

2017

Retail Gap Analysis of Grays Harbor County



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Executive Summary

This study identifies potential retail opportunities in Grays Harbor County, Washington. Within the county, the retail sector has more businesses than any other industry with 13.9% of the total, and also has the second highest number of employees with 12.2% of total employment. The northwest and central regions of the county have the greatest proportion of retail businesses with 16.9% of all businesses in their regions. The southwest region of the county has the highest proportion of retail employees with 15.9% of all employees in the region. Based on the retail gap analysis, the top three industries identified as providing the greatest retail potential in the region include (1) general merchandise stores, (2) clothing and clothing accessories stores and (3) health and personal care stores.

| Industry | NAICS* | Demand | Supply | Retail gap |
|---------------------------------|--------|---------------|--------------|--------------|
| General merchandise | 452 | \$136,673,596 | \$91,406,452 | \$45,267,144 |
| Clothing & clothing accessories | 448 | \$35,198,550 | \$9,452,711 | \$25,745,839 |
| Health & personal care | 446 | \$46,741,692 | \$23,775,962 | \$22,965,730 |

*North American Industry Classification System

The retail industry saw earnings increase between 2010 and 2014. However, this gain was limited almost exclusively to a single retail sector, clothing and clothing accessories stores. Electronics and appliance and non-store retailers (electronic shopping/auction, mail order, vending and other direct selling establishments) also realized a small gain in earnings over this period. All other retail sectors saw a decline in earnings between the two periods after adjusting for inflation.

Taxable retail sales were up in most of the county, with the largest increase of 58.2% originating from the unincorporated parts of the county. Westport is the only Census Designated Place to have a decrease in taxable retail sales over this period.

According to the retail gap analysis and a critical analysis of the region, the best opportunities for retail expansion are as follows:

- northwest: other general merchandise stores, grocery stores, and health and personal care stores;
- southwest: other general merchandise stores, health and personal care stores, and other miscellaneous stores;
- central: other general merchandise stores, electronics and appliance stores, and gasoline stations;
- northeast: other general merchandise stores, grocery stores, and health and personal care stores; and
- southeast: other general merchandise stores, gasoline stations, health and personal care stores.

The northern regions of the county have a unique retail opportunity for grocery stores, health and personal care stores can be expanded outside the central region, and the central region has an opportunity to expand electronics and appliance stores.

An evaluation of demand thresholds identifies similar retail opportunities and indicates that the best potential for retail expansion includes gasoline stations, furniture and home furnishings stores, and non-store retailers. It also reinforces findings from the retail gap analysis that the central region of the county serves as a hub of retail, drawing customers in from the surrounding areas. In the table below, positive values greater than one (bolded) identify the number of additional stores that are potentially supportable based on demand threshold and negative values indicate that a sufficient number of retail establishments already exist to satisfy local demand.

| Sector | NW | NE | Central | SW | SE |
|--|------------|------------|----------------|------------|------------|
| Motor vehicle & parts dealers | 1.3 | -0.7 | -20.9 | 3.1 | 1.5 |
| Furniture & home furnishings stores | 1.5 | 3.5 | -0.4 | 0.4 | 1.0 |
| Electronics & appliance stores | -1.0 | -3.2 | -3.8 | -1.9 | -0.2 |
| Building materials, garden equipment & supply stores | -4.4 | -4.0 | -6.9 | -0.1 | 1.2 |
| Food & beverage stores | -9.9 | -8.8 | -25.6 | -7.2 | 1.1 |
| Health & personal care stores | -0.1 | 1.0 | -13.9 | 1.8 | 1.4 |
| Gasoline stations | 5.7 | 6.3 | 18.9 | 4.7 | 4.6 |
| Clothing & clothing accessories stores | -1.5 | 2.7 | -8.6 | 0.1 | 1.7 |
| Sporting goods, hobby, book & music stores | -9.9 | -3.9 | -8.2 | -6.9 | -0.2 |
| General merchandise stores | -1.1 | 1.8 | -3.3 | 0.8 | 0.5 |
| Miscellaneous store retailers | -26.9 | -10.3 | -35.7 | -5.7 | -0.1 |
| Non-store retailers | -0.1 | 0.9 | 1.9 | 0.7 | 0.4 |

Introduction

At the request of Greater Grays Harbor, Inc., the Chamber of Commerce and the Economic Development Council for Grays Harbor County, a study of the retail sector in Grays Harbor County was conducted. The purpose of this analysis was to develop a retail gap analysis to help identify potential opportunities within the retail sector for Grays Harbor County. This information can be used to assist with creating a retail development strategy.

Coastal communities in Washington State provide vital economic, social and recreational opportunities. To assist with developing vibrant and resilient coastal communities, local planning groups need access to information that helps them understand the value of tourism and marine-related economic activities. A key to both of these industries is the retail sector, which is particularly salient in Grays Harbor County, a region in the midst of a transition from an economy based on resource extraction to one based on recreation and tourism. This report focuses on six trade areas^{*}: (1) Grays Harbor County (GHC), (2) Northwest GHC, (3) Central GHC, (4) Northeast GHC, (5) Southwest GHC and (6) Southeast GHC (Figure 1). These areas were defined by census tract rather than drive time or distance radius to make sure that residents within non-census designated places were counted, to account for the rural nature of region where drive time is less of a factor, and to stay within the defined study area.

A retail gap or leakage analysis helps identify strengths and opportunities in the retail market. Supply is determined by estimating the sales (2015\$) by retail establishments in the region to all consumers, regardless of where they live; sales to businesses are excluded. Demand is determined by estimating the expected amount (2015\$) spent by consumers that live in the region at all retail establishments, regardless of their location. The difference between supply (retail potential) and demand (retail sales) represents the retail gap. If the demand is greater than supply, a leakage occurs. Retail leakage refers to the amount of money that residents are spending on retail goods and services at stores located outside the community. If supply is greater than demand, a surplus occurs and indicates that retailers are selling more than is demanded within the region. This information is critical to economic developers and regional planners because it can be used to recruit appropriate retailers to the community. It is also useful to retailers already located in a community because it can provide guidance on tapping new markets with expanded or improved product offerings.

* Northwest GHC: Census Tracts 530270002, 530270003, & 530270094; Central GHC: Census Tracts 530270008 – 530270015; Northeast GHC: Census Tracts 530270004 – 530270006; Southwest GHC: Census Tract 530270016; and Southeast GHC: Census Tract 530270007.

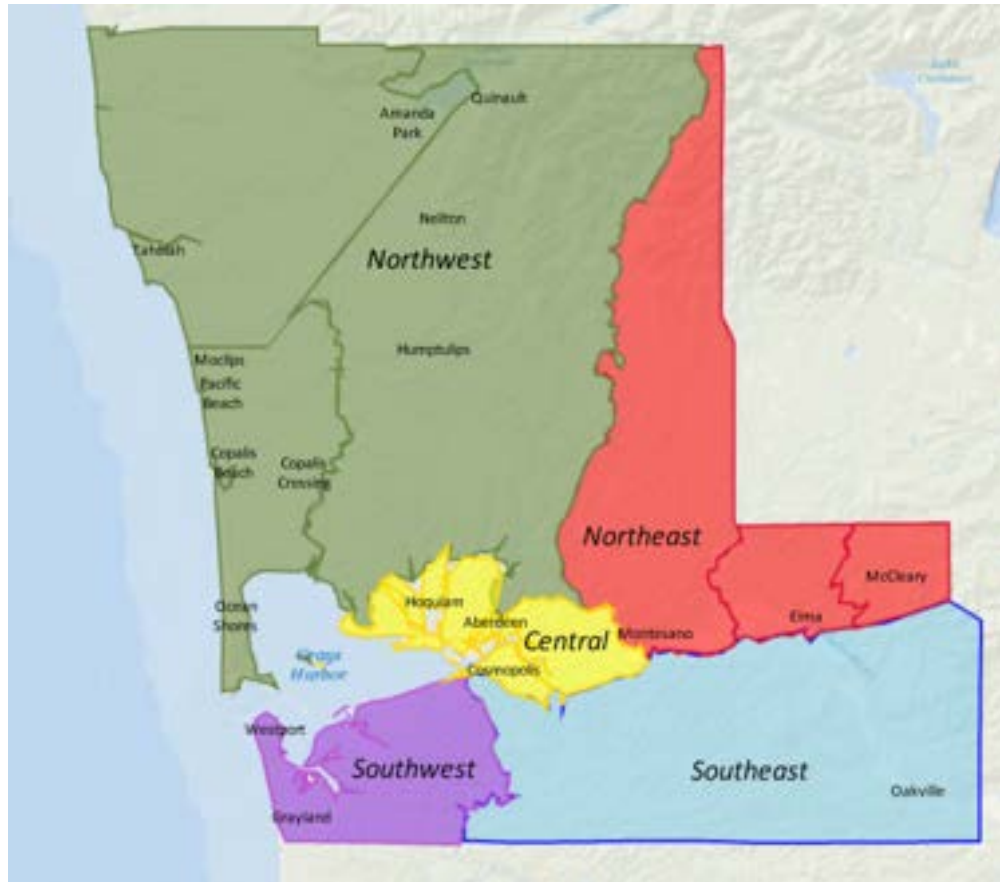


Figure 1. Boundaries for Grays Harbor County and the five retail trade areas.

Grays Harbor County

Economic indicators: In Grays Harbor County, between 2010 and 2014, positive economic indicators included increases in population, wages and salaries, median household income, median home value and a decrease in unemployment (Table 1). Negative economic indicators included a reduction in the number of households, employment and gross regional product (Table 1). While the area has seen improvements, they typically have been less than state and national benchmarks. In 2014, the U.S. and Washington average unemployment rates were 6.1% and 6.2%, respectively, whereas Grays Harbor was 10.5%. The U.S. median household income was \$53,657 while Washington’s was \$61,366 in 2014 and Grays Harbor was \$43,356. These indicators demonstrate that the region’s economy has been experiencing a mixed recovery. While many of the indicators demonstrate an improving economy, the rate of recovery often has lagged behind the rest of Washington and the U.S.

