

City of Tukwila Community Profile and Peer Benchmarking

Tukwila Financial Sustainability Plan

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Running List of Updates

Since first publication in October 2023, the following edits have been made in this document:

- Additional detail was provided about the range of languages spoken in Tukwila on page 6.
- An exhibit was added to page 6 showing the proportion of residents who identify as Hispanic or Latino.
- Corrections were made to housing and income statistics on page 10.
- Additional wage-related exhibits were added on pages 17 and 18.

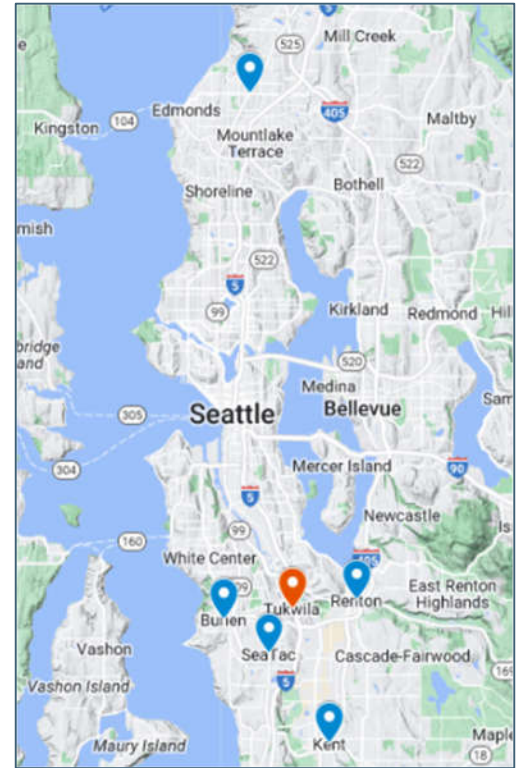
Overview

This document provides an overview of the Tukwila community and comparisons to King County and peer cities in the region. These peer cities are Burien, Kent, Renton, and SeaTac. These peer cities were selected because they are neighbors in the region or have a similar level of revenue collection to Tukwila. The City of Lynnwood is also used as a comparison when looking at the City's finances because it also has a large retail shopping center. The information in this document can be used to guide the City's Financial Sustainability Plan and provide a basis for understanding how the City's services and funding may change as the community grows.

Summary of Key Findings

- Tukwila is a growing and diverse community. Tukwila School District has students that represent many cultures and speak more than 80 world languages. In the past 8 years, Tukwila has grown faster than peer cities. Tukwila is more racially and linguistically diverse than King County as a whole. Tukwila also has a larger share of younger people than King County.
- Tukwila households tend to be larger and more multigenerational than in King County as a whole.
- Tukwila has a higher share of low-income households than King County, particularly among renters.
- Tukwila residents identify as less healthy than residents in King County and Washington State.
- Tukwila has a very high jobs to population ratio, with a strong commercial sector that includes retail sales and manufacturing.
- Employment growth in Tukwila has been slower than peer cities, but jobs are projected to grow over the next two decades.
- Most businesses in Tukwila have 100 or fewer employees. Most jobs are in the service, retail, and manufacturing sectors.
- Most Tukwila workers commute from outside the City, while most Tukwila residents commute to other cities for work.
- Tukwila sees a large influx of daytime non-residents who commute in for shopping and employment, which likely increases the demand for public services.
- More than half of Tukwila's General Fund revenues are from property and sales taxes. With the Southcenter mall, a majority of Tukwila's taxable retail sales are attributed to consumer shopping.
- Tukwila's largest General Fund expenditure is toward Police services, which is similar to peer cities.

Exhibit 1: Tukwila and Peer Cities



Community Characteristics

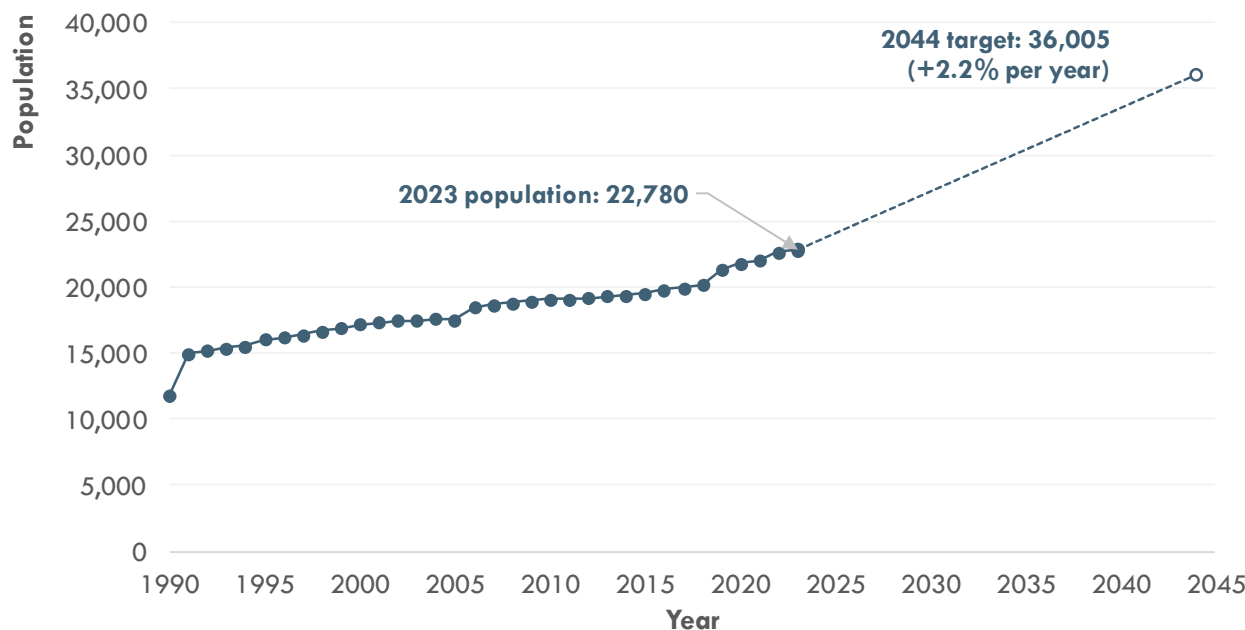
Population

Tukwila is a growing and diverse community. In the past 8 years, Tukwila has grown faster than peer cities. Tukwila is more racially and linguistically diverse than King County as a whole. Tukwila also has a larger share of younger people than King County.

Historical and Projected Growth

Based on the City’s population growth target, Tukwila’s population is estimated to grow 2.2% annually over the next 20 years (**Error! Not a valid bookmark self-reference.**). Growth targets are based on the region’s plan for growth. The Puget Sound Regional Council coordinates regional planning policies that provide a framework for cities and counties to achieve shared regional goals. These policies identify the population and employment targets for each city and county that must go into their local comprehensive plans.

In addition to the residential population, approximately 150,000 individuals commute into Tukwila daily for work or shopping.¹ From 2016 to 2023, Tukwila grew faster than King County and peer cities in the region (Exhibit 2: Tukwila Historical and Projected Residential Population, 1990-2044

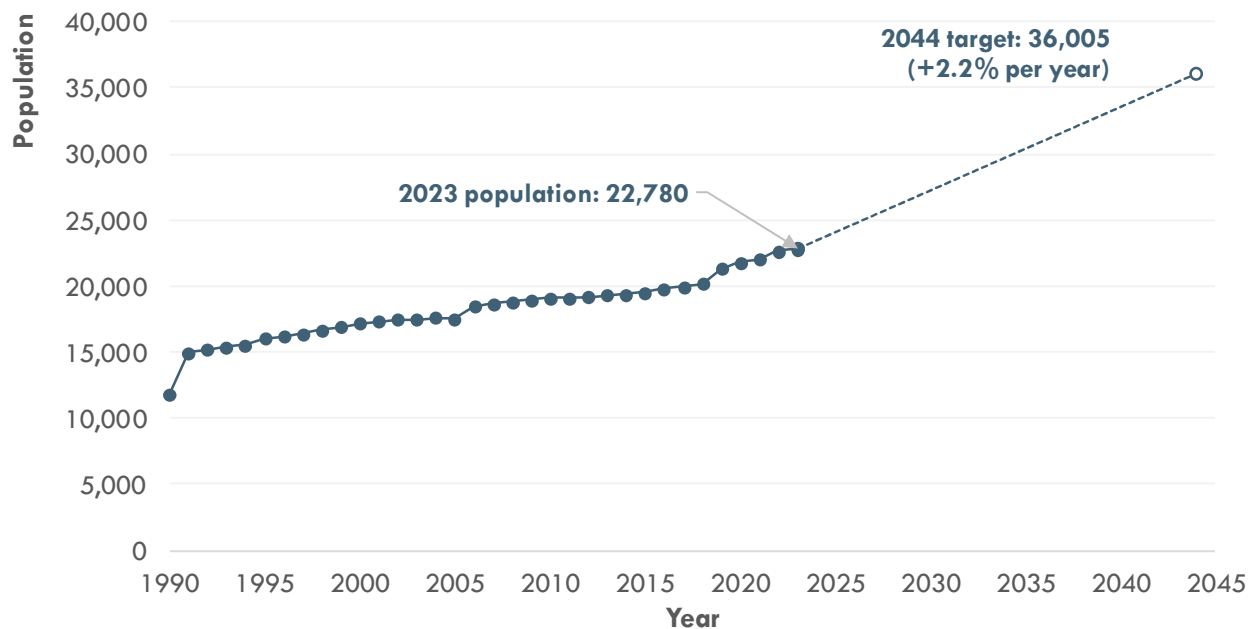


Sources: Washington Office of Financial Management, 2023; PSRC, 2023.

Exhibit 3).

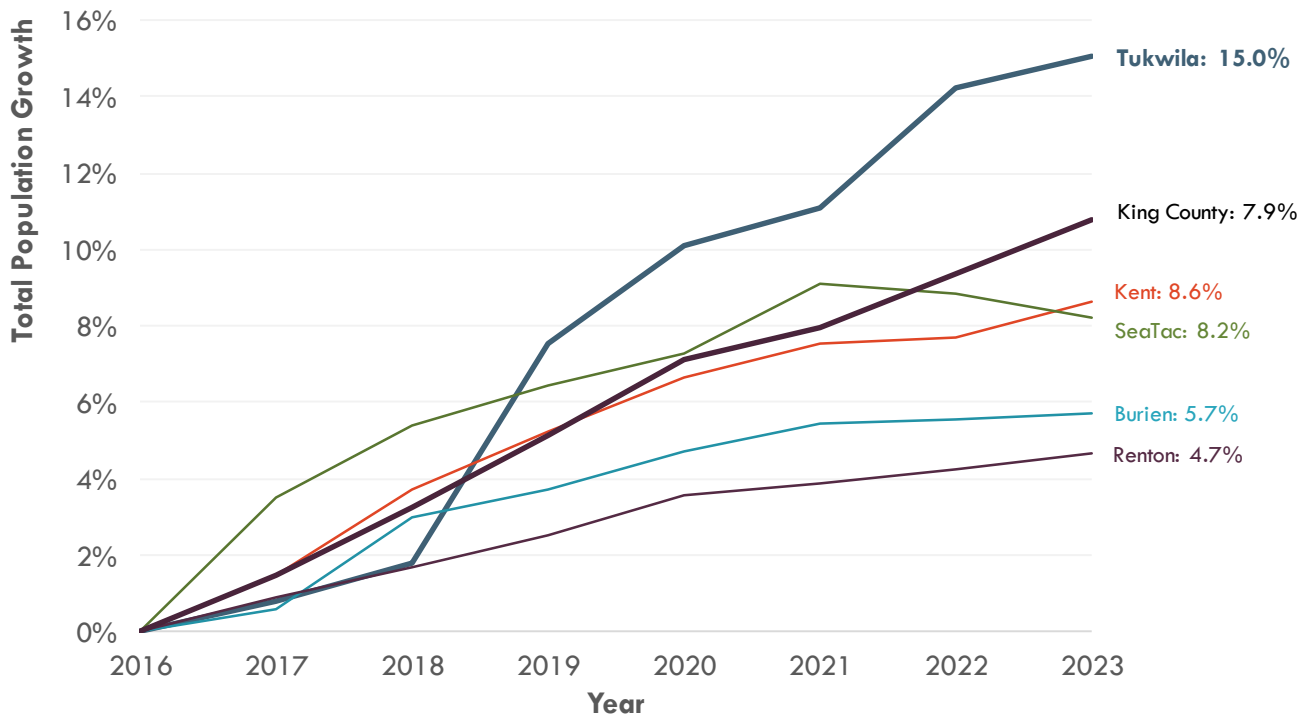
¹ Source: City of Tukwila.

