

MAY 2016

# CITY OF AUBURN, WASHINGTON ECONOMIC DEVELOPMENT STRATEGY

## *PART I: EXISTING CONDITIONS ANALYSIS*



## ACKNOWLEDGEMENTS



### PROJECT STEERING COMMITTEE:

Mayor Nancy Backus  
Dana Hinman  
Kevin Snyder  
Doug Lein  
Bob Lee  
Shelley Coleman  
Ingrid Gaub  
Jeff Tate  
John Holman  
Paul Haugen  
Daryl Faber



**TIP STRATEGIES, INC.** is a privately held economic development consulting firm with offices in Austin and Seattle. TIP is committed to providing quality solutions for public and private-sector clients. Established in 1995, the firm's primary focus is economic development strategic planning.

### CONSULTING TEAM:

Jeff Marcell      Caroline Alexander  
*Senior Partner      Project Manager*

### CONTACT:

2905 San Gabriel Street, Suite 550  
Austin, Texas 78705  
PH: 512.343.9113  
[www.tipstrategies.com](http://www.tipstrategies.com)

## HEARTLAND

**HEARTLAND** is a Seattle-based real estate advisory and investment firm with over 30 years of experience designing, analyzing, and implementing strategies to manage risk and optimize value in all aspects of both the built and natural environment. Our five business lines include public-sector advisory, private-sector advisory, capital markets, brokerage services and investment.

### CONSULTING TEAM:

Matt Hoffman  
*Senior Project Manager, Integrated Analytics*

Lanzi Li  
*Associate Project Manager*

### CONTACT:

1301 1st Ave #200  
Seattle, WA 98101  
PH: 206.682.2500  
[www.heartlandllc.com](http://www.heartlandllc.com)

## TheRetailCoach

**RETAIL COACH** is a premier national retail recruitment and development consulting firm, founded by C. Kelly Cofer, President and Chief Executive Officer. Since 2000, The Retail Coach has provided the research, relationships and strategies to achieve retail recruitment and development results that have helped more than 350 communities throughout the US become better, stronger places to live and work through an expanded sales tax base.

### CONSULTING TEAM:

C. Kelly Cofer, CCIM  
*President/CEO*

Aaron Farmer  
*Senior Vice President*

### CONTACT:

86 Clark Boulevard  
Tupelo, MS 38804  
PH: 662.844.2155  
[www.theretailcoach.net](http://www.theretailcoach.net)

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## ASSESSMENT FINDINGS

**Strong Population Growth.** The City of Auburn has been growing rapidly, adding almost 18,000 new residents over the last 10 years. According to ESRI, the population of Auburn is expected to reach almost 85,000 residents by 2020.

**Low Educational Attainment.** Relative to the State of Washington and the US, Auburn has fairly low educational attainment, with only 22 percent of residents earning a bachelor's degree or higher. Among its South Sound peers, Auburn ranks sixth of its nine peers in terms of the percent of the population age 25 and older who have earned a bachelor's degree or higher.

**Young.** Auburn's median age is 33.5 years old, significantly younger than both the State of Washington and the US. Only 11 percent of Auburn's residents are aged 65 and older. The city ranks fourth out of its nine peers in terms of the percent of its population aged 65 and older. The Experienced Working Age cohort (age 35 to 64) is the largest age cohort in Auburn, followed by the Youth cohort (age 0 to 19).

**Moderate Income Levels.** The median household income in Auburn is \$55,483, which is 4.5 percent higher than the US average, but 18 percent lower than the Seattle MSA's. The poverty rate in Auburn is just under 11 percent, which is also about 4.5 percent better than the US average, but 42 percent higher than the Seattle MSA's.

**Relatively Safe.** Auburn's violent crime rate, as measured by violent crime incidents per 1,000 residents, fell more than 30 percent between 2007 and 2012. Auburn ranked fourth of its nine peers in terms of violent crime.

**Available Labor and Large Laborshed.** Auburn has a civilian laborforce of almost 38,000. The city's laborforce participation rate is 67 percent, which is 3 percentage points higher than the nation's. Auburn's laborshed extends far beyond the city limits from Covington to Prairie Ridge and Federal Way west into 98092. Overall, Auburn imports just about 34,000 workers each day and exports just under 25,000 workers, which demonstrates Auburn's position as a regional employment center.

**Strong Education and Training Assets.** The Auburn School District and Green River College provide a strong pipeline of talent. The school district ranks well and has been improving. It offers a wide range of career and technical training and has a Tech Prep program that provides students with opportunities to earn dual credit. Green River College graduates about 3,000 students annually. It offers programs from certificates to four-year degrees and has a strong workforce education program.

**Diversified Economy and Tax Base.** Auburn has a well-diversified economy. By major sector, services is the largest, followed by manufacturing and wholesale trade. The manufacturing sector is particularly strong in Auburn, with almost 14 percent of workers in Auburn employed in the sector. Sales and Use Taxes and Property Taxes each account for about one-third of Auburn's tax revenues. The largest contributor to taxable sales are Motor Vehicle and Parts Dealers. The largest contributor to Auburn's commercial tax base is its industrial base.

**Competitive Positioning.** Auburn is fortunate to be well-positioned within one of the nation’s strongest metro areas. It lies between two major ports with access to rail, road, and air transportation assets. Puget Sound Energy is the energy provider for most of the metro area, with the exception of the areas served by Tacoma Power, and high speed broadband up to 1 Gbps is available in certain areas through CenturyLink.

## SWOT

Over the course of the first phase of the project, the consulting team conducted a series of interviews and focus groups, speaking with over 100 stakeholders about a range of economic development topics in the City of Auburn and in the region. In addition, the team conducted an extensive review of economic, demographic, and market data to understand Auburn’s competitive positioning in the retail, office, and industrial markets of the Seattle–Tacoma region. Finally, the team incorporated the input from the recent Comprehensive Plan and the City Council’s strategic planning session. This qualitative and quantitative input is summarized and categorized in the Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis below.



### STRENGTHS

#### COMMUNITY

- Committed, caring, and proud residents
- Diverse community – age, demographics
- Growing – families & population
- An authentic Main Street
- Location – proximity to freeways
- Placement between 2 ports
- Access to Seattle & Tacoma
- Rail access – UP & BNSF (BNSF making investments), north-south & east–west connections
- Airport
- Fiber availability – up to 1 Gbps
- Sound Transit line & parking garage
- Strong and stable industrial market
- Engaged and collaborative business community
- Diverse economic base - manufacturing, medical, retail, IT, vehicle sales
- Deep manufacturing supply chain
- Education system (K–12 & community college)
- Growth of GRC – aviation, 4-year degrees
- Entertainment options – casino, outlets (re-energized), track
- Investments in downtown
- The Interurban Trail

#### ORGANIZATION/GOVERNMENT

- Weathered Great Recession and came out in a strong financial position (city budget)
- Great leadership (elected & staff)
- Willingness to partner with private sector
- Accessibility of city hall & council
- No B&O Tax



## WEAKNESSES

### COMMUNITY

- Weak external market perception – can be negative or neutral
- Traffic (regionally)
- Flood risk from Green River
- Community health – poor ranking on indicators
- Crime & homelessness
- Struggle to bring diverse parts of community together
- Transition from suburban community to urban center – resistance to change
- Lack of destination that captures attention of people passing through (Gravity)
- Wetlands management
- Auburn S. Corridor appearance
- Rail lines fragment city
- Office market very weak to non-existent
- Quality of the “rooftops” to support retail is perceived to be low
- Limited transportation options to accommodate different users, including bus riders, cyclist and pedestrians
- Lack of synergistic city amenities, such as restaurants, entertainment, and public social space

### ORGANIZATION/GOVERNMENT

- Community’s relationship with City could be strengthened – trust in City administration and staff
- Higher property tax rate than many regional peers
- Uncertainty of development fee structure
- Apathy related to civic engagement
- Road conditions
- Lack of diversity among City leadership



## OPPORTUNITIES

### COMMUNITY

- Emerging industry clusters
- Enhanced technology infrastructure
- Main Street
- Under-retailed, in general
- A lot of vacant/underutilized space downtown – capacity to grow
- Workforce training infrastructure
- Expand city limits (annexation)
- Well-positioned for more transit-oriented development
- Can start establishing identities for different parts of the city
- Medical center growth
- Tribal collaboration
- Evolution to urban center
- GSA & Valley Drive-In = large redevelopment sites
- Increasing number of residents who live and work in Auburn
- Enhancing non-motorized connectivity of residential and commercial areas
- Partnership with the Muckleshoot Tribe

### ORGANIZATION/GOVERNMENT

- Great relationship with state elected officials
- Redevelopment opportunities – work with property owners and businesses to revitalize commercial corridors
- Continue to streamline business registration and permitting process
- Technology-embedded and more structured management system



## THREATS

### COMMUNITY

- Trained workforce – are we training workforce with right skills? (alignment of education & industry)
- Initiatives and state legislation – impact on funding stability
- Regional competition
- Land use – undesirable uses and impact on surrounding parcels
- Suburbanization of poverty
- Empty store fronts

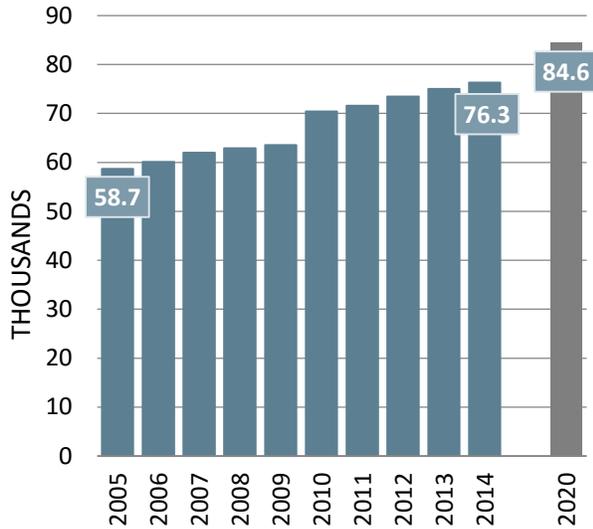
### ORGANIZATION/GOVERNMENT

- If infrastructure isn't maintained – storm & water, communications – could fall behind. Some areas still need high-speed internet access
- Fiscal sustainability - dependence on vehicle sales and aerospace sector for tax revenues