Table 1. Profile of Grays Harbor County (GHC) and benchmarks for Washington and the United States. Note: refer to bibliography for table footnotes.

| Grays Harbor County Profile | | | | | |
|--|-----------------|-----------------|--------------|-------------|-------------|
| | 2010 | 2014 | GHC % change | WA % change | US % change |
| Population ¹ | 72,797 | 73,300 | 0.69% | 5.15% | 3.34% |
| Households (HH) ^{2,3} | 28,376 | 27,401 | -3.44% | 2.64% | 1.73% |
| Employment ⁴ | 30,287 | 29,977 | -1.02% | 2.13% | 1.22% |
| Unemployment ⁵ | 13.90% | 10.50% | -24.46% | -39.00% | -35.42% |
| Wages and salaries ⁶ | \$2,173,485 | \$2,430,866 | 11.84% | 10.31% | 17.23% |
| Median HH income ^{2,3} | \$40,019 | \$43,356 | 8.34% | 10.31% | 7.22% |
| Gross regional product (2009\$) ⁷ | \$1,996,832,497 | \$1,885,660,198 | -5.57% | 7.92% | 7.01% |
| Median home value ^{8,9} | \$162,200 | \$169,700 | 4.62% | -2.06% | 0.72% |

Industry snapshot: The retail industry has more businesses in the county than any other industry with 13.9% of the total, and it also has the second highest number of employees (12.2%). Only the healthcare industry employs more people (16.2%) in the region. Within the retail industry, miscellaneous store retailers have the most businesses and food and beverage stores have the most employees. The retail industry is also responsible for 8% of both the earnings and wages in the county (Figure 2).



Figure 2. Proportion of businesses¹⁰, employees¹⁰, earnings¹¹ and wages¹² attributable to the retail industry in Grays Harbor County in 2015.

Table 2. Number and percent of businesses and employees by industry, with retail expanded by sector, in Grays Harbor County¹⁰ as of 2016.

| Grays Harbor County Industry type | Businesses | | Employees | |
|--|--------------|---------|---------------|---------|
| | Number | Percent | Number | Percent |
| Agriculture, forestry, fishing & hunting | 58 | 1.7% | 286 | 1.1% |
| Utilities | 12 | 0.3% | 322 | 1.2% |
| Construction | 269 | 7.8% | 1,383 | 5.1% |
| Manufacturing | 92 | 2.7% | 1,861 | 6.9% |
| Wholesale trade | 143 | 4.1% | 1,240 | 4.6% |
| Retail trade | 478 | 13.9% | 3,265 | 12.2% |
| Motor vehicle & parts dealers | 52 | 1.5% | 497 | 1.8% |
| Furniture & home furnishings stores | 9 | 0.3% | 41 | 0.2% |
| Electronics & appliance stores | 22 | 0.6% | 55 | 0.2% |
| Building material & garden equipment & supplies dealers | 53 | 1.5% | 383 | 1.4% |
| Food & beverage stores | 91 | 2.6% | 1,101 | 4.1% |
| Health & personal care stores | 27 | 0.8% | 134 | 0.5% |
| Gasoline stations | 22 | 0.6% | 92 | 0.3% |
| Clothing & clothing accessories stores | 26 | 0.8% | 76 | 0.3% |
| Sport goods, hobby, book, & music stores | 42 | 1.2% | 117 | 0.4% |
| General merchandise stores | 18 | 0.5% | 432 | 1.6% |
| Miscellaneous store retailers | 108 | 3.1% | 310 | 1.2% |
| Non-store retailers | 8 | 0.2% | 27 | 0.1% |
| Transportation & warehousing | 112 | 3.2% | 692 | 2.6% |
| Information | 59 | 1.7% | 462 | 1.7% |
| Finance & insurance | 238 | 6.9% | 577 | 2.1% |
| Real estate, rental & leasing | 182 | 5.3% | 731 | 2.7% |
| Professional, scientific & tech services | 178 | 5.2% | 760 | 2.8% |
| Management of companies & enterprises | 7 | 0.2% | 114 | 0.4% |
| Admin. & support & waste management & remediation services | 115 | 3.3% | 836 | 3.1% |
| Educational services | 80 | 2.3% | 2,452 | 9.1% |
| Health care & social assistance | 268 | 7.8% | 4,357 | 16.2% |
| Arts, entertainment & recreation | 77 | 2.2% | 416 | 1.5% |
| Accommodation & food services | 338 | 9.8% | 2,839 | 10.6% |
| Other services (except public administration) | 415 | 12.0% | 1,684 | 6.3% |
| Public administration | 229 | 6.6% | 2,410 | 9.0% |
| Unclassified establishments | 98 | 2.8% | 182 | 0.7% |
| Total | 3,448 | | 26,869 | |

The five industries identified by the retail gap analysis as having the greatest retail potential in Grays Harbor County are (1) general merchandise stores, (2) clothing and clothing accessories stores, (3) health and personal care stores, (4) non-store retailers and (5) electronics and appliance stores (Figure 3, Table 3). Definitions and examples for each sector are provided in the appendix.



Figure 3. Retail surplus and leakage for Grays Harbor County, 2015¹⁰.

Table 3. Demand, supply and retail gap in Grays Harbor County, 2015¹⁰.

| Industry | NAICS* | Demand | Supply | Retail Gap |
|---|--------|---------------|---------------|---------------|
| General merchandise | 452 | \$136,673,596 | \$91,406,452 | \$45,267,144 |
| Clothing & clothing accessories | 448 | \$35,198,550 | \$9,452,711 | \$25,745,839 |
| Health & personal care | 446 | \$46,741,692 | \$23,775,962 | \$22,965,730 |
| Non-store retailers | 454 | \$23,984,203 | \$4,660,112 | \$19,324,091 |
| Electronics & appliance | 443 | \$26,897,003 | \$8,594,737 | \$18,302,266 |
| Motor vehicle & parts dealers | 441 | \$177,410,867 | \$162,688,986 | \$14,721,881 |
| Furniture & home furnishings | 442 | \$21,294,891 | \$7,016,087 | \$14,278,804 |
| Miscellaneous store retailers | 453 | \$41,313,931 | \$30,881,309 | \$10,432,622 |
| Gasoline stations | 447 | \$46,251,676 | \$44,594,898 | \$1,656,778 |
| Sporting, hobby, book & music | 451 | \$12,227,960 | \$15,523,288 | -\$3,295,328 |
| Food services & drinking establishments | 722 | \$74,591,138 | \$82,870,059 | -\$8,278,921 |
| Building materials, garden equipment & supply | 444 | \$36,863,849 | \$49,887,483 | -\$13,023,634 |
| Food & beverage stores | 445 | \$154,770,458 | \$197,102,245 | -\$42,331,787 |

*North American Industry Classification System

Earnings are the sum of wages and salaries, supplements to wages and salaries, and proprietors' income. Overall, the retail industry saw earnings increase between 2010 and 2014. However, this gain was limited almost exclusively to a single retail sector, clothing and clothing accessories stores. Only two other sectors saw a gain in earnings: (1) electronics and appliance and (2) non-store retailers. All other retail sectors saw a decline in earnings between the two periods after adjusting for inflation (

Table 4).

Taxable Retail Sales

Between 2010 and 2014, taxable retail sales increased by 10.3% overall and were up in all Census Designated Places except Westport, which saw a decrease in taxable retail sales. The largest retail sales increase was in the unincorporated regions of the county, where taxable sales increased by 58.2% (Figure 4).

A closer analysis of the numbers revealed that taxable retail sales by retail sector varied significantly between locations. Motor vehicle and parts dealers had significant increases in Hoquiam, McCleary, and Oakville and decreases in Cosmopolis and Ocean Shores. Furniture and home furnishings stores saw an increase in all locations except Aberdeen, Oakville and Westport. Electronics and appliance stores saw an increase in all locations except Westport. Building materials, garden equipment and supply stores saw an increase of 368.4% in Oakville. Food and beverage stores stayed relatively flat in most areas, but Westport saw a large decrease of 70.9%. Health and personal care stores saw a large increase in retail sales of more than 14 times from 2010 to 2014 in the unincorporated areas of the county. Gasoline stations saw a decrease of 92.5% in Cosmopolis and an increase of 97.4% in the unincorporated areas. Clothing and clothing accessories stores had large increases in Cosmopolis and Montesano. Sporting goods, hobby, book and music stores decreased in most areas, with Hoquiam and Montesano seeing modest increases. General merchandise stores saw decreases in all locations except in the unincorporated areas, with the largest decrease being in Westport (61.9%).