Exhibit 2: Tukwila Historical and Projected Residential Population, 1990-2044



Sources: Washington Office of Financial Management, 2023; PSRC, 2023.

Exhibit 3: Annual Population Growth, Tukwila, Peer Cities, and King County, 2016-2023



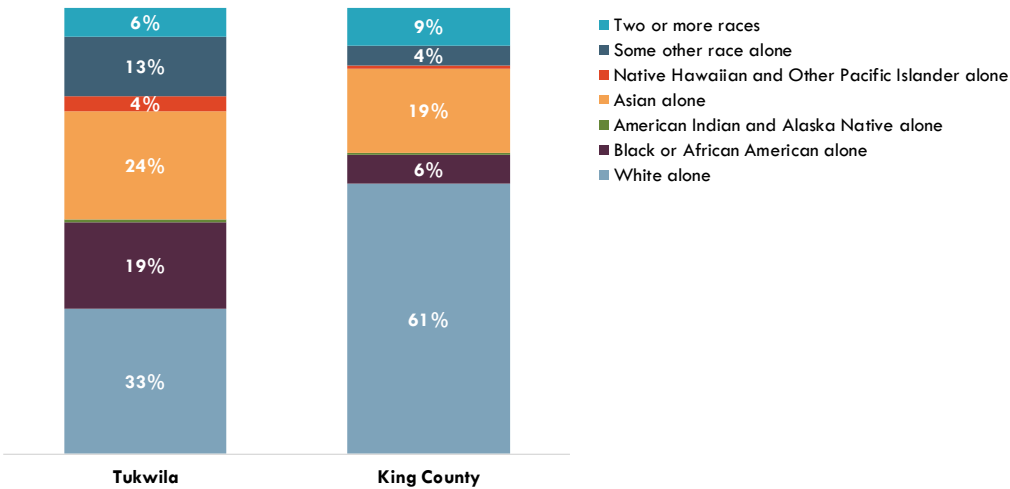
Sources: Washington Office of Financial Management, 2023; PSRC, 2023.

Race and Ethnicity

Compared to King County, a higher proportion of the Tukwila population are Black or African American, American Indian and Alaska Native, Asian, Native Hawaiian and Other Pacific Islander, and Some other

race (Exhibit 4). Almost 20% of the Tukwila population identifies as Hispanic or Latino, which is nearly double the King County average (Exhibit 5).

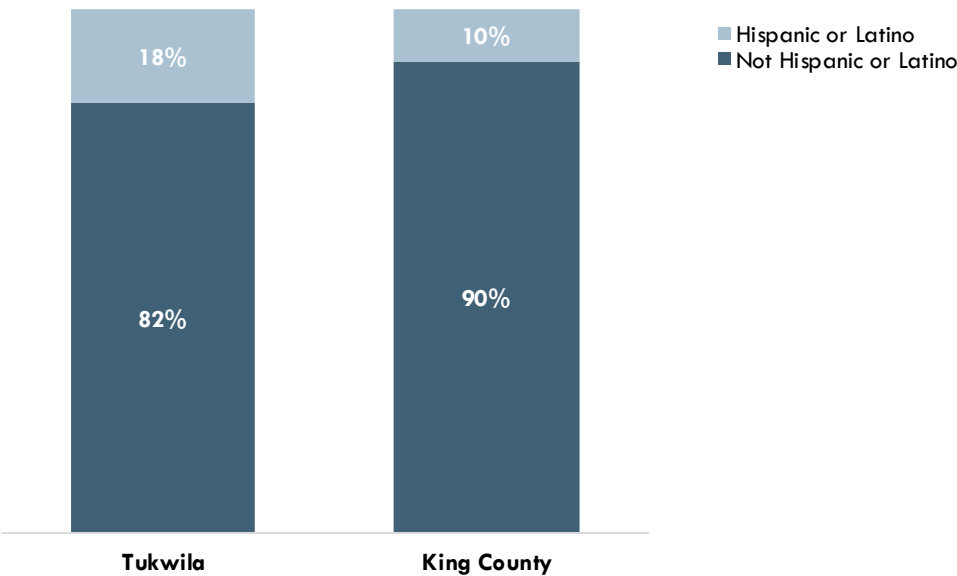
Exhibit 4: Racial Composition of Tukwila and King County, 2021



Note: Labels are suppressed for shares under 1%.

Source: US Census Bureau, 2017-2021 American Community Survey 5-Year Estimates.

Exhibit 5: Hispanic or Latino Composition of Tukwila and King County, 2021

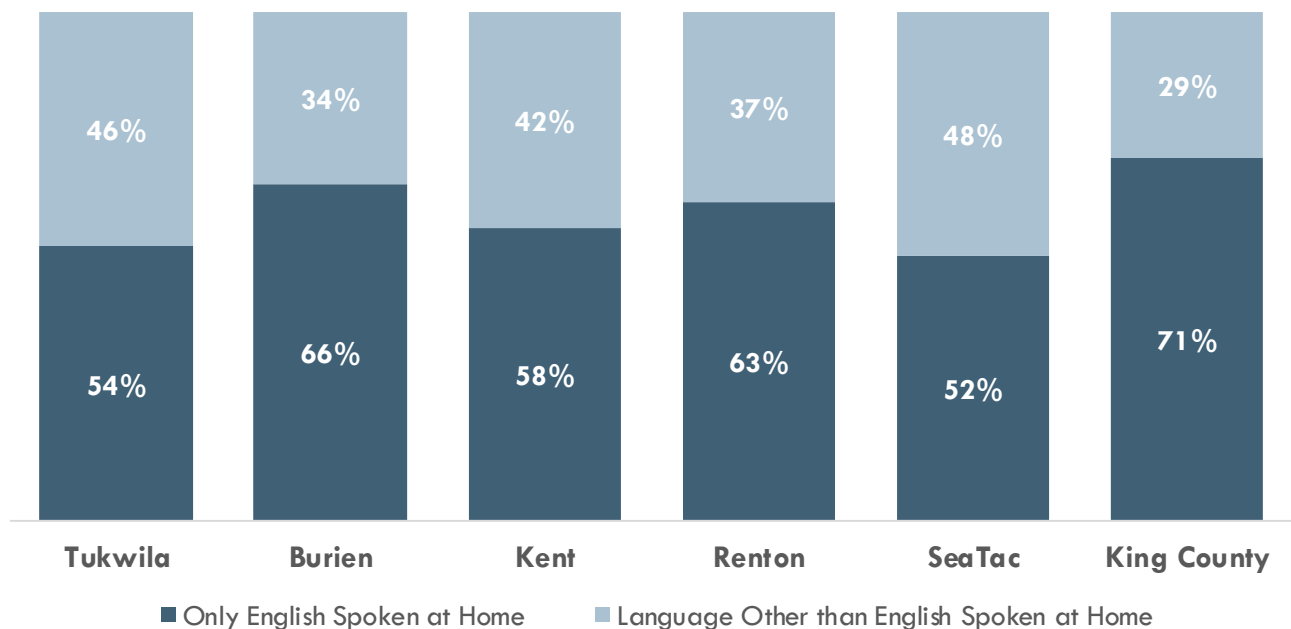


Source: US Census Bureau, 2017-2021 American Community Survey 5-Year Estimates.

Languages Spoken

Approximately 46% of the Tukwila population speaks a language other than English at home, which is comparable to peer cities and higher than King County (Exhibit 6). The top three language groups spoken at home in Tukwila are English, Asian and Pacific languages, and Spanish. The City generally translates written materials for the community into Somali, Spanish, and Vietnamese. Tukwila School District notes that it has students that speak more than 80 world languages.

Exhibit 6: Language Spoken at Home, Tukwila, Peer Cities, and King County, 2021

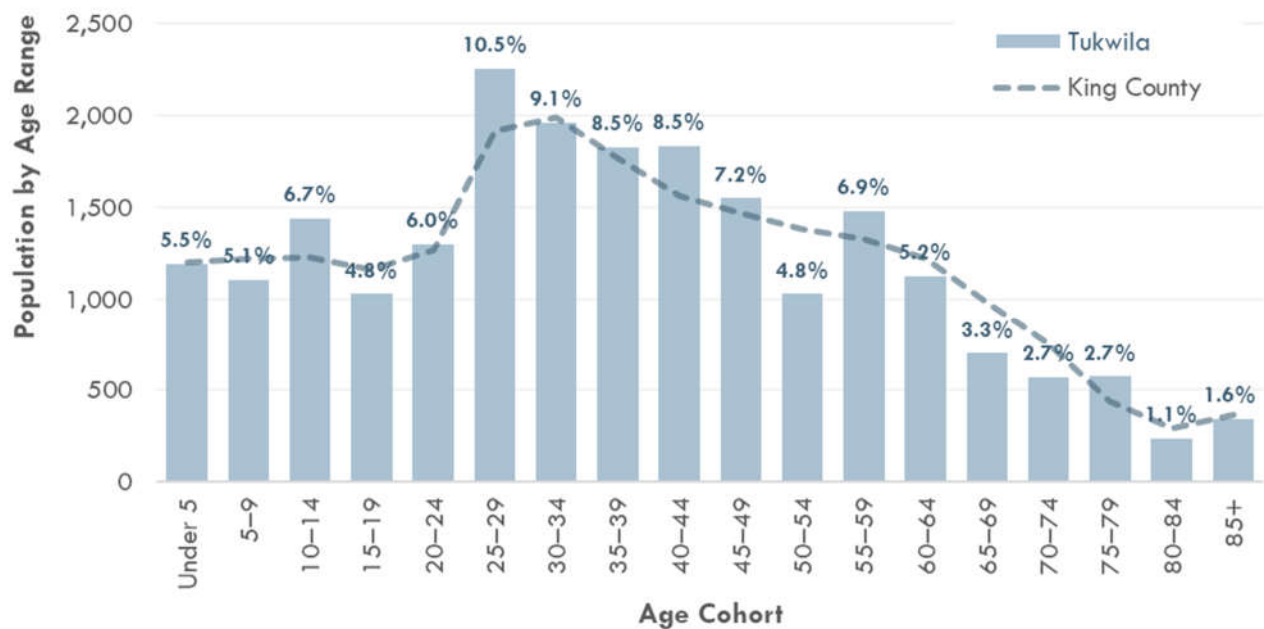


Source: US Census Bureau, 2017-2021 American Community Survey 5-Year Estimates.

Age Distribution

Compared to King County, Tukwila has a larger share of younger residents, particularly those in the 10-14 and 25-29 age ranges. (Exhibit 7).

Exhibit 7: Age Distribution in Tukwila and King County, 2021



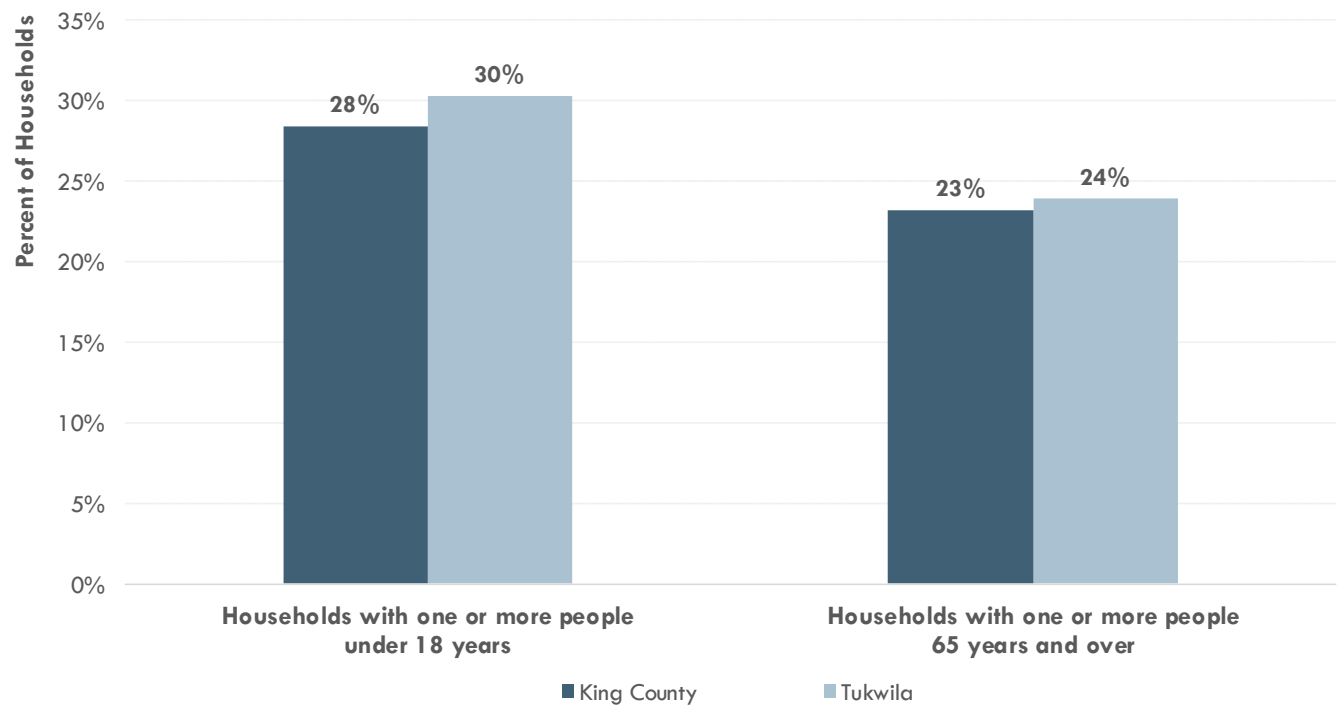
Source: US Census Bureau, 2017-2021 American Community Survey 5-Year Estimates.

