owned Town Center properties. The City does support regional efforts to help attract businesses to the City through partner organizations and provides leads and other assistance to businesses known to be interested in locating in University Place.

- Respond to inquiries from prospective businesses
- Partner with other economic development agencies, such as Pierce County, the Economic Development Board for Tacoma-Pierce County, the Tacoma-Pierce County Chamber of Commerce, and the Convention & Visitor Bureau
- Maintain a website and Community Profile
- Connect business leads with local property owners

## Entrepreneurship and Business Development

The majority of businesses in the City are home-based and/or small businesses and the City supports efforts to create new businesses locally by providing accessible resources for owners and prospective owners.

- Provide needs assessments and referrals for local businesses
- Host and provide workshops, training and education
- Publish a monthly newsletter that includes business-related updates and information

## Commercial Redevelopment

The City has developed a number of business hubs that are ripe for redevelopment. Redevelopment assistance offers property owners and managers valuable input into how existing properties can be transformed to help realize their full potential.

- Conduct site assessments and analyses
- Provide master site planning, including visioning, design, zoning and best use information
- Provide tenant referrals

# The Planning Process

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The Economic Development Commission (EDC), the Council's appointed advisory board, played a critical role in the development of the SAP. Along with staff, the EDC gathered and reviewed business and stakeholder input, studied descriptive quantitative data about the community, and crafted an aggressive but practical set of goals for economic development.

The community profile in the SAP is a quantitative look at the local environment in which businesses exist. It includes demographic information, such as income and free and reduced price lunch data, as well as detailed information about the local business community. The research and data-gathering phase of the process included the following main components, the results of which are used throughout this plan:

**Business Survey** To gather accurate feedback from current businesses, a business survey was conducted in April 2011. A total of 858 business surveys were mailed to local businesses. Two hundred and fifty-nine responses were received by the City. The response rate of 30 percent is higher than previous business surveys and provided in statistically significant results used in the SAP.

**Stakeholder Interviews** EDC members and staff conducted 18 stakeholder interviews to gather a variety of perspectives about the City's local economy, strengths, opportunities, and other development-related issues.

**Focus Groups** Two focus groups were conducted, one with the Executive Committee of the University Place/Fircrest Division of the Tacoma-Pierce County Chamber of Commerce, and the second with the Small Business Enterprise Group made up of small University Place businesses.

# Vision, Mission and Goals

## Vision

University Place has a vibrant and sustainable economy that encourages business growth, meets residents needs and supports quality services, parks, schools and community assets.

## Mission Statement

Grow and develop the City's business districts to create a liveable and economically vital community.

## Goals and Action Strategies

### Goal 1 - Retain existing businesses and assist in their development and expansion.

#### Action Strategies

- I. Provide business support and technical assistance
- II. Continue commercial redevelopment focused in targeted areas
- III. Leverage regional and other local Economic Development efforts

### Goal 2 - Market and promote University Place businesses, events, schools, arts and other community assets.

#### Action Strategies

- I. Continue to brand University Place as a tourism, shopping and recreation destination
- II. Continue to assist in marketing the Town Center project

### Goal 3 - Create a competitive business environment for current and future businesses.

#### Action Strategies

- I. Search for funding opportunities and advocate for the improvement of parks, streets, sidewalks and other basic infrastructure as resources permit
- II. Promote, review and propose business-related policies and practices that enhance business development
- III. Develop educational materials and continue to educate businesses about the permitting process and other business-related policies
- IV. Help businesses navigate the business development process by offering technical review committees, consultation with staff, and other assistance as appropriate
- V. Continue dialogue with business leaders and professional organizations regarding the local business environment

# Conclusion

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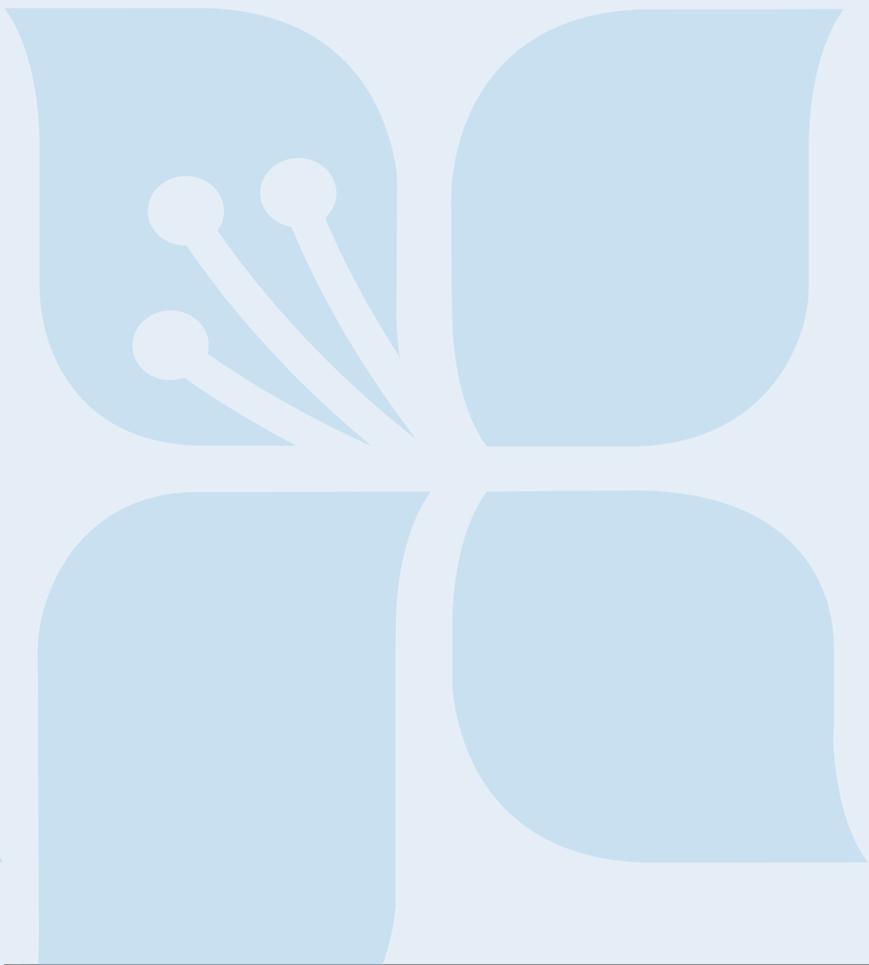
With the Strategic Action Plan complete, the implementation phase begins. Staff will continue to adapt to the changing local environment, updating the implementation plan as appropriate and developing workplans that will help accomplish the SAP goals.

The SAP includes both high level goals and detailed strategies, and accomplishing the goals requires continuing communication between the City Council, Economic Development Commission and staff. External communication, including engaging partners such as the Economic Development Board, University Place/Fircrest Chamber of Commerce, Pierce County and others, will continue to be an integral part of achieving the SAP goals as well.

Working together with the local business community and other partners, the City is confident that the SAP will focus the City on positively impacting the local economy for future generations of University Place residents and businesses.

# **Economic Development Strategic Action Plan**

Research and Data



# Business Survey Overview

The 2011 business survey was sent to 858 businesses in University Place. The City received 259 responses, 256 of which were usable, for a response rate of 30 percent. The survey provides a snapshot of businesses in the community. In addition, feedback regarding existing City services was solicited as well as input regarding additional services and support the business community may desire. (Appendix A is a copy of the business survey.)

Business survey respondents represented a wide variety of businesses. About one-third of respondents indicated they have been in operation for 20 or more years, with three-fourths of those businesses indicating that they have been located in University Place 20 or more years. On the opposite end, about one-third of all respondents have been located in University Place five years or less, with just less than one-third having been in operation for five years or less.

The size of businesses that responded, in terms of gross revenue, physical space, and staff size, varied. Thirty-nine percent of respondents indicate they gross under \$50,000 in revenue annually, while 27 percent of respondents gross over \$200,000. The average physical space of business respondents is 1,776 square feet and nearly half of respondents said that they are the sole employee for their business. Overall, the size of respondent businesses corresponds with the business license data provided from the Department of Revenue that shows that the City has a large contingent of home-based small businesses.

Respondents were asked to classify their business from a provided list. The top three business classifications of the respondents are medical/dental (13 percent of respondents), consultation (11 percent) and retail (10 percent), accounting for just more than one-third of all responses. The most represented area of town among respondents is the Bridgeport Corridor (23 percent of respondents), with the 27th Street District second (18 percent).

Half of the business respondents report having an up-to-date website, while only one in five report doing any business online. Respondents also estimate that most of their revenue comes from outside of University Place, with half of them estimating that 10 percent or less of their revenue comes from within the City, while only one out of ten estimate they receive over 75 percent of their revenue from within University Place.

About seven out of ten respondents indicate they are planning to expand their workforce in the near future, with just over half estimating that the expansion will occur within the next two years. Meanwhile, only 13 percent are planning a facility expansion in the next decade, half of which are planning that expansion within the next two years. Twelve percent of respondents indicate they eventually foresee a move to a new site, while 13 percent anticipate the need for business development financing within the next five years.

