



# Economic Development Annual Report 2022

A lively center surrounded by nature. A place of beauty and goodwill.



*Christopher Reedy*  
PHOTOGRAPHER

# Table of Contents

<b>A Message from the Mayor</b>	3
<b>Economic Development in Monroe</b>	
A Component of Comprehensive Planning	4
Equitable, Inclusive, Outcome-driven	5
Economic Development Advisory Board	5
Economic Development Partners	6
Business Recruitment, Retention, and Expansion Program	7 - 8
<b>Monroe by the Numbers</b>	
Demographics	10
Workforce	10
Unemployment	12
Business License Activity	12
Housing Starts	13
Sales Tax Collections	13
<b>2022 Monroe Business Survey</b>	
Highlights	14





# A Message from your Mayor

*“Monroe is dedicated to a full recovery, a recovery that is equitable in its development practices, and embeds cohesion and resilience into the recovery. We ask that you join us and grow with us in Monroe.”*

Looking back to 2022, there is much we can point to and be proud. Residual pandemic related impacts, inflation, labor shortages, supply chain issues and a major wildfire provided strong economic headwinds last year, but despite those challenges, Monroe experienced growth and progress.

Very visible signs of our progress came with an upgrade to the wayfinding and monument signs that welcome visitors to Monroe. Steady construction activity throughout 2022 in both the residential and commercial sectors brought new residents and businesses into our community injecting vitality and economic activity. Adoption of the 2022 Parks, Recreation, and Open Space (PROS) Plan provided Monroe with specific park enhancement projects and a funding plan for the next 6-years. All of this combined has made 2022 a year that has put Monroe on a solid footing to advance into 2023.

One of the important areas of growth less visible to the public has been developing and refining the ways in which we serve our business community. In the early years of the pandemic developing increased channels of communication and engagement took on an urgent nature. We continue to strengthen that relationship with the business community and put it to use moving forward into the post-pandemic recovery. Monroe is dedicated to a full recovery, a recovery that is equitable in its development practices, and embeds cohesion and resilience into the recovery. We ask that you join us and grow with us in Monroe.

**Mayor Geoffrey Thomas**

A handwritten signature in blue ink, appearing to read 'G. Thomas'.

*On the Cover:  
Lewis Street Bridge,  
Photo credit: Christopher Reedy,  
Photographer*

# Economic Development in Monroe

## A Component of Comprehensive Planning

The Comprehensive Plan is the centerpiece of local planning. Eighteen counties and all cities located within those counties are required to develop a Comprehensive Plan under the Washington State Growth Management Act.

For Monroe, the Comprehensive Plan is part of the Puget Sound Regional Council's multi-county (Snohomish, Pierce, Kitsap and King Counties) planning policies included in the VISION 2050 plan. Like a business plan, the Comprehensive Plan provides a 20-year framework for how our community will grow. Regional planning ensures issues like transportation, workforce training, air and water quality are addressed and coordinated across jurisdictions.

The State Growth Management Act requires counties and cities to conduct a mandatory "periodic update" at least once every eight years. The City's next periodic update is due in June 2024 and the planning and development of the plan is currently underway. Public input is vital to the development of Comprehensive Plan. Visit [Monroe2044.com](http://Monroe2044.com) to learn more and share your thoughts for Monroe's future.

## 2024 Economic Development Goals and Policies

- **Demographic Information**
- **Employment Sector Opportunities**
- **Commercial Areas and Sectors**
  - Identify local "centers" including historic downtown and North Kelsey.
  - Connect housing and retail centers
  - Promote employment growth in centers
- **Develop Economic Development Strategy**
  - Consistent with PSRC Vision 2050
    - Expand access to opportunities
    - Prevent displacement of existing businesses that may result from redevelopment
    - Promote environmental and socially responsible businesses
    - Support and empower contributions of diverse communities





## Equitable, Inclusive, Outcome-driven

Economic development in Monroe strives to be equitable, inclusive, and outcome-driven for its residents and business owners. It begins by prioritizing community engagement to set the priorities and clearly linking that engagement to actionable initiatives with measurable results.