Households

Tukwila households tend to be larger and more multigenerational than in King County as a whole.

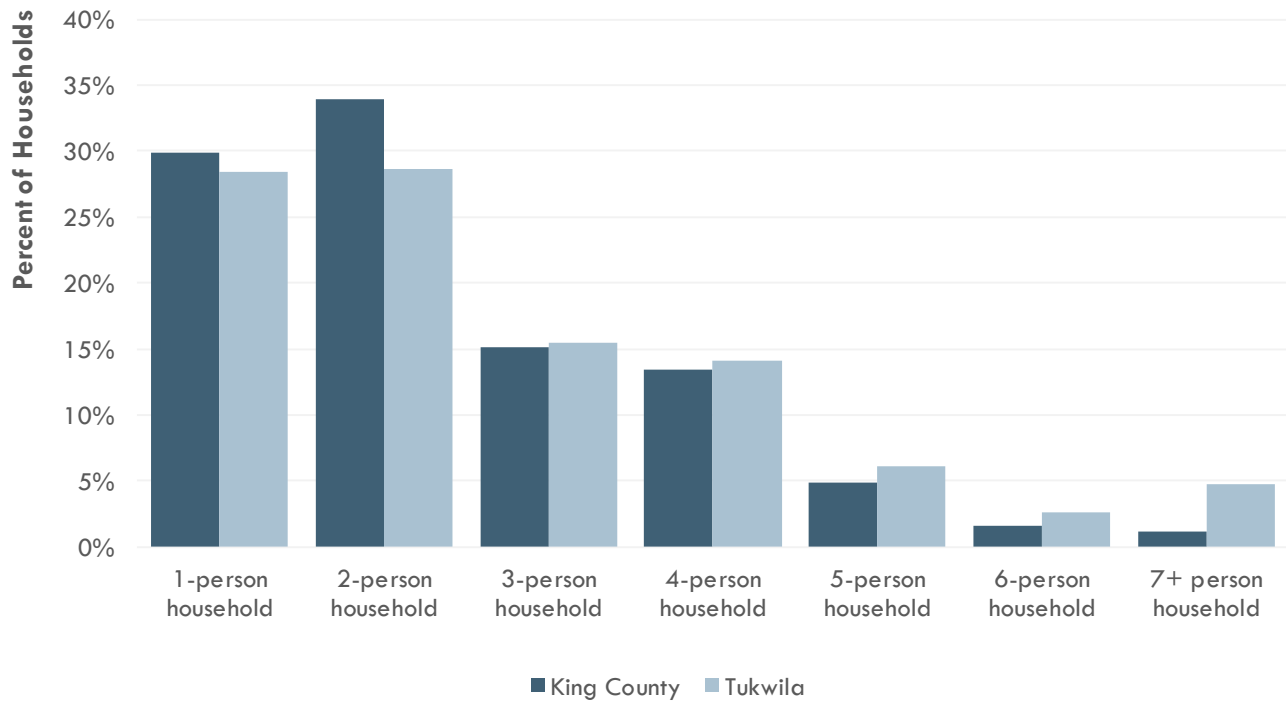
Thirty percent of households in Tukwila have one or more people under 18 years old and 24% have one or more people 65 years and over (Exhibit 8). These percentages are slightly higher than in King County. Tukwila also has more large families compared to King County, with a higher percentage of households with at least three people (Exhibit 9). Tukwila has a similar number of people per household compared to all peer cities, but a slightly higher number than King County (Exhibit 10).

Exhibit 8: Household Profile by Age, Tukwila and King County, 2021



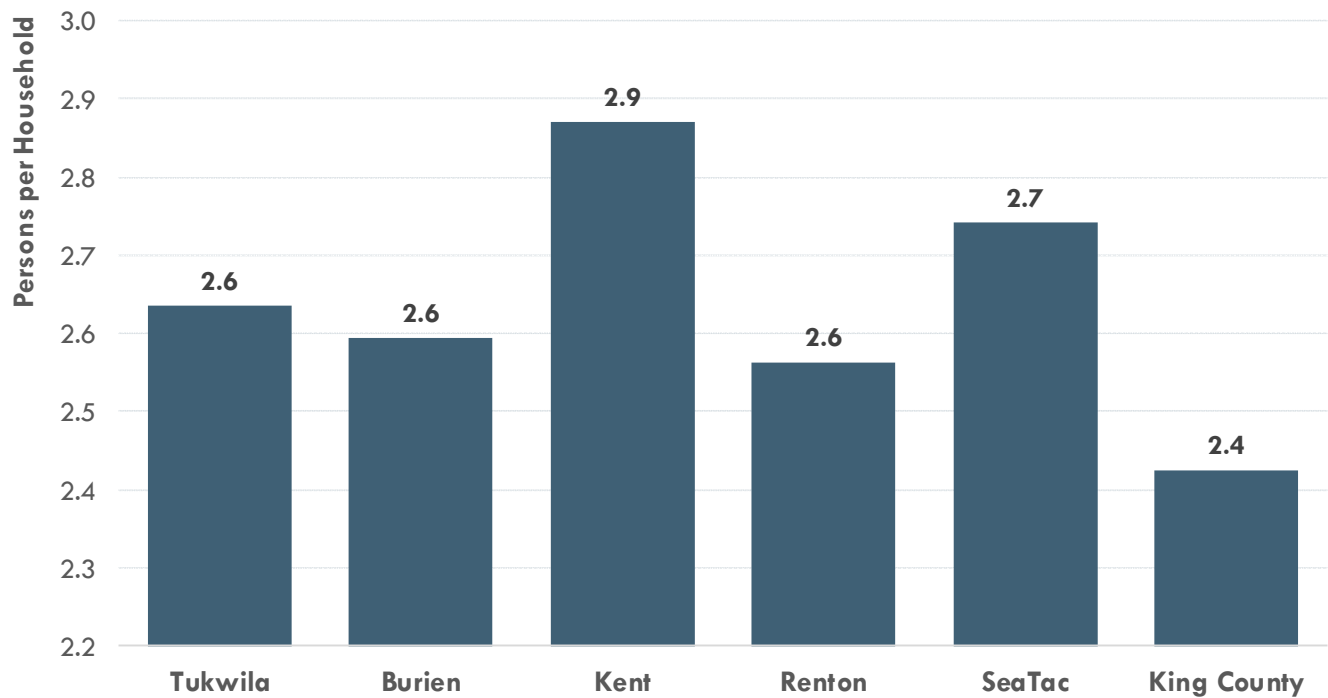
Source: US Census Bureau, 2017-2021 American Community Survey 5-Year Estimates.

Exhibit 9: Household Profile by Number of People, Tukwila and King County, 2021



Source: US Census Bureau, 2017-2021 American Community Survey 5-Year Estimates.

Exhibit 10: Persons per Household, Tukwila, Peer Cities, and King County, 2020



Source: Washington Office of Financial Management, 2020.

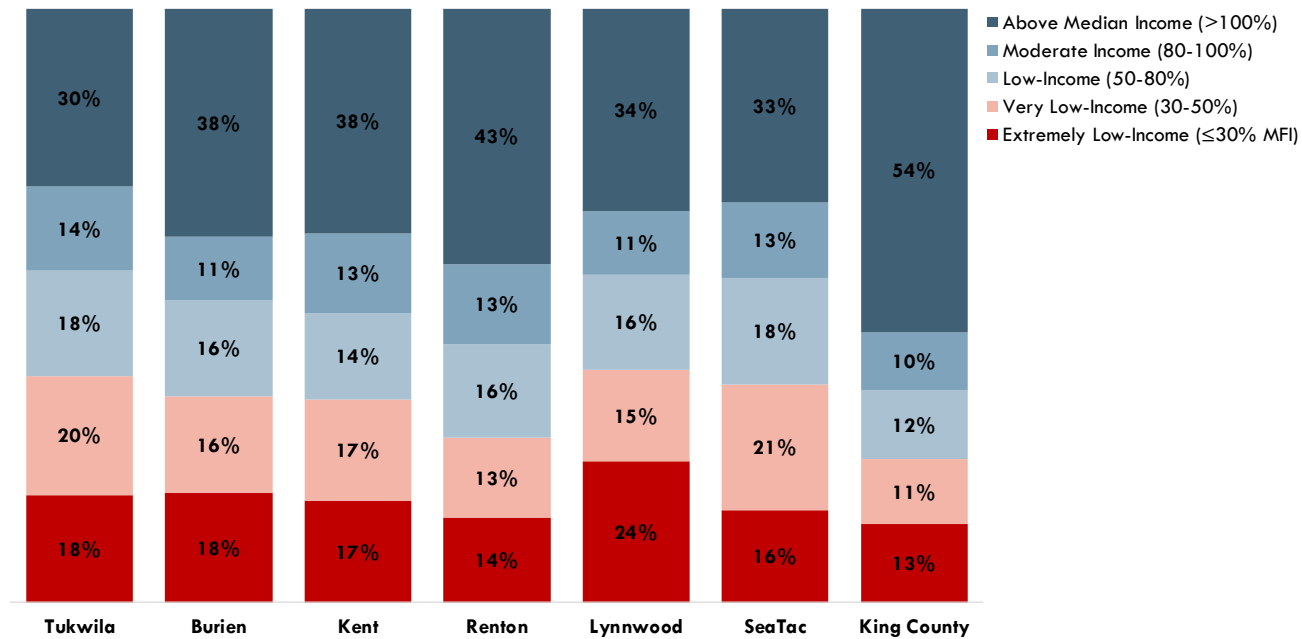
Housing and Income

Tukwila has a higher share of low-income households than King County, particularly among renters.

Seventy percent of Tukwila households have incomes below the area median family income, compared to 46% of King County households (Exhibit 11). Median family income is a common measure used to understand housing affordability. The “median” income is a benchmark that is right in the middle of the income range. Half of the families in the range would make more than this, and the other half would make less. A household may represent a single person, but a family represents related people in a household.

Tukwila has more renter-occupied households than do peer cities and King County (Exhibit 12). Seventy-nine percent of Tukwila renters have an income below the area median family income, compared to 56% of Tukwila homeowners (Exhibit 13 and Exhibit 14).