# POPULATION & DEMOGRAPHICS

## POPULATION TRENDS

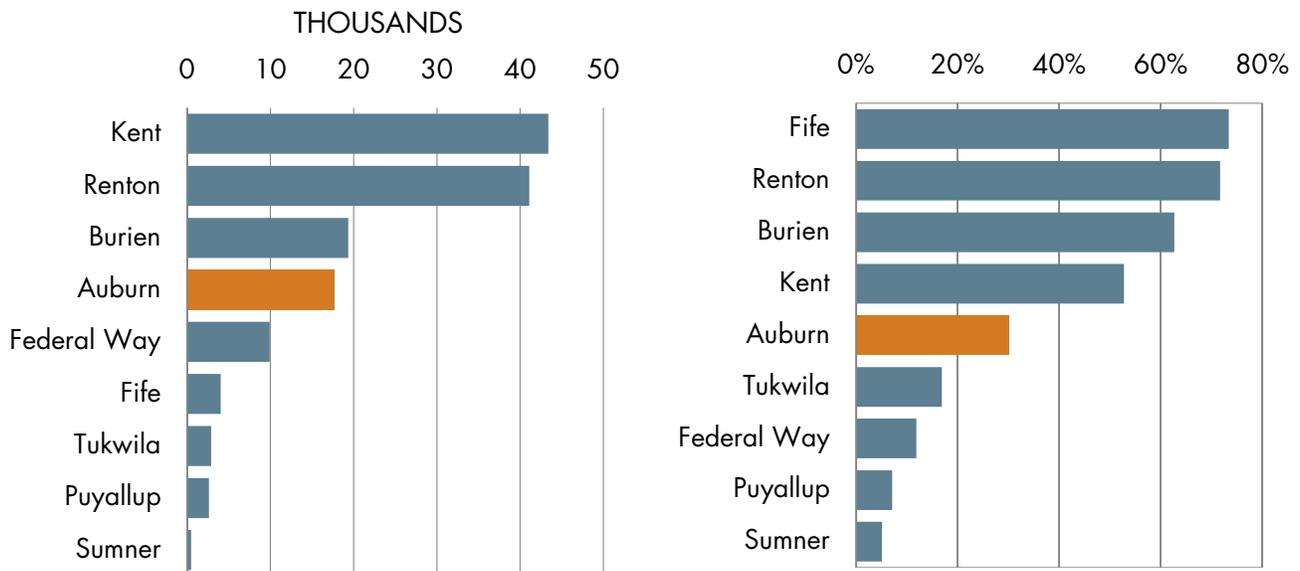
**FIGURE 1. CITY OF AUBURN, WA, 2005-20**



Over the last 10 years, the City of Auburn has grown over 30 percent, from 58,700 to 76,300. According to ESRI, Auburn’s population is expected to reach almost 85,000 by 2020.

Of its peers, Kent, Renton, and Burien added more residents than Auburn over the last 10 years. Kent and Renton each added over 40,000 residents, while Burien added almost 20,000. Fife, Renton, Burien, and Kent grew by larger percentages than Auburn over this same period. Fife and Renton each grew by over 70 percent.

**FIGURE 2. PEER COMMUNITIES, 2005-14 POPULATION CHANGE**



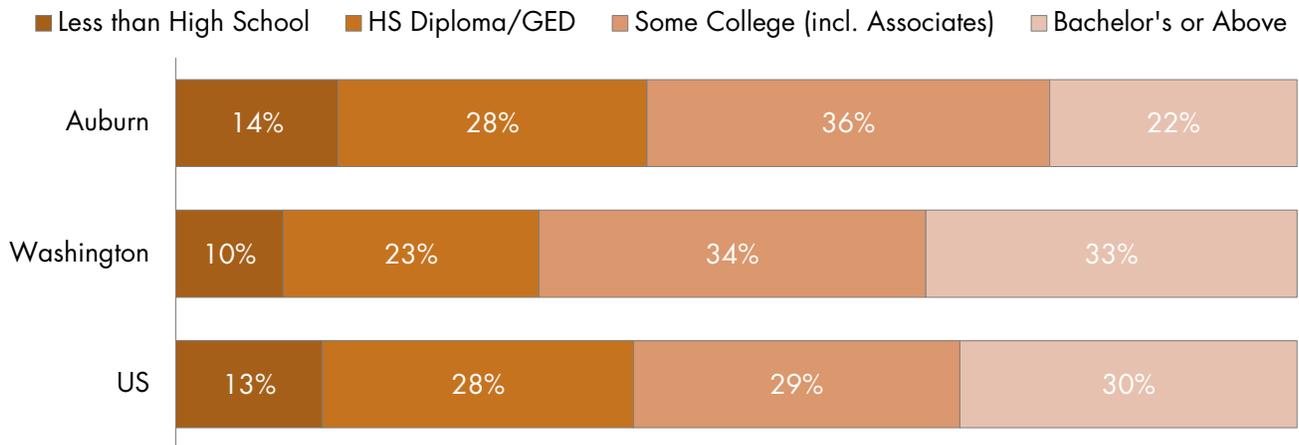
Source: US Census Bureau, Population Estimates program via Economy.com. Projections via ESRI.  
 Note: Geographic boundaries are updated each year to reflect legal boundary changes as reported in the Boundary and Annexation Survey. The Census base counts and subsequent population estimates are then updated to reflect these changes in geography. In 2010, the Census count set a new baseline for the next 10 years.

## EDUCATIONAL ATTAINMENT

Auburn’s patterns of educational attainment reflect the city’s reputation as a city that works and its blue-collar heritage. The share of Auburn residents who have attained a level of education that is more than a high school diploma but less than a bachelor’s degree is significantly higher than the national average. In Auburn, 36 percent of residents fall into this category, versus 29 percent of the US population.

The share of Auburn residents who have earned a bachelor’s degree or higher is considerably lower than both the state and the US. While 22 percent of Auburn residents hold a bachelor’s degree or higher, 33 percent of the state’s population and 30 percent of the nation’s population have attained a bachelor’s degree or higher.

**FIGURE 3. HIGHEST LEVEL OF EDUCATION, POPULATION 25+**

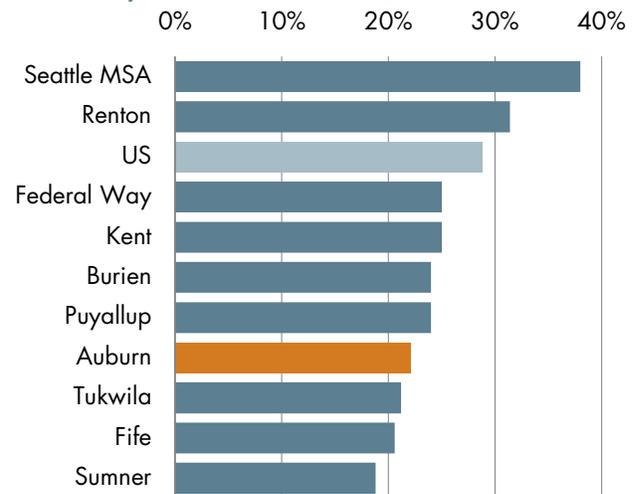


Source: 2014 American Community Survey 1-Year Estimate.

In comparison to its peers, the percent of Auburn’s population that has attained at least a bachelor’s degree is low. Of the nine regional peers, Auburn ranks sixth behind Renton, Federal Way, Kent, Burien, and Puyallup. Tukwila, Fife, and Sumner are the only peers with a smaller share of residents with bachelor’s degrees or higher.

The share of the Seattle MSA’s population with a bachelor’s degree or higher is 38 percent, which is 16 percentage points higher than Auburn’s.

**FIGURE 4. PERCENT BACHELOR’S OR HIGHER, POPULATION 25+**



Source: 2013 American Community Survey, 5-Year Estimate.

## AGE DISTRIBUTION

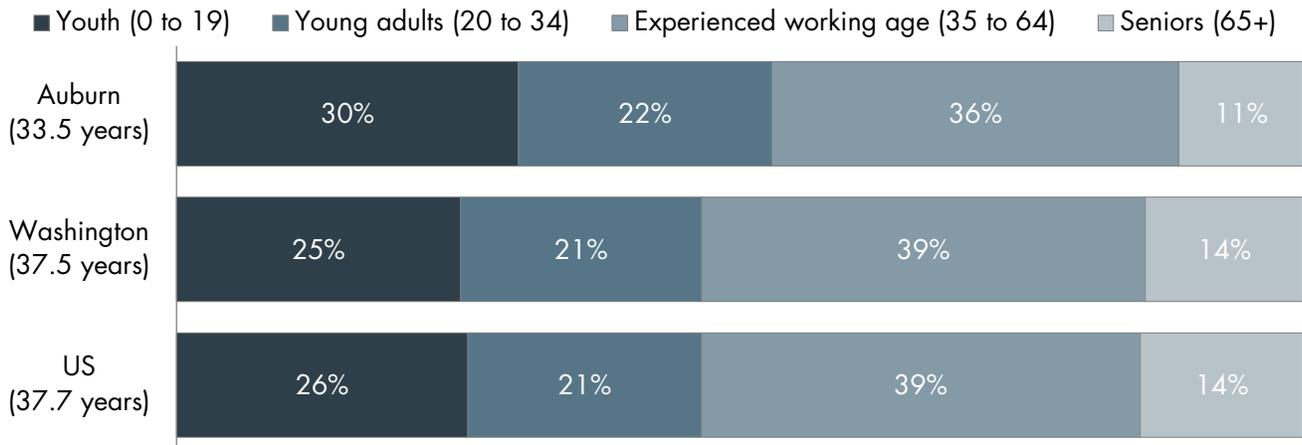
Auburn’s population, with a median age of 33.5 years, is young compared with the State of Washington and the US. The median age of Washington is 37.5 years old, and the median age of the US is 37.7.

In Auburn, the smallest cohort is seniors, aged 65 and older. This cohort accounts for only 11 percent of Auburn’s population.

The largest cohort is 35 to 64 years of age, the experienced working age population. This cohort represents 36 percent of Auburn’s population and 39 percent of both the nation’s and the state’s populations.

Relative to the state and nation, Auburn has a much larger youth cohort, which represents 30 percent of the population. By comparison, the youth cohort comprises only 25 percent of the state’s and 26 percent of the nation’s populations.

**FIGURE 5. AGE STRUCTURE AND MEDIAN AGE**



Source: 2014 American Community Survey 1-Year Estimate.

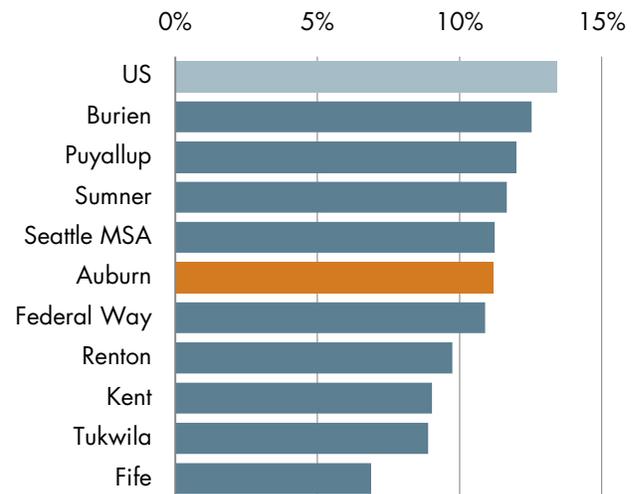
Auburn’s senior population is similar in size to the Seattle MSA’s. It ranks fifth among its nine peers.