1

### Determine

Incorporate the annual Monroe Business Survey and direct conversations with businesses throughout the year to identify the community's priorities. Monroe is committed to including all voices, sustaining a commitment to the community as a whole.

2

### Design

Use the framework of the Comprehensive Plan to develop an Economic Development Strategy that meets the community's specific needs. The Economic Development Advisory Board reviews and evaluates opportunities and makes recommendations to the city council and city staff.

3

### Evaluate

Collect data on activities and outcomes to assess whether the initiatives that were designed to respond to community needs have been effective. Using feedback from the annual Business Survey, analyzing demographic, employment, construction, and taxation data our elected leaders, as well as the community, evaluate the progress we are making.

## Economic Development Advisory Board

The Economic Development Advisory Board (EDAB) is comprised of Monroe business representatives that discuss issues affecting the business community. The Board provides recommendations to the Mayor and City Council on initiatives associated with the Economic Development Strategy, the Downtown Master Plan and other economic development strategies. To learn more about the EDAB, including serving as a member, go to [MonroeWA.gov](http://MonroeWA.gov) (Search: EDAB).

Position Number	Board Members	Term Expires
Position 1	John Whims - Whims Insurance and Financial Services	December 31, 2024
Position 2	Kimberley Lynn Howerton - Fairway Mortgage Company	December 31, 2024
Position 3	VACANT	December 31, 2025
Position 4	Sally Petty - American Family/Sally Petty Insurance Agency	December 31, 2025
Position 5	Sally King - Monroe/Sky Valley YMCA	December 31, 2026
Position 6	VACANT	December 31, 2026
Position 7	Katy Woods - Coastal Community Bank	December 31, 2026



## Economic Development Partners

Partnerships with federal, state, county and local Chambers of Commerce form an integrated and cooperative ecosystem that supports economic development in Monroe. An example is COVID relief funds. Congress appropriated the funds, the Small Business Administration distributed the funds to the Washington State Department of Commerce who in turn tasked the Economic Alliance Snohomish County to disburse the funds to Monroe which implemented its own grant program. Other partnerships exist between the city of Monroe, the Monroe Chamber of Commerce and its neighboring communities like the City of Snohomish Economic Development office and the Sky Valley Chamber. These groups worked together, along with the Washington State Department of Commerce, to help provide relief to businesses that were impacted by the Bolt Creek Fire.

Monroe's Economic Development efforts, strengthened through its partnerships, endeavor to shape the economic landscape through community engagement, strategic planning, and data analytics to ensure the community is optimized to support commercial activity and provide benefits to all members of the community. Members of the community are encouraged to engage and participate in the economic development process through public comment, surveys and in-person meetings to ensure the efforts reflect the values and goals of the community. For more information on opportunities to engage, contact James Palmer, Monroe Economic Development Specialist at [JPalmer@MonroeWA.gov](mailto:JPalmer@MonroeWA.gov).



U.S. Small Business  
Administration



Washington State  
Department of  
**Commerce**



Economic Alliance  
SNOHOMISH COUNTY



# Business Recruitment, Retention, and Expansion Program

Business Recruitment, Retention, and Expansion, or BRRE, is a core activity for Economic Development in Monroe. The size of Monroe, the role it plays in the regional economy and the assets and characteristics it possesses are the driving factors the shape BRRE activity in Monroe.

## Recruitment Strategies

- Identifying and building on existing assets.
- Engage all members of the community to plan for the future.
- Encourage cooperation within the community and across the region.



## Recruitment

Recruitment often receives the most attention as the arrival of new businesses creates much fanfare in the community. Recruiting is the targeted marketing of;

1. A trained and available workforce that meets the needs of a prospective business,
2. Real estate that meets the needs of a prospective business.

