Context for Development

Ali Modarres
Development Patterns

• From Industrial Parks to obsessions with the Creative Class.

• Firms versus people (the changing nature of development strategies)
Questions

• Who are the creative class? Educated, young and hip?
• Don’t universities produce and keep bringing more of this population to a region?
• Are there ready-made solutions?
• If you want to express your uniqueness, why would you copy someone else?
What matters most?

- strong leadership
- long term commitment to specific development strategies.
- One idea at a time...with a long attention span.
Population
20-24 age cohort will decline in population and magically increase after 2025
This is doubtful...
Possible Assumption:
Latino population growth will more than make up for all other groups.
State of Washington is making similar assumptions.
However, something does not make sense. Expected natural increase rates translate to population decline. Perhaps we are hoping for a large in-migration.
Well...not according to current projections.
Historical Patterns of Population Growth
From 2000 to 2013, median age in the county increased from 34 to 35.9.
Pierce County population structure by age and gender – 1990 and 2010

1990
Total Population Count: 586,203

2010
Total Population Count: 795,225
Net Migration Patterns for Pierce County, 2007-2011

- Green: Gained more than 2000
- Green: Gained less than 2000
- Yellow: Lost less than 100
- Orange: Lost 100 to 199
- Red: Lost more than 200

<table>
<thead>
<tr>
<th>County</th>
<th>State</th>
<th>To Pierce</th>
<th>Net Migration</th>
</tr>
</thead>
<tbody>
<tr>
<td>King</td>
<td>Washington</td>
<td>14680</td>
<td>-3960</td>
</tr>
<tr>
<td>Thurston</td>
<td>Washington</td>
<td>2449</td>
<td>340</td>
</tr>
<tr>
<td>Kitsap</td>
<td>Washington</td>
<td>2018</td>
<td>-391</td>
</tr>
<tr>
<td>Snohomish</td>
<td>Washington</td>
<td>1190</td>
<td>-147</td>
</tr>
<tr>
<td>Los Angeles</td>
<td>California</td>
<td>768</td>
<td>-433</td>
</tr>
<tr>
<td>Honolulu</td>
<td>Hawaii</td>
<td>706</td>
<td>-279</td>
</tr>
<tr>
<td>Spokane</td>
<td>Washington</td>
<td>604</td>
<td>80</td>
</tr>
<tr>
<td>Lewis</td>
<td>Washington</td>
<td>566</td>
<td>-325</td>
</tr>
<tr>
<td>Multnomah</td>
<td>Oregon</td>
<td>558</td>
<td>-390</td>
</tr>
<tr>
<td>Clark</td>
<td>Washington</td>
<td>541</td>
<td>-133</td>
</tr>
<tr>
<td>Sacramento</td>
<td>California</td>
<td>505</td>
<td>-322</td>
</tr>
<tr>
<td>Cumberland</td>
<td>North Carolina</td>
<td>452</td>
<td>-219</td>
</tr>
<tr>
<td>El Paso</td>
<td>Texas</td>
<td>447</td>
<td>-75</td>
</tr>
<tr>
<td>Clark</td>
<td>Nevada</td>
<td>444</td>
<td>-177</td>
</tr>
<tr>
<td>San Diego</td>
<td>California</td>
<td>398</td>
<td>-41</td>
</tr>
<tr>
<td>Bexar</td>
<td>Texas</td>
<td>396</td>
<td>-54</td>
</tr>
<tr>
<td>Maricopa</td>
<td>Arizona</td>
<td>381</td>
<td>900</td>
</tr>
<tr>
<td>Yakima</td>
<td>Washington</td>
<td>371</td>
<td>-118</td>
</tr>
<tr>
<td>Richmond</td>
<td>Georgia</td>
<td>366</td>
<td>-178</td>
</tr>
<tr>
<td>Kittitas</td>
<td>Washington</td>
<td>355</td>
<td>40</td>
</tr>
</tbody>
</table>
Veteran Population
Veteran Population
Latino Population Growth Pattern

