

APPENDIX II: ECONOMIC BASELINE ANALYSIS

This Appendix serves as the Economic Baseline Analysis, providing a foundation for the Economic Development Element. Orting has long understood that it has very limited resources to directly support economic development in a formal way from City Hall (for example, with dedicated staff or a department to provide specific services). However, many small cities find that they can achieve success in improving the tax base and creating local jobs through collaboration and setting the stage through policy measures that support business which nurtures economic prosperity. Orting is an attractive community in many ways and new residents continue to be attracted to the community. In turn, these factors generating demand for community-serving retail and personal service businesses, parks and schools, and transportation infrastructure.

This analysis provides comparisons to Pierce County and other surrounding cities as needed to contextualize conditions and articulate the City's situation in the region. The analysis relied on data primarily sourced from the United States Census Bureau's 5-year American Community Survey (ACS) estimates, 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 Orting. This appendix summarizes the economic development analysis in three sections: 1) City Economic Profile, 2) Market Potential, and 3) Employment Growth Targets and Land Demand.

SECTION I. CITY ECONOMIC PROFILE

Population

Population Growth & Projections

Figure ED- 1 shows Orting's population and population average annual growth rate (AAGR) between 2000 and 2024. According to data from the state Office of Financial Management (OFM), Orting's population grew from 3,931 persons in 2000 to 9,125 persons in 2024, for a total increase of 5,194 persons. During this time period, Orting more than doubled its population with an average annual growth rate (AAGR) of 3.6%, compared to 1.3% for Pierce County. Between 2000 and 2020, Orting experienced rapid population growth which diminished to a slower pace between 2020 and 2024.



According to the Puget Sound Regional Council projections, the population of Orting is anticipated to experience additional growth, with an estimated population of 9,550 persons by 2044, implying a substantial slowing of growth over the next two decades.

Figure ED- 1. Population and Population Growth (1999-2024)

Source: Washington State Office of Financial Management

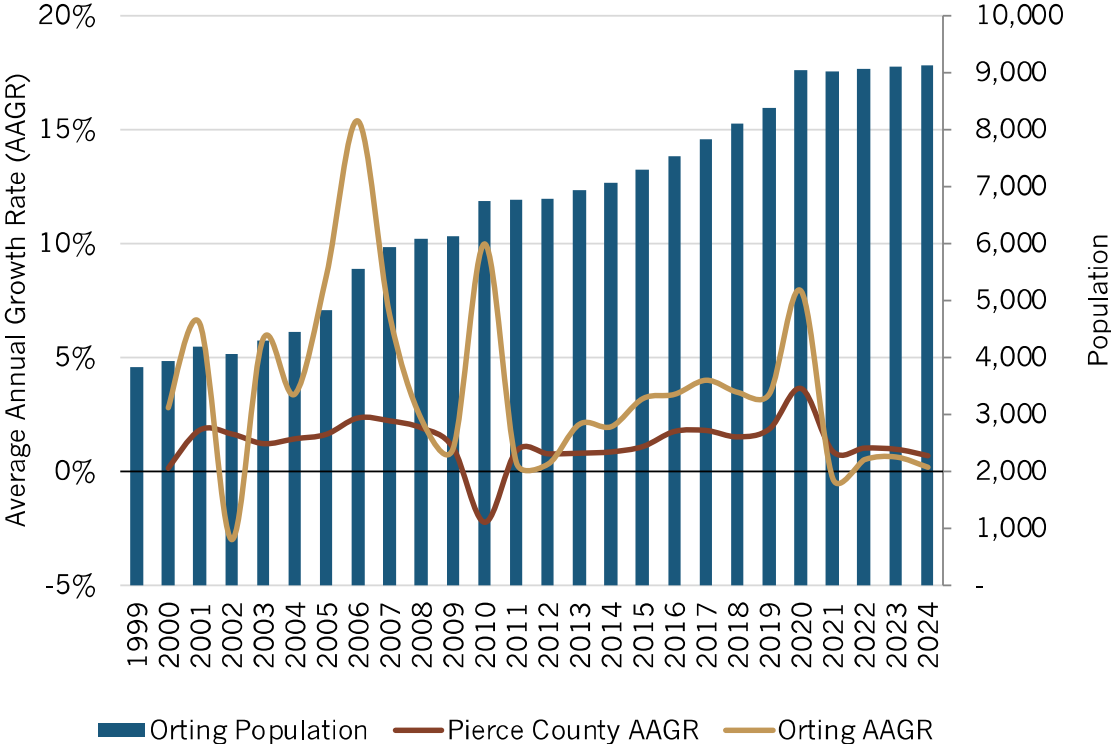


Figure ED- 2. City of Orting Population and Household Projections (2025 through 2050)

	2025	2030	2035	2040	2044	2050
Population	9,109	9,222	9,334	9,450	9,550	9,679
Households	2,986	3,055	3,124	3,194	3,250	3,333