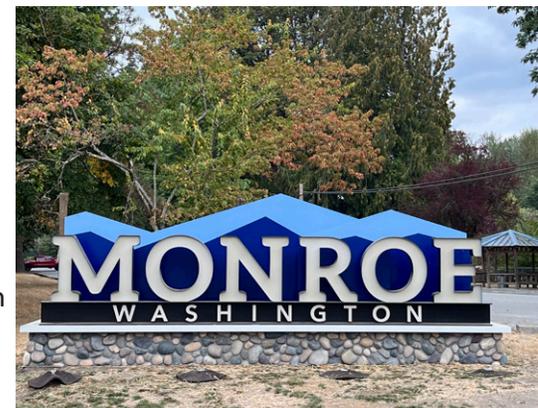
Recruitments are primarily done at the state level where a trained and available workforce is marketed globally by the Washington State Department of Commerce. The state targets the Aerospace, IT, BioTech, CleanTech and Food Processing Industries touting our highly educated and innovative workforce. Requests for potential sites that come from these marketing efforts are forwarded to the Economic Alliance Snohomish County which in turn will ask Monroe to submit any sites that match the criteria. Unfortunately, with a limited supply of space and low vacancy of existing commercial/industrial space, matching with a site request is a rare opportunity for Monroe.

Recruitment is also done proactively at the local level, which for Monroe is marketing its strongest assets:

**A stunning landscape with an abundance of developed and natural park spaces where people can access the goods, services and experiences that enable enjoyment of the surrounding natural beauty.**

By working with a variety of groups, including the state and county tourism departments, Snohomish County Parks and Recreation, Snohomish County Sports Commission and others, Monroe positions itself as the “Basecamp” for visitors seeking recreation and sport in the surrounding areas.

Recently, Monroe commissioned a Lodging Study seeking to answer questions about our community’s ability to sustain additional accommodations and what type of accommodations would best suit the market. Using this data, Monroe is working to identify specific locations within the city that would best accommodate a new lodging facility and will reach out to hospitality developers to introduce them to Monroe. This effort, along with new and improved wayfinding signs to guide visitors to attractions, parks, and commercial areas, is helping Monroe take advantage of the third-largest tourism market in Washington State, with \$930 million in visitor spending and \$17.9 million in local revenue (Snohomish County Tourism Statistics.) As the tourism market expands in the community, so does Monroe’s attractiveness as a potential location for businesses that want to serve that market.





## Retention and Expansion Strategies

- Improve public relations and communications between local government and local businesses.
- Influence the retention and expansion of facilities through mitigation of economic crises and connecting them to workforce training.
- Create an early-warning system for contractions, closings, and re-locations.

### Retention & Expansion

Retention and Expansion programs are the most critical components of BRRE to the health and prosperity of a Monroe. Retention and Expansion programs assist and encourage existing local businesses to stay, expand, and grow in Monroe. These programs include a variety of services and technical assistances that may help a business through a natural disaster, improve their access to and training of labor, and improve communication and relationships with the city so Monroe can better understand and meet their needs.

Retention & Expansion strategies in Monroe primarily focus on communication with our local business community to better understand and meet their needs. In recent years, this has meant tracking the effects of COVID-19 and ensuring Monroe businesses had access to the resources they needed to make it through the pandemic intact.

The Monroe Business Newsletter disseminated timely information about state guidelines for operations and informed Monroe businesses how to access emergency grants. Through this communication the city was able to ensure the large majority of businesses came out of the Pandemic years in one piece. The monthly Monroe Business e-newsletter continues to be the centerpiece of communication between the city and its business community.

In addition to the Newsletter, communication through the Annual Monroe Business Survey and periodic on-site visits allows businesses the opportunity to tell us directly what their issues are so we can design programs that keep Monroe businesses in Monroe. Communication and dialogue with the business community is essential to being responsive and timely in responding to the challenges the business community face.

A unique way the City of Monroe helps retain and grow its businesses is by working with our partners at Everett Community College (EvCC) to meet workforce requirements. Through customized training programs, English as a Second Language (ESL) and other offerings at EvCC, Monroe businesses can get the help they need to identify, hire and train qualified workers.

One area in the partnership Monroe is keen to promote is the development and expansion of the East County Campus. Having a local branch of EvCC in the community facilitates a stronger relationship between the college and Monroe's businesses thereby greatly enhancing our ability retain and grow the businesses that Choose Monroe.