## Home-based Business in U.P.

Home-based businesses account for about half of all businesses in University Place.

One hundred and nineteen business survey respondents, or 46 percent, indicated that they are home-based businesses. Half of those home-based businesses have operated in the City for over ten years and half indicated that they are the only employee in their business.

While the majority of home-based businesses are small operations with modest gross revenues, 15 of the home-based businesses report grossing between \$100,000 and \$200,000 per year and 27 report grossing over \$200,000 per year.

While the City supports small and large businesses alike, it is often small businesses, including many of the City's home-based businesses, that can utilize the assistance and training opportunities offered by the City.

By continuing to support home-based businesses in the community, the City is providing tools and services to residents to help them maintain and grow their businesses, while these businesses also contribute to the local tax base and community.

Of the 121 businesses interested in City programs or assistance, the area garnering the most attention is marketing and customer service (41 percent), followed by business management advice (21 percent), and then financial assistance and pre-development consultation (12 percent each). Meanwhile, 63 of the respondents indicated that they have used one or more of the City's business services in the last 12 months.

Overall, business satisfaction with the City of University Place is encouraging. Eighty-eight percent of respondents are very satisfied or satisfied with the current level of services from the City, while 81 percent are very satisfied or satisfied with the City's permitting process, fees and regulations.

## Stakeholder Interviews

In order to hear from every sector of the commercial community in University Place, it was important to receive input from major stakeholders in the community. These organizations and/or individuals make key contributions to the quality of life in University Place, and also provide significant feedback that provides a more comprehensive and inclusive view of business as integrated into the fabric of the community. Stakeholders were interviewed by members of the City's Economic Development Commission. (For a list of stakeholders who participated, see Appendix B.)

Several overarching themes emerged from the interviews that were held with various community and business stakeholders. They are:

- Town Center – activation and development progress
- Adapt to the current economy
- Understand the UP business community

Stakeholders encouraged the City to maintain involvement in regional economic development efforts, but always with a focus as to the best interests of the University Place business community, especially the small businesses, which comprise over 80 percent of U.P. businesses. Additionally, top strategies they identified to enhance economic development efforts were communication, flexibility, and reaching out to work with developers

## Stakeholders

Stakeholder – a person, group or organization that has a direct or indirect stake in an organization because it can affect or be affected by the organization's actions, objectives and policies.

Some of the stakeholders interviewed provide expert opinions from a specific focus, such as a developer. Others provide a broad perspective from individuals that are deeply invested in the community. These individuals, often active and involved in community events and activities, help provide a perspective that takes into account overall quality of life and community vibrancy and vitality.

Taken together, the stakeholder views provide a window into the collective goals and wishes of the community at large, as well as a snapshot of current community impressions of City operations. Their opinions offer balance to the feedback provided by the business community and assist in collecting a well-rounded and diverse portrait of University Place at this point in time. A list of the stakeholder interview questions can be found in Appendix B.

## Focus Groups

Two groups of predominantly University Place businesses were meeting already on a regular basis, and this provided an excellent opportunity to speak with several businesses at the same time regarding their perspectives on economic development in University Place. These groups were the Executive Board of the University Place/Fircrest Division of the Tacoma-Pierce County Chamber of Commerce, and the Small Business Enterprise Group.

The Executive Board of the University Place/Fircrest Division of the Tacoma-Pierce County Chamber of Commerce represent businesses that are members of the Chamber of Commerce and are active in pursuing the goals of the Chamber in University Place and Fircrest. As a result, they are very aware of and focused on providing strong business support in the local community. The City has been active in the Chamber for many years, understanding that both groups share many economic development goals. The Board is made up of 10 members, with the City holding a non-voting position on the Board.

The Small Business Enterprise Group was a grass-roots group that formed to support small businesses in University Place. They met monthly to discuss common issues and share solutions. All businesses represented were located in University Place.

Much information was shared during these meetings, a majority of which centered on current issues between the City and specific businesses. The details of these interactions formed the context of further comments. Issues that are more general and broadly applied to economic development within the City included the following:

- The completion of Town Center is an important task
- Economic development efforts by the City need to be publicized and communicated to the business community
- The City should present itself as business-friendly
- The City needs to listen to the needs of the business community expressed in the business survey
- The City needs to be proactive in working with businesses as they go through the process to be permitted and licensed to operate in University Place

# Community Profile

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The following community profile provides an overview of University Place demographics and business activity using specific descriptors of the community. Each section provides narrowly focused quantitative information gathered from reliable resources, such as the Washington State Office of Financial Management and the United States Census Bureau Information from nearby cities, Pierce County, and the four county (King, Kitsap, Pierce, Snohomish) Central Puget Sound region is included throughout the profile to provide local comparisons and regional context.

Profile summaries, including tables and graphs, are based on the most current information available at the time the Strategic Action Plan was written. Data from the 2010 decennial census was not available for inclusion in this publication; the 2007-2009 American Community Survey Census Bureau data (2005-2009 data for Fircrest, Steilacoom, Fife) was the most up-to-date information available at the time the report was compiled.

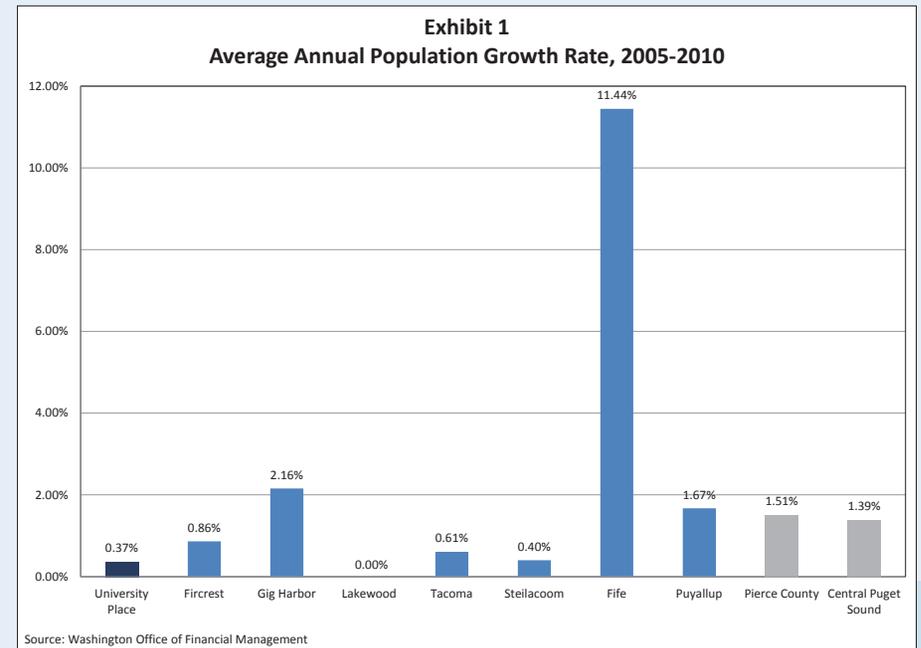
Updated demographic information includes the following:

- Resident Demographics
- Housing
- Employment
- Consumer Spending
- Business Survey Overview
- Stakeholder Feedback Overview

## Population

The City of University Place, with a population of 31,550 people, is the fourth largest city in Pierce County, behind Tacoma (204,200), Lakewood (58,840) and Puyallup (38,900), and is the 35th largest city in Washington State.

The University Place population increased by 570, or .37 percent, between 2005 and 2010. The growth rate in Pierce County during that five-year period was 1.51 percent, and the growth rate in the four county (King, Kitsap, Pierce, Snohomish) Central Puget Sound Region during that period was 1.39 percent.



## Exhibit 2

### Population Change by City, 2005-2010

	Population						5 Year Change
	2005	2006	2007	2008	2009	2010	
University Place	30,980	31,140	31,300	31,440	31,500	31,550	570
Fircrest	6,080	6,260	6,270	6,315	6,325	6,345	265
Gig Harbor	6,765	6,765	6,780	6,910	7,165	7,520	755
Lakewood	58,850	59,000	58,950	58,780	58,840	58,840	-10
Tacoma	198,100	199,600	201,700	202,700	203,400	204,200	6,100
Steilacoom	6,175	6,200	6,220	6,255	6,285	6,300	125
Fife	4,855	6,135	7,180	7,525	7,610	8,210	3,355
Puyallup	35,830	36,360	36,790	36,930	38,690	38,900	3,070
Pierce County	755,900	773,500	790,500	805,400	813,600	814,600	58,700
Central Puget Sound	3,460,400	3,524,000	3,582,900	3,633,000	3,674,800	3,707,400	247,000