Table 4. Grays Harbor County earnings by industry in \$1,000s and adjusted for inflation in 2015 dollars¹³.

| | 2010 | 2014 | % change |
|--|--------------|--------------|----------|
| Total Retail Earnings | \$105,934.60 | \$108,883.26 | 2.78% |
| Motor vehicle and parts dealers | \$18,131.95 | \$17,876.19 | -1.41% |
| Furniture and home furnishings | \$3,007.30 | \$2,815.12 | -6.39% |
| Electronics and appliance | \$939.30 | \$942.38 | 0.33% |
| Building material and garden supply | \$12,376.40 | \$10,778.25 | -12.91% |
| Food and beverage | \$25,181.63 | \$22,368.55 | -11.17% |
| Health and personal care | \$7,566.68 | \$7,454.85 | -1.48% |
| Gasoline stations | \$7,272.81 | \$7,041.80 | -3.18% |
| Clothing and clothing accessories stores | \$2,990.97 | \$11,269.49 | 276.78% |
| Sporting goods, hobby, book and music | \$1,804.60 | \$1,460.69 | -19.06% |
| General merchandise | \$17,748.83 | \$17,270.66 | -2.69% |
| Miscellaneous store retailers | \$3,785.52 | \$3,755.49 | -0.79% |
| Non-store retailers | \$5,128.62 | \$5,849.79 | 14.06% |

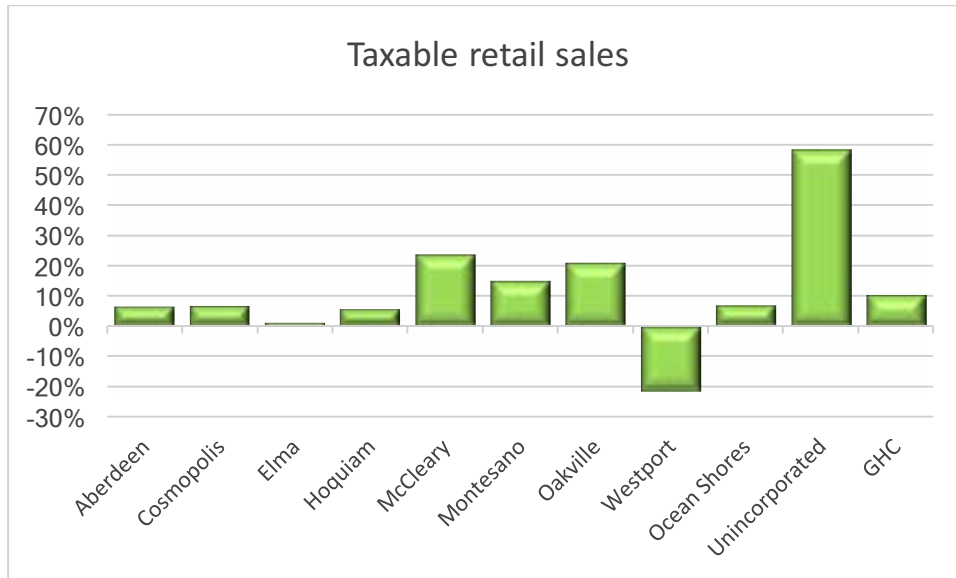
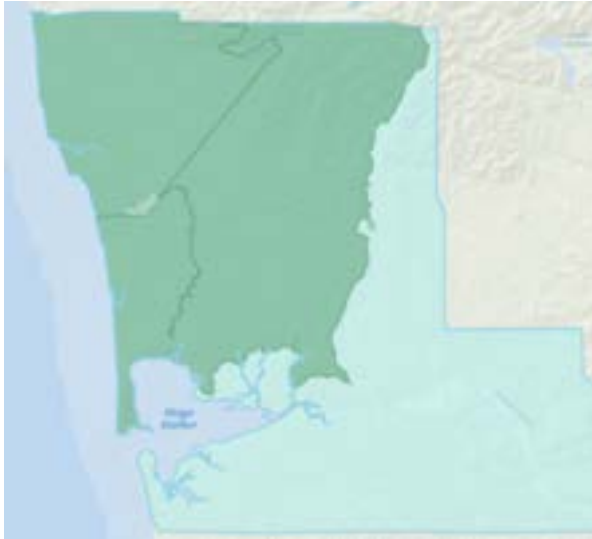


Figure 4. Taxable retail sales¹⁴ for Grays Harbor County.

Miscellaneous store retailers saw mixed results, with the largest increase in Ocean Shores and the largest decrease in McCleary. Non-store retailers constituted the only retail sector that increased in all locations, with the largest increase being in Cosmopolis (106.9%).

Northwest Grays Harbor County



| Northwest Grays Harbor County Summary demographics, 2016 | |
|---|----------|
| Total businesses | 592 |
| Total employees | 3,837 |
| Total residential population | 11,905 |
| Employee/residential population ratio | 0.32:1 |
| Total households | 5,205 |
| Median disposable income | \$35,454 |
| Median per capita income | \$23,637 |

Overview: The northwest region of Grays Harbor County includes Ocean Shores, Copalis, Moclips, Taholah, Quinault, Amanda Park, Neilton and Humptulips. Relative to the other regions, it ranks third in both employee/residential population ratio and median disposable income (household income after taxes) but ranks first in median per capita income.

Recent business openings in the region include Copalis Beach Grocery, Village Shoppe, The Door Mouse Boutique, North Shore Value Foods, Tanglewoods Floral Boutique, and Red Velvet Bakery by the Sea. Many of the new businesses are located in the new seaside community of Seabrook. A citizen from Ocean Shores familiar with the local retail market notes that the northwest region of the county “faces challenges in the retail sector because there is a smaller permanent population in the offseason and a larger, temporary population during the tourism season. This can cause businesses in the region to fail if they open too late in the season to sustain themselves through the off season. Many of the businesses in the area are owned by people who have retired and moved to the area, and these businesses often end up closing due to health problems or because of the demanding hours required to operate a business.”

In the northwest region, almost 17% of the businesses are retail. Within the retail industry, almost one-third of businesses are miscellaneous store retailers. Food and beverage stores have the second highest number of retail businesses in the region at 17% followed by sporting goods, hobby book, and music stores at 12%. There are 424 employees in the retail sector, which constitutes 11.1% of all jobs. Miscellaneous store retailers employ the most workers, with more than half of all retail jobs, and the food and beverage sector employs 20% of all retail workers (Table 5).

Table 5. Number and percent of businesses and employees in the northwest trade area.

| Northwest Grays Harbor County Industry type | Businesses | | Employees | |
|--|------------|---------|--------------|---------|
| | Number | Percent | Number | Percent |
| Agriculture, forestry, fishing & hunting | 6 | 1.0% | 16 | 0.4% |
| Construction | 43 | 7.3% | 126 | 3.3% |
| Manufacturing | 13 | 2.2% | 110 | 2.9% |
| Wholesale trade | 12 | 2.0% | 68 | 1.8% |
| Retail trade | 100 | 16.9% | 424 | 11.1% |
| Motor vehicle & parts dealers | 5 | 0.8% | 11 | 0.3% |
| Furniture & home furnishings stores | 1 | 0.2% | 1 | 0.0% |
| Electronics & appliance stores | 3 | 0.5% | 5 | 0.1% |
| Building material & garden equipment & supplies dealers | 11 | 1.9% | 85 | 2.2% |
| Food & beverage stores | 17 | 2.9% | 119 | 3.1% |
| Health & personal care stores | 3 | 0.5% | 20 | 0.5% |
| Gasoline stations | 5 | 0.8% | 13 | 0.3% |
| Clothing & clothing accessories stores | 5 | 0.8% | 11 | 0.3% |
| Sport goods, hobby, book, & music stores | 12 | 2.0% | 21 | 0.5% |
| General merchandise stores | 4 | 0.7% | 9 | 0.2% |
| Miscellaneous store retailers | 32 | 5.4% | 117 | 3.0% |
| Non-store retailers | 2 | 0.3% | 12 | 0.3% |
| Transportation & warehousing | 25 | 4.2% | 76 | 2.0% |
| Information | 8 | 1.4% | 40 | 1.0% |
| Finance & insurance | 36 | 6.1% | 46 | 1.2% |
| Real estate, rental & leasing | 37 | 6.3% | 189 | 4.9% |
| Professional, scientific & tech services | 23 | 3.9% | 92 | 2.4% |
| Management of companies & enterprises | 1 | 0.2% | 1 | 0.0% |
| Administrative & support & waste management & remediation services | 20 | 3.4% | 74 | 1.9% |
| Educational services | 14 | 2.4% | 334 | 8.7% |
| Health care & social assistance | 18 | 3.0% | 172 | 4.5% |
| Arts, entertainment & recreation | 15 | 2.5% | 160 | 4.2% |
| Accommodation & food services | 104 | 17.6% | 955 | 24.9% |
| Other services (except public administration) | 55 | 9.3% | 516 | 13.4% |
| Public administration | 48 | 8.1% | 404 | 10.5% |
| Unclassified establishments | 14 | 2.4% | 34 | 0.9% |
| Total | 592 | | 3,837 | |

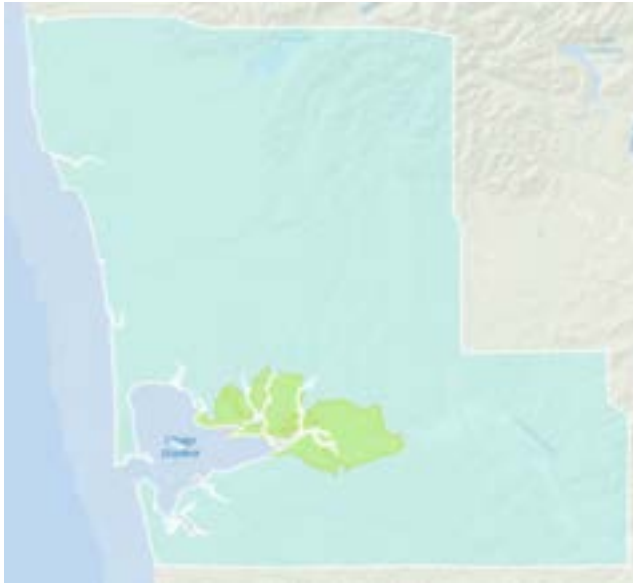
Analysis: Most consumer spending in the northwest region goes toward automobile dealers (17%), grocery stores (16.3%) and department stores (11.3%), respectively (Table 6). The retail gap identifies the largest potential in automobile dealers, department stores and general merchandise stores, indicating that these sectors might expand in the region. While automobile dealers are identified as the greatest opportunity, the northwest region is an unlikely candidate for its location. The central region of the county has a significant surplus in this sector that draws sales into the region and Thurston County to the east also has a large automobile dealer

Table 6. Demand, supply and retail gap for the northwest trade area.