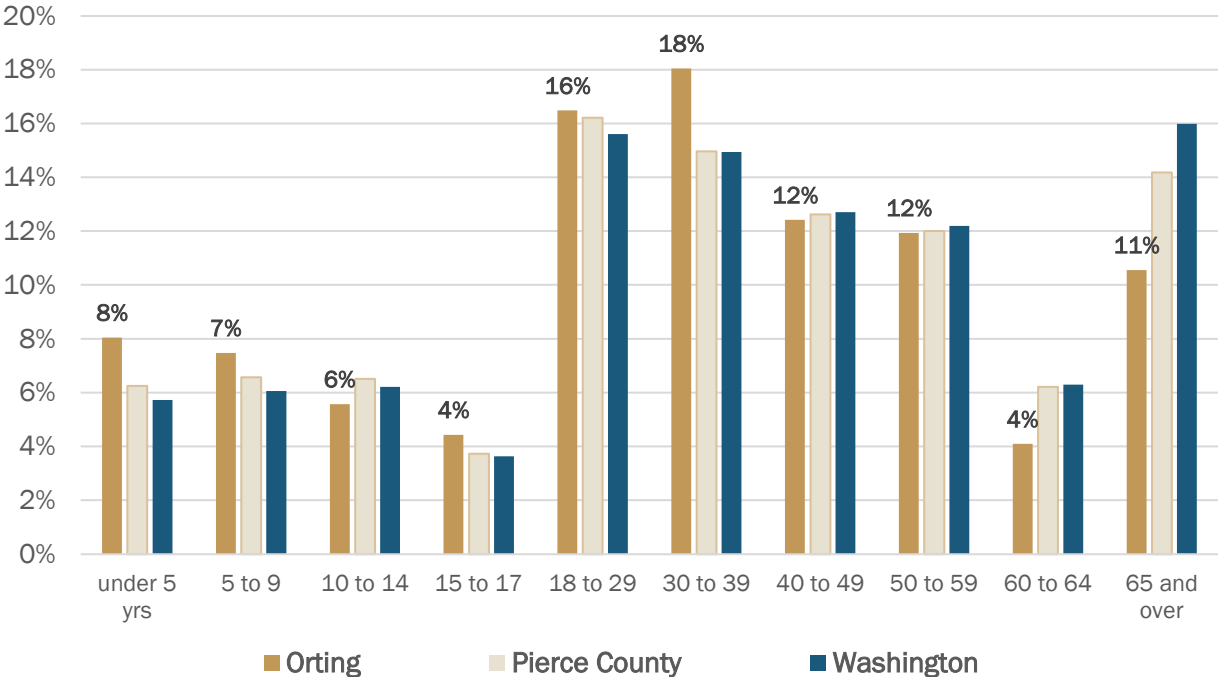
Population by Age

Orting’s population tends to be younger with a median age of 34.1 years, compared to 37.0 years in Pierce County and 38.4 years in Washington. Orting’s younger population is reflected in the higher concentration of children (17 years and under) and young adults and working age persons (aged 18 to 49 years old) as shown in Figure ED- 3. These trends indicate that Orting is attracting families with children. As these families mature, they will need diverse employment opportunities. The City could

strategically plan for a diverse job sector, including technology, healthcare, and environmentally sustainable industries to broaden the career paths for the young adult demographic.

Figure ED- 3. Population Distribution by Age Group, Orting (2022)

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



Population by Race and Ethnicity

While most of Orting’s residents identify as white (78%), Orting became more racially and ethnically diverse between 2012 and 2022. The Hispanic population comprises the second largest ethnic group making up 9% of the City’s total population, which has remained steady from 2012 to 2022. The percentage of residents identifying as two or more races has grown over time to 8%, becoming the third largest racial/ethnic demographic in the City. The Asian and American Indian demographic has also experienced a notable increase in population size over time.

Figure ED- 4. Population by Race and Ethnicity, Orting (2022)