- Between 1970 and 2010, Latino population in Pierce County grew 33 fold from about 2,200 to nearly 73,000.
- Comparative growth rates between 2010 and 2013
  - Latino population = 11%
  - Non-Hispanic White Population = 2.6%
  - Non-Hispanic Asian Population = 8.2%
<table>
<thead>
<tr>
<th>Citizenship status, Residents of Washington</th>
<th>Latinos</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Born in the US</td>
<td>509535</td>
<td>63.1</td>
</tr>
<tr>
<td>Born in Puerto Rico, Guam, the US Virgin Islands, or the Northern Marianas</td>
<td>7982</td>
<td>1</td>
</tr>
<tr>
<td>Born abroad of American parent(s)</td>
<td>6135</td>
<td>0.8</td>
</tr>
<tr>
<td>US citizen by naturalization</td>
<td>64751</td>
<td>8</td>
</tr>
<tr>
<td>Not a citizen of the US</td>
<td>219595</td>
<td>27.2</td>
</tr>
<tr>
<td>Total</td>
<td>807998</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: ACS 2012
Demographic Indicators
Economic Landscape
Unemployment Rates
January 1990 to December 2014

Seattle MD (King-Snohomish)  
Tacoma MD (Pierce)
Wage Structure

• In almost every occupational category, wages are lower in Tacoma, except for ‘farming, fishing, and forestry’ and ‘protective services.’

• Wages for ‘healthcare support,’ ‘transportation and material moving,’ ‘construction and extraction,’ ‘installation, maintenance, and repair,’ and ‘production’ are well above national levels.
Wage Structure

• Overall, Tacoma MD does not offer a wage structure that could be called attractive to the highly skilled labor force.

• In ‘computer and mathematical’ occupations, mean hourly wages in Tacoma MD are 8% below national level, when Seattle MD reports 25% above the national level.
Wage Structure

• Comparatively speaking, the San Francisco-San Mateo-Redwood City MD reports wages 27% above the national level, which is comparable to the Seattle MD.

• Unlike Seattle, however, the San Francisco-San Mateo-Redwood City MD is consistently higher in various occupational sectors, achieving an overall hourly wage that is 45% above the national level.

• In the Seattle MD, the similar figure stands at 27% and in Tacoma MD at 1%.
Wages by jurisdictions in the Puget Sound Region circa 2008

• Construction
  – Tacoma ranked 28th
  – Fife ranked 7th
  – Seattle, 4th

• Finance, Insurance and Real Estate (FIRE)
  – Tacoma ranked 3rd
  – Seattle 2nd

Source: PSRC, 2008 wages
Wages by jurisdictions in the Puget Sound Region circa 2008

• Manufacturing
  – Tacoma 23rd
  – DuPont 1st

• Retail
  – Tacoma 38th
  – Fife 1st
  – Seattle 2nd

• Services
  – Tacoma 16th
  – Redmond 1st
  – Seattle 9th
Number of Firms

- King: 146,532 (59%)
- Snohomish: 41,327 (17%)
- Pierce: 43,697 (18%)
- Thurston: 16,051 (6%)
A higher proportion of firms in Tacoma are in the 5-9, 10-19, and 20 to 49 employee size.
King County Economic Sector By Share of Employment

- Retail Trade: 27%
- Services (Professional & Non-Professional): 35%
- Wholesale Trade: 5%
- Finance, Insurance and Real Estate: 10%
- Transportation, Communication, Electric, Gas & Sanitary Services: 8%
- Manufacturing: 7%
- Construction, contracting: 4%
- Agriculture, Forestry, Fishing: 1%
- Misc Industry (Public Administration): 3%
- Mining: 0%
Pierce County Economic Sector By Share of Employment

- Services (Professional & Non-Professional) 47%
- Retail Trade 11%
- Finance, Insurance, and Real Estate 6%
- Wholesale Trade 7%
- Transportation, Communication, Electric, Gas & Sanitary Services 6%
- Manufacturing 7%
- Construction, contracting 10%
- Agriculture, Forestry, Fishing 2%
- Mining 0%
- Misc Industry (Public Administration) 4%
Snohomish County Economic Sector By Share of Employment

- Services (Professional & Non-Professional): 45%
- Finance, Insurance and Real Estate: 11%
- Retail Trade: 11%
- Manufacturing: 13%
- Transportation, Communication, Electric, Gas & Sanitary Services: 4%
- Wholesale Trade: 4%
- Agriculture, Forestry, Fishing: 3%
- Mining: 0%
- Construction, contracting: 11%
- Misc Industry (Public Administration): 2%
King County Revenue by Economic Sector

- Agriculture, Forestry, Fishing: 0%
- Misc Industry (Public Administration): 1%
- Mining: 0%
- Construction, contracting: 2%
- Manufacturing: 9%
- Transportation, Communication, Electric, Gas & Sanitary Services: 11%
- Wholesale Trade: 8%
- Retail Trade: 17%
- Finance, Insurance and Real Estate: 27%
- Services (Professional & Non-Professional): 25%
Employment Density (1000 Employee Intervals)
- 2011-2012 WA-CTR
- Worksites with 100 or more employees
1. Telecommunication
2. Data processing, hosting, and related services
3. Computer system design and related services
4. Scientific research and development services
5. Computer and electronics manufacturing
6. Electronic equipment, appliances, and component manufacturing
Selected Tech Industries

