

Date: August 26, 2024
To: City of Edgewood (cc: Nicole Stickney and Wayne Carlson – AHBL)
From: Jennifer Cannon, Mary Chase, Bob Parker - ECONorthwest
Subject: Economic Conditions and Opportunities Analysis, City of Edgewood Comprehensive Plan Update

Economic Profile Analysis

Introduction

The City of Edgewood Comprehensive Plan update represents an opportunity to establish an updated Economic Development Element including a vision, goals, and policies for the next 20 years (2024 to 2044). The updated plan must be responsive to changing community dynamics, reflect the strategic vision established by the City Council and include focused goals to address social inequities and climate change. This Economic Profile Analysis integrates the best available information from public and private data sources to assess the City's economic trajectory, opportunities, challenges, and economic conditions and competitiveness.

Planning Context

Growth Management Act Requirements

Comprehensive planning in Washington is guided by the Growth Management Act (GMA), a series of statutes first adopted in 1990 which requires cities and towns within the state's most populous counties to fully plan for future growth (RCW 36.70A). Given Pierce County and Edgewood's population size, both jurisdictions must address all the mandatory comprehensive plan elements, including land use, housing, capital facilities, utilities, and transportation. Economic development is included as a mandatory element (RCW 36.70A.070(7-8)), but since no state funds have been allocated to assist jurisdictions in creating these plans, they are currently optional.

Economic Development Planning in Washington

The City of Edgewood is including an Economic Development Element as part of the current comprehensive plan update process, following the GMA Goal 5 to:

"Encourage economic development throughout the state that is consistent with adopted comprehensive plans, promote economic opportunity for all citizens of this state, especially for unemployed and for disadvantaged persons, promote the retention and expansion of existing businesses and recruitment of new businesses, recognize regional differences impacting economic development opportunities, and encourage growth in

areas experiencing insufficient economic growth, all within the capacities of the state's natural resources, public services, and public facilities¹." (RCW.36.70A.070(7))

In Washington, state provisions set limits on what actions cities and counties can take to support economic development, which often guides the strategies, goals, objectives, and policies that jurisdictions establish in economic development comprehensive plan elements. Article 8, Section 7 of the state constitution specifies that "No county, city, town or other municipal corporation shall hereafter give any money, property, or loan its money, or credit to or in aid of any individual, association, company or corporation, except for the necessary support of the poor and infirm."² Given the limitations in the state constitution, cities generally cannot directly use public funds to attract private development. Instead, cities implement policies, development regulations, and programs to foster or facilitate economic growth through land use, infrastructure, tourism, marketing, and partnerships with private, public, and nonprofit community-based organizations. Cities fully planning for adequate land capacity to meet the needs of the community must understand their current base of employment, development trends, workforce housing availability, income segments of the population, and future projections.

This analysis provides information explaining the City's economy, real estate market and demographics, and serves as a resource that can be used to shape the City's economic development vision and actions.

Key Pierce County Context

Countywide Planning Policies

The Pierce County Regional Council (PCRC) is a group of elected leaders comprised of representatives from all jurisdictions as well as County staff which coordinates planning efforts that bring together multiple local governments (such as cities, tribes, ports, etc.). The PCRC is responsible for monitoring VISION 2050 within the County and establishes Countywide Planning Policies (CPPs) per RCW 36.70A.210.³ The CPPs include goals and policies for economic development and includes a vision intended to be consistent with local jurisdictions.

Pierce County Buildable Lands Report

Pierce County completed its most recent Buildable Lands Report in 2021, meeting statewide standards to plan for future growth as part of the Buildable Lands Program (RCW 36.70A.215). This report analyzes the capacity within the county and individual jurisdictions to meet future community needs for jobs and housing, including analysis specific to the city of Edgewood. The County's assessment relies on a combination of historic development trends, zoning, and the existing inventory of parcels in each jurisdiction to determine if they are aligned with growth targets for the previous planning period.

¹ In 2023, E2SHB 1181 updated the language of Comprehensive Plan goals (including economic development) to reflect climate change and resiliency goals.

² RCW 35.21.703 does allow cities to contract with nonprofit corporations to advance economic development.

³ This state statute requires that "the legislative authority of a county that plans under RCW 36.70A.040 shall adopt a countywide planning policy in cooperation with the cities located in whole or in part within the county"



The Pierce County Buildable Lands Report indicate there is sufficient land capacity for **3,584 new housing units** and **4,047 new jobs** within Edgewood. These findings indicate that existing capacity in the city is adequate to meet projected needs for housing and employment for 2044.⁴

Community Engagement

As a part of the Comprehensive Plan update process, the City engaged with community members which provides foundational framing for current community priorities and preferences. The City, in partnership with the consultant team, disseminated two surveys with findings relevant to economic development and held an open house event for community members.

Survey Findings

The first survey was open from November to December 2023 to gather community insights on the vision, priorities, and needed updates (the survey received 139 responses in total and 12 responses from business owners). Findings associated with economic development and business needs are summarized below.

- ◆ **People in the community** were the top reason that business owners who responded to the survey cited that they enjoy operating in the community, followed by location and proximity to other places.
- ◆ **Challenges for business owners** that respondents expressed included permitting and fees, communication, safety, traffic noise, marketing, and the need for improved pedestrian walkways.
- ◆ **Top opportunities for business owners** noted by survey responses included being showcased on the City's website and being part of a farmer's market or bazaar.
- ◆ **Public safety** was the top concern cited in the survey for Edgewood to address in the next twenty years, while business was the fifth highest rank choice (chosen by approximately 44% of respondents).
- ◆ **Local businesses** were also a key theme for what residents would like to see change about Edgewood in the short term, including the need for more restaurants and healthy food options.

Another survey with relevant findings was distributed from February to March 2024 to understand more detailed information about topics in the Comprehensive Plan. This survey received 126 results, including 20 respondents who work in Edgewood and 13 business owners (these groups may have some overlap).

- ◆ **Small business services** were the second highest choice when residents were asked about which type of new or enhanced services are needed to sustain a high quality of life in Edgewood. Job training programs were the least frequently chosen answer (selected by less than 3% of respondents).

⁴ Pierce County Planning and Public Works, 'Pierce County Buildable Lands Report,' November 2022, <https://www.piercecountywa.gov/923/Buildable-Lands>, 96-106.



- ♦ **Agriculture, restaurants, and retail** were the top three preferences for residents for the types of uses they would like to see more of in Edgewood.

Open House

ECONorthwest, in partnership with AHBL, supported the City of Edgewood's Community Development department to host an Economic Development Open House, continuing the public's engagement opportunities for the City's periodic update to the Comprehensive Plan project. The meeting was held in the evening on Wednesday, April 25, 2024, at Edgewood's City Hall. The consulting team invited community members to share priorities for economic development in Edgewood. Findings:

- **Ensure equitable economic opportunities for persons of color** including small business owners and celebrating diversity in Edgewood.
- **Provide support for existing small businesses and entrepreneurs** with initiatives like holding regular meetings for home-based businesses, maintaining and circulating a list of local small businesses, and providing education and resources.
- **Leverage state programs** and build capacity within Edgewood to support businesses.
- **Expand needed infrastructure** like extending sidewalks in commercial areas.
- **Market Edgewood for commercial developers** and facilitate new commercial development, potentially including support for parcel assembly, aid in developing narrow properties, and creating opportunities in the Town Center area.
- **Incentivize new commercial uses** through tools like modifying licensing fees, exploring tax increment financing (TIF), reducing timelines and improving City processes for businesses. The City should also market itself to more commercial developers. The City should look at other communities regarding reducing fees. The City should let people and businesses know in more engaging ways when codes and planning requirements change.

Economic Development Advisory Board

The consulting team also engaged with Edgewood's Economic Development Advisory Board (EDAB) in July 2024 to discuss priorities for creating economic opportunities, investments in the Town Center, and strategies for supporting new and existing businesses. This group shared feedback about economic development objectives in the city including:

- **Prioritize commercial land uses along the Meridian Corridor** to effectively reduce retail leakage. Seek to expand commercial opportunities through city investment in land acquisition, expanding requirements for commercial use in the Meridian Corridor, preserving developable land for target industries, meeting with landowners and property owners to collaborate and share vision.
- **Minimize commercial development barriers** by enhancing pre-application processes, providing clear design guidelines, offering applicant support through the review process, and reviewing requirements around change of use.



- **Align transportation goals in the Meridian Corridor with commercial development** including establishing safer pedestrian connections, accommodating cyclists, managing vehicular traffic, and developing the parallel road network.
- **Highlight a variety of Edgewood businesses** through advertising and branding efforts.

Previous Engagement

Prior to the Comprehensive Plan update project launch the City engaged local high school students and the Edgewood community involved with the development of a Town Center subarea plan (from 2021 to 2022) and review of the engagement results yields several helpful insights.⁵ The team heard that businesses in the Town Center should be welcoming for families to walk to and have places to sit and spend a long time. The students felt that townhome-style buildings that are accessible from sidewalks best fit the vision for Town Center. Students believed that preserving meaningful public space was important with things like trails, community gardens, and pocket parks. Most importantly, the students wanted the Town Center to be built for everyone. This means providing a range of housing options (affordable, low-income, and shelters), food security programs, non-motorized mobility, and access to public transportation. The students determined that Town Center cannot be the "Heart of Edgewood" unless it ensures that everyone is welcomed. The students wanted to see more activation in the Town Center such as through the addition of the following: food focused establishments and restaurants, entertainment, small scale retail, townhomes, food truck park, farmer's market, community gardens, wide sidewalks, affordable housing, medical establishments, public art, pocket parks, homeless shelters, and decorative signs. Survey findings on these topics were similar with over 85% of respondents requesting artisan food and drink establishments, dining and drinking, and farmers markets. Respondents also requested parking strategies, pedestrian and bike improvements, and features to improve the community character. Essentially, respondents wanted features to improve walkability and create opportunities for community building (such as with sidewalk improvements, and public plazas).

City of Edgewood Economic Profile

The City of Edgewood is a relatively new city located in northern Pierce County surrounded by incorporated cities on all sides except to the north. The Puyallup Tribe Reservation overlaps with a portion of the City of Edgewood on its western side, primarily in areas that are residential today, but some of which the Future Land Use Map identifies for industrial development along Freeman Rd E. The City supports a population of just over 14,000 people (as of 2024). The City of Edgewood is a highly desirable place to live, offering a prime location nearby the growing cities of Tacoma, Puyallup, and Federal Way, and the smaller cities of Milton, Fife, and Sumner in north Pierce County. Edgewood is just south of King County and is located in the growing Puget Sound Region.

The City of Edgewood is easily accessible from State Route 161 (on the western side of the City), State Route 167 (on the eastern edge of the City) and a short distance from Interstate (I) 5 (see Exhibit 1

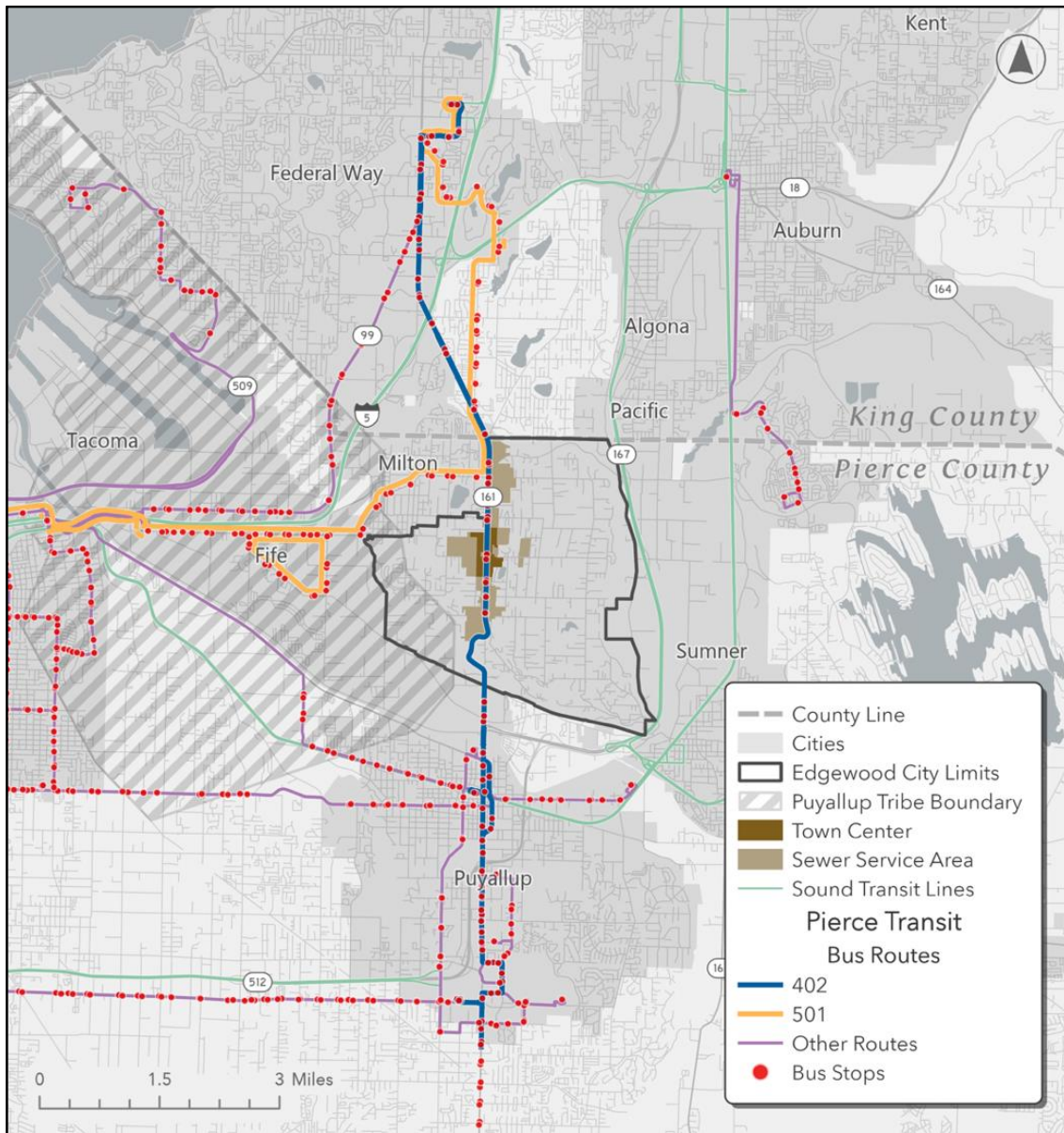
⁵ The City developed a new webpage for the Town Center Subarea Plan- cityofedgewood.org/317 which provided interactive features like a map allowing people to "drop a pin" where they live. It also was frequently updated to provide summaries, project timelines, public engagement opportunities, and additional relevant resources.