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

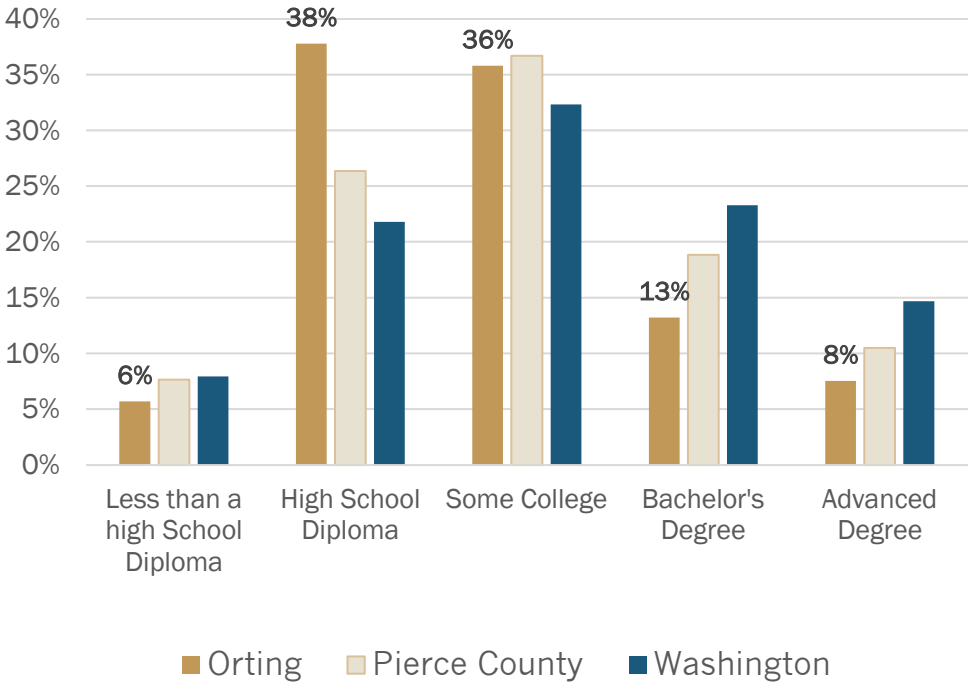
	2012	2022
White	82%	78%
Black or African American	1%	1%
American Indian	0%	2%
Asian	1%	2%
Pacific Islander	1%	0%
Other Race	0%	0%
Two or More Races	6%	8%
Hispanic	9%	9%

Educational Attainment

Orting’s workforce shows diverse educational attainment with 38% having a high school diploma and 36% having some college education. Only 13% of the City’s population have a bachelor’s degree and 8% have an advanced degree, which are both lower percentages than the averages for both Pierce County and Washington.

Figure ED- 5. Education Attainment (Population 25 Years and Older), Orting (2022)

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



Employment

From 2012 to 2022, Orting experienced a 29% increase in total employment, rising from 1,022 to 1,320 jobs. The services sector, which saw a 43% increase, remains the largest employment sector,

accounting for 38% of jobs in 2022. Significant growth was also seen in the education industry (33%). In contrast, the finance, insurance, and real estate sector experienced a 20% decline, while government employment saw a slight 4% decrease.

Figure ED- 6. Total Employment by Industry, Orting (2012-2022)

Source: Puget Sound Regional Council (PSRC)

Note(s):

*Finance, Insurance, and Real Estate industries collectively form the FIRE sector

**Wholesale trade, Transportation and Warehousing, and Utilities collectively make up the WTU sector

*** The term “suppressed” indicates that data related to a particular industry with a limited number of employers, or a single dominant employer is withheld to maintain confidentiality and protect sensitive employer information.

	2012		2022		2012-2022 PERCENT CHANGE
	COUNT	PERCENT	COUNT	PERCENT	
Construction & Resources	Suppressed***	-	86	7%	-
FIRE*	25	2%	20	2%	-20%
Manufacturing	Suppressed	-	0	0%	-
Retail	47	5%	58	4%	23%
Services	351	34%	503	38%	43%
WTU**	3	0%	7	1%	133%
Government	251	25%	240	18%	-4%
Education	306	30%	406	31%	33%
Total	1,022	100%	1,320	100%	29%

According to OFM, the average annual wage across all industries in Pierce County was \$61,050 in 2021 (see Figure ED- 7). The highest paying sectors included management of companies and enterprises (\$101,031), utilities (\$99,828), and finance and insurance (\$97,380).

Orting’s employment concentration lies within education, services, and the government sector. These industries in Pierce County tend to have average annual wages ranging between \$43,117 on the lower-end and \$75,440 on the upper-end.

In 2022, Orting’s median household income was \$114,458, substantially higher than Pierce County’s \$91,486 and Washington States \$90,325 (see Figure ED- 8). This shows that Orting is a relatively affluent community, with residents earning substantially more than the county and state averages. The commuting patterns and trends in household median income suggest that Orting serves as a bedroom community for higher-paying jobs in nearby centers like Tacoma and Seattle, allowing residents to earn higher salaries—despite lower educational attainment, while potentially benefiting from a lower cost of living.