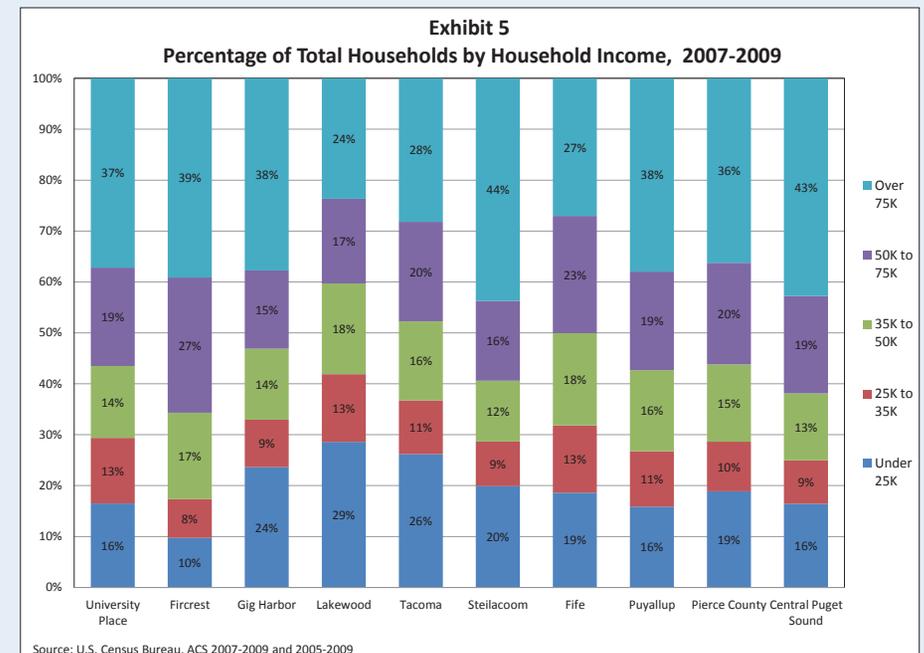
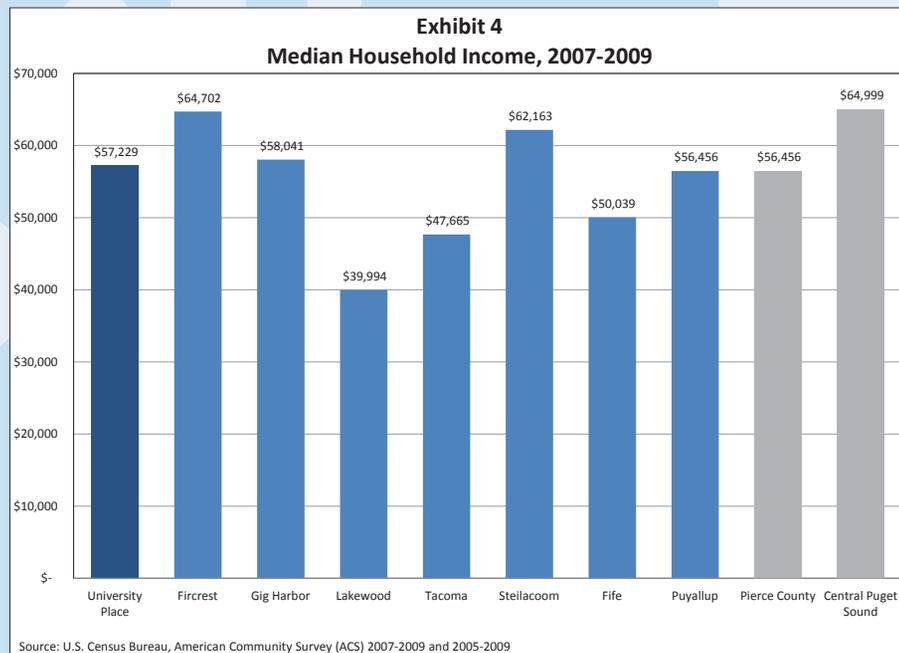
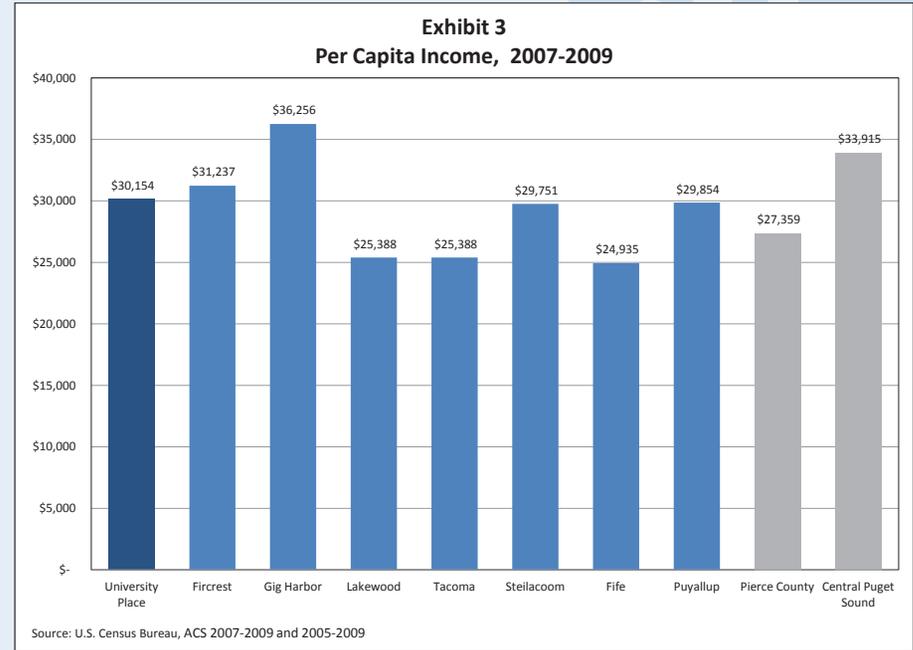
Source: Washington Office of Financial Management

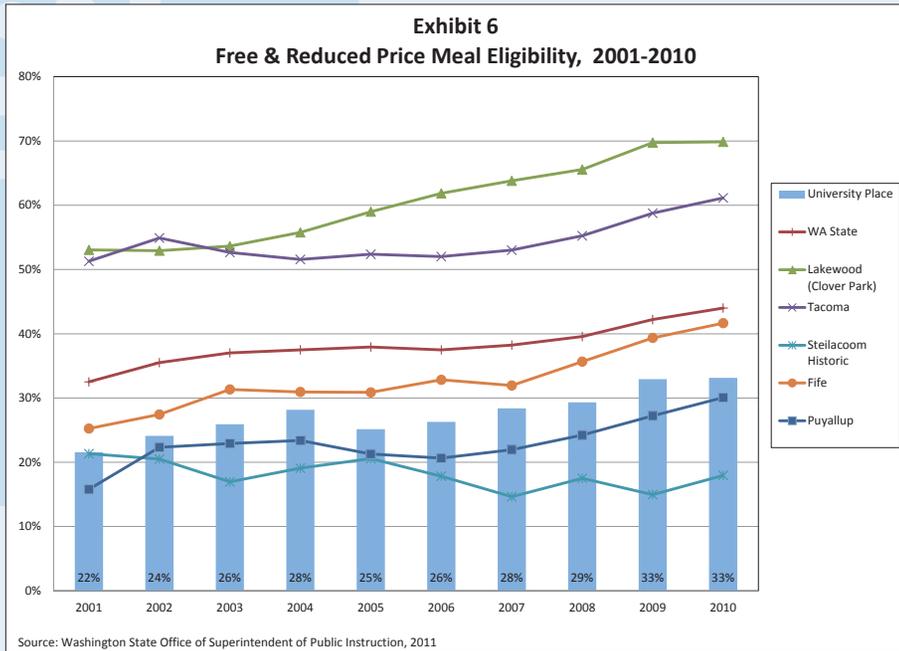
## Income

The per capita income in University Place is just over \$30,154. The median household income in University Place is \$57,229, \$7,000 more than the median household income in 1999 (\$50,287). The annual household income increased by about \$700 during the last decade.

Gig Harbor (\$58,041) and Puyallup (\$56,456) median household incomes are similar to University Place, and the Pierce County median household income (\$56,456) also closely mirrors the University Place median. The incomes in other counties raise the Central Puget Sound regional median household income to \$64,999, over 13 percent higher than the University Place median. Tacoma (\$47,665) and Lakewood (\$39,994) households have median incomes about \$10,000 and \$17,000, respectively, below the University Place median.

Over half of University Place households (56 percent) earn more than \$50,000 per year, while only 16 percent of households earn less than \$25,000, less than most Pierce County cities. Overall, the University Place income distribution, by household, is very similar to the Puyallup and Pierce County distributions, with a greater percentage of households earning over \$50,000 than Gig Harbor, Lakewood, Tacoma and Fife, and a lower percentage than Fircrest and Steilacoom.