below). The City is near the Port of Tacoma which has railroad infrastructure (BNSF Railway/Union Pacific Railroad) and cargo shipping infrastructure. In addition, west of the City a new light rail line (passenger) will extend north to the Seattle area and south to the Tacoma Dome. Many residents commute to jobs in Pierce and King counties. Lacking historical downtown infrastructure and buildings, City leaders have invested heavily in designating a new Town Center that will serve as the commercial and social hub for the City and its surrounding communities.

Exhibit 1. Site Location Map, City of Edgewood

Source: Pierce Transit, City of Edgewood, Sound Transit. Note: More comprehensive information on the extent of utilities is available in the Utilities Element.



Summary of Findings

A summary of key findings from this Economic Development Element analysis helps describe key insights regarding the economic context, economic opportunities and challenges, and to inform Comprehensive Plan policy updates. The next section provides the full results and detail regarding these findings.

Community Demographic Trends

- » Edgewood had a median age of 40 in 2022, with a large share of residents under 20 years and 50-64 years old compared to the County and the State. These groups typically represent students or workers in entry-level or part-time positions mid- to late-career workers respectively. **Edgewood had the most notable gap in its share of residents aged 20 to 34 years, who often represent early-career workers and young professionals.**
- » Edgewood has a growing share of residents with bachelor's degrees and higher, as well as residents with some college or an associate's degree, and a shrinking share of residents with a high school degree or less. Educational attainment in the City is generally on par with Pierce County.
- » Median household income for all households in Edgewood was \$115,325 in 2022 but varied by race and ethnicity. The City's median income was higher than both Pierce County and Washington State in 2022 (and was also higher in 2012). However, the median household income for Native Hawaiian and Pacific Islander and Hispanic or Latino was lower than average in the City of Edgewood.⁶
- » The share of residents living below the poverty threshold determined by the US Census was 4% in Edgewood in 2022, compared to 9% in Pierce County and 10% in Washington (10%) in that period. The share of residents living below poverty in the City decreased slightly from 5% in 2012 to 4% 2022. This change likely reflects new growth in high-income households earning \$150,000 or more.

Economic Context

- » In 2022, Edgewood was home to 1,867 jobs, growing from 1,195 jobs in 2010. The City has seen fluctuations in employment growth, experiencing several years of declining employment, particularly in the wake of the 2008 recession and the onset of the COVID-19 pandemic in 2020.
- » The current employment to housing ratio in the City is 0.3, meaning that there is about one employee working in Edgewood for every three housing units. This high ratio indicates that Edgewood is a "bedroom" or commuter community, where there are fewer jobs than residents in the City. In Edgewood, this ratio has grown modestly since 2000, with the number of persons per job increasing from 6.9 in 2000 to 7.2 in 2022. This indicates a need for more jobs if the City wants to achieve a balance between local jobs and housing, consistent with the Countywide Planning Policies. The adopted targets for housing and employment in the CPPs would indicate a 0.55 ratio of employment to housing by 2044.

⁶ For Black, multiracial, or another race households, margin of error (MOE) was too high to determine these disparities.



- » **In Pierce County, military, healthcare, government, and education employers represent the largest number of employees as of 2020.** Joint Base Lewis-McChord located southwest along I-5 represents the largest single employer, followed by countywide employers MultiCare Health System, the State of Washington, and CHI Franciscan Health.
- » **In Edgewood, employment is concentrated around the central thoroughfare of Meridian Avenue E (WA-161).** The highest employment density areas are located near the intersection of Meridian Avenue E with 24th Street E and 8th Street E, which are home to a variety of retail, services, and government facilities.
- » **More than double the number of residents leave for jobs outside of Edgewood than employees commuting into the City as of 2021.** The primary commuting destination for Edgewood residents was Seattle in 2021, followed by Tacoma. Only 1.7% of employed residents worked in the City.
- » **In Edgewood, service industries and construction represented the greatest share of employment as of 2022.** Service industries (such as healthcare and professional services) accounted for over a third of jobs in the City in 2022 while construction employment grew from 25% of employment in 2000 to 33% in 2022.
- » **Services industries, construction, and education are anticipated to continue growing through 2044 and remain the three largest employment sectors in Edgewood over this period.** The largest group of industries in Edgewood today are service industries. In PSRC's projections for future growth, this is combined with Finance, Insurance, Real Estate into one category as 'FIRES,' which is anticipated to see the most growth over the next twenty years. These industries offer some opportunities for high-paying jobs in Pierce County (like Health Care and Social Assistance), but also a large share of jobs with below the County's average pay (like Accommodations and Food Service).⁷
- » **Following new workplace trends in the wake of the COVID-19 pandemic, Edgewood has had an increasing share of remote workers, experiencing a rapid increase in the share of remote workers from only 5% in 2012 tripling to 18% of workers in 2022, above County and State trends.** In Edgewood, remote workers have nearly identical earnings to the City overall.
- » **Between 2012 and 2022, the City of Edgewood's total taxable retail sales per capita increased quickly, growing by 2% annually on average when adjusted for inflation.** This growth is likely due in large part to new commercial development along the Median Avenue Corridor, restructuring of how the sales tax is allocated, and corresponds with a growth in high-earning households. However, the City's overall sales still remain lower than total revenues in Fife, Milton, and Sumner.
- » **Within the City of Edgewood, the number of employees is anticipated to grow from 2,244 employees (in 2020) to 4,206 employees by 2044 (according to Pierce County's adopted targets).** This represents an 87% increase (or 1,962 new employees) over the next 20-year period, increasing by an annual growth rate of 2.7 % (or about 98 new employees). **The City is anticipated to grow at a faster rate than many surrounding cities (with the exception of Sumner) and the County overall.**

⁷ Because employment data often includes confidentiality requirements to protect identifiable information about businesses and workers, many data points related to industry employment and wages are only publicly available at the County level.



Real Estate Market Trends

- » Compared to Pierce County, office rents have been lower in the Edgewood Market Area which includes the cities of Edgewood, Fife, Milton, and Sumner since 2013 (see Real Estate Market Trend section on p. 24 for detail on the Market Area). The Edgewood Market Area's office space had only a 3.3% vacancy rate in 2023, compared to 8.9% in the County. The combination of lower rents and vacancies indicates that the Edgewood Market Area is meeting demand in the area for lower cost office space, despite limited new construction since 2013.
- » Retail rents and vacancies in the Edgewood Market Area roughly followed County trends over the last decade. Rising rents combined with low vacancy rates indicate rising demand for retail space both in the Edgewood Market Area and the County. Retail leakage data indicates that there is a gap in meeting demand locally for all major retail types analyzed, with the greatest gap for general merchandise.
- » Industrial rents have more than doubled for both the Edgewood Market Area and Pierce County since 2013. In 2023, the Edgewood Market Area had a 7.6% vacancy rate for industrial space. Coupled with rising rents, these trends indicate rising demand for industrial uses particularly in the Edgewood Market Area. Since 2013, the Edgewood Market Area accounted for about a third of new industrial space in the County.
- » Real estate in Edgewood shows growing demand for multifamily units, with rents steadily increasing since 2013. Likewise, the retail market has decreasing vacancies and rising rents. This indicates some potential for combining demand for rental units with small increases in the City's office or retail inventories.

Community Demographic Trends

Population growth, demographic composition, and income distribution can all have important implications for a city's economic success. Key characteristics such as population growth over time, age of residents, median income, and disparities by race and ethnicity provide useful context about Edgewood's households and recent trends. The purpose of this analysis is to evaluate the socioeconomic conditions that will influence demand for different land uses and shape the economic opportunities in the City over the comprehensive plan time horizon. This information can also help to identify which communities in Edgewood are not benefiting from current efforts and inform the City's work to set policies which may help to address current gaps for equitable economic development.

This section provides an overview of key socioeconomic conditions in Edgewood that are useful for evaluating economic opportunities and challenges. To better understand the City's standing within the region, the analysis also includes comparisons to Pierce County and other geographies such as Washington State and surrounding cities as needed to contextualize conditions in Edgewood.



This assessment relied on data primarily sourced from the United States Census Bureau's 5-year American Community Survey (ACS) 5-year estimates,⁸ CoStar, Washington Office of Financial Management (OFM), the United States Department of Housing and Urban Development (HUD), the Puget Sound Regional Council (PSRC), and the City of Edgewood. Primary geographies used include the City of Edgewood, Pierce County, and Washington State, as well as targeted comparisons with surrounding comparable cities of Battle Ground and Washougal.

In some cases, the margin of error (MOE) with the Census Bureau's ACS data and other sources can be very high, severely reducing the accuracy of some variables. This typically happens for groups with smaller sample sizes or data filtered to smaller geographies. Where data is not available at the city level, we include information at the County level.

Population Growth, Age, Race and Ethnicity

Planning for economic development is important to help ensure opportunities for economic prosperity to all residents. Pierce County sets population growth targets for jurisdictions within the County, with current projections to 2044. Edgewood has grown by nearly 50% since 2000 to its most recent population estimate of 14,080 in 2024. The City is expected to continue growing to 18,217 residents by 2044 (for an annual growth rate of 1.6% between 2020 to 2044). See the **Edgewood Housing Inventory Analysis** for details about projected population and household growth.

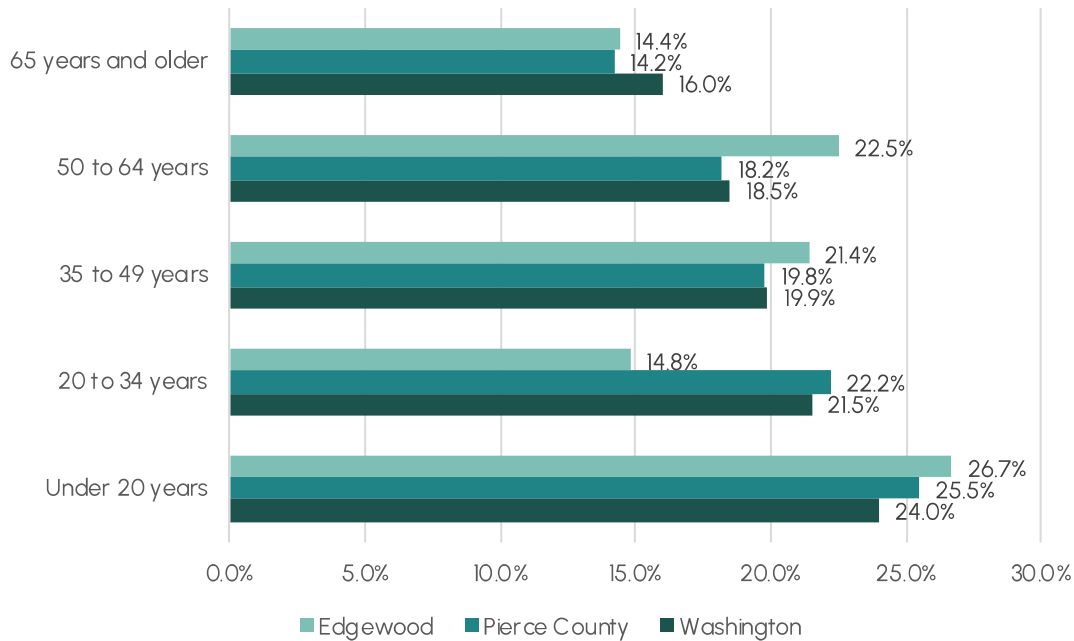
Edgewood had a median age of 40 years in 2022, which is higher than that of Pierce County as well as surrounding peer cities like Fife, Milton, and Sumner. However, the distribution of age categories shows Edgewood has a higher share of residents under 20 years (typically students or workers in entry-level or part-time positions) and 50-64 years (typically those who are mid- to late-career workers) compared to the County and the State. Most notably, Edgewood has a small share of residents aged 20 to 34 years, who often represent early-career workers and young professionals.