Family Mexican Restaurant



# Monroe by the Numbers



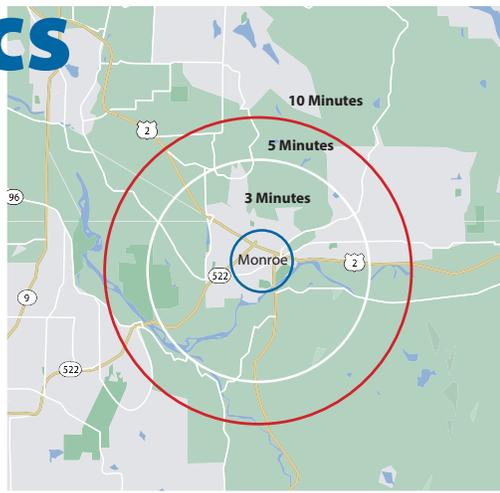
Demographic Report for 2022

# Monroe, WA Demographics

Monroe is the **74th most populated** city in the state of Washington out of **634 cities**.



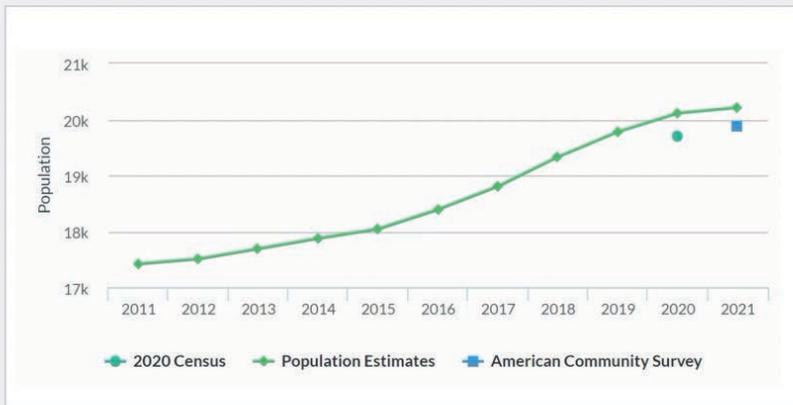
**Monroe  
Population:  
19,879**



## Monroe, Washington Retail Hub of Skykomish Valley

3 Minutes	
Total Population	5,388.00
Medium Income	\$68,274.33
Average Income	\$70,750.50
Aggregate Income	\$80,819,794.00
5 Minutes	
Total Population	21,416.00
Medium Income	\$73,543.17
Average Income	\$76,603.83
Aggregate Income	\$206,424,092.25
10 Minutes	
Total Population	27,078.00
Medium Income	\$84,287.42
Average Income	\$85,320.17
Aggregate Income	\$615,315,084.25

## Monroe Population 19,879



Sources: United States Census Bureau. 2021 American Community Survey 5-Year Estimates. U.S. Census Bureau, American Community Survey Office. Web. 8 December 2022.



## Race & Ethnicity

The largest Monroe racial/ethnic groups are White (66.4%) followed by Hispanic (17.4%) and Two or More (6.8%).



## Median Income

The median household income of Monroe households is \$94,349. However, 6.4% of Monroe families live in poverty.



## Median Age

The median age for Monroe residents is 34.7 years young.

## Workforce

<b>12,678</b>	Population 20 to 64 years
<b>7,930</b>	Male
<b>4,748</b>	Female
<b>2,013</b>	With own children under 18 years
<b>586</b>	With own children under 6 years only
<b>388</b>	With own children under 6 years and 6-17 years
<b>1,039</b>	With own children 6 to 17 years only

## POVERTY STATUS IN THE PAST 12 MONTHS

<b>697</b>	Below poverty level
<b>8,911</b>	At or above the poverty level

## DISABILITY STATUS

<b>845</b>	With any disability
------------	---------------------

Sources: United States Census Bureau. 2021 American Community Survey 5-Year Estimates. U.S. Census Bureau, American Community Survey Office. Web. 8 December 2022. Check out our FAQs for more details.