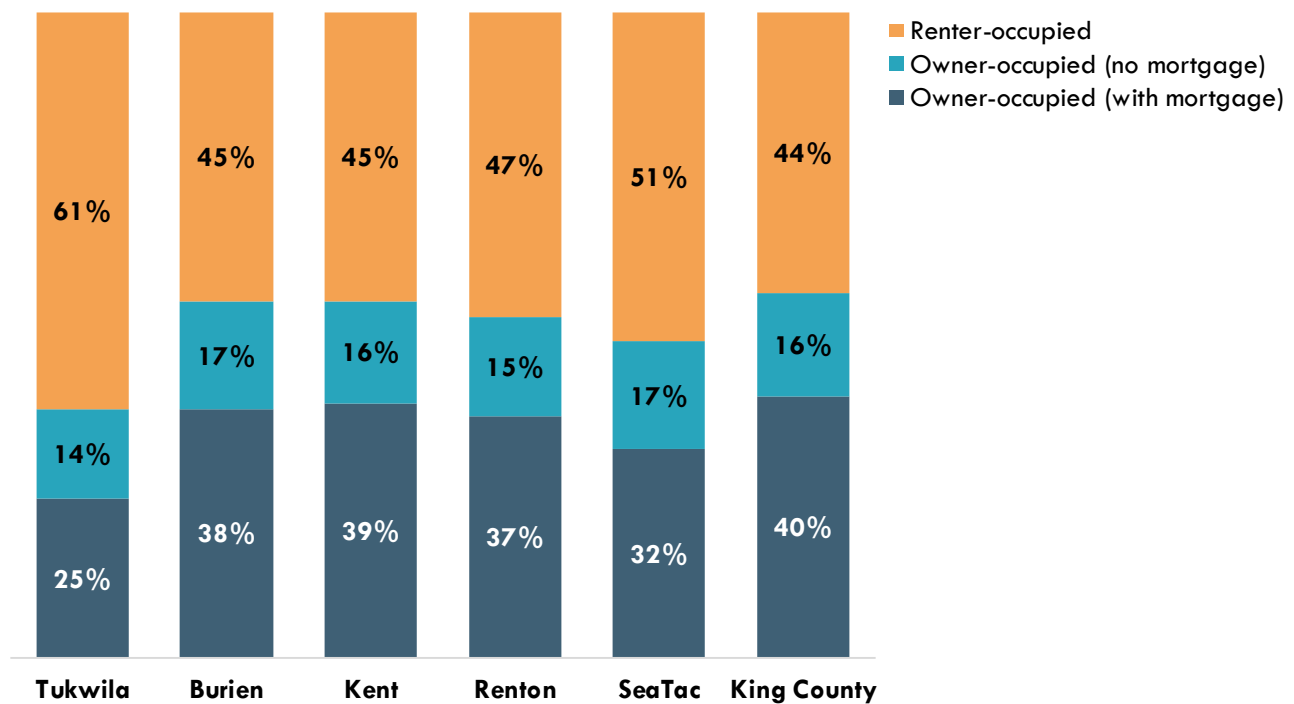
Exhibit 11: Households by Median Family Income (MFI), Tukwila, Peer Cities, and King County, 2020



Note: Median family income refers to the HUD Area Median Family Income for the Seattle-Tacoma-Bellevue Metropolitan Statistical Area, which is adjusted based on household size.

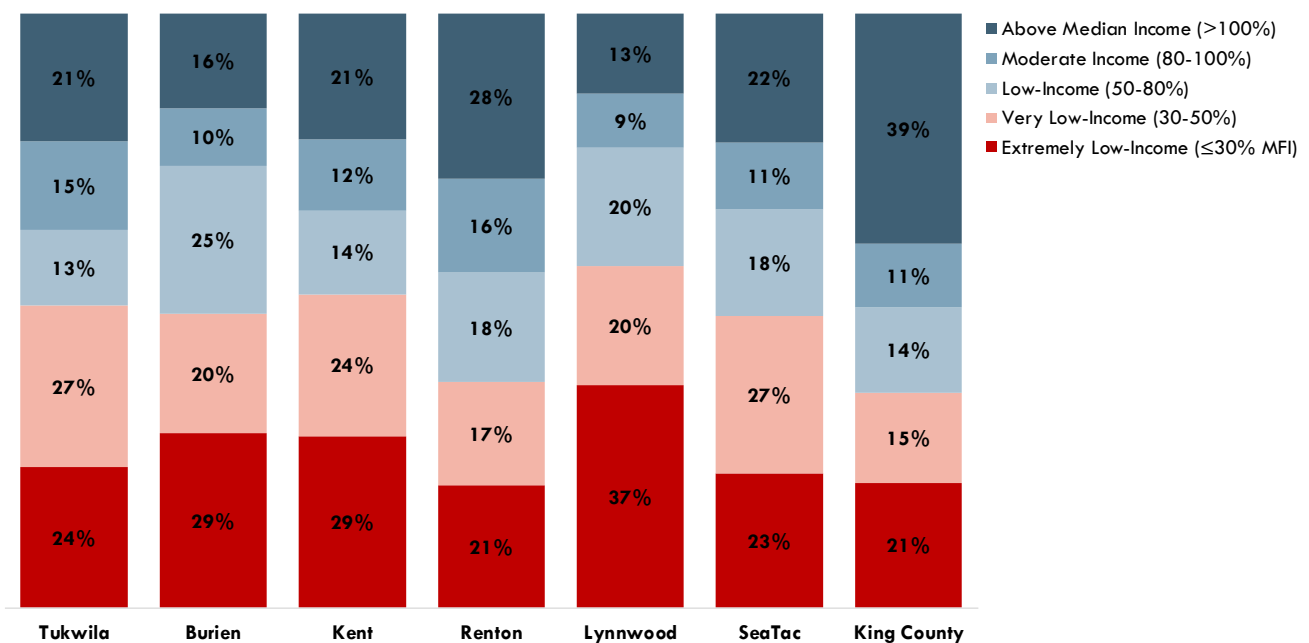
Source: US HUD Comprehensive Housing Affordability Strategy (CHAS) data, 2016–2020.

Exhibit 12: Renter and Owner-Occupied Households, Tukwila, Peer Cities, and King County, 2020



Source: US HUD Comprehensive Housing Affordability Strategy (CHAS) data, 2016–2020.

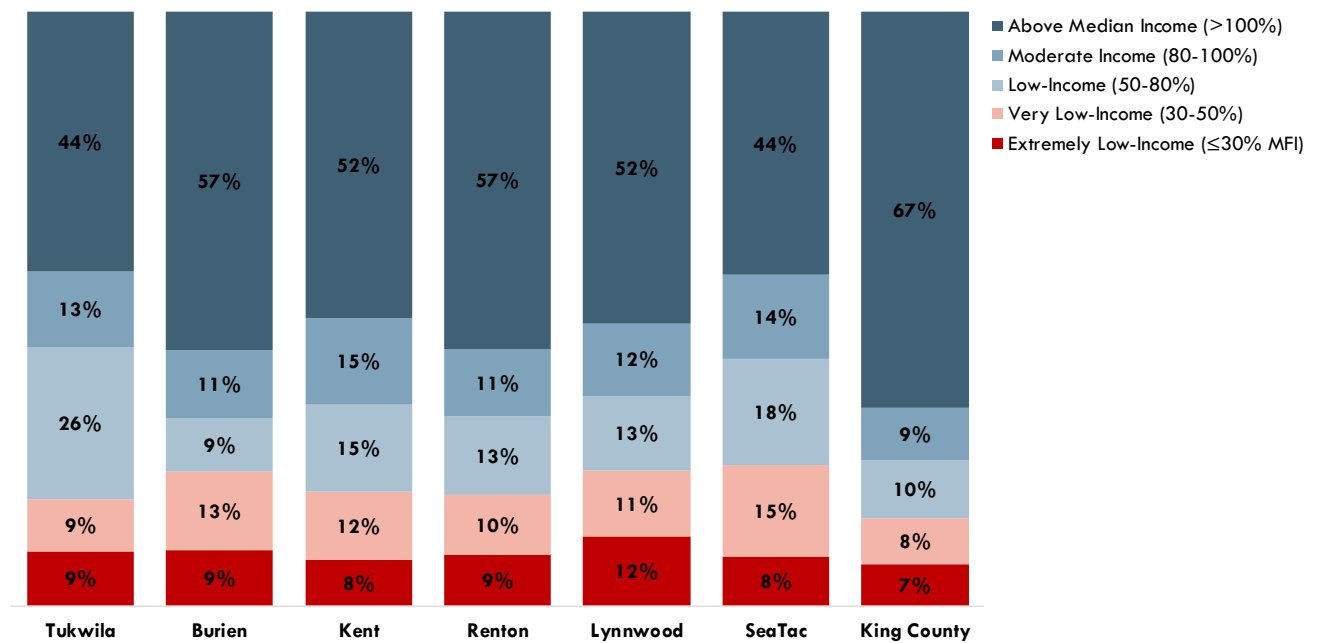
Exhibit 13: Renter Households by Median Family Income, Tukwila, Peer Cities, and King County, 2020



Note: Median family income refers to the HUD Area Median Family Income for the Seattle-Tacoma-Bellevue Metropolitan Statistical Area, which is adjusted based on household size.

Source: US HUD Comprehensive Housing Affordability Strategy (CHAS) data, 2016–2020.

Exhibit 14: Owner Households by Median Family Income, Tukwila, Peer Cities, and King County, 2020



Note: Median family income refers to the HUD Area Median Family Income for the Seattle-Tacoma-Bellevue Metropolitan Statistical Area, which is adjusted based on household size.

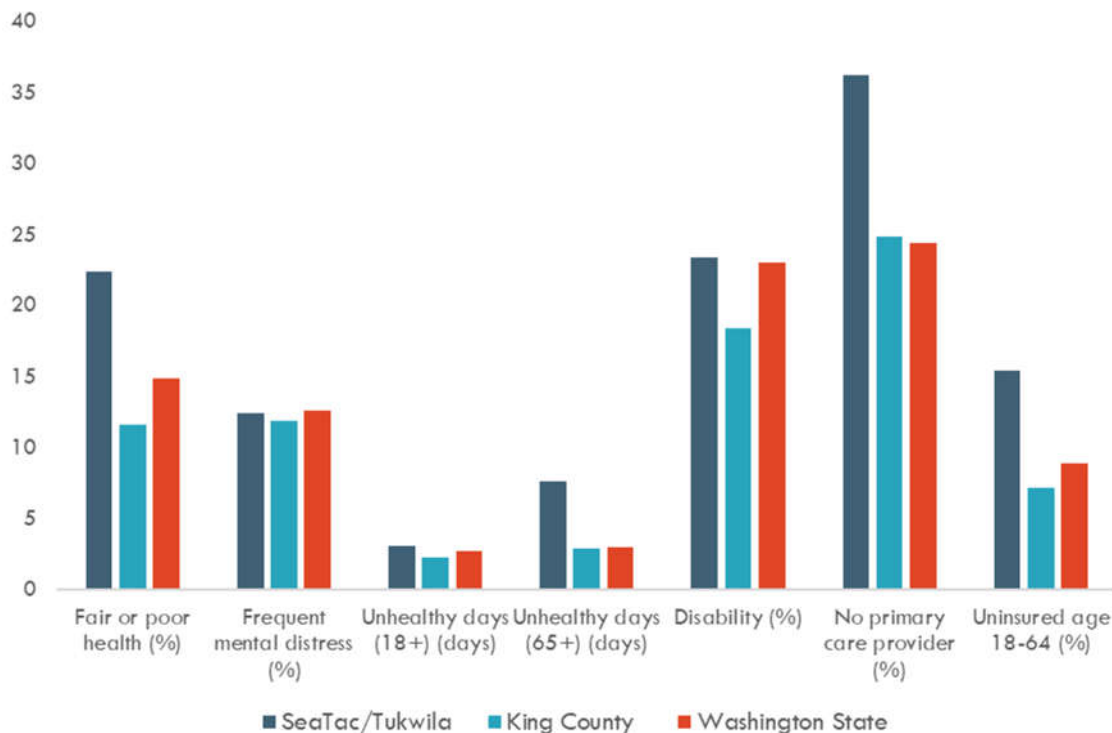
Source: US HUD Comprehensive Housing Affordability Strategy (CHAS) data, 2016–2020.

Community Health

Tukwila residents identify as less healthy than residents in King County and Washington State.

Public Health – Seattle & King County tracks many indicators of health status and determinants of health in cities and neighborhoods in King County. The data for Tukwila includes data for the City of SeaTac. As shown in Exhibit 15, more Tukwila and SeaTac residents are in fair or poor health than in King County and Washington State. More people in Tukwila and SeaTac are uninsured and do not have a primary care provider. Adults over 65 have more unhealthy days than those in King County and the State.

Exhibit 15: Select Community Health Indicators, Tukwila, King County, and Washington State, 2021



Source: Public Health – Seattle & King County, City Profile Data, 2021.