Auburn’s senior cohort is smaller than the senior cohorts in Burien, Puyallup, and Sumner, but larger than the senior cohorts of Federal Way, Renton, Kent, Tukwila, and Fife.

Burien has the largest senior cohort, while Fife has the smallest.

All of Auburn’s peers and the Seattle MSA overall have significantly smaller senior cohorts than the US.

**FIGURE 6. PERCENT 65+ YEARS OLD**



Source: 2013 American Community Survey, 5-Year Estimate.

## SOCIOECONOMICS

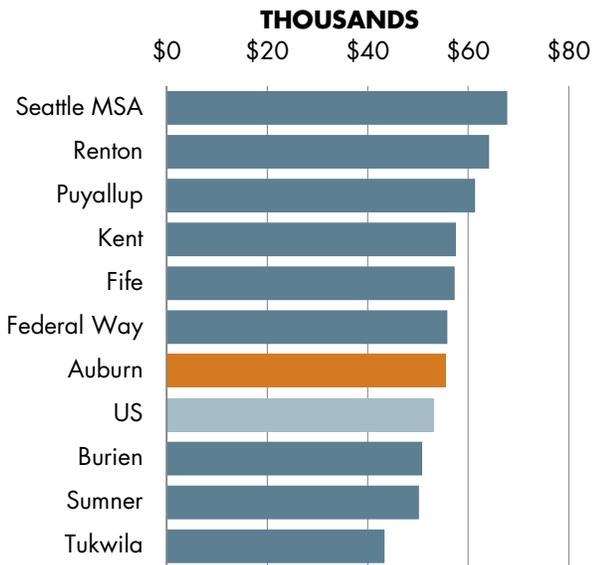
Auburn’s median household income is \$55,483, which is 4.6 percent higher than that of the nation but 18.1 percent less than the Seattle MSA’s median household income.

Auburn ranks sixth among its nine peers. Renton has the highest median household income of \$64,141 and Tukwila has the lowest median household income of \$43,331.

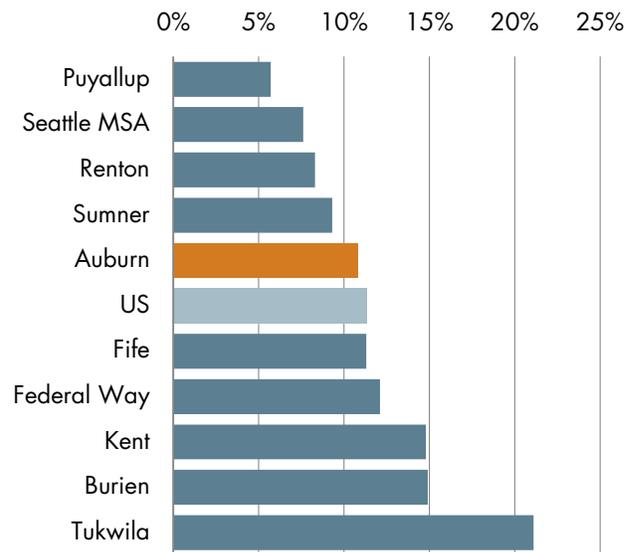
Auburn’s poverty rate is 10.8 percent, which is 4.4 percent lower than that of the nation but 42.1 percent higher than the Seattle MSA’s poverty rate.

Auburn ranks fourth among its nine peers. Puyallup has the lowest poverty rate of 5.7 percent and Tukwila has the highest poverty rate of 21.1 percent.

**FIGURE 7. MEDIAN HOUSEHOLD INCOME**



**FIGURE 8. POVERTY RATE**

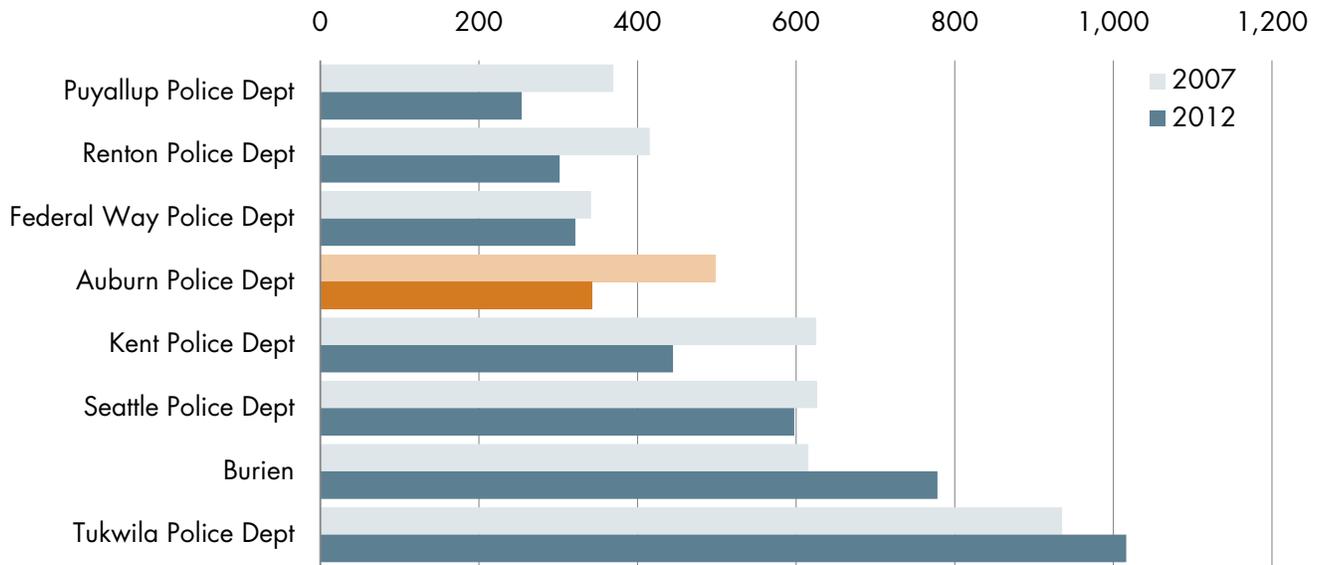


Source: 2013 American Community Survey, 5-Year Estimate.

## CRIME AND PUBLIC SAFETY

The FBI’s Uniform Crime Reporting (UCR) Program is a national system by which law enforcement agencies regularly report data on crime that has occurred in their jurisdictions. The FBI then compiles and publishes this data. The most current year that this data is available is 2012.

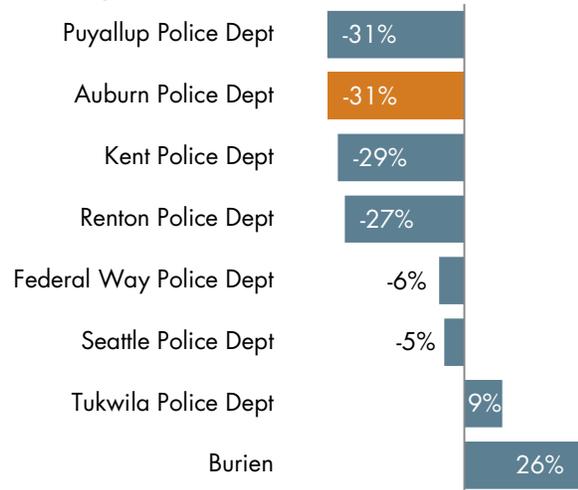
**FIGURE 9. VIOLENT CRIME**  
*VIOLENT CRIME PER 1,000 RESIDENTS, 2007-12*



In terms of violent crime, Auburn ranks fourth among its nine peers and has a violent crime rate almost 43 percent better than Seattle. Puyallup reported the lowest violent crime rate, while Tukwila reported the highest violent crime rate.

The City of Auburn’s violent crime has declined from 499 incidents per 1,000 residents in 2007 to 343 incidents per 1,000 residents in 2012. This represents a decline of 31 percent. Puyallup experienced a similar decline over the same five year period, and Kent and Renton were not far behind. Federal Way and Seattle experienced slight declines (6 and 5 percent respectively), while Tukwila experienced a 9 percent increase. Burien experienced the largest increase (26 percent) between 2007 and 2012.

**FIGURE 10. PERCENT CHANGE IN VIOLENT CRIME, 2007-12**



Source: Uniform Crime Reports, FBI.



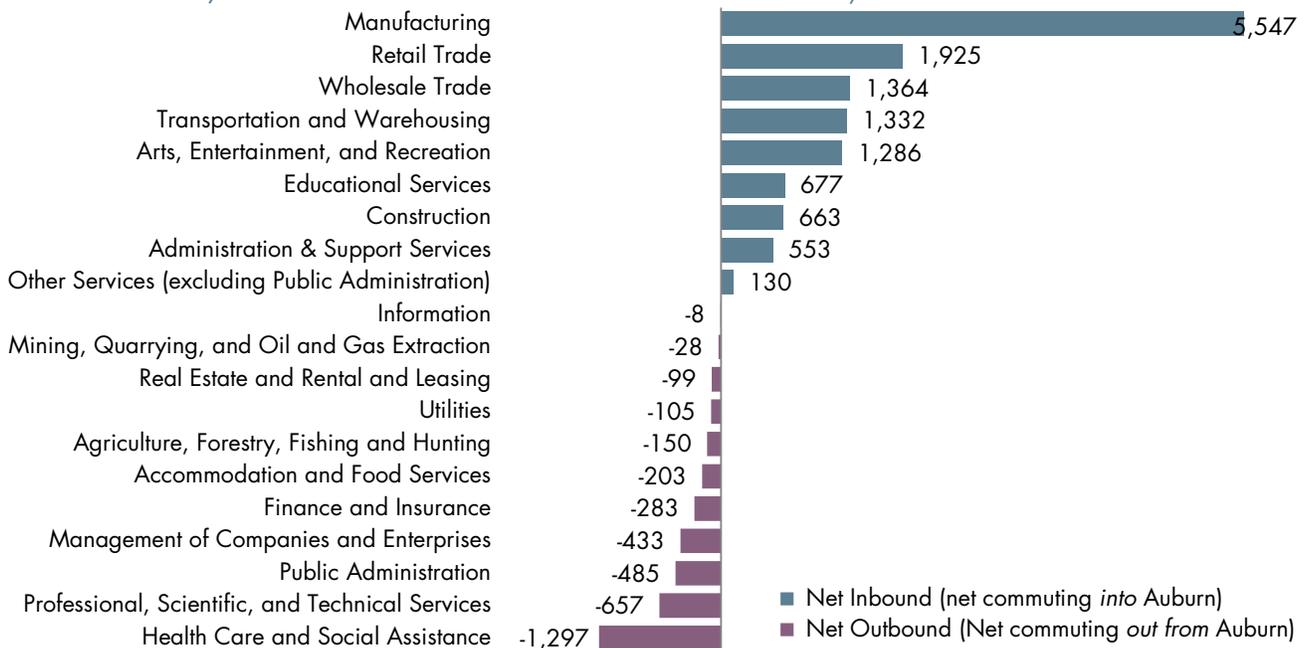
## COMMUTING PATTERNS

The City of Auburn is a net importer of workers, which demonstrates Auburn’s positioning as a significant employment center in the region. More than 34,000 workers commute into Auburn each day while almost 25,000 workers commute out of Auburn, indicating a net gain in daytime population of 9,000 people. The top three industries for inbound commuters are manufacturing, retail, and wholesale trade. The top three industries for outbound commuters are healthcare, professional services, and public administration. Less than 5,000 residents, or 16 percent, live and work in Auburn.