| Industry group | Demand | | Supply | |
|--|--------|--------------------|----------------|--------------|
| | NAICS | (retail potential) | (retail sales) | Retail gap |
| Automobile dealers | 4411 | \$27,257,543 | \$0 | \$27,257,543 |
| Department stores excluding leased depts. | 4521 | \$18,096,340 | \$0 | \$18,096,340 |
| Other general merchandise stores | 4529 | \$7,824,611 | \$970,379 | \$6,854,232 |
| Grocery stores | 4451 | \$26,194,916 | \$20,487,582 | \$5,707,334 |
| Health & personal care stores | 4461 | \$9,292,931 | \$4,358,013 | \$4,934,918 |
| Electronics & appliance stores | 443 | \$5,107,825 | \$826,342 | \$4,281,483 |
| Electronic shopping & mail-order houses | 4541 | \$3,917,574 | \$0 | \$3,917,574 |
| Clothing stores | 4481 | \$4,977,039 | \$1,216,670 | \$3,760,369 |
| Gasoline stations | 4471 | \$8,844,189 | \$5,913,251 | \$2,930,938 |
| Other motor vehicle dealers | 4412 | \$5,181,708 | \$2,441,751 | \$2,739,957 |
| Limited-service eating places | 7222 | \$5,476,629 | \$2,911,821 | \$2,564,808 |
| Furniture stores | 4421 | \$2,309,778 | \$0 | \$2,309,778 |
| Auto parts, accessories & tire stores | 4413 | \$1,988,469 | \$172,392 | \$1,816,077 |
| Home furnishings stores | 4422 | \$1,716,281 | \$107,301 | \$1,608,980 |
| Jewelry, luggage & leather goods stores | 4483 | \$840,009 | \$0 | \$840,009 |
| Lawn & garden equip & supply stores | 4442 | \$1,014,598 | \$197,248 | \$817,350 |
| Shoe stores | 4482 | \$768,845 | \$0 | \$768,845 |
| Sporting goods/hobby/musical instrument stores | 4511 | \$2,305,932 | \$1,827,876 | \$478,056 |
| Specialty food stores | 4452 | \$2,026,936 | \$1,600,199 | \$426,737 |
| Office supplies, stationery & gift stores | 4532 | \$1,624,462 | \$1,213,659 | \$410,803 |
| Florists | 4531 | \$268,101 | \$0 | \$268,101 |
| Beer, wine & liquor stores | 4453 | \$1,360,014 | \$1,118,222 | \$241,792 |
| Special food services | 7223 | \$239,001 | \$89,915 | \$149,086 |
| Vending machine operators | 4542 | \$65,387 | \$0 | \$65,387 |
| Book, periodical & music stores | 4512 | \$116,396 | \$317,216 | -\$200,820 |
| Used merchandise stores | 4533 | \$395,514 | \$596,535 | -\$201,021 |
| Building material & supplies dealers | 4441 | \$6,701,241 | \$7,096,102 | -\$394,861 |
| Direct selling establishments | 4543 | \$569,058 | \$1,259,874 | -\$690,816 |
| Drinking establishments - alcoholic beverages | 7224 | \$280,894 | \$1,169,144 | -\$888,250 |
| Full-service restaurants | 7221 | \$7,978,444 | \$10,003,158 | -\$2,024,714 |
| Other miscellaneous store retailers | 4539 | \$5,984,863 | \$12,503,247 | -\$6,518,384 |

sector that attracts sales in their direction. The northwest county can likely sustain additional businesses in sectors such as other general merchandise stores, grocery stores, health and personal care stores, and other retail outlets that have smaller demand thresholds, as well as those that cater to tourism and recreation consumers.

Central Grays Harbor County



| Central Grays Harbor County Summary demographics, 2016 | |
|---|----------|
| Total businesses | 1,686 |
| Total employees | 14,937 |
| Total residential population | 31,442 |
| Employee/residential population ratio | 0.48:1 |
| Total households | 12,389 |
| Median disposable income | \$31,525 |
| Median per capita income | \$19,877 |

Overview: Central Grays Harbor County is the primary population center of the county. It includes Aberdeen, Hoquiam and Cosmopolis. Despite being the smallest defined region in geographic size, it has the most businesses, employees, residents and households. It has the highest employee/residential population ratio but is ranked fourth in both median disposable income and median per capita income.

Between 2010 and 2014, Aberdeen saw numerous new retailers open for business including Pet Sense, Aaron's, Verizon, Grays Harbor Wine Sellars and Cake Cakes. Hoquiam also experienced multiple retail openings including Big Cloud, the Hoquiam Liquor Store, McHugh's Furniture, Levee Feed and Pet, RiteAid, Simply Said Flowers and GHUnders.

The retail industry has more businesses than any other industry in the region — 234 — which accounts for 13.9% of all businesses. Miscellaneous store retailers make up the largest portion of retailers, with just over 20% of the total. There are also 1,904 employees, making it the second largest employer in the region, second only to the health care industry. Within the retail industry, the food and beverage stores have the most employees, followed closely by general merchandise stores and motor vehicle and parts dealers, respectively (Table 7).

Analysis: The retail gaps for central GHC reveal a pretty even split between sectors with a surplus and those that are experiencing leakage. The highest demand in the region is for automobile dealers, grocery stores and department stores (Table 8). These are also the sectors with the largest surplus, indicating that they are supplying these goods and services to outside the region. The region is meeting the strong demand in these sectors, and also picking up the demand from the surrounding areas. The largest retail leakages are in other general merchandise stores, electronics and appliance stores, and gasoline stations. General

Table 7. Number and percent of businesses and employees in the central trade area.

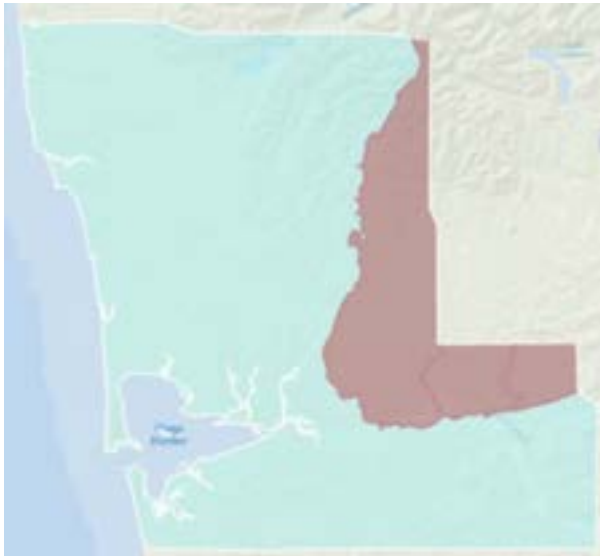
| Central Grays Harbor County Industry type | Businesses | | Employees | |
|--|-------------------|---------|------------------|---------|
| | Number | Percent | Number | Percent |
| Agriculture, forestry, fishing & hunting | 23 | 1.4% | 112 | 0.7% |
| Utilities | 7 | 0.4% | 280 | 1.9% |
| Construction | 138 | 8.2% | 880 | 5.9% |
| Manufacturing | 48 | 2.8% | 667 | 4.5% |
| Wholesale trade | 88 | 5.2% | 729 | 4.9% |
| Retail trade | 234 | 13.9% | 1,904 | 12.7% |
| Motor vehicle & parts dealers | 35 | 2.1% | 388 | 2.6% |
| Furniture & home furnishings stores | 7 | 0.4% | 38 | 0.3% |
| Electronics & appliance stores | 9 | 0.5% | 22 | 0.1% |
| Building material & garden equipment & supplies dealers | 23 | 1.4% | 184 | 1.2% |
| Food & beverage stores | 41 | 2.4% | 497 | 3.3% |
| Health & personal care stores | 21 | 1.2% | 97 | 0.6% |
| Gasoline stations | 6 | 0.4% | 19 | 0.1% |
| Clothing & clothing accessories stores | 17 | 1.0% | 59 | 0.4% |
| Sport goods, hobby, book, & music stores | 14 | 0.8% | 41 | 0.3% |
| General merchandise stores | 10 | 0.6% | 413 | 2.8% |
| Miscellaneous store retailers | 47 | 2.8% | 134 | 0.9% |
| Non-store retailers | 4 | 0.2% | 12 | 0.1% |
| Transportation & warehousing | 43 | 2.6% | 382 | 2.6% |
| Information | 34 | 2.0% | 343 | 2.3% |
| Finance & insurance | 114 | 6.8% | 376 | 2.5% |
| Real estate, rental & leasing | 81 | 4.8% | 369 | 2.5% |
| Professional, scientific & tech services | 88 | 5.2% | 354 | 2.4% |
| Management of companies & enterprises | 4 | 0.2% | 108 | 0.7% |
| Administrative & support & waste management & remediation services | 67 | 4.0% | 630 | 4.2% |
| Educational services | 42 | 2.5% | 1,256 | 8.4% |
| Health care & social assistance | 182 | 10.8% | 3,458 | 23.2% |
| Arts, entertainment & recreation | 34 | 2.0% | 123 | 0.8% |
| Accommodation & food services | 120 | 7.1% | 1,030 | 6.9% |
| Other services (except public administration) | 227 | 13.5% | 820 | 5.5% |
| Public administration | 80 | 4.7% | 1,076 | 7.2% |
| Unclassified establishments | 32 | 1.9% | 40 | 0.3% |
| Total | 1,686 | | 14,937 | |

merchandise stores and electronic and appliance stores are competing against those sectors in Thurston County. The central county is likely to remain the retail hub of the region because of its geographic location and population concentration.