# Monroe, WA By the Numbers



2022Q1	No. of Establishments	Employee Count			Total Wages
		January	February	March	
<b>Total</b>	<b>880</b>	<b>10,179</b>	<b>10,347</b>	<b>10,390</b>	<b>\$135,543,298</b>
Agriculture	15	106	103	105	\$951,128
Construction and Mining	165	1,096	1,104	1,112	\$15,808,898
Manufacturing	67	1,627	1,654	1,654	\$22,652,874
Wholesale Trade	50	315	319	321	\$5,400,064
Retail Trade	81	1,597	1,659	1,666	\$17,113,694
Transportation, Warehousing and Utilities	13	45	43	40	\$484,850
Information	14	83	86	89	\$1,184,707
Finance and Insurance	33	125	127	124	\$1,911,280
Real Estate and Rental and Leasing	23	102	101	104	\$2,044,025
Professional and Technical Services and Management	80	321	332	327	\$5,179,285
Administrative Support and Waste Management and Remediation Services	76	423	417	434	\$4,109,554
Educational Services	17	100	103	106	\$514,424
Health Care and Social Assistance	56	753	763	764	\$11,443,976
Arts, Entertainment and Recreation	10	94	94	126	\$430,869
Accommodation and Food Services	85	918	940	929	\$6,257,648
Other Services (Except Public Administration)	80	302	310	316	\$2,753,741
Government (public ownership, several NAICS)	6	1,999	2,017	1,997	\$36,152,782



## Educational Attainment

- 11,333** Population 25 - 64 years
- 1,296** Less than high school graduate
- 3,093** High school graduate (includes equivalency)
- 4,503** Some college or associate's degree
- 2,441** Bachelor's degree or higher

# By the Numbers



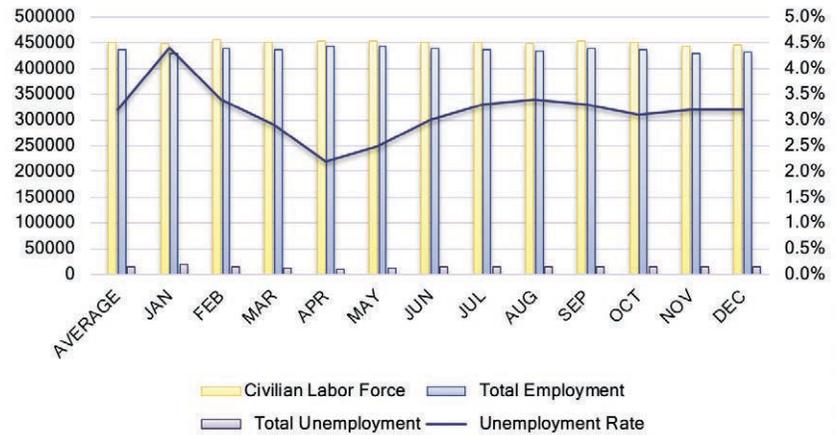
## Employment & Wages by Industry Sector

### Unemployment

Washington State Employment Security Department discontinued the special detailed cuts of data at the city level due to the constraints on ESD, including budget and personnel. There are no plans to provide this information in the future. The following information represents unemployment for Snohomish County as a whole.

Unemployment remained low for most of 2022 pushing up labor costs and constraining growth in several sectors including retail and manufacturing which comprise the bulk of Monroe's workforce.