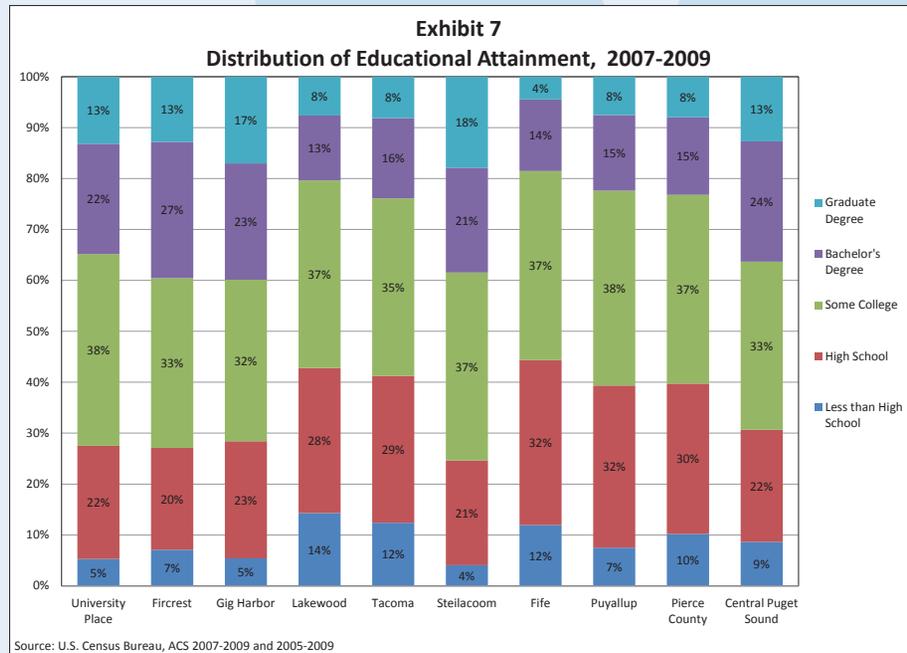


## Free or Reduced Price School Meals

One of every three students in the University Place School District is eligible to receive free or reduced price meals, compared to less than one in four eligible students one decade ago. The percent of students eligible for free or reduced price meals has increased every year except one (2005) during the last 10 years. During that same period, other school districts in Pierce County have seen similar increases, save the Steilacoom Historic School District, which has fluctuated slightly but remained at a percentage similar to 2001. The percentage of students who are eligible for free or reduced price meals in University Place School District is 11 percent lower than the state average and lower than nearby Fife, Lakewood and Tacoma eligibility percentages.

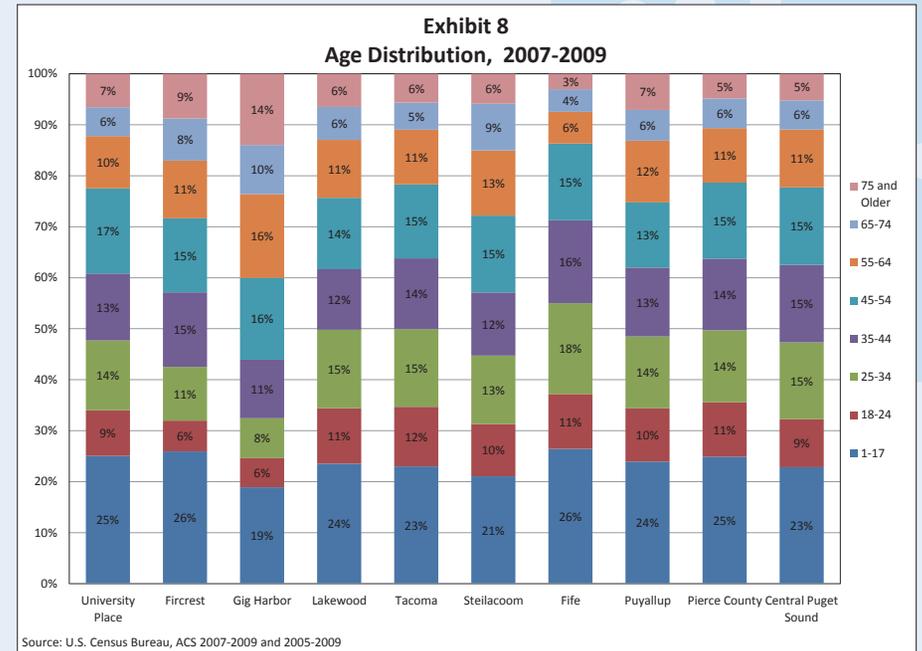
## Educational Attainment

One out of every four University Place residents holds a bachelor's degree or higher and seven out of 10 residents has completed at least some college. University Place has a higher percentage of residents with some college education or higher than its larger neighbors (Puyallup, Lakewood, Tacoma), and a higher percentage than Pierce County and the Central Puget Sound region by 13 percent and three percent, respectively.



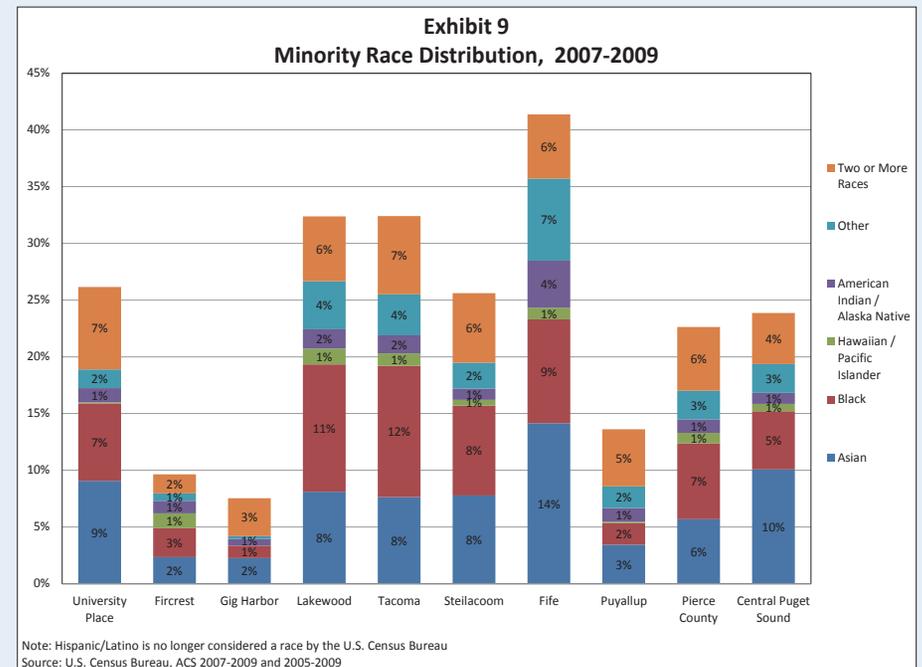
## Age

The age distribution in University Place is similar to the countywide and regional age distribution. One in four residents is 17 years old or younger, just less than one in four residents is 55 years old or older, and approximately half of residents are between the ages of 18 and 54. University Place has a higher percentage of residents under 17 and a lower percentage of older and elderly residents (55+) than nearby Gig Harbor and Steilacoom.



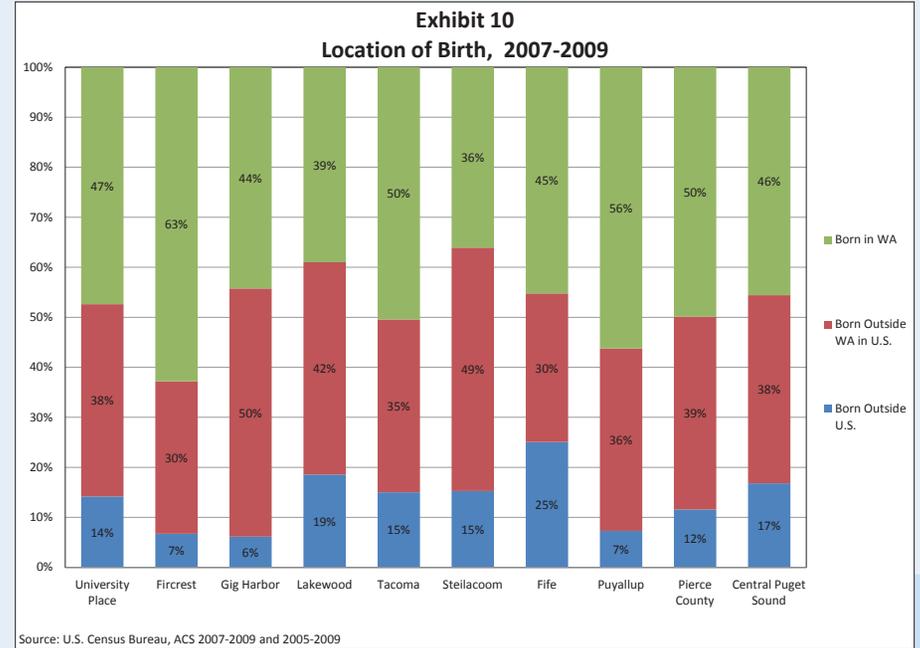
## Race

Nine percent of University Place residents self-categorize as Asian, seven percent as Black, and seven percent as two or more races. Over one in four University Place residents is a member of a minority racial group, indicating that the City is more diverse than Puyallup and smaller neighbors Fircrest and Gig Harbor, as well as Pierce County and the Central Puget Sound overall. Fife, Lakewood and Tacoma have a higher percentage of minorities and Steilacoom has a similar percentage as University Place. Also, Hispanic/Latino is no longer considered a race by the Census Bureau, so those residents self-identifying as Hispanic/Latino must self-categorize as another race or combination of races.