Table 8. Demand, supply and retail gap for the central trade area.

| Central Grays Harbor County | | Demand | Supply | |
|--|--------------|---------------------------|-----------------------|-------------------|
| Industry group | NAICS | (retail potential) | (retail sales) | Retail gap |
| Other general merchandise stores | 4529 | \$17,118,942 | \$4,872,448 | \$12,246,494 |
| Electronics & appliance stores | 443 | \$11,291,009 | \$2,538,560 | \$8,752,449 |
| Gasoline stations | 4471 | \$19,241,770 | \$11,206,873 | \$8,034,897 |
| Clothing stores | 4481 | \$11,364,324 | \$3,575,915 | \$7,788,409 |
| Electronic shopping & mail-order houses | 4541 | \$8,712,727 | \$1,824,944 | \$6,887,783 |
| Other motor vehicle dealers | 4412 | \$9,318,499 | \$3,828,003 | \$5,490,496 |
| Other miscellaneous store retailers | 4539 | \$11,899,837 | \$6,493,941 | \$5,405,896 |
| Health & personal care stores | 4461 | \$19,165,161 | \$15,749,520 | \$3,415,641 |
| Specialty food stores | 4452 | \$4,484,747 | \$2,490,603 | \$1,994,144 |
| Beer, wine & liquor stores | 4453 | \$2,929,025 | \$1,118,222 | \$1,810,803 |
| Home furnishings stores | 4422 | \$3,664,839 | \$1,997,975 | \$1,666,864 |
| Lawn & garden equip & supply stores | 4442 | \$1,996,481 | \$591,744 | \$1,404,737 |
| Shoe stores | 4482 | \$1,738,814 | \$924,899 | \$813,915 |
| Furniture stores | 4421 | \$5,259,575 | \$4,560,226 | \$699,349 |
| Sporting goods/hobby/musical instrument stores | 4511 | \$4,686,663 | \$4,190,643 | \$496,020 |
| Special food services | 7223 | \$602,911 | \$119,887 | \$483,024 |
| Office supplies, stationery & gift stores | 4532 | \$3,350,796 | \$3,007,995 | \$342,801 |
| Vending machine operators | 4542 | \$144,741 | \$- | \$144,741 |
| Florists | 4531 | \$564,668 | \$634,136 | -\$69,468 |
| Direct selling establishments | 4543 | \$1,182,801 | \$1,290,164 | -\$107,363 |
| Drinking establishments - alcoholic beverages | 7224 | \$684,539 | \$1,400,797 | -\$716,258 |
| Used merchandise stores | 4533 | \$878,769 | \$2,087,875 | -\$1,209,106 |
| Jewelry, luggage & leather goods stores | 4483 | \$1,852,659 | \$3,102,311 | -\$1,249,652 |
| Book, periodical & music stores | 4512 | \$270,880 | \$1,973,785 | -\$1,702,905 |
| Full-service restaurants | 7221 | \$18,172,122 | \$20,530,894 | -\$2,358,772 |
| Auto parts, accessories & tire stores | 4413 | \$4,448,636 | \$9,930,546 | -\$5,481,910 |
| Limited-service eating places | 7222 | \$12,175,306 | \$18,803,374 | -\$6,628,068 |
| Bldg material & supplies dealers | 4441 | \$12,448,018 | \$30,956,986 | -\$18,508,968 |
| Grocery stores | 4451 | \$57,469,808 | \$91,397,311 | -\$33,927,503 |
| Department stores excluding leased depts. | 4521 | \$40,332,155 | \$84,238,018 | -\$43,905,863 |
| Automobile dealers | 4411 | \$59,243,766 | \$118,400,465 | -\$59,156,699 |

Northeast Grays Harbor County



Northeast Grays Harbor County Summary demographics, 2016

| | |
|---------------------------------------|----------|
| Total businesses | 745 |
| Total employees | 4,321 |
| Total residential population | 17,550 |
| Employee/residential population ratio | 0.25:1 |
| Total households | 6,817 |
| Median disposable income | \$38,070 |
| Median per capita income | \$21,962 |

Overview: Northeast Grays Harbor County includes Montesano, Elma and McCleary. The region ranks second in total businesses, employees, residential population, households and median disposable income. It also ranks third in median per capital income and fourth in employee/residential population ratio.

Montesano saw numerous stores open such as All Blinged Out, Bulldog Brew, Maple Street Mushrooms, NAPA and Organics 101. In McCleary, Gordon’s Select Market, GreyBeard Publishing and The Coffee Shop are other examples of retailers that have recently opened shop in the region.

In northeast GHC, there are 87 retail businesses, which account for 11.7% of all businesses. Food and beverage stores make up the majority of the retail businesses, followed closely by miscellaneous store retailers. There are 425 employees in the retail industry, which is almost 10% of all employees in the region (Table 9). Food and beverage stores are the largest retail employer followed by motor vehicle and parts dealers. Together, these two sectors account for almost half of all retail jobs in the region.

Analysis: The highest demand in the region is for automobile dealers, grocery stores and department stores. According to the retail gaps, these are also the three sectors with the most potential for capturing additional sales in the region (Table 10). However, the low population concentration in the region makes it an unlikely candidate for automobile dealers or department stores. More likely candidates include grocery stores, other general merchandise stores, and health and personal care stores. Gasoline stations show significantly more supply than demand, which could indicate that this region is a popular pit stop for travelers heading out to the coast.

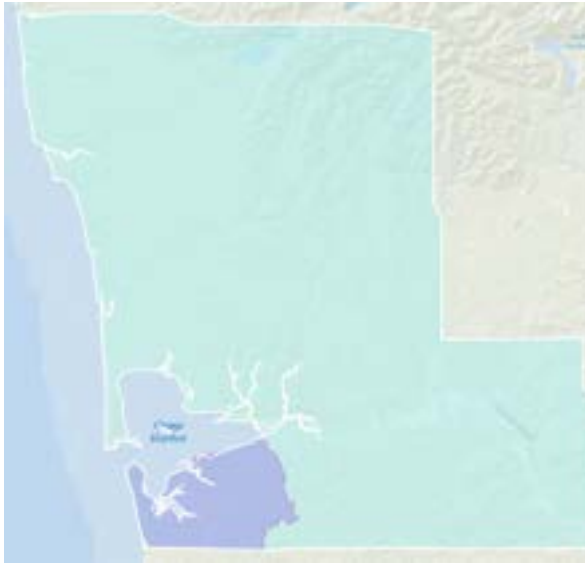
Table 9. Number and percent of businesses and employees in the northeast trade area.

| Northeast Grays Harbor County | Businesses | | Employees | |
|--|-------------------|---------|------------------|---------|
| | Number | Percent | Number | Percent |
| Industry type | | | | |
| Agriculture, forestry, fishing & hunting | 14 | 1.9% | 97 | 2.2% |
| Utilities | 2 | 0.3% | 13 | 0.3% |
| Construction | 61 | 8.2% | 262 | 6.1% |
| Manufacturing | 14 | 1.9% | 264 | 6.1% |
| Wholesale trade | 24 | 3.2% | 166 | 3.8% |
| Retail trade | 87 | 11.7% | 425 | 9.8% |
| Motor vehicle & parts dealers | 9 | 1.2% | 91 | 2.1% |
| Furniture & home furnishings stores | 0 | 0.0% | 0 | 0.0% |
| Electronics & appliance stores | 6 | 0.8% | 18 | 0.4% |
| Building material & garden equipment & supplies dealers | 13 | 1.7% | 62 | 1.4% |
| Food & beverage stores | 18 | 2.4% | 121 | 2.8% |
| Health & personal care stores | 3 | 0.4% | 17 | 0.4% |
| Gasoline stations | 8 | 1.1% | 52 | 1.2% |
| Clothing & clothing accessories stores | 2 | 0.3% | 3 | 0.1% |
| Sport goods, hobby, book, & music stores | 7 | 0.9% | 16 | 0.4% |
| General merchandise stores | 2 | 0.3% | 7 | 0.2% |
| Miscellaneous store retailers | 17 | 2.3% | 35 | 0.8% |
| Non-store retailers | 2 | 0.3% | 3 | 0.1% |
| Transportation & warehousing | 23 | 3.1% | 150 | 3.5% |
| Information | 10 | 1.3% | 50 | 1.2% |
| Finance & insurance | 68 | 9.1% | 130 | 3.0% |
| Real estate, rental & leasing | 47 | 6.3% | 103 | 2.4% |
| Professional, scientific & tech services | 44 | 5.9% | 175 | 4.0% |
| Management of companies & enterprises | 2 | 0.3% | 5 | 0.1% |
| Administrative & support & waste management & remediation services | 18 | 2.4% | 91 | 2.1% |
| Educational services | 13 | 1.7% | 432 | 10.0% |
| Health care & social assistance | 49 | 6.6% | 575 | 13.3% |
| Arts, entertainment & recreation | 15 | 2.0% | 85 | 2.0% |
| Accommodation & food services | 54 | 7.2% | 307 | 7.1% |
| Other services (except public administration) | 96 | 12.9% | 247 | 5.7% |
| Public administration | 69 | 9.3% | 667 | 15.4% |
| Unclassified establishments | 35 | 4.7% | 77 | 1.8% |
| Total | 745 | | 4,321 | |

Table 10. Demand, supply and retail gap for the northeast trade area.