⁸ 5-year estimates use data collected over a longer period of time used to increased statistical reliability of the data by using a larger sample for geographies with populations under and small groups within a population. Since Edgewood's population is below the threshold of 65,000 residents, 1-year estimates are not available at the city level. This report generally uses the most current estimates at the time of writing; for ACS data this is 2018-2022, as well as comparison over time to 2008-2012 data.



Exhibit 2. Age Distribution, Edgewood, Pierce County, and Washington, 2022

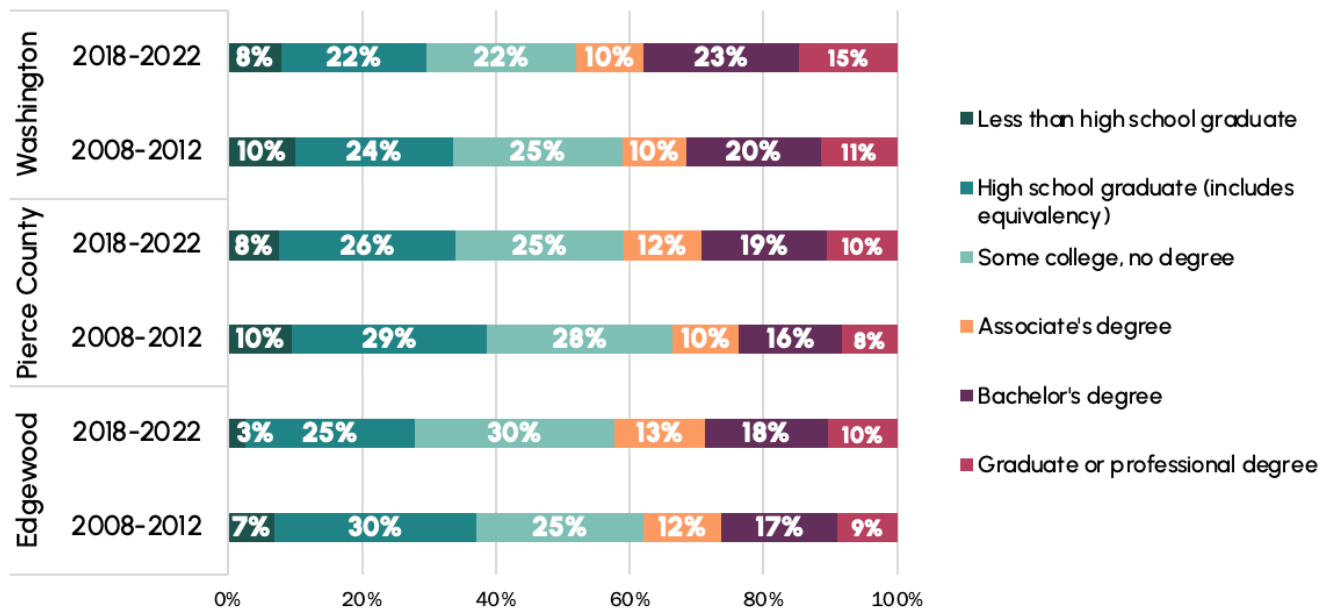
Source: U.S. Census Bureau, 2018–2022 ACS 5-Year Estimates.



Educational attainment data are an important indicator for economic opportunities and the type of available workforce in an area. Economic development strategies may target different types of skill development, industry pipelines, or training programs, depending on the existing level of education among residents. Between 2012 and 2022, Edgewood gained residents with bachelor's degrees and higher, as well as residents with some college or an associate's degree, while losing residents with a high school degree or less. Educational attainment in the City is generally on par with Pierce County as a whole, though slightly behind Washington State in rates of residents with bachelor's degrees or higher.

Exhibit 3. Educational Attainment for Population Over 25, Edgewood and Pierce County, 2012 - 2022

Source: U.S. Census Bureau, 2008-2012 and 2018-2022 ACS 5-Year Estimates.



Economic Context

Several factors can indicate changes in economic conditions for cities, their residents, and their workforce. This section provides context about current conditions and recent trends in Edgewood related to household income, employment, commuting, and wages.

Income

Overall income levels and distribution are critical indicators of economic prosperity for cities. Income levels directly reflect the purchasing power and standard of living of individuals and households; higher incomes generally enable people to afford better education, healthcare, and access to essential goods and services, elevating overall well-being and productivity. The distribution of income and disparities between different demographic groups are critical considerations when addressing economic inequality and reducing concentrations of poverty. In Edgewood, the median household income for all households has remained higher than the median income for both Pierce County and Washington State since 2012, rising to \$115,325 in 2022.



The distribution of median household income by race and ethnicity can also be instructive to understanding ongoing economic disparities. Household income levels vary in Edgewood by race and ethnicity. Similar to many communities, people of color in Edgewood and Pierce County may bear historic and systemic barriers to economic opportunities. In Edgewood, the median income for white households was the same as the City overall, yet Asian households had a much higher median income. However, household median income for Native Hawaiian and Pacific Islander and Hispanic or Latino was lower than average.⁹ White households in the County saw higher median incomes than the overall average, while Asian and Native Hawaiian or Pacific Islander households were near this median within their range of MOE.

Exhibit 4. Median Household Income, Edgewood, Pierce County, and Washington, 2012 - 2022

Source: U.S. Census Bureau, 2008-2012 and 2018-2022 ACS 5-Year Estimates

Note: Median household income is shown in nominal dollars (not adjusted for inflation).



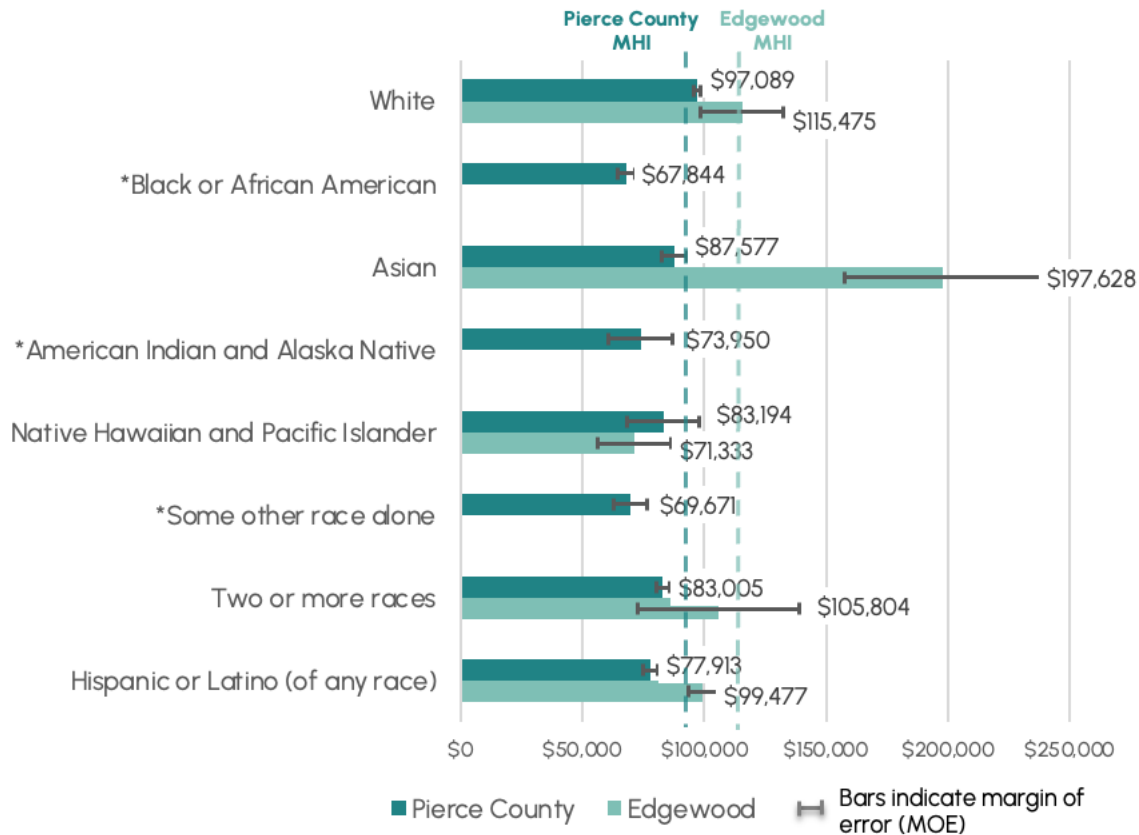
⁹ For Black, multiracial, or another race households, margin of error (MOE) was too high to determine these disparities. However, in Pierce County overall trends show that household income is lower for residents who are Black, Hispanic or Latino, American Indian or Alaska Native, multiracial, or another race.



Exhibit 5. Median Household Income by Race and Ethnicity, Edgewood and Pierce County, 2022

Source: U.S. Census Bureau, 2018-2022 ACS 5-Year Estimates.

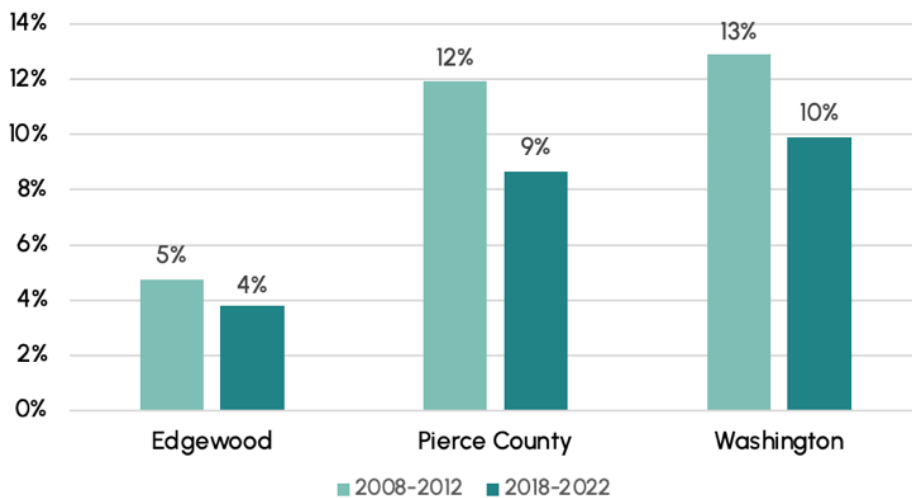
Note: Asterisk (*) indicates the MOE was too high for some categories and higher MOEs reduces the accuracy of the information. MHI: Median Household Income.



The share of residents living below the poverty threshold was also lower in the City of Edgewood compared to Pierce County and Washington, slightly decreasing from 5% in 2012 to 4% in 2022. This change likely reflects new growth in high-income households earning \$150,000 or more during this period.

Exhibit 6. Percent of Population Below Poverty, Edgewood and Pierce County, 2012 - 2022

Source: U.S. Census Bureau, 2008-2012 and 2018-2022 ACS 5-Year Estimates. Note: This shows the percent of population below the poverty level for at least one year.

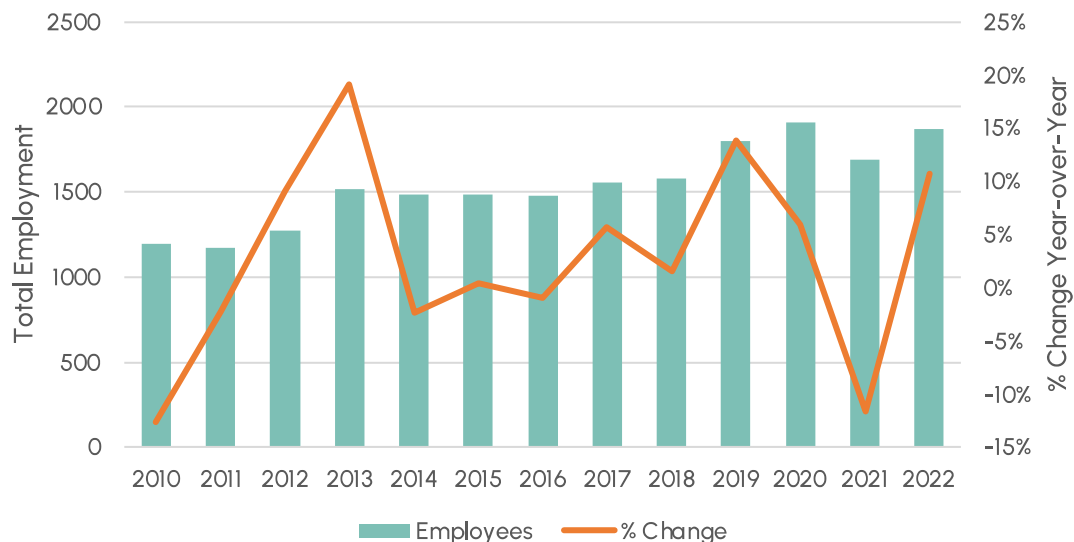


Employment Trends

In 2022, Edgewood was home to 1,867 jobs as reported through the PSRC based on data from the Quarterly Census of Employment and Wages (QCEW). The number of jobs in Edgewood has generally increased in recent decades, growing from 1,195 jobs in 2010. However, the City has seen fluctuations in employment growth, experiencing several years of declining employment particularly in the wake of the 2008 recession and the onset of the COVID-19 pandemic in 2020. The current employment to housing unit ratio in the City is 0.3, meaning that there is about one employee working in Edgewood for every three housing units.