Figure ED- 7. Average Annual Wages, Pierce County (2021)

Source: Office of Finance and Management

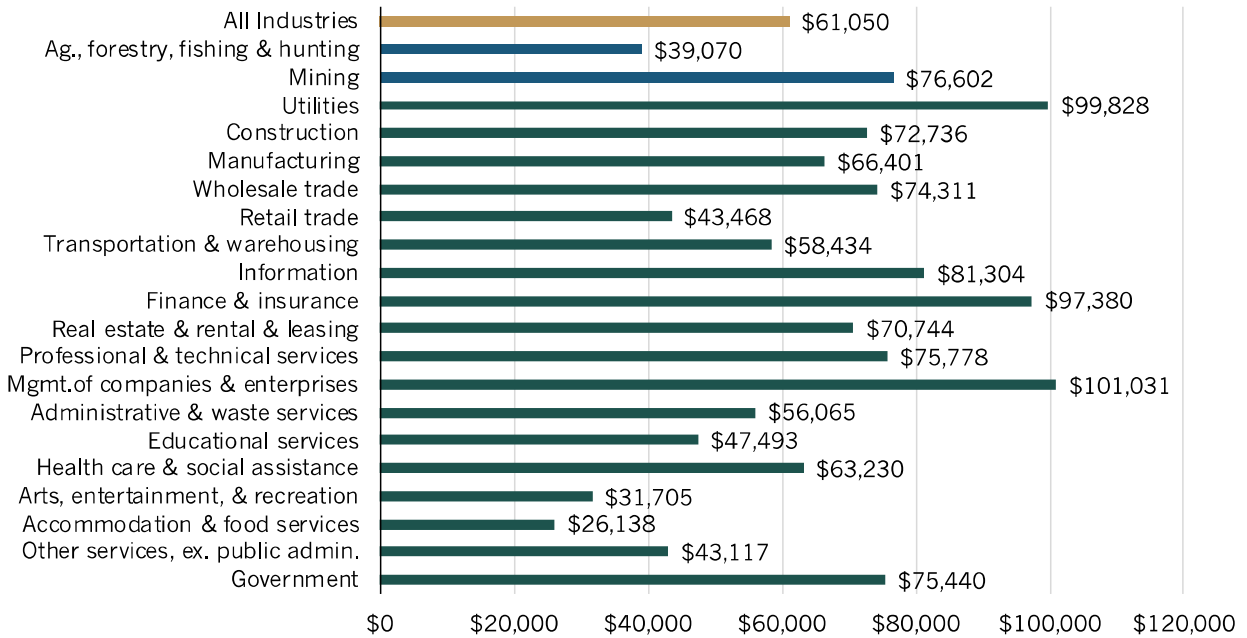
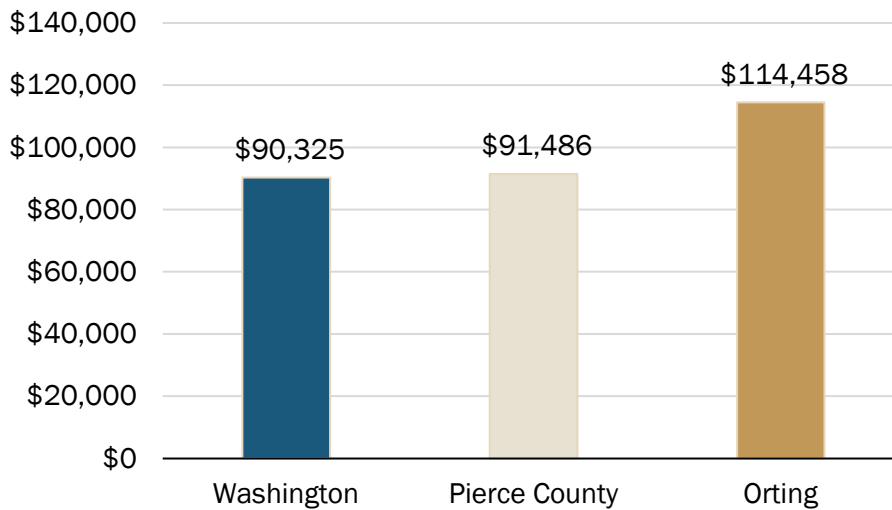


Figure ED- 8. Median Household Income, Orting (2022)

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



Commute Patterns

The location of job opportunities significantly impacts an individual’s choice of residence, and similarly, their residential preference can influence where they decide to relocate. Figure ED-9 shows that more than 2,750 Orting residents commute outside the city for work, while approximately 626

employees commute to Orting for work, and 79 residents live and work within Orting. This suggests that Orting can be considered a bedroom or commuter community, due to a greater number of residents traveling outside of the City for work, compared to the number of employees who commute into Orting for employment.

Figure ED- 9. Inflow/Outflow Job Counts (Commute Patterns), Orting (2021)

Source: U.S. Census Bureau; OnTheMap Application and LEHD Origin-Destination Employment Statistics. Note: The arrows are conceptual and do not show the exact direction of commute flows.