## Birthplace

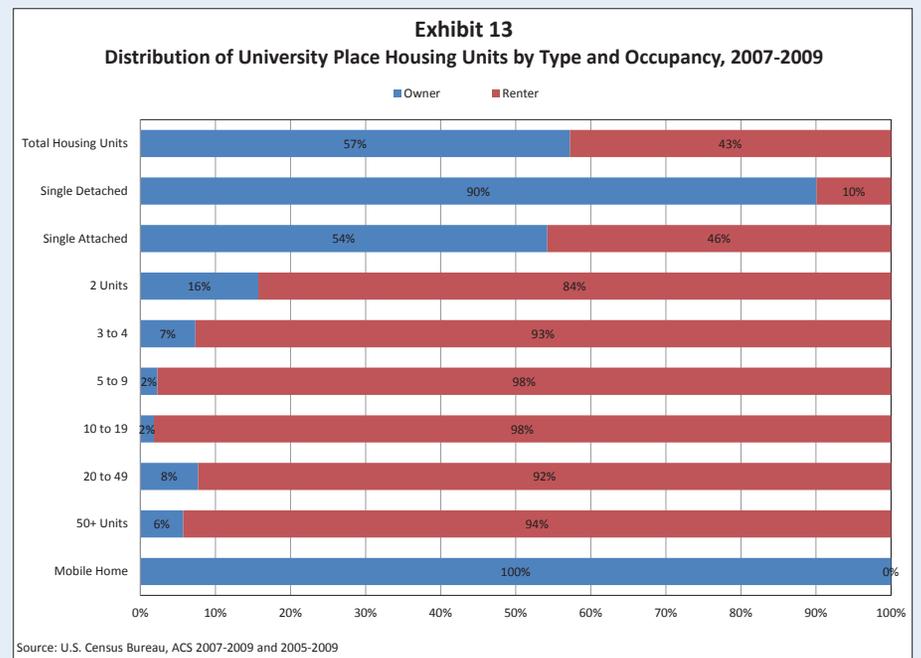
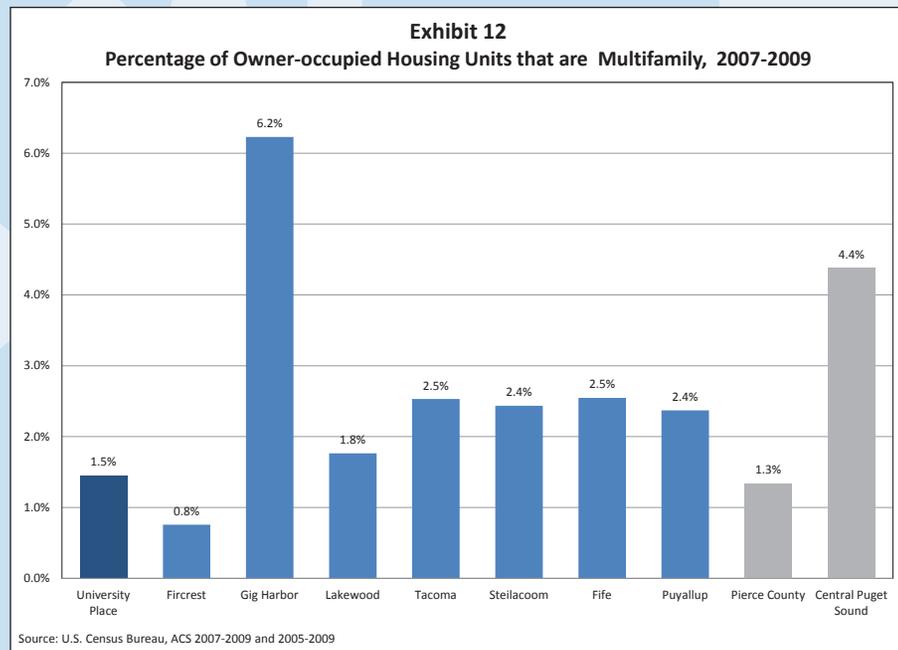
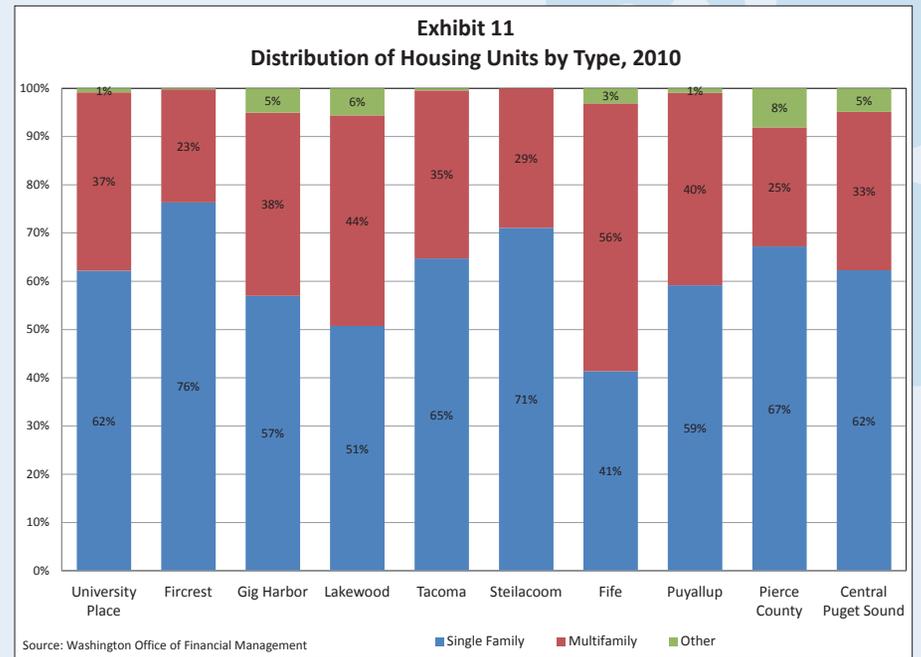
More than half of University Place residents were born outside Washington State, with 14 percent born outside of the United States. Forty-seven percent of residents were born in Washington, similar to Pierce County (50 percent) and the Central Puget Sound (46 percent) percentages. In comparison, Fircrest (63 percent) and Puyallup (56 percent) have the highest percentages of residents born in Washington.



## Housing

A majority, just less than two-thirds, of housing units in University Place are single family units, similar to the Pierce County and Central Puget Sound percentages. Thirty-seven percent of units are multi-family, more than Pierce County's 25 percent, and only one percent of units fall into the "other" category that includes mobile homes, boats, etc. Only 1.5 percent of units are owner occupied, a similar percentage as Pierce County, but less than the Central Puget Sound and all other comparison cities, save Fircrest.

Nine out of 10 single family detached homes and just over half of single family detached homes are owner-occupied in University Place. Sixteen percent of two-unit housing units are owner-occupied and less than 10 percent of all other multifamily housing units are owner occupied.



## Exhibit 14

### Housing Unit Totals and Change by Unit Type, 2005-2010

	Total Housing Units		Housing Units Change (2005-2010)				Percent Change
	2005	2010	Total	Single Family	Multifamily	Other	Total (2005-2010)
University Place	13,220	13,520	300	253	47	0	2%
Fircrest	2,700	2,824	124	111	13	0	5%
Gig Harbor	3,212	3,630	418	199	219	0	13%
Lakewood	25,950	26,016	66	-44	210	-100	0%
Tacoma	83,685	86,828	3,143	960	2,183	0	4%
Steilacoom	2,751	2,815	64	62	2	0	2%
Fife	2,274	3,948	1,674	916	734	24	74%
Puyallup	14,977	16,348	1,371	818	557	-4	9%
Pierce County	305,071	328,890	23,819	15,420	7,332	1,067	8%
Central Puget Sound	1,460,116	1,563,242	103,126	55,017	47,826	283	7%

Source: Washington Office of Financial Management

Since 2005, the number of housing units in University Place increased by 300. Sizable single and multifamily unit developments Gig Harbor (30 percent), and Fife (178 percent) and an increase in Puyallup (18 percent) drove a 17 percent increase in single and multifamily housing units in Pierce County over the five-year period.

## Employment

Service sector employment accounts for half of University Place's total jobs, which is a comparable percentage to some neighboring cities (Puyallup, Tacoma), but is a greater percentage than in Pierce County overall (41 percent). Relative to larger neighboring cities and Pierce County, education and finance, insurance and real estate (FIRE) account for a higher percentage of the total employment in University Place, while manufacturing and wholesale trade, transportation, and utilities (WTU) account for a lower percentage of the total employment. The top employment sectors in University Place are services, education and retail; the top employment sectors countywide are services, government and retail.