Exhibit 7. Total Covered Employment Change, Edgewood, 2001 - 2022

Source: PSRC analysis of QCEW data



Growth in employment, population, and housing are interconnected. In general, communities with a high ratio of population to employment can be characterized as “bedroom” or commuter communities, where there are fewer jobs than residents in the City. In Edgewood, this ratio is high and has grown modestly since 2000, with the number of persons per job increasing from 6.9 in 2000 to 7.2 in 2022. In the same period, the ratio of jobs to housing units has slightly decreased. This indicates a possible need for more local jobs to achieve more of a balance between local jobs and housing.

Exhibit 8. Population, Employment, and Jobs Comparison Ratios, Edgewood, 2000 - 2022

Source: PSRC

				RATIOS	
	POPULATION	EMPLOYMENT	HOUSING UNITS	POPULATION : JOBS	JOBS : HOUSING
2000	9,089	1,318	3,562	6.9	0.4
2010	9,387	1,195	3,801	7.9	0.3
2022	13,520	1,867	5,782	7.2	0.3

Top Employers

In Pierce County, employers in the military, healthcare, government, and education sectors had the largest number of employees as of 2020. Joint Base Lewis-McChord (JBLM) located south along I-5 represents the largest single employer,¹⁰ followed by employers with locations throughout the County including MultiCare Health System, the State of Washington, and CHI Franciscan Health. Local cities and their school districts account for an additional four of the top ten employers. Safeway and Albertsons (recently merged) are the only single retail sector establishment in the County's top ten employers.

Exhibit 9. Top 10 Employers in Pierce County, 2020

Source: Economic Development Board Tacoma Pierce County, [link to report](#)

EMPLOYER	TOTAL EMPLOYEES	INDUSTRY
1. Joint Base Lewis-McChord	54,000	Military
2. MultiCare Health System	8,264	Healthcare
3. State of Washington	7,859	Government
4. CHI Franciscan Health	5,682	Healthcare
5. Tacoma Public Schools	3,649	Education
6. City of Tacoma and Tacoma Public Utilities	3,623	Government
7. Pierce County Government	3,304	Government
8. Puyallup School District	2,711	Education
9. Bethel School District	2,689	Education
10. Safeway and Albertsons	2,153	Retail

In terms of business development in the City of Edgewood, the best source of information for quantifying business growth is from the Washington State Department of Revenue business license data. As of April

¹⁰ JBLM employment figures may vary and include military personnel, civilian employees, and contractors. In its 2022 [Growth Coordination Plan](#), JBLM provide detailed information on the base, including 31,221 active-duty military members, 7,088 reserve military (Reserve Component, National Guard), 11,746 civilian employees, and 4,300 contractors.



2024, the City had 639 active resident business licenses. Among these businesses, approximately 66% are home-based businesses.

Commuting and Employment Density

In Edgewood, employment is concentrated around the central thoroughfare of Meridian Avenue E (WA-161). The highest density areas of jobs per square mile in the City are located near the intersection of Meridian Avenue E with 24th Street E and 8th Street E, which are home to a variety of retail and services. There are also several smaller dispersed hubs for employment along 122nd Avenue on the City's east side, several of which align with the location of K-12 schools throughout the community.

Employment location plays an important role in where people live and conversely it can influence where people choose to relocate. Edgewood generally follows the pattern of a bedroom community, with more than double the number of residents leaving for jobs outside of Edgewood than employees commuting into the City as of 2021. Exhibit 10 provides a conceptual depiction of this trend of residents coming in (shown with the arrow on the left) and out (on the right) or those who both live and work in Edgewood (in the center).

The primary commuting destination for Edgewood residents in 2021 was Seattle, followed by Tacoma.

Approximately a quarter of commuters travel to those two destinations. Of Edgewood residents who were employed, only 1.7% worked at jobs in the city, or approximately 3.7% of the total workers employed within Edgewood. The largest share of employees in Edgewood commuted from Tacoma as well as Auburn, Federal Way, and Puyallup. Edgewood had the shortest commute time compared with surrounding cities at only 26.2 minutes on average (Exhibit 13).

Exhibit 10. Commute Pattern Conceptual Map, Edgewood, 2021

Source: LODS-LEHD

Note: This a conceptual map and arrows do not indicate direction of commute patterns specifically



Exhibit 11. Top Destinations Where Edgewood Residents Worked, 2021

Source: LODS-LEHD

590	497	343	257
(13%)	(11%)	(8%)	(6%)
Seattle	Tacoma	Kent	Auburn



Exhibit 12. Top Locations Where Edgewood Workers Lived, 2021

Source: LODS-LEHD

211	96	96	89
(10%)	(5%)	(5%)	(4%)
Tacoma	Auburn	Federal Way	Puyallup

Exhibit 13. Mean Travel Time to Work, Edgewood and Comparison Jurisdictions, 2022

Source: U.S. Census Bureau, 2018-2022 ACS 5-Year Estimates.

	EDGEWOOD	PIERCE COUNTY	MILTON	FIFE	SUMNER
Mean Commute Time (Minutes)	27.8	30.2	27.5	32.1	26.2

Key Industries

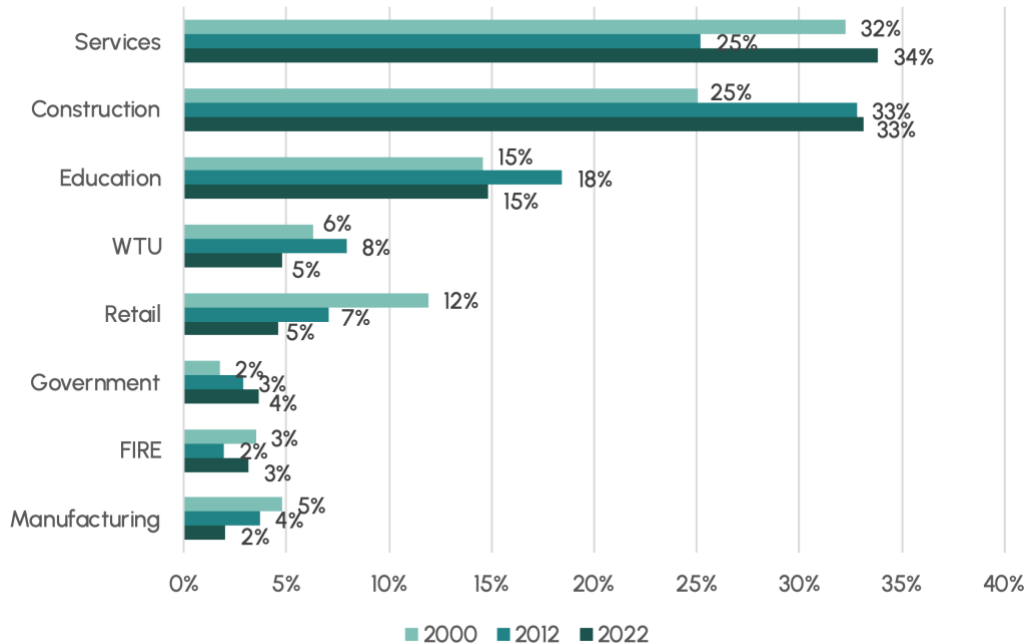
Jobs in service industries and construction represent the greatest share of employment as of 2022.

Service industries (such as healthcare and professional services among a range of other subindustries) accounted for over a third of jobs in the City in 2022, despite a decline in 2012. The share of construction jobs in Edgewood has grown since 2000, increasing from 25% of all covered employment in 2000 to 33% in 2022.



Exhibit 14. Share of Covered Employment¹¹ by Major Sector, Edgewood, 2012 - 2022

Source: PSRC LUV-it Estimates. Note: Acronyms used by the PSRC include WTU includes Wholesale, Transportation, and Utilities, FIRE includes Finance, Insurance, and Real Estate. Employment estimates use data from the Quarterly Census of Employment and Wages (QCEW) and administrative records employers report, by law, to the Washington State Employment Security Department (ESD).



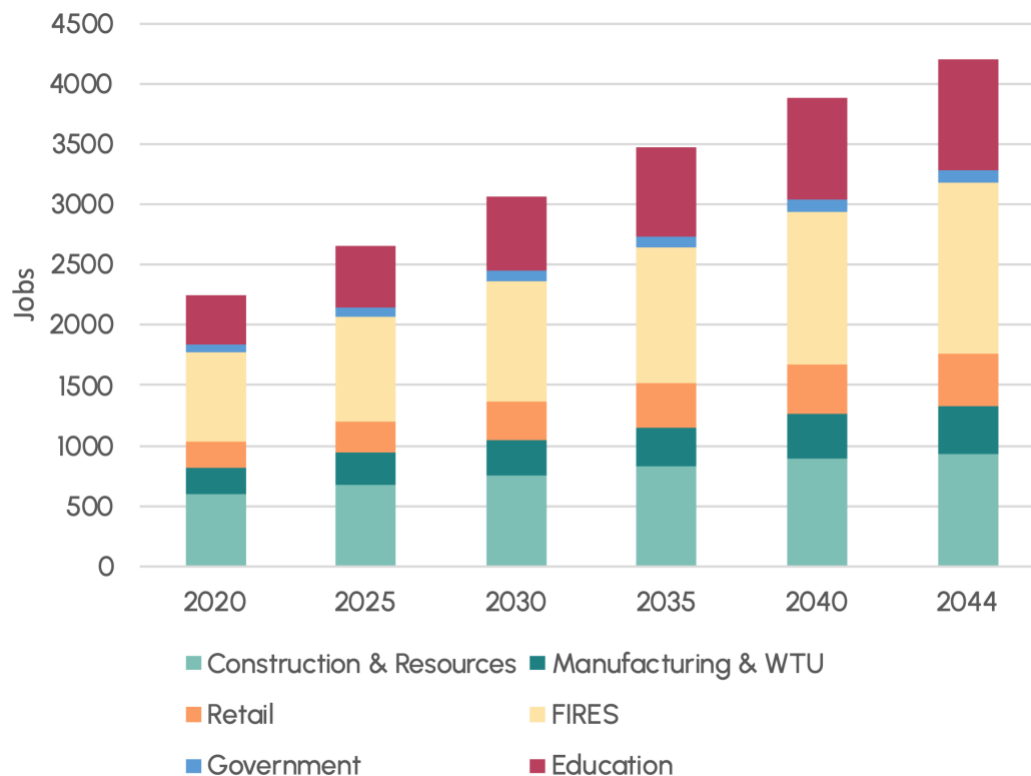
The PSRC provides projected growth targets by sector for cities in the Puget Sound region, using the year 2018 as a base to project through 2044. Service industries (represented by the 'FIRES' group of Finance, Insurance, Real Estate, and Services'), construction, and education are anticipated to continue growing and remain the three largest employment sectors in Edgewood through 2044.

The implications of this growth are important for directing economic development policies. Compared with wage growth in Pierce County shown below in Exhibit 16, the largest and growing group of industries (FIRES) offers some opportunities for high-paying jobs, but also a large share of jobs with below average pay. Wages for employees in the Finance and Insurance industry grew by 55% in the last decade, but the County saw no increase in the number of these jobs, which accounted for only a small percent of overall employment. Real Estate saw a notable increase in wages (135%) and a 35% increase in employment, however it still accounted for only 2% of jobs in 2022. Health Care and Social Assistance was the largest of these growing sectors that paid above average wages, while Accommodations and Food Service (which accounted for 10% of jobs in Pierce County) had the lowest wages on average.

¹¹ Covered employment includes employees covered by unemployment insurance. Examples of workers not included in covered employment are sole proprietors, some types of contractors (often referred to as "1099 employees"), or some railroad workers.

Exhibit 15. Growth Target by Sector Employment, Edgewood, 2020 - 2044

Source: PSRC LUV-it. Note: Acronyms used by the PSRC include WTU includes Wholesale, Transportation, and Utilities. Projection data combines Finance, Insurance, Real Estate, and services into one category represented by FIRES below.



Wage Growth

Employment data often includes confidentiality requirements to protect identifiable information about businesses and workers and many data points related to industry employment and wages are only publicly available at the County level. Exhibit 16 shows employment and wage trends by industry from 2012 to 2022. By total employment, Health Care and Social Assistance was the largest industry in Pierce County in both 2012 and 2022, growing by 39% (faster than the County total); average wages also grew in this industry and paid higher than the overall average. Construction, Transportation and Warehousing, and Professional and Technical Services were also among the top ten industries for employment and saw similar growth in jobs offering above-average wages from 2012 to 2022.

Some of the County's largest industries did not see the same kind of growth in opportunities since 2012. In particular, Retail Trade, Accommodation and Food Services, and Administrative and Waste Services each comprised a high share of total employment, but despite some increases in wages still remained below the County average in 2022. The Finance and Insurance sectors, together with the Information sector offered above average wages but saw decreased employment over this time period.