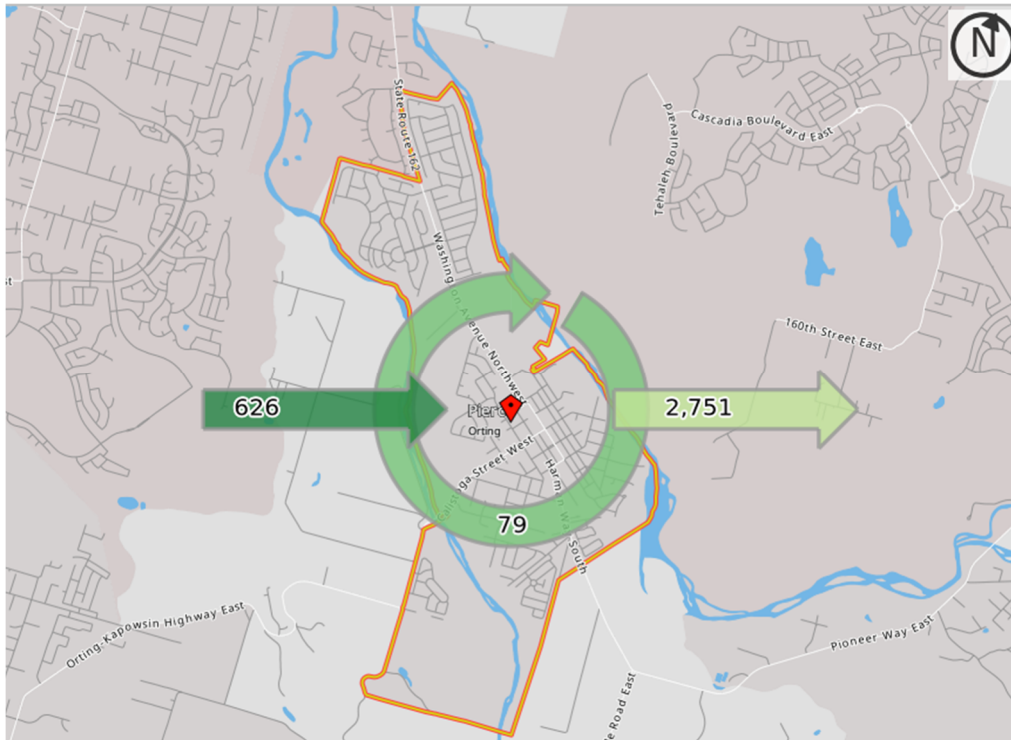
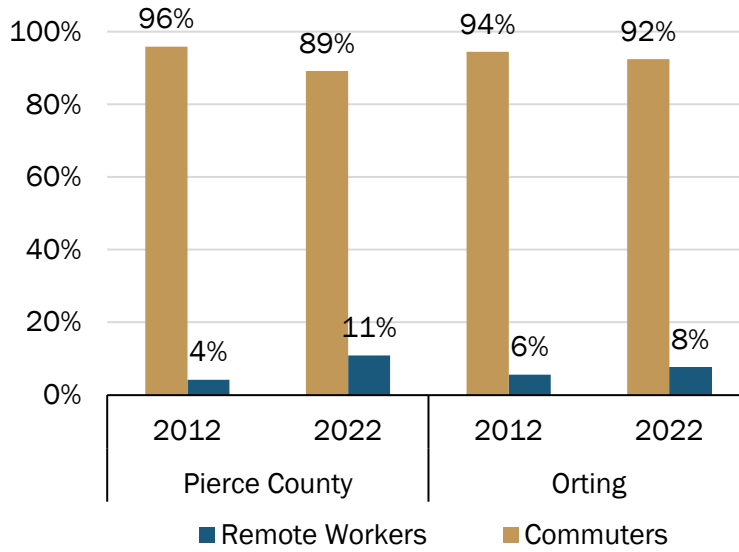


Figure ED- 10 shows that the majority of Orting residents commute to work (92%), and a small share of these residents work from home (8%). The COVID-19 pandemic accelerated remote work trends in major cities across the U.S.; however, Orting has experienced a subtle increase (2%) in remote workers since 2012. In contrast, Pierce County has seen a substantial increase (7%) in remote workers compared to Orting.

Figure ED- 10. Share of Workers Commuting to Work, Orting (2022)

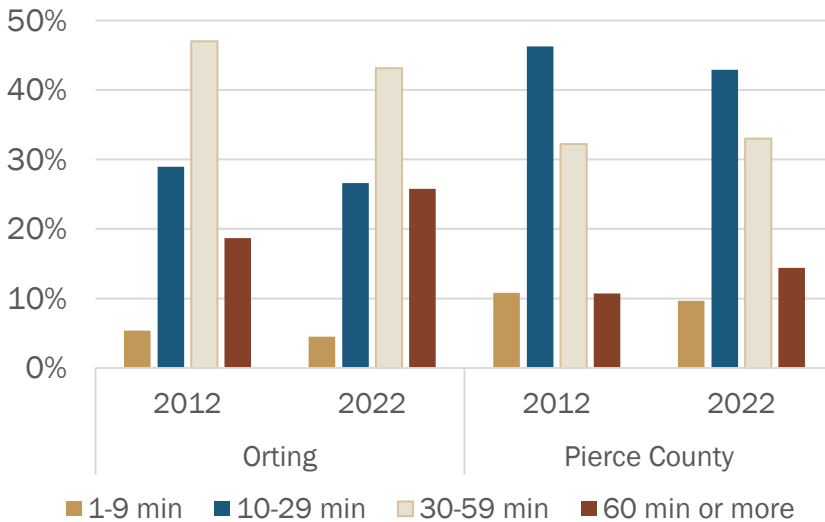
Source: U.S. Census Bureau, 2018-2022 ACS 5-Year Estimates



In 2022, a significant portion of Orting workers experienced long commutes, with 45% traveling 30-59 minutes and 26% commuting 60 minutes or more – an increase from 2012, where only 19% of workers commuted for 60 minutes or more. Comparatively, Pierce County residents generally had shorter commutes, with 43% traveling 10-29 minutes and only 14% commuting 60 minutes or more.