**FIGURE 13. WORKFORCE EFFICIENCY**  
INFLOW / OUTFLOW OF WORKERS, 2014



**FIGURE 14. COMMUTERS BY INDUSTRY**  
NET INBOUND / OUTBOUND WORKERS BY INDUSTRY SECTOR, 2014



Source: US Census Bureau, Local Employment Dynamics.

## OCCUPATIONS

The dominant occupations in Auburn’s employment base fall into the following categories: Office and Administrative Support, Sales and Related, and Production. The top two occupational categories in Auburn are the same as they are in the metro area, state, and nation. However, Production, Transportation, and Construction occupations account for a significantly larger share of the employment base in Auburn than they do in the other geographies. This trend reflects Auburn’s role as a regional center for manufacturing and distribution.

**FIGURE 15. OCCUPATIONAL DISTRIBUTION (% OF TOTAL)**  
*COMPARISON WITH METRO, STATE, AND NATION*

SOC Code & Description	Auburn	Seattle MSA	Washington	US
43 Office & Administrative Support	14.5%	13.4%	13.3%	15.2%
41 Sales & Related	11.0%	10.3%	10.3%	10.3%
51 Production	8.8%	5.4%	5.4%	6.0%
53 Transportation & Material Moving	8.4%	6.2%	6.4%	6.5%
47 Construction & Extraction	7.2%	4.8%	4.8%	4.5%
35 Food Preparation & Serving Related	5.5%	7.4%	7.5%	8.2%
11 Management	4.9%	5.1%	5.0%	5.3%
25 Education, Training, & Library	4.7%	5.0%	5.5%	5.7%
49 Installation, Maintenance, & Repair	4.5%	3.4%	3.7%	3.8%
37 Building & Grounds Cleaning & Maint.	4.0%	3.2%	3.5%	3.8%
39 Personal Care & Service	3.5%	4.0%	4.0%	3.9%
15 Computer & Mathematical	3.4%	5.7%	4.0%	2.7%
29 Healthcare Practitioners & Technical	3.2%	4.5%	4.7%	5.4%
17 Architecture & Engineering	2.6%	2.7%	2.3%	1.7%
21 Community & Social Service	2.0%	1.6%	1.7%	1.6%
27 Arts, Design, Entertainment, Sports, & Media	1.9%	2.1%	1.9%	1.7%
31 Healthcare Support	1.6%	2.3%	2.5%	2.8%
33 Protective Service	0.9%	1.7%	1.8%	2.3%
19 Life, Physical, & Social Science	0.6%	1.0%	1.0%	0.8%
23 Legal	0.3%	0.9%	0.7%	0.8%
45 Farming, Fishing, & Forestry	0.2%	0.3%	2.1%	0.7%
13 Business & Financial Operations	0.0%	6.5%	5.5%	4.9%

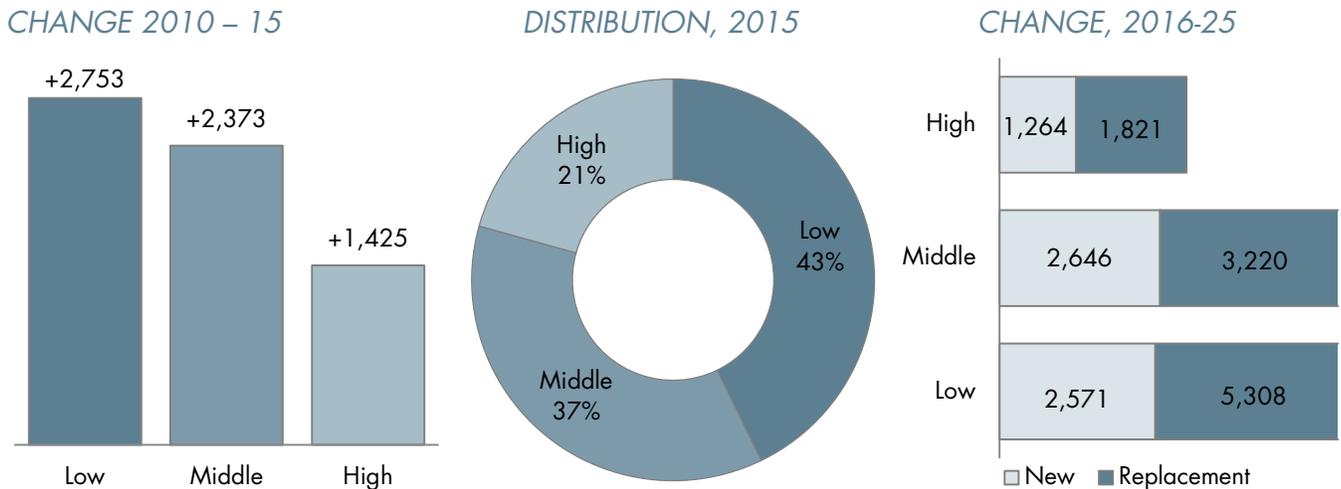
Source: 2015.3 – QCEW Employees, Non-QCEW Employees, and Self-Employed.

By skill level, Auburn’s occupational distribution reflects the city’s dominant industries as well. Low-skill occupations account for 43 percent of Auburn’s employment base, while high-skill occupations account for only 21 percent. Low-skill occupations were the fastest growing over the past five years and are expected to continue to be over the next ten years. Middle-skill jobs are the next fastest growing, both in the past five years and over the next ten years. High-skill jobs accounted for only 22 percent of new jobs between 2010 and 2015, and are expected to account for less than 20 percent of all new jobs over the next 10 years.

In comparison to the Seattle MSA, Auburn has four percentage points more middle skills jobs (37 percent versus 33 percent), but five percentage points fewer higher skills jobs (21 percent versus 26 percent).

Though Auburn’s occupational distribution is fairly typical of an employment center with strong Manufacturing and Retail sectors, the educational attainment of Auburn’s population is weighted more heavily towards middle skills jobs. In fact, 64 percent of Auburn’s residents have attained at least a high school diploma or some college, while only 37 percent of the jobs in Auburn require this educational attainment level. This mismatch in occupational skill level and residents’ skills is partially responsible for the high level of commuter inflow and outflow.

**FIGURE 16. OCCUPATIONS BY SKILL LEVEL**



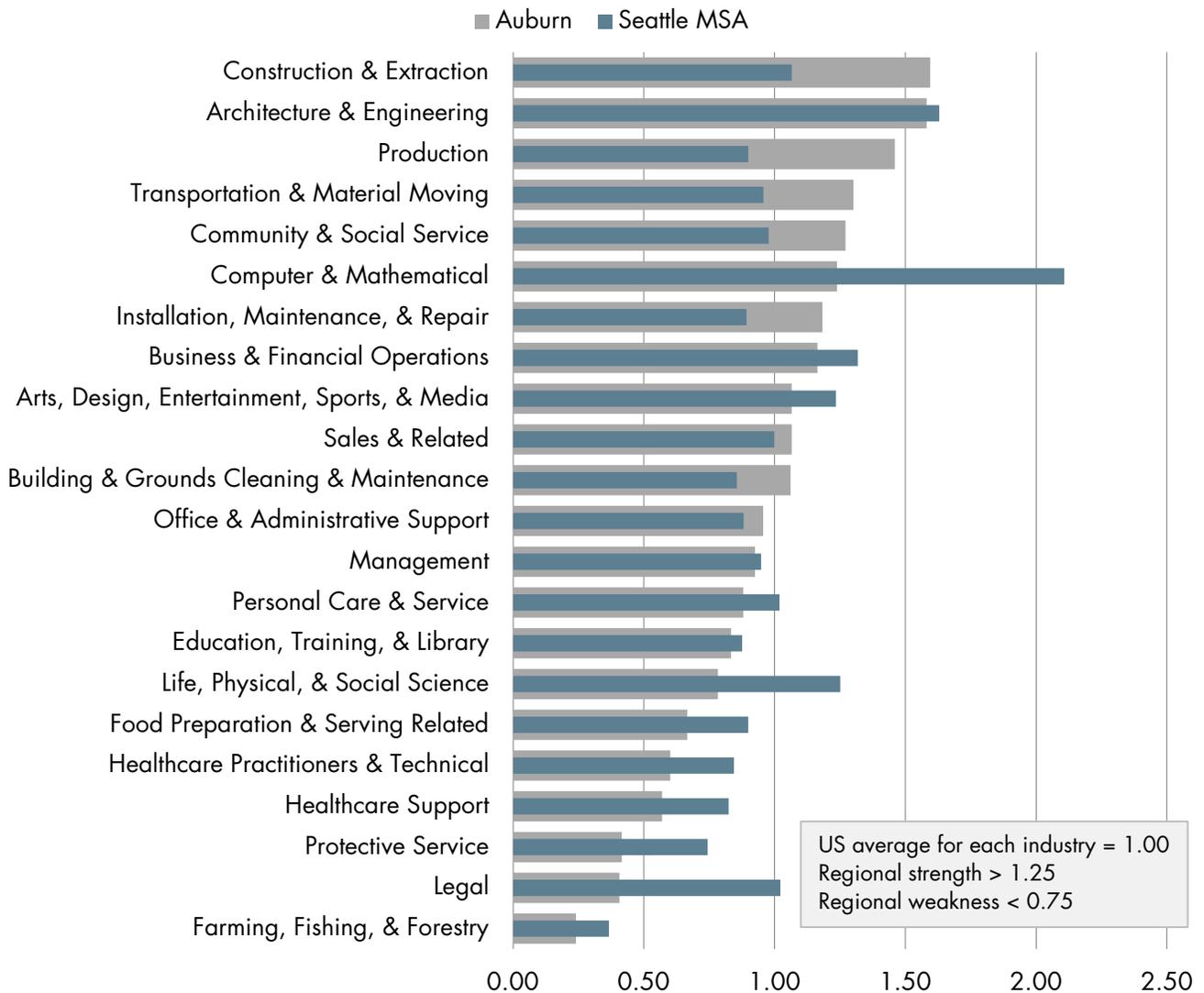
Source: 2015.3 – QCEW Employees, Non-QCEW Employees, and Self-Employed.