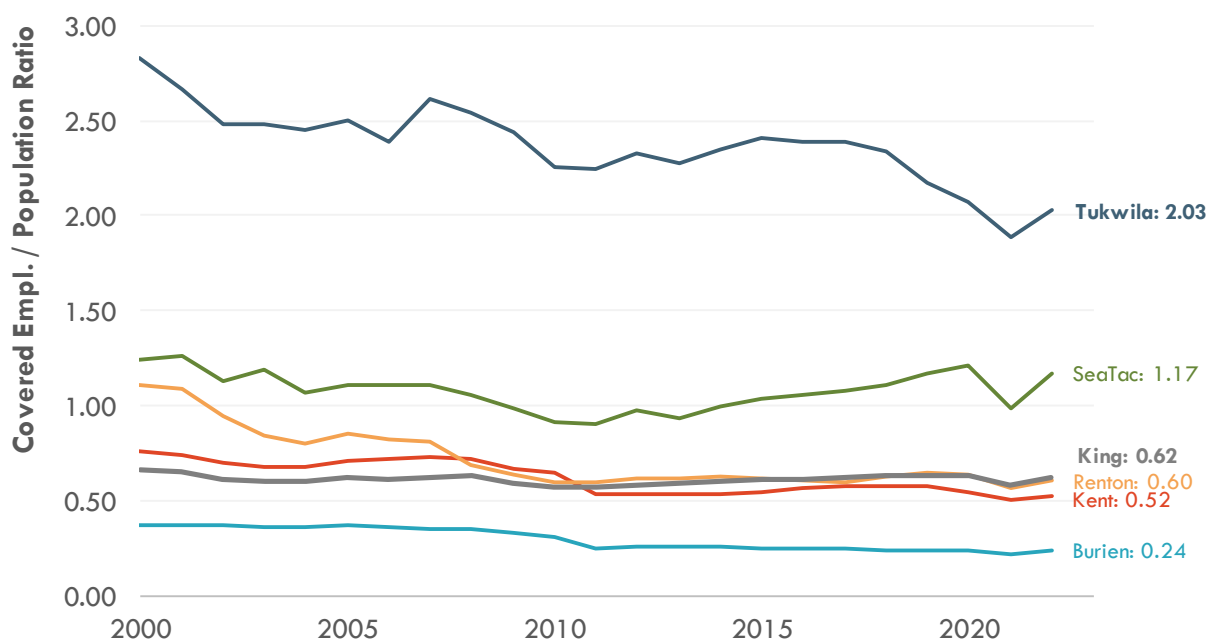
Local Economy

Historical and Projected Employment

Employment growth in Tukwila has been slower than peer cities, but jobs are projected to grow over the next two decades.

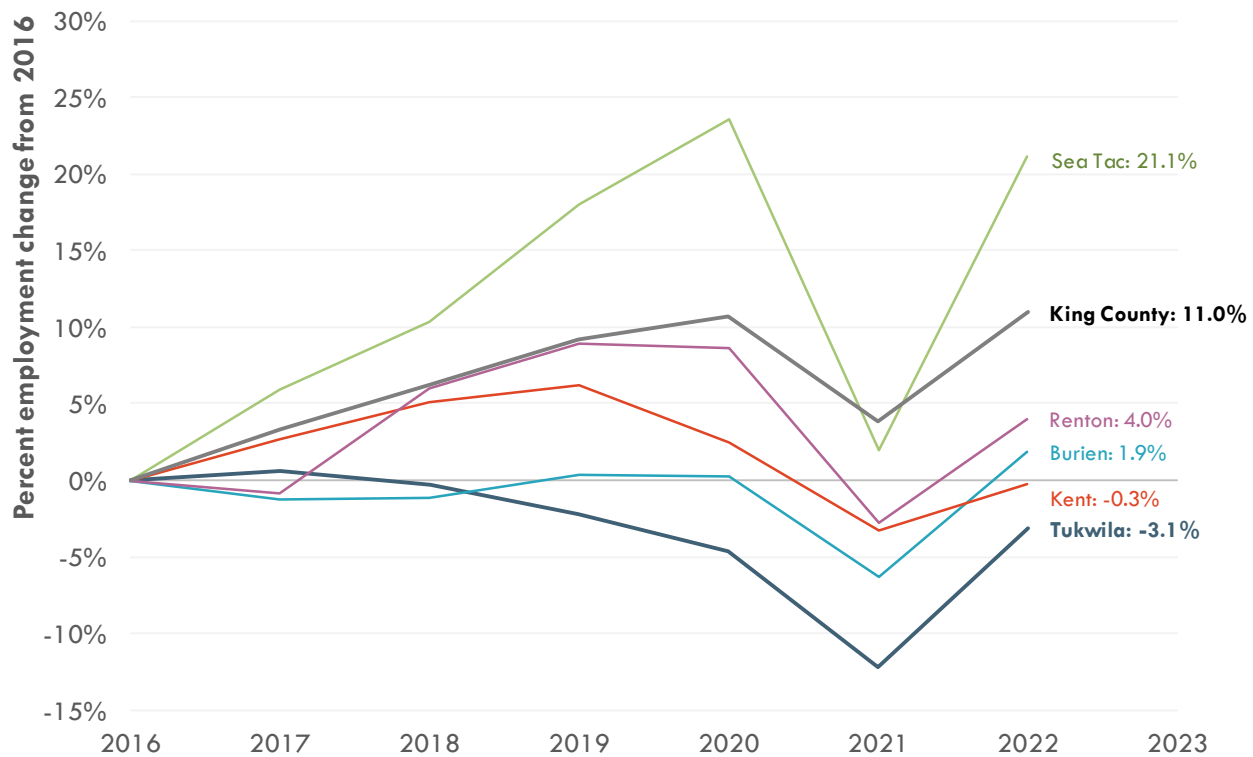
Tukwila has a higher employment to population ratio than peer cities and King County (Exhibit 16). Employment in Tukwila declined by the greatest percentage among peers in 2021 and employment growth in 2022 has not yet recovered to the 2016 level (Exhibit 17). However, jobs in Tukwila are projected to grow 1.5% annually through 2044 (Exhibit 18).

Exhibit 16: Covered Employment to Population Ratio, Tukwila, Peer Cities, and King County, 2000-2022



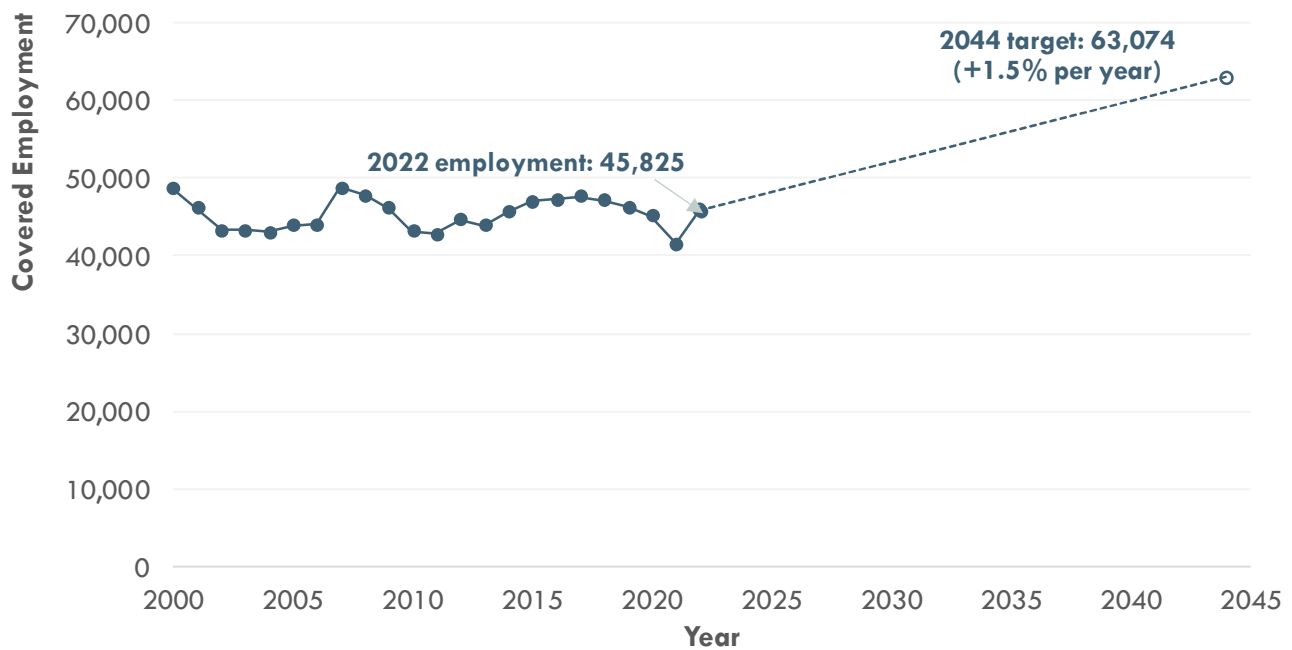
Sources: PSRC Covered Employment, 2023; Washington Office of Financial Management, 2023.

Exhibit 17: Growth in Covered Employment, Tukwila, Peer Cities, and King County, 2023



Source: PSRC Covered Employment, 2023.

Exhibit 18: Covered Employment in Tukwila, 2000-2022



Note: Covered employment refers to jobs "covered" under the state's Unemployment Insurance Program and constitutes 85-90% of total employment.

Source: PSRC Covered Employment, 2023; King County, 2023.

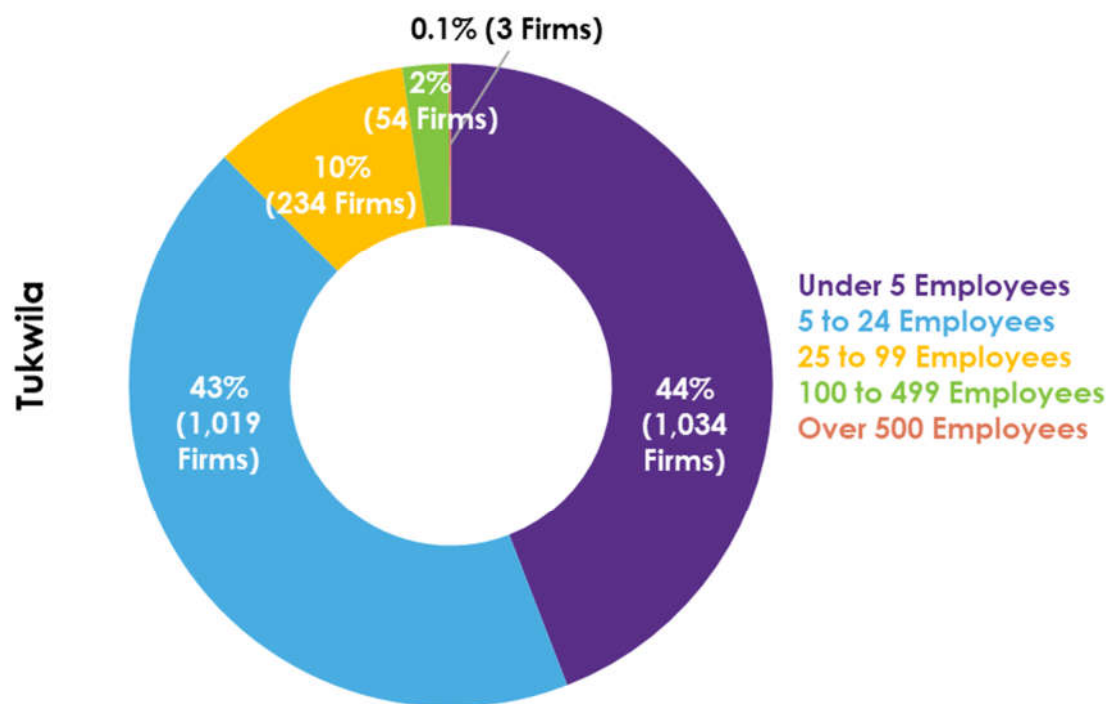
Business Sizes and Sectors

Most businesses in Tukwila have 100 or fewer employees. Most jobs are in the service, retail, and manufacturing sectors.

Out of 2,344 firms in Tukwila, over 97% have fewer than 100 employees (Exhibit 19). Services, retail, and manufacturing comprise most Tukwila jobs, which is comparable to Burien, Kent, Renton, and King County (Exhibit 20 and Exhibit 21). Examples of sectors in the services category are healthcare, arts and entertainment, and information technology. The retail category trade represents retail trade, or the sale of goods to consumers. Examples of manufacturing include the manufacturing of food, materials, or equipment.