2022 Workforce and Employment for Snohomish County

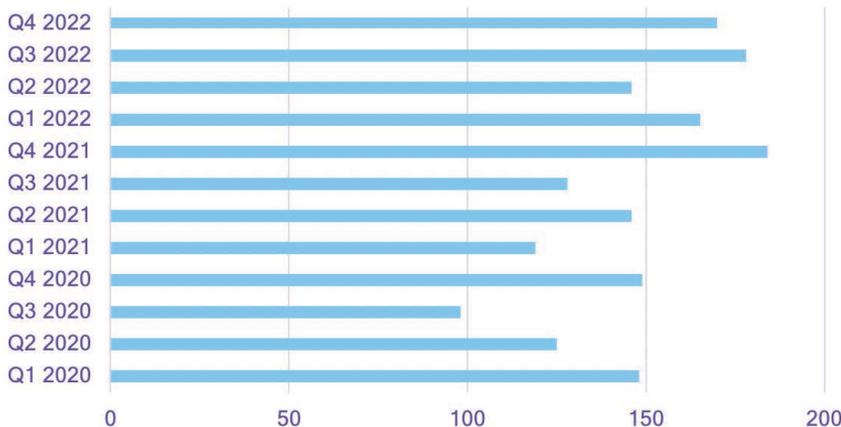


	AVERAGE	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
<b>2022</b>													
Civilian Labor Force	450,594	449,614	455,027	450,516	452,758	454,356	452,050	451,024	448,456	452,468	450,293	444,400	446,174
Total Employment	436,319	429,609	439,364	437,475	442,607	442,949	438,280	436,309	433,214	437,750	436,136	430,095	432,043
Total Unemployment	14,275	20,005	15,663	13,041	10,151	11,407	13,770	14,715	15,242	14,718	14,157	14,305	14,131
Unemployment Rate	3.2%	4.4%	3.4%	2.9%	2.2%	2.5%	3.0%	3.3%	3.4%	3.3%	3.1%	3.2%	3.2%



### Business License Activity

Business License Endorsement



The graph to the left, shows the number of businesses that obtained a Monroe endorsement allowing them to sell goods and services into Monroe. This is not a quantitative assessment showing the number of new businesses locating in Monroe, but an analysis of the flow of goods and services into Monroe and the subsequent sales tax collections.

The number of businesses obtaining a Monroe endorsement has continued rebound from pandemic lows and showed strength throughout 2022 as consumer demand increased overall compared to 2021 levels.

# Monroe, WA

## By the Numbers



### Housing Starts

Residential Housing permits represent new household formations which spur retail sales of appliances, furniture, etc. They are an important indicator of future economic activity. Interest rate increases and inflation concerns put a damper on construction activity in 2022.

Building Permits Issued



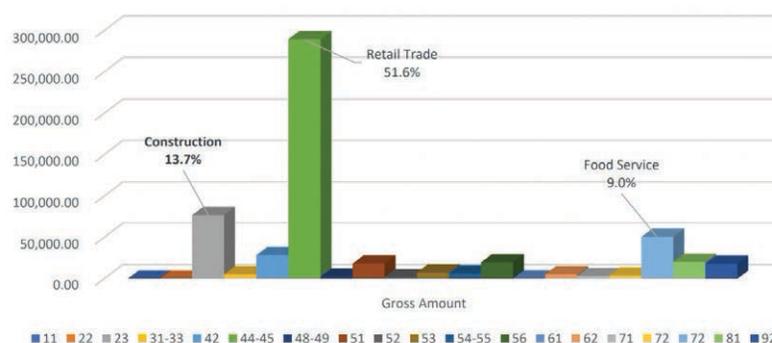
### Sales Tax Collections

Monroe’s budget is heavily influenced by the retail industry. Retail sales comprise over 50% of the city’s tax receipts. During the pandemic, retail sales decreased in 2020 as many smaller retail businesses closed and tax collections declined. As businesses re-opened, tax collections rebounded in 2021 and have continued to bounce back with increased consumer demand in 2022. According to Becky Hasart, Monroe Finance Director, “Despite talk of a looming recession, sales tax receipts remained steady with a 4.25% growth over 2021. The City will continue to monitor sales taxes closely as we move into fiscal year 2023.”