**CITY OF AUBURN**

Location quotients are used to determine an area’s occupational strengths. Auburn has the highest relative concentrations of workers in occupational categories including Construction and Extraction, Architecture and Engineering, and Production. Auburn’s location quotients for Transportation and Material Moving and Community and Social Services are also high.

A comparison of Auburn’s occupational strengths with the Seattle MSA reveals distinctions. Auburn has much higher location quotients than the Seattle MSA for occupational categories including Construction and Extraction; Production; Transportation and Material Moving; Community and Social Service; Installation, Maintenance, and Repair; and Building Grounds Cleaning and Maintenance. Conversely, the Seattle MSA has much higher location quotients for occupational categories including Computer and Mathematical; Life, Physical and Social Science; and Legal.

**FIGURE 17. OCCUPATIONAL CONCENTRATION**  
*LOCATION QUOTIENT, COMPARED WITH METRO*



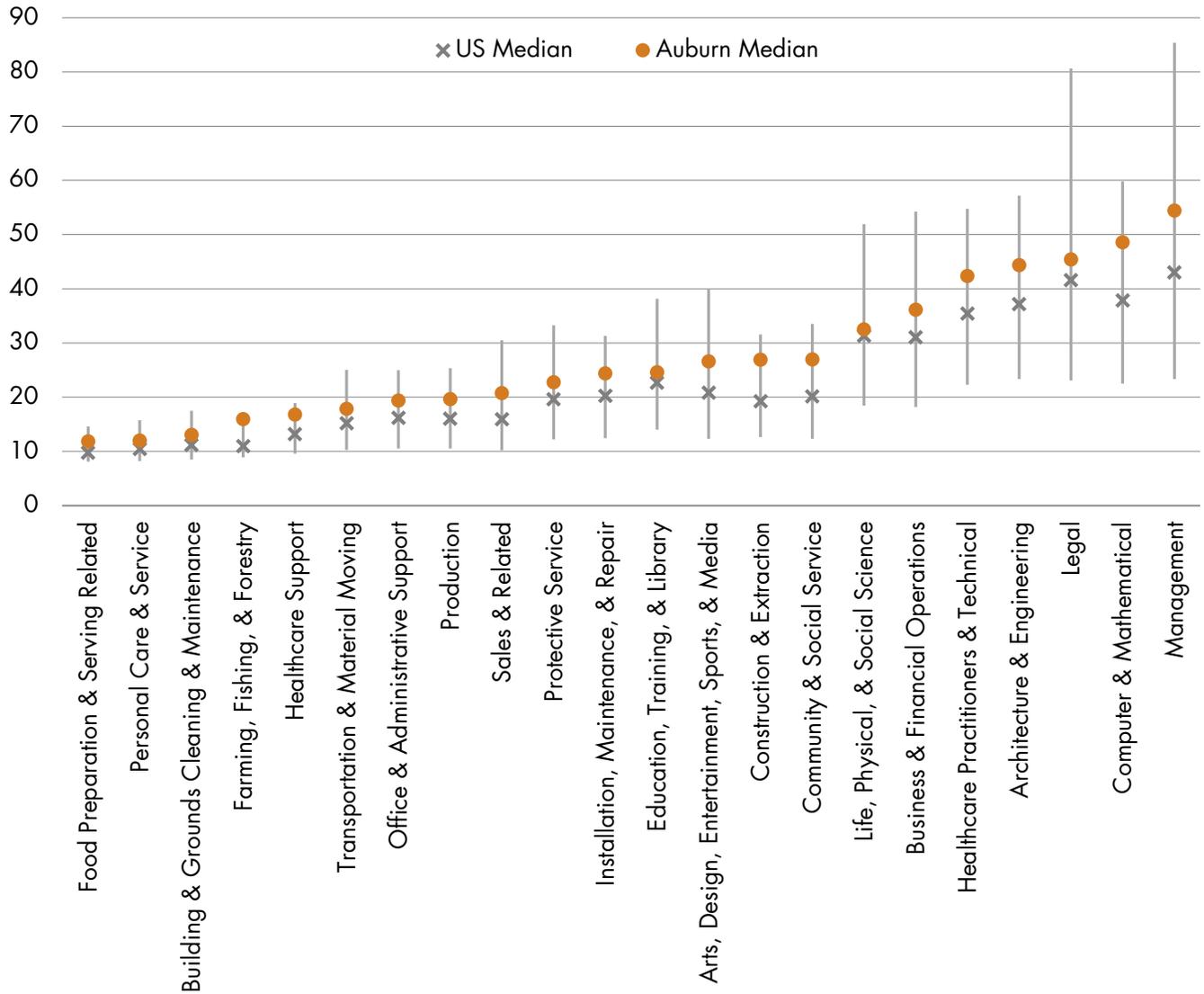
Source: 2015.3 – QCEW Employees, Non-QCEW Employees, and Self-Employed.

## WAGES

In most occupational categories, the median hourly wage in Auburn and in the Seattle MSA is higher than the US median. In Auburn, the largest differential in percentage terms between local and national median hourly wages exists in occupational categories including Farming, Fishing, and Forestry; Construction and Extraction; Community and Social Service; Sales and Related; and Computer and Mathematical. Differentials of more than \$10 per hour exist in Management, Computer and Mathematical, and Architecture and Engineering occupations.

**FIGURE 18. AUBURN WAGES BY OCCUPATION**

*BY MAJOR OCCUPATIONAL GROUP, 2015*



Source: 2015.3 – QCEW Employees, Non-QCEW Employees, and Self-Employed.

## EDUCATION

The Auburn School District ranks second among its nine peers, behind only Sumner. In fact, the Auburn School District ranks 79<sup>th</sup> out of 206 ranked school districts in the State of Washington, having climbed 9 places between 2013-14 and 2014-15.

Auburn School District has just over 15,000 students. It is the fifth largest district of the nine peers.

**FIGURE 19. SCHOOL DISTRICT RANKINGS 2014-15**  
*OUT OF 206 DISTRICTS IN STATE OF WASHINGTON*

District	Number Students	Rank of 206 (2014-15)	Rank Change from 2013-14	School Digger Star Rating (2013)
Sumner School District	8,759	30	7	4
Seattle Public Schools	50,437	71	1	3
Auburn School District	15,016	79	9	3
Fife School District	3,582	80	43	3
Puyallup School District	21,094	96	-29	3
Kent School District	27,664	111	-4	2
Renton School District	15,197	118	-33	2
Federal Way School District	22,499	153	-1	1
Tukwila School District	2,956	167	27	1

Source: SchoolDigger.com

The Auburn School District supports the regional talent pipeline directly through its Career and Technical Education programs. A variety of programs are offered at Auburn public high schools including Automotive Technology, Business Education, Commercial Art, Computer Networking, Cosmetology, Culinary Arts, Drafting/Engineering, Electronics, Family and Consumer Sciences, Horticulture, Jewelry Manufacturing, Marketing Education, Sign Language, Sports Medicine, Visual Communications, Aerospace Machining and Assembly, Welding, and Woodworking.

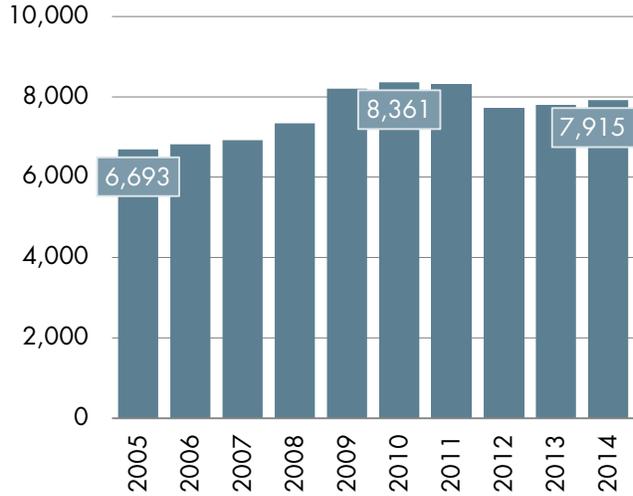
In addition, the Auburn School District offers high school students the Tech Prep program, whereby students can earn college credit. Through agreements with local colleges (Green River College, Highline Community College, Renton Technical College, and Seattle Central Community College), the Auburn School District provides students with access to a wide range of courses. Tuition is free for students who earn a "B" or better.

**CITY OF AUBURN**

Green River College’s primary campus is located in Auburn. The college has an enrollment of about 8,000 students and graduates about 3,000 students annually. It offers programs from certificates to four-year degrees and has a strong workforce education program.

Almost a quarter of Green River College’s graduates study Liberal Arts and Sciences as part of the University Transfer Program. Other popular fields of study at Green River College include Air Traffic Control, Pilot and Flight Crew, Automotive Mechanics, and Marketing.

**FIGURE 20. GREEN RIVER COLLEGE**  
*FALL ENROLLMENT 2005-2014*



**TOP 25 FIELDS OF STUDY**



Source: National Center for Education Statistics.

## ECONOMY & TAX BASE

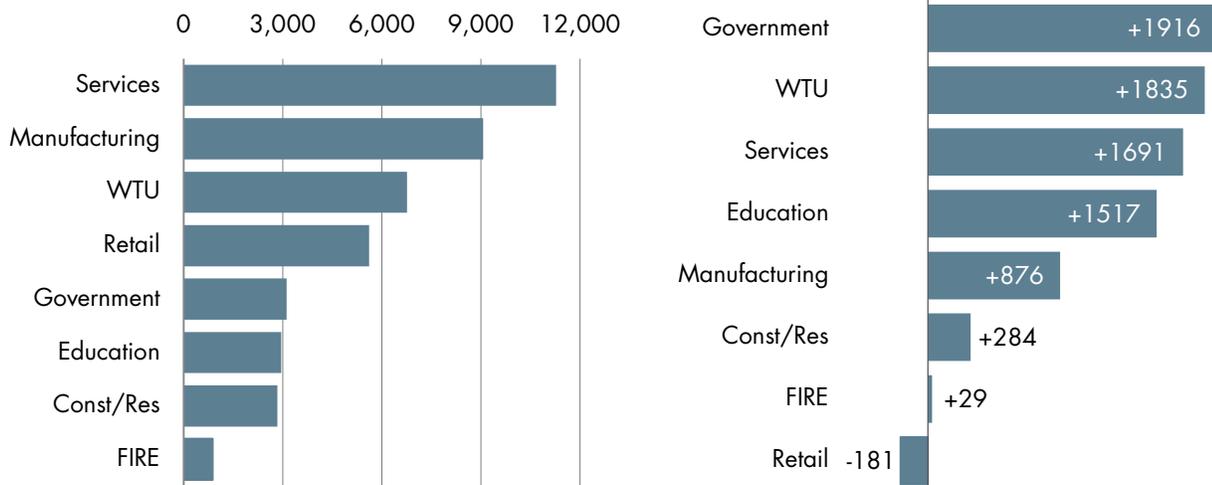
### INDUSTRY BASE

In 2014, Auburn’s employment base consisted of 42,530 jobs. Auburn’s employment base grew by almost 8,000 jobs, or 23 percent, between 2005 and 2014. The Services sector is the largest sector, with just over 11,000 jobs. This sector includes Information, Professional and Business Services, Private Education, Healthcare, Arts, Hospitality, and Other Services. The Manufacturing sector encompasses about 9,000 jobs. Wholesale Trade, Transportation, and Utilities (WTU) accounts for 6,700 jobs. The Government sector added almost 2,000 jobs over the last 10 years, while WTU added 1,800 and Services added 1,700. Between 2005 and 2014, Auburn ranked first in job growth among its peers. In percentage terms, Auburn’s job growth ranked second behind Sumner’s.