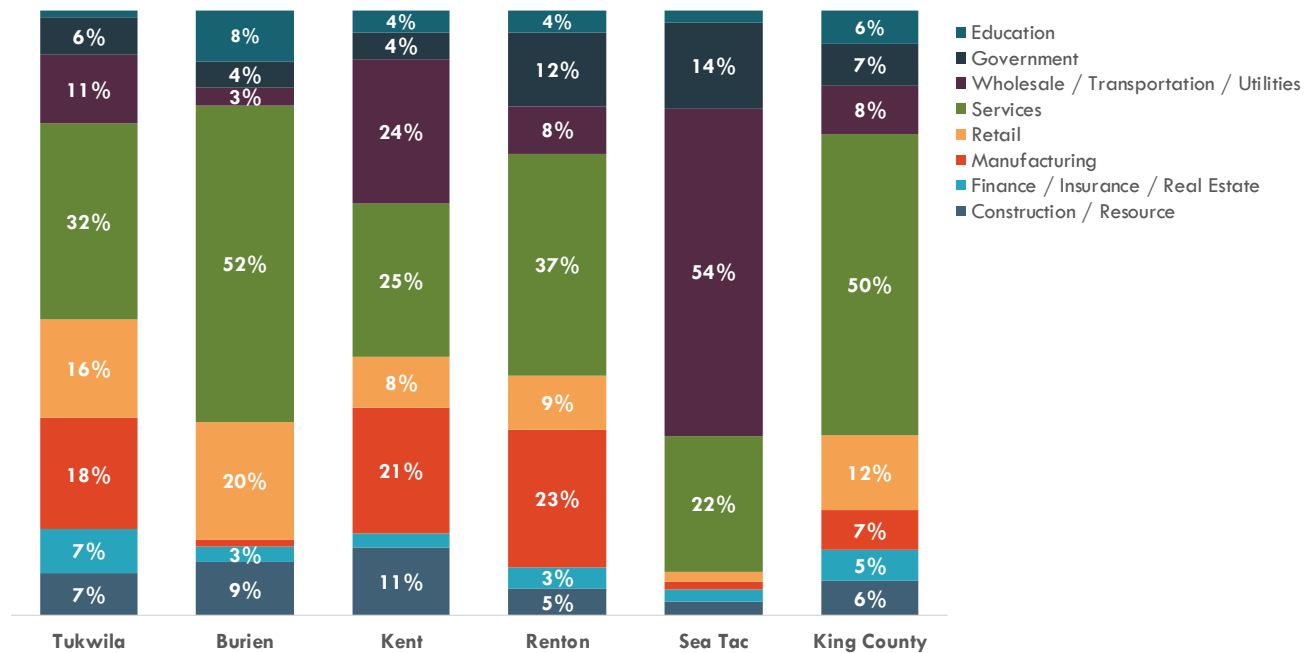
In 2021, approximately one-third of those working in Tukwila made less than \$3,333 per month, which corresponds to a wage of \$20.83 an hour or less (Exhibit 22). For context, the City’s minimum wage has increased from \$13.69 per hour in 2021 (per the statewide minimum wage) to \$16.99 per hour for mid-size employers and \$18.99 per hour for large employers in 2023 (following a voter-approved ordinance).

Exhibit 19: Tukwila Businesses by Size, 2021



Sources : Esri/DataAxle (2021); ACS ; CAI, 2022.

Exhibit 20: Covered Employment by Major Sector, Tukwila, Peer Cities, and King County, 2021



Note: Covered employment refers to jobs “covered” under the state’s Unemployment Insurance Program, and constitutes 85-90% of total employment. Labels suppressed for shares under 3%.

Source: PSRC Covered Employment, 2021.

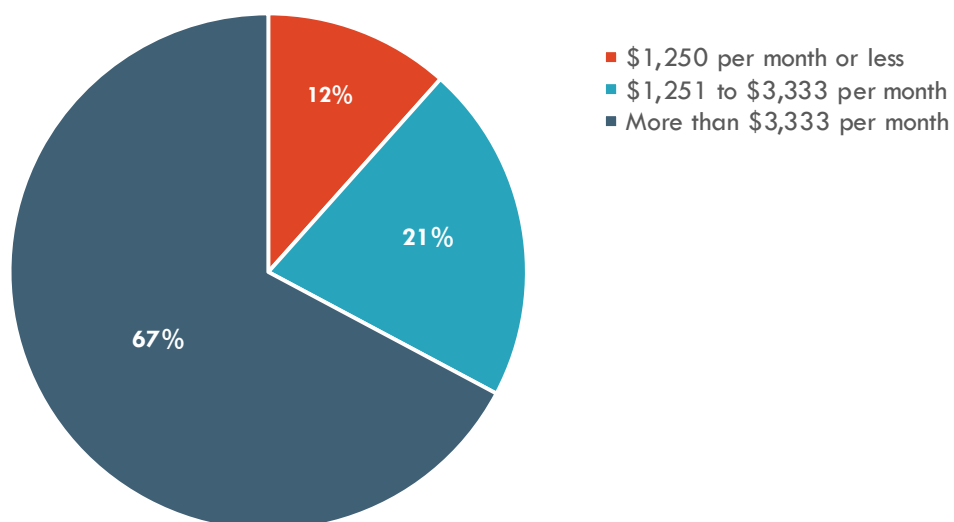
Exhibit 21: Covered Employment Job Count by Major Sector, Tukwila, Peer Cities, and King County, 2021

Major Sector	Tukwila	Burien	Kent	Renton	Sea Tac	King County
Construction / Resource	2,948	1,030	7,899	2,739	710	76,866
Finance / Insurance / Real Estate	3,030	312	1,679	2,110	647	68,823
Manufacturing	7,634	127	14,514	13,851	422	87,605
Retail	6,718	2,280	5,869	5,402	501	166,855
Services	13,462	6,097	17,749	22,269	7,096	668,004
Wholesale / Transportation / Utilities	4,671	348	16,688	4,754	17,068	106,364
Government	2,614	503	3,138	7,406	4,466	93,135
Education	462	981	2,565	2,191	629	73,942
Total	41,538	11,678	70,101	60,723	31,539	1,341,594

Note: Covered employment refers to jobs “covered” under the state’s Unemployment Insurance Program, and constitutes 85-90% of total employment. Labels suppressed for shares under 3%.

Source: PSRC Covered Employment, 2021.

Exhibit 22: Tukwila Employment Shares by Earnings Category, 2021



Note: Employment refers to jobs with positive earnings in 2021 Q2 (April to June).

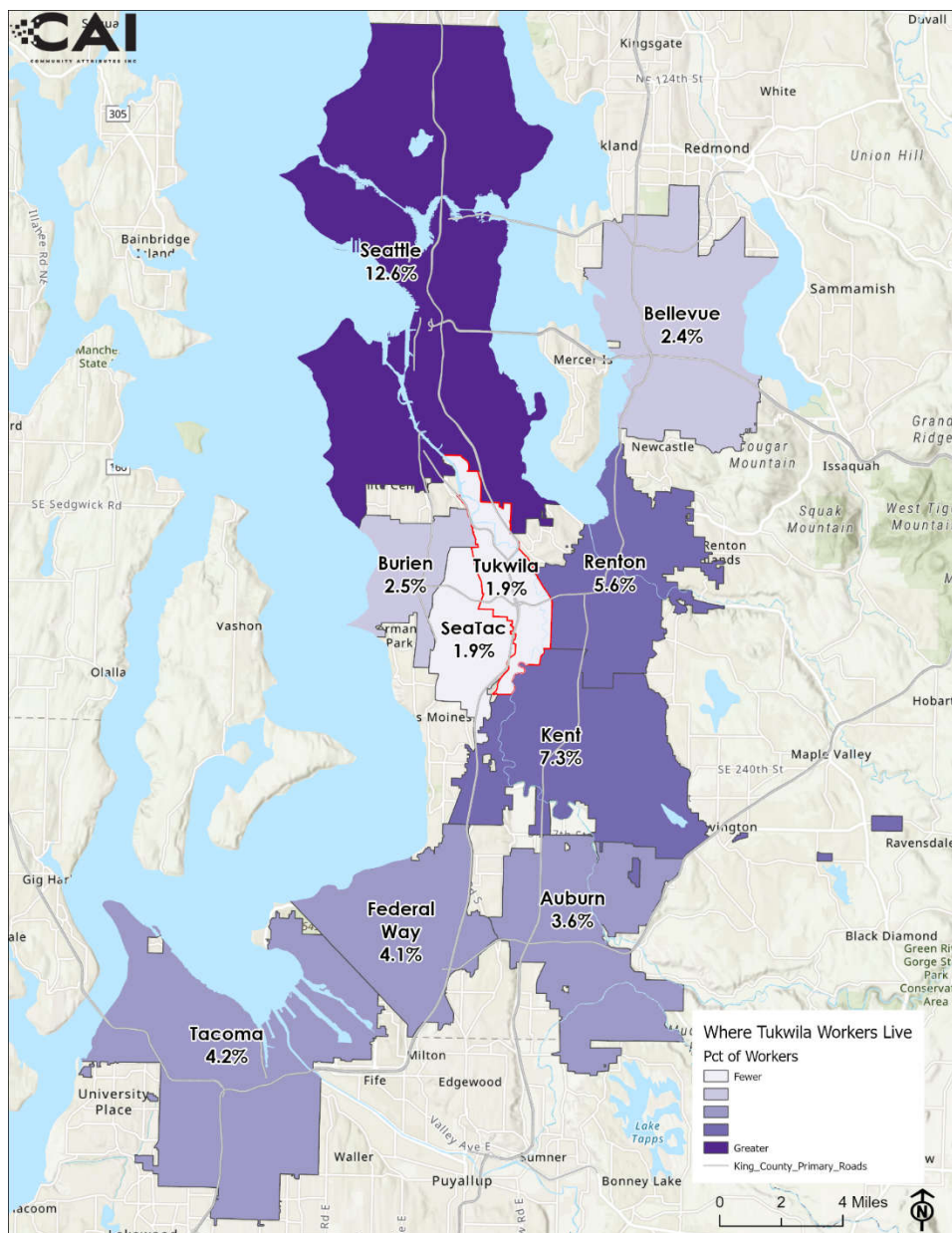
Source: U.S. Census LEHD, 2021.

Journey to Work

Most Tukwila workers commute from outside the City, while most Tukwila residents commute to other cities for work.

Exhibit 23 shows where workers in Tukwila live. Just less than 2% of Tukwila's approximately 46,000 workers, or approximately 880 workers, also reside in the City. Most employees in Tukwila come from outside the City. The cities with the largest share of Tukwila workers are Seattle, Kent, and Renton.

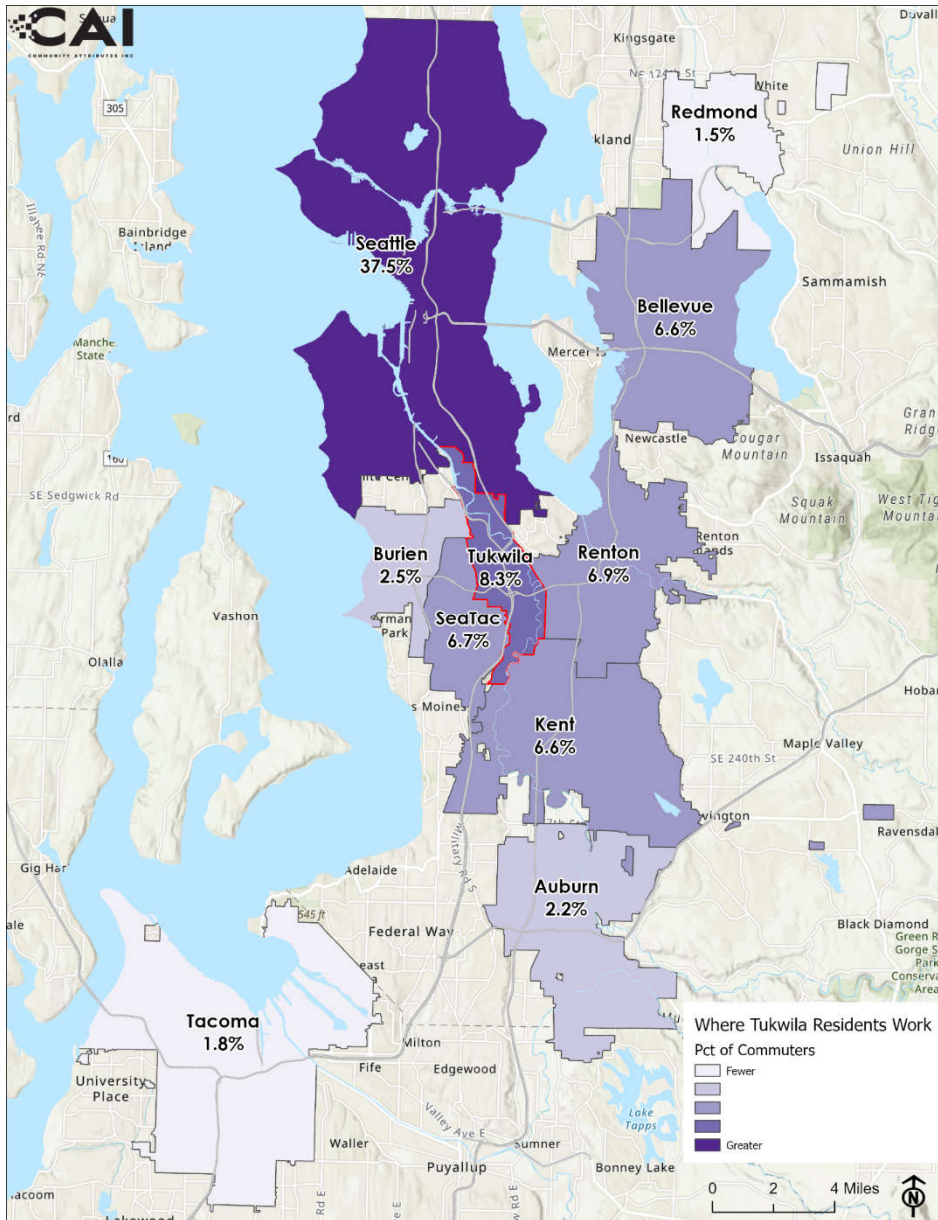
Exhibit 23: Tukwila Employees' Places of Residence, 2019



Sources: U.S. Census LEHD, 2019; CAI, 2022.