Figure ED- 11. Travel Time to Work, Orting (2022)

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



SECTION 2. MARKET POTENTIAL

Sales Tax Revenue

In 2023, Orting’s taxable retail sales per resident was the lowest among nearby cities at \$12,904, compared to Sumner’s \$82,761 and Puyallup’s \$68,606, indicating a relatively smaller retail sector. The top sectors driving Orting’s taxable sales and significant consumer spending included retail trade, accommodations & food services (restaurants), and construction¹. These trends suggest Orting experiences a lot of taxable sales leakage to nearby communities and underscores the importance of diversifying and expanding Orting’s retail offerings.

Smaller peer cities like Enumclaw and Milton exhibit higher sales per resident compared to Orting, partially attributed to their advantageous location alongside major highways. This high visibility and concentration of other retail stores is crucial to a thriving retail business and significantly contributes to their relative success.

Figure ED- 12. Taxable Retail Sales per Resident, Orting and Nearby Cities, (2023)

Source: Washington Department of Revenue

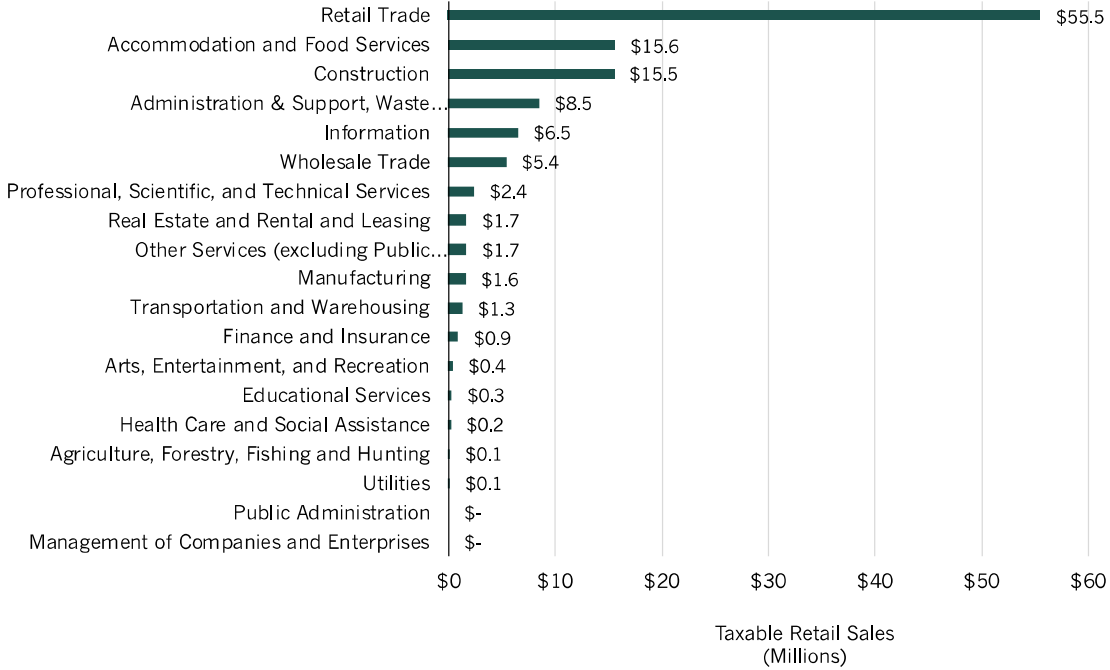
LOCATION	POPULATION (2023)	TAXABLE SALES	TAXABLE SALES PER RESIDENT
Sumner	10,800	\$893,821,393	\$82,761
Puyallup	43,420	\$2,978,860,550	\$68,606
Enumclaw	13,090	\$514,147,748	\$39,278
Bonney Lake	23,250	\$874,565,210	\$37,616
Milton	8,715	\$242,233,017	\$27,795
DuPont	10,180	\$167,567,521	\$16,460
Orting	9,110	\$117,553,978	\$12,904

Sales Taxes by Industry

In 2023, retail trade businesses generated roughly 47% or \$55.5 million of Orting’s total taxable sales revenue. The accommodations and food services businesses as well as construction businesses both generated 13% of all taxable sales revenue equaling roughly \$15.6 and \$15.5 million each.