Exhibit 16. Covered Employment and Wage Trends, Pierce County, 2012 - 2022

Source: US Bureau of Labor Statistics, QCEW. Note: Total retail tax revenue shown in nominal dollars year-over-year. Values shown in **green** saw above average growth in wages and employment respectively from 2012-2022; values shown in **red** showed negative growth in this time period; values shown in **bold** paid higher wages than the County average in 2022.

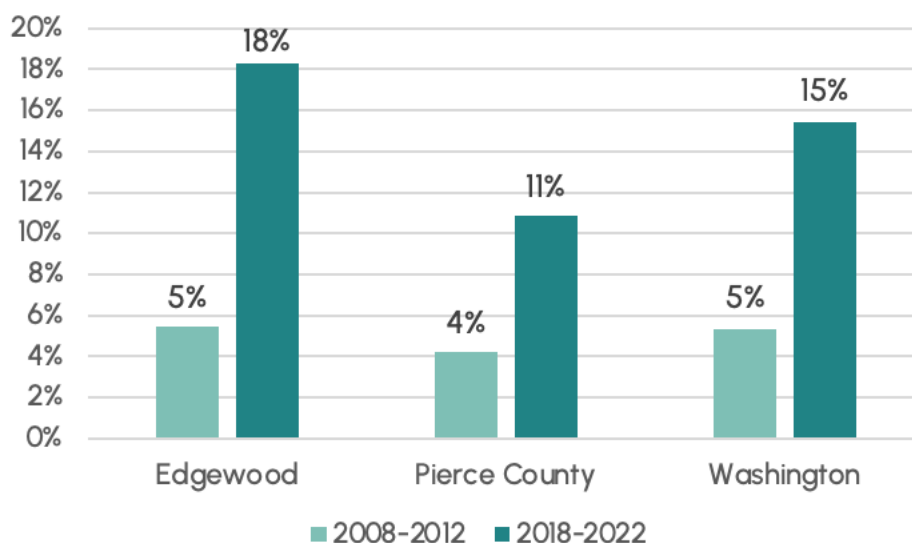
INDUSTRY	ANNUAL WAGES			EMPLOYMENT		
	2012 (AVG)	2022 (AVG)	CHANGE (%)	2012 (TOT)	2022 (TOT)	CHANGE (%)
Health care and social assistance	\$48,752	\$68,059	40%	38,117	52,872	39%
Retail trade	\$29,032	\$45,243	56%	31,524	36,802	17%
Accommodation and food services	\$16,975	\$28,328	67%	21,631	28,423	31%
Construction	\$50,749	\$75,419	49%	15,520	25,210	62%
Administrative and waste services	\$40,379	\$61,962	53%	13,854	24,981	80%
Transportation and warehousing	\$49,977	\$63,922	28%	11,652	19,810	70%
Manufacturing	\$60,003	\$71,074	18%	16,502	16,716	1%
Wholesale trade	\$54,896	\$78,506	43%	10,947	13,031	19%
Professional and technical services	\$58,589	\$80,897	38%	7,994	12,345	54%
Other services, except public administration	\$23,253	\$46,100	98%	14,672	10,139	-31%
Finance and insurance	\$63,452	\$98,242	55%	7,834	7,833	0%
Real estate and rental and leasing	\$31,670	\$85,670	171%	4,030	5,429	35%
Arts, entertainment, and recreation	\$19,728	\$32,331	64%	4,012	4,923	23%
Educational services	\$38,536	\$49,721	29%	3,803	4,525	19%
Information	\$56,219	\$91,621	63%	2,734	1,855	-32%
Agriculture, forestry, fishing and hunting	\$34,831	\$41,719	20%	895	1,265	41%
Management of companies and enterprises	\$65,581	\$96,340	47%	867	883	2%
Utilities	\$74,942	\$106,776	42%	617	654	6%
Mining, quarrying, and oil and gas extraction	\$53,090	\$79,227	49%	158	186	18%
PIERCE COUNTY TOTAL	\$41,557	\$61,491	48%	207,363	267,882	29%

Remote Workers

Following new workplace trends in the wake of the COVID-19 pandemic, Edgewood has seen a fast increase in the share of remote workers from only 5% in 2012 to 18% of workers in 2022. The City also now has a larger share of remote workers than the County or the State.

Exhibit 17. Share of Remote Workers, Edgewood, Pierce County, and Washington 2012 - 2022

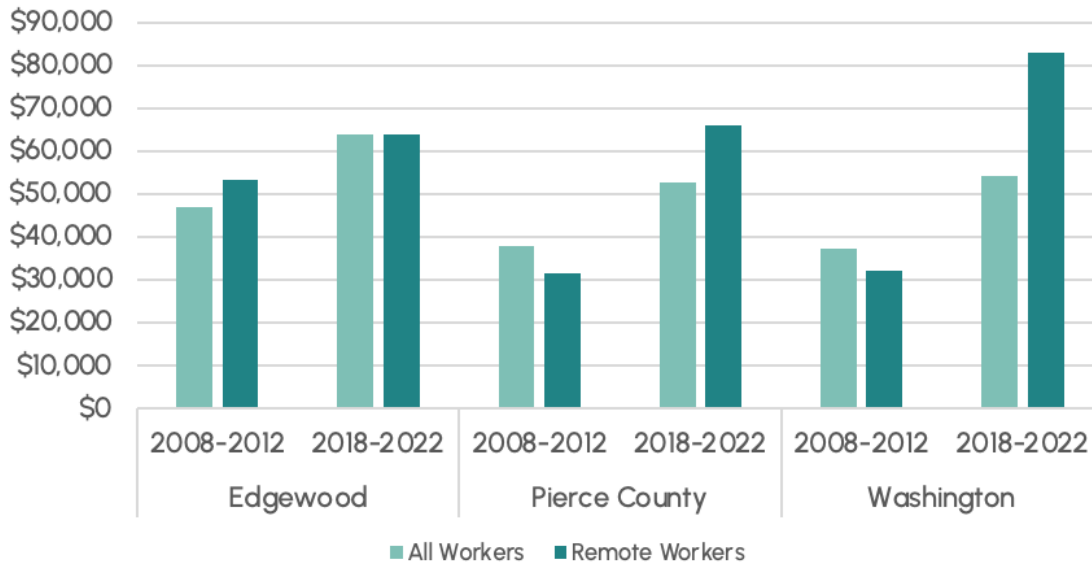
Source: ACS, 2008-2012, 2018-2022



Remote workers tend to be employed in white-collar jobs that often offer higher wages than other types of employment performed in-person. In Washington and Pierce County, the median annual earnings for remote workers relative to the overall median increased with the onset of the pandemic. In Washington, remote workers made nearly \$30,000 more annually compared to all workers in 2022. However, in Edgewood the gap between these groups has seen a different trend, with remote workers having nearly identical earnings to the City overall.

Exhibit 18. Annual Median Earnings for Remote and Non-Remote Workers, 2012 - 2022

Source: ACS, 2008-2012, 2018-2022



Fiscal Conditions

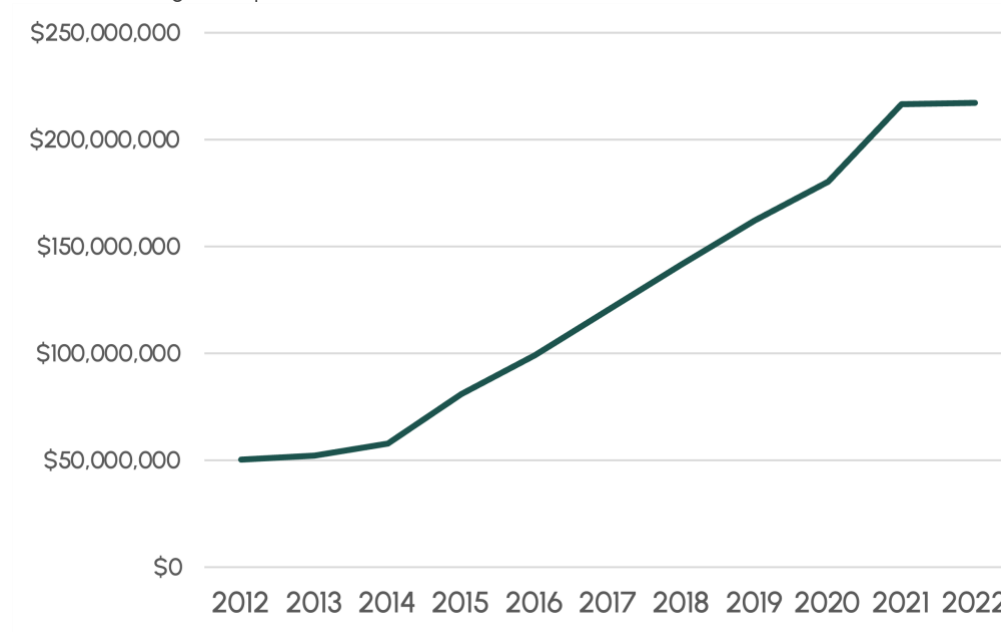
Fiscal conditions are critical indicators for economic development, which have implications for jurisdictions' capacity to invest in essential services and growth. In Washington state, the lack of income tax makes sales tax and other tax revenues particularly important for understanding economic trends and the impact on local municipal budgets.

Between 2012 and 2022, the City of Edgewood's total taxable retail sales increased dramatically, growing by 24% annually on average in nominal dollars. This growth is likely due in large part to new commercial development along the Median Avenue Corridor, which is home to the majority of the City's retail activity as well as change in consumer behavior during the onset of the COVID-19 pandemic.



Exhibit 19. Total Taxable Retail Sales, Edgewood, 2012 - 2022

Source: Washington Department of Revenue. Note: Total retail tax revenue shown in nominal dollars year-over-year.



Compared with surrounding jurisdictions and unincorporated areas of Pierce County, Edgewood's overall taxable retail sales have grown at a faster rate since 2012, including when adjusted for inflation (Exhibit 20). However, the City's overall sales still remain lower than total revenues in Fife, Milton, and Sumner.



Exhibit 20. Total Taxable Retail Sales by Pierce County Jurisdictions, 2012-2022

Source: Washington Department of Commerce, US Bureau of Labor Statistics Inflation Calculator. Note: Adjusted for inflation and shown in 2022 dollar values.

JURISDICTION	2012 (IN 2022\$)	2022	PERCENT CHANGE 2012-2022 (ADJ.)	AAGR
City of Edgewood	\$64M	\$217M	239%	13.0%
Unincorporated Pierce County	\$2.4B	\$5.7B	138%	9.0%
City of Fife	\$693M	\$1.4B	102%	7.3%
City of Milton	\$96M	\$281M	193%	11.3%
City of Sumner	\$521M	\$989M	90%	6.6%

On a per capita basis, Edgewood's taxable retail sales are also growing proportionate to the City's population. Surrounding cities saw a decline in per capita sales, indicating faster population growth than expansion of local retail. Surrounding jurisdictions which are home to higher-volume establishments like wholesale retailers, car dealerships, and more shopping destinations compared to Edgewood.

Exhibit 21. Per Capita Taxable Retail Sales by Pierce County Jurisdictions, 2012-2022

Source: Washington Department of Commerce, US Bureau of Labor Statistics Inflation Calculator. Note: Adjusted for inflation and shown in 2022 dollar values.

JURISDICTION	2012 (IN 2022\$)	2022	PERCENT CHANGE 2012-2022 (ADJ.)	AAGR
City of Edgewood	\$16,878	\$20,495	21%	2.0%
City of Fife	\$125,810	\$127,166	1%	0.1%
City of Milton	\$34,020	\$25,862	-24%	-2.7%
City of Sumner	\$83,632	\$74,118	-11%	-1.2%



Real Estate Market Conditions

Understanding Edgewood's real estate market opportunities can indicate what industries might locate and grow in the City, based on historic and current demand patterns across different real estate types. This section details Edgewood's commercial real estate conditions and identifies market drivers and trends that will influence the market appeal and viability of commercial uses in the area.

This report primarily covers office, industrial, and retail building types. Because the inventory of office, retail, and industrial commercial types is limited in Edgewood, this analysis aggregates these commercial types in Edgewood with the surrounding cities of Fife, Milton, and Sumner as the '**Edgewood Market Area**' as well as a comparison of trends in Pierce County. Multifamily trends are shown for the City of Edgewood (not aggregated with surrounding cities) and Pierce County.

The Housing Needs Assessment portion of this Comprehensive Plan Update covers the residential real estate market in greater depth. The exhibits in the section below show historical trends in the average effective rent rates and average annual vacancy rates for the analysis. In general, the analysis shows trends in Triple-Net (NNN) rents, vacancy rates, and deliveries (these are described below). This section also looks back to trends in the past decade, capturing a longer cycle of real estate trends.

- **Triple-Net (NNN):** Represents annual rents on a per-square-foot (psf) basis, not including any pass-through expenses such as taxes, insurance, and utilities or maintenance costs.
- **Vacancy Rates:** Represents how much space per-square-foot (psf) is vacant in a submarket.
- **Deliveries:** Represent the total amount of new square feet of each product type that has been added to the market on an annual basis.
- **Net Absorption:** Represent annual net square feet of new occupancy or vacancy of space accounting for deliveries.