Error! Not a valid bookmark self-reference. shows where Tukwila residents who are in the labor force work. Over 8% of Tukwila's residents in the labor force, approximately 11,800 people, also work in Tukwila. Over 37% of Tukwila residents who work do so in Seattle. Over 6% work in each of four nearby cities: SeaTac, Kent, Renton, and Bellevue.

Exhibit 24: Tukwila Residents' Places of Employment, 2019



Sources: U.S. Census LEHD, 2019; CAI, 2022.

City Services and Finances

Tukwila and Peer City Services

Tukwila sees a large influx of daytime non-residents who commute in for shopping and employment, which likely increases the demand for public services.

The City of Tukwila provides most of the services to the community, except for fire and emergency services, which are currently provided by Puget Sound Regional Fire Authority through a contract. In 2025, Puget Sound Regional Fire Authority will provide service directly to Tukwila and the City will no longer pay for this service through a contract. Demand for many City services, including Police and Parks & Recreation, is increased by the large number of non-residents who come to the city during the daytime for shopping or employment. Peer cities provide services to the community in a similar way to Tukwila, with all receiving fire and emergency services from a regional fire authority directly or through a contract. The cities of Burien and SeaTac contract for police services with King County.

Exhibit 25: Services and Providers, Tukwila and Peer Cities

Department	Tukwila	Burien	Kent	Lynnwood	Renton	SeaTac
Population (2023)	22,780	52,560	139,100	40,790	107,900	31,740
Full-Time Equivalent Positions (General Fund)	246	89	745	290	651	156
Executive	Mayor/ Administrator	City Manager	Mayor/ Administrator	Mayor/ Administrator	Mayor/ Administrator	City Manager
City Council	✓	✓	✓	✓	✓	✓
Finance	✓	✓	✓	✓	✓	✓
Administration	✓	✓	✓	✓	✓	✓
Parks & Recreation	✓	✓	✓	✓	✓	✓
Community Development	✓	✓	✓	✓	✓	✓
Municipal Court / Legal	✓	✓	✓	✓	✓	✓
Police	✓	King County Sheriff's Office	✓	✓	✓	King County Sheriff's Office
Public Works	✓	✓	✓	✓	✓	✓
Fire	Regional Fire Authority	Fire District	Regional Fire Authority	Regional Fire Authority	Fire Authority	Regional Fire Authority
Water	✓	Local Districts	✓	✓	✓	Local Districts
Sewer	✓	Local Districts	✓	✓	✓	Local Districts
Surface Water	✓	✓	✓	✓	✓	✓
K-12 Public Education	Local Districts	Local Districts	Local Districts	Local Districts	Local Districts	Local Districts

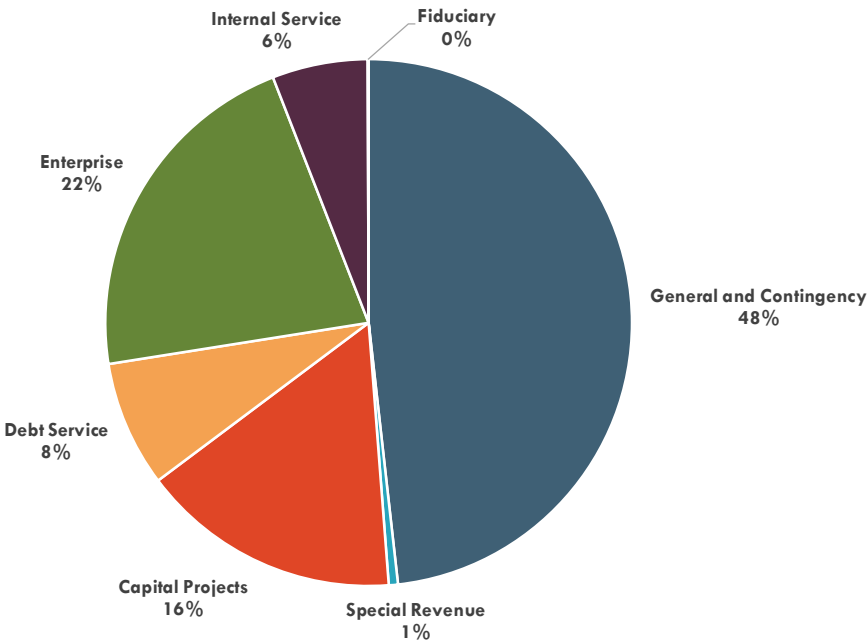
Note: Some properties in Tukwila, Kent, and Renton are serviced by other local utility providers. Sources: City of Burien, City of Kent, City of Lynnwood, City of Renton, City of SeaTac, City of Tukwila, 2023; BERK, 2023.

General Fund Revenues

More than half of Tukwila’s General Fund revenues are from property and sales taxes. With the Southcenter mall, a majority of Tukwila’s taxable retail sales are attributed to consumer shopping.

Tukwila maintains several types of funds, with different purposes and restrictions. The General Fund is the most flexible and collects revenues such as property tax and sales tax. The City also has funds dedicated to paying for capital projects, debt service, internal services (such as vehicle maintenance), and utilities. Utility funds are called Enterprise Funds. These are managed like a business and do not receive general tax dollars—the revenues they generate can only be used to pay for their own expenses. Foster Golf Links, an Enterprise Fund, does receive some support from the General Fund. Per current Council adopted policy, 18% of prior year ongoing revenues are held in General fund reserves and 10% of prior year ongoing revenue are held in Contingency reserves (reserves set aside for emergency use) (Exhibit 26).

Exhibit 26: Tukwila Funds by Type, 2023

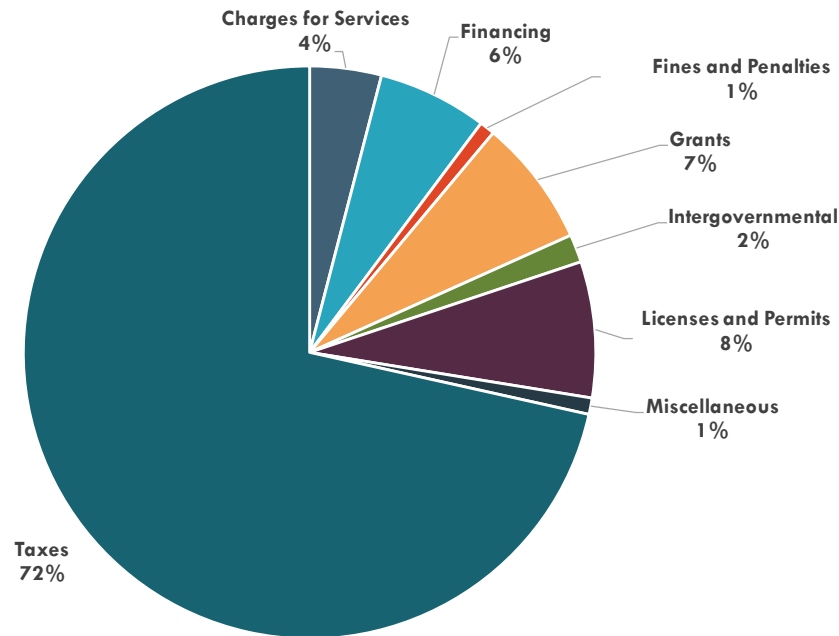


Source: City of Tukwila, 2023.

Tukwila’s General Fund is primarily funded by taxes, with smaller shares of revenue coming from license and permit fees, grants, and charges for service (Exhibit 27). Taxes that contribute to the City’s General Fund can be broken down further into categories: property tax comprises 25% and sales tax comprises 28% of total revenues (Exhibit 28). Sixty-four percent of Tukwila’s taxable retail sales are from consumer shopping, which includes general merchandise, home furnishings/electronics, clothing & accessories, restaurants, automotive/gas, and building materials (Exhibit 29).

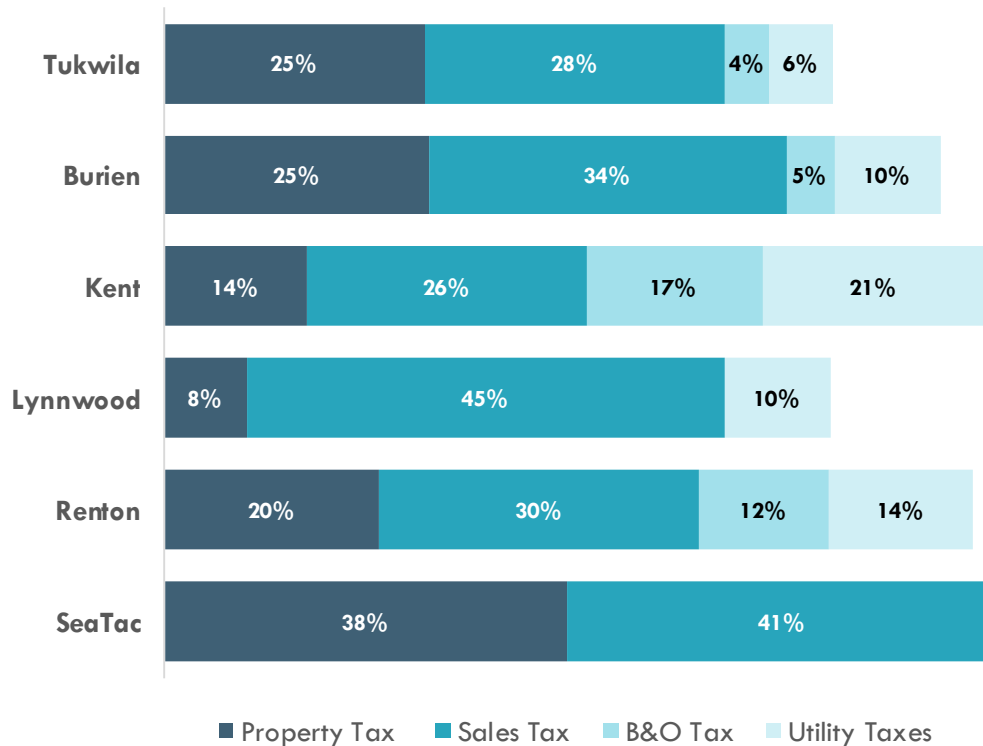
As shown in Exhibit 28, Tukwila’s new business and occupation tax is estimated to contribute 4% of total revenues. Burien, Kent, and Renton also collect a business and occupation tax; these revenues make up a larger share of total revenues in Kent and Renton. Tukwila’s revenue composition is similar to that of SeaTac, with property tax and sales tax making up a roughly equal share of total revenues, though these make up a larger share in SeaTac.