**FIGURE 21. EMPLOYMENT BY MAJOR INDUSTRY SECTOR**

2014

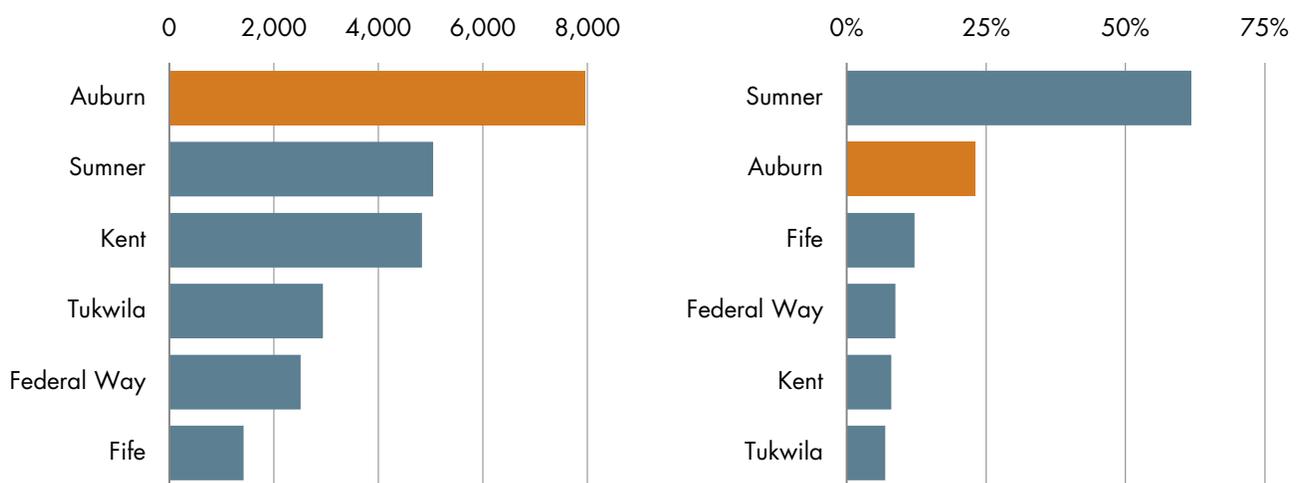
CHANGE, 2005-14



**FIGURE 22. EMPLOYMENT COMPARISON**

# CHANGE, 2005-14

PERCENT CHANGE, 2005-14



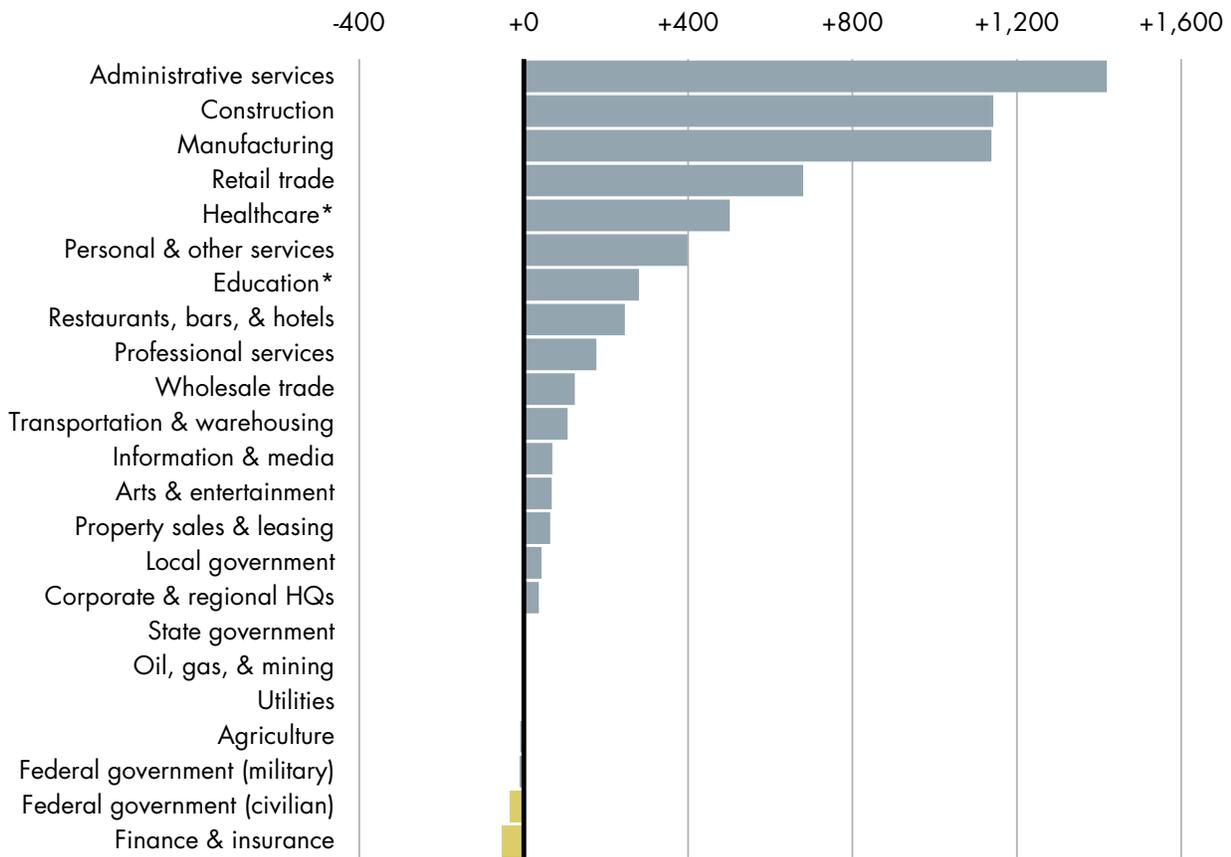
Source: PSRC Covered Employment Estimates by Jurisdictions.

**CITY OF AUBURN**

EMSI provides employment projections by industry for the ZIP codes largely associated with Auburn – 98001, 98002, 98071, and 98082. Over the next 10 years, EMSI projects that the Auburn region will add almost 6,400 jobs. Administrative Services is expected to be the fastest growing sector, adding more than 1,400 jobs between 2016 and 2025. Construction and Manufacturing are the next fastest growing sectors, adding about 1,100 jobs each. Retail Trade and Healthcare are expected to add 680 and 500 jobs respectively.

Federal Government (civilian) and Finance and Insurance are the two sectors expected to lose the largest number of jobs. Federal Government (civilian) is expected to lose about 35 jobs and Finance and Insurance is expected to lose about 54 jobs.

**FIGURE 23. PROJECTED 10-YEAR CHANGE**  
2016-25



Source: 2015.3 – QCEW Employees, Non-QCEW Employees, and Self-Employed.

## CITY OF AUBURN

A look at the distribution and concentration of employment by industry sectors provides an understanding of the industrial structure of Auburn’s economy. The distribution of employment across industry sectors shows the health and dominance of Auburn’s Manufacturing sector in comparison to the metro, state, and nation. This sector accounts for almost 14 percent of all jobs in Auburn, but less than 10 percent of the sector in the Seattle MSA, state, and nation. Auburn’s Retail Trade, Wholesale Trade, and Construction sectors all represent a larger share of total employment than they do in the MSA, state, and nation.

Healthcare and Social Assistance, Professional Services, Information, Finance and Insurance, and Corporate and Regional Offices, on the other hand, represent a significantly smaller share of total employment than they do in the comparison geographies.

**FIGURE 24. INDUSTRY DISTRIBUTION (% OF TOTAL)**  
COMPARISON OF AUBURN WITH METRO, STATE, AND NATION

NAICS Code & Description	Auburn	Seattle MSA	Washington	US
31-33 Manufacturing	13.9%	9.2%	8.4%	8.1%
44-45 Retail trade	12.9%	10.3%	10.5%	10.6%
42 Wholesale trade	9.8%	4.2%	3.9%	3.9%
23 Construction	9.8%	6.3%	6.0%	5.4%
81 Personal & other services	8.8%	4.9%	4.6%	4.8%
56 Administrative & support services	8.0%	5.6%	5.3%	6.4%
62 Healthcare & social assistance	7.4%	11.7%	12.4%	12.7%
903 Local govt. (incl. public ed. & hospitals)	5.1%	7.7%	9.4%	9.1%
72 Lodging, restaurants, & bars	4.9%	7.4%	7.3%	8.5%
48-49 Transportation & warehousing	4.1%	3.3%	2.9%	3.3%
902 State govt. (incl. higher ed.)	2.7%	3.9%	4.4%	3.4%
71 Arts, entertainment, & recreation	2.4%	1.9%	1.7%	1.7%
54 Professional services	2.4%	8.0%	6.5%	6.5%
9011 Federal govt. (civilian)	2.3%	1.7%	2.1%	1.8%
53 Property sales & leasing	1.6%	2.1%	1.9%	1.7%
51 Information	1.5%	4.8%	3.3%	1.9%
52 Finance & insurance	1.2%	3.1%	2.9%	4.0%
61 Educational services (private)	0.5%	2.0%	1.8%	2.6%
55 Corporate & regional offices	0.5%	1.6%	1.2%	1.4%
11 Agriculture & forestry	0.1%	0.3%	3.3%	1.2%
21 Mining (incl. oil & gas)	0.0%	0.0%	0.1%	0.5%
22 Utilities	0.0%	0.1%	0.1%	0.4%

Source: 2015.3 – QCEW Employees, Non-QCEW Employees, and Self-Employed.

## CITY OF AUBURN

Location Quotients demonstrate Auburn’s strengths in Wholesale Trade, Construction, Manufacturing, and Arts and Entertainment. The concentration of employment in these sectors in Auburn is significantly higher than the concentration of employment in these sectors in the US overall. These high relative concentrations are indicators of Auburn’s strong competitive positioning in these sectors.

Conversely, the Professional Services, Corporate and Regional Headquarters, and Finance and Insurance sectors have particularly low concentrations of employment in Auburn relative to the US.