| Northeast Grays Harbor County Industry group | Demand | | Supply | |
|---|--------|--------------------|----------------|---------------|
| | NAICS | (retail potential) | (retail sales) | Retail gap |
| Department stores excluding leased depts. | 4521 | \$24,728,195 | \$173,118 | \$24,555,077 |
| Grocery stores | 4451 | \$35,238,793 | \$19,884,964 | \$15,353,829 |
| Automobile dealers | 4411 | \$37,072,073 | \$21,926,668 | \$15,145,405 |
| Other general merchandise stores | 4529 | \$10,523,640 | \$734,689 | \$9,788,951 |
| Health & personal care stores | 4461 | \$11,969,195 | \$3,668,429 | \$8,300,766 |
| Other miscellaneous store retailers | 4539 | \$7,650,271 | \$769,459 | \$6,880,812 |
| Clothing stores | 4481 | \$6,869,576 | \$316,458 | \$6,553,118 |
| Electronic shopping & mail-order houses | 4541 | \$5,339,894 | \$0 | \$5,339,894 |
| Other motor vehicle dealers | 4412 | \$6,307,768 | \$1,571,695 | \$4,736,073 |
| Limited-service eating places | 7222 | \$7,469,048 | \$3,064,079 | \$4,404,969 |
| Electronics & appliance stores | 443 | \$6,960,361 | \$3,285,309 | \$3,675,052 |
| Building material & supplies dealers | 4441 | \$8,239,166 | \$4,955,623 | \$3,283,543 |
| Furniture stores | 4421 | \$3,195,930 | \$0 | \$3,195,930 |
| Full-service restaurants | 7221 | \$11,047,020 | \$7,962,787 | \$3,084,233 |
| Home furnishings stores | 4422 | \$2,329,588 | \$0 | \$2,329,588 |
| Office supplies, stationery & gift stores | 4532 | \$2,121,888 | \$485,818 | \$1,636,070 |
| Jewelry, luggage & leather goods stores | 4483 | \$1,143,912 | \$0 | \$1,143,912 |
| Shoe stores | 4482 | \$1,056,375 | \$0 | \$1,056,375 |
| Specialty food stores | 4452 | \$2,738,475 | \$1,730,193 | \$1,008,282 |
| Sporting goods/hobby/musical instrument stores | 4511 | \$3,015,152 | \$2,076,171 | \$938,981 |
| Direct selling establishments | 4543 | \$806,597 | \$110,748 | \$695,849 |
| Auto parts, accessories & tire stores | 4413 | \$2,718,259 | \$2,158,852 | \$559,407 |
| Special food services | 7223 | \$361,922 | \$119,887 | \$242,035 |
| Lawn & garden equip & supply stores | 4442 | \$1,326,268 | \$1,084,864 | \$241,404 |
| Book, periodical & music stores | 4512 | \$162,367 | \$0 | \$162,367 |
| Drinking establishments - alcoholic beverages | 7224 | \$402,981 | \$326,490 | \$76,491 |
| Florists | 4531 | \$358,989 | \$316,766 | \$42,223 |
| Used merchandise stores | 4533 | \$539,722 | \$596,536 | -\$56,814 |
| Vending machine operators | 4542 | \$88,418 | \$174,382 | -\$85,964 |
| Beer, wine & liquor stores | 4453 | \$1,800,181 | \$2,013,198 | -\$213,017 |
| Gasoline stations | 4471 | \$11,937,776 | \$23,835,802 | -\$11,898,026 |

Southwest Grays Harbor County



| Southwest Grays Harbor County Summary demographics, 2016 | |
|---|----------|
| Total businesses | 269 |
| Total employees | 2,645 |
| Total residential population | 6,581 |
| Employee/residential population ratio | 0.4:1 |
| Total households | 2,205 |
| Median disposable income | \$25,446 |
| Median per capita income | \$16,331 |

Overview: Southwest Grays Harbor County includes Westport and Grayland. The region ranks second in employee/residential population ratio and fourth in total businesses, employees, residential population and households. It ranks last in median disposable income and median per capita income.

Westport had multiple stores open during 2010–2014, including Blackbeard’s Brewing Company, Odysseus Restaurant, Tinderbox Coffee Roasters, Westport Diner and the Westport Liquor Store.

In southwest GHC, there are 43 retail businesses, which account for 16% of all businesses in the region. Food and beverage stores are the primary retailer with a 28% share, followed by miscellaneous store retailers and sports goods, hobby, books and music stores (Table 11). There are 421 employees in the retail industry, which is 15.9% of the total for the region. Food and beverage stores are the majority retail employer with 77.9% of all retail employees in the region.

Analysis: The highest demand in the southwest region is for automobile dealers, grocery stores and department stores. According to the retail gaps, automobile dealers and department stores have a strong opportunity to capture additional sales in the region (Table 12). However, the low population density makes these unlikely opportunities. It is more likely that health and personal care stores, other general merchandise stores and other miscellaneous store retailers could be successful in the region. Grocery stores have a small surplus and specialty food stores supply significantly more than is demanded locally and are supplying more than any other retail sector in the region. Gas stations, drinking establishments, grocery stores, sporting goods/hobby/musical instrument stores, full-service restaurants and specialty food stores all have significant surpluses. Many of these sectors are tied more directly to tourism and recreation, highlighting the region’s dependence on these activities to support its economy.

Table 11. Number and percent of businesses and employees in the southwest trade area.

| Southwest Grays Harbor County Industry type | Businesses | | Employees | |
|--|-------------------|----------------|------------------|----------------|
| | Number | Percent | Number | Percent |
| Agriculture, forestry, fishing & hunting | 5 | 1.9% | 27 | 1.0% |
| Utilities | 2 | 0.7% | 6 | 0.2% |
| Construction | 11 | 4.1% | 62 | 2.3% |
| Manufacturing | 11 | 4.1% | 643 | 24.3% |
| Wholesale trade | 12 | 4.5% | 205 | 7.8% |
| Retail trade | 43 | 16.0% | 421 | 15.9% |
| Motor vehicle & parts dealers | 1 | 0.4% | 3 | 0.1% |
| Furniture & home furnishings stores | 1 | 0.4% | 2 | 0.1% |
| Electronics & appliance stores | 3 | 1.1% | 8 | 0.3% |
| Building material & garden equipment & supplies dealers | 4 | 1.5% | 15 | 0.6% |
| Food & beverage stores | 12 | 4.5% | 328 | 12.4% |
| Health & personal care stores | 0 | 0.0% | 0 | 0.0% |
| Gasoline stations | 2 | 0.7% | 8 | 0.3% |
| Clothing & clothing accessories stores | 2 | 0.7% | 3 | 0.1% |
| Sport goods, hobby, book, & music stores | 8 | 3.0% | 38 | 1.4% |
| General merchandise stores | 1 | 0.4% | 1 | 0.0% |
| Miscellaneous store retailers | 9 | 3.3% | 15 | 0.6% |
| Non-store retailers | 0 | 0.0% | 0 | 0.0% |
| Transportation & warehousing | 11 | 4.1% | 44 | 1.7% |
| Information | 4 | 1.5% | 9 | 0.3% |
| Finance & insurance | 15 | 5.6% | 17 | 0.6% |
| Real estate, rental & leasing | 13 | 4.8% | 44 | 1.7% |
| Professional, scientific & tech services | 8 | 3.0% | 26 | 1.0% |
| Management of Companies & Enterprises | 0 | 0.0% | 0 | 0.0% |
| Administrative & support & waste management & remediation services | 6 | 2.2% | 34 | 1.3% |
| Educational services | 5 | 1.9% | 252 | 9.5% |
| Health care & social assistance | 10 | 3.7% | 75 | 2.8% |
| Arts, entertainment & recreation | 12 | 4.5% | 45 | 1.7% |
| Accommodation & food services | 51 | 19.0% | 481 | 18.2% |
| Other Services (except public administration) | 24 | 8.9% | 71 | 2.7% |
| Public administration | 18 | 6.7% | 172 | 6.5% |
| Unclassified establishments | 8 | 3.0% | 11 | 0.4% |
| Total | 269 | | 2,645 | |

Table 12. Demand, supply and retail gap for the southwest trade area.

| Southwest Grays Harbor County Industry group | Demand | | Supply | |
|---|--------|--------------------|----------------|---------------|
| | NAICS | (retail potential) | (retail sales) | Retail Gap |
| Automobile dealers | 4411 | \$8,973,488 | \$0 | \$8,973,488 |
| Department stores excluding leased depts. | 4521 | \$5,931,206 | \$173,118 | \$5,758,088 |
| Health & personal care stores | 4461 | \$3,095,607 | \$0 | \$3,095,607 |
| Other general merchandise stores | 4529 | \$2,612,158 | \$0 | \$2,612,158 |
| Other miscellaneous store retailers | 4539 | \$2,039,928 | \$0 | \$2,039,928 |
| Clothing stores | 4481 | \$1,624,239 | \$316,458 | \$1,307,781 |
| Electronic shopping & mail-order houses | 4541 | \$1,271,457 | \$0 | \$1,271,457 |
| Building material & supplies dealers | 4441 | \$2,158,003 | \$959,265 | \$1,198,738 |
| Auto parts, accessories & tire stores | 4413 | \$637,429 | \$0 | \$637,429 |
| Other motor vehicle dealers | 4412 | \$1,734,470 | \$1,178,923 | \$555,547 |
| Home furnishings stores | 4422 | \$548,762 | \$0 | \$548,762 |
| Limited-service eating places | 7222 | \$1,776,917 | \$1,371,104 | \$405,813 |
| Furniture stores | 4421 | \$744,090 | \$350,585 | \$393,505 |
| Jewelry, luggage & leather goods stores | 4483 | \$258,815 | \$0 | \$258,815 |
| Shoe stores | 4482 | \$255,195 | \$0 | \$255,195 |
| Direct selling establishments | 4543 | \$184,246 | \$0 | \$184,246 |
| Special food services | 7223 | \$76,787 | \$0 | \$76,787 |
| Electronics & appliance stores | 443 | \$1,644,463 | \$1,578,916 | \$65,547 |
| Book, periodical & music stores | 4512 | \$37,702 | \$0 | \$37,702 |
| Florists | 4531 | \$86,642 | \$52,593 | \$34,049 |
| Used merchandise stores | 4533 | \$127,878 | \$99,422 | \$28,456 |
| Vending machine operators | 4542 | \$21,703 | \$0 | \$21,703 |
| Office supplies, stationery & gift stores | 4532 | \$535,219 | \$582,450 | -\$47,231 |
| Lawn & garden equip & supply stores | 4442 | \$338,954 | \$394,496 | -\$55,542 |
| Beer, wine & liquor stores | 4453 | \$434,532 | \$671,066 | -\$236,534 |
| Gasoline stations | 4471 | \$2,963,347 | \$3,638,972 | -\$675,625 |
| Drinking establishments - alcoholic beverages | 7224 | \$88,814 | \$1,075,861 | -\$987,047 |
| Grocery stores | 4451 | \$8,726,817 | \$10,043,379 | -\$1,316,562 |
| Sporting goods/hobby/musical instrument stores | 4511 | \$762,065 | \$5,002,884 | -\$4,240,819 |
| Full-service restaurants | 7221 | \$2,561,315 | \$12,332,536 | -\$9,771,221 |
| Specialty food stores | 4452 | \$674,502 | \$37,315,906 | -\$36,641,404 |

Southeast Grays Harbor County



| Southeast Grays Harbor County Summary demographics, 2016 | |
|---|----------|
| Total businesses | 156 |
| Total employees | 1,129 |
| Total residential population | 4,538 |
| Employee/residential population ratio | 0.25:1 |
| Total households | 1,724 |
| Median disposable income | \$42,022 |
| Median per capita income | \$22,261 |

Overview: Southeast Grays Harbor County includes the city of Oakville and ranks last in the county in total businesses, employees, residential population and households, making it the smallest defined region based on population characteristics. The region ranks fourth in employee/residential population ratio, second in median per capita income and first in median disposable income.