Tax Receipts



Sales Taxes by Category



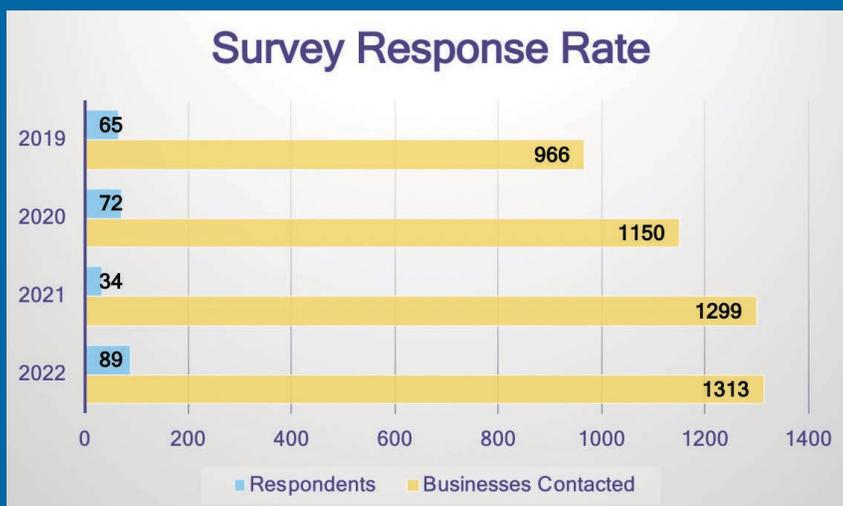
	January	February	March	April	May	June	July	August	September	October	November	December
2020	421,461.32	508,541.19	405,070.64	339,389.50	377,479.45	424,720.61	535,244.53	518,427.90	514,369.75	479,464.77	509,221.81	464,435.87
2021	451,626.68	569,570.70	437,422.83	422,415.27	549,010.58	548,244.02	571,538.89	588,143.48	571,162.37	543,459.62	596,758.48	521,594.10
2022	523,654.67	621,757.05	460,410.60	493,582.32	562,192.67	540,612.72	540,650.86	585,829.91	576,709.58	564,673.85	615,667.42	556,241.85

Source: Monroe Finance Department

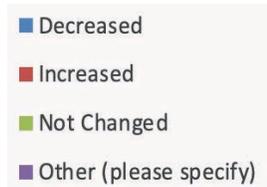
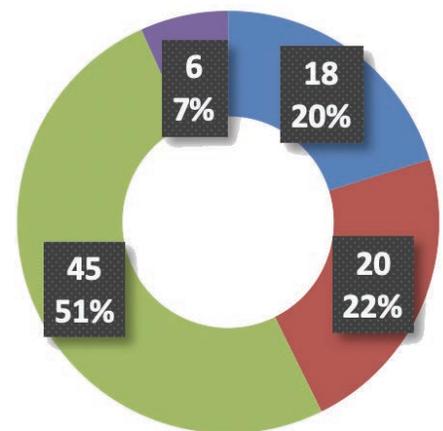
# 2022 Monroe Business Survey

## Highlights

- This year's survey was conducted in coordination with Monroe's branding survey and conducted by Jay Ray, a strategic communications consultant.
- Survey response increased to 6.8% of total businesses contacted. The highest since the survey was initiated.
- To help increase participation, this year's survey focused on a smaller, more focused core set of questions regarding employment, future expectations and identifying the issues Monroe businesses faced in 2022.
- Nearly half of the respondents indicated they intended to expand employment in the next two years.
- The major issues facing businesses are cost increases, labor shortages, particularly finding qualified candidates, and crime and safety issues.



## Regarding your workforce, in the last year, it has:

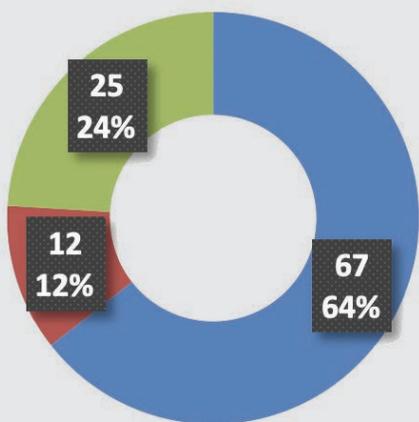


**Key Finding:** 2022 saw continued stabilization of the workforce in Monroe with some gains indicating signs of possible growth in 2023.

Full results of the 2022 Business Survey can be found in the appendix of this report.



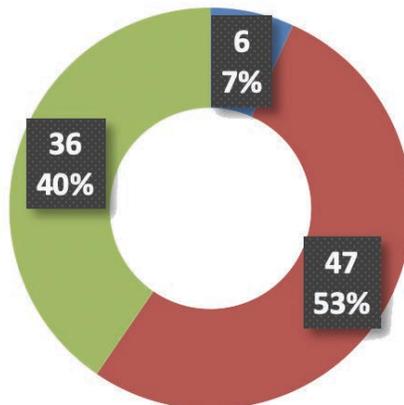
### Greatest Challenges Regarding Workforce:



- Finding Qualified Candidates
- Turnover
- Training

**Key Finding:** Challenges in filling positions continued to plague employers in 2022 with a dearth of qualified candidates and high turnover.