The Edgewood Market Area has a large inventory of industrial and manufacturing real estate relative to Pierce County, adding over 10.3 million new square feet over the past decade while seeing lower vacancies and higher rents than the County average for these types of spaces. Office and retail real estate is less prominent in the Edgewood Market Area, in terms of both total square footage and rent. However, low vacancy rates and recovery from pandemic trends indicates potential room for growth in both real estate types within the Edgewood Market Area.



Office Market

The Edgewood Market Area has seen some fluctuations in rents per square foot (PSF) over the past decade and is currently at a ten-year high at \$20.6 per square foot. Compared to Pierce County overall, office rents PSF have been lower in the Edgewood Market Area since 2013.

The Edgewood Market Area's office space had only a 3.3% vacancy rate in 2023, falling since its high point of nearly 8% in 2015. Comparatively, Pierce County's office vacancy rate has been rising since 2020, and currently stands at 8.9%.

The combination of lower rents and vacancies indicates that the Edgewood Market Area is meeting demand in the area for lower cost office space.

Exhibit 22. Average Office Rent per Square Foot, Edgewood Market Area and Pierce County, 2013-2023

Source: CoStar

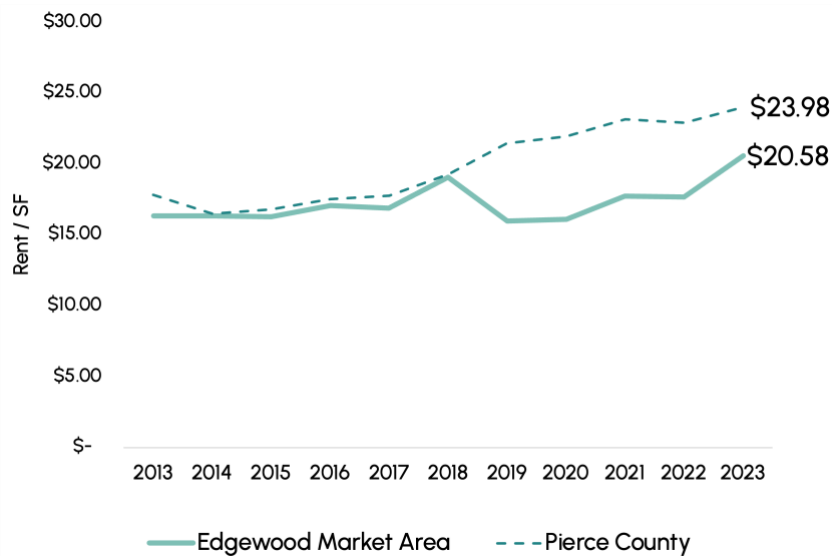
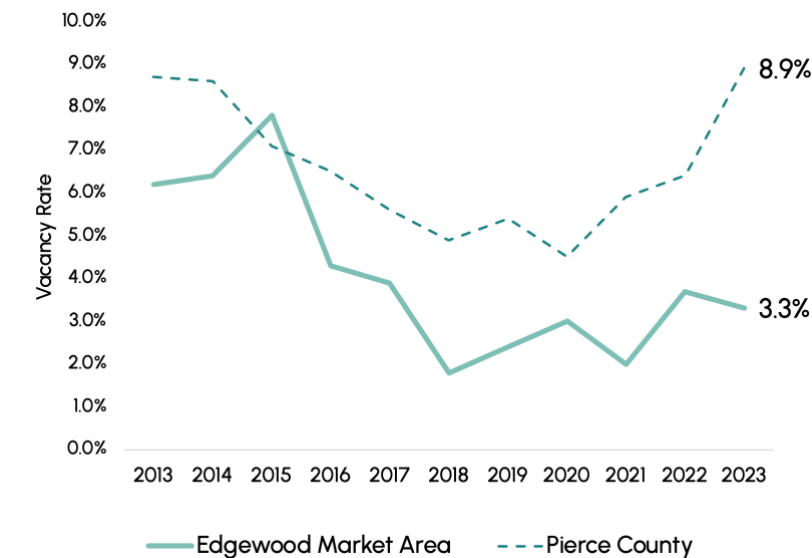


Exhibit 23. Average Office Vacancy Rate, Edgewood Market Area and Pierce County, 2013-2023

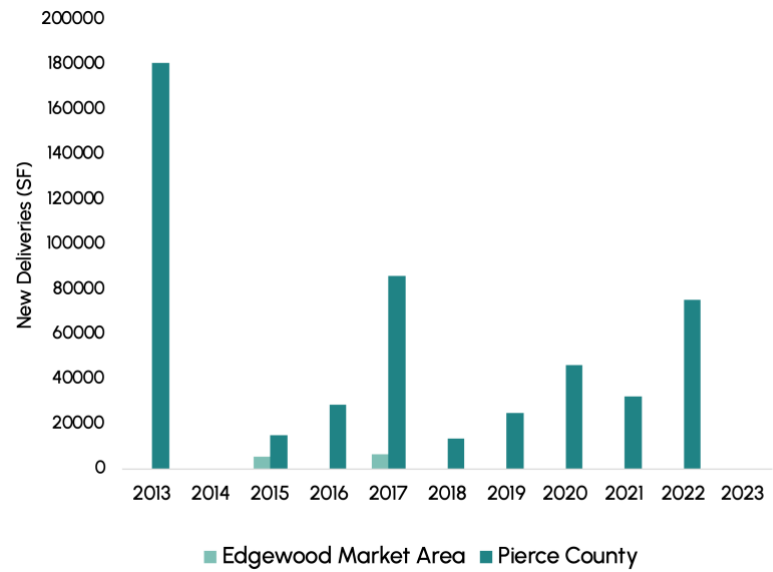
Source: CoStar



Since 2013, the Edgewood Market Area has seen few new office deliveries, totaling approximately 52,000 new square feet. This accounts for only about 2% of Pierce County's 2.2 million new square feet in the past decade. The County saw its largest amount of new office construction in 2013, as well as spikes in 2017 and 2022.

Exhibit 24. Office Deliveries, Edgewood Market Area and Pierce County, 2013-2023

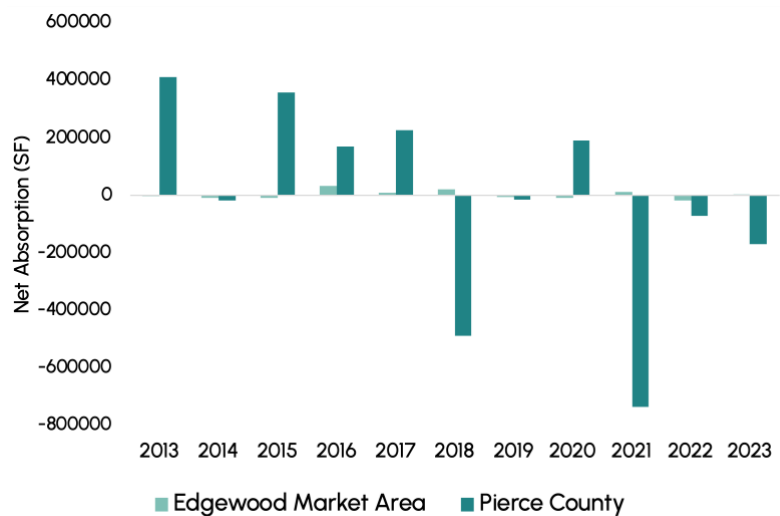
Source: CoStar



Despite its spikes in new deliveries, Pierce County saw several years of negative absorption in the past decade, with the most severe change seen in 2021. This reflects vacancy trends in the County and at a regional and national scale as many employers re-evaluated physical office needs in the wake of the COVID-19 pandemic.

Exhibit 25. Office Net Absorption, Edgewood Market Area and Pierce County, 2013-2023

Source: CoStar



Retail Market

Retail rents in the Edgewood Market Area averaged \$17.5 PSF in 2023, following slightly lower than Pierce County which stood at approximately \$20.2 PSF. The Edgewood Market Area has generally tracked with County retail trends over the past decade, with a steady increase over time as well as a spike between 2020 and 2021.

This change may reflect new deliveries in 2020 as well as shifting retail demand in the wake of 2020, with many customers frequenting suburban retail near residential areas due to changes in commuting trends.¹²

Both Pierce County and the Edgewood Market Area saw falling retail vacancies since 2013, currently standing at 2.9% and 2.6% respectively.

Rising rents combined with low vacancy rates indicate rising demand for retail space both in the Edgewood Market Area and the County.

Exhibit 26. Average Retail Rent per Square Foot, Edgewood Market Area and Pierce County, 2013-2023

Source: CoStar

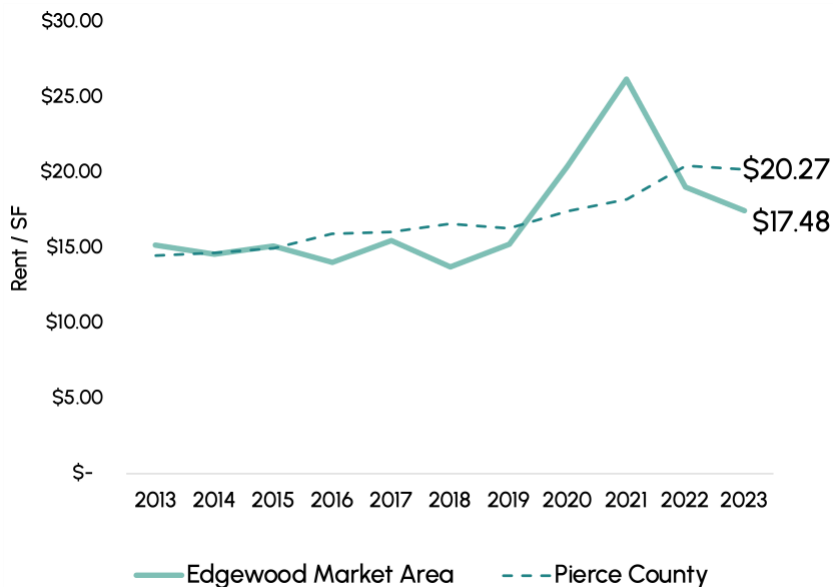
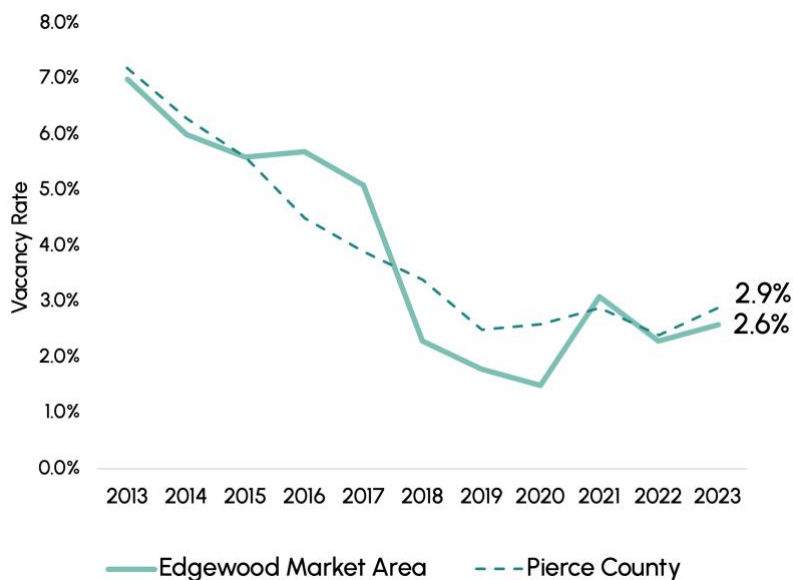


Exhibit 27. Average Retail Vacancy Rate, Edgewood Market Area and Pierce County, 2013-2023

Source: CoStar



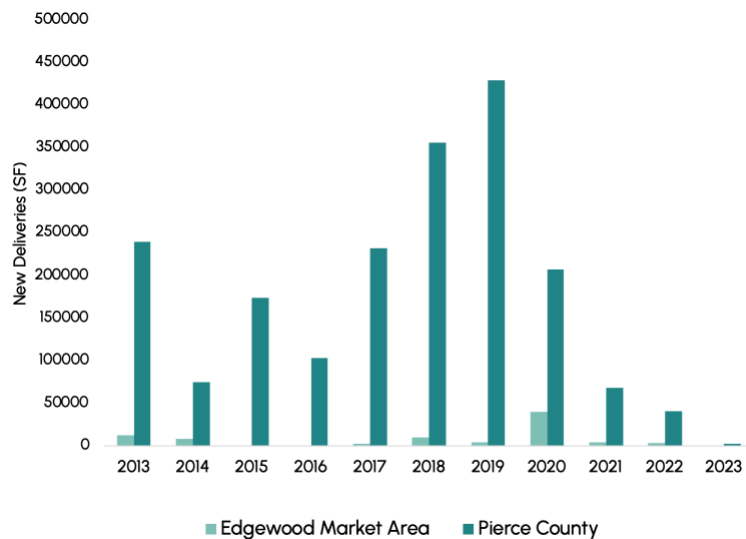
¹² Chris Wheat et al., "Downtown Downturn: The Covid Shock to Brick-And-Mortar Retail" (JP Morgan Chase & Co., January 2023), <https://www.jpmorganchase.com/institute/research/cities-local-communities/downtown-downturn-covid-shock-to-brick-and-mortar>.