Exhibit 27: Tukwila General Fund Revenues by Source, 2023



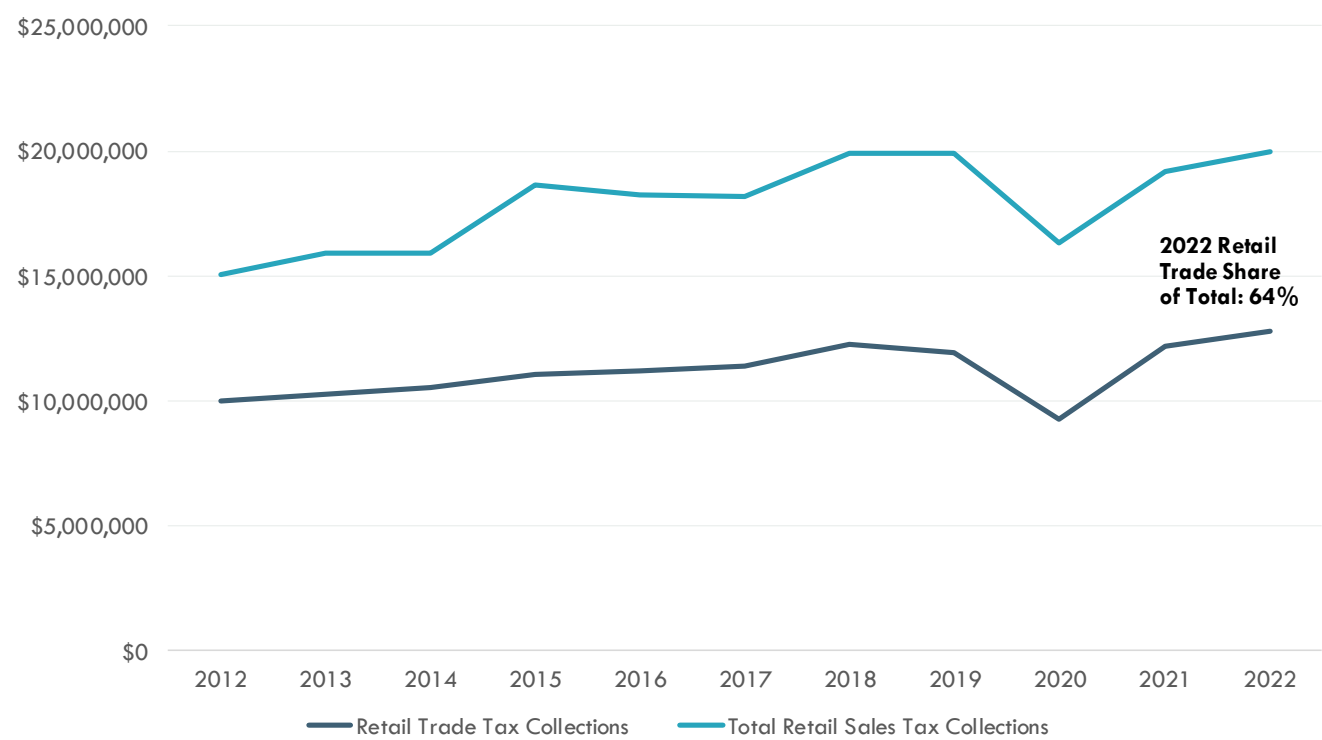
Source: City of Tukwila, 2023.

Exhibit 28: Tax Revenues as a Share of All General Fund Revenues, Tukwila and Peer Cities, 2023



Sources: BERK, 2023; City of Burien, City of Kent, City of Lynnwood, City of Renton, City of SeaTac, City of Tukwila, 2023.

Exhibit 29: Tukwila Taxable Retail Sales, 2012-2022



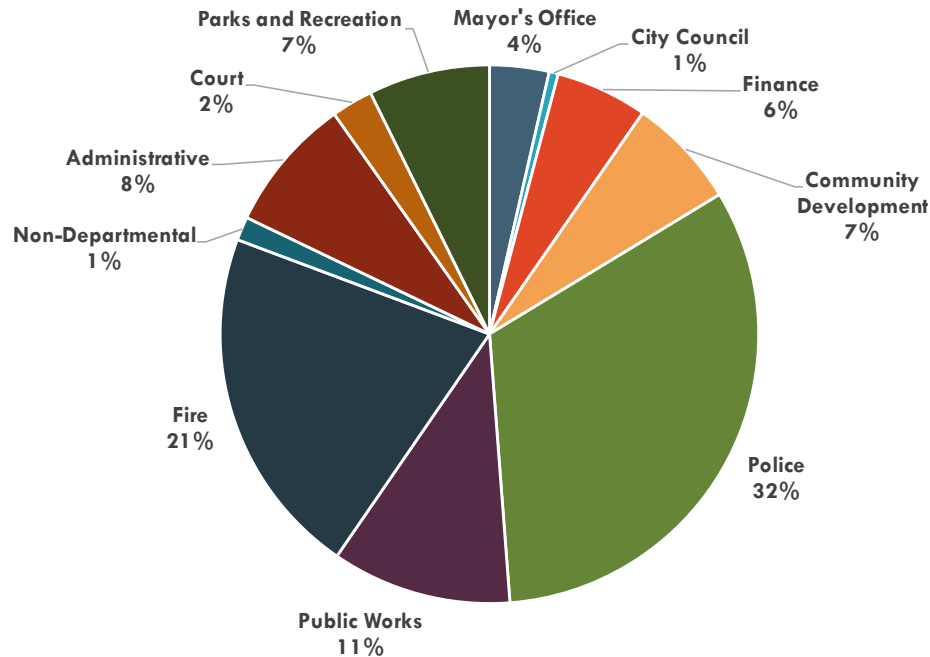
Sources: City of Tukwila, 2023; Washington State Department of Revenue, 2023.

General Fund Expenditures

Tukwila’s largest General Fund expenditure is toward Police services, which is similar to peer cities.

As shown in Exhibit 30, the largest share of Tukwila’s General Fund expenditures goes to the Police department. The next largest share is for Fire services. This will change in 2025, when the City no longer contracts with Puget Sound Regional Fire Authority. Similarly, the General Fund department with the largest number of full-time positions is Police, followed by Community Development, Public Works, and Parks and Recreation (Exhibit 31).

Exhibit 30: Tukwila General Fund Expenditures by Department, 2023



Source: City of Tukwila, 2023.

Exhibit 31: General Fund FTEs by Department, 2023

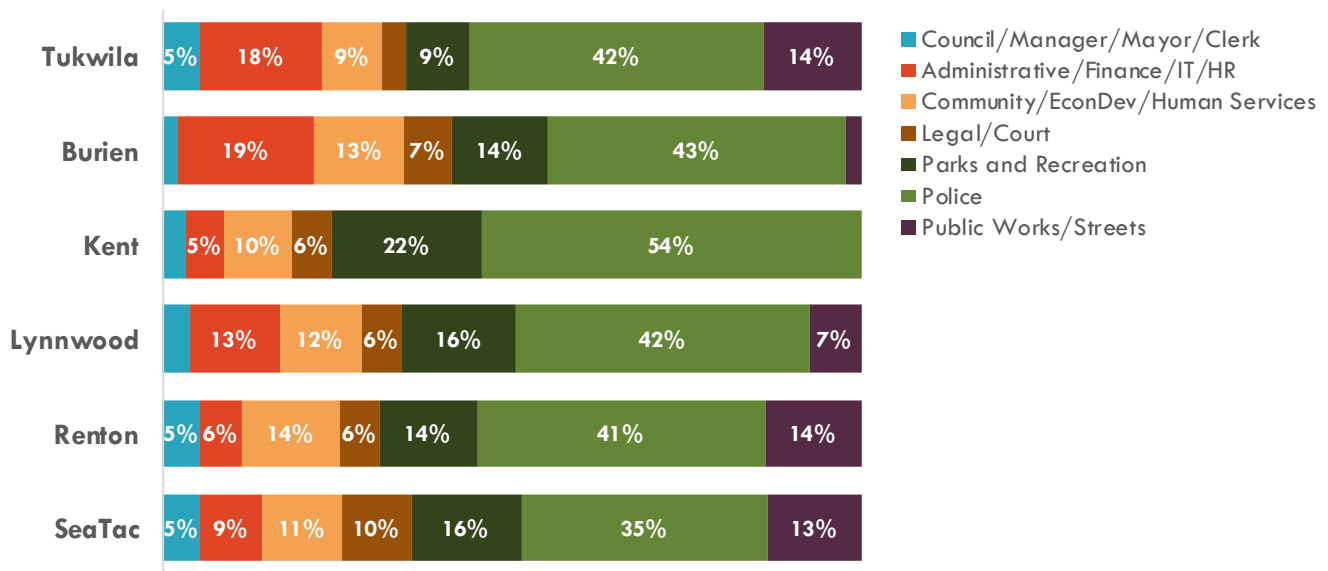
Department	2023 Full-Time Employees
Mayor's Office	4.50
City Council	1.00
Finance	14.00
Administration	22.04
Parks & Recreation	24.50
Community Development	28.25
Municipal Court	10.65
Police	100.00
Public Works	27.50
Total	232.44

Note: City Council members are not included. Source: City of Tukwila, 2023.

When excluding the budget for Fire services, over 40% of Tukwila's General Fund is dedicated to Police services, followed by administrative services, public works/streets, and parks and recreation (Exhibit 32). Peer city budgets dedicate a similar share for police services. Tukwila spends a smaller share on community and economic development and parks and recreation than some peer cities. Kent and Burien use other funds to pay for some or all public works expenses, which is not represented in the exhibit below.

When looking at budgeted General Fund spending compared to a city's total assessed value, Tukwila's spending is comparable to peer cities (Exhibit 33). The high police spending per assessed value in Tukwila and Lynnwood likely reflects the large daytime population drawn by a mall and resulting need for services.

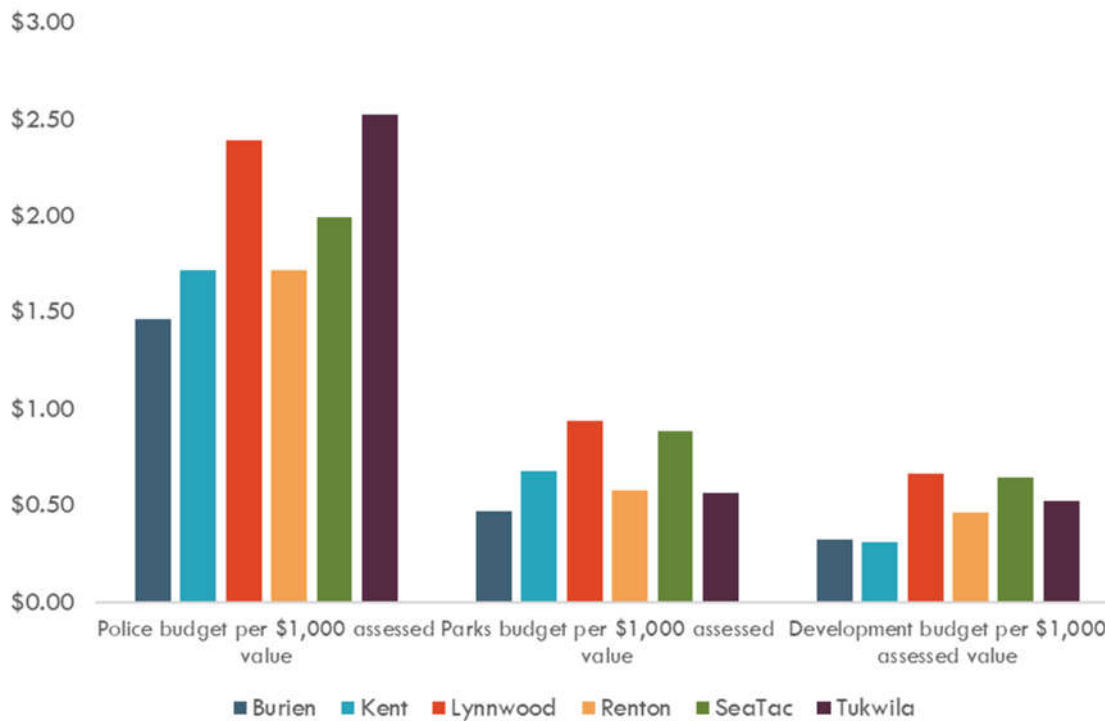
Exhibit 32: General Fund Expenditures Excluding Fire by Department in Tukwila and Peer Cities, 2023



Note: Labels suppressed for shares under 5%.

Sources: BERK, 2023; City of Burien, City of Kent, City of Lynnwood, City of Renton, City of SeaTac, City of Tukwila, 2023.

Exhibit 33: General Fund Expenditures per \$1,000 of Assessed Value, Tukwila and Peer Cities, 2023



Note: This chart represents General Fund budgeted expenditures only. Cities may pay for these services using other funds as well, which are not represented here.

Sources: City of Burien, City of Kent, City of Lynnwood, City of Renton, City of SeaTac, City of Tukwila, 2023; BERK 2023.