### Exhibit 15

Total Employment by Sector, 2010

	Const/Res	FIRE	Manufacturing	Retail	Services	WTU	Government	Education
University Place	262	395	70	703	2,792	105	444	783
Fircrest	27	246	*	58	687	*	79	107
Gig Harbor	455	492	197	1,651	4,764	329	230	337
Lakewood	985	1,185	754	2,882	9,579	1,369	3,928	2,645
Tacoma	2,696	5,391	6,437	10,158	47,374	6,206	12,918	6,044
Steilacoom	58	16	0	*	142	*	67	286
Fife	1,219	315	1,173	1,405	2,705	3,691	748	205
Puyallup	884	701	479	4,556	10,362	1,170	722	1,707
Pierce County	16,840	11,705	15,743	30,031	105,079	20,769	35,704	22,406
Central Puget Sound	83,701	89,547	165,714	171,497	749,023	130,861	166,546	116,465

Major sector categories:

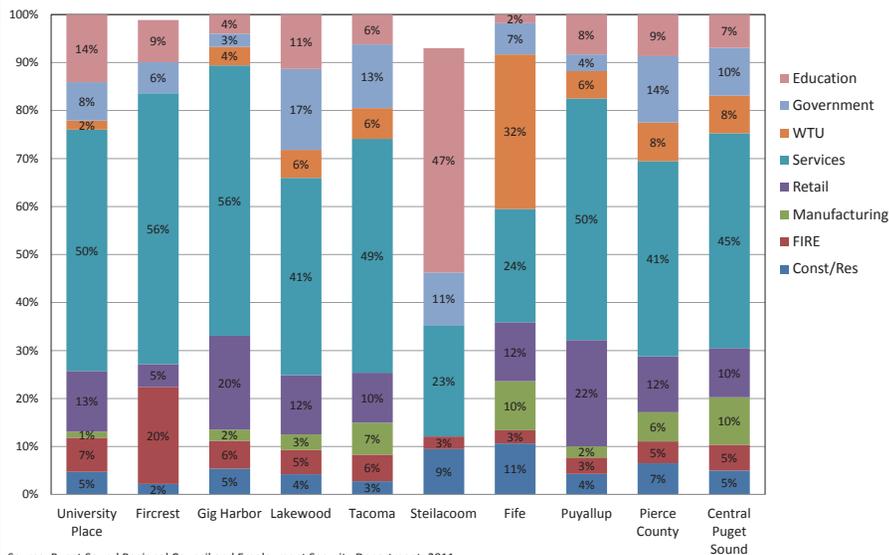
- Construction and Resources (Const/Res)
- Finance, Insurance and Real Estate (FIRE)
- Manufacturing
- Retail
- Services
- Wholesale Trade, Transportation, and Utilities (WTU)
- Government, excluding education
- Education

Source: Puget Sound Regional Council and Employment Security Department

\* Data have been suppressed for confidentiality purposes (occurs when employment for any one firm comprises more than 80% of category total or when fewer than three firms are represented)

### Exhibit 16

Total Employment Distribution by Sector, 2010



Source: Puget Sound Regional Council and Employment Security Department, 2011

Note: Fircrest and Steilacoom add up to less than 100 percent due to suppressed data (see Exhibit 16 for details)

A more detailed look at the services sector sub-areas reveals that over half of the service jobs in University Place for which data is available are in health care (28 percent) or accommodation/food (24 percent), which consists of restaurants and bars, as well as hotels, where applicable. Throughout Pierce County, health care and accommodation/food tend to be the two largest service sector employment areas. One category in which University Place has a greater percentage of service jobs (nine percent) than other area cities or Pierce County overall (four percent) is education, which includes private sector education positions.

Between 2004 and 2010, University Place saw an increase in retail jobs (up 15 percent) and government jobs (up 17 percent) due to increased shopping opportunities and Pierce County jobs at the Environmental Services/wastewater treatment site, and a slight increase in education jobs (up three percent). All other sectors lost jobs during the six year period. Countywide, services, WTU, as well as retail, government and

## Exhibit 17

### Employment Change by Sector, 2004-2010

#### Employment Change 2004-2010 (Jobs)

	Const/Res	FIRE	Manufacturing	Retail	Services	WTU	Government	Education
University Place	-44	-154	-16	93	-25	-18	64	20
Fircrest	-58	2	*	5	92	*	39	13
Gig Harbor	1	-44	*	291	1,384	*	68	18
Lakewood	-126	-104	-189	343	518	-22	-30	-40
Tacoma	-172	-1,102	-1,698	62	745	-531	497	-609
Steilacoom	17	-5	*	*	-29	*	-206	85
Fife	316	9	-1,127	-337	-51	1,251	520	-16
Puyallup	-18	-233	-16	121	977	447	65	-468
Pierce County	-1,643	-1,624	-2,442	1,579	9,932	3,038	4,666	444
Central Puget Sound	-12,433	-15,262	3,635	-1,464	79,556	-1,735	11,294	1,762

#### Percentage Employment Change 2004-2010

	Const/Res	FIRE	Manufacturing	Retail	Services	WTU	Government	Education
University Place	-14%	-28%	-19%	15%	-1%	-15%	17%	3%
Fircrest	-68%	1%	*	9%	15%	*	98%	14%
Gig Harbor	0%	-8%	*	21%	41%	*	42%	6%
Lakewood	-11%	-8%	-20%	14%	6%	-2%	-1%	-1%
Tacoma	-6%	-17%	-21%	1%	2%	-8%	4%	-9%
Steilacoom	41%	-24%	*	*	-17%	*	-75%	42%
Fife	35%	3%	-49%	-19%	-2%	51%	228%	-7%
Puyallup	-2%	-25%	-3%	3%	10%	62%	10%	-22%
Pierce County	-9%	-12%	-13%	6%	10%	17%	15%	2%
Central Puget Sound	-13%	-15%	2%	-1%	12%	-1%	7%	2%

Source: Puget Sound Regional Council and Employment Security Department

\* Data have been suppressed for confidentiality purposes (occurs when employment for any one firm comprises more than 80% of category total or when fewer than three firms are represented)

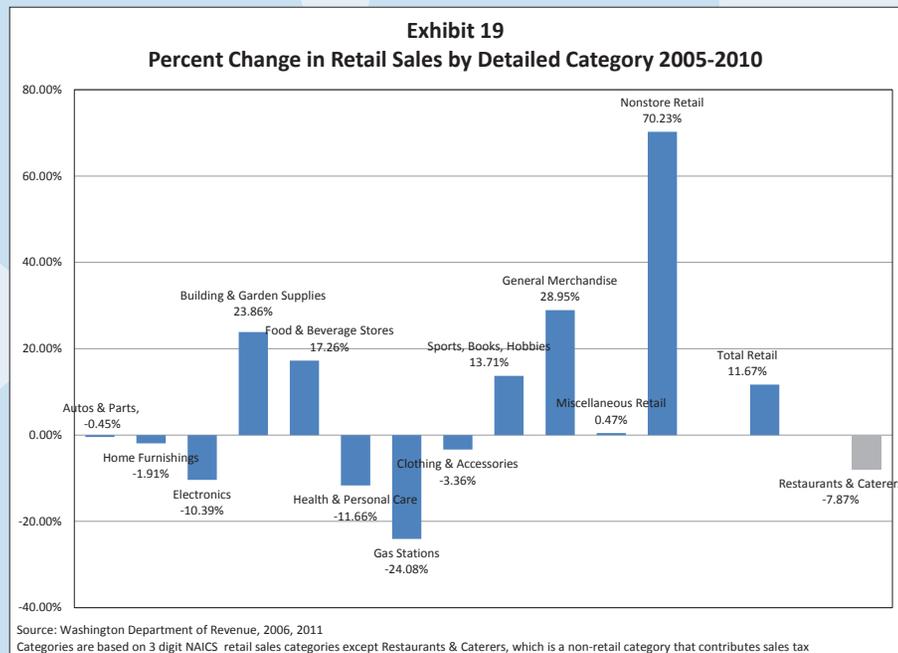
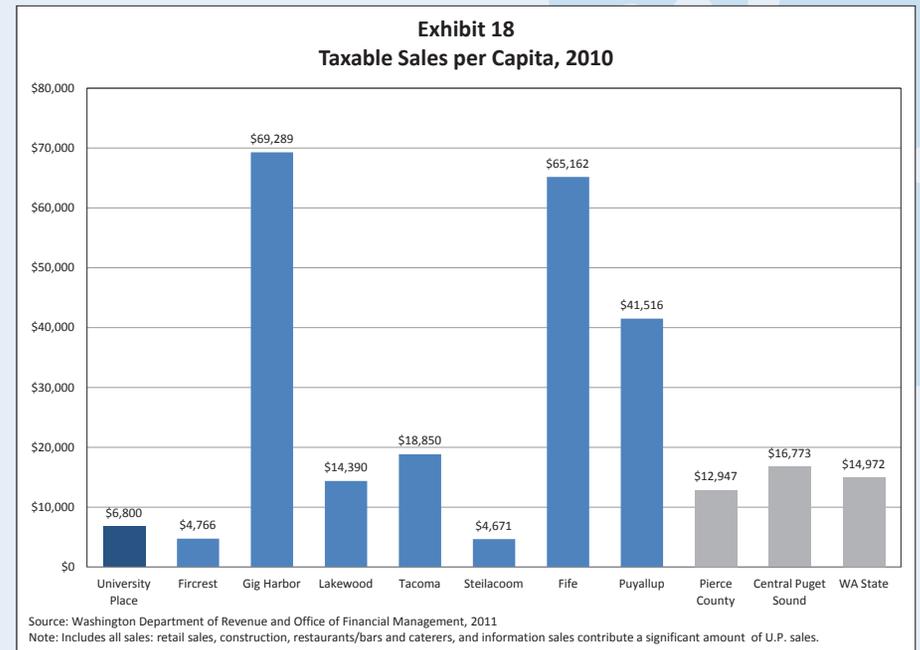
education sectors experienced an increase in jobs.