**FIGURE 25. INDUSTRY CONCENTRATION (LOCATION QUOTIENT)**  
COMPARISON OF AUBURN WITH METRO, STATE, AND NATION

NAICS Code & Description	Auburn	Seattle MSA	Washington	US
42 Wholesale trade	<b>2.53</b>	1.07	0.98	1.00
81 Personal & other services	<b>1.85</b>	1.00	0.95	1.00
23 Construction	<b>1.84</b>	1.16	1.10	1.00
31-33 Manufacturing	<b>1.72</b>	1.12	1.03	1.00
71 Arts, entertainment, & recreation	<b>1.47</b>	1.11	1.00	1.00
56 Administrative & support services	<b>1.26</b>	0.86	0.81	1.00
9011 Federal govt. (civilian)	<b>1.24</b>	0.92	1.14	1.00
48-49 Transportation & warehousing	1.24	0.97	0.87	1.00
44-45 Retail trade	1.23	0.96	0.98	1.00
53 Property sales & leasing	0.97	<b>1.27</b>	1.15	1.00
51 Information	0.80	<b>2.49</b>	<b>1.70</b>	1.00
902 State govt. (incl. higher ed.)	0.80	1.12	<b>1.28</b>	1.00
62 Healthcare & social assistance	0.59	0.91	0.97	1.00
72 Lodging, restaurants, & bars	0.58	0.85	0.85	1.00
903 Local govt. (incl. public ed. & hospitals)	0.57	0.84	1.02	1.00
54 Professional services	0.38	<b>1.22</b>	0.99	1.00
55 Corporate & regional offices	0.33	1.07	0.82	1.00
52 Finance & insurance	0.30	0.77	0.70	1.00
61 Educational services (private)	0.19	0.77	0.70	1.00
11 Agriculture & forestry	0.07	0.22	<b>2.67</b>	1.00
21 Mining (incl. oil & gas)	0.00	0.07	0.13	1.00
22 Utilities	0.00	0.26	0.37	1.00

Source: 2015.3 – QCEW Employees, Non-QCEW Employees, and Self-Employed.

## TAX BASE

The City of Auburn’s largest source of tax revenues is the Sales and Use tax, which accounted for 38 percent of tax receipts in 2014. Property taxes accounted for 31 percent.

In 2014, Sales and Use tax receipts were \$20 million. Sales Tax receipts declined 22 percent between 2007 and 2009 when the impact was felt of both the Great Recession and the implementation of a destination-based system for local retail sales tax. Sales Tax revenues did not recover until 2014, when revenues surpassed the 2007 peak of \$19 million.

Taxable sales reached \$1.7 billion in 2014, up from \$1.3 billion in 2009. The Retail Trade sector accounted for more than 56 percent of taxable sales in 2014, and Construction accounted for 12 percent. Wholesale Trade accounted for just over 8 percent, and Accommodations and Food Services accounted for 7 percent.

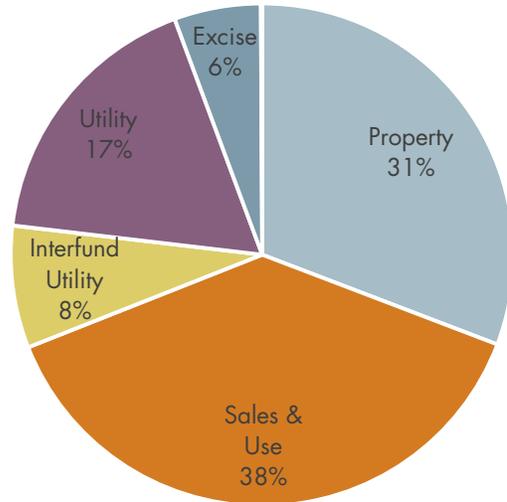
Motor Vehicle and Parts Dealers is, by far, the largest segment of the Retail Trade sector. In fact, the sector accounted for 22 percent of all taxable sales in 2014. The sector suffered from 2008 to 2010, declining 30 percent. In 2014, Motor Vehicle taxable sales remained about 8 percent below the 2007 peak.

Merchant Wholesalers, Durable Goods was the next largest industry segment from 2005 to 2008. However, the segment declined 62 percent between 2008 and 2009 and has remained about \$120 million since then.

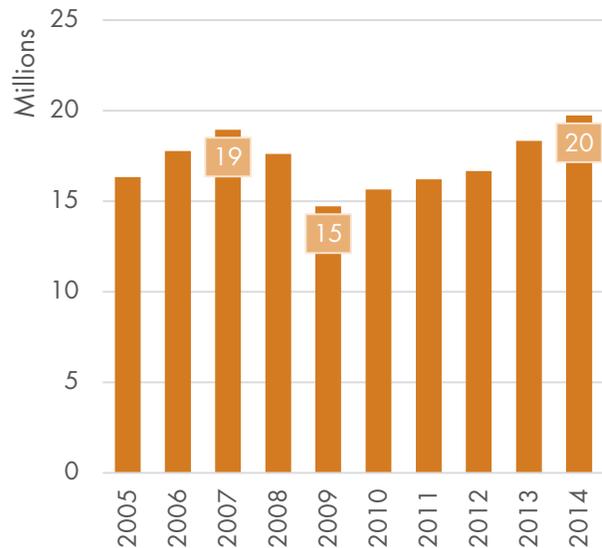
The other top 3 detailed-industry segments (3-digit) have recovered and grown since the Great Recession and policy change.

The fastest growing segments in Auburn have been Food Services and Drinking Places as well as Sporting Goods, Hobby, Musical Instruments, and Book Stores. These two segments have increased more than \$20 million since the 2007 peak, growing 24 percent and 399 percent respectively.

**FIGURE 26. TAX REVENUES BY SOURCE**  
*GOVERNMENT FUNDS, 2014*



**FIGURE 27. SALES TAX RECEIPTS**  
*2005 - 14*

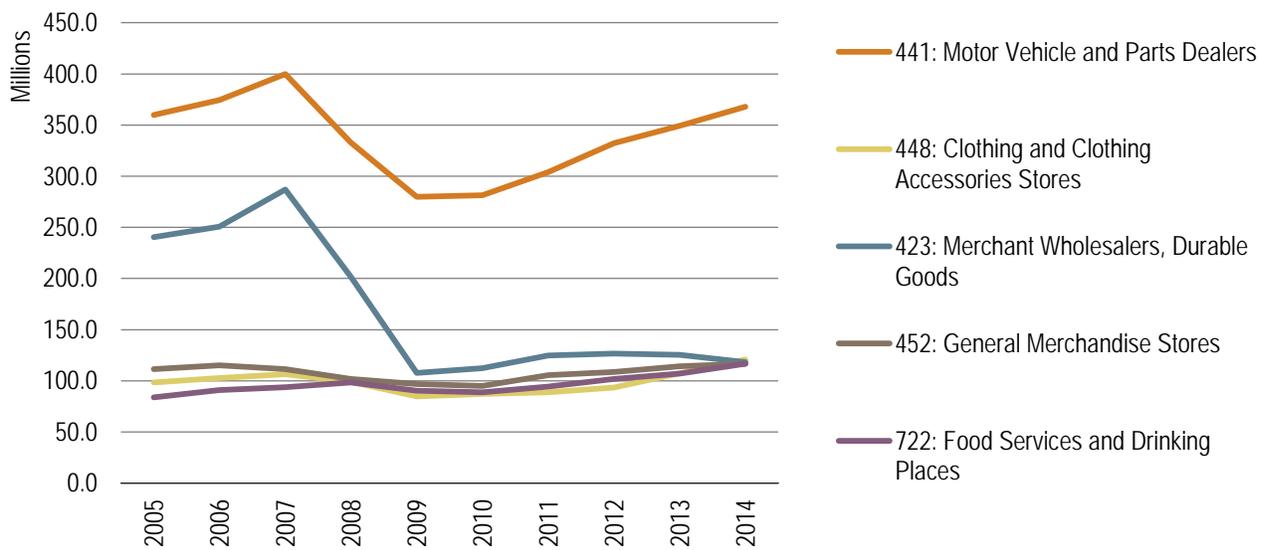


Source: City of Auburn Finance Department.

**FIGURE 28. TAXABLE SALES BY INDUSTRY**  
*TOP INDUSTRIES, 2-DIGIT NAICS*

Sector	2014 Taxable Sales	Percent of Total
44-45: Retail Trade	954,443,127	56.1%
23: Construction	207,282,133	12.2%
42: Wholesale Trade	138,869,518	8.2%
72: Accommodation and Food Services	126,700,151	7.4%
Other	273,535,787	16.1%
<b>Total</b>	<b>1,700,830,716</b>	<b>100.0%</b>

*TOP INDUSTRIES, 3-DIGIT NAICS*



Source: Washington Department of Revenue.

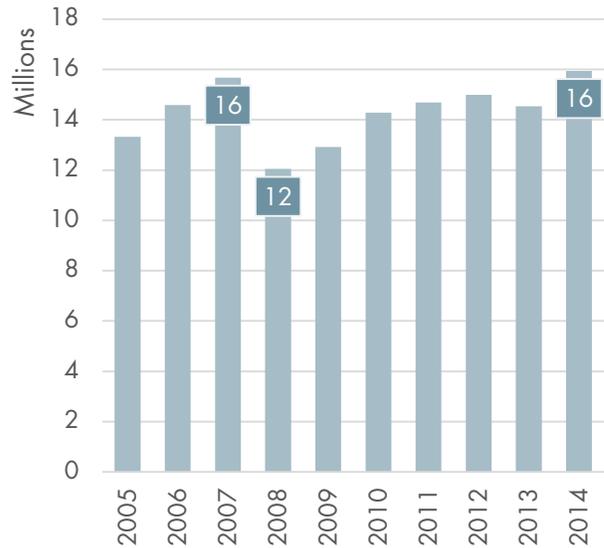
**CITY OF AUBURN**

The City of Auburn’s Property Tax receipts were \$15.9 million in 2014. Tax receipts declined 23 percent between 2007 and 2008 due to an annexation between the city and the fire authority and the related loss of taxing capacity. However, receipts grew steadily thereafter, reaching the previous 2007 peak by 2014.

The City’s commercially-zone parcels represent about 40 percent of total real property taxes. Of the commercial tax base, industrial uses account for almost 58 percent. Retail accounts for 24 percent, and office accounts for just over 5 percent.

The Boeing Company is, by far, the largest taxpayer, representing 8.3 percent of Auburn’s taxable assessed value. Glimcher’s Outlet Collection is the next largest taxpayer, representing 1.2 percent the total taxable assessed value. Together, the top 10 taxpayers represent 15.3 percent of Auburn’s property tax base.