• The six counties of Snohomish, King, Pierce, Thurston, Mason, and Kitsap house a total of 7,020 companies and 65,467 employees in these economic sectors (excluding Boeing and Microsoft).
• King County’s shares are 68.4% of firms, 80.4% of employees, 89.7% of revenue, and 70.2% of the office spaces utilized by these firms.
• Pierce County’s shares are 10.7% of firms, 3.4% of employees, 1.7% of revenue, and 8.2% of the office spaces.
Selected Tech Industries

• This pattern suggests that Pierce County benefits neither from research and development nor production from the regional concentration of technology companies.

• It also indicates that, at least in the selected economic sectors, we cannot really speak of a regional economy. It is simply in western King County, from Kirkland, Redmond, and Bellevue to Seattle, that these companies spatially congregate.
Biotechnologies Research and Development

- Biotechnology firms (NACIS=54171)
  - Total Employment in this NACIS = 428
  - Maximum number of employees = 70
  - Average number of employees ~ 9
  - Number of Firms = 44
  - Pierce County = 1
Biotechnologies non-R&D

- Biotechnology firms (NACIS=541712)

  Total Employment in this NACIS = 3,463
  Maximum number of employees = 285
  Average number of employees ~ 8
  Number of Firms = 457

Pierce County

  Total Employment in this NACIS = 61
  Maximum number of employees = 8
  Average number of employees ~ 2
  Number of Firms = 28
### Housing Permits, 2012

<table>
<thead>
<tr>
<th>COUNTYNAME</th>
<th>NEWUNITS</th>
<th>LOSTUNITS</th>
<th>NETUNITS</th>
<th>SF</th>
<th>MF1-2</th>
<th>MF3-4</th>
<th>MF5-9</th>
<th>MF10-19</th>
<th>MF20-49</th>
<th>MF50+</th>
<th>MH</th>
<th>OTH</th>
</tr>
</thead>
<tbody>
<tr>
<td>KING</td>
<td>13,022</td>
<td>-831</td>
<td>12,191</td>
<td>2,757</td>
<td>319</td>
<td>254</td>
<td>248</td>
<td>121</td>
<td>389</td>
<td>8,104</td>
<td>-3</td>
<td>2</td>
</tr>
<tr>
<td>KITSAP</td>
<td>715</td>
<td>-121</td>
<td>594</td>
<td>471</td>
<td>13</td>
<td>0</td>
<td>0</td>
<td>91</td>
<td>21</td>
<td>0</td>
<td>-2</td>
<td>0</td>
</tr>
<tr>
<td>PIERCE</td>
<td>2,682</td>
<td>-222</td>
<td>2,460</td>
<td>1,769</td>
<td>26</td>
<td>159</td>
<td>16</td>
<td>49</td>
<td>22</td>
<td>419</td>
<td>1</td>
<td>-1</td>
</tr>
<tr>
<td>SNOHOMISH</td>
<td>3,782</td>
<td>-216</td>
<td>3,566</td>
<td>2,034</td>
<td>117</td>
<td>65</td>
<td>21</td>
<td>211</td>
<td>524</td>
<td>603</td>
<td>-9</td>
<td>0</td>
</tr>
<tr>
<td>REGION</td>
<td>20,201</td>
<td>-1,390</td>
<td>18,811</td>
<td>7,031</td>
<td>475</td>
<td>478</td>
<td>285</td>
<td>472</td>
<td>956</td>
<td>9,126</td>
<td>-13</td>
<td>1</td>
</tr>
</tbody>
</table>

62% of new housing units in King county was MF50+ and 21% SF
16% of new housing units in Pierce county was MF50+ and 66% SF 50+

Pierce County has a higher proportion of MF 3-4
Housing & Commuting
Capital Deepening

R&D

Educational Equity (Access to Public Universities)

Capital Widening

Innovation Implementation and Production

Labor Equity (Wages)
General Lessons from Other Regions

• Universities bring and train the creative class.
• Universities act as economic engines.
• Universities are the most important assets for cities, particularly post-industrial cities.
• Universities can help a region grow.
• Universities bring people and jobs.
• If regions don’t figure out how to work with their universities, their universities will become an engine for exporting their skilled workforce.