The ratio of jobs to housing units in University Place is .42, lower than the Pierce County ratio of .85 and all comparison cities except Steilacoom (.22 jobs to units). The relatively low ratio indicates that many University Place residents commute out of the City to work. Tacoma (1.16 jobs to units) and the Seattle area, which likely drives up the Central Puget Sound ratio (1.15 jobs to units) are both employment centers where University Place residents are likely to work.

## Consumer Spending

Taxable sales per capita in University Place in 2010, including retail as well as other taxable categories such as construction, food and beverage stores, and information sales, is \$6,800. Taxable sales per capita are close to or more than double that in Pierce County (\$12,947), the Central Puget Sound (\$16,773), and Washington State (\$14,972). Commercial hubs such as Gig Harbor (\$69,289) and Fife (\$65,162) generate about 10 times the taxable sales per capita as University Place.

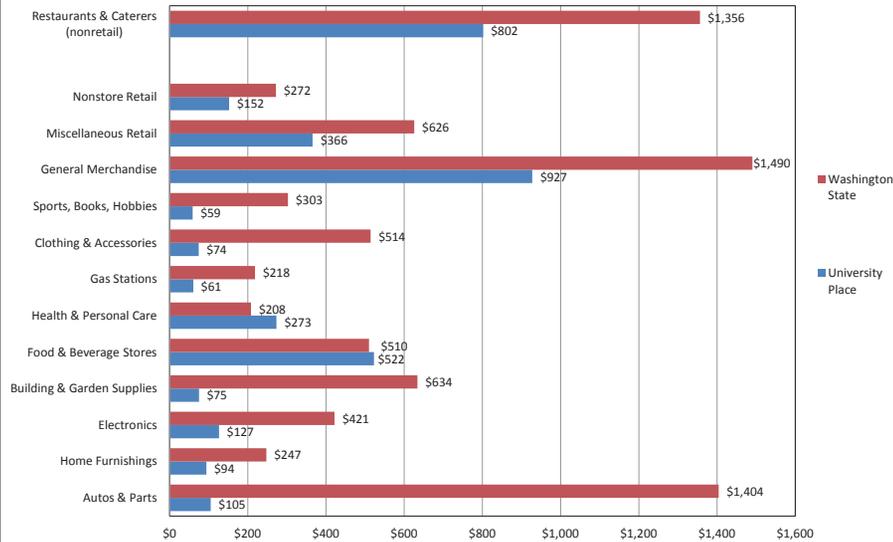
General merchandise stores, health and personal care stores, and miscellaneous store retailers, as categorized by the NAICS codes, accounted for the highest taxable sales of retail categories in 2005 and again in 2010. General merchandise stores include department, warehouse and discount department stores; miscellaneous store retailers include florists, used merchandise stores, pet supply stores, office supply stores and other stores not within other categories. Total taxable retail sales increased by 11.67 percent in University Place between 2005 and 2010. Non-store retail, including direct seller and mail order retail, increased by over 70 percent between 2005 and 2010, while building and garden supplies and general merchandise retail both increased by



over 20 percent. Meanwhile, over the same period, gas station retail sales declined by almost 25 percent and health and personal care and electronics sales saw declines of more than 10 percent. Food services and drinking places, including restaurants and caterers, is a significant nonretail contributor to taxable sales, with over \$25 million in sales in 2010, behind only general merchandise stores from the retail categories.

Health and personal care and food and beverage stores are the City's two strongest retail categories in which per capita spending in University Place meets or exceeds the statewide per capita spending. All other retail categories, and the nonretail restaurants and caterers category, fell short of 2010 statewide per capita sales. Some categories in which University Place is significantly below the statewide figures are areas of potential future growth, such as clothing and accessories, and restaurants and caterers. Other categories show large gaps between University Place and the statewide figures that are not likely to change significantly due to available space in the City or the proximity to nearby alternatives, such as the autos and parts category.

**Exhibit 20**  
**Per Capita Retail Sales by Detailed Category, 2010**



Source: Washington Department of Revenue, Office of Financial Management, 2011  
 Categories are based on 3 digit NAICS retail sales categories except Restaurants & Caterers, which is a non-retail category that contributes sales tax

The significant difference between per capita taxable sales in University Place and Washington State as a whole illustrates the sales tax leakage occurring from University Place into surrounding communities. Projected sales, based on the University Place population and statewide sales data, indicate that out of every one dollar University Place residents spend in the state, 41 cents is spent in the City and 59 cents is spent in another community. Based on retail and nonretail sales in the Central Puget Sound, it is likely residents spend an even greater percentage outside of University Place. Over \$125 million of sales are leaking out of University Place, costing the City of University Place over \$1 million of sales tax revenue ever year, based on the statewide data.

**Exhibit 21**

**University Place Taxable Retail Sales by Detailed Category, 2005, 2010**

Category	Taxable Retail Sales		Percent Change
	2005	2010	
Motor Vehicle and Parts Dealers	\$3,338,893	\$3,324,000	-0.45%
Furniture and Home Furnishings Stores	\$3,029,185	\$2,971,470	-1.91%
Electronics & Appliance Stores	\$4,455,722	\$3,992,896	-10.39%
Building Material and Garden Equipment and Supplies Dealers	\$1,918,590	\$2,376,322	23.86%
Food and Beverage Stores	\$14,058,286	\$16,484,495	17.26%
Health and Personal Care Stores	\$9,763,608	\$8,625,164	-11.66%
Gasoline Stations	\$2,514,789	\$1,909,219	-24.08%
Clothing and Clothing Accessories Stores	\$2,430,689	\$2,349,052	-3.36%
Sporting Goods, Hobby, Book and Music Stores	\$1,640,765	\$1,865,711	13.71%
General Merchandise Stores	\$22,693,560	\$29,262,609	28.95%
Miscellaneous Store Retailers	\$11,486,694	\$11,540,605	0.47%
Nonstore Retailers	\$2,824,569	\$4,808,386	70.23%
<b>Total Retail</b>	<b>\$80,155,350</b>	<b>\$89,509,929</b>	<b>11.67%</b>
Food Services & Drinking Places (Restaurants and Caterers)	\$27,452,823	\$25,292,614	-7.87%

Source: Washington Department of Revenue, 2006, 2011

Note: All categories are three-digit NAICS categories under retail trade except for Food Services & Drinking Places, which falls under Accommodation and Food Services and is a significant retail sales tax contributor in University Place.

## Exhibit 22

### University Place Taxable Retail Sales Leakage by Detailed Category, 2010

Category	Total Retail Sales	City Sales Tax Received	U.P. Resident Expected Retail Purchases (based on WA State Average)	City Sales Tax Potential	Sales Leakage	City Sales Tax Potential based on Leakage
Motor Vehicle and Parts Dealers	\$3,324,000	\$27,922	\$44,305,019	\$372,162	\$40,981,019	\$344,241
Furniture and Home Furnishings Stores	\$2,971,470	\$24,960	\$7,805,859	\$65,569	\$4,834,389	\$40,609
Electronics & Appliance Stores	\$3,992,896	\$33,540	\$13,297,765	\$111,701	\$9,304,869	\$78,161
Building Material and Garden Equipment and Supplies Dealers	\$2,376,322	\$19,961	\$20,000,159	\$168,001	\$17,623,837	\$148,040
Food and Beverage Stores	\$16,484,495	\$138,470	\$16,082,879	\$135,096	-\$401,616	-\$3,374
Health and Personal Care Stores	\$8,625,164	\$72,451	\$6,565,925	\$55,154	-\$2,059,239	-\$17,298
Gasoline Stations	\$1,909,219	\$16,037	\$6,887,950	\$57,859	\$4,978,731	\$41,821
Clothing and Clothing Accessories Stores	\$2,349,052	\$19,732	\$16,217,628	\$136,228	\$13,868,576	\$116,496
Sporting Goods, Hobby, Book and Music Stores	\$1,865,711	\$15,672	\$9,545,044	\$80,178	\$7,679,333	\$64,506
General Merchandise Stores	\$29,262,609	\$245,806	\$47,017,886	\$394,950	\$17,755,277	\$149,144
Miscellaneous Store Retailers	\$11,540,605	\$96,941	\$19,739,445	\$165,811	\$8,198,840	\$68,870
Nonstore Retailers	\$4,808,386	\$40,390	\$8,579,198	\$72,065	\$3,770,812	\$31,675
Food Services & Drinking Places (Restaurants and Caterers)	\$25,292,614	\$212,458	\$42,788,038	\$359,420	\$17,495,424	\$146,962
<b>Total Retail (not including food services &amp; drinking places)</b>	<b>\$89,509,929</b>	<b>\$751,883</b>	<b>\$216,044,759</b>	<b>\$1,814,776</b>	<b>\$126,534,830</b>	<b>\$1,062,893</b>

Source: Washington Department of Revenue, 2006, 2011

Note: All categories are three-digit NAICS categories under retail trade except for Food Services & Drinking Places, which falls under Accommodation and Food Services and is a significant retail sales tax contributor in University Place. Estimated U.P. resident retail purchases are based on average per capita statewide data and potential sales tax is based on the City of University Place share of the local sales tax.