¹ RCW 82.08.0293. Washington law exempts most grocery type food from retail sales tax. However, the law does not exempt “prepared food,” “soft drinks,” or “dietary supplements.” Businesses that sell these “foods” must collect sales tax.

Figure FD- 13. Taxable Retail Sales by Industry, Orting (2023 Annual)



RETAIL SALES IN ORTING

Orting’s economy faces challenges in attracting diverse retail options due to its small population, remote location within Pierce County, and competition from established commercial centers in nearby cities. While Orting boasts a higher average household income than county and state averages, retailers prioritize high population density and visibility, which are lacking in Orting. As a result, residents often shop outside the city, contributing to lower retail sales per capita (\$7,165) compared to neighboring areas (Sumner with \$148,000 retail sales per capita, Puyallup \$54,000 retail sales per capita, and Bonney Lake with \$21,346 retail sales per capita). To meet growing demands, Orting may need to focus on personal services while relying on regional centers for broader retail options.

Note(s):

1. Retail sales per capita are from the 2017 American Community Survey Economic Census.
2. The term “Per Capita” in economics and statistics is used to express an average per person in a population.

Commercial Real Estate Trends

Retail

With more than 174,000 square feet of retail inventory, the retail sector accounts for most of the commercial real estate inventory in Orting. Compared to other peer cities, Orting’s retail inventory is small in size, and most residents shop outside of the city for a lot of their household retail spending. As of 2024 Q3, the retail market has maintained a healthy trajectory with a low vacancy rate of 2.5% and a rent of \$24.00 per square foot. As population increases in Orting, the new households will require additional retail services to support a growing population.

Office

Orting’s office space market is small with little more than 30,000 square feet of office inventory across a few buildings. According to CoStar, the office vacancy rate is 0.0% and with rents at \$24.00 per square foot. While there are no major employers in Orting that require a lot of office space, a 0.0% vacancy rate could indicate a constrained office market. This could lead to a near-term surge in rents to accommodate the demand for office space or prompt businesses to seek opportunities in areas with available vacancies. As Orting’s population continues to grow, there will be an increasing demand for personal services. Small-format office spaces, such as those for dental and insurance offices, can effectively meet this need and support the community’s evolving requirements.

Figure ED- 14. The State of Commercial Real Estate in Orting (2024 Q3)

Source: CoStar

	INVENTORY (SF)	INVENTORY (BLDGS)	UNDER CONSTRUCTION	VACANCY RATE	RENT (PSF)
Retail	174,588	26	0	2.5%	\$24.00
Office	30,853	10	0	0.0%	\$24.00

SECTION 3. EMPLOYMENT GROWTH TARGETS AND LAND DEMAND

Employment Forecasts

The Puget Sound Regional Council supplies employment and population forecasts to the counties and municipalities within King, Kitsap, Pierce, and Snohomish Counties. These forecasts help inform the updates to countywide planning policies and local comprehensive plans. Although they are not precise targets, they play a crucial role in shaping each county’s growth target process.

From 2020 to 2044, Orting’s employment is projected to grow by 196 jobs or 13% at an average annual growth rate of 0.52%. In comparison, Pierce County is projected to grow by 141,379 jobs or 41% at a larger average annual growth rate of 1.44% during the same time period.

Figure ED- 15. Total Employment and Employment Forecast, Orting (2020-2044)

Source: PSRC, LUV-it.

Note: The term AAGR refers to average annual growth rate.

LOCATION	2020 EMPLOYMENT	2044 EMPLOYMENT	NUMBER CHANGE	PERCENT CHANGE	AAGR
City of Orting	1,473	1669	196	13%	0.52%
Pierce County	346,255	487,634	141,379	41%	1.44%

Population to Employment Ratio

The population to employment ratio is an economic indicator that measures the proportion of population to employment within a city. Generally, a high ratio indicates that there is a larger proportion of residents compared to the number of available jobs in the City. Conversely, a low ratio indicates that there is a low proportion of residents compared to a higher proportion of jobs.

In 2020, Orting had a much higher population to employment ratio of 6.40 compared to Pierce County, indicating a high proportion of residents compared to the number of available jobs. This is consistent with commute trends where most Orting residents commute outside of the City for employment. By 2044, both Orting’s employment opportunities and population is projected to grow and have a population to employment ratio of 5.73. This suggests that employment is expected to grow slightly faster than population in the coming decades.