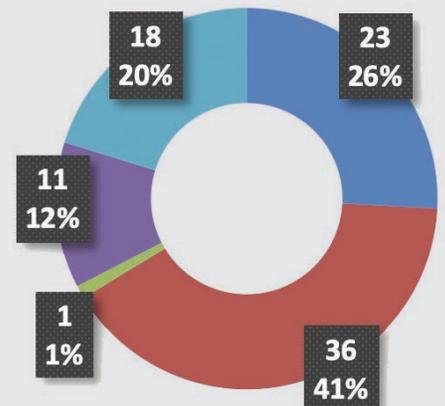
### Expectations of Workforce in the next 2 years:



- It will decrease
- It will increase
- It will stay the same

**Key Finding:** Despite the difficulty in finding qualified candidates, employers are optimistic about future economic growth and will seek to add employment.

### What Challenges, if any, do you face in your current location?

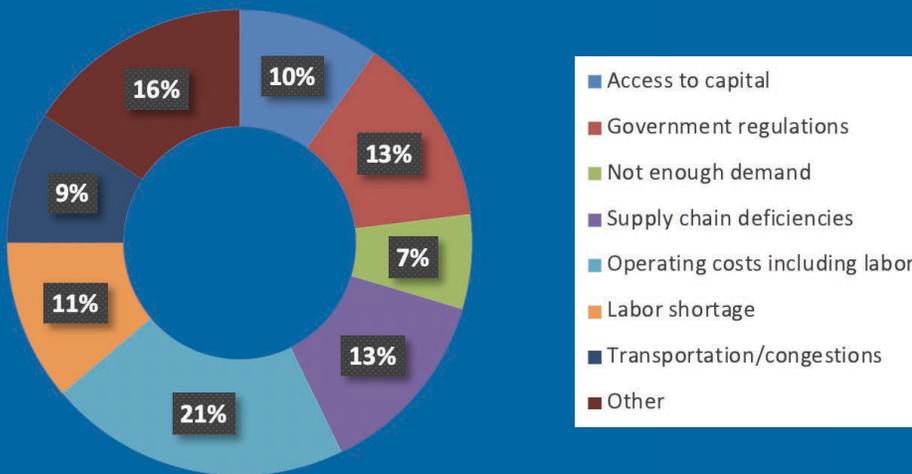


- Crime/safety concerns
- No Challenges
- Too large, need to downsize
- Too small, need to expand
- Other

**Key Finding:** Although the majority of employers are satisfied with their current facilities, issues with crime and safety concern a nearly quarter of the respondents. Additionally, 12% of the respondents indicated they needed larger facilities. With a lack of available space in Monroe some businesses may seek opportunities outside of Monroe.



## What is the greatest obstacle to growth?

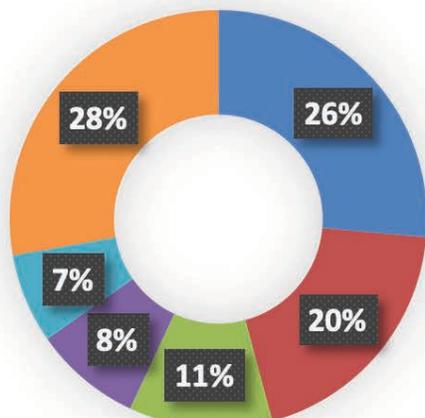


**Key Finding:** In 2022, the greatest challenge to businesses was the increased cost of goods and services. High inflation, including the costs of labor, as well as supply chain deficiencies challenged Monroe businesses with the rising prices of inputs. Other miscellaneous issues, including closures of US2, crime/safety concerns and lack of customers also challenged businesses.

The final question of the survey was an open-ended question.

## What tools and/or actions, could government (City of Monroe, Snohomish County or WA State) take to assist in your business growth or expansion, or prevent a downsize, relocation or closure?

Answers were categorized into the following:



- Address Crime/Safety/Homelessness
- Provide More Tax Incentives/Decrease Business Taxes
- Improve Transportation/Parking
- Improve the visual appeal of Monroe/Main St.
- Less Mandates/Government Regulation
- Other