**FIGURE 29. PROPERTY TAX RECEIPTS**  
2005 - 14



**FIGURE 30. COMMERCIAL BASE BY USE**  
2016

Rank	Use	City Property Taxes	Percent
1	Industrial	\$2,994,302	57.57%
2	Retail	1,248,175	24.00%
3	Office	282,446	5.43%
4	Multifamily	237,664	4.57%
5	Other	201,033	3.87%
6	Single Family	172,853	3.32%
7	Hospitality	57,406	1.10%
8	Senior	7,028	0.14%
	<b>Total</b>	<b>\$5,200,907</b>	

**FIGURE 31. PRINCIPAL TAXPAYERS**  
2014

Rank	Taxpayer	Assessed Value	Percentage of Total City Taxable Assessed Value
1	Boeing Company	\$611,988,779	8.25%
2	Glimcher Supermall Venture	86,951,812	1.17%
3	Safeway	74,933,312	1.01%
4	EPropertyTax Inc.	74,754,500	1.01%
5	Puget Sound Energy	69,112,597	0.93%
6	Muckleshoot Indian Tribe	54,917,400	0.74%
7	Belara Communities LLC	54,061,800	0.73%
8	PPF Industrial	43,081,100	0.58%
9	Wal-Mart Property	32,203,327	0.43%
10	Four Lakes Apartments LLC	29,323,400	0.40%
	<b>Total</b>	<b>\$1,131,328,027</b>	<b>15.25%</b>

Source: City of Auburn Finance Department, King County Tax Assessor, Pierce County Tax Assessor.

## COMPETITIVENESS

### TRANSPORTATION

The City of Auburn is well-positioned in the region among major transportation assets. Auburn is situated about 20 miles from the Port of Seattle and less than 15 miles from the Port of Tacoma, with strong north-south road connections via Interstate 5 and Highway 167 as well as an east-west connection via Highway 18.

Auburn has two north-south Class I rail lines: BNSF and UP. BNSF also has an east-west line that runs through Auburn. In addition, Sound Transit provides commuter rail service from Lakewood and Seattle, stopping in downtown Auburn.

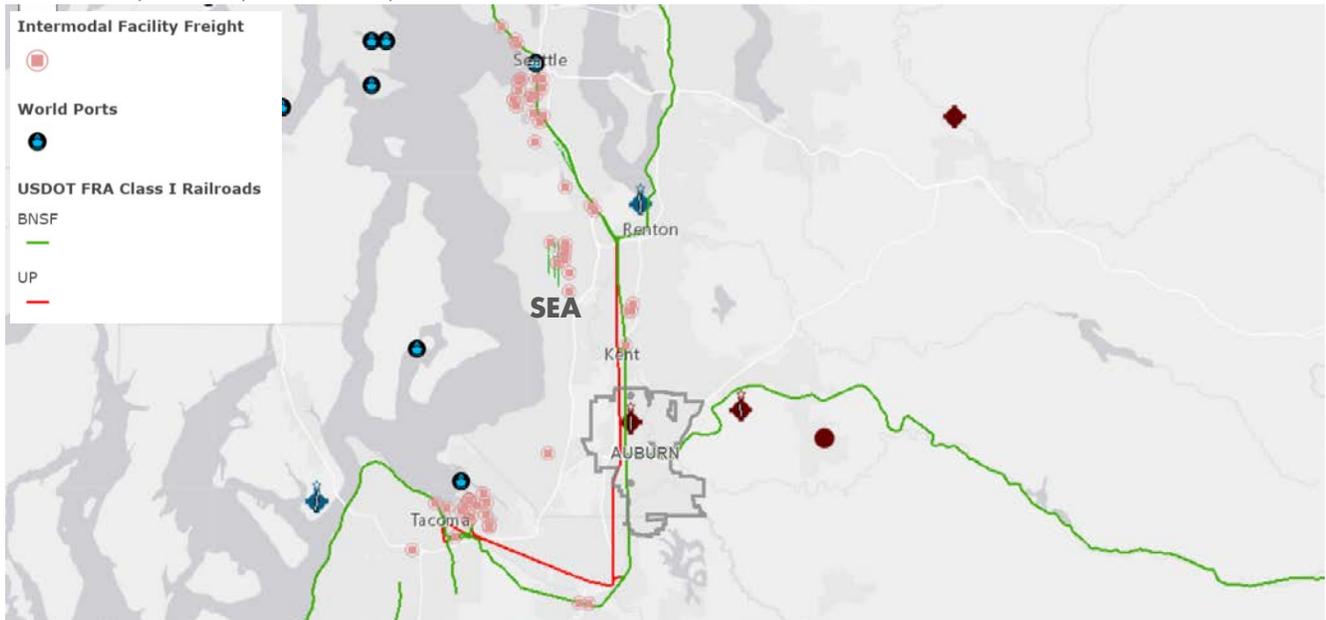
The Seattle-Tacoma International Airport (SEA), the 13th busiest airport in the US, is approximately 15 miles away from Auburn. From SEA, 24 airlines serve 81 nonstop, domestic and 24 international destinations. On the air cargo side, SEA had 332,636 metric tons pass through in 2015. Two recent air cargo projects have augmented SEA air cargo capabilities, resulting in a significant increase in large freighter aircrafts.

The Auburn Municipal Airport serves regional general aviation needs. About 275 aircraft are based at the Auburn Airport, which has 54 closed hangars and 91 open hangars. The length of the runway is currently 3,400 feet.

The Interurban Trail is an 18.1-mile bike path that connects Tukwila, Kent, Auburn, Algona, and Pacific.

Currently, there are no intermodal facilities within the City of Auburn.

**FIGURE 32. TRANSPORTATION ASSETS**  
*RAILROAD, PORTS, AIRPORTS, INTERMODALS*



Source: Jones Lang LaSalle, Federal Aviation Administration, NGA Maritime Safety Information, and USDOT.

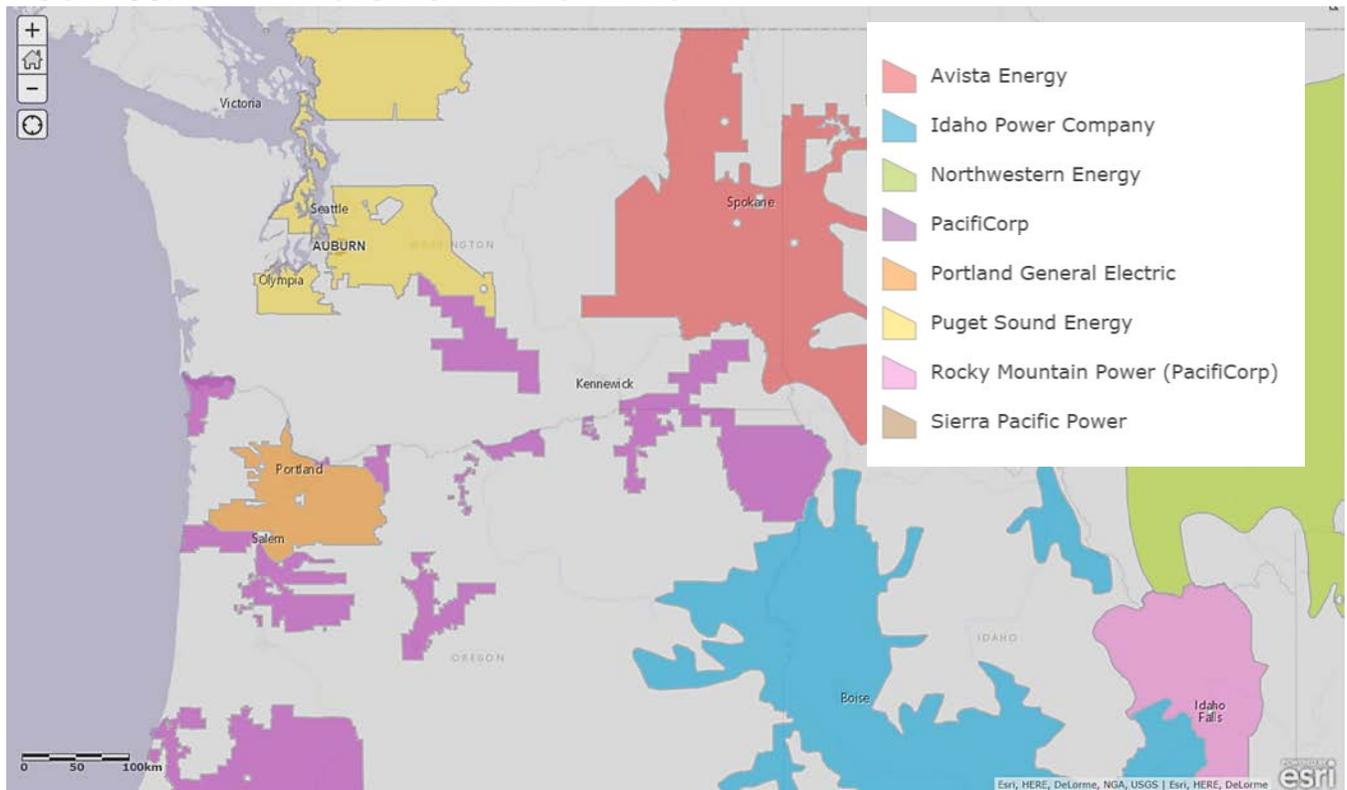
## UTILITIES AND TELECOMMUNICATIONS

Puget Sound Energy, an investor-owned utility, provides power and gas to all of the South Sound peers in King County as well as Puyallup and Sumner in Pierce County. Tacoma Power provides power and gas to Fife.

The City of Auburn provides water, sewer, storm water, and solid waste services to residents and business within the city limits.

Xfinity and CenturyLink are the primary internet providers in Auburn. Xfinity provides download speeds up to 250 mbps through its cable network. CenturyLink is offering download speeds up to 1 Gbps.

**FIGURE 33. BPA INVESTOR-OWNED UTILITIES**



Source: Washington Utilities and Transportation Commission.

**TAXES**

The total sales tax rate in Auburn is 9.5 percent. Six of the nine peers share this same tax rate. Sumner has the lowest sales tax rate at 8.8 percent. Fife and Puyallup both have a sales tax rate of 9.4 percent.

Auburn’s total property tax levy is the highest among its peers at 14.6375 per \$1,000. Fife has the lowest total property tax levy – 12.1913 per \$1,000.

Auburn does not have a business and occupation tax (B & O). Of the set of peers, only Burien, Kent, and Renton have a B & O tax.

**FIGURE 34. 2016 TAX RATE COMPARISON**

	<b>Sales Tax</b>	<b>Property Tax (per \$1,000)</b>	<b>B &amp; O*</b>
Auburn	9.50%	14.6375	0.000
Burien	9.50%	13.0478	0.001
Federal Way	9.50%	14.5507	0.000
Fife	9.40%	12.1913	0.000
Kent	9.50%	13.8760	.00046 - .00152
Puyallup	9.40%	13.9473	0.000
Renton	9.50%	13.2199	0.000
Sumner	8.80%	13.4413	0.000
Tukwila	9.50%	13.2227	0.000

\*Note: For Burien, only applied to Gross Receipts over \$200,000. For Kent, only applied to Gross Receipts over \$250,000. Renton enacted a B & O Tax effective January 1, 2016.

Source: Washington Department of Revenue, King County, and Pierce County.