Southeast Grays Harbor County has 14 retail businesses, which constitute 9% of all businesses in the region. Because of the region's rural nature, no sector within the retail industry has more than three businesses and many sectors have no business at all. Missing businesses include gasoline stations, health and personal care stores, clothing and clothing accessories stores, non-store retailers, and furniture and home furnishings stores. There are 91 employees in the retail industry, representing 8.1% of total employment for the region (Table 13). The majority of those employees work in either building material, garden equipment, and supplies dealers or in food and beverage stores. Together, these two sectors account for 80.2% of the region's retail employees.

Analysis: The largest demand in the region is from automobile dealers, grocery stores and department stores (Table 14). There is more demand than supply in all retail sectors except used merchandise stores, and lawn and garden equipment and supply stores. The largest retail gaps identify automobile dealers and department stores as the most likely opportunities for the region, although these are unlikely owing to the region's rural nature and proximity to the I5 corridor, which offers these retail opportunities. More likely opportunities include gasoline stations, health and personal care stores, and other general merchandise stores.

Table 13. Number and percent of businesses and employees in the southeast trade area.

| Southeast Grays Harbor County Industry type | Businesses | | Employees | |
|--|-------------------|----------------|------------------|----------------|
| | Number | Percent | Number | Percent |
| Agriculture, forestry, fishing & hunting | 10 | 6.4% | 34 | 3.0% |
| Utilities | 1 | 0.6% | 23 | 2.0% |
| Construction | 16 | 10.3% | 53 | 4.7% |
| Manufacturing | 6 | 3.8% | 177 | 15.7% |
| Wholesale trade | 7 | 4.5% | 72 | 6.4% |
| Retail trade | 14 | 9.0% | 91 | 8.1% |
| Motor vehicle & parts dealers | 2 | 1.3% | 4 | 0.4% |
| Furniture & home furnishings stores | 0 | 0.0% | 0 | 0.0% |
| Electronics & appliance stores | 1 | 0.6% | 2 | 0.2% |
| Building material & garden equipment & supplies dealers | 2 | 1.3% | 37 | 3.3% |
| Food & beverage stores | 3 | 1.9% | 36 | 3.2% |
| Health & personal care stores | 0 | 0.0% | 0 | 0.0% |
| Gasoline stations | 1 | 0.6% | 0 | 0.0% |
| Clothing & clothing accessories stores | 0 | 0.0% | 0 | 0.0% |
| Sport goods, hobby, book, & music stores | 1 | 0.6% | 1 | 0.1% |
| General merchandise stores | 1 | 0.6% | 2 | 0.2% |
| Miscellaneous store retailers | 3 | 1.9% | 9 | 0.8% |
| Non-store retailers | 0 | 0.0% | 0 | 0.0% |
| Transportation & warehousing | 10 | 6.4% | 40 | 3.5% |
| Information | 3 | 1.9% | 20 | 1.8% |
| Finance & insurance | 5 | 3.2% | 8 | 0.7% |
| Real estate, rental & leasing | 4 | 2.6% | 26 | 2.3% |
| Professional, scientific & tech services | 15 | 9.6% | 113 | 10.0% |
| Management of companies & enterprises | 0 | 0.0% | 0 | 0.0% |
| Administrative & support & waste management & remediation services | 4 | 2.6% | 7 | 0.6% |
| Educational services | 6 | 3.8% | 178 | 15.8% |
| Health care & social assistance | 9 | 5.8% | 77 | 6.8% |
| Arts, entertainment & recreation | 1 | 0.6% | 3 | 0.3% |
| Accommodation & food services | 9 | 5.8% | 66 | 5.8% |
| Other services (except public administration) | 13 | 8.3% | 30 | 2.7% |
| Public administration | 14 | 9.0% | 91 | 8.1% |
| Unclassified establishments | 9 | 5.8% | 20 | 1.8% |
| Total | 156 | | 1,129 | |

Table 14. Demand, supply and retail gap for the southeast trade area.

| Southeast Grays Harbor County | | Demand | | Supply | |
|---|--------------|---------------------------|-----------------------|-------------------|--|
| Industry group | NAICS | (Retail Potential) | (Retail Sales) | Retail Gap | |
| Automobile Dealers | 4411 | \$10,079,399 | \$907,299 | \$9,172,100 | |
| Department Stores Excluding Leased Depts. | 4521 | \$6,676,155 | \$0 | \$6,676,155 | |
| Gasoline Stations | 4471 | \$3,264,594 | \$0 | \$3,264,594 | |
| Health & Personal Care Stores | 4461 | \$3,218,798 | \$0 | \$3,218,798 | |
| Other General Merchandise Stores | 4529 | \$2,830,194 | \$244,682 | \$2,585,512 | |
| Bldg Material & Supplies Dealers | 4441 | \$2,292,181 | \$0 | \$2,292,181 | |
| Grocery Stores | 4451 | \$9,466,753 | \$7,231,400 | \$2,235,353 | |
| Clothing Stores | 4481 | \$1,840,440 | \$0 | \$1,840,440 | |
| Full-Service Restaurants | 7221 | \$2,971,731 | \$1,160,550 | \$1,811,181 | |
| Other Motor Vehicle Dealers | 4412 | \$1,711,182 | \$0 | \$1,711,182 | |
| Limited-Service Eating Places | 7222 | \$2,025,978 | \$334,492 | \$1,691,486 | |
| Electronics & Appliance Stores | 443 | \$1,893,345 | \$365,610 | \$1,527,735 | |
| Electronic Shopping & Mail-Order Houses | 4541 | \$1,442,410 | \$0 | \$1,442,410 | |
| Furniture Stores | 4421 | \$876,963 | \$0 | \$876,963 | |
| Other Miscellaneous Store Retailers | 4539 | \$2,065,056 | \$1,291,743 | \$773,313 | |
| Specialty Food Stores | 4452 | \$731,887 | \$0 | \$731,887 | |
| Sporting Goods/Hobby/Musical Instr Stores | 4511 | \$827,585 | \$134,713 | \$692,872 | |
| Home Furnishings Stores | 4422 | \$649,085 | \$0 | \$649,085 | |
| Office Supplies, Stationery & Gift Stores | 4532 | \$581,771 | \$0 | \$581,771 | |
| Auto Parts, Accessories & Tire Stores | 4413 | \$738,178 | \$172,392 | \$565,786 | |
| Beer, Wine & Liquor Stores | 4453 | \$493,072 | \$0 | \$493,072 | |
| Jewelry, Luggage & Leather Goods Stores | 4483 | \$324,301 | \$0 | \$324,301 | |
| Shoe Stores | 4482 | \$284,007 | \$0 | \$284,007 | |
| Direct Selling Establishments | 4543 | \$213,517 | \$0 | \$213,517 | |
| Florists | 4531 | \$93,442 | \$0 | \$93,442 | |
| Special Food Services | 7223 | \$93,141 | \$0 | \$93,141 | |
| Book, Periodical & Music Stores | 4512 | \$43,218 | \$0 | \$43,218 | |
| Vending Machine Operators | 4542 | \$23,673 | \$0 | \$23,673 | |
| Drinking establishments - Alcoholic Beverages | 7224 | \$105,638 | \$93,283 | \$12,355 | |
| Used Merchandise Stores | 4533 | \$146,115 | \$149,134 | -\$3,019 | |
| Lawn & Garden Equip & Supply Stores | 4442 | \$348,939 | \$3,651,155 | -\$3,302,216 | |

Demand Threshold

Demand threshold is the minimum market size, or population, required to support a particular good or service and still yield an acceptable rate of return to the business. The characteristics of each community are unique in terms of purchasing habits, and access to nearby communities varies widely. Business size can also vary considerably. Therefore, no magic population number can be used to determine if a community can support additional businesses. However, evaluating averages can provide a rough comparison of how a community compares with others. To illustrate, demand threshold ranges were derived from a recent study (Table 15)¹⁵.

Table 15. Demand threshold — the average population necessary to support the number of businesses in each retail sector.

| Industry | Population needed | | | | |
|--|--------------------------|----------|----------|----------|----------|
| Number of businesses | 1 | 2 | 3 | 4 | 5 |
| Motor vehicle & parts dealers | - | 1,000 | 3,300 | 6,200 | 8,500 |
| Furniture & home furnishings stores | 3,500 | 10,500 | 15,500 | 19,500 | 23,000 |
| Electronics & appliance stores | 4,500 | 13,400 | 19,500 | 24,700 | 29,500 |
| Building materials, garden equipment & supply stores | 1,500 | 2,500 | 2,800 | 6,200 | 9,000 |
| Food & beverage stores | - | 1,000 | 1,000 | 4,100 | 7,100 |
| Health & personal care stores | 1,600 | 8,600 | 13,300 | 17,100 | 20,400 |
| Gasoline stations | - | 700 | 1,000 | 1,500 | 4,200 |
| Clothing & clothing accessories stores | 800 | 7,000 | 11,100 | 14,200 | 16,900 |
| Sporting goods, hobby, book & music stores | 4,500 | 12,300 | 17,700 | 22,200 | 26,200 |
| General merchandise stores | 1,000 | 8,500 | 13,700 | 18,000 | 21,800 |
| Miscellaneous store retailers | - | 1,700 | 5,600 | 8,700 | 11,200 |
| Non-store retailers | - | 7,200 | 13,000 | 17,700 | 22,000 |

Using the information from Table 15 and comparing it to the actual number of businesses in each region provides an estimate of the surplus or opportunity (Table 16). Based on this method, across the county the largest opportunities are in gasoline stations and furniture and home furnishings stores.