## Exhibit 23

### University Place and Washington State Taxable Retail Sales and University Place Leakage per Capita, 2010

Category	University Place	Washington State	Difference (Leakage)
Motor Vehicle and Parts Dealers	\$105	\$1,404	-\$1,299
Furniture and Home Furnishings Stores	\$94	\$247	-\$153
Electronics & Appliance Stores	\$127	\$421	-\$295
Building Material and Garden Equipment and Supplies Dealers	\$75	\$634	-\$559
Food and Beverage Stores	\$522	\$510	\$13
Health and Personal Care Stores	\$273	\$208	\$65
Gasoline Stations	\$61	\$218	-\$158
Clothing and Clothing Accessories Stores	\$74	\$514	-\$440
Sporting Goods, Hobby, Book and Music Stores	\$59	\$303	-\$243
General Merchandise Stores	\$927	\$1,490	-\$563
Miscellaneous Store Retailers	\$366	\$626	-\$260
Nonstore Retailers	\$152	\$272	-\$120
<b>Total Retail</b>	<b>\$2,837</b>	<b>\$6,848</b>	<b>-\$4,011</b>
Food Services & Drinking Places (Restaurants and Caterers)	\$802	\$1,356	-\$555

Source: Washington Department of Revenue and Office of Financial Management, 2011

Note: All categories are three-digit NAICS categories under retail trade except for Food Services & Drinking Places, which falls under Accommodation and Food Services and is a significant retail sales tax contributor in University Place.



# Appendix A

## University Place Survey on Business and Economic Development 2011 Record your answers on this form by marking, circling or writing your response. All responses are confidential

### A. Business Information Profile:

1 How long has your business been in operation? [years]				
<1 yr.	1-5	6-10	11-15	20+

2 How long has your business been located in University Place? [years]				
<1 yr.	1-5	6-10	11-15	20+

3 Why did you choose University Place for your business? Write in below.

4a Current number of employees? (include yourself)				
1	2-5	6-10	11-20	20+
4b Please indicate number: 4c Percent who live in UP?				
Part time	Full time			%

5 What is your annual gross revenue?				
\$0-50K	\$51-100K	\$101-200K	\$200K +	NA

6 What percentage of your revenue would you estimate comes from within University Place?				
<10%	11-30%	31-50%	51-75%	75%+

7 How would you describe your Business Classification?	
Legal	
Medical / Dental	
Banking / Financial Services	
Insurance	
Accounting / Bookkeeping Services	
Retail [Describe: ]	
Wholesale / Distribution	
Restaurant / Food	
Salon / Spa	
Child / Elderly Services	
Real Estate / Property Management	
Computer Services	
Management Services	
Consultation	
Construction	
Manufacturing	
Other: [Describe: ]	

8 Square footage of current home-based or storefront business space: _____
--

9 Do you operate as a Home Business?	
No	Yes

10a Do you currently lease or own your business space?	
Lease	Own

↳ If “leasing” on Q. 9

10b Describe the following about your lease:	
Remaining term: _____	years / months
Current lease rate: \$ _____	

11 Will you be renewing your lease at this location?	
No	Yes

12 What is the location of your business?	
27 <sup>th</sup> Street Business District (along 27 <sup>th</sup> , Grandview to Mildred)	
Narrows Plaza	
Light Industrial Zone (67 <sup>th</sup> W.-70 <sup>th</sup> W.)	
Green Firs Shopping Center	
Bridgeport Corridor 19 <sup>th</sup> W. to 44 <sup>th</sup> W.	
Albertsons Complex: Bridgeport and 40th	
Cirque and Orchard	
40 <sup>th</sup> and Orchard	
Other: (Describe: _____)	

13 Do you have an up-to-date website?	
No	Yes

14a Are you currently doing business online?	
No	Yes

↳ If “yes” on Q. 14a

14b What percent of your business sales is online?			
<10%	11-30%	31-50%	51-75%
			75%+

### B. Business Planning

15a In the next 1-2 years do you plan on your workforce:	
Expanding	Decreasing

↳ If “expanding” on Q. 15a

15b What is your time-frame for workforce expansion?			
1-2 yrs	3-5 yrs	6-10 yrs	

16 Do you plan on expanding your facilities in the next:			
1-2 yrs	3-5 yrs	6-10 yrs	no plans to expand

More

↓ Over to Page Two

**University Place Survey on Business and Economic Development 2011**

**Record your answers on this form by marking, circling or writing your response.**

**All responses are confidential**

<b>17a</b>	<b>Do you foresee moving or changing to a new site?</b>	
	No	Yes

↳ **If “Yes” on Q. 17a**

<b>17b</b>	<b>Why, and where would you like to locate? Write in below</b>

<b>18</b>	<b>Do you anticipate needing financing for business development in the next five years?</b>	
	Yes	No

**C. City of University Place Services and Perceptions:**

<b>19</b>	<p>The City provides a variety of free business and technical assistance through the UP Business Solutions Program to assist in your business development. Indicate your interest in any of the following: (Check all that apply.)</p> <p>Marketing and Customer Service</p> <p>Loan Packaging and Financing Assistance</p> <p>Business Management Advice (form of business, certification for women and minority-owned business, exporting, government contracting, business plan development and review)</p> <p>Pre-development Consultation (permits, zoning, building requirements for expansion, storefront and building renovations)</p> <p>Site Selection (for expansion, relocation)</p> <p>If you would like a personal on-site visit regarding any of the above programs:</p> <p>Contact Name: _____</p> <p>Business Name: _____</p> <p>Phone Number: _____</p>
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<b>20</b>	<p><b>What City services have you utilized in the last year?</b></p> <p>Marketing and Customer Service</p> <p>Loan Packaging and Financing Assistance</p> <p>Business Management Advice (form of business, certification for women and minority-owned business, exporting, government contracting, business plan development and review)</p> <p>Pre-development Consultation (permits, zoning, building requirements for expansion, storefront and building renovations)</p> <p>Site Selection (for expansion, relocation)</p> <p>Small Business Enterprise Group</p> <p>Talking UP – e-newsletter for City businesses</p>
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<b>21</b>	<b>Describe your level of satisfaction with current services from the City of University Place:</b>	
	Very Satisfied	Not Satisfied

<b>22</b>	<b>Describe your level of satisfaction with the City’s permitting process, fees and regulations:</b>	
	Very Satisfied	Not Satisfied

<b>23</b>	<b>How can current City services be improved to meet your needs as a business and/or commercial property owner? Write in below.</b>

<b>24</b>	<b>What additional services (available in the City or provided by the City) would be of greatest help to your business development? Write in below.</b>

**You may write any additional comments or questions you have on this form or other sheets.**

**D. Overall Economic Development Issues:**

<b>25</b>	<b>What do you think are the key factors (opportunities and challenges) affecting your business in the next five years? Write in below, placing in priority order.</b>

<b>26</b>	<b>If you do not currently receive Talking UP, the City’s e-newsletter for businesses in UP, provide your e-mail address below or e-mail your request to <a href="mailto:bmecalf@cityofup.com">bmecalf@cityofup.com</a> and you will be added to the distribution list.</b>

**Thank you for your response to these survey questions. Results will be made available by the City as soon as they are compiled for report.**

# Appendix B

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1. What is your vision for University Place: what do you hope it is like 20 years from now?
2. Thinking about economic development broadly, considering economic vitality, livability/quality of life, and community identity, what are University Place's greatest strengths and assets?
  - a. What are the City's greatest challenges?
  - b. What are the City's greatest opportunities?
3. What large-scale initiatives would be most effective in building on the City's strengths and opportunities?
4. What are the key factors affecting your business in the next three to five years? OR What key economic political and social trends will affect University Place's economy in the next three to five years?
5. How would you describe the business environment in the City, considering such factors as permitting, regulations, fees and other City policies and practices?
6. What role should the City play in regional economic development strategy? What influence should these regional efforts have on the City's economic development efforts?
7. To the best of your knowledge, what role does the City currently play in economic development? What should the City do to enhance its role?
8. That are the top two or three actions you would like to see the City take to support economic development?
9. Who else should we be talking to?
10. How could University Place be a better partner?
11. How could communication between your organization and the City of University Place be improved?
12. Do you think University Place is a competitive business environment? Why or why not?