Since 2013, new retail deliveries in the Edgewood Market Area have accounted for about 5% of the new retail across Pierce County. For both geographies, new deliveries increased between 2018 to 2020.

Exhibit 28. Retail Deliveries, Edgewood Market Area and Pierce County, 2013-2023

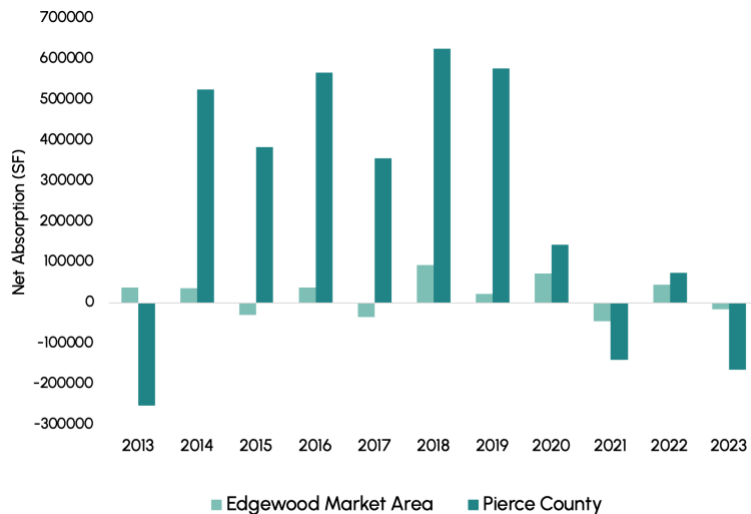
Source: CoStar



However, with the onset of the COVID-19 pandemic in 2021, both the Edgewood Market Area and the County saw negative absorption of retail square footage, reflecting a slight bump in vacancy rates that recovered in 2022.

Exhibit 29. Retail Net Absorption, Edgewood Market Area and Pierce County, 2013-2023

Source: CoStar



Retail Market Leakage

'Retail leakage' occurs when local people spend a larger amount of money on goods than local business report in sales. It refers to a gap in local retail sales, representing the difference between demand and supply within specific geographic boundaries. Leakage often occurs when residents do not have competitive opportunities to purchase goods locally and choose to travel outside the market area to find desired products (this includes online purchases). However, retail leakage does not necessarily mean that businesses of this type would be viable when accounting for a range of other considerations such as rent, operating costs, labor availability, site development, and other factors.

In 2018, Buxton Consulting completed an analysis of retail leakage and surplus for the City of Edgewood, which uses an index for retail leakage by different establishment types:

- 1.0 = equilibrium, meaning that demand and sales in the area being analyzed are in balance
- .80 = demand exceeds sales by 20%, meaning that consumers analyzed are leaving the area to shop for products.
- 1.2 = sales exceed demand by 20%, meaning that consumers are coming from outside the area being analyzed to shop for products.

The results of this analysis show a current gap for twelve major store types shown in Exhibit 30, with the greatest gap for general merchandise stores, and the lowest gap which is near equilibrium for miscellaneous store retailers. **The results show great demand for almost all the products analyzed (except for miscellaneous) and a lack of stores in Edgewood providing these needed products.**

Exhibit 30. Leakage/Surplus Index and Estimated and Potential Sales by Major Store Types (2018)

Source: Buxton Consulting. Note: This analysis was completed before COVID-19 and there could be changing demand related to e-commerce, remote work, etc.

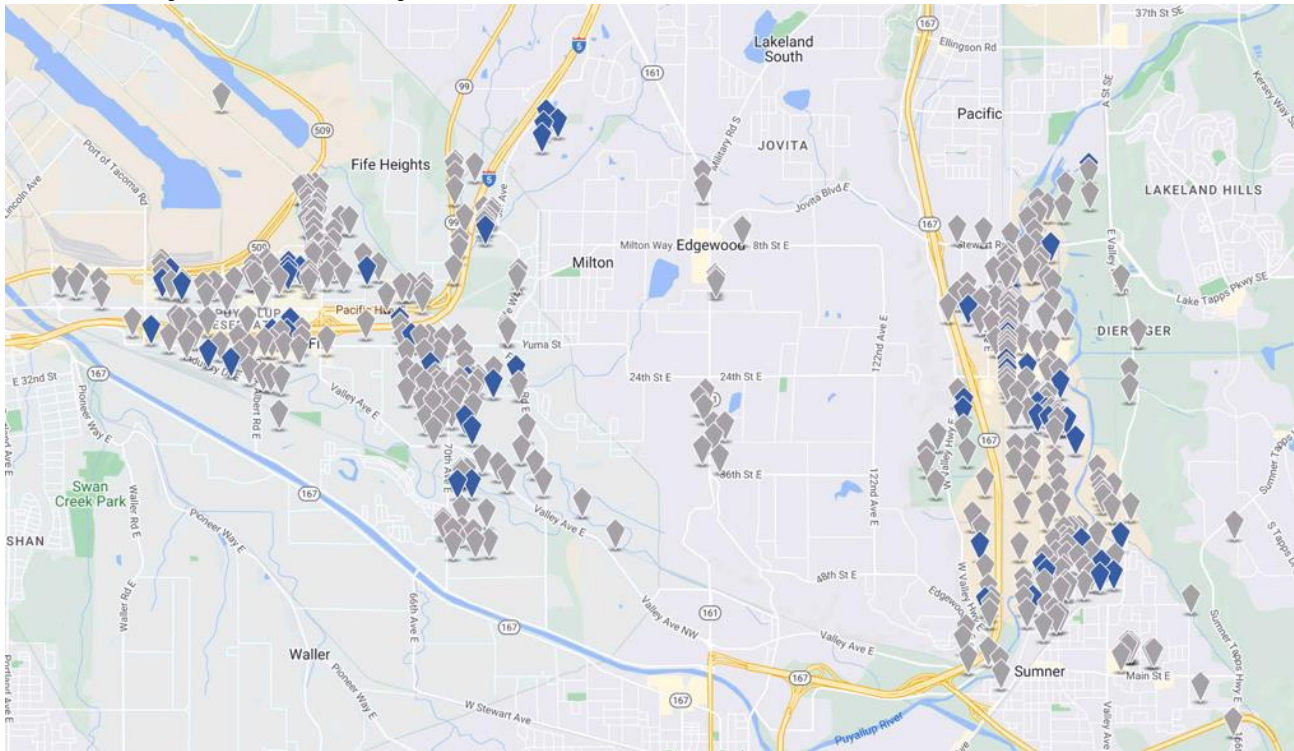


Industrial and Manufacturing Market

Edgewood has comparatively fewer industrial properties than other jurisdictions within its market area, which are primarily located around the City's edges and along the Meridian corridor. Surrounding cities of Fife and Sumner have much higher concentrations of industrial sites in 2024 year-to-date.

Exhibit 31. Industrial Properties, Edgewood Market Area, 2024 Year to Date

Source: CoStar. Note: This map shows the location of current industrial properties/uses which are often nonconforming with current zoning.



Industrial rents have more than doubled for both the Edgewood Market Area and Pierce County since 2013. In 2023, rents were \$11.5 and \$14.2 PSF respectively for the Edgewood Market Area and the County, indicating rising demand for industrial space.

'Industrial' space captures both traditional manufacturing as well as other types of warehousing that may represent emerging uses like data centers.

Industrial vacancy rates have fluctuated for both areas between 2013 and 2023, with higher rates in the early 2010's falling in 2017 but growing again in 2020 and 2023.

In 2023, the Edgewood Market Area had a 7.6% vacancy rate, while Pierce County had a rate of 6.5%. Coupled with rising rents, these trends indicate fluctuating demand for industrial uses particularly in the Edgewood Market Area.

Exhibit 32. Average Industrial Rent per Square Foot, Edgewood Market Area and Pierce County, 2013-2023

Source: CoStar

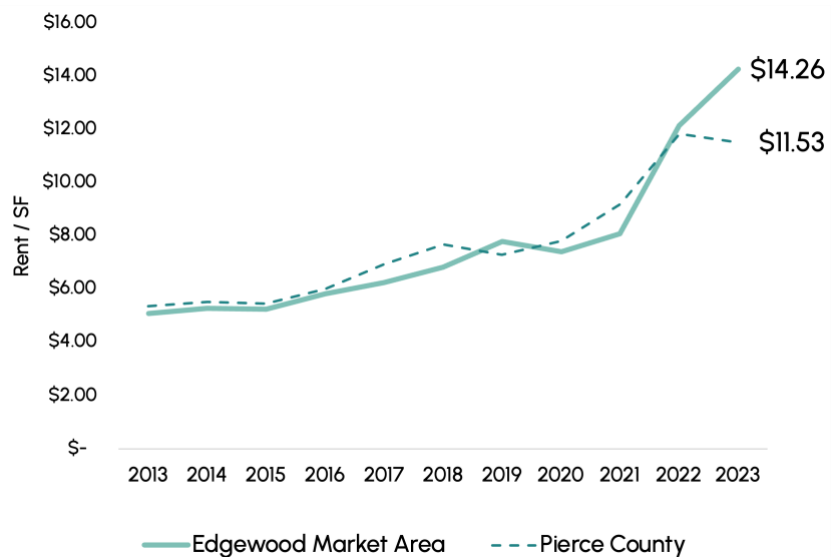
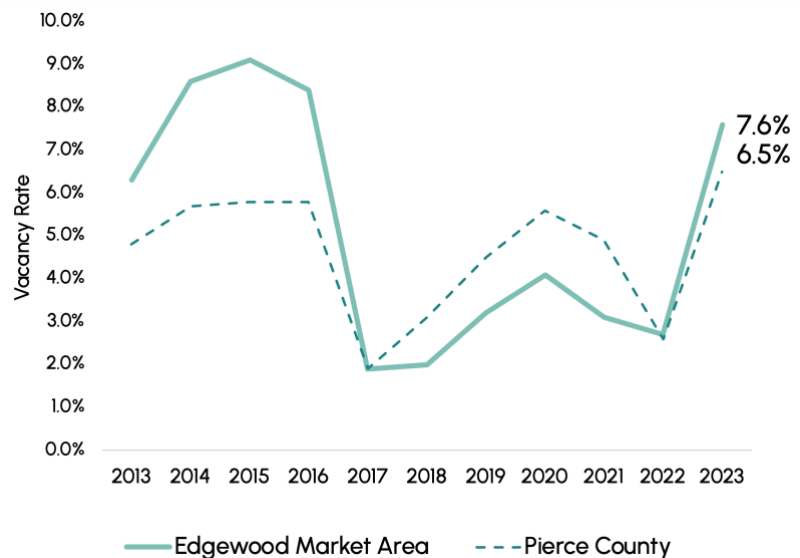


Exhibit 33. Average Industrial Vacancy Rate, Edgewood Market Area and Pierce County, 2013-2023

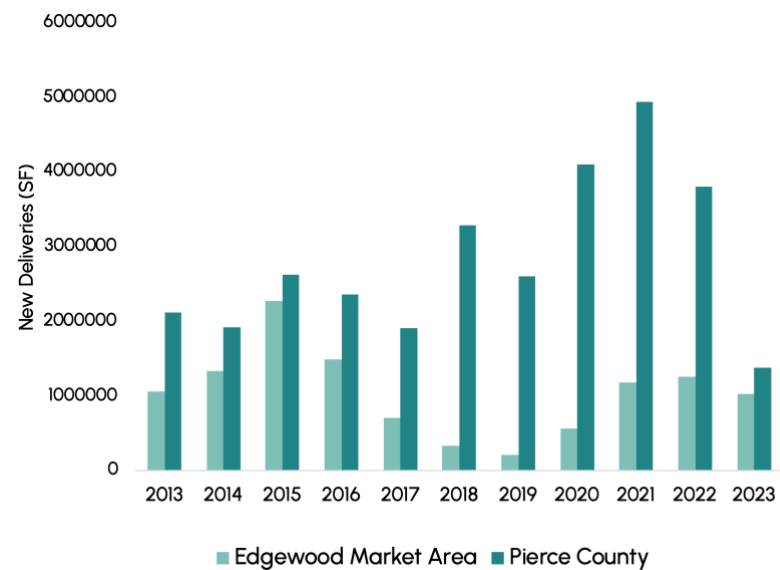
Source: CoStar



Industrial deliveries (new construction projects) have grown over the past decade in Pierce County. The Edgewood Market Area accounted for about a third of new industrial space in the County. Compared with office and retail, the Edgewood Market Area represented a much larger share of new industrial construction in Pierce County, with the largest square footage of deliveries occurring in the early- to mid-2010's.