Table 16. The difference between the number of stores that can hypothetically be supported based on the demand threshold and the actual number of stores in the region. The value indicates the number of additional stores that might be supportable.

| Sector | NW | NE | Central | SW | SE |
|--|-----------|-----------|----------------|-----------|-----------|
| Motor vehicle & parts dealers | 1.3 | -0.7 | -20.9 | 3.1 | 1.5 |
| Furniture & home furnishings stores | 1.5 | 3.5 | -0.4 | 0.4 | 1.0 |
| Electronics & appliance stores | -1.0 | -3.2 | -3.8 | -1.9 | -0.2 |
| Building materials, garden equipment & supply stores | -4.4 | -4.0 | -6.9 | -0.1 | 1.2 |
| Food & beverage stores | -9.9 | -8.8 | -25.6 | -7.2 | 1.1 |
| Health & personal care stores | -0.1 | 1.0 | -13.9 | 1.8 | 1.4 |
| Gasoline stations | 5.7 | 6.3 | 18.9 | 4.7 | 4.6 |
| Clothing & clothing accessories stores | -1.5 | 2.7 | -8.6 | 0.1 | 1.7 |
| Sporting goods, hobby, book & music stores | -9.9 | -3.9 | -8.2 | -6.9 | -0.2 |
| General merchandise stores | -1.1 | 1.8 | -3.3 | 0.8 | 0.5 |
| Miscellaneous store retailers | -26.9 | -10.3 | -35.7 | -5.7 | -0.1 |
| Non-store retailers | -0.1 | 0.9 | 1.9 | 0.7 | 0.4 |

Glossary

For more detailed description and examples, visit www.naics.com.

Building material and garden equipment and supplies dealers: Industries in the building material and garden equipment and supplies dealers NAICS subsector retail new building material and garden equipment and supplies from fixed point-of-sale locations. Establishments in this subsector have display equipment designed to handle lumber and related products and garden equipment and supplies that may be kept either indoors or outdoors under covered areas. The staff is usually knowledgeable about using specific products being retailed in the construction, repair and maintenance of the home and associated grounds. The industries include:

- 444110 Home centers
- 444120 Paint and wallpaper stores
- 444130 Hardware stores
- 444190 Other building material dealers
- 444210 Outdoor power equipment stores
- 444220 Nursery, garden center and farm supply stores

Clothing and clothing accessories stores: Industries in the clothing and clothing accessories stores NAICS subsector retail new clothing and clothing accessories merchandise from fixed point-of-sale locations. Establishments in this subsector have similar display equipment and staff that is knowledgeable regarding fashion trends and the proper match of styles, colors and combinations of clothing and accessories to the characteristics and tastes of the customer.

Industries include:

- 448110 Men's clothing stores
- 448120 Women's clothing stores
- 448130 Children's and infants' clothing stores
- 448140 Family clothing stores
- 448150 Clothing accessories stores
- 448190 Other clothing stores
- 448210 Shoe stores
- 448310 Jewelry stores
- 448320 Luggage and leather goods stores

Electronics and appliance stores: Industries in the electronics and appliance stores NAICS subsector retail new electronics and appliance merchandise from point-of-sale locations. Establishments in this subsector often operate from locations that have special provisions for floor displays requiring special electrical capacity to accommodate the proper demonstration of the products. The staff includes sales personnel knowledgeable about the characteristics and warranties of the line of goods retailed and may also include trained repair persons to handle maintenance and repair of electronic equipment and appliances. The classifications within this

subsector are made principally on the type of product and knowledge required to operate each type of store. These industries include:

- 443141 Household appliance stores
- 443142 Electronics stores

Food and beverage stores: Industries in the food and beverage stores NAICS subsector usually retail food and beverage merchandise from fixed point-of-sale locations. Establishments in this subsector have special equipment (e.g., freezers, refrigerated display cases, refrigerators) for displaying food and beverage goods. They have staff trained in processing food products to guarantee the proper storage and sanitary conditions required by regulatory authority.

Industries include:

- 445110 Supermarkets and other grocery (except convenience) stores
- 445120 Convenience stores
- 445210 Meat markets
- 445220 Fish and seafood markets
- 445230 Fruit and vegetable markets
- 445291 Baked goods stores
- 445292 Confectionery and nut stores
- 445299 All other specialty food stores
- 445310 Beer, wine and liquor stores

Furniture and home furnishings stores: Industries in the furniture and home furnishings stores NAICS subsector retail new furniture and home furnishings merchandise from fixed point-of-sale locations. Establishments in this subsector usually operate from showrooms and have substantial areas for the presentation of their products. Many offer interior decorating services in addition to the sale of products. These industries include:

- 442110 Furniture stores
- 442210 Floor covering stores
- 442291 Window treatment stores
- 442299 All other home furnishings stores

Gasoline stations: Industries in the gasoline stations NAICS subsector group are establishments retailing automotive fuels (e.g., gasoline, diesel fuel, gasohol, alternative fuels) and automotive oils, and retailing these products in combination with convenience store items. These establishments have specialized equipment for the storage and dispensing of automotive fuels. These industries include:

- 447110 Gasoline stations with convenience stores
- 447190 Other gasoline stations

General merchandise stores: These stores retail new general merchandise from fixed point-of-sale locations. Establishments in this subsector are unique in that they have the equipment and staff capable of retailing a large variety of goods from a single location. This includes a variety of

display equipment and staff trained to provide information on many lines of products. These include:

- 452111 Department stores (except discount department stores)
- 452112 Discount department stores
- 452910 Warehouse clubs and supercenters
- 452990 All other general merchandise stores.

Health and personal care stores: Industries in the health and personal care stores NAICS subsector retail health and personal care merchandise from fixed point-of-sale locations. Establishments in this subsector are characterized principally by the products they retail, and some health and personal care stores may have specialized staff trained in dealing with the products. Staff may include pharmacists, opticians and other professionals engaged in retailing, advising customers and/or fitting the product sold to the customer's needs. Industries include:

- 446110 Pharmacies and drug stores
- 446120 Cosmetics, beauty supplies and perfume stores
- 446130 Optical goods stores
- 446191 Food (health) supplement stores
- 446199 All other health and personal care stores

Miscellaneous store retailers: Industries in the miscellaneous store retailers NAICS subsector retail merchandise from fixed point-of-sale locations (except new or used motor vehicles and parts; new furniture and house furnishings; new appliances and electronic products; new building materials; and garden equipment and supplies; food and beverages; health and personal care goods; gasoline; new clothing and accessories; and new sporting goods, hobby goods, books, and music). Establishments in this subsector include stores with unique characteristics like florists, used merchandise stores, and pet and pet supply stores as well as other store retailers. The industries include:

- 453110 Florists
- 453210 Office supplies and stationery stores
- 453220 Gift, novelty, and souvenir stores
- 453310 Used merchandise stores
- 453910 Pet and pet supplies stores
- 453920 Art dealers
- 453930 Manufactured (mobile) home dealers
- 453991 Tobacco stores
- 453998 All other miscellaneous store retailers (except tobacco stores)

Motor vehicle and parts dealers: Industries in the motor vehicle and parts dealers NAICS subsector retail motor vehicle and parts merchandise from fixed point-of-sale locations. Establishments in this subsector typically operate from a showroom or an open lot, or both, where the vehicles are on display. The display of vehicles and the related parts require little by way of display equipment. The personnel generally include both the sales and sales support staff familiar with the requirements for registering and financing a vehicle as well as a staff of

parts experts and mechanics trained to provide repair and maintenance services for the vehicles. Specific industries have been included in this subsector to identify the type of vehicle being retailed. These industries include:

- 441110 New car dealers
- 441120 Used car dealers
- 441210 Recreational vehicle dealers
- 441222 Boat dealers
- 441228 Motorcycle, ATV, and all other motor vehicle dealers,
- 441310 Automotive parts and accessories stores
- 441320 Tire dealers

Non-store retailers: Industries in the non-store retailers NAICS subsector retail merchandise using methods such as the broadcasting of infomercials, the broadcasting and publishing of direct-response advertising, the publishing of paper and electronic catalogues, door-to-door solicitation, in-home demonstration, selling from portable stalls and distribution through vending machines. Establishments in this subsector include mail-order houses, vending machine operators, home delivery sales, door-to-door sales, party plan sales, electronic shopping and sales through portable stalls (e.g., street vendors, except food). Establishments engaged in the direct sale (i.e., non-store) of products, such as home heating oil dealers and newspaper delivery service providers are included in this subsector. Industries include:

- 454111 Electronic shopping
- 454112 Electronic auctions
- 454113 Mail-order houses
- 454210 Vending machine operators
- 454310 Fuel dealers
- 454390 Other direct selling establishments

Sporting goods, hobby, musical instrument and book stores: Industries in the sporting goods, hobby, musical instrument, and book stores NAICS subsector are engaged in retailing and providing expertise on the use of sporting equipment or other specific leisure activities, such as needlework and musical instruments. Book stores are also included in this subsector. These industries include:

- 451110 Sporting goods stores
- 451120 Hobby, toy and game stores
- 451130 Sewing, needlework and piece goods stores
- 451140 Musical instrument and supplies stores
- 451211 Book stores
- 451212 News dealers and newsstands

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