Figure ED- 16. Population to Employment Ratio, Orting (2002-2044)

Source: PSRC

LOCATION	2002	2010	2020	2044
City of Orting	6.49	6.30	6.40	5.73
Pierce County	3.04	3.05	2.44	2.45

Employment Forecasts by Industry

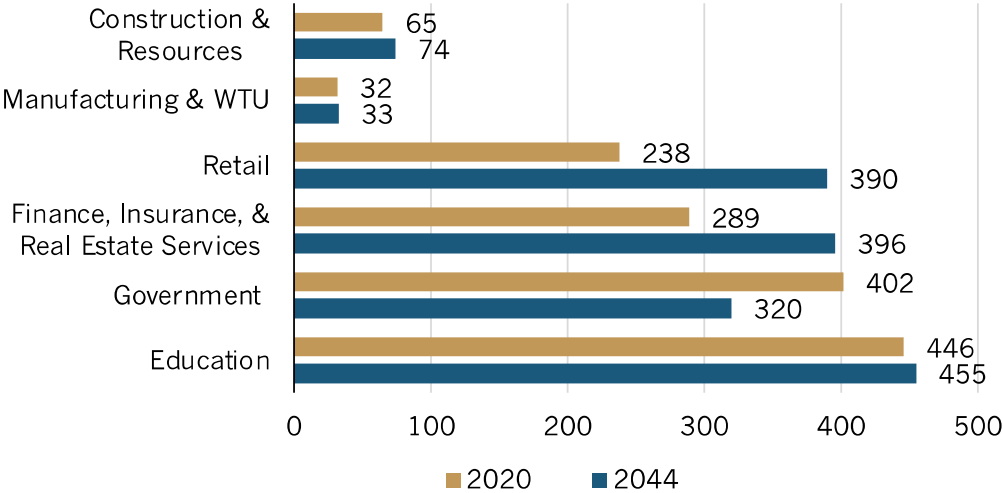
According to the PSRC LUV-it model, all industries except for government across the region are projected to grow by 2044. The retail sector is forecasted to see the most substantial growth, increasing by 64%, followed by the finance, insurance, and real estate sector which is forecasted to increase by 37%. Construction and resources, and manufacturing and wholesale trade and utilities sectors are projected to grow modestly by 14% and 3% respectively.

In contrast, the government sector is forecasted to decline by 20%, reflecting a shift in employment distribution. Although the education sector is forecasted to see only a slight growth of 2%, it will continue to make up a significant part of the workforce. The construction of approximately 5,000 homes in the Tehaleh, Uplands, Daybreak, and Sunrise developments by 2035 will likely draw over

2,500 students to the local school district—more than doubling current enrollment. This growth in enrollment will likely surpass employment forecast in the education industry by PSRC². Overall, these forecasted changes indicate increased diversification in Orting’s employment landscape, with significant growth in retail and service-oriented sectors—all of which tend to pay low to moderate wages.

Figure ED- 17. Employment Forecast by Industry, Orting (2020-2044)

Source: PSRC



Employment Capacity and Land Need

The Pierce County Buildable Lands Report (BLR, 2022) assesses housing and employment capacity within the Urban Growth Area (UGA) and Pierce County jurisdictions to meet the 20-year growth targets by 2044. The report concludes that Orting has sufficient capacity for 1,398 jobs within its designated zones, with the 2020-2044 employment forecast indicating that the city needs to have sufficient land supply to accommodate 196 additional jobs. Note that the Pierce County Buildable Lands Report does not account for home based businesses. Assuming some future employment will locate in residential areas implies the city has additional capacity for jobs beyond the 1,398 estimated in the BLR.

There have been some changes to the city’s Future Land Use and Zoning map since the analysis was conducted that impacts job capacity somewhat because the school district purchased land that was zoned Mixed Use Town Center North (MUTCN) and the land is now zoned Public Facilities. This means the specific job capacity count assumption values have likely shifted to an insignificant extent (because the assumed number of jobs per acre likely differ between those districts). Nonetheless Orting is well-positioned to support the projected employment growth over the next two decades by 2044.

² <https://komonews.com/news/local/education-funding-superintendnt-classrooms-washington-education-projections-infrastructure-voters-87-over-capacity-orting-school-district-needs-voters-to-pass-bond>

Figure ED- 18. Employment Capacity Compared to Growth Targets, Orting (2020-2044)

Source: Pierce County Buildable Lands Report 2022

EMPLOYMENT CAPACITY	2020-2044 EMPLOYMENT NEED	DIFFERENCE
1,398	196	1,202

Figure ED- 19. City of Orting 2020-2044 Employment Capacity (Jobs)

Source: Pierce County Buildable Lands Report 2022. There was no employment capacity in the RC, RMF, and RU zones.

ZONING	VACANT	UNDERUTILIZED	PIPELINE	TOTAL
Light Manufacturing (LM)	0	0	0	0
Mixed Use – Town Center (MUTC)	65	72	0	137
Mixed Use – Town Center North (MUTCN)	646	0	0	646
Public Facilities (PF)	615	0	0	615
Residential Conservation (RC)	0	0	0	0
Residential Multi-Family (RMF)	0	0	0	0
Residential – Urban (RU)	0	0	0	0
<i>Total</i>	<i>1,326</i>	<i>72</i>	<i>0</i>	<i>1,398</i>