Exhibit 34. Industrial Deliveries, Edgewood Market Area and Pierce County, 2013-2023

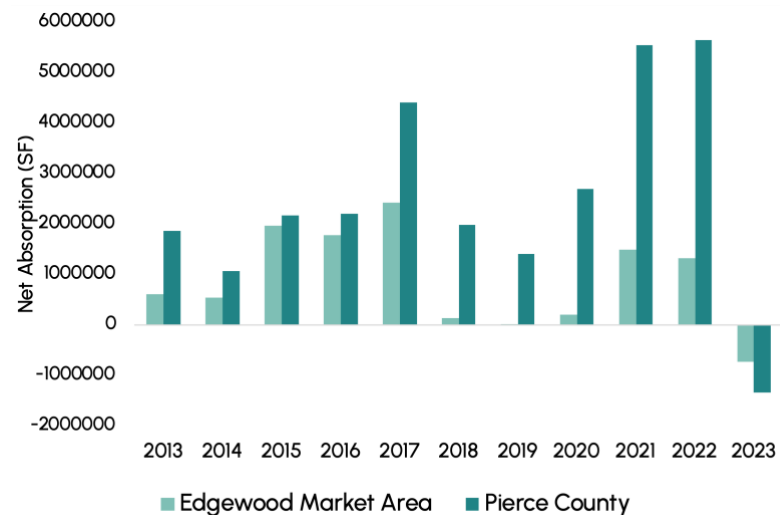
Source: CoStar



Industrial deliveries in the Edgewood Market Area and Pierce County have also seen positive absorption every year since 2013, with the exception of 2023. However, this likely represents new construction or turnover of spaces that may be absorbed in the current year.

Exhibit 35. Industrial Net Absorption, Edgewood Market Area and Pierce County, 2013-2023

Source: CoStar



Mixed-Use Development Opportunities

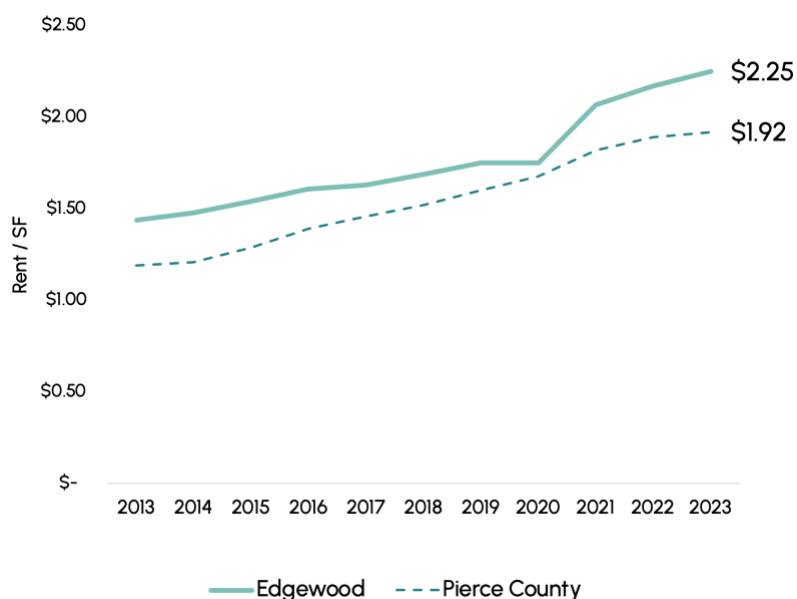
Mixed-use development with commercial and residential retail has seen growing demand nationally in recent years, due to increasing preferences and policy directives for dense, walkable areas. Trends in multifamily real estate in Edgewood show potential for combining demand for rental units with small increases in the City's office or retail inventories.

Multifamily Residential Market

Since 2013, rents for multifamily units have risen in Pierce County and the City of Edgewood. In general, Edgewood has tracked slightly above the County's rent patterns, reaching \$2.25 PSF in 2023 compared with \$1.92 across the County.

Exhibit 36. Average Multifamily Rent per Square Foot, Edgewood and Pierce County, 2013-2023

Source: CoStar

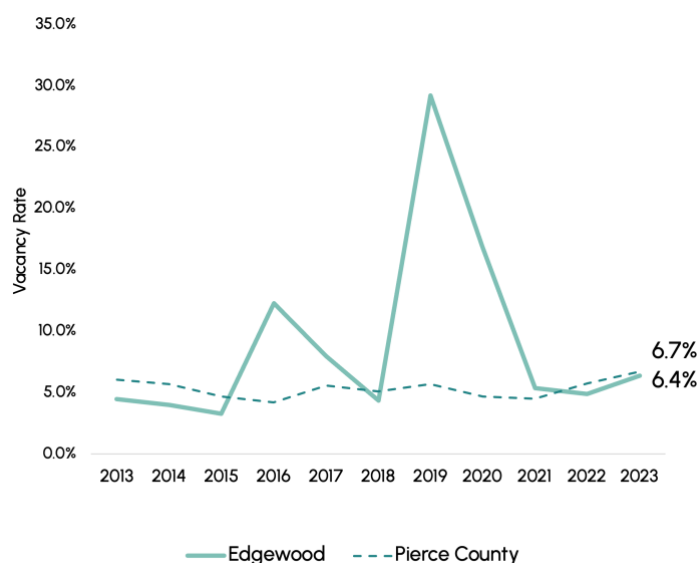


Vacancy rates in multifamily units in the City of Edgewood have fluctuated since 2013, while remaining relatively steady for Pierce County. In 2023, vacancies in the City were 6.4% compared to only 6.7% in the County overall.

As indicated in the Edgewood Housing Inventory Analysis, vacancies for all units in the City were only 5% for all housing types in 2018-2022.

Exhibit 37. Average Multifamily Vacancy Rate, Edgewood and Pierce County, 2013-2023

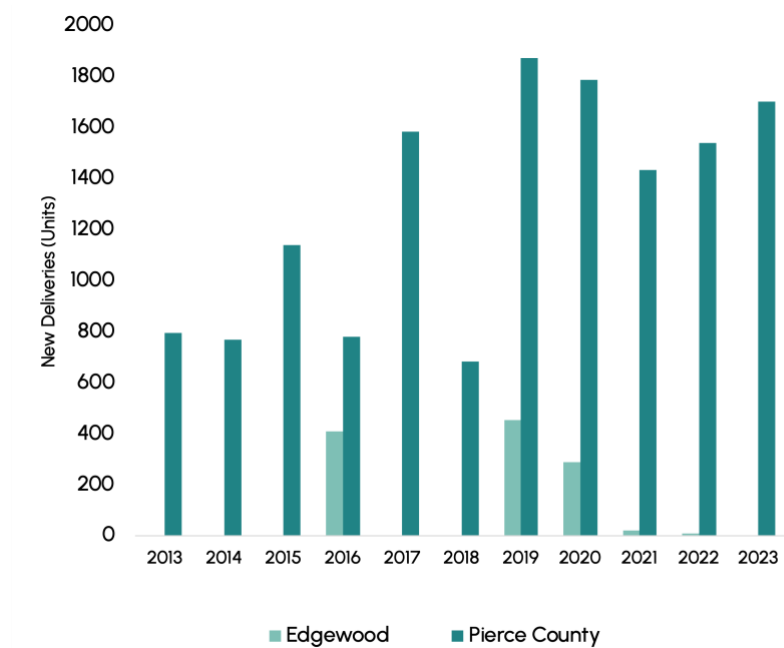
Source: CoStar



Changes in vacancy generally track with new multifamily deliveries in Edgewood, which may represent time on the market before filling newly constructed units. The City's inventory of multifamily units has grown by over 1,100 units over the last decade, from only 212 units reported by the real estate platform CoStar in 2013.

Exhibit 38. Multifamily Deliveries, Edgewood and Pierce County, 2013-2023

Source: CoStar



Competitive Position

The City of Edgewood today has competitive advantages for continued economic development within the region, including a skilled workforce, high income levels, and growth anticipated in both its population and employment over the next two decades. Understanding land use trends can help to illustrate areas for potential new economic development. The area around Meridian Avenue and 24th Street E is home to Edgewood's Town Center (TC), which has a stated purpose in the City's zoning code to "accommodate a range of compatible uses emphasizing a variety of vertical and horizontal mixed-use development, pedestrian-oriented retail, multifamily residential, senior housing and civic uses."¹³ Most of the City's Commercial (C), Business Park (BP), Mixed-Use (MU/MR) zones that allow for a range of office, retail, and services are located along Meridian Ave. Industrially-zoned properties are along the City's southern edge, and most of the City's land is dedicated to low or moderate density Residential zones.

Opportunities for Economic Development

The City has grown in recent decades and priorities for advancing economic development have changed. Edgewood has general characteristics of a bedroom community, with much of its land currently dedicated to residential uses (the majority being lower-density single-family homes). Today, most residents who work commute out of Edgewood to jobs in Seattle, Tacoma, and other regional employment destinations. To promote new retail, services, and employment opportunities in Edgewood, the City will need to recognize its opportunities and challenges.

Many of Edgewood's large currently undeveloped sites are on the City's southern and eastern borders, adjacent to existing industrial uses like warehousing in surrounding cities. While these parcels may offer some opportunities for industries that require land-intensive development, the City's identified goals to preserve and protect environmentally critical areas may conflict with such development. The Meridian Corridor, which is home to some smaller sites having potential for infill development within the City's Commercial, Mixed-Use, and Town Center areas, is the ideal location for new retail or services in the near term.

The recent Planning and Economic Development Study for the TC and MUR districts identifies several of these opportunities and constraints in the Meridian Corridor, noting that new commercial development will likely be small-scale, incremental investments from the private sector. The City also has a potential opportunity to implement pilot projects (like pop-up retail, farmers markets, etc.) at the publicly owned site adjacent to City Hall. Through initial engagement for the Comprehensive Plan, residents identified the desire for more restaurants and food stores in Edgewood, which could guide the City's efforts to attract and support new businesses of this type.

¹³ City of Edgewood Municipal Code 18.80.080(B)(1)



SWOT Analysis

SWOT analysis refers to an assessment of Strengths, Weaknesses, Opportunities, and Threats (SWOT). These represent internal and external factors that can have positive or negative impacts on economic outcomes in Edgewood. Exhibit 39 below outlines key findings for these factors in Edgewood when considering potential economic growth and development in the city.

Exhibit 39. SWOT Summary Analysis

	POSITIVE	NEGATIVE
INTERNAL	<p>Strengths:</p> <ul style="list-style-type: none"> • Prime location nearby the growing cities of Tacoma, Puyallup, and Federal Way, and the smaller cities of Milton, Fife, and Sumner and short distance from the Port of Tacoma with railroad and cargo shipping infrastructure. Located in an interconnected region with regional economic opportunities. • Skilled workforce, high income levels, and growth anticipated in both its population. • Plans for a Town Center subarea plan. • Potential for small-scale investments in the Town Center and more restaurants and food stores. • Great support for a farmer's market, food truck park, restaurants, and public plaza/pocket park in the Town Center. 	<p>Weaknesses:</p> <ul style="list-style-type: none"> • Challenging environmental constraints for commercial development. • Business owners are challenged by the permitting/fees, safety concerns, and traffic issues. • Limited sewer infrastructure near urban development. • Need for greater local capacity building in Edgewood and with surrounding jurisdictions.
EXTERNAL	<p>Opportunities:</p> <ul style="list-style-type: none"> • Attract highly skilled workers with locational flexibility. • Identify target retail for managing land capacity and expected growth. • Make improvements to pedestrian walkways. • Develop small business services. • Possibility to leverage state programs to support businesses. • Greater coordination on economic development initiatives with surrounding jurisdictions and the Puyallup Tribe. • Explore Tax Increment Financing (TIF), modifying license fees/permit process timelines. • Support commercial development with support for parcel assembly, aid in developing narrow properties, and create opportunities in the Town Center. 	<p>Threats:</p> <ul style="list-style-type: none"> • Growing disparities between remote and non-remote workers. • Rising housing costs proportionate to income levels. Lack of affordable housing options for a range of income levels. • Small market surrounded by competing jurisdictions.



Employment Forecasts

Edgewood is a growing city, and as its population continues to increase, it is critical for economic development to consider future employment, especially in proportion to its new residents. This section summarizes employment targets for Edgewood to provide context for the City's housing policies.

Employment Growth Targets

The Pierce County Countywide Planning Policies sets employment growth targets for jurisdictions within the County, with current projections to 2044 (similar to population and housing targets). **Within the City of Edgewood, the number of employees is forecasted to grow from 2,244 employees (in 2020) to a planning target of 4,206 employees by 2044. This represents increase over the period, increasing by an annual growth rate of 2.7%. The City is anticipated to grow at a faster rate than many surrounding cities (with the exception of Sumner) and the County overall.** However, the total number of employees working in Edgewood is expected to remain lower than both the Cities of Fife and Sumner.

The results of the Pierce County Buildable Lands Report indicate that as of 2022 there was a capacity for **4,047 new jobs** within Edgewood (based on an estimate for 2020-2044). Compared with the city's targets, these findings indicate that existing capacity in the city is adequate to meet projected needs for employment for 2044.

Exhibit 40. Pierce County Employment Growth Targets, 2020-2044

Source: Pierce County Employment Growth Targets, Exhibit [A to Ordinance No. 2022-46s](#)

JURISDICTION	2020 EST. EMPLOYMENT	2044 PROJECTION	CHANGE (#)	CHANGE (%)	AAGR
City of Edgewood	2,244	4,206	1,962	87%	2.7%
Pierce County	346,255	487,634	141,379	41%	1.4%
City of Fife	17,587	22,664	5,077	29%	1.1%
City of Milton	2,203	2,644	441	20%	0.8%
City of Sumner	18,106	23,419	5,313	29%	1.1%

